UNITED STATES OF AMERICA

Congressional Record

PROCEEDINGS AND DEBATES OF THE 87th CONGRESS
SECOND SESSION

VOLUME 108—PART 16

SEPTEMBER 28, 1962, TO OCTOBER 4, 1962
(PAGES 21149 TO 22456)

UNITED STATES GOVERNMENT PRINTING OFFICE, WASHINGTON, 1962

J
11
.R
v.108
pt.16

Congressional Record

United States of America

PROCEEDINGS AND DEBATES OF THE 87th CONGRESS, SECOND SESSION

HOUSE OF REPRESENTATIVES

FRIDAY, SEPTEMBER 28, 1962

The House met at 12 o'clock noon.

Dr. Preston Bradley, pastor, People's Church, Chicago, Ill., offered the following prayer:

Infinite and Eternal Father, we are grateful that in a world bewitched by hatred, tortured by religious and racial animosities, there is this deliberative assembly trying to give proper evaluation and perspective to the great problems of our time.

We ask Thy blessing upon it and upon every Member of this House. May we ever be sensitive to the responsibilities which are upon us in this fragile hour in the history of the world.

We are grateful most of all for the opportunity which is presented to us in this greatest and most important parliamentary body of the world. We must stand for that which is honorable and right and just. May we respect each other's loyalties and find a great common denominator upon which we can build and find our way back again to dignity, to greatness, and to peace.

In the spirit of love we pray, and for love's dear sake. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed without amendment bills, joint resolutions, and a concurrent resolution of the House of the following titles:

H.R. 310. An act to amend title 10, United States Code, to authorize the Secretary of Defense, the Secretaries of the military departments, and the Secretary of the Treasury to settle certain claims for damage to, or loss of, property, or personal injury or death, not cognizable under any other law;

H.R. 2952. An act to direct the Secretary of the Interior to convey certain public lands in the State of California to the city of Needles;

H.R. 5423. An act to amend title 10, United States Code, to authorize the Secretary of the Navy to take possession of the naval oil shale reserves, and for other purposes;

H.R. 11887. An act to provide for the conveyance of all right, title, and interest of the United States reserved or retained in certain lands heretofore conveyed to the city of El Paso, Tex.;

H.J. Res. 659. Joint resolution granting consent of the Congress to a compact entered into between the State of Maryland and the Commonwealth of Virginia for the creation of the Potomac River compact of 1958;

H.J. Res. 693. Joint resolution granting the consent and approval of Congress for the State of Maryland, the Commonwealth of Virginia, and the District of Columbia to amend the Washington metropolitan area transit regulation compact, and for other purposes; and

H. Con. Res. 569. Concurrent resolution authorizing the Clerk of the House to make a correction in the enrollment of H.R. 10.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 8556. An act to amend the National Science Foundation Act of 1950 to require certain additional information to be filed by an applicant for a scholarship or fellowship, and for other purposes; and

H.R. 11793. An act to provide criminal penalties for trafficking in phonograph records bearing forged or counterfeit labels.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 2683. An act for the relief of Laszlo Janos Buchwald;

S. 2928. An act for the relief of Seymour K. Owens;

S. 3453. An act for the relief of Dr. Felix Nabor Sabates; and

S. 3600. An act for the relief of Chao Hua-Hsin.

The message also announced that the Senate agrees to the amendments of the House to a bill of the Senate of the following title:

S. 919. An act to amend section 9(b) of the act entitled "An act to prevent pernicious political activities" (the Hatch Political Activities Act) to eliminate the requirement that the Civil Service Commission impose no penalty less than 90 days' suspension for any violation of section 9 of the act.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 10) entitled "An act to encourage the establishment of voluntary pension plans by self-employed individuals."

POSTAGE REVISION ACT OF 1962

Mr. MURRAY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 7927) to adjust postal rates and for other purposes, together with the Senate amendment thereto, disagree to the Senate amendment and request a conference with the Senate thereon.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

Mr. HECHLER. Mr. Speaker, reserving the right to object, I am sure the gentleman from Tennessee appreciates the strong feelings of the House in respect to the 3½-cent rate on circulars for third-class matter which was voted by the House in January. I shall not object, but I am sure the gentleman appreciates the strong feeling in the House on that aspect of the bill. The people of the country are up in arms against the junk mail which crams their mailboxes, and they resent the fact that the Federal Government subsidizes this form of advertising through absurdly low third-class rates. I withdraw my reservation, Mr. Speaker.

The SPEAKER. Is there objection?

Mr. GROSS. Mr. Speaker, reserving the right to object, and I do so initially for the purpose of raising a point of order, the point of order being that H.R. 7927 contains a pay increase bill which has never been considered by the House of Representatives, involving some $1 billion.

Mr. Speaker, I invoke rule XX which provides as follows, paragraph 1:

> Any amendment of the Senate to any House bill shall be subject to the point of order that it shall first be considered in the Committee of the Whole House on the State of the Union if, originating in the House, it would be subject to that point of order.

Mr. Speaker, this rule was adopted in 1880 to prevent a practice by which Senate amendments of the class described had escaped consideration in the Committee of the Whole.

Mr. Speaker, a Senate amendment which is a modification merely of a House proposition like the increase or decrease of the amount of an appropriation, and does not involve new and distinct expenditures, is not required to be considered by the Committee of the Whole. But where the question was raised against the Senate amendment, which on its face apparently placed a charge upon the Treasury, the Speaker held it devolved upon those opposing the point of order to cite proof to the contrary.

Mr. Speaker, I further call attention to rule XXIII, paragraph 3, entitled "Bills Required To Be Considered in Committee of the Whole." Rule XXIII, paragraph 3, provides:

> All motions or propositions involving a tax or charge upon the people, all proceedings touching appropriations of money, or bills making appropriations of money or property, or requiring such appropriation to

> be made, or authorizing payments out of appropriations already made, or releasing any liability to the United States for money or property, or referring any claim to the Court of Claims, shall be first considered in a Committee of the Whole, and a point of order under this rule shall be good at any time before the consideration of a bill has commenced.

Mr. Speaker, I submit that the regular prescribed order under the rules is for the Speaker to refer such propositions as H.R. 7927 to the standing committee having jurisdiction.

The SPEAKER. The Chair will state that the rules mentioned by the gentleman from Iowa are not involved at the present time. The matter before the House is the unanimous-consent request to send a bill to conference. The unanimous-consent request, if granted, would waive all rules mentioned by the gentleman from Iowa.

Is there objection to the request of the gentleman from Tennessee?

Mr. GROSS. Mr. Speaker, I object.

The SPEAKER. Objection is heard.

TRIBUTE TO DR. PRESTON BRADLEY

Mr. O'HARA of Illinois. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. O'HARA of Illinois. Mr. Speaker, something unusual happened in Chicago and in Illinois a week ago today. By proclamation of Mayor Richard J. Daley, September 21 was made Preston Bradley Day in Chicago. By proclamation of Gov. Otto Kerner, September 21 was made Preston Bradley Day in Illinois. That evening 500 leaders in every activity of a great city and a great State met together in tribute and in honor to the Reverend Dr. Preston Bradley. Today we have with us, by invitation of our next Speaker and our beloved Chaplain, Preston Bradley, as Chaplain for a day of the House of Representatives of the Congress of the United States.

Preston Bradley came to Chicago from his native Michigan and in 1912 began preaching independently on the north side of Chicago. I think there were not more than 40 or 50 in his flock. At the end of his first year of ministry some of us, not members of his flock but who were close to him in association at the Press Club in Chicago, joined in sponsoring a little dinner there in his honor. Henry Horner, later Governor of Illinois, Frank Comerford, later a judge in our courts, and I were of that number. That little dinner was 49 years ago. I thought back to it last week when in Chicago and Illinois the day was being proclaimed as Preston Bradley Day and in the evening there was held in celebration of 50 years of a remarkable ministry, one of Chicago's largest banquets.

The little church that Preston Bradley started in 1912 now is housed in a building costing close to $1 million and with a membership running into the thousands. The voice of Preston Bradley for many years has gone into the homes of Chicago and of Illinois over the radio and TV. No man has ever made a larger, more penetrating spiritual impress upon a community, a city, and a State.

For all my colleagues in this historic body, I extend to Preston Bradley an expression of our appreciation of him and our every good wish for every good fortune in the years of fruitful service ahead.

Mr. MURPHY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. MURPHY. Mr. Speaker, I rise today to join with my colleague, the distinguished gentleman from Illinois [Mr. O'HARA], to pay my respects to a great American; namely, Dr. Preston Bradley, of the People's Church of Chicago. I have been a personal friend of Dr. Bradley for a period of 30 years and am thoroughly aware of his many accomplishments in behalf of the city of Chicago.

In my 24 years as a member of the City Council of Chicago it has been my privilege to be associated with him in many programs for the welfare and betterment of the city of Chicago, such as juvenile delinquency, redevelopment, and housing. He was not only a great spiritual leader and civic leader but was admired by many people interested in athletics as was indicated by a well-known organization known as the Old Timers, which held an annual dinner at the Conrad-Hilton Hotel to pay respect to outstanding athletes in the field of professional baseball, football, and basketball by being the annual principal speaker for a period of 20 consecutive years.

Mr. Speaker, I want to congratulate Dr. Preston Bradley on 50 years of spiritual guidance to the people of the city of Chicago, and his great contribution to the civic accomplishments in behalf of the city of Chicago.

I pray to God that He will allow Dr. Bradley carry on his great work for many years.

Mr. FINNEGAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. FINNEGAN. Mr. Speaker, I want to join my good friends, the gentlemen from Illinois, BARRATT O'HARA and BILL MURPHY, in extending greetings of the day to Dr. Bradley. I am fortunate in the fact that Dr. Bradley is a member of the political organization of which I am a member in the city of Chicago, that he is a resident and has his church in the middle of my present district and in the new district as it will be in the fall.

I have always known Dr. Bradley as a leader of youth and a spiritual leader on the North Side of Chicago. He has been admired by everyone over the years.

I remember him in an early day when he was ready and willing at all times to proceed on any civic question, to take the platform for it, and he has been doing it as of the latest date.

Mr. Speaker, I congratulate Dr. Bradley on reaching his 50th year in the ministry. I wish I had been able to be present when they celebrated Dr. Bradley Day in Chicago on September 21.

Mr. LIBONATI. Mr. Speaker, I ask unanimous consent to extend my remarks at this point.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. LIBONATI. Mr. Speaker, the Members of the House had the honor and privilege of hearing in prayer one of the Lord's most profound ministers of divinity whose dedication in life is to advance humanitarian causes. The People's Church in Chicago is the house of refuge for believers in the redemption of the human race through prayer and the realistic practice of the doctrine of faith, hope, and charity in everyday life.

Dr. Preston Bradley personifies the spirit of benevolence that imbued the Good Samaritan—human frailties shall be measured in the spirit of human kindness and overcome by the virtues of love, to instill confidence and interest and to give courage and hope.

As a churchman and orator, Dr. Preston Bradley has enjoyed international renown. The city of Chicago is the proud recipient of his great work for good. Its people are proud of his works both in the pulpit and in his authorship on public questions that affect the morality and civic responsibility of the citizenry.

The members of the Chicago delegation of the Congress are especially proud of Dr. Preston Bradley's contribution to the good name of Chicago in his many travels to foreign shores and the British Isles. It was a signal honor and memorable event to participate with him in the opening prayer this morning—the glowing praise with comments of the members in attendance attests to the talents of a brilliant orator and religionist whose philosophy of life touches the heart chord of understanding of the common man. Here is truly a true servant of God who speaks with a tongue that leads men in the paths of righteousness.

THE HOUSE OF REPRESENTATIVES: KEEPER OF THE PURSE STRINGS

Mr. PASSMAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. PASSMAN. Mr. Speaker, thank God for the House of Representatives. Our Founding Fathers and the framers of the Constitution displayed great wisdom in placing control of the purse strings in the hands of that part of our legislative branch that has to be rehired every 2 years.

DEPOSITED BY THE
UNITED STATES OF AMERICA

PROPOSED JOINT COMMITTEE ON ORGANIZATION OF THE CONGRESS

Mr. RYAN of New York. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. RYAN of New York. Mr. Speaker, today I have introduced a resolution which I believe is most important. The resolution already has support in the House and in the Senate. It would establish a Joint Committee on the Organization of the Congress which would be composed of seven Members of the Senate and seven Members of the House. The committee would make a full and complete study of the organization and operation of the Congress. Such a study would include, the organization and operation of each House of the Congress; the relationship between the two Houses; the relationships between the Congress and other branches of the Government; the employment and remuneration of officers and employees of the respective Houses and officers and employees of the committees and Members of Congress and all other matter pertaining to the parliamentary system of Congress.

There is no need for me to dwell at length on the problems of Congress. The fact of the matter is that congressional procedures have not kept pace with the rapidly changing times and the enormously increased workload of the Congress.

We all know that the Rules Committee procedure, for example, has proven to be a device for obstruction rather than for an orderly disposition of the business of the House. Today we have three major bills which were referred to the Rules Committee some time ago without being heard from again. These bills are: the mass transportation bill, H.R. 11158, referred to the Committee on Rules on July 3, 1962; the Youth Conservation Corps bill, H.R. 10682, referred to the Committee on Rules on March 29, 1962; the medical and dental school construction bill, H.R. 4999, referred to the Committee on Rules on March 24, 1962.

In addition, 19 other bills are being held up by the Rules Committee.

The Rules Committee is not the only snag in the legislative process. We are all familiar with the extended controversy between the chairmen of the Senate and House Appropriations Committees. This unfortunate occurrence highlighted the general problem of the relationship between the House and Senate about which the committee under this resolution would study and report. The entire committee system would come under the scrutiny of this joint committee as well as the adequacy of our general parliamentary process.

Mr. Speaker, the procedures of the Congress must catch up with the great challenges of the mid-20th century. The establishment of a Joint Committee on the Organization of Congress is a necessary first step.

COMMITTEE ON SCIENCE AND ASTRONAUTICS

Mr. GEORGE P. MILLER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and to include a report of the activities of the Committee on Science and Astronautics.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. GEORGE P. MILLER. Mr. Speaker, the Committee on Science and Astronautics has completed what we believe to be a year of fruitful work During the fourth year of its existence, the scope of the committee's activities has continued to be broad, encompassing both the many phases of space research, development and exploration and the broad spectrum of scientific endeavors. Greater emphasis has been placed this year than in the past on science in general, along with a strong stress on space activities which has motivated the committee from the start.

It has been another busy year for the committee, highlighted by action on the fourth annual budget of the National Aeronautics and Space Administration, now rapidly approaching the $4 billion mark. In addition to the intensive study the space budget underwent, the committee also conducted 26 investigations, issued 16 reports, held 124 days of hearings, and heard 236 witnesses.

Indicative of the committee's activity is the more than 2,175,000 words of testimony taken this year, incorporated into approximately 3,860 pages of printed hearings.

Although the committee is only 4 years old, its record in that brief period is one of marked activity. Since its formation in 1959, the committee has conducted 108 investigations, issued 88 reports, held 498 days of hearings, and heard 1,193 witnesses.

I realize, of course, that quantity is not necessarily an indication of quality. But in this instance I am happy to say that the quality of the work has been high and is continually improving.

Much more remains to be done in the future. Now that man has burst the confines of the earth, a vast new world of exploration has opened before him. The Nation is engaged in a tremendous endeavor to hurtle across space to the moon and the planets. Accompanying this new program, so vast in scope, has been a tremendous increase in the importance science will play in what we hope will be the bright new world of tomorrow. The committee, with legislative jurisdiction over both these fields, will make the utmost effort to remain in the forefront of what is being done. Many worthwhile projects are now under study by the committee and the future looks encouraging for many new accomplishments in space and in science.

The Committee on Science and Astronautics was organized in 1959. As a standing committee, it exercises legislative jurisdiction over outer space, including exploration and control thereof, science scholarships, and scientific research and development.

It also exercises legislative jurisdiction over astronautical research and development, including resources, personnel, equipment, and facilities, and over the following executive agencies of the Government: The Bureau of Standards including standardization of weights and measures and the metric system, the National Aeronautics and Space Administration, the National Aeronautics and Space Council, and the National Science Foundation.

The committee is the only committee of Congress with general jurisdiction in the field of science.

ACTIVITIES DURING 1962

The committee set a fast, but thorough, pace during its fourth year in its hearings and investigations in the fields of science and astronautics. During the 2d session of the 87th Congress, the committee compiled this record:

First. Conducted 26 investigations whose scope ranged from the Nation's manned lunar program to an annual review of the Bureau of Standards' programs.

Second. Held 124 hearings on 17 subjects ranging from aeronautical and space research patent policies to the qualifications of astronauts for space travel.

Third. Issued 16 reports on varied legislative and investigative matters.

REPORTS (INVESTIGATIVE)

During the 2d session of the 87th Congress, the committee issued the following nonlegislative reports:

First. Cape Canaveral, the hope of the free world—committee print, April 5, 1962.

Second. Centaur launch vehicle development program—House Report No. 1959. Also listed as committee report, serial Q.

Third. Project ANNA—geodetic satellite system—House Report No. 2151. Also listed as committee report, serial R.

Fourth. Qualifications for astronauts; in preparation for publication in 1962.

Fifth. Project Advent—military communications satellite program; in preparation for publication in 1962.

Sixth. Solid propellants; in preparations for publication in 1962.

Seventh. Progress of research development in meteorological satellites; in preparation for publication in 1962.

Eighth. Space economy; in preparation for publication in 1962.

Ninth. Civilian communications satellite progress; in preparation for publication in 1962.

Tenth. Radio astronomy; in preparation for publication in 1962.

REPORTS (LEGISLATIVE)

The committee issued these legislative reports during the second session under the following titles:

First. Authorizing appropriations to the National Aeronautics and Space Administration—H.R. 11737, House Report No. 1674, May 15, 1962.

Second. Amending the act authorizing national medals of science—H.R. 4055, House Report No. 1859, June 20, 1962.

Third. Designating a National Goddard Day—H.R. 9485, House Report No. 1860, June 20, 1962.

Fourth. Amending the National Aeronautics and Space Act of 1958 with respect to property rights in inventions—H.R. 12812, House Report No. 2185, August 14, 1962.

REPORTS (MISCELLANEOUS)

First. Creation of the Office of Science and Technology—Reorganization Plan No. 2 of 1962; committee print, May 15, 1962.

Second. Aeronautical and astronautical events of 1961—committee print, June 7, 1962.

HEARINGS

The committee issued the following printed hearings on legislative and investigative subjects:

First. Patent policies relating to aeronautical and space research—January 29–31, February 1–8, 1962. Committee publication No. 1.

Second. 1963 NASA authorization—parts 1–5; February 27–28, March 5–29, April 2–12, May 3, 1962. Committee publication No. 2.

Third. Panel on Science and Technology—fourth meeting, March 21–22, 1962. Committee publication No. 3.

Fourth. Centaur program, May 15–18, 1962. Committee publication No. 4.

Fifth. Project ANNA—geodetic satellite system, May 14–16, 1962. Committee publication No. 5.

Sixth. NASA lunar orbit rendezvous decision—July 12, 1962.

Committee publication No. 6.

Seventh. National Science Foundation briefing, February 6–7, 1962. Committee publication No. 7.

Eighth. Limitation on indirect costs in research grants, July 30, 1962. Committee publication No. 8.

Ninth. Qualifications for astronauts, July 17–18, 1962. Committee publication No. 9.

Tenth. Development of the large solid propellant booster, August 8–9, 1962. Committee publication No. 10.

Eleventh. Amending the Organic Act of the National Bureau of Standards, June 6–26, 1962. Committee publication No. 11.

Twelfth. New modes of land, air, and sea transportation, July 11–13, 1962. Committee publication No. 12.

Thirteenth. Project Advent—military communications satellite program, August 14–15, 1962. Committee publication No. 13.

Fourteenth. Progress and development of weather satellites, August 28–September 21, 1962. In preparation for publication in 1962.

Fifteenth. Radio astronomy, September 25–27, 1962. In preparation for publication in 1962.

Sixteenth. Civilian communications satellite program, September 18–27, 1962. In preparation for publication in 1962.

Seventeenth. Means of effecting economy in space programs, July 24–August 16, 1962. In preparation for publication in 1962.

INVESTIGATIONS

During the 2d session of the 87th Congress the committee conducted 26 investigations or studies. The following subjects held the committee's attention:

First. The European space research organization and its effect on the U.S. space program.

Second. Army research and development.

Third. Satellite functions in mapping and geodesy.

Fourth. Electrical propulsion and auxiliary electric power in space vehicles.

Fifth. NASA contract procedures.

Sixth. NASA reprograming of research and development funds.

Seventh. NASA's man-in-space program.

Eighth. NASA's lunar program.

Ninth. Mobile sea launching capabilities.

Tenth. The current year program of the National Science Foundation.

Eleventh. Guidance instrumentation for satellites.

Twelfth. Lunar exploration vehicles.

Thirteenth. Progress of the Centaur booster program.

Fourteenth. Management and operation of the Mercury tracking network.

Fifteenth. Annual review of Bureau of Standard programs.

Sixteenth. Upper stage technology of space boosters.

Seventeenth. Reduction in space expenditures through economies.

Eighteenth. Weather satellite program.

Nineteenth. Military communication satellite program—Advent.

Twentieth. Qualifications for astronauts.

Twenty-first. Radio astronomy.

Twenty-second. New modes of land, air, and sea transportation.

Twenty-third. Development of the large solid propellant booster.

Twenty-fourth. Civilian communications satellite program.

Twenty-fifth. Scientific and technical manpower—supply, demand, and utilization.

Table of appropriation bills, 87th

[Does not include any back-door appropriation bills.

Bill No.	Title	House							
		Budget estimates to House	Date reported	Amount as reported	Amount reported compared with budget estimates	Date passed	Amount as passed	House action compared with—	
								Budget estimates	Amount reported
	1962 supplementals								
H.J. Res. 612	Veterans' Administration	$151,200,000	Jan. 31	$55,000,000	−$96,200,000	Jan. 31	$55,000,000	−$96,200,000	....
H.R. 11038	2d supplemental	[1] 503,265,000	Mar. 30	431,807,000	−71,458,000	Apr. 4	447,514,000	−55,751,000	+$15,707,000
H.J. Res. 745	Supplemental [3]	....	June 14	(133,259,929)	....	June 14	(133,259,929)	....	....
	Total, 1962 supplementals	654,465,000	....	486,807,000	−167,658,000	....	502,514,000	−151,951,000	+15,707,000
	1963 appropriations								
H.R. 10526	Treasury-Post Office	5,575,386,000	Mar. 1	5,461,671,000	−113,715,000	Mar. 6	5,461,671,000	−113,715,000	....
H.R. 10802	Interior [4]	930,674,000	Mar. 16	868,595,000	−62,079,000	Mar. 20	868,595,000	−62,079,000	....
H.R. 10904	Labor-HEW	5,284,831,000	Mar. 23	5,170,788,000	−114,043,000	Mar. 27	5,170,788,000	−114,043,000	....
H.R. 11151	Legislative	114,078,425	Apr. 6	113,733,890	−344,535	Apr. 11	113,733,890	−344,535	....
H.R. 11289	Defense	47,907,000,000	Apr. 13	47,839,491,000	−67,509,000	Apr. 18	47,839,491,000	−67,509,000	....
H.R. 12276	District of Columbia	(299,134,478)	June 22	(290,059,000)	(−9,075,478)	June 26	(290,059,000)	(−9,075,478)	....
	Federal payment	35,199,000	....	33,199,000	−2,000,000	....	33,199,000	−2,000,000	....
	Loan authorizations	(26,042,000)	....	(26,042,000)	....	....	(26,042,000)	....	....
H.R. 12580	State, Justice, Commerce, Judiciary [6]	2,004,178,000	July 17	1,902,065,700	−102,112,300	July 20	1,901,215,700	−102,962,300	−850,000
H.R. 12648	Agriculture	6,354,783,000	July 20	5,477,092,500	−877,690,500	July 25	5,475,842,500	−878,940,500	−1,250,000
	Loan authorizations	(805,000,000)	....	(805,000,000)	....	....	(805,000,000)	....	....
H.R. 12711	Independent offices [7]	12,560,063,500	July 27	11,501,141,000	−1,058,922,500	July 31	11,501,141,000	−1,058,922,500	....
H.R. 12870	Military construction	1,594,729,500	Aug 10	1,369,741,000	−224,988,500	Aug 14	1,369,741,000	−224,988,500	....
H.R. 12900	Public works	4,745,332,000	Aug. 14	4,613,807,900	−131,524,100	Aug. 16	4,613,807,900	−131,524,100	....
H.R. 13175	Foreign assistance	7,335,029,000	Sept. 18	5,956,852,000	−1,378,177,000	Sept. 20	5,956,852,000	−1,378,177,000	....
	Supplemental	....	....	....	....	....	....	....	....
	Total, 1963 appropriations	94,441,283,425	....	90,308,177,990	−4,133,105,435	....	90,306,077,990	−4,135,205,435	−2,100,000
	Total, all appropriations	95,095,748,425	....	90,794,984,990	−4,300,763,435	....	90,808,591,990	−4,287,156,435	+13,607,000
	Total, loan authorizations	(831,042,000)	....	(831,042,000)	....	....	(831,042,000)	....	....

---

[1] Adjusted to reflect rescission of $44,687,000 for Civil Service Commission proposed in H. Doc. 333 but not acted upon by Congress.

[2] Of this amount, $117,457,000 which was originally provided for fiscal year 1962 costs eliminated by H. Con. Res. 505 as no longer required.

[3] Included primarily deficiency items contained in 2d supplemental, 1962 (H.R. 11038) considered necessary to enable certain agencies to finish out fiscal year. Not sent to conference or enacted into law.

[4] Includes borrowing authority as follows: Budget estimate, $20,000,000; House reported and passed, $6,000,000; Senate reported and passed, $20,000,000.

Twenty-sixth. Manned Soviet space flights.

LEGISLATION

Four bills were approved by the committee during the second session. Another measure was also considered, but no action was taken. The major pieces of legislation reported by the committee were the annual authorization of funds for the space agency and revision of that portion of the Space Act of 1958 relating to patents and inventions.

The legislative histories of the bills follow:

H.R. 4055, A bill to amend the act of August 25, 1959, to authorize the payment of a monetary award to recipients of the National Medal of Science.

The bill was sponsored by the gentleman from New York, Representative **Victor L. Anfuso**. It provided additional incentives for scientific achievement, particularly by encouraging more young people to follow careers in science and engineering. The 86th Congress enacted Public Law 86-209, which authorized the President to award 20 Medals of Science each year for outstanding contributions in the physical, biological, mathematical, or engineering sciences. H.R. 4055 amended the law by authorizing the President to award, also, with each medal a grant of up to $10,000.

The bill was reported by the committee June 20 to the House, which refused on September 4 to suspend the rules and pass the bill.

H.R. 9485, A bill to amend the National Aeronautics and Space Act of 1958 to designate a National Goddard Day.

This measure was sponsored also by the gentleman from New York, Representative **Anfuso**. Its purpose was to promote public knowledge of progress and achievements in astronautics and related sciences by designating a special day in honor of Dr. Robert Hutchings Goddard, the father of modern rocketry. The bill established March 16, the anniversary of his first successful liquid rocket launching in 1926, as Goddard Day, in order to pay tribute to a great American pioneer. The bill was reported by the committee June 20 and passed the House July 2.

H.R. 11737, a bill to authorize appropriations to the National Aeronautics and Space Administration for research, development, and construction of facilities, and for other purposes.

This was an administration measure, sponsored by the gentleman from California, Chairman **George P. Miller**, Democrat, authorizing funds for the Federal Space Agency for the 1963 fiscal year, beginning July 1, 1962. The full committee and four subcommittees met 60 times on the bill in both public and executive sessions before reporting it to the House May 15. It passed the Senate, as amended, July 11. It was approved by a conference committee July 25. The conference report was adopted by the House July 30 and the Senate August 1. It was signed into Public Law 87-584 on August 14. The measure authorized $3,744,115,250.

H.R. 12812, a bill to amend the National Aeronautics and Space Act of 1958 with respect to property rights in inventions.

This measure was sponsored by the gentleman from Connecticut, Representative **Emilio Q. Daddario**, Democrat. It would grant the National Aeronautics and Space Administration greater flexibility in the negotiation of research and development contracts with respect to property rights in inventions arising out of the contracts.

The bill was approved by the committee August 14, following a new study of the space research patent problem by a special subcommittee which held 14 days of hearings and heard testimony from 37 witnesses.

No action has been taken by the House.

H.R. 11561, A bill to amend the organic act of the National Bureau of Standards.

The purpose of this bill, a Department of Commerce proposal introduced by Chairman **Miller**, was to give the National Bureau of Standards authority to improve its fiscal and administrative procedures in the interests of permitting a more effective conduct of its research and development activities. The committee held hearings on the measure, but postponed further consideration until a later date.

COMMITTEE ON APPROPRIATIONS

Mr. CANNON, from the Committee on Appropriations, pursuant to order of the House of September 21, 1962, submitted the following tabulation showing the up-to-date status of the appropriation bills:

Cong., 2d sess., as of Sept. 28, 1962

Also excludes permanent appropriations]

Senate							Final action			
Budget estimates to Senate	Date reported	Amount as reported	Date passed	Amount as passed	Senate action compared with— Budget estimates	Senate action compared with— House action	Date approved	Amount as approved	Public Law No.	Increase or decrease compared to budget estimates to date
$151,200,000	Feb. 1	$55,000,000	Feb. 2	$55,000,000	−$96,200,000	----------	Feb. 13	$55,000,000	87-404	−$96,200,000
[1] 522,231,929	Apr. 11	487,802,980	Apr. 16	560,008,344	+37,776,415	+$112,494,344	July 25	373,550,689	87-545	[2] −148,681,240
----------	June 22	(277,222,429)	June 23	(277,222,429)	----------	----------	----------	----------	----------	----------
673,431,929	----------	542,802,980	----------	615,008,344	−58,423,585	+112,494,344	----------	428,550,689	----------	−244,881,240
5,575,386,000	Mar. 16	5,526,558,000	Mar. 29	5,526,558,000	−48,828,000	+64,887,000	Aug. 6	5,489,781,000	87-575	−85,605,000
932,674,000	May 10	916,560,820	June 12	922,560,820	−10,113,180	+53,965,820	Aug. 9	885,362,000	87-578	−47,312,000
5,386,363,100	June 29	5,333,084,000	July 20	5,380,958,000	−5,405,100	+210,170,000	Aug. 14	5,334,609,500	87-582	−51,753,600
146,913,210	July 31	146,690,690	Aug. 2	146,690,690	−222,520	[8] +32,956,800	----------	146,477,270	----------	−435,940
47,907,000,000	June 8	48,429,221,000	June 13	48,429,221,000	[5] +522,221,000	+589,730,000	Aug. 9	48,136,247,000	87-577	+229,247,000
(300,161,478)	Sept. 27	(289,253,300)	Sept. 28	(289,253,300)	(−10,908,178)	(−805,700)	----------	----------	----------	----------
35,199,000	----------	33,199,000	----------	33,199,000	−2,000,000	----------	----------	----------	----------	----------
(26,042,000)	----------	(26,042,000)	----------	(26,042,000)	----------	----------	----------	----------	----------	----------
----------	----------	----------	----------	(----------)	(----------)	----------	----------	----------	----------	----------
6,354,783,000	Aug. 22	4,774,983,000	Aug. 25	4,774,983,000	−1,579,800,000	−700,859,500	----------	----------	----------	----------
(805,000,000)	----------	(820,000,000)	----------	(820,000,000)	(+15,000,000)	(+15,000,000)	----------	----------	----------	----------
12,580,269,500	Aug. 27	11,789,153,000	Aug. 31	11,801,590,000	−778,679,500	+300,449,000	----------	11,631,792,100	----------	−948,477,400
1,594,729,500	Sept. 4	1,349,611,000	Sept. 7	1,350,501,000	−244,228,500	−19,240,000	Sept. 25	1,319,114,500	87-684	−275,615,000
5,651,751,000	Sept. 28	5,211,271,400	----------	----------	----------	----------	----------	----------	----------	----------
7,335,029,000	Sept. 28	6,781,402,000	----------	----------	----------	----------	----------	----------	----------	----------
----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------
93,500,097,310	----------	90,201,733,910	----------	78,366,261,510	−2,147,055,800	+532,059,120	----------	72,943,383,370	----------	−1,179,951,940
94,173,529,239	----------	90,834,536,890	----------	78,981,269,854	−2,205,479,385	+644,553,464	----------	73,371,934,059	----------	−1,424,833,180
(831,042,000)	----------	(846,042,000)	----------	(820,000,000)	(+15,000,000)	(+15,000,000)	----------	----------	----------	----------

---

[5] Includes $514,500,000 in new obligational authority in lieu of utilizing the sum of $514,500,000 appropriated for the current year for the procurement of long-range bombers, as proposed in the President's budget.

[6] Includes comparability adjustment of $115,480,000 for borrowing authority replaced by appropriation.

[7] Includes comparability adjustments of $34,427,500 for contract authorization and borrowing authority replaced by appropriations.

[8] Consists largely of Senate items not included in bill as passed House.

Note.—Indefinite appropriations in the bills are included in this table.

ASC COMMITTEE'S DEDICATED LEADERS

Mr. KING of Utah. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Utah?

There was no objection.

Mr. KING of Utah. Mr. Speaker, one of the most effective and best informed groups of farm leaders are the USDA's county agricultural stabilization and conservation committees, better known as the ASCS Committee. These dedicated men have come under recent attack; and for that reason I feel that these words on their behalf are appropriate, and well-deserved.

These committeemen, usually three to a county, are selected by their farm neighbors for their knowledge of farm programs and farm policies. They are responsible for seeing that farmers and nonfarmers alike are informed about the agricultural programs that are available. They decide on the requirements for those eligible to participate in these programs.

One of their major responsibilities is in the field of soil and water conservation. In cooperation with the agricultural extension agent and other conservation minded leaders, they develop the agricultural conservation program for their county. This is the program in which the Government shares with the farmer and rancher the cost of developing needed soil and water conservation on their farms and ranches. In my State of Utah, they work closely with the Utah Water and Power Board and State Association of Soil Conservation District Directors in developing soil and water conservation programs that are the most beneficial to the State of Utah.

During the severe drought of 1961, these were the men who developed the emergency ACP practices that meant so much to Utah's agricultural economy last year. In addition, they and their county office employees administer the sugar, dairy, wool, and other ASCS programs in their county.

I would like to pay tribute to these men who have so unselfishly devoted of their time to develop and guide these farm programs in the interest of farm and nonfarm people alike.

PHONOGRAPH RECORDS BEARING FORGED OR COUNTERFEIT LABELS

Mr. TOLL. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 11793) to provide criminal penalties for trafficking in phonograph records bearing forced or counterfeit labels, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

> Page 2, line 4, strike out "$10,000" and insert "$1,000".
>
> Page 2, line 5, strike "ten years," and insert "one year,".

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

Mr. CRAMER. Reserving the right to object, Mr. Speaker, and I do not intend to object, may I ask the gentleman if he will explain these amendments to the House?

Mr. TOLL. The only amendments which were made by the Senate were the reduction of the amount of the penalties. The $10,000 penalty was reduced to $1,000 and the 10 years imprisonment was reduced to 1 year. Otherwise the bill was accepted as written in the House. The purpose of the legislation is to deter counterfeiting of phonograph records and labels by providing criminal penalties for such action.

Mr. CRAMER. I withdraw my reservation of objection, Mr. Speaker, with the understanding the minority has no objection to the bill as amended by the other body.

Mr. TOLL. That is correct; there is no objection.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

A CUBAN GOVERNMENT-IN-EXILE

Mr. CRAMER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. CRAMER. Mr. Speaker, just this last Wednesday this House passed a resolution concerning Cuba in which it was stated:

> That the United States is determined * * * to work with * * * freedom-loving Cubans to support the aspirations of the Cuban people for self-determination.

As long as a year and a half ago many of us, particularly from the State of Florida, requested that the administration, in order to accomplish this objective, even at that time, asked that a free non-Communist government-in-exile be recognized so that this very aspiration of which the House spoke on Wednesday could be accomplished; and it could have been accomplished some time ago.

I proposed such a request to the then Secretary of State and received this very interesting reply from Frederick Dutton, Assistant Secretary, which I think is the best evidence of fuzzy thinking in this area and the refusal of the administration to carry out this obvious step. I quote in part from the letter, dated March 10, 1962, as follows:

> The recognition of a Government of Cuba in exile at this time is not in the national interest of the United States because neither the Government of Switzerland nor any other government could then represent U.S. interests before the Castro regime.

At the same time we claimed we had withdrawn recognition.

Quoting further:

> Were a government-in-exile formed, and should the United States recognize such a government, the United States would have to look to that government and not the Castro government for the fulfillment of Cuban obligations.

So the result of this fuzzy thinking is that we cannot recognize a free government-in-exile to help win back Cuba for the sole reason that we still have to do business with Castro. Now that makes a lot of sense.

The SPEAKER. The time of the gentleman has expired.

THE FARM BILL

Mr. SPRINGER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. SPRINGER. Mr. Speaker, I have just returned from a 4-day tour of the agricultural counties in my congressional district. The farmers there are much disturbed with the Kennedy-Freeman-Cochran farm bill which passed the House last week and the Senate on Tuesday of this week. The President signed it yesterday.

More corn is grown in my congressional district than in any other congressional district in the United States. The Kennedy-Freeman-Cochran farm bill was the worst blow to the Midwest corn farmer since World War II.

There are specific reasons why this bill is damaging to all corn farmers, but particularly the Midwest, because we grow the vast bulk of the corn in this country.

First. Under this bill corn price supports in 1964 will be down to 50 percent of parity or 80 cents a bushel.

Second. Government surplus corn can be dumped on the market at 84 cents per bushel.

Third. Second price wheat is created and the support price on that wheat would be 92 cents. This means that 275 million bushels of feed wheat would be thrown into the feed grain market in competition with corn, further depressing the price of corn. Every Midwest farmer knows that cheap feed will result in cheap livestock prices.

Fourth. The complicated two price wheat plan would result in a bread tax of $1.08 a bushel on the U.S. consumers.

Fifth. The bill would allow the Secretary to treat all wheat exports as primary market wheat. This would greatly increase the cost of our wheat export program including giveaways which annually is already costing us well over a billion dollars in taxes.

In my 12 years in the Congress I have tried to keep farm legislation out of politics. As the Members of this House know I have tried to work with anyone on either side of the aisle that I felt could come up with constructive legislation in agriculture. However, in my opinion of this particular piece of legislation I am reinforced by one of the most knowledgeable persons in the United States. Senator CLINTON P. ANDERSON, of New Mexico, was Secretary of Agriculture in the Truman administration. He has been widely acclaimed by the Democrats as the best Secretary of Agriculture in our history. In debate on the floor of the Senate a few days ago he told the Senate:

> This is the worst farm bill I have ever seen.

BURNS CREEK PROJECT

Mr. HARRISON of Wyoming. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Wyoming?

There was no objection.

Mr. HARRISON of Wyoming. Mr. Speaker, Wyoming has recoverable coal reserves in excess of 60 billion tons—about 150 times the total tonnage that has been extracted from the mines in our State since admission to the Union 72 years ago. We have the mining companies and the equipment and the manpower to get this coal out of the ground and sell it, but unfortunately demand has been slow for the past decade. Last year's total output amounted to 2,350,000 tons, or about one-third of our production record that came in 1945. Coal and allied industries have for a long time been looking forward to an increase in demand. As in most mining States, the principal hope for more business lies in the electric utility industry, where generating capacity is doubling about every 10 years. The coal miners have a big stake in this market. So do our railroads and all businesses that supply these industries.

A large number of our miners are unemployed, and many of those with jobs do not have steady work. The electric power market offers promise of employment the year around—something that too few mine employees have enjoyed in a long time. If the Congress of the United States has any sensitivity for these American citizens who want nothing more than the opportunity to earn a livelihood for themselves and their families, then unnecessary roadblocks to economic progress will be rejected here and now. Any number of extravagant and nonessential Government-sponsored programs have been proposed in the past 8 months—a period in which the national debt has exceeded the $300 billion level and in which economy should be the persuasive factor where any nondefense measure is involved—but I speak specifically at this time of the proposal to build the hydroelectric generating facilities at Burns Creek. I congratulate the gentleman from Pennsylvania [Mr. SAYLOR] for his forceful review exposing the irrational premises on which this project is based.

In the first place, the Bureau of Reclamation has admitted that this whole preposterous proposition is aimed almost exclusively at the production of electric power. Investor-owned companies are fully capable of providing all the electricity needed in that area for as long as anyone can see into the future. Yet, Congress is asked to subsidize the construction of an enormous dam whose effect would be to innundate employment opportunities in the States of Wyoming and Utah. In effect, Congress is being asked to appropriate tax money to take jobs away from coal miners, railroad workers and employees of multiple other industries and businesses. It is an action which would violate every concept of our fundamental economic standards. It would deprive depressed communities of a chance to regain economic stature. Here is a statement by Mr. William J. O'Connor, a director of the Utah-Wyoming Coal Operators' Association and a director of the National Coal Association:

> A good part of the economy of the Utah-Idaho-Wyoming area is based upon the mining and distribution of coal. If there is a need for 90,000 kilowatts of additional electric power in the area of the Burns Creek plant, that power should be developed by the use of coal, and thereby add to the economy of the area. One-half billion kilowatt-hours of electric energy is the equivalent of approximately 20,000 man shifts working in the mines, which would bring to the people of our area engaged in mining more than one-half million dollars annually in wages.

The United Mine Workers of America are equally concerned and as vigorously opposed to the Burns Creek project. So are our other citizens who recognize the potential waste of Federal funds and the detrimental economic implications contained in this proposal.

Mr. Speaker, I appeal to my colleagues to join in refusing to permit proponents of Burns Creek to go ahead with a measure that was proved unsound and procedurally rejected in a standing committee of the House. Burns Creek has no place in the omnibus public works bill. It has no legitimate place in the Federal budget. To approve a project under these circumstances could set a dangerous precedent. To approve a project of this nature under any circumstances would impose upon every taxpaying citizen of our Nation, disrupt the economy of an important region of the West, dissipate job opportunities for deserving citizens.

PERSONAL ANNOUNCEMENT

Mr. PIKE. Mr. Speaker, on rollcall No. 224 on September 18 I am listed as not voting. On that day I was in the city of Syracuse getting ground up by a political machine. Had I been present, I would have voted "yea."

DR. PRESTON BRADLEY

Mr. MASON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. MASON. Mr. Speaker some 36 years ago I was president of the Illinois Valley Teachers Association and was responsible for the program for the institute, which was held at Princeton, Ill. At that program I was successful in securing Dr. Preston Bradley as one of our principal speakers and I had the pleasure of introducing him to the teachers of that association. Dr. Bradley then—36 years ago—was one of the most able speakers I had ever heard, and he has been growing ever since.

CONTINUING APPROPRIATIONS FOR FISCAL YEAR 1963

Mr. THOMAS. Mr. Speaker, I call up the joint resolution (H.J. Res. 897) making continuing appropriations for the fiscal year 1963, and for other purposes, and ask unanimous consent that it be considered in the House as in Committee of the Whole.

The Clerk read the title of the resolution.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. GROSS. Mr. Speaker, reserving the right to object, I wonder if we could have an explanation as to the reason why we have this fourth—and I emphasize—fourth continuing resolution to provide financing of the Federal Government.

Mr. THOMAS. I will do my best to comply with the request of our distinguished friend and colleague.

There are various appropriation bills such as the District of Columbia bill, State and Justice appropriation bill, foreign aid, and so forth, and, of course, the last supplemental appropriation bill which will be presented to this body one day next week. The point I am about to make is that four of the five bills which are in this status have been passed by the House of Representatives.

Mr. GROSS. And the other body is sitting on them; is that correct?

Mr. THOMAS. Yes, and I do hope, therefore, that there will be no objection to this. We will have to act.

Mr. GROSS. It is my understanding that the State and Justice Departments appropriation bill passed the House of Representatives back in July, about the middle of July.

Mr. THOMAS. That is not far wrong; that is substantially correct.

Mr. GROSS. Is that appropriation bill being held up now, can the gentleman tell me, in order perhaps to provide additional funds for the army of Federal marshals that is being assembled to invade the State of Mississippi? What is the story?

Mr. THOMAS. If I may do a little guessing, I do not think that would be in here. I see my distinguished friend from Ohio [Mr. Bow] as usual, on the floor. He is quite an authority. I think it is just a question of not being able to get around to it.

Mr. GROSS. Just a question of not being able to get around to it in the other body?

Mr. THOMAS. That is it exactly.

Mr. GROSS. So this is one of the reasons why this continuing resolution is made necessary?

Mr. THOMAS. It is the only reason that I know of, I will say to my friend from Iowa.

Mr. GROSS. Does not the gentleman think we ought to adopt a continuing resolution as an appropriation policy?

We might save the taxpayers some money if we made this continuing resolution effective until the end of December and then in January passed another continuing resolution for spending at last year's rate. It might eliminate the annual deficits.

Mr. THOMAS. I doubt if that end could be accomplished.

Mr. GROSS. Each year the appropriation bills get bigger and bigger.

Mr. THOMAS. May I say to my good friend that our colleagues at the other end of the Capitol number only 100 as against our 435 or 437, and they have got to do identically the same amount of work that we do here, have the same hearings, and so forth. It just takes time.

Mr. GROSS. Does the gentleman mind if I ask him a rather personal question? How many years has he been in Congress, in the House of Representatives?

Mr. THOMAS. Twenty-six.

Mr. GROSS. Has the gentleman ever seen a session that has dawdled as much as this one?

Mr. THOMAS. I will say to my friend that in my 26 years I have seen a lot of things. One I can recall during the war——

Mr. GROSS. But we are not at war.

Mr. THOMAS. No, that is right, but I recall during World War II when we were in session year after year.

I think after this session has adjourned it will go down in history as being a fine one.

Mr. GROSS. As one of the biggest spending Congresses we ever had, yes, and with more delegation of power to the Chief Executive, I would add.

Mr. THOMAS. I think that when the work of this Congress is reviewed it will be found to be one of the best in our history. The gentleman from Iowa has worked hard here and when he goes back home his friends will pat him on the back and say this Congress has accomplished much.

Mr. GROSS. The taxpayers will see the debt and deficit increased as a result of the actions of this Congress, and that is a serious thing to them.

Mr. THOMAS. We have had deficits of $8 billion or $9 billion, sure, but we have had larger deficits in previous years.

Mr. GROSS. One final question. I do not want to further presume upon time under a reservation of objection—does the gentleman think we are going to have another one of these continuing resolutions?

Mr. THOMAS. No. My guess is that we are going to get out of here in another 8 or 10 days.

Mr. GROSS. That is the gentleman's guess-estimate.

Mr. THOMAS. We are going to hold up our end at the other side of the Capitol and try to get out of here.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the joint resolution of August 31, 1962 (Public Law 87-625), is hereby amended by striking out "September 30, 1962" and inserting in lieu thereof "October 31, 1962".

The House joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LEGISLATIVE PROGRAM

Mr. HOEVEN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. HOEVEN. Mr. Speaker, I take this time to inquire of the majority leader as to the program for next week.

Mr. ALBERT. Mr. Speaker, first I would like to advise that there will be additions to the program as bills and conference reports are ready for House action. These will be announced as expeditiously as possible and as they are ready for consideration.

Monday is Consent Calendar day, and there are 11 suspensions to be considered, as follows:

House resolution to take H.R. 7927, Postage Revision Act of 1961, adjust rates, from the Speaker's table and send to conference.

S. 2568: Conservation of tropical tuna.

H.R. 5698: Apportionment of temporary summer employees.

H.R. 11587, Vessels, reimbursement of certain construction.

H.R. 8151: Authorize U.S. Coast Guard appropriation.

S. 1184: Vessels, contract requirement.

S. 3389: Promote commerce, trade fairs.

S. 3396: Reserve funds, construction, Merchant Marine Act.

H.R. 12968: Merchant Marine Act, amend section 901(B), eliminate time limitations.

H.R. 11086: Courts, commissioners, addition.

H.R. 13241: Agriculture, to amend section 309 of Food and Agriculture Act of 1962.

Each bill under suspension is allotted 20 minutes to the side. These bills may not necessarily be called in the order listed.

For Tuesday, and the balance of the week the Private Calendar will be called on Tuesday; H.R. 10650, Conference Report, Revenue Act of 1962, and House Joint Resolution 712, Roosevelt Memorial Commission; the third supplemental appropriation bill for 1963 will be considered; S. 1123, Child Labor Provisions, Fair Labor Standards Act.

This, of course, is subject to the usual reservation that any further program may be announced later and that conference reports may be brought up at any time.

Mr. HOEVEN. Will the Consent Calendar be called next week?

Mr. ALBERT. Yes, on Monday.

Mr. HOEVEN. The gentleman has announced that the Private Calendar will be called on Tuesday?

Mr. ALBERT. Yes.

Mr. HOEVEN. The gentleman made reference to an agricultural bill. Will the gentleman from Oklahoma please amplify what bill the gentleman has in mind for consideration on the Suspension Calendar?

Mr. ALBERT. I just received a request to place this bill—or the Speaker did—on the list of suspensions. However, the gentleman from Texas [Mr. POAGE] is here, and I shall yield to him to explain what this bill provides. I can tell the gentleman what the bill is, but since the gentleman from Texas knows what it is, perhaps the gentleman can elaborate upon it.

Mr. POAGE. If the gentleman will yield, I know nothing about procedures. I was caught cold on it, too. But it is the bill, the one that was discussed in the committee this morning. However, I know nothing about the procedures in regard to it.

Mr. ARENDS. Mr. Speaker, will the gentleman yield?

Mr. HOEVEN. I yield to the gentleman from Illinois.

Mr. ARENDS. Is this the bill that the chairman of the committee introduced that was up before your committee this morning?

Mr. ALBERT. If the gentleman will yield further, I think the gentleman is correct.

Mr. ARENDS. And was voted out of your committee this morning?

Mr. ALBERT. It is not voted out as yet.

Mr. ARENDS. Is this the bill that corrects the Agricultural Act and was introduced before this present bill was signed, and was introduced to correct it before it was signed by the President the other day?

Mr. POAGE. That is correct.

Mr. ALBERT. If the gentleman from Iowa will yield further, may I make an addition to the program?

I have been requested by the chairman of the Committee on Ways and Means, the gentleman from Arkansas [Mr. MILLS], to advise that he will call up under unanimous-consent agreement at the earliest opportunity the following bills which have been unanimously reported by the Committee on Ways and Means:

H.R. 12030: Special statistical studies by Internal Revenue Service.

H.R. 12470: Income-tax deduction for child-care expenses in case of woman deserted by husband.

H.R. 3985: Duty treatment of certain bread.

H.R. 9414: Tariff treatment of certain electron microscopes. These bills may not necessarily be called in order listed.

Mr. HOEVEN. In reference to the agricultural bill which the gentleman mentioned, it was referred to in committee this morning as a technical amendment.

I wish to advise the membership of the House that as I understand it, it is a change in the basic law.

May I inquire further of the majority leader when he expects to introduce the sine die adjournment resolution of this Congress?

Mr. ALBERT. We are optimistically looking toward adjournment at the end of next week.

Mr. HOEVEN. Would the gentleman venture a guess as to whether that might be Wednesday, Thursday, Friday, or Saturday of next week? I have received many inquiries with respect thereto.

Mr. ALBERT. I am not able to specify with that much detail the day and time of sine die adjournment.

Mr. HOEVEN. The gentleman does feel that this Congress can adjourn sine die by the end of next week?

Mr. ALBERT. I say we are optimistically looking toward sine die adjournment some time next week.

Mr. HOEVEN. I will say to the gentleman that many of us have been optimistically looking forward to sine die adjournment for a long time.

Mr. ARENDS. Mr. Speaker, will the gentleman yield?

Mr. HOEVEN. I yield to the gentleman from Illinois.

Mr. ARENDS. The gentleman from Iowa [Mr. HOEVEN] is the ranking Republican member on the Committee on Agriculture. I would like to know what is being done over there with respect to this bill that is being discussed here and which comes up under suspension on Monday. The gentleman from Texas [Mr. POAGE] said the bill had not been reported. It was indicated that it involved a technical change. Now it is said that it involves a change in the basic law. If this bill was introduced prior to the other bill being signed by the President, I would like to know what goes on here.

Mr. HOEVEN. May I say to the gentleman that I am just as much perplexed as he is by this procedure. The bill in question was introduced on September 26 by the chairman of the House Committee on Agriculture, which was on the day prior to the signing of the omnibus farm bill by the President of the United States.

I first knew of this proposed revision of law this morning when I received a copy of the bill in the mail. I had not been consulted about it, and in view of that fact, at the committee meeting this morning, I made the point of order of no quorum, because we had no information whatsoever about it. The ranking Republican member of the committee had not been consulted about the necessity of making any correction. Following the usual procedure, and believing in following the rules of the Committee on Agriculture and of the House I was compelled to make the point of order against all bills that were pending before the committee this morning.

Mr. ARENDS. Mr. Speaker, will the gentleman yield?

Mr. HOEVEN. I yield to the gentleman from Illinois.

Mr. ARENDS. The gentleman has added to my confusion. The gentleman refers to a correction; this is really an amendment to the bill that had been signed. This is an attempt to correct the bill just passed.

Mr. HOEVEN. The gentleman is correct; it is not a correction, it is an amendment, a change in the basic law, a change to the bill that was signed only on yesterday. And I predict there will be many other proposed revisions and amendments proposed in the days that lie ahead.

Mr. JONES of Missouri. Mr. Speaker, will the gentleman yield?

Mr. HOEVEN. I yield to the gentleman.

Mr. JONES of Missouri. Mr. Speaker, does the gentleman want to leave the impression with this House that this is a major change in basic law? Why does he not tell the people that it merely adds the words "or 1963"? It makes a correction in the law, I will admit, but it does what everybody thought was included in that law. I think the gentleman should not leave the impression or try to leave the impression that the Republicans offered any cooperation this morning so far as getting a quorum is concerned. They deliberately—and I use the word "deliberately" advisedly—tried to keep the committee from working, and thereby inflict damage on between 250,000 and 350,000 small wheatgrowers. I think that was done deliberately, because Republican Members were there and the committee was ready to go into session; but they left the room.

Mr. HOEVEN. Mr. Speaker, may I say to the gentleman that he is expressing one man's opinion.

Mr. JONES of Missouri. I am expressing more than one man's opinion.

Mr. HOEVEN. Mr. Speaker, I decline to yield further.

The fact is that this morning there were more Democrats absent than there were Republicans. There were only 11 members present out of a committee membership of 35. It was impossible to transact business. The gentleman from Iowa made the point of order of no quorum, not on account of any particular bill. There were some seven or eight bills on the agenda for committee consideration. I think in the interest of orderly procedure that a quorum should have been present. I take the responsibility for having made the point of order of no quorum. There were more Democrats absent than there were Republicans. I am not responsible for the absence of any Member. I had nothing to do with their absence. Even if those who left the room had remained, there still would not have been a quorum present to transact business.

PENDING BUSINESS IN THE COMMITTEE ON AGRICULTURE

Mr. JONES of Missouri. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. JONES of Missouri. Mr. Speaker, I think we ought to clear this up further. At that meeting this morning there was a rump caucus, I guess you would call it, of the Republican members of the committee, and a number of them deliberately walked out of that meeting.

If any damage is done to these small wheatgrowers—and there are some 300,000 of them in the United States—the blame is going to be placed on the Republican leadership of our committee.

Mr. BATTIN. Mr. Speaker, will the gentleman yield?

Mr. JONES of Missouri. I yield.

Mr. BATTIN. Mr. Speaker, I do not quite understand the gentleman's reasoning at this point. Who controls, who has the controlling membership on this committee the gentleman is talking about?

Mr. JONES of Missouri. We all know that there are people who are absent on Friday. There were enough people to constitute a quorum this morning, who were here, and we could have had them there by 11 o'clock this morning.

Mr. BATTIN. Mr. Speaker, will the gentleman yield further?

Mr. JONES of Missouri. I yield.

Mr. BATTIN. Would it not be the responsibility of those who have control of the committee to see to it that there is a quorum present?

Mr. JONES of Missouri. I think we all recognize that when you want to pull a political move like that, it can be done. There were only two Republicans there at the time we discussed this bill, the others having walked out. The ranking Republican Member is conscious of what this bill does. I am satisfied the bill will be passed because when it is brought up on the floor of this House, there is not a man here who would want to vote against it. No one would want to do damage to 300,000 small wheatgrowers.

I think it is a very important bill. I say it was a typographical; or a clerical error in the consideration of the bill when it did not show the words "or 1963". By adding those words we will have done what everybody thought we were doing when we adopted the conference report.

Mr. Speaker, let us be practical. I think everyone is aware of the situation which exists in this body. I doubt very much if a quorum of this House could be secured if one made a point of order today. We all know that many Members have left for the weekend, but that does not prevent us from proceeding with noncontroversial legislation, such as the resolution which was approved earlier. It has not been unusual for noncontroversial legislation to be reported from many of the committees of this House, when a quorum was not present, and no one has made a point of order.

I think it is apparent that there is an effort being made to make political hay out of the fact that the President on yesterday signed into law the controversial farm bill, when at the time it was known to a few people—and I doubt very seriously if this had been called to the attention of the President—that there was a small clerical error in the bill when it was drawn in conference. May I emphasize that the correction—adding "or 1963"—makes no change in the effect of what both this House and the Senate, and I might add, the conferees, had in mind when the farm bill was approved. On the other hand, unless this correction is made—and I doubt if there is a Member who would oppose making this correction—it could result in the imposition of penalties on many thousand small wheat producers, penalties that no one wants to impose and which no one had any idea would be imposed.

I do not believe there is any Republican who is opposed to this amendment as such, but I think it is evident that the Republican leadership in the House Committee on Agriculture wanted to use this as the basis for discrediting the entire farm bill. A meeting of the House Committee on Agriculture has been called for Monday morning, at which time I am confident that a quorum will be present, and this small bill will be reported, and that it will be brought to the House under a suspension of the rules, and passed, probably without a rollcall. Frankly, as stated above, I cannot conceive how any person could possibly oppose its adoption.

This is not the first time, and I am confident it will not be the last time that errors have been made in drafting conference reports which will require corrections or amendments when the errors are detected.

The SPEAKER. The time of the gentleman from Missouri [Mr. Jones] has expired.

ADJOURNMENT OVER TO MONDAY, OCTOBER 1

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

CALENDAR WEDNESDAY BUSINESS

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the business in order on Calendar Wednesday of next week may be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

SIGNING OF ENROLLED BILLS

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that notwithstanding the adjournment of the House until Monday next, the Clerk be authorized to receive messages from the Senate and that the Speaker be authorized to sign any enrolled bills and joint resolutions duly passed by the two Houses and found truly enrolled.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

INTERPARLIAMENTARY UNION

Mr. POAGE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. POAGE. Mr. Speaker, I take this time to make an announcement.

On Tuesday next at 10 o'clock in the old Supreme Court chamber there will be a meeting of the Interparliamentary Union, and all Members of the House of Representatives are invited.

We hope that those who criticize these meetings as being secret will actually attend, because all Members are invited. Notice is given here and now that there will be a meeting at 10 o'clock in the old Supreme Court chamber. We hope you will all attend.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Iowa.

Mr. GROSS. Is this to drum up support for your added appropriation that is coming up in the supplemental appropriation bill?

Mr. POAGE. No, the appropriation has been made but, if the gentleman will attend, he will be advised of the purpose of the meeting. We will be delighted to have the gentleman attend.

Mr. GROSS. I have been there before.

STRIKE AGAINST THE CHICAGO & NORTH WESTERN RAILWAY

Mr. NELSEN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the Record and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. NELSEN. Mr. Speaker, on August 30, the Order of Railroad Telegraphers called a strike against the Chicago & North Western Railway which is an extremely important transportation artery not only in my Second Congressional District of Minnesota but in an entire nine-State area.

The day before the strike began, I joined with my colleagues Congresswoman Church, Congressman Collier, and Congressman Hoffman in a telegram addressed to the President. In that telegram we stated as follows:

> In public interest urgently request that you exercise authority invested in your high office to prevent paralyzing strike in pending Chicago & North Western Railway dispute. In view of findings and recommendations of your Emergency Commission, and because the threatened paralysis of railroad service would seriously imperil economic welfare, health, and safety of every area dependent upon continued service by the Chicago & North Western railroad, appropriate action to preserve such service is imperative.

The then Acting Secretary of Labor, W. Willard Wirtz, responded to this telegram on September 6 saying:

> We are hopeful that a settlement will be reached soon.

I then dispatched a telegram to Mr. Wirtz stating as follows:

> Glad to have your letter advising that negotiations in North Western railroad dispute are proceeding quickly with hopes for prompt settlement. Have just spent week in southern Minnesota and am advised that farmers are losing $100,000 a day due to idle soybean processing plant alone; that unemployment is spreading in various industrial plants; that the entire economy served by the North Western is adversely affected. Strongly urge that efforts be pushed by every appropriate means.

Today, September 28, that strike still is completely tying up the operations of the Chicago & North Western Railway and, insofar as I have been able to determine, a possible settlement date is still very indefinite.

In the meantime—while negotiations toward a settlement drag on day after day in the office of the Secretary of Labor—the people in my district as well as in the nine States served by the Chicago & North Western are experiencing untold inconveniences, hardships and economic losses. Crops are now being harvested and the lack of transportation is working a hardship on the agricultural economy of the entire area. Industries including grain elevators which are vital to the economy of the area served by the Chicago & North Western are finding it difficult to continue their operations.

To emphasize the seriousness of this situation, I include certain communications which I have received in the Record at this point in my remarks.

New Ulm, Minn.,
September 7, 1962.

Congressman Ancher Nelsen,
Washington, D.C.:

Action imperative with railway telegraphers strike seriously affecting industrial firms and creating serious unemployment in our area. Why can't Government prevail upon union to accept Government Factfinding Board recommendations as Chicago & North Western railroad has done.

New Ulm Chamber of Commerce.
John Holland, *President.*

Mankato, Minn.,
September 7, 1962.

Congressman Ancher Nelsen,
House Office Building,
Washington, D.C.:

Minnesota farmers are losing over $100,000 every day the Chicago & North Western strike continues due to idle soybean processing capacity in our plant alone. Unused capacity can never be reclaimed. Also soybean harvest will begin this month and lack of Chicago & North Western transportation will serious affect the prices to farmers. Urge governmental intervention.

L. W. Andreas.

Southern Minnesota Beet
Growers Association,
Hector, Minn., September 10, 1962.

The Honorable John F. Kennedy,
President, The Capitol,
Washington, D.C.

Dear President Kennedy: The west central and southern Minnesota farmers growing sugarbeets, who ship their sugarbeets to Chaska, Minn., are represented by an organization known as the Southern Minnesota Beet Growers Association. A fair estimate of their 1962 production of sugarbeets is 258,000 tons, with an estimated gross market value of $3,096,000.

There is presently no existing way of transporting this crop to Chaska, except by rail-transportation. Chaska is not equipped with any facilities to handle this crop other than by rail transportation. Therefore, if the present rail strike continues, our people will face an economic loss of $3,096,000, which means financial ruination to many beet growers in Minnesota.

We urge you to use whatever authority you have to terminate the strike. If you do not have sufficient authority under the law to prevent the financial ruination of many of our people, then we urge you to immediately ask the Congress for this authority.

This matter is extremely urgent. Beets are a perishable crop and they must be gotten out immediately.

Very truly yours,

BERNARD L. TORBERT,
President.

FIRST STATE BANK OF STEWART,
Stewart, Minn., September 18, 1962.

Hon. ANCHER NELSEN,
House of Representatives,
Washington, D.C.

DEAR REPRESENTATIVE NELSEN: I am writing this letter to you to point out the seriousness of the Chicago & North Western railroad strike. This railroad strike affects other towns in our area, but it especially affects the sugarbeet growers in our community and other sugarbeet growers throughout the State. Our sugarbeet farmers must ship their beets to Chaska, which is approximately 60 miles from Stewart. They ordinarily are shipped by rail through the Chicago, Milwaukee, St. Paul & Pacific railroad, and then transferred to the Chicago & North Western railroad, whose rails go past the American Crystal sugarbeet factory.

The sugarbeet harvest will commence on September 26 in our area, and our farmers will deliver about 60,000 tons of sugarbeets. This will take from 1,000 to 1,500 cars. If this strike isn't settled, our farmers will have to truck the beets to Chaska. The cost of trucking, plus the lack of facilities at Chaska to unload these trucks would be infeasible.

Anything that you can do to help speed up action for a quick settlement will be much appreciated. Thank you.

Very truly yours,

LESTER LIPKE,
President.

THE GUARDIAN LIFE INSURANCE
CO. OF AMERICA,
Hutchinson, Minn., September 18, 1962.

Hon. ANCHER NELSEN,
Member of Congress,
New House Building,
Washington, D.C.

DEAR ANCHER: The writer has just returned from spending the last few days in the country, calling on farmers west and southwest of Hutchinson and around Stewart, and this railroad strike seems to be getting quite serious among the farmers.

They are about to harvest their sugarbeets, and no way of getting them to Chaska. One farmer stated to me that if the strike did not get settled in time he would lose at least $5,000 on his crop by trucking it.

It would be a great thing for you and the farmers, if settlement of the strike could be cleaned up in the next few days.

Sincerely,

HANS M. PETERSON.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. RHODES of Pennsylvania.

Mr. FEIGHAN.

(The following Members (at the request of Mr. ALBERT) and to include extraneous matter:)

Mr. POWELL.

Mr. HECHLER.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 2683. An act for the relief of Laszlo Janos Buchwald; to the Committee on the Judiciary.

S. 3453. An act for the relief of Dr. Felix Nabor Sabates; to the Committee on the Judiciary.

S. 3600. An act for the relief of Chao Hua-Hsin; to the Committee on the Judiciary.

ENROLLED BILL SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker.

H.R. 12529. An act to provide for the free entry of one nuclear magnetic resonance spectrometer and one mass spectrometer for the use of the University of Illinois.

ADJOURNMENT

Mr. ALBERT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 48 minutes p.m.), under its previous order, the House adjourned until Monday, October 1, 1962, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2588. A letter from the Secretary of the Army, transmitting the semiannual report of the Department of the Army contracts for military construction awarded without formal advertisement for the period January 1 through June 30, 1962, pursuant to Public Law 87-554; to the Committee on Armed Services.

2589. A letter from the Secretary of State, transmitting a report relating in detail and summarizing the changes in the international embargo list resulting from the 1962 Paris Coordinating Committee (COCOM) annual review, which will take effect October 1, 1962, pursuant to the Mutual Defense Assistance Control (Battle) Act of 1951; to the Committee on Foreign Affairs.

2590. A letter from the Comptroller General of the United States, transmitting a report and recommendation to the Congress concerning the claim of Ronnie E. Hunter against the United States, pursuant to the act of April 10, 1928 (ch. 334, 45 Stat. 413, 31 U.S.C. 236); to the Committee on the Judiciary.

2591. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated August 22, 1962, submitting a report, together with accompanying papers and illustrations, on an interim hurricane survey of Baltimore metropolitan area, Maryland, authorized by Public Law 71, 84th Congress, approved June 15, 1955 (H. Doc. No. 589); to the Committee on Public Works and ordered to be printed with illustrations.

2592. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated August 8, 1962, submitting a report, together with accompanying papers and illustrations, on a cooperative beach erosion control study of Hills Beach, Biddeford, Maine, authorized by the River and Harbor Act, approved July 3, 1930, as amended and supplemented (H. Doc. No. 590); to the Committee on Public Works and ordered to be printed with four illustrations.

2593. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated September 18, 1962, submitting a report, together with accompanying papers and illustrations, on a review of the reports on the San Gabriel River watershed, Brazos River, Tex., requested by a resolution of the Committee on Public Works, House of Representatives, adopted July 20, 1955 (H. Doc. No. 591); to the Committee on Public Works and ordered to be printed with four illustrations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. CELLER: Committee on the Judiciary. Senate Joint Resolution 211. Joint resolution providing for the establishment of an annual National School Lunch Week; without amendment (Rept. No. 2496). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DAVIS of Tennessee:

H.R. 13273. A bill authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes; to the Committee on Public Works.

By Mr. HALEY:

H.R. 13274. A bill to amend subsection (b) of section 512 of the Internal Revenue Code of 1954 (dealing with unrelated business taxable income; to the Committee on Ways and Means.

By Mr. STRATTON:

H.R. 13275. A bill to authorize the donation by the Commodity Credit Corporation of surplus feeds to State agencies to provide feed for livestock in areas determined to be emergency areas, and for other purposes; to the Committee on Agriculture.

By Mr. WIDNALL:

H.R. 13276. A bill to amend the Internal Revenue Code of 1954 to allow a taxpayer a credit against the income tax for charitable contributions to educational institutions, and to allow an individual taxpayer a deduction for certain educational expenses paid by him; to the Committee on Ways and Means.

H.R. 13277. A bill to extend for 2 additional years the temporary provisions of Public Laws 815 and 874, 81st Congress, to eliminate certain limitations on the applicability of such acts, and for other purposes; to the Committee on Education and Labor.

By Mr. CANNON:

H.J. Res. 897. Joint resolution making continuing appropriations for the fiscal year 1963, and for other purposes; to the Committee on Appropriations.

By Mr. HOLLAND:

H.J. Res. 898. Joint resolution to provide for three civilian Commissioners for the District of Columbia; to the Committee on the District of Columbia.

By Mr. RYAN of New York:

H. Con. Res. 577. Concurrent resolution for a study of the procedures of Congress; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

Mr. FOGARTY:

H.R. 13278. A bill for the relief of Hugh G. Lafave; to the Committee on the Judiciary.

By Mr. TEAGUE of California:

H.R. 13279. A bill for the relief of Stella Braha Levy; to the Committee on the Judiciary.

SENATE

FRIDAY, SEPTEMBER 28, 1962

The Senate met at 9 o'clock a.m., and was called to order by the Vice President.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

O God, whose mercies are new every morning, we seek the confidence of Thy guiding hand as this day we commit to Thee our wills and our work.

Grant that those who here have been called to high places in the life of the state, in this hour when such vast issues are at stake, conscious of the great tradition in which they stand, may rise to greatness of vision and soul as the anxious eyes of all the world are upon this Chamber.

In the questions which press, deliver us from all malice and contempt for the convictions of others, lest we sour our own souls.

Open our ears, we beseech Thee, to hear the call of far horizons and the stirring trumpets of challenge sounding the advance to a new era for mankind, as our America in a darkened world lifts aloft the flaming light of freedom. Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, September 27, 1962, was dispensed with.

LIMITATION OF DEBATE DURING MORNING HOUR

On request of Mr. MANSFIELD, and by unanimous consent, statements during the morning hour were ordered limited to 3 minutes.

The VICE PRESIDENT. Morning business is in order.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I yield myself one-half a minute, and move that the Senate proceed to the consideration of executive business, to consider the nominations on the Executive Calendar.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF A COMMITTEE

The following favorable reports of nominations were submitted:

By Mr. BUTLER, from the Committee on Finance:

John Neil McCardell, of Maryland, to be collector of customs for customs collection district No. 13, with headquarters at Baltimore, Md.; and

Edward F. O'Malley, of Maryland, to be comptroller of customs, with headquarters at Baltimore, Md.

The VICE PRESIDENT. If there be no further reports of committees, the nominations on the Executive Calendar will be stated.

FEDERAL COMMUNICATIONS COMMISSION

The Chief Clerk read the nomination of E. William Henry, of Tennessee, to be a member of the Federal Communications Commission for a term of 7 years from July 1, 1962.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

U.S. AIR FORCE

The Chief Clerk proceeded to read sundry nominations in the U.S. Air Force.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that these nominations be considered en bloc.

The VICE PRESIDENT. Without objection, the nominations will be considered en bloc; and, without objection, they are confirmed.

AIR FORCE NOMINATIONS ON THE SECRETARY'S DESK

The Chief Clerk proceeded to read sundry nominations in the Air Force which had been placed on the Secretary's desk.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that these nominations be considered en bloc.

The VICE PRESIDENT. Without objection, the nominations will be considered en bloc; and, without objection, they are confirmed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of these nominations.

The VICE PRESIDENT. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

VOLUNTARY PENSION PLANS BY SELF-EMPLOYED INDIVIDUALS—CONFERENCE REPORT

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 10) to encourage the establishment of voluntary pension plans by self-employed individuals, and for other purposes.

The VICE PRESIDENT. The question is on agreeing to the report. Under the unanimous-consent agreement, the time is under control until 11 a.m., at which time the Senate is to vote on the question of agreeing to the report.

Mr. MANSFIELD. Mr. President, I turn over the time at my disposal to the Senator from Tennessee [Mr. GORE].

EXECUTIVE COMMUNICATIONS

The VICE PRESIDENT laid before the Senate the following communications, which were referred as indicated:

PROPOSED AMENDMENT TO THE BUDGET, 1963, FOR DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE (S. DOC. NO. 149)

A communication from the President of the United States, transmitting an amendment to the budget for the fiscal year 1963, in the amount of $5,357,000, for the Department of Health, Education, and Welfare (with an accompanying paper); to the Committee on Appropriations, and ordered to be printed.

PROPOSED AMENDMENT TO THE BUDGET, 1963, FOR DEPARTMENT OF THE INTERIOR (S. DOC. NO. 147)

A communication from the President of the United States, transmitting an amendment to the budget for the fiscal year 1963, in the amount of $5 million, for the Department of the Interior (with an accompanying paper); to the Committee on Appropriations, and ordered to be printed.

PROPOSED AMENDMENT TO THE BUDGET, 1963, FOR SMALL BUSINESS ADMINISTRATION (S. DOC. NO. 150)

A communication from the President of the United States, transmitting an amendment to the budget for the fiscal year 1963, in the amount of $5 million for the Small Business Administration (with an accompanying paper); to the Committee on Appropriations, and ordered to be printed.

PROPOSED AMENDMENT TO THE BUDGET, 1963, FOR DEPARTMENT OF COMMERCE (S. DOC. NO. 148)

A communication from the President of the United States, transmitting an amendment to the budget for the fiscal year 1963, for the Department of Commerce, construction of a surveying ship (with an accompanying paper); to the Committee on Appropriations, and ordered to be printed.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HAYDEN, from the Committee on Appropriations, with amendments:

H.R. 13175. An act making appropriations for foreign aid and related agencies for the fiscal year ending June 30, 1963, and for other purposes (Rept. No. 2177).

By Mr. ELLENDER, from the Committee on Appropriations, with amendments:

H.R. 12900. An act making appropriations for certain civil functions administered by the Department of Defense, certain agencies of the Department of the Interior, the Atomic Energy Commission, the St. Lawrence Seaway Development Corporation, the Tennessee Valley Authority, and certain river basin commissions for the fiscal year ending June 30, 1963, and for other purposes (Rept. No. 2178).

By Mr. YARBOROUGH, from the Committee on Labor and Public Welfare, without amendment:

H.R. 9747. An act to amend section 514(1) of the Soldiers' and Sailors' Civil Relief Act of 1940, as amended (Rept. No. 2182).

By Mr. YARBOROUGH, from the Committee on Labor and Public Welfare, with amendments:

H.R. 6190. An act to amend title 38 of the United States Code to provide for the repair or replacement for veterans of certain prosthetic or other appliances damaged or destroyed as a result of certain accidents (Rept. No. 2181); and

H.R. 9737. An act to amend section 641 of title 38, United States Code, to provide that deductions shall not be made from Federal payments to a State home because of amounts collected from the estates of deceased veterans and used for recreational or other purposes not required by State laws (Rept. No. 2180).

By Mr. MORSE, from the Committee on Labor and Public Welfare, without amendment:

S. 3326. A bill to amend the National Defense Education Act of 1958 in order to extend the provisions of title II relating to cancellation of loans under such title to teachers in private nonprofit elementary and secondary schools and in institutions of higher education (Rept. No. 2190).

By Mr. McCLELLAN, from the Committee on Government Operations, without amendment:

S. 3041. A bill to authorize the conveyance of certain lands in Harris County, Tex., to the State of Texas or the county of Harris (Rept. No. 2183);

H.R. 10613. An act to eliminate the requirements for certain detailed estimates in the annual budgets (Rept. No. 2184);

H.R. 10652. An act to amend the Administrative Expenses Act of 1946 to provide a more reasonable allowance for transportation of house trailers or mobile dwellings by certain governmental officers and employees upon their transfer from one official station to another (Rept. No. 2185);

H.R. 11378. An act to amend the Federal Property and Administrative Services Act of 1949 so as to permit donations of surplus personal property to schools for the mentally retarded, schools for the physically handicapped, radio and television stations licensed by the Federal Communications Commission as educational radio or educational television stations, and public libraries (Rept. No. 2186); and

H.R. 11594. An act to extend for 2 years the period for which payments in lieu of taxes may be made with respect to certain real property transferred by the Reconstruction Finance Corporation and its subsidiaries to other Government departments (Rept. No. 2187).

By Mr. METCALF, from the Committee on Interior and Insular Affairs, with amendments:

S. 1696. A bill to authorize the Secretary of the Interior to conduct a survey of federally owned lands for the purpose of locating strategic minerals (Rept. No. 2188).

By Mr. CHAVEZ, from the Committee on Public Works, without amendment:

S. 2838. A bill to modify the project for protection against tidal waves and excessive high tides at Hilo Harbor, Hawaii (Rept. No. 2189).

By Mr. EASTLAND, from the Committee on the Judiciary, without amendment:

S.J. Res. 142. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women (Rept. No. 2192).

AMENDMENT OF NATIONAL DEFENSE EDUCATION ACT OF 1958—REPORT OF A COMMITTEE (S. REPT. NO. 2179)

Mr. MORSE, from the Committee on Labor and Public Welfare, reported an original bill (S. 3760) to amend the National Defense Education Act of 1958 to raise the limit on Federal payments into student loan funds, to broaden the types of equipment which may be acquired with Federal grants and loans under title III thereon, and for other purposes, and submitted a report thereof, which report was ordered to be printed, and the bill was read twice by its title, and placed on the calendar.

INTEREST RATES ON FOREIGN OFFICIAL TIME DEPOSITS—REPORT OF A COMMITTEE—MINORITY AND SUPPLEMENTAL VIEWS (S. REPT. NO. 2191)

Mr. HUMPHREY. Mr. President, on behalf of the chairman of the Committee on Banking and Currency, the Senator from Virginia [Mr. ROBERTSON], I report favorably, without amendment, the bill (H.R. 12080) to permit domestic banks to pay interest on time deposits of foreign governments at rates differing from those applicable to domestic depositors, and I submit a report thereon. I ask unanimous consent that the report be printed, together with the minority views of the Senator from Wisconsin [Mr. PROXMIRE], and the supplemental views of the Senator from Illinois [Mr. DOUGLAS].

The VICE PRESIDENT. The report will be received, and the bill will be placed on the calendar; and, without objection, the report will be printed, as requested by the Senator from Minnesota.

AMENDMENT OF HOME OWNERS' LOAN ACT OF 1933 AND FEDERAL HOME LOAN BANK ACT—REPORT OF A COMMITTEE—ADDITIONAL, SUPPLEMENTAL, OR MINORITY VIEWS (S. REPT. NO. 2193)

Mr. SPARKMAN. Mr. President, from the Committee on Banking and Currency, I report favorably, without amendment, the bill (H.R. 13044) to amend the Home Owners' Loan Act of 1933 and the Federal Home Loan Bank Act, which had been recommitted to the committee, and I submit a report thereon. I ask that the report be held open until midnight tonight for the filing of any additional, supplemental, or minority views, should be there be any.

The VICE PRESIDENT. The report will be received and the bill will be placed on the calendar; and, without objection, the request of the Senator from Alabama is agreed to.

AUTHORIZATION TO PRINT AS A SENATE DOCUMENT A STUDY ENTITLED "UNITED STATES PRIVATE FOREIGN AID PROGRAMS"—REPORT OF A COMMITTEE (S. REPT. NO. 2176)

Mr. MANSFIELD. Mr. President, from the Committee on Rules and Administration, I report favorably, without amendment, the resolution (S. Res. 407) authorizing the printing as a Senate document of a study entitled "United States Private Foreign Aid Programs," and I submit a report thereon.

Mr. President, this resolution has met with the unanimous approval of the Committee on Rules and Administration, and I ask unanimous consent for its immediate consideration.

The VICE PRESIDENT. The resolution will be read for the information of the Senate.

The Chief Clerk read the resolution, as follows:

Resolved, That there be printed as a Senate document a study entitled "United States Private Foreign Aid Programs"; and that one hundred and three thousand additional copies be printed for the use of the Senate.

The VICE PRESIDENT. The question is on agreeing to the resolution.

The resolution was agreed to.

CONTINUING APPROPRIATIONS FOR FISCAL YEAR 1963—REPORT OF A COMMITTEE

Mr. HAYDEN. Mr. President, from the Committee on Appropriations, I report favorably House Joint Resolution 897, making continuing appropriations for the fiscal year 1963, and for other purposes.

This joint resolution amends the joint resolution of August 31, 1962—Public Law 87-625—by striking out "September 30, 1962" and inserting in lieu thereof "October 31, 1962".

The joint resolution thus makes provision for continuing in operation those functions of the Government for which annual appropriation bills will not have been signed into law prior to October 1 and is the customary type of resolution making interim provision for the necessary services of Government.

Mr. President, I ask unanimous consent for its immediate consideration.

The VICE PRESIDENT. Is there objection to the present consideration of the joint resolution?

There being no objection, the joint resolution was considered, ordered to a third reading, read the third time, and passed.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. MORSE:

S. 3760. A bill to amend the National Defense Education Act of 1958 to raise the limit on Federal payments into student loan funds, to broaden the types of equipment which may be acquired with Federal grants and loans under title III thereof, and for other purposes; placed on the calendar.

(See reference to the above bill when reported by Mr. MORSE, which appears under the heading "Reports of Committees.")

By Mr. BUTLER:

S. 3761. A bill for the relief of Mr. Dena Jovanovic; to the Committee on the Judiciary.

By Mr. KEATING:

S. 3762. A bill for the relief of Carmelo Schillaci; to the Committee on the Judiciary.

RESOLUTIONS

AMENDMENT OF RULE VIII TO ADD A PROVISION RELATIVE TO GERMANENESS OF DEBATE

Mr. PASTORE submitted a resolution (S. Res. 409) to amend rule VIII to add a provision relative to germaneness of debate; which was referred to the Committee on Rules and Administration.

(See the above resolution printed in full when submitted by Mr. PASTORE, which appears under a separate heading.)

AUTHORIZATION FOR PRINTING AS A SENATE DOCUMENT A REVISED EDITION OF SENATE DOCUMENT NO. 74, 82D CONGRESS, ENTITLED "EQUAL RIGHTS AMENDMENT"

Mr. McGEE submitted the following resolution (S. Res. 410); which was referred to the Committee on Rules and Administration:

Resolved, That there be printed as a Senate document a revised edition of Senate Document 74, Eighty-second Congress, entitled "Equal Rights Amendment—Questions and Answers on the Equal Rights Amendment," prepared by the National Woman's Party; and that five thousand additional copies of such document be printed for the use of the Committee on the Judiciary.

TO AMEND THE STANDING RULES OF THE SENATE RELATIVE TO GERMANENESS OF DEBATE

Mr. PASTORE. Mr. President, I submit, for appropriate referral, a resolution which reads as follows:

Resolved, That rule VIII of the Standing Rules of the Senate be amended by adding at the end thereof the following paragraph:

"At the conclusion of the morning hour or after the unfinished business or pending business has been laid before the Senate, and until after the duration of 4 hours, except as determined to the contrary by unanimous consent or on motion without debate, all debate, motions (but not including amendments offered to the bill or resolution under consideration when reasonably related thereto) and appeals shall be germane."

The obvious and only purpose of the resolution is to amend our procedure so as to adopt a modified rule of germaneness. That rule of germaneness would prevail each day for 4 hours after the termination of the morning hour or after the pending business had been laid before the Senate, unless otherwise determined by the Senate. During this 4-hour period, Senators would be required to confine their remarks to the subject at hand. At other times, they would be free to discuss any and all topics.

In my judgment, Mr. President, the difficulties and pressures under which we have operated during this session clearly demonstrate the need for procedural reform to enhance the efficiency and dignity of the legislative process. We expect other segments of the Government to modernize their efforts and concentrate their energies to meet the challenge and complexity of the problems in today's world. The Senate has a corresponding duty.

Important though it is to preserve flexibility and freedom of debate in the U.S. Senate, I believe it is equally important to place moderate controls on irrelevant discussion, in order to expedite the Nation's legislative business and insure orderly procedure. Toward these objectives, and in the spirit of reasonable compromise between a rigid rule of absolute pertinency and unrestrained expression, I have drafted my resolution. I believe its adoption would mark a step forward in the prestige and progress of the Senate.

The PRESIDING OFFICER (Mr. MANSFIELD in the chair). If the Senator from Rhode Island will permit the temporary occupant of the chair to make a comment in his capacity as a Senator from Montana, I think the resolution is an excellent one. It would put into operation what might be called another Morse formula; and by means of this formula, after 4 or 5 hours of procedure during which the business then pending would be attended to, speeches on other subjects could be made.

Mr. PASTORE. Yes; during the period of 4 or 5 hours, the proceedings would have to be confined to the business at hand; but thereafter speeches on general topics could be made.

The PRESIDING OFFICER. Would the resolution properly be called the Pastore formula?

Mr. PASTORE. Yes; it might be called the Pastore formula.

Mr. KEATING. Mr. President, I commend the Senator from Rhode Island for offering this proposal. This idea has been given much thought by many persons who are interested in reform of Senate rules.

I caution my friend—who was the Governor of his great State at the time when I was serving in the other body—that there are ways to get around a rule of germaneness. If a Senator is speaking on a bill relating to the District of Columbia, and if that bill is the pending business, a Senator who wishes to speak about civil rights, foreign aid, or some other subject can say, "Of course, this measure is very important," and then can proceed to make a speech on another subject.

But I do think, at the very least, it would be helpful in focusing attention on the necessity of keeping to the business at hand as much as possible. I violate the present rule——

Mr. PASTORE. There is no present rule.

Mr. KEATING. I violate the spirit of the Senator's resolution very frequently, as does nearly every other Member of the Senate. If they want to get up on some subject, they get up and ask for recognition.

Mr. PASTORE. I have no complaint. Every Senator has a perfect right to speak on any subject he wishes to, under existing rules.

On the question that it sometimes would be difficult to establish germaneness, let me say that no rule is any stronger than the conscience of man, and I say, "Let your conscience be your guide"; but if a rule was imposed that would require a Senator to stick to the issue at hand, and a Senator wanted to select a subterfuge to get around it, I say, let him stand up before his fellows and do it.

Mr. KEATING. I commend the Senator from Rhode Island. This is a step in the right direction. I hope next year we will come to grips with our archaic rules and do something about them. I very strongly support the proposal that has been made to set up a committee to deal with this subject more fully than we are able to do on the floor. Certainly, the resolution should be considered.

Mr. PASTORE. I realize there are many modifications that should be considered, but this is one step forward. At this juncture, I certainly do not feel that the resolution will be adopted at this session of Congress, but I hope, under the leadership of the majority leader [Mr. MANSFIELD], who is the present occupant of the chair, he will marshal his forces and get us out of here by Wednesday of next week.

In that short period of time I do not suppose the resolution could be acted on, but if it is not acted on in this session of Congress, I expect to submit it at the next session of the Congress.

I thank the Chair and the Senators for their indulgence.

The PRESIDING OFFICER. The Chair merely wishes to say that the Senator is an optimist if he expects us to be out of here by Wednesday of next week.

The resolution will be received and appropriately referred.

The resolution (S. Res. 409) was referred to the Committee on Rules and Administration.

PRINTING OF REVIEW OF REPORT ON WHITE CLAY CREEK, ATCHISON, KANS. (S. DOC. NO. 151)

Mr. HUMPHREY. Mr. President, on behalf of the Senator from New Mexico [Mr. CHAVEZ], I present a letter from the Secretary of the Army, transmitting a report dated September 17, 1962, from the Chief of Engineers, Department of the Army, together with accompanying papers and illustrations, on a review of the report on the White Clay Creek, Atchison, Kans., requested by a resolution of the Committee on Public Works, U.S. Senate, adopted August 4, 1958. I ask unanimous consent that the report be printed as a Senate document, with illustrations, and referred to the Committee on Public Works.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE SITUATION IN MISSISSIPPI

Mr. JAVITS. Mr. President, in connection with the continuing crisis between the United States and the State of Mississippi, there is one factor which I believe should be mentioned and documented on the floor of the Senate—one which thus far has not received the attention it deserves. It is the relationship between the State of Mississippi and the United States in economic terms. I serve on the Committee on Labor and Public Welfare and on other Senate committees; and almost invariably when we go over the list of grants-in-aid in various fields—whether in the field of various types of education or in the field of welfare—we find that the amounts which go from the Federal Government to the State of Mississippi generally greatly exceed the amounts which are paid in taxes from that State, as compared with the situation in regard to other States. In this connection, I ask unanimous consent to have printed at this point in the RECORD, as part of my remarks, a complete table on the subject.

There being no objection, the tabulation was ordered to be printed in the RECORD, as follows:

Federal grants to State and local governments compared to tax revenues collected by Federal Government (amount paid to Federal Government for every dollar received)

State	Fiscal year—		
	1959	1960	1961
Alabama	$0.40	$0.57	$0.51
Alaska	.22	.16	.17
Arizona	.59	.72	.68
Arkansas	.28	.54	.46
California	1.08	1.34	1.17
Colorado	.58	.74	.75
Connecticut	2.03	1.83	1.51
Delaware	3.42	2.01	2.01
Florida	1.04	1.04	1.05
Georgia	.44	.67	.64
Hawaii	.74	.90	.69
Idaho	.48	.57	.59
Illinois	1.60	1.18	1.21
Indiana	1.62	1.34	1.24
Iowa	.84	.80	.96
Kansas	.83	.81	.85
Kentucky	.54	.58	.61
Louisiana	.32	.45	.47
Maine	.74	.75	.80
Maryland	1.49	1.53	1.33
Massachusetts	1.20	1.16	1.24
Michigan	1.40	1.36	1.25
Minnesota	.90	.92	.86
Mississippi	.25	.48	.41
Missouri	.69	.81	.85
Montana	.66	.54	.52
Nebraska	.91	.98	.75
Nevada	.76	.85	.71
New Hampshire	1.19	.73	.77
New Jersey	2.49	2.14	2.07
New Mexico	.39	.60	.51
New York	1.78	1.40	1.63
North Carolina	.59	.80	.87
North Dakota	.53	.39	.45
Ohio	1.71	1.24	1.27
Oklahoma	.32	.57	.49
Oregon	.88	.81	.92
Pennsylvania	1.39	1.41	1.42
Rhode Island	1.01	.99	.97
South Carolina	.49	.60	.68
South Dakota	.43	.48	.42
Tennessee	.50	.67	.60
Texas	.78	.87	.98
Utah	.60	.56	.62
Vermont	.71	.51	.48
Virginia	1.02	1.05	1.00
Washington	.78	.97	.97
West Virginia	.56	.53	.56
Wisconsin	1.37	1.19	1.34
Wyoming	.67	.44	.47
District of Columbia	.55	.62	.60

Source: Tax Foundation, Inc., New York, N.Y.

Mr. JAVITS. In short, Mr. President, if my memory serves me correctly, the State of Mississippi is probably at the top of the list of States which receive from the Federal Government much more in revenue and in help than they pay in taxes.

I come from a State which pays approximately 19.3 percent of the Federal taxes, and our State receives approximately 6.8 percent of the amount the Federal Government pays to the States in connection with various matching programs, programs of State aid, and so forth. Yet it is said that we in the State of New York are interfering in an improper way with what is occurring in Mississippi.

It seems to me that before Mississippi secedes from the Union—which is the implication from what Governor Barnett is trying to interpose in connection with the activities defying the Federal courts of the United States—Mississippi had better study the economics of the situation. And those who say we should not interfere with Mississippi had better consult the tax returns and see what the Federal Government is paying into the State of Mississippi.

No American begrudges such aid for a moment; we are delighted that it happens. Mississippi is a great and noble State, and is an indispensable part of the Union. We want her to retain that status. That is the entire purpose of this effort. No one places blame on the State of Mississippi. I believe no one doubts the sincerity of the misguided persons who are leading the State of Mississippi in this situation.

Nevertheless, Mr. President, one's duty is clear: The laws of the United States must be enforced everywhere; and anyone who brings about a situation of violence or mischief has only himself to blame, because there is clearly an urgent necessity to enforce the laws of the United States.

Mr. President, I thank the Senator from Florida for yielding this time to me.

THE WILL TO WIN

Mrs. SMITH of Maine. Mr. President, one of the great daily newspapers of Maine, the Lewiston Daily Sun, in its September 25, 1962, issue with a lead editorial, commented on my Senate speech of September 21, 1962. I am very proud of such approbation because of the truly deep respect held for this publication in Maine and elsewhere.

I ask unanimous consent that it be placed in the body of the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE WILL TO WIN

Once again, Senator MARGARET CHASE SMITH has put into words the feelings of not only the people of Maine, but Americans everywhere.

In a critical analysis on the floor of the Senate, Mrs. Smith emphasized the need for the United States to have a will to win in the cold war. The United States, she declared, must conduct its foreign affairs from the standpoint that it can and will win, if forced into a nuclear war.

Maine's senior Senator struck out at defeatism and the feeling that in nuclear war there could be no winner. She earnestly stated her conviction that the United States can win, but to do so it must remain strong. It cannot surrender piecemeal until it no longer has the capacity to strike back.

In speaking out against halfway measures and policies of fear and hesitation, Senator SMITH was expressing the feeling of many Americans. Her evaluation that the position of the United States in the world has deteriorated sharply during the past year confirms the fears of critics of the administration and its policy of waiting to react to each new Russian move.

We agree with Senator SMITH that the United States must have the will to win, and demonstrate it by meeting the Communist challenge wherever it exists. We agree that we must be less concerned with offending the Reds, and more with maintaining, as she said, "a realistic overall military advantage reposing in a capability to win our objectives to any level of conflict from the lowest to the highest."

Senator SMITH did not plead for truculence or belligerency on our part. But, she did urge the need for realism in facing up to the fact of Communist expansionism and countering it step by step.

A strong America, confident of its ability to strike back, if attacked, and win, is the surest guarantee of peace.

A SILVER ANNIVERSARY FOR DR. WINFRED OVERHOLSER

Mr. BARTLETT. Mr. President, coworkers, and friends of Dr. Winfred Overholser, Superintendent of St. Elizabeths Hospital, are paying him richly deserved tributes as they honor him on his silver anniversary of Government service.

Alaskans have particular reason for joining in congratulations and extending thanks to Dr. Overholser. Last September 9 saw the dedication in Anchorage, Alaska, of the Alaska Psychiatric Institute which represented the culmination of a long, hard struggle Alaskans had to bring up-to-date procedures to our mentally ill. Until the passage of the Alaska Mental Health Act in 1956 the Federal Government had responsibility for the care of Alaska's mentally ill with no power resting with the territorial legislature to change what were termed barbaric procedures in our day and age. The first field study of mental health problems in Alaska was made by the American Medical Association in 1948. In the following year Dr. Overholser headed a committee which spent 3 weeks in Alaska holding hearings. The information developed from those hearings formed the basis of the long legislative history which resulted in the Alaska Mental Health Act. In a very real sense Dr. Overholser can be called one of the fathers of that act as he gave invaluable support, assistance, and inspiration to all of us who fought the successful fight to bring modern procedures to the care of Alaska's mentally ill.

In September 1937, when Dr. Overholser came to St. Elizabeths, the hospital was a Bureau in the Department of the Interior. Dr. William Alanson White had died, leaving vacant the post of Superintendent and the honorable Harold Ickes, Secretary of the Interior at that time, was anxious to make a nonpolitical appointment to this post. Prominent members of the American Psychiatric Association were asked to form a committee to select a candidate; and from the list presented to him Mr. Ickes selected Winfred Overholser to be Dr. White's successor, and sent the recommendation to President Franklin Roosevelt who placed the appointment under civil service by Executive order.

The Department of Health, Education, and Welfare honored Dr. Overholser in 1954 with its Distinguished Service Award because they felt he had placed St. Elizabeths "on the world's highest echelon of mental hospital institutions," and also because he had earned for himself a national and international reputation as a foremost psychiatrist and hospital administrator. They had taken into account, too, his tireless teaching that the psychotic patient is a sick human being, that mental illness is not a shame but is an illness, and that psychiatry is a vital service to humanity.

Today, according to the National Association for Mental Health, there are more people in mental hospitals than in all other hospitals combined.

This statement emphasizes the great need for increased national and individual effort to advance the learning of psychiatric diagnosis and treatment. Recently, newly developed medication has caused great strides to be made in the rehabilitation of the mentally ill; even so, psychiatry remains one of the most complex and baffling specialties of the entire medical profession.

To present more fully Dr. Overholser's distinguished contribution to this profession, a brief glance at his past and present achievements is indicated.

Dr. Overholser came to Saint Elizabeths Hospital with a background of wide experience. Born in Worcester, Mass., April 21, 1892, he attended the public schools at Wellesley and entered Harvard in 1909, graduating cum laude in economics with the class of 1912. The following autumn he entered the Boston University School of Medicine and received the degree of M.B. in 1915, and M.D. in 1916. When he graduated he was asked to remain 1 year as resident at the Evans Memorial Hospital. Compared with previous periods, great advances were being made in psychiatry at that time. Active treatment of neurosyphilis was just beginning in Massachusetts. The diagnosis and treatment of psychotic disorders were being developed under the stimulus of men such as E. E. Southard.

After a year's residency at Evans Memorial Hospital, Dr. Overholser joined the staff of the Westboro State Hospital where the war interrupted his first year in clinical psychiatry. In February 1918, he entered the Army of the United States and was commissioned a first lieutenant. After further training in a military program at the Neurological Institute in New York City, he was sent overseas with an evacuation hospital established at Vaubecourt, France, and was later transferred to Base Hospital No. 117 at Prez sous La Fauche, the main center for the treatment of psychoneurotic soldiers. The work there was stimulating. Dr. Frederick W. Parsons was commanding, his assistant was Dr. Douglas A. Thom, and in that vicinity were Dr. Harry Solomon, Dr. Thomas Salmon, Dr. Donald MacPherson and others who often visited base No. 117.

Dr. Overholser returned to the United States after the armistice, and was assigned to an Army general hospital in East Norfolk, Mass.—now the Pondville State Hospital—where psychotic veterans were being treated.

Just before leaving the Army, on June 4, 1919, he and Dorothy Stebbins of Worcester, Mass., were married; and upon his discharge, went to Westboro, where Dr. Overholser resumed his staff position at the Westboro State Hospital. After a year there, he transferred to the Gardner State Colony as assistant superintendent; and in 1921, moved to Medfield State Hospital where he assisted Dr. E. H. Cohoon, one of the most able administrators then in the State. While in Medfield he was commander of the local American Legion Post. Dr. Overholser's outstandingly successful work in the improvement of State hospitals in Massachusetts resulted in his appointment as assistant to the commissioner of mental diseases. Many innovations were being brought into the State service at that time. Dr. L. Vernon Briggs was putting a great deal of emphasis on the importance of mental illness in relation to crime, and had secured the passage of the famous "Briggs law." Dr. Overholser was appointed director of the division for the examination of prisoners, and it was then that he began his career as a writer in the field of forensic psychiatry. In 1930, he was appointed assistant commissioner of mental diseases in Massachusetts; and in 1934, Gov. Joseph B. Ely appointed him commissioner.

Dr. Overholser proved to have all the qualities Secretary Ickes had looked for in a superintendent for the oldest and largest Federal mental hospital in the Nation; a psychiatrist of note, a capable hospital administrator, a humanitarian, and a man who could completely disassociate himself from politics and devote all his time and energies to the hospital's mission.

As a keen admirer and supporter of the civil service merit system, Dr. Overholser was glad to be placed under the control of the Civil Service Commission.

St. Elizabeths, under Dr. Overholser's leadership, is now acknowledged to be one of the best mental health treatment centers in the world. Under his guidance, the hospital pioneered in the use of numerous therapeutic agents and techniques—in the use of psychodrama, psychoanalysis, group therapy, and now new tranquilizing drugs. The hospital developed into a highly accomplished training center. Training is received by residents and interns in psychiatry, internal medicine, surgery, dentistry, and psychology. There is training for nurses, social workers, and occupational therapists. Theological students and ministers receive their clinical pastoral training here. Research has expanded to include psychiatry, clinical pathology, and geriatric medicine. Most important, there is a gratifying increase in the patient discharge rate.

The high repute of the hospital, and still higher esteem held by the medical profession for its Superintendent, have brought visitors to the hospital from all over the world. Each year brings an influx of doctors, hospital administrators, and students of the medical sciences to observe St. Elizabeths "in operation" and to take back home with them some new approach, innovation or technique. Last year, 37 countries were represented.

As an internationally recognized authority in the field of psychiatry, Dr. Overholser's advice is sought by Federal agencies and State governments, by public and private organizations, and by foreign countries and institutions.

He served as chairman of the U.S. delegation to the International Congress on Mental Health, London; and as vice president, First International Congress of Psychiatry, Paris. He was named honorary member, Academia Real de Medicina, Barcelona, Spain; honorary member, Sociedad de Psiquiatría Medicin Legal, Lima, Peru; and honorary professor, University of Chile. He was decorated by the French Government as Chevalier of the Legion of Honor and by the Government of Ecuador with the order Al Mérito.

Shortly after his appointment as Superintendent, a report he had written as a member of the Federal Board of Hospitalization came to the attention of the President, and this circumstance led to the introduction of psychiatry into the Armed Forces induction process. He served as a member of the psychiatric advisory committee of selective service throughout the war and was awarded the Selective Service Medal. During the war period he provided hospitalization at St. Elizabeths for 5,000 naval officers and enlisted men; and about 125 naval medical officers and 100 nurses were given instruction in psychiatry, and approximately 800 hospital corpsmen received their training at the hospital. For this service, the Surgeon General of the Navy awarded a Certificate of Achievement to St. Elizabeths; and the Secretaries of War and Navy awarded a Certificate of Appreciation to Dr. Overholser. Also during World War II a very large number of Red Cross workers were trained at St. Elizabeths in recreation activities and as social workers for oversea duty.

With the development of the good neighbor program, Dr. Overholser organized training courses for physicians from South and Central America. Although modern psychiatry was presented to them in an abbreviated form, its effectiveness was indicated by the wide reception and expressions of gratification which he received from Government officials of countries participating.

As part of World Health Organization work, St. Elizabeths gave training in mental health to physicians sent to this country by the Haitian Government. For this assistance the Haitian Government named Dr. Overholser as Officer, Haitian order "Honneur et Mérite."

Other extracurricular assignments were his appointment as a member of the Federal Board of Hospitalization; chairman, Committee on Neuropsychiatry of the National Research Council; and member of the Advisory Committee to the Neuropsychiatric Section of the Veterans' Administration.

Continuing the national agenda, there is included: chairman, National Association for Mental Health Committee on Research in Schizophrenia; member, Advisory Committee on Criminal Law of the American Law Institute for the Formulation of a Model Penal Code; chief consultant, Mental Hospital Service, American Psychiatric Association; chairman, Committee on Certification of Mental Hospital Administrators, American Psychiatric Association; National Board of Medical Examiners; and, chairman, National Medical Advisory Board, American Legion. In 1951, he was awarded the Gold Key of American Congress of Physical Medicine for work in occupational therapy and rehabilitation, and, in 1954, he was given the Distinguished Service Award by the Department of Health, Education, and Welfare; and in 1960, received the President's award for Distinguished Civilian Service.

He has been given three honorary degrees—the degree of doctor of science by Boston University in 1955; honorary doctorate in humane letters from St. Bonaventure University in 1955; and, in 1960, received the honorary degree of doctor of laws from George Washington University.

In medical circles, Dr. Overholser served as president of the American Psychiatric Association, the Massachusetts Psychiatric Society, the New England Society of Psychiatry, the Pan American Medical Society of Washington, and the Academy of Medicine of Washington.

In Washington community life, he was one of the organizers, and first chairman, of the Health Section of United Community Services; he served on the Board of the Washington Institute for Mental Hygiene, and was its president for many years. He is a member of the Unitarian Church, and a former moderator of the American Unitarian Association. He is also a member of the Cosmos Club, of the Literary Society of Washington, D.C., and of the honorary societies of Sigma Xi and Alpha Omega Alpha.

Always a prolific writer, Dr. Overholser has had about 300 articles published in legal and medical journals related to general and forensic psychiatry, criminology, and mental hospital administration. He is the author of "Psychiatry and the Law" (1953), and coauthor with W. V. Richmond of "Handbook of Psychiatry" (1947). Currently, he is on the editorial board of Medical Annals of the District of Columbia and is the editor-in-chief of the Quarterly Review of Psychiatry and Neurology. He was professor of psychiatry at the George Washington University School of Medicine for 21 years, and is now professor emeritus.

The growth of the hospital under Dr. Overholser's administration is indicated, in a degree at least, by the building that has taken place. In 1938, a new tunnel under Nichols Avenue was built to accommodate automobile traffic; the former underpass had been built for horse and buggy traffic. During the 1940's, six continuous treatment buildings were erected—they are known now as CT buildings No. 3, No. 4, No. 5, No. 6, No. 7, No. 8—and a new home for student nurses. In 1951, the new geriatric building was occupied; and in 1952, the new laundry and warehouse building was occupied. Temporary buildings, near gate No. 3, were torn down and a beautiful little chapel, used now by all religions, was built. In 1956, the Dix Pavilion was opened; and, in 1959, the new John Howard Pavilion, the maximum security building was opened.

New ideas, as well as new buildings, came to St. Elizabeths with Dr. Overholser. A clinical pastoral training program was started in 1945. Instruction 5 days a week for children patients was begun in 1956; and the William A. White Clinical Research Center, in collaboration with the National Institute of Mental Health Research Center, was established during 1958.

Two events made 1955 an important year for the hospital. The new and revolutionary drugs, chlorpromazine and reserpine, were administered for the first time; and, in that year, St. Elizabeths celebrated its 100th anniversary as a mental hospital. Dr. Overholser had no money under the hospital appropriations for celebrating the anniversary so he appealed to various foundations, among them the Ford Foundation, and to generous friends. With this grant, centennial papers were published and a motion picture film was made entitled "The Cry of Humanity." Zigmond M. Lebensohn, M.D., associate professor of psychiatry at Georgetown University School of Medicine, said in one of the centennial papers:

> On his arrival here (Washington) Dr. Overholser was so shocked by the antiquated commitment procedures in the District of Columbia that he publicly condemned them as "barbarous" and referred to the District as "benighted" in this respect. Thanks in large to his influence, these procedures have been greatly improved, provisions for voluntary admission were finally made, and cordial relations were established between the hospital and the courts. Dr. Overholser was able to make many important contributions to the medicolegal literature—contributions that have appeared in many of the leading journals of psychiatry, law reviews and specialized journals on criminal law and criminology. Dr. Overholser has contributed much to the medicolegal activities of the American Psychiatric Association. Dr. Overholser's fruitful labors in the vineyard of forensic psychiatry received signal recognition in 1952 when the American Psychiatric Association conferred on him the first Isaac Ray Award for the most worthy contribution to the improvement on the relations of law and psychiatry. The four Isaac Ray lectures at Harvard University were later published in 1953 under the title "The Psychiatrist and the Law." In the opinion of at least one reviewer, publication of this volume firmly established Dr. Overholser as the "Dean of Forensic Psychiatry."

It is not possible to name all of the writing and other activities that have engaged Winfred Overholser recently, but two endeavors should be noted. An article titled "Criminal Responsibility: A Psychiatrist's Viewpoint," published in the American Bar Association Journal in June 1962, is one of the clearest discussions of criminal responsibility ever written. The second endeavor is a nationwide radio program. During Mental Health Week, 1961, the Honorable Abraham Ribicoff, Secretary of the Department of Health, Education, and Welfare, at an institute at the hospital said:

> It is my hope that St. Elizabeths—pioneer of a hundred years' standing—will lead the way in a great national endeavor.

With this in mind, and with the knowledge that educating the public regarding mental health is vitally necessary to rehabilitation of the mentally ill, Dr. Overholser recorded 26 5-minute radio talks directed to the average listener. This was done with the cooperation of the National Institute of Mental Health; and the programs are now being broadcast on more than 450 stations across the Nation. Many State hospitals and mental health associations have asked for the broadcasts for use not only on the air but as training programs.

In May 1962, Winfred Overholser was honored by the Boston University School of Medicine when he was named outstanding alumnus of the year at the 87th anniversary banquet of the Medical School Alumni Association. He was the ninth recipient of this annual award.

St. Elizabeths Hospital today is world famous, and the name Overholser is one of the very few names in psychiatry known to professional and lay people everywhere. It is, therefore, with pride that the U.S. Government and the Civil Service Commission can point to Winfred Overholser, M.D., Sc.D., as a career man in Government who has become world famous and, at the same time, successfully administered a great national institution. Such an example should attract competent ambitious young people to Government service as nothing else can.

RECOLLECTION OF AN ALASKA FRIENDSHIP

Mr. BARTLETT. Mr. President, as is too often the case when we try to mark with thanks assistance given in legislative and other struggles in life to bring about economic and social gains, we neglect to mention the unwavering and warm support given such causes by members of the family. And so it was when I spoke on September 26 about the long fight which brought into being the Alaska Mental Health Act.

Alaskans always considered the late Senator Richard L. Neuberger as a member of the family. His ties with Alaska were knotted more than a quarter of a century ago, when, as a young writer, he turned to the last American frontier for material. That search led to Alaska friendships which grew with the years, and when Dick Neuberger came to the Congress, Alaskans, with voteless congressional status, felt they had another Alaska voice in the U.S. Senate. Dick Neuberger proved that friendship on countless occasions. He was an unceasing advocate of Alaska statehood. His support was effective, unwavering, and stanch. Through his leadership, Alaska, while a territory, was brought into the framework of the Federal Aid Highway Act.

There was continuing evidence of that friendship during his 5 years in the Senate. He proved himself once again a member of the Alaska family but more importantly as a man of great humanity when he sponsored in the Senate legislation to bring the care and treatment procedures of Alaska's mentally ill out of the dark ages into the light of modern techniques. His name is missing from my September 26 speech. In a sense my neglect is a welcome one to me as it gives me a chance to recall publicly, which I do so often privately, the close ties of friendship with a dedicated and great man.

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

VOLUNTARY PENSION PLANS BY SELF-EMPLOYED INDIVIDUALS—CONFERENCE REPORT

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 10) to encourage the establishment of voluntary pension plans by self-employed individuals, and for other purposes.

Mr. SMATHERS. Mr. President, the conference report on House bill 10 permits self-employed individuals to participate under qualified retirement plans in much the same manner as employees, except that it imposes upon self-employed persons rigid limitations as to the amount which may be contributed under the plan for themselves and the amount which may be deducted by them on their tax returns.

Before explaining to the Senate the changes made by the conferees in the principal provisions of the bill which relate solely to the retirement plan coverage of self-employed persons, let me state briefly the conference action with respect to three amendments added to the bill by the Senate which did not relate to self-employed retirement plans. Specifically, I refer to the two Gore amendments, the first of which limited the amounts which could be deducted for contributions with respect to employees under any qualified retirement plan to 10 percent of compensation or $5,000, whichever was lesser, and the second of which repealed the capital-gains treatment in the case of lump-sum distributions under qualified retirement plans. I refer also to the McCarthy amendment which would have extended to owner-managers of corporations the same limitations as to coverage, vesting of contributions for employees, excess contributions, and so forth which the principal provisions of the bill impose upon self-employed individuals who own more than 10 percent of their business. The House conferees were adamant in their refusal to accept these amendments or to compromise them. They insisted that matters as important as these should not be hastily enacted without hearings, since they will directly affect the many millions of persons now operating under existing and Treasury-approved plans. The House conferees insisted that the amendments go over, and be considered at a later date after proper discussion and the taking of testimony by those directly involved.

As to the principal provisions of the bill, the Senate conferees were thoroughly successful in urging the House members of the conference committee to accept the more rigid provisions of the Senate version of the bill. The House version of the bill treated self-employed individuals under different rules, depending upon whether they had three or fewer employees or more than three employees. It required a self-employed person with more than three employees to cover under his plan each employee who has 3 years' service. If he had three or fewer employees, the self-employed individual was not required to include employees under the retirement program. The Senate deleted the "more than three employees rule" of the House bill and required self-employed individuals to cover each employee with 3 years' service if he was to provide benefits for himself. The conferees accepted this Senate amendment.

Both the House and Senate bills required covered employees to be given nonforfeitable rights to contributions made for them; however, the House bill applied this rule only if there were more than three employees. The conferees agreed to accept the Senate provision which applies if there are any employees.

Under the House bill, contributions were based upon "self-employment earnings." The Senate bill considerably narrowed the base for computing contributions by adopting a concept of "earned income," as distinguished from investment income. The House conferees agreed to this amendment.

Under the House bill, a self-employed individual with three or fewer employees was permitted to contribute and deduct 10 percent of his self-employment earnings or $2,500, whichever was the lesser. If he had more than three employees, however, these limitations did not apply and he could contribute for himself at the same rate as he contributed for his employees. If the self-employed individual did not own more than 10 percent of his business, the 10 percent—$2,500 limitation did not apply, and the only limitation on the amount that he could contribute under a retirement plan for himself, and deduct, was that his contribution be nondiscriminatory. The Senate bill deleted these various rules and applied a single, simple rule to all self-employed individuals. Under the Senate bill, which the House conferees accepted without change, no self-employed individual may set aside in a retirement plan for himself more than 10 percent of his earned income or $2,500, whichever is lesser. This is true regardless of the number of businesses in which he may be engaged. Not all of the amount contributed, however, may be deducted by a self-employed individual. Under the bill as passed by the Senate and agreed to by the conferees, he may deduct only one-half of the amount he contributes for himself. Thus, the maximum deduction for any self-employed individual will be one-half of $2,500, or $1,250 per year. Of course, if he has employees and makes contributions for them, the entire amount he contributes for them will be deductible, just as under existing law.

Under the Senate bill, a self-employed person who owned more than 10 percent of his business would be covered under a retirement plan only if he gave his consent. There was no comparable provision in the House bill. The House conferees accepted this Senate amendment.

The House also accepted a Senate amendment moving the effective date forward 1 year.

There was another provision of the Senate bill which the House conferees would not accept. This was a minor provision which attributed ownership of one member of a family to another. The House conferees insisted that this provision was unnecessary under the agreed bill because of the strict limitations on deductible amounts. For this reason they refused to accept this amendment. Except for this single provision and the amendments which would have affected corporate retirement plans, the House conferees accepted all the Senate amendments.

By agreeing to the Senate version of the bill, the conference action reduced the revenue loss of the bill from $325 million to somewhere between $50 million and $115 million in a full year of operation.

I think the conferees acted with wisdom. I think they produced a good bill. It is my sincere hope that the Senate will now give effect to the action of the conferees and approve the conference report.

The House of Representatives has already acted and has approved the conference report by a vote of 361 to 0, demonstrating the complete unanimity of both parties, all classes, and all areas in support of this particular legislation.

Mr JAVITS. Mr. President, will the Senator yield?

Mr. SMATHERS. I yield.

Mr. JAVITS. Is there any estimate as to the so-called revenue loss attributable to the bill? I intend to vote for the conference report. I am not at all hostile to it. I am merely asking for information.

Mr. SMATHERS. According to the staff, the estimated revenue loss was reduced from $325 million to $115 million. However, we have more recently had reports from a Dr. Murphy, an economist for the thrift organizations, who estimates that the revenue loss will be only $50 million under the provisions of the conference report.

Mr. JAVITS. So, whether $50 million or $115 million, we have a plan which gives the self-employed person a feeling of substance and incentive, which, all considered, marks a new milestone of development in our economic life, on a personal basis. Is that correct?

Mr. SMATHERS. The Senator is correct. As the Senator well knows, the development is long overdue.

Mr. JAVITS. It is long overdue. I compliment the Senator on an excellent piece of work.

Mr. SMATHERS. I thank the able Senator.

Mr. President, I have concluded. I yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER. Is the time to be charged to both sides?

Mr. SMATHERS. Yes, the time is to be charged to both sides.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. SMATHERS. Mr. President, I ask unanimous consent that further proceedings under the quorum call may be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Does the Senator yield time?

Mr. SMATHERS. Mr. President, I yield such time as he may desire to the Senator from Virginia [Mr. ROBERTSON].

Mr. ROBERTSON. Mr. President, I yield to the Senator from Mississippi for an insertion in the RECORD.

The PRESIDING OFFICER (Mr. JORDAN of North Carolina in the chair). The Senator from Mississippi may proceed.

HOW THE COURTS ASSUMED COMMAND OF DESEGREGATION

Mr. STENNIS. Mr. President, the morning issue of the New York Times carries a colum entitled "In the Nation," written by the distinguished columnist Mr. Arthur Krock. The subtitle is "How the Courts Assumed Command of Desegregation."

Mr. Krock gives the chronological history of the developments of the attempted change, beginning with the Supreme Court decision of 1954. That distinguished author, columnist, and newspaperman concludes with this sentence:

> This is [the conclusion] that compulsion is the most frangible of tools for remolding the shape of public education.

I think the column should have wide circulation because it so clearly states the development of the issues and possible cures. I ask unanimous consent that it may be printed in the body of the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HOW THE COURTS ASSUMED COMMAND OF DESEGREGATION

(By Arthur Krock)

WASHINGTON, September 27.—The fact that racial desegregation in public education is under the compulsion of a new interpretation of the Constitution by the Federal judiciary, instead of a mandatory act of Congress, has its origin in the Supreme Court 1954 decision in *Brown* v. *Board of Education*.

Although enforcement of the 14th amendment guarantee of equality in the "rights, privileges and immunities" of U.S. citizens was assigned to Congress, through "appropriate legislation," and public school racial segregation in 1954 was law in many States—no act of Congress invalidating these laws was on the statute books. Moreover, for more than 60 years the Supreme Court had left unaltered its decision that State regulations of "separate and equal" in public education were not violative of the 14th amendment—adopted in 1868.

COURTS AS ENFORCEMENT ARM

It was in the absence of any applicable Federal statute and in the presence of its previous and long-maintained interpretation of the amendment that the Supreme Court unanimously supplied the one and reversed the other in 1954. The Court based its holding on the sociological conclusion that "separate educational facilities in public education are inherently unequal." But it was not until the Court issued its 1955 decree that the Federal courts, not Congress or the Executive, became the arm of the Federal Government by which the process of enforcement of the 1954 decision was thereafter to be both instituted and directed in detail.

The decree imposed primary responsibility on the local school authorities to see that the 1954 decision was obeyed. It ordered the lower Federal courts, "because of their proximity to local conditions," to appraise the validity of private suits charging that the school boards were not carrying out in "good faith" the responsibility imposed on them. And the lower courts were further ordered to require a "prompt and reasonable start" toward public school racial desegregation, taking as their guide "equitable principles" as set forth by the Supreme Court in 1954.

THE USE OF FORCE

The result is the only possible one when the judiciary makes itself the operating arm of Government: a deluge of private litigation; a conflict between Federal and State court injunctions against or in support of the actions of public officials; the long delays required by due process of law; and finally a constitutional crisis where, as in Mississippi, lower Federal courts and their marshals and the Governor and constabulary of a State (to which a section of the Constitution guarantees "a republican form of government") enlist force for resistance and compliance alike.

Those who are now deploring that the public school desegregation conflict has embroiled the courts actively in a conflict of this nature, with its domestic social and political hazards and its harmful potential to the international stature of the United States, should take note that it was foreshadowed by the Supreme Court's assignment of the lower judiciary to enforce a new interpretation of the Constitution without prior legislative warrant or Executive procedure.

A SENSITIVE PLANT

This may not have been a complete transformation of the constitutional process in the United States. But in many respects it is taking on that character. And perhaps thereby the opportunity that existed in 1954—of bringing about ultimate compliance in *Brown* v. *Board of Education* by the peaceful evolution of a national policy among Congress, the Executive, and the people—was lost.

In the history of the English-speaking nations regulation in the field of education by central force majeure has often been attained at a ruinous cost. Under orders of James II, orders that accelerated the loss of his throne, Lord Chancellor Jeffreys coerced Cambridge and Oxford—the first to confer a degree on a repudiated candidate, the second to install a disreputable favorite of the King as the head of Magdalen College. Since the motives of the coercing power then were base, and now reflect a widespread aspiration for the United States to reach the highest moral level of democracy, there is no analogy save one. This is, that compulsion is the most frangible of tools for remolding the shape of public education.

Mr. STENNIS. I thank my distinguished and fine friend from Virginia.

VOLUNTARY PENSION PLANS BY SELF-EMPLOYED INDIVIDUALS—CONFERENCE REPORT

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 10) to encourage the establishment of voluntary pension plans by self-employed individuals, and for other purposes.

Mr. ROBERTSON. Mr. President, I welcome this opportunity to publicly express my approval of and support for H.R. 10.

Three years ago, after I had studied what was involved, I wrote to numerous Virginia constituents that I thought it would be eminently fair for our Government to permit self-employed to set up for themselves a retirement fund operated more or less as the social security program is operated. The objection of some to that proposal should be fully eliminated by the provision in the Senate version of the bill, now agreed on in conference, that those who take advantage of this benefit must also give the pension plan to their employees. I believe the Senator from Florida will agree with that statement.

Mr. SMATHERS. The Senator is absolutely correct. If they take it for themselves they must give it to their employees.

Mr. ROBERTSON. There is one phase of the pension plan which I feel becomes pertinent for comment at this time because of what was put in the bill yesterday for Federal employees.

I do not believe that a great many Members of the Senate realize that yesterday the Senate established a precedent which in future years will rise up to plague us. The precedent was that we said to the civil service employees—I think the number who have already retired is 600,000—whose contributions were made on the basis of their previous salaries, and whose pensions were geared to their contributions, "We will, without requiring you to contribute anything more to the pension fund, immediately increase your pension by 5 percent; and, every year hereafter, we will give you an amount to compensate for the increased cost of living."

Yesterday I pointed out that 2 years ago President Eisenhower vetoed the 7½-percent pay raise bill which was geared to the cost of living. He said that the cost of living had gone up ,only 3 percent. Those who favored the bill said, "But it will continue to rise and before the workers get another increase it will be up to 6, 7, or 8 percent; and therefore the 7½-percent increase is justified."

Yesterday I inserted in the RECORD a letter from the Postmaster General, which indicated that instead of the cost of living having gone up that much, it had gone up only 2.2 percent. But we provided, when it becomes fully effective, what will be an increase of nearly 11 percent, approximately five times the increase in the cost of living.

That will add over a billion dollars a year in cost to the Government, which will be paid for with borrowed money, because we had a $6 billion deficit last fiscal year and we will have more than an $8 billion deficit this fiscal year, without a tax cut, and if there is a tax cut there will be an $18 billion deficit. But again I say that that was not the only dangerous precedent that was established in the bill passed by the Senate yesterday, against which only three Senators were willing to register a protest in behalf of a sound fiscal program.

Except on the ground of political expediency, how can we justify a cost-of-living pension to everyone who retires after having been on the Government payroll, and deny such a pension to railroad men, who have a pension fund supervised by the Government, or to social security workers, who also have a pension fund supervised by the Government? I pointed out that next year we may have a deficit of $18 billion. If we have such a deficit, it will be by far the largest in the peacetime history of our Government. Such a deficit is bound to be inflationary, because the only way the Government can obtain that much extra money will be by selling Government bonds to commercial banks. Every dollar that the commercial banks receive sets up a potential credit of $6 of new money. Our country would be flooded with new money, which would certainly have an inflationary effect.

As the Senator from Delaware pointed out yesterday, the Civil Service Retirement Fund is insolvent. Make no mistake about it. In recent years the administration has asked us each year to put money into the fund in order to meet our part. We have not done so. This year we received a recommendation for an appropriation of $50 million in relation to one bill. That amount was even included in the House bill. We calmly took it out.

When will that fund be solvent? Never. There will come a time when, in order to pay the pensions of the civil service employees, we shall have to take the money out of the Treasury the year it is paid.

How about the Railroad Retirement Fund? That fund, too, is insolvent.

How about the Social Security Fund? That fund is more insolvent than any of them.

Years ago there was a terrific debate over whether we would go on a pay-as-you-go basis, or whether we would go on a trust fund basis. We never reached any firm conclusion as to which basis we would adopt. We are now on a dual basis. It is partly a trust fund, which is invested in Government bonds. If there is serious inflation, Senators know what will happen to that fund. It is all invested in Government bonds. Then the program in part is on a pay-as-you-go basis.

Fortunately, the system is young. Fortunately the current receipts are more than adequate to meet current pensions. In my opinion, such a condition will not continue more than about 10 more years. Meanwhile, there will be recurring efforts to load the pension plan down with medical care, which will never pay its way and which will leave that much more for the general taxpayers to pay in the end.

Let us return to what is involved in the pension plan. When a man puts in $1,500 a year——

Mr. SMATHERS. $2,500.

Mr. ROBERTSON. We agreed that the amount would be $2,500; $1,500 was provided in the Gore amendment in the Senate bill.

Mr. SMATHERS. He could deduct only $1,250.

Mr. ROBERTSON. That is what I mean. A man could put in $2,500, but he could deduct only half of the amount.

Mr. SMATHERS. The Senator is correct.

Mr. ROBERTSON. If there were inflation, the pension fund would be diluted, as would the pension fund of the civil service workers. Who would make the amount good to these people?

Are we as a Congress going to take the stand that it is the duty of the Government to protect the people of our country against inflation by spending within our income? I believe it is, but many people do not seem to think so.

If we say that it is our duty, does it become our duty to protect the retirement pay of everyone who retires and is affected by future inflation by bolstering their pension with borrowed money? That is what we provided in the bill passed yesterday.

We have told 600,000 classified postal retirees—and it will not be long before the number will be 1,200,000, because the payrolls are continually being built up: "We are going to protect you, and whenever the cost of living goes up, your pension will go up."

Who will pay the pension? The taxpayers, of course.

Then what would we say to the railroad workers? Would we turn them down? Railroad workers represent a considerable voting bloc.

But the biggest bloc of all are the 52 million people who are now listed with numbers in the social security program. Those 52 million people will have pensions that would be picayunish as compared with the retirement pay of the classified civil service Government workers. They would be as seriously affected by inflation as anyone else.

Mr. President, in the future, when our country will be hard put as to what to use for money, and we underwrite all the pension funds in our country and say that we will recklessly spend what we have not got, that we will increase our $300 billion debt until perhaps it is $400 billion, and if we have 1, 2, or 3 percent of inflation every year, the time will come when we will be required to double every pension in the entire United States.

That is the principle that was established in the postal pay raise and Government pay raise bill passed by the Senate yesterday.

In addition, in this morning's newspapers we read reports that a local organization will be unceasing in its efforts to desegregate all housing projects in the District of Columbia. We know that already some 80 percent of the pupils in the District schools are nonwhites. We know that the whites in the District have been gradually moving out, and it is anticipated that in a few more years some 70 percent of the total population of the District of Columbia will be nonwhite. The program to desegregate housing in the District will be merely a prelude to the national order. The proponents wish to start it here now. They wish it to have a national effect immediately after the election. What will be the result? Homebuilders inform me that in their opinion the minimum effect of such an order on a national basis would be to reduce new housing starts by 50 percent. Some of them estimate that the reduction would be as high as 75 percent. There are $175 billion of deposits in savings, mutual banks, savings and loan associations, and commercial banks invested in home mortgages, that is, nonfarm home mortgages on property in the first areas to be desegregated. No one can tell what effect a nationwide desegregation order would have upon such mortgages. But it would be terrific. The Government has underwritten a large percentage of them.

What is already happening in the mortgage field? The increase in foreclosures in the last 20 years has been 200 percent.

The increase in foreclosures of mortgages taken over by the Government between 1959 and 1961 was 75 percent. Suppose action is taken which will immeasurably decrease the value of mortgages which the Government has underwritten. No one can tell the extent to which the Government will then be committed to redeem its 90-percent guarantee of such mortgages.

In my opinion, the bill which passed the Senate yesterday with only three votes against it carried serious implications as to where we are going in what the President who was elected in 1932 described as running the ship of state against the rocks of fiscal irresponsibility.

There is no doubt that the rocks lie ahead. Yesterday we committed ourselves to a program of supplementing pensions with funds to which individuals had not directly contributed, and which may run into very large sums of money in future years if we do not control the inflationary trends.

Mr. GORE. Mr. President——

The PRESIDING OFFICER (Mr. HRUSKA in the chair). How much time does the Senator yield to himself?

Mr. GORE. Such time as I may desire.

Mr. President, is it the will of the U.S. Senate to grant to a relatively small percentage of our people, who can financially afford to make the investment, the special privilege of deducting from their taxable income $1,250 a year for an investment in a retirement plan or policy peculiarly and solely for his or her own benefit?

A statement of a question in these terms, if based upon a hypothesis, might well bring a chorus of "no" answers, if any answers were forthcoming.

Mr. President, the case is not hypothetical. That is exactly the purpose and the terms and the effect of the bill, H.R. 10, with respect to which the Senate is now considering a final conference report.

Mr. President, one of the hallmarks of modern economic democracy is the graduated income tax. This is the one mechanism which, more than any other, places the burden of financing the country's defense and carrying out necessary services which the modern industrial state must render its citizens squarely on the shoulders of those most able to bear that burden. Without some such mechanism as this, it seems to me that economic democracy will not long endure. And, without economic democracy, political democracy as we know it is doomed.

Our tax laws are riddled already with provisions which constitute open attacks against our system of graduated income taxes. Many of the provisions relating to pension, profit sharing, stock option, stock purchase, and deferred compensation plans constitute just such an attack.

H.R. 10, if a majority in Congress is to have its way, is now to be added to the arsenal of those who would batter down the walls which seek to guard economic and political democracy.

This is not to say that pension and profit-sharing plans have no place in our economy, no place in our society, no place in our political system, no place in our tax laws. On the contrary, they definitely have a place. Let me make it perfectly plain that I favor adequate and proper encouragement, even through tax laws, of legitimate and reasonable pension plans to supplement the social security system.

However, this whole area needs a close reexamination. On the basis of the plans of the President for extensive tax reform next year, today is surely not the time to act to widen the gap of special privilege. Today is not the time to create another loophole of special favoritism in our tax laws. Today is not the time to set the precedent of giving tax deduction to the few who are able to make the financial investment, even to the extent of $1,250 per year, for the peculiar benefit of the taxpayer making such an investment.

The personal exemption in the present law for all taxpayers is $600 for the taxpayer and for each of his dependents. This, it seems to me, is wholly unrealistic. Even in 1940, when the cost-of-living index stood at about 60, the personal exemption for each taxpayer and for each dependent was $800. Now that the cost-of-living index stands at about 130, more than twice what it was in 1940, the personal exemption is $600.

Yet the pending bill, H.R. 10, proposes to grant an exemption of $1,850, the $600 exemption to which all are entitled plus the extra $1,250 provided for the few in the pending bill, to a relatively few persons, provided those people invest $2,500 a year in a retirement plan or policy for their own peculiar benefit. This is favoritism.

The enactment of the pending bill would open another loophole in the tax law. Almost the sole argument in support of the passage of the pending bill is based upon the premise this course of action is justified or excused on the basis that other favoritism, for the corporate officer and employees, is already in the law.

Tax reform is direly needed. We are promised a tax reform recommendation next year. Surely correction of the abuse of pension funds should be a part of that reform. I refer not to pensions as the average American understands pensions. I refer not to annuities received during a taxpayer's retired and aging years. I refer to pension funds and the manipulation of pension funds, sometimes in multiple quantity, to lump-sum payments, and to lump-sum distributions of so-called pension funds, some of which make a mockery of the very concept of pensions for security in old age.

The country needs to take a hard look at the whole area of pension funds, profit-sharing, and deferred compensation, including restricted stock options, in order to see what changes are in order in the public interest. It is my feeling that many changes are in order and, in fact, are badly needed to restore to the tax laws and our system of taxation the essential element of fairness, if our system of graduated income tax is to continue to have the support of the majority of the people.

Under present circumstances, which H.R. 10 would but make worse, it is the bulk of the citizens, whose income is derived from wages and salaries, who suffer the grossest discrimination. Tax favoritism, tax avoidance, and abuses of the tax laws are widespread among many, but these advantages are not available in the case of the average citizen, whose income is received in the form of wages and salaries. The average citizen pays his taxes, and they are heavy; they are burdensome; and they are withheld from his wages or salary.

In a complex economic order it seems impossible to avoid having complex tax laws. The definition of property taxable income in any and all circumstances is not an easy matter. Therefore, we have exceptions, and exceptions to the exceptions when we come to define just how much and what kind of income is subject to tax at certain specified rates. Perhaps this is something which we must accept. But, in my opinion, we do not need to make matters worse every time some change is proposed.

The use of existing inequity as an excuse for creating another; the excusing of the writing of a new loophole into the tax law, on the basis that loopholes already exist must stop. Instead of improving tax laws, this process can only make them worse. Instead of promoting fairness, the end result of this regrettable process is to practice further discrimination against the average American citizen, who pays his taxes in the form of withholding on wages and salary.

I know of no Member of Congress who is not in favor of encouraging, through proper means, the setting up of pension plans by employers for the benefit of employees. These plans now cover a great many employees—wage earners, ordinary salaried employees, and higher salaried executives—and this is, in my opinion, all to the good, provided proper restrictions are observed. In many instances, it is only through a pension and profit-sharing plan that a worker can gain a rightful share of the earnings of his employer, and have security and decent living standards for his old age. But there must be restrictions.

Today we are faced, not with the examination of a restriction which might correct some abuses, but with a new device which is to be brought in under the tent. This is pretty near the whole camel, because we are, if this bill becomes law, to allow the self-employed taxpayer, who already owns all of the profits of whatever business or profession he happens to operate, to remove some of the profit from current taxation, not for the purpose of seeing to it that his employees share adequately in the profits of the business, but for the sole purpose of reducing his own current taxes and adding to his own benefits from tax-free funds.

It must be said in defense of the pending bill, as it has been amended, that it has been held down to fairly low limits by amendments added by the Senate.

At this point I should say, in all fairness, that this measure would not, in my opinion, receive participation in nearly so widespread a manner as would be the case if the original provisions of House bill 10, as first passed by the other body, were enacted. Some supporters of the bill profess to believe that House bill 10, even in its present form, will be an aid to small businessmen. But, Mr. President, I submit that the participation of a small businessman with a considerable number of employees and a narrow profit margin is not likely to occur under the measure as it now stands. In my view, the benefits will be largely confined to those whose income is largely from fees for personal services—income which, although it may be large, does not require very many auxiliary and supplementary employees.

It has been claimed by proponents of this measure that existing laws relating to pensions, pension funds, and profit-sharing plans are inequitable, in that the self-employed are excluded from participating, and therefore are discriminated against. It is proposed by this bill to remove an alleged inequity by allowing the self-employed to operate somewhat in the way the owner-managers of corporations now operate in setting up pension plans for themselves. An alleged inequity is thus sought to be cured by the creation of another loophole, rather than by closing off existing areas of favoritism. It never seems to occur to many that provisions of law can be equalized by taking away some special benefits to which the recipients have no legitimate or fair claim.

As a reminder to those who had never thought of this, the distinguished junior Senator from Minnesota [Mr. McCarthy], offered an amendment which was adopted by the Senate, but which was, of course, lost without severe skirmish in conference, which would have placed on the owner-managers of corporations the same limitations which this measure places on the self-employed. The rejection of this amendment can but serve notice to all concerned that the relatively tight limits which this bill places on the self-employed are not intended to be permanent, but almost certainly will be broadened at the very first opportunity.

It is quite understandable that some self-employed citizens and many others look with envy at the tax advantages of their friends and neighbors who particularly happen to be officers, or, in some cases, employees of certain corporations.

A quick glance at some of the tax advantages provided by law for corporate pension and profit-sharing plans will explain why this is true.

The law permits corporations fully to deduct from taxable income their contributions to qualified pension plans. Some corporations have pension plans only for their salaried employees.

Others have plans for all employees, but many of these have separate and less generous plans for hourly wage employees.

Moreover, the corporate contribution to the pension plan of which an employee is, or may become, a beneficiary, is not currently taxable as income to the employee-beneficiary. Such benefits only become taxable income to the employee when an actual distribution is made to him. So long as these benefits are within reasonable limits, they serve a useful social purpose, and it is proper for the Government to encourage employers to assist in providing reasonable security for their employees during retirement, and for their participating more equitably in the profits of the business.

The proponents of H.R. 10 claim a discrimination against the self-employed exists because the self-employed are unable to receive a tax benefit for accumulating and setting aside their own retirement funds for their own particular and peculiar benefit. It is conveniently overlooked that existing laws relating to pension and profit-sharing plans permit a tax deduction by the employer for setting aside funds for the benefit of his employees, a different matter altogether.

Provisions of existing law certainly do allow abuses in the field of pensions, pension plans, and profit sharing. The correct solution to the alleged inequity, however, lies neither in the creation of yet additional inequities, which the pending bill proposes, nor in the wholesale condemnation of a proper pension plan philosophy with appropriate implementing laws and regulations.

Many questions are involved. The basic question is whether government, particularly the Federal Government, should encourage employers to assist in the provision of economic security and decent living standards for their employees for the years in which these employees are no longer productive. This question has been answered affirmatively by the Congress. There are opportunities for abuse, however, and corrective legislation is needed. On the other hand, should the Federal Government reward a taxpayer for setting aside some of his own funds for his own use at some later date? So far as I am concerned, the answer to this question is an unqualified "No."

So far as I am concerned, this negative answer should apply also to the owner-managers of closely held corporations. But the conferees have knocked out even the restrictions which the McCarthy amendment placed on these plans.

As an adjunct to social security, and in recognition of the fact that the corporate employee did not always receive in current compensation his fair share of the earnings of his corporate employer, the Federal Government quite properly began to encourage corporations to establish pension funds for the benefit of their employees. Unfortunately, the laws and regulations were not sufficiently detailed to prevent many abuses by corporation owners and managers, while at the same time they did not require sufficient coverage for the lower salaried or hourly workers employed by corporations.

Although private pension plans of one kind or another have been in existence in this country since 1875, they did not reach significant proportions until after the enactment of the 1942 tax code. Since that time private pension and profit-sharing plans have grown rapidly both in numbers of individuals participating in such plans and in the assets represented by the accumulated reserves of such plans.

At the present time, some 25 million employees are covered in some degree by private pension and profit-sharing plans with assets of more than $52.6 billion. These pension plans are for the most part established by employer contributions, although employee contributions account for approximately 15 percent of current contributions. There are some 48,000 qualified plans in existence and the Treasury is now receiving requests for rulings on about 7,000 new plans annually.

These figures are certainly sizable and indicate to some extent the significance of pension plans today. And yet there is a great deal which at first glance these figures do not tell.

Our total civilian labor force amounts to about 73 million people. The 25 million individuals participating in pension and profit-sharing plans thus represent only a little more than one-third of the working men and women of America. Coverage is, therefore, nowhere near complete.

Even though there are about 25 million employees participating in these plans, the participation of more than half this number is more apparent than real. A majority of employees ostensibly covered by pension plans have no vested rights whatsoever in the assets of their plans and may never receive one dollar in benefits from the plan in which they are now supposedly participating.

One of the real inequities or shortcomings now existing in the pension field is, therefore, a lack of coverage for several million employees of corporate and other types of enterprises, plus a lack of definite and early vesting of rights in the assets of the various plans in which covered employees are participating. This is the real inequity in the pension field, and only by expanding and broadening coverage for the ordinary employees can such employees participate fully and equitably in the profits of the corporations and other enterprises for which they labor and produce. Only in this way can the ordinary employee be guaranteed decent living standards in his nonproductive years, unless Government programs are to be extended, broadened, and amplified.

The proposition that the Federal Government should give reasonable tax deductions to business enterprises for setting aside funds for reasonable benefits for the bona fide employees of those enterprises is well established, and quite properly so. This principle should continue to be followed, and a greatly expanded social security program is needed as well.

Rewarding the individual by reducing his own taxes merely because he sets aside funds out of his own current income for his own benefit during later years, however, is an altogether different matter. This involves a different principle. I think it is an inadvisable principle. Under no philosophy of taxation except a taxation based on consumption rather than income could such a proposition be acceptable. The sales tax is based on this philosophy. To date, the Federal Government has not seen fit to adopt such a tax except to a limited degree in certain excises. Many of us would like to eliminate or reduce many of these excise taxes.

We should be dealing, in the bill, if we are to enact a bill at all, with four different types of individual taxpayers. These are: First, the ordinary salaried or hourly employee of a corporation or of an enterprise otherwise organized; second, the employee-managers, who constitute the effective management of the large corporations; third, the owner-manager of the closely held corporation; and, fourth, the self-employed individual.

The pending bill deals only with the self-employed and, to a limited extent, with their employees.

The ordinary employee of the corporation or other type of enterprise needs additional pension plan protection. The bill does very little toward that end.

(At this point Mr. JORDAN of North Carolina assumed the chair as Presiding Officer.)

Mr. GORE. Mr. President, the very philosophy and practice of private pension plans is endangered by the extent to which abuses are practiced under present law; and the abuses, too, should be dealt with, but would not be dealt with, in the pending bill.

The individual taxpayers who comprise the effective management of the large corporations are not dealt with in this bill. Limits should be placed on the tax deductions which corporations can receive for benefits to these employee-managers. I shall have more to say in a few minutes about my efforts in this regard.

Existing law permits perhaps the greatest abuses in the case of the owner-manager of the closely held corporation. The Treasury has made recommendations to correct some of the abuses now being practiced, but I do not find these recommendations dealt with in the pending bill. As I have already noted, the McCarthy amendment was eliminated in conference.

The self-employed are dealt with in this bill by allowing the self-employed to set aside for their own benefit savings out of current, untaxed income. Within the limits imposed, the self-employed will, should this bill become law, be taxed not on income but on income less certain current savings. This approaches a tax on consumption. This will set a precedent. It is a move in that direction. It is a move which is contrary to the principle of the graduated income tax, contrary to the philosophy which underlies our system of personal taxation according to ability to pay. This will set a precedent, as I said—a far-reaching and potentially dangerous precedent.

The self-employed, if they have sufficient income to be able to take full advantage of these provisions, are able, without benefit of the provisions of this bill, to provide for their own disability and retirement. The lawyer and doctor, for example, enjoy high compensation, and a part of their current income, after taxes, can be set aside for future needs. Furthermore, they build up a practice which will bring them an income in later years. There is no enforced retirement for professional people. The farmer, retailer, or other small businessman can build up an investment in his farm or business which will provide for himself and his family in his later, less productive, years. This is the traditional way of building up an investment in this country and is still possible, despite the competition from large enterprises, so long as we have an expanding and growing economy.

Of course, there are several million self-employed individuals who are unable to set aside substantial sums of money out of current earnings. These people must spend all of their current earnings to maintain themselves and their families. These are the self-employed who are most in need of assistance in providing for their nonproductive years but this bill is of no assistance whatsoever to this large group. A tax deduction for setting aside $2,500 per year out of current income is worse than meaningless to the head of a family earning $3,500 per year. It is meaningful, of course, to the lawyer or doctor earning upwards of $25,000 per year. It is helpful to those who are least in need of help.

That is why I said earlier that the pending bill provides tax favoritism to the relatively few who can afford to make an investment for their own particular benefit.

H.R. 10 has a long history, but I do not propose to detail it here. In 1960 spokesmen for the Treasury Department objected to the enactment of the bill in the form in which it had passed the House of Representatives. The Treasury made a counterproposal. In effect, this counterproposal stated, "We will go along with the creation of a loophole in the tax laws which will reduce our revenues at a time when we cannot afford such a reduction, and which will benefit certain of the well-to-do self-employed, if, in exchange, the Congress will give us some tools with which we can fight abuses which are rampant in the corporate owner-employee field."

This counterproposal of the Treasury, insofar as it relates to correcting abuses in present law, was, in some respects, admirable. It certainly deserves consideration by the Congress. Certainly there are abuses in the pension and profit-sharing fields, particularly when one individual is the owner of all or most of the stock of a corporation of which he is also the manager and the only highly compensated employee.

The abuse would be multiplied if one individual occupied the same position with respect to many corporations, and thereby became eligible under existing law to become the beneficiary of several pension funds built up from tax-free income and later distributed at capital gains rates, which could be passed into one's estate, thus avoiding normal income tax at any time upon such income and, in some cases, avoiding not only the income tax, but both gift and estate taxes as well.

But the Congress appears indisposed this year to take a look at these abuses. Can we hope for any different attitude next year? Though the experience in the present Congress does not lend very much encouragement, I do not despair because though the processes of democracy work slowly; in the end they work well.

I believe it was Mr. Churchill who said that democracy was the worst form of government except any other form that anyone had ever suggested. Therefore, I shall look forward to the tax reform bill to be presented. I hope that a part of the tax reform recommendation by the President will deal with a correction of the widespread abuses in the pension fund accumulation and distribution field and also with restricted stock options which likewise benefit the insiders of our corporations.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. GORE. Mr. President, will the Senator yield an additional 10 minutes?

Mr. SMATHERS. Mr. President, I am happy to yield to the Senator from Tennessee an additional 10 minutes.

Mr. GORE. I thank my distinguished friend the junior Senator from Florida, who has long been an advocate of the principles contained in the pending bill. The statements I have made are in no way intended as criticism of him or any other Senator.

I am sure that the distinguished junior Senator from Florida acknowledges that the pending bill would set a precedent. Some may think it would be a wise precedent. For reasons which I have already stated, I think it would be quite an unsound principle and an unwise precedent. I am sure that the distinguished junior Senator from Florida recognizes that there are abuses in existing law, particularly in the owner-manager field, and that he joins the junior Senator from Tennessee in the belief that this whole area should be carefully examined by the Congress. I make that statement because of my respect for the ability, dedication, and patriotism of the distinguished junior Senator from Florida. I thank him for his generosity in yielding to me from his own time in order that I may complete my address on the subject.

Mr. SMATHERS. Mr. President, will the Senator yield so that I may respond?

Mr. GORE. I yield.

Mr. SMATHERS. As the junior Senator from Tennessee has said, the bill has long been one in which I and others have been greatly interested. It would set a precedent of sorts, in removing a tax inequity against some 7 million self-employed which has existed for over 20 years. However, I believe it is a long overdue precedent, if that is what we wish to call it. For many years there have been pension programs under which roughly 20 million people have been operating in the corporate field, and certain tax advantages have inured to those who are the beneficiaries of such pension programs. Those same advantages have not been given to the self-employed. The 7 million self-employed, together with their 11 million employees, have been discriminated against as compared with those who enjoy pension benefits in the corporate field.

I thank the able Senator from Tennessee for his remarks about me. I can certainly reciprocate. He has long been an advocate of the principle that we should extend into other areas some of the benefits not now being received.

As the Senator has said, there is no question that there are some abuses in the owner-manager pension programs and in the corporate retirement programs. I have stated, along with him, on previous occasions—and I repeat now—that the Congress should give attention to the elimination of abuses. The only thing we ask is that we do not eliminate the whole pension program in an effort to eliminate the abuses.

I know that the purposes of the able Senator from Tennessee are highly meritorious and worthy. He is always a most worthy advocate in this as in other things, and it is always a pleasure to be with him. It is not quite so much of a pleasure to be against him. But it is never anything other than a happy, informing, and beneficial experience for those who are against him. I thank him for that which he had to say about me.

Mr. GORE. I am very grateful for the generous remarks of the distinguished and able junior Senator from Florida. It is my hope that the entire field of pension fund accumulations, so-called profit-sharing, genuine pension annuities, restricted stock option privileges, and other areas in which widespread abuses are occurring, will not only be examined, but be dealt with effectively in the tax reform bill which is anticipated in the next Congress.

As I have earlier stated, I earnestly favor the encouragement of legitimate private pension plans. The area of abuse which I have been trying to reach is not that of annuities of sufficient amounts amply to provide security in one's less productive years, but, rather, the abuses, the manipulations of pension funds, and restricted stock option privileges, by which enormous fortunes are built out of tax-free funds. This, as I have insisted, is contrary to a truly democratic system of taxation, and, if permitted to continue, along with many other abuses that we find, which amount to tax avoidance, will mean that our whole system of taxation, which in essence is based upon voluntary compliance by the mass of our people, may be brought into disrepute.

The net effect of this bill is further to erode the tax base, thereby necessitating higher and higher tax rates if the necessary total revenues are to be raised. The increased burden must be borne by the salaried taxpayer for whom there is no way of escape, or by the small enterprise, whether a corporation or not, of insufficient affluence to enable its owners and managers to take advantage of the many opportunities for tax avoidance now afforded by the tax laws.

Many abuses allowed, and even encouraged, by existing law have been brought to the attention of the Finance Committee. Among these abuses are:

First. Existing law provides for capital gains treatment under certain circumstances for lump sum distributions of the proceeds from pension and profit-sharing plans. Instances have been brought to the attention of the Finance Committee in which lump sum payments in excess of $800,000 have been made to corporate executives and accorded the 25 percent capital gains tax rate. This type of income bears no relationship whatsoever to capital gains but is, instead, accumulated and deferred ordinary income. There is no equity involved in according such income the favorable capital gains treatment.

In a letter to the chairman of the Finance Committee on April 1, 1960, concerning the House bill in the 86th Congress, Under Secretary of the Treasury Fred C. Scribner, Jr., stated:

> The present long-term capital gains treatment accorded to lump sum distributions by qualified plans at termination of the employee's service or at his death should be removed.

The Senate adopted an amendment I proposed which would have corrected this abuse. It is no longer a part of the bill. Strangely enough, the bill does close off this loophole as to the self-employed. Are we discriminating against the self-employed?

Second. One individual who is the owner-employee of several corporations can participate in pension and profit-sharing plans in each of his corporations, thereby converting much of the income of these corporations, which should be taxed at corporate rates, into tax-exempt or tax-deferred income for himself or his family.

The same letter of Under Secretary Scribner, from which I quoted above, states:

> Individuals should not be permitted to arrange to increase the allowable amounts that can be contributed on their behalf to qualified pension plans merely because they split their activities into several businesses, each with a different pension plan.

This bill is of no help here.

Third. Large estates are being built up out of untaxed income and passed on to members of the beneficiary's family, escaping any tax whatsoever, either current income tax, deferred income tax, or estate tax.

Again, Under Secretary Scribner's letter states:

> The exemption from estate and gift taxes of pension rights attributable to employer contributions under qualified plans should also be reexamined.

I see nothing in this bill which would make any correction.

Fourth. Existing law places no limits on the amounts which a corporation can deduct for contributions to pension and profit-sharing plans for the benefit of the high salaried executive of the large corporation. Many corporations have pension plans which provide for pensions amounting to 50 percent or more of the employee's salary during his peak earning years. Although the bill sets limits on the amount which the self-employed individual can set aside untaxed for himself during his earning years, it does not place any limits whatsoever on the benefits which can accrue to the high salaried corporate executive. I shall have more to say shortly about my efforts in this regard.

Fifth. By means of the restricted stock option the managers of large corporations can and do provide risk-proof, almost tax-free bonuses for themselves. Such manipulations not only deny needed revenues to the Government, they also reduce the proportionate share of ownership in the assets of the corporation held by the ordinary stockholder.

An actual case is reported by U.S. News & World Report in its issue of May 11, 1959.

I ask unanimous consent that this article be printed in the RECORD at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

> In January 1953, this company offered key executives a large amount of stock at a price of $315 per share, the market value of the stock at that time. One vice president received the right to buy 4,000 shares at this price at intervals until 1963. In the first 3 years, he bought 1,200 shares.
>
> Then, in January 1956, the stock was split 15 to 1, and the option price was adjusted accordingly to $21 per share. By this time, the split stock commanded a price of more than $60 per share.
>
> In the next 2 years, the vice president bought 6,000 shares of split stock at $21. Then, when stocks were depressed in the summer of 1958 he sold 6,000 for $42 per share. His profit on these stocks came to $126,000. On this, he paid a capital-gains tax of 25 percent, leaving a profit after tax of $94,500. He still had 18,000 shares purchased at $21.
>
> In February 1959, the market price of the stock had moved back up to $54. The vice president again became a buyer to the tune of 12,000 shares at $21.
>
> At last report, this official held 30,000 shares for which he had paid $630,000. Their value on today's market, where the company stock has gone still higher, is nearly $2 million. If the vice president sells his holdings 4 months from now and if the market price of the stock does not change in the meantime, he will have a profit, after taxes, of nearly $1.1 million, counting the $94,500 cleared earlier.

Mr. GORE. I would invite the attention of my colleagues to transactions of corporate executives as reported from time to time in accordance with SEC regulations. The number of shares bought under options would, I think, be revealing.

I have been unable to gain sufficient support to curb stock option abuses.

This same type of operations is repeated almost daily. In 1958, when stock prices went down, many companies such as the Aluminum Company of America even went out so far as to cancel existing options and issue new ones to corporate executives at prices in line with the then reduced market level.

The Finance Committee held 2 days of hearings on restricted stock options in 1961. These hearings should be reviewed by every Member of this body.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. SMATHERS. I yield 5 additional minutes to the Senator from Tennessee.

Mr. GORE. I thank my distinguished friend. I should point out that one of the ways by which pension funds accumulate is through the forfeiture of hypothetical or potential rights of employees in plans which do not vest for a long period of time. This is certainly one of the areas that needs attention. This, admittedly, is a very difficult and complicated subject. That, in some respects, is all the more reason for careful reexamination.

H.R. 10 is a thoroughly unjustifiable piece of legislation. It would establish a new and dangerous precedent in our tax laws and reduce revenues at a time when such a reduction can hardly be viewed with equanimity, and it would do nothing whatsoever to correct flagrant tax avoidance abuses.

The bill, H.R. 10, in the form in which it was reported by the Finance Committee in 1960 did take some steps, though short and feeble ones, in the direction of correcting some of the more obvious shortcomings in the law relating to pension and profit-sharing plans of owner-employees of corporations. This bill overlooks the work of the Finance Committee altogether in that regard.

Now, Mr. President, I want to speak more specifically, and in somewhat more detail, about the two amendments which I offered to this bill and which the Senate adopted, but which were, quite predictably, lost in conference.

Mr. President, Members of Congress have been subjected to a deluge of letters and telegrams from all over the country protesting the adoption by the Senate of these two amendments. These amendments were designed to correct two of the many abuses which have crept into our taxation of pension and profit-sharing programs and to which I have referred. As these programs are now being administered and taxed, too many highly compensated corporate executives have been converting ordinary income into deferred income, thus spreading the income earned in their peak years over their entire lifetime, reducing their top rates and thereby reducing their total tax.

Such abuses serve to distort the tax system and destroy the concept and purpose of a graduated income tax program. Many do not, of course, believe in the graduated income tax. If the majority do not believe in it, let us change the system. But as long as we have the system, let us enforce it. Many highly compensated corporate executives, exercising effective control over large corporations, have managed to abuse the pension system to such an extent that they have been able to accumulate large sums of money during a relatively short time, draw it down in a lump sum, and have it classified for tax purposes as a capital gain. This type of abuse must be stopped if we are to preserve the pension and profit-sharing system now established in the law for the benefit of the ordinary corporate employee.

The Congress has adopted a policy of encouraging corporations to help provide pensions for employees to supplement social security benefits in those employees' nonproductive years after retirement or disability. This policy should not extend to the ridiculous. It should not be implemented in such a way that both the corporation and the employee escape proper taxation both when the funds are accumulated and when they are drawn out and expended or reinvested.

The first amendment I offered was aimed at stopping the accumulation of overly large funds in pension accounts at the expense of the general taxpayer. The limitations laid down in the amendment are generous, amounting to 10 percent of the employee's salary or $5,000 per year, whichever is the lesser, with a lifetime limit of $250,000. Technically, these limits apply to the deduction which the employer may take for funds set aside for the benefit of any one employee. It is not likely that a corporation would set aside funds out of current earnings for the benefit of an employee without getting a tax deduction for it. This, then, puts effective limits on the amount which can be built up in the retirement fund for a corporate executive from amounts contributed by the corporation. Any funds put into the pension plan by the employee, of course, would be in addition to these amounts.

I can hardly conceive of a corporation putting aside funds out of current earnings for the benefit of an ordinary employee in excess of these limits. Only in the case of an executive who is a part of the effective management of the corporation would one expect the corporation to contribute amounts in excess of these limits.

These limits would pinch the corporate executive who is attempting to shift part of his income, on which he should be taxed currently at a rate of perhaps 50 percent or more, to a pension fund so he can collect the money at a later date and pay a tax of 25 percent, or let the funds go into his estate free of any income tax whatsoever.

I submit that the limits in this amendment are sufficiently generous to allow a fund to be built up from which an annuity can be paid to a retired employee which will adequately supplement his social security and other income.

The other amendment which I introduced and which was adopted by the Senate concerns the taxation of lump-sum distributions from pension fund accumulations. Here again, abuses have grown up and it is necessary to step in and restore fiscal order in a situation where considerable disarray is already apparent.

Existing law allows a lump-sum distribution from a pension fund to be taxed as a capital gain. There are already abuses here, and they are likely to spread. The Treasury has turned up at least one taxpayer, a corporate executive, who accumulated more than $800,000 in a pension fund, drew it all out in 1 year, paid a tax of 25 percent on this fortune, and was then free to invest it in tax-exempt securities or otherwise as he saw fit. The size of this fund would suggest that this executive should have been close to the 90-percent bracket during his earning years—certainly well above the 25-percent bracket.

This type of operation has few, if any, of the attributes of a capital transaction. The bulk of the fund has come from money set aside, untaxed, by the employer, with interest and dividend accretions, also untaxed as earned, being added. For the most part, this fund really represents deferred, ordinary, compensation. My amendment would not allow this type of transaction to be given capital gain treatment, but would subject it to a modified ordinary income tax treatment. The modification consists of computing the additional tax the beneficiary of the fund would have to pay on account of one-fifth of the amount he draws out, and then multiplying this amount of tax by five. This would put the taxpayer in about the same tax bracket, in the ordinary case, as he would have been in when the money was earned.

It is not customary, of course, for the ordinary employee to draw out the capital fund accumulated in the pension account for his benefit. The purpose of accumulating the fund in the first place is to give the employee an annuity to supplement social security and other income he may receive after retirement. Indeed, the ordinary employee often does not even have the option of drawing out the capital fund from his account. As long as the normal method of annuity payments is followed, my amendment does not come into play and existing law is not changed as to the taxation of this annuity.

Now, let me say that I am not firmly wedded to any one formula for this modified ordinary income treatment of pension and profit sharing lump-sum distributions. It is possible to devise a formula which will subject the ordinary worker to a smaller tax than he now pays under existing law but which will, at the same time, bear quite heavily on the recipients of large lump-sum payments from so-called pension funds. Indeed, the first of the two alternative formulas in this bill does just that. Perhaps this formula should be used, rather than taxing the retiree on the basis of the higher tax of the two computed under the two formulas now used in the bill.

But if the formulas used in the bill now for the self-employed are equitable as to them, why are not the same formulas equitable when applied to the same sort of transaction for the employees of corporations? We are still not approaching equality of treatment between the self-employed and the employees of corporations.

There is another question involved here which is, perhaps, more basic than the details of a specific formula for taxing lump-sum distributions, and that is this: Should the tax laws be weighted so as to favor annuities or lump-sum distributions?

This is surely a basic question and one which I hope the Congress will get into next year. I would like to spend just 1 brief minute on it now.

The idea behind the very favorable taxation of income set aside for pension funds for employees is a good one. This is a good illustration of the use of the tax laws for the encouragement of a socially desirable objective. It is good to have as many as possible of our work force covered by a plan which will provide an annuity to supplement social security during retirement. But is it good to have our tax laws weighted in favor of the worker taking a large cash sum over taking an annuity? I think not.

The average worker has little experience in making investments and often does not have access to expert and reliable advice. Should he find himself suddenly in possession and control of a large sum of money, would he invest it wisely—as wisely as would those who manage his corporation's retirement funds? I doubt it.

How often have we seen those unaccustomed to handling investments bilked and defrauded? How often have we seen them bow to importunities and pressures of friends and relatives to put their money into some "wildcat" scheme where it is quickly lost?

I am not sure that the Congress is doing the average employee any favor by inducing him, through favorable tax treatment, to draw out all of his pension and profit-sharing funds in one lump sum rather than in the form of an annuity for himself and surviving spouse.

Mr. President, this is just one of the many questions which the Congress has put off facing for far too many years. I hope we can try to clean up this pension and profit-sharing field next year.

For the present, it seems to me that the Senate ought to delay action on the bill now before it. The bill is not a good bill in any respect. Even those who claim that they wish only to equalize the tax treatment of doctors and lawyers on the one hand with the treatment of corporation officers on the other must admit that, in the absence of some tightening up in the corporate field, the treatment of these two groups simply cannot be equalized. Certainly this bill places restrictions on the self-employed which do not now exist in the corporate area. If the Senate sustains the action of the conference committee in killing the amendments to this bill which would have placed some restrictions on corporate officials, the corporations will be left without effective controls.

I hope the Senate will reject this bill and the conference report. Should the bill obtain approval by the Congress, I would hope that the President will veto it. As I said in the beginning, this bill represents an attack on the graduated income tax—on the principle of ability to pay.

But, whatever the fate of this bill as it now stands, the Congress must soon take a big fork into the Augean stables and clean up pension tax laws. The longer we wait the more difficult will be the task and the more adjustments must there be for more and more taxpayers.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the conference report.

Mr. SMATHERS. On this question, I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The yeas and nays have been ordered, and the clerk will call the role.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD (when his name was called). On this vote, I have a pair with the distinguished minority leader, the Senator from Illinois [Mr. Dirksen]. If the Senator from Illinois were present and voting, he would vote "yea"; if I were at liberty to vote, I would vote "nay." I withhold my vote.

The rollcall was concluded.

Mr. HUMPHREY. I announce that the Senator from Pennsylvania [Mr. Clark], the Senator from Arkansas [Mr. Fulbright], the Senator from Michigan [Mr. Hart], the Senator from Indiana [Mr. Hartke], the Senator from Alabama [Mr. Hill], the Senator from Washington [Mr. Magnuson], the Senator from Georgia [Mr. Russell], and the Senator from Alabama [Mr. Sparkman] are absent on official business.

I further announce that the Senator from New Mexico [Mr. Anderson], the Senator from Alaska [Mr. Gruening], the Senator from Wyoming [Mr. Hickey], and the Senator from Missouri [Mr. Long] are necessarily absent.

I further announce that, if present and voting, the Senator from Pennsylvania [Mr. Clark], the Senator from Indiana [Mr. Hartke], the Senator from Alaska [Mr. Gruening], the Senator from Wyoming [Mr. Hickey], the Senator from Missouri [Mr. Long], and the Senator from Arkansas [Mr. Fulbright] would each vote "yea."

Mr. HRUSKA. I announce that the Senator from Utah [Mr. Bennett], the Senator from South Dakota [Mr. Bottum], the Senator from Indiana [Mr. Capehart], the Senator from New Hampshire [Mr. Cotton], the Senator from Illinois [Mr. Dirksen], the Senator from Arizona [Mr. Goldwater], the Senator from California [Mr. Kuchel], the Senator from Kentucky [Mr. Morton], and the Senator from Kansas [Mr. Pearson] are necessarily absent.

If present and voting, the Senator from Utah [Mr. Bennett], the Senator from South Dakota [Mr. Bottum], the Senator from Indiana [Mr. Capehart], the Senator from Arizona [Mr. Goldwater], the Senator from California [Mr. Kuchel], the Senator from Kentucky [Mr. Morton], and the Senator from Kansas [Mr. Pearson] would each vote "yea."

The pair of the Senator from Illinois [Mr. Dirksen] has previously been announced.

The result was announced—yeas 70, nays 8, as follows:

[No. 288 Leg.]

YEAS—70

Aiken
Allott
Bartlett
Beall
Bible
Boggs
Burdick
Bush
Butler
Byrd, Va.
Byrd, W. Va.
Cannon
Carlson
Carroll
Case
Chavez
Church
Cooper
Curtis
Dodd
Eastland
Ellender
Engle
Ervin
Fong
Hayden
Hickenlooper
Holland
Hruska
Humphrey
Jackson
Javits
Johnston
Jordan, N.C.
Jordan, Idaho
Keating
Kefauver
Kerr
Long, Hawaii
Long, La.
McCarthy
McClellan
McGee
Metcalf
Monroney
Moss
Mundt
Murphy
Muskie
Pastore
Pell
Prouty
Proxmire
Randolph
Robertson
Saltonstall
Scott
Smathers
Smith, Mass.
Smith, Maine
Stennis
Symington
Talmadge
Thurmond
Tower
Wiley
Williams, N.J.
Williams, Del.
Yarborough
Young, N. Dak.

NAYS—8

Douglas
Gore
Lausche
McNamara
Miller
Morse
Neuberger
Young, Ohio

NOT VOTING—22

Anderson
Bennett
Bottum
Capehart
Clark
Cotton
Dirksen
Fulbright
Goldwater
Gruening
Hart
Hartke
Hickey
Hill
Kuchel
Long, Mo.
Magnuson
Mansfield
Morton
Pearson
Russell
Sparkman

So the conference report on H.R. 10 was agreed to.

Mr. SMATHERS. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. HOLLAND. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Chair lays before the Senate House Concurrent Resolution 569, which will be stated by the clerk.

The Chief Clerk read the concurrent resolution (H. Con. Res. 569), as follows:

> *Resolved by the House of Representatives (the Senate concurring)*, That the Clerk of the House of Representatives, in the enrollment of the bill (H.R. 10) to encourage the establishment of voluntary pension plans by self-employed individuals, is authorized and directed in section 8 to strike out "1961" and insert in lieu thereof "1962".

The PRESIDING OFFICER. Is there objection to the present consideration of the concurrent resolution?

There being no objection, the Senate proceeded to consider the concurrent resolution.

Mr. SMATHERS. Mr. President, I move that the Senate agree to House Concurrent Resolution 569, which authorizes certain technical corrections in the enrollment of H.R. 10.

The PRESIDING OFFICER (Mr. Muskie in the chair). The question is on agreeing to the motion of the Senator from Florida.

The motion was agreed to.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Committee on the District of Columbia and the Subcommittee on Business and Commerce of the Committee on the District of Columbia be permitted to sit during the session of the Senate today.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. Ervin in the chair). Without objection, it is so ordered.

DISTRICT OF COLUMBIA APPROPRIATIONS, 1963

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 2134, H.R. 12276, and that it be laid before the Senate and made the pending business.

The PRESIDING OFFICER. The bill will be stated by title.

The Chief Clerk. A bill (H.R. 12276) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending June 30, 1963, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Appropriations with amendments.

LEGISLATIVE PROGRAM

Mr. MANSFIELD. Mr. President—

Mr. HRUSKA. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. HRUSKA. I should like to inquire, for the benefit of the Members of the Senate, what the program will be for the rest of the day and perhaps tomorrow, and even Monday, if the Senator has the program for that far in advance.

Mr. MANSFIELD. Mr. President, in response to the questions raised by the distinguished acting minority leader, the Senator from Nebraska [Mr. Hruska], the pending business now is the District of Columbia appropriation bill.

It is anticipated that the Senate will proceed to consider some other bills later in the afternoon, which are noncontroversial or relatively so.

It is possible, though I am not absolutely certain yet, that the Senate will consider the "fishy back bill."

With the concurrence of the Senate, I would hope it would be possible to bring up the civil functions appropriation bill tomorrow. This is an unusual request, because it is not expected that the bill will be reported until later in the day, but if we want to get home by the end of next week I think we must adopt some unusual procedures.

If there is no vehement objection to taking up the civil functions appropriation bill, I would like to have permission to do that tomorrow.

Mr. SMATHERS. Mr. President, will the Senator yield at that point?

Mr. MANSFIELD. I yield.

Mr. SMATHERS. Mr. President, I would like to make a statement.

I am not at all certain what the fate of H.R. 10 will be when it gets to the White House. I have neither asked for advice nor have I been advised as to what action the President will take on the bill. It is apparent, however, that in the closing days of this session the President is in a position, if he should decide so to do, to pocket veto H.R. 10. Mr. President, there is too much support for this proposal to allow this to happen, without the Congress having an opportunity to either override or sustain a veto.

I have endeavored to cooperate in every possible way with the leadership with respect to this and other matters of legislation. This particular bill was reported by the Senate Finance Committee last year. It was approved by the policy committee for floor action early this year in March, I believe.

On several occasions I endeavored to have the bill considered. Each time I was told it would be taken up later, when there would be plenty of time to debate it, and when there would be an opportunity for it to be considered on its merits here and elsewhere. That has not been done.

A motion was made by the eminent and able minority leader [Mr. DIRKSEN] to attach H.R. 10 to the tax bill. I was one of those, along with the able chairman of the Committee on Finance [Mr. BYRD], who asked that it not be attached to the tax bill, but that it stand on its own merits. We were asked to take this position by the majority leader. We now have remaining only a short space of time. I did not believe that we should jeopardize the passage of the tax bill by attaching this measure, but I did ask whether, if I voted not to attach H.R. 10 to the tax bill, there would be time to have it considered on its merits. I did not mean, of course, for it to be considered only in the Senate on its merits and then to be strangled somewhere else.

So, Mr. President, finding ourselves in this position, those of us who have long supported H.R. 10, and remembering that the conference report passed the House of Representatives this week by a vote of 361 to 0; that it recently passed this body by a vote of 75 to 4, and that the conference report was agreed to today by a vote of 70 to 8 know there is obviously a great deal of support for the measure. I do not think it is right and proper that now, after we have given this demonstration in support of this long-needed legislation, we should let it be taken out behind the barn and slowly drowned.

For that reason, Mr. President, it is my intention to object to the taking up of an appropriation bill.

Mr. MANSFIELD. Oh, Mr. President—I hope the Senator will not do that.

Mr. SMATHERS. It is my intention to object to taking up any appropriation bill until the appropriation bill has fulfilled the requirement of section 139 of the Reorganization Act, which is that appropriation bills lie on the table 3 days.

As I say, I do not like these delaying tactics. It will obviously be a delaying tactic, because we will have to continue for 10 days to see what action we are going to get from the White House.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. SMATHERS. May I finish, please?

If the White House gives some indication it will veto the bill, that is fine with me. That will give us the opportunity either to override the veto or not to override it. If the White House gives an indication that it will support the bill, this will all be over.

Possibly, in an effort to expedite things, in a few days I may make a motion to suspend the rules and add H.R. 10 as agreed to by both Houses to one of the appropriation bills, in order to help us all get away.

Mr. MANSFIELD. Now will the Senator yield?

Mr. SMATHERS. I do not like to stay longer, any more than any other Senator. I am a candidate this year. It is important that I go home. But, after having stated many times that I would vigorously support the legislation, knowing that we have enough support to pass it, I cannot be a party now, after the bill is passed and the matter has been discharged satisfactorily in the Senate and in the House, to getting caught in this sort of trap at the end of the session. I do not propose to do it.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. SMATHERS. I am happy to yield.

Mr. MANSFIELD. I hope the Senator will reconsider the use of a dilatory tactic such as the holding up of all this legislation, when we are seeking to arrive at a reasonably good adjournment date.

I do not believe that this stiletto should be held at the throat of the President of the United States and the Congress. After all, there is such a thing as the separation of powers in this Government of ours. We have exercised our responsibility. I think we ought to trust the President to exercise his responsibility as he sees fit.

I have no idea what the President is going to do. I have not discussed this situation with him. However, the President has a responsibility and an authority which he should exercise on the basis of his own judgment.

Mr. SMATHERS. Mr. President, I highly resent——

Mr. MANSFIELD. I hope the Senator will change his mind.

Mr. SMATHERS. I do not like to have the Senator from Montana say that I am holding a stiletto at the President's throat. No Senator has more affection and regard for the President than has the junior Senator from Florida.

The reason we face this problem today is that this measure was not brought up and considered in time so that we could proceed in an orderly manner, even though the policy committee gave to the majority leader an opportunity to bring the bill before the Senate prior to the time he brought it before the Senate.

I cooperated with the majority leader in voting not to attach it to the tax bill.

Mr. MANSFIELD. Of course, the Senator did. By the same token——

Mr. SMATHERS. I was glad to do it.

I agree that the President has his responsibility. The majority leader has his responsibility. I, as a Senator, have my responsibility, and that includes not getting caught in some trap of this nature, whereby a bill of which is long overdue and passage long needed and long awaited and long expected by the self-employed people of this country, can be held back, so as to finally disillusion those people and to cause them to say: "Once again they have been outmaneuvered, and our leader in this effort, the poor old junior Senator from Florida, was taken down the primrose path. They told him, 'Oh, don't worry; you are a good fellow—you are a nice fellow. We can count on your cooperation and agreement.' And then they finally stuck it to him." [Laughter.]

The Senator talks about a stiletto. The majority leader should not talk about the Senator from Florida using a stiletto. The Senator from Montana is looking at the one who is about to have it used on him.

Mr. MANSFIELD. The Senator is placing us in a very embarrassing and untenable position, because of the threat which he has laid before this body, to the effect that he would exercise the rules to the fullest possible extent to keep any appropriation bill from coming before the Senate prior to the expiration of the 3 days' grace period.

Mr. SMATHERS. That is right. Those are the rules.

Mr. MANSFIELD. They are the rules, and the Senator has every right to exercise them, but I think, in view of the circumstances, the implication as to the application of the rules in this instance, or in these instances, is very plain and apparent for all to see.

Mr. SMATHERS. There is no threat. All we ask is action on this bill, H.R. 10.

Mr. MANSFIELD. I do not know anything about that problem. I hope the Senator from Florida will exercise his usual good judgment and not hold up consideration of the appropriation bills, because other Senators, in addition to the Senator from Florida, want to get home, visit with their constituents, and rapair a few fences.

Mr. SMATHERS. Mr. President, the Senator from Florida is going to exercise good judgment. Probably this will be one of two or three times he has exercised it lately. I expect to object to appropriation bills being brought up prior to their having met the requirements under the rules of the Senate, which means that they must lie on the table 3 days.

Mr. MORSE. Mr. President——

Mr. SMATHERS. That is the only way I can protect those who want to see H.R. 10 finally adopted into law.

Mr. LONG of Louisiana, **Mr. MORSE**, and **Mr. AIKEN** addressed the Chair.

Mr. SMATHERS. I yield to the Senator from Louisiana.

Mr. LONG of Louisiana. Mr. President, it occurs to this Senator, quite frankly, as one who originally opposed H.R. 10, that with the amendment to it there is no basis for further opposition. If the Senator from Florida is to be denied the right to have action, on a possible veto—and there is some rumor to the effect that the President has indicated he might veto the bill—then the Senator from Florida, in my judgment, would be victimized—perhaps inadvertently, but nevertheless victimized—by those who led the matter along, until it might be possible for the President to exercise a pocket veto on the bill, even though there are all the necessary votes in both Houses to override a possible veto.

I suggested to the Senator that he consider giving notice of a motion to suspend the rules to put his proposal on an appropriation bill in the event the Senate wishes to go home before the matter can finally be settled.

If the President wishes to veto the bill and will do so immediately, I think the Senator would be perfectly content to abide by the judgment of Congress.

Mr. SMATHERS. The Senator is absolutely correct. If we could have action on the measure, I would be delighted. But, at the moment, action does not appear to be a part of the plan.

Mr. MANSFIELD. I do not know what will happen. Meanwhile we would lose a full day if we could not bring up the civil functions appropriation bill tomorrow.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. HUMPHREY. Our colleagues should recognize that if a delay is forced upon us because of the rule—and I say again that the rules are here to be used if Senators wish to use them—there is only one alternative, and that is to have night session.

Mr. MANSFIELD. No.

Mr. HUMPHREY. I say that is the only alternative except to continue the Congress for another week.

Mr. MANSFIELD. The Senator is correct.

Mr. HUMPHREY. We ought to face the fact that the other body will not remain here another week. They are having a most difficult time getting a quorum now.

I appeal to my friend from Florida. I am with him on his bill. The Senator is right when he says that he has no way of knowing what the President will do, except rumors we have heard. There has been no decision arrived at.

I hope the Senator from Florida will permit the leader to obtain unanimous consent for the consideration of the civil functions bill on Saturday. Other appropriation bills are coming up.

Mr. SMATHERS. Mr. President, will the Senator yield on that point?

Mr. MANSFIELD. I yield.

Mr. SMATHERS. It may be that the majority leader and the assistant majority leader could at least go to the White House and obtain some kind of expression that some action will be taken, either up or down, on Monday or Tuesday.

Mr. HUMPHREY. The Senator will be there Tuesday morning. I would be willing to discuss the subject. We could have a discussion in which the Senator from Florida could take part. Then if the Senator obtains no satisfaction, and wishes to exercise his rights under the rule next week, I do not think we can complain.

Mr. SMATHERS. Mr. President, if I can receive similar assurance from the able majority leader that he and the assistant majority leader would use their best efforts to obtain some kind of expression as to what will happen with respect to the bill by Tuesday of next week, I shall be glad not to object, and to assume my position of cooperation once again.

Mr. MANSFIELD. The Senator is fair. I shall be glad to discuss the subject at the same table with the Senator from Florida. The Senator from Minnesota will be sitting there, too, I hope, next Tuesday morning. But so far as telling the President what to do is concerned, that is not my job.

Mr. HUMPHREY. That is not a commitment.

Mr. SMATHERS. I have not asked the President, and I would not try to tell the President what to do. I am merely trying to protect the rights which I and all other Senators who voted for the bill have. We would like to see the bill become law. We have so demonstrated, and would like to have an opportunity to demonstrate our desire again if we must. That is all we ask.

Mr. HUMPHREY. Let us speak with the President about the matter on Tuesday morning. I am not going to say that I shall make a statement one way or the other in reference to what should happen in relation to the bill.

Mr. SMATHERS. The Senator is correct.

Mr. HUMPHREY. I voted for the bill three times. I think it is pretty obvious where I stand on it. But I think the Senator is correct. He ought to have an opportunity at least to obtain some expression on the bill.

Mr. SMATHERS. I thank the able Senator.

Mr. President, I withdraw my objection.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana? The Chair hears none, and it is so ordered.

Mr. MORSE. Mr. President, I merely wish to say in reply to the interesting colloquy that has taken place in the last few minutes that the President of the United States is most affectionately known as Jack Kennedy. I hope he will not permit his name to be changed to "Blackjacked" Kennedy. I hope he will choke this bill to death. I think the best way to choke the bill to death is by a pocket veto. I hope he will veto it, for it is the same piece of class legislation it has always been. It was not changed in principle in conference. In my judgment, a great many votes went in favor of the bill with the full expectation that Senate faces would be saved by a veto. When I made clear that I was opposed to the bill several Senators advised me not to come out against the bill because they were sure it would eventually be defeated by a veto. However, I do not vote in the Senate on any such basis as that. I certainly hope that the President of the United States will veto the proposed legislation. By so doing he will support the principle set forth by those of us who have opposed the measure, namely, that when it comes to the question of providing for retirement, a program should be evolved on the basis of a uniform national legislative policy and not on the basis of special legislation which would give to certain people in our country—interestingly enough, those in the higher pay brackets—benefits by way of tax advantages. I think that class legislation is the most unsound kind of legislation. This bill is nothing else but class legislation.

I have no objection to the rules being applied. They can be applied by all of us. If we enter into a little contest of applying the rules as a result of the issue over this bill now raised by the Senator from Florida [Mr. SMATHERS] we will start to apply the rules generally. I think most of the damage that could possibly be done to those of us who are running for office has already been done as a result of the length of the present session. I have no objection to eating Thanksgiving turkey here, if that is what the Senator from Florida and others want to do. But we must not forget that the application of the rules is a two-way street.

Mr. SMATHERS. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. SMATHERS. I do not really believe that the Senator from Oregon is justified in making the statement that Senators voted for the measure in the hope that the President would veto it. The voted for it because they believed in it. They have so demonstrated. Members of the House of Representatives, by a vote of 361 to 0, demonstrated that they were overwhelmingly for the program.

If the President wants to veto the bill, that is his right. He may do so. The Senator from Oregon will then see that Senators who voted for the bill did not expect the Preseident to save their faces; they will vote to support the bill even against the veto.

Mr. MANSFIELD. Mr. President, I wish to say, first, so far as the Senator from Florida [Mr. Smathers] is concerned, he has been most cooperative. It ought to be stated publicly that if it had not been for his action at the time the tax bill was under discussion, there would have been a tax bill to which an H.R. 10 amendment would have been attached. I think that fact should be brought to the attention of the Senate. The Senator from Florida is entitled to all the credit in the world. As far as I am concerned, whether the President signs or vetoes the bill is immaterial to me. That is his responsibility.

What I do here is my responsibility. That is the responsibility of every Senator. I should be able to act regardless of what happens to the bill in the White House. If the bill is vetoed, I hope we will have an opportunity to vote either to uphold or to override that veto reasonably soon thereafter. If the bill is signed, of course, that will be the end of it.

Continuing my colloquy with the distinguished acting minority leader, the Senator from Nebraska [Mr. Hruska], if I may, it is anticipated that on Monday the foreign aid appropriations bill will be taken up.

That measure will be followed by consideration of the bill (H.R. 12580) making appropriations for the Departments of State, Justice, and Commerce.

On Tuesday I anticipate that we will still be on the foreign aid appropriation bill.

Consideration of the public works authorization bill should come following consideration of the State, Justice, and Commerce Departments appropriation bill and the foreign aid appropriation bill.

Those, in turn, should be followed by consideration of the highway bill, which is on the calendar.

On Wednesday it is anticipated that the conference report on the tax bill will be brought to the Senate. Various other conference reports will follow that, including the conference report on the trade bill.

On Thursday it is anticipated that the supplemental appropriation bill will be brought up.

I have stated a very optimistic summary of what we may expect to do next week.

In general, that is the hope of the leadership. What will be done will be decided by the action of the Senate as a whole and the conferees.

Mr. HRUSKA. I should like to call attention to the fact that the omnibus public works authorization bill is expected to be acted upon by the other body on Monday or Tuesday of next week. I understand that it is the plan of the leadership of that committee to bring it up at a time after the House has acted upon it first, which would presumably bring it up on Wednesday or Thursday.

Mr. MANSFIELD. That may well be, but it would be some time next week.

AGRICULTURAL LAND DEVELOPMENT IN ALASKA

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the pending business be temporarily laid aside and that the Senate proceed to the consideration of Calendar 1975, S. 2805.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The Chief Clerk. A bill (S. 2805) to provide for a program of agricultural land development in the State of Alaska.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. MANSFIELD. Mr. President, I yield to the Senator from Tennessee, who has been waiting for some time, and then I will yield to the Senator from Colorado [Mr. Carroll].

Mr. GORE. Mr. President, it is an odd situation when one Member of the Democratic leadership of the Senate appears to be quite impatient to vote to override a possible Presidential veto in the closing days of a Congress. What kind of unity is that? What kind of Presidential support is that?

The President of the United States has not exercised his constitutional responsibility with respect to H.R. 10. Perhaps it would not be amiss to point out that former President Eisenhower was opposed to the bill, and that the distinguished minority leader then opposed H.R. 10 on the basis of Presidential objections to it.

Whenever the President exercises his constitutional responsibility, it will then be ample time for Members of the Senate to react thereto. Should the President determine that it is not in the national interest to give this special tax favoritism to the few who can afford the financial investment encompassed in the bill I dare say the cogency of the President's reasons in opposition to the bill would receive the careful attention of the Senate. I respectfully suggest to the junior Senator from Florida that he may rush to hasty conclusions in assuming that a Democratic Congress would override a Presidential veto of a special privilege bill just before going to the people seeking reelection.

Mr. SMATHERS. Mr. President, I was hopeful that the able Senator from Tennessee would not seek to make this a personal discussion. I regret that he has done so. It is regrettable to me that from time to time the Senator from Tennessee does this. On each occasion when he has done it I have endeavored to control myself and have tried not to respond in kind.

It seems a little inappropriate for the Senator from Tennessee to talk about Presidential support. I remember that on the satellite bill, the Senator from Tennessee stood on the floor and screamed to the whole world and to the heavens beyond that the President was indulging in a great giveaway program.

I recall that when the investment credit provision of the tax bill was under consideration the Senator from Tennessee stood on the floor and asked, "What has become of him—the President? Has he lost his Irish fight?" Those rhetorical questions did not seem to me to indicate very strong support of the President or his position.

I could go on and name a number of other examples. Specifically, I remember when the trade bill was in the Committee on Finance, and when section 3 of it, which is a vital and important part of that bill, providing adjustment assistance for workers adversely affected, was under discussion, the Senator from Tennessee voted against that particular provision, and finally was talked out of recording his vote. He knew, as everyone else did, that if that particular provision were not contained in the bill, no trade bill would have been enacted.

As a Senator from Florida I have a duty to represent the people of Florida. I have tried to do that above everything else.

I love, admire, and respect the President of the United States. I nominated him for Vice President in 1956, against the Senator from Tennessee. I was asked to manage his campaign in 1960 in 13 Southern States, and I was delighted to do so. At no time did the President ask me to give up any of my convictions, or to stop representing my people. I do not propose to ever give up those convictions and it is a credit to his intelligence and understanding that he never asked me to do it. I am no "Charlie McCarthy." I am no rubberstamp. When I can in good conscience support the President, I do so, because, as I say, I love him and want him to make a great President. I do not like the inference of the Senator from Tennessee, to the effect that I am somehow or other running out on some obligation. My obligation, as I see it, is to represent the people of Florida and the people of this Nation.

The President has his responsibility. He has not asked me at any time to give up my conviction on this bill, the medicare bill, or on any other bill. I do not propose to do it. If at any time anyone believes that because of some job I hold I have to sacrifice my beliefs, then I would give up instead the job, whatever it is, including that of secretary to the Democratic conference. I went before the policy committee—and the Senator who now occupies the chair [Mr. Muskie] is a member of that Democratic policy committee—and there I brought this matter up. I said, "Do I have to go down the line on everything that is recommended by the administration, because I am secretary of the Democratic conference? If so, I will give it up." The policy committee voted unanimously that a Senator did not have to give up his convictions.

Therefore I highly resent the pointed and unfair remarks of the Senator from Tennessee. It is disappointing to me that he would do it. I hope he will not indulge in it again. I do not like to indulge in it. I have not indulged in this type of debate until this moment. At any time the Senator from Tennessee seeks to test me on anything, whether it is loyalty to the President, loyalty to the country, vigor, or dedication to anything, or anything else, all he has to do is lay it down, and he has got a taker.

I yield the floor.

Mr. CARROLL. Mr. President, I have sought recognition to support the majority leader without engaging in personalities. The majority leader has put his finger on the problem. The Senate has a constitutional duty; so does the President. As the President exercises his constitutional function, I hope that we shall have an equal opportunity to exercise our duty under the Constitution.

When I was a Member of the other body during the 80th Congress, time after time President Truman, when he knew or believed that Congress would override his veto, was not concerned with anything except what he believed to be the national interest.

Acting in the national interest, Harry S. Truman, a courageous President, vetoed several controversial legislative enactments, although they had received majority support of the Congress—in some cases overwhelming support.

As I look back over the years I believe the President knew that Congress was going to override his veto but this did not interfere with his courageous exercise of his constitutional function as President of the United States. On several occasions the 80th Congress overrode his veto. In almost every instance I voted to sustain the President's veto and—after reflection—I am proud to have done so.

No one really knows for certain that President Kennedy will veto this bill either by outright action or by using the pocket veto.

I commend the Senator from Florida. The position that he might have taken would have created a curious paradox. If the Senator from Florida had persisted in his expressed intention to enforce the full rules of the Senate, we might have been faced with a filibuster to prevent the President from exercising a pocket veto.

I am glad that this will not be the case. Wisely he has acceded to the earnest request of the majority leader not to do so.

To achieve this sensible objective the majority leader has said, in essence, that if he were President and did not favor the present bill, he would not use the pocket veto method but would instead issue a forthright veto. If he were President he would present strong and cogent reasons to the Congress and the country indicating his reasons for the veto. I wish to make it clear, however, that I have no reason to believe the President is contemplating such a veto and I hope he does not do so.

But in the event he does not approve the action of the Congress it is my hope that he would veto this measure in a forthright manner.

To keep the record straight, the junior Senator from Colorado has been studying legislation similar to H.R. 10 for a number of years. In the past I have felt this type of legislation was too rigid and extreme. On other occasions I have so expressed myself by my vote.

However, as I listened to the debate and read the report and considered the amendments offered to H.R. 10, I think the bill as it passed the U.S. Senate is a step in the right direction. And if it is not to costly to the Government, there is always the possibility that this may be extended to other groups—in short, this is a reasonable beginning.

Therefore, I want the Record to show clearly that if the President vetoes this bill, I intend to vote to override the veto. In view of the previous statements of the Senator from Oregon [Mr. Morse], I desire to have my statement in the Record clear on this important point.

Mr. MANSFIELD. Mr. President, I wish to apologize to the Senator from Florida for stating that, in effect, he was pointing a stiletto at the Chief Executive. I would strike out that reference, because I know it is not true. If anything, figuratively speaking, was being pointed at anybody or at anything, it was at the Senate. So I hope the Senator from Florida will accept my apology. I ask that my statement be deleted from the Record.

Mr. SMATHERS. I am delighted to do so. The majority leader's statement is typical of him.

Mr. MANSFIELD. The Senator from Florida has occupied a very responsible position in the leadership of the Senate. He has done so with the knowledge and consent of the Democrats in caucus who voted for him, as they did for the distinguished Senator from Minnesota [Mr. Humphrey] and the Senator from Montana in January a year ago.

The Senator from Florida has been subjected to unwarranted criticism at times, not on the floor of the Senate, but in various segments of the press of the country, criticism which has almost bordered on abuse. I suggest that those persons, not Members of this body, but of the press, who so easily find fault with the Senator from Florida—and they include certain of the weekly magazines—check the Senator's record to see just how much of a supporter he has been of the Kennedy program. I think the statistics will surprise them somewhat and will prove that, by and large, the Senator from Florida has been a far better supporter of the President's programs than he has been given credit for.

Mr. GORE. Mr. President, will the Senator from Montana yield?

Mr. MANSFIELD. I yield.

Mr GORE. I am at a loss to understand by what means the junior Senator from Florida understood me to make a personal attack upon him. I merely called attention to the odd situation which the distinguished Senator had himself stated, and suggested to the junior Senator from Florida that he may have rushed to a hasty conclusion that the Senate would readily override a Presidential veto, should the President choose that course in the exercise of his constitutional responsibility. I did not and do not now understand that my statement constituted a personal attack upon the junior Senator from Florida; it was certainly not intended as such. On the contrary, I think my statement was a reasonable one. I daresay that many Members of the Senate would pause and think twice before overriding a Presidential veto, not only of this bill, should such a course of action be chosen by the President, but of any bill.

Presidents do not lightly exercise the constitutional power of veto; and when they do so, whether Democrat or Republican, Congress thinks a second time before voting to override the veto.

It did not occur to me that a suggestion to the junior Senator from Florida that he not rush to a conclusion that the Senate would hastily do so in this case would constitute a personal attack upon the junior Senator from Florida. It certainly was not intended as a personal attack.

A SIGNIFICANT CALL FOR AN EXECUTIVE ORDER AGAINST HOUSING DISCRIMINATION

Mr. JAVITS. Mr. President, I have repeatedly called upon the President of the United States to make the "stroke of the pen" and issue without delay the Executive order desegregating housing supported by Federal funds or credit, and it should be of the broadest possible scope, including all such housing. I have deplored the possibility that the President would wait to issue this as part of the congressional campaign—though even then I want to see it issued—and had asked that he proclaim it as a fitting concomitant of the celebration last week of the centennial of the Emancipation Proclamation. I am very glad to note the highly significant support for this order from a leader of the great savings banking industry. I ask unanimous consent to have printed at this point in the Record a copy of a letter to President Kennedy from Mr. Earl B. Schwulst, chairman of the board, the Bowery Savings Bank, New York City, dated September 19, 1962, in which he urges early issuance of an Executive order on housing having the broadest possible scope. I would like also to include in the Record at this point a speech delivered by Mr. Schwulst at the Governor's Conference on Equal Housing Opportunity in Philadelphia, Pa., on the subject "Race and Housing." Mr. Schwulst, I might add, was chairman of the commission on race and housing which issued a report in 1958 calling for an end to desegregation in housing. The Bowery Savings Bank, which he heads, is the largest mutual savings bank in the United States. Its assets exceed $1.8 billion and its investment portfolio includes almost 100,000 home mortgages totaling about $1.4 billion.

There being no objection, the letter and address were ordered to be printed in the RECORD, as follows:

THE BOWERY SAVINGS BANK,
September 19, 1962.

THE PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: I write this letter both as head of a leading financial institution vitally concerned with our Nation's economic health and as a private citizen concerned with the moral and social health of our Nation. These concerns are mutually reinforcing, for the denial of full economic opportunity to racial and other minorities is not only immoral but also uneconomic in depriving our society of the best use of the brain power, energy and talent of at least one-sixth of our population.

The price of discrimination has always been too high. It is a price that we can afford less today than ever before as we continue our international struggle to promote the economic development and political freedom of mankind in all parts of the world.

The commission on race and housing, of which I was chairman, concluded in its report of 1958 that discrimination in housing provides the basic support for all other forms of racial discrimination. The drive for equality of economic opportunity in our own country will not be successful, therefore, until discrimination in housing is eliminated. As one step in this direction, there is widespread speculation that you will soon issue an Executive order prohibiting racial discrimination in housing. A major question centers on the breadth and scope of such an order.

The burden of this letter is to urge that the order be made as broad as possible. To limit its application only to that segment of private housing financed with FHA and VA insured and guaranteed loans; for example, would be both economically and morally incomplete. Such an order would apply to a relatively small sector of the Nation's housing supply and, of course, only to those groups producing, financing, and living in the types of housing affected. This in itself is unfair discrimination, and would, moreover, leave a wide market area to which those seeking to circumvent the order, could retreat. More important, perhaps, limiting desegregation to the FHA and VA sectors of the private market, would fall considerably short of equalizing housing opportunities for minority groups.

To achieve the fullest and most desirable effect on both economic and moral grounds, therefore, an Executive order with respect to equal opportunity in housing should be broadly applicable to all types of housing and to all lender groups, especially those whose deposits or share accounts are insured by agencies of the Federal Government. Such broad application would conform to a basic recommendation of the U.S. Commission on Civil Rights, fall with equal weight on all segments of the housing industry, and be most meaningful in terms of implementing the basic principles of our American democracy.

I am taking the liberty of enclosing a copy of the talk I am making at the Governor's Conference on Equal Housing Opportunity in Philadelphia on September 27. My views on the importance of housing desegregation are set forth therein. While the removal of racial barriers in housing will obviously involve important economic and social adjustments, desegregation is as inevitable in housing as in education. Accordingly, the leadership of the housing and allied industries would be well advised to develop now positive programs to facilitate these adjustments. A negative approach on the theory that the "time is not yet ripe" for housing desegregation succeeds only in making more difficult the ultimate adjustment process.

Thank you for the opportunity to express my views on this critical issue. I hope that you will find them of some value in determining your course of action.

Respectfully yours,
EARL B. SCHWULST,
Chairman of the Board.

RACE AND HOUSING

(Remarks of Earl B. Schwulst, Chairman of the Board, the Bowery Savings Bank, Delivered at the Governor's Conference on Equal Housing Opportunity, Hotel Sheraton, Philadelphia, Pa., Thursday, September 27, 1962)

We are at a juncture in history where we must develop and use every ounce of brainpower and talent available in our Nation. At the same time, we must be constantly concerned with the strength and effectiveness of the image we project as a Nation, lest the emerging underdeveloped nations of the world (and particularly those in Africa, Asia, and South America) cast their lots with a society which is vigorously seeking to undermine throughout the world the principles on which this country was created.

The talents we have mustered to fight wars, develop atomic energy, explore space, and create a superb industrial machine are impressive. But have we done all we can to develop all our available talents? I submit we have not.

More than one-tenth of our population is nonwhite—mostly Negro. Can anyone who reads the daily newspapers doubt we have a second-class citizenship in this country, to which we have relegated most Negroes, Puerto Ricans and other minority racial and ethnic groups? And can anyone doubt that the existence of such a system (quite apart from its inherent unfairness and immorality) has serious adverse consequences for this country?

To me, one of the cardinal findings of the commission on race and housing, of which I had the honor of being chairman, is that segregation of all types seriously handicaps the racial and ethnic minority groups involved in their progress—economic, educational, and social. As we stated in our report, "When individuals are denied opportunity or stimulus to develop their potentialities, it is not they alone who suffer, but the community as a whole as well, because it is deprived of contributions which the disadvantaged persons might otherwise make." If this is true, such a denial to more than 1 out of every 10 persons in our population clearly involves a price for discriminatory practices which we can ill afford to pay. The commission also found that underlying and supporting all forms of racial and ethnic prejudice in our society is discrimination in housing. Consequently, the removal of residential discrimination is of the utmost importance to the solution of the overall problem.

Parenthetically, I should make it clear that in speaking principally of the consequences to the Nation as a whole of racial discrimination, I am not unmindful of the basic wrong suffered by the minority groups themselves. I do not dwell on that because to me it is so self-evident that discrimination in any form is a clear violation of the fundamental principles of American democracy and Judaeo-Christian ethics that the subject needs no elaboration before such a distinguished and intelligent audience.

How then to solve this basic problem of residential segregation?

I have never advocated any single measure to eliminate racial inequality in our society. The people living in this country must be assured of their rights to vote, to a job, to a place of public accommodation, to an education, and to a place to live, without regard to race, color or national origin. It is the responsibility of the Federal executive department, of the Federal Congress, of the Federal judiciary to assure these rights to all Americans. Likewise, the State and local counterparts of the Federal Government have similar responsibilities. And in housing, especially, you will recall that our commission called upon the President to determine as quickly as possible the best means of putting an end to racial discrimination in housing and to take steps to make those means effective, at least with respect to all housing enjoying direct or indirect benefits at the hands of our National Government. The State and city governments of the North have taken the leadership to date in this respect. Some 17 States and 50 cities have passed laws, ordinances and resolutions banning discrimination in public and publicly assisted housing. Of these, 11 States and 3 cities have, in addition, enacted antibias laws applicable to the private housing market.

I am happy to note that when Governor Lawrence was the mayor of the city of Pittsburgh, his city became the second city in the country to enact enforcible legislation barring discrimination in most private housing, real estate and lending activities. And when he became Governor, again under his leadership, the Commonwealth of Pennsylvania enacted some of the most far-reaching legislation affecting discrimination in private housing. What is more, I have been informed that the several rights agencies in this State, both on a State level and city level, have excellent enforcement and educational programs. It may be too soon to judge the effect of your State law in Pennsylvania, since it only went into effect September 1, 1961. If progress under your law so far has not been dramatic, there is no cause to be discouraged. Human habits change but slowly. We need only recall that slavery was abolished less than 100 years ago. As late as the early 1940's, the Federal Housing Administration stressed the importance of protecting neighborhoods against invasion by "incompatible racial and social groups," and recommended use of race restrictive covenants in developments insured by FHA. You will recall that the famous "equal but separate" doctrine was not abandoned by the Supreme Court until 1954. The first State law against discrimination affecting FHA and VA housing was not enacted until 1955. Thus, until recent years, government itself, to which we must look for the formulation of public policy, has condoned and, to some extent, even encouraged discrimination. Against such a background, the wonder is not how little, but how much progress has been made in very recent years. Slowly, and in some cases quite painfully, our schools are being integrated. We have made significant gains in the elimination of employment bias. How are we doing with respect to residential bias?

In 1959, a study made by the New York State commission estimated that more than 3,000 Negro families had moved into approximately 55 middle-income rental and cooperative developments, most of which were located in predominantly white or all-white neighborhoods. This fact is of especial interest to me because when the commission on race and housing made its survey of interracial projects throughout the country several years before, it could only identify 50 such projects for the entire nation. I have been informed that a new study is being conducted by the New York State Commission for Human Rights, determining progress made since 1959. This study is not yet available, but estimates we have secured from various sources indicate that the number of Negro and Puerto Rican families living in integrated middle-income projects in New York City has more than doubled since 1959, and that perhaps as many as 7,000 or 8,000 Negro or Puerto Rican families are living in as many as 90 to 100 developments throughout the city, with only 3 or 4 such developments predominantly Negro. Furthermore, in New York State the State division of housing has taken the position that it will not approve any new urban renewal program in any community in the State of New York unless there can be evidence established that residential integration will be fostered by such a program.

Information with respect to one-family developments in the suburbs is meager, but progress toward the goal of integration seems to be slower than in the multifamily projects. On the whole, it seems to me, experience in New York is telling us that qualified nonwhite families in New York are taking advantage of our law and moving into a significant number of middle-income rental and cooperative housing developments in accordance with their economic status. Predictions of chaos, "inundation" and indeed "riots in the street" made some years ago by vocal opponents of New York State and New York City antidiscrimination legislation have not materialized. Home construction prospers in New York and, in fact, exceeds construction in many States that have no residential discrimination laws. Only last month the New York State Department of Commerce reported that in the first 5 months of 1962 construction of all kinds in New York State rose 43.8 percent over last year—residential construction alone rose 61.6 percent. The president of the National Committee Against Discrimination in Housing in a letter to President Kennedy, dated July 16, 1962, concerning the proposed residential Executive order, pointed out (as I noted previously) that there are 11 States and 3 cities with fair housing laws applicable to the private housing market. He further pointed out that "these statutes are broader in scope than any of the proposed Executive orders. A check shows that in not one of these jurisdictions were building starts or real estate activity reduced. Increases or decreases in building have conformed to general business conditions as they have elsewhere." In New York City, where bias has been banned in most private housing since December 30, 1957, 70 percent of the real estate operators, responding to a questionnaire distributed by the city commission on human rights in 1961, replied that the law has had no adverse effect on their operations. Following the passage of that law there has been a record building boom, with 1951 the only post-World War II year with a construction rate higher than the years 1959, 1960 and 1961.

Thus, progress is being made. But we have a long way to go.

With the rapid increase in State and municipal laws—and the apparent imminence of an Executive order—it seems probable that before long residential discrimination will, in most areas where it is a problem, be legally prohibited.

However, legal prohibition of discrimination, in and of itself, will not create integrated housing. Much educational and conciliatory work by the State and city commissions remains to be done.

Here again progress is being made.

In New York City, the fair housing practices law has been in effect about 4 years. In that time, a total of 939 sworn complaints have been filed with the commission, alleging discrimination. Eight hundred and sixty-seven (or 93.6 percent) of these cases have been disposed of by the commission, leaving only 72 cases pending. About half of the cases were dismissed by the commission for lack of jurisdiction or failure to establish grounds for complaint. The remaining 50 percent of cases were settled in a manner satisfactory to the complainant. Indeed, in over 200 cases the complainant was offered the apartment at issue or an alternate apartment. This type of conciliation by regulatory commission was urged by the commission on race and housing. Apparently it works well in practice.

The commission on race and housing also recognized that many builders are reluctant to build open-occupancy developments, believing that such action will put them at a disadvantage with competitors catering to the all-white market. Accordingly, the commission recommended that builders in a given market area act in concert to open all developments to qualified buyers without regard to race. The practicality of this suggestion has been demonstrated in New York State. Recently, 3 builders constructed 4 large rental apartment houses in a single market area containing an aggregate of about 2,000 units. As a result of the efforts of the State commission, the builders ultimately agreed to follow an open-occupancy policy. The nonwhite demand for these relatively expensive accommodations has not been great, but qualified Negro tenants have successfully applied for and obtained apartments. There are now one or two Negro families in each apartment house. All have maintained normal occupancy rates.

And, lastly, the commission on race and housing recommended that private organizations—builders, real estate associations, intergroup relations organizations and others—can do much, in their own and the public interest, to achieve the goals now being set by public policy.

The commission on race and housing, recognizing that the magnitude of the problem requires widespread action in both the public and private segments, directed 16 of its recommendations to citizen groups concerned with the goal of equal opportunity regardless of race. In the first of these recommendations, the commission urged "that such associations develop effective programs for permitting equality of opportunity in housing and seek ways of carrying out those programs." Recognizing further that such programs to be effective must be adequately financed, the commission also recommended "that philanthropic foundations and interested persons give financial support to voluntary agencies, national and local, that have soundly conceived programs of action and demonstrate confidence in their execution." The National Association of Intergroup Relations Officials breathed life into these recommendations. It has received a $24,000 Ford Foundation grant to call a national conference of the leading builders, lenders, real estate brokers, government officials and planners to discuss the findings on segregation and discrimination in housing and to consult with one another on programs that could achieve equal opportunity in housing. This landmark conference—cosponsored by NAIRO and the national housing center—will be held next month.

To summarize—

1. With the enactment of laws—State and municipal—throughout the country, a universal public policy against discrimination in housing is being slowly but surely established.

2. As a result of intelligent action by regulatory commissions and some builders, there is an everincreasing number of demonstrations that integrated housing is not only morally but economically sound. Fears of catastrophe are being dissipated.

3. Encouraged by public and private action, nonwhite families with sufficient incomes are applying for and in an increasing number of instances obtaining housing of their choice.

4. Continuation of this trend should result in greater social and cultural contacts between racial groups—greater understanding—and greater use of the developing talents of our nonwhite citizens.

5. Federal action will help make this trend nationwide.

6. The cooperative action of such agencies as NAIRO and the national housing center will help establish the climate of opinion essential to progress in this field.

With the dissipation of residential bias, we may expect other forms of discriminatory action to weaken and ultimately disappear. If we are successful in this aim, the nonwhite will truly become a first-class citizen—his talents will be more fully available to meet the growing demands of our times—and we shall have repaired an international image which is now somewhat tarnished by present practices.

Mr. JAVITS. Mr. President, I think this speech is extremely important. I hope it has the great influence with the President which it deserves to have.

MILESTONES IN THE NATION'S CULTURAL HISTORY

Mr. SALTONSTALL. Mr. President, during the past week we have passed several important milestones in our country's cultural history.

We in Boston are especially proud of our fine symphony orchestra which has served as an excellent cultural ambassador. Happenings in Boston are often pinpointed as occurring while Koussevitzky or Munch was serving as conductor.

We now have a new director in Boston. His premiere concerts have met with critical acclaim as well as immediate acceptance by our very reserved and discerning Boston audiences. Erich Leinsdorf has also led the orchestra in the second concert celebrating the completion of Philharmonic Hall in the Lincoln Center for Performing Arts in New York City.

The New York Philharmonic which will make its home in the new center is cognizant of its debt to Massachusetts, for its conductor, Mr. Bernstein, is a Harvard graduate. So Harvard is contributing to our cultural as well as our "new" frontier. Another Harvard student has recently completed the designs for a National Cultural Center to be located here in the Capital. Earlier this month at Newport and more recently at Gettysburg, Mrs. John F. Kennedy and Mrs. Dwight D. Eisenhower, the honorary cochairmen of the Cultural Center, unveiled the model for the revised Cultural Center project. When completed along the bank of the Potomac, the Center will provide much-needed facilities for the performing arts here in Washington.

No world capital is as ill prepared as Washington to display its national cultural attributes. Tonight in Washington, if we decide to attend the theater, we have but one choice. At the same time in Boston we might select from among two musicals, two serious plays, and a new comedy. Boston is planning a new opera house and has one of the finest concert halls in the world.

Under the Eisenhower administration, the cultural center concept began to take more concrete form, and under the guidance of the present first family, it has taken on added vitality.

As a trustee of the National Cultural Center, and as a member of the Senate Appropriations Committee, I am pleased that we are not asking Congress for funds to build this Center. Congress has supplied one of the most appealing sites in the District of Columbia for the location of the Center. Many evenings on my way home from the sessions on Capitol Hill, I have paused to admire the sunset along that stretch of the Potomac. I look forward to doing so from the lovely terraces which Architect Stone proposes for the Center. I visualize it as one of the chief attractions of Washington.

In the past few years, I have been very much interested in preserving the historic areas in Massachusetts connected with the American Revolution and with the natural beauty of Cape Cod's Great Outer Beach. As Erich Leinsdorf has so well said, it is now time to establish reservations for the soul.

Several Massachusetts communities—Boston, Springfield, Pittsfield, New Bedford-Fall River—have already taken up the challenge to help to bring the National Cultural Center closer to reality. On November 29, a closed-circuit television broadcast will be the focal center for meetings and dinners across the country designed to assist in raising funds for the Center. Leonard Bernstein will serve as master of ceremonies on this occasion.

The arts in our country have traditionally been allowed to develop without governmental assistance or interference. I hope that every individual who is interested in projecting a clearer image of the United States to those numerous countries comparing the advantages of the free world with the enticements offered by the Communist bloc will want to support this long-needed and finally to be realized project.

PROGRAM OF AGRICULTURAL LAND DEVELOPMENT IN THE STATE OF ALASKA

The Senate resumed the consideration of the bill (S. 2805) to provide for a program of agricultural land development in the State of Alaska.

Mr. BARTLETT. Mr. President, I offer an amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 3, in line 2, after the period, it is proposed to insert a new sentence, as follows:

The Secretary shall not enter into any such agreement or agreements the effect of which would be to grant to any single producer more than one-fifth of the total amount of funds appropriated for the Alaska land development program for the year in which the agreement is made.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Alaska.

The amendment was agreed to.

Mr. JORDAN of North Carolina. Mr. President, I ask that Senate bill 2805, providing for a program of agricultural land development in the State of Alaska, be acted on favorably. It has the full backing of the Department of Agriculture, and was unanimously reported from the full Committee on Agriculture and Forestry.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 2805) was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Alaska Farmland Development Act of 1962".

SEC. 2. DEVELOPMENT OF POLICY AND PURPOSE.—In order to provide more adequately for the sound, efficient, and orderly development and utilization of agricultural land resources of the State of Alaska; to facilitate and assure the establishment of family-type farms as economic units of production and to encourage, promote, and strengthen this form of farm enterprise; to provide for Alaska's future economic growth by promoting a sound and stable agriculture, thereby insuring a more adequate and dependable food supply for the present and future population of the State; and in recognition of the strategic position of the State of Alaska in relation to national security and defense, it is hereby declared to be the policy of Congress, and the purpose of this Act shall be, to provide for a program of agricultural land development in the State of Alaska which will assist agricultural producers to develop and utilize more effectively the productive capacity of the State's land resources for agricultural purposes.

SEC. 3. The Secretary of Agriculture is hereby authorized to formulate and carry out a land development program, which, subject to such terms and conditions as the Secretary determines will best effectuate the policy and purpose expressed in section 2 of this Act, shall provide for the making of payments or grants to agricultural producers in the State of Alaska for carrying out specified farmland development or treatment measures including, but not limited to, clearing, draining, shaping, and otherwise conditioning land for the production of crops or for pasture.

SEC. 4. In carrying out the provisions of this Act, the Secretary is authorized, within the amounts of such appropriations as may be provided therefor, to enter into agreements or other arrangements extending for a period of years with producers determined by him to have control of the farms and ranches covered thereby. The Secretary shall not enter into any such agreement or agreements the effect of which would be to grant to any single producer more than one-fifth of the total amount of funds appropriated for the Alaska land development program for the year in which the agreement is made.

SEC. 5. The Secretary is authorized and directed to issue such rules and regulations as may be necessary to carry out the provisions of this Act.

SEC. 6. In carrying out the provisions of this Act, the Secretary may utilize the committees established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act, as amended.

SEC. 7. There is hereby authorized to be appropriated, without fiscal year limitations, such sums as may be necessary to carry out this Act: *Provided,* That the total cost of the program (excluding administrative costs) shall not exceed $1,250,000 and for any program year payments shall not exceed $125,000. The program authorized by this Act shall be in addition to, and not in substitution of, other programs in the State of Alaska authorized by any other Act.

Mr. BARTLETT. Mr. President, I ask unanimous consent to have a statement in connection with the bill printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR BARTLETT

S. 2805 is a bill to provide for a program of land development in Alaska. It authorizes the Secretary of Agriculture to enter into cost-sharing agreements with Alaska farmers for the purpose of carrying out certain land development practices including, but not limited to, clearing, draining, shaping or otherwise conditioning land for the production of crops or for pasture. It establishes a fund of $1,250,000 without fiscal year limitation, but provides that no more than $125,000 may be spent in any one year.

When I introduced S. 2805 for myself and Senator GRUENING, I called this a modest program. It is, indeed, modest—so modest that if compared with any of the current programs under the direction of the Department of Agriculture, it seems impossible that much could be accomplished with so little.

However, with this program and even with the small sum authorized—not more than $125,000 in any one year—great progress in the development of Alaska agriculture can be made. This program will be a stabilizing force within the agricultural economy of Alaska, allowing Alaska farmers to plan, to coordinate development with marketing facilities and with the growth and development of communication facilities.

One of the major reasons for my concern for Alaska agriculture at this particular time is that with the coming of statehood, most transportation laws applicable to all of the 48 contiguous States have become applicable to Alaska. We now have competition in our transportation facilities with a consequent reduction in freight rates and a betterment of service. All of this places the Alaska farmer in the position of competing with farmers in the southern 48 States to a far larger degree, and the farmers in those 48 States have been eligible for many years for the benefits of our present agricultural programs. For example, Alaska farmers face stiff competition from milk producers who are eligible for price supports on milk and who feed their cows on price-supported grains. Alaska farmers face competition from grain growers who are eligible for price supports. Alaskans do not have such advantages.

S. 2805 was proposed to try to bring to Alaska a measure of equality with the agricultural economies of the other States. I believe it will, and I believe it is imperative to act now to preserve the present agricultural economy in Alaska and to improve it for the benefit of Alaskans as well as the Nation.

FINANCING OF CONSTRUCTION OF BRIDGE AT CAPE HATTERAS NATIONAL SEASHORE

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar 2122, House bill 8983, to authorize the Secretary of the Interior to participate in financing the construction of a bridge at Cape Hatteras National Seashore.

The PRESIDING OFFICER. Is there objection?

There being no objection, the bill (H.R. 8983) to authorize the Secretary of the Interior to participate in financing the construction of a bridge at Cape Hatteras National Seashore, in the State of North Carolina, and for other purposes, was considered, ordered to a third reading, was read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the Record an excerpt from the report (No. 2158), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the Record, as follows:

PURPOSE

The purpose of H.R. 8983 is to authorize the Secretary of the Interior to contribute toward the cost of a 2½-mile bridge across Oregon Inlet in the Cape Hatteras National Seashore Recreational Area, N.C. As amended by the House of Representatives, the bill calls for payment of $500,000 toward the cost of constructing this bridge, which will be maintained by the State as part of its public road system.

NEED

Oregon Inlet separates Bodie and Hatteras Islands, both of which are within the national recreation area. The State of North Carolina currently provides free ferry service across the inlet and, in order to do so, maintains a fleet of six ferries there. An average of over 400 vehicles a day used the ferries throughout the year 1961, a sixteenfold increase over the traffic handled in 1950. During the 1961 tourist season, the average was 760 vehicles and on peak days it was nearly 1,500, with traffic waiting as much as 4 hours for service. Traffic counts indicate that over 65 percent of the vehicles carried during the tourist season come from outside of North Carolina and that the comparable figures for the entire year is 55 percent. Much of the remainder, even though it bears North Carolina license tags, is also tourist traffic visiting the national recreation area.

The need for a bridge across Oregon Inlet has been attested at Public Lands Subcommittee hearings. The reasonableness of the request for a National Park Service contribution toward its construction cost (somewhat over $4 million) is indicated not only by the traffic count figure but also by the facts that, contrary to the practice in many other national park system areas, the road system within the Cape Hatteras National Recreation Area was constructed and is maintained at the sole expense of the State and that all the land now owned by the United States within the recreation area was donated by citizens of the State and others.

The House of Representatives has reduced the sum requested as a Park Service contribution from $1 million to $500,000. The Department of Commerce recommended the bill be revised to provide, in effect, that the State's share of the cost of the bridge would be 37½ percent, Public Roads Administration share 37½ percent, and the Park Service share 25 percent The House bill will maintain the normal 50–50 formula in regard to the Public Roads Administration share, reduce the share to 37½ percent, and provide a contribution by the National Park Service of approximately 12½ percent. This involves approximately the same dollar cost to the Federal Government as suggested by the Department of Commerce but divides the contribution of the two Federal agencies differently.

The House of Representatives adopted an amendment suggested by the Department of the Interior to preclude the expenditure of funds appropriated for park road construction from use for the purpose of the Cape Hatteras bridge and limit payments for the construction of the bridge by the Park Service to funds specifically appropriated for that purpose.

COST

H.R. 8983 involves a $500,000 additional cost to the Federal Government.

PROHIBITION OF TRANSPORTATION OF GAMBLING DEVICES IN INTERSTATE AND FOREIGN COMMERCE—CONFERENCE REPORT

Mr. EASTLAND. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1658) to amend the act of January 2, 1951, prohibiting the transportation of gambling devices in interstate and foreign commerce. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of Oct. 5, 1962, pp. 22614–22616, Congressional Record.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

The PRESIDING OFFICER. The question is on agreeing to the report.

The report was agreed to.

THE MISSISSIPPI SITUATION—PERSONAL STATEMENT BY SENATOR HOLLAND

Mr. HOLLAND. Mr. President, first let me say that I appreciate very greatly the presence on the floor of the two distinguished Senators from Mississippi [Mr. Eastland and Mr. Stennis]. They know, and I think the Senate knows, that I have for each of them the utmost of respect and affection, and that I feel the same way toward their great State.

Mr. President, I have seen in the press this morning, and likewise heard over the radio last night and this morning, a news report quoting only a small part of a statement which I made, not to the press, but on a recording of the CBS panel broadcast, "Capitol Cloakroom," yesterday afternoon. Some of these news reports were so partial as to create the impression that I was alined with other Senators whose philosophy toward the school integration question is fundamentally different from my own. In order that the complete discussion scheduled to be made in the panel broadcast, and recorded yesterday, on the subject of school integration and the current difficult situation in the State of Mississippi may be available to all who are interested, I shall now read into the Record the entire portion of the panel interview which dealt with the school integration question, both in general and as it now applies to the current tense situation in Mississippi. CBS has furnished me with an accurate transcript of the broadcast from which I quote:

George Herman. In view of the legal problems posed in Mississippi these days for all the Southern States and, in fact, for the entire Nation, we recall now, with respect, your service as a prosecuting attorney and as a judge in Florida and your 4 years as Governor of that State. And we note that you are today a trustee of two universities. Senator, I think we are particularly anxious to hear what a man with this background thinks about the problems arising from the court's order to the University of Mississippi to admit a Negro student. I'd like to start, if I may, with the question: Should the Federal Government use force, if that should turn out to be unavoidable, to carry out the rulings of the courts?

Senator Holland. That's a hard question for the executive to have to decide, but it will have to decide it. Of course, I think the court orders should be obeyed even though they're highly distasteful, and they are to me. I think this dates back to the very unfortunate decision of 1954 and to the attempted use of legal coercion to settle a problem that I think cannot be settled by coercion. The very idea of disturbing a university over a hundred years old, with the thousands of students there, and the parents and all that are involved, by the effort of an organization to force in one additional student contrary to the laws and traditions of that university and of that State, to me is a very distasteful thing. At the same time I would have to say that under a similar situation, I think our Florida people would obey that mandate, much as we disliked it. I just want to say that I don't think through such use of litigation you're going to have created an environment in which education can go ahead nicely.

Nancy Dickerson. Senator Holland, as the situation is now, the Federal Government either lets the Mississippi Governor get away with this defiance or they send troops. That seems to be the picture right now. Can you think of any alternative to this—is there anything else the Federal Government could have done, should do?

Senator Holland. Well, you have asked two questions. They could have done very differently. They could have laid off of this question beginning in 1954 and continuing up to now. They could have remembered that the Congress, every time it has had the request to adopt the part III of the Civil Rights Act, has turned it down very effectively. And they could have remembered that, in spite of the fact that part III, in effect, was included in the Democratic platform, there hadn't been any serious effort to legislate it at all under the new administration or under the old. And that's what they could have done. Now, as to what they can do now: Forced by the dilemma that they're confronted with, I suspect they will have to see it through one way or another, and I hope with all my heart that they will try every other device, the use of marshals, the use of persuasion, the use of delay, and any other thing that may occur before they even think about using force because, so far as the use of force is concerned, that is completely distasteful to the whole southern people, and I know from having talked to a good many of my colleagues here, it is distasteful to many that don't come from the South.

George Cheely. Senator, what do you think of the theory of interposition by which the State interposes its sovereignty between the Federal Government and its actions?

Senator Holland. I do not think highly of that as a legal proposal at all.

George Herman. I'd like to return briefly to this very unpleasant question of the use of force. Do you think it is likely that in this country, in this century, there would be actual fighting between Americans or would it be more in the lines of force on paper or some legal force, rather than actual disturbance?

Senator Holland. I can't predict on that at all. As to the situation in Little Rock, you saw that it did not ever come down to the use of force by troops of one jurisdiction being confronted with the troops of the other. I doubt if it will come to that in Mississippi. I hope it will not, but I can't predict.

George Herman. I have one further question. I believe I asked it of you in 1954 or 1955 after the Supreme Court's ruling when we had a similar program of this kind. And that is, what is the outcome, how does the racial situation in the South seem to you today? Is it heading toward worse disaster or is it heading toward improvement?

Senator Holland. It has worsened very greatly since the 1954 decision, there is no question about that at all, and that was what was easily predictable because it is an attempt to use coercion to make people like each other better and associate together on a more cordial basis. Such an objective just can't be obtained by such means.

George Herman. Do you see the tensions, this is what I'm trying to get at, from today forward do you see the tensions from today increasing, or do you see that, perhaps, something of this kind will break the trend and things will begin to smooth down?

Senator Holland. Well, I'm not wise enough to foresee, but my own guess is that the more coercion is used, or attempted to be used, whether in courts or by legislation, the worsened situation will continue to be aggravated.

Mr. President, I wish the record to show clearly what transpired, because of the partial—and in one paragraph, completely inaccurate, report which has appeared in the press and has been transmitted over the radio. An attempt was made to show—whether designed to that end or not—that the Senator from Florida has agreed with some of his colleagues who entertain attitudes toward this disturbing question completely different from those entertained by the Senator from Florida, which he holds with deep conviction, and which he recited in the course of the interview.

THE CALENDAR

On request of Mr. Mansfield, and by unanimous consent, the following measures were considered and action taken as indicated:

CONVEYANCE OF CERTAIN LANDS ADJACENT TO SUITLAND PARKWAY IN PRINCE GEORGES COUNTY, MD., TO LOYAL ORDER OF MOOSE

The bill (H.R. 11543) to authorize the Secretary of the Interior to convey certain lands adjacent to the Suitland Parkway in Prince Georges County, Md., to Suitland Lodge No. 1856, Loyal Order of Moose, was considered, ordered to a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the Record an excerpt from the report (No. 2159), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the Record, as follows:

PURPOSE

The purpose of H.R. 11543, by Congressman Aspinall, is to authorize conveyance of a right-of-way across certain Federal lands to Suitland Lodge No. 1856, Loyal Order of Moose, so that the lodge can have permanent access from their building, which overlooks the Suitland Parkway, to James Street, in Prince Georges County, Md. Fair market value will be paid for the land.

NEED

The Suitland lodge is, and for a number of years has been, using the land in question (about seventeen one-thousandths of an acre) under revocable permit from the Department of the Interior. It is its only means of access to a public highway. A permanent arrangement is needed so that the lodge can finance the building of an improved home. The land is not needed by the United States, but the only means of transferring it is by enactment of such a bill as H.R. 11543.

COST

Enactment of H.R. 11543 will entail no cost to the United States other than minor administrative expenses.

CONVEYANCE OF CERTAIN LANDS IN STATE OF MARYLAND TO HOLY CROSS LUTHERAN CHURCH, GREENBELT, MD.

The bill (H.R. 11551) to authorize the Secretary of the Interior to convey certain lands in the State of Maryland to the Holy Cross Lutheran Church, Greenbelt, Md., and for other purposes was considered, ordered to a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the Record an excerpt from the report (No. 2160), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the Record, as follows:

PURPOSE

The purpose of H.R. 11551 is to authorize the Secretary of the Interior to convey 12 acres of land in Greenbelt, Md., to Holy Cross Lutheran Church for fair market value.

H.R. 11551 was introduced by Congressman Lankford.

NEED

The 12 acres with the transfer of which H.R. 11551 deals is part of Greenbelt Park, a unit of the National Capital parks system. This land has been cut off from the remainder of Greenbelt Park by the construction of the Capital Beltway and can no longer be efficiently administered as part of the park. The officials of Holy Cross Lutheran Church believe that the land will be useful to them for an enlargement of their parish facilities, will enable them to serve a much larger area than they are now able to serve, and will be sufficiently large to accommodate both a church structure and a school.

Only through the enactment of such a bill as H.R. 11551 can the Secretary of the Interior dispose of this property, since "surplus property," as that term is defined in the Surplus Property Act (40 U.S.C. 472(d)), specifically excludes from the coverage of that act lands reserved or dedicated for * * * national park purposes.

COST

Enactment of H.R. 11551 will entail no expense to the United States.

FORT ST. MARKS NATIONAL HISTORICAL SITE

The Senate proceeded to consider the bill (H.R. 12164) to provide for the establishment of the Fort St. Marks National Historical Site which had been reported from the Committee on Interior and Insular Affairs, with an amendment, on page 2, after line 19, to insert a new section, as follows:

Sec. 4. There is authorized to be appropriated not to exceed $100,000 for the purposes of this Act.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the Record an excerpt from the report (No. 2161), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the Record, as follows:

BACKGROUND

The purpose of H.R. 12164, as amended, is to authorize the Secretary of the Interior to accept a donation of the site of Fort St. Marks, Fla., and to provide for the erection of a museum and appropriate markers on the site and for its administration as a unit of the national park system.

H.R. 12164 was introduced by Congressman Sikes and supersedes an earlier bill, H.R. 10926, which he also introduced.

Fort St. Marks (formerly San Marcos de Apalache) is one of a chain of important sites in the southern part of our country dating from the Spanish phase of its history. This chain stretches from Fort Matanzas and the Castillo de San Marcos at St. Augustine, Fla., through Fort San Carlos dé Barrancas near Pensacola and the Cabildo at New Orleans, to Los Adaes, La., and the San Jose Mission at San Antonio, Tex.

San Marcos de Apalache is at the junction of the Wakulla and St. Marks Rivers, about 20 miles south of Tallahassee. The area which is guarded was an important source of food supply for St. Augustine. Such Spanish explorers at Narvaez and DeSoto occupied the site from time to time during the first half of the 16th century, and troops were stationed there beginning about 1645. The first fort, which appears to have been constructed in the 1670's, was captured by a mixed French-English-Indian raiding party in 1682. After recapture, a stronger fort was erected and was occupied for 20 years after which it was abandoned for a time. In 1718, a third fort was built and still another (this time of stone rather than wood, as the earlier ones had been) was commenced a few years later, probably about 1748. When this part of the country passed from Spanish to English hands in 1763, St. Marks became the center of a thriving Indian trade, which continued during the second Spanish period, 1783–1821. Andrew Jackson captured St. Marks in 1818 during the Seminole war and there executed Robert Armbruster and Alexander Arbuthnot, British traders who were making this the center of their operations. The fort was abandoned in 1824, 3 years after the cession of the territory from Spain, was partly dismantled in 1833, became a marine hospitals in 1857, and was taken over by Confederate troops during the Civil War as a protection for Tallahassee.

Fort St. Marks has been extensively investigated by Dr. Charles H. Fairbanks and Miss Doris L. Olds, of Florida State University. An outline of its history and present status will be found in the volume of the National Survey of Historic Sites and Buildings entitled "Spanish Exploration and Settlement" (1859). Its importance in American history is well recognized and is indicated by the outline given above. The committee believes it sufficiently probable that the site will make a worthwhile addition to the national park system to justify the Congress in passing a bill permitting the Secretary of the Interior to accept a donation, as proposed, and thereafter to carry out the other objectives of the bill.

COMMITTEE AMENDMENT

H.R. 12164 has been amended, by the House of Representatives, with the concurrence of the author of the bill, to provide that the site of Fort St. Marks may be acquired only by donation. How extensive an area should be acquired for the purpose of establishing the new national historic site (a map supplied to the committee indicates that the successive forts occupied well on to 50 acres) is a matter which is left to the discretion of the Secretary of the Interior.

COST

Under H.R. 12164, as amended, the Federal Government will incur no cost for land acquisition. No final figures for the cost of a small museum on the site and for other facilities have been developed, but it is estimated that it may run in the neighborhood of $100,000, the limitation on appropriations placed in the bill by the Senate committee amendment.

ADDITION OF CERTAIN PROPERTY IN PHILADELPHIA, PA., TO INDEPENDENCE NATIONAL HISTORICAL PARK

The Senate proceeded to consider the bill (S. 783) to provide for the addition of certain property in Philadelphia, Pa., to Independence National Historical Park, which had been reported from the Committee on Interior and Insular Affairs, with amendments, on page 2, line 8, after the word "with", to strike out "Sound" and insert "Second", and after line 13, to insert a new section, as follows:

SEC. 2. The first sentence of section 6 of the Act of June 28, 1948 (16 U.S.C. 407r), is amended by striking out "$7,950,000" and inserting in lieu thereof "$9,750,000".

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first section of the Act entitled "An Act to provide for the establishment of the Independence National Historical Park, and for other purposes", approved June 28, 1948 (62 Stat. 1061), is amended by adding at the end thereof the following:

"(e) An area bounded by Chestnut and Walnut Streets, Second Street, and the proposed Delaware Expressway, to be known as 'project F'; except that the following described property at the southwest corner of the block shall not be acquired by the Secretary:

"Beginning at the intersection of the north side of Walnut Street (50 feet wide) and the east side of Second Street (50 feet wide), thence north along the east side of Second Street 86 feet 3 inches to a point, thence east at right angles with Second Street 103 feet to a point, thence south parallel with Second Street 15 feet 3 inches to a point, thence east parallel with Walnut Street 52 feet to a point on the west side of Hancock Street 13 feet wide, narrowing to 10 feet wide at Walnut Street, thence south along same 72 feet, 9 inches to a point on the north side of Walnut Street, thence west along same 155 feet to beginning."

SEC. 2. The first sentence of section 6 of the Act of June 28, 1948 (16 U.S.C. 407r), is amended by striking out "$7,950,000" and inserting in lieu thereof "$9,750,000".

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 2164), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

BACKGROUND

Independence National Historical Park in the old "center city" section of Philadelphia, Pa., is now attracting nearly 2 million visitors annually. A high percentage of them are schoolchildren, who come in schoolbuses, to see "the cradle of American liberty," the rooms where the Declaration of Independence was signed, Liberty Bell, and the halls where Congress met to deal with the problem of the new Nation.

The national historical park property is now made up of approximately four city blocks and includes the historic Second Bank of the United States, Carpenters Hall, Philadelphia Merchant Exchange, City Tavern, Old Swede's Church, Philosophical Hall, and noted colonial homes.

The city of Philadelphia has spent many millions of dollars developing a three-block mall immediately north of Independence Hall. Areas to the south, in accordance with the city's redevelopment plan, are being restored to their former colonial environment. Historic homes, assured protection as residences by zoning, are being restored and reconstructed. The "cradle of liberty" is almost literally being dug out of a confusion of undistinguished and often shabby commercial buildings—a commercial blight area—and being surrounded, instead, by the mall and a colonial atmosphere.

Presently, visitors to the national historical park property unload in front of Independence Hall on a one-way street. When the curb in front of the hall is fully occupied, schoolbuses often have to pull to the left side of the street and unload their cargo of schoolchildren into the center of the busy street.

The first historic structure entered by the visitors is Independence Hall itself. As a result, the other historic buildings in the park become anticlimactic.

Redevelopment of the "center city" area will accommodate the construction of a great multilane, north-south interstate highway up the Delaware River a few blocks east of the park. An east-west interstate highway will be routed across the Delaware River, a few blocks to the north. Exits from both of these interstate roads will make the park easily accessible. Attendance will unquestionably increase greatly.

There is a real need for parking facilities for visitors adjoining the park. At the same time, National Park Service desires to move the general entrance to the park for visitors to the east end, so tours of the area can start near the old Exchange Building, pass Carpenters Hall, the Second Bank of the United States Building, and be climaxed by Independence Hall. The Park Service feels it will permit a more orderly and impressive interpretation of the area, and make more valuable the experience, not only of adults, but also of the hundreds of thousands of youthful pilgrims to the historic shrine.

THE BILL

S. 783 authorizes the National Park Service to acquire the city block east of Independence Hall National Park, excepting the location of Bookbinders Restaurant, an old, nationally known eating house. The restaurant business is conducted in the original building plus the reconstruction of a colonial house which adjoined it. The structure is compatible with the colonial environment. Its acquisition would materially increase the cost.

It is intended to clear the acquired property and use it for visitor parking and a reception center. The project will clear the only block intervening between the national park and the new interstate highway right-of-way.

DEPARTMENTAL RECOMMENDATIONS

Federal acquisition of the block involved was proposed in 1958 and approval by the Secretary of the Interior following an onsite inspection.

The pending legislation has been approved by the Department of the Interior with two technical amendments which have been adopted.

Hearings were held in Washington on S. 783 in 1961, but action on the measure was held in abeyance until a hearing could be held in Philadelphia. Such hearing was conducted in the old Second Bank of the United States Building on July 16, 1962, and the measure was subsequently reported favorably by the Public Lands Subcommittee.

Opposition to the proposal has been based on the contentions that there is adequate commercial parking space now within a few blocks of the national park and that favoritism is being shown Bookbinders Restaurant.

There can be no question that the restaurant will benefit but its acquisition and demolition would involve a large Federal expenditure to demolish compatible buildings of a business institution which will provide for one of the needs of many park visitors.

The city planning agency and traffic engineers, who base their estimates of parking requirements on the number of houses, apartments, businesses, and other occupancies in the area as it is to be redeveloped, find that parking facilities will be inadequate in the area unless more are provided. The Federal parking facility need not be a competitor with established parking operations.

National Park Service has not determined how the Federal facility will be operated. Both direct Federal operation and contract operation are possible. A parking fee could very well be charged in either instance.

It appears highly unlikely that Congress would ever approve an admission charge to enter Independence National Historical Park. It is a part of the heritage of every American; indeed, of most of the citizens of the free world. Liberty Bell belongs first to Americans, but also to all mankind. Access to the area should be facilitated and not impeded.

Those who desire offstreet parking near the site might, however, justifiably be asked to pay a fee for this service to meet the cost of providing it.

COST

The estimated cost of acquisition of the property involved is $1,800,000. Cost of clearing, grading, surfacing, and preparing the area for use is estimated at $380,000.

ASSISTANCE TO STATES FOR FORESTRY RESEARCH PROGRAM

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1974, House bill 12688.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 12688) to authorize the Secretary of Agriculture to encourage and assist the several States in carrying on a program of forestry research, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Agriculture and Forestry with amendments, which amendments were agreed to on September 25, 1962.

The PRESIDING OFFICER. The question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time, and passed.

Mr. MANSFIELD. Mr. President, what is the pending business?

The PRESIDING OFFICER. The District of Columbia appropriation bill.

Mr. MANSFIELD. Mr. President, I move to reconsider the vote by which Calendar No. 1974, House bill 12688, was passed.

The motion was agreed to.

Mr. JORDAN of North Carolina. Mr. President, there was an amendment to that bill which was not acted upon.

The PRESIDING OFFICER. The amendments were previously agreed to, on September 25.

Mr. JORDAN of North Carolina. Mr. President, there is an amendment to the bill which the Senator from Mississippi [Mr. STENNIS] is going to offer.

Mr. STENNIS. I am going to oppose it.

Mr. MANSFIELD. Mr. President, I move that the votes by which the amendments were agreed to and ordered to be engrossed and the bill to be read a third time be reconsidered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to.

Mr. STENNIS. Mr. President, what is the parliamentary situation, to be certain that it is clear?

The PRESIDING OFFICER. Consideration of the committee amendments is in order, and the bill is subject to amendment.

Mr. STENNIS. Mr. President, there are two committee amendments, as the Senator from Mississippi understands, and the Senator from Mississippi is appearing in opposition to those two amendments. It would be satisfactory to consider them en bloc, so that one vote could control. If there is no objection, I so request.

Mr. MORSE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MORSE. What is pending?

The PRESIDING OFFICER. H.R. 12688.

Is there objection to considering the committee amendments en bloc?

Mr. STENNIS. Mr. President, perhaps, if the Senator from Mississippi is permitted to make a brief statement about the bill and refer to the amendments, the matter will be placed before the Senate in a form in which it can be understood. The Senator from Mississippi is author of a Senate bill which corresponds to the House bill presently pending.

The PRESIDING OFFICER. The Senator from Mississippi is recognized.

Mr. STENNIS. Mr. President, if I may have the attention of the Senator from Oregon [Mr. MORSE] I wish to say that the basic purpose and idea behind the House bill which is now before the Senate is a program by which Federal funds will be appropriated each year to carry on forestry research at various forestry schools throughout the Nation.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. STENNIS. May I just complete a statement of the general purpose first?

The purpose is similar, to a great extent, to the present program in effect with reference to general agricultural research, whereby every year a sum is appropriated under a formula and is distributed among the States according to that formula.

In a large way, the bill before us proposes a program to copy the program I have mentioned. Therefore, to that extent, it is not an innovation. It would apply primarily to colleges and universities that have forestry schools. The idea is to have the program centered largely in graduate work and to deal with some of the problems that may be concerned in the areas represented.

It is impossible—certainly at the start—to lay down a rigid formula under which the money will be distributed.

The bill was introduced in the Senate by my colleague from Mississippi [Mr. EASTLAND] and the Senator from Vermont [Mr. AIKEN], and I was the third author and have been handling the bill. We worked on the matter with Members of the House, which passed the bill. The House bill is now before the Senate.

There are two proposed Senate committee amendments about which I wish to speak. One provides that private institutions be made eligible for these funds. The other is a minor amendment with respect to the way of selecting the advisory group that will advise as to the distribution of the funds.

This is the parliamentary situation, on a broader scale: I am satisfied, after making the most minute inquiry from day to day, that if amendments were adopted to the House bill, they would in effect kill the bill for this session. For that sole reason, I am compelled to oppose the committee amendments as vigorously as I know how.

One of the committee amendments is a minor one with respect to making the funds available to private institutions. I would not oppose the amendments particularly for that reason, but the other body has had that question before it, and the lines are tightly drawn there. If we adopted that amendment it would raise a serious question as to whether the House would consider it in this session. Further, a majority of the committee on that side is difficult to assemble, and one Member could move against the amendment and it would kill the bill for this session.

Mr. President, I ask unanimous consent that a statement which I have prepared on H.R. 12688 be printed at this point in my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

COMMENTS ON H.R. 12688

I wish to speak briefly in support of H.R. 12688 as amended which would authorize the Secretary of Agriculture to encourage and assist the States in carrying on a program of forestry research. I had introduced a similar bill for Senator AIKEN, Senator EASTLAND, and myself. The bill here considered is entirely satisfactory to me and I urge its enactment because it would greatly benefit forestry throughout the Nation.

It would accomplish three things: (1) It would open a new avenue to strengthen and stimulate forestry research at State colleges and universities, (2) it would bring the skills of additional scientists to bear on difficult forestry problems, and (3) it would stimulate the training of graduate forestry researchers so badly needed by private and public research institutions and agencies.

As one looks ahead to the needs for new knowledge and an improved basis for producing and utilizing our forest resources, he is impressed by the fact that a scientific endeavor will be needed well beyond what is currently being brought to bear on critical problems. I am told that in spite of some good work being done at colleges and universities, forestry research at these institutions is lagging. In fact only 7 or 8 percent of the total expenditures by all agencies for forestry research is at the universities.

This effort should be greatly expanded and it must be if the answers to perplexing problems are to be forthcoming. The States need encouragement and assistance to build stronger forestry research programs. Enactment of this legislation would authorize and direct the Department of Agriculture, seasoned and experienced in forestry research, to help the colleges and universities move ahead in forestry investigations.

There are many scientists in the universities whose skill as chemists, physicists, botanists, or engineers could greatly benefit progress on difficult research undertakings in forestry. These men need to be stimulated to take an active part in many of the basic phases of research on forestry problems. I have visited many universities, with and without strong forestry schools. I am impressed with the scientific talent in the various disciplines closely related to forestry. This represents a reservoir of skill that could be funneled into forestry research. Stimulation by a program such as would be authorized under H.R. 12688 is needed to attract this talent into forestry research.

Finally, I want to emphasize that enactment of this legislation will have great value in the training of research scientists. Forestry research has been expanding and it is going to expand more in the years ahead as fuller use is made of timber, water, forage, recreation, and fish and wildlife. Increasing numbers of scientists will be needed in the future. The universities can turn out qualified research workers only if they have strong research programs of their own to serve as a training vehicle. This is why the schools must be strengthened in forestry research. Programs of the Federal Government, as well as those of other agencies would benefit from a greater number of trained scientists.

Thus, I strongly endorse H.R. 12688 and urge that it be enacted. Such legislation will go a long way toward developing a research program for the furtherance of forestry in America.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. STENNIS. I yield.

Mr. MORSE. I say to the Senator from Mississippi that I know all about the bill. My only disappointment about the bill is that it was introduced before I could become a cosponsor of it.

Mr. STENNIS. I thank the Senator.

Mr. MORSE. I have not only supported and expressed appreciation for the capable job the Senator from Mississippi has done in connection with supporting forestry research, but aside from that, I have thanked him all over the State of Oregon, before audience after audience, for the great debt we owe the Senator from Mississippi in regard to forestry development.

Previously he had introduced a bill that provided for the establishment of a forest research center in Redmond, Oreg. Last year he got the bill through. I expressed my appreciation to him then. I express my appreciation to him now.

I am sure the Senator from Mississippi knows that I have been one of the strongest advocates in the Senate of the Senator's bill. I have urged its support. I urge its support again.

I want to join the Senator from Mississippi now in the position he has taken on the amendments. I have followed this bill very closely. I have talked with my House colleagues, and they also tell me, as the Senator from Mississippi has pointed out, that if we amend the House bill on the floor of the Senate today we are going to lose it in the House. We are going to lose it in the House because of inaction, if for no other reason. Even if members of the House committee could be assembled—which is doubtful—the chances are good that the two amendments would be lost. That would only set the bill back further.

So my plea is, as I join the Senator from Mississippi, not to amend the bill on the floor of the Senate today if the Senate wants a bill.

The subject matter of the bill is vital to the economies of those States which are dependent on the forest industry. Not only am I pleading for the Pacific Northwest and for Alaska, but also I am pleading for every Southern State in which lumber plays an important part.

We need all the research in forestry that we can get.

I close by saying again to the Senator from Mississippi, in behalf of the people of my State and in behalf of the forest industry of my State, that I thank the Senator most sincerely for what I consider to be the great service he has rendered.

Mr. STENNIS. I thank the Senator from Oregon very much for his support of the bill and for his practical explanation of the situation we face. If we are to have a law at all, we must pass the bill in the present form, without amendments.

Mr. President, I should like to give a further word of explanation. This proposal really would not embark Congress upon any kind of a new program or new system of aid. It would only bring into forest research in a modest way what we have been doing all the time in general agricultural research. It would adopt the ability, the techniques, and the know-how of State institutions and forestry schools throughout the Nation.

As to the amount involved, there is to be a ceiling as to how much can be appropriated. The amount could never be more than half the sum appropriated for the preceding year for our own Federal forestry research program. Last year that was $21 million. So there is a ceiling of 50 percent which, as a practical matter, would be about $10 million.

As a personal opinion, I think to start the program the cost would be perhaps $5 million, $6 million, or $7 million for the first year.

The money provided by the Federal Government would have to be matched by the States on a 50-50 basis. Whatever amount in dollars is provided to a given State, that State will have to provide an equal amount.

There is a provision in the bill that the Department of Agriculture would accept the certificate of the head of the institution involved. I point out that the language may not spell it out, but it is certainly the intent that this provision would not permit the inclusion of a great deal of administrative cost, or of the cost of administration of the university or college. The certificate is supposed to be limited to the actual dollars spent directly upon various experiments which are included in the program.

I hope I have made it clear to Senators that the Senate amendments, even though they have strength and merit—I would oppose one of them, anyway—as a practical matter, for the time being, must be dropped if we are to pass the bill and have a law, for it is necessary to pass the bill as it was passed by the House. Other matters can be considered later, at a proper time.

Mr. President, before I yield the floor, I believe I am correct in stating that the amendments are now pending, and that it will require an affirmative vote for the amendments to be adopted.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Mississippi that the amendments be considered en bloc?

Mr. PROXMIRE. Mr. President, I should like to speak briefly on this bill.

Mr. STENNIS. I have not yielded the floor.

Mr. PROXMIRE. Mr. President, reserving the right to object, I think the amendments are quite distinct and different. I earnestly hope that both of the amendments will be considered.

I favor both amendments strongly. The first amendment, the adoption of which I secured in committee relates to membership on the advisory committee. It would permit the university in my State of Wisconsin to be represented on that board. As the bill is drafted without that amendment Wisconsin would be excluded although there is an excellent forestry course at our State university.

I venture to say that the majority of Senators will find that, if the amendment is rejected, their own State universities will be barred from membership on this advisory board. The bill would limit the selection of the advisory board in a most unfortunate manner, and in a way which I think perhaps the authors of the bill originally did not intend.

I would regret it very much if at least the first amendment were not given consideration. I know there is a problem with respect to the House of Representatives and action there, but I shall regret it very much if there is to be no possibility for the Senate to consider bills and amendments on their merits, and if we are to be told we cannot pass bills if we amend them as we would like to amend them.

The Senate Committee on Agriculture and Foresty gave this question careful consideration. We discussed it at considerable length. As I recall, the advisory committee amendment had virtually no opposition. The Senate Committee on Agriculture and Forestry agreed to it after careful discussion.

The second amendment was a little more controversial.

Mr. STENNIS. Mr. President, will the Senator yield?

Mr. PROXMIRE. I am merely reserving the right to object. I do not wish to kill the bill. I know it is an important bill. I should like to cooperate with the Senator from Mississippi, but I think all Senators should be aware of what we are asked to do.

As a Senator from the State of Wisconsin, representing my State and our university, I feel that my people should be given very thoughtful consideration, and at least there should be some expression, by Senators interested in the bill, that when the Senate considers legislation of this kind next year thorough consideration will be given to this question by the Senator from Mississippi, who is a powerful leader in this area.

Mr. MANSFIELD. Mr. President, I think that is an excellent suggestion made by the Senator from Wisconsin, who has brought up a real problem.

Mr. STENNIS. I assure the Senator from Wisconsin again that I will help in every way I can to have an amendment along that line agreed to. I had already given the Senator assurance. Perhaps he was busy at the time.

Mr. PROXMIRE. I know the Senator did, but I was anxious to make a clear public record on this.

Mr. STENNIS. This is not a question of the House trying to dictate to the Senate, "Take it or leave it." We face a very practical situation whereby there would be great difficulty in having the amendments and the bill considered by the House of Representatives. I do not think it would be possible to get the measure before the House of Representatives if either of the committee amendments were attached to it.

I have lived with the bill for 2 years, at every step of the way.

Certainly no Senator wants to discriminate against the State of Wisconsin. The State of Wisconsin has the largest, finest, and the most costly research laboratory in the entire world. Both Senators from Wisconsin urged new funds, and rebuilding there. The item was left out of the bill for 1 year. The Senator from Mississippi was delighted to help in every way he possibly could in that regard. This year money was made available for it. I believe more than $4 million was provided. While other States were getting $200,000 or $300,000, and were glad to get those amounts, the State of Wisconsin was provided more than $4 million for a forestry research program.

I think the Senator could wait at least 1 year to get the amendment to the law, and let the bill as a whole move along. I hope the Senator will do so.

Mr. PROXMIRE. Mr. President, reserving the right to object, again I tell the Senator from Mississippi that I wish to see the bill passed. It is an important bill, and it should be passed.

I think it is necessary and desirable to make this a matter of record.

Mr. STENNIS. I agree.

Mr. PROXMIRE. We have an understanding then that this amendment will be given sympathetic consideration next year. My people in Wisconsin feel strongly in this regard.

Mr. STENNIS. Yes.

Mr. PROXMIRE. A number of people feel quite strongly in regard to the other amendment, which would provide that two fine forestry schools, two of the very best in America, one at Duke and one at Yale, be made a part of the program. That is another issue, and I do not raise that issue at this time.

Many States have strong forestry programs and should be permitted to have members on the advisory board. I earnestly hope that next year that question can be given thorough consideration.

The Senator from Mississippi has been a leader in the Senate in this field, and I hope he will give us his support.

Mr. STENNIS. The Senator from Mississippi wants to see that done, and hopes that such a provision can be included in some bill. I wish it could be attached to the bill we are considering today. I would strongly support it, if the road ahead were not blocked.

Mr. PROXMIRE. With that in mind, I do not object. I shall vote in favor of the amendments, when the voice vote is taken.

Mr. STENNIS. I thank the Senator from Wisconsin.

Mr. MANSFIELD. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MANSFIELD. What is the parliamentary situation?

The PRESIDING OFFICER. The question is on agreeing to the request by the Senator from Mississippi that the committee amendments be considered en bloc.

Mr. MANSFIELD. I thought the Senator from Mississippi had made a request with respect to the amendments.

Mr. STENNIS. I have appeared in opposition to the amendments. If Senators would prefer to have separate votes on the amendments, that is satisfactory to me.

The PRESIDING OFFICER. The question is on agreeing to the request by the Senator from Mississippi that the committee amendments be considered en bloc.

Mr. MORSE. Does that request include the two amendments about which we have been talking?

Mr. STENNIS. Yes. It includes the two amendments.

The PRESIDING OFFICER. The request relates to all the committee amendments, as the Chair understands it.

Mr. MORSE. Did the Senator include all the amendments in his request?

Mr. STENNIS. There are only two involved.

Mr. MORSE. I thought there were others.

The PRESIDING OFFICER. The Chair will state that there appear to be six amendments.

Mr. STENNIS. Mr. President, I point out that the Senator from North Carolina [Mr. JORDAN] has done well-defined work in connection with the bill. He has fathered it all along, in the committee and elsewhere, and has guided it and brought it to the Senate. I know the Senator is interested in one of the amendments. I wish that circumstances were more favorable in that regard.

The PRESIDING OFFICER. The question is on agreeing to the request by the Senator from Mississippi that the committee amendments be considered en bloc. Is there objection? The Chair hears none, and it is so ordered.

The question is on agreeing to the committee amendments.

Mr. STENNIS. Mr. President, I have already spoken in opposition to the amendments. For the reasons I have given, I hope the Senate will reject the amendments.

The PRESIDING OFFICER. The question is on agreeing to the committee amendments.

The committee amendments were rejected.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill was ordered to a third reading, and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

The bill (H.R. 12688) was passed.

Mr. STENNIS. Mr. President, I move that the vote by which the bill was passed be reconsidered.

Mr. MORSE. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

WISCONSIN INVITES ALL AMERICA TO ENJOY BADGERLAND VACATION

Mr. WILEY. Mr. President, within a few days Congress will adjourn.

For Senators, this will mean either hitting the campaign trail or a vacation.

To all Senators, and their constituents, I want to take this opportunity to extend an "open arms" invitation to enjoy a fall vacation in Wisconsin.

During the autumn, the countrysides of Wisconsin become a colorful, beautiful, wonderland of cool, brisk air whispering through the tall pines; of sparkling waterfalls; of spring-fed rivers and mirror-clear lakes; and other exciting, awe-inspiring landscapes and scenes of natural and man-created beauty.

In visiting Wisconsin one will find an opportunity, in addition, to enjoy good fishing in our lakes and streams; boating; spirit-revitalizing walks through our woodlands; and a variety of other indoor and outdoor activities to refresh the mind, relax the body, and renew the spirit.

In Wisconsin, too, you will enjoy varied cultures—mirroring ancestral homelands around the world; homelike accommodations; mouthwatering foods; and the wonderful hospitality and heartwarming handclasps of friendship of a great people.

In these high-tension times of global crises, of national problems, of personal cares, a visit to Wisconsin offers a chance to shed for a moment these burdens of life, enjoy a happy time in the pleasureland of Wisconsin, and then re-emerge to the world better able to cope with the great challenges yet ahead.

To all America, the welcome mat is always out.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. WILEY. I am very happy to yield to a former son of Wisconsin. I do not know why he left our State, but he will tell the Senate.

Mr. MORSE. Mr. President, I am always deeply moved by the annual plea of my good friend from Wisconsin for tourist interest. His plea fills me with nostalgia. So much of what he says is true, except for the fact that the State of Oregon produces its superior Tillamook cheese. Also I forgot to add that Wisconsin produces the second best cheese in the country.

Mr. WILEY. Mr. President, of course, I cannot get into an argument such as the one we heard earlier today on the part of the distinguished Senator from Florida. But when a Senator from Wisconsin goes into another land and obtains good cheese, it is probably cheese imported from Wisconsin or made by imported cheesemakers. When he does not give recognition to that fact, he must be very tired, worn out, and needing to return to Wisconsin and recharge his batteries. He would also obtain a few other things that would make him physically as well as mentally alert.

Mr. MORSE. I shall be there.

Mr. RANDOLPH. Mr. President, will the Senator yield?

Mr. WILEY. I yield.

Mr. RANDOLPH. It would be ill-advised for the Senator from West Virginia to allow a discussion of this kind to go unnoted, for the reason that the very finest of cheese is made at Helvetia, W. Va.

Helvetia is a small community in my home county in which people from Switzerland originally settled and where their descendants now continue, after several generations, to carry on the skill of creating a very superb Swiss cheese.

I do not believe I am prejudiced, but I do acknowledge that my wife's forebears came to West Virginia from lovely

Switzerland and settled in equally beautiful West Virginia.

Helvetia is one of several sections in our mountains where sturdy Swiss folk continue to practice the customs of their motherland. They are patriotic citizens of America, but at fair time in the autumn wonderlands of our State, they do observe and recreate the lore of their ancestors.

Next week at the annual Mountain State Forest Festival, centered in my home city of Elkins, we shall be honored with a visit from the Ambassador from Switzerland to the United States.

Mr. WILEY. Mr. President, Wisconsin produces 19 billion pounds of milk. Yesterday, as long as the supply lasted, I distributed to Senators a new and yet an old blue cheese which is better than anything manufactured abroad. We make all varieties of cheese. In Oregon only one kind is made. We have heard that one kind is produced in West Virginia. So notwithstanding all the fervor of expressions we have heard from Senators from States in which those two cheeses are produced, I point out that any cheese made anywhere in the world can also be made and is made in Wisconsin, because we have the milk, and water, and the best cheesemakers. We also have whatever else it takes to produce not only good cheeses but good fish and, best of all, good men and women.

So come to Wisconsin, not only for the best Cheddar cheese, best swiss cheese, best blue cheese, but as I said before, you are to get health and rest and enjoyment. We will welcome you with open arms and when you depart rested, we will say, "auf wiedersehen" next year.

DECLARATION OF PURPOSE OF THE JUNIOR ORDER OF UNITED AMERICAN MECHANICS

Mr. ERVIN. Mr. President, at its meeting in Morehead City, N.C., on August 10, 1962, the North Carolina State Council, Junior Order of United American Mechanics, adopted a declaration of purpose setting out in eloquent fashion the fundamental objectives of this great patriotic fraternity. I ask unanimous consent that a copy of such declaration of purpose be printed at this point in the body of the RECORD as a part of my remarks.

There being no objection, the declaration of purpose was ordered to be printed in the RECORD, as follows:

DECLARATION OF PURPOSE

Whereas the year 1962 marks the 109th anniversary of the founding of our beloved order, and it is appropriate that our patriotic purposes be reiterated for the information of the people and legislators of our State and Nation, the substance of which is:

1. To become truer men, better citizens, and stronger patriots.

2. To give true allegiance to our Government, its institutions, Constitution, and laws.

3. To maintain and promote the interest of Americans, shield them from the depressing penalties of unrestricted immigration, and to assist them in obtaining employment.

4. To uphold the American public school system, to prevent interference therewith, and to encourage the reading of the Bible in our schools thereof; and

Whereas with these concepts in mind, the order fosters love of country and recognizes the necessity for the maintenance of high moral and spiritual values and the preservation of freedom; it favors those legislative measures which will insure our individual and national freedom and the welfare of the Nation and cause swift and utter defeat of all subversive forces and ideologies that threaten them; and

Whereas the order for decades has held the premise that in America church and state should always be separate, it therefore again registers its opposition to the granting of Federal or State aid to parochial educational institutions; and

Whereas heretofore the order has by resolution declared its opposition to the recognition of Red China, the admission of Red China to the United Nations, and all forms of world government, in the belief that a strong free America is our best moral force for hope and peace; and

Whereas resolutions have been passed asserting the order's stand for national care and pride in free enterprises, fiscal solvency and strong defense, in order that our Nation may survive; that the curricula of American schools include more thorough teaching of American history; and the Constitution of the United States; that the Connolly reservation be retained as a necessary safeguard to our national security; that the order combat communism, support vigorously all efforts to forestall domination, control and colonization by international communism in this land and other areas in the Western Hemisphere; that the order is opposed to movies, plays, and TV programs which reflect preoccupation with sex and violence and its aberrations; that the order is unalterably opposed to any liberalizing amendments to the McCarran-Walter Immigration and Naturalization Act; that the American flag should be displayed on or near diplomatic establishments abroad and flown more frequently at home, particularly on holidays of historic significance; that the Committee on Un-American Activities merits our support and should be continued: Now, therefore, be it

Resolved, by the State Council of North Carolina, Junior Order United American Mechanics, in session assembled this 10th day of August 1962, in Morehead City, That it declares, reaffirms, and pledges anew to diligently labor for the order's patriotic purpose and takes the stand on legislative measures as enumerated herein; and, be it further

Resolved, That each member rededicate himself to a more active citizenship and to become a dynamic member; and be it further

Resolved, That the State Secretary be and hereby is, directed to send a copy of this resolution to the Members of Congress representing this State and the local press.

J. L. WHITE.
W. G. SUGG.
K. C. LONG.

Approved by the good of the order committee.

J. A. PRITCHETT.
J. E. MOSTELLER.
W. G. SUGG.

DISTRICT OF COLUMBIA APPROPRIATIONS, 1963

The Senate resumed the consideration of the bill (H.R. 12276) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending June 30, 1963, and for other purposes.

The PRESIDING OFFICER. The Chair suggests the absence of a quorum. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ADJOURNMENT UNTIL 10 O'CLOCK A.M. TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it adjourn to meet at 10 o'clock tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. I express the hope and prayer that at least 51 Senators will be present then.

DISTRICT OF COLUMBIA APPROPRIATIONS, 1963

The Senate resumed the consideration of the bill (H.R. 12276) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending June 30, 1963, and for other purposes.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the committee amendments may be agreed to en bloc, and that the bill as thus amended be regarded as original text for the purpose of amendment.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The committee amendments, agreed to en bloc, are as follows:

On page 3, line 20, after the word "Commissioners", to strike out "$16,005,000" and insert "$15,992,600", and in line 23, after the word "and", to strike out "$161,000" and insert "$179,350".

On page 5, line 4, after the word "purposes", to strike ot "$57,560,000" and insert "$57,676,400".

On page 5, line 22, after the word "including", to insert "$3,000 for membership in the Research Council of Great Cities Program and"; on page 6, at the beginning of line 2, to strike out "$56,817,000" and insert "$57,284,600"; in the same line, after the word "which", to strike out "$576,700" and insert "$574,200"; and in line 5, after the word "amended", to insert a comma and "and the limitation of $6,000 included under the heading 'Public Schools' in the District of Columbia Appropriation Act, 1961, for services of experts and consultants is hereby increased to $7,600".

On page 6, line 19, after the word "Park", to strike out "$8,377,000" and insert "$8,361,800".

On page 6, line 22, after the word "including", to insert "$3,000 for membership in the Metropolitan Area Hospital Council; purchase of four additional vehicles and allowances for privately owned automobiles used for the performance of official duties in controlling venereal diseases at the rate of 8 cents per mile but not more than $600 per annum for each automobile;"; on page 7, line 4, after the word "Hospital", to insert "and for care and treatment of indigent patients in institutions, including those under sectarian control, under contracts to be made by the Director of Public Health;"; in line 7, after the amendment just above stated, to strike out "$66,528,000" and insert "$65,508,100"; and in the same line, after the amendment just above stated, to insert a colon and "*Provided*, That the inpatient rate and outpatient rate under such contracts and for services rendered by Freedmen's Hospital shall not exceed $32 per diem and the outpatient rate shall not exceed $5 per visit:".

On page 8, line 5, after the word "only", to strike out "$11,470,000" and insert "$11,418,000"; in line 6, after the word "which", to strike out "$7,700,476" and insert "$7,652,126"; and in line 7, after the word "including", to strike out "$1,644,000" and insert "$1,642,100".

On page 8, line 13, after the word "only", to strike out "$20,789,000" and insert "$20,760,800"; in line 15, after the word "account", to strike out "$6,872,975" and insert "$6,861,375"; and at the beginning of line 17, to strike out "$3,948,600" and insert "$3,936,650".

On page 10, line 2, after the word "addition", to insert "and three children's cottages"; in line 4, after the word "School", to strike out "$223,000" and insert "$162,000"; in line 6, after the word "expended", to strike out "$49,713,000" and insert "$49,451,000"; in the same line, after the word "which", to strike out "$13,500,000" and insert "$14,500,000"; in line 8, after the numerals "1963", to strike out "$10,631,142" and insert "$9,871,142"; in line 12, after the word "and", to strike out "$1,158,700" and insert "$1,193,700"; and in line 19, after the word "Grounds", to insert a colon and "*Provided*, That not to exceed $300,000 of funds heretofore appropriated under the heading 'Capital Outlay' shall be available for purchase of furniture and equipment for new dormitories at the District of Columbia Village".

On page 12, line 4, after the word "that", to strike out "seventy-five" and insert "one hundred and twenty-five (fifty for investigators in the Department of Public Welfare)".

On page 15, after line 4, to insert a new section, as follows:

"SEC. 16. The salary of the Controller for the Department of Public Welfare shall be at the rate of grade GS-16 and the Commissioners are authorized to appoint supervisors of investigators for the Department of Public Welfare at grade GS-11 and investigators at grade GS-9."

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. BYRD of West Virginia. Mr. President, the Subcommittee on Appropriations for the District of Columbia held 24 days of hearings on the pending bill. The hearings are in two volumes, totaling 2,490 pages.

The Appropriations Committee recommends the appropriation of $289,253,300.

This is $805,700 under the House appropriation of $290,059,000. It is $10,908,178, under the budget estimates, the budget estimates having totaled $300,161,478.

It is $19,185,403 over the appropriations for last year, the appropriations for last year having amounted to $270,067,897.

The estimated revenues total $300,871,000, broken down in this manner.

The overall surpluses in all funds as of June 30, 1962, amounted to $6,240,000. The total of Federal payments to all funds would be $33,199,000, of which $30 million would be to the general fund.

This is the same amount as the Federal payment to the general fund appropriated last year, and it is $2 million under the authorization.

The total in Treasury loans to all funds would be $26,042,000, of which $18.7 million would be to the general fund.

The estimated revenue collections are $235,390,000.

That makes the total, as I have already indicated, of $300,871,000 in estimated revenues available.

The net fund requirements amount to $283,616,000. Consequently, there is an anticipated surplus in all funds, for the forthcoming year, of $17,255,000, of which $8,454,000 would be surplus in the general fund. This, in a nutshell, is the revenue picture.

The bill appropriates $26,901,900 for the Police Department. This would provide 56 additional police positions, bringing the total strength of 2,844 up to 2,900 positions.

The bill provides for the annualization of 120 police positions added during fiscal year 1962. It also provides for the replacement of 44 automobiles and for an additional 25 man-dog teams, making an overall total of 75 teams in the K-9 corps to help cope with the District's serious crimewave.

The House appropriated $26,999,800 for the Metropolitan Police Department. The Senate appropriation of $26,901,900 is the full amount, taking into account the late passage of the bill. Consequently, this Department is getting every cent it requested.

As to the Department of Education, we are providing $57,284,600 and are adding 57 positions. The House had allowed 90 elementary school teachers, 89 junior high school teachers, and 14 senior high school teachers. The Senate committee was asked to add 43 elementary school teachers and 52 junior high school teachers. The Senate committee has added 22 elementary school teachers, 19 junior high school teachers, 2 counselors for senior high schools, 3 counselors for junior high schools, and 9 counselors for elementary schools.

The Senate committee has also added 2 librarians for the elementary schools.

As to the replacement of obsolescent books, a matter regarding which the distinguished senior Senator from Minnesota, the majority whip [Mr. HUMPHREY], has expressed great interest upon many occasions, and concerning which he was very active in the subcommittee and full committee deliberations, the committee takes great pleasure in announcing that we have added $135,400, which, when added to the $379,000 appropriated by the House, makes the full amount of $514,400, which is the total necessary to replace obsolescent books. We have also added $25,000 for library books in the elementary schools.

The committee has recommended the appropriation of $63,100 for the improvement of the educational program for culturally deprived children, previously financed from Ford Foundation funds.

The student-teacher ratio in the elementary schools in 1955 was 35.9 to 1. The desired ratio is 30 to 1. Last year the ratio in the elementary schools was 31.6 to 1. The House allowance of 90 teachers left the ratio at last year's figure. The Senate allowance will reduce the student-teacher ratio below the figure of last year and therefore bring the Department closer to the desired ratio of 30 to 1.

The desired student-teacher ratio in junior high schools is 25 to 1. Last year the student-teacher ratio was 27.2 to 1. The House allowance of 89 additional teachers permitted the ratio to stand at that figure—27.2 to 1. The additional teachers allowed by the Senate Committee on Appropriations will reduce that figure again, so as to make progress toward the desired ratio of 25 to 1.

The appropriation for the Department of Education is $467,600 over the House allowance.

The committee believes the bill presents a very good package, so far as the Department of Education is concerned.

Following the Black Muslim riots, the Department of Corrections presented to the Senate Committee on Appropriations a request for 65 additional correctional officers. That request, of course, was made subsequent to House action on the bill.

The Senate subcommittee recommended 40 additional correctional officers. The Senate Committee on Appropriations accepted this recommendation; therefore, the bill which is presented to the Senate provides $103,400 for these additional 40 positions for the Department of Corrections.

The appointment of 2 additional juvenile court judges necessitated an increase of 12 positions in the juvenile court section, and an addition, in the Office of Corporation Counsel, of 4 attorneys and 2 stenographers. Money is also included in the amount of $2,300 for an improved telephone system for the juvenile court. The committee has noted with concern the backlog of juvenile court cases and the decrease in collections involving public welfare clients, and feels that the addition of two more judges in the court should help alleviate the backlog and result in increased collections.

We have also included funds for four additional positions in the municipal court section.

Funds are appropriated in the amount of $48,750 for the temporary home for veterans of all wars. This item was not included in the bill when it came to the Senate from the House.

The subcommittee held many days of hearings on the budget request for the Department of Public Welfare. The House had allowed $21,856,000, a $10,000 reduction in the total appropriations of last year. Subsequent to action by the House on the bill, the Comptroller General of the United States submitted to the chairman of the House Subcommittee on District of Columbia Appropriations and to the chairman of the Senate Subcommittee on District of Columbia Appropriations a report on the special investigation of the ADC category.

Mr. President, I ask unanimous consent that the report be printed at this point in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

COMPTROLLER GENERAL
OF THE UNITED STATES,
Washington, D.C., July 26, 1962.
To the Chairmen, Subcommittees on District of Columbia and Senate and House Committees on Appropriations:

Herewith is our report on the investigation of selected cases under the aid to dependent children (ADC) program, administered by the Public Assistance Division (PAD), Department of Public Welfare, District of Columbia government, June 1962. We participated in the investigation pursuant to your request of March 6, 1962.

The investigation of 236 ADC cases disclosed that the recipients in 133, or 57 percent, of the cases were ineligible for financial assistance under the eligibility requirements and need standards as prescribed by the Board of Commissioners. The ineligibility of the recipients in 69 of the cases was directly related to the so-called man-in-the-house rule, although in 32 of the cases other ineligibility findings also existed.

The high incidence of ineligibility of the recipients in the 236 cases investigated leads to the conclusion (1) that the PAD, in its determinations and redeterminations of the recipients' eligibility, either had not completely verified facts represented by the recipients as entitling them to financial assistance or had not maintained sufficiently close contact with the recipients to be aware of changes in their conditions or circumstances affecting their continued entitlement to financial assistance, (2) that reliance cannot be placed on the caretaker-relatives (parents or other relatives of specified relationship) to inform the PAD of the actual conditions or circumstances which have a bearing on the recipients' eligibility for financial assistance, and (3) that the ADC cases not covered in the current investigation should be investigated to determine whether or not the recipients are eligible for the financial assistance they are receiving.

We believe that a continuing field investigation should be instituted with the objective of investigating ADC cases for the purpose of determining the eligibility of the recipients for financial assistance and the effectiveness of the PAD's prior verification of representations by the recipients. We believe also that such a continuing field investigation program should be conducted by an investigative unit organizationally placed outside the Public Assistance Division with a reporting responsibility not only to the PAD, but also to the Director, Department of Public Welfare. We believe further that procedures should be adopted to insure that the investigative findings are given adequate and proper consideration by the PAD in making its eligibility determinations.

JOSEPH CAMPBELL.

REPORT ON INVESTIGATION OF SELECTED CASES UNDER THE AID TO DEPENDENT CHILDREN PROGRAM, DEPARTMENT OF PUBLIC WELFARE DISTRICT OF COLUMBIA GOVERNMENT, JUNE 1962

(By the Comptroller General of the United States, July 1962)

The General Accounting Office has participated with the Department of Public Welfare (DPW), District of Columbia government, in an investigation of selected cases administered by its Public Assistance Division (PAD) under the aid to dependent children (ADC) program. The purpose of the investigation was to determine the facts having a bearing on the eligibility of the recipients for financial assistance under the eligibility factors and need standards, as prescribed by the Board of Commissioners, and to establish whether, on the basis of the facts, the recipients are eligible for such assistance.

The Department of Public Welfare started its investigation of the ADC cases on November 13, 1961. The General Accounting Office participated in the factfinding phase of the investigation beginning on March 14, 1962, pursuant to a request on March 6, 1962, of the chairmen of the Subcommittees on District of Columbia, Senate and House Committees on Appropriations.

SUMMARY OF INVESTIGATION FINDINGS AND ACTIONS TAKEN

The PAD office of research and statistics selected 280 ADC cases—about 5 percent of the caseload—for investigation. Subsequently, it was determined that 42 cases had been closed by the PAD prior to review by the investigative unit established to ascertain the factual information, that the caretaker-mother in 1 case was not investigated because she was in residence at the Residential Training Center, and that the proper record had not been furnished to the investigative unit in another case. Therefore the investigation actually pertained to only 236 cases. The investigation of these cases resulted in eligibility determinations by the PAD, as follows:

	Number of cases	Percent of total cases
Recipients ineligible for financial assistance	141	59.8
Recipients eligible for continued financial assistance	95	40.2
Total	236	100.0

Upon the PAD's notifying the recipients in the 141 cases of their ineligibility for financial assistance, a number of the recipients gave notice of their intention to appeal the discontinuance of the assistance. By June 25, 1962, the PAD had informed us that the status of the 236 cases was as follows:

	Number of cases	Percent of total cases
Action based on investigative findings:		
Financial payments discontinued	127	
Financial payments continued based on appeal findings	3	
Appeals pending	3	
Total	133	56.3
Financial payments continued:		
No infractions of eligibility requirements or need standards	23	
Adjustments in payments based on existing need	20	
Miscellaneous administrative adjustments	52	
Total	95	40.3
Action based on events occurring subsequent to investigation:		
Financial payments discontinued	7	
Appeals pending	1	
Total	8	3.4
Grand total	236	100.0

PURPOSE OF THE AID TO DEPENDENT CHILDREN PROGRAM

The purpose of the aid to dependent children program, as stated in the PAD Manual, is "to encourage the care of dependent children in their own homes or in the homes of relatives through financial assistance and other social services to the needy dependent children, and to the parents or relatives with whom they are living, to help maintain and strengthen family life and to help parents or relatives to attain the maximum self-support and personal independence consistent with the maintenance of continuing parental care and protection." In aid to dependent children cases, the child is the recipient and payment is made to the parent or relative in his behalf.

The District of Columbia Aid to Dependent Children Act defines "dependent child" as a child who has been deprived of parental support or care by reason of death, continued absence from the home, or physical or mental incapacity of a parent. However, the PAD manual requires that both "need" and "deprivation of parental support or care" exist in each case without regard to whether one condition results from the other.

The PAD manual provides that a needy child to be eligible for financial assistance (1) must be under the age of 16 or, if between the ages of 16 and 18, must be in regular attendance at school or be prevented therefrom by physical or mental disability, (2) must be living with a caretaker-relative—father, mother, or other relative of a specified degree of relationship—in a place of residence maintained by the relative as his own home and in which the relative exercises the primary responsibility for the care of the child, and (3) must meet the District of Columbia residence requirements.

The manual sets forth definitions of what constitutes deprivation of parental support by reason of death of a parent, incapacity of a parent to work, a mother's unavailability to work, and a parent's continued absence from the home.

The PAD manual defines "need" as that part of the subsistence requirements of an assistance unit (caretaker-relative and children) which cannot be met by available income and other resources. The manual provides that the requirements of an assistance unit shall be based on budget standards prescribed by the Board of Commissioners. The budget standards are stated to have been developed on the basis of the cost, obtained from studies made by the Department of Agriculture, of the subsistence requirements recognized as constituting the essentials of living. These requirements include basic personal requirements—food, clothing, and housekeeping necessities—and shelter requirements. The budget allowances prescribed for the items constituting the subsistence requirements vary according to the number of persons making up the "assistance unit" and their living and eating arrangements. The budget allowances for shelter requirements are the actual costs incurred but not in excess of prescribed maximum amounts which vary according to the number of persons in the assistance unit.

The manual contains detailed procedures, criteria, and instructions for (1) determining the eligibility of a child for financial assistance under many varying conditions, (2) applying the budget standards in determining the amount of an assistance unit's subsistence requirements under varying situations, and (3) determining the income and resources of any and all members of the assistance unit.

REASON FOR CONDUCTING THE INVESTIGATION

The Department of Public Welfare's investigation of the ADC cases was undertaken pursuant to a request of the Senate Committee on Appropriations in its report on House bill 8072,[1] a bill to provide appropriations for the District of Columbia for 1962. The committee stated, in part:

"Public assistance in the District of Columbia has been continually increasing over the past several years, particularly in the aid to dependent children and general public assistance categories. The committee is concerned over this upsurge in grants and recommends that the Department establish, within available funds, a pilot project composed of at least five investigators to ferret out any so-called freeloaders who may be benefiting under the public assistance program."

---

[1] S. Rept. No. 993, 87th Cong.

PLANNING AND DIRECTION OF THE INVESTIGATION

The Board of Commissioners, on October 5, 1961, approved the establishment of an investigative committee to plan and direct the investigation. The committee was made up of seven representatives of the District of Columbia government—four from the Department of Public Welfare, two from the Internal Audit Office, and one from the Office of the Corporation Counsel—and a representative of the Public Welfare Advisory Council. The committee, in a meeting on November 6, 1961, decided that:

1. The investigation of the public welfare cases would be conducted by an independent investigative unit to be established in an office apart from the Public Assistance Division which has the responsibility for the administration of the various public welfare programs.

2. The investigative unit would be headed by the Chief, Resources and Investigation Division,[3] Department of Public Welfare, who would conduct the investigation under the supervision of the committee and the operational direction of the Deputy Director, Department of Public Welfare.

3. The investigation would be conducted in a manner that would avoid all possible implications that it was not entirely and completely objective both in its approach and its findings.

The investigative committee adopted procedures for the conduct of the investigation. Generally they provided for:

1. The Office of Research and Statistics to make a scientific selection of ADC cases for investigation.

2. The investigative unit to:

(a) Analyze each case and record on a case schedule the essential information and eligibility factors involved in the case.

(b) Make a field investigation of each case to determine the validity of the information and the eligibility factors.

(c) Submit a comprehensive report on the field investigation to the PAD for determining the eligibility of the recipient on the basis of the reported investigative findings.

3. The PAD to (a) review the field investigative report on each case and determine the eligibility or ineligibility of the recipient on the basis of the facts disclosed in the report and (b) notify the chief of the investigative unit of the determination and the action taken, if any.

4. The chief of the investigative unit to refer each case in which he does not concur in the PAD's determination of eligibility to the chairman of the investigative committee for consideration.

5. The investigative committee to review, summarize, and analyze investigative findings and to make recommendations for further avenues of investigation, depending on the nature of the findings.

CONDUCT OF THE INVESTIGATION

On November 13, 1961, the DPW established an investigative unit in the Bell School Building, Second Street and Virginia Avenue SW.,—with a staff of five investigators under the direct supervision of the Chief, Resources and Investigation Division—to undertake the investigation of the ADC cases that had been selected. Five more investigators were added to the staff in the early part of January 1962.

The General Accounting Office, on March 12, 1962, assigned 10 representatives to work with the DPW investigators, pursuant to the request of the chairmen, Senate and House Subcommittees on District of Columbia, in a joint letter dated March 6, 1962, that we participate in the investigation in order to accelerate its completion and to insure its independence.

At March 14, 1962, the investigative unit had completed its investigation of 115 of the 236 ADC cases. Also, the PAD had determined the eligibility status of the recipients for financial assistance in 82 of the 115 cases. Therefore, our direct participation in all phases of the field investigation was limited to 121 of the ADC cases.

The following comments pertain to the conduct of the investigation of the cases in which we participated. However, our review of the reports on the investigation of the cases that had been completed prior to our participation indicates that the same approach had been followed in respect to those cases.

The investigation generally was conducted in accordance with the adopted procedures as previously described. A minimum of four home visits were made in all cases except in those cases where ineligibility findings were disclosed by fewer visits. The initial visit was usually made at night or early Saturday or Sunday morning, at which time all members of the families would most likely be at home and available for interview. The initial home visit was made by two investigative teams, one to conduct the interview and the other to assure that no person left the home to avoid the disclosure of his presence. Each investigative team conducting a home visit comprised a DPW investigator and a GAO representative.

The initial home visit was made for the purpose of (1) verifying the facts related to the assistance unit; (2) determining the identity and relationship to the household of any person present who was not a part of the assistance unit; (3) inspecting the living areas to ascertain whether they indicated that a male other than one included in the assistance unit actually was part of the household; an (4) inspecting the household facilities to ascertain whether they were indicative of unreported resources. Additional home visits and home surveillances were made at night and early Saturday and Sunday mornings to verify all information obtained during the initial home visit and to determine whether any unreported male actually resided in the home or had access thereto.

Collateral inquiries were also made which included (1) the checking of (a) vital statistics records to determine the identity and age of the children of the household and (b) school records to determine children's attendance, and (2) various other checks to determine (a) in the case of a person constituting part of the assistance unit, whether facts had been correctly reported relating to his relationship to the household, resources, and employability or whether he had been involved in any transaction or circumstances inconsistent with the case record information, (b) in the case of any other person residing in the home, his relation to the household and the extent of his contribution to the maintenance of the household, and (c) in the case of a male found in the home, but not a resident thereof, his relationship to the household, his regular place of abode, and his employment status. These latter checks involved contacting employers, utility companies, real estate companies, the Police Department, and the Department of Motor Vehicles, as well as other persons and organizations.

INVESTIGATIVE FINDINGS

A summary of PAD's determinations of eligibility of the recipients for financial assistance in the 236 cases investigated and the actions taken or pending are presented beginning on page 2 of this report. Comments relating to the cases in which the recipients were considered to be either eligible or ineligible for financial assistance are contained in the following sections.

Recipients eligible for financial assistance

The investigation disclosed information indicating that the recipients in 95, or 40 percent, of the 236 cases investigated were eligible for continued financial assistance (see p. 2) but that an adjustment was necessary in the amount of the assistance payments in 20 cases and that some administrative action was necessary in 52 cases to bring them into conformity with manual requirements (see p. 3).

Recipients ineligible for financial assistance

As shown on page 3, the recipients in 141, or 60 percent, of the ADC cases investigated were determined by the PAD to be ineligible for financial assistance—in 133 cases, on the basis of ineligibility findings disclosed by the field investigation and, in 8 cases, on the basis of events that occurred subsequent to the completion of the field investigation.

In the following table the 133 cases are classified according to the investigative finding which, in our opinion, had the most significant bearing on the recipients' eligibility status. Only 1 ineligibility finding was disclosed in each of 72 cases, and an average of 2.2 ineligibility findings was disclosed in 61 cases. In appendix II, a further classification of the cases is presented to show the nature of the additional ineligibility findings that existed in the 61 cases.

Ineligibility finding	Number of cases			Number of ineligibility findings
	Considered to be ineligible	Having a single ineligibility finding	Having additional ineligibility findings	
Man-in-the-house rule:				
Mother living in continuing relationship with a man who is her husband and/or father of her ADC children	31	21	10	44
Mother living in home with man other than her husband or father of her ADC children, in relationship similar to that of husband and wife	20	9	11	33
Man constituting an undeterminable resource	10	7	3	13
Total	61	37	24	90
Other ineligibility findings:				
Resources undeterminable for other reasons	11	9	[1] 2	13
Living arrangements not clarified	11	4	[2] 7	22
Parent employed	3	1	2	5
Parent employable	29	13	[3] 16	49
No eligible child in home	4	3	1	5
Refusal to cooperate	8	2	[1] 6	16
Miscellaneous	6	3	3	9
Total	133	72	61	209

[1] Includes 2 cases involving "man constituting an undeterminable resource."

[2] Includes 1 case involving "man constituting an undeterminable resource."

[3] Includes 3 cases involving "man constituting an undeterminable resource."

Man-in-the-house rule: The foregoing table shows that the recipients in 61 of the 133 ADC cases were considered to be ineligible because of the involvement of a man in a situation related to the so-called man-in-the-house rule. We ascertained that in eight additional cases a man was involved but the cases were classified according to other investigative findings deemed to be more significant. Thus, the man-in-the-house rule was a factor in 69, or 51.9 percent, of the 133 cases, or 29.2 percent of the 236 cases investigated. However, in 32 of the 69 cases, other investigative findings were disclosed, any one of which, in our opinion, constituted sufficient reasons for considering the recipients to be ineligible. It is important to point out that, in the 37 cases where the sole finding related to the man-in-house rule, there is the possibility that other ineligibility factors also may have existed since the cases were not investigated beyond the point where it was definitely established that they were ineligible because of that rule.

---

[3] Subsequently redesignated as the Office of Investigations and Collections.

Mother living in a continuing relationship with a man who is her husband and/or father of her ADC children: The investigation disclosed 31 ADC cases where the caretaker-mother was associating with her husband and/or the father of one or more of her children in a manner which negated the claim that the children were deprived of parental support by reason of the continued absence of the parent from the home. The PAD manual, in section 243.132, states that:

"A parent is considered to be continually absent from the home * * * if he is known to be residing away from the home under conditions which imply a definite dissociation from the normal marital relationship and from the normal exercise of parental custody and control of the children; this dissociation may exist whether or not the absent parent's whereabouts are known and whether or not he is making a financial contribution. Continued absence does not exist solely because the parent rents or has living quarters available at another address or is supporting by court order. If the parents are engaging in a marital relationship and the man has free access to the home, then that man is not to be considered as 'absent from the home.'

* * * * *

"Only in situations where strong, convincing evidence is submitted that a parent is no longer in the home and has discontinued his relationship, shall the factor of continued absence be established."

The manual, in section 243.134g, states:

"Children are ineligible whose mother associates with a man in a relationship similar to that of husband and wife and the man continues a relationship with the children similar to that of father and children regardless of whether such man lives in the home."

In each of the 31 cases there was no clear dissociation of relationship between the mother and her husband and/or the father of her children. In eight cases the relationship was between the mother and her husband, and in 23 cases the relationship was between the mother and the father of one or more of her children.

Mother living in home with a man other than her husband or father of her ADC children in relationship similar to that of husband and wife: the investigation disclosed 20 ADC cases where the caretaker-mother was living with a man other than her husband or the father of any of her children in a relationship similar to that of husband and wife.

The PAD Manual, in section 243.134, states that: "Children are ineligible whose mother associates with a man in a relationship similar to that of husband and wife and the mother, her children, and such man live in a family setting regardless of whether such man is the father of the children."

The recipients were considered to be ineligible in 9 cases solely on the basis of the finding related to the foregoing regulation and in 11 cases on the basis of that finding and various other investigative findings.

Man constituting an undeterminable resource: The investigation disclosed 10 ADC cases where the recipients were deemed to be ineligible for financial assistance because of the presence in the home of a man or men whose relationship to the mother and/or the children and the extent of their contribution to the support of the mother and the children could not be determined. A similar situation existed in eight other cases where the recipients were considered to be ineligible because of other more significant investigative findings.

The PAD Manual, in section 243.134h, provides, in respect to the situations disclosed in the 18 cases, that a mother and her children may receive financial assistance even if the mother maintains a conjugal relationship with a man, provided the mother and her children are otherwise eligible and all resources available to the mother and the children are determined or clarified in establishing need.

The investigation disclosed that, in each of these cases, a man or men were present in the home but the nature of their relationship with the mother could not be established. Consequently, in none of these cases could the existence of need be established because the extent of the resources available to the mother and children that resulted from the presence of the man or men in the home could not be determined or clarified.

Other ineligibility findings

Resources undeterminable: The investigation disclosed that in 11 ADC cases there was evidence of resources available to the recipients but the extent of such resources could not be determined. The finding of undeterminable resources also was present in 39 additional cases which were classified as ineligible on the basis of more significant findings.

The existence of undisclosed resources was determined by admissions of the caretaker-relatives (parents or other relatives of a specified relationship) or by evidence that the family was living on a scale beyond that possible under the financial assistance being provided. In each case, the caretaker-relative was either unwilling or unable to satisfactorily explain the existing situation. Therefore, it was impossible to definitely establish that a need for financial assistance existed.

Living arrangements not clarified: The investigation disclosed that in 11 ADC cases the relationships between the parents of the children and various other persons living together in the same dwelling could not be determined. The same situation existed in 13 additional cases where the recipients were considered to be ineligible because of other investigative findings deemed to be more significant.

The questionable relationships which the parents of the children were unwilling to clarify were with landlords, relatives, and purported visitors. This failure to clarify the living arrangements made it impossible to determine either the extent of the available resources or that need for financial assistance existed.

Parents employed: The investigation disclosed three ADC cases in which the parents of the ADC children were employed full time. In two of these cases other findings were also present, and in two additional cases the parent was found to be employed but the cases were considered ineligible because of the existence of more significant findings.

The PAD manual, in section 235.100, provides that assistance shall be denied in those cases where a parent is employed full time.

Parents employable: The investigation disclosed 29 ADC cases where the recipients were considered to be ineligible because the ADC parents were employable. Also, in eight additional cases the parents were employable, although the recipients were considered to be ineligible because of other more significant findings.

The PAD manual, in section 243.121, states that it is generally expected that a mother without a husband will work to help support her children if she is not incapacitated and if there are relatives or other reliable persons available to care for her children. It also sets forth criteria for guidance in determining whether a mother is employable.

In 16 of the 29 cases, other investigative findings bearing on eligibility were also present.

No eligible child in home: The investigation disclosed four ADC cases where financial assistance payments were being made although no eligible children were in the homes. In two cases, the only child in the home was over 16 years of age but he did not meet the eligibility requirements for a child over that age because he was not attending school regularly. In one case, the child, in respect to which financial assistance had been granted, had not been living in the home since August 1961. In the remaining case, the only child in the home was not related to the caretaker within the required specified degree of relationship.

Refusal to cooperate: In eight ADC cases the recipients were considered to be ineligible because the caretaker-relatives refused to cooperate with the investigators in their attempt to determine facts substantiating that the children had been deprived of parental support or care, or to determine the extent of any existing need. In six of these cases other ineligibility findings were present. In five additional cases there also was a refusal to cooperate although the recipients were considered to be ineligible because of other reasons.

With respect to determining need, the PAD Manual, in section 350.000, states:

"The agency, therefore, needs factual and authentic information concerning an applicant's and recipient's income and resources in cash and in kind, in order to evaluate and measure them against the Budget standard for the determination of the amount of the person's need.

"(a) The worker must clearly explain to the client why the information is needed, and must help him to understand that he has three choices:

"(1) Having his need determined by providing the required information, or authorizing the worker to obtain it;

"(2) Withdrawing his application; or

"(3) Being denied assistance since his need cannot be determined.

* * * * *

"An applicant or recipient who refuses to supply, obtain, or to authorize the worker to obtain information regarding his income and other resources, thereby makes himself ineligible for assistance because his need cannot be established."

The caretaker-relatives' refusal to cooperate with the investigators generally consisted of a refusal to admit the investigators into the home, a refusal to allow the investigators to inspect the interior of the home in order to determine living arrangements, or a refusal to supply information needed to establish the eligibility of a child or children for financial assistance or the extent of the need.

Miscellaneous: In six ADC cases the recipients were determined to be ineligible for financial assistance for the following reasons:

1. Failure of returned husband to register with U.S. Employment Service (USES)—two cases.

2. Husband's absence only a separation of convenience.

3. Presence of coin-operated machines in home.

4. Absent husband willing but not permitted to return to home (absence not established).

5. Parent's purported incapacity to work not established.

With respect to reason 1, the PAD manual, in section 243.120, states, in effect, that the provisions set forth in sections 244.00 and 245.00, which relate to the general public assistance program, are applicable to the ADC program. Section 245.310 states that active registration with the USES, as a part of the recipient's effort to find work, is an eligibility requirement. In the two cases where the recipients were deemed ineligible for the reason of failure to register with USES, originally the children had been determined to be eligible on the basis of continued absence of the fathers who were committed to the Occoquan Workhouse. In both cases they had been released and were not employed but had not registered with USES.

With respect to the case under reason 2, the investigation disclosed that although the absent parent had dissociated himself from the normal family relationship the absence was primarily for the purpose of enabling the mother and children to obtain ADC aid. In this connection the PAD manual, section 243.132, states:

"Continued absence is not established when, in the judgment of the agency, a man or woman who have lived together make separate living arrangements for the purpose of establishing eligibility for assistance."

In regard to the case under reason 3, the investigation disclosed the presence in the home of several coin-operated machines constituting business activities. These machines consist of a telephone with a lock on it, two television sets, and a washing machine. In addition, there was evidence that the parent in this case may have been engaged in the illegal distillation of whisky and in other business activities. The PAD manual, in sections 352.470 and 352.500, states, in effect, that under such circumstances financial assistance cannot be granted in the absence of a clarification of resources in order to determine whether any need exists.

In the case under reason 4, the investigation disclosed that the absent husband was willing to return to his family but was prevented from doing so by his wife. The PAD manual, in section 243.138, provides that:

"If the woman bases her need for assistance on the reason of her unwillingness to live with her husband, or to permit him to live in the home, and he is willing to live with and support his family, they are not considered to be in need."

In the final case, an examination of the case record disclosed evidence that the recipients were ineligible because the father, who had been considered unemployable, had not complied with the regulation requiring periodic medical reports to be furnished in support of his claim of unemployability.

Voluntary withdrawals from program

During the investigation, 13 caretaker-mothers voluntarily signed statements expressing their desire to withdraw from the ADC program. In two cases, the ADC mothers refused to cooperate with the investigators by denying them permission to examine or inspect the living arrangements and chose to withdraw from the program instead. In each of the other cases the withdrawal request was made after the investigation had disclosed findings which adversely affected the eligibility of the recipients.

EFFECT OF DISCONTINUANCE OF FINANCIAL ASSISTANCE

As shown in table 2, the PAD discontinued financial assistance payments in 134 cases of the 236 cases investigated. The discontinued monthly payments, aggregating $20,881, had been made on behalf of 511 children.

We have not attempted to estimate the savings that may accrue to the District as a result of the discontinuance of financial assistance in the 134 cases because of the probability that, in some instances, the caretaker-mother may effect changes in her living arrangements that would result in her children's becoming eligible for assistance and, in other instances, actions may be taken to clarify resources or living arrangements or to otherwise comply with the prescribed eligibility requirements and need standards.

PROPOSAL TO LIBERALIZE THE AID TO DEPENDENT CHILDREN PROGRAM

The Director, Department of Public Welfare, in hearings held on May 24, 1962, before the subcommittee of the Committee on Appropriations, House of Representatives, presented for consideration a program for aid to dependent children of unemployed parents (see p. 1257 of the hearings) predicated on congressional passage of House bill 10606, an act providing for an extension through June 30, 1967, of Federal financial participation in aid to dependent children of unemployed parents. The Director, in response to a question by the chairman of the subcommittee as to what percentage of the ADC cases investigated would have been determined to be ineligible if there had been a change in eligibility requirements, stated:

"Assuming the policy on the man in the home were to be changed and if the District were to extend aid to the unemployed, I don't believe there would be a very large percentage, much beyond 17—maybe it would go to 25 percent. But the statistics that have been reported have indicated that most of the reasons given for the closing of the cases, or finding them ineligible has been related to the man-in-the-home policy."

The investigation was not directed toward ascertaining the employment status of the men involved in the 69 cases where the recipients were considered to be ineligible because of the man-in-the-house rule—in 37 cases solely because of that rule and in 32 cases because of that rule and other ineligibility findings. However, the fact that the men involved in 24 of the 37 cases and in 21 of the 32 cases were employed was disclosed through statements made by the mothers of the ADC children or by the men themselves, either to the investigators or to public utility or other companies when seeking service or credit, and verified by the investigators through interviews with the indicated employers. Therefore, since the ineligibility of the recipients was based solely on the man-in-the-house rule in only 37 cases and since the men involved in 24 of the cases were employed, it would appear that in only 13 of the cases would the recipients have been eligible for financial assistance if the proposed program and the man-in-the-house policy, as outlined on page 1254 of the hearings, had been in effect. Thus, instead of 133 ineligible cases, as shown on page 3 of the report, there would have been only 120, or 50.8 percent of the 236 cases investigated, unless the extent of the men's employment in the 24 cases did not meet the criteria set forth in the proposed program.

CONCLUSIONS

The high incidence of ineligibility of the recipients for financial assistance in the 236 ADC cases, as disclosed by the investigation and confirmed by the PAD, leads to the conclusion (1) that the PAD, in its determinations and redeterminations of the recipients' eligibility, either had not completely verified facts represented by the recipients as entitling them to financial assistance or had not maintained sufficiently close contact with the recipients to be aware of changes in their conditions or circumstances affecting their continued entitlement to financial assistance, (2) that reliance cannot be placed on the caretaker-relatives (parents or other relatives of specified relationship) to inform the PAD of the actual conditions or circumstances which have a bearing on the recipients' eligibility for financial assistance, and (3) that the ADC cases not covered in the current investigation should be investigated to determine whether or not the recipients are eligible for the financial assistance they are receiving.

We believe that a continuing field investigation program should be instituted with the objective of investigating ADC cases for the purpose of determining the eligibility of the recipients for financial assistance and the effectiveness of the PAD's prior verification of representations by the recipients. We believe also that such a continuing field investigation program should be conducted by an investigative unit organizationally placed outside the PAD with a reporting responsibility not only to the PAD, but also to the Director, Department of Public Welfare. We believe further that procedures should be adopted to insure that the investigative findings are given adequate and proper consideration by the PAD in making its eligibility determinations.

APPENDIX I

U.S. SENATE,
COMMITTEE ON APPROPRIATIONS,
March 6, 1962.

Hon. JOSEPH CAMPBELL,
Comptroller General of the United States,
Washington, D.C.

DEAR MR. CAMPBELL: This will confirm our verbal request for your office to furnish the investigative personnel that may be required to accelerate completion of the special public assistance investigation now being made by the Welfare Department of the District of Columbia government. As you know, this investigation was urged by our committees during the last session of Congress with a view to ferreting out any cases of violators on the welfare rolls. Since a sizable number of ineligibles have already been disclosed in the 280 selected cases, it is deemed important that all such cases be subjected to an independent review and report by your office.

It is requested that your report include such additional pertinent information on the District welfare program as may be determined of interest to the committees.

Copies of communications with Commissioner Tobriner giving further details on the subject matter are enclosed.

With warm personal regards, we remain,
Sincerely yours,

ROBERT C. BYRD,
Chairman of Subcommittee on District of Columbia Appropriations, Committee on Appropriations, U.S. Senate.

WILLIAM H. NATCHER,
Chairman of Subcommittee on District of Columbia Appropriations, Committee on Appropriations, House of Representatives.

Mr. BYRD of West Virginia. Mr. President, also subsequent to the action by the House, the Comptroller General submitted to the chairman of the Senate Subcommittee on District of Columbia Appropriations a special report on the investigation of the ADC program in the District of Columbia. I ask unanimous consent that the report be printed at this point in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

COMPTROLLER GENERAL
OF THE UNITED STATES,
Washington, July 30, 1962.

Hon. ROBERT C. BYRD,
Chairman, Subcommittee on District of Columbia, Committee on Appropriations, U.S. Senate.

DEAR MR. CHAIRMAN: Herewith is our special report on the investigation of selected cases under the aid to dependent children program administered by the Public Assistance Division of the Department of Public Welfare, District of Columbia government, June 1962.

This report, which is being submitted pursuant to your request of June 18, 1962, contains certain information in respect to the investigated cases in addition to that contained in the report submitted to you on July 26, 1962.

Because of the nature of the investigation, many of the statements contained in the report are necessarily based on conclusions arrived at after a reasonable evaluation of facts disclosed through observations, interviews, and admissions and through examination of public and business records.

Sincerely yours,

JOSEPH CAMPBELL,
Comptroller General of the United States.

SPECIAL REPORT ON INVESTIGATION OF SELECTED CASES UNDER THE AID TO DEPENDENT CHILDREN PROGRAM, DEPARTMENT OF PUBLIC WELFARE, DISTRICT OF COLUMBIA GOVERNMENT, JUNE 1962

The General Accounting Office submitted a report to the chairmen, Subcommittees on District of Columbia, Senate and House Committees on Appropriations, on the investigation of selected cases under the aid to dependent children (ADC) program, Department of Public Welfare (DPW), District of Columbia government, on July 26, 1962. This report contains certain additional information in respect to the cases investigated, as requested by letter dated June 18, 1962.

CASES INVESTIGATED AND ACTIONS TAKEN

The aforementioned report pointed out that of 280 cases selected by the Public Assistance Division (PAD), Department of Public Welfare, for investigation, 42 cases had been closed prior to review by the investigative unit established by the DPW and that two cases were not investigated. The report showed that for the 236 ADC cases investigated, the PAD had informed us by June 25, 1962, that the status of the cases was as follows:

	Number of cases	Percent of total cases
Action based on investigative findings:		
Financial payments discontinued	127	-------
Financial payments continued based on appeal findings	3	-------
Appeal pending	3	
Total	133	56.3
Financial payments continued:		
No infractions of eligibility requirements or need standards	23	-------
Adjustment in payments based on existing need	20	-------
Miscellaneous administrative adjustments	52	-------
Total	95	40.3
Action based on events occurring subsequent to investigation:		
Financial payments discontinued	7	-------
Appeal pending	1	-------
Total	8	3.4
Grand total	236	100.0

In appendixes I through VIII of this report the 280 cases selected by the PAD for investigation are listed to show (1) the 42 cases that had been closed prior to review by the investigative unit, (2) the 2 cases not investigated, and (3) the 236 cases that were investigated. Those in the latter group have been classified according to their eligibility or ineligibility status. Comments pertaining to the cases in each of the foregoing categories are contained in the following sections of this report.

CASES CLOSED PRIOR TO INVESTIGATION

Shown as appendix I are the 42 cases in this category. We reviewed 28 of these cases for the purpose of evaluating the propriety of the actions taken. We believe that the actions were proper in view of the circumstances involved in each case.

CASES NOT INVESTIGATED

Listed as appendix II are the two active cases which were not investigated. In one of these cases the mother of the ADC children was a resident of the DPW's Residential Training Center, and an investigation of the case was deemed to be inexpedient. In the other case, the PAD inadvertently furnished the investigators a case record pertaining to a previous award which had been discontinued, and the fact that the assistance payments had been reinstated did not become known until after the field investigation work had been completed.

RECIPIENTS ELIGIBLE FOR CONTINUED ASSISTANCE

No infractions

Listed as appendix III are the 23 cases in which no infractions of PAD Manual requirements were disclosed by the investigation. Of the 23 cases, 10 had been investigated prior to our participation in the investigation. However, our review of the investigation reports on these cases indicated no reason for disagreeing with the PAD's conclusions.

The amount of the assistance payments in the 23 cases ranged from $62 to $292 a month, the number of children receiving aid ranged from 1 to 7, and the commencing date of the payments ranged from January 1953 to September 1961. The cases in which assistance had been granted more recently involved the greatest number of children and the largest monthly payments.

The monthly assistance payment in one case was reduced $33 because of the death of a child which occurred during the period of the investigation.

The fact that the investigation disclosed no irregularities in only 23 cases, or in only 9.7 percent of the cases investigated, is most significant and indicates a very serious weakness in the administration of the ADC program.

Adjustment of assistance payments

Listed as appendix IV are the 20 cases in which the recipients were considered eligible for continued assistance but circumstances existed which required the monthly assistance payments to be adjusted.

In 15 cases, the monthly payments were reduced by amounts ranging from $12 to $72. In four of these cases, the monthly payments for 1, 2, or 3 months were further reduced in varying amounts to compensate for income which had been received in prior months but not reported. In three cases, similar deductions were made although the rate of the regular monthly payment was not changed.

In one case the monthly payment was increased by $6 because the recipients were required to move to more suitable quarters.

We participated in the field investigation of 5 of the 20 cases. While the investigation of the other 15 cases had been completed prior to our participation in the investigation, our review of two of these cases indicated no basis for disagreeing either with the adequacy of the investigation conducted or with the propriety of the actions taken.

Administrative adjustments needed

Appendix V lists the 52 cases in which the recipients were determined to be eligible for continued assistance but which required some administrative action. In some cases, the administrative action to be taken was dependent on actions required to be taken by the caretaker-relatives (parents or other relatives of specified relationship).

Examples of the types of actions required follow:

1. Refer to Office of Investigations and Collections (OIC) for recovery of overpayments.
2. Require unemployable parent to obtain an overdue medical examination report.
3. Require mother to take certain required action to locate missing husband.
4. Correct records to show change of address and recompute rental needs.
5. Consider the feasibility of referring children to the Child Welfare Division (CWD).
6. Correct records relating to birth dates of children.
7. Revise rental needs because of change in number of persons occuying a dwelling with members of an assistance unit (caretaker-relative and children).

We participated in the investigation of 24 of the 52 cases. Also, we reviewed 3 of the 28 cases which had been investigated prior to our participation in the investigation and found no reason for disagreeing either with the investigative findings or with the actions necessary to comply with normal requirements.

In 1 of the 24 cases which we investigated jointly with the PAD, the recipients appeared to be ineligible on the basis of findings indicating that both the ADC mother and father were employable. The PAD subsequently obtained medical information which indicated that the father was capable of part-time work only and made arrangements for him to receive medical treatment. Also, the PAD directed the mother to register with the U.S. Employment Service (USES) and to report weekly on her efforts to find employment.

Although the recipients in each of the 52 cases were determined by the PAD to be eligible for continued assistance, the fact that, in some cases, they were required to take certain actions to completely meet the eligibility requirements and that the failure to do so could result in their becoming ineligible for continued financial assistance is a further illustration of a weakness in the PAD's administration of the program.

RECIPIENTS INELIGIBLE FOR CONTINUED ASSISTANCE

The PAD determined that 141 of the 236 cases investigated were ineligible for financial assistance—133 cases on the basis of the investigative findings and 8 cases on the basis of events occurring subsequent to the investigation. Assistance payments were later reinstated in 3 of the 133 cases on the basis of appeal findings. Appeals are pending in 1 of the 133 cases and in 1 of the 8 cases.

The 133 cases are classified in the following table according to the investigative finding which, in our opinion, had the most significant bearing on the recipients' eligibility status. Only one ineligibility finding was disclosed in each of 72 cases, and an average of 2.1 ineligibility findings was disclosed in 61 cases.

We participated in the investigation of 79 of the 141 cases. We reviewed the investigation reports in the remaining 62 cases to determine the adequacy of the investigation conducted and the propriety of the PAD's determination of ineligibility in each case. Our review disclosed no reason to disagree with the action taken by the PAD except in one case.

Ineligibility finding	Number of cases			Number of ineligibility findings
	Considered to be ineligible	Having a single ineligibility finding	Having additional ineligibility findings	
Man-in-the-house rule:				
Mother living in continuing relationship with a man who is her husband and/or father of her ADC children	31	21	10	44
Mother living in home with man other than her husband or father of her ADC children in relationship similar to that of husband and wife	20	9	11	33
Man constituting an undeterminable resource	10	7	3	13
Subtotal	61	37	24	90
Other ineligibility findings:				
Resources undeterminable for other reasons	11	9	2	13
Living arrangements not clarified	11	4	7	22
Parent employed	3	1	2	5
Parent employable	29	13	16	49
No eligible child in home	4	3	1	5
Refusal to cooperate	8	2	6	16
Miscellaneous	6	3	3	9
Total	133	72	61	209

A listing of the cases in each of the foregoing classifications is presented as appendixes VI and VII of this report. Comments concerning the cases in each of the classifications follow.

Man-in-the-house rule—Mother living in continuing relationship with a man who is her husband and/or the father of her ADC children

As shown in appendix VI, the investigation disclosed 31 cases where the ADC mother was associating with her husband and/or the father of her ADC children in a manner which negated the claim that the children were deprived of parental support or care by reason of the continued absence of the parent from the home. No distinction is made as to whether the relationship was carried on inside or outside the home.

In 21 of the cases the lack of clear dissociation was the only finding of ineligibility disclosed, but in 10 cases other ineligibility findings existed, any one of which, in our opinion, was a sufficient reason for considering the recipients to be ineligible.

In 8 of the cases the relationship of the mother was with her husband, and in 23 cases the relationship was with a man not her husband, although he was the father of 1 or more of her ADC children. In one of the latter cases the recipient appealed the PAD's determination of ineligibility, and the case remains open pending the outcome of the appeal.

In 18 of the 31 cases the man involved was employed; in 12 cases he was not employed but was apparently employable, since there was no evidence of incapacity, either in the form of obvious physical disability or in the form of medical evidence; and in 1 case he was retired and receiving a pension.

Some of the more flagrant cases of abuses of the right to receive assistance under the ADC program are presented below.

1. A mother of four children, who had been receiving ADC assistance payments for over 4 years, was determined to have been living during the entire period, since September 1957, with a man whom she had represented to the PAD as being her brother but who actually was her paramour and the father of two of her children. The mother admitted to the investigator that the man was employed and earning $85 a week. She was receiving $154 a month in assistance payments at the time the assistance was discontinued.

2. A 36-year-old mother, who was receiving assistance payments on behalf of herself and four of her six children had received such assistance during most of the period since April 1953. The father of three of the four children, although not their mother's husband, was found by the investigators to be in the mother's home at 6:30 a.m. on a Sunday morning, barefoot and naked to the waist, and hiding under a bed. When asked if he was employed, he said that he was a gambler. The mother had been receiving assistance payments continuously since November 1959, and at the time the payments were discontinued they amounted to $143 a month.

3. A married 27-year-old mother of six children told investigators that the man found in her home was her brother-in-law. The investigation disclosed that he was actually her husband and the father of her children, five of whom were included in the assistance unit, and that he was employed and earning about $65 a week. The mother had been receiving assistance payments since December 1960, and at the time they were discontinued they amounted to $191 a month. She subsequently admitted to the investigators that the man was her husband and stated that she wished to withdraw from the ADC program rather than have the investigation continued.

4. A married 35-year-old mother and her four children had been determined to be eligible for assistance on the basis of her claim that her husband had deserted her and that his whereabouts was unknown. The investigators located the husband and obtained his signed statement asserting that his wife had forced him to leave the home by threats and abuse so that she could obtain public assistance, that his wife had always known his whereabouts, that he had given his wife at least $50 a month since January 1962, that he is presently employed, and that he wants to return to the home and support his family. The mother had received assistance payments since September 1961, the latest payments being $169 a month.

5. A 41-year-old mother of six children, all of whom are included in the assistance unit, represented to the PAD that she was living rent free in the attic of her sister's home. She requested the PAD not to probe into the manner in which her sister had obtained her home. She also represented that another woman living in the home, who was a recipient of aid under the aid to the permanently and totally disabled (APTD) program, was only a roomer. The investigation disclosed that the APTD recipient, who was receiving $83 a month and who had been represented as a widow without relatives, was actually the mother of the ADC mother and was the lessee of the dwelling along with a man who was listed in the lease agreement as her husband. This man, who was found in the home, was determined to be employed full time and earning $1.25 an hour. The ADC mother, instead of living in this home as she had represented, was found to be living at another address with her children and her husband who was the father of her children. The father had been continuously employed with one firm since 1954 except for one period of 120 days in the early part of 1961 when he was in jail. He had claimed seven dependents on his tax withholding exemption certificate, which is the same as the number of persons in the assistance unit. The ADC mother had been receiving assistance payments since September 1959, with the latest payments amounting to $149 a month.

6. A 24-year-old mother of four children, fathered by three different men, none of whom were her husband, successfully withheld from the social workers the knowledge of the birth of her youngest child on March 11, 1961. The father of this child and of one of the other children was found hiding in the bathroom of the ADC mother's home at 6:10 a.m. on a Sunday morning. He admitted spending the night with the ADC mother. He admitted also that he was employed. The ADC mother said that this man had been living with her since the birth of her youngest child. The mother had been receiving assistance payments since February 1959, the latest payments amounting to $109 a month.

We believe that some of the facts with respect to these and other cases in this category could have been disclosed with only a reasonable amount of effort on the part of the social workers. In some of these cases it appears that the recipients were never eligible for financial assistance and that such a finding would have become apparent if the eligibility standards had been diligently applied at the time the applications were first received.

Mother living in home with man who is not her husband or the father of her ADC children in a relationship similar to that of husband and wife

This ineligibility finding was disclosed in 20 cases listed in appendix VI. In 11 of the cases, additional ineligibility findings existed.

The men involved in 15 of the cases were employed and in the other 5 cases were unemployed but appeared to be employable. In one of the 15 cases where the men involved was employed, the ADC mother was also employed to the extent that this fact alone would cause the recipients to be ineligible. In three cases, the ADC mother was employable under the prescribed standards for determining employability.

The ADC mothers in 3 of the 20 cases voluntarily withdrew from the program.

Cases illustrating this type of investigative finding follow:

1. A man found in the home of an ADC mother of four children who had received assistance payments since February 1956—the latest payments amounting to $153 a month—was represented to the investigators as being merely a visitor. The address given by this man as his residence proved to be false, and later both he and the ADC mother admitted that they had been living together but neither would state how long the relationship had existed. The man was employed. The ADC mother admitted that she was also employed, but she would not furnish information as to her employer, length of employment, or earnings. She signed a

voluntary statement requesting withdrawal from the program.

2. A 22-year-old mother, who had received assistance payments since September 1961 for herself and three children admitted during the investigation that she had been supported by a man by whom she was again pregnant. It was determined that this man was employed. The mother signed a voluntary statement requesting withdrawal from the program. When contacted by a social worker subsequent to the investigation, she stated that she had signed the statement because she felt "the jig was up." At the time the assistance payments were discontinued they amounted to $148 a month.

3. A 26-year-old mother of six illegitimate children, fathered by three different men, was again pregnant by a man whom she did not identify. Her condition was known to the PAD in November 1961. She had been receiving assistance payments since April 1960, and as of March 1962 these payments were at the rate of $79 a month. The April 1962 assistance payment was suspended pending further inquiry into the matters disclosed by the investigation including (a) birth of a child in February 1962, (b) relationship with a man who, she admitted, spent nights with her "too often to mention" and who provided her with money in excess of $100 a month, (c) presence of another man, his wife, and three children in an apartment in the dwelling, (d) an unidentified sick child in the home, and (e) squalid, overcrowded, and rat-infested premises.

4. A man found in the home of a 27-year-old ADC mother was addressed as "Daddy" by one of the mother's three illegitimate children. The children had been represented to the PAD as having been fathered by two different men, neither of whom was the ADC mother's husband or the man found in the home by the investigators. An informant told the investigators that this man was the ADC mother's current paramour and that a former paramour still frequents the home and creates disturbances. Both of these men are reported to have threatened to kill the other. The man found in the home refused to provide any information concerning his employment status or his relationship to the family. During a visit by a social worker subsequent to the investigation, the ADC mother denied that any serious or intimate relationship existed between her and the man found in the home and said that she would rather be "self-supporting" than to continue to receive public assistance. The monthly assistance payment of $154 was thereupon discontinued. She had been receiving assistance payments since April 1958.

Man constituting a resource the extent of which is undeterminable

Appendix VI lists 10 cases where the recipients were considered ineligible because a man was involved in the family unit, but the extent of his contributions to the support of the assistance unit could not be determined. In each case the man's relationship with the mother was not determined to be similar to that of husband and wife, nor was his relationship with the children determined to be that of a father. While the investigation disclosed that the man in each of these cases provided some assistance to the family unit, neither the mother nor the man would divulge information as to the extent of the contribution. Therefore, the need for assistance could not be established and the recipients were considered to be ineligible for assistance. In 3 of the 10 cases, additional ineligibility findings were found to exist. The involvement of a man in the family unit was disclosed also in eight other cases which have been classified by other ineligibility findings deemed to be more significant.

The men involved in 12 of the 18 cases were employed, in 4 of the cases the men were unemployed, but no evidence was disclosed to indicate that they were not employable, and in 2 of the cases no determinations were made of the men's employment status because of the number of men involved and the undeterminable status of their relationship to the family unit. In one of these latter two cases the recipients appealed PAD's determination of ineligibity and were reinstated for continued assistance after the appeal hearing.

The following examples illustrate the situations found to exist in the cases included in this category:

1. The ADC mother who had three illegitimate children and expected another child in 2 or 3 months, which fact was unknown to the PAD, had been receiving assistance payments since June 1961, the latest payments being $154 a month. Information provided by the mother concerning the father of her last-born child and that of the expected child was unverifiable because of her conflicting statements. This ADC mother formerly lived with her mother in a house leased in the name of a man who was not a member of the assistance unit. She moved from that house upon being informed that assistance payments were to be discontinued since her mother could care for her children and she was considered to be employable. Both this man and the ADC mother separately admitted a conjugal relationship over the past 2 years and that the man contributed to the family support. The man is married and living with his wife, who stated that she has no respect for him because of his promiscuity and that he is the alleged father of many illegitimate children.

2. A 34-year-old mother of seven children fathered by three different men had concealed the birth of the seventh child from the PAD for 3 years through fear of being removed from the ADC program. The father of the seventh child had been living with the ADC mother until the time of the investigators' first visit to the home, although the ADC mother had professed to have terminated the relationship in September 1961 when he got into trouble with the police. The ADC mother stated to the investigators that she realized that she had violated agency regulations. She stated further that the man involved presumably had returned to his wife's home after the investigation of this case had commenced. This ADC mother had been receiving assistance payments since May 1957 for herself and five of her seven children. These payments amounted to $221 a month at the time they were discontinued. One of these five children, who was 16 years old, was not in regular school attendance, having been absent 29 days between January 29 and April 11, 1962.

3. A 28-year-old mother of five children told the investigators that she wished to withdraw from the ADC program, upon being found with a man in her bedroom. The investigators did not accept her offer of withdrawal since it was made during distress occasioned by being found in an embarrassing situation. The investigators, during the next few days after the first home visit, observed different men entering the home. The mother, during a subsequent visit by the investigators, repeated her request to withdraw from the program. Her request was accepted, and the investigation was terminated. She had been receiving assistance payments since January 1960, and at the time of their discontinuance the payments were at the rate of $197 a month.

Cases ineligible for other reasons—Resources undeterminable

Appendix VII to this report lists 11 cases where the recipients were considered to be ineligible because the caretaker-relative either was unable or was unwilling to divulge information relating to income and other resources that apparently were available to the assistance unit. In two of the cases, an additional ineligibility finding was disclosed; namely, the presence of a man in the home whose relationship to the family could not be definitely established but who constituted an available resource. Final determination of eligibility has been withheld in two cases pending the outcome of appeal hearings.

In each of 39 additional cases, the resources available to the assistance unit also could not be determined. These cases have been classified by other ineligibility findings considered to be more significant reasons for considering the recipients to be ineligible for assistance. Thus, the finding of undeterminable resources was disclosed in 50 cases.

Details of illustrative cases in which this finding was disclosed follow:

1. A 44-year-old ADC mother of four children, two of whom were fathered by men other than her husband, had been receiving monthly assistance payments since January 1956, the latest payments being $205 a month. The mother had represented to the PAD and to investigators that she had no other resources. However, the investigation disclosed that she had earnings of about $20 a week from caring for children and had received about $10 a week from a "boy friend" during the period from September 1959 to July 1960 for the purchase of a television set which cost $419.90. When apprised of these findings, she acknowledged that they were correct. The investigation also disclosed some evidence of other earnings from laundry work, caring for a woman convalescing from a hospitalization, and caring for other children.

2. A 25-year-old ADC mother had been receiving assistance payments since December 1959 for herself and two of her three children to augment payments of $65 a month which she was supposed to receive from her absent husband. The latest of these payments amounted to $76 a month. Notwithstanding the lack of regular support from her husband, as evidenced by a court order of commitment for back payments, totaling $465, in September 1961 and by court records showing payments to her of only $450 during the period from March 1961 through April 1962, she was living in a two-bedroom, well-furnished apartment. The furnishings included a three-speed record player, a cabinet model television set, two telephones, a typewriter, and a radio. Evidence was obtained that she had received contributions from various members of her family which had not been reported to the PAD.

3. A 32-year-old ADC mother of six children, five of whom were included in the assistance unit, telephoned the PAD to state that the investigators had been to her home and that she wished to withdraw from the ADC program. She had previously represented to the PAD that her husband was the father of four of her six children and that the other two children had been fathered by two other men.

The investigation disclosed that she was again pregnant. She told the investigators that a fourth man was the father of the expected child. The investigation also disclosed that she received irregular contributions for the support of the children from two of the three fathers. When pressed for information concerning the amounts of the contributions and the identity of the fourth man, she announced her intention to withdraw from the ADC program. Therefore no further inquiry was made to develop information as to the resources apparently available to her, or as to her employment, evidence of which was also present.

This ADC mother had been receiving assistance payments since December 1960, the latest payments being $109 a month.

Living arrangements not clarified

Appendix VII to this report lists 11 cases where the recipients were considered to be ineligible for financial assistance because the existing living arrangements could not be clarified. In seven of the cases other ineligibility findings also were disclosed. In 18 other cases the living arrangements could not be clarified but the cases have been classified by other ineligibility findings which constituted more significant reasons for considering the recipients to be ineligible for assistance.

The cases included in this category are those where the basic or most significant finding disclosed was the presence in the home of persons whose relationship with the recipients could not be clearly established because of the caretaker-relative's conflicting or misleading statements to the investigators. The term "relationship" as here used includes relationships involving economic as well as personal and legal aspects. In 1 of the 11 cases the recipient was reinstated for continued assistance after appeal.

Details of cases illustrating situations constituting this type of ineligibility finding follow:

1. An ADC mother who had been receiving assistance payments for herself and one child since December 1960, was occupying the first floor of a dwelling in which the landlord was also living, without any definite separation of the living quarters and with the personal effects of the ADC mother intermingled with those of the landlord. Although the landlord claimed that his common-law wife lived with him, he would not furnish any corroborating information in support of that claim. He stated that he did not know where she worked or when she could be interviewed in the home. The rental receipts exhibited by the ADC mother appeared to be false since the pertinent information shown thereon differed from statements by the ADC mother and from statements by the landlord. The authenticity of the rental receipts could not be verified since the signatures thereon were purported to be those of the landlord's legal wife who has been absent from the home since December 1960. The lease agreement between the landlord and the rental agency, dated December 8, 1961, shows that the landlord claimed the occupants of the dwelling to be himself, his wife, and two children, although he has no children of his own living in the home. The assistance payments to this ADC mother amounted to $118 a month at the time they were discontinued.

2. An ADC mother who had been receiving $145 a month on behalf of herself and four children had been receiving assistance since July 1953. Living with her in the home were her four adult children with their children, a living arrangement apparently unknown to the PAD. The adult children appeared to be employable and, to some extent, were employed. Efforts to clarify the living arrangements and to determine the extent to which her adult children were contributing to the support of the household were nullified by the conflicting statements of the ADC mother; her refusal to answer some questions; her differing answers to other questions; and, in some instances, her misrepresentation of facts. Also, it appeared that the mother may be employable since all her minor children were in regular attendance at school.

ADC parent employed

Appendix VII lists three cases in which the ADC mother was determined to be employed full time and to have an adequate child care plan.

Illustrative of these cases is one where the mother of three illegitimate children, whose application for financial assistance was approved in August 1961, had been receiving assistance payments of $119 a month. At the time she applied for assistance, she was considered to be unemployable because she supposedly lacked an adequate child care plan. Although she had indicated on her application that she had been employed, the extent of her employment apparently had not been determined by the social worker. The investigation disclosed that she had been working full time as a domestic for the same employer continuously since 1959, except for 1 month in August 1961, when her youngest child was born. Since her mother, her 18-year-old brother, and her 14-year-old sister lived with her and she had been employed, it was apparent that she was not in lack of an adequate child care plan.

ADC parent employable

Appendix VII lists 29 cases where the ADC mother or, in some cases, the ADC father, who was supposedly incapacitated, was considered to be employable under the criteria set forth in the PAD manual. In one of these cases the recipient appealed the ineligibility determination and was reinstated after a hearing on the appeal.

The following cases illustrate the findings leading to the conclusion in these cases:

1. A 45-year-old mother had been receiving assistance payments since August 1961 for the benefit of herself and three children. The investigation disclosed that there was no evidence that the mother was incapacitated and therefore unemployable. Also, she apparently had an adequate child care plan since an unmarried daughter who lived with her was unemployed, was not a member of the assistance unit, and who made no contribution to the maintenance of the household, was available to provide child care. At the time her assistance payments were discontinued she was receiving $172 a month.

2. A 37-year-old mother of three children had been receiving assistance payments of $105 a month, although she appeared to be employable under the PAD standards, and had been earning $12.50 a week in part-time employment. She stated to the investigators that she was doing all right on welfare relief and would not return to full-time employment unless she could make big money. She also had been receiving undeterminable amounts from a boy friend with whom she admitted to have been carrying on a conjugal relationship. The boy friend admitted to helping the family by providing food and personal services and a new hi-fi record player. The investigation further disclosed that on applications for credit he has shown the ADC mother to be his wife. Hospital records show that at various times the ADC mother has stated her address to be that of the boy friend. She had been receiving assistance payments since March 1954.

3. An ADC mother of eight children, four of whom were fathered by two men other than her husband, had been receiving assistance payments since July 1960, although she apparently is employable since she has been employed part time and, for short periods, full time. She informed the investigators that it would be foolish for her to work because she would lose the welfare payment and that it would be too hard for her to work outside the home and also do the work in the home. Her latest assistance payments amounted to $255 a month.

This ADC mother, before being approved by the PAD as eligible for ADC assistance, had been receiving assistance from the Volunteers of America. This assistance was discontinued when it became known that she was living with a man other than her husband. The investigation disclosed that she has been employed for varying periods as a telephone operator, PBX operator, waitress, and collector. In the latter employment she earned about $40 a week during December 1961. Her employer stated that if she obtained a driver's license she could be employed full time and become self-supporting. The mother admitted that she had two firm job offers during 1962 which she declined for the reasons stated above.

4. A 26-year-old ADC mother of five children had been receiving assistance payments since March 1960 for herself and three of her children; her other two children are under custody of the Child Welfare Division because of her claim that she is too "weak" to care for five children. She appeared to be physically able to work and admitted that she is. Also, it appeared that the lack of a child-care plan should not prevent her from working inasmuch as it had not precluded her from being away from her home for entire nights at which times she either had had her children cared for by a neighbor or had left them unattended. She apparently had undisclosed resources as evidenced by the fact that she lives beyond the means afforded through her assistance payments. She acknowledged that she had relations with a man but contended that such relations were indulged in outside the home with a certain man whom she identified. The investigators, after three home visits and four other visits when they either were not admitted or could not interview the ADC mother because she was absent, and after a surveillance of the home at seven different times to detect arrivals and departures of persons, on being admitted early on a Sunday morning found a man in the ADC mother's bed. The ADC mother represented the man to be her brother but eventually admitted that he was the man she had previously acknowledged as having had relations with. The man was determined to be an employee of the Department of Public Welfare. At the time the assistance payments were discontinued they amounted to $132 a month.

5. A 25-year-old mother of four children, two of whom were fathered by two men other than her husband, had been receiving assistance payments since October 1956, the latest being $181 a month. Upon the investigator's first visit to the home, the mother admitted that she was employable, stated that she did not want investigators coming to her home, and voluntarily signed a statement requesting withdrawal from the ADC assistance program. After she signed the withdrawal statement she said:

> "Now I can have all the men I want in my home and you men can't do a thing about it."

No eligible child in the home

In appendix VII, four cases are listed where no eligible child was found in the home. Also, in one of the cases it was impossible to clarify the living arrangements.

The following cases illustrate the situations in which this finding was disclosed.

1. An ADC mother with one minor child had been receiving assistance pay since December 1948, the latest payments being $88 a month. However, it was determined that the child was over 16 years of age and was no longer eligible for assistance since she had been officially removed from the rolls of the school she was supposedly attending.

Also living in the ADC mother's home was another daughter and her five children and a man who was the father of the youngest of these children. This daughter had also been receiving ADC assistance payments on behalf of herself and the five children. Although the case was not one of the cases included in the investigation sample, the recipients also were determined by the PAD to be ineligible for assistance on the basis of information disclosed during the investigation.

2. An ADC mother of one child had been receiving assistance payments since September 1953, the latest payments being $118 a month. Since August 1961, the child has been living and attending school in New York.

Refusal to cooperate

Listed in appendix VII are eight cases where the recipients were considered to be ineligible because the ADC mothers refused to cooperate with the investigators in their efforts to determine the facts with respect to the recipients' deprivation of parental support or care or with respect to the need for financial assistance. In six of the eight cases, additional ineligibility findings were present. In five additional cases, a refusal to cooperate was present but the recipients were considered to be ineligible for other reasons deemed to be more significant. Thus, the finding of refusal to cooperate existed in 13 cases.

Illustrative cases are:

1. An ADC mother of three children had been receiving assistance payments since November 1959. During the investigation of her case she submitted a statement in which she indicated her wish to withdraw from the public assistance program because she did not want investigators coming to her home nor want to answer any questions about her business or household arrangements.

Prior to the time she submitted that statement, the investigators had disclosed certain facts which apparently were unknown to the PAD. These facts are—

(a) The mother of the ADC mother was living in the home.

(b) The ADC mother was paying $100 a month rent as opposed to $65 which she formerly had been paying at another address, but was receiving $50 a month from a tenant.

(c) Numerous articles of men's clothing were found in a hall closet opposite the ADC mother's bedroom.

(d) The ADC mother was working 4 days a week as opposed to the 2 days a week she had represented to PAD.

(e) Her "absent" husband lives directly across the street from her home.

The ADC mother failed to give satisfactory explanations concerning the articles of men's clothing found in her home, or the manner of acquiring two TV sets and two refrigerators also found in the home.

The PAD has determined that overpayments of $1,400 have been made and has referred the case to the Office of Investigations and Collections for recovery of the overpayments. At the time the assistance payments were discontinued, they amounted to $108 a month.

2. An ADC mother who had been receiving assistance payments since December 1958 on behalf of herself and two children admitted to investigators that she had been carrying on an affair with a man whom she has known for about 20 years and hopes to marry. Despite the frequency of her relationships with this man, which she states occurs about every weekend, she claimed she was unable to provide any information concerning him which would enable investigators to determine the extent of resources available through him. The assistance payments amounted to $142 a month at the time they were discontinued.

Miscellaneous

Listed in appendix VII are six cases which were considered to be ineligible because of findings other than those discussed hereinbefore.

These findings are—

1. A separation of convenience to enable the ADC mother to obtain assistance, rather than a real dissociation of the husband from the family and deprivation of the children of parental support.

2. The presence of coin-operated machines in the home as a source of income, the amount of which could not be ascertained.

3. An employable husband willing to return to the home but not permitted to do so by the ADC mother.

4. The unemployability of ADC mother's husband not established.

5. The failure of a returned husband of an ADC mother to register with the U.S. Employment Service.

Cases closed on the basis of findings disclosed subsequent to the investigation

Attached as appendix VIII is a list of eight cases in which the PAD determined that the recipients were ineligible, although the investigation of these cases did not disclose any information indicating ineligibility. However, the records pertaining to seven of these cases show that PAD's determination of ineligibility was based on events occurring subsequent to the investigation and that the determinations were proper under the circumstances involved in each case. The remaining case on this list was determined by PAD to be ineligible on the basis of findings disclosed by the investigation which in our opinion did not conclusively demonstrate ineligibility. However, we are not in a position to say the action was improper since a judgment factor was involved.

POLICE RECORDS OF ADULTS INVOLVED IN CASES INVESTIGATED

Incident to the investigation of the eligibility of recipients of financial assistance under the ADC program, we requested the Metropolitan Police Department, District of Columbia government, to conduct a name file search of the police records to ascertain the police record, if any, of the adult persons involved in 130 of the cases determined by the PAD to be ineligible. The information on four cases was not requested through inadvertence.

Following is a summary of the results of this record search, classifying the males involved into two categories: one, those men whose names appeared on case records as the husbands of the ADC mothers and the other, those men otherwise identified with the cases:

ADC mothers:	
Has an arrest record	31
Has no arrest record	99
No record check made through inadvertence	4
Total	134
Males: Husbands of ADC mothers:	
Has an arrest record	42
Has no arrest record	11
Other than husbands of ADC mothers:	
Has an arrest record	40
Has no arrest record	18
Information insufficient to obtain record	7
Total	118

The records furnished by the Metropolitan Police Department show that, of the 31 mothers who have police records, 21 had been arrested once, 8 had been arrested twice, 1 had been arrested 3 times, and 1 had been arrested 6 times. The charges included having an unleashed dog, drunkenness, disorderliness, stealing Government checks, and assault with a deadly weapon.

The records showed that 42 of the ADC mothers' husbands had been arrested a total of 358 times. Of the 42 men, 14 had a single arrest, 1 had 2 arrests, 3 had 3 arrests, 2 had 4 arrests, and 22 had 5 or more arrests with 3 of this group each having from 31 to 41 arrests. The records for the 40 other males involved in the cases showed a total of 247 arrests. Of these 40 men, 7 had a single arrest, 4 had 2 arrests, 2 had 3 arrests, 4 had 4 arrests, and 23 had 5 or more arrests with 1 of this group having 29 arrests. The charges in the cases of both groups of men included drunkenness, disorderliness, housebreaking, robbery, grand larcency, assault with a deadly weapon, manslaughter, and homicide.

PLACEMENT OF CHILDREN IN JUNIOR VILLAGE RESULTING FROM CASES CLOSED SUBSEQUENT TO INVESTIGATION

At our request the DPW made a check of the Child Welfare Division (CWD) files to determine the number of children that had been placed in Junior Village because of the discontinuance of financial assistance as a result of the ineligibility determinations.

The Director, DPW, informed us by letter dated June 13, 1962, that, while the CWD had given attention to the children in 28 of the cases investigated, in only 4 of the cases had any children been placed in Junior Village as a result of the investigation. He stated that, in the other 24 cases, some children had been committed to the DPW as delinquents and had been placed by the CWD in Junior Village, private institutions, or foster homes but that such actions were not attributable to the investigation. The data submitted with the Director's letter showed that as of June 1, 1962, 16 children were involved in the 4 cases, that in 2 of the cases involving 5 children a question exists as to whether the family is actually destitute, and that further investigation by the Office of Investigations and Collections is warranted. Data pertaining to the four cases, as reported to us by the Director, is itemized below.

Case 1—From CWD records

Case opened on May 16, 1962, as the family was destitute. Women's Bureau placed two of the children in Junior Village on May 15, 1962, and CWD placed the other child in Junior Village on May 16, 1962. All three children remain there.

Case 2—From CWD records

Case opened on May 10, 1962, by request of the mother who was referred by the Woman's Bureau because the mother was homeless. Two children were placed in Junior Village on May 10, 1962, and remain there.

Case 3—From PAD records

Three children were placed in Junior Village on May 1, 1962, as homeless. Referral was made by the Woman's Bureau. All these children remain there.

Case 4—From CWD records

Case opened on March 15, 1962, by request of the mother who was referred by the PAD. Six children were placed in Junior Village on March 16, 1962. Two children were placed in Junior Village on March 19, 1962. All eight children remain there.

In case 1 above the recipients were considered ineligible because the ADC mother was found to have been employed for the past 3 years. She was initially determined as qualified for assistance for the reason that she lacked a child care plan, notwithstanding the fact that she had worked for the same employer since 1959. Apparently this employment record was concealed from the social worker, as was the whereabouts of the father of her two youngest children.

In case 2 above the ADC mother was considered to be ineligible because she was continuing a relationship with the father of her children. It was determined that he was unemployed. Although she had received a surplus food certificate, she had not picked up any surplus food since December 1961.

In case 3 above the ADC mother was determined to be living with a man in relationship similar to that of husband and wife. The man was unemployed and evidence was that he did not contribute to the household upkeep. The mother was 3 months in arrears in her rent and said she had no intention of paying it, although she first displayed what proved to be spurious rent receipts. The children were placed in Junior Village after the mother had been arrested for fighting in the street. They had been found unattended in the home on two different occasions by investigators.

In case 4 above the recipients were considered ineligible because the absence of the father of five of the children was one of convenience and not a clear dissociation from the family. This man is being sought by the police as a suspect in a holdup, having been identified by the victim. This fact may account for his absence since he was determined to have been in the home a few days before the initial visit by investigators.

EVIDENCE OF BAD FAITH ON PART OF ADC MOTHERS

The investigation definitely disclosed that reliance cannot be placed on the ADC mothers to reveal the actual conditions or circumstances which have a bearing on the recipients' eligibility for financial assistance. A specific review was made of 85 of the cases closed by the PAD subsequent to the investigation to determine the number of instances in those cases where the mothers had misrepresented facts or attempted to conceal existing conditions or situations. The review disclosed (1) 11 cases where a man was found hiding in the ADC mother's house—in the bedroom, sometimes under the bed; in a closet; or in the bathroom—or attempting to flee by the back door to evade questioning by investigators and (2) 8 cases of gross misrepresentation of information vital to determining the recipients' eligibility. Illustrative of the type of misrepresentation in these cases are: four cases where the ADC mother falsely identified the man found in the house as a relative or gave information concerning the man which further investigation proved to be false, and four cases where the ADC mother supplied rent receipts or other documents which proved to contain false information. In several of the latter cases there appeared to be collusion on the part of others to assist the ADC mother in her attempts to misrepresent her actual living conditions or circumstances.

We believe that the foregoing instances evidence that ADC mothers are obtaining, and attempting to continue to obtain, financial assistance for recipients when they are aware that disclosure of actual living conditions or circumstances to the PAD would reveal that they are not entitled to receive further financial assistance.

USE BY PAD OF CODE REASONS FOR CLOSING CASES

We have reviewed the "code reasons for closing cases" which have been assigned by the PAD to the 127 cases closed as of June 25, 1962, on the basis of ineligibility findings disclosed by the investigation. In our opinion the stated code reasons do not always reflect the actual reasons for terminating assistance and distort any statistical data which is based thereon.

Section 624.500 of the PAD manual provides that the "classification of reasons for closing cases should reflect events that lead to ineligibility with respect to need and the resulting discontinuance of assistance" and states that the codes used are "in conformity with the classification" issued by the Social Security Administration. These reasons classify cases into major groups as follows:

1. Those closed because of death.
2. Those no longer eligible with respect to need.
3. Those no longer meeting eligibility requirements other than need.
4. Those transferred to other assistance programs.
5. Those closed for other reasons.

Code No. 00 is to be assigned to cases closed because of death, 01 to 54 to cases no longer eligible with respect to need, 71 to 79 to cases no longer meeting eligibility requirements other than need, and 90 to 94 to cases transferred to other welfare programs. Code Nos. 54, 79, and 94 are assigned to the general classification of "other" within the second, third, and fourth major groups. Where more than one reason exists for closing a case, the primary code reason is to be assigned.

Our review disclosed that, in 75 of the 127 cases closed, the assigned code reasons for closing the cases were not compatible with what we considered to be the primary reasons for ineligibility. For example, code 79 is required to be used when a case is closed because an eligibility requirement other than need, which is not specifically listed in codes 71–8, is no longer met. The PAD classified 62 of the 127 cases under code 79, whereas, in our opinion, only 23 should have been so classified. A more meaningful classification in the remaining 39 cases would have been as follows:

Code:	*Number of cases*
04, ADC mother employed	1
11, return of absent employed father	10
74, return of absent employable father	7
73, parent no longer incapacitated	9
72, refusal to comply with eligibility requirements	3
94, unable to determine resources—extent of need undeterminable	9
Total	39

On the other hand, five cases classified under other codes, in our opinion, should have been classified under code 79.

Another example of this situation relates to nine cases which PAD classified under code 90 (voluntary withdrawal when reason for such withdrawal is not known) whereas a more meaningful classification would have placed them in code classifications as follows:

Code:	*Number of cases*
11, return of absent employed father	1
74, return of absent employable father	1
73, parent no longer incapacitated	1
72, refusal to comply with eligibility requirements	1
79, no continued absence established	2
94, other—unable to determine resources—extent of need undeterminable	3

It is significant to note that no code reason is prescribed for those cases closed because a recipient was improperly receiving aid. The code reasons provided imply that the changed circumstances in the recipients' situations arose at a time coincident with the closing of the case. We believe that a code reason should be provided for use in those cases that are closed because the recipient had been improperly receiving assistance. In this way the cases closed because improper receipt of assistance could be distinguished from those closed because of changes in recipients' conditions or circumstances.

Mr. BYRD of West Virginia. Mr. President, also subsequent to the action by the House on the District of Columbia appropriation bill, the Comptroller General submitted to the chairman of the Senate Subcommittee on District of Columbia Appropriations a special report on the investigation of the general public assistance category. I ask unanimous consent that the report be printed at this point in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

COMPTROLLER GENERAL OF
THE UNITED STATES,
Washington, D.C., September 6, 1962.

Hon. ROBERT C. BYRD,
Chairman, Subcommittee on District of Columbia, Committee on Appropriations, U.S. Senate.

DEAR MR. CHAIRMAN: Herewith is our report on the investigation of selected cases under the general public assistance (GPA) program, administered by the Public Assistance Division (PAD), Department of Public Welfare, District of Columbia Government, August 1962. We participated in the investigation pursuant to your request of May 3, 1962.

The investigation of 68 GPA cases disclosed that, on the basis of the eligibility requirements and need standards prescribed by the Board of Commissioners, the recipients in 53, or 78 percent, of the cases were ineligible for financial assistance under the GPA program but that in 13 of the 53 cases the recipients were eligible for assistance under the aid to the permanently and totally disabled program.

The results of the investigation lead to the conclusions (1) that the PAD had not taken the required actions necessary to determine whether or not recipients of financial assistance are eligible for continued assistance under the GPA program or are eligible for assistance under another public welfare program, (2) that reliance cannot be placed on recipients to inform the PAD of actual conditions or circumstances which have a bearing on their eligibility for financial assistance, and (3) the GPA cases not covered in the current investigation should be investigated to determine whether or not the recipients are eligible for the financial assistance they are receiving under the GPA program or are eligible for financial assistance under another public welfare program.

We believe, as stated in our earlier report to you on the investigation of selected cases under the aid to dependent children program, that there is a definite need for instituting a continuing field investigation program to determine the eligibility of the recipients of financial assistance under the GPA program for such assistance and the effectiveness of the PAD's administration of the program.

Sincerely yours,

JOSEPH CAMPBELL.

SPECIAL REPORT TO THE SUBCOMMITTEE ON DISTRICT OF COLUMBIA, COMMITTEE ON APPROPRIATIONS, U.S. SENATE—INVESTIGATION OF SELECTED CASES UNDER THE GENERAL PUBLIC ASSISTANCE PROGRAM, DEPARTMENT OF PUBLIC WELFARE, DISTRICT OF COLUMBIA GOVERNMENT, AUGUST 1962

(By the Comptroller General of the United States, September 1962)

The General Accounting Office has participated with the Department of Public Welfare (DPW), District of Columbia government, in an investigation of selected cases administered by its public assistance division (PAD) under the general public assistance (GPA) program to determine the facts having a bearing on the eligibility of the recipients for assistance under the eligibility factors and need standards, as prescribed by the Board of Commissioners, and to establish whether, on the basis of the facts, the recipients are eligible for such assistance. The General Accounting Office participated in the factfinding phase of the investigation pursuant to the request on May 3, 1962, of the chairman, Subcommittee on District of Columbia, Senate Committee on Appropriations.

The purpose of the general public assistance program, as indicated in departmental regulations and the PAD Manual, is to provide assistance to needy persons who are unemployable, but who are not eligible for assistance under a program in which the Federal Government participates financially, and to help them, as far as possible, to become self-supporting. The program is conducted under authority contained in appropriation acts for the District of Columbia which provide for the relief and rehabilitation of indigent residents.

The PAD Manual provides that an unemployable person to be eligible for assistance (1) must be between the ages of 16 and 65, (2) must have been a resident of the District of Columbia for at least 1 year, and (3) must lack income or other resources sufficient to meet his subsistence requirements determined on the basis of budget standards prescribed by the Board of Commissioners. The manual defines an unemployable person as one who has a physical or mental disability which precludes him from working full time; that is, 40 hours a week, in competitive employment. The manual specifically provides that assistance shall be denied to a person who is eligible for benefits under a program but who does not apply for such benefits or who refuses recommended treatment (other than surgery) or rehabilitation services which may aid him in regaining or increasing his earning capacity. The manual contains detailed procedures, criteria, and instructions for determining the eligibility of a person for public assistance and the amount of the assistance.

The Department of Public Welfare investigation of the GPA cases in which we participated was undertaken pursuant to a request of the Senate Committee on Appropriations in its report on House bill 8072 (S. Rept. 993, 87th Cong.), a bill to provide appropriations for the District of Columbia for 1962. That request pertained also to an investigation of aid-to-dependent-children (ADC) cases in which we participated and submitted a report (B-25435) on July 26, 1962, to the chairmen, Subcommittees on District of Columbia, Senate and House Committees on Appropriations, pursuant to a request on March 6, 1962. The planning, direction, and conduct of the investigation of the GPA cases were carried out generally along the same lines as those set forth in the aforementioned report on the investigation of the ADC cases.

INVESTIGATIVE FINDINGS AND ACTIONS TAKEN

The PAD Office of Research and Statistics selected for investigation—on a random sampling basis—80 cases from the March 1962 GPA welfare rolls exclusive of cases involving incompetents, persons in foster or nursing homes, and Cuban refugees, which cases were specifically exempted from the scope of the requested investigation. Of these cases, nine had been closed prior to the commencement in June 1962 of the investigation and three cases were not investigated—two cases because the recipients were incompetent and one case because the recipient lived outside the District of Columbia. Therefore, the investigation actually pertained to 68 cases—approximately 5 percent of the GPA caseload exclusive of cases exempted from the scope of the investigation.

By August 21, 1962, the PAD had informed us that their eligibility determinations, based on the investigative findings and certain events occurring subsequent to the investigation, had resulted in the following actions with respect to the 68 cases investigated:

	Number of cases	Percent of total cases
Financial payments continued under the GPA program but adjustments considered necessary:		
Adjustments in payments based on existing need	6	
Miscellaneous administrative adjustments	7	
Total	13	19
Financial payments discontinued under the GPA program:		
Ineligible for public assistance	40	
Eligible for public assistance but under the aid to the permanently and totally disabled program	13	
Total	53	78
Financial payments suspended under the GPA program pending:		
Submission of medical information	1	
Definite determination of resources	1	
Total	2	3
Grand total	68	100

FINANCIAL ASSISTANCE PAYMENTS CONTINUED UNDER THE GPA PROGRAM

The investigation disclosed information which resulted in the PAD's determining that the recipients in 13, or 19 percent, of the 68 cases investigated are eligible for continued financial assistance. However, adjustments in the amount of the assistance payments were necessary in six cases and some administrative action was required in seven cases to bring them into conformity with the PAD Manual requirements.

FINANCIAL ASSISTANCE PAYMENTS DISCONTINUED UNDER THE GPA PROGRAM

The PAD determined that in 53 cases the recipients were ineligible for financial assistance under the GPA program—in 51 cases on the basis of investigative findings and in 2 cases on the basis of events occurring subsequent to the investigation, but that in 13 of the 53 cases the recipients were eligible for assistance under the aid to the permanently and totally disabled (APTD) program. The investigation disclosed that these 13 cases either had not been referred to the medical review team (MRT) for a determination of eligibility under the APTD program or had not been transferred to the APTD program upon the MRT's determination of eligibility under that program.

The 38 cases in which the recipients were determined by the PAD to be ineligible for financial assistance under the GPA program on the basis of the investigative findings are classified in the following table according to the investigative finding which, in our opinion, had the most significant bearing on the recipient's eligibility.

	Number of cases
Recipients:	
Employed	12
Employable	6
Resources undeterminable and/or unreported	12
In District hospitals	3
Failure to cooperate	4
Failure to meet residence requirement	1
Total	38

Recipients employed

The investigation disclosed that the recipients of financial assistance in 12 cases were employed—in 5 cases full time and in 7 cases part time. The earnings of two recipients who were employed part time were equal to, or in excess of, their subsistence requirements computed on the basis of the prescribed standards. The earnings of the other five recipients who were employed part time could not be determined.

The PAD Manual, in section 352.321, provides that a recipient who is able to work part time and who is engaged in an occupation where it is not possible to obtain accurate, reliable information concerning the amount of his earnings shall be ineligible for assistance. The manual, in section 350.000, provides also that a recipient who refuses to, or does not, clarify the extent of his earnings shall be ineligible for assistance.

The PAD determined, on the basis of the investigative findings, that the 12 recipients were ineligible for continued financial assistance—in 5 cases because the recipients were employed full time, in 2 cases where the recipients were employed part time, because there was no need for assistance, and in 5 cases where the recipients were employed part time because the need for assistance could not be established.

Recipients employable

The investigation disclosed five cases where the recipients were receiving financial assistance and one case where the financial assistance payments to the recipient had been temporarily suspended although the case files contained no evidence that their eligibility for such assistance had been reestablished as required by the PAD Manual. The manual, in section 245.130, requires that the eligibility of a recipient for financial assistance under the GPA program must be reestablished periodically on the basis of a medical determination of unemployability.

The PAD subsequently obtained current medical reports for the six recipients and on the basis of an evaluation of the reports determined that they were employable and no longer eligible for financial assistance. The payments were thereupon discontinued.

Recipients' resources undeterminable and/or unreported

The investigation disclosed evidence in 12 cases where the recipients had available resources that had not been reported to the PAD. Also the extent of such resources could not be determined. The recipients in two cases had obtained part-time employment in performing odd jobs, in two cases either were receiving or were eligible to receive statutory benefits equal to the amount of their assistance payments, and in the remaining eight cases either were living on a scale beyond that possible under the financial assistance being provided, were obtaining assistance from relatives or friends, or had other resources.

In each of these cases the recipients were either unwilling or unable to clarify their resources. Therefore it was impossible to definitely establish that a need for financial assistance existed. The PAD Manual, in section 350.000, specifically provides that in such situations assistance shall be denied to recipients.

Recipients in District hospitals

The investigation disclosed three cases that had not been closed although the recipients had been admitted to a public institution for an indefinite or indeterminate period—two to the Glenn Dale Hospital and one to the District of Columbia General Hospital.

Recipients' failure to cooperate

The investigation disclosed four cases where the facts clearly showed that the recipients were ineligible for continued financial assistance under the GPA program because they had not kept the PAD informed of their whereabouts and/or refused to accept rehabilitation services. A synopsis of these four cases follows:

1. The investigation disclosed that since December 1961 the recipient had not lived at the address of record in the case file to which the monthly assistance payment checks had been mailed up to May 1962, when payments were suspended pending a redetermination of eligibility for continued assistance. As a result of the investigative finding, the PAD discontinued assistance on the basis of loss of contact. Since December 1960, the date of the last PAD approval of the recipient's eligibility for financial assistance, the recipient had been arrested 12 times for drunkenness, disorderly conduct, or other charges, the latest arrest for drunkenness, which occurred during the period of the investigation, resulting in his being sentenced to the Occoquan workhouse for 30 days.

2. The investigation resulted in locating the recipient's husband and in the recommendation to the PAD that he be contacted with regard to supporting his wife. The investigation disclosed also certain questionable circumstances surrounding the recipient's relationship with another man. The PAD attempted to follow up on these investigative leads but was unable to establish contact with the recipient either at her home or, as requested, at the PAD office. The PAD therefore closed the case on the basis that a determination of continued need could not be established.

3. The investigation disclosed that the recipient did not live at the address of record in the case file and that he had been employed under a different name for a 2-week period at a rate of $45 a week but had quit the job because of the low rate of pay. Subsequently he was arrested for attempting to set the house in which he lived on fire and sentenced to confinement in the District of Columbia jail for 90 days. The PAD closed the case on the basis that the recipient had refused reasonable employment.

4. The recipient in this case was a known alcoholic, and the assistance payments were made to a vendor payee on his behalf. The vendor payee improperly retained and cashed assistance checks while the recipient was confined in jail for drunkenness. The designation of the vendor payee as a responsible person to act for the recipient is questionable since, aside from his improper retention and cashing of assistance payment checks, he has been arrested twice for keeping and selling liquor. The recipient has a record of 184 arrests—136 arrests for drunkenness, including 4 arrests since August 1961 when he was determined by the PAD to be eligible for financial assistance. The medical review team had determined that the recipient is employable on a full-time basis in a job where he would be potentially dangerous neither to himself nor to others. However, the PAD had not referred the recipient either to the U.S. Employment Service for possible employment or to the District Department of Vocational Rehabilitation for rehabilitative services. He refused to accept a referral to the municipal lodging house for a "drying out" period. The PAD closed the case on July 31, 1962, on the basis that the whereabouts of the recipient was unknown since his release from jail on July 23, 1962.

Recipient's failure to meet residence requirement

The investigation disclosed one case where the recipient of financial assistance under the GAP program was not eligible for such assistance at the time he applied for the assistance because he had not lived in the District for 1 year immediately preceding his application for assistance, an eligibility requirement prescribed in section 231.135 of the PAD Manual. The investigative unit immediately notified the PAD that the recipient had not met the residence requirement. However, the PAD reinstated financial payments to the recipient for an adjustment period of 1 month following his discharge from the hospital on June 22, 1962, as employable, solely on the basis of the recipient's statement that he had been out of the District for only 2 or 3 weeks during the year preceding his application for assistance. The investigative unit did not concur with this action and furnished the PAD with additional proof that the recipient had been employed in Norfolk, Va., during the year in which he had claimed to have resided in the District. Thereupon, the PAD determined that the entire amount of financial assistance that had been provided to the recipient during the period from January 1962, when he was initially determined to have been eligible for assistance, through July 1962, when the assistance payments were discontinued, should be recovered on the basis that the assistance had been fraudulently obtained.

DELAYS IN TAKING REQUIRED ACTIONS

The investigation disclosed that the PAD had not required some recipients under the GPA program to submit medical reports and had not referred the cases to the medical review team for determination of the recipients' unemployability or for consideration of their eligibility for financial assistance under the aid to the permanently and totally disabled program as required by the PAD Manual.

The manual states, in section 245.130, that "general public assistance is considered primarily as assistance to individuals whose unemployability will be of short duration. When, in making redeterminations of continuing eligibility, the worker has received two or more medical reports indicating that unemployability still exists, and assistance has been continued for as long as 6 months, the case must be referred to the review team for recommendations and/or consideration of eligibility for APTD."

In section 244.135, that "the worker is responsible for setting his controls in such a way that he will be reminded of the case in time to obtain a new medical report and to prepare a revised social information report in time for whatever review date the team had set for the next team evaluation of the case."

And, in section 244.134, that "the social worker is responsible for seeing that all recommendations of the review team are carried out promptly; i.e., within 30 days after the action was recommended."

The 53 cases where financial assistance payments were discontinued under the GPA program, as a result of the investigation, include 13 cases that had not been referred to the MRT, after the recipients had received assistance for 6 months, for periods from 2 to 20 months beyond the required referral dates; 9 cases that had not been resubmitted to the MRT for periods ranging from 1 to 19 months beyond the specified resubmission dates; 7 cases where action recommended by MRT had not been taken for periods ranging from 2 to 5 months.

Of these 29 cases, the PAD determined (1) on the basis of investigative findings, that the recipients in 15 cases were ineligible for any financial assistance, (2) on the basis of referrals that were made to MRT following notification by the investigative unit, that the recipients in 13 cases were not eligible for assistance under the GPA program but were eligible for assistance under the APTD program, and (3) on the basis of events occurring subsequent to the investigation, that the recipient in 1 case was not eligible for assistance. The referral of GPA cases to MRT within the prescribed time requirements and the prompt taking of the recommended action would have undoubtedly resulted in an earlier transfer of the 13 cases to the APTD program and an earlier discontinuance of payments in the 7 cases where the recipients were determined to be employable. The ineligibility of the recipients for assistance in the remaining eight cases was ascertainable only by field investigation.

CONCLUSIONS

The results of the investigation of the 68 GPA cases lead to conclusions similar to those set forth in our report on investigation of selected cases under the ADC program, referred to on page 3 of this report; namely, (1) that the PAD had not taken the required actions necessary to determine whether or not recipients of financial assistance are eligible for continued assistance under the GPA program or are eligible for assistance under another public welfare program, (2) that reliance cannot be placed on recipients to inform the PAD of actual conditions or circumstances which have a bearing on their eligibility for financial assistance, and (3) the GPA cases not covered in the current investigation should be investigated to determine whether or not the recipients are eligible for the financial assistance they are receiving under the GPA program or are eligible for financial assistance under another public welfare program.

We believe, as stated in the aforementioned report, that there is a definite need for instituting a continuing field investigation program with the objective of investigating GPA cases for the purpose of determining the eligibility of the recipients for financial assistance and the effectiveness of the PAD's administration of the GPA program.

Mr. STENNIS. Mr. President, will the Senator yield for 1 minute?

Mr. BYRD of West Virginia. I yield.

Mr. STENNIS. I dislike to interrupt the continuity of the Senator's remarks, but I am obliged to leave the Chamber for a time. That is why I have asked the Senator to yield at this point.

As a member of the Committee on Appropriations, I have followed to the greatest degree I could the hearings held by the Senator from West Virginia. I have read some of the reports and special reports, have conferred with him, and have kept in touch with him. His earnestness and sincerity have left me with a very fine, high impression of his ability. I do not wish unduly to praise or compliment him, but it is a pleasure for me to say as a fellow Senator that I believe his work has shown senatorial statesmanship of the highest order. I have not seen anything in the years I have been a Member of the Senate which excels it. I think the Senator from West Virginia deserves the thanks of every Senator, of Congress, of the officials of the District of Columbia, and of the people of the Nation.

I believe it would be most helpful and wholesome for all such programs for the entire Nation to receive the same kind of investigation, inquiry, and analysis that he has so well made of these programs for the District of Columbia. In my opinion he has shown in a very fair and impartial way that these programs cannot continue unless they are cleaned up and are put on a sounder basis. I think that is a challenge to the entire Nation, and I think the work he has done is a challenge to every State government which has to do with the administration of such programs, particularly those dealing with public welfare and related matters. It is one of the most difficult subjects imaginable to deal with and handle, at the very best, and certainly it cannot be handled at all if it is allowed to run loose at both ends.

As I have said, I do not wish to praise unduly the Senator from West Virginia or any other person, but the work he has done has been a labor of love, and, as I have already said, I believe his work represents the Senate and the entire legislative branch of the Government at the very highest level. The legislative branch must assert itself more in connection with the handling of these programs.

So I thank the Senator from West Virginia very much, indeed.

Mr. BYRD of West Virginia. Mr. President, I thank the distinguished Senator from Mississippi for his very kind remarks.

Mr. HUMPHREY. Mr. President, will the Senator from West Virginia yield to me?

Mr. BYRD of West Virginia. I yield to the senior Senator from Minnesota, the very capable majority whip.

Mr. HUMPHREY. Mr. President, I appreciate the courtesy of the Senator from West Virginia in yielding to me. I know he wishes to complete his analysis of the report of the subcommittee and the full committee on the appropriations for the District of Columbia. However, it is necessary for me to attend briefly a conference at the State Department auditorium on the problem of narcotics and law enforcement in that area. Therefore, I wish to make these few remarks at this time.

Mr. President, every Member of this body is indebted to the Senator from West Virginia [Mr. BYRD] for the work he has done as chairman of this important subcommittee. There were 26 days of hearings, as the Senator has noted, and over 2,500 pages of testimony. The Senator from West Virginia gave patiently and with dedication and sincerity hundreds of hours of work to the consideration of the many problems which confront the District of Columbia, the Federal city.

All of us know that a Senator or a Member of the House of Representatives makes very little impression upon his constituents at home by what he does for the District of Columbia. So this is a labor of love; indeed, I think it can be properly classified as a high point in public service, dedication, and patriotism.

The Senator from West Virginia has given more time to this appropriation bill and to the items contained in it than anyone ever dreamed was possible, or than anyone else would ever have suggested would be done by any Senator. Also, the Comptroller General and his staff have been most helpful. They constitute an arm of the Congress, and the Senator from West Virginia has seen fit to call upon that arm of the Congress to aid him in these important investigations.

I stress the point that the Senator from West Virginia has made this report without reference to even a piece of paper. I have never seen anything like it, and I have been a Member of this body for nearly 13 years. The Senator from West Virginia has placed before the Senate, out of his intimate knowledge of the problems of the District of Columbia, a factual, objective, lucid, detailed report, such as I have never heard presented by any other Senator during my service in the Senate.

So I wish to commend him very much, indeed. Not only does he know the statistics; he also knows what they mean. Every department of the District of Columbia has been given careful attention by the chairman of the subcommittee. Other members of the subcommittee worked with him, but none of us would suggest for a moment that anyone else did the same amount of work that the chairman of the subcommittee did.

Mr. President, I am particularly grateful to the chairman of the subcommittee [Mr. BYRD of West Virginia] for the work he has done in the field of education. I know he has had the able assistance of the Senator from Wyoming [Mr. MCGEE] and others, but I am particularly grateful because of the fact that the Senator from West Virginia saw fit to work with the Superintendent of Schools and the Board of Education of the District of Columbia to improve the educational structure of the District of Columbia. The Senator from West Virginia has set a fine standard, not only for the District of Columbia, but also for other jurisdictions of government. The report given on the basis of the pupil-teacher ratio is an exceedingly progressive and commendable one. The new teachers who have been added, as well as the librarians and the counselors, constitute a substantial improvement of the educational system of the District of Columbia.

I thank the Senator from West Virginia very much, indeed, too, for his favorable consideration and support—without it nothing would have happened—in connection with the problem of providing adequate books for the District of Columbia schools. It is true that when I saw some of the books which were being used there I was shocked. But as a result of the new report from the Superintendent of Schools, Dr. Hansen, and the work done by the chairman of the subcommittee, we have in this bill an additional $135,400, as the chairman of the subcommittee has said, with which to provide new books and to take care of obsolescence in that connection. We also have $25,000 to begin acquiring books for elementary school libraries.

I hope the subcommittee and the Senate as a whole will stand fast in regard to the amounts the subcommittee has added to the bill. I believe the work which has gone into the report by the subcommittee should be backed by both Houses of Congress. I believe the report by Dr. Hansen should provide the basis to justify these increases. They are sorely needed.

Mr. President, I ask unanimous consent that a table showing the number of obsolete books in District of Columbia schools be included at this point.

I do not believe this material was available to the House subcommittee and I found it very persuasive. I hope the House subcommittee members study this survey carefully.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 1.—*Books considered obsolete because of content or condition in District of Columbia schools*

Level	Obsolete		Total
	Content	Condition	
Elementary school	59,003	3,725	62,728
Junior high school	53,749	21,090	74,839
Senior high school	27,713	17,247	44,960
Vocational high school	5,755	1,819	7,574
Total	146,220	43,881	190,101

Mr. HUMPHREY. In addition, I commend the Senator from West Virginia for his investigation in the field of public welfare. There may be those who will take the position that the investigation was harsh or unsympathetic to the needy. But I know the Senator from West Virginia; he comes from a State in which there are—regrettably—many needy persons, and his heart goes out to the needy, but he does not wish to see public funds wasted. I agree with him; I think these programs are endangered when abuse develops and is not corrected or when there is a lack of proper accounting. I agree with the Senator from West Virginia that the Department of Public Welfare in the District of Columbia should get busy to improve its accounting and its investigative procedures and processes.

A number of additional social workers should be employed, in order to take care of the needy. I know that the chairman of the subcommittee feels, as I do, that once the investigation is completed additional social workers will be employed so that the caseload can be handled more adequately. I trust the investigation will be completed promptly and we can begin to replace investigators with more caseworkers.

On his own volition, the chairman of the subcommittee, after ascertaining the facts, took the initiative to have additional caseworkers employed, so that the handling of the casework would be improved. I commend the Senator and again express the hope that within a few years the District will have an adequate force of caseworkers.

As the investigation proceeds and as the need diminishes, I predict that the District of Columbia will have one of the finest public welfare departments in the United States, if all the rest of us will just back up the chairman of the subcommittee. He already has my backing, and I thank him very much, indeed, for what he has done.

Certainly he also did a monumental job in investigating the road program and the highway program. This item was the only subject of difference we had in the committee, and I believe we have resolved the difference sensibly. The resolution of the item is to be found in the report, which shows that the report of the National Transportation Commission will be given due credence and attention, and that by March of next year a decision one way or another will be made. In other words, a decision has been made to provide the appropriation of $300,000; but if there should be, in the report of the Transportation Commission, something which constitutes a valid objection to the Three Sisters Bridge, then, as I understand, the committee of either House can take action to stop construction of the bridge, if such a determination is made on the basis of the facts.

I want to thank the chairman again. I urge him to stand fast. After the monumental job that the Senator from West Virginia performed, it would be nothing short of a shame if it were diluted through what some call a compromise. I do not think a compromise is required. When one has done a first-class job, the thing to do is accept it. I will do everything I can to be of assistance to the Senator.

Mr. BYRD of West Virginia. I thank the great Senator from Minnesota for his kind remarks.

I point out that had it not been for the interest of the Senator from Minnesota and for his efforts in behalf of full replacement of obsolescent books in the schools, this item would not have been fully attended to. So, as far as I am concerned, all credit for initiating the effort and for pressing the effort and for a successful culmination of the effort goes to the Senator from Minnesota.

As to the addition of counselors in the schools, I think all credit should go to the distinguished senior Senator from Wyoming [Mr. McGee], because it was he who insisted that there be additional counselors in the elementary schools. It was he who insisted that there be additional teachers over and above those provided in the bill passed by the House. I do not mean to say that he met with resistance on the part of the subcommittee, but credit should be paid where it is due.

I only say that if it had not been for the Senator from Wyoming [Mr. McGee] and the Senator from Minnesota [Mr. Humphrey], I am not at all certain that we would have gone as far as we went in the subcommittee and the full committee in regard to these items. The Senator from Wyoming [Mr. McGee] has had much experience in the field of education, and I feel that his suggestions, advice, and counsel resulted in the additional positions for this Department.

Mr. HUMPHREY. Mr. President, will the Senator yield for a final observation?

Mr. BYRD of West Virginia. I yield.

Mr. HUMPHREY. I want the Record to be clear that while the Senator from West Virginia has given this creditable amount of time to the committee, he has diligently fulfilled his duties to the people of West Virginia in every respect. I want the people of West Virginia to know that, because this Senator and his colleague have worked diligently for his State.

How he has found time to do this work for the District of Columbia, plus doing a conscientious and effective job for West Virginia, is beyond me, but he is a young man. He has the vitality of youth that comes to one at that happy moment in life. He has also rendered excellent service in connection with police department work.

Mr. BYRD of West Virginia. I thank the Senator for his kindness.

Mr. ALLOTT. Mr. President, will the Senator yield?

Mr. BYRD of West Virginia. I yield to the affable and diligent Senator from Colorado.

Mr. ALLOTT. I want to add one or two words to what has been said. Although I have no longer the privilege of serving on the subcommittee since the unfortunate and untimely death of Senator Dworshak, of Idaho, I was a member of the subcommittee during a great part of the hearings. I am very glad, also, that the Senator from Minnesota mentioned such a mundane thing as the waste of the public assistance welfare funds as they were administered. I assure the Senator I am interested in his remarks in that respect.

I think a significant aspect of that problem, which goes above and beyond the wastage of public funds, but which is an adjunct and a corollary of it, is that by the waste of such funds we deprive others who need help and who have needed the assistance of the money. Because the money was not there, because others had stolen it—and I do not describe it in any other terms—money was not in the fund which could have been used for needy causes, works, supplies, construction, and hospital support. The money was not there in part because some were misrepresenting and concealing facts from the District of Columbia Welfare Department and the Federal Government.

So far as my observations are concerned—and they go back quite a way in this particular field—I want to congratulate the Senator from West Virginia. He has found himself under fire from all sources, including newspapers. I recall in particular the incident of last fall when some newspapers were attempting to get him to vitiate not only the action of his own committee, but the action of the Congress with respect to appropriations. He stood fast. I was pleased to stand with him, and I would stand with him again.

I have told many who have spoken with me in my own State and in other places that the most difficult thing about appropriations work is making certain that the money is spent for the purpose for which it was intended. The great thing the chairman of the subcommittee has done in one sector of the appropriations is that he has been so vigilant and so driving that I believe people in that Department are convinced that they are going to have to do the job or face the kind of interrogation next year by the subcommittee which they will not be able to stand.

I congratulate the chairman of the subcommittee; I think he has done an outstanding piece of work.

I wish to say a concluding word about the Three Sisters Bridge. As the Senator knows, he was subjected to all kinds of pressure with respect to the Three Sisters Bridge. I am astounded by the absolute lethargy on the part of some people in the District of Columbia regarding their own community. I am astounded that they can get into such petty bickering that they cannot solve basic problems which must be solved. With respect to the Three Sisters Bridge, I think the problem can definitely be solved. It is solved now, unless something should appear in the report of the transit authority in the fall that may upset it.

It is my hope that there will be started and concluded construction of a loop system in the District. We will have to remove one or two trees. We will have to remove one or two bricks that have been there for 200 or 300 years. But if this is to be the capital of the country, facilities must be provided so that the people can have ingress and egress to and from the Capital City of the country. If we are unwilling to face that fact, we had better talk about moving the Capital of the country to another place. I suppose it would not be appropriate for me to agree at this time that Denver would be the best place for it.

Laying aside levity, we must face certain problems. The chairman has done all he can. We admire him for the work he has done. I am sure I speak for the minority, although I am not the ranking minority Member, when I say that he has done a good job. I only hope, when this bill is passed the Senator can do what is the most difficult part of services on the Appropriations Committee, and that is see to it that the money goes to the right people and is used for purposes for which it was intended.

In my opinion, this is really the great contribution the Senator has made to the committee.

Mr. BYRD of West Virginia. Mr. President, I thank the Senator from Colorado. He has provided me with a great deal of inspiration in my service on the subcommittee. He has stood by me faithfully. I think he has done so because he felt that we were endeavoring to do the right thing.

Mr. CASE. Mr. President, will the Senator yield?

Mr. BYRD of West Virginia. I yield to my distinguished friend, the Senator from New Jersey [Mr. Case].

Mr. CASE. I thank my subcommittee chairman.

The Senator from Colorado has spoken well and eloquently. He speaks for the minority members of the subcommittee on all matters except perhaps the Three Sisters Bridge. As to that his vision is somewhat clouded, but, fortunately, we have reached a solution which will give us time to clear the confusion existing in that and other quarters.

Apart from that, and quite seriously, I wish to add my voice to those voices which have already spoken in high and deserved praise of the work by the chairman of the subcommittee, the Senator from West Virginia [Mr. Byrd], rendered over the period of his tenure as chairman, and to my knowledge particularly during this year, my first year on the committee and on the subcommittee.

We should not be doing this work at all, of course. It takes away from time we ought to be spending on matters for which we were sent to the Senate from our States, yet the job is in our laps and must be done. That being so, the diligence and the incredible amount of time and energy the subcommittee chairman has given are already having very fruitful results, and will continue to have.

I express to the Senator, as a citizen of this country, my appreciation for the job he has done in helping to make our Capital City a better city and helping to keep it on the right track. As an individual member of the subcommittee, I express my appreciation for his unfailing courtesy in the pleasant treatment we on the minority side, as well as all members of the subcommittee, have received at his hands.

Mr. BYRD of West Virginia. Mr. President, I thank the Senator from New Jersey. I have had the utmost cooperation from the distinguished Senator since he became a member of the subcommittee. I think that the package which we are able to offer to the Senate today has been made possible in large measure because of the active support of the Senator from New Jersey and the very fine contribution he has made.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. BYRD of West Virginia. I yield to the distinguished Senator from Kentucky.

Mr. COOPER. I should not interfere with the Senator's presentation on the bill, but I wish to say in the Senate what I have said personally. I am not on the Committee on Appropriations, so I speak from a different aspect.

I have at times thought that perhaps those of us who are not members of the Committee on Appropriations, particularly the subcommittee relating to the District of Columbia, might tend to look at matters relating to the District of Columbia in a rather routine way. That might be because the work of the committee at times might be carried on in a routine way.

I can relate only my own experience, but this year, as I began to read about the work which the Senator was doing, my interest in what was happening in the District of Columbia was stimulated. I am sure that other Senators, as well as Members of the House, had the same feeling of added and new interest in the District of Columbia. I think that is important.

I have always felt that although the District of Columbia is not a part of our first constituency it is the Capital of the United States and ought to be a model for the country, and indeed for the world.

Not only has the Senator found some defects in the District of Columbia and exposed them to public view, but also he has worked hard to correct the defects in a constructive way. I think what he has done in some fields could very well be a model to other States of the Union.

After watching the Senator's work, I have the hope that his work will continue to be constructive in the best sense—and I know it will. I hope that from his work will come a growth of the District of Columbia, relating to all work of all types, as well as its beauty and its cultural aspects, so that it can be truly a Capital of our country and of the world.

I admire everything the Senator has done.

Mr. BYRD of West Virginia. Mr. President, I thank the Senator from Kentucky, and I appreciate very much his generous and kind remarks.

As I pointed out earlier, when the subcommittee began its deliberations upon the bill it had access to information which was not available to the House of Representatives at the time that body took action on the appropriation bill. The subcommittee of which I am chairman had before it three reports submitted by the General Accounting Office and written over the signature of the Comptroller General. Additionally, the subcommittee had a report on the investigation into the ADC category, made by the Department of Public Welfare in the District of Columbia. I ask unanimous consent that that report may be included in the RECORD at this point.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

TASK FORCE REPORT—SUMMARY OF FINDINGS, SPECIAL INVESTIGATION, AID TO DEPENDENT CHILDREN CASES

I. INTRODUCTION

The subcommittee of the Committee on Appropriations of the U.S. Senate in the Senate Report 993 on H.R. 8072, the District of Columbia appropriation bill, 1962, expressed its concern "over this upsurge in grants and recommends that the Department establish, within available funds, a pilot project composed of at least five investigators to ferret out any so-called freeloaders who may be benefiting under the public assistance program."

On October 5, 1961, the Commissioners approved the Department's proposal for a special investigation project and the assignment to it of five experienced investigators from the Office of Investigations and Collections to conduct an intensive field investigation of a random sampling of ADC cases and GPA cases to determine the validity of these caseloads. The Commissioners also approved the establishment of an investigative committee at the department level to plan and direct the operation of this project. This committee was established under the chairmanship of the Deputy Director of Public Welfare and consisted of the investigations and collections officer, program officer, and the chief of research and statistics from the Department of Public Welfare. It also included the chairman of the Public Welfare Advisory Council, two representatives of the Internal Audit Office, District of Columbia, and a representative of the Office of the Corporation Counsel, District of Columbia. The committee developed the procedures and methods that were followed in the special investigation project. These procedures are set forth in appendix No. 1.

II. SELECTION OF RANDOM SAMPLE

The ADC random sample for the special investigation project was selected by the chief of research and statistics from the statistical card file of ADC cases active as of September 30, 1961. These records showed 5,601 cases active at that time. A random sample was used because of the size of the caseload.

A standard method of selecting a random sample was used. A 10-percent sample was selected and then divided into two 5-percent samples by placing all odd-numbered cards into one 5-percent sample and all even-numbered cards into the other 5-percent sample. The first 5-percent sample was used for the special investigation project.

The random sample master list was held confidential and cases were furnished the special investigation project upon request without prior knowledge of the agency or of the project on what cases were to be furnished.

III. SPECIAL INVESTIGATION PROJECT

The special investigation project under the direction of the investigations and collections officer was started on November 13, 1961. Assigned to the project, in addition to the investigations and collections officer, were five OIC investigators, a case evaluator, who was formerly a supervisor in the Public Assistance Division, and two clerks. The ADC random sample cases were forwarded from the Public Assistance Division to the project where they were reviewed by the case evaluator. The evaluator prepared a schedule of eligibility factors (app. No. 2) on each case and turned the schedule and the PAD case record over to the investigator. Individual cases were assigned to the OIC investigator who examined the case record and extracted any additional information thought to be pertinent to the investigation of the case. The investigator conducted an intensive investigation on each case, including in many instances surveillance of the recipient's home. He prepared a report of findings on each case based on the facts that he had uncovered. This report of investigative findings was forwarded by the project to the Assistant Chief of the Public Assistance Division for a decision on the agency action to be taken on each case. The PAD decision on action taken was returned to the special investigation project and was reviewed by the investigations and collections officer to assure concurrence by the project with the PAD decision. The special investigation project then reported the total action and findings to the investigative committee where statistical study of the factors involved in each case was made by the Chief of Research and Statistics.

Five additional investigators from the Department were assigned to the project February 4, 1962, making a total of 10. In order to further expedite the investigation, the Commissioners on March 1, 1962, requested the chairman of the House and Senate subcommittees of the Committees on Appropriations for the District of Columbia to provide additional assistance. As a result, the committees arranged with the General Accounting Office to furnish additional staff for the project. Their investigators were assigned to work as a team with the welfare investigators. The combined operations started on March 15, 1962. By that time the welfare investigators had completed their review of 135 cases of 48.2 percent of the total sample. All field investigations were completed on May 1, 1962, and agency action on these cases was completed on May 15, 1962.

IV. SUMMARY OF FINDINGS

Since the investigation extended over a 6-month period, it would be expected that during this period a certain number of the cases would be closed by the caseworkers through normal operational procedures. It was actually found that 9 cases were inactive at the time of selection and that 33 cases had been closed by the caseworkers by the times the case evaluator was ready to review them. These cases were not investigated. Two other cases were not investigated—one because the recipient was residing in the Department's Training Center and the other because the record erroneously indicated the case was closed. It was not until the project had been completed that it was found that the case was actually active. Therefore, 236 cases were reviewed by the special investigation project. Four cases were found to be ineligible as a result of the case evaluator's review, and 232 cases received full investigation. Of these 232 cases, 137 were closed subsequent to the investigation and 95 were continued on assistance.

Recapitulation

Total cases in 5-percent sample	280
Inactive at time of selection	9
Closed by caseworker before review	33
Not investigated	2
Total cases reviewed by special investigation project	236
Cases closed on basis of record review	4
Cases closed subsequent to field investigation	137
Continued on assistance	95

V. REASONS FOR CASES CLOSED (141)

There was a total of 141 cases closed as a result of the activities of the special investigation project. Four of these cases were closed on the basis of record review and 137 after full field investigation. These 141 cases involved 4,366.4 hours of investigation time or an average time spent on each case of 31 hours.

An analysis was made of the 141 closed cases to determine the principal factors of eligibility involved. Since the coded reasons for closings are based on the Department of Health, Education, and Welfare statistical reporting requirements, these are not always fully descriptive in relation to agency policy and regulations. Therefore, the chairman of the Investigative Committee and the Chief of Research and Statistics analyzed these cases and classified them in terms of the specific policy and regulation constituting the principal violation.

A. Cases closed on basis of record review	4
Mother employable	1
Incapacitated father now employable	1
Father returned to home	1
Inability to determine resources	1

B. Cases closed subsequent to field investigation	137
Continued absence and association	57
Incapacity of parent	3
Need not established	30
Mother employable	33
Voluntary withdrawals	7
Other	7

1. Continued absence and association.. 57

In accordance with the policies and regulations as set forth in section 243.000 of the PAD Manual, a child is eligible for aid to dependent children in the District of Columbia if in need because of the death, incapacity, or continuous absence from the home of one or both parents. A parent is considered to be continually absent if he is known to be residing away from home under conditions which imply a definite dissociation from the normal marital relationship and from the normal exercise of parental custody and control of the children. Continued absence does not exist if the father is out of the home for the purpose of working elsewhere or even if he maintains separate quarters if he has free access to the home and continues to exercise the prerogatives of a husband and parent.

Parent is defined as a natural parent, stepparent, common law parent, and under agency policy children are ineligible when living in the home with their mother and a man regardless of whether such man is her husband or the father of her children if the man maintains a continuing relationship similar to that of a husband and father. Even when the man maintains a separate address, if he has free access to the home and acts as a substitute husband and father, the children are denied financial aid. Under District regulations ineligibility in these situations exists even though financial need may exist.

In analyzing cases in this group, various aspects of this policy were taken into consideration and cases were classified as follows:

(a) Continuing absence not established.. 39

In these cases evidence was found that a male person was actually living as part of the household. There were 23 in which the male person was a father of one or more of the children and in 16 cases he was not the father of any of the children.

(b) Continuing relationship.......... 13

This group consists of cases in which the male person was not found to be a part of the household, but the relationship with the mother was found to be continuing to the extent that there was violation of that part of the policy relating to continuous association. In five of the cases the mother's association was with a man who was the father of one or more of the children. In eight of the cases the mother's association was with a man who was not the father of any of the children.

(c) Fathers returned.................. 5

In five cases there was evidence that the father of one or more of the children who had been absent had returned to the home. One of the fathers was considered employable and four of them were employed.

2. Incapacity of parent............... 3

Children are eligible for ADC if the father, although in the home, is incapacitated. There were three cases found in which the fathers were no longer incapacitated.

3. Need not established............... 30

In accordance with agency policy, section 350,000 of the PAD Manual, it is required that in establishing need the agency must have factual and authentic information concerning an applicant's income and resources and that a person who refuses to supply, obtain, or authorize the worker to obtain information in this regard shall be considered ineligible.

Review of these cases shows that in most of them there was one or more possible sources of income and resources which could not be clarified.

4. Mother employable.................. 33

In accordance with section 243.121 of the PAD Manual, a mother who is physically able to work is considered to be employable if she or the agency considers that satisfactory arrangements can be made for the care of her children. In this group of cases the agency found, based on the facts revealed in the investigation, that the mothers were no longer eligible in accordance with this policy.

5. Voluntary withdrawals.............. 7

The seven cases in this group withdrew during the process of the investigation before sufficient facts had been established to determine eligibility. There were other withdrawals during the process of the investigation, but facts in these cases had been sufficiently established to classify them, and they have been included in the above groupings.

6. Other.............................. 7

These are cases in which either the children in the home are no longer eligible or there are no eligible children in the home. Specific reasons for closing the cases are as follows:

No eligible children in home	3
Court committed children	1
Children no longer in need	2
Relationship not established	1

VI. CHARACTERISTICS OF CLOSED CASES (141)

A. Amounts of assistance

Total amount of monthly grant given	$22,206.00
Average amount of monthly grant	157.49

In 62 of these cases, the monthly assistance grant was supplemented by other income which was known to the agency and had been deducted from the basic grant. Sources of income in these cases are as follows:

Contributions from father of child	44
Earnings of mother	5
Veterans benefits	5
OASDI	2
Contributions from 2 or more sources	6

B. Length of time on assistance

Total number of months cases received assistance	5,190
Average number of months on assistance since last opening	([1])

[1] 36.8 months or 3.1 years.

C. Status of legitimacy

Total number of children	538
Illegitimate	238
Legitimate	300

D. Ages of children

Total number of children	538
Age 17 to 13	84
Age 12 to 6	251
Age 5 to 0	203

VII. CASES CONTINUED ON ASSISTANCE (95)

Ninety-five cases investigated were continued on assistance. The total man-hours involved in these investigations was 2,838.4 hours or an average of 30 hours per case. Of this group 23 of the cases required no agency action. Twenty-one cases required change in the grant and in the remaining 51 cases, factors were revealed in the investigation which required the agency to take further action to clarify eligibility factors and resources.

A. Cases requiring grant action........ 21

In two of these cases the grant adjustment resulted in an increase—one for $6 per month and one for $44 per month. Adjustments in the other 19 resulted in decreased grants ranging from $9 to $96 per month with an average decrease per case of $53 monthly.

B. Cases requiring administrative action.. 51

The administrative action required in these cases involved further verification and clarification of eligibility factors. These are classified as follows:

Living arrangements	2
Employability of adult in recipient group	20
Potential resources of support	17
Continuing presence or relationship of man	4
Voluntary support or court support order	2
Overpayment	2
Other	4

C. Amount of assistance:	
Total amount of monthly grant given	$14,788.00
Average amount of monthly grant	156.00
D. Length of time since last opening:	
Total time since last opening (months)	4,596
Average time per case since last opening	([1])
E. Status of legitimacy:	
Total number of children	325
Illegitimate	149
Legitimate	160
Unknown	16

[1] 48.4 months or 4.4 years.

F. Ages of children:

Total number of children	325
Age 17 to 13	74
Age 12 to 6	154
Age 5 to 0	97

VIII. CONCLUSION

The committee considers that the method and procedures estalished for the operation of this project proved to be valid and except for a modification of the case review schedule decided that these same procedures would be followed in the investigation of the general public assistance cases. The committee further concludes that the Department of Public Welfare should give consideration to the incorporation of this type of investigation method into the regular departmental program to insure a continuous independent sampling in the various categories of public assistance. The Director of Public Welfare indicated that the Department is now formulating plans to accomplish this. These plans are being developed in conjunction with the task force appointed by the Commissioners to review PAD operation and policies, the Internal Audit Office, and other appropriate District agencies.

APPENDIX 1

INVESTIGATION PROJECT

I. PURPOSE

To investigate a scientific sampling of ADC and GPA cases; to investigate the eligibility of the recipients as disclosed by the case record and by field investigations; to make such other investigations as the committee may determine; to evaluate the findings and to make such recommendations for future procedures as the committee deems appropriate.

II. METHOD

(a) Five percent of the aid to dependent children caseload and 10 percent of the general public assistance caseload to be selected by scientifically random sampling.

(b) The records on these cases would be analyzed by an evaluator trained in the eligibility factors required by the statutes and regulations and field investigators would verify these factors.

(c) Findings to be evaluated and administrative action taken immediately on those found ineligible.

(d) Statistical analysis of all findings as well as all questionable cases to be referred to the investigation committee for further analysis and evaluation.

III. OPERATIONAL PROCEDURES

(a) A 5-percent random sampling of the September ADC active caseload and a 10-percent sampling of the general public assistance caseload to be made by the Office of Research and Statistics.

(b) A master control card file to be set up on these cases and maintained only in the Office of Research and Statistics.

(c) The eligibility evaluator will receive cases as needed from the administrative assistant of the Public Assistance Division. This will require that the Office of Research and Statistics will advise the administrative assistant in Public Assistance of the cases as they are required and she will be responsible for securing the cases from the active files without prior notification to the casework units concerned.

(d) The case evaluator will read the case record and analyze it, noting on a prepared schedule (see appendix 2) the factual information and items of eligibility involved in the particular case. This will then be immediately forwarded to the field investigator with the record.

(e) The field investigator will validate all items of eligibility regardless of whether or not any question has been indicated by the eligibility evaluator. The investigators will note on the attached schedule confirmation or lack of confirmation on the items concerned and will also report all irregularities found.

(f) If during the course of the investigation ineligibility is found, the eligibility evaluator will immediately refer this case to the Assistant Chief of the Public Assistance Division and will require within a specified time limit a report of action taken. Should it be found that in some instances the agency considers the case still to be eligible, the matter will be referred to the Chairman of the Investigation Committee who will make appropriate determination with the Committee. All cases will be forwarded to the Office of Research and Statistics for statistical evaluation.

(g) The findings of the project as summarized and analyzed will be reviewed by the Committee which will make recommendations as to further avenues of investigation dependent upon the nature and content of the findings.

Mr. BYRD of West Virginia. Moreover, the subcommittee had at its disposal during the hearings a report which had been submitted by the Department of Public Welfare on the investigation of the GPA category. I ask unanimous consent that that report may be included in the RECORD at this point.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

GOVERNMENT OF THE DISTRICT OF COLUMBIA,
DEPARTMENT OF PUBLIC WELFARE, OFFICE OF
INVESTIGATIONS AND COLLECTIONS

AUGUST 30, 1962.

Memorandum to: Mr. Donald D. Brewer, Chairman, Investigative Committee.

Subject: Report by special investigation project on GPA random sample cases investigated.

A random sample comprising 80 cases was selected from the General Public Assistance (GPA) caseload for an investigation by the special investigation project to determine the validity of the GPA caseload. The purpose of the GPA program is contained in appendix A.

The GPA random sample cases were forwarded from the Public Assistance Division to the special investigative project where they were reviewed by the case evaluator. The evaluator prepared a schedule of eligibility factors on form S-101 (app. B) on each case, and turned the schedule and the PAD case record over to the investigator. Individual cases were assigned to a team composed of one Office of Investigations and Collections investigator (OIC) and one General Accounting Office investigator (GAO), who examined the case record and extracted any additional information thought to be pertinent to the investigation of the case.

The first case record was received by the special investigation project on June 1, 1962. The field investigation began on June 4, 1962. However, the investigation was not in full operation until June 11, 1962. The investigation was completed on July 16, 1962. The investigator team conducted an intensive investigation on each case. The investigators prepared a report of findings on each case based on the facts that they had uncovered. This report of investigator findings was forwarded by the project chief to the assistant chief of the Public Assistance Division for decision on the agency action to be taken on each case. The final investigation report was forwarded to PAD for their decision on July 18, 1962. The PAD decision on action taken was returned to the special investigation project and was reviewed by the investigations and collections officer to insure concurrence of the project with the PAD decision. The special investigation project then reported the total action and findings to the investigative committee.

Data on the 80 GPA cases investigated in the random sample is as follows:

	Number	Percent of cases investigated	Percent of random sample
Cases in random sample	80		100.0
Cases not investigated:			
Excluded from sample (1 St. Elizabeths releasee; 1 incompetent; 1 out of jurisdiction)	3		3.7
Closed prior to investigation	9		11.3
Cases investigated	68	100.0	85.0
Cases closed subsequent to investigation	40	58.8	50.0
Cases closed subsequent to investigation—Transferred to "aid to totally disabled"	13	19.1	16.3
Cases continued on General Public Assistance	13	19.1	16.3
Cases suspended—Eligibility not determined	2	2.9	2.5

FIELD INVESTIGATIONS CONDUCTED, 68

In the 68 cases requiring field investigation, the investigators spent a total of 2,389 man-hours of work, including both office time and fieldwork to complete the investigations. The average number of hours required per case was 35.

The field investigation included surveillance at odd hours of the homes of the recipients to determine living arrangements and employment. It also included visits between 6 a.m. and 10 p.m. to the homes of the recipients which in all cases were made by two investigators; one an investigator from the Office of Investigations and Collections, and the other an investigator from the General Accounting Office. On all such home visits, the investigators identified themselves both by name, agency, and by their identification cards. They requested permission to enter the homes and explained to the client the purpose of their visits to the home.

In all cases, all factors of eligibility were checked, unless the case was found ineligible before completion of the full investigation.

A credit check was made on each of the clients, which produced information or leads that helped to prove employment or other resources.

Normal investigative techniques were used, including checks of police department records, criminal records, drivers permit records, automobile registration records, and records of the Hacker's License Bureau of the District of Columbia.

In 68 cases investigated, there were 63 cases with 1 in the recipient group and 5 cases with 2 in the recipient group. Of the 68 payees, 35 (51.5 percent) were male and 33 (48.5 percent) were female; 9 (13.3 percent) were white and 59 (86.7 percent) were Negro. The average age for the 68 payees was 48.5 years. The amount of the monthly grants were $5,014, or an average monthly grant of $73.73. In 10 cases, there were known resources amounting to $517.39. In 10 cases, checks had been suspended and were not issued during the investigation.

The 68 cases have been on assistance for 1,209 months or an average per case of 17.8 months. The 3 cases that had been on the longest length of time were 1 for 41 months, and 1 for 52 months; the 4 cases that had been most recently approved were for 5 months each.

In PAD Manual, section 245.130, "Determination of unemployability":

"General Public Assistance is considered primarily as assistance to individuals whose unemployability will be of short duration. When, in making redetermination of continuing eligibility, the worker has received two or more medical reports indicating that that unemployability still exists, and assistance has been continued for as long as 6 months, the case must be referred to the review team for recommendations and/or consideration of eligibility for APTD."

There were 53 cases that fell within this 6 months clause. Of the 53 cases, 37 (69.8 percent) cases had not been referred to the ATD review team during the 6-month period. The delay was for a total of 345 months, or an average of 9.3 months per case.

Assuming that all cases previously referred to the ATD review team should have been rereferred in a period not to exceed 1 year, there were 8 cases totaling 47 months in excess of 1 year, or an average per case of 5.2 months over 1 year, which had not been referred.

The ages of the 68 payees were as follows:

Age group in years:	*Number*
21 to 25	2
26 to 30	2
31 to 35	2
36 to 40	7
41 to 45	8
46 to 50	15
51 to 55	17
56 to 60	8
61 to 65	7
Total	68

Ten recipents were found to be employed at salaried jobs. Seven of these were men and three of them were women. Five were found to be employed doing odd jobs. Two were found to be self-employed.

There were 28 cases in which overpayments had occurred.

A check was made on the living arrangements of the 68 cases investigated. In six (8.8 percent) situations, the investigators did not view the living arrangements because they were unable to find the recipients in their homes, in spite of repeated visits. In the 62 (91.2 percent) living arrangements actually seen, 21 (33.9 percent) were considered to be relatively good, 20 (32.2 percent) were fair, and 21 (33.9 percent) were poor.

Housing was rated good when the investigators observed clean and relatively fresh wall covering, paint or paper. The furniture was serviceable, clean, and there was some semblance of matching and functional use. The lighting was adequate through lamps or fixtures and the controls were wall switches. There was sufficient ventilation, i.e., windows with ample outside exposure, screens, shades, etc. The room or rooms were estimated to be at least 11 by 12 feet with 8-foot ceilings. Egress and ingress by hallways and stairways that were safe with good lighting were other factors. The floors were covered and clean. Closet space was available with door and the bathroom was clean, fully equipped, nearby, and used by four persons or less. There were radiators and four registers for heat.

Housing was rated as fair when the wall coverings were jaded but clean. There was sufficient furniture, old but clean and serviceable. The ventilation involved only one window without a good exposure; i.e., the window opened to a recess between walls, sunlight could not enter the room, and the window was without screens. The room was large enough for the furniture but was cramped in as to space to move around. The halls and stairways were dimly lighted. The floors were bare, or the covering was threadbare; there was little closet space and the bathroom was fully equipped but antiquated and used by six or seven people. Radiators or registers were present for heating purposes.

Housing was rated poor when the wall coverings were torn, chipped, dirty, or there was no wall covering. The windows were shadeless and without screens. The room was small and cramped, or large and furnished with only three or four pieces of old furniture which gave it a bleak appearance. The halls and stairways were narrow and rickety and either dimly lighted or without light. The floors or the covering was old and worn. There was not any closet space, clothes hung on doors or walls, and vermin and roaches were seen. The bathroom was partially equipped, i.e., only a stool or basin or only a stool and a tub—not working properly, unclean, and odorous. Sometimes there was not any heat except as in one instance a wood-burning stove.

The shelter allowance per month in 64 of the cases was $2,620.45, or an average monthly shelter allowance of $40.94. The monthly shelter cost actually paid in 56 cases was $2,454.82. The average monthly shelter cost was $43.83 per case. The average monthly shelter cost per case of "good" housing was $46.77; the average monthly shelter cost per case for "fair" housing was $39.97; and the average monthly cost per case for "poor" housing was $44.70.

The survey revealed, through contacts with landlords, that seven people did not pay any rent, three of whom were known to the agency to be living rent free. The other four received monthly shelter cost in their grant but did not pay any rent. The investigators found 15 situations where the recipients received shelter cost in their monthly grant but they paid less monthly rent than the agency provided for shelter cost.

Seventy-six dollars per month was the highest rent paid; 6 of the 62 addresses furnished by the recipients as their home addresses were not the actual residences of the recipient.

In the 62 housing checks, the investigators saw the rent receipts on 25 occasions. In the other 37 occasions, there were no rent receipts that could be produced for the rent allegedly paid.

Fifty (73.5 percent) of the 68 recipients have District of Columbia criminal records. Their records show a total of 1,027 arrests, of which 610 were for drunkenness; 956 of these arrests, involving 550 arrests for drunkenness, occurred prior to the date of last approval for assistance; 71 arrests, involving 60 charges of drunkenness, occurred subsequent to the date of last approval; 32 persons arrested have used aliases; 67 of the arrests subsequent to the date of last approval involved 16 different persons; 14 persons were arrested for drunkenness 57 times since date of last approval. During the time they were on assistance, recipients have elected, on 22 occasions, to forfeit $10 collateral. On 12 occasions, the recipients received a jail sentence only. On the other occasions they had an alternative to pay a fine or serve a jail sentence. The longest jail sentence was 90 days.

Thirty (85.7 percent) of the thirty-five male recipients had criminal records. These men were arrested a total of 881 times, involving 561 charges of drunkenness; 821 of these arrests, including 508 charges for drunkenness, occurred prior to date of last approval; 60 of these arrests, including 53 charges for drunkenness, occurred subsequent to the date of last approval.

Twenty (60.6 percent) of the thirty-three women had criminal records, or an overall total of one hundred and forty-six arrests, of which forty-nine were for drunkenness. One hundred and thirty-five of these arrests involving forty-two charges for drunkenness occurred prior to the date of last approval. Eleven of the arrests, including seven charges for drunkenness, occurred subsequent to the date of last approval.

CASES CLOSED SUBSEQUENT TO INVESTIGATIONS, 53

The code reasons for closing 53 (77.9 percent) of the 68 cases investigated were as follows:

Code No.	Code reason	Number
00	Death	1
01	Employment of recipient	9
06	Employment or increased earnings of another person in home	1
31	Receipt of social security benefits	1
73	No longer incapacitated	8
77	Recipient admitted to institution	2
79	Refused reasonable offer to work	1
79	Inability to determine need	1
80	Transferred to APTD	13
91	Temporary hospitalization	1
92	Loss of contact or whereabouts unknown	3
94	Determination of need cannot be made	12
	Total	53

CHARACTERISTICS OF 13 CASES CLOSED SUBSEQUENT TO INVESTIGATION BY TRANSFER TO ATD

The 13 cases contained only the recipient in the recipient group, all of whom were Negro. The average age for the recipients was 50 years. The amount of the monthly grants was $943. The average monthly grant was $72.54. In one case there was a known resource of $25. The 13 cases have been on assistance for 236 months, or an average per case of 18.1 months. The three recipients that had been on the longest length of time were one for 26 months, one for 29 months, and one for 36 months. The three cases that had been most recently approved were one for 6 months, one for 9 months, and one for 11 months. The average monthly shelter allowance was $40.17. The average monthly shelter cost was $43.04. The average monthly shelter cost for "good" housing was $50.30, for "fair" housing $37, and for "poor" housing $40. The ages of the 13 recipients are as follows:

Age groups and years:	*Number*
26 to 30	1
31 to 35	0
36 to 40	1
41 to 45	1
46 to 50	2
51 to 55	5
56 to 60	2
61 to 65	1
Total	13

CHARACTERISTICS OF OTHER 40 CASES CLOSED SUBSEQUENT TO INVESTIGATION

In these 40 cases, there were 37 cases with 1 in the recipient group, and 3 cases with 2 in the recipient group. Of the 40 payees, 7 (17.5 percent) were white and 33 (82.5 percent) were Negro. The average age for the recipients was 48.2 years. The amount of the monthly grants was $2,833. The average monthly grant was $70.82. In seven cases there were known resources amounting to $407.66. The 40 recipients have been on assistance for 654 months, or an average per case of 16.3 months. The three recipients that had been on the longest length of time were one for 33 months, one for 35 months, and one for 41 months. The four cases most recently approved were approved 5 months ago. The average monthly shelter allowance was $39.65. The average monthly shelter cost was $43.58. The average monthly shelter cost for "good" housing was $45.17, for "fair" housing $39, and for "poor" housing

$45.36. The ages of the 40 recipients are as follows:

Age group by years:	*Number*
21 to 25	2
26 to 30	1
31 to 35	2
36 to 40	3
41 to 45	4
46 to 50	8
51 to 55	10
56 to 60	6
61 to 65	4
Total	40

CHARACTERISTICS OF 13 CASES CONTINUED BY GPA

Grant adjustments were required in 6 of the 13 cases, and administrative action in the other 7. There were 11 cases with 1 in the recipient group, and 2 cases with 2 in the recipient group. Of the 13 payees, 2 (15.4 percent) were white, and 11 (84.6 percent) were Negro. The average age for the recipients was 49 years. The amount of the monthly grants was $1,059. The average monthly grant was $81.46. In two cases there were known resources amounting to $84.73. The 13 recipients have been on assistance for 286 months, or an average per case for 22 months. The three recipients that have been on the longest length of time are one for 35 months, and one for 49 months, and one for 52 months. The three cases that have been most recently approved were two cases for 6 months and one case for 8 months. The average monthly shelter allowance was $45.27. The average monthly shelter cost was $45.12. The average monthly shelter cost for "good" housing was $45.80; for "fair" housing, $45.62; for "poor" housing, $45.75. The ages of the 13 payees are as follows:

Age group by years:	*Number*
36 to 40	2
41 to 45	2
46 to 50	5
51 to 55	2
56 to 60	0
61 to 65	2
Total	13

WILLIAM R. GALVIN,
Investigations and Collections Officer.

APPENDIX A

GENERAL PUBLIC ASSISTANCE

I. HISTORY—AUTHORITY FOR THE PROGRAM

Public responsibility for providing for needy persons was first established by an act of Congress June 6, 1900, creating the Board of Charities of the District of Columbia which among other "powers and duties" was to provide for all aged, infirm, or needy persons. Public Law No. 47, 69th Congress, dated March 16, 1926, is entitled "An act to establish a Board of Public Welfare in the District of Columbia," abolishing the Board of Charities and delegating all of its duties to the Board of Public Welfare.

After the Federal public assistance programs became operative under the Social Security Act of 1935 and needy employable persons were assigned to WPA projects, the District of Columbia Board of Commissioners, to provide for other needy persons in the District of Columbia, on January 14, 1936, issued the following order:

"That hereafter the Board of Public Welfare is charged with the administration of direct relief in the District of Columbia."

On August 4, 1947, the District of Columbia Board of Commissioners approved "Rules and Regulations Relating to General Public Assistance," which became Administrative Order No. 2.46 dated August 7, 1947. Under these regulations it was ordered:

"General public assistance shall be granted on application to any eligible indigent resident of the District of Columbia who does not qualify for old-age assistance, aid to dependent children, or aid to the blind; or it may be granted to an eligible indigent resident pending qualification for old-age assistance, aid to the blind, and aid to dependent children."

After the amendment to the Social Security Act creating "aid to the permanently and totally disabled," effective in 1950, the following Commissioners' Order No. 301, 597/15, dated November 2, 1950, provided for needy persons who were not eligible for assistance under one of the Social Security Administration programs:

"That the Board of Public Welfare is hereby designated as the agent of the Board of Commissioners for the administration of general public assistance and is hereby authorized to perform any and all acts, including the promulgation and adoption of rules and regulations as required by existing law."

It should be noted that, as the program was first administered, the only requirements were need and 1 year's residence in the District of Columbia. However, in 1936 and 1937, because of inadequate appropriation for the welfare program the Board of Public Welfare limited the program to unemployable persons although the language of the Appropriation Act was "* * * for the purpose of affording relief to residents who are unemployed or otherwise in distress."

In October 1947 the Board of Public Welfare revised public assistance regulations. Issued as Administrative Order No. 2.37/1 dated November 3, 1947, the "ability to work" was considered as a resource and criteria were set forth under which a person would not be considered fully employable:

"(1) Under 16 or 65 years of age and over.

"(2) Under 18 years of age and attending school;

"(3) Who are needed at home to care for other persons in their family who are incapable of caring for themselves, and where other resources are unavailable;

"(4) Who are being rehabilitated for the purpose of employment;

"(5) For mothers who have one or more children when satisfactory provision cannot be made for their care; or

"(6) Who have been diagnosed by a physician as able to do light work only."

This administrative order was superseded by departmental regulation No. 4.21 effective October 1, 1958, in accordance with Commissioners' Order No. 58–1082 (G.F. 3–000) dated July 8, 1958, which defines unemployability.

Reorganization Order No. 58 (L.S. 4265–B, June 30, 1953, as amended) abolishing the Board of Public Welfare and establishing the Department of Public Welfare, cites under the functions of the Public Assistance Division:

"Administers the sums payable to the District of Columbia under the provisions of the Federal Security Act, as amended, and District appropriations for old-age assistance, aid to the needy blind, aid to dependent children, aid to the totally disabled, and general public assistance."

II. PURPOSE OF GENERAL PUBLIC ASSISTANCE PROGRAM

The purpose of the general public assistance program is to provide assistance to needy persons who are unemployable, as defined by Commissioners' order cited above, but who are not eligible for assistance under a program for which there is Federal financial participation and help them as far as possible to become economically independent.

III. GENERAL PUBLIC ASSISTANCE REQUIREMENTS AND LIMITATIONS

A. Requirements

1. Residence of 1 year in the District of Columbia.

2. A physical or mental disability that precludes working full time in competitive employment. Under the agency's definition the individual's competency and social background are considered in relation to the medical history, e.g., a 57-year-old man with a third-grade education whose only work history has been loading coal and other strenuous tasks, develops a heart condition so that he can no longer do the only kind of work he knows, but is limited by age and education from finding and learning a sedentary trade.

3. Dependent children who meet the requirements for aid to dependent children except that they are living in the home of "foster" parents who are not of the proper degree of relationship for ADC.

4. Does not have income or other resources sufficient to meet his requirements according to the budget standard of the agency.

B. Limitations

1. Persons eligible for assistance from a social security category are not eligible for general public assistance.

2. Any person who refuses recommended treatment (other than surgery) or rehabilitative services which may help him regain or increase his earning capacity is ineligible for further assistance.

3. A person must apply for statutory benefits to which he may be entitled to remain eligible to receive assistance.

Mr. BYRD of West Virginia. Additionally, Mr. President, the subcommittee had access to other information which the House did not have at the time it took action on the appropriation bill.

I ask unanimous consent that we include at this point in the RECORD the report of a study—in three parts—conducted by the Department of Welfare in 1959.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

STUDY OF FOLLOWUP BY PUBLIC ASSISTANCE DIVISION SOCIAL SERVICE ON INVESTIGATION SERVICE FINDINGS

(Government of the District of Columbia, Department of Public Welfare, Public Assistance Division, February 1959)

OUTLINE

Purpose of the study.

Plan of the study.

Background.

Part 1: What elements are responsible for the frequent disagreement in interpretation of investigation service findings which results in investigation service submitting what appears to them conclusive evidence of ineligibility, and social service deciding that assistance should, nevertheless, be continued.

A. Analysis of the 49 cases in which investigation service reported evidence of access or provided other information and the assistance payment was continued.

1. Reason for referral.
2. Was referral to IS justified?
3. Was continued assistance justified?
4. Twenty-six cases where investigation service reports "evidence found" of access in the home.
5. Action taken on information provided by investigation service.
6. Community complaints.
7. Basic element of disagreement related to policy of continued absence.
    - (a) Husband willing to live with and support family.
    - (b) Eligibility requirement other than need not met.
    - (c) Women in control.
8. Information supplied by investigation service not always helpful.

B. Comparison of 29 cases submitted by investigation service with findings of study.

1. Review of eight cases submitted in which evidence appears to indicate assistance should be discontinued.

2. Review of 21 cases investigation service believes should have been re-referred.

C. Summary of findings.

D. Attachments.

No. 1: Report on investigation service.

No. 2: Forms No. 122, July, August, September 1958.

No. 3: Request by social worker for information relating to the presence in the home of husband, paramour, or other person.

No. 4: Schedule for study of ADC cases in which investigation service believes to have made a positive report on "access" to the home, yet assistance was continued.

No. 5: Examples of difficult situations and attitudes with which the investigation service and social service must work.

No. 6: Action taken by social worker on information provided by investigation service.

No. 7: Examples of preference of mothers for assistance rather than support from husband.

Purpose of the study

The investigation service questioned the continuation of assistance in cases where the investigation revealed what appeared to be conclusive evidence that eligibility no longer existed because of the presence in the home or access to the home of a husband, paramour, or other person, yet the social service staff decided that assistance should, nevertheless, be continued. The investigation service questioned the failure of the social service to act on the information supplied, and the frequent re-referrals of cases on which information had been supplied previously.

The purpose of the study was to make a detailed analysis and evaluation of a group of cases and to find answers to the following questions:

1. What elements are responsible for the frequent disagreement in interpretation of investigation service findings which results in investigation service submitting what appears to them conclusive evidence of ineligibility, and social service deciding that assistance should, nevertheless, be continued.

2. What elements are responsible for frequent re-referrals of cases to investigation service on which what appears to be a conclusive finding has been made as a result of the original referral.

3. What elements are responsible for the wide variation in the number of referrals between workers or between units.

It is expected that the results of the study will be used as a basis for a review of the policies relating to the use of the investigation service, referral procedures, and clarification of division of responsibility for investigations between investigation service and social service.[1]

Plan of the study

The questions raised by investigation service and the proposed study were discussed in conference on October 27, 1958, attended by the superintendent, assistant superintendent, district supervisors, statistician, chief, investigation service, and standards specialist.

There was discussion as to questions which might be answered by the study, including the following:

1. Why was the case referred to investigation service?

2. Was the referral justified?

(a) What attempt did the social worker make to obtain information before referral?

(b) Could action have been taken on the basis of information already available?

3. Should rereferral have been made?

4. What were investigation service's findings?

5. What action did social service take on the investigation service report, and when?

6. Were the findings as conclusive as investigation service believed them to be?

The question as to what elements are responsible for the wide variation in the number of referrals between workers, units, and districts was also discussed. It was decided that this question could be answered only by a study of each caseload, and would not be a part of this phase of the study.

The following decisions were made:

1. The study would not be limited to cases on which investigation service had raised questions, but, to give proper prospective, would include statistics on all cases referred during a specified period.

2. The basis of the study would be form No. 122, "Report of Investigation Service," for the months of July, August, and September, 1958. (See attachment No. 1.)

Form No. 122, "Report of investigation" serves as the basis for continuing study and evaluation of investigation service. Page 1 is completed by investigation service and attached to the investigator's written report to the social worker. The form shows the information requests by the social worker and the information furnished by investigation service. It also shows other information developed by investigation service. For example—investigation service is requested to determine if a paramour, John Smith, has access to the home. If John Smith is found in the home, a check is entered under "Evidence Found." However, if Robert Brown, father of the client's expected child, is found living in the home, a check would be placed under "No Evidence" as to John Smith's access, but the information as to Robert Brown's presence in the home would be entered by investigation service under item No. 11–F. Entry would be made in the same manner if the client were found to be employed full time. After the social worker acts on the investigation service report, or in any event with 60 days from receipt of the report, he completes page 2 showing action taken and returns the form to investigation service. The form is signed by both the worker and the unit supervisor. The forms are submitted quarterly by investigation service to research and statistics for tabulation.

3. A detailed study of case records would be made in cases where investigation service believes a positive report has been made on access, yet assistance is continued.

4. A schedule would be developed and the cases read against this schedule.

5. Findings of the study, unrelated to investigation service, would be submitted to the Agency for consideration and appropriate action.

The cases were read during November and December 1958 and a first draft of the study prepared during January and submitted January 22, 1959.

On February 5, 1959, there was a second meeting with the superintendent, assistant superintendent, statistician, chief, investigation service, and standards specialist. Comments on the draft submitted by the superintendent on January 28, 1959, were discussed.

It was decided that the study would consist of three parts related to the purpose of the study.

Part 1: What elements are responsible for the frequent disagreement in interpretation of investigation service findings which results in investigation service submitting what appears to them conclusive evidence of ineligibility, and social service deciding that assistance should, nevertheless, be continued.

It was agreed on February 5, 1959, that investigation service would submit a list of cases where it was believed conclusive evidence of ineligibility had been submitted.

Part II: What elements are responsible for frequent re-referrals of cases to investigation service on which what appears to be a conclusive finding has been made as a result of the original referral.

It was agreed on February 5, 1959, that investigation service would submit a list of cases which they believed should not have been rereferred.

Part III: What elements are responsible for the wide variation in the number of referrals between workers or between units.

Part I is to be completed first.

Part II is to be completed when the list of cases submitted by investigation service has been studied.

Part III is to be completed at a later date, when plans can be made for a study of aid-to-dependent-children caseloads.

Background

The investigation service was established in October 1955 as the result of a recommendation by the interdepartmental committee for the enforcement of the nonsupport laws for the District of Columbia. This committee recommended the establishment in the Public Assistance Division of a specialized unit of trained investigators for the purpose of determining eligibility of applicants who request assistance because of the absence of a parent. The unit was to concentrate on locating absent parents. Less than a year later, in July 1956, after operating on this limited basis, it was decided that the services of the investigators were also needed urgently in establishing other factors of eligibility. In December 1957, the types of cases to be referred were reconsidered and redefined. Currently, the following situations are to be referred:

Cases to be referred

1. Clarification of bank accounts, postal savings accounts, and building and loan accounts, stocks or bonds, civil service, railroad and other types of retirement, disability and veteran's benefits, workman's compensation, inheritances, accident claims, small businesses, vehicles including taxicabs, licenses, ownership, and income.

2. Any case (ADC, GPA, AB, ATD, OAA) in which there is reason to believe that client is not eligible for assistance or that there are factors in the case affecting eligibility which cannot be proved by the social worker.

3. A person who reapplies for public assistance whose case had previously been closed and assistance terminated due to misrepresentation or fraud by the applicant, location of husband or other man in the home, or concealed resources. This type of case should be marked "rush."

4. Any ADC case in which the client claims that a mother, husband or father of her or his child or children included in the grant is missing, any case in which a relative or spouse is missing whose location will benefit PAD.

A person is considered missing if:

(a) Presumed to be in the District of Columbia, exact address or place of employment unknown;

(b) Presumed to be outside of the District of Columbia, exact address or place of employment unknown;

(c) Presumed to be deceased, no proof available.

A person is considered not missing if:

(a) Social worker knows exact home address or place of employment;

(b) Currently paying under court order or court agreement.

5. Any active ADC case in which the recipient becomes pregnant and the father is allegedly absent from the home.

6. Any case in which it appears that the recipient is living in a manner, or has use of material possessions, which does not appear compatible with the known resources of the family, and which the social worker

---

[1] Informational Bulletin No. 24–58, dated Oct. 29, 1958.

has been unable to prove or disprove, such as concealed income, employment, illegal activity, etc.

7. Any case in which the social worker has reasonable suspicion that the man involved—either the husband, father of one or more of the children, or some other male person—is present in the home or has free access to the home, if the social worker has been unable to obtain sufficient evidence to arrive at a reasonable conclusion as to presence or absence.

8. Any complaint or denunciation—anonymous or otherwise—of a man living in, or having free access to, the home of a recipient, is to be referred immediately for investigation of the validity of such a complaint The social worker will not discuss the complaint or denunciation with the recipient prior to the first visit by the investigator. Experience has proved that this procedure is required to protect the best interests of PAD.

9. Any complaint or denunciation concerning other factors of eligibility after the social worker has been unable to prove or disprove the assertion and feels investigation service can provide the proof more expeditiously.

10. All cases except OAA and AB in which the landlord lives in the same premises as recipient, or recipient's home is rented in another person's name, unless the landlord is a relative of the recipient or is a recipient.

11. All cases except OAA and AB in which the recipient shares the rent of a home or an apartment with another family, who are not relatives or recipients, and has lived with the same family at a previous address.

12. Any case in which the recipient has a roomer of the opposite sex.

13. An active or closed case when there is a hearing pending, and the social worker needs additional information for the hearing.

Cases not to be referred

1. To determine only the home address of persons who are "not missing." These include situations where:

(a) The social worker knows person's exact home address or place of employment.

(a) The person is currently paying under court order or court agreement. (Father who is and has been supporting regularly through court order, but has otherwise been completely out of touch with the children and their mother.)

(c) Paternity proceeding against putative father was dismissed by court, even though client still asserts he is the father.

2. To determine home address of paramours or suspected paramours who are neither fathers of ADC children nor financially responsible for support in other categories.

3. To locate a father previously located when it has been determined that he is a derelict, or permanently incapacitated, has never supported himself, much less anybody else, and that any interest on his part in the children or their mother would be distinctly undesirable.

Action on cases does not originate with the investigation service. Investigation is made only on cases referred by the social service staff. The responsibility of the investigation service is confined to factfinding and reporting the results of investigations. The social service staff is responsible for deciding which cases are to be referred, requesting specific information, evaluating the findings reported by investigation service, determining the effect of the findings on the original or continuing eligibility, and for taking action required by Agency policy.

As investigation service reviewed the entries made on form No. 122 by the social service staff as to action taken on information supplied, it was found that the action taken did not appear to be consistent with Agency policy. It was this concern, expressed by investigation service, which led to the study.

Part 1: What elements are responsible for the frequent disagreement in interpretation of investigation service findings which results in investigation service submitting what appears to them conclusive evidence of ineligibility, and social service deciding that assistance should, nevertheless, be continued.

As a means of finding answers to this question, a total of 531 forms No. 122 for the months of July, August, and September 1958 were reviewed. One hundred and seventy-two of these represented requests for the location of a husband, paramour or other person. Twenty-nine requests for information on resources or other information. Three hundred and thirty requested information as to the presence in the home of a husband, paramour or other person. See attachment No. 2.

A summary statistical report only was made for the cases where information was requested as to "location" or "resources."

A review was made of the 330 cases where information service was requested to provide information as to the presence in the home of a husband, paramour or other person. See attachment No. 3.

A summary statistical report only was made for the following cases:

1. Investigation service reports evidence of access, and the application was held pending or denied, or the case closed.

2. Investigation service reports no evidence found.

3. Cases withdrawn by the social worker or withdrawn from the study by investigation service.

4. Cases in categories other than ADC.

Of the 330 cases requesting information as to presence in the home, investigation service reported no evidence found in 133 of the cases. One hundred and sixteen cases were closed or the application denied prior to the study. Of these, 17 of the applications terminated and 36 of the 65 cases closed, or a total of 53 were in relation to the eligibility factor of absence.

Eighty-one cases were not closed. Of these 81 cases not closed, investigation service reported evidence found in 45. In 27 cases no evidence was found on the specific reasons for referral, but other information was submitted which investigation service believed would have a bearing on the case situation. This information was supplied on form No. 122 by an entry in red under item 11F—"Incidental Information Developed by Investigation Service." Cases withdrawn by investigation service or by the social worker were eliminated. Cases in categories other than ADC were also eliminated. This brought the total of cases included in the study to 49.

A detailed analysis was made of the 49 cases in which investigation service reported evidence found of access to the home or which no evidence was found on the specific reason for referral but other information was submitted by investigation service and the assistance payment continued. From the point of view of the agency, there was no need to distinguish between these two groups of cases in the study.

A schedule was developed, with the assistance of the statistician, and the 49 cases read against this schedule. (See attachment No. 4.)

To complete the schedules, it was necessary to read each case carefully and completely. Without this complete reading, the questions on the schedule could not be answered, particularly those as to whether referral to investigation service was justified and whether the continuation of assistance was justified.

A. Analysis of the 49 cases in which investigation service reported evidence of access or provided other information and the assistance payment was continued.

1. Reason for referral: The 49 cases showed a variety of reasons for referral. In 13 cases referral was made for the purpose of obtaining new information. Fourteen cases were referred to request investigation service to confirm absence or presence where not clearly shown. Two cases were referred to confirm absence or presence when this was clearly shown in the case record. Two cases were referred to request investigation service to investigate the current situation where the cases has been closed previously because absence was not established. In 15 cases, investigation service was asked to investigate the current situation in cases where previous investigation service report or the case record indicated the man has access to the home. Two cases were referred for a combination of reasons, and one referral was made to locate the man named as the father of a child and to determine whether he, or any man, had access to the home.

2. Was referral to investigation service justified? In 33 of the 49 cases, the study showed that the social worker was justified in referring the case to investigation service. In 16 the referral was not justified. In 13 of the 16 cases, there appeared to be adequate information in the case record on which to base a decision as to ineligibility. In one case the man was mentally incapacitated and was, therefore, no resource; in one case a followup on a previous investigation service report would have shown continued absence; and in one case the reason for referral was not clear.

Case No. 44 is an example of situations where referral to investigation service was not justified because there was adequate information in the case record on which action could be taken.

When Miss S. applied for assistance in September 1952, she was described as "meek and retiring." She had two children and was pregnant by Mr. H., who had brought her to the District of Columbia, and who was seen in February 1953. He seemed unconcerned and the worker notes that he "apparently only came to see me in order to keep his troubles regarding the situation at a minimum." Miss S. said in 1954 she did not know where he was. On July 20, 1955, the worker found a report showing that Miss S. had given birth to a child on February 4, 1955. She said at first she had given the child away, then became confused and said she still had the child, whose father was Mr. P. When interviewed on July 26, 1955, Mr. P. doubted he was the father, and said Miss S. had relations with and received money from other men. On December 27, 1955, Mr. P. said Miss S. had "ordered him not to come there any more." He thought this was because she was interested in another man whom he thought lived with her. On January 23, 1956, Mr. P. told of seeing a man there three or four times, and at 5 a.m. in April "a very fancy two-wheel bicycle, tricycle, and other expensive toys" were noted. Miss S.'s aunt said Mr. H. stops by in the evening to see the children. On September 17, 1958, Miss S. said Mr. H. usually comes on Sundays. Miss S. was described as "very arrogant and refused to give information very readily to worker."

Another example is case No. 24 in which a followup of previous investigation service reports would have shown continued absence did not exist.

3. Was continued assistance justified? Of the 49 cases reviewed, it was found that the continuation of assistance was justified in 21 cases and not justified in 28 cases. In 18 of these 28 cases, the investigation service reported no evidence found on the specific reasons for referral, but other information was submitted. These cases included some of the most flagrant examples of situations where it was found the continuation of assistance was not justified.

The finding that the continuation of assistance was or was not justified was based in many instances on information contained in the case record rather than on investigation service findings.

In case No. 1, for example, there had been no real investigation of eligibility. The agency policy regarding the requirement that the fathers of the children be interviewed when possible was ignored. The application for assistance in 1953 was terminated because Mrs. A. had not made any effort to get support from the fathers of her children. Yet, when she applied in 1956, EA was authorized and the grant continued without any substantial effort to talk with either the two fathers or with Mrs. A.'s husband. The following entry is made on form No. 256—"Deprived of Parental Support—ADC," in regard to an attempt to reach one father by telephone: "I was told that he lives at this address, works at night and sleeps during the day. Hence he did not wish to be disturbed." There is no record of any attempt to disturb him. There is repeated reference to Mrs. A.'s confutation and to conflicting information given by her. She was referred under one name and the case carried under another. This was never cleared nor her marriage verified. Although "it appears Mrs. A. could not even remember half the time what she says," and "gave repeated conflicting information," her statement that the man found in the home by investigation service is "a mere friend who lives in a different apartment," is accepted without verification.

In case No. 11, investigation service reports "No evidence found," as to the specific request by the social worker, with the following incidental information added: "May be pregnant." In the space under "Action and results on investigation service report," the worker entered "No action taken: Form No. 29 was returned indicating no pregnancy." However, the record contains convincing evidence that continued absence was not established from the time of application in 1956. On May 7, 1958, the record says: "Worker was admitted and was told by one of the children that his daddy was at home." The worker saw a man in bed, whom Miss D. said "was only a fellow she had asked to spend the night with her because she had been annoyed by men looking for the girls who lived in the apartment before her." Miss D. refused to let the worker speak with the man or to give his last name. "Worker also wondered if the man in the home was willing to support the family and he answered in a loud voice from the bedroom that he would. Miss D. stated that she knows he would not and wondered if worker could overlook what she had seen; that is, the man in the bedroom. Miss D. was told that agency would grant one more check in an attempt to help her plan for her family, however, we would have to talk with her and the man in the home before it could be clearly planned." On May 12, 1958, Miss D. told worker Mr. J. had returned to his home in Virginia. The worker recommended that assistance be terminated and the case closed. However, the case was not closed. During June, July, and August Miss D. kept calling the agency, and a telephone call was received from Mr. J. who would not come to the office. "Mr. J. said that he was interested in Miss D.'s family receiving assistance, but he has nothing to do with her family and what PAD will do for them." Assistance was not granted during June, July, and August according to payroll control. On June 8, 1958, Miss D. talked with the supervisor and gave Mr. J.'s address. "She was told that assistance would continue if it can be verified that he lives at this address." Investigation service reported on September 9, 1958, that Mr. J.'s address had been verified. Assistance was authorized and has continued.

In case No. 13, investigation service reports on form No. 122 "No evidence found" and investigation service reports gave no evidence of "access."

The record revealed at least 4 pregnancies by one man. No record was found of discussion of absence policy. No effort was made to communicate with the father, although both address and name of employer were known.

In most instances the decision that worker was not justified in withholding assistance without further followup could not be made with confidence. The decision was made in recognition of the problems for the agency, particularly in situations where the woman's relationships were casual ones, with many different men most of whom seemed to feel no responsibility for the woman or for their children.

In illustration is case No. 4. Mrs. B. was born in 1932. At least 6 different men are the fathers of her 10 children. Five of these children are with Mrs. B., two are with an aunt who is receiving assistance, two are with Mrs. B.'s mother who received assistance over a long period and one is with another aunt. When Mrs. B.'s promiscuous behavior was discussed, she was described as nonchalant and passive. On February 21, 1956, Mrs. B. claimed not to know the whereabouts of the fathers of her children, including Mr. L., the father of Marjorie. A review of the case of aunt with whom Marjorie is living (case No. 15, also included in the study), showed that Marjorie's father, Mr. L., has had frequent contacts with the agency. He came to the office of his own volition in April 1958. He came because he was aroused about the care Marjorie was receiving in her aunt's home. He said the home was no place for any young child because men were lounging around all the time and several had already made advances to Marjorie. He said Mrs. B. had always known where he was. He said that when Mrs. B. became pregnant with Marjorie they had planned to marry and he and Mrs. B. had arranged for her to do some babysitting. Mr. L. said Mrs. B.'s mother and her aunt "had been strongly against this, saying they did not want Mrs. B. to work, they never had, but had been on assistance all their lives and they thought this was the best place for D. too." According to the record, not only Mrs. B.'s mother but her grandmother had received assistance. Mr. L. aroused considerable community interest in this situation and a joint agency conference was held on July 25, 1958, including the public health nurse and representatives of the C.W.D., woman's bureau, and PAD. Referral was made to investigation service on June 20, 1958, to determine whether a family relationship existed between Mrs. B. and Mr. J. or anyone else and to determine whether Mr. J. or any other man has access to the client's home. Mr. J. is the father of Mrs. B.'s youngest child. In July 1958, investigation service reported that Mrs. B. was dressed up and preparing to go out with Mr. J. who was waiting for her. Mr. J. accosted the investigators, became noisily belligerent and was arrested for disorderly conduct. The referral to investigation service states, "She does not seem to have any concept of right and wrong and the case record indicates incest in the entire family." This case was referred to a higher supervisory level for a decision as to what action the agency should take in dealing with this situation. It is for this reason only that the continuing assistance was justified. It is noted with concern that Mrs. B.'s case and that of her sister continue to be handled by different workers, the worker handling Mrs. B.'s case being unaware of the continuing agency contact with the father of one of Mrs. B.'s children living in the home of an aunt. See also case No. 26, cited under section B.

The decision that the worker was not justified in withholding assistance was also made in recognition of the problems and attitudes with which both the social worker and investigation service must work. The records contain copious evidence of evasion, deception, fabrication, and falsification. For examples of difficult situations and attitudes, see attachment No. 5.

4. Twenty-six cases where investigation service reports "evidence found" of access in the home.

It was found that the continuation of assistance was not justified in 12 of these cases. In 14, it was believed that the continuation of assistance was justified. In 12 cases, continued absence was not clearly established, but the worker was not justified in withholding assistance without further followup. In only two cases was it believed that the continued assistance was justified without further followup.

In one of these two cases, No. 38, Mr. N. told the worker on August 13, 1958 that "his wife refused to take him back because she could get more from PAD." The entry on form No. 122 shows "family given 3 months (October, November, and December) for Mr. N. to find employment."

In the other case, No. 34, the notation on form No. 122 says, "Assistance continued because Mr. L. was committed to the hospital for observation." The record shows that Mr. L. was a patient at a New York mental hospital in 1939 and at St. Elizabeths in 1953. No medical or psychiatric reports were found in the record and Mr. L. has never been seen.

5. Action taken on information provided by investigation service: The fact that 116 applications were terminated and cases closed prior to the study would indicate that the social worker took prompt action on information supplied by investigation service.

In 24 of the 49 cases studied, the record showed that the investigation service report was discussed with the recipient. In 13 cases no action is recorded in the case record. However, in 3 of these 13 cases, the entry on form No. 122 indicates there was discussion, although the discussion was not recorded. In seven cases, no action was required. See attachment No. 6.

A few instances were found where the investigation service report is misquoted.

In case No. 22, an entry is made on June 11, 1959, "interim report from investigation service that absence has been established." The investigation service report did not say this.

In case No. 44, Mrs. S. had been untruthful and unreliable in her relations with the Agency since her application in 1952. In May 1958, investigation service was asked to visit the home after 10 p.m. to learn who was frequenting the home. The investigation was inadequate and visits were not made as requested. The entry by the social worker on form No. 122 says: "Report shows no man in the home or frequenting the home. Grant continues." The investigation service report does not show this.

In other instances both agency policy and investigation service reports are ignored.

In case No. 42, referral was made to investigation service to determine the absence of Mr. S. from the home and to locate two fathers. No effort was made to locate Mr. S., either by the worker or by request to investigation service, although his address and place of past employment are recorded. Investigation service located both fathers in South Carolina, but the social worker made no attempt to communicate with them. Investigation service reported that Mrs. S. was pregnant and found another man in the home. The following entry is made on form No. 122, "Mrs. S. admits being pregnant and it has been confirmed by medical report. Since man in home was determined to be living at another address, which was verified, there is nothing we would question in this case and the grant continues." The review date is July 31, 1959.

The following cases are other examples of situations where questionable use is made of information supplied by investigation service.

In case No. 46, when Mrs. W. reapplied for assistance in July 1958, she said she had a friend, Mr. C. Referral was made to investigation service to determine if Mrs. W.'s husband or Mr. C. had access to the home. (Mr. W. had said, when Mrs. W. previously received assistance, that he would like to live with his family.) Mr. C. was found in the home on two occasions in August and September. The following entry, dated October 24, 1958, is made on form No. 122. "Assistance is being continued pending an interview with Mrs. W. and Mr. C. and also verification of Mr. C.'s actual residence at the Dunbar Hotel."

In case No. 3, investigations service furnished the address of the husband, but no effort was made to communicate with him.

In case No. 24, the recorded entry, dated August 25, 1958, says: "Worker told Mrs. G. that if the report indicated that Mr. P. was in her home, her assistance would be discontinued as there was no continued absence." Investigation service report showed that Mr. P. was in the home, but the grant was continued.

Case No. 20 was closed in 1952 because Miss H. was arrested on a narcotics charge and engaged in an unlawful business. She applied again in 1955 after her release from Occoquan. In March and June 1958, referrals were made to investigation service to determine if Mr. B. had free access to the home. The record contains a newspaper clipping dated March 22, 1956, where the judge of the juvenile court questions Miss B.'s eligibility for assistance.

The following reports were received from investigation service:

April 2, 1958: Four men found in home at 10 a.m. Sunday.

April 3, 1958: Two men found in home at 9:05 p.m.

April 4, 1958: Two men and one woman found drinking at 9:45 p.m.

April 4, 1958: An undetermined number of men and women found at 2 p.m.

August 19, 1958: Four men found at 7:45 p.m.—all showed signs of extreme intoxication.

Investigation service noted on form No. 122, "Four men found constantly in home."

The following entry is made in the case record:

"September 10, 1958.—A final report was received from investigation service dated August 19, 1958; indicates that Mr. B. does not have free access to the home; however, several men were found in the home on several visits except the last. This appears that Miss H. is trying to improve her mode of living." The following entry is made on form No. 122: "No action taken, because investigation service report did not indicate Miss H. has a man living in the home or having free access."

6. Community complaints: In a number of cases complaints were received as to the behavior of recipients. With few exceptions, these complaints were made by responsible members of the community. There were frequent complaints by fathers concerning care given to children by their mothers.

Procedures require the immediate referral to investigation service of complaints and denunciations of a man living in, or having free access to, the home of a recipient. Referral is also required of complaints and denunciations concerning other factors of eligibility after the social worker has been unable to prove or disprove the assertion, and feels investigation service can provide the proof more expeditiously.

In only one case was it found that immediate referral was made to investigation service.

Case No. 22: In September 1958 an informer reported that Mrs. H.'s behavior was a disgrace to the neighborhood.

Case No. 23: On April 1958 the landlord criticized the agency for granting assistance. He said Mrs. H. knew where her husband was, that men frequented the home, Mrs. H. neglected the children, was employed, and that she was pregnant by a Mr. W. Immediate referral was made to investigation service to determine whether Mrs. H. was having relations with Mr. W. or any other man and if she was working. Investigation service reported no employment or access.

Case No. 39: An anonymous letter was sent to the Director of Public Welfare complaining that Mrs. P. drinks, lives with a Mr. H. who spends the PAD grant and beats the children.

Case No. 6: The parole officer reported in 1943 that he did not think conditions in the home were all they should be, and mentioned the number of men in and entering the home. In 1944 a neighbor complained that Mrs. B. and her company came into the yard only half clad. There were three reports from neighbors complaining of Mrs. B.'s conduct and conditions in her home. These reports said she kept a disorderly house, gave improper care to the children, was working, had a telephone, and kept the house filled with men every night. These letters were not of a malicious nature but pleaded with the agency to "see to this woman." The writer of one of the letters suggested contacting property owners in the neighborhood for information but the record does not show that this was done. The most recent complaint was a letter received in August 1958 describing Mrs. B. as a "menace," and told of her drinking, having men living with her and of her having "drank so much wine and stuff until she is not herself any more." The writer of the letter suggested that the taxpayer's money could be put to better use. Referral to investigation service was not made until September 1958.

Case No. 20: Mrs. Hayes of Fides House reported drinking, foul language, and abuse of the children. Referral to CWD was suggested.

Case No. 14: Mrs. E. was evicted by NCHA because she had been a problem and a disturbance over a period of years.

Case No. 17: The agency received complaints from responsible individuals concerning "wild parties, cursing and cavorting in public, a man living in the home, etc."

Case No. 49: Mrs. W.'s mother complained about her "running the streets and making no plans for the children's care." She was evicted from the Dunbar Hotel because of her behavior.

Case No. 18: The landlord reported that Miss G. left her children for periods as long as 1 week.

7. Basic element of disagreement related to policy of continued absence: The basic element responsible for disagreement between findings by investigation service and actions by the social worker was found to be in relation to the Agency policy of continued absence.

The agency recognizes that the eligibility factor of continued absence is most complex and difficult. A great deal of staff thought and time was invested in the development of the section of the manual relating to continued absence, which reads in part as follows:

"Continued absence does not exist solely because the parent rents or has living quarters available at another address or is supporting by court order. If the parents are engaging in a martial relationship and the man has free access to the home, then that man is not to be considered as 'absent from the home.'

"Continued absence is not established when, in the judgment of the agency, a man or woman who have lived together make separate living arrangements for the purpose of establishing eligibility for assistance.

"Only in situations where strong, convincing evidence is submitted that a parent is no longer in the home and has discontinued his relationship, shall the factor of continued absence be established. The burden of proof rests with the applicant and must be substantiated, if possible, by statements of other persons in a position to know the facts and by any other available evidence.

"There must be proof that a parent is absent from the home; there must be evidence that the absence is 'continued' and that the child is deprived of support or care because of this absence. Absence from the home is recognized as being 'continued' when reliable evidence shows that the absence has a degree of permanency in contrast to a temporary absence. There must be a logical and responsible account as to the severing of the relationship, the reason for its being broken, and the time at which the relationship ceased.

"When a parent or other relative applies for ADC, it must be understood that specific circumstances relating to deprivation of parental support must be verified, regardless of where the father is living. The applicant needs to understand and accept the fact that no parent is ever relieved of his legal responsibility in relation to his children, regardless of his feeling toward the children or their mother. It should be explained that both parents have a part in the application, if this is possible, and participate in plans for the children. It should be explained that the absent parent will be interviewed unless it is obviously impossible or inappropriate to do so. The purpose of this interview with the father is to give him an opportunity to tell his side of the story, to express his interest in and plans for his children, to provide verified information as to his income and to decide what action he wishes to take regarding support.

"If the mother or other relative applying indicates that the absent parent is not interested in taking part in planning for the child, or that it would be inadvisable or impossible for him to do so, the agency requires the person applying to produce some evidence of this fact.

"The applicant is responsible for supplying information concerning the absent parent, and for making every effort in good faith to locate him and to have him take a responsible part in the application. If the applicant refuses to supply information concerning the absent parent, and to make efforts to locate him, eligibility cannot be established.

"The requirement of seeking support from the absent parent must be met continuously and shall be a part of every reconsideration and review."

"The eligibility factor of continuous absence is established by the mother's statement and corroborating evidence. The most satisfactory corroboration or supporting evidence is to have knowledge of the whereabouts of the father who is absent and to find out by talking with him his version of the nature of the existing relationship between the parents and his ability and willingness to support the child and the mother. Such information should cover the past, present, and future in order to make a proper appraisal of the child's situation in relation to the degree of support and care he can expect from his parents and the extent to which the agency must supplement or substitute for the responsibility of the parents.

"If it is impossible for the mother to have the father come to the office to talk with the social worker, the social worker shall make every reasonable effort to get in touch with him concerning support and care for his family.

"In all active cases in which the basis for assistance is continued absence of the father from the home and the agency has a reasonable basis for believing that a parent is in the home, assistance shall be discontinued.

"If there is reason to believe that unreported contributions are being made to the support of the home, assistance shall be discontinued until information is supplied to or obtained by the agency to enable it to determine the facts in the case.

"All resources available to the mother of the children born of a previous marriage or relationship must be determined or clarified before need can be established."[2]

Agency staff has been and continues to be deeply concerned because public funds are supporting, through the agency, situations where absence does not in fact exist, where the agency is deceived and provides money to supplement the income of fathers who are not absent, but who manage not to be in the home when investigation service or the worker is there.

It was primarily to deal with this most difficult and troublesome factor of eligibility that investigation service was established.

In a few of the cases read, the agency policy is carefully explained and recorded at the point of intake, and the requirement that the father be seen is carried out. In an alarming number, the policy is disregarded completely.

Case No. 18 is perhaps the worst example: When Miss G. applied in 1946 she gave the address of Mr. E. who was responsible for her pregnancy, but he was not seen until 1958, 12 years later. Assistance has continued, except for a brief period in 1950.

On May 8, 1958, referral was made to investigation service to determine if Miss G. has roomers and to determine whether any man has access to the home. The referral says that on two occasions the worker observed her giving hand signals to men who were about to enter her home. On May 26, 1958, investigation service reported Mr. E. in the home. Miss G. said that Mr. E. "just happened to be there." On June 5, 1958, Mr. E. was seen by the social worker for the first time. This interview is recorded in seven lines and this mostly of a discussion of employment and his address. The entry on form No. 122 under "Action and Results an Investigation Service Report," "None—we obtained proof that Mr. E. was not living in the home."

In case No. 13, Miss E. was 20 years of age when she applied for assistance in July 1957. Mr. B. was the father of her unborn child and had been responsible for two pregnancies resulting in miscarriages. She said she "broke off with him" the previous month. The intake worker recorded: "She understood that the area worker would want to talk with Mr. B." After termination due to loss of contact, Miss E. applied again in July 1958. She had given birth to another child by Mr. B., and gave his address and the name of his employer. His address is also shown on form No. 258. Assistance continues without any request that he come to the office or any attempt to get in touch with him. Referral was made to investigation service in July 1958 to determine if Mr. B. "has free access to the home and is maintaining a continuing relationship." On September 29, 1958, investigation service reported no indication of access.

This record contains a seven-page report, undated and unsigned, which seems to have been a part of an unmarried mothers study, and which gives intimate information as to Miss E.'s sexual experiences. She tells of her belief that it is all right to have sexual relations "with fellows outside of marriage if you are going with them," that all her friends do it, and that, in relation to Mr. B., she "just couldn't pull herself away from him."

Case No. 42. There is no record of any effort either by the worker or by referral to investigation service to locate Mr. S., who is said to have deserted, although his address and place of employment are recorded. Investigation service located two fathers, but no effort was made by the worker to communicate with them. On August 15, 1958, investigation service reported that Mrs. S. said she was pregnant by her husband. Emergency assistance was authorized July 21, 1958, and the review date is set for July 31, 1959. The entry on form No. 122, dated November 4, 1958, reads: "Mrs. S. admits being pregnant and it has been confirmed by medical report. Since man in home was determined to be living at another address, which you verified, there is nothing we would question at this time and the grant continues."

A review of what is found in this record gives a sense of knowing almost nothing whatever about Mrs. S.

There was evidence that the agency is not able to cope with the complex situations and the deep-seated problems in some of the ADC cases, to hold to agency policies and requirements, or to keep track of and evaluate the information already in records.

There is evidence in the cases read that the problems are too complex and complicated for the staff to grasp or to deal with effectively. The information already available is not always noted or evaluated; threads in the investigation are dropped and never picked up again.

Another important fact stands out in the relationship of the agency to fathers: After the recipient or the investigation service or the social worker suceeds in locating a husband or father, and he comes for an interview, the agency has failed to give the worker help in working with him. This is illustrated in case No. 18, where the grant has continued almost without interruption from 1946. When the father of the children was seen in 1958, the interview is recorded in seven lines and consists of a discussion of his employment and address. There is frequently a sense of anticlimax, as though the interview with the fathers were of less importance than all that had preceded it. This is apparent when records are read in their entirety; and when the efforts of the agency to talk with fathers are followed. When the interview is achieved, the record that follows indicates that it has had little meaning for the father or for the child.

It also seems apparent from the records read that many fathers are stronger and more effective persons than the mothers. These fathers frequently show a strong early interest in and concern for their children. As the mothers continue to receive assistance this interest seems to fade away, or, if the interest of the father does continue, the agency is not aware of it.

(a) Husband willing to live with and support family: It is not the intent of the agency to provide assistance in behalf of children when this responsibility can be assumed by their father. When there is evidence that a father out of the home is willing to live with and support his family and when it is believed that this offer will benefit the children, the mother is not eligible for assistance because of her unwillingness to permit the husband to return to the home. This policy grew out of long experience of the agency with mothers who claimed their husbands were out of the home and unwilling to support, when this was found not to be true.

Eleven cases were found where the agency had failed to communicate with the husband, or to determine his willingness to provide for his family.

Case No. 11. Miss D, was 19 when she applied for assistance in October 1956. She said she had been married to Mr. S. in May, but he did not want her to use his name. There was no discussion of her relationship with Mr. S. Mr. W., who Miss D. said was the father of her two children was interviewed promptly concerning his plans and ability to support. On November 26, 1956, Mr. S. called and came to the office the following day. "He stated he could not understand why agency would be considering an assistance plan with his wife since he is employed and is willing to provide a home and support her and his stepchildren to whom he is quite devoted." Mr. S., who was 55, said Miss D. left him soon after their marriage. He objected to her keeping late hours. He assured worker of his desire to support his family and of his ability to do this. She had refused a reconciliation. After further interview with Miss D. and her husband, the application was terminated.

When Miss D. reapplied in December 1957, she said her sister and her mother could not continue supporting her and the children. The only references to her husband are the following: "Miss D. states that her husband who offered support to her and the children during December 1956. She states there has been no contact with him since their telephone conversation during that month." "She stated that she found it impossible to get along with her husband because he quarreled all the time because people told him she was going with another man. She stated that her husband had never caught her with another man, although she was going steady with Mr. H. from 1953 until October 1957." There is no other reference to Mr. S. although he was located by investigation service.

Cases Nos. 14 and 17 illustrate situations in which the father is willing to live with and support his family, but the grant is continued. For summary of these cases, see attachment No. 7.

One of the purposes of the ADC program is to help maintain and strengthen family life and to help parents to attain the maximum self-support and personal independence consistent with the maintenance of continuing parental care and protection.

There is evidence in the records read that this purpose is not always carried out; that family life is often weakened rather than strengthened, and that recipients are not helped in a responsible way to attain the maximum self-support and independence, that the mothers and the fathers expect the agency to lift the burden of support from their shoulders and that the agency does this.

(b) Eligibility requirements other than need not met: While financial need is the basic requirement for assistance, it is only one requirement, and agency policy does not permit the authorization of assistance on that basis alone. There is evidence in the records read that payments are made because the workers are convinced that need exists, without recognition that all people in need are not entitled to assistance.

Cases Nos. 25, 40, 17, and 42 are examples of assistance being authorized in disregard of policy.

---

[2] Manual, III, 202.12.

Case No. 25. When Mrs. J. applied on June 13, 1958 she said she had no child care plan. She had received an allotment from Mr. J. until his discharge May 1, 1958. Two years ago she began a relationship with a Mr. C., she said, which ended in May 1958. She wants to work but felt that an effective child care plan should be worked out. There was no discussion of care by Mrs. J's mother, although when a home visit was made on July 9, 1958, the older child was in the grandmother's home and when a visit was made October 2, 1958, the grandmother was in Mrs. J's. home. On October 2, 1958, Mrs. J. said her mother would stay with the children and this would be better than depending on assistance. Mrs. J. said she refused to accompany her husband to Louisiana where he was stationed when in the service. She said he had returned to the District of Columbia and she saw him frequently but claimed not to know his address. Investigation service located Mr. J. on August 12, 1958. Letters were written to him on August 27 and September 12 but no other action taken. Investigation service reported that Mrs. J. was "never home." A child care plan seemed to be available. The husband and father is employed in the District but has never been interviewed. The entry on form No. 122 dated September 18, 1958, is "case will be referred to investigation service at a later date."

Case No. 40. Miss S. applied March 21, 1958 because of pregnancy. She said the father of her two children was Mr. I. with whom she had lived from 1954 to 1956. The father of her unborn child was Mr. L. She said her relationship with him began in July 1957 and ended December 1957. He was a tenant at the same address. On May 2, 1958, Miss S. said she planned to return to work. An entry on April 30, 1958 says it was decided to talk with Mr. L. before approval of application. There is no dictation after May 2, 1958. Investigation service reports that when they were in the home Mr. L. was bringing in the trash can. Miss S., pretending not to know who he was, asked him his name. On form No. 122, under "Action and Result of Investigation Service Report" the following entry, dated September 10, 1958, is made: "Assistance continued pending interview with Mr. L."

In case No. 17, Mrs. J.'s statements that her husband was responsible for her pregnancy was disproved but assistance was continued in August 1958 "because she was so greatly in need."

In case No. 42, assistance was authorized and continued with no effort to contact the husband or the other fathers of the children.

(c) Women in control: It was noted in a number of cases that the mothers seemed to be in control, not only of their family situation, without participation by the husbands, but were able to control the agency as well and to receive assistance on their own terms. This control is accomplished in many ways; by temper, by arrogance, by the ability to make the agency uncertain and uncomfortable, and by sheer persistence. Perhaps these mothers are seeking in the agency some individual who can be firm and whom they are not able to control. They seem constantly to be exploring and testing the agency, seeking limits they cannot control.

The ability of women to control the agency and to receive assistance on their own terms seems more true when the mothers are very young and when they are described as "dull" or "limited."

Cases No. 14, No. 16, No. 17, No. 29, and No. 47 illustrate the unwillingness of mothers to relinquish the assistance grant after their husbands are released from hospitals or institutions or are willing to return to the home. When application is made, the woman frequently tells the agency that her husband worked regularly and supported adequately. This story is often changed and the agency is told that she does not want her husband back, and that he never supported adequately.

Case No. 29. When Miss B. applied on December 30, 1949, she said her baby was ill and she could not work because the landlord was no longer able to care for the children. She was reported to be an excellent worker. The father of both children was given as Mr. J., who was in a VA hospital in Virginia. Miss B. said that Mr. M. was the father of her child born in 1950. On January 16, 1951, Mr. M. telephoned. He said he was a cook, was married, and could not support regularly. The case was closed in March 1951 because Miss B. received a lump sum from VA, she applied again in May 1951 saying the money was all gone. On March 25, 1952, Miss B. and her youngest daughter, born January 11, 1952, were in the office. She said she was "not ashamed of the fact that her children were born out of wedlock as it could happen to any woman unless she kept to herself." She said that Corporal H. was the father of her youngest child. However, on July 10, 1953, he was found by Juvenile Court "not guilty." Miss B. had told the agency on October 27, 1952, that Corporal H. had denied the paternity and had said he would not contribute unless she continued to have relations with him. On May 28, 1954, a rent receipt was noted in the name of Mary L. She said this was the name of her boy friend, Frederick L., who was in the Armed Forces. Miss B. was married to Mr. L. on November 12, 1954, and the case was closed. On May 15, 1956, she reapplied saying that Mr. L. had left her. Mr. L. told the agency on June 18, 1956, that he had left at Mrs. L's. insistence and would return. They agreed to go back together. On June 25, 1956, Mr. L. was in the office. He said that Mrs. L. would rather receive assistance than to have him return. The application was terminated because of no continued absence. Mrs. L. came in on January 18, 1957, to say that her husband had been absent since August 1956. On February 12, 1957, she said he drank, wouldn't support, and she locked him out. On February 18, 1957, Mr. L. said she had locked him out. She is never satisfied with what he does for her. When they were together and he came home, she was either out or getting ready to go out. She told him she could do better without him.

On one occasion when he protested, she struck him with an iron pipe. Mr. L. said she had a friend named George, and he had seen him in the home. Mrs. L. said later he was only a "family friend." No further contact was made with Mr. L. On May 21, 1957, Mrs. L. complained that the agency had too many restrictions. When asked what she meant by this, she said, "You can't do this and you can't do that and the welfare always wants to know all about your business." She said she "likes to be independent and do as she pleases, not having to explain things to anyone." She said she was "through with men." An explanation of agency policy regarding absence was recorded for the first time. On March 18, 1958, Mrs. L. said she was pregnant and that Mr. E. was the father of the unborn child. She used to meet him at tourist homes but the relationship has been discontinued.

Referral was made to investigation service July 16, 1958, to determine whether a family relationship exists between the client and Mr. E.

On July 24, 1958, investigation service reported that Mrs. L. was pregnant and on September 3, that no man was seen in the home.

The following notation is made by the social worker on form No. 122, "Since no evidence was found of paramour, assistance was continued. We were aware of Mrs. L's. pregnancy."

See also cases Nos. 14 and 17 summarized in attachment No. 7.

8. Information supplied by investigation service not always helpful: There were instances in which information supplied by investigation service was not of value to the worker.

For example, in case No. 21, the worker was concerned about the continuing relationship between Miss H. and Mr. B., who is the father of two children and who, according to Miss H., had asked her to marry him. She said Mr. B. "knows better than to visit her in her home, and gave as the reason that agency would not allow her to have male visitors." She said she sees him at his apartment when she visits her sister who lives two doors from Mr. B. On June 30, 1958, investigation service was asked to determine the extent of Miss H. and Mr. B.'s relationship and to determine if Miss H. had access to Mr. B.'s apartment. The investigation was terminated with no information supplied as to Miss H.'s visits to Mr. B.'s apartment.

In case No. 46, Mrs. W.'s friend was seen in the home asleep. Investigation service did not awaken the man or check his address as is usually done.

In case No. 44, investigation service was asked to visit after 10 p.m. to see who was frequenting the home. The investigation was inadequate and visits were not made as requested.

In other cases, investigation service interim reports clearly show that a man has access to the home, yet the final report is that no evidence is found.

Case No. 18 is an example of this. Mr. E. was the father of several of Mrs. G's children. Investigation service found him in the home on May 26, 1958, yet the final report of July 17, 1958, says, "No man has access" and form No. 122 is checked, "No evidence found."

In case No. 7, investigation service was asked to locate Mr. A., with whom Miss B. said she had been having marital relations, and to determine if a family relationship existed with Mr. A. or any man. On September 16, 1958, investigation service reported on Form No. 197 that Mr. A. had been located at the Marine Base in Camp Le Jeune, N.C. Form No. 122 was checked to show that evidence was found of a paramour's presence in the home.

In case No. 29, the investigation service reported September 3, 1958, that no man was found in the home. Form No. 122 was checked "No evidence found." These reports have little meaning in cases such as this, where Mrs. L. has had six illegitimate pregnancies by four different men while receiving assistance.

B. Comparison of 29 cases submitted by investigation service with findings of study.

1. Review of eight cases submitted by investigation service February 9, 1958, in which evidence appeared to indicate assistance should be discontinued.

On February 9, 1959, investigation service submitted a list of 8 cases "in which evidence appears to indicate that assistance should be discontinued," and a list of 21 cases "in which evidence appears to indicate that if assistance was not discontinued, cases should have been referred to investigation service giving specific requests for followup action." Investigation service noted that this second group consists of two categories: One, where the social worker talks with the recipient and believes her story that absence exists and, two, the social worker cannot make a definite finding on the information furnished by investigation service or contained in the record. Investigation service believed such cases should be referred by the social worker, with a request for specific information needed for a definite finding.

The eight cases in which investigation service believed assistance should be discontinued were reviewed and compared with the findings of the study as to whether or not the continuation of assistance was justified. In four of these cases the findings of the study were the same as that by investigation service—that the continuation of assistance was not justified. In one of the four other cases where the finding of the study was that the continuation of assistance was justified, assistance was to continue only for a 3-month period and then the case was to be closed because absence no longer existed. In the second case, Case No. 19, the study showed that the continuation of assistance was justified, not on the basis of absence, but because of physical incapacity. The third case was Case No. 4, a most difficult situation cited elsewhere in the study where it was decided that the continuation of assistance was justified because of the problems in the case and because the case had been referred to a higher supervisory level for a decision. In the fourth case, No. 26, the decision on the basis of the study was that the continuation of assistance was justified although continued absence was not clearly established but the worker was not justified in discontinuing assistance without further followup. In this case application for assistance was not made until June 1958. Mrs. K. said she had lived with her husband until April 1958, when they were forced to move and she had rented an apartment in her own name and Mr. K. had gone to live with his mother. Referral was made to investigation service on June 20, 1958, to determine if Mr. K. had free access to the home. On August 7, 1958, investigation service reported that a Mr. Y. had been found in the home. Mrs. K. told the investigators that her children go to Mr. K.'s place each morning for breakfast. On August 12, 1958, investigation service reported that they visited the home on Sunday at 10 a.m. and had been told by a woman who was looking after the baby that Mrs. K. and the children were at their grandmother's. The investigation was closed as evidence indicated that the recipient is in regular contact with Mr. K. Mr. K. had told the agency that Mrs. K. has a friend who plays the role of father to his children. He said Mrs. K. drinks and cares little for the children. Mr. K.'s mother said neither parent cares for the children properly. When the worker talked with Mrs. K. about the relationship between Mr. K. and his children, she said there were close family ties. There would appear to be real question that continued absence exists when the children are in such close contact with the father and when the mother also has contacts with the father. In finding that the continuation of assistance was justified, it was believed that referral should be made to investigation service and that the relationship with Mr. K. and Mr. Y. be cleared. It is noted that in July 1958 the agency pointed out to Mr. and Mrs. K. that the agency cannot assume support of children when their parents are able to do so, yet the agency has continued to do this. This may well be a separation of convenience.

2. Review of 21 cases investigation service believes should have been re-referred.

The 21 cases where investigation service believed evidence appeared to indicate that if assistance was not discontinued, the cases should have been referred back to investigation service, were compared with the findings of the study. Of these 21 cases, the study showed—

Continuation of assistance not justified__	13
Continuation of assistance justified____	8

Of the eight cases, the study showed that continued absence was not clearly established, and further followup was needed. In only one was re-referral made to investigation service. In the remaining seven, the study showed re-referral should have been made.

From this comparison of investigation service recommendations and the findings of the study, it was found that the two are in substantial agreement.

C. Summary of findings

1. Attention is directed to the fact that the cases read in this study represent only 49 out of a total caseload of 3,589 cases active in December 1958, or less than 1.4 percent.

2. No frequent disagreement was found between investigation service findings and the action taken by the social service staff. Of the 531 cases included in the study, investigation service questioned only 29.

3. The basic element of disagreement was found to be in relation to the continuation of assistance in cases where investigation service believed the eligibility requirement of continued absence did not exist.

4. Information provided by investigation service has been used by staff in determining both eligibility and ineligibility. Of the 330 cases in which information had been requested as to presence in the home, no evidence was found in 133 cases. One hundred and sixteen cases were closed or the application denied prior to the study, 53 of them because absence was not found to exist.

5. In more than half of the 49 cases, it was believed that the continuation of assistance was not justified. In only two cases was it believed that the continuation of assistance was justified without further followup.

6. The decision to terminate an investigation seems to be made in most cases by investigation service alone without any communication or discussion with the social worker as to whether he wishes the investigation to be continued.

7. The manual provides for a conference to be arranged with appropriate persons, "when questions arise in the process of an investigation." No record was found of such conferences, although it is possible that they were held and were not recorded.

8. In at least six cases, the investigation service reports were not found in the case records. In instances of "current" and "retired" case records, investigation service reports were sometimes in the "current" record, sometimes in the "retired" record, and sometimes scattered between the two records.

9. In most cases the procedure established for referral to and reporting by investigation service were followed.

10. In a number of cases referral was made to investigation service before action was taken on information already available.

11. Assistance was frequently continued where absence was not clearly established and no rereferral to investigation service was made.

12. There was indication in the records read that clients are aware of investigation service's method of working, time of visiting, etc., and visit with men in the men's living quarters or elsewhere.

13. Mothers are able to make the agency uncomfortable and uncertain and to receive assistance on their own terms.

14. It is difficult for the staff to cope with the complex problems in some of the ADC cases, to hold themselves and the clients to agency policies.

15. It is difficult for the staff to carry adequately responsibility for evaluating the information already in case records or supplied by investigation service.

16. Some cases show complete disregard of information supplied by investigation service, as well as of agency policy. This was found to be true when referral was made to a higher level for decision, as well as in other cases.

17. The staff is caught between conflicting pressures to provide assistance promptly to persons in need and of making a determination that need exists. Assistance is frequently authorized before any real effort is made, either by the client or the agency, to locate the fathers who are supposed to be "absent."

18. The staff needs help in working with both mothers and fathers around the eligibility factor of continued absence, so that the interest of the fathers in their children is rekindled or sustained, and does not decline as assistance continued.

19. There is evidence that, once assistance is granted, the mothers prefer this and go to any lengths to see that it continues. The records indicate that:

(a) The amount of the assistance payment is greater than husbands or paramours are able to earn,

(b) The payment is more regular than the money received from husbands or paramours,

(c) The mothers have complete control over the way the payment is spent, in contrast to earnings supplied by husband or paramour,

(d) The mothers make every effort to convince the agency of their continuing eligibility and, at the same time, continue the relationship which, if known to the Agency, would make them ineligible,

(e) Advantage is gained from both the assistance payments and the earnings of husbands or paramours.

20. Many records show frequent moving from place to place and nearly always at increased cost. In almost no instance did the record show why the recipient moved, how moving costs or the new rent were paid, or that the new address and living arrangements were verified in accordance with Agency policy.

21. Clients are permitted to move from the home of relatives without contact by the Agency with the relative to verify that the client is required to move or why. This seems to be particularly true where the clients are very young and where supervision of their behavior is indicated.

22. The clients' statements and explanations are often accepted at face value, in spite of repeated evidence of falsification and deception.

23. The procedures established for seeking support from fathers in the Armed Forces are not followed.

24. The records reveal surprising evidence of well-being. There were references to the fact that children were well dressed, to expensive appliances and televisions, to the purchase of clothing and furniture in amounts of several hundreds of dollars, and to bicycles and other expensive toys. There were also references to good meals being prepared by the recipients when visits were made.

ATTACHMENT No. 1

D.C. Departments of Public Welfare
Public Assistance Division
REPORT ON INVESTIGATION SERVICE

PAD #122
Rev. 12/58

I.S. #..........................
☐ Appl ☐ Active case
122 Partial .... Final ....

Name of Client..................................
Category & Case No. ....
RACE: W N O

I. Request by social worker	II. Information furnished by I.S.		
A. Locate	A. Located	Withdrawn by S.W.	Not Located
1. Husband	☐	☐	☐
2. Paramour ...... (Number)	☐	☐	☐
3. Mother	☐	☐	☐
4. Other: Specify	☐	☐	☐
B. Information on presence in the home of	B. Evidence Found	Withdrawn by S.W.	No evidence Found
1. Husband	☐	☐	☐
2. Paramour ...... (Number)	☐	☐	☐
3. Male visitors	☐	☐	☐
4. Other: Specify	☐	☐	☐
C. Information on Resources	C. Evidence Found	Withdrawn by S.W.	No evidence Found
1. Real estate ownership	☐	☐	☐
2. Car ownership	☐	☐	☐
3. Employment	☐	☐	☐
4. Business activity	☐	☐	☐
5. Illegal activity	☐	☐	☐
6. Roomers	☐	☐	☐
7. Other: Specify	☐	☐	☐
D. Other service requested (Specify)	D.		

Return 122 to Chief, I.S., by

II. Action taken by social worker:

A. Application:
1. Approved: ....
Amount $ ....
3. Still pending..........................
2. Denied:
Code reason for denial..........................
Date..........................

B. Case:
1. Assistance continued unchanged:
Amount $..........................
2. Assistance increased:
Date..........................
From $......... To $.........
3. Assistance decreased:
Date..........................
From $......... To $.........
4. Assistance suspended:
Case not closed..........................
Amount $..........................
Date suspended..........................
Date case last opened..........................
5. Assistance suspended:
Code reason for closing..........................
Amount $..........................
Date suspended..........................
Date case last opened..........................
6. Assistance reinstated:
Amount $..........................

Action and Results on Nonsupport

Inapplicable because—
0. No man involved..........................
1. Man already supporting..........................
2. Man's whereabouts unknown..........................
3. Time for filing complaint expired..........................
4. Case closed or application denied..........................
5. Other: Specify..........................
6. Voluntary agreement signed: Date.................. Amount $..................
7. Referral to Juvenile Court: Date..........................
a. Support ordered: Amount $..........................
b. Bench warrant issued..........................
c. Other action: Specify..........................
8. Referral to district attorney: Specify action: ....
9. Action by PAD staff pending: Note reason..........................

Action and results on I.S. report:

II. E. Refusal to sign PAD #77: Reason..........................

II. F. Incidental information developed by I.S. ....

Social Worker..........................
Date S.W. Memo..........................
Date of receipt of S.W. memo..........................
Investigator..........................

Date I.S. Report	To S.W.

ATTACHMENT No. 2.—*Forms 122—July, August, September 1958*

Total	531
Location of person	172
Information on location only	140
Other information submitted	32
Case closed or application denied	19
Case not closed	13
Resources and other requests	29
Closed or suspended	12
No evidence found	11
Evidence found—not closed	6
Presence in the home	330
No evidence found	133
Closed or application denied	116
Cases not closed	81

ATTACHMENT No. 3.—*Request by social worker for information relating to the presence in the home of husband, paramour, or other person*

Total	330
No evidence found	133
Case closed or application denied	116
Cases not closed	81
Withdrawn by social worker	7
Withdrawn by I.S.	2
Evidence found	45
Grant suspended	11
Application held pending	4
Grant continued	30
OAA	1
GPA	2
ADC	27
Record not located	1
No evidence found on specific reason for referral but other information submitted	27
Grant suspended	2
Grant continued	25
ATD	1
GPA	1
ADC	23

ATTACHMENT No. 3—Continued

Records read and schedules prepared:

Evidence found	26
Evidence not found on specific reason for referral but other information submitted	23
Total	49

ATTACHMENT No. 4.—*Schedule for study of ADC cases in which investigation service believes to have made a positive report on "access" to the home yet assistance was continued, November 1958*

Case name.......... Case number..........

Race: W–N–O

A. Date of referral to investigative service ....

B. Reason for referral:
1. To obtain new information
2. To confirm absence or presence where not clearly shown
3. To confirm absence or presence although clearly shown
4. To investigate current situation in cases previously closed because absence was not established.
5. To investigate current situation in cases where previous investigative service report or case record indicates man had access to home.
6. Other—(Specify) ....

C. Relationship to woman of man found in house:
1. Husband
Paramour—
2. Father of 1 or more children
3. Father of none
4. Others—(Specify) ....

D. Date of report by investigation service requiring action by social worker..........

E. Action by social worker
1. Discussion of investigative service report with woman and/or man—Date..........................
2. Referred to unit and/or district supervisor for decision—Date..........................
3. Rereferred to investigative service—Date..........................
4. Other—(Specify) ....

ATTACHMENT No. 4—Continued

F. Recorded reason assistance was continued

Denial of relationship by recipient
1. Rereferral not indicated
Referral seems indicated
2. Referral made
3. Referral not made

Change in recipient's situation concurrent with investigative service report
4. Man in jail or hospital
5. Man left District of Columbia
6. Mother out of home—Change in grantee relative
7. Man's unemployability verified
8. Other—(Specify) ....

Report returned to investigation service before final action has been taken
9. Referred to higher supervisory level
10. Other—(Specify) ....
11. Inapplicable because man a relative or other person not connected with family.

G. Was referral to investigate service justified?

Yes
1. Continued absence not clearly established
2. Other—specify ....

No
3. Adequate information for decision in case record

Ineligible under Agency policy before referral
4. No continued absence

Eligibility not affected by "Access"
5. Man physically or mentally incapacitated
6. Other—specify ....
7. Other—specify ....

H. Was Continuation of Assistance Justified?

Yes
1. Explanation by recipient and followup by worker clearly established continued absence
2. Continued absence not clearly established, but worker not justified in discontinuing assistance without further followup
3. Eligibility not affected by access

ATTACHMENT NO. 4—Continued

4. Incidental information provided by I.S. does not affect eligibility after follow-up by social worker
    No

Continued absence not established
1. Man's intimate relationship with woman clearly established
2. Man found in home two or more times
3. Record gives evidence of unconvincing explanations by client.
4. Other—specify ____________________

I. Other action indicated related to continued absence:
1. Effort to locate or communicate with husband
2. Referral to I.S.
3. Other—specify ____________________

Remarks:

ATTACHMENT NO. 5.—EXAMPLES OF DIFFICULT SITUATIONS AND ATTITUDES WITH WHICH THE INVESTIGATION SERVICE AND SOCIAL SERVICE MUST WORK

(Case No. 28)

August 24, 1953: Mrs. L. applied for herself and two children. She said her allotment had stopped because her husband was AWOL. She was pregnant by Robert J., who was interviewed September 1, 1953, and agreed to support. There was no dicussion recorded of a continuing relationship or of agency policy. When Mr. L. was interviewed, he said he would support. He said he had no plans to live with his wife. He said his wife had purchased a 1947 Cadillac. Mrs. L. said she had permitted Mr. Y. to buy a car in her name.

December 7, 1953: Mrs. L.'s mother, who had been known to the agency under several different names, said Mrs. L. is continuing her relationship with Mr. J. and that she spends the grant foolishly.

March 10, 1955: Mrs. L. said she was pregnant by Mr. J. and that her relationship with him has continued. When Mr. J. was interviewed, he said he felt sorry for Mrs. L. He does not want his child on relief. He said the agency had no right to question his relationship with Mrs. L. as this was a personal matter.

April 22, 1955: Mrs. L. was told she was no longer eligible for assistance and the case was closed.

January 1956: Mrs. L. reapplied. She said that Mr. J. had died, she has no boyfriend and she does not intend to have any more children.

February 24, 1958: Mrs. L. is pregnant by Mr. W. She said she had been seeing him for a year. Mrs. L. readily accepted the fact when it was explained that her March check would probably "be her last check." Case is discussed with supervisor, "free access of the man from the home cannot be established since Mr. W. is stationed at Bolling Field in Washington. Therefore absence cannot be established and assistance will be discontinued."

April 1, 1959: Check canceled. However, the April 1 check was reinstated with no reason given and the grant continued.

June 12, 1958: Mrs. L. wanted "to know her limits." She also wanted to know how long I.S. would be visiting.

May 1958: Referral was made to I.S. regarding Mr. W., but a Mr. R. was found in the home. The address he gave was found to be an empty house. There is no further mention in the record of Mr. W. There is no record of an interview with him.

In 1957 there is an entry in the record that Mr. L. is the paramour of another ADC mother who has had three children by him.

(Case No. 47)

In this case, which is 76 pages long, the Agency learned on October 17, 1951, that Mrs. W. had given birth to a child on October 3, 1951. (Mrs. W. had been seen on September 25, 1951, and employment discussed. There was no mention of pregnancy.) Mr. T. was named as the father, An entry, dated December 5, 1951, said the check was released with the understanding that Mrs. W. could have Mr. T. come to the office. He was not seen until December 1952. There is no record of any discussion with him then, except support.

In 1955, Mrs. W. named Mr. D. as the father of her child born September 10, 1955. In October 1955, the worker recorded: "I also asked Mrs. W. if she were continuing her relationship with Mr. D., and she said she really did not know."

A letter was received from Mrs. W. saying she had broken off with Mr. D. and had nothing else to do with him. On December 2, 1955, Mr. D. was seen. He said he was so disgusted with Mrs. W. for not wanting to keep his child that he had stopped seeing her in January or February and there has been no relationship between them since that time. "They both promised to contact us if they decided to resume their relationship."

In October 1956 a furniture company reported that Mrs. W. had bought $516 worth of furniture, increased the debt to $560 and had made monthly payments of $30 until July 1955. (The worker noted that Mr. T. came into Mrs. W.'s life in 1955—and that she had said the furniture belonged to her mother.) On April 13, 1957, the worker notes that a man has been seen in Mrs. W.'s home several times, whom Mrs. W. said was her uncle.

In May 1957, the case was closed because Mrs. W. went to work. She reapplied in August 1958 and referral was made to investigation service to determine that Mr. D. is continuously absent. On September 18, 1958, investigation service reported finding Mr. D. in the home. The following entry, dated November 5, 1958, is made on form No. 122: "Assistance continued pending interview with Mrs. W. and Mr. D."

(Case No. 48)

Mrs. W. had received assistance since 1949. In August 1953 the agency learned she was pregnant by Mr. L. He was seen in October 1953 and agreed to give Mrs. W. $6 each week.

In 1954 a department store reported that Mrs. W. had purchased clothing amounting to $140.95. The store was informed that "We took no responsibility for what our recipients did." Mrs. W. moved frequently, no questions were raised as to how moving costs or rent were paid, and living arrangements were not satisfactorily verified.

In January 1956, the agency learned that Mrs. W. had given birth to a male infant. When Mrs. W. and Mr. L. were seen in February 1956, Mr. L. said he planned to marry someone else and would be unable to provide for the children. He said later he would support and that the agency had no right to "know his business." In March the case was closed. Mrs. W. appealed and the action of the agency was sustained. Mrs. W. said had she known that by bringing Mr. L. to the agency she was not eligible for further assistance, she would have brought some other man and said he was the father. In May she applied again, and both she and Mr. L. said their relationship was not continuing. However, he was seen in the home in June, and the application was terminated. In September 1956, Mrs. W. was referred by CWD, became pregnant again by Mr. L. and the case was again closed in March 1958. Her last application was in May 1958. She denied any further relationship with Mr. L. Referral was made to investigation service on June 6, 1958, to determine if Mr. L. is absent from the home. On July 8, 1958, investigation service reported that Mrs. W. said she had never heard of Mr. L. "When it was pointed out that this was not true, recipient readily admitted this, but stated she felt it was not necessary to tell investigators things that don't concern them. Recipient then began speaking in a loud, belligerent voice and would not be interrupted in her harangue." Investigation service suggested that the social worker should interview Mrs. W. with the investigator present, and that unless she cooperated, no purpose would be served by further home visits. On August 6, 1958, investigation service reported that Mrs. W. was not at home when visited. The final report, dated August 18, 1958, points out that Mrs. W. has not given correct information as to persons living in the household and that "this closes investigation by investigation service." No information was obtained concerning Mr. L.'s presence or absence in the home.

(Case No. 49)

When Mrs. W. applied for assistance in 1955 she was 18 years old and had three children. She was 15 when she married Mr. W.; he was 17. She said Mr. W. had deserted. In 1956 Mrs. W.'s mother complained that she was "running the streets", sometimes stayed out all night, and made no plans for care of the children. In May 1956, Mr. W., who was not yet 20, was interviewed at the jail. He said he had not deserted. His wife and children had gone to her mother's home when he was out of work, and he had refused to go there. He said he had supported himself since he was 14 and could do several kinds of work. He had been a ward of CWD. He said he planned to return to his family. In May 1956, Mrs. W.'s behavior and drinking were discussed. She said she felt her behavior was due to Mr. W.'s incarceration and that she "just can't wait" for him to be released. Mr. W. was released and returned to his family. He was made payee, which made Mrs. W. angry. In August 1956, Mr. W. obtained work. Both Mr. and Mrs. W. assured the worker they did not consider themselves separated, and the case was closed.

In May 1957, Mrs. W. reapplied, saying Mr. W. had deserted. She talked "loudly and snappily" with worker, and paid little attention to the worker's explanation regarding efforts to locate Mr. W. and to obtain support. The record says Mr. W. has "a history of irresponsibility, incarceration, and failure to support," but the record does not bear this out. On September 22, 1957, Mrs. W. called to ask that her case be closed because she was working. The agency learned later that she began working July 18, 1957.

In March 1958, Mrs. W. applied again. She said she was laid off at HEW. It was learned that she had lost her job because of too frequent absences due to illness and her work was not satisfactory. She said she had been separated from Mr. W. for a year and had been going with a Mr. B. She was demanding and controlling. The worker notes in referral to investigation service Mrs. W. is very unpleasant. "I believe she is mentally disturbed." In May 1958, a man from the realty company called to say that Mrs. W. had moved in the middle of the night, that a man helped her move, and that he thinks the man stayed all night.

In June 1957, referral was made to locate Mr. W. Investigation service reported they could not locate Mrs. W. Referral to investigation service was made May 26, 1958, to determine whether a family relationship existed with any man. Investigation service reported they were not admitted to the home, that Mrs. W. was not at home on the last two visits, and that no evidence was found of male access. On form No. 122, investigation service noted: "Possible neglect of children." The form was returned to investigation service with no notation by the social worker, except that the grant continued unchanged.

(Case No. 15)

Mrs. E. told the Agency in 1951 that Mr. E. had deserted 6 years before. In 1956 (after Mrs. E.'s fifth application since 1933) investigation service reported that Mr. E. was employed, that his address was the same as Mrs. E.'s, and that he claimed five dependents for income tax purposes. Mr. and Mrs. E. denied living together and the grant continued.

In 1958 Mrs. E. was forced to move from NCHA because of the illegal sale of alcohol. (The father of one of her children had told the agency in 1956 that Mrs. E. did not need assistance, that Mrs. E. was selling liquor and numbers.) In September 1958, investigation service reported no evidence of liquor sale or access.

(Case No. 16)

Mrs. F. told the agency on August 7, 1953, that if her husband was able to work and to return home, she would be pleased to have him, since he had always supported and worked regularly. In 1957, on two occasions, she said he had never supported adequately. Mr. F. claimed his wife did not want him back because she was interested in someone else.

(Case No. 31)

Investigation service found Mr. M. in Miss L.'s home. She said he was her cousin, not her "boy friend." She admitted later that he was her "boy friend" and that she had tried to conceal this information from the agency.

(Case No. 37)

Referral was made to investigation service to determine the relationship of Mrs. M. and Mr. A. when investigation service visited in September 1958 Mr. A. answered the door. Mrs. M. said Mr. A. visited every day because she was in arrears with her rent, and he had rented the house for her. New men's suits were found in the closet. The grant continues, with the notation on form No. 122 that investigation service report did not reveal conclusive evidence of Mr. A.'s having free access to the client's home. Mrs. M. showed worker that she had altered the new suits to fit her young sons.

ATTACHMENT No. 6.—*Action taken by social worker on information provided by investigation service*

Total	49
Report discussed with client	24
In less than 1 month	15
In less than 2 months	6
In less than 3 months	1
In less than 4 months	1
Date not recorded, but record mentions discussion	1
Letters written to arrange interview	4
Action taken prior to investigative service report	1
No action required	7
No action recorded	13

ATTACHMENT NO. 7—EXAMPLES OF PREFERENCE OF MOTHERS FOR ASSISTANCE RATHER THAN SUPPORT FROM HUSBAND

(Case No. 14)

Mrs. E., age 23, applied for assistance for herself and four children in July 1952, saying Mr. E. had been incarcerated for nonsupport. She said Mr. E. had been fairly reliable until about 3 years ago when he started drinking and staying out nights. They were married in April 1947; the oldest child was born in January 1947. Mrs. E.'s fifth child was born in 1953. She said she was not going to permit her husband to live with her again after his release. On May 8, 1953, Mr. E. was visited at the District jail. He said he was anxious to return to his family and support them, but Mrs. E. had written him of her desire for a divorce. After Mr. E. was released, Mr. and Mrs. E. were seen at the office May 19, 1953. Mr. E. felt that his children should not receive assistance, as long as he was able-bodied and can work and care for them. He accused Mrs. E. of running the streets all hours of the night and not looking after the children as a mother should. He gave the car license number of the car belonging to a man she was "running around with." Mrs. E. said the car belonged to Mr. A., a friend of hers. On a visit to the home on February 10, 1953, worker had seen an elderly man mopping the kitchen floor. In June 1953, Mr. E. obtained employment. He complained about Mrs. E.'s behavior, her care of the children, and her threat to put him back in jail, and how difficult Mrs. E. makes it for him to see the children. The worker talked with Mrs. E. in July about giving Mr. E. "an opportunity to prove himself," but she was unwilling. In November 1953, when a visit was made, and "old gentleman" was sitting in the kitchen with the children. Mrs. E. was dressed to go out and a young man came in, and was introduced as Mr. O.

The worker again talked about permitting Mr. E. to return. The worker "remarked that sometimes it might be easier to depend on the agency rather than to give her husband an opportunity to prove that she could depend on him." Mr. and Mrs. E. were again seen together at the office. Mr. E. said he is making $82.72 every two weeks, that he loved his wife and children and wanted to support them. He worked steadily and tried to show his wife that he had changed. He said he could support the family on his salary "if she would listen to reason and let him come home." He thought it would be possible to reason with Mrs. E. "If she did not feel so independent of him." He said he could not understand why his wife and children needed assistance, when he was willing to return and give the family advantage of all his earnings. He said "as long as his wife could get public assistance she would not listen to anything he had to say." After conference with the supervisor, the worker told Mrs. E. she was not eligible for continued assistance, because of Mr. E.'s offer to support in the home. In December Mr. E. said he had thought about it and did not want to return home. "He thinks they could not get along and thinks he might end up in jail." The grant continued. In February 1954, Mrs. E. said Mr. E. was picked up on his job for nonsupport and lost his job because of being held in jail. In March 1954 Mrs. E. was pregnant by Mr. A., lost the baby, and said she was still "keeping company" with Mr. A. During the interview, Mr. A. came to visit Mrs. E. Mr. A. said he would take care of any children born to them. In March 1955, Mrs. E. said she had no further relationship with Mr. A. In May 1956, a Mr. R. came to complain about Mrs. E's. neglect of the children, and spending money she gets from the agency on herself. Mr. R. said Mrs. E. is pregnant by him. He has stayed with Mrs. E.

He has offered to marry her and care for the children but she wants to be free to run the streets. He said she drinks heavily. Mrs. E. denied any relationship with Mr. R or pregnancy. In September there was a discussion with Mrs. E. as to her behavior, parties, etc. She said she was "ready to settle down and plan for her children and stop running around." In October Mrs. E. was evicted by NCHA. Although her back rent was paid by some men, she had been a problem and disturbance over a period of years. A Mr. Y. was seen in the home in October 1956 and January 1957. In January and March investigation service reported finding a Mr. J. in the home. In April 1957 and again in January 1958, Mrs. E. was told that a relationship with a man similar to that of husband and wife might jeopardize the grant. She said she was well aware of this policy.

In April 1958 investigation service located Mr. E. In August 1958, Mr. E. came to the office of his own accord. He signed a voluntary support agreement. He again said he would like to make a home for his family, but "would not want to return to the home unless Mrs. E. accepted him on her own." On August 13, 1958, investigative service found Mr. B. in the home, and a Mr. L. staggered in from the street. Mr. L. had come staggering in on a previous investigative service visit. On August 18, 1958, Mrs. E. said Mr. B. was a friend she hadn't seen for 6 years. She would not consider going back with Mr. E. He would leave her and take trips with other women, and stay away from home drunk. On October 6, 1958, Mrs. E. said that she had moved and her rent had been increased to $65 plus heating oil and utilities. She was reminded of the agency maximum of $64 for all shelter costs, and she said she could manage.

(Case No. 17)

When Mrs. J. applied for assistance in 1955 she was not quite 19. Her husband had been incarcerated for robbery and Mrs. J.'s stepfather said he could not continue to provide for her and the two children. She had never worked and her mother was not willing to care for the children. Her mother and stepfather rented quarters for her, provided furniture and a television, and assistance was authorized.

In August 1956 an anonymous telephone call was received saying that Mrs. J. did not live at the address she had given, but was living with a man in Northeast.

In January 1957 a man was seen in the home. Mrs. J. said he was her stepbrother, Mr. C., but when the social worker addressed him as Mr. C., he did not respond. Mrs. J. interrupted and introduced him as her cousin and said she had been confused. The young man said he was not Mr. C. and was not related to Mrs. J., but was a friend of her brother who had just stopped by because it was a rainy day and he had nothing to do.

Mr. J. was paroled and came to the agency in October 1957. He said he loved Mrs. J. and wanted to provide a home for her but she was not interested because she was living with a Mr. W. who had told him to stay away. Mrs. J. denied living with a man, or that she was working, as her husband had said. She said Mr. J. was good to her and provided well for her prior to his incarceration, "but she just didn't want him anymore." It was explained that assistance could not be continued since Mr. J. had offered to provide for his family. Mrs. J. said she "would see him put in jail" at which time she would "be back to see us."

In April 1958 Mrs. J. reapplied. She said her mother and stepfather had been helping her and that she had no intention of going back to Mr. J. When Mr. J. was reached by telephone he said he was out of work and did not want to live with Mrs. J. In May 1958, Mr. J. said he was working and was willing to establish a home, but Mrs. J. did not want him. He said she had done everything she could to make trouble for him. Mrs. J. made it clear that "she felt the children were exclusively hers" and refused to let Mr. J. come to see the children. She had not looked for work. A child care plan was arranged by the agency with another mother who was receiving assistance, and Mrs. J. was told that she would not receive assistance after July 31, 1958.

Referral was made to the investigation service on May 23, 1958, to determine if the man Mr. J. said was living with Mrs. J., or any other man, had free access to the home, or if she has a husband-wife relationship with any man. The investigation service was also asked to determine if Mrs. J. was or had been employed. On June 3, 1958, investigation service reported that Mrs. J. was pregnant and that she had been employed under another name.

On June 2, 1958, a neighbor told the agency of Mrs. J.'s pregnancy, of her running with a fast, rough crowd, drinking heavily and cursing and cavorting in public.

Mrs. J. insisted that Mr. J. was responsible for her pregnancy, but he denied this. He said his wife had been pregnant while he was in prison, but that he was not responsible for either that pregnancy or this one. Mr. J.'s manager was contacted. He said he had seen the man Mrs. J. was living with in the home and told of evidence of a wild party with couples sleeping in various parts of the house. Mr. J.'s probation officer said he was in Mrs. J.'s home in November 1957 and there was a man living with her then. He said "it was apparent to him that Mrs. J. was trying to have Mr. J. readmitted to prison."

On July 28, 1958, Mrs. J. came to the office saying the agency would have to help her now because Mr. J. was incarcerated. She was told that she was still ineligible for assistance because she had failed to establish the paternity of her unborn child. Mrs. J. saw the district supervisor, who decided the grant should be continued, with continued efforts to locate the father of her child.

On October 6, 1958, Mrs. J. admitted that a Mr. Y., not Mr. J. was responsible for her pregnancy. She said she had withheld this information for fear of jeopardizing her assistance. She said she and Mr. Y. were not resuming their relationship. On October 15, 1958, Mr. Y. said he never expects to live with Mrs. J. again. He said he was ill and was advised to undergo surgery. On October 22, 1958, Mrs. J. discussed plans to marry Mr. Y. Since they plan to marry as soon as they obtain divorces, she felt it would be all right for them to live together as husband and wife. On November 19, 1958, she told investigation service she did not have any intention of seeing Mr. Y. again.

The grant continues with the review date set for April 1, 1959.

STUDY OF FOLLOWUP BY PUBLIC ASSISTANCE DIVISION SOCIAL SERVICE ON INVESTIGATION SERVICE FINDINGS

PART II. WHAT ELEMENTS ARE RESPONSIBLE FOR FREQUENT RE-REFERRALS OF CASES TO INVESTIGATION SERVICE ON WHICH WHAT APPEARS TO BE A CONCLUSIVE FINDING HAS BEEN MADE AS A RESULT OF THE ORIGINAL REFERRAL

At a meeting on February 5, 1959, of the superintendent, assistant superintendent, statistician, chief, investigation service, and the standards specialist, it was decided that investigation service would submit a list of the cases which investigation service believed should not have been re-referred.

On February 16, 1959, the chief of the investigation service submitted a list of 8 cases selected from the 127 cases re-referred to investigation service by the field staff during July, August, and September 1958. Five of these cases were closed and three were active.

Only one case (case B) was among the 49 cases on which part I of the study was based. This case was identified in part I as case No. 20 and was cited to illustrate action taken on information supplied by investigation service and community complaints.

These eight cases were read during the last week in February 1959. They were divided by category as follows:

Aid to dependent children	6
Old-age assistance	1
Aid to the disabled	1

A. Findings on case situations and re-referrals:

1. Elements responsible for re-referrals: From a review of the eight cases, it appears that the following elements are responsible for re-referrals:

(a) Reluctance of staff to make decisions to deny assistance.

(b) Vehement denial by recipients of relationships.

(c) Care in weighing information received in relation to source and clients' statements.

(d) Need for support by investigation service findings before finding client ineligible.

(e) Conflicting information received.

(f) Change in worker.

2. Summary of findings:

(a) Investigation service questioned the re-referral of only 8 of the 127 cases re-referred in July, August, and September 1958.

(b) The study showed that in six cases there was enough information in the investigation service reports or in the case records on which to base a decision.

(c) In one case there was sufficient reason for re-referral.

(d) In one case acceptance of the case was questioned, but since this was done, agency policy required re-referral.

B. Case summaries. See attachment II-1.

ATTACHMENT II-1

Case A-OAA

1. Investigation service reason for believing re-referral should not have been made: Investigation service believed this case should not have been re-referred because investigation service had furnished enough information on original investigation for social service staff to make a decision.

2. Information in case record: Mrs. C. applied in 1956. She had been living with Mr. G., in what appeared to be a common-law relationship, but said he could not continue keeping her. In January 1958, after a report was received that Mrs. C. had a man and a child living with her, referral was made to investigation service to determine this. On February 5, 1958, investigation service reported finding Mr. G. hiding in a closet, and his grandchild in the home. The janitor confirmed the living arrangements. Mr. G. and Mrs. C. both denied that he lived there. Calls were received from Mrs. C.'s landlady, Mr. G.'s landlady, and from the child's mother saying Mr. G. and the child were not in Mrs. C.'s home. In his rereferral to investigation service on September 9, 1958, the worker says he was informed by neighbors that Mr. G. had returned home, but Mrs. C. said he was in Virginia. On September 15, 1958, investigation service reported finding Mr. G. in bed in Mrs. C.'s home feigning sleep. The case was closed in October 1958.

3. Elements responsible for re-referral: It appears that the case was re-referred because information was received from three presumably reliable persons that Mr. G. and his grandchild were no longer in the home, after investigation service had found them there, yet neighbors had reported Mr. G. had returned. A change in worker may also have had something to do with re-referral.

4. Findings: In view of the conflicting information the worker had received from persons presumed to be reliable, re-referral was justified.

Case B-ADC

1. Investigation service reason for believing re-referral should not have been made: Investigation service believed this case should not have been re-referred because—

(a) Investigation service had furnished enough information on original investigation for social service to make a decision.

(b) Reason for re-referral is inconsistent with information previously submitted by investigation service.

2. Information in case record: This is the case of a 54-year-old woman whose child was born in 1943.

In 1952 she was arrested on a narcotics charge and sentenced to Occoquan. The child was committed to CWD on two occasions. In March 1956 the judge of the juvenile court questioned Miss H.'s eligibility for continued assistance. A memorandum, dated March 29, 1956, from the assistant superintendent to the Deputy Director of Public Welfare describes Miss H. as a "pathetic piece of human wreckage * * * who is apparently not too bright." In 1956 CWD noted report that Miss H had "reverted to the same pattern of living she had at the time of her arrest on the narcotics charge."

Mr. B., father of Miss H.'s child, was seen in 1948 and in 1957. The record does not indicate any continuing relationship. CWD records indicated he was living with another woman.

3. Elements responsible for rereferral: On March 19, 1958, referral was made to investigation service to determine if Mr. B. had free access to Miss H.'s home. Investigation service submitted five reports. Many men and also women, were found drinking in the home. The final report dated April 4, 1958, notes that in discussion with the supervisor, it was decided that investigation service should close its investigation, because of conditions found.

On June 24, 1958, the case was re-referred to investigation service to determine if Mr. B. has free access to Miss H.'s home. In an entry dated June 4, 1958, the record says, "Since investigation service was unable to make a determination on our previous referral because of the living arrangements of the home on L Street, the case is being re-referred to the unit at this time."

In August 1958, investigation service reported numerous visits had been made to the home, that Mr. B. had never been seen, but that on all visits except the last, several men had been seen in the apartment. "These men have all shown signs of extreme intoxication, on the other hand there has not been any indication these men were more than friends or acquaintances who had dropped by to visit and drink."

On form No. 122 investigation service noted, "Four men found constantly in home."

3. Elements responsible for re-referral: The elements responsible for re-referral are not clear, since the record showed no indication of a continuing relationship.

4. Findings: Re-referral was not justified, since there is no indication, either in the record or in previous investigation service report, of a continuing relationship with Mr. B.

Case C—ADC

1. Investigation service reason for believing re-referral should not have been made: Investigation service believed this case should not have been rereferred because investigation service had furnished enough information on original investigation for the social service staff to make a decision.

2. Information in case record: Mrs. H. applied May 25, 1953. She said she could not continue working because she had no child care plan. Mr. H. deserted in North Carolina in 1951. She came to the District of Columbia in 1952. Her father had helped her. On May 4, 1954, MAD reported that Mrs. H. was pregnant. She said Mr. G. was responsible for her pregnancy but changed her story and said Mr. W. was responsible. She said Mr. W. was in Japan. He denied paternity. On October 5, 1954, Mrs. H. said she could return to her mother in North Carolina. On April 9, 1956, referral was made to investigation service to locate Mr. H. and Mr. W. In 1956 investigation service located Mr. H., husband and father of three children, in South Carolina. Mrs. H. sent him a registered letter but received no reply. No action since 1956 to locate Mr. H. except referral to RES in 1958, who found not at 1956 address.

March 1, 1957, complaint received from a former recipient about people hanging around the house playing cards. She said a man was involved. On June 6, 1957, landlady complained about Mrs. H., saying she should not have help. She said Mr. H. had been in town around Christmas time. Mrs. H. denied this. On January 20, 1958, investigation service reported Mr. G. found under the porch. On February 6, 1958, investigation service reported Mr. G. in home second time and at the social worker's verbal request, investigation service case was closed. Mrs. H. was told she was no longer eligible for assistance. She wanted to talk with the supervisor and a conference was arranged on February 21, 1958, and the case was kept open. She was asked to bring Mr. G. to the office which she did on February 24, 1958. He said he was only a casual friend and assumed no responsibility for Mrs. H. on her children. On July 8, 1958, another referral was made to investigation service to determine whether Mr. G. lives in the home or whether he or any other man frequents the home. On July 30, 1958, investigation service reports Mr. G. in the home conducting himself like the master of the home. Mrs. H. was out and he was caring for the children. The case was closed August 27, 1958, because the man was found living in the home. On October 23, 1958, Mrs. H. reapplied. She denied a continuing relationship with Mr. G. Her application was accepted and she was told her case would be assigned to the area worker and that it would be necessary that the area worker interview Mr. G. The record says, "No re-referral was made to FIS due to recent report submitted by FIS re Mr. G." This is contrary to agency policy regarding re-referrals in manual 303.4-3.

No dictation after November 1958.

3. Elements responsible for rereferral: After investigation service had found Mr. G. in the home on two occasions, she denied that he frequents her home and said it was just by coincidence he was found there. It was for this reason re-referral was made to determine again whether Mr. G. lives in the home or whether he or any other man frequents the home.

4. Findings: In view of Mrs. H.'s unconvincing explanations, it is believed that investigation service had furnished enough information on which to base a decision.

Case D—ATD

1. Investigation service reason for believing re-referral should not have been made: Investigation service believed this case should not have been rereferred because—

(a) Investigation service had furnished enough information on original investigation for social service to make a decision.

(b) Information in case record.

2. Information in case record: Mrs. H. is blind and an alcoholic. Record of arrest and drinking, under several different names, date back to 1933. She has received assistance almost continuously since 1942. Care at DCV suggested in 1942. Child born 1948 was committed to CWD because Mrs. H. was not capable of providing care. On almost every page of the record there is a change of address. On April 23, 1956, two men were seen in the home. On December 15, 1956, report received that Mrs. H. was living with a man. On January 7, 1957, referral was made to investigation service to determine whether a man lives in the home. January 16, 1957, investigation service reports three men found in home and February 11, 1957, two men found. On February 18, 1957, worker found two men in home. Mrs. H. admitted having lived with Mr. D. for 7 or 8 years. Mr. D. was found eligible for assistance until his death April 3, 1958. On June 4, 1958, worker found a man in Mrs. H.'s room, and told her the grant could not continue "unless she moved to a room and board arrangement because she appears to be an easy victim for worthless men to take advantage of her." Room and board arrangements were made by worker with a Mrs. W., who telephoned on June 5, 1958, to say she could not allow Mrs. H. to remain because she had too many men friends visiting her. Goodwill Industries had also reported men frequenting the home. August 1, 1958, check canceled because Mrs. H.'s whereabouts were unknown. On September 17, 1958, referral was made to investigation service to determine whether there was a man living in the home or having free access. On September 22, 1958, investigation service reported finding two men. They and Mrs. H. were drunk. The landlady said one of the men was always there. A large quantity of food was found. The case was closed in September.

3. Elements responsible for referral: The man investigation service found to be living with Mrs. D. in 1957 died in April 1958. This may have been why the case was rereferred. The worker may have referred to substantiate reports received in June 1958 of frequent male visitors, although she herself had found a man in the home.

4. Findings: Rereferral was not justified since the worker had obtained enough information on which to base a decision.

Case E—ADC

1. Investigation service reason for believing re-referral should not have been made: Investigation service believed this case should not have been rereferred because—

(a) Investigation service had furnished enough information on original investigation for social service staff to make a decision.

(b) Information in case record.

2. Information in case record: Miss K. has received assistance continuously since 1952 when the grant was made on a temporary basis. She lived with her family, rent free, until 1955 when she moved to NCHA. Reports concerning Miss K.'s behavior have come to the agency since August 1953. The first report of her relationship with Mr. S. was received in May 1956. In August they both said the relationship was being discontinued so that the grant would continue. In November 1956, referral was made to investigation service to determine whether or not Mr. S. or any man was in or visiting the home and to locate Mr. B., father of Miss K.'s two oldest children. Investigation service located Mr. B. and found Mr. S. in the home. The record is 62 pages in length, composed for the most part of reports concerning Miss K.'s behavior, her denials, and page after page of agency explanation of policy in relation to continued absence. No action was taken and no referral made. Numerous reports were received from the NCHA manager who reported from time to time that Mr. S. was living in the home. For example, on July 23, 1957, investigation service reported that the manager of Stanton Dwellings said he had positive information that Miss K. is being supported by Mr. S. The manager also said that Miss K. was writing numbers and that several persons in the neighborhood act as lookout for Miss K. so that Miss K. can be warned to clear house. This warning service also extends through the entire Stanton Dwelling area for the benefit of other recipients. Miss K. told NCHA whatever she did was her business. On page 56 of the case record (undated), there were reports of illegal activities, writing numbers, sale of liquor, large parties, and that Mr. S. was in the home. The worker points out that "the reports were not conclusive enough to warrant withholding of assistance." On September 9, 1957, NCHA again reported that Miss K. has a paramour. Both Miss K. and Mr. S. again denied any continuing relationship. In spite of agency policy that complaints are to be referred immediately to investigation service, more than 10 months elapsed until May 7, 1958, when the case was again referred to investigation service to establish whether Miss K. has resources from illegal activities and whether Mr. S. or any man was residing in the home. On May 15, 1958, investigation service reported Mr. S.'s car parked in front of the home. On June 30, 1958, investigation service reported Mr. S. found in the home. On July 29, 1958, investigation service reported Mr. S. in the home on June 30 and July 28, 1958. On August 26 the case was closed because of Miss K.'s continued relationship with Mr. S. Form No. 11, notice of discontinuance, also notes that Mr. S. and Miss K. were married.

3. Elements responsible for referral: The elements responsible for referral were not clear since there appeared to be ample evidence in the record and from investigation service reports that Miss K. was continuing her relationship with Mr. S.

4. Findings: Rereferral was not justified. Reports concerning Miss K.'s ineligibility came to the agency as early as 1953 and have continued. Miss K. seems to have been clearly ineligible for assistance at least since 1956.

Case F—ADC

1. Investigation service reason for believing rereferral should not have been made: Investigation service believed this case should not have been re-referred because:

(a) Investigation service had furnished enough information on original investigation for social service to make a decision.

(b) Application should not have been accepted since landlord is paramour and case was closed previously due to investigation service finding him in home.

2. Information in case record: In old protective service record of Miss S.'s mother, Miss S. is described by her teacher as "a well-behaved child who is unable to learn anything at school." A note in the case record, dated January 26, 1959, says her IQ is 53.

Miss S. applied in 1954 because her paramour and the father of her three youngest children had died. Received assistance and continued to live with mother, with whom she had always lived. In 1957 Mr. B. was found in home by investigation service. Miss S. said he was her uncle. Said she wanted to move from her mother's home. She was told there was no objection to this. The case was closed in March 1958 because Mr. S. and Mr. W. had access to the home. It was noted that Miss S. describes all men found in her home as uncles.

3. Elements responsible for re-referral: Miss S. reapplied again in June 1958 and after conference with the supervisor, referral was made to investigation service July 17, 1958, to determine whether Mr. S. had access and Miss S.'s relationship to him. The referral noted that the apartment was rented in Mr. S.'s name. On August 26, 1958, investigation service reported the apartment was rented in Mr. S.'s name, that he was still paying the rent and terminated the investigation because of the continued access of Mr. S. On August 12, 1958, before investigation service report was received, the application was prepared for termination. However, on August 22, 1958, Miss S. and Mr. S. were in the office. He denied any relationship to Miss S. On September 17, 1958, the case was again submitted for termination, but in supervisory conference September 29, 1958, it was decided to ask Miss S. and Mr. S. to come to the office again. There were two failed appointments and the application was finally terminated due to loss of contact.

At the time of Miss S.'s last application, December 17, 1958, she again said the house was rented in the name of an uncle.

4. Findings: Since the case was accepted, re-referral was justified on basis of policy covering cases to be referred. However, acceptance of the application is seriously questioned.

Case G–ADC

1. Investigation service reason for believing re-referral should not have been made: Investigation service believed this case should not have been re-referred because investigation service had furnished enough information on original investigation for social service staff to make a decision.

2. Information in case record: Mrs. S. applied for assistance in February 1956. She had three children and was pregnant. She said Mr. S. had deserted, that he was a poor provider and drank. On May 22, 1956, the Woman's Bureau's record was read. Mr. S. reported that Mrs. S. had left him periodically and that on several occasions he had found her in bed with a man at the Dunbar Hotel. He asked the Woman's Bureau to take the children. The last recorded Woman's Bureau contact was in October 1955 when both Mr. and Mrs. S. were found at home watching television and Mrs. S. said she had returned and decided not to separate from her husband. In June 1956, the application was terminated because continued absence was not established. Mrs. S. reapplied in November 1956. In January 1957, referral was made to investigation service to locate Mr. S. In October 1957 investigation service reported they had located Mr. S. in Baltimore. A letter was written to him and returned marked "Unknown." In December 1957 a careful explanation of agency policy is recorded. Mrs. S. said she was not participating in such a relationship. On July 29, 1958, referral was made to investigation service to determine whether Mrs. S. was participating in a relationship with any man. It was pointed out in the referral that on a recent visit a man was seen who was introduced as a cousin. On August 11, 1958, investigation service reported Mrs. S. unclad in an unlighted living room with a man she identified as John L., who ran out the back door. On August 21, 1958, investigation service reported that Mrs. S. had said the man found in the home was not John L., but Ralph H. Mrs. S. was pregnant and said that the father of her new baby was Mr. L. Mrs. S. and the man seen at the time of the previous visit were engaging in sexual intercourse at time of investigation service visit. On August 19, 1958, pregnancy was discussed. She said a close relationship had existed for 6 or 7 months prior to Mr. L.'s disappearance about 2 months ago. On August 21, 1958, Mrs. S said she could not obtain any information about Mr. L. or Mr. H.

She "was advised that the information which she had provided the agency is not logical and is definitely insufficient grounds for continuing assistance to her and the children." "The client was advised if she is willing a request would be made to our investigation service regarding locating Mr. L. She was told that this would be a rush referral and that assistance would continue to be suspended pending the report. At first Mrs. S. did not reply as to whether she was willing or not for this investigation but said that she does not feel that it is necessary for the investigator to again come snooping around her house when there is nothing to find." On August 29 a rereferral was submitted to investigation service to determine whether Mrs. S. is participating in a family relationship with any man and to locate Mr. L. On September 4, 1958, Mrs. S. called to know why she had not received her check. It was explained that she would need to bring the father of her expected child to the office and she replied she did not intend to do this. She said it was OK to close the case. On September 22, 1958, investigation service reported that Mrs. S. had refused to admit them because she said her case was closed for failure to bring in the man discovered leaving her apartment on August 7, 1958. On October 6, 1958, the case was closed because continued absence was not established.

3. Elements responsible for re-referral. It appears from the case record re-referral was made because of Mrs. S.'s vehement denial in the interview of August 21, 1958.

4. Findings. Re-referral was not justified because investigation service had furnished enough information to justify a decision of ineligibility.

Case H–ADC

1. Investigation service reason for believing re-referral should not have been made: Investigation service believed this case should not have been re-referred because—

(a) Investigation service had furnished enough information on original investigation for social service staff to make a decision.

(b) Information in case record.

2. Information in case record: When Miss T. applied in May 1957 she was employed as a nurse's aid at Doctor's Hospital but said she had no child care plan. She said she lived with Mr. J., father of the two children who were with her, from 1952 until 1954 and irregularly until June 1956. Referral was made to investigation service to locate Mr. J. On February 19, 1958, investigation service reported they had located Mr. J. in Miami. Miss T. was referred to RES but the case could not be accepted because paternity had not been adjudicated or established under oath. In March 1958 a report was received from the resident manager of the apartment that Mr. P. stays at Miss T.'s apartment nights at a time and helps her to buy expensive food. She said Mr. P. and another male tenant have dinner with Miss T. every evening; that Miss T. is cruel to her children and is not a fit mother. On March 28, a referral was made to investigation service to determine Miss T.'s relationship with Mr. P., whether she has boarders and whether she is employed. On April 23, 1958, investigation service, reported finding Mr. P. in Miss T.'s apartment. Miss T. said he was her girlfriend's husband but he told investigation service later he did not know why she had said this.

On May 8, 1958, the investigation service report was discussed with Miss T., who denied any relationship whatsoever with Mr. P. On May 13, 1958, Mr. P. telephoned. He also denied any relationship. The record says, "I let him know that assistance would be withheld for Miss T. until he did come in to talk with us." Mr. P. said he did not care whether or not Miss T. received assistance and he did not come to the office. On May 27, 1958, it was decided in supervisory conference that the investigation service report did not contain sufficient evidence for a family relationship between Miss T. and Mr. P. Assistance was continued. On June 17, 1958, further reports were received from the resident manager, whose attitude showed considerable malice toward Miss T. On July 30, 1958, reports were received from another individual that Miss T. had been visiting in the apartment of Mr. P. for the past three nights and that since Miss T. had moved she has been to Mr. P.'s apartment every weekend. She said she is cooking for Mr. P. and does not need assistance because Mr. P. is taking care of her. On August 18, 1958, rereferral was made to investigation service to ascertain if a family relationship existed with Mr. P. On September 16, 1958, Miss T. telephoned to say she is going to work at Doctor's Hospital. "She was quite upset and said she could not continue to live as she had been and be haunted and live like a hermit, not being able to have visitors and being followed wherever she goes. She said Mr. P. is her boyfriend and she had been going with him 2 or 3 months. On September 26, 1958, investigation service reported finding Miss T. in Mr. P.'s apartment. The case was closed November 19, 1958, because Miss T. was employed.

3. Elements responsible for re-referral: The element responsible for rereferral seems to have been the decision at supervisory conference that the investigating service report did not contain sufficient evidence of a family relationship. The animosity of the resident manager toward Miss T. may also have been a factor. However, prior to the rereferral on August 18, 1958, an additional report had been received.

4. Findings: A re-referral was not justified on the basis of investigation service reports and other information in the case record.

STUDY OF FOLLOWUP BY PUBLIC ASSISTANCE DIVISION SOCIAL SERVICE ON INVESTIGATION SERVICE FINDINGS

PART III—WHAT ELEMENTS ARE RESPONSIBLE FOR THE WIDE VARIATION IN THE NUMBER OF REFERRALS BETWEEN SOCIAL WORKERS OR BETWEEN UNITS

A. Caseload of social worker making fewest referrals to investigation service.

1. Summary of findings:

(a) Cases read.

(b) Cases which should have been referred.

(c) Elements responsible for failure to refer to investigation service.

2. Description of area.

3. Basis for decisions as to referral.

B. Caseload of social worker making greatest number of referrals to investigation service.

1. Summary of findings:

(a) Cases read.

(b) Cases referred to investigation service.

(c) Cases which should have been referred.

(d) Other findings.

2. Description of area and caseload.

C. Elements responsible for variation in the number of cases referred to investigation service.

Case illustrations: Attachment A, attachment B, attachment C.

At a meeting on March 2, 1959, with the superintendent, assistant superintendent, statistician, chief, investigation service, and the standards specialist, it was decided that part III would be developed by a study of two caseloads: the one carried by the worker making the fewest number of referrals to inevstigation service and the caseload carried by the worker making the largest number of referrals to investigation service, during the period October 1955 through September 1958. These caseloads were No. 152 and No. 223 respectively.

It was decided that a schedule would not be developed for reading these cases. Instead, a chart would be used showing, for the minimum caseload, the cases which should have been referred and the reason and date referral should have been made. For the maximum caseload the chart would show the reason referrals were made and dates.

The reading was to begin with the caseload No. 152. The assistant superintendent explained to the district supervisor, the supervisor and the worker that the cases would be read and the purpose of the reading.

On March 3, 1959, the chief, registration and files prepared a list of cases in caseload No. 152 as of February 28, 1959. A copy of this list was sent to the chief of investigation service, who prepared a list of cases referred to information service and the action taken.

A. Caseload of social worker making fewest referrals to information service

1. Summary of findings.

(a) Cases read: Seventy-four cases from a caseload of 124 were read.

In 40, or 54.1 percent of the 74 cases, referral to information service by this social worker was not indicated. Fifteen of these forty cases had been referred previously, 2 by the present worker, and 13 by intake or by the previous worker. Twenty-five had not been referred.

In approximately 24 cases, referral was not indicated because of the case situation. In most of these situations there was no question of access, as the children were living in the home of a relative other than the parent, or both parents were living in the home. In the other 16 cases, referral was not indicated for a number of reasons. In two cases, the worker initiated action. In the other 14, action on the basis of information already at hand rather than referral to investigation service was indicated, or the action indicated was not referral or re-referral, but the closing of the case. See case illustrations, attachment A.

In 32 cases, or 43.2 percent of the 74, referral or re-referral to investigation service should have been made, as each case record included information that should have been followed up or clarified to eliminate any question of eligibility. Of these 32 cases, 14 had never been referred to investigation service; 18 had been referred previously but should have been rereferred.

In two cases, case No. 1 and case No. 59, there was not enough information in the record on which the reviewer could base a decision, as to whether or not there should have been referral to investigation service. In both of these cases the father was incarcerated when application was made. The records were read several months after the sentences were to have been completed. The records did not show what had happened in relation to the fathers since their release.

(b) Cases which should have been referred: Of the 32 cases which should have been referred, referral should have been made for the following reasons listed in the manual, part III—303.4—cases to be referred.

Reason cases should have been referred to I.S.:

Total number of cases	32
(1) Cases in which there is reason to believe that client is not eligible for assistance or that there are factors in the case affecting eligibility which cannot be proved by the social worker	5
(2) A person who reapplies for public assistance whose case had previously been closed and assistance terminated due to misrepresentation or fraud by the applicant, location of husband or other man in the home, or concealed resources. This type of case should be marked "Rush"	4
(3) Any ADC case in which the client claims that a mother, husband or father of her or his child or children included in the grant is missing; any case in which a relative or spouse is missing whose location will benefit PAD	7
(4) Any case in which the social worker has reasonable suspicion that the man involved is present in the home or has free access to the home, if the social worker has been unable to obtain sufficient evidence to arrive at a reasonable conclusion as to presence or absence	8
(5) Any complaint or denunciation—anonymous or otherwise—of a man living in, or having free access to, the home of a recipient	1
(6) Any complaint or denunciation concerning other factors of eligibility after the social worker has been unable to prove or disprove the assertion and feels I.S. can provide the proof more expeditiously	1
(7) All cases except OAA and AB in which the recipient shares the rent of a home or an apartment with another family, who are not relatives or recipients, and has lived with the same family at a previous address	1
Combination of reasons	5

(c) Elements responsible for failure to refer to investigation service: From the reading of 74 cases in this caseload it appears that the following elements are responsible for failure to refer to investigation service:

(1) Failure to carry out Agency policies in relation to the eligibility requirements:

(a) Acceptance of client's statements without verification.

(b) Too ready assumption by Agency of support of children when this support should be carried by parents.

1. Husband or other man located by investigation service or address known but not seen nor appropriate action taken: In 13 cases the address of the husband or father was known, but appropriate action was not taken. In a number of instances the husband or father had been seen when assistance was granted previously, and the case may have been closed because absence was not established. When the most recent application was made, no effort was made to communicate with him. See case illustrations—attachment A.

2. No effort made by mother to locate husband or fathers: In approximately 18 cases, no effort was made by the mother to locate the husband or father, although she may have been held to this requirement when previous applications were made. See case illustration, attachment A.

3. Child-care plan seems to be available: In approximately 13 cases a child-care plan seemed to be available. These cases included only those where the mother had work experience, and had made arrangements for care of the children in the past, where several relatives were receiving ADC and it would appear reasonable to expect that at least one mother could work, or those where other relatives were living reasonably close to the mother. See case illustrations, attachment A.

(c) Failure to carry out agency policies in relation to continued absence.

(d) Too much emphasis on establishing a placid and reassuring relationship with the client and too little emphasis on eligibility factors in spite of repeated evidence of falsification and deception.

Eligibility not clearly established: In approximately 22 cases, eligibility did not appear to be clearly established. In nearly all instances this finding was related to c–1–(b) above. For example, in case No. 14, Mrs. D.'s statements that her husband was absent were found on two previous occasions to be untrue and the case closed, yet when she applied again, assistance was authorized and the grant continues with no effort to talk with him or to learn the true facts. See case illustrations, attachment A.

(e) No action taken on cases transferred into the caseload until a review is due.

(2) Inadequate agency controls to assure that the agency knows what is happening and what is not happening in cases and that policies are understood and carried out.

2. Description of Area

The worker has carried her caseload in essentially the same area since June 1956. The area is composed of census tracts 49–B and 52–A. It includes the odd side of Massachusetts Avenue, NW., to the even side of S Street NW., and from 10th to 16th Streets NW. Most of the clients live between 10th and 12th and between M and P Streets NW. The houses in this area were described by the worker as being very old, rat and vermin infested. The houses are for the most part three stories, cut up into apartments. Some floors are made into two apartments so that, including the basement, houses in which one family used to live now house eight families. Some are used as rooming houses, housing eight roomers. The worker estimated that 99 percent of the clients in her area are Negro. Although the worker has carried cases in this area since June 1956 the boundaries of the area have changed somewhat to adjust the caseload with that of the worker in the adjoining area carrying caseload No. 151. This has resulted in the transfer of cases between these two workers.

3. Basis for Decisions as to Referral

It was not always possible to determine when a case was transferred to the present worker. The date of the first recorded entry was usually used to determine this date. When there was no recording by the present worker, but other documents were in the record, the dates on these were used. For example, in one case there was no recorded entry, but there was a memorandum dated December 16, 1958, addressed to the worker by R. & F. That date was used.

In deciding whether or not referral to investigation service was indicated, continuous reference was made by the reviewer to agency policy explaining situations which are to be referred. This policy is in section III–303.4 of the agency manual and is included in part I of this study.

The reviewer's decision in each case was made on the basis of information found in the case record.

The decision by the reviewer as to whether or not referral should be made to investigation service was not an easy one. In some instances there is not enough information in the record on which to base a decision.

In others the recording was not up to date.

The status of the recording by the present worker was as follows:

Date of last recorded entry:

Total number of cases	74
1957	5
January–June 1958	16
July–December 1958	24
1959	14
No entry by present worker	14
Undetermined	1

In most cases referral to investigation service and the reason for referral are recorded. In most cases, too, reports from investigation service and the action taken as a result of the information furnished are also recorded. In a few cases, however, there is no entry concerning referral or investigation service reports, nor of action taken, although the case was referred and investigation service reports were in the records.

Another factor which made the reviewer's decision as to referral difficult was the method of recording. The forms used for recording and the narrative were not complete or up to date, or missing. Information for the study was found for the most part in narrative recording which is now filed in retired records.

B. Caseload of social worker making greatest number of referrals to investigation service

1. Summary of Findings

(a) Cases read: Forty-one cases from a caseload of 165 were read. Ten, or 24.4 percent of the 41 cases had been referred to investigation service by the social worker responsible for the caseload. Of these 10 cases, only 1 had been previously referred. Of the 41 cases, 15 had been referred by previous workers. In 9 of the 10 cases referred, the review showed that the referral was justified on the basis of Agency policy. One referral was made which should not have been made. See case illustrations, attachment B.

In seven cases, referral should have been made and was not made, because each of the case records included information that should have been followed up or clarified. Of these seven cases, two had been referred by the previous workers and should have been re-referred and two were referred by the subsequent workers. See case illustrations, attachment B.

(b) Cases referred to investigation service: The 10 cases were referred for the following reasons listed in the manual, part III—303, 4, cases to be referred.

Report:

Total number of cases	10
(1) Clarification of resources, such as bank accounts, civil service and other types of retirement, veterans' benefits, etc	3
(2) Reapplication by a person whose case had been closed previously and assistance terminated due to misrepresentation or fraud by the applicant, location of husband or other man in the home, or concealed resources	1
(3) Any ADC case in which the client claims that a mother, husband, or father of her or his child or children included in the grant is missing; any case in which a relative or spouse is missing whose location would benefit PAD	1
(4) Any case in which the social worker has reasonable suspicion that the man involved is present in the home or has free access to the home, if a social worker has been unable to obtain sufficient evidence to arrive at a reasonable conclusion as to presence or absence	2
Combination of reasons	3

(c) Cases which should have been referred: The seven cases where the review showed a referral should have been made were carried only briefly by the worker whose caseload is under study and who carried more than twice the normal number of cases. One case was carried by the worker from June 1958 to February 1959 and one from November 1958 to February 1959. In five of the cases, the length of time carried could not be determined.

(d) Other findings: As the cases were read, the following additional findings were made.

(1) Husband or other man located by investigation service or address known but not seen nor appropriate action taken: In approximately seven cases the address of the husband or father was known, but appropriate action was not taken.

(2) No effort made by mother to locate husband or fathers: In approximately four cases, no effort was made by the mother to locate the husband or father, although she may have been held to this requirement when previous applications were made.

(3) Child care plan seems to be available: In approximately nine cases a child care plan seemed to be available. These cases included only those where the mother had work experience, and had made arrangements for care of the children in the past or those where other relatives were living reasonably close to the mother.

(4) Eligibility not clearly established: In approximately eight cases, eligibility did not appear to be clearly established. In nearly all instances this finding was related to (1), (2), and (3) above.

2. Description of area and caseload

The cases in this caseload are located in census tracts 73, 74.3 and 74.4. The area is at the southern tip of the District, for the most part east of South Capitol Street. It includes the area north of District of Columbia Village and around Bolling Field and St. Elizabeths Hospital, over to the Maryland line. This is a large and diversified area including private homes, apartments and four NCHA dwellings. The residents of the area are for the most part white, with the exception of two NCHA dwellings. Twenty-nine or 70.7 percent live in NCHA dwellings.

The worker carried the caseload in this area for about 5 years until February 1959. However, in 17 of the records read there was no recording by this worker. It appears that in late 1958 a large number of cases were transferred into this caseload and the worker had no contact with the clients by the time he left the caseload in February 1959. The length of time the cases read were carried by this worker was as follows:

Total	41
4 years	1
3 years	1
2 years	6
9 months	1
8 months	1
7 months	1
6 months	2
5 months	5
4 months	2
3 months	2
2 months	1
Less than 1 month	1
Undetermined (recent transfer)	17

Whenever possible the date of the first recorded entry was used to determine when the case was transferred into the caseload. Even when there was an entry in the case record it was not always possible to determine when the case was received by the worker. For example, in one case there was only a one-line entry by the worker dated October 1, 1958, which read as follows: "Review completed on form 55. For Budget computation, see form 58." The form 55 was unsigned and undated. The authorization of form 58 by the worker, effective from July 1, 1958, to September 30, 1958, was signed but undated. In this instance, the date of July 1958 was used as the date the worker became responsible for the case.

With four exceptions, the dictation on the cases read was up to date, entries having been made by the workers to whom the cases were assigned after February 1959.

C. Elements responsible for variation in the number of cases referred to investigation service

From the review of cases in the two caseloads, it appears that the basic element responsible for the wide variation in the number of cases referred to investigation service is the wide variation in the understanding, acceptance, and use of agency policy.

The worker making the highest number of referrals (caseload 223) should actually have referred 17.3 percent more of the cases read, but was prevented from doing so by the fact that the cases were assigned to him for such a brief period of time. Of the cases he did refer to investigation service only one case was found where an unnecessary referral was made when conclusive evidence for action was available without referral.

The worker making the fewest number of referrals (caseload 152) should have referred 43.2 percent more of the cases read.

The decision to refer or not to refer seems to have been made on the basis of the judgment of the individual worker, rather than on the basis of policy established by the agency.

Although the worker carrying caseload No. 152 had been responsible for her caseload since June 1956 and the worker carrying caseload No. 223 had been responsible for his caseload 2½ years, some of the cases read were carried by these workers for only brief periods. For details as to length of time cases were carried by present workers, see attachment C.

In caseload No. 152 there were 14 cases with no recording by the worker, and in caseload No. 223 there were 17 such cases. The records read were, for the most part, also carried by other workers in the agency. These records showed that the effect of lack of consistency in the use of agency policy extends beyond the two workers whose caseloads were reviewed and beyond referral or failure to refer to investigation service.

In the cases read, there was evidence that the eligibility requirements and the responsibilities to which clients were held and the granting or denial of assistance depended upon the worker to whom the case was assigned. The concept of the worker as a representative of the agency, in contrast to the worker as an individual, is not clear to staff.

Another element responsible for the variation in the number of cases referred to investigation service is the lack of controls established by the agency to assure that policies are understood and followed by each worker. Under present policy, the supervisor is in no way involved in referrals to investigation service.

It is hoped that one of the values of the administrative case review to be undertaken by the agency in September 1959, will be to determine the validity of actions taken by the staff. In the last analysis, it is always the worker and the worker alone who either expresses or defeats the intent of the agency.

ATTACHMENT A

CASE ILLUSTRATIONS

CASE SHOULD BE REFERRED—ELIGIBILITY NOT CLEARLY ESTABLISHED

Case No. 24

Miss G., age 18, applied for assistance February 26, 1956, having been referred to by family and child services. She said she did not get along with her mother who complained that Miss G. sees the mother's boy friend when the mother is away. Miss G. said she wanted to demonstrate she could care for her children. The father of the oldest child lives with his family at an address given by Miss G. He contributed $15 every 2 weeks. The father of the second child is at Fort Belvoir. On May 23, 1956, Miss G.'s probation officer told of her conviction for assault. She has a juvenile court record for housebreaking, shoplifting, disorderly conduct, and assault. She was also known to the Woman's Bureau through prostitution and committed to BP. She was given a mental evaluation and was found not to be psychotic—just unable to take care of herself—has many ways of a girl about 4 years old, is considered promiscuous. It was said she regards her children as a child would a doll. When she gets tired of them she wants to throw them away. It was felt that the mother and grandmother, not Miss G., should be responible for the two children. An entry, dated July 2, 1956, says "the agency did not plan to approve assistance because Miss G. had not met all requirements in having the fathers of the children come to the office." The application was terminated because absence was not established. On January 28, 1958, referral was made by CWD. Shirley was placed in Junior Village because Miss G. had beaten her with an electric light cord. The neighbors had called the police. CWD referral said Miss G. had expressed a desire to establish a home of her own if eligible for assistance. The mother and grandmother have been helping. On February 24, 1958, the Woman's Bureau said they had known Miss G. since 1948. Since 1954 there had been frequent reports about the neglect of the children. On April 2, 1958, information was received that Miss G. was pregnant. The father was given as Mr. C. In the CWD referral Mr. C. was said to be the father of Miss G.'s second child and his address is unknown. Assistance has continued to Miss G. in spite of the report from the probation officer, in May 1956, without referral to investigation service to determine access, and without any effort on Miss G.'s part to locate the fathers. There was no record of the women's bureau or the CWD records having been read or of any interview with the mother or grandmother, although Miss G. was told at the time of her application in 1956 that this would have to be done.

ACTION BY WORKER SEEMS INDICATED RATHER THAN REREFERRAL TO INVESTIGATION SERVICE—ELIGIBILITY NOT CLEARLY ESTABLISHED

Case No. 48

Mrs. M.'s first application for assistance was in November 1951 for herself and four children. She said Mr. M. had deserted in July and that his sister has helped her. In June 1952, Mr. M. was to pay $15 a week through J.C. On April 13, 1953, Mr. M. called. He had arranged with Mrs. M. to take two of the children to enable her to go to work. He was to assist with the care of the two children remaining with her. "When he went to get the children she raved and said she was not going to work as long as she could get a check and his help, too." On November 17, 1953, it was learned that Mrs. M. was pregnant. She said William G. was the father of the child born November 20, 1953. On November 30, 1953, Mr. G. was seen in the home. They planned to continue their relationship. Mrs. M. and the baby were not included in the code. In 1954 Mr. M. went into the service, made an allotment to his family and the case was closed. On September 27, 1955, Mrs. M. reapplied. She said her husband had been discharged from the service and the allotment ceased. Her relationship with Mr. G. continues and the application was terminated because absence was not established. She reapplied November 30, 1955. Another baby by Mr. G. was born in January 1955. This application was also terminated because absence was not established. She has received assistance continuously since her last application in January 1956. She wanted CWD to place two of the boys and this was done. On February 15, 1956, Mr. G. was in the office in response to a letter. He said he had had no contact with Mrs. M. since last fall. He gave his address, the name of his employer, and signed an agreement to pay $5 a week. On February 16, 1956, Mrs. M. was told she must try to locate her husband before assistance could be given. She said she could not locate him. However, on March 7, 1956, he came to the office. He gave his address and his employer. He said he had been employed at the same place since 1951. He would like his sister to have the two boys since Mrs. M. is not able to give proper care and supervision. In 1955 he filed for a divorce on the grounds of adultery. He said he intended to seek custody of all the children.

He has no interest in Mrs. M. and said Mr. G. broke up his home. On March 12, 1956, CWD expressed the opinion that Mrs. M. should have the children. On March 16, 1956, Mr. M.'s sister was seen. The girls are living with her and she would also take the boys. When the girls first came to her, they were quite vulgar and talked about things they had seen their mother do. The girls said their mother slept with Mr. G. and they slept on the floor. She said the girls refused to visit their mother overnight. She said the boys need not have been placed by CWD as she would have taken them. She mentioned a sister in South Carolina who would be glad to have the boys with her. The worker recorded she was impressed with Mrs. E., Mr. M.'s sister. In March 1956, the boys were in Mrs. E.'s home, placement having been arranged by CWD. Temporary assistance was authorized for Mrs. M. and the baby until she could get work, the worker to follow the case closely regarding employment. In May Mrs. M. said she could not seek employment because her child was ill. In March 1957 the record says assistance was granted on a temporary basis because of the verified illness of the child. On August 3, 1957, Mrs. M. was arrested for larceny. She was released after 30 days, although this was her second offense. Assistance continued on a temporary basis. On January 10, 1958, it was learned that a female child had been born on December 19, 1957. William M. was named as the father. On January 24, 1958, referral was made to investigation service to determine the access of Mr. M. On January 28, 1958, Mr. M. was found by investigation service in the home and was found not to be living at the address given. On February 4, 1958, Mrs. M. denied that Mr. M. lived in her home and said the relationship had been discontinued. On February 19, 1958, Mr. M. was in the office. He "seemed sincere." He said Mrs. M. used to visit him in his apartment but that the relationship had ended.

The entry on form No. 22, dated March 27, 1958, says Mr. G. and Mrs. M. "claim their relationship was a casual one" and that "referral is being made again to verify this * * *." No re-referral was made, and the grant continues.

REFERRAL NOT INDICATED—ACTION SHOULD BE TAKEN BY WORKER—ELIGIBILITY QUESTIONED

Case No. 63

Mrs. S., age 18, applied for assistance September 17, 1958, because of her pregnancy. She said she came to the District in 1957 from North Carolina, because she was not getting along with her husband. She said she had received help from an uncle and aunt and from her boyfriend, Joseph T., from whom she has broken off. In an entry on form No. 246, Mrs. S. said her husband had never contributed toward her support. She has two other children supported by his parents in North Carolina. She had lived with a Mr. T. from April to August 1958 when she left him because he became abusive because of information given by his sister that Mrs. S. was having "other affairs and accepting money from other men." She denied this. She said she was an A student in North Carolina and left school at 14 to marry because she was pregnant. Emergency assistance was authorized and the grant has continued. There is no discussion recorded as to who is the father of her coming baby. There is no record of any discussions with the aunt and uncle with whom Mrs. S. is living. Form No. 258 says Mrs. S. is living with her aunt rent free. However, Payroll Control says the grant is $109, which seems to include shelter. Support was taken over by the agency without question, with no investigation and no communication with the husband or father of the expected child.

CASE SHOULD NOT BE REFERRED—ACTION SHOULD BE TAKEN BY WORKER

Case No. 60

Mrs. S. applied for assistance December 20, 1957. She said Mr. S. is under court order to pay $22 a week. Form No. 258, "Living Arrangements", says the apartment is rented in the name of a friend, David L., who works at the Sanitation Department. There is no recorded information concerning Mrs. S.'s separation from her husband and no request that he be interviewed, although his address is known.

ELIGIBILITY NOT CLEARLY ESTABLISHED—REFERRAL NOT INDICATED

Case No. 31

Miss H. applied October 12, 1950, saying she had one child and was pregnant by Mr. S. She has been working and has never taken Mr. S. to court. He came to the office with Miss H. and agreed to give $20 a month. In January 1952 Miss H. called to say that she was working and asked that her case be closed. She reapplied May 8, 1958, saying that she was ill and could not continue employment. Referral was made to investigation service to locate Mr. S. but no report has been received from investigation service. A medical report dated May 12, 1958, gives Miss H.'s prognosis as "good." Entry on Form No. 246 says Miss H. will continue to work 3 days a week. There is no current medical information.

ACTION INDICATED BY SOCIAL WORKER RATHER THAN REFERRAL TO INVESTIGATION SERVICE ELIGIBILITY NOT CLEARLY ESTABLISHED

Case No. 8

When Miss C. applied for assistance in 1947 she was 17 years old and had two children. Since 1947 Miss C. has had six additional children. When a home visit was made on January 3, 1952, a 14-year-old cousin appeared to be part of the family. This child was pregnant by Mr. Harry E., who is the brother of Blondell E., the father of one of Miss C.'s children. In May 1952 a report was received concerning a 16-year-old girl with two children living with Miss C. The report also revealed that Miss C. and the 16-year-old girl are both pregnant. The father of Miss C.'s expected child was given as Clarence J. Mr. J. was seen on a number of occasions but his continuing relationship with Miss C. was not discussed or at least not recorded. He said he had three other children born out of wedlock and contributes toward their support. On April 6, 1955, another ADC client reported that her daughter had moved out of her home and had gone to live with Miss C. When this was discussed with Miss C. she said the girl was no longer in her home. She said the girl goes with her brother, Clyde C. In an undated entry on page 41, a young man ran out of the home when the worker visited. Miss C. identified him as Nathaniel M., her boy friend, and said she had been keeping company with him for about 5 months. She said he gave her approximately $25 a month. This was later verified by talking with Mr. M. Both admitted their intimate relationship. She said she usually goes to Mr. M.'s house, leaving the children with a neighbor's daughter. On September 7, 1955, worker told Miss C. that no further assistance could be authorized until the purchase of a television could be cleared. She had said previously that her brother had bought the set for her, paying $99 cash for it. On October 3, 1955, it was verified that Miss C.'s brother had purchased the television set for $299.

On October 10, 1955, Miss C. said Mr. M. had been helping her. She said she had been seeing him about four times a week. She thinks this relationship should not affect her eligibility for assistance. She was told "that we would have to consider her case in every detail before we could make a decision as to her continued eligibility for assistance." It appeared she was not eligible for assistance. On October 14, 1955, another ADC recipient told of staying temporarily in Miss C.'s home and that her brother Clyde and his girl friend were also there. Miss C. denied this but later admitted they were there. On October 20, 1955, the NCHA project manager called. Miss C. had told him that her uncle and his wife from North Carolina were visiting her. The worker remarks in the record—"It seems as if Miss C. finds it as difficult to tell other people the truth as much as she does us." On January 19, 1956, referral was made to investigation service to establish where Mr. M. is actually living. Investigation service reported that Mr. M. lives with his brother. Mr. M. admitted that he is still Miss C.'s boy friend. On February 20, 1956, Miss C. said Mr. M. was very much interested in marrying her. She said she "could not make up her mind as to whether she wanted to continue to receive public assistance for the children or depend upon Mr. M. for the support of them. I told her that it seemed as if she would prefer to have her independence and choose to be supported by a husband rather than by an agency. She agreed with me but said that as long as she had received assistance she had gotten used to the idea and thought of it as something on which she could depend." The case was closed March 1956. On October 23, 1957, Miss C. reapplied. Reference is made to form No. 25 for details but this form was not found in the record. When the worker talked with Miss C. about her relationship with Mr. M. she hesitated before answering. In the meantime Patricia said that Mr. M. has been to visit and he used to live with them at the present apartment. Miss C. told Patricia to close her mouth because I was talking to her.

Miss C. then told me that Mr. M. has been to visit but did not remain overnight. She said she was not going to let him live in her home again. Referral had been made to investigation service by Intake on October 24, 1957, to establish whether Mr. M. was living in or frequenting the home. On November 27, 1957, investigation service reported not finding Mr. M. On one of the three visits, Miss C. had gone to a movie. On December 23, 1957, investigation service reported Miss C. was not at home when a visit was made on December 13, 1957, at 10 p.m. On November 19, 1957, it was decided that since Mr. M. was not found in the home, assistance would be authorized. The references in the record to investigation service reports indicate only that Mr. M. was not found there. There is no mention of Miss C.'s absences from the home. The last entry in the record dated November 21, 1958, says that Miss C. has told the worker she has given up her relationship with Mr. M., and the agency's policy was emphasized again.

At the time of Miss C.'s last application for assistance, no mention is made of her youngest child, Nathaniel, born August 2, 1956, except that his name appears on the form No. 108 and he is mentioned in the October 24, 1957, referral to investigation service. In an entry dated October 1, 1958, Miss C. said she was keeping four of her brother's children. Miss C.'s situation when her application was accepted in October 1957 seemed no different from the situation when her case was closed in 1956. The three reports concerning the young pregnant girls in Miss C.'s home were apparently unquestioned and no referral was made to the Woman's Bureau to see what was going on in this home. Assistance was authorized and has continued without any effort to communicate with Mr. M.

REFERRAL NOT INDICATED—MOTHER SEEMS TO BE EMPLOYABLE—ELIGIBILITY QUESTIONED

Case No. 32

Mrs. H. has made seven applications and has received assistance continuously since 1950. In 1943 Mrs. H. said her husband had deserted. The case was closed after a neighbor reported that Mr. H. had been in the home all the time and was employed. The neighbor complained of the family's unclean habits and drunken behavior, saying "When the relief checks come the entire family became intoxicated." In 1947 and 1948 complaints were received regarding the care of the children, drinking, sale of "smoke," Mr. H's. employment and the need for a careful investigation. In 1948 referral was made to protective services and the case was closed. In June 1950 CWD referred Mrs. H. because her three daughters, born 1937, 1940, and 1942, were to be returned to her. In 1952 a complaint was received as to Mrs. H.'s drinking and failure to buy food for the children. When the worker visited, Mrs. H. was found "dead drunk." The record refers to many discussions as to employment, beginning in 1954. In 1955 she was to be given 3 months in which to find work and held to this. In March 1956 she was again given 3 months in which to find work, and in June 1956, the record says assistance was to be discontinued as of July 1, 1956. When nothing was heard from Mrs. H., a home visit was made and it was learned she had been sick. The last medical report for Mrs. H. is dated August 11, 1956. No prognosis was given, the disability could be corrected or reduced and it is suggested that we inquire in 3 months as to when she will be able to work.

In 1957 there were only two daughters in the home, B. and G. B. had a baby by a 19-year-old and G. was said to have a heart condition.

An entry dated May 1957, page 77, reads: "Mrs. H., 43 years old, is small, youthful appearing, and very neat. She is now employable and was actually seeking work when Gladys' illness became known. Now Gladys has to have long periods of bed rest and Mrs. H. feels she is needed in the home to care for her child." The last recorded entry is dated December 18, 1957—"Mrs. H. said she is in fairly good health herself and that she has been discharged from the clinic. She said further she has not sought any employment because of her need to care for Gladys." No medical information was found in relation to Gladys' illness.

CHILD CARE PLAN SHOULD BE AVAILABLE

Case No. 52

Mrs. O. applied for assistance September 27, 1955, saying she had no child care plan for her 6-month-old baby and was therefore, unemployable. She gave up her job at Mack's Waffle Shop because of pregnancy and had been collecting unemployment compensation benefits of $19 a week. Her brother and his wife and her father lived at the same address. Many other relatives were listed in the District of Columbia. She said the father of her child, Lester K., works at the Washington Post and that there is no continuing relationship. Intake explained the need for her to get Mr. K.'s address and for the agency to talk with him. On October 7, 1955, she gave Mr. K.'s home address. She said she would ask him to come to the office on October 12, 1955. Apparently he did not keep this appointment because the application was terminated on November 14, 1955. Mrs. O. reapplied October 22, 1956, for herself and two children. She said Lester K. was the father of the baby born March 1956. She was living with her father, her brother, his wife, and two children in an apartment described as "spacious."

From the record there would appear to be no reason why Mrs. O. could not have accepted employment and made a child care arrangement. Employment was discussed with her on a number of occasions. On October 22, 1956, she said she would like to work but could not make enough to pay for a child care plan. On four other occasions employment was discusssed. A child care plan seemed to be available either with the sister-in-law or with one of Mr. K.'s relatives, none of whom was contacted.

CASE SHOULD BE REREFERRED—CHILD CARE PLAN SEEMS TO BE AVAILABLE

Case No. 19

Mrs. F. applied in June 1958 saying she had been separated from Mr. F. for 1 month. On July 2, 1958, referral was made by Intake to determine if Mr. F. had access. An entry on form No. 246 says, "Mrs. F.'s relatives are well known to PAD. See 249." From Form No. 252 it was learned that Mrs. F's. mother receives GPA and three sisters receive ADC. These relatives all live close to her and it would appear they would be available to provide care for the children. Employment was discussed but Mrs. F. gave a number of excuses for not working. On August 27, 1958, Mr. K. was found in the home. He said, "he believes neighbors refer to him as Mrs. F.'s husband because Mr. F. sometimes visits Mrs. F. to see the children." On June 26, 1958, referral was made to investigation service to determine access of Mr. F. or any man. On July 10, 1958, investigation service reported Mrs. F. was not at the address given. Another referral was made on July 14, 1958, giving the new address. This address was also found to be incorrect and investigation service closed its case in September 1958. Rereferral was made on October 27, 1958, to determine access. This referral was made after the social worker had found a man in the home. On December 8, 1958, investigation service reported an accurate check could not be made because of the locked front door. Investigation service also reported that Mrs. F. appeared to be pregnant. A rereferral should have been made to determine access.

EXAMPLE OF CASE REFERRED FOR LOCATION—SHOULD BE REFERRED FOR ACCESS

Case No. 69

The "retired" record could not be found for reading. According to the information on form No. 246, Mrs. W. applied December 1949 because her "husband had been incarcerated for cutting." The case was closed after his release. She reapplied in August 1950 because Mr. W. was "again in jail for fighting her." The case was closed when he returned to the home. Her next application was September 26, 1952. She said she was separated and living with a Mr. Thomas M. and had just given birth to his child. The application was terminated when Mr. W. was interviewed and agreed to support. She reapplied in October 1957 saying she had been employed since 1953 but had to give up her employment to look after her children. The case was closed in September 1958 when it was learned she had given birth to another child and had work. She reapplied November 25, 1958, saying she had to give up her job because her earnings were insufficient and she was no longer intimate with the baby's father. According to the entry on form No. 247, Family Group Sheet, Mrs. W. has eight children; three with relatives out of the home and five with her. Mr. W. is the father of two children; Mr. M., who is now in Lorton, is the father of two and Mr. John K., with whom she is no longer intimate, is the father of the youngest child.

Referral was made to investigation service in November 1957 to locate Mr. W. On December 9, 1957, investigation service reported that Mr. W. was located. On December 15, 1958, re-referral was made to locate Mr. W. Form No. 122, prepared by caseworker No. 152, says: "Case closed. Request to locate Mr. K. withdrawn by previous worker because Mr. K. agreed to support voluntarily and and signed form No. 57 on December 20, 1958." This entry is confusing because there was no referral to investigation service to locate Mr. K. Referral should have been made to determine access.

CASES WHICH SHOULD HAVE BEEN REFERRED BECAUSE OF BEHAVIOR

Case No. 27

Miss G. was 33 years old when she applied for assistance in September 1956. She had received a disciplinary discharge from D.C. General Hospital, T.B. ward, because she failed to return after Labor Day weekend. She was approved for ATD in October 1956. She lived in what has been described by a member of the Woman's Bureau as the "red light district." Her residence was established by taverns and bars. On March 17, 1958, notice was received from R. and F. that Miss G. had given birth to an infant on March 8, 1958. It was at this point that referral should have been made to investigation service to determine access. On April 8, 1958, the Woman's Bureau record was read. Their case opened in 1936 when eight children of Miss G.'s mother were removed after the fatal shooting of the husband. The mother was acquitted after relating a story of abject poverty and abuse. There were many other contacts with Miss G.'s mother regarding neglect of the children and disorderly conduct. Miss G.'s adult record at Woman's Bureau began in 1948. There were

12 arrests for drunken and disorderly conduct and one for assault. Miss G. and her sister were involved with men and alcohol from a very early age. The brother's children were committed to DPW and his daughter accused him of attempted incest.

CASE SHOULD HAVE BEEN REFERRED BECAUSE OF COMPLAINTS AND BEHAVIOR

Case No. 18

On October 15, 1958, Mrs. D. applied for assistance, saying she had to stop work because her husband has stopped supporting. She also said she was needed in the home to care for her mother. In 1954 the family moved to Mr. D's. home in Cleveland. She remained there, except for visits to her mother, until October 1957 when she came back to be with her mother who was ill. She planned to return to her husband but he did not send enough money at any one time for her to make the trip. She said she had learned from friends in Cleveland that he had been "running around with another woman." She does not want to return to him. On November 17, 1958, a letter was written to the DPW in Cleveland. That agency replied on December 4, 1958. Mr. D. told the agency he tried to furnish a home for Mrs. D. and the children in Cleveland but she kept "running back home to see her relatives all the time," which was expensive. He said he had written to Mrs. D. telling her he felt they should get a divorce. One December 4, 1958 a letter was received from Mr. D. He said he and his wife were forced into marriage by someone much older than they. He thought he would fall in love with his wife but she made it impossible by not conducting herself as a wife should. She was unclean about her person and she "went out at night and came back drunk with the baby in her arms." While Mr. D. was hospitalized she went out with other men. When he tried to talk with her she would "get mad and pack her clothes and leave me." He told of trying unsuccessfully to get his wife to come back to him. He said he was "fed up with her" and could not "stand any more." He said he would like to send money for his children to the agency instead of Mrs. D. He enclosed a letter written to him concerning Mrs. D. who was "running wild" and "running crazy." She was described as staying away from her children all night and coming home drunk. She is also described as "about to run her mother crazy." She was said to have gone to Atlantic City with a man for a weekend. The money Mr. D. sent was not spent on the children. It was suggested that Mr. D. come and see for himself on Friday nights about 10 or 10:30. Mr. D. requested an answer to his letter but there is no copy of a reply in the record.

No referral was made to investigation service. There is no verification of age or relationship for the younger child, Don. Form No. 248, living arrangements, says that Mrs. D. is living with her mother rent free. In the record there is a rent receipt for $55 in Mrs. D.'s name dated February 3, 1959.

CASE SHOULD BE REFERRED BECAUSE OF BEHAVIOR

Case No. 73 and case No. 74

Mrs. Y. had received assistance intermittently since 1934 and continuously since 1950. Prior to 1934 she was assisted by the Associated Charities. Mrs. Y. seemed always to live beyond her income and there were two instances of overpayment; one in 1953 and one in 1956. Mrs. Y. moved constantly without advising the agency. It was usually learned that she moved only when a home visit was made or when checks were returned. In May 1956, there was discussion of employment. In the worker's opinion, there were enough adults in the home so that a plan could be worked out whereby Mrs. Y. would not need assistance. As Mrs. Y.'s three daughters entered their teens each became pregnant. The case of one daughter, V., is also part of caseload No. 152. According to form No. 257, the mother, two children, and a brother are all receiving assistance. Mrs. Y. is said to take the pregnancy of her daughters casually. According to an entry dated September 27, 1957, when she learned another daughter, P., was pregnant, Mrs. Y. was "not aware nor upset." She said she expected this daughter's marital relations with the father, who is still in school, to continue. The daughter, V., case No. 74, was 20 years old when she applied for assistance in March 1957. There are two references, March 26, 1957 and February 24, 1958, of referral to investigation service to locate Mr. B., the father of Miss Y.'s youngest child. Investigation service has no record of the referral and no copy was found in the record. The reviewer's decision was that little was to be gained by referral to investigation service of the mother's case but that referral should have been made in the daughter's case because of behavior and to locate the fathers of her children, even though the daughter had made no effort to do so.

REFERRAL SHOULD BE MADE ON BASIS OF BEHAVIOR

Case No. 33

When Mrs. H. applied in June 1954 she said Charles L. did not support his 3-month-old child and was awaiting grand jury action on a narcotics charge. She said she had three children by her husband, who had deserted her in Texas. This was found later to be untrue. These three children are in Alabama with her mother who is also keeping Mrs. H.'s 19-month-old child by Mr. L. Mrs. H. said the whole family was moving to the District of Columbia soon, which they did. The application was terminated because Mrs. H.'s needs were being met by her brother. She reapplied in September 1954 for herself and five children. She said Mr. H. had deserted in Alabama 3 years ago and Mr. L. was in prison on a narcotics charge. On October 6, 1954, she said she met Mr. L. when he was in the Armed Forces in Alabama and did not know he was married until she came to the District of Columbia. An entry dated April 7, 1955, says Mr. L.'s wife, Sylvia, is receiving aid to dependent children, case No. 518–332.0.

On August 19, 1955, a letter was received from the department of public welfare in Athens, Tex., enclosing a letter Mrs. H. had written to Mr. H.'s mother. (In an interview, April 7, 1955, Mrs. H. had said Mr. H.'s mother was dead.) In the letter to Mr. H.'s mother, Mrs. H. explained the "lies" she had told the agency in order to get assistance. On February 14, 1958, Mrs. H. bitterly attacked the agency because she was not able to have boy friends and because of the lack of privacy. In May 1956 a portable phonograph was seen which Mrs. H. said was a gift and she said an uncle wished to provide a telephone and a television.

REFERRAL SHOULD BE MADE ON BASIS OF BEHAVIOR

Case No. 23

Miss G. has received assistance continuously since 1948. When she applied in May 1948 she had one child and was pregnant. She now has seven children. She said she was not married to Mr. G. but had lived with him since 1945. She applied because he was ill. He was admitted to Glenn Dale in 1950 and died in March 1951.

On February 5, 1951, a new baby was seen. Miss G. said she had not reported this because the father of the baby was taking care of it. The worker asked Miss G. to have the father of the baby come to the office to discuss his intentions to support her and the baby. This was not done and the case was closed. However, the check was continued in error. In June 1951 Miss G. said that Comer B. was the father of the child. On May 20, 1952, there was a telephone conversation with Mr. B. who said he was temporarily unemployed. He gave his address and said that he was giving Miss G. $4 a week.

On July 9, 1952, the birth of a new baby by Mr. B. was discussed. She said, "Oh, yes. I did not think you would hold my check, the children need food." The worker reminded her that in an interview on May 20, 1952, she had denied pregnancy. Miss G.'s reply was, "We all tell little white lies once in a while."

March 15, 1954: Miss G. is again pregnant by Mr. B., who came to the office and said that he lives with his wife and five children.

NOTE.—Mr. B. has a long police record dating back to 1927 when he gave his age as 20.

On July 5, 1954, Miss G. gave birth to her third child by Mr. B. In September 1956 Miss G. was again pregnant and was reminded that she had said she had not seen or heard from Mr. B. Meanwhile, Mr. B. has been incarcerated several times. In December 1956 she was told that when Mr. B. was released she would receive no further assistance and that he would be expected to assume support for the entire family. An entry dated February 25, 1957, says that Mr. B. was released and she was told her case would be closed. On April 8, 1957, Mr. B. was held for murder and page 39 of the record says that he is in St. Elizabeths.

Referral was made to investigation service in 1955, 1956 and 1957 to locate Mr. B. The 1957 referral was withdrawn after Mr. B.'s arrest for murder.

In view of Miss G's. past record and behavior, referral should be made to investigation service to determine access.

CASE SHOULD BE REFERRED—NO EFFORT MADE BY MOTHER TO LOCATE FATHER—CHILD CARE PLAN SEEMS TO BE AVAILABLE—ELIGIBILITY NOT CLEARLY ESTABLISHED—ASSISTANCE GRANTED ON A TEMPORARY BASIS, BUT CONTINUED

Case No. 64

Mrs. S. applied for assistance on July 1, 1953. She said she had to stop work due to pregnancy and requested only temporary assistance. She said Mr. S. deserted 6 weeks ago. She said she thought he was in Brooklyn working as a saxophone player. On July 6, 1953, Mrs. S. telephoned to say that her husband had returned home and the application was terminated. On April 9, 1954, Mrs. S. reapplied saying she was pregnant and her husband was in jail for selling narcotics. She said she has been selling insurance and hoped to make this her career. On April 16, 1954, she said she was living in the home with her mother and aunt and that the aunt is willing to provide shelter for her. On May 4, 1954, the aunt verified that she is willing for Mrs. S. to remain in the home rent free. On April 21, 1955, Mrs. S. said she is no longer interested in selling insurance. "It seemed very hard for Mrs. S. to accept the fact that a mother takes over part of the support whenever possible if the husband is not available. I pointed out to Mrs. S. that when she applied for assistance she merely asked for assistance until her baby was born." She said she planned to live with Mr. S. when he was released. On November 17, 1955, the worker pointed out that Mrs. S. did not appear to have done very much about securing employment and wondered if she really wants to work. When the worker visited on April 16, 1956, she noted that Mrs. S. and the children were still in bed when the worker arrived at 10 a.m. Mrs. S. said they never get up before 10 in the morning because they are up late at night and the children take naps. On September 25, 1956, Mrs. S's. mother-in-law came to the office to say that the agency should be interested in knowing how Mrs. S. has been using the money she receives from the agency. She wanted to tell this some time ago but felt that Mrs. S. would improve. Since Mrs. S. has done nothing to try to do better she felt it was her place to notify the agency so that an investigation could be made. She told of Mrs. S. going with a Louis P. and remaining with him for as long as 3 or 4 days. Mr. P. is a musician and does not get off from work until early in the morning.

At 2 or 3 a.m. Mrs. S. goes to his home. The children are left with Mrs. S's. mother who cannot properly care for them because of her paralytic condition. She said she "just could not stand it any longer with her son coming home from prison to someone like Mrs. S." Mrs. S. misuses the money she receives from the agency. She said that Mrs. S. had been working for her as an agent during the summer selling merchandise. She believes Mrs. S. is a callgirl at a house on T Street, across from the Howard Theater and is of the opinion that Mrs. S. uses dope. At times she has smelled whisky on Mrs. S's. breath. She said Mrs. S. manages to get back home about the time she thinks the worker will visit. Mrs. S.'s check was held and on October 5, 1956, a visit was made and there was a long discussion with Mrs. S. The worker told her of reports she stays with a boy friend for 2 or 3 days. Mrs. S. "wondered just why she could not have a boy friend when her husband has been in prison for almost 3 years. Any woman would want a man." She admitted having a boy friend but refused to give his name. She refused to discuss the matter of whether she goes to her boy friend's for 2 or 3 days at a time. When asked about frequently going to the T Street address, she jumped up and screamed that a lie had been told.

On October 11, 1956, the Woman's Bureau telephoned. The Woman's Bureau felt there was something wrong in this situation. Mrs. S.'s mother admitted that Mrs. S. drinks and stays away from home two or three nights at a time. The worker explained to Mrs. S. that assistance would be discontinued because she was not willing to give information nor to have a further investigation made. After the worker explained to Mrs. S. that assistance would be discontinued, she notes that the case was discussed with the supervisor and it was decided that the case should not be closed at this time but that a letter should be written giving her an office appointment. On October 16, 1956, Mrs. S. was interviewed by the supervisor and had decided after discussion with her mother and her aunt that "she would not go through with receiving public assistance." The supervisor pointed out the need for the investigation of all resources. Mrs. S. said her husband would be released about January 25, 1957, and she felt she would be able to support the two children from her employment until that time. On April 4, 1958, Mrs. S. reapplied for assistance. She had given birth to a child on March 20, 1958, and was unable to work. She is still living with her aunt, her mother and three cousins. She said Mr. S. had deserted in February 1957 after she had asked him to leave her mother's home. She said Rudy W. was the father of her last baby. Mr. W. is a musician who travels and did not know of her pregnancy. The baby is now with a family who wants to adopt him. Mrs. S. was told that referral would be made to investigation service to locate her husband. Referral was made to investigation service April 11, 1958, by the Intake worker to locate Mr. S. and to determine access. On July 17, 1958, investigation service reported no man was found present in the home after several visits.

An entry dated May 22, 1958, said that the shelter costs were prorated although the aunt had said on several occasions she would not charge any rent. There is no record of any recent discussion with the aunt. The ADC policy concerning access to the home was discussed. Mrs. S. said she had "done a great deal of growing up in the past year."

CASE SHOULD BE REFERRED—MAN LOCATED—NO ACTION TAKEN—NO EFFORT MADE BY MOTHER TO LOCATE FATHERS—CHILD CARE PLAN SHOULD BE AVAILABLE—ELIGIBILITY NOT CLEARLY ESTABLISHED

Case No. 38

Miss J's. applications for assistance in 1948 and 1949 were terminated because she was employed or employable. When she reapplied May 25, 1950, she said she was pregnant and could not continue to work. She was told that no assistance could be authorized until she made efforts to locate the father of her unborn child. The application was terminated. She reapplied in December 1950. She gave the last name and address of the man responsible for her last pregnancy. She said she had lived with Frank S. Miss J. was told by Intake that we would need to see the fathers of her children before assistance could be continued. The case was closed in May 1951 after the landlord reported that a man had helped Miss J. move and her address was unknown. Miss J. reapplied July 23, 1951. She was told by Intake it would be necssary for the agency to see Mr. M., the father of her older child; Mr. T., the father of her younger child, and Mr. S. with whom she had been living. The application was terminated in August. On August 28, 1951, she applied again. She said she could not bring the two fathers to the office. No mention was made of Mr. S. at this time and he is not mentioned again in the record. After conference with the supervisor, it was decided Miss J. had made efforts to locate the fathers and a grant was authorized. In April 1952, when Miss J. inquired about renting an apartment, she asked about the privilege of entertaining men. Also in April 1952, child care arrangements were discussed and Miss J. said she preferred to remain on assistance. The record shows that child care plans and employment were discussed in May 1953 and June 1954. At the time of the June 23, 1954 visit, the worker noted that Miss J. was just getting up at the time of the visit which was at 1 p.m. On July 30, 1954, a report was received that Miss J. and the children were being supported by Mr. G., "who gives her everything she wants." In August 1954 this report was discussed with Miss J. and the need to have Mr. G. come to the office. "Miss J. said she was not going to do this because she did not want to have anything to do with him and if we wanted to withhold assistance, that would be all right with her." She came in later "to tell me she had done all she intended to do and wanted her check for September 1954." Under date of August 24, 1954, the following entry is made: "G.G. in office, said they are no longer friends but she has another man. Knows where father of both children are."

On September 27, 1954, Miss J. brought Mr. G. to the office. He said he had known Miss J. only a short while. "He stated that he met her one day while sitting in the park and that she told him of her plight and he felt sorry for her and loaned her $20. * * * He emphatically stated that he was not her boy friend and had nothing at all to do with Miss J." There was no reference in this interview to Mr. G's. statement on August 24 that Miss J. "has another man." On December 16, 1954, employment was discussed and the worker explained that assistance was being put on a temporary basis so that she could put forth efforts to locate work and locate the fathers of her children. On June 23, 1955, it was noted that Miss J. appeared to be pregnant. She denied this. There was also discussion regarding Mr. M. and Mr. T., the fathers of Miss J's. two children. She said she did not know where they were. The worker also noticed a comparatively new 21-inch television. Miss J. said this had been purchased by her sister-in-law's husband. "Miss J. became very upset. She stated that if she had to secure all that information concerning the television she did not see any need of going on accepting assistance. She stated that public assistance has been worrying her about different things for the past 4 years and she was tired of them 'heckling' about everything. She further stated that there was no need to drill on her about the television. She was not going to make any effort to secure any information concerning the television. * * * Miss J. explained that she was not coming to the office to bring information or to do anything further. We could withdraw aid. She did not know how she would manage but she was just tired of being worried to death by PAD." The worker explained that Miss J. would be given until July 15, 1955, to bring in information concerning the fathers of her children and the television. Miss J. said we could set any date we desired, she was not coming to the office and she wanted assistance discontinued. It was recommended that assistance be discontinued but it would appear that the case was not closed. During July 1955 Miss J. was in the office several times to discuss her continued eligibility for assistance. In August the case was closed because Miss J. refused to comply with the agency's policy concerning the television, to clarify her present living arrangements, and to have the fathers of the children visit the office concerning plans for the care and support of the children.

Six other reapplications were terminated during 1956 and 1958. On November 10, 1958, Miss J. made her 13th application for assistance. She said that she was physically unable to work more than 1 day a week. She had been meeting her needs mainly through her paramour, Charles A. An entry on Form No. 258, "Deprivation of Parental Support—ADC," says that Mr. M.'s address is unknown. She said that Earnest T. is under court order to pay $6 a week. His address is also unknown. She said both men are married. On form No. 252, Charles A. is listed as a paramour, address unknown. Miss J. was referred to D.C. General Hospital November 10, 1958, but there is no medical information in the record. Miss J. said that Mr. A. was a "shellshocked drunkard." She said she did not know how to begin looking for him and was afraid to continue any association with him. Emergency assistance was authorized and referral to information service made by Intake to locate Mr. T. and to determine if any man has access to the home. On January 8, 1959 investigation service located Mr. T. in the District of Columbia. Investigation service report of February 5, 1959 was not found in the case record. In this report no man was found in the home but the circumstances were suspicious and re-referral was suggested.

The agency's requirements to which Miss J. had been held at the time of her previous 12 applications were disregarded and the emergency assistance was authorized. The review date was set for October 31, 1959. In the recorded interview December 17, 1958, the reviewer sensed that Miss J. was "settling down on assistance." Nothing was required of her and "she said she was glad that she was able to establish eligibility for assistance again, and believed things would be better for her and the children from now on. She added that she believed that she could keep her eligibility clear by cooperating with agency and maintaining a satisfactory home for her children.

NO EFFORT MADE BY MOTHER TO LOCATE FATHERS—CHILD CARE PLAN SEEMED AVAILABLE—SHOULD BE REFERRED TO DETERMINE ACCESS—ELIGIBILITY NOT CLEARLY ESTABLISHED

Case No. 12, case No. 13

Miss J. D. and Miss E. D. are sisters, both receiving assistance. Their mother is also receiving assistance. The three assistance payments for March 1959 totaled $517. The mother's case is not a part of caseload No. 152 and was not read. The CWD record on Miss J. D. was read.

Miss J. D., age 19 applied in May 1957. She had one child, was pregnant and lived with her parents who were receiving ADC. The need to talk with the fathers of her children was explained. She failed to provide information and the application was terminated. She reapplied in November 1957. Her sister, E., was receiving assistance for her four children and Miss D. said the mother wanted the daughters to move away. No discussion regarding need to talk with the fathers is recorded. Assistance was authorized. In January 1958 the J.C. reported a finding of "not guilty" because Miss D's. testimony indicated a pattern of promiscuity. She admitted relations with two men prior to and during both pregnancies.

In February 1958 assistance was continued on a temporary basis while Miss D. looked for work. She seemed to make no effort to find employment and the case was closed in June 1958, since both her mother and sister were in the home. She reapplied in December 1958, saying her mother was planning to go to work and her sister had moved away. An EA grant was authorized, and no discussion recorded as to need to talk with fathers. No address was shown on the application form and no information found as to living arrangements. The findings of the reviewer was that referral to investigation service did not appear to be indicated at this time since Miss D. had not been required to make any effort to locate the fathers and since it would seem that either the mother or the sister receiving assistance could be expected to care for the children while Miss D. worked.

The CWD record, No. T15673, was read. Miss D. was committed in 1954 for "revoke of probation". She was placed on probation following a period of truancy. She was disorderly and belligerent in school. The case was in court in November 1955. Miss D. was disorderly in a grill and had been drinking and cursing. She ran away from B. P. in April 1954 and was "lost to the agency until October 1955". She said when she ran away she had been "right at home". (Presumably in the home of her mother receiving ADC). The CWD record made no mention of the mother receiving assistance. The CWD record mentions a Mr. O. Miss D. said she she had known him for a long time and stayed frequently with him at his address. She said he visited her in her home most of the time and she would probably continue going with him. CWD decided J. should return to her home. In August 1956 there was another complaint of drunk and disorderly at 2:30 a.m.

Miss E. D. applied for assistance in June 1955. (She was not yet 19. She had two children. When the record was read in March 1959 she had 4 children and was pregnant.) The children were with relatives. The application was terminated and she was advised to look for work. "The applicant seemed to resent such a suggestion and said she had never worked." She applied again in December 1955 saying she was pregnant by Mr. S., the father of her two children. Mr. S. was incarcerated. The application was terminated since he was to be released in about 2 weeks. She reapplied in May 1957 for herself and 4 children. The father of all the children, Mr. S., was in prison for nonsupport. "Mrs. S. is aware of Mr. S.'s family by Miss D. and both mothers are applying for ADC at this time. Miss D. said Mr. S. keeps regularly employed but finds it impossible to support two growing families. Miss D. seems to be competing with Mrs. S. and wants to believe he will divorce his wife and marry her. She refers to him as her husband and did not deny that their relationship will be resumed upon his release." She said her relationship with Mr. S. began when she was 14 and he was 18. Mr. S. was already married, but made repeated promises to get a divorce and marry her. Miss D. said her life at home had not been good.

In addition she said, "Mrs. D. was so preoccupied with her own love affairs that they had to make their own decisions and grow up as best they could." It was decided in conference with the supervisor and district supervisor "that putting another grant into the D.'s household would not help our applicant." Mr. S. was to be released soon and it was felt that Miss D. should seek employment, and try to acquire some skill. Before the case was closed in June 1957 "Miss D. talked with me at some length about how she perhaps would not find herself in the predicament if she had had the benefit of some guidance. She was not bitter toward her mother but said that her mother had not had the benefit of guidance, either, since her family had begun when she was 14 years old." Miss D. seapplied December 23, 1957. She said she wanted to move out of her mother's home. She said she no longer sees Mr. S. She is pregnant by Mr. R., who came to the office and gave his employer and address. He agreed to support "their children voluntarily." He plans to reunite with his legal family. In view of Miss D.'s past behavior, referral to investigation service should have been made to determine access. Mr. S. was never seen.

CASE SHOULD BE REFERRED—HUSBAND'S ADDRESS KNOWN BUT NO ACTION TAKEN; NO EFFORTS BY MOTHER TO LOCATE THE FATHER; ELIGIBILITY NOT CLEARLY ESTABLISHED

Case No. 14

At the time of Mrs. D.'s first application October 20, 1954, she had three children and was pregnant. She asked assistance to supplement the court order of $10 a week from her husband. She said that the nurse in the clinic suggested she apply for ADC and stay in the home with her children. She was employed and decided that she would be better off to continue work and find someone to care for her children. She moved, leaving no address, and the application was terminated due to loss of contact. She reapplied in July 1957, saying that her husband had been out of the home for 5 months. The aunt, in whose home she lives, has helped her. She received $2,000 from her father's estate and said she put $800 down on a home. Her husband did not pay the notes on the property but paid on a car instead. She had also been doing some work. On July 19, 1957, Mrs. D. said that Mr. D. was actually her common law husband. He lived with her for 10 years until February 1957 when he left the family. She gave the name of his employer. "She said that she was at her wits' end, that she has tried everything, she has tried to have something, to own a piece of property, to make a future for her children and her husband had just seemed to do everything he could possibly do to destroy all the good that has come out of her efforts." She has made up her mind that he cannot return to the home. He likes to run around and show off and take no responsibility.

On July 29, 1957, when the worker visited the home, Mr. D. was there. He said he was not aware of his wife's application for assistance or that the family had been threatened with eviction. When Mrs. D. had made her application she said he had deserted the family in February 1957 and she did not know where he lived. Mrs. D.'s aunt, Mrs. E., was also present during the interview and she and Mr. D. "hurled accusations at each other." Mrs. D. had made a down payment on the home from an inheritance left by her father. The aunt and uncle moved in supposedly on a temporary basis. They were supposed to share shelter expenses, but Mr. E. was out of work. Mr. D. grew tired of supporting the E. family. After the foreclosure, the house was rented to the E.'s and Mrs. E. told Mr. D. to get out. He left the home in April 1957 and asked Mrs. D. and the children to come with him to a house he had rented. She refused to move with him because she said she thought he might have another woman living there. He said he visits the home three or four times a week, makes repairs, cuts the boys' hair. Mrs. D. spent the night with him in his rooms one night the previous week. He said he was trying to get Mrs. D. away from her relatives. He has brought food each week. He said Mrs. D. had told him he was too old for her. Mrs. D. said she thought she should stay with her aunt so that she could care for the children while Mrs. D. worked. Mr. D. wanted to rent an apartment for the family. On July 31, 1957, Mr. D. said that Mrs. D. had decided to remain in the aunt's home so that she could work and Mrs. E. could look after the children. He thinks Mrs. D. may be interested in a younger man she has permitted to come there. He thinks someone has told Mrs. D. that she could work, obtain support from him and also receive assistance. The application was terminated in August 1957. Mr. D. was to continue to provide food, clothing and incidentals for the family and a share of the shelter expenses. On January 21, 1958, the aunt's employer telephoned to say that Mr. D. had deserted. On February 20, 1958, Mrs. D. reapplied. She said that Mr. D. separated from the family and was not supporting except for occasional small amounts of food. They were evicted and forced to move with Mrs. E. Emergency assistance was authorized "due to emergency need" and the Intake worker noted on form No. 246 that Mr. D.'s absence was to be confirmed through investigation service and that Mr. D. was to be seen regarding support. An undated entry on form No. 246 reads: "Interview with Mr. D. established that absence did not exist. Family was split by eviction. Mr. D. supporting family to the best of his ability. Mrs. D. never able to come in with Mr. D but admits that Mr. D. not absent at first but does not want him now." Mrs. D. refused her husband's offer of a home. The case was recommended for closing under code 8—"Originally ineligible under State plan."

On May 26, 1958 CWD referred Mrs. D. and the children. The referral states that Mr. D. had deserted in February 1958 and that Mrs. D. and the children were sheltered temporarily by Mrs. E. The referral said that Mr. D's whereabouts were unknown and she did not intend to resume her common law relationship with him. Mrs. D. impressed CWD as a mother who is sincerely interested in her children, who are in Junior Village. On June 9, 1958, Mrs. D. reapplied saying she wanted to re-establish a home for the children. She is working but said she would need to stop work and stay home with the children. She said she would not consider going back with Mr. D. Mrs. D. was told that the agency can assist her when she has a place large enough to accommodate the family. After a conference with CWD on August 12, 1958 emergency assistance was authorized. The following entry is made on form No. 246, "Deprivation of parental support exist because of continued absence. Mr. D., common law husband of Mrs. D and father of all children denied paternity at J.C. on June 23, 1958 and case was referred to Corporation Counsel. See form No. 241. Hearing to be held on August 14, 1958." An entry on form No. 259 reads in part as follows: "Contacts we have had with the father gives picture of sincere intent and acknowledgment of responsibility * * * Was seen in PAD on February 25 after Mrs. D. received EA. He contends children need and want him. He says neglect of children, if any, due to mother's unconcern and desire for immorality."

Although Mrs. D's. statements were found to be untrue on two previous applications, emergency assistance was again authorized and no attempt made to talk with Mr. D. Mrs. D's. grant of $203 continues with a review date set for June 30, 1959. There is no dictation by the present worker and no report on the J.C. hearing set for August 14, 1958. This case was accepted without any attempt to talk with Mr. D., whose address is known and his previous statements concerning support and interest in the children were known. Since the case was accepted, policy requires referral to investigation service. No referral was made.

CASE SHOULD BE REREFERRED—ELIGIBILITY NOT CLEARLY ESTABLISHED, FATHER NOT SEEN ALTHOUGH ADDRESS KNOWN, NO EFFORT MADE BY MOTHER TO HAVE FATHER COME TO OFFICE

Case No. 26

Miss H. was 23 years old when she applied in May 1955 for herself and four children. She said that the children's father, Mr. D., with whom she had been living had left the home. Miss H. knew where he was working and in view of his availability and employability, the application was terminated. She reapplied again in May 1955. She said she could not find Mr. D. and then later said she thought she could find him. This application was terminated due to failure to obtain support. In July 1955 she came in again to apply for ADC. She was pregnant and said that Mr. D. was not the father of the expected child. This application was terminated because of failure to obtain support from the father of the children. She reapplied in September 1955. The two oldest children were in Junior Village. She named Frank H. as the father of her unborn child. She said she sees him twice a week but has no marital relations with him, because he said he would not be responsible for anyone in her present condition. The location of Mr. D. was explained as a condition of eligibility. Mr. H. was seen. He has a wife and three children and was planning to live again with his wife. He said he had not been intimate with Miss H. since September 1955. He confirmed her statements that their intimacies always took place at his home. He was undecided as to continuing his relationship with Miss H. and said he would let the worker know on October 10 what he planned to do about this. On October 21, 1955, Miss H. told a weird story about not knowing who the father of her second child was because she had "a few drinks" and had been dragged into an alley by five men, all of whom were intimate with her. On October 27, 1955, the worker read the woman's bureau record. Miss H. was known to them for drunk and disorderly conduct and was brought in five times from 1953 to 1955. On November 4, 1955, Mr. H. came to the office and said he planned to live with his wife in North Carolina. On December 6, 1955, a visit was made to Mrs. C., who said Miss H. is her adopted daughter. Mrs. C. said that when Miss H. was young she refused to mind and was placed in a home. "Since she has been discharged from the home she has been having children regularly." Mrs. C's. son sees Mr. D. every day. On December 8, 1955, a visit was made to the home of Mrs. C's. son. "He said he did not think Miss H. could ever be a good mother and that whether she got on the welfare or not would not make any difference in her behavior because she likes to live around from hand to mouth and have babies." It seemed to him that Miss H. did not want to work. He thought the children are better off away from Miss H. On December 8, 1955, a conference was held with CWD. "Much discussion went on concerning Miss H.'s behavior as a mother and meeting public assistance requirements. Conclusion: CWD is willing to have the children returned to the home with supervision from their agency provided public assistance is granted". On January 11, 1956, Mr. D. was seen in the juvenile court worker's office. He denied paternity of all but two children. "Mr. D. explained that he would love to live with Miss H. again in order that the whole family could be together even though he knows R. and D. are not his children. This makes no difference to him. He stated he could overlook Miss H.'s faults because he really loved Miss H." He said Miss H. had known where he was and has seen him constantly. He visits at least once a week. He said the father of the coming baby "could be anyone because Miss H. was constantly out in the street."

On January 13 and 18, 1956, there were long interviews with Miss H. and Mr. D. It was pointed out that the Agency did not consider them to be separated. Mr. D. tried to live with Miss H. and wanted to accept all the children but she did not act toward him as a wife should and he was not going to live with her. His decision was accepted and a grant authorized. Later it was decided that the assistance payment could not be approved because Miss H. had not demonstrated that she could be a responsible mother. CWD was notified that the grant was not approved as planned. On March 13, 1956, Miss H. was again in office and there was a long discussion regarding her behavior. She admitted that she had left the children on different occasions. She feels she can be a good mother. She said she had left the children to obtain money for food and rent. She had gone to gambling houses because she knew Mr. D. could be found there and she had on occasions tried her own luck. Her drinking began when she became angry with Mr. D. On March 16, 1956 another visit was paid to Mrs. C., Miss H.'s adoptive mother. Miss H. had recently been in her home but she had to ask her to move. She took Miss H. in because of her pregnancy. Miss H. allowed Mr. D. to come there. Miss H. expected Mrs. C. to stay home with the children while she ran the streets. Miss H. left the children twice and did not return until morning. "She doesn't feel that Miss H. will change as long as she hangs with that group of girls on 7th Street, they only want to drink and stay with one man after another for one meal and later end up with children they cannot support."

Mrs. C. doubts that Miss H. really wants her children. She feels that Miss H. should not have her 8-year-old daughter because of the men Miss H. has coming and going in the home. She believes that this child was attacked by a man when she was left alone. She does not believe Miss H. will stay in the home and care for her children properly. She has always had trouble with Miss H. and that is the reason why she had her committed to CWD some time back. She believes if she works she would not have time to run the streets. She has never worked since she has been grown. She merely drags the children from place to place. On March 21, 1956, there was another conference with CWD who believed that Miss H. has never had a chance to see what she could do if she had financial support. On March 23, 1956, the worker and supervisor decided to approve Miss H.'s grant for a 2-week period "with both CWD and PAD watching the situation very closely to determine Miss H.'s adequacy as a parent." This was explained carefully to Miss H. on March 26, 1956. On April 19, 1956 notation is made that the "case is being referred to investigation service so that Miss H.'s home will be under surveillance night and day to determine whether she is following through on the advice given." It was planned with CWD to have Miss H.'s three children returned to the home with close supervision. Assistance was authorized on a "monthly basis because of Miss H.'s promiscuous behavior and evidence of being a weak parent."

In June 1956 the case was transferred to another worker. An entry dated June 8, 1956, refers to a referral to investigation service to locate Mr. D., but the request to investigation service does not mention this. On July 12, 1956, the Woman's Bureau telephoned to say that Miss H. had left the children alone at 2 a.m. Miss H. said she had gone out to find Mr. D. She was told by PAD that another such report would mean referral to CWD. On September 17, 1956, investigation service reported no man seen in home. On October 3, 1956, Mr. D. was in the office. He told of living with Miss H. and of their frequent separations. He said their last separation was because Miss H. would go out "and stay until the wee hours of morning." He said he has tried hard to provide a home and has begged Miss H. to change. He said she drinks excessively. He talked about how much he loved Miss H. On October 4, 1956, worker told Miss H. of the interview with Mr. D. She said she sees him often, as he is fond of the children and comes to see them. He has proved himself to be an irresponsible person who does not care whether the family has food or not when he gambles. "She told the worker a great deal about the underworld, about gambling, homosexuality, and prostitution. She wanted worker to know though that she had no part in any of these but that she had lived in the environment of people who indulged in all of them. She talked about her many incarcerations and what her life had been like inside of Woman's Bureau and jails. She said she knew she had many weaknesses but felt she could work them out herself." On October 15, 1956, the landlady called to complain about the rent and Miss H.'s neglect of the children. On October 23, 1956, the Woman's Bureau called to say that Miss H. was placed in jail, charged with being drunk and disorderly. This information was given to CWD and the children were placed in Junior Village. The case was closed in January 1957. CWD felt that Miss H. was not ready to have the children returned to her. Miss H. reapplied August 14, 1958, having been referred by CWD. An entry on form No. 25–B says Miss H. is employed as a dishwasher at Normandy Farms and will have to give up her employment when the children are returned home. An entry on form No. 246, dated August 21, 1958, says that Miss H. has an infant born February 15, 1958, and that she is again separated from Mr. D. On August 26, 1958, referral was made by intake to investigation service to establish the absence of Mr. D. Miss H. said she has severed her relationship with her undesirable companions and will try to work toward greater responsibility in regard to the care and supervision of her children. Emergency assistance was authorized with the review date set for September 30, 1959. There is no record of any attempt since the last application to talk with Mr. D., whose relationship with Miss H. began in 1945 and has continued. His address is given on form No. 252–A investigation service report dated September 22, 1958 says: "On September 22, 1958, I was advised by Miss Jones, social worker, that we had no authority to investigate this case and that it should not have been referred, as Miss H. is not receiving a grant until October 1, 1958, and that child care arrangements have been arranged and that Miss H.'s children will not be returned to the home until all arrangements have been completed. In view of the above, investigation service is closing the investigation." The entry on form No. 122, dated November 5, 1958, reads: "Request is withdrawn, knew of employment. Children being returned October 1, 1958. New request will be sent for information as to whether any man has free access to the home." There is no record of re-referral.

CASES REFERRED FOR ONE REASON SHOULD BE REFERRED FOR ANOTHER—NO EFFORT MADE BY MOTHER TO LOCATE FATHERS—ELIGIBILITY NOT CLEARLY ESTABLISHED

Case No. 61

Mrs. S. was 23 when she applied for assistance in July 1950. (At the time of application she had two children. She has had three other children since that time.) She said she had separated from her husband 6 months ago.

Then she said she and her husband had never lived together since their marriage, "because of his failure to find a place for themselves." She is living with her mother and Mr. S. is living with his mother in the same block of O Street. This has continued since their marriage. Mrs. S. had two children at the time of application, one by Mr. S. and the older one by Samuel B., who had disappeared Mrs. S.'s mother and Mrs. S. and the children could remain in the home without paying shelter costs. The worker talked with Mr. S.'s mother by telephone and she said she did not know where her son was living. On February 8, 1951, Mrs. S. told worker she had given birth to a son on January 4, 1951. The father of the child was Henry D. She said he lives in the home with her mother and has several other children in the neighborhood. The worker talked with him by telephone on January 19, 1951, regarding support he was giving to another ADC recipient for the support of her two children. He buys milk and clothing for his child by Mrs. S. On October 17, 1952, and July 12, 1953, Mr. S. was arrested for violation of ABC regulations. On March 29, 1954, Mrs. S.'s mother telephoned to say she had to give up her home and is living with a friend. On August 11, 1954, Mr. and Mrs. S. were in the office. At first he said he would be willing to live with his family. Mr. S. said he sees his child and Mrs. S. very often and when worker said that Mrs. S. had advised she had not seen him and that she had no idea where he was living, he just looked at her. After Mr. S said he would be willing to go back and live with Mrs. S. she spoke up and said, "You know you have a girl friend and I have a boy friend," and they asked the worker if it would be all right if they talked a little bit alone. So the worker left the booth for a few minutes. After I returned to the booth Mrs. S. said she did not wish to go back to live with her husband. We then advised her that there was very little doubt that we could continue giving her assistance since her husband said he would be willing to live with her. She said her boy friend is Robert H. and that he comes to see her two or three times a week and usually each weekend. Mr. H. called the worker the following day and said in an angry tone that he is not responsible for the support of Mrs. S. and her children and he did not think it was any of our business to inquire as to his circumstances and that he only helps her out when she runs short. Mrs. S. said she expected a job and had found a woman to look after the children. The case was closed. Mrs. S. reapplied November 15, 1954, and November 18, 1954. These applications were terminated because Mrs. S. was employable. The notice of ineligibility, Form No. 12, dated November 15, 1954, contains the following paragraph: "If you should reapply for assistance it would be necessary for us to have some contact from Mr. Robert H. as to his plans for the family, if any, and some effort would have to be made to try to locate and obtain support from Mr. B. and Mr. D."

On August 22, 1958 Mrs. S. reapplied for assistance. She has been working but had to stop "because the children have been sick." She said she planned to return to work when her children are well again. Since her case was closed, two more children have been born. She named Robert H. as the father. Referred to investigator service was made by intake October 22, 1958, to locate Mr. S. and Samuel B. An entry on form No. 258: Deprivation of Parental Support—ADC, says there is no continuing relationship with any of the fathers of her children. She gave Robert H.'s address. She said she had not seen Mr. B. for several years and did not know his whereabouts. She said she has not seen Mr. S. in 3 or 4 years. Mr. D., she said, was under order to pay for the support of his child. According to longhand notes in the record, dated November 4, 1958, she said she did not know where Mr. S. is living except "in the 2000 block of 14th Street NW." She said his child visits him and she will give him a card asking him to telephone for an interview. "As to the other fathers, Mrs. S. claims no knowledge of their whereabouts. Mr. H. is now said to be in N.Y.C." It was noted that on March 29, 1954, Mrs. S.'s mother had said she was forced to give up her home and was living with a friend. However, her address at the time of this application was given as 936 O Street where she had lived with Mr. S. and had been offered rent free.

The referral by intake to investigation service was for the location of Mr. S. and Mr. B. There was no referral for the location of Henry D. Robert H.'s address is given on form No. 258. Referral should have been made to investigation service to determine access. No effort was required by Mrs. S. to have any of the fathers come to the office.

SHOULD HAVE BEEN REFERRED BECAUSE OF DENUNCIATION—TO LOCATE FATHERS, AND TO DETERMINE ACCESS—NO REAL EFFORT BY MOTHER TO LOCATE FATHERS—ELIGIBILITY NOT CLEARLY ESTABLISHED

Case No. 55

Mrs. R. applied for assistance in April 1948 for herself and two children. There have been four other pregnancies since she has been receiving assistance. She lived with her mother, Amanda Newman, who was receiving GPA. She worked until she became ill and her mother cared for the children. She returned to work and the application was terminated. She applied again in January 1949 because of pregnancy. She said Laddie B., the father of the expected child, has been helping her. He lives with his wife. She gave Mr. R.'s address in Cleveland and said he was contributing through the D.A.'s office. She gave Mr. B.'s Washington address and assistance was authorized with the understanding that she would contact Mr. B. and have him come to the office. The worker talked with Mrs. N., who was identified as Mrs. R.'s grandmother. She described Mrs. R. as irresponsible and unappreciative of the efforts Mrs. N. had made in caring for the children. She described Mr. B. as "no good." The public health nurse said Mrs. N. had "hinted that Mrs. R. was promiscuous." On February 15, 1951, when the worker talked with Mrs. R. concerning employment, she said she was expecting a child in April. She named Mr. John S. as the father and was told that we would like to talk with him. She said at the time of this interview that Mr. B. lives now in North Carolina. On March 5, 1951, Mr. S. telephoned to say that he would give $10 a week. He came in in April to say that he was not working. In an undated entry on page 13 of the record the worker discussed plans for returning to work and Mrs. R. said she had none. In discussing the situation of the family, it was to be noted that Mrs. R. participated very little in saying anything and even started reading the newspaper, apparently ignoring worker during the interview. * * *

Worker has attempted to impress upon Mrs. R. that the agency will not be able to go along with her unless she attempts to show some cooperation and ambition in assisting her total family picture. Mrs. N. told worker she was very upset at Mrs. R.'s history of illegitimate children. She told of friends who used to be kind to her and give her gifts avoiding her because she lived with Mrs. R. and withholding gifts which they felt would benefit Mrs. R. On March 6, 1952, Mrs. N. telephoned and worker learned that Mrs. R. had had a miscarriage in February. Mr. S. was responsible. Mrs. R. came to the office on March 10, 1952, and was told that assistance could no longer be continued because absence could not be established. Mrs. R. kept the two youngest children with her and the older two remained with Mrs. N., who received ADC for them. Mrs. R. reapplied for assistance in September 1952 saying she was again pregnant by Mr. S. On October 7, 1952, Mrs. R. was advised that we definitely had to see Mr. S. and we left the responsibility to her to secure his cooperation in coming into the office.

On September 11, 1953, worker expressed the opinion that Mrs. R. had "made no considerable effort toward locating Mr. S." In an undated entry on page 29 the worker told Mrs. R. that she would be expected to find employment and care for the children and that the agency would not go along with her previous type of behavior. On December 1, 1955, the landlady telephoned to say that a Mr. James H. was living with Mrs. R. She said that Mrs. R. had requested that Mr. H. be allowed to stay a little longer and she had refused. She said she felt Mrs. R. was going to move in order to continue living with Mr. H. The landlady's statements were discussed with Mrs. R. on December 5, 1955, and she denied that Mr. H. was her boy friend. She said she had not seen Mr. H. but would try and get in touch with him. On December 14, 1955, Mr. H. came to the office. He described the landlady as crazy. He said he had helped Mrs. R. to move and that he had no interest in her. On December 16, 1955, referral was made to RIU to locate Mr. B. and Mr. S. Investigation service located Mr. B. in South Carolina and Mr. S. in District of Columbia General Hospital. On February 29, 1956, Mr. S. was seen in District of Columbia General Hospital. He said he had not seen Mrs. R. for over 2 years. "Mr. S. stated that back in 1953, or whenever they were together, he caught her with a fellow. He stated that it surprised him as this was the fellow that she had gone with before. However, he thought they had discontinued their relationship. He stated that as the result, he sometimes wondered if the children were his. Mr. S. stated that he does not see Mrs. R. and does not plan to because of her conduct when they were together." On May 17, 1956, a letter was received from Mr. R. in Cleveland, Ohio, He said he had not seen Mrs. R. since 1953 or lived with her since 1942. There is no record that this letter was acknowledged. On March 26, 1957, a memorandum was received from the investigation service saying a report had been received that a man was living with Mrs. R. This report was not discussed with Mrs. R. until May 3, 1957. "Mrs. R. received this information jubilantly, laughed and said no man did not live in the home with her * * *." On December 12, 1958, a discussion of the ADC policy is recorded. No referral was made to investigation service in spite of the many complaints of Mrs. R.'s behavior.

CASES SHOULD BE REREFERRED, NO ACTION AFTER LOCATION

Case No. 66

Miss T., age 23, applied November 1, 1951. The father of her expected child was Charles H. She gave his District of Columbia address and said that he worked in Baltimore. She said he stopped seeing her when he learned she was pregnant. In January 1953, the case was closed after it was learned that she was again pregnant by Mr. H. Miss T. requested an appeal and in March 1953 it was decided to accept another application. She said she had not seen Mr. H. since December 1952 but that she made a child care plan and was looking for work. The application was terminated when she failed to provide information needed to establish eligibility. She reapplied March 18, 1954, saying she was pregnant by Johnny C. She gave his address and social security number. She was told on March 23, 1954, that the agency "would be interested" in talking with Mr. H. as to his plans for his children. She was "informed that the Agency would also have to talk to Mr. C. before any further consideration could be given to her application." In August 1954 she said she wanted help until she could get work. Assistance was authorized on a temporary basis and on July 29, 1955, she was told again that Mr. H. and Mr. C. must be seen. On December 21, 1955, referral was made to investigation service to establish the presence or absence of Mr. C. and Mr. H. On December 29, 1955, investigation service reported they had located both Mr. C. and Mr. H. Mr. C. was advised by investigation service that the social worker would contact him and that Mr. H. would contact the social worker on February 23, 1956. Both these men have police records. Entries dated September 17, 1958, on forms 247 and 248 say that Mr. C. was found not guilty of paternity. The record also contains a voluntary support agreement, form No. 57, dated February 1959 which could not be read but on which the name appeared to be Thomas S.

The agency has had no contact with either Mr. H. or Mr. C. in spite of repeated statements to Miss T. that this was necessary. There was no referral to investigation service regarding access.

CASES WHICH SHOULD BE REREFERRED

Case No. 37

Miss S. applied for assistance March 22, 1957. She was 23. She said she had lived with the father of her children, Mr. E., for 3 years but that he had deserted and left town. She was told by the intake worker that she must make efforts to locate Mr. E. and to support the children. She seemed reluctant to seek employment saying she did not think she could make enough money to support the children and arrange for their care. Referral was made to investigation service by intake April 29, 1957, to locate Mr. E. and on March 18, 1958, he was found by investigation service to be living in the District of Columbia. The record is not clear as to what action was taken in regard to Mr. E. but there is no record of his having been seen. In July 1957 Mr. E. bought a television set giving his wife's name as that of Miss E. According to a April 1, 1959 entry, Miss S. has another television. This record indicates that re-referral should be made to locate Mr. E. and also to determine access.

SHOULD BE REFERRED TO DETERMINE ACCESS NO ACTION AFTER LOCATION

Case No. 53

Mrs. P. has received assistance continuously since 1948. Her husband was drowned in August 1948. He was the father of two of her three children. Three more children have been born since 1948. On March 6, 1950, the worker learned that Mrs. P. had given birth to a child on November 2, 1949. A visit had been made on September 4, 1949, but Mrs. P.'s pregnancy was not noticed or at least not mentioned. William H. was the father of this child and of a child born in 1951. The grant continued with no discussion of the need to see Mr. H. nor of Mrs. P.'s continued relationship with him. On June 29, 1953, the landlord told the agency that Mrs. P. is planning to be married, that her boy friend had "hit the numbers." On July 14, 1953, Mr. Joe W. was in the office saying that he has no intention of marrying Mrs. P. since he already has a wife. There was no discussion recorded of any continuing relationship. On January 20, 1954, a new baby is seen. Mrs. P. named Joseph W. as the father and said she did not tell the agency because her assistance would be stopped. The worker explained the need to talk to Mr. W. and he came to the office January 25, 1954. He said he would support the baby. There was no discussion of a continuing relationship. On November 21, 1956, referral was made to investigation service to locate Mr. H. and Mr. W. Mr. W. was located in the District of Columbia jail in April 1947 and in July 1947 Mr. H. was located in the District of Columbia. Although located by investigation service, Mr. H. was never seen. Referral should have been made to determine access.

CASES REFERRED FOR ONE REASON BUT SHOULD HAVE BEEN REREFERRED FOR ANOTHER REASON—NO ACTION TAKEN AFTER LOCATED

Case No. 70

Miss W. received assistance from 1947 until 1951 when an attorney called regarding arrangements to purchase a home by a Mr. T. and Miss W. who gave her name as Dorothy T. The case was closed because need could not be established. She reapplied for assistance July 24, 1951. Another child was born in December 1951 and she has received assistance continuously since that time. Mr. T. died in October 1951. In July 1956 it was learned that she was pregnant by Mr. P. She said she had known him for 4 years and he had visited "as a regular friend for 1 year." Mr. P. was seen on October 18, 1956. He said he had five children and a mother to support. He said he was not intimate with Miss W. at present and did not "intend to have any more transactions with her." Miss W.'s mother is also receiving assistance and there is difficulty in verifying shelter costs and living arrangements. Miss W. moved constantly and she and her mother live together and then apart. A man always rents the house for them. Referral to investigation service on January 25, 1957, was made by the previous worker to determine resources or roomers and to locate Mr. W. On August 29, 1958, Mr. W. was located in the District of Columbia, but no action was taken to get in touch with him. The fact that he was located was not mentioned in the dictation. This case should have been re-referred to investigation service to determine access.

CASE WHICH SHOULD HAVE BEEN REREFERRED—ELIGIBILITY NOT CLEARLY ESTABLISHED

Case No. 56

Mrs. R. made two applications in 1954, two in 1955, two in 1956 and one in 1957. Each of these applications were terminated because she had done nothing to get support from her paramour, John W., because Mr. W. was able to work or absence of Mr. W. from the home was not established. When she applied for the eighth time on February 13, 1958, she was again pregnant by Mr. W. She said he had not had regular work for several months so she asked him to leave the home. Emergency assistance was authorized. She said she had lived with Mr. W. since 1953 and that he was the father of her two children and the unborn child. She said she and her husband separated in 1953 "because Mr. W. was living in the home and he would not support all of them." Referral was made to investigation service March 10, 1958, to determine if Mr. W. had access to the home. On April 29, 1958, investigation service reported no sign of a man at the time of visits. However, Mr. W. gave Mrs. R.'s address as recently as February 28, 1958, when he was arrested for being drunk. Investigation service suggested re-referral after 3 months but this was not done. Eligibility in this case was not clearly established. From Mrs. R.'s statements it would appear that either absence does not exist or, if Mr. W. is absent, the separation is one of convenience for assistance purposes. Mrs. R. appeared to be no more eligible at the time of the eighth application than when the previous seven applications were made. Since the case was accepted, re-referral should have been made to determine access.

SHOULD HAVE BEEN REREFERRED

Case No. 3

Mrs. B., age 24, applied for assistance in May 1956. She had four children by four different fathers. Referral to investigation service was made in September 1956 to locate the father of one of the children and to determine access. On November 20, 1956, investigation service reported they had located Mr. M. His address and employer were given. The case was closed in April 1957 after Mrs. B. had given false information as to the whereabouts of two of her children. She reapplied May 2, 1957. She said she had never lived with any of the fathers of her children, although when one of them was seen on September 4, 1956, he said he had lived with Mrs. B. for the past 2 years. Referral should have been made to investigation service at that time to determine access. Referral was made to determine access. This was done after the paternal grandmother of one of the children had telephoned to say that Mrs. B. was living with a Mr. A., spending nights at his quarters and had a child by him this past summer. On October 9, 1958, investigation service reported two men in the home. On October 28, 1958, the investigators were admitted by the same man who had opened the door at the time of the previous visit. Mrs. B. cursed violently and threw an object at the investigator. On February 19, 1959, investigation service reported that no men were seen in the apartment but that Mrs. B. appears to have a new baby. On February 2, 1959, investigation service reported a baby was born September 16, 1958, and that the house was rented by Joseph A., whose place of employment showed his address as the same as Mrs. B's, and who claimed a wife and two children for tax purposes.

On February 20, 1959, a letter was written to Mrs. B. saying assistance could not be continued until her living arrangements were clarified. She was seen in February and March 1959. At first she denied having had a child and then said she had given the infant away on the hospital steps to a person whose name she did not know.

Form No. 122, dated February 25, 1959, said the grant continued unchanged as Mrs. B. continues to deny the birth of the baby. A check with payroll control revealed that the March 1, 1959, check was canceled. This case should have been rereferred for access at the time of reapplication in May 1957.

CASE ILLUSTRATIONS—EXAMPLE OF CASE WHERE REFERRAL TO INVESTIGATIVE SERVICE WAS JUSTIFIED—NO ACTION TAKEN ON INFORMATION SUPPLIED BY INVESTIGATIVE SERVICE—ELIGIBILITY QUESTIONED

Case No. 204

When Mrs. B. applied for assistance on February 6, 1951, at the age of 20, she had one child and was pregnant. She said she only wanted assistance until her child was born and she can return to work. She said she had been separated from Mr. B. for 4 years. She named Mr. F. as the father of her child and said that Mr. Lloyd T. was the father of her unborn child. The case was closed in December 1951 when Mrs. B. obtained employment. She reapplied in July 1953 saying she was pregnant by Mr. Samuel T., who was the brother of the father of her last child. The application was terminated because Mrs. B. had made no effort to obtain support from the fathers of her children. When she reapplied in November 1953 she was again pregnant by Samuel T. Mrs. B. said she was really not sure who was the father of her oldest child. She went with Mr. F. and then became intimate with Mr. Lloyd T. Mr. Lloyd T. denied paternity and the court upheld this. He admitted paternity of the child born in 1951 and was under court order. He had not paid regularly as he became angry with her when she began a relationship with his brother, Mr. Samuel T. Mrs. B. was told in November and December that it would be necessary for Mr. B., her husband, and Mr. Lloyd T., to contact the agency. Mr. Lloyd T. telephoned on February 16, 1954, to say that he was making the payment ordered by the court but his payments were in arrears. "He doubted paternity to the child saying he had been caught and Mrs. B. did not know who actual father is." He said he is married and lived with his family and that his brother, Mr. Samuel T., is also "happily married." On December 17, 1954, Mrs. B. said that she was 7 months pregnant. She said that Mr. F. is also the father of this child. "It was decided that Mrs. B. would receive no further assistance until resource in Mr. F., putative father, was cleared and efforts to secure support from Mr. Samuel T. cleared." Mr. F., father of two of Mrs. B.'s children, was in the office on January 21, 1955. He said his relationship with Mrs. B. was "merely a passing fancy," and that "he considers her as a girl to take to one of the motels or out nightclubing." He said he has a family of his own. Later in the interview, he said he has a common-law wife with whom he has been in a close relationship since 1949 and with whom he spends the night whenever he desires.

On April 12, 1955, Mr. Lloyd T. was in the office. He said he was under court order to pay Mrs. B. $6 a week. He said he has a wife and four children and that he and his wife had tried to help Mrs. B. in 1953 by keeping the children. He said he and Mrs. B. were friends during school days. He planned at one time to marry her but decided against this because of her relationship with his brother. He said that "she will be intimate with any man that comes along." He states that he knows from her previous behavior that she will have another child next year if she meets another man. He has tried to talk to her about her relationship with so many men but it does not seem to help. He was her regular boyfriend for over 4 years. On May 18, 1955, Mr. B. was seen. He said he does not feel any responsibility toward Mrs. B., who left him in 1948 because he was unemployed. He is unable to obtain a divorce because of his religion but considers himself separated. He said he is not willing to do anything for Mrs. B. "because of her unfaithfulness and being a person no one can trust." He saw Mrs. B. 2 weeks ago and there was a boy friend in the home at that time. He said another reason he is not willing to help Mrs. B. was because she had her boy friend forge his name to a loan. He said he had tried to live with Mrs. B. and make a go of it but it seemed to be impossible. He gave his address. In an interview in September 1955, Mrs. B. said she had "no male interests as she is disgusted with men." She said she was not pregnant. On October 21, 1955, a report was received from Mrs. B.'s landlady that she was pregnant. Mrs. B. was reported to have said that she had denied her pregnancy to her worker and had "decided what she would say when her pregnancy is discovered by her worker." On October 26 she denied that she was pregnant.

On November 23, 1955, she admitted her pregnancy and said that Mr. F., whose address she gave, is the father of her expected child. (This is Mrs. B.'s third child by Mr. F., who told the agency on January 21, 1955, that his relationship with Mrs. B. was "merely a passing fancy.") On November 25, 1955, Mrs. B. and Mr. F. were seen. Mr. F. said he could not support two families. They were informed that no further assistance could be issued. Mrs. B. appealed and a hearing was arranged on January 5, 1956. the action of the agency was sustained. On December 30, 1955, referral was made to investigation service to determine if Mr. F. was absent from the home. On January 5, 1956, a five page report was received from investigation service saying that the relationship continues. The investigation service report expressed the opinion that Mrs. B. was untruthful but has the ability of creating the impression that she is telling the truth. The case was closed in January 1956. She reapplied in July 1956 for herself and six children. She said that she was evicted and four of her children were placed in Junior Village. She has been working and continued to work at the Willard Hotel. On August 28, 1956, a telephone call was received from a CWD worker who said that Mrs. B.'s case was new to the agency but had been known to CWD for some time. Child Welfare Division recommended that the mother give up her work and apply for assistance so that she could make a home for the children. The CWD worker said later that the case had been known to the agency and the case had been closed "because of policy 7 but that all of this had been taken care of and the mother had gone to court with all of the fathers available and bench warrants had been issued for the rest of them and that her agency was aware of the circumstances and knew that there was no continuing relationship between the mother and any of the four fathers involved." In an interview with Mrs. B. August 30, 1956, she said she was not having any relations with the fathers of her children. She talked in length about her church attendance, the teachings of the Holy Bible, and her plans "to make a change in her life." The agency policy concerning absence was discussed and she said she understood it fully. She said she did not want to reapply for assistance but was told by CWD that she must do this. On February 1, 1957, she said "I wish I could place these children somewhere so I wouldn't have to be bothered with them. You just don't know how tiresome it is to have to stay at home with these children all the time and not be able to get out." Mrs. B. mentioned a soldier stationed at Fort Belvoir in whom she is interested. On March 3, 1958, the worker discussed with Mrs. B. a report which had been received that she was pregnant. Agency policy was again discussed and she said she was fully aware of it. She emphatically denied that she was pregnant.

On March 17, 1958, form 29 was received saying that Mrs. B. had had an incomplete abortion.

This case was carried by the worker in caseload 223 from September 1958 to February 1959. On September 22, 1958, referral was made to investigation service to determine if Mr. B. or any of the fathers, or any man had access. On October 6, 1958, a report was received that Mrs. B. may be pregnant and on November 17, 1958, investigation service reported that a Mr. K. was found in the home and that Mr. B. came in while the investigators were there. No action was taken on this report. On April 29, 1959, a letter was received from Mrs. K. saying that her husband is keeping company with Mrs. B. On May 12, 1959, investigation service reported a report had been received that Mr. K. lives in Mrs. B.'s home as her paramour. On May 29, 1959, re-referral was made to investigation service by the present worker to establish whether a husband and wife relationship exists between Mrs. B. and Mr. K. and whether he has free access to her home.

REFERRAL JUSTIFIED—NO ACTION TAKEN ON INVESTIGATION SERVICE INFORMATION

Case No. 232

This case was carried by the worker from July 1958 to February 1959. Mrs. R. applied in April 1950 for herself and one child. She said her common-law husband had died in March. She worked as an elevator operator for 5 years and employment was discussed in 1954 and 1956. In February 1956 she said she had a "steady boyfriend, Francis A." She said he had been her boyfriend for the past 3 years. In November 1956 Mr. A. said he had stopped seeing Mrs. R. In September 1957 Mrs. R said she was no longer seeing Mr. A. Referral to investigation service was made in September 1958 to determine access. On October 17, 1958, investigation service found Mr. A. in the home. On November 13, 1958, investigation service reported Mrs. R. said she had not seen Mr. A. since November 3, 1958. The record shows no discussion with Mrs. R. of the investigation service report and no action taken.

REFERRAL JUSTIFIED—ELIGIBILITY QUESTIONED

Case No. 229

Miss P. applied in August 1954 when she was 18 years of age. Prior to her 18th birthday, she had been included in her mother's grant. She had one child and was pregnant. The father of her 3-year-old child was James J. She gave the father of her unborn child as William B., an ATD recipient. In February 1955 she said her relationship with Mr. B. continued and would continue. Her pregnancy was described by her as just "one of those things." In April 1955 Miss P.'s mother complained of her neglect of the children. She sometimes stayed out all night and left the baby all day without food. In April 1955 Mr. B. was seen. He also said his relationship with Miss P. was a continuing one. In May 1955 another man, a barber, rented an apartment for Miss P. In January 1956 she said her relationship with Mr. B. continued and she is again pregnant. In February 1956 Mr. B. uses the same expression Miss P. had used in describing her pregnancy—"It was just one of those things." Mr. B. died in July 1956. In September 1956 referral was made to investigation service by the previous worker to locate Mr. J., father of Miss P.'s oldest child. Investigation service located him and he was interviewed in October 1956. He said he loved Miss P. and wanted to marry her but her mother does not want him to. He said he did not think Miss P. is a decent mother. He said she drinks. He told of seeing her on 4th Street, SW. at 1:30 a.m. He said he would like to have the children. She told Mr. J. she was planning to be married but she denied this in an interview dated October 29, 1956. She had on a "set of wedding rings" which she said came from the 10-cent store. She giggled over this. In June 1957 Miss P. was again pregnant, this time by a Carl S. On August 13, 1958, referral was made to investigation service because of an anonymous complaint of neglect. Investigation service was also asked to identify any man involved and to locate Mr. S. On September 4, 1958 a partial report from investigation service told of serious neglect of the children. They were found alone on four night visits. There was no further report from investigation service in the record and no current dictation.

REFERRAL JUSTIFIED

Case No. 224

Mr. and Mrs. M. applied in January 1958. The application was terminated because Mr. M. was employable. She reapplied in September 1958. Referral was made to investigation service to locate Mr. M. and to ascertain if Mrs. M. is seeing any man other than her husband. This referral was made because of reports that Mrs. M. was having relations with other men. In May, investigation service found a man hiding under the bed and located Mr. M. The check for June 1959 was held.

CASE REFERRED WHICH SHOULD NOT HAVE BEEN REFERRED—ELIGIBILITY QUESTIONED

Case No. 208

According to the entry on form No. 246, dated August 15, 1958, Mrs. C. said she had been separated from her husband for a year.

On September 8, 1958, she said she had been assisted by John M. who had advanced $240 toward her divorce. She was told that the Agency would have to talk with Mr. M. "since the conversation indicated they were cohabiting" and that she was not eligible because of her continuing relationship with Mr. M. She promised to have Mr. M. get in touch with the Agency but he failed to do this. The grant was authorized and continued in spite of Mrs. C's. admitted relationship with Mr. M. Referral to investigation service was made in November 1958 to locate Mr. C. and to determine access of Mr. M. Referral did not appear to be justified between no effort had been made by Mrs. C. or the Agency to locate Mr. C., and because Mrs. C. had admitted her relationship with Mr. M. Eligibility was questioned for the above reasons and also because there was no medical report to indicate the need for Mrs. C. to stay at home and care for the child she said was not "enjoying good health."

CASES WHICH SHOULD HAVE BEEN REFERRED

Case No. 237

Mrs. S. applied November 6, 1952 for herself and two children, saying she was not able to make child-care arrangements. She said she had been divorced from Mr. S. for 14 years and for the past 6 years had lived with Mr. C., the father of her youngest child. The father of the older child was dead. She asked for assistance until she could make child-care arrangements. She had worked as a domestic for the past 6 years. The worker talked with Mr. C. by telephone who said he was fond of Mrs. S. and would be willing for her to return and to continue his relationship with her but he could not get along with her. In August 1954 Mrs. S. was offered a job as head waitress at the Cosmos Club, but could not accept it because she said she had no child-care plan. In January 1957 Mr. C. was again contacted by telephone and said he had no continuing relationship with Mrs. S. In May 1957 a television was seen which Mrs. S. said had been given to her by John P., a casual friend. There is no indication as to how long this record was carried by the worker whose caseload was under study.

CASES WHICH SHOULD HAVE BEEN REFERRED—CHILD-CARE PLAN SEEMED AVAILABLE

Case No. 212

Mrs. F., age 19, applied in December 1956. Mr. F. was in jail for nonsupport. She said they had been separated before he was sentenced. Mr. F. was seen in August 1957 and said he planned a divorce from Mrs. F., who left him in June 1955. Mrs. F. had a child by another man. Mrs. F. admitted this and said the father was James M. She gave Mr. M's. address and employer and said his mother was going to take the baby. In August 1957 she said she did not want to take Mr. M. to court. She said she was working evenings for her uncle and her mother was looking after the children. (On January 9, 1957 Mrs. F. had said she had no relatives other than an aunt.) The case was closed in 1957 because Mrs. F. refused to take Mr. M. to court. She reapplied in December 1957 saying she was willing to go to court and was not continuing her relationship with Mr. M. A baby was born on September 21, 1958. She said the father was Emanuel D. and she had no idea where he was. Referral was made to investigation service in May 1958 by a previous worker to locate Mr. F. On December 17, 1958 Mrs. F. said Mr. F. lives with her mother. On January 6, 1959 referral was made by the subsequent worker to locate Mr. D. Referral should have been made to determine access. There is nothing to indicate how long this case was carried by the worker whose caseload is under study. Child-care arrangement seemed available.

CASES WHICH SHOULD HAVE BEEN REFERRED—CHILD-CARE PLAN SEEMED AVAILABLE

Case No. 219

Mrs. J., age 22, pregnant, applied in July 1956 for herself and two children. Mr. J. has not supported and she has been to J.C. The father of the oldest child was George H. In August 1956 Mrs. J's. mother telephoned to say that one of the children was with her and another one with the paternal grandmother. On August 21, 1956, Mrs. J. said she had not seen Mr. J. since July 1956. On August 29, 1956 the landlady told the worker that Mr. J. was living in the apartment with Mrs. J. and that he was there at the time of the worker's last visit but was hiding in the bathroom. On September 4 the landlady said various men and women frequent the apartment and stay until 4 or 5 a.m. She thinks they "rent out the bed." Later, Mrs. J. said that Mr. J. was not there but had "been coming to see her almost every day." "She was told we would have to see Mr. J. and that he 'will have to prove his absence before another check can be issued'." In September and October 1956 the landlord telephoned to say that Mr. J. was in the home. In June 1957 Mr. J. was sentenced to 8 years on a narcotics charge—release date March 1963.

This case was carried by the worker whose caseload was reviewed, from June 1958 to February 1959. Referral should have been made to locate the father of the oldest child and, in view of Mrs. J's. past behavior, referral should have been made to determine access.

CASES WHICH SHOULD HAVE BEEN REFERRED—HUSBAND NOT CONTACTED ALTHOUGH ADDRESS KNOWN—NO EFFORT BY MOTHER TO LOCATE FATHER

Case No. 241

Mrs. Y., age 21, applied in April 1956. She said Mr. Y. had left the home 3 days ago. The application was terminated because she had not made sufficient effort to locate him. She reapplied in January 1957 saying Mr. Y. had deserted. He is not the father of either of her children. The father of the oldest child was James M., whose address she gave. The father of the younger child is Robert L., who is believed to be living with his mother. Mrs. Y. failed to keep her appointment and the application was terminated. She reapplied in November 1957. The dictation under date of January 30, 1958, says, "Once again 15 or 20 men were lounging in various rooms on the first floor." A 21-inch television was seen which she said her husband had purchased. On March 24, 1958, referral was made to investigation service to locate Mr. L. and Mr. M. On May 13, 1958, investigation service reported Robert S., a "cousin" in the home. The address she gave proved to be fictitious. The length of time this record was carried by the worker could not be determined. The March 1958 referral was not made by him. Referral should have been made to determine access. It is also noted that no effort was made to locate Mr. Y., whose address was known and Mrs. Y. made no effort to locate him or the fathers of her children.

CASE WHICH SHOULD HAVE BEEN REFERRED—FATHER NOT SEEN ALTHOUGH ADDRESS KNOWN, CHILD CARE PLAN SEEMS AVAILABLE—ELIGIBILITY QUESTIONED

Case No. 240

When Miss W. applied for assistance August 1, 1957, she had one child and was pregnant. She said she had been employed until July 1957 when her employer moved out of town. According to the information on form 108 she had done days work from 1953 to 1956, had worked as a maid in a hotel from March 1956 to February 1957 and worked as a nursemaid from March 1957 until July 1957. She said she felt she would need assistance until around November 1957 when her coming baby would be approximately 2 months old. There is no discussion in the record as to the child-care arrangement she made for her child born in 1954 when previously employed.

Miss W. said that Percy D. was the father of her unborn child. She gave his address and said he was employed at the Soldiers' Home. She said Espay T. was the father of Barbara, born in 1954. She gave his address and was referred to J.C. An entry dated January 22, 1958, says that form No. 241 was received, saying that Mr. T. had not supported within the past year, that the child was beyond the age limit and therefore the case was not accepted. Miss W. was asked to contact Mr. T. and to have him come to the Agency. She was also advised to bring Mr. D. to the Agency. Mr. D. telephoned April 3, 1958 making an appointment for April 5, 1958, which he did not keep.

On March 24, 1958, the worker records: "During the interview I asked Miss W. what she had done to return to work, since she indicated at the time of her application she only wanted assistance for such time as to have her baby and then return to work. She seemed very much taken aback by this, and it was obvious that she had not considered this at all. I explained to her that we considered employability as a potential resource. She stated that she has felt that perhaps she could make a child-care plan and then go back to work. She was asked to advise me of this."

In an entry dated July 24, 1958, it was reported that Mr. D. had said he lived with Miss W. in the NCHA project. They were both given an appointment for July 30, 1958, but Mr. D. failed to come. She was told July 24, 1958, that the August check could not be mailed until we talked with them. She was told on July 30, 1958, that we need to discuss with Mr. D. plans for their child as well as their plan regarding their relationship. On August 9, 1958, Miss W. and Mr. D. were in the office by appointment. He said he was under court order to pay $12 a week for the support of his child. The only recorded discussion regarding his relationship with Miss W. is as follows: "No relation with Miss W." The last entry in the record was dated October 13, 1958. It was suggested that Miss W. take some action toward seeking employment. "Miss W. stated that she would begin to look for work after she received her November 1 check." The worker pointed out that she would be expected to resume work as soon as possible and to work out a child-care plan. "It was further pointed out that living in the project where there were so many mothers, it should not be hard to get someone to look after the children while she is employed."

The entry dated October 13, 1958, says the case was transferred to the worker in C.T. 73.5. There is no dictation since that date. The last authorization is from December 1, 1958, to October 31, 1959.

Mr. BYRD of West Virginia. These various reports to which I have alluded made it necessary for the subcommittee to request the Department to take a new look at its program and to submit a new estimate of the needs in the light of the information and the findings which had been developed.

We come before the Senate today with a bill which would have been before the Senate earlier had it not been for the developments in connection with the program administered by the Department of Public Welfare.

The Department, after a period of about 3 weeks, came back before the subcommittee and submitted its revised program. So the bill which we are presenting today embodies some of the recommendations which were included in the revised presentation, as well as additions which have been put forward by the subcommittee.

Mr. President, the Congress has not been stingy with the Department of Public Welfare of the District of Columbia. I ask unanimous consent to include in the Record at this point a table which indicates the percentage of increase in appropriations over the years from 1955 to 1962 for the Department of Public Welfare in the District of Columbia and for all other departments.

The table shows that the Department of Public Welfare has received perhaps the highest percentage of increase in appropriations of any department in the District of Columbia government over the period 1955–62.

There being no objection, the table was ordered to be printed in the Record, as follows:

District of Columbia government trends in operating costs and authorized positions, fiscal years 1955–62

	Total appropriation	Salary cost of authorized positions	Authorized positions	Net change in position
General operating expenses:				
Executive Office:	*Thousands*	*Thousands*		
1955	$307.5	$209.4	37	
1956	308.0	233.6	43	6
1957	323.0	252.2	43	
1958	370.9	272.6	46	3
1959	399.5	310.4	49	3
1960	590.0	379.2	60	11
1961	599.2	471.5	68	8
1962	716.6	458.3	64	−4
Actual change, 1962–55	(409.1)	(248.9)	(27)	
Percentage change, 1962–55	(133.0)	(118.9)	(73.0)	
Compensation and retirement fund expenses: [1]				
Total appropriation:				
1955	10,207.0			
1956	10,036.0			
1957	11,100.0			
1958				
1959				
1960				
1961				
1962				
Actual change, 1962–55	(−10,207.0)			
Percentage change, 1962–55				
Department of General Administration:				
1955	2,945.5	2,306.3	582	
1956	3,081.8	2,802.5	594	12
1957	3,475.0	3,076.9	597	3
1958	4,542.5	3,191.1	619	22
1959	4,720.0	3,580.5	640	21
1960	5,121.0	3,599.4	662	22
1961	5,719.5	4,073.7	684	22
1962	6,403.4	4,175.0	700	16
Actual change, 1962–55	(3,457.9)	(1,778.7)	(118)	
Percentage change, 1962–55	(117.4)	(74.2)	(20.3)	
Regulatory Agencies:				
1955	918.2	847.8	188	
1956	967.0	913.3	192	4
1957	1,058.4	953.8	198	6
1958	1,207.5	1,050.4	207	9
1959	1,400.0	1,214.1	231	24
1960	1,570.5	1,333.0	232	1
1961	1,620.0	1,458.0	236	4
1962	1,839.0	1,482.3	239	3
Actual change, 1962–55	(920.8)	(634.5)	(51)	
Percentage change, 1962–55	(100.1)	(74.8)	(27.1)	
Occupations and Professions:				
1955	264.0	187.0	43	
1956	248.5	194.2	42	−1
1957	262.0	195.4	42	
1958	294.8	210.1	46	4
1959	299.0	230.7	45	−1
1960	327.0	232.5	45	
1961	342.0	243.6	55	10
1962	480.0	293.2	58	3
Actual change, 1962–55	(216.0)	(106.2)	(15)	
Percentage change, 1962–55	(81.8)	(56.8)	(34.9)	
Public Library:				
1955	1,611.0	1,202.4	352	
1956	1,630.3	1,337.2	361	9
1957	1,783.0	1,370.0	368	7
1958	1,962.0	1,402.8	370	2
1959	2,140.0	1,701.3	372	2
1960	2,493.0	1,806.1	397	25
1961	2,688.0	2,044.5	413	16
1962	3,043.0	2,138.1	431	18
Actual change, 1962–55	(1,432.0)	(935.7)	(79)	
Percentage change, 1962–55	(88.9)	(77.8)	(22.4)	
Veterans' Affairs:				
1955	93.0	82.1	18	
1956	92.2	74.5	18	
1957	98.5	75.3	18	
1958	104.0	77.0	18	
1959	97.0	88.6	16	−2
1960	107.0	92.6	16	
1961	109.5	101.4	16	
1962	118.0	102.1	16	
Actual change, 1962–55	(25.0)	(20.0)	(−2)	
Percentage change, 1962–55	(26.9)	(24.4)	(−11.1)	
Department of Buildings and Grounds:				
1955	1,675.6	946.5	297	
1956	1,687.0	1,010.2	300	3
1957	1,780.0	1,057.5	301	1
1958	2,044.0	1,100.5	307	6
1959	2,135.0	1,194.4	314	7
1960	2,507.0	1,288.3	299	−15
1961	2,538.0	1,372.4	303	4
1962	2,656.7	1,370.2	303	
Actual change, 1962–55	(981.1)	(423.7)	(6)	
Percentage change, 1962–55	(58.6)	(44.8)	(2.0)	
General operating expenses—Con.				
Surveyor's Office:	*Thousands*	*Thousands*		
1955	$149.2	$141.0	37	
1956	153.9	149.5	38	1
1957	170.0	151.9	40	2
1958	180.0	153.7	40	
1959	180.0	170.8	39	−1
1960	200.0	164.4	39	
1961	205.0	175.2	39	
1962	212.0	195.5	36	−3
Actual change, 1962–55	(62.8)	(54.5)	(−1)	
Percentage change, 1962–55	(42.1)	(38.7)	(−.2)	
Total, general operating expenses: [2]				
1955	7,964.0	6,012.5	1,554	
1956	8,177.7	6,715.0	1,588	34
1957	8,949.9	7,133.0	1,607	19
1958	10,705.7	7,467.2	1,653	46
1959	11,370.5	8,490.8	1,706	53
1960	12,915.5	8,895.5	1,750	44
1961	13,830.2	9,938.4	1,814	64
1962	15,468.7	10,214.7	1,847	33
Actual change, 1962–55	(7,504.7)	(4,202.2)	(293)	
Percentage change, 1962–55	(94.2)	(69.9)	(18.8)	
Public safety:				
Office of Corporation Counsel:				
1955	428.6	397.0	65	
1956	442.9	430.4	66	1
1957	480.0	438.1	69	3
1958	544.0	519.5	82	13
1959	660.0	616.3	92	10
1960	755.0	652.4	95	3
1961	798.5	741.9	99	4
1962	902.0	765.2	103	4
Actual change, 1962–55	(473.4)	(368.2)	(38)	
Percentage change, 1962–55	(110.4)	(92.7)	(58.5)	
Metropolitan Police:				
1955	12,837.5	11,635.1	2,473	
1956	12,808.0	12,443.1	2,472	−1
1957	13,773.0	12,538.8	2,698	226
1958	18,160.0	13,715.4	2,709	11
1959	18,460.0	15,153.0	2,697	−12
1960	21,761.0	15,786.6	2,798	101
1961	23,517.0	17,624.3	2,933	135
1962	26,261.5	18,748.1	3,067	134
Actual change 1962–55	(13,424.0)	(7,113.0)	(594)	
Percentage change 1962–55	(104.6)	(61.1)	(24.0)	
Additional municipal services, inaugural ceremonies:				
1955				
1956				
1957	155.0			
1958				
1959				
1960				
1961	200.0			
1962				
Actual change 1962–55				
Percentage change 1962–55				
Fire Department:				
1955	6,266.6	5,578.4	1,128	
1956	6,257.9	6,036.5	1,128	
1957	6,755.0	6,034.3	1,128	
1958	9,007.0	6,296.4	1,184	56
1959	9,187.0	7,057.0	1,185	1
1960	10,557.0	7,259.1	1,185	
1961	10,940.0	7,809.8	1,189	4
1962	11,780.0	8,001.5	1,194	5
Actual change, 1962–55	(5,522.4)	(2,423.1)	(66)	
Percentage change, 1962–55	(88.1)	(43.4)	(5.9)	
Office of Civil Defense:				
1955	150.0	83.0	19	
1956	75.0	60.6	13	−6
1957	78.0	60.9	13	
1958	86.0	61.2	13	
1959	80.0	38.7	13	
1960	60.0	29.9	6	−7
1961	90.0	59.2	10	4
1962	93.5	66.1	10	
Actual change, 1962–55	(−56.5)	(−46.9)	(−9)	
Percentage change, 1962–55	(−37.7)	(−20.4)	(−47.4)	
Courts:				
1955	3,162.4	1,123.2	234	
1956	3,369.7	1,266.8	241	7
1957	3,972.0	1,446.3	282	41
1958	4,534.6	1,633.9	303	21
1959	4,953.0	1,888.4	326	23
1960	5,306.0	1,990.6	326	
1961	5,633.6	2,162.4	332	6
1962	6,065.0	2,183.2	335	3
Actual change, 1962–55	(2,901.6)	(1,060.0)	(101)	
Percentage change, 1962–55	(91.7)	(94.4)	(43.2)	

See footnotes at end of table.

District of Columbia government trends in operating costs and authorized positions, fiscal years 1955–62—Continued

	Total appropriation	Salary cost of authorized positions	Authorized positions	Net change in position
Public safety—Continued				
Department of Corrections:	*Thousands*	*Thousands*		
1955	$4,374.6	$2,429.2	603	----------
1956	4,526.8	2,566.5	610	7
1957	4,710.0	2,748.7	633	23
1958	5,275.0	3,099.3	657	24
1959	5,437.0	3,457.5	670	13
1960	6,017.0	3,717.6	693	23
1961	7,000.0	3,752.2	851	158
1962	7,607.0	4,197.1	872	21
Actual change, 1962–55	(3,232.4)	(1,767.9)	(269)	----------
Percentage change, 1962–55	(73.9)	(72.8)	(44.6)	----------
Department of Licenses and Inspections:				
1955	1,378.0	1,249.8	296	----------
1956	1,546.3	1,410.6	311	15
1957	1,658.0	1,432.0	313	2
1958	1,862.0	1,621.8	332	19
1959	2,017.0	1,777.1	350	18
1960	2,294.0	1,885.3	358	8
1961	2,465.0	2,127.3	375	17
1962	2,787.6	2,201.0	400	25
Actual change 1962–55	(1,409.6)	(951.2)	(104)	----------
Percentage change 1962–55	(102.3)	(76.1)	(35.1)	----------
National Guard:				
1955	114.8	73.7	21	----------
1956	119.8	77.5	22	1
1957	136.5	100.1	24	2
1958	155.3	103.8	25	1
1959	155.0	114.0	25	----------
1960	168.0	115.8	25	----------
1961	172.7	126.8	25	----------
1962	185.0	126.3	25	----------
Actual change, 1962–55	(70.2)	(52.6)	(4)	----------
Percentage change, 1962–55	(61.1)	(71.4)	(19.0)	----------
Total, public safety:[3]				
1955	28,713.5	22,569.4	4,839	----------
1956	29,146.4	24,292.0	4,863	24
1957	31,562.5	24,799.2	5,160	297
1958	39,623.9	27,051.3	5,305	145
1959	40,949.0	30,102.0	5,358	53
1960	47,008.0	31,437.3	5,486	128
1961	50,616.8	34,493.9	5,814	328
1962	55,690.6	36,288.5	6,006	192
Actual change, 1962–55	(26,977.1)	(13,719.1)	(1,167)	----------
Percentage change, 1962–55	(94.0)	(60.8)	(24.1)	----------
Education:				
Public schools:				
1955	27,626.6	23,174.4	5,311	----------
1956	28,130.0	26,929.2	5,392	81
1957	32,515.8	28,119.0	5,619	227
1958	37,450.0	31,166.5	5,803	184
1959	39,948.0	34,073.5	5,988	185
1960	47,113.0	34,929.0	6,159	171
1961	49,232.7	38,923.2	6,436	277
1962	54,206.1	40,163.3	6,632	196
Actual change, 1962–55	(26,579.5)	(16,988.9)	(1,321)	----------
Percentage change, 1962–55	(96.2)	(73.3)	(24.9)	----------
Parks and recreation:				
Recreation Department:				
1955	1,641.0	808.8	222	----------
1956	1,688.5	853.3	228	6
1957	1,903.0	908.1	248	20
1958	2,165.1	1,013.0	258	10
1959	2,250.0	1,154.7	253	−5
1960	2,657.1	1,221.5	261	8
1961	2,855.6	1,373.1	271	10
1962	3,245.1	1,603.4	279	8
Actual change, 1962–55	(1,604.1)	(794.6)	(57)	----------
Percentage change, 1962–55	(97.7)	(98.2)	(25.7)	----------
National Capital Parks (Park Service):				
1955	2,344.0	1,773.7	522	----------
1956	2,389.0	2,023.7	545	23
1957	2,535.0	2,058.1	545	----------
1958	2,844.9	2,245.0	584	39
1959	2,850.0	2,780.7	596	12
1960	3,194.0	2,924.9	602	6
1961	3,260.0	3,106.0	602	----------
1962	3,749.7	3,201.0	602	----------
Actual change, 1962–55	(1,135.7)	(1,427.3)	(80)	----------
Percentage change, 1962–55	(48.4)	(80.5)	(15.3)	----------
National Zoological Park:				
1955	645.0	466.9	137	----------
1956	669.3	512.3	137	----------
1957	720.0	516.1	137	----------
1958	784.0	580.1	144	7
1959	898.0	695.4	158	14
1960	1,160.0	839.4	186	28
1961	1,250.0	975.1	197	11
1962	1,379.8	1,041.8	205	8
Actual change, 1962–55	(734.8)	(574.9)	(68)	----------
Percentage change, 1962–55	(113.9)	(123.1)	(49.6)	----------
Total, parks and recreation:				
1955	4,630.0	3,049.4	881	----------
1956	4,746.8	3,389.3	910	29
1957	5,158.0	3,482.3	930	20
1958	5,794.0	3,838.1	986	56
1959	5,998.0	4,630.8	1,007	21
1960	7,011.1	4,985.8	1,049	42
1961	7,365.6	5,454.2	1,070	21
1962	8,104.6	5,846.2	1,086	16
Actual change, 1962–55	(3,474.6)	(2,796.8)	(205)	----------
Percentage change, 1962–55	(75.0)	(91.7)	(23.3)	----------
Health and welfare:				
Vocational Rehabilitation:	*Thousands*	*Thousands*		
1955	$120.0	$22.5	32	----------
1956	140.0	42.4	34	2
1957	147.0	45.7	34	----------
1958	208.5	73.6	40	6
1959	224.8	78.8	42	2
1960	247.0	101.1	42	----------
1961	300.0	54.7	47	5
1962	376.0	68.4	50	3
Actual change, 1962–55	(256.0)	(45.9)	(18)	----------
Percentage change, 1962–55	(213.3)	(204.0)	(56.2)	----------
Department of Public Health:				
1955	22,636.0	8,997.7	2,759	----------
1956	23,592.0	9,787.9	2,757	−2
1957	25,503.4	10,202.8	2,852	95
1958	28,285.3	10,552.2	2,993	141
1959	30,730.0	12,759.3	3,205	212
1960	35,063.0	13,839.3	3,344	139
1961	36,910.5	15,123.8	3,382	38
1962	40,518.0	15,520.0	3,556	174
Actual change, 1962–55	(17,882.0)	(6,522.3)	(797)	----------
Percentage change, 1962–55	(79.9)	(72.5)	(28.9)	----------
Department of Public Welfare:				
1955	8,765.1	3,468.3	1,035	----------
1956	9,600.0	4,317.5	1,212	177
1957	10,642.5	4,854.6	1,345	133
1958	13,168.0	5,665.8	1,598	253
1959	15,140.0	6,889.2	1,713	115
1960	17,450.0	7,315.6	1,861	148
1961	19,145.0	8,679.5	1,988	127
1962	21,401.1	9,628.8	2,061	73
Actual change, 1962–55	(12,636.0)	(6,160.5)	(1,026)	----------
Percentage change, 1962–55	(144.1)	(177.6)	(99.1)	----------
Total, health and welfare:				
1955	31,521.1	12,488.5	3,826	----------
1956	33,332.0	14,147.8	4,003	177
1957	36,292.9	15,103.1	4,231	228
1958	41,661.8	16,291.6	4,631	400
1959	46,094.8	19,727.3	4,960	329
1960	52,760.0	21,256.0	5,247	287
1961	56,355.5	23,858.0	5,417	170
1962	62,295.1	25,217.2	5,667	250
Actual change, 1962–55	(30,774.0)	(12,728.7)	(1,841)	----------
Percentage change, 1962–55	(97.6)	(101.9)	(48.1)	----------
Highways and traffic:				
Department of Highways and Traffic:				
1955	5,768.6	3,413.7	939	----------
1956	5,967.0	3,809.0	1,053	114
1957	6,535.0	4,043.5	1,059	6
1958	7,207.0	4,568.2	1,209	150
1959	7,907.0	5,392.5	1,277	68
1960	8,178.0	5,714.4	1,293	16
1961	8,441.0	6,419.1	1,314	21
1962	9,204.6	7,684.7	1,418	104
Actual change, 1962–55	(3,436.0)	(4,271.0)	(479)	----------
Percentage change, 1962–55	(59.6)	(125.1)	(51.0)	----------
Department of Motor Vehicles:				
1955	1,003.0	704.9	191	----------
1956	1,107.0	819.7	200	9
1957	1,303.0	844.7	203	3
1958	1,438.0	873.2	209	6
1959	1,042.0	854.2	190	−19
1960	1,202.0	885.4	194	4
1961	1,291.6	987.8	199	5
1962	1,502.0	1,029.4	211	12
Actual change, 1962–55	(499.0)	(324.5)	(20)	----------
Percentage change, 1962–55	(49.7)	(46.0)	(10.5)	----------
Motor Vehicle Parking Agency:				
1955	235.4	39.6	13	----------
1956	350.0	57.8	18	5
1957	295.0	51.7	18	----------
1958	519.0	53.6	18	----------
1959	310.0	60.3	17	−1
1960	230.0	65.0	14	−3
1961	187.0	67.1	14	----------
1962	197.5	74.9	14	----------
Actual change, 1962–55	(−37.9)	(35.3)	(1)	----------
Percentage change, 1962–55	(−16.1)	(89.1)	(7.7)	----------
Total, highways and traffic:				
1955	7,007.0	4,158.2	1,143	----------
1956	7,424.0	4,686.5	1,271	128
1957	8,133.0	4,939.9	1,280	9
1958	9,164.0	5,495.0	1,436	156
1959	9,259.0	6,307.0	1,484	48
1960	9,610.0	6,664.8	1,501	17
1961	9,919.6	7,474.0	1,527	26
1962	10,904.1	8,789.0	1,643	116
Actual change, 1962–55	(3,897.1)	(4,630.8)	(500)	----------
Percentage change, 1962–55	(55.6)	(111.4)	(43.7)	----------
Sanitary engineering:				
Department of Sanitary Engineering:				
1955	9,732.7	8,789.8	2,781	----------
1956	10,285.0	9,508.5	2,785	4
1957	10,896.2	10,255.8	2,799	14
1958	12,759.0	11,002.9	2,943	144
1959	13,590.0	12,217.5	2,959	19

See footnotes at end of table.

District of Columbia government trends in operating costs and authorized positions, fiscal years 1955–62—Continued

	Total appropriation	Salary cost of authorized positions	Authorized positions	Net change in position
Sanitary engineering—Con.				
Department of Sanitary Engineering—Con.	*Thousands*	*Thousands*		
1960	$15,707.0	$13,176.4	2,962	3
1961	15,860.0	13,625.8	2,960	−2
1962	17,337.6	14,517.5	3,023	63
Actual change, 1962–55	(7,604.9)	(5,727.7)	(242)	
Percentage change, 1962–55	(78.1)	(65.2)	(8.7)	
Washington Aqueduct:				
1955	2,127.0	1,526.3	369	
1956	2,120.0	1,605.5	369	
1957	2,137.0	1,623.3	369	
1958	2,322.0	1,606.8	369	
1959	2,322.0	1,633.8	332	−37
1960	2,480.0	1,608.5	325	−7
1961	2,616.0	1,699.0	325	
1962	2,742.0	1,792.4	325	
Actual change, 1962–55	(615.0)	(266.1)	(−44)	
Percentage change, 1962–55	(28.9)	(17.4)	(−11.9)	
Total, sanitary engineering:				
1955	11,859.7	10,316.1	3,150	
1956	12,405.0	11,109.0	3,154	4
1957	13,033.2	11,879.1	3,168	14
1958	15,081.0	12,609.7	3,312	144
1959	15,912.0	13,851.3	3,291	−21
1960	18,187.0	14,784.9	3,287	−4
1961	18,476.0	15,324.8	3,285	−2
1962	20,079.6	16,309.9	3,348	63
Actual change, 1962–55	(8,219.9)	(5,993.8)	(198)	
Percentage change, 1962–55	(69.3)	(58.1)	(6.3)	
Judgments and claims:	*Thousands*	*Thousands*		
1955				
1956				
1957				
1958				
1959				
1960				
1961				
1962	$17.2			
Actual change, 1962–55	(17.2)			
Percentage change, 1962–55				
Total, District of Columbia:				
1955	129,529.0	$81,768.5	20,704	
1956	133,397.9	91,268.8	21,181	477
1957	146,900.3	95,455.6	21,995	814
1958	159,480.4	103,919.4	23,126	1,131
1959	169,531.3	117,182.7	23,794	668
1960	194,604.6	122,953.3	24,479	685
1961	205,906.4	135,466.5	25,363	884
1962	226,766.0	142,828.8	26,229	866
Actual change, 1962–55	(97,237.0)	(61,060.3)	(5,525)	
Percentage change, 1962–55	(75.1)	(74.7)	(26.7)	

---

[1] Beginning in fiscal year 1958, compensation and retirement fund expenses have been reflected in the operating budgets of the respective departments.

[2] Excludes "Compensation and retirement fund expenses" appropriation account.

[3] Excludes "Additional municipal services, inaugural ceremonies" appropriation account.

Mr. BYRD of West Virginia. Mr. President, I take time that I would not otherwise take here because I desire the RECORD to be complete and clear. Last year there was put into effect by the committees and the Congress an administrative reduction in grants to large families. The reduction affected 2,587 families. Families with four and more children took a reduction amounting to $2 per family of four, and an increased reduction of $4 per additional child. Nine hundred and seventy families had a reduction of $2 in their grants. Seven hundred and six families had a reduction of $6. Four hundred and twenty families had a reduction of $10. One family had a reduction of $42. Two families had a reduction of $38. Two families had a reduction of $36.

Mr. President, I ask unanimous consent to include a chart showing the number of cases included in the administrative reduction in grants.

There being no objection, the chart was ordered to be printed in the RECORD, as follows:

Number of cases	Number of children	Rate of reduction	Amount of reduction
970	4	$2	$1,940
706	5	6	4,236
420	6	10	4,200
246	7	14	3,444
141	8	18	2,538
63	9	22	1,386
25	10	26	650
11	11	30	330
2	12	34	68
2	13	38	76
1	14	42	42
Total (2,587)			18,910

Mr. BYRD of West Virginia. Mr. President, I point out that no request for a restoration of that reduction was submitted to the subcommittee or the full committee in the Senate.

I wish to say only a few words about the special investigation of the ADC category. A scientific sampling of 280 cases, or 5 percent of the 5,601 cases in the ADC category as of September 1, 1961, were selected for the investigation. Two hundred and thirty-six cases were actually investigated. Forty-four of the 280 cases were not investigated. Forty-two cases had been closed prior to the review by the investigative unit. In one case the mother of the ADC children was in training at the Residential Training Center, so that case was not included. Another case was not included because the PAD inadvertently furnished the investigators with a case record pertaining to a previous award which had been discontinued. That left 236 cases. Of the 236 cases, 133 cases were found to be ineligible on the basis of the investigative findings and 8 cases on the basis of events occurring subsequent to the investigation making a total of 141 cases out of the 236 cases that were found ineligible. That was 59.7 percent of the cases.

Ninety-five cases, or 40.3 percent of the 236 cases were found eligible. I point out that of the 95 cases that were found eligible, only 23 cases, or 9.7 percent of the cases, were absolutely clean and without any infractions. Twenty of the cases that were found eligible required adjustments in the monthly grants, so that even though they were eligible for continued assistance, the monthly assistance payments had to be adjusted.

Two of the cases had to be adjusted upward, and the remainder of the 20 cases had to be adjusted downward because their payments were in excess of the payments for which they qualified. In 52 of the cases administrative action had to be taken to fully put the cases in proper order.

In the light of these findings, the Comptroller General recommended to the subcommittee that there be an investigation of the entire ADC caseload. Later, when the GPA investigation had been completed, the Comptroller General recommended to the subcommittee that the entire GPA caseload be investigated. So on the basis of the recommendations of the Comptroller General, the subcommittee recommended to the full committee, and the full committee accepted the recommendations, that the Office of Investigations and Collections be increased from 31 positions to 154 positions. This investigative force will complete a full investigation of the GPA and the ADC caseloads over the next 3 years.

Members of the subcommittee and the full committee feel that the Comptroller General's recommendation is justified. We feel that it is imperative that these caseloads be cleaned up in order that the welfare program may enjoy the community respect which it deserves. We realize that there will be an impact upon the community as a result of these investigations.

The Junior Village is overcrowded. But it has been overcrowded for some time. It was overcrowded before the special investigation was inaugurated. But, I think the growth in the population there can be laid to the fact that the releases from the institution have not kept pace with the admissions. The admissions have maintained virtually a constant level over the past 4 years.

In 1959, 1,103 children were admitted to Junior Village; and 1,056 were discharged; in 1960, 1,137 were admitted and 1,037 discharged; in 1961, 1,130 were admitted and 1,101 discharged; in 1962, 1,110 were admitted and 1,004 discharged.

So the discharges have not kept pace with the admissions, and consequently that condition has contributed to a growth in population at the Junior Village.

The committee has sought to deal with this problem. I talked with Mr. Jack Bindeman, president of the Public Welfare Council in the District of Columbia, a few days ago. He suggested additional social workers. Consequently, I have recommended the addition of 21 social workers in the Public Assistance Division. These were not included in the requests submitted to the subcommittee by the Department. We have added these with the desire that the social workers may be able to get into the homes and give attention to the families who are on the welfare rolls. We were told that the average social worker could spend only about 5 hours a year in the homes. With the addition of 21 social workers in this division we believe that social workers can spend more time in the homes, so that they will be able to see for themselves the situations that prevail there. Accordingly, where families are no longer eligible, the social worker might be able to determine that fact as a result of their being able to spend more time visiting the homes. I ask unanimous consent to include in the RECORD at this point a letter from Mr. Donald D. Brewer, Deputy Director of Public Welfare, which has reference to the additional social workers.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

SEPTEMBER 14, 1962.

Hon. ROBERT C. BYRD,
U.S. Senate,
Washington, D.C.

MY DEAR SENATOR BYRD: In regard to your request that we add 21 social work positions to the public assistance staff to help reduce the average caseload per worker, so that they can have more frequent contacts with recipients and a special unit to work on cases requiring intensive short-time followup to insure that they do not remain on the rolls longer than is necessary to remedy the situation, the cost for 6 months of this fiscal year would be as follows:

2 GS-9 evaluators	$4,870
11 GS-9 social workers (regular unit)	20,548
1 GS-9 supervisor, 7 GS-7 social workers, 1 unit clerk	17,127
Total	42,545

Included in this as you will note, are two GS-9 casework evaluators to review all closings which are of a questionable nature to insure that we do not violate Federal requirements.

The 13 unit clerks and 4 dictaphone operators which you have suggested be included in the public assistance budget, will materially reduce the clerical load of the social worker and will further guarantee closer contact with recipients.

Your suggestion that these positions be included is greatly appreciated and if approved will, we are convinced, be of tremendous assistance to the agency in insuring that funds and services are directed toward those recipients who are eligible.

Very truly yours,
DONALD D. BREWER,
Acting Director of Public Welfare.

Mr. BYRD of West Virginia. Mr. President, it was stated at the hearings that the social workers had to spend too much time doing clerical work. Therefore, the committee has added a considerable number of clerical positions, so as to facilitate social worker visits into homes.

I have recently had a talk with Mr. Donald Brewer and with a Mrs. Smith, who is the head of the Child Welfare Section, at which time I urged that the Child Welfare Section increase its efforts to get children out of Junior Village and into foster homes and back into the homes of natural parents and relatives. In order to assist in this effort, I have recommended additional social workers in that section.

I ask unanimous consent that a letter dated September 14, 1962, from Mr. Gerald M. Shea, with reference to these additional positions for Child Welfare, be included in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

SEPTEMBER 14, 1962.

Hon. ROBERT C. BYRD,
U.S. Senate, Washington, D.C.

MY DEAR SENATOR BYRD: This is in regard to your suggestions in your discussion with Mr. Brewer on this date to the effect that it is highly essential to strengthen child welfare services so that children can be removed from Junior Village as fast as possible, and thus, to provide additional positions for child welfare.

We think your suggestion to add two additional GS-10 social work positions to the Intake Service and an additional GS-10 foster home recruiter for the Foster Home Study Unit, will give us an opportunity to make immeasurable progress on this problem. This, together with your suggestion that the GS-5 administrative clerk request in the Foster Care Services Section be provided under the Executive Direction Section, will accomplish the desired purpose.

The cost of the three additional GS-10 positions will amount to $13,162 for a 6-month period.

Your interest and help is appreciated.

Very truly yours,
GERARD M. SHEA,
Director of Public Welfare.

Mr. BYRD of West Virginia. The children, as I have indicated, have not been gotten out of the village and back into the homes of relatives and natural parents. Therefore, we are trying to give the Department the tools with which to do the job.

The mean average length of stay at Junior Village is about 7 months, and the median is from 1 to 3 months.

I believe these facts will show that if the welfare section can increase its efforts, and can do a better job, it can alleviate the crowded condition of Junior Village.

The committee has recommended the addition of $557,000 for 3 more cottages at Junior Village, each of which will house 80 children. These should be completed within 15 months. Three additional cottages will be available within the next few days.

For foster home care, the committee has added $369,000 and recommends that the average monthly rate be increased from $53 to $57 to meet increasing costs for board and care, so as to aid in the location of foster homes for children.

We are appropriating $5,529,345 for grants and gratuities. This is $1.4 million under the appropriation for last year. This is the full appropriation for grants and gratuities that was requested by the Department, based on the new estimates, which take into consideration the picture of ineligibility as it was developed in the course of the investigation.

We have included $224,603 to make possible the passing on to recipients in the old-age-assistance category, the aid-to-the-blind category, and the aid-to-the-totally-disabled category of the benefit payments resulting from passage of the 1962 Public Welfare Amendments Act. The recipients in these three categories should immediately be given the advantage of the increased payments.

I believe that, overall, we have made adequate provision for cleaning up the welfare caseload in the District of Columbia. Last September there were 5,601 cases in the ADC category. In July the caseload had dropped to 4,849 cases.

The committee feels that we should provide assistance to people who qualify, but we feel just as strongly that those who can shift for themselves and who do not deserve assistance should not take a free ride at the expense of the taxpayers.

The Comptroller has pointed out that the administration of the program in the District of Columbia is marked with many inefficiencies. There is a lack of strong central control. We have added money for a new Comptroller in the Office of the Director. We believe this Comptroller should be a man who has a warm heart but a firm mind, a man who has had financial management training, a man who has administrative ability, a man who can put the Department on a straight course, who can streamline it, and who can give it proper administrative integrity and efficiency. We do not believe this individual should come from within the Department itself.

We have made provisions for reallocation of grades for social workers, so that good social workers can be attracted and retained by the Department.

A final word about the Department of Public Welfare. I fear that in the past it has been the practice of departments to come up the Hill, make their presentation, march down again, forget the matter for another year, and go on in their usual way.

We have had long and arduous hearings, and the members of my subcommittee have not accepted this responsibility as a chore. We love our Federal city, the city that was named in honor of the first President of this country, a city where the paths of statesmen, kings, diplomats, princes, shahs meet, a city which should be an example for the rest of the Nation and for the rest of the world. We have done our best to improve at least one department in this Federal city. We do not intend that our hours of work and our efforts shall be in vain.

But, Mr. President, we have given them the tools with which to work. Incidentally, we have allowed $27,950 for a day-care program. The Department presented to the committee a request for $50,000, but a few days ago I received from the Director of the Department a letter indicating that the total need was $27,950; so we have allowed this amount of money for the inauguration of the pilot project.

I ask unanimous consent that the letter from the Director of Public Welfare be printed at this point in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

SEPTEMBER 17, 1962.

HON. ROBERT C. BYRD,
U.S. Senate, Washington, D.C.

MY DEAR SENATOR BYRD: This is with reference to the request for $50,000 for the day-care program referred to in our testimony before your committee Friday, September 7, 1962.

We regret that we inadvertently overstated the cost of this program to the extent of $22,050. In computing the estimate for the $50,000, we provided for the care of 130 children, who represent the total number of children to be cared for during the 6 months. This means an average of only 70 children in care per day. The error resulted from using the total of 130 as the average number of children rather than the 70.

The adjusted amount for this program should be $27,950 which will provide for an average of 40 children at $3.50 per day (age 3 to 12 years) or $18,200 for this particular group; 30 children at $2.50 per day (age 1 to 3 years) for $9,750, making a total of $27,950.

We expect that the Department of Vocational Rehabilitation will expand their training opportunities now to include the socially and economically disabled as well as the physically handicapped. In a telephone conversation with Mr. Leonard Hill, Deputy Director of the District of Columbia Department of Vocational Rehabilitation, we were given tentative assurance that more mothers could be given work training by them with $50,000 available for this program.

Very truly yours,

GERARD M. SHEA,
Director of Public Welfare.

Mr. BYRD of West Virginia. Mr. President, it can thus be seen that the Department is receiving the tools it needs. We are providing additional social workers and are providing a reallocation of grades. We are providing three additional cottages at Junior Village, and we are providing increased money for boarding rates for children. We have provided investigators. We have provided a pilot project day care program.

We shall insist that those tools be used. If the tools are not used, if progress is not made to clean up the caseloads by next year, if the administration of the program is not made more efficient, and if considerable overall improvement is not shown, the time will have come to demand a change in the administration of the Department. I do not believe the taxpayers will longer tolerate wholesale deceit, misrepresentation, lying, and cheating, such as we have found to exist in the District of Columbia.

I do not believe we would be fair if we did not give the Department the tools with which to do the job.

I have not sought to make anyone a whipping boy; but if this were any other city in the country, someone would lose his job.

I think we should provide the Department with additional time; and it is my desire to be considerate in all things but I would not wish the Department to be inadequately forewarned. With the passage of another year, if real progress is not shown, there will be a request that appropriate changes be made.

The bill provides all funds requested for the surplus food program.

As to capital outlay, the bill appropriates $52,251,000. We have eliminated $61,000 for furniture and equipment at the Garrison Elementary School. We took out $760,000 upon the recommendation of the Highway Department, that amount having been allowed by the House of Representatives for the Southeast Freeway, between 13th Street SE. and Barney Circle. The House had taken out $546,000 for interchange C, and the Highway Department took the position that without interchange C, it could not go forward with the Southeast Freeway.

Those are the only items we removed from capital outlay.

The House had previously eliminated, in addition to interchange C, $170,000 for the east leg of the inner loop and $450,000 for the Northeast Freeway. There was no request for restoration of these items.

The House allowed $300,000 for the Three Sisters Bridge and $1,876,000 for the Potomac River Freeway. The Senate has gone along with the House in allowing $300,000 for the Three Sisters Bridge and $1,876,000 for the Potomac River Freeway.

I shall not discuss these items except to say that the subcommittee wrote into the report these words:

> In approving the item of $300,000 for construction of the Three Sisters Bridge, the Senate Committee on Appropriations takes this action with the understanding that the District of Columbia Highway Department will not proceed with the project until the report of the National Capital Transportation Agency has been submitted in November 1962, and if that report is against the Three Sisters Bridge, the Commission shall not proceed with the construction of the bridge before getting the approval of the Committees on Appropriations of the Senate and House of Representatives. Furthermore, it is the view of this committee that no funds allocated to the District of Columbia's highway program shall be used for the construction of the Glover-Archbold Parkway. The committee further recommends that the District of Columbia cooperate in the preservation of this natural park.

The full committee struck out the words:

> If that report is against the Three Sisters Bridge, the Commissioners shall not proceed with the construction of the bridge before getting approval of the Committees on Appropriations of the Senate and House of Representatives.

It was the feeling of those of us who wished to strike out such language that if it were to remain, it would, practically speaking, give the National Capital Transportation Agency a veto over the location and construction of the Three Sisters Bridge and, indirectly, over the design and construction of the Potomac River Freeway. So the full committee has stricken those words and has inserted in lieu thereof the following:

> And if that report is against the Three Sisters Bridge, the Commissioners shall proceed with the construction of the bridge unless before March 1, 1963, action to negate such construction shall have been taken by either the Senate Committee on Appropriations or the House Committee on Appropriations.

We believe that the action taken by the full committee yesterday in striking out the earlier language removes a straitjacket which had been applied to the freeway program in the District of Columbia and yesterday's action makes it mandatory for the Commissioners to proceed with the construction of the Three Sisters Bridge if by March 1, 1963, in the event of a possible recommendation against the Three Sisters Bridge by the National Capital Transportation Agency's report, neither the Senate Committee on Appropriations nor the House Committee on Appropriations has taken action to prohibit construction of the bridge.

Mr. President, that completes my statement so far as the bill is concerned. Before I take my seat, I wish to pay tribute to the capable clerk, Mr. Harold E. Merrick, and the other members of the staff of the Committee on Appropriations who have so ably assisted the chairman and other members of the subcommittee and the full committee in their deliberations.

I also wish to pay tribute to the members of the subcommittee and of the full Committee on Appropriations.

I now yield to the Senator from Nebraska.

Mr. HRUSKA. Mr. President, I thank the Senator from West Virginia.

At the request of the senior Senator from Massachusetts [Mr. SALTONSTALL], and on his behalf, I ask unanimous consent to have printed at this point in the Record a statement with respect to the pending District of Columbia appropriation bill.

There being no objection, the statement was ordered to be printed in the Record, as follows:

STATEMENT OF SENATOR SALTONSTALL

All of the members of the Senate Appropriations Committee have been high in their praise of Senator BYRD of West Virginia, chairman of the subcommittee, for the long hours and careful consideration he has put into the District of Columbia appropriation bill. I would be remiss if I did not again express the sentiments which I have made in the subcommittee and before the full committee in praise of Senator BYRD.

There are two matters which deserve brief comment. While I support the bill and the committee report fully I would like for the record to show my reasoning in these matters. First, as to the proposed bridge which will cross the Potomac River at the Three Sisters Islands, I believe that the action which has been taken to defer final approval or disapproval until March 1, 1963, is a good solution. By that time we will have all of the facts before us and we will be able to make an intelligent decision. Next, let me say a word about the schools in the District of Columbia. There is money in this bill for an additional junior high school to be built in the northwest section of the city, in the vicinity of Kansas and North Dakota Avenues. It has been brought to my attention that the McFarland Junior High School will have this year 16 divisions of the seventh grade with 40 students in each class. I have been approached by a number of groups who desire to see the new junior high school built closer to McFarland Junior High School in order to alleviate the crowded condition there. Of course I realize that many considerations go into the decision as to where schools shall be placed, and I know, too, that the District of Columbia school authorities will see to it that something is done promptly to correct the situation which presently exists at McFarland Junior High School.

This is a good bill and worthy of the support of all Members of the Senate.

Mr. MANSFIELD. Mr. President, will the Senator from West Virginia yield?

Mr. BYRD of West Virginia. I yield to the distinguished majority leader.

Mr. MANSFIELD. Many things have been said about the distinguished Senator from West Virginia on the floor of the Senate this afternoon, all of them good, all of them merited, all of them deserved. There is not much else I can say.

The Senator from West Virginia knows of my affection and high esteem for him and of the great regard I have for his integrity, ability, and devotion to duty.

We have very good chairmen of the subcommittees on appropriations, and we have an outstanding chairman of the Committee on Appropriations itself. But this afternoon, for the first time in my experience, I have seen a chairman of a subcommittee on appropriations come to the Chamber and, without the use of notes, make a presentation which I believe is unparalleled in the history of the Senate. His facts and figures were at his ready disposal. He knew whereof he spoke and made a magnificent presentation of a most difficult subject. I commend and congratulate him for his outstanding work.

Mr. BYRD of West Virginia. I thank the distinguished majority leader.

Mr. JOHNSTON. Mr. President——

The PRESIDING OFFICER (Mr. Smith of Massachusetts in the chair). Does the Senator from West Virginia yield to the Senator from South Carolina?

Mr. BYRD of West Virginia. I yield to the senior Senator from South Carolina.

Mr. JOHNSTON. Mr. President, I wish to join in the remarks made by the majority leader in commendation of the chairman of the Subcommittee for District of Columbia Appropriations, the junior Senator from West Virginia [Mr. Byrd]. He has done an exceedingly good job in handling the bill on the floor of the Senate and in the work preparatory to the presentation of the bill here.

For a number of years I served on the District of Columbia Committee, and I know that the work in connection with District of Columbia appropriations is most difficult.

I am very glad that the Federal Government is awakening to its responsibilities to the District of Columbia. In my opinion, Congress should provide increased funds for the District of Columbia. In view of the very large number of Federal Government buildings in the Nation's Capital, it is obvious that the District of Columbia government has a difficult task in providing the necessary police and fire protection.

I also wish to commend the chairman of the subcommittee for his work in connection with cleaning up the District of Columbia public welfare program. It should have been cleaned up years ago. It is obvious that if an improper situation is allowed to continue in the welfare program of the District of Columbia, it will act like a cancer, and not only will ruin the District of Columbia welfare program, but also will have a very harmful effect on the welfare programs in the various States.

The Senator from West Virginia is to be greatly commended for the fine work he has done; and I, for one, want him to know that we realize and very greatly appreciate the excellent job he is doing.

Mr. BYRD of West Virginia. I thank the senior Senator from South Carolina very much.

Mr. RANDOLPH. Mr. President, will my colleague yield?

The PRESIDING OFFICER (Mr. Burdick in the chair). Does the Senator from West Virginia yield to his colleague?

Mr. BYRD of West Virginia. I yield to my senior colleague.

Mr. RANDOLPH. Mr. President, I desire to couple my compliments to my colleague with a relatively brief observation in regard to the highway and bridge situation existing within the District of Columbia and the attempts to cope with it.

I am interested in regard to the provisions of the bill which pertain to the development of highways and freeways in the District of Columbia and possible revisions of the District of Columbia road system. I wish, first, to pose a question. I ask the esteemed Senator whether it is true that the National Capital Transportation Agency is to make a report on this subject matter to Congress.

Mr. BYRD of West Virginia. The National Capital Transportation Agency is to submit a report to the President on November 1, 1962.

Mr. RANDOLPH. I thank my colleague for his factual response. Will he also state the date on which the House and the Senate Appropriations Committees must act affirmatively, if that is desired, in regard to the report which, as my colleague has indicated, will be filed on November 1, 1962?

Mr. BYRD of West Virginia. Either of the Appropriations Committees has until March 1, 1963, to take action.

Mr. RANDOLPH. I again thank my colleague, and I wish to add that I trust the committees will not call for a stoppage of the Three Sisters Bridge project. We know that there are differences of opinion in regard to the subject of this bridge, and of transportation facilities within and adjacent to the District of Columbia. On September 13, I addressed a communication to the able chairman of the Subcommittee on District of Columbia Appropriations, dealing with this transit and/or transportation problem. That communication is a part of the printed hearings, and is noted on pages 2476–2477, part II, of the hearings on the District of Columbia appropriations bill, H.R. 12276. I did so because I felt that within the subcommittee, under his leadership, the most careful, painstaking, and objective study of this subject was being made.

At this point I wish to emphasize what I have said; namely, that my colleague, Robert C. Byrd, of West Virginia, is serving with legislative skill and acumen in a most difficult assignment, as he performs the duties which have been placed upon him.

In referring to my complete appreciation of the very demanding task which has been placed upon my colleague, I can speak about this matter with particular knowledge because of the fact that for 14 years I was a member of the House Committee on the District of Columbia. For 7 years I was chairman of that committee; and it is clear that one who has dealt with District problems is in an advantageous position to comment, on the basis of the experienced background, on the complex questions dealt with and on the committee labor done.

Mr. President, I consider that the work being accomplished in this area by my very capable colleague and his associates not only should result in support for the appropriations bill he has brought before the Senate, but also should result in general appreciation and approval by all Members of the Senate. I am grateful for my colleague indulging me further comment on this phase of his committee action.

Mr. President, on September 13, 1962, during consideration of S. 3615, the Urban Mass Transportation Act of 1962, I spoke of the problem growing out of the existing situation in the Washington metropolitan area where, as a Washington Post article stated:

> Highway and transit partisans have been locked in a bitter dispute that has brought the city's freeway program to a near standstill.

There has been no reason in the intervening period to change the views I expressed on Septemebr 13 in this forum, including those set forth in a letter I wrote on that date to my effective colleague, Senator Robert C. Byrd, who is performing in a noteworthy manner, as I have earlier said, as chairman of the Appropriations Committee's Subcommittee on the District of Columbia.

I continue to believe it would be a mistake to create roadblocks against a consistent moving forward with the freeway program for the District of Columbia and the adjoining areas of the Metropolitan Washington complex. I feel that, to a degree, some recognized errors have been made—not by the subcommittee, not by the Appropriations

Committee, but I feel there has been a slowing down of the highway and bridge and freeway program—at least by some persons. I am sure they felt their position was well taken but, I repeat, they have argued it almost to a complete standstill.

I repeat my earlier view that while there is delay and postponement of positive work toward solutions, the volume of highway traffic—both commercial and passenger—continues to increase and to become snarled in the web of confusion here.

Since I discussed this subject in the Senate, I have noted editorials in two of the Washington, D.C., newspapers, and a news article on the subject which appear to be especially pertinent.

The article was published in the Wednesday, September 26, 1962, issue of the Evening Star, Washington, D.C., with the headline "Moses Fears Transit May Delay Highways," and the first paragraph reads:

> It is against the public interest to delay highway construction in the Washington area for a highly problematical rapid transit system, transportation veteran Robert Moses said last night.

That statement came from an expert, a knowledgeable person in this transit field. Mr. Moses felt very strongly that there must be no delay in providing the vital arteries of travel by highway and freeway and necessary bridges for the District of Columbia.

The news story identified Mr. Moses as a man "who has coordinated construction for hundreds of millions of dollars worth of transportation facilities for New York City in the past 40 years," and said that his remarks on the controversy surrounding the traffic problems of the District of Columbia were made to the 11th annual Commissioner's and Governor's Conference on Metropolitan Washington Traffic Problems at the Marriott Motor Hotel.

Mr. President, because the published matter discusses the problem so cogently, I request unanimous consent to have printed in the Record, in connection with my remarks, an editorial from the Washington Post, September 22, 1962; an editorial from the Sunday Star, Washington, D.C., September 23, 1962; and the news article from the Evening Star, Washington, D.C., September 26, 1962, to which I have made reference.

There being no objection, the editorials and articles were ordered to be printed in the Record, as follows:

[From the Washington Post, Sept. 22, 1962]

Roads and the Budget

Any basic highway system for Washington requires, at its western end, the Three Sisters Bridge and the Potomac River Freeway. At its eastern end it requires Interchange C and, over one route or another, the east leg of the Inner Loop. The necessity for these roads lies, ultimately, in the growth of the suburbs. It is difficult, for example, to regard the rate of development in western Fairfax County, and the great roads being cut from there toward the city, without realizing the need for another major river crossing upstream from the Key Bridge. Neither the District nor, for that matter, Congress, can control the pattern of population in the suburbs. They can only hope to adapt the city to it. They can build transit lines for commuters, to reduce the pressure on the roads. But there is a rising volume of traffic not adaptable to rail travel. The construction of the new highways is an urgent matter for this city. When the economic viability of a city is shadowed by a crisis in local transportation, the city progressively loses its ability to deal with all its other troubles.

As the Senate Appropriations Subcommittee considers the District's budget for the current year, it ought certainly replace the funds for Interchange C and the Inner Loop. The House withheld the appropriations as a protest against the discord within the District government itself. The money was pointedly left in the budget as an unallocated surplus. If the Senate replaces these two projects, the conference committee will be able to consider them and to set the conditions of agreement under which they will be permitted to proceed.

The chief objection to the highway projects, over the past year, has been the absence of a transit plan. Transit and highways are obviously complementary systems that must be carefully fitted together. But the National Capital Transportation Agency's proposals will be presented to the President within 6 weeks. To hold up all decisions on highway construction for another year, particularly on such insubstantial grounds, would do the city genuine damage. If Congress wishes to insure coordination between transit and highway builders, the committees certainly have the authority to require it.

[From the Washington Sunday Star, Sept. 23, 1962]

Highway Disruption

Last June, the House Appropriations Committee made plain that its decision to withhold construction funds for the eastern section of the inner loop freeway resulted mainly from the concern expressed by the Commissioners over rehousing displaced families. It emphasized, however, that this action was not to be construed as an effort to "destroy the freeway system" in Washington. Accordingly, the House cleared funds for the planning and construction of other District freeway projects, including the Three Sisters Island Bridge.

Now however, pressure is being exerted on the Senate to block the Three Sisters Bridge as well—to accomplish, in other words, that which the House agreed should not be done.

Fortunately, the Senate District Appropriations Subcommittee, headed by Senator Byrd of West Virginia, has before it ample evidence of the need to advance this project. In a recent letter to Chairman Byrd, Senator Randolph, of West Virginia, writing as a member of the Senate Roads Subcommittee, made the valid point that the present highway program—including the Three Sisters Bridge—fully anticipates the construction of new bus and rail transit facilities and, indeed, that if these should not be built, it would be necessary to expand the Washington area freeway program as now planned. In urging the imperativeness of keeping the highay program on an orderly schedule, Senator Randolph had this to say: "If the present highway program is suspended until there is a determination of what can be done with a subway system, no provisions will have been made for the ever-mounting motor vehicle traffic that is not and never will be susceptible to subway travel."

These are meaningful words. For no evidence has been produced by anyone to contradict the assertion of District officials that, regardless of transit proposals, more bridge capacity across the Potomac is essential for motor vehicular traffic. Nor has there been evidence of a location other than the Three Sisters Island site which would be as suitable from the viewpoints of topography, traffic service, residential dislocation, or cost.

There is another consideration, barely mentioned, which we think also argues persuasively against unnecessary delay. It is simply that an orderly program of highway construction, stretched over a number of years, will greatly minimize the disruption to daily traffic. The fact is that relatively few major highway improvement projects are underway in Washington today. Yet any motorist who has encountered them during rush hours can attest to the frustrating and time-consuming traffic jams they create. An intolerable mess would result if it should become necessary to concentrate the bulk of the massive interstate freeway construction program, which must inevitably be built, within a brief period of time.

The Byrd subcommittee is expected to complete its deliberations on the District budget within the next few days. We hope that its report will serve to expedite the unduly delayed freeway construction program.

[From the Evening Star, Washington, D.C., Sept. 26, 1962]

Moses Fears Transit May Delay Highways

It is against the public interest to delay highway construction in the Washington area for a highly problematical rapid transit system, transportation veteran Robert Moses said last night.

Acceptance and financing for rapid transit is doubtful because in a city the size of Washington, the initial cost is too great, he said. Subsidies are hard to come by and no fare structure can be visualized that will pay for the system, he added.

Mr. Moses, who has coordinated construction for hundreds of millions of dollars worth of transportation facilities for New York City in the past 40 years, spoke to the 11th Annual Commissioners' and Governors' Conference on Metropolitan Washington Traffic Problems at the Marriott Motor Hotel.

In reference to recent congressional postponements of several District highway projects, Mr Moses said:

"It is not in the public interest to delay this program on the theory that an as yet undisclosed and undetermined rapid transit system will make such highway arterials unnecessary, or materially alter the proposed network."

One of the strongest arguments for the new expressway system is that it will aid movement of buses, Mr. Moses said. "Washington is a car and bus town," and these methods of transportation should be improved, he added.

But prospects for rapid transit were not completely discounted by Mr. Moses, who also said:

"There are locations where rapid transit can be combined with vehicular lanes with the same right-of-way, but not many. No doubt commuter subsidies of some kind are inevitable, but they should depend on superior rail service after the relative roles of the train, bus, car, and aircraft have been determined by experts concerned only with the truth."

Government officials, traffic safety experts, and a group of citizens from Maryland, Virginia, and the District were brought together for the meeting. The conference was sponsored by the Regional Transportation Advisory Broad, which was founded in 1951 as the Metropolitan Washington Traffic Council in a pioneer attempt to bring about regional cooperation for traffic matters.

Mr. RANDOLPH. So, Mr. President, I compliment my colleague and those on his subcommittee. Also, I congratulate members of the Appropriations Committee as a whole, who realize that we must be realistic in this matter. I think they have been realistic. We must all realize this is a growing city. The number of visitors to this city will increase by the millions in the years ahead.

I have spoken because I felt there could not be a disregard of the needs of the city, particularly highway construction. Again I congratulate my colleague.

Mr. BIBLE. Mr. President, will the Senator yield?

Mr. BYRD of West Virginia. I yield to the capable chairman of the Senate Committee on the District of Columbia, the senior Senator from Nevada [Mr. BIBLE].

Mr. BIBLE. I want to add my word of commendation for the painstaking job well done on the Appropriations Subcommittee for the District of Columbia by the able Senator from West Virginia, the members of his committee, and the members of the staff.

From my experience in the short few years I have been here, I say without hesitation that this is one of the most thorough jobs of examining into the District of Columbia's financial needs and wants and taking the fat out of the budget that I have ever seen done. It represented many, many man-hours of hard work.

I express to the Senator from West Virginia the hope that next year there will be an opportunity, upon a proper showing and a good case being made, for increasing the Federal payment. I have felt for some time that the Federal payment is inadequate. It is now $30 million. There has been an authorization of $32 million. There is pending in the legislative committee of which I am privileged to serve as chairman a bill which would reduce the Federal payment to a formula-type approach. I have long advocated it. I regret that the bill did not move along this year as I would have hoped.

Next year and in the next session it is my firm purpose to help write into legislation some type of directive and formula for setting a Federal payment that will avoid the constantly recurring problem of what the Federal share should be.

I think an excellent case can be made for the payment of far more than $30 million by the Federal Government, based upon withdrawal from the tax base of Federal property which is nontaxable, both real and personal, and the many exemptions which are granted to other embassies and other tax-exempt organization located in the Nation's Capital.

I think we all have a common goal, which is to make the Nation's Capital the showplace of the world. We must travel a little before we reach that goal. As the distinguished Senator from West Virginia realizes so well, one of the troublesome areas is the field of transportation. I know it is a field in which there are many problems. It will have a terrifically high price tag. But it has to be faced by this metropolitan area, just as it has to be faced by metropolitan areas all over the United States.

I close simply by commending the Senator from West Virginia for a job unusually well done.

Mr. BYRD of West Virginia. I thank the Senator from Nevada. I appreciate his kind remarks.

Mr. HRUSKA. Mr. President, will the Senator yield?

Mr. BYRD of West Virginia. I yield to the Senator from Nebraska.

Mr. HRUSKA. I should like to join my colleagues in paying tribute to the Senator from West Virginia for his work on the appropriations bill now before the Senate. His efforts have been diligent. They have been long in duration. I especially commend his admirable mastery of details and statistics. He had them at his fingertips, and they flowed from his lips so readily.

After all, the bill involves all facets of municipal government, in addition to the many other considerations that arise, since this is the Nation's Capital.

My colleague's mastery of facts and figures is even more remarkable for that reason.

I was particularly impressed with the overall efforts and objectives of the Senator from West Virginia to give full meaning to what most of us so earnestly desire; that is, to maintain a Federal city which is a source of pride for the entire Nation.

I join in the commendations which have been given so freely and so deservedly to the chairman of this subcommittee of the Committee on Appropriations.

I wish to make a few comments about the health and welfare activities of the District, and particularly the aid to dependent children program. This is a difficult field. It moves into the households of many people. It is a field in which it becomes easy, at a very low boiling point, to "emote." And there has been a great deal of "emoting" about it in the past 12 months. The Senator from West Virginia has found himself in the center of all this and has been "getting his lumps" quite regularly—and more than his share.

It is easy for people to criticize when the rules of law are applied, yet all of us are aware of the necessity for such rules. The business of welfare, whether for dependent children or otherwise, consists of two parts. The first is, to see that those who are entitled to the benefits receive them. The other is more painful and requires more diligent efforts. It is to keep benefits from being paid to those who are not justly entitled to them.

The second part is vital, if we expect the system to function and not be subjected to such criticism that the entire program is endangered.

There is one item of appropriations for the operations of the welfare division which is especially worthwhile, in my judgment. Here I refer to the funds for Junior Village.

In view of the overcrowded situation there, the increased funds which will provide 50 more positions than were approved by the House and allow for the construction of three additional cottages are certainly justified. This represents a sound investment, not only for the future of these youngsters, but also for the District of Columbia. Having lived near Boys Town, Nebr., and being familiar with the outstanding work which is carried on there, I personally feel that we should make every effort to encourage and assist the type of program that is being conducted at Junior Village. The committee should be commended for the attention it has given to an area that has so frequently been neglected.

If the Senator from West Virginia will permit, I should like to propound an inquiry about one phase of the welfare program. I refer to the Office of Investigations and Collections. The sum of $500,000—a half million dollars—is to be allowed for that office, and there is to be an increase in the number of positions from 31 to 154. I ask the chairman of the subcommittee whether the increase to 154 positions is intended to be a permanent increase.

Mr. BYRD of West Virginia. No, it is not looked upon as a permanent increase. It is intended to provide sufficient working personnel to permit a thorough investigation of the ADC caseload and the GPA caseload, and, if the results of a pending special investigation so indicate, of the APTD caseload. It is intended that these two or three caseloads be thoroughly investigated and cleaned up, leaving on the lists only those people who are needy and deserving and who meet the qualifying criteria.

Following that, it is our hope and our intention that the investigative force be again reduced, though it would not be reduced to present size, because 31 positions simply are not sufficient. We have insisted upon a strengthening of the intake procedures. We have insisted upon a more frequent determination of continuing eligibility. Consequently, we think there should be a continuing investigative force sufficient in number to implement these innovations which have been recommended by the committee.

But certainly there would be no necessity for continuing an investigative force of the size presently recommended.

Mr. HRUSKA. It is the hope of the Senator from Nebraska that it will not be necessary to retain these 154 positions indefinitely. I also hope that when the time comes to reduce this number, an effort will be made to retain investigators and others who have been trained for field work. Rather than maintaining a large office force, the major emphasis should be upon those positions which involve active investigation in the field. I know from the comments of the Senator from West Virginia that unfortunately such a condition had crept into the welfare program and that more work was being done paperwise than was being done in the field. I hope the situation will be reversed.

Again I commend the Senator for his excellent work.

Mr. BYRD of West Virginia. Mr. President, I thank the Senator for his statement and for his expression of concern with reference to the maintenance of an investigative force at the level which would be created as a result of our action. Again I assure the Senator that I shall be as interested as he in seeing to it that the investigative force is leveled off once the job is done. I believe the forces of natural attrition will take care of some of the problem. I assure the Senator it is my desire only that we give the department the investigative force it needs. At this time it needs a force of 154. Three years from now I hope it will need a force considerably smaller.

I assure the Senator I shall be very watchful in this regard.

I am glad the Senator reminded me of the action taken by the committee in connection with the Junior Village. There are 190 positions there now. The House added 77. We recommend adding 50. This would make a total of 317 positions at the Junior Village.

Mr. ERVIN. Mr. President, will the Senator yield for an observation?

Mr. BYRD of West Virginia. I yield to the senior Senator from North Carolina.

Mr. ERVIN. In my judgment, the Senate owes the Senator from West Virginia a deep debt of gratitude for the exceedingly fine work which he has done as chairman of the Subcommittee on the District of Columbia of the Committee on Appropriations in this area of our activities.

Mr. BYRD of West Virginia. I thank the senior Senator from North Carolina.

Mr. President, this completes my statement on the bill.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill (H.R. 12276) was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

The bill (H.R. 12276) was passed.

Mr. HRUSKA. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BYRD of West Virginia. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

Mr. BYRD of West Virginia. Mr. President, I move that the Senate insist upon its amendments and request a conference thereon with the House of Representatives; and that the Presiding Officer appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. BYRD of West Virginia, Mr. HAYDEN, Mr. KEFAUVER, Mr. MCGEE, Mr. SMITH of Massachusetts, Mr. JAVITS, Mr. CASE, and Mr. BEALL conferees on the part of the Senate.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. METCALF in the chair). Without objection, it is so ordered.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed the bill (S. 1552) to amend and supplement the laws with respect to the manufacture and distribution of drugs, and for other purposes, with amendments, in which it requested the concurrence of the Senate; that the House insisted upon its amendments, asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. HARRIS, Mr. ROBERTS of Alabama, Mr. O'BRIEN of New York, Mr. ROGERS of Florida, Mr. BENNETT of Michigan, Mr. SCHENCK, and Mr. NELSEN were appointed managers on the part of the House at the conference.

The message also announced that the House had agreed to the amendments of the Senate to the bill (H.R. 11793) to provide criminal penalties for trafficking in phonograph records bearing forged or counterfeit labels.

The message further announced that the House had passed a joint resolution (H.J. Res. 897) making continuing appropriations for the fiscal year 1963, and for other purposes, in which it requested the concurrence of the Senate.

The message also announced that the House had agreed to the following concurrent resolutions, in which it requested the concurrence of the Senate:

H. Con. Res. 513. Concurrent resolution for printing additional copies of hearings; and

H. Con. Res. 574. Concurrent resolution authorizing the printing of a wall map of the United States, and for other purposes.

ENROLLED BILL SIGNED

The message further announced that the Speaker had affixed his signature to the enrolled bill (H.R. 12529) to provide for the free entry of one nuclear magnetic resonance spectrometer and one mass spectrometer for the use of the University of Illinois, and it was signed by the President pro tempore.

AMENDMENT AND SUPPLEMENTATION OF LAWS WITH RESPECT TO THE MANUFACTURE AND DISTRIBUTION OF DRUGS

Mr. MANSFIELD. Mr. President, on behalf of the chairman of the Judiciary Committee, the Senator from Mississippi [Mr. EASTLAND], I ask that the Chair lay before the Senate the message from the House of Representatives amending S. 1552, an act to amend and supplement the laws with respect to the manufacture and distribution of drugs, and for other purposes.

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 1552) to amend and supplement the laws with respect to the manufacture and distribution of drugs, and for other purposes, which were, to strike out all after the enacting clause and insert:

That this Act, divided into titles and sections according to the following table of contents, may be cited as the "Drug Amendments of 1962".

TABLE OF CONTENTS

Title I—Drugs

Part A—Amendments To Assure Safety, Effectiveness, and Reliability

Sec. 101. Requirement of adequate controls in manufacture.
Sec. 102. Effectiveness and safety of new drugs.
Sec. 103. Records and reports as to experience on new drugs.
Sec. 104. New drug clearance procedure.
Sec. 105. Certification of all antibiotics.
Sec. 106. Records and reports as to experience on antibiotics.
Sec. 107. Effective dates and application of part A.

Part B—Standardization of Drug Names

Sec. 111. Authority to standardize names.
Sec. 112. Name to be used on drug label.
Sec. 113. Nonapplicability to cosmetics.

Part C—Amendments as to Advertising

Sec. 131. Prescription drug advertisements.

Title II—Factory Inspection Authority

Sec. 201. Factory inspection.
Sec. 202. Confidentiality of information obtained by inspection.
Sec. 203. Effective date.

TITLE I—DRUGS

Part A—Amendments to assure safety, effectiveness, and reliability

Requirement of Adequate Controls in Manufacture

SEC. 101. Clause (2) of paragraph (a) of section 501 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 351) is amended to read as follows: "(2)(A) if it has been prepared, packed, or held under insanitary conditions whereby it may have been contaminated with filth, or whereby it may have been rendered injurious to health; or (B) if it is a drug and the methods used in, or the facilities or controls used for, its manufacture, processing, packing, or holding do not conform to or are not operated or administered in conformity with current good manufacturing practice to assure that such drug meets the requirements of this Act as to safety and has the identity and strength, and meets the quality and purity characteristics, which it purports or is represented to possess;".

Effectiveness and Safety of New Drugs

SEC. 102. (a)(1) Section 201(p)(1) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321(p)(1)), defining the term "new drug", is amended by (A) inserting therein, immediately after the words "to evaluate the safety", the words "and effectiveness", and (B) inserting therein immediately after the words "as safe", the words "and effective".

(2) Section 201(p)(2) of such Act (21 U.S.C. 321(p)(2)) is amended by inserting therein, immediately after the word "safety", the words "and effectiveness".

(b) Section 505(b) of such Act (21 U.S.C. 355(b)) is amended by inserting therein, immediately after the words "is safe for use", the words "and whether such drug is effective in use".

(c) Section 505(d) of such Act (21 U.S.C. 355(d)) is amended to read as follows:

"(d) If the Secretary finds, after due notice to the applicant in accordance with subsection (c) and giving him an opportunity for a hearing, in accordance with said subsection, that (1) the investigations, reports of which are required to be submitted to the Secretary pursuant to subsection (b), do not include adequate tests by all methods reasonably applicable to show whether or not such drug is safe for use under the conditions prescribed, recommended, or suggested in the proposed labeling thereof; (2) the results of such tests show that such drug is unsafe for use under such conditions or do not show that such drug is safe for use under such conditions; (3) the methods used in, and the facilities and controls used for, the manufacture, processing, and packing of such drug are inadequate to preserve its identity, strength, quality, and purity; (4) upon the basis of the information submitted to him as part of the application, or upon the basis of any other information before him with respect to such drug, he has insufficient information to determine whether such drug is safe for use under such conditions; or (5) evaluated on the basis of the information submitted to him as part of the application and any other information before him with respect to such drug, there is a lack of substantial evidence that the drug will have the effect it purports or is represented to have under the conditions of use prescribed, recommended, or suggested in the proposed labeling thereof; or (6) based on a fair evaluation of all material facts, such labeling is false or misleading in any particular; he shall issue an order refusing to approve the application. If, after such notice and opportunity for hearing, the Secretary finds that clauses (1) through (6) do not apply, he shall issue an order approving the application. As used in this subsection and subsection (e), the term 'substantial evidence' means evidence consisting of adequate and well-controlled investigations, including clinical investigations, by experts qualified by scientific training and experience to evaluate the effectiveness of the drug involved, on the basis of which it could fairly and responsibly be concluded by such experts that the drug will have the effect it purports or is represented to have under the conditions of use prescribed, recommended, or suggested in the labeling or proposed labeling thereof."

(d) Section 505(e) of such Act (21 U.S.C. 355(e)) is amended to read as follows:

"(e) The Secretary shall, after due notice and opportunity for hearing to the applicant, withdraw approval of an application with respect to any drug under this section if the Secretary finds (1) that clinical or other experience, tests, or other scientific data show that such drug is unsafe for use under the conditions of use upon the basis of which the application was approved; (2) that new evidence of clinical experience, not contained in such application or not available to the Secretary until after such application was approved, or tests by new methods, or tests by methods not deemed reasonably applicable when such application was approved, evaluated together with the evidence available to the Secretary when the application was approved, shows that such drug is not shown to be safe for use under the conditions of use upon the basis of which the application was approved; or (3) on the basis of new information before him with respect to such drug, evaluated together with the evidence available to him when the application was approved, that there is a lack of substantial evidence that the drug will have the effect it purports or is represented to have under the conditions of use prescribed, recommended, or suggested in the labeling thereof; or (4) that the application contains any untrue statement of a material fact: *Provided*, That if the Secretary (or in his absence the officer acting as Secretary) finds that there is an imminent hazard to the public health, he may suspend the approval of such application immediately, and give the applicant prompt notice of his action and afford the applicant the opportunity for an expedited hearing under this subsection; but the authority conferred by this proviso to suspend the approval of an application shall not be delegated. The Secretary may also, after due notice and opportunity for hearing to the applicant, withdraw the approval of an application with respect to any drug under this section if the Secretary finds (1) that the applicant has failed to establish a system for maintaining required records, or has repeatedly or deliberately failed to maintain such records or to make required reports, in accordance with a regulation or order under subsection (j), or the applicant has refused to permit access to, or copying or verification of, such records as required by paragraph (2) of such subsection; or (2) that on the basis of new information before him, evaluated together with the evidence before him when the application was approved, the methods used in, or the facilities and controls used for, the manufacture, processing, and packing of such drug are inadequate to assure and preserve its identity, strength, quality, and purity and were not made adequate within a reasonable time after receipt of written notice from the Secretary specifying the matter complained of; or (3) that on the basis of new information before him, evaluated together with the evidence before him when the application was approved, the labeling of such drug, based on a fair evaluation of all material facts, is false or misleading in any particular and was not corrected within a reasonable time after receipt of written notice from the Secretary specifying the matter complained of. Any order under this subsection shall state the findings upon which it is based."

Records and Reports as to Experience on New Drugs

SEC. 103. (a) Section 505 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355) is amended by adding at the end thereof the following new subsection:

"(j)(1) In the case of any drug for which an approval of an application filed pursuant to this section is in effect, the applicant shall establish and maintain such records, and make such reports to the Secretary, of data relating to clinical experience and other data or information, received or otherwise obtained by such applicant with respect to such drug, as the Secretary may by general regulation, or by order with respect to such application, prescribe on the basis of a finding that such records and reports are necessary in order to enable the Secretary to determine, or facilitate a determination, whether there is or may be ground for invoking subsection (e) of this section.

"(2) Every person required under this section to maintain records, and every person in charge or custody thereof, shall, upon request of an officer or employee designated by the Secretary, permit such officer or employee at all reasonable times to have access to and copy and verify such records."

(b) Section 505(i) of such Act (21 U.S.C. 355(i)) is amended (1) by inserting "the foregoing subsections of" immediately after "operation of"; (2) by inserting "and effectiveness" immediately after "safety"; and (3) by adding at the end thereof the following new sentences: "Such regulations may provide for conditioning such exemption upon—

"(1) the submission to the Secretary, before any clinical testing of a new drug is undertaken, of reports, by the manufacturer or the sponsor of the investigation of such drug, of preclinical tests of such drug adequate to justify the proposed clinical testing;

"(2) the manufacturer or the sponsor of the investigation of a new drug proposed to be distributed to investigators for clinical testing obtaining a signed agreement from each of such investigators that patients to whom the drug is administered will be under his personal supervision, or under the supervision of investigators responsible to him, and that he will not supply such drug to any other investigator, or to clinics, for administration to human beings; and

"(3) the establishment and maintenance of such records, and the making of such reports to the Secretary, by the manufacturer or the sponsor of the investigation of such drug, of data obtained as the result of such investigational use of such drug, as the Secretary finds will enable him to evaluate the safety and effectiveness of such drug in the event of the filing of an application pursuant to subsection (b).

Such regulations shall provide that such exemption shall be conditioned upon the manufacturer, or the sponsor of the investigation, requiring that (1) experts using such drugs for investigational purposes inform any human beings to whom such drugs, or any controls used in connection therewith, are being administered, or their representatives, that such drugs are being used for investigational purposes and obtain the consent of such human beings or their representatives, and (2) such experts certify to such manufacturer or sponsor that such consent will be obtained. Nothing in this subsection shall be construed to require any clinical investigator to submit directly to the Secretary reports on the investigational use of drugs."

(c) Section 301(e) of such Act (21 U.S.C. 331(e)) is amended to read as follows:

"(e) The refusal to permit access to or copying of any record as required by section 703; or the failure to establish or maintain any record, or make any report, required under section 505 (i) or (j), or the refusal to permit access to or verification or copying of any such required record."

(d) Subsection (a) of section 302 of such Act is amended by striking out "(e),".

New Drug Clearance Procedure

SEC. 104. (a) Section 505(a) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355(a)), is amended to read as follows:

"(a) No person shall introduce or deliver for introduction into interstate commerce any new drug, unless an approval of an application filed pursuant to subsection (b) is effective with respect to such drug."

(b) Section 505(c) of such Act (21 U.S.C. 355(c)) is amended to read as follows:

"(c) Within one hundred and eighty days after the filing of an application under this subsection, or such additional period as may be agreed upon by the Secretary and the applicant, the Secretary shall either—

"(1) approve the application if he then finds that none of the grounds for denying approval specified in subsection (d) applies, or

"(2) give the applicant notice of an opportunity for a hearing before the Secretary under subsection (d) on the question whether such application is approvable. If the applicant elects to accept the opportunity for hearing by written request within thirty days after such notice, such hearing shall commence not more than ninety days after the expiration of such thirty days unless the Secretary and the applicant otherwise agree. Any such hearing shall thereafter be conducted on an expedited basis and the Secretary's order thereon shall be issued within ninety days after such hearing is completed."

(c) Section 505(f) of such Act (21 U.S.C. 355(f)) is amended to read as follows:

"(f) Whenever the Secretary finds that the facts so require, he shall revoke any previous order under subsection (d) or (e) refusing, withdrawing, or suspending approval of an application and shall approve such application or reinstate such approval, as may be appropriate."

(d)(1) The first four sentences of section 505(h) of such Act (21 U.S.C. 355(h)) are amended to read as follows:

"(h) An appeal may be taken by the applicant from an order of the Secretary refusing or withdrawing approval of an application under this section. Such appeal shall be taken by filing in the United States court of appeals for the circuit wherein such applicant resides or has his principal place of business, or in the United States Court of Appeals for the District of Columbia Circuit, within sixty days after the entry of such order, a written petition praying that the order of the Secretary be set aside. A copy of such petition shall be forthwith transmitted by the clerk of the court to the Secretary, or any officer designated by him for that purpose, and thereupon the Secretary shall certify and file in the court the record upon which the order complained of was entered, as provided in section 2112 of title 28, United States Code. Upon the filing of such petition such court shall have exclusive jurisdiction to affirm or set aside such order, except that until the filing of the record the Secretary may modify or set aside his order."

(2) The ninth sentence of such section 505(h) is amended to read as follows: "The judgment of the court affirming or setting aside any such order of the Secretary shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28 of the United States Code."

(3) The amendments made by this subsection shall not apply to any appeal taken prior to the date of enactment of this Act.

(e)(1) Section 301(l) of such Act (21 U.S.C. 331(l)) is amended by (1) inserting "approval of" before "an application", and (2) striking out "effective" and inserting in lieu thereof "in effect".

(2) Clause (C) of section 503(b)(1) of such Act (21 U.S.C. 353(b)(1)) is amended by striking out "effective" and inserting in lieu thereof "approved".

(f)(1) Clause (A) of paragraph (3) of section 409(c) of such Act (21 U.S.C. 348(c)) is amended by inserting before the semicolon at the end thereof the following: ", except that this proviso shall not apply with respect to the use of a substance as an ingredient of feed for animals which are raised for food production, if the Secretary finds (i) that, under the conditions of use and feeding specified in proposed labeling and reasonably certain to be followed in practice, such additive will not adversely affect the animals for which such feed is intended, and (ii) that no residue of the additive will be found (by methods of examination prescribed or approved by the Secretary by regulations, which regulations shall not be subject to subsections (f) and (g)) in any edible portion of such animal after slaughter or in any food yielded by or derived from the living animal".

(2) Subparagraph (B) of paragraph (5) of section 706(b) of such Act (21 U.S.C. 376(b)) is amended by inserting before the period at the end of the subparagraph a colon and the following proviso: "*Provided*, That clause (i) of this subparagraph (B) shall not apply with respect to the use of a color additive as an ingredient of feed for animals which are raised for food production, if the Secretary finds that, under the conditions of use and feeding specified in proposed labeling and reasonably certain to be followed in practice, such additive will not adversely affect the animals for which such feed is intended, and that no residue of the additive will be found (by methods of examination prescribed or approved by the Secretary by regulations, which regulations shall not be subject to subsection (d)) in any edible portion of such animals after slaughter or in any food yielded by or derived from the living animal".

Certification of All Antibiotics

SEC. 105. (a) The heading of section 507 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 357) is further amended to read "Certification of Drugs Containing Antibiotics", and the first sentence of subsection (a) of such section 507 is amended to read as follows: "The Secretary of Health, Education, and Welfare, pursuant to regulations promulgated by him, shall provide for the certification of batches of drugs composed wholly or partly of any kind of penicillin, streptomycin, chlortetracycline, chloramphenicol, or bacitracin or any derivative thereof, and of drugs intended for use by man and composed wholly or partly of any other kind of antibiotic substance (including the chemically synthesized equivalent of any such substance)."

(b) Such section 507 is further amended by adding at the end of such section the following new subsection:

"(h) In the case of a drug for which, on the day immediately preceding the effective date of this subsection, a prior approval of an application under section 505 had not been withdrawn under section 505(e), the initial issuance of regulations providing for certification or exemption of such drug under this section 507 shall, with respect to the conditions of use prescribed, recommended, or suggested in the labeling covered by such application, not be conditioned upon an affirmative finding of the efficacy of such drug. Any subsequent amendment or repeal of such regulations so as no longer to provide for such certification or exemption on the ground of a lack of efficacy of such drug for use under such conditions of use may be effected only if (1) such amendment or repeal is made in accordance with the procedure specified in subsection (f) of this section and (2) the Secretary finds, on the basis of new information with respect to such drug evaluated together with the information before him when the application under section 505 became effective or was approved, that there is a lack of substantial evidence (as defined in section 505(d)) that the drug has the effect it purports or is represented to have under such conditions of use."

(c) Section 502(l) of such Act (21 U.S.C. 352(l)) is amended to read as follows:

"(l) If it is, or purports to be, or is represented as a drug composed wholly or partly of any kind of penicillin, streptomycin, chlortetracycline, chloramphenicol, or bacitracin, or any derivative thereof, or a drug intended for use by man and composed wholly or partly of any other kind of substance within the purview of section 507, unless (1) it is from a batch with respect to which a certificate or release has been issued pursuant to section 507, and (2) such certificate or release is in effect with respect to such drug: *Provided*, That this paragraph shall not apply to any drug or class of drugs exempted by regulations promulgated under section 507 (c) or (d)."

Records and Reports as to Experience on Antibiotics

SEC. 106 (a) Section 507 of such Act (21 U.S.C. 357) is amended by adding at the end thereof the following new subsection:

"(g)(1) Every person engaged in manufacturing, compounding, or processing any drug within the purview of this section with respect to which a certificate or release has been issued pursuant to this section shall establish and maintain such records, and make such reports to the Secretary, of data relating to clinical experience and other data or information, received or otherwise obtained by such person with respect to such drug, as the Secretary may by general regulation, or by order with respect to such certification or release, prescribe on the basis of a finding that such records and reports are necessary in order to enable the Secretary to make, or to facilitate, a determination as to whether such certification or release should be rescinded or whether any regulation issued under this section should be amended or repealed.

"(2) Every person required under this section to maintain records, and every person having charge or custody thereof, shall, upon request of an officer or employee designated by the Secretary, permit such officer or employee at all reasonable times to have access to and copy and verify such records."

(b) Section 507(d) of such Act (21 U.S.C. 357(d)) is amended by adding at the end thereof the following new sentences: "Such regulations may provide for conditioning the exemption under clause (3) upon—

"(1) the submission to the Secretary, before any clinical testing of a new drug is undertaken, of reports, by the manufacturer or the sponsor of the investigation of such drug, of preclinical tests of such drug adequate to justify the proposed clinical testing;

"(2) the manufacturer or the sponsor of the investigation of a new drug proposed to be distributed to investigators for clinical testing obtaining a signed agreement from each of such investigators that patients to whom the drug is administered will be under his personal supervision, or under the supervision of investigators responsible to him, and that he will not supply such drug to any other investigator, or to clinics, for administration to human beings; and

"(3) the establishment and maintenance of such records, and the making of such reports to the Secretary, by the manufacturer or the sponsor of the investigation of such drugs, of data obtained as the result of such investigational use of such drug, as the Secretary finds will enable him to evaluate the safety and effectiveness of such drug in the event of the filing of an application for certification or release pursuant to subsection (a).

Such regulations shall provide that such exemption shall be conditoned upon the manufacturer, or the sponsor of the investigation, requiring that (1) experts using such drugs for investigational purposes inform any human beings to whom such drugs, or any controls used in connection therewith, are being administered, or their representatives, that such drugs are being used for investigational purposes and obtain the consent of such human beings or their representatives, and (2) such experts certify to such manufacturer or sponsor that such consent will be obtained. Nothing in this subsection shall be construed to require any clinical investigator to submit directly to the Secretary reports on the investigational use of drugs."

(c) Section 301(e) of such Act (21 U.S.C. 331(e)), as amended by section 103(c) of this Act, is further amended by striking out "505 (i) or (j)" and inserting in lieu thereof "505 (i) or (j), or 507 (d) or (g)".

Effective Dates and Application of Part A

SEC. 107. (a) Except as otherwise provided in this section, the amendments made by the foregoing sections of this part A shall take effect on the date of enactment.

(b) The amendments made by sections 101, 103, 105, and 106 of this part A shall, with respect to any drug, take effect on the first day of the seventh calendar month following the month in which this Act is enacted.

(c) The amendments made by this Act to the Federal Food, Drug, and Cosmetic Act, insofar as such amendments relate to the effectiveness of drugs (except clause (3) of the first sentence of section 505(e) of such

Act), shall not apply to any drug with respect to which an application under section 505 of the Federal Food, Drug, and Cosmetic Act was effective on the day immediately preceding the date of enactment of this Act, so long as amendment of such application is not proposed and approval of such application has not been suspended or withdrawn under section 505 of such Act, as amended by this Act. An application filed pursuant to section 505(b) of such Act which was effective on the day immediately preceding the date of enactment of this Act shall, upon the date of enactment of this Act, be deemed to be an application approved by the Secretary. If an application filed with respect to a new drug pursuant to such section 505(b) prior to the date of enactment of this Act is still pending before the Secretary on such date, the running of the period within which the Secretary must act on such application pursuant to section 505(c) of such Act, as amended by this Act, shall be deemed to have commenced on the day immediately following the date on which such application was in fact filed.

(d) The amendments made by this Act to section 201(p) of the Federal Food, Drug, and Cosmetic Act shall not apply to any drug which, on the day immediately preceding the date of enactment of this Act, (1) was commercially used or sold in the United States, (2) was not a new drug as defined by section 201(p) of the Federal Food, Drug, and Cosmetic Act as then in force, and (3) was not covered by an effective application under section 505 of that Act, when intended solely for use under conditions prescribed, recommended, or suggested in labeling with respect to such drug on that day.

Part B—Standardization of drug names

Authority To Standardize Names

SEC. 111. (a) The Federal Food, Drug, and Cosmetic Act, as amended by this Act, is further amended by adding at the end of chapter V the following new section:

"AUTHORITY TO STANDARDIZE NAMES

"SEC. 508. Whenever in the judgment of the Secretary such action is necessary or desirable in the interest of achieving usefulness or simplicity of drug nomenclature, or because of the existence of two or more nonproprietary names (other than the systematic chemical name) for the same drug (or for two or more drugs which are identical in their active ingredients and substantially identical in their pharmacological action, strength, quality, and purity), or because the common or usual name of a drug is misleading, confusing, or not sufficiently informative, or because there exists no common or usual name for a drug, he may promulgate regulations establishing a single standard name for such drug (or for such identical drugs), together with any related or additional information which in the judgment of the Secretary is desirable to facilitate the corrective and effective use of such standard name. In no event, however, shall the Secretary establish a standard name so as to infringe a valid trademark."

(b) This section shall take effect on the date of its enactment.

Name To Be Used on Drug Label

SEC. 112. (a) Section 502(e) of such Act (21 U.S.C. 352(e)) is amended by—

(1) inserting the subparagraph designation "(1)" after "(e)";

(2) striking out the words "If it is a drug and is not designated solely by a name recognized in an official compendium unless its label bears (1) the common or usual name of the drug, if such there be; and (2), in case it is fabricated from two or more ingredients, the common or usual name of each active ingredient", and inserting in lieu thereof "If it is a drug, unless (A) its label bears, to the exclusion of any other nonproprietary name (except the applicable systematic chemical name or the chemical formula), (i) the established name (as defined in subparagraph (2)) of the drug, if such there be, and (ii), in case it is fabricated from two or more ingredients, the established name and quantity of each active ingredient";

(3) striking out the words "the name" and inserting in lieu thereof the words "the established name";

(4) inserting therein, immediately after the colon following the words "contained therein", the following: "*Provided*, That the requirement for stating the quantity of the active ingredients, other than the quantity of those specifically named in this paragraph, shall apply only to prescription drugs; and (B) for any prescription drug the established name of such drug or ingredient, as the case may be, on such label (or on any labeling therefor) is printed prominently and in type at least half as large as that used thereon for any proprietary name or designation for such drug or ingredient (or, in the case of labeling, is so printed at the first place, and at the most conspicuous place if other than the first place, at which such proprietary name for such drug or ingredient, as the case may be, is used):";

(5) striking out the words "clause (2) of this paragraph" in the proviso to such paragraph and inserting in lieu thereof "clause (A)(ii) or clause (B) of this subparagraph"; and

(6) adding at the end of such paragraph the following new subpargraph:

"(2) As used in this paragraph (e), the term 'established name', with respect to a drug or ingredient thereof, means (A) the applicable standard name established pursuant to section 508, or (B), if there is no such name and such drug, or such ingredient, is an article recognized in an official compendium, then the official title thereof in such compendium, or (C) if neither clause (A) nor clause (B) of this subparagraph applies, then the common or usual name, if any, of such drug or of such ingredient: *Provided further*, That where clause (B) of this subparagraph applies to an article recognized in the United States Pharmacopoeia and in the Homoeopathic Pharmacopoeia under different official titles, the official title used in the United States Pharmacopeia shall apply unless it is labeled and offered for sale as a homoeopathic drug, in which case the official title used in the Homoeopathic Pharmacopoeia shall apply."

(b) Section 502(g) of such Act (21 U.S.C. 352(g)) is amended by inserting immediately before the period at the end thereof a colon and the following proviso: "*Provided further*, That, in the event of inconsistency between the requirements of this paragraph and those of paragraph (e) as to the name by which the drug or its ingredients shall be designated, the requirements of paragraph (e) shall prevail".

(c) This section shall take effect on the first day of the seventh calendar month following the month in which this Act is enacted.

Nonapplicability to Cosmetics

SEC. 113. Chapter V of the Federal Food, Drug, and Cosmetic Act, as amended by section 111 of this Act, is further amended by adding at the end thereof the following:

"NONAPPLICABILITY TO COSMETICS

"SEC. 509. This chapter, as amended by the Drug Amendments of 1962, shall not apply to any cosmetic unless such cosmetic is also a drug or device or component thereof."

Part D—Amendments as to advertising

Prescription Drug Advertisements

SEC. 131. (a) Section 502 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 352) is further amended by adding at the end thereof the following new paragraph:

"(n) In the case of any prescription drug distributed or offered for sale in any State, unless the manufacturer, packer, or distributor thereof includes in all advertisements and other descriptive printed matter issued or caused to be issued by the manufacturer, packer, or distributor, with respect to that drug a true statement of (1) the established name as defined in section 502(e), printed prominently and in type at least half as large as that used for any trade or brand name thereof, (2) the formula showing quantitatively each ingredient of such drug, and (3) such other information in brief summary relating to side effects, contriindications, and effectiveness as shall be required in regulations which shall be issued by the Secretary in accordance with the procedure specified in section 701(e) of this Act: *Provided*, That (A) except in extraordinary circumstances, no regulation issued under this paragraph shall require prior approval by the Secretary of the content of any advertisement, and (B) no advertisement of a prescription drug, published after the effective date of regulations issued under this paragraph applicable to advertisements of prescription drugs, shall, with respect to the matters specified in this paragraph or covered by such regulations, be subject to the provisions of sections 12 through 17 of the Federal Trade Commission Act, as amended (15 U.S.C. 52–57)."

(b) No drug which was being commercially distributed prior to the date of enactment of this Act shall be deemed to be misbranded under paragraph (n) of section 502 of the Federal Food, Drug, and Cosmetic Act, as added by this section, until the earlier of the following dates: (1) the first day of the seventh month following the month in which this Act is enacted; or (2) the effective date of regulations first issued under clause (3) of such paragraph (n) in accordance with the procedure specified in section 701(e) of the Federal Food, Drug, and Cosmetic Act.

TITLE II—FACTORY INSPECTION AUTHORITY

Factory inspection

SEC. 201. (a) Section 704(a) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 374(a)) is amended to read as follows:

"(a) For purposes of enforcement of this Act, officers or employees duly designated by the Secretary, upon presenting appropriate credentials and a written notice to the owner, operator, or agent in charge, are authorized (1) to enter, at reasonable times, any factory, warehouse, or establishment in which food, drugs, devices, or cosmetics are manufactured, processed, packed, or held, for introduction into interstate commerce or after such introduction, or to enter any vehicle being used to transport or hold such food, drugs, devices, or cosmetics in interstate commerce; and (2) to inspect, at reasonable times and within reasonable limits and in a reasonable manner, such factory, warehouse, establishment, or vehicle and all pertinent equipment, finished and unfinished materials, containers, and labeling therein. In the case of any factory, warehouse, or establishment in which prescription drugs are manufactured, processed, packed, or held, the inspection shall extend to all things therein (including records, files, papers, processes, controls, and facilities) bearing on whether prescription drugs which are adulterated or misbranded within the meaning of this Act, or which may not be manufactured, introduced into interstate commerce, or sold, or offered for sale by reason of any provision of this Act, have been or are being manufactured, processed, packed, transported, or held in any such place, or otherwise bearing on violation of this Act. No inspection authorized for prescription drugs by the preceding sentence shall extend to (A) financial data, (B) sales data other than shipment data, (C) pricing data, (D) personnel data (other than data as to qualifications of technical and professional personnel performing functions subject to this Act), and (E) research data (other than data, relating to new drugs and antibiotic drugs, subject to reporting and inspection under regulations lawfully issued pursuant to section 505 (i) or (j) or section 507 (d) or (g) of this Act, and data, relating to other drugs, which in the case of a new drug would be subject to reporting or inspection under lawful regulations issued pursuant to section 505(j) of the Act) pertinent sanitation methods, analytical reports on unfinished materials, quantitative formula data for active ingredients, qualitative formula data for inactive ingredients, facilities for weighing and measuring, packaging facilities, sterility controls, active ingredient assay controls, coding systems, facilities for maintaining separate identity for each drug, cleaning of equipment, methods for quarantine of drugs until after clearance with control laboratory and file of complaints from licensed medical practitioners and licensed medical institutions, shipping records, and data as to qualifications of technical and professional personnel performing functions subject to this Act. A separate notice shall be given for each such inspection, but a notice shall not be required for each entry made during the period covered by the inspection. Each such inspection shall be commenced and completed with reasonable promptness. The provisions of the second sentence of this subsection shall not apply to—

"(1) pharmacies which maintain establishments in conformance with any applicable local laws regulating the practice of pharmacy and medicine and which are regularly engaged in dispensing prescription drugs, upon prescriptions of practitioners licensed to administer such drugs, or patients under the care of such practitioners in the course of their professional practice and which do not, either through a subsidiary or otherwise, manufacture, prepare, propagate, compound, or process drugs for sale other than in the regular course of their business of dispensing or selling drugs at retail;

"(2) practitioners licensed by law to prescribe or administer drugs and who manufacture, prepare, propagate, compound, or process drugs solely for use in the course of their professional practice;

"(3) persons who manufacture, prepare, propagate, compound, or process drugs solely for use in research, teaching, or chemical analysis and not for sale;

"(4) such other classes of persons as the Secretary may by regulation exempt from the application of this section upon a finding that inspection as applied to such classes of persons in accordance with this section is not necessary for the protection of the public health."

(b) Section 302(a) of such Act (21 U.S.C. 332(a)) is amended by striking out "(f),".

(c) Nothing in the amendments made by subsection (a) of this section shall be construed to negate or derogate from any authority of the Secretary existing prior to the enactment of this Act.

Confidentiality of information obtained by inspection

SEC. 202. Section 301(j) of such Act (21 U.S.C. 331(j) is amended by—

(1) inserting "or as authorized by law," after "Act,";

(2) striking out the following: "concerning any method or process which as a trade secret is entitled to protection"; and

(3) inserting immediately before the period at the end thereof the following: ": *Provided,* That nothing in this Act shall authorize the withholding of information from the duly authorized committees of the Congress."

Effect on State laws

SEC. 203. Nothing in the Federal Food, Drug, and Cosmetic Act, as amended, shall be construed as invalidating any provision of State law which would be valid in the absence of such Act unless there is a direct and positive conflict between such Act and such provision of State law.

Effective date

SEC. 204. The amendments made by this title shall take effect on the date of enactment of this Act.

And to amend the title so as to read: "An Act to protect the public health by amending the Federal Food, Drug, and Cosmetic Act to assure the safety, effectiveness, and reliability of drugs, authorize standardization of drug names, and clarify and strengthen existing inspection authority; and for other purposes."

Mr. MANSFIELD. Mr. President, again on behalf of the chairman of the Judiciary Committee, the Senator from Mississippi [Mr. EASTLAND], I move that the Senate disagree to the amendments of the House to S. 1552, agree to the conference asked by the House on the disagreeing votes of the two Houses, and that conferees on the part of the Senate be appointed by the Chair.

The motion was agreed to; and the Presiding Officer appointed Mr. EASTLAND, Mr. KEFAUVER, Mr. JOHNSTON, Mr. DIRKSEN, and Mr. HRUSKA conferees on the part of the Senate.

HOUSE JOINT RESOLUTION REFERRED

The joint resolution (H.J. Res. 897) making continuing appropriations for the fiscal year 1963, and for other purposes, was read twice by its title and referred to the Committee on Appropriations.

HOUSE CONCURRENT RESOLUTIONS REFERRED

The concurrent resolution (H. Con. Res. 513) for printing additional copies of hearings, was referred to the Committee on Rules and Administration, as follows:

Resolved by the House of Representatives (the Senate concurring), That there be printed for the use of the Committee on Appropriations, House of Representatives, twenty thousand additional copies of the hearings entitled "Education for All Children—What We Can Learn From England".

The concurrent resolution (H. Con. Res. 574) authorizing the printing of a wall map of the United States, and for other purposes, was referred to the Committee on Rules and Administration, as follows:

Resolved by the House of Representatives (the Senate concurring), That there be compiled and printed fifty-eight thousand eight hundred copies of a wall map of the United States prepared for the Bureau of Land Management, Department of the Interior, by the Geological Survey, Department of the Interior, showing the extent of public surveys, national parks, national forests, Indian reservations, national wildlife refuges, and reclamation projects, size six and a half feet by four and a half feet, of which fifteen thousand copies shall be for the use of the Senate; and forty-three thousand eight hundred copies shall be for the use of the House of Representatives.

TEMPORARY EXTENSION OF PROVISIONS OF LAW RELATING TO FREE IMPORTATION OF PERSONAL AND HOUSEHOLD EFFECTS—CONFERENCE REPORT

Mr. BYRD of Virginia. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 12180) to extend for a temporary period the existing provisions of law relating to the free importation of personal and household effects brought into the United States under Government orders. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of September 21, 1962, p. 20241, CONGRESSIONAL RECORD.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

EXEMPTION OF FOWLING NETS FROM DUTY—CONFERENCE REPORT

Mr. BYRD of Virginia. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 6682) to provide for the exemption of fowling nets from duty. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of September 21, 1962, p. 20244, CONGRESSIONAL RECORD.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

VICKSBURG NATIONAL MILITARY PARK

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 2130, Senate bill 765.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 765) to consolidate Vicksburg National Military Park and to provide for certain adjustment necessitated by the installation of a park tour road, and for other purposes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

There being no objection, the Senate proceeded to consider the bill.

Mr. BIBLE. Mr. President, the bill was introduced by the distinguished Senator from Mississippi [Mr. STENNIS]. It would consolidate certain land within Vicksburg National Military Park in Vicksburg, Miss. The bill had the careful consideration of the Subcommittee on Public Lands. Field hearings were conducted by the distinguished Senator from Utah [Mr. MOSS]. The bill was reported favorably by the subcommittee and the full committee, without objection. I urge passage of the bill.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in order to preserve and protect the essential historical features of Vicksburg National Military Park in the State of Mississippi and to enhance visitor enjoyment and safety by means of a park tour road and through the consolidation of park lands, the Secretary of the Interior is authorized, in his discretion, and under such terms and conditions as he determines are in the public interest—

(a) to quitclaim to the city of Vicksburg, Mississippi, approximately one hundred and fifty-four acres of land, including the roads thereon and the park land abutting said roads, in exchange for the city's agreeing to place the roads in its road system and thereby assume jurisdiction and maintenance thereof, and upon the further agreement of the city to maintain the parklike character of so much of the park land conveyed to it and abutting the road as the Secretary may prescribe, said land being generally that part of Vicksburg National Military Park lying south of Fort Garret with the exception of Navy Circle, South Fort, and Louisiana Circle: *Provided,* That title to so much of said abutting park land prescribed by the Secretary and covered by said agreement of the city to maintain the parklike character thereof shall revert to the United States if its parklike character is not maintained; to quitclaim to Warren County, Mississippi, upon like terms and conditions approximately twenty-four acres of land, including the road and abutting park land, being known as Sherman Avenue and the Sherman Avenue spur; to release or quitclaim to Warren County or any other appropriate political subdivision of the State all interest which the United States of America has, if any, in those portions of any public road located on park land which are no longer required for park purposes: *Provided,* That the United States shall reserve from the conveyance or conveyances made pursuant to this subsection title to all historical monuments, means of access thereto, and such other easements as the Secretary determines are required for the continued administration of said monuments as a part of Vicksburg National Military Park; and

(b) to acquire not in excess of five hundred and forty-four acres of land, or interests in land, for addition to Vicksburg National Military Park, such authority to include purchase and condemnation with appropriated funds but not to constitute a limitation upon existing authority to accept donations; and

(c) to enter into agreements with duly authorized officials of the city of Vicksburg and Warren County relative to the effect which the installation of a one-way park tour road with controlled access will have upon the existing local road systems; subject to the availability of funds, to obligate the United States to make provision for such alterations, relocations and construction of local roads, including procurement of rights-of-way therefor and the subsequent transfer thereof to the State or its appropriate political subdivisions which shall thereupon assume jurisdiction and maintenance, as the Secretary and said officials agree are directly attributable to the installation of the park tour road; and to transfer to the city or county jurisdiction and maintenance of service roads which the Secretary constructs on park lands to properties that otherwise would be denied access because of the installation of the park tour road.

The Secretary of the Interior shall not, without first obtaining the consent of the city and county officials referred to in subsection (c), convert the portion of the existing road known as Confederate Avenue lying between Graveyard Road and Fort Garret into a one-way park tour road with controlled access, or otherwise limit the use of such portion by local traffic, until the United States has provided for such alterations, relocations, and construction of local roads (including procurement of rights-of-way) as the Secretary and said officials agree are directly attributable to the installation of such park tour road.

SEC. 2. Upon the delivery and acceptance of the conveyances herein authorized, any jurisdiction heretofore ceded to the United States by the State of Mississippi over the lands and roads transferred shall thereby cease and thereafter vest in the State of Mississippi.

SEC. 3. Funds required for the purposes of this Act are hereby authorized to be appropriated.

Mr. STENNIS. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BIBLE. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

CONVEYANCE OF CERTAIN LANDS TO COLORADO RIVER COMMISSION OF NEVADA

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 3089) to amend the act directing the Secretary of the Interior to convey certain public lands in the State of Nevada to the Colorado River Commission of Nevada in order to extend for 5 years the time for selecting such lands, which was, on page 1, strike out all after line 7, over through and including line 2, page 2, and insert:

(1) in section 2, strike out "five years" and insert in lieu thereof "ten years";

(2) in section 3, strike out "five-year" and insert in lieu thereof "ten-year"; and

(3) at the end of section 4(c) add: "The appraisal shall be of the fair market value of the lands as of the effective date of this Act."

Mr. BIBLE. Mr. President, as the author of the bill, I believe the amendment made by the House of Representatives is a fair and just amendment and does equity to the State of Nevada. It merely provides that the purchase price to be paid by the State shall be the appraised value at the time the 1958 act for the selection and purchase of the property was enacted.

This proposal has been cleared on both sides of the aisle, and has been discussed with the two ranking minority members of the committee, the Senator from California [Mr. KUCHEL] and the Senator from Colorado [Mr. ALLOTT]. They agree to the House amendment.

I move that the Senate concur in the amendment made by the House to S. 3089.

The question is on agreeing to the motion of the Senator from Nevada.

The motion was agreed to.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ESTABLISHMENT OF INSTITUTE OF CHILD HEALTH AND HUMAN DEVELOPMENT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 2138, H.R. 11099.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H.R. 11099) to amend the Public Health Service Act to provide for the establishment of an Institute of Child Health and Human Development and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Labor and Public Welfare, with an amendment, at the top of page 7, to insert a new section, as follows:

> SEC. 4. (a) Section 704 of the Public Health Service Act is amended by striking out "six" and inserting in lieu thereof "nine".
>
> (b) Section 705(a) of such Act is amended by striking out "1962" and inserting in lieu thereof "1965".

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended, so as to read: "An Act to amend the Public Health Service Act to provide for the establishment of an Institute of Child Health and Human Development, to extend for three additional years the authorization for grants for the construction of facilities for research in the sciences related to health, and for other purposes."

Mr. MANSFIELD subsequently said: Mr. President, I move that the vote by which House bill 11099 was passed be reconsidered.

Mr. MORSE. Mr. President, I move that the motion to reconsider be laid on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

ADMITTANCE OF VESSEL "CITY OF NEW ORLEANS" TO AMERICAN REGISTRY

The Senate resumed the consideration of the bill (S. 3115) to authorize the admittance of the vessel *City of New Orleans* to American registry and to permit the use of such vessel in the coastwise trade.

The PRESIDING OFFICER. The question is on agreeing to the first committee amendment.

Mr. BARTLETT obtained the floor.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. BARTLETT. I yield.

Mr. MANSFIELD. Mr. President, it seems to me that we are having a considerable amount of difficulty with this bill, and it also seems impossible to arrive at a meeting of minds concerning a time limitation with a view to bringing about a final vote on the bill.

In all good faith I suggest to the distinguished Senator from Alaska that he consider the possibility of not pursuing action any further on the bill at this session, on the basis of a commitment or promise that the proposal will be heard in the appropriate committee during the first month of the next session and, if at all possible, considered by the Senate during the first month of next year.

Mr. BARTLETT. That is to say, if the bill in identical or substantially the same form were to be reported by the Committee on Commerce in the first month, or shortly thereafter, of the first session of the next Congress, the majority leader would schedule it for early consideration on the floor?

Mr. MANSFIELD. If I happen to be the majority leader at that time, the Senator can be assured that it will be brought up at the earliest opportunity before the policy committee, and recommendation will be made that it be brought to the floor as rapidly as possible.

Mr. BARTLETT. I do not qualify my question in the manner the majority leader did. The bill was fully considered in the Commerce Committee. It was reported from committee with only two dissenting votes.

I believe this is a good bill, particularly because it is the only mechanism available, so far as I am aware, which will afford protection to American transportation, American workmen, and American industry from the competition offered by Canadians since May. I think we are required to provide some protection such as the bill affords.

In the past several days I have had many conversations with the majority leader. I have been most desirous and have pressed to have the consideration of the bill resumed. The bill was debated for an hour or two the other day. However, I appreciate the position in which the majority leader finds himself. Time is running short; no action has been taken by the House committee and the opponents of the bill are not only extraordinary men, but are reasonably vocal. I appreciate the fact that the majority leader cannot provide time for the bill, which is incorrectly considered by some to be of a somewhat local interest.

So with the understanding reached with the majority leader, I acquiesce, but with extreme reluctance, in the suggestion he has just made.

Mr. MANSFIELD. Mr. President, it has taken about 4 days to bring the distinguished Senator from Alaska around to this particular point of view. However, I believe it is in the best interests of good legislation to agree to the conditions laid down. Otherwise, in the remaining days of the session, the bill would have to be set aside from time to time, thereby creating a lack of continuity; whereas if we wait until the first month, or thereabouts, of the first session of the next Congress, the bill can be called up and the debate can continue until the issue is decided one way or the other.

The Senator from Alaska has been most diligent in his handling of the bill and has been ably supported by the Senator from Washington [Mr. MAGNUSON] and the two Senators from North Carolina [Mr. ERVIN and Mr. JORDAN], who have made a sizable contribution to the work on behalf of the bill.

Mr. BARTLETT. I appreciate the support of those Senators.

Mr. ENGLE. Mr. President, I concur in the statement of the distinguished majority leader. It is seldom that I disagree with the Senator from Alaska. When I disagree with him, it is with deep regret and great reluctance. In this instance, it has been necessary for me to oppose the bill. I propose to oppose it with great vigor. I have pending at least four amendments which would require lengthy discussion.

The distinguished Senator from Maryland [Mr. BUTLER] has a number of amendments pending. So I think it was perfectly obvious that the discussion on this measure could not be extended at this time without interfering with or interrupting the consideration of other measures having high priority. Even if we resume the consideration of the bill this afternoon at this hour, we could not possibly complete action on it.

As a consequence, the Senator from Alaska has acted with his usual good judgment and moderation, so that consideration of the bill may be postponed.

Both the Senator from Alaska and I are members of the Committee on Commerce. I completely concur in the statement which has been made about the consideration of the bill. We shall be very happy to arrange for early hearings on the bill.

My only regret is that if and when a similar bill is again reported, in the controversy next year I shall miss the strong arm, persuasive voice, and vigorous help of my very dear friend the distinguished senior Senator from Maryland [Mr. BUTLER], who has sided with me in this particular controversy.

I express my appreciation to the majority leader and to the Senator from Alaska.

Mr. BUTLER. Mr. President, will the Senator from California yield?

Mr. ENGLE. I yield.

Mr. BUTLER. I thank my good friend from California for his kind remarks.

I wish to say also to my good friend from Alaska that he has done his very best to have action taken on the bill with a view to its enactment. But the time element being what it is, he has not had an opportunity to see it to a conclusion.

I deeply regret that I shall not be here next year with my colleagues when the bill is again discussed.

Mr. BARTLETT. That is the only reason why I am glad the Senator will not be back.

Mr. HRUSKA. Mr. President, I should like to inquire of the majority leader what disposition will be made of the bill, so far as the calendar is concerned.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that further action on S. 3115 be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BARTLETT. Mr. President, also on the calendar are two other maritime bills. In my opinion, they are very important and highly complex and technical. They are Calendar No. 1562, S. 2314, to limit the liability of shipowners, and for other purposes; and S. 2313, to unify apportionment of liability in cases of collison between vessels, and related casualties.

The bills relate to the proposed adherence by the United States to international conventions on the maritime liability of shipowners and apportionment of this liability, and would bring our maritime liability law into conformity with international conventions reached by other maritime nations of the world, but not by the United States, at Brussels in 1910 and in 1957.

I have been informed—and authoritatively, I feel quite certain—that the situation concerning these bills is quite the same as that which pertained to the bill which was just indefinitely postponed, namely, that if they are brought to the floor for debate now, the discussion may be, to put it by way of underemphasis, prolonged; and that once more the majority leader will be faced with the dilemma of whether to take up the bills and proceed to their conclusion, so that they may be voted up or down, or to defer action on them until the next session of Congress, let them first receive committee consideration, and then take floor action on them when they are reported.

I think the bills should have been passed at this session. I know that at least one Senator disagrees with me. So I ask the majority leader if he has reached any conclusion as to the immediate fate of these bills from the standpoint of the parliamentary situation.

Mr. MORSE. Mr. President, will the Senator yield, so that I may give the majority leader some information on which he may base his opinion?

Mr. BARTLETT. I yield.

Mr. MORSE. These two bills, S. 2314 and S. 2313, have aroused some objection on the part of interested groups who were not fully informed about the bills at the time they were considered in the committee. I have examined the evidence, and I believe they are entitled to an opportunity to testify on the bills at the next session of Congress. If the bills are not postponed indefinitely, I shall have to testify for these groups by proxy on the floor of the Senate. The testimony is voluminous, and the exhibits I would have to introduce and explain to the Senate are many times more voluminous. So I fear the explanation would take a considerable amount of time.

Therefore, I think it would be better if new bills were introduced early at the next session. I assure the Senator from Alaska, and the majority leader, that I shall say to the interested parties that I do not believe they should be as guilty of laches as they were at this session of Congress, because I have not been very kind in my comments to them. I have said to them, in effect, "I think you have a meritorious case, but you should not have waited until now to make known your objection. You ought to be on the job and not let these bills get out of committee and onto the calendar of the Senate, and then come to me and tell me you were not aware of all the problems involved in the bills."

So, if they are not on the job, come January or February, we can proceed with the consideration of the bills on the basis of the record already made.

Mr. MANSFIELD. Mr. President, on the basis of the statements made by the Senator from Alaska [Mr. BARTLETT], and the Senator from Oregon [Mr. MORSE], it appears to me that in the interest of discretion it might be well to consider these bills on the same basis as we considered the previous bill, which has been indefinitely postponed. I think better consideration will be accorded the bills next year. They can be reported at an early date, and the Senate can then have uninterrupted debate and consideration. I think such action would be in the best interests of all concerned.

Mr. President, I therefore ask unanimous consent that S. 2314 and S. 2313 be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BARTLETT. Mr. President, I shall take only a minute more.

It is with the greatest reluctance that I agree to this course, because the testimony given before the committee on these two bills was, I am sure, at least as voluminous as the testimony which the Senator from Oregon suggested would be offered later, and I was influenced to a very great extent by the fact that these bills had the support of the Maritime Law Association, the American Bar Association, and every interested Government agency. I wish we could proceed with them now and could vote on them. But I understand the realities of this situation.

Mr. MANSFIELD. I thank the Senator from Alaska for his unfailing courtesy and consideration.

ESTABLISHMENT OF LIBRARY OF MUSICAL SCORES IN LIBRARY OF CONGRESS

Mr. MANSFIELD. Mr. President, I ask that the Chair lay before the Senate the amendment of the House of Representatives to Senate bill 3408; and I shall ask that the Senate concur in the amendment of the House.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 3408) to establish in the Library of Congress a library of musical scores and other instructional materials to further educational, vocational, and cultural opportunities in the field of music for blind persons, which was, to strike out all after the enacting clause and insert:

> That (a) the Librarian of Congress shall establish and maintain a library of musical scores, instructional texts, and other specialized materials for the use of blind residents of the United States and its possessions in furthering their educational, vocational, and cultural opportunities in the field of music. Such scores, texts, and materials shall be made available on a loan basis under regulations developed by the Librarian or his designee in consultation with persons, organizations, and agencies engaged in work for the blind.
>
> (b) There are authorized to be appropriated such amounts as may be necessary to carry out the provisions of this Act.

Mr. MANSFIELD. Mr. President, I move that the Senate concur in the amendment of the House.

The motion was agreed to.

CONSTRUCTION AND MAINTENANCE OF OROVILLE-TONASKET UNIT OF OKANOGAN-SIMILKAMEEN DIVISION, CHIEF JOSEPH DAM PROJECT, WASHINGTON

Mr. JACKSON. Mr. President, I ask that the Chair lay before the Senate the amendments of the House of Representatives to Senate bill 1060, to authorize the Secretary of the Interior to construct, operate, and maintain the Oroville-Tonasket unit of the Okanogan-Similkameen division, Chief Joseph Dam project, Washington. This bill passed the Senate on September 15, 1961, and was passed by the House of Representatives on September 20, 1962, with amendments.

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 1060) to authorize the Secretary of the Interior to construct, operate, and maintain the Oroville-Tonasket unit of the Okanogan-Similkameen division, Chief Joseph Dam project, Washington, and for other purposes, which were, on page 2, strike out lines 11 through 19, inclusive, and insert:

> SEC. 2. The basic period provided in subsection (d), section 9, of the Reclamation Project Act of 1939, as amended (43 U.S.C. 485h), for repayment of the construction cost properly chargeable to any block of lands may be extended to fifty years, exclusive of any development period, from the time water is first delivered to that block. Power and energy required for irrigation pumping for the Oroville-Tonasket unit shall be made available by the Secretary from the Chief Joseph Dam powerplant and other Federal plants interconnected therewith at rates not to exceed the cost of such power and energy from the Chief Joseph Dam taking into account all costs of the dam, reservoir, and powerplant which are determined by the Secretary under the provisions of the Federal reclamation laws to be properly allocable to such irrigation pumping power and energy.

On page 2, line 21, strike out ", but not limited to,", and on page 3, strike out lines 17 through 19, inclusive, and insert:

> SEC. 4. There are hereby authorized to be appropriated for construction of the works authorized by this Act not to exceed $3,210,000, plus or minus such amounts, if any, as may be justified by reason of ordinary fluctuations from January 1961 construction costs as indicated by engineering cost indices applicable to the type of construction involved herein, and not to exceed $400,000 for carrying out the provisions of section 3 of this Act, in addition to the cost of fish screens, when the Secretary finds that conditions justify such expenditures. There are also authorized to be appropriated such sums as may be required for the operation and maintenance of said works.

Mr. JACKSON. Mr. President, as Senate bill 1060 was passed by the Senate, it would make the provisions of section 2 of the act of July 27, 1954, applicable to the Oroville-Tonasket unit and thereby provide authority for, first, establishing a 50-year repayment period; second, adopting a variable payment formula in the contract which reflects existing economic conditions; third, providing financial assistance from Chief Joseph project power revenue; and, fourth, making available Chief Joseph project energy for project pumping at rates not exceeding the cost of generation.

The general reclamation law now carries authority for the adoption of a variable payment formula in repayment contracts. The House felt that specific authority was no longer required. The House also amended the bill to remove the provision for financial assistance from the Chief Joseph power project as unnecessary. Testimony before the House Interior Committee indicated that the water users could repay the cost of the project without power revenue assistance. An additional amendment was adopted to eliminate the Department of the Interior's proposal to eliminate rough fish such as carp and suckers. The committee took the position that Federal funds should not be expended for this purpose on this specific project. A final amendment by the House limited the authorization for appropriation to the estimated cost of the project, or $3,210,000.

The House amendments have been discussed with the Senator from California [Mr. KUCHEL], the ranking minority member of the Senate Interior and Insular Affairs Committee. These amendments are acceptable to the sponsors, and there is agreement that the House amendments should be accepted by the Senate.

Therefore, I move that the Senate concur in the House amendments to S. 1060.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Washington that the Senate concur in the amendments of the House of Representatives to Senate bill 1060.

The motion was agreed to.

PRIMARY MARKETING AREA OF BONNEVILLE POWER ADMINISTRATION

Mr. JACKSON. Mr. President, on August 8, the Senate passed S. 3153, a bill defining the primary marketing area of the Bonneville Power Administration. On August 16, the Senator from South Dakota [Mr. MUNDT] questioned, on the floor of the Senate, the accuracy of two statements made during the debate on S. 3153. His remarks appear beginning on page 16725 of the RECORD. The statements in the debate on S. 3153 which were challenged by the Senator from South Dakota are: First, the statement that power valued at $30 million a year is now being spilled over the dams and wasted into the ocean; and second, the statement that the legislation was necessary to permit the Bonneville Power Administration to sell its surplus energy safely outside the Pacific Northwest without giving preference to distant public agencies which could disrupt its established marketing arrangements.

Since the accuracy of the statements has been challenged, a brief review of the facts is appropriate, in order to show whether they do support the statements made during the debate. The $30 million figure was questioned by drawing attention to an estimate of a maximum of $15 million in the Department of the Interior task force report. Only two observations need be made concerning the validity of that comparison. First, the task force report was prepared on a very conservative basis. For example, it assumes that all industrial plants in the Pacific Northwest are operating at full capacity.

For various reasons, including swings in the business cycle, the plants do not operate to capacity, and large blocks of energy become available for limited periods, in addition to the energy for which there is no use in the Pacific Northwest and no plant capacity in that region to absorb it.

Second, the benefits described in the report are limited to those available under the interconnection which the report recommends. In other words, the estimated revenues of up to $15 million are based, not on the amount of power available for sale in the Pacific Northwest, but on the capacity of the recommended interconnection and the other uses to which it would be put. Transmission capacity, not the availability of power, is the limiting factor, and accounts for the difference between the two figures.

The amount of revenues lost in fiscal years 1960 and 1961, the most recent years for which figures are now available, by spilling water over the dams, instead of running it through the generators, is as follows:

[Dollars in millions]

Unrealized revenues	Fiscal year—	
	1960	1961
1. Curtailment of firm power by industries	$0.3	$0.9
2. Short-term firm power not sold	9.0	12.3
3. Interruptible power not sold	5.6	7.1
4. Other secondary not sold	16.8	10.0
Total	31.7	30.3
5. Peaking capacity not sold	4.6	7.2
Total	36.3	37.5
Total energy unsold (billions of kilowatt-hours)	15.7	14.1
Total peaking capacity unsold (thousands of kilowatts)	760	1,200

Industrial customers of Bonneville Power Administration have the right to curtail their firm power deliveries under certain circumstances; and they do so from time to time for various reasons, including poor business conditions. They pay only a portion of their normal power bills during periods of curtailment. Item 1 is the net revenue lost from such curtailments, being the difference between their full power bills if they had not curtailed power deliveries and the smaller amounts which they paid.

Bonneville has firm power, in excess of its contractual obligations, available for various short periods. None is available beyond 1965. For that reason, it cannot be sold for industrial use, the only possible additional market in the Pacific Northwest during the years in question, inasmuch as a prospective industrial customer cannot justify the construction of a plant on a short-term power supply. Item 2 is the value of the short-term power supply that was not sold. Revenues from interruptible power, a form of secondary power, are subject to two limitations—customers' needs and availability of water to generate the power. Customers may stop deliveries of interruptible power at any time, and are not required to make any payment during periods of interruption. Item 3 is the difference between the revenues the interruptible customers actually paid and the amount they would have paid had they operated their plants at full capacity during all times that water was available to generate the power the plants require. Item 4 is the value of the remaining secondary power for which there was no market in the Pacific Northwest during the respective periods.

While there are varying reasons why power in the several categories was available, the fact remains that in each year more than 14 billion kilowatt-hours of energy, with a value of more than $30 million, were unsold and were wasted into the sea. It is on those figures that the statements during the debate on S. 3153 were based.

As a matter of fact, those statements were quite conservative. In addition to unsold energy, 760 and 1,200 megawatts of machine capacity, usable and marketable in other regions for peaking purposes, were surplus to the needs of the Pacific Northwest in the respective years. This capacity, at $6 per kilowatt-year at the generating plant, had a value of $4,600,000 and $7,200,000. In each fiscal year then, power with a value of more than $36 million was wasted. This waste of power and dollars must stop; and the Bonneville Administration has proposed a program to stop it. S. 3153 will help, by permitting the power to be made available for sale in California, without prejudicing the power supply of customers in the Pacific Northwest.

No one contends that all the power could be sold and that the last dollar of revenue could be realized. It is impossible to control that closely the operation of any hydroelectric system, and I so stated in the debate prior to passage of S. 3153. But a substantial part of the wasted power could be sold in California, to the benefit of both areas, the entire country, and the U.S. Treasury.

The marketability of the power also was questioned, on the ground that it was offpeak. Actually, very little of it is offpeak. When the power is available, it will be available without interruption, for extended periods of time, usually from 3 to 5 months. A further indication of the existence of a market can be derived from the task force report, the recommendations of which were based on letters of intent received from prospective California purchasers. In addition, the offer of Pacific Gas & Electric Co. to purchase a portion of the power is a matter of record before the Congress—hearings before the Senate Subcommittee on Irrigation and Reclamation, June 15, 1960, page 101.

Let us turn to the second statement, the necessity of this legislation in order to permit Bonneville Power Administration to sell its surplus energy outside the Pacific Northwest without endangering the power supply of its Pacific Northwest customers through the operation of a statutory preference in favor of public bodies outside the Pacific Northwest. During the debate I stated:

> S. 3153 would not affect any existing contracts and it applies only to sales of Columbia River power to be used outside the Northwest marketing area—and presently there are no such contracts.

The accuracy of that statement is challenged by assertions that Bonneville is selling energy to a utility in Canada and that Bonneville is selling energy to utilities operating in Wyoming and Montana, and that these utilities in turn are selling power to REA cooperatives in Wyoming and eastern Montana.

What are the facts? The present arrangements with the British Columbia utility is not a contract for the sale of power. It is an exchange agreement calling for the exchange of power between the Bonneville system and the British Columbia system. Bonneville Power Administration is now in the process of executing a contract with the British Columbia utility for the sale of secondary power for a few months. Of course the preference clause does not extend to foreign customers. Furthermore, the power will be delivered over facilities which were erected at the Canadian border under a Presidential permit which provides:

> Article 6. The facilities herein authorized shall not be operated so as to impair the sufficiency of electric supply within the United States unless specific authorization therefor be obtained.

This permit, by limiting exports to power that is surplus to the needs of the United States, will serve the same purpose with respect to sales outside the United States that this bill will serve with respect to domestic sales outside the Pacific Northwest. It affirms the principle of the bill.

Bonneville Power Administration has no contract with the Montana Power Co. for the sale of secondary energy for steam displacement. It has a firm power contract with that utility under the Montana preference in the Hungry Horse Project Act, and the amount of firm power sold thereunder is less than one-fourth of the company's load in western Montana. Bonneville also has an exchange arrangement with Montana Power Co. for the holding of water in the company's Kerr project reservoir and contracts for wheeling Federal power to cooperatives in western Montana.

The Wyoming system of Pacific Power & Light Co., which presumably is the one to which reference is made, is a segregated system entirely separate from the company's main system in the Pacific Northwest. The two can be tied together only by a means of light interconnection through the systems of two other utilities. Bonneville does not have any contract for the sale of power to Pacific Power & Light Co. for its Wyoming system or for any customer served by the Wyoming system. The assertions apparently were based on statements of a former Assistant Secretary of the Interior who was discussing sales outside the marketing area of various power marketing agencies in the Department of the Interior. He may have become confused because of that situation, as it is difficult to relate parts of his testimony to any particular system. However, the fact remains that Bonneville does not now have, and to the best of my knowledge never has had, a contract for the sale of power for use in this country outside its marketing area by either a preference customer or a nonpreference customer.

The accuracy of my statement was further questioned by the assertion that the November 4, 1959, opinion of the Portland regional solicitor of the Department of the Interior was applicable only to power sold over a Federal line connecting the two regions. That assertion is erroneous. There is not one word in the opinion relating to the ownership of an interconnecting line. Its conclusion that all policies of the Bonneville Act, including preference to public bodies and cooperatives, must be followed regardless of the area in which the power may be sold or used, is equally applicable whether the interconnecting line is federally or nonfederally owned.

I find it curious that the assertion currently made is not the language of the regional solicitor's opinion. Rather it is the interpretation or position of the Pacific Gas & Electric Co. with respect to that opinion. See the statement of the executive vice president of that company—hearings before the Senate Subcommittee on Irrigation and Reclamation, June 15, 1960, page 102.

The Comptroller General agreed with the conclusions expressed in the regional solicitor's opinion—committee print of the Senate Committee on Interior and Insular Affairs, 86th Congress, 2d session, May 3, 1960, page 79. So did the attorneys general of the States of California, Oregon, and Washington—hearings before the Senate Subcommittee on Irrigation and Reclamation, June 15, 1960, page 105. It is quite true that the Solicitor of the Department of the Interior indicated that the then proposed sale of secondary energy to Pacific Gas & Electric Co. at Yamsay, Oreg., or at the Oregon-California border, would not establish any preference rights to power sold under that contract over any Bonneville customer in the Pacific Northwest. The conclusion also is correct, but contrary to the implication now sought to be made, it is not inconsistent with the regional solicitor's opinion.

The distinction lies in the matter of access to the interconnecting transmission line. The regional solicitor's opinion assumed that if physical facilities for transmitting power between the two regions existed, all applicants would have access to it. The solicitor's statement referred to a sale only to Pacific Gas & Electric Co. over its own line. Such a sale by itself would establish no preference rights, but it necessarily would result in the existence of an interconnecting transmission line.

If the Pacific Gas & Electric Co. agreed either with Bonneville or with a preferred customer in California to wheel power from the Pacific Northwest to California, the preference would attach, and power sold by Bonneville to a preference customer in California could not be withdrawn for use by nonpreference customers in the Pacific Northwest. Even the vice president of Pacific Gas & Electric Co., a lawyer, agreed with that conclusion—hearings before the Senate Subcommittee on Irrigation and Reclamation, June 15, 1960, page 106.

Pacific Gas and Electric Co. stated it had no intention of entering into wheeling arrangements. Frankly, the Pacific Northwest does not desire to have the power supply of its private utilities and industries dependent upon the whim of the Pacific Gas & Electric Co. as to whether or not it will wheel power to a preference customer in California.

Obviously an interconnecting line constructed by a public body in California would give one or more preference applicants in California access to the Bonneville system, and the preference would attach to sales to such applicants over that line. It follows that whether the interconnecting transmission line is owned by the United States, a public agency or a private utility, S. 3153 is needed before sales can be made for use outside the Pacific Northwest without jeopardizing the power supply of the purchasers of more than half of the power from the Federal plants in the Pacific Northwest.

The opponents of this bill have criticized it on the alleged grounds that it is a breach of the policy of preference and priority to public bodies and cooperatives. One cannot help but have doubts concerning their motivation in donning the mantle of the protectors of the preference agencies. The defeat of this legislation, which they claim to seek on behalf of the preference agencies, actually will tend to create a monopoly. If the Pacific Gas & Electric Co. has its way, it will be either the only purchaser or in a tollgate position where it can exact a charge on all power sold to anyone else.

S. 3153 will establish a reasonable marketing area even in the light of today's technology. When the Bonneville Act became law in 1937, maximum economic transmission distance was 200 to 300 miles. Today it is 2,000 miles and its limitations no longer afford the regional protection they did in 1937. The Pacific Northwest is an exceptionally large area of 259,000 square miles by itself and would be one of the largest marketing areas of any utility in the country. The Tennessee Valley, where a marketing area has been prescribed, is only about one-third as large.

Federal and non-Federal plants in the Pacific Northwest are tied together and are operated as a single system. The plants thereby achieve the greatest capability for carrying the region's loads. Each plant helps the others in such a way that their total load-carrying capability is greater than the sum of the individual parts supplied by each plant. If energy is taken out of the region at the time it is required in the coordinated operation, the Pacific Northwest will suffer a loss greater than the individual part which is exported.

If the Bonneville marketing area is not confined to the Pacific Northwest, the situation would be chaotic to say the least. Bonneville would be marketing power throughout the western part of the country. But it could not meet the loads of so great an area. It could not meet even the loads of only the preference customers within a thousand miles of the Pacific Northwest, let alone the needs of preference customers 2,000 miles away. There just is not that much power to be developed in the Pacific Northwest. From an economic point of view it would be absurd to close an industrial plant now served by Bonneville in order to serve a new customer 1,000 or 2,000 miles away.

The marketing area proposed by this legislation was selected because it is essentially a large river basin and makes economic sense. Despite its size, it is one Bonneville can continue to serve economically and yet not be spread so thin that it could do no one any good.

The expansion of the marketing area to the western half of the United States would result in a tremendous loss to the Government, to the ratepayers, to the Pacific Northwest and to the people and industries whose jobs and investments depend upon power from the Federal system. The United States has invested over $500 million in the Bonneville transmission system. It has been designed and constructed to integrate the Federal plants and to carry their power to the load centers of the Pacific Northwest. If the power from the Columbia River plants were to be sold only to public agencies in the western half of the United States, a great deal of the present transmission system would not be required or used. The investment would be an economic waste, the bill for which would be presented to the ratepayers.

Industrial plants receiving direct service from Bonneville represent an investment of approximately $450 million. These plants employ more than 40,000 Pacific Northwest citizens, directly or indirectly. This huge investment and these jobs are dependent upon a continuation of their Federal hydroelectric power supply. Closing these plants in order to serve preference customers a thousand or more miles away does not make economic sense.

There is nothing new in the proposal for a regional marketing area. The precedents Congress has established in the past were brought out in the debate, and I will not repeat them here. But I must observe how short the memory of some people appears to be. Just a few years ago some of the opponents of this bill were arguing that the TVA marketing area should be established by Congress. I do not recall their opposing that action because it would deprive preference customers outside that area of their right to receive TVA power—power from plants that were built with money from all taxpayers throughout the country. Actually, they opposed the extension of TVA power to additional municipalities and cooperatives. They were doing their best to convince the Congress it should limit TVA's marketing area.

The opponents of the legislation charge that its supporters have confused the issue. Just the reverse is true. The opponents seek to keep the situation so confused that Bonneville will remain constantly in financial difficulty. They criticize the deficits that have been incurred recently but they rush to block every move which Bonneville proposes to improve its operation and financial position.

If this country is to advance and realize its full potential, reasonable solutions for its power problems must be found. The Nation cannot afford disputes between factions in the power segment of our economy—factions who, in order to achieve ideological gains, would sacrifice benefits such as those this bill seeks to make possible. The United States is falling behind in power technology. Other countries, including Russia and those in the Common Market area, have advanced far beyond us in the integration of their generating plants and the development of lower cost, extra high voltage, transmission systems. We cannot afford the luxury of ideological opposition at the expense of economic progress.

Everyone should examine carefully this legislation and the record that has been developed concerning it. That study will disclose that this bill will not harm anyone. It will help to stop the inexcusable waste of power and dollars now flowing into the Pacific and at the same time will benefit everyone by providing lower costs and greater revenues and by saving exhaustible resources. I commend the bill to my colleagues in the Congress, and urge that they join in achieving its enactment.

LUNCHEON WITH MEXICAN TEACHERS

Mr. MORSE. Mr. President, today I, and several of my colleagues including members of the American Republics Affairs Subcommittee of which I am chairman, had the great pleasure and opportunity of lunching in the Foreign Relations Committee room with the Mexican Ambassador, His Excellency Antonio Carrillo Flores, and 12 representatives of the Mexican Teachers Association, headed by Mr. Alberto Larios Gaytan, general secretary of the Mexican Teacher's Professional Association.

Mr. Larios and his party are visiting the United States for a 5-week period under the program of the Inter-American Education Foundation. The tour began with a visit to New York, including the United Nations; they are spending 3 days in Washington; they will tour the United States until October 19.

The Inter-American Education Foundation, under the presidency of Mr. John E. Penery, Jr., has as its purpose the development of programs designed to bring critically needed better understanding between the peoples of the American Republics. Under the program the educators who are brought to the United States for short-term visits are selected on the basis of their ability to influence the broadest coverage of students in their home area, and from their records and reputations in their educational organizations and programs.

I was most favorably impressed with the outstanding group whom we met today. I am sure as they travel in the United States they will gain a personal understanding and friendship of our people from what they see and hear, with a corresponding development of understanding and friendship on the part of the people they meet here.

We had a very interesting and heartening discussion with Mr. Larios and his group. I wish them well.

I ask unanimous consent that there be printed at this point in the RECORD a list of the members of the visiting group, along with an indication of the position held by each member.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

REPRESENTATIVES OF THE MEXICAN TEACHERS ASSOCIATION—NAME AND PRESENT POSITION

Larios Gaytan, Alberto: Elementary school teacher, teacher in a technological school. General secretary of the Mexican Teacher's Professional Association.

Benitez, Roberto: School supervisor in the State of Michoacan. Recording secretary in the national committee.

Calderon, Victor O.: High school teacher and principal of a private high school.

Contreras Duenas, Luis: Primary school principal in Mexico City. Assistant to Prof. Alberto Larios Gayton, general secretary of the national committee.

Espinosa, Aurora: Elementary school teacher.

Espinosa, Dr. Javier: Physician. Representative of the national committee to the social security (for Government employees).

Hernandez, Amador: Elementary schools supervisor and secretary in charge of economical problems in the national committee.

Robledo, Edgar: Private secretary to Professor Larios.

Sanchez, Felipe: Teacher of literature. President of the promotions commission for high school teachers.

Verdugo, Ernesto: Principal of a school of technology.

Zavaleta, Sara: Teacher of literature in the National Teachers College. Secretary of relations in the national committee.

Duenas, Hector: Legal adviser for SNTE. Representative on the ISSTE (social security for Federal employees of all categories).

Penery, John E., Jr.: President of the Inter-American Education Foundation, Inc., of Lemon Grove, Calif.

Penery, John E., III: Assistant to the president of the Inter-American Education Foundation.

SOUTHERN UTE INDIAN RESERVATION EXCEPTED FROM 25-YEAR LEASE LIMITATION

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar 2135, Senate bill 3714.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the bill (S. 3714) to amend the act of August 9, 1955, for the purpose of including the Southern Ute Indian Reservation among reservations excepted from the 25-year lease limitation was considered, ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the second sentence of section 1 of the Act of August 9, 1955 (69 Stat. 539), as amended

(25 U.S.C. 415), is hereby further amended by deleting the words "and on" and inserting in lieu thereof the words ", the Southern Ute Reservation, and".

Mr. MANSFIELD. Mr. President, enactment of Senate bill 3714 is to permit Indian lands on the Southern Ute Reservation to be leased for business and various other purposes for a term of 99 years or less instead of, as at present, for 25 years with right of renewal for an additional 25 years. Grazing leases, if any, will continue to be for a term of 10 years or less.

NEED

Enactment of S. 3714 will encourage the type of commercial development which, it is expected, will materialize on the Southern Ute Reservation following construction of Navajo Dam and Reservoir, a project which was authorized several years ago and is now under construction. Some of the sites upon which development is anticipated adjoin land included in the reservoir. Potential business firms insist on having sufficiently long leases to justify the construction of substantial buildings and improvements and to permit borrowing of funds for this purpose. Many lending agencies are unwilling or unable to negotiate with lessees under present leasing limitations.

H.R. 8113 extends to the Southern Ute Reservation 99-year leasing provisions which have already been made applicable to the Agua Caliente, Navajo, Dania, and Colorado River Reservations.

Assurance was given by Interior Department representatives that the Secretary will not approve full 99-year leases in any case in which a shorter term would be in the best interests of the Indians concerned.

DISPOSITION OF JUDGMENT FUNDS OF CHEROKEE NATION

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 2137, House bill 11590.

The motion was agreed to; and the Senate proceeded to consider the bill (H.R. 11590) to provide for the disposition of judgment funds of the Cherokee Nation or Tribe of Indians of Oklahoma, which had been reported from the Committee on Interior and Insular Affairs with an amendment on page 4, line 2, after the word "fund", where it appears the second time, to strike out "first, but there are authorized to be appropriated not to exceed $500,000 to reimburse the judgment fund and the interest fund." and insert "first.".

Mr. MANSFIELD. Mr. President, I ask unanimous consent that a portion of the report having to do with the purpose and need for this measure be printed at this point in the Record.

There being no objection, the excerpt from the report (No. 2173) was ordered to be printed in the Record as follows:

PURPOSE

The principal purpose of H.R. 11590 is to provide for the per capita distribution of an appropriation heretofore made in satisfaction of a judgment awarded the Cherokee Tribe of Indians of Oklahoma by the Indian Claims Commission.

NEED

The fund to be distributed amounts to nearly $14,800,000 minus attorneys' fees and expenses which have yet to be determined and approximately $1,400,000 which is being held to satisfy possible offsets which may be due the United States. About 42,000 enrollees or their heirs are potentially entitled to share in the distribution. The net amount available for distribution will thus average about $283 for each enrollee. (Such part, if any, of the amount set aside for offsets and expenses as is not so used will be available for tribal use in accordance with general law.)

Enactment of H.R. 11590 is needed to simplify distribution problems, to eliminate the necessity of distributing shares which are so small as not to warrant the expense involved, to free recipients of distributive shares from the possibility of income tax liability, and to limit the effects which the distribution might otherwise have on social security eligibility.

The bill provides that proportional shares of deceased heirs amounting to $10 or less shall not be distributed and that no inherited share amounting to $5 or less shall be paid. Such shares will revert to the tribe. This provision is in recognition of the fact that the cost of distributing very small shares to a large number of persons would be unwarrantably great. The reverted shares, together with interest and income therefrom, may be used in any manner recommended by the principal chief of the tribe and approved by the Secretary of the Interior.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time and passed.

CONSERVATION OF ANTHRACITE COAL RESOURCES

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 2139, House bill 4094.

The motion was agreed to; and the Senate proceeded to consider the bill (H.R. 4094) to amend the act of July 15, 1955, relating to the conservation of anthracite coal resources.

Mr. MANSFIELD. Mr. President, House bill 4094 would amend Public Law 162, 84th Congress—69 Stat. 352—by broadening the Federal-State program authorized by it to include filling or sealing abandoned anthracite coal mines in Pennsylvania. The present law authorizes only drainage of such mines on a matching funds basis.

Mr. President, I ask unanimous consent that additional material covering the background and purpose of this measure be printed at this point in the Record, in connection with my remarks; also, I point out to the Senate that no new appropriations are required.

There being no objection, the excerpt from the report (No. 2175) was ordered to be printed in the Record, as follows:

PURPOSE OF MEASURE

H.R. 4094 would amend Public Law 162, 84th Congress (69 Stat. 352), by broadening the Federal-State program authorized by it to include filling or sealing abandoned anthracite coal mines in Pennsylvania. The present law authorizes only drainage of such mines on a matching funds basis.

Federal funds for the program are authorized under the 1955 act: the present legislation to amend that act would expand their use to meet a critical situation which threatens public health, public safety, and the loss of substantial natural resources.

BACKGROUND OF LEGISLATION

The act of July 15, 1955, above cited, variously known as the Mine Dewatering Act and the Anthracite Mine Water Control Act, authorized Federal participation with the State of Pennsylvania in a program for control and drainage of water in anthracite coal mines. The act set forth the following policy declaration:

"It is hereby recognized that the presence of large volumes of water in anthracite coal formations involves serious wastage of the fuel resources of the Nation, and constitutes a menace to health and safety and national security. It is therefore declared to be the policy of the Congress to provide for the control and drainage of water in the anthracite coal formations and thereby conserve natural resources, promote national security, prevent injuries and loss of life, and preserve public and private property."

Federal appropriations, to a maximum of $8.5 million, on a matching funds basis with the State, were authorized for drainage of the mines. The committee was informed, however, by both Senators Clark and Scott at its hearings, as well as by Interior Department officials, that the provisions of the 1955 act are not broad enough to accomplish the declared congressional purpose.

Sealing or filling of underground mines and leveling and filling of open pit mines on the surface have been found to be necessary, in addition to drainage. Subsidence of the surface as a result of underground mining in certain areas already has become a clear and present danger; much larger areas are threatened.

Also, important water resources are being polluted through acid mine drainage. Attention is directed to the report of the Department of Health, Education, and Welfare on the Senate bills, set forth in full below.

Still another serious aspect of the situation is that of mine fires, the hazards of which are fully as great in the anthracite fields as in the bituminous, if not greater. Such fires constitute a menace to life and property, and result in the loss of an irreplaceable natural resource.

NO NEW APPROPRIATIONS REQUIRED

The committee is convinced that enactment of H.R. 4049 would assist materially in meeting the increasingly critical situation in the anthracite areas. No new appropriations of Federal funds are anticipated to be required. There presently are available approximately $10 million in the fund established by the joint Federal-State program—$5 million from Pennsylvania and $5 million from the Federal Government. The committee was informed that this amount, already appropriated and available, will go a long way toward solving the more critical aspects of the problem.

The situation with which H.R. 4049 deals is peculiar to the anthracite fields in Pennsylvania. Highly developed areas are threatened with destruction, public health and safety in a populous region of our country are endangered, and the loss of substantial reserves of an important natural resource imminent unless the program envisioned by the bill is put into effect. In the emergency, the committee believes that the expansion of the basic Anthracite Conservation Act is amply justified.

It should therefore be emphasized that the committee does not regard this as a precedent for similar legislation in other areas or in other States unless equal need and equal participation by the States involved are shown.

The **PRESIDING OFFICER**. If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill (H.R. 4094) was ordered to a third reading, was read the third time, and passed.

WAIVER OF CERTAIN TIME LIMITATIONS IN CHAPTERS 33 AND 35 OF TITLE 38, UNITED STATES CODE

Mr. YARBOROUGH. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 2697.

The **PRESIDING OFFICER** laid before the Senate the amendments of the House of Representatives to the bill (S. 2697) to waive certain time limitations prescribed in chapters 33 and 35 of title 38, United States Code, in the case of certain veterans and eligible persons ordered to active duty with the Armed Forces, or whose period of duty with the Armed Forces was involuntarily extended, on or after August 1, 1961, which were to strike out all after the enacting clause and insert:

That section 1613 of title 38, United States Code, is amended by inserting "(a)" immediately before "No", and by adding at the end thereof the following new subsection:

"(b) In computing the three-year period referred to in section 1612(a) of this title and the eight- and five-year periods referred to in subsection (a) of this section, the Administrator shall disregard in the case of any eligible veteran any period of active duty performed by such veteran, before August 1, 1962, pursuant to (1) a call or order thereto issued to him as a Reserve after July 30, 1961, or (2) an extension of an enlistment, appointment, or period of duty with the Armed Forces pursuant to section 2 of Public Law 87–117."

Sec. 2. (a) Section 1712(a) of title 38, United States Code, is amended by redesignating paragraph (4) as paragraph (5), and by striking out paragraph (3) and inserting in lieu thereof the following:

"(3) if the death of the parent from whom eligibility is derived occurs after the eligible person's eighteenth birthday but before his twenty-third birthday, then (unless paragraph (4) applies) such period shall end five years after the death of such parent;

"(4) if he serves on duty with the Armed Forces as an eligible person after his eighteenth birthday but before his twenty-third birthday, then such period shall end five years after his first discharge or release from such duty with the Armed Forces (excluding from such five years all periods during which the eligible person served on active duty before August 1, 1962, pursuant to (A) a call or order thereto issued to him as a Reserve after July 30, 1961, or (B) an extension of an enlistment, appointment, or period of duty with the Armed Forces pursuant to section 2 of Public Law 87–117); however, in no event shall such period be extended beyond his thirty-first birthday by reason of this paragraph; and".

(b) Section 2 of Public Law 86–236, and section 5 of Public Law 86–785, are each amended by inserting "(a)" immediately before "In the case of", and by adding at the end thereof the following:

"(b) In computing the five-year period prescribed in subsection (a), the Administrator of Veterans' Affairs shall disregard all periods of active duty performed by such individual before August 1, 1962, pursuant to a call or order thereto issued to him as a Reserve after July 30, 1961, or pursuant to an extension of an enlistment, appointment, or period of duty with the Armed Forces pursuant to section 2 of Public Law 86–117."

Sec. 3. Paragraph (26) of section 101 of title 38, United States Code, is amended (1) by striking out "Reserves" and inserting in lieu thereof "Reserve", and (2) by striking out "members" and inserting in lieu thereof "a member".

Sec. 4. Section 624(b) of title 38, United States Code, is amended by striking out "temporarily".

Sec. 5. Section 230 of title 38, United States Code, is amended by adding at the end thereof the following:

"(c) The Administrator is authorized to establish and maintain an office in Europe, at such location as he deems appropriate, to render technical advice and assistance in the administration of veterans' programs in that area."

Sec. 6. (a) The text of section 235 of title 38, United States Code, is amended by inserting "or to the Veterans' Administration office established in Europe pursuant to section 230(c) of this title" immediately after "Republic of the Philippines" both places it appears.

(b) The catchline of section 235 of title 38, United States Code, and item 235 of the analysis of chapter 3 of title 38, United States Code, are each amended by striking out "in the Republic of the Philippines" and inserting in lieu thereof "at oversea offices".

And to amend the title so as to read: "An Act to amend title 38, United States Code, to provide an extension of the period within which certain educational programs must be begun and completed in the case of persons called to active duty during the Berlin crisis, and for other purposes."

Mr. YARBOROUGH. Mr. President, I move that the Senate concur in the House amendments to S. 2697 with an amendment which I now send to the desk.

The **PRESIDING OFFICER**. The amendment of the Senator from Texas will be stated.

The Chief Clerk. It is proposed:

On page 4, after line 8, of the House engrossed amendments, to insert a new section as follows:

Sec. 7. (a) Section 1502(a) of title 38, United States Code, is amended to read as follows:

"(a) Every veteran who is in need of vocational rehabilitation on account of a service-connected disability which is, or but for the receipt of retirement pay would be, compensable under chapter 11 of this title shall be furnished such vocational rehabilitation as may be prescribed by the Administrator, if such disability—

"(1) arose out of service during World War II or the Korean conflict; or

"(2) arose out of service after World War II, and before the Korean conflict, or after the Korean conflict, and is rated for compensation purposes as 30 per centum or more, or if less than 30 per centum is clearly shown to have caused a pronounced employment handicap."

(b) The first sentence of section 1502(c)(3) of title 38, United States Code, is amended to read as follows:

"(3) Vocational rehabilitation may not be afforded to a veteran on account of post-World War II service after nine years following his discharge or release; except vocational rehabilitation may be afforded to any person until—

"(A) August 20, 1963, if such person was discharged or released before August 20, 1954, or

"(B) Nine years after the date of the enactment of this subparagraph if such person is eligible for vocational rehabilitation by reason of a disability arising from service before such date of enactment, but either after World War II, and before the Korean conflict, or after the Korean conflict."

(c) Section 1502(c)(4) of title 38, United States Code, is amended (1) by striking out "Korean conflict service" and inserting in lieu thereof "post-World War II service"; and (2) by striking out "his service during the Korean conflict" and inserting in lieu thereof "such service."

(d) Section 1502(d) of title 38, United States Code, is repealed.

Mr. YARBOROUGH. Mr. President, sections 1, 2, and 3 of the House amendments are identical in purpose to the provisions contained in S. 2697 which was passed by the Senate on March 29, 1962. As Senators will recall, these provisions preserved the educational rights of reservists and National Guardsmen called to active duty last year in connection with the Berlin crisis.

The other parts of House amendment sections 4 through 6 involved two substantive proposals, both of which have been approved and recommended by the Veterans' Administration. The American Legion, AMVETS, Veterans of Foreign Wars, and the Disabled American Veterans have also expressed their approval.

Section 4 of the House amendment authorizes hospital and medical care for service-connected disabilities of eligible veterans who are U.S. citizens residing abroad. Present law authorizes such care only for eligible veterans temporarily sojourning or residing abroad.

Since the hospital and medical care program is already operative for veterans residing or sojourning abroad temporarily, no new administrative problems would result from the amendment. In fact, the amendment would eliminate the requirement under existing law of determining whether the veteran is residing abroad temporarily or permanently, which in some instances has presented administrative difficulties.

More importantly, however, as the VA has pointed out, because of the continuation of some other basic benefits, including compensation and pensions, for veterans who make their homes abroad, it is difficult to justify the present distinction between temporary and permanent residents with respect to hospital and medical care benefits.

The Veterans' Administration estimates that under the House amendment there would be an additional annual expenditure of approximately $114,000 for hospital and medical care for eligible service-connected disabled veterans.

Section 5 of the House amendment provides for the establishment of a central VA office in Europe for the administration of compensation, pension, education and training, and other veterans miscellaneous benefits.

These benefits, involving expenditures of approximately $18 million in 1961, are currently administered by a personnel force totaling 23 local employees and 6 veterans affairs officers serving as attachés or officers with rank of Foreign Service officer classification. The personnel are divided among four different offices in Frankfort, Germany, London, Paris, Rome—an arrangement that has not proved to be satisfactory.

Both the Veterans' Administration and the State Department consider it desirable to centralize in a single VA office the administration and responsibility for the payment of veterans benefits abroad. Centralization of such responsibility has already been achieved in the Philippines, the only foreign country outside of Europe where a large scale of veterans benefits are disbursed. The Philippine precedent is equally applicable to the European scene, particularly since an administrative savings should result from a single office.

Section 6 of the House amendment provides that personnel in the European office shall have the same employee benefits and privileges now afforded personnel of the VA office in the Philippines.

Mr. President, the amendment I have sent to the desk establishes a vocational rehabilitation program for post-Korean veterans; that is, men who entered service after January 31, 1955. Also covered by the amendment are individuals who served on active duty between World War II and the Korean conflict. This period falls between July 25, 1947, and June 27, 1950.

The administration and all veterans organizations have strongly endorsed this program. It has already been approved by the House in the bill H.R. 848, and also approved by the Senate Committee on Labor and Public Welfare as part of the bill S. 349. Because we are now facing an early adjournment and because of the parliamentary situation affecting the bills H.R. 848 and S. 349, Senate approval of the amendment is the most feasible means of establishing the vocational rehabilitation program this year.

I would add, also, that there is every reason to believe that the House will concur in this amendment if approved.

The program proposed by the amendment is generally patterned after similar programs established by the Congress for veterans of World War II and the Korean conflict. Its benefits are available only to veterans with service-connected disabilities who are in need of vocational rehabilitation to overcome an employment handicap resulting from such disabilities. Veterans eligible under the amendment with a disability rated at 30 percent or more would be covered on the same basis previously established for World War II and Korean veterans. Veterans with disabilities rated at less than 30 percent would be eligible, but would actually receive training only if a pronounced employment handicap is clearly shown to exist relative to the disability.

The training afforded could be at the college or below college level, in a vocational school, or in other kinds of training institutions, depending upon the needs, aptitudes, and capabilities of the individual veteran.

The cost of the bill will total $11,500,000 in 1962; $20,100,000 in 1963; $24,240,000 in 1964; and $24,180,000 in 1965. A decrease in cost will take place in 1966, of $22,980,000.

Mr. President, I strongly urge the Senate to concur in the House amendments with the amendment which I have offered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas that the Senate concur in the House amendments to S. 2697 with an amendment.

The motion was agreed to.

Mr. HRUSKA. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. YARBOROUGH. Mr. President, I ask unanimous consent that further proceedings under the quorum call be suspended.

The PRESIDING OFFICER. Without objection, it is so ordered.

PADRE ISLAND BILL SIGNED INTO LAW

Mr. YARBOROUGH. Mr. President, a few minutes ago the President of the United States signed into law the bill—S. 4—I introduced for creation of a national seashore recreational area on Padre Island, off the gulf coast of Texas.

I was honored to be present in President Kennedy's office as he signed my bill, which he had supported.

The bill provides for an 81-mile-long park on a magnificent island off the gulf coast of Texas, in the same latitude as the south Florida coast.

The signing of this bill by the President came 4 years and 4 months after I had first introduced a Padre Island park bill in June 1958, in the 85th Congress; this was followed by Senate bill 4, which I introduced in January 1959, in the 86th Congress; and by Senate bill 4, which I introduced again in January 1961, in the 87th Congress.

Thousands of people have worked for passage of this bill. For the park to be developed as planned, the concurrence of the Texas Legislature is now needed. I am confident that the Texas Legislature will accept this magnificent seashore bill and thereby win the gratitude of this and future generations of American people.

After extensive hearings both in Corpus Christi, Tex., and in Washington, D.C., in 1959, 1960, and 1961, the U.S. Senate approved my bill on April 10, 1962. It was passed by the House on September 13, and returned to the Senate where it received final congressional approval on September 18, 1962.

I am deeply pleased that President Kennedy today has signed this bill into law.

This makes a total of three seashore recreational area bills which have been signed into law by President Kennedy during the 87th Congress. Those include the Cape Cod National Seashore Area; Point Reyes, Calif.; and Padre Island, Tex.

Mr. President, prior to the swearing in of this Congress in January of 1961, there were only 265 miles of public park lands along the thousands of miles of seashores on the gulf and Atlantic coasts. Portions of those shores, in the Everglades National Park of Florida and the Acadia National Park on the rockbound coast of Maine, were not suitable for beach use. There were less than 200 miles of beaches suitable for use for bathing purposes in any kind of public parks on the Atlantic and gulf ocean shores of the United States prior to the convening of the 87th Congress. That less than 200 miles included the national parks, the State parks, the county parks, and the city parks. There were less than 200 miles of public park beach front suitable for bathing and general public recreational use in America prior to the convening of the 87th Congress.

In this one Congress we have passed three bills which have set apart more than 200 miles of the beaches of this country as public seashore recreation areas. The 87th Congress has more than doubled the available public beaches of the United States on our coasts, for use by the people of the United States.

Mr. President, the passage of the bill for the Padre Island National Seashore Recreational Area will have a favorable economic impact on the State of Texas, which welcomes visitors and is building its tourist attractions, and which now will have a gem of the Texas gulf coast to make the stay of its guests more enjoyable than ever.

But of greater importance than the economic impact on the State of Texas, preservation of this natural resource for the public is one of the fine achievements of this 87th Congress, which has shown its wisdom and foresight by passage of this bill.

The Padre Island National Seashore Recreational Area will, on completion of acquisition of the land and the development of the area, have facilities for swimming, fishing, surfing, boating, picnicking, and camping. Much of the 118-mile-long island, of course, is now in use by the public—with visitors in the hundreds of thousands some days—with access causeways on each end of the island. With the creation of this great seashore recreation area, visitors will come by the millions. There they will rest their bodies and minds, and the spirits of millions of Americans will be inspired on this sunswept, sea-washed, long barrier-reef island.

To expedite development of this highly desirable seashore area, I have initiated a request for whatever supplemental appropriation may be needed to start acquiring the land. This is especially important, since some parts of the island have been marked off by developers for sale, and delay will cause the price to go up. Fast action now on acquisition of the land will be a saving to the American people.

Before closing, Mr. President, I wish to pay tribute to the chairman of the Senate Committee on Interior and Insular Affairs, the distinguished Senator from New Mexico [Mr. ANDERSON], who held some of the hearings; to the chairman of the Public Lands Subcommittee, the distinguished senior Senator from Nevada [Mr. BIBLE], who held hearings on the bills, and to the junior Senator from Utah [Mr. Moss], who is in the Chamber today and who held the first hearing on this series of bills in Corpus Christi in December of 1959. At that time the national parks director, Mr. Conrad Wirth, said that it was the most overwhelming presentation of evidence in favor of a park and seashore area that he had ever seen.

I pay tribute to these my colleagues in the Senate for their aid on the bill, and also to the chairman of the subcommittee of the House committee, the Honorable J. T. RUTHERFORD.

I pay tribute to a county judge in Texas, Judge Oscar Dancy, of Brownsville, who has served for 39 years as a county judge of Cameron County, Tex., who spent nearly $3,000 out of his own pocket during the past 12 months in trips to Washington, D.C., to gain support for this seashore area. He paid this money from his salary, filed no vouchers with the county for expenses, and did not seek reimbursement for his expenses incurred on behalf of Padre Island. He is one of the great citizens of our State. He is one of the great public officials of our State. He is more than 80 years of age, and has served 39 years as a county judge. He supported public development and use of this area, which had received adverse publicity, with respect to which people were hostile, and almost singlehandedly he changed public opinion and gained support for the proposal.

Full credit is due the Honorable Stewart Udall, Secretary of the Interior. Without his aid, counsel, and hard work in conciliating differences, in my opinion the bill would not have passed today.

Mr. President, I ask unanimous consent that the following editorials be printed in the RECORD: "Padre Island," from the San Antonio Light of Saturday, September 22, 1962; "Final Victory on Padre Island," from the Beaumont Enterprise of Thursday, September 20, 1962; "Padre Island Victory," from the Beaumont Journal of Thursday, September 20, 1962; "Bright Record," from Labor, of Saturday, September 29, 1962; "Padre Island Park Approved," from the Houston Chronicle of Friday, September 14, 1962; and "State Approval Urged for Padre Park Plan," from the Corpus Christi Caller-Times of Thursday, September 20, 1962.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the San Antonio (Tex.) Light, Sept. 22, 1962]

PADRE ISLAND

Congressional approval of the bill creating an 80-mile park on Padre Island is good news for Texans and a feather in the cap of Senator RALPH YARBOROUGH.

The park, it is reported, will have 47,000 acres of land that is not normally affected by tides.

We may reasonably expect that the National Park Service will provide a simple road system between the causeways, plus boating, fishing, and picnicking facilities.

Senator YARBOROUGH has properly described the need for Padre park as part of the "pressing need for more recreation areas for this fast-growing population."

The island has been preserved for the public through the action of Congress, when it might have been commercialized by private developers. Good.

[From the Beaumont Enterprise, Sept. 20, 1962]

FINAL VICTORY ON PADRE ISLAND

We hail final congressional action on a bill creating an 81-mile-long national seashore on Padre Island. It is a great victory for the cause of conservation, the long finger of land off the Texas coast being the last unspoiled seashore area left in this country.

Assurance of its preservation for the edification and recreation of this and future generations is especially gratifying to Texans. Many of our people and all the Democratic Members of our delegation in Congress have worked hard for establishment of the national seashore.

To each and every one of them we express sincere thanks.

Some day the whole Nation will do the same.

[From the Beaumont Journal, Sept. 20, 1962]

PADRE ISLAND VICTORY

Texas is better off, we think, as a result of congressional agreement on a measure to create the Padre Island National Seashore Area off the State's gulf coast.

When developed, the benefits will begin pouring in with out-of-State visitors as well as from Texas citizens themselves who need a seashore area of this sort in which to shake the dust out of their boots and generally enjoy themselves.

Congressional approval can be credited largely to the considerable efforts of Senator RALPH YARBOROUGH. He will be thanked by future generations.

[From Labor, Sept. 29, 1962]

NEWS OF CONGRESS—BRIGHT RECORD

In at least one legislative field, this 87th Congress has written an exceptionally bright record. It was completed last week when the Senate and House passed a bill to create a Padre Island (Tex.) National Seashore. This is the third one approved by Congress in its sessions this year and last year.

The other two set aside for perpetual public use seashore areas on Cape Cod, Mass., and Point Reyes, Calif. In all previous history, only one had been created, on the Hatteras Islands, and the land for that was donated by North Carolina instead of bought by Uncle Sam.

Senator RALPH YARBOROUGH, Democrat, of Texas, chief Senate sponsor of the Padre Island bill, pointed out that it will save for the enjoyment of the American people an 80-mile stretch of an island off the Texas coast, despite bitter opposition by local real estate interests. The new national park will contain 47,000 acres of land, long sandy beaches, and "mixed land and water areas."

However, the Government will not try to buy the oil deposits under the island, both because they would be too expensive and because of a reason pointed out to the House by Congressman J. T. RUTHERFORD, Democrat, of Texas, floor leader for the bill.

"You know Texas oil," he said, "don't touch." In other words, if the opposition of the oil magnates had not been mollified, there would be no Padre Island National Seashore for the people.

[From the Houston Chronicle, Sept. 14, 1962]

PADRE ISLAND PARK APPROVED

The House of Representatives, by an overwhelming 256 to 87 vote, has approved a national park at Padre Island.

A sensible and highly desirable proposition, the park will help conserve a strip of Texas coast in real danger of commercial erosion, give Texans a fine place to vacation, and help draw tourists to the State.

The House bill matches in essentials another version pushed through the Senate by Senator RALPH YARBOROUGH. The bills differ on the length of the park (81 miles, House; 88 miles, Senate) and on amount of appropriation for acquisition and development ($5 million, House; $4 million, Senate).

These are minor differences, easily compromised. Every indication is for speedy approval by the Texas Legislature, which will have an opportunity to act when it meets in January. A Padre Island National Park should find few opponents there.

The National Park Service, which will build and administer Padre, has a long and distinguished record, and is not in any sense political. Texas has lagged behind other Southwestern and Western States in park facilities.

We're delighted the National Park Service wants to develop Padre Island. The sooner the better.

[From the Corpus Christi Caller, Sept. 20, 1962]

STATE APPROVAL URGED FOR PADRE PARK PLAN

South Texans especially have reason to be thankful that the Senate gave final approval Tuesday to the creation of a Padre Island National Seashore. President Kennedy is expected to sign the bill, for it is a measure which had his support, as well as that of President Eisenhower before him.

The history of the movement for establishing a Padre Island seashore has been relatively brief. The first bill on the subject was introduced June 27, 1958, by Senator RALPH YARBOROUGH. In contrast the Cape Cod seashore was in and out of Congress for almost 20 years before it was finally approved by this Congress.

But the battle for the Padre Island seashore is by no means won. Its supporters cannot afford to rest on their oars, for the most important immediate task is to create a favorable climate for State approval for the Federal plan. Every effort must be made to insure early consideration and passage of a resolution endorsing the seashore in the 58th legislature.

Most Texans, however, must have glimpsed already the potential benefits of Federal seashore designation of 80.5 miles of Padre Island. It is true that the benefits will not be realized immediately, since land surveys and land acquisition may consume many months. But the National Park Service plans to spend $3 million in improvement of the seashore during the first 5 years, exclusive of land and other costs.

There will be tourist magic when new maps identify the major portion of Padre Island as a national seashore. Visitors from every State in the Union will be attracted to the magnificent beaches and the long sweep of dune and shell. First-class tourist courts and other facilities for visitors will spring up at both ends of the seashore area. Corpus Christi at the north end and Brownsville at the south end will share a substantial new boom in the tourist industry.

Sponsors of the Padre Island seashore, after many disappointments, are about to realize their goal. No discussion of the history of the plan is complete, however, without reference to the work done by Senator YARBOROUGH, Representatives JOHN YOUNG, of Corpus Christi, and JOE KILGORE, of McAllen—any one of them could have prevented passage of the bill. Congress demonstrated once again that legislation in the national interest can be passed as long as reasonable men are willing to compromise.

TEXAS MISSION PILOT FLIES MERCY MISSIONS IN CONGO

Mr. YARBOROUGH. Mr. President, one of my fellow Texans, Mr. Paul Alexander, of Conroe, in Montgomery County, is a layman airplane pilot for the Methodist missions in south-central Africa.

During a visit with him in my Washington office this summer, I had the opportunity to learn something of Mr. Alexander's extraordinary intelligence, as well as of the life he leads as a dedicated Christian with a dangerous and highly interesting duty.

I heard Mr. Alexander describe firsthand his adventures in flying supplies to the Methodist missions in the Congo, from Katanga, and to other areas, where his plane was fired upon, where it was seized by contending Congolese forces, and also interfered with by the United Nations forces.

I did not have the privilege of seeing Mr. Alexander last year when I went to the Congo, but of hearing of his exploits. He came home this year to see his son graduate from high school in Conroe, Tex. I had an opportunity then to visit with him, but I have received letters from him from Katanga for about 2 years. I had met him years ago in Texas before he decided, as a successful businessman, to become a missionary pilot for the Methodist missions in Africa.

Mr. President, I ask unanimous consent that the article describing Mr. Alexander, entitled "Meet a Mission Pilot," with the subtitle "Some of Paul Alexander's Flying Troubles Are Caused by Politics—Some by the Nature of Africa," written by Charles W. Keysor and published in the Methodist Layman for August 1962, may be printed in the RECORD, together with the article entitled "A Bush Pilot's Thoughts," written by Paul Alexander.

I quote one sentence:

> I have been the Lord's copilot. He guides, and I work the controls for him.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

MEET A MISSION PILOT—SOME OF PAUL ALEXANDER'S FLYING TROUBLES ARE CAUSED BY POLITICS—SOME BY THE NATURE OF AFRICA

(By Charles W. Keysor)

(An editor and writer, Charles Keysor has recently answered the call to the ministry and is studying at Garrett Theological Seminary in Evanston, Ill.)

The sign up ahead read, "Elephants Have the Right of Way." Of course they did. Paul Alexander squinted through the windshield of his Volkswagen, then looked nervously into the jungle on either side of the narrow road. Elephants, he thought. What if one should come along? My little car wouldn't stand a chance.

Before this discomforting thought had subsided, the mission pilot shifted gears and roared on down the bumpy jungle road. Of all the surprises he'd met in Africa, this was about the strangest. For elephants really did have the right-of-way out there in the bush.

Paul Alexander could smile—he is getting used to surprises after these exciting months in Africa. For his life has become a series of frights, delights, and challenges—all made keener by the ever-present sense of danger which haunts the jungle pilot. Many wonderful things have happened to this voluntary mission flier since the day he had said "yes" to the quiet, persistent voice that beckoned him to full-time missionary service.

Since this layman began putting his piloting experience to work for the Methodist mission in Africa his days and nights have never been dull. His light plane may carry oil drums, crates of chickens, or visiting bishops. And death is constantly on the waiting list for passage. Warfare between African soldiers of Katanga Province and the United Nations' police force has threatened more than once grounding the missionary plane.

On Sunday afternoon, last March 19, as he taxied to a stop at Sandoa State Airport in Katanga Province, a surly group of African soldiers crowded about the plane. Their threatening voices, backed by waving guns, underscored the command: "Give us the keys to your plane." Alexander got permission to finish making out his logbook, while soldiers waited impatiently outside. This gave him a moment to sneak out of his pocket an old key on a string which was given to the leader of the soldiers. This satisfied them. Later that day, when order had been restored, the authorities apologized, freed Alexander, and returned the worthless key.

U.N. bombing and strafing of rail lines and facilities in Katanga often have reduced Alexander's gasoline to the danger point. But somehow the persuasive pilot always has been able to scrounge enough fuel to keep flying, despite the unrest and the fighting which turned Katanga into a cauldron of violence and international intrigue.

But Paul Alexander's worst problems are caused not by politics but by nature. For one thing, it seems as if every possible landing place in central Africa is cluttered with anthills as much as 25 feet high.

"Even a 1-foot-high anthill could be the deciding factor in wrecking a $20,000 airplane," Alexander says. Lacking bulldozers to clear away anthills, some remote landing strips are simply pathways curved out between the towering ant apartment houses.

Describing a hair-graying takeoff from one such field at the Sandoa mission, Alexander recalls, "The Cessna 180 gathers speed, and we sway along between the anthills—our wingtips barely clearing. We struggle into the air, groaning under a full load of cargo, and we stagger upward with just enough power to clear the mango trees looming at the end of the so-called runway.

"If a cardiogram were taken of this mission pilot's heart during this takeoff, it would resemble a graph of the recent stock market antics. The pilot knows only too well what could happen if a couple drops of water tried going through that carburetor just at the critical moment."

Incidents such as this are routine for Paul Alexander's "pony express" airline. And the pilot recognizes the hand of God in his every operation. "I have been the Lord's copilot," he says humbly. "He guides, and I work the controls for Him."

Describing himself as "solely in the category of a layman whom the Lord has had under conviction," Alexander has learned to live by the Apostle Paul's philosophy: "Whether I live or die, I am the Lord's." So worries about the next hazardous takeoff or the tropical storm growling on the horizon never really unnerve Paul Alexander.

Just as faith keeps the "pony express" airline going, so it was responsible for Paul Alexander's surprising decision to go to Africa in late 1960.

Alexander and his family had returned from a 3-month trip to Europe in September. "I had a terrific turmoil inside me about the affairs I had seen that summer," he recalls. "Since the Lord had singularly saved my life during a tour as an Air Force instructor in World War II, I had reminded Him that I was His when He saw the need for my services. I felt I had something to offer in mechanical maintenance in some field of the Lord's endeavor. So I talked with Bishop A. Frank Smith."

The bishop directed Alexander to Rev. Eugene L. Smith, head of the world missions division of the Methodist Church. From the bishop's house in Texas, Alexander made an appointment with Dr. Smith.

"You do fly, don't you?" the missions executive asked at a breakfast meeting with Alexander 4 days later. "Dr. Smith laughed almost hysterically when I began to tell him about my nearly 30 years of flying experience," recalls Alexander.

"Paul, you won't believe this," explained Smith. "But just yesterday Bishop Booth called me from Katanga urging that we get an airplane and an experienced pilot for the central Congo. Two hours after I got that phone call, Bishop Raines called to say he had just gotten back from the Congo. He told of the urgent need for flying service there and said his conferences would buy an airplane if only I could find a mission-minded pilot.

"I worried and lost some sleep last night about where I could find such a pilot. Finally, I told the Lord that I was going to leave it all to Him. That was just last night, and here you come this morning saying 'Here I am, Lord, send me.' Now, a newspaper reporter would say that this was mere coincidence. But you and I know, don't we?"

Three months later, Alexander and the new missionary plane arrived in the Congo, 15,000 miles from home. As the difficulties and challenges increased, it became more and more evident that God's steadying hand did, indeed, lie beneath and behind every phase of the airborn "pony express" and its gray-haired pilot.

More than once takeoffs from missionary airstrips were menaced by gun-toting soldiers made trigger happy by a tense and confused political situation. At such times, Paul Alexander admits he has more than once prayed for a rainstorm that would drive the soldiers under cover long enough to permit a takeoff.

"What fools these mortals be to take off in a rainstorm from mission airstrips," confesses Alexander. "But the mission pilot often finds this like the pig that climbed the tree: he had to because the dog was after him."

A less serious crisis came when an African stumbled across a large snake. "The snake was minding his own business," says Alexander, "when he discovered an African casting covetous eyes at him. Not only was he casting covetous eyes, but rocks and anything he could find at the fleeing snake."

The reptile tried to escape into an ant hill, but the African grabbed the scaly tail and began pulling. Suddenly, as the snake slipped out of the anthill, man and snake tumbled backward onto a 2,200-volt electric powerline.

The missionary arrived on the scene to see the screaming African transfixed, and holding onto the tail of the snake which was, in turn, transfixed to the high-tension line. Although his physical form was hardly what it was when he played high school football, Alexander successfully threw a flying tackle which separated the African from his scaly playmate.

Danger greater than this is faced every time a bush pilot lands his plane. Africans love to watch airplanes, and the closer they can get the better.

"Africans who have seldom or never seen a plane have absolutely no conception of the sudden killing power of a whirling propeller, says Alexander." So experienced bush pilots never come down on a strip if a crowd of people is near the middle of the landing area. If anyone should run out in front of the plane, the pilot cannot take off again (not enough speed) and he can rarely avoid chopping the unwary African to bits.

"How great Thou art," he has often exclaimed, looking from his cockpit over God's vast green jungle stretching away to the horizons. How often this devout layman has meditated on the truth of Isaiah's message, which seemed to be written just for him and his one-man airline: "They who wait for the Lord shall renew their strength, they shall mount up with wings like eagles, they shall run and not be weary, they shall walk [or fly] and not faint."

The adventures of Paul Alexander, the Lord's copilot, could fill a book. Should he ever write one, the central theme will surely be "How Great Thou Art." For the providence of God has truly been the fuel, the carburetor, and the magneto of Paul Alexander's airborne "pony express." This experience in Africa has convinced this high-flying Texas layman that God sustains us and blesses each of us with new experiences to the extent that we are willing to trust in His guidance and to depend on His providence.

A BUSH PILOT'S THOUGHTS

(By Paul Alexander)

A mission pilot quickly develops enormous earlobes that make him look like a Zulu warrior. At least, he feels they are because he is straining constantly in his vigil of detecting a miss in his precious engine.

Mission pilots are often asked if they don't get terribly sleepy in flying such distances over steaming jungle and bush country. This question is about as silly as the same question to a man on the gallows waiting for the trap to be sprung.

About 8 minutes away from Kanene airstrip, a rapid letdown is started from the 6,000-foot flight level. Altitude is lost rapidly enough that ears start to plug up. Suddenly there is a scream behind the pilot which nearly causes him to bail out. Then he realizes the source of this unearthly racket: "Cock-a-doodle-doo-o-o." That rooster. The mission pilot didn't even know he had a male passenger aboard. But, starting a new flock of chickens does require more than just a hen party.

It is generally felt that St. Peter will raise no questions when bush pilots approach the pearly gates; they have experienced enough trouble just getting through normal obstacles during mission flying.

Mr. YARBOROUGH. Mr. President, I am certain that those who have flown in Africa, who have seen the airfields where pilots must land in the bush at the isolated mission stations, unguarded by troops of any kind, who know the flying conditions and the risks which are run, will understand the troubles Mr. Alexander has experienced. It has been a thrilling experience to talk with him. I know Members of Congress and others who read this article will catch some of that thrill by reading the article.

MESSAGE FROM THE HOUSE—ENROLLED BILL SIGNED

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the Speaker had affixed his signature to the enrolled bill (H.R. 10) to encourage the establishment of voluntary pension plans by self-employed individuals, and it was signed by the President pro tempore.

FIRST ANNIVERSARY OF THE PEACE CORPS

Mr. HUMPHREY. Mr. President, slightly more than 1 year ago—on September 22, 1961—the President of the United States signed legislation permanently establishing the Peace Corps.

As principal author of this legislation in the Senate, I found this to be a moment of great accomplishment. In fact, few successful pieces of legislation have given me more personal pleasure.

While the idea of a peace corps was not new—for I had advocated it for several years, along with several other colleagues—it took the drama of a presidential campaign and the eloquence of the Democratic candidate to dramatize this issue in terms that captured the imagination of the entire Nation and large portions of the world. Its overwhelming support when the legislation came before the Congress further testified to the fundamental soundness of the idea.

One year has now elapsed, and I thought that something in the way of a first annual report was in order. I believe the Peace Corps has achieved some magnificent successes in 1 brief year. I believe Senators are interested in hearing of some of them.

Mr. President, I should be remiss if I did not note at this time that one of our late and departed colleagues, former Senator Richard Neuberger of Oregon, was one of the first to advocate this spendid, humanitarian and effective program known as the Peace Corps. It was my privilege to join with him and to be one of his associates in this endeavor. It stands as a living memorial to a fine, humanitarian and great Senator.

Incidentally, these remarks are also directly relevant to the foreign assistance appropriations that shortly will come before the Senate for consideration. We are aware that the Peace Corps sustained a reduction of almost $12 million in the President's request for $63,750,000.

That is the reduction in the other body. I am happy to say that the Senate Committee on Appropriations has restored the full amount for the Peace Corps.

Too often we conduct our annual debates over appropriations for foreign aid strictly in terms of dollars and cents. The debate sounds more like the directors of a large corporation attempting to decide whether or not to declare a third-quarter dividend rather than elected representatives of the United States considering the most vital subject in the world—human lives. We must, of course, consider the total sums involved; we must insist that these funds be handled wisely and well. But we must also occasionally translate these dollar amounts into the human values and human considerations that are the end products of our dollar expenditures.

It has long been my view that if the foreign aid program were translated in terms of projects of tangible accomplishments—of the effect upon the lives of the individuals concerned—we would have a much more sympathetic response to the request for foreign aid. But when we think of these great programs of foreign policy—even a program as beneficial, as humanitarian, and as well administered as the Peace Corps—terms of million or billions of dollars, it loses some of its real significance and some of its appeal.

The American people are willing to pay for good works. The American people are generous and compassionate people. They are willing to undertake the responsibilities of the dedication of certain resources of this Nation to programs and policies that build better communities and make possible better living.

Today I am going to describe some of the Peace Corps accomplishments in such human terms. I have found these accomplishments to be most impressive and compelling. As an American, I feel real pride in the work that has been done. I submit that the excellence of these results warrant a solid vote of confidence for the Peace Corps when we consider its appropriations in the coming days.

In any number of countries, the impact of Peace Corps volunteers has been profound. In Colombia, Tanganyika, and Nigeria, the first roadways, medical stations, and schoolhouses recently went up in scattered villages. The arrival of American instructors early this month in Ethiopia more than doubled the educational opportunities for schoolchildren in that country.

A newspaper in the Philippines, after making the observation that the United States frequently displays its worst side both at home and abroad, credited the Peace Corps with creating "a new American image," and added that "it is a heart-warming one."

Little more than a year ago the first Peace Corps volunteers left home. They were 51 secondary schoolteachers, bound for Ghana, a young nation important to the future of Africa but one often critical and distrustful of the United States.

It was a modest beginning and an anxious one. There were many in Ghana—not to say the United States—who doubted that the Peace Corps was feasible. They doubted that pushbutton Americans, raised in a hi-fi, superhighway culture, could even survive in primitive, out-of-the-way places, let alone do meaningful work.

When the volunteers arrived in Ghana, one of them gave a brief speech in Twi, the Ghanaian tongue. Then the group sang the Ghanaian national anthem—again in Twi. The effect was electric. Ghana's chief education officer, who had opposed the Peace Corps, let a spontaneous cheer for the Americans. Everywhere the volunteers traveled during the next few days people recognized them as the "Americans who sang our song," who had come "to learn as well as to teach." These were Americans who had taken the trouble to learn the local language before arriving. These were Americans with a sense of humility.

Officials of the Ghanaian Government were quick to notice this new type of American. This was an American who came to work within their system for them. He did not come to stand on the sidelines and supervise, to tell them how to change their system, to insist on his way of doing things. This new American did not even have PX or commissary privileges. He did not own an automobile. He came to live under the laws of the country—with no diplomatic immunity. He did not come to "convert" people to his religious belief. He did not come to make a profit out of business or to change a political system.

He was an American who came to give 2 years of his life living simply, working hard, and helping in the ordinary, everyday tasks of people who desire to make their lives—and the lives of their children—somewhat better. Not very "ugly" for an American.

These facts about the Peace Corps and its purposes were not lost upon responsible government officials in the underdeveloped nations of Asia, Latin America, and Africa. Country after country put in requests for Peace Corps specialists in everything from agriculture to zoology. In total numbers, the response was staggering.

Today, even as I am speaking now, there are nearly 2,400 Peace Corps volunteers serving overseas in 36 countries. They are working as geologists, surveyors, farmers, social workers, fishermen, diesel and auto mechanics, teachers, engineers, home economists, nurses, doctors and in many other fields.

By the end of November, the Peace Corps will have 5,000 volunteers in training or at work in 40 different countries. They come from every walk of life, representing every race, every color, every creed.

I would like to cite in human terms a few examples of just what the Peace Corps is doing.

In Colombia, for example, 100 volunteers are now engaged in community self-help programs at 55 locations. During the first 6 months of the program, 60 volunteers working out of 29 locations contacted the people in 115 villages. The villages and volunteers started work on 27 two-room schools and have 24 more planned. They are building 20 aqueducts and have 10 more to start. They have built five health centers and have started two more. They have built or started 10 sports fields, 7 bridges, and 16 roads. The volunteers have started five libraries and are teaching nine courses—in such subjects as community action, agriculture, or health—and have helped build three parks, three telephone systems, five cooperatives, and two water wells.

I submit that that is a record of achievement of which every American can be proud. I cite that record today because when the foreign-aid appropriation bill comes before the Senate, the amount provided in the bill for the Peace Corps, limited as it is, should be granted in full, in order to permit this wonderful organization to carry on its great program of action and work in the countries in which it is now stationed.

The Peace Corps has helped build houses in three areas, worked in literacy programs in four areas, helped with 4-H programs in five areas, and are engaged in reforestation, agriculture programs, electrification, farm pond construction, and health programs. They have fought a plague of red ants in one instance and have saved two lives through first aid in another. All the projects were done with the cooperation of local villagers and government and private agencies in Colombia.

I have discussed only one effort made in a single Latin American country. The Peace Corps is a strong supporting arm of what we call the Alliance for Progress.

The Peace Corpsmen and the native Colombians labored side by side.

In Nigeria, 180 volunteers are teaching between 8,000 and 10,000 secondary school students and about 500 college students.

Special activities outside regular classroom teaching include: Coaching and teaching sports; organizing science and art clubs, singing groups; and library development. At Nsukka the volunteers teach afterwork classes for the university's junior staff—clerks, janitors and so forth—in math, English, and geography. One volunteer teaches a night court in American history and government for a class of about 100 teachers, Government workers, and other professional people. Although all are teachers, the Nigeria volunteers have helped build a water tower, a dining hall at a school, latrines, and a swimming pool.

In Malaya, Peace Corps nurses are helping to solve one of the biggest problems of the Health Ministry; staffing rural clinics in the "ulu," Malaya's backwoods. The 67 Peace Corps men and women in the team in Malaya have made a dent in several vital areas, including volunteer work in a 2,500-patient leper colony.

In Tanganyika, the 36 American surveyors, geologists, and engineers are not only creating good will, but, alongside local helpers, are doing a job that a local official described as "absolutely vital." They are working on surveying the country, and developing farm-to-market roads to open up isolated hamlets, thus enabling farmers to sell their produce at good prices.

Prime Minister Rashidi Kawawa of Tanganyika paid this tribute to the volunteers:

> They have done a very good job, mixing with the people and encouraging self-help measures. We hope to get more of them.

There is no "Yankee go home" in this kind of response, but rather, "Send us more of these Peace Corps volunteers." This is the cry and this is the response from country after country.

In India, there are 76 volunteers in the agricultural training program in the Punjab. A poultry-raising training program run by 2 volunteers is reaching 200 trainees, who will, in turn, teach poultry raising in 8 to 10 villages each. Seven of the volunteers are teaching special informal classes in sheet metal work, English, welding, and workshop methods. Two are organizing youth groups with a total of 600 boys. Five show educational or recreational movies after hours for audiences of from 500 to 1,000. One volunteer has made several improvements for efficiency and safety in a local peanut oil plant.

A New York Times correspondent recently wrote from New Delhi, India:

> The image the Corpsmen create generally is that of earnest young Americans who know what they are talking about and who are not afraid to get their hands dirty. Most volunteers here are farmers and look it. As one official said: "Their heart is really in the Indian rural areas."

In Sierra Leone, the volunteer teachers are working in new schools with 80 to 100 students, and older schools with up to 600 students. In the smaller schools they have daily contact with all the students; in the larger schools their classes total about 180 students. Probably the two most important contributions the volunteers have made is a remarkable record of attendance to their duties and out-of-school contact with students—both healthy innovations.

Outside activities include: Library development; an adult discussion group studying African literature; a weekend math class; boys club work; and helping in a school for the blind. In community work the volunteers have organized a swimming and lifesaving class; helped build a new school; worked in a hospital; started a community garden; served on a government advisory board for educational TV; helped organize a fundraising auction for a school for crippled children; and started a school newspaper. Socially, the volunteers sing in a choral group; have judged beauty contests and played in a local jazz band. One volunteer was the first white person to join an African tennis club.

These young Americans are demonstrating all the vitality and wholesome energy that young Americans have demonstrated in our country.

In St. Lucia, the 15 volunteers on this tiny West Indian island can report they have contact with "everybody." One of the teachers states:

> I consider that I have indirectly taught every 12- to 13-year-old girl on the island through the weekly lesson guide I wrote for home economics.

In special Saturday and vacation classes a volunteer has taught a total of 286 teachers. The 12 agricultural workers have projects in every part of the island.

Not only do these volunteers undertake the schedule of work that is required of them as volunteers in the Peace Corps. I suppose this is what one should expect of individual volunteers in the Peace Corps. Much of what I have said today represents free-time activities, when a worker in the Peace Corps is not required by administrative directive to perform certain services or undertake certain projects.

I am proud of the fact that our Peace Corps personnel are acting as full-fledged Americans in every area of the world by engaging in voluntary activities and community projects, demonstrating what we have learned in America as a vital part of a free society—voluntary action. They do not require that they be directed. They are undertaking programs and projects because it is something they want to do. This is the expression of a free America, of individuals freely giving of their time and talents to the common good.

The volunteers teach adult education classes in the evenings and participate in all St. Lucia's public affairs. Several volunteers were members of the band that won the "band of the year" award at a recent festival. Volunteers served on the refreshment committee during the Windward Islands games. They participate in the literacy program and the nutrition program in cooperation with local and international agencies. They participate in sports, particularly basketball.

In the Philippines, the largest single Peace Corps program includes 490 teaching in schools throughout the islands. I want to emphasize that these volunteers undertake many projects in addition to their teaching responsibilities, a practice typical of volunteers elsewhere. They have organized a month-long summer "camp brotherhood" at Mambucal for 600 native boys. Others set up "little theater" groups, conducted demonstration courses on the use of fertilizer and ran summer schools.

This is just a sampling of the many activities and accomplishments of the first year. It is an impressive list. It certainly fulfills the fondest hopes of one who has kept a sharp eye on the proceedings during the past 12 months.

As I have indicated, this program has been very close to me. It has been close to my public interest and close to my private interest. I recall that when we first advanced the idea many people throughout the country said that it would never work. Others made the statement that these young Americans would only get in trouble, or that the program would mean only some kind of junket tour for hundreds of young people.

All those critics have been proved wrong, and most of them admit it. Even the critics abroad have been proved wrong, and they have admitted it. Interestingly enough, the Communist propaganda machine has viciously attacked our Peace Corps operations. The reason for it is obvious. It is because it is effective in helping other people help themselves. When people can help themselves, and know what to do for themselves, the totalitarianism of the Communist doctrine and system find no friendly reception. In other words, people who help themselves make sure that the Communist system is not imposed upon them.

While the list of activities that I have cited is impressive, one is still justified in asking: "How successfully have these many projects been executed? What sort of a job is being done?" These are questions that certainly should be asked. To discover the answers, I propose to rely on testimony supplied by persons who cannot be censored for conflict of interest: the Communists themselves. I submit that the more critical and abusive the Communists are of the Peace Corps, the more successful has been its operation. And I am happy to report that the Communists are practically falling over themselves to malign, condemn, and vilify the Peace Corps.

What greater compliment could be paid to the Peace Corps than to find that those who live on disaster, violence, and poverty are a part of the system that seeks to tear down, and spend its venom and fury upon the Peace Corps?

In March 1961, Communist propaganda was vitriolic, but not intensive. In broadcasts to southeast Asia, the Communists flatly predicted that no nation there would accept volunteers and developed the theme that the Peace Corps was an arm of the Central Intelligence Agency. Some of the propaganda came from Communist China; some came from Moscow.

But in recent months, the campaign has been stepped up. Cuba's attacks have been both shrill and intensive. Havana Radio claims that the Peace Corps is not only an arm of the CIA, but is also preparing the way for a new invasion of Cuba. Sargent Shriver is identified as a "bloodthirsty Chicago butcher and sausagemaker."

Communist Chinese attacks not only reach southeast Asia, but also include Africa. While Russian propaganda usually attacks the Peace Corps as a whole as distinguished from the individual volunteer, the Chinese attack the integrity of the individual volunteer.

Premier Khrushchev joined the attack on the Peace Corps in May 1962. He said:

> The U.S. Government recently formed the so-called Peace Corps, whose soldiers are engineers, surgeons, teachers, students. The imperialists understand well that now they cannot keep their domination only with the help of the Bible and troops. Along with force, the imperialists strive to preserve their dominion in the former colonial countries with the aid of the ideological indoctrination of the population, the use of economic means of enslavement. But these tactics will not save them from failure. For it is clear that the so-called Peace Corps or the Alliance for Progress in Latin America are weapons of imperialism.

But more rational voices can be heard above the Soviet bluster. And we should consider their testimony as well.

Arnold Toynbee has said that the Peace Corps represents to the non-Western majority of mankind a sample of Western man at his best. Father Thomas Cronin, a pastor in the Philippines, has termed the volunteers the "greatest export the United States has ever made." And Sir Edmund Hillary, the conquerer of Mount Everest, has commented that the Peace Corps is "the greatest thing any country has done in my lifetime."

The combination of Communist condemnation and non-Communist acclaim tells me that the Peace Corps has done an outstanding job. I sincerely hope these remarks give some indication of this success. I believe we owe R. Sargent Shriver, Director of the Peace Corps, and the thousands of young and old Americans who have participated in this historic venture a solid vote of confidence.

I am sure that the Senate, when it comes to appropriating for our oversea activities, will demonstrate that solid vote of confidence by appropriating the funds which the Peace Corps requires for the coming fiscal year. I appeal to our colleagues in the other body not to seek to compromise away in the conference committee any of those funds. Those funds are needed. They should be supplied. This is the most effective, successful operation which the U.S. Government conducts. To clip its wings at this time, or to deny it the sustenance or the financial nourishment it requires to undertake its task, would be foolhardy and, I think, uncalled for.

In terms of return for dollar invested, the Peace Corps has been a real bargain, a bargain in terms of our battle against communism and a bargain in terms of this Nation's traditional concern for persons less fortunate than ourselves.

In short, this has been a bargain in helping fellow human beings find a better and more meaningful way of life. What better investment can this country expect to make?

Mr. President, I have taken the time to make this statement about the Peace Corps because in these days, when there is so much discouragement and dismay over the world situation, it seems to me we ought to spread on the RECORD some of the achievements of this country. We have bathed ourselves in pessimism and discouragement when, in fact, there is much about which to be optimistic. Time after time the Senator from Minnesota has pointed out that the Communist countries are finding themselves in serious trouble. Their economy is in trouble. They see a Western Europe which is rising up as a new third major power which confronts the Soviet bloc today with unmistakable vitality and strength.

There is a split within the Communist bloc itself, and individual countries within the Communist bloc are attempting to assert their own independence, all of which is a healthy sign.

There seems to be a tendency in Congress to seek to attract public attention by pointing out the tragedies, the mistakes, the horror stories of government. I should like to have Members of Congress, at least some of the time, point out some of the achievements of their country, some of the successes of their Government's programs, and, at least, the purpose of the programs, and to give a progress report on the fulfillment of that purpose.

Our foreign policy today is not merely one of confronting the Communists with the superior power of the military, with the superior resources of finance and industry. Our foreign policy today is one which embraces what I call the concepts of social justice, not only for ourselves, but also for all humanity.

Programs such as the Peace Corps, the U.S. Arms Control and Disarmament Agency, and the Agency for International Development represent American foreign policy at its best; American foreign policy under which we help other people to help themselves; under which the United States helps to preserve their independence and freedom, and under which individuals in those countries are helped to live a better life.

There is much to be pointed to in terms of accomplishment and achievement. When the Senate debates the foreign aid appropriation bill next week, it is my intention to outline for Congress and for the people—at least, for those who are willing to take the time to learn and to read—that the foreign operations of the United States, including our program of mutual security and mutual assistance, our so-called foreign aid program, represents the finest traditions, the highest quality, and the noble character of the American people.

Moreover, it indicates that our program works well, for the Soviet Union has had to engage in a massive foreign aid program of its own, if for no other reason than to compete with and to stand up against us. I think the best tribute to our foreign aid program, the best tribute to our oversea operations in terms of economic and technical assistance, is that the Soviet Union has had to engage in a similar program, lest it find itself without any attraction, without any influence, in any part of the world.

We have made mistakes. It is always our purpose to try to learn from our mistakes. But it is a gross error to judge a program only by the few instances of mistake of judgment or mistake of performance. One needs only to take a look at the programs to see what they are accomplishing, to see what their purposes are, and to see how their purposes are being realized.

I conclude these remarks concerning our total overall foreign aid program by a friendly reference to Mr. Fowler Hamilton, its Administrator, who has had a difficult time, who inherited a colossal mess, who took over an agency that was under attack in Congress and before the public, who found an agency the morale of which had slipped considerably, and who found considerable mismanagement.

In less than 1 year, Mr. Hamilton has revitalized that Agency under the direction of Congress and the President. He has brought in new personnel, established regional offices, mapped out a program of projects country by country and has carefully analyzed every project. He has coordinated the work of AID—the Agency for International Development—with the many other activities of the U.S. Government, so that today it can honestly be said that once again our foreign aid program is on the move, making progress, helping other countries, and helping the United States of America.

When we vote on the foreign aid appropriation bill, I hope Senators will keep in mind, and I hope their constitutents will keep in mind, that more than 70 percent of the foreign aid appropriations—of all the foreign aid funds—are expended in the United States, aiding our own economy as well as aiding the economies of other countries.

I also hope we shall remember that the best testimonial to the success of this program is that not a single country—save one, namely, Cuba, which did not have any of our foreign aid—has slipped into the Communist orbit and into the hands of the Communist powers since the advent of our foreign aid.

Foreign aid has been one of the powerful factors in our program of national security. Many persons forget that when they discuss this program. Too many persons have talked about it as a giveaway program, and too many Members of Congress have attempted to ridicule it by seeking to point out a few examples of ineffectiveness or of possible corruption or mismanagement, and to have them held up to the public in headlines.

There is hardly a home in America with which one could not find some fault; and if there were a desire to destroy a home, that could be done by giving headline publicity to the difficulties which inevitably arise in the homes of all people, in lodges, in churches, or in any other programs. Such could be done in connection with any program when, in some particular, someone has not been as efficient as he should.

After all, ours is a representative government, not a government of saints or sinners, not a government of genius or of stupidity. It is a government of people; and we seek to do the best we can with the personnel and talent available.

In the days ahead we shall have quite a struggle over our foreign-aid program. As one who has carefully examined the program in the Foreign Relations Committee, and has spent hours at the committee's hearings, and as one who, as a member of the Appropriations Committee, has repeatedly met with the Government officials responsible for the administration of the program, I have examined this program with meticulous care, because I wanted to see it effective. I want to get every bit of good we can get from every dollar that is expended.

It seems to me that when one measures the program from the point of view of the overall good done and in terms of the great tasks we face, it is clear that the program has served us well, particularly in view of the fact that much of the aid goes to countries with little experience with modern society and modern representative government. It is an uphill fight, but we are making steady gains.

Therefore, Mr. President, I shall do all I can to support the foreign-aid program in every way possible.

THE WILDERNESS BILL

Mr. HUMPHREY. Mr. President, the first anniversary of the Senate's passage of the Wilderness Act has now passed. After 5 years of consideration, controversy, and compromise the wilderness bill was overwhelmingly approved by the Senate on September 6, 1961, by a vote of 78–8.

This achievement was a tribute to the leadership and reasonableness of the distinguished Senator from New Mexico [Mr. ANDERSON]. As chairman of the Committee on Interior and Insular Affairs, he sponsored S. 174 in this 87th Congress. He also saw it through the Interior Committee and secured the modifications required to accommodate it adequately to the many groups affected by this legislation. The Senator from New Mexico nevertheless managed to do this in a form adequate for the purposes of the legislation. The distinguished Senator has been widely and rightly commended for this accomplishment.

A recent editorial in the Living Wilderness commented:

> Wilderness proponents realize that the Senate act goes too far in some respects in permitting nonconforming uses of wilderness and includes some procedural inconsistencies, but they also recognize that in general it is a sound and constructive measure which can greatly improve present conditions and establish a sound national policy and program.

Mr. President, it is regrettable to see wilderness proponents who are now defending this Senate act, with its many compromises, described as extremists who have demonstrated that they have no desire to compromise, and to see the proponents of wilderness preservation charged with refusing to debate the question of accommodating competing uses.

To emphasize the extent to which the proposals of wilderness proponents had been modified let me recall some of the features of our original revised proposal for establishing a national wilderness preservation policy, but which were greatly changed—and with our concurrence, as we willingly and eagerly sought a consensus that would be truly national.

We proposed, for example, the establishment of a permanent national wilderness preservation council. This has been dropped entirely.

We proposed a national wilderness preservation system that would include at once all the wilderness, wild, primitive, and canoe areas in the national forests; all the national parks and monuments with roadless areas as large as 5,000 acres; all the wildlife refuges and ranges with roadless areas as large as 5,000 acres; and also areas within Indian reservations and within various kinds of Federal lands that might be designated by their administrators in prescribed circumstances.

Mr. President, the Wilderness Act as passed by the Senate provided for establishment within the wilderness system of only the national forest, national park system, and wildlife areas. Furthermore, for all the park and wildlife areas and for the primitive areas within the forests the act as passed set up a 10-year review program for permanent establishment of the system. And for any other areas to be set up as wilderness a separate act of Congress would be required.

Our original proposal set up strict requirements for protecting areas as wilderness. These also were greatly modified with regard for users of the areas for commodity purposes as seemed justified. For example, we originally proposed to prohibit mining entirely; the act as passed permitted prospecting that would not destroy the wilderness and mining that might be permitted by the President on his determination that it would be in the national interest.

Thus, in many ways that I could further point out, the proponents of wilderness preservation compromised, modified, and clarified their proposed wilderness legislation to accommodate their own concepts to those of others. The result was the outstandingly reasonable measure for which I have so many times commended the distinguished Senator from New Mexico [Mr. ANDERSON] for sponsoring and seeing through committee and the Senate—with some further accommodating amendments, I may add.

In the opinion of 78 Senators the measure, thus carefully developed, will adequately protect user interests, as well as serve the national interest in having a wilderness system. It did not entirely represent what reasonable conservation groups would like. The proposal differs substantially from that which I originally introduced. It is truly a measure of democratic compromise, yet one that still maintains its original principles and purposes.

President Kennedy has supported this act and has urged its passage. Earlier this year he declared:

> We must protect and preserve our Nation's remaining wilderness areas. This key element of our conservation program should have priority attention. I therefore strongly urge the Congress to enact legislation establishing a National Wilderness Preservation System along the lines of S. 174, introduced by Senator ANDERSON.

I am sure the Committee on Interior and Insular Affairs in the other body also has given earnest consideration to this proposal. It has obtained testimony in hearings, both here and in the West. It has debated it in subcommittee and committee sessions. However, when its substitute version of the wilderness bill was ordered reported, it failed to reflect the fundamental objectives expressed in the Senate act. Accompanying this substitute measure was a resolution calling for the bill to be brought to the floor under suspension of the rules, thus limiting floor debate and amendment.

Let me describe briefly the wilderness provisions of the House committee's substitute bill. It dropped entirely the Senate concept of a national wilderness preservation system. It gives protection at once to only the "wilderness," "wild," and "canoe" areas of the national forests. It requires a separate act of Congress to establish any other area as wilderness. It permits mining to continue in the wilderness which would be protected, permits it to continue for 25 years. It requires any wilderness areas that would be established to be reviewed every 25 years.

A notable feature of this substitute bill is its including as title I a separate piece of legislation dealing with the broad land-withdrawal policies of Congress. This title I has not been considered by the Senate in connection with the wilderness legislation. The added title has been strongly opposed by the Departments of Agriculture and the Interior.

Mr. President, the Speaker of the House did not permit a suspension of the rules, for the purpose of bringing this substitute bill to the House floor under the circumstances in which the Members would not have an opportunity to debate or amend it. The Speaker has advised the Interior Committee chairman, the distinguished gentleman from Colorado, that the best procedure under the circumstances would be to go before the Rules Committee and request a rule for floor consideration.

Since that decision, the House Interior Committee has not convened; and I am informed that no meetings are now scheduled. Also pending in the House Interior Committee are a number of noncontroversial measures, such as S. 77, establishing the Chesapeake and Ohio Canal National Historical Park; S. 1988, promoting the conservation of the Nation's wildlife resources on the Pacific flyway in the Tule Lake, lower Klamath and upper Klamath national wildlife refuges in Oregon and California; S. 3117, establishing the Bureau of Outdoor Recreation in the Department of the Interior and S. 543 providing for shoreline area studies.

Mr. President, I sincerely hope that action can be secured on the wilderness bill and these other conservation measures before Congress adjourns. I have followed for many years the attempts to preserve the remaining wilderness areas of our Nation. I have been one of the strong proponents of the need to protect this rapidly dwindling resource for future generations.

Mr. President, I think I can honestly say that for many years I took the lead in connection with this matter, and I realize how much criticism it can bring upon one. This job has been very difficult. We have come many miles in this battle, and I urge our colleagues in the other body to appreciate the high desirability for action this session.

Mr. President, I ask unanimous consent that an article from the St. Louis Post Dispatch, for September 16, 1962, entitled "Fate of the Wilderness Bill," be printed in the RECORD at this point. I also ask unanimous consent that an editorial from the Living Wilderness be printed in the RECORD.

There being no objection, the article and the editorial were ordered to be printed in the RECORD, as follows:

[From the St. Louis Post-Dispatch, Sept. 16, 1962]

FATE OF WILDERNESS BILL

(By William K. Wyant, Jr.)

WASHINGTON, September 15.—The difficulty of persuading the Nation to leave some small part of its scenery unspoiled so posterity can enjoy it is illustrated by the fate of the so-called wilderness bill, which the House will consider next week.

After years of work, conservative-minded Americans led by Senator CLINTON P. ANDERSON, Democrat of New Mexico, got a bill through the Senate last September to safeguard 61,275,011 acres in a national wilderness preservation system. But the House Interior Committee, of which Representative WAYNE N. ASPINALL, Democrat of Colorado, is chairman, is expected to bring before the House Monday a bill that conservationists consider a travesty—worse than nothing at all.

"It is a bill to protect miners, lumbermen and other enterprising patriots from rampant conservationists who are trying to give the country back to the Indians," Howard Zahniser, executive secretary of the Wilderness Society, told the Post-Dispatch sarcastically.

WOULD AVOID DEBATE

The Aspinall committee voted to request that its rewritten version of the Senate bill be brought to the floor with no chance for debate or amendment. Conservationists were working frantically this week to block this procedure. They think they can defeat it.

In the controversy over the measure, 22 national conservation groups and 58 State and local organizations are pitted against lumber, mining, grazing and other commercial interests that have striven to bend Congress's will in their favor.

The quarrel is not over whether new land, not now in Government hands, shall be denied for a while to the ax, the shovel and the bulldozer. It concerns remote back country already in the national forests, the national park group and the national wildlife refuge system.

What conservationists wanted to do was to throw up protections now, while there is still time, for more than 140 wilderness areas that are still largely out of reach of exploitation. Much of it is high, mountainous country in the west and in Alaska.

The conservationists say that they were not trying to change the situation but to pin it down, providing national guarantees against commercial depredation.

CONSERVATIONISTS' GOAL

"Our basic thesis," said Zahniser, who also is vice chairman of the Citizens Committee on Natural Resources, "is that only those areas will be preserved as wilderness in our culture that are designated positively for use as wilderness—and protected as such by law.

"It is not just the greed of miners, which was being lampooned 60 years ago. It is the expansion of our population, the growth of roads and mechanization. Our culture is such that all these areas are destined to have some kind of value that will result in their exploitation and destruction."

The territory the conservationists want to protect, or keep the way it is, includes 6,822,400 acres of "wilderness," "wild" and "canoe" areas and 7,852,958 acres of primitive area in the national forests.

It includes a potential of more than 22 million acres of roadless country in the national park system—not formally designated as wilderness at present—and possibly more than 24 million acres in wildlife refuges and game ranges.

Zahniser said that none of the land that conservationists presumed to be wilderness is open to timber operations at present. The same is not true of mining, which is permitted, generally speaking, under laws dating from 1872.

"The opposition of the lumbermen proved one thing," said Zahniser. "You do need the legislation. The lumber interests said we didn't need it, but this proves they did have designs on it."

He pointed to the testimony of Joe Hughes, who has a logging and sawmill business at Foresthill, Calif. Hughes appeared last November when the subcommittee headed by Representative GRACIE PFOST, Democrat of Idaho, held hearings at Sacramento.

JOBLESS ISSUE RAISED

Mrs. PFOST asked Hughes why he thought passage of the conservationist-backed Senate bill would cause unemployment, in view of the fact that no timber cutting was allowed in the wilderness areas in question.

"I had in mind an estimated billions of feet of timberland that would be included in the wilderness area, according to the reading I have done on it," said Hughes.

Mrs. FROST then asked Hughes whether he had in mind that lumber operators might at some future time be able to get into some of the present national forest wilderness or primitive areas, now closed to them.

"Yes," said Hughes. "I think the lumbermen as a whole would like to think we can harvest that timber before it dies or is lost to us."

Under the House substitute bill, which conservationists say "substitutes exploitation for preservation," mining could continue for 25 years. Moreover, wilderness areas would be reviewed every 25 years by 10 Federal agencies to determine whether their status should be changed.

The substitute bill would designate less than 7 million acres as wilderness—just the wilderness, wild, and canoe areas in the national forests. Other lands would require separate acts of Congress.

In the Senate bill, a wilderness system would be established including the 14,675,358 acres of wilderness-type areas in national forests. It would permit the President to consider for preservation about 61 million acres, subject to rejection by Congress.

REVIEW IS DISTASTEFUL

The 25-year review is distasteful from the conservationist viewpoint because it would mean that each quarter century the wilderness would have to run the gauntlet. Governors of States and county politicians would have to be consulted. Pressures would be endless.

"This proposed review is as dubious in a wilderness act as it would be in a marriage vow," said Zahniser. "The House bill includes hazards that do not exist now."

Zahniser and other conservationists believe that they stand for the majority of Americans against a small but effective minority of commercial interests. This week they sent each Member of Congress a reprint of an article by Senator ANDERSON supporting his Senate bill.

"The main point," Zahniser said, "is that time is short." The lovely Three Sisters primitive area in Oregon contained no marketable timber when it was established in 1937. In the 1950's the Forest Service moved to reclassify it as wilderness, but in doing so took out 53,000 acres of timber for logging.

"There was a great controversy in which the late Senator Richard Neuberger, Democrat, of Oregon, took the side of right and justice," Zahniser said, "but in the end the decision went to the powersaw." Time had run out in the Three Sisters.

[From the Living Wilderness, spring to summer 1962]

WILDERNESS BILL CRISIS

When the Committee on Interior and Insular Affairs of the House of Representatives on August 30 not only voted to report favorably on a substitute wilderness bill, instead of a measure that could be approved by wilderness advocates, but also adopted a resolution instructing the chairman to try to get the rules suspended so as to prevent debate or amendment by the House of a measure so much in need of amendment, the committee created the latest and greatest of the numerous crises with which the 6-year struggle for congressional action for wilderness preservation has been punctuated.

It is a crisis to which many conservation leaders responded at once with protests to Speaker of the House JOHN W. MCCORMACK and urgings that he not permit suspension of the rules for this purpose but rather help see that the wilderness bill is brought before the House with provision for adequate consideration and amendment as the Members of Congress may see fit after debate.

By midafternoon of the day of the committee's action, Spencer M. Smith, secretary and full-time representative of the Citizens Committee on Natural Resources, the conservationists' task force for legislation, wired Speaker MCCORMACK strong protests.

"Shocked," said Dr. Smith's telegram as reported to us—"shocked at the action of the House Interior Committee in reporting out the substitute wilderness bill in unacceptable form. Bill represents sad distortion of the measure passed by the Senate and urged by President Kennedy. Committee's further action in requesting that measure be brought to the floor with no chance for debate and amendment is further shocking. Urgently hope the leadership can deny this unreasonable request in order that this measure can receive full House consideration."

Ira N. Gabrielson, chairman of the citizens committee, president of the Wildlife Management Institute, widely known as Mr. Conservation, in another wire that same afternoon told the Speaker that the committee's "request to bring up the substitute wilderness bill under suspension of rules is unacceptable to the Nation's conservationists."

"The committee's substitute is grossly inadequate," said Dr. Gabrielson. "Eliminating the opportunity for floor debate and amendment is unfair to all interested House Members," he charged.

Admittedly the committee had not only done violence to the legislation but also by delay and the rules-suspension procedural maneuver had created serious difficulties for wilderness advocates so late in a congressional session. Yet the conservation leaders who so long and earnestly had worked through many other difficulties were quick to rally. Undoubtedly their supporters throughout the country will likewise rally with protests and urgings to their Congressmen, and the end result may well be a strengthening of the wilderness legislation's prospects.

"We have just entered the arena in the House in which we can fight," Representative JOHN SAYLOR, of Pennsylvania, told a reporter for the National Wildlife Federation's Conservation Report soon after the committee had adjourned. "Under the committee system," said Congressman SAYLOR, pioneer champion of the wilderness bill, himself minority leader of the Interior Committee, "with an adverse committee, we can do nothing until we have a bill reported. Now we have one. It is far from what we want. But we are not through. We have just begun to fight where we do have a chance."

Perhaps—who knows—the surprise attempt to prevent debate and amendment will rather by the very shock of the maneuver and its reverberations only insure earnest debate and encourage amendment.

In fact, there arises the strong conviction on the part of many that the soundest procedure from the viewpoint of by far the great majority of the Members of the House would be a restoration of the Senate-passed Wilderness Act, S. 174, and its passage. Wilderness proponents realize that the Senate act goes too far in some respects in permitting nonconforming uses of wilderness and includes some procedural inconsistencies, but they also recognize that in general it is a sound and constructive measure which can greatly improve present conditions and establish a sound national policy and program, while the tone of the substitute bill, as Ernest Dickerman of the Smoky Mountains Hiking Club has said in a detailed analysis, "is consistently negative with respect to the preservation of wilderness."

The many conservationists in the House of Representatives, and their constituents throughout the Nation, who wish to see a sound and enduring national wilderness preservation system do face a crisis. There is little time. There is none to lose. Yet the opportunity for worthy action is still alive. And the prospects are challenging.

ROSH HASHANAH

Mr. HUMPHREY. Mr. President, with coming of Rosh Hashanah and the high holidays that usher in the New Year, the thoughts of men of good will everywhere turn to the Jewish people, to their long history of suffering herioically borne, and to their stubborn attachment to the ideals of strict morality, intellectual integrity, religious faith, and cultural identity.

America must never forget that Jewish heroes were involved in the founding of our Nation, and have fought bravely in every one of our wars. Neither must America forget that Old Testament principles, treasured and handed down to us by Jewish people through the ages entered into the thinking of those who formed our colonies, those who spoke and worked for our national independence, and those who devised our Federal Constitution.

It is therefore to no strangers or guests among us, but to brothers, that we speak when we bid the Jewish people of America "Happy New Year" at the start of the year 5723. We respect and admire these centuries of Jewish achievements and contributions.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr SPARKMAN. May I be advised as to whether or not there is to be a session tomorrow?

Mr. HUMPHREY. There is.

Mr. SPARKMAN. At what time will the Senate convene?

Mr HUMPHREY. It will meet at 10 o'clock tomorrow morning.

Mr. SPARKMAN. What will be the order of business?

Mr. HUMPHREY. Some minor bills on the calendar. The Senate is expected to proceed to the consideration of the civil works appropriation bill. I hope action on that bill can be completed tomorrow.

ENROLLED BILL AND JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that on today, September 28, 1962, he presented to the President of the United States the following enrolled bill and joint resolution:

S. 455. An act to amend the act of July 11, 1955, relating to air pollution control, to authorize appropriations for an additional 2-year period, and for other purposes; and

S. J. Res. 230. Joint resolution expressing the determination of the United States with respect to the situation in Cuba.

ADJOURNMENT TO 10 A.M. TOMORROW

Mr. HUMPHREY. Mr. President, if there is no further business to come before the Senate, in accordance with the previous order I move that the Senate stand in adjournment until 10 o'clock a.m. tomorrow.

The motion was agreed to; and (at 4 o'clock and 10 minutes p.m.), under the previous order, the Senate adjourned until tomorrow, Saturday, September 29, 1962, at 10 a.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate September 28, 1962:

FEDERAL COMMUNICATIONS COMMISSION

E. William Henry, of Tennessee, to be a member of the Federal Communications Commission for a term of 7 years from July 1, 1962.

IN THE U.S. AIR FORCE

The officers named herein for appointment as Reserve commissioned officers in the U.S. Air Force, under the provisions of sections 8012, 8201, 8218, 8351, and 8379, title 10, of the United States Code:

To be major general

Brig. Gen. Collins H. Ferris AO411820, Wisconsin Air National Guard.

To be brigadier generals

Col. Gordon L. Doolittle AO757963, Oregon Air National Guard.

Col. Robert W. Gilbert AO819793, Iowa Air National Guard.

Col. Magnus B. Marks AO361747, Michigan Air National Guard.

Col. Glennon T. Moran AO799229, Missouri Air National Guard.

Col. Donald J. Smith AO695779, Illinois Air National Guard.

Col. Robert W. Tucker AO499454, Rhode Island Air National Guard.

Col. I. G. Brown AO497687, Arkansas Air National Guard.

The nominations beginning William T. Coon to be captain, and ending Clarence H. Shub to be second lieutenant, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on September 20, 1962.

EXTENSIONS OF REMARKS

Independence Day of the Federation of Nigeria

EXTENSION OF REMARKS

OF

HON. ADAM C. POWELL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, September 28, 1962

Mr. POWELL. Mr. Speaker, we take this opportunity to send warm felicitations to His Excellency the Governor General of the Federation of Nigeria, Dr. Nnamdi Azikiwe; and His Excellency the Ambassador of the Federation of Nigeria to the United States, Mr. Julius M. Udochi, on the occasion of the second anniversary of Nigeria's independence.

THE FEDERATION OF NIGERIA—ITS INDEPENDENCE DAY

The Federation of Nigeria is the most populous State in Africa and one of the largest on that continent. Its teeming population is well over 35 million and its area is 340,000 square miles. The Federation of Nigeria is also one of the best governed and administered countries on that continent. The Federation consists of three distinct regions, constituting three separate administrative units: Eastern Nigeria, Western Nigeria, and Northern Nigeria. For more than a half century all of Nigeria was under British rule. Thus British traditions of law and administration prevail today. The Federation was formed in 1954, but the Federation of Nigeria, as a member of the British Commonwealth of Nations, and as an independent and sovereign member of the world community of nations, came into existence only 2 years ago.

In October of 1958, Britain's offer of independence to the Federation, within the British Commonwealth, was accepted, and on October 1, 1960, the consummation of this pledge was proclaimed. On that day and for the first time the people of Nigeria became the real masters of their own destiny. In the course of their very brief history as a nation, the people of the Federation of Nigeria have clearly proved to the world that they were fully prepared for the independence they had attained. Under their dynamic leader Sir Abubakar Balewa, and his able assistants, the Government of the Federation has been administering its affairs most efficiently and effectively. Nigerian leaders have proved real champions and true upholders of democratic principles, and they have demonstrated this in their maintenance of free elections, both in the Federation and in the self-governing regions, as provided in the Federal constitution. In many matters, economic, social, cultural, and particularly in politics and administration the Government of the Federation of Nigeria has been a shining success of democracy at work. On the anniversary of their independence day we wish the people of Nigeria and their patriotic leaders peace and prosperity.

President Kennedy Comes Back to West Virginia

EXTENSION OF REMARKS

OF

HON. KEN HECHLER

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 28, 1962

Mr. HECHLER. Mr. Speaker, last night Senator RANDOLPH, Senator BYRD, of West Virginia, Congressman BAILEY, Congressman STAGGERS, Congressman SLACK, Congressman WAYNE HAYS, of Ohio, and I had the honor of accompanying President Kennedy to Wheeling, W. Va. The President opened his remarks by stating: "When I come back to West Virginia, I feel as if I was coming home."

The friendly people of West Virginia, despite the cold and rain, lined the streets from the airport to the football stadium, where the President spoke.

The following is the text of his remarks:

Governor Barron, Senator Randolph, Senator Byrd, Congressman Cleveland Bailey, Congressman Slack, Congressman Hechler, Congressman Staggers, Congressman Wayne Hays, from the neighboring State of Ohio, ladies and gentlemen, when I come back to West Virginia, I feel as if I was coming home. This, after all, is the State which sent me out into the world, and you are the people who made me the Democratic candidate for the Presidency of the United States.

Sometimes when Senator HUMPHREY and I get together to discuss the crises which pile up on the President's desk, we may wonder which of us you did the greater favor for. But nevertheless, for better of for worse, I know that if it had not been for Wheeling, and a score of other West Virginia cities and towns, 2½ years ago, I would not be here tonight. This is the place where the Democratic victory of 1960 had its start, and I can assure you that this is also the place where the Democratic congressional victory of 1962 will have its start.

The campaign of 1960 was important, and that included especially the primary campaign, because it provided an education, not just for the candidates who were involved, but also for the people of the United States. It reminded this Nation that even in America people, through no fault of their own, have had to live lives of hardship and want, and that even in America communities, through no fault of their own, have suffered from stagnation and age, and it reminded this Nation that an affirmative and progressive government could do something about it.

To do something about it, that has always been the faith of the Democratic Party, and it is the issue in the 1962 election. For not everyone, even in America, welcomes change. Throughout our entire history there have always been people, and they are excellent people, who preferred to hold things as they were, who wanted to go back to some golden age which never was, and if change is inevitable, they want as little of it as possible. I do not agree. This has never been the view of the Democratic Party.

We believe that if men have the talent to invent new machines that put men out of work, they have the talent to put those men back to work, and that is the issue in this campaign.

The fact of the matter is that this State has a very clear contrast between these two points of view, because in the 1950's, West Virginia was left on the beach, to decline, to rot. Then in January of 1961 a Government of veto and obstruction and do-nothingism was thrown out of office, and a government here in this State of West Virginia, under your Governor, and a Government in Washington, committed to progress, began to work together for the State of West Virginia, and the result in that brief period has been a marked improvement in the economic climate of this State.

I do not claim for a moment that the problems of West Virginia are solved, but I say they have begun to be solved. I know that troubles and difficulties remain. I know that much more needs to be done, and that is the purpose of this meeting tonight, because we want your help in doing it, and that is why this election of November 1962 is so important.

Look at West Virginia today. Only 2 weeks ago the West Virginia Chamber of Commerce, not an organization which is an arm of the Democratic Party, announced that in 1961 the economy of West Virginia had recovered from a recession to have the second best year in the history of West Virginia, and if progress continues, 1962 would be the best year in the history of this State. There has been in the last 20 months a decline of 37 percent in the number of unemployed in this State, and there are still too many, but at least we have begun, and I come here tonight to ask your help in finishing this job.

Why has it come about? Why have we been able to make this progress? It is because we have attempted in this State and in this country a comprehensive attack on the problems that face this State and Nation. West Virginia has been fortunate to have enjoyed the strong and progressive leadership of your Governor, and it has come about because a progressive Democratic administration in Washington, and a Democratic Congress, has worked to provide the people of West Virginia with the tools to do this job.

It is the people themselves who must do it, but it is the State government and the National Government that can help provide an atmosphere that will make it possible to do the work. I am proud that the first thing I did on the Saturday morning after assuming the responsibility of President of the United States was to sit down at my desk and sign an Executive order doubling the amount of surplus food that could be distributed to the needy people of this State and other States.

But the job has only begun. In the fiscal year of 1960, the total of military contracts placed in West Virginia was $36 million, but since January of 1960 things have changed. The total in 1962 was 4 times as much as in 1960, and twice as much as in 1961. The increase from 1960 to 1962 has been 272 percent, and I might add that the neighboring States of Ohio and Pennsylvania, since January 1961, defense contracts have totaled $1.5 billion in each of these States, and defense contracts are only a part of the story. A few years ago West Virginia was actually paying more money into the Federal Treasury as a State with most serious economic problems than most of the other States, and a good deal more than it was receiving back from the Federal Government. Your State in those Republican years bore far more than its share of the national burden. We have changed this situation. In the allocation of public works, in road building, especially the North-South highway project, in small business loans, in family farm loans, in the food stamp program, in health, education, and welfare grants, in emergency unemployment compensation, in area redevelopment projects, the Corps of Engineers projects, in flood prevention, watershed protection, forest management, public housing and college housing, West Virginia has received increased grants, and this has stimulated and helps stimulate the West Virginia economy.

I know that there are those who are against this, and I know that there are those who say that people who are out of work should find it. But I believe that the free enterprise system means that there will be an opportunity for all people who want to find a job, and it is to that credo that this Government of ours is committed.

Two years ago I said that it was time to get this country moving again. In the last 2 years, we have made a start, but just a start. But we have begun to act, for no Congress in a generation has passed as much affirmative and constructive legislation as the present Congress. This Congress under Democratic leadership has passed a widespread housing bill, an increase in the minimum wage to $1.25, an area redevelopment act for depressed areas, a manpower retraining act to make it possible for those who are out of work to find a new training and a new job, a bill preventing the distribution of harmful drugs, a farm act, relief for children of unemployed workers, and a trade bill, and these other bills which are important. But this is a beginning, and a beginning only. And that is why this election is important.

We have won fights by three or four votes in the House of Representatives, and we have lost fights by three or four votes. This is not a matter of personalities or merely parties. It is a question of whether the people of this district, rain or shine, will support people who believe in progress.

A few days ago we lost a bill for aid for higher education. We lost it by 32 votes; three-fourths of the Republicans voted against it. Last year 84 percent of the Republicans voted in the Senate against nationwide financing of unemployment compensation. Last month, 9 out of 10 Republicans on the House Ways and Means Committee voted against a bill to provide temporary relief for those who have exhausted their unemployment compensation. Eighty-one percent of the Republicans in the House voted against the area redevelopment bill. Ninety-five percent of the Republicans in the House voted against the Housing Act. Eighty percent voted against the minimum wage of $1.25—80 percent of the Republican Members of the House of Representatives voted against giving a man $1.25 an hour for a 40-hour week.

This is the issue in this campaign. We want to finish the job that we have started here in West Virginia and in Ohio and Pennsylvania, because a good deal more needs to be done. But I can assure you that so closely divided is the House and Senate that we cannot do the job without assistance of forward-looking Members of the House and Senate. And this State of West Virginia has them. I am confident that Congressman CLEVELAND BAILEY, with whom I served in the House of Representatives a decade ago, and your other Congressmen, KEN HECHLER, Mrs. KEE, Congressman—Well, they are all here—Stand up, gentlemen—HARLEY STAGGERS, WAYNE HAYS, of Ohio—with your two distinguished Senators—Gentlemen, stand up—that they are going to be back. These men and others like them, and women, have stood for the passage of the kind of legislation which means so much to the State of West Virginia.

I have too high regard for this State to have the rain fall upon all of you, but I want you to know how much I appreciate your coming here tonight in a cold, rainy night. You believe and I believe that it is the function of National and State Government to permit the people to develop their own resources. I can assure you that in January 1963 we shall send a program to the Congress of the United States which will continue the progress that we have begun to make. That program will be enacted into legislation only if we have Members of the House and Senate who share this same view of the future which the people of West Virginia have shared. This State, which for 10 years lay in the backwash, now knows that this State and others can move forward, and I come to West Virginia tonight for the purpose of asking your help in giving us the men and women who, joining together in Washington, can help West Virginia and the country move forward.

Thank you very much.

Group Practice Offers Improved Medical Care

EXTENSION OF REMARKS

OF

HON. GEORGE M. RHODES

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 28, 1962

Mr. RHODES of Pennsylvania. Mr. Speaker, last year, I introduced legislation which would encourage the development and growth of the group practice of medicine and the acquisition of health centers and facilities to meet our growing population.

My bill, H.R. 5887, was designed to assist voluntary nonprofit associations offering prepaid health service programs to secure necessary facilities and equipment through long-term interest bearing loans. Since that time a more comprehensive bill, H.R. 13081, has been introduced by the distinguished chairman of the Interstate and Foreign Commerce Committee, the gentleman from Arkansas [Mr. HARRIS].

This more comprehensive Harris bill has my full support. It is a measure which I believe deserves earnest and speedy consideration by this body because it will promote a most desirable way of helping to provide adequate medical and dental care for large numbers of our fellow citizens. This proposed legislation would authorize Federal mortgage insurance and loans to help finance the cost of constructing and equipping facilities for the group practice of medicine or dentistry or both.

Last February 27, President Kennedy's message on proposed health programs for the consideration of the 87th Congress emphasized the necessity of securing maximum utilization of the trained professional and technical personnel now available. In that connection, the President's message pointed out:

> Group practice offers great promise of improving the quality of medical care, of achieving significant economies and conveniences to physician and patient alike, and of facilitating a wider and better distribution of the available supply of scarce personnel.

It is quite true, Mr. Speaker, that in both the large urban areas and in smaller rural communities, an increasing number of American citizens—both laymen and leaders of the medical profession—have come to recognize the positive values inherent in group practice. We live in an age of proliferation of factual knowledge and techniques about every phase of medicine and dentistry.

In such an age of specialization, the individual medical physician or dentist has great difficulty in keeping up his practice while at the same time staying abreast of the vast number of new developments in the various medical or dental specialized areas, let alone being able singly to purchase the equipment, often quite expensive, that is required to give the American citizen that high quality medical care which he has a right both to demand and to expect. Throughout the country, doctors and patients both are finding that group practice plans of various kinds offer a path toward more effective use of trained personnel and better care for the patient.

Three types of group practice units or organizations would be aided under the bill which has now been introduced. The first of these is cooperative or other organizations, including medical or dental groups, which offer comprehensive care on a group practice prepayment basis to their members or subscribers. The second type are public or nonprofit organizations which have been established for the purpose of improving the availability of medical or dental care in the community and which will make group practice facilities available to medical or dental groups for their use; and, lastly, medical or dental groups which meet certain standards of organization, procedure, and performance.

The Harris bill, H.R. 13081, would authorize the Surgeon General of the U.S. Public Health Service to insure mortgages securing loans for the construction of group practice facilities, up to a maximum aggregate liability of $200 million outstanding at any one time. Direct loans to the three types of group medical or dental plans would be authorized only if the Surgeon General finds the applicant unable to borrow the amount of the loan from other sources, with or without mortgage insurance, upon terms and conditions generally as favorable as the terms for other forms of insured mortgages.

The bill contemplates an authorization for appropriation of up to $10 million for the fiscal year of 1963 to provide capital for the mortgage insurance and loan funds. In the fifth year of the contemplated program the aggregate appropriation authorized would be $60 million.

These funds will have a very great degree of effectiveness in making possible a rapid spread of medical and dental facilities throughout the country. The encouragement of voluntary prepaid group health care programs makes sound public policy. It is a healthy alternative to either Government control or socialization of medicine. It is popular and acceptable to many professional people and to patients. It deserves the modest financial encouragement to growth which this legislation envisions.

National Conference of Christians and Jews Honors Secretary Celebrezze With National Award

EXTENSION OF REMARKS

OF

HON. MICHAEL A. FEIGHAN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, September 28, 1962

Mr. FEIGHAN. Mr. Speaker, the fair city of Cleveland, Ohio, was the site of a well-deserved honor paid to the Honorable Anthony J. Celebrezze, Secretary of Health, Education, and Welfare. The honor paid to Secretary Celebrezze was the National Human Relations Award given annually by the National Conference of Christians and Jews. This memorable event took place on Sunday evening, September 23, 1962, when 1,200 leading citizens of Cleveland and the State of Ohio gathered to pay this well-deserved tribute to Secretary Celebrezze.

The toastmaster of the evening was Louis B. Seltzer, outstanding, able, and respected leader of the free press, and the editor of the Cleveland Press, who led a brilliant array of speakers including Senators Frank J. Lausche and Stephen M. Young of Ohio, Gov. Michael V. DiSalle, Hon. Frances P. Bolton, Mayor Ralph S. Locher, Thomas F. Patton, president of Republic Steel Corp., and Dr. Lewis Webster Jones, president of NCCJ.

The highlight of the program was a message by President John F. Kennedy, brought to this distinguished gathering through closed-circuit television.

The religious life of Ohio was represented by the Most Reverend John F. Whealon, bishop of the Catholic diocese of Cleveland, Rabbi Arthur J. Lelyveld, Fairmount Temple, and Dean David Loegler, Episcopal diocese of Ohio.

Organized labor was represented by Sebastian Lupica, executive secretary of the Cleveland AFL-CIO, and Patrick J. O'Malley, United Auto Workers regional director.

Secretary Celebrezze, in his acceptance address before the leaders of every walk of public, civic, and private life in Ohio, made an eloquent and touching plea for this generation of young Americans who, a few short years from now, must assume the responsibilities for the conduct, the preservation, and the extension of our representative form of government. The common responsibilities which all Americans must share in the fulfillment of this task was the underlying theme of his address. Appropriately, Secretary Celebrezze paid a well-deserved tribute to the National Conference of Christians and Jews for the vital role it is playing in meeting this challenge and in finding a dynamic consensus on other human problems related to the common good.

It was my privilege and that of my fellow Congressmen, the Honorable William Minshall of Cleveland and the Honorable William Ayres of Akron, Ohio, to be present at this national award dinner. The Cleveland chapter and the northern Ohio region of the National Conference of Christians and Jews deserve a warm public commendation for the leadership demonstrated in bringing this recognition to a great American in the city where he grew up and where he achieved unique accomplishments.

Mr. Speaker, by unanimous consent, I insert in the Record the message delivered by President John F. Kennedy and the address delivered by Secretary Anthony J. Celebrezze on the occasion of this memorable national award dinner.

President's Tribute to Celebrezze

I am delighted to joint with the many friends of Secretary Celebrezze in honoring him in his native city tonight. It is a tribute to the spirit of brotherhood that the people of Cleveland would be willing to hear from one who took their mayor from them, but we have taken him from Cleveland in order to serve the people of the United States.

Mayor Celebrezze's life, I think, epitomizes, all the great qualities which we associate with the word "brotherhood"; his desire to serve people, his integrity, honesty, his courage, all these qualities which you in Cleveland know so well, are becoming increasingly well known to the people of Washington and the people of our country.

I salute him tonight as a very worthy recipient of a very great honor, an honor which comes on the hundredth anniversary of the Emancipation Proclamation, the hundredth anniversary of a great effort by a great American to provide equal rights for all people. This is the essence of brotherhood.

Secretary Celebrezze has lived brotherhood, and therefore I think it is most appropriate that you should honor one who by his efforts has honored the rest of us.

I salute you all, and most especially I salute my friend, Secretary Celebrezze.

Address by Hon. Anthony J. Celebrezze, Secretary of Health, Education, and Welfare

It is good to be with so many friends who mean so much to me.

To be here—to receive the high honor you have bestowed upon me—these things fill me with a sense of deep gratitude.

I am deeply indebted to this city because Cleveland and the good friends here this evening are so much a part of me.

I have missed Cleveland and my daily contacts with many of you. But the past 8 weeks have brought me new experience. And they have given me new perspective on the community problems—and aspirations—which we have shared.

From a national viewpoint, the achievements of the citizens of greater Cleveland in the fields of welfare and human relations assume new and larger dimensions. They are achievements of which you can well be proud.

And from a national viewpoint, the challenge of meeting human needs—of realizing the full potential of individual human beings—these also gain in dimension.

It is about this challenge that I would like to speak with you this evening.

This challenge to us as a nation is so great that, to meet it, we need the help of every individual and group—public and private—with a desire for a better world and the willingness to strive for it.

The wide range of activities of the Department I am privileged to head is some measure of the social and economic challenge we face. It touches the American home, hospital, and school. It touches many problems, such as those of water pollution, accident prevention, and health protection which are familiar to a former mayor and are a vital concern to every community.

But the Department does not have to grapple alone with these problems. Even my very brief tenure has given me new insight into a very American partnership, and that is the partnership across the Nation between millions of citizens and thousands of private and public groups and organizations and their Government in seeking solutions to health, education, and welfare problems.

I have been more than pleased to learn of the extent to which the Department of Health, Education, and Welfare draws on community leaders throughout the country and the best professional and technical advisers for guidance in carrying out its many varied responsibilities. I shall continue to draw upon this rich reservoir of talent and ideas.

For a basic strength of our free society is this rich diversity of activity—this recognition that there is no single solution or single source of wisdom—this knowledge of the importance of working together—of seeking fresh approaches to old problems—of imaginative planning to meet new needs based upon the evident consensus of American opinion.

This has been the approach of the President's Committee on Juvenile Delinquency and Youth Crime—of which I am a member, along with the Attorney General and the Secretary of Labor.

Most of you are familiar with the problem this Committee faces. You know that our child population has been increasing over the past decade—but not as rapidly as the rise in delinquency rates.

If the present delinquency rate holds, then an estimated 3 to 4 million children will come before our courts in this decade—and this does not include youngsters in court for traffic offenses.

Should this happen, the social costs would be staggering. Right now the cost of juvenile delinquency to the Nation's economy is estimated at about $4 billion a year. This is about half of what we invest in operating all the hospitals—including mental hospitals—to serve a country now numbering almost 187 million people. The cost of juvenile delinquency to this country is more than one-seventh of our society's total expenditures for the education of our 51 million students, from kindergarten through college.

Cities, overcrowded with large rootless families whose breadwinners have little education and limited job skills—and frequently little hope for themselves or their children—produce large numbers of school dropouts, school "throwouts"—and juvenile delinquency.

What was needed, President Kennedy felt, was a coordinated approach to the problems of delinquency. What was needed was a great effort equal to the problem itself.

The President's Committee was formed to spearhead such an effort. We are trying to take an overall view—to give the problem the full attention it deserves—to put the best ideas of our most imaginative people to work—to spotlight successful projects in single cities or counties and encourage similar programs elsewhere.

Our philosophy of a massive coordinated basic attack on the problems of deprived youngsters is reflected in the standards we have set up for communities which wish training and demonstration grants. A community must demonstrate a deep commitment to the fight against delinquency. The efforts of all welfare groups—private as well as public—in the community must be welded into a concerted cooperative attack. And the city itself must be willing to demonstrate its participation by providing leadership and by sharing in the cost of the program.

The project's program must be broad in scope, attacking all major sources of delinquency. With the limited funds available, the purpose of the project is to find and control and develop coordinated, broad-scale methods for the prevention of juvenile delinquency.

Such a project is well underway in Cleveland and shows promise of developing into a most effective program.

A new door has been opened for your constructive effort. It is my hope that you will work with us—to stimulate interest in our endeavor—and to help in preventing blight in young lives.

We will need your help, too, as we move forward in another closely related area of joint endeavor—to meet the Nation's public welfare needs. For, through the Public Welfare Amendments of 1962 we have a new, constructive approach to public welfare. The new law incorporates recommendations President Kennedy made to the Congress for substantial revisions in the public welfare provisions of the Social Security Act. The new law provides the means to help our State and local governments, in turn, to help people help themselves.

Our new programs stress services as well as support; they stress rehabilitation instead of relief. Their aim is to help people into useful independent lives and thus—in the long run—to cut relief rolls and aid the taxpayer, too.

The aged, the blind, and the disabled are helped to attain or retain the capacity for self-care.

Dependent families and children are helped and encouraged to strengthen their family life.

These and other goals of these new programs are far from easy of attainment. The problems of the poor and needy in our time are terribly complex. The vast majority of people on the relief rolls are still the very old, the very young, and the disabled—people who have no other means of support. But others are the victims of complicated, disturbing modern problems—of discrimination and automation, of lack of education, of lack of job skills, of mobility and social change.

Tomorrow, we shall be meeting in Washington with the State Public Welfare Administrators to work out the administrative details of these new programs.

I have specifically asked that most careful attention be given to working out specific plans for an effective, cooperative effort to assure that aid to dependent children funds are being spent for the purposes intended by law.

We want to assure that the full benefit of our welfare programs goes to those in genuine need. And in so doing, we do not intend to let children suffer for the sins of their fathers—or mothers.

Community programs differ widely—different actions will be necessary in different places—intelligent leadership in interpreting necessarily technical legislation and policies is mandatory.

This is where we ask your help. We need the understanding, cooperation, and support of leaders like yourselves, who are deeply concerned with human values. For there is still in our land a need for greater public understanding of social welfare and its complexities. As a consequence, people often jump to unwarranted conclusions—and the victims may not be the so-called "chiselers"; they may be the innocent children in need.

Americans are compassionate people. They are realistic—they are fairminded—they are pragmatic. To produce the answers, they need only to understand the facts. The big job now is to give people throughout the land these facts and, hence, this understanding.

We cannot do this job alone. We need your help. For example: Could you not explain and so gain acceptance in your communities for the so-called "unemployed father provision" of the new Public Welfare Amendments? An unemployed able-bodied father and his family can now receive assistance, if the States take advantage of the new Federal legislation (some have already adopted it; others are considering it). People would think this right, if they realized that it holds families together—for under the new provisions families have greater hope of remaining together until fathers can get back to work.

In the same way, could you not help achieve a better understanding of the whole aid to families with dependent children program? In administering our welfare laws, we want to make absolutely certain, as I have said, that we have no freeloaders at the taxpayers' expense. But if we strike blindly forth at errant fathers or mothers, we may deprive their children of wholesome homes. This would not be right. It would not be fair. And, in the end, it would help fill our corrective institutions with the victims of our blunders.

I have mentioned only two of many programs in which this American partnership between public and private agencies and groups—between Federal, State, and local governments—is so vital.

In these and other programs we share a common responsibility—the responsibility of seeking the best possible investments in human welfare that we can find with the funds available to us.

For example, providing funds for medical research is a good investment in America's future, but it is a shortsighted investment unless the means are also found to make the fruits of research available to all who need medical care where and when they need it.

Building the classrooms needed to house our growing student population is, by all odds, a sound and necessary investment. But the returns on such an investment will fall far short of our expectations if we fail to make the necessary investment to attract and hold sufficient numbers of high-caliber teachers.

May I mention another area which transcends all others and requires concerted action by everyone—the area of human relations?

This is an area in which the National Conference of Christians and Jews is playing a vital role.

We have made undreamed of progress in probing the mysteries of the physical universe, in providing an ever-higher standard of living, and in stamping out disease.

We have not been equally successful in solving the problems of living together, in eliminating tensions, and achieving the goals of mutual respect and understanding which are your missions.

As a father, I know that I share with those of you who are parents the hope that is uppermost in every home in this land—that our children may grow up in a world of peace and opportunity—that they may achieve the goals they set for themselves—limited only by their own capacity, free from the obstacles of bigotry, prejudice, and intolerance.

Every home in America, of whatever race or creed, has a right to this hope and to its fulfillment.

Realization of this hope rests upon our willingness to give to others the same opportunities, dignity, and rights we want for our own welfare and happiness. We must generate friendship, compassion, and respect for the rights of others in all our relationships.

We are living in a time of great and rapid change. Change creates problems. But change also offers opportunity for betterment.

What we do now will shape the future for many years to come We are fortunate to be living in a free nation which each of us has an opportunity to help shape the future for ourselves and our children.

By your support of the National Conference of Christians and Jews you are making a very tangible personal contribution to achieving the kind of understanding and mutual respect between people of all races and creeds which must be the foundation of lasting progress in any other field of human endeavor. As President Kennedy has reminded us: "America stands for progress in human rights as well as economic affairs, and a strong America requires the assurance of full and equal rights to all its citizens, of any race or color."

May we all rededicate ourselves to preserving and strengthening the American heritage of freedom and concern for individual human dignity so as to demonstrate for all the world the miracle of America—a nation in which free individuals are enabled to work out their own individual destinies in their own way.

The opportunities to translate this dedication into action are at every hand. May we make the most of them.

SENATE

SATURDAY, SEPTEMBER 29, 1962

The Senate met at 10 o'clock a.m., and was called to order by Hon. LEE METCALF, a Senator from the State of Montana.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

Our Father, God, Thou hast ordained that not in cushioned seats of complacent safety, but in danger and stern conflict shall we find our strength and our triumph. With demands and pressures that sap our resources, send us forth, we pray, to meet the tasks of this day with the assurance that has steadied Thy servants across all the changing centuries as they have gratefully testified, "He restoreth my soul."

As in the name of the God of freedom and of justice we dedicate our strength to serve the present age, grant us Thy sustaining grace, that we may be—

True to all truth the world denies,
Not tonguetied by its gilded lies,
Not always right in all men's eyes,
But faithful to the light within.

In the Redeemer's name we ask it. Amen.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., September 29, 1962.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. LEE METCALF, a Senator from the State of Montana, to perform the duties of the Chair during my absence.

CARL HAYDEN,
President pro tempore.

Mr. METCALF thereupon took the chair as Acting President pro tempore.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Friday, September 28, 1962, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that the President had approved and signed the following acts:

On September 27, 1962:

S. 319. An act to amend part I of the Interstate Commerce Act in order to provide that the provisions of section 4(1) thereof, relating to long- and short-haul charges, shall not apply to express companies;

S. 2184. An act for the relief of Mrs. Heghine Tomassian;

S. 2208. An act for the relief of Su-Fen Chen;

S. 3026. An act for the relief of Jeno Nagy; and

S. 3154. An act to amend Public Law 86-184, an act to provide for the striking of medals in commemoration of the 100th anniversary of the admission of West Virginia into the Union as a State.

On September 28, 1962:

S. 4. An act to provide for the establishment of the Padre Island National Seashore.

MESSAGE FROM THE HOUSE—ENROLLED BILLS AND JOINT RESOLUTION SIGNED

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the Acting President pro tempore:

S. 919. An act to amend section 9(b) of the act entitled "An act to prevent pernicious political activities" (the Hatch Political Activities Act) to reduce the requirement that the Civil Service Commission impose no penalty less than 30 days' suspension for any violation of section 9 of the act;

H.R. 310. An act to amend title 10, United States Code, to authorize the Secretary of Defense, the Secretaries of the military departments, and the Secretary of the Treasury to settle certain claims for damage to, or loss of, property, or personal injury or death, not cognizable under any other law;

H.R. 2952. An act to direct the Secretary of the Interior to convey certain public lands in the State of California to the city of Needles;

H.R. 11887. An act to provide for the conveyance of all right, title, and interest of the United States reserved or retained in certain lands heretofore conveyed to the city of El Paso, Tex.; and

H.J. Res. 897. Joint resolution making continuing appropriations for the fiscal year 1963, and for other purposes.

LIMITATION OF DEBATE DURING MORNING HOUR

On request of Mr. MANSFIELD, and by unanimous consent, statements during the morning hour were ordered limited to 3 minutes.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. BYRD of Virginia, from the Committee on Finance, without amendment:

H.R. 6371. An act to amend section 37 of the Internal Revenue Code of 1954 with respect to the limitation on retirement income (Rept. No. 2202);

H.R. 8517. An act to grant emergency officers' retirement benefits to certain persons who did not qualify therefor because their applications were not submitted before May 25, 1929 (Rept. No. 2203); and

H.R. 8846. An act to amend the Internal Revenue Code of 1954 with respect to the taxation of dispositions of property (other than stock) pursuant to orders enforcing the antitrust laws (Rept. No. 2201).

By Mr. EASTLAND, from the Committee on the Judiciary, without amendment:

S. 2344. A bill for the relief of Miloye M. Sokitch (Rept. No. 2207);

S. 3645. A bill for the relief of Jean Rosen (Rept. No. 2208);

H.R. 555. An act for the relief of Elmore County, Ala. (Rept. No. 2194);

H.R. 6987. An act for the relief of Maj. William R. Cook (Rept. No. 2195);

H.R. 7617. An act for the relief of John W. Schleiger (Rept. No. 2196);

H.R. 9285. An act for the relief of Helenita K. Stephenson (Rept. No. 2197);

H.R. 9590. An act for the relief of Lt. Col. Edward Hirsch (Rept. No. 2210);

H.R. 10501. An act for the relief of Kenyon B. Zahner (Rept. No. 2198); and

H.R. 10617. An act providing that the U.S. district courts shall have jurisdiction of certain cases involving pollution of interstate river systems, and providing for the venue thereof (Rept. No. 2211).

By Mr. EASTLAND, from the Committee on the Judiciary, with an amendment:

S. 3394. A bill for the relief of Lt. Col. William A. Carter, U.S. Air Force (Rept. No. 2212).

By Mr. EASTLAND (for Mr. DIRKSEN), from the Committee on the Judiciary, without amendment:

H.R. 1660. An act for the relief of Margaret MacPherson, Angus MacPherson, Ruth MacPherson, and Marilyn MacPherson (Rept. No. 2209).

By Mr. KEFAUVER, from the Committee on the Judiciary, without amendment:

H.R. 11552. An act for the relief of Henry E. Keiser (Rept. No. 2199).

By Mr. KEATING, from the Committee on the Judiciary, without amendment:

H.R. 2836. An act for the relief of C. Edwin Alley (Rept. No. 2200).

By Mr. JOHNSTON, from the Committee on the Judiciary, without amendment:

H.R. 11678. An act to waive section 142 of title 28, United States Code, with respect to the U.S. District Court for the Northern District of Ohio, eastern division, holding court at Akron, Ohio (Rept. No. 2206).

By Mr. FONG, from the Committee on the Judiciary, without amendment:

S. Res. 219. Resolution to refer to the Court of Claims the bill (S. 2594) for the relief of Mrs. Edith Kiaer (Rept. No. 2205).

By Mr. MORSE, from the Committee on Labor and Public Welfare, with an amendment:

S. 3477. A bill to promote the security and welfare of the people of the United States by providing for a program to assist the several States in further developing their programs of general university extension education (Rept. No. 2204).

STRENGTHENING THE CRIMINAL LAWS RELATING TO BRIBERY, GRAFT, AND CONFLICTS OF INTEREST—REPORT OF A COMMITTEE—INDIVIDUAL VIEWS (S. REPT. NO. 2213)

Mr. HRUSKA. Mr. President, on behalf of the Senator from Mississippi, the chairman of the Committee on the Judiciary [Mr. EASTLAND], from the Committee on the Judiciary, I report favorably, with amendments, the bill (H.R. 8140) to strengthen the criminal laws relating to bribery, graft, and conflicts of interest, and for other purposes, and I submit a report thereon. I ask unanimous consent that the report be printed, together with the individual views of the Senator from Colorado [Mr. CARROLL] and the individual views of the Senator from New York [Mr. KEATING].

The ACTING PRESIDENT pro tempore. The report will be received, and the bill will be placed on the calendar; and, without objection, the report will be printed, as requested by the Senator from Nebraska.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. HART:

S. 3763. A bill for the relief of Mrs. Inge Maarsso Fischer; and

S. 3764. A bill for the relief of Francesco Scardina, his wife, Maria, and their children, Salvatore and Antonia; to the Committee on the Judiciary.

By Mr. HOLLAND:

S. 3765. A bill to amend subsection (b) of section 512 of the Internal Revenue Code of 1954 (dealing with unrelated business taxable income); to the Committee on Finance.

By Mr. CLARK:

S. 3766. A bill for the relief of Dr. George R. Mikhail, his wife, Mrs. Elizabeth Mikhail, and their children, Marianne Mikhail and Michael Mikhail; to the Committee on the Judiciary.

GRANT OF EMERGENCY OFFICER'S RETIREMENT BENEFITS TO CERTAIN PERSONS—AMENDMENT

Mr. MILLER submitted an amendment, intended to be proposed by him, to the bill (H.R. 8517) to grant emergency officer's retirement benefits to certain persons who did not qualify therefor because their applications were not submitted before May 25, 1929, which was ordered to lie on the table and to be printed.

PERMISSION FOR DOMESTIC BANKS TO PAY INTEREST ON TIME DEPOSITS OF FOREIGN GOVERNMENTS AT RATES DIFFERING FROM THOSE APPLICABLE TO DOMESTIC DEPOSITORS—AMENDMENTS

Mr. PROXMIRE submitted amendments, intended to be proposed by him, to the bill (H.R. 12080) to permit domestic banks to pay interest on time deposits of foreign governments at rates differing from those applicable to domestic depositors, which were ordered to lie on the table and to be printed.

NOTICE OF MOTION TO SUSPEND THE RULE—AMENDMENT TO DEPARTMENTS OF STATE, JUSTICE, AND COMMERCE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATION BILL, 1963

Mr. SMATHERS submitted the following notice in writing:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H.R. 12580) making appropriations for the Departments of State, Justice, and Commerce, the judiciary, and related agencies for the fiscal year ending June 30, 1963, and for other purposes, the following amendment; namely, at the end of the bill add the following new sections:

"SEC. . That this Act may be cited as the 'Self-Employed Individuals Tax Retirement Act of 1962'.

"SEC. . QUALIFICATION OF PLANS.

"Section 401 of the Internal Revenue Code of 1954 (relating to qualified pension, profit-sharing, and stock bonus plans) is amended—

"(1) by adding at the end of paragraph (5) of subsection (a) the following new sentence: 'For purposes of this paragraph and paragraph (10), the total compensation of an individual who is an employee within the meaning of subsection (c)(1) means such individual's earned income (as defined in subsection (c)(2)), and the basic or regular rate of compensation of such an individual shall be determined, under regulations prescribed by the Secretary or his delegate, with respect to that portion of his earned income which bears the same ratio to his earned income as the basic or regular compensation of the employees under the plan bears to the total compensation of such employees.';

"(2) by adding at the end of subsection (a) the following new paragraphs:

"'(7) A trust shall not constitute a qualified trust under this section unless the plan of which such trust is a part provides that, upon its termination or upon complete discontinuance of contributions under the plan, the rights of all employees to benefits accrued to the date of such termination or discontinuance, to the extent then funded, or the amounts credited to the employees' accounts, are nonforfeitable. This paragraph shall not apply to benefits or contributions which, under provisions of the plan adopted pursuant to regulations prescribed by the Secretary or his delegate to preclude the discrimination prohibited by paragraph (4), may not be used for designated employees in the event of early termination of the plan.

"'(8) A trust forming part of a pension plan shall not constitute a qualified trust under this section unless the plan provides that forfeitures must not be applied to increase the benefits any employee would otherwise receive under the plan.

"'(9) In the case of a plan which provides contributions or benefits for employees some or all of whom are employees within the meaning of subsection (c)(1), a trust forming part of such plan shall not constitute a qualified trust under this section unless, under the plan, the entire interest of each employee—

"'(A) either will be distributed to him not later than his taxable year in which he attains the age of 70½ years, or, in the case of an employee other than an owner-employee (as defined in subsection (c)(3)) in which he retires, whichever is the later, or

"'(B) will be distributed, commencing not later than such taxable year, (i) in accordance with regulations prescribed by the Secretary or his delegate, over the life of such employee or over the lives of such employee and his spouse, or (ii) in accordance with such regulations, over a period not extending beyond the life expectancy of such employee or the life expectancy of such employee and his spouse.

A trust shall not be disqualified under this paragraph by reason of distributions under a designation, prior to the date of the enactment of this paragraph, by any employee under the plan of which such trust is a part, of a method of distribution which does not meet the terms of the preceding sentence.

"'(10) In the case of a plan which provides contributions or benefits for employees some or all of whom are owner-employees (as defined in subsection (c)(3))—

"'(A) paragraph (3) and the first and second sentences of paragraph (5) shall not apply, but—

"'(i) such plan shall not be considered discriminatory within the meaning of paragraph (4) merely because the contributions or benefits of or on behalf of employees under the plan bear a uniform relationship to the total compensation, or the basic or regular rate of compensation, of such employees, and

"'(ii) such plan shall not be considered discriminatory within the meaning of paragraph (4) solely because under the plan contributions described in subsection (e)(3)(A) which are in excess of the amounts which may be deducted under section 404 (determined without regard to section 404(a)(10)) for the taxable year may be made on behalf of any owner-employee; and

"'(B) a trust forming a part of such plan shall constitute a qualified trust under this section only if the requirements in subsection (d) are also met.'; and

"(3) by redesignating subsection (c) as subsection (h) and inserting after subsection (b) the following new subsections:

"'(c) DEFINITIONS AND RULES RELATING TO SELF-EMPLOYED INDIVIDUALS AND OWNER-EMPLOYEES.—For purposes of this section—

"'(1) EMPLOYEE.—The term "employee" includes, for any taxable year, an individual who has earned income (as defined in paragraph (2)) for the taxable year. To the extent provided in regulations prescribed by the Secretary or his delegate, such term also includes, for any taxable year—

"'(A) an individual who would be an employee within the meaning of the preceding sentence but for the fact that the trade or business carried on by such individual did not have net profits for the taxable year, and

"'(B) an individual who has been an employee within the meaning of the preceding sentence for any prior taxable year.

"'(2) EARNED INCOME.—

"'(A) In general.—The term "earned income" means the net earnings from self-employment (as defined in section 1402(a)) to the extent that such net earnings constitute earned income (as defined in section 911(b) but determined with the application of subparagraph (B)), but such net earnings shall be determined—

"'(i) without regard to paragraphs (4) and (5) of section 1402(c),

"'(ii) in the case of any individual who is treated as an employee under sections 3121(d)(3) (A), (C), or (D), without regard to paragraph (2) of section 1402(c), and

"'(iii) without regard to items which are not included in gross income for purposes of this chapter, and the deductions properly allocable to or chargeable against such items. For purposes of this subparagraph, sections 911(b) and 1402, as in effect for a taxable year ending on December 31, 1962, and subparagraph (B), as in effect for a taxable year beginning on January 1, 1963, shall be treated as having been in effect for all taxable years ending before such date.

"'(B) Earned income when both personal services and capital are material income-producing factors.—In applying section 911(b) for purposes of subparagraph (A), in the case of an individual who is an employee within the meaning of paragraph (1) and who is engaged in a trade or business in which both personal services and capital are material income-producing factors and with respect to which the individual actually renders personal services on a full-time, or substantially full-time basis, so much of his share of the net profits of such trade or business as does not exceed $2,500 shall be considered as earned income. In the case of any such individual who is engaged in more than one trade or business with respect to which he actually renders substantial personal services, if with respect to all such trades or businesses he actually renders personal services on a full-time, or substantially full-time, basis, there shall be considered as earned income with respect to the trades or businesses in which both personal services and capital are material income-producing factors—

"'(i) so much of his share of the net profits of such trades or businesses as does not exceed $2,500, reduced by

"'(ii) his share of the net profits of any trade or business in which only personal services is a material income-producing factor.

The preceding sentences shall not be construed to reduce the share of net profits of any trade or business which under the second sentence of section 911(b) would be considered as earned income of any such individual.

"'(3) Owner-employee.—The term "owner-employee" means an employee who—

"'(A) owns the entire interest in an unincorporated trade or business, or

"'(B) in the case of a partnership, is a partner who owns more than 10 percent of either the capital interest or the profits interest in such partnership.

To the extent provided in regulations prescribed by the Secretary or his delegate, such term also means an individual who has been an owner-employee within the meaning of the preceding sentence.

"'(4) Employer.—An individual who owns the entire interest in an unincorporated trade or business shall be treated as his own employer. A partnership shall be treated as the employer of each partner who is an employee within the meaning of paragraph (1).

"'(5) Contributions on behalf of owner-employees.—The term "contribution on behalf of an owner-employee" includes, except as the context otherwise requires, a contribution under a plan—

"'(A) by the employer for an owner-employee, and

"'(B) by an owner-employee as an employee.

"'(d) Additional Requirements for Qualification of Trusts and Plans Benefiting Owner-Employees.—A trust forming part of a pension or profit-sharing plan which provides contributions or benefits for employees some or all of whom are owner-employees shall constitute a qualified trust under this section only if, in addition to meeting the requirements of subsection (a), the following requirements of this subsection are met by the trust and by the plan of which such trust is a part:

"'(1) In the case of a trust which is created on or after the date of the enactment of this subsection, or which was created before such date but is not exempt from tax under section 501(a) as an organization described in subsection (a) on the day before such date, the trustee is a bank, but a person (including the employer) other than a bank may be granted, under the trust instrument, the power to control the investment of the trust funds either by directing investments (including reinvestments, disposals, and exchanges) or by disapproving proposed investments (including reinvestments, disposals, and exchanges). This paragraph shall not apply to a trust created or organized outside the United States before the date of the enactment of this subsection if, under section 402(c), it is treated as exempt from tax under section 501(a) on the day before such date; or, to the extent provided under regulations prescribed by the Secretary or his delegate, to a trust which uses annuity, endowment, or life insurance contracts of a life insurance company exclusively to fund the benefits prescribed by the trust, if the life insurance company supplies annually such information about trust transactions affecting owner-employees as the Secretary or his delegate shall by forms or regulations prescribe. For purposes of this paragraph, the term "bank" means a bank as defined in section 581, a corporation which under the laws of the State of its incorporation is subject to supervision and examination by the commissioner of banking or other officer of such State in charge of the administration of the banking laws of such State, and, in the case of a trust created or organized outside the United States, a bank or trust company, wherever incorporated, exercising fiduciary powers and subject to supervision and examination by governmental authority.

"'(2) Under the plan—

"'(A) the employees' rights to or derived from the contributions under the plan are nonforfeitable at the time the contributions are paid to or under the plan; and

"'(B) in the case of a profit-sharing plan, there is a definite formula for determining the contributions to be made by the employer on behalf of employees (other than owner-employees).

Subparagraph (A) shall not apply to contributions which, under provisions of the plan adopted pursuant to regulations prescribed by the Secretary or his delegate to preclude the discrimination prohibited by subsection (a)(4), may not be used to provide benefits for designated employees in the event of early termination of the plan.

"'(3) The plan benefits each employee having a period of employment of 3 years or more. For purposes of the preceding sentence, the term "employed" does not include any employee whose customary employment is for not more than 20 hours in any one week or is for not more than 5 months in any calendar year.

"'(4) Under the plan—

"'(A) contributions or benefits are not provided for any owner-employee unless such owner-employee has consented to being included under the plan; and

"'(B) no benefits may be paid to any owner-employee, except in the case of his becoming disabled (within the meaning of section 213(g)(3)), prior to his attaining the age of 59½ years.

"'(5) The plan does not permit—

"'(A) contributions to be made by the employer on behalf of any owner-employee in excess of the amounts which may be deducted under section 404 (determined without regard to section 404(a)(10)) for the taxable year;

"'(B) in the case of a plan which provides contributions or benefits only for owner-employees, contributions to be made on behalf of any owner-employee in excess of the amounts which may be deducted under section 404 (determined without regard to section 404(a)(10)) for the taxable year; and

"'(C) if a distribution under the plan is made to any employee and if any portion of such distribution is an amount described in section 72(m)(5)(A)(i), contributions to be made on behalf of such employee for the 5 taxable years succeeding the taxable year in which such distribution is made.

Subparagraphs (A) and (B) shall not apply to any contribution which is not considered to be an excess contribution (as defined in subsection (e)(1)) by reason of the application of subsection (e)(3).

"'(6) Except as provided in this paragraph, the plan meets the requirements of subsection (a)(4) without taking into account for any purpose contributions or benefits under chapter 2 (relating to tax on self-employment income), chapter 21 (relating to Federal Insurance Contributions Act), title II of the Social Security Act, as amended, or any other Federal or State law. If—

"'(A) of the contributions deductible under section 404 (determined without regard to section 404(a)(10)), not more than one-third is deductible by reason of contributions by the employer on behalf of owner-employees, and

"'(B) taxes paid by the owner-employees under chapter 2 (relating to tax on self-employment income), and the taxes which would be payable under such chapter 2 by the owner-employees but for paragraphs (4) and (5) of section 1402(c), are taken into account as contributions by the employer on behalf of such owner-employees,

then taxes paid under section 3111 (relating to tax on employers) with respect to an employee may, for purposes of subsection (a)(4), be taken into account as contributions by the employer for such employee under the plan.

"'(7) Under the plan, if an owner-employee dies before his entire interest has been distributed to him, or if distribution has been commenced, in accordance with subsection (a)(9)(B) to his surviving spouse and such surviving spouse dies before his entire interest has been distributed to such surviving spouse, his entire interest (or the remaining part of such interest if distribution thereof has commenced) will, within five years after his death (or the death of his surviving spouse), be distributed or applied to the purchase of an immediate annuity for his beneficiary or beneficiaries (or the beneficiary or beneficiaries of his surviving spouse) which will be payable for the life of such beneficiary or beneficiaries (or for a term certain not extending beyond the life expectancy of such beneficiary or beneficiaries) and which will be immediately distributed to such beneficiary or beneficiaries. The preceding sentence shall not apply if distribution of the interest of an owner-employee has commenced and such distribution is for a term certain over a period permitted under subsection (a)(9)(B)(ii).

"'(8) Under the plan—

"'(A) any contribution which is an excess contribution, together with the income attributable to such excess contribution, is (unless subsection (e)(2)(E) applies) to be repaid to the owner-employee on whose behalf such excess contribution is made;

"'(B) if for any taxable year the plan does not, by reason of subsection (e) (2) (A), meet (for purposes of section 404) the requirements of this subsection with respect to an owner-employee, the income for the taxable year attributable to the interest of such owner-employee under the plan is to be paid to such owner-employee; and

"'(C) the entire interest of an owner-employee is to be repaid to him when required by the provisions of subsection (e) (2) (E).

"'(9) (A) If the plan provides contributions or benefits for an owner-employee who controls, or for two or more owner-employees who together control, the trade or business with respect to which the plan is established, and who also control as an owner-employee or as owner-employees one or more other trades or businesses, such plan and the plans established with respect to such other trades or businesses, when coalesced, constitute a single plan which meets the requirements of subsection (a) (including paragraph (10) thereof) and of this subsection with respect to the employees of all such trades or businesses (including the trade or business with respect to which the plan intended to qualify under this section is established).

"'(B) For purposes of subparagraph (A), an owner-employee, or two or more owner-employees, shall be considered to control a trade or business if such owner-employee, or such two or more owner-employees together—

"'(i) own the entire interest in an unincorporated trade or business, or

"'(ii) in the case of a partnership, own more than 50 percent of either the capital interest or the profits interest in such partnership.

For purposes of the preceding sentence, an owner-employee, or two or more owner-employees, shall be treated as owning any interest in a partnership which is owned, directly or indirectly, by a partnership which such owner-employee, or such two or more owner-employees, are considered to control within the meaning of the preceding sentence.

"'(10) The plan does not provide contributions or benefits for any owner-employee who controls (within the meaning of paragraph (9) (B), or for two or more owner-employees who together control, as an owner-employee or as owner-employees, any other trade or business, unless the employees of each trade or business which such owner-employee or such owner-employees control are included under a plan which meets the requirements of subsection (a) (including paragraph (10) thereof) and of this subsection, and provides contributions and benefits for employees which are not less favorable than contributions and benefits provided for owner-employees under the plan.

"'(11) Under the plan, contributions on behalf of any owner-employee may be made only with respect to the earned income of such owner-employee which is derived from the trade or business with respect to which such plan is established.

"'(e) Excess Contributions on Behalf of Owner-Employees.—

"'(1) Excess contribution defined.—For purposes of this section, the term "excess contribution" means, except as provided in paragraph (3)—

"'(A) if, in the taxable year, contributions are made under the plan only on behalf of owner-employees, the amount of any contribution made on behalf of any owner-employee which (without regard to this subsection) is not deductible under section 404 (determined without regard to section 404(a) (10)) for the taxable year; or

"'(B) if, in the taxable year, contributions are made under the plan on behalf of employees other than owner-employees—

"'(i) the amount of any contribution made by the employer on behalf of any owner-employee which (without regard to this subsection) is not deductible under section 404 (determined without regard to section 404(a) (10)) for the taxable year;

"'(ii) the amount of any contribution made by any owner-employee (as an employee) at a rate which exceeds the rate of contributions permitted to be made by employees other than owner-employees;

"'(iii) the amount of any contribution made by any owner-employee (as an employee) which exceeds the lesser of $2,500 or 10 percent of the earned income for such taxable year derived by such owner-employee from the trade or business with respect to which the plan is established; and

"'(iv) in the case of any individual on whose behalf contributions are made under more than one plan as an owner-employee, the amount of any contribution made by such owner-employee (as an employee) under all such plans which exceeds $2,500; and

"'(C) the amount of any contribution made on behalf of an owner-employee in any taxable year for which, under paragraph (2) (A) or (E), the plan does not (for purposes of section 404) meet the requirements of subsection (d) with respect to such owner-employee.

For purposes of this subsection, the amount of any contribution which is allocable (determined in accordance with regulations prescribed by the Secretary or his delegate) to the purchase of life, accident, health, or other insurance shall not be taken into account.

"'(2) Effect of excess contribution.—

"'(A) In general.—If an excess contribution (other than an excess contribution to which subparagraph (E) applies) is made on behalf of an owner-employee in any taxable year, the plan with respect to which such excess contribution is made shall, except as provided in subparagraphs (C) and (D), be considered, for purposes of section 404, as not meeting the requirements of subsection (d) with respect to such owner-employee for the taxable year and for all succeeding taxable years.

"'(B) Inclusion of amounts in gross income of owner-employees.—For any taxable year for which any plan does not meet the requirements of subsection (d) with respect to an owner-employee by reason of subparagraph (A), the gross income of such owner-employee shall, for purposes of this chapter, include the amount of net income for such taxable year attributable to the interest of such owner-employee under such plan.

"'(C) Repayment within prescribed period.—Subparagraph (A) shall not apply to an excess contribution with respect to any taxable year, if, on or before the close of the 6-month period beginning on the day on which the Secretary or his delegate sends notice (by certified or registered mail) to the person to whom such excess contribution was paid of the amount of such excess contribution, the amount of such excess contribution, and the net income attributable thereto, is repaid to the owner-employee on whose behalf such excess contribution was made. If the excess contribution is an excess contribution as defined in paragraph (1) (A) or (B) (i), or is an excess contribution as defined in paragraph (1) (C) with respect to which a deduction has been claimed under section 404, the notice required by the preceding sentence shall not be mailed prior to the time that the amount of the tax under this chapter of such owner-employee for the taxable year in which such excess contribution was made has been finally determined.

"'(D) Repayment after prescribed period.—If an excess contribution, together with the net income attributable thereto, is not repaid within the 6-month period referred to in subparagraph (C), subparagraph (A) shall not apply to an excess contribution with respect to any taxable year beginning with the taxable year in which the person to whom such excess contribution was paid repays the amount of such excess contribution to the owner-employee on whose behalf such excess contribution was made, and pays to such owner-employee the amount of net income attributable to the interest of such owner-employee which, under subparagraph (B), has been included in the gross income of such owner-employee for any prior taxable year.

"'(E) Special rule if excess contribution was willfully made.—If an excess contribution made on behalf of an owner-employee is determined to have been willfully made, then—

"'(i) subparagraphs (A), (B), (C), and (D) shall not apply with respect to such excess contribution;

"'(ii) there shall be distributed to the owner-employee on whose behalf such excess contribution was willfully made his entire interest in all plans with respect to which he is an owner-employee; and

"'(iii) no plan shall, for purposes of section 404, be considered as meeting the requirements of subsection (d) with respect to such owner-employee for the taxable year in which it is determined that such excess contribution was willfully made and for the 5 taxable years following such taxable year.

"'(F) Statute of limitations.—In any case in which subparagraph (A) applies, the period for assessing any deficiency arising by reason of—

"'(i) the disallowance of any deduction under section 404 on account of a plan not meeting the requirements of subsection (d) with respect to the owner-employee on whose behalf an excess contribution was made, or

"'(ii) the inclusion, under subparagraph (B), in gross income of such owner-employee of income attributable to the interest of such owner-employee under a plan,

for the taxable year in which such excess contribution was made or for any succeeding taxable year shall not expire prior to one year after the close of the 6-month period referred to in subparagraph (C).

"'(3) Contributions for premiums on annuity, etc., contracts.—A contribution by the employer on behalf of an owner-employee shall not be considered to be an excess contribution within the meaning of paragraph (1), if—

"'(A) under the plan such contribution is required to be applied (directly or through a trustee) to pay premiums or other consideration for one or more annuity, endowment, or life insurance contracts on the life of such owner-employee issued under the plan,

"'(B) the amount of such contribution exceeds the amount deductible under section 404 (determined without regard to section 404(a) (10)) with respect to contributions made by the employer on behalf of such owner-employee under the plan, and

"'(C) the amount of such contribution does not exceed the average of the amounts which were deductible under section 404 (determined without regard to section 404 (a) (10)) wth respect to contributions made by the employer on behalf of such owner-employee under the plan (or which would have been deductible under such section if such section had been in effect) for the first 3 taxable years (i) preceding the year in which the last such annuity, endowment, or life insurance contract was issued under the plan and (ii) in which such owner-employee derived earned income from the trade or business with respect to which the plan is established, or for as many of such taxable years as such owner-employee was engaged in such trade or business and derived earned income therefrom.

In the case of any individual on whose behalf contributions described in subparagraph (A) are made under more than one plan as an owner-employee during any taxable year, the preceding sentence shall not apply if the amount of such contributions under all such plans for such taxable year exceeds $2,500. Any contribution which is not considered to be an excess contribution by reason of the application of this paragraph shall, for purposes of subparagraphs (B)(ii), (III), and (iv) of paragraph (1), be taken into account as a contribution made by such owner-employee as an employee to the extent that the amount of such contribution is not deductible under section 404 (determined without regard to section 404(a)(10)) for the taxable year, but only for the purpose of applying such subparagraphs to other contributions made by such owner-employee as an employee.

" '(f) Certain Custodial Accounts.—

" '(1) Treatment as qualified trust.—For purposes of this title, a custodial account shall be treated as a qualified trust under this section, if—

" '(A) such custodial account would, except for the fact that it is not a trust, constitute a qualified trust under this section;

" '(B) the custodian is a bank (as defined in subsection (d)(1));

" '(C) the investment of the funds in such account (including all earnings) is to be made—

" '(i) solely in regulated investment company stock with respect to which an employee is the beneficial owner, or

" '(ii) solely in annuity, endowment, or life insurance contracts issued by an insurance company;

" '(D) the shareholder of record of any such stock described in subparagraph (C)(i) is the custodian or its nominee; and

" '(E) the contracts described in subparagraph (C)(ii) are held by the custodian until distributed under the plan.

For purposes of this title, in the case of a custodial account treated as a qualified trust under this section by reason of the preceding sentence, the custodian of such account shall be treated as the trustee thereof.

" '(2) Definition.—For purposes of paragraph (1), the term "regulated investment company" means a domestic corporation which—

" '(A) is a regulated investment company within the meaning of section 851(a), and

" '(B) issues only redeemable stock.

" '(g) Annuity Defined.—For purposes of this section and sections 402, 403, and 404, the term "annuity" includes a face-amount certificate, as defined in section 2(a)(15) of the Investment Company Act of 1940 (15 U.S.C., sec. 80a-2); but does not include any contract or certificate issued after December 31, 1962, which is transferable, if any person other than the trustee of a trust described in section 401(a) which is exempt from tax under section 501(a) is the owner of such contract or certificate.'

"Sec. . Deductibility of Contributions to Plans.

"(a) Inclusion of Self-Employed Individuals.—Section 404(a) of the Internal Revenue Code of 1954 (relating to the deductibility of contributions to pension, annuity, profit-sharing, or stock bonus plans or plans of deferred compensation) is amended—

"(1) by striking out in paragraph (2) 'and (6),' and inserting in lieu thereof '(6), (7), and (8), and if applicable, the requirements of section 401(a), (9), and (10) and of section 401(d) (other than paragraph (1)),'; and

"(2) by adding after paragraph (7) the following new paragraphs:

" '(8) Self-employed individuals.—In the case of a plan included in paragraph (1), (2), or (3) which provides contributions or benefits for employees some or all of whom are employees within the meaning of section 401(c)(1), for purposes of this section—

" '(A) the term "employee" includes an individual who is an employee within the meaning of section 401(c)(1), and the employer of such individual is the person treated as his employer under section 401(c)(4);

" '(B) the term "earned income" has the meaning assigned to it by section 401(c)(2);

" '(C) the contributions to such plan on behalf of an individual who is an employee within the meaning of section 401(c)(1) shall be considered to satisfy the conditions of section 162 or 212 to the extent that such contributions do not exceed the earned income of such individual derived from the trade or business with respect to which such plan is established, and to the extent that such contributions are not allocable (determined in accordance with regulations prescribed by the Secretary or his delegate) to the purchase of life, accident, health, or other insurance; and

" '(D) any reference to compensation shall, in the case of an individual who is an employee within the meaning of section 401(c)(1), be considered to be a reference to the earned income of such individual derived from the trade or business with respect to which the plan is established.

" '(9) Plans benefiting self-employed individuals.—In the case of a plan included in paragraph (1), (2), or (3) which provides contributions or benefits for employees some or all of whom are employees within the meaning of section 401(c)(1)—

" '(A) the limitations provided by paragraphs (1), (2), (3), and (7) on the amounts deductible for any taxable year shall be computed, with respect to contributions on behalf of employees (other than employees within the meaning of section 401(c)(1)), as if such employees were the only employees for whom contributions and benefits are provided under the plan;

" '(B) the limitations provided by paragraphs (1), (2), (3), and (7) on the amounts deductible for any taxable year shall be computed, with respect to contributions on behalf of employees within the meaning of section 401(c)(1)—

" '(i) as if such employees were the only employees for whom contributions and benefits are provided under the plan, and

" '(ii) without regard to paragraph (1)(D), the second and third sentences of paragraph (3), and the second sentence of paragraph (7); and

" '(C) the amounts deductible under paragraphs (1), (2), (3), and (7), with respect to contributions on behalf of any employee within the meaning of section 401(c)(1), shall not exceed the applicable limitation provided in subsection (e).

" '(10) Special limitation on amount allowed as deduction for self-employed individuals.—Notwithstanding any other provision of this section, the amount allowable as a deduction under paragraphs (1), (2), (3), and (7) in any taxable year with respect to contributions made on behalf of an individual who is an employee within the meaning of section 401(c)(1) shall be an amount equal to one-half of the contributions made on behalf of such individual in such taxable year which are deductible under such paragraphs (determined with the application of paragraph (9) and of subsection (e) but without regard to this paragraph). For purposes of section 401, the amount which may be deducted, or the amount deductible, under this section with respect to contributions made on behalf of such individual shall be determined without regard to the preceding sentence.'

"(b) Limitations on Deductible Contributions on Behalf of Self-Employed Individuals.—Section 404 of the Internal Revenue Code of 1954 (relating to the deductibility of contributions to pension, annuity, profit-sharing, or stock bonus plans or plans of deferred compensation) is amended by adding after subsection (d) the following new subsections:

" '(e) Special Limitations for Self-Employed Individuals.—

" '(1) In general.—In the case of a plan included in subsection (a) (1), (2), or (3), which provides contributions or benefits for employees some or all of whom are employees within the meaning of section 401 (c)(1), the amounts deductible under subsection (a) (determined without regard to paragraph (10) thereof) in any taxable year with respect to contributions on behalf of any employee within the meaning of section 401(c)(1) shall, subject to the provisions of paragraph (2), not exceed $2,500, or 10 percent of the earned income derived by such employee from the trade or business with respect to which the plan is established, whichever is the lesser.

" '(2) Contributions made under more than one plan.—

" '(A) Overall limitation.—In any taxable year in which amounts are deductible with respect to contributions under two or more plans on behalf of an individual who is an employee within the meaning of section 401(c)(1) with respect to such plans, the aggregate amount deductible for such taxable year under all such plans with respect to contributions on behalf of such employee (determined without regard to subsection (a)(10)) shall not exceed $2,500, or 10 percent of the earned income derived by such employee from the trades or businesses with respect to which the plans are established, whichever is the lesser.

" '(B) Allocation of amounts deductible.—In any case in which the amounts deductible under subsection (a) (with the application of the limitations of this subsection) with respect to contributions made on behalf of an employee within the meaning of section 401(c)(1) under two or more plans are, by reason of subparagraph (A), less than the amounts deductible under such subsection determined without regard to such subparagraph, the amount deductible under subsection (a) (determined without regard to paragraph (10) thereof) with respect to such contributions under each such plan shall be determined in accordance with regulations prescribed by the Secretary or his delegate.

" '(3) Contributions allocable to insurance protection.—

For purposes of this subsection, contributions which are allocable (determined under regulations prescribed by the Secretary or his delegate) to the purchase of life, accident, health, or other insurance shall not be taken into account.

" '(f) Certain Loan Repayments Considered as Contributions.—For purposes of this section, any amount paid, directly or indirectly, by an owner-employee (within the meaning of section 401(c)(3)) in repayment of any loan which under section 72(m)(4)(B) was treated as an amount received under a contract purchased by a trust described in section 401(a) which is exempt from tax under section 501(a) or purchased as part of a plan described in section 403(a) shall be treated as a contribution to which this section applies on behalf of such owner-employee to such trust or to or under such plan.'

"Sec. . Taxability of Distributions.

"(a) Employees' Annuities.—Section 72 (d)(2) of the Internal Revenue Code of 1954 (relating to employees' annuities) is amended to read as follows:

" '(2) Special rules for application of paragraph (1).—For purposes of paragraph (1)—

" '(A) if the employee died before any amount was received as an annuity under the contract, the words "receivable by the employee" shall be read as "receivable by a beneficiary of the employee"; and

"'(B) any contribution made with respect to the contract while the employee is an employee within the meaning of section 401(c)(1) which is not allowed as a deduction under section 404 shall be treated as consideration for the contract contributed by the employee.'

"(b) Special Rules Relating to Self-Employed Individuals and Owner-Employees.—Section 72 of the Internal Revenue Code of 1954 (relating to annuities, etc.) is amended by redesignating subsection (m) as subsection (o) and by inserting after subsection (l) the following new subsections:

"'(m) Special Rules Applicable to Employee Annuities and Distributions Under Employee Plans.—

"'(1) Certain amounts received before annuity starting date.—Any amounts received under an annuity, endowment, or life insurance contract before the annuity starting date which are not received as an annuity (within the meaning of subsection (e)(2)) shall be included in the recipient's gross income for the taxable year in which received to the extent that—

"'(A) such amounts, plus all amounts theretofore received under the contract and includible in gross income under this paragraph, do not exceed

"'(B) the aggregate premiums or other consideration paid for the contract while the employee was an owner-employee which were allowed as deductions under section 404 for the taxable year and all prior taxable years. Any such amounts so received which are not includible in gross income under this paragraph shall be subject to the provisions of subsection (e).

"'(2) Computation of consideration paid by the employee.—In computing—

"'(A) the aggregate amount of premiums or other consideration paid for the contract for purposes of subsection (c)(1)(A) (relating to the investment in the contract),

"'(B) the consideration for the contract contributed by the employee for purposes of subsection (d)(1) (relating to employee's contributions recoverable in 3 years), and

"'(C) the aggregate premiums or other consideration paid for purposes of subsection (e)(1)(B) (relating to certain amounts not received as an annuity),

any amount allowed as a deduction with respect to the contract under section 404 which was paid while the employee was an employee within the meaning of section 401(c)(1) shall be treated as consideration contributed by the employer, and there shall not be taken into account any portion of the premiums or other consideration for the contract paid while the employee was an owner-employee which is properly allocable (as determined under regulations prescribed by the Secretary or his delegate) to the cost of life, accident, health, or other insurance.

"'(3) Life insurance contracts.—

"'(A) This paragraph shall apply to any life insurance contract—

"'(i) purchased as a part of a plan described in section 403(a), or

"'(ii) purchased by a trust described in section 401(a) which is exempt from tax under section 501(a) if the proceeds of such contract are payable directly or indirectly to a participant in such trust or to a beneficiary of such participant.

"'(B) Any contribution to a plan described in subparagraph (A)(i) or a trust described in subparagraph (A)(ii) which is allowed as a deduction under section 404, and any income of a trust described in subparagraph (A)(ii), which is determined in accordance with regulations prescribed by the Secretary or his delegate to have been applied to purchase the life insurance protection under a contract described in subparagraph (A), is includible in the gross income of the participant for the taxable year when so applied.

"'(C) In the case of the death of an individual insured under a contract described in subparagraph (A), an amount equal to the cash surrender value of the contract immediately before the death of the insured shall be treated as a payment under such plan or a distribution by such trust, and the excess of the amount payable by reason of the death of the insured over such cash surrender value shall not be includible in gross income under this section and shall be treated as provided in section 101.

"'(4) Amounts constructively received.—

"'(A) Assignments or pledges.—If during any taxable year an owner-employee assigns (or agrees to assign) or pledges (or agrees to pledge) any portion of his interest in a trust described in section 401(a) which is exempt from tax under section 501(a) or any portion of the value of a contract purchased as part of a plan described in section 403(a), such portion shall be treated as having been received by such owner-employee as a distribution from such trust or as an amount received under the contract.

"'(B) Loans on contracts.—If during any taxable year, an owner-employee receives, directly or indirectly, any amount from any insurance company as a loan under a contract purchased by a trust described in section 401(a) which is exempt from tax under section 501(a) or purchased as part of a plan described in section 403(a), and issued by such insurance company, such amount shall be treated as an amount received under the contract.

"'(5) Penalties applicable to certain amounts received by owner-employees.—

"'(A) This paragraph shall apply—

"'(i) to amounts (other than any amount received by an individual in his capacity as a policyholder of an annuity, endowment, or life insurance contract which is in the nature of a dividend or similar distribution which are received from a qualified trust described in section 401(a) or under a plan described in section 403(a) and which are received by an individual, who is, or has been, an owner-employee, before such individual attains the age of 59½ years, for any reason other than the individual's becoming disabled (within the meaning of section 213(g)(3)), but only to the extent that such amounts are attributable to contributions paid on behalf of such individual (whether or not paid by him) while he was an owner-employee,

"'(ii) to amounts which are received from a qualified trust described in section 401(a) or under a plan described in section 403(a) at any time by an individual who is, or has been, an owner-employee, or by the successor of such individual, but only to the extent that such amounts are determined, under regulations prescribed by the Secretary or his delegate, to exceed the benefits provided for such individual under the plan formula, and

"'(iii) to amounts which are received, by an individual who is, or has been, an owner-employee, by reason of the distribution under the provisions of section 401(e)(2)(E) of his entire interest in all qualified trusts described in section 401(a) and in all plans described in section 403(a).

"'(B)(i) If the aggregate of the amounts to which this paragraph applies received by any person in his taxable year equals or exceeds $2,500, the increase in his tax for the taxable year in which such amounts are received and attributable to such amounts shall not be less than 110 percent of the aggregate increase in taxes, for the taxable year and the 4 immediately preceding taxable years, which would have resulted if such amounts had been included in such person's gross income ratably over such taxable years.

"'(ii) If deductions have been allowed under section 404 for contributions paid on behalf of the individual while he is an owner-employee for a number of prior taxable years less than 4, clause (i) shall be applied by taking into account a number of taxable years immediately preceding the taxable year in which the amount was so received equal to such lesser number.

"'(C) If subparagraph (B) does not apply to a person for the taxable year, the increase in tax of such person for the taxable year attributable to the amounts to which this paragraph applies shall be 110 percent of such increase (computed without regard to this subparagraph).

"'(D) Subparagraph (A)(ii) of this paragraph shall not apply to any amount to which section 402(a)(2) or 403(a)(2) applies.

"'(E) For special rules for computation of taxable income for taxable years to which this paragraph applies, see subsection (n)(3).

"'(6) Owner-employee defined.—For purposes of this subsection, the term "owner-employee" has the meaning assigned to it by section 401(c)(3).

"'(n) Treatment of Certain Distributions With Respect to Contributions by Self-Employed Individuals.—

"'(1) Application of subsection.—

"'(A) Distributions by employees' trust.—Subject to the provisions of subparagraph (C), this subsection shall apply to amounts distributed to a distributee, in the case of an employees' trust described in section 401(a) which is exempt from tax under section 501(a), if the total distributions payable to the distributee with respect to an employee are paid to the distributee within one taxable year of the distributee—

"'(i) on account of the employee's death,

"'(ii) after the employee has attained the age of 59½ years, or

"'(iii) after the employee has become disabled (within the meaning of section 213(g)(3)).

"'(B) Annuity plans.—Subject to the provisions of subparagraph (C), this subsection shall apply to amounts paid to a payee, in the case of an annuity plan described in section 403(a), if the total amounts payable to the payee with respect to an employee are paid to the payee within one taxable year of the payee—

"'(i) on account of the employee's death,

"'(ii) after the employee has attained the age of 59½ years, or

"'(iii) after the employee has become disabled (within the meaning of section 213(g)(3)).

"'(C) Limitations and exceptions.—This subsection shall apply—

"'(i) only with respect to so much of any distribution or payment to which (without regard to this subparagraph) subparagraph (A) or (B) applies as is attributable to contributions made on behalf of an employee while he was an employee within the meaning of section 401(c)(1), and

"'(ii) if the recipient is the employee on whose behalf such contributions were made, only if contributions which were allowed as a deduction under section 404 have been made on behalf of such employee while he was an employee within the meaning of section 401(c)(1) for 5 or more taxable years prior to the taxable year in which the total distributions payable or total amounts payable, as the case may be, are paid.

This subsection shall not apply to amounts described in clauses (ii) and (iii) of subparagraph (A) of subsection (m)(5) (but, in the case of amounts described in clause (ii) of such subparagraph, only to the extent that subsection (m)(5) applies to such amounts).

"'(2) Limitation of tax.—In any case to which this subsection applies, the tax attributable to the amounts to which this subsection applies for the taxable year in which such amounts are received shall not exceed whichever of the following is the greater:

" '(A) 5 times the increase in tax which would result from the inclusion in gross income of the recipient of 20 percent of so much of the amount so received as is includible in gross income, or

" '(B) 5 times the increase in tax which would result if the taxable income of the recipient for such taxable year equaled 20 percent of the amount of the taxable income of the recipient for such taxable year determined under paragraph (3) (A).

" '(3) Determination of taxable income.—Notwithstanding section 63 (relating to definition of taxable income), for purposes only of computing the tax under this chapter attributable to amounts to which this subsection or subsection (m) (5) applies and which are includible in gross income—

" '(A) the taxable income of the recipient for the taxable year of receipt shall be treated as being not less than the amount by which (i) the aggregate of such amounts so includible in gross income exceeds (ii) the amount of the deductions allowed for such taxable year under section 151 (relating to deductions for personal exemptions); and

" '(B) in making ratable inclusion computations under paragraph (5) (B) of subsection (m), the taxable income of the recipient for each taxable year involved in such ratable inclusion shall be treated as being not less than the amount required by such paragraph (5) (B) to be treated as includible in gross income for such taxable year.

In any case in which the preceding sentence results in an increase in taxable income for any taxable year, the resulting increase in the taxes imposed by section 1 or 3 for such taxable year shall not be reduced by any credit under part IV of subchapter A (other than section 31 thereof) which, but for this sentence, would be allowable.'

"(c) Capital Gains Treatment of Certain Employees' Trust Distributions.—Section 402(a) (2) of the Internal Revenue Code of 1954 (relating to capital gains treatment for certain distributions) is amended by adding at the end thereof the following new sentence: 'This paragraph shall not apply to distributions paid to any distributee to the extent such distributions are attributable to contributions made on behalf of the employee while he was an employee within the meaning of section 401(c) (1).'

"(d) Capital Gains Treatment of Certain Employees' Annuity Payments.—Section 403(a) of the Internal Revenue Code of 1954 (relating to taxability of a beneficiary under a qualified annuity plan) is amended—

"(1) by striking out in paragraph (2) (A) (i) 'which meets the requirements of section 401(a) (3), (4), (5), and (6)' and inserting in lieu thereof 'described in paragraph (1)';

"(2) by adding at the end of paragraph (2) (A) the following new sentence: 'This subparagraph shall not apply to amounts paid to any payee to the extent such amounts are attributable to contributions made on behalf of the employee while he was an employee within the meaning of section 401(c) (1).'; and

"(3) by adding after paragraph (2) the following new paragraph:

" '(3) Self-employed individuals.—For purposes of this subsection, the term "employee" includes an individual who is an employee within the meaning of section 401(c) (1), and the employer of such individual is the person treated as his employer under section 401(c) (4).'

"Sec. 5. Plans for Purchase of United States Bonds.

"(a) Qualified Bond Purchase Plans.—Part I of subchapter D of chapter 1 of the Internal Revenue Code of 1954 (relating to deferred compensation, etc.) is amended by adding at the end thereof the following new section:

" 'Sec. 405. Qualified Bond Purchase Plans.

" '(a) Requirements for Qualification.—A plan of an employer for the purchase for and distribution to his employees or their beneficiaries of United States bonds described in subsection (b) shall constitute a qualified bond purchase plan under this section if—

" '(1) the plan meets the requirements of section 401(a) (3), (4), (5), (6), (7), and (8) and, if applicable, the requirements of section 401(a) (9) and (10) and of section 401(d) (other than paragraphs (1), (5) (B), and (8)); and

" '(2) contributions under the plan are used solely to purchase for employees or their beneficiaries United States bonds described in subsection (b).

" '(b) Bonds to Which Applicable.—

" '(1) Characteristics of bonds.—This section shall apply only to a bond issued under the Second Liberty Bond Act, as amended, which by its terms, or by regulations prescribed by the Secretary under such Act—

" '(A) provides for payment of interest, or investment yield, only upon redemption;

" '(B) may be purchased only in the name of an individual;

" '(C) ceases to bear interest, or provide investment yield, not later than 5 years after the death of the individual in whose name it is purchased;

" '(D) may be redeemed before the death of the individual in whose name it is purchased only if such individual—

" '(i) has attained the age of 59½ years, or

" '(ii) has become disabled (within the meaning of section 213(g) (3)); and

" '(E) is nontransferable.

" '(2) Must be purchased in name of employee.—This section shall apply to a bond described in paragraph (1) only if it is purchased in the name of the employee.

" '(c) Deduction for Contributions to Bond Purchase Plans.—Contributions paid by an employer to or under a qualified bond purchase plan shall be allowed as a deduction in an amount determined under section 404 in the same manner and to the same extent as if such contributions were made to a trust described in section 401(a) which is exempt from tax under section 501(a).

" '(d) Taxability of Beneficiary of Qualified Bond Purchase Plan.—

" '(1) Gross income not to include bonds at time of distribution.—For purposes of this chapter, in the case of a distributee of a bond described in subsection (b) under a qualified bond purchase plan, or from a trust described in section 401(a) which is exempt from tax under section 501(a), gross income does not include any amount attributable to the receipt of such bond. Upon redemption of such bond, the proceeds shall be subject to taxation under this chapter, but the provisions of section 72 (relating to annuities, etc.) and section 1232 (relating to bonds and other evidences of indebtedness) shall not apply.

" '(2) Basis.—The basis of any bond received by a distributee under a qualified bond purchase plan—

" '(A) if such bond is distributed to an employee, or with respect to an employee, who at the time of purchase of the bond, was an employee other than an employee within the meaning of section 401(c) (1), shall be the amount of the contributions by the employee which were used to purchase the bond, and

" '(B) if such bond is distributed to an employee, or with respect to an employee, who, at the time of purchase of the bond, was an employee within the meaning of section 401(c) (1), shall be the amount of the contributions used to purchase the bond which were made on behalf of such employee and were not allowed as a deduction under subsection (c).

The basis of any bond described in subsection (b) received by a distributee from a trust described in section 401(a) which is exempt from tax under section 501(a) shall be determined under regulations prescribed by the Secretary or his delegate.

" '(e) Capital Gains Treatment Not To Apply to Bonds Distributed by Trusts.—Section 402(a) (2) shall not apply to any bond described in subsection (b) distributed to any distributee and, for purposes of applying such section, any such bond distributed to any distributee and any such bond to the credit of any employee shall not be taken into account.

" '(f) Employee Defined.—For purposes of this section, the term "employee" includes an individual who is an employee within the meaning of section 401(c) (1), and the employer of such individual shall be the person treated as his employer under section 401 (c) (4).

" '(g) Proof of Purchase.—At the time of purchase of any bond to which this section applies, proof of such purchase shall be furnished in such form as will enable the purchaser, and the employee in whose name such bond is purchased, to comply with the provisions of this section.

" '(h) Regulations.—The Secretary or his delegate shall prescribe such regulations as may be necessary to carry out the provisions of this section.'

"(b) Clerical Amendment.—The table of sections for such part is amended by adding at the end thereof the following new item:

" 'Sec. 405. Qualified bond purchase plans.'

"Sec. 6. Prohibited Transactions.

"Section 503 of the Internal Revenue Code of 1954 (relating to prohibited transactions) is amended by adding at the end thereof the following new subsection:

" '(j) Trusts Benefiting Certain Owner-Employees.—

" '(1) Prohibited transactions.—In the case of a trust described in section 401(a) which is part of a plan providing contributions or benefits for employees some or all of whom are owner-employees (as defined in section 401(c) (3)) who control (within the meaning of section 401(d) (9) (B)) the trade or business with respect to which the plan is established, the term "prohibited transaction" also means any transaction in which such trust, directly or indirectly—

" '(A) lends any part of the corpus or income of the trust to;

" '(B) pays any compensation for personal services rendered to the trust to;

" '(C) makes any part of its services available on a preferential basis to; or

" '(D) acquires for the trust any property from, or sells any property to;

any person described in subsection (c) or to any such owner-employee, a member of the family (as defined in section 267(c) (4)) of any such owner-employee, or a corporation controlled by any such owner-employee through the ownership, directly or indirectly, of 50 percent or more of the total combined voting power of all classes of stock entitled to vote or 50 percent or more of the total value of shares of all classes of stock of the corporation.

" '(2) Special rule for loans.—For purposes of the application of paragraph (1) (A), the following rules shall apply with respect to a loan made before the date of the enactment of this subsection which would be a prohibited transaction if made in a taxable year beginning after December 31, 1962:

"'(A) If any part of the loan is repayable prior to December 31, 1965, the renewal of such part of the loan for a period not extending beyond December 31, 1965, on the same terms, shall not be considered a prohibited transaction.

"'(B) If the loan is repayable on demand, the continuation of the loan beyond December 31, 1965, shall be considered a prohibited transaction.'

"SEC. . OTHER SPECIAL RULES, TECHNICAL CHANGES, AND ADMINISTRATIVE PROVISIONS.

"(a) **RETIREMENT INCOME CREDIT.**—Section 37(c)(1) of the Internal Revenue Code of 1954 (relating to definition of retirement income) is amended—

"(1) by striking out subparagraph (A) and inserting in lieu thereof the following:

"'(A) pensions and annuities (including, in the case of an individual who is, or has been, an employee within the meaning of section 401(c)(1), distributions by a trust described in section 401(a) which is exempt from tax under section 501(a)),'; and

"(2) by striking out 'and' at the end of subparagraph (C), by striking out 'or' at the end of subparagraph (D) and inserting in lieu thereof 'and', and by adding after subparagraph (D) the following new subparagraph:

"'(E) bonds described in section 405(b)(1) which are received under a qualified bond purchase plan described in section 405(a) or in a distribution from a trust described in section 401(a) which is exempt from tax under section 501(a), or'.

"(b) **ADJUSTED GROSS INCOME.**—Section 62 of the Internal Revenue Code of 1954 (relating to the definition of adjusted gross income) is amended by inserting after paragraph (6) the following new paragraph:

"'(7) **PENSION, PROFIT-SHARING, ANNUITY, AND BOND PURCHASE PLANS OF SELF-EMPLOYED INDIVIDUALS.**—In the case of an individual who is an employee within the meaning of section 401(c)(1), the deductions allowed by section 404 and section 405(c) to the extent attributable to contributions made on behalf of such individual.'

"(c) **DEATH BENEFITS.**—Section 101(b) of the Internal Revenue Code of 1954 (relating to employees' death benefits) is amended—

"(1) by striking out clause (ii) of paragraph (2)(B) and inserting in lieu thereof the following:

"'(ii) under an annuity contract under a plan described in section 403(a), or'; and

"(2) by adding at the end thereof the following new paragraph:

"'(3) **SELF-EMPLOYED INDIVIDUAL NOT CONSIDERED AN EMPLOYEE.**—For purposes of this subsection, the term "employee" does not include an individual who is an employee within the meaning of section 401(c)(1) (relating to self-employed individuals).'

"(d) **AMOUNTS RECEIVED THROUGH ACCIDENT OR HEALTH INSURANCE.**—Section 104(a) of the Internal Revenue Code of 1954 (relating to compensation for injuries or sickness) is amended by adding at the end thereof the following new sentence: 'For purposes of paragraph (3), in the case of an individual who is, or has been, an employee within the meaning of section 401(c)(1) (relating to self-employed individuals), contributions made on behalf of such individual while he was such an employee to a trust described in section 401(a) which is exempt from tax under section 501(a), or under a plan described in section 403(a), shall, to the extent allowed as deductions under section 404, be treated as contributions by the employer which were not includible in the gross income of the employee.'

"(e) **AMOUNTS RECEIVED UNDER ACCIDENT AND HEALTH PLANS.**—Section 105 of the Internal Revenue Code of 1954 (relating to amounts received under accident and health plans) is amended by adding at the end thereof the following new subsection:

"'(g) **SELF-EMPLOYED INDIVIDUAL NOT CONSIDERED AN EMPLOYEE.**—For purposes of this section, the term "employee" does not include an individual who is an employee within the meaning of section 401(c)(1) (relating to self-employed individuals).'

"(f) **NET OPERATING LOSS DEDUCTION.**—Section 172(d)(4) of the Internal Revenue Code of 1954 (relating to nonbusiness deductions of taxpayers other than corporations) is amended—

"(1) by striking out 'and' at the end of subparagraph (B);

"(2) by striking out the period at the end of subparagraph (C) and inserting '; and'; and

"(3) by adding after subparagraph (C) the following new subparagraph:

"'(D) any deduction allowed under section 404 or section 405(c) to the extent attributable to contributions which are made on behalf of an individual who is an employee within the meaning of section 401(c)(1) shall not be treated as attributable to the trade or business of such individual.'

"(g) **CERTAIN LIFE INSURANCE RESERVES.**—Section 805(d)(1) of the Internal Revenue Code of 1954 (relating to pension plan reserves) is amended—

"(1) by striking out in subparagraph (B) 'meeting the requirements of section 401(a), (3), (4), (5), and (6) or' and inserting in lieu thereof 'described in section 403(a), or plans meeting'; and

"(2) by striking out in subparagraph (C) 'and (6)' and inserting in lieu thereof '(6), (7), and (8)'.

"(h) **UNINCORPORATED BUSINESSES ELECTING TO BE TAXED AS CORPORATIONS.**—Section 1361(d) of the Internal Revenue Code of 1954 (relating to unincorporated business enterprises electing to be taxed as domestic corporations) is amended by inserting before the period at the end thereof the following: 'other than an employee within the meaning of section 401(c)(1) (relating to self-employed individuals), or for purposes of section 405 (relating to qualified bond purchase plans) other than an employee described in section 405(f)'.

"(i) **ESTATE TAX EXEMPTION OF EMPLOYEES' ANNUITIES.**—Section 2039 of the Internal Revenue Code of 1954 (relating to exemption from the gross estate of annuities under certain trusts and plans) is amended—

"(1) by striking out in subsection (c)(2) 'met the requirements of section 401(a) (3), (4), (5), and (6)' and inserting 'was a plan described in section 403(a)'; and

"(2) by adding at the end of subsection (c) the following new sentence: 'For purposes of this subsection, contributions or payments on behalf of the decedent while he was an employee within the meaning of section 401(c)(1) made under a trust or plan described in paragraph (1) or (2) shall be considered to be contributions or payments made by the decedent.'

"(j) **GIFT TAX EXEMPTION OF EMPLOYEES' ANNUITIES.**—Section 2517 of the Internal Revenue Code of 1954 (relating to exclusion from gift tax in case of certain annuities under qualified plans) is amended—

"(1) by striking out in subsection (a)(2) 'met the requirements of section 401(a) (3), (4), (5), and (6)' and inserting in lieu thereof 'was a plan described in section 403(a)'; and

"(2) by adding at the end of subsection (b) the following new sentence: 'For purposes of this subsection, payments or contributions on behalf of an individual while he was an employee within the meaning of section 401(c)(1) made under a trust or plan described in subsection (a) (1) or (2) shall be considered to be payments or contributions made by the employee.'

"(k) **FEDERAL UNEMPLOYMENT TAX ACT.**—Section 3306(b)(5) of the Internal Revenue Code of 1954 (relating to definition of wages) is amended by striking out subparagraph (B) and inserting in lieu thereof the following new subparagraphs:

"'(B) under or to an annuity plan which, at the time of such payment, is a plan described in section 403(a); or

"'(C) under or to a bond purchase plan which, at the time of such payment, is a qualified bond purchase plan described in section 405(a);'.

"(l) **WITHHOLDING OF INCOME TAX.**—Section 3401(a)(12) of the Internal Revenue Code of 1954 (relating to definition of wages) is amended by striking out subparagraph (B) and inserting in lieu thereof the following new subparagraphs:

"'(B) under or to an annuity plan which, at the time of such payment, is a plan described in section 403(a); or

"'(C) under or to a bond purchase plan which, at the time of such payment, is a qualified bond purchase plan described in section 405(a)'.

"(m) **INFORMATION REQUIREMENTS.**—

"(1) **IN GENERAL.**—Subpart B of part III of subchapter A of chapter 61 of the Internal Revenue Code of 1954 (relating to information concerning transactions with other persons) is amended by adding after section 6046 the following new section:

"'SEC. 6047. INFORMATION RELATING TO CERTAIN TRUSTS AND ANNUITY AND BOND PURCHASE PLANS.

"'(a) **TRUSTEES AND INSURANCE COMPANIES.**—The trustee of a trust described in section 401( ) which is exempt from tax under section 501(a) to which contributions have been paid under a plan on behalf of any owner-employee (as defined in section 401(c)(3)), and each insurance company or other person which is the issuer of a contract purchased by such a trust, or purchased under a plan described in section 403(a), contributions for which have been paid on behalf of any owner-employee, shall file such returns (in such form and at such times), keep such records, make such identification of contracts and funds (and accounts within such funds), and supply such information, as the Secretary or his delegate shall by forms or regulations prescribe.

"'(b) **OWNER-EMPLOYEES.**—Every individual on whose behalf contributions have been paid as an owner-employee (as defined in section 401(c)(3))—

"'(1) to a trust described in section 401(a) which is exempt from tax under section 501(a), or

"'(2) to an insurance company or other person under a plan described in section 403(a),

shall furnish the trustee, insurance company, or other person, as the case may be, such information at such times and in such form and manner as the Secretary or his delegate shall prescribe by forms or regulations.

"'(c) **EMPLOYEES UNDER QUALIFIED BOND PURCHASE PLANS.**—Every individual in whose name a bond described in section 405(b)(1) is purchased by his employer under a qualified bond purchase plan described in section 405(a), or by a trust described in section 401(a) which is exempt from tax under section 501(a), shall furnish—

"'(1) to his employer or to such trust, and

"'(2) to the Secretary (or to such person as the Secretary may by regulations prescribe), such information as the Secretary or his delegate shall by forms or regulations prescribe.

" '(d) CROSS REFERENCE.—

" 'For criminal penalty for furnishing fraudulent information, see section 7207.'

"(2) CLERICAL AMENDMENT.—The table of sections for such subpart B is amended by adding after the reference to section 6046 the following:

" 'Sec. 6047. Information relating to certain trusts and annuity and bond purchase plans.'

"(3) PENALTY.—Section 7207 of the Internal Revenue Code of 1954 (relating to fraudulent returns, statements, or other documents) is amended by adding at the end thereof the following new sentence: 'Any person required pursuant to section 6047 (b) or (c) to furnish any information to the Secretary or any other person who willfully furnishes to the Secretary or such other person any information known by him to be fraudulent or to be false as to any material matter shall be fined not more than $1,000, or imprisoned not more than 1 year, or both.'

"SEC. . EFFECTIVE DATE.

"The amendments made by this Act shall apply to taxable years beginning after December 31, 1962."

Mr. SMATHERS also submitted an amendment, intended to be proposed by him, to House bill 12580, making appropriations for the Departments of State, Justice, and Commerce, the judiciary, and related agencies for the fiscal year ending June 30, 1963, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

NOTICES OF MOTION TO SUSPEND THE RULE—AMENDMENTS OF FOREIGN AID AND RELATED AGENCIES APPROPRIATION ACT

Mr. SMATHERS submitted the following notice in writing:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H.R. 13175) making appropriations for foreign aid and related agencies for the fiscal year ending June 30, 1963, and for other purposes, the following amendment; namely, at the end of the bill to add new sections.

(NOTE.—The above amendment is identical with the amendment Mr. SMATHERS submitted to House bill 12580, the Departments of State, Justice, and Commerce, the judiciary, and related agencies appropriation bill, which appears under a separate heading.)

Mr. SMATHERS also submitted an amendment, intended to be proposed by him, to House bill 13175, making appropriations for foreign aid and related agencies for the fiscal year ending June 30, 1963, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the amendment submitted by Mr. SMATHERS to House bill 12580, the Departments of State, Justice, and Commerce, the judiciary, and related agencies appropriation bill, which appears under a separate heading.)

Mr. HAYDEN submitted the following notice in writing:

In accordance with rule XL, of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H.R. 13175) making appropriations for foreign aid and related agencies for the fiscal year ending June 30, 1963, and for other purposes, the following amendment: namely, on page 12, after line 15, insert the following:

"SEC. 115. Amounts certified pursuant to section 1311 of the Supplement Appropriation Act, 1955, as having been obligated against appropriations heretofore made under the authority of the Mutual Security Act of 1954, as amended, and the Foreign Assistance Act of 1961, as amended, for the same general purpose as any of the subparagraphs under "Economic Assistance," are hereby continued available for the same period as the respective appropriations in such subparagraphs for the same general purpose: *Provided*, That such purpose relates to a project previously justified to Congress."

Mr. HAYDEN also submitted an amendment, intended to be proposed by him, to House bill 13175, making appropriations for foreign aid and related agencies for the fiscal year ending June 30, 1963, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of amendent referred to, see the foregoing notice.)

PROMOTION OF PUBLIC CONFIDENCE IN THE INTEGRITY OF CONGRESS AND THE EXECUTIVE BRANCH—ADDITIONAL COSPONSOR OF BILL

Mr. CLARK. Mr. President, I ask unanimous consent that my name be added as a cosponsor of the bill (S. 1233) to promote public confidence in the integrity of Congress and the executive branch, introduced by the Senator from New Jersey [Mr. CASE].

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

JOINT COMMITTEE TO STUDY THE ORGANIZATION AND OPERATION OF THE CONGRESS—ADDITIONAL COSPONSOR OF CONCURRENT RESOLUTION

Mr. CLARK. Mr. President, I ask unanimous consent that the name of the Senator from Kentucky [Mr. MORTON] be added to the list of cosponsors of the concurrent resolution (S. Con. Res. 93) to create a joint committee to study the organization and operation of the Congress and recommend improvements therein.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXPRESSION OF SENSE OF CONGRESS IN FULL SUPPORT OF EFFORTS TO ENFORCE COMPLIANCE WITH THE MANDATES OF THE FEDERAL COURTS—ADDITIONAL COSPONSOR OF CONCURRENT RESOLUTION

Mr. CLARK. Mr. President, I ask unanimous consent that my name may be added to the list of cosponsors of the Keating-Douglas concurrent resolution (S. Con. Res. 96) to express the sense of the Congress in full support of efforts to enforce compliance with the mandates of the Federal courts, and that my name will appear on future printings of the concurrent resolution.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

SURVEY OF THE ADJUSTMENT OF REFUGEES TO LIFE IN AMERICA

Mr. HART. Mr. President, when I was honored with the assignment as chairman of the Senate Subcommittee on Refugees and Escapees, it appeared to me that one of the most important tasks before us was to secure a comprehensive survey of refugees who had come to America. How had these refugees adjusted to American life, what was their employment experience, what contributions had they made to our society, what demands had they placed on our community and governmental institutions, what effects on our economy and society resulted from their presence?

Over the last 15 months, the subcommittee has consulted with the Director of the Bureau of the Census, the heads of a number of research organizations including several associated with leading universities in the country, and the representatives of the voluntary social service agencies which assisted in the resettlement of refugees in the United States.

We have now received a number of preliminary proposals from research agencies outlining the scope of such a survey and suggesting how it should be conducted.

In addition to the study which we hope to have undertaken by a research group, it appears that the Bureau of the Census could play a most significant role in collecting data on refugees as a part of its current population survey.

The Subcommittee on Refugees proposes to seek the support of private organizations and foundations at least in the pilot aspects of this survey. If it appears justified we may, at a later date, come to the Senate with a request for such funds as may be needed by the Bureau of Census if a specialized survey and questionnaire by that agency appears to be necessary, or if available private funds are inadequate to finance all aspects of the study.

For the coming fiscal year, Congress will appropriate in the neighborhood of $100 million for refugee programs. About one-fifth of this amount will be for the support of international refugee organizations and for our direct programs of refugee relief abroad. About $70 million will be appropriated for the Cuban refugee program in the United States. Additional millions will be expended in the form of surplus food to be distributed under Public Law 480.

We have considerable information on the refugees abroad who are receiving aid under these various programs. But of the former refugees, many of whom are now American citizens, we know little.

Since the end of World War II, the United States has provided a haven for over three-quarters of a million refugees. The great majority of them have been admitted under special acts of Congress rather than under our general immigration laws. Beginning with the enactment of the Displaced Persons Act of 1948, Congress has passed at least 10 measures to facilitate the immigration of persons who had fled from their native lands and were unable to return to them without peril of persecution because of their political or religious beliefs.

Our motives in welcoming these people to our shores have been several. Among them is a humanitarian concern for people in distress. We were concerned also with assisting friendly nations who were the countries of original asylum for large refugee populations which they were unable to absorb or to care for.

We admitted refugees as a part of our obligations as the leading nation of the free world. Last, but certainly not least, was the fact that many of the refugees were relatives of Americans and most appropriately, we took action to reunite families which had been separated by the inexorable course of tragic world events.

It is my hope that the Subcommittee on Refugees will be able to join private and governmental efforts to produce a comprehensive study of the adjustment of these refugees to life in America. We will strive to sponsor a study which will be as objective as is humanly possible and which will produce information of direct value to the Senate and the Nation in our future consideration of refugee problems.

THE 100TH ANNIVERSARY OF THE COLORADO OIL INDUSTRY

Mr. ALLOTT. Mr. President, I have just received a copy of the Pioneer Days edition of the Florence Citizen, a newspaper published at Florence, Colo. The special edition was prepared for the dual celebration marking the 100th anniversary of the Colorado oil industry and the 75th anniversary of Florence as an incorporated city. As one would expect, this special edition is filled with stories and pictures dealing with the early days of the area. Florence itself is in the heart of Fremont County where oil was first discovered in Colorado. Fremont County was the second oil-producing area in the country, and a discovery well 6 miles north of Florence followed Colonel Drake's Titusville, Pa., well.

The city of Florence and Fremont County are also important for the contributions of their citizens in the development of other minerals as well. Foremost among these would be the top-quality coal which was mined from the time the first claim was staked in 1860.

This colorful edition carries a host of pictures showing the early days in the community—the businesses and the people; none of which, unfortunately, can be reproduced here in the Record. However, there are several stories which are characteristic of and give the flavor of the edition. I ask unanimous consent that they be printed at this point in my remarks.

There being no objection, the articles were ordered to be printed in the Record, as follows:

Famed Bridge Is Engineering Masterpiece

One of the engineering marvels of all time is the Hanging Bridge, built at the narrowest part of the Royal Gorge of the Arkansas River by the Denver & Rio Grande Railroad. The bridge was built in 1879, and was designed by C. Shaler Smith. The iron bridge was hung from the solid granite walls so that the railroad track might be laid above the dashing stream at the point where the walls narrowed so there was insufficient space for the track to parallel the river. At the Hanging Bridge, and some other portions of the gorge, railroadmen, tools, mules, and carts were let down the 1,200-foot walls on ropes during construction of the track.

The early weeks of 1879 featured the historic war between the Santa Fe and Rio Grande Railroads for possession of the Royal Gorge. Armed guards protected workmen of both railroads. There were several gun battles, but fortunately no one was killed. The answer probably is due to the fact that the gunmen were friends and did not intend to kill each other. They changed sides in accordance with the pay offered. Bat Masterson and Doc Holiday, who had been chief gunmen for the Santa Fe, changed loyalty to the Rio Grande when the pay was hiked.

A. M. Cassidy's Faith Brought Oil Boom

One man's dogged determination and enduring belief in the prospects of Fremont County's oil resources launched the petroleum industry in the West.

He was A. M. Cassidy, a pioneer who made the trek to Colorado Territory shortly after the discovery of gold in 1859 started the rush to the Rockies. If he had any ambition for gold it was promptly side-railed on the banks of a shallow creek 6 miles north of the struggling Canyon City in the south-central part of the Territory.

It is this pioneer oilman's achievements which make 1962 the centennial year of the State's petroleum industry.

Cassidy arrived in the West from Pennsylvania where the first U.S. oil production was started when Edwin L. Drake's drilling struck oil in 1859—the same year miners and would-be miners began pouring into Colorado Territory.

With the memory of Pennsylvania's oil discoveries fresh in mind Cassidy noted similarity of the territorial oil seep to that near which Drake had located his drilling rig.

Both of the distantly located spots had oil seeps on the edge of small streams. Locating a well by this rough process became known as "creekology." Both the spots were commonly known to natives. The territorial seep was even reported in Lt. Zebulon Pike's journal recording his trip through the area in 1806.

But it remained for such men as Cassidy in Colorado and Drake in Pennsylvania to transform such seeps into the realization of oil production.

Even with his brief experience in oil production to rely on Cassidy's achievement must stand as a monument to determination and self-reliance.

His drill site was halfway across the Nation from the proper equipment and skilled manpower necessary to undertake such a project. A wagon train trip of 600 miles west of the Missouri River terminated the long trip from the East. This link was jeopardized by Indian attack and the effects of the Civil War.

Prices in Fremont County were high: flour $25 per sack; sugar 75 cents per pound; and canned fruits from $1 to $1.50 per can.

Despite these handicaps, Cassidy was determined to find oil in the Fremont area—a determination that never left him during the next 25 years.

His first well supported his judgment. The oil was there, but only in sufficient quantity to make it of historical significance—one barrel per day. Five additional tests were drilled, some of them as deep as 500 feet, but production was limited to the shallow level.

With these marginal producers as a source of crude, Cassidy erected a primitive refinery and began the sale of petroleum products. Even the most favorable records of this manufacturing operation indicate sales of only 10,000 gallons of products from the wells and skimming plant between the years 1862–65.

By the time he had paid his production and manufacturing expenses, plus the cost of long hauls to Denver and Santa Fe, Cassidy's first oil venture must have proved disappointing.

His faith in Fremont County oil never wavered. Convinced that the answer lay in increased exploration, he obtained financial backing in Boston. A company was formed and a well started. It was a failure, and Cassidy lost his share in the operations.

Through the years which followed Cassidy continued to drill in association with any investor who shared his enthusiasm. He is said to have inspired the purchase of large tracts of land about Florence during the years 1871–74—some of which later became the most productive in the region. His own success during these years was marginal.

Finally in 1883 he went to Cleveland, Ohio, and convinced investors there that they would profit in exploration of the Fremont area. The Arkansas Valley Land & Oil Co. was formed. This company, sometimes known as the "Cassidy Company" was successful in drilling operations and developed enough production to build a 200-barrel-per-day refinery.

The Florence oil field continued to thrive and in the latter years of his life Cassidy saw his faith in this area fully justified.

Florence Is Former "Queen City" of Oil Producers in Western States

In the centennial year of the Colorado oil industry Denver is a widely recognized center of the Nation's petroleum activities, but a small community in the south-central part of the State laid claim to a similar title more than 60 years ago.

As late as 1905 a publication issued by the Florence Chamber of Commerce reported with pride that its oilfields and refineries supplied "all the refined oil for illuminating purposes that is consumed in the States of Montana, Utah, Wyoming, and Colorado, and the Territories of New Mexico and Arizona."

"The oil industry has gone on," the descriptive report states, "from year to year, gradually developing virgin territory until there is a daily product of over 3,000 barrels or 12,000 gallons of refined oil which is distributed over the section named."

Optimism was the keynote for the authors pointed out "there are 275,000 acres of known oil lands adjacent to Florence of which only 25,000 acres as yet have been exploited by the drill."

A. M. Cassidy was the founder of the oil industry in the West. In 1862, only 3 years after the drilling of the Nation's first oil well in Pennsylvania, he established production half-way across the continent in Fremont County, Territory of Colorado. The still producing Florence Canon City field is second in use only to the Appalachian area.

Tests were few and far between from the time of Cassidy's operations until 1882 when D. G. Peabody began a well in a cornfield near Florence. From that time until the turn of the century Florence remained oil's queen city of the West.

Peabody's discovery, which brought on the sudden flowering of Florence, was a very cautious and well-planned undertaking. As recounted in Frank Hall's "History of Colorado," published in 1891, Peabody discovered "certain indications of oil on Brush Creek, and also on Eight Mile Creek, the Muddy, and at other places," while riding one day in 1880.

Not a man to be carried away by a sudden burst of enthusiasm, Peabody spent the next 2 years in preparation for his big venture. He made a trip to the oilfields of Pennsylvania where he observed drilling techniques, "conversed with the experts of that noted section, examined the oil regions and acquired much valuable information on the whole subject of indications, machinery for boring, and the more advanced methods employed."

In the summer of 1882 he organized the Land Investment Coal & Oil Co. Peabody purchased in Pennsylvania a complete outfit of machinery and began drilling in November of 1882. On April 7, 1883, at a depth of 1,205 feet, he found oil.

After making the strike, he watched his discovery flow a few barrels of oil daily for a period of time then decided to "torpedo" the hole—a trick he may have picked up during his visit to Pennsylvania where the practice started in 1866. Visions of gushing oil were quickly dispelled when the well stopped producing altogether.

But according to historian Hall, "Judge Felton states that another vein was opened in this well at a depth of 1,440 feet, and still another at about 1,465 feet." In any event, the city of Florence was launched for "almost immediately a number of companies were formed to develop this new and more prolific field."

The well attracted the attention of investors and a number of companies were soon exploring in the area. Production in the field rose rapidly, hitting a peak of 824,000 barrels in 1892. Until 1902 it was the only producing field in the State.

The south extension of the Florence field picked up the declining production in 1924. At about the same time the Canon City discovery enlarged the producing area and volume climbed upward again, reaching 429,489 barrels in 1928, after which it went into a gradual decline. Production last year amounted to less than 80 barrels per day.

Cumulative production in the Florence-Canon City field totaled more than 14 million barrels at the end of 1961. Other Colorado fields have exceeded this figure, but no area had a more colorful past or served as such an important steppingstone in the history of the State's petroleum industry.

OIL DISCOVERY STORY INTERESTING SAGA OF PIONEER SETTLEMENT

EDITOR'S NOTE.—The following is from a speech given by Howard W. Hinson, vice president in charge of exploration for the Continental Oil Co., at the dedication of the book "Gas and Oil Fields of Colorado." This volume, published by the Rocky Mountain Association of Geologists, was dedicated to the Florence field in the fall of 1954. These paragraphs and the dedication are used by permission of the Rocky Mountain Association of Geologists:

"As an echo from the first oil production in Pennsylvania, Mr. A. M. Cassidy, who had participated in the Titusville development, drilled a well near an oil seep 6 miles north of Florence in 1862 and thus opened the second producing area in the United States. This well produced but a small amount of oil and caused little excitement. It seems almost inconceivable today that the disdiscovery of oil in a remote place in this country should not have brought scores of oilmen to exploit that find. Times have changed.

"Only a few years prior to this strike (in 1858) gold had been discovered at Clear Creek. This was something for which man had been searching throughout the ages. It was something that could be handed from one to another; it was a medium of exchange; it had tangible worth, and all knew its value. On the other hand, oil was difficult to handle, it was a relatively unknown product, and its uses were limited.

"That the development of a gold strike should be more rapid than the development of oil is a function of supply and demand—two economic conditions as inseparable as Amos and Andy and as unchanging as any other 'truth.' No product is ever developed in quantity unless there has been demand for that product. In those formative years of Colorado's history, gold was in worldwide demand, while the need for oil was limited principally to its use as a lighting medium—kerosene.

"It was 14 years later, in 1876, that Mr. Isaac Canfield decided to drill a well just southeast of Florence because that area looked like the terrain in Pennsylvania where oil was discovered. This well was drilled to a depth 1,187 feet in Pierre shale, and from fractures in that shale this well produced the first oil in what is now known as the Florence field. Until 1902 this was the only producing field in Colorado.

"Complete data on the development of this field are not available, but a few highlights have been found which should be of interest to modern observers. Two companies were the principal operators in this field—the Florence Oil Co. and the United Oil Co.—one owned by the Continental Oil Co. and the other later merged with this company. Throughout its history some 1,300 wells were drilled, of which about 60 percent were dry holes. The peak of production was reached in 1892 when the field produced 824,000 barrels. During 1953, production was 19,500 barrels, including the Canon City extension. Total production from inception has been 14,450,000 barrels of 32° oil.

"One item of more than common interest is the performance of well No. 42 which was completed in February 1889 and which at a recent date was still producing six barrels a day. Unfortunately individual records are not available, but it is believed that this well has produced more than 1 million barrels. With a producing record of more than 65 years, this may be the oldest commercially producing well in the world.

"Colorado increased in population and was admitted as the 38th State of the Union in 1876, the years of the discovery of the Florence field. Through the intervening years the State had passed through the boom stage and entered an era of stabilization and steady growth. The need of oil kept increasing and with the decline in the production of the Florence field, to a level of 317,000 barrels in 1900, impetus was given for the search for new supplies. In 1902 across the State at Rangely a new discovery was made, also oil from shale fractures. Another similar discovery was the Boulder field. These three fields, all producing from shale fractures, constituted the total in the State until after World War I. These discoveries were made by pioneers without the advantages of scientific study.

"It seems odd that the first fields in Colorado should be the unusual ones that produce from fractured shale. Does this mean that the freak fields or abnormal fields are frequently found first in a new producing province? Does it also mean that they are as likely to be found by random drilling as by scientific methods? Several large and unusual fields have been found in this manner. These unusual occurrences also lead us to wonder what other type fields lie just beyond our imagination.

"The progress of science depends on the development of basic principles and the addition of knowledge on top of knowledge. One reason for the rapid progress in the science of geology is the freedom with which information is exchanged and disseminated through publication.

"The geologist knows that the reaching of one milestone is used only as the base for achieving the next one; so, where do we go from here?

"Colorado still has large areas where oil will be discovered. It is fortunate that much of this area is virgin territory where all of the modern exploratory tools can be brought to bear on the problem. Some of these areas are not producing now, either because they have not been worked or because even the latest methods are inadequate to indicate where to drill.

"The problems of Colorado are not different than in other areas and the solution developed in one area can be applied to the other. In most places and considering costs, the oil industry is working at the limits of imagination of the personnel.

"Oil exploration in each new prospective area generally follows a pattern although the application of modern tools to new areas often causes a telescoping of the pattern or the skipping of certain steps. The pattern generally follows two phases.

"In the first phase the structure is hunted on the surface and with geophysical methods. As drilling progresses the structure is hunted by subsurface methods. As new structures become scarce or if most of the structures are dry, the subsurface information provides an opportunity to study the stratigraphy for the discovery of traps related to changes in the strata.

"Another obvious means of increasing the effectiveness of oil finding is research. Oil geology is a high type of research, but it is empirical in nature, always applied to new sets of conditions.

"The exploration end of the oil business requires a peculiar blend of research and 'horse trading.' These diverse characteristics present problems to the individual independent who is struggling to do both jobs himself and to the large companies who have experts for each small phase of the work.

"The statement that philosophy plays a vital role in finding oil may at first seem peculiar. The history of the oil industry records many notable cases of geologists who have stated that they would drink all the oil found under certain specified conditions. A much more positive approach would be to assume that oil can be found in any marine or partially marine basin and to spend all the thought on how it can be found. Optimism is a much greater stimulant to imagination and creative thinking than is pessimism.

"All possible means of improvement must be followed in order to continue to find the oil required for this country. Let us take the lessons we can learn and use them as steppingstones to greater accomplishments."

Mr. ALLOTT. Mr. President, I salute the residents of Florence on the auspicious occasion of their 75th anniversary and also take this opportunity to mark, again the significant milestone in the progress of our oil industry in Colorado.

The industry has made a very important contribution to the growth and development of our State ever since its modest beginnings 100 years ago. The courage and tenacity of men like A. M. Cassidy, who never wavered in their determination, coupled with the incentives to make discoveries of oil, such as the depletion allowance, have made an industry which in its first century has accounted for $1.78 billion of oil and gas production.

REEVALUATION OF OUR CONGO POLICY

Mr. THURMOND. Mr. President, I call to the attention of the Senate a news column by Miss Edith Kermit Roosevelt in the September 23, 1962, issue of the Greenville News of Greenville, S.C., and also an editorial of the Richmond News Leader of Richmond, Va., dated September 24, 1962. Miss Roosevelt's column is entitled "Dubious Roles in the Congo," and the Richmond News Leader editorial, which was evidently written by Mr. James Kilpatrick, the editor, is entitled "The Underminers." Both articles raise some most serious questions about the very baffling U.S. and United Nations policies in the Congo. In both articles, it is pointed out that Representative DONALD C. BRUCE of Indiana first raised the serious questions posed in these articles in an extensive speech on our Congo policy in the House of Representatives on September 12, 1962. His remarks can be found in the CONGRESSIONAL RECORD of September 12, 1962, on pages 19242–19256.

When Representative BRUCE presented this information to the House, he pointed out that he was making no charges against anyone, but that he did feel that this information should be looked into by some committee of the Congress in making a full-scale inquiry into all aspects of our Congo policy. Mr. President, I have previously called for investigations of our policy in the Congo as has the Senator from Connecticut [Mr. DODD] and others in the Congress. I renew my request for such an investigation, particularly after reading the information presented by Representative BRUCE. This information alone should be studied and evaluated, together with any additional information which may be available, in fairness to the persons who have been named and also in fairness to the members of the United Nations, the American people, and the people of the Congo. I ask unanimous consent, Mr. President, that Miss Roosevelt's column and the editorial of the Richmond News Leader be printed at the conclusion of these remarks.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 1.)

Mr. THURMOND. I also ask unanimous consent that an editorial from the News and Courier from Charleston, S.C., on this same subject, be printed in the RECORD. The News and Courier reprinted the editorial from the Richmond News Leader and carried this brief editorial entitled "Conflict of Interest" for the purpose of seconding the News Leader's call for an investigation.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 2.)

EXHIBIT 1

DUBIOUS ROLES IN THE CONGO

(By Edith Kermit Roosevelt)

The files of the Securities and Exchange Commission reveal a financial complex of high-level Americans and Swedes who have played key roles in determining United States and United Nations policies in the Congo.

In fact, it is possible that the personalities in this Swedish-American combine were ultimately responsible for the aggression against Katanga which involved attacks by Swedish jets against the Belgian-controlled copper mines, Haut Minière de Katanga.

An investigation by Representative DONALD C. BRUCE, Republican, of Indiana, has uncovered facts about Trafik A. B. Grangesberg Oxelosund, a Swedish group of iron industries, mentioned in the press as seeking to gain control over the Congo's nonferrous metals, including the Katanga mines. The president of the board of directors of Grangesberg is Bo Hammarskjold, brother of the late U.N. Secretary General Dag Hammarskjold.

BRUCE calls for a congressional committee to conduct an exhaustive investigation of whether "high finance" and "foul play" explain "the devious methods used by our State Department in handling developments in the Congo."

The SEC reveals that the Americans associated with the Grangesberg industrial complex are Under Secretary of State George Wildman Ball, Fowler Hamilton, Administrator for the International Development Agency in the State Department, and Johnson Avery, Assistant Director of the U.S. Technical Cooperation Administration.

Ball was a founding partner of Cleary, Gottleib, Steen & Ball, the law firm representing International African American Corp. The IAAC and Swedish Lamco Co. set up Liberian Iron Ore, Ltd. (LIO), as a financial holding company under which Lamco would operate. Ball's law firm had two successive partners sit on LIO's board of directors—Melvin Steen succeeding Fowler Hamilton.

What is LIO's relationship to Grangesberg? An LIO prospectus, dated November 15, 1961, lists Grangesberg (our friend Bo Hammerskjold's firm, remember?) as owning thirteen twenty-eighths of the stock in LIO.

The third American involved, Avery, heads the Liberian American Minerals Co. (Lamco), which was formed by the Swedish Lamco Syndicate and IAAC.

Swedish personalities in the Grangesberg complex include:

1. Sture C. Linner, who directed the Congo operations that saw two bloody assaults on Katanga and the Union Minière installations. On December 22, 1961, the Gazette de Lausanne reported that Erland Waldenstrom, president of Grangesberg, denied that Linner had ever belonged to the Grangesberg group.

Yet Representative BRUCE received this message in writing from the U.N.:

"According to the records, the firm for which Mr. Sture Linner was working in May 1960 was Grangesbergsbolaget. ("Bolaget" means company.)

Waldenstrom also neglected to inform the Gazette that Grangesberg was the largest shareholder of the six Swedish companies in the Swedish Lamco Syndicate of which Linner was the managing director since 1957. SEC Document 39–15 reveals that Linner resigned from his $30,000-a-year job with Swedish Lamco on April 15, 1960. But the prospectus announced he would remain as a consultant with the firm until July 15, 1960—the same day on which he was appointed by Dag Hammarskjold to be resident representative in charge of technical assistance in the Congo.

The question arises, Did Sture Linner know before April 15, 1960, that he would get a job with United Nations operations in the Congo?

Note that April 15, 1960, was fully 2½ months before Belgium gave independence to the Congo, and, of course, before the U.N. even went into the Congo.

Eleven days after his appointment to the Congo job was announced, Linner was promoted by Dag Hammarskjold to head the U.N. Congo operation.

2. Sven Gustaf Schwartz, who was hired by the U.N. on April 26, 1961, to survey mineral resources in the Congo, was formerly chief mining engineer for Grangesberg. He is chairman of the board of Bolidens Grav Co., a copper company which is a large shareholder in two companies in the Granbesberg Syndicate, Shanska Cement and Svenska Enterprenad AB Sentab, a construction company.

It is interesting to note, in view of the fact that Bolidens is a copper company, that months before Schwartz was on the U.N. staff he was seen in Katanga on a personal survey for interests other than those of the U.N.

3. Hjortzberg-Nordund, who has been a vice president in charge of planning and developing of mines for Grangesberg since 1956, was asked by the U.N. in 1960 to give technical advice to the Republic of the Congo. At the U.N.'s request, he submitted a report recommending partial nationalization of Katanga's mining industry.

Could Katanga President Moise Tshombe have had the operations of these men in mind when he called the U.N. "a paper instrument of certain powerful capitalist interests making common cause with world communism"?

THE UNDERMINERS

Within the past 10 days, a story of iceberg proportions has begun to emerge from the misty seas of the United Nations operation in mineral-rich Katanga Province.

This is a story of strange coincidence and intricate circumstance—of gigantic power complexes on a scale seldom contemplated by the everyday citizen. It raises some profoundly disturbing questions.

In a few words: There is now reason to believe that no fewer than six high United States and U.N. officials, all of them involved in some phase of the Congo operation, have been directly or indirectly connected with a Swedish-American syndicate engaged in African mining. There is reason to believe that this syndicate would profit enormously by the neutralization, or control, of the vast copper mines operated by Union Minière in Katanga. The cast of characters in this bizarre affair includes such figures as:

George W. Ball, Under Secretary of State.

Fowler Hamilton, Administrator for the U.S. Agency for International Development.

Bo Gustav Hammarskjold, brother of the late Dag Hammarskjold, U.N. Secretary General.

Sture Linner, until recently, U.N. chief representative in the Congo.

Sven Schwartz, head of a Swedish copper-mining firm, who made a survey for the U.N. of Katanga's mineral resources.

Borg Hjortzberg-Nordlung, U.N. consultant and a director in mining companies.

Rumors of the mining interests of these men have been circulating for months. On September 12, a U.S. Representative from Indiana, Republican DONALD BRUCE, broke the story with a long address in the House. After months of work, he had uncovered an amazing network of financial cross-relationships in the files of the Securities and Exchange Commission, and from other sources. In his address, he emphasized that he had no evidence of abuse of power on anyone's part; his object was simply to disclose a possible conflict of interests of staggering proportions.

For reasons we do not comprehend, only a couple of newspapers have reported Mr. Bruce's disclosures. Assuming the validity of his skeleton facts, we say bluntly that the story cries out for full examination.

In the background, like the seven-eighths of an iceberg that lies beneath the surface, is this fact: Copper is now in over-supply on world markets. Prices are down. Tight control of Union Minière's production (10 percent of the world's supply) would eliminate the surplus. If rebellious Katanga Province could be forced back into the Congo, effective control of Union Minière's production would be vested in the U.N.'s puppet administration at Léopoldville.

Not only Katanga's copper is involved in the incredible stakes of this political-military venture. Katanga also is rich in cobalt and zinc. It should be kept in mind, too, in attempting to unravel the complexities of this story, that the sort of monopoly capitalism which is prohibited in the United States by antitrust laws is entirely legal in Europe. Indeed, interlocking directorates and ownerships are a preferred way of doing business abroad.

Union Minière is itself a cartel, owned by Belgian and English investment companies. Like the Hudson's Bay Co., in Canada, it is responsible for the development of its territory and runs many nonmining services for its employees—banks, electricity, stores, construction companies. However, its owners have interests throughout the Congo, and have no special reason to oppose consolidation of the two countries.

The history of the Swedish-American mining cartel is harder to explain. Its legal structure unfolds like a hat salesman's sample case; but though the hats are many, the heads to wear them are few. Lamco (Liberian American Swedish Minerals Co.) started out as the International African American Corp., which shared an iron ore concession in Liberia with the Liberian Government. The American company ran into money troubles in 1961, when a Swedish syndicate showed up with lots of capital and a burning desire to get into African mining. The Swedes formed a Canadian holding company—Liberian Iron Ore Co.—which used the assets of International African American to set up Lamco, the operating firm.

THE AMERICAN INTERESTS

The Americans in Lamco are not too hard to trace. Lamco's president is Johnston Avery, who resigned from the U.S. Technical Cooperation Administration to take the job. In the International African American Corp., Fowler Hamilton was a director until he resigned in 1960 to enter the State Department. But his place was taken by Melvin Steen, his partner in the New York law firm of Cleary, Gottlieb, Steen & Hamilton—counsel to IAAC. The Washington office of this firm is known as Cleary, Gottlieb, Steen & Ball—George Wildman Ball. Although lawyers are normally required to disassociate themselves from their partners when they enter Government, the New York Times reported on May 21 that Ball went to Stockholm to meet "a secret organization of men of great wealth."

THE SWEDISH INTERESTS

The Swedish syndicate is an even more complicated example of monopoly capitalism. Nearly half of the holding company is owned by Grangesberg-Oxelosund, a large iron and steel outfit. A construction firm. Svenska Entrepenad, and four others make a total of six. The catch is that large blocks of stock in Grangesberg and Svenska Entrepenad are owned by the large Swedish copper company, Bolidens Gruv. Needless to say, the directorates are all closely interlocked. And the directorates are held by men who were in a position to influence U.N. policy.

Bolidens Copper has as its chairman and president Sven Schwartz. Schwartz is a director of three of the firms which own Lamco through the Liberian Iron Ore Co. In April of 1961, the U.N. suddenly hired Schwartz to make a mineral survey of the Congo, even though the Belgians had already done this work thoroughly. He was assisted by Borg Hjortzberg-Nordlung, vice president and director of Grangesberg, and a director of Lamco. The final report suggested that Union Minière should be nationalized. In the chaotic and incompetent Congolese Government, nationalization would be stagnation.

The president and director of Grangesberg, Erland Waldenstrom, is also a director of Liberian Iron Ore. And yet another director and a heavy investor in Grangesberg is Bo Hammarskjold, whose legal talents have dominated the company's operations. Bo Hammarskjold is also rumored to be connected with the Anaconda copper corporation in the United States, and with major U.S. banking interests.

The most curious figure of all is Sture Linner, who was formerly executive vice president and general manager of Lamco. He resigned this position as of April 15, 1960, announcing that he would remain as a consultant until July 15. In May he went to the Congo to conduct a mining survey as a director for Grangesberg. In the second week of July, the Congo was celebrating its independence with anarchy and disorder, and the U.N. hurried to the rescue. On July 15, Dag Hammarskjöld appointed Linner to serve as U.N. Chief Representative in the Congo, even though Linner was a director of his brother's mining firm. It was the same day that Linner left the payroll of Lamco.

It is not necessary to recapitulate the history of recent events in the Congo. From the beginning, it has been evident that immense pressures were being exerted to bring rich Katanga under the Congo's control. The entire strategy of the U.N. has been directed toward this end, in flagrant violation of the charter provision prohibiting interference in the internal affairs of any State.

ROLE OF THE U.N.

Now it appears that the same officials who have directed affairs of the Swedish-American cartel are directing a U.N. policy which will put Union Minière into a state of suspended animation. With the advent of Congo peace, U Thant has called upon U.N. members to join in a new move to blackmail Tshombe. He calls for an economic blockade of Katanga, a policy which curiously falls more heavily on Union Minière than on Tshombe. U Thant is also on record, joined by the U.S. State Department, for advocating armed U.N. "tax collectors" to force payment of taxes to Adoula's government.

And in Northern Rhodesia, as rich as Katanga in copper mines owned by British and South African investors, the Swedes have been amazingly busy supporting the radical black politics of Kenneth Kuanda against Sir Roy Welensky, Tshombe's stout friend and neighbor. No other Western country will look at Kuanda, but a syndicate of leading Swedish politicians and newspaper editors has collected thousands of dollars to support his fanatic nationalism in a public campaign throughout Sweden. Kuanda hopes to run all the whites out of Northern Rhodesia and nationalize the mines. Rhodesia and Katanga control about a quarter of the world copper market.

The coincidences are a little too neat when men put down the cudgels of self-interest and immediately use the more subtle tools of public policy to turn events in the same direction. Gullibility, doctrinaire anticolonialism, and a desire to please the Afro-Asian nations doubtless have smoothed the way for the U.S. strange anti-Western Congo policy. Yet, whatever the further extent of their actions, George Ball and Fowler Hamilton are already deep in positions of trust. And the more quickly all the facts of this fantastic affair can be put on the public record, the better. A congressional investigation is in order.

Exhibit 2

Conflict of Interest

Digging into records of the Securities and Exchange Commission, Representative Donald C. Bruce, Republican, of Indiana, has charged that high officials of the U.S. Government and of the United Nations are connected with a Swedish-American mining syndicate having interests in Africa.

Representative Bruce says this syndicate has used its contacts with the U.S. Government and the U.N. to eliminate copper production in Katanga Province of the Congo, thereby raising the price of copper on the world market. Ambition to make money may be back of the eagerness of some United States and U.N. officials to crush Katanga.

Representative Bruce has developed what may be the biggest case of conflict of interest in the modern history of the United States. The Richmond News Leader has called for a congressional investigation. We second the motion.

Mr. MANSFIELD. Mr. President, is there further morning business?

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

PUBLIC WORKS APPRORIATIONS, 1963

Mr. MANSFIELD. Mr. President, I move that the civil functions appropriation bill be laid before the Senate and be made the pending business.

The motion was agreed to; and the Senate proceeded to consider the bill (H.R. 12900) making appropriations for certain civil functions administered by the Department of Defense, certain agencies of the Department of the Interior, the Atomic Energy Commission, the St. Lawrence Seaway Development Corporation, the Tennessee Valley Authority, and certain river basin commissions, for the fiscal year ending June 30, 1963, and for other purposes, which had been reported from the Committee on Appropriations with amendments.

MEETING AT 10 A.M. TUESDAY TO BRIEF DELEGATION TO INTER-PARLIAMENTARY UNION MEETING AT BRASILIA

Mr. ROBERTSON. Mr. President, at 10 o'clock next Tuesday morning, in the old Supreme Court chamber, between the Senate Chamber and the Hall of the House of Representatives, there will be a meeting of the U.S. delegation to the Interparliamentary Union, which will meet next month at Brasilia.

At the meeting next Tuesday, members of the delegation will be given instructions concerning the details of the trip, and also will be briefed by a representative of the State Department concerning Latin American problems, and especially the serious problem in Cuba. I hope all who have been selected to go to Latin America on this trip will be present next Tuesday morning, at 10 o'clock.

THE SITUATION IN MISSISSIPPI

Mr. LAUSCHE. Mr. President, the situation in Mississippi has caused great distress to people throughout the country. The point has been reached where there must be a determination as to whether law and order will prevail.

In my judgment, all that we stand for, the letter and the spirit of the Constitution, will fall by the wayside unless in our country the course that law and order must be supreme is always followed. Without it, we reduce ourselves to anarchy; without it, we remove from our Government the attribute about which we so frequently speak—that ours is a government of laws, not a government of men.

My associates from Mississippi on this floor of course have spoken on this matter. However, I would not be true to myself unless I repeated today on the floor of the Senate what I have spoken of since my youth, emphasized while I was a judge, proclaimed while I was Governor, and always faithfully abided by as a citizen: I merely wish to repeat that we cannot afford to have the laws set aside and the judgments of individual men prevail over and above the sanctity and the sovereignty of the laws.

The people of our Nation expect that our Government will take the needed action to compel obedience to law, regardless of the position of those who disobey.

PUBLIC WORKS APPROPRIATIONS, 1963

The Senate resumed the consideration of the bill (H.R. 12900) making appropriations for certain civil functions administered by the Department of Defense, certain agencies of the Department of the Interior, the Atomic Energy Commission, the St. Lawrence Seaway Development Corporation, the Tennessee Valley Authority, and certain river basin commissions for the fiscal year ending June 30, 1963, and for other purposes.

The **ACTING PRESIDENT** pro tempore. The bill is open to amendment.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The **ACTING PRESIDENT** pro tempore. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **ACTING PRESIDENT** pro tempore. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, may I suggest to the attachés of the Senate that they call Senators and ask them, if it is not too inconvenient for them, to be in the Chamber so we can get started on the pending measure.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of executive business for the consideration of nominations on the Executive Calendar.

The motion was agreed to; and the Senate proceeded to consider executive business.

EXECUTIVE MESSAGES REFERRED

The **ACTING PRESIDENT** pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

The **ACTING PRESIDENT** pro tempore. If there be no reports of committees, the nominations on the Executive Calendar will be stated.

COLLECTOR OF CUSTOMS

The Chief Clerk read the nomination of John Neil McCardell, of Maryland, to be a collector of customs.

The **ACTING PRESIDENT** pro tempore. Without objection, the nomination is confirmed.

COMPTROLLER OF CUSTOMS

The Chief Clerk read the nomination of Edward F. O'Malley, of Maryland, to be a comptroller of customs.

UNJUSTIFIED BLOCKING OF JOHN GREEN NOMINATION

Mr. PROXMIRE. Mr. President, reserving the right to object—and I do not object—I have no objection whatever to the nomination either of Mr. McCardell or of Mr. O'Malley, but I invite attention to the fact that the junior Senator from Wisconsin finds himself placed in an extremely embarrassing and difficult position. The fact is, that in March of this year President Kennedy nominated for collector of customs in the Superior, Wis.-Duluth, Minn., area a very able, well qualified Wisconsin man named John Green. The nomination was held up in the Finance Committee because of the objection of my distinguished senior colleague. Hearings were held on June 13 on the nomination of John Green. At that time the distinguished senior Senator from Wisconsin said he had no personal objections whatever to Mr. Green. He agreed that Mr. Green had good qualifications for the office, but he was opposing him because the very able Representative from the Ninth District of Wisconsin had allegedly acted to oppose appointments of eight postmasters in the Ninth District of Wisconsin in 1960.

As I say, the senior Senator from Wisconsin did not raise the issue of personal obnoxiousness. He simply said he was opposed on the ground that he had been done a discourtesy by a Democratic Representative from Wisconsin. The Democratic Representative from Wisconsin is not in the same district as the Superior-Duluth port, and has no connection whatsoever with this appointment of John Green.

I discussed this subject with a number of members of the Finance Committee, including the chairman. They agreed there was no real ground for opposing the nomination of John Green to be collector of customs. Yet, this nomination has been held up since March and since the hearings on June 13.

All members of the Finance Committee except one member—and I have contacted virtually all the members—have indicated that they have no interest in holding up the nomination. So we have a situation in which a man is qualified for the appointment, who all members of the committee agree is qualified, to whom no member has any objection; a situation in which the President has shown no discourtesy, and there are no grounds for invoking the ground of senatorial courtesy, and yet the consideration of the nomination is blocked.

The junior Senator from Wisconsin does not believe in retaliation. I am really not disposed to object to nominations for collectors of customs or other appointments at this particular time, but I am put in a position where a nomination is merited, which the President has made in good conscience, and which should be approved. I feel that I must give serious consideration—and I give notice that I am giving serious consideration—to blocking all nominations on the executive calendar unless members of the Finance Committee will at least take some action on the nomination to which I have referred.

I would have no objection if the Finance Committee would meet and vote Mr. Green down. I assume, on the basis of what I have heard, that they would vote overwhelmingly for his approval and that his nomination would be almost unanimously approved by the Senate. If they wanted to take positive action, there would be no basis for my complaint. However, it is clear that, in the closing days of the session, one Senator can, if he wishes, oppose with some force all nominations. He can object to unanimous-consent agreements to consider nominations, if that is required, or he can speak at length on the nominations.

As I say, I will do so only as a last resort. I will do everything I can to avoid retaliation. I hope the leadership of the Senate and the members of the Finance Committee will give serious consideration to this nomination, because it is merited and there really are no valid objections.

COMPTROLLER OF CUSTOMS

The **ACTING PRESIDENT** pro tempore. The question is, Will the Senate advise and consent to the confirmation of the nomination of Edward F. O'Malley, of Maryland, to be a comptroller of customs?

Without objection, the nomination is confirmed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of these nominations.

The **ACTING PRESIDENT** pro tempore. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

PUBLIC WORKS APPROPRIATIONS, 1963

The Senate resumed the consideration of the bill (H.R. 12900) making appropriations for certain civil functions administered by the Department of Defense, certain agencies of the Department of the Interior, the Atomic Energy Commission, the St. Lawrence Seaway Development Corporation, the Tennessee Valley Authority, and certain river basin commissions for the fiscal year ending June 30, 1963, and for other purposes.

Mr. MANSFIELD. Mr. President, it is my understanding that a major amendment is to be offered by the distinguished acting minority leader, the Senator from Nebraska [Mr. HRUSKA], relative to the amount to be allowed for public works——

Mr. HRUSKA. Accelerated public works.

Mr. MANSFIELD. The accelerated public works program. I have discussed the matter with several interested Senators, but not all. I should have discussed it with one Senator whom I am glad to see in the Chamber in his role of watchdog.

I should like to ask to propound a unanimous-consent request that when that amendment is offered there be a time limitation of 2 hours, 1 hour to be under the control of the Senator from Nebraska [Mr. HRUSKA] and the other under the control of the Senator from Louisiana [Mr. ELLENDER].

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. PROXMIRE. Mr. President, is this a time limitation on the——

Mr. MANSFIELD. Not on the amendment in which the Senator from Wisconsin is interested.

Mr. PROXMIRE. And not on the rest of the bill?

Mr. MANSFIELD. The amendment the Senator from Wisconsin is going to offer is absolutely excluded.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request?

Mr. HRUSKA. Mr. President, reserving the right to object, and I shall not object, may I ask the majority leader, if it is understood that there will be a request for a yea and nay vote?

Mr. MANSFIELD. There will be.

Mr. HRUSKA. And if, for any reason, it is not reached today, it will be taken up on Monday, at which time there will be an additional half hour, to be equally divided, for the purpose of discussing and summarizing the arguments for and against the amendment?

Mr. MANSFIELD. The acting minority leader has stated the situation precisely and exactly.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request? The Chair hears none, and it is so ordered.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The legislative clerk proceeded to call the roll.

Mr. ELLENDER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

DISTORTION OF OLE MISS INCIDENT

Mr. ELLENDER. Mr. President, in a few days this body will consider a bill to appropriate many millions of dollars to our U.S. Information Agency. Each year this Agency spends a great deal of money in the dissemination of newspapers, magazines, and periodicals from the United States into countries throughout the world, with the idea of bringing to those countries a true picture of life in the greatest nation on the globe.

Unhappily, each year our Information Agency is compelled to spend additional millions in an effort to counteract the distorted image of our way of life created by the national press of this country, through exaggerated news stories and comment about happenings here.

The situation in Mississippi at the present time provides an excellent case in point. The attention that is being directed by the press, radio, and television to the Ole Miss incident is all out of proportion to its value as news.

In fact, the exaggerated publicity being focused on Governor Barnett and the University of Mississippi will, in my opinion, do our country a great deal of harm both here and abroad. The damage to our prestige and the image we have tried to create throughout the world will far outweigh any alleged gains which might accrue to the cause of the integrationists as a result of such publicity.

What will it profit those who serve the cause of integration to gain their end if in the process they bring great harm to our Nation? Will they continue to press for their goal, notwithstanding the serious adverse effect on our Nation?

Mr. President, I am in full sympathy with Gov. Ross Barnett, and with his aims, but the Governor is in a very difficult position. He is doing his utmost to fulfill his campaign pledges and the will of the people of his State. If he is threatened with arrest, then the vast majority of his constituents must be threatened with arrest as well.

I am most disappointed to note that this administration is threatening the use of troops to make it possible for one Negro to be enrolled in an all-white college in Mississippi. Should that course be followed, I fear there will be bloodshed, and the blame must then be placed at the doorstep of the White House.

This Negro, I understand, has had better offers at other schools, but he would not accept any of them. His idea is to enroll in a strictly white school, and it strikes me that his motives should be closely scrutinized.

What are those motives? I do not believe that this Negro is acting on his own. It is my view that he is being urged and motivated by forces far from Mississippi—in New York, in Chicago, and quite probably by forces here in the Nation's Capital. The judges of the Fifth Circuit Court of Appeals might well have taken those factors into consideration before rendering their decision.

The administration should under no circumstances send soldiers down to Mississippi to try to force the enrollment of Meredith on the University of Mississippi.

Last night on the program "Eyewitness," Charles Collingwood closed the program with a comment to the effect that the pattern of life in the South will not be changed by "legalisms." In this statement Mr. Collingwood is eminently correct. No more will the pattern of life in the South be changed by force, Mr. President. Those responsible should realize that fact. We do not need social upheavals at this critical time in our Nation's history. Instead we need unity. All those concerned in this unfortunate affair should take note of this, and the administration would do well to cease its divisive tactics in seeking to solve a social problem through the use of force. The South will not integrate through the use of force, and I dread the consequences that will follow in the wake of any attempt to attain that goal by the sword.

TURKS HALT SHIPPING TO CUBA

Mr. HUMPHREY. Mr. President, I was pleased to see in the press of September 28 that the Turkish Government has effectively discouraged the use of Turkish ships to carry Soviet cargoes to Cuba. Turkish shipowners complied with their Government's request to halt this trade, and Turkey thereby became the first NATO country to take decisive action in accordance with the stated wishes of President Kennedy and the State Department.

Turkey throughout its history has felt the hot breath of the Russian bear. She has had a fine record of resistance to Communist aggression and territorial ambitions. Her soldiers fought side by side with ours in Korea. They were noted for their courage and their fighting ability. Despite—or even because of—her exposed position on the frontier of the Soviet Union, Turkey has always been in the front rank of our NATO partners. Her present action follows in this proud tradition.

Certain aspects of the Turkish action struck me with particular force. First of all, the Turkish Government reportedly requested—but did not demand—a halt in the transshipment of cargoes to Cuba. No compulsion was exerted. Secondly, this request was freely honored by the private shipowners—people whose counterparts in other countries have too often put profits before principle, and have put their personal desires before the commitments of an alliance.

A key factor in the Turkish situation was the notably strong and effective representations of the U.S. Government, transmitted by our capable Ambassador in Ankara, Mr. Raymond A. Hare. Ambassador Hare was formerly Deputy Under Secretary of State for Political Affairs in Washington, and also, of course, he was our Ambassador to the United Arab Republic in Cairo. He has an outstanding record of winning the confidence of the political leadership in the countries to which he is accredited. I salute Ambassador Hare for the skillful and successful conduct of his mission.

This is not to say, Mr. President, that the State Department has not made equally strong representations to NATO Allies whose ships have carried the bulk of the cargoes that are turning up in Havana Harbor. Some of our NATO friends, however, have remonstrated, first, that Cuba is primarily an American problem; and, second, that they have no authority to interfere with the private contracts entered into by their nationals. The ready cooperation of the Turks shows up the hollowness of these arguments. Not only the Turkish Government but also private Turkish citizens and merchants perceive the global significance of Communist encroachments in the Caribbean.

If our friends in Turkey can see matters so clearly, it should not be insuperably difficult to bring the same clarity of vision to our friends elsewhere. Again I call on the State Department to press forward with its diplomatic efforts to isolate Castro commercially as well as ideologically. The times may require short-term sacrifices of profit, but these are premium payments on an insurance policy of long-range protection for the free world.

I ask unanimous consent that the article to which I have referred be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SHIPPING TO CUBA HALTED BY TURKS AT URGING OF UNITED STATES—PRIVATE OWNERS ACCEDE TO ANKARA'S WISH ON HEARING OF AMERICAN ATTITUDE—ACTION IS FIRST IN NATO—10 VESSELS ARE INTERCEPTED EN ROUTE—TYPES OF CARGO INVOLVED NOT DISCLOSED

(By Sam Pope Brewer)

UNITED NATIONS, New York, September 27.—Turkish shipowners have halted all cargo movements to Cuba in their vessels.

The action was taken because of U.S. complaints that members of the North Atlantic Treaty Organization were aiding Soviet infiltration by allowing cargoes to go to Cuba in their ships.

Turkey's Foreign Minister Meridun C. Erkin confirmed the action today. He said it had been made on his recommendation after he had discovered the strength of the U.S. resentment.

He stressed, however, that the action had been taken by the Turkish shipowners at the request of the Government and not on Government orders. He said the Turkish Government did not claim the power to ban such trade but the shipowners had willingly cooperated.

Mr. Erkin said he did not know how many Turkish ships had been involved in trade with Cuba, but that about 10 had been intercepted and ordered to transship their cargoes instead of continuing to Cuba.

He said he had no information on the nature of the cargoes concerned. According to information here, the ships were trading between Soviet ports on the Black Sea and Cuba.

U.S. ENVOY CALLS ON HIM

The Turkish Minister said that early this month the U.S. Ambassador in Ankara, Raymond A. Hare, called on the Turkish Government and asked that shipments to Cuba be forbidden.

President Kennedy called attention to the problem in his news conference September 13.

He said: "Our friends in NATO must realize the implications of their ships' engaging in the Cuba trade."

Government sources pointed out then that even if the ships were not carrying arms or military supplies, they were freeing other vessels for such cargoes.

Turkey is the first NATO country to take official action to halt trade to Cuba in view of the President's statement.

Of the U.S. allies, Britain is reported to have the largest share of the Cuban shipments.

WEST'S SHIPS MAJOR CARRIER

(By Max Frankel)

The merchant ships of nations allied with the United States have been the major carriers of oil and other important cargoes to Cuba in the last year.

This fact, reported by reliable U.S. sources, is said to explain the perisistent effort being made in New York by Secretary Rusk and by his aids throughout the world to obtain more cooperation in the campaign to inflict economic hardship upon the regime of Premier Castro.

Accurate estimates of the merchant traffic to Cuba have been difficult to obtain. The ownership and control of merchant vessels are not always clearly established.

ESTIMATES MADE OF TRAFFIC

But Secretary Rusk is believed to be working with reports and estimates that convey the following picture:

Merchant vessels made slightly more than 1,000 calls at Cuban ports between January 1 and September 1 this year. Ships owned by Communist-bloc nations made 275 of these calls. About 250 calls were by vessels of non-Communist nations under charter to the Soviet bloc; nearly 500 calls were by vessels operated as well as owned by non-Communist shippers.

In the same period, tankers from non-Communist nations carried about 56 percent of the Soviet oil on which Cuba depends. Non-Communist vessels also carried about 80 percent of the dry cargoes received by Cuba.

Almost none of the non-Communist vessels, however, carried arms or other implements of war. The ships of some Western allies have also increasingly shied away from so-called strategic goods—machine tools, important industrial items and spare parts.

FIFTY CHARTERED BY REDS

At the moment, nearly 50 vessels from non-Communist nations remain under charter to the Soviet bloc for the Cuban trade. The number has declined somewhat over recent months. Many of the charters are due to expire in the coming weeks and U.S. officials are trying to prevent renewals.

The most substantial number of the vessels calling at Cuban ports are British-owned. Norway, Greece, Italy, and other maritime nations among the Western Allies and neutrals like Sweden are also represented.

Only a few Canadian ships have called at Cuban ports recently and most of these are said to have been chartered or transferred in a way that left their owners little control. Fewer than 20 of the vessels that have stopped in Cuba this year were from Latin American nations.

No U.S. ships are believed to have been involved in Cuban traffic in any way in recent months.

SEEK TO CAUSE STRAIN

Secretary Rusk and his advisers feel that if they can stop most of this traffic they will impose a considerable strain on the merchant marines of Communist countries. They do not doubt Moscow's ability to convey the goods it wishes, but they hope that the strain would involve annoying diversions from other assignments

They hope also that interference with this traffic would further complicate economic planning and management in Cuba. Finally, they believe it would be a useful political indication of support for U.S. nonviolent efforts.

PROPOSAL FOR A CARIBBEAN ALLIANCE

Mr. HUMPHREY. Mr. President, another development that I believe is equally significant, relating to our situation in the Caribbean, has occurred. I would like to commend the statement on September 27 by President Orlich, of Costa Rica, who said that his country would be delighted to be host to a conference of Caribbean countries to discuss the formation of a military alliance against Cuba by the Caribbean neighbors. I think that is particulary significant because Costa Rica is known for its programs of peace, good neighborly policies, and as one of the outstanding democracies in the Latin America area.

President Orlich's remarks follow a recent proposal by the Panama's Minister of Finance for a Caribbean military alliance. I understand that the formation of such an alliance has been given serious consideration by the U.S. Department of State, and that it may be one of the chief topics of conversation between Secretary Rusk and the hemispheric foreign ministers in New York next week.

I welcome the initiative of President Orlich and Costa Rica. In one way or another we should take advantage of the determination of our Caribbean friends to mount a collective counterattack against Communist aggression. It would be preferable if the entire Organization of American States could mobilize its energies for this purpose. If that is impossible, however, the next best thing is for the countries most directly concerned to coordinate their response. Wide multilateral consultation is a fine thing. But it must never be an excuse for inaction.

In my speech to the Senate on September 11, I noted that "we have friends in the Caribbean who are willing to stand up and to be counted." At that time I singled out Venezuela and Colombia as countries which do not intend to see the spread of Castro communism and his movement within their borders. It is a pleasure to add Panama and Costa Rica to this list. But even with these additions the list is surely not exhaustive. How can any responsible citizen of the Western Hemisphere look on with indifference while the independence of a neighboring country is either undermined or actively suppressed?

Because of the magnitude of the threat to the hemisphere, I called on September 11 for the establishment of a hemispheric police force responsible to the Organization of American States. Some arrangement along these lines is definitely called for. It is not a proposal which should be killed in committee or strangled by time-consuming and futile attempts to secure a majority. The countries which are prepared to act should be given the opportunity to take whatever action may be required under the circumstances.

I ask unanimous consent to have printed in the RECORD at this point an article published in the New York Times of September 28, 1962, dealing with this subject.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

COSTA RICA'S PRESIDENT SEEKS MILITARY ALLIANCE AGAINST CUBA—OFFERS TO BE HOST TO PARLEY TO FORM CARIBBEAN PACT PATTERNED ON NATO

(By Paul P. Kennedy)

SAN JOSE, COSTA RICA, September 27.—Costa Rica would be delighted to be host to a conference of Caribbean countries to discuss the formation of a military alliance against Cuba, President Francisco J. Orlich Bolmarcich said today.

The President said he would be particularly interested in the formation of an alliance patterned on the North Atlantic Treaty Organization in which Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, Panama, Colombia, and Venezuela would participate.

Mr. Orlich declared that this combination of states played an important role at the American Foreign Ministers' Conference at Punta Del Este, Uruguay, last January, where it was decided to exclude Cuba from inter-American activities.

In addition, the President voiced his belief that Costa Rica had played a vital role for the United States at the parley.

CONFERENCE SAVED

"We saved the Conference for the United States by making it easier for the United States to have an understanding with Central America, Venezuela, and Colombia," he said.

A proposal for a Caribbean alliance patterned on NATO was put forward recently by Gilberto Arias, the Finance Minister of Panama. The proposal is reported here to have been viewed sympathetically by the United States. Mr. Arias mentioned as possible members the Dominican Republic, and Haiti as well as Central American and northern South American States.

President Orlich said he had had only press reports from the United Nations about talks Daniel Oduber Quiros, Costa Rica's Foreign Minister, had yesterday with Secretary of State Dean Rusk. Mr. Orlich said he had not received an official report from Mr. Oduber.

The President indicated that it was premature to discuss how Costa Rica, one of the few Latin American countries without an army, could contribute to a military alliance against Cuba. In World War II, however, Costa Rica played an active role. She was the first country to declare war on Japan following Pearl Harbor, doing so even before the United States.

BASE WAS PROVIDED

In addition, she provided a base for a task force to combat enemy activity and furnished harbor facilities for Allied antisubmarine-warfare units.

President Orlich, finishing his first 4 months in office, had been harassed by fiscal problems, which has been becoming increasingly serious since 1956.

He said that he hoped that a loan of $10 to $15 million could be arranged shortly with the United States. The loan has been under discussion for several weeks.

THE SITUATION IN MISSISSIPPI

Mr. MORSE. Mr. President, I read to the Senate a UPI ticker dispatch, as follows:

DALLAS.—Former Maj. Gen. Edwin A. Walker, who commanded Federal troops during the Little Rock school integration crisis in 1957, said yesterday he had no fear of violence in Mississippi and "I certainly advocate no violence."

Walker said thousands of Americans are ready to join him to speak and defend the sovereignty of the State of Mississippi. He said he will go directly to Mississippi to stand by Governor Barnett if Federal troops are sent into the State to enroll Negro James Meredith at the University of Mississippi.

Walker, who resigned from the Army and became a spokesman for conservative causes, said a statement from Washington that he could be held in contempt of court if he interfered in Mississippi was "unusual, shocking, and amazing."

"The most important thing today is unity of the United States and this [the integration dispute] is not accomplishing unity," Walker said.

"I was against the principle of forced integration in Little Rock, and I am against it now," he said. "The whole Army made it fully known that they had no desire to take part in that issue."

Walker, who said he could see little difference in use of U.S. marshals or Federal troops to force integration in Mississippi, did not say what his plans would be if marshals were sent to challenge Barnett.

"I intend to go to Mississippi if and when they use Federal troops," he said.

"Lots of people are not waiting for me," Walker said. "They're already going to Mississippi from California to Carolina."

MOBILE, ALA.—A 200-man contingent of Alabama volunteers, carrying arms and ammunition, was scheduled to leave today to help Gov. Ross Barnett keep a Negro out of the University of Mississippi.

A spokesman for the newly formed Citizens for Preservation of Democracy (CPD) said the men would leave here at 11 a.m. eastern daylight time, apparently by bus or truck.

Once in Mississippi, the men hoped to join former Maj. Gen. Edwin A. Walker, who has promised to lead a conservative crusade protesting any use of Federal troops to enforce integration at the University of Mississippi.

The CPD spokesman, who refused to be identified, said the group had conferred with the head of the Mississippi Highway Patrol and with a member of Lt. Gov. Paul Johnson's staff before planning the move.

I wish to make only brief comment on this shocking story. I am confident that the overwhelming majority of the citizens of Mississippi recognize the importance of maintaining government by law, and that the Constitution of the United States is, after all, the supreme law of the land.

The kind of reaction portrayed by this news dispatch on the part of some people, who have apparently suffered a lapse of good judgment, displays a silly performance on their part. Nevertheless, it is serious, and will take on in the world the coloring of the threat of rebellion. It will feed the flames of Communist propaganda.

I hope that the wise and patriotic people of Mississippi make clear to their State government officials and to meddlers advocating rebellion from outside the State that there is no room anywhere in this country, including Mississippi, for any action that takes on the color of rebellion. People who seek to lead any armed contingent into rebellion against the United States will have to be dealt with, by the use of whatever forces are necessary to maintain government by law in this country. Such Fascist-minded ex-generals as Mr. Walker must be held to an accounting for the kind of subversive activity which he apparently is engaging in when he gives the impression that he is willing to lead a contingent of people, armed, against the American flag.

I say to all those people in Mississippi, who are seeking to place their unpatriotic conception of law above the Constitution of the United States, that the flag standing behind the chair of the Presiding Officer will prevail anywhere in this country, when any group starts talking in terms of direct action against that flag. When any group loses its head to the degree that this UPI story shows that this group is losing its head and is acting as though they can lead a rebellion against the American flag, they must be dealt with by the use of whatever enforcement power is necessary to preserve the Constitution and all it stands for in this Government of ours by law instead of by men.

PUBLIC WORKS APPROPRIATIONS, 1963

The Senate resumed the consideration of the bill (H.R. 12900) making appropriations for certain civil functions administered by the Department of Defense, certain agencies of the Department of the Interior, the Atomic Energy Commission, the St. Lawrence Seaway Development Corporation, the Tennessee Valley Authority and certain river basin commissions for the fiscal year ending June 30, 1963, and for other purposes.

Mr. ELLENDER. Mr. President, I regret that again this year, the public works appropriation bill is being considered at the tail end of the session.

I do not believe it is necessary for me to give a lengthy explanation of the bill. The report on it is on the desks of Senators, and I believe it quite clearly sets forth the action of the committee.

Except with respect to title IV, I believe the bill is noncontroversial. I expect that amendments will be offered to both increase and decrease the amounts recommended for the public works acceleration program. Frankly, the committee recommendation is a compromise. Some members desired a lower figure, others felt that a larger amount should be provided. In a moment I will ask that the committee amendments be adopted en bloc and that the bill as thus amended be considered as original text, so that the Senate will have ample opportunity to work its will on the bill, and title IV in particular.

Mr. President, I ask unanimous consent that the committee amendments be agreed to en bloc; that the bill as thus amended be regarded, for purposes of amendment, as original text; and that no point of order shall be considered to have been waived by reason of agreement to this request.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The amendments agreed to en bloc are, as follows:

On page 3, line 19, after the word "construction", to strike out "$16,561,900" and insert "$19,192,300".

On page 4, line 12, after the word "construction", to strike out "$762,361,000" and insert "$807,962,500".

On page 6, at the beginning of line 9, to strike out "$70,500,000" and insert "$75,954,000", and in line 10, after the word "expended", to insert a colon and *"Provided,* That funds herein appropriated for planning on Cache River, Arkansas, shall be used to the extent necessary to study the effect of the project on agricultural lands along the lower Cache River and along the White River downstream from the confluence to determine whether additional protection should be provided for these lands in connection with the Cache River project and for preparation and submission of a report thereon to the Appropriation Committees."

On page 11, at the beginning of line 14, to strike out "$7,100,000" and insert "$9,420,000", and in the same line, after the word "which", to strike out "$5,610,000" and insert "$8,030,000".

On page 12, line 8, after the word "expended", to strike out "$153,077,000" and insert "$160,361,000".

On page 13, line 2, after the word "law", to strike out "$38,150,000" and insert "$36,444,600".

On page 13, line 20, after the word "program", to strike out "$10,173,000" and insert "$12,517,000".

On page 14, line 12, after the word "expended ", to strike out "$106,508,000" and insert "$109,576,000"; in line 13, after the word "which", to strike out "$103,276,000" and insert "$105,576,000"; and in line 15, after the word "and", to strike out "$3,232,000" and insert "$4,000,000".

On page 19, after line 4, to insert:

"After September 30, 1962, the position of Commissioner of Reclamation shall have the annual rate of compensation as provided for positions listed in section 2205(a) of title 5, United States Code, so long as held by the present incumbent."

On page 23, line 16, after the word "vehicles", to strike out "$2,860,974,000" and insert "$2,885,391,000".

On page 25, line 3, after the word "vehicles", to strike out "$261,845,000" and insert "$267,895,000", and in line 4, after the word "exceed", to strike out "$4,500,000" and insert "$9,000,000".

On page 27, line 14, after the word "exceed", to strike out "$425,000" and insert "$414,000".

On page 29, line 7, after "December 31", to strike out "1962" and insert "1963".

On page 29, after line 12, to insert:

"TITLE IV

"FUNDS APPROPRIATED TO THE PRESIDENT

"Public works acceleration

"For expenses necessary to enable the President to provide for carrying out the purposes of the Public Works Acceleration Act, including services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), but at rates for individuals not to exceed $75 per diem, $500,000,000, to remain available until expended."

On page 30, line 1, to change the title number from "IV" to "V", and in line 3, to change the section number from "401" to "501".

On page 30, line 10, to change the section number from "402" to "502".

On page 31, line 18, to change the section number from "403" to "503".

On page 31, line 24, to change the section number from "404" to "504".

On page 32, line 4, to change the section number from "405" to "505".

On page 32, line 15, to change the section number from "406" to "506".

On page 33, line 5, to change the section number from "407" to "507"'.

Mr. ELLENDER. Mr. President, as is customary, the Subcommittee on Public Works divided itself into three subcommittees for the consideration of the pending bill. The portion of the public works appropriation bill dealing with reclamation and the power marketing agencies of the Department of the Interior was handled by my good and able friend, the distinguished senior Senator from Arizona [Mr. HAYDEN], who is also the chairman of the Committee on Appropriations. The portion of the bill covering the Atomic Energy Commission and the Tennessee Valley Authority was handled by my good friend, the distinguished senior Senator from Alabama [Mr. HILL]. I handled the portion dealing with the civil functions of the Department of the Army and the Public Works Acceleration Act.

The hearings on this bill started on March 27, and continued through September 21, 1962. The subcommittee held 47 sessions for the purpose of taking testimony, and 4 executive sessions for the purpose of marking up the bill. The subcommittee heard 1,129 witnesses, which included representatives of various organizations; 872 of the witnesses appeared before the subcommittee dealing with civil functions, all but 24 of the remaining witnesses appeared before the subcommittee headed by the Senator from Arizona. The hearings comprise 5 volumes, which contain 4,252 pages of testimony. Senators may observe them on their desks. They constitute an extremely high stack.

Mr. President, with respect to title I, before marking up the civil functions portion of this bill, I reviewed every project that was presented to the subcommittee, budgeted or unbudgeted. I examined into every single request made of the subcommittee for planning or construction. After all the requests were made, I called the Engineers back to obtain their views on the projects presented to the subcommittee.

The purpose was to find out whether all the requests which were made by outsiders could be handled by the Corps of Engineers and whether the corps had the capability to undertake the projects submitted for consideration.

In order to balance the bill, and in order to take care of worthy areas not previously included in the bill, I recommended to the subcommittee the inclusion of a number of projects that had been requested by witnesses from all over the country, and by Members of both the Senate and House of Representatives. I hope that the Senate will agree to the recommendations of the Committee on Appropriations and that it will be possible to retain the majority of the projects in the conference with the House.

The House committee added 12 unbudgeted construction projects and 10 unbudgeted planning items. The House sent us a bill which on its face was under the budget, but in order to attain that goal the House reduced the budget for construction by $23,861,000, of which $20 million was a reduction for savings and slippage.

Restoration of the budget estimates accounts for $23,861,000 of the $45,601,500 increase recommended for construction, general.

The Senate committee recommended $1,757,000 for 25 unbudgeted planning items and $13,045,000 for 21 unbudgeted construction projects.

I ask unanimous consent to have the table printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Title I

Cemeterial expenses				$10,276,000
No change from House or budget.				
General investigations				19,192,300
Budget			$17,265,000	
House			16,561,900	
Reduced 9 items		−$1,480,600		
Added 18 items		444,000		
Increased 10 items		333,500		
Senate			19,192,300	
Restoration of House cut		740,000		
Senate increases		1,890,400		
Construction				807,962,500
Budget			780,645,000	
New planning starts (56)		4,824,000		
New construction (37)		32,879,000		
House			762,361,000	
New planning (10)		1,223,000		
New construction (12)		6,224,000		
Increases on 5 items		1,130,000		
Reductions in budget		−23,861,000		
Senate			807,962,500	
Restorations of House cut		23,861,000		
Estimate not considered by House		3,000,000		
Increase in budget items (7)		4,160,000		
New unbudgeted planning (27)		2,007,000		
New unbudgeted construction (22)		13,495,000		
Reductions for fallout shelters		−921,500		
Operation and maintenance				143,539,000
No change from House or budget.				
General expenses				13,580,000
Same as House and $20,000 below budget. Reduction for publication of a magazine.				
Flood control, Mississippi River and tributaries				75,954,000
Budget		$70,500,000		
House		70,500,000		
Senate increase, surveys	$20,000			
planning	60,000			
3 budget items	2,900,000			
1 decrease:				
Fallout shelter	−26,000			
Maintenance	2,500,000			
St. Lawrence Joint Board of Engineers				20,000
No change from House or budget.				

Mr. ELLENDER. You will note that the administration sent to Congress budget estimates for 56 new planning starts and 37 new construction starts. I commend the administration for taking such action, because it realizes that the projects are necessary and that at all times a sufficient number of such projects should be underway to keep this worthwhile program moving at an economical rate.

With respect to title II, the Senate committee increased the amount for general investigations by $2,320,000. The Senate increase for construction and rehabilitation was $7,284,000, of which $5 million was restoration of a House cut in the item for slippage. The increase of $2,344,000 for the loan program was based on budget estimates not considered by the House. For the upper Colorado River project the Senate increase was $3,068,000, of which $1,500,000 was restoration of a House reduction for slippage.

TITLE IV

The committee recommended $500 million for the public works acceleration program. The witnesses who appeared before the committee stated that approximately $200 million in Federal projects could be started—not expended in the first 3 months after the funds were made available; and in addition there is approximately $95 million worth that could be applied to State and local projects, making a total of $295 million but $321 million according to the record. The committee approved $500 million for these first 4 months and advised the administrators of this program to come back when they had a more definite program. The witnesses could not identify a single project that would be approved for inclusion in this program. They presented the committee with lists of public works projects which they considered eligible for allocations under this program. They pointed out, however, that many States and communities are not yet even aware of this legislation, much less have they been able to prepare project requests that might qualify under this Act. Accordingly, the witnesses cautioned that it should be clearly understood that these lists do not represent an approved program, nor could they give the committee any assurance that any individual projects would be approved.

Yesterday afternoon, after the committee reported the bill to the Senate, I again contacted the Department of Commerce to see if they could furnish me with the names of any projects that would be approved under this program. They informed me that they did not have anything more definite than what they furnished for the record.

Mr. President, I invite Senators to examine the record of the hearings held on the accelerated public works program which is included in the stack before them on their desks. It will be noted that quite a few examples of projects which could be constructed under this program were submitted to the committee. I feel confident that many of the projects, particularly public facility projects that have previously planned for construction by States, counties, and municipalities, are almost ready. It would not take long to place these projects under construction. The evidence shows that it would require from 4 to 6 weeks to determine which projects will be selected under this program, until that determination is made no work can start on any project, irrespective of its present status.

The subcommittee felt that $400 million would be sufficient; but after submission of the bill by the subcommittee to the full Committee on Appropriations, the amount was raised by the full committee from $400 million to $500 million. When I made my recommendations to the subcommittee, I was not quite satisfied with the figure I submitted. I had hoped that, in any event, the amount finally recommended would range between $300 million and $500 million. The majority of the members of the Committee on Appropriations decided to submit to the Senate a recommendation for an appropriation of $500 million, in the hope that the Department of Commerce could proceed with the construction of many of these projects now. Then, in February or March of next year, depending on the capability and ability of each agency, they could then come back to the Congress and request the funds with which to proceed further with the program.

I am certain that Congress will provide the rest of the money that has been authorized, if at that time they can show a need for the funds. The remaining authorization amounts to about $400 million.

I hope the Senate will concur in the amount provided in the bill, so that the Department of Commerce may have the $500 million with which to initiate the program.

Mr. HRUSKA. Mr. President, the hearings on the Public Works Appropriations bill for 1963 extended over a period of about 6 months. They are recorded in the printed volumes which lie on the desk of each Senator and exceed 5,000 printed pages.

The Appropriations Committee has approved a total appropriation of $5,211,271,400. This includes an allocation of $500 million for the accelerated public works program. Without this last item the total amount approved is $4,711,271,400 or $97,463,500 over the House approved figure of $4,613,807,900.

The total revised budget estimate, including moneys for the acceleration program, was $5,651,751,000. The committee approved $5,211,271,400 of this figure, or $440,479,600 less than the amount requested.

With regard to the accelerated public works program, it must be said in all fairness that Public Law 87–658 had not ripened into law until after the House had acted on this bill. So the House could not very well have included any appropriations for that program in its version of this appropriation bill.

The bill consists of four titles. The first is for the Department of Defense, for civil functions. The second is for the Department of the Interior. The third is for certain independent offices. The fourth comprises appropriations to the President for the purposes of the Accelerated Public Works Act.

Titles I and II, particularly, provide appropriations for a great number of units and projects. In large measure, they apply to individual situations; therefore, they required a long process of careful, painstaking hearings, in order to gather all the data and statistics necessary.

I repeat what I said a year ago in regard to the corresponding appropriation bill and the work of the chairman of the subcommittee, the Senator from Louisiana [Mr. ELLENDER]: I have endless admiration and respect for his command of the area covered by this bill. During the hearings he consistently displays patience, fairness, and overall consideration. He acts not on an individual basis, not on a parochial basis, but on the basis of overall good. That is all the more remarkable when we consider the fact that in dealing with any appropriation bill of this kind we are faced with two problems: First, only a limited amount of money can be devoted to the purposes at hand; second, a series of priorities must be determined and applied to the many requests for funds, the sum total of which always exceeds the total amount available for appropriation.

We may differ as to the amounts which should be made available for the purposes at hand. I disagree with the total amount in the bill as it now stands. I think it is too large; I think it can be scaled down somewhat. But whatever the total amount finally voted—whether it is the amount set by the President and his Bureau of the Budget, or the amount preferred by the chairman of the appropriations subcommittee or the amount preferred by the full Appropriations Committee, under the chairmanship of the Senator from Arizona [Mr. HAYDEN]—it is necessary for the subcommittee, and then the full committee, and then this body, to determine priorities among the many applications for these funds.

Although the committee has recommended a larger amount than I would prefer, I expect to vote for passage of the bill. It provides for many necessary and vital projects in which the work must go forward.

There is one exception. I have lying at the desk and expect to offer in due time an amendment to title IV, which presently calls for appropriations of $500 million. My amendment would reduce to $300 million the total to be appropriated for the purposes of the Public Works Acceleration Act. This amendment will be debated later. At this time I shall not go into it in detail.

During the committee sessions, there was lengthy discussion as to whether this public-works appropriation bill is the proper vehicle for appropriations for the acceleration program. Many of the projects to be implemented under the acceleration program fall into categories and fields of activity which are not dealt with by the committee hearing this bill. For example, I refer to some of the appropriations for housing, community facilities, area redevelopment activities, and so forth.

In that connection, when we compare the amounts provided for in this bill with previous appropriations or compare the amounts approved by the Senate committee with the amounts voted by the other body, we should always bear in mind that there is a very substantial item of half a billion dollars for purposes and projects which are somewhat alien to the bill, and ordinarily are handled separately by the subcommittee and by the full committee.

Again, I wish to express my gratitude and appreciation to the chairman of the subcommittee, the Senator from Louisiana [Mr. ELLENDER], for his excellent work and his very fine attitude. I make this expression, not only on behalf of myself, but also on behalf of all other Senators on this side of the aisle. This expression of thanks and appreciation also goes to the chairman of the full committee, the Senator from Arizona [Mr. HAYDEN].

The ACTING PRESIDENT pro tempore. The bill is open to further amendment.

Mr. HRUSKA. Mr. President, I have an amendment at the desk. I ask that it be read.

The ACTING PRESIDENT pro tempore. The amendment of the Senator from Nebraska will be read.

The LEGISLATIVE CLERK. On page 29, in lines 20 and 21, in the committee amendment, it is proposed to strike out "$500,000,000", and to insert in lieu thereof "$300,000,000".

The ACTING PRESIDENT pro tempore. Is this an amendment to which the time limitation applies?

Mr. HRUSKA. It is my understanding that when the amendment is called up for consideration, the time will begin to run.

Mr. MANSFIELD. Yes.

Mr. President, before I suggest the absence of a quorum, I should like to ask whether it will meet with the approval of the acting minority leader to have some of the time under the limitation used on this amendment, at that point.

Mr. HRUSKA. Certainly; and I am grateful for the forbearance of the majority leader.

Mr. MANSFIELD. Yes.

Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the amount of time consumed in the calling of the quorum not be charged to the time alloted to the pending amendment.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ELLENDER. Mr. President, I yield myself 5 minutes.

The ACTING PRESIDENT pro tempore. The Senator from Louisiana is recognized for 5 minutes.

Mr. ELLENDER. As I stated to the Senate only a few moments ago, the full Appropriations Committee of the Senate increased the amount for the public works acceleration program by $100 million over the subcommittee recommendation—from $400 million to $500 million. As we all know, the authorization enacted by the Congress for this measure is $900 million.

With respect to title I of this bill, and I am sure that all Senators are familiar with this, each individual project for which funds are requested must prove its own case for being alloted money. In other words, each project must be justified on its own merits. But, Mr. President, the public works acceleration program is in a different category from any program that has ever been considered by the Subcommittee on Public Works of the Committee on Appropriations. All we could obtain from the Department of Commerce officials, who, by the way, will coordinate this program, were examples of the types of programs that would be constructed under the law which was enacted. We were not given a detailed list of all the projects that would be constructed with a specific amount of money.

Department of Commerce officials also submitted to us a long list of projects that could be selected for construction such as sewers, waterlines, streets, and roads in various parts of the country, many of them in areas that would come within the purview of the act under which these funds were authorized.

As we all know, the Congress enacted this legislation to provide work in certain areas of the country where there was a substantial unemployment. Certain rules and regulations were written into that act providing conditions to be met before any community could obtain Government assistance. In many cases something in the nature of a partnership had to be created between the local communities and the Federal Government before any money was to be made available.

However under this accelerated Public Works Act the rules have been changed. The yardsticks have been changed, and in many instances, depending on the capability of the local community, the Government can provide grants as much as 75 percent of the total cost of a project. Portions of the program are more or less on a matching basis.

As I stated in my opening remarks, very few communities are familiar with all the provisions included in the act authorizing the $900 million.

For that reason it will take time for the Department of Commerce and the other agencies participating in the program to be able to get projects ready for construction.

The evidence shows that within the next 4 to 6 weeks the projects can be selected and various Government agencies will be ready to proceed to initiate work on at least $200 million of Federal projects in the next 3 months.

The evidence also shows that these projects come within the purview of the law and are located, necessarily, in areas in which there is substantial unemployment.

The same holds true, to a more limited extent, in respect to communities for which applications have been made in the past for the Community Facilities Administration for construction of waterlines, streets, sewers, and things of that kind. The amount of those projects, which we were told could be made ready within the next 3 to 4 months, aggregated about $95 million, or a total of $295 million, for the various Government agencies, particularly the Community Facilities Administration.

The ACTING PRESIDENT pro tempore. The time of the Senator from Louisiana has expired.

Mr. ELLENDER. Mr. President, I yield myself 2 more minutes.

The testimony showed that the Government is ready to proceed with projects aggregating in cost about $321 million.

Mr. President, the committee felt it might be well, since the Government agencies were unable to specify the projects upon which the money would be spent, to appropriate considerably less than the whole amount provided in the authorization bill. Therefore, we decided to provide $500 million. Although I, as chairman of the subcommittee, at first recommended $400 million, it is my belief that $500 million is not too large a sum.

I realize, as I am sure other Senators realize, that before the Federal Government can start construction on any of these projects, some time will be required.

It is my belief that if a good job is done—as I know it will be, because we have had assurance in that regard by the administrators of the program—an early start can be made. I feel confident that when the Congress meets in January, if the program has then progressed as well as many of us expect, the Department of Commerce will not hesitate to come before Congress to seek an additional sum, which could be available in a supplemental appropriations act.

Mr. President, I hope that the amount of $500 million will be provided and that the Senate will vote favorably upon it. It is my belief that the administrators of the program will see to it that the projects come within the purview of the law because, if they do not, they will have to account to our committee when they come before Congress for more money early in January.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. AIKEN. Do I correctly understand that the House has made no appropriation whatsoever for this purpose?

Mr ELLENDER. The Senator is correct. The reason is that the House had already held its hearings. The bill was sent to the Senate before the authorization for this program became law.

Mr. AIKEN. So if the Senate should provide $500 million, when the bill goes to conference the final amount could be anything from zero to $500 million?

Mr. ELLENDER. That is correct.

Mr. AIKEN. And probably will be.

Mr. ELLENDER I am very hopeful that the House will not be adamant, as it can be at times, and will not insist on making the amount too small.

The ACTING PRESIDENT pro tempore. The time of the Senator has again expired.

Mr. ELLENDER. Mr. President, I yield myself 2 more minutes.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. AIKEN. In view of the fact that the House has not considered this particular provision, could the House provide more than $500 million, and insist upon it?

Mr. ELLENDER. It is not usual, but I believe it could.

Mr. AIKEN. The House could accept the Senate amendment with a proposal to amend; is that correct?

Mr. ELLENDER. That is my opinion, since the House did not consider this item.

Mr. AIKEN. The House could make it $700 million or $800 million, or whatever it wished.

Mr. ELLENDER. Under the rules, when we are considering a measure wherein the amount to be provided is recommended to be $500 million, ordinarily the highest figure is the limit used.

Mr. AIKEN. I know that is customary.

Mr. ELLENDER. We will go into that problem in conference.

Mr. AIKEN. The same situation would prevail if the Senate approved $300 million. The House might propose to increase it.

Mr. ELLENDER. The House might increase it.

Mr. President, again I express the hope that the Senate will agree to provide $500 million. I invite Senators to read the testimony we were able to obtain from Mr. Gudeman, Under Secretary of the Commerce Department. Senators will note that the committee was careful to have Mr. Gudeman testify that the law would be strictly followed. I believe, with that in mind, we need not fear that the money to be provided would be misspent.

Mr. MILLER. Mr. President——

The ACTING PRESIDENT pro tempore. The Senate is operating under controlled time.

Mr. SALTONSTALL. Mr. President, I yield 5 minutes to the Senator from Iowa.

The ACTING PRESIDENT pro tempore. The Senator from Iowa is recognized for 5 minutes.

Mr. MILLER. Mr. President, I submit an amendment which I send to the desk and ask to have printed and lie on the table.

The ACTING PRESIDENT pro tempore. The amendment will be received and printed, and will lie on the table.

Mr. MILLER. Mr. President, I hope that the amendment will be agreed to. I note from the report of the committee that the amount contained in the bill is $1,270,315,420 in excess of the appropriations for the previous fiscal year. Of that, $500 million is to be the amount for the so-called immediate action public works program. By reducing the amount $200 million, we would still be providing a billion dollars in excess of the amount spent on public works for the past fiscal year.

It seems to me that if there is validity in the idea that increasing public works spending programs will stimulate the economy and provide employment for our unemployed people, $1 billion more than was provided in the past fiscal year should be more than ample.

Many economists and many who read the records of the 1930's have grave misgivings as to the validity of that premise. But granted the validity, I can see no reason why we should go over $1 billion in excess of what we spent last year on an immediate action public works program.

Yesterday the Senate passed a bill that would increase the salaries and retirement benefits of our civil service employees. I pointed out in the debate on one of my amendments to the bill that at the rate we are going, it has been predicted by some civil service officials that the civil service retirement fund will become bankrupt by 1980 unless adequate methods of funding it are obtained. In the face of that fact, the Senate decided to increase the benefits without increasing the funding resources.

I do not know how much longer we can persist in unsound fiscal policies. Some people blame the executive branch of the Government for such policies. But anyone who knows the operations of the Federal Government knows that the ultimate responsibility for such appropriations rests, not in the executive branch, but in the legislative branch of the Government. While some criticism can be leveled at the administration for failing to give appropriate guidance and recommendations to the legislative branch of the Government, the responsibility is still ours, and we have not been fulfilling it.

How can we continue to increase the amounts requested by the President in his budget in the face of estimates of greatly reduced revenue, and predictions of an unbalanced budget to the extent of $5 to $10 billion for the current fiscal year? It does not add up to the exercise of the responsibility to the American people that I believe the Senate should exert. It does no good to pump more money into the economy if the purchasing power of that money is diluted because of continued big deficits and the inflation that inevitably results from it.

Statements by certain administration economists to the contrary notwithstanding, we have been in a period of inflation. Granted, it has not been great. The fact still remains that in the first 18 months of the present Congress we have seen the purchasing power of bonds and savings accounts throughout the United States diluted by approximately $4.5 billion. That is the result of the increase in the cost-of-living index issued by the Bureau of Labor Statistics. This is the worst tax of all, for it saps the purchasing power of many of our people who have invested and saved it.

A continued irresponsible type of legislating, in the face of predictions from even the chairman of the Senate Committee on Finance of a budget deficit of from $5 to $12 billion for the current fiscal year, is inexcusable.

I commend the Senator from Nebraska for his amendment. If I could, I would vote to eliminate the entire title because even then, if the title were eliminated, we would be $700 million over what we spent on public works programs last year.

I hope the amendment will be supported.

Mr. SALTONSTALL. Mr. President, I yield 5 minutes to the Senator from North Dakota.

Mr. YOUNG of North Dakota. Mr. President, I support the amendment offered by the Senator from Nebraska [Mr. HRUSKA], which would reduce the appropriation to $300 million; $300 million would be ample to take care of the program until Congress convenes again. The amount would probably be more than needed.

So far there has been no justification for any of the proposed projects. The agencies of the Government cannot point to a single project which is ready to proceed. All other Federal projects must be justified by the Bureau of the Budget and the various committees of Congress.

What is proposed is very unusual. We would appropriate $500 million for projects that would not even have to be looked at again by Congress. Such action would upset the entire procedure of every committee of Congress. For example, the Public Works Appropriations Committee requires that every one of the proposed projects has a favorable benefit-cost ratio. No such yardstick would be applied to any of the projects with which we are now concerned.

In my own State of North Dakota only about $5 million in projects are proposed. They are the kind of projects for the most part which would never be approved by the Appropriations Committee.

The only projects proposed for North Dakota are for Indian reservations. For example, at Fort Berthold Reservation, employees' quarters costing $1,380,000 would be built.

At Standing Rock Reservation, employees' quarters at an estimated cost of $1,940,000 would be erected.

At the Turtle Mountain Reservation employees' quarters at an estimated cost of $1 million would be built. Those projects would be undertaken out of a total of a little more than $5 million which would be allotted to the State. So practically all the money that would be spent in North Dakota would be spent on employees' quarters at Indian reservations.

How much better would it be to engage in some worthwhile projects for the Indians themselves, who badly need work and who need education in order to try to find a better place for themselves in this world.

For example, would it not be much better if we would appropriate the money for a trade school on an Indian reservation to teach Indians a trade so that they could go out in the world and make a living, or provide tuition money for them so that they could go to a fine trade school such as the one at Wahpeton, N. Dak., the State school of science.

The Indians themselves have proposed some very good works projects—they are not included in the proposed projects. The Congress imposes the toughest kind of justification for every other kind of project, even military projects.

We do not give the military a blank check to build the airplanes, tanks, or other things needed. For example, we always specify a certain number of dollars for a certain number of tanks.

Even in relation to the Space Agency, which is a very important program, we demand justification for all the money that is spent.

But on the proposed public works program we would give the administration a blank check to undertake projects anyplace in the United States that it wishes.

Mr. SALTONSTALL. Mr. President, I ask the distinguished Senator from Louisiana if he has any speakers, so that perhaps we may divide up the debate.

Mr. ELLENDER. Mr. President, I yield 10 minutes to the distinguished Senator from West Virginia [Mr. Byrd].

The ACTING PRESIDENT pro tempore. The Senator from West Virginia is recognized for 10 minutes.

Mr. BYRD of West Virginia. Mr. President, I trust that the amendment offered by the Senator from Nebraska will be rejected. I am not a member of the subcommittee which held hearings on the appropriation bill. I have the utmost confidence in the chairman of that subcommittee, the distinguished senior Senator from Louisiana [Mr. Ellender], and I have the same high confidence in the members of the subcommittee.

When the chairman of the subcommittee yesterday indicated at the meeting of the full committee, of which I am a member, that he would recommend $400 million, I felt that he was making a very sincere and conscientious appraisal of the project inventory needs.

No Member of the Senate is more thorough in appraising and studying and developing a matter before his committee than is the distinguished senior Senator from Louisiana [Mr. Ellender].

I come from a State in which there is a high percentage of unemployment. I felt yesterday in committee that $400 million would not be enough to initiate a program of accelerated public works. I attempted to amend the figure to make it $600 million, but I was unsuccessful. The compromise of $500 million was agreed upon by a majority of the members of the Committee on Appropriations. The chairman of the subcommittee gave us assurance that he would support that compromise figure, and today on the floor of the Senate he is attempting to defend the compromise agreed upon by a majority of the members of the full committee. I support him and hope that his position will prevail.

I should like to quote certain extracts from page 23 of the supplemental hearings on the public works appropriation bill:

Senator Ellender. Could you make an estimate for the committee as to the approximate amount of money you could obligate between now and, let us say, January 15?

Mr. Gudeman. I would like Mr. Bozman to do that. He has been working on this and trying to get such an estimate. I would like him to answer the question, if he can answer it.

Mr. William H. Bozman, Assistant Administrator for Administration and Finance, ARA, then answered:

Mr. Bozman. We had made some estimates as to how fast some of these projects can start. Now, you have to realize that these are rough estimates based upon our experience with this type of program in the past, not a project-by-project review.

And on that basis, we feel that we could start—I am not giving expenditures; I am giving project starts—approximately $200 million in projects 3 months after the funds were made available.

Senator Ellender. Three months after?

Mr. Bozman. Yes. Is that right?

Mr. Gudeman. Those are the Federal projects.

Mr. Bozman. These are direct Federal.

Mr. Gudeman. Those are direct Federal that he was reading.

Mr. Bozman. Now, in addition, there is approximately $95 million worth that we feel could be done with State and local projects, making a total of approximately $321 million.

This might not be an accurate figure. Two hundred million dollars and $95 million do not add up to $321 million. Perhaps the witness had not made a careful statement with respect to projects in addition to those comprehended under the $200 and $95 million figures. At any rate, Mr. Bozman said the projects starts would total approximately $321 million.

Senator Ellender. That you could obligate between now and 3 months, you said?

Mr. Bozman. Yes.

Senator Ellender. So that suppose this committee would decide to authorize you to proceed, say, with $350 million; would that be sufficient to carry you over until January 15?

Mr. Gudeman. No, sir; I do not think it would.

Senator Ellender. Why not, if you cannot obligate more than $300 million?

FUNDS AVAILABLE FOR OBLIGATION

Mr. Gudeman. Well, between now and the end of the year, we can obligate for starting of construction next year, particularly in the Northern States as soon as the winter is over. And we cannot make an obligation without knowing that it is backed up by an appropriation authorization. So that we cannot go forward with this unless we do it on a 3-month basis.

I believe that this is the key to the question which we are about to determine. The witness told the chairman of the subcommittee that the agency could not proceed with the development of projects without knowing that these projects would be supported by an appropriation authorization. He had previously indicated that they were in a position to proceed with projects totaling more than $300 million.

This means that if we were to accept the amendment offered by the Senator from Nebraska, we would be appropriating a sum insufficient to cover the total projects which are ready to go forward. Failure to appropriate the requisite amount would inhibit those who wish to proceed with projects from so doing because they could not be sure that the projects were fully supported by authorizations. This would be highly detrimental to the President's program. I am confident that it would endanger many of the projects. The Senate would be committing a serious mistake if it were to accept the amendment offered by the Senator from Nebraska.

The ACTING PRESIDENT pro tempore. The time of the Senator has expired.

Mr. ELLENDER. I yield 5 additional minutes to the Senator from West Virginia.

Mr. BYRD of West Virginia. I have before me a list of projects with which we could proceed in the State of West Virginia. There are projects under the denomination of sewage treatment works in eligible areas. These are projects that could go forward. They total $27,355,000.

Additionally, there is a list of projects in connection with forest highways which could go forward. These would total $4,962,000. There are also hospital and related medical facilities and other projects which could go forward in West Virginia. I ask unanimous consent that these various tables may be printed in the Record at this point so that the overall picture might be presented regarding projects that are planned under this program for my State.

There being no objection, the tables were ordered to be printed in the Record, as follows:

U.S. DEPARTMENT OF AGRICULTURE PUBLIC WORKS ACCELERATION PROJECTS

SOIL CONSERVATION SERVICE

Public works (Public Law 46)

The work incorporated in the projects proposed by the Soil Conservation Service could be widely dispersed throughout the designated areas and quickly initiated since existing field staff would be readily available for organization and direction of the work. At the same time, emphasis could be given to projects in areas having more critical unemployment situations. The projects (authorized under Public Law 46, 74th Cong.) consist of soil and water conservation measures that have a community or public value, and involve, for the most part, jobs that individual landowners have not been able to do under existing conservation programs. Highest priority would be given to work providing the greatest anticipated offsite benefits and requiring the largest amount of employment. Financial or other contributions would be encouraged, where available, from landowners or public agencies. Appropriate agreements between the landowners and the soil conservation district would be required for carrying out the work. These agreements would generally be in the nature of supplements to the conservation plans signed by the landowners with the districts and would contain adequate provision for maintenance of the improvements and use of the areas after treatment. All of the work will be over and above all current activities now being carried out under

Public Law 46. A tentative estimate of the projects that can be started promptly follows:

State:	*Amount*
Alabama	$750,000
Arkansas	600,000
California	75,000
Colorado	150,000
Florida	150,000
Georgia	750,000
Hawaii	150,000
Idaho	75,000
Illinois	750,000
Indiana	750,000
Iowa	75,000
Kansas	75,000
Kentucky	3,000,000
Louisiana	$600,000
Maine	300,000
Maryland	750,000
Michigan	750,000
Minnesota	750,000
Mississippi	750,000
Missouri	750,000
Montana	75,000
Nebraska	150,000
Nevada	75,000
New Hampshire	75,000
New Jersey	150,000
New Mexico	150,000
New York	150,000
North Carolina	600,000
Ohio	1,125,000
Oklahoma	$1,125,000
Oregon	75,000
Pennsylvania	3,000,000
South Carolina	450,000
Tennessee	900,000
Texas	900,000
Utah	150,000
Vermont	75,000
Virginia	300,000
Washington	75,000
West Virginia	3,000,000
Wisconsin	450,000
Wyoming	75,000
Puerto Rico	300,000
Total	24,750,000

U.S. DEPARTMENT OF AGRICULTURE—NATIONAL FOREST AND SMALL WATERSHED PROGRAMS

Estimate of public works eligible for acceleration

WEST VIRGINIA

Project	Cost of project	Location
FORESTRY		
Monongahela National Forest development	$5,080,000	5(b). Grant, Nicholas, Pendleton, Pocahontas, Preston, Randolph, Tucker, and Webster Counties.
George Washington National Forest development	1,680,000	5(b). Hampshire, Hardy, and Pendleton Counties.
Northeastern station research development	637,000	5(a). Bluefield. 5(b). Tucker County.
SMALL WATERSHED PROJECTS		
Construction of weirs and stream gaging stations on watersheds and installation of neutron soil moisture equipment access tubes for soil and water conservation research.	11,500	Morgantown (Monongalia).
Polk Creek	75,900	Weston.
Salt Lick	195,900	Burnsville.
Potomac flood prevention project	110,000	Romney.
AGRICULTURE RESEARCH FACILITIES		
Addition to agricultural sciences building	450,000	Morgantown.
Facilities for work in breeding and genetics	1,000,000	Do.
Laboratory and office building	500,000	Do.
(These estimates have been prepared on the basis of information available in the cooperative State experiment station service. They have not been verified either as to the amount or availability of matching funds by the director of the State agricultural experiment station.)		

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

PUBLIC HEALTH SERVICE

Sewage treatment works projects in eligible areas, accelerated public works program

WEST VIRGINIA

	Cost
Bethlehem	$600,000
Beckley	600,000
Glenville	208,000
Matewan	150,000
Fayetteville	65,000
Belle	150,000
Mannington	301,000
Davis	150,000
Kingswood	301,000
Barboursville	243,000
Chapmanville	134,000
Ronceverte	175,000
Petersburg	242,000
Ridgeley	200,000
Shinnston	256,000
Grafton	140,000
Athens	73,000
Triadelphia	150,000
Sutton	150,000
Gassaway	140,000
Rainelle	134,000
East Rainelle	134,000
Grant Town	98,000
Star City	114,000
Westover	252,000
Red Sulphur	250,000
Pea Ridge	800,000
Midway	400,000
Lilly Grove	400,000
Green Valley	400,000

Sewage treatment works projects in eligible areas, accelerated public works program—Continued

	Cost
Rhodell	$250,000
Martinsburg	1,000,000
Webster Springs	140,000
Poca	200,000
Belmont	60,000
Henderson	134,000
Winfield	150,000
West Hamlin	150,000
Wayne	134,000
War	287,000
Oceana	178,000
Danville	150,000
Keystone	285,000
Northfolk	100,000
Kimball	132,000
Alderson	134,000
Lewisburg	204,000
Keyser	498,000
Thomas	150,000
Bridgeport	412,000
Nutter Fort	268,000
Farmington	122,000
Berkeley Springs	131,000
Delbarton	125,000
Marlinton	146,000
West Union	162,000
Morgantown	987,000
Clarksburg	1,606,000
Fairmont	987,000
Charles Town	300,000
Ranson	200,000
Shepherdstown	200,000
Cedar Grove	170,000
Ceredo	87,500

Sewage treatment works projects in eligible areas, accelerated public works program—Continued

	Cost
East Bank	$124,000
Harrisville	111,300
Chesapeake	315,000
Fairview	190,000
Moorefield	111,000
Logan	309,000
Whitesville	68,600
Williamson	1,100,000
Marmet	343,000
Mason	96,000
New Haven	166,000
Milton	104,000
Piedmont	116,000
Salem	521,500
Rowlesburg	262,600
Parsons	213,000
Smithers	441,500
Montgomery	533,200
Charleston	2,689,000
Cameron	400,000
St. Marys	212,000
Union	722,500
Total	27,355,000

NOTE.—The above list identifies communities located in eligible areas recently reported as planning sewage treatment works construction projects which ostensibly could be initiated or accelerated under the accelerated public works programs. It does not establish eligibility and is not a list of communities that will receive Acceleration Act assistance.

Projects for new construction and improvements or betterments of forest highways under the Accelerated Public Works Act

WEST VIRGINIA

County	Description	Type of work	Miles	Amount
Grant	From forest boundary near Hopeville Gap to Pendleton County line.	220-pound surface treatment	4.7	$75,000
Greenbrier	From Nicholas County line to Pocahontas County line	110-pound surface treatment	9.8	78,000
Do	From Neola to Sherwood Lake	Double prime, 270-pound penetration stabilized shoulders	10.5	312,000
Do	Alvon to Pocohantas County line	Base repairs, 220-pound surface treatment stabilized shoulders	20.0	333,000
Do	From forest boundary to 1 mile south of Alvon	Grade, drain, base course	2.9	385,000
Do	Alvon to 1 mile south	Grade, drain, surface, and 2 bridges	1.0	271,000
Hardy	From Slate Run to Virginia line	Widen and new surface	3.70	375,000
Do	From Wardensville to Virginia State line	Grade, drain, stabilize 6 inches by 16 feet, widen and surface 160-pound PSY DST.	13.5	332,000
Nicholas	From junction West Virginia 20 to Greenbrier County line	220-pound surface treatment	8.6	139,000
Pendleton	From Grant County line to mouth of Seneca	do	8.8	146,000
Pocahontas	From Frost to Dunmore	do	7.4	125,000
Do	From Greenbrier to Burton	do	9.7	146,000
Do	Randolph County line toward Durbin	do	2.3	42,000
Do	From Greenbrier County line to junction West Virginia 30	220-pound surface treatment, stabilized shoulders	5.8	125,000
Do	Forest boundary to Slaty Fork	220-pound surface treatment	7.9	130,000
Do	From forest boundary to Cass	do	15.0	271,000
Do	From junction Public Road 21/4 to Huntersville	do	11.5	177,000
Do	From junction West Virginia 39 to junction U.S. 250	3 bridges and approaches	2.0	312,000
Do	Dilleys Mills at junction section 11/2	Thorny Creek Bridge and approaches	1.07	239,000
Do	Durbin relocation	Bridge	.05	209,000
Preston	From Monongahela Forest line to Tucker County line	Patch and level 160-pound/SY HLAC wearing course, 3-inch stone shoulders, 4 feet each side.	2.8	54,000
Randolph	From Huttonsville to section 37	220-pound surface treatment	8.7	135,000
Do	From Alpena to Tucker County line	6-inch stone stabilization	9.5	156,000
Tucker	From section 32 to junction U.S. 219	220-pound surface treatment	16.2	234,000
Do	From junction U.S. 219 to forest boundary at junction section 6	do	7.0	100,000
Do	Davis to Thomas	do	3.1	52,000
Total				4,962,000

HOUSING AND HOME FINANCE AGENCY, COMMUNITY FACILITIES ADMINISTRATION

Accelerated public works program—State summary of projects in eligible areas planned or in process of planning under the advance planning program (sec. 702 of the Housing Act of 1954, as amended)

State	Number of projects in eligible areas				Estimated total cost
	5(a)	5(b)	LSA	Total	
Alabama	3	5	3	11	$27,188,966
Alaska		13		13	14,384,493
Arizona		3		3	798,927
Arkansas		11		11	1,865,962
California	4		20	24	33,156,751
Colorado			1	1	2,678,000
Connecticut	7		5	12	18,965,493
Florida		3	6	9	61,351,625
Georgia		4		4	1,656,605
Hawaii		2		2	1,204,840
Idaho		1		1	1,912,720
Illinois	9	5	4	18	7,522,410
Indiana			2	2	5,166,000
Kansas	1			1	2,812,950
Kentucky	8	5		13	13,516,404
Louisiana	4	30	20	54	118,128,984
Maine	3	9	1	13	11,433,512
Maryland	3			3	1,567,100
Massachusetts	1		16	17	21,698,533
Michigan	11	6	2	19	71,853,343
Minnesota	1			1	1,461,712
Mississippi		10	3	13	7,149,204
Missouri	2		2	4	$42,484,334
Montana	6	2		8	6,914,869
New Hampshire		4		4	3,426,650
New Jersey	16		39	55	182,726,601
New Mexico		2		2	1,241,052
New York	12	1	17	30	45,237,999
North Carolina		6	2	8	3,193,741
Ohio	2		13	15	25,261,910
Oklahoma		1		1	600,000
Oregon		8	2	10	3,768,306
Pennsylvania	55	11	13	79	211,557,130
Rhode Island	5			5	7,560,100
South Carolina		3		3	3,250,106
Tennessee	2	5	1	8	3,419,518
Texas		3	13	16	66,720,014
Utah		2	4	6	4,044,203
Vermont		4		4	3,510,190
Washington	6	4	7	17	33,647,165
West Virginia	14	3		17	11,672,168
Puerto Rico	2			2	1,058,538
Total	177	166	196	539	1,090,859,137

NOTE.—The above summary represents program status as of Aug. 31, 1962. Educational facilities are excluded. Eligible areas are those contained in list published on Sept. 8, 1962.

WEST VIRGINIA

STATE SUMMARY

Area designation	Number	Estimated total cost
5(a)	14	$10,577,582
5(b)	3	1,094,586
S		
Grand total	17	11,672,168

City	County	Area designation	Type of project	Estimated total cost	City	County	Area designation	Type of project	Estimated total cost
Bethlehem	Ohio	5(a)	Sewer	$1,076,000	Huntington	Mercer	5(a)	Water	$846,738
Blacksville	Monongalia	5(a)	Water	40,000	Montgomery	Fayette and Kanawha	5(a)	Sewer	(1)
Cameron	Marshall	5(a)	Sewer	297,160	Oceana	Wyoming	5(b)	do	376,473
Ceredo	Wayne	5(a)	do	106,285	Peterstown	Monroe	5(a)	Water	537,634
Charleston	Kanawha	5(a)	do	1,638,167	Piedmont	Mineral	5(a)	Sewer	148,458
Clarksburg	Harrison	5(a)	Water	50,000	Rivesville	Marion	5(a)	do	300,000
Craigsville	Nicholas	5(b)	do	542,413	Wheeling	Ohio	5(a)	Water	5,343,170
Harrisville	Ritchie	5(a)	Sewer	200,000	Parsons	Tucker	5(b)	do	175,700
Huntington	Kanawha	5(a)	do	193,970					

---

[1] Estimated total cost is listed elsewhere.

DEPARTMENT OF THE INTERIOR

Projects available for allocation of funds under Public Works Acceleration Act

NATIONAL PARK SERVICE

[In thousands of dollars]

State and area	Type of project	Name of project	Cost
Category: Substantial unemployment			
West Virginia	Roads and trails	Harpers Ferry National Monument (Jefferson County).	27
	Buildings and utilities	do	457

BUREAU OF MINES

State and area	Type of project	Name of project	Cost
Category: Sec. 5(b)			
Utah:			
Emery County	I—Mine-fire control	East Quitchupah	50
Do	do	West Quitchupah	75
Carbon County	do	Hoffman Creek	60
West Virginia: Tucker County	I—Reclamation pilot project	Blackwater Falls (2 projects)	580
Total			765
Category: Sec. 5(b) Indian			
Arizona: Navajo	I—Mine-fire control	Navajo mine fire	100
Wyoming: Wind River	do	Owl Creek Nos. 1 and 2	15
New Mexico: San Juan County	do	Ute Mountain	150
Total			265
Category: Sec. 5(a)			
Pennsylvania:			
Pittsburgh	I—Building construction	Research center	8,500
Pottsville-Lehighton	do	Anthracite research center	130
West Virginia: Morgantown	do	Morgantown research center	385
Pennsylvania:			
Scranton	I—Mine-fire control	South Scranton mine fire	200
Sunbury-Shamokin-Mount Carmel	do	Coal Run mine fire	50
Pottsville-Lehighton	do	Shenandoah mine fire	25
Uniontown-Connellsville	do	South Union mine fire	112
Pittsburgh	do	Bradenville mine fire	50
Do	do	Burgettstown and Smith mine fire	50
Kentucky: Middlesboro-Harlan	do	Harlan County	80
Pennsylvania: St. Marys	I—Reclamation pilot project	El Camton	98
Kentucky, Tennessee, and Virginia: Cumberland area.	I—Strip mine reclamation pilot project	3 projects (east Kentucky, northeast Tennessee, and western Virginia).	138
Pennsylvania: Southwest	I—Acid mine water drainage (pilot project)	Not determined	250
Ohio: Northeast	do	do	150
West Virginia: North	do	do	150
Pennsylvania: Pottsville-Lehighton	I—Research to backfill and grade stripping area to determine methods and costs, provide recreational area, and to remove serious public hazard.	Ashland backfill	300
Pennsylvania: Anthracite mining region	I—Research on burning culm banks to determine methods and costs of extinguishment.	Burning culm banks	50
Total			10,718

BUREAU OF SPORTS FISHERIES AND WILDLIFE, BRANCH OF WILDLIFE REFUGES

State and area	Type of project	Name of project	Cost
West Virginia: Greenbrier County (5a)	I—Raceways, pipelines, residences, and equipment	White Sulphur Springs National Fish Hatchery	138
West Virginia: Randolph County (5b)	A—Raceways, pipelines, and building	Bowden National Fish Hatchery	195
Category: Substantial unemployment			
West Virginia: Jefferson County	I—Ponds, water supply, buildings, equipment	Leetown National Fish Hatchery	186

DEPARTMENT OF THE ARMY—CORPS OF ENGINEERS PROJECTS AVAILABLE FOR ALLOCATION OF FUNDS UNDER THE PUBLIC WORKS ACCELERATION ACT

RECREATIONAL FACILITIES

Involves construction of access roads, boat-launching ramps, picnic tables, picnic shelters, and such other facilities as are necessary for the health and safety of the visiting public and for utilization of the recreational potential at Corps of Engineers projects:

Project and State	*Amount*
ALABAMA	
Columbia lock and dam, Alabama and Georgia	$179,000
Demopolis lock and dam	423,000
Jackson lock and dam	660,000
Walter F. George lock and dam, Alabama and Georgia	800,000
Warrior lock and dam	235,000
ARKANSAS	
Blakely Mountain Reservoir	165,000
Bull Shoals Reservoir, Ark. and Mo.	499,000
ARKANSAS—continued	
Greers Ferry Reservoir	$30,000
Nimrod Reservoir	30,000
Norfolk Reservoir	25,000
Ouachita and Black Rivers, Ark. and La.	75,000
CALIFORNIA	
Coyote Valley Dam	750,000
Pine Flat Reservoir	140,000
GEORGIA	
Buford Dam	1,019,000
Clark Hill Reservoir, Ga. and S.C.	987,000
Hartwell Reservoir, Ga. and SC	900,000
Jim Woodruff lock and dam, Georgia and Florida	1,886,000
IDAHO	
Albeni Falls Reservoir	115,000
ILLINOIS	
Ohio River lock and dam 51	9,000
Ohio River lock and dam 52	9,000
Upper Mississippi River, pool 26	65,000
INDIANA	
Ohio River lock and dam 43	$9,000
Ohio River lock and dam 44	9,000
Ohio River lock and dam 48	9,000
KENTUCKY	
Buckhorn Reservoir	377,000
Dewey Reservoir	20,000
Nolin Reservoir	440,000
Ohio River lock and dam 45	9,000
Ohio River lock and dam 50	9,000
Rough River Reservoir	672,000
Wolf Creek Dam	96,000
MICHIGAN	
St. Mary's River	23,000
MISSISSIPPI	
Arkabutla Reservoir	137,000
Enid Reservoir	137,000
Grenada Reservoir	25,000
Sardis Reservoir	198,000

Project and State	*Amount*
MISSOURI	
Clearwater Reservoir	$48,000
Pomme De Terre Reservoir	529,000
Table Rock Reservoir	186,000
NEW MEXICO	
Conchas Reservoir	202,000
NORTH CAROLINA	
Cape Fear River lock and dam 1, 2, and 3	122,000
Wilkesboro Reservoir	252,000
OHIO	
Berlin Reservoir	$450,000
Gallipolis lock and dam, Ohio and West Virginia	240,000
TENNESSEE	
Center Hill Reservoir	36,000
Cheatham lock and dam	74,000
Dale Hollow Reservoir	54,000
TEXAS	
Ferrells Bridge Reservoir	300,000
Texarkana Reservoir	350,000
VIRGINIA	
John H. Kerr Reservoir, Va. and N.C.	$2,245,000
Philpott Reservoir	740,000
WASHINGTON	
Chief Joseph Dam	30,000
WEST VIRGINIA	
Bluestone Reservoir	10,000
Sutton Reservoir	470,000
Total	17,529,000

IMPROVEMENTS AND REPAIRS

[The proposed work under this program contemplates the accomplishment of improvements and repairs on projects completed or in operation. Experience on many projects has shown the need for providing supplementary facilities for the safety of the visiting public and more efficient operation. On other projects, certain work has deteriorated over a period of years and now requires repair or rehabilitation. The work to be accomplished includes jetties, piers, breakwaters, shore protection works, river control and stabilization works, etc.]

Project and State	Amount	Description of work
New Jersey:		
Cold Spring Inlet	$936,000	Rehabilitation of jetties.
Delaware River, Philadelphia to sea, New Jersey, Delaware, and Pennsylvania.	500,000	Construction and rehabilitation of dredge disposal areas.
Manasquan River	522,000	Rehabilitation of bulkheads.
New Jersey Intracoastal Waterway	584,000	Rehabilitation of jetties and bulkheads.
New Mexico: Conchas Reservoir	58,000	Repairs to reservoir structures and facilities.
New York:		
New York-New Jersey Channel	564,000	Reconstruct dike.
Olcott Harbor	200,000	Repairs to west pier.
North Carolina:		
John H. Kerr Reservoir	60,000	Remove rock obstruction in channel and riprap.
Lock and dam No. 2, Cape Fear River	83,000	Riprap eroding river bank.
Lock and dam No. 3, Cape Fear River	102,000	Do.
Ohio:		
Muskingum River Reservoirs:		
Beach City Reservoir	55,000	Reconstruction of culverts in Brewster levee.
Senecaville Reservoir	20,000	Riprap eroded shoreline at dam.
Tom Jenkins Reservoir	30,000	Channel clearing below dam.
Vermilion Harbor	200,000	Repairs to west pier.
Oregon:		
Astoria small-boat basin	50,000	Repair structures.
Williamette and Yamhill Rivers	50,000	Construction of drift barrier and repair of stone revetment.
Tennessee:		
Tennessee River:		
Hales Bay lock and dam	41,000	Repair project facilities.
Pickwick lock and dam	26,000	Do.
Watts Bay lock and dam	12,000	Do.
Texas: Galveston Harbor and Channel	1,370,000	Rehabilitation of beach-front groins.
Washington: Waterway connecting Port Townsend and Oak Bay	3,000	Repair entrance jetty.
West Virginia: Kanawha River locks and dams	150,000	Install floating mooring bits, London locks.
Flood control, Mississippi River and tributaries:		
Atchafalaya Basin, La	435,000	Construction of levee setback.
Channel improvement, Louisiana	1,000,000	Repairs to bank-stabilization works.
Lower Arkansas River, Ark	600,000	Do.
Lower Red River, La	75,000	Repairs to levees.
Mississippi River levees, Louisiana	3,808,000	Repairs to levees and wave-wash-protection works. Construction of bank stabilization to prevent levee setback.
Yazoo Basin, Mississippi main stem	60,000	Snagging and clearing.
Total	18,461,000	

ACCELERATION OF CONSTRUCTION ON GOING PROJECTS

Alabama: Millers Ferry lock and dam	$950,000	Earlier award lock-excavation contract; left-bank dike.
Arkansas: Bull Shoals Reservoir	60,000	Rebuild existing access road to powerhouse.
Delaware: Inland Waterway—Delaware River to Chesapeake Bay	2,000,000	Accelerate project dredging.
Florida:		
Miami Harbor	3,340,000	Do.
Port Everglades Harbor	2,800,000	Do.
Georgia: Savannah River below Augusta, Ga., and South Carolina	200,000	Additional pile dikes and bank-revetment work.
Indiana: Cannelton locks and dam	750,000	Award lock contract earlier in year.
Kentucky: Greenup locks and dam, Kentucky and Ohio	210,000	Bank remedial work below dam abutment. Surface access road and parking area; fencing.
Louisiana:		
Mississippi River gulf outlet	1,958,000	Advance completion of 4 dredging items.
Red River below Denison Dam	135,000	Advance completion of revetment work in 2 areas.
Minnesota: Duluth-Superior Harbor, Minn. and Wis	263,000	Advance initiation of dredging Allouez Bay Channel.
Missouri: Missouri River, Kansas City to mouth	400,000	Advance dike and revetment construction.
Ohio:		
Pike Island locks and dam, Ohio and West Virginia	3,000,000	Accelerate dam construction.
Floodwall rehabilitation, Ohio and West Virginia	220,000	Floodwall remedial work several localities to meet new design criteria.
Dillon Reservoir	100,000	Remedial work downstream from right abutment.
Pennsylvania: Curwensville Reservoir	600,000	Accelerate construction of highway and railroad relocations.
Virginia: John W. Flannagan Dam and Reservoir	370,000	Accelerate road relocation and dam construction.
West Virginia: Cumberland, Md., and Ridgley, W. Va	350,000	Complete authorized protective works.
Flood control, Mississippi River and tributaries:		
Baton Rouge Harbor, La	200,000	Dredging barge channel.
Channel improvement, Arkansas, Kentucky, Louisiana, Mississippi, and Missouri.	22,214,000	Accelerate bank-stabilization works and improvement dredging.
Lower Arkansas River, Ark	111,000	Accelerate construction of berms and placing gravel on levee roads.
Mississippi River levees, Arkansas, Louisiana, Mississippi, and Missouri.	1,578,000	Accelerate construction of berms, foreshore protection, and placing of gravel on levee roads.
Old River, La	400,000	Riprap protection for scour.
Tensas Basin, La	100,000	Advance of completion of channel improvement on 1 reach.
White River Breakwater levee, Arkansas	54,000	Placing gravel on levee roads.
Yazoo Basin, Miss	515,000	Advance completion of 2 levee items.
Total	42,878,000	
Grand total	99,280,500	

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

PUBLIC HEALTH SERVICE

Hill-Burton program

Estimates of funds which could be used for health facility construction under the Public Works Acceleration Act and pursuant to the provisions of the Hill-Burton program which is administered by the Public Health Service

The attached estimates are based on reports received from Hill-Burton State agencies in January 1962, showing projects which could be approved in fiscal year 1963 if there were no limitations on Federal funds. Specific health facility projects—by name and location—which meet the requirements of the Public Works Acceleration Act are now being compiled by the State agencies responsible for administering the Hill-Burton program.

A tremendous backlog of hospital and other health facility projects exists. For example, State agencies responsible for administering the Hill-Burton program participated in a study conducted by the Public Health Service 2 years ago and reported that it would take $3.6 billion to modernize health facilities throughout the country. In addition, a large deficit of nursing home and hospital beds, as well as ambulatory care facilities, exists. Those communities which cannot receive Hill-Burton assistance by reason of their low priority will expedite architectural drawing and the raising of local funds as soon as the availability of funds under, and requirements of, the public works acceleration program become known.

Estimates of hospitals and related medical facility projects which could be constructed in areas eligible for aid under the public works acceleration bill[1]

State	Hill-Burton projects in eligible areas		
	Estimated number of projects	Estimated cost (thousands)	
		Total cost	Federal share
Total	380	$330,548	$131,270
Alabama	19	8,299	5,533
Alaska	4	3,753	870
Arizona	(2)	(2)	(2)
Arkansas	4	1,000	500
California	33	36,594	11,495
Colorado	1	300	134
Connecticut	7	5,099	894
Delaware	(2)	(2)	(2)
District of Columbia	(2)	(2)	(2)
Florida	12	9,510	4,367
Georgia	8	4,972	2,044
Hawaii	2	1,700	650
Idaho	4	3,850	1,925
Illinois	5	4,210	1,403
Indiana	5	2,209	707
Iowa	1	500	250
Kansas	(2)	(2)	(2)
Kentucky	21	16,060	7,096
Louisiana	18	21,310	10,370
Maine	3	2,800	1,400
Maryland	4	2,060	293
Massachusetts	6	4,150	1,660
Michigan	11	12,064	4,712
Minnesota	17	5,334	2,401
Mississippi	(2)	(2)	(2)
Missouri	1	522	261
Montana	2	2,900	684
Nebraska	5	1,420	528
Nevada	3	1,550	817
New Hampshire	(2)	(2)	(2)
New Jersey	23	27,656	7,357
New Mexico	3	1,092	546
New York	15	13,197	4,162
North Carolina	4	2,000	1,100
North Dakota	(2)	(2)	(2)
Ohio	21	16,547	5,515
Oklahoma	(2)	(2)	(2)
Oregon	8	4,430	1,775
Pennsylvania	35	39,815	13,151
Rhode Island	3	3,744	512
South Carolina	6	3,810	2,240
South Dakota	(2)	(2)	(2)
Tennessee	3	900	490
Texas	9	8,490	3,770
Utah	13	8,150	3,733
Vermont	(2)	(2)	(2)
Virginia	1	3,000	825
Washington	8	6,164	2,465
West Virginia	11	11,794	5,897
Wisconsin	9	7,073	2,829
Wyoming	(2)	(2)	(2)
Guam	(2)	(2)	(2)
Puerto Rico	21	20,400	13,600
Virgin Islands	(2)	(2)	(2)

See footnotes at end of table.

[1] Estimates are based on reports received from Hill-Burton State agencies in January 1962, showing projects which could be approved in fiscal year 1963 if there were no limitations on Federal funds.

[2] Information not available.

NOTE.—Estimates include projects sponsored by voluntary nonprofit organizations. If it is determined that voluntary nonprofit hospitals are ineligible under the public works acceleration bill, the above estimates would be reduced by approximately 50 percent.

Mr. BYRD of West Virginia. Mr. President, the chairman of the subcommittee has presented a very substantial figure. I am convinced that in view of the fact that the Senate will be back in session before many days, we shall have an opportunity to take a new look at the situation well in time to appropriate additional moneys if they are needed. While $500 million should be sufficient to carry the program over the period of time until we can again appraise the situation, I am equally sure that $300 million would not be enough. I base this belief on the testimony which I have just completed reading into the RECORD and upon my knowledge of the projects which are planned in my own State.

I should rather err by appropriating a little too much than too little. By appropriating too little, we would not only retard the development of projects which could be moved ahead, but we would take an action which would be psychologically bad for the program.

I again express the hope that the Senate will not accept the amendment offered by the distinguished Senator from Nebraska.

I express gratitude to the chairman of the subcommittee, the senior Senator from Louisiana [Mr. ELLENDER], not only for yielding time to me, but also for his interest in and support of this very important program, which will be good not only for my State, but for the entire country, as well. I congratulate him on the exemplary work which he has done.

Mr. MILLER. Mr. President, will the Senator yield for a question?

Mr. BYRD of West Virginia. I yield.

Mr. MILLER. Did I correctly understand the Senator from West Virginia to say that the amendment of the Senator from Nebraska would jeopardize the President's program?

Mr. BYRD of West Virginia. I think it would certainly retard it to the extent I have already indicated. Additionally, as I have said, I believe it would be a psychological defeat and psychologically bad for the program.

Mr. MILLER. Does not the Senator recognize that this amount was not included in the President's budget at the time he presented it to Congress at the beginning of this session? At that time, he assured the people that he would present a balanced budget, and this amount was not in that budget.

Mr. BYRD of West Virginia. I recognize that the President is supporting the program at the present time. I was with the President when he visited Wheeling day before yesterday. At that time he indicated that it was his desire, his wish, and his hope that we appropriate at least $600 million for the program now; that any lesser amount would be bad for the program and bad for the country.

The PRESIDING OFFICER. The time of the Senator from West Virginia has expired.

Mr. ELLENDER. I yield an additional 2 minutes to the Senator from West Virginia.

Mr. BYRD of West Virginia. So I say to the distinguished Senator from Iowa that the President wants the program to get underway immediately and he wants it to be adequately financed. I am sure the President knows that. The President would be very much disappointed if the amendment offered by the Senator from Nebraska were to be adopted.

Mr. MILLER. What are we to conclude? At the beginning of the year we were assured of a balanced budget, and the President presented a budget which was balanced. Now we are told that the President supports something which will unbalance the budget. We cannot have it both ways.

I suggest that while perhaps the President supports the program, the program does not support the President's budget.

Mr. BYRD of West Virginia. The Senator from Iowa knows that this will not be the first occasion upon which, nor will it be the first administration under which action will have been taken to appropriate moneys which, overall, perhaps do not tend toward a balancing of the budget. This will not be the first time; neither will it be the last time.

I think it more important that we appropriate enough money to get the President's program underway to construct projects in areas where they have been long needed before this administration came to power, so as to put individuals to work and get them out of soup lines and into assembly lines, and get them off relief rolls and back on the payrolls. This procedure, in the final analysis, will do more to help the overall economic and fiscal situation than would a mere savings of $200 million resulting from the adoption of the pending amendment.

Mr. MILLER. I am very much aware of the fact that this would not be the first time that that had happened; but as I pointed out in my earlier remarks, this is the responsibility of the legislative branch of the Government. Granted that we were presented a balanced budget at the beginning of the year. It is still up to Congress to deliver on it, not the Executive. I think we are shirking our responsibility in that respect.

The PRESIDING OFFICER. The time of the Senator from West Virginia has again expired.

Mr. SALTONSTALL. Mr. President, I yield 1 minute to the Senator from Iowa.

Mr. MILLER. I do not believe anyone is less concerned about the 5 million people who are walking the streets looking for work. The Senator from Iowa wants to do something to alleviate that condition. I suggest that by increasing by more than $1 billion the amount spent for public works during the last fiscal year, there will be substantial movement in that direction.

Mr. BYRD of West Virginia. Mr. President, will the Senator from Iowa yield?

Mr. MILLER. I yield.

Mr. BYRD of West Virginia. The Senator from Iowa now has the opportunity to do something about it. I suggest that he consider voting against the amendment offered by the Senator from Nebraska.

Mr. MILLER. I thank the Senator for the invitation; but I have already indicated my view that we cannot have our cake and eat it too. We cannot have sustained employment at the sacrifice of the purchasing power of our money, because that will discourage business expansion. It is to private business that we must look for sustained job opportunities for the people.

It was brought out in the subcommittee of the Committee on Public Works, of which I am a member, by the Area Redevelopment Administrator, Mr. Batt, that the best type of activity is that which promotes private business, rather than the immediate-action public works programs.

When I asked what would happen to unemployed persons who will receive employment under this program for only a year or a little more, and then become unemployed again, the only answer I could get was that it was hoped that private industry would have expanded sufficiently to absorb them. I do not think that offers a bright future for those people.

Mr. MILLER subsequently said: Mr. President, I ask unanimous consent that a portion of the hearings on the authorization bills S. 2965 and S. 2817, for the immediate-action public works program, appearing on pages 179 and 180, as marked, and again on pages 183 and 184, as marked, be printed in the Record following my remarks in my colloquy with the Senator from West Virginia.

There being no objection, the excerpts were ordered to be printed in the Record, as follows:

Senator Miller. Now, another question:

On page 5, you referred to 1,132 need-now projects I must say I was rather impressed by the example of Carbondale, Ill. I am wondering, is it your evaluation of these 1,132 projects that are going to have a similar effect upon the local communities to the Carbondale project?

Mr. Batt. They will have something of this effect, sir, although the Carbondale loan, under the ARA program, was to a private business, which is providing permanent jobs. I tried to make the distinction that the public works that are needed are essential. The employment effect also has a multiplier effect, but obviously these are not—they do not have as much immediate benefit as the loan in the Carbondale area, which was to a private business.

* * * * *

Senator Miller. Now, the last question, as I understand the Chavez amendment, it envisions employment for 1 year as these are 1-year projects. What is your thinking about what these people are going to do after they have wound up that 1-year project?

Mr. Batt. Well, two things occur to me, sir. One is that in the blue areas, (nonredevelopment areas of substantial labor surplus), which are suffering from heavy unemployment primarily as a result of the recession, we would hope at the end of this 1-year period the recovery would have progressed to a point where there would not be any more blue areas on the map. That is half of your problem. There are 1 million unemployed in those areas.

In redevelopment areas, these are the areas which, of course, traditionally have not responded to national recovery.

I am sure that we will still have unemployment in these areas. The factor which will tend to operate to reduce that unemployment will be the Chavez amendment plus the fact we will have another year behind us under the Area Redevelopment Act.

Now, of course, Congress gave us under our act 4 years to produce results and come back to Congress for another look-see. So that I am not saying we are going to liquidate the area unemployment problem in the United States at the end of a year and half's experience. But I do think that we will have liquidated some of it and, as a matter of fact, I see there are areas which are on their way to a position where they pretty well have liquidated their unemployment already.

So that I would think that the end of a year is a time that Congress would want to take another look at the problem.

Mr. BYRD of West Virginia. Mr. President, on behalf of the Senator from Wyoming [Mr. McGee], I ask unanimous consent to have printed in the Record at this point a statement prepared by him regarding the proposal to provide funds for the accelerated public works program recently authorized by the Congress.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Statement By Senator McGee

When the proposal to provide funds for the accelerated public works program recently authorized by the Congress came before the Appropriations Committee, I strongly supported the proposition of providing $500 million to initiate the program. I continue to support this figure with all the vigor at my command.

The approval by the Congress of this bill with this amount will afford the States the opportunity of formulating workable programs, which, when coupled with Federal programs, should materially alleviate many of the pockets of unemployment in the United States.

As the Members of the Senate well know, one-third of these funds must be utilized in rural areas which are faced with particular economic hardships. My own State of Wyoming does not have too many of these pockets of unemployment, but where they do exist, they are particularly trying.

In my judgment, this program should be adopted, and I hope the Senate will stand by the committee's recommendation.

Mr. SALTONSTALL. Mr. President, I yield myself 5 minutes.

First, I commend the Senator from Louisiana for the thoughtful consideration he has given the public works bill. He devotes more of his time to it in the course of a year than I believe he does to any other subject. He deserves our commendation.

This year the bill provides a substantial amount. The amount recommended by the committee is $5,211 million, which is $1,270 million over the appropriation of last year. It is $597 million over the amount as passed by the House, and yet is $440 million under the budget estimate. This is a substantial amount of money to spend on new works this year.

They are works which have been or will be approved by Congress before the bill is sent to the President.

The amendment we are now discussing to the general appropriation bill on public works is based on the theory of constructing and designating for construction public works. It takes away from Congress authority to appropriate amounts of money. It leaves entirely to the President discretion as to where, how, and how much in public works shall be built at any one place.

I call attention to the fact that one-third, or not less than $300 million, of the authorized amount shall be allocated for other public works projects in areas designated by the Secretary of Commerce as redevelopment areas under subsection (2) of section 5 of the Area Redevelopment Act. If we examine the Area Redevelopment Act, we learn that redevelopment areas are designated by the Secretary as "areas, including Indian reservations, within the United States which do not meet the requirements set forth in subsection (a), but which he determines are among the highest in numbers and percentages of low-income families and in which there exists a condition of substantial and persistent unemployment or underemployment."

I call attention to that language because it means that a very considerable period of time will be needed, first, to have an area designated, and then to plan for the construction of projects within that area.

This amendment, which would reduce the committee's recommendation of $500 to $300 million, provides, in my opinion, an amount ample to take care of any of the work on projects that the President may designate before Congress reconvenes in January.

As the Senator from Louisiana [Mr. Ellender], the chairman of the subcommittee, pointed out, this entire problem is still in the development stage. The witness from the Department of Commerce could not state any specific projects and their costs. He said they were preparing some, and that he believed approximately $90 million could be devoted to State and local projects, making a total of $321 million. Those are all the projects now being prepared. It is necessary first to obtain State approval, and also, I believe, to obtain some support from the State, and then to obtain the designs and to get the projects in process, so that bids on them can be obtained.

As I have said, the point which most impresses me in connection with this entire program is that it provides a new method of making appropriations for public works. It takes from Congress the authority to designate the projects it believes to be the correct ones. Until now, we have been able to decide on the particular projects which we believed needed development; or if unemployment existed in a certain area, we could designate a project for that area. But that authority has now been taken from Congress and is to be handled entirely according to the discretion of the President and his advisers; and now they must determine what areas need development and where unemployment exists, and they must get the approval of the States, and then must have the projects designed and the planning and the necessary architectural work done.

In my opinion, $300 million is all that can possibly be required under this measure prior to the time when Congress convenes for the next session.

I believe the amendment is a wise one. I believe that if we appropriate $300 million for this purpose, we shall be giving the President all the funds he can possibly use for it, and we shall stimulate all the activities for public works projects that are considered desirable.

Therefore, Mr. President, I hope the amendment will be adopted.

Mr. ELLENDER. Mr. President, I yield 5 minutes to the senior Senator from Texas [Mr. YARBOROUGH].

The PRESIDING OFFICER (Mr. BURDICK in the chair). The Senator from Texas is recognized for 5 minutes.

Mr. YARBOROUGH. Mr. President, I commend the distinguished senior Senator from Louisiana for the detailed work he has done on this measure and for the meticulous care he has given to the bill and to the hearings on both the appropriations for the public works appropriation bill and the appropriations for the accelerated public works program. All those who attended the hearings were greatly impressed with the patience he showed, the detailed consideration he gave, and the expedition with which he kept the hearings moving.

The hearings on the public works appropriation bill for 1963 comprise more than 3,000 printed pages, and involved a great deal of work and careful attention to detail. The distinguished senior Senator from Louisiana was present at almost all times during the hearings when testimony was being taken, and all of us are most appreciative of the great care he has taken and the detailed consideration he has given in connection with every phase of this multibillion-dollar measure.

In commenting upon the pending amendment aimed at cutting the accelerated public works program, let me say that although $500 million sounds to me like a great deal of money, yet when I study the record compiled by the subcommittee on the bill; when I consider that $500 million is less than $3 a person for the population of the United States; when I consider the many States and counties in the States which have been designated as areas for redevelopment; when I consider the numerous other counties which seek such designation, but have not yet been able to obtain it; and when I consider the projects included for handling under this accelerated public works program, and also consider the many other areas and cities which, because the scarcity of funds, it has not been possible to include in the program, I realize that when the $500 million is divided among all the States and the more than 3,000 counties in the Nation and the many cities and public development districts in nation, the funds appropriated will be spread very thin.

Lest there be any doubt that great care has been used in considering the distribution and use of the $500 million, I refer Senators to the supplemental hearings in which the States, areas, and districts are listed, along with each of the proposed projects. They are grouped in categories, such as sewage disposal, forest roads, and so forth, in the various States.

Let me ask the distinguished Senator from Louisiana whether these tables in this hearing have already been placed in the RECORD? I refer to the list of the eligible areas under the accelerated public works program. The list begins on page 159 of the supplemental hearings. Has the list been ordered printed in today's CONGRESSIONAL RECORD?

Mr. ELLENDER. Not the entire list.

Mr. YARBOROUGH. Then, Mr. President, I ask unanimous consent to have printed at this point in the RECORD the table of eligible areas, beginning on page 159 and continuing through page 205. It also includes the area redevelopment counties which have been designated in each State. The States are listed in alphabetical order, and the counties under each title are also listed in alphabetical order.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

ACCELERATED PUBLIC WORKS PROGRAM—ELIGIBLE AREAS

(Redevelopment areas and areas of relatively continuous substantial unemployment eligible as of this date for participation in the accelerated public works program)

ADVICE TO USERS

In order to determine the eligibility of an area, users of this list should refer to the State in which their area of interest lies, in each of the four sections.

The areas in each section are arranged alphabetically by States and likewise within States. The first section lists redevelopment areas designated under section 5(a) of the Redevelopment Act. This is arranged under the name of the labor market area, defined in terms of counties, except in New England, Pennsylvania, and a few other areas where towns, townships, boroughs, cities or census county divisions are also used for definition.

The second section lists redevelopment areas designated under section 5(b) of the Redevelopment Act, listed alphabetically by State and county name.

The third section lists Indian reservation areas designated under section 5(b) of the Redevelopment Act. Listed are Indian reservation areas defined in terms of counties or parts of counties included in a reservation area.

The fourth section lists "areas of relatively continuous substantial unemployment" eligible for participation in the accelerated public works program and supplied by the Department of Labor. This list consists of labor market areas arranged alphabetically and defined in terms of counties as in the first section. Some labor market areas extend across State lines. In these instances the labor market area is listed under the State in which the central or principal city is located.

Sec. 5(a) redevelopment areas [1]

State and area	Area definition [2] (counties unless otherwise noted)
Alabama:	
Gadsden	Etowah.
Jasper	Walker.
Alaska: Anchorage	All of election district No. 10.
Arkansas: Camden	Calhoun and Ouachita.
California:	
Modesto	Stanislaus.
Ukiah	Mendocino.
Connecticut:	
Ansonia	Towns in New Haven County: Ansonia, Derby, Oxford, and Seymour.
Bristol	Town in Hartford County: Bristol. Town in Litchfield County: Plymouth.
Connecticut—Continued	
Danielson	Towns in Windham County: Brooklyn, Canterbury, Eastford, Killingly, Plainfield, Pomfret, Putnam, Sterling, Thompson, and Woodstock.
Georgia:	
Carrollton	Carroll.
Cedartown-Rockmart	Paulding and Polk.
Illinois:	
Cairo-Metropolis [3]	Alexander, Massac, and Pulaski.
Centralia	Clinton, and Marion.
Harrisburg [4]	Gallatin, Hardin, Pope, Saline, and White.

---

[1] The criteria are—

1. Unemployment is currently 6 percent or more of the work force, discounting seasonal or temporary factors, and has averaged at least 6 percent for the periods below; and

2. The annual average rate of unemployment has been at least—

(a) 50 percent above the national average for 3 of the preceding 4 calendar years; or

(b) 75 percent above the national average for 2 of the preceding 3 calendar years; or

(c) 100 percent above the national average for 1 of the preceding 2 calendar years.

Sec. 5(a) areas are designated on the basis of data provided by the Department of Labor.

[2] Since being designated on June 9, 1961, as redevelopment areas, certain labor market areas have been geographically redefined by the Department of Labor. In most cases, a multiple county labor market area was split into single county "very small" labor market areas (normally subject to designation as redevelopment areas under sec. 5(b) of the Area Redevelopment Act). In order to avoid confusion in the administration of the area redevelopment program, the original geographic structure of these labor market areas has been retained. If redefinition involved the addition of political units, such areas were added to the redevelopment area definition; no areas were dropped because of redefinition.

[3] Redefined by Labor August 1961.

[4] Redefined by Labor September 1961.

Sec. 5(a) redevelopment areas—Continued

State and area	Area definition (counties unless otherwise noted)
Illinois—Continued	
Herrin-Murphysboro-West Frankfort.[4]	Franklin, Jackson, Johnson, Perry, Union, and Williamson.
Litchfield [3]	Bond, Christian, Macoupin, and Montgomery.
Mattoon	Coles, and Cumberland.
Mount Vernon [3]	Hamilton, Jefferson, and Wayne.
Indiana:	
Evansville	Vanderburgh, Henderson County, Ky.
New Castle	Henry.
Kansas: Pittsburg	Cherokee, and Crawford.
Kentucky:	
Corbin [4]	Clay, Knox, Laurel, and Whitley.
Danville	Boyle, Garrard, Lincoln, and Mercer.
Elizabethtown [6]	Grayson, Hardin, Larue, and Meade.
Hazard [4]	Breathitt, Letcher, and Perry.
Hopkinsville	Caldwell, Christian, Todd, and Trigg.
Madisonville [4]	Hopkins, Muhlenberg, and Webster.
Middlesboro-Harlan [4]	Bell, Harlan, and Leslie.
Morehead-Grayson [7]	Carter, Elliott, Greenup, and Rowan.
Paducah [4]	Ballard, Graves, McCracken, and Marshall.
Paintsville-Prestonsburg [4]	Floyd, Johnson, Knott, Magoffin, and Martin.
Pikeville-Williamson [5]	Pike and Mingo County, W. Va.
Richmond	Estill, Jackson, Madison, and Rockcastle.
Louisiana:	
Hammond	Tangipahoa Parish.
Opelousas	St. Landry Parish.
Maine: Biddeford-Sanford	City of Biddeford. City of Saco. Towns in York County: Acton, Alfred, Arundel, Buxton, Cornish, Dayton, Hollis, Kennebunk, Kennebunkport, Lebanon, Limerick, Limington, Lyman, Newfield, North Berwick, Old Orchard Beach, Parsonfield, Sanford, Shapleigh, and Waterboro.
Maryland:	
Cambridge	Dorchester.
Cumberland	Allegany and Mineral County, W.Va.
Hagerstown	Washington.
Massachusetts:	
Fall River	City of Fall River. Towns in Bristol County, Mass.: Somerset, Swansea, and Westport. Town in Newport County, R.I.: Tiverton.
Lowell	City of Lowell. Towns in Middlesex County: Billerica, Chelmsford, Dracut, Tewksbury, and Tyngsborough.
New Bedford	City of New Bedford. Towns in Bristol County: Achushnet, Dartmouth, and Fairhaven. Towns in Plymouth County: Marion and Mattapoisett.
Newburyport	City of Newburyport. Towns in Essex County: Amesbury, Ipswich, Newbury, Rowley, Salisbury, and West Newbury.
North Adams	City of North Adams. Towns in Berkshire County: Adams, Clarksburg, Florida, New Ashford, Savoy, and Williamstown. Town in Franklin County: Monroe.
Michigan:	
Adrian	Lenawee.
Bay City	Bay.
Detroit	Macomb, Oakland, and Wayne.
Escanaba [4]	Delta and Schoolcraft. Townships in Menominee County: Harris, Meyer, and Spalding.
Marquette [4]	Marquette and Alger County.[8]
Monroe	Monroe.
Port Huron	St. Clair.
Traverse City	Grand Traverse, Kalkaska, and Leelanau.
Minnesota:	
Brainerd-Grand Rapids [9]	Aitkin, Cass, Crow Wing, and Itasca.
Duluth-Superior	City of Duluth in St. Louis County, Minn., Douglas County, Wis.
Hibbing-Virginia	St. Louis County, except city of Duluth.
Missouri:	
Flat River [9]	Iron, Madison, St. Francois, Ste. Genevieve, and Washington.
Washington	Franklin.
Montana:	
Butte	Silver Bow.
Kalispell [3]	Flathead and Lincoln.
New Jersey:	
Atlantic City	Atlantic.
Bridgeton	Cumberland.
Lakewood-Toms River	Ocean.
Long Branch	Monmouth.
Ocean City-Wildwood-Cape May	Cape May.
Paterson-Passaic [10]	Passaic County.
New York:	
Amsterdam	Montgomery.
Auburn	Cayuga.
Gloversville	Fulton.
Jamestown-Dunkirk	Chautauqua.
Ogdensburg-Massena-Malone	Franklin and St. Lawrence.
Oneonta	Otsego.
Plattsburgh	Clinton.
Schenectady [10]	Schenectady.
Watertown	Jefferson.
North Carolina:	
Fayetteville [3]	Cumberland.
Henderson-Oxford	Franklin, Granville, and Vance.
Kinston	Lenoir.
Lumberton	Robeson.
Rockingham-Hamlet	Richmond.
Wilson	Wilson.
Ohio:	
Ashtabula-Conneaut	Ashtabula.
Athens-Logan-Nelsonville [3]	Athens, Hocking, and Vinton.
Batavia-Georgetown-West Union.[3]	Adams, Brown, and Clermont.
Cambridge	Guernsey and Noble.
Kent-Ravenna	Portage.
Portsmouth-Chillicothe [3]	Jackson, Pike, Ross, and Scioto.
Oklahoma:	
McAlester	Pittsburg.
Muskogee	Muskogee.
Okmulgee-Henryetta	Okmulgee.
Pennsylvania:	
Altoona	Blair.
Berwick-Bloomsburg	Columbia, except Borough of Centralia and township of Conyngham.
Butler	Butler.
Clearfield-DuBois	Boroughs of Philipsburg and South Philipsburg. Township in Centre County: Rush. Clearfield. Boroughs of Brockway, Falls Creek, Reynoldsville, and Sykesville. Townships in Jefferson County: Snyder, Washington, and Winslow.
Erie	Erie.
Indiana	Indiana.
Johnstown	Cambria and Somerset.
Kittanning-Ford City	Armstrong.
Lewistown	Juniata and Mifflin.
Meadville	Crawford except city of Titusville and Townships of Athens, Bloomfield, Oil Creek, Rome, Sparta, Steuben, Troy, and Boroughs of Centerville, Hydetown, Spartansburg, and Townville.
New Castle	Lawrence.
Pittsburgh	Allegheny, Beaver, Washington, and Westmoreland.
Pottsville-Lehighton [11]	Carbon and Schuylkill.
St. Marys [3]	Cameron and Elk.
Sayre-Athens-Towanda	Bradford.
Scranton	Lackawanna.
Sharon-Farrell	Mercer.
Sunbury-Shamokin-Mt. Carmel	Borough of Centralia. Township in Columbia County: Conyngham. Montour, Northumberland, Snyder, and Union.
Uniontown-Connellsville	Fayette.
Wilkes-Barre-Hazleton	Luzerne.
Puerto Rico (Commonwealth of):	Municipios of—
Aguadilla	Aguada and Aguadilla.
Arecibo [3]	Arecibo, Camuy, and Hatillo.
Caguas [3] [4]	Aguas Buenas, Caguas, Cidra, Gurabo, Juncos, and San Lorenzo.
Carolina	Carolina and Loiza.
Guayama	Arroyo, Guayama, and Patillas.
Manati	Barceloneta, Ciales, Manati, and Morovis.
Mayaguez	Mayaguez.
Ponce	Ponce.
San Juan	Bayamon, Catano, Guaynabo, and San Juan.
Yauco	Guanica, Guayanilla, and Yauco.
Rhode Island: Providence—Pawtucket	Bristol County, R.I. City of Warwick. Towns in Kent County: Coventry, East Greenwich, and West Warwick. Towns in Newport County: Jamestown. Cities of Central Falls: Cranston, East Providence, Pawtucket, Providence, and Woonsocket. Towns in Providence County: Burrillville, Cumberland, Johnston, Lincoln, North Providence, North Smithfield, and Smithfield. Towns in Washington County: Narragansett and North Kingstown. City of Attleboro. Towns in Bristol County, Mass.: North Attleborough and Seekonk. Towns in Norfolk County, Mass.: Bellingham, Franklin, Plainville, and Wrentham. Towns in Worcester County, Mass.: Blackstone and Millville.
South Carolina: Conway	Horry.
Tennessee:	
Greeneville	Greene.
LaFollette-Jellico-Tazewell [3]	Campbell and Claiborne.
Harriman-Rockwood	Roane and Morgan.
Texas: Laredo	Webb.
Virginia: Big Stone Gap-Appalachia.[3]	Lee, Wise, and independent city of Norton.
Washington:	
Aberdeen	Grays Harbor.
Anacortes	Skagit.

---

[3] Redefined by Labor August 1961.

[4] Redefined by Labor September 1961.

[5] Redefined by Labor October 1961.

[6] Grayson County formerly designated as a sec. 5(b) redevelopment area.

[7] Redefined by Labor November 1961.

[8] Alger County previously designated as a sec. 5(b) redevelopment area, now part of the redefined Marquette labor market area.

[9] Redefined by Labor July 1961.

[10] Subarea.

[11] Redefined by ARA to consist of the Pottsville and Lehighton-Palmerton labor market areas.

Section 5(a) redevelopment areas—Continued

State and area	Area definition (counties unless otherwise noted)
Washington—Continued	
Centralia	Lewis.
Wenatchee	Chelan and Douglas.
Yakima	Yakima.
West Virginia:	
Beckley	Raleigh.
Bluefield	Mercer.
Charleston	Kanawha.
Clarksburg	Doddridge, Harrison, and Taylor.
Fairmont	Marion.
Huntington-Ashland	Cabel, Wayne, Boyd, Ky., and Lawrence, Ohio.
Logan [4]	Boone (redefined area includes all of Boone County), Logan, and Lincoln (Harts Creek District).[12]
West Virginia—Continued	
Morgantown	Monongalia.
New Martinsville	Tyler, Wetzel, and Monroe, Ohio.
Oak Hill-Montgomery	Fayette.
Parkersburg	Pleasants, Ritchie, Wirt, and Wood.
Point Pleasant-Gallipolis [3]	Jackson, Mason, Putnam, Gallia, Ohio, and Meigs, Ohio.
Ronceverte-White Sulphur Springs.	Greenbrier and Monroe.
Welch	McDowell.
Wheeling	Marshall, Ohio, and Belmont County, Ohio.
Wisconsin: La Crosse	La Crosse.

[3] Redefined by Labor August 1961.
[4] Redefined by Labor September 1961.
[12] Remainder of Lincoln County designated as a sec. 5(b) redevelopment area.

SECTION 5(B) REDEVELOPMENT AREAS (EXCLUDING INDIAN RESERVATION AREAS)

Eligibility of each area listed below is indicated numerically by one or more of the following:

(1) Areas of low income.
(2) Areas of low farm income.
(3) Rural development counties.
(4) Areas of low production farming.
(5) Very small areas of substantial and persistent unemployment.
(6) Other.

State and county name[1]

Alabama: Autauga (2), Barbour (2), Bibb (2), Blount (5), Bullock (1) (2) (4), Butler (5), Cherokee (5), Chilton (3) (5), Choctaw (1) (2) (4), Clarke (2) (4), Conecuh (1) (5), Coosa (3), Crenshaw (1), Cullman (5), Dallas (2) (4), De Kalb (5), Elmore (3), Fayette (3) (4) (5), Greene (1) (2) (4), Hale (1) (2) (4), Jackson (5), Lamar (1) (2), Limestone (5), Lowndes (1) (2) (4), Macon (1) (2) (4), Marengo (1) (2) (4), Marshall (5), Marion (6), Perry (1) (2) (5), Pickens (1) (2), Russell (2) (4), Saint Clair (5), Shelby (5), Sumter (1) (2) (4), Washington (1), Wilcox (1) (2) (4), Winston (5).

Alaska: Aleutian Islands, election district No. 14 (5); Barrow, election district No. 21 (5); Bethel, election district No. 16 (5); Bristol Bay, election district No. 15 (5); Cordova-McCarthy, election district No. 7 (5); Fairbanks, election district No. 19 (5); Kenai-Cook Inlet, election district No. 12 (4) (5); Ketchikan, election district No. 2 (5); Kobuk, election district No. 22 (5); Kodiak, election district No. 13 (5); Kuskokwim, election district No. 17 (6); Lynn Canal-Icy Straits, election district No. 6 (5); Nome, election district No. 23 (5); Palmer-Wasilla-Talkeetna, election district No. 9 (5); Prince of Wales, election district No. 1 (5); Seward, election district No. 11 (5); Sitka, election district No. 4 (5); Upper Yukon, election district No. 20 (5); Valdez-Chitina-Whittier; election district No. 8 (5); Wade Hampton, election district No. 24 (5); Wrangell- Petersburg, election district No. 3 (5); Yukon-Koyukuk, election district No. 18 (5).

Arizona: Apache (1) (2), Mohave (3), Navajo (3).

American Samoa (Territory of): American Samoa (6).

Arkansas: Ashley (2), Baxter (6), Chicot (1) (2), Cleburne (6), Conway (5), Crittenden (1) (2) Desha (1) (2), Drew (6), Franklin (5), Fulton (3), Independence (3), Izard (3), Johnson (5), Lafayette (5), Lee (1), Lincoln (1) (2), Little River (6), Madison (1) (3), Marion (6), Montgomery (1), Newton (1), Perry (5), Phillips (2) (3), Polk (5), Scott (5), Searcy (1), Sharp (1), Stone (1), Van Buren (1) (2) (3), Woodruff (1) (3).

California: Del Norte (5), Lassen (5), Plumas (5), San Benito (5), Sierra (5), Siskiyou (5), Trinity (5).

Colorado: Alamosa (5), Clear Creek (2), Conejos (5), Costilla (5), Gilpin (2), Huerfano (5), Las Animas (5) (6).

Florida: Calhoun (5), Franklin (5), Holmes (1) (5), Jackson (3), Jefferson (1) (2), Lafayette (1), Liberty (6), Pasco (5), Suwannee (3), Walton (6), Washington (3).

Georgia: Baker (1), Baldwin (2), Banks (1) (2), Barrow (2), Brantley (5), Bryan (5), Bulloch (1), Burke (1) (2), Calhoun (1) (2), Chattahoochee (2) (except Fort Benning), Clay (1) (2), Crisp (2), Dawson (1) (2), Dooly (1) (2), Dougherty (2), Early (1) (5), Elbert (2), Forsyth (1) (2), Franklin (1) (2), Glascock (1) (2), Gordon (5), Habersham (3), Hancock (1) (2) (4), Hart (6), Heard (1), Henry (2), Jefferson (1) (2), Jenkins (1) (2), Johnson (1) (2), Laurens (1) (2), Lee (1) (2), Lincoln (4), Lumpkin (1), Macon (1) (2), Marion (1) (2) (5), McIntosh (2), Meriwether (3), Montgomery (1), Oglethorpe (1), Pulaski (2), Rabun (1), Randolph (1) (2), Schley (1), Screven (1) (2), Stewart (1) (2), Sumter (2), Talbot (1), Taliaferro (1) (2), Taylor (1) (2), Terrell (1) (2) (5), Toombs (2), Towns (1) (2), Twiggs (3), Union (1), Walton (2), Warren (1) (5), Washington (1) (2), Wayne (3), Webster (1) (2), Wheeler (5), White (1), Wilkes (1) (2), Worth (1) (2).

Guam (Territory of): Guam (6).

Hawaii: Hawaii (6).

Idaho: Benewah (5), Bonner (5), Boundary (5), Clearwater (5), Idaho (5), Kootenai (5), Shoshone Avery-Clarkia CCD (5).

Illinois: Calhoun (5), Carroll (5), Edwards (5), Jersey (5), Richland (5), Marshall (5), Mercer (5), Monroe (5), Moultrie (5), Randolph (5).

Indiana: Clark (3), Clay (5), Crawford (3), Dearborn (5), Greene (5), Harrison (3), Jasper (5), Jennings (5), Lawrence (5), Martin (5), Monroe (3), Morgan (5), Ohio (3) (5), Orange (3), Perry (3), Pike (5), Pulaski (5), Ripley (3), Scott (5), Spencer (3), Stark (5), Sullivan (5), Switzerland (3), Vermillion (5), Washington (5).

Iowa: Appanoose (5) (6), Monroe (5) (6).

Kansas: Rice (3).

Kentucky: Adair (1), Allen (3), Barren (3) (5), Bath (5), Breckinridge (5), Butler (1) (3), Calloway (5), Carlisle (5), Clinton (4), Crittenden (5), Cumberland (1), Edmonson (3), Fulton (5), Green (3), Hart (3), Hickman (5), Lawrence (4), Lee (1) (4), Lewis (3), Livingston (1), Logan (3), Lyon (5), Menifee (5), Metcalfe (1) (3) (5), McCreary (4) (5), Monroe (1), Morgan (1) (4), Nelson (5), Oldham (5), Owsley (1) (4), Pendleton (5), Powell (1), Pulaski (5), Russell (5), Scott (5), Shelby (5), Simpson (3), Warren (3), Wayne (5), Wolfe (4).

Louisiana: Arcadia (5), Allen (5), Ascension (5), Avoyelles (3), Catahoula (5), Concordia (5), East Carroll (1) (2) (3), East Feliciana (1), Evangeline (5), Franklin (3), Lafayette (4), Livingston (5), Madison (1) (2) (3), Natchitoches (1) (5), Red River (1), Sabine (5), St. John the Baptist (5), St. Martin (5) (except ward 6, south part), Tensas (1) (2) (3), Vermilion (5), Vernon (5), Washington (3), Webster (5), West Carroll (5).

Maine: Aroostook County (Fort Kent) (5), towns of Eagle Lake, Fort Kent, Frenchville, St. Agatha, and plantations of Allagash, New Canada, St. John, St. Francis, Wallagrass in Aroostook County; (Limestone) (5), towns of Grand Isle, Limestone, Madawaska, New Sweden, Stockholm, Van Buren, and plantations of Caswell, Cyr, Hamlin, Westmanland; (Patten) (5), towns of Crystal, Dyer Brook, Hersey Town, Island Falls, Merrill, Moro plantation, Oakfield, Sherman, Smyrna.

Maine: Remainder of Aroostook (6) (except Fort Kent, Limestone, and Patten (previously designated)), Hancock County (5), Knox County (5), Lincoln County (5), towns in Penobscot County (5), Mount Chase Plantation, Patten, Stacyville, T2, R6, W.E.L.S. (Herseytown), Piscataquis (5), Washington (3) (5).

Maryland: Calvert (5), Cecil (5), Garrett (3) (5), Somerset (5).

Massachusetts: City of Gloucester and towns of Essex and Rockport in Essex County (5), Dukes (4), towns in Plymouth County (5), Kingston, Plymouth, Plympton.

Michigan: Alger (3) (5), Antrim (5), Arenac (5), Baraga (3) (5), Benzie 5, Charlevoix (5), Cheboygan (5), Chippewa (3) (5), Crawford (5), Dickinson (3), Emmett (5), Gogebic (3) (5), Gratiot (5), Hillsdale (5), Houghton (3) (5), Huron (5), Iron (3), Keweenaw (3) (5), Lake (5), Lapeer (5), Livingston (5), Luce (3) (5), Mackinac (3) (5), Manistee (5), Mecosta (5), Menominee (3) (except townships of Harris, Myer, Spalding), Missaukee (5), Oceana (5), Ontonagon (3), Osceola (5), Otsego (5), Presque Isle (5), Roscommon (5), Sanilac (5), Tuscola (5), Van Buren (5), Wexford (5).

Minnesota: Beltrami (3) (5), Carlton (3), Clearwater (3) (5), Cook (4), Douglas (5), Hubbard (3) (5), Kanabec (3), Koochiching (3), Lake (3), Lake of the Woods (3), Pennington (5), Pine (3) (5), Roseau (5).

Mississippi: Attala (1) (2) (5), Amite (3), Benton (1) (2), Bolivar (1) (2), Calhoun (3), Carroll (1) (2), Chickasaw (3), Choctaw (1) (2) (4), Claiborne (1) (5), Clarke (4), Clay (2), Copiah (3) (5), Covington (3), Desoto (1) (2), Franklin (5), Hancock (5), Holmes (1) (2) (3), Humphreys (1) (2), Issaquena (1) (2), Jasper (1) (2), Jefferson (1) (2), Jefferson Davis (1) (2) (4), Kemper (1) (2) (4), Lafayette (1) (2), Lawrence (3), Leake (1) (2) (4), Leflore (2), Lincoln (5), Madison (1) (2) (4) (5), Marion (5), Marshall (1) (2), Neshoba (3) (4), Newton (1) (2), Noxubee (1) (2) (4), Oktibbeha (2), Panola (1) (2), Perry (5), Pike (3), Pontotoc (5), Quitman (1) (2), Sharkey (1) (2), Simpson (3), Smith (1), Sunflower (1) (2), Tallahatchie (1) (2) (5), Tate (1) (2), Tippah (3), Tunica (1) (2), Walthall (1), Warren (2), Washington (2), Webster (1), Wilkinson (1) (2) (4), Winston (1) (2), Yalobusha (1) (2), Yazoo (1) (2).

---

[1] The political subdivisions of the State of Alaska have not yet been formally determined. Election districts are used currently as subdivisions of the State. Subdivisions in Louisiana are parishes and in Puerto Rico are municipios. Subdivisions of counties in West Virginia are magisterial districts and in Idaho are census county divisions.

Missouri: Bollinger (1), Carter (6), Dallas (1), Douglas (1) (3), Dent (3), Grundy (3), Hickory (1), Howell (3), Lafayette (5), Mercer (3), Ozark (1), Oregon (6), Pemiscot (5), Reynolds (1), Ripley (1), Shannon (1), Stone (3), Texas (6), Taney (3), Wayne (6), Wright (1).

Montana: Carbon (5), Deer Lodge (6), Lake (3), Ravalli (3), Sanders (5).

Nebraska: Boone (3), Buffalo (3), Custer (3), Dawson (3), Garfield (3), Greeley (3), Howard (3), Loup (3), Nance (3), Sherman (3), Valley (3), Wheeler (3).

Nevada: Lincoln (3) Mineral (4).

New Hampshire: Grafton (6).

New Mexico: Catron (3), Colfax (5), Grant (5), Guadalupe (3), McKinley (2) (4), Mora (1) (5), Rio Arriba (3) (5), Sandoval (1) (3) (4) (5), San Juan (3), San Miguel (3) (5), Santa Fe (3), Socorro (3) (5), Taos (4) (5), Torrance (3) (5), Valencia (3).

New York: Essex (5), Schoharie (5).

North Carolina: Alleghany (1), Anson (3) (5), Ashe (1) (4), Avery (4) (5), Bertie (3), Bladen (5), Carteret (5), Cherokee (5), Chowan (5), Clay (5) (6), Columbus (5), Gates (1), Graham (4) (5), Hoke (2), Hyde (1), Lincoln (5), Macon (5), Madison (1) (4) (5), Mitchell (4) (5), Northampton (6), Person (5), Sampson (5), Swain (4) (5), Warren (5), Washington (5), Watauga (1) (3) (4), Yancey (4) (5).

Ohio: Highland (3), Morgan (3), Perry (5), Washington (3).

Oklahoma: Adair (1), Atoka (5), Cherokee (1) (3) (5), Choctaw (1) (3), Coal (5), Delaware (5), Grady (5), Greer (5), Haskell (5), Hughes (5), Johnston (5), Latimer (3), Le Flore (5), Lincoln (5), Love (5), Marshall (5), Mayes (5), McCurtain (5), McIntosh (1), Murray (5), Nowata (5), Ottawa (5), Okfuskee (5), Pontotoc (5), Pushmataha (1), Sequoyah (5), Wagoner (5).

Oregon: Clatsop (5), Columbia (5), Hood River (5), Josephine (5), Lincoln (3) (5), Sherman (5), Wasco (5), Yamhill (5).

Pennsylvania: Bedford (3) (5), Clarion (3) (5), Clinton (3), Forest (3), Fulton (3), Greene (3) (5), Huntingdon (3) (5), Jefferson (5),[2] Lycoming (3), McKean (3), Monroe (3), Perry (5), Pike (3), Potter (3) (5), Sullivan (3) (5), Susquehanna (3) (5), Tioga (3), Venango (3), Warren (3), Wayne (3), Wyoming (3) (5).

Puerto Rico (Commonwealth of): Barranquitas (3), Ceiba (5), Comerio (3), Corozal (3), Fajardo (5), Humacao (5), Las Piedras (5), Luquillo (5), Maunabo (5), Naguabo (5), Naranjito (3), Orocovis (3), Quebradillas (5), Salinas (5), Trujillo Alto (5), Vega Alto (5), Vega Baja (5), Yabucoa (5).

South Carolina: Aiken (2), Allendale (1) (2), Bamburg (1) (2) (3), Barnwell (1) (2), Beaufort (1) (2), Berkeley (1) (3) (4), Calhoun (1) (2), Chester (2), Chesterfield (3), Clarendon (1), Colleton (3) (5), Darlington (3), Dorchester (3), Hampton (2), Jasper (3), Kershaw (3), Lancaster (3), Lee (1) (2), Marlboro (1) (2) (5), McCormick (2) (4), Orangeburg (1) (2), Williamsburg (1).

South Dakota: Shannon (1).

Tennessee: Benton (6), Bledsoe (6), Clay (1), Cocke (5), Cumberland (5), Decatur De Kalb (1), Dickson (5), Fayette (1) (2), Fentress (6), Grainger (1) (3), Grundy (5) (6), Hancock (1) (4), Hardeman (1) (2), Hardin (3) (5), Hickman (5), Houston (1) (3), Humphreys (5), Jackson (1), Johnson (1), Macon (1) (3), Marion (3) (5), McNairy (5), Overton (1) (4), Perry (1), Pickett (1) (4), Putnam (6), Rhea (5), Robertson (5), Scott (5), Sequatchie (5) (6), Sevier (5), Smith (5), Unicoi (4), Union (1) (4), Van Buren (1), Wayne (5), White (5).

Texas: Anderson (3), Angelina (3), Bowie (3), Camp (3), Cass (3), Cherokee (3), Delta (3), Dimmit (2), Falls (5), Franklin (3), Freestone (3), Gregg (3), Harrison (3), Henderson (3), Hopkins (3), Houston (3), Jasper (3), Kenedy (1) (2), Lamar (3), Leon (3), Limestone (5), Madison (3), Marion (3), McCulloch (5), Montgomery (3), Morris (3), Nacodoches (3), Newton (3), Panola (3), Polk (3), Rains (3), Red River (3), Robertson (3), Rusk (3), Sabine (3), San Augustine (1) (2) (3), San Jacinto (1), Shelby (3), Smith (3), Terrell (2), Titus (3), Trinity (3), Tyler (2), Upshur (3), Val Verde (2), Van Zandt (3), Waller (1), Wood (3), Zapata (1) (2).

Utah: Beaver (5), Carbon (5), Emery (5), Garfield (5), Juab (5), Sanpete (5), Summit (5), Wasatch (5).

Vermont: Caledonia (6), Essex (6), Orleans (6).

Virginia: Buchanan (4), Carroll (3) (4), Cumberland (1) (3), Dickenson (4) (5), Fluvanna (1), Galax, Independent City of (6), Grayson (3), Lancaster (5), Northumberland (5), Richmond (5), Russell (5), Scott (4), Westmoreland (5).

Virgin Islands (Territory of the): Virgin Islands (6).

Washington: Clallam (5), Ferry (3), Jefferson (5), Kittitas (5), Okanogan (5), Pend Oreille (3) (5), Pacific (5), San Juan (5), Stevens (3) (5).

West Virginia: Braxton (3) (5), Calhoun (4) (5), Clay (4) (5), Gilmer (3) (5), Grant (5), Hampshire (5), Hardy (5), Lewis (3) (5), Lincoln—except Harts Creek District (5), Morgan (5), Nicholas (5), Pendleton (5), Pocahontas (5), Preston (5), Randolph (5), Roane (5), Summers (3) (5), Tucker (5), Upshur (3) (5), Webster (5), Wyoming (6).

Wisconsin: Ashland (3) (5), Bayfield (3) (5), Burnett (3), Door (5), Florence (3), Forest (3) (5), Iron (3) (5), Juneau (5), Langlade ([illegible]), Lincoln (3), Marinette (3), Menominee (3), Oneida (3), Portage (5), Price (3) (5), Rusk (3), Sawyer (3) (5), Taylor (3), Vilas (3), Washburn (3).

Wyoming: Big Horn (5), Lincoln (5).

---

[2] Jefferson, except boroughs of Brockway, Falls Creek, Reynoldsville, and Sykesville, Townships of Snyder, Washington, and Winslow (i.e., that portion outside of Clearfield-DuBois area).

Sec. 5(b) redevelopment areas and Indian reservation areas

State and reservation	County
Alaska:[1]	
Bristol Bay area	
Norton Sound area	
Cook Inlet area	
Southeast area[2]	
Arizona:	
Colorado River	Yuma (Ariz.) and parts of Riverside and San Bernardino (Calif.).
Fort Apache	Apache, Gila, and Navajo.
Gila River	Pinal and Maricopa.
Hopi	Navajo and Coconino.
Navajo	Apache, Coconino, Navajo (Ariz.), McKinley (N. Mex.), San Juan (N. Mex.), and San Juan (Utah).
Papago	Maricopa, Pima, and Pinal.
San Carlos	Gila, Graham, and Pinal.
Salt River	Maricopa.
Idaho:	
Fort Hall	Bannock, Bingham, Caribou, and Power.
Nez Perce	Clearwater, Idaho, Lewis, and Nez Perce.
Minnesota: Northern Minnesota reservation area (Leech Lake, Nett Lake, Red Lake, and White Earth).	Beltrami, Becker, Cass, Clearwater, Itasca, Koochiching, Mahnomen, and St. Louis.
Mississippi: Choctaw	Attala, Jones, Leake, Neshoba, Newton, Kemper, and Scott.
Montana:	
Blackfeet	Pondera and Glacier.
Crow	Yellowstone and Big Horn.
Flathead	Missoula, Flathead, Lake, and Sanders.
Fort Belknap	Blaine and Phillips.
Fort Peck	Roosevelt[3] and parts of Valley, Daniels, and Sheridan.
Northern Cheyenne	Big Horn and Rosebud.
Rocky Boys	Chouteau and Hill.
Nebraska: Omaha-Winnebago	Mainly Thurston; parts of Burt, Cuming, and Dixon.
Nevada: Pyramid Lake	Washoe, part.
New Mexico:	
Acoma	Valencia.
Isleta Pueblo	Bernalillo and part of Valencia.
Laguna Pueblo	Valencia and parts of Bernalillo and Sandoval.
Jemez	Sandoval.
Jicarilla	Rio Arriba and small part in Sandoval.
Mescalero	Otero.
Ramah	McKinley and Valencia.
Santo Domingo	Rio Arriba, Sandoval, and Santa Fe.
Zuni	McKinley and Valencia.
North Carolina: Eastern Cherokee	Graham, Jackson, and Swain.
North Dakota:	
Fort Berthold	Dunn, McKenzie, McLean, Mercer, and Mountrail.
Fort Totten or Devils Lake	Mainly Benson and Eddy; parts of Nelson and Ramsey.
Standing Rock Sioux	Sioux (N. Dak.) and Corson (S. Dak.).
Turtle Mountain	Rolette.
Oregon: Warm Springs	Wasco, Jefferson, Clackamas, Marion, and Linn.
South Dakota:	
Cheyenne River	Mainly Dewey and Ziebach; parts of Haakon, Meade, Perkins, and Stanley.
Crow Creek-Lower Brule	Mainly Buffalo and Hughes; parts of Brule and Hyde, Lyman, and Stanley.
Pine Ridge	Bennett, Shannon and Washabaugh.
Rosebud	Mainly Todd; parts of Mellette, Tripp, and Gregory.
Sisseton	Mainly Marshall and Roberts (S. Dak.); parts of Sargent and Richland (N. Dak.).
Yankton	Charles Mix and Bon Homme.
Utah: Uintah and Ouray	Mainly Duchesne; parts of Grand, Uintah, and Wasatch.
Washington:	
Colville	Mainly Perry and Okanogan; part of Stevens.
Yakima	Mainly Yakima; part of Klickitat.
Wisconsin: Northwestern Wisconsin reservation area (Bad River, Lac Courte Oreilles, Lac du Flambeau, Red Cliff, and St. Croix).	Ashland, Bayfield, Burnett, Iron, Oneida, Polk, Sawyer, and Vilas.
Wyoming: Wind River	Mainly Fremont; part of Hot Springs.

[1] There are no Indian reservations as such in Alaska.

[2] Includes all of southeast Alaska south of Yakutat Bay, except the incorporated cities of Juneau and Sitka.

[3] All of Roosevelt County is now designated as a redevelopment area.

Areas of relatively continuous substantial unemployment [1]

State and area	Area definition (counties unless otherwise noted)
Alabama:	
Anniston	Calhoun.
Birmingham	Jefferson.
Selma	Dallas.[2]
Talladega	Talladega.
California:	
Eureka	Humboldt.
Fresno	Fresno.
Oxnard	Ventura.
San Bernardino-Riverside-Ontario.	Riverside and San Bernardino.
San Diego	San Diego.
Stockton	San Joaquin.
Colorado: Pueblo	Pueblo.
Connecticut:	
Bridgeport	Towns in Fairfield County: Bridgeport, Easton, Fairfield, Monroe, Shelton, Stratford, Trumbull. Town in New Haven County: Milford.
Meriden	Town in Hartford County: Southington. Towns in New Haven County: Meriden and Wallingford.
Middletown	Town in Hartford County: Marlborough. Middlesex County.
New Britain	Towns in Hartford County: Berlin, New Britain, and Plainville.
Norwich	Towns in New London County: Bozrah, Colchester, Franklin, Griswold, Lisbon, Norwich, Preston, Sprague, and Voluntown.
Torrington	Towns in Hartford County: Burlington and Hartland. Towns in Litchfield County: Barkhamsted, Canaan, Colebrook, Cornwall, Goshen, Harwinton, Litchfield, Morris, New Hartford, Norfolk, North Canaan, Salisbury, Sharon, Torrington, and Winchester.
Waterbury	Towns in Litchfield County: Bethlehem, Thomaston, Watertown, and Woodbury. Towns in New Haven County: Beacon Falls, Cheshire, Middlebury, Naugatuck, Prospect, Southbury, Waterbury, and Wolcott.
Willimantic	Town in New London County: Lebanon. Towns in Tolland County: Andover, Columbia, Coventry, Hebron, Mansfield, Union, and Willington. Towns in Windham County: Ashford, Chaplin, Hampton, Scotland, and Windham.
Delaware: Dover	Kent.
Florida:	
Fort Lauderdale-Hollywood	Broward.
Miami	Dade.
Georgia: Toccoa	Franklin,[2] Habersham,[2] and Stephens.
Illinois:	
Canton	Fulton.
Danville	Vermilion.
Decatur	Macon.
Galesburg	Henderson, Knox, and Warren.
Kankakee	Kankakee.
Ottawa-La Salle	Bureau, La Salle, Livingston, and Putnam.
Indiana:	
Connersville	Fayette, Franklin, Rush, and Union.
Evansville	Vanderburgh [2] and Henderson,[2] Ky.
Michigan City-La Porte	La Porte.
Muncie	Delaware.
South Bend	St. Joseph.
Terre Haute	Vigo.
Vincennes	Knox.
Kansas: Coffeyville-Independence-Parsons.	Labette and Montgomery.
Kentucky: Owensboro	Daviess.
Louisiana:	
Alexandria	Avoyelles Parish,[2] Grant Parish, and Rapides Parish.
Lake Charles	Calcasieu Parish.
New Orleans	Jefferson Parish, Orleans Parish, and St. Bernard Parish.
Maine: Lewiston-Auburn	City of Auburn. City of Lewiston. Town of Androscoggin County: Lisbon.
Massachusetts:	
Brockton	Town in Bristol County: Easton. Towns in Norfolk County: Avon and Stoughton. City of Brockton. Townsin Plymouth County: Abington, Bridgewater, East Bridgewater, Hanson, West Bridgewater, and Whitman.
Lawrence-Haverhill	City of Lawrence. City of Haverhill. Towns in Essex County: Andover, Groveland, Methuen, and North Andover. Towns in Rockingham County, N.H.: Plaistow and Salem.
Milford	Towns in Norfolk County: Medway and Millis. Towns in Worcester County: Hopedale, Mendon, Milford, and Uxbridge.
Springfield-Chicopee-Holyoke	City of Chicopee. City of Holyoke. City of Springfield. City of Westfield. Towns in Hampden County: Agawam, East Longmeadow, Longmeadow, Ludlow, Monson, Palmer, West Springfield, and Wilbrat ham. City of Northampton. Towns in Hampshire County: Easthampton, Hadley, and South Hadley. Town in Worcester County: Warren.
Michigan:	
Battle Creek	Calhoun.
Holland Grand Haven	Ottawa.
Jackson	Jackson.
Muskegon-Muskegon Heights	Muskegon.
Mississippi:	
Biloxi-Gulfport	Harrison.
Greenville	Washington.[2]
Laurel	Jones.
Tupelo	Lee.
Missouri:	
Cape Girardeau	Cape Girardeau.
Kansas City	Clay, Jackson, Johnson, and Wyandotte, Kans.
New Jersey:	
Jersey City	Hudson.
Newark	Essex, Morris, and Union.
New Brunswick-Perth Amboy	Middlesex and Somerset.
Newton	Sussex.
New York:	
Batavia	Genesee.
Buffalo	Erie and Niagara.
Elmira	Chemung.
Glens Falls-Hudson Falls	Warren and Washington.
Newburgh-Middletown-Beacon	City of Beacon. Town in Dutchess County: Fishkill. Orange and Putnam.
Olean-Salamaca	Cattaraugus.
Oneonta	Otsego.[2]
Utica-Rome	Herkimer and Oneida.
Watertown	Jefferson.[2]
Wellsville	Allegany.
North Carolina:	
Durham	Durham.
Elizabeth City	Camden, Currituck, Pasquotank, and Perquimans.
Fayetteville	Cumberland and Hoke.[2]
Forest City-Rutherfordton	Rutherford.
Greenville	Pitt.
Hendersonville	Henderson.
Lumberton	Robeson.[2]
Mount Airy	Surry and Yadkin.
North Wilkesboro	Wilkes.
Rocky Mount	Edgecombe and Nash.
Wilson	Wilson.[2]
Ohio:	
Athens	Athens.[2]
Canton	Stark.
East Liverpool-Salem	Carroll and Columbiana.
Fremont	Sandusky.
Hamilton-Middletown	Butler.
Lorain-Elyria	Lorain.
Mount Vernon	Knox.
New Philadelphia-Dover	Tuscarawas.
Toledo	Lucas.
Youngstown-Warren	Mahoning and Trumbull.
Zanesville	Muskingum.
Oklahoma: Shawnee	Pottawatomie.
Oregon:	
Klamath Falls	Klamath.
North Bend-Coos Bay	Coos.
Roseburg	Douglas.
Pennsylvania:	
Bradford	McKean.[2]
Gettysburg	Adams.
Lock Haven	Clinton.[2]
Oil City-Franklin-Titusville	City of Titusville; Townships in Crawford County:[2] Athens, Bloomfield, Oil Creek, Rome, Sparta, Steuben, and Troy; Boroughs in Crawford County:[2] Centerville, Hydetown, Spartansburg, and Townville. Forest and Venango.[2]
Philadelphia	Bucks, Chester, Delaware, Montgomery, Philadelphia, Burlington, N.J., Camden, N.J., and Gloucester, N.J.
Warren	Warren.[2]
Williamsport	Lycoming.[2]
Puerto Rico (Commonwealth of): San Juan.	Municipios of Bayamon,[2] Catano,[2] Guaynabo,[2] and San Juan.[2]
Tennessee:	
Chattanooga	Hamilton and Walker, Ga.
Cleveland	Bradley and Polk.
Morristown	Grainger,[2] Hamblen, Hancock,[2] and Jefferson.
Texas:	
Beaumont-Port Arthur	Jefferson and Orange.
Texarkana	Bowie [2] and Miller, Ark.
Utah: Provo-Orem	Utah.
Virginia: Covington-Clifton Forge	Alleghany and Bath. District in Botetourt County: Fincastle. Independent city of Clifton Forge. Independent city of Covington.
Washington:	
Bellingham	Whatcom.
Spokane	Spokane.
West Virginia: Martinsburg	Berkeley and Jefferson.
Wisconsin: Marinette-Menominee	Marinette [2] and Menominee, Mich.[2]

---

[1] Areas which are not designated as redevelopment areas, but which have been classified by the Secretary of Labor as areas of substantial unemployment for at least 9 months during the year ending August 1962. Unemployment in areas classified as areas of substantial unemployment usually represents 6 percent or more of the local work force, discounting seasonal or temporary factors, and is expected to continue at that level over the next few months.

[2] Areas previously designated as redevelopment areas for reasons other than unemployment.

Mr. YARBOROUGH. Mr. President, I think at this point we should direct our attention to the Area Redevelopment Act, to which the accelerated public works program applies. That act was Senate bill 1, last year. A number of Senators, including myself, were cosponsors of the bill; but its chief sponsor and author was the Senator from Illinois [Mr. Douglas]. That bill was passed; and, under the rigid criteria established in the bill, approximately 30 out of a total of 254 counties in my home State of Texas were designated as distressed area counties. At that time there was an immediate hue and cry from chambers of commerce; it was said that the counties designated had been slandered by being called distressed areas; and some Senators were asked to protest against that action—even though the result would have been to cripple the administration of the act. But within a year that sentiment has changed very greatly—so much so, that now we receive telephone calls from bankers who say, "This act can be the salvation of many counties. Is there any way our county can be designated an area redevelopment county?" This is because the act was a well thought out act, by the distinguished Senator from Illinois [Mr. Douglas] and it is an extremely well administered act, under the able direction of Mr. William Batt, Administrator of ARA.

Mr. President, although the first counties in Texas to be designated as area redevelopment counties were in the eastern part of the State, in the so-called Old South section of the State, the old cotton-producing area, where there are ample amounts of rainfall and ample supplies of timber, lignite, oil, and gas, yet it is a fact that people there are having to leave, because of the absence of employment. The great needs are for planning, management, and capital. It was in that area that the first Texas counties to be designated area redevelopment counties are located. But the act has proved to be such a valuable one that at the present time the Area Redevelopment Agency has received an application from Brewster County, west of the Pecos River, in the western part of Texas and from central Texas, and west Texas, anxious to come under the act; and many persons who a year ago criticized the act, now are saying it is the most important and most valuable aid for redevelopment of the counties, without boondoggling in our entire history. There is no boondoggling in connection with the act, because under it provision must be made for making repayment for the aid received.

Mr. President, the safeguards placed around the use of this $500 million authorized under this proposed accelerated public works program are adequate to protect against hasty or ill-considered projects. The administration to which it is intrusted is proven, the amount of money is well within the modest limits our country's needs demand. I urge the defeat of the Miller amendment, and passage of this bill as reported.

The PRESIDING OFFICER. The time yielded to the Senator from Texas has expired.

Mr. SALTONSTALL. Mr. President, I yield 5 minutes to the Senator from Florida.

The PRESIDING OFFICER. The Senator from Florida is recognized for 5 minutes.

Mr. HOLLAND. First, Mr. President, I do not think any other bill which annually comes before the Senate is so carefully prepared or is based on such careful hearings as is the regular public works appropriation bill for the civil functions of the Army Engineers and the other activities which are covered by the bill. For that, we are most grateful to the Senator from Louisiana [Mr. Ellender], who presides in so meticulous and fair a manner over the subcommittee which deals with the appropriation needs for the activities covered by a large part of the bill. I would also be derelict in the performance of my duty if I did not state that the great Senator from Louisiana has always been exceedingly fair in considering the needs of the great State which I represent in part, and also in considering the needs of all the other States. I have observed the very great care with which he considers the distribution of the funds for the important activities dealt with by this regular appropriation bill.

I am only sorry that the emergency program has been added to the bill—for the reason that no adequate hearings were possible, as has already been stated by the Senator from Louisiana, and for the further reason that the activities included under this program are not those which, in the main, come within the purview of this regular appropriation bill. Most of them have to do with area redevelopment activities, which come under another bill; or with the Bureau of Public Roads activities in regard to forest highways which come under another bill; or with the community facilities program, which comes under still another bill.

I dislike very much to see the fine work done in the preparation of this annual bill clouded by the addition of a measure which could not be properly prepared and which does not cover at all the fields of activity with which this committee is familiar and with which it has labored.

This is no criticism of the action of the chairman of the committee in consenting, at the request of the administration, to place that item in this bill, but at the same time the Senator from Florida calls attention to the fact that it adds a very loosely drawn and poorly supported emergency program to the very fine and permanent program which has been carefully prepared.

I call attention to the fact that the major items which are to be covered by this emergency program are the ones which I shall mention. In the field of area redevelopment the House has already approved an appropriation of more than $162 million for 1963 for that activity. The subcommittee of which I am a member has already approved an item of over $162 million, which will be presented for approval by the full committee and the Senate next Monday or Tuesday.

That great program—and it is a fine program—has to be administered as the principal duty of the Area Redevelopment Administration in a fiscal year one-fourth of which has already expired, and to try carefully to commit a large part of the $500 million which would already lie in that same field presents an impossibility and a difficulty which the Area Redevelopment Administration cannot solve.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. SALTONSTALL. I yield 4 additional minutes to the Senator from Florida.

Mr. HOLLAND. I thank the Senator.

In the field of forest highways, which subject again is pending in the committee of which I am a member, an item of $32 million has been approved by the subcommittee. It will go before the full committee and the Senate next week. I am satisfied it will be approved. That program has to be handled as its regular function in the 9 months that remain of the 12 months of this fiscal year by the division which handles that activity.

In the Interior Department bill, for forest trails and access roads there is already provided $39½ million. That bill has already been passed and has become law. The program must be handled by those who ordinarily take care of that activity. It represents a large task for those who must perform it in the 9 months ahead.

In the field of community facilities there is an item of $100 million to be handled by the Community Facilities Administration of the Housing and Home Finance Agency. It presents a large program for them to handle this year.

The point I am making is that when we pile a tremendous amount of work on the backs of agencies already confronted with heavy duties and responsibilities in the expenditure of large amounts of money, we almost guarantee carelessness and the use of anything other than the appropriate degree of care and concern in the expenditures of these particular funds.

This subject must come back before the Senate and the House shortly after the beginning of the next year through a supplemental bill, because as here proposed, there would be only an appropriation of $500 million out of the $900 million authorized for the salutary purposes covered by the bill, for which I voted.

I call attention to the fact—and Senators can look at their calendars if they wish—that the first supplemental appropriation bill was passed this year by the Senate on February 2, and was signed by the President on February 13, indicating that no great delay will be necessary after we come back in January of next year.

I think there will be a much more careful performance and one which will commend this program more fully to the Congress and the public if we limit further the amount proposed in the full committee report.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. HOLLAND. May I have 1 more minute?

Mr. SALTONSTALL. Mr. President, I yield 1 more minute to the Senator from Florida.

Mr. HOLLAND. I thank the Senator. The Senator from Florida supported the $300 million amount in the subcommittee, and he was outvoted. It went to $400 million. He supported the $400 million amount in the full committee. Those who did not hear the testimony and did not know how little we were able to learn about the program thought it should be $500 million, instead of the $400 million suggested by the subcommittee.

I hope the amendment will prevail. I would have preferred that the amount be $400 million rather than $300 million. We should not expect a careful job to be done if we give more money than can be obligated between now and the first of February of next year.

I yield the floor.

Mr. ELLENDER. Mr. President, I yield 10 minutes to the distinguished Senator from Oklahoma [Mr. Kerr].

Mr. KERR. I thank the distinguished Senator from Louisiana.

Mr. President, I wish to stress what the distinguished Senator from Florida said about the careful approach and analysis that characterize the work of the great Senator from Louisiana [Mr. Ellender] in his chairmanship of the Appropriations Subcommittee on Civil Functions or Public Works Projects. I do not know of any Senator who does a finer job or one who does it more carefully. I am of the opinion that it is a blessing indeed that this program was before his subcommittee and had the benefit of his careful scrutiny in the matter.

I think the provision by the authorization act on the one hand and this appropriation on the other are among the most important pieces of legislation in this Congress. We have a great overall program of development of our natural resources, soil and water resources, and human resources. Many of those programs will be the beneficiaries of this appropriation. But the justification for this program is in the fact that many areas in our country have excessive unemployment and acute economic problems, and are economically distressed. It is the hope of the Congress and of the President not only that the funds made available under this program can be used to provide additional projects in our communities and in our rural areas, but also that it may be done in such a way as to provide employment where it is most needed in our country today.

I was a little shocked by what the Senator from Iowa said. He said it was true that there were areas with excessive unemployment, that there were areas suffering from distressed economic conditions, and that the bill would provide employment for a period of 12 to 18 months—but what about the situation after that? That was the question he asked.

Mr. President, that kind of philosophy applied to treatment of a patient by a physician might result in many premature deaths and casualties which otherwise could be avoided. Certainly no physician would decline to treat a patient who needed treatment today because he was unable to tell the patient what he would be able to do as to treating him after the application of the treatment prescribed for the needs of the patient at the time.

Would it not be a tragedy, Mr. President, to say to those who are unemployed, who have hoped to be employed with the funds to be made available by the pending appropriation, that the opportunity for immediate employment and for employment for a period of 1 or 2 years is to be denied because the bill would not make provision for employment of those people after the expiration of the program?

Rather than that being an argument against providing $500 million, actually it would be an argument for a greater program and for a larger appropriation.

It is not the purpose of the measure to provide a permanent program. There are permanent regular programs in every field with reference to which the funds are to be made available, for augmentation. I say that those are among the finest programs of this Government. This money is to be provided to meet emergency needs.

Criticism has been made on the ground that the power of the Congress would be taken away by passage of the legislation. Mr. President, one of the greatest powers of the Congress is the most efficiently and effectively used by the passage of the bill. That is the power to appropriate funds, not only to pay for much-needed and worthwhile projects in our rural areas, but also—while meeting definite and evident needs—to pay for projects in our local communities and metropolitan areas.

Passage of this bill will make additional employment available in areas of excessive unemployment and economic distress.

Congress will surrender no power. Congress will implement its power. Congress has laid down the specifications for various programs to be beneficiaries of the act. Congress has fixed the specifications for those programs. The money is to be used for them.

With reference to the amount, we come to the closing days of this session in late September and early October. The authorization has just been finalized and signed into law. The Federal agencies have just been alerted to that fact that the money will be available. The local communities either have just learned or are learning of this. A large percentage of those who may be beneficiaries under the program have not yet even learned of the fact that the money will be made available for their use.

The program will provide for augmentation and for handling in such a way so as not to be long drawn out, so that its principal stimulating effect will be in the next 12 to 18 months. In order for that to be effected, the agencies which will handle the money and the local communities, rural areas and metropolitan areas which will be beneficiaries, which will have to provide the local matching funds, oftentimes by means of authorization and sale of bonds, must have the time in which to have an opportunity to get the benefit of this program.

Rather than reduce the amount, we could well increase it. But the committee made it very plain that the question would again be before Congress in the early part of the next session. After the experience that will come with the utilization of the $500 million to be provided, the committee can then consider, early in the next session, the justification of an appropriation of an additional amount authorized.

I visualize a great boon to many areas in our country by reason of the authorization and appropriation. Communities otherwise unable to have adequate sewage facilities and water systems, and in many places public buildings and streets, under the terms of the authorization and appropriation will be able to meet those needs, to have those benefits, and to provide employment for those who have long been unemployed.

I know of great areas in our country—and some areas in every State in our country—where such conditions exist, where today the people are waiting for action by the Congress on this bill, so as to learn that the money will be available to give them an opportunity to take advantage of the program.

The PRESIDING OFFICER. The time of the Senator from Oklahoma has expired.

Mr. ELLENDER. Mr. President, I yield 1 additional minute to the Senator from Oklahoma.

Mr. KERR. It is my hope that the full amount of $500 million will be retained in the bill, accepted by the House, and made into law, because thereby one of the truly effective, best justified and most humanitarian programs I have seen since I came to the Congress will be implemented and put on the road, and benefits will be widespread across the land.

Mr. SALTONSTALL. Mr. President, I yield 5 minutes to the Senator from Colorado [Mr. Allott].

The PRESIDING OFFICER. The Senator from from Colorado may proceed for 5 minutes.

Mr. ALLOTT. Mr. President, I speak in support of the amendment offered by the distinguished Senator from Nebraska.

I wish to confine myself to some three or four points with respect to the amendment.

I realize that this is a "crash program." I am on the horns of a dilemma. I am unable to understand the direction in which the country is going. We hear from all sides how prosperous the country is and how far the New Frontier has pushed it into prosperity, yet the Senate is now considering this requested $900 million appropriation; and even more was asked when the bill and the authorization request came to the Congress.

I do not believe any businessman or anybody with an ordinary sense of prudence would expend any money at all or appropriate any money at all upon the justification which was given by the Department officials. I had the privilege of sitting through all those hearings. I do not think there is a businessman in the United States who would authorize the expenditure of any money upon the basis of the nebulous justifications which were given to us in the Appropriations Committee. That is my first point.

We also face the reality that there are pockets of unemployment which need help. It is true that there are. The prosperity of which we hear so much has not spread itself all around the country. Therefore, perhaps we must do something. What should we do?

I read from page 2 of the hearings. In their own justification they said:

> It is estimated that we have available a pool of projects aggregating $300 million that could be initiated within 3 months, from which selections can be made.

I wish to read from page 23 of the hearings, at which point Mr. Bozman was being questioned by the distinguished chairman of the committee. At this time I pay tribute to him for the magnificent job he has done upon the entire report. Mr. Bozman said:

> And on that basis, we feel that we could start—I am not giving expenditures; I am giving project starts—approximately $200 million in projects 3 months after the funds were made available.
>
> Senator ELLENDER. Three months after?
>
> Mr. BOZMAN. Yes. Is that right?
>
> Mr. GUDEMAN. Those are the Federal projects.
>
> Mr. BOZMAN. These are direct Federal.
>
> Mr. GUDEMAN. These are direct Federal that he was reading.

By way of interlineation, if my reading of the testimony seems confusing to Senators, it was no more confusing than it was to the committee when those gentlemen were trying to testify before our committee as to what they were trying to justify. I continue to read:

> Mr. BOZMAN. Now, in addition, there is approximately $95 million worth that we feel could be done with State and local projects, making a total of approximately $321 million.
>
> Senator ELLENDER. That you could obligate between now and 3 months, you said?
>
> Mr. BOZMAN. Yes.
>
> Senator ELLENDER. So that suppose this committee would decide to authorize you to proceed, say, with $350 million; would that be sufficient to carry you over until January 15?
>
> Mr. GUDEMAN. No, sir; I do not think it would.
>
> Senator ELLENDER. Why not, if you cannot obligate more than $300 million?

Mr. President, the question which the distinguished chairman of the committee propounded at the end of that particular examination is unanswerable. It is not a question of voting against doing anything for the people about whom we have been speaking. But there is nothing solid into which we can sink our teeth and decide what we are attempting to do. With $300 million the administration will have ample opportunity to get the program rolling in the next 3 months.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. ALLOTT. Mr. President, may I have 2 additional minutes?

Mr. SALTONSTALL. I yield 2 minutes to the Senator from Colorado.

Mr. ALLOTT. I assume that Congress will adjourn by the first part of October. At any rate, we shall be here shortly after the first of January. So we could then get back to the question.

On page 5, 11 agencies of the Government that would administer the program are shown. Those agencies would make the final decisions on the projects. According to the testimony, the projects will be spread around among 11 or more agencies. The Department of Commerce presumably would coordinate them. I do not believe that the 11 or more agencies are capable of picking up a program like the one proposed and handling it in the way it should be handled and the way we are expected to handle taxpayers' money in a period of 3 months. So by the testimony of their own witnesses $300 million would do it.

The distinguished Senator from Florida has already spoken about the ARA, the community facilities, the forest roads, and various agencies. We are already expending hundreds of millions of dollars in those areas.

I say that we should give the $300 million to those people. Make them justify it when we return in January. Then if unemployment still continues in those pockets, if the agencies have provided us with the necessary justification for the expenditures, Congress can provide more money for the carrying on and the continuation of the process, as it always has done.

The report provides specifically that that is what is contemplated. The agencies will be back here with a request for a supplemental appropriation in January. Let us leave it that way, and let us not clutter up the bill, on which the chairman has done such a wonderful job, with the kind of appropriation which has never been in it before, and which should be considered in a supplemental appropriation, or it should be considered in the separate appropriations of the agencies which are carrying on the work.

Mr. MILLER. Mr. President, I should like to join the distinguished Senator from Nebraska in his sponsorship of the amendment.

Mr. HRUSKA. Mr. President, I would be happy to have the distinguished Senator from Iowa as a sponsor. I ask unanimous consent that his name be added as one of the sponsors of the amendment.

The PRESIDING OFFICER (Mr. YARBOROUGH in the chair). Is there objection? The Chair hears none, and it is so ordered.

Mr. SALTONSTALL. Mr. President, I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

Mr. ELLENDER. Mr. President, I yield 5 minutes to the Senator from Kentucky.

Mr. COOPER. Mr. President, the issue is whether or not the Senate will agree to an appropriation of $500 million or $300 million. It is easy to understand that there could be wide differences of viewpoint on this matter.

As a member of the Committee on Public Works, I took part in the debate on the public works acceleration bill when it was first considered by the Senate. I offered amendments in the committee to strike the standby provision, and the unique method of financing—bypassing the Appropriations Committees—first included in the bill. On the floor of the Senate I offered an amendment to reduce the amount authorized for the immediate program from $750 million to $600 million. The amendment was rejected. I voted for the bill, because it is needed, and because it had been improved.

Whether we appropriate $200 million, $300 million, or $500 million, I do not believe that the total appropriated could be obligated before we meet again in January. But, our purpose should be to make the program as effective as it can be, and get it underway. For the chief objective of the bill is to put unemployed people to work as quickly as possible.

The facts relating to unemployment, and the requirements of the bill, lead me to the conclusion that $300 million is insufficient to put the program into motion and to make it quickly effective. The 4 million people who are unemployed are scattered all over our country in hundreds of communities. If the sums appropriated are to be equitably distributed and reach the largest number as quickly as possible, they will have to be allocated to hundreds of communities all over the country and for hundreds of small projects. The widespread pattern of unemployment requires that a reasonable sum be appropriated to make it possible to reach hundreds of communities. I do not think $300 million a sufficient sum.

I have said that I do not believe that $500 or $300 million will be obligated before we meet in January. But the obligation of funds is not the sole test of making the program effective.

If these programs are to get underway, there must be planning on the part of Government agencies. There must be negotiations between the agencies and the communities toward the selection and approval of projects. There can be no effective negotiation unless those in charge of the program are in a position to say to local communities that funds are available for the Federal share of a project. If we do not appropriate sufficient money, it will delay this program for at least 6 more months.

All of us are concerned that the money we appropriate shall not be wasted.

A great deal of this money will be spent by the Community Facilities Administration of the Housing and Home Finance Agency, under section 5 of the act. On such projects, at least 25 percent of the cost of a project must be borne by the local community, and in most cases, it would be 50 percent. The Community Facilities Administration has a fine record regarding the use of appropriated funds—and it has reported that it has a good backlog of applications which it has carefully studied.

I have been a county official, and had charge of the fiscal affairs of my county. Most of us have had experience as local or State officials. We know that local officials, and the people of their communities are not likely to pay 25 to 50 percent of the cost of a project unless they believe the project has value. This fact is the best check against waste.

Forest roads and trails offers another field in which the unemployed can be put to work on projects which are carefully studied and needed. These are but two examples.

If this program is to get underway, we must provide enough money for effective planning, enough to deal equitably and quickly with the hundreds of eligible areas throughout the country.

I believe that $500 million is a reasonable sum for the purpose of the act.

Mr. ELLENDER. I yield 3 minutes to the Senator from Oklahoma.

Mr. KERR. There is one thing to which I wish to call attention in connection with this bill, and that is that it would stimulate a local community to do the best it could. If a county has used all of its bonding capacity and cannot go any further, under the bill, the Federal Government can go beyond that and help it in connection with these community facilities.

The Senator from Iowa wanted to know what the situation would be after 18 months. I should like to put into the RECORD at this point a letter addressed to the President by the Senator from Louisiana [Mr. ELLENDER], the chairman of the subcommittee.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
COMMITTEE ON APPROPRIATIONS,
September 4, 1962.

The Honorable JOHN F. KENNEDY,
The President,
The White House, Washington, D.C.

MY DEAR MR. PRESIDENT: During the hearings on the public works appropriations bill last May, many of the witnesses testified in support of projects favorably recommended by the Corps of Engineers and expected to be incorporated in an omnibus bill on which hearings were expected at an early date. At that time, I stated that as soon as the omnibus bill had been enacted into law, I would suggest to you the desirability of submitting a supplemental estimate to the Congress covering the more urgent items authorized in that bill.

In this connection, I had in mind particularly projects which might provide employment to chronic labor-depressed areas, not only by the labor opportunities afforded by the project itself, but by the stimulus those projects would have in developing the resources of the particular area. An example of this type of project can be found in the recommended improvement of the Kaskaskia River Basin in Illinois. That project, having a total estimated cost of $61,145,000 and a benefit-to-cost ratio of 2.7 to 1, is located in southern Illinois, in an area of chronic unemployment. This project is justified on the basis that it would open up the rich Illinois coalfields, through which the Kaskaskia River runs, to economical commercial exploitation. Coal reserves in this vicinity are estimated to be in the neighborhood of 2 billion tons. Subsequent to the release of the recommendations of the Corps of Engineers for the development of the Kaskaskia River, plans for construction of five industrial plants along the proposed Kaskaskia River project in Illinois were announced. Construction of these plants at an estimated cost of $200 million is contingent upon the development of navigation on the Kaskaskia. It is evident that long after the temporary measures which may be taken now to stimulate employment have fulfilled their purpose, these industrial plants will be providing jobs and income and adding to the economic well-being of southern Illinois.

This is but a single example. I am sure that a careful examination of the projects eligible for inclusion in an omnibus bill will show that there are many worthy projects which will stimulate the economy of an area or are located in areas designated as having chronic unemployment.

In view of the delay in initiating an omnibus bill and the possibility of an adjournment of Congress by the end of this month, the thought occurred to me that you may desire to have the Bureau of the Budget consider this matter now, with a view to submitting a supplemental estimate to the Congress as soon as an omnibus bill has been reported by a committee for those projects which you consider to be of an urgent nature.

Sincerely yours,
ALLEN J. ELLENDER,
Chairman, Subcommittee on Public Works.

Mr. KERR. The chairman sets forth the benefits of these public works project in the regular bill. I call attention to the fact that the Senate added projects totaling in estimated cost $1,203 million, to provide funds for starting these projects. Of the 21 projects costing $1,208 million added by the Senate, 10 at an estimated cost of $1,071 million are for projects in areas of relatively substantial unemployment and areas designated as redevelopment areas under sections 5 (a) and (b) of the Area Redevelopment Act of May 1, 1961. The projects in these categories are designated by an asterisk.

Mr. President, I ask unanimous consent that the list of new construction starts recommended by the committee be inserted at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

New construction starts added by Senate

Project	Total Federal cost	Appropriated to date	1963 budget	Recommended for 1963	Balance to complete	Benefit-cost ratio
Mobile Harbor, Ala.	$6,600,000	$3,548,000		$600,000	$2,452,000	2.6
*Tennessee-Tombigbee, Ala. and Miss.	202,244,000	1,494,000	$225,000	500,000	200,025,000	1.1
*Arkansas River, navigation locks and dam	449,000,000	1,647,000	2,000,000	2,600,000	444,753,000	1.3
*Alamo Reservoir, Ariz.	11,300,000	625,000		500,000	10,175,000	1.7
*Gilham Reservoir, Ark.	13,400,000	291,000	99,000	350,000	12,660,000	1.7
*Ouachita and Black Rivers, Ark. and Iowa	45,500,000	490,000	235,000	165,000	44,610,000	1.6
Los Angeles and Long Beach Harbors, Calif.	1,790,000	85,000		1,705,000		3.1
Sacramento River bank protection	15,100,000	150,000	50,000	150,000	14,750,000	1.6
*Bakers Haulover Inlet, Fla.	263,000	19,000	15,000	25,000	204,000	3.1
*Bruces Eddy Reservoir, Idaho	186,000,000	2,571,000		2,000,000	181,429,000	1.6
Huntington Reservoir, Ind.	16,200,000	251,000		1,000,000	14,949,000	1.5
Perry Reservoir, Kans.	38,000,000	675,000		750,000	36,575,000	2.4
Portland Harbor, Maine	8,375,000	35,000		550,000	7,790,000	6.0
Pascagoula Harbor, Miss.	4,885,000	15,000		1,500,000	3,370,000	13.4
*Raritan Bay-Sandy Hook Bay, N.J.	3,307,000	42,000		500,000	2,765,000	2.0
Fire Island Inlet to Montauk Point	19,700,000	155,000	250,000	750,000	18,545,000	2.6
*Racine locks and dam, Ohio and West Virginia	76,800,000	130,000	395,000	350,000	75,925,000	2.0
Blue River Reservoir, Oreg.	21,800,000	775,000		500,000	20,525,000	1.6
*Yaquina Bay and Harbor, Oreg.	23,000,000	645,000	100,000	200,000	22,655,000	1.2
Arkansas-Red Rivers salinity control, Oklahoma and Texas	305,000	5,000		300,000		(1)
Brazos Island Harbor, Tex.	4,540,000	14,000		500,000	4,026,000	1.5
Total	1,208,709,000	13,662,000	3,369,000	15,495,000	1,178,183,000	
Total of 10 indicated by an asterisk (*)	1,071,414,000			7,190,000	1,055,201,000	

[1] Not eligible.

Mr. KERR. If Senators will look at the list, they will see that this bill makes long-range provision for great public works projects, fully justified under our regular program, which will be of great benefit economically and stimulating to the local economy, and which will mean an increase in construction after the expiration of the provisions of this act and the completion of the projects made possible by it.

Mr. HRUSKA. Mr. President, I yield myself 5 minutes.

The amendment which I offered is not intended as an obstructionist measure. It is not intended, and I hope it will not be construed as intending, to deny the achievement of the national policy which is embraced in the public works acceleration authorization bill or in this appropriation. That is not the spirit in which it is proposed. The purpose of the amendment is to insure that the objectives of the authorization bill are carried out in the most efficient manner. It is for that purpose that the amendment is offered.

The history of the legislation upon which the appropriation is based is a rather curious one. The public law authorizing the public works acceleration program is much different than the original proposal that was sent to us by way of a Presidential message, and the original bill that was considered in committee.

The Senator from Kentucky played an important role in the removal of some very objectionable features contained in the original bill. For example, the bill originally contained a provision for back-door financing in excess of $2 billion which would not be subject to consideration by the Appropriations Committees.

A unique and very unsound financing method was proposed. It will be recalled that the proposal was made to finance this public works vehicle by the unused balances of a number of agencies, including some international organizations. That was obviously an undesirable and unworkable method. It was discarded. The legislation that was finally passed is a little more sound and workable. At least it reduced the amount of money involved.

In matters of this kind, particularly when large amounts of moneys are involved, it is always desirable that Congress retain some control. This is true notwithstanding the fact that the purpose of the legislation was to relieve unemployment and economic stagnation in various areas throughout the Nation. It cannot be said that we in the Congress are any less desirous of achieving relief in these areas than are the people in the executive department or the residents of the affected areas themselves.

There are several reasons why I believe $300 million is adequate. First, it will be several months before the projects can be selected and started on an extension basis. There has already been reference to the testimony before the committee. There were only two witnesses from the Department of Commerce, and there were no witnesses from the other agencies which will be involved in the implementation of the projects. Considering the number of projects that can be intelligently selected between now and January 1, $300 million is ample. I believe the testimony will verify that fact. We will be back in January, and we can take another look at the program at that time.

These projects must be carefully scrutinized to make sure that they carry out the declared policy and objectives of the acceleration program.

The fact that this is an emergency measure does not mean that the projects should go forward without direction, supervision, or control, by either the executive department or the legislative branch.

If the amount is limited to a reasonable figure—and $300 million is reasonable—it will mean that there will be more careful selection. Greater care will be taken to decide which of the projects should be selected for construction, and whether funds should be allocated for that purpose.

We should always keep in mind that Congress has the authority over the expenditure of funds to relieve areas from the ravages of unemployment and economic stagnation. And, we should also remember that we have a responsibility to the people who are paying the bill and are making it possible for Congress to appropriate the $300 million or the $500 million, as the case may be.

At best, these so-called crash programs have a sorry record. This is so even though we accord to those who administer them the utmost of good faith. It is to insure equality in the administration of the act that the reduction of $300 million is proposed. It is in that spirit that I have offered the amendment.

I was opposed to the public works acceleration bill in its original form. I voted against this legislation as it now stands on the statute books as public law. But it is now our national policy, so we must go forward with it. But we should go forward in the most effective and intelligent way possible. To that end and in order that we may be assured that the funds approved will be administered wisely, the appropriation should be limited to $300 million. I urge that the amendment be adopted.

Mr. President, I yield the floor and also yield back the remainder of the time originally allotted to me.

Mr. ELLENDER. Mr. President, I am also willing to yield back the rest of the time under my control, and I do so, in order that the Senate may proceed to vote.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment of the Senator from Nebraska [Mr. Hruska] on page 29, lines 20 and 21. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERTSON (when his name was called). On this vote, I have a pair with the senior Senator from Washington [Mr. Magnuson]. If the Senator from Washington [Mr. Magnuson] were present and voting, he would vote "nay"; if I were at liberty to vote, I would vote "yea." I withhold my vote.

The rollcall was resumed and concluded.

Mr. HUMPHREY. I announce that the Senator from Virginia [Mr. Byrd], the Senator from Idaho [Mr. Church], the Senator from Tennessee [Mr. Gore], the Senator from Indiana [Mr. Hartke], the Senator from Tennessee [Mr. Kefauver], the Senator from Ohio [Mr. Lausche], the Senator from Wyoming [Mr. McGee], the Senator from Utah [Mr. Moss], the Senator from Maine [Mr. Muskie], the Senator from Rhode Island [Mr. Pell], the Senator from Rhode Island [Mr. Pastore], the Senator from Massachusetts [Mr. Smith], the Senator from New Jersey [Mr. Williams], and the Senator from Ohio [Mr. Young], are absent on official business.

I also announce that the Senator from New Mexico [Mr. Anderson], the Senator from Illinois [Mr. Douglas], the Senator from Arkansas [Mr. Fulbright], the Senator from Alaska [Mr. Gruening], the Senator from Michigan [Mr. Hart], the Senator from Wyoming [Mr. Hickey], the Senator from Missouri [Mr. Long], and the Senator from Washington [Mr. Magnuson] are necessarily absent.

I further announce that, if present and voting, the Senator from New Mexico [Mr. Anderson], the Senator from Idaho [Mr. Church], the Senator from Arkansas [Mr. Fulbright], the Senator from Tennessee [Mr. Gore], the Senator from Alaska [Mr. Gruening], the Senator from Michigan [Mr. Hart], the Senator from Wyoming [Mr. Hickey], the Senator from Tennessee [Mr. Kefauver], the Senator from Utah [Mr. Moss], the Senator from Maine [Mr. Muskie], the Senator from Rhode Island [Mr. Pastore], the Senator from Rhode Island [Mr. Pell], the Senator from Massachusetts [Mr. Smith], and the Senator from Ohio [Mr. Young] would each vote "nay."

On this vote, the Senator from Ohio [Mr. Lausche] is paired with the Senator from Missouri [Mr. Long]. If present and voting, the Senator from Ohio would vote "yea," and the Senator from Missouri would vote "nay."

On this vote, the Senator from Virginia [Mr. Byrd] is paired with the Senator from Wyoming [Mr. McGee]. If present and voting, the Senator from Virginia would vote "yea," and the Senator from Wyoming would vote "nay."

On this vote, the Senator from Illinois [Mr. Douglas] is paired with the Senator from Utah [Mr. Bennett]. If present and voting, the Senator from Illinois would vote "nay," and the Senator from Utah would vote "yea."

On this vote, the Senator from Indiana [Mr. Hartke] is paired with the Senator from Kansas [Mr. Carlson]. If present and voting, the Senator from Indiana would vote "nay," and the Senator from Kansas would vote "yea."

On this vote, the Senator from New Jersey [Mr. Williams] is paired with the Senator from Arizona [Mr. Goldwater]. If present and voting, the Senator from New Jersey would vote "nay," and the Senator from Arizona would vote "yea."

Mr. HRUSKA. I announce that the Senators from Maryland [Mr. Beall and Mr. Butler], the Senator from Utah [Mr. Bennett], the Senators from South Dakota [Mr. Bottum and Mr. Mundt], the Senator from Connecticut [Mr. Bush], the Senator from Indiana [Mr. Capehart], the Senators from Kansas [Mr. Carlson and Mr. Pearson], the Senators from New Hampshire [Mr. Cotton and Mr. Murphy], the Senator from Illinois [Mr. Dirksen], the Senator from Arizona [Mr. Goldwater], the Senator from New York [Mr. Javits], the Senator from California [Mr. Kuchel], the Senator from Pennsylvania [Mr. Scott], and the Senator from Kentucky [Mr. Morton] are necessarily absent.

On this vote the Senator from Indiana [Mr. Capehart] is paired with the Senator from Maryland [Mr. Beall]. If present and voting, the Senator from Indiana would vote "yea," and the Senator from Maryland would vote "nay."

On this vote the Senator from South Dakota [Mr. Bottum] is paired with the Senator from New York [Mr. Javits]. If present and voting, the Senator from South Dakota would vote "yea," and the Senator from New York would vote "nay."

On this vote, the Senator from Kansas [Mr. Pearson] is paired with the Senator from Pennsylvania [Mr. Scott]. If present and voting, the Senator from Kansas would vote "yea," and the Senator from Pennsylvania would vote "nay."

On this vote, the Senator from South Dakota [Mr. Mundt] is paired with the Senator from Kentucky [Mr. Morton]. If present and voting, the Senator from South Dakota would vote "yea," and the Senator from Kentucky would vote "nay."

On this vote, the Senator from Utah [Mr. Bennett] is paired with the Senator from Illinois [Mr. Douglas]. If present and voting, the Senator from Utah would vote "yea," and the Senator from Illinois would vote "nay."

On this vote, the Senator from Kansas [Mr. Carlson] is paired with the Senator from Indiana [Mr. Hartke]. If present and voting, the Senator from Kansas would vote "yea," and the Senator from Indiana would vote "nay."

On this vote, the Senator from Arizona [Mr. Goldwater] is paired with the Senator from New Jersey [Mr. Williams]. If present and voting, the Senator from Arizona would vote "yea," and the Senator from New Jersey would vote "nay."

The result was announced—yeas 16, nays 44, as follows:

[No. 289 Leg.]

YEAS—16

Allott
Boggs
Curtis
Hickenlooper
Holland
Hruska
Jordan, Idaho
Miller
Proxmire
Saltonstall
Smith, Maine
Thurmond
Tower
Wiley
Williams, Del.
Young, N. Dak.

NAYS—44

Aiken
Bartlett
Bible
Burdick
Byrd, W. Va.
Cannon
Carroll
Case,
Chaves
Clark
Cooper
Dodd
Eastland
Ellender
Engle
Ervin
Fong
Hayden
Hill
Humphrey
Jackson
Johnston
Jordan, N.C.
Keating
Kerr
Long, Hawaii
Long, La.
Mansfield
McCarthy
McClellan
McNamara
Metcalf
Monroney
Morse
Neuberger
Prouty
Randolph
Russell
Smathers
Sparkman
Stennis
Symington
Talmadge
Yarborough

NOT VOTING—40

Anderson
Beall
Bennett
Bottum
Bush
Butler
Byrd, Va.
Capehart
Carlson
Church
Cotton
Dirksen
Douglas
Fulbright
Goldwater
Gore
Gruening
Hart
Hartke
Hickey
Javits
Kefauver
Kuchel
Lausche
Long, Mo.
Magnuson
McGee
Morton
Moss
Mundt
Murphy
Muskie
Pastore
Pearson
Pell
Robertson
Scott
Smith, Mass.
Williams, N.J.
Young, Ohio

So the amendment was rejected.

Mr. ELLENDER. Mr. President, I move that the vote by which the amendment was rejected be reconsidered.

Mr. HUMPHREY. Mr. President, I move that the motion to reconsider be laid on the table.

The motion to lay on the table was agreed to.

Mr. WILLIAMS of Delaware obtained the floor.

LEGISLATIVE PROGRAM

Mr. HRUSKA. Mr. President, will the Senator from Delaware yield? I wish to ask the majority leader about the program for the remainder of today and, if possible, for Monday.

Mr. WILLIAMS of Delaware. I yield.

Mr. MANSFIELD. Mr. President, in response to the question asked by the distinguished acting minority leader, let me say that I believe it is the understanding that a point of order will be raised by the Senator from Delaware [Mr. Williams] against a section of the bill. I do not know what disposition will be made of the point of order. But after it has been disposed of one way or the other, I understand that the only remaining amendment will be one to be offered by the distinguished Senator from Wisconsin [Mr. Proxmire]. I hope I am correct in that understanding, and evidently I am.

Therefore, I ask unanimous consent that after the disposition of the question to be raised by the Senator from Delaware [Mr. Williams], the Senator from Wisconsin [Mr. Proxmire] be allowed to proceed for the rest of the afternoon. I understand he has a speech which will take 4, 5, 6, 7, 8, or 9 hours, and that he feels very deeply on this subject and wishes to explain his amendment thoroughly and in detail.

It is the hope of the leadership—and this is concurred in by the minority leader—that before the Senator from Wisconsin [Mr. Proxmire] really gets underway, we may reach a unanimous-consent agreement which will allow the other Members to go home or attend to committee meetings or other business for the remainder of the day, with the assurance that there will be no further yea-and-nay votes; that on Monday the Senate will convene at 10 a.m., with a limitation of one-half hour, with 15 minutes to be under the control of the Senator from Wisconsin [Mr. Proxmire] and 15 minutes to be under the control of the Senator from Louisiana [Mr. Ellender]; and that a yea-and-nay vote will be taken at 10:30 on Monday morning.

Furthermore, the leadership would like to have the Senate agree to a proviso that if there is no further amendment except that of the Senator from Wisconsin, the third reading of the bill be considered as having been had, exclusive of the amendment of the Senator from Wisconsin.

The **PRESIDING OFFICER.** Is there objection? The Chair hears none, and it is so ordered.

The unanimous-consent agreement was subsequently reduced to writing, as follows:

UNANIMOUS-CONSENT AGREEMENT

Ordered, That on Monday, October 1, 1962, upon the convening of the Senate at 10 a.m., it resume the consideration of the bill H.R. 12900, the so-called civil functions appropriation bill, that debate upon the pending amendment proposed by Mr. Proxmire be limited to 30 minutes, to be equally divided and controlled, respectively, by Mr. Proxmire and Mr. Ellender; and that at the conclusion of debate thereon the Senate shall proceed to vote, by yeas and nays, on the question of agreeing to the said amendment.

Mr. HRUSKA. Mr. President, reserving the right to object—although I shall not object if we can arrive at an understanding on this point—let me say that the Senators from Kansas [Mr. Carlson and Mr. Pearson] are not present today. The Proxmire amendment which will be proposed deals with a matter within the boundaries of their State. Therefore, I would be very reluctant to agree to a time limitation of 15 minutes, insofar as they are concerned.

Either we should get a more liberal amount of time for them, if they wish it, or we should be given an opportunity to consult them to ascertain their wishes.

Mr. MANSFIELD. If the Senator will allow the unanimous-consent request to go through, after the question raised by the Senator from Delaware is disposed of, with the proviso that there be a third reading, exclusive of the consideration and vote on the Proxmire amendment, on the half hour limitation basis, I assure the Senator that if the Senators from Kansas desired more time, we could collectively ask for it, and I am sure they would get it.

Mr. HRUSKA. That would be agreeable.

The **PRESIDING OFFICER.** Is there objection? Without objection, the unanimous-consent request is agreed to.

PUBLIC WORKS APPROPRIATIONS, 1963

The Senate resumed the consideration of the bill (H.R. 12900) making appropriations for certain civil functions administered by the Department of Defense, certain agencies of the Department of the Interior, the Atomic Energy Commission, the St. Lawrence Seaway Development Corporation, the Tennessee Valley Authority and certain river basin commissions for the fiscal year ending June 30, 1963, and for other purposes.

Mr. WILLIAMS of Delaware. Mr. President, rule XVI of the Senate provides that there shall be no legislation on appropriation bills.

I will read title 4:

For expenses necessary to enable the President to provide for carrying out the purposes of the Public Works Acceleration Act, including services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), but at rates for individuals not to exceed $75 per diem, $500,000,000, to remain available until expended.

It appears to me that the phrase "to remain available until expended" goes beyond the original intent of the act, which was to make these funds available on annual appropriations.

Therefore, I raise the question that the language is legislation and therefore subject to a point of order. I make a point of order against the entire title 4 of the bill, which appears on page 29.

The **PRESIDING OFFICER** (Mr. Burdick in the chair). The Chair sustains the point of order.

Mr. ELLENDER. Mr. President——

Mr. HRUSKA. Mr. President, what is the ruling of the Chair?

Mr. ELLENDER. Mr. President, did the Chair sustain the point of order?

The **PRESIDING OFFICER.** Yes.

Mr. ELLENDER. In anticipation of that, I send to the desk an amendment reinstating this paragraph minus the words to which the Senator from Delaware has objected, that is, "to remain available until expended."

The **PRESIDING OFFICER.** The amendment offered by the Senator from Louisiana will be stated.

The LEGISLATIVE CLERK. On page 29, after line 12, it is proposed to insert:

TITLE IV

Funds appropriated to the President

Public Works Acceleration

For expenses necessary to enable the President to provide for carrying out the purposes of the Public Works Acceleration Act, including services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), but at rates for individuals not to exceed $75 per diem, $500,000,000.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Louisiana.

Mr. ALLOTT. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state the inquiry.

Mr. ALLOTT. As I understand the ruling of the Chair on the point of order of the Senator from Delaware, the ruling made all of title 4 inoperative and, in effect, revoked the entire title, because the title of title 4 has been revoked, and therefore the Chair has revoked and declared as legislation all of title 4.

First, Mr. President, is that a correct statement or not? I so understood the ruling of the Chair.

The PRESIDING OFFICER. The Senator is correct. The Chair sustained the point of order against all of title 4.

Mr. ALLOTT. If I may have the attention of the distinguished chairman of the committee, may I inquire further, if the amendment offered by the chairman of the subcommittee is adopted as offered, would it reinstate merely the title, as I understand from a reading of it, or would it reinstate all of title 4 including the provisions therein?

Mr. ELLENDER. It would reinstate the entire title 4 minus the words "to remain available until expended."

Mr. ALLOTT. I did not so gather from the reading of it. I wanted to be sure of it.

The PRESIDING OFFICER. The Senator from Louisiana has correctly stated the situation.

Mr. ALLOTT. I thank the Chair.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Louisiana on page 29, beginning on line 13.

The amendment was agreed to.

Mr. ELLENDER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HRUSKA. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

UNANIMOUS-CONSENT AGREEMENTS

Mr. MANSFIELD. Mr. President, I realize that unanimous consent has been granted, but, in order to clarify the picture, I ask unanimous consent that there be the third reading of H.R. 12900 with the understanding that the amendment by the Senator from Wisconsin [Mr. PROXMIRE] be exempted from the third reading.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that, beginning on Monday at 10 a.m., there be a time limitation of 30 minutes on the Proxmire amendment, which shall be divided between the Senator from Wisconsin [Mr. PROXMIRE] and the Senator from Louisiana [Mr. ELLENDER].

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. It is further understood that if additional time is needed on behalf of the Senators from Kansas, that time will be granted at the conclusion of the half hour.

Mr. HRUSKA. Mr. President, that understanding is very happily accepted on behalf of the Senators from Kansas.

ORDER FOR ADJOURNMENT TO 10 A.M. MONDAY NEXT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate adjourns today, it adjourn to meet at 10 o'clock a.m. on Monday next.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORIZATION TO CONSIDER FOREIGN AID APPROPRIATIONS BILL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that at the conclusion of the consideration of the civil functions bill, the pending business, on Monday, the Senate proceed to the consideration of the foreign aid appropriations bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. For the further information of the Senate, insofar as the leadership knows, there will be no further rollcall votes today; so Senators can be guided accordingly.

Mr. CLARK. Mr. President——

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. CLARK. I am happy to yield. Having the floor, Mr. President, I am very happy to yield to the Senator from Louisiana.

Mr. ELLENDER. Mr. President, I desire to ask the majority leader if I correctly understood him to say the foreign aid bill would be taken up Monday.

Mr. MANSFIELD. Yes; that was announced several days ago.

Mr. ELLENDER. I had understood it would be Tuesday.

Mr. MANSFIELD. No; it will probably continue into Tuesday.

Mr. ELLENDER. Does the Senator anticipate any votes Monday?

Mr. MANSFIELD. The Senator from Louisiana could speak with greater accuracy on that than I could. There may be some, late, late in the evening.

Mr. ELLENDER. I have quite a few amendments to offer to the bill.

Mr. MANSFIELD. Will the Senator be present Monday?

Mr. ELLENDER. Yes.

Mr. MANSFIELD. I anticipate votes Monday.

Mr. SMATHERS. Mr. President, will the Senator yield?

Mr. CLARK. I yield to the Senator from Florida.

Mr. SMATHERS. I did not hear what the majority leader had to say with respect to when the foreign aid appropriations bill would be taken up.

Mr. MANSFIELD. Monday, at the conclusion of consideration of the civil functions bill, which is now under consideration, but which will not be disposed of until Monday.

Mr. SMATHERS. It will be taken up Monday and completed then. Does the Senator expect consideration of the foreign aid appropriation bill to be completed Monday, too?

Mr. MANSFIELD. I hope so, but I do not expect it.

Mr. CLARK. Mr. President——

Mr. MANSFIELD. Mr. President, will the Senator yield further?

Mr. CLARK. I shall be glad to yield. I thought the Senators were having a private conversation.

Mr. SMATHERS. Mr. President, I do not wish to object. I should like to ask the majority leader if he would mind withholding his statement with respect to the taking up of the foreign aid bill. I should like to discuss with him certain complicated matters prior to his asking that that bill be taken up on Monday. As I understand the Senator, he said he hoped the Senate could dispose of the bill on Monday.

Mr. MANSFIELD. I said I would hope so, but that I would not bet on it. My guess is that the Senate will be doing very well to dispose of it on Tuesday.

Once again I ask my distinguished friend from Florida not to press this point, because consent has already been granted. I shall be glad to talk it over with the Senator, to see what can be done under the unanimous-consent request.

Mr. SMATHERS. Of course, the majority leader does not give anything to the Senator from Florida. He was down there, very quietly saying something.

Mr. MANSFIELD. Oh, no—not quietly.

Mr. SMATHERS. Again I say, I do not wish to enter into a discussion similar to that which we had yesterday, but I do wish to try to protect those of us who are trying to have H.R. 10 enacted into law. I had anticipated that some steps might be taken in connection with the foreign aid appropriation bill.

Mr. MANSFIELD. It is my understanding that the Senator has at the desk some sort of proposal seeking to suspend the rules or to do something else. If the Senator felt it in his own best interest to try to attach H.R. 10 to an appropriation bill, he would feel free to try to do so. If that is the case—and I am not certain it is—I point out to the Senator that there are other appropriation bills to follow, such as the appropriation bill for the Departments of State and Justice, and the judiciary, and also the last supplemental appropriation bill, which will be called up, I think, on Thursday, all things being equal. So there are two other appropriation bills.

Mr. SMATHERS. As I understand the situation, the Senator has already asked and obtained unanimous consent, and he does not wish to retreat from that position.

Mr. MANSFIELD. I would prefer not to do so. If the Senator insists, of course, I shall reconsider, but I would hope he would not insist.

Mr. MORSE. Mr. President, a parliamentary inquiry. Does the Senator not have to obtain unanimous consent to reconsider?

Mr. MANSFIELD. Yes.

Mr. MORSE. I would object.

Mr. MANSFIELD. I think the Senator would be tolerant if the question were raised.

Mr. MORSE. Not a bit.

Mr. MANSFIELD. I thank the Senator from Florida and the Senator from Pennsylvania.

PUBLIC WORKS APPROPRIATIONS, 1963

The Senate resumed the consideration of the bill (H.R. 12900) making appropriations for certain civil functions administered by the Department of Defense, certain agencies of the Department of the Interior, the Atomic Energy Commission, the St. Lawrence Seaway Development Corporation, the Tennessee Valley Authority, and certain river basin commissions for the fiscal year ending June 30, 1963, and for other purposes.

The PRESIDING OFFICER. The bill will be read the third time, as provided under the unanimous-consent agreement.

The bill (H.R. 12900) was read the third time.

Mr. CLARK. Mr. President, I wish to say a few words about the public works bill and the vote which has just been taken. I returned from the hustings in time to vote but not in time to speak on the amendment which, happily, was just defeated, and I am glad to say by a large majority.

The emergency public works bill which was passed by both Houses and signed by the President a short time ago is being called in Pennsylvania, I am happy to say, the Clark-Blatnik bill. It is true that I played a reasonably active part in the initiation of the legislation, in committee hearings on early versions, and in the consideration of the measure by the Senate when it came from the Public Works Committee.

I wish to thank my friend the Senator from New Mexico [Mr. CHAVEZ] for the great help which he, as chairman of the committee, gave us in bringing this measure, so vitally needed for my State, to the Senate with a favorable recommendation.

An effort was made—which happily failed—earlier today, led by our friends on the other side of the aisle and opposed in overwhelming majority by Senators on this side of the aisle, to cut back the recommended appropriation from $500 to $300 million. I am delighted that the amendment failed and failed by so large a majority.

I personally was very much disappointed that the Committee on Public Works did not see fit to go along with the President of the United States, who recommended that the full amount of the authorization, $900 million, should be appropriated. Goodness knows, the $900 million is not only badly needed but also could be spent.

I regret that the committee did not recommend the full figure, but I understand the reason why the committee did not do so, which, generally speaking, was that the presentation by the administration did not give sufficient detail as to exactly what projects were underway.

Mr. CHAVEZ rose.

Mr. CLARK. I yield to my good friend from New Mexico.

Mr. CHAVEZ. The Commerce Department did not have a program. The Department representative did not know what it was all about.

Mr. CLARK. Mr. President, the Senator has said—and I do not question my good and dear friend—that the Commerce Department, which had to act very quickly because the authorization bill was passed only a few weeks ago, did not have a program in sufficient detail, in the opinion of the committee, to justify a larger appropriation.

This measure came really from my State and from the State of the Senators from West Virginia, our States being the two most badly hit in terms of chronic and persistent unemployment.

Under the act signed by the President a few weeks ago, the share which any State can get from the $900 million authorization is limited to 10 percent. This means that the maximum grant to Pennsylvania would be $90 million.

There is not a shadow of doubt that Pennsylvania community projects and Federal projects now available for the assistance to be given under the terms of the bill in Pennsylvania vastly exceed $90 million. So I am disappointed that we were not able to get the full appropriation, so that my Commonwealth could use its full share.

As an example, the city of Philadelphia has ready to go, with all plans drawn and an application ready to be filed, a series of projects which would total $13 million. The Bureau of Prisons, under the Attorney General's Department, I am happy to say, as soon as the money can be obtained, has agreed to start construction of a new Federal prison in Fayette County, Pa., at a total cost of $12 million.

Thus these two projects alone—one in eastern Pennsylvania and one in the southwestern part of our State—are ready to go tomorrow. Those projects total $25 million.

In other parts of the State, including in particular Pittsburgh, the hard coal region, and the rest of the soft coal region, there are projects which have been approved by local government as Federal projects, but which await only the arranging of the necessary financing, which could not be arranged until the appropriation for the bill has been signed by the President.

Therefore I say to Senators, first, that I regret very much that the total appropriation was not forthcoming. I would have moved by amendment to increase the appropriation had I not been assured by my friends on the Appropriations Committee that they will look with favor early next year on an application for an increase of the appropriation to the full amount authorized if it appears at that time that there is a backlog of eligible projects which cannot be authorized and put under construction due to the fact that the appropriation is not sufficient.

I have also been advised by the assistants of the Secretary of Commerce that the administrators of the program will push forward at full speed with pending appropriations without regard to any rationing by reason of the fact that the appropriation is only five-ninths of the authorization. With those two assurances, which make it clear that Pennsylvania and other States must be alert to take advantage of the bill, as I am sure they will be, the funds appropriated will be promptly made available and an additional appropriation up to the full amount of the authorization can be asked for in a supplemental appropriation next year. For this reason I did not offer an amendment on the floor of the Senate to increase the amount of the appropriation.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. CLARK. I am happy to yield to my friend from Minnesota.

Mr. HUMPHREY. First, I wish to say to the Senator from Pennsylvania that his diligence and perseverance on the question of the accelerated public works program has been in a very large measure responsible for the action that has been taken in Congress on the measure. My good friend and fellow Minnesotan in the House of Representatives, Representative BLATNIK, has told me repeatedly of the many conferences he has had with the Senator and how he and the Senator, in visits at the White House and with officials in the executive branch in the early part of this year, urged this particular program. The Senator may recall that at one time I was in attendance at one of those meetings when we visited with the President, the Secretary of Labor, a representative of the Bureau of the Budget, and others.

So the record should be crystal clear that the Senator from Pennsylvania has been one of the leading forces and one of the leading Members of the Congress, first, in urging the public works program and, second, securing favorable action on the part of the Senate, and now on the appropriations bill for the fulfillment of the authorization.

I serve on the Appropriations Committee. I believe that the Appropriations Committee did what was right in terms of the $500 million appropriation. If we need additional funds, which I think we shall, it is understood that a supplemental appropriation will be forthcoming. But I am sure that the Senator from Pennsylvania would agree with me that we wish to make sure that projects are available which are authorized, engineered, and ready to be undertaken. Therefore, for the immediate period of time, $500 million has been made available, which will accommodate many projects in the State of Pennsylvania and other States in the Union, and when additional funds under the $900 million authorization are needed, the Bureau of the Budget, acting for the President, will send to Congress a supplemental request. We will then review that supplemental request; and I am confident that the additional funds, when justified, will be made available.

So the Senator from Pennsylvania can feel that his labors in this area of legislative endeavor have been successful, and that his initiative on this question has been acclaimed and fulfilled. I compliment him and assure him that it has been a pleasure on my part to have worked a little in this area to see that this public works program came about.

Mr. CLARK. I thank my friend for his very kind words. My heart has been warmed by his assurance. As a most active and respected member of the Appropriations Committee, his assurance that what I have said is true will be most valuable. His words are particularly valuable because in Pennsylvania there are those who do not choose to acknowledge that the senior Senator from Pennsylvania played much, if any, part in the proposed legislation. But I know that my friend from Minnesota played a most active part, too, because his State is very much in the picture in connection with the bill and needs many of the proposed projects, particularly in the depressed areas in the northern part of Minnesota, as much as we in Pennsylvania need them.

Mr. HUMPHREY. Mr. President, will the Senator yield further?

Mr. CLARK. I yield.

Mr. HUMPHREY. Of course, I should like to be able to say that the bill is the Humphrey bill. But I think a Senator ought to be honest with himself and his colleagues. It is a fact that I introduced a measure along those lines. It is a fact that I have interested myself actively in the proposed legislation. But the truth is that from our part of the country Representative BLATNIK of Minnesota in the House of Representatives has been the real force for the measure. He has been the leader. I do not believe we can have two or three leaders at once. So Representative BLATNIK has taken the leadership in the upper Midwest.

But the Senator from Pennsylvania [Mr. CLARK] has taken the lead in the Senate. I cannot imagine that anyone would deny that. One need only read and have a reasonable degree of intellectual integrity, and it is quite obvious that the Senator from Pennsylvania deserves whatever credit is due any one individual Senator.

I compliment the Senator. If anyone in his State does not feel that way, I suggest that the Senator tell him to write me a letter. I shall send him a copy of the bill, the report, and the hearings. I wonder if the Senator from Virginia [Mr. ROBERTSON] feels the same way.

Mr. CLARK. Mr. President, I thank my friend from Minnesota. If the Senator will indulge me for only 2 more minutes, I shall then yield the floor.

I should like to place in the RECORD a very brief summary of the history of the bill. Initially a bill in a form somewhat different from that in which the measure passed, but in substance achieving the same result, was introduced by me in the early summer of 1961. At that time the bill was referred to the Committee on Labor and Public Welfare, and referred by that committee to the Subcommittee on Employment and Manpower, of which I have the honor to be chairman. In that subcommittee quite extensive hearings were held. At that time the administration was opposed to the bill because at that time they were off on their crusade to balance the budget, and they were not willing to ease in any way the problems of the unemployed by initiating a public works program.

Therefore, we did not attempt to report the bill to the Senate in 1961. However, I conferred with the President and with the Director of the Bureau of the Budget, Mr. Bell, with respect to this legislation, and I was assured in the early fall of 1961 that unless the economy took a drastic upward movement in terms of decreasing unemployment, the President would recommend to Congress, in his legislative messages of early 1962, a bill similar in substance to the one which I had introduced.

Unemployment did not decrease to a satisfactory extent, as everyone now knows. The President recommended such a public works emergency program to Congress. The bill which he recommended called for a total authorization of $1,500 million, $750 million of which was to come immediately, and the other $750 million to be triggered in at the discretion of the President if, in his opinion, the percentage of labor force which continued unemployed was still too high.

That bill was under discussion among the leadership. There was a question as to whether it should be again referred, as my previous bill had been referred, to the Subcommittee on Unemployment and Manpower of the Committee on Labor and Public Welfare. In those discussions I was persuaded that if we were to get a bill passed it had a better chance of success if it were referred to the Committee on Public Works, which was very much influenced by the views of the able Senator from Oklahoma [Mr. KERR], who pledged his strong support of the bill, and if he undertook to shepherd it through the committee and on the floor to passage.

I was only too happy to yield to the superior wisdom and influence of the Senator from Oklahoma. I therefore withdrew my request that it be referred to my subcommittee.

Thereafter it was reported from the committee with only minor amendments to change it from the version presented by the President. That bill was passed by the Senate after a very stiff floor fight. One of the critical votes in support of the bill was decided by a yea-and-nay vote of 39 to 38. There is no doubt in my mind that had not the Senator from Oklahoma put his full force behind the measure, it would not have been passed by the Senate. However, the bill was passed.

Our friends in the House, acting in a way which I cannot fail publicly to deplore, because it has happened so often, and is so foreign to our whole system of comity between the two Houses and the friendly relations that we try to maintain in adjusting differing views, refused to consider the Senate bill, and substituted the Blatnik bill, and passed it; and then refused to go to conference.

The House did not refuse to go to conference, but it was made clear that if the Senate did not accept the Blatnik bill without crossing a "t" or dotting an "i," there would be no conference on the bill because a rule could not be obtained and the legislation would be lost.

With the pistol at our heads, we concluded, wisely, I believe, to accept the House bill. I am happy that we did, because Representative BLATNIK's bill is a good bill. Actually it calls for $150,000 more in authorization for emergency public programs in the first year than the Senate bill did. I regret that it does not give the President standby authority to put an additional amount under contract if at the time the first appropriation has been expended, the percentage of unemployment in the country has not shrunk to an appropriate level.

Nevertheless, the authorization was higher for immediate purposes. The provisions of the bill were in many other respects practically identical with my bill. I was happy to join my colleagues in the Senate in their recommendation that the House bill be accepted.

That, then, is the history of this legislation. I am proud of the part I played in the formulation and passage of this legislation. I am delighted that I have had the assurance of the Senator from Minnesota, and informally from other members of the Appropriations Committee, that when it can be shown that the full amount of the authorization can be promptly expended we will get an additional appropriation.

I point out that in only 3 months from now Congress will return. It seems clear to me that it will be difficult to spend $500 million in the next 3 months.

PROHIBITIONS ON PROPAGANDA

Mr. CLARK. Mr. President, the Senator will recall the rather stiff fight that was made over the modified Cunningham amendment earlier this week, on which to my great pleasure, with the strong support of the Senator from Minnesota [Mr. HUMPHREY], we were able to persuade 33 Senators to stand up and be counted on a yea-and-nay note on an important civil liberties matter, despite the fact that the opposition forces were able to command a majority in taking what is essentially the first step toward a police state.

I am happy to note that we have gained an ally from a source which I would not expect with respect to legislation of the type the Senator from Minnesota and I sponsor and support.

That support comes from, of all places, the Wall Street Journal. I, therefore, take great pleasure in commending the Wall Street Journal for its strong support of the civil liberties program. I ask unanimous consent that the editorial in that publication, entitled "Prohibitions on Propaganda," published in the Wall Street Journal of September 28, 1962, be printed at this point in my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

PROHIBITIONS ON PROPAGANDA

Congress now has before it two proposals aimed at keeping out of the U.S. mails Communist propaganda from abroad.

One is Representative GLENN CUNNINGHAM's amendment to the House postal rate bill that would bar all such material. The other is the Senate Post Office Committee's alternative proposal that would generally limit propaganda mail delivery to persons who request it and to certain institutions, including libraries.

Now if there have to be restrictions on this sort of mailed matter, the Senate plan certainly represents the less objectionable way of going about it. But the administration's question and ours, is: Why are any restrictions necessary at all?

The longstanding argument for censorship has been that the Communist countries seize every avenue and opportunity to distribute propaganda in the United States in attempts to persuade the recipients that communism offers, or will surely bring about, the best of all possible worlds. And, the argument runs, Americans should be protected against all this.

That argument says, in effect, that we are an incredibly gullible nation, swaying to and fro with every propaganda breeze from behind the Iron Curtain.

It's true there was a time when some people, including some in Government, suffered from delusions about the nature of Soviet society. But a lot has happened since Stalin was our ally in World War II, and today those who still harbor misapprehensions about communism are fortunately few.

Even without all the evidence of communism's evils, for most Americans much Red propaganda would be self-defeating in its crudity and ineptness. For some specialists, however, it is necessary to the job of trying to understand something of what the Communists are thinking and doing, or what they may be up to next.

But the essential point, it seems to us, is that such prohibitions go against the grain of our history and institutions. They bear an uncomfortably close resemblance to the institutions America is fighting in the world today.

THE SCHOOL INTEGRATION CRISIS IN MISSISSIPPI

Mr. HUMPHREY. Mr. President, the President of the United States is exercising the power of the Executive in a deliberate, restrained, patient, and precise manner designed to reach a peaceful and honorable solution of the constitutional crisis posed by the Governor of Mississippi and his refusal to honor the duly constituted authority of the U.S. courts.

However, if all peaceful methods are exhausted, I am confident that the President will, at the proper time, take the necessary steps to enforce the authority of the courts and to achieve the admission of James Meredith to the University of Mississippi. The President seeks to use the minimum force necessary to achieve these objectives. He has been patient and has sought to bring respect and acceptance of the law without undue Federal activity.

Every citizen of the United States, regardless of race, creed, color, or national origin, is entitled to the equal protection of the laws as guaranteed by the 5th and 14th amendments to the U.S. Constitution. This guarantee includes the right to equal educational opportunities in publicly supported educational institutions.

What has happened in Mississippi is tragic and regrettable. It brings sorrow and heartache to millions of fellow Americans in that State and elsewhere. It challenges our constitutional system.

What is happening in Mississippi severely injures the United States both at home and abroad. It distresses and discourages our friends among the new nations in Africa and Asia. It weakens our alliances around the world. It brings joy to our enemies and provides the Communists with ready-made propaganda.

The President of the United States has sworn to uphold the Constitution. He can do no less, nor will he do less. I am confident that the Constitution will be upheld.

INTEREST RATES ON FOREIGN OFFICIAL TIME DEPOSITS

Mr. ROBERTSON. Mr. President, I wish to make a statement about a bill that is strongly urged by the administration. The bill, which really affects only three cities to any appreciable extent—New York, Chicago, and San Francisco—provides that banks may pay whatever interest they please on time deposits by foreign governments, foreign central banks, and international financial institutions of which the United States is a member, such as the International Bank and the International Monetary Fund.

Congress was asked in March 1961 to enact this legislation. But after a rather unhappy experience in 1957 with a bill on which I had spent months and months of labor, known as the Financial Institutions Act of 1957, I have more or less adopted the policy on administration banking matters to let the House act first. Nevertheless, I introduced the bill. A similar bill was introduced in the House.

At that time the Treasury Department, strongly in favor of the bill, preferred to concentrate on a bill which granted to foreign central banks tax exemption on interest earned on their holdings of U.S. Government securities—Public Law 87-29. The result was that the House did not pass the bill to which I am referring until September 11 of this year. Immediately, I presented it to the Committee on Banking and Currency, and after hearings, at which Under Secretary Roosa and others testified in favor of the bill, the committee reported it with two members of the committee indicating opposition to it. Both of them filed statements indicating that the bill might lead to complications. Those statements are now in the report which accompanied the bill when it was first reported.

One of those Senators, the distinguished Senator from Illinois [Mr. DOUGLAS], then objected to the consideration of the bill in the Senate because a quorum of the committee was not present when the committee voted to report it. It was so near the end of the session that the members of the committee who were present thought we would be justified to adopt the unusual procedure of reporting the bill without a quorum, on the assumption that no serious opposition would be raised to the bill when it reached the floor. But the Senator from Illinois insisted that the bill be sent back to committee. So yesterday the bill was returned to committee. Nine or ten members of the committee were present, and they voted to report the bill. The same two Senators were opposed to it.

Then a check was made on the Republican side, and we were informed that no Republican Member of the Senate was opposed to the bill. We made a check on the Democratic side and could find only one Member of the Senate who was really opposed to it, namely, the Senator from Wisconsin. The Senator from Illinois, whose city would be favored by the bill, left and sent word to me that he would have no objection if I called up the bill in his absence.

So now we have before us a bill which the Secretary of the Treasury told me yesterday involved a saving of $300 million of gold for our Government. The bill has the approval of the Federal Reserve Board. It has the approval of some of the bankers of those cities where the banks will be permitted, if the bill shall be passed, to pay a little higher rate of interest on their foreign deposits.

Now, near the end of the session, we are faced with a demand from the distinguished Senator from Wisconsin [Mr. PROXMIRE] that the price of his support for the bill will be the acceptance of his amendment to limit the operation of the bill to either 1 year or 2 years. He first proposed 1 year; he then proposed 2 years. The committee rejected his proposals, because any amendment to the bill means that the bill will be killed.

I have just received a letter from the distinguished Secretary of the Treasury, Hon. Douglas Dillon, which reads:

> SEPTEMBER 28, 1962.
>
> Hon. A. WILLIS ROBERTSON,
> *U.S. Senate, Washington, D.C.*
>
> DEAR WILLIS: I am writing to assure you of my strong personal interest in the passage of the bill removing restrictions on time deposit rates for deposits of foreign central banks and governments, S. 1413 (H.R. 12080). The Treasury gives its wholehearted support to this bill as constituting a further step toward strengthening our balance-of-payments position.

I digress to repeat that the Secretary of the Treasury told me that such a strengthening would mean a saving of $300 million of gold, when we have only about $6 billion of free gold against potential foreign demands of $19 billion. Under those circumstances, I should think that any action on our part which would slow down or stop the drain upon our diminishing gold supply would be of very great interest to the entire Nation.

I continue to read from Mr. Dillon's letter:

> I understand that the suggestion has been made to place a time limitation of 1 or 2 years on the legislation. In our judgment, it will take some time for the banks to adapt their procedures and make the necessary contacts and arrangements needed if this legislation is to produce more than nominal results. The benefits which we hope to obtain from this legislation cannot be achieved if the banks look upon this as a temporary authority. Consequently, we would opposed any time limitation, on the ground that it would tend to defeat the ends we hope to achieve through this bill.

Mr. President, I digress again to say that in addition the bill would be killed, because if the Senate accepts the proposed amendment to the bill, the bill will have to go to the House, and the House took from March of 1961 until this September to pass it. I doubt that the House will have a quorum. All of their committees have concluded their work. So it is a futile gesture to say that the bill will be improved. Either the bill will be passed as it is, or it will be killed; that is what it amounts to. I continue to read:

> The Treasury, of course, will be prepared to make periodic reports to the Senate Banking Committee on the effects of this legislation. At such time we can appraise whether the effects suggested in the minority report of the committee have, in fact, occurred. We believe that this course of action is much to be preferred to the placing of a time limit which, we believe, would tend to assure that the legislation would not fulfill our objectives.
>
> With best wishes,
>
> Sincerely,
>
> DOUGLAS DILLON.

Mr. President, what the situation boils down to is this: Unless the bill can be passed today, it is dead. The Secretary of the Treasury said that Congress would receive periodic reports concerning the fears expressed by the distinguished Senator from Wisconsin, fears which apparently are not shared by any other Member of the Senate, except possibly the Senator from Illinois [Mr. DOUGLAS].

The Secretary said that Congress would receive periodic reports concerning those fears. If the fears prove to be true, I will be the first to introduce a bill, or to call prompt hearings on any bill which the Senator from Wisconsin introduces, to repeal the act, if it does anything which he says it will do.

In the meantime, according to the President and the Secretary of the Treasury, the United States has $300 million of vital gold at stake on this proposal.

More than an hour ago the distinguished majority leader said there would be no more votes today. When he made that announcement, there was a great exodus of distinguished Senators from the Chamber; and everyone knows that now it would be a futile gesture to try to get them to return, because they have gone to the four corners of the earth, or wherever else they have planned to go. So it would not be possible to develop a quorum.

Mr. President, I shall ask unanimous consent to call up the bill; but all the distinguished Senator from Wisconsin has to do is to suggest the absence of a quorum, and that is when the bill will be killed.

I wished to make it plain that this was my last chance to carry out the request of the Treasury for what it considered to be a very vital measure, one which would save $300 million of very precious gold.

But if the Senator from Wisconsin [Mr. PROXMIRE] feels that he is promoting the interests of his constituents and the interests of the Nation by killing the bill, he has the privilege of doing so; but he must assume responsibility for action which not only is voluntary, but, I would say, also is premeditated.

Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 2154, House bill 12080, to permit domestic banks to pay interest on time deposits of foreign governments at rates differing from those applicable to domestic depositors.

Mr. PROXMIRE. Mr. President, I object.

Mr. ROBERTSON. Then, Mr. President, so far as I am concerned, I think that ends the bill for this session.

Mr. MANSFIELD. Mr. President, will the Senator from Virginia yield?

Mr. ROBERTSON. I yield.

Mr. MANSFIELD. I hope this will not end the bill for this session. I realize the unusual circumstances under which the Senate and Senators are operating this afternoon. However, I hope the Senator from Wisconsin will give consideration, over the weekend, and into next week, to the possibility of reaching some sort of limitation agreement under which this measure could be brought up at an appropriate time—if we can find an appropriate time, next week—for the purpose of giving it consideration and giving the Senate an opportunity to decide on the basis of the merits involved.

I know the Senator from Virginia is very much interested in this proposal, and he endorses it with the full support of the administration. There is no question about that. The administration believes that, from the point of view of the gold involved, it would be to the benefit of the country to have the bill enacted.

By the same token, I hope that the Senator from Wisconsin [Mr. PROXMIRE]—who is very fairminded, and, to my knowledge, has never employed dilatory tactics, except in regard to the Chicago drainage canal, if I am not mistaken—will give this matter serious consideration and let us know, some time next week, if it would be possible to arrive at a unanimous-consent agreement for the purpose of having this measure considered, provided the Senate can find the time to do so. I am not asking for a commitment; I merely hope that this suggestion will be considered.

Mr. ROBERTSON. Mr. President, I appreciate the statement of the majority leader. It is directed at our esteemed colleague, the Senator from Wisconsin [Mr. PROXMIRE].

So far as I can determine at this late hour, only one or two Senators would object. But the Senator from Wisconsin wishes to have a yea-and-nay vote taken. I am willing to have the yea-and-nay vote taken, if the time can be found for it. But the Senator from Wisconsin says he expects to speak at length.

Mr. MANSFIELD. Not today.

Mr. ROBERTSON. Next week, before adjournment.

But the situation is that one Member of the Senate kills the bill, and that is all there is to it.

INVESTMENT BY CERTAIN BANKS IN CORPORATIONS PROVIDING CLERICAL SERVICES

Mr. ROBERTSON. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a statement about Calendar No. 2071, House bill 8874, to authorize certain banks to invest in corporations whose purpose is to provide clerical services for them, and for other purposes.

Four Senators—I should say three Senators—are opposed to this bill; and for that reason it cannot be brought up. But I want the RECORD to show that I wish to have the bill brought up. All the banks of the country want the bill enacted, for it would authorize the establishment of corporations which could service the banks, and thus could save them many thousands of dollars. That is especially true of the small banks. All the banks in the country want the bill enacted; but three Members of the Senate say, first, that some of the accountants believe the bill might take business away from them. However, I am willing to make a very strong statement on that subject, insofar as the accountants are concerned.

In addition, the three Senators say that one or two suppliers of bank equipment are opposed to the bill. But I point out that it may cost as much as $150,000 or $250,000 to fully equip a small bank; but many of the banks do not have more than $25,000 or $30,000 to spend on capital equipment. However, three Senators have said, "Oh, no; the banks cannot have this bill."

So, Mr. President, I ask unanimous consent to have my views on the bill printed in the RECORD; and, before Congress adjourns, I will indicate the names of the three Senators who are opposed to the bill and are killing it.

Mr. PROXMIRE. Mr. President, I understand that the request is merely to have the statement of the Senator from Virginia printed in the RECORD.

Mr. ROBERTSON. That is correct, because I do not think the bill will be taken up.

Mr. PROXMIRE. I have no objection to the printing of the statement.

The PRESIDING OFFICER. Is there objection?

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

H.R. 8874, BANK SERVICE CORPORATIONS

STATEMENT BY SENATOR ROBERTSON, OF VIRGINIA

The purpose of H.R. 8874 is to help small- and medium-sized banks compete more effectively with larger banks and give better service to the public, by forming bank service corporations which will make available efficient and expensive equipment the banks individually could not afford to buy.

I am glad to say that this purpose meets with the unanimous approval of the Banking and Currency Committee. The majority report and the two supplemental views all express strong support for this purpose.

However, certain relatively minor provisions of the bill have caused a good deal of misunderstanding and confusion and, I regret to say, of opposition.

On the one hand, it is argued that the bill goes too far and permits banks to engage in nonbank business and compete with other organizations and professions. On the other hand, it is argued that the bill does not go far enough and does not permit savings and loan associations, credit unions, insurance companies, and other lending and financial institutions to take part on an equal basis with banks, waiving all laws—or at least all Federal laws which might prevent such participation.

On the one hand, it is argued that these bank service corporations may enable banks to engage in monopolistic and anticompetitive activities. On the other hand, it is argued that the bill gives too much power to the Federal supervisory authorities over the banks they supervise.

These views have led members of the committee to suggest various amendments to the bill. The majority of the committee, however, take the position that no compelling need for these amendments has been demonstrated—that the Federal supervisory agencies can be counted on to administer the act so as to minimize or eliminate the anticipated dangers—and that the matter can be reviewed next year on the basis of reports from the agencies in the light of experience under the present act.

Nine States—Connecticut, Iowa, Maine, Massachusetts, Michigan, Ohio, Pennsylvania, Virginia, and South Carolina—have enacted statutes specifically authorizing State banks to hold stock in such corporations, and under the general bank codes of New York, and possibly other States, State banks are authorized to do so. But national banks, State member banks, and a few other State banks are prohibited by Federal statutes from holding such stock.

H.R. 8874 would waive the prohibitions of Federal laws relating exclusively to banks so as to make it possible for two or more federally supervised banks to hold stock in bank service corporations rendering bank services to them, to other stockholding members of the bank service corporation, and to outside persons and organizations. Not more than 50 percent of the service corporation's activity could be performed for persons or organizations other than banks, whether members or not. Arrangements would be made under the bill for competing banks to get the benefit of the services of the corporation, either by membership or by contract, unless comparable services were available elsewhere. The right of the Federal supervisory agencies to examine and regulate bank functions performed by others than banks, including bank service corporations, particularly off the bank's premises, would be made clear and explicit.

H.R. 8874 was introduced in the House on August 23, 1961—more than a year ago. A hearing was held by a subcommittee of the House Banking and Currency Committee on July 19 and 20, 1962, and the House Banking and Currency Committee reported the bill on July 30, 1962, with two Members dissenting. The House passed the bill on a voice vote on August 14, 1962. The Senate Banking and Currency Committee held a hearing on August 30, 1962, pursuant to notices given in the CONGRESSIONAL RECORD on August 20 and 27, 1962. On September 13, the full committee met to discuss the bill. By a vote of 10 to 5, the committee refused to amend the bill and it was ordered reported with only one dissenting vote recorded.

At the meeting, the various problems raised in the supplemental views—the desirability of including savings and loan associations, insurance companies, credit unions, and other lending and financial institutions; the dangers of permitting banks to engage in nonbank business; the question of kinds and methods of automated equipment; and the anticompetitive and monopolistic problems—were discussed at length. These points had been covered in a draft committee report which had been circulated to the committee members the day before the meeting, and the committee agreed on a number of changes to be made in the draft committee report in order to assure the maximum clarification of the purposes of the committee and the maximum protection against the dangers and difficulties which were anticipated.

In my judgment, the committee's action was sound, well advised, and appropriate. I think that enactment of the bill would result in making it possible for a good many small banks to get the benefit of modern, efficient equipment which they could not themselves afford to buy, and that they will be in a better position to compete with large banks and provide economical and efficient treatment for their customers.

In my judgment, the committee was right to reject all amendments proposed.

In the first place, in view of the lateness in the present session, I believe acceptance of any amendments whatever would seriously imperil the bill.

More important, however, I do not think that a case was made before the committee for any of the amendments suggested.

The suggestion that savings and loan associations, insurance companies, credit unions, and other lending and financial institutions should be brought into the bill on the same basis as banks was not brought to my attention, or, as far as I am aware, to the committee's attention, until the Executive session. Certainly no suggestion was made that this was necessary or desirable during the entire year that the bill was pending in the House, and no suggestion that this was necessary or desirable was made during the Senate hearings. In fact, I have yet to receive a letter, telegram, or telephone call from any representative of any of these institutions indicating any interest whatever in the suggestion. It seems unlikely, for instance, that savings and loan associations and credit unions would have the same interest in check-processing equipment as would banks. I do not know what Federal or State statutes would have to be amended in order to carry out this proposal, and I do not know what its advantages or disadvantages would be. Clearly, an entirely new issue would be raised by this proposal, and no doubt new hearings would be necessary.

The committee made it clear in the report that savings and loan associations, insurance companies, credit unions, and other lending and financial institutions may be nonbank stockholding members or customers of bank service corporations, and they may have work done for them by bank service corporations in either capacity, subject to the overall limitation that not more than 50 percent of a bank service corporation's activity may be performed for persons or organizations other than banks. In addition, the committee recommended in its report that bank service corporations restrict their nonbank customers to savings and loan associations, credit unions, and other lending institutions.

The suggestion that bank service corporations should not be permitted to perform any work for persons or organizations other than banks was also carefully considered by the committee.

This suggestion was made by a representative of the National Society of Public Accountants, as a proposed amendment to section 4 of the bill. Since the time of the hearings, members of the committee and other Senators have received letters on this subject.

The committee agreed fully, and made it clear in its report, that the service corporations' activities could not "include any professional services of a kind which cannot properly be performed by corporations," that bank service corporations should not be used as devices or subterfuges to enable banks to get into nonbank activities, and that the nonbank services would have to be incidental and secondary to the bank services performed. This would, of course, be particularly true in the case of nonbank customers, as distinguished from nonbank stockholder members of the service corporation

At the same time, it was felt that to restrict bank service corporations to working solely for banks, or solely for certan financial institutions, might in some cases deny the benefits of the bill to very small banks, which even together could not buy necessary pieces of equipment without calling on some assistance from persons or organizations other than banks.

In considering the suggestion that bank service corporations should not be permitted to perform any work for persons or organizations other than banks, it seems appropriate to take note of the State laws on the subject. There are twice as many State banks as there are national banks, and many of the State banks are among the smallest banks. Consequently, it can be expected that most bank service corporations will include at least one State bank. A bank service corporation having both State and National banks as members must, of course, abide by the more restrictive law, whether State or National. Several State laws—Connecticut, Massachusetts, Ohio, Michigan, and Iowa—limit bank service corporations to which their State banks may belong to corporations performing services exclusively to banks or banks and trust companies. I would expect, therefore, that all, or virtually all, bank service corporations in those States could perform no work for anyone other than banks.

On the other hand, in Virginia, a State bank may belong to a bank service corporation "engaged primarily in rendering services * * * to two or more banks," and in South Carolina, a State bank may belong to a bank service corporation whose primary purpose is to perform services for two or more banks. In Maine, a State bank may purchase the stock of any organization "operated primarily * * * for the institution or other financial institutions." In Pennsylvania, it appears that bank service corporations might perform services for a bank, a bank and trust company, a trust company, or "for one or more institutions, corporations, associations, partnerships or individuals." So, in Virginia, South Carolina, Maine, and Pennsylvania the suggested amendment would be more restrictive than the State law, and State banks could not take full advantage of the State laws.

The committee did not adopt the suggested amendment. The committee report, however, went into this matter at considerable length in an effort to make clear the committee's position that bank service corporations were designed primarily to help banks.

The following excerpts from pages 4, 5, and 6, of the report will, I think, make this clear:

"The bill authorizes a bank service corporation to perform similar services for persons or organizations other than banks up to 50 percent of its total activity. The authorization to perform services for others than the owning banks is provided in order to permit full and efficient use of the equipment of the bank service corporation. The bill is not intended as a means to enable banks to engage in nonbank business, and the committee looks to the bank supervisory agencies to make sure that banks do not organize or join bank service corporations for the purpose of entering into businesses other than banking" (p. 4).

"The committee urges that bank service corporations restrict their nonbank customers to savings and loan associations, credit unions and other lending institutions" (p. 5).

"The bill would prohibit any bank service corporation from engaging in any revenue-producing activity other than the performance of bank services for banks and, up to one-half of its total activity, the performance of similar services for persons or organizations other than banks. As indicated in the description of section 1, organizations other than banks including for example, savings and loan associations, insurance companies, credit unions, and similar financial institutions, or other organizations, might be stockholding members of the corporation. In addition, the bank service corporation's facilities might be made available to nonmembers. But the total of services to all of such nonbank organizations, whether stockholding members or not, could not exceed 50 percent of the total activity of the bank service corporation. In most cases, of course, it is expected that the total activity for nonbank organizations would be relatively small, or there would be no nonbank services" (pp. 5 and 6).

The suggestion that the bill was designed to encourage any particular variety of check processing equipment instead of any other competing variety was not considered to be raised by the bill and any such intention was expressly disclaimed in the report. Bank service corporations operating under the bill would be authorized to use any kind of equipment, they might find desirable, to perform bank services. The committee did not intend approval of the bill to connote approval or disapproval of any kind, make, or system of equipment, or of any particular process of automation.

The suggestion that the express recognition of the Federal supervisory agencies' authority to regulate and examine the performance of bank services by anyone other than the bank would interfere with bank operations, particularly in emergency or occasional rush periods, was also carefully considered by the committee. The committee did not intend any such result, and in the report expressly directed the bank supervisory agencies to make sure that bank operations would not be inconvenienced under these conditions.

This point was raised particularly by the Chase Manhattan Bank in a letter printed in the hearings. After the report was printed, I sent a copy to the bank to show the efforts we had made to prevent the difficulties they anticipated. I was glad to receive the following reply from the bank, indicating that in their case we had succeeded in our efforts:

> THE CHASE MANHATTAN BANK,
> *New York, N.Y., September 26, 1962.*
>
> HON. A. WILLIS ROBERTSON,
> *Chairman, Banking and Currency Committee, U.S. Senate Office Building, Washington, D.C.*
>
> DEAR SENATOR ROBERTSON: Thank you for your letter of September 18 accompanied by a copy of your committee's report on H.R. 8874.
>
> After reading the report I feel confident that the supervisory authorities will be guided by the spirit evidenced in your report, and that we shall not be faced with any difficulties with respect to the outside organizations who perform certain services for us. I very much appreciate your having those comments reported, particularly those on page 3.
>
> Sincerely yours,
>
> H. P. MOELLER.

The committee considered the suggestion that bank service corporations might be used to weaken independent banking or to injure the competitors of banks owning a bank service corporation. As I have said already, the purpose of the bill is to help smaller banks compete with larger banks which can afford to buy this equipment themselves. Any attempt to misuse a bank service corporation for monopolistic or anticompetitive reasons would be entirely contrary to the purpose of the bill. The committee gave particular attention to this problem in its report, especially in connection with applications by competing banks for membership in a bank service corporation and in connection with the danger of exchange of confidential information through a bank service corporation. The committee looks to the Federal bank supervisory agencies to exercise extreme care to make sure that bank service corporations are not so misused.

Finally, the committee in its report announced its intention to call for reports from the Federal bank supervisory agencies about the activities of these bank service corporations, and early next year to review their activities in order to see whether abuses have developed and whether any amendments to the law are necessary or desirable.

In my judgment, the committee has made every reasonable effort, and has taken every reasonable precaution, to make sure that the desirable purposes of the bill will be carried out and to prevent any misuse or danger arising from the authority conferred by the bill.

I urge the Senate to approve the bill.

INTEREST RATES ON FOREIGN OFFICIAL TIME DEPOSITS

Mr. PROXMIRE. Mr. President, in reply to the remarks of the distinguished chairman of the Banking and Currency Committee, the Senator from Virginia [Mr. ROBERTSON], for whom I have the greatest admiration and respect, I wish to say that I feel very strongly that this bill is a very bad one.

The amendment which I offered in the committee provided that the bill would be effective for only 2 years. However, the amendment received the support of only three or four members of the committee. But since then, other Senators have come to me on the floor and have said they have reservations about the bill. Senators who are interested in this question will wish to read the minority views, which are to be found on pages 8, 9, and 10 of the report.

After I filed minority views, I talked with Mr. Robert Roosa for about an hour. He is one of the greatest bankers in the world. He favors the bill; but I must say that after that conversation for 1 hour, I was not at all convinced that the bill would save a nickel's worth of gold; there is not a shred of documentation to show that it would save any gold. The Under Secretary of the Treasury could just as well have said the bill would make it possible to save $30 million or $3 billion. In other words, there is no documentary support for any such claim. Under Secretary Roosa appeared before the committee; but he was not able to show any evidence that the bill would improve our gold balance, which is the fundamental problem involved.

I am convinced that the sole benefit of the bill would be the profit which would, as a result of enactment of the bill, accrue to the large banks, because of increased time deposits by foreign governments.

As developed at the hearings, the situation to which the bill relates is about as follows: Today, foreign central banks pay some of the large banks in New York. on their time deposits, approximately $2,200 million, even under the present ceiling on interest rates. In addition, the foreign central banks own approximately $6 billion of Treasury bills. They have an arrangement with the New York banks with which they have deposits that when their deposits reach a certain level, the New York banks will transfer the funds into Treasury bills, so that a higher rate of interest can be received.

On deposits between 90 days and 6 months, the ceiling rate is 2½ percent. Treasury bills are now selling over 2¾ percent.

All that those banks would have to do would be to increase their interest rate from 2½ to 3 percent, and then the foreign banks would—or it seems to me that most of them would—end their orders to have their deposits transferred into Treasury bills.

What advantage would the American banks receive? The answer is that these deposits would be then increased, perhaps to $2,500 million or $3 billion or even $4 billion; but that would not stem the outflow of gold. It would only mean that instead of having the foreign central banks hold our Treasury bills, they would hold larger deposits in the New York banks. The larger deposits would be very beneficial to the New York banks, because they would benefit as a result of their fixed interest charges and their fixed charges for service for these accounts; and if the foreign central banks had larger deposits in the New York banks, of course the cost would be distributed over a larger earnings base. So, under these circumstances, it is perfectly obvious why the New York banks would be very eager to have such an opportunity.

On the other hand, it is also apparent that the American taxpayers would be required to pay higher interest rates on Treasury bills, in the event this bill were to be enacted, because the large market—which now amounts to $6 billion—for Treasury bills would be significantly decreased; and, therefore, in order to sell those bills, it would be necessary for the Treasury to pay higher interest rates, at the expense of the American taxpayers.

I shall mention one further reason. Then I shall ask unanimous consent that my dissenting views be printed in the RECORD. This bill would shatter precedent. We have never done it before. It would permit banks to discriminate in interest rates between depositors who bank equal amounts for equal periods of time. It would discriminate in favor of foreign central banks. I think this discrimination is wrong. I have always opposed discrimination of any kind. Certainly this kind of discrimination in favor of foreign central banks and against other depositors is unjustified.

I ask unanimous consent that my minority views, which discuss these points, be printed at this point in the RECORD.

There being no objection, the minority views were ordered to be printed in the RECORD, as follows:

MINORITY VIEWS OF SENATOR WILLIAM PROXMIRE ON H.R. 12080, SEPTEMBER 20, 1962

I OPPOSE H.R. 12080

This bill permits banks to pay higher interest rates to foreign governments and their central banks than to other depositors. In doing so it shatters precedent and establishes a radical new practice. It permits banks to violate an established Federal interest ceiling by discriminating among depositors who bank equal amounts for equal periods of time.

What does this drastic departure from precedent and principle achieve?

The bill is designed to reduce the Nation's gold loss. It will not do so significantly. It probably will reduce foreign holdings of U.S. Treasury bills and correspondingly increase foreign deposits in a few large American banks.

All witnesses at the hearings agreed this bill cannot improve the Nation's balance of payments.

It is a palliative deliberately calculated to deal with the symptoms of our international economic disadvantage, not the causes.

And despite protestations by witnesses to the contrary, this bill will not discourage conversion of foreign government deposits in American banks into gold. This is true for these reasons:

1. Conversion of dollars into gold are not and have never been significantly related to interest paid for time deposits in American banks.

2. Certainly in 1958 and 1959 when the big conversions of dollars into gold took place it was apparent that the balance-of-payments difficulties and the threat to the dollar caused speculation which in turn resulted in heavy conversion of dollars into gold, swamping any interest rate considerations. Even in this unusual period, almost none of the gold outflow was attributable to changes in official holdings.

3. All witnesses agreed that political considerations and the need for normal working balances, not interest differentials, are the principal reasons for central banks of foreign countries keeping funds on deposit in American banks.

4. If the central banks of foreign governments have been concerned with obtaining higher rates of interest on their holdings of dollars for their necessary banking operations, they had only to place them in short-term U.S. Government securities. This would have given them a rate of return which was higher than that obtainable on any time deposits in any banks. It would still have given them the opportunity to have dollar balances available to them when they needed them. And it would also permit them to earn an adequate yield on such balances. In spite of all these advantages, foreign banks keep $2.2 billion on deposit in American banks at present low interest rates. Why do they do this? Because such balances are a requisite for the international dollar transactions of central government banks.

BILL WOULD BENEFIT A FEW LARGE BANKS

This bill is designed to increase the profits of a few huge banks, and this it would do. Here's how:

The handful of banks that currently have sizable foreign balances must provide many services to those foreign official bodies that have those accounts with them. These banks provide many services such as letters of credit, the handling of export credit insurance, the transfer of funds and specialized exchange operations, as well as other legal, accounting, and advisory services.

These services can be considered as relatively fixed overhead that does not vary with the size of the total foreign deposits or depositors. The larger the deposits that are received from all foreign bodies, especially official foreign depositors, the smaller these overhead costs are relative to the interest payments on those accounts. These banks could pay significantly higher rates of interest on each additional dollar of foreign deposits since this would be offset by the lower overhead costs per dollar of foreign deposits.

U.S. TAXPAYER PAYS

Increased profits from the banks would come at the expense of higher interest rates paid by U.S. taxpayers. Here's why: It is likely that foreign accounts are going to increase at the expense of foreign holding of short-term Government securities. This would result from shifts from holdings of securities to the time deposits that would have a higher yield in the absence of the application of regulation to such foreign-held time deposits.

Since over $6 billion worth of short-term Government securities are held by official foreign bodies, a significant increase could occur in the size of the time deposits held by foreign governments as the result of a shift out of short-term Government securities held by foreign official bodies. The sale of $1 billion of these Treasury bills and the reinvestment of the proceeds in U.S. banks would result in a 50-percent increase in the size of the time deposits held by American banks.

The short-term Government securities market would face a problem if this bill passes even if no pronounced shifts of existing holdings occurred. Foreign official bodies could then obtain the same or a higher rate of interest on time deposits plus the greater availability of services that larger deposits bring. They would, therefore, tend to place any increments to their dollar holdings in those time deposits rather than in short-term Government securities. While such a trend may not result in any dramatic shifts from Government bills into time deposits, the longrun implications would be the same.

The handful of banks would have a greater percentage of the dollar holdings of the foreign official bodies, and the U.S. Government have a smaller share. This would tend to lower the price of the Government bills, and thus raise the rate of interest on those short-term Government securities. If the banks invested their increments in time deposits in those Government securities of the same maturity, the effect on the rate of interest of those bills would be minimal. However, if the banks placed the increments to those foreign-held time deposits in non-Government securities of different maturities, the effect would be for the rate of interest on the short-term Government securities to increase.

MORE FUNDAMENTAL SOLUTION REQUIRED

There is a growing awareness that the severity of the balance of payments and gold outflow problem can be easily exaggerated. But to the extent that there are still problems remaining in this area, more attention should be paid to the finding of fundamental solutions, rather than to expediencies which reach only the symptoms. This is especially true when those gimmicks give rise to as many certain problems as to uncertain benefits. The establishment of a mutual currency account, such as recently suggested by Britain's Chancellor of the Exchequer Maulding, is the sort of proposal which is more likely to contribute to the real solution of any remaining problems of this sort.

CONCLUSION

I oppose this bill for these reasons:

1. It shatters precedent and for the first time permits American banks to discriminate in interest rates paid among depositors who bank equal amounts for equal periods of time.

2. It will not and cannot improve our adverse balance of payments.

3. It will not significantly slow the conversion of dollars into gold.

4. Its sole benefit will accrue in higher profits for a handful of huge banks, a benefit that will be more than counterbalanced by higher interest rates on U.S. Treasury bills at the expense of the American taxpayer.

WILLIAM PROXMIRE.

THE BANK SERVICE CORPORATION BILL

Mr. PROXMIRE. Mr. President, in connection with the other bill which was mentioned by the Senator from Virginia, the bank service corporation bill, he said only three Members of the Senate opposed it. I believe more Members of the Senate than that would vote against it. Three Members of the Senate have been so concerned about the bill that they have notified the leadership on both sides of the aisle that they want to be notified when the bill comes up and that they want to vote against it. Two other Members have expressed severe reservations about the present wording of the bill. I think a number of persons feel deeply about it.

I am not arguing that we should defeat both of these bills. I frankly said I would vote in favor of the bill to permit discrimination in favor of foreign central banks provided a 2-year limitation were inserted, so that we could judge its efficacy after 2 years. Frankly, when I broached this suggestion to the Treasury 48 hours ago, they said they could live with it, that it was all right, that it made sense. However, the Secretary of the Treasury now takes a different position.

Our position on the bank service corporation bill is similar. While not opposing the bill, we feel it should be amended in order to remove the defects that exist in the present wording.

When, in the closing days of the session, Senators suggest that we must take this bill as it is or we will get no bill, and that it cannot be amended, it seems to me that is basis enough for voting against the bill. One of the most precious rights in the Senate is the right of amendment. We feel very strongly—most members of the committee conceded it—that the bank service corporation bill probably should be amended. Under those circumstances I think we have every right to argue that we should be able to amend the bill moderately.

I am not at all convinced that, if we amended the bill, it would necessarily die in the House. There is every prospect that the House would take the bill as amended. Heaven knows, we have already accepted a number of House amendments to Senate bills. I suspect that before the session is over we shall accept 40, 50, 60, or perhaps a hundred more bills which have been amended by the House. So if the Senator from Virginia is really interested in having either of these bills passed, all he has to do is consider very moderate amendments, which it is conceded should be made in the case of the bank service corporation bill. What would the Senator from Virginia lose by such action? Without the amendments, the bill is dead, but with them there is a chance for the bill to live. This statement applies to the bank discrimination bill. If he is willing to take a moderate limitation, which the Treasury at first accepted, I think the bill can pass the Senate and have a chance, at least, of passing the House, and can be enacted into law.

Before launching into the principal speech which I shall make this afternoon, I ask unanimous consent that I may yield to the Senator from New York [Mr. KEATING] without losing my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

PUBLIC WORKS APPROPRIATIONS, 1963

The Senate resumed the consideration of the bill (H.R. 12900) making appropriations for certain civil functions administered by the Department of Defense, certain agencies of the Department of the Interior, the Atomic Energy Commission, the St. Lawrence Seaway Development Corporation, the Tennessee Valley Authority, and certain river basin commissions for the fiscal year ending June 30, 1963, and for other purposes.

Mr. KEATING. Mr. President, I express my gratitude to the distinguished Senator from Wisconsin. There are two projects in the bill on which I wish to speak very briefly.

FIRE ISLAND PROJECT

Mr. President, I am especially pleased that the Appropriations Committee has approved the sum of $1 million for work on the Fire Island erosion control and dune protection project from Fire Island Inlet to Montauk Point. Two hundred and fifty thousand dollars will complete the preconstruction planning and $750,000 will go for the actual construction of groins out into the sea and for the rebuilding and shoring up the dunes.

Mr. President, as is well known, the storm of last March caused tremendous damage on Fire Island. Houses were destroyed and in many areas the barrier dunes were entirely washed away. Unless the greatest haste is taken in repairing previous damage and guarding against similar storms, it may be too late. A severe storm even this fall would do irreparable damage.

So I congratulate the Senate committee, and I want to express my appreciation to them for recognizing this situation. I hope the committee will use all of its influence to persuade the members of the House committee to accept this sum.

In the House only the $250,000 for planning was provided. It is extremely important that we get on with this project as quickly as possible.

I would like to add a word with regard to the unfortunate controversy that has risen over the possibility of a highway on Fire Island. In my judgment, it is premature to raise that question at this time. The immediate need is groins and rebuilding the dunes. There are a number of other proposals, such as the one for a national seashore park, which deserve careful study at the local, State, and Federal level before any decision is reached. Certainly, no action should be taken with regard to a highway, in my judgment, until this alternative has been fully evaluated.

SENECA INDIANS AND KINZUA DAM

Mr. President, there is one other project in the bill to which I desire to refer, designated as the Allegheny River Reservoir, N.Y. and Pa., shown on page 15 of the report.

Today, throughout New York, the citizens of my State are celebrating American Indian Day. Ceremonies are being held in New York City, as well as areas upstate, to honor these original Americans. But the Seneca Indians of western New York have no cause for celebration today, because, in violation of a treaty with the United States of America, they will shortly be displaced from their homes due to the construction of the Kinzua Dam on the Allegheny River.

It is ironical and regrettable, it seems to me, that we are considering on the floor of the Senate today a proposal—and, of course, it will be enacted—which will do such damage to the land of these Indians and will violate a U.S. treaty.

I opposed this project for the Allegheny River Reservoir for many years, first in the other body and then here. There were alternative sites available which would not cause this enormous hardship to the Senecas. Last year, however, as it became clear that it was completely impossible to block the project, at the time the public works appropriation bill was passed, I was assured by the Senator from Louisiana that the Federal Government would endeavor to compensate the Indians fully—at least financially—for their loss. We were told that the President had directed the "departments and agencies of the Federal Government to take every action within their authority to assist the Seneca Nation and its members who must be relocated in adjusting to the new situation." In commenting upon this promise last year, the Senator from Louisiana stated that "when the committee takes up the public works bill next year, we shall in detail go into the reports that will be forthcoming as a result of the studies to be made in the meantime."

We are now asked to appropriate $24,800,000 to continue the construction of this dam, and I have the impression that very little has been done for the Seneca Nation during this year of adjustment.

Assistance was promised in four areas. Yet from the committee hearings, it would appear that action has been taken. The State of New York has moved faster than the Federal Government to help the Seneca Nation.

First. A committee was formed to determine what land would be given to the Indians in lieu of the land they lost, but no recommendations or reports have come from that committee.

Second. A committee was formed to determine special damages due the Senecas, but no recommendations or reports have come from that committee.

Third. The Bureau of Indian Affairs was to decide what special assistance would be needed by the relocated tribe, and no recommendations or reports have come from them.

Fourth. The Park Service was asked to report on the recreation potential of the area, proceeds from which were to be shared by the Indians, and although the Park Service has completed and submitted a report, the report has not been evaluated or made public.

Mr. President, there is no doubt that the Senecas need help. This catastrophe which has befallen them is the work of the Federal Government and the Federal Government surely is responsible for helping the Senecas in every possible way to make the necessary adjustments.

I have received many letters during the past few weeks—hundred and hundreds over the years, but many letters during the past few weeks from citizens, not only in my own State but also from other parts of the Nation as well, who are disturbed and distressed by the plight of these Indians, and rightly so. They resent the encroachment of the Government on the lands of these people in violation of a Federal treaty. And though I recognize the problems this committee has faced, and the great pressures for the development of this land, I strongly urge the chairman and the members of the committee to consider earnestly the hardship incurred by the Seneca Indians and to exert every possible effort upon the administration to work actively to keep its year-old promise to these people.

I hope that the Federal Government will attempt to work with and assist the Seneca Nation and will hasten preparation of final reports and recommendations on the necessary legislation to assist the Seneca Nation. It will not do much good merely to form committees or to delegate a job to a Government department and leave the matter there.

This is a matter of deep concern to the Seneca Nation, and also, I am sure it is fair to say, to thousands of people in this country who feel that the Seneca Indians have received the short end of the stick. I hope that the committee may be able to assist in this regard.

Again, I wish to say I am very grateful to my friend from Wisconsin for allowing me to intrude on his time in this way.

ORDER OF BUSINESS

Mr. HUMPHREY. Mr. President——

Mr. PROXMIRE. Mr. President, I believe I still have the floor.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. PROXMIRE. Mr. President, I ask unanimous consent that I may yield to the Senator from Minnesota without losing my right to the floor.

The PRESIDING OFFICER (Mr. McCARTHY in the chair). Is there objection to the request by the Senator from Wisconsin? The Chair hears none, and it is so ordered.

AMENDMENT OF THE MINERAL LEASING ACT OF FEBRUARY 25, 1920

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the Senate may proceed to the consideration of Calendar No. 2129, H.R. 11049.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H.R. 11049) to amend the Mineral Leasing Act of February 25, 1920.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Minnesota?

There being no objection, the Senate proceeded to consider the bill (H.R. 11049) to amend the Mineral Leasing Act of February 25, 1920, which had been reported from the Committee on Interior and Insular Affairs with an amendment to strike out all after the enacting clause and insert:

That section 31 of the Mineral Leasing Act of February 25, 1920 (41 Stat. 450), as amended (30 U.S.C. 188), is further amended by designating the first paragraph thereof as subsection "(a)", the second paragraph as subsection "(b)", and adding two new subsections to read as follows:

"(c) Where any lease has been terminated automatically by operation of law under this section for failure to pay rental timely and it is shown to the satisfaction of the Secretary of the Interior that the failure to pay timely the lease rental was justifiable or not due to a lack of reasonable diligence, he in his judgment may reinstate the lease subject to the following conditions:

"(1) A petition for reinstatement, together with the required rental, for any lease (a) terminated prior to the effective date of this Act must be filed with the Secretary of the Interior within one hundred and eighty days after the effective date of this Act;

"(2) No valid lease has been issued affecting any of the lands in the terminated lease prior to the filing of the petition for reinstatement."

"(d) Where, in the judgment of the Secretary of the Interior, drilling operations were being diligently conducted on the last day of the primary term of the lease, and, except for nonpayment of rental, the lessee would have been entitled to extension of his lease, pursuant to section 4(d) of the Act of September 2, 1960 (74 Stat. 790), the Secretary of the Interior may reinstate such lease notwithstanding the failure of the lessee to have made payment of the next year's rental, provided the conditions of subparagraphs (1) and (2) of section (c) are satisfied."

SEC. 2. Nothing in this Act shall be construed as limiting the authority of the Secretary of the Interior to issue, during the periods in which petitions for reinstatement may be filed, oil and gas leases for any of the lands affected.

Mr. BIBLE. Mr. President, this bill was reported by the Committee on Interior and Insular Affairs. Public hearings have been held on the bill. The measure, as to which there was a companion measure in the Senate sponsored by the chairman of the committee, the Senator from New Mexico [Mr. ANDERSON], would not require any expenditure of Federal funds.

The bill would permit the Secretary of the Interior to reinstate oil and gas leases that have heretofore been terminated by operation of law because of the lessee's failure to pay rental timely, where it is shown to the satisfaction of the Secretary that such failure was justifiable or not due to a lack of reasonable diligence. In addition, the bill provides for reinstatement of leases where the Secretary finds that drilling operations were being conducted in good faith on the last day of the lease term, and the lessee would have been entitled to such extension pursuant to section 4(d) of the act of September 2, 1960 (74 Stat. 781), except for the nonpayment of the next year's lease rental.

The bill has been discussed with Members on both sides of the aisle. I understand it has been cleared for action. I ask that the bill be passed.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill (H.R. 11049) was read the third time, and passed.

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 2165), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF MEASURE

H.R. 11049, as amended by the committee, will permit the Secretary of the Interior to reinstate oil and gas leases that have heretofore been terminated by operation of law because of the lessee's failure to pay rental timely, where it is shown to the satisfaction of the Secretary that such failure was justifiable or not due to a lack of reasonable diligence. In addition, the committee bill provides for reinstatement of leases where the Secretary finds that drilling operations were being conducted in good faith on the last day of the lease term, and the lessee would have been entitled to such extension pursuant to section 4(d) of the act of September 2, 1960 (74 Stat. 781), except for the nonpayment of the next year's lease rental.

BACKGROUND OF LEGISLATION

Prior to the 1954 amendment to the Mineral Leasing Act (act of July 29, 1954; 68 Stat. 585), failure of an oil and gas lessee to pay the annual rental in advance did not terminate the lease. Even though the lessee may have wished to abandon his lease and thought he was doing so by not paying the rental when due, under the law as it then was the lease did not terminate and the lessee continued to be liable to the U.S. Government for payment of all rentals during the life of the lease.

The operation of the law in this respect caused inequity to a number of persons, particularly to small independent operators and to persons who had purchased interests in Federal oil and gas leases as an investment. Accordingly the 83d Congress enacted remedial legislation amending section 31 of the Mineral Leasing Act to provide for the automatic termination of any lease on which there is no well capable of producing oil or gas in paying quantities if the lessee fails to pay rental on or before the anniversary date of the lease (Public Law 555, 83d Cong.).

The 1954 act is self-executing. If rental payments, in the full amount called for in the lease, are not actually received in the proper office of the Bureau of Land Management on the day the rental is due, the lease is automatically terminated. The Secretary of the Interior is without authority to grant relief administratively.

INEQUITIES TO BE REMEDIED

As a result, two types of inequities have resulted from the operation of the 1954 law:

(1) Where the lessee has failed to make payment of the full amount required by the lease, even though the "courtesy notice" of rent due sent by the Department may have contained a statement for payment of a smaller amount as a result of clerical error arising from the preparation and mailing of some 150,000 such notices a year. Recently the Department has changed these courtesy notices to make it clear that the lease, not the notice, controls the amount of rental due.

(2) Where the lessee mailed the rental in good time, but for one reason or another it was not actually received in the proper Bureau of Land Management office prior to the anniversary date.

The Department of the Interior submitted an executive communication recommending that these inequities be corrected by amending the Mineral Leasing Act to provide authority for the Secretary of the Interior to reinstate a lease that has been terminated automatically if the lessee shows that failure to pay the lease rental was justifiable or not due to a lack of reasonable diligence. As recommended the legislation would have been applicable prospectively as well as retroactively.

In addition to testimony offered on behalf of the Department of the Interior in support of this legislation, your committee heard testimony concerning another inequity which has arisen as a result of the self-executing nature of the act of July 29, 1954, supra.

Under the provisions of section 4(d) of the act of September 2, 1960 (74 Stat. 781), a lessee was granted a 2-year extension of an oil and gas lease provided drilling operations were commenced on a lease during its term, or for the lease included within an approved cooperative or unit plan, and were being diligently pursued on the expiration date. However, the Department of the Interior has held that this extension is also subject to the provision of the act of July 29, 1954, in that, if the rental for the next lease year is not paid prior to the expiration date, the lease terminates automatically, notwithstanding the diligent drilling operations being conducted.

THE COMMITTEE AMENDMENT

The House approved amendments by its Interior Committee limiting the discretionary authority granted the Secretary of the Interior to reinstating leases which already have terminated as a result of past errors on the part of the Department; that is, where failure to make timely payment of the full amount due was caused by "reasonable reliance by the lessee on information or data furnished by the United States or one of its officers or agents." Thus, the provisions would be retroactive only, and not prospective as recommended by the Department, and the relief authorized could not be accorded lessees who were in any way at fault themselves, even through minor, honest mistakes.

Reinstatement under the specified conditions was made mandatory upon the Secretary rather than discretionary.

The House also provided that deposit with the Post Office Department by registered or certified mail of a valid check or money order in the correct amount of the rental on or before the anniversary date would constitute payment.

The Department of the Interior, by letter to Chairman ANDERSON dated September 10, 1962, vigorously objected to the House amendments. The Department's letter is set forth in full below. At the hearing on the

House-passed bill, Mr. Michael Giller, Chief of the Leasing Branch, Bureau of Land Management, appeared before the committee and urged the administration measure.

In addition, the committee received testimony from spokesmen for oil and gas operators that the broad prospective authority given the Secretary under the administration's recommendation would cause injurious uncertainty in Federal oil leasing activity.

The Senate committee amended H.R. 11049 by striking all after the enacting clause, and substituting the language of the administration's bill, S. 3030, with amendments. These amendments provide that the legislation shall apply to past actions only. The committee is sympathetic to those whose leases have been terminated automatically in the past, and feels that they are entitled to the legislative relief offered. However, your committee does not feel that legislation is justified which would forgive future acts of neglect, either on the part of the lessee or the Department of the Interior.

The committee is pleased to note that the Department itself is taking steps to remedy situations brought about by its own unnecessarily restrictive regulations and interpretations of the act.

Your committee further amended the bill by adding a new subsection, subsection (d), to section 31 of the Mineral Leasing Act which would afford relief to those actually drilling on the last day of the term of their lease, but who failed to make timely payment of the rental due. Your committee feels that this relief is particularly appropriate, in view of the obvious intent of the act of September 2, 1960, to reward those who are spending money, time, and effort in developing reserves, by a further extension of their lease.

RICKERT & LAAN, INC.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the Senate may proceed to the consideration of Calendar No. 2121, H.R. 1616.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The Legislative Clerk. A bill (H.R. 1616) for the relief of Rickert & Laan, Inc.

The PRESIDING OFFICER. Is there objection to the request by the Senator from Minnesota?

There being no objection, the Senate proceeded to consider the bill.

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the Record an excerpt from the report, No. 2157, explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the Record, as follows:

PURPOSE

The purpose of the proposed legislation is to relieve Rickert & Laan, Inc., of New Orleans, La., of liability for marking duties levied under section 304(c) of the Tariff Act of 1930 upon nails imported in three shipments in 1959 through the port of New Orleans. The bill would also authorize the repayment of any amounts paid or withheld because of the liability.

STATEMENT

The Treasury Department opposes enactment of the legislation.

The relief provided for in H.R. 1616 concerns duties assessed against Rickert & Laan, Inc., of New Orleans, La., on three shipments of nails made in Hungary which were imported at New Orleans in kegs marked to indicate Italy as the country of origin. Notwithstanding the fact that the importer was unaware of these facts it became liable for marking duties in the amount of $5,587 assessed under section 304(c) of the Tariff Act of 1930 as amended (19 U.S.C. 1304(c)).

This bill was the subject of a House Judiciary subcommittee hearing on July 19, 1961. The testimony presented at that hearing according to the House report established that the officials of the importing company specifically purchased the nails as "Italian made." A letter from the Italian exporter filed with the subcommittee at the hearing and dated May 20, 1959, stated: "All nails made by our factory are according to the American Bureau of Standards simplified practice recommendation R–223–47, and are of Italian origin."

On September 30, 1959, Rickert & Laan, Inc., wrote the Italian exporter concerning the shipments here concerned and stated in that letter: "We only buy goods of Western European origin, so Italian or Austrian nails are all right. We do not want to buy Yugoslav or Hungarian nails."

Further it was brought out that if the importing firm, Rickert & Laan, Inc., had been aware that they had been shipped Hungarian-made nails it could have re-marked the containers, and they would not have incurred the liability here concerned.

The Judiciary Committee of the House of Representatives in its report states as follows: "On that basis of these facts the committee has concluded that the relief provided in H.R. 1616 should be extended to the company. Accordingly, it is recommended that the amended bill be considered favorably."

In relation to the Treasury report which states that the matter may come before the Customs Court and that the Department is of the opinion that legislative relief would be premature, the committee is informed by legislative liaison of the Treasury Department that there is no case pending before the Customs Court at the present time and there will not be unless the claimant fails to make a prescribed payment on this matter sometime toward the latter part of March of this year.

After consideration of the foregoing the committee agrees with the conclusions reached by the House of Representatives on the passage of the bill and therefore recommends that the bill, H.R. 1616, be considered favorably.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading and passage of the bill.

The bill (H.R. 1616) was ordered to a third reading, was read the third time, and passed.

DEDUCTIONS FROM FEDERAL PAYMENTS TO STATE HOMES

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the Senate may proceed to the consideration of Calendar No. 2142, H.R. 9737.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The Legislative Clerk. A bill (H.R. 9737) to amend section 641 of title 28, United States Code, to provide that deductions shall not be made from Federal payments to a State home because of amount collected from the estates of deceased veterans and used for recreational or other purposes not required by State laws.

The PRESIDING OFFICER. Is there objection to the request by the Senator from Minnesota?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Labor and Public Welfare with an amendment on page 2, after line 10, to insert a new section, as follows:

Sec. 2. Section 1712 of title 38, United States Code, is amended by adding at the end thereof a new subsection as follows:

"(c) Notwithstanding the provisions of subsection (a) of this section, an eligible person may be afforded educational assistance beyond the age limitation applicable to him under such subsection if (1) he suspends pursuit of his program of education after having enrolled in such program within the time period applicable to him under such subsection, (2) he is unable to complete such program after the period of suspension and before attaining the age limitation applicable to him under such subsection, and (3) the Administrator finds that the suspension was due to conditions beyond the control of such person; but in no event shall educational assistance be afforded such person by reason of this subsection beyond the age limitation applicable to him under subsection (a) of this section plus a period of time equal to the period he was required to suspend the pursuit of his program, or beyond his thirty-first birthday, whichever is earlier."

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the Record an excerpt from the report—No. 2180—explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the Record, as follows:

EXPLANATION OF THE BILL

This bill amends section 641(b), title 38, United States Code, to provide that no reduction shall be made in Federal-aid payments to a State home because of amounts retained or collected from the estates of deceased veterans and placed in a special fund for use regarding educational, recreational, entertainment, post exchange, or other activities or facilities not specifically required by State law.

Section 641(b), title 38, presently provides that the amount payable to State homes for the care of war veterans shall be reduced by any withholdings or collections from veterans' estates, unless the widows or wives of war veterans are also admitted and maintained in such homes. This statute has been construed by the Veterans' Administration to require it to make the described reductions, in applicable cases, even though the funds withheld are deposited in a post exchange or other special fund and used for educational and the other purposes indicated above.

The Veterans' Administration is of the opinion that as a matter of policy the type of collections here involved after the veterans' death, and for limited purposes, should not reduce the Federal contribution toward maintenance of eligible veterans in State homes.

The committee concurs with the Veterans' Administration, and notes that this measure does not affect other types of deductions from payments to State homes. This bill, simply stated, prohibits a reduction in Federal payment where withholdings from veterans' estates are placed in a post or other special fund and used for the purposes specified in the bill.

There are 28 States providing homes to which the Veterans' Administration is making payments for the care of war veterans. Five of these States, according to the VA report, have veterans' homes which withhold funds from veterans' estates which do not admit widows or wives of war veterans. Only these five States would be affected by the legislation.

The Veterans' Administration has not furnished cost estimates on this legislation but has reported the cost effects on the overall program of Federal aid to State homes would be relatively minor.

EXPLANATION OF COMMITTEE AMENDMENT

The committee amendment adds a new subsection to section 1712, title 38, United States Code, War Orphans Educational Assistance Act, for the purpose of affording additional time during which an eligible war orphan may pursue his program of education, if such program has been suspended due to conditions beyond his control. More specifically, the amendment provides that educational assistance may be afforded an eligible war orphan beyond the age of 23 years, which is the statutory upper age limit, if—

> He suspends pursuit of his program after having enrolled in such program within the time limit otherwise prescribed;
>
> He is unable to complete such program after the period of suspension and before attaining the age limit applicable to him; and
>
> The Administrator finds that the suspension was due to conditions beyond his control.

In no event would the additional time exceed the amount of time involved in the suspension for reasons beyond his control, or beyond his 31st birthday, whichever is the earlier.

The generally applicable delimiting dates in the War Orphans Act contemplate that the Government's obligation to provide educational assistance to a war orphan will, in the absence of special circumstances, terminate upon his attaining the age of 23. It is well established, however, that the congressional policy from the beginning of this program has been to create exemptions which assure that when a person becomes eligible for assistance prior to age 23, he will have a full 5 years to pursue and complete his program. The committee's amendment is consistent with, and is a logical extension of, this policy.

The Veterans' Administration advised that it has no data on which to estimate the number of individuals affected by the amendment. It has stated, however, that it anticipates that both the number of persons affected and the resulting cost would be relatively small.

The Veterans' Administration favorably recommends enactment of the provisions of the House bill as referred to the committee and also the committee amendment thereto. The Veterans' Administration views on the committee amendment are contained in its report on the bill S. 3080.

The **PRESIDING OFFICER.** The question is on agreeing to the committee amendment.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill (H.R. 9737) was read the third time and passed.

The title was amended, so as to read: "An Act to amend section 641 of title 38, United States Code, to provide that deductions shall not be made from Federal payments to a State home because of amounts collected from the estates of deceased veterans and used for recreational or other purposes not required by State laws, and to amend chapter 35 of such title in order to afford educational assistance in certain cases beyond the age limitations prescribed in such chapter."

REPAIR OR REPLACEMENT OF PROSTHETIC APPLIANCES OF VETERANS

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the Senate may proceed to the consideration of Calendar No. 2143, H.R. 6190.

The **PRESIDING OFFICER.** The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H.R. 6190) to amend title 38, United States Code, to provide for the repair or replacement for veterans of certain prosthetic appliances.

The **PRESIDING OFFICER.** Is there objection to the request by the Senator from Minnesota?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Labor and Public Welfare, with amendments, on page 1, at the beginning of line 6, to strike out "618" and insert "619"; at the beginning of line 8, to strike out "(a)"; on page 2, after line 8, to strike out:

> 617. Invalid lift for pensioners.

And, in lieu thereof, to insert:

> 618. Therapeutic and rehabilitative activities.

And at the beginning of the line after line 9, to strike out "618" and insert "619".

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 2181), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

EXPLANATION OF THE BILL

This bill would authorize the Veterans' Administration to repair or replace a reasonably necessary artificial limb, truss, brace, hearing aid, spectacles, or similar appliance (not including dental appliances), which is owned by a veteran and which is damaged or destroyed in a fall or other accident caused by such veteran's service-connected disability.

Under existing law, a disability which is proximately due to or the result of a service-connected disability or injury is also service connected. When service connection is thus established for a secondary condition, the secondary condition is considered a part of the original condition for all Veterans' Administration purposes, including medical care and services. However, this principle does not cover mere damage to an appliance caused by a service-connected disability where no additional disability is incurred which requires the appliance. It is noteworthy that in most cases under current law the veteran is entitled to repair or replacement of a damaged appliance originally furnished for a service-connected disability.

The committee believes it is obvious that, if an accident to a veteran results from a service-connected disability and damages or destroys an appliance he uses, the Government should repair or replace that appliance even though it is used for a non-service-connected condition. Damage to an appliance under these circumstances impairs physical function just as does a secondary disability resulting from such an accident.

The committee amendment is of a technical nature and changes the section numbers in the bill to reflect recently enacted law.

The **PRESIDING OFFICER.** The question is on agreeing to the committee amendments.

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill (H.R. 6190) was read the third time and passed.

AMENDMENT OF THE SOLDIERS AND SAILORS CIVIL RELIEF ACT OF 1940

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the Senate may proceed to the consideration of Calendar No. 2144, H.R. 9747.

The **PRESIDING OFFICER.** The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H.R. 9747) to amend sec. 514(1) of the Soldiers and Sailors Civil Relief Act of 1940, as amended.

The **PRESIDING OFFICER.** Is there objection to the request by the Senator from Minnesota?

There being no objection, the Senate proceeded to consider the bill.

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 2182), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

EXPLANATION OF THE BILL

This bill amends the tax immunity provisions of the Soldiers' and Sailors' Civil Relief Act of 1940 (50 U.S.C. App. 574(1)), so as to clarify a situation which sometimes results in taxation contrary to the intent of the act. More specifically, the bill provides that where a serviceman is absent from his residence or domicile solely by reason of compliance with military or naval orders, the tax immunity provision of existing law shall apply with respect to his personal property, or the use thereof, within any tax jurisdiction other than his State of residence or domicile, regardless of where such serviceman may be located in compliance with such orders.

The Soldiers' and Sailors' Civil Relief Act already makes clear that a serviceman, living with his family and owning personal property in a State other than his State or domicile, is not subject to taxation on his personal property by the nondomiciliary State.

In at least one situation, however, after a veteran was transferred overseas to a hardship post where he could not take his family, the nondomiciliary State imposed a tax on the serviceman's personal property. The basic intent of the original Civil Relief Act was to exempt servicemen from this form of taxation, except by a State of residence or domicile. To permit taxation of personal property by a nondomiciliary State, because of a transfer to active duty outside such State, would obviously be violative of the original intent of the Soldiers' and Sailors' Civil Relief Act. This legislation provides an equitable clarification of the situation: It assures that transfers of servicemen essential to their military duty shall not prejudice basic rights established by the Congress in recognition of the peculiar and special circumstances of military service.

There would be no cost resulting from enactment of the proposal. All of the provisions of the Soldiers' and Sailors' Civil Relief Act, other than those concerning insurance, are enforced by local courts and are not subject to centralized administration by a Federal agency.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading and passage of the bill.

The bill (H.R. 9747) was ordered to a third reading, was read the third time, and passed.

MORE REASONABLE ALLOWANCE FOR TRANSPORTATION OF HOUSE TRAILERS

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the Senate may proceed to the consideration of Calendar No. 2147, H.R. 10652.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The Legislative Clerk. A bill (H.R. 10652) to amend the Administrative Expenses Act of 1946 to provide a more reasonable allowance for transportation of house trailers or mobile dwellings by certain governmental officers and employees upon their transfer from one official station to another.

The PRESIDING OFFICER. Is there objection to the request by the Senator from Minnesota?

There being no objection, the Senate proceeded to consider the bill.

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the Record an excerpt from the report (No. 2185), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the Record, as follows:

PURPOSE

This bill would amend section 1 of the Administrative Expenses Act of 1946 (5 U.S.C. 73b-1) to provide for a more reasonable allowance for the transportation of house trailers or mobile dwellings of civilian officers and employees of the Federal Government when they are transferred from one official station to another.

The bill would retain the present limitation of 20 cents per mile when an employee chooses to move the trailer himself. It provides, however, that if his mobile home is moved by a commercial firm, or is moved by his department or agency, the actual cost thereof may be paid by the Federal Government, in which event, the latter payments may not exceed the maximum to which the employee would be entitled under existing law for movement of his household and personal effects.

BACKGROUND

The House Committee on Government Operations in its report on the bill (H. Rept. 1487), sets forth the following background and justification for the proposed legislation, which is made a part of this report:

This bill is designed to remove an inequity in the law providing for the transportation of house trailers and mobile homes. Under the Administrative Expenses Act of 1946 (5 U.S.C. 73b-1) the Government is authorized to provide employees who possess such trailers an allowance up to 20 cents per mile for their transportation from one official station to another. House trailers have grown in size and weight in recent years and many of them are too large or too heavy to be moved by being attached to a passenger car. Trucks are required and commercial firms do most of the moving. Rates for transporting mobile homes across State lines are fixed by the Interstate Commerce Commission. Because of the increase in size, many communities require a police escort which must be paid for and there are other fees and tolls which add to the expense.

Evidence was given the committee that the cost of moving the larger trailers varied anywhere from 29 to 85 cents per mile. In order to move his home when he is transferred by the Government an employee is required, because of the 20-cent-per-mile limitation, to pay the excess out of his own pocket.

Hearings were held by the Subcommittee on Executive and Legislative Reorganization at which time representatives of the Bureau of the Budget and the Civil Service Commission were present and supported the bill.

During his testimony the Budget Bureau representative stated:

"We are very much in favor of the bill. We believe the bill is necessary. Employees are being required to pay a substantial portion of the cost of transporting their house trailers. At present, the minimum cost under ICC-approved tariffs for the smallest kind of a trailer is 29 cents per mile.

"That is 9 cents above the present statutory maximum. Then, in addition to that, as the previous witness pointed out, the employee must pay State permit fees which vary by the States. They are $11 in some instances.

"The Department of Defense estimates that the average of those fees is about $30 per move. As I say, that is for the smallest kind of trailer. Trailers can be rather large now. And the ICC-approved tariff for a trailer 58 feet long and 11 feet wide is 85 cents per mile, or more than four times the present statutory maximum.

"Beyond that size, the tariffs now provide that the rate increases by 1 cent per mile for each foot of increased length in the trailer beyond 60 feet. Now, that inequity, we feel, is further compounded by the fact that if the employee chose not to live in a trailer, he could have his household goods moved at Government expense up to a statutory maximum of 7,000 pounds.

"And in most instances, the amount of that allowance would exceed substantially the amount for moving of the house trailer, even the actual cost of moving the house trailer."

The Civil Service Commission representative testified that—

"We found also from some of the information that we gathered that, considering the variety of sizes of trailers, the rates per mile tend to run in the neighborhood of 50 cents when you count in the cost of turnpike tolls, ferry charges, and local charges of the type that have already been referred to.

"So this is a far cry from the 20-cent limit that exists in the present law, if this average is correct. It is reported by a couple of sources. One was the Standard Oil Co. of Ohio as to what they pay their field employees who are so situated, and another is the Morgan Drive-Away Corp., which is one of the large firms that specializes in hauling private trailers.

"Both of them reported a general average of about 50 cents a mile. This is a far cry from the 20-cent limit that exists in the present law. * * *"

The committee noted that this Congress has passed legislation giving relief to military personnel who possess mobile homes—Public Law 87-374. The formula adopted is different from the one proposed in this bill but the objectives are the same. Undoubtedly, this Congress wishes to remove the same inequity for civilian personnel that it has already accomplished for military personnel.

No precise figures are available on the total cost of this legislation on a Government-wide basis but the Bureau of the Budget reported that it did not anticipate any increase in appropriations.

This committee feels it is most likely that Government employees who live in house trailers or mobile homes do so more because of the exigencies of their employment than because they prefer to do so. These are primarily personnel who are stationed in areas remote from large population centers, where housing is difficult to obtain, where transfers are frequent, or where circumstances are far less convenient than for the majority of workers. They certainly deserve our consideration. Only a relatively small number would be affected by this bill and, hence, we see little likelihood of abuses occurring under its provisions.

It should be noted that the bill does not enlarge the class of employees entitled to reimbursement for moving their families and household effects from one post of duty to another. Such reimbursement is now and still would be limited to cases where the transfer is for permanent duty and is in the interest of the Government.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading and passage of the bill.

The bill (H.R. 10652) was ordered to a third reading, was read the third time, and passed.

DONATIONS OF SURPLUS PERSONAL PROPERTY TO SCHOOLS FOR MENTALLY RETARDED

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the Senate may proceed to the consideration of Calendar No. 2148, H.R. 11378.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The Legislative Clerk. A bill (H.R. 11378) to amend the Federal Property and Administrative Services Act of 1940, so as to permit donations of surplus personal property to schools for the mentally retarded, and for other purposes.

The PRESIDING OFFICER. Is there objection to the request by the Senator from Minnesota?

There being no objection, the Senate proceeded to consider the bill.

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the Record an excerpt from the report (No. 2186), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the Record, as follows:

PURPOSE OF THE BILL

The purpose, background, and justification for enactment of this bill is found in House Report No. 2433, and is made a part of this report as follows:

"The purpose of the bill is to clarify certain inconsistencies in existing legislation, eliminate inequities in the operation of the donable surplus property program, and give recognition to recent program developments.

"Under present law, schools for the mentally retarded and schools for the physically handicapped conduct special classes and courses and serve a genuine educational and training service but are not technically eligible to receive surplus personal property since they do not meet the definition of schools, colleges, universities, and other educational institutions as established by authorized accrediting bodies.

"Public libraries, though widely recognized as being educational institutions and eligible to receive surplus real property under section 203(k) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 484), have not been considered eligible to receive surplus personal property under section 203(j) of the same act. This anomaly in the legislation would be removed by enactment of H.R. 11378.

Educational television and radio stations which are owned and operated by eligible schools, colleges, and universities have been receiving surplus personal property. Others, though serving educational purposes, have not been eligible. Under the proposed amendment, radio and television stations licensed by the Federal Communications Commission as educational radio or educational television stations, would be eligible to receive surplus personal property, provided they meet established standards and procedures.

It should be emphasized that H.R. 11378 does not add new categories of donees but merely clarifies the status of certain types of institutions within the educational category.

The Secretary of Health, Education, and Welfare as the administrator of the donable surplus property program has assured the committee that he will prescribe strict standards of eligibility for the additional donees authorized by this bill in order that bona fide institutions only will qualify for surplus personal property.

AGENCY COMMENTS

Enactment of the subject bill was recommended by the Department of Health, Education, and Welfare, and concurred in by the Bureau of the Budget, General Services Administration, and the General Accounting Office.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading and passage of the bill.

The bill (H.R. 11378) was ordered to a third reading, read the third time, and passed.

EXTENSION OF PROVISIONS OF TITLE II, NATIONAL DEFENSE EDUCATION ACT OF 1958

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the Senate may proceed to the consideration of Calendar No. 2153, S. 3326.

The **PRESIDING OFFICER.** The bill will be stated by title for the information of the Senate.

The **LEGISLATIVE CLERK.** A bill (S. 3326) to amend the National Defense Education Act of 1958 in order to extend the provisions of title II relating to cancellation of loans under such title to teachers in private nonprofit elementary and secondary schools and in institutions of higher education.

The **PRESIDING OFFICER.** Is there objection to the request by the Senator from Minnesota?

There being no objection, the Senate proceeded to consider the bill.

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 2190), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

Title II of the National Defense Education Act of 1958, as amended, presently provides that not to exceed 50 percent of a National Defense Education Act loan advanced to a student who becomes a full-time teacher in a public elementary or secondary school can be canceled at a rate of 10 percent of the balance (including interest) outstanding on the first day of teaching for each academic year of service.

S. 3326, if enacted, would extend this principle to an individual who enters on a teaching career in a private nonprofit elementary or secondary school or who engages in teaching at an institution of higher education.

A similar amendment was considered and adopted by the committee in S. 2345 of the 87th Congress. The committee, in view of the legislative status of that bill, is of the view that this particular amendment to title II of the National Defense Education Act, which is of benefit to an individual, and which would provide a needed incentive to staff all segments of American education at all levels is justified.

The continuing shortage of teachers extends to private nonprofit as well as to public schools and to all levels of our educational system and this amendment would encourage college students to consider careers in college and university teaching in all type of schools and at all levels.

The report of the consultants to the Secretary of Health, Education, and Welfare and the U.S. Commissioner of Education on Areas Related to the National Defense Education Act of 1958, released January 12, 1961, as shown on page 569 of the printed hearings of May 12 and 13, 1961, on the National Defense Education Act, recommends "that the present loan forgiveness feature for public elementary and secondary teachers be extended to all school and college teachers."

Support for the proposed amendment was given by the Commissioner of Education in testimony which may be found on page 21 of the printed hearings of May 12 and 13, 1961, in these words:

"It is further proposed that the provisions for forgiveness of up to one-half of the loan for borrowers who become teachers in public elementary and secondary schools be extended to include also borrowers who become teachers in our colleges and universities."

And on page 30 under the heading, "Summary of Accomplishments Under the National Defense Education Act and Proposals for Amendment and Extension Thereof—Title II—Student Loan Program," there may be found the recommendation:

"3. PARTIAL CANCELLATION OF LOANS FOR COLLEGE TEACHING

"The present and prospective shortage of teachers extends to all educational levels—elementary, secondary, and higher. Allowing 50-percent cancellation of loan principal and interest for elementary and secondary public school teaching service is a significant incentive to students to enter teaching at those levels. Extension of the cancellation privilege to teachers in higher education institutions similarly would serve as incentive for students considering various careers. Looking at the teacher shortage problem as a whole, there is no reason to distinguish in the loan program between teaching in elementary and secondary schools and teaching in colleges and universities."

Testimony in support of the proposed amendment was also given by representatives of the National Society of Professional Engineers (p. 167 of the May 12 and 13, 1961, printed hearings); the American Council of Learned Societies (ibid. p. 238); the National Catholic Welfare Conference (ibid., p. 238); the American Association of Land-Grant Colleges (ibid., p. 365); the American Council on Education; the American Association of Junior Colleges; the Association for Higher Education; the National Education Association and the Association of American Colleges (ibid., p. 391); and the American Federation of Labor and Congress of Industrial Organizations (ibid., p. 404).

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 3326) was ordered to be engrossed for a third reading, was read the third time, and passed as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 205(b)(3) of the National Defense Education Act of 1958 is amended by striking out "elementary or secondary school in a State" and inserting in lieu thereof "or private nonprofit elementary or secondary school in a State, or in an institution of higher education".

Mr. KEATING. Mr. President, I am delighted that the Senate has passed S. 3326. This bill, if passed by the other House, and enacted, will right a wrong that has done real disservice to the cause of education throughout the Nation. The National Defense Education Act of 1958 provided up to 50 percent forgiveness on student loans for those who went on to a career of teaching in public schools. The same privilege was not extended to those who went on to teach in private schools or institutions of higher learning, even though the need for qualified teachers there is equally great.

The passage of this bill is a worthwhile first step toward removing discrimination in education and recognizing the contributions of all of our teachers toward the education of our Nation's youth.

I am most hopeful that the House of Representatives will act quickly to give its approval to this important and long overdue measure, which I am very glad to have cosponsored here in the Senate.

AMENDMENT OF THE HOME OWNERS' LOAN ACT OF 1933 AND FEDERAL HOME LOAN BANK ACT

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 2156, House bill 13044.

The **PRESIDING OFFICER.** The bill will be stated by title.

The **LEGISLATIVE CLERK.** A bill (H.R. 13044) to amend the Home Owners' Loan Act of 1933 and the Federal Home Loan Bank Act.

The **PRESIDING OFFICER.** Is there objection to the request of the Senator from Minnesota?

There being no objection, the Senate proceeded to consider the bill.

Mr. PROXMIRE. Mr. President, has the bill been cleared with the Senator from Illinois [Mr. DOUGLAS]?

Mr. HUMPHREY. I understand that the bill has been cleared. I notice that the Senator from Illinois did have his name on it for the purposes of holding the bill. It has apparently been cleared with him.

Did the Senator from Alabama have a comment to make?

Mr. SPARKMAN. No. I was about to say that I did not know what steps had been taken by the policy committee. But, as the Senator from Wisconsin knows, the Senator from Illinois [Mr. Douglas] did not interpose any objection to the bill in the committee, and the bill was left open until midnight last night for any separate views to be submitted. None have been filed. Earlier today I spoke to the majority leader, the Senator from Montana [Mr. Mansfield] about the bill, and he in turn took the necessary steps to clear it with any interested Senator.

Mr. PROXMIRE. The reason I asked the question is that I know the Senator from Illinois had objected to the bill and asked that it be returned to the committee for hearing.

Mr. SPARKMAN. It was.

Mr. PROXMIRE. It was returned to the committee. I merely wished to be sure, in the absence of the Senator from Illinois, that it had been cleared with him.

Mr. SPARKMAN. The Senator will recall that yesterday afternoon at the committee meeting the Senator from Illinois [Mr. Douglas] stated that the only reason he objected was that he felt it was important enough to have a hearing before our committee.

He felt that we should not rely solely on the hearings before the House committee. Furthermore, he felt that the proper procedures had not been complied with.

Mr. HUMPHREY. I assure the Senator from Wisconsin that if for any reason the Senator from Illinois has any objection to the bill, he can move for reconsideration and we shall assist him in obtaining such reconsideration, so he will not be denied his opportunity to be heard.

Mr. PROXMIRE. I thank the Senator.

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the Record an excerpt from the report (No. 2193), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the Record, as follows:

INTRODUCTION

H.R. 13044 was initially reported to the Senate on September 18, 1962, Senate Report No. 2104. Subsequently, on September 25, 1962, the bill was recommitted to the committee for further consideration. The Housing Subcommittee held a meeting on the bill on September 27, 1962, and after consideration and deliberation in executive session, the subcommittee recommended, without objection, that the bill be reported by the committee. The Banking and Currency Committee further considered the bill in executive session on September 28, 1962, and ordered the bill to be reported. The committee recommends that the Senate give favorable consideration to this measure.

The bill has the approval of the administration and the support of the two national organizations of the Savings and Loan Association and the National Association of Home Builders.

PURPOSE OF THE BILL

H.R. 13044 is designed to permit Federal savings and loan associations to increase the portion of their total assets which may be invested in loans on multiunit residential properties. Under present law Federal savings and loan associations must include apartment loans along with other enumerated types of loans in what is known as the "20 percent of assets" category. Since this category also includes loans on commercial property, loans exceeding $35,000 on any one property, and loans on property outside of the regular lending area, the permissible investment in apartment loans is substantially less than 20 percent of assets.

Multifamily dwellings now account for nearly one-third of all housing construction and the proportion is rising almost monthly. Savings and loan associations are the largest single source of housing credit, and the committee believes that these institutions should have more freedom to participate in the financing of rental housing.

THE EFFECT ON HOUSING AND THE GENERAL ECONOMY

As recently as 1959 multifamily dwellings accounted for only 15 percent of all residential construction. Recent figures indicate that in mid-1962 the percentage had risen to 30 percent and was still climbing. The long-range cause for the increase in multifamily dwellings is the increasing urbanization of our Nation, the transportation problems of the suburbs, and the scarcity and high cost of land in metropolitan areas.

The situation is more serious in metropolitan areas where there is an increasing demand for multifamily projects. The figures in the table below show the changes that have occurred in the construction of multifamily projects over the last 3 years in certain metropolitan areas.

Percentage of private dwelling units authorized in structures with 5 or more dwelling units (selected metropolitan areas)

	1960	1961	1962, 1st half
Atlanta	32.2	28.1	36.0
Chicago	27.1	35.8	44.0
Cleveland	37.7	38.9	47.9
Los Angeles	42.0	42.8	49.6
Minneapolis	26.8	37.6	51.2
Philadelphia	23.6	30.7	47.7
San Francisco	37.0	46.8	50.2
Washington, D.C	45.2	51.0	50.6

Source: Federal Home Loan Bank Board.

The committee notes that even since 1960 there has been a sharp rise of multiunit structures in the areas listed. In a number of metropolitan areas, a large part of the increase has been in what was formerly primarily single-family dwelling communities. Except for Atlanta, each of the areas listed had more than 40 percent of its residential units authorized in structures with five or more units during the first 6 months of 1962. Three, Minneapolis, San Francisco, and Washington were over the 50 percent mark, and Los Angeles was just under 50 percent.

It also should be noted that residential construction and population are heavily concentrated in metropolitan areas. About 80 percent of residential building and 63 percent of our population are in metropolitan areas. In large degree many associations must, therefore, look to metropolitan areas for their investment outlets. The growth of the multifamily structure in importance nationally and particularly in metropolitan areas, including subsections of such areas regarded as suburban or until recently rural, indicates a need for modernization of the lending authority of Federal associations.

More immediate causes are found in population factors. The so-called World War II babies are now reaching marriageable age and young families typically live in apartments and do not become homeowners until their late twenties or early thirties. Thus over the next 5 years there will be an unusually heavy demand for multifamily construction. At the other end of the age span there is a continuing growth in the number of elderly families. More and more of these senior citizens are choosing multifamily units. Finally, the urban renewal program has resulted in the rebuilding of many central city areas, and typically such areas are developed with multifamily dwelling units rather than single homes.

Savings and loan associations account for nearly 45 percent of all home mortgages, but a significantly smaller percentage in the case of multifamily dwellings. Unless associations are permitted to invest additional funds in apartments, the construction of needed rental housing could well be hampered. Apartment construction, like any construction, contributes substantially to employment and business activity both onsite and offsite and an increase in apartment construction means an increase in business for the community and indirectly for the entire Nation.

PRESENT RESTRICTIONS ARE OUTDATED

Although there have been minor changes in section 5 of the Home Owners' Loan Act, the basic restrictions against apartment lending were first enacted in 1933 under conditions entirely different from those existing today. For one thing the typical savings and loan association was so small that it was not able or willing to finance large apartment units. The average association had only $500,000 in assets and made loans of perhaps $100,000 in a year. The institutions then did not have the trained staff for this specialized lending. Moreover, in 1933 apartment construction had come to a total halt.

Today the typical association has $15 million in assets and makes loans of $4 to $5 million a year and, of course, in the larger cities there are large associations fully capable of financing large apartment projects. Mutual savings banks, somewhat similar to savings and loan associations but not operating under the Federal restrictions, have had a very satisfactory experience in financing large projects in Eastern States. National banks are not limited by law in the percent of their permissible real estate lending which may be invested in loans on multifamily dwelling units.

While the committee favors the enactment of the bill in order to increase the lending potential of Federal savings and loan associations on multiunit residential properties, it views with concern the increased vacancy rates in rental units in some areas, and hopes that the Federal Home Loan Bank Board will continue to exercise adequate supervision to prevent any excessive use of this additional lending potential.

BRIEF SUMMARY OF THE BILL

The bill would permit the Federal Home Loan Bank Board to authorize Federal associations to invest an additional percent of their assets, not to exceed 15 percent, in loans on multiunit housing properties. The bill would further require the Federal Home Loan Bank Board to set maximum loan limits under the new 15-percent limitation not to exceed those permitted under the National Housing Act for loans on FHA-insured multifamily units. The bill would have the effect of permitting Federal savings and loan associations to make substantial additional funds available for financing needed moderately priced multifamily dwellings. The committee feels that it is necessary that such associations be permitted to devote a larger portion of their assets to apartment lending than is now authorized under the present law. However, the committee does not believe that it is desirable to remove all restrictions or that these associations should be permitted to devote the bulk of their assets to loans other than on single-family dwellings. The 15 percent authorized in the bill would give the Federal Home Loan Bank Board appropriate leeway in adjusting the limits to take into consideration prevailing conditions in the economy and in the housing market.

Under the bill a Federal savings and loan association could continue as under the present law to make loans on multifamily dwellings without respect to the dollar limitations contained in this bill, but such loans would have to be counted in the present 20-percent-of-assets category.

DETAILED EXPLANATION OF THE BILL

The general lending provision of section 5 of the Home Owners' Loan Act of 1933 permits Federal savings and loan associations to lend without percentage limitation on first liens upon homes or combinations of homes and business properties within 50 miles of their home office (or, in the case of a converted association, in the territory in which it made loans while operating under State charter), provided not over $35,000 is loaned on the security of such a lien on any one such property. By interpretations which go back to the early days of the legislation, it has been considered that these terms refer to property on which is located a dwelling or dwellings for not more than four families. However, not over 20 percent of such association's assets may be loaned on improved real estate without regard to the $35,000 limitation and the 50-mile limit, but secured by first lien.

Under subsection (a) of the first section of the bill this general lending provision could, at the discretion of the Federal Home Loan Bank Board, be enlarged by an amount not to exceed 15 percent of assets to include—in addition to homes or combinations of homes and business property—other dwelling units, and combinations of dwelling units, including homes, and business properties which include only minor or incidental business use, subject to regulations of the Federal Home Loan Bank Board. These amounts are to be within the limits allowable in section 207(c)(3) of the National Housing Act (12 U.S.C. 1713(c)(3)) at the time of the loan. Loans on multiunit housing properties could thus be removed from the above-mentioned 20-percent limitation, unless such loans fell within that category because of the territorial limit, or the inclusion of more than minor or incidental business use, or by reason of the mortgage amount limitations, or unless the unpaid balances outstanding on loans made on the security of multiunit property under the new limit of up to 15 percent of assets the Board may establish pursuant to this bill exceed such limit.

A further effect of the bill would be to clarify the authority of Federal savings and loan associations to make first-lien loans on individual apartments in apartment buildings (frequently referred to as "condominiums"), a growing method of providing multiple housing.

Subsection (b) of the first section of the bill would amend the provision of section 5(c) of the Home Owners' Loan Act of 1933 which authorizes a Federal savings and loan association to use an additional 20 percent of its assets (subject to an overriding limit of 30 percent on the amount which can be used under the two 20-percent provisions) for the making or purchase of participating interest in first liens without regard to the area restriction. Under the existing law, this additional 20-percent provision can be used only with respect to "one- to four-family homes." Subsection (b) of the first section of the bill would change the quoted language so that the second 20-percent provision, which would remain exempt as at present from the area restriction, would be applicable to exactly the same types of property as those which would be covered by the general lending provision as amended by subsection (a).

Section 2 would make comparable changes in the provisions of the Federal Home Loan Bank Act relating to advances by the Federal home loan banks to their member institutions, both Federal and State chartered. Under the existing provisions for such advances, these advances (except for certain advances made for not over 1 year or secured by obligations of or fully guaranteed by the United States) may be made only on the security of "home mortgages," limited to property on which there is located a dwelling for not more than four families. This does not give the Federal home loan banks adequate authority to make advances to their members on the types of multiunit housing which are needed today.

The proposed amendments in section 2 of the bill would substitute for the existing language "upon which there is located a dwelling for not more than four families" the language "upon which is located, or which comprises or includes, one or more homes or other dwelling units", with power in the Federal Home Loan Bank Board to define these terms. The existing limit of $35,000 on the amount of a home mortgage eligible as collateral for such advances would also be amended so that the $35,000 limitation would become applicable on the basis of the number of homes or other dwelling units covered by the mortgage, rather than being applicable to the total amount of the mortgage itself.

The PRESIDING OFFICER. The bill is open to amendment. If there is no amendment to be proposed, the question is on the third reading of the bill.

The bill was ordered to a third reading, was read the third time, and passed.

PUBLIC WORKS APPROPRIATIONS, 1963

The Senate resumed the consideration of the bill (H.R. 12900) making appropriations for certain civil functions administered by the Department of Defense, certain agencies of the Department of the Interior, the Atomic Energy Commission, the St. Lawrence Seaway Development Corporation, the Tennessee Valley Authority, and certain river basin commissions for the fiscal year ending June 30, 1963, and for other purposes.

Mr. HUMPHREY. Mr. President, what is the pending business?

The PRESIDING OFFICER. The appropriation bill on civil functions is open to amendment. The Senator from Wisconsin has the floor.

Mr. HUMPHREY. I thank the Senator from Wisconsin for his cooperation.

INTEREST ON TIME DEPOSITS OF FOREIGN GOVERNMENTS

Mr. PROXMIRE. Mr. President, before I call up my amendment to the pending bill, I send to the desk an amendment on the bill which would permit certain banks to discriminate in paying higher rates of interest to foreign central banks, and ask that the amendment be printed.

The PRESIDING OFFICER. Without objection, it is so ordered. The amendment is as follows:

On page 1, line 5, strike out "The" and insert in lieu thereof the following: "During the period commencing on the effective date of this sentence and ending upon the expiration of two years after such date, the".

On page 2, line 5, strike out "The" and insert in lieu thereof the following: "During the period commencing on the effective date of this sentence and ending upon the expiration of two years after such date, the".

PUBLIC WORKS APPROPRIATIONS, 1963

The Senate resumed the consideration of the bill (H.R. 12900) making appropriations for certain civil functions administered by the Department of Defense, certain agencies of the Department of the Interior, the Atomic Energy Commission, the St. Lawrence Seaway Development Corporation, the Tennessee Valley Authority, and certain river basin commissions for the fiscal year ending June 30, 1963, and for other purposes.

(During Mr. PROXMIRE's speech on the Glen Elder project:)

Mr. CARROLL. Mr. President, will the Senator from Wisconsin yield to me?

Mr. PROXMIRE. Mr. President, I ask unanimous consent that I may yield to the distinguished Senator from Colorado, without losing my right to the floor, and I ask unanimous consent that his remarks precede my remarks in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

MAJOR GAINS FOR COLORADO IN PUBLIC WORKS BILL

Mr. CARROLL. Mr. President, the public works appropriation bill before us today contains two items of great significance to Colorado and its economy.

The first item is $600,000 of advance planning funds for the Fryingpan-Arkansas water diversion project.

I do not know whether I should say this in the presence of the Senator from Wisconsin. I will strike this remark from the RECORD, if necessary.

Mr. PROXMIRE. Mr. President, if the Senator will yield at that point, I will say to him that I voted against that authorization when it was before the Senate. I did so with a heavy heart, because I have great respect for the Senator from Colorado. He made a wonderful fight for it. I think that project is infinitely more worthwhile than the Glen Elder project. It had a clearly favorable cost-benefit ratio, and I suspect, although I do not know, that the farmers are in favor of it. With respect to the Glen Elder project, 90 percent of the farmers are against it. So I presume the Fryingpan-Arkansas project has considerably greater merit.

Mr. CARROLL. I do not wish to enter into the Glen Elder project debate at this time. In the years I have been with the Senator from Wisconsin in this very important body I have never known him to be wrong but once, and that was on the Fryingpan-Arkansas project.

To continue with my statement; the second item is the allocation of $500 million for the immediate implementation of the accelerated public works program which was approved by the Congress and signed into law by the President on September 14.

These moneys, Mr. President, will bring immediate and needed assistance to areas of my State which have not taken part in Colorado's general high level of industrial expansion and growth.

Senators, in committee and on the floor, have over the last 6 years heard me speak often of the importance of the Fryingpan project to the State of Colorado. Obtaining congressional approval of this project has been one of my major interests during my years in the Senate. The State of Colorado and its congressional delegation without regard to partisan politics was pleased and gratified when at long last this dramatic projected diversion of water across the Continental Divide received the approval of both Houses of Congress and of the President.

The overwhelming importance which my State attaches to this project was most clearly displayed when the President of the United States joined us in our celebration ceremony in Pueblo, Colo., on August 17. Never before has Pueblo seen such an outpouring of people.

At that time, the President said in the course of his remarks that "a rising tide gets all the boats." Completion of this project will mean that Pueblo and the Arkansas River Valley will have their tide; they will have the water needed to bring new industry and business development.

The bill before us today represents the first actual money appropriated for this project. The quick action of the Senate to appropriate this $600,000 for advance planning will be taken by the people of this region of my State as a sign that at last actual planning is to be started and that early construction can be expected. This will give a much needed boost to the morale and a stimulus to the economy. Leadville, with an unemployment rate of 50.7 percent, and Pueblo with an unemployment figure of 9.8 percent in its 27th consecutive month of unemployment over 6 percent, will be cheered by the news that the Senate has approved this money.

Mr. President, I congratulate the very able and very distinguished chairman of the Senate Appropriations Committee for his understanding and prompt action in behalf of the people of Colorado by adding these Fryingpan advanced planning funds to this bill. All of Colorado is in his debt.

A few weeks ago, after receiving discouraging words from the other body, it looked as though we would have no planning funds this year. However, with the favorable action of the Senate Appropriations Committee and with favorable action from the Senate today, I believe that prospects for House approval of this vital money have greatly improved. I have talked with House Members and I am hopeful that we shall have the support and approval of that body for these planning funds.

EMERGENCY PUBLIC WORKS TO HELP DEPRESSED COLORADO REGIONS

This bill also includes $500 million to be used for the first 4 months of the accelerated public works program. This money will be used to accelerate worthy projects in certified redevelopment areas and in areas of substantial labor surplus. This program offers the hope of obtaining Federal assistance for the construction of needed projects in Colorado's seven area redevelopment counties. These counties are Alamosa, Clear Creek, Conejos, Costilla, Gilpin, Huerfano, and Las Animas.

It is my understanding that these funds will be allocated through regular Federal agency procedures. I understand that eligible projects include hospital construction, water and sewer projects, as well as other community facility programs.

Mr. President, these areas of my State have public works needs which they have been unable to fill. I know that the cities of Pueblo, of Trinidad, and of Georgetown have woefully inadequate water and sewer systems which they have been unable to improve because of lack of funds.

The city of Alamosa and, indeed, the San Luis Valley require improved medical facilities. Plans are in existence for a new wing to be added to the Alamosa Hospital. Hospitals in Conejos and Costilla County also desperately need increased bed capacity.

The county of Pueblo has matching funds in the bank and plans already drawn to build a needed hall of justice.

These are just examples, Mr. President, of the type of public works projects which these funds are intended to assist. The acceleration of worthy and needed community facility projects will mean improved living standards and economic growth for the depressed areas of my State and of our country.

Mr. PROXMIRE. Mr. President, I offer an amendment, which I send to the desk, and ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, reading of the amendment will be dispensed with. The amendment will be printed in the RECORD.

The amendment of the Senator from Wisconsin is as follows:

On page 12, line 9, in lieu of "$160,361,000", insert "$159,611,000".

Mr. PROXMIRE. Mr. President, I have done everything I can to persuade the Appropriations Committee not to approve funds for the Glen Elder Dam and irrigation project. I appeared before the Senate Committee on Appropriations and made a statement before that committee on June 7 of this year. On the same day, at the suggestion of the chairman of the committee, the Senator from Arizona [Mr. HAYDEN], who was very much shocked at the material I presented, I wrote a letter to every member of the House Appropriations Committee calling his attention to the situation and pleading for them not to approve the Glen Elder project.

The project is a classic example of wasteful spending at its incredible worst. I hesitate to make a long, long speech in the Senate, but shall do so. I shall speak many hours on the subject for two reasons:

First, I wish to document in detail the general case against the billions of dollars of waste involved in the present system of congressional determination of irrigation and flood control projects, and the specific case against Glen Elder.

Second, for 5 years I have watched protests by a few Senators against the demonstrable, provable waste in this area, protests made with only feeble support. Perhaps a comprehensive, thoroughly documented case made in depth will dramatize the tragedy of this waste and shock Senators awake.

I offered the amendment to delete funds for the Glen Elder Dam project in Kansas, the only major Bureau of Reclamation "new start" in the President's budget for the fiscal year 1963 because I am opposed to the project for four reasons:

First. It is not properly authorized.

Second. It will lead to a sizable increase in feed grain surpluses.

Third. Its costs far exceed its alleged benefits.

Fourth. I have received petitions from 90 percent of the farmers who allegedly would have benefited by the irrigation project, protesting against it. I will show on the map at the rear of the Chamber that occupants of 85 percent of all the land that would be affected do not want this project.

The Glen Elder Dam and irrigation project is a $60 million structure for which the sole congressional authorization is a single line in an 18-year-old act which contained over 300 projects.

This is a mockery of the formal authorization process, under which Federal projects are carefully reviewed and described in detail before getting congressional approval. In the case of Glen Elder, there has been no such review by Congress or the legislative committee directly concerned.

The Glen Elder project appears as one line in the so-called Pick-Sloan authorization enacted in 1944 which also included 325 other projects.

While it is listed in this wartime omnibus act, the project as it was then differs in almost every respect from the current proposal. The chief similarity is that the name is the same.

In 1944, the Glen Elder Dam was to cost $17 million and would provide 300,000 acre-feet of storage capacity. Now the same project is to cost $60 million and provide 800,000 acre-feet of storage.

In 1944, Glen Elder was described as supplying water to irrigate 26,000 acres of farmland. Now this has been cut to 21,000 acres.

We have, therefore, a project which was authorized 18 years ago that was to cost $17 million; we now find that it will cost $60 million. We have a project which at that time would have provided 300,000 acre-feet of storage capacity; we find now it would provide 800,000 acre-feet. At that time it would have affected 26,000 acres of farmland; we find now that it would affect 21,000 acres.

GLEN ELDER MAKES FARCE OF AUTHORIZATION PROCEDURE

What a farce this makes of the authorization procedure, when an 18-year-old one-line "authorization" so skimpy that the project can be modified out of all recognition is now used as the legal basis for the one substantial "new start" in the President's budget for fiscal 1963.

Until its present consideration by the Appropriations Committee, the Glen Elder project has not been reviewed by Congress for 18 years. It has not been evaluated on its merits or in relation to the many other projects competing for a necessarily limited supply of tax funds.

The Senate Interior Committee recently evidenced a deep concern about this misuse of the authorization concept at a specially called hearing. Members of the committee indicated that all unfunded authorizations left over from the 1944 act should be referred back to the legislative committee for review and reauthorization.

It should be noted that this hearing by the Interior Committee concerned the authorization process in general, and unfortunately did not constitute a careful, detailed review of the Glen Elder project.

The position taken by the chairman of the Committee on Interior and Insular Affairs and other members of the committee at that time could certainly be construed as very critical of the Glen Elder project.

Glen Elder was simply taken off a shelf in the Bureau of Reclamation where it has been sitting since 1944, dusted off and sent up to Congress for money.

There is no indication why this project, out of the many hundreds of others authorized at the same time, some with substantially higher benefits, has been singled out for construction to the tune of $60 million.

I appeared before the Senate Appropriations Committee and made vehement objection and at that time the chairman of the committee, the distinguished Senator from Arizona [Mr. HAYDEN], indicated genuine shock and surprise. There is not a word in either the report or the hearings to contradict or refute my position, or to give evidence in support of the Glen Elder project.

GLEN ELDER WOULD FAIL TEST OF LEGISLATIVE REVIEW

The authorization process is the cornerstone of legislative oversight, a minimum requirement that should be observed even if a project is obviously and substantially justified.

Glen Elder has no such obvious justification. Indeed, a large portion of the benefits expected to result from this project are extremely dubious.

Because of its great antiquity, Glen Elder dates back to an era before farm surpluses became a multibillion-dollar burden on American taxpayers.

The lack of legislative review means it has not had to pass the test now applied that reclamation projects not contribute to farm surpluses.

Glen Elder would fail that test.

The right hand does not know what the left hand is doing in Congress when a reclamation project is proposed that will bring thousands of acres of land into new production of feed grains, just a few days after enactment of a farm bill designed to take millions of acres out of production of feed grains at a cost in excess of a billion dollars.

The only substantial "new start" in the President's budget for reclamation in fiscal 1963 is the Glen Elder Dam. Yet one of the main benefits expected from this project is irrigation for 13,000 acres of land to produce grain sorghums, an important feed grain.

Right now the U.S. Government has a surplus of more than $3 billion worth of feed grains.

The Glen Elder project would provide water for 60 new farms which would grow 13,000 new acres of grain sorghums with an annual crop value of more than $1 million.

The cost of the public of providing irrigation for this land works out to more than $1,500 per acre. To this must be added the millions of dollars worth of surplus grain sorghums that the Government would have to acquire.

As a national policy on resource development, this is straight out of Alice in Wonderland.

The spectacle of using scarce tax dollars to misuse scarce water to grow feed grains at the same time the Federal Government is spending more dollars to pay farmers to take other feed grain producing land out of production is utterly beyond comprehension.

The cost of the irrigation facilities alone on the Glen Elder project is $17 million. Taxpayers will have to fork over not just the $1 million-plus per year for surplus feed grains, but also the initial $17 million cost, as well as half a million dollars annually in imputed interest payments.

In the long run, the farmers owning the irrigated land will repay less than $4 million of the initial cost and none of the imputed interest, which does not show up in any budget figure, but is a real cost to the public of some $20 million additional over the life of the project.

It will cost $1,810 per acre to bring water to the 21,000 acres involved in the project. Farmers using the irrigated land will pay back only $191 at the rate of $4 a year per acre during the 50-year repayment period.

The farmers pay $8.50, but $4.50 will go for operating and maintenance cost, and of course the $4, therefore, is remaining for repayment. Another $619 per acre will be paid by users of power generated by the power units of the Missouri Basin projects, none of whom will benefit from Glen Elder.

Here is a subsidy which is not coming from the general taxpayer. It is coming specifically from those who use power in Nebraska, South Dakota, and other States, and who will have to pay higher rates over the years, and yet they will not get 1 extra kilowatt of power. They will pay $13 million of the $17 million irrigation cost.

Every dollar spent on this irrigation project will bring only 40 to 60 cents worth of economic benefits. Normally a benefit-to-cost ratio of at least $1 benefit for each dollar cost is required. Anything less is an unjustified use of Government funds.

Anything less will not get out of a congressional committee and usually will not pass muster in either the House or the Senate.

EACH DOLLAR SPENT NOW WILL COST $3

What is more, each dollar spent to build this project will further cost well over $3 over the next 50 years in added farm surpluses and extra interest charges on the national debt.

Let me repeat that statement. It is very important. Each dollar spent to build this project will further cost well over $3 over the next 50 years in added farm surpluses and extra interest charges on the national debt.

Even the flood control aspects of Glen Elder are of borderline value. Just to arrive at a benefit-cost ratio of $1.09 to $1 it is necessary to make the most favorable possible assumptions with regard to the time span of the project and the other calculations involved.

If a discount factor of 4 percent is used to evaluate the future value of current dollars, which most independent experts consider realistic—particularly since prime interest rates are about 4 percent—the costs of the project substantially exceed its flood control benefits.

I point out that the only reason the 2½ to 3 percent discount factor can be used is that it may be that this is the present cost to the taxpayer for the present debt. The reason the cost is so low is that much of the debt was accumulated in the 1930's, 1940's, or 1950's, when interest rates were extraordinarily low. They were low because Government bonds were pegged at par. They were low because the Government was then deliberately following a monetary policy which kept interest rates lower than they had ever been before and lower, I suspect, than they will ever be again, at least for a long time.

I doubt if any Members of the Senate—or more than one or two Members of the House—feel that we should go back to the situation of pegging Government bonds at par and to the situation of having interest rates as low as 2½ percent.

There is no question that over the time during which the Government would be borrowing money to pay for this project in Kansas it would be necessary for the Government to pay far more than 2½ percent. To be realistic, the amount would be 4 percent. Therefore, the 2½ percent seriously understates the realistic cost to the Government of the money it would take to build the project.

Only by postulating a 2½-percent discount and by using a 100-year timespan is it possible to bring the benefits to the 1.09 to 1.00 barely favorable ratio.

I ask: Is this the project in our Nation with the most substantial expected rewards for its cost? Of the hundreds of other projects similarly "authorized" in the 1944 and other early omnibus acts, is this the most worthwhile, so that in the fiscal year 1963 it should be the only important "new start" in the flood control and reclamation field?

If it is, then I must very seriously question the standards and priorities that put so dubious an undertaking at the top of the list.

If not—as appears more likely—then surely Congress should demand to know which projects are more worthwhile, why they were not chosen, and what principles and guidelines are now employed in the Bureau of Reclamation to select new projects for construction.

In the absence of any effective congressional review of projects, this kind of information must be provided in detail if an informed choice on appropriations is to be made.

For these reasons I believe that no funds should be appropriated for the Glen Elder project, at the very least until it has been thoroughly scrutinized by the Senate Interior Committee.

I also believe that any further allocation of funds to multiuse water development projects should be held up until Congress has reviewed the new criteria recently stated by the President's Cabinet level Water Resources Council.

Until new criteria are clearly established, there remains the possibility that economically unjustified projects like Glen Elder will be proposed again.

I ask unanimous consent that a table that I have prepared be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Aggregate and per acre costs of the Glen Elder irrigation project with and without imputed interest

		Aggregate	Per acre
Cost without interest: Total construction cost		$17,000,000	$810
Amount repaid by irrigators		4,000,000	191
Amounts repaid by power users		13,000,000	619
Different estimates of related interest cost (4-percent interest rate in all cases):			
Total over the years:			
50 years times $80,000 (average)	$4,000,000		
100 years times $520,000	52,000,000		
		56,000,000	2,700
Present discounted value of interest:			
2.5-percent discount factor:			
$80,000 for 50 years	$2,269,000		
$520,000 for 100 years	19,039,000		
		21,308,000	1,010
4-percent discount factor:			
$80,000 for 50 years	$1,580,000		
$520,000 for 100 years	12,742,000		
		14,322,000	682
Total cost: Present construction cost plus present discounted value of imputed interest:			
2.5-percent discount factor			1,810
4-percent discount factor			1,492

Mr. PROXMIRE. Mr. President, the total construction cost is shown as $17 million. That is for irrigation. That is a per acre cost of $810. The amount repaid by the irrigators—and that, incidentally, is without interest—is $4 million, or $191 per acre. The amount repaid by power users is $13 million, or $619 per acre. They get not one additional kilowatt. There is no additional power in this project. They will have to repay three-quarters of the cost of the project.

Unfortunately, there has been a tendency on the part of Members of Congress to ignore interest cost or to fail to compute in terms of its real meaning. That is what I wish to do this afternoon. I should like to compute the interest on the basis of a 4-percent rate, which I think seems to be more realistic, first on a 50-year basis for the amount that will be paid off in 50 years, and then on a 100-year basis on the amount that will not be paid off until the year 2060, the end of the 100-year period.

Because the $4 million will be amortized over a 50-year period, I take the average balance, which will be $2 million, and multiply that by 4 percent, and get an interest cost of $80,000 a year on the average.

By multiplying the $80,000 a year by 50 years, I get $4 million as the cost that will be repaid by the irrigators.

In addition to computing the interest on the amount that will not be repaid until 2060, I take the remaining $13 million, and I take 4 percent of that amount, because, of course, there is no declining balance. There is not a cent to be paid off until the end of the period, so we have to compute the interest on the total amount. Four percent times $13 million is $520,000; and $520,000 times 100 years is $52 million—$52 million plus $4 million equals $56 million. That is a per acre interest cost of $2,700.

FIGURES REDUCED TO REFLECT DIMINISHED VALUE OF DOLLAR

To be fair—and I wish to be as fair as I can be—I think it is desirable for us to recognize that this computation does not give us an accurate or a fair picture of the cost, because this amount will be paid over a period of time, and the value of the dollars which will be used in 50 years, 75 years, and 100 years from now will be less, based on present terms. Therefore, I have discounted, I have reduced, I have diminished the value of those payments by applying two factors: first, a 2.5-percent discount factor. When I do that, applying it for the first 50 years, the cost is not $4 million, but is $2,269,000. When I apply it to the 100-year period, the $520,000 a year paid back in 100 years is discounted—that is, reduced—from $50 million to $19 million.

When we apply the aggregate cost of the $21,300,000, the interest is $1,110 per acre. Just the interest alone is $1,110.

When we add the interest cost to the total construction cost we find that the acre cost to the Government is $1,810.

Mr. President, the best land that can be found in Wisconsin can be bought, at the very most, for $800 an acre. It is wonderful land. It is very fertile. It will grow almost anything. Yet the Government would pay $1,810 an acre not to bring new land into production, but to provide some improvement by irrigation in land in Kansas, which the local farmers, as I shall point out in a moment, overwhelmingly disapprove, do not want, and reject.

If we apply a 4-percent discount factor—and I suppose, to be consistent, that that is a fairer application—the amount is reduced from $21 to $14 million.

The per acre interest cost is $682, and the total cost—that is, the construction cost and the interest cost—is $1,492, or approximately $1,500 an acre. That is the figure to which I shall refer primarily in dealing with this situation in the rest of my presentation.

Mr. President, I ask unanimous consent that a second table entitled "Calculation of the Subsidy From the Public to the Irrigating Farmers on the Glen Elder Unit," in millions of dollars, be printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Calculation of the subsidy from the public to the irrigating farmers on the Glen Elder unit

[In millions]

	Total payment ignoring interest	Present discounted value at following discount factors:	
		2.5 percent	4 percent
Payment by irrigators [1]	$4.000	$2.269	$1.581
Payment by power users in the Missouri River Basin [2]	13.000	1.100	.260
Payment by the general taxpayer		13.630	15.102
Total repayment of the reimbursable costs of the irrigation project	17.000	17.000	17.000

[1]. Payment by the irrigators is on the basis of $80,000 annual payments for a 50-year repayment period.

[2] The payment by the power users is assumed to be made in the year 2060 when the power features of the Missouri River project will be repaid, along with the other existing irrigation projects, which will then permit the annual net income of the power features of the Missouri River Basin project to be used for the Glen Elder project. Lump-sum payment is assumed, since the annual net income from the power features will be large enough for this once it becomes available.

Mr. PROXMIRE. The table shows that the total payment by irrigators, ignoring interest, is $4 million. The present discounted value, at a discount factor of 2½ percent of the $4 million, is, of course, less. It is $2.269 million. If we apply the 4-percent discount, the farmers will pay even less—$1.581 million.

The payment by power users in the Missouri River Basin, who will get no benefit, is $13 million. If we apply the discount factor to that amount, it is $1.1 million at a discount of 2.5 percent, and $260,000 only if the discount factor is 4 percent.

That means that the general taxpayer will pay between $13.5 million and $15 million in subsidy for the $17 million irrigation project. In other words, general taxpayers all over the country will pay three-fourths to seven-eighths of the cost of this project.

STRONG LOCAL OPPOSITION TO GLEN ELDER

In the rear of the Chamber is a map which shows the area to be irrigated by the project. I have shown in black the farms whose owners have sent me a petition protesting this irrigation project.

The only irrigation beneficiaries are those shown on the map. It is true that there are a few white patches, indicating farmers who did not sign the petition. It is possible that they, too, do not want the project. But they did not take overt action by writing to the junior Senator from Wisconsin to oppose the project, or to speak against it in the Committee on Appropriations.

But the map indicates that 90 percent of the farmers who have land in the area which is to be irrigated are opposed to the project. I am sure that if we consider the farmers who own land behind the dam, land that will be flooded, will be taken out of production—80 or 90 farms are to be destroyed—these farmers are really opposed to this kind of project, because it will mean that their farms will be entirely destroyed and they will be unable to go back to them.

Turning to those who would benefit, we find that they overwhelmingly, almost unanimously, oppose the project. Actually, this 90 percent of the farms constitutes, on a very carefully measured acreage basis, 85 percent of all the land involved.

I have in my hand a petition. I hope that Senators who will read the RECORD will consider the fact that the farmers who are supposed to benefit from the project overwhelmingly reject it as I shall indicate when I read the petition. They do so in very emphatic, clear-cut terms. There is no question where they stand concerning the project.

Incidentally, every one of the petitions has been notarized. The farmers involved obviously went to considerable cost, inconvenience, and effort to let Congress know their views. It is incredible that Congress should insist on forcing a supposed benefit on farmers in Kansas who do not want the benefit, who themselves write and say they do not want it, and who petition against it.

As the map clearly shows, the only farmers who allegedly would be benefited by the irrigation project oppose it. I shall read one of the petitions. I shall not read all of them, but only one. They are all signed by different landholders, different farmers, who are affected by the irrigation project and do not want it. The petition is entitled "Petition Registering Objection to Formation of Glen Elder Irrigation Project." The first one is the petition of the Dimanowski estate, Esther Critchfield, and Irene W. Klein. The petition reads:

PETITION REGISTERING OBJECTION TO FORMATION OF GLEN ELDER IRRIGATION PROJECT

> Whereas the Bureau of Reclamation, created and established by the Department of the Interior, and whose functions include both flood control and irrigation; and
>
> Whereas the Bureau of Reclamation has an office located in Beloit, Kans., which has done preliminary study and work on the feasibility of building the Glen Elder Dam and Reservoir in conjunction with the establishment of the Glen Elder irrigation project as a joint flood control and irrigation project.
>
> Now, therefore, I/we the undersigned landowners whose address is Esther Critchfield, Geary, Okla., and Irene W. Klein, Guymon, Okla., owning land situated in the proposed Glen Elder irrigation project, described as follows:
>
> 149 acres in the NW of 17-8-5 and a tract of 11½ acres in 8-5-5, all in Cloud County, consisting of 160½ acres.
>
> Now wherewith be it known to the Bureau of Reclamation and any other person, governmental department, or subdivision thereof, that we do hereby register our objection herewith to the formation of the proposed Glen Elder irrigation project and to further register our objection to any of the above described real estate being appropriated and used for irrigation purposes in the said proposed Glen Elder irrigation project as proposed by the Bureau of Reclamation.
>
> And further declare that we will defend our rights against an appropriation of the said above described real estate in the proposed Glen Elder irrigation project.
>
> THE DIMANOWSKI ESTATE.
> ESTHER CRITCHFIELD,
> IRENE W. KLEIN.

Mr. President, as I have said, I have before me petitions from 384 landowners, who constitute 90 percent of the farmers involved in this situation, and their holdings constitute 85 percent of the land involved. Their names, addresses, and the acreage they own are listed, so that anyone who desires to check on the validity of these petitions can do so.

Mr. President, I also have before me a list of the landowners within the proposed Glen Elder irrigation project who by petition have registered their objections against the proposed formation of the project. Of course, I could read their names into the RECORD. However, instead of doing so, I ask unanimous consent that a list of their names and addresses and the acreage held by each of these landowners be printed at this point in the RECORD.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

Landowners within the proposed Glen Elder irrigation district who have registered their objections by petitions to the formation of said irrigation project

Name	Address	Acreage
Floyd Rominger and Thelma Rominger	Glen Elder, Kans	80
W. L. Fuller and Etta Fuller	do	160
Elwood Harrison and Mary Harrison	do	160
Quentin Kelley and Pauline Kelley	Beloit, Kans	160
John Bunger, guardian of William and Frederick Bunger, minors.	do	146
William Thiessen and Emma J. Thiessen	do	427
		186¾
Stewart Barker and Louise L. Barker	do	160
Charley V. Vetter and Charlotte Vetter	do	318
Anna J. Olson	Denver, Colo	151
W. D. Thiessen and Olivene Thiessen	Beloit, Kans	154
A. C. Remus and Irena Remus	do	560
Effa May Metcalf	do	126
Paul James	do	221
Gerald Smith and Aileen Smith	do	241
W. Earl Porter and Thelma Porter	do	466.8
Elmer Golladay and Sarah Golladay	Glen Elder, Kans	80
Lena James and M. R. James	Beloit, Kans	160
Maggie McClintock	do	306
Minnie Thiessen	do	160
Lena James and M. R. James	do	110
Louise Thiessen	do	384½
Ellen Davis	Salina, Kans	160
Florence L. McKechnie	Glen Elder, Kans	160
Hamer Williams and Emma C. Williams	Beloit, Kans	480
Millie Clover	Glen Elder, Kans	320
Winifred Johnson	Beloit, Kans	435
Elmer Porter and Christine Porter	do	200
Jay F. Johnson	do	110
Doyle L. Remus and Mrs. Shirley Remus	Glen Elder, Kans	283
Maxine Reinhardt, R. A. Reinhardt, Elizabeth Dean, and Keith Dean.	do	150
Mrs. Carl A. Porter	Beloit, Kans	160
Anna R. Thiessen, Carol Thiessen, Marjorie Thiessen Havel, Kenneth D. Havel, Vernon Thiessen, and Anna L. Thiessen.	do	105
William J. Remus and Orpha A. Remus	Glen Elder, Kans	160
Emma Lund and Frank J. Lund	do	280
Leo H. Eberle	do	10
Mrs. Sylvia E. Vetter and John C. Vetter	Beloit, Kans	383
Guy Noller	Glen Elder, Kans	196
Lula Rawlins	Beloit, Kans	398½
Mrs. Ruth Kirgis and George Kirgis	Beloit, Kans	160
Roy A. Fobes and Trella Fobes	do	360
J. A. Muck and May E. Muck	Glen Elder, Kans	23
Vincent Engelbert and Elizabeth Engelbert	Beloit, Kans	160
E. D. Metcalf and Mrs. E. D. Metcalf	do	160
Albert McDysan	do	20
Darrell L. Fobes	do	80
Robert Metcalf and Elizabeth Metcalf	do	160
Doyle V. Neifert and Esther G. Neifert	Glen Elder, Kans	80
Elden McCune and Chloe McCune	do	112
Dean Miller	do	5
Fred Boehner, Laura Boehner, Earl Boehner, and Doris Boehner.	do	160
Davida Simpson and Elmer E. Simpson	do	40
L. L. Humes and Bessie Humes	do	80
George Megli and Bernice Megli	do	240
Sadie M. Gansel and Helene Gansel Wood	Beloit	23
Ferd R. Gansel	Hill City	
Martha P. Morton	Concordia	
Joe D. Gansel	Beloit	
Joe Hicks, William Hicks, and Virginia Bunger	do	256
H.E. Marquis	Glen Elder	120
Carl Thiessen and William Thiessen	Beloit	150
Eva Irean Grigsby and James W. Grigsby	Jacksonville, Oreg	160
Verna D. Rawlings and E. B. Rawlings	Santa Clara, Calif	
W. Earl Porter and Fronia Porter Harned	Beloit	109
Carl Thiessen	do	100
Arnold C. File and Dee Ann File	do	100
A. Graff by Paul T. Graff, agent	do	140
Amos Chapman and Alma Chapman	do	145½
Arnold C. File and Dee Ann File	do	200
Ralph Nicholson and Meredith Nicholson	Glen Elder	80
John Porter	do	80
G. H. Gish and Lacy Gish	do	9
Ralph Nicholson and Meredith Nicholson	do	220
M. E. Gentleman and Ava B. Gentleman	do	262
Gerald Farr	Beloit	160
Ora Porter	do	160
Frank T. Nash and Marcy T. Nash	Glen Elder	425
Nash estate by Frank T. Nash, administrator	do	300
Mrs. Clara Rominger	do	160
Merle L. Campbell	Topeka	37
Seth F. Wilson	Asherville	199

Landowners within the proposed Glen Elder irrigation district who have registered their objections by petitions to the formation of said irrigation project—Continued

Name	Address	Acreage
Alfred Emmot and Carrie Emmot	Beloit	80
Duane K. Stilley	Seabrook, Tex.	600
Vera M. Cruse and Floid E. Cruse	Farragut, Iowa	
Louis E. Stilley	Fort Worth, Tex.	
T. Boyd Hull	Beloit	389
Mrs. Ross Strawn	do	178
Nick A. Ernzen	do	254
Lola Remus, Mary Virginia Remus, Kim Remus, Twila V. Remus, and John B. Kruse.	do	160
Kenneth Wendell and Lucile K. Wendell	do	47
John H. Matheis	do	345½
Charlotte File	do	80
Mrs. Anna Jones	Wichita, Kans.	160
Susan File	Beloit	235
Donald Dooley	do	160
John C. Vonderheide, Rose Vonderheide, Katherine Vonderheide, and William Vonderheide.	do	280
Lucy A. Brackett	do	95
Mary E. Stover, agent	do	160
Seth F. Wilson and Theron Wilson	Asherville	135
Lawrence Briney	Beloit	20
Wilbur W. Kent	do	137
Harry R. James and Margaret M. James	do	160
Robert Vernon, Betty Jean Vernon, and Mrs. Effie J. Vernon.	Simpson	280
Bon Duff	Beloit	160
Joe McClure	Simpson	160
Mrs. May Vernon	do	160
Thomas L. Carlin	Beloit	120
Joe Krone	do	42
Edgar T. Pierce and Hazel L. Pierce	do	79
Mrs. Ella C. Wagner	do	153
Irma Schellinger	do	88½
Daisy E. Guard	do	122
Everett M. Burkhead, Ethel Wolverton, and Doris Lieurance.	do	109
Gertrude E. Burnette and William Burnette	Asherville	152
Chas File	Beloit	359
Otto E. Lange and Mary L. Lange	Asherville	226
Marietta Stilley	Beloit	80
Viola E. Pearce	do	126
Frances Heinen	do	302
R. J. Fittell and Cora B. Fittell	do	148½
Lola Remus	Beloit	283
Mrs. Ethel Burnette	do	100
Jess Dameron	do	67
Regina M. Hodler	do	215
John A. Heller and Rose D. Heller	do	146
Leonard J. Heller	do	69½
William T. Heller	do	80
Robert N. Sherrard	do	178
Duane E. File	do	160
Susagnes Heller Schwerman	do	79
Irene Hyde Miller	do	120
Louise Hyde Dooley	do	420
Elizabeth Myers	do	80
Vernon Thiessen and Anna L. Thiessen	do	200
Wilfred J. Wendell	do	187
Thomas S. Hyde	do	240
Elizabeth Schwerman	do	241
Miles E. File	do	480
Melvin C. File and Mrs. Melvin C. File	do	120
Earl File and Telva File	do	583
Mrs. Lena M. Roberts	do	307
V. R. Schmidt and Katherine M. Schmidt	do	160
Dan G. Wood and Helene K. Wood	do	200
Robert Wagner and Margaret Wagner	do	80
Do	do	106
C. E. Plymire, by Lois Plymire Pruitt, guardian	do	120
Margaret Anderson and Edwin Davis	Glen Elder	10
Mrs. N. L. Davis	do	120
Albert L. Davis	do	40
Rex Borgen	Asherville	160
Mrs. Melva McClintock	do	240
Frank O. Pearson	Simpson	123
C. A. Robertson and Mrs. C. A. Robertson	do	240
Mrs. Thelma Spicher	do	320
James Robertson	do	239
Marie Niehaus	Beloit	81
Eugene File	do	94
Charles Pearson	Simpson	208⅛
Harrell Guard, Sr	Asherville	160
Beatrice Childs	Simpson	425
Total		28,603⅛

Cloud County landowners registering objection by petitions to formation of Glen Elder irrigation project

Name	Address	Acreage
W. A. Adams	Glasco, Kans.	240
Mabel A. Childs and C. R. Childs	Delphos, Kans.	80
Do	do	195
T. M. Butler	Glasco, Kans.	340
Walter Sheets and May Sheets	do	200
Florence Gray Bundy	do	40
Mrs. Howard Courtney and H. L. Courtney	do	170
Wesley Fuller	do	160
Emery Yenni and Maxine Yenni	do	640
Lawrence Sheets and Eva Sheets	do	697
Joe Sheets	Concordia, Kans.	304
Peter H. Beck and Maude C. Beck	Glasco, Kans.	160
Willis Beck	do	204
Leona Smith (Cyrier) McKemey	Jamestown, Kans.	74
John V. Downey	Glasco, Kans.	160
Joe Downey	do	320
Ada J. Orebaugh	do	551
Leslie O. Wealand and Elsie L. Wealand	do	80
William K. Dopp	do	100
Sarah E. Dopp	do	11
Hattie M. Nowels	do	153
Arden E. Halderson and Orville Halderson	do	160
Boyd Chapman and Mrs. Boyd Chapman	do	9
Blanche Teasley and Dale Teasley	do	4.49
Claude Orebaugh	do	10
Max D. Martin and Lorene Brown Martin	do	345
Mrs. Mary Ellen Lott	do	80
Jess M. Dalrymple and Evelyn H. Dalrymple	do	150
J. M. Davidson	do	900
Mrs. Clara Pinkall	do	100
Earl E. Keller	Clyde, Kans.	360
Mrs. R. L. Brock and John R. Brock	Glasco, Kans.	396.05
Walter Butler and Bertha Butler	do	448
John R. Brock	do	454.07
Martin E. Butler	do	320
Virginia L. Steinbrock	do	220
Ray H. Fetters	Manhattan, Kans.	
Celestine Louthan and Robert Louthan	Simpson, Kans.	320
Robert Louthan, Celestine Louthan, Frank Louthan, Mrs. Frank Louthan, James R. Louthan, John E. Evert, Mrs. Etta Evert; Herman Evert, and Mrs. Emeline Evert.	do	400
Clint Evert	do	12
Jean M. Noel, Elizabeth L. Chestnut and Robert Chestnut.	Glasco, Kans.	267
Chas. Gehrke, Ida Gehrke, Duane Gehrke, and Carol Gehrke.	do	480
George E. Bond, Mrs. George E. Bond, and Catherine Bond.	do	1
Sophia C. Horn, Marie G. Horn, Eleanor H. Thompson, and Letha J. Horn, by Sophia C. Horn, attorney in fact.	do	160
Homer Hoffman and Elizabeth Hoffman	Simpson, Kans.	80
Margaret C. Gruenthal	Glasco, Kans.	106
Elmer Halderson	do	480
Henry Prochaska and Mrs. Henry Prochaska	do	100
Emma E. Chapman	do	413
George M. Chapman	Beloit, Kans.	
Total		11,810.61

Ottawa County landowners registering objection by petitions to formation of Glen Elder irrigation project

Name	Address	Acreage
Mrs. Caroline Atwell McKain	Manhattan, Kans.	160
Alva F. Adams	Delphos, Kans.	70
Christina Hurtig	do	100
John Nelson, Sr	do	1,341
Harold C. Hollis	do	160
Avis Taylor and Earl G. Taylor	do	308
Avis Taylor and Ellis Paramore	do	320
J. M. Hart	do	20
Allen L. Atwell	do	204
B. M. Halderson	do	439
Fred L. Jilka	do	160
Lawrence J. Hart and Mary A. Hart	do	357
Leo Allison	do	160
Charles E. Parks	do	250
Mrs. Neva Wilkins	do	161
John R. Nelson	Delphos, Kans.	160.0
Minnie G. Wealand	Glasco, Kans.	80.0
Clara Latham	Delphos, Kans.	79.0
Alma Atwell and Guy Sumerll	do	202.5
Grace M. Narns and Nellie C. Burger	Kansas City, Mo.	
Theodore Paramore, Corliss Paramore, and Ellis Paramore.	Delphos, Kans.	868.0
Larry C. Atwell	Tucson, Ariz.	160.0
Clyde Smith	Ottawa, Kans.	374.0
Burton Smith	Delphos, Kans.	323.0
Robert Mortimer	do	372.5
Laura Olson, Anna Olson, and Mary Olson	Glasco, Kans.	100.0
W. A. Adams	do	160.0
Total		7,140.0

Mr. PROXMIRE. In addition, Mr. President, after the petitions were filed, I received a notice of two more petitions against the project. One is a petition by the owner of 840 acres in Ottawa County and Cloud County, Kans. The other petition is from the owner of 192 acres; and a petition form was sent to the owner of four-fifths of an estate which is involved.

In addition, telegrams have been coming to me steadily during the last 3 or 4 months. One of the most recent reads as follows:

> Beloit, Kans., *September 26, 1962.*
>
> Senator William Proxmire,
> *Senate Office Building,*
> *Washington, D.C.:*
>
> Please help hundreds of landowners protesting Glen Elder Dam and irrigation.
>
> R. M. and Mrs. Duane File.

Another telegram reads as follows:

> Beloit, Kans., *September 26, 1962.*
>
> Senator William Proxmire,
> *U.S. Senate Office Building,*
> *Washington, D.C.:*
>
> As landowners signing petition, we are definitely against Glen Elder Dam.
>
> Mr. and Mrs. V. R. Schmidt.

Mr. President, as a further indication of the opposition to this proposal, I wish to read several letters. They were received the day after I appeared at the committee hearing. When I went there, I assumed that the landowners involved would favor the project; I assumed they favored the project because they believed it would result in greater income for them and greater production, and that it would enable them to have better grazing—although I would still have opposed the project, because I think such an attitude would be wrong. However, I find that the landowners are almost unanimously opposed to the project.

I read one of the letters:

> June 8, 1962.
>
> Dear Sir: I'm surely glad somebody had nerve enough to speak out against this dam. I live about 30 miles down the river from Glen Elder. We get all the rainfall we need maybe not at the right time nor the right amount at once—if we had irrigation you take the water in your turn maybe we get a big rain what then? Our valley is too narrow—it would take years of leveling by the time farmers were ready to irrigate they would have lost the land in expense. The floods are a matter of cause and effect. They grade up the roads and highways so what? Lets make smaller dams and keep more water where it falls. If this water should cover up Waconda Springs I say it would be a crime against nature. Power to you.
>
> Yours truly,
>
> ———— ————.

The next letter reads as follows:

> June 8, 1962.
>
> Dear Senator: Being a part of the majority of this area opposed to the construction of the proposed Glen Elder Dam, my husband and I were delighted to see by last night's Salina Journal that you are also opposed to it. It does not make sense to spend over $59 million for a reservoir, which, because of its location, will not provide the expected flood control, and there will be no irrigation district.
>
> There will be no irrigation district because over 48,000 acres of land along the river below the damsite in Mitchell, Cloud, and Ottawa Counties have been petitioned out of any irrigation district that might be proposed.
>
> Although the Bureau of Reclamation claimed at first that there would be a district of 21,000 acres, which they have now cut to 13,000, the Bureau knows that even these few acres will be impossible to find for a district. Thus, they are asking for the project under an entirely false premise.
>
> Maps showing the blacked-out areas of farms petitioned out, plus copies of the original petitions and witnessed signatures, are on file in Floyd Dominey's office in Washington, D.C. He and the Bureau know that Kansas law requires 50 percent of the landowners to petition the State for an irrigation district. The maps show that there is not enough land not blacked out to create a district. The maps have also been submitted to the Senate Appropriations Committee, of which you, I believe, are a member—

Incidentally, that is an error—

> by Joseph E. Franzmathes, Washington, D.C., who represents the big majority of the area opposed to the entire project.
>
> The proposed dam would back water to a point west of Downs, in Osborne County. Osborne County is a part of the irrigation district below the Webster Dam, which shows how close the Glen Elder Dam is to the Webster as well as the Kirwin, both on this one small Solomon River. State figures show that the Solomon drains one-eighth of the State, but puts only one-twelfth of the water into or carried by the Kaw, or Kansas Rivers, during floodtimes. That is the figure before the Webster Dam, so it would be even smaller now. The big feeder creeks of the river are below that Glen Elder site, so the dam would offer very little flood control.
>
> As to recreation spots, this area is surrounded by the Lovewell, Kanopolis, Webster, and Kirwin Dams and Reservoirs plus parks, so that to say it is needed for that purpose is as smart as to irrigate to produce more.
>
> This area has been fighting this dam for 25 years. The enclosed newspaper clipping shows an item reprinted from a 1952 paper, when a Congressional Basin Survey Commission met at Hays, Kans. Congressman Clifford Hope, chairman of the group, later made an investigative tour through the valley and proposed site. His report stated that he found the dam neither needed nor wanted. That should have killed it once and for all, but the Bureau hates to give up. It keeps trying to get it approved, and each time makes it a bigger project, until it is now one of the biggest lakes in the State that they want.
>
> Since the project will do none of the things for which it is proposed, and since the majority oppose it in a three-county area, why waste money investigating, surveying, and planning it? It is no wonder that we can't balance the budget when we have such senseless spending of tax dollars.
>
> Sorry that I have written at such length, but I hope you will continue to oppose the project. Perhaps this letter will help substantiate the statements of Mr. Franzmathes, who grew up here and has land along the river in what the Bureau says would be the irrigation district. He knows the facts and the sentiment here.
>
> Thank you for anything you can do to kill the entire project.
>
> Sincerely,
>
> ———— ————.

There was attached to the letter an item from the Gazette files for June 12, 1952, as follows:

> From Old Gazette Files—June 12, 1952
>
> Nearly 100 Mitchell County farmers living below the proposed Glen Elder Dam as well as several businessmen appeared before the Basis Survey Commission at Hays on Friday to protest this proposed project by the Bureau of Reclamation. Stewart Barker acted as spokesman for the delegation.

Another letter which I have received reads as follows:

> June 8, 1962.
>
> Dear Sir: We are indeed very very grateful for your protest against the Glen Elder, Kans., Dam.
>
> In 1952 a group of some 100 farmers and businessmen appeared before the mission's Basis Survey Commission and defeated the issue. It was proven that it was not wanted nor necessary with two other dams, Kirwin and Webster, being built to enlarged capacities.
>
> Unfortunately in 1956 a restaurant owner who moved into Beloit and two others reactivated the issue and for 2 years it was promoted up and down the Beloit streets by motorboat owners, etc. Lovewell Dam in Jewell County is only some 35 miles distant over good roads.
>
> The April 10 meeting brought out the fact that those of us in the proposed irrigation district would be faced with $1,000 per acre costs. The feed grain payment last year on my husband's farm was $18 to $15.20 per acre. How many years would it take to pay for 1 acre. Furthermore this feed grain land has to be worked twice or three times a year to keep the land free of weeds—and this alone costs some $10 per acre, labor, gasoline, tractor, etc.
>
> To protect ourselves we landowners now have approximately 380 landowners owning some 49,000 acres petitioned out of any irrigation district ever being formed in the Glen Elder District. This constitutes 90 percent of the entire district—

And so forth. I wish to read another paragraph of the letter:

> When the Russian hordes take over the U.S. Senate, they won't want Kansas; there's going to be nothing left but dams, reservoirs, parks, etc., and whenever the Corps of Engineers and Bureau of Reclamation can go ahead making plans for dams three times the cost, three times the size, etc., and twist the President and Congress around their little finger, there is not much left of our democratic form of Government, and a government of the people, by the people and for the people has most certainly perished from this earth.
>
> We ask you to continue your fight against any and all funds ever being spent to further this project. Thank you.
>
> Respectfully,
>
> ———— ————.

I also received the following letter:

> June 7, 1962.
>
> Dear Senator: I wish to congratulate you on your stand on the proposed Glen Elder Dam in Kansas, as this is something that we do not need, and a waste of the taxpayer's money. Keep up the good work. This letter is from one who lives in this territory and knows the situation.
>
> Sincerely,
>
> ———— ————.

Mr. President, on May 17 of this year Mr. J. E. Franzmathes, who has been devoting a great deal of time to, and is very expert on, this project, appeared before the Public Works Subcommittee of the House Committee on Appropriations on behalf of the Solomon Valley Citizens Association in opposition to the construction of the Glen Elder Dam and irrigation project. He had this to say before that committee:

> I appreciate this opportunity to appear before this Committee today on behalf of the Solomon Valley Citizens Association. This organization was created for the purpose of opposing the construction of the Glen Elder,

> Kans., Dam and irrigation project which is currently in the planning stage by the Bureau of Reclamation.
>
> The Solomon Valley Citizens Association consists of over 380 farmers owning over 50,000 acres of land in and adjacent to the proposed irrigation district. The exact boundaries of the proposed irrigation district are not known to these farmers and, therefore, some of their land covered by these petitions may not be included in it. However, to be on the safe side, they have all petitioned their land out of any irrigation district that might be created in the Solomon Valley below the dam.
>
> Copies of the petitions have been sent to Mr. Floyd Dominy of the Bureau of Reclamation. If copies have not been made available to this committee, they will be submitted if you so desire.
>
> These petitioners own over 85 percent of the land in the proposed area and consist of approximately 90 percent of the owners in the district. They and their forefathers developed that part of the country and made the Solomon Valley productive. They own the land which floods every time the Solomon River comes up—not business people looking for a quick profit during the construction period—

The argument being made is that the farmers are opposed to it. Those who favor the dam are, of course, the local business people, who would get a considerable benefit out of the $17 million project—a project which, in fact, over a period of a few years would have a total cost of $60 million—because there would be a big payroll in this area. Workers on the project would be inclined to spend substantial amounts of money in local banks, grocery stores, and stores and shops of merchants, who, of course, would benefit. But the landowners, those who developed the land, and who would be directly affected, are overwhelmingly against the project.

To continue with Mr. Franzmathes testimony before the House committee:

> Back in the 1930's, Congress authorized the Pick-Sloan plan for development of the Missouri Basin. It provided that local individuals would organize irrigation districts before requesting help from the Federal Government.
>
> Now, no such prerequisite was met in the Glen Elder Dam project. In fact, just the opposite occurred. When the farmers in the area learned of what was happening, they petitioned their land out of any irrigation district.
>
> Approximately 14,000 acres of land will be inundated by the proposed reservoir. This does not include the perimeter lands needed for the "pleasure park," the access roads, the acreage taken for the channels and ditches or the flood pool which is only leased but rarely good for production since it is flooded during high water.
>
> This is a tremendous amount of good bottom land to take out of production under the guise of saving a nominal amount of sandy soil along the Solomon River from flooding. Much of this land will not produce even under irrigation. As a matter of fact, land suitable for irrigation in the proposed district is very spotty. It has been explained that this soil does not permit the penetration of water as necessary for good irrigable land.
>
> A great number of farm families currently residing in the proposed reservoir site will be displaced and will be faced with the problem of finding other suitable farm homes or some gainful employment in industry. These farmers have depended entirely upon tilling the soil as their means of livelihood and know no other occupation.
>
> The reservoir will also cover what we consider a geological wonder south of Cawker City: Waconda Springs—"the Great Spirit Spring." There is much sentiment attached to this historical landmark and we hate to lose it. Mr. Howard W. Baker, Omaha regional director of the National Park Service of the U.S. Department of the Interior, in a speech in Lincoln, Nebr., on February 18, 1960, stated that historical sites meriting preservation included "Waconda Springs, Mitchell County, Kans."
>
> Aside from sentiment, it must be recognized that this is a salt water spring. Some of the Nation's greatest salt mines are in Kansas. The Arkansas River contains so much salt that its water cannot be used for drinking in the fall. This reservoir could easily be salty and the water unfit, worthless, and damaging for irrigation purposes.
>
> For the farmers who live below the dam it would mean a cost of approximately $60 per acre for leveling the land so that water could be brought to it. If benches or terracing is needed, the cost could easily run to $150 or more an acre.
>
> Taxes will have to be increased to compensate for the land removed by the reservoir. Fourteen thousand acres of bottom land, together with the loss of personal property that will be destroyed, percentagewise, is an appalling amount of valuation to take off the tax rolls of Mitchell County.
>
> Extra labor will be needed to farm irrigated land. A report of the extension irrigation engineer at Kansas State University, Manhattan, Kans., stated that "records show that for 50 acres of corn the total cost of production is $55 to $65 an acre." These are only the production costs. The original leveling costs are not included.

Mr. President, I continue with the testimony given by this gentleman who is outstandingly expert in the field. Incidentally, he is one of the very few people to appear before the Appropriations Committee on this issue. He said, further:

> Such costs—

Which I have listed—

> Such costs will eliminate many of the small farmers.
>
> Irrigation is not necessary to make that land produce profitably. North-central Kansas is not arid. It has an annual rainfall of 22 to 30 inches. That is enough to produce wheat. Thirty to forty bushels an acre on bottom land is not unusual. Fifty is not rare. Wheat is not costly to produce. Actually it will net more to the farmers than many irrigable crops and at half the work.
>
> It is evident that these irrigation projects for increasing production to feed a growing population are not necessary—

We can certainly say that again—

> The Nation's farmers have proved that they can increase production at a faster rate than the population is increasing.

The Secretary of Agriculture testified only a few months ago that 20 years from now there will be far fewer acres in production than there are today—not more, but fewer.

> As far as flood control is concerned, the proposed dam is not the answer. The dam would offer but little protection to the Kansas Valley and to Kansas City, 250 miles distant. The Kansas River Basin survey board said, "There is no precedent for successful flood protection by reservoirs where most of the storage is a great distance from the property most needing protection."
>
> A case in point is Salina, Kans., which was flooded in 1951 and 1960 despite the big Kanapolis Dam. The complete Solomon River produces only 8.5 percent of the entire flow of the Kansas River Basin. How can a dam 250 miles upstream in dry Kansas save Kansas City?
>
> Large dams such as the proposed Glen Elder Dam built for irrigation purposes hole up water and do not control floods when actually needed. Spaced big dams cannot stop the flooding between dams. Only watershed treatment has proved successful in doing this. Watersheds replenish ground water while big dams only hold it in spaced spots. Watershed and soil conservation hold the water where it falls and stop siltation and erosion. Big dams become obsolete from siltation in 40 to 60 years. Even the irrigation channels become filled with silt.
>
> The solution of the flood problem in that area is to build many small dams on draws, washes, and small tributaries, create ponds on individual farms, terrace the land. This would not only store water in the soil and reduce the sediment load to creeks flowing into the Solomon River but would retard the flow of water after heavy rainfalls.
>
> A soil conservation plan would improve all of the land and benefit all of the taxpayers. These retention dams could be built at a fraction of the cost of the one big dam and would be much more advantageous not only to the farmers but all the people below.
>
> If the city of Beloit needs an additional water reservoir, a $59 million dam flooding 14,000 acres of good bottom land seems to be a pretty expensive water supply system for a town of about 3,500 population.
>
> Or if it is recreation—fishing, swimming, boating, etc., that is desired, this can be accomplished by driving 30 to 35 miles over good Kansas roads to a dam reservoir in Jewell County which has already been constructed. Kirwin and Webster reservoirs are only 80 miles away which is no drive at all in Kansas.

Mr. Franzmathes concluded his testimony with the statement:

> The purpose of my appearance today is to stress the fact that approximately 90 percent of the farmers owning land in the proposed irrigation district and the people who will be affected do not want this proposed Glen Elder Dam built and do not want their land included in any irrigation district.

Mr. President, I ask unanimous consent that I may yield briefly to the Senator from Nebraska [Mr. Hruska] without losing my right to the floor.

The PRESIDING OFFICER. Is there objection to the request by the Senator from Wisconsin? The Chair hears none, and it is so ordered.

Mr. HRUSKA. Mr. President, I am very grateful to the Senator from Wisconsin for this courtesy.

THE DEFENSE OF INDIGENT PERSONS ACCUSED OF CRIME

Mr. HRUSKA. Mr. President, the current bulletin of the American Bar Association announced the appointment of a special committee to conduct a State-by-State study of the problem of indigent persons in criminal cases in the States. Associate subcommittees will also be set up in each State to study present practices and push for new programs where necessary.

The purpose of this nationwide project is to make sure that nowhere in the United States do indigent defendants in serious cases suffer from a violation of Learned Hand's great reminder of the bar's commandment: "Thou shalt not ration justice."

I commend the newly installed president of the American Bar Association, Sylvester C. Smith, Jr., for making the project the major effort of his administration. The program, of course, is confined to the State level; it does not plan to cover the Federal system. However, it is with deep gratification that I am able to state that the Committee on the Judiciary today has ordered reported S. 2900, providing for the representation of indigent defendants in criminal cases in the U.S. district courts. As the author of this legislation, I have worked closely with the Department of Justice, the Judicial Conference of the United States, and my colleagues on the committee to insure that an effective and practical system of public defenders will be installed in our Federal system. I do hope that the Senate will take prompt action on this much-needed measure.

On September 4, the Honorable EMANUEL CELLER inserted in the RECORD the speech of Attorney General Kennedy before the House of Delegates of the American Bar Association at its annual meeting last August in San Francisco. Mr. CELLER appropriately notes that the Attorney General recommended the Congress approve the establishment of a system providing competent and paid counsel for indigent defendants. It is a well-known fact that the gentleman from New York has been a sponsor of a companion bill in the House, H.R. 2696, which achieves this purpose. Having recently addressed the Judicial Conference of the Ninth Circuit in San Francisco this year, Representative CELLER's remarks on public defender legislation are notably worthy of consideration. I ask unanimous consent to insert at this point of my remarks the text of his speech together with the announcement from the September 15 news bulletin of the American Bar Association.

There being no objection, the speech and announcement were ordered to be printed in the RECORD, as follows:

PUBLIC DEFENDER LEGISLATION IN THE U.S. HOUSE OF REPRESENTATIVES

(Address of Hon. EMANUEL CELLER before the Judicial Conference of the Ninth Judicial Circuit in San Francisco)

I need not quote the sixth amendment to this distinguished group. You and many others like you have been engaged for many years in trying to make the guarantee of this amendment truly meaningful. Largely due to these efforts there were at last count in the United States 77 public defender organizations, 14 private defender organizations, and 5 combining these two forms. Every State now furnishes some kind of legal assistance to indigent persons charged with crime, usually in the form of assigned counsel who are paid on a fee basis.

But the Federal Government has lagged behind the States. Although the indigent criminal defendant is provided legal assistance if he wants it, the lawyer who is called upon to supply this assistance does so without remuneration.

You will recall that it was in the *Johnson v. Zerbst* case in 1938 that the Supreme Court made it forever clear that a defendant is entitled to have the assistance of counsel for his defense or otherwise the Federal court has no authority to deprive him of his life or liberty. A year later, 1939, the first case of an indigent defendant on the calendar in the Northern District of California was that of a man who, under the influence of intoxicants, stole some rotary locks from the Post Office Department and then attempted to sell them to a postal inspector. When he appeared before District Judge Michael J. Roche, the judge recognized him as an old offender who had often appeared before him in the State court. Judge Roche proceeded to instruct him concerning his right to counsel and explained that if he was without funds or friends or other means to provide counsel for his defense, the court would be happy to appoint an attorney to represent him. "Hell, no," the accused replied. "Judge, the last time I had one of them guys, I got 60 days for stealing me own overcoat."

I do not believe the situation is that bad, but nevertheless it is true that a large proportion of court-appointed attorneys have had relatively little experience in criminal trial practice. Although they may conscientiously try to carry out their responsibility toward their clients, they are not really equipped to provide effective counsel. As Justice Rutledge once commented, "Serious criminal cases are not proper subject matter for legal apprentices, however capable and hardworking."

The system has other grave shortcomings, but I need not enumerate them to an audience as knowledgeable on the subject as this one. The effect of these shortcomings has been commented upon only recently by Justice Brennan: "The victims of the limitation upon the State's obligation to provide counsel are the indigent—they are the helpless, the weak, the outnumbered in our society."

Since the 75th Congress I have introduced in each Congress thereafter legislation to establish a system which would guarantee truly adequate representation for indigent defendants in the Federal courts. The bill provided for the office of public defender for those Federal district courts with a sufficiently large volume of criminal cases, and for a method of compensating court-appointed attorneys in the smaller districts. In effect, it combined the best features of both the public defender and the assigned but compensated counsel systems.

But the bill lagged in committee. While it invariably had the support of the Attorney General, the Judicial Conference of the United States, and various legal aid societies, we heard little from individual members of the judiciary, the law schools, or the bar. We didn't really know what they thought of the proposal. The limited correspondence we received on the subject was about evenly pro and con and seemed to cancel out each other. The enactment of legislation, I can assure you, requires clear-cut support.

In the 86th Congress I decided that the bill had lain fallow long enough. It was time to find out whether it would meet the problem for which it was designed, what its defects might be, and the extent to which the legal profession favored it. To get this information I simply wrote to every Federal judge and to several hundred members of the American Bar Association and various law school faculties. Several of you in the audience, I am sure, received my letter and its request for your views on my bill.

The report that grew out of this correspondence was printed by the committee in February 1960. It disclosed that out of nearly 500 judges, lawyers and law school deans and professors who responded to my letter, 89 percent approved the general approach embodied in the bill. A few preferred only a portion of the bill or an entirely different approach, and only 5 percent opposed any legislation at all on the subject.

The responses strongly refuted some of the arguments that I had heard vaguely advanced in opposition to the bill. One of these arguments was to the effect that an independent bar is just as essential to the preservation of freedom as is an independent judiciary or the Bill of Rights in our Federal and State constitutions. But an attorney from one of our great Southern States commented, "I hope that the bill will pass by a large majority as a signal recognition by our Representatives that a real right to counsel is a precious right, one that was hard won, and one that is denied to many people in other parts of the world."

Another old argument that was somewhat similar charged that the public defender system would lead to "socialization" of the legal profession. Yet, in response to my letter, a former president of the American Bar Association known to all of you wrote that "lawyers, by supporting this bill are not unloading upon the public a personal obligation of the bar. This obligation is that of the public and the fact that the bar alone has borne it in the past is no reason to continue a system that is inadequate and unreasonable."

Supreme Court Justices and district judges, who are perhaps the persons most familiar with the present system and its unhappy results, were firm in their condemnation of its deficiencies. Their letters contained references to it in such terms as "shocking," "hit and miss," "haphazard." The law school deans and professors sent me highly literate and thoughtful dissertations on the subject, indicating the present system and urging correction. But, perhaps, the most firm support for the constitutional right to an adequate defense came from the lawyers themselves, the individual members of the American Bar Association. They registered their approval most eloquently, buttressed by solid facts, and illustrated by incidents out of their own experience. One attorney even sent me a poem registering his support for the bill.

I also received a number of excellent suggestions for improving the bill. Some thought the judicial council of the circuit ought to exercise control over the appointment of public defenders. Some thought the public defenders should be equipped with investigators and technical experts where necessary to prepare a competent defense. Others thought that even where the court had a public defender office, the court should still have the authority to appoint a separate counsel or an additional counsel. Some thought that it should be made clear in the bill that the defendant was entitled to counsel as early as arraignment and preliminary examination. The judges were particularly concerned that the conditions under which an indigent defendant could appeal his conviction were spelled out more clearly.

The most common suggestion was that the salary of the public defender should be at a level nearly commensurate with that of the prosecuting attorney and that appointed counsel should receive $50 a day instead of $35. Also frequently appearing was the suggestion that there should be some statement as to the qualifications of attorneys who were to be appointed as public defenders. And judges and lawyers alike felt that the maximum annual amount allowed any single district for compensation and reimbursement of all appointed counsel should be raised from $5,000 to $10,000 annually.

All of these suggestions obviously had merit and I rewrote the bill to embrace them. I also included an authorization for the court to appoint, on a reimbursable basis, representatives of legal-aid societies as defense counsel in individual cases. To put a ceiling on all expenditures for the defense of indigent defendants, I added a statement limiting annual appropriations for this purpose to an amount not exceeding the fines, penalties, and forfeitures collected by the courts during the most recently completed fiscal year. This, in 1960, amounted to about $2½ million, far more, of course, than will be needed to operate the proposed system.

I introduced this bill (H.R. 2696) into the 87th Congress on January 16, 1961, and it was referred to a subcommittee of the House Committee on the Judiciary. Because of the substantial body of opinion already at hand, it was not considered necessary to hold further hearings. A subcommittee took up this bill and after much consideration tentatively approved it with some amendments. Briefly, the amendments to the bill require the approval of the Judicial Conference for the appointment of public defender and assistants; one public defender may be appointed for each district instead of at each term of court; the provision for the appointment of investigators was deleted, as was the language relating to cities of more than 500,000 population and those with less than that figure.

Finally, the requirement that the public defender shall act as counsel for each defendant to whom he is assigned at every stage of the prosecution, is being rewritten for clarification.

I am sorry to report that the bill will not be reported out favorably by the full committee and passed by the House before the end of the current session. However, a similar bill, S. 2900, I might add, is already under consideration in the Senate (jointly sponsored by Republicans and Democrats, an indication of the nonpartisan nature of this legislation).

There is an urgent need for members of the bench and bar to do all and sundry so that the individual members of the Committee on the Judiciary in particular and of the House of Representatives in general be informed of the views of their constituents on this particular legislation.

This legislation, if enacted, should have a number of desirable effects. It should encourage the development of similar systems in other jurisdictions of the United States and upgrade the administration of justice generally. Justice Brennan has deplored the fact that "too many cases come from the States to the Supreme Court presenting dismal pictures of official lawlessness, of illegal searches and seizures, illegal detentions attended by prolonged interrogation and coerced admissions of guilt, of the denial of counsel, and downright brutality." The public defender's chief responsibility is to safeguard the constitutional rights of those charged with crime, and the very existence of this office should discourage the kind of official recklessness that results in appellate court reversals. If there had been a public defender office in the District of Columbia, for example, the Mallory decision and the many painful interpretations that have come in its wake would never have been necessary.

On June 12, 1961, the Supreme Court overturned the 26-year-old conviction of a youth of subnormal intelligence who had been arrested and held incommunicado for 8 days without counsel prior to his arraignment (*Reck* v. *Pate*). While the conviction was reversed on the grounds that the defendant's confession was coerced and, therefore, inadmissible, I am sure that had the defendant received adequate representation at the time of his trial, the correction of this injustice would not have had to wait 26 years, if, in fact, the injustice would have occurred at all.

More recent, however, was the decision of the Supreme Court—decided April 30, 1962—in *Carnley* v. *Cochran*, wherein the Court held that the defendant's case was one in which the assistance of counsel, unless independently and understandably waived by him, was a right guaranteed by the 14th amendment. On that same date, in *Coppedge* v. *United States*, the Supreme Court rendered an opinion which, in my judgment, will broaden the need for representation of indigent defendants on appeal. I am sure many of you are acquainted with that case relating to the right to appeal in forma pauperis.

By providing indigent defendants with skilled and experienced counsel the system should do much to upgrade the conduct of trials. Not only would fewer unscrupulous and perjured defenses be attempted, but the quality of the defense would assure the accused that his day at court was a fair one. My good friend, Judge Irving Kaufman, observes in this respect:

"The imposing arsenal of personal guarantees and rights which are accorded the defendants are but empty forms unless effectively marshaled and utilized by competent defense counsel. At the heart of any system of justice worthy of the name is the right of a man accused of a crime to a meaningful day in court; to the right to have the prosecution put to its proofs before an impartial trier of facts, to have irrelevant matters excluded from consideration; to the right to cross-examine prosecution witnesses and to the right to present his own side of the story. To breathe life into these rights and to make the practice of justice equal to its theory, a civilized society recognizes an additional right—the right of an accused to counsel."

The public defender should also help to bring about more efficiency in court procedures and in disposing of court calendars. The public defender would not ask for repeated continuances in the hope that key witnesses will somehow disappear or that in the next term of court the defendant might draw a more lenient judge or jury. The experience of the public defender would also expedite the trial by eliminating unnecessary technical objections and preliminary technical battles. Needless proof could be avoided through a stipulation of facts where these can be safely conceded. In many similar ways the public defender could make possible significant economies in criminal justice, and at the same time protect the rights of his clients.

He should also play a constructive role in reshaping the attitudes of offenders toward society. My good friend, Jim Bennett, director of prisons, has pointed out how the prisoner, after a trial that he considers unfair, leaves the courtroom with his heart pouring forth hate and venom. Since rehabilitation to be true and lasting must come from within, nothing can be done with him until he has been purged of this rancor. The prison director believes that much of the antagonism aroused can be avoided by fair and just treatment and representation throughout the proceedings. By minimizing errors, misunderstandings, and friction during the criminal proceedngs, mental strains and tensions can be lessened, bitterness avoided, and the number who are incurably warped substantially reduced.

The public defender should also prevent much of the resentment that convicted defendants experience after they plead guilty and receive a substantial sentence. Nearly 90 percent of all Federal convictions are obtained in pleas of guilty; many of the defendants enter this plea after waiving in ignorance the benefit of counsel or succumbing to the insistence of a court-appointed attorney who is too busy to prepare a competent defense or to explain the consequences of this plea. One such prisoner wrote the Department of Justice:

"I have been sentenced for 2 years and 3 years probation. When I was judged by the honorable judge * * * I was asked by my attorney to plead guilty. Please believe me, I didn't know, nor did anyone explain to me, the meaning of pleading guilty. I have never in my whole life, I am 40 years of age, committed any crime before. Since I am serving this sentence, I have learned, by pleading guilty, that I have committed myself to something that I was not aware of. This is understandable, when you realize that I have had but 4 years of schooling, and the ways of the courts were foreign to me."

A meaningful system of representation should greatly reduce the number of appeals, so many of which grow out of the prisoners' belief that they have been denied their constitutional right to a fair trial. Jim Bennett told me of one prisoner who, after serving [illegible] years, was released on a writ of habeas corpus because of errors in the trial. This prisoner had filed 58 petitions, motions, and suits before he was finally released on a technicality. It is little wonder then that about one-third of the work of the circuit courts is devoted to hearing writs and motions filed by prisoners under section 2255. If the prisoners had been represented initially by defenders in whom the courts had confidence, there would be fewer hearings on these writs, many of which are, of course, without merit.

It seems to me that the public defender system would also do much to raise the status of the criminal lawyer generally. Too many lawyers, in my opinion, are reluctant to handle a criminal case, although this reluctance is not without basis. If the defendant is particularly unpopular in the community, some of the unpopularity tends to rub off on his defense counsel. And, of course, lawyers are apprehensive that if they accept cases of this kind their regular practice will be adversely affected. The public defender should have no hesitancy in representing defendants who have incurred the hostility of the community. It would be his job and so regarded by the community and his fellow lawyers.

Finally, the enactment of public defender legislation should not be without significance in achieving the greater purposes of our Nation. We prate of equality before the law; we boast of equal justice, but there is no such equality if the affluent defendant is represented by counsel and the indigent defendant is not. Justice, it has been said, is the bread of the Nation since all hunger for it, but often the poor and the lowly must do without it.

We are in the midst of a time of crisis, a time of cold war that seemingly threatens to erupt at any moment into a conflagration of unprecedented proportions. Neither side stands to gain by atomic war, and it seems likely that the cold war will continue for a generation and more to come. It is a cold war waged for men's minds, hearts, and loyalties. Upon the outcome of that war will depend the survival of the democratic system of government. The United States now occupies a position of leadership in the democratic world, and in that position its words and actions are being studied by the Communist bloc, the uncommitted nations, and even the governments that have so far cast their lot with us. We must maintain that leadership if the free world is to endure, and we can do it only by demonstrating that the rights and needs of men are best served by a democratic system.

The Communists are using every possible means of discrediting and embarrassing us, including our court procedures and system of justice. You have already read, I am sure, some of the articles that have been published by impressionable observers commenting on the great strides the Russians have made in improving their court system. In their own press our judicial system is depicted as unjust, unfair, and weighted in favor of the rich and against the poor. This propaganda is, of course, intended to have an influential effect upon the uncommitted peoples of the world, most of whom are relatively impoverished and hence quick to identify themselves with the victims of injustice.

The trouble in obtaining approval of my bill is found in the old saying, "Every man loves justice at another man's home; nobody cares for it at his own." There is too much apathy and indifference to the plight of the poor devil standing alone before the august judge amid the majestic surroundings of the court, standing there bewildered, seeking advice, counsel and guidance.

The public defender legislation should, of course, be enacted on its own merits. But it is also a way of reaffirming to the world that all our citizens, regardless of their stations in life, their power, their wealth, or their poverty or color, are afforded the equal protection of our laws and our Constitution. This audience, I am sure, will agree with me that the Congress of the United States should provide this reaffirmation by making the guarantee of the sixth amendment an unquestioned reality.

LAUNCH NATIONAL PROJECT ON DEFENSE OF INDIGENTS

The American Bar Association will launch a State-by-State study of the adequacy of defense provided for indigent persons accused of crime in the United States.

Initiated by President Sylvester C. Smith, Jr., as a major association project during the coming year and unanimously authorized by the house of delegates, the study will be made by a special committee under the chairmanship of Whitney North Seymour of New York. It will be carried on cooperatively with interested ABA sections and committees and the National Legal Aid and Defender Association.

State subcommittees: The resolution adopted by the house authorized the appointment by the president of a special committee not to exceed 15 members, "with associate subcommittees in each State to study present practices and to initiate, coordinate, and accelerate efforts to assure the adequacy of the defense provided indigent persons accused of crime in the United States." The committee was directed to make a report with recommendations to the next annual meeting of the ABA.

Responsibility of bar: President Smith, who announced the appointment of Seymour to direct the study shortly after the conclusion of the annual meeting in San Francisco, told the house of delegates the defense of indigents is a responsibility of the bar as a whole.

Cannot ration justice: Former President Seymour made this comment about the forthcoming study: "Substantial progress has been made, in one way or another, in providing counsel for indigent defendants, but it is common knowledge that, even today, the results are too spotty. With the aid of State committees, we need to find out just what the situation now is in every State. In the too few places where legal aid societies or public defenders do the job, we should know how they are performing and whether they need further help. But the greatest need for effort is generally where the old catch-as-catch-can system prevails, which is still in far too many places.

"The organized bar, local, State, and National, needs to join forces in a final push to make sure that nowhere in the United States do indigent defendants in serious cases suffer from violation of Learned Hand's great reminder of the bar's commandment: 'Thou shalt not ration justice.' I am sure that all elements of the organized bar will be proud to cooperate in this effort."

Defender shortage: Reports filed by the ABA Committee on Legal Aid Work and by the National Legal Aid and Defender Association at San Francisco showed there are currently 110 organized defender services in the United States. About half of these are in two States, Illinois and California. The rest are scattered among 14 other States; in the remaining two-thirds of the States there are no organized defender programs.

ARE THERE POISONS IN FOODS?

Mr. HRUSKA. Mr. President, in the past few months a number of statements have been made on the floor concerning the purity of our food supply. That such statements would appear is not surprising. All of us are very much concerned that we continue to have a pure, wholesome, and ample food supply as it is so necessary to maintain a healthy Nation.

We are all consumers. We cannot separate our various groups of producers, wholesalers, retailers, and consumers because all of us—no matter from what walk of life—must purchase our food from some source, whether it be the corner grocery, the chainstore, or the local supermarket.

When I entered the Congress in January 1953, my colleague, Dr. A. L. Miller, representing the Fourth Congressional District of Nebraska, introduced a bill designed to protect the public health by establishing certain criteria under which limits of pesticide and herbicide chemical residues could safely remain on raw agricultural commodities.

Dr. Miller was especially qualified to sponsor this legislation. He is a doctor of medicine, a life fellow in the American College of Surgeons, a former State public health director, a man trained in nutrition and health.

The bill he introduced was enacted and is commonly known as the Miller pesticide residue amendment to our Federal Food, Drug, and Cosmetic Act. It established for the first time the principle that any chemical introduced into the food supply must be adequately pretested to insure safety before it is placed on the market. It charged the Department of Agriculture with the responsibility of determining what residues, if any, might remain when a pesticide or herbicide is applied in the production, storage, and transportation of any raw agricultural commodity.

Upon determination of this residue, the responsibility then rests with the Food and Drug Administration of the Department of Health, Education, and Welfare to determine whether this residue, in consideration of all other residue tolerances which may have been established, would be safe.

The Miller amendment which I supported wholeheartedly understandably was hailed by the National Academy of Sciences—a quasi-Government organization established to advise the Government on purely scientific matters, the American Medical Association, the Association of Land-Grant Colleges, the Public Health Service, and many other responsible private and governmental organizations. It is an outstanding contribution toward the protection of our public health.

What does it require? Among other things, this: Before a pesticide or herbicide chemical can be given even an experimental label, it must undergo tests both for residues and for toxicity.

Included in these tests are extensive toxicity studies. These studies cover the lifespan of several generations of test animals. Not only must absence of damage be shown at 100 times the level expected to remain on an agricultural commodity; but beyond that, these tests must show when and at what levels even the slightest damage occurs.

Toxicity has a multitude of definitions. Anything may be toxic. To quote Dr. Miller, "There is no harmless material, there are merely harmless ways of using materials." For example, aspirin carries with it little of the potential of poison but in 1 year the misuse of aspirin and aspirin-like products alone will account for almost the same number of deaths as do the misuses of all pesticides put together.

Dr. Frederick J. Stare, who has devoted over 25 years as a physician and student of nutrition, and is presently the chairman, Department of Nutrition, Harvard School of Public Health, has stated:

> All chemicals are toxic at certain levels. For some, like copper and fluorine, it takes small amounts; for others, like water and sugar, it takes larger amounts for harm to occur. One cannot intelligently define toxicity without speaking of dosage. Neither can one define cancer-producing properties without speaking of dosage. And dosage implies not only amount but time: How much, over how long a period?

It is evident that most of us, not being scientists in the field of food and nutrition, are not in a position to determine toxicity. For the same reason, it is reassuring to know that responsible private and Government organizations are continually on guard to maintain our food supply as the purest in the world.

Mr. President, for an answer to the question "Are there poisons in your food?" I ask unanimous consent to insert at the conclusion of my remarks an article from the January 1961 issue of the Farm Journal, written by Dr. Stare.

The **PRESIDING OFFICER.** Is there objection to the request by the Senator from Nebraska? The Chair hears none, and it is so ordered.

(See exhibit 1.)

Mr. HRUSKA. Mr. President, this same subject "Are There Poisons in Your Food?" is pursued in an article in the science section of Time magazine of September 28, 1962, entitled "Pesticides: The Price for Progress."

This Time article was occasioned apparently by the book of Rachel Carson entitled "Silent Spring" which has caused a great deal of comment and discussion. The article's author sought to put this whole matter into a more broad, balanced perspective. Essentially, it resolves itself into a consideration of "How much chemical pesticide, over how long a period, and where?"

Also of high priority in orderly thinking would be: What are the alternatives if use of insecticides, pesticides, and herbicides is eliminated? What would happen then? The Time article on this point states in part:

> Tests run by the Department of Agriculture show that failure to use pesticides would

cost a major part of many crops; a 20-year study proved that cotton yields would be cut by 40 percent. Production of many kinds of fruit and vegetables would be impossible; unsprayed apple trees, for instance, no longer yield fruit that is sound enough to be marketed. Potato fields swept by the Colorado beetle or late blight (the fungus that caused the great Irish potato famine of 1846) yield hardly any crop.

By way of concluding remarks, the article then goes on to say:

A QUANDARY OF SURPLUSES

Chemical insecticides are now a necessary part of modern U.S. agriculture, whose near-miraculous efficiency has turned the ancient tragedy of recurrent famine into the biologically happy problem of what to do with food surpluses. Says Entomologist George C. Decker of the Illinois Agricultural Experiment Station: "If we in North America were to adopt a policy of 'Let nature take its course,' as some individuals thoughtlessly advocate, it is possible that these would-be experts would find disposing of the 200 million surplus human beings even more perplexing than the disposition of America's current corn, cotton and wheat surpluses."

Many scientists sympathize with Miss Carson's love of wildlife, and even with her mystical attachment to the balance of nature. But they fear that her emotional and inaccurate outburst in "Silent Spring" may do harm by alarming the nontechnical public, while doing no good for the things that she loves.

Mr. President, I ask unanimous consent that the full text of the Time magazine article, be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Is there objection to the request by the Senator from Nebraska? The Chair hears none, and it is so ordered.

(See exhibit 2.)

EXHIBIT 1

ARE THERE POISONS IN YOUR FOOD?

A lot of people are running around the country trying to scare us about our food. To hear them talk, it's a wonder we aren't all dead—or at least sick.

Chemicals, insecticides, fluoridated water, foods enriched with proteins, vitamins, and minerals are poisoning us all, they say, and not so slowly, either.

The truth?

The poisons are not in the food or water but in the pens and tongues of those who, by peddling misinformation, half-truths, statements out of context and downright falsehoods, gain temporary notoriety, inflate their own egos, and make a profit, or hope to.

As a physician and student of nutrition for the last 25 years, let me state categorically that I do not know, nor have I ever heard, of one single case of ill health in man shown to be due to adding approved additional chemicals to foods. And I say, "additional chemicals" because I wish to emphasize that all foods are chemicals. You and I, too, are chemicals—so much water, protein, fat, carbohydrates, vitamins, and minerals.

All chemicals are toxic at certain levels. For some, like copper and fluorine, it takes small amounts; for others, like water and sugar, it takes larger amounts for harm to occur. One cannot intelligently define toxicity without speaking of dosage. Neither can one define cancer-producing properties without speaking of dosage. And dosage implies not only amount but time: How much, over how long a period?

I am sure all farmers may wonder, in view of the cranberry boo-boo of a year ago, if they are producing impure food.

If you follow the label carefully, don't worry. There is no evidence that I know of that stilbestrol, amino triazole, or any other material approved for use in agriculture has ever been shown to be carcinogenic in man.

Fluoridation of water—in those communities with the courage to follow competent scientific advice rather than the hysterical shouting of an organized few—has reduced dental decay in youngsters by 50 percent to 60 percent—at a cost of only 10 cents per person a year. Water with the mineral nutrient fluorine added, and food enriched with vitamins have as much purity as ever and certainly more wholesomeness.

Fortifying of food is one of the outstanding advances of public health of all times. Vitamin D added to milk and other foods has helped abolish rickets. Salt with iodine added has helped abolish simple goiter.

Don't let any faddist or organic gardener tell you there's a difference between the vitamin C in an orange and that made in a chemical factory. Nor is there any difference between natural and artificially fluoridated water, as some of the antifluoridationists claim.

Enrichment of foods will continue. Three of the great foods of mankind—wheat, rice, and corn—all low in the essential protein, lysine, can be fortified with lysine, which can now be produced cheaply. We can therefore take some of our mountains of wheat and fortify it with lysine for foreign and domestic use with the good feeling that we're providing food with a protein equivalent to milk, at a price that's practical—to say nothing of helping our own farmers.

Even in America, lysine-enriched wheat has a place: for millions of children who eat jelly sandwiches; for those gullible oldsters stung by the honey-and-vinegar fad.

A word to those who spurn "empty" calories of sugar and fat, and look with disdain on processed foods. Sugar and fat have always been important to a balanced diet. They add taste and zest to a meal. And processed foods are a tribute to the ingenuity of foods technologists.

Balance is what's important, not whether calories are "empty" or "full," or the food processed or raw. The best way to achieve balance is by variety—meats, fish, dairy products, fruits, cereals, vegetables, sugar, and fat.

We have the best and finest food in history—also the safest.

I think I speak for the medical and health profession when I say emphatically that our foods are good and wholesome, thanks to the many responsible companies that have the welfare of the people in mind as well as profits, and to the capable professional staff of the Food and Drug Administration.

EXHIBIT 2

PESTICIDES: THE PRICE FOR PROGRESS

"There was once a town in the heart of America where all life seemed to be in harmony with its surroundings." It had fertile farms, prosperous farmers, birds in the trees, fish in the streams, and flowers blooming gaily along the roadsides. Then a white powder fell from the sky like snow, and a fearful blight crept over the land. Cattle and sheep sickened; hens could not hatch their eggs. Strange illnesses appeared among the people; children were stricken at play and died within a few hours. The birds sang no more, the fish in the streams died, and the roadsides were lined with browned vegetation as if swept by fire.

Such is the picture drawn of the future in "Silent Spring," a new book by Rachel Carson, whose "The Sea Around Us" earned her a reputation not only as a competent marine biologist but as a graceful writer. Miss Carson's deadly white powder is not radioactive fallout, as many readers will at first assume. The villains in "Silent Spring" are chemical pesticides, against which Miss Carson has taken up her pen in alarm and anger, putting literary skill second to the task of frightening and arousing her readers. Published this week, the book has already raised a swirl of controversy about the danger to man and wildlife of those modern chemical compounds that have vastly increased agricultural production, banished some diseases, and kept at bay the most bothersome and harmful of insects and rodents.

As Miss Carson sees it, the accomplishments are not worth the price. She explains that no single town has suffered all the misfortunes from spraying and dusting that she describes; "yet every one of these disasters has actually happened somewhere, and many real communities have already suffered a substantial number of them. A grim specter has crept upon us, and this imagined tragedy may easily become a stark reality."

AS BAD AS THE BORGIAS

The bulk of Miss Carson's book is support for this nightmare curtain raiser. In a chapter titled "Elixirs of Death," she lists the synthetic insecticides, beginning with DDT, that came into use at the end of World War II. All of them are dangerous, she says without reservation. Already they are everywhere: in soil, rivers, ground water, even in the bodies of living animals and humans. "They occur in mother's milk," she says, using emotion-fanning words, "and probably in the tissues of the unborn child." And worse is to come. "This birth-to-death contact," she warns, "contributes to the progressive buildup of chemicals in our bodies and so to cumulative poisoning. We are in little better position than the guests of the Borgias."

There is no doubt about the impact of "Silent Spring," it is a real shocker. Many unwary readers will be firmly convinced that most of the United States—with its animals, plants, soil, water and people—is already laced with poison that will soon start taking a dreadful toll, and that the only hope is to stop using chemical pesticides and let the age-old "balance of nature" take care of obnoxious insects.

Scientists, physicians, and other technically informed people will also be shocked by "Silent Spring"—but for a different reason. They recognize Miss Carson's skill in building her frightening case; but they consider that case unfair, one-sided, and hysterically overemphatic. Many of the scary generalizations—and there are lots of them—are patently unsound. "It is not possible," says Miss Carson, "to add pesticides to water anywhere without threatening the purity of water everywhere." It takes only a moment of reflection to show that this is nonsense. Again she says: "Each insecticide is used for the simple reason that it is a deadly poison. It therefore poisons all life with which it comes in contact." Any housewife who has sprayed flies with a bug bomb and managed to survive without poisoning should spot at least part of the error in that statement.

But Author Carson's oversimplifications and downright errors only serve to highlight a question that has bothered many Americans: Just how dangerous are insecticides? Experts of the Department of Agriculture and the U.S. Public Health Service readily admit that some of them are extremely poisonous to humans as well as to insects and other pests. Parathian, an organic phosphate used against mites and other highly resistant insects, is so deadly that men who spray it must wear respirators and protective clothing.

A few related chemicals are almost as dangerous, but luckily they break down quickly into harmless substances and so leave no poisonous residue on fruits and vegetables or in the soil. Their disadvantage is that they can poison farmworkers who handle them carelessly. Miss Carson describes these very rare accidents and gets shock effect out of them, but they are comparable to accidents caused by careless handling of such violent industrial chemicals as sulfuric acid. The highly toxic phosphates are no menace to the general public, which seldom comes in contact with them.

DDT IN EVERY MEAL

The chlorinated hydrocarbons, on the other hand (including the familiar DDT), are used in enormous quantities by almost everyone. Much of Miss Carson's case against spraying depends on her contention that DDT and its near chemical relatives are poisonous to humans, especially since they tend to accumulate in fatty tissues. Experts do not agree. A mere trace of DDT kills insects, but humans and other mammals can absorb large doses without damage. Dr. Wayland J. Hayes, Chief of the Toxicology Section of the U.S. Public Health Service in Atlanta says that every meal served in the United States contains a trace of DDT, but that this is nothing to worry about. He and his coworkers fed 200 times the normal amount to 51 convict volunteers. The insecticide accumulated in their bodies for about 1 year and then was excreted as fast as it arrived. The human guinea pigs felt no ill effects, and doctors pronounced them as healthy as a control group that got the same diet without extra DDT.

EXAGGERATED IMPORTANCE

While many insecticides are roughly as harmless as DDT, others are considerably more poisonous to humans. But in the opinion of respected experts of the U.S. Public Health Service, none have done appreciable damage to the U.S. public or are likely to do so. In heavily sprayed cotton-growing areas of the Mississippi Delta, says Assistant Surgeon General Dr. D. E. Price, health is as good as in sparingly sprayed neighboring areas. The same report comes from California, where insecticides are heavily sprayed on orchards and fields. Says Robert Z. Rollins, chief of the Division of Chemistry of the California Department of Agriculture: "Pesticides used properly present no threat to people, no matter how widespread their use becomes."

Humans generally protect their domestic animals from any ill effects; wildlife does not fare as well. Wild animals; birds, fish, and friendly insects are among the valued inhabitants of the United States and a good part of Miss Carson's book tells about the deadly effect of wholesale spraying on these pleasant and harmless creatures. In vivid language, she tells how DDT spraying to protect elm trees from Dutch elm disease nearly wiped out the bird populations of many midwestern cities, how fruitless attempts to exterminate the imported fire ant of the South by airplane dusting with dieldrin had dire effects on many kinds of wildlife.

Even scientist defenders of pesticides admit that these things have happened, but they maintain that their importance is exaggerated. According to the Entomological Society of America, only 0.28 percent of the 640 million acres of U.S. forest land is treated annually, and 613 million acres have never been treated. Insecticides are used mostly on croplands, which have little wildlife, and on human residential areas to protect shade trees—the use that causes the most conspicuous damage to wildlife.

One result is the wholesale death of robins, which form a large part of suburban bird populations. The robins live on earthworms (that is why they are plentiful in the suburbs, where worm-bearing lawns abound), which concentrate insecticides without being damaged themselves. When the robins eat these insecticides-full worms, they die. The slaughter may continue for several years, until the DDT in the soil has disintegrated.

ELMS VERSUS ROBINS

Death chains of this sort are fortunately not common. A report published by the Wilson Ornithological Society says that most spraying does little damage to most birds, and still less to wild mammals. Fish are more sensitive; when certain insecticides are washed into streams or lakes, they are apt to kill everything that moves on fins. Perhaps the worst effect on birds is the reduction of edible insects, which are important food for many species. But the damage is not complete; not even Miss Carson can point to a single sizable sprayed area where "no birds sing."

To answer insistent complaints, the National Academy of Sciences sponsored a careful study of pesticide damage to wildlife. Its conclusion; the damage, though always regrettable, is not disastrous, and the damaged wildlife population generally recovers in a few years. Sometimes it may be necessary, remarks the Academy, to choose between elms and robins, both of which have their partisans.

INSECT PARADISE

Lovers of wildlife often rhapsodize about the balance of nature that keeps all living creatures in harmony, but scientists realistically point out that the balance was upset thousands of years ago when man's invention of weapons made him the king of beasts. The balance has never recovered its equilibrium; man is the dominant species on his planet, and as his fields, pastures and cities spread across the land, lesser species are extirpated, pushed into refuge areas, or domesticated.

Some species, most of them insects, benefit increasingly from man's activities. Their attacks on his toothsome crops are as old as recorded history—the Bible often refers to plagues of locusts, cankerworms, lice, and flies—but their damage was only sporadically serious when population was small and scattered. Modern, large-scale agriculture offers a paradise for plant-eating insects. Crops are grown year after year in the same or nearby fields, helping insect populations to build up. Many of the worst pests are insect invaders from foreign countries that have left their natural enemies behind and so are as free as man himself from the check of nature's balance.

Agricultural scientists try hard to find ways to check insect pests by tricks of cultivation. They import the ancient enemies of invading foreign insects and foster the resident enemies of native pests. They are developing bacterial diseases to spread pestilence among insect populations. Because these tactics alone are seldom enough to protect the tender plants of modern, high-yield farms, the use of insecticides is economically necessary. Tests run by the Department of Agriculture show that failure to use pesticides would cost a major part of many crops; a 20-year study proved that cotton yields would be cut by 40 percent. Production of many kinds of fruit and vegetables would be impossible; unsprayed apple trees, for instance, no longer yield fruit that is sound enough to be marketed.[1] Potato fields swept by the Colorado beetle or late blight (the fungus that caused the great Irish potato famine of 1846) yield hardly any crop.

A QUANDARY OF SURPLUSES

Chemical insecticides are now a necessary part of modern U.S. agriculture, whose near-miraculous efficiency has turned the ancient tragedy of recurrent famine into the biologically happy problem of what to do with food surpluses. Says Entomologist George C. Decker, of the Illinois Agricultural Experiment Station: "If we in North America were to adopt a policy of 'Let nature take its course,' as some individuals thoughtlessly advocate, it is possible that these would-be experts would find disposing of the 200 million surplus human beings even more perplexing than the disposition of America's current corn, cotton, and wheat surpluses."

Many scientists sympathize with Miss Carson's love of wildlife, and even with her mystical attachment to the balance of nature. But they fear that her emotional and inaccurate outburst in "Silent Spring" may do harm by alarming the nontechnical public, while doing no good for the things that she loves.

Mr. HRUSKA. Again I thank the Senator from Wisconsin for his courtesy.

Mr. PROXMIRE. I thank the Senator from Nebraska.

PUBLIC WORKS APPROPRIATIONS, 1963

The Senate resumed the consideration of the bill (H.R. 12900) making appropriations for certain civil functions administered by the Department of Defense, certain agencies of the Department of the Interior, the Atomic Energy Commission, the St. Lawrence Seaway Development Corporation, the Tennessee Valley Authority, and certain river basin commissions for the fiscal year ending June 30, 1963, and for other purposes.

Mr. PROXMIRE. Mr. President, to sum up the point I am making, I think the map at the rear of the Chamber dramatizes the situation very convincingly.

The land which would be irrigated is shown on the map and on the extension of the map to the right. The farmers who own land which it is sought to take out of production are in the shaded areas. They own 85 percent of all the land which will be affected by the $60 million project. Eighty-five percent of the land is owned by 90 percent of the farmers, who say they do not want the project. They oppose it.

The letters and petitions which I have put into the RECORD emphasize this point. I think they document, establish, and prove it. I challenge anybody to show that any of these petitions does not represent the viewpoint of the farmers involved.

I wish now to go into the general area. The reason why I have been taking so long is that, although I feel the project itself is quite wasteful, involving $60 million which cannot be justified, the implications of the project are even much more serious. The implications run in terms not of tens of millions of dollars, but of billions of dollars.

CONGRESS NOT EXERCISING PROPER LEGISLATIVE OVERSIGHT

Congress is not exercising proper congressional oversight as result of the unfortunate authorization procedure for indivdiual projects. Congress is neglecting its responsibility of legislative oversight in the important area of resource development. As a result of this lack of congressional oversight hundreds of millions of dollars—I could say billions of dollars—are being spent in a manner which is open to serious economic and financial criticism. The standards of economic justification and financial feasibility which govern the planning of water resource development projects in administrative agencies result in wasteful expenditures of unbelievable sums of money.

---

[1] In the smaller orchards of prespraying days, fruit had a better chance to escape heavy insect damage, and since quality standards were lower, moderately damaged fruit often went to market.

To those who argue that we cannot save Federal money, and that we cannot reduce Federal spending because so much of the money goes into defense, I point out that not a nickel of the funds about which I have been speaking relates to defense.

This has happened as the result of congressional lack of concern over both the authorization of individual projects, and the establishment of legitimate standards of economic justification.

In view of the ever-growing problem of inadequate water supply which is confronting this country, and in view of the ever-growing demands for Federal sudsidies and programs in all areas, it is imperative that the Congress as a whole reexamine old practices, and establish an adequate set of economic and financial standards in the water resource development area. Until this is done it is quite likely that cases such as the Glen Elder project shall continue to crop up as indications of the extent of the lack of good economic planning and analysis in the area of water resource development. And of concern to taxpayers all over the country, even those areas which have no water problems, the Glen Elder project stands as a mute reminder of the ease with which billions of dollars can be spent without proper evaluation and planning on the part of the Government. In view of the scarcity of both the Federal tax dollar and water, it is vital that Congress as a whole fulfill its responsibility in this area by giving the proper attention to these water resource development programs.

Mr. President, I would like to make one point which is a little to the side of my main discussion. Those who are not concerned about Federal spending, must at least be concerned by the scarcity of water. It is vital that Congress as a whole should fulfill its responsibility in that area by giving proper attention to our water resource development.

That statement is not only apropos of the general waste of our water facilities through approval of projects of the kind about which we have been speaking, but particularly of the Glen Elder project itself, which in my judgment constitutes a serious misuse of our scarce water facilities.

The Congress should reexamine the authorization process currently being used in the case of many projects involving in total billions of dollars, since the lack of congressional authorizations is just one aspect of the overall lack of intelligent planning which is so prevalent in this area today.

The fact is that a lack of authorization, which has been so dramatically shown here by taking a one-line authorization made 18 years ago and using that as a justification for an appropriation before a harassed Appropriations Committee, which has a great amount of pressure on it, is an example of the almost complete lack of congressional overseeing of such spending.

CONGRESS SHOULD NOT ABDICATE PREROGATIVES

Second, Congress should give more attention to the general economic criteria used in project planning and selection by the various administrative agencies in this field. Congress has already abdicated too much of its prerogatives by giving so much discretion to the administration in the planning and selection of these water resource projects. If the "experts" in the executive agencies are to have such discretion as a matter of necessity, it should be carefully circumscribed by broad guidelines laid down by Congress. If this were done it would be less likely that spot checks on the results of this administration planning and determination would reveal the same blatant lack of economic and financial sense which is revealed in the present instance of the Glen Elder project.

I must admit that I was deeply shocked and disappointed when I learned that such a marginal and questionable project as the Glen Elder unit was about to receive appropriations of $60 million without the proper Senate legislative committee study at this time, the merits of such an expenditure for such a purpose. My disappointment turned to despair when closer inspection revealed that this project failed to pass even the minimal tests of economic justification as accepted by many objective analysts in this field. The lack of congressional oversight might be excused if there were indications that Federal expenditures on water resource development projects were planned by the executive branch to eliminate unjustifiable expenditures. But this is not the case. Even though Glen Elder is the only significant new start in the Bureau of Reclamation budget this year, it gives evidence of having all the economic defect weaknesses one could possibly attribute to such projects. If the one new start selected by the administration has so many questionable features, what must be the economic worth of all the other "potential" projects which can be started with the same lack of congressional study as the Glen Elder?

It is very clear to me that the economic merits of the Glen Elder project are at best very questionable. It is only by using obviously unrealistic standards, and by making the most favorable assumptions that a benefit-cost ratio barely in excess of 1 is achieved. The use of adequate standards and criteria would result in the benefit-cost ratio falling below 1. I am convinced that the Glen Elder project is economically unjustified and financially unsound. I believe any adequate review of this project by the appropriate legislative committees would reveal as much. I believe that if this project were evaluated by the standards which Congress should be requiring of the administrative agencies it would be found wanting and would be rejected.

I think any Senator who conscientiously examines this project would agree with me that the economic and financial merits of this project are marginal and dubious enough that they should be studied by Congress before they are accepted as warranting the expenditure of at least $60 million, and probably much more if the usual relation between first estimates and final costs prevails. I believe that most of us can agree that it is in just such marginal cases that congressional determination, and oversight has its most necessary role to play. To delegate the decision in such cases to the administration is to delegate a unwarranted amount of our responsibility to our Nation's taxpayers.

NEED FOR CONGRESS TO SET STANDARDS FOR AUTHORIZATIONS

What concerns me most deeply, Mr. President, is that billions of dollars are spent by the Federal Government on such projects when the intent of Congress in such matters is not clear. Until the opportunity to evaluate the substantive character of each individual project is regained, congressional intent will not be clear. Until Congress approves some explicit standard of economic justification and financial feasibility to be used by the administration, or until it formulates its own such standards, its intent will not be clear. If Congress is to fulfill its responsibilities, it is imperative that it cease to drift without any clear policy, let alone any desire or procedure to overset the big spending decisions which are being made in the offices of the administration every day; that is, the Corps of Engineers and Bureau of Reclamation. They should at least be aware that the decisions have been made.

DESCRIPTION OF CURRENT AUTHORIZATION SITUATION

Mr. President, this present unfortunate situation has been permitted to exist and develop as the result of congressional acceptance of old, blanket authorizations. By the Bureau of Reclamation's own testimony, the latest congressional authorization which provides the legal basis for the Glen Elder and other Missouri River Basin projects, is the 1944 and 1946 Flood Control Acts. Senate Documents Nos. 191 and 297 of the 78th Congress provide the only detailed account of the 326 projects provided for by the 1944 Flood Control Act. Since all of these projects are treated in this official document, one can well imagine that the amount of supporting data and statistics is insignificant. Essentially this document consists of lists of projects. Yet it is considered by the Bureau of Reclamation as being an adequate congressional mandate to select any of these many projects, and approach the Appropriations Committee in order to obtain the funds to go ahead on the project. This is what has just occurred in the case of the Glen Elder project.

I do not know the basis of the decision made in the Bureau of Reclamation to select the Glen Elder project out of the 270 remaining projects which allegedly have been authorized by the Congress in 1944 and 1946. They could just as well have selected any of the others. In fact there would have been better reasons to select some of the many others since they would have higher benefit-to-cost ratios. On those projects, each dollar of the taxpayer's money would have resulted in more cents of return than would this project we are considering here today.

There is every indication that the Senate Interior and Insular Affairs Comcommittee did not and still does not know the basis of this selection either. Until it appeared in the budget request they did not even know that it had been selected downtown in some administration office.

ECONOMIC MERITS OF PROJECT DUBIOUS AT BEST

When it did come to their attention, they immediately held hearings on the matter, in order to explore this peculiar situation. These hearings were not intended to constitute an authorization inquiry, and they cannot now be so considered. These hearings did review the current status of the projects listed in Senate Document No. 191, in terms of the Bureau's view of their authorization authority. Some of the questionable features of the Glen Elder project itself were discussed in general terms, but there was no comprehensive inquiry into the economic merits of the project nor any discussion of the economic criteria used by the Bureau in its selection of the project. While the economic merits for this particular project are dubious at best, the interpretation placed on the procedure necessary for congressional oversight by both the Bureau and the committee were even more disturbing.

The testimony of both the Under Secretary of the Interior and the Assistant Secretary of the Interior indicated that it was the understanding of the Department that they did not have to come back to the Interior Committee if the current nature of the project was similar to the description of the project in Senate Document No. 191 or Senate Document No. 247. They seemed to feel that only if there were major changes in the nature of the project would they be obligated to obtain a "reauthorization." This falls far short of recognizing or admitting the necessity of giving the proper legislative committee the opportunity to evaluate something which had been originally authorized almost 20 years ago. Their testimony also indicated that there were over a billion dollars' worth of projects referred to in the 1944 document which are essentially the same today. Thus, over a billion dollars' worth of spending could be initiated by the Department of the Interior without ever coming before the Interior Committee to explain the substantive aspects of the spending program.

It is true that the Department of the Interior would have to come before the Appropriations Committee before it could spend this billion dollars. But consideration by an already overworked Appropriations Committee does not and cannot accomplish the same purposes as consideration by the proper legislative committee.

OBJECTS TO BACK-DOOR SPENDING

Mr. President, for some time we have been hearing complaints—and they are well justified—against so-called backdoor financing; that is, direct borrowing from the Treasury, without resort to the Appropriations Committees, without enabling the Appropriations Committees to have an opportunity to pass on the wisdom of the back-door financing.

The basic legislative committee authorizing the project may have competence in the particular field in which the activity is concerned, and may have held extensive hearings. Nevertheless, a doublecheck by the Appropriations Committee, which has overall responsibility for congressional spending, should be required before the money is actually spent. There is considerable merit in that argument under most circumstances. It seems to me that to skip the authorization process entirely is wholly unjustified and is a very serious breach of good legislative procedure, because it is the legislative committee which has the specific competence regarding a particular expenditure. It is also the committee which, according to law, alone can set the guidelines and effective limits to policy and determine the basis on which the money is to be spent. It is also the committee which has this responsibility with respect to the Glen Elder project and literally billions of dollars' worth of other projects; and if the legislative committee is skipped, it has no opportunity to act, and as a result the enormously overworked and harassed Appropriations Committee has assumed full responsibility.

There are many substantive aspects of these spending programs which can only be decided by the proper legislative committee. For instance, recent authorizations bills coming out of the Interior Committee have provided that crops which are currently in surplus cannot be grown on the project. The assignment of financial responsibility is another substantive matter that can only be handled in legislation of the sort provided for in the authorization process.

THE 1944 GUIDELINES INADEQUATE FOR 1962

The table I have before me indicates the full extent of the problem. It can be observed that Senate Document No. 191 listed $982 million worth of projects. House Document No. 247 listed $781 million worth of projects. In both of these cases we see that close to a billion dollars worth of projects—in 1944 dollars—was merely listed. There were only 200 pages in Senate Document No. 191 of the 78th Congress. That means that there was on the average $5 million worth of spending outlined per page.

This is the only basis, the only guideline, and the only policy declaration available. Since the value of these projects which were listed in these 1944 documents now amounts to close to $3 billion in current prices, these prewar studies now add up to $15 million a page. This sketchy proposal makes a farce of adequate legislative oversight.

I ask unanimous consent that the table that I have marked "Table 1" be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 1.—*Original S. Doc. No. 191 estimates*

	Number	S. Doc. 191	H. Doc. 247
Yellowstone River Basin		$177, 583, 000	$178, 749, 000
Upper Missouri		103, 614, 000	103, 513, 000
Missouri (Fort Peck to Sioux City)		393, 621, 000	236, 300, 000
Minor western		35, 021, 200	35, 971, 200
Niobrara, Platte, Kansas		273, 025, 500	229, 666, 900
Total		982, 864, 700	781, 200, 100
			Present cost estimate
Appendix E. Reauthorizations requested	20	185, 037, 000	$771, 212, 000
Appendix F. Built without further congressional oversight	56	207, 297, 000	571, 537, 000
Appendix H. Originally in S. Doc. No. 191 but negated as the result of inconsistently authorized	40	39, 542, 000	
Appendix I. Originally in but found lacking in economic feasibility	69	32, 610, 000	
Appendix J. Current projects with high identifiability with S. Doc. No. 191.	113	215, 435, 000	1, 028, 404, 000
Appendix K. Varying degrees	31	107, 291, 000	431, 626, 000
Total	306	787, 215, 000	2, 804, 779, 000

Mr. PROXMIRE. Mr. President, this is the table that I have been discussing. Returning to the same table we see that over half a billion dollars worth of these projects have already been constructed or are in the process of being constructed. The only authorization for these projects was the blanket authorization contained in the 1944 and 1946 Flood Control Acts.

Another $771 million worth of projects are considered by the Department to be different enough, so that individual reauthorizations will be sought or have already been obtained; for example, S. 230 and S. 970, 87 to 1. However, most of this sum is for just one project, the Garrison project, which will cost $569 million.

This leaves about $1.5 billion worth of projects which can be initiated by the Department of the Interior without the proper and necessary oversight by the Senate Interior Committee. The Glen Elder project is included in this group. It is for this reason that it has been considered by the Appropriations Committee, even though it has not been considered by the Interior Committee. It might be argued that the legislative committees cannot exercise proper review of every project, and should not be concerned with every project. But, even when one considers the smaller projects such as Glen Elder, there are usually only a few new starts each year. It is not unrealistic that the Interior Committee should be expected to review each of these new starts each year in the light of recent developments.

GLEN ELDER ONLY NEW START FOR FISCAL 1963

Once again I reiterate the fact that this is the only significant major new start in the administration's request this year. It is the only one that I am asking the Interior Committee to take a look at. That is not asking that they be loaded down with a great deal of additional work.

In any case, the changes in our economy since 1944 are reason enough why any new start which was originally designed and authorized 20 years ago should be reconsidered today in the light of current economic conditions.

It is questionable if Congress should ever permit the approval of comprehensive plans to be considered as blanket authorizations for many individual projects even when the plan is valid and of recent origin. The highway program might be considered as a case where Congress approved a broad comprehensive program, and thereby provided the blanket authorization for billions of dollars of public expenditure without congressional oversight of the individual projects. The waste and scandals that have characterized the highway program stand as a reminder of the defects of such an approach even when the overall plan is valid and of recent origin. These difficulties are compounded when the original validity of the plan might be questioned. They are also compounded when some plan or program which may have originally had validity, loses that validity with the changes that time brings.

It is difficult to tell at this time, without extensive research, if the comprehensive plans described in Senate Documents 191 and 247 were valid and internally consistent at the time of their promulgation. It is possible that they may have been, and that the present inconsistencies and weaknesses are the product of 20 years of change. The important point is that this plan is now internally inconsistent and shot through with defects. It is interesting but really unnecessary to inquire why this is the case, once it is established that it is the case. For once that is done, the remedy is obvious: disregard this comprehensive plan until the Department has had the time to bring it up to date, and resubmit it to Congress for approval.

The Bureau of Reclamation does of course bring the information on individual projects up to date when the definite plan report on each project is compiled by the Bureau. It was at this point that the Bureau discovered that so many of the projects listed in Senate Document 247 were no longer feasible. The information placed before the authorizing committee in 1944 was not adequate for any administrative or legislative body to make an intelligent decision about any individual project. Thus, authorizations made on the basis of such inadequate data in 1944 should not be considered as meaningful nearly 20 years later when there was no basis for them at the time they were originally decided. The 1944 process was no adequate substitute for the project by project evaluation that is so necessary if the Congress is to retain meaningful oversight in this important area. The proper legislative committee should not be asked to authorize a project until the Bureau itself has all the necessary data. That time does not occur until the definite plan report is drawn up by the Bureau of Reclamation.

The inconsistencies of the comprehensive plan embodied in Senate Document 247 are apparent even to those without engineering or economic training.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a table entitled "Units Flooded Out by Other Units Indicate That 1944 Plan Was Inconsistent at That Time."

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Units flooded out by other units indicate that 1944 plan was inconsistent at that time

Item	State	Stream	Cost in S. Doc. 191	Status
Whitetail Dam enlargement	Montana	Whitetail Creek	$58,000	Constructed by private interests.
Dodson pumping unit	do	Milk River	62,000	Constructed as part of Milk River project.
Fort Belknap drainage unit	do	do	101,000	Single-purpose drainage project.
Birdhead unit	North Dakota	Missouri River	267,000	Eliminated by Garrison Reservoir.
Goodall unit	do	do	227,000	Do.
Seneschal unit	do	do	97,000	Do.
Fort Berthold unit	do	do	582,000	Do.
Fort Stevenson unit	do	do	523,000	Do.
Independence unit	do	do	268,000	Do.
Mannhaven unit	do	do	105,000	Do.
Old Agency Flats unit	do	do	467,000	Do.
Old Agency Flats No. 2	do	do	125,000	Do.
Sheel Creek unit	do	do	310,000	Do.
Running Water unit	South Dakota	do	86,000	Eliminated by Gavins Point Reservoir.
Wells unit	Kansas-Nebraska	Groundwater	1,140,300	Partly abandoned, partly absorbed by other units, and partly developed by others.
Billings drainage unit	Montana	Yellowstone	1,128,000	Single-purpose drainage project.
Custer drainage unit	do	do	706.000	Do.
Chantier unit	South Dakota	Missouri	31,000	Eliminated by Oahe Reservoir.
Grosse unit	do	do	42,000	Eliminated by Fort Randall Reservoir.
Oahe (Verendrye) unit	do	do	98,000	Eliminated by Oahe Reservoir.
Bellwood unit	Nebraska	Loup	4,000,000	Plan inconsistent with State law.
Loup Valley unit	do	do	5,000,000	Do.
Schuyler unit	do	do	6,000,000	Do.
Osceola	do	do	6,000,000	Do.
Upper Musselshell unit	Montana	Musselshell River	Not stated	Built by Montana Water Board.
Deadman's Basin unit	do	do	Not stated	Do.
Total (40 items)			39,542,000	

Mr. PROXMIRE. Mr. President, the table indicates that 40 projects included in Senate Document No. 247 were eliminated as a result of other projects to be constructed. In short, the projects were flooded out. What happened was that the dam was built and the water was accumulated by the dam; and by making a lake behind the dam, other projects which might possibly have been proposed and built were flooded out. So it is perfectly apparent that in those cases the flooded-out projects should not be considered, even though the authorization had been made and may still be on the books.

This suggests that the plan behind the list of projects in this 1944 document was not internally consistent, and therefore not valid to begin with.

Table 1 also indicates that 69 other projects included in the original comprehensive plan were found unfeasible for either engineering or economic reasons. Yet these were presented to Congress in 1944 as feasible on all accounts, and economically viable until the year 1994 or 2044 depending on the assumed length of life for the project which was used in 1944. The discovery of these unworkable projects by the administration makes one wonder how many other similarly impractical projects there may be in the lists. We cannot be sure until the Congress explicitly adopts its own economic standards and criteria and uses them to review each new start with those standards in mind.

These 100 projects were estimated to cost about $72 million in 1944. In current dollars the cost of these projects would amount to at least $200 million. The amount of increase of current costs over Senate Document No. 191 costs ranged from multiples of 2½ to 5. Since this is the amount of money that was not spent, that the administration planners in 1944 would have spent unwisely, we should feel gratified. It is the much larger amount of waste and unfeasible projects that are still buried in this old, outdated, inconsistent plan which should concern Congress today. The fact that they were wrong in 1944 provides a very strong suggestion that they may be even more wrong in 1962. Not only are the economic circumstances much altered, but the very fact that economic conditions have changed argues that the criteria for economic justification and financial feasibility should also have changed in the past 20 years.

Mr. President, perhaps I should explain a little further the units which were flooded out and their cost, because the amount is substantial.

The stream is the Missouri River. In North Dakota the projects flooded out by the Garrison Dam were: Birdhead unit, Goodall, Seneschal, Fort Berthold, Fort Stevenson, Independence, Mannhaven, Old Agency Flats, Old Agency Flats No. 2, and Shell Creek; and in South Dakota, Running Water. Incidentally, the Running Water unit was eliminated by the Gavins Point Reservoir. Other large reservoirs in South Dakota were flooded out by the Missouri River project.

CONGRESS IS NEGLECTING ITS RESPONSIBILITY TO ESTABLISH PROPER GENERAL CRITERIA

Before I begin a detailed inquiry into the economic justification and financial feasibility of the Glen Elder project, I want to summarize the unfortunate features of present congressional procedures for exercising our right and duty of legislative oversight in this matter. I feel that in this particular area Congress has abdicated its rights and responsibilities in the provision of the legislative oversight so necessary for the working of our system of government. Congress has permitted the executive branch to assume the initiative and the de facto control of the manner in which our scarce water resources are used.

I should say on the basis of this experience that the Congress does not know what is going on. Congress has put on blinders. Congress has closed its eyes. Congress has turned the control of this work over to the administration and the result has been, in this case, a project which cannot be justified on any reasonable basis.

As the result of just two pieces of legislation, Congress has provided the wherewithal to the executive branch to spend over $2 billion without having to come to the proper legislative committee to review the assumptions and policy made 20 years ago. Because of the blanket and limitless authorizations provided by the Flood Control Acts of 1944 and 1946, the authorization process has become meaningless for a very significant portion of nondefense spending. The administration now has a backlog of $1.5 billion worth of questionable projects it can initiate simply by placing them in the administrative budget at discreet intervals.

That is why I am speaking in the Senate today at length in objection to the Glen Elder project. This is only one instance. It involves only $60 million. Yet that is a considerable sum of money. It may be only $60 million in a bill in which $1.5 billion is involved, but it is the first precedent. If this project is allowed to go through, it means the administration can slip others through without any real consideration of such projects by Congress.

If past practice is to be any guide, the overworked Appropriations Committee will place these projects before the whole Congress in judicious amounts, without ever being able to evaluate their fundamental worth. Over the course of one generation billions of dollars will be spent without the Appropriations Committee ever being able to require of the administration economically valid standards through provisions in the legislation. Even if the money is appropriated it is frequently possible to minimize some of the costly adverse economic practices involved in water resource development programs through legislative limitations on the nature of crops grown, or on the nature of the repayments contracts entered into. But there are legislative actions beyond the purview of the Appropriations Committee.

Of course, with exacting and realistic economic and financial standards, there will always be water resource development projects that are worthy of both congressional authorization and appropriation.

But for those who are the friends of irrigation, the friends of developing water resources as extensively as possible in building our great West, I call attention to the fact that such projects as are good and justifiable are not likely to obtain scarce funds for such purposes so long as the prevailing manner of project selection prevails.

So long as the administration has an almost limitless list of projects, drawn up 20 years ago, from which it can select projects to present to the Appropriations Committee, it is not likely that the best projects will get first crack at the scarce funds available.

A marginal project such as the Glen Elder project should not be allotted funds before the necessary funds are allotted for the construction of projects with a benefit-cost ratio which is much higher. In fact, under such circumstances a project such as the Glen Elder project should not be allotted any funds at all. Project design and selection is, at best, a very complex process. It is difficult to really understand and appraise one potential project, let alone 350, as supposedly was done when the 1944 blanket authorization was made. If projects are evaluated one at a time, with explicit economic and financial criteria which everyone understands, it is less likely that big mistakes will be made in the use of the scarce quantities of water and tax dollars. As a first step, such blanket authorizations should be regarded as null and void by all concerned, so that all can engage in the more necessary and worthwhile task of project-by-project analysis, using the same acceptable standards.

CONGRESSIONAL CONSIDERATION OF ECONOMIC CRITERIA

Mr. President, not only has necessary legislative oversight been frustrated by procedures which prevent the proper evaluation of each individual project, but Congress has also been lax in its provision of broad policy in this area. Congress as a whole has never approved or suggested the economic guidelines which can serve to guide the administration in its formulation and selection of projects. Many fundamental economic choices which must be made have relevance to all individual projects. These decisions should be made at the level where basic policy is determined; namely, in Congress.

First. Should 50 or 100 years be utilized as the reasonable expectation of useful life to be attributed to projects in view of all the uncertainties of planning over long periods?

Second. Should the discount factor used to compare dollar amounts over different time periods be 2.5 percent, or 4 percent, 5 percent, or some other percentage? The choice is one which hinges on the broadest of policy considerations, and therefore should be made at the highest of policymaking levels. Any choice determined by Congress could then be used in the evaluation of all projects. Incidentally, this is an extremely important decision. It affects the answer to the question of whether the Government will spend billions of dollars, and also the answer to the question of where the funds will be spent.

Third. Should benefits be measured from a regional and local point of view, or should a national point of view only be used in determining the benefit-cost ratio of particular projects? Or should both be considered? The benefits would be different, of course, depending on the viewpoint taken.

Fourth. What is the maximum amount of subsidy that the Federal Government can be expected to give any particular group or region?

In the absence of congressional answers to these questions, it is as certain as it is that night follows the day that projects will be approved on the basis of political pressure, not on the basis of merit. Certainly anyone who has served in Washington for a few months, let alone 4 or 5 years, recognizes that political pressure is very potent on the executive branch, as well as on Congress. It is such pressure which at the present time determines where the money will be spent, even in the absence of effective authorization. Such pressure—not the merit of the projects—governs that determination, because Congress does not have any clear objective criteria to be applied. The benefit-cost ratio has been so badly used, and has been used so deceptively, that it is impossible to rely upon it. I think I can clearly demonstrate that in this case the alleged benefit-cost ratio is fully unrealistic. The actual benefit-cost ratio for the proposed project is less than 1. In other words, the benefits would be less than the cost involved.

These are all broad questions which require decision, and they should be of vital interest to a national legislative body which dispenses Federal tax dollars. Yet such broad questions related to the formulation and selection of projects have not been asked and answered by Congress as a whole. Various ad hoc congressional study groups have considered such questions, but no authoritative conclusions have resulted from the studies by these groups. The recommendations of any one committee cannot be said to reflect the intent of Congress. Reasonable men can differ over the answers to all of these questions. The variety of answers and practices that are prevalent in this area suggests that the range of opinion is wide. It is for this very reason that Congress should make these choices. Even though expert analysis is necessary at some points in the formulation of these answers, the broad policy alternatives and implications are clear. It is these that should be considered by Congress. There is no question that some objective and explicit economic criteria for economic justification and financial feasibility are required in any rational process of formulating and selecting projects. Congress should have a central role in the formulation of such criteria, instead of abdicating its basic responsibility.

ECONOMIC MERITS OF THE GLEN ELDER PROJECT

Mr. President, I turn now from my consideration of the authorization considerations—which I believe are most important, because they go to the very heart of congressional responsibility; and, therefore, I have taken a long time to discuss them. But I did so deliberately, because I believe they must be considered by Congress. This is a responsibility of each of the 100 Members of the U.S. Senate.

At this time I wish to discuss the economic merits of the Glen Elder project itself.

The lack of proper continual legislative oversight would not be so unfortunate if spot checks by Congress indicated that the project selection procedures used by the administration, whatever they were, would result in the selection of economically valid projects. But this does seem to be the case. We need only look at the one new start proposed in the Bureau of Reclamation budget, to realize that something is wrong with the present manner of formulating and selecting projects in the Bureau of Reclamation. Let me say that I feel that, in general, the benefit-cost ratios provide a proper and objective method of evaluating the economic merits of proposed projects. If all the assumptions and information going into a benefit-cost ratio are valid, and if that ratio for a project is over 1 by an appreciable margin, I would be the first to say that project has economic validity. In the case of the Glen Elder project, the ratio is just barely over 1. The overall project has a ratio of 1.18 to 1, and the irrigation portion of the project has benefit-cost ratio of 1.06. It is true that these ratios are over 1, and therefore suggest that each dollar spent by the Government will result in at least a dollar of benefits.

This is on the basis that it is legitimate to assume that the life of the project will be 100 years. I shall proceed to discuss this decision and a number of other very unrealistic decisions. But 0.18 and 0.06 represent too small a margin of justification, particularly when one is aware of the significant amount of doubt about the actual manner in which the Bureau of Reclamation uses these benefit-cost ratios. Furthermore, I propose to show that the minute margins of feasibility provided by the present lax standards, are more than eliminated when the benefit-cost ratios are constructed in a more legitimate manner. It is for this reason that it can be objectively demonstrated that the Glen Elder project is not economically justified.

It is possible that Congress may still want to finance such marginal projects as the Glen Elder project. But if it does, it should do so with full awareness of the subsidy and waste involved, not under the illusion as provided by the bogus benefit-cost ratios, that this and similar projects can be defended on economic grounds.

INCREMENTS TO LAND IN FACE OF MOUNTING SURPLUSES

I suggest that the benefit-cost ratio of 1.06 is overstated, because the benefits are overstated. If we accept the Bureau of Reclamation's calculations about the size of the direct agricultural benefits, we must perforce reject any of its calculation of cost which neglects the additional cost to the Government resulting from the disposition of the surplus which is generated directly or indirectly from this project. If we decreased the value of the benefits in order to take account of the real value, not the price-supported value of the farm products, we would get a ratio of less than 1. Or we could allow for this difficulty by increasing the cost estimate. If we increased the estimate of costs, in order to take account of the Government's cost in buying the additional surpluses generated, again the benefit-cost ratio would be reduced below 1.

In order to obtain a better view of this necessary recasting of the benefit-cost ratio, we must consider the nature of the agricultural development which is assumed to characterize these 21,000 acres after water is brought to the land. The information made available to Congress is vague and incomplete on this point. The information included in the justification used by the Appropriations Committee gives the following breakdown of present and future use of land in the area.

I ask unanimous consent that a table I have showing the breakdown for the various crops, present and future, be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

	Percentage of acres in irrigable area		Acres of irrigated land	Estimated value of output per acre	Entire region 7
	Present	Future			
Alfalfa, hay	6	17	3,570	$97	$68
Corn (silage)	17	17	3,500	128	
Oats	5				30
Sorghums:					
Silage	6				117
Grains	6	66	13,860	56	45
Wheat	60			1	65
Total	100	100	21,000		

Mr. PROXMIRE. Mr. President, the table shows that the percentage of land devoted to alfalfa has increased from 6 to 17 percent.

According to the estimate, oats are eliminated, sorghums for silage are eliminated, and wheat is eliminated. But sorghums for feed grains are increased from 6 to 66 percent.

This means a perfectly enormous increase in the production of feed grains, for the reduction of which we will spend over $1 billion in the coming year, on the basis of any estimates. We are paying farmers $1 billion to take out of production land devoted to feed grains, and now we are turning around and spending millions of dollars to bring more land into production of feed grains in Kansas, although the farmers of the land that will be brought into production are overwhelmingly against it. They do not want it. They are in opposition to it.

This information indicates that some of the new land is going to be used for farm products which are already in surplus. The alfalfa hay grown on 17 percent of the irrigated acres is the only farm product from the project which is not already in surplus.

WILL INCREASE SURPLUS PROBLEM

What is alfalfa used for? Some of the alfalfa is sold through the milk pail. It is fed to cows. Cows produce milk. If there is any farm product which is overwhelmingly in surplus today, and which is exceedingly expensive to the Government—and I dislike to say this because I represent Wisconsin, which produces more milk than any other State, and which exports more milk than the next five States combined, and which is in serious trouble—it is the dairy product milk. We are vastly overproducing milk. This year it is estimated that we shall have to spend $600 million in price support payments to purchase cheese, dried milk, and butter in order to maintain 75 percent of parity prices for farmers. Yet we are bringing additional alfalfa into production in the Glen Elder project, which undoubtedly will end up in the milk pail and increase the surplus. This is the only crop on the land which is not itself directly in surplus.

The corn silage and grain sorghums are already in surplus, and thus any increment here on the Glen Elder project would only add to that surplus. Frequently the argument is made that the total amount of surplus farm products which are grown on irrigated farms represents only a very small percentage of the total production of those surplus products. The last annual report of the Commissioner of the Bureau of Reclamation had a nice diagram indicating that the five different crops in surplus which are grown on irrigated lands represent only 2.16 percent of the total production of those crops all over the country. This sort of justification for further production of surplus crops on irrigated land misses the point completely. If the product is surplus, any addition whatsoever should be considered as being added to that surplus. If the new production is actually used, it only displaces other parts of that production which was previously used, but now goes into caves or bins as the result of the new increment to production which displaced it. Thus, all the increment to the production of surplus crops should be considered as surplus, and not 2.16 percent or some other small percentage representing the average relation. It is the marginal relation, not the average relation which is the relevant comparison in this matter.

This is a very important factor in evaluating the cost of the programs.

The definite plan report drawn up by the Bureau of Reclamation gives a little different picture of the pattern of agricultural production that will prevail in this area after the irrigation arrives on the scene.

I ask unanimous consent that a table indicating the before-and-after irrigation situation be printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

	Values with project	Values without project	Difference due to project
Number of farms	150	90	60
Gross farm income (cash receipts):			
Cereal crops	$900, 900	$899, 429	$1, 471
Hay and forage crops	$419, 100	$18, 826	$400, 274
Livestock	$3, 255, 750	$492, 727	$2, 763, 023
Less purchase	1, 557, 300	0	1, 557, 300
Net increase	1, 698, 450	492, 727	1, 205, 723

Mr. PROXMIRE. The table shows the values of the project and the number of farms brought into production. With the project, the table shows the number of farms will be 150. Without the project there are 90. The difference due to the project will be 60.

Incidentally, I think one of the errors made in computing these figures is that many, many farms will be flooded out. The 14,000 acres which will be flooded out, and which lie behind the dam and so will be taken out of production, are ignored. They are forgotten. That land becomes valueless for farm production. But in determining the value of the project, the only value that is ascertained is not the value that would have been received from the farms which have been destroyed because water is on the land, and the farmers cannot produce, and the family farm is gone forever, but the value only from farms brought into production. Sixty new farms will be brought into production. At least that many will be taken out by flooding.

The gross farm income will be as follows:

For cereal crops, $900,900. There was almost that much without the project. There is a difference of only $1,571.

The cash receipts from hay and forage crops will be increased from $18,826 to $419,000, an increase of $400,274.

The cash receipts from livestock will be greatly increased, from $492,727 without the project to $3,255,750 with the project.

It is said that livestock prices are not supported. It is said that livestock production, with the exception of milk, is not supported; but I think anybody with even an elemental understanding of farming knows that, although there are no direct support prices of livestock products, there are indirectly. One of the first arithmetic ratios one learns is the corn-hog ratio. When the price of corn drops, the price of hogs drops. The connection is very clear.

So, by bringing more livestock into production, we are contributing to the basic feed-grain surplus. They will be brought into production because irrigation will enable farmers to produce more feed grains for the purpose of feeding their livestock, and the surplus problem will therefore be aggravated. The entire value of farm products brought into production will be an additional surplus burden.

The net increase in gross farm income as a result of the project will be $1,205,723.

I submit that, on the basis of any realistic analysis of the farm program and what has happened to farm surpluses and where they go, any thoughtful analysis would indicate that over $1.2 million is going to come out of the pockets of the taxpayers, who are going to be required to pay that much in order to take other surplus production off the market.

This table indicates that the largest part of the increase in gross income on the farms after irrigation is in the area of livestock production.

As this presentation indicates, there would be almost no increase in the amount of cereals produced on the project after irrigation is brought to the land. This is somewhat consistent with the previous presentation, which indicated that the land use before the irrigation represented about 77 percent of the land going to oats, silage sorghums, grain sorghums, and wheat. After the irrigation arrives, 66 percent of the land would be used for grain sorghums. The previous breakdown given in the justification indicated that a higher percentage of the land was going to be used for cereals before irrigation. Also, these were higher priced or valued cereals. On the other hand, the cereals grown after the irrigation arrives will be grown on more acres, and acres which will be more productive in view of the water. These several contrary forces thus may balance out so that the dollar value of the cereal production may be the same before and after the addition of the water. If this should be the case, these two different sources of information would be consistent with each other with regard to the picture presented about crop production.

DOLLAR VALUE OF CEREAL OUTPUT

While it is somewhat comforting to realize that there will be virtually no increase in the dollar value of output of cereals which are in surplus, many disturbing questions remain. This constancy in the dollar value of output of cereals is accomplished by a shift in the type of cereals grown. Instead of the bulk of the land being used for wheat at an average value per acre of $65, the bulk of the land would be used for feed grains, which have an average value of output per acre of $54. The reason for this shift to crops of lower value is that the feed grains are used for the production of livestock, and thus the total income per acre on the whole farm would be higher than it would have been if the bulk of the farm had continued to be used for the production of wheat.

One might ask what the justification is for such a shift in the agricultural land use patterns in this area. As long as water is being brought to the land, why not shift to the production of crops which have very high value and which are not in surplus? The following table indicates some of the crop possibilities for farms in the Kansas area. Of course, if the money were spent to bring water to land in areas where there is absolutely no farm production whatsoever, one obvious crop would be citrus fruits, which are of high value and are not in surplus.

The table lists various vegetable crops, which would yield far more per acre in value then either wheat or feed grains. I ask unanimous consent that the table may be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Value of crops per acre on irrigated land in Colorado, Kansas, Nebraska, Wyoming

Crops:	
Cabbage	$640
Cucumbers	1, 350
Cantaloups	612
Dry onions	825
Potatoes (early)	636
Squash	800
Tomatoes	600

Mr. PROXMIRE. Mr. President, it should also be asked, what is the justification for obtaining larger production of livestock in this manner? In general, it is desirable that surplus feed grains be converted into protein food products and made available to the American people in order to improve their diets. But this can be done without spending millions of dollars in order to grow more feed grains on irrigated lands. Since there were 765 million bushels of sorghum grains last year in surplus, there should be some more economic way of obtaining more livestock production. The cost to the country of using more of the feed grains that are already in surplus is virtually zero. The only cost would be the transportation cost of getting the surplus feed grains from the caves where they are kept, or from the areas where they are in surplus each year. On the other hand, the cost of a bushel of feed grain grown on irrigated land is more than the market or support price on that feed grain.

A later section of my address will inquire into the precise cost of the subsidy going to the grower of feed grains as the result of the Federal expenditure on the irrigation project. It might be said at this point that the real cost of such feed grain is likely to be three to four times the market price per bushel. Thus, the real cost of each bushel of feed grain obtained on irrigated land is compared to the almost zero cost of bushels of feed grain taken out of past or present surplus.

At this point, Mr. President, I wish to invite attention to a recent article published in the Wall Street Journal, which reads:

> American farmers have signed to take 47.8 million acres out of grain production this year in compliance with the Kennedy administration's acreage-cutting programs.
>
> Final Agriculture Department figures show growers signed to divert 15.1 million acres of wheatland into soil-building crops, and to divert 22.9 million acres of corn, 6.7 million acres of grain sorghums and 3.1 million acres of barley.
>
> For reducing their acreages of these crops, farmers are eligible for Government price-support loans on their production, and for payments for putting the land in soil-building crops.

SURPLUS ALTERS BENEFIT-COST

On the basis of this discussion of the pattern of land use, it is possible to determine benefit-to-cost ratios which are more realistic and indicative of the real costs and benefits of the project. The one figure which is the crucial one in this cost and benefit redetermination is the cost of the CCC acquisition and storage of the feed grains which can be produced on the 13,000 acres of this project which would be devoted to the growing of feed grains. On the average, each acre in this area can produce 80 bushels of grain sorghums. Since the support price for grain sorghums is about $9 a bushel, the total support value of the production of grain sorghums on the 13,000 acres of the Glen Elder project would be $1 million per year.

The next question would be: How should this amount of $1 million per year affect the benefit-cost ratio determined for this project? It could be treated as a subtraction from the benefits in the numerator, or it could be added to the costs in the denominator in the benefit-to-cost ratio. The benefit-to-cost ratio would then become either five-tenths or six-tenths.

In other words, Mr. President, if we view the situation realistically, and if we recognize that we live in a country where there is an abundance of food, where there is a farm program, where every feed-grain farmer of necessity either contributes to the surpluses or cooperates with the Government and receives some kind of higher benefit for so doing, then, we must realize that every single acre in Kansas, Wisconsin, North Dakota, or anywhere else in the country which is brought into the production of feed grain will be affected by our farm program and affected by the cost of the farm program.

If we do not shut our eyes to this cost, if we recognize that we must face this cost, and if we realistically recognize that what is sought to be done will bring additional farmland into production at a time when we are already paying money to take farmland out of production, we must realize that the pending proposal really involves a benefit-to-cost ratio not of 1.18 but of 0.5. In other words, the benefits would be half as great as the cost. To put it another way, the cost would be twice as great as the benefits which would come from the project.

CAN CONGRESS IGNORE COST?

Mr. President, does it make any sense for Members of Congress to ignore the costs which they themselves, by passing Federal farm programs, have imposed upon the taxpayers, when computing the additional costs which they are imposing when they propose these expensive dams, such as the one of which I am talking, which would cost $60 million? The benefit-to-cost ratio is distorted and abused, is false and untrue, because it does not include the cost of the farm program.

I see no excuse whatever for not informing us of this fact. It may be that Senators can look at this project and say, "In spite of the additional cost, although it does not have a benefit-to-cost ratio higher than five-tenths or six-tenths, still we should proceed."

It may be that some Senators will say we should proceed with the project, even though 90 percent of the farmers who are affected, whose land is to be irrigated, who will get the only benefits, say that they do not want it and have petitioned against it.

At least we should know what is involved. I submit, with that kind of a benefit-to-cost ratio, we would not know what we were doing if we went ahead, deliberately closing our eyes, and misappropriated the taxpayers' money because we have misinformed ourselves.

The only way it would be possible to refute this position would be to say, "We ought to ignore the farm surplus."

I wish we could. I wish it would go away. Some people may argue that we may not have a surplus in 4 or 5 years. Certainly, on the basis of the experience we have had in this country, the conclusion would be more logical that we are more likely to have a bigger surplus 4 or 5 years from now or 8 or 10 years from now than we have now, because the efficiency of the farmer has been vastly increased. Productivity has enormously increased. The understanding of soil chemistry and animal husbandry, the capacity to get more production out of each acre, the capacity to get more production out of each man-hour of work, and the capacity to get far more production for each dollar of investment have increased at a great rate.

INCREASED EFFICIENCY OF FARMERS

We are doing the job far more effectively in farming. The farmers are doing a much more efficient job. We know that there will be far more production in the future than in the past. We are only kidding ourselves if we do not take that into consideration in respect to providing for a project which would bring additional land into production.

PRESENT IRRIGATION PROJECTS IN RELATION TO FUTURE LAND REQUIREMENTS

It is sometimes argued that even though existing and proposed irrigation projects add to the production of surplus farm goods, the primary concern should be with the supply and demand of farm goods at some time in the future when the surplus problem has been solved. The point is made that as the population grows, the present or possible supply of farm output might become increasingly inadequate to the needs of much larger population.

However, this is not an adequate justification for irrigation projects at the present time. The future in this case cannot extend beyond 100 years because any dam and reservoir built at this time is likely to be all silted up by that time. Thus, if food production is going to be a problem in a hundred years or so, the irrigation projects should be installed at that time so that they will still be usable when the problem becomes severe.

We have estimates for the less distant future which might still be relevant for currently constructed irrigation projects. The following table indicates the probable shifts in major land use that would be called for by changes in needs.

I ask unanimous consent that the table be printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 4.—*Needed shifts in major land uses, 1959–80*

[In millions of acres]

Land use	Used in 1959	To be shifted to other use	To be added from other uses	Net change	Projected use in 1980
Cropland	458	68	17	−51	407
Grassland pasture and range	633	30	49	+19	652
Forest land [1]	746	32	27	−5	741
Recreational	62	0	23	+23	85
Farmsteads and farm roads	10	0	0	0	10
Special purpose uses	85	0	25	+25	110
Miscellaneous other land [2]	277	11	0	−11	266
Total	2,271	141	141	0	2,271

[1] Commercial and noncommercial forest land exclusive of 27,000,000 acres of forest land limited primarily to recreation or wildlife use in 1959 and 34,000,000 acres in 1980. Combined forest land acreage is 773,000,000 acres in 1959 and 775 million acres in 1980 or a net overall gain of 2,000,000 acres.

[2] Urban, roads, military reservations, water supply reservoirs, etc.

Mr. PROXMIRE. The table shows the needed shifts in major land uses from 1959 to 1980, and gives us some idea of what will happen in the future in the area of our need for more cropland.

The table shows that in 1959, 458 million acres of cropland were in production. We will not need that much. The acreage will be reduced by 51 million acres. It will be reduced to such an extent that in 1980 we shall need only 407 million acres of cropland.

Grassland pasture and range is likely to be increased, on the other hand, from 633 million acres to 652 million acres. This assumes we will have a substantial increase in population. Forest land will be reduced from 746 million acres to 741 million acres, a reduction of 5 million acres.

Recreational land use will be increased sharply from 62 million acres to 85 million acres.

Farmsteads and farm roads will remain about the same, at 10 million acres.

Special-purpose uses are expected to be increased from 85 million acres to 110 million acres, an increase of 25 million acres.

Miscellaneous other land uses, such as urban, roads, military reservations, water supply reservoirs, and so forth, are expected to decline by 11 million acres from 277 million acres to 266 million acres.

The computation suggests that in 1980 our total need for land will be approximately the same as in 1959, but that the use to which it is put will be radically different.

The important point here is that the nature and extent of shifts in land use is going to be determined by public policy to a greater extent than it has been in the past. While some land will be shifted out of cropland use, regardless of what the Government does, there is other land which would not be shifted unless the Government encouraged it. This is particularly the case with regard to the program which lies behind title 1 of the present farm bill. It is proposed that the Government spend money to convert much cropland to forest land, conservation reserves, and recreation use. If it appears that too much land is being withdrawn from crop use for reasons beyond the control of the Government, then all the Government should do is to withdraw less land from crop use under programs over which it does have some control. In this manner it is quite likely that the Government could program the right amount of shifts in land use to insure that there will be the necessary 407 million acres of cropland in 1980, without the Government spending millions under irrigation programs to bring other land into cropland use.

That is why I would argue that, regardless of any contention, it is perfectly logical and appropriate to charge the increases which the irrigation project would work in the farm program—the increased cost to the taxpayer—to the cost of the irrigation project in computing its benefit-cost ratio.

BILL WARS WITH FARM PROGRAM

Mr. President, I should now like to put into the Record a series of tables showing how much the Federal Government is spending at the present time to go in exactly the reverse direction from that in which the bill would go. The bill would bring more crops into production. It would increase our production of farm products. The fact is that in 1956, 1957, and 1958, under the soil bank acreage reserve program, we spent a total of $1,570 million to take 50 million acres out of production.

Mr. President, I ask unanimous consent that this table, showing the acreage reserve program for these 3 years, be printed in the Record.

There being no objection, the table was ordered to be printed in the Record, as follows:

TABLE A.—*Acreage reserve program*

Crop	Number of agreements	Acres in reserve	Payment obligated
1956 program:			
Wheat	110,974	5,670,441	$44,739,880
Corn	314,761	5,315,578	179,664,064
Cotton	95,669	1,121,151	27,336,091
Rice	1,117	28,162	1,394,294
Peanuts	5,310	44,000	505,626
Tobacco	20,093	32,502	6,633,018
Subtotal	547,924	12,211,834	260,362,982
1957 program:			
Wheat	233,004	12,783,192	$230,851,526
Corn	323,686	5,233,478	196,417,873
Cotton	301,053	3,015,630	153,296,122
Rice	4,825	242,017	15,466,625
Tobacco	51,828	79,701	17,806,424
Subtotal	914,396	21,354,018	613,838,570
1958 program:			
Wheat	174,451	5,289,477	105,111,500
Corn	355,789	6,658,093	282,255,190
Cotton	444,618	4,925,957	270,207,669
Rice	5,580	174,198	11,941,731
Tobacco	68,832	110,618	26,516,210
Subtotal	1,049,270	17,158,343	696,032,300
Total	[1]2,511,590	[2]50,724,195	1,570,233,852

[1] Annual agreements.

[2] Acre-years.

Source: ASCS, Soil Bank Division, June 13, 1961

Mr. PROXMIRE. In the year 1961 alone the soil bank conservation reserve program cost $336 million, or $11.85 an acre. I emphasize the fact that this is the conservation reserve. It has cost that much to take 28 million acres out of production. In Kansas, where we are spending $60 million, of which $17 million is for irrigation, we spent, in 1961, $17 million to take 1,400,000 acres out of production. That is in Kansas alone. Last year, in 1961, we spent as much as the entire cost of the proposed project to take land out of production. The only purpose I can think of for an irrigation project is to bring more land into production or to improve the production. If there is any other purpose, I would like to hear someone tell me about it.

I ask unanimous consent that the table I have referred to be printed in the Record at this point.

There being no objection, the table was ordered to be printed in the Record, as follows:

TABLE B.—*1961 conservation reserve: Cumulative participation as to number of counties, farms, payees, reserve acres, and rental payment by States* [1]

State	Counties having contracts	Farms having contracts	Estimated payees	Reserve acres	Rental obligation for 1961 [2]	
					Total	Per acre
Alabama	67	8,291	8,502	407,249	$5,052,321	$12.41
Arizona	3	66	82	7,777	104,754	13.47
Arkansas	74	9,322	9,810	591,738	7,139,645	12.07
California	46	1,064	1,236	199,892	2,600,781	13.01
Colorado	80	4,727	5,821	1,292,292	9,892,116	7.65
Connecticut	8	190	190	4,633	90,048	19.44
Delaware	3	281	301	18,300	304,303	16.63
Florida	38	2,175	2,224	226,783	2,171,991	9.58
Georgia	158	14,794	15,396	1,055,866	12,068,434	11.43
Idaho	38	1,507	1,771	284,001	3,463,332	12.19
Illinois	102	6,058	6,676	434,148	7,495,094	17.27
Indiana	92	7,837	8,189	489,160	9,004,054	18.41
Iowa	100	7,568	8,382	649,463	11,808,270	18.18
Kansas	105	12,622	15,678	1,447,166	17,191,634	11.88
Kentucky	104	5,467	5,692	385,997	6,280,174	16.27
Louisiana	49	3,285	3,527	217,840	2,955,337	13.57
Maine	16	2,648	2,666	121,687	1,398,413	11.49
Maryland	23	1,472	1,561	83,406	1,414,067	16.95
Massachusetts	12	111	111	2,777	43,858	15.79
Michigan	83	11,470	11,673	703,597	9,282,642	13.19
Minnesota	88	19,991	21,184	1,894,228	21,396,945	11.30
Mississippi	82	5,654	5,735	319,772	4,349,634	13.60
Missouri	114	10,800	11,567	825,457	11,683,271	14.15
Montana	51	2,034	2,329	629,162	5,665,312	9.00
Nebraska	92	7,362	8,740	874,437	10,480,851	11.99
Nevada						
New Hampshire	10	445	445	11,733	$156,082	$13.30
New Jersey	16	1,070	1,075	48,668	854,608	17.56
New Mexico	23	3,507	4,378	864,758	7,052,197	8.16
New York	53	9,506	9,612	498,661	6,405,924	12.85
North Carolina	99	7,732	7,966	267,809	4,071,878	15.20
North Dakota	53	12,275	15,579	2,700,455	27,011,953	10.00
Ohio	88	8,707	8,936	511,271	8,847,707	17.31
Oklahoma	77	16,875	19,735	1,489,419	15,957,059	10.71
Oregon	33	2,238	2,449	231,153	3,273,854	14.16
Pennsylvania	66	7,201	7,311	363,770	5,658,815	15.56
Rhode Island	3	4	4	62	1,233	19.89
South Carolina	46	11,752	12,094	634,124	8,086,056	12.75
South Dakota	67	10,962	13,843	1,820,502	18,705,161	10.27
Tennessee	94	7,878	8,218	493,670	7,407,695	15.01
Texas	239	33,434	40,164	3,649,682	38,819,581	10.64
Utah	22	978	1,111	236,041	2,039,389	8.64
Vermont	14	988	994	32,395	429,629	13.26
Virginia	95	2,359	2,403	113,814	1,819,186	15.98
Washington	38	2,184	2,675	333,881	4,253,428	12.74
West Virginia	51	1,778	1,816	57,780	875,915	15.16
Wisconsin	71	12,229	12,471	738,524	10,216,860	13.83
Wyoming	16	555	625	124,605	1,087,297	8.72
United States	2,872	301,543	332,947	28,380,605	336,369,397	11.85

[1] All data are reported as of July 15, 1961, and are cumulative for all contracts in force at that time.

[2] Net disbursements are somewhat less than obligations due to violations, penalties, and terminations. Due to controversies surrounding such cases some disbursements and penalty refunds are not resolved for several years.

Mr. PROXMIRE. I also ask unanimous consent to have printed in the RECORD a chart showing the rate at which land will be coming out of the conservation reserve program between now and 1970.

There being no objection, the chart was ordered to be printed in the RECORD, as follows:

TABLE C.—*1956–61 conservation reserve program—Estimated reserve acres for which contracts expire each year, by States* [1]

State	Acres to be released as of Dec. 31										Total acres in reserve	Total number of contracts
	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970		
Northeast area	91,491	49,882	421,945	244,795	4,405	18,500	31,431	236,067	223,942	27,274	1,349,732	27,917
Connecticut	118	36	2,522	717	92	17	108	498	451	3	4,562	190
Delaware	502	122	8,418	2,887	91	336	231	5,149	521		18,257	279
Maine	12,817	9,355	15,141	15,943	198	3,113	9,075	23,868	21,427	10,416	121,353	2,632
Maryland	8,846	3,490	39,669	13,013	266	1,140	1,498	10,207	4,853		82,982	1,467
Massachusetts	111	38	1,081	361	38	31	53	376	588	40	2,717	109
New Hampshire	67	63	1,460	400		147	312	4,390	4,330	314	11,492	437
New Jersey	2,962	1,727	25,130	14,066	33	341	91	1,991	1,913		48,254	1,061
New York	36,009	21,160	127,155	76,760	1,260	7,384	10,417	96,738	107,656	11,938	496,477	9,472
Pennsylvania	20,097	11,009	138,407	82,858	677	2,385	3,656	47,632	53,609	323	360,653	7,163
Rhode Island	19		10	25				8			62	4
Vermont	87	121	3,651	2,780	198	663	1,920	11,651	7,107	4,214	32,401	987
Virginia	8,422	1,806	38,831	22,891	1,187	2,811	1,933	21,671	13,650		113,202	2,355
West Virginia	1,434	955	20,461	12,085	365	132	2,137	11,888	7,837	26	57,320	1,761
Southeast area	150,653	114.081	734,749	412,730	6,699	298,727	537,763	1,155,973	780,126	18,976	4,210,477	70,745
Alabama	12,060	5,515	64,141	33,959	387	29,624	50,206	122,783	88,210		406,885	8,279
Arkansas	33,806	28,042	171,382	76,519	1,302	12,070	39,304	150,452	76,806		589,683	9,289
Florida	8,703	3,470	10,772	15,985	253	50,409	28,241	58,418	49,821		226,072	2,162
Georgia	23,211	16,852	83,374	60,652	1,375	109.401	223,926	315,665	220,721	301	1,055,478	14,730
Louisiana	4,707	2,822	46,506	22,092	318	13,875	41,757	59,703	25,509		217,289	3,275
Mississippi	30,488	26,396	108,577	26,659	1,056	17,568	21,184	61,376	24,706	1,528	319,538	5,652
North Carolina	5,488	4,931	61,481	53,362	273	20,453	24,001	67,478	29,804		267,271	7,723
South Carolina	12,676	6,004	46,360	48,383	445	32,123	87,080	196,450	187,581	17,147	634,249	11,754
Tennessee	19,514	20,049	142,156	75,119	1,290	13,204	22,064	123,648	76,968		494,012	7,876
Midwest area	296,132	139,365	2,079,972	1,027,477	11,660	49,628	33,862	678,863	402,519	2,909	4,722,387	70,035
Illinois	13,017	4,414	270,298	85,750	546	2,454	986	43,890	11,896	412	433,663	6,048
Indiana	22,831	6,065	257,796	118,357	1,859	1,458	723	53,186	24,607	69	486,951	7,800
Iowa	60,508	18,669	352,304	159,598	2,275	1,607	1,244	34,263	16,765	158	647,391	7,541
Kentucky	13,901	7,212	164,837	66,532	1,071	1,858	3,196	95,862	31,445		385,914	5,467
Michigan	52,948	23,358	254,267	150,722	1,864	17,249	10,067	93,141	96,613	392	700,621	11,444
Missouri	50,766	50,552	265,884	150,577	1,987	6,703	6,167	209,207	83,043	276	825,162	10,882
Ohio	26,051	9,003	237,407	137,567	905	1,568	1,012	48,190	47,793	107	509,603	8,690
Wisconsin	56,110	20,092	277,179	158,374	1,153	16,731	10,467	101,124	90,357	1,495	733,082	12,163
Northwest area	774,404	521,399	2,144,852	1,184,354	37,182	554,122	409,886	1,955,700	1,289,441	9,571	8,880,911	59,067
Idaho	20,004	8,545	85,696	40,033	1,848	8,844	2,343	78,614	34,862		280,789	1,502
Minnesota	225,629	199,603	506,303	153,502	10,727	231,892	174,140	285,848	98,935	9,509	1,891,088	19,972
Montana	31,496	16,342	140,702	59,405	2,734	17,144	16,958	221,076	122,650	46	628,553	2,031
Nebraska	59,614	25,864	323,621	130,566	2,307	13,559	10,919	221,955	84,692		873,097	7,359
North Dakota	204,060	138,980	495,601	398,803	8,407	200,843	137,886	557,151	558,020		2,699,751	12,280
Oregon	24,457	14,253	75,804	33,015	1,314	11,749	8,427	37,933	23,021	16	229,989	2,229
South Dakota	182,319	95,485	380,893	315,365	5,646	61,239	43,600	417,962	317,286		1,819,795	10,964
Washington	11,019	18,822	106,270	44,500	4,199	3,168	14,082	91,629	40,081		333,770	2,181
Wyoming	15,806	3,505	29,962	9,165		5,684	1,531	43,532	14,894		124,079	549
Southwest area	1,191,937	489,006	1,433,613	551,771	517,377	1,350,667	678,564	2,093,461	873,992		9,180,388	73,241
Arizona	4,846	476	400			1,552	385				7,659	65
California	19,749	9,814	84,529	36,134	2,927	2,552	3,103	30,680	11,336		200,824	1,071
Colorado	104,019	43,979	123,634	26,643	3,192	192,088	95,025	587,812	111,554		1,287,946	4,733
Kansas	80,665	86,954	301,484	102,539	12,990	93,776	113,139	397,763	257,912		1,447,222	12,624
Nevada												
New Mexico	88,425	15,355	13,657	568	250,642	310,756	111,819	72,092	415		863,729	3,496
Oklahoma	167,519	104,159	296,861	141,207	6,166	153,375	98,242	308,558	213,048		1,489,135	16,841
Texas	706,668	220,615	571,820	232,023	240,531	549,013	242,689	628,916	255,594		3,647,869	33,431
Utah	20,046	7,654	41,228	12,657	929	47,555	14,162	67,640	24,133		236,004	980
United States	2,504,617	1,313,733	6,815,131	3,421,127	577,323	2,271,644	1,691,506	6,120,064	3,570,020	58,730	28,343,895	301,005

---

[1] Report from Data Processing Center of contracts on record as of Dec. 1, 1961.

Source: ASCS, Soil Bank Division, Dec. 29, 1961.

Mr. PROXMIRE. Mr. President, I call attention to the fact that the acres to be released into production in the coming years are perfectly enormous. In 1963 they will be 6,815,131; in 1964, 3,421,127; and so on.

In Kansas, in 1963, 301,484 additional acres will be available for production, although we shall pay a great deal to keep acres out of production; and we shall pay a great deal more than that in the future because of the enormous cost of the farm bill that we passed recently.

With the pending bill we would bring 21,000 additional acres into production, to aggravate the cost by that much more.

DEPARTMENT OF AGRICULTURE POLL

Many people argue that, after all, when the contracts are terminated, the farmers will generally be out of production. I have before me the results of a poll taken by the U.S. Department of Agriculture of farmers regarding the land coming out of reserve in 1961. They were asked the question:

> When your reserve contract expires this year, 1961, what will you do with the land previously in reserve in the absence of a conservation program for which you are eligible?

The conservation program costs money. We will have to pay a great deal more if we expect to continue to keep land out of production. The answer is that more than 50 percent of this land will be put back into acreage, and that a little less than 50 percent will be put into noncrop use. Of course, some of this will be used for grazing, and much of it will result in the production of farm products of one kind or another.

What this total shows convinces me that the future cost of the crop land production will probably continue to be high, and higher than in the past.

I ask unanimous consent that a table I have marked "D" be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE D.—*Poll taken by USDA of farmers re land coming out of reserve in 1961*

Question. When your reserve contract expires this year 1961, what will you do with the land previously in reserve in the absence of a conservation program for which you are eligible?

TABLE D.—*Poll taken by USDA of farmers re land coming out of reserve in 1961*—Con.

[Percent]

	Crop use	Noncrop use
Northeast	49	51
Corn Belt	53	47
Lake region	59	41
Southeast, South Central	55	45
Northern plains	52	48
Mountain Pacific	51	49
Southern plains	56	44
National average	53.57	46.42

Source: USDA.

Mr. PROXMIRE. Mr. President, the 1961 feed grain program was a good program. It was one of the finest programs we ever had. It cut the surpluses. It was an efficient program. It increased farm income. It was a great shame that it was modified as it was in conference. This program cost $781 million. It kept several million acres of land out of production.

In Kansas alone, the cost for grain and grain sorghums was $55 million. In Kansas alone, in 1961, 2½ million acres were diverted. Now we are being asked in this provision of the appropriation bill, which I would eliminate, at a cost of $60 million, to bring more land into production in Kansas, even though we paid for the feed grain program in Kansas alone in 1961 $55 million to take land out of production.

If that is not Alice in Wonderland economics, I do not know what it is. It is shameful. It is ridiculous. I cannot understand how any taxpayer can approve of anything like that—spending money to pay farmers to take land out of production and then turning around and contributing more money to bring more land into production in exactly the same State.

I ask unanimous consent to have printed in the RECORD at their point table 4. It shows the number of acres diverted and the cost of diversion under the 1961 feed grain program.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

1961 FEED GRAIN PROGRAM

TABLE 4.—*Acres of corn and grain sorghums diverted for payment and value of payments earned*[1]

State	Corn: Final acres diverted (1)	Corn: Value of payments (2)	Grain sorghums: Final acres diverted (3)	Grain sorghums: Value of payments (4)	Total corn and grain sorghums: Final acres diverted (5)	Total corn and grain sorghums: Value of payments (6)
	Thousand acres	*Thousand dollars*	*Thousand acres*	*Thousand dollars*	*Thousand acres*	*Thousand dollars*
Maine	0.3	14.4			0.3	14.4
New Hampshire						
Vermont	.9	38.0			.9	38.0
Massachusetts	.2	7.3			.2	7.3
Rhode Island	(3)	.9			(3)	.9
Connecticut	1.0	48.0			1.0	48.0
New York	172.5	6,644.3			172.5	6,644.3
New Jersey	37.4	1,808.9			37.4	1,808.9
Pennsylvania	158.8	6,774.6	0.8	20.6	159.6	6,795.2
Ohio	995.2	42,653.3	.2	6.8	995.4	42,660.1
Indiana	1,321.2	54,627.3	5.3	157.6	1,326.5	54,784.9
Illinois	2,097.2	87,607.8	7.9	234.6	2,105.1	87,842.4
Michigan	531.5	18,293.5	(3)	.7	531.5	18,294.2
Wisconsin	549.1	23,381.1	(3)	.2	549.1	23,381.3
Minnesota	1,518.5	46,239.1	.8	16.0	1,519.3	46,255.1
Iowa	2,760.2	106,261.3	24.2	823.5	2,784.4	107,084.8
Missouri	1,722.2	63,049.8	208.3	6,275.0	1,930.5	69,324.8
North Dakota	406.4	5,515.5	.2	2.2	406.6	5,517.7
South Dakota	818.5	14,484.2	69.3	1,237.3	887.8	15,721.5
Nebraska	1,605.2	48,501.7	707.4	18,292.2	2,312.6	66,793.9
Kansas	671.4	19,552.4	1,786.2	35,725.5	2,457.6	55,277.9
Delaware	36.9	1,512.7	(3)	.2	36.9	1,512.9
Maryland	77.4	3,129.0	(3)	2.2	77.4	3,131.2
Virginia	125.5	4,333.3	1.8	43.0	127.3	4,376.3
West Virginia	8.9	406.6	(3)	.3	8.9	406.9
North Carolina	492.9	15,661.6	26.3	578.5	519.2	16,240.1
South Carolina	194.9	4,127.9	5.0	75.4	199.9	4,203.3
Georgia	302.1	6,407.5	8.7	171.8	310.8	6,579.3
Florida	115.9	2,433.8	1.5	34.5	117.4	2,468.3
Kentucky	560.6	17,542.9	6.6	183.3	567.2	17,726.2
Tennessee	432.2	11,517.2	16.4	352.6	448.6	11,869.8
Alabama	407.2	7,547.6	6.5	100.3	413.7	7,647.9
Mississippi	220.5	5,019.9	10.9	266.7	231.4	5,286.6
Arkansas	75.5	1,937.9	11.7	272.3	87.2	2,210.2
Louisiana	72.3	2,105.1	2.9	67.4	75.2	2,172.5
Oklahoma	59.4	1,528.4	445.5	7,357.0	504.9	8,885.4
Texas	320.0	6,171.9	2,292.5	53,443.9	2,612.5	59,615.8
Montana	39.9	591.6			39.9	591.6
Idaho	6.7	334.4	(3)	2.2	6.7	336.6
Wyoming	11.8	369.0	.5	9.1	12.3	378.1
Colorado	106.3	3,311.6	225.9	3,023.0	332.2	6,334.6
New Mexico	5.4	205.5	100.7	2,424.7	106.1	2,630.2
Arizona	1.7	61.6	54.7	2,128.8	56.4	2,190.4
Utah	7.2	251.3	.2	5.0	7.4	256.3
Nevada	.8	24.0	(3)	.8	.8	24.8
Washington	16.8	965.6	2.3	83.5	19.1	1,049.1
Oregon	15.2	819.8	.1	3.1	15.3	822.9
California	32.9	1,469.6	69.2	3,062.0	102.1	4,531.6
United States	19,114.6	645,380.7	6,100.5	136,483.8	25,215.1	781,864.5

[1] Based on data reported to Grain Division by ASCS State offices.

[3] Less than 50 acres.

Mr. PROXMIRE. Mr. President, I have before me a table entitled "The 1962 Feed Grain Program: Acreage Diverted From Crop Use and Cost to Government in Achieving this Diversion." It shows signups under the diversion program—and the final compliance check now in progess may reduce the figures—totaling 30.8 million acres, of grain, grain sorghum, and barley, at a cost of $1.3 billion.

We do not have a breakdown as to Kansas, but, judging by the experience which we have had in the past, a substantial percentage of this will be in Kansas.

We are paying literally more than a billion dollars to reduce farm production, and it is proposed to pay tens of millions of dollars to bring in more land.

I ask unanimous consent that the table be printed in the RECORD at this point in my remarks.

There being no objection, the table was ordered to be printed in the RECORD.

The 1962 feed grain program: Acreage diverted from crop use and costs to Government in achieving this diversion

A. Signups under the diversion programs (a final compliance check now in progress may reduce figures on aggregate acreage actually diverted).

	Million acres
Corn	21.
Sorghum grains	6.1
Barley	2.7
Total	29.8

B. Costs incurred by U.S. Government directly attributable to diversion for the year 1962 of the above acreage.

[In millions of dollars]

Diversion payments	$904
Price supports, carrying charges, Public Law 480 expenses, and all other	431
Total	1,335

Mr. PROXMIRE. I also ask unanimous consent to have a similar table with respect to the wheat program printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

The 1962 wheat program: Acreage diverted from crop use and costs to Government in achieving this diversion

A. Signups under the diversion program (a final compliance check now in progress may reduce figures on aggregate acreage actually diverted).

	Million acres
Wheat	13

B. Costs incurred by U.S. Government directly attributable to diversion for the year 1962 of the above acreage.

[In millions of dollars]

Diversion payments	$328
Public Law 480 (world market price)	582
Export subsidies	434
Carrying charges	266
Less net receipts from support program	−64
Total	1,546

HIDDEN COST IGNORED

Mr. PROXMIRE. Mr. President, the inclusion of additional cost to the Government resulting from the interest-free nature of the irrigation portion of the project into the benefit-cost ratio has generally been ignored in evaluating the cost of the program. It should not be ignored, because the cost is enormous.

In the Glen Elder case, the cost exceeds the cost of the project. It will be spread over a 100-year period. When that is done, the interest cost will greatly exceed the cost of the construction itself. The fact is that the costs which constitute the denominator in the benefit-cost ratio are "the Federal costs necessary to develop and to operate the project." This includes the cost of construction, the annual operating and maintenance expenditures by the Federal Government, interest during construction, and other relatively minor items. Notable by their absence are the additional interest costs to the Government which result from the interest-free nature of the portion of the costs allocated to the irrigators. In the case of the Glen Elder project, $17 million has been allocated to the irrigation part of the project. While all of this sum will have to be repaid to the Government by either the irrigators or the power users in the Missouri River Valley, no interest is charged on this by the Federal Government. While it is still outstanding it is as much a cost as the concrete that went into the irrigation canals. The Federal Government has to borrow money in order to carry this $17 million until it is finally repaid by someone. As long as that $17 million is outstanding the Federal Government has to pay interest on it to whoever it is that owns the Government debt. But the irrigators do not compensate the Government for this additional necessary cash outlay. The lack of reimbursement constitutes a subsidy from the taxpayers to the irrigators. But more importantly, the interest on that $17 million represents a cost to the Federal Government which is not included in the cost denominator of the benefit-cost ratio. Since the inclusion of this cost in that ratio would tend to lower the benefit-cost ratio below 1, the omission of this real cost is very unfortunate. It results in projects being considered economically justified when they are in fact not justified as the result of omitting this important component of cost to the Federal Government.

The size of the interest cost on this interest-free $17 million is substantial. Four million dollars of this will be repaid by the irrigators themselves over a 50-year period.

In this case if somehow or other the bill is passed it will be repaid with great reluctance since farmers have overwhelmingly indicated that they are opposed to the irrigation project.

The additional interest cost to the Federal Government on this $4 million is about $4 million—the same as the principal amount. The average interest payment by the Government would be about $80,000. After 50 years, the Federal Government would have paid $4 million in interest, to be paid out of the revenues of the power sales from the Missouri River Basin powerplants.

This is a strange aspect of the financing of Glen Elder, since no power facility is connected with the Glen Elder project. This means that the power users—perhaps there are some in North Dakota; I know there are some in South Dakota and in Nebraska—will have their rates increased, although they will not get one additional kilowatt from the project, because it will produce no power whatsoever.

ADDITIONAL INTEREST COSTS

Let us leave this strange feature for a moment and consider only the additional interest costs to the Federal Government as the result of the $13 million being interest free for so long. It has been calculated that the additional interest cost to the Federal Government as the result of this financing feature will be $56 million. The present discounted value is $21,308,000, using a 2.5-percent discount factor, or $14,322,000 by using a 4-percent discount factor.

The value of getting $56 million, or up to $56 million, over a period of 100 years is not the same as having $56 million now. Obviously, if one had $56 million now, he could invest it at interest. What is the value of $56 million paid over a period of 100 years? If one applies the discount factor at 2.5 percent, it is $21,308,000. If the 4-percent discount factor is used, the discounted value is $14,322,000.

The reason why this additional interest cost is so high is that power income cannot be made available for the repayment of the irrigation cost allocation until all the cost allocated to the power facilities has been repaid. In the case of the Missouri River Basin, this will not occur until the year 2040, or perhaps later. After that, the existing irrigation project will have to be paid for before the Glen Elder project can be paid. Thus, $13 million will be carried interest free by the Federal Government until at least the year 2040 before it has even begun to be paid off at a cost to the taxpayers of $500 million a year.

If this amount of interest subsidy or additional interest cost is included in the cost denominator, as it should be, the benefit-cost ratio would be lowered below 1, even using 100 years and a low discount factor.

We ignore the effect of the program and the increased cost which the program imposes on our regular farm program. If that were included, the benefit-cost ratio would be lowered to 0.5 or 0.6 percent. There would be twice as much cost as benefit. But if we exclude that and include interest, the effect is still sharply to lower the benefit-cost ratio and make it economically indefensible and unfeasible.

Mr. President, it seems to me that to make this presentation coherent and logical, it is desirable at this time that I try to explain exactly how the present reclamation projects operate. In doing so, I rely on the magnificent, definitive work which has bene done by Dr. Otto Eckstein, of Harvard University, who has written one of the finest analyses on water resource development that anyone has ever written. In the course of his article, Dr. Eckstein wrote:

> The current irrigation program of the Federal Government began with the passage of the Reclamation Act of 1902, which authorized the Bureau of Reclamation to build irrigation projects. The act set up the Reclamation Fund, which provided revenue from sale of public lands for this purpose; it also required that settlers on the projects must sign contracts to repay construction costs in 10 annual payments, and it set down a very basic principle of the program that largely governs to this day, that no settler is to be permitted to receive irrigation water for more than 160 acres. Most of the other principles have been modified in subsequent legislation. Funds are now also provided out of general appropriations as well as from specific sources, such as revenues from the sale of electric power. Agreements to repay construction costs are no longer signed by individual settlers but by irrigation districts, governmental entities which have been given the power of taxation over a project's beneficiaries. The repayment period has gradually been extended from 10 to 40 years and need not begin until a development period of 10 years has passed. The program is confined to the 17 Western States and to Alaska.
>
> A typical irrigation project must pass through many planning stages before it becomes a reality. The Secretary of the Interior and the Congress have the power to initiate surveys to be undertaken by the Bureau of Reclamation and to see if a project is feasible from the point of view of engineering and of reimbursement. Unless Congress waives the requirement, a project can be authorized only if it can be shown that the total cost of all reimbursable purposes can be repaid during the repayment period. If the project passes both feasibility tests, the Secretary has the power to authorize it, though in recent years congressional authorization has been used exclusively. In addition, the Bureau of Reclamation analyzes the economics of the project by means of a benefit-cost analysis. Projects are generally not recommended for authorization unless benefits exceed costs.
>
> Construction cannot be started until the water rights for the project have been secured from the State governments and until the Congress has appropriated the funds. The choice of settlers on the project is determined by lot in public drawings, with veterans having preference. Once a project is completed and the development of its potential acreage is well advanced, the Bureau of Reclamation will turn over the management and maintenance of the facilities to the irrigation district. The Bureau continues to collect payments under its contract with the district until the total is equal to the share of construction costs which was to be repaid by irrigation. Sixty projects or portions of projects had been transferred to water-user organizations by June 1952 out of a total of 54 completed and 83 partially completed projects.
>
> Table 34, giving figures of acreage and annual crop values, gives some indication of the size and growth of the program. It is interesting to note that reclamation was carried on by the Federal Government on a large scale for a number of decades before the great depression. It must also be stressed that there was much irrigation by private organizations prior to the Federal program, and that even today the acreage of the Federal

projects is only about one-quarter of the irrigated land in the 17 Western States.

The importance of the Federal program in relation to the Nation's agriculture is indicated by the fact that the irrigated acreage is 0.5 percent of the total land in agricultural use, and that the resultant crop value is 2.8 percent of the total agricultural output for the country. The composition of this output is indicated in table 35.

Mr. President, I ask unanimous consent that both table 34 and table 35 be printed at this point in the RECORD.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

TABLE 34.—*Irrigated acreage and total crop value for selected years*

Year	Irrigated acreage	Total crop value
1910	473,423	$12,974,639
1915	856,778	18,164,452
1920	2,205,420	113,677,420
1925	2,320,470	131,264,730
1930	2,790,856	119,661,820
1935	2,935,616	106,781,294
1940	3,391,070	117,788,677
1945	4,162,588	435,184,395
1950	5,077,186	578,287,709
1952	5,955,750	935,679,755
1954	6,125,706	865,025,682

Source: Secretary of the Interior, annual report, 1955, p. 80.

TABLE 35.—*Crops on Federal reclamation projects, 1949*

[Percent of total revenue]

Cereals	13.1
Barley	4.6
Corn	.9
Oats	1.3
Rye	.0
Wheat	5.2
Other	1.1
Seed	5.7
Alfalfa	.8
Clover	1.9
Other	3.0
Hay and forage	18.5
Alfalfa hay	12.0
Other hay	.8
Corn fodder	.4
Other forage	.6
Beet tops	.2
Pasture	4.5
Vegetables and truck	26.3
Beans	3.5
Onions	1.2
Potatoes, white	8.8
Potatoes, sweet	.1
Truck	11.6
Gardens	1.1
Fruits and nuts	10.1
Apples	2.3
Peaches	.7
Pears	.6
Prunes	.1
Citrus fruits	1.0
Small fruits	4.9
Miscelleneous	.5
Miscellaneous	23.4
Sugarbeets	4.9
Cotton, lint	15.0
Cotton, seed	1.7
Other crops	1.8
Other revenues, including payments by Government	2.9
Total	100.0

Source: Golzé, "Reclamation in the United States" (1952), p. 43.

Mr. PROXMIRE. Mr. President, I continue to read from Dr. Eckstein's article:

Table 36 gives the appropriations which Congress made available for all of the work of the Bureau of Reclamation, including its construction of hydroelectric power capacity and its other purposes, while table 37 shows the Federal investment in irrigation and the multipurpose projects of the Bureau.

Though the future trend of appropriations cannot be predicted, it appears that the program will continue on a large scale. Under the Democratic administration, the Commissioner of Reclamation estimated in 1952 that completion of the program then projected would call for average expenditures of $301,662,000 a year for the period 1953–59. Actual appropriations have been smaller, less than $200 million in recent years. The study of 1952 claimed that there are further development opportunities in these States which would involve about five times as much acreage as has already been developed.

The supply of water to a number of farms is the actual service rendered by the Federal Government when it constructs an irrigation project. It might, therefore, be expected that the benefit of this operation would be measured by the prices which the farmers would be willing to pay for the supply of the water. But there are strong reasons which preclude so simple a measure; if farmers had to pay as much for the water as it was worth in terms of additional output, there would be no incentive for them to bother moving to the project or to engage in the long and backbreaking task of bringing the irrigable acreage into intensive cultivation. In addition, it is not generally practicable to sell the water by the acre-foot or even year by year; rather, the beneficiaries must sign long-term contracts to meet the total obligations for the project before construction is started. Thus, a direct measure of the economic worth of the water supply could not be predicated on actual revenues, but rather on a hypothetical computation of the maximum amounts which farmers would be willing to pay if they were perfectly rational entrepreneurs. This amount is taken to be equal to the expected change in the income of the irrigator families.

Incidentally, in the case of the Glen Elder project, the fact that the farmers will pay only $8.50 an acre a year means that their total payments will be something like $200 an acre, and the cost to the Federal Government will be over $1,500 to bring the land into production; and this suggests, as a rough estimate, that the total subsidy involved in this case is about 7 to 1. In other words, the real value of the land is about one-seventh of the cost of bringing it into production, if the value of the land can be measured by the estimate made by the Bureau itself as to the amount the irrigators will pay.

Incidentally, I suggest that it should be much less than that, if it is to be stated in real terms, because the map to which I have been referring shows that 90 percent of the farmers are unwilling to have this done or, in fact, are very vigorously opposed to the project.

There are three categories of direct farm benefits:

1. The increase in "family living," including the homegrown products consumed by the family, the higher level of other perquisites such as the farm dwelling, and the increase of the cash allowance for family living expenditures;

2. The increase in cash income after the deduction of all production expenses, including a charge for depreciation and interest on the farm investment, and the deduction of the increase in the cash living allowance; this figure is equal to the repayment capacity of the project and is used for checking its financial feasibility;

3. An allowance for accumulation of owner equity in the farm investment, equal to 1 percent a year.

At the conceptual level, the first and second categories of direct benefits measure precisely the benefit, or extra income, which accrues to the irrigators. The third category is justified by a peculiarity of accounting. An amortization charge of 1 percent is included among the associated costs of the farms; this charge is not a genuine cost but represents the acquisition of ownership by the farm families; the allowance for accumulation of equity simply offsets the erroneous inclusion of both amortization and depreciation among costs.

The basic data for these computations are drawn from farm-budget studies which have been undertaken by the Bureau. These studies show output, production expense, and family living expense figures for farms of different types. For any given project it can be determined what kinds of farms are likely to be developed and in what numbers; these figures can be combined with the budget studies and price estimates to derive an aggregate analysis for the entire farming operation on the project.

Mr. President, I ask unanimous consent that a table entitled "Derivation of Direct Farm Benefits From Projectwide Totals of Farm Budget Data," be printed at this point in the RECORD.

The PRESIDING OFFICER (Mr. BARTLETT in the chair). Is there objection?

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 38.—*Derivation of direct farm benefits from projectwide totals of farm budget data*

[Annual values under full development]

Item	With irrigation	Without irrigation	Difference	Direct farm benefit
1. Type of farm	(1)	(2)		
2. Number of farms	100	10	(90)	
3. Acres per farm	160	1,600		
4. Irrigable acres	16,000	16,000		
5. Farm products sold	$1,350,000	$100,000	$1,250,000	
6. Products consumed in home	50,000	3,000	47,000	
7. Rental value of dwelling	25,000	2,000	23,000	
8. Gross farm income	1,425,000	105,000	1,320,000	
9. Production expenses	900,000	60,000	840,000	
10. Family living allowance	225,000	22,500	202,500	$112,500
11. Payment capacity	300,000	22,500	277,500	277,500
12. Farm investment	4,000,000	400,000	3,600,000	36,000
13. Total direct farm benefit				426,000

[1] Irrigated farm.

[2] Dry farms and grazing.

Source: Department of the Interior, Reclamation Manual, 2.2.2.

> Table 38 shows a model computation of direct benefits based on these concepts, which is presented in the official manual of the Bureau. Lines 1 to 9 summarize some of the physical and gross income and production data. Line 10 shows the first category of direct benefits, the increase in the family living allowance. It is based on an allowance of $2,250 per family, reflecting the goods and services consumed on the farm (lines 6 and 7), plus an allowance for cash requirements for outside purchases; this figure will vary from one project to another. The direct benefits from this category are derived by subtracting a family living allowance of $1,000 per family, which, it is assumed, each family would have received if it had not settled on the project. There are 90 new families on the project of the example, so that $90,000 must be subtracted from the living allowance earned on the project site. The figure of $1,000 is generally used as the basic family allowance that would be earned by the settlers without the project, which implies that they are assumed to come from very poor farmland. This assumption can be defended even if the settlers come from land that yields somewhat more, since their departure makes room for some other farm family to take their place, and so on.

Although that might be defended in many cases, I point out that in this case one would assume that the farmers who already live on the land will continue to live there; and they are not farmers who farm very poor land. These are proud farmers who seem to do a satisfactory job now, and are not interested in additional irrigation, but, instead, oppose it. As I have already indicated, they are now receiving a reasonable price for the crops they produce.

Next:

> It is the family allowance on the land which is marginal in the area within which there is substantial family mobility that is of relevance. But it must be remembered that the kind of people who are willing to undertake the backbreaking task of developing new irrigated land, and who are willing to take the risk on the substantial investments which are required, are not typical farmers; they are usually in the healthiest age groups, in their twenties or thirties, and are among the most venturesome in the farm population. Their alternative earnings are probably a good deal more than $1,000. The computation also makes no allowance for the cost of moving the family to the project, a cost composed of the money charges actually incurred by the family to move themselves and their belongings, plus the intangible psychic costs of settling in a new and uncertain environment.
>
> The second category of direct benefits, line 11, corresponds to the remaining increase in net cash income, the share not needed for the living allowance and therefore available for the repayment charges. Thus the two categories are equal to the total net change in farmers' income before water charges. The third category, line 12, is based on the accumulation of owner equity, and is equal to 1 percent of the added investment. Total direct benefit is the sum of these three categories.

In other words, the sum of gross farm income, production expenses, and the family living allowance.

> Of course, much the largest question about the validity of the direct benefits is raised by the Federal farm support program.

That is exactly what I have been discussing for the last hour or so.

> To some extent, the present price projections make some allowance for this factor by postulating a fall in price of 20 percent for the major commodities which are in surplus and under Federal support. This is not an adequate adjustment, of course, since the direct benefit of crops that end up in storage is zero, the resources being used up contributing nothing to real national income. Or to look at the matter more broadly, is it reasonable to add to the country's arable acreage at high cost, when the total capacity of agriculture is obviously too great, with the excess a heavy burden to the Federal Treasury?

Mr. President, this is the fundamental question, and this is why I am talking so long this afternoon and am going into such great detail in emphasizing this point as thoroughly as I know how, because I do not think there is a reasonable answer to this question. Is it reasonable to develop additional agricultural land at such high cost, when already there are such great surpluses of agricultural commodities, with the resulting very heavy financial burdens on the Federal Government? Of course the answer to that question is "No." This very expensive program was developed as an incentive program during war, at a time when additional production of agricultural commodities was very much needed. But it is totally unrealistic to apply that principle to the situation existing today.

I read further:

> The Department of Interior has attempted to answer this charge in a statement submitted by Fred A. Seaton, Secretary of the Interior, to the Joint Economic Committee of the Congress (printed in "Federal Expenditure Policy for Economic Growth and Stability," "Federal Expenditures and Programs for the Development of Natural Resources," joint committee print, 85th Cong., 1st sess., pp. 645–656, November 1957). Its defense runs along two lines; first, the irrigation program is considered to be justified by longrun trends in the economy, including the growing population, rising consumption per capita, and the removal of good acreage from agricultural uses because of the growth of cities and highways.

Mr. President, let us deal first with that objection. Of course, the answer to it is that we have a rapidly growing population—growing today perhaps as rapidly as it will grow for the next 20 or 30 years. This rate of population growth has existed during the past 20 years; but what has happened insofar as the consumption of food is concerned? We have consumed more food, but in our consumption we have not kept pace with the additional production. So at the present time, even after the huge increase in our population, we have a far worse agricultural commodity surplus problem than we had before that increase occurred.

There has been an increase in consumption per capita, although the records show that, while there has been an increase in economic consumption, especially services, persons consume about the same amount, on an average, as they did 30 years ago. The type of consumption may be different. People are consuming more fruits, meats, and some products, and less potatoes and other staples. But, in total average, consumption has not changed very much. It is unlikely to change in the future. People are more aware of dieting, and they have kept food consumption down more than they have in the past, and they are likely to be more aware of it in the future.

The argument is made that the trend is toward the removal of good acreage from production because of the growth of cities and highways. Anybody who has observed what I have over the past 10 or 12 years in taking land out of production and the amount we have paid to take good, fertile land out of production—and if anybody does not think it is good land, he should come to Wisconsin and look at it, because it is excellent land, and very valuable land—will recognize that this is not a very meritorious argument to make—namely, that the longrun trend is to take good acreage out of production to build highways, terminals, and anything else along that line. The fact is that we have an enormous supply of good, arable land available for production, and we are not using it.

The second argument made by Secretary of the Interior Seaton was that the contribution of the irrigation program to the surpluses is very small because of the nature of the crops grown and because of their geographic dispersal.

This is an argument that has no validity at all with regard to the Glen Elder project, because this is a project which is going to produce primarily grain sorghums, which are in very great surplus, and which were among the feed grains included in the recent legislation which we passed finally only a few days ago, at enormous cost to the Federal Government and to the Federal taxpayer. It is a surplus crop.

Every single bushel of grain sorghums that will be produced will, in effect, add to our surplus—all of it, not just a portion of it, not just 20 percent, or 2 percent, but all of it, all 100 percent of it.

With respect to the argument of geographic dispersal, as I have shown on the map, and as I have worked the presentation, in analyzing production in Kansas, the fact is that there is overproduction of feed grains in Kansas, and Kansas has been one of the principal beneficiaries of the feed grains program, having received $60 million in payment to take thousands of acres out of production. Now it is proposed to bring land into production and to increase produce units of existing farms. The owners of the land overwhelmingly reject the proposal and say they do not want to have it included.

I am glad to see that Mr. Eckstein, back in 1956, when he wrote the article, agreed with me, because he said:

> Neither of these defenses is adequate. As for the first, in the short run there is clearly a surplus of agricultural land, and even if our present longrun projections say that the situation will be reversed, there is little point in committing resources now to cope with this problematical contingency.
>
> To illustrate the second contention, the Bureau of Reclamation has prepared figures which show that its projects grow no more than 0.4 percent of total corn production, 2 percent of wheat, 2.8 percent of rice, 5.8 percent of cotton, and no tobacco. These

are the major crops under price supports. On the other hand, the projects grow a large percentage of the fruits, nuts, and vegetables, which on the whole, are not supported. Assuming that a proportionate share of the output of each crop in each State grown on projects ends up in storage, the annual support cost is on the order of $40 million, given the physical output figures submitted by the Bureau.

This is a small figure in relation to the agricultural program, less than 2 percent.

Incidentally, I might say that all of the production, the $1 million a year, will be a cost to the taxpayers, all of it with regard to the Glen Elder project.

Eckstein goes on to say:

Compared to the reclamation program, it looms considerably larger, however, adding at least 25 percent to the annual cost of the program. More important, however, the figure vastly understates the support cost. It assumes that if, say, 10 percent of a crop in a State ends up in storage, 10 percent of that crop grown on irrigation projects in that State also can be considered to be purchases by the Federal program. But the output on irrigated land should really be considered incremental for the country as a whole. If a crop is in surplus, all of the extra output caused by irrigation must be considered to add to the surplus, not just a proportionate share. Computing the support cost on this basis would yield a figure about four times as large, or about equal to the direct annual appropriation for irrigation.

Indirect irrigation benefits, which have also been known as secondary benefits, have been the subject of a great deal of controversy in recent years. The Subcommittee on Benefits and Costs has not been able to get agreement on the use of this category of benefits. The Presidential Advisory Committee on Water Resources Policy has recommended that benefit-cost ratios should be computed on the basis of direct, or primary, benefits alone, though any agency is permitted to submit figures for secondary benefits as "supplementary material." The committee permits use of secondary benefits for project justification where resources are otherwise unemployed but argues that they should not be confused with primary benefits. The report of the committee is only advisory, however, and it remains to be seen to what extent actual agency practice will be modified. At the same time, there has been considerable pressure in Congress to continue the use of secondary benefits.

Essentially, indirect benefits are designed to reflect the impact of the project on the rest of the economy. The methods of computing these benefits have been changed a number of times, but they have always rested on certain assumptions and principles. In order to be able to come to an evaluation, we shall describe the procedures that were in use in recent years and shall then discuss them from the points of view of the present study.

Mr. President, I ask unanimous consent that a table, labeled "Table 39: Irrigation," be printed in the RECORD at this point. This table shows the derivation of indirect irrigation benefits from summary of farm budgets for entire projects.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 39.—*Derivation of indirect irrigation benefits from summary of farm budgets for entire project*

[Annual values under full development]

Item	With irrigation	Without irrigation	Difference	Factor	Indirect benefit
1. Type of farm	[1]	[2]			
2. Number of farms	100	10	(90)		
3. Acres per farm	160	1,600			
4. Irrigable acres	16,000	16,000			
5. Sales to local wholesale and retail business:					
6. Fruit and vegetables	$50,000		$50,000	5	$2,500
7. Hay and forage	300,000	$10,000	290,000	5	14,500
8. Subtotal, benefit A	350,000	10,000	340,000		17,000
9. Sales for local and nonlocal processing, marketing, etc.:					
10. Grain	25,000	50,000	−25,000	48	−12,000
11. Fruit and vegetables	25,000		25,000	24	6,000
12. Sugarbeets	250,000		250,000	26	65,000
13. Seed crops	10,000		10,000	10	1,000
14. Dry beans	10,000		10,000	23	2,300
15. Soybeans	5,000		5,000	30	1,500
16. Livestock (meat)	550,000	25,000	525,000	11	57,750
17. Wool	75,000	5,000	70,000	78	54,600
18. Dairy products	25,000	5,000	20,000	7	1,400
19. Poultry products	25,000	5,000	20,000	6	1,200
20. Subtotal, benefit B	1,000,000	90,000	910,000		178,750
21. Purchases for family living and production expenses:					
22. Direct farm benefit			112,500		
23. Less increased perquisites			−70,000		
24. Increased purchases for family living			42,500		
25. Increased farm production expenses			840,000		
26. Subtotal, benefit C			882,500	18	158,850
27. Total indirect benefits A, B, and C					354,600

[1] Irrigated farms.

[2] Dry farms and grazing.

Source: Department of the Interior, Reclamation Manual, 2.2.6.

Mr. PROXMIRE. Mr. President, I continue to read from Mr. Eckstein's article:

Table 39, reproduced from the Bureau manual, gives an example of the computation of indirect benefits. It can be seen that the entire analysis is carried out on the "with and without" principle. The indirect benefits are divided into three categories. Category A is designed to measure the profits earned on commodities of the projects which are sold locally. The figure is derived by simply multiplying the total local sales by 5 percent, which approximates the average profits earned on sales by local distributors. Category B measures the profit expected to accrue to "all other enterprises between the farmer and the final consumer, from handling, processing, and marketing." In order to facilitate the analyses of specific projects, the Bureau has derived statistically a set of indirect benefit factors; each factor represents the ratio of total profits in later processing to the value of the commodity at the farm. By multiplying the list of output quantities by the respective indirect benefit factors, the total extra profit is approximated. These two categories of benefits have been called the stemming benefits.

Category C represents the "profits of all enterprises from supplying goods and services for the increase in farm purchases for family living and production expenses, usually called the induced benefits." In other words, it is the profit earned on the purchases made by the project. The profit rate has been computed to be an average of 18 percent for all farm purchases, and this figure is multiplied by the sum of the production expenses and the purchases for family living. In addition to the three categories included in table 39, indirect benefits are also expected to accrue from the rise in residential land values in towns near the project. To get an annual figure, a rate of return of 4 percent is applied to the rise in residential real estate values. This figure measures the induced benefit of additional rental services.

The procedure outlined above were submitted by the Bureau to an independent panel of three distinguished consultants, Profs. J. M. Clark, E. L. Grant, and M. M. Kelso, who made a number of criticisms but who endorsed the general approach. After examining the alternative, abandonment of measuring secondary benefit and inclusion of relevant statistical facts in project reports, they conclude:

We see force in this view (that the evaluation of off-project effects be left to the judgment of higher authorities); but we recognize also that the pressure for rules of thumb is strong, and the advantages of more definite uniformity great. We therefore propose continued use of formulas, regarded as rules of thumb, and altered from present Bureau practices, for "stemming" and "induced" benefits; but for some elements we propose that they be left to the exercise of judgment, without attempting quantitative measurement.

STEMMING

I wish to stress what I am talking about, because this "stemming" is a little complex, and I think it deserves repetition, to emphasize what it means.

"Stemming" includes two categories.

The first category includes profits earned on commodities of the projects, like Glen Elder—which, let us say, to make it simple, would produce nothing but grain sorghums, although the projects produce alfalfa, et cetera—sold locally. In other words, that category includes the profits on commodities which are sold locally. That is category A. That figure is derived by multiplying total local sales by 5 percent, because that approximates the average profits earned on sales by local distributors.

In other words, this is not a profit which the farmer would receive. If the farmer should sell his grain to a local processor, who in turn sold it to a miller, the profit which the local processor would receive would be considered in category A and would be said to "stem" directly from the irrigation project. That is the category A of the two categories which make up "stemming."

The second category, or category B, measures the profit which is expected to accrue to all other enterprises between the farmer and the final consumer from handling, processing, and marketing.

In order to facilitate analyses of specific projects, the Bureau has derived statistically a set of factors, each representing an indirect benefit. Each factor represents the ratio of total profits in later processing to the value of the commodity on the farm. Then the Bureau multiplies the list of output quantities by the respective indirect-benefit factors, for a total extra profit.

I suppose, simply stated, what "stemming" amounts to is the profits which are received by all persons who handle the products produced on the land which is irrigated except the farmer, because, of course, the farmers' benefits are directly calculated. They do not "stem," and so would be calculated separately.

Continuing the quotation:

> As a rule of thumb the consultants question these procedures on the grounds that the factors vary too much among commodities, ranging from 6 to 83 percent, with those commodities which appear to have the firmest demand, such as fresh fruits and vegetables, and dairy, meat, and poultry products, having low factors, while cotton and wool, for which there is little need, have the highest factors. They also recommend that the benefit-cost ratio be expressed in a way that makes clear what portion of benefits are indirect, and that separate ratios be given for separable segments of projects. With regard to stemming and induced benefits, they find that present procedures involve double counting. They reason as follows: to increase national income, both the supply and the demand of commodities must be increased, the first to prevent higher monetary demand from merely raising prices, and the latter to prevent higher output without a corresponding increase of monetary demand to take the goods off the market. They conclude, therefore, that either one or the other should be counted, but not both for any period of time.
>
> The consultants interpret induced benefits to be those originating in the fuller utilization of underemployed resources and labor; stemming benefits are assumed to be caused primarily by increasing the productivity of resources. They conclude that induced benefits should be granted during the period of construction, with the amount related to general employment conditions, and that stemming benefits be credited during operation, the amount to be much reduced below present practice. They also propose that an indirect benefit factor be applied to project costs, to indicate what indirect benefits would have been generated if the resources had been used elsewhere. If the factor applied to project costs were as great as the average of the other indirect benefit factors of a project, this recommendation alone would be sufficient to eliminate justification of projects through the use of indirect benefits, for any project with direct benefits smaller than direct costs would have more foregone indirect benefits on the cost side than positive indirect benefits from its outputs. Indirect benefits could only magnify the difference between a project's benefit-cost ratio and a ratio of 1.0; they could never push the project above or below the justification point.
>
> Before we turn to a critique of the use of indirect benefits, one important distinction must be made. Benefits accruing locally or in the region are different from national benefits. Economic activity generated by a project will lead to an increase in wages, profits, and other incomes in the proximity.

This is quite important, and it is ignored, in general, in computing the benefits.

> To some extent these increases will be offset by decreases elsewhere, but this is irrelevant from the local or regional point of view. Conversely, some of the benefits may accrue outside the area.

Now I should like to take up both the national and regional points of view.

> The impact of a project on the rest of the national economy depends very much on the state of the economy at the time. Let us first examine induced benefits, which are assumed to be the benefits caused by the monetary payments which spring from the project.
>
> In a time of depression, when the national output is far below capacity and there are idle resources diffused through the economy, induced benefits from the construction of a project are very real and important. The income payments which are made are respent by the recipients for the purchase of goods and services, setting off a long chain of impulses, putting idle men and resources back to work. This is the range of effects which is analyzed by the Kahn-Keynes theory of the multiplier effects of public works. The appropriate induced benefit factor is the multiplier, which can be estimated from a knowledge of the marginal propensity to consume in the economy. If national average figures are considered too crude, a better multiplier can be approximated by estimating the marginal propensities to spend of the groups which will receive most of the income payments, and calculating a multisector multiplier as outlined by J. S. Chipman.
>
> Induced effects from the operation of projects are likely to be either very small or nonexistent during a depression. Since commodities are in oversupply, the money payments received for the project's output and respent by the farmers are likely to displace income payments to other farmers. If the commodity is sold in a free market, the extra supply will lower the price, and in view of the low elasticities of demand for farm products, may lower the total income received by farmers. If there are Government price-support programs, the extra supply will simply mean an increase of Government purchases of surpluses. This will lead to an increase of income payments and does open the doors to multiplier effects, but the effects are due to the increase in the Government deficit caused by the price-support program.

Mr. President, that is an interesting point of departure. In other words, the argument is that there may be some real benefit for the economy by having farmers produce not merely the regular surplus they would ordinarily produce, but a supersurplus. The argument is that if we build the Glen Elder project for $60 million to bring more land into production or, I should say, make the land which is in production more productive, it will be necessary for the Federal Government to engage in a more expensive farm program than we engage in now. That is true, and no one can deny it. That is why I deplore the project and why I have offered an amendment to knock it out. But those who favor the project, those who believe that the Government should engage in the irrigation project at a cost of $60 million, can argue that whereas the project will increase the deficit, it will, after all, increase payments to farmers. It will increase farm income, and those farmers might then buy more tractors, milking machines, television sets, farm trucks and any number of other things. It is argued that in an economy such as ours, in which we are operating far below capacity, in which we have unemployed people, and our factory capacity utilization on the average is about 85 percent—well below what we could have although the Federal Government will have to run a deficit or the taxpayer will have to ante up more to pay for the project, it may be a good thing because it would mean more economic activity.

Mr. President, that is about the only argument that can be made against my amendment and for the bill as it is presently drafted. I doubt very much if the argument will be made, but I think it is the only argument that can be made at all. I reject it, because certainly if our country is in such a fantastically weak economic condition, if the understanding of our financial, business, and political leaders is so feeble that the only way we can revive our economy is to build unneeded and, as I pointed out in this case, unwanted irrigation projects which will perform the service of increasing the surplus supply of food, then we are in a very sorry condition, indeed.

I seems to me that we should be able to justify public works. We could justify any number of things that ought to be done in our country, including improving our educational system greatly. We should be hiring more teachers. We should be training more teachers and paying teachers better. We should be emphasizing education, for it is our greatest shortcoming in America. We should reduce taxes so that people will have money to spend as they wish to spend it. But to rely on a system of increasing surpluses so that we can pay the farmer more in surplus payments is about as bankrupt, unsatisfactory, and ridiculous a method of stimulating our economy as I can imagine.

As Mr. Eckstein points out:

> There are other ways that are far more desirable by which the deficit can be increased, which do not take the roundabout route of building irrigation projects, with farmers working to grow crops in order to be able to sell them to the Government which will put them in storage. Tax cuts or useful public expenditures are preferable ways of having the Government increase personal income. We therefore conclude that the operation of projects does not create induced benefits in depression other than the effect of the price-support program, but that the construction of projects does induce substantial amounts.
>
> In times of inflation, when the total monetary demand for commodities exceeds the supply of goods, thus forcing a rise of prices, the induced effects are reversed. Project construction adds fuel to the inflation by bidding up prices and pumping more money into income streams, while project operation has relatively small induced effects, since the additions to expenditures made by farmers are largely offset by the increased output streams of commodities.
>
> In times of economic balance, when there is high employment and a relatively stable

> price level, induced effects are likely to disappear. With the pattern of money flows and the production of commodities in harmony, the construction of a project should have no induced effects, especially if the Government's revenue policy is linked to its expenditures, which, of course, include the project. And the operation of the project again merely adds to both the income and the output streams.

I think it is desirable and necessary for us to consider the economy in all phases, because the project is one which will be spread over 100 years. During that 100-year period, we shall have periods of recession, deflation, depression, economic balance, and inflation.

As Dr. Otto Eckstein has pointed out, we cannot possibly justify such action in a period of inflation, because in a period of inflation it cannot do anything more than aggravate the inflationary situation, increase Government spending and cost, and increase the burden on the taxpayer and consumer. As Dr. Eckstein has pointed out, in a period of balance it is a wasteful operation because there is no net contribution whatsoever. The result is zero. In a period of depression, when we have falling prices and profits and heavy unemployment, there are many other things that are far wiser, far more useful, and far better justified that could be done in place of the proposed project.

To continue reading—

> The picture is quite different for the stemming benefits, which are defined to originate in the processing stages of production and which therefore must be confined to the period of operation of the project. In times of depression, the extra profits earned in processing commodities for the market must be nil or negative, since similar profits for processors of alternative sources of supply have been displaced to some extent and since the price drop caused by the increase in supply and the low elasticities of demand will reduce the total profits of all processors. If the farm output is sold to the Government as part of a price support program, usually no processing actually takes place, precluding stemming benefits altogether. Should the Government buy processed commodities at fixed prices, there would be an increase of processing profits, but an increase at the Government's expense. While there may be the induced benefit of an increase in the Government deficit, there is no stemming benefit which raises real national income since the commodity ends up in storage.
>
> In times of inflation, open or suppressed, when there is a genuine shortage of goods, stemming benefits become possible. Particularly if there is a shortage of the outputs of a project, stemming benefits in processing are likely where the increase of output makes possible an increase of processing. The magnitude of the benefits will depend on the nature of the shortage. If it is very severe, so that the commodity can be assumed to be rationed, all of the profits in processing can be taken as a measure of stemming benefits, not only because they are made possible by the existence of the project's output, but also because that profit will be a reflection of the state of demand; it will represent the economic value of the processed goods minus the cost of other inputs, which must be assumed not to be in short supply. But it should be noted that the shortage of the project outputs must take the form of some sort of interference in the market, such as rationing, for otherwise it would express itself in higher prices at the farm, and would be reflected completely in the primary benefits.

I should like to point out here that there is no shortage of output. We have a fantastic surplus in this country. It is the greatest we have ever had. It is a surplus which is increasing, and there is every prospect that we shall have that surplus for many long years to come. Certainly there is no indication on the basis of legislation that has been considered, passed, or contemplated by the administration that we are going to be able to end this enormously serious farm problem. Under those circumstances it is perfectly obvious that the Eckstein analysis shows the stemming benefits to be nil.

> When there is economic balance, stemming benefits become possible only if some extraordinary assumptions are made in the analysis. If the premise of mobility is denied, so that it can be assumed that none of the factors of production would be put to a useful purpose in another location, and if there are pockets of unemployment in the area, then the output of the project may create processing opportunities and earning possibilities for resources that would otherwise be idle. These possibilities are the source of stemming benefits.

In this case, the people in the area do not want it. They say they cannot use it. They say the only benefit would be presently available recreational benefit. There will not be any irrigation, because they will not join a district, which it is necessary to do under Kansas law.

Dr. Eckstein goes on to say:

> In our earlier discussion of this premise we pointed out that in a capitalist system, in which the movement of resources into their proper places is accomplished through the existence of differentials in reward, policies cannot be predicated on a general denial of mobility. Policies which reduce mobility, such as removal of the differentials which are to induce movement, destroy the foundations on which the viability of the system rests.

If the attempt is made to hold farmers in the area, or to hold people there by building a project like the Glen Elder project, or any other project, it runs counter to the mobility element in capitalism, which is so important, as people adjust their location and production to the needs of the market.

> Like all policy criteria, the premise of mobility must be applied with moderation. There are situations where mobility is simply impossible; if processing facilities already exist in an area, are not used up to optimal capacity for reasons such as depletion of the soil, and cannot be moved because of excessive transportation costs, then the premise can legitimately be denied. This is likely to be particularly significant for projects which provide supplementary irrigation in areas in which the agricultural economy has been declining because of falling supplies of water. We saw another example in the case of flood control, where we assumed that movement of productive facilities could not be expected in anticipation of rare floods, and where we thus justified the existence of indirect benefits. There are other instances where the mobility of people cannot be assumed, perhaps because of specific ethnic or sociological obstacles.
>
> Stemming benefits can also occur where output prices are not set competitively and the processors are able to earn monopoly profits. Since the markets for most agricultural commodities are competitive, this will be a rare but not an impossible case. For example, sugarbeet processors are likely to have some monopoly power in dealing with their suppliers, since transportation costs are so important that the beets cannot be shipped far for processing. Yet the optimal size of processing capacity is so large that it will not pay a second processor to move into an area to compete. Thus the processor may be able to set a price that does not reflect the full value of the beets.
>
> But any exceptional instance must be warranted by circumstances that are peculiar to the case. We definitely reject the idea that all irrigation projects involve circumstances which permit denial of the premise in order to justify the use of indirect benefit factors on all its outputs even in times of economic balance.

I might say that in this case, in the Glen Elder case, shown on the map in the rear of the Chamber, there are no such extraordinary circumstances whatever. The indirect benefits are very negligible indeed.

> Economies of scale in associated enterprises may also give rise to stemming benefits. Fuller use of transportation facilities is the most important instance likely to be found where a project is located in a previously undeveloped area. Following the reasoning of our transportation analysis in chapter VI, stemming benefits from this source will equal the difference between the total transportation charges for the project's inputs and outputs and the long run incremental costs incurred by the transport system. The quantitative significance will depend on the magnitude of transportation charges in relation to the values of the commodities and the difference between marginal costs and transportation rates.
>
> Physical interdependence among economic units is another possible source of stemming benefits. An irrigation project involves such interdependence; the management of the water at the reservoir, in canals, and in irrigation ditches requires full recognition of these physical relationships. But the measurement of primary benefits and of costs already presupposes that these problems have been solved, that is, that the water is released and distributed according to a reasonable plan, and so no further benefits can be anticipated from this source. To claim benefits under this heading, it would need to be shown that the water supply of persons not on the project is improved.

The benefits here are very marginal, indeed. It would mean that the people in Beloit, Kans., the 3,500 people there, would have a water supply improved at a cost of $60 million. I must say that that is the most expensive water supply that any people in the world have ever constructed at any time.

> The appeal of the idea of stemming benefits is very strong. Anyone can quickly discover that processors do earn substantial profits on the commodities produced by projects, and it seems only natural that these benefits accruing to others be computed and included in the benefit-cost ratio. The premise of mobility leads to rejection of this line of thought because it implies that neither the processors nor their capital would be unemployed if the project did not exist. Perhaps they would be absorbed in a similar business somewhere else, or perhaps entirely different industries would offer alternative opportunities where they would earn an equal return. In times of economic balance it must be assumed that the alternatives do exist.
>
> In summary, we conclude that stemming benefits are very unlikely in depression, are a possibility during inflation if the specific

> commodities are in particularly short supply, and can only be granted for periods of economic balance in those instances where the premise of mobility can be denied because of extraordinary circumstances. The routine calculation of stemming benefits, therefore, is not warranted.
>
> Induced benefits, on the other hand, are largely confined to the construction of the project. They are large in times of depression, nonexistent in times of economic balance, and negative during inflation.

Mr. President, the pending bill contains a provision for $500 million, appropriated for public works acceleration, public works projects which can be set up very quickly, and which provide for maximum employment. They can serve a real public use which meets these standards. This is only the first payment on a $900-million public works acceleration program, which we approved only 10 days ago.

In the event that the President of the United States or Congress feels that public works programs at this time are desirable, I suggest that the thing to do is to provide public works in areas where there is heavy unemployment, in areas where public works can do a productive job to meet a public need, not in areas such as in this valley in Kansas where the people who would be benefited by the project overwhelmingly say they do not want it, where 90 percent of them have petitioned against it.

Centainly in this time, which is said to be a time of economic balance in Kansas, because there is certainly no cry to put people to work in this rural area on construction jobs, I believe it would be, as Dr. Eckstein points out in this definitive work, reasonable to conclude, so far as Glen Elder is concerned, that the benefits would be nonexistent.

He goes on to say:

> But the basic assumption of benefit-cost analysis is that the investment in natural resources is made in a framework of economic stability and of steady growth. The increased need for resources and the justification of the entire program in the minds of the public are predicated on the future growth of the system. The entire economic analysis and the financial analysis as well rest on the absence of wide departures from economic balance. Especially in view of the long interval between the time the project reports are drawn up and the time the project is built, it has been found wise to assume neither inflation nor depression. With benefits expected to be reaped over an extraordinarily long period, usually 50 years or more—in this case, 100 years—it has been felt impossible to make more specific assumptions.
>
> Yet a condition of economic balance is the state of affairs in which both induced and stemming benefits are nil or very small. It can therefore only be concluded that the use of indirect benefits in benefit-cost analysis must be confined to cases where it can be shown that there are unemployed and immobile resources or that there is underutilized capacity in associated economic activities.

I submit that that is not true in this case. This project involves $60 million of spending that cannot be justified.

> #### 4. INDIRECT BENEFITS FROM A REGIONAL POINT OF VIEW
>
> In evaluating the use of indirect benefits, we must first decide whether benefit-cost analysis is to take a national, a regional, or a local point of view. Throughout the present study, we have assumed that it is the national interest which the analysis is to maximize; we shall continue to assume that decisionmaking in this area is best served by using the benefit-cost analysis to measure the change in real national income.
>
> Yet in the case of the irrigation program, as in some other resource fields, regional development is an important policy objective and is perhaps the main rationale of the program. It is certainly true that both induced and stemming benefits accrue within the region. The money spent in the construction of the project at least in part contributes to local wages and profits. The addition of a large new economic enterprise will lead to the development both of processing capacity and of service industries which are complementary to the project; the increase in purchasing power of the settlers will also trigger the development of other businesses to supply them with the consumer goods they will wish to purchase. The generated activities will induce still further enterprises, and so on. A project is an addition to the economic base, producing a superstructure of service activities. In order to indicate the expected development of the local or regional economy, it may be worthwhile to present information along these lines and, from the regional or local point of view, some of these effects may properly be called indirect benefits.
>
> A methodology for measuring these indirect benefits has recently been devised by M. E. Marts, who studied a town which was based almost exclusively on the services it performed for an irrigation project.

In view of the location of this particular irrigation project on which the Senate will be asked to vote shortly after it convenes at 10 o'clock on Monday morning, I submit that either a town could be established for this purpose at the construction site, or the effect on Beloit, Kans., and other small towns nearby would be just as if they were constructed for that purpose.

Dr. Eckstein continues:

> He derived a ratio of direct benefits to indirect benefits, using the increase in net farm income as a measure of the former and the increase in the total of labor, business, and property income for the latter. The estimates for farm income were derived from budget studies; business income was estimated from an analysis of actual business records in the town; wage income was estimated from official payroll data; while property income was estimated from an analysis of State income figures, separating farm property income from the rest. Marts found that indirect benefits generated locally by the operation of the project were 1.27 times as large as the direct benefits. Several studies of other projects have been undertaken using Marts' method, with the resultant indirect benefit factors ranging from 1.12 to 1.74. Projects suitable for the most intensive agriculture appeared to produce the most indirect benefits.
>
> The recommendation of the Presidential Advisory Committee on Water Resources Policy, permitting submission of indirect benefit data as supplemental information or as a basis for local cost sharing, but keeping them out of the benefit-cost ratio, is well designed to make use of the kind of indirect benefits measured by this method. They can be clearly labeled to be local or regional rather than national. They will convey the general magnitude of the developmental effects of a project, and at the same time will tend to make more of the local beneficiaries subject to taxation for financing.

This reminds me of one of the very great weaknesses in making appropriations of this kind. We all have great admiration and respect for the two Senators from Kansas [Mr. CARLSON and Mr. PEARSON]. They are fine gentlemen.

All of us admire and respect the Senators who serve on the Committee on Interior and Insular Affairs and the Committee on Appropriations.

But everyone who has eyes to see, knows how Congress operates. If a Senator or a Representative has a project in his area which will benefit the region, on the basis of the analysis I have shown, that Representative or Senator, in pressing hard for his project, is likely to have a sympathetic attitude toward other Representatives or Senators, for many reasons. It is a reciprocal process, whatever one wishes to call it, which is responsible for the kind of public works bills or pork-barrel bills or civil function bills which come before Congress.

WHAT IS THE NATIONAL INTEREST?

That is why I have such a very unpleasant, difficult task. I suppose Senators might wonder—I am sure they do—"Why does the Senator from Wisconsin have to stick his nose into the business of the Senators from Kansas? If they want a project, they ought to have it. They, not the Senator from Wisconsin, know what is good for Kansas."

Aside from the fact that the people affected by this project who live in Kansas have overwhelmingly indicated to me their objections to the project, I submit that we as Senators must look at this problem not from a local or regional standpoint, but from a national standpoint. If we make an exception for Kansas, as I have already said, we have $1,500 million worth of projects of exactly the same kind and size, since 1944, in precisely the same way, which are coming before us, and which have no basis on which to be sustained. If we make an exception for one case, we shall have to make an exception for every other case.

That is why the vote on this project on Monday will be so important, essential, and precedent making. If the Senate decides on Monday, in voting on this particular project, to approve it, I predict that virtually all of the $1,500 million worth of additional projects, regardless of how unmerited they may be, regardless of how unjustified they may be, or how unsound they may be, will be approved, because a Senator or a Representative, whether he approved of the projects or not, will find himself in a position in which the constituents of his State will say to him, "Kansas got its project; why can you not get projects for Wisconsin?"—or for Alaska or North Dakota.

That is the great weakness of the situation. This is a fundamental problem. Many Senators, at least privately, will concede the facts I have been relating. This case is a strong one, and the argument I am making cannot be denied. No one tried to deny it before the Committee on Appropriations. There is not one word in the committee report to refute my statement, although it shocked the chairman of the Committee on Appropriations. There is not a word in the House hearings to refute what I am saying.

Why do we do it? Why waste $1,500 million? We shall waste it because we are caught up in a system of "mutual aid," a system of helping one another, which is fantastically expensive for the American taxpayer.

The Glen Elder project will cost about $60 million. The next one might cost $500 million. The next one might cost $10 million. Each of the projects by itself may involve too small an amount to excite the general public to resist this practice. The only way these projects will be stopped will be by having the Senate recognize what is at stake on Monday, and casting a vote which may establish a precedent.

Dr. Eckstein goes on to say:

> Yet even this limited application of indirect benefits is subject to abuse. If the indirect local benefits are listed as if they were a net addition to direct benefits, the impression is created that the true benefits are the sum of the two categories. It must be made clear that in times of economic balance most of the local indirect benefits represent diversion of economic development from one region to another; there will be indirect benefits outside the region "without" the project. Systematic application of the "with and without" principle would require that the indirect benefits foregone elsewhere should also be listed.

Mr. President, a very simple example is that no attempt has been made to compute the value which would be lost when the many farms involved—constituting 14,000 acres—would be flooded by this project, and thereby would have their value completely destroyed. One would think that cost would be included in computing the benefit-cost ratio; but, instead, it has been ignored.

Dr. Eckstein then states:

> 5. PRESENT PRACTICE: PUBLIC BENEFITS
>
> Besides direct and indirect benefits, a third group, public benefits, is evaluated and expressed in monetary terms. This group contains five effects of projects that are considered advantageous, and for which it was felt that meaningful monetary equivalent values could be estimated.
>
> The first category consists of settlement opportunities. A benefit of $1,000 per family is credited to a project for every opportunity to establish a family farm.

Here, Mr. President, I should call attention to the fact that no deduction has been made for the family farms which would be destroyed. In this case, 60 new family farms would be brought into production, but at least that many family farms would be destroyed. An allowance of $1,200 is credited to the project for each family farm which it is estimated would be established, but no such deduction is made for the family farms which would be destroyed. Obviously, such a procedure is completely unrealistic and incorrect.

Then Dr. Eckstein states:

> This figure is quite arbitrary, though it just equals the family allowance that is considered the alternative income which the family would have received in the absence of the project. The combination of the two practices is equivalent to the assumption that the income of the family without the project would be zero, which is, of course, contrary to the facts.

Certainly, Mr. President, anyone who has studied farming in this country knows that it is the least productive occupation, in terms of the income received by those who engage in it. Farmers receive less than one-half of the income received by those who engage in other occupations. On an hourly basis, farmers receive only about one-half of the minimum wage, for, on the average, farmers in this country receive only approximately 60 cents an hour.

So, when considered strictly from the point of view of income, a farm family might well be better off by going on relief in Washington, D.C., rather than by continuing to live and work on a farm. Of course, it is true that many other values are involved. Those who live on farms receive, for example, certain psychological values. One of them is the satisfaction obtained because of the realization that one is supporting his own family. There is also the value which is obtained as a result of the advantages and enjoyment had from working outdoors.

I read further:

> This benefit must be explained in terms of the intrinsic worth of the creation of opportunities for family farms, and must be valued in terms of the advantages of independent farm life. To attach a price tag of $1,000 to the social value of farm ownership implies a very precise value judgment, which should not be made by an administrative agency and which should not be obscured by being buried in the benefit-cost analysis. This judgment should be made by the Congress and the President. To present the benefits of settlement opportunities in a way that is useful to reviewing groups, it is only necessary to state the number of opportunities created by a project. This figure is also subject to verification once the project is functioning.

Mr. President, I may say that recently an analysis was made by a group of eminent businessmen—the Committee on Economic Development—who say that our chief problem arises from the necessity, in their opinion, of moving millions of farmers off the farms. They believe that 2 million farmers should be moved off the farms, even if it is necessary to have them stand in breadlines. Of course, that was a most unfortunate proposal; but certainly we must agree that in the future we shall need a smaller number of farmers than the number now engaged in farming. Therefore, how can one possibly justify including in the computation the figure of $1,200 as the additional value to be obtained from every additional family farm? If anything, I think that figure should be included on the negative side of the computation.

I read further:

> Employment opportunities are another category of public benefit. These benefits are computed on the assumption of high employment and steady growth, so that they are not an attempt to adjust the estimates for fluctuations in national income. Employment opportunity benefits are confined to the increase in income of laborers who might otherwise be seasonally unemployed, and to the wages paid to persons not regularly in the labor force, such as housewives and schoolchildren who earn extra money during harvesting and canning. The benefit is conditional on the absence of alternative employment opportunities and is measured by the total income paid to such people. The lack of possible mobility for the labor in question must also be shown.
>
> The economic nature of these benefits is closely akin to primary benefits, since income payments of this sort are the same as the income earned by the farm family from its work on the project. There is only one difference: while it can be assumed that the farmer would be working with or without the project, and the benefit to him can be entirely measured by the change in his income, the alternative for the people in question here is not work without pay, but leisure without pay. To find out the economic benefit of giving them the opportunity to work, one would have to discover how much they value the alternative of staying home.

Mr. President, that is not at all a facetious suggestion; instead, it is realistic, because that is about the only benefit which would be obtained from the project. The Government would have to pay for every additional nickel of value of the agricultural products produced in this area, in my judgment. All of the additional value would have to be paid by the Government. In other words, if it is argued that the project would result in additional agricultural commodity production to the extent of $1 million worth a year, and that that would be a good investment for the Government, it might better be argued that in the long run it would be cheaper to pay directly to the farmers $1 million, because the only thing which could be done with the additional food which would be produced would be to store it and allow it to go to waste while in storage; but of course in the process there would be large storage costs. So it is obvious that it would be cheaper merely to pay the farmers the $1 million—except for the fact that there is some value in having people employed. But, certainly, no economic value is to be had from producing useless crops which would not be consumed. So the only real value of this entire project would be that some people would be active. However, I submit there are far better and more economical ways to keep people active—including an effective manpower training program and a great stepup in our educational program—rather than to have them active in doing something that is useless.

I read further:

> The experiment which would have to be performed is the following: through test situations, one would have to find out the minimum pay which would induce each person to enter the labor force. The benefit is the difference between the actual pay and the minimum pay which would induce them to give up their leisure. Such experiments are impractical; but it is clear that the present measure of total income payments overstates the benefits, and some factor less than one, such as one-half or two-thirds, should be applied to the total extra income to derive the benefit from new employment opportunities.
>
> The creation of new investment opportunities is another listed public benefit. If an area offers no investment opportunities to local owners of investment funds, a benefit is claimed for the interest payments made on the farm investment. The benefits can only be claimed if it can be demonstrated that there are no alternatives in sight during the project's life. They may not exceed 1½ percent on the farm investment, since the borrowing rate is assumed to be 4 per-

> cent and there is always the alternative of purchasing Government bonds at a yield of 2½ percent.

Mr. President, anyone can put his money into a savings and loan association and can receive 4-percent interest on it.

I read further:

> These benefits are hard to justify, not only because it is difficult to show the absence of investment alternatives for 50 years or more, but also because the loans to farmers at 4 percent are much more risky than investment in Government bonds at 2½ percent. There must be compensation for the considerable risk bearing done by the lenders, and it is not clear that the differential of 1½ percent is more than adequate for this purpose.
>
> Benefits are also claimed for improving community facilities and services. They consist of the extra governmental services made possible by the extra taxes paid by the farms due to the income produced by them. The amounts of such benefits are determined from tax data found in farm-budget studies, by estimating the increase in real and personal property taxes.
>
> Since new farms and new people require increases in Government services, and since it is not clear that the extra taxes equal or exceed the extra "social overhead" supplied by local governments, benefits of this kind are questionable.

They are very questionable in this case, in view of the fact that it is pointed out that the locality will lose, and the county will lose much of its tax base. They are going to lose the total value of the farms in the flooded area behind the dam. On the basis of the conclusions of the owners, who ought to know, the gain from the taxes received from the new farms will be negative. There will not be more taxes, but less taxes.

Anybody who argues that income tax revenue would be increased in that way has not looked at many farm incomes. My calculations show that 85 percent of the farmers do not pay an income tax to the Federal Government, not because they are dishonest—they are very honest—but because they do not earn enough income to make them liable for income taxes. Any analysis of farm income will show that not many of them have to pay Federal income taxes. They pay very heavy taxes, but they are local taxes.

I continue to quote from Dr. Eckstein:

> The extra services can be classified into production services and consumption services. Police protection, fire protection, roads, and so forth, are, to some extent, genuine costs of production, and the taxes paid for them are costs, not benefits. Schools and parks may be considered closer to consumption. Just like any other consumption goods which the farmer purchases out of his income, their benefit is already included in the direct benefit, the increase of farm income, if computed before tax payments.
>
> This is not to say that the level and quality of Government services does not rise when a marginal farm area is brought to thriving prosperity. But this rise is one of the effects of raising the incomes of poor people. It is a byproduct of every project and inclusion of tax estimates among the benefits is neither a legitimate part of the economic justification of a project, nor does it shed any light on its merits relative to other projects.
>
> Finally, public benefits may be claimed for stabilization of local and regional economy. The economies of areas subject to unpredictable drought are stabilized by the presence of an irrigation project because the project receives its water supply from storage dams which can meet the project's needs under all conditions except severe and prolonged droughts, and even in that case a project can expect some part of its requirements. Thus the uncertainties of economic life are reduced for the people in the area. The benefits of this type are arbitrarily set at 5 percent of direct benefits except in areas where stabilization is desperately needed, where twice as much benefit is allowed.

In this case, again, the farmers living in this area and others who have observed the area for many years say the rainfall is very steady. There has been no question of drought. There is relatively light rainfall in the area—25 to 30 inches a year—but it is adequate for the crops produced there.

There will be no stabilization of the economy caused by the irrigation project. There will certainly be a superupsetting of the economy resulting from the fact that a $60 million project will be constructed in 3 or 4 years in the area. Once the construction project is gone, the huge construction payroll will leave the community. All the businesses that have been established to take care of the payroll, whether grocery stores, restaurants, drycleaning establishments, or any other service establishments will find, once the construction people are gone, that their market is gone.

There will be just about the same number of farmers as before. On the basis of all the experience, I believe there will be fewer farmers, because the size of the farms is growing all the time, and the number of farms is becoming smaller. So the effect will be instability, not stability.

Eckstein goes on to say:

> These benefits are analogous to the benefits from flood control which are described as "enhancement of the security of the people," and which the Army Engineers include among intangible benefits. Their method of dealing with benefits of this kind is more appropriate, since there is no rational basis for calculating a monetary equivalent. Estimates for the value of this benefit, as seen by the beneficiaries, could be derived from experiments. If people were given the opportunity to buy insurance against these fluctuations of income, it would be possible to discover how much they would be willing to pay for the security against these hazards. Such experiments are not practical as part of the planning process of every project, though just one experiment in a typical area would provide some basis for monetary evaluation. In the absence of such experiments, these benefits should be included among the intangible benefits of the project. Their nature can be fully conveyed to the Congress by including a brief history of drought conditions in the general description of the area as part of the intangible analysis.

Incidentally, the flood control benefits of this project, which are separable from the irrigation benefits, were calculated to be $43 million. As was very ably testified by persons who live in this area, the flood control problem can be met far better by a series of small dams and a smaller flood control project, at lesser cost, and closer to the area that is likely to be flooded. This dam will be 250 miles from the area where any flood damage is likely to be serious or substantial. Any study of flood control indicates that when the dam is that far away, benefits are very likely to be modest. So it seems to me that the calculation of the benefits on this $43 million flood control aspect is highly suspect.

I continue to read from Dr. Eckstein:

> There is also serious question whether irrigation really reduces the riskiness of income in every case. The physical hazards attributable to an irregular supply of water are reduced, of course, but this reduction may be more than offset by an increase in economic risks. Irrigated agriculture is usually production for the market and income from it will depend on price fluctuations. Where irrigators abandon production for home use or switch to cash crops suffering from particularly sever market instability, the benefit in this category may be negative.

WASTE NOT ONLY OF MONEY BUT OF WATER

I wish to discuss something that is generally ignored in this area, but which I think is perhaps even more important than the financial, tax, and waste-of-money aspects, and that is the waste of water. The water which will be used for irrigation—which I think is a misuse in this particular area—could be well used for pollution control and the diminution of pollution. There are other uses, which I shall indicate, to which the water could be put.

Eckstein says:

> The measurement of benefits and costs by means of market prices presupposes that all the goods used in a project are bought at market prices which reflect the value of the opportunities which are foregone. For irrigation projects, the most important input, the water taken out of rivers, has no market price. Yet irrigation constitutes 52 percent of the total water use in the United States. Since it is a consumptive use, that is, little of the water is returned to the streams, while most industrial uses are not consumptive uses, perhaps as much as 80 percent of the total water consumption is for irrigation. In the Western States, where rainfall is light and where most irrigation takes place, 92 percent of all water withdrawals are by irrigators, 3 percent by industry, and 5 percent by domestic users.
>
> There is no need to summarize here the complexities of western water law. It is sufficient to point out that the arid States operate at least in part under the "doctrine of appropriation," under which the right to the use of some portions of streamflow is granted to anyone who will put the water to a beneficial use. The right is granted to the first qualified applicant, who keeps it as long as he uses it.
>
> Irrigators have preempted most of the water rights in some portions of the West. Yet the lack of water may prove one of the biggest blocks to industrialization, since any new industry which needs large quantities of water, such as steam-electric power, steel, petroleum refining, or chemicals, will be seriously hampered. The water laws of most Western States accord priority to irrigation, which precludes the development of these industries and which helps to keep the areas predominantly agricultural. For example, a study made for the President's Materials Policy Commission points out that the oil-shale reserves in the Colorado area may be kept from being developed because the refineries must be near the deposits and there

may not be any water supply because it is committed to irrigation. Yet industrial uses of water yield a much higher economic return than irrigation, which is the latest intensive of the major uses of water.

What a tragedy such a project is for a State like Kansas, where we know there is too much farm production, where there are too many farms, and where we would like to do all we can to provide industrial opportunities for farmers, in order to provide a more balanced growth and economic system, in order to avoid spending such vast amounts to take care of farm surpluses.

How tragic it is that against the will of the people involved we are forcing on them an irrigation project they do not want, which is likely to appropriate their scarce water for a hundred years to come, instead of having it potentially available, at least, for industrial purposes. It will be used for irrigation and farm purposes, for the purpose of producing more surplus crops, which we do not need.

Because water has no market price and because one cannot foresee the value of the opportunities for industry which are being lost by appropriating the water rights for a specific irrigation project, the real cost of the water cannot be included in the benefit-cost analysis. But some other way must be found to assure that there will be no large economic losses from this source. One way of carrying out the principle set down by the President's Materials Policy Commission that "highest economic use must be made of scarce supplies [of water]" would be to include an analysis of the economics of water of an area in each project report, so that reviewing authorities and the Congress would be able to exercise their judgment with regard to the relative merits of irrigation versus industrialization where such a choice impends.

Needless to say, there was no such consideration with respect to this project. The only authorization—and that is the only way to look at this kind of problem—was one line in an authorization bill which passed the Congress 18 years ago. This is a very important point, because there are $1½ billion worth of additional projects awaiting appropriations under authorizations completed on the same basis.

Again, in those cases there will be no opportunity for the Congress to consider alternative uses of the scarce water, and the possibility of using it for industrial purposes.

Such an analysis should include figures on the total water supply and its current uses and on the potential which remains for new purposes. It should also give some indication about the possibilities of industrialization in terms of the resources of the area, and should estimate how much water the new industries might need.

A separate analysis of one input is an awkward device. But as long as the water laws determine use by priorities rather than by economic value, one cannot overlook the possibility of lost opportunities for lack of water.

Project reports already contain studies of the water resources of the area. But the purpose of these studies is usually to demonstrate the availability of the flow required to meet the needs of the project, or to show how increased storage capacity increases the total supply. It would be a simple matter to go one step further by comparing these data with other potential uses.

Mr. President, Dr. Eckstein deals with a specific project, the Chief Joseph Dam project in Washington, to demonstrate his point. To save time, I ask unanimous consent that the material dealing with this project, found on pages 220, 221, and 222, including tables 40 and 41, may be printed in the Record at this point.

There being no objection, the material was ordered to be printed in the Record, as follows:

Let us now examine briefly the benefit-cost analyses of two projects, one of which brings new acreage under irrigation, while the other provides supplementary water for existing acreage. The first project is the Chief Joseph Dam project in the State of Washington, one segment of which was included in the budget for 1956. It would receive water and pumping power from Chief Joseph Dam, a dam, which, when complete, will be one of the largest hydroelectric projects in the world. The ultimate development of the project would irrigate 75,000 acres at a cost of $33 million, but only 3 of the 10 separable divisions were proposed for immediate construction and were analyzed in detail in the project report. To be irrigated would be 8,700 acres, of which 5,300 would be expected to be devoted to apples. Much the largest share of the benefits of the project would come from apple growing.

The direct benefits were estimated from a series of budget studies of typical farms that would be expected to develop on the project site. Two kinds of apple farms were studied, one of which we shall discuss here for purposes of illustration.

A typical farm of this sort would consist of 25 acres and would require a private investment of $31,000. Since apple orchards take 7 to 8 years before they yield substantial crops, a 10-year development period is assumed. The gross income of the farm is estimated to be $12,535, with annual expenses, including interest on investment, equal to $7,651. Of the remaining $4,884, which represent net income, $1,000 are deducted as the alternative income of the family, and the rest is direct benefit. For the project as a whole table 40 summarizes the farm-budget studies. Indirect benefits were claimed of both the stemming and the induced variety. Public benefits for settlement opportunities were claimed at the rate of $1,000 for each regular farm plus $200 per part-time farm; a public benefit from improved community facilities equal to the extra local property taxes was also claimed.

TABLE 40.—*Direct benefits of Chief Joseph Dam project*

Increased gross farm income	$2,402,800
Less increased farm operating cost	1,457,500
Less interest on increased farm investment	268,300
Less alternative family income	191,000
Total direct benefit on new land	486,000
Savings on water cost of existing acreage	22,600
Total direct benefit	508,600

Table 41 gives the benefit-cost analysis of the project. The analysis reveals that it is justified. To be sure, most of the indirect benefits of $1.56 per $1 of direct benefit are impossible to justify from a national point of view and the $0.50 of public benefits per $1 of direct benefits are largely unacceptable for reasons outlined above; but there remain direct benefits of $1.94 per $1 of cost, which is sufficient justification for the project and would give it high priority compared to other projects.

TABLE 41.—*Benefits and costs of Chief Joseph Dam project, initial development*

Benefits:	
Direct benefits	$508,600
Indirect benefits:	
Stemming	494,400
Induced	300,000
Total	794,400
Public benefits:	
Increased settlement opportunities	191,000
Improved community facilies	61,000
Total	252,000
Total irrigation benefits	1,555,000
Adjusted for development lag: 88.5 percent (10 years, discounted at 2½ percent)	1,376,200
Loss of fish and wildlife	400
Net annual benefits	1,375,800
Costs:	
Net Federal investment	5,624,000
Annual investment cost (2½ percent, 100 years)	153,600
Operation, maintenance, replacement and water pumping charge	77,700
Total annual cost	231,300
Benefit-cost ratio	5.95
Direct benefit to cost ratio	1.94

It might also be noted that the Federal subsidy which is granted through the absence of interest charges and through other devices discussed in section 12 below, is about $22,000 per farm. This is an extremely large amount of money to be spent for the benefit of one family. While the justice or propriety of such a subsidy is beyond the scope of the present discussion, the simple fact should be made known to all who participate in the decision process and to the general public.

Mr. PROXMIRE. Mr. President, a few hours ago the distinguished Senator from Colorado [Mr. CARROLL] was in the Chamber and asked me to yield in order to permit him to comment on the Fryingpan-Arkansas project in Colorado.

The Fryingpan-Arkansas project is very controversial. I opposed it earlier this year. It had a great deal more justification than the project now before the Senate. As I told the Senator from Colorado, I am sure the farmers whose lands are to be irrigated favor the Fryingpan-Arkansas project in Colorado. Nevertheless, there were problems and shortcomings in that area. I should like to quote what Dr. Eckstein has to say in his concise analysis of this situation:

Much of the irrigation work of recent years provides supplementary water for existing irrigated acreage. A project of this type is the Fryingpan-Arkansas project, a large multipurpose project which is to provide power, irrigation water, municipal water supply, and flood control in the upper Arkansas River Basin. The President included the project in his budget requests for 1956 and 1957, but so far Congress has not voted any money.

Dr. Eckstein wrote this in 1958. Congress provided money this year. A few weeks ago Congress authorized a substantial sum for the Arkansas River.

> The waters of the Arkansas River are overappropriated, so that there is inadequate water for land now under irrigation. The supply of water is to be improved by building a 50-mile system of canals and tunnels to collect water from Hunter Creek and Fryingpan River, two tributaries of the Colorado River, to divert the water across the Continental Divide into the Arkansas-Mississippi system; total storage capacity is to be increased by extending two existing reservoirs and building two new ones. The area from which the water is to be diverted is virtually uninhabited; the beneficiary area contains about 400,000 people who make a living from farming, processing, tourism, mining, and some heavy industry. There is much good farmland, on which about 150,000 of the people live, the productivity of which is constrained by the inadequate water supply. There is a clear demand for power and for municipal water; and there has been considerable flood damage, two thirds of which would be averted by the project.
>
> The decreed diversion rights to the waters of the Arkansas River are about 10 times as large as the average flow. The storage capacity of the reservoirs which had been constructed to correct this condition is being diminished by sedimentation and has become inadequate for current needs. The water rights on the Colorado River have been divided among the States and Mexico by a series of compacts. The rights to the water to be diverted from the Colorado watershed across the mountains into the Arkansas would come entirely out of the share assigned to the State of Colorado within which the project lies; the project water rights will be inferior to all existing rights on the originating side of the Continental Divide and to any transmountain rights which have been granted previously. As part of the project, a reservoir is to be built on the western slope of the mountains which will increase the total water available to the Colorado River system by a sufficient amount to permit the project to appropriate rights for the diversion which is planned. It is estimated that Colorado's total share of the Colorado River will be 3,855,000 acre-feet. The present consumptive use plus estimated future use by authorized irrigation projects in the State are estimated to be 2,030,000 acre-feet, leaving 1,825,000 acre-feet for other uses in the State. The project would divert about 200,000 acre-feet, including 15,000 acre-feet for municipal water supply, which represents 11 percent of the remaining Colorado River water rights of the State. The report gives no hint of the possible needs for industrial purposes, such as the development of the oil-shale deposits.
>
> The construction of the project, including both the transmountain diversion and the improved storage on the Arkansas River, would provide more adequate water supply to existing irrigated acreage. No new farms would be created, nor need there be much local channel work. The physical effect of the project would be to increase the total flow of water on the Arkansas River and to provide additional regulation over the seasons.
>
> The benefit-cost analysis is based on budget studies for four typical farms: (1) intensive general agriculture with truck crops; (2) intensive general agriculture; (3) extensive agriculture, and (4) mountain-valley agriculture. Each of the four farm budgets shows the yield per acre, the number of acres to be devoted to various commodities, and the resultant quantities of outputs that can be expected with and without the project. Values for the original detailed analysis of 1950 were derived by applying prices based on the average for 1939–44; the project-report revision of 1953 used the prices recommended by the Subcommittee on Benefits and Costs. Production expenses were also estimated in order to compute the direct benefits for the typical farms. With the number of farms of each type known, the total direct benefits could be derived for the project. Indirect benefits were calculated by applying the official indirect benefit factors to output in order to derive the stemming benefits, and to farm expenditure for the induced benefits. No public benefits were claimed. Table 42 summarizes the detailed analysis of 1950.

Mr. President, I ask unanimous consent that table 42 may be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 42.—*Benefits and costs of irrigation Fryingpan-Arkansas project, 1950*

Benefits:	
Annual increase gross farm income	$2,368,200
Annual increase in farm costs:	
Farm investment cost	9,800
Farm operation cost	1,293,600
Total associated costs	1,303,400
Annual direct benefit to farmers	1,064,800
Annual direct benefit to others (interest and wages)	436,500
Total direct annual benefit	1,501,300
Indirect annual benefit:	
From farm expenditures (induced)	361,300
From processing and marketing (stemming)	1,476,200
Total indirect annual benefit	1,837,500
Total annual benefits	3,338,800
Costs:	
Allocated irrigation investment	59,930,000
Annual investment cost (interest at 2½ percent, economic life of 100 years)	1,636,800
Annual operation, maintenance and replacement cost	76,080
Total annual costs	1,712,880
Benefit-cost ratio	1.95
Direct benefit to cost ratio	0.88

Mr. PROXMIRE. Mr. President, I continue the quotation:

> The revision of 1953 resulted in a drop of the direct benefit ratio to 0.73 because construction costs rose by 25 percent while direct benefits rose only 7 percent.

To state it simply, the cost exceeded the benefits by a substantial amount.

> On the other hand, indirect benefits were boosted by 50 percent, which left the ratio of all benefits to costs unchanged.
>
> On the basis of our analysis of indirect benefits as a method of project justification we can only conclude that the project does not possess economic soundness. With an assumed economic life of 100 years and an interest rate of 2½ percent, two very liberal figures, the direct benefits are expected to be only 73 percent of the cost under the revised analysis. There will be some genuine indirect benefits from a national point of view, in this case, because it represents a "rescue operation." There are large, sunk investments of resources that are not used to their full potential because of the decline of agriculture induced by the inadequate water supply and there are probably other resources, the productivity of which would rise if the agricultural economy in the area were to resume its development. It is unfortunate that present indirect benefit measures give no clue to the magnitudes of these benefits. But, to justify the project, these indirect benefits would have to be about equal to the direct benefits, which is unlikely. There also remains the unanswered question of the adequacy of the State's future water supply for the development of the oil-shale deposits and for other possible industrialization.

The objections which Mr. Eckstein found with regard to Fryingpan-Arkansas apply with much greater force to the project my amendment would delete from the pending public works bill.

Mr. President, I should like to discuss the financial analysis of these projects in general terms with regard to the Eckstein study. Dr. Eckstein has pointed out—

> Federal irrigation projects are usually only authorized if it can be shown that the total revenues which can be collected exceed the total costs, except for the costs allocated to navigation, flood control, or other nonreimbursable purposes. The requirement does not mean that each reimbursable purpose must be financed out of funds received in payment for that purpose; it applies only to the sum of revenues versus total reimbursable costs. Irrigation revenues must be collected in 40 annual payments which need not start till a development period of 10 years has passed.

GENERAL TAXPAYER WILL PAY MOST OF COST

At this point I pause to emphasize once again the fact that an analysis of the Glen Elder project shows that the general taxpayer will have to pay between three-quarters and seven-eighths of the cost of this entire project. A small part of it will be paid by the farmers whose land is irrigated, if they ever consent, which they do not want to do now; and the substantial part, but far less than the general taxpayer would be paying, would be paid by the power users, who would receive absolutely no benefit whatsoever from the project. That is one of the real injustices of the project. Here is a project which does not produce an additional kilowatt of power, and yet we are saying that the users in South Dakota and Nebraska, as well as in Kansas, would have to pay higher rates because they use the waters of this river. They would be required to pay higher rates over a period of 100 years to compensate for the expense.

Continuing to read—

> There are a number of reasons which make it impossible for irrigation revenues to be sufficient to meet the cost of irrigation on most Federal projects of recent years. At first glance one might expect that if the benefits exceeded the costs, it should be possible to raise revenues equal to costs, but it is quite obvious that the collection of revenue from those who reap public or indirect benefits would require a form of collection other than the contractual payments of water users. Even direct benefits, which measure the increase in income of the settlers, do not provide a measure of revenue potential since it is impossible to charge a price for water which would leave the incomes of irrigators unchanged. Since one of the main objectives of the program is the creation of new family-farm opportunities and of a new life for relatively poor farmers,

payments for irrigation water must be sufficiently low to leave them significantly better off. In accordance with these objectives, the irrigation benefits are spread over many families, each of whom is to enjoy an increase in its standard of living. If we suppose that a typical family's income is raised from $1,000 to $4,000 before water charges, payments of more than $2,000 are hardly possible, which would produce revenues equal to only two-thirds of direct benefit.

The Bureau of Reclamation computes the repayment capacity of a project by subtracting a family living allowance for every family from the net income of the project. This allowance, which varies from project to project, but which has frequently been set equal to $2,250, is based on the cost of a certain standard of living. In the example of table 38, direct benefits of $426,000 produce a repayment capacity of $277,500, 65 percent of direct benefits.

With the somewhat contradictory objectives of full repayment and of raising living standards for the people on the project, a number of devices have been invented which make it possible to justify projects despite these obstacles. All of these devices are some form of subsidy to irrigation and reduce the amount of repayment which the settlers have to meet.

The original Reclamation Act of 1902 embodied provision for the most important of the subsidies now in use. It called for the repayment of all costs, but did not consider interest to be a cost. This means that the total of the repayments is equal to the money cost, or one-fortieth of the total a year. In fact, there is an interest cost to the country of course—at the least equal to the Government bond rate and probably equal to twice that figure, as we saw in chapter IV—

Which I will argue at length a little later.

Continuing to read—

On a typical irrigation project, with a development period of 10 years and repayment in 40 annual installments, the resultant subsidy can easily be estimated. The actual payment under present procedures will be 2½ percent of the investment, which will total 100 percent after 40 years. If the project were to pay its own interest cost at a rate of 2½ percent, including interest during the development period and on the unamortized balance, it would have to pay a total of 5.1 percent for interest and amortization. Thus the payments of the settlers for the investment in the project would double. In terms of present values, if the 40 actual payments of 2½ percent were discounted to the period of construction, they would be worth 49 percent of the actual construction cost. Thus this one element alone leads to a subsidy of half the cost, paid by the Nation's taxpayers for the benefit of the irrigation settlers, even if they meet their repayment schedules, and assuming only a minimal interest rate.

But the subsidy from the taxpayer is often much larger, though the form is more obscure and misleading

The subsidy from the taxpayer is even much larger than half the total cost, though the form is more obscure and misleading. I have shown, it is much larger in the present case. It is three-quarters to seven-eighths.

Continuing to read—

There is a group of subsidies to irrigation, which, at first glance, appears to be paid by the beneficiaries of other purposes, but which in fact is still paid by the taxpayer. Until 1952, these subsidies took the following form: the price of power was set on the basis of cost, including the cost of interest at 3 percent plus repayment over 50 years; but the interest component of the resultant revenues was considered to be helping to repay the construction cost of irrigation. This practice was considered justified by interpreting the provisions of the Reclamation Act of 1902, which freed irrigation projects from interest payments, in such a way that the power features were also part of the irrigation project. The resultant subsidy is quite large; on a typical project, with power investment equal to the irrigation investment, the interest component of the charge for the investment is 49 percent of the total charge for capital; and if all of it is applied to aid in repayment of an irrigation investment that is not charged interest, it is almost adequate to repay the entire irrigation investment. In fact, power was never assigned more of the irrigation cost than the excess above computed repayment capacity; but for the sixteen projects which include both power and irrigation, $512 million out of the expected power revenues of $1,032 million were assigned to the repayment of irrigation costs as of January 1, 1947, which is 50 percent of all power revenues. The formula suggests that it is power revenues which help repay the irrigation cost.

In the case of the Glen Elder project, the power revenues pay approximately 10 percent of the cost of the irrigation portion. The irrigators pay approximately 5 percent of the cost, or less, and I estimate that the general taxpayers pay about 85 percent of the cost. In this case the power users pay, although no power is produced.

In fact, power users pay rates which are designed to do no more than return the power investment with interest; the rates do not include any charge for irrigation repayment. By crediting irrigation with the interest component of power revenues, the total revenues to be received by the Treasury are diminished and this portion of the cost of irrigation is shifted to the general taxpayer.

In 1952, the "interest component formula" was replaced by a new device which appears to answer some of the objections raised against its predecessor, though it is essentially very similar. It was first applied to the Collbran. Colo., project and is known as the "Collbran formula." It provides for repayment of all power costs including interest at 3 percent and of the costs of industrial and municipal water supply with interest at the prevailing long-term Government bond rate. After these purposes have completed their own repayment, the further revenues that they will produce will be applied toward repaying that part of irrigation cost which is beyond the repayment ability of the settlers. The formula limits the repayment period of water supply to 50 years, the same as the usual practice for power. Thus, for the first 50 years of the project's life, no payments are made for irrigation above those of which the settlers are capable.

That is true in the Glen Elder project.

From the sixth decade on, power and water supply will turn over all their revenues, except for small operating expenses, to repay irrigation.

Once again, the impression is created that power will aid irrigation, and that the project as a whole is self-financing. In fact, it is still the taxpayer who can be expected to pay most of the subsidy, the magnitude of which will be little changed. The reasons are not far to seek; in the first place, the size of the total subsidy to irigation will remain the same since the irrigation payments are still determined by repayment capacity, and nothing else. Second, the subsidy from the failure to charge interest on the irrigation investment is much compounded. If part of the irrigation cost is not repaid for 50 to 100 years, the interest charge which has been shifted to the taxpayer becomes very large.

In this particular case, of the $17 million irrigation cost, $13 million is not paid for for 100 years. It may be that three-fourths of this project may not be paid for for another hundred years. That means that the interest amount is perfectly enormous. Calculating that interest at 4 percent, the interest that will accumulate will be something like $52 million. Even on a discount basis, it is $25 or $30 million.

For every dollar sunk into irrigation which is repaid without interest after 75 years, the taxpayer must make interest payments of 2½ cents a year for 75 years. The present worth of these payments is 84 cents, leaving only 16 cents which could be shifted to other purposes. Whether it will be shifted cannot be discovered for 50 years, but there is good reason to doubt it, for it presupposes that it will be possible to set power rates and rates on water supply in the remote future which will be adequate for this purpose. In the case of power, the rapid rate of technological progress which is driving down the costs of power from alternative sources, which is bringing atomic energy toward competitive levels, and which may make solar energy an economic source, makes lower rates probable. A period of 50 years, which is the basis for repayment of the power investment is already a very optimistic assumption about the competitive position of hydroelectric power based on current design; to stretch the assumption to apply for 80 or 100 years is absurd.

That is exactly the assumption in connection with the proposed project. On the other hand, there is every possibility that 50 years from now, or even 30 years from now, we are likely to be using atomic power, solar power, planetary power, or any number of other power sources. If we think of the vast change in energy sources that we have had in the past 60 years, we realize that there has been a geometric progression of change almost every 5 years in this area. It is perfectly ridiculous to assume that we will have a basis for such payback 100 years from now.

That is exactly what this provision in the bill means. That is what we will be faced with in the future if this part of the bill is approved and if my amendment is rejected.

If it turns out to be impossible to charge the necessary power rates in the first and second decades of the 21st century, the Government will surely lower the rates toward operating costs, and if that proves impossible, it will abandon the power installations altogether. As for municipal water supply, technological progress which would present cheap alternative sources is not as clearly in sight, though controlled rainmaking would be a step in this direction. The revenues from this source are of a smaller order of magnitude than of power, and it could shoulder no more than a small part of the remaining irrigation cost, even if the users, who are largely municipalities, do not balk at the payments when the time comes. Thus, there will be little choice but to write off any unamortized irrigation investment as a Government loss, unless the contracts with the water users are changed to incorporate a provision extending the period of payments. And even this possibility involves some strong assumptions about the technological progress in agriculture.

Let us contrast the effect of the two formulas. The "interest component formula" results in payment of all irrigation cost above repayment capacity by the taxpayer. The "Collbran formula" results in payment of at least 80 percent of the excess above repayment capacity by the taxpayer, with the remainder paid by power and water supply in the unlikely event that technological progress has not precluded sufficiently high power and water rates for the first decades of the next century.

The effect of the two formulas can be seen from a study of the financial features of the project discussed earlier, the Fryingpan-Arkansas project, which was first planned with the old formula but was revised to conform to the "Collbran formula" by the Republican administration. Table 43 summarizes the repayment plan as outlined in 1951.

I ask unanimous consent that table 43 be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 43.—*Summary of cost and repayment of irrigation investment, Fryingpan-Arkansas project, using "interest component formula" (ignoring interest)*

Allocated cost	$59,930,000
Repayment by water users (40 years)	10,881,600
From power revenue (40 years)	35,478,000
From municipal water revenue (40 years)	13,570,400
Total	59,930,000

Source: "Report on Fryingpan-Arkansas Project," pp. 13, 34.

Mr. PROXMIRE. Mr. President, to show the actual costs, table 44 gives the division of the burden on the assumption that the Treasury pays interest of 2½ percent and that this cost should be included. The table gives the present values of the series of future payments to be made by the irrigators, and the present value of the extra ½ percent above average Treasury borrowing cost to be paid by the power users. The table does not include the rest of the interest component on power nor any of the 2-percent interest component collected on municipal water supply, since these revenues must be set aside for the payment of interest on the investments for those purposes.

I ask unanimous consent to have table 44 printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 44.—*Cost, present value of revenues to be collected to repay irrigation investment, and Federal subsidy on irrigation features of Fryingpan-Arkansas project*

[Interest component formula]

	Amount	Percent
Construction cost	$59,930,000	
Payments of irrigators ($272,040 annually for 40 years)	6,838,057	11.4
Interest premium on power revenues (estimated to be $150,000 a year for 40 years)	4,254,300	7.1
Federal subsidy through absence of interest charge on irrigation and diversion of interest component on power and municipal water supply	48,837,643	81.5
Total	59,930,000	100.0

NOTE.—The table is computed by discounting the series of payments at 2½ percent to the present. The estimate for the annual value of the extra ½ percent on the power investment is derived by assuming that all of the power facilities are amortized over 50 years and by calculating the difference in the annual interest and amortization charge at the 2 rates. The Federal subsidy is the remainder of the irrigation construction cost.

Mr. PROXMIRE. Mr. President, the interest premium on power revenues, estimated to be $150,000 a year for 40 years, is $4,254,300, or 7.1 percent.

The Federal subsidy through the absence of interest charge on irrigation and diversion of interest component on power and municipal water supply is $48 million, a Federal subsidy of 81.5 percent.

The repayment provisions under the Collbran formula, as proposed by the Department of the Interior in 1953, are summarized in table 45.

I ask unanimous consent to have table 45 printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 45.—*Summary of cost and repayment of irrigation, Fryingpan-Arkansas project, using Collbran formula (ignoring interest)*

Construction cost, irrigation	$75,128,000
Repayment by water users in 69 years	42,918,000
By power revenues in years 1953–69	25,472,000
By water supply revenues in year 1963–68	6,738,000
Total	75,128,000

Source: "Report on Fryingpan-Arkansas Project," p. 8.

Mr. PROXMIRE. Mr. President, I continue to read from Dr. Eckstein's article:

There is still no interest charge on the irrigation investment; irrigators are expected to pay $622,000 a year for 69 years. All the net power revenues from the 53d to the 69th year are applied to irrigation, as well as the revenue from water supply in the 62d to the 69th year. The rates on the latter two purposes are based on full repayment including interest of 2½ percent in 53 years for power and in 63 years for water supply.

I ask unanimous consent to have table 46 printed at this point in the RECORD.

There being no objection, table 46 was ordered to be printed in the RECORD, as follows:

TABLE 46.—*Cost, present value of revenues to be collected to repay irrigation investment, and Federal subsidy to irrigation features of Fryingpan-Arkansas project*

[Collbran formula]

	Amount	Percent
Construction cost (including interest during construction)	$78,271,000	
Payments by irrigators	20,352,028	26.0
Payments from power revenue	5,678,351	7.3
Payments from water supply revenues	1,311,627	1.7
Federal subsidy through failure to charge interest	50,928,994	65.0
Total	78,271,000	100.0

NOTE.—The table has been computed by discounting at 2½ percent the set of payments stated in the project report, "Report on Fryingpan-Arkansas Project," p. 8.

Mr. PROXMIRE. Mr. President, table 46 breaks down the cost by showing the payments by irrigators as 26 percent; payments from power revenues, 7.3 percent; payments from water supply revenues, 1.7 percent, and the Federal subsidy through failure to charge interest, 65 percent. The total payments are shown as $78,271,000.

I continue to read from Dr. Eckstein's article:

Table 46 shows the actual distribution of the cost, including interest at 2½ percent, discounting all payments to the present. It can be seen from the table that the Federal subsidy will be between 65 and 74 percent, depending on the fulfillment of the revenue expectations on power and water supply in the sixth and seventh decade of the project. This contrasts with a Federal subsidy of 81 percent under the interest component formula. But the small reduction in the subsidy was purchased at the price of extending the repayment period by 30 years.

The Federal subsidy to irrigation under the two formulas is little influenced by the use of power revenues because the basic rates for power are unaffected at least during the first 50 years of the project. The President's Advisory Committee on Water Resources Policy recommends that excess power revenues be used to repay irrigation if the power is sold within the same area. The Committee sees such excess revenues as a method of taxing indirect beneficiaries. This intention is carried out if power rates are set above power costs from the beginning. In the case of the Upper Colorado River storage project, authorized in 1956, power rates were set in this manner and so one can legitimately speak of power revenues helping to repay irrigation costs.

I ask unanimous consent to have table 47 printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 47.—*Summary of repayment analysis of irrigation investment of Colorado River storage project*

[Dollar amounts in millions]

Source	Total payments ignoring interest	Present value of total payments [1]	Percent distribution of total payments including interest
Payments of irrigators [2]	$36.6	$15.2	5.4
Contribution from power revenues [3]	246.2	139.7	49.4
Contribution of taxpayers		127.9	45.2
Total	282.8	282.8	100.0

[1] We assume an interest rate of 2½ percent.

[2] Assumes equal annual payments for 50 years after a development period of 10 years. No specific development period has been authorized as yet but 10 years is the usual figure.

[3] Assumes equal payments for 50 years. Since actual power revenues will build up gradually, the contribution from power is overstated slightly.

Source: "Report on Colorado River Storage Project," H. Rept. No. 1087, 84th Cong., 1st sess. Our analysis assumes that the cost allocation is correct.

Mr. PROXMIRE. I continue to read from Dr. Eckstein's report:

Table 47 summarizes the repayment analysis and recomputes it, including an interest cost charged at 2½ percent. It can be seen that irrigators will pay only 5.4 percent of the irrigation cost if they can meet their contractual charges and that the rest of the cost is divided about evenly between power users who pay rates above power cost and taxpayers who must meet the interest subsidy.

A closely related device for subsidy is the basin account, which has been widely advocated for projects in the Columbia Basin, though not yet written into law, and which has been interpreted to apply to water resource activities in the Missouri Basin. This device would merge the finances of all projects in the basin. Not only would it make the formulas discussed above apply to the power and irrigation of a project, but it

> would make it possible to subsidize irrigation anywhere in the basin through diversion of power revenues from any power project in the same basin. It is clear that the basin account multiplies the possibilities of the hidden subsidies which are paid by the taxpayer, besides opening the door to subsidies from strong purposes to weak and from good projects to bad.

This is something which I think I must emphasize. I have said it before, but I think it is very important. I refer to the great disparity between benefit-to-cost ratio now and our restatement of allocation now; because it is abused, because it is deceptive. Because we get a distorted and totally inaccurate and false picture, we have been authorizing and appropriating funds for projects which cannot be justified, and which are economically unsound.

By the same token, we have not been appropriating funds for good, sound projects, projects which can be justified on the basis of economic merit. If we continue to insist on using present standards, it will mean that we will continue to build projects which are not based upon merit, but will build projects on the basis of political pressure—the kind of political pressure which is brought to bear on Senators, Members of the House of Representatives, the administration, the Department of the Interior, and others.

This is a wholly unsatisfactory way in which to proceed. It is grossly unfair to the taxpayer. It is very bad for our country. I think it is a really significant factor in stemming economic growth, because we are not allocating our resources in areas where the resources can be most productive for the public good. It would be different if we were acting on the basis of knowing what we were doing. But the difficulty is that we permit ourselves to be deceived by not insisting on making our own standards and insisting that every project coming before us meet those standards.

It is difficult to approve a project having a 0.5 benefit. At least I think we should have an idea of what we are doing. But in the present circumstances, the great weakness or disadvantage is that we have no idea of what we are doing.

In the instant case, we have a project which claims a 1.18 benefit-cost ratio. On the basis of any analysis, I submit that that benefit-cost ratio is not justified.

I continue to read from Dr. Eckstein's article:

> Finally, the cost allocation procedures which are used to assign the costs of common facilities to the different purposes have served to reduce the total cost of irrigation. Because of the complexity and importance of the cost-allocation problem we shall treat it separately; in the present connection, let it only be pointed out that the "priority of use method" which the Bureau of Reclamation has applied widely in the past but which has now been eliminated, is particularly suitable for lightening the burden on irrigation.
>
> Under this method, different purposes are assigned priorities of use, and the first purpose is allocated all costs necessary for its operation as long as costs do not exceed benefits. The second purpose need only bear the cost of the additional facilities needed, and so on for the third. If a nonreimbursable purpose is assigned priority, total repayment is minimized; if irrigation is the top priority purpose, total repayment is reduced by putting most of the common costs on an interest-free basis.
>
> All of these devices interfere with sound formation of public policy. They mislead the public and the Congress into thinking that the projects as a whole are self-supporting. By their technical obscurity they hide both the size and the source of the subsidy. They make it impossible for the public and the Congress to see the financial issues clearly, and they prevent a judgment on the question whether irrigation projects are worth the subsidies which they entail.
>
> It would be desirable to change irrigation law to correspond to the actual conditions of project finance. Congress might appropriate funds to build a project, to indicate what share of the cost is to be repaid by irrigators, what share is to be financed out of power revenues, and, finally, what share is to be a subsidy out of general revenues. If the present laws are accepted to be beyond change, the issue could still be made to emerge in its true proportions if the financial analysis of each project report would include figures which indicate the size and the source of the various studies. Such figures might be computed and presented in the manner of tables 46 and 47.

That is exactly what I have done in the case of the Glen Elder project. I have analyzed it and presented it as a part of my original presentation. I have placed in the RECORD an analysis showing the real cost of the Glen Elder project and how much of it—a huge percentage of it—represents a subsidy on the part of the general taxpayer.

Mr. President, one of the best studies which has been made in the field of economic appraisal of reclamation investments made by the Corps of Engineers was made by Dr. Edward Renshaw, in a book entitled "Toward Responsible Government." In his book, Dr. Renshaw stated:

> In discussing public investment in agricultural land, one naturally has a tendency to think first of the investments made by the Bureau of Reclamation. Of all the public agencies responsible for developing our agricultural land resources via reclamation, the Bureau stands in the fore, subjected to the praise of the ardent reclamationist who has visions of oases in the desert and to the criticism of the antireclamationist who recognizes the contemporary public investment in irrigation cannot be justified on the basis of increments to irrigated land and water values exceeding the social cost of land development. While a great deal has been said both for and against the reclamation movement of the Bureau, very little attention has been paid to the land investment activities of the Corps of Engineers in connection with its mainstream flood control program.
>
> In point of fact, expenditures by the Corps of Engineers for the reclamation of agricultural land may have already exceeded expenditures by the Bureau of Reclamation. During the period 1929–54 the Corps of Engineers spent, in the name of flood control, a total of 4,913 million constant dollars (1947–49 equals 100).

That amount would be a great deal more if stated in terms of the present value of dollars.

I read further:

> According to the Hoover Commission task group report on "Flood Control," only about 61 percent of this figure, or $2,988 million, should properly be allocated to flood control measures; the residual should be allocated to power generation and other multipurpose aspects of the overall program. Leopold and Maddock in analyzing the 1951 report of the Chief of Engineers have concluded that roughly 60 percent of the damage alleged to be prevented by the general program of the Corps of Engineers would have fallen to urban or industrial areas, and about 40 percent to agricultural land. A 40-percent damage allocation to agriculture checks out rather well with actual flood damage estimates prepared by the Weather Bureau. An approximate estimate of the corps expenditures for reclamation can now be arrived at by reducing net flood control expenditures by 60 percent, leaving us with an estimate of $1,195 million for land reclamation within a 26-year period.
>
> Donald S. Green has estimated that the Bureau of Reclamation during the much longer period 1900–54 has spent in comparable constant dollars only $974 million; as of 1954, reclamation expenditures of the Corps of Engineers may have exceeded expenditures of the Bureau of Reclamation by more than 22.7 percent.
>
> Some idea of the aggregative importance of a land investment of $1,195 million can be arrived at by comparing it with the aggregate value of farm property in the United States. In 1948, the Department of Agriculture assessed the value of land and buildings in farms at $73,907 million. As a first approximation, historical expenditudes by the Corps of Engineers for purposes of flood prevention on agricultural lands can be looked upon as equivalent to 1½ percent of the aggregate fixed investment in agriculture. If the corps 1948 estimate of the ultimate cost of flood prevention (alone) is ever realized, the ratio of corps expenditures to aggregate land investment will surely increase. At that time (before the disastrous Kansas City flood of 1951) the corps visualized an ultimate expenditure, including projects not yet authorized, of $12,300 million. Forty percent of this figure would imply an ultimate reclamation investment of $4,920 million; in terms of January 1957, prices, this figure would amount to $5,509 million.
>
> From the point of view of optimal resource allocation, the important question is, Are expenditures of this order of magnitude justified in the sense that net benefits can reasonably be expected to equal or exceed costs?

Mr. President, I am referring to an area of spending which constitutes a very large proportion of all the nondefense spending engaged in by our Government. Yet I submit that one could count on the fingers of one hand the number of speeches made and the time which has been devoted and the interest which has been shown in analyzing or understanding the basis for these expenditures. This is an enormous allocation of the Nation's resources. Billions of dollars are involved. Yet this aspect has been entirely overlooked. As I say, this is nondefense spending.

Apparently the difficulty is that many persons seem to feel that if Congress is given the facts, there will not be any more reclamation projects. Many persons apparently feel that if the total story is told in terms of all of the interest cost and in terms of the full cost in view of the effect on the farm program, and if the taxpayers become fully cognizant of the costs of the program, they will not approve of any further reclamation projects. I do not so contend; and that is not my purpose this evening. But I am pleading for information, so that we can make our decision based on a full understanding of the facts, so that we will not insist on going into this situation with one eye closed and with the other eye partially blinded. What is wrong with knowing what one is doing? If my remarks this afternoon and this evening have any theme, it is that it does not to be ignorant. I am convinced that if Congress insists on getting the facts in regard to this situation, the hundreds of millions of dollars which we spend on this program every year and the many billions of dollars which we spend in the course of a generation will be spent far more wisely. Of course it is perfectly possible that we would spend less. That would be a tragedy. But it is also possible that we might reduce taxes, and thus reduce the terrific tax burden on the American people. What would be wrong with that? But such a choice, based on a knowledge of the facts, should be available to Congress.

However, the terrible tragedy is that we make our decisions based on figures which cannot be justified, and which are actually untrue and incorrect. When we are told that a particular project has a certain benefit-to-cost ratio—for example, in the case of the Glen Elder project, 1.08; and in the case of some other project, perhaps 1.3; and in the case of another project, perhaps 1.4—we find that those are not figures on which we can rely. Yet Senators assume that they can rely on such figures.

I submit that expenditures of billions of dollars of the taxpayers' money have been made on the assumption that the benefit-cost ratio figures are accurate and can be relied upon. I have tried to show, this afternoon and this evening, that we cannot rely on them, and that if we have any self-respect and any sense of responsibility to the taxpayers we must insist on obtaining figures on the benefit-cost ratio which are correct and honest and in accordance with the facts.

Dr. Renshaw further states:

> Critics of Federal participation in flood control have from time to time alleged that certain flood control measures such as reservoirs cover more land than they protect. If it could be demonstrated that the net increase in agricultural product accruing to protected land has been offset by decreases in agricultural product on land inundated by reservoirs and subjected to restricted use because of other flood control features, then the entire cost of constructing flood control works should properly be allocated to urban and industrial protection. The corps would be in error if it assigned to the act of flood control improvement agricultural benefits that were not offset by agricultural costs.
>
> The empirical case for an offsetting of agricultural benefits from flood control investment rests essentially on influences that are drawn from the following data: The land requirement for the civil works program completed or under construction in 1951 totaled some 6,740,000 acres. Of this total, about 5 million acres were for flood control improvements such as reservoirs and floodways. The rural area protected or to be protected by works completed or under construction at the end of the fiscal year 1950 totaled about 33,200,000 acres, of which almost 80 percent is considered suitable for agricultural use (a smaller portion of the 5 million acres of land utilized for flood control, according to the corps, is suitable for agricultural use).
>
> Much of the 32,200,000 acres protected or to be protected was subject to levee protection for which lands were furnished by local interests. Consequently, the area protected is not comparable to the 5 million acres acquired for reservoirs and floodways. If all of the 20,300,000 acres protected by flood control works in the alluvial valley of the Mississippi are deducted as representing lands protected by levees, there would remain only some 12,900,000 acres to be compared with the 5 million acres.
>
> The chief difficulty in making a straightforward comparison of acreages is that an acre inundated all or part of a year is not comparable to an acre subject only to the probability of inundation. A straightforward comparison of acreages is further complicated by the fact that the land inundated by reservoirs may be geographically removed from the land protected, thus permitting a whole host of economic, climatic, soil, and other factors affecting the productivity of agricultural land to vary. Finally, one must question the existence of a unique correlation between flooding and agricultural damage. Evidence exists to indicate that in some areas an occasional flooding of agricultural land may in the net be more beneficial than harmful; the distribution of fresh topsoil and moisture sometimes acts to increase yields more than flooding acts to destroy them.
>
> Owing to the incomparability of acreages protected and acreages shifted to less productive agricultural uses, a more fruitful approach to the estimation of agricultural benefits would be in terms of assessing the net increase in agricultural land values attributable to public investment in flood control improvements. In this connection it should be emphasized that the estimated aggregated increases in agricultural land values which follow are gross estimates. No attempt has been made to subtract from the land alleged to be reclaimed, the value of lands put to an inferior agricultural use. Further, no attempt has been made to subtract out of total land and building value, the value of private investment in buildings and land developments such as clearing and drainage.
>
> Use of a gross rather than net agricultural benefit has the effect of biasing upward, in a manner favorable to public investment in flood control, the resulting benefit-cost ratios, and of biasing downward, also in a favorable manner, the social wealth loss associated with reclamation investment.
>
> In 1951 the Chief of Engineers alleged that the improvement in agricultural production resulting from flood control was equivalent to the reclamation of 8 million acres of land. This figure seems rather high since projects completed or in operation were to have protected only about 17 million acres to the degree that allows agricultural use of the land to the fullest extent possible. Accepting the proposition, however, that 8 million acres of new land equivalent have in effect been made out of the original 17 million acres, the question arises as to what the reclaimed acres are equivalent in dollars and cents. Assuming the reclaimed acre is equivalent to an average acre in farms in 1949, it would have had a gross land and building value of $65 per acre according to the Census of Agriculture. A higher average value of land and buildings per acre is obtained by taking a sample of 40 counties and parishes adjacent to the lower Mississippi River in the States of Missouri, Arkansas, Mississippi, and Louisiana. This average for the year 1949 was $95.34 per acre.

I emphasize at this point, Mr. President, how utterly ridiculous this all is. We are talking about bringing in 8 million acres of new land. It would all be calculated as a benefit. At the same time we are trying our level best to take millions of acres of land out of production at very heavy cost. How heavy the cost is is illustrated by the figures used in this article. Renshaw talks about $95 an acre being the value of good land, and $65 as being the value of the less valuable land. A calculation made by a former distinguished Secretary of Agriculture, now the Senator from New Mexico [Mr. ANDERSON], was that the payments to take land out of production constituted $100 an acre for 1 year. The whole value of this land is $95 an acre. So the Government is spending $100 a year an acre to take land out of production. It is costing about $1,500 an acre to bring other land into production, when the value of good land in Missouri, Arkansas, Mississippi, and Louisiana was estimated only a few years ago to be $95 an acre. Talk about Alice in Wonderland.

I continue to read from the article:

> The sample average for 40 counties and parishes along the lower Mississippi may have particular relevance since 84 percent of the damage which the corps claims to have prevented would have occurred in the alluvial valley of the Mississippi. Approximately 75 percent of the total estimated benefits from flood control on the lower Mississippi are alleged to be agricultural.
>
> Superimposing the value of the 8 million acres reclaimed (as measured by the two estimates of gross land value) over the original flood control cost allocation to reclamation ($1,195 million), one obtains crude benefit-cost ratios of 0.43 and 0.64, respectively. The agricultural reclamation phase of the Corps of Engineers flood control program does not appear to be justified on the basis that realized benefits have exceeded realized costs.
>
> A lower limit to the misallocation of agricultural resources due to flood control activities of the corps might now be obtained by subtracting from our original cost allocation the highest estimate of the value of reclaimed land (8 million acres times 95.34 per acre). The resulting limit is $432,700,000. As a minimum, the probable social loss associated with the overall agricultural flood protection program has been not less than 14 percent of the total Federal cost involved in constructing the engineering works and improvements for flood control purposes, and not less than 36 percent of the portion of total costs which has been allocated to the agricultural phase of the total program in this paper.
>
> 2. THE RELATION OF FLOOD CONTROL BENEFITS TO LAND VALUES AT THE PROJECT LEVEL
>
> Fred Clarenbach, of the University of Wisconsin, has compared, at the project level, estimates of agricultural benefits from flood control made by the Corps of Engineers with benefit estimates based upon capitalized increments to land values. In general, Clarenbach concludes that the procedures used by the corps to estimate agricultural benefits result in a heavy overestimation of both experienced direct crop losses prevented and land enhancement benefits. The analysis from which these conclusions were drawn will be briefly presented in relation to a specific project.

Mr. Clarenbach, of the University of Wisconsin, is another authority in a line of competent, objective, proficient experts who have studied the field, and who uniformly agree, without exception, that the benefit is overstated and the costs are not wholly included. There is no analysis on the other side of the question. If there is, I shall be delighted to hear it and put it in the RECORD and shall be very happy to consider it. But we have looked hard and we find that the scholars of the high caliber of Otto Eckstein and many others whom I am quoting, who have studied this question very carefully, and, incidentally, very practically, agree uniformly that the present analysis of arriving at the benefits is deceptive.

Here is an example that Mr. Clarenbach uses:

> On a select reach of the Verdigris River from Toronto Dam site to upper limits of Neodesha Reservoir, Woodson County, Kans., for instance, the corps estimated total direct flood damage to average $7.84 per acre annually. The average return to this same land in a flood-free year, according to Clarenbach is only $8.28. The residual $0.44 per acre could hardly support the then current market land value of $94 per acre.

Obviously, something was wrong.

> If the expected net returns from land subject to flooding were capitalized at 5 percent (this rate of discount is probably on the low side), a more plausible estimate of the average net return to land would be $4.70 per acre rather than $0.44. The net return in a flood-free year ($8.28), minus the expected average return allowing for floods ($4.70), would leave a plausible damage estimate of $3.85 per acre. The corps estimate of damage ($7.84) is 119 percent greater than the damage estimate based upon capitalized land values.
>
> In addition to the damage benefit, a land enhancement benefit of $6.29 per acre was claimed for certain acreages under the assumption that flood-free land would be put to a higher alternative use. The inconsistency of the corps technique for estimating benefits is rather amply brought out by Clarenbach in commenting, "While the annual enhancement in earning power is said to be $6.29 an acre, an appraised value analysis on the same real estate worksheets results in an estimate that the capital value of the land would increase by only $18.80 an acre. If this latter result is assumed to be correct, then the annual enhancement should be only approximately 94 cents an acre—not $6.29." The corps estimate of the annual enhancement benefit is 569 percent greater than a plausible estimate based upon a 5-percent return to the appraised increase in land value.
>
> Clarenbach goes on to conclude:
>
> "Thus, if the claimed net benefits to agricultural land so far considered were reflected in capital value, that value would be a little over $300 instead of the Corps of Engineers 'after' estimate of $99.77. The major cause of the inconsistency can hardly be other than heavy overestimation of both 'experienced direct crop losses presented' and 'land enhancement.'"
>
> By way of summary, the following points stand out. In terms of aggregate expenditures, reclamation activities of the Corps of Engineers equal or exceed activities of the Bureau of Reclamation. Aggregate benefits based upon increments to agricultural land values have not exceeded the cost allocation that is derived from a straightforward distribution of total costs in proportion to alleged damage prevented. The procedures used by the corps to estimate agricultural benefits from flood control improvements result in a substantial overestimation of the true benefit.
>
> In view of the wealth loss associated with the heavily subsidized reclamation program of the Corps of Engineers and the marginal nature of investments not yet started and to be completed, it does not appear that the agricultural phase of the corps flood control program can be justified under existing law which states that benefits must exceed costs. Since agricultural damage prevented constitutes roughly 40 percent of all damage expected to be prevented by the overall flood control program of the Corps of Engineers, one is led to wonder whether in fact the overall program can be justified on the basis of nonagricultural damage prevented.

Mr. President, exactly as the irrigation program does not give consideration to the effects on cost of the farm program, so the flood control program gives no consideration to the effects on cost of the farm program.

One of the best years the Florida fruit farmers have ever had was the year when the crop was damaged in what seemed to be a disastrous way by a frost. The frost was very serious. It reduced the amount of Florida farm production very greatly. Yet that was one of the best income years the Florida farmers ever had.

How do we explain that? We explain it by the fact that our farmers are plagued with overproduction. What nature does, occasionally, which helps the farmers, is to cut down production. What happened, of course, was that the farmers were able to obtain two or three, or even four times as much for their fruit, and even their vegetables, when the frost hit, so although their production might have been cut down one-quarter, or one-third and in some cases some farmers had their entire crops wiped out, and those farmers did nothing but suffer—the farmers in the aggregate had an increase in income, and the aggregate income gave them one of the best years they had ever had.

This is a fact of life, so far as the farmers are concerned, with respect to all crops today. When we stop the forces of nature with regard to floods, in some cases we prevent the natural correction of overproduction. A flood is not always a certain loss of income for the farmers. It gives the farmer a kind of natural production control system. Of course, it also greatly relieves the Government from buying surpluses, because surpluses are not produced when land is flooded out.

Obviously, I am not making an argument in favor of floods, nor am I making an argument against flood control. If we are to be realistic, if we are to know what we are doing, we should have all the facts. We do not have all the facts in making the decisions we are required to make.

We always seem to totally ignore the biggest farm fact of life in America, which is that there are immense farm surpluses, and these surpluses are costly to the taxpayers. We ignore that fact. When we ignore that fact in determining whether we should construct a flood control project or an irrigation project we come to a conclusion which would not be warranted if we were to consider all the facts, including the prime fact that we are producing surpluses on the farms.

I should like to quote rather briefly from Mr. Renshaw's discussion of the "Secondary and Public Benefits From Public Investment in Irrigation."

Mr. Renshaw attempts to analyze the various studies purporting to measure the quantitative magnitude of secondary benefits. These benefits, incidentally, were discussed by me a few minutes ago when I read the brilliant paper by Dr. Otto Eckstein in which he analyzed the benefits. Mr. Renshaw has another view:

> These benefits are presumed to accrue to individuals other than the owners of agricultural land and to the community. From a national point of view, secondary benefits should only be considered in determining the economic justification of a project receiving a Federal subsidy when there is sufficient evidence to indicate that their magnitude is relatively greater with respect to the project under consideration than for alternative investments.
>
> From the point of view of the Nation as a whole, many of the benefits alleged to accrue in secondary activities merely constitute diversions of income from one region or activity to another. Assuming that secondary benefits are the same for all uses of resources and that prices reflect the economic value of marginal opportunities foregone, the secondary benefits foregone as a result of a marginal irrigation project would exactly equal the secondary benefits generated by the project. A project with a benefit-cost ratio of 1.0 would yield no net secondary benefits; a project with a benefit-cost ratio less than unity would cause a net loss of secondary benefits, and a project with a ratio higher than unity would generate positive secondary benefits. Unless it can be demonstrated that secondary benefits are greater per dollar invested in irrigation as opposed to dollars invested elsewhere, it would be inappropriate to use them to push a benefit-cost ratio above unity or to make a marginal project appear justified in the sense that benefits equal or exceed costs.
>
> Perhaps the most plausible empirical case ever established for the existence of net secondary benefits from public investment in irrigation was presented by H. E. Selby.
>
> "It appears, then, that a measure of at least a large part of the indirect benefit from irrigation development that arises locally from increased volume of business may be increment in property value. Increased profits that result would be largely reflected in increased value of the site or in the franchise of the business. Even if there were no increased entrepreneurial or labor returns over those received if the project were not built, the additional land used for business and residential purposes would increase in value."
>
> Using changes in assessed valuation of real estate outside of municipalities, excluding utilities, as compared with assessed value of all real estate owned by utilities and real estate inside municipalities, Selby concluded that with future increases in the value of farmland at least a 25-percent increase in value will accrue to the owners of nonfarm real estate.
>
> The crucial factor overlooked in Selby's study is that there are production costs associated with urban land utilization. According to land economists these include: (1) clearing, draining, filling, and grading; (2) interest; (3) miscellaneous costs, including sales commissions, abstract charges, title insurance, and the like; and (4) losses unavoidable incurred when the land is not in its highest and best use. Table 16 summarizes an attempt to measure production costs associated with the development of Sunnyside Gardens, Long Island.

Mr. President, I ask unanimous consent that a table entitled "Table 16" be printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 16.—*Costs assignable to land up to time of construction, Sunnyside Gardens, Long Island, 1924–28*

Land	$859, 581
Interest on capital at 6 percent	102, 493
Taxes	43, 302
Interest on taxes	4, 991
Public improvements (sewers, curbs, sidewalks)	376, 145
Interest on public improvements	7, 485
Total	$1, 393, 997

Mr. PROXMIRE. The table shows the cost assignable to land up to the time of the construction of Sunnyside Gardens, Long Island, 1924–28.

Sunnyside Gardens embraces an area of 55.82 acres in the first ward of the Borough of Queens, New York City. It was developed during the 5-year period 1924–28 by the City Housing Corp., a limited dividend company which was formed for purposes of erecting low-priced homes and construction experiments in the housing field. The costs incurred by City Housing Corp. in changing Sunnyside Gardens from agricultural to urban use were characterized as being "extremely low" owing to three factors: (1) low purchase cost, (2) rapid construction and sale of properties, and (3) careful planning of public improvements. Nevertheless, production costs amounted to 62 percent of the original cost of land. In view of all the hidden development costs associated with urban land development, Selby's 25-percent inflation of urban land values relative to agricultural land value may represent only the reasonable cost of land improvement.

The moral Tough draws from her study of Sunnyside Gardens is that holding land for an increase in value has appealed to a large number of investors. Too often the fact that direct and indirect costs accumulate year after year is overlooked. Thus when the land is sold the difference between selling price and first cost is called an increment in value without sufficient weight being attached to production costs of land. It is apparent from this discussion that these latter costs may accumulate so rapidly as not only to absorb all increment but to produce a decrement.

Assuming however that there are certain windfall gains to urban property owners as a result of investment in basic industries, it is only fair to ask if these gains are commensurably larger with respect to irrigation in the West than, say, steel investment in Chicago. It should be noted that tremendous difficulties present themselves in any endeavor to measure such gains—even gross gains of the sort Selby refers to are hard to measure owing to data imperfections and historical mistakes of both a public and private character.

The urban land market is apparently quite sensitive to inflation, depression, and expectations of future population increases; any direct comparison across regions may be unduly influenced by differences in expectations.

With these qualifications in mind, it is interesting to note that the aggregate value of the 211 square miles of land (excluding buildings) in the 1933 corporate limits of Chicago increased from $125 million in 1856 to $5 billion in 1926. In constant dollars (1913=100) the increase in land values amounted to $2,762 million. In this same period the cumulative annual value of new construction (all buildings) was $3,360,529,000 in comparable constant dollars. Assuming that construction (at least that part of total construction which is nonresidential) is the instrumental investment variable determining urban land values, one can associate an 82-percent increase in urban land value with every dollar spent in constructing new buildings in the city of Chicago during this period. This factor (82 percent) is considerably higher than Selby's 25 percent increase associated with increases in agricultural land values.

Aside from the discretion involved in selecting a particular investment variable as being instrumental in effecting increases in urban land values, there exists the real possibility that the net increase in urban land value can be attributed to the fact that as other forms of aggregate wealth have increased relative to the nominal stock of land, there has been a general tendency to value more dearly nominal units of land for site purposes. If the relative rise in land values has been general, it would be folly to attribute it to a specific kind of investment. The point of this analysis is that if anything can be drawn from a comparison of rent increases associated with capital investment, there exists an empirical possibility that property rents are increased most by investment outside the agricultural sector.

Mr. President, I now turn to a factor which is immensely important in this whole area, namely, water supply. I refer to an article by J. Milliman, DeHaven, and Hirshleifer. The article states:

CURRENT PRACTICES EVALUATED

In turning to an evaluation of current practices with regard to investment in additional water supplies, we find ourselves on territory that has been exhaustively worked over by others. In fact, an enormous literature already exists on the major topics we will discuss in this section: cost-benefit criteria, secondary benefits, and the correct discounting rate. In our discussion we will center upon the recommendations made in McKean's work, while as the guide to best existing practices we will use the so-called Green Book. As it happens, the latter tends to approach what we would regard as economic rationality much more closely than does actual practice, the report being itself an attempt to establish a norm for practice which has never been wholly adopted by the action agencies. On the recommendations side we shall at times mention the work of other analysts, particularly Eckstein, Krutilla and Eckstein, and Margolis. On the practical side we shall refer primarily to the Bureau of Reclamation in the Department of the Interior.

1. FINANCIAL FEASIBILITY VERSUS ECONOMICS FEASIBILITY

Most of the policy issues in connection with water-resource developments turn upon the distinction between financial feasibility and economic feasibility. Since these terms have not been entirely consistently used in either the official or the critical literature, we shall employ commonsense definitions of our own in order to expose the essential disagreements. By "financial feasibility" we mean what is sometimes known as the self-liquidating character of a project—a financially feasible project generates revenues that suffice to cover all costs, including interest on funds borrowed to finance the project. Or, using our discounting formula above, for a financially feasible project V_0 must equal or exceed zero, counting capital outlays as costs and monetary receipts as incomes of the appropriate years, all being discounted at that rate of interest at which the funds required are actually obtained. By "economic feasibility" we mean that the economic valuation of the "benefits," to whomever they accrue, exceeds the economic valuation of the "costs," to whomever they accrue. Here V_0 must again be nonnegative, but the valuation placed on costs and benefits may diverge from actual monetary outlays and receipts, and the discount rate may diverge from the actual borrowing rate. Just how the economically relevant measures of benefits, costs, and discount rate may diverge from the monetary or market measures is a question we will take up in detail below.

As defined by us, a calculation of financial feasibility is essentially what every private investor makes in deciding whether to undertake a project with his own or with borrowed capital. Most of the criticisms that have been levied against the use of this criterion for public decisions have been based upon a showing that it is appropriate for Government in its decisions to take into account certain real or alleged costs and benefits that would not enter into the calculations of private investors; for example, the fact that the product may be worth more to society than the monetary revenues received for it, that employment may be generated by the investment, or on the other hand, that losses are imposed upon the owners of competing facilities, etc. As an illustration of this line of thinking:

> Financial feasibility has been urged by some as the determining factor in evaluation, that is, they believe that all water resources projects should be self-liquidating. This view implies that Federal agencies should seek out sound business opportunities wherever they may be found in the water resources field.

I wish to make clear that I am not urging that. That is not my position. I do not say that we must insist upon self-liquidating projects. What I am saying is that we should evaluate the projects by insisting on getting all the facts and knowing what we are doing.

We should take into consideration the entire farm program. We should take into consideration the interest costs. I mean all of them, of course. We should do all that and then make our decision based on what the total picture shows.

I continue reading from the article:

> The basic fallacy in such reasoning is that it seeks to transfer to public investments the limitations common to private investments. The Federal Government seeks to conserve and develop the Nation's natural resources for the general welfare and not for profit. Hence, financial feasibility is not the same as economic feasibility. Financial costs and returns should be considered in analysis, but financial feasibility alone should not determine the desirability of a program or project. For this reason the Commission is recommending that Congress eliminate the requirement that irrigation projects show financial feasibility.

NEED FOR CONGRESS TO CONSIDER ALL FACTS IN DETERMINATION OF BENEFIT-COST RATIO

This is the recommendation in the report of the President's Water Resources Policy Commission. We should recognize that fact. I am a cosponsor, with the Senator from Illinois [Mr. DOUGLAS], of the "truth in lending bill." What that provides is that those selling on the installment basis should let the buyer know what the interest cost is of what he is buying. We have held extensive hearings over a period of years, and these hearings have shown that when the typical buyer goes to buy an automobile, and he buys it on time, he pays from 12 percent to 15 percent interest. When he goes to patronize Sears, Roebuck & Co. or any other large mail-order house or a large store of that kind, to buy on time, the interest is about 18 percent. When he purchases furniture from a high-pressure furniture retailer, the interest rate that he pays, as shown by a careful study that we have made, is likely to be close to 60 percent.

Many people feel that there are usurious rates, and are immoral. All we want to do is to let the buyer know what he is paying, and know what interest he is paying. If he understands the interest cost, and chooses, in spite of that high cost, to spend his money, I think it is his business.

This is exactly, precisely, what I am arguing for here. I am not saying that we should reject all projects which are unable to show a favorable benefit-cost ratio. We should get a benefit-cost ratio which tells us what the facts are, so we can make our decision based on our knowledge of what we are doing:

This argument implies that financial feasibility is too narrow a criterion. There is at least one respect in which it might be considered too lax, however, as compared with economic feasibility. This turns upon the Government's power to borrow more cheaply than private investors, which at least suggests the possibility that funds are being used for projects that are less productive than alternatives being forgone for lack of funds in the private sector.

This is one point that had not occurred to me before. This is a point that I have not stressed. This adds weight to my argument that the full cost of the money to the Government should be included in determining what the benefit-cost ratio is. The full cost of the money to the Government should be calculated and included in letting us know what the subsidy amounts to.

The point made here is that the Government is in an advantageous position to borrow money more cheaply than a private investor can. This, it seems to me, adds great strength to my argument that in appraising these projects we should insist on including the real cost, the actual cost of the money to the Government. This we do not do.

At the present time, in every program that is included in the public works program which is now pending in the bill before us, the 2.5-percent interest factor is used. The Government has to pay 4 percent, on the average, for its money at the present time. This 4 percent is much lower than any nongovernment source has to pay for its money.

2. COST-BENEFIT ANALYSIS AND EXTRAFINANCIAL CONSIDERATIONS

The distinction usually made between financial feasibility and economic feasibility is that the former fails to take account of certain economic values which are not shown in the financial accounts of the agency responsible for the decision. We will consider in this section several possible divergences between the financial accounts and the real economic costs and benefits.

(a) Consumers' surplus: It will often be the case that construction of a water supply project will necessarily be highly indivisible, meaning that, if any more water is to be provided at all, a large increment of supply must be constructed. As an example, an irrigation project will open to a humid type of cultivation a region not farmed at all before or else farmed only under extremely arid conditions. In such circumstances it might well be the case that the market revenues from water sales fall far short of the real value of the water. The reason, discussed in detail in appendix A to chapter iii, is that, if water is sold freely on the market, consumers will take just so much as to bring their marginal value in use down to the market price. But the aggregate value in use to the consumers includes the value in use they derive from the earlier units, which will be at least as great and may well be considerably greater than the value of the last unit. Thus it has been estimated that the aggregate value of water to be provided by the Ainsworth project in Nebraska is $679,550 annually, or something over $10 per acre-foot, while the marginal value of the last unit provided farmers is in the neighborhood of $3 per acre-foot. Using a different example, water in a certain area may be freely available at $50 an acre-foot, which then is also the measure of its marginal value in use. If a certain project makes a large new supply available which is sold at $10 an acre-foot, the marginal value in use of the water will decline until the $10 level is reached, since it is now worthwhile for consumers to apply water less frugally and to less vital uses. The aggregate value of the increment of water is measured not by the quantity supplied times $10 but by the quantity times some average value which lies between $50 (the value of the first small increment) and $10 (the value of the last small increment).

The practical significance of this consideration is that private enterprise would be led to take too conservative a view of the benefits where important indivisibilities exist and that public enterprise (if rationally conducted) should count also the consumers' surplus—the aggregate value to consumers over and above the market value—of the water received.

I believe the distinction between private enterprise and public enterprise is very important. Obviously, if we insist on financial feasibility to the ultimate, and that we should not engage in any irrigation project or flood control project unless the benefits received match the costs in full, it would probably mean in general that the Government would be doing no more than private enterprise would be doing, and not as well. It would certainly not improve some areas that need improvement.

If we had applied that principle to the Rural Electrification Administration, it would have meant that we would not have engaged in the REA. Many farms would still be without electricity. It is a well-known fact that before the Rural Electrification Administration, and until Government financing on the basis of subsidized interest were brought into play, only 1 farm in 10 in America had electricity.

Within less than 20 years after REA was established, more than 9 farms in 10 had electricity. Today 95 out of 100 farms have electricity. This has been highly beneficial, not only to the farmers who are involved, but to the country, for many reasons.

We would not have gotten it if we had had to use public enterprise, except to supplement our great public enterprise opportunities. I recognize that. All I am insisting on—and I stress it once more—is that I think we ought to know what we are doing. We do not know what we are doing in the public enterprise system if we do not include all the costs. I submit, argue, and contend, once again, that we are not including all the costs.

I continue to read:

The limiting condition (indivisibility) is quite important and by no means applies in all contexts. Construction of a large dam and aqueduct, of course, could not be justified unless a rather substanital increment of water were to be provided. Increments of water provided through pumping or diversion, however, frequently are insufficient to drastically affect marginal values in use for water.

It must not be forgotten that an upper limit as well as a lower limit can be placed on the benefits; in no case are they greater on a per-unit basis than the previous price being paid for the water applied. (If, as will normally be the case, construction for the future is involved, the previous price must be interpreted as the price that would have been effective if the additional supply were not provided.) We emphasize this because, in evaluating projects, quite commonly the market value of the water will be computed, after which there will be rather grand talk about "intangibles" or "development benefits." These supposed benefits may or may not exist, but, if the extrafinancial values of indivisible supples from large water projects can at least be bracketed between certain limits, this may suffice to answer the relevant questions of desirability. A more direct estimate of the aggregate value in use might be based upon a total monetary comparison of the consumers' well-being before the project and after, over and above the amount paid out to the water-supplying agency. This in fact is the procedure used by the Bureau of Reclamation in evaluating the benefits of irrigation projects (the benefit in question comes under the heading of direct farm benefits, not secondary benefits). By way of contrast, the "Green Book" definition of benefits is too conservative, omitting the consumers' surplus factor from both primary and secondary benefits.

(b) "Secondary benefits": In current discussions it is usual to divide the benefits of projects into primary and secondary, or sometimes direct and indirect. We shall define primary benefits as the net value of the increase in production of outputs associated with the project. If instead of the net value of the products we use the implied or derived value of the water, the corresponding quantity is the aggregate value in use of the water; the surplus of this aggregate value over the market value of the water is then a primary benefit, as argued in the section above.

We discussed at some length earlier the problem of spillover effects of private activities, an idea closely related to the concept of secondary benefits. Spillovers are the costs and benefits imposed upon or received by others as a consequence of private actions but not normally taken into consideration in private decisions. Sometimes they are spoken of as divergences between private and social costs (or benefits). For public projects there will similarly be spillover costs and benefits, and the question arises as to whether or not they should be considered in Government investment decisions. Our conclusion earlier was that technological spillover (those involving real increases or decreases in productivity outside the project) should be considered if we are concerned with maximizing the real national product. For example, the creation of drainage problems on land near a reservoir is a cost that should be considered, while the provision of flood control downstream of a dam is a benefit that should be considered even if the dam were constructed solely for the purpose of water supply. On the other hand, purely pecuniary spillovers (those involving increases or decreases in capital values or incomes solely because of the competitive effect of the facilities constructed) should not be considered on efficiency grounds, although they involve definite distribution effects.

> This is not to say that such losses should not be compensated or that reimbursement should not be sought for such benefits but only that, whether they should or should not, the benefits or losses do not enter into the efficiency calculations. A pecuniary spillover benefit to labor occurs, for example, when the establishment of an irrigation project increases the price of labor in a nearby town; on the other hand, if the project produces watermelons in sufficient quantity to drive down their price, competing watermelon farmers suffer a pecuniary spillover loss.

That pecuniary spillover loss is very common in this kind of activity. The pecuniary spillover loss for this particular project is one that applies not simply to the other farmers who produce the same kind of food as is produced in this area, but applies to the taxpayer who is going to have to pay an additional cost to take that much more land out of surplus production.

I continue to read:

> Actual rules of practice are not entirely clear on the matter of technological spillovers, which have not been emphasized much in the "secondary benefit" discussion. The "Green Book" does have a discussion indicating that technological "consequential damages" should be considered, but this is accompanied by remarks indicating that such damages can be offset by certain benefits that may be pecuniary in nature. There is no discussion of technological spillover benefits, but, knowing the facts of life, we can perhaps be reasonably confident that the interests pushing projects will not fail to claim such benefits as "multipurpose" aspects of the project.
>
> One type of spillover often emphasized involves a "secondary" surplus to processors or consumers of the product somewhat analogous to the "primary" surplus considered earlier of aggregate value in use over market value of the water itself. Consider the case where the increased wheat production associated with a project drives down the nationwide price of wheat from $2.10 to $2 a bushel. The pecuniary spillover loss to competing wheat farmers because of the fall in price of wheat should not, we have argued, be considered as a real loss to the Nation, and, in fact, it is not so considered in official practice. On the other hand, the "Green Book" lists the same fall in price as a benefit to secondary activities like the milling of flour. Similarly, any project effect in driving up the wage rate in an area is considered not as a spillover cost to nonproject employers but as a benefit to labor. Clearly, these effects, while pecuniary in any case, cancel each other out.

The fact is that the additional production of feed grain on this particular project would not cause a drop in the price of feed grain, either in 1963 or in 1964, or in any year up to the end of the project, or at the end of the project, calculated to be in 2060. I cannot see that we are ever going to be able, at least in the foreseeable future, to create a situation in which we will not be producing more than we can consume.

Under these circumstances, the result will be not that the price will go down, but that the taxpayer will have to pay more.

We are computing the cost to the taxpayer. It seems clear to me that we should most certainly include the cost of the farm program, or I should say the cost of this particular project to the farm program. We should include the increased cost of the farm program.

I continue to read:

> The fall in the price of wheat would not be of any lasting benefit to the milling industry if competition prevailed there, since flour prices would be forced down correspondingly. But it would be of benefit to the final consumer. The difference between the price of $2.10 and the price of $2 on the old amount of wheat products consumed is then only a pecuniary transfer between consumers and the nonproject wheat farmers.

Of course, all the benefits to the consumer are washed out, because we have a farm program; and any benefit that washes out the farm program is dealing in the never-never land, not dealing with reality.

I continue to read:

> On the increment of production due to the project, however (and there must be a net increment, since otherwise prices would not fall), the price of $2 measures the marginal value in use (in this case, in consumption). The aggregate value in use, however, takes into consideration the fact that the first small increment had a marginal value in use of $2.10. We may conclude, therefore, that where a project brings about a large indivisible increment of, say, wheat production, the market value after the increase ($2 per unit) does somewhat understate the true social value. Note, however, that a correction of $0.10 per bushel would be excessive; we should more reasonably, perhaps, split the difference and make the correction $0.05 (but only on the increment of production). As a practical matter, we should add that the increment of production would rarely be large enough to make the effect worth worrying about—certainly not for wheat in this case.

Apparently, the distinguished author of this article is assuming that we do not have a farm program which buys up all the wheat we produce. It is perfectly apparent that there can be no drop in the price of wheat, under present circumstances, unless the Secretary of Agriculture or Congress decides that there shall be. This is clear on the basis of the policy that has been firmly established. Only a few days ago Congress decided that there shall be no drop in the price of wheat, no matter how much the production of wheat increases on the irrigation projects. The increased production of wheat, or, as in this case, of feed grain, will increase the cost to the taxpayer.

It is true that there is a balancing of cost, and the author is perfectly correct in indicating that we cannot call it a cost, because the work of the farmer is worth something. It is true that the farmer produces a surplus, but he gets more payment from the Federal Government. I suppose we could value any kind of relief payment a make-work payment, and that is unfortunate; that is very sad, because that is what we have.

We already have an ample supply of feed grains—$3.2 billion worth of surplus feed grains. Obviously, this project, which would bring additional feed grain producing land into production, would increase that cost substantially. It would be of some benefit to the farmers who would produce the feed grains, and I suppose that fact should be taken into consideration. But at the same time we also must recognize that it is exactly this kind of overproduction which is discrediting the entire farm program and forcing the President and the Secretary of Agriculture into a proposal for mandatory feed grain controls which would make it literally impossible for farmers, as a whole, to obtain any benefit from putting more land into production, or from increasing the productivity of their present land. If Congress were to decide to impose mandatory controls, and if the Secretary of Agriculture were to say the farmers could produce only a certain amount of corn and a certain amount of wheat, then the effect of bringing more land into production would be to shove other farmers out; no other effect could possibly result. Obviously, under circumstances in which we rapidly approach that situation, expenditures to bring additional land into production would be a total, 100 percent waste of money.

I read further:

> We may remark that if, as is actually the case with wheat, the existence of a price support program makes the addition really of no benefit to society (or of sharply reduced benefit if, for example, it will have to be dumped abroad at a loss), the market price grossly overstates the primary benefit.
>
> A rather more important class of "benefit" officially taken into account, which is partially pecuniary and partially technological, is the increase in real estate value associated with the project. Consider a town near a new project, where increased demand for all types of services has been brought about by the movement of people into the area and by the increase in income of those already there. As a result, land values rise. Is this a real benefit? To some extent the effect may be purely pecuniary; that is, the land may not be shifted to more productive uses but rather the same uses are more highly demanded, and so the scarcity value rises. The increase in value of residential land is essentially in this category. In part, however, the higher demand may involve an improvement in the real productivity of townsites, owing to the fact that customers have been brought into propinquity with the land. As an example, a restaurant in the town may now stay open for three meals a day instead of only two. While this effect is not merely pecuniary but real, it must be remembered that pecuniary effects still acount for at least part of the increase in value of commercial land as well as essentially all the increase of residential land.

The correspondence I receive indicates that the moving voice in Beloit, Kans., was that of a restaurant owner. He felt that if a $60 million project were begun near that town, with the result that many construction workers would be active in that area, all that activity would be a good thing for him—so much so, that perhaps he would be able to enlarge his restaurant, or possibly even build another restaurant. Mr. President, that might be a good thing for the restaurant owner, and that would be a secondary value. But I am sure Congress does not expect to solve the country's economic problems by building useless irrigation projects which the farmers of the areas involved do not want and say they could not use, all for the purpose of giving more business to some restaurant owners. So the particular analogy dealt with in this book, although it was intended merely as a scholarly example, comes close to stating exactly what the situation is with regard to this project.

I read further from the book:

> Furthermore, the gains from bringing customers into propinquity with the sites in question must be balanced against the corresponding real loss to sites in other towns as customers move away from them. While it cannot be proved that the loss elsewhere will match the gain here, we feel that, as a practical matter, they can be assumed to balance off. Incidentally, much of the local political support for large projects comes essentially from real estate interests anxious to realize a gain in land values.

That certainly seems to be true in Beloit, Kans., and the surrounding territory, where the farmers do not want the proposed project.

I read further from the book:

> The gain reaped here is typically much larger than that received by the primary beneficiaries.
>
> The real heart of the "secondary-benefit" issue concerns the question of whether to count as a benefit the increased income or profit of those who process or deal with the products associated with the project or else provide services to those directly engaged in the project. The first three classes of the list below fall into this category:
>
> Indirect irrigation benefits are project effects which comprise the increase in:
>
> (A) Profits of local wholesalers and retailers from handling the increase in sales of farm products consumed locally off the project without processing.
>
> (B) Profits of all other enterprises between the farm and the final consumer, from handling, processing, and marketing the increase in sales of farm products locally and elsewhere.
>
> (C) Profits of all enterprises from supplying goods and services for the increase in farm purchases for family living and production expenses.
>
> (D) Land value of local residential property.

In many of these cases, it seems that the prime benefits are indirect benefits—whether they are called indirect or secondary or are referred to as "stemming" from the project—which is the term used by Otto Eckstein. As a matter of fact, in this case the only benefits would be indirect benefits.

The people of Wisconsin are very generous; but I am sure they would look unkindly on projects designed only for the purpose of providing more customers for restaurant owners in a small town in Kansas or more customers who would buy groceries, clothing, haircuts, and so forth, from the businessmen there. However, those would be the principal beneficiaries from this particular project.

I read further:

> The Green Book list includes the following:
>
> "Where products of an irrigation project enter into secondary stages of production, such as processing and distribution, the increase in net income in such secondary activities under conditions with the project as compared with the net income expected in such activities without the project can be considered a secondary benefit. * * * Where secondary facilities are expected to be unused or underutilized, in the absence of the project, the increase in net income of such activities as a result of handling the project surplus of farm products may be a secondary benefit.
>
> "Where an irrigation project results in increased incomes to businesses supplying goods and services to the project area or results in increases in the value of property for nonresidential purposes, the difference between the amount of such increased income or value expected as a result of the project and the increased income or value that may be expected in secondary activities stemming from the most likely alternative use of project resources in the absence of the project is a net secondary benefit (p. 40)."

This reminds me of the Keynesian argument that in times of depression or of unemployed resources, it is better to have the government build pyramids, rather than do nothing. Of course, the pharaohs of Egypt had their way of keeping their people out of mischief and busy—by building marvelous, immense tombs, so the rulers of Egypt would be remembered for many following generations. Some persons have suggested that in the event we were to find the international situation eased considerably, if we were to find that we could cooperate with the Russians and could substantially reduce armaments, then somehow we would have to find a substitute for the enormous defense program which keeps so many people busy, provides so many jobs, and keeps our economy moving.

Mr. President, I suspect that behind the failure of Congress to come to grips with this problem, the failure of Congress to have any real interest in economy, the reason why there is no indignation in Congress over a project which will not help the people concerned, which they do not want, which will cost $60 million, is the notion, "Well, so it will cost $60 million, but it has human value. We are going to put people to work and we are going to do something that is constructive. People who would otherwise be unemployed are going to be put to work. Businesses that are in difficulty will be helped. People who sell construction equipment, contractors, laborers, craftsmen of various kinds, merchants who will have secondary benefits in the area, will benefit. Let us go ahead and do it."

If that is the feeling, it is very sad that Congress is coping with economic problems in such a negative and blind way, when there are so many immensely valuable things to do in this country, in terms of education, homebuilding, hospitals, and public works included right in this program. It is ridiculous to engage in a project which cannot be justified, simply because we feel we must do something, someway, somehow, to put people to work, even if what they do is useless or wasteful.

I continue to read:

> By the analysis we went through earlier about the supposed gain from the lower price to the miller, we know that, if the processing and marketing industries are competitive, there will be no increased profit to them as a result of the project. If there is an observable increase of profits, it will be due to imperfections of competition, perhaps only as a temporary lag before competitive pressures force down prices. The case for this secondary benefit really rests upon the idea that the primary benefit is less than it would otherwise be because the "middleman" makes a profit on the margin between the price paid by the consumer and the price received by the farmer, this profit being over and above the cost of providing the services of processing, transporting, wholesaling, etc.
>
> This argument has some logical validity and may even be of some local practical significance where, for example, a single processor in a region has considerable bargaining power facing a large number of competitive farmers. As against this, it should be remembered, first, that it is only the marginal profit which is relevant (the increase in processor's profits due to the increment of production) and, second, that the value of the resources in their alternative employments might also have been understated because there, too, marginal profits were perhaps being reaped by processors, wholesalers, etc. Everything said here can also be applied to possible gains of noncompetitive suppliers discussed in the second paragraph of the quotation above. On balance, we feel confident that this class of secondary benefits should be considered as of negligible real importance. The practice of the Reclamation Bureau is to allow 5 percent for indirect benefits A (marketing to local consumption) and for indirect benefits B (processing, marketing, etc.) to allow percentages varying from 83 of direct benefits (for cotton) to 6 (for poultry products). These obviously can be an enormous factor in inflating cost-benefit ratios. In particular, an unpromising cotton project with a primary cost-benefit ratio of 0.6 to 1 would be built up by this procedure alone to show a ratio of 1.13 to 1.

I suggest that the 83-percent benefit for cotton can be justified only on the basis of the sheer power of Members of Congress from below the Mason-Dixon line, occupying, as they do, all the strategic positions in Congress, serving as chairman of 10 of the 15 important standing committees of the Senate and most of the standing committees of the House. They are obviously in positions where they can drive exceedingly hard bargains. That factor has nothing to do with the real benefits and real costs of these irrigation projects.

I continue reading:

> When it comes to enterprises supplying goods and services to the farms assisted by the project, we have already recognized that, to the extent that labor or land moves from less productive to more productive employments as a result of the project, there is a real "secondary" gain. By analogous reasoning we could come to the same conclusion about possible increased return to capital and increased profits to enterprises whose services are used for the project. Now it is conceivable that these returns are relatively high compared to the primary benefits to the farmer, but in the absence of a general condition of unemployment (to be discussed shortly) there will be alternative uses foregone, at least by the more mobile resources, which should be little poorer than uses in connection with the project.
>
> The Bureau uses a flat 18 percent for this class of benefit. While this figure is not necessarily unreasonable, it obviously will vary from project to project and should be made the subject of special investigation. In general, we are less confident that the real benefit here will be really negligible in comparison with the primary benefit, but still some kind of showing is needed to demonstrate just how the project can tap sources of labor or capital and attract the services of enterprises whose alternatives are so poor that the project yields them a marked gain.

> (c) Employment considerations: Where general unemployment exists, of course, alternatives may well be quite poor, and secondary benefits to suppliers may become quite substantial. Secondary benefits in processing and marketing may also become large. In fact, the formulation in the official documents understates their potential magnitude, since in principle they could include not only the profits of processing and marketing firms but some of their expenses as well; these expenses become wages, interest, and profits to labor, capital, and to other enterprises whose services might have been entirely unemployed. What this really comes down to is the fact that economics, as the study of efficient use of scarce resources, has nothing really useful to say if resources are "free" in the real sense (i.e., if nothing has to be sacrificed elsewhere in order to employ the resources in activities associated with a project).
>
> In fact, there is no need to turn to secondary benefits at all in justifying projects under conditions of general unemployment. If all resources are free, there will be no real costs of projects that bring resources into employment, and any project yielding any primary benefits could then be justified. This raises the possibility of projecting into the future an estimate of the proportion of years that will see some degree of general unemployment and of not charging any costs for the use of resources supposed to be "free" in such years. Actually, current practice as recommended by the Federal Inter-Agency River Basin Committee is to take projected future unemployment into account for secondary benefits, the equally valid fact that unemployment negates much of the primary costs being omitted.
>
> Any procedure of attempting to take unemployment into account in the analysis raises a number of problems. The first is the difficulty of prediction of both the timing and the extent of unemployment. Second, there is the matter of the interaction between the project under consideration and other economic activity in the private or public sphere. It may be, for example, that the project does have a favorable employment effect but that, in the absence of the project, other Government measures like tax reduction would be adopted which would also tend to reduce unemployment.

Certainly, this is a real consideration. It is one that Congress was considering very seriously this year, and one that the President has promised for next year. Whether or not there is a tax reduction, I hope it will be related not only to the state of the economy, but to the state of the budget. Obviously, if we have the alternative of either reducing taxes, and thus providing employment because people will have more to spend, or engaging in a project which has limited use, which the people in the area concerned do not want, it seems to me a tax reduction would be infinitely preferable.

Reading further:

> Or it is not inconceivable that either the direct or the indirect effects of the project may tend to reduce private investment. The Hells Canyon controversy is a possible instance of a public investment which, if approved, would have displaced a certain amount of private investment.
>
> In any case, it is wrong to consider employment or antideflationary effects as a benefit without qualification. If the economy is operating properly, under neither depression nor inflationary conditions, the necessity to employ labor or capital on a project deprives us of the possibility of using those resources elsewhere and so represents a real cost.

The real difficulty in this question is that the project has no particular relation to unemployment. There has been no showing that there has been any unemployment in this area of Kansas.

If there is unemployment, those people are eligible to receive a part of the $900 million of accelerated public works appropriations, for which the Senate authorized $500 million by its action only a few hours ago. So, if unemployment is the problem, there is a specific provision in the bill to take care of that.

To provide this project as a help in solving the unemployment problem when there has been no showing, no claim, and no argument with respect to unemployment, would be a very weak thing to do; and to compute any benefits based on unemployment would be very feeble indeed.

I continue the quotation:

> Conclusion on extrafinancial considerations: To summarize the above, then, we regard the excess of aggregate value in use over market value (the consumers' surplus) as an element that should be considered where projects involve large increments of supply. Its quantitative significance, while not directly measurable, can be easily bracketed within upper and lower limits. Secondary costs and benefits should be considered insofar as they represent real technological spillovers; such spillover benefits would normally be counted as a multipurpose aspect of the project, but spillover costs are likely to be neglected. The great bulk of secondary benefits as usually counted (gains of individuals in economic association with primary beneficiaries) are illusory; only in exceptional circumstances may they be both real and of some importance. Employment considerations may be important in providing secondary benefits—or even in eliminating primary costs—to the extent that depression can be anticipated during the investment phase of the project.

And, I might add, to the extent that they have direct regional, local application—which in this case they do not have.

> To the extent that inflationary conditions dominate, however, projects will involve the economy in additional real costs. While it might be wise to have a backlog of projects ready for execution if and when depression occurs, under present conditions it is possible that employment-generating benefits are less likely than inflation-generating costs as secondary project effects.
>
> Another consideration that may be important in practice concerns the so-called intangible effects of water-supply projects. The "Green Book" lists effects on scenic or historic sites;

As I recall, one of the most impressive and attractive historical sites in the State of Kansas would be flooded out by this project. Tourists would find it under water. So far as this particular project is concerned, the effect on scenic or historic sites seems to work in reverse. Its contribution to tourism or the preservation of important locales would be distinctly negative.

I continue to quote:

> Strengthening of national security and national economy—

That is hardly a consideration under these circumstances, in view of the fact that the national economy would not be strengthened, but instead weakened, when we recognize the very serious farm problem—

> the substitution of power from replenishable water resources for power produced from limited and nonreplaceable fuel resources—

As I shall show shortly, the sad fact is that this water could be more sensibly used for antipollution purposes, instead of the irrigation purposes, which the farmers do not favor—

> the encouragement of a more widely dispersed industry—

This project would do exactly the opposite. By appropriating water for this particular purpose instead of for some other purpose, such an antipollution, when industry wanted it for an industrial purpose it would be unavoidable—

> the provision of opportunities for new homes and new investments; and the provision of new avenues for the enjoyment of recreation and wildlife. Saving of human life is also mentioned. These give the general idea, while by no means exhausting the list of possibilities. Some people, for example, place high value upon the preservation of private enterprise as an alternative to the extension of Government powers. Distribution effects of projects may also be an important "intangible."
>
> It may be helpful in thinking about such intangibles to classify them into those of a material or economic nature and those involving values beyond the economic. Thus the provision of recreation facilities is obviously economic in nature in that additional commodities or services are made available to the public; it is "intangible" solely because of difficulties of measurement which are not, as a matter of fact, completely intractable. The preservation of human life or of democratic processes, on the other hand, brings into account values beyond the economic. The distinction between the two is helpful because economic analysis can in fact expose certain fallacies about claimed intangible benefits of an economic nature. The supposed benefit cited above of replacing fuel power with water power is a fallacy, for example; these are competing market alternatives, and the alleged superiority of water power (its nonwasting nature) is already fully accounted for in the higher price the market charges for the use of the nonreplenishable resource, fossil fuel. Similarly, irrigation projects will often be justified on "intangible" grounds because of the need for food here or abroad, now or in the future; but these are already accounted for in the price of food products and the value of agricultural land.

I add the cold, clear, hard fact that we have a perfectly enormous surplus of food, and more food would be produced as a result of this project.

> The discussion of "intangibles" parallels, once we get beyond the purely material considerations like recreation values, the problem of "extra market values" taken up in chapter iv. In general, while we can imagine circumstances in which some of these intangibles might become valid, by and large we feel that they seldom have any important weight and usually are dragged in to serve the purpose of obscuring the real magnitudes of the costs and benefits. Only rarely, for example, will an inefficient water-supply project importantly improve national defense or the national economy or democratic processes or public health or the mobility of resources or the degree of competition—

In the case of Glen Elder none of these categories would apply. Certainly it would not improve the national defense or the national economy, or the democratic processes, or the public health, or mobility of resources, or the degree of competition—

> and, in the exceptional cases, it may be possible to quantify the effect at least within broad limits. Other intangible effects, while possibly more visible, may not be obviously desirable, such as dispersal of industry, preservation of the family farm—

This would do that in reverse—

> or benefits to particular regions at the expense of others.
>
> One nonquantifiable "intangible" which raises some interesting questions is prevention of loss of life through floods. Here again it is easy to speak vaguely and grandly of benefits over and above the economic property damage and loss of human services caused by flood. Actually, few realize how small the loss of life due to floods actually is. From 1946 through 1954 the average annual figure for deaths from floods was 52 (93 in the highest year, 1950), as compared with, for example, 38,000 deaths in 1953 from automobile accidents and 57,000 from other accidents.

In this instance the loss of life from flood has not been raised as a consideration. I do not think under the circumstances it could be raised, especially in view of the fact that the dam is located 250 miles from the point where flooding is likely to occur; and the body of water retarded, restrained, or regulated by the dam would consist of only 8 or 9 percent, or less, of the total volume of water which could be expected to flood, which could cause any damage or possibly any loss of life.

> Also worth mentioning, perhaps, is that the risk of loss of life due to collapse or failure of dams is not utterly negligible.

It is always within the realm of possibility, of course, that, if this great dam should be built, it might collapse and result in a loss of life greater than would result from floods.

> Failure of the St. Francis Dam near Los Angeles was responsible for 385 deaths in 1928. (This was a water-supply dam, however, not a flood-control dam.) During the year 1959 two major dam failures led to deaths of 274 persons in France and 132 in Spain.
>
> One supposed intangible benefit is so important as to deserve extended discussion—regional or local development, particularly of the West or South. We see no special reason to prefer, for example, development in the West to development in New England.

Or, I might say, development in Wisconsin.

> Nevertheless, it is clear that the slogan of "developing the West" has high political appeal, even in the East.

Especially in the West.

> The following quotation from a midwestern Congressman perhaps catches the flavor of the sentiment: "I have in mind, gentlemen, the Estancia Valley in New Mexico, a beautiful valley. All it needs is water, and you can raise anything. It is a big valley, a beautiful valley. If we could afford it, that valley should have water on it by all means."

Of course, those are attractive sentiments. We like to think in terms of an oasis in the desert. But what is wrong with knowing exactly what we are doing when we are doing that, and in knowing all the costs?

I continue to read:

> There are a number of ways of interpreting such a statement. The first is the idea of balanced development—that, in principle, every State, every region, and presumably every acre has a right to equal development (i.e., equal numbers of houses, farms, factories, traffic jams, hotdog stands, etc.). It is impossible to accept this as a goal, since economic activity is designed to serve mankind and not to serve real estate. The second possibility is that westerners are to be preferred to easterners. Development of the West in particualr would then be good, since it redistributes wealth from the effete East to the vigorous West and also induces some easterners to become westerners.

I believe there is such a sentiment in this country: That there is something vigorous, virile, and aggressively American about the West, and something a little effete, tired, and wornout—perhaps something European—about the East. However, I think that this sentiment, which has been encouraged by TV shows, is inclined to pale as we recognize the realities and appraise those of us who come from the Midwest, East, and the South. We find that there is no difference physically, mentally, morally, spiritually, or in any other way. Whether we like it or not, we have become a homogeneous country, whose habits and character have been greatly influenced by television, mass publications, reading the same columns in the newspapers all over the country, and through radio, regardless of where we live.

There is very little difference between an American who lives in Idaho or California and an American who lives in Pennsylvania or Delaware. A few years ago there was a distinct difference, for example, in accent. Then, depending upon the kind of occupation in which one was engaged, we noted that a man's work had a great deal to do with strengthening his physical vigor or lessening it, depending on whether he chose the intellectual life or the life of hard physical work. But, I think any sociologist would recognize that those differences have disappeared, and any basis for arguing that we should give greater consideration to the people of the West because the people there are better is one that could very easily be dismissed.

Furthermore, as the writer states:

> This is a rather odd idea when stated so badly, but it perhaps has some currency in popular thought as indicated by folk-myth heroes like the frontiersman and cowboy. Both of these explanations are fairly obviously irrational. We prefer to think that the Congressman was simply expressing in sentimental language his belief (or, perhaps, hope) that the proposed investment would be a sound economic proposition, that is, that the value created by providing water to the valley, such value to be received by both residents and purchasers of the valley's products, would be more than the cost of bringing the water there.

Of course, whether it was true in the case of that representative, it seems to have been true in the case of the Glen Elder project and in the case of many other projects that come before us.

The wish is father to the act. I think almost any person with a minimum of ingenuity and a minimum of intelligence and understanding, can arrive at a benefit-cost ratio that is better than the actual one on any project. This is particularly true in view of the fact that all we have to do is to engage in several minor adjustments. We extend the value of the project from 50 years, which it was up to a few years ago, to 100 years; we reduce the interest rate, which we have done, to 2½ percent; we leave out of account much of the interest rate, and forget about the effect on the farm problem; we heavily emphasize any possible potential indirect benefits, and then, at last, we arrive at a feasible financial benefit, or a benefit-cost ratio, which would be favorable. Then we could justify spending the public's money on something that seems very unsound when it is carefully examined.

I continue to read:

> There is a sophisticated economic argument for subsidized development of new or backward areas, at the expense of old or already developed ones, which turns on the contention that market forces alone do not lead to the optimum speed of development. Old areas, it is argued, are overdeveloped and new areas underdeveloped, the disparity exceeding what it should be in terms of the costs of moving and the like. The reasoning underlying this view is that fundamental utilities of a region like power, water, transport, etc., can be developed for a while at decreasing cost until the most efficient scale is attained, after which further development can take place only at increasing cost. Consequently, on the margin the cost of servicing a potential migrant with utilities may be equal in overdeveloped New England and underdeveloped New Mexico, thus providing the individual with no incentive to move on this score. But each individual who leaves New England reduces the unit cost of utility service there (since average cost is assumed to be in the increasing range in that area), and in moving to New Mexico he will also reduce the unit cost of utility service in the latter region (where average cost is in the decreasing range). This very plausible argument is actually a fallacy; given the premises, the conclusion that subsidized movement from New England to New Mexico will reduce aggregate social cost of utility service is a non sequitur. While the averages in both areas fall, the individuals who transfer may be shifting from the low-average to the high-average area, and the result can go either way.
>
> Our view is that the political strength among nonwesterners of the idea of "development of the West" is an illusory belief, fostered by the beneficiaries, that such development benefits the Nation as a whole by increasing the real national product. The romantic aspects help the illusion to gain currency, but the romance could not flourish in the absence of obfuscation about the real costs. The practical success of this idea in terms of legislation can be ascribed to the same reasons as the success of logrolling generally. When the benefits go to a well-defined interest group for whom it is worthwhile making the political investments necessary to assure passage of the legislation, while the costs are dispersed so widely as not to justify anyone's organizing political opposition, special-interest groups are all too likely to win out against the general public.

That last sentence is a concise summary of exactly what is wrong with the bill and with this project. The fact is that the general interest—the taxpayers interest, the interest of the people in the 49 States outside of Kansas, and in the majority of counties in Kansas—in this case I might say in the counties that are benefited—is opposed to the project, or should be opposed, because they are paying for the project. They not only receive nothing for it, but also they are paying for a project which is demonstrably unsound, and which would only contribute to the development of more farm surpluses, which the taxpayers would then be required to buy in order to maintain farm income.

So, there can be no rational justification for the project, except on the part of some special interest groups, such as the restaurant owner in Beloit, Kans., and a few other merchants in the area who feel that a $60 million project there would bring a great deal of business for a few years.

Sixty million dollars means a multimillion-dollar payroll, and it means that a part of that multimillion-dollar payroll will be spent in what will become a boomtown. Real estate values will increase. The gross income of merchants will go up. This indirect value to the special interests is very clear, very obvious, and very effective. But the general interest is virtually unrepresented. I suppose it would not matter if this were the only project. The trouble is that the project about which I have been speaking is typical. We have $1.5 billion worth of projects of this kind which are approved very quickly, and are based not upon merit or a cost ratio that makes any sense, but wholly and effectively upon political pressure.

Along this line, Golzé's discussion suggests rather strongly that political opposition to the reclamation program benefiting the 17 Western States evaporated when the grant of Federal subsidies in the form of flood control projects largely benefiting the East became an established policy between 1927 and 1936. The logrolling implications are obvious, the flood-control projects representing "pork" which eastern legislators could bring home to their constituents, thus providing a more balanced distribution of the spoils.

This is strictly the old pork barrel, the old back-scratching system, in which everyone wins except the taxpayer.

Municipal or local "development" is also often a goal for expansion of the water supply of a city or region, that is, development is considered to be an end justifying investments over and above the merely economic matter of supplying a commodity to actual or potential consumers when its worth is more than the cost of providing it. Who has not read the paeans of praise sung out by historians or less scholarly publicists for the magnificent foresight of early municipal leaders in building water supply ahead of demand, thus laying the foundation for the development of cities like New York and Los Angeles?

Such lyricism is seldom subjected to critical analysis. If it were, interesting questions would begin to arise immediately. What kind of goal is "development" for the residents of a city? While some may object to this judgment, we think it reasonable to say that the increased crowding of the Los Angeles area, for example, has significantly reduced the net desirability of that city to its previous residents. (On the other hand, the new residents presumably gained, if their relocation decisions were correct from their point of view.)

For instance, I know of one prominent man who went to California. He had never been out there. What he saw in Los Angeles appalled him. Anyone who is a lover of nature, and sees what is happening in parts of California, particularly in Los Angeles, is likely to be appalled. When he went out there he had been told that Los Angeles represents the future. He came back and reported he had seen the future, and that it is not going to work. I believe there is a great deal of merit in recognizing that merely because we can develop certain areas and increase the population in them, merely because we can pile one industry on top of another, and because real estate incomes, and so forth, go up, it does not mean that positive social values are achieved.

While real estate and other interests behind civic "boosting" have certainly profited, the overall balance of advantage from growth is unclear. Even this does not get to the real point; however, the basic question is the desirability or feasibility of encouraging development, granting that it may be desirable to do so, in a particular way, through subsidizing water supply or through building ahead of demand. Each of these is worth some comments.

Building ahead of demand is sometimes economically justified, of course. Where construction must take place in large indivisible lumps, and when there is uncertainty about the growth of demand, at a certain point the economic risk of insufficient capacity and the economic risk of excessive capacity balance. This balance might be such, if the risk of being caught short were weighed heavily enough, as to justify building additional capacity even if it were fairly probable that the capacity would be excessive for a few years. We definitely do not want to imply, however, that building ahead of demand can always or even normally be justified on this ground; in fact, the specific question we want to investigate is the possible justification for building ahead of demand when the economics are unfavorable.

Of course, in this case the economics can hardly be more unfavorable. What are we building before demand? It is food production. That is what irrigation means. It means food production. We are building more food production at a time when we have too much; there is every indication that we will have too much in 1970, 1980, and 1990. There is plenty of time in the future to build projects like this if there is any real need for bringing more land into production.

Few civic leaders have been so praised for their foresight as the "water seekers" of the Los Angeles metropolitan area. Yet at least one vast water-supply project—the Colorado River Aqueduct—has involved a truly major economic loss to the region, as we shall point out in chapter XI. This loss, paid for by the taxpayers of the region, certainly has deterred development of its resources and industries as a whole, despite the undoubted benefits reaped by some particular activities or localities.

Despite the economic loss, however, the praise received by the water seekers may possibly have been justified from the point of view of the areas or municipalities involved, because elements of the existing structure of water law make the construction of uneconomic projects almost a necessity if water is to be secured at all. These elements are the fact that water rights other than riparian are acquired and kept by actual use and the fact that transfers of use are hindered in a number of ways. If to get and hold a water right the water must be used, it obviously may become necessary to use the water earlier than economic rationality would dictate in order to prevent others from preempting the supply. If transfers posed no difficulty, this problem would be much less serious, since the city fathers could buy out existing rights held by others. The combination of the two—rights dependent on use and limitations on transfer—impose terrific pressure in the direction of early construction and wasteful use.

What about encouraging development through a subsidized price for water? Building ahead of demand (again, we are speaking of construction beyond that indicated by the relative balance of the costs of oversupply and undersupply) involves one kind of subsidy, but the issue can be posed more generally. Should water be deliberately provided at a loss in order to encourage development of a region?

That is exactly what is happening here.

The arguments for such a course, as for any subsidy, usually point to specific benefits which could be attained by such a policy, without consideration of the cost. Thus it is undoubtedly the case that certain industries or plants that would not otherwise be attracted could be induced to locate in an area by a favorable water price.

This is going to be precisely the opposite, because it will be used for irrigation. It will forestall and prevent for a hundred years or more the use of this water to bring industry in at a time when industry is a much more sensible solution to the utilization of manpower than agriculture, when we have obviously a great surplus of manpower and resources in agriculture.

But somebody must still pay the cost, which is simply thrown onto the general tax burden—or, if it is a preferential rate which is granted, the nonpreferential water users will share the cost. Furthermore, what kinds of industries will be attracted by subsidized water prices? Logically, these would be industries with relatively heavy water usage but providing rather slight tax base to take full advantage of the subsidy. Thus, if water is scarce in an area and this constitutes a barrier to development, subsidizing the water will attract precisely the wrong kind of industries in view of the real natural advantages and disadvantages of the region. In terms of theory it is possible to show that the consequence must be a net loss because the artificially low price on water will enable users granted preferential rates to employ water where its marginal value in use is low and, in particular, lower than its real cost.

We conclude, therefore, that development is not an intangible worthy of consideration as a goal in water-supply projects over and above the economic consideration of costs and benefits. Rather, development in terms of exploitation of the real advantages of particular regions is best furthered by the construction of economic projects and by avoiding the waste of resources entailed by the construction of uneconomic ones. In general, the heading of intangible benefits usually covers certain considerations that are economic in nature; classifying them as intangibles permits proponents to make vague sweeping claims as an alternative to serious attempts at measurement or as a way of getting twice the mileage out of a real economic benefit already counted. Real intangibles certainly do exist, such as the preservation of human life or of democratic processes. But, in general, the concept has been overworked, and few if any projects in the water-supply field have major implications beyond the mundane sphere where economic analysis is appropriate.

4. THE CRITERION PROBLEM AND COST-BENEFIT RATIOS

Assume that all the benefits and all the costs associated with a project have been evaluated. How do we determine whether the project is good or bad? The traditional method has been to compute the ratio of benefits to costs, which we shall denote B/C. Here B and C are either discounted present or annual values (we will consider the discounting process in the next section). The "Green Book" states that "the ratio of benefits to costs reflects both benefit and cost values and is the recommended basis for comparison of projects." This recommendation actually has two aspects: (1) for a project to be justified, the ratio must exceed unity, and (2) as between projects, the one with the higher ratio is the better.

This is not necessarily so, but it is a consideration. Unfortunately, we do not pay any attention to anything so long as a project has a 1-to-1 benefit-cost ratio and has political pressure behind it.

The first of these conditions is generally admitted, although where intangible benefits and costs exist the ratio may not be capable of being measured. Some, indeed, have challenged this restriction, asserting that the job of the Bureau of Reclamation, for example, is to expend its budget on the best available projects even if there are none with a B/C ratio greater than 1. This idea really belongs to the intellectual underworld. Its implication of "my agency at all costs" is one which motivates much activity but will only rarely be openly professed. Clearly, the budget granted an agency should be the outcome of its demonstration that the funds can be spent on beneficial projects rather than it being the case that projects are merely the best available ratholes down which to dump the funds.

Unfortunately, the benefit-cost ratio varies. We dot not really know what the benefit-cost ratio is. We have a representation of a benefit-cost ratio which is inaccurate and false.

The way it operates is that we are dumping funds voted by Congress down ratholes, without knowing we are doing it. In doing so, we pat ourselves on the back with the notion that we are investing the public money wisely in projects which will prove themselves, projects which will bring benefits exceeding their costs, when, as we can demonstrate in this case, as in many others, they do not come within a country mile of doing so.

I estimate that the Glen Elder project not only does not have a unity ratio or the ratio of 1.18 to 1. This, on the basis of all the costs, including the cost of the farm program, as we now include it, has a benefit-cost ratio of .46. In other words, estimating the benefits of the program as generously as we can, all the benefits of the program are exceeded by the cost, by the ratio of more than 2 to 1. The costs exceed the benefits by more than double. Actually, this assumes that a project to enable farmers to produce more feed grain at a time when feed grain is in surplus is beneficial.

The second conditon, that projects may be comparatively rated by the B/C ratio, sounds plausible but happens to be logically erroneous. That this is so can be shown by a simple example. Suppose that we must choose between two mutually exclusive projects (with all risk and uncertainly being assumed away), one with a cost of $1 and a benefit of $5, the other with a cost of $1,000 and a benefit of $1,200. The former has a B/C ratio of 5, and the latter of only 1.2, but we would clearly be mistaken to forego a $200 gain for a mere $4 on the other project. The ratio does not, therefore, lead to the right answer in choosing among mutually exclusive projects. In choosing the scale of investment in a given project, an example in the Green Book itself shows that the B/C ratio leads to the wrong answer again. An illustration is there provided where, if costs of $50 are incurred, the benefits will be $70 (ratio is 1.4). Now suppose that, by expanding the scale of cost by $1, it is possible to reap a benefit of $1.30. Since the B/C ratio for the increment is only 1.3, it is going to pull the overall ratio below 1.4—but clearly the increment yields more benefits than costs and is therefore desirable. McKean has also pointed out a rather important ambiguity in the ratio itself. Sometimes all costs will be segregated in the denominator, but at other times it is convenient to count the benefits as net of certain associated costs. If the basic outlay is $40 and benefits of $170 will be yielded if $50 of expenses are incurred, the one ratio is ($170 − $50)/$40 = 3, while the other is $170/($40 + $50) = 1.9. Neither of these ratios is better than the other; basically, the error is in the use of a ratio at all.

What is the right criterion? It is the difference betwen the benefits and costs (which we denote B−C) which should be maximized. To take the example just given the B − C criterion shows a wealth gain of $170 − $50 − $40, or $80, the same result being derived whether the accounting is on a net or a gross basis.

I reject this argument. I think the benefit-cost ratio is exceedingly useful, if only the benefits and the costs could be fully stated without distortion and exaggeration. Then we could make an appropriate judgment.

The notion that a smaller benefit-cost ratio, if there is a $5 benefit to $1 cost, and therefore only a $4 gain, is less desirable than $1,200 to $1,000 is a ridiculous fraction. If there is a $5 to $1 ratio, it can be far more desirable—$4 can be far more desirable than $200 because, obviously, there is a lesser magnitude invested; and almost certainly, in the first case, one is investing less money.

The argument that the only difference that matters is the difference between benefit and cost, the absolute figure, would mean that we were engaged only in big projects. The small projects are disregarded because of benefit-cost ratio, because the difference in absolute terms is small.

I reject that theory, because I do not think it makes any sense. I think it is necessary to think in terms of amounts of assets, resources, and taxes invested.

I continue to read:

As between the mutually exclusive projects we considered earlier, the project with a B−C of $1,200−$1,000 or $200, is obviously a better alternative than the one with B−C of $5−$1, or $4. Similarly, any increment to the scale of a project that yields a greater increase of benefit than of cost is one that obviously makes the B−C difference greater, and again the correct answer is achieved.

Those who argue against the use of the B−C criterion cite comparisons like the following: Suppose there is one project with benefit of $2 and cost of $1, and another with benefit of $1,000,002 and cost of $1,000,001—is not the former preferable? The answer is really "No," risk and uncertainty aside. The latter investment seems dubious because we know that estimates of costs and benefits are unlikely to be accurate in the seventh figure, so as a practical matter we may doubt whether the supposed net B−C of $1 will be forthcoming. This, however, does not affect the logical correctness of B−C. Furthermore, we know that we are much less inclined to risk $1 million than to risk $1 for the same net benefit, and this also makes us doubtful. However, allowance for risk should enter by discounting B or by adjusting C (we shall discuss this in the next section), so that the criterion B−C already incorporates any risk aversion we may choose to assign.

The reader may be interested in the following conundrum which has also been used as an argument against the criterion of B−C. Suppose that, by spending our entire national wealth (say, $1,000 billion), we could triple wealth next year, whereas, by spending only $10 billion, we could double wealth. The criterion of B−C says that the former is better, and so is it not in error? The idea of course is that we will starve to death before the returns of the former project come in. The difficulty here is that the market value involved in the national wealth figure of $1,000 billion is less than the aggregate value in use of all our resources (the area under the demand curve). We can ignore this consideration in speaking of projects of relatively minor scale but not in the example cited. Obviously, the aggregate gain of a tripled national wealth next year will be valued less by us than its aggregate real cost, starving to death this year, for exactly the same reason that a man under certain circumstances in the Sahara Desert might be willing to give all his wealth for a gallon of water while normally he will not pay a dollar for 1,000 gallons. This conundrum is not completely devoid of practical implications, however. It suggests, correctly, that, as projects become large, we should take into account the fact that the resources sacrificed become more valuable to consumers.

In practice, however, the use of the logically incorrect B/C criterion is a relatively unimportant defect in project selection and evaluation. In fact, if benefits and costs are calculated correctly, it is obvious that every project with a B/C ratio greater than 1 should be adopted, since, if B/C is greater than unity, then B−C must be positive (there is a net surplus of benefit over cost). The major practical difficulties lie in the tendency toward optimistic inflation of B

Here is where I agree with the author—

and the underestimation of C, together with the use of an excessively low interest (discounting) rate, which we now turn to consider.

OTHER ASPECTS OF THE BENEFIT-COST RATIO AS APPLIED TO GLEN ELDER PROJECT

Mr. President, we have just inquired into one aspect of the direct benefits which suggest that the benefit-cost ratio has been overstated as the result of questionable assumptions. As a result of this doubt cast on the size of the direct benefits, there is even more doubt about the size of the indirect benefits. As table 2 indicates the indirect benefits are very important in pushing the size of the benefit-cost ratio above 1.

Without the indirect benefits, the benefit-cost ratio of the Glen Elder project is only 1.09, assuming 100 years of useful life of project, which is totally unrealistic. It will be silted in long before 100 years. It cannot be justified under any circumstances in this particular case, and I think it can rarely be justified in any case, but certainly not in this case at all. If the useful life of the project is assumed to be 50 years, the benefit-cost ratio is .85. In other words, the benefit-cost ratio is less than unity unless we apply it to an artificial number of years.

On the irrigation part of the project, the benefit-cost ratio without the indirect benefits is .71 assuming 100 years useful life, and .57 assuming 50 years of useful life of the project. Thus any doubt cast on the size of the indirect benefits assumed for the project goes a long way toward casting doubt on the whole project. If the indirect benefits were not as large as they have been made to appear, the projects would not be justified on economic terms. It is thus important that the legitimacy of the indirect benefits of the Glen Elder project be established before we can accept the project as being economical.

The validity of these indirect benefits is open to severe question. They are perhaps even less valid than the direct benefits. There is little question that the increased profits of the farmer benefiting from the irrigation are of benefit to that farmer. I am not considering the cost of the farm program. But the fact is that the increased profit is at the expense of the taxpayer. But the increase in private gain is not necessarily a gain to the Nation as a whole if the profits of some other farmer go down as a result, or if the taxes of everyone in the Nation go up in order to finance the surplus acquisition. In this case, nothing else can happen.

This distinction between the gain to an individual or locality and the Nation as a whole must always be kept in mind in such a discussion as this. This distinction is of particular value to the evaluation of the indirect benefits of such projects. This is important since it is the national benefits which should be of interest to a Congress dispensing the Federal tax dollar.

The most important part of indirect benefits consists of the increased profits of those that process the increased output of the farmer himself.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a table I have designated as table 2.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 2.—*Benefit-cost of Glen Elder ratios under various assumptions*

	Using 2.5-percent factor				Using 4-percent discount factor			
	100 years		50 years		100 years		50 years	
	Direct	Total	Direct	Total	Direct	Total	Direct	Total
Project	1.09	1.18	0.85	0.93	0.72	0.78	0.64	0.69
Irrigation	.71	1.01	.57	.80	.49	.69	.43	.61
Flood control	1.18	1.18	.92	.92	.77	.77	.68	.68
Municipal water	1.81	1.81	1.39	1.39	1.17	1.17	1.03	1.03

Mr. PROXMIRE. Mr. President, I shall now refer to table 3; and I ask unanimous consent that it be printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 3.—*Irrigation benefits, Glen Elder unit*

[Dollar values except factors; 250/265 prices]

Item	Values with project	Values without project	Difference due to project	Benefit factor	Unadjusted benefits			Negative benefits		Benefits adjusted for negative benefits			Benefits further adjusted for 10-year development period (0.885)		
					Direct	Indirect	Public	Indirect	Public	Direct	Indirect	Public	Direct	Indirect	Public
Number of farms	150	90	60												
Gross farm income:															
Cash receipts:															
Cereal crops	$900,900	$899,429	$1,471	0.48		$706		$45,340			−$44,634			−$39,501	
Hay and forage crops	419,100	18,826	400,274	.05		20,014		99			19,915			17,625	
Livestock	3,255,750	492,727	2,763,023												
Less purchases	(1,557,300)	(0)	(1,557,300)												
Net increase	(1,698,450)	(492,727)	(1,205,723)	.11		132,630		5,692			126,938			112,340	
Perquisites	54,000	32,428	21,572												
Total	4,629,750	1,443,410	3,186,340												
Farm expense	3,625,650	964,285	2,661,365												
Net farm income	1,004,100	479,125	524,975												
Family living and equity	783,900	479,125	304,775												
Labor alternate	[1] 74,004	0	74,004												
Net increase	709,896	479,125	230,771	1.00	$230,771					$230,771			$204,232		
Equity	129,900	98,816	31,084												
Perquisites	54,000	32,428	21,572												
Cash expended	525,996	347,881	178,115												
Payment capacity	220,200	0	220,200	1.00	220,200					220,200			194,877		
Farm investment	12,986,100	9,881,557	3,104,543												
Settlement opportunity	74,004	0	74,004	1.00			$74,004		$11,683			$62,321			$55,154
Economic growth			450,971	.05			22,549					22,549			19,956
Item total					450,971	153,350	96,553	51,131	11,683	450,971	102,219	84,870	399,109	90,464	75,110
Item total rounded					451,000	153,400	96,500	51,100	11,700	451,000	102,200	84,900	399,100	90,500	75,100
Total annual benefits, 100-year analysis					700,900			62,800		638,100			564,700		

[1] $1,235 per farm for 60 new farms.

Mr. PROXMIRE. Mr. President, table 3 indicates the nature and extent of these indirect benefits in the case of the Glen Elder project. Most of the indirect benefits of this project, which amount to $153,350 a year, come from the increased profits of the processors of the livestock. This is determined simply by applying a 11-percent factor to the net increase of livestock marketings. This benfit factor and others for different products—for example, 48 percent for cereal crops—are determined by independent studies by the Bureau of Reclamation, and are usually the same for all projects being evaluated. While the size and variation of these benefit factors might be open to question, the important point here is the concept of considering increased profits of local livestock processors as national benefits. Since only certain amounts of these farm products can be processed, at any given price level, and sold in the Nation as a whole, increased processing in any given locality merely means less processing in some other locality. From the national point of view, the increased processing profits in one locality should not be considered without considering the displaced or decreased processing profits in some other locality. The net change is the only thing that is relevant from a national point of view. Of course, from a local point of view, the offsetting changes in some distant locality are not of much interest. But they should be of interest to Congress. And for Congress to consider that such increases in processing profits in one community are a national benefit and, therefore, are adequate as a contribution to the economic worthiness and viability of a particular project, is unjustified.

In that connection it can be pointed out that in this case the proposed project is particularly unjustified, inasmuch as it is proposed at a time when we have a great problem of agricultural-commodity surpluses—so much so, that every grain of sorghum that might be produced on the land which would be brought into production as a result of irrigation from the proposed project would be sure to go into the surplus supply, because we already have a surplus. Therefore, it seems to me that this situation indicates clearly that one who attempts to indicate as a positive benefit the indirect benefit to the processor of such grain is making a very faulty evaluation of the situation, and is ignoring the fact that under present circumstances the overall effect on the country as a whole could not be positive.

MOBILITY OF RESOURCES WITHIN AND FROM THE AGRICULTURE SECTOR

Mr. President, one should also ask what assumptions should be made about the mobility of the processors of farm products. It has been argued that since farm product processors already exist in most farm communities, and since they are operating at less than full capacity in many of these communities, an increase in the utilization of their facilities, through the processing of farm products grown on the newly irrigated lands, would be a national benefit. This is at best a poor rationalization for spending huge sums of money in order to increase the volume of business of existing farm-product processors. If the volume of farm processing is increasing faster in one area than in another area, national policy should encourage the shift of resources to that area, instead of attempting to justify the existence of processors in an area of declining farm commodity processing. The problem today is to shift excess resources out of farming into more productive areas. If the resources stay in farming, they should at least shift within the farming sector, so they are engaged in the most profitable and productive aspect of farming. National policy in general, and reclamation expenditures in particular, should not be used to prevent this necessary mobility both within and from the agricultural sector of the economy.

Mr. President, table 3, which I have had printed in the RECORD, is entitled "Irrigation Benefits, Glen Elder Unit." The figures on the table are set forth under various headings. The items shown in table 3 are: Gross farm income, perquisites, farm expense, net farm income, farm investment, settlement opportunity, and economic growth. The table concludes with item total, item total rounded, and total annual benefits, 100-year analysis.

The table indicates that almost $100 million is assigned to to be allocated or assigned to the indirect benefits, which are called public benefits. Public benefits, in turn, are divided into settlement opportunity benefits and economic growth benefits. Both of these types of indirect benefits are of extremely dubious validity. Since they amount to almost one-fourth of the direct benefits, they cannot be dismissed as being insignificant in making the benefit-cost ratio exceed one.

The settlement opportunity indirect benefit is supposed to be a reflection of the value the Nation as a whole puts on the family farm. This new Eckstein study shows the value as $1,000 per family farm.

Mr. President, although I yield to no one in my high regard for the great value of the family farm, I hope we can improve conditions, so as to enable the family farms to grow. I firmly believe that the family farms are the most efficient method of agriculture mankind has ever seen. Furthermore, it is clear that the great superiority we have over Soviet Russia is, not in our industrial production, but in our farms. In view of the great numbers—perhaps millions—of persons in many parts of Soviet Russia who are dying for lack of food, it is obvious that the great superiority which our country has over Soviet Russia is in the production of food. Therefore, we should do everything we possibly can to help the family farm prosper. Yet, Mr. President, when a value of $1,235 is placed on each new family farm which commences operations, I think such a procedure is ridiculous; it is almost insane. Farmers themselves know that there are too many farmers and too many farms. We must reduce the number of family farms. I wish it were not necessary, but it must be done. Today one farmer can produce what it took two farmers to produce 15 years ago. So we cannot possibly justify placing a value of $1,235 on each new family farm which might be established.

Furthermore, the proposed project would flood at least as many existing farms as the number of new farms which would be brought into existence as a result of the project. I am sure that in many cases those farms have been owned by the farm families for many years—perhaps even for hundreds of years. People have taken great pride in living on their own farms, and the value they attach to their farms is such that no amount of additional income could possibly recompense them for the loss of their farms. But this project would cause the destruction of all those farms—and for what benefit? Only in order to make it possible for 60 new family farms to be brought into production, and for that purpose the completely arbitrary value of $1,235 is placed on each new family farm which opens up as the result of the irrigation. Since there will be 60 new family farms as the result of this project, this indirect benefit is valued at $74,000 for the project. This is an unfortunate way to build up the benefits numerator. Even if $1,235 had any meaning whatsoever, it would not be of any real value unless dollar values could be placed on other imponderable, intangible, and unmeasurable national goals, such as equity, justice, competition, the democratic process, and so forth, and especially at a time when we are doing all we possibly can to reduce the number of family farms, so that those which remain can be prosperous.

NO ALLOWANCE FOR FARMS FLOODED

Mr. President, the value of the economic growth indirect benefit is obtained by multiplying the total direct benefits of $450,000 by 5 percent. This 5 percent is admittedly a completely arbitrary figure used to put a value on a completely intangible quantity. Again this is an unfortunate and misleading way to build up the benefits in order to get the ratio over one.

While economic growth is surely a national goal and policy, the achievement of that goal is not provided for by placing arbitrary values on it. Even if all development projects were compared and selected so that only those that contributed the most to economic growth were chosen, it is not likely that high economic growth would be achieved as long as such meaningless and arbitrary values reflecting that growth were used. Until we can put dollar values on all other national goals, we should not attribute arbitrary values to any one goal in such a manner as may divert resources from other goals which may be more crucial or pressing.

Mr. President, in preparing for this talk, I wrote to the Executive Office of the President, Bureau of the Budget. As a matter of fact, I did it in preparation for my appearance before the Appropriations Committee last June. I wrote the Director of the Budget, and I received a reply on May 16, dealing with the Glen Elder project. I had asked Mr. Staats, in the Bureau of the Budget, to give me information on the discount factor, because I contend that the use of a discount factor of 2½ percent—that saying the cost of the interest for this project is 2½ percent, when the Government has to pay 4 percent or more for money— is not realistic and is not telling the Congress the truth in providing the full or adequate cost of this project. I received the following reply from Mr. Staats:

> The following information is being furnished in reply to your letter of May 2, 1962, requesting certain information with respect to discount rates used in determining the present worth of benefits from water resource development projects. The following paragraphs are numbered to correspond with the questions raised in your letter.
>
> 1. The use of a 2½-percent interest rate is generally justified along the following lines: In matters of natural resources conservation, in the judgment of some persons, the Nation is willing to sacrifice present consumption for very little additional future consumption; or stated differently, our society discounts future benefits by only 2½ percent in these matters. These persons believe that the Nation's time preference is reflected in a discount rate of between 2 and 3 percent and 2½ percent is used because it is the midpoint between the two figures. Another argument sometimes used is that

> the discount rate should be a fixed rate; that is, an unvarying rate, to provide a uniform basis for comparing projects which are formulated in different years. The interest rate calculated under the Budget Circular A-47 formula was 2½ percent for many years.
>
> 2. The A-47 interest rate for the fiscal year 1962 is 2⅝ percent. The computation under the A-47 formula resulted in a figure of 2.742 percent. However, under the A-47 formula if the calculated rate is not a multiple of one-eight of 1 percent, it is rounded downward to the nearest one-eighth of 1 percent. It should be noted that while the Bureau of Reclamation does formulate its projects on the basis of the 2½-percent rate and an evaluation period of 100 years, it is also calculated a benefit-cost ratio using the A-47 interest rate and 50 years.
>
> 3. If section 15 of Budget Circular A-47 read in terms of actual yields instead of face rates, the discount rate would be 3¼ percent.

In other words, if it was a realistic figure, if it was an honest discount factor, if it was based on facts, the interest figure would be far more than 2½ percent. As a matter of fact, 3¾ percent is half again as great. It would enormously increase the cost of all of these projects. It would put us, however, in the position of getting the facts as far as the taxpayer is concerned; of recognizing that the cost of the interest the Government has to pay in order to borrow the money to pay for the manpower and material that will go into the building of the dam, is every bit as real a cost as is the cost of concrete and wages. It is a real cost. The Bureau of the Budget states that the real cost would be 3¾ percent.

The letter continues:

> 4. If section 15 read in terms of obligations that had 15 years or more to run before maturity or call date at the time the calculation was made rather than at the time of the issue of the obligation, the rate would be 3⅞ percent based on yield rates or 3¼ percent based on face rates.
>
> 5. The present average yield on all outstanding interest bearing marketable securities of the United States which currently have 15 or more years to run, regardless of the face maturity or face rates of interest is 3⅞ percent. This average is based on figures as of April 30, 1962. The rates indicated in paragraphs 2, 3, and 4 above are based on figures as of June 30, 1961.
>
> The above rates were calculated by the Treasury Department. We requested their assistance since they furnish us the rate to be used under section 15 of Budget Circular No. A-47. I hope that the above information fully answers your questions.
>
> Sincerely yours,
>
> Elmer B. Staats,
> *Deputy Director.*

In other words, we are told, if this debt were to reflect the 15-year maturities, the rate would not be 2½ percent—a rate which provides a totally unrealistic picture of cost, and which diminishes the cost as justifying this kind of expenditure. If, instead, it was fixed at 4 percent, then it would reflect a real cost, because the Bureau of the Budget says that 3⅞ percent is the rate of interest they have to pay for money they get for more than a 15-year period.

But this is a 100-year period, and if we had to pay for money borrowed for a 100-year period, the interest rate would be far more than 3⅞ percent. That is why I argue that a 4-percent figure is a minimal and very conservative estimate of the cost.

The conviction I have about the discount factor is one about which I feel very deeply. Some 6 weeks ago, I made a speech on the Senate floor and submitted a resolution calling for a study of the discount factor. It was cosponsored by the Senator from Ohio [Mr. Lausche]. I submitted the resolution on August 9. In it was contained the following statement of congressional intent:

> Whereas if public funds are to be used to best advantage, the most economically feasible projects should be selected for authorization, so that funds are not denied to prospective water resource projects which would yield larger economic benefits over the years, and to insure that public funds are properly allocated to all private and public uses;
>
> Whereas the proper choice of the best projects from many alternative uses requires that a discount rate be used which is realistic in terms of the public interest and all economic factors;
>
> Whereas it is important that any rate of discount used for these important economic choices should be determined by the Congress;
>
> Whereas the estimation of benefits for any project for any future time period includes the evaluation of many uncertainties and imponderables, and the longer the time period for which the projection is being made, the more uncertain the estimated benefits will be;
>
> Whereas the uncertainties associated with a longer period of analysis indicate that the discount rate should be higher so that the more uncertain benefits of the more distant future are not given the same weight as the more certain benefits which are estimated to come about in the near future in determining the selection of alternative water resource development projects; and
>
> Whereas the present policy is to use the same discount rate, which currently is approximately 2.5 per centum, in analyzing the benefit-cost ratio of projects where the period of analysis is more than 50 years and as much as 100 years and of projects where such period is less than 50 years—

For this reason I asked that the Senate pass a resolution stating:

> *Resolved*, That it is the sense of the Senate that in cases where the period of analysis with respect to the useful life of a water resource development project is more than 50 years the discount rate used for the purpose of such analysis should be greater than in cases where such period is 50 years or less and should be at least equal to the average rate of interest payable by the Treasury on interest bearing marketable securities of the United States outstanding on the last day of the fiscal year preceding such analysis which on such day had 15 years or more remaining before reaching maturing, such average rate being currently approximately 4 per centum.

In this case, the period of time would be 100 years.

Mr. President, the difficulty arises because the expected benefits are calculated over a 100-year span. Of course, the particular discount rate taken is all important in computing the value of the benefit to be received 25, 50, 75, or 100 years from today.

(At this point Mr. Humphrey assumed the chair as Presiding Officer.)

Mr. PROXMIRE. If a discount rate of 2½ percent is used, then the benefits will be higher.

The fact is, Mr. President, we have been able to exaggerate the benefits by accepting a discount rate which has no relationship whatsoever to the best and best known measurement of future value; that is, the going interest rate. The example I would use is an example with which everyone I know is familiar, the example of buying a house. How would Senators like to pay for their houses at an interest rate of 2½ percent, and take 100 years to pay?

That may sound pretty farfetched, but the costs and benefits for all Federal water resource and construction projects are now calculated on the basis of these wholly unrealistic assumptions. This amounts to a gross deception. The person deceived, of course, basically, is the American taxpayer.

No taxpayer in his right mind would invest funds at only 2½-percent interest. He could do far better than that by putting them in absolutely safe Government bonds or in a federally insured savings account.

But the return from tax dollars invested in the steel and concrete of Federal projects is discounted at the completely unrealistic 2½-percent figure—even though the lowest long-term rate on Government bonds, which the U.S. Government pays when it borrows money, is now over 4 percent.

Any private individual who has ever tried to borrow money knows that a 100-year term is outrageously long. Forty years is the absolute maximum usually allowed, and that only in exceptional cases.

But in figuring the benefits on a Federal project, a 100-year lifespan is used automatically. Since many water resource projects and highway projects on the average end their useful life sooner than that, this means that others must be expected to last 200 or 300 years. This assumption is utterly ridiculous.

As a result of these assumptions, the benefits of Federal projects are grossly overstated. The costs are seriously understated. If meaningful assumptions were used, the cost of many multimillion-dollar projects would vastly exceed all alleged benefits.

But in the Alice-in-Wonderland world of Federal projects these economic fallacies and distortions continue.

Therefore, I submitted the resolution to provide that if a longer-than-50-years project life is assumed to calculate benefits, then the minimum rate at which the U.S. Government can borrow money for long periods should be used to calculate the discount over time.

We should not adopt the 2½-percent figure instead of the 4-percent figure. We should include all costs of the projects, including the cost of the farm program and the full cost to the taxpayer of interest.

Unless the higher figure is used, and ridiculous as it sounds, the American taxpayer would be better off taking the money for these projects, investing it in Government bonds, and making lavish direct cash payments to the beneficiaries of the projects. This cost would be substantially less to the U.S. Treasury.

Mr. President, I have challenged a number of people to show that this is not correct. If, instead of building the $60 million dam, the Government should simply take the interest income from Federal obligations and pay it to the farmers who would benefit from the dam and pay it to all the other people who possibly could receive any benefit, whether flood control or irrigation benefits, the cost to the Federal Government—if all the benefits are calculated on the most optimistic assumptions—would be reduced about 50 percent. The cost would be that much less. That is how utterly wasteful, how incredibly stupid it is, to build a dam which cannot be justified. This is what happens when we accept the 2½-percent discount factor, which is totally unrealistic, and a 100-year life, which cannot possibly be justified, and apply them under these circumstances.

Mr. President, on previous occasions the Senate has expressed itself on various features of the benefit-cost ratios which are the primary tool used in the evaluation of the economic merit of alternative water resource projects. But it has never explicitly considered and adopted a rate of discount which is a very crucial part of any benefit-cost ratio. A very small change in the size of the discount factor could cause very large changes in the benefit-cost ratio itself. In spite of the importance of the choice of the proper discount rate, Congress has no choice but to use the rate of discount used by the administrative agencies. A very long calculation process is required to work out a benefit-cost ratio using any particular discount factor. If the benefit-cost ratios presented to Congress by the executive agencies have been computed only on the basis of one discount rate, it is not feasible to expect individual Congressman to repeat the long, involved calculation to obtain a benefit-cost ratio which uses a discount factor which might be felt to be more realistic.

ADMINISTRATION STANDARDS BADLY OVERSTATE VALUE OF PROPOSED PROJECTS

The discount factor and the period used for analysis:

It is not enough to estimate the benefits which are likely to result from some project over either a 50- or 100-year period. In order to compare the future benefits of a project with costs which have to be incurred in the present, it is necessary to obtain the present discounted value of all these future benefits. The only way a dollar receivable a year from now can be compared with a dollar today, is to apply some discount factor to that dollar which is receivable a year from now. The present discounted value of a dollar receivable a year from now is about 0.98 if the discount factor or rate of interest is 2.5 percent, but it is only about $0.96 if the discount factor or rate of interest is 5 percent.

This suggests that while the process of discounting is important, the level of the discount rate used is very important.

The concepts behind this arithmetic relation are more difficult to isolate, especially in a particular problem such as this. What is the discount factor supposed to measure? What is the discounting procedure supposed to accomplish besides providing for the comparability of dollar amounts at different points in time?

PRESENT STANDARD SERIOUSLY MISALLOCATES RESOURCES

One justification for a very high discount factor such as 10 percent is that it is the rate which indicates the rate of return or productivity on private capital, in real terms. The question concerns the best alternative uses of scarce capital. If real resources or real capital can be used in the private sector and yield a 10-percent rate of return, there is little justification for using those scarce resources in some Government project which would not be economically justified unless some very low rate of discount like 2.5 percent, was used. In these terms, the rate of discount used should reflect the real productivity of that capital in the best alternative use. If the alternative use in the private sector is quite profitable with a real rate of return of 10 percent on it, that should be the rate which is used to obtain the present discounted values of the future stream of benefits from the Government project. Otherwise it is possible that resources would be misallocated as the result of using those scarce resources in the Government project, rather than for the more profitable yield on the private project. The increased yield or profit, in real terms, on the private would tend to be better from the national point of view than would the Government project which would not be justified unless some much smaller rate of discount was used.

The size of the discount factor is thus one way of considering the full social costs of any Government project. The larger the private production which has to be foregone as the result of the Federal expenditure, the larger the discount factor should be, and the less the present value of the future benefits will be. This is just another way of saying that the more private production or benefits in the future which are foregone, the less the present value should be which is placed on the future benefits derived from the Government project.

RATE OF INTEREST ON NATIONAL DEBT IGNORED AS DISCOUNT FACTOR

Another alternative conceptual foundation for the selection of the proper rate of discount is the rate of interest on long-term debt. More specifically it is felt that the rate or yield on long-term marketable U.S. Government obligations can be considered the pure rate of interest; that is, that rate which is free from any risk premiums and other distortions present in private rates of interest. At the moment this rate, on the basis of the letter from the Deputy Director of the Bureau of the Budget, would be in the neighborhood of 4 percent.

While this is less than the higher rates which reflect private profitability, it is more than the 2.5 percent which is currently being used, and therefore the use of this rate would lower the present value of all the benefits derived from this project.

This view of the proper discount factor has appeal in that the same rate is used to determine the repayment obligations of the power users and municipal water users as would be used to evaluate the benefits. In these terms it might be argued that unless the project has a yield at least as high as that which the Government has to pay to obtain the funds to build the project, the project is not justified. It may also be argued that unless the project yields additional output at the same rate which the Government imposes on those that have to repay to the Government on the reimbursable parts of the project, the project is not economically justified.

The issues involved in the use of this method of selecting the discount factor should not be confused with the issue concerning the repayment responsibility of the irrigating farmers. At the present time they are required to repay some small part of the costs which have been allocated to the irrigation part of the project. But they do not have to pay the interest on that part of the cost which has been allocated to them and which they are obligated to repay. This amounts to a significant subsidy in itself, but it is quite distinct from the issue of using a discount factor which is too low and therefore one which tends to overstate the present value of the benefits.

There is only one argument that is usually made in favor of such a low rate of discount as used by the Bureau of Reclamation. It is argued that any current rate of interest or yield on capital does not give any indication or weight to the needs of future generations. Since the Government has a responsibility to look out for the future generations as well as for the present, the Government should not accept discount factors which reflect the present generation's desire to live well now at the expense of future generations. This, of course, is the same idea behind conservation laws which prevent the wasteful use of wasting resources such as timber and oil. There is no known way to objectively determine such a rate of social time preference. It is almost completely a value judgment which can be made only at the highest policymaking levels of Government, if it is made at all. Perhaps Congress is willing to rationalize the present 2.5-percent rate in these terms.

TWO-FIFTHS PERCENT DISCOUNT FACTOR SERIOUSLY WRONG

This notion is open to severe criticisms. In the first place, the savings done by individuals influence the rate of interest since such savings are, of course, part of the supply which determines the price of money when combined with the demand for loanable funds. Since the savings done by individuals is frequently for the education of their children and estates for them, the concern for future generations does enter into the present rate of interest. The Government should not be expected to be any more concerned about future generations than the existing electorate.

While the discussion has been very generalized, when we are talking about the proposed project which is a dam to be used for irrigation, designed to bring more food into production and to increase the productivity of farmland, certainly the value of that project to future generations would be very small indeed in view of the enormous advances that we have made in food production—the greatest advances we have made in any area of our national life—when we consider that the Secretary of Agriculture has said that 20 years from now we shall need less land and not more, and when we recognize the marvelous improvement in soil chemistry and animal husbandry, the very great efficiency with which we have achieved farm production through farm implements and in many other ways, we realize that such developments are sure to be increased in the future. Then it seems that so far as this particular investment is concerned, we would provide no real benefit to the future. As I pointed out, we would deprive individual citizens from setting aside their money for the education of their children in the future by taking their tax money and spending it on projects of the kind proposed. That is exactly what we would do.

Also, the projects do not last forever. Sometimes they silt in after 50 years. Thus, we are talking about benefits to the present generation to a large extent, and therefore their preferences should be controlling. In fact, if we are concerned about the future generations, we should not build the dams, since by doing so we are using a scarce resource, damsites, and thus preventing the future generations from getting the most benefit out of them since they may silt up by the time the need for them is the greatest, for either flood control or irrigation.

PROJECT LIFE SERIOUSLY UNREALISTIC

At the present time the Bureau of Reclamation practice is to use the life of the project, or 100 years, whichever amount is shorter. Since it is difficult to predict the life of the project, practice has resulted in 100 years being used. The only benefit-cost ratio which appears in the justification given to the Appropriations Committee is the total benefit-cost ratio for 100 years. The definite plan report includes ratios for both 100 years and 50 years. Until recently, 50 years was used almost entirely. A table indicates the various benefit-cost ratios for various arbitrary periods of 50 and 100 years.

There was a great deal to be said for using a 50-year period instead of a 100-year period. This is especially true as long as the Bureau uses a discount factor which is completely free of any risk.

Mr. President, no one in Washington, or anywhere else in the country, or the world, can tell what our situation will be 100 years from now. We do not know whether or not there will be a nuclear war. We do not know whether or not we shall have use for hydroelectric power.

There is an excellent chance that we may be using nuclear power a hundred years from now. There is an excellent chance that a hundred years from now there will be an entirely different system of agriculture than at the present time. Therefore, the risk factor for the Government, which puts up the money, is a real factor when we deal with a hundred-year period.

There are many different justifications, for many different discount rates and periods of analysis to be used in calculating benefit-cost ratios. This is a problem that has attracted much attention by economists, engineers, and other independent experts recently. While this diversity of approach characterizes the scholarly studies that have been made, all of them are similar in one important regard. All feel that the discount rate should be higher than the 2.5 percent currently being used by the executive agencies, and which obtained new administrative approval in the President's newly proposed standards. It is difficult to ignore the arguments and the conclusions of these studies. It would be irresponsible on the part of Congress to continue to use the economic discount rate standards suggested by the administration without explicitly considering these alternatives. It may very well be that there are good reasons why a 2.5-percent discount rate and a 100-year period of analysis can be accepted by Congress. If there are such reasons, they have not yet been made known to Congress, for the good reason that Congress has not yet carefully considered this matter.

The following quotes from these books and journal articles indicate the nature of the problem, and the alternatives which have yet to be considered by Congress.

RESOLUTION PRACTICAL

I feel that this resolution would provide a legitimate compromise between the present practice, and some of these alternative proposals which have so much merit in terms of effecting a more reasonable allocation of scarce tax dollars among alternative uses.

That is why I am proposing 4 percent as a realistic factor for this project and all other projects, and contend to other Members of the Senate that the 4-percent factor is much more realistic.

This resolution would make clear congressional intent in this vital area. It would permit the continued use of a 2.5-percent discount rate if the period of analysis is 50 years. This is reasonable since the shorter time period would result in more certain estimates of the future expected benefits being made. And the 2.5 percent might be justified by the reasons suggested earlier; that is, such a low rate of discount might be said to reflect this generation's desire to leave more for the subsequent generations.

However, if a 100-year period of analysis is used, then this resolution would indicate that a larger discount factor should be used; namely, the discount factor determined by the current average yield on all long-term Government bonds that currently have more than 10 years to run before maturity. By using a higher discount rate, proper weight is given to the more uncertain benefits which are estimated to come about during the much longer period which has been attributed to the project for purposes of accruing benefits.

I quote from an article on the subject, from a fine book written by Jack Hirshleifer, James C. De Haven, and Jerome W. Milliman. The book is entitled "Water Supply: Economics, Technology, and Policy."

> ### OBJECTIONS TO THIS SOLUTION
>
> Most of the objections considered earlier in connection with the economic theory of choice in general—in particular, the existence of extraeconomic values, the problem of higher and lower tastes, the dependence of the solution upon the existing distribution of wealth and talents, the existence of market imperfections, and divergences between private and social costs—are also relevant for the economic theory of intertemporal decision; but, since they do not involve the latter in any unique way, we shall not attempt to discuss them further here. There are, however, a number of more or less cogent objections to the classical theory that apply exclusively or with particular force when intertemporal decisions are considered. In the former category is the question of how to weigh the claims of posterity properly as against the claims of current generations.

This is very crucial here.

I continue reading:

> Another, somewhat technical, consideration is the argument that the interest rate is not an outcome of market forces but rather a datum arbitrarily under control of government. In the latter category we will discuss market imperfections peculiar to the capital market itself.
>
> ### THE CLAIMS OF POSTERITY
>
> The allegation that market determinations of values as between present and future goods and services neglect the claims of future generations is at the heart of the more sophisticated expositions of "conservationist" philosophy. It is true that men do to some extent save for the benefit of their heirs and so do take the claims of future generations into account insofar as these make themselves indirectly felt through the affections of the present generation. But conservationists may maintain, the market does not of itself provide any direct way for the needs and desires of unborn individuals to influence current choices between consumption for the benefit of the present and investment for the benefit of the future. Consequently, human selfishness being what it is, the decisions actually made through the market are almost bound to be one sided. According to one view: "It is the clear duty of government, which is the trustee of unborn generations, as well as for its present citizens, to watch over, and if need be, by legislative enactment, to defend the exhaustible resources of the country from rash and reckless spoliation."[1] (We may, as an aside, reiterate the doubts we expressed earlier about such preaching of the "duties of government," with its implicit assumption that government is the repository and defender of social conscience on all economic questions rather than a complex institution composed of human beings with their own self-centered needs and desires.)
>
> If, in fact, the Government seeks deliberately to act as the trustee of future generations, there is a variety of instrumentalities

---

[1] A. C. Pigou, "Economics of Welfare" (4th ed.; London, 1932), p. 29. The views of Pigou and a number of other authors are described in A. Scott, "Natural Resources: The Economics of Conservation" (Toronto: University of Toronto Press, 1955), pp. 88–97.

available. For preservation of fish and game resources there are license fees, season and bag limits, protected species, size limitations, and numerical quotas. Subsidies are granted farmers under a number of programs whose official purpose is to encourage them to undertake future-directed investments. Certificates of rapid tax amortization have had somewhat the same effect in the industrial sector, though the official purpose here is development of a mobilization base for national defense. In the case of oil and natural gas, monthly extraction quotas are established by a number of the major producing States. (In this and some other of the instances cited, the allegation has been made that the official purpose of conservation is rather less important than the actual purpose of holding down production for purposes of monopolistic gain.) In a few cases, regulation of one type or another has been applied to prevent drawing down of underground water levels by pumping.

For the present, however, we want to restrict our consideration to the question of possible intervention through the interest rate to validate the claims of future generations. There are two general ways by which the Government could attempt to counteract the effect of an "excessively" high interest rate or discount of future costs and benefits. The first is to let the market rate govern in the private sphere but, in the Government's own operations, to make decisions on the basis of a somewhat lower rate. This is actually done today, though as a more or less accidental consequence of tax legislation rather than as a deliberate policy. Thus, costs and benefits of Federal projects are normally discounted at rates between 2.5 and 4 percent, whereas even for conservative investments in the private sphere the future is likely to be discounted at a much steeper rate—6 percent after taxes or 10 percent before taxes may not be untypical.

It is simple to show that the existence of differing rates of discount for public and private investments, after adjustment for risk, is undesirable on efficiency grounds. Assuming that the private and public spheres are divided on some principle which need not concern us here, the adoption, say, of a 3-percent discount rate in the public sphere and a 6-percent rate in the private sphere for investments of comparable risk means that there will be investments in the private sphere not undertaken because they will not be justified except for discount rates below, say, 5 percent. Meanwhile, however, projects yielding only 3 percent are being adopted in the public sphere. On efficiency grounds the disparity of interest rates will lead to the adoption of public projects that are less productive than private projects not being adopted. Note that the question of the claims of the future versus the present does not enter into this conclusion. The disparity of interest rates means that, given the aggregate amount of present sacrifice, less is provided for the future when less productive investments are undertaken.

The argument is that we do not provide for the future by making less productive investments. This is exactly what happens when we adopt a discount rate that persuades Congress to invest in a project whose benefits will be meager, and can only be justified by adopting an extraordinarily low and very unrealistic rate of interest.

That is exactly the case in the Glen Elder project. If this money were to be used in private areas, it would necessarily be used in a more productive way, because it simply is not possible to borrow money at 2½ percent. The Glen Elder project as a private enterprise would automatically be out. Private industry would invest in a more productive area; and by "productive" I mean in resources or in projects which would yield more to future generations—to this generation and to future generations.

I think this is a very significant answer to those who say that we look out for future generations better by having a low discount rate. They urge that we persuade the Government to build a project which may seem to have a low desirability because, after all, it is building for the future. But primarily we are building for the present; if these less desirable projects were not built, all the manpower, all the investment capability, all the material would be invested in more productive, more useful facilities.

The values attached to benefits and costs at their time of accrual can be made comparable only after conversion to an equivalent basis for time and degree of certainty of occurrence. Interest and discount rates and risk allowances provide a means for giving monetary expression to differences in the time and certainty of occurrence of benefits and costs.

Prevailing interest and discount rates for loans and investments usually reflect both the "time" and "risk" elements. The wide range in such rates arises largely out of differences in the estimated risk on various types of loans or investments. However, ways other than adjustments in the interest and discount rate are available in benefit-cost analysis for treating at least part of the risk associated with a particular project. To the extent feasible, direct or specific risk allowances should be made. This would leave the interest or discount rate with the primary function of adjusting estimates for time of occurrence plus residual risks. It would be expected, however, that the total allowance for risk and interest appropriate in the analysis of a Federal project would be comparable with such allowance for private undertaking involving similar risk, uncertainty, and longevity.

Risk allowances: Adjustments for risk take account of the hazards and uncertainties that intervene between the commitment or investment of resources and the accrual of benefits. There are two principal types or categories of risk for which allowance must be made in benefit-cost analysis. One type is predictable, since bases are available to calculate the probability or frequency of losses associated with its occurrence. For predictable risks, the value attached may be converted into a reasonably certain annual amount, either through insurance or an appropriate allowance. To the extent feasible, the value of all predictable risks should be converted to an annual or present-worth basis and allowed for either as a deduction from benefits or as an addition to project costs. For example, where losses from fires, storms, pests, and diseases, or the costs of their prevention, if such is possible, can be estimated with reasonable assurance, the returns available to justify investment costs should be reduced accordingly. The estimate of the resulting net returns would thus be as free as possible of all predictable risks.

Risks in the form of uncertainties for which no appropriate basis is available for prediction include the probability of errors in estimating benefits and costs due to such factors as fluctuations in the levels of economic activity, technological changes and innovations, and other unforeseeable developments adversely affecting the cost or value of project services. Risk allowances for this group of uncertainties must be based largely upon judgment, since precise information is not available for calculating their value.

Methods of allowing for uncertainties or unpredictable risks include the use of estimates of benefits that are reasonably conservative; the assumption of a limited economic life, with minimum allowances for salvage, which results in amortization of costs within the limited economic life (see following section); a risk component in the discount rate, safety margin requirements in project formulation, such as designing projects short of the marginal limit on scale of development or including a contingency reserve in project costs to cover unforeseeable developments; and finally, selection only of the more desirable projects.

Summary of recommendations on risk: It is recommended that net returns exclude all predictable risks, either by deducting them from benefits or adding them to project costs, usually on a present worth or annual equivalent basis. Allowance for uncertainties or unpredictable risks in benefit accrual should be made indirectly by the use of conservative estimates of net benefits, requirement of safety margins in planning, or including a risk component in the discount rate.

Interest and discount rates: The monetary values of benefits and costs that accrue at varying times are comparable only if all are adjusted to a uniform time basis. The use of interest rates provides a means for converting estimates to a common time point or period.

Interest and discount arise because of the competing demands that exist for limited supplies of savings available for capital investments yielding returns in the future. The demand for savings stems largely from the opportunities for productive use of capital. With the supply of existing capital and savings limited, opportunities exist for new capital investment that over a period of time will yield a return in excess of the initial investment involves. Thus, the opportunities of obtaining net returns over costs from the utilization of income-yielding goods constitute a major source of demand for savings. The supply of individual savings available for investment is limited principally by the preference of individuals for present over future goods. Because of the higher valuations that individuals place on present goods, a payment in the form of interest is needed to induce savings and compensate for the current use that is forgone. Consequently, interest rates may be considered as an expression of the exchange relationship between present and future goods. This premium or interest rate is the added value of having resources presently available in comparison with future values. For comparison with present costs, the determination of the present worth of goods available in the future involves scaling down, or discounting their future values.

With limited amounts of resources available for capital investment, the interest cost of investing such resources in a water development is measured by the rate of return that would be realized if the capital were invested in other uses of comparable risk and duration. This cost is over and above allowances for risk and arises whether a private or public viewpoint is involved. As explained in the preceding section, adequate allowance for risk should be made, to the fullest practicable extent, in the estimates of benefits and costs. On this basis, the minimum interest rate appropriate for use in project evaluation for converting estimates of benefits and costs to a common time basis is the risk-free return expected to be realized on capital invested in alternative uses. At a given time this rate is the projected average rate of return; i.e., yield, expected to prevail over the period of analysis, in the absence of inflationary or deflationary changes in the

> general price level, on such relatively risk-free investments as long-term Government bonds. Although apparently involving considerations generally similar to those in the projection of prices, only limited attention has been given to the problem of developing projected interest rates. Pending development of a projected rate, the average yield on long-term Federal bonds (preferably rounded to the nearest one-fourth of 1 percent) over a sufficiently long period of time to average out the influence of cyclical fluctuations might be uniformly used by all agencies as an approximation of the expected long-term, essentially risk-free rate.
>
> Use of the minimum risk-free rate assumes that risk elements have been adequately accounted for in the calculations of benefits and costs. If it is found impracticable or impossible to make the estimates of project effects on a risk-free basis, the risk allowance would have to be accounted for by an increment in the interest or discount rate applied to deferred effects. These considerations are of particular significance in evaluating associated costs and converting benefits to present worth or to a uniform annual rate. Thus, in the evaluation of associated costs and irregularly accruing benefits it should be recognized that the relatively risk-free long-term interest rates are inappropriate. The recommended interest rates for evaluating these effects should be those considered to be applicable to participants after analysis of the specific situation.
>
> The economic analysis should also include a comparison of the cost of a project or increment thereof with available alternative means of accomplishing the specific purposes involved. In making such comparisons the project basis for treating interest should also be used for the alternative, with any necessary adjustments for differences in risk.
>
> Summary of interest rate recommendations: It is recommended that estimates of benefits and costs accruing at various times should be made comparable by adjustment to a uniform time basis through the use of projected long-range interest rates. Pending the development of such rates, the average rate of return; i.e., yield, on long-term Federal bonds over a sufficiently long period of time to average out the influence of cyclical fluctuations is considered appropriate for uniform application by all agencies on the condition that adequate allowance has been made for uncertainties and risks. If such allowance is not possible, a component for risk should be included in the interest rate as may be the case for irregularly accruing benefits and associated costs. In comparing the cost of a project or increment thereof with alternative means of accomplishing the purposes involved, the treatment of interest for the alternative should be on a basis comparable with that of the project, with any necessary adjustments for differences in risk.
>
> ### PERIOD OF ANALYSIS
>
> A number of economic and physical forces limit the economic life of any project. Physical depreciation, obsolescence, changing requirements for project services, and time discount and allowances for risk and uncertainty may limit the present value of future project services. The upper limit of the economic life of a project is reached when the foregoing factors cause the costs of continuing the project to exceed the additional benefits expected from continuation. As so used, the economic life is generally less, and never more, than the physical life of a project.

This is something we are inclined to forget. It is something that is greatly distorted, because we have made an assumption that the Glen Elder project, for example, and many others, have a 100-year life. It may be possible, although I think it is unlikely, that this project or similar projects will have a physical 100-year life, because they will be silted in and there are other developments which could result in their being physically useless before 100 years.

But it is the economic factor which is very likely to make this particular dam uneconomic and useless in less than 100 years. Actually, I think a strong argument could be made on the basis of the petitions we have received from 90 percent of the farmers who live in this area that the economic life of the project is zero. They will not subscribe to it, they will not develop it, or use it, or take advantage of it. So the economic life must be considered. That is why I feel it is so unwise for the administration to use a 100-year rather than a 50-year life in connection with all these projects, especially when it is obvious that the only way the projects can reach unity in the benefit-cost ratio is to adopt a 100-year life. For, if the more realistic 50-year life is used, the projects simply cannot be justified; on any basis the cost exceeds the benefits.

> Although the economic life of a project establishes an upper limit on the period of analysis, it may be desirable to use a period short of this limit for economic analysis in order to provide additional allowance for risk. Conservative estimates of salvage values and of the productive life of initial installations and of replacements, and allowances for operation and maintenance sufficient to provide full operating conditions throughout the period of analysis, justify reducing other allowances for risk and uncertainty.
>
> Furthermore, in certain cases it may be advantageous to gear the period of analysis to the expected economic life of the major initial structure, or, where there is considerable variation in the expected life for various purposes, the probable life for each purpose may be used. The decision whether or not to replace the project at the end of the productive life of the basic structure can be made at a later time and is not an essential consideration or a necessary part of the initial project formulation or justification. In the case of major structural replacements, such as a set of navigation locks, the period of analysis needs to be of sufficient length to cover only the benefits and costs associated with the first or initial cycle of a project, even though economic life may be extended through successive replacements.
>
> The difficulties and the uncertainty associated with estimating the value of remote effects provide another justification for limiting the period of analysis. Even though the character of the basic structures may allow an extended economic life, or the possibilities of replacement may be such as to suggest a continuing life, the limitations on the reliability of estimates projected into the distant future and their small present value when discounted provide reasons for selecting a maximum evaluation period.
>
> It is recommended that a period of analysis of 100 years be considered as the upper limit on economic life. In cases where obsolescence is likely to be an important factor, use of an economic life substantially less than this upper limit, possibly not exceeding 50 years, may be warranted. Justification for the 100-year upper limit lies in the increasing uncertainty involved in predicting the more remote future and in the likelihood that any benefits and costs accruing beyond a 100-year cutoff would be largely offsetting in their amounts. Because of the low present worth of remote benefits, any benefits accruing beyond a 100-year period will seldom change the benefit-cost estimates significantly.
>
> Any resources remaining at the end of the period of analysis should be valued in terms of their nonproject uses. For example, in the case of land, the salvage value should be based on its potential use at the termination of the project, but not to exceed the initial cost or value of the land adjusted for any improvement or damages resulting from the project. For most other remaining resources, the salvage value would be either junk values or values of such goods for use in other locations, after allowance for transportation or reinstallation.
>
> Establishing the length of the period of analysis and the basis for salvage determines the amortization period and the amount of the net capital investment to be amortized.

I read further from the article:

> The logical basis for estimating benefits and costs accruing during the period of analysis should be in accordance with the changes in productivity or operating capacity expected during the assumed economic life.

In this particular case there was no reference to productivity, operating capacity, or obsolescence; there was no consideration of risk or of the physical condition at the end of the period of amortization. No such considerations were involved. Instead, a 100-year period was used, merely because it was available and because it was the only basis on which it was possible to arrive at a favorable ratio.

Mr. President, Arnold C. Harberger, associate professor of economics at the University of Chicago, who has appeared a number of times before our Joint Economic Committee, and is a very real expert on matters such as these, has stated, in a paper entitled "The Interest Rate in Cost-Benefit Analysis":

> It would be hard to overstate the importance of the interest rate used in the discounting of benefits and costs to judge the worthwhileness of proposed long-term Federal investments. Suppose a project were expected to yield benefits of $1 million a year beginning 5 years from the initiation of construction and extending indefinitely into the future. Using an interest rate of 2½ percent, we would evaluate this stream of expected benefits at $35.36 million as of the date of initiation of the project. But if we were to use a 6-percent rate, our evaluation would be no more than $12.45 million. The choice of interest rate becomes more critical, the longer the duration of the project in question, and the longer the lag between the beginning of construction and the time when benefits begin to accrue. Clearly, major mistakes can be made if the wrong interest rate is used in evaluation. If the cost of the above project were $20 million, it would be a fine investment if 2½ percent were the right rate and a terrible mistake if 6 percent were the right rate. I propose to argue in this paper that a rate of 6 percent or better is the proper rate to use in evaluating Federal projects.

Mr. President, I do not argue for that; I would be far more generous on that score than Professor Harberger is.

I read further:

> This compares with a rate of 2½ percent most commonly used by the Government agencies which undertake cost-benefit analyses.

> The justification most commonly given for the use of the 2½-percent rate is that that is the rate at which the Government can borrow. This, of course, is no longer true; perhaps a 3½-percent rate would accord better with the present state of the money market. Be that as it may, my argument for a rate of 6 percent or better does not depend critically on the state of the money market. It holds equally well for the easy-money days immediately following the Second World War and for the hard-money period through which we are now passing.
>
> The essence of my argument is that there exist and have existed ever since the war widespread opportunities for investments yielding 6 and 8 percent and higher. So long as such opportunities are available, our society does itself a disservice by investing at yields of merely 2½ or 3½ percent. The opportunities I speak of are those at the margins of industrial and agricultural investment, and I suspect it is also true that investment in residential construction might yield close to 6 percent.

I am sure that is so; I am sure that a study of mortgages and real estate investments will show that that is the case.

I read further from the paper:

> Let us consider a typical industrial investment. Let it be financed half out of equity (or retained earnings) and half out of borrowings. What must it yield in order that it be a successful investment in the market sense? Presumably, the total yield should be sufficient to pay the interest on the borrowings and provide a rate of return on the newly invested equity equal to the market rate of return on equity. Taking figures which are reasonably representative of the period since the war, let us assume the interest charge on borrowings to be 4 percent, and the earnings yield of equities to be 10 percent. This earnings yield is, of course, after taxes; the before-tax yield of equity capital has typically been in the order of 20 percent. Thus our typical successful investment yields 4 percent on half the invested funds and 20 percent on the other half, making the rate of return on the whole equal to 12 percent. It may be objected that the 10-percent figure for earnings yield, while representative of the whole postwar period, has been rendered obsolete by the great rise in stock prices that has occurred. For recent years a figure of 7 percent might be better for the after-tax yield of equities. This means 14 percent before tax, and together with a 4-percent borrowing rate applied to half the total capital implies an overall yield on capital of 9 percent, rather than the 12-percent figure obtained earlier.
>
> Another approach to estimating the rate of return on capital in the United States is to compare total income received on account of capital with the total value of the capital itself. Neither of these components is easy to estimate, but much work has been done in recent years to improve our knowledge of both. In spite of the lack of absolute precision in the presently available estimates, one may feel quite confident that the stock of capital in the United States is somewhere between three and four times the national income, and that the income accruing to capital amounts to somewhere between one-third and one-fourth of the national income. Our estimate of the rate of return on capital in the overall economy lies, then, in the range between 6¼ percent (income of one-fourth divided by capital of 4) and 11.1 percent (income of one-third divided by capital of 3), and probably closer to the middle than to the extremes of the range.

In other words, Professor Harberger estimates that the average rate of return on capital is around 8 percent. Obviously then, to take a 2½ percent discount factor as justification for Government spending, whenever it is possible to find a satisfactory benefit-cost ratio based on an assumed 2½ percent interest rate, would result in having the Government engage in projects of far less value than the average of projects developed throughout our economy.

According to Professor Harberger's evaluation, the value of such projects would be perhaps one-half of the average value of the projects already undertaken in the Nation; and instead of investing in projects which could easily return 6 percent or more, the Government would be saying, "No, we will invest the money in projects which will yield only 2½ percent." So I think the argument by Professor Harberger has real merit.

I read further from his paper:

> In the case of agriculture we have a reasonably good measure of the return on capital in the ratio of the gross rent paid to the value of rented farms. For 12 Corn Belt States this rent-value ratio ranged from an average of 5½ percent in Ohio to an average of 8½ percent in Wisconsin—

Wisconsin is the high—

> with most States averaging between 6 and 7 percent. The figures are for 1954–57, and apply to farms rented wholly for cash.
>
> It is clear that there do exist many alternative investments yielding 6 percent and more per year. One might ask, however, whether these differ substantially from typical Government projects in their degree of riskiness, so as to warrant a substantially different rate of return. I cannot help but feel that Federal projects are highly similar in their degree of riskiness to many private projects. Both power and irrigation facilities are provided by the private market, side by side with Federal installations, as are, from time to time, river and harbor improvements, flood-control facilities, etc. These rank, to the best of my judgment, neither as especially safe nor especially risky investments. It therefore seems reasonable to expect that Federal investments in these activities should pay off at least at 6 percent, which, as we have seen, appears to be somewhat below the average return on investments in the private sector of the economy. The purpose of Federal investment is, I believe, to improve our level of living and that of our children; the measure of this improvement is provided in dollar terms through the estimation of benefits. There seems little or no justification for the Government's withdrawing resources from the private sector unless these will yield as much improvement in levels of living as ordinary private investments.
>
> My recommending the use of a substantially higher interest rate in cost-benefit analysis does not imply any prejudgment that serious mistakes were made because a lower rate was used. If estimated benefits were 5 times costs using a 2½-percent rate, they would likely turn out to exceed costs, though by a smaller margin, when a 6- to 8-percent rate was used. It is the projects which are marginal in the first place that look bad when a higher rate is used. It is accordingly of interest to inquire whether projects actually undertaken could pass the test of a higher interest rate. A group of investigators at the University of Chicago have looked into this question, using the same benefit and cost estimates as were presented by the agency in question, but simply applying different interest rates for time discounting.
>
> Out of 24 Bureau of Reclamation projects which were in fact undertaken, only 8 would have been judged acceptable at a 5-percent rate and only 2 at a 7½-percent rate, and only 1 at a 10-percent rate, if only primary benefits are taken into consideration. Counting secondary as well as primary benefits, 16 projects would pass the test at the 5-percent rate, 9 at the 7½-percent rate, and 4 at the 10-percent rate. Similar results emerged from a study of 29 Corps of Engineers projects.

On these 24, I estimate that 20, and perhaps 22, would have been found feasible, but the Glen Elder project would not have been found feasible.

Continuing the quotation:

> However, in the case of 27 Department of Agriculture watershed programs, practically all of the projects would stand up under a 5-percent rate, and two-thirds would be acceptable at a 10-percent rate, although one must add that the estimates of benefits which are the raw material of benefit-cost analysis, appear to be subject to substantial possible error in these cases.
>
> Thus it appears that the use of a higher rate would have precluded some, but by no means all of the projects actually undertaken. I strongly recommend and urge that future Federal investments receive scrutiny in terms of a rate of interest comparable to the return to capital in the private sector. This will lead to a better use of our resources, and in the bargain may provide some possibilities for budget limitation.

Mr. William Miller, of Auburn University, had a very fine article in the Southern Economic Journal for April 1962, in which he stated that:

> The number of Government projects which appear desirable, varies inversely to the magnitude of the rate at which their time streams of benefits and costs are discounted. Appropriately enough, the question of the proper size of the discount rate for Government enterprises has received and is receiving considerable attention from economists.

He points out that Dr. Otto Eckstein, on whose work I relied very heavily, makes certain assumptions, as follows:

> Eckstein assumes that government succeeds in preventing widespread unemployment or severe inflation. Government finances itself by taxation, and enough is known of the incidence of taxes to enable economists to specify to what extent a particular tax reduces consumption or investment. Furthermore, the traditional competitive model provides a usable approximation to the American economy.
>
> In the traditional competitive model there is one capital market ruled by one rate of interest, which is the price of capital and which brings into equality plans of savers and investors. Unfortunately for the economist, the American economy has no single capital market and no one rate of interest. Instead the capital market consists of quasi-independent sectors. Partly because of differentiation and partly because of variations of risk premiums, there is a welter of interest rates, no one of which can be used for discounting by government.
>
> Despite the existence on a complex of interest rates, averaging provides a way out. The social cost of taxation depends on whether taxes curtail consumption or investment. If taxation reduces consumption, social costs are in Eckstein's system discoverable by averaging rates of interest, net of tax reductions permitted borrowers and net of taxes paid by recipients of property income, applicable to householders primarily in their role as debtors. If taxes come out of investment, social costs are computed by averaging interest rates and returns, net of taxes paid, on investment. By using chiefly 1955 data for the United States, Eckstein found that taxes which curtail consumption

> involve a social cost of 5.79 percent, that those reducing investment cost society 5.44 percent, and that the weighted average of costs resulting from both forms of taxation lies between 5 percent and 6 percent.

Here is another factor which suggests that the 2½-percent discount factor is much too low, because the tax cost in curtailing consumption—the social cost of taxes—is, as Eckstein points out, nearly 6 percent—5.9 percent—and in curtailing investment it is 5.44 percent. Therefore, to take these funds out of the spending stream, whether for consumption or investment, and to place the funds in projects which are to be valued at a 2½-percent discount factor to justify them makes no sense.

The article continues:

> Interest of underdeveloped regions may justify reduction of the discount rate in order to subsidize their development.
>
> This brief sketch is not designed to present the full flavor and content of Eckstein's contribution, but merely to raise the issues which I wish to discuss. In what follows I shall argue in the manner and sequence indicated:
>
> 1. An average of rates of interest and returns in the private sector sets too high a minimum for a number of reasons. First, it requires of public enterprise higher standards than are demanded of private firms. Second, this average at times reflects some private rates of return that are too high. Third, the range of from 5 to 6 percent embodies short-run influences and perhaps an inflation premium which should be eliminated. The range of helpful discount rates seems narrow, and the number of fields of useful application appears limited.
> 2. Substantially the same discount rate appropriate for projects financed by taxation under circumstances of full employment should be used during mild or moderate inflation but not hyperinflation.
> 3. Substantially the same discount rate should be used regardless of the level of employment. Unemployment does not justify a lower rate than used during full employment.
> 4. Until all alternatives have been investigated and found wanting, the discount rate should not be lowered to promote development of lagging regions.
>
> I shall not attempt to answer the question whether or not prospective returns on Government projects can be computed and shall assume that one discount rate is appropriate for a given project throughout its life.
>
> With Eckstein let us assume full employment and balanced governmental budgets. Can we with confidence use discount rates in the 5- or 6-percent range? I shall develop three reasons why we should not so limit the range and then present a substitute range of discount rates and indicate in broad outline the type of projects to which these rates may be applied.
>
> (1) Eckstein notes that a discount rate of between 5 and 6 percent would rule out most water resource development projects as outlined in plans sponsored and under consideration in 1953–55. Perhaps less rigorous standards would eliminate almost as many, but at least the minimum of the 5- to 6-percent range seems too high. The canons of economic efficiency do not require that Government projects meet higher standards than private business firms. It is in the nature of an average "internal rate of return" that its use as a discount rate will render negative the present value of private firms for which the internal rates of return are below average.
>
> For information on small and medium business firms Eckstein turned to data compiled by R. A. Foulke and published in issues of Dun's Review and Modern Industry for October, November, and December 1955.

I ask unanimous consent that a table showing small and medium businesses with less than 5 percent profit on tangible net worth for 1954 be printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE I.—*Small and medium businesses with less than 5 percent profit on tangible net worth, 1954*

Percentage of firms with less than 5 percent profit	Number of lines of business			
	Manufacturing	Wholesaling	Retailing	Total
More than 75	1	1	0	2
50 to 75	6	8	3	17
25 to 50	17	13	9	39
Less than 25	5	2	0	7
Total	29	24	12	65

Source: Dun's Review and Modern Industry, October, November, December 1955. Data compiled by R. A. Foulke.

Mr. PROXMIRE. Continuing the quotation:

> As indicated in table I, these issues of Dun's Review report results for 29 lines of manufacturing, 24 wholesale lines, and 12 retail lines—a total of 65 lines of business. It is interesting to see what would happen to these medium and small businesses if they were subjected to discount rates of 5 percent and 1954 profit rates were taken as internal rates of return. The profit rate on tangible net worth was below 5 percent for between one-half and three-fourths of the firms in 17 of the 65 lines of business; it was below 5 percent also in from one-fourth to one-half of the firms in 39 other of these lines. More than three-fourths of the firms in two additional lines could not meet the minimum Eckstein standard. Only in seven lines were more than three-fourths of the firms able to show profit rates in excess of 5 percent of the tangible net worth. These data tell in favor of a lower minimum discount rate for Government projects than Eckstein provides. It seems reasonable that many business firms receiving less than average profits are judged successful and socially desirable, and from the standpoint of economic efficiency it is equally reasonable to regard many Government projects as worthwhile though their internal rates of return are below averages computed according to Eckstein's method.
>
> During prosperous periods manufacturing corporations as a whole show returns on stockholders' equity in excess of 5 percent, and the size of these rates varies with that of the firms concerned. For example, in 1949 on the average a manufacturing firm with rates of return below 5 percent would have been one with total assets of less than $250,000; for in that year manufacturing corporations in this class averaged only about 5 percent on stockholders' equity, but larger firms did better. Similarly in 1955 and 1957, manufacturing corporations with assets in excess of $1 million generally showed returns on stockholders' equity considerably in excess of 5 percent.

The conclusion is:

> Restrictive policies of manufacturing corporations should not be built into other types of economic activity, public or private.

I agree. That is why I disagree with Dr. Harberger, who says that a 6-percent discount rate would be appropriate. I feel it would unduly handicap enterprise, and stop the kind of development which can be justified. I continue:

> Eckstein's method by which he arrived at the range of between 5 and 6 percent does not exclude certain intertemporal influences which should be eliminated in the interests of longer run economic efficiency. Computation of averages for other years indicates certain defects in the procedure. I have followed Eckstein twice through his statistical netherland and have arrived at results for 1949 and 1957. According to my computations, a tax reducing consumption would have involved a social cost of 6.7 percent in 1949 and 6.6 percent in 1957; a tax-reducing investment would have cost 7 percent in 1949 and 6.3 percent in 1957. Because of the influence of central banking and fiscal policies, the volatile nature of such items as earnings yield on common stock, changes in the extent to which various rates of interest and return mirror anticipation of inflation, speculation on security exchanges, and so on, considerable fluctuation of averages computed after Eckstein's manner is to be expected.
>
> If anticipated benefits and costs are to be computed in terms of constant prices, use of Eckstein's method for arriving at a discount rate will cause much mischief. A project which would be attractive within the 5–6 percent range for 1955 will be eliminated by the 6–7 percent range appropriate for 1957. If the rise in the rates for 1957 over those for 1955 represented changes in long-run normal returns, this fact would support use of Eckstein's methodology, but it is unlikely that such justification exists. Clearly we need a rate which will be valid for more than 1 year.
>
> What we need is a "real" rate of return or perhaps a set of such rates, which in equilibrium will satisfy both the marginal rate of time preference and the marginal return from investment. Unfortunately this goal represents an unattainable ideal. We have only the prospect of a compromise solution.
>
> One proximate solution attempts to remove the inflation premium and short-run influences allegedly incorporated in market rates. A recent example of this approach is G. L. Reuber and R. J. Wonnacott's computation of the cost of social capital in Canada. These authors regard the 1959 rate on Government of Canada bonds, 5.5 percent, as the upper limit of real return to investment in Canada and the dividend rate on common stocks, 4.25 percent, as the lower limit and estimate that the riskless real rate of return to Canadian investment in 1959 was 4.75 percent. Since the gap between 4.75 percent and 5.5 percent is 0.75 percent, the combined effect, of impending inflation and short-run factors is judged to be equal to this difference.
>
> * * * * *
>
> Discounting after this pattern has only limited usefulness in connection with Government activity and should be confined to comparatively routine projects like post offices, highways, hydroelectric plants, irrigation schemes, and even schools. About the nature and likelihood of benefits from such ventures we know a great deal, though not enough, from both private and public experience. Furthermore, for such projects Government can reasonably be expected to have aversions to risk similar to those of private enterprise.

On the basis of this very moderate analysis and really sympathetic recognition of the need for Federal irrigation projects and other projects of this kind, the conclusion is that—

> We are well advised to settle for a discount rate of between 4 percent and 4.5 percent where benefits and costs are highly certain

of realization. If circumstances warrant, we may add a risk premium of from 0.5 percent to 2 percent. At present higher premiums appear unwarranted, for a discount rate of from 6 percent to 6½ percent is high enough to eliminate undesirable projects.

Therefore, on a project of this kind, I submit that a 4 percent discount rate is very moderate and very realistic, and at least would go part way toward meeting the criteria which these outstanding scholars—who are completely objective and professional, with no ax to grind, who are only concerned with providing a basis on which Congress can allocate resources in an effective and intelligent way—feel should be the requirements, according to their conclusions.

Mr. President, I ask unanimous consent that the "Excerpt From Investment in Additional Water Supplies," an article which I hold in my hand, may be printed in the Record at this point.

There being no objection, the excerpt was ordered to be printed in the Record, as follows:

Excerpt From Investment in Additional Water Supplies

D. RISK, TAXES, AND THE DISCOUNT RATE

1. The discount rate and financial feasibility

In the calculation of both benefits and costs, the rate of discount is typically a critical element. Costs are incurred, predominantly, in the early years of a project, while benefits may be stretched out into the relatively distant future. The arithmetic of compound interest so works out that a benefit of $1, 50 years from now, has a present value of $0.37 at a discount rate of 2 percent, $0.14 at a rate of 4 percent, and $0.03 at a rate of 7 percent. High discount rates make projects look undesirable; low discount rates make them look desirable.

In the earlier portion of this chapter we distinguished between financial feasibility and economic feasibility. Conservative critics of Government investment projects have typically been anxious to insist on a criterion of financial feasibility, that is to say, a showing that a project will lead to revenues sufficient to cover all costs including interest on the capital borrowed for the project.[1] Supporters of enlarged Government programs, on the other hand, have typically attempted to justify projects by showing that there are economic benefits over and above the financial revenues which the project might bring in.

It is essential to the logic of the idea of financial feasibility that the discount rate be equal to the rate at which the Government can borrow. If the Government can borrow $1 million at 2.5 percent, then a project yielding net revenues of $25,000 a year is financially feasible, because the Government's interest cost is $25,000 a year. Any return over 2.5 percent represents a good project, that is, one that yields a financial profit to the Government, permitting a reduction in taxes or an increase in other Government expenditures.

The school of thought that maintains that the financial feasibility requirement is too stringent tends to favor the use of a lower rate of interest than the Government borrowing rate for evaluating public projects. All such low-interest schemes (compare the artificially low rates on loans to such groups as veterans) are typically defended by certain distributional arguments which we will not attempt to analyze. Abstracting from the distribution question, we argued above that such a procedure must lead to the construction of inefficient projects if in some sectors of the economy a standard of perhaps 5 percent is insisted on while in other projects yielding only, say, 2.5 percent are permitted. Even if the Government uses a constant rate (lower than the market) for all its projects, the market rate will be the rate used as a standard by private interests, and so again there will be inefficiency.

2. Risk

In the opposite direction, an important argument to evaluate is the contention that what is financially feasible may not be economically desirable and, specifically, that a rate higher than the Government borrowing rate should be used in discounting costs and benefits of Government projects—primarily to allow for risk, though, as we shall see, taxes and certain other considerations may also enter in. In private and public investment decisions, considerations of risk must obviously play an important role. In fact, for wide classes of investments the risk premium insisted upon by lenders exceeds in magnitude the pure interest charge for the use of the capital. It is of great importance to recognize that there are two different kinds of risk premiums.

Consider, for example, a debt instrument of a given maturity for which the riskless rate would be 5 percent but where there is a one-half chance of default of the interest (repayment of the principal is assumed to be certain). The quoted interest rate would then have to be 10 percent to give the investor the same "expected" or average return as the 5-percent rate on riskless instruments. If there were some risk of default of principal as well, a still higher quoted rate would be required to yield 5 percent after allowance for average loss through default. This risk premium we shall call the expected-value adjustment.

The second factor to be considered is "risk aversion"—that the investor might dislike risk for its own sake and might be unwilling to lend in the case just discussed (a 50 percent chance of default of interest) until the quoted rate reached, say, 12 percent. That is, he is indifferent between a riskless return of 5 percent and a one-half chance of getting 12 percent. On the other hand, an investor who liked to take chances might be indifferent between a riskless rate of 5 percent and a one-half chance of 8 percent. The risk-aversion premium can thus be either positive or negative. Whether on balance investors demand a positive risk premium over and above the expected-value adjustment is a question on which evidence is conflicting.

The distinction between the two kinds of risk premiums is relevant for an argument often made about the comparative superiority of Government when it comes to bearing the risk of large projects. Since the Government is in a position to pool the risks of many such projects, the law of large numbers permits it (so it is argued) to act purely on the basis of the expected return, whereas private capital may insist on a risk-aversion premium in addition. We cannot evaluate this argument until we know something more about whether in fact investors do demand such premiums.[2] Even if they do, however, the corporate form permits investors to spread their risks by buying small shares in many different enterprises, so it is still by no means obvious that Government has any such advantage in engaging in risky projects as that claimed. It is vital to remember, however, that this entire argument relates to the risk-aversion factor and not to the expected value adjustment though in fact the two are often confused.[3] If Government is in a position to make an investment that will double with 50-percent probability, or else be lost entirely, the expected gain is zero. The fact that Government can pool many risks does not in any way permit it to ignore the effect of the risk of failure upon the expected return for this or any particular project or group of projects.

Let us suppose that a certain project might be built by the Federal Government or by a private corporation, the risks of failure of the project being the same in either case. (By "failure of the project" we mean that the actual outcome reveals either an overestimate of benefit or an underestimate of cost, or both, sufficient to make the net balance of economic considerations a negative one.) The Federal Government can at times borrow, say, at 3 percent when the corporation would have to pay perhaps 5.5 percent (assuming a balance between debt and equity capital). Because of its unlimited repayment ability, the borrowing power of the Federal Government is essentially unaffected by the riskiness of the projects engaged in. Nevertheless, the Government should use as its discount rate the one effective for private borrowers engaged in projects of comparable risk (in this case, 5.5 percent, ignoring any tax adjustments) if the marginal productivity of capital is to be equated between the private and Government sectors. The pooling-of-risks argument does not apply here unless the higher private borrowing rate incorporates an element of risk aversion (which we believe to be small at best).

If there were on balance positive risk aversion, there would in fact be a kind of natural advantage of large enterprises over small and, particularly, of Federal enterprises as compared with any others, since the Federal Government could engage in more pooling of risks. In the case of States or local authorities, again there is generally some ability to borrow at favorable rates because the taxing power provides a protection to the investor over and above the prospective profits of the projects engaged in. (Even for private corporations there will typically be a fair amount of reserve ability in the corporation to pay debts over and above that based on the prospective success of particular projects.)

One interesting point here is the existence of the institution of the revenue bond, for which the repayment power is limited to the prospective revenues of the projects borrowed for. Revenue bonds, of course, typically must be sold at prices yielding higher interest rates than general obligations of the Government unit involved. The market rates involve investors' estimates of the real riskiness of the projects. Our present argument really comes down to saying that ideally all projects should be evaluated as if they were to be financed by revenue bonds. Only if this were done would the principle of financial feasibility be appropriate, so far as the discounting rate is concerned.

---

[1] See, e.g., Task Force on Water Resources and Power for the Commission on Organization of the Executive Branch of the Government (Hoover Commission), report on "Water Resources and Power" (Washington, D.C., 1955), I, 104–6.

[2] If they do, the expected rate of return (after expected value adjustment) on capital invested in risky industries and enterprises should be greater than in relatively safe industries and enterprises. The existence of insurance is some evidence in favor of the existence of risk aversion, since insurance is not mathematically fair and involves a sacrifice of expected return for greater security of return. On the other hand, not all insurable risks are in fact insured, so the existence of insurance does not prove that the capital market as a whole insists on a positive risk-aversion premium. The existence of gambling provides some evidence in the opposite direction—that some people are willing to sacrifice expected return for insecurity of return.

[3] The discussion in Krutilla and Eckstein (op. cit., pp. 122–124) does not clearly distinguish between the two concepts in making the pooling-of-risks argument.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that a letter which I addressed to Mr. Floyd Dominy, Commissioner of the Bureau of Reclamation, U.S. Department of the Interior, on May 10, in which I raised a series of questions on the Glen Elder project in considerable detail, may be printed in the RECORD at this point; together with a reply from Mr. Floyd Dominy, dated July 2, 1962, which is an excellent analysis.

There being no objection, the letter and reply were ordered to be printed in the RECORD, as follows:

MAY 10, 1962.

Mr. FLOYD DOMINY,
Commissioner, Bureau of Reclamation, U.S. Department of the Interior, Washington, D.C.

DEAR MR. DOMINY: I am interested in obtaining information concerning the economic justification for the Glen Elder unit, Solomon Division, Missouri River Basin project, Kansas. There are many imponderables involved in the determination of the economic merit of water development projects. I have the Definite Plan Report on the Glen Elder unit but this lacks enough information to answer some of the necessary questions about the economic justification for such projects. I would appreciate receiving your comments on the following questions.

1. Is it true that the $13 million cost allocated to the irrigation part of the project which is to be repaid by revenue from the power sales in the Missouri River Basin will have to wait at least until 2022 before it is repaid? According to Senator ALLOTT's statement at the recent hearings, surplus power revenue from the Missouri River Basin will not be available until 2046, since the power revenue in the period 2022-46 can be considered to be already allocated to irrigation projects which have already been constructed. Assuming that no more power projects are constructed, and that the irrigation costs on all the existing projects will be repaid first, when will surplus power revenue in the Missouri River Basin become available for the repayment of the $13 million cost of irrigation on the Glen Elder project which is to be repaid in this manner? Please send a copy of "The Missouri River Basin Project Irrigation Data by Units" with your answer.

2. What would be the benefit-cost ratios for the Glen Elder project be if a discount rate of 4 percent rather than 2.5 percent was used in the economic analysis? Please compute the benefit-cost ratio for both 100 and 50 years, for the whole project, for the irrigation portion, and for the flood control portions of the project. Also, in each case use both direct and total categories. In effect, this would just be a recalculation of the top of page iv in your definite plan report.

3. What justification is there for the present use of a 2.5 percent discount factor?

4. Why does the separable costs, remaining benefits method of cost allocation result in less than 10 percent of the cost of the dam and reservoir being allocated to irrigation, even though more than 20 percent of the storage space in the reservoir is dedicated to irrigation purposes?

5. What are the benefit-cost ratios for each of the proposed reclamation projects listed on page 173 of the statistical appendix to your 1961 report? Since definite plan reports have been done for these projects, benefit-cost ratios are in existence for these projects. Please use ratios for each one that will be comparable with each other; i.e., project, total benefits, 50 year period of analysis.

6. What are the equivalent annual benefits for flood control on the following existing and proposed units in the Kansas River Valley: Webster; Kirwin; Trenton; Enders; Cedar Bluffs; Bostwick; Almena?

I would deeply appreciate any assistance you can give me in the answering of these questions.

Sincerely,

WILLIAM PROXMIRE.

U.S. DEPARTMENT OF THE INTERIOR,
BUREAU OF RECLAMATION,
Washington, D.C., July 2, 1962.

Hon. WILLIAM PROXMIRE,
U.S. Senate, Washington, D.C.

DEAR SENATOR PROXMIRE: Our letter of May 21, 1962, reported that work had been commenced in compiling the information and data concerning the economic justification of the Glen Elder Unit, Missouri River Basin project, Kansas, requested by your letter of May 10, 1962. The following paragraphs will respond to your several questions in the order that they were listed in your inquiry.

Paragraph 1, availability of power revenues for irrigation assistance: That portion of the cost of the Glen Elder Unit allocated to irrigation which is beyond the ability of the water users to repay would be returned to the Treasury by power revenues accruing to the overall Missouri River Basin project, after the commercial power investment is returned. The last formal economic and financial analysis of the project was completed in December 1958. This study showed that all interest-bearing commercial electric power investment would be repaid by the year 2022, after which revenues would become available for credit to the financial assistance requirements of the overall project. This analysis did not contemplate that irrigation assistance would be credited on a unit-by-unit basis. Thus, we have no formal findings as to when the Glen Elder unit investment might be retired, assuming that the assistance requirements of the several units would be met in the order of their construction.

From time to time, we have made studies by approximate methods of the length of time required to achieve repayment of the Missouri River Basin project, assuming that irrigation development would be limited to that which was in an active construction status at the time of the study. However, we have never made a study which presupposed that the remaining justified power development would not be constructed.

Since your first question is premised on two conditions which have not been reflected in previous study, i.e., (1) crediting of irrigation assistance revenues on a unit-by-unit basis in the order of unit development, and (2) the assumption that additional power investment would not be made, we are unable to give an authoritative answer to the question without making a specific study. It would appear, however, that the cited date of 2046, or thereabouts, would be a reasonable estimation of the probable date of availability of revenues for credit to irrigation assistahce of the Glen Elder unit under the conditions which you have stated.

A copy of a tabulation entitled "The Missouri River Basin Project—Irrigation Data by Units," dated November 1957, is enclosed as requested. We hope that you will keep in mind, in your use of this material, that investigations and other developments since 1957 have caused part of the information contained therein to become obsolete. We have not kept the information in this tabulation up to date in a readily available form as it was compiled initially to meet a specific inquiry from the Senate Interior and Insular Affairs Committee.

Paragraph 2, 4 percent benefit-cost ratios: The following is a summary of the benefit-cost ratios as computed for the Glen Elder unit based on an interest rate of 4 percent rather than 2½ percent used in our definite plan report of June 1961.

Item	100-year analysis		50-year analysis	
	Direct	Total	Direct	Total
Overall unit plan	0.72	0.78	0.64	0.69
Irrigation	.49	.69	.43	.61
Flood control	.77	.77	.68	.68
Municipal water	1.17	1.17	1.03	1.03
Fish and wildlife	.47	.47	.41	.41
Recreation [1]	29.00	29.00	25.90	25.90

[1] All purposes except recreation have allocations of joint cost. Recreation has only the cost of specific facilities included in the ratios.

Paragraph 3, interest rate for benefit-cost analysis: The interest rate of 2½ percent represented the average cost of long-term financing of Federal Government issues at the time the Glen Elder unit investigation was undertaken. The present cost of such long-term issues is 2.742 percent. The rate will likely be slightly higher next fiscal year.

Paragraph 4, storage costs allocated to irrigation: This question concerns an apparent disparity between the percentage of reservoir storage cost allocated to irrigation and the percentage of reservoir space so allocated. Reference to table 14, page 95, of our definite plan report on the unit shows that $17,202,540 of the total estimated construction cost of $59,354,000 is tentatively allocated to irrigation. The composition of this amount is as follows:

Specific irrigation works	$11,316,000
Separable reservoir costs	4,653,400
Separable costs	15,969,400
Joint reservoir costs	1,233,000
Total allocation	17,202,400

From the above, it can be seen that $5,886,000 of the irrigation allocation derives from the cost of the dam and reservoir. This amounts to 12.3 percent. A comparative relationship based on reservoir space allocations at the 50-year, or median, sediment conditions would be about 20.5 percent.

Implicit in your question is the suggestion that these percentages should be more nearly equated. Methods of cost allocated which recognize this principle do not take into account the varying magnitude of benefits that derive from use of reservoir space by different water resource purposes.

Largely for this reason, the Interagency Committee on Water Resources, comprising representation from all Federal agencies interested in water resource development, adopted the separable cost-remaining benefit method for allocation of costs among and between the multiple purposes of a water resource development project. The method has been endorsed by the Bureau of the Budget and has been used widely and almost exclusively for the last 10 years.

We assure you that the relationships noted in the Glen Elder unit cost allocations are by no means unique or strained as compared to many other federally sponsored water resource developments. If further discussions on the cost allocation procedure, as applied to the Glen Elder unit, would be helpful, we would be happy to discuss the matter with you at greater length.

Paragraph 5, benefit-cost ratios, on other projects: It has been pointed out informally in telephone discussions with your staff that most of the items listed on page 173 of the statistical appendix to our 1961 report are units of the Missouri River Basin project on which no contemporary investigations have been conducted. Agreement was reached with your representative to limit the information in response to this requ^st to a representative group of projects and units for which reports have been completed within the past 4 or 5 years. The following tabulation is as complete as we can possibly make it without extensive recomputation either in our Washington office or the several field stations:

Project or unit	100-year analysis		50-year analysis	
	Direct	Total	Direct	Total
Devil Canyon project, Alaska	1.72	1.72	1.32	1.32
Snettisham project, Alaska	2.94	2.94	2.18	2.18
Middle Gila River project, Arizona	1.94	3.25	1.55	2.57
Auburn-Folsom south unit, Central Valley project, California	1.84	3.25	1.60	2.76
Savery-Pot Hook project, Wyoming-Colorado	1.46	2.76	1.14	2.14
Fryingpan-Arkansas project, Colorado	1.47	1.87	1.27	1.60
Dixie project, Utah	1.10	2.10	.90	1.60
Mann Creek project, Idaho	.92	1.52	.72	1.20
Glen Elder unit, Mississippi River Basin project, Kansas	1.09	1.18	.85	.93
Kanopolis unit, Mississippi River Basin project, Kansas	3.25	3.66	2.57	2.89
Chestnut Valley unit, Mississippi River Basin project, Montana	.76	1.89	.59	1.47
Hardin unit, Mississippi River Basin project, Montana	.47	1.48	.36	1.14
Nebraska mid-State project, Nebraska	1.30	1.40	1.06	1.14
North Loup division, Mississippi River Basin project, Nebraska	1.73	3.32	1.24	2.44
O'Neill unit, Mississippi River Basin project, Nebraska	.76	1.29	.59	1.00
San Juan-Chama project, New Mexico	.99	1.26	.81	1.03
Garrison diversion unit, Mississippi River Basin project, South Dakota	1.80	3.23	.37	2.40
Arbuckle project, Oklahoma	1.93	1.93	1.59	1.59
Waurika project, Oklahoma	1.38	1.41	1.34	1.38
Upper division, Baker project, Oregon	.96	1.28	.79	1.05
Crooked River project extension, Oregon	1.11	2.61	.93	2.18
Agate Dam and Reservoir, Rogue River Basin project, Oregon	--------	3.50	1.60	2.76
Oahe unit, Mississippi River Basin project, South Dakota	--------	1.46	--------	--------
Columbus Bend project, Texas	2.43	2.43	2.12	2.12
Oroville-Tonasket unit, Chief Joseph Dam project, Washington	2.56	8.42	1.98	6.39
Spokane Valley project, Washington	1.46	3.90	1.20	3.16

The foregoing list is limited to projects or units of projects for which feasibility-grade reports have been prepared either in the form of definite plan reports or as feasibility reports for project authorization. In addition, the following table presents comparable information on projects and units which are in our active construction program during fiscal year 1962:

Project or unit	100-year analysis		50-year analysis	
	Direct	Total	Direct	Total
Canadian River project, Texas	--------	--------	1.14	1.14
Greater Wenatchee division, Chief Joseph Dam project, Washington	1.75	5.60	1.63	5.22
La Feria division, Lower Rio Grande rehabilitation project, Texas	4.81	12.68	3.27	4.81
Mercedes division, Lower Rio Grande rehabilitation project, Texas	6.07	15.80	3.80	9.90
Norman project, Oklahoma	1.63	1.63	1.26	1.26
Talent division, Rogue River Basin project, Oregon	1.13	1.58	9.81	1.28
San Angelo project, Texas	2.33	3.36	1.84	2.65
The Dalles project, Oregon	1.23	2.48	1.00	1.97
Bully Creek extension, Vale project, Oregon	2.40	2.72	1.90	2.16
Weber Basin project, Utah	2.30	2.80	1.80	2.20
Curecanti unit, Colorado River storage project, Colorado	1.10	1.10	.90	.90
Flaming Gorge unit, Columbia River storage project, Utah-Wyoming	1.10	1.30	.82	.97
Glen Canyon unit, Columbia River storage project, Arizona-Utah	1.20	1.40	.90	1.04
Navajo unit, Columbia River storage project, New Mexico-California	1.30	1.60	.98	1.19
Vernal unit, central Utah project, Utah	0.86	1.17	0.69	0.94
Emery County project, Utah	1.07	1.38	.66	1.07
Florida project, Colorado	.77	1.46	.55	1.13
Hammond project, New Mexico	.90	1.90	.90	1.70
Paonia project, Colorado	1.24	2.47	.96	1.93
Seedskadee project, Wyoming	.69	1.23	.55	.97
Smith Fork project, Colorado	.64	1.00	.51	.78
Ainsworth unit, Mississippi River Basin project, Nebraska	.93	2.29	.68	1.72
Almena unit, Mississippi River Basin project, Kansas	.93	1.13	.69	.80
Cedar Bluff unit, Mississippi River Basin project, Kansas	1.82	2.08	1.43	1.64
East Bench unit, Mississippi River Basin project, Montana	1.01	2.05	--------	.75
Farwell unit, Mississippi River Basin project, Nebraska	.82	2.13	.58	1.59
Frenchman-Cambridge division, Mississippi River Basin project, Nebraska	1.11	1.92	.87	1.52
Yellowtail unit, Mississippi River Basin project, Wyoming-Montana	1.85	1.85	1.83	1.83
Cheney division, Wichita project, Kansas	1.83	1.89	1.46	1.50

Paragraph 6, annual flood control benefits: There follows a tabulation of average annual flood control benefits as determined by the Corps of Engineers, Department of the Army. Trenton and Enders are integral parts of the Frenchman-Cambridge division system of reservoirs which has been analyzed as a system consisting of these two plus the reservoirs named Harry Strunk and Hugh Butler Lakes. Thus, we would not be able to supply individual benefit evaluations for them without requesting special studies by the Corps of Engineers.

In like manner, the Bostwick division includes two reservoirs, Harlan County and Lovewell, and available benefit values relate to the combined effect of both structures.

Average annual flood-control benefits

Reservoir or system:	
Webster Reservoir, Webster unit	$687,000
Kirwin Reservoir, Kirwin unit	767,000
Frenchman-Cambridge system	1,206,000
Cedar Bluff Reservoir, Cedar Bluff unit	722,000
Bostwick division system	2,666,000
Norton Reservoir, Almena unit	259,000

Sincerely yours,

FLOYD E. DOMINY,
Commissioner.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that an excerpt from a splendid book by Dr. Otto Eckstein, who has contributed so very much to an understanding in this field, in particular a chapter entitled "The Social Cost of Federal Financing," may be printed in the RECORD at this point.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

MULTIPLE-PURPOSE RIVER DEVELOPMENT

(By O. Eckstein and Krutilla)

IV. THE SOCIAL COST OF FEDERAL FINANCING

We have seen how the interest rate in the competitive model serves as a price in the capital market, bringing the savings preferences of consumers into consistency with the investment plans of business enterprises. Let us now extend the examination to investment undertaken by Government.

Most of the activities of Government are devoted to satisfying collective wants, wants which cannot be met through goods and services sold in the marketplace. Whenever the ballot box and the political process replace market choice, investment decisions will not be made by comparing the rate of return of investments with the market rate of interest.[1] Many of the collective goods produced by public investments are valued qualitatively, precluding computations of the rates of return which underlie private investment decisions. The costs are more specific, however; resources employed in a public undertaking have alternative uses in the production of marketable commodities and will, therefore, have a price which measures their opportunity cost.

This cost cannot be measured directly from the borrowing cost, since the funds are raised by taxation, but within the competitive model the social cost can easily be imputed. An analysis based upon the competitive model would go like this: The cost of capital is measured by the interest rate. Insofar as the necessary taxes reduce marginal investments of firms, they prevent the creation of a stream of returns whose relationship to the foregone investment would have been just equal to the interest rate. Similarly, taxes which fall on consumption reduce the present levels of consumption for which people are willing to pass up the opportunity of collecting the market rate of interest. In other words, the consumer places the same value on the expenditure of the marginal consumption dollar as on a perpetual income stream equal to the interest rate. Thus, if Government desires to place an economic value on the cost of raising capital through taxation, it can simply apply the market rate of interest.[2]

---

[1] Some goods, such as electric power, supplied by Government are marketable; others, such as flood control, though nonmarketable, can be valued at prices established in related markets. Yet the fact that the investment decision is made in a political context results in the introduction of other considerations and makes it unlikely that the decision will be made in accordance with the economic principle alone.

Unfortunately, the American economy does not fit the competitive model closely enough to permit use of so simple a procedure. The substantial risk premiums in the terms on which business can borrow, and the rationing of credit to some businesses and to most consumers, preclude the existence of a unique rate of interest and prevent consideration of any single actual rate as a measure of the social cost of capital. Yet, in considering alternative methods of financing water resource development and in evaluating the economic worth of projects, reasonable estimates of the social cost of Federal funds are essential. Since the market cannot be consulted for the price of capital, as competitive theory would suggest, it is necessary to derive an estimate by more complicated empirical procedures which take account of some of the complexities of the process by which savings are actually channeled into investment.

That is the task undertaken in this chapter. First, as background for our inquiry, we shall examine the salient facts about saving and borrowing in the United States in a recent year. Then, through the use of models, we shall attempt to derive a figure that can serve as a measure of the social cost of public funds used in development of water resources.

SAVING AND INVESTMENT IN THE UNITED STATES

Before turning to our methods of estimation, let us take a quick look at some rather rough, but revealing, figures about the capital formation of the United States in the year 1955, which will serve as a background for the analysis. Table 3 indicates the total gross investment of the major sectors of the economy, defined somewhat more broadly than in the standard national income accounts—though even the set of categories used here misses large amounts of investment by Government. The startlingly large figure for households, $52 billion, is offset to a significant degree by the depreciation of "durables" which last only a relatively few years, and similarly for some of the other items. Yet it is clear that much investment occurs outside the business sectors; in fact each sector plays a significant part in the process of capital formation.

TABLE 3.—*Gross capital formation in the United States, 1955*

Sector:	*Billion dollars*
Households:	
Residential construction	17
Automobiles	17
Other durables	18
Total	52
Corporate business:	
Plant and equipment expenditures	25
Inventory investment	4
Other	1
Total	30
Unincorporated business: Plant and equipment expenditures	4
Farms: Construction and equipment	4
Government:	
Federal construction	3
State and local construction	9
Total	12
Grand total	102

In the financing of these investments, there are significant departures from chapter II's idealized picture, in which we assumed the savings of individuals to be the source of capital, with investors paying the market rate of interest on the requisite loans.[3] Households financed their purchases of automobiles in large part through installment credit, with the total outstanding increasing $4 billion over the year, an amount which is about half the net investment in cars after depreciation. About $15 billion of $17 billion of residential construction was offset by an increase in mortgages,[4] but the $18 billion of other durables was financed out of income for the sector as a whole. The Department of Commerce reports total personal saving to be $17 billion, but this figure does not reflect the borrowing done by households in the form of mortgages. If we subtract money borrowed in this way, we find that net personal saving is at most $2 billion or $3 billion. That is, the household sector—which in our theoretical model was to provide the savings for the business sector—actually saved little more than it invested in its own durables.

Of the $30 billion of real investment carried on by corporations, $15 billion came from depreciation and amortization allowances and another $9 billion from retained earnings. Only the remaining $6 billion was financed by new securities—$2 billion in common stocks and $4 billion in bonds and notes. And of this total, public utilities issued all but $400 million of the stock and $2 billion of the bonds and notes. There was also an increase of bank loans of $4.5 billion, and an increase of other liabilities of $1.5 billion, but this was more than offset by the increase in customer receivables. Thus the business sector as a whole, other than public utilities, borrowed no more than 8 or 10 percent of the funds for its real investment.

Unincorporated business, which is typically small, and for which our figures are much more sketchy, invested about $4 billion in plant and equipment. Much of the investment of this sector, which consists primarily of retail and other service establishments, consisted of the construction and improvement of stores, which were financed largely by mortgages and bank loans. But the sector as a whole withdrew relatively little from the capital market; repayments of old loans and mortgages roughly offset new ones.

The picture in agriculture is quite similar; $4 billion of construction and agricultural implements was financed principally through bank loans and mortgages, but the repayments of other farmers were at least equal to the borrowing.

Finally, $12 billion of construction was carried on by government. The $9 billion share of State and local government led to the issuance of $5 billion of new securities, but surpluses run by other State and local bodies reduced the net deficit of the sector to $1.5 billion. The Federal Government invested at least $3 billion in construction, a figure which omits much military work, but this was entirely financed out of taxes, and there was a net cash surplus of $2.7 billion for the year. Foreign investment for the year was negative, with repayments exceeding new investments by $300 million.

It can be seen from these figures that the net borrowing of the various sectors is less than 10 percent of the total capital formation for the economy as a whole. This is significant. On both the lending and borrowing side of the capital market we need to take a second look at the factors that determine the level of investment and of saving for each group of decisionmakers.

The significance of the small amount of net borrowing or lending of the sectors depends, in part, on the degree to which the lenders provide funds for the borrowers within the same sector. To some extent, there is a common capital market for all sectors, in which some personal, business, and government savings are commingled through the activities of financial intermediary institutions. But, at least in the case of the household sector, we find the capital flows primarily within the sector. Of the $15 billion of mortgages, savings and loan associations acquired $5.4 billion; life insurance companies, $3 billion; mutual savings banks, $2.4 billion; individuals, $2.4 billion; and commercial banks, $1.7 billion. All but the last of these sources administer the savings of individuals and, even in the latter category, much of the money available for mortgages springs out of individuals' time deposits. As for the $5 billion of installment and other credit, the household credit corporations which handle the largest part of this paper raise their own funds by sale of their notes to insurance companies and other financial intermediaries who draw the bulk of their funds from individual savings.

For the other sectors the case is not so clear. Corporate securities draw on a wide variety of sources. Unincorporated business is financed in part by bank loans which, to a considerable extent, represent money created by the banking system and in part by loans from individuals who are willing either to invest in the business or to lend the owner money because of ties of friendship or family. The securities of State and local governments, because of their tax-exempt feature, are particularly attractive to individuals with very large incomes, and thus can be assumed to draw on individual savings. Capital for agriculture is supplied in the form of mortgages by banks and insurance companies and in the form of loans by commercial banks.

INTEREST RATES IN THE AMERICAN ECONOMY

There is no one interest rate—capital is offered on a very wide range of terms. Bonds, notes, and other debt instruments of governments and corporations find a ready market at rates ranging from 2 to 5 percent, depending on the terms of the loan and the credit standing of the issuer. Mortgages of good quality are financed at rates between 4½ and 6 percent, though this rate is kept low by Government guarantees of a large part of the total. Other consumer credit is expensive, ranging from 5 to over 25 percent, with the typical automobile installment loan held by a large credit company costing 9 to 12 percent. Yet the sales finance companies are able to raise their funds at rates below 4 percent. The difference between their lending and borrowing rates is explained by the high cost of administration and collection, the pooling of many small, risky loans to reduce risk, and substantial profits. Bank loans to corporations and unincorporated business may cost from 3 to 6 percent, depending on size, the region of the country, and the credit standing of the borrower, but their availability is strictly rationed to each firm. Loans to agriculture, while only slightly more expensive, are even more severely rationed to each farmer. Most personal saving, in the form of savings accounts, insurance, and pensions, receives a return of 3 percent or so, with investments in common stocks the only substantial exception. And stock ownership is still restricted to a relatively small proportion of savers, who receive an income yield of only 4 percent, but who have been receiving large capital gains.

---

[2] This assumes that the taxes are raised without causing any distortion in decisionmaking. If there are tax-induced distortions in the economy's allocation of resources, the true social cost of raising capital by taxation will be greater than the market rate of interest.

[3] See W. A. Salant, "Saving, Investment, and Stability," American Economic Review, May 1956, pp. 42–54.

[4] This figure includes mortgages issued on old houses.

MEASURING THE SOCIAL COST OF PUBLIC CAPITAL: THE METHOD OF THIS STUDY

The task of discovering the true social cost of the capital devoted to water resource development under actual conditions is much more difficult than if our theoretical model applied in a straightforward way. The model determines one interest rate for each period, a rate which indicates both the opportunity cost of capital in other fields and the rate at which consumers are willing to give up present income for a future income stream. In reality, there are many interest rates for both borrowers and lenders, and we are not free to fasten upon any one of them for our purpose. Yet the sound formulation of public policy requires some clear idea about this social cost. Use of a rate which is much too low may result in the waste of the Nation's capital in a project yielding less satisfaction to consumers than if left in its alternative use. Use of an excessively high rate will leave water resources underdeveloped as compared to other resources in the Nation's economy. For the typical problem of financing public investment by taxation, we, therefore, need to derive an appropriate estimate for the social cost of capital.

Our method will take account of the actual structure of capital flows in the United States. First, we shall try to determine where the tax money that provides the capital used for Federal resource development actually comes from—that is, the incidence of the marginal tax dollars. This requires quantitative study of the revenue produced by different taxes, the persons and organizations who pay these taxes, and the extent to which taxpayers are able to shift their tax liabilities to others. It also requires that we assume in what proportion the various taxes would be increased were the program to be expanded, or which ones would be cut in the event of contraction. Once we know the sources of the money, we can proceed to the second stage and estimate what value attaches to these funds in their alternative uses.

When Government imposes taxes in order to finance public investments, it levies a compulsory loan or forced saving on the community, which releases the resources for the undertaking. The taxes lead to a reduction of consumption by households, to a decline in investment, or both. The social cost of the capital raised from foregone investment is clear: the investments would have yielded a certain rate of return to the community which would have increased the future flow of real national income. The social cost, therefore, is equal to the foregone rate of return on private investments.

To estimate the cost of funds which would have been spent for consumption, we must turn to the saving and borrowing behavior of households. Each individual has certain preferences about the allocation of his expenditures over time, more particularly the allocation between present and future consumption. If he postpones consumption, he earns interest on the resultant; if he pays outstanding debts he reduces his interest payments accordingly. A rational consumer will allocate his expenditures over time in such a manner that the rate at which he is willing to give up present consumption for the income stream made possible by the resultant increase of his saving will be equal to the interest rate which he faces in making this choice. Thus, a saver will push his consumption to the point where the satisfaction of a future income stream equal to the interest rate is exactly equal to the satisfaction he derives from the marginal dollar of consumption. Similarly, a borrower will derive satisfaction from his marginal dollar of consumption equal to the stream of interest payments he must make on this marginal expenditure dollar which he has borrowed.[5]

Figure 13 illustrates this optimum condition of consumer behavior. It shows the consumer's indifference map between present consumption expenditures and increases of his future annual consumption streams.

If the consumer's income in the present period is represented by point a (fig. 13–a), then he can reach any of the points on the two line segments, ad and ae, which start at that point. Moving to the right along the steeper line means that he is borrowing to increase his present consumption at the expense of future diminished consumption; the slope of this line reflects the relatively high borrowing rate. Moving to the left on the less steep line represents saving out of present income at the relatively low interest rates that can be earned on savings accounts and other assets. It can be seen from the diagram that point a', the point of tangency between the saving line and an indifference curve, is the preferred point that this individual can reach: it is on the highest attainable indifference curve. Point b (fig. 13–b) illustrates the case where the individual will borrow and thereby reach the preferred point b', while point c (fig. 13–c) represents a situation where the individual does not find it worthwhile to lend at low rates or to borrow at high rates, and so simply spends his current income.

There are several fundamental factors which determine the general shape of a particular consumer's indifference map in any one period. First, there is the phase of the consumer's life cycle of earnings and of expenditure needs. A young married person—with an expectation of a rising income, with dependent children, and with large needs to fully equip his household with standard durables—has a high preference for current consumption expenditures. An older person, expecting a falling income and retirement, saves to increase his consumption later on, and so on. Second, an individual's attitude toward satisfaction enjoyed at different points of time will be reflected in this preference map. People with a very short horizon will have strong preferences for present consumption, while misers will favor the reverse. Third, a person's need and desire for providing for financial contingencies will help to determine these preferences. Many other factors could be cited, but this brief list at least indicates their general nature.

Much of consumer borrowing is for the sake of purchasing durables before sufficient cash can be set aside to pay for them; all mortgages and most installment paper fall in this category. Such borrowing, in a sense, is for investment rather than consumption, for in each instance the asset yields a return to the owner. The return may be monetary; a house, for example, reduces rent payments. It may be a saving of labor, as in the case of washing machines. The rest of the return may be in the form of satisfaction enjoyed directly, sometimes as extra convenience, often as the enjoyment of consumption through use of the durable. But whatever the form of the return, a rational consumer will borrow at a given interest rate only if his enjoyment of the return is at a rate at least as great as his interest payments. Thus, we can assume that a person who is willing to pay 12 percent interest on the purchase of a car on credit, or a homeowner paying 5 percent on the mortgage on his house, presumably is enjoying satisfaction from these assets at rates at least equal to these figures.

In order to determine the social cost of funds raised through taxation of an individual with given preferences about his saving-borrowing behavior (or with given opportunities for investing in durables), we must ascertain the interest rates which he faces. A dollar of taxation is a reduction of his current income. If we can assume that the marginal dollar an individual spends for present consumption, or the dollar he saves, would be worth a future annual income stream equal to his interest rate, then the same interest rate would apply to the dollar required to pay an increase in taxes. Conversely, a tax reduction of a dollar can be converted into a future income stream equal to his interest rate. Interpreting taxation for public investment as a compulsory loan for the sake of future benefits, the social cost of this investment is equal to the interest rate which the Government would have to offer to the taxed individuals to induce them to grant the loan voluntarily. Our analysis does not assume that all of the taxed money would have been saved voluntarily; presumably part of it would have been consumed. We assume only that the decision about the fraction to be saved is made rationally and in the light of the opportunities for changes in future income which the interest rate measures. These assumptions are sufficient to derive the value of marginal income in terms of a future stream which can be expressed as an interest rate. We can then apply this reasoning to marginal changes of income which are caused by taxation.

A further requirement for the estimate of the social cost of marginal tax dollars is to discover how these dollars are apportioned among the major categories of decision-making units that face different interest rates. This means allocation of the taxes between businesses and households, between borrowers and lenders, between borrowers at high rates and borrowers at moderate rates, and so on. For households, we use three categories—lenders, borrowers at mortgage rates, and borrowers at short-term credit rates—combined with a breakdown by income class. In the case of business, we estimate the effect on investment and its potential return, in accordance with the size of assets of the taxpaying firms.

Our analysis necessarily is confined to small changes in expenditures and taxation relative to the overall levels of the Federal budget. Large tax changes, such as a 30-percent reduction in income taxes, would lead to such substantial shifts in consumers' decisions and in the rate-of-return schedules of business that assumptions of the present relationships between incomes, prices, interest rates, and rates of return would no longer be valid. There might be effects on consumers' incomes which would convert borrowers into savers, effects on the total amount of saving and of investment which might alter and shift the interest rate structure, and changes in the relative prices of consumer goods and capital goods which would result in a shift from investment to consumption in the private sector. Since all of water resources development absorbs little more than 1 percent of the Federal budget, any tax changes made possible by changes in this program would be so small as to be truly marginal; no limitation to the applicability of our analysis to this field is imposed by these considerations.

---

[5] This formulation does not detail the intertemporal optimum conditions between all present and future periods and, hence, cannot describe the entire future time profile of an individual's consumption. It is sufficiently detailed for our limited purposes, however, and we seek to keep our assumptions as simple as possible. The same reasoning can be applied to the rate of substitution of consumption expenditures between any two periods, provided the entire structure of future interest rates is also known for the individual.

As with other criteria of economic efficiency, our measure abstracts from changes in the distribution of income. We view the public investment as a loan by society to itself in order to build certain physical investments. That is, we assume that it does not matter to whom benefits and costs accrue. In fact, much of the cost is usually borne by individuals who do not benefit from the investment, so that the distribution of income is changed. If we attached a different value to a dollar of cost or benefit for different groups, our efficiency measure would need to be modified. In the present context, the value of the addition of a dollar to the future income stream is assumed to be the same for all taxpayers and beneficiaries. And if we go beyond the measurement of cost and compare it with benefit, we make the additional assumption that who receives the benefits and costs is a matter of indifference.

These are ethical judgments which each person is free to accept or reject. Insofar as our interest is focused on the increase in total national income and on the efficiency of particular programs in promoting this objective, this assumption serves as a means of isolating this facet of the problem from redistributive issues.[6]

Our quantitative analysis could be presented, with no substantive difference, either as an expansion of investment and a tax increase or as a contraction of investment and a tax cut. It is the change in taxes which is significant; it does not matter whether the public investments would increase existing taxes or prevent a possible reduction. Since the actual tax policy issues have appeared in terms of tax reductions in recent years, we consider the problem from this point of view.

In order to measure the cost of capital for a wide range of taxes, we present two models using different sets of assumptions about the potential tax cuts which are forestalled by the public investments. In model A, we assume that the personal income tax is reduced in a manner most advantageous to low-income families and that sales taxes are lowered. These tax cuts would primarily boost consumption. Model B consists of a reduction of the personal income tax with emphasis on upper-income brackets, combined with a reduction of the corporation income tax. This model would increase investment.

Throughout the analysis it is assumed that the Government runs a successful stabilization policy. This is not to say that full employment and stable price levels prevail constantly, but only that neither major unemployment nor severe inflation is allowed to develop. This assumption accords both with the avowed objectives of the Government and with the general setting assumed for Federal resource development programs, and it corresponds with the record of recent years. Most of the data for our quantitative analysis are based on the year 1955, a year in which employment was high and prices stable, and the money supply was moderately tight.

In this context, a reduction in a specific Government expenditure must be considered an autonomous change that must be offset by some weapon in the arsenal of the stabilizers. It is this reasoning which forces us to derive our estimates of social cost on the basis of specific counteracting fiscal or monetary policies.[7]

This may seem to be a cumbersome procedure for deriving one number—the opportunity cost applicable to resource development funds. But there is no shortcut. With capital coming from many sources, which face widely differing borrowing and lending rates of interest and whose saving and investment decisions are conditioned by altogether different factors, the actual impact of federally financed projects on the economic activities of the other sectors of the economy varies widely. It has been argued, for example, that the true opportunity cost of capital is the rate of return earned on the marginal investments of the most successful private firms, such as Du Pont or General Motors, rates which before taxes are in excess of 20 percent. But this is not the true opportunity cost; reduction of the Federal program by $100 million would not result in expansion of investment by such firms of an equal amount. It has also been argued that the interest rate on long-term Government bonds measures the social cost of public capital.[8] This rate is also inappropriate, because it presupposes that the entire cost of projects is financed out of voluntary bond purchases and that the risks attached to projects are borne by the buyers—two conditions that do not hold. A number of other easily derived rates can be supported by plausible arguments, but in the end the arguments break down. A sector-by-sector approach, assuming a specific incidence of marginal taxation, is far more trustworthy because it corresponds to the actual conditions under which public capital is raised.

Before embarking on our detailed quantitative study, a few precautionary comments should be made about our basic assumptions. We take it as axiomatic that a measure of the social cost of capital which is consistent with an economic efficiency approach must accept the sovereignty of consumers' choice, even in matters of allocation of expenditures over time, and particularly with regard to their decisions on how much to consume and how much to invest. It has been widely contended that consumers' sovereignty should be rejected for intertemporal choices because of the myopia of individuals,[9] which leads to inadequate amounts of saving and investment for society as a whole from a longrun point of view. It has also been contended that it is not the function of government slavishly to follow individual desires, but to act for unborn generations, to take the lead in providing for the future.

We do not reject these considerations and shall return to them later in this chapter. In some instances, they will be reflected in the higher social criteria which may supersede the efficiency criteria as we have defined them. But, throughout this study, we take the view that economic efficiency is one of the significant criteria and that it requires measurement of gains and costs in terms of the subjective valuations of the individuals who constitute our society. In the case of the cost of capital, we also look to individual preferences, and it is on this basis that we proceed.

MODEL A: A TAX CUT STIMULATING CONSUMPTION

Our first tax model estimating the social cost of capital consists of reductions which are particularly favorable to low-income families. In model A, 80 percent of the tax cut is in the form of an increase in the personal exemption of the Federal income tax. The other 20 percent is assumed to go into a reduction of those Federal excises which would, in fact, be most likely to take place. When our computations for each of these tax cuts are completed and the results combined, we arrive at the following applicable interest rates:

	Percent
Increased personal exemption	5.87
Reduced excises	5.49
Weighted average for model A	5.79

INCREASING THE EXEMPTION OF THE PERSONAL INCOME TAX

A tax cut in the form of a higher exemption frequently has been proposed in Congress. Assuming that the income tax liabilities are not shifted, it is easy to compute the incidence of the tax cut by income classes. Let us suppose the exemption is raised by $1. The tax saving on the typical return in each income class depends upon the marginal tax rate paid; the saving for the income class also depends upon the number of exemptions claimed. It can be seen from table 4 that most of the tax saving accrues to those with low and middle incomes—those with incomes of $5,000 or less.

---

[6] For further discussions of this question, see the last sections of chapters II and III. In the water resource field, this value judgment has been made explicit by the Congress in the Flood Control Act of 1936, where it is specified that benefits must exceed costs for a project "to whomsoever they may accrue," in order for a project to have economic feasibility and to be eligible for authorization.

[7] Thus our procedure measures what Musgrave calls the differential incidence of expenditures (see R. A. Musgrave, "General Equilibrium Aspects of Incidence Theory," American Economic Review, May 1953, pp. 504–17). A reduction of expenditures by $1 may require an offsetting tax cut of less than $1, because the multiplier effects of the former may exceed the effects of tax reduction (see H. C. Wallich, "Income-Generating Effects of a Balanced Budget," Quarterly Journal of Economics, 1944, pp. 78–91). In our quantitative study, we assume that the fiscal authorities reduce taxes by the appropriate amount; i.e., an amount sufficient to result in the utilization of a bundle of resources equal to the quantity released by the reduction of expenditures. Thus, we assume constancy of effective demand. We also assume that our result is not affected by any redistributions of income attributable to the multiplier effects of the two offsetting changes in the budget.

[8] The practice of most agencies and the recommendations of the Budget Bureau Circular A–47 and the Subcommittee on Benefits and Costs of the Federal Interagency River Basin Committee imply this position. See Otto Eckstein, "Water Resource Development: The Economics of Project Evaluation" (Cambridge: Harvard University Press, in press), ch. IV, for a survey of actual practice.

[9] M. Dobb, "On Economic Theory and Socialism" (New York: International Publishers, 1955), pp. 38–41, 73–77, 244–45, and 258–60; A. C. Pigou, "The Economics of Welfare" (4th ed.; London: Macmillan Co., 1932), pp. 22–30; W. J. Baumol, "Welfare Economics and the Theory of the State" (Cambridge: Harvard University Press, 1952), pp. 91–92; and R. H. Strotz, "Myopia and Inconsistency in Dynamic Utility Maximization," Review of Economic Studies, 1955–56, pp. 165–180.

TABLE 4.—*Incidence by income classes of an increase in the personal exemption*

Income class (thousands)	Number of exemptions [1]	Tax saving per dollar [2]	Total tax saving	Percent distribution of tax saving
	Thous.	*Cents*	*Thous.*	
0 to $3	24,472	21	$5,139	19.5
$3 to $5	44,557	24	10,694	40.6
$5 to $7.5	23,066	27	6,228	23.6
$7.5 to $10	4,906	33	1,619	6.1
$10 to $15	2,705	41	1,109	4.2
$15 to $20	984	50	492	1.9
$20 to $30	839	59	495	1.9
$30 to $50	507	67	340	1.3
$50 to $100	223	79	176	.7
Over $100	63	90	57	.2

[1] U.S. Treasury Department, Internal Revenue Service, "Statistics of Income for 1951," 1955, based on returns with taxable income.

[2] Marginal tax rates at average income tax liability reported in each class.

Discovery of the rates at which each income class saves or borrows requires examination of its asset and credit position. The Survey of Consumer Finances provides relevant data on this question; they are summarized in table 5. It shows, for each income class, what percentage of spending units have a significant amount of short-term consumer debt and mortgages.

TABLE 5.—*Asset-debt position of consumer*

[In percent]

	Income class		
	0 to $3,000	$3,000 to $5,000	Over $5,000
Owed more than $100 of consumer debt	33	52	52
Owed mortgages only	5	8	11
Owed neither kind of debt	62	40	37

Source: 1956 Survey of Consumer Finances, "Consumer Indebtedness," Federal Reserve Bulletin, July 1956, p. 702.

To derive the interest rates on which consumers make their marginal borrowing-saving decisions, we must estimate the rate of return earned on their assets and the rates paid on their debts. Let us assume that the interest paid on the assets held by debt-free households is 3 percent, a rate typical of the savings accounts and U.S. Government bonds into which most households in the lower-income brackets put their savings. To take account of the higher returns earned on common stock by 15 percent of the class with incomes above $5,000,[10] we increase this rate to 3.75 percent for the class with no debts.

A rate of 5 percent is applied to mortgage loans. This rate is somewhat above that charged on loans guaranteed by the Federal Housing Administration or the Veterans' Administration, but corresponds to rates on conventional first mortgages and allows for the considerably higher rates which prevail on second mortgages.[11]

As for interest on short-term consumer credit, rates vary widely, from less than 6 percent on some personal bank loans (and 0 percent on loans within families) to over 30 percent on some small loans of finance companies. This range can be narrowed by studying the composition of personal debt. Of the $36 billion outstanding at the end of 1955, $14 billion was automobile paper.[12] The rates on most automobile paper were between 8 and 12 percent, with that held by banks near the lower figure and by finance companies near the higher ones. Another $6 billion was for other consumer goods paper, which has comparable rates. Personal loans constituted $8 billion. Of these the small loans which bore very high rates were offset to some degree by low rates on bank loans available to the best of the credit risks. Of the remaining, about half were charge accounts and the rest were service credit and repair and modernization loans. The rates on these categories tended to be relatively low, ranging from 6 percent on regular charge accounts to 9 percent on modernization loans. The average rate for personal debt suggested by these figures is about 10 percent.

A breakdown by type of holder is consistent with this estimate, since banks hold 33 percent, credit unions 5 percent, stores 25 percent, sales finance companies 28 percent, and others 9 percent. It would be incorrect, however, to assume that all income classes pay the same rates. Generally, poorer people obtain small loans at very high rates and borrow from sales finance companies for their durable goods purchases; those with higher incomes are able to obtain bank loans and have charge accounts. To allow for this factor, we assume a rate of 12 percent for consumer credit for those with the lowest income and a rate of 9 percent for the rest.

Interest payments are deductible from Federal income taxation. This implies that the actual rate which governs the choice of consumers is not the rate paid, but the rate adjusted for the saving in taxes. But the applicability of this reasoning is limited by the wide use of the standard deduction in income tax returns. Itemized deductions were made on only 8 percent of the returns for $3,000 or less; 24 percent for $3,000 to $5,000; and 40 percent for $5,000 and over. Because the tax saving from this source is usually more significant in the case of mortgages, we use the borrowing rate after taxes only in the case of households with mortgages.

Interest receipts, on the other hand, are taxable income, which again argues for the use of interest rates after taxes. But the amounts of interest received are relatively small for most households and frequently are not reported to the tax collectors. Only 7 percent of returns with incomes below $5,000, and 20 percent with higher incomes, reported interest receipts.[13] Therefore, we use the before-tax interest rates except for half of the interest recipients with top incomes.

Our set of categories for assigning interest rates to households does not properly describe one group in the debt-free households. The fact that the largest percentage of debt-free households is found among the lowest incomes does not mean that low-income families have less need for credit. Rather, many of these families are not sufficiently good credit risks to get any loans except small loans at very unattractive terms. It would be incorrect to assume that these families make their borrowing-saving decisions on a rate of 3 percent. For a sizable group of low-income families, the lack of the use of credit can be explained on other grounds. Unskilled workers are heavily represented; because their income reaches a peak relatively early in life, they have relatively little inducement to borrow. Still other low-income families consist of older people who are living on their capital; they also have no incentive to borrow. To take account of the group who wants credit but is too poor to obtain it, we assume that 20 percent of the nonborrowers have a high time preference and, if they were free to do so would make use of short-term consumer credit at the usual rate of 12 percent.

Table 6 gives the rates derived in the manner we have indicated, with adjustments for taxes incorporated in the figures. Table 7 gives the distribution of households by income class, asset-debt position, and by their marginal borrowing or lending rates. Those who owe both consumer debt and mortgages are considered to be paying the higher borrowing rate (that for consumer debt), which is the rate that must be considered marginal. Low-income families unable to borrow at reasonable rates are listed separately.

THE SOCIAL COST OF FEDERAL FINANCING

TABLE 6.—*Interest rates faced by households in their saving-spending decisions*

[Percent]

	Interest rates for income class		
	0 to $3,000	$3,000 to $5,000	Over $5,000
Owed more than $100 of consumer debt	12.0	8.3	7.3
Owed mortgages only	4.0	3.9	3.5
Owed neither kind of debt and held savings	3.0	3.0	3.2
Unable to borrow at reasonable rates	12.0		

Source: See text.

The table also gives the average rate for each income class and the distribution of tax savings caused by an increase of the personal exemption. The final figure, computed by weighting the average rates applicable to the three income classes by their shares of tax savings, is equal to 5.87 percent.[14] This is the rate which our quantitative analysis suggests as the proper measure of value to consumers of the tax savings made possible by an increase in the exemption of the personal income tax.[15]

---

[10] 1955 Survey of Consumer Finances, "The Financial Position of Consumers," Federal Reserve Bulletin, June 1955, p. 621.

[11] This rate corresponds to the findings of Morton for 1947. See J. E. Morton, "Urban Mortgage Lending Experience," National Bureau of Economic Research (Princeton: Princeton University Press, 1956), pp. 80–81.

[12] U.S. Department of Commerce, Survey of Current Business, March 1956, p. S–16.

[13] U.S. Treasury Department, Internal Revenue Service, "Statistics of Income for 1952, Preliminary Report." These figures include returns reporting miscellaneous income on the Federal income tax form 1040a. We apply after-tax interest rates to one-half the interest recipients in the top class because that is the degree of compliance suggested by our asset-debt data.

[14] The use of income classes as defined by the Internal Revenue Service in combination with the definitions of the Survey of Consumer Finances introduces a slight upward bias into the estimate. The survey's "spending unit" includes all related persons living together who pool their incomes, while the Internal Revenue Service gives its figures in terms of tax returns. Since some spending units will file several tax returns, relatively fewer spending units will fall into our lowest income class. This bias is accentuated by the fact that our tax data pertain to 1951, when incomes were lower than in 1955. Data for the distribution of income from the two sources suggest that as many as one-half of the returns filed in the lowest income class in 1951 should be assigned to "spending units" in the next income class in 1955. Similarly, the data suggest that one-third of all returns filed in the middle-income class in 1951 belonged to "spending units" in the highest class in 1955. On these assumptions, our estimate for the interest rate would fall to 5.70 percent. This probably overstates the bias since the survey's sample appears to underrepresent low-income "spending units."

[15] Our analysis has not endeavored to impute a rate of return to the investments made possible by the increased savings of consumers. Presumably, a return greater than the borrowing cost is earned on these

TABLE 7.—*The average interest rate applicable to the distribution of tax savings from increasing personal exemption based on distribution of spending units, by income class, asset-debt position, and marginal borrowing or lending rates of interest*

Item	Income class					
	0 to $3,000		$3,000 to $5,000		Over $5,000	
	Percent of units [1] (1)	Interest rate, percent [2] (2)	Percent of units [1] (3)	Interest rate, percent [2] (4)	Percent of units [1] (5)	Interest rate, percent [2] (6)
Owed more than $100 of consumer debt	33	12	52	8.3	52	7.3
Owed mortgages only	5	4	8	3.9	11	3.5
Owed neither kind of debt	50	3	40	3.0	37	3.2
Unable to borrow at reasonable rates [2]	12	12				
Average rate for each income class		7		5.8		5.4
Percentage distribution of tax saving [3]	19.5		40.6		39.9	
Average applicable interest rate						5.87

[1] 1956 Survey of Consumer Finances, op. cit.
[2] See text.
[3] "Statistics of Income for 1951," op. cit.

REDUCING SELECTED EXCISE TAXES

In addition to the increase in personal exemption, amounting to 80 percent of the tax cut, our model A calls for a cut in excise taxes sufficient to make up 20 percent of the decline in Government revenue. We assume a reduction for only those commodities which seem likely to be affected by an actual move to cut excises. Thus, all road-user taxes are excluded, because they have been set aside to finance the expanding Federal highway program. Taxes on alcoholic beverages and tobacco are ruled out, because they are imposed, in part, for noneconomic reasons and have a long-accepted place in the Federal revenue structure. We treat the remaining excises as if they were cut proportionately, and assume that the price elasticity of consumer demand is such that the relative increase in sales will be the same for all commodities in question. These two assumptions imply that the proportionate cut in tax rates leads to a proportionate fall in the revenues from the various excises.

The incidence of excise taxes is usually assumed to fall on the consumer.[16] The incidence by income classes, then, depends on the distribution of the tax cut among commodities and on their income elasticity. Table 8 sheds some light on this question. It lists the major Federal excises, shows the revenues derived from them and their percentage distribution, and gives estimates of the income elasticities of the commodities which have been made by the U.S. Department of Commerce. Using the distribution of taxes as weights, an average income elasticity is computed for the entire excise tax cut. Both the prewar and postwar figures produce an estimate very close to 1, which implies an incidence of the taxes among income classes similar to the distribution of income.[17]

TABLE 8.—*Excise taxes and income elasticities for selected goods and services*

Commodity	Tax revenue [1]	Percent of tax revenue	Income elasticity [2]	
			1929–40	1947–54
	Millions			
Musical instruments and radios	$248	12.3	2.5	1.1
Records	8	.4	2.5	1.1
Appliances	107	5.3	1.3	.3
Cameras	15	.7	1.5	.6
Jewelry	142	7.1	1.8	.3
Furs	27	1.3	1.5	1.5
Toiletries	72	3.6	.8	.5
Luggage	51	2.5	1.1	1.3
Admissions	189	9.4	.8	−.4
Telephone	520	25.9	.5	1.7
Transportation	632	31.4	1.1	1.1
Average elasticity			1.15	1.00

[1] U.S. Treasury Department, Treasury Bulletin, March 1956. Figures are for fiscal 1955.
[2] U.S. Department of Commerce, "Consumer Expenditure Patterns," Survey of Current Business, September 1955, pp. 23–32. These estimates are based on time series analysis and are of questionable statistical validity in view of the small number of observations and the strong trends in some of the series. But the similarity of the results for the average of the two periods offers considerable evidence that the actual value is not far removed from 1.0. It may appear puzzling that these luxuries do not have a higher elasticity; but the result can be explained by the wide range of goods and prices offered in each category.

Table 9 shows the distribution of family income and the interest rates applicable to the tax saving in each class. Averaging the rates by using the income distribution as weights gives us the interest rate applicable to this form of tax cut.[18] This rate turns out to be 5.49 percent.

Averaging the 5.87 percent rate for the increased personal exemption and the 5.49 percent for excise cuts, weighted by their relative importance, we get an overall estimate of the applicable rate under the tax assumptions of model A, which is equal to 5.79 percent.

TABLE 9.—*Reduction of selected excise taxes: Distribution of income and applicable interest rates, 1955*

Family income class (thousands)	Family personal income [1]	Percent distribution before tax	Percent distribution after tax [2]	Applicable interest rate [3] (percent)
	Billions			
0 to $3	$25.0	9	10	7.0
$3 to $5	59.1	21	22	5.8
$5 to $7.5	81.6	28	28	5.8
$7.5 to $10	47.1	16	16	5.4
$10 to $15	29.3	10	10	5.0
Over $15	46.0	16	14	4.6
Average applicable interest rate				5.49

[1] S. F. Goldsmith, "Income Distribution in the United States, 1952–55," Survey of Current Business, op. cit., June 1956, pp. 9–16. Our income classes have to be defined as income before tax because the survey data on which our interest rates are based are given that way.
[2] Since the income elasticities were derived from regressions on disposable, or after-tax, income, it is the distribution of income after taxes which supplies the proper weights for our average interest rate. The distribution after taxes was computed by applying the average tax rate for each income class (given in the Goldsmith article cited above) to the before-tax income.
[3] The rates for the lower brackets are carried over from the preceding section. The breakdown in the upper brackets is derived in detail in the discussion of model B.

MODEL B: A TAX CUT STIMULATING INVESTMENT

In model B, we make quite different assumptions about the tax cuts made possible by a reduction in expenditures, though we again try to cast our assumptions in a plausible form from a political point of view. We assume that 50 percent of the reduction will be taken by reducing the rate structure of the personal income tax. Rather than assume a new rate schedule, we assume that it is the objective of the rate changes to reduce the tax bill of each taxpayer in the same proportion. Income tax payments represent a larger percentage of the income in higher brackets; therefore, such a tax cut would produce a more than proportionate increase in after-tax incomes in the higher income classes and would, therefore, reduce the degree of progression of the personal tax structure. The remaining 50 percent of the reduction is assumed to take the form of a cut in corporate income taxes, distributed among corporations in proportion to their tax liability. Combining the interest rates applicable to each of these tax cuts, we derive our overall estimate for model B as follows:

	Percent
Proportionate reduction of personal income taxes	5.29
Proportionate cut in corporation taxes	5.59
Weighted average for model B	5.44

investments, which serves as an inducement for the investor. An estimate of this extra return requires identification of the marginal borrowers to whom these investable funds would be made available, a task we shall not assay. Were we to assume that the return above borrowing cost is 3 percent—a liberal figure in view of the low- and middle-income sources of these savings and the channels into which their savings usually flow—and were we to apply marginal propensities to save by income classes (see footnotes to table 14) to estimate the share of the tax cut that would be saved, we would increase our estimate by 0.12 percentage points, resulting in a figure of 5.99 percent.

---

[16] Musgrave and Tucker followed this assumption in their studies of tax incidence. (See R. A. Musgrave, J. J. Carroll, L. D. Cook, and L. Frane, "Distribution of Tax Payments by Income Groups: A Case Study for 1948," National Tax Journal, March 1951; and R. S. Tucker, "Distribution of Tax Burdens in 1948," ibid., September 1951.) This assumption is only a first approximation and overlooks the effects of product substitution.

[17] Rolph has put forth the view that factors of production bear the cost of excise taxes through backward shifting. Our computation is consistent with this assumption if the changes in factor payment are proportional, for this will distribute the tax saving among income classes in accordance with the distribution of income. See E. R. Rolph, "A Proposed Revision of Excise Tax Theory," Journal of Political Economy, April 1952, pp. 102–117.

[18] A reduction of excise taxes is less likely than a reduction of income taxes to result in accrual of additional returns to marginal investors to whom additional private savings are made available. This is because the tax cut leads to price reductions of consumer goods and hence induces some substitution of consumption for saving. While we cannot be sure that the substitution effect will exactly cancel the income effect on consumption, it is unlikely that the net result will be significant. The distribution of the tax cut among income classes, and particularly to high-consumption families, strengthens this conclusion.

REDUCING PERSONAL INCOME TAX LIABILITIES PROPORTIONATELY

Much of the method applied in model A can be used for the personal income tax cut favoring upper income families. Let us first look at the distribution of tax savings among income classes, given in table 10. Comparing the incidence of this tax cut with the incidence of an increase in the exemption, we find that much more of it accrues to high-income classes, 59 percent of it to incomes over $7,500. Where model A emphasized the asset-debt position of families with low and middle incomes, for whom the Survey of Consumer Finances provides good coverage, model B must give much more detailed estimates for the upper income classes. Insofar as the tax cut does accrue to families with incomes below $5,000, we can simply use the interest rates derived earlier. But a somewhat different approach is required for the upper income groups. In the lower brackets, the diversity of interest rates is explained primarily by the presence or absence of debt and by the kind of debt owed. In the upper brackets, the form of the assets from which income is derived and the rates at which such income is taxed are the most important variables.

TABLE 10.—*Incidence by income classes of a proportionate reduction of income tax payments, 1954*

Family personal income (thousand dollars)	*Percent distribution of income tax liability* [1]
0 to 3	3.6
3 to 5	13.2
5 to 7.5	24.0
7.5 to 10	14.4
10 to 15	10.3
15 to 20	5.0
20 to 30	6.5
30 to 50	7.8
50 to 100	7.7
Over 100	7.5

[1] Goldsmith, op. cit., p. 15. The breakdown of the 34.5 percent paid on incomes above $15,000 is in proportion to the tax liabilities of these classes in 1952, as given in the "Statistics of Income for 1952, Preliminary Report," U.S. Treasury Department, Internal Revenue Service.

First, we determine what proportion of families in each class has debts in such amounts that borrowing rates would dominate choices between spending and saving, and then estimate the relevant borrowing rates. For the remaining families, which include a rapidly increasing share as we go up the income scale we try to determine the kind of earning assets from which they derive their nonwage income and at what rates of return this income is received. Again, combining the distribution of incidence of the tax cut with the interest rates applicable to different income classes, we derive an average rate which measures the value of the money released by the postulated tax cut.

Table 11 presents the asset-debt position of households with incomes greater than $5,000. It shows a wide prevalence of debt, which results from lumping all incomes above $10,000 into one bracket. Since debt for consumption purposes falls rapidly in the higher brackets, in our subsequent analysis the figures for the bracket over $10,000 are applied only in the range $10,000 to $15,000. Also, in the higher brackets, the relevance of the borrowing rate ceases, because the rate of return on assets increases while the borrowing cost falls, until at some point on the income scale, the borrowing rate is no longer marginal—the return on assets playing the role instead. When that point is reached, consumer credit is likely to be in the form of charge accounts owed as a matter of convenience, and mortgages owed—in part—in order to raise funds for investment purposes.

Table 11 also shows the interest rates applicable to debtors in these income classes. As in model A, rates of 9 percent on short-term debt and 5 percent on mortgages are used in deriving these rates, but in the case of the upper-income classes, it is assumed that interest payments are deducted from the tax liability and the rates are adjusted accordingly.

To derive the rates of return which upper-income families earn on their assets, we estimate asset holdings by income class and the rates applicable to each asset category. Table 12 shows in what form upper-income classes receive property income as reported in income tax returns.

TABLE 11.—*Debt position of families with incomes over $5,000*

Income class (thousands)	Percent owed more than $100 of short-term debt [1]	Percent owed mortgages only [1]	Percent owed neither kind of debt	Interest rate applicable to debtors (percent)
$5 to $7.5	56	11	33	6.2
$7.5 to $10	52	22	26	5.6
Over $10	41	22	37	4.9

[1] 1956 Survey of Consumer Finances, op. cit., pp. 701-03.

In the case of business and professional income, part is actually managerial wages or income earned for supplying professional services. While we have no direct data on this breakdown, the Department of Commerce has estimated that, in 1949, 11.3 percent of all incomes of $5,000 and over was professional income; 37.8 percent, from farms; and the remaining 50.9 percent from unincorporated business.[19] We consider all of the professional income to be a form of wages.[20] As for the income from farms and unincorporated business, we allow 50 percent of the income as managerial wages and the remainder as income earned on assets. Table 13 gives the distribution of income from assets which is implied by these assumptions.

TABLE 12.—*Percentage breakdown of nonwage income in upper income classes* [1]

Income class (thousands)	Business and professional	Dividends plus retained earning	Rent	Interest	Income from trusts
$5 to $7.5	69.9	14.2	8.9	5.0	2.1
$7.5 to $10	67.0	17.0	6.9	6.2	2.7
$10 to $15	67.0	18.4	6.7	4.5	3.4
$15 to $20	66.3	19.6	6.1	4.2	4.0
$20 to $30	62.7	21.8	5.9	4.[illegible]	5.3
$30 to $50	58.[illegible]	26.1	5.5	4.0	5.8
$50 to $100	46.3	36.4	5.5	3.9	8.2
Over $100	22.2	56.8	4.3	2.9	13.9

[1] "Statistics of Income for 1952, Preliminary Report," op. cit. Direct data on the holdings of assets of investors, not derived from tax information, are generally consistent with the figures given here. See J. K. Butters, L. E. Thompson, and L. L. Bollinger, "Effects of Taxation on Investment by Individuals" (Boston: Graduate School of Business Administration, Harvard University, 1953), p. 468.

TABLE 13.—*Percentage breakdown of income from assets in upper-income classes*

Income class (thousands)	Business	Dividends plus retained earnings	Rent	Interest	Income from trusts
$5 to $7.5	56.4	20.6	12.9	7.2	3.0
$7.5 to $10	47.5	27.2	11.1	9.9	4.3
$10 to $15	47.4	29.4	10.7	7.2	5.4
$15 to $20	46.5	31.0	9.6	6.6	6.3
$20 to $30	42.7	33.5	9.1	6.5	8.2
$30 to $50	38.2	39.0	8.2	6.0	8.6
$50 to $100	27.5	49.0	7.4	5.2	10.9
Over $100	10.9	64.2	5.1	3.3	15.8

Turning to the rates of return, figure 14 throws considerable light on prevailing rates in unincorporated business. Each dot on the frequency distribution indicates the median rate of return of a sample of firms in an industry. Most of the firms have assets in excess of $50,000—the proper size to yield incomes which fall into the brackets with which we are concerned. Both the means and the medians of the industry medians fall very close to 6 percent[21] for all three categories of data; we use this figure as our estimate. In the case of farming, the average rate of return on investment, after allowing for the value of operator and family labor, has been estimated at 4.9 percent for the year 1949, although the return in 38 percent of the regions of the United States is in excess of 6 percent.[22] The subsequent deterioration of farm prices has lowered the average return. But we are concerned with farms yielding an income in excess of $7,500, earned only on the farms which are the largest and most successful, and located in the better regions, and so we assume a rate of return of 6 percent to apply.

Treatment of the returns on stock poses severe problems. The ex post rate of return has been extremely high in recent years because of the doubling of common stock prices. If we considered all capital gains to be income, the annual rate of return of recent years would exceed 15 percent. But in making decisions, individuals did not fully anticipate these capital gains, nor would it be realistic to suppose that this rate will continue indefinitely. Yet, it also would be unrealistic to exclude all capital gains, since the high rate of income retention of corporations makes likely the continued growth of the value of stocks. To take account of this factor, we assume that the yield on stocks is equal to dividends plus retained earnings. In 1955, the average dividend yield on all common stock was 3.93 percent; since only 50 percent of earnings was paid out, we assume a total rate of return of 8 percent.

Income from rent, interest, and trusts represents relatively small shares of total property income. For the rate of return on real estate, we use two sources. The first is profits of corporations whose main business is the holding of real estate. This has been at the rate of 12 percent before taxes,[23] a figure which primarily represents commercial property and apartment houses. Second, for residential property as a whole, some unpublished investigations of R. Muth suggest an average rate of 5.5 percent.[24] Since commercial property and residential property of above average profitability are likely to be held by individuals in the upper-income brackets we assume that rental income is earned at a rate of return of 8 percent. For interest, a rate of 3 percent is assumed. This is slightly higher than the rates of 2.8 to 2.9 percent which prevailed on Government bonds in 1955, but lower than the average yield of 3.25 percent on corporate bonds.[25] Finally, we assign an interest rate to income from trusts. Since the trusts represent various combinations of other assets, we simply assume that their rate of return is equal to the average rate of return earned by the income class.

---

[19] U.S. Department of Commerce, "National Income, 1954 Edition, A Supplement to the Survey of Current Business," p. 76.

[20] While many professions require considerable investment in equipment, a reduction in income would not be likely to affect this kind of investment.

[21] Use of the median assures that the presence of a few large firms or of a few extreme values will not bias the estimates.

[22] E. G. Strand, E. O. Heady, and J. A. Seagraves, "Productivity of Resources Used on Commercial Farms," U.S. Department of Agriculture, Technical Bulletin, No. 1128, November 1955, p. 50.

[23] U.S. Treasury Department, Internal Revenue Service, "Statistics of Income for 1951" (Washington, D.C.: Government Printing Office, 1955), and Statistics of Income for 1952, op. cit.

TABLE 14.—*Rates of return earned by households, adjusted for taxes by upper-income classes and form of property*

Income class (thousands)	Rates of return for form of property income (percent)				
	Business income	Dividends plus retained earnings	Rent	Interest	Average rate of return [1] (percent)
Rate of return before tax [2]	6.0	8.0	8.0	3.0	--------
Rate of return after taxes by households [3] for—					
$5 to $7.5	4.5	6.5	6.0	2.2	5.0
$7.5 to $10	4.2	6.2	5.7	2.1	4.7
$10 to $15	3.8	5.8	5.1	1.9	4.4
$15 to $20	3.2	5.1	4.2	1.6	3.8
$20 to $30	2.5	4.6	3.2	1.2	3.2
$30 to $50	2.1	4.4	2.8	1.0	3.1
$50 to $100	1.4	4.0	1.9	1.2	2.9
Over $100	.7	3.4	.9	.9	2.8
Applicable rate of return [4] for:					
$5 to $7.5	4.5	6.5	6.0	2.2	5.0
$7.5 to $10	4.4	6.4	6.0	2.2	4.9
$10 to $15	4.4	6.4	5.9	2.2	5.0
$15 to $20	3.9	5.9	5.2	2.0	4.6
$20 to $30	3.9	6.0	5.1	1.9	4.6
$30 to $50	3.7	5.8	4.9	1.8	4.6
$50 to $100	3.2	5.6	4.3	2.3	4.6
Over $100	2.8	5.2	3.7	1.9	4.6

[1] The average is weighted by the distribution of property income within the income class.

[2] See text.

[3] The following marginal tax rates are applied to the respective income classes: 0.25, 0.29, 0.36, 0.47, 0.59, 0.65, 0.76, and 0.89. These rates represent the marginal rate in each income class as indicated by the average tax liability reported for the class. In applying the rates, half of the income from stock is considered long-term capital gain. Also 25 percent of the interest income in the top 2 brackets is considered to be from tax-exempt bonds yielding an average of 2.6 percent; this assumption is based on the findings of Butters, Thompson, and Bollinger, op. cit., p. 468.

[4] These rates are derived as follows: We assume the following marginal propensities to save: 0, 12, 26, and 26 percent respectively on the first 4 brackets, and 40 percent on all brackets over $20,000. (Source: Survey of the Bureau of Labor Statistics to revise the Consumer Price Index, 1950, as reported in Business Week, June 16, 1956, p. 104; the figure for the top bracket is based on the 1936 survey of the National Resources Committee, reported in M. Bronfenbrenner, et al., "A Study in Redistribution and Consumption," Review of Economics and Statistics, May 1955, p. 153, adjusted downward in accordance with the shift of the known portions of the consumption function.) We apply the rates after tax to the portion of the tax cut that would be consumed and the rates before tax to the share that would be invested, and then compute a weighted average.

These rates can be given an alternative interpretation to that of the text. Where the Government is considered a partner in the ownership of the assets, the return in excess of the after-tax rate can be considered to be the return earned by the Government on the assets. The rate at which taxes are paid on the part of the tax cut which is invested measures the Government's share of the returns.

These rates have been stated before taxes. In the case of funds actually used for investment, this rate measures the social opportunity cost since the assets which the money makes possible yield this return. But in determining a rate of interest which measures the value of the funds used for consumption, we must use the rates of return that could be earned after taxes, since these are the rates which households actually face in making decisions. Table 14 first gives the rates of return after taxes, and then shows the adjusted rates of return allowing for the higher rates that must be applied to the portion of the tax cut which is actually invested. Taking these adjusted rates in combination with the distribution of various kinds of property income of table 13, we derive the average rates of return applicable to the property holders in each income class (final column of table 14). Combining the resulting rates with the rates given for debtors in table 11, we derive the average interest rate for the entire income class (column 3, table 15). Finally, bringing in the rates for low-income classes from model A, and the distribution of the tax cut from table 10, we compute the overall interest rate for this form of tax cut. These computations, summarized in table 15, show an overall rate of 5.29 percent.[26]

TABLE 15.—*Summary of derivation of interest rate applicable to proportionate reduction of personal income tax payments*

[Percent]

Income class	Interest rate applicable to debtors (1)	Interest rate applicable to investors (2)	Average rate for class (3)	Percent distribution of tax cut (4)
0 to $3,000	--------	--------	7.0	3.6
$3,000 to $5,000	--------	--------	5.8	13.2
$5,000 to $7,500	6.2	5.00	5.8	24.0
$7,500 to $10,000	5.6	4.93	5.4	14.4
$10,000 to $15,000	4.9	5.03	5.0	10.3
$15,000 to $20,000	--------	4.56	4.6	5.0
$20,000 to $30,000	--------	4.64	4.6	6.5
$30,000 to $50,000	--------	4.58	4.6	7.8
$50,000 to $100,000	--------	4.56	4.6	7.7
Over $100,000	--------	4.63	4.6	7.5
Average applicable interest rate	--------	--------	--------	5.29

Source: See text.

REDUCING THE CORPORATION INCOME TAX PROPORTIONATELY

In order to discover the interest rate applicable to a cut in the corporation income tax, we must first analyze its incidence. To what extent is it passed on to consumers through lower prices and to workers through higher wages? There is little evidence on these questions. Colm argues[27] that the benefit of the reductions after World War II accrued primarily to profits and, to some extent, to wages, but that under less inflationary conditions more of the tax cut would be passed on to consumers. Musgrave,[28] in his study of the incidence of taxation, assumes that 33 percent of the tax is passed on to consumers and 12 percent to wage and salary earners, leaving 55 percent as the increase in corporate earnings. We adopt his assumption for our tax cut.

The interest rate applicable to the share of the tax cut benefiting wage and salary earners can be derived from the distribution of this form of income by income classes and our earlier estimates of interest rates. Similarly, the part of the tax cut passed on to consumers can be allocated to income classes in accordance with the distribution of consumption, and then be combined with our interest rates. The rates derived from these computations, summarized in table 16, are 5.81 percent for wage and salary earners and 5.68 percent for consumers.

TABLE 16.—*Derivation of interest rates applicable to the shares for wages and salaries and consumption of a reduction in the corporation income tax*

Income class	Percent distribution of wages and salaries [1]	Percent distribution of consumption [2]	Applicable interest rates [3] (percent)
0 to $3,000	15	12	7.0
$3,000 to $5,000	33	24	5.8
$5.000 to $7,500	29	29	5.8
$7.500 to $10,000	11	15	5.4
$10,000 to $15,000	5	9	5.0
Over $15,000	7	11	4.6
Average applicable interest rate (percent)	5.81	5.68	

[1] Statistics of Income for 1952, op. cit., adjusted for 1955 conditions by applying the pattern of change of the distribution of personal income as reported in Goldsmith, op. cit.

[2] Assumes average propensities to consume in the respective income brackets as follows: 1.1, 0.96, 0.90, 0.82, 0.75, and 0.60. These propensities are taken from M. Bronfenbrenner, et al., op. cit.; values for the 4 lower income classes are based on Federal Reserve Board data for 1950; values of the 2 upper income classes are from National Resources Committee data for 1935–36, adjusted upward in accordance with the drift of the known portions of the consumption function.

[3] See tables 7 and 15.

Part of the unshifted portion of the tax cut is passed on to dividend recipients. We use the relationships between dividends and earnings established by Lintner to discover the share going to dividends. He found that an increase in earnings will lead to a gradual increase in dividends until the traditional payout ratio of the firm has been restored.[29] In the first year, dividends will rise 13.5 percent of the increase in earnings; in subsequent years, the same percentage of the gap between the dividend paid in the previous period and the dividend called for by the firm's traditional payout ratio will be closed. For the country as a whole, the average payout ratio was about 0.50[30] in 1955, so a reduction of the tax by $1 will increase dividends 13.5 cents in the first year, 23.4 cents in the second year, and so on until the increase would equal 50 cents. An average of these payments over a period of 100 years—a period corresponding to the economic life of water resource projects—would be 47 cents. So, of the 54 percent of the tax cut which accrues to increase profits, 47 percent is passed on to dividend recipients. The distribution of dividends by income classes is given in table 17. Applying the intrest rates derived earlier, we find that a rate of 4.96 percent is applicable to this portion of the tax cut.

---

[24] For an abstract, see R.F. Muth, "The Demand for Non-Farm Housing," Econometrica, April 1957, p. 365.

[25] Board of Governors, Federal Reserve System, Federal Reserve Bulletin, May 1956, p. 477.

[26] If we assume that an additional return of 3 percent above borrowing cost accrues to the investors to whom the additional savings are made available, our estimate is increased by 0.61 percentage points to 5.9 percent. This probably overstates the effect, since the return to the investor is identical with the return to the saver on a large part of the property incomes.

[27] Gerhard Colm, "The Corporation and the Corporation Income Tax in the American Economy," American Economic Review, May 1954, p. 493.

[28] Musgrave, Carroll, Cook, and Frane, op. cit., p. 16.

[29] J. Lintner, "Determinants of Corporate Savings," Chapter 14 in "Savings in the Modern Economy," W. Heller, ed. (Minneapolis: University of Minnesota Press, 1953); and Lintner, "Distribution of Incomes of Corporations among Dividends, Retained Earnings and Taxes," "American Economic Review," May 1956, pp. 97–113.

[30] "Statistics of Income for 1952, op. cit. The payout ratio of small corporations is lower, and we assume a ratio of 0.35. This figure is an average of the payout ratios by asset size, weighted by the distribution of tax payments, and allowing for a gradual approach to the average ratio.

These allocations leave 29.2 percent of the tax cut as the increase of retained earnings. How much will the investment of the taxed firms increase as a result? To answer this question, we consider firms with assets greater than $10 million separately from smaller firms. This division into "large" and "small" corporations is necessary because the influence of the availability of additional funds on investment varies sharply with the size of the enterprise. We assume that 75 percent of the tax is paid by large firms, 25 percent by the rest.[31]

TABLE 17.—*Derivation of interest rate applicable to the share of corporation income tax cut benefiting dividend recipients*

Income class	Percent distribution of dividends [1]	Interest rate [2] (percent)
0 to $3,000	4	7.0
$3,000 to $5,000	6	5.8
$5,000 to $7,500	8	5.8
$7,500 to $10,000	7	5.4
$10,000 to $15,000	11	5.0
$15,000 to $20,000	7	4.6
$20,000 to $30,000	11	4.6
$30,000 to $50,000	13	4.6
$50,000 to $100,000	14	4.6
Over $100,000	19	4.6
Average applicable interest rate		4.96

[1] Statistics of Income for 1952, op. cit.
[2] See table 15.

In regard to large corporations, Lintner cites a number of reasons for believing that the effect on real investment will be small.[32] Most corporations are forced to maintain a certain level of investment. Failure to expand capacity or to maintain a steady rate of reduction of costs, by jeopardizing the firm's competitive position in the industry, would pose a serious threat to its longrun future. Investment for diversification, which is usually motivated by a desire to reduce the variability of production levels and earnings, would also be relatively immune to changes in tax rates. If internally generated funds are inadequate for these purposes, the firm borrows. The effect on investment incentives caused by a tax rate which takes away part of a firm's profits on successful ventures, is, to a large extent, offset by the Government's bearing part of the losses through reduced tax liability in the event of failure. Finally, in many instances, the limit to a firm's rate of expansion is not set by the diminishing attractiveness of profit opportunities in relation to borrowing costs, but rather by its supply of managerial personnel. The firm undertakes as much investment as its staff can handle successfully. Lintner believes this analysis to be particularly applicable in periods of high employment. In depressions, firms hesitate to borrow for fear of inability to repay, and the relationship between the levels of taxation and of investment becomes much stronger. Since our analysis supposes that a successful stabilization policy precludes depression, we assume that an increase of retained earnings of $1 would lead to only 10 cents of added investment in the firm. A rate of return of 21 percent, the average rate of return of large corporations in 1955 before taxes,[33] is assumed for the share of the tax cut that would be invested by the firm.

The liquidity of the large firm would be increased by the remaining 90 cents of increased retained earnings. Firms with a significant amount of debt would be able to lower it; firms which raise funds by financing their accounts receivable could reduce this practice; those which are creditors would be able to increase their financial assets—consisting in the case of large corporations primarily of Government securities.[34] Thus, the major share of the increase of retained earnings would add primarily to that large pool of low-interest, low-risk, relatively liquid capital into which excess corporation funds are channeled, and from which the loans of large corporations, governments, and financial institutions are drawn. An increase in the supply of loanable funds in this market would have several effects. To some extent, interest rates on low-risk securities would fall and the severity of rationing would diminish, leading to some increase of mortgages and perhaps even a small increase of business borrowing. The effect of the drop in low-risk interest rates would be gradually diffused through the credit structure, as banks and other financial institutions adapted their portfolios to the changed pattern of interest yields. Because the primary impact of an increased supply of funds is on the low-interest, low-risk sector of the capital market, and only the spillover occasioned by secondary repercussions makes funds available to risky investments producing higher yields, we assume an average rate of 5 percent to apply to this part of our tax cut.

The investment behavior of small corporations is considerably more sensitive than that of large corporations to changes in tax rates.[35] Companies with high growth potential are affected most adversely by corporate taxes, which prevent internal accumulation of the capital they need. External sources of long-term capital are available to small companies only at high cost in terms of both money and loss of control.[36] The corporation income tax also diminishes the attraction of risky investments, since a small firm is less likely to be able to take advantage of the loss-offset provisions to reduce the tax liability on profitable operations. But the significance of these arguments should not be overstated. Not all small business would grow rapidly in the absence of taxes; and need for new capital of many companies is small and can be satisfied. A recent survey of the Department of Commerce[37] found that of all the firms in their sample, 56 percent had no desire for outside financing, 24 percent obtained all the funds they desired, 13 percent obtained some, and only 7 percent failed to obtain any. New firms were somewhat less successful in raising capital and, most significantly, it was the demand for long-term and, particularly, for equity funds which failed to be met. On the basis of this evidence, we assume that 50 percent of the increase in retained earnings is invested within the small firm; to this we assign a rate of 18 percent.[38] The remaining 50 percent, we assume, is used to reduce bank loans or to purchase liquid assets, at a rate of 5 percent. The computation for this form of tax cut is summarized in table 18. The interest rate applicable to a reduction of the corporation income tax is 5.59 percent.[39]

TABLE 18.—*Summary of derivation of interest rates applicable to proportionate reduction of corporation tax payments*

Incidence	Percent of tax cut	Applicable interest rate (percent)
Shares of tax cut:		
Shifted to consumers	33.3	5.68
Shifted to wage and salary earners	12.5	5.81
Left as increased corporate earnings	54.2	

---

[31] In 1951, corporations with assets over $10 million paid 70.4 percent of the tax (Statistics of Income for 1951, op. cit.). Figures for all corporations for 1951 are not yet available, but we can make a good estimate from the data on manufacturing. In this sector, which pays two-thirds of the entire tax, the percentage paid by large corporations rose from 76 to 82 percent from 1951 to 1955. Our estimate assumes a somewhat smaller increase of taxes paid by large corporations outside manufacturing.

[32] J. Lintner, "Effects of Corporate Taxation on Real Investment," American Economic Review, May 1954, pp. 520–534. For an analysis of the effect of taxation on the conditions of supply of capital, see J. K. Butters, "Federal Income Taxation and External vs. Internal Financing," Journal of Finance, September 1949, pp. 197–205. In times of very tight money, the effect on internal investment will be larger, of course. For a somewhat stronger emphasis on liquidity as an investment-determining variable, particularly in recessions, see J. Meyer and E. Kuh, "Acceleration and Related Theories of Investment: An Empirical Inquiry," Review of Economics and Statistics, August 1955, pp. 217–230.

[33] This figure is derived as follows: 78 percent of the tax cut goes to manufacturing, 17 percent to utilities, and 5 percent to trade. The average rate of return of large corporations in manufacturing was 23.8 percent (reported in Quarterly Financial Report for Manufacturing Corporation, 4th Quarter 1955, Federal Trade Commission and Securities and Exchange Commission, Washington, April 1956). The rate for utilities was estimated directly from prevalent standards of rate regulation to be equal to 10 percent. The rate for trade, which is equal to 20 percent, assumes that it stood in the same ratio to the rate in manufacturing as in 1952. (Figures for 1952 from SEC data.) A weighted average yields our estimate. The concept of rate of return used by the SEC may overstate the actual rate by 1 to 2 percent.

[34] C. E. Silberman, "The Big Corporate Lenders," Fortune, August 1956, p. 112.

[35] Lintner, "Effects of Corporate Taxation on Real Investment," op. cit., p. 533.

[36] For an analysis of the case of the growing firm, see J. K. Butters and J. Lintner, "Effect of Federal Taxes on Growing Enterprises" (Boston: Graduate School of Business Administration, Harvard University, 1945).

[37] Loughlin F. McHugh and Jack N. Ciacco, "External Financing of Small and Medium-Size Business," Survey of Current Business, op. cit., October 1955, pp. 15–22.

[38] This rate is obtained as follows: In manufacturing, to which 54 percent of the tax cut accrues, the average rate of return of small corporations was 18 percent in 1955 (Quarterly Financial Report, op. cit.,); for utilities, which pay 9 percent of the tax, the rate is about 10 percent; and in trade, which pays 18 percent of the tax, the rate is 20 percent (footnote 33). The remaining 19 percent of the tax cut goes to finance, services, and construction; we assume that the average rate for small corporations applies here. A weighted average of these rates yields our estimate.

[39] Again making an allowance of 3 percent for the return accruing to the investors of the additional personal savings, our estimate is raised by 0.24 percentage points to 5.83 percent. Were we to assume an extra return of 3 percent on the funds made available to the capital market by corporations as well, the total estimate would rise to 6.59 percent. In times of moderate monetary policy, the condition postulated for our analysis, these effects would not be of the magnitude indicated here.

TABLE 18.—*Summary of derivation of interest rates applicable to proportionate reduction of corporation tax payments*—Continued

Incidence	Percent of tax cut	Applicable intertst rate (percent)
Large corporations—Distribution of 75 percent of total increased corporate earnings:		
47 percent passed on in dividends	19.1	4.96
53 percent retained as earnings, of which—		
10 percent invested in firm	2.2	21.00
90 percent reduces debt or loaned in market	19.4	5.00
Small corporations—Distribution of 25 percent of total increased corporate earnings:		
35 percent passed on in dividends	4.7	4.96
65 percent retained as earnings, of which—		
50 percent is invested in firm	4.4	18.00
50 percent reduces debt or loaned in market	4.4	5.00
Average applicable interest rate	----------	5.59

Source: See text.

Combining this estimate with the interest rate of 5.29 percent for the proportionate reduction of personal income taxes, we derive an overall estimate for model B of 5.44 percent.

INTERPRETATION OF OUR RESULTS

The estimates of opportunity costs derived from our two models were quite similar, although the assumed changes in taxation were very different. This suggests that a value of the order of magnitude of our derived results could serve as a measure of the social cost of capital for Federal investment. But before accepting this conclusion, it is necessary to examine possible errors in the assumptions and in the data of our quantitative analysis.

ACCURACY AND LIMITATIONS

A possible source of error is our analysis of the incidence and effects of taxation. Insofar as possible, we have tried to follow the views generally held by experts in this field. Changes in most of our assumptions would have only a moderate effect on the results. Experiments with somewhat different assumptions of incidence produced estimates similar to those obtained. Two exceptions, however, would upset our results. First, if it is assumed that a reduction in the corporation income tax will lead to an upsurge of investment by large corporations, then more of the tax cut would earn the high rates of profit which are prevalent. We have tried to show, however, that this effect is unlikely under the assumed economic condition of high employment. Second, it can be argued that the high levels of Federal taxation lead to a large waste of economic resources caused both by the managerial efforts devoted to the tax problem and the distortions in economic decisions of firms and households resulting from a desire to avoid taxes. These considerations are not likely to have much relevance to the problem under study here because the magnitudes of the possible tax reduction are so small compared to the taxes which are needed to finance defense and other programs. Our result is meant to apply only to small tax cuts.[40]

The rates of return which we assumed are another possible source of error. Through parts of the analysis, average rates were used to approximate marginal rates of return. Housholds were assumed to add to their assets in such proportion that the average rate of return of their property incomes would remain constant. For any one firm or household that is not likely to be a good approximation; but for large aggregates the error will be smaller. The typical household will not hold assets in the proportions of the group average; some households will make investments in their own business, others in common stocks, others in real estate—depending upon the experience of the head of the household and the opportunities to which he has access. Additional funds are likely to be put into the household's major form of asset. With the tax cut spread over all households in the income class, the money is likely to be invested proportionately to total holdings.

Similarly, business was assumed to make its additional investments at a rate equal to its average rate of return. In the case of industry, the tax cut is diffused over successful and marginal firms in many fields. This does not rule out a systematic bias between marginal and average rates, but the direction of bias is not clear. On the one hand, extra funds must go into investment opportunities which are considered marginal in comparison to the opportunities that are undertaken with out the tax cut. On the other, new investment opportunities may yield generally higher returns than the reported average for old and new capital. Also, business will not undertake any investment unless the expected rate of return meets minimum standards that are sufficiently high actually to yield an adequate return for the particular kind of investment. Finally it should be stressed that most of model A and a large part of model B do not use this approximation.

Our results are not meant to apply in periods of serious inflation or depression. In an inflationary period, monetary policy is likely to be pursued with such vigor that the supply of investible funds to firms will be severely restricted, while the attractiveness of high returns on investments will exercise strong pressure to invest any funds that become available. Under these conditions, the increase in retained earnings made possible by a reduction in the corporation income tax would, in large part, lead to investment within the firm. Since large corporations tend to earn high rates of return on internal investments, the interest rate applicable to such a tax cut would be considerably higher than our estimates. Even the reductions in personal taxes are quite likely to have significant investment effects. For in periods of money shortage, when there is sharp competition among borrowers for funds, more personal savings are likely to find their way into business uses in which high rates of return prevail.

In years of depression, when Government expenditures are designed to raise the total level of effective demand in order to employ idle resources, the social cost of capital is extremely low. Tax policy, in such periods, would endeavor to tax idle hoards of funds rather than money which would be spent for consumption or investment; and much of public expenditures would be financed by Government loans designed to avoid competition with private demands for investible funds. In real terms, many of the resources absorbed by public investment would have been idle and, hence, would have an opportunity cost close to zero. Expressed as an interest rate, it is not at all inconceivable that the social cost of public capital would be negative in such circumstances.

The year 1955, for which our estimate was derived, can be considered typical of long-term conditions, however. Employment was high, though not to a point where inflation had set in. Fiscal and monetary policies were moderate, endeavoring to keep the economy within a narrow range of balance, without drastic inflationary or deflationary measures. Consumer indebtedness reached an all-time high, but the strong upward trend in the use of credit suggests that the debt position of 1955 will be typical for future years.

How wide then is the range of error of our estimates? We believe that the actual level lies within a range of 1 percent of our estimates for the general economic conditions postulated for our analysis. This statement is based both on judgment and upon experiments in which those assumptions most open to question were varied. Combining all reasonable assumptions that would raise the rate yields an estimate of 7 percent; conversely, all plausible assumptions that would produce a low rate yield an estimate of 5 percent. It is our conclusion that the probable value for the economic conditions postulated lies between 5 and 6 percent.

AN ALTERNATIVE: A TIGHTER MONETARY POLICY

So far, our analysis has assumed that the expenditures for water resource projects would be offset by taxation sufficient to preserve balance in the economy. Let us also consider briefly the case where monetary rather than tax policy is used to restore equilibrium. An expansion of the Federal program would then have to be offset by a tightening of monetary policy of sufficient degree to release the quantity of resources needed for the program. To estimate the social cost of capital under this assumption, it is necessary to discover which economic activities would be curtailed by the diminished supply of credit.

It is unlikely that a change in monetary policy would be a permanent method of compensating for a change in expenditures, because this would reduce the remaining potential of this stabilizing weapon. But the initial offset might well be in this form, subsequently to be converted into a change of tax rates.

We shall not undertake a full-scale quantitative effort to measure the incidence of monetary policy. The kinds of assumptions required would be considerably more arbitrary than those of our tax study, and the rates of return that would be earned by the marginal borrowers to whom credit would be denied could not be estimated with sufficient accuracy. However, we can get some idea of the order of magnitude by listing the sectors affected by monetary policy and the rates of return prevailing in them.

Bank loans are the traditional, perhaps most important, form of credit that can be reduced through monetary policy. Loans to business, which totaled $31 billion in 1955, were made at nominal average rates of 4.2 percent.[41] While we cannot estimate what rates of return would have been earned on curtailed loans, we know that the rate expected by the borrower must be at least 4.2 percent. And it is probably more, in view of the somewhat higher interest rates charged to marginal borrowers and the return above borrowing cost which must be expected as an incentive to take the risk of the investment. Loans to individuals totaled $17 billion and were made at a wide range of rates—from as low as 4.5 percent to over 10 percent, depending upon the purpose, the collateral, and the credit worthiness of the individual. The marginal loans that would be refused because of a tighter monetary policy would have borne rates well above the minimum of the range.

---

[40] We have made no allowance for effects originating in rounds of respending subsequent to the economic units on whom the initial impact falls. The increase in disposable income due to a tax reduction will have multiplier effects on the incomes of others, of course, but we have assumed that a correctly managed fiscal and monetary policy offsets these multiplier effects. Nevertheless, the multiplier effects and their policy offsets will lead to some redistribution of income, and it is logically possible that there are systematic differences between the time preferences of the gainers and the losers of this redistribution. This would affect our estimate. But since both the initial repercussions and their offsets are diffused more or less randomly through the economy, it is most unlikely that there will be systematic differences between the two groups in this regard. Further, the similarity of our estimates for different taxes argues that if there are systematic differences in the two groups with regard to important economic characteristics, the effect of the social cost of capital will still be small. For a full discussion of these effects, see A. H. Conrad, "The Multiplier Effects of Redistributive Public Budgets," Review of Economics and Statistics, May 1955, pp. 160–73; also see M. Bronfenbrenner, Taro Yamane, and C. H. Lee, "A Study in Redistribution and Consumption." ibid., pp. 149–159.

The market for mortgages would also be tightened by monetary policy, both through a toughening of the terms and diminished availability of funds. Total outstanding mortgages were in excess of $130 billion, but the impact of the policy is concentrated on only a portion of the market. The rates on this category of credit largely fall between 4½ and 6 percent and would apply to the mortgages that are precluded by the change in the monetary policy necessitated by a public investment. Debt issues of State and local governments would be curtailed, bearing very low interest rates, but often used to finance investments yielding higher returns, e.g., schools, hospitals, etc. Other forms of credit—such as brokers' loans on securities, corporate borrowing from sources other than banks, etc.—would also bear part of the impact, but the effect would be less important quantitatively.

These figures suggest that the social cost of Federal capital raised in this manner is roughly of the same order of magnitude as the cost of releasing the necessary resources through taxation. Depending upon the exact combination of weapons employed by the monetary authorities and the circumstances at the time, the rate might be somewhat higher or lower; but the difference in cost under the two types of policies is moderate. The extent to which the resources will be drawn out of investment rather than consumption will differ more broadly, however.

AN ALTERNATIVE: SEPARATING RISK-BEARING FROM PURE INTEREST

So far, we have treated risk as a source of market imperfection, and have considered differences in interest rates caused by varying risk premiums to lead to a misallocation of resources. In the model we employ, a correct allocation of resources would require that the rate of return on marginal investments of all kinds be the same. If it were not, the total return could be increased by switching investments from fields with low marginal returns to fields with higher returns. In the real world, where there are differences in risk, a higher return is expected to prevail on the riskier investment, with part of this higher return a risk premium. This a reward for taking risks, and may be needed to attract capital into risky uses. Yet our model would consider such differences inefficient; we assume that the riskiness of the returns on an investment do not detract from their contribution to real national income. That is, the satisfaction derived from the national output is independent of the total amount of risk taken on the Nation's investments.

In the context of public investments, there is considerable justification for this assumption. From the point of view of the economy as a whole, the risks on investment are far smaller than the sum of risks of individual investments. Where one undertaking in one locality may fall far short of its expected outcome, other undertakings will succeed beyond expectations, and to some extent the failure of some assures the success of others. There is much cancellation of risks since the insurance principle of pooling reduces greatly the relative dispersion of outcomes for the Nation's investment program as a whole. And, from the point of view of the longrun growth of the country, the increase of national income produced by risky investments on which a high return is to be earned, whatever the reason, will be greater than the increase of income to be expected from low-risk, low-return investments.

There are other reasons for adhering to our model's assumption. First, the empirical evidence on the relationship between risk-taking and individual welfare is scanty and unconvincing. While people purchase insurance to reduce risk, they also gamble.[42] Second, and more important, there are two very strong institutional factors in our economy which erode the relationship between high risk and high return. One is the giant corporation which undertakes so many investments that there is much pooling of risks within its own program. The suppliers of the corporation's capital bear only a fraction of the sum of risks of the individual investment projects, and the same is true of the company itself. The other institutional factor is our tax system, which makes risky investments particularly attractive to wealthy individuals, since they usually lead to capital gains rather than ordinary income. With much the largest part of the investable funds made available by personal sources[43] coming from taxpayers in the upper brackets, the differential between tax rates on capital gains and on ordinary income promotes the willingness to take risks to such an extent that the difference between the rates of return of risky and secure investments must be much diminished.

Let us briefly consider the cost of capital if risk premiums are treated as prices paid for the factor service of risk-bearing. Lenders are assumed to be rational in this respect, and the risk premium of a loan must be sufficient to compensate for the risk which is taken. On this assumption, a Federal loan which displaces a risky private loan and invests the proceeds in a risk-free project would entail a lower social cost than the alternative since there is a reduction in risk-bearing. If we make the bold assumption that all differences in interest rates for the same period are risk premiums, then it might be argued that the true social cost of a risk-free Federal investment is the pure interest rate alone—a rate which is probably best approximated by the yield on Federal securities with a term equal to the life of the investment.

Actual resource projects are not free of risks, however. Where outputs are marketable, there is no assurance that the expected revenues will be collected; even in the case of nonmarketable outputs, such as recreation and flood control, there is no guarantee that the expected benefits will actually accrue. In the case of water resource projects, there are always the risks caused by meteorologic and hydrologic uncertainties. Yields on Government securities do not reflect these risks, since the Federal taxing power stands behind the bonds and any losses on projects will be paid out of taxes.

To discover a risk premium which reflects individual willingness to bear risks, we would need to estimate the cost of raising money for water resource projects that would be incurred by a public corporation unable to employ the taxing power to guarantee its securities. The cost of financing some of the purposes, such as navigation, electric power, and municipal water supply, would be similar to the cost incurred by private utilities, since the service and the risk is almost the same. These companies typically, could raise capital at an average cost of 4.5 percent in 1955,[44] which serves as a first approximation for these purposes. The financing of irrigation would, in part, depend upon the security of the repayment contracts and, in part, on the likelihood that the settlers would realize the projected benefits. Nonreimbursable purposes, such as flood control, for which there are no comparable private industries, are subject to the risk that benefits will not be fully realized. To impute risk premiums for these purposes, we would need to take account of the fact that in some instances, particularly in the case of flood control, the projects also serve to reduce risks—a factor which should lower the interest rate. We shall not venture an estimate. Suffice it to say that, taking the water resource program as a whole, the interest rate derived from these assumptions would be well above the pure rate of interest as measured by the long-term Government bond rate, but would be far below the highest rates prevailing in the private economy.

A FINAL COMMENT

Our statistical analysis has provided an estimate which is designed to reflect the social cost of capital raised by Federal taxation. We defined our concept of social cost in terms of the opportunities foregone in the private sector of the economy, either because of curtailed investment or of curtailed consumption. According to our results, if an efficient allocation of resources is the criterion, only those public investments that can produce a rate of return equal to the opportunity cost—or a rate of 5 to 6 percent—should be undertaken. In operational terms, this would require that an interest rate of that order be used in the evaluation of projects.

Acceptance of this conclusion, however, requires that the exact meaning of the notion of efficiency in this context be made clear. As we pointed out in chapter II, efficiency is a relative concept dependent on a specific distribution of income. An arrangement which is efficient with one distribution of income may be inefficient with another. The set of demands resulting from one income distribution will not be identical with the demands generated by a different income distribution, and so the prices which lead to efficiency in one case will not be appropriate to the other.

In considering the efficiency of an interest rate, this interdependence takes on particular significance. The interest rate indicates the relative value of output realized at different points in time, including the relative values for different generations. When we accept an interest rate determined by the preferences of the present generation—as we do in our quantitative models—we implicitly accept the time preference of the present generation of decisionmakers. Children and unborn generations have no vote in the marketplace. With the power of the ballot distributed differently from the power of the purse, the community—when acting collectively through the political process—may decide on a distribution of consumption among generations different from the distribution it indicates through its saving behavior. There is no logical reason to give priority to one judgment over the other; our economic analysis must presuppose that the distribution of income and consumption implicit in the efficient allocation of resources is acceptable to society. Should an ethical choice be made through the political process to distribute more of the total consumption to future generations, our opportunity-cost measure of the interest rate would cease to be a proper indicator of social value. A lower interest rate might lead to a larger number of projects, would favor projects which are particularly longlived, and would lead to the fuller development of the potential of many project opportunities.

---

[41] "Business Loans of Member Banks," Federal Reserve Bulletin, op. cit., April 1956, pp. 328–40. This rate makes no allowance for the common practice of requiring minimum account balances, which raises the effective rate of the loan by as much as 1 percent.

[42] Cf. M. Friedman and L. J. Savage, "The Utility Analysis of Choices Involving Risk," Journal of Political Economy, August 1948, pp. 279–304; and F. Mosteller and P. Nogee, "An Experimental Measurement of Utility," ibid., October 1951, pp. 371–405.

[43] For a full discussion of this point, see J. K. Butters, L. E. Thompson, and L. L. Bollinger, "Effects of Taxation, Investment by Individuals" (Boston: Graduate School of Business Administration, Harvard University, 1953) especially chapters 2, 4–7, 9, 10, and 17.

[44] This assumes 50 percent of the funds to come from bonds paying 3.22 percent, 15 percent from preferred stock paying 4.25 percent, and 35 percent from common stock with an earnings price ratio of 6.5 percent. All figures are net of taxes. For a more detailed discussion of these figures, see ch. VII, table 38.

The decision not to abide by the market judgment need not be based entirely on ethical considerations. As we have seen earlier, the capital market is imperfect because of the riskiness of investment and for various institutional reasons. Also, because of imperfect perception of future circumstances and the uncertainties surrounding individual lives, it is less likely that consumers make their saving-borrowing decisions as rationally as their choices among commodities. Consequently, the actual intertemporal choices in our economy, including the determination of the overall level of saving and investment, are made in a rather haphazard manner.[45]

These arguments provide a point of contact between economic analysis and conservationist philosophy. Most of the policies advocated in the name of conservation are designed to make stronger provision for the future than the market mechanism would call for. Resource development is a particularly potent area for the kind of investment designed to benefit future generations. There are opportunities for development of extremely enduring, in some cases perpetual, additions to the Nation's capital stock, which will increase in value as population and the economy grow. It may well be that the desire to redistribute income toward future generations can provide some rationale for continued use of a low interest rate.

But this line of argument has limitations. Insofar as a low interest rate leads to the justification of some projects at the expense of others which can produce a better return, the rate will result in a social loss even within water resource fields. Also, if the fundamental objective is the redistribution of income toward the future, the critical variable is not so much the interest rate as the overall level of investment.[46] The best policy to meet this objective is to increase the amount invested every year and to put the funds into those lines of activity in which the rate of return is greatest. In this way, the contribution to future output is maximized and, should the time profile of output made possible by the investment place too much of the output in early years, an appropriate share of it can be reinvested. A series of reinvestment cycles, each at a high rate of return, will make a greater contribution to the welfare of future generations than investment in one very durable project which yields a low rate of return. It may be possible that the Federal Government is limited in the fields in which it can employ the desired extra investment; that resource projects yielding low rates of return must be undertaken because of a lack of better opportunities. But this argument holds only if the additional ethical judgment is made that the extra investment must be carried on under Federal aegis.

There are other reasons for using a low interest rate. It may be a means of subsidizing new regions in a manner designed to promote their growth to maturity. In some instances, the low interest rate helps to justify projects needed as standby capacity for defense purposes. Or it may be a means of increasing the economy's rate of growth for the sake of preserving a lead over the Russian economy. But in these situations, the low interest rate serves to obscure the true issues. The public will be better informed and will be able to come to a more soundly based judgment if the costs of meeting these purposes are made explicit.

NOTE TO CHAPTER IV

We present a brief formal derivation of the model employed to measure the social cost of capital drawn from consumption.

Let C_l=consumption expenditure of individual l in the present period,
S_l=net saving of l in the present period,
Y_l=disposable income of l in the present period,
i_l=interest rate faced by l for his marginal saving-borrowing decisions,

Mr. PROXMIRE. Mr. President, it is my contention that there are many alternative uses for the money. This is apparent, I think, to every taxpayer, who could use it himself. It is also apparent to those of us who have real interest in education and many other problems falling within the public sector of the economy.

There are alternative uses for the water. Many of us are inclined to think that if we do not spend the money the water will somehow be wasted. The fact is that if we spend the money in this way the water will indeed be wasted, because it will be used for an inferior purpose, for which, as shown, the farmers do not wish to have it used. The project cannot be justified on the basis of any scholarly analysis of comparative value of the project with other investments which could be made by the Government.

The simplest example is that other water resources projects have a higher benefit-to-cost ratio, including a number of resource projects in this very valley.

As I say, there are other uses of water, which I wish to discuss.

I should like to quote very briefly from this letter, which I have had printed in the RECORD, from Mr. Floyd Dominy, Commissioner of Reclamation. He stated:

> It has been pointed out informally in telephone discussions with your staff that most of the items listed on page 173 of the statistical appendix to our 1961 report are units of the Missouri River Basin project on which no contemporary investigations have been conducted. Agreement was reached with your representative to limit the information in response to this request to a representative group of projects and units for which reports have been completed within the past 4 or 5 years.

The table shows a series of projects, including some projects in the Missouri River Basin, which have, on the basis of either a 100-year analysis or a 50-year analysis, a far better benefit-cost ratio than Glen Elder. These projects have ratios on the basis of a direct analysis which, in some cases, making the 50-year assumption—and, of course, that is the most adverse assumption that could be made on the project—go as high as 2.5 percent. Then, when we consider the 100-year analysis, and provide not only the direct benefits but the total benefits, many of those are as high as 3.5 percent, 3.6 percent, and 3.2 percent.

Mr. Dominy said:

> The foregoing list is limited to projects or units of projects for which feasibility-grade reports have been prepared either in the form of definite plan reports or as feasibility reports for project authorization. In addition, the following table presents comparable information on projects and units which are in our active construction program during fiscal year 1962.

For example, we find that the Mercedes Division, lower Rio Grande rehabilitation project, Texas, has a direct cost ratio on a 50-year basis of 3.80 percent. If that is extended to total benefits for 100 years, the ratio is 15.80 to 1. Virtually all of these projects have far better benefit-cost ratios, than has Glen Elder. The reason I am putting those percentages in the RECORD and making the point in detail is because I argue that there are better ways for the Federal Government to spend its money than to spend money on a project which has been inadequately authorized and which has a very marginal showing of benefit-to-cost ratio.

OTHER ALTERNATIVES FOR THE USE OF SCARCE TAX DOLLARS AND SCARCE WATER

The use of benefit-cost ratios to compare and select the best irrigation project out of a list of many irrigation projects suggests that the prevailing Government policy is to give little consideration to other broader alternatives. The choice should not always be what irrigation project out of many to select, but rather whether an irrigation project should be constructed in lieu of some other projects which use the money and the water differently. Until we compare the benefit-cost ratios from these other alternatives with the benefit-cost ratios from any irrigation projects, a complete economic analysis of the alternatives has not been completed. Until this is done we cannot be sure that the tax dollars have been used in the best manner possible. If the benefit-cost ratios are constructed in legitimate manner, they can be of value not in determining the economic merit of irrigation projects, but also the best alternative use for the funds and the water in other ways.

One alternative has already been suggested. If the money was not borrowed or taxed away by the Federal Government, it would be available for use in the private sector. It is possible that the real rate of return on the money, from a social point of view, might be higher than its use in these questionable irrigation projects.

---

[45] It is not clear whether the actual level of saving is higher or lower than the ideal (defined in terms of the judgment of the present generation). On the one hand, the large gap between borrowing and lending rates indicates that the level is too low; on the other, the saving carried on by corporations may far exceed the level desired by their stockholders.

[46] For a fuller discussion of this point, see Otto Eckstein, "Investment Criteria for Economic Development and the Theory of Intertemporal Welfare Economics," Quarterly Journal of Economics, February 1957.

If it is going to be taxed away or borrowed for the purpose of employment-stimulating public works, then the question becomes one of the best use in alternative Government employment. It is likely that the benefit-cost ratio of expenditure on education would be much higher than the ratio of expenditures for irrigation. The appropriation of $17 or $60 million for schools or hospitals could be much more beneficial to the public than the creation of more farm surplus.

That is what this project is. It would require $17 million if we would take only the irrigation part of the project, or $60 million if we would take the entire project for the production really of farm surpluses. Think what we could do if we could use that money instead to build hospitals, schools, or some other project which is really needed. We certainly do not need farm surpluses.

Certain local groups and regions might not benefit as much as they would through more special-interest Government spending, but from a national point of view the benefits would probably be much larger per dollar of Federal Government spending.

Even in the area of water resource development it would not be difficult to spend money and use water in a manner which would do everybody more good, even the people in the region involved. One study has indicated that irrigation is about the least valuable or worthwhile use for scarce water in the arid West compared to the alternative uses.

I should like to repeat that statement. One study has indicated that irrigation is about the least valuable or worthwhile use for scarce water in the arid West compared to the alternative uses. It was shown that if the water from one river in New Mexico was used for irrigation, the State's income would go up by $265 million, and employment would go up by 60,000. If the same water was used for municipal-industrial purposes the maximum gains would be $900 million a year, and employment would go up by 214,000 workers. This same study also indicated that water would be five times as valuable for recreation as for irrigation use.

Mr. President, what I wish to emphasize is that the value for industrial municipal purposes is even greater, because by using the water for farm purposes, what we are doing is producing food, which goes right into storage and is merely a burden to the taxpayer. It is not food that we need or could use because we have too much of that now. As I have said, the study also indicated that water would be five times as valuable for recreation as for irrigation use.

This suggests the Federal subsidy to irrigation may be doing a severe disservice to arid regions if it results in a wasteful use of the scarce water resources in a community. If local government money, or private capital were to be used, it is more likely that both the scarce money and the scarce water would be used in the most efficient manner.

If we are interested in the growth and development of all the Nation's regions, and if the Congress is willing to subsidize such regional growth to promote a balanced national growth and better income distribution, the Federal funds could very easily be spent in a manner which would gain these ends in a manner which does less harm to the rest of the country.

By taking the money that currently goes into irrigation projects, and using it for more adequate programs in other areas, it is likely that everyone would be better off. The ARA type program, Hill-Burton, and Federal aid to education are all programs that could spend the same money in a manner which would improve on the present irrational irrigation program. The spectacle of using scarce tax dollars to misuse scarce water to grow grain sorghums at the same time the Federal Government is spending more scarce dollars to acquire the surplus grain sorghums of other farms is very distressing, to say the least.

It is possible that the same flood protection could be achieved in a manner which requires less Federal tax dollars. There are many alternative ways of minimizing flood damage in any given flood plain. And there is almost no way of preventing all flood damage for any reasonable amount. If every valley in America was protected against every flood, including the rare 100- or 200-year flood, the resulting cost would be astronomical.

Here we have a situation in which the people who live in the area and who would be affected say they do not need the kind of flood control proposed. They do not want it. Those are the people who would be protected if anyone would be. They point out that in this area the real flood damage would be 250 miles from the damsite. Therefore, the prevention of flooding would be insignificant.

This suggests that we should use reason in determining the extent to which we depend on the containment policy of flood protection in the United States. Alternatives such as flood plain zoning and watershed absorption programs would go a long way to minimize flood damage for a reasonable amount.

Mr. President, recently Look magazine published an article entitled "We're Talking Ourselves Into a Water Crisis." The article was written by Dr. Gilbert F. White, who is an international authority on water conservation, and a professor of geography at the University of Chicago. He serves as a water consultant to the United Nations. Dr. White pointed out that the principal problem is to price water correctly.

If we price water correctly we can allocate it better. It is by using subsidies of the kind that I am discussing at such great length tonight that we create water scarcity and make water unavailable for some very valuable and necessary purposes.

I ask unanimous consent that the entire White article be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WE'RE TALKING OURSELVES INTO A WATER CRISIS

Most Americans believe a water crisis is coming. Many believe it is already here. Try proving there is no water shortage to a Chicago suburbanite who in dry years isn't allowed to water his lawn, or to a Wyoming farmer who sees his alfalfa crop burn up, or to a Texas city dweller who can't wash his car.

It is their offhand opinion that, unless we do something about it, we face a water famine. But I think we are just talking ourselves into a water shortage. I believe there is more than enough water to go around for our growing country. We just have to use it more wisely.

Water, aside from air, is our most abundant natural resource—and a practically indestructible one at that. You can turn water into ice or steam, and you send it off downstream to a place thousands of miles away. But, sooner or later, it comes back to be used again. If only that were true of coal, petroleum, or natural gas.

In the United States as a whole, about 30 inches of precipitation—1,564,800 billion gallons—fall on our land areas every year. The Great Lakes hold enough water to cover our land over 6 feet deep. An immensely greater amount is stored underground.

In view of our generous supply, it seems illogical to argue that our water problems should be solved by the vastly more expensive means of getting fresh water from the salty oceans. So far, no breakthrough is in sight for reducing the high cost of salt-water conversion. And there still remains the extra cost of carrying the converted water from the sea through expensive pipelines and pumping stations.

The cheapest method of converting salt water still costs 200 times more than many farmers and ranchers now pay for irrigation. It cost at least $400 to produce an acre-foot of fresh water by conversion. That is 325,851 gallons, or the amount it takes to cover an acre of land a foot deep. Many farmers now pay only $2 per acre-foot. Chicagoans and New Yorkers pay about $70 for the same amount, delivered to the kitchen sink.

PUMPING IS EXPENSIVE

Ocean-water conversion plants must pump their product uphill from sea level to the user, an expensive procedure. A more promising location for desalting plants would be inland, where gravity carries the water downhill from mountain watersheds. In irrigated areas, where the water goes in and out of the soil a number of times in its descent, it may become useless to agriculture because it has picked up too high a concentration of salts from the ground.

In some cases, desalting is justified at today's high prices. It is cheaper for ships to desalt seawater, for example, than to carry tons of fresh water on long voyages. And in some dry places—such as oil-rich Kuwait on the Persian Gulf—the reasons for living in arid surroundings are so compelling that the high cost of conversion can be ignored.

Some good may come from the desire to get fresh water from the sea. It may yet convince us that water is worth money. Industry, farmers, and city dwellers alike seem to feel they have a divine right to an unlimited amount of inexpensive water. This expectation produces pressures on Government to find or bring in more and more water to keep us going with our terribly wasteful practices. All this may help to produce the very water shortage we fear.

Many planners operate on the theory that we must get ready for heavily increased water needs in the 1970's and 1980's. Their predictions are based on the dangerous assumption that we can ignore water-saving methods and incur heavy costs to provide more water at low prices to the consumer.

Every day, we Americans use more than 300 billion gallons of water. Agriculture draws most of this amount—175 billion gallons—and much of it is wasted. The canals and ditches that carry irrigation water to some farms and ranches are very inefficient. Seepage through the unlined sides and bottoms of the ditches loses up to half of the water. Unneeded shrubs and trees growing alongside the ditches cost us 20 to 25 million acre-feet of water annually in the 17 Western States, or about half as much again as the annual flow of the Colorado River.

We seem willing to undertake expensive research programs on salt water conversion, but are unwilling to spend smaller sums to fine new ways to line irrigation ditches or to cut down the loss of water, through evaporation, from our storage lakes and reservoirs. Evaporation takes a high toll of our water. Researchers found that Lake Hefner in Oklahoma City, for example, loses an amount equal to about 90 percent of its outflow because of evaporation. Lake Mead, back of Hoover Dam on the Arizona-Nevada border, loses 800,000 acre-feet per year.

Scientists have developed a way to retard evaporation, under favorable conditions, by covering lakes with a microscopically thin covering, such as cetyl alcohol. This is costly, but a lot less costly than converting seawater and carrying it far inland, and it deserves to be improved by research. Evaporation and storage costs can be cut by other methods. Natural gas is now stored underground, for example, in nature-made "gas tanks" of porous rock formations. Storage water could also be fed into suitable rock and thus kept from evaporating.

ENGINEERS CAN BE WRONG

Using "the big engineering approach" does not always cure water problems. Sometimes, the human approach and reeducation are more useful. The Aswan Dam on Egypt's upper Nile River is an example of the engineering approach. The new dam will provide water to allow cultivation of land desperately needed to feed a growing and hungry population. Yet, in the Nile delta, far downstream, there is too much water, and the poorly drained farmland waste crops. The planners there find it much easier to deal with a single contractor and get him to build a big dam upstream than to go downstream and change the age-old farming practices of some 10,000 peasants who have too much water on their land.

Our own country is guilty of wasteful irrigation. Many farmers in States such as California, Texas, and Colorado often use too much water. The water rights granted them may permit diversion of 5 acre-feet of water to their land. Even though their crops might need only 2 feet, they still divert the entire 5 feet. One of the reasons for such waste is their fear that they may lose the rights to some of the water if they don't use all of it.

Industrial users are also water wasters, and some of them keep up a constant pressure on Government for more and more water, thus contributing to the water crisis. My geographic studies lead me to doubt very much that industry really considers water to be the key factor in locating most new plants or in keeping established factories going. There are many more important considerations—raw materials, labor, markets, and transportation—than the mere availability of unlimited water.

UNLIMITED SUPPLIES NOT NEEDED

Industry can adapt very well, actually, to using less than an unlimited supply of water. For example, a steel mill in southern California, where water is scarce and relatively expensive, uses only 1,400 gallons of water to make a ton of steel. However, a steel plant on the Delaware River, in Pennsylvania, where water is fairly cheap and plentiful, uses about 37,000 gallons to make the same amount.

In Illinois during World War II, the booming war industries produced vastly increased amounts of goods, but hardly increased their water use. The reason: Expanding factories could not buy pipe to carry in more water because of wartime restrictions. So they did without—and very well too. One expert estimates that Illinois factories could double their present production and not boost water use by 1 gallon. Factories elsewhere can probably do the same.

The cost of water to industry is a very small part of production costs, so small that industry doesn't worry too much about using more and more water. Surveys show that nearly two-thirds of the 33 billion gallons of water used daily by industry are employed for cooling and for flushing away waste products. Though much of this water is reused, the amount of reuse could be stepped up. Baltimore once dumped its sewage-plant waste directly into Chesapeake Bay. When a new steel plant was rebuilt in the area, the company bought the waste water and used it for cooling. We need to do more of this.

It takes higher water costs to make industry less wasteful. A Philadelphia machinery plant was faced with a $9,000 increase in its annual $24,000 water bill. Rather than pay the increase, the plant installed a recirculation system with evaporative cooling. This reduced its annual bill to $15,000 and permitted it to pay for the new system in less than 2 years with the saving.

A manufacturer in Bensenville, Ill., faced with high water bills, constructed his own internal water supply. He gathered rainwater from his five acres of paved parking lots and five acres of rooftops and stored it in an artificial lagoon. He dug a well for pure drinking water. Now, he fills all of his water needs for the modest price of only 1½ cents per 1,000 gallons.

I wish we could use some of the money devoted to desalting research to encourage more efficient water utilization by industry. It is fascinating to speculate, for instance, as to how one plant can make a ton of steel with only 900 gallons of water, and another plant takes as much as 66,000 gallons. Why does one factory need only 780 gallons of water to make a ton of sulfuric acid, and another requires 7,240 gallons Why should one papermill use 4,860 gallons for a ton of woodpulp, and another 60,820 gallons? How can some petroleum refineries do so well, reusing the same water 25 times before discharging it?

BARGAIN RATES ARE WASTEFUL

Householders also waste water. In many cities, water departments offer bargain rates to the larger users. Thus, the big user is encouraged to fill his swimming pool with cheap water and to keep his sprinklers running. A different rate structure might encourage conservation. So would wider installation of water meters to make the customer pay for what he actually uses.

The demand for water to dilute the growing load of wastes in rivers and streams is expected to grow rapidly in the next 40 years. Yet it may be a lot cheaper to filter out wastes before dumping them in the streams.

The danger of placing all our hopes on engineering answers is shown by our experience with floods. Since 1936, we have spent $5 billion on a program of levees, channel improvements and reservoirs to control floods. Yet, during that time, the annual toll of flood losses has not gone down. While some cities have been protected, people have been settling in hazard areas in other places. Different measures, such as discouraging the building of houses along stream channels, are needed in addition to flood control engineering.

Desalting is essential in a few areas, and it remains important to build some large dams and canals. However, more research on the basic characteristics of water and on ways to make better use of existing water will yield a greater payoff per dollar.

None of my ideas for saving water is glamorous, when compared with the engineering miracle of converting salt water to fresh water. But they are a lot cheaper and more practical, and may save us from the water crisis we will otherwise bring about.

Mr. PROXMIRE. Mr. President, recently Melvin E. Scheidt, program adviser, Division of Water Supply and Pollution Control, U.S. Public Health Service, wrote an article entitled "The Government's Responsibility for Clean Waters." I should like to quote briefly from one part of the article, as follows:

> Within the whole of continental United States, only about 650 billion gallons of water per day can probably be considered economically capturable, out of the average daily total of some 1,250 billion gallons which runs off in our streams. On the other hand, water withdrawn from our streams, lakes, and ground water sources for all purposes, including irrigation and cooling as well as municipal and industrial supplies, already amounts to nearly 300 billion gallons per day. Rough estimates of overall demand suggest that this requirement will rise to about 600 billion gallons daily by 1980, and may well reach close to twice the national supply by the year 2000. Coupled with this situation is the further fact that water is very unevenly distributed throughout the Nation, and some areas are already in the situation that the whole Nation will be a few decades hence.
>
> * * * * *
>
> Even in the case of irrigation, where most of the water withdrawn is actually consumed through evaporation or transpiration, a certain amount finds its way back into the stream through return flow seepage, carrying with it concentrations of minerals leached from the soil or remaining after the evaporation.
>
> Thus, I suggest that, because of the nature of its use, most withdrawn water should really be looked upon as a vehicle rented from the public to provide a transportation service, following which the vehicle is returned to the owner for further use by the next renter downstream or by the owner himself, for his own purposes. But to be reusable water must be of satisfactory quality for the purpose intended. Therefore, I submit that, just as with any other rented vehicle, where the material transported is normally removed before the vehicle is returned to its owner, each water user bears an obligation to remove as much of his wastes as possible from the water he has rented from the public, before he returns it for further use.

I ask unanimous consent that the entire article be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

GOVERNMENT'S RESPONSIBILITY FOR CLEAN WATERS

(By Melvin E. Scheidt)

Within the whole of continental United States, only about 650 billion gallons of water per day can probably be considered economically capturable, out of the average daily total of some 1,250 billion gallons which runs off in our streams. On the other hand, water withdrawn from our streams, lakes, and ground-water sources for all purposes, including irrigation and cooling as well as municipal and industrial supplies, already amounts to nearly 300 billion gallons per day. Rough estimates of overall demand suggest that this requirement will rise to about 600 billion gallons daily by 1980, and may well reach close to twice the national supply by the year 2000. Coupled with this situation is the further fact that water is very unevenly distributed throughout the Nation, and some areas are already in the situation that the whole Nation will be a few decades hence.

Now these figures do not, of course, necessarily mean that we shall presently run out of water. Water can be, and to a substantial extent already is being, used over and over again as it flows from its source to the sea. Whether we shall be able as, a general practice, to reuse our limited supply will ultimately depend, however, upon our ability to insure that this water will, wherever needed, be of suitable quality for such reuse.

Thus we have to examine the conditions under which water is withdrawn for use. The streams, lakes and underground acquifers, which are the sources of our supply are generally considered to lie within the public domain, and the withdrawal of water from these sources is usually subject to public, that is, State regulation. However, with the exception of irrigation usage, little of the water so withdrawn is ever actually consumed. Almost all of it is used as a solvent, cleanser, or coolant, to carry away dirt, grime, wastes, or heat, following which, because there is nowhere else to dispose of it, it is discharged to some stream or other water body, usually with some of the transported substances left in it. In other words, the used water is returned to its owner, that is, the public.

Even in the case of irrigation, where most of the water withdrawn is actualy consumed through evaporation or transpiration, a certain amount finds its way back into the stream through return flow seepage, carrying with it concentrations of minerals leached from the soil or remaining after evaporation.

Thus, I suggest that, because of the nature of its use, most withdrawn water should really be looked upon as a vehicle rented from the public to provide a transportation service, following which the vehicle is returned to the owner for further use by the next renter downstream or by the owner himself, for his own purposes. But to be reusable water must be of satisfactory quality for the purpose intended. Therefore, I submit that, just as with any other rented vehicle, where the material transported is normally removed before the vehicle is returned to its owner, each water user bears an obligation to remove as much of his wastes as possible from the water he has rented from the public, before he returns it for further use.

This need to insure that the water available for reuse be of satisfactory quality applies not only to those downstream uses involving the withdrawal of water from the stream, but also to those instream uses which are enjoyed by the owner, that is, the public at large. Fishing, boating and other water oriented recreational pursuits, which, as you heard earlier, are all becoming of such great importance in our Nation today, are all dependent upon the availability in the stream of water of good quality. The beneficial environmental influences of streams and other water bodies upon abutting properties and neighborhoods, and the enjoyment of the stream banks for more passive pursuits, such as picnicking or camping, also depend upon the preservation of the quality of the water in streams. In planning for and managing water use, therefore, it is essential to keep in mind that the same stream which receives our waste waters must also serve as a source of water supply for other users or as an essential recreational medium or environmental influences of increasing importance to the public at large.

Mr. PROXMIRE. Mr. President, one of the outstanding authors in the country on natural resources is the great conservation writer for the Milwaukee Journal of Milwaukee, Wis. In an excellent publication entitled "Our Growing Water Problems," Russ Lynch has written, for the National Wildlife Federation, a splendid article. I should like to quote excerpts from that article. Mr. Lynch says:

The most important use of water, except for drinking, is for waste disposal. It is a natural use. The civilization we know could not exist without streams to carry away man's wastes. Yet this use generally gets only incidental consideration when water use legislation is proposed. The model act is an exception.

In extensive correspondence which preceded this writing, more anxiety was expressed by fish and game personnel over pollution than about water use legislation; and sanitary engineers were concerned about having adequate flow, along with waste treatment, to maintain "living" streams.

The volume of flow and the content of dissolved oxygen determine the capacity of a stream to handle wastes. Organisms which dispose of pollution use oxygen; the polluting "load" determines the amount of oxygen needed. This is called "the biochemical demand."

Inorganic substances are merely diluted and carried away. If the flow is insufficient, these things tend to accumulate and may become toxic or otherwise decrease the usefulness of the water.

Stream flows once were adequate to handle the Nation's untreated wastes without significant damage to other water users. As the population grew, we had to turn to the septic tank, then to primary treatment and finally to complete treatment, often with chlorination.

Streamflow depletion by consumptive users can only aggravate a problem already so enormous that the Nation can hardly cope with it. In 1920, municipal and organic industrial wastes discharged into our streams were equivalent to untreated sewage from 90 million people. Despite construction of $7 billion worth of municipal sewage treatment plants in the meantime and a great deal of progress in treating industrial wastes, the load in 1955 was equal to untreated sewage from 165 million people, an increase of more than 80 percent. (Municipal pollution up 37½ percent; industrial, 120 percent). In addition, there is a tremendous inorganic load.

Wisconsin has had a good pollution law since 1927, a full-time director and staff since 1950. In 1930, treatment removed 531,000 pounds of polluting material (biochemical demand) from the State's waters; in 1954, treatment removed 1,410,000 pounds. But in the same period, the potential load increased from 1,540,000 pounds to 2,351,000. A quarter-century of attention to pollution had resulted in only 67,000 pounds less polluting material, a net reduction of but 7 percent.

In May 1958 Dr. L. E. Burney, Surgeon General of the Public Health Service, told the Purdue Industrial Waste Conference:

"As population and industries continue to close the gaps between major sources of pollution along our rivers, we can look forward to nothing less than continuous streams of sewage and industrial waste instead of streams of usable water. * * * In many cases the natural streams just won't be able to absorb increased pollution."

Dr. Burney said that irrigation accounted for three-fourths of the actual consumptive use of water today and had "significant deteriorating effects on water quality." He went on:

"Up to now large scale irrigation has been confined to our Western States; but supplemental irrigation practices in the East have increased and are destined to play an even more important part in agricultural development east of the Mississippi.

"Since we already have intense competition for available water resources in the East, it seems to me that we should have a great deal more information than we have on the problem."

Professor Ruttan of Purdue University's department of agricultural economics is conducting a study of national requirements for agricultural water, projected to 1980 under various patterns that agriculture may follow.

Depletion and impoundment of streams already have become factors in pollution. In the West, under prior appropriation water rights, entire streams are diverted for irrigation. Spills and seepage often are the only water remaining. In arid parts, such as Arizona, sewage plant effluents are not discharged to streams but, as at Phoenix, are diluted with water to irrigate forage crops.

Farmington, largest city of western New Mexico, is faced with the same prospect. The San Juan River, which now carries away the city's sewage effluent, is to be dammed by the Reclamation Bureau and the Indian Service and there probably will be no flow except what returns from irrigation and domestic sewage. Although Farmington has complete sewage treatment, it cannot run the effluent into a dry river bed without nuisance and damage to downstream water supplies.

Who should pay for the additional expense of other disposal? The Farmington taxpayers?

Topeka, Kans., is another city with a potential pollution problem arising from irrigation. The Kansas River development plan of the Reclamation Bureau indicates an eventual flow about 20 percent of the time, of less than 500 cubic feet a second.

The Kansas River is in the area of the Glen Elder project.

The State board of health say that Topeka needs 1,000 cubic feet per section to maintain chemical quality and supply future muncipal and and industrial needs, even assuming adequate treatment of all wastes.

Pollution problems have arisen from regulation of the Missouri River's flow which raise questions that must be considered in the development of any river which must carry quantities of waste.

Turbidity was greatly reduced below the Garrison, Fort Randall, and Gavins Point Dams.

This is in the same Missouri River Basin as the Glen Elder project.

Algae grew in masses. Health authorities asked for an investigation in 1952. Taste and odor problems began to arise in 1953; Yankton, S. Dak., had a plankton nuisance. Deterioration of water quality was detected all the way to Kansas City, 550 miles below the nearest reservoir.

"The full effect of storage and river regulation on bacterial quality is yet to be determined," the Missouri Basin Interagency Committee was told in November 1957, by Dwight F. Metzler, chief engineer of the Kansas State Board of Health. "But large releases for navigation during the warm months have not given the benefit in reduced baterial content which might have been expected. Increased velocity offset increased dilution by reducing the flow time and the die-away of fecal organisms."

Adequate sewage treatment, Metzler added, was the only feasible way to keep the bacterial content within safe limits.

The Missouri receives the raw or inadequately treated sewage and waste of 700 communities and 250 industries, besides the effluent of those with adequate treatment plants.

The Missouri River is the ultimate destination of the waters which are flowing in this instance. That is why I am arguing so fervently that there are other, better uses than irrigation for the $60 million involved.

Here the shoe is on the other foot. Should irrigators be deprived of water for the benefit of municipalities which will not spend money for treatment plants?

Certainly when irrigators do not want the water, where they oppose the water—in this instance, 90 percent have petitioned me against it—where they do not want the water and will not use it or develop it, they are not deprived when the water is reserved and employed for the benefit of industries and municipalities which can use it.

The West is apt to have more problems due to depletion of streams as population increases and sewage and industrial wastes increase with it. Meanwhile, in the East where cities and villages line many streams, the increase of supplemental irrigation is creating disposal difficulties.

The Wisconsin State Water Pollution Committee has intervened in four cases where applications for irrigation withdrawals threatened to leave inadequate dilution for urban sewage plants.

Farmers in the East pump from small creeks which have little flow in hot months. A study of the Muscatuck River Basin, reported by the Indiana Water Study Committee in 1956, gives an idea of how little pumping many streams can take. The main stem and tributaries comprise 18 watersheds. At 10 gage points, there was no flow at times in most years. Six farmers, irrigating one acre apiece at the rate of an inch per hour, would pump a 6-cubic-foot-per-second flow absolutely dry—in fact, their pumps could not suck enough water out of such a creek.

To sprinkle 12 acres at the rate of half an inch per hour would take all of a 6-cubic-foot-per-second flow.

Southern and Southeastern States have heavy annual precipitation but also great fluctuation in streamflow. Average streamflow indicates impoundment possibilities but is meaningless as a basis for diversion. The Pearl River, for instance, at Jackson, Miss., has an average flow of about 2,460 million gallons daily, a minimum flow of only 49 million.

In the southeast region, Lewis A. Young, Atlanta, Ga., handles water supply and water pollution control activities for the U.S. Public Health Service, as assistant regional engineer. He believes that it is impossible to separate water quality from water quantity in the development of water resources.

"An attempt to pass legislation which was drafted with one particular water use in mind and limited to water quantity has been tried in most of the States in this area," he told this reporter. "Such legislation, I feel, would do more to damage the development of a satisfactory water resource program than it would to help."

"The south has been extremely fortunate, in particular, by delayed industrial development, so that most of its streams have not been damaged to any great extent by pollution. There is a need, however, to hold this ground and plan so that pollution will not destroy this most valuable resource."

The temperature of water also is important. Dissolved oxygen content decreases as water becomes warm.

Some years ago, the public health service concluded that there was no known method of controlling gross pollution of the Mahoning River in the Ohio steel district because use by 13 industrial plants heated the water to a mean temperature of 108 degrees for the whole month of July and the flow fell below 50 cubic feet per second for long periods. The city water of Warren, Ohio, had 20 times the maximum "safe" bacterial count.

Since then reservoirs have been built to augment the flow. After the fourth of them was put into use a couple of years ago, the Mahoning's volume became sufficient for pollution control, although the July mean temperature still was 98.

Hydroelectric dams create pollution problems. The turbines run at times of peak power demand and little or no water is released at other times. This may be in direct conflict with downstream needs.

In deep reservoirs, water becomes dense and deficient in oxygen at the cold, lower levels. Turbines usually draw from the low levels and the water, sometimes almost devoid of dissolved oxygen, is useless for waste disposal downstream. This "density current" may pass through lower reservoirs without mixing or aeration. Exposure to air and turbulence in a stream will restore the oxygen content.

The Tennessee Valley Authority has this condition, but in the few cases where a potential pollution problem exists the high volumes of flow for power generation have prevented its development. TVA is making studies which, within 2 years, are expected to make possible quantitative predictions of the re-aeration capacity of any river channel.

On the Roanoke River in North Carolina, a plant has installed a curtain wall behind its dam so the turbines will draw warmer water over it from upper levels.

Even shallower reservoirs can create problems, particularly where there is a succession of pools and a high biochemical oxygen demand, as on paper mill rivers. Plants on three Wisconsin rivers are testing a German method of sucking air into power turbines by means of vent tubes. Results have been so promising that the idea may have national application. There is a power loss. German experimenters have found that the method is most efficient when turbines are modified before installation.

But pulp and papermakers seem willing to bear the small power loss. This industry, one of the worst polluters of streams, has cut the pollution load per ton of product in half by the expenditure of $85 million for treatment facilities in the last decade.

Such efforts by industries are of the utmost importance. Thousands of new chemicals are being discharged to streams. Some are detrimental to aquatic life or objectionable in drinking water or may be deadly to plants if used for irrigation.

"Our streams have become giant test tubes for what is taking place," Mark D. Hollis, chief sanitary engineer of the Nation, has said. "Chemicals react on one another. Two parts per million of copper will not hurt fish, nor eight parts of zinc; but if you combine as little as one-tenth of those amounts of copper and zinc you kill all of the fish in the stream."

The Nation a few years ago cleansed itself chiefly with soap. Now 2½ billion pounds of detergents are sold annually for household use. They prevent the settling of organic matter in sewage treatment plants. They foam up and overflow into streams or are discharged directly, without treatment and create problems for downstream water plants. The foam blows off sewage vats and sometimes scatters dangerous bacteria.

Effluents of sewage treatment plants are high in nutrients which can completely upset the biological balance of streams. Shallow lakes may be so fortified with available nitrogen that growth will turn a lake into a peat bog in a few generations, particularly where there is a long growing season, as in the South.

The national technical task committee on industrial wastes has been at work for 7 years. The Ohio Valley Sanitary Commission has advisory committees of the steel, coal, oil, chemical and metal finishing industries studying their peculiar problems. The Association of American Soap & Glycerin Producers has research projects. The Wisconsin Canners Association got a conservation award in 1956 for its efforts. Vermont is sponsoring experiments with whey disposal to keep cheese factories from polluting streams.

The Public Health Service has estimated that it will cost $9 to $12 billion to rid the Nation's streams of pollution and billions more to keep them unpolluted; that 8,000 sewage disposal plants and 9,000 other plants, chiefly for industrial wastes, are needed.

Mr. President, here is a sensible way for the Federal Government to spend $60 million, if the Government wishes to spend that amount. This is a way that is definitely needed, and is directly related to the health of the Nation, and can make an enormous difference in terms of providing healthy communities and jobs. And it is a way—as is indicated in the article—which in Kansas can be most beneficial in the area in which the Glen Elder Dam is proposed to be located. Instead of providing an irrigation project for the purpose of bringing into production $1 million more of feed grains, which would go directly into surplus, why in the world does not the Government spend some of that money for pollution control, to provide a healthier life for our people? And if it is desired to spend the total amount of the money in Kansas, let it be spent there, provided it is used for so worthwhile a purpose. I am confident that if the Federal Government put a little of the available brainpower to work in determining precisely how such a project could be developed in Kansas, it would be found that the benefits, in terms of lives saved and years added to lives, would be very great, indeed.

I read further from the pamphlet:

Eight States have been cleaning up the Ohio basin since 1948 and seven others are laboring to cleanse New England streams. Under the Blatnik act—

Sponsored by the distinguished Member of the House of Representatives from northern Minnesota—

offering Federal grants in aid, 800 municipalities undertook construction of plants in 1957—one-tenth of the 8,000 fixed as the total need.

All of these efforts to reduce pollution are based on present volumes of streams. They can be nullified by reduction of flow.

Yet it remained for a representative of industry—the American Cyanamid Co.—to get up at a model water law conference in September 1957, at Ann Arbor, Mich., and criticize the third draft of the proposed act because it would permit pollution without effective controls.

Every State, he argued, should have a law that no new pollution would be recognized or permitted.

ANALYSIS OF FINANCIAL SUBSIDY TO GLEN ELDER

Mr. President, the extent of the subsidy to the farmer and the additional forgotten cost to the Government as the result of the interest-free nature of the irrigation-cost allocation have already been mentioned. These are not small items, since $17 million over a 100-year period is involved. The $4 million which is to be repaid by the farmer over 60 years results in a subsidy of an additional $4 million because that is the interest on this amount. Incidentally, it is calculated on the diminishing balance. The $13 million over the 100-year period, would result in a subsidy of $52 million, over 100 years, at 4 percent interest.

The reason why that would be such a large subsidy is that there would be no diminishing balance at all, because not 1 penny of it would be paid until the 100 years was up, and therefore the calculation shows that the subsidy comes to $52 million.

Thus, $17 million would only be the start or bare minimum of the cost of the irrigation portion of the Glen Elder project. I stress the irrigation portion; but the additional cost of borrowing money from the Federal Treasury would be as much a cost as would be the cost of the concrete. It makes no sense to ignore that cost.

If the subsequent cost resulting from the interest-free nature of this irrigation cost allocation were included, the real total costs of the irrigation portion of the Glen Elder project could run as high as $73 million.

I am not talking about the costs of the rest of the project. I am talking only about the costs of the flood-control part of the project—the $43 million part—and only of the costs of the irrigation part of the project; and I say that on this base, the cost would run as high as $73 million.

These higher estimates of cost would, of course, be much beyond the ability of the irrigating farmers to repay. It would even be beyond the ability of the irrigating farmers to repay the lowest cost estimate of $17 million. As we have seen, the Bureau of Reclamation has estimated that the farmers are able to stand a water charge of only $8.50 per year per acre. After the annual operating and maintenance was taken out of the $8.50, only $4.88 would be left as a contribution to the $819 construction cost per acre. The $4.88 would be enough to repay only about $200 over the amortization period allowed to the irrigating water users. The other $600 would have to be repaid by the Missouri River Basin power users after their power rate payments had been adequate to repay the total costs of power projects in the Missouri River Basin—although, as I have said many times, of course, they would get no benefit from it. That would occur sometime in the year 2040, unless more projects were built, which would be quite likely, in which case it will occur later.

Thus, there would be no possibility whatsoever that the farmers on the 21,000 newly irrigated acres would be able to repay the total costs of the irrigation part of the project. The only way that they would be able to satisfy even the present lax standards of financial feasibility would be for the revenue from the power projects in other parts of the Missouri Basin to be allocated to the repayment of the $17 million. Thus, there would be subsidies from taxpayers all over the country, and there would be specific subsidies, and large subsidies, with no benefits, from the power users in the Missouri River Basin.

BESIDES NOT BEING ECONOMICALLY JUSTIFIED, THE GLEN ELDER PROJECT IS NOT FINANCIALLY FEASIBLE

We have just seen that if certain commonsense adjustments are made in the benefit-cost analysis used by the Bureau of Reclamation, this project ceases to be economically justified. But this argument in itself does not establish that the project is not financially feasible. Economic justification and financial feasibility do not have to go together. A project may be economically justified, but not financially justified; or it may be financially feasible, but not economically justified. This situation results from the way benefits and costs are treated in economic-justification determinations and in determinations of repayment responsibilities. Both direct and indirect benefits, regardless of who gets them are included in the benefit-cost ratio, even though the benefits may be of such a nature as to preclude reimbursement to the Government of any of the benefits accruing to the region or the individual.

Of course this means that simply because a project has a favorable benefit-cost ratio of 1 to 1, or a benefit-cost ratio which exceeds 1, the Government will not be repaid for the cost. Indeed, under the present rule, no project will come close to repaying the cost; and the general taxpayers will be out a large part of the cost; and I shall show that in this case they would be out a tremendously large part of the total cost.

Flood control and recreation benefits are not reimbursable; thus, they do not enter into the determination of financial feasibility, even though they enter into the determination of economic worth of the project. When the benefits to private parties are not recoverable in any way by the Government, the costs related to those benefits are considered as nonreimbursable. Thus, the costs related to the flood-control part of the project are not reimbursable.

But the costs related to power and irrigation are reimbursable, because it is possible for the Government to recover part of the power and irrigation benefits from the beneficiaries of the project's power and irrigation features. Since the Glen Elder would have no power features—not a kilowatt, not a bit—the only reimbursable costs would be the cost related to the irrigation part of the project. According to the Bureau of Reclamation, the Glen Elder project is financially feasible if the costs allocated to the irrigation features of the project could be recovered. Since $17 million out of the total $60 million cost of the project was allocated to irrigation, this is the amount that has to be recovered in order to make the project feasible. The rest of the $60 million does not have to be recovered or reimbursed in any way, except for a small part for the municipal water system.

The following table shows, among other relationships, the apportioning of costs between the contributors, on both an aggregate and a per acre basis. I ask unanimous consent to have the table printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 4.—*Aggregate and per acre costs of the Glen Elder irrigation project with and without imputed interest*

	Aggregate	Per acre
Cost without interest:	*Thousands*	
Total construction cost	$17,000	$810
Amount repaid by irrigators	4,000	191
Amount repaid by power users	13,000	619
Different estimates of related interest cost: (4-percent interest rate in all cases):		
Total over the years:		
50 years×$80,000 (average)	$4,000	------
100 years×$520,000	52,000	------
Total	56,000	2,700
Present discounted value of interest:		
2.5-percent discount factor:		
$80,000 for 50 years	2,269	------
$520,000 for 100 years	19,039	------
Total	21,308	1,010
4-percent factor:		
$80,000 for 50 years	1,580	------
$520,000 for 100 years	12,742	------
Total	14,322	682
Total cost:		
Present construction cost plus present discounted value of imputed interest:		
2.5-percent discount factor	----------	1,810
4-percent discount factor	----------	1,492

Mr. PROXMIRE. As indicated before, the remainder of the $17 million which is beyond the repayment capacity of the irrigating farmer is going to be paid by the power users in the Missouri River Basin. While it may be over 100 years before this part of the $17 million is reimbursed to the Government, it will be eventually repaid, according to present anticipations and projections, thus fulfilling the requirements of financial feasibility. It is thus important to realize that the financial feasibility standards of irrigation project evaluation can be satisfied even though the irrigating farmers do not and cannot repay even a small part of the project cost which is allocated to them, and even though this amount is interest free to the farmers. The money is, of course, not interest free to the Government, and this has to be paid by other taxpayers.

Mr. President, a very distinguished scholar of the University of Chicago, office of agricultural economics research, Donald S. Green, has written a monograph on the subject of Federal irrigation subsidy, to show the financial history of Federal irrigation projects and, in particular, to measure the extent to which subsidization has occurred.

Return of Federal irrigation investment takes the form of repayment contracts under which irrigators incur an obligation to repay a certain part of the cost of construction. The contracts stipulate the amount and number of yearly payments. For purposes of this analysis, the repayment contract represents a loan, the yearly payments paying off a certain principal with interest. The principal equals the discounted value of the receipts. The subsidy is equal to the difference between cost and principal repaid by irrigators.

In the financial analysis section of the Bureau of Reclamation's project planning reports, the subsidy does not appear in this form. The information presented there states the amount repaid without interest, leaving the interest subsidy implicit and unquantified.

When power revenues are used to repay a part of irrigation costs without interest, the interest part of this subsidy to irrigation is similarly left unquantified. The interest subsidy granted amounts to well over half of the cost of construction in most projects. On this project it is three-fourths to seven-eighths of the cost. The total subsidy, including interest, power revenues and irrigation costs not obligated for repayment, amounts to 90 percent of cost in several large projects. I think it amounts to at least 90 percent in this case.

It is nothing new to state that irrigation is heavily subsidized. The Bureau of the Budget, the House Committee on Interior and Insular Affairs, Raymond Moley, and several Congressmen, in attempting to make explicit the nature and extent of subsidization, described and accounted for the interest subsidy in several different ways. The Bureau of the Budget has noted the yearly interest cost unpaid throughout the period of repayment, stating the subsidy as so many dollars per year. Moley and others have calculated the amount of unpaid interest accrued at the time when repayment ends. Congressman ENGLE—he is now Senator ENGLE, of California—noted the rate of interest actually paid if yearly repayments were viewed as a percent of irrigation cost, finding in the case of the upper Colorado River storage project that it would amount to one-fifth of 1 percent, the principal itself left unpaid.

These various ways of measuring and expressing the interest subsidy are revealing. They have the disadvantage, however, of not being commensurable with the cost of construction since they are not expressed in totals in the year of construction. The method of discounting receipts suggested above has the advantage of making costs and returns directly comparable so that the subsidy may be expressed as a percent of cost. In this way the Federal aid to irrigation may be seen most simply and clearly: the project may be evaluated by comparing nationally borne costs with national benefits. The time pattern in which the Government bears the subsidy depends on whether the construction outlay is financed by current income—taxes—or borrowed funds—Government debt—and future taxes; this, of course, is indeterminant with respect to any particular expenditure. It does not matter for purposes of evaluating and comparing projects.

In the discussion pursued by Moley and in congressional hearings, special emphasis has been placed on the interest cost of general Government debt to point out the nature of the interest-free subsidy to irrigation, using long-term Government borrowing rates of 2½ percent and 3 percent in computing either annual interest charges borne by the Government in connection with irrigation, or in arriving at the amount of accrued interest at the end of the repayment period. Clearly there is no connection between Government debt and the subsidy granted to irrigation by making repayment interest free.

The appropriate interest rates to use in discounting receipts—for computing yearly or accrued unpaid interest—is determined by conditions affecting power and irrigation repayments, which are completely independent of conditions determining interest rates of Government bonds. Most simply, there is a greater risk involved with the former.

Stated in another way, the interest rate at which the Government may borrow has no special relation to the rate at which it might lend to any particular party or for any particular purpose. The relevant rate to use in computing the interest subsidy is not the cost of funds to the Government, but rather a rate appropriate to the nature of the borrowers—credit risk. In the case of irrigation receipts, farm mortgage rates provide a guidemark, though different projects have different risk situations, depending on the type crop, farmers existing financial position, and so forth. In the case of power receipts, while there is no borrowing actually taking place, there is an element of uncertainty associated with future revenues that is not coincident with a Government debt obligation. Viewing the future power receipts as an asset that may be purchased for a price, the question is at what rate would the future revenues be discounted. The amount of power revenues far in the future are not as definite as return on Government debt, so a rate above long-term Government debt would be appropriate.

The suggested method of presentation has the further advantage of placing emphasis on the nature of the risk involved which would lead to selection of appropriate rates.

Once having arrived at the total subsidy by discounting irrigation receipts at an appropriate rate, the way in which this amount is financed is a separate matter of Government policy. In particular, as noted earlier, the importance of a continuing tax burden to repay borrowed funds is irrelevant. The subsidy appears in the form of interest not charged on irrigation investment, power revenues, and costs not obligated for repayment. The interest and nonrepayable subsidies are clearly a grant from the Government. The outlay for construction might either be borne out of current tax receipts or borrowed funds, to be repaid in the future out of taxes. The power revenues applied to repayment of irrigation cost are also a Federal subsidy, and is not borne by power users. Power rates are set on the basis of cost of production and existing competitive rates, and do not reflect any payment for irrigation; that is, the rates are no higher because of irrigation repayment.

The existence of a special reclamation fund presents some bookkeeping complications that confuse the issue. All project revenues accrue to this fund, including interest payments on power investment. Outlays for project construction come in part from this fund and in part from the general fund. Revenues accruing to the reclamation fund are earmarked for future reclamation activity and are not available for general appropriations. Power revenues are one source of Government income, and as such may be seen as a subsidy borne by the Government. The significance of earmarking power revenues and using them for an irrigation subsidy arises from the fact that irrigation development may be carried further than would be the case if power revenues were not available for subsidization. A demonstration of feasibility is required of all reclamation projects, whereby all reimbursable costs are shown to be repaid, including interest on power investment. Power revenues in excess of repayment of power costs and interest within a certain period of time are used to show feasibility of a multiple-purpose project, where irrigation by itself is clearly infeasible.

One additional clarification is needed in discussing the power subsidy.

A device known as the interest component of power revenues was introduced by which the yearly interest payments on power investment were used to repay irrigation costs. This plan is now under study by the Government. This too is merely a bookkeeping device, whereby power revenues appear to do double duty, paying two things at once—an obvious case of confused double counting. Compared to the "excess power revenue" plan, the interest component provides a means of obtaining still further subsidization of irrigation. Its significance also lies in the expanded irrigation made possible through a showing of feasibility.

Two sets of data are presented, one using a rate of 2½ percent, the other using 6 percent, in discounting future receipts. This is done to show the range of subsidy depending on what rate is deemed appropriate. Two and one-half percent approximates a riskless long-term commitment. Historical receipts have been discounted at 2½ percent—considered a riskless alternative—since there is no risk in an ex post analysis; the actual risk is accounted for in recording defaults through cancellation of charges and extensions of contracted repayment periods.

No separate accounting was made of originally intended and subsequently granted interest subsidies via repayment period extensions. Cancellation of charges—writeoffs—are included with nonreimbursable item. It is of interest to note that the actual subsidy has been substantially greater than intended, since, as payments fell behind accruals, writeoffs or extensions have been granted. If the 6-percent rate covers actual risks, the value of repayments should, in fact, be as recorded, so there need be no further future subsidy granted; that is, actual should equal the intended amount recorded in this way.

Construction costs have been adjusted to 1947–49 dollars. Receipts have not been so adjusted for price level changes, since any additional subsidy resulting from inflation is not of the same nature as the others, resulting from overt Government policy.

Mr. President, I ask unanimous consent that a table which I have be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Period	Cost	Percent of cost nonreimbursable	Percent of cost: Interest subsidy		Power		Irrigation		Total subsidy	
			2½	6	2½	6	2½	6	2½	6
	Millions									
1900–10	$47.5	4	35				25	12	75	
1911–20	151.0	12	38				50	25	50	
1921–30	262.7	8	62	78			30	14	70	86
1931–40	113.7	4	44	70	9	4	43	22	57	78
1941–47	108.8	9	47	70	7	4	37	17	63	83
1948–54	290.2	8	41	66	11	6	40	20	60	80
Uncompleted	3,834.5	0	46	71	35	19	19	110	81	90

Mr. PROXMIRE. Mr. President, the table shows that the cost of irrigation projects in progress, from 1954 on, is nearly $4 billion. The percentage of the cost which is nonreimbursable is zero. The percentage of the cost which is a subsidy based on 2½ percent is 46 percent, and based on 6 percent is 71 percent. The overall irrigation subsidy cost based on 2½ percent is 19 percent, and based on 6 percent is 110 percent.

The subsidy on the Glen Elder project, even using 2½ percent, is far in excess of 19 percent. Our estimate is that it is in the neighborhood of 75 percent, using the 2½ percent factor, and 90 percent using the more realistic 4 percent factor.

Mr. President, the intended interest subsidy has increased over time as the basic—statutory—repayment period has been lengthened. In 1910 projects had a 10-year repayment period; the interest subsidy would be 20 percent of cost if all cost was born by irrigators. Now with a 50-year repayment period the interest subsidy would be 40 percent of cost repaid by irrigators—40 percent of the sum of irrigators' payments. Power revenues supply an additional subsidy, but not as large as the interest subsidy. Chargeoffs have been of relatively little importance. Extensions of existing repayment contracts have been of considerable importance. The cost of irrigation far exceeds the value produced, and the Federal Government, by expanding investment in this field, is continually increasing the extent of subsidization.

I ask unanimous consent that an appendix to the article may be printed in the RECORD at this point.

There being no objection, the appendix was ordered to be printed in the RECORD, as follows:

I. FINANCIAL ANALYSIS

The following data is taken from the Columbia River Basin project; computations are approximate to serve as an example. The project was undertaken in the mid-1930's and is scheduled for completion in 1972. As of 1954, $475 million had been invested out of an estimated total of $750 million. Of the total cost allocated to irrigation of $540 million, $227 million had been invested by 1954. The irrigators are expected to repay $87 million over a 60-year period beginning in 1960. Power revenues are applied to irrigation costs in the amount of $453 million, beginning in 1975 for a period of 50 years:

[In millions of dollars]

Irrigation outlay	$540
Irrigation repayment contracts	87
Power revenues applied to irrigation	453
Present value of irrigation contracts	29
Present value of power revenues	151
Present value of construction outlay	540

From the first set of figures, those presented in project reports, it may be seen that 87/540—16 percent—of the cost of irrigation is repaid by the irrigators without interest. From the second set of figures it may be seen that 29/540—6 percent—of the cost of irrigation is repaid by irrigators. The interest subsidy is found by subtracting the present values of the irrigation and payment contracts, 511; this is 511/540—minus (29 plus 151), equals 360. Thus the interest subsidy is 360/540—67 percent—of the cost. The subsidy from power revenues amounts to 151/540—27 percent—of the cost of irrigation. The total subsidy amounts to 540 minus 29 (cost minus value of repayment contracts), 511; this is 511/540—94 percent—of the cost of irrigation. This is opposite side of the 6 percent mentioned above, the part of the cost repaid by irrigators.

The power and irrigation receipts were discounted at a rate of 4 percent to present values in 1954. Construction outlays were computed in the year 1954 by applying a rate of 3 percent.

II. HISTORICAL ANALYSIS OF SUBSIDY BY KIND

The following data is taken from the Uncomphagre project; computations are approximate to serve as an example. The project was undertaken in 1915 and is taken to have been completed in that year at a cost of $6.3 million. This cost was contracted for repayment in a 20-year period, with payments beginning 7 years after construction. In 1931 a sum total of $0.5 million had been paid, while accrued charges totaled $3.15 million. The repayment contract was redrawn at that time for a period of 30 years, allowing for smaller yearly charges. In 1934 additional construction amounted to $1.8 million, which was contracted for repayment within 40 years. In 1936 additional construction amounted to $0.6 million, to be repaid over a 6-year period beginning 26 years from construction date. In 1936 additional construction amounted to $0.3 million, contracted for repayment over a 50-year period. In 1948, a sum total of $0.2 million had been paid since the 1931 contract renegotiation. In 1948, $3 million was written off and a new contract negotiated for 100-year repayment.

The following calculations are made to show the difference between intended and actual subsidy due to chargeoffs and contract extensions, and to show the yearly pattern of subsidies granted. A rate of 4 percent is used in discounting expected future receipts, a rate of 3 percent for historical receipts.

Year 1915: Cost, $6.3 million; present value of contracted repayment, $3.3 million; present value of the intended interest subsidy, $3 million.

Year 1931: Paid since 1922 a sum total of $0.5 million; present value of repayments, $0.6 million. Present value of the debt outstanding, $5.6 million (the recorded amount of $3.3 million to be repaid, compounded to 1931, minus the present value of receipts to date). The contract redrawn at $5.8 million (repayment contract of $6.3 million minus the amount paid thus far $0.5 million). Present value of redrawn contract $3.4 million. Intersubsidy granted by extension $2.2 million ($5.6 million debt outstanding minus $3.4 million present value of repayment expected).

Year 1934: Cost $1.8 million. Present value of repayment contract $0.9 million. Interest subsidy granted of $0.9 million.

Year 1936: Cost $0.6 million. Present value of repayment $0.1 million, interest subsidy nearly $0.5 million.

Cost $0.3 million. Present value of repayment $0.1 million, interest subsidy $0.2 million.

Year 1948: Total value of debt outstanding $8.2 million (the recorded amounts to be repaid compounded to 1948 minus the present value of receipts to date). Chargeoff $3 million. Left outstanding $8.2 million minus $3 million: $5.2 million. Contract redrawn at $6 million (repayment contracted minus sum total of amount paid to date). Present value of repayment contract $1 million; interest subsidy granted $4.2 million.

To show the actual subsidy granted to the project as a percent of the total construction cost analyzed from 1915, all figures are discounted to that year.

	Construction: Date	Construction: 1915	Government cost: Date	Government cost: 1915
1915	6.3	6.3	3.0	[1] 3.0
1931			2.2	[2] 1.2
1934	1.8	.9	.9	[1] .4
1936	.6	.2	.5	[1] .2
1936	.3	.1	.2	[1] .1
1948			3.0	[3] .8
1948			4.2	[4] 1.1
Total		[5] 7.5		[6] 6.8

[1] Interest subsidy.
[2] Extension interest subsidy.
[3] Chargeoff.
[4] Extension.
[5] Cost.
[6] Subsidy.

Less than 10 percent of the cost is borne by irrigators. The intended subsidy was $3.7 million, that is the present value in 1915 of the interest subsidies granted from original contracts. The actual subsidy was $6.8 million, the difference of $3.1 million coming from extensions and writeoff.

III. QUALIFICATIONS TO DATA

The following comments serve to qualify the data presented:

(a) The repayment contracts were assumed to repay in fact in 40 years. Where actual conditions differed considerably from this simplification, special precise computations were made. Equal annual installments were assumed. The length of repayment assumed is conservatively estimated.

(b) Grouping of the projects into decades was roughly done on the basis of construction completion, though it was not possible to date all projects exactly. The grouping serves to indicate trends. By making the analysis from the date of construction completion, discounting value to that year rather than some other, has the effect of changing total costs and repayment, but has no effect on the percentages found between cost, repayment and subsidies.

(c) The receipts were not adjusted for price level changes, for reasons noted in the paper. There would be only a minor change were receipts to have been expressed in constant 1947–49 dollars since only a relatively small portion of repayments occurred in the past.

(d) The basic data regarding costs, repayment contracts, and so forth, were taken from published data (see source below) with care and intuition, since the complex arrangements of repayment and contract alterations make the data difficult to analyze. In cases where no determinant figure could be deduced (as in the case of two cost figures of historical outlay for the same project found in different sources), a rough approximation was used.

(e) For projects not yet completed, there is a presumption for costs to exceed those estimated, since this has been the historical pattern. When this occurs, an additional subsidy is perforce granted to irrigation since repayment contracts are not easily increased except by extensions. The subsidy comes either from the interest-free repayment or a greater payment by power revenues.

(f) The cost index used to adjust figures to 1947–49 dollars was a composite weighted by indexes of construction, and wholesale prices, and cost of living. The construction index was for residential housing. The adjustment to 1947–49 dollars took the following ratios:

1900–1910	2.5
1911–1920	2.0
1921–1930	1.3
1931–1940	1.7
1941–1947	1.3
1948–1954	.9
Future	1.0

Mr. PROXMIRE. One of the most widely recognized authorities in this field is a very controversial figure—Mr. Raymond Moley. In an article entitled "What Price Reclamation?" he discussed the benefit-cost ratio. To save time, I shall quote merely a part of the article.

Mr. Moley discussed the interest component device as follows:

In an opinion of the Solicitor of the Interior Department rendered in 1944, a source of subsidy for irrigation was revealed which has had revolutionary reverberations. It involves so subtle a bookkeeping trick that very few understood it then and, in fact, very few people outside the Department understand it now. I shall try to set it forth with sufficient explanatory background to make it clear.

Under the reclamation law as it had been written, up to and including the act of 1939, the price of power sold from Federal multipurpose projects was theoretically to be fixed high enough to include five parts or components:

(a) Operation and maintenance of the power facilities;

(b) An amount paid into a replacement fund, which need not be used every year but to be on hand when required;

(c) An annual amortization item for the repayment to the Treasury of the Government's investment;

(d) The interest at 3 percent on the unamortized power investment;

(e) A sum, rather inaccurately called a "profit," to be used as a subsidy to pay for some of the irrigation investment.

The justification for the theoretical inclusion of (e) and its theoretical use as a subsidy for irrigation is found in precedents going back to the early projects in which it was almost impossible to separate the respective costs of power and irrigation facilities.

However, this assignment of (e) as a component of the power price is in practice ignored, so far as I have been able to determine by a study of several projects. Power rates are in practice based upon the inclusion of factors (a), (b), (c), and (d) only.

In other words, the power rates as used are based on operation and maintenance, an amount paid into a replacement fund, an annual amortization item for repayment to the Treasury, and interest at 3 percent on the unamortized power investment—but not the "profit."

The Solicitor's opinion in 1944, by a strange process of reasoning and interpretation of the 1939 law and some preceding legislation, declared that the interest component, (d), could be applied to the repayment of the irrigation costs.

That is what is happening with respect to the Glen Elder project. Even though no power is to be produced, nevertheless somehow, in some strange, weird way, which baffles me and is beyond my comprehension, though I have thought about it for a long time, the power users in the Missouri River Basin are to be required to pay and will be charged, at least on a bookkeeping basis, for $13 million of the $17 million cost. Actually, that does not mean that the general taxpayer would be spared this expense at all. Far from it.

Of course, the total cost, including interest, will be in the area of $72 million for merely the irrigation. Nevertheless the power user in the Glen Elder situation is, in fact, charged with a substantial amount of the burden of repayment.

I continue to read—

This was so revolutionary an interpretation of the law that even the Commissioner and the Counsel of the Reclamation Bureau disagreed. Assistant Secretary Michael Strauss, later to be Commissioner of the Bureau, said that before putting the Solicitor's opinion into practice the agreement of the Comptroller General or the authorization of Congress should be secured. But Secretary Ickes disregarded this advice and these warnings and approved the Solicitor's opinion. From that time to this, the Solicitor's opinion has been regarded by the Department as the law of the land.

Congress has never validated the Solicitor's opinion directly. In fact, a House committee has distinctly condemned it. The Bureau of the Budget has never squarely faced the issue, but has raised doubts about it on several occasions. President Truman was ambiguous, but in commenting on the Central Valley project of California said that the matter should be submitted to Congress. The President's Water Resources Policy Commission dealt with the question in a number of places in its report, but failed to meet it directly.

The new administration of the Department condemned the interest-component device, but after nearly 2 years was still using it or its equivalent, the Collbran formula. After all this time there has been no new opinion from the Department's Solicitor reversing the 1944 interpretation.

Why is that? It seems to me the only reason is that Congress has become so involved in so many responsibilities, and it is so necessary for every Member of Congress and for every Member of the Senate certainly to specialize in his own particular area, that we delegate and leave the responsibility in this area by and large to members of the Committee on Interior and Insular Affairs, who are very fine and able men of high character, but are also men who have a vested interest in many cases in providing as favorable an irrigation situation as they possibly can.

I see nothing wrong with that, because I favor irrigation and feel that it has done a great deal not only for the West but also in building up the whole country. But unfortunately they somehow appear to have an opinion, one which is shared by the Interior Department, that they cannot trust Members of Congress with the facts.

They cannot tell them exactly what the situation is for fear that if Members of Congress know the facts, the number of irrigation projects approved will diminish. For that reason the masquerade—this fiction—is perpetrated on Members of Congress and the members of the public that these projects have a benefit in every case which exceeds their cost. They do not say that the taxpayer does not pay anything, but certainly that impression is spread abroad. Somehow, they say, if a project is alleged to have a favorable benefit-cost ratio, someone, somewhere, in some way, will get more benefits out of the project than it costs, and on any realistic assumption as I have shown here, the fact is exactly the opposite.

Mr. Moley continues—

The new administration of the Department condemned the interest-component device, but after nearly 2 years was still using it or its equivalent, the Collbran formula. After all this time there has been no new opinion from the Department's Solicitor reversing the 1944 interpretation.

I continue to read—

And so at this moment, a decade after the Solicitor's interpretation, the hitherto established rules for determining the feasibility and for repaying the Government's investment in irrigation projects are flouted.

The immense importance of this device is easy to demonstrate. A simple hypothetical example will suffice.

Assume a project with both power and irrigation facilities. The cost of the power facilities (the amount need not concern us) will, according to the estimates, be repaid in 50 years with interest from the power revenues. The cost of the irrigation facilities will be $10 million. On this it is estimated that water users can pay only 25 percent, or $2,500,000. No case for feasibility could be established on such terms. Therefore, the Bureau presents an estimate showing that the interest component on the power investment will be used to pay the missing $7,500,000.

That is what has been used here. The only difference is that in the Glen Elder project, instead of $10 million, the total is $17 million. Instead of the irrigators paying $2.5 million, they pay $4 million. So the power users, allegedly, by some bookkeeping device, are charged for the additional $13 million. So far as irrigation and its repayment is concerned, we might argue in the raw terms of repayment here is a $17 million project, with $4 million repaid, and that in that sense the benefit-cost ratio would be 0.25 or less than 0.25. In other words, the repayment would be less for one-quarter of the cost.

> This diversion from the Treasury of the interest component simply means that the taxpayers must pick up the bill for the interest on the power investment as well as the interest on the irrigation investment.

So it is merely a deception. We are befogged into believing that somehow the taxpayer would escape from paying the interest because it will be charged to the power user, although, of course, no benefit is provided to the power user.

Continuing to read:

> As I shall presently show, this is, in any sizable project, a very large sum. The advantage to the people who conceived the device is that it is not easily understood, and the taxpayer is charged for a subsidy without realizing it. A direct subsidy would, of course, raise a tremendous storm of opposition in Congress and among taxpayers generally. Senator Knowland, in opposing the central Arizona project in 1951, called this use of the interest component "double dealing, financial sleight-of-hand".
>
> One example of the amounts covertly shifted to the taxpayers is in the Colorado-Big Thompson Transmountain Division project. The costs allocated to irrigation were, in round figures, $100 million. Of this, water users were to pay only $29 million. The remainder, $71 million, would come from the power revenues, and of that $63 million would be the interest component. That amount shifted to the taxpayers, plus the unpaid interest on the irrigation investment, would clearly be tens of millions more than the entire original irrigation costs.
>
> In a report prepared by Charles D. Curran, of the Library of Congress, and submitted to the House Committee on Interior Affairs in 1953, * * * amounts of the interest component on 11 projects were listed.

Listed is a project in Boise, with an interest component of $1,800,000; Columbia Basin, $78 million; Hungry Horse, $89 million; then there are two small ones; Central Valley, $130 million; Parker-Davis, $98 million; Rio Grande, $8,780,000; Colorado-Big Thompson, $64 million; Kendrick, $15 million; Missouri River Basin, $513 million. The total of those 11 projects in 1953 was $999 million, or nearly $1 billion.

I continue to read—

> Repayment schedules currently proposed by the Bureau indicate that the interest component is used, or is contemplated being used, to pay irrigation costs on most of the projects listed by Curran, with the possible exception of the Columbia Basin where they have substituted the Collbran formula which imposes just as heavy a burden on the Nation's taxpayers.
>
> THE COLLBRAN FORMULA
>
> As the true nature of the subtly conceived interest-component device dawned upon informed people in Congress, it became apparent that direct legislative authority for it would never be secured. The Bureau then, in 1951, came up with an equally subtle substitute, the "Collbran formula," so named because it was first applied to a small project at Collbran, Colo. When the bill was passed, it was specifically understood that the acceptance of the formula in that case should not be regarded as a precedent.

That wish has certainly not been honored.

> Nevertheless, it has appeared in a number of plans for new projects since, and is actually tending to become established practice.

Of course this is the formula which is being used to justify the Glen Elder project.

> Under the Collbran formula the interest component is used as it was originally intended; i.e., to pay back to the Treasury interest on the unpaid portion of the power investment over a fixed number of years of repayment.
>
> Meanwhile, water users pay what they are able to pay on the irrigation investment, without interest. Since the amount required to be paid by water users on recent projects is only a small fraction of the cost, the unpaid portion goes on piling up a mountain of compounded interest. The result is the accumulation of a vast subsidy by the time the power costs are liquidated with interest.
>
> Finally, after that faraway date, the power revenues are used to pay off the original irrigation investment, a very large part of which, as we have seen, has been postponed.
>
> It is assumed by the Bureau in presenting this formula for repayment that the power revenues in that faraway year will be sufficient to pay off the original irrigation investment, as well as the costs of rehabilitation, whatever they may be.
>
> All of this boils down to the stark truth that the repayment of irrigation costs must be from hypothetical power revenues received from hypothetical power users over a hypothetical period of time. In practically every recent project, as we shall see, that repayment period will extend into the 21st century.

In this case it goes beyond the first half of the 21st century, into the year 2064.

> And during that long period the interest charge on the unpaid portion of the irrigation investment will be exacted from the taxpayers or added to the national debt.
>
> No one who takes full account of the whole array of probabilities can believe that the entire investment for power and irrigation can ever be repaid during the probable life of the power facilities. The indeterminate but astronomical costs will have to be borne by the taxpayers.
>
> Whether the Collbran formula imposes a smaller or larger subsidy on the taxpayer than the method of the Solicitor's 1944 opinion depends to a degree on the estimates used for payout time and also on how realistic it is to contemplate revenues beyond what might be the useful life of the project. It is also utterly speculative to try to determine the costs of operation, maintenance, and replacement in years so far in the future. The immensely detailed statistical payout schedules published by the Department are, despite their formidable appearance, a tissue of suppositions, guesses, and dubious estimates.

Certainly that is true in the case of the Glen Elder project.

Suppositions, guesses, and dubious estimates are appropriate words to use in describing the conjecture involved in this project.

> Some of the grave questions raised by the Collbran formula are these: How can we know what charges can be imposed upon power users many years in the future? How can we know how much power will be in demand? How can we know where the market will be? How can we know whether the market will be industrial or municipal? What about other forms of producing energy? Coal? Shale oil? Natural gas? Atomic power? We have had a revolution in the past 50 years. Will there be no changes in the next half century?
>
> Despite these arresting considerations and the early reluctance of the policymaking officers appointed under the Eisenhower administration, the Department has recommended and Congress has authorized three projects containing the Collbran formula.

Now the Kennedy administration this year, in this one new start, has recommended the Collbran formula for the Glen Elder project.

> In its plans for the immense upper Colorado project the Department proposed a modified Collbran formula, asserted by a high official of the Department to be more "palatable" than the interest component device.
>
> This modified Collbran formula was described by Budget Director Dodge in a letter to Congressman JOHN P. SAYLOR in a letter dated April 13, 1954:
>
> "The principal difference between the Collbran formula and the repayment formula recommended for the Colorado River project, therefore, is that the cost allocated to irrigation cannot be expected to be fully repaid for considerably more than 50 years in the case of the Collbran project, whereas the full irrigation cost is required to be repaid within 50 years, exclusive of any development period, in the case of the Colorado River project."
>
> What neither the Budget Director nor the Department of the Interior, nor any other source has made clear to me is how merely by decreeing that the irrigation costs must be repaid in a fixed number of years there can be any assurance that they will in fact be so repaid. The Department is vague in this upper Colorado project about a fixed payout schedule. In fact, the statements of the Department's representatives before congressional committees in 1954 were confusing, inconsistent with each other and with the terms of the proposed legislation.
>
> There is no magic in the 50 years, said by Senator Watkins and other proponents of the project to be the period during which both power and irrigation costs would be paid out. The essential vice of the Collbran formula remains, regardless of the term fixed for payment—be it 50, or 70, or 73 years. The point is that the principle of the formula is the postponement of the repayment, for 40 to 50 years or more, of a major part of the irrigation investment on which compound interest piles up as a subsidy.
>
> What I cannot understand, even after a laborious examination of all the documents and records and a questioning of some of the principals concerned, is how in the short space of perhaps 6 years after the power costs have been repaid with interest, the immense irrigation costs can be liquidated by power revenues, as claimed. It seems to me that any such promise to the Congress or the American people to provide repayment of both power and irrigation costs in 50 years is either supreme optimism or plain deception.

Of course, Mr. Moley was dealing with what was true then, and a 50-year life. Whatever was true with respect to 50 years is certainly true, a fortiori, with respect to a 100-year period.

> Under the Collbran formula, the amount of the irrigation debt with accumulated interest will have become so great by the time power revenues become available for its repayment in 40 or 50 years or more that power revenues will probably be insufficient to pay even simple interest at 2½ percent. Hence, that accumulated debt can never be repaid from power revenues, but will continue to accumulate interest until it is paid off from taxes.
>
> THE INTEREST-FREE SUBSIDY
>
> The importance of the interest-free provision in the reclamation law as a subsidy in-

creases in the first place because of the long delays in starting repayment, and following that, because of the immense extensions of payout time. This can be illustrated by a hypothetical case of a project costing $1 million with a prevailing interest rate at 2½ percent.

Under the law, no repayment will be required until after the construction and development periods, assumed to aggregate 20 years, have passed. By that time the Government's investment is, with interest, $1,459,000. Assuming then an optimistic case of where repayment of the $1 million is made over a period of 50 years at the rate of $20,000 annually, at the end of the 50 years the taxpayers of the Nation have been loaded with an accumulated interest debt of $3,066,000. But, as we have seen, such an orderly and punctual repayment is almost never made. And this interest debt will go on and on, increasing over the immensely long period involved in some projects until it is paid off by the taxpayers of the Nation.

If the law, instead of providing an interest-free subsidy, should provide that the construction costs should not be repaid at all, but that the farmer should pay interest alone on the original $1 million investment, the taxpayer would be better off by $488,000 at the end of the 50-year repayment period and would be increasingly better off with longer years of repayment.

Since, as we shall see, almost all projects pay off somewhere between nothing and 100 percent (some run as low as 10 and 12 percent), let us see what the accumulated burden on the taxpayer would be if nothing were paid back, neither principal nor interest. It would, on the hypothetical $1 million project, be over $5 million at the end of the assumed 50-year repayment period.

This immense rate of growth of the taxpayer's burden must be kept in mind when we consider the subsidy involved in the use of the Collbran formula, which postpones a major part of the repayment on irrigation until the power investment is all paid off.

WHY GLEN ELDER IS NOT A GOOD PROJECT EVEN FOR PURPOSES OF PREVENTING FLOODS IN KANSAS RIVER VALLEY

Mr. President, it might be argued that the Glen Elder Dam would be a desirable and necessary project to build, even if the irrigation portion of the project was not included at this time or any other time in the future. While this would eventually save the taxpayer the cost of the interest charges on the national debt that he would have to pay, plus an initial outlay of $15 million for the irrigation portion of the project, the project would still not be economical.

This is apparent by an inspection of the table of benefit-cost ratios for this project. Only through the use of the 100-year period of analysis, and the use of a very unrealistic rate of discount would the benefit-cost ratio for the flood control features of this project exceed 1.

This submarginal feature of the flood control benefits of the project is especially unfortunate when the higher benefit-cost ratios of alternative projects in the Kansas River Valley are considered. If the concern of Congress to protect against flood damage in the Kansas River Valley it would be very easy to achieve this through the construction of other projects in the valley which have much higher benefit-cost ratios for the flood control portion of the project.

These projects are indicated in a table I shall place in the RECORD. It can be seen that other flood control projects proposed by the Corps of Engineers have higher benefit-cost ratios. The Perry project would yield $2.50 of flood control benefits to each dollar of cost, the Woodbine would yield $1.70 of flood control benefits using a 50-year period of analysis, and $2.10 of benefits for each dollar of cost using the 50-year period of analysis.

The Onaga project would yield $1.90 of flood control benefits to each dollar of cost if a 50-year period of analysis were used, while it would yield $2.30 of flood control benefits for each dollar of costs if a 100-year period of analysis were used, as in the case of the Glen Elder project.

The Grove project would yield $1.50 of flood control benefits for each dollar of current cost for the project if a 50-year period of analysis was used, and $1.80 of benefits if a 100-year period of analysis was used.

To put Glen Elder on a 50-year basis for flood control would result in a ratio of less than unity. It would not pay off at all. It would have a far higher ratio.

Mr. President, I ask unanimous consent that the table be printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Corps of Engineers reservoirs in Kansas River Basin, summary of benefits and benefit-cost ratios

Reservoir and stream	Average annual benefits		Benefit-cost ratio
	Flood control	Total	
Existing:			
Kanopolis,[1] Smoky Hill River	$1,866,000	$1,866,000	3.3
Harlan County,[1] Republican River	2,532,000	3,085,000	1.7
Under construction:			
Tuttle Creek, Big Blue River	8,183,000	10,139,600	2.9
Wilson, Saline River	1,128,000	1,557,000	1.6
Milford, Republican River	3,722,000	4,607,000	1.7
Authorized: Perry, Delaware River	3,628,000	4,329,000	2.5
Recommended:			
Woodbine, Lyon Creek	731,000	974,000	1.7
Onaga, Vermillion Creek	1,204,800	1,710,800	1.9
Grove, Soldier Creek	509,100	777,100	1.5
Clinton, Wakarusa River	1,026,400	1,544,400	1.4

[1] Estimates based on price levels at time project was placed in operation.

Mr. PROXMIRE. Mr. President, I have indicated a far higher ratio, a more favorable ratio if 100 years is involved.

It can be seen that other flood control projects proposed by the Corps of Engineers have the higher benefit-cost ratio.

Mr. President, I also ask unanimous consent that a letter dated June 7, 1962, which I have received from Major General MacDonnell, of the Department of the Army, be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

HEADQUARTERS,
DEPARTMENT OF THE ARMY,
OFFICE OF THE CHIEF OF ENGINEERS,
Washington, D.C., June 7, 1962.

Hon. WILLIAM PROXMIRE,
U.S. Senate.

DEAR SENATOR PROXMIRE: I am pleased to enclose, in accordance with your recent request, a copy of the Kansas River review report which was referred to on page 845 of the public works appropriation hearings. The estimated average annual benefits, for flood control and other purposes, are summarized on page 53 of the report for the four dams which are recommended therein.

The review report mentions the existing and authorized Corps of Engineers reservoirs in the Kansas River Basin but does not present any economic date regarding them. Therefore, I am inclosing a tabulation which shows the average annual flood control benefits, total benefits, and benefit-cost ratio for each of the existing, authorized, and proposed corps reservoirs in the basin. The existing and proposed reservoirs in the Solomon River Basin are not included since they are U.S. Bureau of Reclamation projects.

Sincerely yours,
R. G. MACDONNELL,
Major General, U.S. Army,
Director of Civil Works.

Mr. PROXMIRE. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a letter dated July 24, 1962, also from Major General MacDonnell.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

HEADQUARTERS,
DEPARTMENT OF THE ARMY,
OFFICE OF THE CHIEF OF ENGINEERS,
Washington, D.C., July 24, 1962.

Hon. WILLIAM PROXMIRE,
U.S. Senate.

DEAR SENATOR PROXMIRE: This is in reply to your recent letter regarding the estimated flood control benefits of the Glen Elder and the Perry Reservoir projects in the Kansas River Basin.

The estimated flood-control benefits credited to the Glen Elder and Perry projects, as quoted in your letter, were both computed by the Kansas City District of the Corps of Engineers. However, they are not exactly on the same basis. The Glen Elder value of $1,394,000 represents estimated average annual flood control benefits based on prices and the status of economic development prevailing in 1960, adjusted to reflect expected future development in the area during the 50-year period—1960–2010. Apparently this computed value was used in the Bureau of Reclamation report without upward adjustment to account for a 100-year period of development. The Perry estimate of $3,628,000 is based on conditions expected during a 50-year period of development beginning in 1961 as compared with a beginning date of 1960 for Glen Elder.

Our most recent estimates of these flood control benefits, based on conditions prevailing in 1961 and using a 100-year period of analysis are: Glen Elder, $2,064,000, and Perry, $5,014,000. The foregoing estimates are based on an equitable distribution of benefits among the several reservoirs in the basin and are comparable.

The flood-control function of the Glen Elder project is of major significance in the Kansas River Basin, and if the irrigation features are to be deferred indefinitely, it would be desirable to reconsider the project on the basis of its flood control and other water resource potentialities, rather than assign it to such a low priority as to deprive the flood control system of its effectiveness.

I trust that the above information is adequate for your present needs.

Sincerely yours,

R. G. MacDonnell,
Major General, U.S. Army,
Director of Civil Works.

Mr. PROXMIRE. Mr. President, to come to the end of my presentation, I shall summarize for a minute or two some of the points I have tried to make.

First. The Glen Elder project has not been properly authorized. Neither the Interior nor Public Works Committee, in the House of Representatives or the Senate, has ever considered this project in detail. The only previous congressional reference to it was a single line in the 1944 omnibus Pick-Sloan authorization, where it is listed along with 325 other projects. Since that date the project has been altered substantially. In the intervening 18 years the economic context in which a project evaluation must be made has also changed completely.

Second. Irrigation provided by the Glen Elder project will lead to a substantial increase in feed-grain surpluses. The official description of the project indicates that 13,000 of the newly irrigated acres will be used to grow grain sorghums, with a crop value at current prices of over $1 million per year. I consider it incomprehensible that we should provide funds to increase grain sorghums production at the same time Congress is trying to deal with a feed-grain surplus amounting to $3.3 billion, including over 700 million bushels of sorghums.

Third. The economic justification for the Glen Elder project is dubious, which further emphasizes the need for full congressional review and authorization. Its overall benefit-cost ratio is barely above 1. Modifications in criteria suggested by the President's Water Resources Council could lower the ratio to less than 1. Its financial feasibility is also doubtful. Some $4 million of the $17 million cost of the irrigation features will be repaid by the users over a 50-year period. The other $13 million will not be repaid until about the year 2060, when revenues from the power sales of the Missouri River Basin will become available. Even though the initial costs will eventually be paid in this way, the general taxpayer will bear the substantial imputed interest cost, an estimated $50 million, as well as the cost of acquiring the surplus grain sorghums.

Mr. President, I conclude by emphasizing that the map shows clearly the only area affected by the Glen Elder irrigation project. I have shaded in black the land which is owned by petitioners who have petitioned against this project and who, in emphatic terms, have said that they do not want it.

The fact is that the alleged beneficiaries of the land, the only people who will get any irrigation benefits, the 90 percent of the farmers involved, who own 85 percent of the land, have signed petitions swearing that they do not want the project.

It seems to me that it would be almost insane for Congress to insist on spending the taxpayers' money for a project which is not wanted by the beneficiaries, when the only economic result of the project would be actually to produce millions of dollars' worth of additional surplus and to generate this dreadful syndrome almost exactly 1 week after Congress has passed a farm bill spending $1 billion to take this precise feed grain surplus out of production.

TRANSACTION OF ADDITIONAL ROUTINE BUSINESS

By unanimous consent, the following additional routine business was transacted:

ADDITIONAL REPORTS OF A COMMITTEE

The following additional reports of a committee were submitted:

By Mr. SMITH of Massachusetts, from the Committee on the District of Columbia, with an amendment:

S. 3705. A bill to amend the District of Columbia Police and Firemen's Salary Act of 1958, as amended, to increase salaries, to adjust pay alinement, and for other purposes (Rept. No. 2214).

By Mr. SMITH of Massachusetts, from the Committee on the District of Columbia, with amendments:

S. 1447. A bill to amend the District of Columbia Teachers' Salary Act of 1955, as amended (Rept. No. 2215).

ADJOURNMENT UNTIL 10 A.M., MONDAY, OCTOBER 1, 1962

Mr. PROXMIRE. Mr. President, before I yield the floor, I move that the Senate adjourn, under the order previously entered, until 10 o'clock on Monday morning next.

The motion was agreed to; and (at 11 o'clock and 59 minutes p.m.) the Senate adjourned, under the order previously entered, until Monday, October 1, 1962, at 10 o'clock a.m.

NOMINATIONS

Executive nominations received by the Senate September 29, 1962:

Treasurer of the United States

Mrs. Kathryn E. Granahan, of Pennsylvania, to be Treasurer of the United States.

Bureau of Customs

Michael Stramiello, Jr., of New York, to be appraiser of merchandise in customs collection district No. 10, with headquarters at New York, N.Y.

Diplomatic and Foreign Service

William C. Doherty, of Maryland, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Jamaica.

Organization for Economic Cooperation and Development

John M. Leddy, of Virginia, to be the Representative of the United States of America to the Organization for Economic Cooperation and Development.

Coast and Geodetic Survey

Subject to qualifications provided by law, the following for permanent appointment to the grade indicated in the Coast and Geodetic Survey:

To be lieutenants

James B. Allen
J. Austin Yeager
W. Paul Yeager
John D. Bossler

Postmasters

The following-named persons to be postmasters:

CALIFORNIA

Amanda E. Meisgeier, Los Olivos, Calif., in place of N. J. Stonebarger, retired.

Doris E. Van Meter, Redway, Calif., in place of F. R. Sproul, resigned.

Lenora A. Milhoan, San Ardo, Calif., in place of M. F. Fluker, deceased.

FLORIDA

Josephine C. Blondheim, Atlantic Beach, Fla. Office reestablished February 17, 1962.

Richard A. Monahan, Boynton Beach, Fla., in place of E. S. Pierce, retired.

IDAHO

Clifford L. Davis, Iona, Idaho, in place of G. W. Denning, retired.

Luis Berriochoa, Mountain Home, Idaho, in place of J. D. Sullivan, retired.

ILLINOIS

Edward F. Swan, Wheeling, Ill., in place of August Grewe, retired.

INDIANA

Vaughn L. Kostielney, Avilla, Ind., in place of M. M. Pepple, retired.

Hiram T. Staples, Greensburg, Ind., in place of C. D. Samuels, resigned.

IOWA

Mildred L. Lisk, Lynnville, Iowa., in place of R. C. Ratliff, retired.

LOUISIANA

William H. Davis, Jr., Lacombe, La., in place of J. E. Bishop, retired.

Lois N. Farrar, Lillie, La., in place of A. L. Farrar, declined.

MASSACHUSETTS

Daniel G. Barrett, Rowley, Mass., in place of S. F. Knowles, Jr., retired.

James P. McBride, South Acton, Mass., in place of E. H. Reynolds, retired.

MICHIGAN

Roy A. Hierholzer, Grand Haven, Mich., in place of Homer Fisher, retired.

John S. Kilbride, Midland, Mich., in place of B. E. Voorhees, Jr., resigned.

MINNESOTA

William G. Nixon, Claremont, Minn., in place of R. N. Martin, retired.

Durward C. Peterson, Clearbrook, Minn., in place of Clifford Bergland, retired.

Elton D. Schlueter, Gibbon, Minn., in place of H. G. Carlson, deceased.

MISSISSIPPI

Arjenter B. Cardwell, Harrisville, Miss., in place of L. R. Bracken, retired.

MISSOURI

Howard R. Smith, Vandalia, Mo., in place of W. R. Emo, resigned.

MONTANA

William B. Deffinbaugh, Ryegate, Mont., in place of G. R. McClarren, retired.

NEW HAMPSHIRE

Walter W. Fortier, Chocorua, N.H., in place of S. L. Weeks, retired.

Harry D. Perkins, Smithtown, N.H., in place of S. A. Brown, retired.

NEW MEXICO

Frances G. Shaw, Fort Stanton, N. Mex., in place of M. J. Price, deceased.

NEW YORK

Mae S. Cohen, Fallsburgh, N.Y., in place of Sam Rosenberg, resigned.

George R. Low, Pine Bush, N.Y., in place of G. H. Stanton, retired.

Margaret B. Belmont, Sidney Center, N.Y., in place of D. L. Hoy, removed.

NORTH CAROLINA

Roy C. Williams, Jr., Angier, N.C., in place of L. E. Johnson, retired.

Rosa J. Vernon, Milton, N.C., in place of M. C. Newman, retired.

OIHO

Conrad A. Bayer, Cleves, Ohio, in place of M. C. Dick, retired.

Wanda M. Keylor, Fairview, Ohio, in place of H. E. Frost, retired.

OREGON

James R. Landers, Beaverton, Oreg., in place of D. L. Jenkins, transferred.

PENNSYLVANIA

Francis A. Keyack, Shamokin, Pa., in place of R. A. Pensyl, deceased.

TENNESSEE

R. Frank Cunningham, Obion, Tenn., in place of H. B. Fox, deceased.

Jeff J. Blanks, Jr., Trezevant, Tenn., in place of J. B. Goodwin, retired.

TEXAS

Bertha L. Delz, Texon, Tex., in place of B. F. Irby, transferred.

VIRGINIA

Robert W. Nash, Brodnax, Va., in place of E. C. Michael, retired.

Kerry P. Sutherland, Grundy, Va., in place of P. V. Dennis, Jr., resigned.

Garland M. Tyree, Somerset, Va., in place of W. L. Johnston, retired.

WISCONSIN

Ivan J. Cowen, Caledonia, Wis., in place of E. P. Jacob, resigned.

Iva E. Beech, Coloma, Wis., in place of R. E. Graichen, transferred.

CONFIRMATIONS

Executive nominations confirmed by the Senate September 29, 1962:

COLLECTOR OF CUSTOMS

John Neil McCardell, of Maryland, to be collector of customs for customs collection district No. 13, with headquarters at Baltimore, Md.

COMPTROLLER OF CUSTOMS

Edward F. O'Malley, of Maryland, to be comptroller of customs, with headquarters at Baltimore, Md.

SENATE

MONDAY, OCTOBER 1, 1962

The Senate met at 10 o'clock a.m., and was called to order by Hon. LEE METCALF, a Senator from the State of Montana.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

Our Father, God, for this quiet moment at a week's beginning, closing the door upon the outer world with its tumultuous and unpredictable events, we would see ourselves in the white light of Thy holiness. In the light of Thy presence we pour contempt on all our contemptible pride, as in Thy effulgence we stand revealed in all our pettiness and betrayals of the highest.

In the world about us, wickedness seems so often triumphant and strong; goodness, so rare and feeble. But though the wrong seems oft so strong, may we become sure of Thee, as men who watch through a long night know beyond all doubt or question that daylight has returned. Send us forth as sons of the morning, to bring Thy radiance to every shadowed life we meet.

We ask it in the name of the One who is the light in all earth's darkness, and of whom it has been declared: "In Him life lay, and that life is the light of men." Amen.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., October 1, 1962.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. LEE METCALF, a Senator from the State of Montana, to perform the duties of the Chair during my absence.

CARL HAYDEN,
President pro tempore.

Mr. METCALF thereupon took the chair as Acting President pro tempore.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Saturday, September 29, 1962, was dispensed with.

PUBLIC WORKS APPROPRIATIONS, 1963

The Senate resumed the consideration of the bill (H.R. 12900) making appropriations for certain civil functions administered by the Department of Defense, certain agencies of the Department of the Interior, the Atomic Energy Commission, the Saint Lawrence Seaway Development Corporation, the Tennessee Valley Authority, and certain river basin commissions, for the fiscal year ending June 30, 1963, and for other purposes.

Mr. MANSFIELD. Mr. President, a parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator from Montana will state it.

Mr. MANSFIELD. Under the unanimous-consent agreement which has been entered into, is it correct that the time limitation begins to run immediately, or will there be time for a brief morning hour?

The ACTING PRESIDENT pro tempore. Under its order of Saturday last, the Senate will now resume the consideration of House bill 12900, the civil functions appropriation bill, under a limitation of 30 minutes debate on the pending amendment of the Senator from Wisconsin [Mr. PROXMIRE], to be equally divided and controlled, respectively, by him and the Senator from Louisiana [Mr. ELLENDER], with the vote on the amendment to be taken by yeas and nays at 10:30 a.m.

So the time begins running immediately.

Mr. PEARSON. Mr. President——

Mr. MANSFIELD. I yield 12 minutes to the Senator from Kansas.

The ACTING PRESIDENT pro tempore. The Senator from Kansas is recognized for 12 minutes.

Mr. PEARSON. I thank the Senator from Montana.

Mr. President, on the basis of my observations during the few months I have been in the Senate I would say that one of the problems that confronts one who serves in this body is the determination of when there is enough time to make detailed and thorough studies of the various projects which come before this body. Therefore, I compliment the Senator from Wisconsin for the detailed study he has made and the depth to which he has gone in preparing the case in support of his amendment.

As I read the record and review the material the Senator from Wisconsin placed before the Senate, I should say his objections in general relate to the present system for the determination of irrigation and flood control projects. The specific case with which he dealt in this connection is the Glen Elder Dam, in Kansas. In that connection, he developed four points: First, that the project was not properly authorized; second, that construction of this particular facility will increase the feed grain surpluses, inconsistent with the farm plan recently passed; third, that although the cost is in accord with the prescribed benefit-cost ratio, it is barely above that 1 percent; fourth, that 90 percent or 95 percent of the people in the area affected do not wish this project constructed.

In response to these points, I say that the Glen Elder project was processed in the regular, traditional manner, and was carefully reviewed by the Subcommittee on Irrigation and Reclamation, of the Committee on Interior and Insular Affairs, and then by the Appropriations Committee. That was the regular and joint review, and it showed a benefit-cost ratio of 1.18 to 1.

In connection with my recommendation that this amendment be rejected, I make this statement not only on my own behalf, but also on behalf of my distinguished senior colleague [Mr. CARLSON].

It is vitally important that the Senate be accurately and objectively advised concerning the justification and authorization of the Glen Elder unit of the Missouri River Basin project, in Kansas. On occasion, Senators have appeared before committees and on the floor to speak in opposition to the development of this project by the Bureau of Reclamation. Among the points that have been raised is one to the effect that the project has not been properly authorized. It is to this point that I should like to direct my first remarks.

This matter has been the subject of a careful review by the Subcommittee on Irrigation and Reclamation of the Committee on Interior and Insular Affairs. In fact, only last April 13, 1962, under the chairmanship of the Senator from New Mexico [Mr. ANDERSON], a comprehensive inquiry was conducted concerning the very question of the validity of the authorization of the Glen Elder unit. Extensive testimony was taken from officials of the Department of the Interior and the Bureau of Reclamation. That testimony thoroughly discredited the suggestion that there is anything improper about the authorization of this program and other elements of the comprehensive plan for development of the water resources of the Missouri River Basin project.

In brief, Mr. President, it was conclusively established that the Glen Elder unit is clearly identified as being among the elements of the comprehensive plan set forth and described in Senate Document No. 191, 78th Congress, 2d session, and authorized for construction by the Secretary of the Interior under the Flood-Control Acts of 1944 and 1946.

Allegations have been made, also, to the effect that the Bureau of Reclamation has improperly amended and enlarged the project beyond the scope of the original authorization. Careful comparison of the plan at the time of first congressional consideration and as it now is being proposed discloses that there have been no changes in location, scope, or objective. Much has been made over the fact that the reservoir now proposed to be constructed is larger than the one envisioned in 1944. This is an admissible fact, but nonetheless justifiable. The original purpose of the Glen Elder unit, as clearly set forth in the original project documents, was the irrigation of semiarid lands with the regulated runoff of the Solomon River, and the regulation of flood stages at levels necessary to protect the highly developed damage centers downstream from the damsite. We now find that detailed hydrologic and economic investigations disclose the need to provide more storage capacity to achieve these goals than could reasonably have been foreseen.

Unusually severe and prolonged droughts which are periodically experienced in my State require that more conservation capacity be provided, in order to assure that ample water supplies are carried over to periods of need. Extraordinary storms which have been experienced require that ample storage be provided for temporary detention of flood flows. Laymen often feel that it is paradoxical for flood and drought, alike, to be cited as reasons for increasing reservoir storage. It is significant, however, that the Subcommittee on Irrigation and Reclamation examined this alleged paradox in great detail and has not drawn any conclusion or published any report or other expression which would deny its technical justification.

Therefore, concerning justification, we find that the project was identified with preciseness in the project documents supporting the authorizing act. We find that the intended purposes have not been substantially altered, and that the presently proposed project is clearly consistent with the intent of Congress in passage of the acts of 1944 and 1946. It is, therefore, difficult to see how one could reasonably conclude that the Glen Elder unit is other than fully and legally authorized for construction.

In this connection, I request unanimous consent to insert in the RECORD a copy of a letter from the Honorable Stewart L. Udall, Secretary of the Interior, to the chairman, Senate Subcommittee on Irrigation and Reclamation, dated April 6, 1962. This letter will furnish interested Senators a detailed discussion of the points which I have so briefly summarized in my foregoing remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

APRIL 6, 1962.

HON. CLINTON P. ANDERSON,
Chairman, Committee on Interior and Insular Affairs, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: We are pleased to offer the following discussion concerning the status of authorization of the Glen Elder unit, Solomon division, Missouri River project, Kansas, in response to your letter of March 16, 1962. Request was also made for a list of all units and divisions of the project, as authorized by the Flood Control Acts of 1944 and 1946, together with their principal features and estimated costs. Finally, your letter requested a statement of the present policy of the Department in regard to seeking authorization or reauthorization of individual Missouri River Basin project elements in advance of requests for construction funds.

The comprehensive plan of development for the Missouri River Basin project was included in the report approved by Secretary Ickes in April 1944. This report was subsequently transmitted to the Congress and printed as Senate Document No. 191, 76th Congress, 2d session. Later, certain amendments and substitutions to the plan were effected in Senate Document No. 247, 78th Congress, 2d session, and the amended plan was approved by section 7 of the Flood Control Act of 1944 (ch. 665, 58 Stat. 887). This legislative act also specifically authorized the recommended initial stages of development; this being a number of specific undertakings itemized on page 15 of Senate Document No. 191. Additionally, the sum of $200 million was authorized to be appropriated for partial accomplishment of works to be undertaken by the plan by the Secretary of the Interior. We have considered that the act of December 22, 1944, is the sole source of authorization for these elements of the plan of development specifically mentioned as being "initial stage."

All other units, or segments, of the approved plan presented and identified in Senate Document No. 191, as revised and coordinated by Senate Document No. 247, are considered to have been authorized by the Flood Control Act of 1946 (40 Stat. 641, 653), section 18 of which reads, in part, as follows: "* * * In addition to previous authorizations, there is hereby authorized to be appropriated the sum of $150 million for the prosecution of the comprehensive plan adopted by section 9a of the act approved December 22, 1944 (Public Law 534, 78th Cong.), for continuing the works in the Missouri River Basin to be undertaken under said plans by the Secretary of the Interior."

This act removed the 1944 limitation on authorization to the initial stage units only. This broadening of the authorization is also reflected and affirmed in subsequent legislative enactments providing appropriations authority for prosecution of the entire comprehensive plan of development approved by the act of December 22, 1944. Except for variations in the amounts authorized to be appropriated, substantially identical language to that quoted from the act of July 24, 1946, is also found in the Flood Control Acts of May 17, 1950, July 3, 1953, and July 14, 1960.

The policy for determining whether an individual unit of the project requires authorization or reauthorization has its foundation in the aforementioned Senate Document No. 191. This document identified the numerous units of the project with varying degrees of generality and detail, depending largely on the stage of study and investigation than performed with respect to each unit. Basically, then, the test of authorization depends first upon whether the unit, under plans currently developed, is reasonably described in the text of that report and identified on its accompanying maps (app. III). The fundamental test is one of a reasonable identity of objectives and means of their accomplishment. Points bearing on this determination include (1) major purposes to be accommodated, (2) location and extent of areas intended to be irrigated, (3) character, location, size, and functions of water storage and carriage facilities necessary to accomplish the purposes of the unit, and (4) the relationship of a particular unit to the comprehensive plan as a whole. Where present plans, which are necessary much more detailed and accurate as a result of recent study, a unit which is reasonably identifiable with that which was more briefly described and exhibited to the Congress, the unit is considered to be properly authorized. If, on the contrary, studies since the date of the report have disclosed the necessity and desirability of significant changes, physically and functionally, in the unit as originally identified, it is considered necessary to seek reauthorization by the Congress.

To serve as examples, your attention is invited in two units, both lying in the Middle Loup River Basin in Nebraska and adjoining each other rather closely in that area. The first is the Sargent unit, generally identified on pages 91 and 92 of Senate Document No. 191 and on the accompanying map of Nebraska. The report contemplated a small reservoir on Dismal River, a tributary of the Middle Loup River upstream from the town of Lorning and a diversion from the Middle Loup River at or near the town of Milburn for the irrigation of lands lying along the river and surrounding the town of Sargent.

The irrigated acreage was estimated at 25,000 acres. The development of the Sargent unit has been provided without further authorization. The first stage of development consisted of the Milburn diversion works at about the point previously identified, the Sargent Canal from such works to irrigate lands on the north side of the river. A deferred stage of development will provide the Lillian Canal to serve lands on the south side of the river. The acreage contemplated now as irrigable constitutes approximately 17,500 acres of the original area. It has been considered so far unnecessary to provide the storage reservoir upstream, as originally contemplated.

In contrast has been the history of development of the Farwell unit which lies also along the Middle Loup River, downstream from the Sargent unit. As originally identified on page 92 of Senate Document No. 191, the Farwell unit would have irrigated an area of about 15,000 acres in Howard County near Farwell, west of St. Paul. The water supply would have been from the Middle Loup River, and storage would have been provided in the aforementioned Dismal Reservoir. As the plan developed, however, the area of potential irrigation covers approximately 52,530 acres around the same general area. The water supply is to be derived from a diversion from the Middle Loup River above Arcadia in Valley County to a storage reservoir known as Sherman Reservoir on Oak Creek, which is a tributary to the Middle Loup River. In view of the very significant increase in the area to be irrigated and of the selection of a new reservoir site on a different stream, it was considered that the unit could not be deemed authorized. Accordingly, under date of June 15, 1956, the Secretary of the Interior adopted and transmitted to the President a report on the unit in order that it might be placed before the Congress for reauthorization. The report was printed in House Document No. 445, 84th Congress, and the Farwell unit was thereafter authorized by the act of August 3, 1956 (70 Stat. 975) as an amendment to the original authorization.

The foregoing is essentially the same as the explanation furnished by Assistant Secretary Fred G. Aandahl in a letter to you dated January 15, 1958.

Relating the Glen Elder unit to the above discussion, we find that it was mentioned in the same degree of detail on pages 94 and 95 of Senate Document No. 191, as were the Kirwin, Webster, Cedar Bluff, and many other units of the comprehensive plan that have been constructed and are now in operation without additional specific authorizing action.

The plan of development at the time of authorization contemplated a reserovir at the Glen Elder site on the Solomon River with a capacity of 304,000 acre-feet for service to 26,000 acres of land and for the corollary purposes of flood control and silt control. The unit plan was not amended by Senate Document No. 247; therefore, the plan in Senate Document No. 191 can be said to be that approved by the act of December 22, 1944, and later authorized for construction by the act of July 24, 1946.

The approved plan of development for the Glen Elder unit, which forms the basis for the request for construction funds in the President's budget for fiscal year 1963, is believed to be reasonably identifiable with that described above and, for this reason, does not require further authorizing legislation. The major facility of the unit is now proposed for construction at the same site and for the same purposes as those included in Senate Document No. 191. The irrigable acreage is now estimated to be 21,000, as compared to 26,000 at the time of authorization. This reduction is attributed to a revised estimate of the dependable water supply as a result of more detailed hydrologic study through an extended period of streamflow record. It has also been determined that additional reservoir capacity will be required to provide for sufficient carryover adequate to irrigate the 21,000 acres of lands now planned and that significant increases in flood control storage are necessary to furnish a justifiable degree of flood control to potential damage centers downstream in the Solomon, Kans., and Missouri River Basins.

The flood control capacity has been established in collaboration with the Corps of Engineers, Department of the Army, and is that estimated to be required to prevent recurrence of major disasters, such as the June 1951 floods at Kansas City, Kans., and Kansas City, Mo.

The present approved plan for Glen Elder unit also contemplates benefits to the purposes of fish and wildlife, minimum basic recreation facilities, and municipal and industrial water. These water resource purposes are properly additive to the plan under contemporary legislative authorities and are of minor or no effect on the overall cost of the undertaking.

The originally planned capacity of 304,000 acre-feet was comprised of 121,000 acre-feet of conservation storage and 185,000 acre-feet of flood control. The present planned capacity is 876,000 acre-feet, made up of 239,100 acre-feet of conservation storage and 736,900 acre-feet of flood control.

For both irrigation and flood control, the end objective has not been changed, i.e., the irrigation of some 20,000 to 26,000 acres of land and the provision of effective flood protection to the potential damage centers. Further study, however, has demonstrated that there is a somewhat smaller dependable irrigation water supply, although more storage is required to accomplish the original objectives. While the increase in capacity is marked, we believe that, since the fundamental objectives and locations have not changed, the unit remains appropriate for the presentation of a budget request without further legislation. Additionally, the percentage increases in storage capacity being contemplated for Glen Elder unit is within the general range of that which has been provided on several reservoirs which were constructed or are being constructed without further legislative action.

In order that full information be available, we are pleased to advise that the cost of the unit at the time of authorization was estimated as $17,310,000 on the basis of prices prevailing in 1940. Our composite index for converting prices from 1940 to current bases is 2.72. This would indicate that the plan of development appearing in Senate Document No. 191 would have a current estimated cost of about $47 million. The present cost estimate for Glen Elder unit is $59,354,000. The portion of this estimate in excess of $47 million is associated with the increases in reservoir capacity discussed above and other minor changes in the unit plan.

A list of authorized units of the Missouri River Basin project was attached to the above-cited letter of January 15, 1958. For convenient reference, a copy of that list is attached hereto. Some of the units contained on that list, including the Glen Elder unit, have been studied in more detail under the program of advance planning. In those cases, the costs would be subject to some revision. Time has not permitted us to bring this list completely up to date. If you find that your purposes are not served by the list which you have at hand, we would be happy to undertake the work required to update and republish it.

Sincerely yours,

STEWART L. UDALL,
Secretary of the Interior.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. PEARSON. I yield.

Mr. MORSE. I commend my good friend from Kansas for the very able argument he has made in support of the project. It always pains me when I find I have to leave my friend from Wisconsin on any issue, but on these reclamation projects the Senator from Wisconsin and I seldom see eye to eye. The position taken by the Senator from Kansas is unanswerable from the standpoint of the one issue which I want to cite.

The ACTING PRESIDENT pro tempore. The time of the Senator has expired.

Mr. MANSFIELD. Mr. President, I yield 1 additional minute to the Senator.

Mr. MORSE. In the next 100 years I think one of the two or three most important domestic issues that will face the American people will be the conservation and preservation of the water supply and the maintenance of our water table. What history teaches us is very interesting, but it has been shown over and over again that, as the population of a country rises, for some reason the people of that country forget their dependence upon water. This is happening already in some parts of the United States. Out in the great section of the country from which the Senator from Kansas comes—in fact, the whole West—we must pay attention to the water table and the water supply.

The ACTING PRESIDENT pro tempore. The time of the Senator has again expired.

Mr. MORSE. If I may have a half a minute more, I merely wish to say that, although in this case the cost-benefit ratio is favorable, even if it were not, I think we shall have to spend money in the next 100 years, by the millions of dollars, to preserve the water table and water supply. When all is said and done, our whole civilization is dependent upon it.

I support the Senator from Kansas in this reclamation project, as I will be found supporting other reclamation projects, because I think that kind of capital investment is a sound investment in the future welfare of the American people.

The ACTING PRESIDENT pro tempore. The time of the Senator has again expired.

Mr. PEARSON. Mr. President, may I have half a minute?

Mr. MANSFIELD. Mr. President, I believe I have 1 more minute left. I yield the remaining time to the Senator from Kansas.

Mr. PEARSON. Mr. President, I should also like to point out that the Glen Elder unit is absolutely essential to the realization of a safe level of flood control for the highly developed urban and industrial sections of Kansas City, Kans., Kansas City, Mo., and other major cities in Kansas. The entire membership will recall the tremendous loss of life and property which occurred during the floods of 1951, in this area. Studies by the Corps of Engineers show that hundreds of millions of dollars of property damage was caused by this flood alone. This is many times the full cost of Glen Elder Dam and Reservoir.

It is important that Senators understand that the damage centers downstream from Glen Elder are protected by levees and dikes, and that the practicable economic limits on dike construction have been attained. In order for these dikes to serve their purpose, it is necessary that sufficient reservoir regulations be provided to maintain river flows at stages that can be controlled by the dikes without overtopping or breaching. It is in this sense that Glen Elder Dam is a must; for there are no other opportunities to provide control of floods originating in the Solomon River Basin except at this site.

In short, the construction of the Glen Elder unit is of tremendous importance to the preservation, stabilization, and progress of the industrial economy of the State of Kansas. These are the reasons why this development is sought. I hope that the Members of the Senate will appreciate the importance and significance of this measure to the regional and national economy and manifest this appreciation by favorable action on measures to provide funds for its early realization.

Mr. PROXMIRE. Mr. President, I yield myself 10 minutes.

The ACTING PRESIDENT pro tempore. The Senator from Wisconsin is recognized for 10 minutes.

Mr. PROXMIRE. Mr. President, I oppose this project with great reluctance. I realize that opposing a project in the State of another Senator, and especially the State of two very fine Senators such as the Senators from Kansas, is a difficult thing to do and a task which must be undertaken with considerable reluctance. I do so because I feel that this is a classic example of almost fantastic waste, and that on virtually no count can the Glen Elder project be justified.

Moreover, the great difficulty in the Senate's going ahead with this project is that it shatters a precedent. If we go ahead with this one, there are one and a half billion dollars, worth of similar projects which have this one-line authorization, made 18 years ago, when the situation was entirely different, with respect to which appropriations can be requested by the administration without authorization by Congress and which will be granted because the precedent has been established.

I think the merits of the argument against this project are extremely strong. Once again I call the attention of the Senate to the map in the rear of the Chamber, showing the land which is owned by farmers, to whom the only benefits will go from irrigation. On this map we have indicated by dark color the land owned by farmers who have petitioned against the irrigation project within the last few years. They have reiterated their position recently. We find that 90 percent of the farmers involved do not want it. They are the only ones who would get the benefit from the irrigation project, and they are opposed to it; 90 percent of the farmers own 85 percent of the land in the area. So the Federal Government is soon to spend $60 million, $17 million of which will be for irrigation, to irrigate land which the landowners do not want irrigated.

That is the first point.

In the second place, if the irrigation district were established, there is no question that it would increase the size of our feed grain surpluses. When this kind of project was authorized 18 years ago there were no feed grain surpluses. There was every reason why we should want to do all we could to encourage farmers to grow more. We needed more feed grains. We needed more of virtually all farm crops. Today we have enormous surpluses. We have over $3 billion of feed grain surpluses. There are 700 billion bushels of grain sorghums in surplus.

This project would result in the production of $1 million a year of additional grain sorghums.

What sense does it make? Congress passes an appropriation to pay earnest money, in effect a $750,000 downpayment on a $60 million project which the farmers affected do not want, which they oppose, which they petitioned against, and which, if it goes into effect, will result in the production of $1 million a year of additional surpluses, which also will go on the back of the taxpayer.

In the third place, the overall benefit-cost ratio is barely over 1. Modifications in the criteria suggested by the President's Water Resources Council would lower the ratio to less than 1. Of course, the indirect benefits which are included would be sharply dropped.

We calculated the figures pretty carefully. I challenge any Senator to show that the figures are not accurate. The fact is that the general taxpayers will bear an interest cost of over $50 million before the $17 million construction is repaid 100 years from now. The cost of acquiring the grain sorghums will be an additional burden on the general taxpayer. The irrigators will pay only $4 million of the $17 million construction cost. The power users—and there will not be an increase of 1 kilowatt—will pay $13 million. But, because most of the loan will not be paid back for nearly 100 years, the interest on the cost of the project will be very heavy, and the general taxpayers are going to have to pay more than $50 million of the cost.

I insist that this project is not properly authorized, because neither the Interior nor the Public Works Committees in the House of Representatives or in the Senate has ever considered this project in detail.

It is true that some consideration was given by the Senate Committee on Interior and Insular Affairs to this unusual authorization procedure, but this did not constitute an authorization hearing since only incidental attention was given to the merits of this project.

Incidentally, I did not quote on Saturday night the statements by members of the Committee on Interior and Insular Affairs on this subject. They are concerned about this procedure and have expressed their feeling that these projects should be returned to the Committee on Interior and Insular Affairs for reconsideration. Indeed, this project should be, when we consider it was only one line in a 1944 omnibus Pick-Sloan authorization, at a time when conditions were entirely different with respect to farm surpluses.

The distinguished junior Senator from Kansas I think made a very able plea. I think the case is weak, but the Senator made the best of the situation.

The cost of this project since the time of authorization has more than tripled. At the time of the blanket authorization, the cost of the whole project would have been much less than one-third the present cost.

If a project has not been changed when it would cost three times as much, I do not know what could be considered a change. The storage capacity would be increased from 304,000 acre-feet to 976,000 acre-feet. That certainly would constitute a vast change over the past 18 years.

Under these circumstances, Mr. President, it seems to me that there is really no resemblance between the present project and the project originally authorized.

Also I should like to say that if it is desired to cut back on flood losses in Kansas, in the Missouri River Basin, it would be far more efficient to build some of the alternative flood control projects, which have much higher benefit-to-cost ratios than this flood control project. This would mean that it would be very easy to get more flood control benefits per dollar of expenditure on dams.

The Solomon River flows into the Kansas River. It constitutes about 8 percent of the flow. The main flood damage is expected to be done at Kansas City, 250 miles below this damsite. To argue that this would be an efficient way to stop flood damage in Kansas City, when there are many other areas in which the investment would be far better on the basis of the benefit-to-cost ratios, it seems to me to be an argument which does not make sense as to a good flood control investment.

If the Congress is ever going to take the position that a project is unworthy, it seems to me it must take that position today. From the standpoint of the taxpayer, from the standpoint of the farmers of America, from the standpoint of the farmers who are directly involved in the case, it seems to me this project cannot be justified.

Mr. President, how much time have I remaining?

The ACTING PRESIDENT pro tempore. The Senator from Wisconsin has 7 minutes remaining.

Mr. PROXMIRE. Mr. President, the distinguished Senator from Oregon, who is also very skilled and able in the area of conservation and the use of water resources, talked about the great importance of the water table and of properly conserving our water resources. I agree that there is almost nothing more important than water resources. The Senator from Oregon has often talked about how civilization depends upon a water supply. It does, indeed.

I submit that this project would involve a misuse of the water supply. How ridiculous it would be for us to authorize a project which would provide primarily for the production of additional feed grains, when we already have surpluses, and by so doing we would appropriate water which could otherwise be used to prevent the pollution of streams which, in Kansas, as is true in virtually every other State, represents a very serious problem.

On Saturday night I went into considerable detail to show how, in this same area of Kansas, pollution of streams has become a serious problem and how, by authorizing a project which would utilize this water at far lower expense, we could obtain a much greater return from the standpoint of the well-being of all Kansans, and certainly of Kansas industry, and particularly of the American taxpayers.

I pointed out that a study of the San Juan River in New Mexico showed that industrial uses were infinitely preferable to irrigation, that the returns were something like three or four times greater for each dollar spent.

I hope the Senate will agree to my amendment. Passage of my amendment would not mean that the Glen Elder project would be dead. It would merely provide an opportunity for proper authorization. It would provide the Committee on Interior and Insular Affairs with an opportunity to consider the project and pass on it. It would mean that the Senate would insist that before we pass on appropriations for projects involving $1.5 billion of the taxpayers' money—and, as I have shown, this would be a precedent which would result in the spending of $1.5 billion—the Committee on Interior and Insular Affairs, the proper authorization committee, should take a good, clear, direct look at it, and have an opportunity to appraise it.

In conclusion I should like to quote the question raised by the chairman of the Committee on Interior and Insular Affairs, in questioning Mr. Carr, of the Department of Interior. The Senator from New Mexico [Mr. Anderson], as chairman of the committee, said:

> Senator Anderson. Do you think we ought to make this sort of blanket authorization in the future or should we authorize projects as definite plans are completed?
>
> Mr. Carr. I think, Mr. Chairman, we ought to have definite plan reports and authorize the projects as individually as we can. This way we will get a better job done.

Mr. President, I do not know what could be more unequivocal than that statement. When we are considering a specific project involving two very fine Senators, and that project is before the Senate under these circumstances, it is very difficult for the Committee on Interior and Insular Affairs to reverse a decision which I think was made in haste and in error in the calling up of a new start.

Under these circumstances, the Senate now has an opportunity to give more mature consideration to the project, without prejudice to it or to the Senators. I earnestly hope it will be returned to the committee so that it can receive the individual attention that Mr. Carr feels to be so desirable.

Certainly any realistic consideration of the rights of the property owners in the Solomon River Valley area, who will be affected by this project, shows that they are overwhelmingly opposed to it; and certainly any real consideration of our feed grain surpluses, on the basis of the benefit-to-cost ratio, of the improper authorization of the project, and of the ample opportunity for an effective flood control project in another section of Kansas, affecting the Missouri River basin and affecting the Solomon River, can lead to no other conclusion.

For all these reasons, Mr. President, I hope the amendment will be agreed to.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that I may suggest the absence of a quorum and that the call of the roll may be terminated at 10:30 a.m.

The ACTING PRESIDENT pro tempore. Is there objection to the request by the Senator from Montana? The Chair hears none, and it is so ordered.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PELL (when his name was called). Mr. President, on this vote I have a pair with the senior Senator from Kansas [Mr. Carlson]. If he were present and voting he would vote "nay." If I were at liberty to vote, I would vote "yea." I therefore withhold my vote.

The rollcall was concluded.

Mr. HUMPHREY. I announce that the Senator from New Mexico [Mr. Chavez], the Senator from Pennsylvania [Mr. Clark], the Senator from Illinois [Mr. Douglas], the Senator from Tennessee [Mr. Gore], the Senator from Indiana [Mr. Hartke], the Senator from Alabama [Mr. Hill], the Senator from Oklahoma [Mr. Kerr], the Senator from Ohio [Mr. Lausche], the Senator from Washington [Mr. Magnuson], the Senator from Oklahoma [Mr. Monroney], the Senator from Rhode Island [Mr. Pastore], the Senator from Massachusetts [Mr. Smith], the Senator from New Jersey [Mr. Williams], and the Senator from Virginia [Mr. Byrd] are absent on official business.

I further announce that the Senator from New Mexico [Mr. Anderson], the Senator from Alaska [Mr. Gruening], the Senator from Wyoming [Mr. Hickey], and the Senator from Arkansas [Mr. Fulbright], are necessarily absent.

I also announce that if present and voting the Senator from Alabama [Mr. Hill] would vote "yea."

On this vote, the Senator from Illinois [Mr. Douglas] is paired with the Senator from Alaska [Mr. Gruening]. If present and voting, the Senator from Illinois would vote "yea," and the Senator from Alaska would vote "nay."

On this vote, the Senator from Virginia [Mr. Byrd] is paired with the Senator from Rhode Island [Mr. Pastore]. If present and voting, the Senator from Virginia would vote "yea," and the Senator from Rhode Island would vote "nay."

On this vote, the Senator from New Mexico [Mr. Chavez] is paired with the Senator from Pennsylvania [Mr. Clark]. If present and voting, the Senator from New Mexico would vote "nay," and the Senator from Pennsylvania would vote "yea."

Mr. KUCHEL. I announce that the Senator from Utah [Mr. Bennett], the Senator from South Dakota [Mr. Bottum], the Senator from Connecticut [Mr. Bush], the Senator from Indiana [Mr. Capehart], the Senator from Kansas [Mr. Carlson], the Senator from New Hampshire [Mr. Cotton], the Senator from Illinois [Mr. Dirksen], the Senator from New York [Mr. Javits], the Senator from Kentucky [Mr. Morton], and the Senator from Pennsylvania [Mr. Scott] are necessarily absent.

The Senator from Colorado [Mr. Allott], and the Senator from Maryland [Mr. Beall] are detained on official business.

If present and voting, the Senator from Colorado [Mr. Allott], the Senator from Maryland [Mr. Beall], the Senator from Utah [Mr. Bennett], the Senator from South Dakota [Mr. Bottum], the Senator from Indiana [Mr. Capehart], the Senator from Pennsylvania [Mr. Scott], and the Senator from Kentucky [Mr. Morton] would each vote "nay."

The pair of the Senator from Kansas [Mr. Carlson] has been previously announced.

The result was announced—yeas 17, nays 52, as follows:

[No. 290 Leg.]

YEAS—17

Cannon
Dodd
Hart
Hickenlooper
McNamara
Miller

Muskie
Proxmire
Robertson
Russell
Sparkman
Thurmond

Tower
Wiley
Williams, Del.
Yarborough
Young, Ohio

NAYS—52

Aiken
Bartlett
Bible
Boggs
Burdick
Butler
Byrd, W. Va.
Carroll
Case
Church
Cooper
Curtis
Eastland
Ellender
Engle
Ervin
Fong
Goldwater

Hayden
Holland
Hruska
Humphrey
Jackson
Johnston
Jordan, N.C.
Jordan, Idaho
Keating
Kefauver
Kuchel
Long, Mo.
Long, Hawaii
Long, La.
Mansfield
McCarthy
McClellan
McGee

Metcalf
Morse
Moss
Mundt
Murphy
Neuberger
Pearson
Prouty
Randolph
Saltonstall
Smathers
Smith, Maine
Stennis
Symington
Talmadge
Young, N. Dak.

NOT VOTING—31

Allott
Anderson
Beall
Bennett
Bottum
Bush
Byrd. Va.
Capehart
Carlson
Chavez
Clark

Cotton
Dirksen
Douglas
Fulbright
Gore
Gruening
Hartke
Hickey
Hill
Javits
Kerr

Lausche
Magnuson
Monroney
Morton
Pastore
Pell
Scott
Smith, Mass.
Williams, N.J.

So Mr. Proxmire's amendment was rejected.

Mr. ELLENDER. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. MANSFIELD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BYRD of West Virginia. Mr. President, this bill contains appropriations that will be highly beneficial to West Virginia. On Saturday, I explained how my State could benefit from the $500 million included in the bill for the public works acceleration program. But there are specific items of importance. For example, there is $6 million in construction moneys for the Opekiska lock and dam on the Monongahela River. The committee has included $9,750,000 in construction moneys for the Summersville Reservoir. Appropriated for construction of the Belleville locks and dam is $3,200,000, and $12,348,250 is being appropriated for construction of the Pike Island locks and dam. The committee is also recommending $350,000 for construction and $395,000 in planning moneys for the Racine locks and dam.

As to planning moneys, an item of $30,000 is in for a project at Buckhannon, the East Lynn Reservoir is being included in the amount of $100,000, and we have provided $65,000 for studies in connection with the West Fork, Steer Creek, and Burnsville Reservoirs on the Little Kanawha River.

I asked the committee to include $300,000 for planning moneys for the Justice Reservoir in Wyoming County, but, in view of the late passage of the bill, the committee felt that $150,000 would be sufficient to initiate this project, and I am satisfied that we can supply additional moneys early next year as they become needed.

I also offered an amendment to add $200,000 for a comprehensive survey of the Kanawha River Basin and the committee accepted the amendment. In this connection, the economic growth along the Kanawha, especially in the Charleston complex, is intensifying the urgency for knowing what kinds of installations or improvements are needed, where they are needed in the basin, and how soon they are needed. Congressional authority for a comprehensive study of the Kanawha River Basin already exists in legislation which provides for a review by the U.S. Army Engineers of the entire Ohio River Basin. Thus, all that is needed to get the Engineers started on the Kanawha Basin is the money.

There is an item of $100,000 for planning in connection with the Hannibal locks and dam.

Additional moneys in the amount of $102,000 are included for completion of the Cheat River survey.

Moreover, the Senate, in dealing with flood control studies, has increased the House allowance of $4,925,500 to $5,896,900, and I am confident that this will permit the Army Engineers to proceed with either the Meadow River project or the Stonewall Jackson Reservoir project.

In the overall, therefore, my State will be greatly benefited by this appropriation bill, and I am happy, as a member of the Senate Appropriations Committee, to have had an important part in recommending the various projects to the attention of the Public Works Appropriations Subcommittee and its illustrious chairman, Senator ALLEN ELLENDER. I wish to express my gratitude to the chairman and the subcommittee for the consideration that was given to the items I have mentioned. I am also grateful to my other colleagues on the full committee.

Mr. KEFAUVER subsequently said: Mr. President, I am delighted to express my interest and support for the $725,000 item in the public works appropriation bill for planning and construction on the Tennessee-Tombigbee Waterway, which will be a vital and most beneficial link in water transportation from the Ohio River down the Tennessee and Tombigbee Rivers to the Gulf of Mexico.

I know of no project anywhere in our country which will benefit more people than this waterway, nor any project which will contribute so greatly to the industrial development and progress not only of the member States of Tennessee, Alabama, Mississippi, and Kentucky, but to the development of the entire Southeast. It has been a century and a half since the idea of a navigable waterway connecting the Tennessee River with the Gulf of Mexico was first conceived by the early settlers of the Southeast. The great convenience of such a route, and the substantial saving in transportation time from the gulf to the Tennessee River was apparent even in those early days. The Federal Government first became interested in the project almost a century ago, and directed the Corps of Engineers to study the proposed waterway and estimate the cost. Various studies by the corps took place from that time until the year 1938, when the corps approved the waterway. Congress authorized the project in 1946. Realizing the tremendous importance of the project in developing the industrial potential of the area, the Governors and Legislatures of Alabama and Mississippi entered into a compact to promote the project which was subsequently ratified by the Congress and approved by the President in 1958. This compact created the Tennessee-Tombigbee Waterway Development Authority, which was joined by Tennessee in 1959 and Kentucky in 1962. Today, with the approval of this appropriation, we are taking a great step toward the time in the near future when this dream of 150 years will become a reality, and this giant waterway will connect the rivers of the Southeast with the midcontinent waterways system. Such a system will bring new flood control advantages, new recreational benefits and, of even greater importance, new opportunities for industrial expansion.

It has been estimated that this system will cost approximately $280 million and will provide a slack water channel 9 feet deep with a minimum width of 170 feet and a length of 253 miles from the Tennessee River to the Warrior-Tombigbee Rivers in Alabama.

I am confident that this appropriation will be a sound investment in the growing transportation system of our Nation. Not since the early days of TVA has there been such an imaginative, challenging, and promising waterway development project. It is with pride that I recommend approval of the appropriation for the Tennessee-Tombigbee Waterway to the Senate.

The ACTING PRESIDENT pro tempore. The amendment of the Senator from Wisconsin having been acted upon, and the bill having been previously read the third time, no further amendment is in order. The question now is on final passage of the bill.

Mr. MILLER. I ask for the yeas and nays.

The yeas and nays were ordered.

The ACTING PRESIDENT pro tempore. The yeas and nays having been ordered, the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Virginia [Mr. BYRD], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Pennsylvania [Mr. CLARK], the Senator from Illinois [Mr. DOUGLAS], the Senator from Tennessee [Mr. GORE], the Senator from Indiana [Mr. HARTKE], the Senator from Alabama [Mr. HILL], the Senator from Oklahoma [Mr. KERR], the Senator from Ohio [Mr. LAUSCHE], the Senator from Washington [Mr. MAGNUSON], the Senator from Oklahoma [Mr. MONRONEY], the Senator from Rhode Island [Mr. PASTORE], the Senator from Massachusetts [Mr. SMITH], and the Senator from New Jersey [Mr. WILLIAMS] are absent on official business.

I further announce that the Senator from Alaska [Mr. GRUENING], the Senator from Wyoming [Mr. HICKEY], the Senator from New Mexico [Mr. ANDERSON], and the Senator from Arkansas [Mr. FULBRIGHT] are necessarily absent.

I further announce that, if present and voting, the Senator from New Mexico [Mr. CHAVEZ], the Senator from Pennsylvania [Mr. CLARK], the Senator from Alaska [Mr. GRUENING], the Senator from Indiana [Mr. HARTKE], the Senator from Wyoming [Mr. HICKEY], the Senator from Alabama [Mr. HILL], the Senator from Rhode Island [Mr. PASTORE], the Senator from Massachusetts [Mr. SMITH] the Senator from New Jersey [Mr. WILLIAMS], the Senator from Oklahoma [Mr. MONRONEY], and the Senator from Illinois [Mr. DOUGLAS] would each vote "yea."

On this vote, the Senator from New Mexico [Mr. ANDERSON] is paired with the Senator from Virginia [Mr. BYRD]. If present and voting, the Senator from New Mexico would vote "yea," and the Senator from Virginia would vote "nay."

Mr. KUCHEL. I announce that the Senator from Utah [Mr. BENNETT], the Senator from South Dakota [Mr. BOTTUM], the Senator from Connecticut [Mr. BUSH], the Senator from Indiana [Mr. CAPEHART], the Senator from Kansas [Mr. CARLSON], the Senator from New Hampshire [Mr. COTTON], the Senator from Illinois [Mr. DIRKSEN], the Senator from New York [Mr. JAVITS], the Senator from Kentucky [Mr. MORTON], and the Senator from Pennsylvania [Mr. SCOTT] are necessarily absent.

If present and voting, the Senator from Utah [Mr. BENNETT], the Senator from South Dakota [Mr. BOTTUM], the Senator from Connecticut [Mr. BUSH], the Senator from Indiana [Mr. CAPEHART], the Senator from Kansas [Mr. CARLSON], the Senator from Illinois [Mr. DIRKSEN], the Senator from New York [Mr. JAVITS], the Senator from Kentucky [Mr. MORTON], and the Senator from Pennsylvania [Mr. SCOTT] would each vote "yea."

The result was announced—yeas 64, nays 8, as follows:

[No. 291 Leg.]

YEAS—64

Aiken
Allott
Bartlett
Beall
Bible
Boggs
Burdick
Byrd, W. Va.
Cannon
Carroll
Case
Church
Cooper
Curtis
Dodd
Eastland
Ellender
Engle
Ervin
Fong
Hart
Hayden
Holland
Hruska
Humphrey
Jackson
Johnston
Jordan, N.C.
Jordan, Idaho
Keating
Kefauver
Kuchel
Long, Mo.
Long, Hawaii
Long, La.
Mansfield
McCarthy
McClellan
McGee
McNamara
Metcalf
Morse
Moss
Mundt
Murphy
Muskie
Neuberger
Pearson
Pell
Prouty
Proxmire
Randolph
Russell
Saltonstall
Smathers
Smith, Maine
Sparkman
Stennis
Symington
Talmadge
Wiley
Yarborough
Young, N. Dak.
Young, Ohio

NAYS—8

Butler
Goldwater
Hickenlooper
Miller
Robertson
Thurmond
Tower
Williams, Del.

NOT VOTING—28

Anderson
Bennett
Bottum
Bush
Byrd, Va.
Capehart
Carlson
Chavez
Clark
Cotton
Dirksen
Douglas
Fulbright
Gore
Gruening
Hartke
Hickey
Hill
Javits
Kerr
Lausche
Magnuson
Monroney
Morton
Pastore
Scott
Smith, Mass.
Williams, N.J.

So the bill (H.R. 12900) was passed.

Mr. ELLENDER. Mr. President, I move that the vote by which the bill was passed be reconsidered.

Mr. MANSFIELD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ELLENDER. Mr. President, I move that the Senate insist on its amendments and request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Acting President pro tempore appointed Mr. Ellender, Mr. Hayden, Mr. Russell, Mr. McClellan, Mr. Hill, Mr. Magnuson, Mr. Holland, Mr. Kerr, Mr. Pastore, Mr. Hruska, Mr. Young of North Dakota, Mr. Mundt, and Mrs. Smith of Maine conferees on the part of the Senate.

Mr. MILLER subsequently said: Mr. President, in explanation of my vote against H.R. 12900, I wish to point out my statements in support of the amendment by the senior Senator from Nebraska [Mr. Hruska] and myself which was rejected last Saturday and to the rejection by the Senate of the amendment by the junior Senator from Wisconsin [Mr. Proxmire] this morning; and in explanation of my vote for the Proxmire amendment, I ask unanimous consent that there be inserted in the Record at this point the portion of the hearings report commencing at page 441 and running through the designated portion on page 442, which clearly sets forth the planned usage of the newly irrigated lands in question for the growing of crops that are presently in surplus.

There being no objection, the excerpt was ordered to be printed in the Record, as follows:

Glen Elder Unit, Kansas

Chairman Hayden. The Glen Elder unit, Kansas, will receive its first construction appropriations in fiscal year 1963. For this purpose, $750,000 is requested. The justification will be placed in the record.

(The justification follows:)

Project Data Sheet

Location: Missouri River Basin, north central Kansas in Mitchell, Osborne, Cloud, and Ottawa Counties along the Solomon River. The principal city is Beloit.

Authorization: Flood Control Acts of 1944 and 1946.

Benefit-cost ratio: 1.18.

Date: August 1962.

Land certification: Scheduled for March 1963.

Definite plan report: Report on dam approved October 1961; distribution system scheduled for June 1964.

Summarized financial data

Total Federal obligations	$58,437,000
Net property and other transfers	822,000
Cash advances, non-Federal	
Adjustment	[1] 106,000
Total to be allocated	59,365,000
Appropriations to June 30, 19—	
Appropriations for fiscal year 19—	
Appropriations to date	
Initial underfinancing, fiscal year 19—	
Appropriations required for fiscal year 1963	750,000
Balance to complete after fiscal year 1963	57,687,000

Allocations

Irrigation	$17,202,400
Power	
Municipal and industrial water	[2] 192,400
Flood control	40,174,200
Fish and wildlife	1,696,000
Recreation	100,000
Total	59,365,000

Repayment

Amount repaid by irrigators	$3,973,200
Amount repaid by power	13,329,200
Amount repaid by municipal and industrial water	[2] 192,400
Nonreimbursable	41,870,200
Total	59,365,000

Amounts per acre

Irrigators investment per acre	$819
Repayment of investment per acre:	
By irrigators	189
By power revenues	630
By municipal and industrial water users	
Payment capacity per acre	10.49
Annual charges:	
Operation and maintenance	3.62
Construction	4.88
Total	8.50

Status of repayment contract: Contract with Glen Elder Irrigation District scheduled for execution July 1965. Contract with city of Beloit, Kans., scheduled for execution August 1962.

Principal features

	Size or capacity	Completion	
		Percent Jan. 1, 1962	Date
Glen Elder Dam and Waconda Lake.	976,000 acre-feet.	(3)	After 1968.
Solomon Canal	38.0 miles		Do.
Solomon laterals	21,000 acres		Do.
Glen Elder drains	do		Do.
Permanent operating facilities.			Do.
Operation and maintenance housing.			June 1967.

Acreage full supply: 21,000.

Supplemental supply: None.

Total acres: 21,000.

Power (kilowatts): None.

Region: 7.

Date: Jan. 31, 1962.

Project and State: MRBP, Glen Elder unit, Kansas.

[1] Includes $95,000 capitalized operation and maintenance to be financed with operation and maintenance appropriation and $11,000 interest during construction on municipal water facilities.

[2] Includes $11,000 interest during construction on municipal water facilities.

[3] Planning funds only.

Agricultural production, present and future: Present and future crops by percent of acreage in irrigable area are:

Crop	Present	Future
Alfalfa	6	17
Corn (silage)	17	17
Oats	5	
Sorghum (silage)	6	
Sorghum (grain)	6	66
Wheat	60	
Total	100	100

TRANSACTION OF ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

PROPOSED AMENDMENT TO THE BUDGET, 1963, FOR DEPARTMENTS OF AGRICULTURE AND INTERIOR (S. DOC. NO. 152)

The ACTING PRESIDENT pro tempore laid before the Senate a communication from the President of the United States, transmitting an amendment to the budget for the fiscal year 1963, in the amount of $27,800,000 for the Department of Agriculture, and $5,771,250 for the Department of the Interior, which, with the accompanying paper, was referred to the Committee on Appropriations, and ordered to be printed.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. JOHNSTON, from the Committee on Post Office and Civil Service, without amendment:

H.R. 7791. An act to amend title 13 of the United States Code to provide for the collection and publication of foreign commerce and trade statistics, and for other purposes (Rept. No. 2217).

By Mr. JOHNSTON, from the Committee on Post Office and Civil Service, with an amendment:

S. 3631. A bill to amend title 13, United States Code, to preserve the confidential nature of copies of reports filed with the Bureau of the Census on a confidential basis (Rept. No. 2218).

By Mr. HOLLAND, from the Committee on Agriculture and Forestry, without amendment:

H.R. 946. An act to extend to oyster planters the benefits of the provisions of the present law which provide for production disaster loans for farmers and stockmen (Rept. No. 2219); and

H.R. 12653. An act to amend the Consolidated Farmers Home Administration Act of 1961 in order to increase the limitation on the amount of loans which may be insured under subtitle A of such act (Rept. No. 2220).

By Mr. JOHNSTON, from the Committee on Agriculture and Forestry, without amendment:

S. 3756. A bill to amend section 309 of the Food and Agriculture Act of 1962 (Rept. No. 2224).

By Mr. PROXMIRE, from the Committee on Agriculture and Forestry, without amendment:

H.R. 12855. An act to amend the Agricultural Adjustment Act of 1938 relating to the lease and transfer of tobacco acreage allotments (Rept. No. 2222).

By Mr. EASTLAND, from the Committee on Agriculture and Forestry, with an amendment:

S. 3370. A bill to authorize the Secretary of Agriculture to relinquish to the State of Wyoming jurisdiction over those lands within the Medicine Bow National Forest known as the Pole Mountain District (Rept. No. 2223).

By Mr. HOLLAND, from the Committee on Agriculture and Forestry, with an amendment:

H.R. 10708. An act to amend section 203 of the Rural Electrification Act of 1936, as amended, with respect to communication service for the transmission of voice, sounds, signals, pictures, writing, or signs of all kinds through the use of electricity (Rept. No. 2221).

By Mr. PASTORE, from the Committee on Commerce, without amendment:

H.R. 11732. An act to amend section 305 of the Communications Act of 1934, as amended (Rept. No. 2225).

By Mr. McCLELLAN, from the Committee on Appropriations, with amendments:

H.R. 12580. An act making appropriations for the Departments of State, Justice, and Commerce, the judiciary, and related agencies for the fiscal year ending June 30, 1963, and for other purposes (Rept. No. 2226).

By Mr. EASTLAND, from the Committee on the Judiciary, without amendment:

S. 3375. A bill for the relief of George Edward Leonard (Rept. No. 2228);

H.R. 4034. An act for the relief of Lt. Comdr. David V. Kyrklund (Rept. No. 2232);

H.R. 6386. An act for the relief of Cleo A. Dekat (Rept. No. 2233);

H.R. 8321. An act for the relief of Maj. Clara May Matthews (Rept. No. 2234);

H.R. 8662. An act for the relief of Jose Fuentes (Rept. No. 2235);

H.R. 9128. An act for the relief of Sgt. Ernest I. Aguilar (Rept. No. 2236);

H.R. 9199. A act for the relief of certain officers and enlisted personnel of the 1202d Civil Affairs Group (Reinf. Tng.), Fort Hamilton, Brooklyn, N.Y. (Rept. No. 2237);

H.R. 9804. A act for the relief of Cuyahoga County, Ohio (Rept. 2238);

H.R. 9894. An act for the relief of Loretta Shea, deceased, in full settlement of the claims of that estate (Rept. No. 2239);

H.R. 10002. An act for the relief of civilian employees of the New York Naval Shipyard and the San Francisco Naval Shipyard erroneously in receipt of certain wages due to a misinterpretation of a Navy civilian personnel instruction (Rept. No. 2240);

H.R. 10026. An act for the relief of Thomas J. Fitzpatrick and Peter D. Power (Rept. No. 2241);

H.R. 10199. An act for the relief of Lester A. Kocher (Rept. No. 2242);

H.R. 10415. An act for the relief of Earl T. Briley (Rept. No. 2243);

H.R. 10423. An act for the relief of Mrs. Dorothy H. Johnson (Rept. No. 2244);

H.R. 11058. An act for the relief of Carl Adams (Rept. No. 2245);

H.R. 11334. An act for the relief of Mary J. Papworth (Rept. No. 2246);

H.R. 11578. An act for the relief of Don C. Jensen and Bruce E. Woolner (Rept. 2247);

H.R. 12090. A act for the relief of James Comeau (Rept. No. 2248);

H.R. 12539. An act for the relief of Leslie O. Cox and other employees of the Federal Aviation Agency (Rept. No. 2249);

H.R. 12701. An act for the relief of Catalina Properties, Inc. (Rept. 2250); and

H.R. 12936. An act for the relief of Kenneth E. Foussé and others (Rept. No. 2251).

By Mr. EASTLAND, from the Committee on the Judiciary, with an amendment:

S. 2450. A bill for the relief of Major C. Todd, Jr., and the estate of Ira T. Todd, Sr. (Rept. No. 2229); and

S. 2451. A bill for the relief of G. W. Todd and the estate of Lloyd Parks (Rept. No. 2230).

By Mr. EASTLAND, from the Committee on the Judiciary, with amendments.

S. 3371. A bill for the relief of Dr. James T. Maddux (Rept. No. 2231).

By Mr. HRUSKA, from the Committee on the Judiciary, with amendments:

S. 2478. A bill to amend section 144 of title 28 of the United States Code (Rept. No. 2227).

By Mr. MANSFIELD, from the Committee on Rules and Administration, without amendment:

S. Res. 399. Resolution to print as a Senate document, with additional copies, a revised edition of a Senate document entitled "New Mexico—Land of Enchantment" (Rept. No. 2255);

S. Res. 406. Resolution providing additional funds for the Committee on the Judiciary (Rept. No. 2252);

S. Res. 410. Resolution authorizing the printing as a Senate document of a revised edition of Senate Document No. 74, 82d Congress, entitled "Equal Rights Amendment" (Rept. No. 2256);

H. Con. Res. 513. Concurrent resolution for printing additional copies of hearings (Rept. No. 2253); and

H. Con. Res. 574. Concurrent resolution authorizing the printing of a wall map of the United States, and for other purposes (Rept. No. 2254).

By Mr. MANSFIELD, from the Committee on Rules and Administration, with an amendment:

S. Res. 408. Resolution to print as a Senate document a committee print of a "Report of the National Fuels and Energy Study Group of an Assessment of Available Information on Energy in the United States" (Rept. No. 2257).

RIVER AND HARBOR ACT OF 1962—REPORT OF A COMMITTEE—MINORITY VIEWS (S. REPT. NO. 2258)

Mr. KERR. Mr. President, on behalf of the Senator from New Mexico [Mr. CHAVEZ], from the Committee on Public Works, I report an original bill (S. 3773) authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes, and I submit a report thereon. I ask unanimous consent that the report may be printed, together with the minority views of Senators BOGGS, MILLER, PEARSON, and MURPHY.

The ACTING PRESIDENT pro tempore. The report will be received and the bill will be placed on the calendar; and, without objection, the report will be printed, as requested by the Senator from Oklahoma.

The bill (S. 3773) authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes, was received, read twice by its title, and placed on the calendar.

REPORT ENTITLED "PRICES OF HEARING AIDS"—REPORT OF A COMMITTEE—INDIVIDUAL VIEWS (S. REPT. NO. 2216)

Mr. KEFAUVER. Mr. President, from the Committee on the Judiciary, I submit a report entitled "Prices of Hearing Aids," pursuant to Senate Resolution 258, 87th Congress, together with individual views.

I ask unanimous consent that the report, together with the individual views of the Senator from Illinois [Mr. DIRKSEN] and the Senator from Nebraska [Mr. HRUSKA] be printed.

The ACTING PRESIDENT pro tempore. Without objection, the report will be received and printed, as requested by the Senator from Tennessee.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. SPARKMAN, from the Committee on Foreign Relations:

Llewellyn E. Thompson, of Colorado, a Foreign Service officer of the class of career ambassador, to be Ambassador at Large;

W. Walton Butterworth, of Louisiana, a Foreign Service officer of the class of career ambassador, to be Ambassador Extraordinary and Plenipotentiary to Canada;

Hollis B. Chenery, of California, to be Assistant Administrator for Program Review and Coordination, Agency for International Development;

Dr. Leona Baumgartner, of New York, to be Assistant Administrator for Human Resources and Social Development, Agency for International Development; and

John M. Leddy, of Virginia, to be the representative of the United States of America to the Organization for Economic Cooperation and Development.

EXECUTIVE REPORTS OF COMMITTEE ON ARMED SERVICES

Mr. BEALL. Mr. President, from the Committee on Armed Services, I report favorably 160 promotions and appointments in the Regular Army, in the grade of lieutenant colonel and below. Since these names have already been printed in the CONGRESSIONAL RECORD, in order to save the expense of printing on the Executive Calendar, I ask unanimous consent that they be ordered to lie on the Secretary's desk, for the information of any Senator.

The ACTING PRESIDENT pro tempore. Without objection, the nominations will lie on the desk, as requested by the Senator from Maryland.

The nominations are as follows:

Samuel J. Merrill, for promotion in the Regular Army of the United States; and

John G. Benner, and sundry other persons, for appointment in the Regular Army.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. HUMPHREY:

S. 3767. A bill for the relief of Spyridon G. Kalimanis;

S. 3768. A bill for the relief of Dr. Luis Galvez;

S. 3769. A bill for the relief of Mrs. Chryssi Kourounis; and

S. 3770. A bill for the relief of Nicolaos Louvaris; to the Committee on the Judiciary.

By Mr. CARLSON:

S. 3771. A bill to amend the Tariff Act of 1930 to impose a duty upon the importation of bread; to the Committee on Finance.

By Mr. WILLIAMS of New Jersey:

S. 3772. A bill for the relief of Nicola Tamborra; to the Committee on the Judiciary.

By Mr. KERR (for Mr. CHAVEZ):

S. 3773. A bill authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes; placed on the calendar.

(See reference to above bill when reported by Mr. KERR, which appears under the heading "Reports of Committees.")

AMENDMENT OF FOREIGN SERVICE BUILDINGS ACT, 1926—AMENDMENT

Mr. McNAMARA submitted an amendment, intended to be proposed by him to the bill (H.R. 11880) to amend the Foreign Service Buildings Act, 1926, to authorize additional appropriations, and for other purposes, which was ordered to lie on the table and to be printed.

NOTICES OF MOTIONS TO SUSPEND THE RULE—AMENDMENTS TO DEPARTMENTS OF STATE, JUSTICE, AND COMMERCE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATION BILL, 1963

Mr. HOLLAND submitted the following notice in writing:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H.R. 12580) making appropriations for the Departments of State, Justice, and Commerce, the judiciary, and related agencies for the fiscal year ending June 30, 1963, and for other purposes, the following amendment; namely, on page 41, following line 22, to insert:

"Sec. 304. The Bureau of Budget shall provide the Congress, in connection with the budget presentation for fiscal year 1964 and each succeeding year thereafter, a horizontal budget showing (a) the totality of the programs for meteorology, (b) the specific aspects of the program and funding assigned to each agency, and (c) the estimated goals and financial requirements."

Mr. HOLLAND also submitted an amendment, intended to be proposed by him to House bill 12580, making appropriations for the Departments of State, Justice, and Commerce, the Judiciary, and related agencies for the fiscal year ending June 30, 1963, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

Mr. McCLELLAN submitted the following notice in writing:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H.R. 12580) making appropriations for the Departments of State, Justice, and Commerce, the judiciary, and related agencies for the fiscal year ending June 30, 1963, and for other purposes, the following amendment, namely: On page 4, after line 6, insert the following:

"OPERATION AND MAINTENANCE OF BUILDINGS ABROAD

"For necessary expenses of maintenance, operation, repair, and payment of leaseholds of properties acquired pursuant to the Foreign Service Buildings Act, 1926, as amended (22 U.S.C. 292–300); including personal services in the United States and abroad; salaries, expenses and allowances of personnel and dependents as authorized by the Foreign Service Act of 1946, as amended (22 U.S.C. 801–1158); and services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), $11,000,000, of which not less than $7,000,000 shall be used to purchase foreign currencies or credits owed to or owned by the Treasury of the United States, to remain available until expended: *Provided*, That not to exceed $1,323,000 may be used for administrative expenses during the current fiscal year."

Mr. McCLELLAN also submitted an amendment, intended to be proposed by him to House bill 12580, making appropriations for the Departments of State, Justice, and Commerce, the judiciary, and related agencies for the fiscal year ending June 30, 1963, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

AMENDMENT OF INTERNAL REVENUE CODE OF 1954, RELATING TO THE INCOME TAX TREATMENT OF SMALL BUSINESS INVESTMENT COMPANIES—ADDITIONAL COSPONSORS OF BILL

Under authority of the orders of the Senate of September 20 and 26, 1962, the names of Senators Engle, Cooper, Scott, Prouty, Williams of New Jersey, Javits, and Moss were added as cosponsors of the bill (S. 3736) to amend the Internal Revenue Code of 1954 with respect to the income tax treatment of small business investment companies, introduced by Mr. Sparkman (for himself and other Senators) on September 20, 1962.

SMALL BUSINESS INVESTMENT ACT AMENDMENTS OF 1962—ADDITIONAL COSPONSORS OF BILL

Under authority of the orders of the Senate of September 20 and 26, 1962, the names of Senators Engle, Cooper, Scott, Prouty, Williams of New Jersey, Javits, and Moss were added as cosponsors of the bill (S. 3737) to amend the Small Business Investment Act of 1958, introduced by Mr. Sparkman (for himself and other Senators) on September 20, 1962.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed, without amendment, the following bills and joint resolutions of the Senate:

S. 699. An act to amend the act entitled "An act to incorporate the Hungarian Reformed Federation of America," approved March 2, 1907, and for other purposes;

S. 3120. An act to amend section 6 of the act of May 29, 1884;

S. 3152. An act to provide for the nutritional enrichment and sanitary packaging of rice prior to its distribution under certain Federal programs, including the national school lunch program;

S. 3156. An act to amend section 142 of title 28, United States Code, with regard to furnishing court quarters and accommodations at places where regular terms of court are authorized to be held, and for other purposes;

S. 3431. An act to consent to the amendment of the Pacific marine fisheries compact and to the participation of certain additional States in such compact in accordance with the terms of such amendment;

S.J. Res. 211. Joint resolution providing for the establishment of an annual National School Lunch Week; and

S.J. Res. 228. Joint resolution authorizing the issuance of a gold medal to General of the Army Douglas MacArthur.

The message also announced that the House had agreed to the concurrent resolution (S. Con. Res. 53) favoring air travel by legislative and Government officers and employees on U.S.-flag air carriers.

The message further announced that the House had agreed to the amendment of the Senate to each of the following bills of the House:

H.R. 11049. An act to amend the Mineral Leasing Act of February 25, 1920; and

H.R. 11590. An act to provide for the disposition of judgment funds of the Cherokee Nation or Tribe of Indians of Oklahoma.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 11586) to amend section 502 of the Merchant Marine Act, 1936, as amended; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. Bonner, Mr. Downing, Mr. Casey, Mr. Mailliard, and Mr. Pelly were appointed managers on the part of the House at the conference.

The message further announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 11665) to revise the formula for apportioning cash assistance funds among the States under the National School Lunch Act, and for other purposes; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. Powell, Mr. Bailey, Mr. Brademas, Mr. O'Hara of Michigan, Mr. Kearns, Mr. Frelinghuysen, and Mr. Quie were appointed managers on the part of the House at the conference.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 12276) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending June 30, 1963, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. Natcher, Mr. Santangelo, Mr. Cannon, Mr. Rhodes of Arizona, and Mr. Taber were appointed managers on the part of the House at the conference.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the Acting President pro tempore:

S. 1060. An act to authorize the Secretary of Interior to construct, operate, and maintain the Oroville-Tonasket unit of the Okanagan-Similkameen division, Chief Joseph Dam project, Washington, and for other purposes;

S. 3089. An act to amend the act directing the Secretary of the Interior to convey certain public lands in the State of Nevada to the Colorado River Commission of Nevada in order to extend for 5 years the time for selecting such lands;

S. 3408. An act to establish in the Library of Congress, a library of musical scores and other instructional materials to further educational, vocational, and cultural opportunities in the field of music for blind persons;

H.R. 5423. An act to amend title 10, United States Code, to authorize the Secretary of the Navy to take possession of the naval oil shale reserves, and for other purposes; and

H.J. Res. 693. Joint resolution granting the consent and approval of Congress for the State of Maryland, the Commonwealth of Virginia, and the District of Columbia to amend the Washington Metropolitan Area Transit Regulation Compact, and for other purposes.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. WILEY:

Excerpts from address delivered by him over Wisconsin radio stations on weekend of September 29–30, 1962; and supplemental statement.

AMENDMENT OF SECTION 502 OF MERCHANT MARINE ACT, 1936, AS AMENDED

The ACTING PRESIDENT pro tempore. The Chair announces the appointment of the Senator from California [Mr. ENGLE], the Senator from Alaska [Mr. BARTLETT], and the Senator from Maryland [Mr. BUTLER] as conferees on the part of the Senate on the bill (H.R. 11586) to amend section 505 of the Merchant Marine Act of 1936, as amended, which had previously been passed by the Senate.

FOREIGN AID AND RELATED AGENCIES APPROPRIATIONS, 1963

Mr. MANSFIELD. Mr. President, under the unanimous-consent agreement previously entered, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 2140, H.R. 13175.

The ACTING PRESIDENT pro tempore. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 13175) making appropriations for foreign aid and related agencies for the fiscal year ending June 30, 1963, and for other purposes.

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Appropriations, with amendments.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the pending business be temporarily laid aside, and that the Senate proceed to the consideration of two measures on the calendar to which there is no objection.

The ACTING PRESIDENT pro tempore. Is there objection? Without objection, it is so ordered.

EXCHANGE OF LANDS BETWEEN UNITED STATES AND SOUTHERN UTE INDIAN TRIBE

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of Calendar No. 2136, Senate bill 3713, providing for an exchange of lands between the United States and the Southern Ute Indian Tribe.

The ACTING PRESIDENT pro tempore. Is there objection?

There being no objection, the Senate proceeded to consider the bill (S. 3713) to provide for an exchange of lands between the United States and the Southern Ute Indian Tribe, and for other purposes, which had been reported from the Committee on Interior and Insular Affairs with an amendment on page 6, line 8, after the word "Tribal", to strike out "Council, and the tribe and its assigns shall have the right to utilize for recreational development the parts of such lands that are in sections 9, 10, 15, and 16, township 32 north, range 5 west, New Mexico principal meridian, Colorado, provided such recreational development does not interfere with the construction, operation, and maintenance of the Navajo Dam and Reservoir or appurtenant structures." and insert "Council"; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) there is hereby transferred to the United States all of the right, title, and interest of the Southern Ute Indian Tribe in the following lands, which are needed for the Navajo Dam and Reservoir project, except the minerals therein and the right to prospect for and remove them in a manner that does not impair the project, as prescribed by the Secretary of the Interior:

New Mexico Principal Meridian, Colorado

TOWNSHIP 32 NORTH, RANGE 4, WEST

Section 16: West half northwest quarter southwest quarter, southwest quarter, northwest quarter southwest quarter southwest quarter southwest quarter.

Section 17: South half south half northwest quarter southeast quarter, north half southwest quarter southwest quarter, north half south half southwest quarter southwest quarter, south half southwest quarter northeast quarter southeast quarter.

Section 18: North half northwest quarter southwest quarter, northeast quarter southeast quarter northwest quarter southwest quarter, north half southeast quarter southeast quarter, north half south half southeast quarter southeast quarter, northeast quarter southwest quarter southeast quarter, north half northwest quarter southwest quarter southeast quarter, north half northeast quarter southeast quarter southwest quarter.

TOWNSHIP 32 NORTH, RANGE 5 WEST

Section 5: Southeast quarter northeast quarter southeast quarter northwest quarter, east half southeast quarter southeast quarter northwest quarter,

Section 9: West half, east half southeast quarter southeast quarter, west half southeast quarter southeast quarter, southwest quarter southeast quarter, southeast quarter southeast quarter southeast quarter southeast quarter,

Section 10: Southeast quarter southeast quarter, southwest quarter southeast quarter, northeast quarter, southeast quarter northeast quarter southeast quarter, south half south half northeast quarter southeast quarter, southeast quarter southeast quarter southwest quarter, south half southwest quarter southeast quarter southwest quarter, northeast quarter southwest quarter southeast quarter southwest quarter, southeast quarter southeast quarter southwest quarter southwest quarter,

Section 11: South half south half northwest quarter southwest quarter, northwest quarter southwest quarter northwest quarter southwest quarter, south half southwest quarter northeast quarter southwest quarter.

Section 12: Southeast quarter southwest quarter southwest quarter southwest quarter, south half southeast quarter southwest quarter southwest quarter, south half south half southeast quarter southwest quarter.

Section 13: Northeast quarter northeast quarter southwest quarter, north half northwest quarter southeast quarter, north half north half northeast quarter southeast quarter,

Section 14: North half north half northeast quarter southwest quarter, north half northeast quarter northwest quarter southwest quarter, north half northwest quarter northwest quarter southeast quarter,

Section 15: West half northwest quarter northeast quarter southeast quarter, west half northeast quarter, northwest quarter southeast quarter, north half north half southwest quarter southeast quarter,

Section 16: Northeast quarter.

Containing 707.5 acres, more or less.

(b) In exchange for such conveyance, the Secretary of the Interior is authorized to transfer to the United States in trust for the Southern Ute Indian Tribe, subject to valid existing rights, public lands on the Archuleta Mesa, reserving to the United States the minerals therein and the right to prospect for and remove them under regulations of the Secretary of the Interior, that are contiguous to the present eastern boundary of the Southern Ute Indian Reservation, and that have a value equal to or not materially greater than the value of the lands conveyed by the tribe, such values to be determined by the Secretary: *Provided,* That such public lands shall be selected in a manner that will not increase the Government's management problem for other public lands, the selection shall be approved by the Southern Ute Indian Tribe, and the Southern Ute Indian Tribe shall pay to the United States any difference in the values of the lands exchanged.

(c) The owners of the range improvements of a permanent nature placed, under the authority of a permit from or agreement with the United States, on the public lands conveyed to the tribe shall be compensated for the reasonable value of such improvements, as determined by the Secretary, out of appropriations available for the construction of the Navajo unit, Colorado River storage project.

(d) Persons whose grazing permits, licenses, or leases on the public lands conveyed to the tribe are canceled because of such conveyance shall be compensated in accordance with the standard prescribed by the Act of July 9, 1942, as amended (43 U.S.C. 315q), out of appropriations available for the construction of the Navajo unit, Colorado River storage project.

(e) The public lands conveyed to the tribe shall be a part of the Southern Ute Indian Reservation and shall be subject to the laws and regulations applicable to other tribal lands in that reservation.

(f) The tribal lands conveyed to the United States shall no longer be "Indian country" within the meaning of section 1151 of title 18 of the United States Code. They shall have the status of public lands withdrawn for administration pursuant to the Federal reclamation laws, and they shall be subject to all laws and regulations governing the use and disposition of public lands in that status.

(g) In any right-of-way granted by the United States for a railroad over the tribal lands conveyed to the United States, the Secretary shall provide the Southern Ute Indians, at such points as he determines to be reasonable, the privilege of crossing such right-of-way.

(h) The tribal lands conveyed to the United States shall not be utilized for public recreational facilities without the approval of the Southern Ute Tribal Council.

(i) Nothing in this Act shall be construed to abridge any fishing rights that are vested in the Indians.

Mr. MORSE. Mr. President, I understand that the bill merely involves the exchange of lands of approximately equal value, and, therefore, there is no violation of the Morse formula.

Mr. MANSFIELD. That is my understanding.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

ELIMINATION OF REQUIREMENTS FOR CERTAIN DETAILED ESTIMATES IN ANNUAL BUDGETS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of Calendar No. 2146, House bill 10613, to eliminate the requirements for certain detailed estimates in the annual budgets.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from Montana?

There being no objection, the bill (H.R. 10613) to eliminate the requirements for certain detailed estimates in the annual budgets was considered, ordered to a third reading, was read the third time, and passed.

NEED FOR COMPREHENSIVE REVISION OF IMMIGRATION LAWS

Mr. SALTONSTALL. Mr. President, during these waning days of the 87th Congress, I am disappointed to see that no action will be taken at this session on a comprehensive revision of our immigration laws.

I think it unfortunate that many of us will have to return to our home States, this fall, and report that Congress has failed to act in this important area. This report will be deeply disappointing to many American citizens who have been anxiously waiting to be reunited with their families and relatives. It also leave a shameful blemish on the record of the administration, which in its 1960 campaign platform, advocated extensive reform of our immigration statutes.

The enactment of the McCarran-Walter Immigration Act, 10 years ago, represented a step forward in our immigration policy. However, the act contained certain inequities; and little meaningful action has been taken by Congress to correct them. All that has been added is a limited patchwork of minor modifications and the periodic enactment of the special, short-term immigration and refugee legislation that has been required. Although Congress did pass a somewhat restricted immigration measure last session, the Alien Orphan Act, it did not correct the basic faults in our immigration laws; our outmoded quota system and the failure to come to grips with the refugee and escapee problem. I cosponsored S. 551 and S. 552, last sesssion, which would remedy these shortcomings; but no action has been initiated on these bills.

One of the underlying principles of our immigration policy is the preservation of the family unit. S. 551 would give meaning and reality to that concept, and would revamp and liberalize our immigration laws in four key areas.

First. It would base our immigration quotas on the 1960, rather than the 1920 census, thus reflecting the current pattern of the national origins of Americans, rather than the outmoded pattern of over 40 years ago. It would also provide for an increase in the annual immigration quota.

According to the 1960 census figures, one of every five residents of the United States is either foreign-born or native-born of mixed foreign and native parentage. More than 34 million persons are included in the Census Bureau's "foreign stock" category—nearly 10 million of them foreign born; and more than 24 million native born, but with at least one parent born abroad.

Many of these American citizens still have relatives whom they are anxious to have join them in the United States. Use of the 1920 census, rather than the 1960 census, as the basis for determining national quotas adds to the difficulty of many of these people in getting their relatives on a quota list. Establishing the 1960 census as the foundation for our immigration quotas is an important first step in formulating a more realistic immigration policy.

Second. S. 551 would permit the carryover of unused quotas from one year to another, in proportions determined by the President. Experience has shown that almost one-third of the annual quota regularly goes unfilled. This situation is largely accounted for by the fact that such northern European countries as Great Britain and Ireland do not fully use their annual allotment. Meanwhile, thousands of anxious would-be Americans from limited-quota countries throughout the world are waiting on hopelessly long waiting lists for the opportunity to come to the United States.

Third. It would abolish the special discriminatory restrictions presently existing against persons coming from the Asia-Pacific triangle. This discrimination not only is alien to our American ideals, but also mars our image as a country of opportunity, and supplies the Communists with harmful political propaganda.

Fourth. The measure would permit the admission of fourth-preference quota immigrants approved by the Attorney General prior to July 1, 1957, without reference to quota. This group would consist of thousands of brothers, sisters, and married sons or daughters of U.S. citizens, including their accompanying spouses and children.

Closely related to our immigration policy is the refugee-escapee problem. In the face of world tensions and political oppression, attention is focusing once again on this area. We cannot afford to have a person risk flight from behind the Iron Curtain or other dictatorial government, only to find that the free world will provide no haven for him. Such a situation would end in complete disillusionment with democracy, and would threaten the preservation of our democratic principles.

S. 552 would help refugees, displaced persons, and escapees fleeing from various forms of tyranny and persecution, by authorizing the issuance of 40,000 special nonquota immigrant visas to these persons. This is a modest figure, when considered in the light of the great number of people throughout the world who already have fled from their native countries, for various reasons, and are now seeking refuge in the United States.

We must remember that our immigration policy constitutes an essential part of our diplomacy. If we are to accept leadership responsibilities in the world's struggle for peace and freedom, we must adjust our immigration laws to the condition of the world today and tomorrow and to our place and role in that world. Our hands must not be tied to outmoded and inequitable immigration policies. We are capable of absorbing more newcomers than is permitted under present statutes; and we should do so.

Modernization of our immigration system will demonstrate to other nations, especially to the new and underdeveloped countries with whom we wish to maintain good relationships, our sincerity and responsibility. Failure to act would in the long run result in a weakening of our foreign relations and a decline in our domestic, economic, and social well-being.

Mr. President, America owes a great deal to its immigrants. They have helped shape our politics, economics, and culture. Many are now playing a key role in our scientific and national defense efforts. An important service can be performed by reuniting long-separated American families with their children and relatives abroad, many of whom are enduring severe economic hardship, and by helping others yearning to begin a new way of life in our land of opportunity. I can think of nothing more gratifying than brightening the lives of these thousands of American families and helping the homeless and oppressed, through a revamping of our immigration laws.

Therefore, I hope we shall return to the next session prepared to modernize our restrictive immigration system and to establish an equitable and realistic program consistent with our heritage of respect for freedom and individual dignity.

PRESIDENT KENNEDY'S STATEMENT ON THE UNIVERSITY OF MISSISSIPPI SITUATION

Mr. MORSE. Mr. President, the history of our Republic is replete with outstanding examples in which our national leaders have risen to noteworthy heights of greatness. In my opinion, my great grandchildren will thus read the great chapter of our history which was written last night in the form of the historic speech by the President of the United States. In my judgment in that speech President Kennedy rose to superlative heights of greatness. As I sat before my television and listened to the President, who is dedicated to the cause of government by law, my spine tingled with the thrill which each of us occasionally experiences when he is deeply moved. The President made an unanswerable plea for a rededication by all people in the United States, in all States, including Mississippi, to government by law, instead of government by men or by mob.

Mr. President, I appreciate the solemnity of the critical, historic hour through which we are passing. I hope we will all remember that the Union is stronger than prejudice; the Union is stronger than racial dissension; the Union is stronger than resort to mob action.

I cannot speak for the President; but many of us saw him on television when he made his historic speech. Although we knew we were listening to a dedicated statesman determined to preserve all the symbolism of the American flag, we also knew we were listening to a sad man who probably experienced the same quality of sadness that historians tell us Lincoln experienced when finally he was moved to issue the Emancipation Proclamation.

I am among those who are firm in the conviction that all the people of this Nation—North, South, East, and West—will, upon reflection, recognize in the sanctum of their conscience that in America the hour has come when we must write the end to any attempt to insist upon segmentizing the Constitution of the United States, by denying first-class citizenship and full constitutional rights to some of the citizens of our country because of the color of their skins.

According to the press ticker tape stories I read a few moments ago, there are some who are saying that the action taken in Mississippi should not have been taken. They are claiming that more time should have been allowed. Yet the question must be raised, Why allow more than 90 years in order to give assurance of first-class citizenship and full constitutional rights for all American citizens?

In my judgment, the fact that a crisis exists today in Oxford, Miss., is all the more reason why the decisions of the courts were long overdue. The resort to mob action is all the more reason why the meaning of those decisions, as the President presented so ably last night, must be enforced.

I am satisfied that the overwhelming majority of the people of the South including those who disapprove—as undoubtedly many of them do—of the policy in regard to integration, recognize that in this troubled world today we must give to all the world an example of the meaning of government by law, for America is now on trial in all the areas of the world where the overwhelming majority of the people are nonwhite. Let us remember that in the world the number of colored people exceeds by many times the number of whites. Let us also remember the fact that in international conference after international conference our delegates have represented that we stand for freedom and all it symbolizes. Mr. President, I do not know of any greater foundation-stone of freedom than government by law.

Undoubtedly our enemies in the world will try to make propaganda capital for themselves out of this crisis. But I am convinced that, with the help of the South, we will move forward to a stronger republic than we had before the Supreme Court's historic education decision of 1954 and the decisions of the courts in the University of Mississippi case.

I think it is regrettable that misguided, emotionally aroused people, who lost their sense of judgment, have engaged, and apparently still are engaging, in manifestations of rioting in connection with these court decisions and the action of the President to enforce them.

I think it is too bad, if the press reports are correct, that an ex-general of the United States was one of the leaders of mob action in Oxford, Miss., last night. The ticker tape speaks for itself. If it is true that former General Walker sought to lead students in forceful violent action against representatives of the law, causing bloodshed in Mississippi, I think all legal action within the law that is available should be taken against him on charges of inciting an insurrection.

If he has been quoted correctly on the ticker tape within the past hour, he did attempt to lead an insurrection against the American flag standing in all of its glory behind the Presiding Officer's chair. As an ex-Army officer his conduct is all the more reprehensible.

However, in a spirit of charity and human understanding, I say perhaps he is a mentally sick man. But if he is a sick man, he ought to be committed for his sickness and medically treated for it. He should not be allowed to be at large, seeking to lead the youth of this country into the kind of insurrection against the U.S. Government which the ticker tape seems to indicate was attempted last night.

As I close these comments, I do not ask for agreement, but I plead for understanding on the part of all who are involved in the integration crisis. The time has come when we must recognize that the walls of institutions of higher learning in this country will not crumble if we admit to the study of knowledge within them all of our citizens who are qualified on the basis of educational background.

I hope that out of the Mississippi incident will come, at long last, the recognition that we have entered an era in American history in which no longer can government by law tolerate the denial of first class citizenship to all our citizens.

Mr. YOUNG of Ohio. Mr. President, I am in complete accord with the fine presentation made by the great senior Senator from Oregon in the magnificent statement he has just made.

THE TRAGEDY OF MISSISSIPPI

Mr. YOUNG of Ohio. Mr. President, Americans generally must have experienced a great feeling of pride when they listened to President Kennedy's address to the people of the Nation Sunday night at 10 o'clock. This was one of the finest addresses ever made by an American statesman. It will be regarded as one of the great historic addresses since the birth of our Nation. His somber yet temperate statement was conciliatory in character, yet firm in his demand that the Federal law must be obeyed. He pleaded earnestly for unity on the part of all Americans. He did not speak solely to those of us from the North. He spoke to all Americans, reminding those who listened and saw him on television that every American is free to disagree with the law of the land as enacted by the Congress or as interpreted by the Supreme Court, but that no Americans are free to defy it. If and when there is force and defiance, as there has been in Oxford, Miss., that it is tantamount to rebellion against our country.

Very unfortunately, a correspondent of a London newspaper and for France Presse, Paul Guihard, was killed by some rioting Redneck or Ku Kluxer.

Furthermore, it is unfortunate that so many were wounded, including Paul Crider of the Associated Press, who was hit in the back by a shotgun blast; and television camerman Gordon Yoder, who was dragged from his auto and pummeled and kicked by cowardly rioters. The list is a long one, including Dan McCoy, of Newsweek, who was slugged and then kicked while on the ground.

Without a doubt, university students have played a minor part in the affray compared to ignorant thugs who never had much of an education themselves and now seek to deny the right to an education to a fellow American.

Our Chief Executive deserves commendation on the part of all Americans for his patient efforts, through the action of our courts and by orderly processes of law, to enforce support of the Supreme Court of the United States and its decisions as the law of the land.

Then, when it appeared that a few U.S. marshals, and later that hundreds of them, were inadequate to enforce the law against this unruly mob, our President very wisely called into the Federal service the National Guard of Mississippi.

President Kennedy expressed deep regret that any action by the executive branch of our Government was necessary in this case. He truly stated that he had searched out all other avenues and alternatives, including persuasion and conciliation. He had hoped that the police power of the State of Mississippi would be used to support the order of the Court instead of violently, deliberately, and unlawfully blocking the carrying out of such order. His was a voice of conciliation when he stated:

> I recognize that the present period of transition and adjustment in our Nation's Southland is a hard one for many people. Neither Mississippi nor any other Southern State deserves to be charged with the ac-

> cumulated wrongs of the last 100 years of race relations. To the extent that there has been failure, the responsibility for that failure must be shared by us all, by every State, by every citizen.

His action, when all else failed, to federalize the Mississippi National Guard "as the most appropriate instrument should any be needed to preserve law and order while U.S. marshals carried out the orders of the Court and prepared to back them up with whatever other civil or military enforcement might have been required" was the right and prudent action to take.

It has always been my opinion that at the time of the unfortunate anti-integration riots in Little Rock a few years back, the then President Eisenhower should have federalized the National Guard of Arkansas. However, instead of taking this prudent action, he sent into Little Rock 1,100 of the finest trained, toughest, and best soldiers in the entire world—1,100 men of the famed 101st Airborne Division. At the time, I said this was like driving in a tack with a sledge hammer. In fact, one platoon of the 101st Airborne would have sufficed to restore and maintain order in Little Rock.

There just cannot be any compromise on civil rights. This must be well understood throughout the United States by now. Anyone who will read the President's nationwide television talk of Sunday night on the racial crisis at the University of Mississippi will surely understand this and cease suggestions to compromise troublesome questions of civil rights in our various States, which in reality were decided in blood 100 years ago.

Mr. President, either you comply with the Supreme Court decision or you are resisting law and order. That is the situation confronting all Americans. Racial problems are, in reality, moral problems, and not political issues. Let us remember at all times, we are the Nation which chiseled on our Statue of Liberty:

> Give me your tired, your poor, your huddled masses yearning to breathe free; send these, the homeless, tempest-tossed to me; I lift my lamp beside the golden door.

Now is the time for cool heads, for calmness, and certainly not the time for the rantings of violent segregationists or psychopaths such as ex-Gen. Edwin A. Walker, who stated:

> Americans should do whatever is necessary to back Governor Barnett's stand against admitting Negro James H. Meredith to the University of Mississippi. The time to rally is when and if the President of the United States commits or uses any troops, Federal or State, in Mississippi.

If this ex-general made this statement in Mississippi, I am glad he is an ex-general and a private citizen instead of in command of any youth of our country. I hold him in utmost contempt for his appearance on the campus of this great university, "Ole Miss" and for attempting to lead a charge of some 1,000 unruly rioters against U.S. marshals, which, I am happy to report, was repulsed by tear gas. It appears that Edwin A. Walker has been guilty of inciting a riot and in fact inciting an insurrection against the United States.

The Supreme Court in its decision, which must and will be enforced, did not establish any new rights. Its decision served to preserve old rights—rights as old as mankind itself.

Without a doubt, the Mississippi guard unit, which is backed by a great history and noble tradition as a part of the 155th Infantry, will aid the faculty and students of the university and the good, law-abiding Americans of Mississippi to restore order and maintain the law of the land.

Our President said it best when he stated:

> There is no reason why the books on this case cannot now be quickly and quietly closed in the manner directed by the Court * * *. Healing those wounds that are within we can turn to the greater crises that are without and stand united as one people in our pledge to man's freedom.

Mr. TALMADGE. Mr. President, I deeply regret the tragedy which has occurred in Mississippi.

In each session of Congress in which I have been privileged to serve, I have introduced and sought enactment of legislation to restore the Federal judiciary to its appointed constitutional role and to reestablish State and local control over public education. Unfortunately, the Congress has not seen fit to enact my proposals.

As the result of judicial usurpation bolstered by application of the superior power of the Federal Government, we have seen the wishes of local majorities struck down on several occasions. Such actions are detrimental to the processes of constitutional government and serve to divide the American people at a time when unity in the continuing struggle against the aggressions and subversions of international communism is essential.

Mr. ERVIN. Mr. President, I deplore the great tragedy which has happened in Mississippi. It seems to me that those who are engaged in fomenting litigation which has such a tragic aftermath might well meditate upon the words of St. Paul when he said:

> All things are lawful unto me, but all things are not expedient.

TRIBUTE TO GEN. LUCIUS D. CLAY

Mr. SYMINGTON. Mr. President, before this session closes I would like to pay tribute to a great American, Gen. Lucius D. Clay, whose name comes up constantly when matters affecting the security and welfare of the United States are discussed.

When General Clay retired after 31 years of military service, and was awarded a second Oak Leaf Cluster to his Distinguished Service Medal, the citation from President Truman read, in part, as follows:

> Previously distinguished for his outstanding work in helping to arm our forces, he added new and imperishable luster to his record by the manner in which he carried out his uniquely challenging task in military government in Germany. General Clay in this capacity proved himself not only a soldier in the finest tradition of our American arms, not only an administrator of rare skill, but a statesman of the highest order—firm, courageous, dedicated to the cause of peace.

Few men in our times have held such complete confidence from their Government and their fellow citizens:

The same administrative ability which marked his military career has been equally evident in his business record, as chairman of the board of a large corporation, and as a director and trustee of numerous major financial institutions and charitable foundations.

When President Kennedy last year wanted to demonstrate in the strongest possible terms our determination that West Berlin shall remain free, it was only natural for him to call upon the man who symbolizes these resolves to the West German people.

Once again, Lucius Clay justified his country's faith in him.

C. L. Sulzberger, writing in the New York Times, characterized General Clay's major objective in Berlin as "to show the Russians we were always prepared to talk, but would not negotiate new deals under duress. While they menaced, we would only discuss menace; nor would we ever yield on essentials."

Last year, in West Berlin, I sat with General Clay in the same room in the same house in which I was his guest in 1946. We discussed the vast changes in the world that had occurred during those 15 years, and as always I was impressed with the clear, cool, and objective analyses of this American patriot.

It is fortunate the Nation will continue to have the benefit of his wise counsel, based on his vast experience; and I am sure every Member of the Senate joins me in wishing him and his gracious and lovely wife many continued years of health and happiness in the years to come.

METHODS OF TEACHING FOREIGN LANGUAGE

Mr. MORSE. Mr. President, I ask unanimous consent that a scholarly lecture by Ned Davison, of the University of Oregon, on the problems inherent in teaching foreign language in secondary schools be printed at this point in the body of the CONGRESSIONAL RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WHAT FOREIGN LANGUAGE METHOD IS BEST FOR SECONDARY SCHOOL?

(By Ned Davison)

The college teacher does not often enough have an occasion to address a professional group such as this, or at least does not often enough avail himself, of the opportunity when invited to do so.[1] I am particularly pleased to be able to talk to you about the teaching of foreign languages. Every teacher has his own opinions of how languages should be taught, and it is not surprising that he welcomes a chance to express them.

---

[1] From a text delivered at the southern Oregon regional meeting of the Secondary School Teachers of Foreign Languages, November 1960.

I must emphatically warn you at the outset that I am not in any sense a specialist on the methods of foreign language teaching, nor do I presume any special qualification to speak in terms of secondary school problems and instruction. What I do hope to bring are my own views which have grown out of a number of years of teaching Spanish in college, years during which I have experimented with a variety of approaches and methods.

As you well realize, our major responsibilities in the university are concerned with the teaching of literature as art, and language as a medium of culture. Needless to say, we are also interested and involved in the instruction of languages as such and are anxious to have our opinions recorded along with those of others in the profession who are more immediately engaged in the teaching of languages primarily as skills.

We are all well aware of the many reasons why we should study languages, and there would be little profit in repeating them. There is one argument, however, that I believe cannot be restated too often. We have all been made acutely aware of the practical importance of learning a foreign language. Discussions have concentrated upon the immediate advantages in terms of vocational flexibility, national necessity, and tourist convenience. These values are certainly important to every student and citizen. They represent, however, only a fraction of the total possible contribution of foreign languages in an education. We all know the liberating effect of studying another language, the way in which, almost imperceptibly, we find ourselves able to view our own language from a new and detached vantage point. This perspective comes as the result of our assuming a second culture, of taking on, if only momentarily, new values.

The products of man's creative efforts, social, political, artistic, and even to a large extent the scientific, have used, as a means of expression and as tools of creation, many different languages; and in order to interpret properly the cultural contributions developed and expressed in a language different from our own, it is necessary to first view the culture through the medium that has produced it. Only then may we examine it with profit through the veil of our own language which carries inherent in its structure moral and esthetic norms divergent from those of the foreign society we are examining. Surveyed exclusively through the eye of our own ideom, the picture we receive of the foreign culture is, at best, a pale and distorted image.

The significance of our language study does not end here. Once we have experienced first hand, so to speak, the foreign culture, even if our contact has been restricted to a study of the language only, we have freed ourselves to some extent from the intellectual blinders of our native culture and have found a new perspective from which to reexamine our own heritage. We have, in effect, taken what is perhaps our first definitive step toward a genuine broadening of our vision and of our comprehension of other peoples. In so doing, the real significance of our tradition becomes clarified by the new objectivity that we have achieved, and the ideologies and beliefs that account for the peculiar nature of our society acquire new brilliance and meaning. This pursuit of self-knowledge, of coming to understand ourselves and others better, needs no further justification.

Happily, the desire to extend and improve foreign language training has become one of the major concerns of the public as well as of the educators. We seek to improve the college and secondary programs and to create new foreign language sequences in the elementary school. I believe the elementary programs will provide the most spectacular and far-reaching changes that we are going to see in the next few years. It will be the responsibility of the colleges to develop adequate training programs for the teachers. Today, however, I am going to speak only of the current notions on instructional theory as they concern the beginning college and secondary school programs. The needs, requirements, and techniques of teaching foreign languages in the elementary schools are in many ways radically different from those of the later grades. Learning patterns are different and the goals themselves also vary considerably. In general they bear little relationship to university objectives. Nonetheless, it is apparent that the elementary goals and methods are exercising an influence not only on high schools but on college programs as well.

As I have indicated, however, I am going to limit my discussion generally to the secondary school, and I'd like to begin with the practical problems that face us and which, whether we like it or not, must determine to some extent the approaches and methods of instruction that we are able to adopt. The first limitation to which any theory of instruction is subject is the length of time that may be devoted to the language studied. Existing programs, which are now generally 2 years in secondary schools, are moving rapidly toward 3 and 4 years. Even a 6-year program now seems possible in some instances. Our problem becomes, then, in ideal terms—what is the best way to teach our foreign language within a 4, 5, or perhaps, 6-year program? We know that even 6 years in secondary schools is not much time in which to learn a language well—it would be generally equivalent to 3 years in college. Even within this ideal period what we can accomplish is limited. Coming down to the present reality, we are faced with the task of trying to teach the fundamental needs in 2 years. Of course, it can't be done. The accusations of laymen and, incredibly enough, of some teachers that our antiquated methods have been the primary cause of the failure of the students to master the second language are of course due to ignorance or overenthusiasm. You are all teachers of a foreign language, and your experience with that language in most cases, I am sure, far exceeds the exposure of a 2- or even 4-year high school language course. Yet who knows better than you just how well you know the languages you teach. What do I mean, "know the language"? If "know" is interpreted as "to speak with moderate correctness and fluency," I am sure there will be some shuffling of feet and uneasiness among you. Does this admission then mean that you have not devoted yourselves properly to the task of learning your subject? Does it mean that the methods by which you yourselves were taught were so ineffectual that they are responsible for your not being more proficient in the knowledge and use of your language, even though you may have studied and taught it for several years? Does it simply mean that in all likelihood one cannot learn a language in school in 2 or 4 or 6 even 8 years? The answer may be found in all of these possibilities I suppose, but I firmly believe that the overwhelming factor is the latter—the inherent difficulty of learning a language well enough to speak it with moderate ease and fluency. The contact time available in secondary school will never be adequate; this is why the planning for elementary instruction offers so much hope and promise. We must convince our administrators, our students, and their parents that learning a language is a serious, difficult, and long-term task. If we agree that we can only teach a part of the language in 4 years then our decision on what part we are going to teach is bound to influence the approach and methods we choose.

If we may safely grant that the length of the study program is a major factor in determining methods and goals, another equally important factor is the teacher himself. How many teachers of foreign language are available, and how well are they prepared to teach their subject? We have already answered to some extent how well they are prepared. What about their availability? There is an acute shortage of even moderately prepared foreign language teachers, and the prospects for the future seem even more distressing. Right now, it seems inevitable that there will be many fewer teachers than will be needed. Furthermore, they will likely be less prepared than in the past. It is probable that in many instances they may be drawn out of other subjects and into languages because they may have had "a year or two" in college.

We are confronted with two enormous shortages—time and qualified teachers. These must be taken into account in any discussion of the objectives and methods of foreign language instruction if we are going to really accomplish anything. Within the boundaries of these limitations, let's examine the prevailing theories on how and what to teach. I am going to concern myself here with the two most representative and opposing theories. There are many variations within these basic positions, but they need not concern us here. Let's begin with the conservative or so-called traditional approach.

The objectives and premises of the traditional position may be reduced, without excessive distortion, to three. First, that the object of foreign language study is to acquire an understanding of the general nature and structure of the language so that subsequent experience and knowledge of that language may be placed within a general framework and understood and used correctly. The structure of the language is essentially the grammar. The second objective is the ability to read the language and thereby acquire vocabulary, idioms, and perhaps most important, a sense of the language, that is, a feeling for the rightness of an expression or the excellence of a phrase. The third premise is that a language is not known until one can also write and speak it. This third principle is placed last because, for the traditionalist, it represents the goal most difficult to attain. Writing a language correctly; that is, being able to express on paper what you have in mind, is very difficult. This difficulty, he would argue, is only surpassed by that of speaking the language. The traditional view presumes that "speaking a language" means expressing whatever you want to say, clearly, with some ease, and with general correctness.

The methods that are used by the traditional teacher to arrive at the objectives cited are relatively simple. The structure of the language is demonstrated by abstracting and grouping the elements of language according to their functions and natures. For example, a discussion of adjectives, their function and particular uses. These uses in the foreign language are then contrasted with those of the native tongue. The procedure with verbs, their tenses, endings, and so on, is similar. The method is, then, abstraction and comparison. The exercises used to fix this information in the students' minds include written translations from the native language to the foreign one, drills on verb forms, and so on. Written and oral drill on phrases that incorporate grammatical principles under study is also common. Vocabulary and idioms are normally acquired by memorization of individual words and phrases. Reading is learned by translation from the foreign language into the mother tongue and by silent reading followed by oral and written quizzes on the material read. All in all, the point that most radically distinguishes the traditional approach from the oral methods is, first, the belief that a language can best be learned, within the limited time and contact available in school, by studying the overall structure of the language, and second, that speaking is the most difficult skill to acquire.

The second major approach is known variously as the aural-oral, audio-lingual, or the natural method. Of these, the audio-lingual seems to be the most persuasive at present. I shall refer to these jointly as the oral approach. As I have suggested, these methods assume that the spoken language should be the center and point of departure for all language instruction. The main defense of this principle is that language is first and foremost speech, and since we learn our native language through imitation and speech, the oral approach is thereby the most natural, logical, and effective. Another premise holds that once the speaking patterns are mastered, the reading and writing of the language will be very easily learned. The objectives of this approach are directed, then, toward speaking proficiency and include such goals as near-native pronunciation, phrases spoken as units rather than complexes of words, naturalness of delivery; that is, normal speed of speech and accurate imitation of native intonation or tone. Stressed heavily also, is the ability to comprehend easily the spoken language. Since these objectives when they are totaled constitute virtual mastery of the language, certain limitations must be assumed. These limitations lie principally in the amount of language that is to be absorbed. That is to say, the possibilities of expression are greatly reduced since the material must be learned by rote and with complete and almost unconscious mastery. The time limitations of even a 3- or 4-year program require that the variety of vocabulary and complexity of constructions must be rigidly controlled and restricted.

Virtually all the techniques of this approach depend upon memorization. By constant and repeated drills, fixed phrases are mastered and then combined with other similar units in order to build up sufficient material to cover specific language situations. For example, appropriate phrases will be memorized—ideally to the point where the student responds automatically—phrases that would cover the basic language, say, at a school dance. The training would then include mock situations or sketches in which the students would exercise their language patterns. Finally, almost exclusive use of the foreign language would be required in the classroom.

I am forced to say at this point that the enthusiastic proponents of the oral methods frequently seem to suggest that the techniques they urge and the objectives that they seek are never to be found in the traditional approach. Likewise, much of the resistance on the part of experienced teachers to the oral approach is simply stubborn and uninformed.

Various combinations of the two methods outlined above are of course possible. The defenders of one or the other, however, object that a mixture accomplishes neither the completeness of one nor the fluency of the other. It may be true that the traditional approach can absorb more of the oral techniques than vice versa. It is relatively easy to stress oral exercises and to add a word or two to a verb drill and create phrases in place of simple verb forms. Admittedly this does not constitute an oral approach but it nonetheless can accomplish some of the goals. Also, the amount of contact with the spoken language can be increased by making the foreign language the medium of instruction, that is, to teach in the traditional manner but do so, whenever possible, in the foreign language.

The proponents of the oral approach can make a better case against mixing the methods. They would maintain that the task of explaining complex grammar points in the early stages will force the instructor into using the language native to the class. This in turn breaks down the complete immersion in the new language which is necessary in order to develop the habit of thinking and working directly in the foreign tongue. There is considerable validity in this argument. They would also urge that the traditional principal of analysis tends to inhibit rapid response since the student's attention is directed to individual elements of the sentence rather than to the thought to be conveyed. They also hold that use of the printed language in the beginning period of instruction makes the establishment of accurate pronunciation—sounds as well as phrasing—more difficult because the student is unable to avoid bringing into play his reading habits in his own language. The frequent mispronunciation of the soft Spanish "d" would be an example of this. The defenders of the oral method maintain that this would not happen if the student learned only by sound. This may be true of a given word, but their logic would tend to require that all words containing this sound would have to be learned, unseen, before they were presented visually. There is no reason to believe that a student who had learned to say "verdad" correctly would be significantly less inclined to mispronounce "indéntico" when he encountered it for the first time in written form.

What are the advantages and disadvantages of one method over the other? Let's look at the oral first. Perhaps the strongest argument of this group is their claim that their approach responds more effectively to the interest of the students. People want to speak the new language; they are not particularly concerned about learning to write it. Reading is incidental since the skill will come automatically with the ability to speak. The phrase drills which are the basis of any working oral approach approximate more accurately, in speed and syntax, the way the native actually speaks. In addition, the heavy reliance on records, tapes, and other audiovisual tools promotes a direct comprehension of the second language, an immediate grasp of the meaning of the sound symbols with no interference from the student's native language and no mental transcription.

What the conversational approach gains in general initial interest, however, it sometimes loses because of the lack of variety in the learning exercises. Since the key to the entire method is imitation of speech, the drills can become extremely tedious and the demands for memorization endless. There is no question that the preparation and inventiveness of the teacher is taxed even more here than in the traditional method.

From an essentially academic point of view, the most objectionable defect of this method is its inherent anti-intellectualism. The role of the student is almost exclusively imitative, and the memory is the principal mechanism of learning. The powers of analysis and abstract thought play a relatively small part in this approach. A recent book, "Teaching Spanish: A Linguistic Orientation," explicitly condemns the understanding as a deterrent to language learning and views it as an interference to be overcome or averted. Distrust of the written language in the early stages also tends to perpetuate the fallacy that books are bookish, or dead and uninteresting, whereas speech is alive, that is, interesting and important.

The last, and probably most serious weakness in the oral plan is the fallacy of the assertion that because we learn our own language by imitation rather than by analysis this "natural" way is therefore the most logical and effective method by which to learn another. The first error is to assume that adults learn in the same way as children do. The second is that the all-important factor of time is virtually ignored. Even if we were to assume that adults did learn most rapidly by following the same patterns as children, the discrepancy between the amount of time a child is in contact with his own language as he learns it, and the pitifully few hours that the school student can devote to the subject makes the natural argument meaningless. The grammar, that is the classification of elements of language into groups and coherent patterns which can be grasped and retained for future reference, is offered as the answer to this shortage of time. There is no question that the amount of language that can be learned in a given period of time by the short cuts of grammar and abstraction immeasurably exceeds that possible by the natural method. Fortunately, most oral approaches teach indispensable principles of grammar, though all insist that the grammatical pattern must be implanted by drills before the abstract explanation can be given. This means, of course, that either the patterns remain very limited or that the assimilation is in no way complete before the discussion of structure is taken up.

The exponents of the traditional method quite frankly are more modest in their objectives and claims. The advantages will, as a result, seem much less spectacular. First, the traditional approach gives a much more comprehensive knowledge of the language. By examining the language intellectually, its overall workings can be comprehended. This comprehension is then fixed for further reference by the framework, or kind of skeleton, that knowledge of the various parts of the language provides. New information about the language, new vocabulary, constructions, and idioms can then be molded to the skeleton by the student until the figure is ultimately completed. At any stage of the growth after the first 2 years, the student will have a relatively clear view of the mechanism with which he is working. This is a significant advantage since it enables him to continue to learn systematically without formal instruction. It also combats the frustration that frequently results from the essentially fragmentary procedure of the oral methods. Reading, in the traditional approach, plays a more important role and consequently the skill is developed rapidly.

The traditionalist considers it to be the best substitute available for actual residence in the foreign country. By constant and extensive reading, the student comes into contact with many aspects of the foreign culture and, consequently, with vocabulary and language situations of great variety. Novels and stories imitate in one way or another the daily lives of the people and, therefore, reading is rather like being an observer of the most intimate and varied experiences that the country offers and that the language can express. Finally, the study of the structure of a language demonstrates the way its parts work in relation to one another, the marvelous range and flexibility of the verb system, for example, which permits us to think not only in time past, present, and future but in time which never existed, time which might have existed, time which may exist, all this possible in the remarkably simple structure of a verb system. In other words, the traditional approach attempts to demonstrate to the student what an astonishing invention language is.

Nonetheless, the traditional approach, perhaps because of its very intellectuality, has frequently failed to stimulate the general interest that is so valuable in learning. Secondary school students as a group have seemed to reject the analytical approach. Since in oral work the traditional method requires that the student himself construct the phrase, expression is slower and the sense of oral competence is frustrated. There are, outside of reading, few immediate compensations, few concrete manifestations of progress. Finally, the principal objection to the traditional method is the lack of emphasis on oral competence, perhaps the most exciting language skill.

Now, having given what I hope has been a relatively fair description of these approaches, I should like to add my conclusions and expose my bias more forthrightly. From this comparison I think three points of real importance emerge, and they are: First, that to tie yourself to one method or system is not only unnecessary but unwise. It limits the variety of instruction that you can offer and prevents your using techniques that have proved themselves to be eminently successful. Second, it seems self-evident that to ignore the oral—that is, the conversational aspect of language—is to falsify your subject and to discard a major means of gaining and stimulating the interest of the students. Third, I believe that to discourage the use of the written language at any stage other than the first few days is unnecessary and wastes valuable time since the student grasps the material much more quickly if he can see it written out. Refusal to use written materials also fails to encourage the student to go beyond the limitations of the oral language and its usually neutral content. The use of books should be encouraged in every phase of education; they are the one means by which the student can explore outside the confines of the material as it is present in class. Finally, the claim of the traditional method, that it better prepares the student to continue his study of the language on his own, is a persuasive one. He is given a rudimentary grasp of the whole language upon which he can later build.

For these reasons I believe that the traditional analysis and study of grammar must be a part of any serious language course. A comprehensive approach to the structure of the language utilizes and appeals directly to the intellect. It is the best way to learn a lot in a short time. The knowledge may remain passive for some time, but because it has organization and coherence it may be quickly relearned. Ultimately, of course, it will furnish the most complete and subtle knowledge of the language. The grammar should never be sacrificed for a few facile phrases. Where I would definitely vary the treatment, however, is in the exercises and examples of the linguistic principles under study. It is wise to use oral drills whenever possible, and these can frequently be substituted for the complex, and frequently stuffy, translation exercises from English to the foreign language. As the audiolingual enthusiast might cry, "simple, spontaneous performance rather than puzzle solving."

A few other specific suggestions may be of interest to you. I believe they take into account the real situation with which each of you as teachers are actually faced. They may fall somewhat short of the ideal, but they represent realizable objectives and techniques.

Always make sure that students hear as much of the foreign language as possible. If you are capable of instructing in the language, do so whenever feasible, by all means. The students will eventually understand, and the loss in precision will probably be offset by the gain in comprehension. Language laboratories are excellent tools and should be part of any language program if at all possible. The important thing about a laboratory is that you recognize it is a new kind of tool, just as a book is a tool. And it requires its own particular use. If you sit down and think about what it will and will not do, you can devise a laboratory program that will really contribute to your course. I might say here that laboratories do not save either staff time or school money; if anything, they represent additional load and expense. If used properly, however, they can greatly improve instruction. It is essential, in any event, to be certain that the laboratory works for you and not you for it. For this reason don't depend too much on what other people do with their laboratory. Make it fit your own particular methods and needs. Much too frequently today, schools are trying to adapt the varied and personal techniques of their teachers to one fixed, laboratory-dictated method. This is the surest way to destroy good teachers and, by extension, good students.

You may ask now, what about laboratory materials, tapes, etc.? There are a few general suggestions that may be worth noting. First, never buy anything you haven't examined carefully, regardless of what the brochure or review says. There is an astonishing quantity of trash on the market today. Second, if you make your own tapes—and don't be afraid to do so if your pronunciation is good—don't worry if they are not electronically perfect. A little background noise and a casual atmosphere is not such a bad thing. It tends to combat the oversterilized quality of most professional materials. Furthermore, much time can be wasted trying to get a flawless tape. Don't be chatty, but don't be afraid to make a comment on the drill if you think it will reinforce the learning.

The third thing to bear in mind about tapes is that they are of little value if they do not force the student to respond constantly. Mere listening is helpful but not profitable enough for valuable class time. Finally, whenever an original response is called for; that is, whenever the student is not simply repeating a phrase from the tape, a correct version of the phrase or sentence required must be included on the master tape so that the student can check his own effort. Time should also be allowed for him to repeat the corrected version.

My final suggestion concerns the role of reading in a language course, and I am sure that you will by now be able to anticipate my position. Reading is the most flexible and the most readily available substitute for living in a foreign country. Encourage reading as early as possible, and concentrate on quantity and speed rather than translation. Through reading, one who has spent little time in the foreign environment may still gain a sense of the whole language—an "ear" for what is right and wrong.

Overriding all these rather specific suggestions I urge a principle. Use whatever techniques, or method, or materials that will, in your own view, best teach the particular problem of the moment. Not all aspects of language require or will even support the same teaching approach. The final appeal is, then, to your own best judgment—to commonsense. No one teaches well a method with which he disagrees or in which he has no confidence; exploit what best suits your own preparation and talents.

Note.—"There is probably no general cure against the type of interference that comes from clinging to intellectual understanding in favor of automatic responses. * * * In many cases in which (some sort of intellectual 'explanation') is asked for, the experienced teacher will give a 'pseudoexplanation' which, as such, does not contribute significantly to the performance of the student but relieves the student's anxiety so that he can then proceed with the real business at hand; namely, the drill of the grammatical pattern. * * * Another 'trick' to get the student to perform automatically is to divert his attention from the complexity of the pattern itself." R. L. Politzer and C. N. Staubach (Ginn & Co., 1961), p. 17.

THE LAW OF PEAK-HOUR TRAFFIC CONGESTION

Mr. WILLIAMS of New Jersey. Mr. President, a most stimulating article has just come to my attention on the subject of urban transportation. It presents a cogent basis for codifying into a Parkinson-type "law" what most of us have probably suspected for some time; namely, that traffic congestion rises to meet maximum highway capacity.

In fact, the author of the article, Mr. Anthony Downs, of Real Estate Research Corp., suggests that in some instances we may arrive at "the paradoxical conclusion that the opening of an expressway could conceivably cause traffic congestion to become worse instead of better, and automobile commuting times to rise instead of fall."

In drawing these conclusions, the author does not suggest that we ought to stop building urban highways, which of course we cannot for a whole variety of reasons. Mr. Downs is dealing only with the rush hour problem, and, as I have said on many previous occasions, rail or bus transit is no substitute for highways and automobiles, especially during nonrush hours and on weekends.

However, Mr. Downs does bring into focus the enormous impact that highway construction in our urban areas can have on both rail and bus transit, which we have not yet fully realized.

The author concludes that—

> Since the United States has already launched a massive road improvement program, which includes construction of many urban expressways, continued failure to undertake an analogous program for other forms of urban commuter transit may result in a generally higher level of rush hour automobile traffic congestion in those cities which now have extensive segregated track transit facilities serving commuters.

Mr. Downs also suggests that we ought to be exploring the possibility of establishing such devices as highway tolls in order to achieve a balanced urban transportation system. I personally hope we shall not have to come to that, and I believe we will not have to if the Congress would pass the administration's proposed urban mass transportation bill, S. 3615.

Mr. President, I ask unanimous consent that the article "The Law of Peak-Hour Expressway Congestion," appearing in the July issue of Traffic Quarterly, be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

THE LAW OF PEAK-HOUR EXPRESSWAY CONGESTION

(By Anthony Downs)

(Note.—Mr. Downs is director of retail analysis for the Real Estate Research Corp. in Chicago, and a member of the board of directors of that corporation. He holds an M.A. and a Ph. D. in economics from Stanford University and has been a faculty member of the University of Chicago in the economics and political science departments. He has published articles and reviews in his field, is a staff writer for the Journal of Property Management and for the National Market Letter, and the author of "An Economic Theory of Democracy.")

Recent experience on expressways in large U.S. cities suggests that traffic congestion is here forever. Apparently, no matter how many new superroads are built connecting outlying areas with the downtown business district, auto-driving commuters still move at a crawl during the morning and evening rush hours.

To many a frustrated commuter, this result indicates absymally bad foresight by highway planners. However, the real cause of peak-hour congestion is not poor planning, but the operation of traffic equilibrium. In fact, its results are so automatic we can even put them in the form of Downs' law of peak-hour traffic congestion, or Parkinson's second law adapted to traffic: On urban commuter expressways, peak-hour traffic congestion rises to meet maximum capacity.[1]

Behind his law lies a complex set of forces which we can best analyze by constructing a model of commuter decisionmaking based on the following assumptions:

1. Every commuter seeks to minimize the total amount of time he spends en route to and from work, within four major constraints:

(a) Income: This constraint limits the means of transportation available to the commuter. Helicopters are now the technically fastest means of movement available to most commuters, but only one in a million can afford them. Thus time minimization means seeking the shortest time that is economically feasible.

(b) Money costs of transportation: A marked change in these costs (such as doubling of the subway fare) may shift a commuter from one means of transit to another. For purposes of our analysis, however, we will assume that no changes occur in the money costs of various forms of transportation unless specifically mentioned.

(c) Place of residence: Some residential areas are not served by public transportation. Others have very restricted parking for automobiles. Hence, each person's choice of where to live influences to some extent what means of transportation he will select in commuting. We will take everyone's place of residence as given for purposes of our analysis, even though the level of congestion may have definite feedbacks influencing longrun choices concerning job and residence location.

(d) Personal comfort: Some auto-driving commuters could make faster time on public transportation, but the desire to avoid crowding and to be independent of time-scheduled trips undoubtedly makes comfort a factor in commuter patterns.

2. Most commuters follow the law of inertia; that is, once a commuter has selected a means of transportation and a specific route, he continues to follow it until some alteration in his environment pushes him across his route-decision threshold.

3. Route-changing alteration in a commuter's environment consists of some event which convinces the commuter that he could reduce his travel time by shifting his route (or his means of transportation).

4. For convenience, we can classify all commuters into two basic categories: those with low thresholds (explorers) and those with high thresholds (sheep).

(a) Explorers are imaginative, high-strung, aggressive drivers who constantly search for some new route that will save them 1 or 2 minutes' driving time.

(b) Sheep are more placid, patient, and resigned than explorers. They tend to follow the leader and to travel the same route unless some significant change in their environment occurs.

Every weekday morning, thousands of commuters set out from their homes for work. Within the constraints described and through a process of trial and error, they choose means of transportation and specific routes calculated to minimize their time en route. Assume that there are two routes for auto-driving commuters from Natick, Mass., to downtown Boston. Both routes carry commuters over roads also traversed my many more motorists driving to Boston from other suburbs, and by other motorists driving across the downtown-bound flow of traffic. Thus the congestion experienced by commuters from Natick is a result of the decisions made by residents of a great many other parts of the metropolitan area beside Natick. Out of these myriad individual decisions comes a typical time consumed going downtown from Natick on route A and another typical time consumed by going on route B.

TRAFFIC EQUILIBRIUM

If these two times are about equal, then a balance is established for auto-driving Natick commuters. If they are not equal, imbalance exists. Explorers shifting from one route to the other, because of ephemeral obstacles on their usual path, will soon discover that one (say, route A) takes less time; hence they will make route A their normal path. Gradually word will filter around Natick and more driving commuters will shift from B to A. Similarly, commuters who live in other towns but also use routes A and B will be reacting in the same way. As the level of congestion on route A rises and that on route B falls, the total time required on route A increases and that on route B decreases. When the two travel times become equal, equilibrium has been established.

Normally, each such equilibrium is relatively stable because of the sheep, whose inertia keeps them grooved in the same route unless they receive decisive knowledge that another route is consistently faster. Since sheep outnumber explorers, the main streams of traffic on each major route remains the same day in and day out. On the margin, the explorers are ranging afield, testing other possibilities. If conditions change and they discover a faster route, they all vanish from the slower ones, and gradually some of the sheep follow. Ultimately, a new equilibrium is established.

In order to analyze the effect of a new expressway upon commuter congestion, let us assume that traffic equilibrium has been reached prior to the creation of the expressway. Then a new superhighway is opened connecting the downtown business district with outlying suburban areas. This road is a nonstop limited-access highway with multiple lanes in each direction. It has been cut through the city in such a way that its linear length is less than the length of any alternative combinations of existing streets. As a result, the no-traffic, nonstop driving time between the residential areas served by the new road and downtown is much less than on previously existing routes at any given automobile speed.

What happens to commuter congestion when such a new highway opens? To some extent, the answer depends upon what forms of public transportation are operating in the city concerned. Therefore we will consider three separate cases. We will also assume for the moment that both the total number of commuters and automobile ownership among them remain the same before and after the new expressway is opened.

CASE A: A CITY WITH AUTO-DRIVING COMMUTERS ONLY

Where all commuters travel by automobile, the opening of a new expressway reduces peak-hour traffic congestion on many previously existing streets, because large numbers of commuters shift onto the new expressway. At first, they are able to make much better time on the expressway. However, word of this time disequilibrium soon spreads, and even more commuters shift from other routes onto the expressway. Gradually the time required for commuting on the expressway rises as peak-hour congestion increases, whereas the time required on alternate routes falls as traffic on them decreases. When these two times become identical, equilibrium is restored.

At the new equilibrium point, the rush-hour level of congestion on previously existing routes paralleling the expressway is considerably lower than it was earlier. Commuting on these routes, therefore, requires less time than before.

However, the rush-hour level of congestion on the expressway almost always exceeds its designed optimal capacity. For example, assume that the new road is designed to move 6,000 cars per hour past a given point at a speed of 50 miles per hour. When traffic volume at the peak hour has risen to 6,000 cars per hour, these cars will still be moving at 50 miles per hour. Since this speed is probably faster than the speed attainable on previously existing city routes marked by cross streets and stoplights, equilibrium will not have been reached. More cars will move onto the expressway from other routes until the speeds on all routes are identical. However, even at this point, equilibrium will not have been reached. The expressway is shorter than the other routes; hence motorists traveling at the same average speeds over all routes will still arrive at their destinations faster on the expressway. Therefore route shifting onto the expressway will continue until the average speed on the expressway is reduced to below the average speed on alternate routes. Clearly, the expressway was designed to handle traffic at higher speeds than previously existing roadways; yet, at equilibrium, traffic on the expressway is moving more slowly than traffic on the older routes. Therefore we can say that congestion on the expressway has risen to surpass its optimal capacity. This result is a necessary outcome of the forces of traffic equilibrium.

It should be pointed out that the maximum capacity of an expressway is not attained at the relatively high speed at which the designers of the expressway intended it to carry traffic. As the average speed of traffic along a major road increases, the average interval between cars rises, because drivers tend to allow themselves more room for braking. This reduces the total number of cars passing a given point in any period of time. In lower ranges of speed, such increases in interval are more than offset by the fact that more cars can pass a given point during 1 hour because the cars are moving faster. But above 35 to 40 miles per hour, the effect of larger average intervals between cars outweighs the effect of increased speed, so the total number of cars that can pass a given point in an hour declines. Therefore, as the number of cars entering an expressway per hour rises, a point is eventually reached at which all cars must slow down to accommodate the heavier traffic going by a given point in 1 hour.[2]

---

[1] C. Northcote Parkinson, "The Law and the Profits," Houghton Mifflin, Boston, 1960. It should be noted that this article deals exclusively with expressways which do not require their users to pay any direct tolls in order to drive upon them. The possibility of limiting congestion on such roads by introducing high tolls has been extensively discussed in the literature of economics and highway planning. However, most of the commuter expressways currently being built do not levy any direct tolls on their users. Therefore the analysis presented in this paper is relevant to the majority of cities in which commuter expressways exist, are under construction, or are being planned. For a discussion of the toll problem, see James Buchanan, "Private Ownership and Common Usage: The Road Case Re-Examined," Southern Economic Journal, vol. XXII, No. 3, January 1956, pp. 305–316.

Since most modern expressways are designed to carry traffic at 50 miles per hour or faster, the number of vehicles they can carry past a given point per hour at this optimal speed is smaller than the maximum number which they can carry by this point in an hour. Therefore, when traffic volume rises markedly, the commuters' average speed is forced below this optimal speed and congestion surpasses the optimal capacity of the expressway. As we pointed out above, this is exactly what happens in our theoretical model of commuter behavior.

The only way in which such heavy congestion could be avoided is through creation of a single expressway or system of expressways with such an enormous capacity that all the commuters formerly driving on parallel conventional streets could use the new facilities and still maintain optimal speeds. Furthermore, such facilities would have to be wide enough to carry most of these commuters simultaneously. Some auto-driving commuters attempt to avoid peak-hour congestion by leaving earlier or later than the period of greatest crowding. However, even if a new expressway were wide enough to carry all the peak-period traffic formerly moving on conventional streets, a telescoping of this "spreading out" over time would probably occur after the expressway opened. Drivers who previously left earlier or later than the peak moment to avoid maximum crowding would soon discover that they could depart closer to the peak moment, since the new expressway would reduce congestion at that moment. Therefore more and more commuters would tend to leave right at or around the moment of maximum convenience (assuming most government offices and businesses continued to open and let out at about the same time). This would tend to push the level of crowding at that moment back to where it was before the expressway was opened, although it would also make the total peak period of shorter duration. Thus convergences in commuters' time schedules as well as their route schedules tend to force the level of congestion on an expressway during peak hours upward to the maximum capacity of the expressway. In pure theory, only a road or system of roads wide enough to carry every commuter simultaneously at an optimal speed would be sufficient to eliminate all peak-hour congestion. It is obvious that no such roads are practical unless we convert our metropolitan areas into giant cement slabs. Therefore, Downs' law still holds: congestion at the peak hour will rise until the commuters' average speed is forced below the optimal speed for which the expressway was designed.

In summary, a new expressway serving the downtown district of a city in which all commuters travel by car will have the following effects:

1. It will reduce traffic on existing streets, thereby decreasing the average journey time on those streets for the commuters who still use them.

2. It will carry very heavy traffic loads during rush hours, heavier than its optimal capacity; hence serious congestion will be created. Nevertheless, commuters using the expressway will have faster commuting trips than they did before it was opened.[3]

3. It will shorten the duration of the period of peak traffic congestion.

Whether the total time savings experienced in a city after a new expressway is opened—plus other benefits, such as greater safety—are sufficient to balance the cost of constructing the road depends upon the particular factors involved in each city; hence we cannot reach any conclusion about it here.

CASE B: A CITY WITH BOTH AUTO-DRIVING AND BUS-RIDING COMMUTERS

A great many U.S. cities have extensive bus networks (some including fixed-rail streetcars) which carry thousands of commuters to work each day. How will the effects of a new suburbs-to-downtown expressway in such a city differ from its effects in a city with only auto-driving commuters?

Right after the expressway is introduced, congestion on all existing streets falls, as described in the first case above. This enables buses as well as cars to move faster at peak hours, thus providing better service to bus riders. However, in relative terms, bus service does not speed up as fast as commuting by automobile. Buses must stop and start to pick up and discharge passengers. Such delays take about the same time no matter how much traffic exists on the streets. The total amount of time thus consumed is a fixed cost of each bus route. For express buses which load in a few stops in outlying areas and run nonstop downtown (vice versa in the evening), this fixed cost constitutes a relatively small proportion of total trip time. But for local buses which stop every few blocks throughout their route, this fixed cost may consume a considerable portion of total trip time.

Therefore, even though the time cost of both bus and automobile commuting falls when the expressway opens, the time cost of bus commuting falls considerably less than that of automobile commuting. As a result, some commuters shift from buses to driving their own cars. This causes a rise in congestion that partially offsets the initial improvement in travel speed effected by the opening of the expressway.

The extent to which this feedback tends to return traffic congestion on city streets to its preexpressway level depends upon such factors as (1) the percentage of commuters who traveled by bus on routes paralleling the expressway before the latter was opened; (2) the percentage of such bus commuters who used local as opposed to express bus service; (3) the incomes of bus commuters; and (4) the availability and cost of terminal parking facilities in the downtown area.

If any large number of commuters abandon buses and start driving to work, a second feedback occurs: the cost of bus travel per person rises. As passenger revenues fall, buslines find themselves under increasing pressure to reduce service or to raise fares. Either move has the effect of driving more bus commuters to using their automobiles, thus worsening the bus revenue situation.

This second feedback has two possible outcomes. In the most drastic case, each attempt by the busline to adjust to lower passenger revenues by raising fares or cutting service causes so many more passengers to switch to automobiles that another adjustment is required, which causes more passengers to quit riding, thus requiring another adjustment, etc., until the busline goes bankrupt and ceases operation.[4] However, it is unlikely that construction of any one expressway in a city will cause its buslines to go bankrupt. Each expressway serves only a part of the entire metropolitan area, whereas its bus routes usually serve a much larger portion of the area. Therefore a very slight fare increase over the whole bus system would probably compensate for a very large withdrawal of customers in the section competing with the expressway. For this reason, the shifts in modes of transportation caused by the opening of one new expressway are likely to bring about a new equilibrium at a point where most of the bus service extant before the expressway appeared is still in effect.

But completion of a whole series of new expressways in one city may produce a very serious cumulative effect upon the city's bus system. If all of these expressways together serve almost the entire area also served by the bus system, the total withdrawal of commuting bus passengers into private automobile commuting may be very large indeed. Hence the downward spiral into bankruptcy described above may actually occur. Because not many U.S. cities have whole networks of expressways serving commuters in all parts of their metropolitan areas, the results of this process are not yet clear. Of course, insofar as any revenue losses induced by new expressways are made up through subsidies to the buslines, no spiral effect such as that described above will occur.

Assuming that some buslines are still operating after a new equilibrium point is established, this equilibrium will have the following characteristics in relation to the preexpressway situation:

1. Commuting time will be less than before the expressway opened for all commuters.

2. A smaller proportion of all commuters will ride buses to and from work, and a larger proportion will use automobiles.

3. Either the per person, per mile cost of providing bus service will have risen because of fewer passengers, or total bus service will have been curtailed, or both.

4. Because more automobiles will be used in commuting than formerly, a smaller improvement in traffic congestion (and hence a smaller reduction in commuting time) will have occurred than would have been the case if the same number of commuters used automobiles as before the expressway was opened.

CASE C: A CITY WITH SEGREGATED TRACK PUBLIC TRANSIT AND AUTO-DRIVING COMMUTERS

The third major type of commuter transportation (besides autos and buses) employed in the United States is transit with segregated tracks. That is, its rails or roadways are separated from other land uses and other forms of transportation (including streets) by elevation, depression, or fencing. Such transit includes subway trains, elevated trains, and steam and diesel-electric

---

[2] For a discussion of relation between speed and hourly capacity, see Theodore M. Watson, Wilbur S. Smith, and Frederick W. Hurd, "Traffic Engineering," McGraw-Hill Book Co., Inc., New York, 1955, p. 382. The table on the indicated page shows the following specific relationship for highways of four or more lanes:

Vehicles per lane per hour (maximum):	*Speed (miles per hour)*
1,500	35–40
1,250	40–45
1,000	45–50

[3] For some evidence verifying this conclusion, see Paul T. McElhiney, "Evaluating Freeway Performance in Los Angeles," Traffic Quarterly, vol. XIV, No. 3, July 1960, pp. 296–312.

[4] The ultimate equilibrium point (even if it occurs only when the bus operator becomes bankrupt) is essentially determined by the immediate shift in the demand for bus service caused by the opening of the new expressway. If the demand curve for bus service shifts completely to the left of the average total cost curve of the bus company, bankruptcy will inevitably result eventually. If not, equilibrium will eventually be established with some buses still running. The spiral of repeated fare increases and passenger losses which I have described is simply the process by which the bus company discovers the new equilibrium point (which may be bankruptcy). The spiral thus does not cause such an equilibrium to come into being. I am indebted to Prof. Donald Bear of the University of Chicago for pointing out this relationship.

railroad trains. These forms of transportation all have one crucial characteristic in common: since their rights-of-way are completely separated from automobile traffic, the level of automobile congestion has no direct effect upon their speed or efficiency.

In a city served by such segregated track transit facilities, the effects of the opening of a new expressway are initially the same as those described in the two preceding sections. Traffic congestion falls on all city streets, and the expressway experiences heavy peak-hour congestion, but all street-using commuters (including those on buses and streetcars) spend less time en route than they did before the expressway opened. However, because the fall in traffic congestion on city streets has no effect whatsoever on the speed of vehicles using segregated tracks, commuters riding such vehicles experience no reduction in commuting time. Thus there is a sharp change in the relative desirability of automobiles versus segregated track transit—a change favoring automobiles. Consequently, many commuters who formerly used segregated track transit shift to automobiles.

Furthermore, the expressway cuts even more deeply into the segregated track system's noncommuter traffic. During rush hours, the expressway becomes extremely crowded, as indicated in previous sections of this analysis. But between rush periods, the expressway provides a relatively congestion-free, high-speed means for shoppers and other noncommuting travelers to move to and from the downtown area; hence it constitutes a dramatic improvement over preexisting streets or other means of transit. This improvement creates a sharp disequilibrium in the previous distribution of noncommuting passengers among means of transportation—one proportionally much greater than the corresponding disequilibrium concerning commuters. Therefore, a great many non-peak-hour travelers shift from fixed-rail transit to automobiles. As a result, the total passenger load of the fixed rail, segregated track system becomes more and more concentrated in rush hours.

The New York subway system provides a striking illustration of this tendency. In the period from 1948 to 1956, the number of subway passengers entering the Manhattan business district on a typical business day during the morning rush hours (from 7 a.m. to 10 a.m.) fell 11.7 percent. But during the other 21 hours of the day, inbound passenger loads dropped 20.8 percent. These figures reflect both impacts of increased automobile usage upon segregated track transit: a decline in overall traffic and a much heavier concentration of the remaining traffic in a few peak hours.[5]

These two impacts reduce both the total revenue accruing to the system and its efficiency in terms of cost per passenger per mile. As revenues fall and costs rise, the system finds itself in a perilous "squeeze." Its usual reactions are increases in fares and reductions in service or both. As with bus travel, these adjustments often cause further withdrawals of passengers from the system.

A dramatic example is provided by the Chicago & North Western Railway. Often cited in recent years as a model of commuter service modernization, the Chicago & North Western was making a small profit on its suburban passenger business before two new expressways opened in late 1960. Each of these superroads paralleled a set of existing Chicago & North Western tracks connecting downtown Chicago with outlying areas. Within 3 months after these two expressways opened, the railroad's suburban passenger traffic declined 9.6 percent. Furthermore, this fall in traffic shifted the results of overall suburban passenger operations from a profit to a loss.[6]

In any city where the number of nonautomobile commuters is relatively large, the shift from other means of commuting to automobiles may become extremely significant, especially if a whole network of expressways is built converging on the downtown area. Some of our larger metropolises still have sizable pools of such potential "shifters" riding segregated track transit. In Chicago, about 45 percent of all persons entering the central business district on a typical day in 1959 used such transit.[7] In New York, 66 percent of all persons entering the Manhattan business district on a typical business day in 1956 traveled on segregated track facilities.[8] However, the number of persons using this type of transit is steadily declining as the automobile gains in popularity. Thus the percentage of persons entering Manhattan's central business district by auto and taxi rose from 15.7 in 1948 to 22.2 in 1956; whereas the percentage using segregated track transit fell from 72.4 to 66.4 during the same period.[9]

As more and more commuters start using their automobiles to reach work, the level of traffic congestion begins to return to the level existing before the expressway improved traffic conditions. Theoretically, such shifting could continue until the original automobile commuting time was reestablished in spite of the added capacity introduced by the expressway.

Since the time required for commuting by rail is not changed by the introduction of the expressway, it would seem that the original equilibrium would reappear when the initial automobile commuting time was again required. But the original situation can never return. The new expressway has absorbed a great many former riders of segregated track transit, thereby permanently lowering the number of passengers using such transit. Therefore, even if congestion on the expressway rises so high that the original automobile commuting time is restored, the number of passengers riding segregated track transit at that point is much lower than it was before the expressway opened. Because of the high fixed costs in transit operations, such a fall in total traffic almost always raises the average cost per passenger. Thus when total passenger traffic falls, and that which remains becomes more concentrated during peak hours, segregated track transit firms are forced to raise fares or reduce service or both, as noted before. These changes diminish the attractiveness of their service compared to automobile transportation.

If a very large number of persons shift from segregated track transit to automobiles, the cost of such transit per passenger may rise so high that its attractiveness is drastically reduced. In such a case, congestion on the highways may have to become slightly worse than it was before the expressway was opened before automobile travel becomes just as undersirable as segregated track transit travel. But only the marginal equality of these two undesirabilities can establish a new equilibrium. We thus arrive at the paradoxical conclusion that the opening of an expressway could conceivably cause traffic congestion to become worse instead of better, and automobile commuting times to rise instead of fall.

In fact, this result is almost a certainty if the segregated track transit firms are caught in the kind of downward spiral into bankruptcy described in connection with buses. For if these firms actually go bankrupt and are forced to withdraw their services from the market altogether, all commuters formerly riding them will have to use automobiles or buses, and congestion on the streets will rise to record levels. The recent bankruptcy of the New York, New Haven & Hartford Railroad shows that this analysis is by no means purely theoretical. Of course, if Government agencies and public receivers take over the bankrupt transit facilities and run them at a loss, this drastic outcome would be prevented.

However, it is probably likely that a new equilibrium will be established before highway traffic congestion has reached its preexpressway level. But even in such cases, the expressway will be extremely crowded during peak hours—almost certainly loaded beyond its optimal capacity. Therefore, the basic law propounded at the beginning of this article—congestion rises to meet maximum capacity—will still hold true.

When a new equilibrium is finally established, it will have the following characteristics in relation to the preexpressway situation:

1. A larger proportion of all commuters will use automobiles, and a significantly smaller proportion will use segregated track transit.

2. Passenger loads on segregated track transit will not only be smaller; they will also be more heavily concentrated during peak travel hours.

3. The aforementioned load changes will raise the per person, per mile cost of providing segregated track transit.

4. Segregated track transit facilities will have made a stable adjustment to their higher costs and lower revenues in one of the following ways:

(a) By raising fares.

(b) By reducing service.

(c) By accepting lower profits (or greater losses), whether or not compensated by more subsidies.

(d) By some combination of the above.

(e) By going out of business.

5. Peak-hour congestion and average commuting time per trip on city streets other than the expressway may be less than, equal to, or greater than it was before the expressway opened, depending upon the shift of commuters from nonautomobile to automobile commuting.

6. Peak-hour congestion on the new expressway will surpass its optimal capacity; hence the average speed of commuters using it will probably be lower than the average speed of those using alternative routes on older city streets (although the total commuting time for both will be the same), even if the average commuting time for all auto-driving commuters has fallen.

MORE PEOPLE AND MORE CARS

Throughout the preceding analysis, we have assumed that both the number of commuters and automobile ownership among them were the same before and after the expressway was opened. Removal of these two assumptions raises still further the probability that a new expressway will be over-congested during rush hours.

---

[5] Edgar M. Hoover and Raymond Vernon, "Anatomy of a Metropolis," Harvard University Press, 1959, Cambridge, p. 218.

[6] Figures taken from a statement made by Mr. Larry S. Provo, vice president and comptroller, at a hearing before the Interstate Commerce Commission concerning the future of the Chicago & North Shore Railroad. Mr. Provo emphasized that the loss of passengers indicated was not a result of the general economic recession of 1960–61, since the number of suburban passengers on the Chicago & North Western Railway had been rising in the recession months before the expressways opened, and also rose during the previous recessions of 1953–54 and 1957–58.

[7] "Chicago Area Transportation Study," vol. II. Study conducted under the sponsorship of the State of Illinois, county of Cook, and city of Chicago in cooperation with the U.S. Department of Commerce, Chicago, 1961.

[8] Hoover and Vernon, op. cit., p. 217.

[9] Ibid.

In spite of the explosive population growth in most U.S. metropolitan areas during the past 20 years, the number of persons in each major city commuting daily between outlying areas and the central business district has not always risen. In Chicago, for example, the total number of persons entering the central business district during a typical day in May declined from 1947 to 1959 by about 8 percent. However, the number of persons using automobiles to enter the same area during the same periods has risen about 15 percent.[10] Figures for New York City show similar trends.[11] This greater use of automobiles for commuting is only partly the result of new expressways. Actually, Chicago's two largest nonstop expressways for commuters were not opened until late in 1960; hence they have just begun to affect commuting patterns and are not reflected in the above statistics.

The primary causes of the shift to automobiles shown by these statistics are: (1) higher automobile ownership and use, and (2) the isolation of new areas of population growth from nonautomobile transit. From 1947 to 1959, automobile registration in the city of Chicago rose 67 percent; whereas total population did not rise at all. Within all of Cook and Du Page Counties (including Chicago), automobile registration jumped 96 percent, whereas population increased only about 22 percent.[12] For the Nation as a whole, motor vehicle registration from 1945 to 1959 rose by 130 percent to a total of 71.5 million vehicles, but population increased by only 33 percent.[13]

Thus, throughout the Nation, the tremendous increase in ownership of automobiles during the postwar period has markedly raised the inclination of commuters to drive to work. Furthermore, low-density suburban housing has spread across the landscape into many areas quite distant from the nearest nonautomobile transportation. In such places, use of automobiles for getting at least part way to and from work is absolutely essential.

If we introduce into our model of commuting behavior analogous changes in (1) automobile ownership, (2) total population, and (3) population distribution, our conclusions regarding peak-hour overcrowding on expressways are strongly reinforced. Furthermore, automobile ownership is expected to continue rising rapidly, especially if real incomes continue to increase. The conclusion is inescapable that peak-hour traffic congestion on commuter expressways is likely to increase throughout the foreseeable future.

All of the preceding analysis is based upon the axioms concerning commuter behavior stated early in this article. If those axioms accurately describe the way commuters behave in the real world, our analysis leads to the following major conclusions:

1. Peak-hour traffic congestion on any expressway linking a central business district and outlying areas will almost always rise to surpass the optimal capacity of the expressway.

2. Therefore, in relatively large metropolitan areas, it is impossible to build expressways wide enough to carry rush-hour traffic at the speed and congestion levels normally considered optimal for such roads. The forces of traffic equilibrium will inevitably produce enough overcrowding to drive the actual average speed during peak hours to a level below the optimal speed.

3. Commuters driving on expressways should resign themselves to encountering heavy traffic congestion every day, even though they may spend less time commuting than they did before using expressways.

4. Since urban expressways cannot be designed large enough to eliminate rush-hour traffic congestion, other design goals must be employed to decide how large a capacity each such expressway should have. The only goal regarding commuting which is feasible is reduction of the average amount of time spent by commuters per trip. Low congestion and optimal speeds during nonpeak hours probably constitute much more practical goals for the design of urban expressways than any goal connected with rush-hour traffic movements.

5. Under certain conditions, the opening of an expressway may make rush-hour traffic congestion worse than before the expressway was built. This outcome can occur only in cities in which a high proportion of commuter traffic is carried by segregated track transportation facilities before the expressway is opened.

6. Thus any program of expressway planning and construction must be integrated with similar programs concerning other forms of transit in the area if it is not to cause unforeseen and possible deleterious effects upon the level of automobile traffic congestion therein. In particular, marked improvement of roads without any improvement in segregated track transit may cause automobile traffic congestion to get worse instead of better. Since the United States has already launched a massive road improvement program, which includes construction of many urban expressways, continued failure to undertake an analogous program for other forms of urban commuter transit may result in a generally higher level of rush-hour automobile traffic congestion in those cities which now have extensive segregated track transit facilities serving commuters. Therefore such possibilities as the charging of direct tolls on expressways and the expenditure of auto toll collections or gasoline tax revenues on segregated track transit should be thoroughly explored as means of developing a balanced urban transportation system.

THE 60TH ANNIVERSARY OF ST. STEPHEN'S PARISH

Mr. WILLIAMS of New Jersey. Mr. President, on Sunday, September 23, 1962, the St. Stephen's Slovak Roman Catholic parish in Newark, N.J., celebrated its diamond jubilee. On this occasion, its pastor, Rev. George C. Senderak and parishioners received a papal blessing from Pope John XXIII, imparted to them by Most. Rev. Archbishop Thomas A. Boland through the apostolic delegate, Archbishop Vagnozzi. Also, Governor Richard Hughes of New Jersey sent his felicitations, which were received most enthusiastically by some 600 parishioners and friends at the Club Navaho, Irvington, N.J., where the diamond jubilee banquet was held. On this occasion, Mr. John C. Sciranka, well-known American-Slovak journalist of Passaic, N.J., compiled the following brief history on St. Stephen's parish and the Newark Slovaks, whom I take this opportunity to felicitate and ask unanimous consent that it be printed in the Record.

There being no objection, the history was ordered to be printed in the Record, as follows:

The 60th Anniversary of St. Stephen's Slovak Catholic Parish and the Newark Slovaks

(By John C. Sciranka)

On Sunday, September 23, 1962, when the Slovak Roman Catholic parish of St. Stephen, the protomartyr, located at 225 Bruce Street, Newark, N.J., observed the 60th anniversary of the dedication of its church, it is fitting to review the history of Newark Slovaks who have settled in this the largest city of New Jersey some four score years ago.

The anniversary celebration commenced with a solemn mass of thanksgiving celebrated by its present pastor, Rev. George C. Senderak, who was assisted by Rev. Dr. Clement A. Ockay, professor at Seton Hall University, as deacon; Rev. Michael Simko, former administrator, subdeacon, and Rev. Francis Reiboldt, master of ceremonies. His Excellency Most Rev. Thomas A. Boland, archbishop of the Newark archdiocese, presided. Very Rev. Msgr. Joseph Costello, vice chancellor, was master of ceremonies. Rt. Rev. Msgr. Andrew J. Romanak, P.A., first American of Slovak descent to be elevated to the dignity of protonotary apostolic in the Eastern States preached on this solemn occasion. Monsignor Romanak is the illustrious son, who was born in Newark on November 30, 1896. He recalls that his mother, Miss Mary Hudak, came to America from Slovakia in 1883 and his father, John Romanak, in 1885. They were married in SS. Cyril and Methodius Church, New York City, in 1885 and settled in Newark, N.J. This proves that the Slovaks lived in Newark then, although in a small number.

The records show that the first Slovak society "Nárondá Slovenská Dobroáinnost" (National Slovak Charity) was organized here on July 7, 1890, and on November 16, 1890, admitted as assembly 23 of the National Slovak Society with 23 members. The first meeting was held in the home of Stephen Salasovic, 91 Springfield Avenue. Their first amateur Slovak play, "Pater Peter," was given on November 2, 1890. The following were its first officers: Ferdinand Mascuch, president; Frank Dzadazan, vice president; Joseph Martinka, recording secretary; Stephen Salasovic, financial secretary; John Hurej, treasurer; John Richter, auditor; John Tkach, marshal; John Varga, sergeant at arms; John Argalas, Max Martinka, and Ladislaus Jennik, financial committee.

But it was the St. John the Baptist Slovak Catholic Society, founded on April 12, 1891, which gave the impetus to the founding of St. Stephen's parish. This society became branch 58 of the First Catholic Slovak Union of the U.S.A. and Canada and was the first to donate $500 for the new parish.

The Slovak Catholics, although in greater number than the Slovak Lutherans, since over 85 percent of the population of Slovakia is still Catholic, founded their parish in Newark much later than their Lutheran countrymen. This, however, encouraged them to establish and build their own church. In passing we wish to establish the fact that the Slovak Lutheran Church of Holy Trinity was founded in Newark, N.J., on June 3, 1893. Its pastor for over 40 years was the well-known fraternalist, Rev. Ludevit Novomesky, who is closely associated with the history of the first Slovak organization in America, the National Slovak Society. Reverend Novomesky labored in Newark for over 40 years. His wife, Mrs. Pauline Novomesky was a well-known leader among women and was the supreme president of Zivena (Goddess of Life), oldest Slovak women's organization in America, founded in 1891. Reverend Novomesky was assisted for some 15 years in his parish by Rev. Dr. Gustave Cernansky. The present pastor is Rev. Paul Baranek, a native of downtown New York.

---

[10] "Cordon Count Data of the Central Business District," Bureau of Street Traffic, City of Chicago, 1961, table 3.

[11] Hoover and Vernon, op. cit., p. 217.

[12] "Chicago Area Transportation Study," op. cit.

[13] U.S. Bureau of the Census, "Statistical Abstract of the United States: 1960," 81st edition, Washington, D.C., 1960, pp. 5, 560.

The Slovak Lutherans formed about 33 years ago another parish "Sion," of which Rev. William Hinlicky is present pastor.

The Greek Catholics of Byzantine rite also formed their parish of St. George close to a half century ago.

FIRST PARISH MEETING

But the Slovak Catholics started their organization work on May 6, 1900. John Merjavi, temporary treasurer, presided. It was decided to establish the Parish Society of St. John the Baptist. The following first officers were elected: Joseph Shefcik, president; George Zbojan, vice president; Albert Suchy, financial secretary; Frank Belanovich, recording secretary; and John Alexovic, treasurer.

According to Gabriel Lantos, zealous worker of the parish, who compiled the data for the Slovak Souvenir Journal on this 60th anniversary, their first collection amounted to $9.75 and the expenses were $10.63. But they had faith, hope and charity and elected a committee to seek a place of worship and a possible building, which they could purchase for a church.

This committee consisted of the following pioneers: I. Kriger, Stephen Zeleny, Jr., John Hurej, M. Dancak, M. Druzbecki and Andrew Havran.

On the second meeting, May 20, 1900, it was decided to send a committee to the Most Reverend Winand Wigger, D.D., then the bishop of Newark, for his counsel and permission: J. Skurkaj, J. Merjavi, John Alexovic and M. Dancak called on the bishop, who soon after came personally to their third meeting to encourage them in their work and give them necessary assistance. They have formally petitioned the bishop to give them permission and blessing for their work, which he granted with fatherly counsel and encouragement. However, the bishop advised them that inasmuch as there was already another St. John the Baptist parish in the city of Newark, that they choose another patron saint. Some have suggested SS. Cyril and Methodius. But the majority selected St. Stephen, protomartyr. They continued in their work and on July 1, 1960, the bylaws of the partish sent to them by Bishop Wigger were read and translated into the Slovak language. The parish was incorporated and Ferdinand Mascuch and Albert Suchy were elected first lay trustees.

MRS. FRANK BELANOVICH, FIRST WOMAN WORKER

Mr. Lantos relates that according to the minutes of the eighth meeting, held on September 2, 1900, the name of a first woman parishioner was prominently mentioned. She was Mrs. Frank Belanovich, who has raised the largest sum of money for the parish, excelling all the men collectors, for which she received praise and the men voted to present her with a gift.

FIRST TEMPORARY PASTOR AND SUCCEEDING PASTORS

It was only at the 14th meeting, held on February 3, 1901, that the name of Father Shodek, first temporary pastor, was mentioned. Here it was decided that they hold masses Sunday and holy days in the St. Mary's (German Parish Hall). Monsignor Romanak recalls that as a boy, that he attended masses with his parents at the St. Mary's Hall and Father Policarp, a German priest, who spoke Slavonic languages, is remembered as the first benefactor and patron of the Slovaks. The first mass was celebrated there on Sunday, February 10, 1901. But several meetings later Rev. Emmanuel Zdenek is mentioned as a priest, who also served the new parish. He remained with the young parish and was given a vote of confidence and full support at several meetings.

The records show that Father Julius Szabo served the parish from January 5, 1902. It was during his pastorate that lots were bought on Bruce Street and the final incorporation of the parish completed. On June 1, 1902, it was announced that the financial arrangements were completed to erect a new church in the sum of $30,000. But Father Szabo left the parish and Father Paul Viragh was administrator for a brief period. The blessing of a cornerstone was a great event. But even greater was the blessing of a new church. The new pastor, Father Joseph Pospech, a well-known Slovak, became pastor on November 3, 1902, and in a brief time completed the building of a church for a dedication celebration on Sunday, December 14, 1902. Most Rev. John J. O'Connor, new bishop of the Newark diocese, blessed the edifice with a large attendance of Slovak priests. Rev. Matthew Jankola, from Hazleton, Pa., founder of the Slovak religious congregation of the Sisters of Saints Cyril and Methodius and Rev. John Stas, well-known writer and organizer of Slovak youth from Olyphant, Pa., attended the blessing ceremonies, which caused great joy among the Slovaks.

After the departure of Father Pospech, Father Charles Weisser assumed pastorate on January 14, 1906, and remained with the parish until his death on November 12, 1920.

After his death, Father F. Denes, Father William Biskorovany, later of Guttenberg, N.J., and Father John Miklus were administrators of the parish.

On December 19, 1920, Father Anton Gracik, well-known linguist became pastor. Father Gracik was editor of the Good Shepherd, official organ of the Slovak Catholic Federation of America and was the federation's representative to Slovakia after World War I, to aid the persecuted priests. He was also the president of the Slovak Catholic Federation a half century ago. He also published Ave Maria, a Slovak religious monthly after the death of Rev. Gaspar J. Panik.

During his pastorate the parish was visited by four bishops of Slovakia in 1926, namely, Marian Blaha, Jan Vojtassak, Paul Jantausch, and Joseph Carsky, and also the well-known champion of Slovak freedom, Msgr. Andrew Hlinka. It is to be noted that Bishop Vojtassak, now imprisoned by the Communists, was a schoolmate of Father Gracik and Bishop Jantausch's brother lived in Newark, where his family still resides. It is to be also noted that Gen. Milan R. Stefanik, well-known Slovak scientist and liberator, also visited Newark on two occasions, for his brother resided here.

Father Gracik retired in 1955 and died near Allentown, Pa., on October 6, 1956.

After his death Father John F. Pagash was named pastor, but he served only a brief period of time. Father Clement A. Ockay, dean of studies at Seton Hall University and Father Michael S. Simko served as administrators until May 1960, when Archbishop Boland appointed Father Senderak as pastor.

The following priests served as curates of St. Stephen's Parish: Rev. John F. Pagash, Rev. Michael E. Komar, Rev. Michael A. Hudak, Rev. Thomas A. Onacilla, Rev. Michael S. Simko, and Rev. George Senderak.

The present pastor, Father Senderak, is a native of Bridgeport, Conn. He was ordained to the priesthood by the late Archbishop Thomas Walsh on May 5, 1945. He served as curate at St. Catherine's parish, Hillside, N.J.; St. Joseph's, Bayonne, N.J., when the late Msgr. Andrew L. Adzima was pastor; then for 7½ years as assistant to Father Gracik in Newark and 4 years as assistant to the late Msgr. Emery A. Haitinger and after his death, administrator of St. Joseph's parish in Elizabeth, N.J.

The parish has many church and fraternal societies. The Society of St. Ann, Branch 234, of the First Catholic Slovak Union, was founded in October 1906; the Leaf 31, of the First Slovak Wreath of the Free Eagle in 1907.

Assembly 76, Society of St. George, Slovak Catholic Sokol, was founded on October 10, 1910, and Wreath 37 on February 1, 1912. The Newark Slovak Catholic Sokols gave the organization its third supreme president, the late Gustave Kosik and Mrs. M. Kardos Skiba was supreme vice president.

The Newark Slovaks also have the National Sokol Hall on Morris Avenue, and many fraternal societies of various national organizations.

In 1904, Father Pospech organized the Educational Circle of SS. Cyril and Methodius which gave many Slovak plays. In 1917, Assembly 330 of the Slovak League of America was organized, and 2 years later the chapter of the Slovak Catholic Federation of America was founded.

On October 8, 1924, the National Council of Catholic Women, known as the Society of St. Theresa, was founded; also the Holy Name Society. This society took part for the first time in the Holy Name parade way back in 1912.

Also, Catholic War Veterans, St. Stephen's Memorial Post No. 1541, and its ladies' auxiliary and other societies. Pfc. Joseph J. Horvath Post 8624, Veterans of Foreign Wars, has its headquarters in the Sokol Hall.

In conclusion, the name of the late Peter Baran and his two sons, Vladimir Peter and Milan, deserve mention, for they excelled as manufacturers of the worldwide alligator leather. The factory is maintained by his daughter, Mrs. Olga Baran Clancy.

John J. Mascuch, president of Breeze Corp. and Victory Engineering Co., at Union, N.J., is the son of the late Ferdinand Mascuch, first parish lay trustee and first president of the first Slovak social in Newark, N.J.

Last, but not least, William Stibravy, the parish son, whose parents reside here, should be mentioned. Mr. and Mrs. Charles Stibravy were married at St. Stephen's on November 5, 1911, and celebrated last year their golden jubilee. Mr. William Stibravy is a career diplomat, associated with the U.S. Department of State for over 15 years, who was delegated to represent our Government on many important missions to various countries and to the General Assembly of the United Nations.

There are many other sons and daughters of the parish, who have made good in various professions and who look upon St. Stephen's with pride, and joined the parishioners and friends in celebrating this 60th anniversary at a banquet after solemn mass, and wish it continued success, in which we join them with the proverbial: Ad multos annos.

EXTENSION OF 1 YEAR OF GRANTING OF NATIONAL SERVICE LIFE INSURANCE TO CERTAIN VETERANS

Mr. BYRD of Virginia. Mr. President, I ask the Presiding Officer to lay before the Senate the message from the House of Representatives in respect to S. 3597.

The ACTING PRESIDENT pro tempore laid before the Senate the amendment of the House of Representatives to the bill (S. 3597) to amend title 38, United States Code, to permit, for 1 year, the granting of national service life insurance to certain veterans heretofore eligible for such insurance, which was, to strike out all after the enacting clause and insert:

That subchapter I of chapter 19 of title 38, United States Code, is amended by adding at the end thereof the following new section:

"§ 725. Limited Period for Acquiring Insurance by Service-Connected Disabled

"(a) Any person heretofore eligible to apply for national service life insurance after October 7, 1940, and before January 1, 1957, who is in good health except for a service-connected disability which renders him uninsurable according to the standards of good health established by the Administrator shall, upon application in writing made within one year after the effective date of this section, submission of evidence satisfactory to the Administrator that but for service-connected disabilities he is in good health at the time of such application, and payment of the required premiums, be granted insurance other than on the five-year level premium term plan under the same terms and conditions as are contained in standard policies of national service life insurance except (1) the insurance and any total disability income provision attached thereto shall be on a nonparticipating basis; (2) all settlements on policies involving annuities shall be calculated on the basis of The Annuity Table for 1949 and interest at the rate of 3 per centum per annum; (3) the insurance shall include such other changes in terms and conditions as the Administrator determines to be reasonable and practicable; (4) all premiums and other collections on the insurance and any total disability income provision attached thereto shall be credited directly to the national service life insurance appropriation and any payments on such insurance and total disability income provision attached thereto shall be made directly from such appropriation. Appropriations necessary to carry out the provisions of this section are hereby authorized.

"(b) No insurance shall be granted under this section to any person referred to in section 107 of this title or to any person while on active duty under a call or order to active duty for a period of thirty-one days or more."

Sec. 2. The amendments made by this Act shall take effect as of the first day of the seventh calendar month which begins after the date of enactment of this Act.

Sec. 3. The analysis of subchapter I of chapter 19 of title 38, United States Code, is amended by adding at the end thereof the following:

"725. Limited period for acquiring insurance by service-connected disabled."

Mr. BYRD of Virginia. Mr. President, I move that the Senate disagree to the amendment of the House of Representatives and request a conference with the House thereon; and that the Presiding Officer appoint the conferees on the part of the Senate.

The motion was agreed to; and the Acting President pro tempore appointed Mr. Byrd of Virginia, Mr. Kerr, Mr. Long of Louisiana, Mr. Williams of Delaware, and Mr. Carlson conferees on the part of the Senate.

FOREIGN AID AND RELATED AGENCIES APPROPRIATION BILL, 1963

The Senate resumed the consideration of the bill (H.R. 13175) making appropriations for foreign aid and related agencies for the fiscal year ending June 30, 1963, and for other purposes, which had been reported from the Committee on Appropriations with amendments.

The ACTING PRESIDENT pro tempore. The first committee amendment will be stated for the information of the Senate.

The Legislative Clerk. On page 2, line 5, after the numerals "212", it is proposed to strike out "$225,000,000" and to insert "$275,000,000".

The ACTING PRESIDENT pro tempore. The question is on agreeing to the first committee amendment.

Several Senators addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Wisconsin is recognized.

Mr. PROXMIRE. Mr. President, I yield to the chairman of the committee.

The ACTING PRESIDENT pro tempore. The Senator from Arizona is recognized.

Mr. HAYDEN. Mr. President, the foreign aid and related agencies appropriation bill for fiscal year 1963, H.R. 13175, includes appropriations for the Agency for International Development, the Export-Import Bank, the Inter-American Development Bank, the International Monetary Fund, and the Peace Corps.

The administration requested an appropriation of $7,335,029,000. The bill as it passed the House provided $5,956,852,000. Our committee, after careful consideration, has recommended a total of $6,781,402,000, an increase of $824,550,000 over the House version. This is $533,627,000 less than the administration requested.

For the foreign aid program alone, the committee recommends $4,422,800,000. This is $538,500,000 less than the budget estimate of $4,931 million. It is also a net reduction of $91,800,000 in the amount appropriated last year for foreign aid.

The committee heard testimony from Secretary Rusk, Secretary McNamara, General Lemnitzer, and General Maxwell Taylor emphasizing the importance of foreign aid for our foreign policy and our defense. It was reported to the committee that drastic reductions in the program would be unwise at a time when Communist pressure on Berlin is increasing, the Cuban situation is deteriorating, and the war in Vietnam is reaching a crucial phase.

The committee also examined the increase in funds which have been committed and not expended. This is a matter which should be carefully reviewed by the administration of the program, but it is not a reason for reducing appropriations for the program. Most of the increase occurred because of the shift from grants to loans, which the committee has supported.

For development loans, the committee recommends $1,125 million, compared to the estimate of $1,250 million. This is $300 million more than was allowed by the House. The committee is pleased by the continued shift from grants to dollar-repayable loans, and hopes that this trend will be accelerated.

For development loans, the committee recommends $400 million, compared to the estimate of $481.5 million and $350 million allowed by the House.

The committee recommends $575 million for the Alliance for Progress. This is $25 million under the budget estimate and $50 million over the House bill.

For development grants, the committee recommends $275 million, which is an increase of $50 million over the House allowance and $60 million below the estimate.

The committee recommends $290 million for the contingency fund, compared to the estimate of $400 million and the $225 million allowed by the House.

For military assistance, the committee recommends $1,450 million, which is $50 million less than requested, and $150 million more than the House allowed.

The committee recommends $52 million for administration compared to the estimate of $55 million and $46 million allowed by the House.

For the Peace Corps, the committee recommends the full estimate of $63,750,000, an increase of $11,750,000 over the House figure.

The committee concurs in the House allowance of the full estimate of $60 million for the Inter-American Development Bank.

The committee concurs also in the House allowance of the full request of $61.656 million for the International Development Association.

The committee concurs with the House allowance of $2 billion for the International Monetary Fund.

For the Ryukyu Islands, the committee recommends $12 million, compared with the estimate of $14.282 million and $7.9 million allowed by the House.

The committee amended the House bill in several respects, as stated in the report.

With respect to the provision of the House bill concerning aid to countries whose vessels trade with Cuba, the committee recommends a new provision. Section 107(a) of the bill, as reported, brings the matter squarely under the Battle Act, and provides, as does the Battle Act, for Presidential discretion in waiving the provision if it would be contrary to the national interest.

On aid to Communist countries, the committee substituted for House language identical language of the authorization bill passed earlier in the session.

The committee has made these changes and recommendations after careful study of the bill and the requests in light of the world situation. This is an important bill, which will provide the means to conduct these vital programs. Those means must be adequate in order for us to continue waging an effective fight for freedom, justice, and progress.

Mr. President, I ask unanimous consent that the committee amendments be agreed to en bloc and that the bill, as thus amended, be regarded as original text for the purpose of amendment; provided, that no point of order shall be considered to have been waived by reason thereof.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. PROXMIRE. Mr. President, reserving the right to object——

The ACTING PRESIDENT pro tempore. The Senator from Wisconsin reserves the right to object.

Mr. PROXMIRE. Mr. President, I shall object to the request of the Senator from Arizona with great reluctance. Acting on the committee amendments in the way I shall propose would be by far the most efficient way to put the issue before the Senate. I shall propose that we consider en bloc certain changes made by the Appropriations Committee. I shall propose that virtually all the increases which the Senate made over the House figures be handled en bloc and be voted on en bloc, and that the provision relating to Presidential discretion in cutting off aid to those countries which are assisting in trade with Cuba be treated separately and be voted on separately, and that the discretionary provision which is eliminated by the Appropriations Committee, relating to Yugoslavia, Poland, and other Communist countries also be voted on separately.

I recognize the very hard, diligent, and good work which the Appropriations Committee has done on this subject. But I believe the real issue before the Senate should be whether the Senate feels that these very significant changes in the appropriation measures should be made. I do not like to see the amendments agreed to in the manner suggested by unanimous consent, when, in an efficient and orderly manner, we can discuss each of the three issues in separate votes: First, the cuts in general; second, the Cuban issue; third, the Yugoslavia and Poland aid issue. For that reason, Mr. President, I object.

The ACTING PRESIDENT pro tempore. Objection is heard.

Mr. HAYDEN. Mr. President, will the Senator make his request?

Mr. PROXMIRE. Very well, Mr. President, I make the following proposal: That all amendments made by the committee in the House bill be agreed to en bloc with the following exceptions:

On page 2, line 2, the amendment involved at that point.

Page 2, line 13; page 3, line 6; page 3, line 8; page 3, lines 9 to 17; page 3, line 19; page 4, line 11; and then these further amendments: Page 7, line 3, to page 9, line 6; and finally on page 9, line 23; page 11, line 6.

I am perfectly willing to have the remaining amendments submitted by the Committee on Appropriations considered en bloc, with the same reservation which the chairman of the committee proposed, that the bill as thus amended be considered as original text and be subject to further amendment. I believe that procedure was followed in connection with the tax bill earlier this year.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. ELLENDER. Will the Senator be a little more specific as to the effect of the unanimous-consent agreement for which he is asking?

Mr. PROXMIRE. Yes, indeed.

Mr. ELLENDER. I could not follow the Senator as he referred to the bill and the pages therein.

Mr. PROXMIRE. The unanimous-consent request of the Senator from Wisconsin is that the bill be handled in somewhat the same way in which the tax bill was handled. In other words, committee amendments would be acted upon, and after action, the bill would still be open to amendment by any Senator.

For example, if the Senator from Louisiana wished to strike out increases proposed by the Senate Committee on Appropriations for military assistance, such an amendment would be in order.

That is what the Senator from Wisconsin has in mind.

Mr. ELLENDER. Would the unanimous-consent request pertain to all increases or decreases made by the House as to appropriations?

Mr. PROXMIRE. It would pertain to all of them except for the $7 million appropriation which involves administration costs. I have studied that item and feel that, from my own standpoint, there is no ground for objection. I would favor the proposed increases in administrative costs. That would cover, I would say, 95 or 96 percent of all the increases made by the Senate over the House bill.

Mr. ELLENDER. If the unanimous-consent request is agreed to, then all items would be subject to amendment.

Mr. PROXMIRE. The Senator is correct.

Mr. HAYDEN. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. HAYDEN. Frankly, I cannot see what would be gained by such action, because the bill would be open for amendment in any event.

Mr. PROXMIRE. There are several reasons for following the proposed procedure. Of course, the principal reason is that in connection with the tax bill we found that there might be action on the part of the leadership to table any amendment proposed. After all, we are coming close to the end of the session. The leadership has every right to make such a motion and there is precedent for doing so. If we act in the manner proposed, the amendment could not be tabled.

An affirmative vote would be required for the Senate to add funds instead of undertaking to reverse the action of the Appropriations Committee by voting against what they have proposed, which is a psychological disadvantage. I concede that there is not a great deal of difference in what the Senator from Wisconsin has proposed, but I believe there is some advantage in following the procedure suggested.

The ACTING PRESIDENT pro tempore. Will the Senator from Wisconsin identify the first amendment which he would except?

Mr. PROXMIRE. It is my understanding that I objected to the request of the Senator from Arizona. Therefore, no amendments have been adopted as yet.

The ACTING PRESIDENT pro tempore. The Senator is correct. No amendment has been adopted. The Chair is not exactly certain as to which amendment is the first amendment which the Senator from Wisconsin would except.

Mr. PROXMIRE. May I say to the Presiding Officer, with due respect, that I believe the best way to proceed would be to act on all of the changes made by the Senate Committee on Appropriations to which I have not objected, and treat them as being agreed to en bloc.

To answer the question of the Acting President pro tempore, the first amendment to which I would make exception would include the amendment on page 2, line 2——

The ACTING PRESIDENT pro tempore. The Chair points out that there is no amendment on page 2, line 2.

Mr. PROXMIRE. The Senator is correct. I meant page 2, line 5.

The ACTING PRESIDENT pro tempore. That is what the Chair wished to clarify.

Mr. PROXMIRE. I appreciate the correction.

This includes page 2, line 5. That is one part of the first amendment. Then page 2, line 13; page 3, line 6; page 3, line 8; page 3, lines 9 to 17; page 3, line 19; and page 4, line 11. These are the first proposals of the Committee on Appropriations which I hope to have considered en bloc and to have a vote on.

Mr. ELLENDER. I object.

The ACTING PRESIDENT pro tempore. The first committee amendment will be stated.

The LEGISLATIVE CLERK. On page 2, line 5, after the numerals "212", it is proposed to strike out "$225,000,000" and insert in lieu thereof "$275,000,000".

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum.

Mr. MANSFIELD. Mr. President, will the Senator withhold that request for the moment?

Mr. PROXMIRE. I withhold it.

I ask unanimous consent that I may yield to the Senator from Mississippi without my losing the floor.

The ACTING PRESIDENT pro tempore. With that understanding, the Senator from Mississippi may proceed.

THE SITUATION AT THE UNIVERSITY OF MISSISSIPPI

Mr. EASTLAND. Mr. President, I have a statement from the board of trustees, institutions of higher learning in Mississippi, and from certain university officials in the State. It was compiled by Mr. Hugh Clegg, who was formerly with the Federal Bureau of Investigation and is now administrative assistant to the chancellor of the University of Mississippi. The statement reads:

As a result of a conference between Mr. Thomas J. Tubb, head of the board of trustees, institutions of higher learning, Mr. Charles D. Fair, member of the board, and S. R. Evans, member of the board, Chancellor Williams of the university, Mr. Hugh Clegg, administrative assistant to the chancellor, and other university officials present, it was deemed advisable to communicate with the U.S. Senators from Mississippi to present the following information which has been accumulated from various sources on the campus.

(1) The Department of Justice had requested the university officials to take steps to warn the students not to assemble or demonstrate with a threat of expulsion if they did. The university officials felt that threatening was not the way to handle the matter and instead they outlined a plan whereby on Sunday night a special edition of the Mississippian, which is the daily campus newspaper, would be issued for distribution early Monday morning. Statements would be sought from the Lieutenant Governor, the Governor, the chancellor of the university, the director of student personnel, and the president of the associated student body, which would be used in the paper over the campus radio, over the local city radio, and over the loudspeaker at the Student Union Building. Such statements were in process of preparation as the students were returning to the campus late Sunday afternoon.

We were informed by a Justice Department spokesman that Meredith would be brought to the campus later the same evening. University officials advised that this might not be an appropriate time, as the students were returning from their homes in large numbers at that time and that we had not yet had time to put into effect the appeal to students which was planned for late Sunday and early Monday morning. The university was informed that Meredith was coming anyway.

(2) It was insisted by the Department of Justice officials that the university proceed to register Meredith on the Sabbath. During two or three telephone conversations, the university, as well as members of the board of trustees contacted, refused to violate the Sabbath or to take these unusual steps as the offices were closed on Sunday and, of course, including late Sunday evening. University officials were informed that Meredith would be on hand and on the university lands shortly, which in view of the approaching darkness was considered locally to be unwise.

(3) Large contingents of U.S. marshals armed and with tear gas equipment and gas masks and other weapons came on to the campus late Sunday afternoon and formed a shoulder-to-shoulder line surrounding the Lyceum Building which is the administration building. They presumably had not been informed by the Justice Department that their plan for registering Meredith on Sunday had been abandoned for there seemed to be no reason whatsoever to surround this building. Several Justice attorneys entered the Lyceum or administration building and remained there presumably as advisers to the marshals.

(4) As a natural consequence students gathered in front of the Lyceum Building to see what was going on. Before long you could hear them chiding, giving college yells, and, of course, occasional jeering. Some of them were reported to have flicked their cigarettes in the direction of the marshals from a position across the street from the marshals and some of the cigarettes were reported as being flicked on toward fabric covering of military trucks.

(5) The military police inquired if the director of student personnel would talk to the students if the marshals furnished a loudspeaker which they agreed to furnish and the director of student personnel agreed to do so.

Loudspeaker equipment was never furnished, so the director of student personnel and other university officials moved among the students talking to them, pointing out that the highway patrol was working harmoniously with the marshals, and that the students should disperse.

(6) Members of the Mississippi Highway Patrol assisted the marshals by urging the students to withdraw and were, in fact, aiding and pushing the students backward onto the grass further away from where the marshals were located as they were surrounding the Lyceum Building. The highway patrol was succeeding in moving the students backward and seemed to have things under control when, without warning, the marshals fired tear gas projectiles, some of them at least fired point blank at the students and highway patrolmen. This seemed, from all accounts, to have been unnecessary and illogical. This is also not the way to use tear gas, as any professional, well-trained law enforcement officer would know.

(7) One highway patrolman was reported to have been struck in the midsection by a tear gas projectile and he was hospitalized and in the early evening a highway patrolman reported that they did not think he would live. He was removed to the hospital at Jackson by airplane later in the night.

(8) Of course, the unfortunate firing of the gas shells provoked the students and others, which apparently detonated the activities which followed. Tear gas permeated the entire area.

(9) A newspaperman representing a London and Paris newspaper was slain shortly thereafter and arrived at the hospital dead on arrival. Outsiders began to come to the campus at some point because the marshals had not closed off the entrance to the campus. They were still guarding the Lyceum Building instead of guarding the entrances to the campus. Another outsider, not a student, was shot dead and several were injured, including three other outsiders whose identity was not known and some U.S. marshals.

(10) Later in the evening, about midnight, reports were received that as students were arrested they were being manhandled by the marshals. Troops of soldiers began occupying the campus after midnight.

It was the recommendation of those present that this information, which is not reported as evidence, but as information received from various sources, be reported to Mississippi's U.S. Senators so that they could announce the information that was available shortly after 2 a.m., particularly with reference to what appeared to be clear indications of amateurism by untrained marshals who had poor leadership with bad judgment.

It was also recommended that the entire Mississippi delegation of Congressmen be invited to come to the campus to investigate the action of the representatives of the Department of Justice, including U.S. marshals and attorneys of the Department, and their incompetency and unjustified action which led to and provoked this action on the campus. They would also be happy, if it is felt desirable, for our congressional delegation to have representatives of the Judiciary Committee come promptly to observe what employees of the Justice Department, above referred to, did and whether their conduct was such as to justify further action by the Congress.

Mr. President, that is the official statement on behalf of the board of trustees of institutions of higher learning and the officials of the University of Mississippi, which I have read to the Senate at their request.

Mr. THURMOND. Mr. President, will the Senator from Mississippi yield?

Mr. EASTLAND. I yield to the Senator from South Carolina.

Mr. THURMOND. I received a call from Mississippi a short while ago, in which it was stated that tear gas had been used in the men's dormitories and inflicted upon persons who have had no part in this affair, and that great suffering had been caused.

Mr. EASTLAND. I myself have received similar reports. I received a report that tear gas had been flicked into the girls' dormitories and that the girls had to come outside in their nightclothes. I have also received reports that students had their hands tied behind their backs and were whipped.

I do not make any accusations. The State is full of wild rumors. The country is full of wild rumors. Whether they are true or not, I do not know; I would not say.

Mr. THURMOND. I have also received reports similar to those which the Senator has just described. If the reports which I have received are true, it appears to me that the marshals abused their power.

I wonder if it would not be well to have a congressional investigation made concerning the manner in which the marshals handled their assignments.

Mr. EASTLAND. That question comes within the jurisdiction of the Committee on the Judiciary and will, of course, be a subject for consideration by that committee.

Mr. THURMOND. I hope the Committee on the Judiciary will investigate the situation, so that the true facts may be ascertained and a determination made of just what occurred in Mississippi. I am sure the able Senators from Mississippi will receive the full cooperation of the Senate in such an investigation.

Mr. EASTLAND. I thank the Senator from South Carolina.

Mr. THURMOND. Mr. President, I ask unanimous consent to insert into the RECORD at this point a statement on Cuba and Mississippi and a copy of the telegram I sent to the President.

There being no objection, the statement and telegram were ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR STROM THURMOND ON CUBA AND MISSISSIPPI, SEPTEMBER 27, 1962

If the administration would demonstrate as much determination about decontaminating Cuba of communism as it has in forcing State authority over education in Mississippi to bow to Federal usurpation of power over education, the American people could rest much easier about the forward momentum communism has attained around the world, particularly in the Western Hemisphere. I have been shocked to learn that the Attorney General has intervened in another legal case pending before the Federal courts to recommend that two gunboats which Cuban defectors brought from Cuba to the United States be returned to Mr. Castro. The Attorney General's actions in this case to appease Communist Cuba stand in stark contrast to his determination to force a showdown with State authorities in Mississippi on an issue in which the State legislature has acted to retain State control over policies of admission to the State's own university.

Should the administration decide to violate the Constitution and send troops to Mississippi to enforce this Federal usurpation of power over the control of education, a power reserved to the States under the 10th amendment to the Constitution, then the American people should demand that the administration at least be as brave and bold in facing up to the Communists. After all, the enemy of America is in Cuba and elsewhere, not in Mississippi.

COPY OF TELEGRAM BY SENATOR STROM THURMOND TO PRESIDENT JOHN F. KENNEDY URGING THAT FORCE NOT BE USED IN MISSISSIPPI

Both you and the Attorney General have indicated that troops would not be used against a sovereign State under this administration. News reports that you are preparing to use force to enroll James Meredith at the University of Mississippi against the right of the State of Mississippi to control its own educational system under constitutional authority is most shocking and disturbing to millions of Americans, not only in Mississippi and the South, but throughout the country.

The use of force by the National Government in a field over which it has no constitutional authority—whether the force be by use of marshals or troops—is unconstitutional, abominable and highly dangerous. In addition, it would constitute a terrible blot on this administration which could never be erased.

Please do not be stampeded into this unwise action. Many of the same people who are crying out for disarmament in the face of the serious threat posed by our Communist enemy, are in the forefront urging that troops be used against the people of Mississippi.

The current situation in Mississippi illustrates clearly the dangers of usurpation of power by the National Government and also the possibilities of oppression which exist for people under the rule of a powerful central government.

I urge that you desist from further actions to impose, in this case, the unconstitutional will of the national courts on the people of Mississippi.

This administration has been very vehement in advocating self-determination for the peoples of the world, except in Katanga. It is difficult to understand why we cannot have self-determination at home.

Sincerely,

STROM THURMOND,
U.S. Senator.

Mr. STENNIS. Mr. President, will my colleague yield?

Mr. EASTLAND. I yield.

Mr. STENNIS. Mr. President, I join wholeheartedly in the sentiments expressed by the senior Senator from Mississippi, particularly with reference to the statement of facts which has been presented by him, which came from some members of the board of trustees, including the chairman, Mr. Thomas J. Tubb, the statement having been prepared by Mr. Hugh Clegg, administrative assistant to the chancellor of the university. They are men whom I know personally, and have known for many years. They are men of the highest integrity and hold positions of responsibility. They have made a restrained statement which, I feel sure, reflects the absolute truth so far as they know it.

Mr. EASTLAND. Mr. President, will the Senator permit me to comment on that point?

Mr. STENNIS. I shall be glad to have the Senator comment.

Mr. EASTLAND. These officials have recounted what they believe they can prove. Of course, there are instances which are alleged but as to which there is no proof, and they were not set forth in the statement.

Mr. STENNIS. I have received confirmation, too, from other responsible persons whom I know personally and have known for a long time, who were on the campus last night. They called me, not excitedly, to give statements of fact as they developed.

The statement shows a willingness on the part of the officials and on the part of my colleague and myself, and I feel certain the entire Mississippi delegation in Congress that these facts be made known to the public and be brought to the attention of Congress and all other persons who are interested. I commend these gentlemen for their support.

I was never more grieved or concerned about anything that has happened in my public life than I am with reference to the conditions which have developed in Mississippi. I have already said that, under all the circumstances, it seems clear to me that the applicant, Meredith, should be removed from the campus so as to avoid any further trouble or bloodshed, which I fear may otherwise recur.

One thing is certain and clear: Whatever happened was not due to the laxity of any State official, the State police, or any others having responsibility in the State. It was not a question of their failing to do their duty; they were not in charge. I believe that if they had been in charge, through their influence and their conduct they would have been of assistance to those who came there and would have been effective and helpful in getting results.

My colleague and I are deeply concerned about the situation. We wish to discuss it in a factual way with anyone who is interested. We appreciate the deep concern of others and the humane and understanding way in which they have reflected this tragic occurrence.

I thank my colleague for yielding.

Mr. EASTLAND. Mr. President, I agree with the distinguished Senator that Meredith should never have been admitted. I think the bloodshed is largely on the hands of the Fifth Circuit Court of Appeals. I think Judge Tuttle aspires to be a Supreme Court Justice. He has become a Government judge. I think that court is largely responsible.

I now yield the floor.

INTEREST ON TIME DEPOSITS OF FOREIGN GOVERNMENTS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the pending business be temporarily laid aside, and that the Senate proceed to the consideration of Calendar No. 2154, H.R. 12080.

The ACTING PRESIDENT pro tempore. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 12080) to permit domestic banks to pay interest on time deposits of foreign governments at rates differing from those applicable to domestic depositors.

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. MANSFIELD. Mr. President, the proposed legislation was before the Senate on Saturday last. At that time, both the Senator from Virginia [Mr. ROBERTSON], chairman of the Committee on Banking and Currency, and the Senator from Wisconsin [Mr. PROXMIRE] expressed their views. I understand that at this time the Senator from Wisconsin wishes to offer an amendment which, I believe, will be acceptable to the chairman of the committee and to the Secretary of the Treasury.

Mr. PROXMIRE. I thank the majority leader.

Mr. President, on Saturday I objected to having this bill passed. I have written minority views on the bill that are included in the committee report. I believe the bill could be a very bad one. It involves permitting—for the first time in history—our banks to break precedent and to pay a higher interest rate on deposits made in their banks by foreign central banks. That would be a discrimination in favor of the foreign central banks. It might be justified; but I think the case made for it has been a very thin one. If we are to permit, for the first time, our banks to discriminate, by paying a higher interest rate to some depositors than to others, even though the amounts deposited may be the same, and may be deposited for the same length of time, there should be a good reason for doing so.

The argument made by the Secretary of the Treasury, who seems to feel strongly in favor of the bill, is that it will stem the outflow of our gold. I talked for a long time with Under Secretary of the Treasury Roosa about this matter. He conceded at the hearings that such action would not and could not improve the fundamental situation. He said it would not improve our adverse balance of payments. He agreed that the discrimination permitted in this bill has never been permitted before. There is no precedent for it.

As we examine the situation more carefully, we see that the proposed authority to allow our banks to pay a higher interest rate to foreign central banks could very easily result in weakening the market for our Treasury bills.

Today, foreign central banks have more than $2 billion on deposit in our banks, and they hold about $6 billion worth of Treasury bills. As I understand the existing arrangement, the foreign central banks generally have a standing order to the effect that when their funds on deposit reach a certain level, their additional funds will be invested in Treasury bills, in order to obtain a higher return, because of the higher rate of interest.

Most of those deposits are for periods ranging in length from 30 to 60 days. The ceiling on the interest rate is 2½ percent. Treasury bills are now paying 2¾ percent. These U.S. banks request the right to increase the rate of interest they pay on these deposits. If they increase the interest to 3 percent, they remove the incentive for the foreign banks to invest in Treasury bills; and that will mean a substantial movement from their investments in Treasury bills to their deposits in our central banks. That will mean that our big banks—and they are few in number; they are located in New York, Chicago, and San Francisco—will have more funds deposited with them by the foreign central banks. That will be very helpful to those banks, because there are certain fixed charges for servicing the deposits; and as the size of the deposits increase—for example, from $100 to $200 million—that will make it possible for the fixed charges to be spread over a larger base; and, therefore, because it is possible for the American banks to invest that money at better than a 3-percent rate the profits of these few banks will increase. That will be good for them, and I should like to see that happen.

But as a U.S. Senator, I have an obligation to the taxpayers; and when foreign banks reduce their holdings of Treasury bills—and they may do so to the extent of $2 or $3 billion—that will mean that in order to sell Treasury bills, our Government will have to pay a higher rate of interest; and the additional cost because of that will have to be borne by the American taxpayers.

The net result will be that the Treasury bill holdings of the foreign central banks will decrease, their interest earnings will increase, and the burden on the American taxpayers will increase.

Mr. President, I have great respect for Under Secretary Roosa. He is an outstanding international banker. Therefore, I am willing to have this proposal tried; but I insist upon a limitation on the length of time. This morning I talked to members of the House Banking and Currency Committee. They persuaded me to modify my amendments, so as to call for a 3-year period. Therefore, Mr. President, with that in mind, I now submit my amendments with that modification. These amendments are identified as "9-29-62—B." I have modified them so as to provide that the proposed law will expire after 3 years.

The ACTING PRESIDENT pro tempore. The amendments as modified will be stated.

The CHIEF CLERK. On page 1, line 5, it is proposed to strike out "The" and insert in lieu thereof the following: "During the period commencing on the effective date of this sentence and ending upon the expiration of three years after such date, the".

On page 2, line 5, strike out "The" and insert in lieu thereof the following: "During the period commencing on the effective date of this sentence and ending upon the expiration of three years after such date, the".

Mr. PROXMIRE. Mr. President, I submit the modified amendments because it seems to me that after 3 years we can examine the situation and can determine whether my fears have been well founded. If it is then found that they have not been well founded, and if there is then any evidence in support of the claim that the proposed law will check the outflow of gold, of course I shall be willing to go along with the procedure.

Mr. WILLIAMS of Delaware. Mr. President, I am willing to support the amendents, but I do not understand why the bill is to be passed in the first place. I understand that its purpose is to allow the central banks to pay a higher rate of interest on the deposits of foreign governments and foreign banks than the rate paid to American depositors. Such an arrangement makes no sense to me.

In order to correct the balance-of-payments problem I think the administration would do better to recognize the real cause of the problem and do what it can to correct it. We all know that the real cause is deficit spending.

Just this morning we passed a bill calling for appropriations $1,225 million larger than the amount appropriated by the corresponding bill of last year. By means of a whole series on such increases passed this year the amounts appropriated have been, in total, $6 billion greater than the amounts appropriated by the corresponding bills last year; and that reckless procedure is being continued.

Now we are told that the way to correct this situation is to pay to the foreign banks a higher rate of interest than the rate we pay to American depositors in an effort to attract their deposits here. That was one of the principles adopted years ago by France when that country had similar difficulties because of deficit spending. But the adoption of that piecemeal arrangement did not help France cure the problem. We should proceed to correct the cause of the lack of confidence in our currency, which is the planned deficit spending policy of our Government.

I find it interesting that those who were so critical of the fiscal policies of the preceding administration now are advocating a policy of paying this higher interest rate but with the proviso that the higher rate be confined to deposits of foreign governments and that deposits of American citizens shall not have the benefit of the higher rate.

I think the entire proposal is wrong. Although I shall support the amendments of the Senator from Wisconsin, which do limit the time period, I shall vote against the bill itself.

Mr. PROXMIRE. Mr. President, I thank the Senator from Delaware. I agree 100 percent with him. In the committee I voted against the bill, and I have opposed it here on the floor. So I think the Senator from Delaware is entirely correct.

But, under the circumstances, inasmuch as the administration and the Senate leadership and the committee leadership are so strongly in favor of the bill, I am willing to have it come to a vote though I will vote against it.

So I would join the Senator from Delaware in opposing the bill, although I am willing to have the bill brought up for debate and action.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator from Wisconsin yield?

Mr. PROXMIRE. I yield.

Mr. WILLIAMS of Delaware. Is it not true that the bill will allow a higher rate of interest to be paid to the foreign depositors?

Mr. PROXMIRE. No; the bill will allow a higher rate to be paid only on the deposits of foreign central banks, but not on the deposits made by the private citizens of other countries. The reason for the distinction is that it is felt that if a higher rate of interest were allowed to be paid on the deposits made by citizens of other countries, such arrangement would enable American citizens to take advantage of that device. It is confined entirely to central banks of foreign governments. Nevertheless, I agree with the Senator that it is discriminatory and most unfortunate. The argument is that if the interest rates are high enough, the foreign government central banks will be more reluctant to cash the money in for gold. Whether that is a good argument or not, we shall have to see, but it does have impressive support in the Treasury.

Mr. WILLIAMS of Delaware. One way to solve the problem is to stop lending money to foreign governments at ridiculously low rates of interest.

Mr. PROXMIRE. I agree.

Mr. WILLIAMS of Delaware. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a chart listing the loans made by the United States to the different foreign governments during the past 2 years and the interest rates charged thereon. Some of this money has been loaned to foreign governments at interest rates as low as three-quarters of 1 percent. Some of the money has been loaned to them at interest rates of three-quarters of 1 percent with the proviso that they do not have to pay even that low rate for 10 years. Now we are raising the ceiling on rates which can be paid on money deposited by these same foreign governments when they send the money back. It is a perfectly ridiculous proposal and one which cannot be justified by any logical argument. The following report gives a list of these loans, the countries involved, the amounts, and the rates of interest.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from Delaware to have printed in the RECORD a table?

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Foreign assistance programs—Status of loan programs, calendar year 1961 through Mar. 31, 1962 (excludes Public Law 480, sec. 104(e) loans)

Country and loan No.	Public Law	Date of loan agreement	Initial amortization date	Repayable		Interest rate (percent)	Amount of loan agreement	Loan disbursements	Interest collections	Balance outstanding
				Number of years	Currency					
Iceland:										
ICAX 43-14	480	Feb. 8, 1961	Sept. 1, 1965	20	Local	4	[1] $1,443,750.00	$980,150.42	$16,093.85	$980,150.42
ICAX 43-15	480	June 27, 1961		20	do	4	[1] 1,305,000.00			
Italy: ICAX 45-8	480	Mar. 3, 1961		30	do	4	[1] 12,500,000.00			
Spain: ICAX 51-100	480	Aug. 11, 1961		30	do	4	[1] 24,750,000.00			
Yugoslavia:										
DLF 164	86-472	Mar. 27, 1961	July 15, 1962	15	do	5¾	8,500,000.00	3,384,750.00	36,979.28	3,384,750.00
DLF 168	86-472	Mar. 21, 1961	Sept. 15, 1962	15	do	3½	5,200,000.00	5,152,034.28	75,190.80	5,152,034.28
DLF 173	86-472	do	Aug. 15, 1962	20	do	3½	14,000,000.00	2,324,238.00	585.90	2,324,238.00
ICAX 58-13	86-472	do	Aug. 1, 1965	40	do	3½	25,000,000.00	12,352,170.62	100,460.23	12,352,170.62
ICAX 58-14	480	Sept. 7, 1961		30	do	4	[1] 28,800,000.00			
Ethiopia:										
DLF 165	86-472	June 20, 1961	Oct. 15, 1962	15	do	4	2,000,000.00	173,886.86		173,886.86
DLF 184	86-472	June 30, 1961	Mar. 1, 1963	8	do	5¾	180,000.00	20,965.37		20,965.37
DLF 179	87-195	July 17, 1961	Nov. 1, 1962	12	do	3½	20,250,000.00	6,771,314.75		6,771,314.75
DLF 180	87-195	do		20	do	3½	3,100,000.00			
DLF 193	87-195	Aug. 15, 1961		12	do	3½	3,600,000.00			
Ghana: AID/DLF 187	87-195	Feb. 8, 1962		30	Dollars	3½	27,000,000.00			
Morocco:										
ICAX 08-9	86-472	May 26, 1961		40	Local	4	[1] 7,500,000.00			
ICAX 08-10	86-472	June 2, 1961	Nov. 1, 1965	40	do	3½	12,500,000.00	3,951,240.41		3,951,240.41
ICAX 08-11	86-472	May 26, 1961	Aug. 1, 1965	40	Dollars	3½	20,000,000.00	20,000,000.00		20,000,000.00
Nigeria: DLF 161	87-195	Aug. 31, 1961	Dec. 1, 1962	20	Local or dollars.	3½	3,100,000.00	2,716,376.38		2,716,376.38
Sudan: AID 650-1	480	Mar. 9, 1962		30	Local	4	[1] 1,610,000.00			
Tanganyika: DLF 158	86-472	Jan. 18, 1961	Oct. 15, 1962	20	Dollars	3½	1,898,400.00	98,417.34		98,417.34
Tunisia:										
DLF 147	86-472	Jan. 27, 1961	Jan. 15, 1963	20	Local	3½	5,100,000.00	350,770.84		350,770.84
DLF 167	86-472	June 27, 1961		15	do	4	5,000,000.00			
DLF 196	86-472	do		15	do	4	5,000,000.00			
ICAX 64-3	480	Sept. 1, 1961		30	do	4	[1] 3,060,000.00			
Egypt (United Arab Republic):										
DLF 142	86-472	Jan. 19, 1961		15	do	3½	1,300,000.00			
AID 62-11	480	Feb. 9, 1962		30	do	4	[1] 50,347,000.00			
Greece: ICAX 40-9	480	Apr. 28, 1961	Dec. 1, 1965	30	do	4	[1] 7,800,000.00	6,787,382.03		6,787,382.03
Iran:										
ICAX 65-5	480	Apr. 27, 1961	Aug. 1, 1965	30	do	4	[1] 1,660,000.00	1,660,000.00	(2)	1,660,000.00
ICAX 65-6	480	do	do	30	do	4	[1] 11,442,000.00	4,631,555.56	(2)	4,631,555.56
ICAX 65-7	480	Aug. 11, 1961		30	do	4	[1] 1,278,000.00			
DLF 97-B	87-195	Aug. 14, 1961	June 17, 1961	17	Dollars	3½	12,000,000.00	6,535,878.26	58,493.16	6,535,878.26
DLF 97-C	87-195	Feb. 20, 1962		17	do	3½	6,000,000.00			
AID 6	87-195	do	Mar. 20, 1964	17	do	3½	14,000,000.00	14,000,000.00		14,000,000.00
Israel:										
DLF 166	86-472	do	Aug. 15, 1962	10	Local	3½	6,000,000.00	3,648,914.46	26,907.03	3,648,914.46
ICAX 71-17	480	July 14, 1961		30	do	4	[1] 9,065,000.00	3,554,818.83		3,554,818.83
DLF 172	86-472	May 26, 1961		20	do	3½	925,926.00			
DLF 183	87-195	Sept. 17, 1961		10	do	5	10,000,000.00			
AID 71-18	480	Mar. 12, 1962		20	Dollars	4	2,100,000.00			
DLF 214	87-195	Mar. 21, 1962		35	do	¾	10,000,000.00			
Syria (United Arab Republic): ICA 276-10	480	Nov. 24, 1961		30	Local	4	[1] 5,850,000.00			
Turkey:										
DLF 87	86-472	Jan. 19, 1961		10	do	5¾	2,800,000.00			
DLF 160	86-472	Jan. 9, 1961	June 1, 1964	20	Local or dollars.	5¾	129,600,000.00	9,302,027.07		[3] 9,302,027.07
ICAX 77-10	480	May 5, 1961	Dec. 1, 1965	30	Local	4	[1] 11,700,000.00	9,711,332.01		9,711,332.01
ICAX 77-11	480	May 31, 1961	Sept. 1, 1965	30	do	4	[1] 2,453,000.00	2,390,721.57	47,814.48	2,390,721.57
AID 77-12	480	Mar. 8, 1962		30	do	4	[1] 8,520,000.00			
AID 77-13	480	Mar. 29, 1962		30	do	4	[1] 35,010,000.00			
Ceylon:										
DLF 156	86-472	Jan. 30, 1961		20	do	3½	3,200,000.00			
ICAX 83-4	480	Sept. 22, 1961		30	do	4	[1] 1,520,000.00			
India:										
ECAX 86-1	82-48	June 15, 1961	June 30, 1957	45	Dollars	2½	180,656,420.78	180,656,420.78	28,321,270.05	186,230,057.50
DLF 144	86-472	Apr. 10, 1961		10	Local	5	10,000,000.00			
DLF 155	86-472	Mar. 23, 1961		15	do	5	5,000,000.00			
ICAX 86-10	480	July 17, 1961		40	do	4	[1] 16,210,000.00			
DLF 190	87-195	Aug. 16, 1961		20	do	3½	33,000,000.00			
DLF 191	87-195	do		20	do	3½	8,400,000.00			
DLF 197	87-195	do		20	do	3½	21,500,000.00			
DLF 176	87-195	Aug. 21, 1961		15	do	5¾	7,200,000.00			
DLF 215	87-195	Feb. 26, 1962		40	Dollars	¾	33,600,000.00			
DLF 206	86-472	Oct. 26, 1961		15	Local	3½	20,000,000.00			
AID 86-11	480	Mar. 26, 1962		40	do	4	[1] 538,000,000.00			
Nepal: DLF 152	86-472	June 20 1961		15	do	5	400,000.00			
Pakistan:										
ICAX 91-9	480	Jan. 18, 1961	Feb. 1, 1966	40	do	4	[1] 10,100,000.00	411,440.41		411,440.41
ICAX 91-11	480	do		40	do	4	[1] 5,732,000.00			
DLF 171	86-472	Jun. 14, 1961		15	do	3½	2,300,000.00			
DLF 177	86-472	do	Jan. 15, 1962	15	do	3½	6,000,000.00	305,453.80		305,453.80
DLF 186	86-472	do	Dec. 1, 1962	15	do	3½	6,500,000.00	4,542,288.00		4,542,288.00
DLF 194	86-472	May 12, 1962		7	do	5	7,500,000.00			
Republic of China:										
DLF 148	86-472	do		12	do	5¾	1,600,000.00			
ICAX 84-5	480	June 20, 1961		40	do	4	[1] 1,940,000.00			
DLF 178	86-472	June 21, 1961	Jan. 1, 1963	30	do	3½	40,000,000.00	117,898.61		117,898.61
ICAX 84-6	480	Oct. 2, 1961		40	do	4	[1] 3,621,000.00			
Korea: DLF 153	86-472	Feb. 6, 1961	July 1, 1964	10	do	5¾	3,200,000.00	185,994.59		185,994.59
Philippines: DLF 154	86-472	Feb. 15, 1961	Sept. 1, 1965	11	Dollars	5¾	2,100,000.00	275,000.00		275,000.00
Thailand: ICAX 93-6	480	Apr. 7, 1961		20	Local	4	1,904,187.00			
Vietnam: DLF 163	86-472	Jan. 6, 1961		20	do	3½	12,700,000.00			
Argentina:										
DLF 192	86-472	May 26, 1961		20	Local or dollars.	3½	6,000,000.00			
AID 9 (DLF)	87-195	Mar. 14, 1962		15	Dollars	3½	20,000,000.00			

See footnotes at end of table.

Foreign assistance programs—Status of loan programs, calendar year 1961 through Mar. 31, 1962 (excludes Public Law 480, sec. 104(e) loans)—Continued

Country and loan No.	Public Law	Date of loan agreement	Initial amortization date	Repayable		Interest rate (percent)	Amount of loan agreement	Loan disbursements	Interest collections	Balance outstanding
				Number of years	Currency					
Bolivia:										
ICA 11-1	86-472	Mar. 24, 1961	Sept. 24, 1964	10	do	4	$3,500,000.00	$836,919.81		$836,919.81
ICA 11-2	480	June 6, 1961		20	Local	4	[1] 2,475,000.00			
DLF 185	86-472	June 12, 1961	May 1, 1965	8	do	5¾	1,750,000.00	286,730.50		286,730.50
Brazil: AID 1 (DLF)	87-195	Nov. 20, 1961	Dec. 1, 1971	40	Dollars	¾	65,000,000.00	65,000,000.00		65,000,000.00
Chile:										
ICAX 13-6	480	May 12, 1961	Feb. 1, 1966	20	Local	4	[1] 23,120,000.00	2,988,428.97		2,988,428.97
DLF 188	86-472	June 21, 1961		20	Local or dollars.	3½	3,200,000.00			
DLF 199	86-472	June 14, 1961		25	do	4	5,000,000.00			
ICA 13-7	86-735	Aug. 3, 1961	Sept. 1, 1971	30	Dollars	¾	100,000,000.00	30,000,000.00		30,000,000.00
Colombia:										
DLF 207	87-195	Aug. 2, 1961	Nov. 15, 1962	20	do	4	12,000,000.00	1,500,000.00		1,500,000.00
DLF 208	87-195	do	July 15, 1962	20	do	4	8,000,000.00	1,000,000.00		1,000,000.00
Costa Rica:										
DLF 205	87-195	Sept. 21, 1961	Jan. 15, 1963	20	Local	3½	5,000,000.00	600,000.00		600,000.00
DLF 203	87-195	Dec. 22, 1961		20	do	3½	3,500,000.00			
Dominican Republic: AID 8	87-195	Feb. 16, 1962	Feb. 24, 1967	20	Dollars	¾	25,000,000.00	11,500,000.00		11,500,000.00
Ecuador:										
ICAX 18-6	480	Mar. 1, 1961		15	Local	4	[1] 500,000.00			
ICAX 18-7	480	Aug. 21, 1961		15	do	4	[1] 1,125,000.00			
DLF 195	87-195	Oct. 19, 1961		20	Local or dollars.	3½	1,800,000.00			
DLF 213	87-195	Oct. 31, 1961		25	Dollars	4	5,000,000.00			
AID 3 (ICA)	87-195	Dec. 14, 1961	Dec. 28, 1966	40	do	¾	8,000,000.00	8,000,000.00		8,000,000.00
El Salvador: DLF 202	87-195	Aug. 1, 1961		20	Local	3½	1,600,000.00			
Guatemala:										
DLF 150	86-472	Jan. 24, 1961		15½	Dollars	3½	2,100,000.00			
DLF 174	86-472	do		15	Local	3½	5,400,000.00			
Haiti: DLF 180	87-195	Aug. 25, 1961		9	do	5¾	250,000.00			
Honduras: ICA SF-1	86-472	Mar. 14, 1961	Mar. 14, 1966	5	Dollars	5¾	2,000,000.00	1,250,000.00	$40,722.61	1,250,000.00
Nicaragua: DLF 200	87-195	Sept. 25, 1961		15	Local	3½	4,300,000.00			
Paraguay:										
DLF 91	86-472	May 25, 1961		10	Local or dollars.	3½	1,000,000.00			
ICAX 26-3	480	Aug. 24, 1961		25	Local	4	[1] 2,700,000.00			
DLF 216	87-195	Oct. 23, 1961		20	Local or dollars.	3½	7,100,000.00			
Peru:										
DLF 201	87-195	July 27, 1961		20	do	4	7,500,000.00			
DLF 200	87-195	Sept. 8, 1961		20	do	3½	1,800,000.00			
DLF 204	87-195	Sept. 9, 1961		20	do	3½	9,000,000.00			
AID 4 (ICA)	86-735	Feb. 8, 1962		40	Dollars	¾	6,000,000.00			
Venezuela:										
DLF 175	86-472	Mar. 15, 1961	Apr. 1, 1962	15	do	5	5,000,000.00	600,000.00	2,500.00	600,000.00
DLF 212	87-195	Dec. 17, 1961		20	do	4	10,000,000.00			

[1] Loan agreement is stated in local currency. As this report is stated in dollars, the dollar equivalent reported herein, is the amount set aside for 104(g) loan purposes in the sales agreement(s). The exchange rate used to compute the amount of local currency stated in the loan agreement is also applicable to disbursements and repayment of principal.

[2] Does not include collections in transit or under review by Treasury Department.

[3] Country has option to pay interest and principal in either dollars or local currencies 3 percent interest if paid in dollars and 4 percent if paid in local currency.

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield to the Senator from Iowa.

Mr. HICKENLOOPER. I associate myself completely with the statements made by the Senator from Delaware. This is not only an unconscionable proposal, but it cannot be defended by any argument I know of, and it is completely ridiculous. This is not the way to approach the problem of the gold outflow. The Senator from Delaware has put his finger on one of the main solutions, and that is to stop spending foolishly and unnecessarily, and to encourage American enterprise, with some confidence, to invest in this country, and not give favoritism to central banks of foreign nations in the interest rate that is paid.

I know the proposal is supported by this administration and by many persons who use specious arguments—for what reason I cannot understand. I suppose this proposal will prevail. The proponents have the votes to do it. But I want to associate myself with the statements of the Senator from Delaware, and say that this proposal is absolutely indefensible. In fact, it is ridiculous even to consider it. I do not know whether there will be a yea-and-nay vote on it, but I want to be recorded as opposing any such nonsense as is proposed in this legislation.

Mr. PROXMIRE. I thank the Senator from Iowa. I think this debate indicates that, when the proposal comes up again in 3 years, there will be a really critical appraisal of how it has worked.

Mr. MILLER. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield to the Senator from Iowa.

Mr. MILLER. Is there any ceiling on the interest rates that may be paid on deposits of central banks?

Mr. PROXMIRE. No; they are free to pay any interest. Of course, there is an economic ceiling. It would not make sense to pay a higher rate than the amount which could be earned on the amounts deposited, but there is no ceiling imposed such as is imposed on interest rates for all other depositors.

Mr. MILLER. The Senator has said there is an economic safety valve in the form of the amount that could be earned by the deposited funds, but I suggest that is not the purpose behind it, and that the stopping of the outflow of gold might be more pressing than the amount that could be earned by these deposits.

Mr. PROXMIRE. The Senator is correct.

Mr. MILLER. If that is so, there is no ceiling whatsoever on the interest.

Mr. PROXMIRE. I misunderstood the Senator. The banks are private institutions, which have obligations to their stockholders and their boards of directors. The banks are very closely regulated, as the Senator knows. I cannot imagine a bank paying more interest than it earned. These are not Federal Reserve Banks or Government agencies: they are private banks that operate for profit and have to account to their stockholders. Therefore, there would be a limit on the amount of interest paid. If they could not for instance make more than 3½ percent, including costs on this money, it would be ridiculous to pay interest rates higher than 3 or 3½ percent.

The Under Secretary of the Treasury, Mr. Roosa, testified that this bill would not affect longer term deposits, those of over 6 months, as the Wall Street Journal once speculated, for this very reason.

Mr. MILLER. I thank the Senator for that explanation.

Does he know whether or not there are any other nations, aside from our own Government, which have adopted a law similar to this, to give preference to outside depositors?

Mr. PROXMIRE. The Senator from Delaware cited France as one sorry example.

Mr. MILLER. I mean currently.

Mr. PROXMIRE. I am not sure We asked the Assistant Secretary of the Treasury that question. He did not give us any reply.

Mr. MILLER. I thank the Senator. I support him and the Senator from Delaware in their statements.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendments of the Senator from Wisconsin, as modified.

The amendments, as modified, were agreed to.

The ACTING PRESIDENT pro tempore. The bill is open to further amendment.

If there are no further amendments to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time.

The ACTING PRESIDENT pro tempore. The bill having been read the third time, the question is, Shall it pass?

Mr. MANSFIELD and **Mr. WILLIAMS** of Delaware requested the yeas and nays.

The yeas and nays were ordered.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum, but first I ask unanimous consent that at the conclusion of the quorum call 10 minutes be allocated on the bill, to be controlled by the Senator from Wisconsin [Mr. Proxmire] and the Senator from Alabama [Mr. Sparkman], 5 minutes to a side.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. SPARKMAN. Mr. President, I yield myself 3 minutes.

I recommend a reading of the report, particularly the purpose of the bill, as given on the very first page of the report. Let me quote it:

> The bill would exempt from the interest ceilings now imposed by regulation under the Federal Reserve Act and the Federal Deposit Insurance Act, the time deposits of foreign governments, their central banks or other monetary authorities, and international financial institutions of which the United States is a member.

That is the list of the organizations to be exempted from the law under which ceilings are imposed on the interest rate which may be paid on time deposits in banks in the United States are concerned.

This proposal was strongly recommended by Secretary Dillon. It was strongly recommended by Mr. Roosa, the Under Secretary of the Treasury, who is one of the outstanding monetary experts of the world.

Mr. President, I ask unanimous consent that at this point there may be reproduced in the Record again the letter sent to the chairman of the committee, the Senator from Virginia [Mr. Robertson] by Secretary Dillon, strongly recommending the proposed legislation.

There being no objection, the letter was ordered to be printed in the Record, as follows:

> September 28, 1962.
>
> Hon. A. Willis Robertson,
> *U.S. Senate, Washington, D.C.*
>
> Dear Willis: I am writing to assure you of my strong personal interest in the passage of the bill removing restrictions on time deposit rates for deposits of foreign central banks and governments, S. 1413 (H.R. 12080). The Treasury gives its wholehearted support to this bill as constituting a further step toward strengthening our balance-of-payments position.
>
> I understand that the suggestion has been made to place a time limitation of 1 or 2 years on the legislation. In our judgment, it will take some time for the banks to adapt their procedures and make the necessary contacts and arrangements needed if this legislation is to produce more than nominal results. The benefits which we hope to obtain from this legislation cannot be achieved if the banks look upon this as a temporary authority. Consequently, we would oppose any time limitation, on the ground that it would tend to defeat the ends we hope to achieve through this bill.
>
> The Treasury, of course, will be prepared to make periodic reports to the Senate Banking Committee on the effects of this legislation. At such time we can appraise whether the effects suggested in the minority report of the committee have, in fact, occurred. We believe that this course of action is much to be preferred to the placing of a time limit which, we believe, would tend to assure that the legislation would not fulfill our objectives.
>
> With best wishes.
> Sincerely,
>
> Douglas Dillon.

Mr. SPARKMAN. Mr. President, I point out that the American Bankers Association has recommended this proposal. After all, it is a private enterprise undertaking whereby privately owned banks are to be given some leeway from the tight regulations imposed by the Federal Reserve Board and the Federal Deposit Insurance Corporation. It relates only to the time deposits of foreign governments and international organizations such as those enumerated in the report, as I read a few minutes ago.

Three great banks recommended the proposed legislation; namely, the Chase Manhattan Bank, the Bank of America, and the Irving Trust Co. of New York.

Our committee was overwhelmingly of the opinion that the bill should be enacted. Secretary Dillon estimated that the benefit to the United States would amount to $300 million this year. I do not mean in the form of net earnings. I read this quotation:

> The Treasury gives its wholehearted support to this bill as constituting a further step toward strengthening our balance-of-payments position.

He also said:

> I am writing to assure you of my strong personal interest in the passage of the bill removing restrictions on time deposit rates for deposits of foreign central banks and governments.

That is contained in the letter written by Secretary Dillon to the Senator from Virginia [Mr. Robertson], the chairman of the committee.

Mr. President, I reserve the remainder of my time.

The ACTING PRESIDENT pro tempore. The Senator from Wisconsin has 5 minutes. Does the Senator yield himself time?

Mr. PROXMIRE. Mr. President, I yield myself 3 minutes, and I reserve 2 minutes for the Senator from Delaware [Mr. Williams].

The ACTING PRESIDENT pro tempore. The Senator from Wisconsin may proceed for 3 minutes.

Mr. PROXMIRE. Mr. President, the only argument made in favor of the passage of the bill is that it would reduce conversion of dollars into gold. It has been agreed by Under Secretary Roosa that it would not help us with respect to our unfavorable balance of payments, from which we suffer at the present time and which is our basic problem. It would not improve our adverse balance-of-payments position.

The Senator from Delaware and the Senator from Iowa are exactly correct in saying that that is really the fundamental problem and that it must be dealt with through fiscal policy, labor policy, the foreign-aid program, and our military policy.

Any gimmick of the type provided in this bill would not serve a fundamental purpose.

How about the gold conversion factor? There is no evidence whatsoever to show that a conversion of dollars into gold has ever been significantly related to the interest paid on time deposits in American banks. Let us consider the period of 1958 and 1959, when there was the biggest conversion of dollars into gold. The evidence is clear that the conversion was based entirely on a speculative situation, and that the balances which foreign banks held and international bodies held in our banks did not fluctuate. There was no evidence that such deposits were cashed in for gold. There was none.

Everyone who testified agreed that the reason why foreign central banks keep their money on deposit in the United States has very little, if anything at all, to do with interest rate considerations. They keep their money on deposit, first, for political reasons. It is for political reasons, because of the influence of our Treasury, of the President, and so on. That is the first point.

The second reason why they keep the money on deposit is that by doing so they obtain certain services from these banks which are very useful to them.

After all, it would be ridiculous for them to keep this money on deposit when they could, at the present time, receive higher rates of return by putting the money into Treasury bills. It is very clear that if the central banks and foreign governments were concerned about obtaining higher interest rates on their holdings of dollars, they could easily do so by placing the money in U.S. Government securities. That would give them a rate of return higher than obtainable on any kind of deposits in banks.

Notwithstanding this situation, the fact is that the foreign banks have on deposit in the United States some $2.2 billion. Why would they do that, if the interest rates were not high enough? They do it because the interest rate is not a consideration.

I submit that by paying higher rates of interest to these central banks, there would be a benefit accorded to the foreign countries, and the benefit would be at the expense of the taxpayer. There is not the shadow of a suggestion of a whisper of evidence that that would slow down the conversion of dollars into gold.

Secretary Dillon could as easily have taken a figure of $3 billion or $30 million as $300 million. He could have taken any figure, because he has not provided a shred of evidence to support the $300 million figure.

The ACTING PRESIDENT pro tempore. The time of the Senator from Wisconsin has expired.

Mr. PROXMIRE. Mr. President, does the Senator from Alabama wish to use any time now?

Mr. SPARKMAN. Not now.

Mr. PROXMIRE. Mr. President, I yield 2 minutes to the Senator from Delaware [Mr. Williams].

The ACTING PRESIDENT pro tempore. The Senator from Delaware is recognized for 2 minutes.

Mr. WILLIAMS of Delaware. Mr. President, the Senator from Alabama has pointed out that the American Bankers Association has endorsed this proposal, but a major point made by the American Bankers Association was that what really ought to be done is to attack the cause of the deficit in the balance of payments; namely, deficit spending. That was the strongest recommendation the American Bankers Association made. I should like to see that part carried out first. If we would do that we would eliminate the need for many of these picayune bills which in effect do not approach the real problem.

It just does not make any sense to pass this bill to increase the rate of interest which can be paid to the foreign governments and foreign central banks for the short-term deposits when at the same time under another program we are loaning money to some of these same governments at three-fourths of 1 percent interest and even waiving the interest in many instances, permitting the foreign organizations to deposit the money in the United States.

If we really wish to cut down the deficit in the balance of payments we should stop sending out money so freely all over the world.

The time has come when in order to protect our own solvency we must stop trying to play Santa Claus for the whole world.

This particular bill does not begin to approach the problem at all. It is not realistic for anyone to say that it will save $300 million a year. I do not agree with any such figure at all. There may be that much involved in deposits which can be attracted here, but I do not see how anyone could justify saying that this would be a savings to our Government.

I do not see how we can justify a proposal to remove the ceiling on the interest rate for these foreign central banks on money deposited in this country when there is such an overwhelming opposition to increasing the rates which can be paid to American depositors when they invest their savings in U.S. Government bonds.

I do not go along with respect to the arguments advanced for removing this interest ceiling on these foreign deposits.

Mr. MILLER. Mr. President, will the Senator yield?

The ACTING PRESIDENT pro tempore.. Does the Senator yield time?

Mr. PROXMIRE. If I have any time remaining, Mr. President, I yield whatever time remains.

The ACTING PRESIDENT pro tempore. The time of the Senator from Wisconsin has expired. The Senator from Alabama has 2 minutes remaining.

Mr. SPARKMAN. Mr. President, with reference to the $300 million—and I hope the Senator from Delaware will listen to my comment—I did not say there would be annual earnings of $300 million. In fact, I even digressed to say I did not mean earnings.

Members of the committee were told by Secretary Dillon and Under Secretary Roosa that they were convinced that this would involve a savings to the United States of $300 million of gold.

In other words, during the course of the year the deposits would prevent the governments or organizations from withdrawing from this country as much as $300 million in gold.

Mr. WILLIAMS of Delaware. Mr. President, if the Senator will yield, I am glad he has corrected that understanding.

Mr. SPARKMAN. Wait just a minute. I think the Senator from Delaware misunderstood me in the beginning.

Mr. WILLIAMS of Delaware. I accept the Senator's statement as correct. That is my understanding.

Mr. SPARKMAN. I made the direct statement in that regard.

Mr. WILLIAMS of Delaware. That is what I mean. The Senator corrected the understanding. This does involve deposits of foreign governments and foreign central banks only.

Mr. SPARKMAN. Very well.

Mr. WILLIAMS of Delaware. The point I make is that rather than having a fear that these governments would withdraw the money from the banks in this country or convert it into gold, why should we not remove the real cause of this fear, which is the planned deficit spending in which we are engaging?

Mr. SPARKMAN. I would certainly go along with that. I am in favor of that.

It is correct that this bill will not solve the whole balance-of-payments problem. Other steps are needed too. But merely because this is only one step is no reason for refusing to take this step. The Secretary of the Treasury, the Under Secretary of the Treasury, who is a great international monetary expert, the American Bankers Association, and the leading banks throughout our country have all strongly recommended this step. I see no reason why we should not take this step toward helping us save the gold that we have on hand.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. WILLIAMS of Delaware. I do not know that any of those who so recommended, recommended that we take that step without first taking the step which would remove the cause of the problem.

Mr. SPARKMAN. The recommendation given to us by the American Bankers Association and the others I have mentioned was unqualified. They supported the bill and did not have any precondition.

I point out to the Senator that every member of the committee on his side of the aisle voted for the bill. It was unanimously supported by the Republican members of the committee.

The ACTING PRESIDENT pro tempore. All time has expired. The bill has been read the third time. The question now is, Shall the bill pass? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Virginia [Mr. Byrd], the Senator from New Mexico [Mr. Chavez], the Senator from Pennsylvania [Mr. Clark], the Senator from Illinois [Mr. Douglas], the Senator from California [Mr. Engle], the Senator from Tennessee [Mr. Gore], the Senator from Indiana [Mr. Hartke], the Senator from Alabama [Mr. Hill], the Senator from Oklahoma [Mr. Kerr], the Senator from Ohio [Mr. Lausche], the Senator from Washington [Mr. Magnuson], the Senator from Oklahoma [Mr. Monroney], the Senator from Oregon [Mrs. Neuberger], the Senator from Rhode Island [Mr. Pastore], and the Senator from Massachusetts [Mr. Smith] are absent on official business.

I further announce that the Senator from New Mexico [Mr. Anderson], the Senator from Arkansas [Mr. Fulbright], the Senator from Alaska [Mr. Gruening], the Senator from Wyoming [Mr. Hickey], are necessarily absent.

I further announce that, if present and voting, the Senator from California [Mr. Engle], the Senator from Alaska [Mr. Gruening], the Senator from Indiana [Mr. Hartke], the Senator from Wyoming [Mr. Hickey], the Senator from Alabama [Mr. Hill], the Senator from Oklahoma [Mr. Kerr], the Senator from Washington [Mr. Magnuson], the Senator from Oklahoma [Mr. Monroney], the Senator from Rhode Island [Mr. Pastore], the Senator from Massachusetts [Mr. Smith], the Senator from Pennsylvania [Mr. Clark], the Senator from Illinois [Mr. Douglas], and the Senator from Oregon [Mrs. Neuberger] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from Utah [Mr. Bennett], the Senator from South Dakota [Mr. Bottum] the Senator from Texas [Mr. Tower], the Senator from Indiana

[Mr. CAPEHART], the Senator from Kansas [Mr. CARLSON], the Senator from New Hampshire [Mr. COTTON], the Senator from Illinois [Mr. DIRKSEN], the Senator from New York [Mr. JAVITS], the Senator from Kentucky [Mr. MORTON], and the Senator from Pennsylvania [Mr. SCOTT] are necessarily absent.

If present and voting, the Senator from Indiana [Mr. CAPEHART], the Senator from New York [Mr. JAVITS], the Senator from Pennsylvania [Mr. SCOTT], and the Senator from Texas [Mr. TOWER] would each vote "yea".

On this vote, the Senator from Utah [Mr. BENNETT] is paired with the Senator from South Dakota [Mr. BOTTUM]. If present and voting, the Senator from Utah would vote "yea," and the Senator from South Dakota would vote "nay."

The result was announced—yeas 50, nays 21, as follows:

[No. 292 Leg.]

YEAS—50

Bartlett
Beall
Bible
Burdick
Bush
Butler
Byrd, W. Va.
Cannon
Carroll
Case
Church
Dodd
Eastland
Ellender
Ervin
Goldwater
Hart

Hayden
Holland
Humphrey
Jackson
Johnston
Jordan, N.C.
Keating
Kefauver
Long, Mo.
Long, Hawaii
Mansfield
McCarthy
McClellan
McGee
McNamara
Metcalf
Morse

Moss
Muskie
Pearson
Pell
Prouty
Randolph
Robertson
Saltonstall
Smathers
Sparkman
Stennis
Symington
Talmadge
Williams, N.J.
Yarborough
Young, Ohio

NAYS—21

Aiken
Allott
Boggs
Cooper
Curtis
Fong
Hickenlooper

Hruska
Jordan, Idaho
Kuchel
Long, La.
Miller
Mundt
Murphy

Proxmire
Russell
Smith, Maine
Thurmond
Wiley
Williams, Del.
Young, N. Dak.

NOT VOTING—29

Anderson
Bennett
Bottum
Byrd, Va.
Capehart
Carlson
Chavez
Clark
Cotton
Dirksen

Douglas
Engle
Fulbright
Gore
Gruening
Hartke
Hickey
Hill
Javits
Kerr

Lausche
Magnuson
Monroney
Morton
Neuberger
Pastore
Scott
Smith, Mass.
Tower

So the bill (H.R. 12080) was passed.

Mr. ROBERTSON. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. SPARKMAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

INCLUSION OF THE SOUTHERN UTE INDIAN RESERVATION AMONG RESERVATIONS EXCEPTED FROM THE 25-YEAR LEASE LIMITATION

Mr. MANSFIELD. Mr. President, last Friday the Senate passed S. 3714, to amend the act of August 9, 1955, for the purpose of including the Southern Ute Indian Reservation among reservations excepted from the 25-year lease limitation.

I ask unanimous consent that the votes by which the bill was passed be reconsidered; that the Committee on Interior and Insular Affairs be discharged from the further consideration of H.R. 8113, a similar bill; and that the Senate proceed to the consideration of the House bill.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered. The House bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill H.R. 8113, to amend the act of August 9, 1955, for the purpose of including the Southern Ute Indian Reservation among reservations excepted from the 25-year lease limitation.

The ACTING PRESIDENT pro tempore. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill (H.R. 8113) was ordered to a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that S. 3714 be indefinitely postponed.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXCHANGE OF LANDS BETWEEN THE UNITED STATES AND THE SOUTHERN UTE INDIAN TRIBE

Mr. MANSFIELD. Mr. President, earlier today the Senate passed S. 3713, to provide for an exchange of lands between the United States and the Southern Ute Indian Tribe, and for other purposes.

There is pending in the Committee on Interior and Insular Affairs a similar bill, H.R. 9342. I ask unanimous consent that the vote by which S. 3713 was passed be reconsidered.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the committee be discharged from the further consideration of H.R. 9342 and that the Senate proceed to its consideration.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered. The clerk will state the bill by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H.R. 9342), to provide for an exchange of lands between the United States and the Southern Ute Indian Tribe, and for other purposes.

The ACTING PRESIDENT pro tempore. The bill is open to amendment.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the text of the Senate bill, as amended, be substituted for the language of the House bill.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Without objection, the text of the Senate bill, as amended, will be printed in the RECORD at this point.

The text of S. 3714, as amended, is as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) there is hereby transferred to the United States all of the right, title, and interest of the Southern Ute Indian Tribe in the following lands, which are needed for the Navajo Dam and Reservoir project, except the minerals therein and the right to prospect for and remove them in a manner that does not impair the project, as prescribed by the Secretary of the Interior:

NEW MEXICO PRINCIPAL MERIDIAN, COLORADO

TOWNSHIP 32 NORTH, RANGE 4 WEST

Section 16: West half northwest quarter southwest quarter southwest quarter, northwest quarter southwest quarter southwest quarter southwest quarter,

Section 17: South half south half northwest quarter southeast quarter, north half southwest quarter southwest quarter, north half south half southwest quarter southwest quarter, south half southwest quarter northeast quarter southeast quarter.

Section 18: North half northwest quarter southwest quarter, northeast quarter southeast quarter northwest quarter southwest quarter, north half southeast quarter southeast quarter, north half south half southeast quarter southeast quarter, northeast quarter southwest quarter southeast quarter, north half northwest quarter southwest quarter southeast quarter, north half northeast quarter southeast quarter southwest quarter.

TOWNSHIP 32 NORTH, RANGE 5 WEST

Section 5: Southeast quarter northeast quarter southeast quarter northwest quarter, east half southeast quarter southeast quarter northwest quarter,

Section 9: West half, east half southeast quarter southeast quarter, west half southeast quarter southeast quarter, southwest quarter southeast quarter, southeast quarter southeast quarter southeast quarter southeast quarter,

Section 10: Southeast quarter southeast quarter, southwest quarter southeast quarter, northeast quarter southeast quarter northeast quarter southeast quarter, south half south half northeast quarter southeast quarter, southeast quarter southeast quarter southwest quarter, south half southwest quarter southeast quarter southwest quarter, northeast quarter southwest quarter southeast quarter southwest quarter, southeast quarter southeast quarter southwest quarter southwest quarter,

Section 11: South half south half northwest quarter southwest quarter, northwest quarter southwest quarter northwest quarter southwest quarter, south half southwest quarter northeast quarter southwest quarter,

Section 12: Southeast quarter southwest quarter southwest quarter southwest quarter, south half southeast quarter southwest quarter southwest quarter, south half south half southeast quarter southwest quarter,

Section 13: Northeast quarter northeast quarter southwest quarter, north half northwest quarter southeast quarter, north half north half northeast quarter southeast quarter,

Section 14: North half north half northeast quarter southwest quarter, north half northeast quarter northwest quarter southwest quarter, north half northwest quarter northwest quarter southeast quarter,

Section 15: West half northwest quarter northeast quarter southeast quarter, west half northeast quarter, northwest quarter southeast quarter, north half north half southwest quarter southeast quarter,

Section 16: Northeast quarter.

Containing 707.5 acres, more or less.

(b) In exchange for such conveyance, the Secretary of the Interior is authorized to transfer to the United States in trust for the Southern Ute Indian Tribe subject to valid existing right, public lands on the Archulet Mesa, reserving to the United States the minerals therein and the right to prospect for and remove them under regulations of the Secretary of the Interior, that are contiguous to the present eastern boundary of the Southern Ute Indian Reservation, and that have a value equal to or not materially greater than the value of the lands conveyed by the tribe, such values to be determined by the Secretary: *Provided*, That such public lands shall be selected in a manner that will not increase the Government's management problem for other public lands, the selection shall be approved by the Southern Ute Indian Tribe, and the Southern Ute Indian Tribe shall pay to the United States any difference in the values of the lands exchanged.

(c) The owners of the range improvements of a permanent nature placed, under the authority of a permit from or agreement with the United States, on the public lands conveyed to the tribe shall be compensated for the reasonable value of such improvements, as determined by the Secretary, out of appropriations available for the construction of the Navajo unit, Colorado River storage project.

(d) Persons whose grazing permits, licenses, or leases on the public lands conveyed to the tribe are canceled because of such conveyance shall be compensated in accordance with the standard prescribed by the Act of July 9, 1942, as amended (43 U.S.C. 315q), out of appropriations available for the construction of the Navajo unit, Colorado River storage project.

(e) The public lands conveyed to the tribe shall be a part of the Southern Ute Indian Reservation and shall be subject to the laws and regulations applicable to other tribal lands in that reservation.

(f) The tribal lands conveyed to the United States shall no longer be "Indian country" within the meaning of section 1151 of title 18 of the United States Code. They shall have the status of public lands withdrawn for administration pursuant to the Federal reclamation laws, and they shall be subject to all laws and regulations governing the use and disposition of public lands in that status.

(g) In any right-of-way granted by the United States for a railroad over the tribal lands conveyed to the United States, the Secretary shall provide the Southern Ute Indians, at such points as he determines to be reasonable, the privilege of crossing such right-of-way.

(h) The tribal lands conveyed to the United States shall not be utilized for public recreational facilities without the approval of the Southern Ute Tribal Council, and the tribe and its assigns shall have the right to utilize for recreational development the parts of such lands that are in sections 9, 10, 15, and 16, township 32 north, range 5 west, New Mexico principal meridian, Colorado, provided such recreational development does not interfere with the construction, operation, and maintenance of the Navajo Dam and Reservoir or appurtenant structures.

(i) Nothing in this Act shall be construed to abridge any fishing rights that are vested in the Indians.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that Senate bill 3713 be indefinitely postponed.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MANSFIELD. I move that the Senate reconsider the votes by which H.R. 8113 and H.R. 9342 were passed.

Mr. HUMPHREY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

FOREIGN AID AND RELATED AGENCIES APPROPRIATIONS, 1963

The Senate resumed the consideration of the bill (H.R. 13175) making appropriations for foreign aid and related agencies for the fiscal year ending June 30, 1963, and for other purposes.

The ACTING PRESIDENT pro tempore. The question is on the first committee amendment, on page 2, line 5.

Mr. MANSFIELD. Mr. President, after discussing the subject with the distinguished Senator from Wisconsin and with the leadership on the other side of the aisle, I am informed that there is agreement, subject to the concurrence of the Senate, for a time limitation on three amendments which are to be offered by the Senator from Wisconsin.

Mr. PROXMIRE. It is my understanding that the Chair has stated that the question is on the first committee amendment. I have proposed a unanimous-consent agreement that the committee amendments be considered en bloc, with certain exceptions. The exceptions involve three amendments. I have discussed the matter with the distinguished Senator from Louisiana [Mr. ELLENDER], who has a deep interest in the bill. It is my understanding that he concurs in my request, with the understanding that it does not affect his right to call up his amendments.

Therefore I renew my unanimous-consent request.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. KUCHEL. Reserving the right to object, I desire to have the Senator from Wisconsin state for the RECORD the three committee amendments which, under his proposed unanimous-consent agreement, would be considered separately, my understanding being that the entire group of amendments other than these three would then be considered en bloc. In other words, I would like to have the Senator spell out his agreement for the benefit of the Senate.

Mr. PROXMIRE. I did it earlier today, but I am glad to do it again.

In the first place, the amendments that are not included would be considered en bloc, agreed to, and treated as original text. Furthermore, the three amendments which I have submitted, which are en bloc amendments, would also be treated as original text.

I call the attention of the Senator from California to the text of the bill. I will refer to the amendments by page and line. Page 2, line 5; page 2, line 13; page 3, line 6; page 3, line 8; page 3, lines 9 through 17; page 3, line 19; page 4, line 11. I am asking that these amendments of the committee be treated en bloc. I will try to get a yea-and-nay vote on the question of whether the Senate will make the increases which the committee has asked the Senate to make.

Mr. KUCHEL. What the Senator has done is to indicate by page and line those amendments that he wishes to have considered en bloc. Is that correct?

Mr. PROXMIRE. The Senator is correct.

Mr. KUCHEL. There are more than three amendments.

Mr. PROXMIRE. I have three en bloc amendments. The first amendment to be considered is the amendment to which I have referred, which includes a series of other amendments. Let me put it this way.

What I would do would be to cut back "development grants" by $50 million; "investment guaranties" by $70 million; "supporting assistance" $50 million; "contingency fund" $65 million; "Alliance for Progress" $150 million; "development loans" $350 million; "military assistance" $150 million.

Mr. KUCHEL. Does the Senator propose to offer these as separate amendments?

Mr. PROXMIRE. No; they would be offered en bloc. My proposal is that the Senate return to the House figures in these cases. We would be voting on whether we desired to go back to the House figures. That would be a separate vote.

I understand the Senator from Louisiana [Mr ELLENDER] proposes to offer a substitute amendment on military assistance and also another amendment.

Mr. ELLENDER. That is, if the amendment of the Senator from Wisconsin does not succeed.

Mr. PROXMIRE. That is correct.

Mr. ELLENDER. I hope the Senator's amendment will be agreed to.

Mr. SALTONSTALL. Mr. President, I call the attention of the majority leader and of the acting minority leader to the fact that the proposal of the Senator from Wisconsin will go to the heart of the bill.

If it is desired to consider the proposal of the Senator from Wisconsin and discuss the whole subject as a unit, namely, whether to return to the House figures or not, I am perfectly agreeable to doing so. But I call the attention of the leadership to the fact that if the proposal of the Senator from Wisconsin prevails, all the action of the Senate Committee on Appropriations will go out the window.

Mr. PROXMIRE. I have made this proposal with the idea of saving time. If the Senate were to discuss each item individually, it would take much more time. I am perfectly willing to agree to a limitation of time for debate.

Mr. SALTONSTALL. That is all right.

Mr. KUCHEL. Mr. President, is a part of the consent agreement an agreement as to time? If so, what is the limitation?

The ACTING PRESIDENT pro tempore. At this time the unanimous consent agreement is merely with respect to the consideration of the amendments.

Mr. KUCHEL. En bloc?

The ACTING PRESIDENT pro tempore. The committee amendments en bloc, with the deletion proposed by the Senator from Wisconsin.

Mr. KUCHEL. I think it would be more satisfactory if we "wrapped up" the whole proposal in one unanimous-consent agreement.

Mr. GOLDWATER. Mr. President, reserving the right to object, may I inquire of the Senator from Wisconsin how many separate amendments would be involved? Why not discuss each one separately and vote on each one separately?

Mr. PROXMIRE. My first proposal would cover seven separate amendments. They would all have the same general purpose. They would all be concerned with reducing the Senate Appropriations Committee figures to the amounts as passed by the House.

Mr. GOLDWATER. What about the next amendment of the Senator from Wisconsin?

Mr. PROXMIRE. The next amendment relates to discretion with respect to Cuba. That would be one amendment to be treated separately.

The next amendment involves Presidential discretion with respect to Yugoslavia and Poland. That also would be one amendment, to be treated separately.

Mr. GOLDWATER. So the Senator is speaking about three separate funds?

Mr. PROXMIRE. The Senator is correct

Mr. GOLDWATER. I am inclined to wish that the Senator would discuss and vote on each item separately under his first proposal. I think it would be too easy for the Senate to say "No" to his proposal en bloc.

Mr. PROXMIRE. If the Senator will permit me to proceed in the way I have suggested, subsequent amendments will be offered to particular sections about which individual Senators feel strongly. The Senator from Louisiana has at least two such amendments, and other Senators will desire to offer amendments if those amendments fail.

Mr. GOLDWATER. If the Senator's proposal fails, will there be an opportunity to vote on the amendments piecemeal?

Mr. PROXMIRE. Not on all of them; only if Senators have an interest to submit amendments in particular areas in which they feel reductions should be made.

Mr. MANSFIELD. Mr. President, if I understand the Senator from Wisconsin correctly, he is proposing what ordinarily would be proposed by the chairman of the Committee on Appropriations, who is handling the bill; namely, he is asking unanimous consent that, with certain exceptions, the committee amendments be agreed to en bloc. If this is done, it will mean that the Senator from Wisconsin will offer three major amendments to the bill.

Mr. PROXMIRE. No; not quite. The first part of what the Senator from Montana said is correct. After that action has been taken, it will be up to the committee to persuade the Senate to adopt each amendment, the first being an increase of $785 million over what the House provided; the second will be with regard to the discretion with respect to Cuba; and the third will be with respect to aid to Yugoslavia and Poland.

Mr. MANSFIELD. Is it the Senator's intention to request a separate vote on each of his three proposals?

Mr. PROXMIRE. That is my intention.

Mr. MANSFIELD. In line with the request being made by the Senator from Wisconsin, and with the approval of the Senate, I should like to propose an additional unanimous consent request: That 1 hour be allocated to each of the three proposals mentioned by the Senator from Wisconsin, 30 minutes to a side. I have discussed this proposal with the leadership on the minority side, with the Senator from Wisconsin, and with members of the Committee on Appropriations. So far as I know, the proposal is agreeable.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. GOLDWATER. May we have the yeas and nays ordered at the same time the request is made?

Mr. MANSFIELD. The yeas and nays will be ordered; I promise that to the Senator.

Mr. KUCHEL. So that I may understand correctly, the following amendments will be considered together. That is to say, what I am about to read will be, subject to the unanimous consent agreement, adopted by the Senate, subject to a motion to change the amounts involved in each instance:

On page 2, lines 5 and 13; on page 3, lines 6, 8, 9 to 17, inclusive; and line 18. On page 4, line 11. Is that correct?

Mr. PROXMIRE. That is correct.

Mr. KUCHEL. I have no objection.

Mr. HICKENLOOPER. Mr. President, reserving the right to object, I should like to ask the majority leader concerning the effect of the amendment. I have no particular intention of objecting, but I do not know what will happen. A number of Senators wish to support as vigorously as we can very substantial reductions in certain sections of the bill. I for one do not wish to be precluded from having that opportunity. I do not know what the effect of the proposed amendment would be.

Mr. PROXMIRE. As I understand my unanimous-consent request, if my amendment fails, any Senator will be perfectly free to offer any amendment he wishes to reduce any item in this group.

Mr. MANSFIELD. And some amendments will be offered.

Mr. HICKENLOOPER. Do I correctly understand that we are dealing with a unanimous-consent request?

Mr. MANSFIELD. Applicable only to three amendments which are being proposed, in effect, by the Senator from Wisconsin; not to amendments to be offered by other Senators—and others will be offered.

Mr. HICKENLOOPER. The bill contains committee amendments. According to the usual procedure, very often they are subject to blanket adoption. Then Senators are privileged to offer amendments affecting the particular committee amendments adopted en bloc.

Mr. MANSFIELD. That is correct.

Mr. ELLENDER. That will be the effect of the unanimous-consent agreement if the amendments offered by the Senator from Wisconsin are not adopted. Then any Senator will have the right to offer amendments as to any particular amendment.

Mr. HICKENLOOPER. How do the amendments offered by the Senator from Wisconsin affect the committee amendments?

Mr. ELLENDER. The Senator from Wisconsin is trying to restore the House figures.

The ACTING PRESIDENT pro tempore. The Chair wishes to state that the Senator from Wisconsin is not offering any amendments; he is merely asking for a vote on each committee amendment, with the usual provision that it be treated as original text and that any points of order may be waived. In other words, the Senator from Wisconsin is proposing to have the committee amendments voted on in four stages: all the accepted amendments in one stage; then the amendments on pages 2, 3, and 4 in the second stage; the amendment on page 7 in the third stage; and the amendment on page 9 in the fourth stage. All other committee amendments will be treated as original text and no points of order will be waived, and they will then be subject to further amendment.

Mr. HICKENLOOPER. I have no desire to delay the expeditious consideration of the bill. All I am concerned about is that we do not get into a parliamentary situation under which Senators will be precluded from offering amendments, especially to reduce any of the amounts, unless they are reduced by other methods.

Mr. MANSFIELD. Mr. President, the Senator's rights will be fully protected, and I am sure that what he contemplates will be done. So the rights of all Senators will be protected.

Mr. HICKENLOOPER. That is what I wish to have done.

Mr. MANSFIELD. And it will be done.

Mr. ELLENDER. Mr. President, let me ask the Senator from Montana which amendments are covered by the unanimous-consent request.

Mr. MANSFIELD. The three groups of amendments.

Mr. ELLENDER. And how much time would be allowed for each group?

Mr. MANSFIELD. One hour—30 minutes to a side.

Mr. ELLENDER. On all three groups, or on each group?

Mr. MANSFIELD. A total of 1 hour for each of the three groups.

Mr. HICKENLOOPER. When will the proposed limitation begin?

Mr. MANSFIELD. As soon as the amendments are called up.

Mr. HICKENLOOPER. This afternoon I wish to discuss a matter which, although not directly related to this bill, has some relationship to it. It is a matter which occurred a short time ago, and about which I think the Senate should be informed. I am perfectly willing to have the proposed time limitation on the specific amendments go into effect, but

I do not wish to be prevented from discussing the matter to which I now refer.

Mr. MANSFIELD. Certainly not.

The ACTING PRESIDENT pro tempore. Is there objection to the proposed unanimous-consent agreement? The Chair hears none. Without objection, it is so ordered.

The question now is on agreeing to the first group of committee amendments.

The committee amendments referred to are as follows:

On page 2, line 5, after the numerals "212", to strike out "$225,000,000" and insert "$275,000,000".

On page 2, line 13, after the letter "(f)", to strike out "$30,000,000" and insert "$100,000,000".

On page 3, line 6, after the numerals "402", to strike out "$350,000,000" and insert "$400,000,000".

On page 3, line 8, after "section 451(a)", to strike out "$225,000,000" and insert "$290,000,000".

On page 3, after line 8, to strike out:

"Alliance for Progress, development loans: For assistance authorized by section 252, $425,000,000, to remain available until expended.

"Alliance for Progress, development grants: For expenses authorized by section 252, $100,000,000."

And, in lieu thereof, to insert:

"Alliance for Progress: For assistance authorized by section 252, including not to exceed $100,000,000 for grants, $575,000,000, all such funds to remain available for loans until expended."

On page 3, line 19, after "section 202(a)", to strike out "$775,000,000" and insert "$1,125,000,000".

On page 4, in line 11, after the word "States", to strike out "$1,300,000,000" and insert "$1,450,000,000".

By unanimous consent, the following committee amendments were agreed to, en bloc:

On page 2, after line 14, to insert:

"Surveys of investment opportunities: For expenses authorized by section 232, $1,000,000."

On page 2, line 18, after the figure "$148,900,000", to strike out the colon and "*Provided,* That no part of any other appropriation contained in this Act may be used to augment funds or programs contained in this paragraph" and insert a colon and "*Provided,* That no part of any other appropriation contained in this Act, except funds appropriated under this Act for the contingency fund, may be used to augment funds or programs contained in this paragraph, and no funds shall be transferred from funds appropriated under any other paragraph of title I of this Act to the contingency fund for the purpose of augmenting funds or programs contained in this paragraph."

On page 3, line 22, after "section 637(a)", to strike out "$46,000,000" and insert "$52,000,000".

On page 4, line 1, after the numerals "1961", to insert "as amended", and in line 2, after the word "amended", to strike out "$2,700,000" and insert "$3,100,000".

On page 4, line 6, after the numerals "1961", to insert "as amended"; in line 8, after the word "exceed", to strike out "$24,000,000" and insert "$24,500,000".

On page 4, line 17, after the numerals "1961", to insert "as amended".

On page 5, line 6, after the word "per", to strike out "circular A-47 of the Bureau of the Budget, dated December 31, 1952" and insert "memorandum of the President dated May 15, 1962.".

On page 9, line 15, after the numerals "1961", to insert "as amended".

On page 11, line 12, after the word "contract", to insert "for procurement to which the United States is a party".

On page 12, line 3, after the word "directly", to strike out "selected" and insert "approved".

On page 12, line 7, after the word "than", to strike out "$4,000,000" and insert "$12,000,000".

On page 12, after line 15, to insert a new section, as follows:

"SEC. 115. Amounts certified pursuant to section 1311 of the Supplemental Appropriation Act, 1955, as having been obligated against appropriations heretofore made under the authority of the Mutual Security Act of 1954, as amended, and the Foreign Assistance Act of 1961, as amended, for the same general purpose as any of the subparagraphs under 'Economic Assistance', are hereby continued available for the same period as the respective appropriations in such subparagraphs for the same general purpose: *Provided,* That such purpose relates to a project previously justified to the Congress."

On page 13, after line 2, to insert a new section, as follows:

"SEC. 116. Foreign currencies not to exceed $200,000, made available for loans pursuant to section 104(e) of the Agricultural Trade Development and Assistance Act of 1954, as amended, shall be available during the current fiscal year for expenses incurred incident to such loans."

On page 13, line 14, after the word "States", to strike out "$52,000,000" and insert "$63,750,000", and in line 15, after the amendment just above stated, to strike out the comma and "of which not to exceed $15,500,000 shall be available for administration and program support costs".

On page 14, line 7, after the word "appurtenances", to strike out "$7,900,000" and insert "$12,000,000", and in line 8, after the word "exceed", to strike out "$1,900,000" and insert "$2,100,000".

On page 15, line 16, after "(5 U.S.C. 55a)", to strike out "$55,000,000" and insert "$70,110,000".

On page 16, line 7, after "(5 U.S.C. 55a)", to strike out "$14,447,000" and insert "$16,677,000".

On page 17, line 6, after the word "until" to strike out "December 31, 1966" and insert "expended".

On page 19, line 6, after the word "law", to strike out "$73,000,000" and insert "$73,560,000", and in line 8, after the word "which", to strike out "$500,000" and insert "$560,000".

On page 19, after line 10, to strike out:

"UNITED STATES INFORMATION AGENCY

"ACQUISITION AND CONSTRUCTION OF RADIO FACILITIES

"For an additional amount for 'Acquisition and construction of radio facilities', $1,600,000, to remain available until expended."

Mr. HUMPHREY. Mr. President, I ask unanimous consent that there may now be a short quorum call, with the proviso that the time required for the quorum call not be charged to the time under the control of each side.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. HUMPHREY. Then, Mr. President, I now suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, the Senate is now proceeding under the time limitation agreed to, is it not?

The ACTING PRESIDENT pro tempore. That is correct.

Mr. HUMPHREY. And on this group of amendments, 30 minutes are available to each side, and the time is under the control of the majority leader and the Senator from Wisconsin [Mr. PROXMIRE], respectively; is that correct?

The ACTING PRESIDENT pro tempore. That is correct.

Mr. HUMPHREY. I thank the Chair.

Mr. PROXMIRE. Mr. President, I yield myself 15 minutes.

The ACTING PRESIDENT pro tempore. The Senator from Wisconsin is recognized for 15 minutes.

Mr. PROXMIRE. Mr. President, it has already been stated that if these amendments, which would increase by $785 million the amounts voted by the House, were to be rejected, the whole program would be gutted. But, Mr. President, I submit that is not correct.

I expect to support foreign aid, as I have done in past years. But I am sure it is both proper and desirable to support reductions which can be made.

There are several reasons why the program should be reduced in size. One of the reasons is that there is a great deal of money "in the pipeline"—funds appropriated in past years, but not yet spent. Another reason is that in some parts of the world the countries which have received our foreign aid have greatly benefited, and now are doing extremely well. For example, in many of the countries of Europe, the gross national product and the standard of living have been increasing much more rapidly than ours, and are now much higher than ever before, and the tax burden on the people of these countries is lighter than ours, and the percentage of their gross national product and the percentage of their taxes which many of these countries spend for defense are smaller than ours. Nevertheless, this bill provides appropriations of several hundred million dollars for military assistance to European countries.

In addition, there is much evidence that waste, extravagance, and unjustified spending have occurred in connection with our foreign-aid program. Everyone concedes that; but some who concede it say, "Yes, it is true; but we must have this program as a bulwark against communism; and if we are to be successful in our opposition to communism, we must be willing to pay the bill."

Mr. President, I accept that. But, unfortunately, Government spending is not subjected to the same kind of discipline to which private businesses are subjected. The Government is not faced with the requirement of making a profit and, therefore, the requirement constantly to keep an eye on costs, and to be very careful about the amounts spent, and to eliminate inefficient programs—because the survival of the enterprise is not at stake.

With regard to Government spending, and particularly spending in foreign aid, the only real discipline we have is to insist on a thorough and convincing justification on the part of those who administer the program. I submit that anyone who even glances at the hearings on the program, and certainly one who reads the very precise and concise House report, will be convinced that there is waste in the program, and that the only way we can impose any discipline is to reduce the spending figure somewhat.

If my amendment is accepted we will still spend more than $3½ billion in a foreign-aid bill. If my amendment should succeed, we would still be providing generously for a foreign-aid program. It is not a gutting proposal. It is scalpel cutting, and not meat-ax cutting.

Taking up the proposals seriatim, my first proposal is to cut back development grants by $50 million. It would reduce the figure to $225 million from $275 million, $225 million being the figure recommended in the House of Representatives.

In the course of the hearings in the House—and I am referring now specifically to page 10 of the House committee report—it was brought out by the chairman of the House Subcommittee on Foreign Aid Appropriations that, as originally presented, the administration was asking, for example, for what amounted to $54,000 a year each for technicians.

I quote from page 904 of the House hearings:

> Mr. PASSMAN. On page 494, I read the last paragraph:
>
> "Technical support costs are expected to rise to $1,677,000 next year, covering the estimated 23 Americans and 150 locals in the support staff. This reflects the expanded program."
>
> I suppose the locals will be financed out of the other item of $260,000?
>
> Mr. MOSSLER. Yes, sir.
>
> Mr. PASSMAN. And the 23 U.S. technicians will be funded out of the $1,260,000?
>
> Mr. MOSSLER. Yes, sir.
>
> Mr. PASSMAN. Thank you.
>
> Now, take the $1,260,000 and divide it by 23. That means these technicians are costing $54,000 a year, each.
>
> Could you give us a brief explanation as to why the cost is so high?

No explanation was forthcoming. Later, the agency came forward with an explanation in which the amount for technicians was cut by two-thirds, but the resultant savings was simply added to other figures and lumped with other costs, without justifying that particular breakdown.

Mr. President, this was not an isolated example. Other examples were developed on the basis of the House hearings.

I feel strongly that we should have moved long ago from grants to loans. A grant program is extraordinarily hard to administer, from the standpoint of eliminating waste, because there is no effective check over it, as there is in connection with a loan. We can watch the loan and get something back for it.

So I feel that the reduction to $225 million, a $50 million reduction, still allowing $225 million for grants, makes sense, particularly in view of the fact that the hearings reveal many examples, such as the one I have given, to show that the administration itself is unable to give a comprehensive, precise, and accurate description of where this enormous amount of money is going.

The second proposal is to reduce investment guarantees from $100 million to $30 million, the $30 million being the amount allowed by the House.

The House report points out that in view of the very favorable loss experience factor—less than one-tenth of 1 percent—during the 14 years of operation of the program, the House committee can see no logical need for a reserve fund of $180 million for guarantees anticipated to be issued in 1963 under this program to meet claims that are not anticipated to arise and may never materialize—and, I may add, on which there is no basis to expect that they would.

The House committee calls attention to the fact that the Federal Government has a contingent liability—retired military pay, veterans pensions and benefits, and various other types of commitments—that is authorized by law which, according to one estimate amounts to approximately $746 billion. The Federal Government has no reserve fund nor does it contemplate creating one to assure them that their claims, pensions, annuities, and so forth, will be paid, because the Government's word is the assurance.

It is said, "Yes; but suppose it should be necessary for the Government to meet these guarantees. Where would the money come from?"

In the event of an unusual situation which would require funds in excess of the amount recommended in the bill, the President, under section 610 of the Authorization Act, could transfer appropriations into that fund from other appropriations contained in the bill. If that authority should not be adequate to meet any claim arising under the program, the administration could then submit requests for additional appropriations, which, of course, would receive the immediate attention of Congress. Congress will be out of session only a few months.

I submit that that method can be followed if there is a need, but I think the $30 million is ample for investment guarantees.

Then, I would cut back supporting assistance by $50 million, from $400 million to $350 million.

Mr. President, the supporting assistance program is another program that is extraordinarily difficult to administer, because it is not based on development of an economy, but is based on support in particular countries, countries that are mostly poor countries, that have relatively weak economies, that are on the frontlines, that provide a base for our own operations in some cases, and in all cases substantial military resistance to the Communists.

I recognize that that is a desirable and necessary program, but there has not been any showing that we need to go higher than the $350 million recommended by the House.

On the basis of all the experience we have had with defense support in the past, it seems that $350 million would be ample. There have been no instances of which I am aware, in going through the hearings, in which any of these countries have been desperately in need of additional defense support. I think we have seen many instances of waste, and perhaps defense support is the most shameful example of waste. In some countries, especially in southeast Asia, such funds have not been wisely used. Therefore, I believe the House figure should be adopted. It is a lesser amount, but is still adequate.

Next, with respect to the contingency fund, I propose to cut that back by $65 million. The full authorization is $300 million. The Senate committee has provided $290 million, or practically the full authorization. The House was careful in arriving at its recommendation. It took into consideration the fact that certain programs, such as the refugee and migrant programs, which received their operating funds in 1962, in the amount of approximately $42 million, from the contingency fund, are now provided for by appropriations in another part of the bill. In addition, about $5 million was transferred from the contingency fund to the administrative expenses appropriations of the AID Agency and the State Department.

I do not think any case has been made—and I would like to hear from those who support the increase for the contingency fund—that more is needed for this item. We have had this program for 15 years, and we should have developed ample experience to demonstrate that we need this very large amount over what the House requested.

I now turn to the next item, which is the Alliance for Progress. I think the concept behind the Alliance for Progress is one of the most noble and also one of the most intelligent we have ever tried in respect to foreign aid. It is the idea that we can use the Alliance for Progress—that is, aid to South American countries—not only to assist those countries, but also to persuade them to modify their economic and social operations so that more of their people will have a real stake in those countries and in their societies, so that farmers may own their own farms and the people pay just taxes. However, even the most enthusiastic supporters of the Alliance for Progress would be forced to agree that we have fallen far short of our goal. This does not mean we should let up at all, but it should mean that we should be more careful, in my judgment, in the future than we have been in the past, as to conditioning our foreign aid on genuine reforms on the part of the countries of South America.

At the recent Punta del Este Conference, one of the critical proposals which came before the Conference was the move sponsored by the United States to oust Cuba from the Organization of American States. The House committee inquired with respect to the proposed 1963 program for the six nations which did not agree with our position on this important issue, and discovered that the proposed 1963 program was several million dollars higher than the 1962 program.

In other words, nations which disagreed with us in respect to Cuba and South America are to get more money than they have been given in the past.

Perhaps those nations should still get some foreign aid, but I believe we should use our foreign aid for political purposes, if using it for political purposes means doing all we can to persuade countries to support our foreign policy with respect to the threat of Castro and communism generally. In this area alone we could allow a substantial amount of the $50 million cut which I suggest.

Furthermore, I share the House committee's disappointment with regard to the progress which has been made in the area of reform. I feel, as I have said before, that before we provide substantial amounts of foreign aid, we should insist, that there be some reform in the future, particularly with respect to taxation and with respect to landholdings.

Mr. President, the next area is the area of development loans. The reduction with respect to the figure for development loans would be the biggest of all. It would constitute almost half of the total cut I propose, $350 million.

The House report points out:

> A realistic analysis of these so-called development loans indicates that the purpose of the appropriation is no different than the aid programs of the past. The only difference seems to be that this aid is now supposed to be on a loan basis and repayable in dollars—apparently to make the foreign aid program more palatable to the American taxpayer. However, even a superficial examination of the terms of these "loans" indicates that it is still a grant aid program. This conclusion is substantiated by the testimony of the Administrator, Mr. Fowler Hamilton, on page 235 of part 2 of the hearings where he stated that a development loan "is more than half grant to start with, if you figure in the cost of the money."
>
> Most of the development loans are repayable in 40 years with no interest and a service charge of only three-fourths of 1 percent per year. After a 10-year grace period, the borrowing country starts repaying 1 percent per year on the principal.

Sentiment has been expressed in the Senate—and I think it makes sense—to the effect that we should do all we can to move away from grant programs. This is as close to a grant program as we can get.

The PRESIDING OFFICER (Mr. Moss in the chair). The time of the Senator from Wisconsin has expired.

Mr. PROXMIRE. Mr. President, I yield myself 3 more minutes.

The PRESIDING OFFICER. The Senator from Wisconsin may proceed for 3 additional minutes.

Mr. PROXMIRE. Everybody knows that making loans for a period of 40 years and charging no interest on them results in a situation in which the value of the interest involved exceeds by a substantial amount the principal.

In this kind of situation there occur most of the difficulties with regard to any grant program—with respect to administration, with respect to seeking that the money is paid back, with respect to avoiding graft, with respect to preventing the money from being misused and falling into the hands of a very few people, and so on.

Mr. President, the final proposal involved in the committee report to which I object is that for military assistance.

The Senate committee went $150 million higher than the House. I think we could justify a cut far below the House figure, but I do not recommend that. I recommend a cut only to the House figure.

On page 12 of the Senate committee report, there is a listing of areas of the world which ought to receive military assistance. They are not listed by countries. I presume that is classified information.

The first is "Europe." Europe is to get $314 million of assistance. I cannot understand how we could justify giving assistance to the European countries. Those countries include the United Kingdom, Germany, and a number of other countries. Virtually every country in Europe has enjoyed a tremendous increase in its gross national product, in its average personal income, and in capacity to buy its own arms.

Those countries are under the Communist gun. Again and again and again we have received assurances from the administration that the administration will do what it can to persuade our allies to carry more of the burden. Somehow, although we wait for that happy day, other countries fail to do their share.

The easiest way to make sure that those countries carry more of the burden is to reduce the assistance which we give to them.

I point out, furthermore, that $77 million is to be provided in military assistance to "Latin America."

One of the finest speeches I have heard since I came to the Senate was the speech delivered this year by the distinguished Senator from Alaska [Mr. GRUENING] who documented chapter and verse to show not only how wasteful but also how mischievous much of the aid to the Latin American countries has been.

Seventy-seven million dollars is a great deal of money. Such a sum cannot be defended, it seems to me, on the ground that it would keep Castro out of Latin America. It is ridiculous to assume that we cannot keep Castro out of Latin America with our Navy and our Air Force, with such an enormous predominance of power.

It is ridiculous to think that this little island with 6 million people and a relatively very feeble military force cannot be held in check by the United States.

The PRESIDING OFFICER. The time of the Senator from Wisconsin has again expired.

Mr. PROXMIRE. Mr. President, I yield myself 2 more minutes.

The PRESIDING OFFICER. The Senator from Wisconsin may proceed for 2 more minutes.

Mr. PROXMIRE. Mr. President, Castro does not represent a military threat to Latin America.

As we have seen over and over again, the weapons which we provide to the countries of South America are used by South Americans against other South Americans, and have been used in some cases for the overthrow of democratically elected regimes. We know that American Sherman tanks and other American weapons, including jetplanes—we have seen pictures of all this—have been used to force out democratically elected regimes in Latin America.

Under these circumstances I feel very strongly that we could justify cutting out virtually all the allowance for Latin America in military aid, and certainly most of it.

Mr. President, this is an item-by-item summary of what my proposal would achieve.

I think the burden is on the proponents. This is the reason I have followed this procedure of objecting to committee amendments. I think the burden should be on Senators who are in charge of the bill to convince the Senate that it should provide more than the House recommended in each of these cases. The burden should not be on those of us who oppose increasing spending for foreign aid. The burden should be on Senators who are in charge of the bill. It should be up to them to establish the fact that the Senate should increase development grants by $50 million, investment guarantees by $70 million, supporting assistance by $50 million, the contingency fund by $65 million, the Alliance for Progress by $50 million, the Development Loan Fund by $350 million, and the military assistance funds by $150 million more than the figures provided by the House.

I submit that the almost $3.7 billion involved in the House bill is more than ample for foreign aid.

The PRESIDING OFFICER. The time of the Senator from Wisconsin has expired.

Mr. PROXMIRE. Mr. President, I yield the floor and reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

Mr. HUMPHREY. Mr. President, I yield myself 15 minutes.

The PRESIDING OFFICER. The Senator from Minnesota may proceed for 15 minutes.

Mr. HUMPHREY. Mr. President, let it be clearly understood that the foreign aid bill was not the subject of casual interest on the part of Senators or Members of the other body. The subject has been debated for weeks and months.

I serve as a member of the Senate Committee on Foreign Relations. Hearings were held for several weeks. We gathered testimony that ran into hundreds of pages. We cross-examined witnesses from the State Department and the AID administration at length. We not only cross-examined witnesses, but we carefully examined the programs in each of the countries involved, and sought, to the best of our ability, to give an honest judgment as to the requests made by the administration.

I should like the Senate to know that when the administration made its request for the foreign aid program this year it requested $4,878,500,000. That amount is very close to the $5 billion figure.

The Senate cut that request down to approximately $4,300 million. Then the Senate Committee on Appropriations did its work. The hearings were extensive. The transcript runs almost 600 pages. Every witness was examined and cross examined at length.

Let us take a look at some of the amendments being offered by the Senator from Wisconsin and see what happened in the light of the committee testimony.

DEVELOPMENT LOAN GRANTS

First, the administration asked for development loan grants in the amount of $335 million. That amount was cut back by the two Houses in the authorization bill to $300 million, a $35 million, or a 10 percent, reduction. The House cut that amount in the appropriations to $225 million. The Senate established a figure of $275 million, which is still $60 million below the administration request.

INVESTMENT GUARANTEES

I am rather surprised that any effort should be made to cut back investment guarantees. If the foreign aid program is ever to be successful, as people want it to be, we must include in the foreign aid operations a major section of America's enterprise, namely, the private enterprise sector. The only way that can be done is under some form of investment guarantee program. We did not enter into investment guarantees merely by accident or as a shot in the dark. The subject had been carefully considered. The investment guarantee program of $100 million is a minimum. Can Senators imagine an investment guarantee of the figure of $30 million that is being asked for in the amendment of the Senator from Wisconsin? That is not very much investment, and it surely is not very much investment insurance. It would not bring very much investment into the area of Latin America, Asia, and Africa, which are high risk areas.

In the field of foreign aid, we are now operating in countries in which the risks are high and in which the political and social pattern is one of disorder. Yet they are countries in which the Communist penetration is a living fact. It was one thing to have a foreign-aid program in a highly industrialized and sophisticated community of educated, intelligent, and learned people such as we found in Western Europe. It is another thing to try to have a development loan program or a forign-aid program in countries in Africa, Asia, and Latin America, where there is disorder, where colonialism has just been liquidated, and where national independence and sovereignty have only recently been established.

SUPPORTING ASSISTANCE

The Senator from Wisconsin would cut back the supporting assistance to the House figure of $350 million. I believe the Senate ought to know that President Kennedy, Secretary of State Mr. Rusk, and the AID Administrator, Mr. Hamilton, requested of the Congress $481,500,000. That amount was cut back in the authorization to $415 million. In fact, $66 million was cut off, representing a 15-percent reduction before the bill ever got to the Appropriations Committee. The House cut that amount back to $350 million, and the Senate restored it to $400 million. That amount is still 20 percent below what the administration requested. That is an $81 million reduction from the original authorization request.

I point out those facts because there has been frugality. Prudent judgment has been exercised on the forign-aid appropriation. Frugality and prudent judgment were exercised in connection with the authorization. I happen to believe that the men who came before us—men like Mr. Rusk, Mr. Coffin, Mr. Hamilton, and others—are as deeply concerned about the taxpayers' money as we are, and that they are as deeply concerned about the efficiency of the program.

I hear charges about waste and about the mistakes of foreign aid. But what about its accomplishments? There have been plenty of them. How about the schools, the harbors, the thousands of miles of roads, and the hundreds of thousands of homes that have been constructed? How about the thousands of young people who have been educated, the factories that have been built, the water systems that have been installed, the public health programs that have been inaugurated? We never read about those.

The situation is pretty well illustrated by the way in which the daily newspapers present the news. One could drive his car for 50 years in sobriety and with never an accident. He would never get his name in the newspaper. But if he should drink two glasses of beer and have an accident, he would get first-page headlines. That person could live 50 years of good, clean, and wholesome life, all of which would have gone down the drain with one accident. That is about the way some people judge the foreign-aid program.

The critics discover a mistake. They find instances in which the program was not good. They find an instance in which a program was established and the government was not reliable. They then say, "Oh, look at the foreign-aid program."

Mr. President, we are not working with the most stable governments in some of the countries into which we have gone. We must do with what is there. I submit that the record of foreign aid is one to which we can point with justifiable pride, unless all we desire to do is to entrance ourselves and our audience by pointing out the horror stories and the mistakes that have been made.

The whole institution of home and marriage could be destroyed if only mistakes and troubles were pointed out.

It seems to me that if we want a development program, we must have the money for it. To go back to the House figure would merely mean that we could not make any new loan programs. It would mean that programs in vast areas of the world would be gone.

The loans under the loan program would be repayable in dollars.

I cannot believe that anyone would be serious about wanting to reduce the investment guarantee program.

We come now to the subject matter of supporting assistance. I remind Senators that supporting assistance relates to Vietnam, Korea, Turkey, and many other countries which are on the frontlines of the struggle against the forces of communism and for a program of progress.

CONTINGENCY FUND

The request of the administration was for $400 million for the contingency fund. We cut it back in the authorization to $300 million. The other body reduced the amount to $225 million and we restored the sum to $290 million, which is $110 million less than what the President requested.

What is the contingency fund? It is possibly the most realistic fund of them all. If anyone can predict what kind of world we shall have, he is a greater prophet than Isaiah, Ezekiel, Amos, Hosea, or Jeremiah—and I could add a few more. The contingency fund is based upon the known fact that this is a very reasonable amount in this unpredictable world. The committee has cut $110 million from the President's request. This is the same Congress that tells the President, "Tell Castro where to go. Spell it out to him. Stand up to Khrushchev. Do a better job in Africa and do a better job in Asia. Of course we expect you to do all of these things with one of your arms tied behind your back. We will hobble you around the feet, but we expect you to do all this. At the same time we want you to do it with $110 million less than you said you needed."

The committee has gone very meticulously into this problem, and I am prepared to justify that action. The question can be asked, "Are you sure that every dollar of it will be spent well?" The answer is, "No." Neither can any Senator say that his wife will spend his money well, or that he will spend every dollar well. We can expect the able men who operate the programs to spend this money as wisely as anyone can spend money.

FOREIGN AID IS NATIONAL SECURITY

Mr. President, last week the House of Representatives, following the recommendation of its Appropriations Committee, cut the administration's foreign aid request by over a billion dollars. The effect of this action upon U.S. foreign policy, unless corrected by the Senate, has been best stated by President Kennedy:

> The drastic cut in foreign aid funds recommended by the House Appropriations Committee poses a threat to free world security.
>
> It makes no sense at all to make speeches against the spread of communism, to deplore instability in Latin America and Asia, to call for an increase in American prestige and initiative in Eastern Europe—and then vote to cut back the Alliance for Progress, to hamper the Peace Corps, to cut off surplus food shipments to hungry Poles, to repudiate our long-term commitments of last year and to undermine the efforts of those who are seeking to stave off chaos and communism in the most vital areas of the world. Foreign aid has increasingly meant trade, sales, and jobs in this country, and reform, progress, and new hope in the developing countries.
>
> The aid program is just as important as any military spending we do abroad. You cannot separate guns from roads and schools when it comes to resisting Communist subversion in underdeveloped countries. This is a lesson we have learned clearly in South Vietnam and elsewhere in southeast Asia. To mutilate the aid program in this massive fashion would be to damage the national security of the United States.
>
> I cannot believe that those in both parties who have consistently voted in the course of three administrations to fulfill this Nation's

> obligations of leadership will permit this irresponsible action to go uncorrected.

Mr. President, we are accustomed to witnessing the yearly attacks on foreign aid. Again and again we see and hear certain groups and individuals demanding drastic reductions in foreign aid. But never before has this slashing been as ill timed or ill conceived as today, when Communist influence is increasing in the Western Hemisphere, when Soviet pressure is mounting on Berlin, when Chinese military, political, and economic pressure on southeast Asia is soaring.

We must remind ourselves and the American public that foreign aid is a vital element of our national security, as important as our military power and our economic strength, to which it is closely related. Mr. President, the drastic cut in the foreign aid bill by the House of Representatives represents a blow to our national security. At a time when we hear some demanding that we get tough with Castro and Khrushchev, Congress should provide the Commander in Chief with the tools to do the job. Talk and resolutions are cheap and easy. National defense and international security are costly and demanding. To help the President do the job that needs to be done, the Senate must support the full restoration of funds recommended by the Appropriations Committee.

Foreign aid is a vital part of the total shield of national security. Foreign aid is a projection of American cooperation with our allies and other freedom-loving peoples. Foreign aid is constructive foreign policy, sound economic policy, and an essential requirement for world political leadership. Foreign aid represents jobs and business at home; it represents progress and development abroad.

It makes no sense to cut the aid program by $1 billion when foreign aid is more bady needed than ever before.

I will not belabor the Senate with a lengthy justification of foreign aid as an instrument of U.S. foreign policy. This is not necessary. You are all familiar with the twofold purpose of the aid program—the short-range purpose of meeting the challenges presented by the Communists on a day-to-day basis, and the long-range purpose of strengthening our national security by strengthening the security of the free world on a long-range basis. The short-term program, which accounts for more than half of the total funds spent under the aid program, consists primarily of assistance to cur military allies, chiefly to countries that lie on the periphery of the Iron and Bamboo Curtains, countries like Korea, Vietnam, and Taiwan.

The long-range part of the aid program is primarily focused on economic and social development, the economic and social development essential for politically stable societies.

The cutting of $1 billion from the foreign aid bill by the House is, as Secretary Rusk has pointed out, "both a false and costly economy." Such a massive cut could only have a disastrous effect upon the national security. As the Washington Post has pointed out:

> It is the kind of penury that would bring joy to Moscow and dishearten friends and allies who look to the United States for assistance vital to preserving national independence from the Soviet subversion.

Mr. President, I fully realize that many of my fellow Senators are becoming increasingly restive under the burden thrust upon them year after year, the burden of filling in the gap after the House has drastically cut the foreign aid appropriations bill. I am aware that many of my colleagues are becoming more and more unhappy at finding themselves in a position inviting attack on them as "big spenders." We are rightfully tired of being placed in this position year after year.

I share this feeling. Nevertheless, I feel compelled to remind my colleagues of the special responsibility placed upon the Senate by the U.S. Constitution in the field of foreign affairs. The urgency of the free world situation requires once again that the Senate exercise this special responsibility by restoring the foreign aid appropriations to a realistic level by supporting the restorations which the Senate Appropriations Committee has recommended.

Mr. President, I believe that the bipartisan record in support of the foreign aid program extending over 15 years offers some solace to those of my colleagues who are up for reelection this year. In fact, the leaders of both parties, both inside Congress and outside, leaders, both in Washington and in the State capitals, are, almost without exception, supporters of a realistic foreign-aid program. Former Presidents Truman and Eisenhower are firm supporters of foreign aid. Former Vice President Nixon and Governor Rockefeller, of New York, are longtime supporters of foreign aid. Charles P. Taft and his colleagues in the bipartisan American Council for Economic Development are supporters of foreign aid. The American voter has consistently chosen leaders who support the foreign-aid program. I am confident that the American voter will continue to do so.

Mr. President, we all know that the House cut the administration's request for foreign aid by $1,124 million. What did the Senate Appropriations Committee do? The Appropriations Committee restored $792 million, bringing the total figure for the mutual security portion of the aid appropriations bill to $4,421,600,000. What does this mean? You may recall that when the Congress passed the authorization bill on foreign aid this spring, it reduced the administration's request by $200 million. In its action last week, the Senate Appropriations Committee approved a figure over $330 million less than was approved by both the House and the Senate in the authorization bill. The bill before us today therefore represents a cut of more than $500 million from the amount originally requested by the administration last spring.

What has happened in the meantime? In the meantime the situation in the Caribbean has grown worse. In the meantime the pressure on Berlin has been renewed. In the meantime the tempo of the struggle in Vietnam has quickened. In the meantime we have seen some progress in Africa—in the Congo and Algeria. But nothing has happened to reduce the need for foreign aid funds. Let it be said that the Senate and the Senate Appropriations Committee have carefully considered the whole world situation, and in their deliberations have made what they consider to be prudent reductions. They have reduced the original administration request by over half a billion dollars. This is all the reducing this bill can stand.

Mr. President, I call to the attention of the Senate today five priority items in the foreign aid appropriation bill which merit special consideration by the Senate. Before doing so I would just like to comment briefly on several of the more spurious arguments advanced by those who have sought to emasculate this appropriations bill. They have claimed that there are already more than adequate funds in the "pipeline" to provide for another full year. This argument, of course, overlooks the fact that funds for the long-range development projects are never spent either here or abroad immediately after they are committed. If the standards that Congress has set up for the administration of the foreign aid program are to be met, there will always be a lag between the commitment of funds and the actual expenditures. Furthermore, the longer lag between authorization and expenditures is inevitable as the program shifts from a grant program to a long-term loan program. Grants can usually be expended rapidly. Loans for major capital projects, for basic development projects in health, highways, housing, and education extend over a number of years. Expenditures for such programs must be similarly extended.

It is therefore neither surprising nor alarming that as the development lending program increased rapidly in size during the past year, there has been a similar increase in unexpended balances.

Mr. President, one of the most crippling amendments made by the House in the foreign aid bill is that which sliced $475 million from the allocation for development loans. This represents a 38-percent cut in the original request for $1,205 million. You will recall that in the Act for International Development which we passed a year ago, one of the key provisions was that which shifted the bulk of our economic assistance from development grants to development loans. We made development loans the chief instrument for promoting the "Decade of Development." And you will further recall that these loans are to be repaid in dollars.

Mr. President, the original request for the development lending program for 1963 was for $1,205 million. The House has cut $475 million or 38 percent of the total from this program, leaving $775 million. If this cut of $475 million were to be sustained, we would in effect be permitting the reversal of a policy which we established last year. Both the Senate and the House agreed last year in passing the Act for International Development that the bulk of the aid program should be shifted from grants to loans. This has now been done. We should not ask the AID Agency to appropriate money for the loans. If this 38-percent cut were to be sustained, that is exactly what we would be doing.

In the Act for International Development passed 1 year ago, Congress authorized the President to make long-term commitments, up to 5 years, in situations when it seemed essential for a smooth functioning development program. The assumption was that the appropriation to fulfill these commitments would be forthcoming in future years.

Of the amount allowed by the House for development lending, $775 million, at least $660 million is already committed to India and Pakistan. Other commitments have been made to Nigeria, Indonesia and Tanganyika. If this cut is sustained, we will not be able to keep these commitments. In several cases, particularly India and Pakistan, our commitments are part of a multinational effort. In the case of India and Pakistan, aid for these countries is being coordinated through consortia in which the United States pays only a fraction of the total amount committed. Failure to meet our commitments would jeopardize the willingness of other consortia members to keep their part of the agreement. It would also threaten the success of new consortia arrangements into which we have entered with Greece and Turkey, as well as multilateral assistance programs now being planned with Iran.

Mr. President, if the cuts recommended by the House were to be sustained in the area of development lending this would virtually end loans to the Far East. This would virtually end badly needed loans to Korea, Taiwan and the Philippines, countries which are strong friends of the United States and which depend upon U.S. support to build the viable economies that are necessary for political stability. I know that my many friends on both sides of the aisle who have long taken a keen interest in the affairs of the Far East, will be especially vigilant, especially determined in their efforts to restore the funds for this aspect of the foreign aid program.

Mr. President, I have seen no evidence which disposes me to change my views that development lending should be the heart of foreign economic assistance. The only way that it can remain so is to appropriate adequate funds so that it may operate effectively. Therefore, the Senate Appropriations Committee after examining all the evidence, restored $350 million of the amount cut by the House. This still represents $125 million less than the administration requested. The Senate must do all in its power to see that this amount is not further reduced.

Those of my colleagues who are particularly concerned about the current balance-of-payments situation should be aware that the development lending program does not have the adverse effects upon the balance-of-payments situation that are often alleged. The reason of course, is that most of the money allocated is spent right here in the United States. In the area of the world which is currently receiving the largest amount of development loan money, the Near East and south Asia regions, approximately 93 percent of the money approved will be spent in the United States. This reflects the tendency to spend increasing amounts of U.S. foreign aid money in the United States.

According to current estimates, in fiscal year 1962, 73 percent of funds for economic aid on a worldwide basis will be spent directly in the United States. The target for the Agency for International Development for the near future is 80 percent. If military assistance programs are added to this figure, the amount spent in the United States for fiscal year 1962 rises from 73 percent to almost 78 percent.

Mr. President, you can see why the foreign aid program contributes so significantly to strengthening the U.S. economy. The aid program benefits the economy by directly financing exports, exports which are estimated to provide employment for over 700,000 American workers.

I would like to add that continuation of the development loan program at the levels requested by the administration is essential if we are to receive maximum participation by our capital exporting, industrialized allies in financing foreign aid. Although to many it may appear that the American taxpayer has borne the burden of foreign aid for too long, I can assure you that our efforts have not been in vain. Our example has inspired other industrialized countries to come forth with a larger and larger amount of assistance to the less developed other half of the world. Those whom we aided in 1948 and 1950 in Europe are now supplying a large share of the foreign aid funds for economic developments in Asia and Africa. In 1961 official foreign aid by other industrialized free world countries rose almost 24 percent over 1960. By comparison official assistance from the United States rose about 21 percent.

Furthermore, Mr. President, the terms of assistance by other countries has been improving. In 1961 aid loans and grants over 20 years in duration rose as fast in the other capital exporting countries as in the United States. Here again our friends and allies have followed our example.

Mr. President, probably no section in the whole foreign-aid bill should command greater attention from the Senate than the section dealing with the Alliance for Progress. We are now reaching the takeoff point in getting the entire Alliance for Progress program rolling. Over a year ago, the President committed this country to join the countries of Latin America in a 10-year program of development, and the overwhelming majority of Congress heartily approved it. After only 1 year, the Alliance for Progress is already bringing food to children in Peru, Chile, new schools and new houses for people of Colombia, land and new houses for campesinos in Venezuela. During the past few months we have seen the passage of tax reform legislation in Colombia and Chile, of much-needed agrarian reform laws in Colombia and Venezuela.

In two countries, Colombia and Chile, long-range development plans have been drawn up and presented to the OAS wise men for scrutiny and approval. Colombia, which has enjoyed 4 years of political stability and economic progress under President Albert Lleras Camargo, is currently under consideration by the World Bank, the Inter-American Development Bank, the United States and European countries, for consortium financing of its development plan. Colombia has met the requirements stipulated by the Congress for the Alliance for Progress, the requirements of tax and land reform, education and housing program, and a coordinated development program. The United States is disposed to give all possible support to this effort. In Chile, if reforms now being contemplated are pushed through to completion, similar concentrated assistance should be given.

The two examples I have cited give an indication that the AID administration is implementing the directive issued by Congress last September when it passed the foreign aid bill, that the Agency "take into account the extent to which the recipient country shows a responsiveness to the vital economic, political, and social concerns of its people and demonstrates a clear determination to take effective self-help measures."

In order to meet such needs as these, the President has requested $600 million for the Alliance for Progress. The House has reduced this by $75 million.

Last week the Senate Appropriations Committee restored $50 million of the amount cut by the House.

Mr. President, although I would have preferred to grant the full $600 million requested by the administration, I believe that the Appropriations Committee's action in restoring $50 million is a fair and honorable compromise, and worthy of support by all Senators.

Mr. President, we hear a great deal of talk these days about the need for military action against Cuba, about the need for arming our allies in the Caribbean against subversion by Castro. This concern to protect our Latin allies against subversion is justified and warranted.

Containment of Castro does indeed require military preparedness. But our recognition of this fact should not blind us against recognition of one of the chief factors which propelled Castro to power in Cuba, a factor that could easily propel other Castros to power in other Latin American countries; namely Haiti, the Dominican Republic, and Nicaragua. Cuban society—like many other Latin American societies—was economically backward and socially regressive. The full effects of the technological revolution are now being everywhere felt in the Southern Hemisphere, spawning urban slums where abject poverty is accompanied by rootless despair. Fast behind this technological revolution is a social revolution which is sweeping the continent because restless millions will no longer accept ignorance, poverty, and disease as an inevitable way of life. If we are to make sure that this social revolution will be a peaceful revolution implemented through democratic procedures, we must give responsible Latin

American governments our wholehearted support. We have no time to lose in Latin America.

As the leader of one of the most progressive and democratic governments in Latin America, President Romulo Betancourt of Venezuela, has said, the time has come when "we must help the poor in order to save the rich." By supporting the bill which the Appropriations Committee has reported, we will be registering our firm support for those responsible governments who are now massively attacking the enemies of poverty, injustice, and hopelessness which characterize the lot of so many people in our hemisphere. By supporting the allocation recommended here for the Alliance for Progress, we will be advancing both economic development and social justice in Latin America. Unless social justice is achieved, no government will win the support of the masses. Unless economic development moves ahead, social justice will only mean sharing poverty. We can best promote both economic development and social justice in Latin America by supporting the restoration of funds for the Alliance which the committee has recommended. The Alliance is only 1 year old. Already progress has been made. Continued progress is dependent on adequate funds for financing the Alliance.

Mr. President, a third area in which the House action seriously weakened the Foreign Assistance Act is the contingency fund. This is required to meet unforeseen, unexpected emergencies. In fiscal 1962, for example, the fund helped bolster NATO forces during the Berlin crisis, provided vital resources to Vietnam to meet crises arising from increased Communist activity, averted a financial crisis in Colombia, and enabled the United States to give relief quickly when natural disaster struck.

The reduction of 25 percent recommended by the House could seriously hamper the President by lessening his flexibility to meet the challenges of communism anywhere in the world at a moment's notice. This cut would weaken the President's hands as we move into a period of characterized last week by Secretary McNamara as one of the most critical in world history. I strongly support the committee's action in restoring $50 million to the contingency fund appropriation.

A fourth major section of the foreign aid bill which has been cut, is that for development grants. Our technical assistance programs, financed through development grants, constitute our major contribution to the development efforts of the newly merging nations of Africa. The President's request for this purpose was not large. Were we to allow the House reduction to stand, it would mean cooperatives, agriculture, and community cooperatives, agriculture and community development. It would be an open invitation to Mr. Khrushchev to move into Africa on a grand scale. Are we so anxious to toss away this part of the world and lose one of the most important battles of the cold war? The Senate restoration of $50 million is fully justified. It is really too little. More is actually needed. This restoration should have the support of all Senators.

The fifth major item in the foreign aid bill for which our Appropriations Committee has restored the sharp reduction in funds by the House is that for supporting assistance. Supporting assistance funds are coupled with military aid to underpin the economies of countries with heavy defense burdens. The President's request for this purpose was $481.5 million. In the authorizing round, this amount was cut to $415 million. The House voted a further slash of $65 million. The Senate Appropriations Committee has restored $50 million. The action of the committee should be supported.

Three-fourths of all supporting assistance goes to the Far East, one of the world's hot spots. Two-thirds is for Vietnam and Korea alone. These are two areas where we must not retreat, cut back, or lessen our efforts. If a proportionate allocation of the $130 million cut was made on a regional basis, AID would be unable to meet the needs of Vietnam and Korea, not to mention other deserving nations.

About 20 percent of the supporting assistance money had originally been programed for Turkey and Jordan. In Turkey, this money supports a large and vitally important military force on the flank of the Communist bloc. We get more dollar for dollar in Turkey than almost anywhere in the world. The Turks are brave people and loyal allies. Turkish soldiers fought bravely in the Korean war, and only last week the Turkish Government took action to prevent Turkish vessels from carrying goods to Cuba. Jordan's very existence may depend on the support we can offer; and on Jordan's existence might well depend in part the peace and stability of the Near East. The House cut might well force a radical cutback in both programs.

Mr. President, there is not time today to cover all the important items in the foreign aid bill. I would, however, like to comment briefly on two final items which were slashed heavily by the House, military assistance and administrative funds for the foreign aid agency, the Agency for International Development.

The House reduced the military assistance program from the $1.5 billion requested to $1.3 billion, a cut of $200 million. The Appropriations Committee has restored $150 million, and is recommending a total of $1,450 million for military assistance.

Quite frankly I would much prefer to see this additional $150 million added to the development lending category. After the brilliant speech delivered here on August 2 by Senator GRUENING on the effects of military aid to Latin America, Members of the Senate should be highly skeptical about adding another $150 million to the $1.3 billion allocated by the House for military assistance. Some military assistance is needed, particularly on the perimeters of the Soviet and Chinese empires but in other areas the shipment of costly weapons makes no sense. In regard to Latin America, I would like to recall one passage in Senator GRUENING's remarkable speech:

> After more than 10 years of U.S. military aid to Latin America, recent events have demonstrated beyond peradventure that in many of the countries U.S. influence in inculcating an ideology of civilian authority over the military is not a reality in the reaction of the Latin American army, navy, and air force officers and men to events in their own countries.
>
> Most of the Latin American military leaders will continue to react to power struggles in their own countries in accordance with their own estimates of the situation, their own ambitions, their vested privileges, and their own heritage. Where military professionalism has really taken root in Latin America, the military's new concept of its role has developed from circumstances within the framework of their own institutions, not from the minute and transitory influence encountered in rubbing shoulders with U.S. military people.

Mr. President, one of the most important actions taken by the Senate Appropriations Committee was the restoration of $6 million for administrative expenses of the AID Agency, the Agency for International Development. With this restoration of $6 million the total for AID administration is $52 million.

Unless the Senate prevails in restoring these funds, Agency operations will be paralyzed. If the House cut remained, the Agency's administrative staff will be cut back from slightly over 3,000 Americans to less than 2,000 Americans. Normal "bumping" procedures to effect such reductions means that at least one out of every two AID employees will be affected by the upheaval. The arbitrary dismissal of over 1,000 fully qualified employees at this critical time in the foreign aid program will not only affect the morale of all employees but will seriously curtail the Agency's ability to hire qualified personnel in the future.

The disruption of activities and the reduction of the manpower and other resources will be so critical as to make it impossible to administer the program effectively. The proposed cut will nullify the turnabout, reorganization and reorientation of foreign aid activities. The Agency's ability to plan, to organize, to execute, to inspect and to audit will be crippled. The preconditions for the wastage of funds greatly in excess of the amount of administrative appropriation will be established. It is therefore vitally important that the $52 million approved by the committee be appropriated.

Mr. President, I would only like to add a final word on the Peace Corps. As I said in my speech last week on the first anniversary of the Peace Corps, we are probably getting more for our money here than in any other program. The Senate Appropriations Committee has restored $10 million of the House cut, bringing the recommended total to $62 million. I strongly urge the Senate to approve the full amount.

In the days ahead we shall have quite a struggle over our foreign aid program. As one who has carefully examined the program in the Foreign Relations Committee, and has spent hours at the committee's hearings, and as one who, as a member of the Appropriations Committee, has repeatedly met the Government officials responsible for the administration of the program, I have examined this program with meticulous care, because I wanted to see it effective. I want to get every bit of good we can get from every dollar that is expended.

To make this program effective, the Senate must insist that the restoration of funds made by the committee be allowed to stand.

Now, all of the facts I have just cited are only the more glaring instances of the kind of "economy" the House achieved with its vote 2 weeks ago. But I would also like to mention the amendments tacked on by the House which would ban aid to Poland and Yugoslavia and impose a mandatory curb on aid to any country shipping cargo to Cuba, amendments which the Senate Appropriations Committee has since deleted. These restrictions are pointless and irresponsible. The first has already been fought out and it is most discouraging to see our earlier vote on the matter reversed. Furthermore, whatever differences exist on shipments to Cuba can best be settled by working closely with our allies—without breaking up free world solidarity.

Let me say, Mr. President, that it is easy to total and itemize the House cuts in the aid bill, in specific dollars and cents. But there is something far more important involved than money. I refer to the immediate and inevitable loss of American influence, American prestige, and American strength which would follow were Congress to fail to reverse the House reductions, as is recommended by our colleagues on the Senate Appropriations Committee.

Today, the people of Communist nations are being called upon to sacrifice for the present in order that their ideology may triumph in the future. Their leaders have absolute faith and conviction that in the end their system will bury capitalism. Are we to deny that we possess greater purpose and faith and conviction? Have we so forgotten our own revolutionary past that we cannot be on fire for the even greater purpose of preserving and creating free societies in the world of tomorrow?

I believe we have not. As I said before, the American citizen has borne patiently the burden of foreign aid. In this forbearance, he is joined by his friends in the free societies of Western Europe. The French citizen pays out $20 per year for foreign aid, in comparison to the U.S. citizen, who pays $16 per year. I firmly believe that the American voter will continue to recognize the wisdom of that great American statesman, Ambassador Adlai Stevenson, when he reminded us last week on the 100th anniversary of Lincoln's Emancipation Proclamation that—

> Our defense of freedom will be all the more stronger for being based not on illusions, but on the truth about ourselves and our world.

Mr. President, the truth about our world today requires continued sacrifice on the part of all citizens of the free world. Sacrifice in this context means paying taxes for foreign aid. None of us likes to pay taxes. But as Justice Holmes used to say, "Taxes are the price of civilization." The taxes we pay today for foreign aid are small, less than 1 percent of our gross national product, but they are the price that must be paid if Western civilization as we know it is to survive, and if it is to be extended to others.

Mr. President, in my remarks today I have emphasized that support of foreign aid is in our own interest. It is indeed, and to many people, the ground of self-interest will appear as its principal, if not its only justification.

But I would hope—and indeed I am confident—that there will be others who will support this foreign aid bill for reasons beyond that of self-interest. I would hope that there will be those supporting foreign aid out of a desire to help the hungry, illiterate, diseased masses who did not have the good fortune to be born in the industrialized northern half of the world. I would hope there will be some supporting foreign aid because of a passionate desire to replace hunger with hope, disease with health, poverty with plenty, illiteracy with education. I am confident there will be those supporting foreign aid because charity, compassion, and justice are deeply rooted in the American tradition, because the consciences of many formed in this tradition tell them that the wealthiest society in the history of the world should share a small fraction of its wealth with the poor societies which are struggling to escape the age-old tyrannies of poverty, disease, and despair.

I yield 10 minutes to the Senator from Wyoming.

Mr. McGEE. Mr. President, I wish to address myself to two or three of the items referred to by the distinguished Senator from Wisconsin. First of all, I remind him and my colleagues in the Senate that the Committee on Appropriations has spent many torturous hours trying to squeeze out of the requested appropriation every feasible nickel of what it regarded as excess money, and still preserve the fundamental national interest.

Even after the House cuts were made, the Senate committee cut $332 million from the request of the administration.

The package which the committee has reported does not cover the critical areas left in the overall aid program, with respect to both the military and nonmilitary basis of the program.

As we consider this subject, I believe that we discover from the testimony in the hearings, of the individuals who are responsible in these matters, that in the category of development grants, the category reserved largely for technicial assistance in developing areas, flexibility is retained.

If we should adopt the cut which the Senator from Wisconsin advocates, it would leave us nowhere to go in terms of new developing areas.

The same thing can be said concerning the assistance program. About 80 percent of it goes to the triangular critical area in the Far East, with one anchor in Vietnam, the second anchor in Taipei, and the third anchor in Korea.

It was the combined testimony of the State Department and the military that this interdependence in the overall military capability program would be seriously jeopardized if a substantial slash in the assistance program were made, from the standpoint, particularly, of the buildup, in time, in support of our Far Eastern commitments.

The judgment that this was indeed critical was a rather persuasive aspect of the testimony.

In regard to the contingency fund, we must bear in mind where the potentially explosive areas lie. This is not a matter of having the money from the contingency fund committed or spent now, or of reconsidering it in January. It is a question of flexibility. This has been traditional in the executive department in fitting the contingency reserve, on an emergency basis, into the areas that pop up without prediction, or at least without prediction as to the time when we would be confronted with an emergency situation.

With regard to the Alliance for Progress, I was able, with a group of other Members of Congress, to look into the Alliance for Progress requests on the spot. We made an intensive study of the requests. We were struck by the fact that the feasible, measurable capability of using Alliance for Progress commitments far exceeded the próposal in the particular request that is being made at the present time.

One country, Bolivia, for example, had tangible requests approaching a billion dollars in an area that is extremely exciting in terms of capability. Obviously, we could not make a commitment in such proportions to one country.

We were likewise struck with the fact that the military phases of the Latin American program were not overextended or overrequested. We revised our former judgment as to the harshness of the military deductions with respect to Bolivia, Paraguay, and parts of Venezuela. We were rather impressed with the nonmilitary progress being made through military channels in civic actions. We had to keep a cautious eye on how the military fund was being used. We nonetheless took a more charitable view, overall, of most of the military activities, even though certain exceptions at the present time in Latin America seem to flout that view. I remind my colleagues that these are exceptions rather than the pattern in recent occurrences, overall, in Latin America.

In the development loans, the Senator from Wisconsin would make the largest cut. I believe we should bear in mind, in this connection, that these loans are calculated on minimal requirements; and while it is true that the interest is three-quarter percent and that the payment on principal involves a grace period of 10 years, and that these are long-term loans, this program is directed toward areas where normally private capital investment is rather reluctant to go.

For that reason I believe we must make them in good faith and in the spirit in which they have been launched; in other words, that they are calculated to be made in areas where there will be a reasonable expectation of repayment. These nations, I hasten to interject, begin paying their interest immediately upon the completion of the loan; there is no grace period with respect to that.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. McGEE. I yield.

Mr. PROXMIRE. Is it not true that the three-quarter percent is not an interest payment, but a service charge, because it would cost at least that much to administer it. It would cost our government at least 4 percent to borrow that money. Therefore, the interest subsidy is complete. To say that they start to pay their interest promptly, when they pay only three-quarter percent, is not meant to suggest, I am sure, that they pay any significant part of the cost of the money that is committed.

Mr. McGEE. That is correct, in our terminology. Any interest rate, however, that is charged by a bank in this country, includes its service operations for the most part. For our purposes, we attempt to get cheap money out to an area that has no other resources. This is a program to which we have been saying for so many years that we wish to shift. This is the launching, after a very brief interval of time, of a substantial shift, at the recommendation of Congress, from an outright grant program to the beginning of what will be developed into a substantial loan program. We are about to give it a real chance to work, because the focus of our congressional concern has properly shifted away from an outright grant program.

As far as the other part of the appropriation is concerned, I wish to address myself in particular to the suggestion of the Senator from Wisconsin with respect to the participation of our European friends in the program.

This body has been properly concerned with the allies in Western Europe who are now prospering but who do not seem to be doing as much as they ought to be doing to help the United States carry its load. I think the record is clear on this score. The kind of blandishments we have brought to bear upon them and the kind of urging that Congress has done toward the further participation of our European allies, are on the ascendancy. To be sure, such participation has not risen as rapidly as we had hoped, but it is on the way up.

The increase in percentage of the total that is being contributed by our friends in Europe in the past few years has been in proportions that far exceed our own.

I think we must exercise patience in bringing our allies around. We must realize that allies are allies; they are not satellites. We cannot compel them to do what we want them to do.

Our gains have been substantial. They have worked with us and have made excellent contributions. The contributions of our allies in Western Europe to the overall aid program has humped from a little under $900 million to $2,900 million in this interval. That is an increase of more than 100 percent. That increase has steadily mounted. It has not been a matter of rising or falling in the cycle of the foreign aid project, but it has been an overall doubling of their contributions. Their contributions have steadily risen. We have no reason to doubt that they will discontinue this steady rise. I believe it will rise still more and still faster, because I think our allies are in a position to carry a large segment of the load.

The total our European allies have contributed will but increase economic development around the world. It has increased considerably more rapidly than the $1.9 billion I have just suggested. It approaches $5.9 billion.

We are on our way, and I believe that at this time we should not tend to slacken the momentum of the program, in the fear that because our allies are not doing as much as we would like them to do, therefore, we ought to reduce our amount of contribution. The truth is that the total impact is of such urgent national concern that even if we had to act alone, we would be compelled to do so under many severe circumstances. The greater the degree to which we get help, the greater our staying power over the long pull will be. I hope that we will not interrupt the momentum of the program at such a critical moment as this, when events indicate that we should act decisively, hit hard, and move faster, rather than try to cut back.

Mr. PROXMIRE. Mr. President, can the Senator justify the amount involved in the program for France, Germany, Italy, and the United Kingdom, countries which are doing exceedingly well—especially the first three—whose standard of living has increased more rapidly than our own, and who tax their people for defense purposes more lightly than we do?

Mr. McGEE. While their taxes for defense purposes are less—and the actual figures, as the Senator will understand, are classified—their participation has risen substantially; and the proportion, in terms of gross national product of those countries, has likewise gone up, and at a rate greater than our own.

Mr. PROXMIRE. Still, there is in the bill an item for $314 million for military assistance to Europe.

Mr. McGEE. The $314 million for military assistance for Europe includes $80 million plus for infrastructure in NATO. It includes multilateral programs in the development of armaments, in which we participate, and from which we get a return by reason of our participation in NATO. Our overall contribution in Europe has taken a decline.

The great bulk is by reason of our multilateral commitments in NATO. Our witnesses computed that there is very much of a decline, still on a bilateral basis, again, in individual countries in Western Europe.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. PROXMIRE. Not on my time.

Mr. McGEE. I yield half a minute to the Senator from Minnesota.

Mr. HUMPHREY. One of the large items is for the infrastructure of NATO. Since the figures are classified, we cannot go into the exact amount. But a considerable amount has been designated for Italy, Norway, and several other countries. France is now making a greater per capita contribution to foreign aid than is the United States.

Mr. McGEE. The committee was very much struck with the force of the testimony of the military that many of the military commitments for the security of the West have come to depend less upon nonmilitary economic development in areas which are regarded as being at a critical stage in the package now being submitted.

Mr. PROXMIRE. Mr. President, I yield 5 minutes to the distinguished Senator from Louisiana.

Mr. ELLENDER. Mr. President, during the hearings before the Senate Appropriations Committee on the pending bill, we again heard a parade of witnesses, including our Joint Chiefs of Staff, Secretary of Defense McNamara, and other high administration officials, who told us the same old story we have been hearing for the past 4 or 5 years. They went through the same old arguments as to why the Senate should appropriate the full amount of these inflated requests.

The Senator from Wisconsin [Mr. PROXMIRE] correctly stated to the Senate only a few minutes ago that the amount requested for military assistance in Western Europe under this bill is more than $300 million. But he failed to say that almost $900 million is already authorized and is in the pipeline for this section of the globe.

I think it shameful for our country to continue to give assistance in such proportions to a section of the world which is able, or should be able, to take care of itself.

Mr. President, I have proved many times in the past that much of the money made available to underdeveloped countries under this program has been actually wasted. Why? Because we have given too much. We have placed too much in the hands of people who are not capable of administering such huge sums of money.

Let me refer to the latest report which was made last week by the General Accounting Office, Congress' official watchdog. I quote from the report made on September 27:

> The disproportionate success of the program is attributable to several interrelated causes. Most notable, in our opinion, is that the level of aid, which averages in excess of $200 million annually, was beyond the capacity of the Korean economy to absorb productively or of its government to administer efficiently.

I have been presenting such facts to the Senate for the past 7 or 8 years. At that time I complained of what was taking place in Korea. Nobody listened to me. In fact, I came in for quite a bit of newspaper criticism for my remarks. But the facts are in the record. It required a handful of students to deal with Mr. Syngman Rhee, and it was only after Syngman Rhee was put out of office that our own people realized the losses, the graft, and the corruption that was going on in Korea.

Notwithstanding the fact that we have spent in Korea in excess of $5 billion up to now, the bill provides for more than $500 million for Korea. I think it is shameful to make that vast sum available to that section of the world.

Mr. President, today we have in Korea 2 divisions, and we are sustaining 18 divisions of local troops. But, Mr. President, do you realize how many troops from other countries are there? There are 2 soldiers from Australia—not 2 divisions, but only 2 soldiers; 2 soldiers from New Zealand; 2 soldiers from Canada; 25 soldiers from the United Kingdom; and the rest—making a combined total of about 500 soldiers—are from Ethiopia, Greece, and Turkey. And, to add insult to injury, we are paying for all the logistics of those men, with the exception of the 25 soldiers from the United Kingdom, the 2 from Canada, the 2 from New Zealand, and the 2 from Australia. What suckers we are. And why is it being done? It is to give the semblance of United Nations action, when we are carrying the whole burden.

I ask unanimous consent to insert a summary of the findings and recommendations of the report at this point in the Record.

There being no objection, the summary was ordered to be printed in the Record, as follows:

SUMMARY OF FINDINGS AND RECOMMENDATIONS: OVERALL OBSERVATIONS

The conditions disclosed by our examination require the conclusion that the aid program in Korea during the fiscal years 1957 through 1961 was considerably less successful in advancing the economic progress of the country than was reasonable to expect from a program of such substantial financial magnitude. A similar conclusion was expressed by the Office of the Inspector General and Comptroller in its report issued shortly before our examination. Further affirmation of this conclusion is clearly evident in the proposed foreign aid program for fiscal year 1962 presented to the Congress by the U.S. executive branch. This unanimity of judgment from these separate sources demonstrates clearly the urgent necessity of concentrating on the causes which led to this judgment to the end that the program may move toward more satisfying economic results.

The disproportionate success of the program is attributable to several interrelated causes. Most notable in our opinion, are that the level of aid, which averaged in excess of $200 million annually, was beyond the capacity of the Korean economy to absorb productively or of its Government to administer efficiently, and was a disincentive to the prudent use of both Korean resources and U.S. aid funds; that technical skills in Korea were admittedly limited, and that these facts were not sufficiently recognized in the annual programing of aid. We believe that the combination of these causes was the root of the program's shortfall in economic progress. Moreover these causes undoubtedly aggravated certain basic weaknesses in the Korean economic and political structure, which in themselves handicapped the program. Acknowledged large-scale corruption in Korea and the country's meager experience in government responsibility and administration, together with resulting political instability, weakened the moral fabric of business practice and stultified the growth of the country's economy.

The PRESIDING OFFICER (Mr. Cannon in the chair). The 5 minutes yielded to the Senator from Louisiana have expired.

Mr. McGEE. Mr. President, will the Senator from Minnesota yield some time to me?

Mr. HUMPHREY. I yield 2 minutes to the Senator from Wyoming.

Mr. McGEE. I thank the Senator from Minnesota.

The PRESIDING OFFICER. The Senator from Wyoming is recognized for 2 minutes.

Mr. McGEE. Mr. President, I know of no one who has contributed more to tightening up the whole program and squeezing out the unnecessary amounts than has the Senator from Louisiana [Mr. Ellender]. As he knows, at the meetings of the committee we have had some disagreements; but the goal remains the same.

I remind Senators that in our overall assault on the question which perplexes us around the world, we cannot measure the total effect by considering only what our allies may be doing with us in Vietnam or in Korea, because the ramifications of this problem extend clear around the globe. Therefore, what the British or French may be doing in West Africa or in the Mediterranean countries or what another ally of ours may be doing in some other part of the world weighs in the over-all balance in regard to our hope that we may be able to stop the erosions and encroachments of communism; and certainly in the assault on this question, we must count on their participation. I believe we sometimes lose sight of the impact of the assistance our allies have given in other parts of the world.

I remind the Senator from Wisconsin, who opposes these committee amendments, that we would make a mistake if we had the impression that all loans made under the program are long-term loans.

The PRESIDING OFFICER. The time yielded the Senator from Wyoming has expired.

Mr. McGEE. Mr. President, may I have 1 more minute?

Mr. HUMPHREY. I yield an additional minute to the Senator from Wyoming.

The PRESIDING OFFICER. The Senator from Wyoming is recognized for 1 more minute.

Mr. McGEE. I point out that last year, $340 million of our loans were for more than 20 years; $385 million of them were for less than 20 years; and $298 million of them were for periods between 5 years and 10 years. So I think it well not to distort the impact of the loan program.

Finally, in referring to the pipeline to which the Senator from Louisiana has referred in commenting on our aid to Western Europe, I believe we should point out, in all fairness, that some of the delay in connection with the pipeline arose from the shift to the new program. We have new weaponry and new breakthroughs which require much more delivery time than was previously required. In addition, a year ago we lost from the pipeline the diversions which had to take place because of the Berlin buildup; and that may happen again.

The PRESIDING OFFICER. The additional time yielded to the Senator from Wyoming has expired.

Mr. McGEE. Mr. President, may I have 1 additional minute?

Mr. HUMPHREY. Mr. President, I yield 1 more minute to the Senator from Wyoming.

The PRESIDING OFFICER. The Senator from Wyoming is recognized for 1 more minute.

Mr. McGEE. I thank the Senator from Minnesota.

Mr. ELLENDER. Mr. President, will the Senator from Wyoming yield?

Mr. McGEE. I yield.

Mr. ELLENDER. As to the pipeline, I point out that this situation exists in the case of three countries—the United Kingdom, Italy, and Japan. They are the only three countries in which the new instruments of war are being manufactured; and, as I shall show later, they are within the 22 months.

Mr. PROXMIRE. Mr. President, I yield myself 1 minute and a half.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized for 1 minute and one-half.

Mr. PROXMIRE. Mr. President, the excellent and eloquent statement made by the Senator from Louisiana [Mr. Ellender] seems to me to be absolutely unanswerable. I did not include the $900 million in the pipeline for military assistance. When we add that to the $314 million of military assistance for Europe, the total for Europe is over $1 billion; and, as I have said, the European economies are well able to handle this situation.

Mr. President, I am not asking that the program be gutted or destroyed or ended—even though many persons have argued that that would be the effect.

I know this program is not popular, and we should be willing to exercise some prudence in regard to it. I say a case has not been made for spending $4,500 million this year—more than we spent on this program last year. If economy means anything, Mr. President, certainly we should provide for economy in a foreign-aid program which has been so feebly justified.

The Senator from Minnesota [Mr. Humphrey] and the Senator from Wyoming [Mr. McGee] are two of the most eloquent and forceful Members of the Senate; but I am sure that anyone who reads their remarks will find that, despite all their force and rhetoric, there is very little citation of chapter and verse to support their position in behalf of spending the additional amounts for which the Senate Appropriations Committee is requesting the Senate to vote.

Mr. President, I earnestly hope these committee amendments will be rejected.

Mr. MILLER. Mr. President, will the Senator from Wisconsin yield briefly to me?

Mr. PROXMIRE. I yield one-half a minute to the Senator from Iowa.

The **PRESIDING OFFICER.** The Senator from Iowa is recognized for one-half minute.

Mr. MILLER. Mr. President, in connection with the Alliance for Progress program and the proposed appropriations for it, I ask unanimous consent to have printed at this point in the RECORD an article—which was published yesterday in the Washington Star—entitled "Latin America Stirred Little by Alliance for Progress."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

LATIN AMERICA STIRRED LITTLE BY ALLIANCE FOR PROGRESS

(By George Sherman)

From the vantage point of Latin America the Alliance for Progress has become a hand-wringing operation of meaningless words and unkept promises.

It lacks ideological drive. It lacks hemispheric organization. It lacks commitment from anyone below a limited number of top-flight economic planners.

In country after country on the southern continent you find appalling ignorance of even the most basic concepts of the Alliance. Indeed, the inquiring North American visitor soon begins to feel self-conscious about discussing it.

Politicians can reel off all the slogans of reform by heart, but few have any clear idea how they are to be put into practice. Their constituents who are supposed to mobilize the pressure for these democratic reforms, do not even know the slogans.

"It is absolutely amazing," said a North American student who was part of a YMCA work group spending the summer in the slums and universities of various capitals. "These young people do not even know that their governments have committed themselves to work jointly with the United States on social and economic reforms."

We talked in front of a crowded bus terminal in the center of Buenos Aires. All around young Argentines were busy saying emotional farewells to their North American helpmates.

NEVER HEARD OF CHARTER

"We stayed up to 3 o'clock this morning arguing," the young man continued. "We took out the Charter of Punta del Este and went over it point by point. Most had never seen it before."

This charter, signed in Uruguay in August 1961, by all American countries except Cuba, was to become the blueprint for progress in Latin America. It sets minimum economic growth rates, plans for eliminating illiteracy, health standards over a 10-year period.

But in the year since Punta del Este the Alliance has quietly turned into a North American operation. Its aims and prospects are much better known in the United States than in Latin America—where the progress is to take place.

WAILS BARELY HEARD

Wails of everyone from Senators to businessmen over how the U.S. tax dollar should or should not be spent reach South America like faint echoes from another world. In Latin ears they are just more fuss and fury over another billion-dollar aid program.

U.S. architects of the Alliance readily admit this shortcoming. Theodore Moscoso, U.S. Coordinator of the Alliance, said only yesterday in a speech at Marquette University: "I am convinced that the greatest need of the Alliance today lies in this psychological field."

"In Latin American eyes," he continued, "the Alliance is something far away, up north, buried under mountains of papers in the offices of Washington bureaucrats."

The more important question is, Why has so little been done to create the "popular mystique" the Alliance so badly needs? The answer lies partly in the complexities of trying to raise this vast underdeveloped continent by its bootstraps overnight.

But much of the answer also lies in the incompetence and foot dragging of Latin American leaders both here and in their own countries.

UNITED STATES CAUGHT IN VISE

The United States is caught in a gigantic vise. On the one hand, we have committed ourselves to over $1 billion a year in aid to Latin America during the 1960's. This commitment means the right to pass on programs and projects and a huge technical bureaucracy to implement those judgments.

On the other hand, the desire is to destroy the image of a "North American giveaway program." That means sharing responsibility with Latin American bureaucracy which is woefully incapable of shouldering those responsibilities.

The resulting ambivalence shows up with striking clarity in the public information program of the Alliance. No other area has been so disastrously handled. In Latin America, propaganda for Alliance aims is all but nonexistent; in North America the need has been almost totally overlooked.

Comparison with the Marshall plan immediately springs to mind. In 4 years—between 1948 and 1952—the U.S. Congress specifically set aside $100 million in counterpart funds to promote Marshall plan aims through newspapers, television, discussion groups, and labor unions in Western Europe.

NO FUNDS FOR PUBLICITY

To date the Kennedy administration has not requested nor has Congress appropriated one penny for the same type of program in Latin America. The Agency for International Development is prohibited by law from carrying on information activities. That is now the bailiwick of the USIA, but its budget has not been substantially increased to handle Alliance for Progress information.

The result is overworked public information officials. AID officials religiously churn out press releases on various approved aid projects with no confidence they will ever see the light of day in Latin America. Public information attachés in U.S. embassies lobby local newspapers while carrying on myriad other activities—including distribution of comic books on the horrors of Castro Cuba.

But the main responsibility for propagandizing the Alliance in Latin America falls to the Organization of American States. The Charter of Punta del Este specifically places it there. Yet the OAS Secretariat, under Secretary General Jose Mora, has moved at a snail's pace.

NO MONEY PUT ASIDE

The Budget Committee of the OAS has not put aside any money for a special information program. In March—6 months after Punta del Este—the Secretary General finally convoked a "committee of public information experts" to advise on what should be done. That meeting was paid for out of the $6 million Social Trust Fund given the OAS by the United States last year.

After 12 days of deliberation here, the six Latin experts advised that national committees for public information should be set up in each country. Leading representatives were to be drawn from every sector of life—news media, business, professions, universities and labor. They were to have local subcommittees throughout each country. An OAS office in each capital was to act as clearing house for Alliance information from all other countries.

The Council of the OAS duly approved the plan. Today—another 6 months later—exactly one national committee, in Ecuador, is in operation. Two others—in Colombia and Venezuela—are about to be set up. Local subcommittees exist nowhere. OAS offices are just beginning their "clearing house" operations.

INFORMATION CHIEF NAMED

To remedy this lag, Secretary General Mora has appointed a new Assistant Secretary General to coordinate information, science and education affairs. He is Jaime Posada, a young and dynamic Colombian who was minister of education under former Colombian President Lleras Camargo.

Mr. Posada has promised to speed up organization of the national committees and to open and expand the OAS offices throughout the capitals of Latin America. Mr. Moscoso has promised him $1.5 million toward those ends from the Alliance for Progress appropriations currently being debated by Congress. But he needs more.

WARY OF OVERSELLING

But Mr. Posada and his counterparts throughout Latin America are noticeably wary of taking a Madison Avenue "oversell" approach to the Alliance for Progress.

"We do not want to raise hopes we cannot fulfill," said one of President Romulo Betancourt's advisers in Venezuela. "Programs like school building and house construction take time to complete. Many have not even begun." He thought for a minute.

"But you may be sure that when we have some tangible evidence of progress under the Alliance, we shall publicize it to the hilt."

The critics of this approach answer that surely a middle ground must exist between "oversell" and the present "nosell." They argue that you cannot create the national climate of involvment and sacrifice essential for the Alliance without raising hopes. An aroused public, they say, is indispensible to get the reforms necessary to finance the vast house and school-building programs.

It is fundamentally a political question. The premise of the Alliance for Progress is that reforms can be instituted democratically with U.S. aid. But at the moment the Alliance means next to nothing to the Latin publics who are supposed to generate the pressure on their governments to implement it.

Mr. PROXMIRE. Mr. President, I yield to the majority leader the remaining time under my control.

Mr. MANSFIELD. Mr. President, once again the Senate is faced with the task of appropriating funds for carrying on this Nation's vital foreign-aid program. The bill now before us is the result of long and careful consideration by the Senate Appropriations Committee. Although it does not provide as much money as the administration feels is necessary to carry out an effective aid program, it nevertheless is a bill with which it can live. Any further reduction by the Senate, however, would not be in the best interests of the United States.

Mr. President, I do not maintain that there is anything sacred about foreign aid. I have been critical of aspects of our program in the past, and I shall continue to be critical whenever I think criticism is warranted. I, too, look forward to the day when the international situation will be such that our aid can be cut back or eliminated. Until that time comes, though, we must take care to avoid an indiscriminate slashing which would reduce the program to impotency and would endanger the peace and security of the United States. Wholesale cuts which do not take into consideration the unique problems of each country or region not only show lack of understanding of the Nation's position in the world, but would do serious harm by denying to the President a measure of flexibility which he so sorely needs in the conduct of our foreign affairs.

Those who would drastically reduce or eliminate foreign aid, while failing to recognize the dramatic impact which it has had in areas such as Western Europe, seem to be saying that the peril of communism along the frontline of defense has abated. Yet, in the same breath, they are critical of the President for not stopping communism wherever it may seek to spread.

Mr. President, I submit that they cannot have it both ways. If the danger exists, then this Nation cannot afford the luxury of neglecting its frontlines. If this frontline of defense were allowed to fall into disrepair, then our only alternative to trouble anywhere in the world would be the use of our own force and, perhaps, nuclear warfare, which would put the frontline right in our front yards. Is that what is wanted? The amount we spend on foreign aid each year, compared with the many billions of dollars spent on maintaining our military establishment, is a small enough price to pay for an alternative to war.

The figure recommended by the committee represents a minimum which the Senate should seek to provide if it is to be prudent in its regard for the Nation's security.

I point out that, if the committee's figure were accepted, the subject would be subject to conference between the two Houses. I would anticipate, following the usual procedures, that the difference would be split in half.

I urge my colleagues to accept this proposal.

Mr. HUMPHREY. Mr. President, how much time remains on the amendments?

The PRESIDING OFFICER (Mr. WILLIAMS of New Jersey in the chair). The time on the amendments has expired.

Mr. HUMPHREY. Mr. President, I suggest the absence of a quorum, and ask unanimous consent that the time be not taken from either side.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HUMPHREY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HUMPHREY. In light of the unanimous-consent agreement, am I correct in stating that a "yea" vote would sustain the Senate Appropriations Committee?

The PRESIDING OFFICER. The Senator is correct.

Mr. HUMPHREY. And a vote of "nay" would bring the figures back to the House recommendations?

The PRESIDING OFFICER. The Senator is correct.

Mr. HUMPHREY. I thank the Chair. I ask that the clerk call the roll.

The PRESIDING OFFICER. The yeas and nays on the amendments have not been ordered.

Mr. HUMPHREY. I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the committee amendments on page 2, lines 5, and 13; page 3, lines 6, 8, after line 8, and line 19; and page 4, line 11.

The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Pennsylvania [Mr. CLARK], the Senator from Illinois [Mr. DOUGLAS], the Senator from Tennessee [Mr. GORE], the Senator from Indiana [Mr. HARTKE], the Senator from Alabama [Mr. HILL], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Ohio [Mr. LAUSCHE], the Senator from Washington [Mr. MAGNUSON], the Senator from Oklahoma [Mr. MONRONEY], the Senator from Florida [Mr. SMATHERS] are absent on official business.

I further announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Alaska [Mr. GRUENING], and the Senator from Wyoming [Mr. HICKEY] are necessarily absent.

I further announce that, if present and voting, the Senator from Pennsylvania [Mr. CLARK] and the Senator from Illinois [Mr. DOUGLAS] would each vote "yea."

On this vote, the Senator from South Carolina [Mr. JOHNSTON] is paired with the Senator from Tennessee [Mr. KEFAUVER]. If present and voting, the Senator from South Carolina would vote "nay," and the Senator from Tennessee would vote "yea."

On this vote, the Senator from Florida [Mr. SMATHERS] is paired with the Senator from Utah [Mr. BENNETT]. If present and voting, the Senator from Florida would vote "yea," and the Senator from Utah would vote "nay."

On this vote, the Senator from Oklahoma [Mr. MONRONEY] is paired with the Senator from South Dakota [Mr. BOTTUM]. If present and voting, the Senator from Oklahoma would vote "yea," and the Senator from South Dakota would vote "nay."

On this vote, the Senator from Washington [Mr. MAGNUSON] is paired with the Senator from Indiana [Mr. CAPEHART]. If present and voting, the Senator from Indiana would vote "nay," and the Senator from Washington would vote "yea."

On this vote, the Senator from Tennessee [Mr. GORE] is paired with the Senator from Texas [Mr. TOWER]. If present and voting, the Senator from Tennessee would vote "yea," and the Senator from Texas would vote "nay."

On this vote, the Senator from Alaska [Mr. GRUENING] is paired with the Senator from New Mexico [Mr. CHAVEZ]. If present and voting, the Senator from Alaska would vote "nay," and the Senator from New Mexico would vote "yea."

Mr. KUCHEL. I announce that the Senator from Utah [Mr. BENNETT], the Senator from South Dakota [Mr. BOTTUM], the Senator from Indiana [Mr. CAPEHART], the Senator from New Hampshire [Mr. COTTON], the Senator from Illinois [Mr. DIRKSEN], the Senator from New York [Mr. JAVITS], the Senator from Kentucky [Mr. MORTON], the Senator from Pennsylvania [Mr. SCOTT], and the Senator from Texas [Mr. TOWER] are necessarily absent.

The Senator from Nebraska [Mr. HRUSKA] is detained on official committee business.

On this vote, the Senator from Utah [Mr. BENNETT] is paired with the Senator from Florida [Mr. SMATHERS]. If present and voting, the Senator from Utah would vote "nay," and the Senator from Florida would vote "yea."

On this vote, the Senator from South Dakota [Mr. BOTTUM] is paired with the Senator from Oklahoma [Mr. MONRONEY]. If present and voting, the Senator from South Dakota would vote "nay," and the Senator from Oklahoma would vote "yea."

On this vote, the Senator from Indiana [Mr. CAPEHART] is paired with the Senator from Washington [Mr. MAGNUSON]. If present and voting, the Senator from Indiana would vote "nay," and the Senator from Washington would vote "yea."

On this vote, the Senator from Nebraska [Mr. HRUSKA] is paired with the Senator from New York [Mr. JAVITS]. If present and voting, the Senator from Nebraska would vote "nay," and the Senator from New York would vote "yea."

On this vote, the Senator from Kentucky [Mr. MORTON] is paired with the Senator from Pennsylvania [Mr. SCOTT]. If present and voting, the Senator from Kentucky would vote "nay," and the Senator from Pennsylavnia would vote "yea."

On this vote, the Senator from Texas [Mr. TOWER] is paired with the Senator from Tennessee [Mr. GORE]. If present and voting, the Senator from Texas would vote "nay," and the Senator from Tennessee would vote "yea."

The result was announced—yeas 47, nays 28, as follows:

[No. 293 Leg.]

YEAS—47

Aiken
Allott
Bartlett
Beall
Boggs
Bush
Byrd, W. Va.
Cannon
Carroll
Case
Church
Cooper
Dodd
Engle
Fong
Hart
Hartke
Hayden
Holland
Humphrey
Jackson
Keating
Kerr
Kuchel
Long, Mo.
Long, Hawaii
Mansfield
McCarthy
McGee
McNamara
Metcalf
Moss
Muskie
Neuberger
Pastore
Pell
Prouty
Randolph
Saltonstall
Smith, Mass.
Smith, Maine
Sparkman
Symington
Wiley
Williams, N.J.
Yarborough
Young, Ohio

NAYS—28

Bible
Burdick
Butler
Byrd, Va.
Carlson
Curtis
Eastland
Ellender
Ervin
Goldwater
Hickenlooper
Jordan, N.C.
Jordan, Idaho
Long, La.
McClellan
Miller
Morse
Mundt
Murphy
Pearson
Proxmire
Robertson
Russell
Stennis
Talmadge
Thurmond
Williams, Del.
Young, N. Dak.

NOT VOTING—25

Anderson
Bennett
Bottum
Capehart
Chavez
Clark
Cotton
Dirksen
Douglas

Fulbright
Gore
Gruening
Hickey
Hill
Hruska
Javits
Johnston
Kefauver
Lausche
Magnuson
Monroney
Morton
Scott
Smathers
Tower

So the committee amendments, previously described, were agreed to.

Mr. KUCHEL. Mr. President, I move to reconsider the vote by which the amendments were agreed to.

Mr. HUMPHREY. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The clerk will state the next committee amendment.

The Chief Clerk. On page 7, after line 2, it is proposed to strike out:

> Sec. 107. (a) None of the funds provided in this title shall be available for assistance to any country, the government of which sells arms, ammunition, or implements of war to the Castro regime, or permits ships under its registry to deliver arms, ammunition, implements of war, or other goods, wares, and merchandise to that regime, or which furnishes, by grant or loan, any military or economic aid to that regime, or for any expenses of transportation, directly or indirectly, by merchant marine ships of any nations whose ships are used to transport any military or economic supplies to that regime.
>
> (b) None of the funds appropriated in this title shall be available for assistance to any country which permits vessels registered, enrolled, licensed, or otherwise documented under its laws to transport to Cuba, so long as it is governed by the Castro regime, any arms, ammunition, implements of war, atomic energy materials, or any articles, materials, or supplies contained on the list (known as the "positive list") maintained by the Secretary of Commerce of commodities with respect to which an export license is required under the Export Control Act of 1949.

And, in lieu thereof, to insert:

> Sec. 107. (a) None of the funds provided in this title shall be available for assistance to any country, the government of which sells arms, ammunition, or implements of war to the Castro regime, or which furnishes, by grant or loan, any military or economic aid to that regime, or for any expenses of transportation, directly or indirectly, by merchant marine ships of any nation whose ships are used to transport any military or economic supplies to that regime, unless the President determines that the withholding of such assistance to such country, or the nonpayment of such expenses of transportation, would be contrary to the national interest, and reports such determination to the Foreign Relations and Appropriations Committees of the Senate and the Foreign Affairs and Appropriations Committees of the House of Representatives.
>
> (b) None of the funds appropriated in this title shall be available for assistance to any country which permits vessels registered, enrolled, licensed, or otherwise documented under its laws to transport to Cuba, so long as it is governed by the Castro regime, any arms, ammunition, implements of war, atomic energy materials, or any articles, materials, or supplies, such as petroleum, transportation materials of strategic value, and items of primary strategic significance used in the production of arms, ammunition, and implements of war, contained on the list maintained by the Administrator pursuant to title I of the Mutual Defense Assistance Control Act of 1951, as amended, unless the President determines that the withholding of such assistance to such country would be contrary to the national interest, and reports such determination to the Foreign Relations and Appropriations Committees of the Senate and the Foreign Affairs and Appropriations Committees of the House of Representatives.

Mr. ELLENDER. Mr. President, is that the second series of amendments?

The PRESIDING OFFICER. It is the second committee amendment.

Mr. ELLENDER. Is that the amendment proposed to be stricken by the Senator from Wisconsin? I understood the Senator from Wisconsin [Mr. Proxmire] desired to have the Senate consider three separate groups of amendments.

The PRESIDING OFFICER. Under the agreement there will be three separate votes. This is the second amendment.

Mr. ELLENDER. This is the second group of the amendments?

The PRESIDING OFFICER. Yes.

Mr. ELLENDER. On which there is to be limited time?

The PRESIDING OFFICER. Yes.

Mr. PROXMIRE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Wisconsin will state it.

Mr. HUMPHREY. Mr. President, is time running?

The PRESIDING OFFICER. Time will begin to run with this amendment, now.

Mr. PROXMIRE. Mr. President, I yield myself 1 minute for the purpose of making a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. PROXMIRE. The amendment provides that the language in the bill, on page 7, is to be deleted on the basis of the committee recommendation, and that language is followed by italicized language on the remainder of page 7, all of page 8, and through line 6 on page 9.

What would happen is that the language on page 7, lines 3 to 23, would be restored, and the following italicized language would be eliminated. Is that correct?

The PRESIDING OFFICER. If the committee amendment were rejected, that would be the effect.

Mr. PROXMIRE. If the committee amendment were rejected, it would have the effect stated.

The PRESIDING OFFICER. That would be the effect.

Mr. PROXMIRE. I thank the Presiding Officer.

The PRESIDING OFFICER. The allotted 1 minute has expired.

Mr. HUMPHREY. Mr. President, I yield myself 1 minute.

Mr. BUSH. Mr. President, may we have an explanation of the amendment?

Mr. HUMPHREY. The parliamentary situation now is that we are voting separately upon the particular committee amendment to the bill which has been stated. The Senator from Wisconsin in his request excluded that part of the committee amendment from being included as original language in the bill. Therefore, if the will of the Senate is to support the considered judgment of the committee in that language, the Senate will vote "yea." If the will of the Senate is to strike that language and go back to the House language, Senators will vote "nay." The Senate Appropriations Committee inserted that language as a limitation because of the strong feelings of the President, the Secretary of State, and those who are responsible for our security in terms of the military and our diplomacy.

It is my view that this language is much better than that of the House. It would give the President some discretion. It would not foreclose him from making some decision in terms of our own national interest relating to our allies in other countries that might ship certain commodities into Cuba. That is what it is about.

The language is quite specific. It provides:

> Sec. 107. (a) None of the funds provided in this title shall be available for assistance to any country, the government of which sells arms, ammunition, or implements of war to the Castro regime, or which furnishes, by grant or loan, any military or economic aid to that regime, or for any expenses of transportation, directly or indirectly, by merchant marine ships of any nation whose ships are used to transport any military or economic supplies to that regime, unless the President determines that the withholding of such assistance to such country, or the nonpayment of such expenses of transportation, would be contrary to the national interest, and reports such determination to the Foreign Relations and Appropriations Committees of the Senate and the Foreign Affairs and Appropriations Committees of the House of Representatives.

That is the first item. In other words, some discretion would be left to the President. I cannot imagine that we would remove that.

Mr. KEFAUVER. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. KEFAUVER. The senior Senator from South Carolina and I were in a conference committee and did not hear the bell for the vote that has just been finished. I ask unanimous consent that the Record show that if the Senator from South Carolina were at liberty to vote, he would vote "yea," as I understand. If I were at liberty to vote I would vote "nay."

Mr. HUMPHREY. If the Senator had wished to support the Senate Committee on Appropriations, he would have voted "yea." If the Senator wished to cut back to the House figures, he would have voted "nay."

Mr. KEFAUVER. I would have voted "yea." I understand the Senator from South Carolina would have voted "nay." But we were in a conference committee and were not notified of the vote that was taking place.

The PRESIDING OFFICER. The Chair is advised by the Parliamentarian that a unanimous-consent request would not lie. The Senator can state how he would have voted, but the Record cannot be otherwise changed.

Mr. HUMPHREY. There will be recorded in the Record a pair between the

Senator from Tennessee [Mr. KEFAUVER] and the Senator from South Carolina.

Mr. JOHNSTON. Mr. President, we were in the conference room. The bell did not ring in that room. We did not know about the vote until other Senators who had voted came into the room and told us about it. We were both interested in voting. The Senator from Tennessee was interested in retaining the amount in the bill; I was interested in cutting it down.

Mr. HUMPHREY. Mr. President, that is what is called a dead pair for two very live Senators who are on the job. I think that statement ought to satisfy everyone.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. AIKEN. Does the Senator from Minnesota know how many countries would not be covered by the amendment?

Mr. HUMPHREY. I do not, I regret to say.

Mr. AIKEN. I assume that the amendment would cover Canada, Mexico, Greece, Italy, and virtually all the NATO countries.

Mr. HUMPHREY. It would.

Mr. AIKEN. It would include almost all other countries as well.

Mr. HUMPHREY. I imagine it would. Many of those countries are our stanchest allies and best friends. The amendment was not written into the bill through accident. Excluding myself for a while, the Committee on Appropriations consists of some of the most experienced and able Senators. The provision was written into the bill after very careful consideration and after a specific request had been received from the administration.

Mr. AIKEN. I wondered how many countries besides the United States would adhere to that principle.

Mr. HUMPHREY. Of not shipping?

Mr. AIKEN. Yes.

Mr. HUMPHREY. I believe several countries have already stopped shipments. Turkey has already stopped making shipments. West Berlin has stopped its shipments.

Mr. AIKEN. Nationalist China, in all probability.

Mr. HUMPHREY. Nationalist China has stopped making shipments. I presume there will be others.

Mr. CURTIS. Mr. President, will the acting majority leader yield for a question?

The PRESIDING OFFICER. The Senator from Minnesota has expended 6 of his allotted minutes.

Mr. HUMPHREY. Mr. President, I yield myself 1 additional minute.

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. CURTIS. Is the essential difference between the House language and the committee amendment the fact that the committee amendment would grant discretion to the President?

Mr. HUMPHREY. That is the fact. The Senator has summarized the situation concisely and to the point.

Mr. CURTIS. The House language would require an absolute bar.

Mr. HUMPHREY. Yes; absolutely—a complete bar.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. KEATING. What is the parliamentary situation?

Mr. HUMPHREY. The Senate is operating under controlled time. I have yielded myself 1 additional minute.

Mr. KEATING. There is something to be said for lodging a degree of discretion in the President if he finds in the national interest that aid should be given to a country, because the aid being given to some of our allies is of purely a military character, which is for our defense as much as theirs. However, I desire to ask the Senator the following question: My understanding is that if the language remains as it is in the bill, it would still be open to amendment by the addition of other language to that section.

Mr. HUMPHREY. The Senator is correct. Once the language has been established as committee language in the bill, the bill will later be open to amendment as if it were original text.

Mr. KEATING. I should like to see a provision that would require the President, if he should make such a determination, to report that fact to the two committees mostly concerned in both bodies. But I believe that if a report is made that aid has not been discontinued to countries that might be helping the Communist regime in Cuba, the reason should be given and they should be made public. I would recommend some language, which I would hope the committee would accept, to provide that any reports made by the President under that section shall be published in the Federal Register and shall be available to the public.

Mr. HUMPHREY. The Senator has a good point. But the kind of amendment he would propose should come after the particular preliminary procedure we are following has been completed. In other words, what we are trying to do now is to establish the committee language as if it were original text, and then the bill will be open to amendment later.

Mr. KEATING. I agree with the Senator. The point is that other Senators might share my view. If such an unusual situation should develop that the President would find it necessary to make such a determination, others might feel as I do, that the public should be given the facts.

Mr. HUMPHREY. I feel that they should, and, as a member of the committee, I shall cooperate with the Senator, so that the record may be clear.

Mr. KEATING. I appreciate the Senator's response.

Mr. AIKEN. Is not such a provision already in the law? I recall that when Canada desired to purchase unloading equipment for use in shipping wheat to Red China, the President had to make the finding—and the finding was made public—that the bolstering of the Canadian economy would strengthen our security more than the delivery of the wheat to Red China would strengthen the Communists. I wondered if such a provision would cover the present situation.

Mr. KEATING. That may have been a matter of policy. I fear that without the inclusion of a sentence like that in the amendment it might be possible to have such documents classified; and while we might be able to see them, our lips would be sealed so far as concerns discussion of them.

Mr. AIKEN. I see no reason why some such provision should not be written into the bill.

Mr. HUMPHREY. If the committee amendment is sustained, I shall be very happy to cooperate with the distinguished Senator to see to it that the language that he is indicating now in general terms is made a part of the final appropriation bill.

Our immediate discussion now concerns whether we will make up our minds to permit the President to have any discretionary authority at all.

Mr. KEATING. I appreciate that.

Mr. RUSSELL. Has there been a unanimous-consent request waiving the rules with respect to this amendment? Otherwise, it would not be open to amendment.

The PRESIDING OFFICER. Under the unanimous-consent agreement, it was agreed that the amendments would be open to amendment.

Mr. RUSSELL. These would still be open to amendment?

The PRESIDING OFFICER. The Senator is correct.

The question is on agreeing to the committee amendment.

Mr. PROXMIRE. I yield myself 5 minutes. I was hopeful that the supporters of the committee's position would argue it in detail and seek to justify it. The House took the position which I believe the overwhelming majority of the American people automatically would tend to support. If we are to reverse the House on its position, which the House took with overwhelming support for that position, some reasons should be assigned for doing so. We ought to know the reason. We ought to have it justified by the supporters of the proposal. The burden should not be put on us to argue against it. There should be some explanation of the proposal.

On February 3, 1962, the President announced an embargo on U.S. trade with Cuba. That proclamation was enthusiastically accepted by the American people. The proclamation has been generally very effective. It means that our own people cannot trade with Cuba, and that our own business must suffer, in some cases quite severely, because that trade is cut off.

In addition, I heard the distinguished Senator from Minnesota [Mr. HUMPHREY] make an excellent speech on the floor of the Senate a few days ago in which he talked about the great shame in the fact that some of our allies are making profits by trading with Castro's Cuba. I agreed with the sentiments expressed by the Senator from Minnesota. He was completely right.

I have before me data from the State Department and the Commerce Department showing the amount of export and import trade that Cuba has had with various countries, such as the United Kingdom, West Germany, France, Italy, Belgium, The Netherlands, and so forth. The figures before me show that the United Kingdom has actually increased its imports. These figures are available for only the first 4 months of this year. They have increased them substantially. The figures are adjusted to an annual basis. West Germany has greatly increased its imports from Cuba. It has done so by a substantial amount. While these countries have reduced their exports somewhat, the reduction has not been sharp.

If we are really deeply concerned with communism in Cuba and if we want to do all we can to weaken the Castro regime, it seems to me that we should use every instrument we have in our possession to bring about that result.

I do not believe that any Senator would argue that all these countries have a vested, inalienable right to American foreign aid. Of course they do not. We are using the American people's hard earned tax money to assist our allies and our friends. The principal reason and argument for this program is that we want to assist them to resist communism and to maintain freedom in the world.

What sense does it make for us to assist our allies and then have them turn around and trade with Cuba, which represents such a very serious threat to us?

Only recently have we requested some of our allies to restrain their trade. Only 2 weeks ago, on the Meet the Press television program, Mr. Maudling, the Chancellor of the Exchequer, said that Great Britain would consider restraining her trade with Cuba if she were asked to do so by this Government. Mr. Maudling made that clear. He said it at least twice. Mr. Maudling is a high official in the British Government. He said he had no knowledge that our Government had any interest in restraining trade with Cuba.

I realize that it is extraordinarily difficult to argue against Presidential discretion. I have the greatest admiration for President Kennedy. He has a great grasp of foreign policy.

But we know what will happen if we grant this discretion. There will continue to be trade on the part of our allies with Cuba. And how can we justify it?

These countries are free to trade, if they wish, but they should be willing to give up aid from this country if they do so. It is as simple as that.

I reserve the remainder of my time. I yield 10 minutes to the distinguished Senator from Connecticut.

Mr. DODD. Mr. President, I thank the able Senator from Wisconsin. I wish to speak briefly in support of the position of the able junior Senator from Wisconsin [Mr. PROXMIRE].

The bill presently before us cuts off aid to nations which assist Communist Cuba by grants or loans or military assistance, or by transporting military or strategic supplies to that regime. The Appropriations Committee seeks to wipe out that amendment by providing that such aid shall be withheld from nations aiding Communist Cuba only if the President determines that it is in the national interest to withhold such aid.

I join the Senator from Wisconsin when he says that he has great confidence in the President. So do I. I have greater confidence in him than I have had in a President in many years. It is not a question of lack of confidence.

I submit that the amendment of the Appropriations Committee is a complete abdication of our responsibility as Senators and should be voted down.

I wish to repeat the condition under which the President can ignore this law. He can ignore it if he thinks it is in the national interest to ignore it. He is not required to make any determination about national security; he is not required to make and finding about the nature of the Cuban regime; he is not required to make any findings about the adverse effects which this amendment might possibly have. He can merely ignore it if he thinks it is in the national interest to do so.

Is it possible to devise a condition which is more ambiguous and imprecise than this? Is it possible to conceive of a surrender of congressional power which is more unlimited and unconditional than this?

When the House passed the provision which is in the bill before us, it did so obviously under the assumption that it was in the national interest. When the Appropriations Committee now offers its qualified amendment withholding aid from nations which aid Communist Cuba, it does so under the assumption that this withholding is in the national interest. When the Senate votes either to retain the House provision or to adopt the Appropriations Committee provision, it will do so in the belief that imposing this form of sanction is in the national interest.

But what the Appropriations Committee amendment says to us, in effect, is that the law we pass here today is null and void if the President tells us that we do not know what we are talking about; that we are not qualified to pass upon what is in the national interest.

I believe this habit of adopting amendments year after year which contain the provision that they shall be null and void whenever the President determines that Congress does not know what it is talking about is the most dangerous alteration of the theory of divided powers that I can imagine.

Surely we abdicate our responsibility entirely when we surrender to any President the power to determine for us what is or what is not in the national interest.

Supposedly we are Senators because we know what we are talking about. It is our task to determine whether or not a particular proposal is in the national interest. That is our function. That is what the people sent us here to do. We ought to do it. It is our responsibility to decide whether it is in the national interest to use the tax dollars of the American people to help nations which give indispensable aid to a Communist enemy less than 100 miles from our shore. That is what the people sent us here to do, and that is what they rightly expect of us.

I would rather see the House amendment stricken from the bill altogether and to have the Senate say that we should take no action against nations which build up the military strength of our avowed enemies. I would rather have the Senate decide wrongly on an issue, openly and honestly, than to adopt a milktoast amendment which provides, in effect, that Congress is not qualified to decide what is in the national interest and that the President must retain the power to protect the American people from the folly and ignorance of their own representatives in Congress. That is what the amendment means; it means nothing else.

We have gone much too far down the road of accepting the theory that on any critical issue involving the security of the Nation Congress is incompetent to act, and that its laws must be no longer laws, but only advice, which the President may disregard any time when, in the President's judgment, Congress does not know what it is talking about.

For these reasons, I hope the committee amendment will be rejected. I hope that Senators who oppose the House provision will have the sense of pride in Congress and the sense of responsibility as elected officials of the people to offer an amendment striking the House provision altogether, or at least establishing a clear, mandatory alternative, rather than this papier mache amendment, which provides that the Senate believes we should withhold aid from countries which send military aid to Communist Cuba, but that the executive branch, in its superior wisdom, can nullify our wish if it decides that Congress does not know what the national interest is.

I repeat what I said a few minutes ago. It is our responsibility to know what the national interest is. Otherwise, I do not know why the Committee on Armed Services and the Committee on Foreign Relations spent long hours listening to the highest responsible officers brief us about the situation in Cuba. I assume we were told the truth, and that therefore we know what the national interest is. If we were not told the truth, we ought to learn the truth. I think we are capable of determining what the national interest is when our security is threatened, and we have the right and the power and the obligation to write a law to protect it.

For as long as I have been a Member of the Senate, and during the time I was a Member of the other body, the doctrine of the discretionary power of the President has been used to thwart those who have tried to strengthen the position of the country in this particular area. The reference does not apply to this President or that President; it applies to any President.

It is a fundamental doctrine of the country that, under the division of powers, Congress has power and ought to exert its power and ought to speak its mind. If at any time the President finds that some change in world events makes an act of the Congress harmful or inadequate, all of us can be called back here in a matter of hours. All he need do is tell us there has been a change and that he seeks a change in the law. I am confident I speak the truth when I say that he will get it, once he has told us he wants it, and needs it, and why he needs it.

The constant passing of the buck, the constant retreat from our responsibility, on the ground that we do not know what the national interest is, and that we are not capable of determining what the national interest is, is the way of destruction of the constitutional basis of this country.

Someday, perhaps soon, there may be a Congress which will be asked to do nothing else but say "Yes" to whatever the Chief Executive decides. We have already gone a long way down that road. Let us not go further. The hour is late. Let us reject the committee amendment.

Mr. RUSSELL. Mr. President, I desire to associate myself with the remarks of the distinguished Senator from Connecticut as to the abdication of authority by the Congress in taking refuge in the language of the committee amendment, which would transfer to the President of the United States duties which properly belong to the Congress and which the Congress should squarely and fairly fulfill.

I associate myself with the Senator's statement that this is no criticism of the President; it is no attack on the President; it is merely an expression of the views of Senators, who are elected to represent constituencies, and whose ideas differ from those expressed by the President of the United States.

I recall to the Senator from Connecticut [Mr. Dodd] that we have been for several years abdicating our constitutional responsibility to squarely face the question of extending foreign aid to Yugoslavia and other Communist countries. We have done so in language that delegates our legislative authority to the President; in language which provides that the President may extend aid if he finds that such assistance is "vital to the security of the United States."

I had great admiration for President Eisenhower. He found several times that such assistance was vital to the security of the United States. I did not believe that such assistance was vital to the security of the United States and that it was in the best interests of the United States to extend it to Yugoslavia. I likewise have implicit confidence in President Kennedy, but I do not agree with him that it is vital to our security to give aid to Communist countries. I, with equal honesty, believe it damages our security.

We have before us the same language. Apparently the Senate will find that it is vital to the security of the United States that assistance be extended to Yugoslavia, Czechoslovakia, and other Communist countries. I entertain different views.

I cannot shed my constitutional responsibility as a Senator of the United States. I cannot be absolved of my obligation, under my oath of office, by saying that I have not the courage to face the situation, but will pass it over to the President. If I did, I would feel like Pilate; I would be washing my hands, sanctimoniously saying, "I do not want to help the Communists, but I will agree to pass legislation under which I know they will receive aid from the taxpayers of the United States."

Mr. DODD. I thank the Senator from Georgia for stating the case more eloquently than I could. I am particularly pleased that he has raised the question of supporting the President. One thing I am weary of is constantly having that sort of accusation thrown at anyone who dares to differ with the Chief Executive, whoever he may be. To disagree on a grave matter of policy is no indication of how a Senator may feel toward the President of the United States. I think I can best serve the President by being honest, by telling my concept of the truth, and by saying to my colleagues what I earnestly believe. That is how I think I can best help the President, and this is what I want to do. I think those who agree with our position are of the same frame of mind. But every time a Senator dares to stand up, someone suggests, in a subtle sort of way, that he is against the President. That is not so at all. Many of those who are most for the President are speaking on this side.

Mr. PROXMIRE. Mr. President, I yield 3 minutes to the Senator from South Carolina.

Mr. THURMOND. Mr. President, I am opposed to the committee amendment. The committee amendment is calculated to allow aid to be given to Communist countries. The aim of all Communists, whether of the so-called independent variety or not, is to dominate and enslave the world. No one now disputes the fact that Castro is a Communist. The world now knows that Cuba is under Communist control and dictatorship. In my judgment, the Senate would make a great mistake by adopting the committee amendment which is now under consideration. The wording of this section as approved by the House of Representatives provides:

> None of the funds provided in this title shall be available for assistance to any country, the government of which sells arms, ammunition, or implements of war to the Castro regime, or which furnishes, by grant or loan, any military or economic aid to that regime, or for any expenses of transportation, directly or indirectly, by merchant marine ships of any nation whose ships are used to transport any military or economic supplies to that regime.

Mr. President, why should not we oppose that? We know now that Cuba is part and parcel of the international conspiracy of communism. Why should we give aid to a country which will send arms or ammunition to Cuba, which is trying to destroy us and subvert the entire Western Hemisphere? Why should we furnish any aid to a country which will deliver arms, ammunition, or implements of war to the Castro regime; or why should we furnish aid to a country which furnishes grants or loans of military or economic assistance to Cuba, whose goal is to help destroy these United States?

Mr. President, in my judgment we are merely shirking our responsibility if we do not act in the same manner as the House acted. Under our Republic, there is a tripartite system at the national level. There is the legislative branch—the Congress—which makes the laws; there is the executive branch—headed by the President—which enforces the laws; and there is the judicial branch—headed by the Supreme Court of the United States—which interprets the laws. Congress has its definite responsibility, and Congress cannot shirk it. The burden to make the laws rests squarely upon the Congress. The President merely executes the laws. Under the Constitution, Congress is responsible for determining the very type of question which now is before us; yet, Mr. President, in the amendment reported by the Foreign Relations Committee, there is the following provision:

> Unless the President determines that the withholding of such assistance to such country, or the nonpayment of such expenses of transportation, would be contrary to the national interest.

Unless the President makes that determination. Mr. President, it seems to me that this determination should be made by Congress. Congress is now making the law; later, the President will merely enforce the law which Congress makes.

I see no reason or excuse for aiding any country which will help Castro and the international Communist conspiracy in the attempt to destroy the United States.

But the committee amendment, if adopted and enacted into law, would allow aid to be given to a country which will help Castro in his attempt to destroy the United States.

Mr. President, I will not be a party to such an amendment, and I hope the Senate will reject the committee amendment.

The PRESIDING OFFICER (Mr. Pell in the chair). The time yielded the Senator from South Carolina has expired.

Mr. THURMOND. Mr. President, I ask unanimous consent to have printed at this point in the Record a report by me on our country's Cuban policy.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Cuban Policy Paralysis Costs

The policy of the United States on Cuba provides for history an almost perfect record, a perfect record of errors. Castro and communism took over in Cuba without even fighting a battle, much less a war. The takeover was accomplished with an official nod of approval from the United States, plus direct assistance in the form of a U.S. embargo on arms to the Batista government, which Castro succeeded in power.

At best, our Government's refusal to acknowledge Castro's Communist ties was an example of gross misjudgment. Castro's participation in the Communist insurrection in Bogotá, Colombia, on April 9, 1948, was known to almost every intelligence agency in the Western Hemisphere.

Even after Castro's takeover, our response to the danger was lethargic. However, a plan was finally set in motion to do something about the presence of a Communist outpost in the Americas. The plan formulated and approved called for an invasion of Cuba, financed and sponsored by the United States and carried out by Cuban refugees.

The invasion was originally scheduled for November 30, 1960, but was delayed because of the change in administrations. The new administration, like its predecessor, considered the danger of a Communist Cuba so grave as to justify the invasion. It was, therefore, rescheduled for April 17, 1961.

Then the blunders began in earnest. Instead of keeping Castro in the dark as to what level of force to expect when the invasion began, the United States announced in advance of the invasion that no American forces would go to the aid of a revolution against Cuba's Communist government. This discouraged a popular uprising and took much of the pressure off Castro. The plan called for a second air strike to follow that of April 15 to complete the destruction of Castro's then meager air force, but at the last minute, diplomatic qualms caused it to be canceled. The invaders were left at the mercy of the Communist forces. The United States denied, then admitted, its major part in the invasion.

Because of timidity and indecision, the justified and necessary invasion became a fiasco. The United States not only had to bear all the criticism which would have followed a successful liquidation of communism in Cuba, even had U.S. forces been directly committed, but the United States also had to bear the loss of confidence and respect resulting from the obvious incompetence which caused the invasion to fail and the invaders to be sacrificed. Since the ill-fated invasion blunders, our policy toward Communist Cuba can best be described as timid, and the situation has grown from bad to worse.

Communism is now firmly entrenched in Cuba. The Communists have had more than 2½ years to purge and indoctrinate the Cuban people. Communist agents and specialists from all over the world have been moved into Cuba in large numbers. Castro's military forces are the largest and best equipped—with Russian and Czech arms and jet aircraft—in Latin America. From Cuba flows an ever-increasing tide of Communist propaganda and subversion directed at Latin America. There is substantial evidence that there are now at least four intermediate-range ballistic missile bases in Cuba. Recent reports strongly indicate that an undetermined number of Soviet military forces have landed in Cuba. There is also every reason to believe that the Soviets have built or are building a space satellite tracking station on the north coast of Cuba. This will constitute a major advantage for the Soviet space program, because the Soviets have no other such site available in the Western Hemisphere.

As long as Cuba is Communist controlled, there can be no stability in Latin America. We can't buy our way out with the Alliance for Progress, which has been aptly dubbed the "alliance for socialism." If, as has been proposed, we cut off military aid to Latin American countries, it will create a vacuum of power in all America as it did in Cuba and permit communism to take over without fighting a battle.

The longer the United States waits to expel communism from Cuba, the more difficult will be the job. All Americans are reluctant to commit American men to battle, but it is now clear that it is American liberty at stake. If circumstances in 1960 and early 1961 justified decisions by two administrations that a U.S.-sponsored invasion of Cuba was essential, how can the far-worse circumstances of today require less? Inaction can be justified at this point only by a no-win policy of paralysis.

Mr. BUSH. Mr. President——

Mr. HUMPHREY. Mr. President, I yield 5 minutes to the Senator from Connecticut [Mr. BUSH].

The PRESIDING OFFICER. The Senator from Connecticut is recognized for 5 minutes.

Mr. BUSH. Mr. President, whenever we come to deal with a foreign-aid bill, we are confronted with the question of whether the President should have some discretion in connection with the application of the bill. I believe the President should be allowed some discretion in that connection. The House of Representatives and the Senate Appropriations Committee have expressed their view, and in subsections (a) and (b) of section 107, beginning on page 7, there is the following clear provision:

> None of the funds provided in this title shall be available for assistance to any country, the government of which sells arms, ammunition, or implements of war to the Castro regime, or which furnishes, by grant or loan, any military or economic aid to that regime, or for any expenses of transportation——

And so forth. Similarly, under subsection (b), we find the same prohibition, beginning with the words:

> None of the funds appropriated in this title shall be available—

And so forth. But in both subsections the Senate committee has inserted the reservation that if the President finds it in the national interest, he may act appropriately, in which case he must report to the four committees. I think the provision should be amended, by adding, following the word "reports," the words "with his reasons."

In short, this provision requires the President to report such a determination to the Appropriations Committee of each House and to the Foreign Affairs Committee of the House and to the Foreign Relations Committee of the Senate.

It is clear that the President has the constitutional authority to conduct the foreign policy of this country. He cannot take irresponsible action without regard to the position taken by Congress, because this amendment itself requires him to report to Congress—with his reasons, I suggest—if he decides to take such action which he believes to be in the national interest.

Mr. DODD. Mr. President, will my colleague yield?

Mr. BUSH. I yield.

Mr. DODD. Did I correctly understand my colleague to say that the committee amendment requires the President to report to Congress?

Mr. BUSH. Yes.

Mr. DODD. With his reasons?

Mr. BUSH. I said the amendment requires him to report to the four committees; that provision begins on page 8; and a similar provision is to be found on page 9.

Mr. DODD. But the amendment does not include the words "with his reasons," does it?

Mr. BUSH. That is true. I said I intend to offer to the committee amendment an amendment to add the words "with his reasons." It may be said that that would be implicit in the present wording of the committee amendment; however, I intend to offer such an amendment to the committee amendment.

Mr. KEATING. Mr. President, will the Senator from Connecticut yield?

Mr. BUSH. I yield. First, let me point out that the Senator from New York was about to offer such an amendment, but was delayed.

Mr. KEATING. I would enthusiastically support such amendment. I had intended to offer an amendment to the effect that such findings would be public property—so they could not be buried in files, on the ground that they were confidential. When the President reports, I believe he should be required to report in such a way that the public would know his reasons.

I hope the committee amendment will be amended so as to include the words "with his reasons," as the Senator from Connecticut has suggested.

Mr. BUSH. Yes; I think the words "with his reasons" should be included, so the committees may understand and may report to their respective Houses, if they so determine.

Mr. DODD. Mr. President, will my colleague yield?

Mr. BUSH. I yield.

Mr. DODD. Will my colleague state what real effect the giving of the reasons would have? Is it not true that the stating of his reasons would have no more effect than if the President did not state his reasons?

Mr. BUSH. My answer is that this committee amendment would not nullify anything; it would merely give the President more bargaining power. The committee amendment states in unqualified terms what Congress thinks about the situation. Then the committee amendment goes one step further, and provides, in effect, that if times change, and if the President then believes that in the national interest he should take action at variance with the stated congressional intent, he may do so if he believes it to be in the national interest, and if he reports to Congress. The committee amendment should be amended in such a way as to require that the President give his reasons.

Mr. PROXMIRE. Mr. President, will the Senator from Connecticut yield to me?

Mr. BUSH. I yield.

Mr. PROXMIRE. Is it not true that such an amendment would be legislation on an appropriation bill, and thus would be subject to a point of order? In addition, is it not true that such an amendment would have to go to conference. As we know, if it went to conference, that would be the end of it.

First of all, such an amendment could be blocked by a point of order; and, second, if it were not blocked by a point of order, it would have to go to conference.

Mr. BUSH. I think such an amendment to the committee amendment would be no more subject to a point of order than the committee amendment itself would be.

The PRESIDING OFFICER. The time yielded to the Senator from Connecticut has expired.

Mr. SALTONSTALL. Mr. President——

Mr. HUMPHREY. Mr. President, I yield to the Senator from Massachusetts 2 minutes, or whatever time he may need.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

Mr. SALTONSTALL. Mr. President, I wish to speak briefly in behalf of the committee amendment.

First, we must remember that the President is in charge of our foreign policy, and that we must give him an opportunity to determine what that policy is.

Second, I call attention to the Foreign Assistance Act of 1961, as amended, on August 1, 1962. Section 629 of that act, which we passed only 2 months ago, provides:

> Prohibitions against foreign assistance to Cuba and certain other countries: No assistance shall be furnished under this Act to the Government of Cuba, nor shall such assistance be furnished to any country that furnishes assistance to the present government of Cuba, unless the President determines that such assistance is in the national interest of the United States.

That is the language the committee tried to follow; it is one of the provisions of the authorization act.

The Senate Appropriations Committee recommends that the appropriation be made, subject to such a determination by the President.

If he determines that it should go into Cuba, the President must make a report to the four committees of the Senate and of the House, the Foreign Relations and the Appropriations Committees.

I should like to make one further comment. The bill as passed by the House is not limited to cargoes of military or strategic material, but would include medicines, medical equipment, and food. The United States itself does not preclude humanitarian shipments to Cuba.

So if we leave the House language in the bill, and include embargoes on ships carrying any kind of assistance to Cuba, we shall be going against our own humanitarian principles and not be following the provision of the Authorization Act of 1961, as amended, which we passed just 2 months ago.

I think it is fundamental that we must leave some discretion in the hands of the President, who is in charge of our foreign policy.

For those reasons, I hope the amendment offered by the Senator from Wisconsin will fail and that the committee amendment will be followed.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. AIKEN. If we voted for the language of the House bill, it does not seem possible that we could continue as a member of NATO, because NATO funds are involved in this bill. That would be true of SEATO or any of the other military alliances. I would like to ask someone to answer that question.

Mr. SALTONSTALL. I do not see how we could, because many of the ships going there and many of the importations come from our friends in NATO. The present administration is trying, through diplomatic channels, to persuade those nations to go along with our view; but if we put a complete embargo on them, we go against our own commitments.

Mr. AIKEN. It is true that West Germany does not ship military equipment to Cuba. It is also true, as the Senator pointed out, that the House language does not restrict only shipments of military equipment, arms, or equipment of that kind. It seems to me that some of the members of NATO are shipping goods to Cuba in their ships, some being military equipment and some not military equipment. If we contribute to NATO, we are certainly contributing to the countries that are in NATO. If we tied the President's hands as tightly as the House has done, I do not see how we could continue as a member of the NATO organization. Perhaps we should not continue. Perhaps the time has come when we should get out of Europe and the Mediterranean completely. I do not think so, but apparently there are those who do, and who are willing to withdraw our participation from that military alliance.

Mr. SALTONSTALL. Will the Senator yield me 2 minutes?

Mr. HUMPHREY. I yield to the Senator.

Mr. SALTONSTALL. I wish to read a statement of Secretary Rusk to the committee. These are not his exact words, but in the side slips this language by Secretary of State Rusk is contained.

> Section 107 as passed by the House would dangerously impair the conduct of a positive U.S. foreign policy. It goes far beyond the sound principles laid down in section 107 as enacted by the House last year which has proved workable. It would prohibit aid to any country—

This is what the Senator from Vermont brought out—

> no matter how important to U.S. interests—which permits any trade or carriage of goods in ships under its flag—no matter how little or how innocuous—with Cuba. It would allow the President no discretion even in cases where the national interest required it. We are working diligently with our allies and others to limit trade with Cuba, and this inflexible limitation would unwisely constrict negotiations. This provision subordinates all of our interests at this time of peril in Berlin to one aspect of the Cuban situation. The new language added to last year's provision should be stricken.

Mr. JOHNSTON. Mr. President, may I have 2 minutes?

The PRESIDING OFFICER. Does the Senator yield time?

Mr. PROXMIRE. I yield 2 minutes to the Senator from South Carolina.

Mr. JOHNSTON. Mr. President, I think we all realize the seriousness of the conditions we are facing in regard to Cuba. I think the administration now realizes the seriousness of the situation, if it did not realize it before, or it would not have declared an embargo against our own ships taking material into that country.

A year ago I made a speech stating that an embargo should be placed around Cuba, not only with respect to goods coming from America, but those coming from every other nation of the world. We should do everything possible to cut them off from the outside world. At the present time I cannot go as far as the committee has gone in good conscience. This is the time to strangle Cuba economically, not help her.

I again reiterate my previous prediction that if we do not halt our aid to Cuba, we are going to have greater trouble emanating from her shores in the near future. The only way we can act with reason under this appropriation bill is to say to the other nations what we have said to the business people of America, "You cannot do business with Cuba."

For these reasons, I hope the pending motion will be agreed to, and that the Senate will not support the committee; and that as a result the United States will put countries on notice who have Communist sympathies that they cannot conduct trade with Cuba and receive our aid. That is the kind of policy we would carry out should the motion prevail that is now pending.

If we follow the Senate committee policy, I think we might as well let the bars down and say to Cuba, "Come into the United States and take the United States." If we do not begin positive steps to stop Cuba soon they will continue day by day, month by month, and year by year, until they will be much stronger, as far as being able to send armed forces from Cuba to the United States. We must face reality at this time and not give additional money for the purpose of strengthening Cuba.

I want to commend the House for the action it has taken. I hope the Senate will agree to the pending motion.

Mr. PROXMIRE. Mr. President, I yield 3 minutes to the Senator from Iowa [Mr. MILLER].

Mr. MILLER. Mr. President, I join in the remarks of the distinguished Senator from Connecticut. I think he articulated very well one of the deep problems that has been bothering the American people for the last several years, and which has been growing in intensity, and that is the question of what the national interest is.

I agree wholeheartedly that it is primarily for the Congress to determine what is or what is not in the national interest, and only secondarily for the President to determine it. It is one thing for Congress to delegate to the President the determination of what is or what is not in the national interest on a particular piece of legislation, but to get into something like this is another thing.

As I see it, the national interest is a very broad concept, but I hope all of us will agree that we include in the concept of the national interest the proposition that we intend to prevent aggression by communism, that we intend to preserve freedom in nations where the people are free, and that we intend to restore the freedom of those nations now suffering under the Communist tyranny.

It seems to me the action of the House committee goes hand in hand with that concept of the national interest. It is a moral issue. All the talk about giving the President bargaining power, it seems to me, is beside the point. We cannot give bargaining power to anyone, the President, the Congress, or anyone else, over a moral issue. This is a moral issue.

If some of our allies want to promote aggression of communism in Cuba, if they want to hamper attempts of the people there to regain freedom, that is their privilege, but do not let them ask the people whom I represent to pay 1 cent of tax money for that kind of assistance. The issue is that simple.

I hope the committee amendment will be defeated.

Mr. PROXMIRE. Mr. President, I yield 1 minute to the Senator from Oregon [Mr. MORSE].

Mr. MORSE. Mr. President, I support the language of the House and oppose the Senate committee amendment. I attended a conference with the State Department this morning in which I made that point clear.

I thought it was made rather clear today that we thought the time had come to determine who would stand with us in the Western Hemisphere, and who would aid and abet the weakening of the Western Hemisphere.

I do not think there is any denying the fact that, if any of our alleged allies attempt to strengthen the economy of Cuba, they will not be strengthening the security and freedom of the Western Hemisphere. We must find out who stands with us and against us in the Cuban crisis. It is a very serious crisis.

I think the time has come to make perfectly clear that if our allies are trading with Cuba, they are not friends in fact.

As has been pointed out in this debate, I know of no reason at all why American taxpayers' dollars should be used to assist any country which is in turn following a course of action which threatens freedom in the Western Hemisphere. Now is the time, in my judgment, for our allies to stand up and be counted, to determine on which side they really stand.

I shall support the House language and oppose the Senate language.

Mr. PROXMIRE. Mr. President, I yield 1 minute to the Senator from Connecticut [Mr. DODD].

The PRESIDING OFFICER. The Senator from Connecticut is recognized for 1 minute.

Mr. DODD. Mr. President, I shall need only a half minute.

The Senator from Oregon has made the one argument which I had planned to make, and has done so better than I could. I was about to say that I thought it was time to decide whether the NATO people stand with us or with our enemies in the Communist world, particularly Cuba.

The old argument is becoming pretty worn, "What will our NATO allies think of us if we do this or that?"

It is about time that our NATO allies thought of our interests as well as their own. The American people have been putting up billions of dollars, and now we are in jeopardy, and we are asking our allies to stand with up on the right ground. It is about time they did so.

It has been said here that if we adopt this ban on aid to countries which aid Cuba, we will so offend our allies as to destroy NATO and SEATO.

In response to this, I say that if the fabric of the free world alliances, into which has been woven so much American blood, and treasure, and effort, if that fabric is so paper thin that it can be torn and destroyed because we insist that our allies may not aid our enemies and at the same time receive our aid; if these allies think more of their profits from Cuban trade than they do of their aid from us and their reciprocal duty to us, then I say it is time we found out about it.

Mr. PROXMIRE. Mr. President, I yield 1 minute to the Senator from North Carolina [Mr. ERVIN].

The PRESIDING OFFICER. The Senator from North Carolina is recognized for 1 minute.

Mr. ERVIN. Mr. President, I think it is about time for the Congress of the United States to exercise sufficient intelligence and sufficient fortitude to end the taxation of Americans for the purpose of giving aid to those who give aid and comfort to our enemies.

Mr. PROXMIRE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. PROXMIRE. If the Senator from New York [Mr. KEATING] and the Senator from Connecticut [Mr. BUSH] should offer an amendment which would provide additional language to require the President to give reasons, would such an amendment be subject to a point of order on the ground of being legislation on an appropriation bill?

The PRESIDING OFFICER. It would be subject to a point of order, if it were legislation on an appropriation bill——

Mr. PROXMIRE. I thank the Presiding Officer.

Mr. HUMPHREY. Wait just a minute.

Mr. PROXMIRE. Mr. President, not on my time.

The PRESIDING OFFICER. But, when there is House language in the appropriation bill which is legislation, language which is germane may be offered as an amendment; and, if a question as to germaneness is raised, even after the point is made, the question of germaneness is submitted to the Senate and the Senate decides that question by majority vote, without debate.

Mr. HUMPHREY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HUMPHREY. There is legislation in this appropriation bill?

The PRESIDING OFFICER. The Senator is correct.

Mr. HUMPHREY. Therefore, an amendment to legislation by the House in an appropriation bill would be subject to a point of order but the question of germaneness can be raised; is that not a fact?

The PRESIDING OFFICER. The Senator is correct.

Mr. HUMPHREY. And the Senate then would decide whether or not the language was germane.

The amendment which has been suggested by the Senator from New York relates to the reporting procedures. It seems to me so patently obvious that it is germane that the Senate should not have difficulty determining that question.

The PRESIDING OFFICER. It is a question for the Senate to determine.

Mr. HUMPHREY. The Senate will decide that, surely.

Mr. President, how much time remains?

The PRESIDING OFFICER. The time of the Senator from Wisconsin has expired. The Senator from Minnesota has 9 minutes remaining.

Mr. HUMPHREY. Mr. President, I yield myself only a couple of minutes.

Mr. President, I have listened to the arguments not only now but also year after year with reference to what limitations Congress should impose upon the Chief Executive with respect to foreign aid.

It is interesting to note that when the defense appropriation bill comes before the Senators, under which the President might commit our sons to battle and might commit this country, if need be, to war, Senators do not seek to impose limitations upon the President of the United States. The President can send troops here, there, and yon, and does not have to report to the Congress, either. Yet no Senator rises on the floor to say, "Mr. President, give us a report."

Foreign aid is a part of our national security. It is a very vital part of our national security. The foreign aid which was given to Western Europe may have been the most important part of our national security. Foreign aid to Formosa, to Taiwan, is a part of our national security. Foreign aid to Turkey is a part of our national security. Turkey is close to the Soviet Union—90 miles closer than Havana is to the United States.

If there is any one conclusion to be drawn from history, it is that a parliamentary body is incapable of conducting foreign policy, because there are equal voices in the body, and there never is a unanimous voice in a parliamentary body except under the most unusual circumstances.

The PRESIDING OFFICER. The time yielded by the Senator has expired.

Mr. HUMPHREY. Mr. President, I yield myself 2 additional minutes.

The PRESIDING OFFICER. The Senator may proceed for 2 additional minutes.

Mr. HUMPHREY. Mr. President, if the Articles of Confederation taught us anything in our history, it is that a parliamentary body, a congress, cannot conduct foreign policy. That is why the framers of the Constitution met in Philadelphia in 1787 to formulate a new Constitution. That was their prime purpose.

I submit that we would be making a tragic mistake if, in this critical hour in our international affairs, we should tie President Kennedy's hands or tie any President's hands by these limitations.

I stood on this floor and argued for Dwight Eisenhower time after time with respect to aid to Poland and aid to Yugoslavia. And that was not popular. It is not popular now. I think I was right then, and I think President Eisenhower was right then, and I think Foster Dulles was right then.

I argue now for the President of the United States to be given at least the same authority under conditions which are no less grave than they were then.

What does the amendment provide? It states the policy of Congress. It says to the President and to the Secretary, "Look, stop this business of aid to these countries which assist in any way this Cuban regime of Mr. Castro and his kind. That country has been taken over, for all practical purposes now, by the Communists."

It also says to the President, "If, perchance, you feel it is in the national interest or important for our national security that you must make some exceptions"——

The **PRESIDING OFFICER**. The time yielded by the Senator from Minnesota has expired.

Mr. **HUMPHREY**. Mr. President, I yield myself 2 more minutes.

The **PRESIDING OFFICER**. The Senator may proceed for 2 additional minutes.

Mr. **HUMPHREY**. The amendment says to the President, "If you feel there should be some exception, then you will report to the Congress of the United States, through its appropriate committees."

We are asked to change that so that the report will be made public.

We are laying down the mandate. The President knows the views of this Congress. The Secretary of State is negotiating every hour of the day to do something about this problem. As was said earlier today, we have allies, rather than satellites.

I do not like to provide aid to dictators, but I remember the time when the question of aid for Spain came up, and I voted for it. The first time it came before the Senate I did not vote for it, and I was wrong. The second time it came up, I voted for it. I will tell Senators why. It was because I thought it was important to the security of this country that we have bases in Spain. I still do. I will support that aid.

I think one must sometimes put bigger issues ahead of what seem to be immediate concerns.

If the Senate strikes the committee proposal language from the bill, then the language will not be in conference and there will be nothing we can do about it. For all practical purposes, we then will have said to the President of the United States, "Scrap your allies. Scrap your alliances. Get in trouble not only with Cuba but also with every friend this country has."

We are making progress under existing diplomacy. I think that what the Congress is now seeking to tell the President is, "Mr. President, press your case with respect to cutting off these shipments."

The senior Senator from Minnesota stood on the floor of the Senate as one of the first to raise the issue. I have raised this issue again and again, even with the Secretary of State, as I did earlier today when I attended the breakfast meeting. I told the State Department representatives I did not think they were active enough, that something more needed to be done, that we needed a stronger policy. But I would not put such a provision in the law as would shackle the President of the United States.

I submit that we should give our President the opportunity to be the chief spokesman of our foreign affairs. Let us give him the opportunity to be Commander in Chief. But if we desire to take over those duties, let us say so. Then God bless America when and if the legislative body starts to become the diplomatic body, the foreign policy body, of our country.

I yield back the remainder of my time.

Mr. **BUSH**. Mr. President, will the Chair state the question so that Senators will understand what they are voting on?

Mr. **HUMPHREY**. Mr. President, a parliamentary inquiry.

The **PRESIDING OFFICER**. The Senator will state it.

Mr. **HUMPHREY**. If it is the desire of the Senate, and Senators individually, to support the language which was prepared and adopted by the Committee on Appropriations, the vote should be "yea."

The **PRESIDING OFFICER**. The Senator is correct.

Mr. **HUMPHREY**. If it is the desire of the Senate to repudiate the Committee on Appropriations and support the language of the House of Representatives, the vote should be "nay."

The **PRESIDING OFFICER**. The Senator is correct.

Mr. **PROXMIRE**. Mr. President, I ask for the yeas and nays.

The **PRESIDING OFFICER**. Is there a sufficient second?

The yeas and nays were ordered.

The **PRESIDING OFFICER**. The amendment before the Senate will be stated.

The Legislative Clerk. On page 7, beginning with line 3, it is proposed to strike the language down to and including line 23 on page 7.

Beginning with page 7, line 24, insert the language down to and including line 6 on page 9.

The **PRESIDING OFFICER**. The question is on agreeing to the amendment stated. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. **MANSFIELD** (when his name was called). Mr. President, on this vote I have a pair with the Senator from Arkansas [Mr. McClellan]. If he were present and voting, he would vote "nay." If I were at liberty to vote, I would vote "yea." I therefore withhold my vote.

The rollcall was concluded.

Mr. **HUMPHREY**. I announce that the Senator from New Mexico [Mr. Chavez], the Senator from Pennsylvania [Mr. Clark], the Senator from Illinois [Mr. Douglas], the Senator from Arkansas [Mr. Fulbright], the Senator from Tennessee [Mr. Gore], the Senator from Alabama [Mr. Hill], the Senator from Ohio [Mr. Lausche], the Senator from Washington [Mr. Magnuson], the Senator from Arkansas [Mr. McClellan], the Senator from Oklahoma [Mr. Monroney], and the Senator from Oregon [Mrs. Neuberger] are absent on official business.

I further announce that the Senator from New Mexico [Mr. Anderson], the Senator from Alaska [Mr. Gruening], and the Senator from Wyoming [Mr. Hickey] are necessarily absent.

On this vote, the Senator from New Mexico [Mr. Chavez] is paired with the Senator from Utah [Mr. Bennett]. If present and voting, the Senator from New Mexico would vote "yea," and the Senator from Utah would vote "nay."

On this vote, the Senator from Pennsylvania [Mr. Clark] is paired with the Senator from Indiana [Mr. Capehart]. If present and voting, the Senator from Pennsylvania would vote "yea," and the Senator from Indiana would vote "nay."

On this vote, the Senator from Illinois [Mr. Douglas] is paired with the Senator from Kentucky [Mr. Morton]. If present and voting, the Senator from Illinois would vote "yea," and the Senator from Kentucky would vote "nay."

On this vote, the Senator from Tennessee [Mr. Gore] is paired with the Senator from Alaska [Mr. Gruening]. If present and voting, the Senator from Tennessee would vote "yea," and the Senator from Alaska would vote "nay."

On this vote, the Senator from Oregon [Mrs. Neuberger] is paired with the Senator from South Dakota [Mr. Bottum]. If present and voting, the Senator from Oregon would vote "yea," and the Senator from South Dakota would vote "nay."

Mr. **KUCHEL**. I announce that the Senator from Utah [Mr. Bennett], the Senator from South Dakota [Mr. Bottum], the Senator from Indiana [Mr. Capehart], the Senator from New Hampshire [Mr. Cotton], the Senator from Illinois [Mr. Dirksen], the Senator from Maryland [Mr. Butler], the Senator from Kentucky [Mr. Morton], the Senator from Vermont [Mr. Prouty], the Senator from Pennsylvania [Mr. Scott], and the Senator from Texas [Mr. Tower] are necessarily absent.

If present and voting, the Senator from Maryland [Mr. Butler], the Senator from Vermont [Mr. Prouty], the Senator from Pennsylvania [Mr. Scott], and the Senator from Texas [Mr. Tower] would each vote "nay."

On this vote, the Senator from Utah [Mr. Bennett] is paired with the Senator from New Mexico [Mr. Chavez]. If present and voting, the Senator from Utah would vote "nay," and the Senator from New Mexico would vote "yea."

On this vote, the Senator from Indiana [Mr. Capehart] is paired with the Senator from Pennsylvania [Mr. Clark]. If present and voting, the Senator from Indiana would vote "nay," and the Senator from Pennsylvania would vote "yea."

On this vote, the Senator from Kentucky [Mr. Morton] is paired with the Senator from Illinois [Mr. Douglas]. If present and voting, the Senator from Kentucky would vote "nay," and the Senator from Illinois would vote "yea."

On this vote, the Senator from South Dakota [Mr. Bottum] is paired with the Senator from Oregon [Mrs. Neuberger]. If present and voting, the Senator from South Dakota would vote "nay," and the Senator from Oregon would vote "yea."

The result was announced—yeas 39, nays 36, as follows:

[No. 294 Leg.]

YEAS—39

Aiken
Bartlett
Beall
Boggs
Burdick
Bush
Byrd, W. Va.
Carlson
Carroll
Case
Church
Cooper
Engle
Hart
Hartke
Hayden
Holland
Humphrey
Jackson
Javits
Keating
Kefauver
Long, Hawaii
McCarthy
McGee
McNamara
Metcalf
Moss
Muskie
Pastore
Pearson
Pell
Randolph
Saltonstall
Smith, Mass.
Sparkman
Wiley
Williams, N.J.
Yarborough

NAYS—36

Allott
Bible
Byrd, Va.
Cannon
Curtis
Dodd
Eastland
Ellender
Ervin
Fong
Goldwater
Hickenlooper
Hruska
Johnston
Jordan, N.C.
Jordan, Idaho
Kerr
Kuchel
Long, Mo.
Long, La.
Miller
Morse
Mundt
Murphy
Proxmire
Robertson
Russell
Smathers
Smith, Maine
Stennis
Symington
Talmadge
Thurmond
Williams, Del.
Young, N. Dak.
Young, Ohio

NOT VOTING—25

Anderson
Bennett
Bottum
Butler
Capehart
Chavez
Clark
Cotton
Dirksen
Douglas
Fulbright
Gore
Gruening
Hickey
Hill
Lausche
Magnuson
Mansfield
McClellan
Monroney
Morton
Neuberger
Prouty
Scott
Tower

So the committee amendment, as stated, was agreed to.

Mr. MANSFIELD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HUMPHREY. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had disagreed to the amendment of the Senate to the bill (H.R. 7927) to adjust postal rates, and for other purposes; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. Murray, Mr. Morrison, and Mr. Corbett were appointed managers on the part of the House at the conference.

POSTAL SERVICE AND FEDERAL EMPLOYEE SALARY ACT OF 1962

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its disagreement to the amendment of the Senate to the bill (H.R. 7927) to adjust postal rates, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. JOHNSTON. I move that the Senate insist upon its amendment, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. Johnston, Mr. Monroney, and Mr. Carlson conferees on the part of the Senate.

A REPORT ON SOUTH VIETNAM

Mr. JACKSON. Mr. President, Hon. Roger Hilsman made what I consider a most significant and helpful speech on South Vietnam and problems of guerrilla warfare, at the American Hospital Association meeting, Chicago, Ill., on September 18.

Mr. Hilsman speaks with authority from firsthand experience with the art of guerrilla warfare in the Far East in World War II and as the able and vigorous Director of Intelligence and Research in the Department of State.

I recommend his speech for wide reading and serious consideration as an outstanding statement of the problems we confront in South Vietnam and of the programs being fashioned to meet them.

I ask unanimous consent that the text of his speech be printed at this point in the Record.

There being no objection, the speech was ordered to be printed in the Record, as follows:

A Report on South Vietnam

(Remarks by Hon. Roger Hilsman, director of intelligence and research, Department of State, at the American Hospital Association meeting, Chicago, Ill., September 18, 1962)

In the period when Mr. Acheson was Secretary of State and General Marshall was Secretary of Defense, it is said that the two men had a special understanding.

Whenever anyone said, "This is a purely military problem," or "This is a purely political or diplomatic problem," then whoever said it had to leave the room.

In South Vietnam we are confronted with an extraordinary example of the way military decision and action are interdependent with many other decisions and enterprises. The war there is a guerrilla war and the successful means of countering guerrilla war are as much political as military, for the longrun task is nation building.

This guerrilla war is a form of hidden Communist aggression, an internal war, if you will. As President Kennedy has said, "their aggression is more often concealed than open. They have fired no missiles; and their troops are seldom seen. They send arms, agitators, aid, technicians and propaganda to every troubled area. But where fighting is required, it is usually done by others—by guerrillas striking at night, by assassins striking alone—assassins who have taken the lives of 4,000 civil officers in the last 12 months in Vietnam alone—by subversives and saboteurs and insurrectionists, who in some cases control whole areas inside of independent nations."

This war in the shadows may well be one of the most decisive battles of our time. My subject is a report on one of these shadow wars, the one in South Vietnam, and I would like to start by giving you my outline; there is a guerrilla war in South Vietnam, so I would like, first, to say something about guerrilla warfare in general—the conditions in which it arises and a strategic concept for fighting against it. Second, I would like to tell you how these ideas are being applied in South Vietnam. And, finally, I'd like to give you a report on how things are going there in South Vietnam.

There is something about guerrilla warfare which gives rise to legends. It is part of the operation, in fact, to see that the enemy is full of rumors which keep him in the dark as to facts.

But in appraising the uses of guerrilla tactics we should certainly try to separate legends from realities.

So it seems useful to begin with the elementary observation that guerrilla warfare is possible only in two very special sets of circumstances:

The first is, when the main body of the enemy is otherwise engaged. When France was occupied by the Germans in World War II, virtually the entire population hated the Nazis. There was a well-organized and supplied guerrilla movement—the Maquis. But so long as the German armies had nothing else to do, the French guerrillas could not be effective. There were many individual acts of sabotage and violence, but not much else. At any time that a small guerrilla band attacked, the Germans could counter with overwhelming force.

But after D-day, when the German divisions were fully engaged in fighting the Allies, the Maquis became a formidable and effective force.

The second set of circumstances is now the more usual setting for guerrillas when they operate in the emerging, still developing countries of the world. In much of the world today, the different communities that make up what we think of as nation-states are isolated from the central government—isolated by lack of communications or by the terrain, as in mountains, islands, or the desert, but more importantly isolated in a psychological and political sense.

The basic situation in many underdeveloped areas is that the villages are turned inward on themselves. The people are living there as they have for hundreds of years, with few ties to their government. They appear rarely to have strong political convictions one way or another. In my personal experience in southeast Asia during World War II where a few of us in the OSS were sent behind the enemy lines to organize bands of guerrillas against the Japanese, it seemed to us that perhaps 10 percent of the people had some sympathies for our side and perhaps 10 percent had some sympathies for the Japanese. But 80 percent of the populace did not have much awareness of the struggle being fought out in their country. Much less did they have ideological convictions. Even with white faces we recruited a guerrilla force that was larger in numbers than the Communist guerrilla force in South Vietnam today.

My point is that in these underdeveloped, but at the same time ancient, cultures, the villagers are isolated from each other and from the central government in a way that we in the West are not equipped by our experience to understand. The villagers are turned inward on themselves and identify not with the nation but often only with their family, clan, and village.

Let me illustrate my point.

Recently some friends of mine made a tour of the border areas of such a country. They visited 40 villages. In 10 of these villages no one had ever seen a Government official of any kind—neither the district chief nor the province chief, much less a representative of the national government. They also visited a town, where one would expect the people to be better informed than those in the villages. There they talked to a shopkeeper, and one would expect a shopkeeper to be better informed than, say, a laborer. They asked the shopkeeper who the king of the country was and he proudly named him and pointed to a picture on the wall—which had, incidentally, been furnished by the U.S. Information Service. He was asked who the Prime Minister was, however, and inexplicably named not the Prime Minister of his own country, but the Prime Minister of a nearby country. It seems that the nearby country had radio broadcasts which he could pick up on his transistor radio and he naturally assumed that since he could hear the broadcast the country must be his own.

What happens when a village with people as isolated as these is visited by tough bands of armed marauders? The villagers are unarmed and the guerrillas are armed. It is not surprising that the villages give or sell the guerrillas rice. It is not surprising that the guerrillas can recruit a few young men to join their guerrilla band with promises of adventure and good things to come. In such circumstances the people do not have to be against the government for a guerrilla unit to thrive. The people do not have to support the guerrillas for a guerrilla movement to thrive.

(Any comparison with our own world must be farfetched, but one may ask whether the citizens of Chicago "supported" the gangs which flourished in the twenties? The shopkeeper who was hit by the "protection" racket did not "support" the gangs, but he often had no choice but to go along with them. Government protection seemed far away, and the threat from the hoodlums was close by. The same is true in the underdeveloped areas of the world, where the villages are not only isolated, but also both unarmed and unprotected.)

Against this background, I would suggest two principles as a strategic concept for countering guerrilla warfare in the underdeveloped regions of the world.

The first principle is that fighting a guerrilla war in an underdeveloped nation requires as much political and civic action as it does military action. President Roosevelt once said that "Dr. New Deal" had been succeeded by "Dr. Win the War," but in guerrilla wars in underdeveloped nations both "doctors" are needed. Military action and a social new deal have to proceed together. The isolated villages must be tied into the governmental structure—at district, province and ultimately the national level. The goal is to create a network in which information about the needs of the villagers can flow upward and government services can flow downward.

This flow of services from the government must go all the way across the board—feeder roads so the villagers can get their products to market; radios and radio stations so their minds can be opened up to the outside world; food from a prosperous part of the country when famine strikes in another part of the country; education for the young; books and magazines for the old so that they will not lose their literacy for lack of something to read as so often happens; and medical services.

I know that it is familiar to those of you in this audience, but it is not familiar to most Americans just how heavy some of the ancient but now controllable scourges of mankind bear down on most of the peoples of the world. In parts of Thailand, 80 percent of the people are infested with liver fluke. Hookworm debilitates the populations in much of Asia. The World Health Organization, our own AID programs, and the efforts of many of these countries in their own behalf have made enormous strides in controlling malaria. But countless millions of people are afflicted with controllable diseases against which no progress has really been attempted.

You in this room could list these diseases and their consequences much better than I. But let me make two points.

The first is that controlling many of these diseases is not only a question of hospitals, X-ray equipment, and a high proportion of doctors to total population. Much can be done by teaching the villagers the elementary facts about sanitation, by medical technicians trained to deal with one or two particular diseases, and by an adequate supply of modern drugs.

The second point is that it is often these one or two endemic, but controllable diseases that stand in the way of economic progress and development, and hence contribute greatly to Communist opportunities for subversion and aggression by guerrilla warfare.

To sum up this first principle—that the villages must be tied into the governmental and national fabric—let me say that it is well for us to remember that in these parts of the world it is a revolutionary idea that the people of a country can expect their government to help them or protect them. They have never asked what their country can do for them, much less what they can do for their country. Indeed, there are millions of people who do not know what a country or government is. If you are looking for a revolutionary appeal to excite and inspire these people, it is the simple concept that government exists to serve and protect them.

My second principle concerns the military side of fighting guerrillas, but in a peculiarly political way. The principle is that in fighting guerrillas, military operations must be so conducted as to achieve political ends. Stated another way, the principle would be that to fight guerrillas you must adopt the tactics of the guerrilla himself.

Orthodox military tactics are aimed at taking and holding territory. Military formations designed for these purposes are large and slower moving. The guerrilla, on the other hand, does not aim to take territory, but to win recruits and alienate the people from their government. The guerrilla's purpose is well served when large military formations sweep the countryside, for this tends to make life difficult for the villagers and, hence, to make the villagers turn against their Government. Thus, for political reasons the military tactics used against guerrillas should be those of the guerrilla himself—small roving units constantly patrolling and ambushing.

Finally, these tactics should be designed to cut the lines of communication between the guerrillas and the thousands of villages to which he goes for food and recruits.

You have heard of the so-called strategic hamlets and villages that are now being built in South Vietnam. This is a concept that was developed in Malaya during the Communist guerrilla war there, and is now being applied in South Vietnam.

You remember my earlier point that in underdeveloped areas the villagers are not necessarily proguerrilla. But unless there is some way of protecting them from marauding guerrilla bands they will be obliged to give or to sell food to the guerrilla and to listen to his propaganda.

One purpose of the strategic village is to give villages this protection—or, rather, to help the villager to protect himself. Without arms or protection the villager cannot refuse to give or sell his rice to the Communists, for fear of retaliation. Without protection, the villager is afraid to pass on information about the Communist guerrillas to the government.

A second purpose of the strategic village is to control the movement of people and supplies. Identity cards are issued; and curfews are imposed. Thus anyone on the roads and trails at night can be assumed to be a Communist.

Through the use of identity cards and intelligence from the people the small group of hard-core Communists in a village of several hundred people can be identified and arrested. The barbed wire and curfews deny the guerrillas easy access to the villages. If the guerrillas need rice, they must attack a defended village. Thus the whole war is turned around. Instead of the government forces chasing the Communists and falling into ambush, the Communists must attack the villages and so fall into ambushes themselves.

It should be stressed that the strategic hamlets are not concentration camps. The purpose is to keep the guerrillas out of the villages, rather than keep the villagers in. Inevitably, of course, when one throws a barbed wire fence around a village there is a degree of regimentation. But this is a type of war and some form of regimentation cannot be avoided. There is a parallel in our own history. The early settlements of America had stockades around them and life went on behind the stockades for a long time. Our ancestors did not like the rule that everyone had to be inside the stockade at sundown. They did not like to bring up their children in such an atmosphere, but they built the stockades as a first step toward a way of life in which stockades were no longer necessary.

Now let us see how the South Vietnamese Government is applying these principles against the Communist guerrillas.

There are 15,000 to 20,000 hard-core, full-time Communist guerrillas in South Vietnam, and many thousands more sympathizers, part-time Communist guerrillas, and political and propaganda agents.

South Vietnam is a nation of about 14 million, so this does not represent a mass movement.

But in an underdeveloped country with poor communications, with mountains, and jungles, terrorists and subversive agents in these numbers can cause much damage.

The major concentrations of the Communist guerrillas—who are commonly called the Viet Cong—are in the mountains near the Laotian border in the north; in the mountains extending eastward toward the coast in the central region of South Vietnam and southward toward Saigon; and in the Mekong River Delta area, including the Plain of Reeds, west and south of Saigon.

The Communists try to maintain the fiction that this is a civil war arising spontaneously from within South Vietnam.

This is not true. The Communists in North Vietnam are directing this guerrilla movement. For years, they have been sending in trained men to be the cadre for the Communist Viet Cong battalions. These trained men slip into South Vietnam over various overland infiltration routes that lead from North Vietnam through mountains and jungles and by junk landings along the South Vietnamese coastline. And let me make this clear—by using these infiltration routes and conducting a guerrilla war, the Communists are committing aggression. The guerrilla movement in South Vietnam is directed from outside by an enemy nation. It is interference by military force in the affairs of another nation.

What comes over these infiltration routes? The answer is—largely trained men. These are jungle trails—not roads—and the men must walk. They can carry food for their journey. They can carry arms and ammunition. They can carry medical supplies. They can carry money. And they can carry certain specialized equipment, such as radios and perhaps some light automatic weapons.

The food for the guerrillas in South Vietnam must be obtained in South Vietnam itself. Moreover, by hitting army, security, and police units suddenly and in superior force, the guerrillas are able to assure themselves a local supply of arms and ammunition and reduce their dependence on long supply lines from the north. This is demonstrated by analyzing the equipment captured from the Communist Viet Cong. The arms captured from the Communists are old weapons left over from the days when Vietnam was a French colony, those that the Communists have captured from the South

Vietnamese forces, or homemade guns, mines, grenades and even crossbows with poison arrows.

Thus there are two lines of supply for the Communist Viet Cong. The first is the infiltration routes which supply largely trained men—officers, and noncommissioned officers—and specialized equipment and supplies. The second are the hundreds of jungle trails leading into thousands of South Vietnamese villages, like spokes on a wheel. It is from these villages that the Communists get food, recruits, and the raw materials from which to manufacture arms and ammunition. As I said before, the villagers do not necessarily support the Communists, but when the Communists have access to the villages they can obtain the supplies by both intimidation and purchase.

This, then, is the enemy situation. The South Vietnamese program for dealing with this situation has three objectives:

The first is to strengthen the regular army and security forces and increase their mobility.

Here U.S. aid is vital, and the vigorous program instituted by Secretary of Defense McNamara has been having magnificent results. As you have read in the papers, the United States has furnished arms and equipment and, most importantly, helicopters which give the regular South Vietnamese army lightning mobility to reinforce people attacked by the Communists, and to seek out and pursue the Communists in the mountains and jungles.

The second objective of the program is to cut the infiltration routes.

The Geneva agreements neutralizing Laos specify that the territory of Laos shall not be used for those purposes. Whether the North Vietnamese will keep their word remains to be seen. But in any case the South Vietnamese are not powerless. As you can see from a glance at the map, these infiltration routes must in some instances wind their way for long distances inside South Vietnam before reaching the areas of Viet Cong concentration, and the South Vietnamese are taking measures to cut these routes inside South Vietnam itself.

An important part of the measures to cut the infiltration routes is the recent decision to arm the Montagnards. These Montagnards are the mountain peoples of South Vietnam—hardy, courageous men. Recently thousands of the Montagnards have fled into the lowlands to get away from the Viet Cong whose modern arms were too much for the only weapons the Montagnards had—spears, and bows and arrows.

The South Vietnamese Government decided to equip the Montagnards with modern weapons, furnished by the United States. The Montagnards are trained in the use of these weapons, and sent back into their home territories to establish strategic villages of their own in the mountains through which the infiltration routes pass. Our special forces training officers estimate that about 23,000 square miles are already under the Montagnards' protection and that in 4 months the total may be 40,000 square miles. According to reports, 7,000 Montagnards have already been trained and given weapons and another 3,000 are beginning the course.

The third objective of the South Vietnamese plan is the strategic village program I have mentioned, which is designed to cut the major routes of supply and deny Communist access to thousands of unprotected villages.

This program calls for putting defenses around existing villages—barbed wire, watchtowers, and ditches filled with bamboo spikes and booby traps. It calls for giving each village a radio which the villages can use to call for reinforcements by helicopter if they are attacked by a Viet Cong force too large for them to handle. It calls for arms for the villagers to use themselves when attacked.

There is one misconception about this program I would like to correct. These plans, unlike those in Malaya, do not call for relocating villages except in rare circumstances. In general, the defenses are to be put around existing villages. Although there are one or two places in heavily penetrated regions where villages have actually had to be regrouped, these are the exception, not the rule.

The strategic villages will provide protection. At the same time, the South Vietnamese plan to use the strategic village idea as a way to tie the villagers into the governmental structure and to provide the villages with government services—health, education, agricultural services, police protection, and good village administration.

South Vietnamese Government plans call for civic action teams sent by the provincial and national governments which will not only help the villagers in setting up their defenses, but will also expand the political, social, and economic base for integrating of the villages into the national fabric. For example, these teams include a medical technician, a schoolteacher, an agricultural credit representative, a public information representative, two or three public administration advisers, and a youth activities representative, as well as a police adviser, a civil guard liaison officer to man the radio that calls for reinforcements if attacked, and a squad of soldiers to issue weapons to the villagers and provide training in their use.

When this program is completed, in addition to the protection afforded, the South Vietnamese should have a much improved structure that will permit information about the needs of the villagers to go up the ladder of government and service to meet their needs to come down.

On the military side, it will provide a hedgehog of defended villages—zones of defended villages which will act as a meatgrinder when the Communist guerrillas venture into them. Each of the villages will have its own self-defense corps to resist attack. In the empty spaces between the villages, civil guard units will patrol and lay ambush during curfew hours. If the Viet Cong come into the zone, they are very likely to run into a civil guard ambush. Even if the Viet Cong do not run into an ambush, sooner or later they will run out of food and be forced to attack a strategic village. Thus the guerrilla is forced to attack instead of being chased. The guerrilla is ambushed rather than ambushing.

This then is the theory, and the program for putting theory into practice. The final question is, How is it working out in South Vietnam.

So far we have grounds for guarded optimism.

Vigorous support from Secretary McNamara and the Department of Defense has given the South Vietnamese Army new confidence. It is attacking the Viet Cong and has been having gratifying success.

Over 2,000 strategic hamlets have been built, and 1,000 of these are now equipped with radios as a result of U.S. aid.

Not all of these strategic villages are perfect. Some do not have enough arms and equipment. In some places, too, there has not yet been enough money to pay the villagers for the time they have spent on building the village defenses and inevitably in some villages there is some resentment.

On the other hand, the early returns seem to indicate that the villagers' morale and their attitude toward their government are much better than some press reports might lead us to believe.

There have been some very positive press statements that the Government of South Vietnam is unpopular with the villagers. But how can one generalize about the attitude of some 12 million villagers? There are no Gallup polls. I, myself, do not know the answer to this question and I doubt seriously that anyone does.

I can, however, give you a few hard facts that may be at least straws in the wind.

First, one would expect that if the villagers were antigovernment and pro-Vietcong they would defect to the Communists when they were given arms. Of the villages that have been armed so far, I know of none that has gone over to the Communist side.

Second, if the villagers were merely indifferent to their government they would sell their arms to the Communists—and the Communists have offered very high prices for these arms. But of the villages that have been armed so far, I know of none where the arms have been sold to the Communists.

In fact, the villages have used their arms to fight the Communists. Of the villages that have been armed so far, only a few as yet have been attacked, but all of them have fought when attacked and fought well. Only 5 percent of the village radios have been lost as a result of Vietcong action, and we really expected the rate to be much higher. More than this, in the last few weeks a high percentage of the Vietcong killed have been killed by villagers resisting Vietcong attack.

Let us take 1 week for example. During 1 week in August, over 600 Vietcong were killed as against less than 100 killed among the progovernment forces. And of these 600 Vietcong killed, two-thirds were killed not by the South Vietnam regular army but by villagers armed through the strategic village program. This, I think, is an encouraging indication of the attitudes of the villagers.

In sum then, although the plans are just beginning to be implemented, the results are encouraging. The defection rate of the Vietcong has risen and the recruitment rate has gone down. Just in the last 2 months there are areas of South Vietnam that are now safe that only last spring could not be entered without a company of armed guards.

There is a long way to go. It took 7 years to eliminate guerrillas in Malaya. It may take less than this in Vietnam or it may take more, but I think we have reason to feel confident that in the end the South Vietnamese—with our help—will win.

THE PRESIDENT CITES ACHIEVEMENTS OF 87TH CONGRESS IN CREATION OF SEASHORE PARKS

Mr. YARBOROUGH. Mr. President, last Friday, September 28, President John F. Kennedy signed into law the bill creating a national seashore recreation area on Padre Island, Tex.

This national seashore recreation area, the third created by the 87th Congress, among the four existing ones in the Nation, will be the longest of all the national seashore recreation areas.

The stirring message which President Kennedy delivered when he signed the bill was in keeping with his previous recommendation that such legislation be passed.

Mr. President, I ask unanimous consent to print at this point the statement by President John F. Kennedy when he signed the Padre Island bill.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

REMARKS OF THE PRESIDENT UPON SIGNING OF S. 4, TO PROVIDE FOR THE ESTABLISHMENT OF THE PADRE ISLAND NATIONAL SEASHORE

Ladies and gentlemen, I am pleased to approve S. 4, providing for the establishment of the Padre Island National Seashore.

The 113-mile-long Padre Island along the Texas coast of the Gulf of Mexico, extending from Corpus Christi on the north almost to Mexico on the south, is the longest barrier island of the United States. By preserving 80 miles of the island's scienic, untrammeled shoreland, this measure will make possible a broad range of year-round opportunities for recreation and quiet enjoyment of a natural environment for a large number of people.

The Padre Island National Seashore is the third authorized by the 87th Congress, insuring that this Congress will enjoy an honored position in the development of conservation in this country. Padre Island on the gulf will now take its place with Cape Cod on the Atlantic, and Point Reyes on the Pacific. Each of these areas has its unique characteristics—each is readily accessible to millions of Americans—each will offer an enduring opportunity for the renewal of body and spirit where the land meets the sea.

I want to congratulate the Members of the Congress. As I said, these are three very exceptional sites which have been preserved for the people of the United States. The one at Cape Cod, which I know intimately, was a great step forward as was the one at San Francisco, and now we will have this one off the coast of Texas. I think the Members of Congress can look upon this step forward with unprecedented pride for many, many years.

Mr. YARBOROUGH. Mr. President, an interesting comment on this great national seashore recreation area was contained in this Sunday's issue of the Washington Post. I ask unanimous consent that there be printed at this point in the Record the article titled "Padre Island, Tex., Becomes Fourth National Seashore," from the Sunday, September 30, 1962, issue of the Washington Post.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Padre Island, Tex., Becomes Fourth National Seashore

Padre Island, Tex., the third national seashore area to be created by the current 87th Congress, becomes the fourth such establishment in the Interior Department's National Park Service.

The first was North Carolina's Cape Hatteras National Seashore Recreation Area set up in 1953 almost entirely from land acquired by public donations. Last year, Congress authorized the Cape Cod National Seashore in Massachusetts, and Point Reyes in California was nationalized last September 13.

Subtropical Padre Island, on the southern Texas coast between Corpus Christi and Port Isabel, is 117 miles long, of which 80 miles are included in the national seashore, and varies in width from about 3 miles to less than an eighth mile.

It is said to have an exceptional year-round potential for camping, fishing, and swimming, with fine-textured, light-colored sand and dunes varying from small mounds to 40-foot hills. Interior Secretary Stewart L. Udall calls it the longest island, or barrier beach of either the Atlantic or gulf coasts.

"Its general atmosphere," says Udall, "is one of undisturbed isolation and seemingly endless expanses of flat, sparsely vegetated beachland."

Named after a Spanish priest, Padre Nicolas Balli, the island was occupied by the savage, cannibilistic Karankawan Tribe when Spanish ships first arrived there in 1519. Father Balli obtained sovereign rights to the island about 1800 and conducted grazing operations there. Its chief use is still for grazing.

The gulf coast marshes of Texas are well known as wintering waterfowl habitats, and resident birds include various species of pelicans, egrets, herons, plover, gulls, and the red-winged blackbird.

The island is reached from the mainland by toll causeways at each end, and though there are no large metropolitan areas nearby, within a 500-mile radius lie New Orleans, Baton Rouge, Shreveport, Oklahoma City, Dallas, Fort Worth, and other large Texas cities.

NEED FOR A GI EDUCATIONAL BILL IS GREAT

Mr. YARBOROUGH. Mr. President, on September 5, 1962, the Lincoln Star, in Lincoln, Nebr., ran an editorial by Mr. William O. Dobler, which discussed the need for the passage of the cold war GI bill. Mr. Dobler called his editorial "Time Out for Government—The Third GI Bill," an appropriate thought in view of the perils that face our Nation today.

Mr. President, today there are 23 million veterans in the United States. They have served on lands and waters around the world—Korea, Germany, Vietnam, Africa, and the Middle East—to safeguard the free world. The 20 million veterans of World War II and the Korean conflict had on opportunity to obtain an education under the GI bills of World War II and the Korean conflict. But the 3 million veterans of the cold war have been denied that opportunity in life, and unless this condition is remedied these 3 million will be the apple peddlers of the future.

The soldiers of the cold war are dying in combat in South Vietnam; they guard, in nerve-wracking tension, Berlin's wall of shame; they risk lifetime crippling diseases in the swamps of Thailand and Laos; they suffer frostbite in the arctic ice, and sunstroke in the desert wastes. The veterans of this cold war period are coming out of the service untrained for civilian employment in the changing technocracy of our times.

The national interest demands that these veterans be retrained for civilian lives. Unless they are so retrained, and readjusted, our economy will suffer for a generation. The GI bill is more for the benefit of the whole Nation than for the individual veterans themselves. It is governmental folly not to retrain these men.

S. 349, the GI bill, cosponsored by 51 Senators was reported to the floor of the Senate August 10, 1961, by the Senate Labor and Public Welfare Committee. Its passage was unanimously recommended by the Senate Democratic Policy Committee in February 1962, but, Mr. President, there has been no adequate opportunity to debate the bill on the floor of the Senate, and it is now apparent that there is not sufficient time remaining in this Congress to pass this bill.

The need for this bill is more urgent now, even than it was when introduced by 51 Members of this body in 1961 due to the high rate of unemployment among returned veterans in age 18- to 24-year bracket—as high as 35 to 50 percent in some communities; the hardening cold war—for example, the Berlin wall and South Vietnam; the callup of Reserve units forced by the Berlin crisis last year with resulting dislocation and need for readjustment.

We owe our young fighting men—in fact, we owe our country—the best educational development possible. I urge the Congress to realize the significance of a program of financial assistance for the education of cold war veterans, to recall the success of two previous GI bills, and to realize the sacrifices the veteran has made and may be called to make again on behalf of the free world.

This measure is deserving of immediate favorable consideration, but since time does not remain for consideration by the House of Representatives this session, this is to advise my colleagues that I will reintroduce the GI bill next January in the 88th Congress, and I am hopeful that the Congress which meets in 1963 will have an opportunity to consider this matter as early in 1963 as the bill's merit dictates. By such a standard it would be among the very first bills considered.

I ask unanimous consent that Mr. Dobler's editorial from the Lincoln Star of Lincoln, Nebr., of September 5, 1962, be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Time Out for Government—The Third GI Bill

(By William O. Dobler)

The Senate has debated a new cold war GI bill of rights, but inconclusively thus far. The House Veterans' Affairs Committee has done less. It has not yet called the bill for consideration. The future of the measure seems dark at this session.

Proposed is an allowance of a day and a half of free education for every day military in uniform. Added to this would be a grant ranging from $110 to $160 a month during the beneficiary's school time.

The bill would make the offer good for 12 years at an estimated gross cost of $3.4 billion.

The measure is deserving of more consideration than it is getting. A similar provision after World War II and another affecting the veterans of Korea turned out remarkably well. Both greatly stimulated the pursuit of higher education and combined they made a solid contribution to American progress. Today we owe much to the high-level progress contributed by those men who made use of the educational rewards.

Most of the young men who do their military stint do not contemplate a career of it. To them it is a national duty calling for a contribution of a year or more of their lives. It may be a long-range national gain, but for them it is an immediate loss during the critical period of their lives. There is a basis of a constructive bargain here in which the Nation can win as much as the individual.

If the overall $3.4 billion cost is the stumbling block there is the matter of considering how much the loss of not doing it. Investment in resources, either material or human, cannot be equated with loss. In this instance where the national benefit has twice been convincingly demonstrated it is difficult to understand the hesitancy in the Congress.

DR. FRED CHARLES SCHWARZ—PROFITEERING PURVEYOR OF HATE

Mr. YOUNG of Ohio. Mr. President, that peddler of fear, suspicion, hate, and hysteria, Fred Charles Schwarz, the Australian fakir and operator of the Christian anti-Communist crusade, so-called, recently hit a snag when he brought his traveling troupe to New York City.

For sometime now this circuit rider of the new anti-Communist evangelism has been plying a very profitable trade in spreading his message of prejudice and distrust of our free democratic institutions, along with others of his ilk—such as Billy James Hargis and the Courtneys—he has found that patriotism for profit can be very profitable indeed. In 1961, his record year, Schwarz collected a total of almost $1,300,000, and evidently he hopes to boost this figure this year.

In his own country of Australia, Schwarz has been virtually ignored when he has tried to promote the same promotional stunts that have paid off so well for him in our country. In Sydney, Australia, a city of over 2 million people, his meeting resulted in only $70 in receipts. Needless to say, he hurriedly returned to the United States which has proven to be much more fertile ground for his type of demagoguery.

However, it appears that here in our own country his prosperity may be on the wane. His performance in New York City at Madison Square Garden drew only 8,000 people, a small audience by New York standards. His so-called anti-Communist school, conducted in the smaller Carnegie Hall, was also poorly attended. He reported a net loss of $75,000 for the New York operation. Of course, he and his colleagues explained that the failure was the result of a conspiracy against him—by whom they do not say. Are we to assume that Khrushchev, Mao Tse-tung, and their Communist colleagues took time out from their aggressive activities in Berlin, Cuba, Laos, the China Sea, and elsewhere throughout the world to prevent the citizens of New York from hearing Fred Charles Schwarz?

This demagog usually bills his act under the title of the "'Christian' Anti-Communist Crusade" It is interesting to note that while in New York City he dropped the word "Christian."

Mr. President, in the Washington Post of September 13, 1962, there appeared a very interesting and informative article on Schwarz and on certain of his hate-spreading activities by the noted columnist George E. Sokolsky. It is noteworthy that Mr. Sokolsky, whose anti-Communist views are well known, deemed it necessary to devote a column to this subject. I commend it to my colleagues and ask unanimous consent that it be printed in the Record as part of my remarks.

There being no objection, the article was ordered to be printed in the Record, as follows:

DR. SCHWARZ' DIFFICULTY

(By George E. Sokolsky)

Dr. Fred Schwarz, who operates the Christian Anti-Communist Crusade found New York a cold, distant city. He ran an anti-Communist meeting in Madison Square Garden which was attended by only 8,000, which in New York City is a small audience. His anti-Communist school was held in the smaller Carnegie Hall and was poorly attended. Altogether, Dr. Schwarz is reported to have said that the operation netted him a loss of $75,000.

However, the Australian doctor and his associates have since been explaining the failure as the result of a conspiracy against him. In other words, Khrushchev took time off from the satellite business and building a wall around Berlin to prevent eager New Yorkers from going to Schwarz' school at Carnegie Hall. Those who wanted to go, could go. The doors were open.

A man wrote me that in Tyler, Tex., Dr. Schwarz claimed that he received minutes of secret meetings of Jewish organizations who were plotting how to sabotage him. I should like to see such minutes. Not only Jews, but many Protestant ministers were antagonistic to Schwarz' New York campaign, but there was no conspiracy. Everything was in the open.

In the 5,000 years of Jewish history, the Jews have learned to fear the apostate. Many of the most outrageous libels against the Jews, throughout their history originated with apostates. Dr. Schwarz' father was a Jew who became a Christian and here is his son, who, when an operation of his fails, by innuendo blames it upon a conspiracy, which, the way it is said, may be called a Jewish conspiracy. That was what Jewish apostates did from Hellenic times in Jerusalem to the present day. So, naturally, Jews did not take to Schwarz. But there was no conspiracy.

Dr. Schwarz says:

"We are not anti-Semitic. There is nothing anti-Semitic about being a Christian. We have one common enemy—communism."

Nevertheless, Dr. Walter Kerr, in an interview with "The Texas Observer," says:

"Boy, I tell you (Schwarz) spells out a death struggle with the Jews. I was quite amazed and really rather heartsick * * *. Schwarz said, 'New York is controlled by them,' that is, by Jews. He said the thing is divided down the middle, Christians and Jews."

Cardinal Spellman is a Christian, a tough anti-Communist and a conservative, but no sensible person would call him an anti-Semite. Dr. Dan Poling, editor of the Christion Herald, is a Christian, an anti-Communist and a conservative and no sensible person would call him an anti-Semite.

Mr. YOUNG of Ohio. Mr. President, this demagog Schwarz has announced that beginning today, October 1 and through the 5th, he will conduct the Northern Ohio School of Anticommunism, so-called, in my home city of Cleveland, Ohio. In a letter which has been widely distributed by the sponsors of this so-called school, Schwarz is referred to as, and I quote, "the outstanding authority on the Communist conspiracy in the world today." Have not these patriots heard of J. Edgar Hoover, Allen Dulles—to say nothing of President Kennedy and former Presidents Eisenhower and Truman, and the many other dedicated Americans who have made constructive contributions in the fight against communism? It appears that gall of Schwarz and his sponsors is boundless. He had the effrontery to ask the Cleveland Board of Education to excuse junior and senior high school students from classes to attend his lectures. Our public schools are dedicated to the search for truth, to teach the youth of America to think, and to instill in them the principles of our free democratic society—principles that include the right of Schwarz and others like him of all political persuasions to mouth their rantings to their hearts' content. It would be inexcusable to release students from classroom work and require that they waste valuable time listening to the tirades of this Fascist-minded slick operator from down under, Fred Charles Schwarz. I am happy to report that this request has been denied.

Unfortunately, Dr. Schwarz and his instructors, so-called, frequently minimize the threat of aggression from the aggressive, belligerent Communist dictators of the Soviet Union and Red China. They retreat from emphasis on how to combat the grave Communist threat from these nations. Instead, they prefer to denounce Communists at home where they are weakest and well under control and to instill the suspicion that our neighbors are Communists or Communist sympathizers. The real danger to our Nation is external—it is from Communist Russia and Red China.

Dr. Julius J. Rosen, a prominent official of the American Jewish Congress and chairman of one of its most important committees, in a recent address in Cleveland stated:

> We don't need amateurs like Fred Schwarz to deal with internal communism in the United States.

He added:

> I think the Communist danger is primarily external and J. Edgar Hoover and the Catholic Church think so too.

Dr. Julius J. Rosen further stated:

> Dr. Fred Charles Schwarz' Christian Anti-Communist Crusade and other radical rightist groups, such as the Birch Society, are amateurs compared to the FBI in fighting internal communism. What is more dangerous is that these rightist groups use Communist-type tactics in their battle against domestic communism and employ the big lie and half-truth.

He cited that money, power, and publicity are the motives behind the various rightist groups. There are 206 such groups in the United States today. He said many of them are of the lunatic fringe variety.

This official of the American Jewish Congress stated that when necessary the truth should be used to demolish rightist lies and demagoguery.

The threat of Communist aggression from the Soviet Union poses a danger to free people everywhere and it is to this danger that we should direct our energy and our skills. It may be easy to blame all the problems facing our country on internal communism and local scapegoats and to offer inane, meaningless, black and white solutions to our most complicated problems of survival. However, to put blinders on one's eyes and to refuse to recognize the real danger does not make that danger go away. To the contrary, it only weakens our position and our ability to triumph in this struggle for freedom. Schwarz and those who agree with him contribute toward encouraging this short sightedness and unwillingness to face the facts on the part of some Americans.

Mr. President, it is time that these purveyors of patriotism for profit, these exponents of the big lie, be denounced. They do no service to our Nation. On the contrary, they might weaken us in

our continuing fight against communism and our struggles to preserve democracy and to bring its blessing to mankind everywhere.

ILLEGALITY BREEDS ILLEGALITY

Mr. JOHNSTON. Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks an article entitled "Illegality Breeds Illegality," written by David Lawrence and published in the U.S. News & World Report for October 8, 1962, dealing with the conflict of State and Federal functions in Mississippi.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ILLEGALITY BREEDS ILLEGALITY

(By David Lawrence)

The above headline introduced an editorial on this page on October 4, 1957, commenting on the illegal use of Federal troops at Little Rock, Ark. This Governor of a sovereign State thought he was empowered to use the State militia to prevent violence and disorder—a State function as he saw it. This was at a time when a Federal court had ordered the admission of Negroes to a public high school, previously all-white, and feelings were inflamed.

But the Governor's theory was overruled, not by any court but by military force ordered by the Federal Government. Yet there's nothing in the Constitution which authorizes the Federal Government to send troops to any State under such circumstances. If the Federal court's order to open the school to Negroes did supersede the right of the Governor to take legal steps to prevent domestic violence, no opportunity was given to settle the point by legal procedures.

Today, the Governor of another sovereign State—Mississippi—feels he has the legal right to block a Federal court order requiring the State University to admit a Negro student. Any citizen has a right—at the risk of punishment—to refuse to abide by a court ruling and to have his day in court, even to the point of carrying the case to the Supreme Court of the United States for a determination of the issues involved.

The process of the law were open in October 1957, as they are now in October 1962, to resolve the conflict of State and Federal functions. We should not be impatient, even though there is a congressional campaign in progress at present that adds political implications. We should let legal processes take their natural course.

For we pride ourselves on being a nation that abides by the law. Our difficulty, however, is in ascertaining just what is the "law of the land" in the various legal maneuvers that currently surround the integration controversy.

It is easy enough to call Gov. Ross Barnett of Mississippi and Attorney General Robert Kennedy political exhibitionists, but each has a duty to perform.

It is easy enough to call anyone a Negro hater who disagrees with the theory of forced integration.

It is easy enough to call the people of the South enemies of the Negro, though the facts of their relationship in the last 100 years do not bear out the accusation.

This writer was a student at an integrated high school in the North more than a half-century ago and wrote often for the press about the feats of a Negro who was star quarterback on the football team and a most popular individual. But the problem that faces all of us is not just to consider our own personal feelings. Nor is it a matter simply of obedience to rulings of the courts. It goes deeper. We should not close our minds to the other side of the argument—generated as it is by the pain of an injustice that gnaws at the hearts of the people of the South.

For they have not forgotten the injustice and, indeed, the complete disregard of the Constitution of the United States by a radical Republican majority in Congress which despotically tore that document to shreds and imposed a series of illegal acts on the people of a defeated South.

History does not lie. The almost unanimous writings of historians and the testimony in official records tell us that the 14th amendment was never legally adopted as a part of the Constitution. Yet the whole integration-segregation controversy of today is rooted in that illegality. The Supreme Court of the United States based its decision in 1954 on the unmentioned assumption that the 14th amendment is valid.

It is a shameful truth that, ever since the 14th amendment was allegedly adopted in 1868, the Supreme Court has evaded passing on the legality of that "ratifying" process.

The people of the South know this. They know also that when their State legislatures—after that War Between the States was over—ratified the 13th amendment abolishing slavery, this was accepted as legal and the amendment was duly adopted. When, however, these same legislatures rejected the proposed 14th amendment, Congress capriciously declared them outside the Union and sent Federal troops to create new legislatures which were then coerced at the point of the bayonet into adopting the amendment.

We cannot gloss over these facts. We cannot ignore the feelings of bitterness and resentment they have created through the last 94 years.

Nor can we ignore the sociological aspects. The Supreme Court said in 1954 that times had changed, and it overruled what the Supreme Court in 1896 had decided to be the "law of the land"—namely, that it was legal to provide "separate but equal" facilities for the Negro in public transportation. This was subsequently interpreted as including public schools and colleges. No legal reason for overturning that 58-year-old decision was offered in the 1954 ruling. It was an emotional opinion that emphasized sociological considerations. Yet the Court ignored the sociological consequences feared by the people of the South.

For the South sees integration—not only in schools and buses, but in restaurants and swimming pools and recreation centers—as cumulatively hastening the day of intermarriage of the races. The State laws in the South against intermarriage have not been struck down as yet, but probably will be by the Supreme Court.

How can the defenders of the illegal method of adding an amendment to the Constitution in 1868 justify in their consciences the imposition today of a social system which many people in the North as well as the South say is an interference with the freedom of the individual? For it has always been assumed that the people of a sovereign State can by majority vote choose their own way of life and manage their own educational institutions without diminishing in any way the educational opportunities of the minority.

The 10th amendment to the Constitution on which Governor Barnett has relied, says:

"The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people."

It can be said positively that no legal authority has ever been granted to the executive branch of the Federal Government to manage or operate the educational institutions of the States.

Denial of admission to the University of Mississippi for the Negro student involved in the present controversy was upheld by the U.S. district court. When the case was appealed, however, the U.S. circuit court of appeals reversed the order and, by a 2-to-1 vote of the judges, said the student should be admitted. Judge Dozier DeVane, who dissented, said in part:

"In my opinion, Judge Mize was correct in finding and holding that appellant bore all the characteristics of becoming a troublemaker if permitted to enter the University of Mississippi, and his entry therein may be nothing short of a catastrophe."

But apparently the university authorities are to be deprived of their right to pass upon the qualifications of applicants.

The argument is made, of course, that the Supreme Court of the United States, in the desegregation decision of 1954, relied on the 14th amendment, which provides that no citizen may be denied "equal protection of the laws." Even if the 14th amendment were a valid part of the Constitution, a case could be brought to court to decide whether "equal protection" means that a university must admit students on the basis of race and not on the basis of scholastic standing or individual fitness.

But the 14th amendment is not valid.

The words of a State in the North are pertinent. In October 1868—3 months after Secretary of State Seward dubiously proclaimed the 14th amendment as ratified—the Oregon Legislature, which had earlier voted to ratify, passed a rescinding resolution and declared that the "ratifications" by the Southern States were "usurpations, unconstitutional, revolutionary and void," and that "until such ratification is completed, any State has a right to withdraw its assent to any proposed amendment."

Since those days, the Supreme Court has declined to decide whether an assent once given by a State can be withdrawn. It has also refused to rule on the constitutionality of a law passed by Congress declaring the Southern States out of the Union and denying them congressional representation until such time as they ratified the 14th amendment.

Amid acts of coercion and military pressure, the 14th amendment has lived on through the decades, but not until 1954 did the Supreme Court invoke it as a means of forcing the public schools of the States to bow to the Federal Government's dictation as to who must be enrolled as students.

Congress, incidentally, has never passed legislation—as stipulated in the 14th amendment—to enforce the provisions of that amendment if they relate to educational institutions. The 1954 opinion of the Supreme Court has been accepted by the Federal Government as a substitute for an act of Congress. It is still, however, the duty of the courts to pass upon the right of a President to use military force to do what Congress has never authorized him to do.

It is easy enough to grow impatient in a debate over legal questions. The processes of justice are often slow. It was at one time easy enough for southerners to say that to lynch Negroes accused of raping white women was merely to obey the impulses of natural law, and that there was no need to wait for the courts. It is easy enough also for Negro leaders of demonstrations to cry out today: "We have waited long enough—let's take the law into our own hands."

But these outbursts of passion will not solve anything. Only through the voice of reason can we find a solution, and it is important not to try to abolish overnight what generations of experience and custom—involved in the basic fear of racial intermarriage—have implanted. We must not accept the doctrine that "the end justifies the means." For when illegality breeds illegality, the result is chaos.

A STATEMENT ON MEDICARE FROM SENATOR FONG'S NEWSLETTER

Mr. FONG. Mr. President, I ask unanimous consent to have printed in the RECORD at this point, as a part of my remarks, a statement on medicare, from a recent newsletter which I issued.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

A STARTLING FACT

If, instead of paying the administration proposed maximum health insurance tax of $27.50 a year, a worker from age 20 to age 65 deposited $27.50 each year for 45 years at 4¾ percent interest compounded quarterly, he would wind up with a nice nest egg of $4,093.78.

If he continued to invest the $4,093.72 at 4¾ percent, he could pay for an excellent medical care insurance policy not only for himself, but his family, too, with the $194 in interest on his savings each year. He could buy far better coverage than the administration plan provided for those age 65.

Most startling of all, after he dies, his nest egg of $4,093.78 would go to his family. Should he die before age 65, say at age 60, his family would inherit his savings of $3,126.16. Under the administration plan he builds no nest egg. Actually, the administration will have consumed his goose.

BIPARTISANSHIP DEFEATS PRESIDENT'S PROPOSAL

Among the 52 Senators voting to table (kill) the administration plan were the chairmen of 10 major Senate committees (all members of the President's party), a former Democratic candidate for the Vice Presidency, and the Secretary of the Democratic conference in the Senate. The latter said the administration plan "does not provide the range, nor the quality, nor the extent of medical care needed when elderly people need it."

The Democratic chairman of the Senate Appropriations Committee (who was serving in Congress before the President was born) said: "I was not satisfied that the measure as presented was sound actuarially." The Democratic chairman of the Senate Finance Committee called the administration's plan "a misguided effort which could disappoint them (the elderly) and impose hardship on their children."

FOREIGN AID AND RELATED AGENCIES APPROPRIATIONS, 1963

The Senate resumed the consideration of the bill (H.R. 13175) making appropriations for foreign aid and related agencies for the fiscal year ending June 30, 1963, and for other purposes.

The PRESIDING OFFICER. The next committee amendment will be stated.

The LEGISLATIVE CLERK. On page 9, after line 16, it is proposed to strike out:

SEC. 109. No funds appropriated by title I of this Act, except funds appropriated under that section entitled "American hospitals abroad (special foreign currency program)" shall be expended in, or for the benefit of, any nation whose government is based upon that theory of government known as Communism.

And, in lieu thereof, to insert:

SEC. 109. No assistance shall be furnished under the Foreign Assistance Act of 1961, as amended (except section 214(b)) to any Communist country. This restriction may not be waived pursuant to any authority contained in this Act unless the President finds and promptly reports to the Foreign Relations and Appropriations Committees of the Senate and the Foreign Affairs and Appropriations Committees of the House of Representatives that: (1) such assistance is vital to the security of the United States; (2) the recipient country is not controlled by the international Communist conspiracy; and (3) such assistance will further promote the independence of the recipient country from international communism. For the purposes of this subsection, the phrase "Communist country" shall include specifically, but not be limited to, the following countries:

Peoples Republic of Albania,
Peoples Republic of Bulgaria,
Peoples Republic of China,
Czechoslovak Socialist Republic,
German Democratic Republic (East Germany),
Estonia,
Hungarian Peoples Republic,
Latvia,
Lithuania,
North Korean Peoples Republic,
North Vietnam,
Outer Mongolia-Mongolian Peoples Republic,
Polish Peoples Republic,
Rumanian Peoples Republic,
Tibet,
Federal Peoples Republic of Yugoslavia,
Cuba, and
Union of Soviet Socialist Republics.

Mr. PROXMIRE. Mr. President, I yield myself 10 minutes.

This committee amendment is similar to the preceding amendments, because it means granting to the President of the United States discretion to determine whether the United States will give assistance—and the realistic effect of it is whether we will give foreign aid—to Yugoslavia and to Poland, as we have done in the past. I am certain that the argument will be made that none of us wants to give aid to the Communists, but we ought to give the President discretion to give that aid if it is in our national interest.

We ought to know what will happen if we agree to this amendment, because it has been in the law for the past several years. Any President—whether it be President Truman, President Eisenhower, or President Kennedy—can find that it is vital to the security of this Nation to give aid to those countries; and he will do it. From experience we know he will do it. That is a fact. We should face it. Should we give aid to Yugoslavia and Poland, or should we not?

I think we should understand that what is being called for is not a warlike action; it is not calling for an embargo; it is not calling for an interruption of trade. In this kind of amendment, all we are saying is that we should not give assistance, we should not give the hard-earned money of the taxpayers to Communist countries.

The Senator from Minnesota [Mr. HUMPHREY] said he recalled when he had opposed aid to Spain and that he was wrong. Why was he wrong? He said he was wrong because Spain gave us an air base.

I ask, what base will we get in Yugoslavia or Poland? We know we will not get any military advantage, and we never have, although we have given Yugoslavia more than $2 billion worth of aid.

What we are seeking in opposing the amendment of the Senate Committee on Appropriations is very modest indeed. I discussed all this before, so I shall be brief now. Tito has been an apologist for and a supporter of Khrushchev. For the past 2 or 3 years, at least, he has been consistently on the side of the Soviet Union. With one or two minor and unimportant exceptions, he has voted with Khrushchev and against the United States in the United Nations. Twenty-nine times in the past 2 years Tito voted with Khrushchev on important issues that separated the United States and the Soviet Union. Six times he voted with us, and on none of those six occasions was his vote substantially significant in terms of determining the outcome. Again and again Tito has apologized for the action of Khrushchev as democratic, including the abrogation of the moratorium on nuclear testing. He has supported Castro and has supported Ulbricht, in East Germany, and has opposed West Germany. He has made no bones about the fact that he is a militant Communist, interested in international communism and in the achievement of world communism. He has used his country's resources in his own foreign aid program in order to build up communism throughout the world. That is an old story.

But I call the attention of the Senate to what has happened since we passed the authorization bill which gives the President and the Department of State authority to aid Yugoslavia.

I refer to the CONGRESSIONAL RECORD of July 23, in which I placed an article written by Paul Underwood, published in the New York Times. The article reads, in part, as follows:

YUGOSLAV LIBERALS WARNED TO HEED PARTY LINE—TITO AID TELLS COMMUNISTS DEVIATION IS BARRED; RANKOVIC PRESSES CAMPAIGN TO ENFORCE DISCIPLINE

(By Paul Underwood)

BELGRADE, YUGOSLAVIA, July 22.—A top Yugoslav Communist warned today that ideological deviations and "liberalist conceptions" would no longer be tolerated in the Yugoslav party organization.

Speaking at the opening session of a 2-day meeting of the party's executive committee, Aleksander Rankovic, the party's secretary and one of Yugoslavia's four Vice Presidents, emphasized that complete adherence to party doctrine would be demanded of every member.

This article was written after a majority of Senators had accepted the arguments, that assistance should be given to Yugoslavia, or at least that the President should be allowed to do so. Tito felt the pie counter had been opened to him again, so what did he do?

On July 23, Paul Underwood, writing for the New York Times, reported as follows:

TITO BACKS CURBS ON LIBERAL TREND—TELLS PARTY MEETING REGIME HAS BEEN TOO LENIENT ON YUGOSLAVIA'S AUTHORS

(By Paul Underwood)

BELGRADE, YUGOSLAVIA, July 23.—President Tito said today that the new retreat from liberalism in Yugoslavia would affect cultural life as well as politics.

> Speaking at the close of a 2-day meeting of the Yugoslav Communist Party's Central Committee, Marshal Tito declared that his regime had gone too far in allowing writers freedom of expression.
>
> Although observers generally agree that Yugoslav writers actually have had less freedom of expression than, for instance, Polish authors, the Yugoslav President asserted:
>
> "We have had a very liberal attitude. We shrugged our shoulders, thinking nobody would be harmed if we allowed people to say and write what they wanted.
>
> "In this we have gone too far. We certainly do not want to teach writers and tell them what they must write, but we will not allow anyone to write nonsense and caricature and distort our social life."

Anyone who believes that under the influence of American aid Yugoslavia has become more liberal has only to look at the facts of life, because this action has taken place in the past few weeks—certainly within the past couple of months. It has taken place since Congress acted to permit the President to continue aid to Yugoslavia.

On August 15, Paul Underwood, in another account from Belgrade, reported in the New York Times:

> In the midst of its third straight unsatisfactory harvest, the Tito regime has decided to take direct action to enlarge the "Socialist sector" of Yugoslav agriculture.
>
> The specific target will be the thousands of peasants who work at other jobs in addition to taking care of small landholdings.
>
> On the basis of what spokesmen have said, it is evident that the regime plans to use taxation to force the peasants to choose between being workers or farmers. There appears to be an assumption by the Government that those choosing farming would have to join agricultural cooperatives to maintain their standard of living.

In other words, Tito has not only tightened his grip on the Yugoslav society in terms of freedom of speech, in terms of adherence to the party line, but he has also insisted on a further socialization and communization of the agricultural section of the economy.

On July 20, a little earlier, but after Congress had acted to permit the President to give aid to Yugoslavia, another article by Mr. Paul Underwood was published in the New York Times. The article reads, in part:

> President Tito's regime is cutting down still further the tiny area in which private business is permitted to function in Communist Yugoslavia's economy.
>
> Under new regulations, private taxis will be eliminated within a year. Private trucking and hauling will also be banned within 12 months.
>
> Craftsmen will not be permitted to engage in general production, but will be limited to performing services. Private craftsmen, moreover, will be barred from working on building projects financed with public funds.

Finally, Mr. Victor Riesel, in an article published in the Milwaukee Sentinel, in July wrote:

> On June 28, a Communist Chinese delegation in Belgrade signed a $6 million trade agreement with the Yugoslav Government. When the Belgrade government officially announced this it reported an agreement with the Chinese Peoples Republic.
>
> That is Mao Tse-tung's Peiping government. That is the enemy. If we're not fighting the Communist Chinese now in South Vietnam, then we're sending those helicopters out to shadowbox with smoke columns. Obviously Marshal Tito is aiding our enemy. With what?
>
> The Belgrade-Peiping agreement calls for Yugoslavia to send aluminum and copper products, seamless tubes, cellulose, chemicals, polyvinyl chloride, tools, cables, tractors, as well as consumer goods. If most of these goods are not potential war material, Tito is Czar Nicholas in disguise.
>
> All this has been going on since March 25, 1960. A new agreement is signed each year. This means Tito has been sending Peiping millions of dollars worth of vital equipment while we have been lending him millions.

Mr. President, this is an old situation. A similar proposal has been adopted after many days of debate in the Senate this year and in past years. This year the Senate won a victory by providing that no development loan should be made available to Yugoslavia; and the bill as passed by the Senate did not provide any Presidential discretion in that connection. However, after the Senate modified the provision in that way, the conferees gave in to the House position and agreed to the House language.

Now this battle has been won in the House, and those in the House who wished to go on record politically against aid to Yugoslavia have done so; but now they apparently expect the Senate to "take them off the hook."

Mr. President, the issue is very clear. Senators who oppose aid to Yugoslavia should vote "no" on the question of agreeing to this committee amendment, for it is clear that if the committee amendment is enacted, our aid will continue to go to Yugoslavia.

The PRESIDING OFFICER. The time the Senator from Wisconsin has yielded to himself has expired.

Mr. PROXMIRE. Mr. President, I yield myself 1 more minute.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized for 1 more minute.

Mr. PROXMIRE. Mr. President, it is clear that under the advise and consent clause of the Constitution, the Senate has every right to insist on having its views in connection with such matters respected. How would an amendment providing that no aid shall be given to a Communist country interfere with the President's exercise of discretion in carrying on the foreign policy of the United States? After all, the Constitution does not delegate to the President the legislative power. I cannot understand why every time some of us take a position against a proposal which cannot be defended on any other ground, it is argued, "You must trust the President." I was elected by the people of Wisconsin; and my responsibility is to them, not to the President. I agree with most of the proposals contained in this bill; but I see no reason why, in dealing with even a small amount of aid to Yugoslavia or Poland, we cannot say "no." Otherwise, one would be forced to conclude that the advise and consent clause of the Constitution gives the Senate no effective voice. However, I believe that provision of the Constitution means something.

REVISION OF FORMULA FOR APPORTIONING CASH ASSISTANCE FUNDS TO STATES UNDER NATIONAL SCHOOL LUNCH ACT

Mr. ELLENDER. Mr. President, I ask the Chair to lay before the Senate a message from the House on House bill 11665.

The Presiding Officer (Mr. Pell in the chair) laid before the Senate a message from the House of Representatives announcing its disagreement to the amendments of the Senate to the bill (H.R. 11665) to revise the formula for apportioning cash assistance funds among the States under the National School Lunch Act, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. ELLENDER. I move that the Senate insist upon its amendments, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. Jordan of North Carolina, Mr. Eastland, Mr. Young of Ohio, Mr. Hart, Mr. Hickenlooper, Mr. Young of North Dakota, and Mr. Cooper conferees on the part of the Senate.

FOREIGN AID AND RELATED AGENCIES APPROPRIATIONS, 1963

The Senate resumed the consideration of the bill (H.R. 13175) making appropriations for foreign aid and related agencies for the fiscal year ending June 30, 1963, and for other purposes.

Mr. DODD. Mr. President——

Mr. PROXMIRE. I yield 3 minutes to the Senator from Connecticut.

The PRESIDING OFFICER. The Senator from Connecticut is recognized for 3 minutes.

Mr. DODD. Mr. President, I merely wish to go on record again in support of the position the Senator from Wisconsin has taken on this phase of the bill.

It seems to me the record is perfectly clear, and I think the arguments submitted by the Senator from Wisconsin are unanswerable.

In reply, we are met with the worn out argument that we should not tie the President's hands; that he has this power, and that we cannot say "no." But, Mr. President, that argument is so threadbare and worn out that the American people now see through it. After all, the Gallup poll shows that 75 percent of the people of the country are opposed to this sort of business. I know from the considerable amount of mail which I receive from my constituents that they are opposed to this sort of thing.

Nevertheless, we seem to be unable to work our will, because every time we try to do what our constituents want, we are deflected from our goal by softening language which renders our amendments meaningless.

Mr. President, I think that, at least to some extent, confusion is caused by that sort of thing.

I commend the Senator from Wisconsin for his forthright, direct approach to this problem.

We have seen such efforts to avoid, by backpeddling or backing away, the issue which confronts us. It is easy to do that and to make speeches about the constitutional system; and it may be that for a while such a position will appear to satisfy those on both sides of the fence. But sooner or later one's words will come back to haunt him, as they have come back to haunt other Members of this body.

Mr. President, I cannot believe that any Member of the Senate does not believe in his own heart that we are facing an implacable enemy, that Yugoslavia is as much our enemy as is Communist Soviet Russia, also that Communist Poland is as much our enemy as is Communist Soviet Russia, and that the distinctions and differences that are drawn between them are only in degree, not in kind.

So I say to the Senator from Wisconsin and to those who have stood with him in this fight—not only this year, but also last year and in previous years—that perhaps we are serving a useful purpose, even though this fight has been wearisome and discouraging. I have no illusion about the result of the vote which is about to be taken, because I have seen this fight waged before. I saw it 9 years ago, when I was serving in the other body. It was argued that Yugoslavia and Poland needed such help if they were to get away from the Kremlin. They have had many long years to get away from the Kremlin; but the record shows that every year they are getting closer to the Kremlin; and each year, while our people are being taxed more and more, some of their taxes are used to give this aid and comfort to our enemies.

So the Senator from Wisconsin and others of us have been making this struggle because we believe it is necessary to face the facts of life, rather than to ignore them. That is why I am backing the position taken by the Senator from Wisconsin, who has been a leader in this fight. He seems to be able to see the issue clearly, in a way that many others do not. I am confident that time will justify his stand.

The **PRESIDING OFFICER.** The time yielded to the Senator from Connecticut has expired.

Mr. **HUMPHREY.** Mr. President, I yield 1 minute to the Senator from Wyoming [Mr. McGEE].

The **PRESIDING OFFICER.** The Senator from Wyoming is recognized for 1 minute.

Mr. **McGEE.** Mr. President, it is said that we are trying to soften our assault on the Soviet Union. But, Mr. President, the purpose of giving the President the discretionary power provided by means of the pending committee amendment is to increase the fluidity of our capability of coping with the Soviets. In the interest of strengthening our position in our struggle against the Soviets, certainly we cannot afford to refuse to give aid to a country which is engaged in a struggle with the Soviets.

I believe it was Machiavelli who taught, long ago, that in war, where no holds are barred, one of the best ways to strengthen one's position against one's enemy is in the area of weakening his strength by giving encouragement to his allies when they differ with him. We may be sure that when the men in the Kremlin are projecting their determination against us, they are not neglecting giving consideration to those who are our friends; likewise, we may be sure that if those in the Kremlin think they can harm our friends, they will not hesitate to do so. But certainly that can be a two-way street; and certainly we should not neglect any opportunity to forge even tighter the circle around the Soviet Union. But, Mr. President, in doing that, words are not enough; and positive aid by us to those who disagree with the Soviets is very important.

It seems to me that is precisely the point in connection with this amendment. The amendment does not provide that the President may be "soft" in dealing with Yugoslavia or with any other country or area. The amendment only gives the President authority to make a decision; namely, to decide in favor of giving aid to such a country if he believes such aid and assistance will be in the national interest.

I submit that the judgment of the President on this question, and the confidence of the Congress on this question, ought to be sufficient in the national interest to make our case for the discretionary authority that this simple committee amendment suggests.

I remind the Senate on that point that we are only enforcing here, in another context, the sort of thing we just enacted in the preceding amendment.

I remind Senators, further, of an old adage that is commonplace in the power politics of the world, ugly as it must become almost intermittently and that is, "When your house is on fire is no time to inquire into the morals of those who carry the water buckets," and that it is imperative and incumbent upon us at this time to use every available capability, including that of eroding behind the iron curtain the so-called sources of strength of the men in the Kremlin.

Mr. **SALTONSTALL.** Mr. President, will the Senator yield me 2 or 3 minutes?

Mr. **McGEE.** Yes, I yield to the Senator from Massachusetts.

Mr. **SALTONSTALL.** The situation with respect to this amendment is almost exactly the same as it was relating to the amendment just defeated. This amendment contains the language of subsection (f), section 620, of the authorization act passed 2 months ago.

I invite the attention of Senators to the fact that in the previous sections concerning Cuba and importations into Cuba, the President has to find it contrary to the national interest. In respect to the amendment we are now considering, the restriction may not be waived pursuant to any authority contained in this act unless the President finds and promptly reports to the Foreign Relations and Appropriations Committees of the two Houses that:

> (1) Such assistance is vital to the security of the United States; (2) the recipient country is not controlled by the International Communist conspiracy; and
>
> (3) such assistance will further promote the independence of the recipient country from international communism. For the purposes of this subsection, the phrase "Communist country" shall include specifically, but not be limited to, the following countries.

A number of countries are listed, as was done in the authorization act.

In other words, before the President can give any aid, he must affirmatively find that it would be vital to the security of the United States.

As we adopted the language of the committee in the last amendment, and defeated the amendment to strike that language out, I hope we will take the same action in this case, because this language is stronger. The President has less discretion. I believe we should leave alone the amount of discretion we have provided in the bill.

Mr. **HUMPHREY.** Mr. President, will the Senator yield?

Mr. **SALTONSTALL.** I yield.

Mr. **HUMPHREY.** As the Senator knows, the language the Committee on Appropriations placed in the bill is identical, word for word, with the language in the authorization act which was adopted by the same Senate——

Mr. **SALTONSTALL.** On August 1, 1962.

Mr. **HUMPHREY.** On August 1, 1962. So we have already approved this language in the authorization act. We have carried it over into the appropriations bill. So there can be no question about the seriousness of the purpose of the language.

Mr. **KEATING.** Mr. President, will the Senator yield?

Mr. **HUMPHREY.** I yield.

Mr. **KEATING.** I am opposed to loans or grants to Poland or Yugoslavia, and I have been for years. But this language provides that no assistance shall be furnished to Communist countries—and it lists them—and it states that the restriction cannot be waived under any conditions unless the President finds three things. The first of the three, and the most important, is that such assistance is vital to the security of the United States. The second is that the recipient country is not controlled by the international Communist conspiracy. And the third is that U.S. aid will promote the independence of the recipient country.

It is almost impossible for me to understand the conditions under which the President could make such a finding. He has to make such a finding or no aid will go to that country.

I think it is highly desirable also to provide that the President shall furnish the factual basis for any finding which he makes, and that that finding shall be public property, just as I shall propose to do with reference to the section ahead.

If we accept any such language, it seems to me we must give the President some leeway. He is running the foreign policy of the country; we are not. We can lay down guidelines, but it is conceivable that there may be a situation in which such aid, in a limited area, may be vital to the security of this Nation. It is very difficult for me to understand why it would be, but I think, if the President makes that finding, he should make it to the public, to the American people, so they can judge whether it is a sound finding or not.

Mr. HUMPHREY. I think the Senator's suggestion on this section of the bill, section 109, is as relevant as it was to the one relating to Cuba. I will support that suggestion, as I indicated privately.

Mr. President, I yield myself 2 more minutes.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield to the Senator from New York.

Mr. JAVITS. In the first place, I agree with the Senator from Minnesota about making public the President's findings and communications to the committees. I am glad my colleague, the Senator from New York [Mr. KEATING] has proposed that it be done. I think this is exactly what we would do, anyway.

I think it is entirely proper that the case should be made very clear on the merits. I have been in Poland. I have also been in discussion with the Appropriations Committee on this subject. I would add to what has already been said one further point: In my own view, from my own observation, the people of Poland value the fact that the law states the President may do so, because that differentiates them from the Russians, which is very much to our interest, whether we act or do not act.

As my colleague [Mr. KEATING] has said, it is very hard to see how the President, under this definition, could act at all; but the mere fact that the Poles are identified as being in another category, on the basis that they have made assertions of independence of the kind they have already made, and perhaps now they are in a trough and are not making any, but tomorrow they may make them again, keeps them different from the Russians in the eyes of America. This is a critically important fact to them, if we want to let the light continue to burn in the Polish breast as it has burned. It is very much to our interest that we do so. The fact that we do it is important to that part of the world. I hope that provision will remain in the bill.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. SALTONSTALL. I believe the records of the Foreign Relations and Appropriations Committees are open to every Member of the Congress. Unless they are marked secret, or some other such classification, they are made public, or at least they are made available to every Member of Congress, and thus to the public.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. SALTONSTALL. I yield.

Mr. KEATING. The difficulty is—and we have encountered it time after time—that they are locked up in the committees. We can look at them, but they are all marked "secret" and we cannot breathe a word about what we have seen there. As hearings on the foreign authorization this year revealed, many members of that committee were unaware of the existence of the reports. My amendment proposes that the reasons, if given by the President, shall be publicly known; and that is not the case today.

Mr. SALTONSTALL. I have no objection to what the Senator is saying.

I would like to make one further point while I am on my feet, with the permission of the Senator from Minnesota, and that is, that if this amendment is defeated, it will prevent the use of funds to support people-to-people programs where the Communist government itself is not involved. The Senator from Minnesota and I debated that particular point during the consideration of the authorization bill. We advocated programs which would be people-to-people programs.

Mr. HUMPHREY. Yes; I would affirm such programs, not defeat them.

Mr. PROXMIRE. Mr. President, I yield 3 minutes to the Senator from South Carolina [Mr. THURMOND].

Mr. THURMOND. Mr. President, I am opposed to this committee amendment. I opposed this provision in the authorization bill, and I oppose it now. It does not make sense to me, and I do not believe it makes sense to the American people, that we should give funds to any country that is classed as a Communist country or has a Communist government. All Communist governments, whether of the so-called independent variety or not, are dedicated to the same goal—eventual world domination.

If we do not adopt the House language, the Senate is contributing to the downfall of what the United States of America has always stood for.

In my judgment, the responsibility lies on the Congress to make the determination of what is in the best interest of our national security. If we should adopt the suggested language, Congress would be abdicating its responsibility and laying it upon the President.

On page 10, subsection (2) provides—

> the recipient country is not controlled by the international Communist conspiracy;

Naturally, the President would have to rely upon the State Department to make the determination.

Mr. President, the State Department has been leading this country down a blind alley for many years. This country has been losing the cold war. Since the end of World War II, some 15 countries and 900 million people have gone behind the Iron Curtain. How many countries have come out from behind the Iron Curtain? Not a single one. I think this is evidence that the policies we have been following are defeatist and well deserving of the description, "No win." The American people do not favor this type of policy.

In my judgment, we shall be making a great mistake if we do not permit the House language to stand. The House amendment provides:

> No funds * * * shall be expended in, or for the benefit of, any nation whose government is based upon that theory of government known as communism.

Mr. President, why should we give funds to any country with a government which is Communist? Again I say that communism is the enemy of America. The goal of communism is to dominate and enslave the people of the United States and of the world.

If we adopt the amendment, we shall be helping the Communists to accomplish those objectives. I am not in favor of having Congress abdicate its responsibility and leave the determination to the President, especially since, in reality, it would be made by the State Department.

It is my judgment that we should be firm. We should not build up our enemies, the Communist countries, because that will make them stronger, and in the end they will use their stronger economies against us. If we help Yugoslavia and Poland to build up their economies, inevitably this strength will be used against us.

I think that would be a great mistake. I urge the Senate to reject the committee amendment.

Mr. PROXMIRE. Mr. President, I yield myself 2 minutes.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized for 2 minutes.

Mr. PROXMIRE. Mr. President, unfortunately I think the amendment is misunderstood. There is no more able Senator than the distinguished senior Senator from New York [Mr. JAVITS], but he made an error which I had made a little earlier. This language would not affect Poland. This language would not affect Poland at all. It would have nothing to do with the Public Law 480 food, and we give nothing else to Poland.

If we are realistic about this proposal, we must recognize it would affect only a $10 million development loan to Yugoslavia in the coming year, nothing else.

The vote which is about to be taken is to determine whether Yugoslavia should get that loan. I say that on the basis of the conduct of Yugoslavia for the past year or two this is the least disciplinary action the Congress ought to take. That is all the language would affect.

We have no program for any other kind of economic aid to any other Communistic country.

Mr. President, if I were a betting man I should be happy to make a little side bet with anyone. I would hope to lose it, but I suspect that I would win it. When the Senator from New York [Mr. KEATING] offers his amendment, I know it will be accepted overwhelmingly by the Senate, and Senators will say, "Now we can make some progress in this regard." But I should like to make a little side bet that such a provision will not come out of the conference. Such a thing has happened time and time again.

The modifying language restraining aid to Communist countries will go to conference, and, as I can envision, there will be all kinds of reasons stated why it should not be accepted. Then the bill will come back from the conference without the language. We shall be faced with the question of voting for foreign aid or nothing. The conference report will be unamendable. There will be a minimum of debate, with some unhappiness expressed on the part of some Senators, and we shall end up with exactly the committee provision, with no provision requiring that the President's reasons be made public. We shall be back where we started.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. PROXMIRE. I am happy to yield to the Senator from New York.

Mr. KEATING. It is certainly my intention either to ask for a year-and-nay vote—I would dislike to detain the Senate in that regard—or to ask for a standing vote, to try to copper rivet the amendment into the bill by showing an overwhelming vote of support by the Senate.

Mr. PROXMIRE. That is an excellent idea. I predict that the Senator's proposal will receive an overwhelming vote of support. However, on the basis of our experience in the past, I would be happy to bet, at any odds, that it will not survive the conference.

Mr. KEATING. If the Senator will yield, the proposal will be cosponsored by the distinguished assistant majority leader [Mr. HUMPHREY], who I believe will be one of the conferees.

Mr. HUMPHREY. No. I am not a senior member on the Appropriations Committee.

Mr. KEATING. At any rate, I should be willing to make a little side bet—out of the Chamber, of course—with my friend that, if the amendment is offered and if it is agreed to by an overwhelming vote, it will be retained in the bill. I expect that it will be. I shall try to see that it is. I know the Senator from Minnesota [Mr. HUMPHREY] and many other Senators will, also.

Mr. PROXMIRE. Mr. President, I wish to make it clear—and perhaps I disagree with the senior Senator from Minnesota in this regard—that the Senate voted by a substantial majority, as to the authorization bill, exactly the position which I am asking the Senate to support now. That is what we would be doing by going back to the House language.

Later the House took a different position, and on the conference report we in the Senate yielded. When the Senate votes on this specific issue, if Senators wish to be consistent, we should retain the House language today, and the Appropriations Committee language should be rejected.

Mr. HUMPHREY. Mr. President, the purpose of this amendment is clear. It has been thoroughly debated before, and this Chamber decided in this same session that this approach to foreign policy is wrong. We cannot legislate a foreign policy. We can make our attitude toward communism and our desire not to assist communism clear, and this has been done in this session. But we cannot conduct our foreign relations from this floor. The President must carry this responsibility and we must not tie his hands by action which is unnecessary and harmful.

In our desire to make our anti-Communist position a matter of record we are running the risk of seriously damaging our country's position abroad, of crippling the policies which have served us well, and of eliminating all room for maneuver in a cold war situation which does not call for increased polarization of the opposing positions, but which offers us the opportunity, if we are wise enough, to exploit the already weakening solidarity of the enemy. At precisely the time when Khrushchev is struggling with all his might to pull his camp together—back toward that solidarity Stalin once had, but which we must hope is never achieved again—we are being asked here to help him in his efforts. We are being asked to tell him and our allies in this vital struggle that we have no interest in seeing his allies weakened in their determination, and no interest in any difference of view within the Soviet bloc. We are being asked to say that we have no concern whether or not these countries are good, bad, or indifferent allies of the Soviet Union. Are we willing to say this to the world? I hope not. I would hope that we would seek to have a policy that promotes some independence and freedom of action. What are we trying to accomplish by the proposal of the Senator from Wisconsin? We are not choosing here between aid or no aid for communism. We are choosing between Presidential authority to conduct a sound foreign policy on the one hand, and a rigid and unthought-out intensification of the cold war on the other.

Mr. PROXMIRE. Mr. President, if the Senator from Minnesota is ready to yield back his remaining time, I am ready to yield back my remaining time.

Mr. HUMPHREY. The majority leader asked me to yield him 1 minute. I yield back all but 1 minute of my time, Mr. President.

Mr. PROXMIRE. Mr. President, I yield back all my remaining time.

Mr. MANSFIELD. Mr. President, I invite the attention of the Senator from New York [Mr. KEATING], and of the Senator from Wisconsin [Mr. PROXMIRE], to the fact that gambling is illegal in this Chamber, and bets should not be made, because everyone knows there will be no "payoff."

I point out that the committee amendment which is sought to be stricken provides the exact language which was passed by this body and by the other body in the foreign aid authorization bill earlier this year. It appears to me that we ought to give what authority is contained in the act to the President, so that in his discretion he can do what he considers to be in the best interests of the United States That is his responsibility. That is his job.

The least we can do, I think, is to extend to the President the authority under this act which we have already given to him, in effect, under the previous legislation.

The President will be pretty much bound by what is stated in the committee amendment. He will not have much leeway. I would hope we would not take away what little leeway he will have left. I hope the committee amendment will be upheld.

Mr. PELL subsequently said: Mr. President, the September 29 edition of the Providence Journal contained an excellent editorial concerning our relations with Poland and Yugoslavia. It points out that by withdrawing most-favored-nations treatment we have "forced those nations deeper into the Soviet orbit."

With respect to the foreign aid appropriations bill, I very much regret that the House did not see fit to provide for Public Law 480—assistance to Poland and Yugoslavia. I intend to support the Senate committee amendment which would authorize such assistance since I thoroughly agree with the editorial from the Providence Journal previously cited, that—

> If foreign aid should be cut also, Poland and Yugoslavia virtually are excluded from the Western economic sphere and are delivered to the Kremlin as economic dependencies once again.

While I do not favor military aid to Poland or Yugoslavia, I do believe that it is in our national interest that the President be authorized to extend economic assistance, such as the surplus food program, since I believe it is in the best interest of the United States to encourage independence from Soviet domination within the Communist empire. I cannot see how depriving children of school lunch programs or canceling feeding programs for underprivileged people in hospitals or homes for the aged will hurt Gomulka, Tito, or least of all, Khrushchev.

I ask unanimous consent that the full text of the editorial be printed following my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

CONGRESS PLAYS INTO THE RUSSIANS' HANDS

There is profound contradiction in the comprehensive trade bill, as finally approved by a Senate-House conference and as expected to be passed by Congress some time next week. The contradiction rests in the present bill's conflicting provisions, at once helping and harming the West in the cold war.

On the one hand, the bill gives the President the unprecedented tariff-cutting authority he requested in order to keep trade flowing between the United States and the Common Market, thus strengthening Atlantic unity.

In this central area, which prompted President Kennedy to describe the trade bill as his most important piece of legislation this year, Congress demonstrated a statesmanlike capacity to rise above solely partisan or local concerns and to act in the national interest.

On the other hand, the trade bill emerging from conference demands that the President withdraw "as soon as practicable" the tariff concessions already granted Poland and Yugoslavia under the most-favored-nation policy. It also bans future trade concessions to all Communist nations, including Poland and Yugoslavia. A similar provision has been knocked out of the Senate foreign aid bill by the Appropriations Committee, but is contained in the House-passed aid bill. Unhappily, if the course of the trade bill has set a precedent, the restriction on Executive discretion would be restored in a Senate-House conference, unless the Senate has a real change of heart.

The reasoning is understandable as Soviet intensification of the cold war heightens popular indignation against communism in any form. Yet it is illogical, in that the prohibitions against Yugoslavia and Poland serve to strengthen the hand of the Kremlin.

The Soviet Union has been troubled in recent years and months by revolts of varying intensity from its authority over governments that are otherwise Communist. Leaders in this campaign forcing a decentralization and modification of Communist power within the Soviet camp are Yugoslavia and Poland.

Now, however, their vital trade ties with the West, ties that have given particularly Yugoslavia the economic independence needed to support political sovereignty, are being cut off or frayed. Operation of the Common Market, by encouraging internal trade among the Inner Six member states of West Europe, makes it harder for such "independent" Communist states to compete in West European markets.

The tariff rebuke aimed at Yugoslavia and Poland in the trade bill will reduce their access to the American market, encourage anti-Americanism and force those nations deeper into the Soviet orbit. An indication of the potential impact of all this on Yugoslavia, for instance, is contained in its trade statistics for 1961. In that year, Yugoslav trade with Western Europe and the United States together amounted to $945 million, compared to $150 million with the Soviet Union and $265 million with the Communist nations in Eastern Europe.

If foreign aid should be cut also, Poland and Yugoslavia virtually are excluded from the Western economic sphere and are delivered to the Kremlin as economic dependencies once again.

All this is bad enough. But the process contains the added danger of accelerating the polarization of Europe into two distinct camps and of eliminating buffer areas of relative independence, where evolutionary forces still can work to lessen Soviet power and confound Communist doctrine.

The damage has been done beyond the possibility of repair in the case of the trade bill. In the light of that action, it is unlikely that the prohibitions against Poland and Yugoslavia will be extracted by the Senate from the House version of the foreign aid bill.

But Americans should appreciate the risk they run in making Poland and Yugoslavia targets of reprisal because of their detestation of the Kremlin. Poland and Yugoslavia are not Communist by choice and will not fall into the Kremlin's tight control unless we give them no other choice.

Mr. HUMPHREY. Mr. President, I ask for the yeas and nays on the pending question.

The PRESIDING OFFICER. The yeas and nays have been requested.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 9, after line 16. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from New Mexico [Mr. Chavez], the Senator from Pennsylvania [Mr. Clark], the Senator from Illinois [Mr. Douglas], the Senator from Arkansas [Mr. Fulbright], the Senator from Tennessee [Mr. Gore], the Senator from Alabama [Mr. Hill], the Senator from Ohio [Mr. Lausche], the Senator from Washington [Mr. Magnuson], the Senator from Oklahoma [Mr. Monroney], and the Senator from Florida [Mr. Smathers] are absent on official business.

I further announce that the Senator from New Mexico [Mr. Anderson], the Senator from Alaska [Mr. Gruening], and the Senator from Wyoming [Mr. Hickey] are necessarily absent.

I further announce that, if present and voting, the Senator from Alabama [Mr. Hill] would vote"nay."

On this vote, the Senator from New Mexico [Mr. Chavez] is paired with the Senator from Utah [Mr. Bennett]. If present and voting, the Senator from New Mexico would vote "yea," and the Senator from Utah would vote "nay."

On this vote, the Senator from Pennsylvania [Mr. Clark] is paired with the Senator from South Dakota [Mr. Bottum]. If present and voting, the Senator from Pennsylvania would vote "yea," and the Senator from South Dakota would vote "nay."

On this vote, the Senator from Illinois [Mr. Douglas] is paired with the Senator from Indiana [Mr. Capehart]. If present and voting, the Senator from Illinois would vote "yea," and the Senator from Indiana would vote "nay."

On this vote, the Senator from Tennessee [Mr. Gore] is paired with the Senator from Alaska [Mr. Gruening]. If present and voting, the Senator from Tennessee would vote "yea," and the Senator from Alaska would vote "nay."

Mr. KUCHEL. I announce that the Senator from Vermont [Mr. Aiken], the Senator from Utah [Mr. Bennett], the Senator from South Dakota [Mr. Bottum], the Senator from Indiana [Mr. Capehart], the Senator from New Hampshire [Mr. Cotton], the Senator from Illinois [Mr. Dirksen], the Senator from Maryland [Mr. Butler], the Senator from Kentucky [Mr. Morton], the Senator from Vermont [Mr. Prouty], the Senator from Pennsylvania [Mr. Scott], and the Senator from Texas [Mr. Tower] are necessarily absent.

If present and voting, the Senator from Maryland [Mr. Butler], the Senator from New Hampshire [Mr. Cotton], the Senator from Pennsylvania [Mr. Scott], and the Senator from Texas [Mr. Tower] would each vote "nay."

On this vote, the Senator from Utah [Mr. Bennett] is paired with the Senator from New Mexico [Mr. Chavez]. If present and voting, the Senator from Utah would vote "nay," and the Senator from New Mexico would vote "yea."

On this vote, the Senator from Vermont [Mr. Aiken] is paired with the Senator from Kentucky [Mr. Morton]. If present and voting the Senator from Vermont would vote "yea," and the Senator from Kentucky would vote "nay."

On this vote, the Senator from South Dakota [Mr. Bottum] is paired with the Senator from Pennsylvania [Mr. Clark]. If present and voting, the Senator from South Dakota would vote "nay," and the Senator from Pennsylvania would vote "yea."

On this vote, the Senator from Indiana [Mr. Capehart] is paired with the Senator from Illinois [Mr. Douglas]. If present and voting, the Senator from Indiana would vote "nay," and the Senator from Illinois would vote "yea."

The result was announced—yeas 39, nays 37, as follows:

[No. 295 Leg.]

YEAS—39

Bartlett
Beall
Boggs
Burdick
Bush
Byrd, W. Va.
Carroll
Case,
Cooper
Engle
Hart
Hayden
Holland
Humphrey
Jackson
Javits
Keating
Kefauver
Kerr
Long, Hawaii
Mansfield
McCarthy
McGee
McNamara
Metcalf
Moss
Muskie
Neuberger
Pastore
Pell
Randolph
Saltonstall
Smith, Mass.
Sparkman
Symington
Wiley
Williams, N.J.
Yarborough
Young, Ohio

NAYS—37

Allott
Bible
Byrd, Va.
Cannon
Carlson
Church
Curtis
Dodd
Eastland
Ellender
Ervin
Fong
Goldwater
Hartke
Hickenlooper
Hruska
Johnston
Jordan, N.C.
Jordan, Idaho
Kuchel
Long, Mo.
Long, La.
McClellan
Miller
Morse
Mundt
Murphy
Pearson
Proxmire
Robertson
Russell
Smith, Maine
Stennis
Talmadge
Thurmond
Williams, Del.
Young, N. Dak.

NOT VOTING—24

Aiken
Anderson
Bennett
Bottum
Butler
Capehart
Chavez
Clark
Cotton
Dirksen
Douglas
Fulbright
Gore
Gruening
Hickey
Hill
Lausche
Magnuson
Monroney
Morton
Prouty
Scott
Smathers
Tower

So the committee amendment, as stated, was agreed to.

Mr. MANSFIELD. Mr. President, I move that the Senate reconsider the vote by which the amendment was agreed to.

Mr. HUMPHREY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MANSFIELD. Mr. President, when the Senator from Oregon [Mr. Morse] entered the Chamber, he asked me how I had voted. I said I had voted "yea." When he reached his seat, he voted "nay."

Mr. KEATING. Mr. President, I ask unanimous consent that the Senate proceed to consider at this time, and prior to action on the other committee amendments, the two amendments which have been discussed on pages 8 and 10.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KEATING. I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will state it.

The Legislative Clerk. On page 9 after line 6, it is proposed to add the following:

> (c) Reports made pursuant to this section shall be published in the Federal Register within seven days of submission to the committees and shall contain a statement by the President of the reasons for such determination.

Mr. KEATING. I yield myself 2 minutes. The amendment has been discussed. We have sustained the language of the committee. It is the feeling of the sponsors of the amendment that if the President sees fit to determine, with regard to Cuba, that the withholding of assistance to some of our allies would be contrary to the national interest, any such determination by the President shall be public property and shall not be filed away under a top secret label in a committee room. The reasons for such determination shall be given.

It is difficult to understand how such a finding could be made, but if it is to be made, I believe it is the general feeling that the reasons should be known.

I am happy to note that the distinguished Senator from Connecticut [Mr. BUSH] and the distinguished Senator from Minnesota [Mr. HUMPHREY] share this view and join me in offering the amendment.

Mr. HUMPHREY. There is the possibility that a report which might cause international complications could be forthcoming under the provision. I am sure the Senator will agree with me that in that instance some prior consultation with the committees to which the report is sent would be worthwhile and helpful, so that any report which might cause serious international complications could be appropriately altered.

I wish to make that clear, because I do not think we want to put the Government in the position of having to divulge something which might precipitate a national crisis. I doubt whether it would, but I think we ought to be open and aboveboard in connection with the amendment, so that there will be a legislative history which will permit at least some consultation. This is not to deny the release of a report, but it is to say that there might be something in the report which would have to be given to the appropriate committees. As we frequently say when some of the top military officials are before us, we "clean up" the report or we "sanitize" it.

Mr. KEATING. Of course, the very purpose of trying to phrase the language properly is to improve, not to impede, our national security.

Mr. HUMPHREY. Exactly.

Mr. KEATING. Of course there will be consultations, as there were all the time, between the President and members of the Committee on Foreign Relations and the Committee on Appropriations of this body and the appropriate committees of the other body. That is bound to happen. But the language of this section is very strong in providing none of the aid shall be given to those countries except under special circumstances. If the President exercises his discretion and waives that language, he shall state his reasons so that the whole Nation can be aware of them.

Mr. HUMPHREY. I agree. I was saying that if perchance a particular country had to be mentioned, and to mention it might cause an international complication, as was true in the MacArthur hearings and in the case of the Cuba resolution hearings, while a full report is published, there are ways, as the Senator from Connecticut reminded me, of "sanitizing" it so that it will not violate security regulations.

Mr. KEATING. I am sure the process will continue regardless of any language that is placed in the legislation. I make this request largely because of the point made a while ago by the distinguished Senator from Wisconsin [Mr. PROXMIRE] that many of us have learned what happens as the result of the process of taking amendments to conference.

While I shall not ask for a yea-and-nay vote on the following amendment, which is to the next section, and is along the same line, I do ask for the yeas and nays on this amendment.

The yeas and nays were ordered.

Mr. BUSH. Mr. President, I wish to make a point apropos what the Senator from Minnesota said in respect to sanitizing. It would not apply to a report to the committee, but it might apply, if necessary, to a report in the Federal Register. It should not be confused with reporting to committees.

Mr. KEATING. That is exactly correct. The position of the President in making a particular case must stand or fall, so far as the public is concerned, on what is printed in the Federal Register. And the public has a right to a reasonable degree of information on this matter.

Mr. HUMPHREY. It should be understood that the support for the major section, which will appear in section 109, on a yea-and-nay vote will be indicative of support for both amendments.

Mr. KEATING. I hope so. The language is almost identical.

Mr. PROXMIRE. Mr. President, I enthusiasically support the amendment. I wish to ask the Senator a question, because I think the answer should be made absolutely clear as a matter of legislative history. It is not the intention of the author of the amendment, is it, to permit any part of the justification to be secret?

Mr. KEATING. The Senator is correct.

Mr. PROXMIRE. If the President justifies his reasons for giving aid to countries that are trading with Cuba or lending their ships to be used to trade with Cuba, that information is to be made public, so that the public can be informed of the reasons.

Mr. KEATING. The reasons must be laid on the line in their entirety to the American people. What he may say to the members of the committee in addition is something else; but his reasons for justification must be made entirely public.

Mr. PROXMIRE. I thank the Senator.

Mr. JAVITS. Mr. President, will my colleague yield?

Mr. KEATING. I yield.

Mr. JAVITS. When the question was considered in the Committee on Appropriations, it was my contemplation that this information would be made public. I think a formalization of that in the bill is unexceptional. I think that what the President will be giving to us, as my colleague from New York has described, will be his reasons for his determination; and the basis upon which we act, it seems to me, do not obligate him to disclose security information in giving the reasons for the particular action which he is seeking to justify. That should be published. So far as I can see now, the amendment would be self-operative. I shall support it.

Mr. KEATING. I thank my colleague.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New York. The yeas and nays have been ordered.

Mr. HUMPHREY. Mr. President, would a division be satisfactory?

Mr. KEATING. That would be satisfactory to me. I wish to be certain that when the conferees go to conference, this amendment will remain in the bill.

Mr. HUMPHREY. I want to be sure of that, too.

Mr. KEATING. Mr. President, I ask unanimous consent to rescind the order for the yeas and nays.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KEATING. Mr. President, on this amendment, I ask for a division.

On a division, the amendment was agreed to.

Mr. President, I ask unanimous consent that the RECORD indicate that the amendment was unanimously agreed to.

The PRESIDING OFFICER. Is there objection?

Mr. McCARTHY. Mr. President, I was standing. I think that should prevent the vote from being unanimous.

The PRESIDING OFFICER. Does the Senator from Minnesota object?

Mr. McCARTHY. Yes. I was standing in opposition to the amendment.

The PRESIDING OFFICER. The vote was not unanimous.

Mr. KEATING. Mr. President, I ask unanimous consent that the RECORD indicate that there was only one vote against the amendment.

The PRESIDING OFFICER. Is there objection?

Mr. McCARTHY. I object.

Mr. KEATING. Mr. President, I offer my other amendment.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 10, line 11, after the words "national communism," it is proposed to insert the following:

> Reports made pursuant to this section shall be published in the Federal Register within seven days of submission to the committees and shall contain a statement by the President of the factual bases for such findings.

Mr. KEATING. Mr. President, on this amendment I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. KEATING. Mr. President, I think everything which was said with respect to the other amendment has been said with respect to this one.

Mr. JAVITS. Mr. President, the Senator used the word "reason" in subsection (a) and used "factual bases" in subsection (b). Is there a reason for the difference?

Mr. KEATING. There is, because the language of the present section 109 provides that "unless the President finds promptly and reports"—and the items are set forth in certain and specific words.

In this instance, if we merely used the word "reason," all the President would perhaps have to do would be to recite what was in the law. That is the reason for the change.

Mr. McCARTHY. Mr. President, I should like to have the amendment read again.

The LEGISLATIVE CLERK. On page 10, line 11, after the words "national communism," it is proposed to insert the following:

> Reports made pursuant to this section shall be published in the Federal Register within seven days of submission to the committees and shall contain a statement by

the President of the factual bases for such findings.

Mr. McCARTHY. Mr. President, does that mean that all the facts would have to be included in the report, or that whatever the President includes in the report should be factual? If all the facts must be included, I think we are demanding that the President expose all the secret information he may have. If we say that not all the facts need be included, it seems to me we are passing judgment on the President, and saying that he might include that which is not factual, and therefore the report would be misleading. I think the amendment should be rejected.

Mr. KEATING. Mr. President, the amendment is offered on behalf of the Senator from Connecticut [Mr. BUSH], and the Senator from Minnesota [Mr. HUMPHREY]. I ask for a vote.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New York.

Mr. HART. Mr. President, those of us on this far side of the Chamber were unable to hear fully—at least, I was not able to hear—the debate about 10 minutes ago. Let me ask whether I correctly understand that the pending amendment provides that the reports made by the President to the committees shall include in full the reasons, but that the reports made public may omit some of them.

Mr. KEATING. No. The amendment provides that the President shall state the factual bases of his findings, and that they shall be published in the Federal Register.

Of course, it is conceded that the President may have conferences with the four committees; and the conferences he might very well, in speaking to the committees, enlarge on the reasons which would be published in public documents, but I would not expect that he would give wholly different reasons or would deny in private the reasons given publicly.

Mr. HART. Does the amendment provide that the reasons for his findings shall be made public?

Mr. KEATING. The amendment provides that the factual basis for the findings shall be.

Mr. HART. But such a course of action would be undesirable for several reasons. For example, if the President thought the governor of a northern province of one of these countries was about to turn against his central government, it might be that the President would find that therefore it would be in the national interest to have loans or grants-in-aid made to that province. But certainly it would not be wise to disclose that information publicly, with the result that it would reach the central government. However, that would be a factual basis on which the President might act.

Mr. KEATING. I am sure the President would couch his statement of reasons in language which would be in the interest of our national security. Moreover, I do not think that these situations are as unknown to our enemies as they are to the American people.

Many of us have supported the proposal on the basis that the statement of his reasons which the President would make in giving his report would be published. But today it is clear that, in the absence of this amendment, they would not be made public. We would not know the reasons for waiving the very strong language approved by the Congress.

Mr. HART. But it seems to me that such a requirement, by means of the proposed amendment, would require the President to make a report which would be meaningful if he wished it to be, or would be meaningless if he wished it to be. So that would be a futile request.

Mr. KEATING. I disagree. After all, we are providing that no aid shall be given to Communist countries; and we make the further restriction that that prohibition shall not be waived except in a case in which the President makes the very unusual findings specified in the amendment—namely, that the assistance will be vital to the security of the United States, that the recipient country is not controlled by the international Communist conspiracy, and that the aid will further its independence from that movement. If the President makes such a finding, I think the reasons should be made public, and he should state why he believes such assistance vital to the security of the United States.

Mr. DODD. Mr. President, will the Senator from New York yield?

Mr. KEATING. I yield.

Mr. DODD. It seems to me this amendment is the best possible argument for the proposition that we should not leave such discretion in the hands of the Executive. I am sorry that those of us who presented our case in connection with the Proxmire amendment did not think of this argument. But finally the opposition has revealed this argument in all its evil, because in effect the amendment provides that the President may deceive the public if he believes that to be in the national interest; and I cannot think of anything much worse.

It would be far better for us to enact the laws we think should be enacted, and thus tell the President what we want him to do. Later, if he wishes to call Congress back and request further authority, he can do so by sending his request to the proper committee; and he will not need to tell lies, either.

In short, Mr. President, we now have presented to us an excellent reason why the Proxmire amendment, which was defeated earlier today, should have been agreed to. We should correct the mistake which was made when the Proxmire amendment was rejected by a vote of 36 to 39, rather than compounding it by placing a President in a position where he may have to resort to deceit.

In short, by means of this amendment the opponents of the Proxmire amendment have revealed the utter folly of the action taken by the Senate when it rejected that amendment.

Mr. HUMPHREY. Mr. President, will the Senator from New York yield?

Mr. KEATING. I yield. But let me first say that I have neither accused the President—any President—of deceit nor do I interpret my amendment as an encouragement to deceit.

Mr. HUMPHREY. In connection with the earlier action with regard to aid to Cuba, it was understood that if there were information which, if published, would be contrary to the best interests of our Nation, it would not be made public.

However, it is also important that the reasons for the action taken be known, and be known accurately. If such information, after being given to the four committees, were not published in an official way, there would always be the chance that the reports on the information might be garbled.

So I suggest that the amendment be changed, so as to read:

> Reports made pursuant to this section shall be published in the Federal Register within seven days of submission to the committees and shall contain a statement by the President of the reasons in detail for such findings.

Mr. KEATING. Mr. President, I accept that modification of my amendment; and I ask unanimous consent that my amendment may be modified accordingly.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The question is on agreeing to the modified amendment submitted by the Senator from New York, on behalf of himself and other Senators.

On this question, the yeas and nays have been ordered; and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Pennsylvania [Mr. CLARK], the Senator from Illinois [Mr. DOUGLAS], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Tennessee [Mr. GORE], the Senator from Alabama [Mr. HILL], the Senator from Oklahoma [Mr. KERR], the Senator from Ohio [Mr. LAUSCHE], the Senator from Washington [Mr. MAGNUSON], the Senator from Arkansas [Mr. MCCLELLAN], the Senator from Oklahoma [Mr. MONRONEY], and the Senator from Virginia [Mr. ROBERTSON], are absent on official business.

I further announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Alaska [Mr. GRUENING], and the Senator from Wyoming [Mr. HICKEY] are necessarily absent.

I further announce that, if present and voting, the Senator from Pennsylvania [Mr. CLARK], the Senator from Alaska [Mr. GRUENING], the Senator from Tennessee [Mr. GORE], the Senator from Alabama [Mr. HILL], and the Senator from Illinois [Mr. DOUGLAS], would each vote "yea."

Mr. KUCHEL. I announce that the Senators from Vermont [Mr. AIKEN and Mr. PROUTY], the Senator from Utah [Mr. BENNETT], the Senator from South Dakota [Mr. BOTTUM], the Senator from Maryland [Mr. BUTLER], the Senator from Indiana [Mr. CAPEHART], the Senator from New Hampshire [Mr. COTTON], the Senator from Illinois [Mr. DIRKSEN], the Senator from Kentucky [Mr. MORTON], the Senator from Pennsylvania

[Mr. Scott] and the Senator from Texas [Mr. Tower] are necessarily absent.

If present and voting, the Senator from Vermont [Mr. Aiken], the Senator from Utah [Mr. Bennett], the Senator from South Dakota [Mr. Bottum], the Senator from Maryland [Mr. Butler], the Senator from Indiana [Mr. Capehart], the Senator from New Hampshire [Mr. Cotton], the Senator from Kentucky [Mr. Morton], the Senator from Pennsylvania [Mr. Scott] and the Senator from Texas [Mr. Tower] would each vote "yea."

The result was announced—yeas 60, nays—14, as follows:

[No. 296 Leg.]

YEAS—60

Allott
Beall
Bible
Boggs
Burdick
Bush
Byrd, Va.
Byrd, W. Va.
Cannon
Carlson
Carroll
Case
Church
Cooper
Curtis
Engle
Ervin
Fong
Goldwater
Hartke
Hayden
Hickenlooper
Hruska
Humphrey
Jackson
Javits
Johnston
Jordan, N.C.
Jordan, Idaho
Keating
Kefauver
Kuchel
Long, Mo.
Long, Hawaii
Long, La.
Mansfield
Metcalf
Miller
Moss
Mundt
Murphy
Muskie
Pastore
Pearson
Proxmire
Randolph
Russell
Saltonstall
Smathers
Smith, Maine
Sparkman
Symington
Talmadge
Thurmond
Wiley
Williams, N.J.
Williams, Del.
Yarborough
Young, N. Dak.
Young, Ohio

NAYS—14

Bartlett
Dodd
Eastland
Ellender
Hart
Holland
McCarthy
McGee
McNamara
Morse
Neuberger
Pell
Smith, Mass.
Stennis

NOT VOTING—26

Aiken
Anderson
Bennett
Bottum
Butler
Capehart
Chavez
Clark
Cotton
Dirksen
Douglas
Fulbright
Gore
Gruening
Hickey
Hill
Kerr
Lausche
Magnuson
McClellan
Monroney
Morton
Prouty
Robertson
Scott
Tower

So Mr. Keating's amendment, as modified, was agreed to.

Mr. KEATING. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. WILLIAMS of Delaware. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. KEATING. Mr. President, I move to reconsider the vote by which my previous amendment was agreed to.

Mr. BUSH. Mr. President, I move to lay that motion on the table. We are referring to the previous amendment.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Connecticut to lay on the table the motion of the Senator from New York to reconsider the vote by which the previous Keating amendment was agreed to.

Mr. LONG of Louisiana. Mr. President, has not that already been done?

Mr. MANSFIELD. No; reference is being made to the previous amendment.

The motion to lay on the table was agreed to.

Mr. ELLENDER. Mr. President, I send to the desk, on behalf of myself and the senior Senator from Idaho [Mr. Church], an amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Louisiana for himself and the Senator from Idaho will be stated.

The Chief Clerk. It is proposed, on page 4, line 11, to strike out "$1,450,000,000" and insert in lieu thereof "$1,300,000,000".

Mr. WILEY. Mr. President, will the Senator yield?

Mr. ELLENDER. For a question.

Mr. WILEY. I want to place something in the Record.

Mr. ELLENDER. Will the Senator ask that it go elsewhere in the Record?

Mr. WILEY. Mr. President, when I came into the Chamber today I had in mind that I would vote against this bill. I will say why.

I have received a great deal of correspondence on this subject. A great deal of misinformation has been sent around the country in respect to the claim of some $3.5 billion being unspent. That misinformation is as bad as that which we received with regard to the medicare bill.

I took the question up with the Government. I have learned what are the facts.

The unexpended balance which is held for no special purpose is only $129 million, instead of $3.5 billion.

This information comes from the authority in a position to know what is the situation.

Mr. President, I ask unanimous consent that the "Comparative Statement of Unexpended Balances" as of the end of fiscal years 1961 and 1962, showing the unexpended balance both unobligated and unreserved as $129,300,000, be printed in the Record.

There being no objection, the table was ordered to be printed in the Record, as follows:

Foreign Assistance Program

Comparative statement of unexpended balances as of close of fiscal year 1961 and fiscal year 1962 [1]

[In millions of dollars]

	Economic assistance	Military assistance	Total
Unexpended balance June 30, 1961	[2] 3,366.1	2,597.7	5,963.8
Fiscal year 1962 additional resources	2,269.9	1,591.6	3,861.5
New appropriations	[3] (2,270.4)	(1,600.0)	(3,870.4)
Receipts adjustments	(−.5)	(−8.4)	(−8.9)
Total available for expenditure	5,636.0	4,189.3	9,825.3
Less expenditure fiscal year 1962	1,794.9	1,371.8	3,166.7
Unexpended balance June 30, 1962	3,841.1	2,817.5	6,658.6
Unliquidated obligations/reservations	(3,773.7)	(2,755.6)	(6,529.3)
Unobligated/unreserved	(67.4)	(61.9)	(129.3)

[1] Preliminary figures on military and economic appropriations under Mutual Security and Foreign Assistance Acts, excluding investment guarantee fund.

[2] Excludes $11.6 million comparatively transferred to "Refugees and migrants and Peace Corps."

[3] Excludes $44.2 million comparatively transferred to "Refugees and migrants."

Mr. WILEY. Mr. President, what the Appropriations Committee has recommended is to provide the means whereby the Government can meet headon the challenges in foreign affairs as they exist today. This information has changed my approach to the whole problem.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield for a question.

Mr. WILLIAMS of Delaware. If the Senator will yield, I should like to invite the attention of the Presiding Officer to section 115 of the bill, as it appears beginning on page 12. As I read this language, it constitutes legislation on an appropriation bill. In view of the fact that legislation on an appropriation bill is subject to a point of order, I raise that question and make the point of order against the entire section 115 as it appears on page 12, beginning on line 16, to and including line 2 on page 13.

The PRESIDING OFFICER. Does the Senator from Louisiana yield for that purpose?

Mr. ELLENDER. I yield, if I do not lose my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from Delaware may proceed.

Mr. WILLIAMS of Delaware. Mr. President, as I stated, as I read section 115, beginning on line 16 of page 12 and continuing through line 2 on page 13, it appears to me to constitute a certain amount of legislation on an appropriation bill. Therefore, I make a point of order against the section, as stated.

The PRESIDING OFFICER. The Chair sustains the point of view that the language is legislation on an appropriation bill.

Mr. MANSFIELD. Mr. President, on the basis of the information I have I should be forced to agree with the ruling by the Presiding Officer and the point of order raised by the Senator from Delaware, who certainly has sharp eyes.

I understand, however, that a notice of intention to move to suspend the rules has been filed by the chairman of the committee, the Senator from Arizona [Mr. Hayden]; and that will be considered at an appropriate time during consideration of the bill.

Mr. ELLENDER. Mr. President, the purpose of the amendment I have offered is to reduce the military assistance program by $150 million, so that the amount to be appropriated would be the amount allowed by the House, $1.3 billion.

As I stated earlier in the day, the Senate Appropriations Committee heard a parade of witnesses, including Defense Secretary McNamara, the Joint Chiefs of Staff and others, all of whom advocated the full amount of money which was authorized.

I point out that it seems that after persons reach a position of power their views as to foreign aid are easily changed.

I should like to read excerpts from the RECORD for 1951 and 1952, containing statements made by the present occupant of the White House, when he took issue with many of the appropriations being made for foreign aid. I refer specifically to the RECORD for June 28, 1952, when the President was a Member of the House. He offered an amendment, as to which he said:

> Mr. Chairman, I offered a similar amendment to cut the military assistance to the South American Republics last year, and I am offering it again now to cut $20 million. It does not seem to me that there is any use spending as large an amount of money as this on military equipment to South American countries.

I point out that in the bill before the Senate there is an item of almost $80 million for military assistance to South American countries.

On another issue, that of technical assistance, one of the programs which is least objectionable, I wish to again read from what the Chief Executive stated under date of August 17, 1951, when he offered an amendment to cut back technical assistance. At that time the amount asked was $175 million, and he sought to reduce it to $140 million. I read a short excerpt from his speech:

> I cannot believe that we are going to spend this money merely to set an example to these countries, some of which are ruled by an oligarchy, which they might follow in the future themselves. I believe in military assistance to this area and that it is a good thing, but I do not think that we can afford in this country to raise the standard of living of all the people all over the globe who might be subject to the lure of communism because of a low standard of living.

That was the President speaking in 1951. Evidently he has been urged to change his view, as have other Cabinet officials.

We have heard the Secretary of Defense and the Joint Chiefs of Staff not only of this administration but of past administrations, who have marched before the committee to urge appropriation of the full amount requested.

Mr. President, the amendment I have offered would provide nothing unusual. In the past the Congress has cut these military assistance items every time the bill has come before it. I remember distinctly that I was instrumental in having this item reduced in several appropriation bills.

I hope Senators will listen to this presentation, because I believe I have evidence to show that the reduction I urge should be made. It would do us no harm and on the contrary, it would do us a great deal of good.

For fiscal year 1953 we cut the request made by the administration for military assistance $378 million.

The next fiscal year, 1954, we cut this same item request $418 million.

The next fiscal year we cut it $387 million.

The next year we cut it $420 million.

The next fiscal year, 1957, we cut it $982½ million. For fiscal 1958 we cut it $260 million. For fiscal 1959 we cut it $285 million. For fiscal 1960 we cut it $300 million. For fiscal 1961 we cut it $200 million. Last year we cut it $285 million.

The amount of the reduction I am asking tonight is only $150 million.

I should like to point out the reasons for the proposed cut. We have been told by military men that we should have in the pipeline only orders that can be filled in 22 months. In other words, the leadtime should not be in excess of 22 months.

I now point out to the Senate what the situation is as to leadtime items all over the world. Today we are providing for the countries of Western Europe, which are well able to take care of themselves, in excess of $300 million, and to eight of them—Belgium, Denmark, Italy, the Netherlands, Norway, Portugal, Spain, and the United Kingdom—$279,403,000. I cannot itemize the amount to be given to each, because that has been labeled "secret."

To the countries of the Middle East, Near East, and south Asia we would provide $418 million.

Mr. President, our pipeline has been increasing each year since 1960. For example, in the fiscal year 1960 we had in the pipeline $2,269 million. In fiscal year 1961 we had $2,597 million. In the fiscal year 1962 we had $2,791 million. In 1963 we would have $2,940.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. SYMINGTON. Would that be military assistance alone?

Mr. ELLENDER. Yes.

Mr. SYMINGTON. I thank the Senator.

Mr. ELLENDER. That is military assistance. In other words, the amount has been increasing from $200 million to $400 million each year.

Going back to the pipeline, today we have in the pipeline for Western Europe $878,601,000. In addition, we are seeking to give to those same countries that have such a pipeline $279 million this year. The testimony shows that we ought to have a minimum of 22 months' leadtime in respect to all these items that are included in the pipeline.

I wish to show to the Senate what has occurred, basing my statement on the amount of money that we spent for military assistance last year.

Consider the case of Belgium. In the pipeline for Belgium is $62,382,000. Last year we made available to Belgium $17,888,000. Instead of having a leadtime of 22 months, Belgium has a leadtime of 41 8 months. So we could easily cut from that amount—or squeeze it out—and give the assistance where it is necessary elsewhere in the world if that were necessary, without having to increase the appropriations.

Consider Denmark. In the pipeline for Denmark is $82,852,000. Last year all we had made available to Denmark was $20,281,000. Denmark has a leadtime of 49.1 months, instead of the usual 22. It can be readily seen that we could take some funds out of the pipeline for Denmark and make the amount available to other places, should the administration desire to do so.

The record shows that last year General Palmer squeezed out of the pipeline $521 million, and no one said anything about it. The figures I have presented show that we could easily squeeze out of the pipeline more than $635 million and provide for all the nations that we desire to support militarily. We could squeeze out $635 million without having to appropriate the amounts that we are now arguing about. In other words, we could cut the amount back $635 million instead of the paltry $150 million reduction that I am trying to bring about now.

Consider the case of Italy. Italy has in unexpended balances $167 million. Last year Italy received $98 million. Italy has remaining almost $100 million. But in that case Italy has a leadtime of 20.4 months, which is within the 22 months period allowance that the Secretary of Defense has indicated. I am not deducting that amount. It is not included in the $635 million and the figures that I have just made available.

Let us consider the case of The Netherlands. The Netherlands has $90,664,000 in the pipeline. Last year we made available only $16,685,000. The Netherlands has a leadtime of 64.4 months. In other words, that obligation exists. Nothing is being done about it. We could easily deduct from that amount a sum sufficient, which together with the other amounts I have stated, would take care of the situation.

Consider the case of Norway. Norway has in the pipeline $100 million. Last year Norway got $38,903,000. In the case of Norway the leadtime is 30.8 months.

Let us consider the case of Portugal. In the pipeline for Portugal is $41 million. Last year we made available $6 million plus. The leadtime in Portugal is 77.3 months.

Let us consider the case of Spain. For Spain there is $69 million in the pipeline. Last year they got $32 million. Their leadtime is 26 months.

The United Kingdom has in the pipeline $24,604,000. The leadtime there is only 11.6 months. By the way, that is the amount which was referred to by the Secretary of Defense when he said:

> The increase in the unexpended balance of military assistance plans program funds is merely caused by two factors: First, about 80 percent of the increase was caused by an increase of the long leadtime items, such as missiles and new types of aircraft.
>
> Second, about 20 percent of the increase was caused by diversion of military assistance program deliveries to equip U.S. Reserve Forces called to active duty last fall during the Berlin crisis.

This argument does not square with the facts because, as I mentioned a while ago, the leadtime in Italy is less than 22 months. That is where the missiles are going. The United Kingdom is in the same category. But in other countries the leadtime is far in excess of 22 months. Therefore, I repeat, we could easily cut from that amount without in any manner affecting the distribution of arms or money to buy arms for the countries in the Middle East, Turkey, or wherever it is necessary.

Consider the case of Greece. Greece has, in unexpended funds, $194,732,000. Last year we made available to Greece $60 million. The leadtime in Greece is 38.6 months.

In Iran it is 20.6 months. In Turkey it is 19.8 months.

In other words, these countries are utilizing the amounts that were made available to them.

In the case of Taiwan, we have in the pipeline $282,784,000. Last year we gave Taiwan $93,134,000. The leadtime there is 36.5 months.

In the case of Jordan, the leadtime is 56.5 months.

In Japan, where we are furnishing missiles, it is only 12 months.

In Korea, we have unexpended balances of $413 million.

Think of it. And yet, we are being asked to provide more money. Last year we gave them $144 million. The leadtime is 34.3 months. Instead of giving Korea all that is being set aside for it, we could easily cut that and make the deliveries earlier and put them within the 22 months that the Defense Department says is necessary.

Is it not silly for us to be giving Laos more money, with unexpended balances there of $33,060,000? I cannot give the amount that we are providing for Laos in this bill but it is quite a sum. As the report I made last year to the Senate Appropriations Committee following my inspection of operations in that country shows, some of the equipment that we sent to Laos to assist our friends was used against our own people last year. I would not be at all surprised if all the military equipment that has been sent to Laos has been nicely divided among the Pathet Laos, the Communists, and the other two factions that are at dagger's point in Laos.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. MORSE. The entire Senate is indebted to the Senator from Louisiana for the information he has given to us this year, in which he has pointed out what the pipeline contains, what the leadtime situation is, and what the very extravagant appropriation to the military was. We should take the economy from the Pentagon and give it back to the American people.

Speaking of the American people, the Senate had better take note of the fact that there is a growing uprising of public opinion against this shocking amount of foreign aid, particularly when we find that when the chips are down in a good many places around the world, we must stand alone, with our so-called allies giving us so-called token support, as the Senator from Louisiana pointed out earlier this afternoon.

I am disappointed that the administration is not seeking to cut down these figures. By what the administration is doing, it is putting a good many of us who have heretofore sought to work for a sound foreign-aid program in the position of dealing with a foreign-aid program that is not sound.

So far as I am concerned, if we cannot bring about, in the closing period of this debate, some deserved and needed economies in the bill, I intend to vote against it.

Mr. ELLENDER. I was pointing to infrastructure. We have in the pipeline today $181 million. Last year we used only $30 million. The leadtime there was 72.7 months. I am not including that figure in the total of $635 million, that I say is available for transfer to other countries because there may be a reason why they cannot move any faster.

The idea of having leadtimes of as much as 77 months is unconscionable. Why should we appropriate money to keep it there? It may never be used.

I ask unanimous consent that a table which points out in detail all the figures I have been quoting be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

EXHIBIT B

Analysis of unexpended balances of military assistance for principol recipients, July 1, 1962

22 MONTHS=1.83 TO 1

[Dollar amounts in thousands]

	Proposed, fiscal year 1963 [1]	Unexpended July 1, 1962	Fiscal year 1962 deliveries	Ratio leadtime turnover based on 1962 deliveries	Unexpended balances for (22) month leadtime	Excess (deficit)[2]	Months of leadtime on July 1, 1962, based on fiscal year 1962 deliveries
EUROPE							
Belgium		$62,382	$17,888	3.49:1	$32,735	$29,647	41.8
Denmark		82,852	20,281	4.09:1	37,115	45,737	49.1
Italy		167,616	98,392	1.70:1	180,057	(12,441)	20.4
Netherlands		90,664	16,685	5.37:1	30,534	60,130	64.4
Norway		100,113	38,903	2.57:1	71,192	28,921	30.8
Portugal		41,605	6,465	6.44:1	11,831	29,774	77.3
Spain		69,705	32,077	2.17:1	58,701	11,004	26.0
United Kingdom		24,604	25,491	.97:1	46,649	(22,045)	11.6
Infrastructure		181,652	30,000	6.06:1	54,900	[2] 126,752	72.7
Mutual weapons development		57,408	19,440	2.95:1	35,575	21,833	35.4
Total	$279,403	878,601	305,622	2.87:1		227,046	34.4
NEAR EAST AND SOUTH ASIA							
Greece		194,732	60,387	3.22:1	110,508	84,224	38.6
Iran		79,163	46,051	1.72:1	84,273	(5,560)	20.6
Jordan		7,123	1,511	4.71:1	2,765	4,358	56.5
(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Turkey		267,228	162,223	1.65:1	296,868	(29,640)	19.8
Total	418,872	646,823	298,253	2.17:1		135,771	26.0
FAR EAST							
China (Taiwan)		282,784	93,134	3.04:1	170,435	112,349	36.5
Japan		100,393	93,908	1.07:1	171,852	(71,459)	12.8
Korea		413,865	144,765	2.86:1	264,919	148,946	34.3
Laos		33,060	45,310	.73:1	82,917	(49,857)	8.8
Thailand		75,097	34,713	2.16:1	63,524	11,573	25.9
Vietnam		142,514	91,018	1.57:1	166,563	(24,049)	18.8
Total	$659,764	1,047,713	502,848	2.08:1		272,868	24.9
Grand total	1,358,039	2,573,137	1,106,723			635,685	

[1] Deletions for security reasons.
[2] Not added in total.

Mr. ELLENDER. In the past we have transferred from the military appropriation a great deal of money for other purposes, such as economic aid. Although we have been told how important military assistance was, since 1950 there has been transferred from the military appropriations $907 million. In other words, the Chiefs of Staff and others paraded before us in committee and said the full amount was necessary, and that our security would be involved if we did not appropriate the full budget request. Yet $907.7 million has been transferred from military to economic aid. Last year in excess of $20 million was transferred. If the amount for military assistance is so important, it strikes me it ought to be used for that purpose.

I repeat: Ever since 1961, the amount in the pipeline has been increasing each year. In my judgment, we would be safe in reducing this appropriation by $150 million.

I presume that most Senators read in the newspapers the day before yesterday that Secretary of Defense McNamara had made a trip to Western Europe recently and said that our allies in that area had increased their forces by 20 percent, while the United States had increased its forces by 45 percent in Western Europe.

Last year we sent 40,000 of our soldiers to Western Europe. That would not have been necessary if our Western European allies had kept their end of the bargain by providing the soldiers and equipment necessary to fully operate NATO. They are well able to do that. In fact, they are more able than we are to provide for this kind of assistance. But so long as we continue to appropriate these huge sums, they will continue to believe that Uncle Sam will continue such aid. So long as the people of Western Europe lean their head on our shoulder, they will be willing to let Unicle Sam provide most of the assistance, irrespective of the impact that such assistance will have on our own economy.

Mr. MORSE. Mr. President, the Senator from South Carolina and the Senator from Oregon are on their feet to concur with the Senator from Alabama in the belief that so long as we let our allies pass the financial buck and burden to us, we will continue to provide such assistance.

Mr. JOHNSTON. The countries of Western Europe are well able to provide most of their own assistance at this time. Many of those countries are in a much better financial condition than is the United States at the present time.

Mr. ELLENDER. I think the RECORD will show that I was the first Senator to bring to the attention of Congress the problem of a deficit in our balance of payments which is now facing us. The situation is getting worse. I wonder how many Senators know that in the bill we are providing $2 billion to be made available to the International Monetary Fund. Why do Senators think we are doing that? We are doing it so as to be able to borrow from the fund deutsche marks, francs, Italian lira, and pounds in order to prevent gold from flowing out of our own country. We should remember, too, that all this has taken place in the last 3 or 4 years. Six or 7 years ago the nations of Western Europe had few or no dollars compared with the amount they have now. The record shows that the countries of Western Europe today have, in short term notes and gilt edge securities, in excess of $24 billion. We are providing today $2 billion for the International Monetary Fund so that we can borrow from that fund $4 billion if we need it. We will have to pay interest on it. The interest ranges from 3 percent to 5 percent. That is what good old Uncle Sam, who has been very liberal to the people of Western Europe and other parts of the world, will have to pay.

I think we are doing too much. If we continue this process, not only Western Europe but other areas, as well, will drag their feet and let Uncle Sam carry the whole burden. So far as I am concerned, I am getting sick and tired of that. I have been sick and tired of it for at least 8 or 10 years.

Up to now we have made available to the countries of the world in excess of $100 billion in order to fight communism. I wish some Member of the Senate would tell us if things are not worse now than they were 7 or 8 years ago. That is the case today. Today we are in as grave danger as we have ever been, if not greater danger, notwithstanding that we have spent more than $100 billion. We are worse off today than we were at that time, because our debt has increased to the point where it is now in excess of $300 billion. The carrying charge on the debt requires in excess of 13 percent of our annual appropriations, and the debt is increasing each year. Every time we go into the red for a billion dollars, the carrying charge on the billion dollars amounts to $30 to $35 million. It simply continues to increase and increase. It strikes me that there ought to be a stop to it.

Mr. President, I hope the Senate will vote with me to decrease the amount of military aid to $1,300 million. With the amount that is now in the pipeline, we could cut this amount by $600 million and hurt no one. But I am not asking for that. I know I would be voted down. I believe, though, that we at least owe it to the people to make the appropriation $1.3 billion. I hope the Senate will vote for that amount.

Mr. CHURCH. Mr. President, as a cosponsor of the amendment offered by the Senator from Louisiana, I wish to speak briefly in its support. I believe the Senator from Louisiana has given us a very comprehensive review of the figures. They demonstrate that this amendment should be approved. The effect of the reduction would bear so little upon the overall program that the Pentagon would not even have to shift gears.

The amendment is very moderate. It would merely decrease the total amount in the sum of $150 million, to the level approved by the House of Representatives. I believe the amendment is more than justified. I shall not attempt to restate all the figures which the Senator from Louisiana has cited; I think one or two alone will suffice.

The Senator from Louisiana said that this year we are planning to provide $314 million in military assistance to Western Europe, and that today $878 million more is in the pipeline for Western Europe. All of us know that most of the countries which receive this aid have been self-supporting for the past 10 years, and are fully capable of providing for their own military establishments without any kind of assistance from the United States.

I find it hard to justify that in the 10 years they have been fully self-supporting, we have contributed $13½ billion in military assistance to the countries of Western Europe.

The amendment involves only $150 million. If reducing this program by so small an amount will have any effect at all upon the substance of the program, if it will discipline the program at all, then I say fine, for the program badly needs discipline. I believe in military assistance where it can be justified, where there is a real need to meet a Communist military threat as in South Vietnam or Formosa or South Korea. I believed in military assistance at the time it was necessary for us to establish the NATO Alliance in Europe to build a common military defense there against the encroachment of the Red Army.

But this program has gone far beyond those areas where the Communists threaten invasion. The program now extends to all of Asia and to much of Africa and Latin America. Consider the number of countries that are now involved. Fifty-eight countries are now receiving military assistance from the United States. Most of these countries are so far removed from either the Soviet Union or Red China as to make talk of the threat of any military action against them quite absurd.

Yet every year we add countries to the list, and every year we add money. We have involved ourselves in what may become a serious arms race in Africa; and we have no business augmenting it with American weapons and American money. Who can imagine anything less in the interest of the new countries in Africa than an arms race? This year we are spending $77 million on military assistance for Latin America. I wish all Members of the Senate could have been present to hear the well-reasoned address of the Senator from Alaska when he analyzed our military assistance program in Latin America, and showed that, as it operates in many of these nations, it is adverse to the interest of the United States.

During the Eisenhower administration we placed a ceiling on this program in Latin America, and we should not have stopped that effort when the new administration took office, because the size of it has since increased by 15 to 20 million a year.

The trouble with this military assistance program is that it is becoming bureaucratized, and the habit of bureaucracy is to spread it indiscriminately into every continent and country in an ever expanding way.

The distinguished Senator from Louisiana has shown that there is an ample amount of money in the pipeline, so that even if we were to reduce this appropriation by $600 million, we would not seriously dislocate the military-assistance program. However, by means of this amendment we seek only to reduce the amount by $150 million—in short, to reduce it to the level voted by the House of Representatives. A saving of this amount could be made tomorrow in connection with our military assistance program in Western Europe alone, and the effect would be salutory on the alliance.

Mr. President, I do not think the United States should become the purveyor of weapons to all the world. Our country should not become an arsenal with open doors, into which the farflung countries of the world are invited to dip with grasping hands.

We are now engaged in this program in parts of the world where we have no business supplying guns, tanks, and fighter planes. Unless Congress begins to pull up on the purse strings, we shall never get this program back to what it was intended to be when it was initiated—namely, a program of helping countries faced with military threat to obtain equipment and supplies with which to defend themselves. However, the program has gone far beyond that.

Therefore, I believe we will advance our country's interest if we approve the amendment of the distinguished Senator from Louisiana; and I hope the Senate will adopt it.

I commend the Senator from Louisiana for his excellent statement, and I take pride in joining him as a cosponsor of the amendment.

Mr. SALTONSTALL obtained the floor.

Mr. JAVITS. Mr. President, will the Senator from Massachusetts yield to me for approximately 3 minutes?

Mr. SALTONSTALL. Yes; if I may do so without losing the floor.

The PRESIDING OFFICER (Mr. SMITH of Massachusetts in the chair). Is there objection? Without objection, it is so ordered.

Mr. JAVITS. Mr. President, I wish to speak first on another matter.

Mr. SALTONSTALL. Very well.

THE SITUATION AT THE UNIVERSITY OF MISSISSIPPI

Mr. JAVITS. Mr. President, due to obligations which I had today in New York, I was unable to be on the floor this morning to say a few words about the very tragic situation in Mississippi.

It is well known that I was one of those who urged the President to assert the laws of the Nation and to do whatever would be necessary to enforce them, and I wish to say that I understood perfectly the responsibility involved in taking that position; now we must affirm our support of the President in this very trying hour when an ominous calm rests over the area where the events of last night occurred. I refer to the tragic riot, in the course of which two persons were killed.

I repeat, Mr. President, that whenever a government official lends himself to defiance of the law, that attitude becomes endemic to the community, and leads to widespread defiance of the law.

I maintain that the position taken by the President is necessary in the interest of the country; and I support him in his course of action, even though all of us join in being extremely saddened by the situation which has developed.

At this point, I should like to refer to a dispatch which came today from Oxford, Miss. The dispatch is of such great significance that I believe it should be referred to here. It reads as follows:

> OXFORD, MISS., October 1.—The editor of the University of Mississippi student newspaper told her fellow students today they are bringing "dishonor and shame" to their university and State by participating in riots.
>
> An appeal was made in the Mississippian, which journalism students put out today as usual despite the sounds of gunfire and exploding tear gas shells, for the students to end the violence.
>
> Sidna Brower, the editor, wrote this:
>
> "This is a battle between the State of Mississippi and the U.S. Government. The university is caught in the middle. The Civil War was fought 100 years ago over almost the same issues and the United States of America prevailed. The Federal Government is once again showing its strength and power to uphold the laws of our country.
>
> "Whatever your beliefs you are a citizen of the United States of America and of the State of Mississippi and should preserve peace and harmony of both governments."

Of course, as the President said so well—and his words were reminiscent of those of Lincoln:

> Let us preserve both the law and the peace, and then healing those wounds that are within, we can turn to the greater crises that are without and stand united as one people in our pledge to man's freedom.

Mr. President, as we debate the foreign-aid bill, one of the key elements in connection with the freedom of the world and America's leadership in the quest for peace is the putting into proper perspective of the dreadful events which have occurred in Mississippi. It is critically important that that be done. This is not the first time that a nation heavily beleaguered from without has also suffered disorder from within; and it is also not the first time that, in dealing with disorder from within, a nation's capacity and strength to defend itself from attack from without were strengthened and increased. That is what I think is happening at this hour.

I rise now to identify myself with the stand taken by the President in dealing with this very difficult and trying situation, which hangs so heavily upon his heart and upon the hearts of all the American people, and also to join in the determination to accept a part of the responsibility for our determination to have a nation great, dignified, and powerful, both in the eyes of our own people and in the eyes of all mankind.

Certainly, Mr. President, the laws must be enforced, whatever the cost.

FOREIGN AID AND RELATED AGENCIES APPROPRIATIONS, 1963

The Senate resumed the consideration of the bill (H.R. 13175) making appropriations for foreign aid and related agencies for the fiscal year ending June 30, 1963, and for other purposes.

Mr. SALTONSTALL. Mr. President, I rise to oppose the amendment of the Senator from Louisiana, which would cut by $150 million the amount provided by the committee amendment—in other words, cut it from $1,450 million to $1,300 million.

The original program submitted this year by the Secretary of Defense called for an expenditure of $1,730 million. That was based on a requested appropriation of $1,500 million. The extra $200 million comes, for the first time, from a recoupment; in other words, a recoupment of $200 million is anticipated from obligations which are not to be carried out, so we understand, even though the program was begun. We understand that is the intent.

It is the first time that has been done. So that recoupment adds $200 million, estimated, to any appropriation that we may provide. It keeps the appropriation request underneath the request for anticipated funds that are expected to be obligated.

We must remember that our military aid is fundamentally for our own security. That is the only purpose of military assistance. If it is not valuable for our own security, we certainly should not appropriate any funds at all.

A second fundamental which has been drilled into us over the years is that in many instances it is more reasonable, from the point of view of our own security, to make these funds available to our friends, whose expenses are less than our own expenses would be if we had to do this work ourselves with our own military forces in far-off areas.

There is another fundamental which we should remember, and that is that of the $1,450 million of the estimated funds needed for the program, $1,254 million will go to the Near East, southeast Asia, and the Far East. To the Near East will go $423 million, and to the Far East $831 million.

Today we know the problems in Korea. We know the necessity for building up the nationalist forces in Taiwan. We know of our current military problems in South Vietnam. Over three-quarters of the money that we are asked to appropriate will go to those areas.

There is criticism about the money going to Europe. Under the estimated plans, $314 million will go to Europe. The question is asked, Why should we send money to Europe today? In doing so, we are completing our contracts to the NATO countries and to other countries like Spain, where we have prior commitments that are being fulfilled out of the present appropriation.

If my memory is correct—and I am sure it is—the Secretary of Defense assured us that no new commitments were being made in the European sector, to the countries that are our allies in that area. The $314 million is to carry out contracts already made.

It is said that there are substantial balances of more than $2 billion. There are balances of more than $2 billion, but we are spending approximately $1,800 million a year, rather than the $1,400 million that was reported on June 30 of this year. In other words, the best estimate of the military department is that 30 percent of the undelivered balances have been in fact expended by the services, so the true balance would be about $2 billion, and the actual expenditure rate of the last 2 years would be $1,800 million rather than the $1,400 million which we report under the legally required bookkeeping systems.

That was the report given to me personally by the Assistant Secretary of Defense under date of September 29, 1962.

If we consider that there are expenditures of $1,800 million and that there is an undelivered balance of approximately $2 billion, every penny of the undelivered balance represents hard money firmly committed on the basis of continuing requirements; and it is not available for transfer to other uses to cover fiscal 1963 or future program needs.

So in arriving at the figure of $1,500 million, it was ascertained that the money was needed to continue anticipated expenditures this year of approximately $1,700 million, and that the balances that are said by the chairman of the House committee and others to be available are really funds that are committed and obligated in hard money, and are not available for expenditures under the new balance for fiscal 1963.

I should like to mention one further item. A part of the increased undelivered balance comes from the fact that for certain new items of military expenditure there is a long leadtime, for example, items like missiles and airplanes that are being delivered under the military assistance plan. So those items are taking longer to deliver. That will build up our undelivered balances, but, as I have stated, those balances are all in hard money and are firmly committed today.

So if we cut back our military assistance by $150 million, as the distinguished Senator from Louisiana would have us do, we are cutting down very substantially our program of military assistance for the coming fiscal year. Most of that program, as I have stated before, will go to our needs in the Near East, southeast Asia, and the Far East.

Seventy-seven million dollars, and probably a little less, is earmarked for Latin America. The money going to Europe, $314 million, is to complete contracts already made, and not for new contracts being made. It will complete our contracts and gradually eliminate the amount that will go into Europe.

So I hope the amendment of the Senator from Louisiana will not prevail. I believe the military assistance plan is one of the most important parts of our foreign aid program, fundamentally because it is military assistance to us, to build up our own security. If it is not that, as I have said before, we should not provide any funds.

Second, in many instances in that way the program can be carried out in a much more economical way than if we tried to build up enough strength in manpower and military equipment to go into the areas of the world where today we have commitments and where there is a need for military assistance.

We have argued this subject many times in the past. I think the situation is fundamentally the same as it has been in the past. I hope the amendment of the distinguished Senator from Louisiana will not be adopted, but that the committee amendment, which has already cut $50 million from the estimates, will be adopted.

Mr. STENNIS. Mr. President, I commend the Senator from Massachusetts for a very fine explanation of the major points involved in the amendment. No one in the entire Congress is better qualified to speak on the subject than he, and very few are as well qualified as he is.

All the way through the consideration of this bill, in the committee and on the floor, last year and this year, I have reserved the right to sponsor the cause of military aid, regardless of what I might do about the rest of the bill.

I am convinced of the soundness of that position primarily for the following reasons: Of all the military assistance—and I am talking about direct military aid—88 percent goes to countries that are in the shadow of the guns of Soviet Russia or Red China. They are nations that are at strategic points in the globe, that we cannot possibly have surrender, or afford to lose, or they are in areas where we have commitments and for policy reasons we cannot possibly abandon.

We must not only have sufficient strength, but also an abundance of strength. We should have even too much strength, if that term could possibly apply.

Let us consider the situation in Greece. Some of us have been to Greece. We have seen the small farms, with a few olive trees as the only source of income for an entire family. How could that great but poor nation ever be able to properly defend itself, with military costs such as they are today? How could Greece ever possibly defend that strategic point on the globe alone? Can we give it up? Can we abandon it? Who wants to permit someone else to get control of it? The economy is so weak that help must be given.

Let us consider Turkey. Those of us who have worked on the military program for years are aware of the situation in regard to Turkey. I have never heard an exception from the opinion stated by those who have been to Turkey and who have seen the situation; the manpower they have, the ability they have, the willingness they show, and the hazards under which they operate. Every single man I know thinks we get a bargain, and that we could not possibly back out of it. I do not wish to even think of doing so.

We must not only have a sufficient amount, but we must have more than enough money in the bill to take care of any situation which might arise.

Let us skip to the other side, to the Pacific, to one of the countries there. Four countries together get 88 percent of the aid. Let us consider the situation in Formosa, or Nationalist China. That costs us a great sum of money every year. That not only involves military assistance, but also other assistance. Who would propose that we take a chance in that regard? Who would reverse our present policy as to Nationalist China? It is unthinkable.

So we have to provide this money, like it or not. We must provide not only what we think is sufficient, but also enough to know that it will be sufficient. We are bound to do that. We have no choice.

Let us consider Korea. I went to Korea at a time when one of our finest Army generals was in charge. He is a very resourceful man. He had all the figures and facts and he knew that country as few men know any country. I was amazed when he concluded his remarks by saying:

> If their industrial capacity and gross national product were seven times as great as now, still they could not pay for defending this strategic peninsula.

We shall have to remain in that country a long time, as long as our policy is what it is today, and shall have to spend much money.

I did have an impression with regard to the value received for our dollars. For our own dollars which we spend for our own forces we get the greatest return there of anywhere I know, with one exception, and that is Korea, where the military dollar is spent on the Korean forces.

When we add it all up, 88 percent of this money goes to four countries. I support the larger figure, to provide what the committee has recommended, rather than to reduce it $150 million.

Other Senators are present. The Senator from Missouri [Mr. SYMINGTON] is well qualified to speak on other aspects of this question. I am sure he will do so.

I return to my original point. This money will be used to buy military hardware. When someone is buying aircraft, missiles, trucks, small ships, electronics equipment, tactical missiles, and so forth, it takes "big money." There must be not only enough, but perhaps too much.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. STENNIS. I am glad to yield.

Mr. SALTONSTALL. The Senator talks about the requirement for "big money" to buy equipment. It also takes trained manpower to operate the equipment.

Mr. STENNIS. Yes.

Mr. SALTONSTALL. If the operations can be done by trained manpower of our allies and friends, it is much better than providing it ourselves.

Mr. STENNIS. That is a very good point. That is particularly true in the four countries to which I referred. I do not wish to discredit any other country which I have not mentioned, but these countries are the ones in which we know we will get returns, and they receive 88 percent of the money.

I thank the Senator for his question.

Mr. President, in spite of the fine endeavor and wonderful knowledge of our friend the Senator from Louisiana, with whom I usually vote, I hope that in this regard the committee recommendation will prevail.

Mr. McGEE. Mr. President, will the Senator yield?

Mr. STENNIS. I yield briefly to the Senator. We have discussed this question before.

Mr. McGEE. Did I correctly understand the Senator from Mississippi, who has great knowledge of the question of military assistance, to say, that it costs much less for us to put a Korean soldier, for example, on the frontline, than it would cost to put an American soldier there?

Mr. STENNIS. It costs a great deal less. On a per-man basis the cost is between one-third and one-fifth as much.

Mr. McGEE. A substantial portion of these funds would be used for equipping non-American forces, is that correct?

Mr. STENNIS. Yes. The money will be used for the military hardware and for equipping with smaller weapons these very fine soldiers in those countries.

The same is true in Iran. There are very fine soldiers in Iran.

Mr. McGEE. Is it not equally true that there are some cost-sharing developments under this program, in which some of our allies are joining us?

Mr. STENNIS. That is a good point. The Senator is correct. I will let some other Senator discuss that point.

Mr. McGEE. Pertinent to that point, we should keep in mind, in regard to the cost-sharing programs, that more than half a billion dollars is committed to those programs for this year. Our share of that half billion dollars in the cost-sharing development is 25 percent, about one-fourth, and the share of our allies is three-fourths. In other words, we are getting extra mileage on a contribution measured directly against ours.

Mr. STENNIS. I am glad to have the Senator's figures in that regard.

Mr. McGEE. There is one point which is closely related to the others. On the cost-sharing programs this year, the half billion dollars, which we and our allies are developing together, 70 percent of the funds will be spent in the United States.

Mr. STENNIS. Yes.

Mr. McGEE. I think those facts should be borne in mind as we assess what the program costs the United States.

Mr. STENNIS. That is very pertinent, and related to the subject. I thank the Senator for bringing out those points.

The Senator from Louisiana has criticized the provision of money for Western Europe. I share the Senator's concern, and I have tried to get that part of the program reduced from year to year, in other respects. I think we have made progress in that respect. The military departments themselves have been helpful along that line.

Mr. McGEE. I have only one other figure to give, if the Senator will yield further.

Mr. STENNIS. I yield.

Mr. McGEE. I refer to the specific figure on the cost of a Korean soldier compared to the cost of an American soldier.

The cost is $4,000 to put an American soldier in the field there. The cost is only $219 for the Korean soldier. The discrepancy is so considerable that we ought to weigh again the difference in the cost.

Mr. STENNIS. I thank the Senator.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. STENNIS. I am glad to yield.

Mr. ELLENDER. Since it costs so little to provide for a Korean soldier, why is it necessary for the United States to have 2½ divisions of American soldiers in Korea? We have provided equipment for 18 local divisions, and have built them up. We have furnished the military equipment and everything else. We are doing the same in South Vietnam.

But plans are now being made to have at the ready four complete U.S. divisions which can be flown to any part of the world in the event anything breaks out.

Why does that situation exist? I have heard the argument advanced by the Senator from Wyoming many times. It has been repeated time and time again. It is said that we can outfit and maintain a soldier of some other country for less money than one of our own. It does cost less, but the soldier does not compare to one of ours, and we must send our troops in to help them fight in the event of trouble.

Mr. STENNIS. Mr. President, I had not yielded the floor.

I did not bring out the figures about the cost of a Korean soldier, though I think we do get more for our money per dollar for what we spend in that part of the program in Korea than anywhere else. As I said in the beginning, Korea is not merely a country. Korea is a spot on the map to which our policy is tied. We must defend it this year, next year, and for many years to come. I am through with the thought that perhaps in a few years we shall not have to do so. We must carry that load for many years to come.

Mr. President, I yield the floor.

The PRESIDING OFFICER (Mr. Muskie in the chair). The Senator from Missouri [Mr. Symington] is recognized.

Mr. SYMINGTON. Mr. President, I support wholeheartedly the position taken by two of my senior colleagues on the Armed Services Committee, the distinguished Senator from Massachusetts [Mr. Saltonstall] and the distinguished Senator from Mississippi [Mr. Stennis]. They have made most, if not all, the points I had planned to make this evening.

With all due respect to my able and beloved friend from Louisiana, in this particular case I simply cannot agree that it is wise to cut this program further.

The original figure asked for last year was $1,885 million. The amount requested in the fiscal year 1962 budget was $2.2 billion. In the 1961 budget it was $2 billion. Therefore, the amount requested already represents a heavy original reduction. The fact we have reduced further the already reduced request by $50 million from the original relatively austere program of $1.5 billion, is, in my opinion not in our best interests. To reduce it still further at this time would be even more serious when we consider those places all around the earth already referred to by the able Senator from Mississippi.

I hope in this case the Senate will retain the $150 million put back by the Senate Appropriations Committee. It seems to me the arguments made by the Senator from Massachusetts and the Senator from Mississippi, two experts in this body on our military position, are most conclusive. I hope the Senate maintains the committee restoration of the reduction.

Mr. ELLENDER. Mr. President, the arguments we have heard from the Senator from Mississippi [Mr. Stennis], the Senator from Massachusetts [Mr. Saltonstall] and the Senator from Missouri [Mr. Symington] have been made before. It is my contention that if we take the fat out of the military budget, Korea, Greece, or China—that is Taiwan—will not suffer. As I pointed out, if we were to give each country the 22-month leadtime which the Department of Defense has said is necessary, we could cut more than $600 million.

Consider the case of Korea. Today we have in the pipeline almost $1 billion for military assistance for that country. The agency can take out that amount, if it desires to do so, and give it to Greece or any other country. As I pointed out, there are leadtimes for some countries of as much as 56 months when 22 months is the requirement.

Mr. President, it is very well to build armies in the countries about which we have been speaking. But I would not like to see American divisions fight a battle side by side with Iranian soldiers for example. We have spent hundreds of millions of dollars on the Iranian Army and it would be as effective against the Russian Army as a popgun corps would be to defend Washington against the U.S. Army.

There is not a spot on earth where we have equipped the soldiers sufficiently so that the American soldier would not have to go there to fight with the native forces. With all the expenditures we have made under the program, we are building up four complete airborne divisions to go to any part of the world in the event anything should happen. We feel that notwithstanding all the equipment and training we have undertaken of native soldiers is not sufficient. We have to send our own men into places of trouble.

As I pointed out a while ago, according to the newspapers, Mr. McNamara stated that the countries of Western Europe have increased their might by about 20 percent in the past year, whereas we have increased our might in Western Europe by 45 percent.

The same is true in relation to what we are trying to do in South Vietnam. Not one of our allies is trying to help us there. The operation is all American.

The same thing would apply to Taiwan.

The same would apply to South Korea, except for the presence of 2 Canadians, 2 New Zealanders, 2 Australians, 25 men from Great Britain, and a handful from Turkey and Greece, who are there as a semblance of assistance, in order to make the project look like a U.N. operation. In fact, we are furnishing all the money and economic aid necessary to build up the 18 ROK divisions that are there now. Aside from that, we are spending hundreds of millions of dollars in order to sustain the economy of Korea.

Mr. President, even though my amendment is adopted, merely taking $150 million out of the program would not, in my judgment affect the program. It could be squeezed out of the allotment of those countries which are over and above the 22-month tolerance that I mentioned. There would still be an excess of $400 million that could be spent and disbursed in countries in which it is needed.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield for a question.

Mr. HOLLAND. Is it not true that the reduced amount of $1,300,000,000 would more than take care of the full need, the full expectation, and the full budgeted amounts for such nations as Turkey, Greece, and Pakistan, and a limited number of other countries that we know would stand up with us and fight?

Mr. ELLENDER. The Senator is correct. We pointed that out before the committee.

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield for a question.

Mr. HICKENLOOPER. I do not think there is any Senator who does not desire to give the military whatever is reasonably and properly necessary to take care of the security of the United States under the programs which we have and upon which we have determined.

I have seen many instances in which there has been colossal waste and inattention to the equipment which the United States furnishes to its own troops. I have seen also the luxurious extravagance which occurs in the Armed Forces at various places in the world. I am wondering if the Senator does not agree that, without any diminution whatsoever in the effectiveness of our Armed Forces, the amount stated, and a great deal more, could be taken out if the commanding officers and those responsible for safeguarding and husbanding the resources of the United States here and abroad would really do the job that Congress has imposed upon them and their responsibility.

Mr. ELLENDER. There is no question about it. In the reports that I have made to the Congress I have shown many times that a good deal of the military equipment and hardware that we send to other countries has been dissipated. It has not been well taken care of. We often send equipment that the soldiers to whom we send it cannot use because they do not know anything about it.

Mr. HICKENLOOPER. I think it goes beyond that. I think it is a fact that we duplicate and waste. In addition, recipients are very often careless and irresponsible in their care of what they get. There could be a comparable instruction directed toward those whose responsibility it is in our own Government and in our own Military Establishment to safeguard and preserve that equipment for the most efficient use; and I do not believe they do so in many cases.

We have had pointed out to us examples of members of the Armed Forces deliberately violating the law and spending vast sums of money, and nothing ever having been done about it. They continue to be promoted just as if they had never done it. There are no courts-martial and no trials. No one is brought to judgment. A great deal of the fault is the inefficiency and lack of attention within our own departments.

Although I am willing to vote every last dollar that we really need to carry out a program, I believe this program is overfinanced. With the backlog which remains on hand, I believe we could well stand this reduction, especially in the light of the fact that this afternoon we acted on a measure to pay foreign banks a higher interest rate on deposit of money here than we pay our own citizens, in order to stabilize and help our own finances. That was the excuse that was given. I believe we can be a little careful in light of the extravagance with which we throw away our money.

Mr. ELLENDER. The Senator has mentioned the burden of my argument. I also stated, that with all we are doing, we still have the 6th Fleet in the Mediterranean. We had to agree with NATO to have 6 or 7 Polaris submarines assigned to them. In addition, we have provided 150,000 more soldiers in order to assist our allies in Western Europe.

I go back to the proposition that the more we furnish these people the more will they lean on us and be lulled into the belief that Uncle Sam will carry the whole load.

The proposed small cut of $150 million would leave ample amounts of new money, together with the money that is now unexpended, to furnish hardware to the countries that really need it. I hope the amendment will be adopted.

I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Louisiana. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Pennsylvania [Mr. CLARK], the Senator from Illinois [Mr. DOUGLAS], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Tennessee [Mr. GORE], the Senator from Alabama [Mr. HILL], the Senator from Ohio [Mr. LAUSCHE], the Senator from Washington [Mr. MAGNUSON], the Senator from Arkansas [Mr. MCCLELLAN] and the Senator from Oklahoma [Mr. MONRONEY] are absent on official business.

I further announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Alaska [Mr. GRUENING], and the Senator from Wyoming [Mr. HICKEY] are necessarily absent.

I further announce that, if present and voting, the Senator from Pennsylvania [Mr. CLARK] would vote "nay."

On this vote, the Senator from New Mexico [Mr. CHAVEZ] is paired with the Senator from Illinois [Mr. DOUGLAS]. If present and voting, the Senator from New Mexico would vote "nay," and the Senator from Illinois would vote "yea."

On this vote,. the Senator from Tennessee [Mr. GORE] is paired with the Senator from Alaska [Mr. GRUENING]. If present and voting, the Senator from Tennessee would vote "nay," and the Senator from Alaska would vote "yea."

Mr. KUCHEL. I announce that the Senators from Vermont [Mr. AIKEN and Mr. PROUTY], the Senator from Utah [Mr. BENNETT], the Senator from South Dakota [Mr. BOTTUM], the Senator from Maryland [Mr. BUTLER], the Senator from Indiana [Mr. CAPEHART], the Senator from New Hampshire [Mr. COTTON], the Senator from Illinois [Mr. DIRKSEN], the Senator from Kentucky [Mr. MORTON], the Senator from Pennsylvania [Mr. SCOTT], and the Senator from Texas [Mr. TOWER] are necessarily absent.

If present and voting the Senator from Texas [Mr. TOWER] would vote "nay."

On this vote, the Senator from Utah [Mr. BENNETT] is paired with the Senator from Vermont [Mr. AIKEN]. If present and voting, the Senator from Utah would vote "yea," and the Senator from Vermont would vote "nay."

On this vote, the Senator from Indiana [Mr. CAPEHART] is paired with the Senator from Pennsylvania [Mr. SCOTT]. If present and voting, the Senator from Indiana would vote "yea," and the Senator from Pennsylvania would vote "nay."

On this vote, the Senator from Kentucky [Mr. MORTON] is paired with the Senator from South Dakota [Mr. BOTTUM]. If present and voting, the Senator from Kentucky would vote "yea," and the Senator from South Dakota would vote "nay."

The result was announced—yeas 35, nays 41, as follows:

[No. 297 Leg.]

YEAS—35

Bartlett
Bible
Boggs
Burdick
Byrd, Va.
Carlson
Church
Cooper
Curtis
Dodd
Eastland
Ellender
Ervin
Fong
Hickenlooper
Holland
Hruska
Johnston
Jordan, N.C.
Kerr
Long, Hawaii
Long, La.
Miller
Morse
Murphy
Pearson
Pell
Proxmire
Russell
Smathers
Talmadge
Williams, Del.
Yarborough
Young, N. Dak.
Young, Ohio

NAYS—41

Allott
Beall
Bush
Byrd, W. Va.
Cannon
Carroll
Case
Engle
Goldwater
Hart
Hartke
Hayden
Humphrey
Jackson
Javits
Jordan, Idaho
Keating
Kefauver
Kuchel
Long, Mo.
Mansfield
McCarthy
McGee
McNamara
Metcalf
Moss
Mundt
Muskie
Neuberger
Pastore
Randolph
Robertson
Saltonstall
Smith, Mass.
Smith, Maine
Sparkman
Stennis
Symington
Thurmond
Wiley
Williams, N.J.

NOT VOTING—24

Aiken
Anderson
Bennett
Bottum
Butler
Capehart
Chavez
Clark
Cotton
Dirksen
Douglas
Fulbright
Gore
Gruening
Hickey
Hill
Lausche
Magnuson
McClellan
Monroney
Morton
Prouty
Scott
Tower

So Mr. ELLENDER's amendment was rejected.

Mr. McGEE. Mr. President, I move that the Senate reconsider the vote by which the amendment was rejected.

Mr. HUMPHREY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ELLENDER. Mr. President, I send to the desk an amendment which I ask to have stated.

LEGISLATIVE PROGRAM

Mr. KUCHEL. Mr. President, will the Senator from Louisiana yield, without losing his right to the floor, so that I may inquire of the majority leader what the schedule will be for the remainder of the day and for tomorrow, and to obtain any additional information which might be of help to us in handling our burden?

Mr. ELLENDER. I yield, provided I do not lose the floor.

Mr. MANSFIELD. Mr. President, I hope there is a possibility—although I am not certain of it—that the Senate may finish the pending business tonight. Perhaps in an hour or so we will have a better idea of whether that can be done.

If action on the pending bill is completed tonight, other measures will be considered tomorrow. If the Senate does not finish action on the pending bill tonight, it is expected to have the Senate convene at a reasonably early hour tomorrow, perhaps 10 or 11 o'clock to continue with consideration of the foreign aid bill.

Among other bills to follow are:

Calendar No. 2009, H.R. 12213, to provide for the temporary suspension of the duties on corkboard insulation and on cork stoppers;

Calendar No. 177, S. 1183, to amend the Merchant Marine Act, 1936, in order to provide for the reimbursement of certain vessel construction expenses;

Calender No. 1887, H.R. 11880, to amend the Foreign Service Buildings Act, 1926, to authorize additional appropriations, and for other purposes;

Calendar No. 2150, S. 3760, to amend the National Defense Education Act of 1958 to raise the limit of Federal payments into student loan funds, to broaden the types of equipment which may be acquired with Federal grants and loans, and for other purposes.

Also, it is proposed to consider the conference report on the tax reform bill and possibly Calendar No. 2176, H.R. 8140, to strengthen the criminal laws relating to bribery, graft, and conflict of interest, and for other purposes.

Mr. HICKENLOOPER. Mr. President, for the information of the majority leader and the acting minority leader, there will be a little discussion, either tonight or tomorrow, about certain lapses in Central America, involving Honduras. This discussion may take a little time, perhaps an hour or so. The discussion will cover various phases of some of the items in the bill, and perhaps other factors.

I thought I should warn the majority leader that that discussion is in the offing. We are trying to accommodate the Senator from Louisiana, who intends to offer a series of amendments on this particular item.

The proposed discussion is akin to the bill. It is a part of the foreign-aid operation, but it is somewhat collateral to the subject under discussion. That is why we have refrained from pursuing it at this time.

Mr. MANSFIELD. The Senator from Iowa has given ample warning of his intention to discuss a situation involving expropriation in a certain Central American country.

Mr. HICKENLOOPER. That is correct. Other Senators also are interested in expressing themselves on the subject.

Mr. MANSFIELD. When I mentioned the possibility of finishing action on the bill tonight—and that is a long shot—what I had in mind was, if possible, having the third reading and then perhaps fixing a time certain tomorrow for the vote on the passage of the bill.

Mr. HICKENLOOPER. In all fairness to the majority leader, I should say that I have been contemplating the offering of an amendment to the bill which would further strengthen the prohibition against expropriation. That is very difficult to do at the last minute. I have not decided whether I shall offer an amendment. There is plenty of authority on the books now if the State Department will enforce the law. Whether a little further turn of the tourniquet is needed is another question. I have not decided whether it would be feasible, or perhaps I should say practicable, to amend the foreign aid bill, or to pay our respects to the lapses which are taking place at present by way of the laws already on the books.

Mr. MANSFIELD. We shall do our very best to comply with the wishes of the Senator from Iowa.

FOREIGN AID AND RELATED AGENCIES APPROPRIATIONS, 1963

The Senate resumed the consideration of the bill (H.R. 13175) making appropriations for foreign and related agencies for the fiscal year ending June 30, 1963, and for other purposes.

The PRESIDING OFFICER. The amendment of the Senator from Louisiana [Mr. ELLENDER] will be stated.

The LEGISLATIVE CLERK. On page 3, line 19, it is proposed to strike out "$1,125,000,000" and insert in lieu thereof "$925,000,000."

Mr. ELLENDER. Mr. President, on this amendment I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. ELLENDER. Mr. President, it is not my purpose to detain the Senate very long on this amendment. I seek to cut $200 million from the amount appropriated by the committee. The House of Representatives voted to reduce the DLF by $475 million and my amendment would increase the amount allowed by the House by $150 million.

The record shows that the bulk of these loans will be made to countries to which we have already given until it hurts. Greece, India, China, and Korea will receive a substantial amount of the money made available for this appropriation and yet we have given these countries billions of dollars since the inception of this program. Through fiscal year 1962, we have given Korea in excess of $5.2 billion. We have given China in excess of $4.4 billion, and to India and Greece we have given in excess of $3.8 billion and $3.3 billion respectively.

Mr. President, how long will we be able to fool the American people? In my opinion this Development Loan Fund is only another giveaway program. The repayment terms of 40 to 50 years, three-fourths of 1 percent credit fee, and a 10-year grace period make these loans, for all intents and purposes, really and truly grants.

I wish Senators to bear in mind that the Development Loan Fund has nothing to do with our Alliance for Progress program carried on in Latin America. That program is treated separately in the bill before us.

Mr. President, the reports I have made to the Senate, as well as to the State Department, are replete with statements that we have given to some of these underdeveloped countries so much money that their economies were unable to absorb it, and the aid was wasted. On many occasions, I brought that fact to the attention of the Senate, but Senators took no heed.

Perhaps now Senators will pay attention to the audit report covering our aid to Korea which was prepared by the auditors of the General Accounting Office. Earlier today, I cited some language from this report. The language used in this report is almost identical to that used by me 6 years ago in my report on Korea.

This is the observation which has been made by the GAO:

> The conditions disclosed by our examination—

In Korea—

> require the conclusion that the aid program in Korea during the fiscal years 1957 through 1961 was considerably less successful in advancing the economic program of the country than it was reasonable to expect from a program of such substantial financial magnitude. The disproportionate share of success of the program is attributable to several interrelated causes. Most notable, in our opinion, are that the level of aid, which averaged in excess of $200 million annually, was beyond the capacity of the Korean economy to absorb productively, or of its Government to administer efficiently.

Mr. President, that is a finding by the General Accounting Office, and it is the same conclusion that I reached when I visited Korea in 1955 and 1956, as my reports will attest. No one paid any attention then to my findings. It required the displacement of Syngman Rhee by about 200 students there before our State Department became aware of the graft and corruption with which our aid program was tainted in Korea.

Mr. President, today the Korean Government is in the hands of the same military forces which were in charge when Syngman Rhee was President and which were considerably responsible for the graft and corruption that harassed our aid program. When the students successfully ousted Syngman Rhee, the new regime, which was created soon afterward, did not pay any attention to the military and did not give them the liberal handout that was theirs previously. Consequently it was not long before the military took over again; and now they are once again firmly entrenched in South Korea. The military group there is simply holding us over the barrel, saying, in effect, "If you do not let us have the money to sustain our economy, we are going to go over to the side of the Commies."

I repeat that, notwithstanding the fact that in the past we have spent billions of dollars in Korea, and notwithstanding the fact that this aid was ineptly handled by Koreans totally lacking in ability to handle such huge sums of money, it is now being proposed that we give Korea much more than we gave that country last year.

Mr. President, it is time for us to stop this foolishness. Let us put some plain old commonsense in this program before it is too late.

I wish to make another point. We are told that these loans will be repaid in dollars, are fully secured, and we can definitely expect payment. The facts belie these idealistic dreams.

The countries programed for loans are now so overburdened with debt that there is barely a chance that we will ever be repaid.

Our loans are made on terms of 40 to 50 years, with interest at the rate of three-quarters of 1 percent, and with a 10-year grace period. Those are the terms that were provided to India, for the $405 million of loans we made available to her during fiscal year 1962.

Let us see what our allies are doing for India. West Germany is making a loan to India, and the interest rate is 6.3 percent, payable in 10 years.

Where does India expect to get the dollars to pay that German loan if it is not from money to be borrowed from us under conditions of a 10-year period of grace and a 40-year period of repayment?

Japan also made a loan to India, payable in 10 years, and the rate of interest is 5¾ percent. Are we not "suckers"?

Switzerland is lending money to India at 3¼ percent interest, payable in 10 years.

Yugoslavia is making loans to India at an interest rate of 3 percent, payable in 5 years.

The U.S.S.R. has made loans to India, payable in 7 years, 10 years, 12 years, at 2½ percent interest, in contrast with our loans with a repayment period of 40 years with a 10-year grace period.

Mr. President, that is why I say our loans are not really loans. They may be called loans, but in my judgment they will never be repaid and they should be called grants.

Are our administrators looking into the debt service capacity of the countries that will be the recipients of the bulk of these loan funds? I would like to cite, for the information of Senators, the estimated international indebtedness of the major recipients of our loan funds and I refer specifically to India, Pakistan, Turkey, and Nigeria.

INDIA (ESTIMATED INTERNATIONAL INDEBTEDNESS AS OF DEC. 31, 1961)

	Millions
International organizations: IRBD and IDA	$873
Countries other than the United States:	
United Kingdom	384
Canada	33
West Germany	419
Japan	806
U.S.S.R.	138
Other countries	187
Total	1,967
United States	$1,073
(Public Law 480)	[1](1,083)
Grand total	3,912

[1] Public Law 480 is shown separately and not included in totals. The figure given is the amount of rupee deposits (as of Apr. 1, 1961) made against title I shipments. Only a small part of this should be considered a foreign claim, since most of the rupees are to be used for Indian economic development.

PAKISTAN ESTIMATED INTERNATIONAL INDEBTEDNESS (AS OF MAR. 31, 1962)

	Millions
International organizations: IBRD	$48.0
Countries other than United States:	
United Kingdom	26.4
Germany	1.2
U.S.S.R	.3
Total	27.9
United States	294.6
Grand total	370.7

TURKEY (INTERNATIONAL INDEBTEDNESS AS OF MAY 30, 1962)

International organizations:	Millions
EMA	$95.0
IMF	74.0
IBRD	46.8
EPU	43.6
Other	1.3
Total	260.7
Countries other than United States:	
Germany	203.0
United Kingdom	100.1
France	55.9
Italy	48.4
Benelux	27.8
Austria	6.1
Switzerland	5.7
Sweden	4.9
Denmark	.7
Norway	.5
Portugal	.5
Communist bloc	11.6
Asian countries	.4
Total	465.6
United States	220.4
Grand total	946.7

NIGERIA (ESTIMATED INTERNATIONAL INDEBTEDNESS AS OF MAR. 31, 1962)[1]

	Millions
International organizations: IBRD	$28
Countries other than United States:	
United Kingdom	85
Israel	3
United States	4
Grand total	120

[1] Since Mar. 31, 1962, the Export-Import Bank has made a loan of $2 million.

Mr. President, I submit that our development loans are going to be used by these countries to service the debts they owe to our prosperous allies. Though this will not be effected directly, it will come about indirectly since our loans carry only a three-fourths of 1 percent credit fee, are repayable in 40 years, and a 10-year grace period is available to the borrower.

It is time that we conduct our aid program on a businesslike basis. These ultra soft loans should cease and our loans should be made on the same terms as other lenders. Unless we do this, we will continue to be classed as a soft touch, so to speak.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield to my friend from Virginia.

Mr. ROBERTSON. I must express regret so few of our colleagues are present to listen to the explanation of this program, which clearly demonstrates that India and some of the other countries wish to have us furnish them money so that they may repay other nations which have made short-term loans at high rates of interest, while we have made long-term loans at either no interest or three-quarters of 1 percent interest.

Mr. ELLENDER. And payable in 40 years.

Mr. ROBERTSON. Mr. President, the Congress has been in session more than 9 months. Today the Senate has been in session more than 9 hours already. Members of the Senate are weary and anxious to wind up this little ball of yarn, so to speak. They are not present to listen to the discussion of a very vital issue.

What will be the result of this program? We must borrow the money for it. By the most conservative estimate we shall have a deficit of more than $8 billion this fiscal year. If there is a tax cut, as many people think there will be, the deficit could be as large as $18 billion.

What rate of interest will we have to pay for that money? It will not be three-fourths of 1 percent. We can be sure of that.

We are giving this money away, because these loans will never be repaid. Hundreds of millions of dollars are to be given away, in addition to what we have already provided.

I ask the Senator from Louisiana how much we have practically given away since the end of World War II?

Mr. ELLENDER. In excess of $100 billion.

Mr. ROBERTSON. Think of that, Mr. President. I hope the amendment will be agreed to.

Mr. ELLENDER. Mr. President, I should like to point out again, for the benefit of the Senate, that there is included in the bill the sum of $2 billion which the United States will contribute to the International Monetary Fund.

Our foreign aid program has made it necessary for us to use the International Monetary Fund as a device to stem the flight of our gold.

Public Law 87–490, amending the Bretton Woods Agreements Act, has been passed by Congress authorizing the Secretary of the Treasury to make loans not exceeding $2 billion outstanding at any one time to the IMF.

In the bill now before us, Congress has been asked to appropriate $2 billion and this action has already been taken by the House. Other countries that have also agreed to make loans of their currencies are the following:

AMOUNT—DOLLAR EQUIVALENT

Country	Billions
West Germany	$1
United Kingdom	1
France	.550
Italy	.550
Japan	.250
Canada	.200
Netherlands	.200
Belgium	.150
Sweden	.100
Total	4

Although the United States has agreed to make loans up to $2 billion, of course, it is not contemplated that this money will actually be disbursed until the United States gets into a favorable balance-of-payments position.

Under the agreement we have entered into with the IMF and the nine countries mentioned, it will be possible for us to borrow the currencies of these countries to stem the flight of gold. Instead of borrowing directly from the particular countries we will borrow their currencies through the IMF.

On page 33 the House report on the foreign aid bill lists the steps that we will employ to obtain loans from the IMF. These six steps follow:

1. The United States would notify the IMF that it wanted to draw down $4 billion—the maximum under this special arrangement.

2. The IMF would then issue a call for the pledged currencies of the other nine members of the special borrowing arrangement.

3. As soon as the $4 billion was collected, the IMF would turn that amount of foreign currencies over to the United States in exchange for $4 billion of non-interest-bearing notes.

4. The United States could then use the $4 billion in foreign currencies to purchase $4 billion of U.S. dollars (in excess to their needs) held by any of the nine member nations.

5. If the present deficit balance-of-payments position of the United States is reversed, the United States would then repay the $4 billion in the foreign currencies which it had borrowed from the fund.

6. If the United States should not reverse its present deficit balance-of-payments position, it would then have to repay the $4 billion in gold or other convertible currency (not U.S. dollars). Then we would be right back where we started from and we would be in the same difficult position that we are in today.

Mr. President, our foreign aid program has indeed gotten us into an absurd and ridiculous position.

While on the one hand we are required to borrow money from our allies in Western Europe through the IMF, on the other hand we are making available to these very same allies military grant assistance totaling $314 million for fiscal year 1963.

I hope and pray that the Senate will support my amendment. I am sure that if it is adopted some semblance of sanity will be put into this program.

Mr. HUMPHREY. Mr. President, I shall take only a few moments.

Of all the parts of the bill which merit support, no part merits it more than the Development Loan Fund. The hue and cry in the Congress for years has been to get away from gifts and grants and to place the program on a loan basis.

A year ago the Congress was asked by the President to provide a 5-year extension of the development loan program on the basis of borrowings from the Treasury, so that the AID administration could make long-term commitments and be sure that the commitments could be fulfilled. My colleagues may recall that there was a great deal of support throughout the country for that particular type of authorization, a 5-year authorization as to which there would be authority in the President, working through the State Department, to borrow from the Treasury the amounts which were outlined for each year, approximately $1.2 billion.

We altered that request by the administration. We came forth with a 5-year authorization in which each year the AID administration would be required to come before the Appropriations Committee and justify its request, rather than to have a 5-year authorization, in connection with which the Appropriations Committee would for all practical purposes be bypassed.

When that agreement was entered into, when the original administration proposal was rejected or amended and we continued the normal and established procedure of an authorization requiring appropriations through the Appropriations Committee and the Congress, it was understood, as was stated in the debates, that if the Agency could demonstrate its need for the funds, the Congress of the United States could be trusted and relied upon to give the full amount of the authorization.

Let me make it quite clear that the idea of having long-term authorization with the authority to go to the Treasury and obtain the moneys necessary to fulfill that authorization was not new with the present administration. It was judged to be necessary by the previous administration. Why? Two Presidents and their Secretaries of State came to the conclusion that the loan program was superior to the grant and gift program—that it was better for ourselves and better for the recipients, was more businesslike, and met the greater popular approval in the United States.

Both President Eisenhower and President Kennedy felt that way. Three Secretaries of State—Mr. Dulles, Mr. Herter, and Mr. Rusk—indicated that it was imperative there be long-term commitments and loan programs or otherwise the programs would be wasteful and might well be ineffective.

As a result of the pleas and urgings the Congress authorized a 5-year program. It also said, "However, you must come back each year to the respective Houses of Congress, and to the Appropriations Committees of the House of Representatives and of the Senate, through the regular and established processes of our legislative bodies, for moneys to be appropriated if there can be a case made for them."

What is the fact? Mr. Frank Coffin appeared before the Senate Appropriations Committee, as he did before the Senate Foreign Relations Committee on the authorization program, and made a case for the full request by the administration, which was, as I recall, $1,205 million.

The Appropriations Committee did not grant the full authorized amount. As I recall, the Appropriations Committee granted about $150 million less than had been requested by the administration. I shall check my figures to make sure. The total amount of the authorization was $1,250 million. The House figure was $775 million. The Senate Appropriations Committee reduced the funds appropriated from the authorization level $125 million. The committee recommended an appropriation of $1,125 million. The administration asked for full restoration, but I believe it is fair to say that the Senate Appropriations Committee took a hard look at the request that was made. The Senate Appropriations Committee examined into the testimony and looked at the commitments which our Government had already made and which we must keep.

For example, it was discovered that if we did nothing better than the other body had done, we would barely be able to keep our commitments to India and Pakistan, which ran over $600 million. Those commitments were under a consortium. We were a part of a multibody group, including even the World Bank, making funds available to those countries. Apparently the contributing countries and the World Bank thought that those loans to Pakistan and India were necessary.

Moreover, India has been making her payments. She has been paying back on previous loans. For example, we sold India surplus wheat in 1951. She has been paying back in dollars and not in soft currencies.

Pakistan is a reliable ally.

We have need for money in such countries as, for example, Nigeria, in Africa, which is one of the hopeful countries in Africa for freedom and democracy. If we are not able to restore the funds at least to the degree that the Senate committee has requested, we shall not be able to fulfill any of the requests that have been made, particularly in the countries in the African area.

Two or three other countries were brought to our attention as being at the top of the list in the African and Asian area for Development Loan Funds. We have argued this case repeatedly. We are not going to get out of the foreign aid business. We might as well face up to it. Every time I hear an argument or a discussion in relation to foreign aid it is always mentioned that we are carrying an undue burden. We are carrying the big load. That is true. There is no doubt about it. I shall tell the Senate why. We are the big country. We are the big power.

It is the United States which is the ultimate target of Communist aggression and imperialism. Every other country is but a stepping stone to the main target. For years the British carried the main burden of defense.

What country do Senators think carries the main burden in the Soviet bloc? Rumania? Poland? No, indeed. The Soviet Union does. The Soviet Union does not hesitate to take on the burden in Cuba.

It relishes the opportunity, and it would not hesitate to take on the full burden in Indonesia, one of the potentially richest countries on the face of the earth, and one of the heavily populated countries.

The Soviet Union would not hesitate to take on the burden of all of Korea, and it would not hesitate in relation to other countries, if it could get them. Economic assistance is a part of our national security program.

Let us take a good look at the self-interest involved. Today we are able to realize 78 cents out of every dollar of foreign economic aid that we loan or grant. Seventy-eight cents out of every dollar is spent in the United States of America for goods and services. The loans are repayable.

I submit that it is one thing to say that countries will not pay back the loans, and another thing to say that the nations receiving the loans are in default.

I remember when it was said that France would not pay back her loan. But the French are ahead in their payments. Not long ago they came over here with about $490 million in gold. They said, "We do not owe it to you for a few years, but we would like to pay it in advance."

The argument had repeatedly been made that France would not pay back the loan.

Interestingly enough, countries are making their payments and they are doing so on schedule. They are making the payments as a point of national honor.

The argument can be made, "The interest rate is low on these loans."

Mr. President, under the foreign aid program we are not engaged as a banker in the foreign loan business. The Development Loan Fund is being used to make possible viable, relatively strong and stable economies. We want the loan program to be a workable instrument, not because we are bankers hoping to get 4 percent interest, but because we want to make the loan program a workable program so that countries can remain free and independent. I am of the opinion that thus far we have had fairly good results.

It is one thing to have the charge repeatedly made that these programs are no good or that they are overextended. It is another thing to prove the case. Many of the loans are made after the United Nations Special Fund has examined the reliability and desirability of the project. They are made after the World Bank has made its examination in country after country in Latin America. Before loans are made we get the report of the World Bank. Mr. Black, the head of the World Bank, has made money for the World Bank. By the way, the consortium of which we are a part in India was approved by the World Bank. The consortium of which we are a part in Pakistan was put together by the World Bank.

It is about time, instead of merely branding the loans as wasteful and not repayable, to take a look at where the loans started. How did we get them? How did we participate? In country after country we participated after careful examination as to the soundness of the project. International agencies were brought in to examine the project. The World Bank was brought in to look at the financial feasibility of the project. Private engineering firms were brought in to see whether or not the project would pay out. Only then were loans made.

In fact, the entire problem with the development loan program is that it is too slow. Why? Because we constantly examine it. We have a private bank task force, a World Bank task force, and an Inter-American Bank task force which continually examine, because Congress is demanding that loans be made on a responsible basis.

I would be the last to say that some country may not default on a loan. It may. I have never been in the banking business, but I have friends who are. Some of their so-called best credit risks have defaulted on their loans. They may. However, the purpose of the development loan fund is to provide for building the kind of world in which freemen can live. We do not use this loan fund to extend normal commercial credit. Private banking institutions in this country can fill any need for commercial credit. We use the Development Loan Fund to make loans that have a higher degree of risk.

Let us make up our minds that we are not the only nations in the world with money. We happen to be facing the Communist menace. The Soviet Union may not have enough food for its people, but certainly it has enough gold to place in the international markets. It may not have automobiles for its own people, but it has enough oil to walk into the international markets and destroy them. Sometimes they make loans that literally rock us back on our heels. I heard about a loan the Soviet Union made to India, in which there was a grace period, during which no interest payments were made. They have 10-year loans and 15-year loans. Perhaps we ought to do that. All our loans are not 40-year loans.

I note that the chairman of the Appropriations Committee is momentarily absent from the Chamber, but, as I recall, a large percentage of the development loans was for 20 years. This was debated at the time we considered the Proxmire amendment. They were not only 40-year loans. Some of them were for 15 years. Some of them were for 5 years. The staff will provide us with that information. I do not want this RECORD to show that we have glossed over a giveaway program, because that is not what it is.

I repeat what I said before, that 78 cents of every dollar we lend is spent in this country, in some Senator's State.

In 1961, there were 341 loans of 20 years or more.

Mr. ELLENDER. To what fund is the Senator referring?

Mr. HUMPHREY. The Development Loan Fund.

Mr. ELLENDER. That is the old one, created in 1958.

Mr. HUMPHREY. This information is for 1961. That was last year.

Mr. ELLENDER. What are the amounts involved?

Mr. HUMPHREY. $997 million.

Mr. ELLENDER. Some small loans were made, payable in 20 years, with a low rate of interest, and with a grace period, but they were repayable in soft currencies.

Mr. HUMPHREY. Yes.

Mr. ELLENDER. I believe the record will show that the loans repayable in dollars are for 40 years. That is the procedure now being used. In the meantime, our allies are letting our friends have money, as I pointed out, on a short-term basis, with high interest rates, and with no grace period.

Mr. HUMPHREY. We do that all the time under the Export-Import Bank.

Mr. ELLENDER. No; we do not. We do not allow any grace period.

Mr. HUMPHREY. That may be true.

Mr. ELLENDER. We charge interest from the time the loan is made.

Mr. HUMPHREY. Exactly. What the Senator from Louisiana is saying is that our allies charge interest rates that are reasonable.

Mr. ELLENDER. And so does the Export-Import Bank, which was created about 20 years ago to increase our exports.

Mr. HUMPHREY. In 1942 the charter was changed to provide for development loans. They now carry the going rate of interest.

Mr. ELLENDER. I know quite a bit about that subject, too. The Export-Import Bank did supervise the Cooley loans, but they were soft currency loans.

Mr. HUMPHREY. The Export-Import Bank is in the development loan business, as well as in the export business. Development loans are made for capital goods, which are exported.

These are the loans, in millions of dollars, that were made: The total amount is $997 million. Of that, $341 million was for more than 20 years; $358 million was for loans for between 10 and 20 years; $298 million was for loans for between 5 and 10 years. The 40-year loan is a very recent development, and was developed originally, as I recall, for the Alliance for Progress program. It has now been extended on a worldwide basis.

Mr. ELLENDER. The Alliance for Progress is not included.

Mr. HUMPHREY. I know it is not included in the Development Loan Fund. Some of the new 40-year loans have been made under the Alliance for Progress, however.

The book provided for us by the Agency for International Development shows the proposed program for fiscal 1963. It states:

> Loan terms have actually ranged from those normally required by the Export-Import Bank in connection with its own project loans to terms approximating those of the International Development Association, an adjunct of the World Bank. The former ordinarily charges 5¾ percent, frequently permits repayment in 15 years and often offers a grace period of a few years. The latter normally charges a ¾-percent credit fee and requires repayment over 50 years, with a 10-year grace period. AID development

loans, however, have yet to exceed a 40-year maturity period.

These were the most recent loans.

Mr. ELLENDER. That is what we have been discussing.

Mr. HUMPHREY. I submit to the Senator that most of the loans, according to the review that has been given to us on the flow of long-term loans, have been for less than 20 years.

Mr. ELLENDER. In the past.

Mr. HUMPHREY. Today.

Mr. ELLENDER. I believe we should check the record. I am referring to the loans we will make now that are repayable in dollars.

Mr. HUMPHREY. Some of the loans.

Mr. ELLENDER. Most of them, at least the larger ones and particularly those made to India.

Mr. HUMPHREY. We are a basic partner in the International Development Association, which was an idea that was given to the Senate by the Senator from Oklahoma [Mr. MONRONEY]. We thought up that idea. It is a multilateral agency, a subsidiary of the World Bank.

I will not take any more time with this amendment. We fought this battle out in many debates. I submit that the Foreign Relations Committee knew what it was doing when it recommended an authorization of $1,250 million, after extremely careful scrutiny, and the Appropriations Committee reduced the amount by $125 million. Now the effort is made to reduce it further. If the reduction is made, it will not be in the national interest, and may very well severely limit the development loan program.

Mr. JAVITS. Mr. President, one or two points arose in the work of the committee, of which I am a member, which have not been referred to as clearly as they should, as bearing upon the desirability of sustaining the committee, which is my position.

One of these is a totally new factor, and that is the very large amount of assistance which is going to underdeveloped areas from the Western European nations, the so-called Development Assistance Committee Group, which includes Western Europe and Japan.

According to the testimony of the Administrator of AID, it is expected that in this year we will see that figure approach $2½ billion.

That compares with our economic assistance of all kinds, including this assistance, which is really ancillary to military activity, of $3.4 billion. In short, we are beginning to get, for the first time, a ratability of carrying responsibility among the major European countries and Japan and the United States.

I should like to point out as a specific instance, in the case of India, that India had a program in the amount of $400 million. All the advances made to India by all the other countries of the world in the last 3 years were $1,249 million. To give some concept of the competition from the Soviet Union, it has advanced India, since 1959, $893 million. That is all contained in the report of the House Appropriations Committee on this subject.

I should also like to refer to the fact that in 1961, when this was accomplished, the development-assistance group of countries gave bilateral economic grants and loans of more than 6 years maturity to the less developed countries in the amount of $1,964 million as against our $3.5 billion.

In short, what these various figures mean is, first, that the competition with the Soviet Union has become more keen, and if we leave vacuums, they will move into them. When they move in, they do not move in only with money; they move in with so-called technicians. There has been a great deal of head-scratching about technicians, as applied to Cuba. I do not think we want to invite those technicians to many parts of the world, if we can avoid it.

Second is the fact that we are getting some area of ratability with other industrialized nations for the first time since the program has been started. What has bedeviled the foreign aid constantly has been the loan process on the part of the United States—of our principles, our policies, our practices dealing with foreign aid.

I have had experience with this program from the very beginning. I was a Member of the other body at the very inception of the foreign aid program in 1948 and 1949. I myself had much to do with the way in which the Mutual Security Acts have been written. I speak with the greatest of intimacy and knowledge of them.

I think our processes have improved. I think we are making progress in the necessary capital investments in underdeveloped countries, but I do not think we are coming near the mark of what is required. When we talk about billions of dollars, let us remember we are dealing with a billion and a half people.

When we talk about billions of dollars, let us remember that we are dealing with a billion and a half people who are tremendously under par in terms of standard of living, sanitation, and education, in the most rudimentary aspects of life.

If we are trying to build a world in which we ourselves will live on a fairly decent street and will not be surrounded by slums which are impossible to live with, we must build this program and make certain that it is adequate. No one believes for a minute that the U.S. Congress will do much more than it is doing and has done in recent years. I agree with that. I have not tried for any more. But I certainly do not think we can cut the program without doing grave damage to the whole program, especially since other nations are now moving in and making it come somewhere near what it should be.

The real problem is that the aid is not enough. There are too many hundreds of millions of people. There are too many countries, and there is too much abysmal poverty and backwardness in the world to be caught up with by aid in the amount of $3,500 million on the part of the United States and $2,500 million on the part of the other industrialized nations of the world, making a total in the area of $6 billion. That is not enough. Therefore, we have had to look to what is essentially the private economic system; but the private economic system will not enter the program until, first, there is a greater awareness of its desirability from the newly developing countries; second, until the bases are more securely laid in ports, roads, communications, and in the fundamental infrastructure, in which we are still so far behind in building, as is evidenced in India and other underdeveloped countries.

No one claims or says that those people will become Communists because we feed them. But it is said that the national aspirations of the new countries will become somewhat worse if progress is not made in building them up to responsible nationhood. The people will not have an inducement to try to become free. That is what we are talking about. No miracles are being promised. We are dealing with the life and death of hundreds of millions of people. We are dealing with the liberty of the whole world.

On those terms, I am for meeting the bill which experience and practice have demonstrated is worthwhile. We should not be niggling about it.

I admire and pay my tribute to the Senator from Louisiana [Mr. ELLENDER], who, because of his thoroughness and the fact that he does his homework and keeps boring in, makes people perform so much better than they ordinarily would. I am happy to say that. So I do not speak in disrespect when I say that comparing this proposal with what ought to be done; compared with the responsibilities which we are trying to carry; compared with what we are trying to inspire and animate in our industrial partners throughout the world, the proposed cut is unwise.

The House went infinitely too far. We are trying to adjust the balance to some extent. I think if we try to make a $200 million cut now, we will be missing the forest for the trees and will be unwise in our own interest in not carrying on favorably and adequately.

Perhaps this is not so severe a cut. That is not what is at stake. Can any Member of the Senate guarantee what countries would have fallen to communism if we had not been engaged in this program? Would it have been Greece, Turkey, Iran, India, Pakistan, Burma, or any other country, including Indonesia? What Member of the Senate can say that any of those countries would not have fallen to communism?

We have kept most of the people in the world free, notwithstanding the revolutionary aspects of the people, notwithstanding their hatred of colonialism, as typified to them by white Europeans or by white Americans.

We have paid for it, not in blood, but in treasure. Let us therefore assess the worth of the program and whether we ought to make a minor cut, although a hurtful cut, in what has served us so well in our offensive at home.

Let us not cripple ourselves in such a way as to discredit others who are at long last participating, so that they, too, may begin to make a shift and pull out, instead of moving forward, as we now see they are happily doing and are able to do.

I hope the amendment will be rejected.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Louisiana. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll, and Mr. Bartlett voted "nay."

Mr. ELLENDER. Mr. President——

Mr. BUSH. Mr. President, a point of order——

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the call of the roll be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ELLENDER. Mr. President, I would like to refer to the loans we have made during fiscal year 1962 to India.

Last year, there was loaned to India $405 million. All of the loans were 40-year loans, and the rate of interest was three-quarters of 1 percent. There may have been some loans in the past which are repayable in soft currencies which carried shorter terms, but most of the loans repayable in dollars cover a 40-year period.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Louisiana [Mr. Ellender]. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BURDICK (when his name was called). On this vote, I have a pair with the junior Senator from Tennessee [Mr. Gore]. If the Senator from Tennessee were present and voting, he would vote "nay"; if I were at liberty to vote, I would vote "yea." I withhold my vote.

The rollcall was concluded.

Mr. HUMPHREY. I announce that the Senator from New Mexico [Mr. Chavez], the Senator from Pennsylvania [Mr. Clark], the Senator from Illinois [Mr. Douglas], the Senator from Arkansas [Mr. Fulbright], the Senator from Tennessee [Mr. Gore], the Senator from Alabama [Mr. Hill], the Senator from Ohio [Mr. Lausche], the Senator from Washington [Mr. Magnuson], the Senator from Arkansas [Mr. McClellan], the Senator from Oklahoma [Mr. Monroney], and the Senator from Oregon [Mrs. Neuberger] are absent on official business.

I further announce that the Senator from New Mexico [Mr. Anderson], the Senator from Alaska [Mr. Gruening], and the Senator from Wyoming [Mr. Hickey] are necessarily absent.

I further announce that, if present and voting, the Senator from Pennsylvania [Mr. Clark], and the Senator from Oregon [Mrs. Neuberger] would each vote "nay."

On this vote, the Senator from Alaska [Mr. Gruening] is paired with the Senator from Illinois [Mr. Douglas]. If present and voting, the Senator from Alaska would vote "yea," and the Senator from Illinois would vote "nay."

Mr. KUCHEL. I announce that the Senators from Vermont [Mr. Aiken and Mr. Prouty], the Senator from Utah [Mr. Bennett], the Senator from South Dakota [Mr. Bottum], the Senator from Maryland [Mr. Butler], the Senator from Indiana [Mr. Capehart], the Senator from New Hampshire [Mr. Cotton], the Senator from Illinois [Mr. Dirksen], the Senator from Kentucky [Mr. Morton], the Senator from Pennsylvania [Mr. Scott], and the Senator from Texas [Mr. Tower] are necessarily absent.

If present and voting, the Senator from Utah [Mr. Bennett], the Senator from South Dakota [Mr. Bottum], the Senator from Indiana [Mr. Capehart], the Senator from Kentucky [Mr. Morton], the Senator from Pennsylvania [Mr. Scott], and the Senator from Texas [Mr. Tower] would each vote "yea."

The result was announced—yeas 34, nays 40, as follows:

[No. 298 Leg.]

YEAS—34

Beall
Bible
Bush
Byrd, Va.
Cannon
Carlson
Curtis
Eastland
Ellender
Ervin
Fong
Goldwater
Hickenlooper
Hruska
Johnston
Jordan, N.C.
Jordan, Idaho
Keating
Long, La.
Miller
Morse
Mundt
Murphy
Pearson
Proxmire
Robertson
Russell
Smith, Maine
Stennis
Talmadge
Thurmond
Williams, Del.
Yarborough
Young, N. Dak.

NAYS—40

Allott
Bartlett
Boggs
Byrd, W. Va.
Carroll
Case
Church
Cooper
Dodd
Engle
Hart
Hartke
Hayden
Holland
Humphrey
Jackson
Javits
Kefauver
Kerr
Kuchel
Long, Mo.
Long, Hawaii
Mansfield
McCarthy
McGee
McNamara
Metcalf
Moss
Muskie
Pastore
Pell
Randolph
Saltonstall
Smathers
Smith, Mass.
Sparkman
Symington
Wiley
Williams, N.J.
Young, Ohio

NOT VOTING—26

Aiken
Anderson
Bennett
Bottum
Burdick
Butler
Capehart
Chavez
Clark
Cotton
Dirksen
Douglas
Fulbright
Gore
Gruening
Hickey
Hill
Lausche
Magnuson
McClellan
Monroney
Morton
Neuberger
Prouty
Scott
Tower

So Mr. Ellender's amendment was rejected.

Mr. HUMPHREY. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. McGEE. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

SECTION 112 REQUIRING U.S. APPROVAL OF ALL FIRMS PROVIDING CERTAIN SERVICES FOR CAPITAL PROJECTS

Mr. HUMPHREY. As I understand, there is a new requirement in this year's appropriation bill which would require that the United States directly approve any firm providing engineering, procurement, and construction services on capital projects financed with foreign-aid funds. If I am correct in my understanding of this provision, I consider it a salutory requirement for the protection of the U.S. taxpayer. Therefore, am I correct that under this provision foreign-aid funds granted or loaned for the purpose of developing a capital project cannot be paid out to any firm providing engineering, procurement and construction services for that project even though the aid recipient may have made the initial decision to do business with that firm, unless the U.S. Government drectly approves the firm?

Mr. HAYDEN. The Senator's understanding is correct.

Mr. HUMPHREY. Therefore, am I also correct that where U.S. assistance is to a program carried out and administered on a multilateral basis such as the NATO infrastructure program or programs of certain international organizations, and the U.S. assistance is not directly identified with any particular services required for the program, this provision is not intended to apply?

Mr. HAYDEN. The Senator's understanding is correct.

SECTION 107(b) PROHIBITING ASSISTANCE TO COUNTRIES WHOSE SHIPS CARRY STRATEGIC CARGO TO CASTRO CUBA

Mr. HUMPHREY. There is a new limitation this year in the appropriations bill directed at those countries which fail to cooperate in carrying out controls on transportation of arms and strategic items to Castro Cuba. With modern technology, an article which is not strategic today may be tomorrow. In addition, the world's maritime commerce is a huge and complex institution—involving flag-of-convenience carriers, long-term charters, tramp freighters which seldom if ever touch their flag ports, and international agreements of various kinds. It seems to me it is very important that the administration have some precedents and guidelines for carrying out the policy of this provision. I therefore note with approval that the limitation draws for language and concept on the Battle Act, which has been time tested in the field for strategic trade controls. I ask the chairman of the Appropriations Committee whether I understand correctly that the shipping controls under this provision would be administered in the same manner as strategic trade controls under the Battle Act and that similar guidelines would be used to determine what items are controlled and when violations occur so that U.S. assistance must be withheld?

Mr. HAYDEN. Yes; the Senator is correct.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. HAYDEN. Mr. President, I send to the desk an amendment and ask to have it stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Arizona will be stated.

The Chief Clerk. It is proposed, on page 4, after line 20, to insert the following before the period: "and amounts certified pursuant to section 1311 of the

Supplemental Appropriation Act, 1955, as having been obligated against appropriations heretofore made under the authority of the Mutual Security Act of 1954, as amended, and the Foreign Assistance Act of 1961, as amended, for the same general purpose as any of the subparagraphs under 'Economic Assistance', are hereby continued available for the same period as the respective appropriations in such subparagraphs for the same general purpose: *Provided*, That such purpose relates to a project previously justified to Congress."

Mr. HAYDEN. Mr. President, this amendment will restore to the bill the language in section 115 which was stricken this afternoon on a point of order.

In the language included in the bill in the House, on page 4, lines 15 to 20, the unobligated balances of unexpended funds as of June 30, 1962, were continued available by the House for the same general purpose.

The language I have offered will continue available the obligated unexpended balances of funds during fiscal year 1963.

Since the language I am offering amends a legislative provision included in the bill by the House, it is not subject to a point of order. It can readily be seen from reading the House language and my amendment that the language submitted is germane.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. ELLENDER. How much money will that add to the bill?

Mr. HAYDEN. It will not add any money to the bill. It may make available anywhere from $88 to $160 million in funds previously appropriated, obligated, and subsequently deobligated.

The committee adopted the amendment in the committee, it was debated on a point of order, and I have just offered it to another place.

Mr. HUMPHREY. Mr. President, if the Senator will yield, the amendment does for economic assistance what the other language did for military assistance. Is that correct?

Mr. HAYDEN. That is correct.

Mr. WILLIAMS of Delaware. Mr. President, I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

Mr. WILLIAMS of Delaware. Mr. President, before the vote, I want to point out that the purpose of the amendment is to add to the bill between $88 and $160 million. I do not know why that variation, but that is the nearest estimate we can get from the committee. The bill already calls for an appropriation, as reported by the Senate committee, of $6,781,402,000. That is $2,658,057,000 more than was appropriated under the same foreign aid appropriation last year. Having added $2.6 billion to this bill, I see no reason why we should now add somewhere between $88 and $160 million more.

I ask unanimous consent to have printed at this point in the RECORD the first page of the committee report, which shows the breakdown of the full amount of the appropriations as reported by the committee.

There being no objection, the extract was ordered to be printed in the RECORD, as follows:

The Committee on Appropriations, to whom was referred the bill (H.R. 13175), making appropriations for foreign aid and related agencies for the fiscal year ending June 30, 1963, and for other purposes, report the same to the Senate with various amendments and present herewith information relative to the changes made.

Amount of bill as passed House	$5,956,852,000
Amount of increase by Senate committee	824,550,000
Amount of bill as reported to the Senate	6,781,402,000
Amount of estimates, 1963	7,335,029,000
Amount of appropriations, 1962	4,123,345,000
The bill as reported to the Senate:	
Under the estimates for 1963	553,627,000
Over the appropriations for 1962	2,658,057,000

Mr. HUMPHREY. Mr. President, let us get the record clear here. This bill, insofar as the amendment offered by the chairman of the committee is concerned——

Mr. WILLIAMS of Delaware. I will yield in just a moment.

Mr. HUMPHREY. I thought the Senator had completed his statement. I am sorry.

The **PRESIDING OFFICER.** The Senator from Delaware has the floor.

Mr. WILLIAMS of Delaware. I will yield in just a moment. An indication of what we are doing here, I call attention to the fact that earlier today we passed another appropriation bill in which we added about $1,200 million over and above the amount appropriated for the same agency last year.

This means that if we pass these two appropriation bills today we shall have increased the expenditures for this year, as compared to last year, by approximately $3.8 billion. I see no reason why we should now add to the pending bill an additional $88 million to $160 million, as provided in the pending amendment.

Why should not the money revert to the Treasury?

I ask unanimous consent that an extract from the report on the public works appropriation bill be printed at this point in the RECORD. This is the bill passed earlier today.

There being no objection, the extract was ordered to be printed in the RECORD, as follows:

The Committee on Appropriations, to whom was referred the bill (H.R. 12900) making appropriations for certain civil functions administered by the Department of Defense, certain agencies of the Department of the Interior, the Atomic Energy Commission, the St. Lawrence Seaway Development Corporation, the Tennessee Valley Authority, and certain river basin commissions for the fiscal year ending June 30, 1963, and for other purposes, report the same to the Senate, with various amendments and present herewith information relative to the changes made:

Amount of bill as passed House	$4,613,807,900
Amount of increase by Senate (net)	597,463,500
Amount of bill as reported to Senate	$5,211,271,400
Amount of estimates for 1963 (including $906,419,000 in estimates not considered by the House)	5,651,751,000
Amount of appropriations, 1962	3,940,955,980
The bill as reported to the Senate—	
Under the estimates for 1963	440,479,600
Over the appropriation for 1962	1,270,315,420

Mr. HUMPHREY. Mr. President, I think the RECORD ought to be made clear that the amendment does not appropriate new money. It makes available unexpended, obligated balances which may be deobligated. It is not new money being added. We did the same thing with reference to military assistance. The chairman of the committee seeks to provide the same thing for economic assistance.

When the Senator from Delaware talks about this being a $6 billion bill as if the AID program was a $6 billion enterprise, I think the facts ought to be set out that $2 billion of it is for the International Monetary Fund, which is an obligation of this Government under the decision of the Executive Directors of the International Monetary Fund, of which we are a member, and which was authorized by public law of the Congress of the United States without a dissenting vote.

I think it is not fair to talk about adding $2 billion as if it were a part of the foreign aid program of the United States.

There is still another item. It is the lending authority of the Export-Import Bank, which, under other circumstances, has always be considered as a separate item in our legislative program. But the Export-Import Bank, which makes money for the Government, and does not lose money, which produces revenue for the Government, is included in the bill.

So far as funds are concerned for the foreign-aid program, what we have been talking about here is below the authorization requested. It is $500 million below what the administration originally asked for.

I do not think the RECORD ought to be left as if the $2 billion for the International Monetary Fund and the $1,295 million as the limit of the lending authority under the Export-Import Bank were to be considered as under the normal development loan functions of the AID administration.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. SALTONSTALL. I think the strongest argument for the amendment which the Senator from Arizona has offered is the fact that it has been in the bill for 4 of the last 5 years. When it has been in the bill they have deobligated the following sums: In 1957, $127 million; in 1958, $144 million; in 1959, $153 million; in 1960, $160 million. Then, in fiscal 1961, the year when it was not in, they only deobligated $69 million. They did not bother to deobligate where they could not reobligate.

Consequently, the money was not as well spent as in the years when they could reobligate into channels that would be of more value, greater usefulness, and more efficiency.

Consequently, this is not new money. It is making more valuable use of money we are appropriating.

Mr. WILLIAMS of Delaware. Mr. President, I fail to see the difference whether it is new money or old money. It is taxpayers' money which as yet has not been spent. It was appropriated for use in the preceding fiscal year. It was not spent. If the pending amendment is not adopted it reverts to the Federal Treasury.

As to the argument of the Senator from Minnesota that I have exaggerated the figures in quoting these appropriations as compared to last year's, I am reading from page 1 of the report of the Appropriations Committee. I have asked to have it printed in the Record, and this report shows that the appropriation for this year for foreign aid is increased by an amount of $2,658,057,000.

I did not attempt to detail a breakdown of either this year's appropriation or last year's appropriation, but I repeat that when we pass this bill it represents a $2.6 billion increase over what was appropriated for the comparable agency in the preceding year. These figures are based, not on my figures, but on the report put out by the Appropriations Committee. The adoption of the pending amendment will provide an additional $88 million to $160 million. I think the amendment should be defeated.

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have portions of the committee report, from pages 16 and 17, relating to the International Monetary Fund and the Export-Import Bank, printed at this point in the Record.

There being no objection, the extract was ordered to be printed in the Record, as follows:

TITLE III—INTERNATIONAL MONETARY FUND

Funds appropriated to the President—Loans to the International Monetary Fund

1962 appropriation	None
1963 estimate	$2,000,000,000
House allowance	2,000,000,000
Committee recommendation	2,000,000,000

The committee concurs with the House allowance of $2 billion for this item, and also recommends the deletion of the language "to remain available until December 31, 1966," inserting in lieu thereof "to remain available until expended."

This appropriation is authorized by Public Law 87-490, which became law on June 19, 1962. An appropriation of $2 billion is required in order to complete action requisite for the United States to adhere to a decision of the Executive Directors of the International Monetary Fund of January 5, 1962. In adhering to the decision of the Fund, the United States must deposit an instrument "setting forth that it has adhered in accordance with its law and has taken all steps necessary to enable it to carry out the terms and conditions" of that decision. The United States must, accordingly, be in a position to lend up to $2 billion to the Fund. The United States would not be expected to lend to the Fund in the absence of a substantial improvement in its balance-of-payments position. No loan is presently contemplated, nor is such a loan likely under present conditions.

TITLE IV—EXPORT-IMPORT BANK OF WASHINGTON

Limitation of obligational authority (operating expenses)

1962 appropriation	$1,300,000,000
1963 estimate	1,295,000,000
House allowance	1,295,000,000
Committee recommendation	1,295,000,000

The committee concurs in the House action in placing a limitation of $1,295 million on the program of the Export-Import Bank of Washington for fiscal year 1963.

Although this amount was not estimated by the Bank, it was submitted as the proposed program for fiscal year 1963.

Limitation on administrative expenses

1962 appropriation	$3,010,000
1963 estimate	3,000,000
House allowance	3,000,000
Committee recommendation	3,000,000

For the limitation on administrative expenses, the committee concurs in the House allowance of $3 million.

Mr. HUMPHREY. I wish to make it clear that the $2 billion for the International Monetary Fund is in the form of a loan from this country, under which there is no contemplation of fulfillment at this time. It is not fair to say that that is a part of the foreign-aid appropriation.

Mr. WILLIAMS of Delaware. Mr. President, I am not arguing the question as to what the money is to be appropriated for. I am only quoting the figures of the report as they are before the Senate. Based upon the committee report, which I accept and which is not challenged, we would under the provisions of the pending bill be appropriating $2.6 billion above last year's appropriations for this same program. I did not go into the details of all the $6.7 billion appropriation, but those are the hard facts.

The PRESIDING OFFICER (Mr. Talmadge in the chair). The question is on agreeing to the amendment offered by the Senator from Arizona [Mr. Hayden]. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from New Mexico [Mr. Chavez], the Senator from Pennsylvania [Mr. Clark], the Senator from Illinois [Mr. Douglas], the Senator from Arkansas [Mr. Fulbright], the Senator from Tennessee [Mr. Gore], the Senator from Alabama [Mr. Hill], the Senator from Tennessee [Mr. Kefauver], the Senator from Ohio [Mr. Lausche], the Senator from Washington [Mr. Magnuson], the Senator from Arkansas [Mr. McClellan], the Senator from Oklahoma [Mr. Monroney], and the Senator from Oregon [Mrs. Neuberger] are absent on official business.

I further announce that the Senator from New Mexico [Mr. Anderson], the the Senator from Alaska [Mr. Gruening], and the Senator from Wyoming [Mr. Hickey] are necessarily absent.

I further announce that, if present and voting, the Senator from New Mexico [Mr. Chavez], the Senator from Pennsylvania [Mr. Clark], the Senator from Tennessee [Mr. Gore], the Senator from Tennessee [Mr. Kefauver], and the Senator from Oregon [Mrs. Neuberger] would each vote "yea."

On this vote the Senator from Alaska [Mr. Gruening] is paired with the Senator from Illinois [Mr. Douglas]. If present and voting, the Senator from Alaska would vote "nay" and the Senator from Illinois would vote "yea."

Mr. KUCHEL. I announce that the Senators from Vermont [Mr. Aiken and Mr. Prouty], the Senator from Utah [Mr. Bennett], the Senator from South Dakota [Mr. Bottum], the Senator from Maryland [Mr. Butler], the Senator from Indiana [Mr. Capehart], the Senator from New Hampshire [Mr. Cotton], the Senator from Illinois [Mr. Dirksen], the Senator from Kentucky [Mr. Morton], the Senator from Pennsylvania [Mr. Scott], and the Senator from Texas [Mr. Tower] are necessarily absent.

If present and voting, the Senator from Utah [Mr. Bennett], the Senator from South Dakota [Mr. Bottum], the Senator from Indiana [Mr. Capehart], the Senator from Pennsylvania [Mr. Scott], and the Senator from Texas [Mr. Tower] would each vote "nay."

On this vote, the Senator from Vermont [Mr. Aiken] is paired with the Senator from Kentucky [Mr. Morton]. If present and voting, the Senator from Vermont would vote "yea," and the Senator from Kentucky would vote "nay."

The result was announced—yeas 40, nays 34, as follows:

[No. 299 Leg.]

YEAS—40

Allott
Bartlett
Burdick
Byrd, W. Va.
Cannon
Carroll
Case
Dodd
Engle
Hart
Hartke
Hayden
Humphrey
Jackson
Javits
Keating
Kerr
Kuchel
Long, Mo.
Long, Hawaii
Mansfield
McCarthy
McGee
McNamara
Metcalf
Moss
Muskie
Pastore
Pell
Randolph
Saltonstall
Smith, Mass.
Smith, Maine
Sparkman
Stennis
Symington
Talmadge
Williams, N.J.
Yarborough
Young, Ohio

NAYS—34

Beall
Bible
Boggs
Bush
Byrd, Va.
Carlson
Church
Cooper
Curtis
Eastland
Ellender
Ervin
Fong
Goldwater
Hickenlooper
Holland
Hruska
Johnston
Jordan, N.C.
Jordan, Idaho
Long, La.
Miller
Morse
Mundt
Murphy
Pearson
Proxmire
Robertson
Russell
Smathers
Thurmond
Wiley
Williams, Del.
Young, N. Dak.

NOT VOTING—26

Aiken
Anderson
Bennett
Bottum
Butler
Capehart
Chavez
Clark
Cotton
Dirksen
Douglas
Fulbright
Gore
Gruening
Hickey
Hill
Kefauver
Lausche
Magnuson
McClellan
Monroney
Morton
Neuberger
Prouty
Scott
Tower

So Mr. Hayden's amendment was agreed to.

Mr. McGEE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HUMPHREY. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. SMATHERS obtained the floor.

Mr. SMATHERS. Mr. President, by previous arrangement I had agreed with the Senator from South Carolina [Mr. Johnston] to yield to him without losing my right to the floor. I understand that he wishes to make a brief statement.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Florida? The Chair hears none, and it is so ordered.

The Senator from South Carolina is recognized.

Mr. JOHNSTON. Mr. President, I have at the desk two amendments. I shall not call up either one of them due to the fact that the Proxmire amendments covered practically the same purpose. I ask unanimous consent that the amendments be printed, and that they be printed also at this point in the Record.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments submitted by Mr. Johnston are as follows:

On page 9, beginning with line 23, it is proposed to strike out over through line 6 on page 11 and insert in lieu thereof the following:

"Sec. 109. No funds appropriated by title I of this Act, except funds appropriated under that section entitled 'American hospitals abroad (special foreign currency program)' shall be expended in, or for the benefit of, any nation whose government is based upon that theory of government knows as communism."

On page 7, beginning with line 24, it is proposed to strike out over through line 6 on page 9 and insert in lieu thereof the following:

"Sec. 107. (a) None of the funds provided in this title shall be available for assistance to any country, the government of which sells arms, ammunition, or implements of war to the Castro regime, or permits ships under its registry to deliver arms, ammunition, implements of war, or other goods, wares and merchandise to that regime, or which furnishes, by grant or loan, any military or economic aid to that regime, or for any expenses of transportation, directly or indirectly, by merchant marine ships of any nation whose ships are used to transport any military or economic supplies to that regime.

"(b) None of the funds appropriated in this title shall be available for assistance to any country which permits vessels registered, enrolled, licensed, or otherwise documented under its laws to transport to Cuba, so long as it is governed by the Castro regime, any arms, ammunition, implements of war, atomic energy materials, or any articles, materials, or supplies contained on the list (known as the 'positive list') maintained by the Secretary of Commerce of commodities with respect to which an export license is required under the Export Control Act of 1949."

Mr. JOHNSTON. Mr. President, I offer an amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment of the Senator from South Carolina will be stated.

The Chief Clerk. On page 17, between lines 2 and 3, it is proposed to insert the following new section:

Sec. 603. No part of the funds made available by this Act shall be obligated during any period unless there is in effect with respect to such period a determination made and published by the President that—

(a) estimated revenues of the Federal Government during the fiscal year ending June 30, 1963, will equal or exceed estimated expenditures of the Federal Government for such fiscal year, and

(b) estimated expenditures of funds made available by this Act will not cause estimated expenditures of the Federal Government for the fiscal year ending June 30, 1963, to exceed estimated revenues of the Federal Government for such fiscal year.

On page 17, line 3, it is proposed to strike out "Sec. 603" and insert "Sec. 604".

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from South Carolina.

Mr. JOHNSTON. Mr. President, as Senators will note, the amendment is very simple. We know that the billions of dollars provided for foreign aid will increase the indebtedness of the United States. Next year, or later on, there will be another effort to raise the debt ceiling.

The amendment provides that if we are going to have all these giveaway programs as set forth in the bill, we can spend the money, provided the taxpayers of the United States will not have to reach down into their pockets and borrow money to pay the interest on the necessary loan for perhaps the next 100 years. We are so free hearted that we wish to give the money away. That is about all the amendment would have to do with the bill. I merely wish to remind Senators that we are building up the indebtedness of the United States year by year. Senators will note that from year to year an effort is made to raise the ceiling in almost the same amount provided in the giveaway program. I think the problem is serious when we are not balancing the budget at the present time. Therefore I am calling upon Senators to do what they believe is right in a problem of this kind. I know that we will give the money to foreign countries. It is easy to give money to a foreigner. But let us look at the program a few minutes from another standpoint. We often find that when we want to pay the $5,000 claim of a citizen of the United States, it is hard to have the claim approved.

I believe this is the 16th consecutive year that I have stood on the Senate floor to oppose wasteful, giveaway, foreign-aid programs.

I am glad to say that opposition has been increasing each year against foreign aid programs and all the related and interrelated projects which travel under many misnomers such as mutual security.

We have to change the name quite often in order to prevent people from knowing that we are doing the same thing over and over again. I believe the foreign-aid programs have done nothing to halt the growth of communism in the world.

Foreign aid has done nothing to keep communism behind the Iron Curtain, and we have only to look to Korea, to Vietnam, to Laos, to India, to Hungary, to Germany, and regrettably, more recently, to Cuba, 90 miles off our shore.

The intent of the creators of foreign aid was good, but the great experiment proved to be a pipedream that has drained the economy and physical strength of the American people and, in fact, has lowered the moral fiber of our Government.

Never in the history of the American Republic have we suffered the degrading and humiliating insults and injuries which we suffer today and which we have suffered ever since the infamous sellout truce in Korea. The American people have never been able to fully stomach the defeat we suffered in Korea but which was sold to the American people under the label of "truce."

Neither will the American people ever stomach the namby-pamby policy of reaction by our Government which resulted in the great sellout and subsequent inaction which helped to turn Cuba over to the Communists in our own backyard.

The philosophy behind our foreign-aid program was to help countries weakened by World War II to survive and buck Communist encroachments. This "help" philosophy through the years, however, has turned into a general philosophy of "appeasement" and "peace at any price."

The U.S. Congress has been brainwashed with the statements and policies emanating from the State Department, never changing from one administration to the next. The Congress went along with all the huge requests for foreign aid, mutual assistance, and mutual security, and was led blindly down the primrose path of appeasement.

The House of Representatives several days ago put into the foreign aid appropriations bill a mandate that we cut off foreign aid to Poland and to Yugoslavia. The House of Representatives likewise placed in the foreign-aid appropriations bill a provision that no foreign-aid funds can be available for assistance to any country selling arms, ammunition, and implements of war to the Castro regime, or permitting its ships to deliver arms, ammunition, implements of war, and other goods to Castro.

The Senate Appropriations Committee amended these provisions, leaving it up to the President of the United States to determine, in his judgment, whether or not such funds should be cut off from any country aiding and abetting our Communist enemy, Cuba, and the Communist satellite countries of Yugoslavia and Poland.

Mr. President, when we in the Congress cannot even get together on the withholding of handout, giveaway help to our dedicated enemies whose sole goal in life is to destroy us, then I say America shall never survive. We either reverse such willy-nilly tactics, or communism will continue to march against us.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. JOHNSTON. I yield to the Senator from Arizona for a question.

Mr. GOLDWATER. The Senator sounds as though he is speaking against the Kennedy administration. Am I correct in that assumption?

Mr. JOHNSTON. I am speaking against any administration that supports this giveaway program.

At the same time, it is doing no good for us so far as friendship between nations is concerned. I have said, not once but on many occasions, that we cannot buy the friendship of any individual. Neither can we buy the friendship of any nation.

Mr. GOLDWATER. The Senator is not answering my question. Am I to understand that he is speaking against the Kennedy administration?

Mr. JOHNSTON. It is against the Kennedy administration now, and was against the Eisenhower administration and was against the Truman administration.

Mr. GOLDWATER. Does the Senator go back to Roosevelt?

Mr. SMATHERS. Mr. President, do I not have the floor?

The PRESIDING OFFICER. Does the Senator yield?

Mr. SMATHERS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. SMATHERS. As I understand, the Senator from Florida has the floor. I yielded to the Senator from South Carolina.

Mr. JOHNSTON. I yielded only for a question.

The PRESIDING OFFICER. Under the unanimous-consent agreement, the Senator from Florida yielded to the Senator from South Carolina.

Mr. SMATHERS. I yielded to the Senator from South Carolina, with the understanding that I would not lose my right to the floor, only to make a speech, not to answer any questions.

Mr. GOLDWATER. The Senator from Arizona recognizes his usual weakness, and he will sit down.

Mr. JOHNSTON. I do not know where or how foreign aid has done anything to halt communism. The carrying out of the foreign-aid program has served no useful purpose to the American people, militarily, economically, physically, or mentally. Our textile workers, our glass workers, our steel workers, automobile workers, garment workers, and every trade and profession in the United States suffers in one way or another because of cheap, foreign-imported goods from countries whose economies and industries were built with the help of our foreign-aid program and our big manufacturers.

The farmers of America who grow tobacco, cotton, corn, wheat, and practically all the other foods and fibers, are today suffering as a result of foreign aid which stimulated foreign agricultural production. When we see hams from Communist Poland—and the Presiding Officer [Mr. TALMADGE] realizes what that means—hams—Communist Yugoslavia materials, Japanese textiles, Hong Kong fabrics, and other such goods, we are looking at work and dollars that have been taken away from the American workers and farmers.

All of this has been brought about to a large extent by foreign aid.

The PRESIDING OFFICER. The Senate will be in order. Senators will cease conversation.

Mr. GOLDWATER. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. GOLDWATER. What was the point the Presiding Officer was trying to make?

The PRESIDING OFFICER. The Chair did not hear the inquiry of the Senator.

Mr. GOLDWATER. What was the point that the Presiding Officer was tryto make?

The PRESIDING OFFICER. The Presiding Officer was calling the Senate to order so that the Senator from South Carolina could be heard.

Mr. GOLDWATER. I thought the Senator from Florida had the floor.

The PRESIDING OFFICER. The Senator from South Carolina has the floor by unanimous consent. The Senator may proceed.

Mr. JOHNSTON. Mr. President, instead of weakening the House bill provision mandatorily cutting off foreign aid from Communist countries and nations helping our Communist enemies, the Senate should have joined in and strengthened these provisions. We should tie the hands of the President of the United States from ever permitting foreign aid to pour behind the Iron Curtain, or be given to any country that would help Communist enemies in the Western Hemisphere, at least in other parts of the world.

How foolish, ridiculous, and stupid can the Congress become when it takes the very program that was designed to halt communism and allow it to be used to advance communism?

We are fast reaching the crossroads of history where we must decide to exercise our sovereign right as a nation in order to survive, or be swept away into the ocean of dead civilizations.

When we send aid to a country to help its economy and it, in turn, permits its ships or planes or people to be used to help ship military arms and military personnel to Cuba, where a base is being constructed to blow us off the map, then I say we are stupid.

When we continue to send foreign aid to a country which reaches a trade agreement with Communist China to sell Communist China 50 percent of its ammonium chloride fertilizer production, then I say we are again stupid.

Japan, which has abundantly benefited from our foreign aid and by our lopsided trade agreements which have put American textile people out of work, has agreed to sell Red China 50 percent of its ammonium chloride fertilizer production.

The greatest handicap that has prevented Red China from openly attacking the United States has been its starving population, and now Japan, a recipient of our foreign aid, is furnishing the fertilizer to help Red China overcome its food shortages, and place it in a position to commit aggression far beyond the Asian scene where it has been stirring strife in Korea, Vietnam, Formosa, Tibet, and India.

Our only hope in Red China is for its starving millions to revolt against the Communist regime, and even this hope is scant. Yet we would permit foreign aid to continue to Japan while she helps feed Red China with fertilizer.

I do not care if it is former President Eisenhower, President Kennedy, former Vice President Nixon, or former President Truman—a Democrat, a Republican, or what have you—living in the White House; I think it is time for the Congress to tie the hands of our President on this score and see to it that the American taxpayers do not provide the tools and money to help our enemies, who would destroy us when they become powerful enough.

I charged in 1960, and I charge today, that foreign aid is a form of suicide, and to continue it is to play Russian roulette with the very life of our Nation. At the very least, let us put the brakes on and let us put some teeth into this bill to where it will do some good. If we cannot cut it off from people who are cutting our throats, then we ought to junk the program in the first place.

I have the greatest respect for Senators on both sides of the aisle who are members of the Appropriations Committee, but I shall never understand the reasoning which led them to remove the mandatory cutoff provision for foreign aid to Communist countries and from those countries which would bite the hand that feeds them.

We should just put it up to the countries which are hauling Russians and their military supplies to Cuba in plain language: "Take it or leave it. You can have our foreign aid or you can have the Russian trade, but you cannot have both." Then we will see how much friendship means and whether or not we have been playing a sucker game all these years.

No one in the U.S. Senate can point to one act by Yugoslavia or Poland that has helped our country.

Mr. President, regardless of all the foreign aid that has gone into Poland, all we have received from that country have been demonstrations and riots against Americans and American Embassies every time a crisis develops between the free world and the Communist world.

In the case of Yugoslavia we have received no encouragement to indicate she is not still under the Russian paw. If anyone does not believe this, let him consider the votes cast in the United Nations.

I wonder what good America is getting out of the more than $100 million that have been poured into Yugoslavia. Extravagance in the foreign-aid program has been beyond human imagination, and the errors have been more excessive than in any program ever devised by the American Government.

The Government Operations Committee in 1958 filed a report in which it said it was actually impossible ever to tabulate completely in dollars and cents the foreign-aid programs in Laos, or to determine how much was wasted, stolen, pilfered, and lost in the shuffle.

This committee, highly critical of the foreign-aid program, cited 10 mail deficiencies of foreign aid. These deficiencies and faults still remain with the program, and the committee at that time said:

> All of these deficiencies, and more besides, were present in the U.S. aid program in Laos.

Mr. President, I ask Senators: What good did foreign aid do in Laos, and what condition is that country in today?

These criticisms made of the program in Laos had previously, in most cases, been made of the program in Iran 2 years before.

Mr. President, if the truth were known, these deficiencies and faults, and many more, have held true in the foreign-aid program of every country where conducted, and probably hold true even more so today than ever before.

If the faults of the foreign aid program were solely inefficiency, graft, corruption, demoralization, and waste, but the program was holding back communism, then we could possibly justify it "as a means to an end." But when the program has utterly failed in all of these areas, and now has become a tool to unemploy American workers, put American industries out of business, drive American farmers off the farms, and help communism encroach against our very shores, then there is no justification left for its continuance.

Some people argue that a great deal of the money in foreign-aid business never leaves the United States—I heard that statement made tonight—and that the program has stimulated certain areas of trade.

Just how many dollars in value of goods have left our country under this program is not nearly as important as how many jobs this program has destroyed. How many tons of gold it has caused to be moved from American vaults to the vaults of foreign countries, and how much of this foreign aid has stimulated recipient nations to trade with Red China, Red Russia, and Red Cuba.

Mr. President, I urged with all sincerity within me, that the Senate restore the mandatory cutoff language to keep foreign aid out of the hands of Communist countries and nations dealing in the nauseating business of transporting and providing military supplies and critical materials and warmongering personnel to our Communist enemies.

Likewise, I urged the Senate to reduce the amount of foreign aid contained in the bill as reported by the Appropriations Committee of the Senate, at least to the sum of $3.7 billion reported by the House.

It is horrible to realize that this monstrous foreign-aid program contains money which will generate electricity for Communist homes, help produce fertilizer for Communist farms, help construct plants to produce equipment and things for Communist industries and Communist countries, and probably contains money that will be building ships to transport Communist military equipment and Communist personnel to Cuba, which is standing ready to kill American marines, soldiers, and sailors at a moment's notice.

The conscience of the U.S. Senate needs to be stirred. Whatever the trade involved, whatever the funds contained in the bill may mean to the special interest groups which lobby so fervently for its passage—none of it can be worth the price we may eventually have to pay: our very freedom and the lives of Americans.

The philosophy which is perpetuating foreign aid is far removed from the philosophy that generated it. The philosophy which is now urging the continuance of foreign aid is based upon appeasement. The philosophy that created foreign aid was meant to be an act of Christian help from a nation of plenty to a war-wrecked world. The philosophy which now continues foreign aid is one of "buying an ally," and is foreign to American morality.

The type of philosophy which wants foreign aid continued comes from the State Department, where the philosophy to help Castro and to destroy the friendly Batista government in Cuba originated. Our former Ambassador to Cuba, Earl E. T. Smith, reveals dramatically in the current issue of U.S. News & World Report the kind of distorted, misguided government philosophy or policy that existed under the Eisenhower administration that led to our woes in Cuba.

I add, for the benefit of those who may think I am partisan on this issue, that I do not believe President Kennedy's action on the Cuban problem has done anything to better the situation. On the contrary, I believe his action has allowed it to worsen. He, too, has listened too much to the State Department.

Former Ambassador Smith reveals how the so-called career men of the lower echelon of the State Department developed and put into effect the program which embraced pro-Communist Castro and isolated us from pro-American Batista.

Mr. Smith, simply but firmly and without fiction, states that the State Department was well aware that Castro had socialistic leanings and was surrounded by Communists, including his own brother, Raul Castro, and Guevera, who had been an active Communist in Guatemala and Mexico. He dates his findings, ironically, back to 1957, the year I warned of the Communist conspiracy in a report to the U.S. Senate; but that report was ridiculed by the State Department and the radical press.

Mr. President, the philosophy which tolerated such an asinine foreign policy as to help Communist Castro rise to power in Cuba is the same asinine philosophy which now wants to continue to send foreign aid to Communist countries and to countries which are actively engaged in the unconscionable business of shipping military supplies, guns, tanks, rockets, and other materials of war, to Cuba.

Mr. President, in the name of Americans who probably will have to die to defend our country against communism, I ask that foreign aid be ended. I plead with the Senate at the very least to cut off this aid from Communist countries and those which would help our Communist enemies.

No political party or political leader is innocent of having been duped into supporting this program, which has cost us billions and billions of dollars. No one knows the total price in jobs—and, yes, in lives—that it may ultimately cost.

As I warned on April 28, 1960, when we play the game of foreign aid, we are playing a game of Russian roulette with our very lives. The end of this monstrous mess must come soon, or it may help to bring an end to us.

Mr. President, I hope the Senate will adopt my amendment, and by doing so will assure the people of the United States that we will not increase our indebtedness. If my amendment is put into effect, I believe it will be found that we will not give away any aid at all.

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). The question is on agreeing to the amendment of the Senator from South Carolina.

Mr. DODD. Mr. President——

The PRESIDING OFFICER. The Senator from Florida had the floor, and yielded to the Senator from South Carolina.

Mr. DODD. Mr. President, may I proceed at this time?

The PRESIDING OFFICER. In the temporary absence of the Senator from Florida, the Senator from Connecticut is recognized.

Mr. DODD. Mr. President——

Mr. GOLDWATER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Connecticut yield to the acting majority leader?

Mr. DODD. Yes, Mr. President—particularly in view of the very unusual situation in which we find the Senator from Arizona sitting in the seat of the majority leader.

Mr. GOLDWATER. No, Mr. President; in view of the natural bent of Senators, it is not at all unnatural for me to be sitting in this seat; it is a very comfortable seat. Furthermore, by sitting here I have been closer to the desk of the Senator from South Carolina while he has been delivering his speech, which I realized was quite in keeping with the traditional conservatism of the South.

Mr. DODD. Mr. President, the Senator from Arizona has given me comfort on many occasions, although it is true that he has pained me on other occasions. He is a most distinguished and able Senator.

Mr. GOLDWATER. I hope the comfort I have given the Senator from Connecticut exceeds by at least a little the pains I may have given him.

Mr. DODD. That is true.

Mr. President, I ask unanimous consent that at this time I may submit an amendment.

The PRESIDING OFFICER. Is there objection?

Mr. KERR. Mr. President, a parliamentary inquiry: What is the pending request?

The PRESIDING OFFICER. The Senator from Connecticut has asked unanimous consent that at this time he may submit an amendment.

The pending question is on agreeing to the amendment of the Senator from South Carolina [Mr. JOHNSTON]. Is there objection to the request of the Senator from Connecticut that he may submit an amendment at this time, in which case the pending amendment of the Senator from South Carolina would be temporarily displaced?

The Chair hears no objection; and it is so ordered.

Mr. DODD. Mr. President, I call up the amendment which I have at the desk. It is offered to the committee amendment on page 16, line 7.

The PRESIDING OFFICER. The amendment of the Senator from Connecticut to the committee amendment will be stated.

The LEGISLATIVE CLERK. In the committee amendment on page 16, in line 7, it is proposed to strike out "$16,677,000," and to insert in lieu thereof "$19,677,000".

Mr. DODD. Mr. President, I shall be brief, for the hour is late, and my colleagues have been very patient.

Mr. President, I join in commending the Senate Appropriations Committee for its statesmanlike report on the foreign aid bill. The report of the committee would, if accepted, have the effect of restoring most of the cuts proposed by the House committee. I wholeheartedly support the recommendations of the committee and I hope that my colleagues will give these recommendations their unanimous endorsement.

There is, however, one minor but very important amendment which I should like to offer. It involves the expenditure of $3 million for Algerian refugees.

The administration had submitted requests for its various refugee programs totaling $21,977,000. The House had slashed this amount to $14,477,000, without pausing to consider the truly crippling effect that this massive cutback would have had on vital aspects of our refugee program.

The Senate Appropriations Committee has recommended restoration of $2.3 million, which would take care of all of the refugee programs proposed by the administration, with the exception of the Algerian refugee program.

I propose that H.R. 13175 be amended in the following manner: On page 16, line 7, strike out "$16,677,000" and insert in lieu thereof "$19,677,000." This would have the effect of restoring $3 million of the $5.3 million which the administration requested for assistance to Algerian refugees and displaced Algerians. Actually, the need for this program is so great I would have preferred to see the entire $5.3 million restored. But I realize that we cannot do everything and that we have to economize at certain points; and it is for this reason that I am proposing an amendment which represents a reduction of $2.3 million from the figure originally requested.

I should like to state the justification for this amendment very briefly.

I cannot stress too much the tremendous importance of Algeria to the entire Near East and to our own national security.

The untiring operations of the world Communist apparatus in Algeria and Morocco are aimed at far more than the subjugation of these countries to the hammer and sickle.

They are aimed—let us have no illusions on this score—at the control of the Straits of Gibralter and the Mediterranean Sea.

Even if we were not moved by humanitarian considerations to participate in the work of relief and resettlement in Algeria, and in this way to demonstrate our friendship to the Algerian people, I believe that enlightened self-interest demands our participation in this program.

Over 200,000 Algerian refugees whom the United States has helped to support over the past 3 years in Tunisia and Morocco have been repatriated to Algeria. Many of them have found their former villages eradicated. More than 2 million of their fellow citizens, displaced from their war-torn villages and farms, face the same desperate situation. In fact, nearly one-half of the population of the country is undernourished and unemployed. Most of them are in critical need of medical care.

The new Government is struggling to assume control of a complex and confused situation. There is a serious danger of widespread famine over the coming months. There is reason to fear riots and demonstrations for food and work and housing. This alone would jeopardize the possibility of fostering a stable and responsible government. It would discourage the return of French nationals who are vitally needed for the reconstruction of the country. It would play directly into the hands of the Soviets in their efforts to spread chaos and disorganization so that they can establish a strong foothold in north Africa.

Some of my colleagues have asked why the United States should assume responsibility for these refugees, arguing that they should be the responsibility of the French Government. To a degree their point has merit. But it must be borne in mind that today France is coping with the problem of taking care of the half-million French citizens who have streamed into France from Algeria, a problem of far greater proportion than we face with our Cuban refugees.

France also plans to extend reconstruction and economic aid to a cooperative Algerian Government in the amount of $200 to $300 million per year.

I want to emphasize that the administration's proposal did not ask us to assume complete responsibility for emergency relief to Algerian refugees. The appropriation it proposed represented only one-third of a total estimated cash need of $16 million over and above food and contributions in kind. The appropriation of $3 million proposed by my amendment represents less than 20 percent of the overall program. The balance will be provided by other governments and from private sources, in response to appeals directly made by the League of Red Cross Societies and the U.N. High Commissioner for Refugees.

If there is any doubt about the political importance of this refugee assistance program in Algeria, we should consider the fact that the U.S.S.R. and Red China have donated 29,400 tons of wheat. The total value of the initial Soviet and bloc countries contributions exceeds $4 million at the moment.

The peoples of the Communist bloc are hungry or starving. But Khrushchev and Mao Tse-tung consider Algeria to be important enough to be willing to impose further deprivation on their own peoples. I believe we should weigh this fact carefully in considering the administration's request.

The Communist bloc already enjoys considerable prestige in Algeria, thanks to the fact that it provided the Algerian liberation movement with arms and equipment. I share the concern of my colleagues over this fact. But unless we are prepared at this juncture to write off Algeria and north Africa to the Communist bloc, it is imperative that we do everything in our power to extend the influence of the free world within Algeria and to frustrate the designs of the Kremlin.

It is imperative, among other things, that there be a friendly American presence in Algeria and that we actively concern ourselves with the work of relief and rehabilitation which will be the prime task confronting the Algerian people over the coming period.

We cannot leave the task of relief and rehabilitation for Algerian refugees entirely to France and the United Nations and the Communist bloc. Our own humanitarian traditions, our position of world leadership, our vital stake in the Near East, and our continued friendship with the Arab peoples all demand that the United States assume a share of the burden.

I can think of no more effective way of communicating our friendship to the people of Algeria than by approving the very modest appropriation of $3 million for Algeria refugees, which would be dispensed on the spot by representatives of the American Government and of the American voluntary agencies, in cooperation with Algerian relief workers.

The dedicated representatives of the American voluntary agencies working in the refugee field have been among our most effective ambassadors of good will. The program that would be made possible by my amendment would be doubly effective, precisely because it would not be a handout from government to government, but would be operated on a people-to-people basis.

Mr. President, I propose this amendment on two grounds: first, in our own self-interest, which perhaps is the least of the reasons for engaging in a program of this sort; second, on the ground that it is a decent, humane thing to do, in view of the fact that millions of Algerians have been displaced or are in want; and unless we help them, many innocent people will unquestionably suffer.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. DODD. I yield.

Mr. HUMPHREY. The Senator's amendment would add $3 million to the amount the committee had approved. Is that correct?

Mr. DODD. It would.

Mr. HUMPHREY. As the Senator knows, there was some discussion on this subject in the committee. There was no vote on the amendment because it was withdrawn.

I wonder if the Senator would find it possible to reduce the amount. Even though I know the administration request in this area was for $5 million, it seems to me that if the Senator could get the amount down to $2 million, he might be able to convince a majority of the Senate to accept this responsible and reasonable proposal.

Mr. DODD. Mr. President, I have great respect for the assistant majority leader. I know how persuasive he is. I fear his opposition very much. I saw him destroy us twice today with his eloquence. I would not, therefore, defy his suggestion. If he suggests $2 million, I shall be happy to settle for that.

Mr. HUMPHREY. Mr. President, there may be a Senator who wants to speak against the amendment, but I hope the Senate will accept the amendment. The Senator from Connecticut has reduced the amount to $2 million.

The PRESIDING OFFICER. Does the Senator from Connecticut modify his amendment to provide for $2 million?

Mr. DODD. I am happy to do so. I am hopeful that with the support of the assistant majority leader we will obtain at least $2 million to get this vital program underway.

Mr. HUMPHREY. The Senator flatters me.

Mr. DODD. I hope it will turn out to be more than flattery.

Mr. ELLENDER. Mr. President, I wish to say that the committee gave consideration to the Algerian refugee situation and decided not to include any money for that purpose, and I think rightly so. We are assisting many refugees throughout the world. It will be recalled that we started with the Palestinian refugees many years ago. Even today we are providing 70 percent of the amount needed to take care of the Palestine refugees through the United Nations.

Today we are being asked to aid the refugees in Algeria. We are being asked to do this because Russia has sent two shiploads of wheat to that area; therefore, it is argued, we should match them.

I think we have already done more than our share in regard to refugee support. I hope the Senate will sustain the committee action.

Mr. HART. Mr. President, I wish to speak in support of the amendment offered, and later modified, by the Senator from Connecticut. As chairman of the Subcommittee on Refugees and Escapees of the Senate Committee on the Judiciary, I think the action of voluntary agencies in Algeria already suggests that great good has been done and strongly recommends that this Nation espouse the cause and participate in that effort.

Mr. President, our news media remind us daily of the flow of refugees and escapees on every continent of the globe. Communist oppression, political upheaval, economic disorder, and military action inevitably produce their toll of uprooted and homeless people. Sometimes this toll comes in a steady trickle of people. At other times it comes in flood proportions as it did in Hong Kong earlier this year, or Berlin and the Congo last year, or most dramatically, in East Central Europe during the Hungarian revolution in 1956.

To demonstrate our sincere belief in the principles of democracy, to show our concern for the oppressed and homeless, and to help ease tensions in areas of critical importance to the attainment and preservation of world peace, the American people have traditionally supported the Government and voluntary agencies in their work among the refugees of the world. And this is as it should be, Mr. President. We should share our benefits of freedom.

I note with particular pleasure that the Committee on Appropriations saw fit to recommend the full budget estimate of the Cuban refugee program, an increase of $15,110,000 over the House allowance.

The House allowance for general migration and refugee assistance was also increased by $2,300,000. And I commend my colleagues on the Committee on Appropriations for taking this course of action.

But I am mystified, Mr. President, as to why the budget estimate to assist those refugees uprooted by the Algerian conflict has been disallowed specifically by the House and the Committee on Appropriations. This number of homeless Algerians includes some 2 million persons displaced within the country itself, and over 200,000 refugees who have been voluntarily repatriated from Morocco and Tunisia. Although our Government and private relief agencies have been active among Algerian refugees since 1957, the major relief operation got underway in 1959 by the League of the Red Cross Societies and the United Nations High Commission for Refugees. American leadership and contribution in this international effort—and I would include here the very efficient and fruitful efforts of American voluntary agencies—have been instrumental in giving them a friendly presence in the Algerian complex, and in maintaining political and economic stability in the countries of asylum. I can say with certainty, Mr. President, that a good record has been established by the American people in the Algerian refugee situation. And I commend those in Government and the private sector for helping to make this record possible.

Now that Algeria is independent, however, the League of Red Cross Societies estimates that some $16 million will be needed during the coming year to meet the needs of Algerian refugees. The Algerian Government has appealed directly to representatives of the United States for assistance in this situation, although France and other free world countries are expected to bear the major burden.

We would be remiss in not responding favorably to the appeal of our friends in Algeria. It would be contrary to our ideals and humanitarian traditions, Mr. President, for it would undo our friendly presence in Algeria. Failure to provide this help would enhance the political advantage of the Soviet bloc in a sensitive area of the world.

In testifying some days ago before the Committee on Appropriations, I supported the full budget estimate for refugee and migration assistance, authorized by Public Law 87-510, the Migration and Refugee Assistance Act of 1962, I strongly reiterate my support here today. It is essential that this country and the free world be in a position to deal effectively with the problems created by the flow of refugees and escapees. I urge my colleagues, therefore, to support the amendment offered by the distinguished Senator from Connecticut [Mr. DODD] to restore partially the Algerian program to our immigration and refugee assistance. Stability in north Africa, Mr. President, and the security of freedom demand it.

Mr. DODD. I thank the Senator from Michigan.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. JAVITS. Mr. President——

Mr. ELLENDER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that further proceedings under the quorum call may be dispensed with.

The PRESIDING OFFICER. Is there objection to the request by the Senator from Minnesota? The Chair hears none, and it is so ordered.

Mr. HUMPHREY. Mr. President, I should like to ask the distinguished Senator from Connecticut—and I ask for the attention of the distinguished Senator from Louisiana—if it may be agreed that the Senate vote on the amendment offered by the Senator from Connecticut tomorrow at 10:15 a.m.?

The PRESIDING OFFICER. Is there objection?

Mr. KUCHEL. Mr. President, reserving the right to object, so that there will be no misunderstanding, has an order been entered for the Senate to meet at 10 a.m.?

ORDER FOR ADJOURNMENT UNTIL 10 A.M. TOMORROW

Mr. HUMPHREY. Mr. President, I was about to request, and I do request, unanimous consent that when the Senate completes its deliberations tonight it stand in adjournment until 10 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

FOREIGN AID AND RELATED AGENCIES APPROPRIATIONS, 1963

The Senate resumed the consideration of the bill (H.R. 13175) making appropriations for foreign aid and related agencies for the fiscal year ending June 30, 1963, and for other purposes.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the Senate vote on the Dodd amendment tomorrow at 10:15 a.m.

The PRESIDING OFFICER. In there objection to the request by the Senator from Minnesota?

Mr. DODD. Mr. President, I am happy to accede.

Mr. KUCHEL. Mr. President, reserving the right to object——

The PRESIDING OFFICER. The Senator from California reserves the right to object.

Mr. KUCHEL. So that there will be no misunderstanding, does my able friend contemplate that there will be a morning hour, or that the 15 minutes will be divided between the proponents of the amendment and those opposing it?

Mr. HUMPHREY. It is contemplated that the 15 minutes between 10 a.m. and 10:15 a.m. will be divided between the proponents and the opponents of the amendment offered by the Senator from Connecticut.

Mr. KEATING. Exclusive of the prayer.

The PRESIDING OFFICER. Is there objection to the request by the Senator from Minnesota? The Chair hears none, and it is so ordered.

The unanimous-consent agreement, as subsequently reduced to writing, is as follows:

UNANIMOUS-CONSENT AGREEMENT

Ordered, That the Senate vote at 10:15 a.m., Tuesday, October 2, 1962, on the pending amendment by the Senator from Connecticut, Mr. DODD, on refugees, to the bill (H.R. 13175) making appropriations for foreign aid, with the debate before that time to be equally divided and controlled by the Senator from Connecticut, Mr. DODD, and the Senator from Louisiana, Mr. ELLENDER.

COMMITTEE MEETING DURING SENATE SESSION TOMORROW

Mr. JOHNSTON. Mr. President, I ask unanimous consent that the Committee on Post Office and Civil Service be permitted to meet during the session of the Senate tomorrow.

The PRESIDING OFFICER. Is there objection to the request by the Senator from South Carolina? The Chair hears none, and it is so ordered.

FOREIGN AID AND RELATED AGENCIES APPROPRIATIONS, 1963

The Senate resumed the consideration of the bill (H.R. 13175) making appropriations for foreign aid and related agencies for the fiscal year ending June 30, 1963, and for other purposes.

The PRESIDING OFFICER. The amendment which will be pending following action on the Dodd amendment will be the Johnston amendment.

Mr. HICKENLOOPER. Mr. President, what is the parliamentary situation? A moment ago the Senator from Florida had the floor. All kinds of things have happened since.

The PRESIDING OFFICER. Yes. The Senator from Florida yielded the floor when he left the Chamber. At that time the floor was open, so that any Senator could obtain recognition. Several Senators have done so.

Mr. HICKENLOOPER. I am very glad to have that point cleared up. I was watching the Senator from Florida when he left the Chamber. When he yielded the floor he did it by sign language. I merely wished to clear up that point.

Mr. HUMPHREY. There is no doubt that the Senator has left the floor. In other words, he "flew the precinct."

Mr. HICKENLOOPER. He "flew the floor."

Mr. HUMPHREY. Mr. President——

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

Mr. HUMPHREY. The parliamentary situation is that the Senate will meet tomorrow morning at 10 o'clock. The Senate will vote at 10:15 a.m. on the Dodd amendment. Afterward, the pending question will be on agreeing to the Johnston amendment. Is that correct?

The PRESIDING OFFICER. The Senator from Minnesota is correct.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. KEATING. If some Senator should ask that the Journal be read, would that complicate matters?

Mr. HUMPHREY. If some Senator should do that, I do not know what we would do. I suggest that it not be done.

Mr. DODD obtained the floor.

Mr. JAVITS. Mr. President, will the Senator from Connecticut yield to me?

Mr. DODD. I am happy to yield.

Mr. JAVITS. I understand that the purpose of this very modest appropriation is to provide assistance to Arab refugees in Algeria who are having very grave problems in getting to their native villages because of the dreadful breakdown in Algeria.

Mr. DODD. That is exactly correct.

Mr. JAVITS. This proposal would not necessarily commit us to a longtime refugee program. We could look it over to decide if we did or did not wish to do it. It is only a temporary measure in which we would participate, as the Senator has advocated, because of our well-known feelings about the refugees, the unhappy and unfortunate people who are in a country shattered by a terrible civil war, a country now trying to put itself together again. Is that correct?

Mr. DODD. The Senator has stated the situation better than I could have done. That is exactly correct.

Mr. JAVITS. I have stated it in that way, because it is very important, in view of the objections made, to indicate that this is not some new refugee program.

Mr. DODD. Not at all.

Mr. JAVITS. It is to be a heartfelt act on the part of our Nation in regard to a shattered country in which people really need a helping hand.

Mr. DODD. That is our intention.

Mr. JAVITS. It will not do the whole job, but it will help.

Mr. DODD. That is correct. The Senator has stated it as well as he did in the first instance.

Mr. JAVITS. I thank my colleague from Connecticut. I hope to be with him tomorrow.

Mr. DODD. I appreciate my colleague's encouragement and support.

Mr. HART. Mr. President, will the Senator yield?

Mr. DODD. I am happy to yield to my dear friend from Michigan.

Mr. HART. In addition to the several points which have been made, and particularly the point made by the Senator from New York, I think a practical, hardheaded reason for substantial assistance in this area at the present time is the great necessity that persons who fled from that country to Metropolitan France be attracted back. Unless we can establish a relatively stable society, or participate in that endeavor, fewer and fewer will return. Unless these people do return, the course of history shows that the situation will be very rough.

Mr. JAVITS. Mr. President, if the Senator will yield to me, nobody knows better than I the problem in north Africa. The problem faced by the Arab world is not a monolithic one. There are various elements in it, like the Tunisian, Algerian, and Moroccan elements. It is very important that we maintain our relationship as the great power which has a heart for the people, notwithstanding that perhaps in other places in the Near East we cannot take an attitude entirely suitable to the Arab world.

That is the reason why I wish to reexpress our position, so that we will all understand what we are doing. We are not going into some new, big, broadscale refugee program.

Mr. DODD. I am happy that the Senator from New York has said that, because it is exactly the case.

Mr. HUMPHREY. Mr. President, will the Senator yield to me?

Mr. DODD. I yield. I wish to say to the Senator from Minnesota, the assistant majority leader, that without his encouragement I would not have offered the amendment. Because he is such a great humanitarian, I was encouraged to offer it.

Mr. HUMPHREY. I thank the Senator from Connecticut. I say to the Senator that, in the few moments we shall have tomorrow, I hope the Senator will again state for the record and for all in attendance—because the Senate will vote at 10:15 a.m.—the very direct and simple and yet telling points which have been discussed tonight, because this is an important amendment. I should like to have the record clear. The proposal was not voted down in the committee. It was discussed in the committee, but the amendment was withdrawn because we did not have all the information we needed at that time in the committee.

Subsequently, I talked with the Senator from Connecticut as well as to representatives of the Department of State.

It seems to me it would be most unwise for our Government to reject this opportunity to lend a helping hand in an area of the world so crucial today, where the decision may have a great deal to do with the future of Algeria.

Mr. MORSE. Mr. President, will the Senator from Connecticut yield to me?

Mr. DODD. I wish to say for the record that one of the reasons why I am so devoted to our assistant majority leader—and perhaps the greatest reason—is his depth of feeling for unfortunate human beings. He has demonstrated it many times.

He "gets after me" because of my views about this or that—the Congo or Cuba or something else—but I believe he and I have an affinity on basic questions and I think we share it with the senior Senator from Oregon. I thank the Senator again.

Mr. HUMPHREY. Mr. President, I consider it an honor to hear those words. I assure the Senator that, while on occasion our views may differ as to an item here or there, our basic philosophy is not different. I cherish the friendship of the Senator from Connecticut.

Mr. DODD. I am hopeful that the Senator is swinging around to my view, and I am happy about that.

Mr. HUMPHREY. The Senator is exceedingly persuasive.

Mr. DODD. Mr. President, I yield to my friend from Oregon.

Mr. MORSE. Mr. President, I wish to say to the Senator from Connecticut that, although the hour is now 9:30 p.m., I am very pleased to have some indication at this late hour that there might be something in connection with the bill for which I can vote. I hope I shall be able to vote for the Senator's amendment.

I am sure that I am not going to be able to vote for the bill, because there has been a complete failure on the floor of the Senate today to protect what I consider to be the taxpayers' interest and to bring to an end the very shocking giveway program, which, with all the hundreds and hundreds of millions of dollars and waste in it, in my judgment, has proved to be a great disservice to the American people.

I have tried for several years to change the tenor of the foreign aid bill from a bill that would change the ratio of grants to loans to one of loans to grants. We are still confronted with a foreign aid bill under which 65 cents out of every American taxpayer dollar goes into a complete giveaway. What we ought to have is a program under which at least 75 cents out of every tax dollar constitutes a loan, and not more than 25 cents as giveaway. I am dumfounded that we have not made more progress in recent years in regard to that subject when we discover that because of our largesse, year by year our allies are placing themselves in a much better financial condition than the United States, but expecting us to pay through the economic nose while they fill and line their pockets.

We must take into account the fact, as the Senate has heard me say before, that we have a national debt now totalling more than $300 billion, while the combined national debt of all of our allies and all the free nations of the world is only $209 billion.

We are confronted here today with many speeches and pleas to shake down the American taxpayers to the extent of many millions of dollars more in the name of foreign aid, on the basis of the fallacious and highly phony argument that to do so will strengthen our security. What we are doing by the bill is weakening the greatest defense weapon of the United States—our own economy.

Earlier this afternoon I tried to warn the Senate that there is growing in this country an understanding of this issue on the part of the people at the precinct levels of America. They will speak out and strike down politicians who are not protecting the greatest defense weapon they have, namely, their economy—and they should. In my judgment, for the security of our country, the sooner they do so the better. I cannot vote for the bill in its present form, and I do not intend to do so. I yield to no one in my 18 years of service in the Senate in fighting for the development of a sound foreign aid program. We saved Europe through the Marshall plan. Had we not passed that program, Europe would have been a Communist area today. I not only voted for the plan, but also I fought for it. Of course, we saved Europe with NATO. I was one of the floor leaders in the Senate, assigned by the great Arthur Vandenberg to help put the NATO treaty through the Senate. I handled article 5 of the treaty. Of course, we saved Turkey and Greece. We saved many other parts of the world. But the memory of our allies is short lived. The sad fact is that we are not getting the economic or manpower assistance from our allies that we deserve for the protection of freedom around the world.

Where is the manpower of our allies in southeast Asia? The Senator from Louisiana [Mr. ELLENDER] pointed out today that it is merely token. That does not make our effort a united effort to protect freedom in southeast Asia. Consider the attitude of our allies toward Latin America.

I speak as the chairman of the Subcommittee on Latin American Affairs on this subject. Our allies are making a sorry record in regard to the protection and the strengthening of freedom in Latin America. Yet today we consider an amendment that at least would seek to make perfectly clear to our allies that we do not intend to give aid to them, and have them in turn in various ways get it back into Cuba. Where are they when we ask them to stand up and be counted on the question of whether or not they will join with us in preventing a Russian buildup in Cuba?

I happen to be one who believes that we do not have a NATO ally that can justify shipping a single pound of materiel into Cuba, and then expecting us under the bill to give them further giveaway handouts under foreign aid.

In regard to military aid, I said this afternoon, and repeat tonight, that we should take the economy way from the Pentagon Building and return it to the American people, for we are living under a defense economy and not a free economy.

We are greatly weakening our economy. The Senator knows that I am not at all stopped in my battle against the bill in the light of all the flag waving that we must do it in order to preserve the United States. It is about time that some of the other free nations of the world started to demonstrate by way of some economic sacrifices on their part that they are willing to stand with us in the cause of freedom.

The Senator from Connecticut has raised a great human issue. He has proposed an amendment which in my opinion raises again the question as to whether we recognize that the only values, after all, that count are human values. I wish to see my great country keep faith with its ideals in supporting human values. If we could undertake more of that type of program in connection with our foreign aid program, I would be more inclined to give a little more away. But the time has come when I think we must have an accounting from the nations that we have built up. Although I am one who wishes to support good foreign aid, I shall not support foreign aid bills until we change the ratio between grants to loans into one of a larger proportion of loans to grants and until we get some commitments from our allies that they will be of assistance to us in the great struggle of preserving freedom, not only in southeast Asia but also in the Western Hemisphere.

Mr. DODD. Mr. President, I am deeply grateful to the Senator from Oregon for what he has said. I voice the opinion of all my colleagues, I believe, when I say that whenever he speaks, his words are worthy of our attention. He always moves me by his eloquence, and particularly by the logic of his argument. The Senator from Oregon is one of the most logical Members of this body. I am an admirer of the Senator from Oregon. He has a great mind. He has great eloquence. He has a great heart, and to have him speak in support of the amendment means a great deal to me.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. DODD. I yield.

Mr. MORSE. The Senator does not know it, but as soon as we adjourn I suggest that he be on his way to Oregon to make that speech up and down my State. I thank the Senator very much.

Mr. DODD. I have told the Senator from Oregon in personal conversation, as he well knows, that not only will I travel to Oregon, but I will walk to Oregon in order to speak for him, because I believe he is one of the great Senators of the United States.

I can think of few greater tragedies than to miss him here next January. He is a great Senator, a true statesman, and an outstanding American. I wish to say publicly what I have said to him privately, that indeed I would walk to Oregon, and all through Oregon, and I hope some people will listen to me as I say "Reelect WAYNE MORSE."

Mr. MORSE. I thank the Senator.

Mr. McCARTHY. Mr. President——

Mr. DODD. I recognize another adversary, the distinguished junior Senator from Minnesota, who is frequently against me on my thoughtful amendments and proposals, but with whom I served in the House, and for whom I have great affection. I am encouraged to believe that he is moving to my side on certain issues.

Mr. McCARTHY. At least with reference to the remarks he made about the Senator from Oregon, we are in complete agreement.

Mr. DODD. I can say the same thing about both Senators from Minnesota.

Mr. HUMPHREY. I join in that statement, too.

Mr. DODD. I do not believe I have as much difficulty with my adversaries as they have with me. They are wonderful men. I believe my task is simply to change them and not oppose them. From time to time I feel that I am succeeding in this, and I am encouraged by the changes that I have seen take place here. We are making progress. We are going to make great changes in the Senate next year and in years to come.

Mr. McCARTHY. In this particular instance, I agree not only with the remarks he made about the Senator from Oregon, and not only with his logic, but also with his premises. This brings us close to complete agreement. I hope the Senator from Connecticut goes to Oregon and speaks for the Senator from Oregon in his campaign for reelection. I have already been there. I have not walked over the entire State, but I did turn down an invitation to shoot the rapids with the Senator from Oregon. If he had asked me to walk, I would have accepted. Anyway I hope in this instance the wishes and desires of the Senator from Connecticut, which are identical with mine, will be fulfilled.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. DODD. I yield.

Mr. MORSE. The speech and the comments of the Senator from Minnesota have stimulated me to also serve notice, but before I serve notice I thank the Senator from Minnesota very much for his kind remarks. The Senator from Minnesota was a great help to me in the State of Oregon. I appreciate it very much. He has thousands of friends in my State, who know of his statesmanship. I am sure that they will not forget the fine speeches he made in my State. I wish to say to my friend from Connecticut that I will sit down with him tomorrow, with a calendar, and we are going to schedule speeches for him shortly after we adjourn.

Mr. DODD. My time is at the Senator's disposal.

Mr. MORSE. I will place the appropriate notice in the RECORD, but I now serve notice that I shall also seek to attach to the same bill that the Senator from Minnesota [Mr. MCCARTHY] has just commented upon another very important amendment, which would require the suspension of the rule. In view of the fact that we can give away hundreds and hundreds of millions of dollars in the foreign aid bill to a great many people far removed from our shores, I propose to have the Senate vote, before we adjourn—and I give this notice, in order to have the rules suspended—to provide justice to the World War I veterans of this country.

As I have been heard to say year after year, I believe that the World War I veterans of this country are entitled to a long-overdue pension. The Morse World War I veterans bill has been offered each year. I am sure no one thought Congress would adjourn without his having to stand up and be counted on it once more. The vehicle which the Senator from Minnesota just announced is a very good vehicle to which to attach that amendment.

Therefore I serve notice, and will put it in the RECORD in correct form, that I shall offer the World War I veterans pension bill to the same bill.

Mr. DODD. Mr. President, I close on this note. We are praising each other, it is true, but, after all, we are all of one political creed here, with some differences. I shall not take more than a minute to say this, but I wish to call to the attention of the Senator from Oregon and both Senators from Minnesota and the Senator from Colorado, my dear friend Mr. CARROLL, that I am a Democrat, and I never forget this. I respect my party. I believe my party is essentially right. It has been historically right in so many important respects.

I believe that our strength is that we have a WAYNE MORSE, a HUBERT HUMPHREY, a GENE MCCARTHY, a JOHN CARROLL, a WILLIAM PROXMIRE—and I can go down the line. We are not all of one mind on every issue. But we are of one mind on the basic issues. Our strength lies in our ability to disagree and dispute and debate.

That is why I am able to stand on the floor of the Senate and say to my dear friend from Oregon that I will go to Oregon, because I believe he is a great Democrat, in the big sense, and a great humanitarian. I believe that the other Senators, of whom I have spoken, like the great assistant majority leader from Minnesota, believe, too, that this is where our strength lies. We are not regimented. We do not follow the same petty doctrinaire line.

We believe in the strength of diversity, the differences of people of strong convictions. That is why we are winning elections in this country. That is why we will win this election.

Mr. CARROLL. Will the Senator climb Pike's Peak?

Mr. DODD. Yes; if it will help to get the Senator elected.

To return to my amendment, I express my appreciation to all those who have encouraged me tonight on the amendment for the relief of the Algerian refugees. I know that deep down this is the decent thing for us to do. It does not cost us very much, considering what we are doing all over the world. Tomorrow morning I hope my friends will be here, and will help us to put this small but decent and vitally important program into operation.

ORDER FOR RECESS UNTIL 10 A.M. TOMORROW

Mr. HUMPHREY. Mr. President, I move that when the Senate completes its business today, instead of adjourning, it take a recess until 10 o'clock tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

DONALD CROCKETT RETURNS TO VALLEY

Mr. MORSE. Mr. President, Mrs. Donald Crockett, of Coquille, Oreg., has kindly brought to my attention an editorial which appeared in the September 20 issue of the Coquille Valley Sentinel, entitled "Donald Crockett Returns to Valley, to Place Where He Once Hoed Weeds."

I ask unanimous consent that the editorial to which I have alluded be printed at this point in my remarks.

There being no objection, the editorial was order to be printed in the RECORD, as follows:

DONALD CROCKETT RETURNS TO VALLEY, TO PLACE WHERE HE ONCE HOED WEEDS

When the Army Engineers let bids for the improvement of the dike on the Donald Crockett ranch (the old Powrie place on Highway 42), it will be the first time they have ever helped on the Coquille diking system.

A soft-spoken man who moved back to the Coquille Valley less than 2 years ago, Crockett gives most of the credit in getting Federal help to his wife and to Senator WAYNE MORSE.

"I have been a Republican all of my life, but I want to give credit where credit is due, and that is to Senator MORSE," and then he adds slyly, "and to my wife who wrote all the letters."

It was Senator MORSE who carried the ball in Washington, all right, as the sheaf of letters which Mrs. Crockett displayed proved.

The Crocketts believe, as do others close to the diking problem, that this may be a breakthrough as far as Government assistance in flood control is concerned.

The Engineers have already surveyed the property, which is just south of the house and across the Southern Pacific tracks, and bids are to be let late this month.

The dike to contain the sometimes rampaging Coquille River will be 300 feet long, and will be across a point where the river once ran along the tracks.

Last year, Crockett, at an expense of more than $2,000 to himself, tried to hold the river in its channel at this point, but it went out in the November freshet and threatened the Georgia-Pacific log pond and the railroad tracks.

Federal assistance has long been sought for help in flood control, so vital if the valley is to take its proper place in agricultural economy of this region.

Most farmers and ranchers agree that this is one of the most fertile valleys in the Nation if the river could only be kept in its banks in the winter time so that the soil could be fully utilized.

Crockett is not a newcomer to the Coquille valley; he once weeded carrots on the ranch which he now owns. This was nearly a half century ago.

"I bought this place so I wouldn't have to weed any more carrots," Crockett says, smiling, proud of this place which is considered one of the finest ranches in the county.

Crockett says he decided to move back to this area from Brookings after property taxes got too high for ranching there. "They ran me out with taxes," he declares, and he means it.

After he sold, he had a chance to talk with Jack Caughell who lives near Broadbent, and Jack suggested that possibly Bob Powrie might sell his place, long a showplace along the highway. The Powries at one time had kept a stable of race horses there, and the white wood fences have long been a landmark.

Powrie said he would sell, and they made an oral agreement, Crockett speaks freely of the purchase price they decided on that day. "Powrie was a man of his word, and we bought the property," Crockett recalls. This was about a year and half ago.

Now, Crockett has expanded his holdings, having purchased property from Ernest

Bircher, Dale Richards and Mrs. Estall McSivy. He now owns about 500 acres of hill and bottom land, and he runs both beef and dairy cattle there. He sells to the Safeway cheese plant at Myrtle Point.

Asked why he went back into the cattle business after selling his extensive holdings near Brookings, Crockett said without a pause,

"And what would I do if I didn't farm? Spend my life in Palm Springs? That's not for me; I love ranch life, and I like to think I know a little about it. This country would be in pretty sad shape if the experienced ranchers and farmers all decided to sell out."

He speaks proudly of the fact that his two sons are in the ranching business, and his son-in-law, too. His youngest boy Vernon, recently purchased the Stanley Claussen ranch from Roy Franssen.

As far as Crockett is concerned, the Coquille Valley is a pleasant place in which to live. Both he and his wife like it better here than at Brookings. "Less fog," they say, in unison.

A diligent man, Crockett says he learned how to work when he was a boy. "I wonder if youngsters now are learning what it means to work; sometimes I am not sure when I get a high school book or two around here. I used to walk from Coquille to this place to hoe weeds in the carrot patch for 10 cents an hour. Now the boys expect me to haul them back and forth when I need somebody to help with the haying. I tell them they can get here on foot, if they can't find any other way."

But he is a kindly man and his opinions follow the tradition of the soil; hard work and proper frugality will keep most everybody out of trouble. This, he infers, goes for adults as well as kids.

Getting back to the dike, from which we purposely had led him away to find out what kind of a neighbor we have, Crockett said, "Now I want you to be sure to give Senator MORSE credit for the work he did on this. I'm a Republican, but I believe in giving credit where credit is due"; and so do we.

We hope this is a breakthrough toward flood control in this valley. And while we are at it, we welcome the Crocketts back home.

ECONOMIC INTEGRATION AND POLITICAL REINTEGRATION IN LATIN AMERICA

Mr. MORSE. Mr. President, I have read with great profit and resulting increased knowledge of some of our Latin America problems in a speech which was delivered by Mr. Felipe Herrera, president of the Inter-American Development Bank, for the Conference on Tensions of Development in the Western Hemisphere sponsored by the Council on World Tension in cooperation with the University of Bahia, at Salvador, Bahia, Brazil, on August 6, 1962.

I highly commend a reading of this speech to the Members of the Senate, particularly to members of the Foreign Relations Committee.

I ask unanimous consent that the text of the speech be printed in the RECORD at this point.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

LATIN AMERICA: ECONOMIC INTEGRATION AND POLITICAL REINTEGRATION

(Statement prepared by Felipe Herrera, president of the Inter-American Development Bank, for the Conference on Tensions of Development in the Western Hemisphere (Salvador, Bahia, Brazil, August 6, 1962) sponsored by the Council on World Tensions in cooperation with the University of Bahia.)

"We must unify our fatherlands internally through an education that will be transmuted into awareness of nationality and through a distribution of well-being that will bring us all into perfect balance; and we must unify our countries under a predetermined, somewhat Pythagorean scheme, in which those 20 spheres can move harmoniously, each in its own orbit, in freedom and in beauty. We are driven by an ambition that is as yet obscure and confused, but which has coursed through our veins from the platonic archetypes down to the fevered and suffering visage of Bolivar whose utopia we seek to transform into vivid reality."—Gabriela Mistral.

INDEPENDENCE AND INTERDEPENDENCE

I believe that to study the motives and meaning of world tensions is to analyze and interpret history. Just as a body in motion is a body in search of rest through an eventual accommodation of mutually opposing forces, so a historical process is essentially, the interplay of all types of social forces seeking a position of relative stability within a specific framework of tensions which, by their own momentum, are generating the dynamic elements of a subsequent change.

Perhaps for this very reason each dawn has been the beginning of a new historic age; but in our times the existence of a vast and far-flung transformation is so evident that for the first time in history it would appear that social developments have the same power of acceleration as scientific advances or technological change.

On the one hand, as a result of various factors, particularly the universal progress made in the field of communications, mankind no longer accepts poverty as an inevitable part of the life process. He believes it can be overcome and he devotes his efforts to this end, although he may at times fail to choose the proper method or channel.

This human changeabout from fatalism to hope, from despair to action, has unleashed a force whose consequences lie beyond our powers of calculation. On the other hand, with the gradual disappearance of the imperialistic system, we are witnessing the end of a system which for more than four centuries welded together the world opened by Spanish and Portuguese navigators to trade and conquest by a Europe that was more powerful and technologically more advanced. Independent nations emerge or reemerge from this world to join the international community. Five in 1961, 17 in 1960 and so on to a total of 104 member countries of the United Nations, which was established with 49. Together with its vivid flag, each of these nations brings to the world its decision for self-government and continuing independence, and its demand for a share of well-being.

This process toward a new world order stirs up almost unbearable tensions. One of the greatest sources of anxiety in our time is precisely the uncertainty concerning the system that will prevail in achieving the brotherhood of all nations.

Dispersion does not appear to be the key to solving the conflict and avoiding the hidden obstacles lying ahead. There are many aspirants but only one aspiration. This alone would impel us toward common action even if we were not aware we are also confronted by a crucial dilemma. Modern technology has reached such a point that it can be applied equally to a definitive eradication of disease and poverty or to the annihilation of the human species. Once again we have reached a crossroads that we can only traverse if we are imbued with a deep conviction of the brotherhood of man. "Solidarity or Disintegration" is the suggestive title in Spanish of a book by the eminent Swedish sociologist Gunnar Myrdal which poses with singular mastery the current need for overcoming the centrifugal forces that are ranged against human well-being on the national and international level.[1]

An increasingly clear perception of joint responsibility and destiny has led to a search for and trial of collective solutions. Thus the intense preoccupation with problems of regional economic integration that followed the Second World War has yielded impressive results. Europe is now progressing firmly along these lines. And in this connection, I would like to recall here the words of President Kennedy in a speech last July 4 in Philadelphia that strikes a proper note for this day and age: "I will say here and now on this day of independence that the United States will be ready for a declaration of interdependence—that we will be prepared to discuss with a united Europe the ways and means of forming a concrete Atlantic partnership—a mutually beneficial partnership between the new union now emerging in Europe and the old American Union founded here 175 years ago."

In speaking these words, one of the great political leaders of our times chose, deliberately, the occasion, the place, and the emphasis to mark the coming of an international order of irreversible interdependence. It is well to recall the prophetic words of Victor Hugo a little more than a century ago, in August of 1849: "The day will come when we shall see two great confederations, the United States of America and the United States of Europe confronting each other across the seas and extending their hands in friendship and close cooperation."

We are becoming familiar with international events foreshadowing the reintegration of nations which throughout recent centuries, had been forced by historical developments to sever their ancient ties. Arab nationalism, for example, despite the immediate difficulties and tensions of the Islamic countries, has become a powerful centripetal force seeking its own political, economic, and philosophical expression in the contemporary world. The recently emancipated African nations are also zealously seeking points and spheres of cohesion. Thus, Pan-Africanism tends to transform itself into another interesting international dynamic force. Only a few days ago the press carried reports of a proposal for economic and political integration of the Malayan peoples.

In our opinion, these processes are accentuating a "pluralist" trend in international relations. The harsh outline of polarization between Russia and the United States that predominated 15 years ago is fading in the 1960's, and it is interesting to note that the new situation arises largely from the demands of the underdeveloped regions for a voice of their own. These countries know that they cannot achieve individual fulfillment and that cohesion among those units most similar to each other is essential.

Prof. Hans Kohn, in his significant new book "The Age of Nationalism, the First Era of Global History" maintains that we are rapidly approaching a stage of "pan-nationalisms" or "transcendent nationalisms." The author sees this process as a positive factor in easing the tensions between nations. He says: "By 1960 the situation in the United Nations had changed. The democratic principles of pluralism and free competition asserted themselves. Even the Communist world became less monolithic. Communist nations like Yugoslavia, China, Albania, criticized or resisted Moscow's claim for leadership. Nationalism and diversity proved stronger than dogmatic authoritarianism and unity." Professor Kohn later adds: "Another difficulty facing the new nations today as it faced the advanced nations in the past, is that of national integration, of fusing different ethnic, religious, social and cultural groups into a high-consensus society. On its solution the stability, the progress and even the survival of many Asian, African and Latin American countries may depend. The task is in the new nations as difficult as it was in the old ones. Pluralistic federalism may overcome many tensions.

---

[1] "An International Economy, Problems and Prospects."

Latin America has also taken significant steps in the field of collective action. The Inter-American Bank is itself a cooperative Pan American undertaking for the financing of development projects. In addition, it administers the social progress trust fund established to implement the Act of Bogotá and the Charter of Punta del Este, which are also instruments of hemispheric scope. In the more limited field of regional economic integration, the Latin American Free Trade Association, established by the Treaty of Montevideo, is gaining momentum and Central American economic integration is entering a stage of greater effectiveness with the recent adherence of Costa Rica to the regional treaty and its association with the Central American Bank.

However, to date, this action has tended to concern itself exclusively with the economic aspects and, at times, the purely commercial aspects of the process of integration, ignoring the political factors that are necessarily involved. It might be said that we have learned to follow the formal and technical indications of the European example but have feared to adopt their essence. Actually, integration is political as well as economic in both its objectives and its procedures. There is a close and reciprocal influence between the spheres of economic action and political decision.

On the one hand, economic changes to satisfy the requirements of an expanded market can, at a given time, create a need for political unity although, certainly, they cannot of themselves bring about such a union. Milan controlled all the trade routes from Genoa to Europe; however, the two republics remained for centuries independent nations, allies against Venice, until Napoleon with his legions forced the political unity of the Po Valley, which is more naturally integrated than most areas of the world.

On the other hand, many economic problems can be solved only through political measures. The development and orientation of regional trade, the maintenance of full employment, the regulation of cartels and monopolies, the prevention of depressions and inflation, and the coordination of regional economic plans necessarily require legal provisions, executive decisions, and administrative harmony that are the responsibility of the highest spheres of government.

In this respect, it is helpful to recall certain concepts of Dr. Hallstein, president of the European Commission of the European Economic Community, who, addressing the Parliamentary Assembly of the three European Communities on March 19, 1958, stated as follows: "We should not forget that the main thing pooled by the Rome Treaty was not the 'economies' of our nations—that is to say the same total of the decisions and activities of industrialists, workers, bankers, tradesmen, and consumers—but the economic policies of the participating countries. In other words, it is not the citizens who are making a sacrifice to the Community * * *, but the governments. The merging of the national economies themselves is merely an outcome of this and in this sense of secondary importance. The significance of our Community lies in political aspect in the institutional setup of our Community, no less than in the practical regulations relating to the conditions of administration. What is it that we are trying to achieve? We are striving to bring about a transformation of society. We want our citizens, insofar as they regard themselves as political beings, to think of themselves not merely as members of a traditional structure, but as belonging to the great European family."

If Latin America is to recover lost time and not be permanently relegated to a place outside the sweep of history, it must step up the pace of its economic integration and, to this end, it must squarely face up to the need for political integration. Many conditions and circumstances of its geographic, historic and human situations favor both prospects. Latin America is not a group of nations; it is one great disjointed nation. The historic task of the area, viewed as a unit, is to recover the forward surge of a frustrated process of economic development, rather than undertake a new one.

The Latin American nation is not a fictitious entity. Underlying the roots of our modern States, it persists as a vital force and profound reality. Upon its age-old indigenous heritage, diverse in shape and manner but identical in essence, is the imprint of four centuries of Spanish domination. From Mexico to Cape Horn, it was formed by similar experiences, institutions, culture and influences. Thus, united in spirit and in power, it rose to claim its independence.

AMERICA DISINTEGRATES

The harbingers of our independence, Miranda himself, with his "Incanato" project, and Narino, Caldas and Espejo in the "Escuela de la Concordia," were thinking of such a nation. The heroes of our independence were thinking of such a nation: Padre Hidalgo in Mexico by declaring himself "Generalissimo of the Americas," and Belgrano at the Congress of Tueumán in speaking of the representatives of the "United Provinces of South America." San Martín and O'Higgins, Santander and Sánchez Carrión, Morazán and Santa Cruz, all fervently advocated the federalist or amphicthyonic idea. Bolívar, its particular partisan, following the winning of independence, expressed it in specific terms and hoped to achieve it at the Congress of Panama, to which, it should be stressed, he invited Brazil, which in 1826 was an empire.

Bolívar failed to achieve his goals because the forces that were to produce or contribute largely to producing Latin American fragmentation were already in play. Actually none of the founders of the new nationalities was concerned with strengthening or broadening democratic formulas rooted in colonial institutions as, for example, the cabildo. All found inspiration in ideas from the encyclopedia and adopted the model that had served to constitute modern Europe. So the nation-states were born, under a concept in which the nation was vague and, consequently, the state was frail.

Toynbee maintains that when two cultures come into contact, the weaker can resist the stronger not by offering an impenetrable resistance but by being prompt to utilize effectively the methods and technology of that superior culture. Thus it is not the resisting fanatics, but the reformers, almost always accused of subservience, who rescue their own culture. Such reformers were Salim III, Peter the Great, Mustafa Kemal Ataturk, and the elder statesman of Japan who prevailed against the West by using Western arms. It is one of the ironies of history that Gandhi himself, despite his genius, in an effort to save India from economic westernization, impelled it along the path of political westernization and guided it triumphantly to a goal of national self-government in Western terms.

I believe that, in a similar fashion, this institutional and ideological Europeanization of the new Latin American countries served partly to affirm their status as independent entities during the period of persistent attempts at reconquest. The diplomatic deterrent of the Monroe Doctrine was not sufficient to keep Europe's fleets away from the American coasts. It was Juárez who had to free Mexico from Maximilian; and it was Chile, Peru, Bolivia, and Ecuador as allies which in 1866 affirmed their independence in the face of latter day attempts at domination by the Spaniards.

Once independence was achieved, various causes conspired to maintain the fragmentation of the Latin American nationality. On this point we must divide our analysis between the Portuguese and Spanish sections of Latin America. I am very dubious about these great hypothetical ifs in history. For this reason I do not intend to discuss what would have happened in Spanish America if Ferdinand VII had transferred his court and the capital of his empire to a city in the Indies. I do not even venture to say whether it would have been for better or for worse. They say that history repeats itself, but it would seem difficult for the admirable example of Pedro II in bringing about a peaceful transition of Brazil from the Empire to the Republic to repeat itself in a short period and at a short distance. However, I believe in one probable consequence of this hypothetical case: the Latin American nationality would not have been broken up to as great an extent as it did.

It is true that one of the most serious causes of disintegration following independence, one which is regarded as a decisive factor in the creation of successive independent states, was the extreme difficulty of communications. Yet even today, even after 150 years of roadbuilding and railroad construction and with transportation facilities then unheard of, 90 percent of inter-American trade is carried by sea. The lack of sufficient land and river routes is still a considerable obstacle to our development. For this reason, this was unquestionably a cause of disintegration.

Communication difficulties had been exactly the same in colonial times and yet they had failed to dissolve the basic unity. One circumstance, however, radically changed the situation. The colonial economy was not organized to serve the colonies but to serve the metropolis. Consumer economy was a matter for local concern in each province; foreign economy was the concern of the Casa de Contratación of Seville, which, exercising a monopoly from Spain, represented a cohesive factor in the economic life of the Indies.

Once independence and freedom of trade had been secured, the difficulty of communications created insurmountable barriers for reconverting an economy that had formerly been mobilized through the metropolis. The new economic activities had two alternatives: to restrict themselves to meeting consumer requirements within the former provincial market or to revolve around four or five basic items. A Peruvian author explains the breakdown of ties in the following terms: "According to Spanish policy these separate realms were joined to the principal nucleus—the Crown—but were not united among themselves by any close ties. It may be said that the Spanish colonial empire functioned in the manner of a solar system but with no relationship between the outlying planets. This is a fact of enormous importance in the history of Spanish America. Independence severed the radii which had connected the parts of that system with its nucleus, the Crown, and naturally the units became absolutely separate and free."[3]

---

[3] Victor Andrés Belaunde, "Bolivar y el Pensamiento Político de la Revolución Hispano-Americana," p. 176.

To economic upheaval was soon added the problem of power. The armies massed for the battles of liberation could not easily be disbanded. The old landowners toyed with the notion of returning to the past while the new native masses wanted to acquire lands; inept local administration proved incapable of solving the new problems. The early leaders could not have hoped for a more propitious moment. As the lieutenants of the liberators, they persisted in thinking in terms of heroic leadership of their troops and glory-bedazzled seduction of the people. Each of them carved out a state for himself from such land as he could control by force of arms. And so disunity was perpetuated and power-seeking adventurers succeeded each in turn.

Once domestic farming activities had been consolidated, foreign capital was attracted to more technological activities yielding a higher return. Unprepared and disunited, our countries turned to supplying raw materials to the international market. Fluctuations in the world market for these products became the key to our destinies. Each crisis left its deep impress on the stability of our countries and drove them to a kind of negative nationalism.

Against such a background, the advance toward industrialization was perforce sporadic and artificial. Antieconomic protectionism had at times to be justified as nationalistic grounds that served to exacerbate mutual suspicion and distrust. Voices within and without raised in defense of the interests vested in the continued "balkanization" of Latin America, gained in force and respectability.

The countries turned a deaf ear to each other's needs and drew further apart with each passing day. Bound into a single unit they lived in solitary, individual isolation. Each looked to the sea and turned its back upon its neighbors, but the sea led only to Europe. This was the situation at least during the 19th century and up to the First World War.

POLITICAL INTEGRATION

As asserted previously while the more highly developed nations of the world are moving at a rapid pace toward unification into large confederations of increasing world significance, the ideological, cultural and economic fragmentation of the countries of Latin America steadily have diminished our capacity for decision-making on the great problems confronting humanity. It might be said that the small geoeconomic areas which characterize most of our structures has tended to minimize the participation of Latin America as an independent and progressive force on the international scene and to give rise to policies which are also small and incapable of overcoming domestic tensions except through dictatorship and extremism.

It is undeniable that for some years past the idea of regional integration has been taking a new and stronger hold upon the minds of many Latin Americans. When the Declaration of Punta del Este was drafted in August 1961, our countries subscribed to the objectives of the Alliance for Progress and for the first time set themselves collective goals of social development and welfare to be attained in the course of the next decade. Several recent international assemblages have recognized the imperative need for a gigantic effort by the region to augment its infrastructure capital, develop its basic industries, and expand its social investments. It has also been recognized that the fragmentation of the Latin American maket into a multiplicity of national markets virtually isolated from each other poses, owing to limitations on the volume of demand, a serious impediment to the development process. In connection with this latter aspect, conferences have been held on regional markets and experts throughout the hemisphere have striven for formulas of rapprochement.

However, the fact remains that, as far as the creation of a Latin American common market is concerned, we are in 1962 repeating formulas which in Europe were first outlined in 1947 or 1948; we are still at the stage of an exchange of expert opinions, perhaps because our heads of state and political leaders are so burdened by their immediate local problems that they cannot possibly attempt to program the bases of vast and far-reaching hemispheric policies. In this sense, it would appear that experts in all fields find it much easier than political leaders to take action on a hemispheric scale, and that there is no parallelism between the approach of these two groups. Those of our politicians who have supported the ideas of Latin American economists and technicians on our commercial integration should not forget that, in the Old World, the thinking of a Briand, a Stresemann, an Herriot and a Churchill were the cornerstones of contemporary European unity.

Is it perhaps premature and utopian to broach at this time the need for working toward the political integration of Latin America. I firmly believe it is not; I am convinced that our political integration is a requisite that we cannot continue to ignore.

We might perhaps hold that political unity will be the necessary result of the play of forces for economic integration that are now beginning to stir within the hemisphere. However, we will have a long road to travel all the longer the more we delay in recognizing that economic integration cannot be attained exclusively through strictly economic measures, that economic integration is not in itself enough to assure the progress and welfare of nations, and that every development process entails simultaneous struggles on the fronts of technology, law, education, institutions and, fundamentally, politics.

It would seem that our nations, anguished by poverty and trapped by an inferiority complex which is heightened by observation of the progress made in other regions, had lost faith in their own creative capacity. Latin America needs to carry out its political unification not only because it will thus be able to give content and effective form to its economic integration and to the subsequent common prosperity it hopes to achieve, but also because this collective achievement will entail the formation of dynamic spiritual forces which will enable us to consolidate our faith in our own cultural values and to avoid the vain imitation of foreign concepts in this hemisphere.

An integrated Latin America is no utopia. It is an observable fact that the people of this region are seeking forms of common expression in the exercise of their professions, the conduct of their business, the financing and execution of their development programs, and the application of their techniques. At the same time, the popular masses themselves are also seeking terms of rapprochement and common ground. The integration of Latin America will constitute a powerful factor for improved utilization of all our collective capacities that are not being properly channeled today owing to the factors for disunity which still prevail.

I do not feel it is necessary to dwell in detail on the industrial and technological advantages which would accrue from the integration of our several economic spheres into one great regional market. It is a known fact that one of the serious factors limiting the industrialization of Latin America and its prospects for technological absorption is the existence of fragmented markets. The very bases of the Latin American Free Trade Association and the General Treaty for Central American Economic Integration tend to remove such obstacles.

There are other fields in which Latin American integration could be promoted, on feasible terms of course. I would like now to dwell briefly on some of these.

Latin America now holds a very significant volume of monetary reserves. According to recent statistics, by the end of March 1962 Latin American monetary reserves in gold and foreign exchange amounted to $2,615 million.

These resources are parceled out among a great many isolated compartments, which detracts from their true significance on the international scale. There is no known technical obstacle to the cooperative and coordinated use of these funds, that is, to the formation of a type of central banking system for the hemisphere. A mechanism of this kind would reinforce the prospects of Latin America as a whole for overcoming short-term financing difficulties. In addition, it could also serve as a multilateral factor in promoting regional trade.

Latin America occupies a decisive position in certain basic items of world trade: 71 percent of world coffee exports; more than 50 percent of copper exports; over 33 percent of petroleum; close to 40 percent of cocoa; more than 65 percent of bananas, and an important share in the exports of cotton, wool, tin and other nonferrous metals.

In some of those commodities, particularly coffee, our countries have endeavored to formulate and implement common policies in defense of their markets and prices. Can we not now take joint action with respect to other basic products in order to prevent discriminatory policies and to improve our trade prospects?

In the past year, following the signature of the Charter of Punte del Este, considerable progress has been made in the preparation of economic development programs or plans by all our countries. Almost all of them now have national agencies responsible for planning and coordinating their economic policies. Many of them are busy drafting or executing development plans. Certainly, credit is due to the inter-American regional agencies for their valuable technical work in the achievement of these objectives. However, we should view such efforts as a preliminary step toward the formulation of an overall program for Latin American development within whose framework many existing problems could be solved or mitigated. I refer particularly to the position of raw materials surpluses on the market and to artificial industrialization efforts.

Latin America is largely dependent on the world outside for transportation and communications facilities. Our countries have attempted to develop their merchant marine fleets and airlines on an individual basis. An interesting exception to this tendency is the Gran Colombiana merchant fleet, whose efficiency and commercial success are incontestable fact. It is most advisable from every point of view that Latin America should be able to act jointly or coordinately in these activities requiring heavy investments and broad markets.

The image of Latin America abroad is a distorted one. Nothing is known of our struggle against poverty; nothing of our Sisyphean labor of achieving monetary stability in the face of declining prices for our export products. I am convinced that if our publicity agencies could join in organizing a pool of information on Latin America, we could contribute toward a more accurate understanding of our countries and peoples than the outside world can now conceive.

Our countries maintain approximately 650,000 men under arms and our military expenses amount to the equivalent of $1,400 million a year. Some countries maintain forces proportionate in size to those of the United States or the Soviet Union. Viewed separately, few of our governments are willing to reduce their armed forces to any appreciable extent. Only the collective disarmament of our countries and a coordinated approach to the task of hemispheric defense will make it possible to overcome many persistent factors of tension and will produce a substantial savings in collective resources that can be usefully applied to accelerate our development.

These are some of the common tasks in which Latin American efforts could multiply the creative capacity of this hemisphere. On all these fronts, as on those relating to juridical systems, health and education, science and international policy, more than technical efforts proper, we need political resolution and decision. We have made notable advances during the last 15 years in exchanges of view among our experts. It is now time to hear the voice and echo of hemispheric political leadership. If we continue to consider Latin American integration strictly as a tariff problem and fail to mobilize our political and social forces, then new international developments—in this contemporary world that is evolving toward the interdependence of the great continental states—will find us overwhelmed on every hand and bereft of a significant voice even among our own people.

THE NEW BALANCE

The stress we have laid in the foregoing pages on the need for accelerating the process of Latin American integration primarily through political action does not mean that such action should be construed as a trend toward isolation. A conclusion of this sort might have been drawn when the polarization between nations influenced by the Soviet bloc and those which viewed themselves as members of the free world was an established fact. But, as stated above, in the field of international relations the trend today is toward "pluralism." The best expression of this new scheme is the Atlantic Community: the United States is supporting European integration as a second pillar on which the Community may rest.

If we are seeking to strengthen Latin America and to keep the region within the family of Western nations, it also seems logical to argue that our countries should be partners and participants in that Community on terms of functional interdependence analogous to that of the other two partners. The enlistment of Latin America in that undertaking only makes sense if we join as a single unit, as Latin America. In this way, the process of political integration sheds its merely regional perspective and acquires international significance, side by side with those groups of people to which we are bound by common historical and philosophical ties.

Only thusly do we believe our nations can feel themselves the masters of their own destinies and effective agents in the current process of world history. The Alliance for Progress offers the technical solution to our economic, social, and cultural problems; unfortunately, we have failed to create a suitable force for Latin American motivation. If our nations have conceived of the Alliance for Progress merely as a policy offered by the United States to Latin America, this has been due to the absence of any intimate conviction that we were dealing on a plane of genuine equality. In order that the Latin American peoples may overcome their feelings of frustration vis-a-vis the advanced Western countries, they must be able to act as a unit in their dealings with the United States and Europe.

In bringing these reflections to a close, we would like to repeat that the political and economic integration of the Latin American nations will not only help to overcome tensions among the peoples of the hemisphere, but will also constitute a powerful factor for equilibrium and peace on the international scene. In this connection, I can think of no more timely observation than the following excerpts from a speech by the French Secretary of State for European Affairs, Maurice Fauvré, urging the French Assembly to ratify the Rome Treaty in July 1957: "We are still keeping up the pretense of four great powers. Actually, there are only two—the United States and Russia. Tomorrow there will be a third—China. It is up to you to decide whether or not there can be a fourth—Europe. If you fail to make this choice, you will condemn yourselves to walk backward into the future." It is also up to us, the Latin Americans, to march forward now into the future and to serve as a new creative and equalizing factor in the interdependent world that is beginning to take shape around us.

NATIONAL REPERTORY THEATER FOUNDATION

Mr. HUMPHREY. Mr. President, I recently received some documentary material describing the national program and activities of the National Repertory Theater Foundation. This foundation has been established as a nonprofit corporation to organize, produce, and sustain permanent touring repertory theater companies in the United States. These companies will bring the finest professional theater to hundreds of audiences across the country. They will present dramatic works of any period and country which have demonstrated qualities of universality and timelessness.

In the 1961–62 season, the National Repertory Theater produced and toured nationally in its first acting company. Eva La Gallienne, Faye Emerson, Scott Forbes, and Frederick Worlock starred in two productions, Maxwell Anderson's "Elizabeth the Queen," and Friedrich Schiller's "Mary Stuart." The tour reached 50 cities and played on 8 college campuses to a total audience of over 250,000.

I salute the National Repertory Theater Foundation on its successful first season. It is now seeking additional funds to carry on and expand its program. I wish the foundation every success in this effort. The establishment of a truly national touring repertory company would constitute a magnificent addition to the cultural life of this Nation.

Mr. President, I ask unanimous consent that certain documents relating to the National Repertory Theater Foundation be printed in the RECORD, at this point.

There being no objection, the documents were ordered to be printed in the RECORD, as follows:

I. STATEMENT OF PURPOSE

The National Repertory Theater Foundation has been established as a nonprofit corporation to organize, produce, and sustain permanent touring repertory theater companies of the highest professional standards.

Through these companies, the foundation will make available to audiences across the country the classic works of the theater.

The repertory of great drama will not be restricted to plays of any specific period or national origin. Rather, the repertory will be composed of dramatic works of any period and country which have demonstrated qualities of universality and timelessness.

The project will ultimately include a National Academy of Theater, located in Washington, D.C., which will train talented young Americans in the great traditions of the stage.

The purpose of the National Repertory Theater Foundation, therefore, is identical to the purpose of our art museums, symphony orchestras, and libraries in respect to the important works of art, music, and literature: the perpetuation of America's cultural heritage.

No such theater exists in this country today.

II. STATEMENT OF CURRENT SITUATION

In its first season, 1961–62, the National Repertory Theater produced and toured nationally its first acting company, performing a two-play repertory: Maxwell Anderson's "Elizabeth the Queen," and Friedrich Schiller's "Mary Stuart."

Both productions, starring Eva Le Gallienne, Faye Emerson, Scott Forbes, and Frederic Worlock, received unqualified critical acclaim.

The tour encompassed over 50 cities and played on 8 college campuses, reaching an audience of nearly a quarter million, including 50,000 students admitted at special discounts.

The objectives in scheduling an initial tour of this scope were:

A. To establish the National Repertory Theater as a truly national concept.

B. To generate, as a result of local appearance, the basis for regional committees and chartered groups for future fundraising activities and audience support in each city.

C. To register the National Repertory Theater as an established producer of superior standards in order to compete with other entertainment forms for desirable theater bookings during each city's 1962–63 cultural season.

These objectives have been accomplished.

III. STATEMENT OF FINANCIAL CONSIDERATIONS

The National Repertory Theater Foundation's budget for the fiscal year ending July 31, 1962 is outlined below. These figures cover the operation of one touring company performing two plays for a 25-week season. Pretour production costs and home office administrative expenses for the full year are also included.

Fiscal 1962 budget

Box-office income	$510,000
Less presenter's shares	162,000
Gross company share	348,000
Less company operating expense	443,000
Net operating cost of tour	95,000
Production cost	64,000
NRT Foundation administration expense	32,000
Total funding required for fiscal 1962	191,000

Based upon the experience to date, it is anticipated that the National Repertory Theater's activities will eventually become self-supporting due to:

A. An increase in box-office income as the National Repertory Theater becomes known throughout its touring areas, and accomplishes its basic function of building audiences for classic theater.

B. An increased share of box-office income as the National Repertory Theater becomes recognized in the field and is in a position to command more favorable booking contracts.

C. The establishment of numerous regional committees (as mentioned previously) to provide financial support at the local level.

However, in the meantime, outside grants are urgently needed from foundations and other sources to cover net costs of approximately $500,000 through fiscal 1965. While such a sum is large in absolute terms, it represents less than 20 percent of gross costs, as the repertory and playing season are extended.

The National Repertory Theater Foundation is a sponsored affiliate of the American National Theater and Academy. The Foundation has applied for tax exemption and is awaiting the completion of its first year of operation to qualify. Until exemption is granted, the American National Theater and Academy, which qualifies as a tax-exempt organization, is accepting grants on behalf of the National Repertory Theater, the full amount of which is turned over to the foundation.

The 1961–62 tour encompassed the following cities and colleges:

Cities: Albuquerque, N. Mex.; Amarillo, Tex.; Arcata, Calif.; Atlanta, Ga.; Baltimore, Md.; Beaumont, Tex.; Birmingham, Ala. Bloomington, Ind. Bridgeport, Conn.; Charlotte, N.C.; Cincinnati, Ohio; Columbus, Ohio; Dallas, Tex.; Danbury, Conn.; Detroit, Mich. Downers Grove, Ill.; Eugene, Oreg.; Florence, Ala.; Fresno, Calif.; Hartford, Conn.; Kansas City, Mo.; Knoxville, Tenn.; Lafayette, La.; Little Rock, Ark.; Los Angeles, Calif.; Madison, Wis.; Medford, Oreg.; Milwaukee, Wis. Minneapolis, Minn.; New London, Conn.; New Orleans, La.; Northampton, Mass.; Odessa, Tex.; Philadelphia, Pa.; Portland, Oreg.; Roanoke, Va.; Rochester, N.Y.; Roswell, N. Mex.; Ruston, La.; San Bernardino, Calif.; San Francisco, Calif.; Santa Barbara, Calif.; St. Louis, Mo.; Seattle, Wash.; Spokane, Wash.; Springfield, Mo.; Tacoma, Wash.; Texarkana, Tex.; Tulsa, Okla.; Washington, D.C.; Wichita Falls, Tex.; Wilmington, Del.

Colleges: Humboldt State College, Kilgore College, Texas, Louisiana Polytechnical Institute, Smith College, the University of Indiana, the University of Tennessee, the University of Wisconsin, Western Kentucky State College.

Among the many colleges with whose faculties we have worked closely to relate a local engagement to the curricula of the English, drama, history, or German departments are:

Alabama State Teachers College.
American University.
Atlanta University.
Cascade College.
Catholic University.
Connecticut College for Women.
Drexel Institute.
Eastman School of Music.
Emory University.
Fairfield University.
Georgetown University.
George Washington University.
Georgia Institute of Technology.
Goucher College.
Howard University.
Kilgore College.
Johns Hopkins University.
Lewis & Clark College.
Marquette University.
Michigan State University.
Mills College.
Ohio State University.
Portland State College.
St. Louis University.
San Francisco State College.
Seattle University.
Smith College.
Southern Methodist University.
Stanford University.
Temple University.
University of Bridgeport.
University of California.
University of Cincinnati.
University of Delaware.
University of Georgia.
University of Kansas.
University of Maryland.
University of Massachusetts.
University of New Mexico.
University of Pennsylvania.
University of Portland.
University of Oregon.
University of Rochester.
University of San Francisco.
University of the City of Los Angeles.
University of Washington.
Washington University.
Wayne University.
Western Kentucky State College.

DEPARTMENT OF STATE,
Washington, D.C., March 5, 1962.

Mr. MICHAEL DEWELL,
The National Repertory Theater Foundation, New York, N.Y.

DEAR MR. DEWELL: Mr. Coombs has asked me to reply to your letter of January 31, and to thank you for the material on the National Theater. We are indeed aware of the fine work of the theater, and are both grateful for this opportunity to express to you our appreciation of its outstanding contribution. The establishment of a privately supported American repertory theater is a goal worthy of the fine work you have done. The United States needs such a theater, and we heartily applaud your efforts to make this a reality.

Financing or helping to organize a theater in this country is beyond the scope of the Department of State's current cultural exchange program. But we are interested, as you know, in sending abroad groups demonstrating the strength of the theater in the United States. When the organization and repertory of your theater are established, the State Department will welcome it as an important addition to the artistic resources of the Nation on which the success of the cultural presentations program depends.

Sincerely,

MAX ISENBERGH,
Deputy Assistant Secretary for Educational and Cultural Affairs.

U.S. DEPARTMENT OF LABOR,
Washington, D.C., February 5, 1962.

Mr. MICHAEL DEWELL,
The National Repertory Theater Foundation, New York, N.Y.

DEAR MR. DEWELL: I find myself in great sympathy with your goal to establish a classic theater here in the United States comparable to the Old Vic and the Comedie Francaise. Those institutions have unquestionably brought great national distinction to their nations. Your determination to make such a theater available on a wide geographic and economic basis is exactly in the spirit of the recommendations I recently made regarding the arts in America, and I wish you every success with it.

I am hopeful that the arts will be granted deserving attention by all interested parties, and your goal will find realization in a context of great growth and freedom on every hand.

Yours sincerely,

ARTHUR J. GOLDBERG,
Secretary of Labor.

[From the New York Post, Feb. 15, 1962]

THE PLAY'S THE THING

(By Eleanor Roosevelt)

During this winter, as many of you know, there has been a continuing tour throughout the United States by a group called the National Repertory Theater. This has been its inaugural season and it is playing "Elizabeth, the Queen" by Maxwell Anderson and "Mary Stuart" by Friedrich Schiller.

To the great gratification of everyone who really cares about the living theater, these performers have been received throughout the country with extraordinary warmth and appreciation. This, of course, is partly due to the extremely good cast of actors and actresses, and also to the fact that our country is really hungry for good theater.

Outside of a few big cities, very few people see much in the way of live theater and there are many areas of the country where people have never seen a topflight actor perform. This was brought home to me during the war when Miss Judith Anderson told me how some of our soldiers would come backstage after the show and say, "We would like to come again tomorrow night. Who is this guy Shakespeare, anyway?"

The National Repertory Theater Foundation was organized to back this undertaking, and I am sure this has been Miss Eva LeGallienne's dream for many years. Michael Dewell, who is one of the producers, tells me that when casting was announced last spring there were 4,000 applications from actors. Over a period of 3 months every actor was interviewed, and 20 were selected for the company. The whole unit consists of these 20 actors, 10 stagehands, 2 managers, 3 wardrobe women, 2 truckdrivers, 2 press agents, 1 manager, and 5 dogs. The two trucks that carry the sets are the largest in the world, and when the winter tour is concluded in April the group will have traveled some 30,000 miles by plane, bus, station wagon, and train.

Both productions require period costumes, naturally, and there are 47 in all. Miss LeGallienne's eight costumes are authentic reproductions in heavy velvet and gold brocade and many jewels.

The National Repertory Theater to date has been extremely popular—sometimes to its own surprise—and the kind of enthusiasm manifested after performances can be compared to that usually reserved for ballet and opera companies. It is such warmth that keeps actors and actresses on the road giving fine performances and thrilling audiences.

The National Repertory Theater wants to be to the United States what the Old Vic is to England and the Comedie Francaise is to France. But for our national company there will be one difference—it will always tour and be available to cities large and small. This season it will have covered 60 cities, but it hopes to reach 200 every year in the future. For this goal it is asking help from foundations and from people who love the theater and appreciate what it can mean to the cultural life of a country.

This is a national undertaking, and a few years ago I do not know what I would have hoped that as a nation we would rise to this opportunity. But one of the good things that came to us out of the depression was the theater project that introduced many audiences to live acting and created the desire which I think lies back of the present effort of the National Repertory Theater Foundation.

The day will come, I think, when not only will we be receiving in our country companies from great theaters of foreign lands but we will also be sending some really good exchange groups from our theaters to tour abroad.

NEW YORK, N.Y., *January 26, 1962.*

Mr. MICHAEL DEWELL,
The National Repertory Theater Foundation, New York, N.Y.

DEAR MR. DEWELL: Congratulations on the reviews of the tour of "Elizabeth the Queen" and "Mary Stuart." I am so glad you are receiving the enthusiastic acclaim which these two excellent productions so richly deserve.

You know how interested I have been in the repertory theater, so you can imagine how pleased I am with your success. I know how difficult it is to launch a project such as this, and I am sure you will find the support you need from individuals and foundations who feel as I do, that bringing good theater to the country at large has great value and importance.

Best of luck with the National Repertory Theater, and be assured of my continuing interest.

Yours sincerely,

RUTH FIELD
Mrs. Marshall Field.

THE AMERICAN NATIONAL
THEATER AND ACADEMY,
New York, N.Y., January 15, 1962.
Mr. MICHAEL DEWELL,
The National Repertory Theater Foundation,
New York, N.Y.

DEAR MICHAEL: It is with great pleasure that I read of the great success of the repertory group in its tour. The impact of brilliant playing and brilliant plays with brilliant artists is an experience which we should not deny the American public; and everytime the opportunity affords itself, the public has shown its gratitude and its pleasure.

It is said that the theater consists of three E's—entertainment, enlightenment, and exaltation. These three can be given in their utmost by living actors in fine plays; and the whole country should be grateful to you and the National Repertory Theater and to Miss Le Gallienne for what will be a memorable experience.

Congratulations on the success of your effort. The whole theater looks forward to more of the same.

Sincerely,

PEGGY WOOD.

AMERICAN FEDERATION OF
TELEVISION AND RADIO ARTISTS,
Houston, Tex., February 13, 1962.
Mr. MICHAEL DEWELL,
The National Repertory Theater Foundation,
New York, N.Y.

DEAR MR. DEWELL: It has been my great good fortune to enjoy your production not only in New York, but also in Boston and Indianapolis, Ind., and to witness the impact that a superior production of classical theater has on audiences in widely different sections of our country. In my opinion, the country is hungry for fine plays well played and will support them when given the opportunity. Your revues and recognition in many sections seem to me ample proof.

As a past national president and national board member of AFTRA I am happy to recommend to all our chapters of television and radio performers that they support your tours when you visit their communities and help to assure you the success you and your project deserve.

Cordially,

VIRGINIA PAYNE.

THE TRUTH ON THE BATTLE LINE

Mr. HUMPHREY. Mr. President, the Republican National Committee in its September 27 issue of Battle Line has made a deliberate and reckless attempt to turn farmers against consumers and city dwellers against rural America. This kind of ugly irresponsible politics will be repudiated by the voters in November.

The Republicans have made three charges against the 1962 Agricultural Act, each of which is totally irresponsible and false to the point of absurdity.

Republican charge No. 1: The 1964 wheat marketing certificate program will result in a "bread tax" levied on the consumer.

The facts: This is ridiculous and untrue. The price support level under the marketing certificate program will be at the same level as for 1962, or $2 a bushel. The facts are that the farm price of wheat would have to be increased to approximately $3 a bushel before a 1-cent increase in the price of a loaf of bread could be justified on the basis of higher wheat prices. There is very little relationship of the price of bread to the price of wheat. From 1947 to 1959 the retail price of a 1-pound loaf of bread rose from 12.5 cents to 21 cents. At the same time, the value of wheat in that loaf of bread declined from 3 to 2.4 cents. As the farmer received lower prices for his wheat under Republican agricultural policies, Republican bread prices went up.

Republican charge No. 2: The farm bill will reduce our storehouse of agricultural commodities to a "level dangerous to our national security."

The facts: Nonsense. Under Republican programs and policies from 1953 to 1961 the farm program got out of hand. Production was unlimited. Costs to the taxpayer skyrocketed. Surpluses mounted beyond any domestic or foreign need. The Democratic farm program provides for a better balance between production and consumption with generous supplies for emergencies, commercial exports, oversea requirements, and a strategic reserve for national defense. Our program will be reviewed continuously in order to permit the Secretary and the farm producers to have a better balance in terms of production and utilization. In 1953 we had a $2.5 billion reserve of food and fiber, or a stockpile of food for 180 million people. By 1960 surplus stocks reached a peak value of over $9 billion. This was far more than was needed for strategic and emergency purposes. The Kennedy administration has reduced these surpluses by over $2½ billion, thereby helping taxpayers, farmers, and the public.

Republican charge No. 3: The 1964 feed grains program is an attempt to "blackjack" the farmers to accept rigid controls on production.

The facts: Untrue, and a crude misrepresentation to cover up the "costly mess" in feed grains resulting from the Republican-Benson feed grain law of 1958. That program permitted and encouraged unlimited production of corn and other feed grains at a fixed price support resulting in billions of dollars of surplus grains paid for by the taxpayer. The 1958 Republican program increased the storage costs and decreased the family farm income. It was a colossal but costly hoax. The Secretary of Agriculture has not yet announced his recommendations for a permanent feed grains program to begin in the 1964 crop year. These program recommendations will be submitted to the Congress next year and will be thoroughly reviewed by the Agriculture Committees of both the House and the Senate. The 1963 program, which is an extension of the highly successful 1961 and 1962 voluntary programs that reduced surpluses and helped raise net farm income 10 percent, will lay a foundation on which we can build in 1964. With some Republican cooperation, instead of typical obstruction, we can design a workable feed grain program.

In short, the Republican outcries against the 1962 farm bill are nothing but partisan sour grapes. America's farmers remember all too well Republican farm policies from 1953 to 1961. The sad story of lost farms, reduced farm income, mounting surpluses, low prices and high costs is the Republican record.

A new day has arrived and Mr. Farmer and rural America see better times ahead. Here is the record since January 20, 1961, of President Kennedy and the Democratic administration.

Last year's net farm income of $12.8 billion was 10 percent higher than in 1960 and the highest since 1953.

Average income per farm was up 13 percent, from $2,960 to $3,360.

Hourly return per farmworker was 99 cents, compared with 83 cents in 1960.

Bank deposits and business activity in 20 major farm States are 10 percent above 1960, an indication of farm prosperity and of the importance of farm income to business generally.

Income prospects for farmers this year are equally good, and prospects for next year may be even better under the 1963 program.

This increased income has provided better lives for farm people, new hope for rural communities and rural merchants, and new business for farm machinery and supply industries. While the rural economy has been boosted, the stocks of surplus farm commodities held by the Government have been cut sharply. We estimate that the 1961 and 1962 programs will cut grain surpluses by some 27 percent.

The 1961 feed grain program has reduced carryover stocks of corn already by nearly 400 million bushels—the first reduction in 10 years.

The 1962 feed grain program promises equally good results.

The emergency wheat program enacted by Congress in 1961 will reduce the carryover stocks of wheat next year to the lowest level since 1957.

Annual cost of storing and handling feed grains and wheat will be down $213 million as a result.

The major savings in the costs of farm programs remain to be realized, however. Passage of the farm bill insures that the results achieved in 1961 and 1962 can be continued into 1963 and 1964.

For the first time in more than 10 years, the Secretary of Agriculture will have—in 1964—a wheat program which he can administer properly and which will not add to the surpluses each year.

Feed grain stocks—more than 3 billion bushels last year—can be reduced to needed reserve levels by 1964.

Wheat stocks, which were 1,400 million bushels last year, can be cut to half that level by the mid-1960's.

The billion-dollar annual cost of carrying the surplus of farm products in 1960 will be cut in half, and will eventually represent only the costs of carrying needed food reserves.

There are no consumer price increases built into the 1962 farm bill. Food prices have been stable and should remain stable.

Sections of the bill relating to land use, recreation, and rural development represent the first new direction in farm policy since the 1930's. The pilot program for placing unneeded farmland in nonagricultural uses, and the provisions for loans and technical assistance to encourage public recreational development are landmarks of constructive legislation.

Mr. KUCHEL. Mr. President, will the Senator from Minnesota yield?

Mr. HUMPHREY. I yield.

Mr. KUCHEL. I am mindful of the lateness of the hour and the scarcity of our brethren in the Chamber, but I wish to make a momentary rebuttal to the comments which have just been made by the able Senator from Minnesota.

I desire to have the RECORD disclose clearly that a great Democrat, a great American, a great leader of American agriculture, who graced the Cabinet of former President Harry Truman as Secretary of Agriculture, CLINTON ANDERSON, of New Mexico; and a very great Republican, who has served with distinction as chairman of the Senate Committee on Agriculture, GEORGE AIKEN, the senior Senator from Vermont; joined in urging that the administration's farm bill go down to the grave which it deserved. I recall that the Presiding Officer, the distinguished junior Senator from Wisconsin [Mr. PROXMIRE], joined them when the roll was called, and so did I, and so did every Republican, and so did a number of Democrats.

Let the RECORD show, therefore, that the excesses which sometimes motivate us, on both sides of the aisle, in pointing with pride or in viewing with alarm, in this particular instance, were shunted away by the vigor, courage, and wisdom of bipartisan leadership which urged that the administration farm bill suffer the defeat which it merited.

Mr. HUMPHREY. Mr. President, I am most grateful for the timely remarks of the Senator from California, because they remind us that the bill was passed by a considerable majority and is today the law of the land. A new day is ahead for agriculture, a clear day of hope with a promise of better farming and better living.

Mr. KUCHEL. Mr. President, will the Senator from Minnesota, with his customary charity, yield for a moment to his brother from California?

Mr. HUMPHREY. Indeed I will.

THE ADMINISTRATION'S FARM BILL

Mr. KUCHEL. Mr. President, I ask unanimous consent—particularly the consent of the Senator from Minnesota—to have printed at this point in the RECORD an excellent editorial entitled "Come the Revolution," published in the Washington Daily News.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

> COME THE REVOLUTION
>
> The personal experience of Senator CLINTON P. ANDERSON tells more about the idiocy of our national farm program than a book of statistics.
>
> Senator ANDERSON owned a 250-acre farm in eastern New Mexico. If he took part in the wheat program he could collect $46 an acre for taking 50 acres of this out of production, total $2,300. Additionally he would collect $8.28 per acre in support prices for the remaining 200 acres.
>
> Total, nearly $4,000 for taking 50 acres out of production, an average of $80 an acre for land "which was being bought very freely for less than that amount per acre only a short time ago."
>
> The Senator said he couldn't get a tenant for his farm unless he agreed to the wheat program. He couldn't take the Government subsidy in good conscience, so he sold the farm.
>
> Senator ANDERSON told the story while speaking in opposition to the farm bill, just passed. He called the program "wholly unrealistic," which is stating it mildly, and predicted that "someday there will be a revolution against price supports." It is long overdue.

TRANSACTION OF ADDITIONAL ROUTINE BUSINESS

By unanimous consent, the following additional routine business was transacted:

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed, without amendment, the bill (S. 3396) to amend section 511(h) of the Merchant Marine Act, 1936, as amended, in order to extend the time for commitment of construction reserve funds.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 901) to advance the marine sciences, to establish a comprehensive 10-year program of oceanographic research and surveys, to promote commerce and navigation, to secure the national defense, to expand ocean, coastal, and Great Lakes resources, to authorize the construction of research and survey ships and laboratory facilities, to expedite oceanographic instrumentation, to assure systematic studies of effects of radioactive materials in marine environments, to enhance the public health and general welfare, and for other purposes.

The message further announced that the House had agreed to the amendment of the Senate to the bill (H.R. 12164) to provide for the establishment of the Fort Saint Marks National Historic Site.

FINANCIAL ASSISTANCE FOR LOCAL EDUCATIONAL AGENCIES IN AREAS AFFECTED BY FEDERAL ACTIVITIES, IN ORDER TO PROVIDE ASSISTANCE FOR THE DISTRICT OF COLUMBIA—REPORT OF A COMMITTEE—SUPPLEMENTAL VIEWS (S. REPT. NO. 2259)

Mr. MORSE. Mr. President, from the Committee on Labor and Public Welfare, I report favorably, without amendment, the bill (S. 2830) to amend the act providing financial assistance for local educational agencies in areas affected by Federal activities in order to provide assistance under the provisions of such act to the District of Columbia, and I submit a report thereon. I ask unanimous consent that the report may be printed, together with the supplemental views of the Senator from Arizona [Mr. GOLDWATER].

The PRESIDING OFFICER. The report will be received, and the bill will be placed on the calendar; and, without objection, the report will be printed, as requested by the Senator from Oregon.

ADDITIONAL BILL INTRODUCED

Mr. WILLIAMS of New Jersey, by unanimous consent, introduced a bill (S. 3774) to provide for a national blackbird control program, which was read twice by its title, and referred to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. WILLIAMS of New Jersey when he introduced the above bill, which appear under a separate heading.)

BLACKBIRDS: A NATIONAL PROBLEM

Mr. WILLIAMS of New Jersey. Mr. President, I introduce, for appropriate reference, a bill to initiate a national blackbird control program. I ask unanimous consent that the bill be printed in the RECORD at the conclusion of my remarks.

Mr. President, I want to say at the outset that we may have here much more than the introduction of a bill. I believe this legislation may well provide an important precedent on one of the most important and widely debated issues of our times.

The Federal system of our Government has long given rise to the question of what responsibilities rest with what level of government—Federal, State, or local. It has always been one of our most cherished traditions that local problems should be locally solved, that State problems should be solved by the State, and that the Federal Government should do only what the people, or their State and local governments, cannot do for themselves.

But while we all support the principle, we know that it is difficult to apply in practice. Nearly every time a bill to provide the Federal Government with additional responsibilities comes up for debate in the Halls of Congress, the question arises whether the problem is in fact a national one, or whether it can and should be solved by the State or local governments.

For example, I believe the problem of mounting traffic congestion and deteriorating transit service in our cities throughout the Nation is a most serious national problem which fully warrants some Federal responsibility and assistance, along the lines recommended by the administration. A number of Senators and organizations support my view on this matter. However, some other Senators and organizations differ with me on this subject. The U.S. Chamber of Commerce, for one, in its testimony this year on the urban mass transportation bill I introduced, stated:

> Our study indicates that this problem is critical in a relatively few metropolitan areas. Thus, we doubt that this problem can be classed as a broad national problem that justifies assessing taxpayers in all parts of the Nation in order to solve it.

This is just one illustration of the controversy that continually plagues us when we attempt to determine what is a national problem and what is not.

I think the reason for this controversy is the lack of any reliable guidelines, guidelines upon which all of us, or at least the large majority of elected representatives, can rely.

Mr. President, at last I believe we may have found the frame of reference we have been lacking so long.

As the Members of this body surely know, there are few organizations which have been more diligent than the American Farm Bureau Federation and its State affiliates in protecting and preserving the traditions of local self-government.

As the organization stated in its policy statement of 1960:

> We, as Farm Bureau members, believe:
>
> That self-government is a precious heritage which can be preserved only by the active, intelligent assumption of basic citizenship responsibilities by all people.
>
> That the powers not specifically delegated to the Federal Government by the Constitution are reserved to the States or to the people and that such powers cannot be preempted by Federal statutes and must not be preempted by the courts.
>
> [That] proper public functions should be performed by that division of government, closest to the people, which can administer them effectively.

Mr. President, I support this philosophy, as I am sure every Member of Congress would support it. I know this philosophy is also shared by the New Jersey Farm Bureau and its members.

The question is how do we apply this admirable philosophy to the various legislative proposals that come before us?

The Farm Bureau feels most strongly—and I do too—that the blackbird problem is getting out of hand. These blackbirds are multiplying at an alarming rate, they are ravaging millions of dollars worth of agricultural crops not only in the State of New Jersey, but in many other States as well.

The farm bureau believes—and I agree with them—that this problem is more than a State or local problem. It is a national problem, especially since blackbirds are no observers of State lines.

This problem demands a national solution, and it is for that reason I have introduced a bill authorizing an appropriation of $250,000 to accelerate research on the problem and to initiate a national blackbird control program. The bill would establish a 12-member advisory committee to advise the Secretary of the Interior on the development of plans and procedures for carrying out the control program.

I earnestly hope, Mr. President, that Congress will give its approval to this measure.

By doing so, we will not only have come to grips with this particular problem, we will have provided ourselves with a basis on which we should more easily be able to resolve the old question of when a problem is really a national one.

No longer would we have to grapple in the dark and in the abstract. Instead we would have this concrete example as a useful frame of reference given to us by an organization which, as I said earlier, is one of the strongest defenders of self-government and local initiative.

Thus there is a double reason for passage of this proposed legislation.

If I may for a moment, I would like to explain the circumstances that have led to the introduction of a bill to cope with this truly serious national problem.

On September 19 the board of directors of the New Jersey Farm Bureau adopted a resolution stating that the ravaging of agricultural crops by blackbirds has "become one of the most serious farm problems in New Jersey, as well as many other States, particularly in the East." The resolution went on to ask "that the problem be attacked at the national level; since this job cannot be done by New Jersey alone."

Just the other day, the New York Times, in an article on September 27, stated that the birds "destroy hundreds of thousands of dollars worth of sweet corn, grain, fruits, wild oats, and wild rice throughout the State of New Jersey each year."

And to compound the problem, the article goes on to state that "these birds are no longer frightened by the traditional scarecrow."

But, Mr. President, these reports and resolutions do not really tell the story.

I remember very vividly a breakfast meeting I had early last year with a delegation of farm bureau representatives from New Jersey.

And I ask Members to listen to the story that Mr. Lowry Mead told at that time:

> Imagine, if you will, that you are a peach grower and that 4 years ago, you decided to establish a new orchard. Drawing on your experience, and much study, you select and order the varieties that are best adapted to your conditions, and that you feel will have the most appeal to your prospective buyers. In the spring you plant the trees, and then each year for 4 years, during the growing season you fertilize them, cultivate the general area several times and hand hoe about the trees also several times and during the winter you prune them and remove the brush. Also during this period, you spray them to control peach borer and kindred things, and go to the expense of erecting barriers to protect them from deer damage. Comes the fifth year when you can expect your first commercial crop. This year, in addition to those practices previously mentioned, you apply 10 or 12 sprays to assure having peaches free of insect and disease damage.
>
> Comes the day you have been waiting for—the day of harvest. You take your picking crew out there, reach up to the top of the tree where the choicest peaches are usually located, pull down a peach and what do you find? A gash in the peach about an inch and one-half long with the juice running out. Then you find this is not an isolated case—about four out of five peaches are in this condition. I needn't tell you that however perfect such a peach may otherwise be, it has no commercial value.

That, Mr. President, is the story of the blackbird problem.

The time has come for action, and the modest amount of money in this bill is what the farmers of my State believe would represent an effective beginning. I hope the Senate will give this legislation early consideration next year when Congress convenes again.

Mr. President, I ask unanimous consent that several resolutions on this subject, a statement by Mr. Lowry Mead, an article from the September 27 issue of the New York Times, and an editorial from the Camden Courier-Post be included in the RECORD at this point.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill, resolutions, statement, article, and editorial will be printed in the RECORD.

The bill (S. 3774) to provide for a national blackbird control program, introduced by Mr. WILLIAMS of New Jersey, was received, read twice by its title, referred to the Committee on Interior and Insular Affairs, and ordered to be printed in the RECORD, as follows:

> *Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That, in order to safeguard the value of vegetable, fruit, and other agricultural crops, to substantially reduce the estimated $10,000,000 to $20,000,000 annual loss from blackbird ravaging of such crops, and to otherwise protect the public safety and welfare, the Secretary of the Interior, acting through the United States Fish and Wildlife Service, in cooperation with other interested Federal departments or agencies and with the several States, is hereby directed to initiate a national blackbird control program.
>
> SEC. 2. (a) The Secretary of the Interior is authorized and directed to accelerate research and field testing of methods and techniques of blackbird control and to establish an advisory committee composed of (1) eleven members selected from representatives of the agricultural industry; State and local government agencies; professional, scientific, and conservation groups; and the general public; and (2) one member selected from the officers and employees of the Department of the Interior who shall serve as Chairman of the Committee. The Committee shall meet at the call of the Secretary.
>
> (b) It shall be the function of the Committee to advise the Secretary with respect to research needs and the initiation of the national blackbird control program, and with respect to the development of plans and procedures for carrying out such program.
>
> (c) Committee members other than the Chairman shall not be deemed to be employees of the United States and shall not be entitled to compensation, but the Secretary is authorized to pay their travel and subsistence expenses (or per diem in lieu thereof) in connection with their attendance at meetings of the Committee.
>
> SEC. 3. There is hereby authorized to be appropriated not to exceed $250,000 to carry out the research and other purposes of this Act.

The resolutions, statement, article, and editorial presented by Mr. WILLIAMS of New Jersey, are as follows:

> NEW JERSEY FARM BUREAU,
> *Trenton, N.J., September 21, 1962.*
> Hon. HARRISON WILLIAMS,
> *Senate Office Building,*
> *Washington, D.C.*
>
> DEAR SENATOR WILLIAMS: Enclosed is copy of a resolution adopted by the board of directors of the New Jersey Farm Bureau at its regular meeting on September 19.
>
> The farmers in New Jersey are still badly in need of help to do something about the serious problem of blackbird damage to their crops. Ordinarily we would be in favor of

solving these problems within our own State, but we feel that this is one problem that cannot be solved within the State since blackbirds are poor observers of State lines.

We believe that legislation should be developed at the national level giving the necessary authority and appropriations for really doing something about this problem. We would appreciate having your thoughts on this.

Yours sincerely,

C. H. Fields,
Executive Secretary.

Resolution on Blackbird Control

The farmers of New Jersey are about to get through another growing season; but only after suffering greater damage from ravaging blackbirds, starlings, grackles, and cowbirds. These birds have become one of the most serious farm problems in New Jersey, as well as many other States, particularly in the East.

We believe it is time to move from the study and talking stages about blackbird control; and to move into the action stage. Accordingly, we ask that the State board of agriculture, the fish and game council, the College of Agriculture, and other interested agencies be requested to join with the New Jersey Farm Bureau and other farm organizations in setting up as soon as possible a blackbird action committee. It should be the responsibility of such a committee to decide upon definite courses of action designed to greatly reduce the populations of these birds.

We ask that these agencies and organizations adopt this as a priority project; and that action begin as soon as possible. We also ask that the problem be attacked at the national level; since this job cannot be done by New Jersey alone.

Blackbird Damage

(By Lowry T. Mead)

Each year the New Jersey Farm Bureau brings up the blackbird question down here. This may have sounded trivial 7 or 8 years ago, when we began these sessions, but recently we have heard about them from other angles. You are all familiar with the jetliner disaster in Boston and that as a result today, two men in a jeep, patrol their runways so as to report by radio contact with the control tower on hazardous flocks.

We understand that for the inauguration, the Democratic Party spent $20,000 to spray the trees along Pennsylvania Avenue to protect the top hats, and that Washington police fired their pistols before the Capitol Building to frighten away the starlings and assure a clean front for Inauguration Day.

But farmers have been living with this problem for many years. Before giving you any general figures on blackbird damage, I would like to give you a specific instance as a fruitgrower. Imagine, if you will, that you are a peach grower and that 4 years ago, you decided to establish a new orchard. Drawing on your experience, and much study, you select and order the varieties that are best adapted to your conditions, and that you feel will have the most appeal to your prospective buyers. In the spring you plant the trees, and then each year for 4 years, during the growing season you fertilize them, cultivate the general area several times and hand hoe about the trees also several times and during the winter you prune them and remove the brush. Also during this period, you spray them to control peach borer and kindred things, and go to the expense of erecting barriers to protect them from deer damage. Comes the fifth year when you can expect your first commercial crop. This year, in addition to those practices previously mentioned, you apply 10 or 12 sprays to assure having peaches free of insect and disease damage.

Also, in June you get out into the orchard with a crew to hand thin the peaches, spacing them out all over the tree about 6 inches apart, so as to have peaches of maximum size, color, and edible quality. Comes the day you have been waiting for—the day of harvest. You take your picking crew out there, reach up to the top of the tree where the choicest peaches are usually located, pull down a peach and what do you find? A gash in the peach about an inch and one-half long with the juice running out. Then you find this is not an isolated case—about 4 out of 5 peaches in the tops are in this condition. I needn't tell you that however perfect such a peach may otherwise be, it has no commercial value.

Less dramatic, but of still greater economic consequence, is the damage to other crops such as sweet corn, grain, cranberries, cherries, etc. Extension surveys in Burlington County alone indicate annual damage estimated at $850,000.

We have had research and studies for years, the net result of which has been mainly to prove that we have a lot of blackbirds. Let's have some action.

For those of you who fear reaction from the bird watchers, the Audubon Society now recognizes that blackbirds must be reduced to give other birds a chance.

We want the treaty with Mexico abrogated, so blackbirds will no longer be protected.

We also want Congress to appropriate ample money for a control program to start this year.

[From the New York Times, Sept. 27, 1962]

Jersey Farm Group Joins War on Birds That Destroy Crops

Trenton, September 26.—The New Jersey Farm Bureau joined local farmers today in their war on blackbirds, starlings, grackles, and cowbirds. And the Audubon Society voiced no objection.

These four species destroy hundreds of thousands of dollars' worth of sweet corn, grain, fruits, wild oats, and wild rice throughout the State each year.

In recent years farmers have sought to combat the destruction with firecrackers and other mild explosives. But these have proven expensive and unsatisfactory. These birds are no longer frightened by the traditional scarecrow, farmers say.

The farm bureau proposes to set up a blackbird action committee. The group would investigate the use of traps to snare the birds. These have been used successfully by farmers in New York State.

One farmer recently reported that he was trapping starlings, freezing them, and selling them for 3 cents each. Migrant workers, he said, consider starling breasts a delicacy.

[From the Camden, N.J., Courier-Post, June 17, 1961]

Federal Case Against Blackbirds

New Jersey croplands and orchards are not for the birds, but it may take a quarter-million-dollar study to find ways to convince the birds.

Farmers in this State and others want to make a Federal case out of the situation, and perhaps that is the best way to handle it because the birds—blackbirds in this case—have been making interstate pests of themselves.

The New Jersey Farm Bureau Federation wants Congress to appropriate the $250,000 as a good start toward getting rid of the winged ravagers. The funds would be used to study bird-riddance methods.

In addition to spoiling fruit crops, the blackbirds also have attacked other crops including sweet corn, cranberries, etc. Even the Audubon Society is reported in agreement the blackbirds are getting out of hand and must be thinned out to protect other birds.

A fruit farmer has estimated the birds cause about $815,000 damages annually to crops in Burlington County alone. The problem is not a new one locally, but Morris County now is having trouble with the blackbirds which used to congregate in south Jersey areas.

Bird damage has increased in north Jersey so much in recent years that south Jersey no longer can lay claim to a more critical situation.

In fact, the blackbird menace apparently is spreading in all directions. Millions of the pests have been reported along the Eastern Shore country of Delaware and Maryland. And they probably range much farther south.

There is no question the problem is a serious one, and there is no reason to limit its solution to local or State interests. There was about $20,000 spent in Washington just before the inauguration to spray the trees along Pennsylvania Avenue to protect the top hats of the dignitaries. Blackbirds are causing a much wider headache, and it would be in order for the Federal Government to do something about it.

And there are other reasons to make the bird menace a Federal matter. Blackbirds are getting bolder, braver, more daring, more numerous, or something, than they used to be. For one thing, they don't respect flyaway times any more but seem to stay around all the time. For another, they now are threatening the cities.

With no longer enough room in the country for all those birds to roost, urban areas will have to join the rural areas in the battle—a Federal case indeed.

FOREIGN AID AND RELATED AGENCIES APPROPRIATION BILL, 1963—AMENDMENTS

Mr. McCARTHY submitted amendments, intended to be proposed by him, to the bill (H.R. 13175) making appropriations for foreign aid and related agencies for the fiscal year ending June 30, 1963, and for other purposes, which were ordered to lie on the table and to be printed.

Mr. McCARTHY. Mr. President, I also submit an amendment, intended to be proposed by me, to House bill 13175, which I ask unanimous consent to have printed, and printed in the Record.

The PRESIDING OFFICER. The amendment will be received, printed, and will lie on the table; and, without objection, the amendment will be printed in the Record.

The amendment is as follows:

On page 2, line 5, strike out "$275,000,000" and insert in lieu thereof "including $20,000,000 for malaria eradication program, $295,000,000".

On page 3, line 8, strike out "$290,000,000" and insert in lieu thereof "$270,000,000".

Mr. DODD submitted an amendment, intended to be proposed by him, to House bill 13175, supra, which was ordered to be printed.

NOTICES OF MOTIONS TO SUSPEND THE RULE—AMENDMENTS TO FOREIGN AID AND RELATED AGENCIES APPROPRIATION BILL, 1963

Mr. McCARTHY submitted the following notice in writing:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H.R. 13175) making appropriations for foreign aid and related agencies for the fiscal year ending June 30, 1963, and for other purposes, the following amendment; namely, at the end of the bill, add the following new section:

"Sec. . That section 6 of the Temporary Extended Unemployment Compensation Act of 1961 (75 Stat. 8) is amended to read as follows:

" 'COVERED PERIOD

" 'Sec. 6. In the case of any individual, the covered period referred to in sections 3 and 4 is the period—

" '(1) beginning on whichever of the following is the later:

" '(A) April 8, 1961, or

" '(B) the day after the date on which any applicable agreement is entered into under section 7 or 8, and

" '(2) ending—

" '(A) on February 28, 1963, or

" '(B) on May 31, 1963, in the case of an individual who (for a week beginning before March 1, 1963) had a week with respect to which temporary extended unemployment compensation was payable under section 3, reimbursement was payble under section 4, or reimbursement would have been so payable but for the fact that the unemployment compensation was payable under title XV, with the exception of the period

" '(3) beginning—

" '(A) on April 1, 1962, or

" '(B) on July 1, 1962, in the case of an individual who (for a week beginning before April 1, 1962) had a week with respect to which temporary extended unemployment compensation was payable under section 3, reimbursement was payable under section 4, or reimbursement would have been so payable but for the fact that the unemployment compensation was payable under title XV, and

" '(4) ending on November 3, 1962.' "

Mr. McCARTHY also submitted an amendment, intended to be proposed by him, to House bill 13175, making appropriations for foreign aid and related agencies for the fiscal year ending June 30, 1963, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

The PRESIDING OFFICER. The amendment will be received and printed, and will lie on the table.

Mr. McCARTHY. I should like to note that the Senator from Florida [Mr. Smathers] has already submitted written notice of his intention to move to suspend the rules in order that H.R. 10, the self-employed individual tax retirement act, will be added to one of two measures, either the bill now under consideration or H.R. 12580.

Since we are now within a few days of adjournment, I believe that unusual methods are defensible in order to enable Congress to take action with reference to the needs of the unemployed in this country.

Therefore I am submitting a written notice at this time in accordance with rule XL of the Standing Rules of the Senate, that it is my intention to offer an amendment to H.R. 13175, to extend the Temporary Extended Unemployment Compensation Act of 1961 to March 1, 1963.

Mr. President, I believe the urgent needs of the long-term unemployed deserve at least as much consideration as retirement benefits for the self-employed.

The extension recommended by President Kennedy last spring and the administration bill which I introduced (S. 3411) would have been retroactive to April 1. The financing of the program would have required a 0.1 percent addition to the Federal unemployment tax rate for the year 1964.

I recognize the difficulties of and the objections to proposing any tax increase at this time. Accordingly, my amendment provides for only a 4-month extension, from November 4, 1962, to March 1, 1963. The tax increase of 0.4 which the Congress set last year to finance the temporary unemployment compensation program has brought in more revenue than anticipated. On the basis of Department of Labor estimates, a surplus of about $172 million will be accumulated from this tax, in addition to the expenditures already made.

The Department estimates that the $172 million surplus will be sufficient to finance a 4-month extension, with another 3 months phaseout period during which those who became eligible before March 1, 1963, could continue to receive benefits. This conclusion is based on an estimated 600,000 beneficiaries who would claim some 1.5 million weeks at an average weekly benefit amount of $31.70.

Mr. President, the national rate of unemployment, seasonally adjusted, rose to 5.8 percent in August. The number of workers who were unemployed 27 or more weeks in August was 593,000, a higher number than either in June or July. The number exhausting their benefits in the State systems for the last 4 months have exceeded 100,000 a month—May, 150,000; June, 125,900; July, 125,300; August, 121,700.

My proposed amendment does not require any additional tax. It will provide some degree of assistance for an estimated 600,000 of the long-term unemployed who even with these benefits face a bleak winter and who, without extension of the program, will suffer greatly.

I ask unanimous consent that the testimony given to the Committee on Ways and Means of the House by Secretary of Labor Goldberg on August 22 be printed at this point in the Record, along with certain tables which he presented.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Statement of Arthur J. Goldberg, Secretary of Labor, Before the Committee on Ways and Means on a Limited Extension of the Temporary Extended Unemployment Compensation Program, August 22, 1962

I wish to thank the committee for this opportunity to appear in support of the President's proposal for a limited extension of the Temorary Extended Unemployment Compensation Act of 1961.

Last April, the President recognized that the pressure of business before this committee made it unlikely action could be taken on his proposals for permanent improvements in the Federal-State unemployment insurance system. He also recognized that the problem of the long-term unemployed who exhaust their regular State benefits remained acute. He therefore recommended a temporary extension of the 1961 act which would relieve the plight of these workers until Congress had an opportunity to give sufficient consideration to a program of permanent improvements in the system.

In his recent message to the people on the state of the economy, the President again emphasized, and I quote, "We need to renew our temporary Federal backstop to unemployment compensation. There are 100,000 men who want to work and can't find a job who, every month, exhaust their unemployment benefits—then they have to look for public assistance in order to support their families and themselves. I think that this bill should be carried out before this Congress goes home."

The passage of time since the submission of the administration's original proposal may require some adjustments in the bill but these are, on the whole, matters of detail on which we will be happy to work with the committee.

The essential point is that we provide immediately a temporary program for those workers whose unemployment benefits have run out and who cannot find jobs—and that the temporary program be of sufficient duration to enable this committee and the Congress to give adequate consideration next session to the needed permanent improvement in our unemployment compensation system.

In my testimony before this committee 2 weeks ago, a copy of which I am attaching, I presented a detailed summary of the employment and unemployment picture in this country today, both the good and the bad. Economic indicators since then confirm that testimony.

As I pointed out in that testimony, the extent of long-term unemployment is still a serious problem. An increasing proportion of the unemployed are made up of those who remain out of work for long periods. Prior to 1958, those unemployed 15 weeks or more seldom amounted to more than 25 percent, and most times ranged between 10 and 20 percent of all unemployed. Since that time, this group has rarely comprised less than a fourth of the total. In July almost 1 million workers had been out of work for 15 weeks or longer and over half a million had been out of work for over 6 months. Table 1, attached to this statement, presents the figures on unemployment trends since 1948.

These long-term unemployed are a national problem. They are distributed throughout every State of the Union. In over two-thirds of the States, there are areas classified as having "substantial and persistent unemployment" in which the unemployment rates not only are in excess of 6 percent but, in addition, also have been 50 to 100 percent in excess of the national unemployment rate for from 1 to 3 years. Table 2 lists the States having areas so classified in July 1962.

Workers are continuing to run out of State unemployment benefits at a high rate. In the 4 months since the TEUC program expired, almost 600,000 men and women have used up their State benefits, and we estimate that workers will continue to run out of benefits at a rate of over 100,000 a month for the rest of this year—and well into the next. Table 3 shows the State-by-State breakdown of the workers exhausting State benefits in the last 4 months, and in the period that the TEUC program was in effect. The table shows clearly the nationwide extent of the problem.

Such persistent inability to provide jobs for men and women searching for work in communities throughout the country poses a national problem which we cannot ignore.

In enacting the TEUC program last year, the Congress recognized that the extent of long-term unemployment was a national problem. Table 4 shows that during the period that it was in operation, this program provided benefits to almost 3 million workers in every State of the Union, and $767 million were paid out in benefits. The program thus alleviated the economic hardship of these individual workers, and provided a major stimulant to the economy as a whole by boosting purchasing power in countless communities throughout the Nation.

The national problem still persists. Until the Congress can properly consider other measures—such as tax revision, public works, and permanent improvement of the unemployment insurance program—and until measures already enacted, such as the Area Redevelopment Act and the Manpower Development and Training Act, can make their contribution to the resolution of these problems, it appears only fair and wise to make available for a while longer the additional benefit protection sorely needed by these workers.

It has been argued by some that workers who exhaust their State unemployment benefits are not fully attached to the labor force, or, for some other reason, should not be given further unemployment compensation.

At this point I would like to emphasize the fact that the Federal law requires that the TEUC claimants meet the same standards of availability for work and attachment to the labor force as those receiving benefits under the State law. As you know, all State laws limit benefit eligibility to individuals who are able to work and available for work, meaning those who are ready, able, and willing to accept work as demonstrated both by their registration with the State employment service and their other actions. It is generally understood that to demonstrate availability for work an individual's actions must be those which would be taken by a reasonable individual, in his circumstances, to find work.

The provision of Federal law relating to State methods of administration has been construed to require methods to prevent the payment of benefits not due under the State law. It is our belief that, in general, State administration meets this requirement.

Our own studies demonstrate the solid attachment to the labor force of most TEUC beneficiaries. As you know, when Congress enacted the TEUC act of 1961, it included a provision requiring the collection of data on the characteristics of the program's beneficiaries. The Congress wished to know who were the workers whose unemployment was of such long duration that they used up all the benefits to which they were entitled under their State laws.

In my last appearance before this committee, I gave you some data concerning claimants for May and September, 1961, which showed that the beneficiaries of the program were, by and large, persons solidly attached to the labor force. I shall summarize some of these points again here and attach to my statement tables 5A–5E which contain more detailed material on our findings.

About 63 percent of the TEUC beneficiaries were the sole or primary support of a household; 26 percent were working wives who contribute much needed support to the family.

Sixty percent of the men who drew TEUC were between 25 and 54 years of age, the period of heaviest family needs. An even higher percentage of women who drew TEUC, 70 percent, were in this age group. Nearly half (45 percent) of the working wives came from households with four or more persons. These findings are consistent with results of independent studies showing that working wives are in the labor force to provide a crucial portion of the financial support required by their households during that time of family development when the need for such support is the greatest. Their loss of employment constitutes a severe financial blow to their households and a depressing effect on that part of the Nation's purchasing power that has stimulated a significant portion of our economic growth in the postwar period. As our economy becomes more industrialized and more sophisticated in its technology, we must make full use of all of our human resources to assure its proper functioning and growth. In the past decade or two, women have furnished an increasingly vital portion of our manpower needs without which it is doubtful that we could have achieved the high degree of economic strength that we enjoy as a nation.

We now have some preliminary data on claimants in April of this year. Table 6 summarizes this data for 13 States representing three-fourths of the TEUC claimants, and compares it with the results of the prior survey. It bears out our earlier findings that most claimants are the sole or primary support of their households. Even those who are not, also show a strong attachment to the labor force and their earnings are generally a critical part of the family's income.

Predictions of the immediate future of the economy vary but, no matter how optimistic the forecast, there is no question that the plight of the long-term unemployed will remain acute. We know now—as we could only guess last year—that these are not merely workers on the fringes of the labor force. They need jobs to support themselves and their families. Every month over 100,000 unemployed will reach the end of their State benefits. It is vital that we provide temporary help in this critical situation until other, more permanent solutions already enacted can take effect and other needed legislation be fully considered.

TABLE 1.—*Trends in unemployment, 1957 to July 1962*

Period	Total unemployment[1]		Number unemployed[1]		Total insured unemployed[3]	
	Number	Rate[2]	15 or more consecutive weeks	27 or more consecutive weeks	Number	Rate
	Thous.		*Thous.*	*Thous.*	*Thous.*	
1948 (average)	2,325	(4)	309	116	(4)	(4)
1949 (average)	3,682	6.4	683	256	2,474	6.2
1950 (average)	3,351	4.2	782	357	1,599	4.8
1951 (average)	2,099	3.1	303	137	996	2.8
1952 (average)	1,931	2.7	232	84	1,064	2.9
1953 (average)	1,870	4.5	211	79	1,058	2.7
1954 (average)	3,578	5.0	812	317	2,039	5.2
1955 (average)	2,903	4.2	703	336	1,388	3.5
1956 (average)	2,822	4.3	533	232	1,312	3.2
1957 (average)	[5]2,936	4.3	560	239	1,560	3.6
1958 (average)	4,681	6.8	1,452	667	2,758	6.4
1959 (average)	3,813	5.5	1,040	571	1,856	4.4
1960 (average)	3,931	5.6	956	454	2,067	4.8
1961 (average)	4,806	6.7	1,532	804	2,841	5.6
January	5,385	6.7	1,339	643	3,455	6.1
February	5,705	6.9	1,624	674	3,662	6.3
March	5,495	6.8	1,862	799	3,463	6.3
1961—April	4,962	6.9	2,128	923	3,597	5.9
May	4,768	7.0	1,915	907	3,350	5.6
June	5,580	6.9	1,575	928	2,893	5.3
July	5,140	6.9	1,634	1,026	2,712	5.3
August	4,542	6.8	1,440	913	2,450	5.2
September	4,085	6.8	1,257	700	2,129	5.1
October	3,934	6.7	1,240	725	2,042	5.1
November	3,990	6.1	1,137	680	2,113	5.1
December	4,091	6.0	1,233	661	2,460	4.8
1962—January	4,663	5.8	1,252	672	3,020	4.7
February	4,543	5.6	1,431	703	2,958	4.5
March	4,382	5.5	1,485	734	2,271	4.4
April	3,946	5.5	1,483	719	1,872	3.9
May	3,719	5.4	1,274	666	1,560	3.8
June	4,463	5.5	1,033	584	1,464	4.0
July	4,018	5.3	921	576	1,675	(4)

[1] Total and long-duration unemployment (15 weeks or longer) for selected week in each month; includes Alaska and Hawaii from January 1960; source: Bureau of the Census and Bureau of Labor Statistics.

[2] Seasonally adjusted; percent of civilian labor force unemployed.

[3] Includes insured unemployed under all State and Federal programs (including railroad unemployment insurance); number in selected week in each month. Seasonally adjusted.

[4] Not available.

[5] Definition changed for 1957 and thereafter.

TABLE 2.—*States having areas of substantial and persistent unemployment—July 1962*

Alabama
Alaska
Arkansas
California
Colorado
Connecticut
Florida
Georgia
Idaho
Illinois
Indiana
Iowa
Kansas
Kentucky
Louisiana
Maine
Maryland
Massachusetts
Michigan
Minnesota
Mississippi
Missouri
Montana
New Jersey
New Mexico
New York
North Carolina
Ohio
Oklahoma
Oregon
Pennsylvania
Puerto Rico
Rhode Island
South Carolina
Tennessee
Texas
Utah
Virginia
Washington
West Virginia
Wisconsin
Wyoming

TABLE 3.—*Number of claimants exhausting regular benefits from Apr. 1 to July 31, 1962, and from July 1, 1960, to Mar. 31, 1962*

[In thousands]

State	April–July [1] 1962		July 1960–March 1962	
	Number	Percentage distribution	Number	Percentage distribution
Total, all programs [2]	592.9	------------	3,844.7	------------
Total, State programs	566.7	100.0	3,660.0	100.0
Alabama	9.6	1.7	75.9	2.1
Alaska	1.3	.2	5.1	.1
Arizona	2.5	.4	15.4	.4
Arkansas	5.5	1.0	28.9	.8
California	65.9	11.5	365.0	10.1
Colorado	2.8	.5	13.7	.4
Connecticut	9.4	1.7	72.5	2.0
Delaware	2.1	.4	11.6	.3
District of Columbia	2.1	.4	12.1	.3
Florida	11.8	2.1	85.1	2.3
Georgia	13.1	2.3	90.6	2.5
Hawaii	1.8	.3	5.6	.2
Idaho	2.1	.4	11.6	.3
Illinois	35.7	6.3	224.6	6.1
Indiana	16.8	3.0	129.2	3.5
Iowa	5.0	.9	27.4	.7
Kansas	3.5	.6	23.9	.7
Kentucky	7.2	1.3	54.8	1.5
Louisiana	11.0	1.9	64.7	1.8
Maine	.4	.1	17.9	.5
Maryland	9.3	1.6	57.8	1.6
Massachusetts	23.3	4.1	121.5	3.3
Michigan	32.6	5.7	230.3	6.3
Minnesota	8.6	1.5	49.1	1.3
Mississippi	4.9	.9	30.6	.8
Missouri	10.8	1.9	63.4	1.7
Montana	2.4	.4	15.4	.4
Nebraska	2.4	.4	11.3	.3
Nevada	1.3	.2	8.1	.2
New Hampshire	(3)	(3)	7.1	.2
New Jersey	29.3	5.2	172.4	4.7
New Mexico	1.7	.3	11.1	.3
New York	50.4	8.9	323.9	8.9
North Carolina	11.1	2.0	65.7	1.8
North Dakota	.9	.2	4.0	.1
Ohio	22.4	4.0	210.9	5.8
Oklahoma	5.0	.9	30.1	.8
Oregon	7.2	1.3	32.7	.9
Pennsylvania	35.8	6.3	277.8	7.6
Puerto Rico	7.3	1.3	33.9	.9
Rhode Island	3.4	.6	23.4	.6
South Carolina	5.7	1.0	37.1	1.0
South Dakota	1.1	.2	4.4	.1
Tennessee	12.8	2.2	78.3	2.1
Texas	24.8	4.4	154.3	4.2
Utah	1.8	.3	9.9	.3
Vermont	.9	.2	5.5	.2
Virginia	9.5	1.7	58.0	1.6
Washington	11.4	2.0	50.6	1.4
West Virginia	4.9	.9	44.5	1.2
Wisconsin [4]	12.8	2.2	95.3	2.6
Wyoming	1.2	.2	5.8	.2

[1] Includes preliminary data for July 1962.

[2] Includes exhaustions under State programs and under unemployment compensation programs for Federal employees and ex-servicemen.

[3] Less than 50 exhaustions.

[4] Wisconsin data are on a "per employer" basis and therefore are not strictly comparable.

TABLE 4.—*Summary of experience under the Temporary Extended Unemployment Compensation Act (TEUC) of 1961 (Apr. 8, 1961, to June 30, 1962)*

(Includes data on programs for Federal employees and ex-servicemen)

Total benefit disbursements	$812,000,000
TEUC payments	[1] $767,000,000
Reimbursements to States for benefits paid under State programs	$45,000,000
Total number of exhaustions, July 1960 to March 1962	3,845,000
Total number of claimants who received payments under TEUC	2,800,000
Total number of claimants who exhausted TEUC	1,700,000
Average weekly payment—TEUC	$31
Average weekly payment—regular unemployment insurance (fiscal 1962)	$34
Average duration under TEUC	9 weeks

[1] Includes $731,000,000 paid under State programs and $36,000,000 paid to former Federal employees and to ex-servicemen.

Mr. McCARTHY. Mr. President, in enacting the Temporary Extended Unemployment Compensation Act of 1961, the Congress provided for a study to be made of the characteristics of the beneficiaries. Last week the Department of Labor published its report on family characteristics of the long-term unemployed, based on surveys taken in May and September 1961. I ask unanimous consent that a summary of the findings be printed at this point in the RECORD.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

PREFACE

This is the third in a series of reports on a study of the family characteristics and work experience of claimants who received benefits under the temporary extended unemployment compensation (TEUC) program of 1961–62. This report presents for the first time findings of the second of four claimant surveys conducted during the program in all States, Puerto Rico, and the District of Columbia. The two previous reports dealt with results of a claimant survey conducted in May 1961. Findings of a similar survey conducted in each State in September 1961 are presented here combined with May survey data from each State. In addition, data for the Nation are presented for May, September, and May and September combined.

Two additional surveys were conducted in January and April 1962. The TEUC program came to an end in the week of June 30, 1962. As data processing and analysis are completed, the Bureau of Employment Security will issue reports on various aspects of the research conducted in connection with the program. For a description of the reports planned thus far, see the foreword to TEUC Report Series No. 2, April 1962.

The TEUC family characteristics study has been conducted in accordance with section 10 of the Temporary Extended Unemployment Compensation Act of 1961 (Public Law 87–6), jointly by the Bureau of Employment Security of the U.S. Department of Labor and State employment security agencies throughout the Nation.

This report was prepared in the Program Research and Planning Division, Office of Program and Legislation, Unemployment Insurance Service.

HIGHLIGHTS OF THE SURVEY FINDINGS

Following are some of the major national findings of the September 1961 survey compared with those of the May 1961 survey. In most respects, the TEUC claimants in both months had fairly similar characteristics.

1. Slightly more than three out of five TEUC claimants filing in September (61 percent) were men, the same proportion as in May. This compares with data for all unemployed in September 1961 showing that men were 59 percent of all such workers, 65 percent of those unemployed 15 or more weeks, and 70 percent of those unemployed 27 or more weeks.

2. Three out of five TEUC claimants (61 percent) were between 25 and 54 years of age, compared with 64 percent in May. About one in four was 55 or older in both May and September. The median age of male TEUC claimants was 44, slightly higher than in May; for women, the median age was 40, slightly lower than in the earlier survey.

3. Over three out of five TEUC claimants in both September and May 1961 were sole or principal supporters of their households; this includes claimants who lived alone.

4. Somewhat less than half of the claimants studied in September were their families' primary wage earners—46 percent compared with 49 percent in May. In only one out of three of these households was there someone else working at the time of the survey.

5. As in May, about one in seven TEUC claimants lived alone. These claimants were older than those from multiperson households and about two-thirds of them were men.

6. A little over one-fourth of the TEUC claimants studied in both May and September were married secondary wage earners. Forty percent of those in September, compared with 48 percent in May, were from households with four or more persons.

7. About 10 percent of all TEUC claimants, in both surveys, were unmarried secondary wage earners. Most of them were men, and large proportions (37 percent in September, 41 percent in May) were less than 25 years of age.

8. A somewhat smaller proportion of TEUC claimants in September (49 percent) came from manufacturing industries than in May (55 percent). This decline was concentrated in the durable goods industries, which accounted for 29 percent of TEUC claimants in September compared with 34 percent in May.

9. Semiskilled and unskilled workers comprised a smaller proportion of TEUC claimants in September (52 percent) than in May (60 percent). Clerical and sales workers increased from 14 to 19 percent of the total between May and September.

10. As in May, about three-fourths of all September TEUC claimants had been in the labor force during the entire 36-month period prior to filing for extended benefits, and 94 percent had been in during at least 24 of these months. In September about 29 percent of the women and 13 percent of the

men, slightly more than the proportions in May, had dropped out of the labor force and reentered during the 36-month period; however, all but 2 percent of the men and 6 percent of the women did so only once.

11. Among claimants who had been in the labor force throughout the 3-year period studied, half had been unemployed in 12 or more months, compared with two-thirds with this much unemployment among the May group. The decline in the proportion with 12 or more months with unemployment over the 3 years reflects the much smaller proportion of claimants in September who had exhausted State benefits prior to the start of the TEUC program, 7 percent compared to 65 percent in May. In both months, only about 30 percent had received unemployment benefits during 12 or more months.

12. Only about 17 percent of all TEUC claimants in September, compared with 20 percent in May, had exhausted their unemployment benefits more than once during the 3-year period studied.

Mr. MORSE submitted the following notice in writing:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H.R. 13175) the following amendment; namely, at the end of the bill a new section as follows:

"Sec. . That section 521 of title 38 of the United States Code is amended by redesignating subsections (b) through (f) as subsections (c) through (g), respectively, and by inserting after subsection (a) the following new subsection:

" '(b) (1) In the case of a veteran of World War I, pension shall be paid at the following monthly rate:

" '(A) $75; or

" '(B) $90 if (i) the veteran is sixty-five years of age or older, or (ii) the veteran has been rated as permanently and totally disabled for an aggregate period of ten years; or

" '(C) $150 if the veteran is in need of regular aid and attendance.

" '(2) If the veteran served outside the continental limits of the United States for a period of thirty days or more during the creditable period of service the monthly rate payable to him under paragraph (1) shall be increased by 10 per centum.

" '(3) For purposes of this section, a veteran of World War I shall be deemed to be permanently and totally disabled upon reaching the age of sixty-five years.

" '(4) No pension shall be paid under paragraph (1) to any unmarried veteran whose annual income exceeds $1,800, or to any married veteran or any veteran with children whose annual income exceeds $3,000.'

"Sec. . (a) Subsections (c), (d), and (e) of such section (as redesignated by the first section of this Act) are amended by striking out 'If' in each subsection and inserting in lieu thereof 'In the case of a veteran of World War II or the Korean conflict, if'.

"(b) Subsection (e) of such section (as redesignated by the first section of this Act) is amended by striking out '(b) or (c)' and inserting in lieu thereof '(c) or (d)'.

"Sec. . The amendments made by this Act shall take effect on the first day of the first month which begins after the date of the enactment of this Act."

Mr. MORSE also submitted an amendment, intended to be proposed by him, to House bill 13175, making appropriations for foreign aid and related agencies for the fiscal year ending June 30, 1963, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, October 1, 1962, he presented to the President of the United States the following enrolled bills:

S. 919. An act to amend section 9(b) of the act entitled "An act to prevent pernicious political activities" (the Hatch Political Activities Act) to reduce the requirement that the Civil Service Commission impose no penalty less than 30 days' suspension for any violation of section 9 of the act;

S. 1060. An act to authorize the Secretary of the Interior to construct, operate, and maintain the Oroville-Tonasket unit of the Okanagan-Similkamen Division, Chief Joseph Dam project, Washington, and for other purposes;

S. 3089. An act to amend the act directing the Secretary of the Interior to convey certain public lands in the State of Nevada to the Colorado River Commission of Nevada in order to extend for 5 years the time for selecting such lands; and

S. 3408. An act to establish in the Library of Congress, a library of musical scores and other instructional materials to further educational, vocational, and cultural opportunities in the field of music for blind persons.

RECESS TO 10 A.M. TOMORROW

Mr. HUMPHREY. Mr. President, in accordance with the previous order, I move that the Senate take a recess until 10 a.m. tomorrow.

The motion was agreed to; and (at 9 o'clock and 54 minutes p.m.) the Senate took a recess, under the order previously entered until tomorrow, Tuesday, October 2, 1962, at 10 o'clock a.m.

HOUSE OF REPRESENTATIVES

MONDAY, OCTOBER 1, 1962

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

I Peter 5: 7: *Cast all your cares upon Him, for He careth for you.*

Almighty God, who hast made us for Thyself, we earnestly beseech Thee, in this noonday prayer, that our faith in Thee may grow and become more valid and vital, more real and radiant.

Grant that through faith those hidden powers and capacities may be released to lead us forth to conquest when we are confronted by conditions and circumstances which are baffling and bewildering.

May the strength and splendor of our faith manifest itself courageously in these times when the citadel of our souls is being assailed by moods of fear and frustration.

Inspire us to bring unto Thee with joyous confidence those haunting problems which we cannot solve, the hard questions for which we have no answer, the bitter sorrows that cry out for Thy divine consolation, and our sin-stained hearts which Thou alone canst cleanse. Hear us in our Saviour's name. Amen.

THE JOURNAL

The Journal of the proceedings of Friday, September 28, 1962, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McGown, one of its clerks, announced that the Senate had passed without amendment bills of the House of the following titles:

H.R. 1616. An act for relief of Rickert and Laan, Inc.;

H.R. 4094. An act to amend the act of July 15, 1955, relating to the conservation of anthracite coal resources;

H.R. 8983. An act to authorize the Secretary of the Interior to participate in financing the construction of a bridge at Cape Hatteras National Seashore, in the State of North Carolina, and for other purposes;

H.R. 9747. An act to amend section 514(1) of the Soldiers' and Sailors' Civil Relief Act of 1940, as amended;

H.R. 10613. An act to eliminate the requirements for certain detailed estimates in the annual budgets;

H.R. 10652. An act to amend the Administrative Expenses Act of 1946 to provide a more reasonable allowance for transportation of house trailers or mobile dwellings by certain governmental officers and employees upon their transfer from one official station to another;

H.R. 11378. An act to amend the Federal Property and Administrative Services Act of 1949 so as to permit donations of surplus personal property to schools for the mentally retarded, schools for the physically handicapped, radio and television stations licensed by the Federal Communications Commission as educational radio or educational television stations, and public libraries;

H.R. 11543. An act to authorize the Secretary of the Interior to convey certain lands adjacent to the Suitland Parkway in Prince Georges County, Md., to Suitland Lodge No. 1856, Loyal Order of Moose;

H.R. 11551. An act to authorize the Secretary of the Interior to convey certain lands in the State of Maryland to the Holy Cross Lutheran Church, Greenbelt, Md., and for other purposes;

H.R. 12688. An act to authorize the Secretary of Agriculture to encourage and assist the several States in carrying on a program of forestry research, and for other purposes; and

H.R. 13044. An act to amend the Home Owners' Loan Act of 1933 and the Federal Home Loan Bank Act.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 6190. An act to amend title 38 of the United States Code to provide for the repair or replacement for veterans of certain prosthetic or other appliances damaged or destroyed as a result of certain accidents;

H.R. 9737. An act to amend section 614 of title 38, United States Code, to provide that deductions shall not be made from Federal payments to a State home because of amounts collected from the estates of deceased veterans and used for recreational or other purposes not required by State laws;

H.R. 11049. An act to amend the Mineral Leasing Act of February 25, 1920;

H.R. 11099. An act to amend the Public Health Service Act to provide for the establishment of an Institute of Child Health and Human Development, and for other purposes;

H.R. 11590. An act to provide for the disposition of judgment funds of the Cherokee Nation or Tribe of Indians of Oklahoma; and

H.R. 12164. An act to provide for the establishment of the Fort St. Marks National Historic Site.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 11586. An act to amend section 502 of the Merchant Marine Act, 1936, as amended.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. ENGLE, Mr. BARTLETT, and Mr. BUTLER to be the conferees on the part of the Senate.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 12276. An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending June 30, 1963, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. BYRD of West Virginia, Mr. HAYDEN, Mr. KEFAUVER, Mr. MCGEE, Mr. SMITH of Massachusetts, Mr. JAVITS, Mr. CASE, and Mr. BEALL to be the conferees on the part of the House.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 765. An act to consolidate Vicksburg National Military Park and to provide for certain adjustments necessitated by the installation of a park tour road, and for other purposes;

S. 783. An act to provide for addition of certain property in Philadelphia, Pa., to Independence National Historical Park;

S. 2805. An act to provide for a program of agricultural land development in the State of Alaska;

S. 3326. An act to amend the National Defense Education Act of 1958 in order to extend the provisions of title II relating to cancellation of loans under such title to teachers in private nonprofit elementary and secondary schools and in institutions of higher education; and

S. 3714. An act to amend the act of August 9, 1955, for the purpose of including the Southern Ute Indian Reservation among reservations excepted from the 25-year lease limitation.

The message also announced that the Senate agrees to the amendments of the House to bills of the Senate of the following titles:

S. 1060. An act to authorize the Secretary of Interior to construct, operate, and maintain the Oroville-Tonasket unit of the Okanogan-Similkameen division, Chief Joseph Dam project, Washington, and for other purposes;

S. 3089. An act to amend the act directing the Secreary of the Interior to convey certain public lands in the State of Nevada to the Colorado River Commission of Nevada in order to extend for 5 years the time for selecting such lands; and

S. 3408. An act to establish in the Library of Congress a library of musical scores and other instructional materials to further educational, vocational, and cultural opportunities in the field of music for blind persons.

The message also announced that the Senate agrees to the amendments of the House, with an amendment, to a bill of the Senate of the following title:

S. 2697. An act to waive certain time limitations prescribed in chapters 33 and 35 of title 38, United States Code, in the case of certain veterans and eligible persons ordered to active duty with the Armed Forces, or whose period of duty with the Armed Forces was involuntarily extended, on or after August 1, 1961.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 1552) entitled "An act to amend and supplement the laws with respect to the manufacture and distribution of drugs, and for other purposes"; agrees to the conference requested by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. EASTLAND, Mr. KEFAUVER, Mr. JOHNSTON, Mr. DIRKSEN, and Mr. HRUSKA, to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 6682) entitled "An act to provide for the exemption of fowling nets from duty."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 12180) entitled "An act to extend for a temporary period the existing provisions of law relating to the free importation of personal and household effects brought into the United States under Government orders."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1658) entitled "An act to amend the act of January 2, 1951, prohibiting the transportation of gambling devices in interstate and foreign commerce."

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House:

SEPTEMBER 28, 1962.

The Honorable the SPEAKER,
House of Representatives.

SIR: Pursuant to authority granted on September 28, 1962, the Clerk received from the Secretary of the Senate today the following message:

That the Senate passed House Joint Resolution 897 entitled "Joint resolution making continuing appropriations for the fiscal year 1963, and for other purposes."

Respectfully yours,
RALPH R. ROBERTS,
Clerk, U.S. House of Representatives.

SIGNING OF ENROLLED BILLS

The SPEAKER. The Chair desires to announce that pursuant to the authority granted him on Friday, September 28, 1962, he did on that day sign the following enrolled bill of the House:

H.R. 10. An act to encourage the establishment of voluntary pension plans by self-employed individuals.

And on Saturday, September 29, 1962, sign enrolled bills and joint resolution of the House, and enrolled bill of the Senate as follows:

H.R. 310. An act to amend title 10, United States Code, to authorize the Secretary of Defense, the Secretaries of the military departments, and the Secretary of the Treasury to settle certain claims for damage to, or loss of, property, or personal injury or death, not cognizable under any other law;

H.R. 2952. An act to direct the Secretary of the Interior to convey certain public lands in the State of California to the city of Needles;

H.R. 11887. An act to provide for the conveyance of all right, title, and interest of the United States reserved or retained in certain lands heretofore conveyed to the city of El Paso, Tex;

H.J. Res. 897. Joint resolution making continuing appropriations for the fiscal year 1963, and for other purposes; and

S. 919. An act to amend section 9(b) of the act entitled "An act to prevent pernicious political activities" (the Hatch Political Activites Act) to reduce the requirement that the Civil Service Commission impose no penalty less than 30 days' suspension for any violation of section 9 of the act.

DISTRICT OF COLUMBIA APPROPRIATIONS

Mr. NATCHER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 12276) making appropriations for the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending June 30, 1963, with amendments of the Senate thereto, disagree to the amendments of the Senate, and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky? There being no objection, the Chair appoints the following conferees: Messrs. NATCHER, SANTANGELO, CANNON, RHODES of Arizona, and TABER.

SUPPLEMENTAL APPROPRIATION BILL, 1963

Mr. THOMAS. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tonight to file a report on the supplemental appropriation bill for 1963.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

(Mr. JENSEN reserved all points of order on the bill.)

CONSIDERATION OF SUPPLEMENTAL APPROPRIATION BILL SET FOR WEDNESDAY OR THEREAFTER

Mr. THOMAS. Mr. Speaker, the second request I have is unanimous consent that it may be in order at any time after today to consider the supplemental appropriation bill for 1963.

Mr. GROSS. Mr. Speaker, reserving the right to object, it is my understanding that the report will be filed and printed tonight. In other words, no one will have an opportunity to know what is in the supplemental bill until tomorrow at the earliest, and the gentleman might call up the bill tomorrow afternoon.

I do not want to prolong this session of Congress, but I want to know, and I think a few Members of the House as well want to know, what is in this supplemental appropriation bill and what you did as a result of action in the full committee only this morning. The calling up of this bill on Wednesday, which is just 1 day short of the 3-day period that would have to elapse otherwise would not be objectionable, but I will not permit, Mr. Speaker, having this bill called up for consideration tomorrow with the Members of the House having only 1 day and 1 night—and we have to operate at night around here as well as day in order to read some of these bills.

If the gentleman will amend his request to call it up not earlier than Wednesday I will not object.

Mr. THOMAS. May I say to my genial friend from Iowa that I do not see anything unreasonable in his point of view, and we will be glad to comply with his request. Therefore, Mr. Speaker, if there is no objection on the part of committee members, I amend my request that the supplemental appropriation bill be brought up any time on Wednesday or thereafter.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

TURKISH COOPERATION IN THE CASE OF CUBAN SHIPMENTS

Mr. ROGERS of Florida. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. ROGERS of Florida. Mr. Speaker, our allies are beginning to cooperate. The Turkish Government has announced that it will prohibit future shipments to Cuba. With unusual and decisive action, the Turkish Government also ordered three ships en route to Cuba to put into the nearest port and unload.

Thus, the Turkish Government has become the second allied nation to cooperate. The first was West Germany. Both nations deserve applause from the House of Representatives and the American people.

What of the other nations still trading with the Communists to help build Cuba? They have been among our stanchest allies. Have Britain, Greece, Italy, France, and Norway followed the examples of West German and Turkey? No, these Governments still allow their flags to be used in international profiteering. Far more than half of the world's merchant fleet engaged in Communist cargo to Cuba fly the flags of our friends.

Mr. Speaker, several of these nations argue that they do not have adequate legislative authority to take action. Surely they have some administrative power as this Government does. It exists in sections 2022 and 2023 of the Export Control Act. By invoking this authority, the United States could halt U.S. haulage in any vessel engaged in Cuban commerce.

Once again, Mr. Speaker, I urge this action by our Government to buttress the actions taken by our other friends.

MAJ. GEN. EDWIN WALKER

Mr. ROONEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. ROONEY. Mr. Speaker, after what happened at Oxford in the State of Mississippi last night, I think it is high time that the authorities see to it that former Maj. Gen. Edwin Walker is promptly committed to a lunatic asylum; or, if he is proven to be sane, that he be tried and imprisoned for an interminable period for insurrection. According to a report of the Associated Press, he led a thousand college youths of the University of Mississippi in a charge that fell back but 100 yards from the U.S. marshals. What was he doing on the campus, at all?

TRAGEDY IN MISSISSIPPI

Mr. ABERNETHY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. ABERNETHY. Mr. Speaker, I beg of you and the Members to be a little lenient with the time and give me a long minute.

With all deference to the gentleman from New York [Mr. ROONEY] the retired General Walker did not precipitate the rioting. This was done by Attorney General Kennedy's trigger-happy marshals.

We have a terrible situation down at home, and we are worried. But we did not make it. This administration made it. The loss of blood and life is not on the hands of Mississippians. We are only the victims.

Last night the officials of the university pleaded with the Department of Justice officials not to make this move in the darkness of night, because in a situation of this kind, nighttime is conducive to a buildup of tension and violence. They were told that students would be pouring into the campus from home and a football weekend and the presence of all of the marshals stationed about the campus in the darkness of night would likely inspire trouble.

The university told the Department that it would issue a special edition of the daily paper for early this morning urging the students to be calm. The statements were also to be carried over the loudspeakers in the student union building.

It committed itself to go on the campus radio with the same urge. It committed itself to make the same appeal with loudspeakers over the campus. It was also pointed out that students would be widely dispersed, attending classes.

But, nay, the Department of Justice was not to be denied. So last night, we regret to say, they insisted on occupying the campus and a Sabbath Day registration.

The chancellor and other reputable officials of the university had assured the Department of Justice the registration would take place this morning. They told the Department of Justice that students were returning, thousands of them, from over the State, and if they came in on the campus last night with these officers and others in their medieval uniforms, carrying guns and other weapons, that trouble might be possible. But they were not to be denied. They demanded occupancy of the university campus immediately and took over. From all appearances they wanted this occupancy immediately so the President in his forthcoming speech of the evening to the Nation could announce a successful and "peaceful" occupation.

So, last night, in the darkness where trouble was bound to ensue, the first discharge of violence did not come from the students of the university, where, incidentally, my son is now a student. It came from an inexperienced trigger-happy U.S. marshal who fired a tear gas gun straight into a group of kids who were doing nothing more than a little student jeering. A State policeman had them under perfect control. The discharge struck the patrolman in the midsection, and we understand that he is near death. Several deaths and serious injuries have been reported.

We are sorry it happened. It was not our fault. Ole Miss officials asked that this occupation take place at a time when the students were in class, at a time when officers would have clear vision across the entire campus and be able to spot any display of emotion or unrest.

That is the truth about the situation. The blood is not on our hands. It is upon those of certain officials here in Washington, and as to who they are I leave it to your own conclusion. Obviously, everyone knows.

THE SWEARING IN OF HON. ARTHUR J. GOLDBERG AS AN ASSOCIATE U.S. SUPREME COURT JUSTICE

Mr. O'HARA of Illinois. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. O'HARA of Illinois. Mr. Speaker, it is with a keen sense of pride that I come into this well today. This morning there was sworn in as a member of the Supreme Court of the United States one of my constituents, a warm personal friend, a man admired for his ability and accomplishments and loved for his warm human closeness by everyone in the Second Congressional District of Illinois.

Attending the ceremony today was one who had been a member of his law firm, who before that had been the clerk to Mr. Justice Minton in 1951 and 1952 and now is a representative in the General Assembly of Illinois, from our great second district, the Honorable Ab Mikva, one of the young men of our Nation destined for the heights in the law and the forum of statesmanship.

Accompanying others in the party of friends, neighbors and former associates of Mr. Justice Goldberg was Rabbi Jacob Weinstein, who has the rare honor of having been the spiritual guide and mentor both of a member of the Cabinet of a President of the United States and a member of the Supreme Court of the United States. I doubt that few others if any in God's ministry in the history of our country have had such an honor. I should add, Mr. Speaker, that of course Mrs. Weinstein and Mrs. Mikva were there too, for the admiration and affection in which Mr. Justice Arthur Goldberg is held in the community of which he has been a vibrant and intimate part since boyhood is family deep. And the joy in all the homes of the district I have the honor to represent has its source not only in the swearing in today of Arthur Goldberg as a member of the highest court in the world, but also, Mr. Speaker, in the blessing God has given him in a charming and noble wife and a fine family.

Mr. Speaker, today the Second District of Illinois has given to the Nation and to its highest court a great lawyer, a great human being, a great example of the unchanging power of integrity, industry, and in self-abnegation in an ever-changing world. I predict with confidence, and I know I speak for every family in the Second District of Illinois, that Arthur Goldberg, on the record he will make, will be rated in history among the greatest of the many giants of the law and servitors of mankind who have graced the highest tribunal in the world, the Supreme Court of the United States.

MISSISSIPPI

Mr. COLMER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The **SPEAKER.** Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. COLMER. Mr. Speaker, as my colleague from Mississippi [Mr. ABERNETHY] has so well stated, it was not our intention here to make any inflammatory or other remarks on this occasion. We have issued a statement on behalf of our delegation, and we are perfectly willing to let it rest there.

But, Mr. Speaker, under the parliamentary situation we do not have an opportunity to fully present the true picture of the tragedy being enacted in Mississippi. But I want to say to all of you that this tragedy is not confined to Mississippi. It also is a tragic hour in the history of the United States of America when the rights of a sovereign State of this Union are trampled underground by the armed might of a strong centralized government.

Mr. Speaker, the people of Mississippi are a patriotic, law-abiding people.

Mr. Speaker, the people of Mississippi have a right to construe that the law that was regarded as the law of the land for over 100 years of equal but separate facilities is just as good a law now as it was before this packed Court decided otherwise.

Mr. Speaker, we do not want to bring about any further inflammatory statements here. But I want to say to the Members of the House that we and the people of Mississippi think that the 10th amendment to the Constitution of the United States is just as much a part of our law as any other part of that Constitution is the law, and we resent what is going on between the executive and the judiciary.

Mr. Speaker, ever since the administration joined forces with the NAACP to force the admission of this Negro, Meredith, into the University of Mississippi, we of the Mississippi delegation in both Houses of the Congress have met almost daily in an attempt to persuade those in charge of our Government not to use the armed might of the Federal Government to invade Mississippi. We have insisted in appeal after appeal to the President and Attorney General that the sovereign State of Mississippi had rights and privileges that should be considered. More than that, Mr. Speaker, we have pointed out that the people of Mississippi are a proud and patriotic as well as lawful people. We have emphasized their rights under the 10th amendment to the Constitution which reserved all power of government not specifically granted to the Federal Government in the States of the Union or the people. We have called to their attention that Mississippians took particular pride in their great university, which has furnished the Nation so many outstanding football teams and Miss Americas, not to mention so many outstanding leaders in the political, industrial, educational, and business fields of endeavor.

As late as yesterday, knowing the temper of our people, we pointed out to the President and to the Attorney General that if an attempt was made to force this man Meredith, into the University of Mississippi that there was a real danger of bloodshed. But, Mr. Speaker, our pleas were all ignored. The National Guard of Mississippi with a brilliant and loyal record of service to the Nation in time of peril was activated and federalized by order of the President. The result of this action was twofold. Father was arraigned against son and daughter, brother against brother on the one hand and, on the other, the only capable force that the Governor of Mississippi had to maintain order was taken from him. Mr. Speaker, permit me finally to say to my colleagues that while this is happening in Mississippi today under the pretext of the right of one Negro that this strong centralized government with the assumption of powers not granted by the Constitution or the Congress may well visit your beloved State under some other pretext at some time not too distant.

Liberty is a precious privilege. Tyranny in any form is reprehensible.

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The **SPEAKER.** Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. WHITTEN. Mr. Speaker, I wish to associate myself with my colleagues from Mississippi who have just addressed you.

The facts, as recounted by my colleague, the gentleman from Mississippi, TOM ABERNETHY, are correct, and point up the tragedy in our State, brought about as a result of an all-powerful Federal Government ignoring the highly explosive situation which we have been pointing out to the Attorney General and to the President for days.

Mr. Speaker, the membership here knows that I personally believe the actions of the Supreme Court and other Federal courts in race matters, from the Brown case to date, have been to change the Constitution by an unconstitutional procedure—using naked power and calling the result right.

However, even those who do not agree with me, know there is no way to ignore a factual situation, an explosive situation which was very, very evident and which our delegation has called to the attention of the Department of Justice and to the President on numerous occasions within the last 3 days.

Mr. Speaker, even the Supreme Court, when it reversed the understanding and the meaning of the Constitution as it had existed for 100 years, recognized that in the carrying out of that decree and of subsequent orders, factual situations which existed should not be overlooked. With every evidence in the world that what has happened certainly would happen under conditions under which it was performed and carried out, I say it is indeed a tragic hour for the United States of America.

The Supreme Court actually refused, through Justice Black, to review the action of the appellate court, which, in turn, concerned itself with attention and questions which clearly are those of a judicial dictatorship, powerful only because whatever they do, whatever they say, in this area will have the support of the executive department.

SUPREME COURT AND PRESIDENCY, A PARTNERSHIP

Mr. Speaker, when the judiciary and the executive departments got together in this area some years ago, each supporting the other, then it was that the three equal but separate divisions of our Government went by the board.

The Court issues the decrees which the executive department asks; the executive department enforces the decrees the Court issues.

I quote here again from a speech I made on June 3, 1961:

> In this centennial year of the beginning of the Civil War, the American people would do well to review and recognize the great similarity between conditions which prevailed on June 3, 1861, and those which prevail today, June 3, 1961. They are so similar as to be frightening. Sometimes we, too, wish we could resolve the issue in some simple, clear-cut way. Such a course is not possible. Any solution will require helpful understanding on the part of many people. We must do our part.
>
> Not since the Civil War have our people faced a more trying time. Our problems today call for the best within us. The attack on the Constitution and on our way of life is insidious. It comes under the guise of government. It is offered with an appeal to the natural tendency of Americans to be law abiding. It appeals to religion, is presented in the name of world peace, but creates strife, dissension, and disturbance. It is said to be necessary to protect the rights of individuals, but is itself based on usurpation of power. We are told it is necessary in order to maintain our form of government; yet its starting point is the destruction by judicial decree of the rights of the States, of the Congress, and of the people. Yes, it begins with destruction of the Constitution itself. It can only lead to complete ruin.
>
> It has taken us a hundred years to see just how far such a situation can go—today it is the Supreme Court and the executive department which apply the force. Once again we see what might can do.
>
> My friend, power breeds desire for power. No dictator ever stopped short of taking it all. This concentration of supreme power in our Supreme Court, backed up by the Executive, will not stop with school and public facility integration, now with race. Once seized, this power will be used to control industry, to control agriculture, yes, and eventually even labor.

CUBA

Today our Nation stands by and has stood by for months while Russia builds up military power in Cuba, afraid we may hurt someone's feelings, or that we might lose face. We offer cash to South and Central America, hoping they would not join Castro and Russia.

Mr. Speaker, Mississippi is a small State. The only State law enforcement officers we have other than local officers are about 200 highway patrolmen. There can be no doubt that the U.S. troops, the federalized Guard, armed marshals can destroy our fine people; but in the process our Government will be taking another step in the destruction of a great Nation. If we continue our course Russia will have had her way without firing a gun, as her leaders have said she would.

Mr. Speaker, we pray that the President will recognize the deplorable situation, withdraw these troops who are destroying a great university, and stop these military actions which can only lead to destruction of our Nation, all in support of a 29-year-old member of the Negro race who has admitted it is not an education he wants, but by his actions, brings on the destruction, strife, and bloodshed, which it was so apparent he could and would bring about.

Mr. **WILLIAMS**. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The **SPEAKER**. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. **WILLIAMS**. Mr. Speaker, in a telephone conversation to Mississippi just a moment ago, I was advised that additional troops, some of them colored, had been moved into the University of Mississippi campus this morning; that rioting has broken out again; that barricades and barbed wire are being thrown up on the campus of the university.

Mr. Speaker, I shudder to think what may happen in Mississippi if these conditions are permitted to continue into this evening under cover of darkness.

Mr. Speaker, American citizens reportedly have been fired upon by representatives of the U.S. Government, acting without provocation. Last night, for the information of the Members of the House—and this comes from a responsible report from the University of Mississippi—from a responsible official—when these marshals were moved onto the campus there was a brief demonstration on the part of about 100 to 150 students. This was halted by the Mississippi Highway Patrol, without incident.

Later another group of students, at just about dark, began to assemble in front of the Lyceum Building. We are advised that here again the Mississippi Highway Patrol which had been deputized for this purpose was succeeding in maintaining order. However, a shot directly at the students by one of these Federal marshals struck a highway patrolman, and it is my information that he is in a critical condition in a Jackson, Miss., hospital even as I speak these words.

The Federal marshals precipitated this. The President should refrain from any further attempts to force James Meredith into the university now, before more blood of American citizens stains his hands.

The **SPEAKER**. The time of the gentleman from Mississippi [Mr. WILLIAMS] has expired.

Mr. **ANDREWS**. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The **SPEAKER**. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. **ANDREWS**. Mr. Speaker, I, too, share the feeling of my colleagues from Mississippi. This is one of the saddest days in the history of our Nation. I was talking with a man from Montgomery, Ala., within the hour. He told me that the highway had been clogged with troop carriers loaded with soldiers with guns and bayonets headed for Mississippi, going from Fort Benning, Ga. Many of the troop carriers had artillery field pieces attached to them. The shame of it all is, Mr. Speaker, in my humble opinion, that the Justice Department taking this action to carry out what many people in America and most good lawyers think are the provisions of an illegal Supreme Court decision.

It could happen to any State at any time. And I might say, Mr. Speaker, that I am wondering why the Department of Justice has not taken action against the Communist Party of America and the members of that Communist Party who 1 year ago this month were ordered by the same Supreme Court, after 12 years of delay, to register. The Communists have thumbed their noses at that decision of the Supreme Court. I do not find any action on the part of the Department of Justice to carry out that decision in the Communist case.

Mr. Speaker, blood has been shed in Mississippi. More might be shed. That blood is on the hands of the Justices of the Supreme Court who rendered the school decision in May 1954.

The **SPEAKER**. The time of the gentleman from Alabama [Mr. ANDREWS] has expired.

Mr. **RIVERS** of South Carolina. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The **SPEAKER**. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. **RIVERS** of South Carolina. Mr. Speaker, make no mistake about it, we in South Carolina are not going to sit idly by, neither in mind, body, nor estate, and see Mississippi lying prostrate to fulfill the wishes of Field Marshal Martin Luther King. Say what you want; think what you want. Mr. Speaker, it is a sad commentary on the depths to which our Government stoops when the President of the United States mobilizes the National Guard of a State to enforce a Court edict that is contrary to the laws of the very State from which this National Guard unit has been called.

Never before has a President of the United States gone so far to humiliate the chief executive of a soverign State of the Union. This was no accident. Barnett's son is in the Guard.

Some people have short memories—but we in the South do not.

I solemnly predict, here and now, that this action by the President of the United States, done deliberately and with full knowledge of the tragic consequences, will haunt him in the years ahead. These chickens come home to roost.

One hundred years ago, the issue of Mississippi was not settled, and it will not be settled by the blood that was spilled in Mississippi on September 30, 1962.

Mr. Speaker, Governor Barnett was elected by the people of the State of Mississippi. He took an oath to support the Constitution of Mississippi and to execute the laws of that State faithfully and to the best of his ability. He is being forced into the impossible situation of violating his own oath to the people of Mississippi, if he is to comply with the edict of a Federal court.

In effect, he is damned if he does and damned if he does not.

No chief executive of a State should be placed in such a situation.

I can only conclude that other Southern States are scheduled to be the recipients of the same treatment that Mississippi has received, if their chief executives undertake to carry out their oaths to their own people.

Certainly, Mr. Speaker, an interesting situation would arise if a State court in Mississippi enjoined Governor Barnett from complying with a Federal court decree, and fined him $10,000 a day so long as he was in contempt of that State decree.

Yet, this situation could face the Governor of Mississippi, who through the use of arms and force, may be compelled by the President of the United States to violate the laws of Mississippi and become a traitor to his own people in order to comply with the decree of a Federal court.

There was no bloodshed in Mississippi so long as the Governor of Mississippi was in command, but the immediate arrival of U.S. marshals and Federal troops has led to death and destruction, with scores of untold injured lying in its wake.

Force begets force, and he who draws a sword against a king should throw away the scabbard.

The Federal Government has drawn its sword against the people of the South. The South has never been subjugated by this kind of force, and so long as there are men and women of determination who are proud of their heritage, the struggle for the recognition of the rights of the sovereign States of the Union will continue.

I think we all know that the brains behind this movement are those of Field Marshal Martin Luther King.

May God forgive them, for they certainly, I hope, know not what they do.

The SPEAKER. The time of the gentleman from South Carolina [Mr. Rivers] has expired.

Mr. COLMER. Mr. Speaker, I ask unanimous consent that the gentleman from Mississippi [Mr. Winstead] may extend his remarks at this point in the Record.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. WINSTEAD. Mr. Speaker, in the brief time I have to address this House on the ruthless and high-handed manner in which the administration has seen fit to invade the little town of Oxford and the University of Mississippi, I wish to read a statement prepared for release by my colleagues, Thomas G. Abernethy, Jamie L. Whitten, John Bell Williams, William M. Colmer, and me:

We, the undersigned Members of the House of Representatives from Mississippi, deplore the circumstances at the University of Mississippi and call on the executive department to withdraw all present efforts either to enroll or force the attendance of James Meredith at the university.

Present bloodshed and present control of the whole area by troops and other armed forces are destroying this great university and the rights of 5,000 students to an education, all because of a determined effort by outside groups to force the registration and the attendance of James Meredith whose primary objective is not to get an education at the university.

Only 3 days ago, at a time when the President was sponsoring the buildup of Federal might and power, we warned the President of the inevitable. Without rancor or umbrage, we wired him, among other things, as follows:

"The highest degree of heat and tension prevails in Mississippi * * * spreading * * * like a flaming brush fire. It is brought about by one person whose real objective is not to get an eduation. This is obvious to all. * * * The power to save human blood, even human lives, is in your hands, Mr. President. We respectfully appeal to you and urge you to stop this demonstration of Federal might which has moved the people of our State and is now moving those of other States to the highest degree of heat and tension. A holocaust is in the making. You are the only person who can stop it. This appeal is made in earnest. Mr. President, the objective is not worth the price. We beseech you to act before it is too late."

We gave the President the facts. It is tragic, but our warning was prophetic. Tension built to the point of a holocaust. Human blood has been needlessly shed, and lives have been lost. Property has been destroyed. All of these happened because Federal authority insisted on pressing for the registration of one individual at Ole Miss, although it is well known that he has no genuine desire to obtain the benefits of learning available there.

We urge again, as we urged the President, "The objective could not be worth the price." And what a price we have had to pay, not just Mississippi, but the entire country.

University officials made an appeal late yesterday that the attempt be put over until today. They appealed late yesterday afternoon to Federal authorities not to make this power play in the nighttime since darkness was conducive to mob buildup and hit-and-run demonstration. University officials warned of the tension and pleaded that if the move had to be made that it be put over until today at a time when the campus could be patrolled under the light of day and students would be assembled in the classrooms. But Federal powers ignored the pleas of sensible men, demanded that the show must go on, their way, as they planned it.

So, in the darkness of night they marched their marshals onto the campus. They were dressed like medieval gladiators, brandishing tear gas guns, clubs and firearms. The TV show then went on. The setting produced the inevitable.

For the third time, we again implore the President to face the inevitable and call off this effort to force this man into the University of Mississippi.

SCHOOL LUNCH PROGRAM

Mr. BAILEY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 11665) to revise the formula for apportioning cash assistance funds among the States under the National School Lunch Act, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and ask for a conference with the Senate.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia? The Chair hears none, and appoints the following conferees: Messrs. Powell, Bailey, Brademas, O'Hara of Michigan, Kearns, Frelinghuysen, and Quie.

AMENDMENT OF MINERAL LEASING ACT OF FEBRUARY 25, 1920

Mr. EDMONDSON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 11049) to amend the Mineral Leasing Act of February 25, 1920, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert: That section 31 of the Mineral Leasing Act of February 25, 1920 (41 Stat. 450), as amended (30 U.S.C. 188), is further amended by designating the first paragraph thereof as subsection "(a)", the second paragraph as subsection "(b)", and adding two new subsections to read as follows:

"(c) Where any lease has been terminated automatically by operation of law under this section for failure to pay rental timely and it is shown to the satisfaction of the Secretary of the Interior that the failure to pay timely the lease rental was justifiable or not due to a lack of reasonable diligence, he in his judgment may reinstate the lease subject to the following conditions:

"(1) A petition for reinstatement, together with the required rental, for any lease (a) terminated prior to the effective date of this Act must be filed with the Secretary of the Interior within one hundred and eighty days after the effective date of this Act;

"(2) No valid lease has been issued affecting any of the lands in the terminated lease prior to the filing of the petition for reinstatement.

"(d) Where, in the judgment of the Secretary of the Interior, drilling operations were being diligently conducted on the last day of the primary term of the lease, and, except for nonpayment of rental, the lessee would have been entitled to extension of his lease, pursuant to section 4(d) of the Act of September 2, 1960 (74 Stat. 790), the Secretary of the Interior may reinstate such lease notwithstanding the failure of the lessee to have made payment of the next year's rental, provided the conditions of subparagraphs (1) and (2) of section (c) are satisfied."

Sec. 2. Nothing in this Act shall be construed as limiting the authority of the Secretary of the Interior to issue, during the periods in which petitions for reinstatement may be filed, oil and gas leases for any of the lands affected.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

Mr. GROSS. Reserving the right to object, Mr. Speaker, the amendment is not completely clear. Will the gentleman say the amendment is completely germane to the bill?

Mr. EDMONDSON. It is completely germane to the bill. The intent of the bill is to prevent an injustice being done to some people who have had mineral leases canceled through no fault of their own. That is completely the intent of the bill.

Mr. GROSS. The amendment added by the other body is strictly germane to the bill?

Mr. EDMONDSON. In my judgment it is, yes.

Mr. SAYLOR. If the gentleman will yield, there is no doubt about it. It is germane.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

The amendment was concurred in.

A motion to reconsider was laid on the table.

CHEROKEE NATION OR TRIBE OF INDIANS OF OKLAHOMA

Mr. HALEY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 11590) to provide for the disposition of judgment funds of the Cherokee Nation or Tribe of Indians of Oklahoma, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 4, lines 4, 5, and 6, strike out "first, but there are authorized to be appropriated not to exceed $500,000 to reimburse the judgment fund and the interest fund." and insert "first.".

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

Mr. EDMONDSON. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. EDMONDSON. Mr. Speaker, I want to thank the Members of this great legislative body for the swift consideration which has been given this most worthy measure.

Your action today, following your earlier unanimous approval of H.R. 11590 in August, is a reaffirmation of this great body's determination to expedite in every way possible the full measure of long-awaited justice due the Cherokee Indian people.

For their statesmanlike help in this effort, I am deeply grateful to the gentleman from Florida [Mr. HALEY] and to the gentleman from Colorado [Mr. ASPINALL], along with others on the great House Committee on Interior and Insular Affairs.

My thanks, and the thanks of the Cherokee people, also go to our great President Kennedy and to Secretary of Interior Udall, who have given their wholehearted cooperation in this legislative action.

I am confident President Kennedy will speedily sign the bill and thus pave the way for immediate action by the Department of Interior to distribute the judgment funds.

Along with Senators KERR and MONRONEY, who sponsored this measure in the other body, I had hoped this Congress could make a decision to assist in distribution costs required to place this award in the hands of the qualified Cherokees.

A provision providing $500,000 for this purpose had been approved in this body in August, on the basis of equity as well as treaty and statutory commitments to the Cherokees.

Regrettably, we were unsuccessful in the Interior Committee of the other body in securing approval of this provision, and the executive committee of the Cherokee Nation reluctantly agreed to deletion of this provision in order to secure congressional action during this Congress.

The executive committee resolution, however, expressly stated that the Cherokees were not waiving their rights on this point, in agreeing to the deletion.

I am sure the question of Federal assistance on distribution costs will once again be brought before Congress when the 88th Congress convenes next January, either in the form of a bill for reimbursement or a bill to authorize litigation of the question.

We expect to consult with the Cherokee executive committee on this question after adjournment of this Congress, in order to agree upon the most desirable course of legislative action.

Some weeks ago I assured the Cherokees in Oklahoma that distribution would begin before the snows fell in Oklahoma.

The action of the Congress has now made good on that pledge.

With deep gratitude for your action, I pledge today to do all in my power to expedite congressional review of the distribution cost question in the 88th Congress, if I am privileged to be a Member of that Congress.

I hope and trust this great body will, at that time, extend to the Cherokees the same generous and just consideration which has distinguished your action on this bill.

NATIONAL SCHOOL LUNCH WEEK

Mr. ROGERS of Colorado. Mr. Speaker, I ask unanimous consent for the immediate consideration of the joint resolution (S.J. Res. 211) providing for the establishment of an annual National School Lunch Week.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

Mr. GROSS. Mr. Speaker, reserving the right to object, is this bill not on the Consent Calendar for today?

Mr. ROGERS of Colorado. It is on the Consent Calendar, but it was placed on the calendar too late to be considered today.

Mr. GROSS. Is there some reason why this has to be passed at this time instead of on the regular call of the calendar?

Mr. ROGERS of Colorado. Yes, because this provides that the second week of October each year shall be declared to be National School Lunch Week by the President, and, if it is not passed today, then it will be too late for this year.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the seven-day period beginning on the second Sunday of October in each year is hereby designated as National School Lunch Week, and the President is requested to issue annually a proclamation calling on the people of the United States to observe such week with appropriate ceremonies and activities.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GOLD MEDAL TO DOUGLAS MACARTHUR

Mr. HARDY. Mr. Speaker, I ask unanimous consent for the immediate consideration of the Senate joint resolution (S.J. Res. 228) authorizing the issuance of a gold medal to General of the Army Douglas MacArthur.

The Clerk read the title of the Senate joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That, in recognition of the gallant service rendered by General of the Army Douglas MacArthur to his country, the President of the United States is authorized to award to General of the Army Douglas MacArthur, in the name of Congress, an appropriate gold medal. For such purpose the Secretary of the Treasury is authorized and directed to cause to be struck a gold medal with suitable emblems, devices, and inscriptions to be determined by the Secretary.

SEC. 2. The Secretary of the Treasury is authorized and directed to coin and furnish to the MacArthur Memorial Foundation not more than five hundred thousand copies in bronze of such medal, of such size or sizes as shall be determined by the Secretary in consultation with the MacArthur Memorial Foundation. The medals shall be made and delivered at such times as may be required by the MacArthur Memorial Foundation in quantities of not less than two thousand. The medals shall be considered to be national medals within the meaning of section 3551 of the Revised Statutes.

SEC. 3. The Secretary of the Treasury shall cause such gold medals and such bronze medals to be struck and furnished at not less than the estimated cost of manufacture, including labor, materials, dies, use of machinery, and overhead expenses; and security satisfactory to the Director of the Mint shall be furnished to indemnify the United States for the full payment of such cost.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CONSENT CALENDAR

The SPEAKER. This is the day for the call of the Consent Calendar. The Clerk will call the first bill on the Consent Calendar.

PRINCE GEORGES COUNTY SCHOOL BOARD, MARYLAND

The Clerk called the bill (H.R. 6759) for the relief of the Prince Georges County School Board, Maryland.

Mr. GROSS. Mr. Speaker , I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

AMENDING MERCHANT MARINE ACT, 1936, PROVIDING FOR REIMBURSEMENT OF CERTAIN VESSEL CONSTRUCTION EXPENSES

The Clerk called the bill (H.R. 11587) to amend the Merchant Marine Act, 1936, in order to provide for the reimbursement of certain vessel construction expenses.

Mr. FORD. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

FURNISHING COURT QUARTERS AND ACCOMMODATIONS

The Clerk called the bill (S. 3156) to amend section 142 of title 28, United States Code, with regard to furnishing court quarters and accommodations at places where regular terms of court are authorized to be held, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. FORD. Mr. Speaker, reserving the right to object, and I do not intend to object nor do I intend to ask that this bill be passed over without prejudice, but I have considerable misgivings about this legislation. On the other hand, there is some merit to the aim and objectives. I only hope and trust that the Committee on the Judiciary will keep their finger on the overall problem so that we do not have unnecessary additional Federal courtrooms established in practically every community in the Nation primarily for the convenience of the judiciary. I have been assured that the committee does intend to keep its eye on this situation. It has been my personal experience that in some instances the judiciary are completely without responsibility as far as the taxpayers of this country are concerned when it comes to the construction of courtroom facilities. I must reiterate that if the committee finds there are abuses, it is then the obligation of the committee to come in and ask for the repeal of this legislation.

Mr. ROGERS of Colorado. Mr. Speaker, will the gentleman yield?

Mr. FORD. I yield.

Mr. ROGERS of Colorado. As you have outlined, it is the intention at least of the present membership of the Committee on the Judiciary to scrutinize every application for additional court facilities, and this is to assure you, so far as I am concerned and other members of the committee, at this time we certainly will watch with diligence to see that the taxpayers' money is not wasted in the construction or the authorization of new places in which to hold court.

Mr. FORD. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 142 of title 28, United States Code, is amended by adding at the end of such section the following: "The foregoing restrictions shall not, however, preclude the Administrator of General Services, at the request of the Director of the Administrative Office of the United States Courts, from providing such court quarters and accommodations as the Administrator determines can appropriately be made available at places where regular terms of court are authorized by law to be held, but only if such court quarters and accommodations have been approved as necessary by the judicial council of the appropriate circuit."

The bill was ordered to be read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

FEDERAL DISTRICT COURT FOR EASTERN DISTRICT OF NORTH CAROLINA

The Clerk called the bill (H.R. 8337) to amend section 113(a) of title 28, United States Code, to provide that Federal District Court for the Eastern District of North Carolina shall be held at Goldsboro, Jacksonville, and Clinton.

Mr. LENNON. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

KLAMATH INDIAN IRRIGATION PROJECT, OREGON

The Clerk called the bill (S. 3342) to approve an order of the Secretary of the Interior canceling irrigation charges against non-Indian-owned lands under the Klamath Indian irrigation project, Oregon, and for other purposes.

Mr. FORD. Mr. Speaker, at the request of another Member I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

REPEAL OF PROVISIONS RELATING TO DUTIES OF CENSUS EMPLOYEES

The Clerk called the bill (H.R. 11949) to repeal section 25 of title 13, United States Code, relating to the duties of supervisors, enumerators, and other employees of the Bureau of the Census, Department of Commerce.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 25 of title 13, United States Code (relating to the duties of supervisors, enumerators, and other employees of the Bureau of the Census, Department of Commerce) is hereby repealed.

(b) The analysis of chapter 1 of such title is amended by striking out "25. Duties of supervisors, enumerators, and other employees.".

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ACCELERATION OF TIME FOR TAKING ECONOMIC CENSUSES

The Clerk called the bill (H.R. 11950) to amend section 131 of title 13, United States Code, so as to provide for taking of the economic censuses 1 year earlier starting in 1968.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 131 of title 13, United States Code, is amended to read as follows:

"§ 131. Collection and publication; five-year periods.

"The Secretary shall take, compile, and publish censuses of manufactures, of mineral industries, and of other businesses, including the distributive trades, service establishments, and transportation (exclusive of means of transportation for which statistics are required by law to be filed with, and are compiled and published by, a designated regulatory body), in the year 1964, then in the year 1968 and every fifth year thereafter, and each such census shall relate to the year immediately preceding the taking thereof."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PUBLICATIONS WITH SECOND-CLASS MAILING PRIVILEGES

The Clerk called the bill (H.R. 10696) to amend section 4369 of title 39, United States Code, with respect to the filing of information relating to publications having second-class mail privileges, and for other purposes.

Mr. KILGORE. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

BRIDGE ACROSS RIO GRANDE NEAR DONNA, TEX.

The Clerk called the bill (H.R. 683) to authorize the Donna-Rio Bravo Bridge Co. to construct, maintain, and operate a toll bridge across the Rio Grande near Donna, Tex.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Donna-Rio Bravo Bridge Company of Donna, Texas, is authorized to construct a toll bridge and approaches thereto across the Rio Grande, at a point suitable to the interests of navigation, at or near Donna, Texas, and for a period of sixty-six years from the date of completion of said bridge, to maintain and operate same and to collect tolls for the use thereof, so far as the United States has jurisdiction over the waters of such river in accordance with the provisions of the Act entitled "An Act to regulate the construction of bridges over navigable waters", approved March 23, 1906 (33 U.S.C. 491 to 498, inclusive) subject to—

(1) the conditions and limitations contained in this Act;

(2) the approval of the International Boundary and Water Commission, United States and Mexico; and

(3) the approval of the proper authorities in the Republic of Mexico;

with respect to the construction, operation, and maintenance of such bridge.

SEC. 2. The Donna-Rio Bravo Bridge Company may fix and charge tolls for transit over the bridge referred to in the first section of this Act in accordance with the laws of the State of Texas, and the laws of the United States, applicable to such tolls, and the rates of toll so fixed shall be the legal rates until changed under the authority contained in section 4 of the Act of March 23, 1906 (33 U.S.C. 494).

SEC. 3. The Donna-Rio Bravo Bridge Company may sell, assign, transfer, or mortgage the rights, powers, and privileges conferred on such company by this Act to any public agency, or to an international bridge authority or commission, and any such agency, authority, or commission is authorized to exercise the rights, powers, and privileges acquired under this section (including acquisition by mortgage foreclosure) in the same manner as if such rights, powers, and privileges had been granted by this Act directly to such agency, authority, or commission.

SEC. 4. Notwithstanding the provisions of section 6 of the Act of March 23, 1906 (33 U.S.C. 496), this Act shall be null and void unless the actual construction of the bridge referred to in the first section of this Act is commenced within three years and completed within five years from the date of enactment of this Act.

SEC. 5. The right to alter, amend, or repeal this Act is expressly reserved.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from Texas [Mr. BURLESON] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. BURLESON. Mr. Speaker, for the record in connection with this measure, I have had a letter from Mr. William C. Cain, of Weslaco, Tex. Mr. Cain is secretary-treasurer of the Progreso International Bridge. He wrote me about the statement on page 2 of the committee report on this bill (H.R. 683) in which there appears the following statement:

> With existing bridges, which serve this area, located 15 to 18 miles away, the committee believes that the authority to construct this additional bridge is justified.

Mr. Cain was under the impression that this statement referred to the distances between the site of the proposed bridge and the site of existing bridges. I am glad to clear up any misunderstanding. The referenced statement is intended to reflect the distances from Donna, Tex., to the present existing bridges.

OFFICAL GOVERNMENT TRAVEL ON U.S.-FLAG AIR CARRIERS

The Clerk called the resolution (S. Con. Res. 53) favoring air travel by legislative and Government officers and employees on U.S.-flag air carriers.

There being no objection, the Clerk read the resolution, as follows:

Whereas Congress has by statute directed the preferential use of United States flag merchant vessels in connection with all travel by Government employees; and

Whereas as a matter of general policy the executive branch of the Government has for many years urged the preferential use of United States flag air carriers by governmental employees and United States governmental departments and agencies have adopted regulations accordingly; and

Whereas the development and preservation of a sound and strong United States civil air fleet is most vital to the national welfare and interest and its strength and prestige constantly maintained and preserved: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Senate and the House of Representatives that when travel on official business is to be performed on civil aircraft by legislative and Government officers and employees, that said travel be performed by them on United States flag air carriers, except where travel on other aircraft (a) is essential to the official business concerned, or (b) is necessary to avoid unreasonable delay, expense, or inconvenience.

The resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CONSERVATION OF TROPICAL TUNA

The Clerk called the bill (S. 2568) to amend the act of September 7, 1950, to extend the regulatory authority of the Federal and State agencies concerned under the terms of the Convention for the Establishment of an Inter-American Tropical Tuna Commission, signed at Washington, May 31, 1949, and for other purposes.

Mr. FORD. Mr. Speaker, reserving the right to object, I would like to make the observation that in the committee report there is no indication of the views of the Department and no departmental report is included.

I realize that in the rush to adjourn sometimes committee staffs are overworked, but it seems to me there is little excuse for failure of these reports to be in this committee statement. Would anyone from the committee like to justify this situation?

Mr. SELDEN. Mr. Speaker, will the gentleman yield?

Mr. FORD. I yield.

Mr. SELDEN. I regret that they are not in the report. However, there were extensive hearings which have been printed, and the departmental reports are in those hearings.

Mr. FORD. Can the gentleman from Alabama assure me that this omission will not occur in the future?

Mr. SELDEN. I will call this request to the attention of the committee staff.

Mr. FORD. Mr. Speaker, I withdraw my reservation of objection, but at the request of another Member I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

MOVEMENT OF DECEASED ANIMALS

The Clerk called the bill (S. 3120) to amend section 6 of the act of May 29, 1884.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 6 of the Act of May 29, 1884 (23 Stat. 32), as amended (21 U.S.C. 115), is further amended by changing the period at the end of such section to a colon and inserting immediately thereafter the following: "*Provided,* That such livestock or poultry may be so delivered and received for such transportation and so transported and moved if the Secretary of Agriculture determines that such action will not endanger the livestock or poultry of the United States and authorizes such action, and such delivery, receipt, transportation, and movement are made in strict compliance with such rules and regulations as the Secretary of Agriculture may prescribe to protect the livestock and poultry of the United States."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ENRICHMENT OF DONATED RICE

The Clerk called the bill (S. 3152) to provide for the nutritional enrichment and sanitary packaging of rice prior to its distribution under certain Federal programs, including the national school lunch programs.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 201(a) of the Act of September 21, 1959 (73 Stat. 606, 610), is amended (1) by striking out "cornmeal, grits, and white flour" and inserting in lieu thereof "cornmeal, grits, rice, and white flour", (2) by inserting "enriched rice," immediately after "enriched corn grits," (3) by adding after the word "pounds" in the last sentence thereof the following phrase "unless a larger container is requested by the recipient agency", and (4) by adding at the end thereof the following new sentence: "Nothing in this section shall prohibit the distribution of fortified parboiled rice which is substantially equal in nutritional value to that of enriched rice."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LAND CONVEYANCE TO THE STATE OF IOWA

The Clerk called the bill (H.R. 11111) to amend the act of October 4, 1961, authorizing the Secretary of Agriculture to sell and convey certain lands in the State of Iowa.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first paragraph of section 1 of the Act entitled "An Act to authorize the Secretary of Agriculture to sell and convey certain lands in the State of Iowa", approved October 4, 1961 (75 Stat. 805), is amended and supplemented to read as follows: "That the Secretary of Agriculture is authorized to sell and convey to the State of Iowa, by quitclaim deed, at fair market value as determined by him, subject to all outstanding rights, and subject to the condition that the property shall be used for public purposes, all the right, title, and interest of the United States to those certain tracts of land containing approximately 4,649 acres of land, more or less, located in Van Buren, Lee, Appanoose, and Davis Counties, Iowa, in:".

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXPANSION OF FEDERAL CROP INSURANCE COVERAGE

The Clerk called the bill (S. 2859) to amend the Federal Crop Insurance Act, as amended.

Mr. ABERNETHY. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

REQUIRING AUTHORIZATION FOR CERTAIN APPROPRIATIONS OF THE U.S. COAST GUARD

The Clerk called the bill (H.R. 8151) to amend title 14, United States Code, to require authorization for certain appropriations.

Mr. FORD. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

EXTENDING FUNCTIONS OF THE COAST AND GEODETIC SURVEY

The Clerk called the bill (H.R. 9981) to amend the act of August 6, 1947, to extend the functions of the Coast and Geodetic Survey, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. RIVERS of South Carolina. Mr. Speaker, I must reluctantly object.

REGISTRATION OF PROFESSIONAL NURSES AS STAFF OFFICERS IN THE U.S. MERCHANT MARINE

The Clerk called the bill (H.R. 11903) to amend the act of August 1, 1939, chapter 409, as amended, to provide for the registration of professional nurses as staff officers in the U.S. merchant marine.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1 of the Act entitled "An Act to provide for the registry of pursers and surgeons as staff officers on vessels of the United States, and for other purposes", approved August 1, 1939 (Public, Numbered 251, Seventy-sixth Congress; 52 Stat. 1143), as amended, is amended to read as follows:

"SEC. 1. There shall be registered staff officers in the United States merchant marine in the following grades: (1) Chief purser, (2) purser, (3) senior purser, (4) junior assistant purser, (5) surgeon, and (6) professional nurse. The Commandant of the Coast Guard (in this Act called the Commandant) shall register, and issue certificates of registry to qualified individuals applying for registry in such grades, as hereinafter provided, and every such individual when so registered and serving in the staff department on a vessel of the United States shall rank as a staff officer on such vessel. Officers registered under the provisions of this Act and pursers' clerks and such persons as may be assigned to the senior registered surgeon shall constitute a separate and independent department on vessels of the United States to be known as the staff department. Such staff department shall be composed of a medical division and a purser's division. The medical division shall be under the charge of the senior registered surgeon on such vessel, who shall be responsible solely to the master. The purser's division shall be under the charge of the senior registered purser on such vessel, who shall be responsible solely to the master. On oceangoing vessels licensed to carry more than one hundred passengers, such officer in charge of the purser's division of the staff department shall be a registered chief purser; and whenever more than three persons are employed in the purser's division of the staff department of such vessels, there shall be a minimum of one registered senior assistant purser and one registered junior assistant purser in such purser's division of that staff department. No person shall be eligible for registry as a staff officer under the provisions of this Act who is not a citizen of the United States."

Section 2 of such Act is amended to read as follows:

"SEC. 2. No applicant for registry under the provisions of this Act shall be required to take an examination to qualify therefor, but the Commandant shall require satisfactory proof of good character, citizenship, and such minimum periods of service as he shall deem necessary to establish the requisite knowledge, skill, and experience to qualify applicants for the respective stations. Applicants for registry as surgeon shall be required to possess a valid license as physician and surgeon issued under the authority of a State or territory of the United States or the District of Columbia. Applicants for registry as professional nurse shall be required to possess a valid license as registered nurse issued under the authority of a State or territory of the United States or the District of Columbia."

SEC. 3. Such Act is amended by adding the following new section:

"SEC. 10. As used in this Act, the masculine pronoun shall include the feminine."

SEC. 4. The amendments made by this Act shall take effect immediately.

With the following committee amendment:

Page 1, line 7, strike out "52 Stat. 1143" and insert in lieu thereof the following: "53 Stat. 1145".

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AUTHORIZING ADMINISTRATOR OF GENERAL SERVICES TO REMOVE AN ENCUMBRANCE ON TITLE TO LAND HERETOFORE CONVEYED TO BOARD OF EDUCATION OF VALLEJO, CALIF.

The Clerk called the bill (H.R. 9491) to provide for the removal of an encumbrance on the title of certain real property heretofore conveyed to the Board of Education of the Vallejo School District, Vallejo, Calif., by the U.S. Housing Corporation.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Administrator of General Services shall convey to the Vallejo Unified School District, Vallejo, California, without monetary consideration to the United States, all right, title, and interest of the United States in and to the real property situated in the township of Vallejo, county of Solano, State of California, which real property was conveyed to the Board of Education of the Vallejo School District, Vallejo, California, by the United States Housing Corporation by deed dated June 22, 1928, recorded in book 17 at page 400 in the office of the County recorder of the county of Solano, State of California.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PRESIDENTIAL TRANSITION ACT OF 1962

The Clerk called the bill (H.R. 12479) to promote the orderly transfer of the Executive power in connection with the expiration of the term of office of a President and the inauguration of a new President.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. FORD. Mr. Speaker, reserving the right to object, I would like to ask several questions of the author of the bill or a member of the committee.

I believe there is a need for some legislation of this sort. I note in the committee report and in the summary at my disposal that in the transition from the Truman to the Eisenhower administration the Republican National Committee put up about $200,000 to carry on the operation. In the transition from the Eisenhower to the Kennedy administration I understand that the Democratic National Committee put up about $360,000 to carry out this work. I notice in the committee report and in the legislation itself that there is an authorization of an appropriation to handle this work up to $750,000.

I just do not understand why we have to more than double the expense allowance for such transitions. We did it in 1952 and 1953 for $200,000; we did it in 1960 and 1961 for $360,000. What is the justification for this multiplication of costs in the cost of handling this same job by the governments process?

Mr. FASCELL. Mr. Speaker, I welcome the opportunity to answer the question, I trust, satisfactorily.

The answer is that the costs to which the gentleman has referred were the identifiable costs to make those transitions. But there are other costs which were not readily identifiable. For example, the cost of an individual coming into the Cabinet, having to come to Washington, pay his hotel bill, set up his staff, and live here for the whole transition period at his own expense, which should not be a personal expense. That is not included in these costs the gentleman has outlined. In the testimony before the committee the Bureau of the Budget felt a figure of $750,000 as an authorization, subject of course to appropriation, would give us a reasonable limitation within which to work.

Mr. FORD. Mr. Speaker, I am not convinced by the seemingly plausible explanation by the gentleman from Florida. Consequently, unless there is some desire to reduce the authorization from $750,000 to a more reasonable figure, I do not intend to let this go through by the Consent Calendar process. If the gentleman from Florida can make a more reasonable suggestion, I would not object, but I certainly cannot permit this legislation to go through with this abnormally high authorization.

Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

THE MIGRATORY BIRD CONSERVATION COMMISSION

The Clerk called the bill (S. 3504) to provide for alternate representation of secretarial officers on the Migratory Bird Conservation Commission, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2 of the Migratory Bird Conservation Act (16 U.S.C. 715a) is amended by inserting, immediately after the first sentence, the following new sentence: "Each of the aforesaid Secretaries may designate the Under Secretary or an Assistant Secretary of his department as his alternate with authority to represent him and to consider and pass upon matters before the said Commission."

SEC. 2. Section 18 of the aforesaid Act (16 U.S.C. 715q) is hereby amended by striking out "commisison" and inserting in lieu thereof "commission" and by striking out "$5,000" and inserting in lieu thereof "$10,000".

With the following committee amendments:

On page 1, line 6, strike out "may" and insert in lieu thereof "shall"

On page 2, line 3, strike out " '$10,000' " and insert in lieu thereof " '$7,500' ".

The committee amendments were agreed to.

Mr. BONNER. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BONNER: Strike out all after the enacting clause and insert in lieu thereof the following: "That section 18 of the Migratory Bird Conservation Act (16 U.S.C. 715q) is hereby amended by striking out "commisison" and inserting in lieu thereof "commission" and by striking out "$5,000" and inserting in lieu thereof "$7,500".

The amendment was agreed to.

The bill, as amended, was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended so as to read: "A bill to amend the Migratory Bird Conservation Act."

AMENDMENT TO PACIFIC MARINE FISHERIES COMPACT

The Clerk called the bill (S. 3431) to consent to the amendment of the Pacific marine fisheries compact and to the participation of certain additional States in such compact in accordance with the terms of such amendment.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the consent of Congress is hereby given to (1) the amendment of the Pacific Marine Fisheries Compact, initially approved by the Act of July 24, 1947 (61 Stat. 419), between the States of California, Oregon, and Washington, by the addition of a new article XII to such compact as set forth in section 2 of this Act, and (2) to the participation in such compact, in accordance with the terms of such article, of the States of Alaska and Hawaii and any other State having rivers or streams tributary to the Pacific Ocean.

SEC. 2. Article XII of the Pacific Marine Fisheries Compact, as agreed to by the States of California, Oregon, and Washington, reads as follows:

"ARTICLE XII

"The States of Alaska or Hawaii, or any state having rivers or streams tributary to the Pacific Ocean may become a contracting state by enactment of the Pacific Marine Fisheries Compact. Upon admission of any new state to the compact, the purposes of the compact and the duties of the commission shall extend to the development of joint programs for the conservation, protection and prevention of physical waste of fisheries in which the contracting states are mutually concerned and to all waters of the newly admitted state necessary to develop such programs.

"This article shall become effective upon its enactment by the States of California, Oregon, and Washington and upon ratification by Congress by virtue of the authority vested in it under Article 1, section 10, of the Constitution of the United States."

SEC. 3. The right to alter, amend, or repeal this Act is expressly reserved.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

USE OF MOBILE TRADE FAIRS

The Clerk called the bill (S. 3389) to promote the foreign commerce of the United States through the use of mobile trade fairs.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. GROSS. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

THE HUNGARIAN REFORMED FEDERATION OF AMERICA

The Clerk called the bill (S. 699) to amend the act entitled "An act to incorporate the Hungarian Reformed Federation of America," approved March 2, 1907, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2 of the Act entitled "An Act to incorporate the Hungarian Reformed Federation of America", approved March 2, 1907 (34 Stat. 1226), is amended by striking out the period at the end of the first sentence and inserting in lieu thereof a semicolon and the following: "to provide all types of benefits which are now or hereafter may be authorized by the laws of the District of Columbia relating to fraternal benefit associations."

SEC. 2. Section 755 of the Act entitled "An Act to establish a Code of Law for the District of Columbia", approved March 3, 1901 (31 Stat. 1189), is amended by striking out "which shall not exceed fifty-five years, and that medical examinations are required of applicants for life benefits,".

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NATIONAL CULTURAL CENTER WEEK

The Clerk called Senate Joint Resolution 214 authorizing the President of the United States to designate the period from November 26 through December 2, 1962, as National Cultural Center Week.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. GROSS. Mr. Speaker, reserving the right to object, I would like to ask someone if there is any cost connected with this proposal, and whether there are any weeks left that can be observed for other purposes?

Mr. FORRESTER. Mr. Speaker, if the gentleman will yield, I shall be glad to answer the gentleman from Iowa concerning the cost question. There is no cost involved on the part of the Federal Government.

Mr. GROSS. Does the gentleman from Georgia think this will open the door to some further cost in behalf of what some people are pleased to call culture?

Mr. FORRESTER. If the gentleman will yield further, I hope not. If the gentleman from Iowa will notice the report, the Congress did not grant any funds for this purpose at all. This corporation is going to solicit funds from the public at large and not from the Congress. I have an idea that if it did request funds from the Congress it would not meet with a very cordial reception.

Mr. GROSS. Is the gentleman referring to a proposed cultural center here in the District of Columbia, which area is sometimes referred to as a jungle? Is the gentleman referring to the solicitation of funds for a cultural center in the District of Columbia?

Mr. FORRESTER. Yes; I am referring to it, because the report refers to it, and that is correct. They do intend to try to raise the necessary money through voluntary contributions, but not from the Federal Government.

Mr. GROSS. Does the gentleman think, in view of what is happening with respect to financing the $20 million stadium in the District of Columbia that was not to cost the Federal taxpayer anything, that some group will build a $30 million, $40 million, or $50 million cultural center and will not be in the pockets of all the taxpayers before they get through?

Mr. FORRESTER. The only thing I can say to the gentleman from Iowa is this: I hope that the gentleman is going to watch this. If that does arise, I think the gentleman will oppose it, and the gentleman will find me in his corner at that time. There is certainly no intention on the part of the committee bringing out this bill to endorse giving them any Government funds toward the construction of this project. It is simply for the purpose of allowing them to have this particular day set aside.

Mr. GROSS. I am not opposed to a National Cultural Week, whatever that may be. I am not opposed as long as it does not cost the taxpayers of the country any money now or in the future.

Mr. FORRESTER. The gentleman has eloquently stated my position; I agree with him fully on it.

Mr. GROSS. Mr. Speaker, I withdraw my reservation of objection.

There being no objection, the Clerk read the joint resolution, as follows:

Whereas, by the Act of September 2, 1958, known as the National Cultural Center Act, Congress established a board known as the Trustees of the National Cultural Center; and

Whereas such Trustees were authorized and directed to plan, create, and operate a National Cultural Center on a designated site in the Nation's Capital; and

Whereas the text of the National Cultural Center Act, as well as its legislative history, emphasizes the desire of the Congress that the National Cultural Center should be a national institution serving the American people through its programs; and

Whereas the Congress intended the Center to be a symbol of the importance of the arts as a part of our national environment and heritage, and a showcase of the finest talents in America and from abroad; and

Whereas the Congress has authorized a nationwide fund-raising campaign designed to give the American people an opportunity to demonstrate their support for the creation of this institution; and

Whereas, pursuant to this authority, the Trustees have developed a program to raise funds both for the National Cultural Center and for the support of cultural and civic organizations at the community level; and

Whereas this fund-raising program will be highlighted on November 29, 1962, with a nationwide closed-circuit telecast entitled "An American Pageant of the Arts" which will be designed to express the contribution of each of the Nation's regions to our natural cultural heritage; and

Whereas the sponsoring committees for this program, made up of cultural and civic organizations in each community where the telecasts will be shown, will be able to keep 50 per centum of the proceeds from the sale of tickets in an effort to help strengthen cultural organizations at the local level; and

Whereas the National Cultural Center Act was passed with strong bipartisan support, was signed enthusiastically by President Eisenhower, and has since received the full support of President Kennedy; and

Whereas both Mrs. Kennedy and Mrs. Eisenhower now serve as Honorary Chairmen of the Center, the Senators and Members of the House of Representatives of both parties, as well as representative individuals from business and labor, are members of the Board of Trustees; and

Whereas an Advisory Committee consisting of leading representatives of all aspects of American cultural life has been appointed by both President Eisenhower and President Kennedy: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President of the United States is hereby authorized and requested to issue a proclamation designating the period from November 26, 1962, through December 2, 1962, as National Cultural Center Week; urging all persons, organizations, and governmental agencies involved in fostering the performing arts in this Nation to publicize and observe such week; and calling upon the Governors of the States to join in promoting the National Cultural Center campaign.

With the following committee amendment:

On pages 1, 2, and 3, delete the "whereas" clauses.

The committee amendment was agreed to.

The joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ADDITIONAL COMMISSIONERS, U.S. COURT OF CLAIMS

The Clerk called the bill (H.R. 11086) to amend title 28, United States Code, to provide for additional commissioners of the U.S. Court of Claims, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. GROSS. Mr. Speaker, reserving the right to object, I understand this bill is scheduled under suspension, in which case I shall ask unanimous consent that it be passed over without prejudice.

Mr. WALTER. Mr. Speaker, will the gentleman yield to me?

Mr. GROSS. I yield.

Mr. WALTER. In view of the fact that there is no opposition whatsoever to the bill I am hoping the gentleman will permit us to consider it on this calendar. I should be very happy to answer any question he might have. I think by doing it this way we can obviate the necessity of waiting until the 11th bill is called on the calendar.

Mr. GROSS. I am a little surprised, if there is no opposition, that it should be scheduled under suspension.

Mr. WALTER. The fact of the matter is we did not know that the bill was going to be reached on Consent Calendar today. That is the only reason why it was put under suspension of rules.

Mr. GROSS. Mr. Speaker, I withdraw my reservation of objection.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (a) of section 792 of title 28, United States Code, is amended to read as follows:

"(a) The Court of Claims may appoint twenty commissioners who shall be subject to removal by the court and shall devote all of their time to the duties of the office."

Sec. 2. The chapter analysis of chapter 51 of title 28, United States Code, is amended by adding thereto the following new catchlines:

"796. Retirement and recall of commissioners."

"797. Annuities to widows and dependent children of commissioners."

Sec. 3. Chapter 51 of title 28, United States Code, is amended by adding thereto a new section 796 reading as follows:

"§ 796. Retirement and recall of commissioners

"(a) DEFINITIONS.—

"For purposes of this section—

"(1) the term 'Court of Claims' means the United States Court of Claims.

"(2) the term 'Civil Service Commission' means the United States Civil Service Commission.

"(3) the term 'commissioner' means any commissioner of the Court of Claims; but such term does not include any individual performing judicial duties pursuant to subsection (c).

"(4) the term 'Civil Service Retirement Act' means the Civil Service Retirement Act of May 29, 1930, as amended, and, specifically, as renumbered by the Act of July 31, 1956 (70 Stat. 736, 745; 5 U.S.C. 2251 et seq.).

"(5) in any determination of length of service as commissioner there shall be included all periods during which an individual served as a commissioner of the Court of Claims.

"(b) RETIREMENT.—

"(1) Any commissioner who has served as commissioner for eighteen years or more may retire at any time.

"(2) Any commissioner who has served as commissioner for ten years or more and has attained the age of seventy shall retire not later than the close of the third month beginning after whichever of the following months is the latest:

"(A) The month in which he attained age seventy; or

"(B) The month in which he completed ten years of service as commissioner.

Section 5 of the Civil Service Retirement Act (relating to automatic separation from the service (5 U.S.C. 2255)) shall not apply in respect of commissioners.

"(c) Recalling of Retired Commissioners.—Any individual who is receiving retired pay under subsection (d) may be called upon by the chief judge of the Court of Claims to perform such judicial duties with the Court of Claims as may be requested of him for any period or periods specified by the chief judge; except that in the case of any such individual—

"(1) the aggregate of such periods in any one calendar year shall not (without his consent) exceed ninety calendar days; and

"(2) he shall be relieved of performing such duties during any period in which illness or disability precludes the performance of such duties.

Any act, or failure to act, by an individual performing judicial duties pursuant to this subsection shall have the same force and effect as if it were the act (or failure to act) of a commissioner of the Court of Claims; but any such individual shall not be counted as a commissioner of the Court of Claims for purposes of section 792. Any individual who is performing judicial duties pursuant to this subsection shall be paid the same compensation (in lieu of retired pay) and allowances for travel and other expenses as a commissioner.

"(d) Retired Pay.—Any individual who after the date of the enactment of this section—

"(1) ceases to be a commissioner by reason of paragraph (2) of subsection (b), or ceases to be a commissioner after having served as commissioner for eighteen years or more; and

"(2) elects under subsection (e) to receive retired pay under this subsection.

shall receive retired pay at a rate which bears the same ratio to the rate of the salary payable to him as commissioner at the time he ceases to be a commissioner as the number of years he has served as commissioner bears to twenty-four; except that the rate of such retired pay shall be not less than one-half of the rate of such salary and not more than the rate of such salary. Such retired pay shall begin to accrue on the day following the day on which his salary as commissioner ceases to accrue, and shall continue to accrue during the remainder of his life. Retired pay under this subsection shall be paid in the same manner as the salary of a commissioner. In computing the rate of the retired pay under this subsection for any individual who is entitled thereto, that portion of the aggregate number of years he has served as a commissioner which is a fractional part of one year shall be eliminated if it is less than six months, or shall be counted as a full year if it is six months or more.

"(e) Election To Receive Retired Pay.—Any commissioner may elect to receive retired pay under subsection (d). Such an election—

"(1) may be made only while an individual is a commissioner;

"(2) once made, shall be irrevocable; and

"(3) shall be made by filing notice thereof in writing with the chief judge of the Court of Claims.

The chief judge of the Court of Claims shall transmit to the Civil Service Commission a copy of each notice filed with him under this subsection.

"(f) Individuals Receiving Retired Pay To Be Available for Recall.—Any individual who has elected to receive retired pay under subsection (d) who thereafter—

"(1) accepts civil office or employment under the Government of the United States (other than the performance of judicial duties pursuant to subsection (c)); or

"(2) performs (or supervises or directs the performance of) legal services for his client, his employer, or any of his employer's clients in the prosecutor of any claim against the United States cognizable by the Court of Claims,

shall forfeit all rights to retired pay under subsection (d) for all periods beginning on or after the first day on which he accepts such office or employment or engages in any activity described in paragraph (2). Any individual who has elected to receive retired pay under subsection (d) who thereafter during any calendar year fails to perform judicial duties required of him by subsection (c) shall forfeit all rights to retired pay under subsection (d) for the one-year period which begins on the first day on which he so fails to perform such duties.

"(g) Coordination With Civil Service Retirement.—

"(1) General rule.—Except as otherwise provided in this subsection, the provisions of the Civil Service Retirement Act (including the provisions relating to the deduction and withholding of amounts from basic pay, salary, and compensation) shall apply in respect of service as a commissioner (together with other service as an officer or employee to whom such Act applies) as if this section had not been enacted.

"(2) Effect of electing retired pay.—In the case of any individual who has filed an election to receive retired pay under subsection (d) and who has not filed a waiver under paragraph (3) of this subsection

"(A) he shall not be entitled to any annuity under section 6, 7, or 8 of the Civil Service Retirement Act (5 U.S.C. 2256, 2257, 2258) for any period beginning on or after the day on which he files such election;

"(B) no amount shall be returned to him under section 11(a) of such Act (5 U.S.C. 2261(a));

"(C) subsections (g) and (h) of section 9 of such Act (5 U.S.C. 2259 (g) and (h)), and subsections (c) and (d) of section 10 of such Act (5 U.S.C. 2260 (c) (d)), shall apply in respect of such individual as if he were retiring or had retired under section 6 of such Act (5 U.S.C. 2256) on the date on which his retired pay under subsection (d) of this section began to accrue; except that—

"(i) the amount of any annuity payable to a survivor of such individual under subsection (a) or (b) of such section 10 (5 U.S.C. 2260 (a), (b)) or under subsection (c) or (d) of such section 10 (5 U.S.C. 2260 (c), (d)) shall be based on a life annuity for such individual computed as provided in subsection (a) of section 9 (5 U.S.C. 2259(a)); and

"(ii) if such individual makes the election provided by subsection (g) or (h) of such section 9 (5 U.S.C. 2259 (g), (h)), his retired pay under subsection (d) of this section shall be reduced by the amount by which a life annuity computed as provided in subsection (a) of such section 9 (5 U.S.C. 2259(a)) would be reduced;

"(D) in computing the aggregate amount of the annuity paid for purposes of subsection (e) of section 11 of such Act (5 U.S.C. 2261(g)), any retired pay which has accrued under subsection (d) of this section (including any such retired pay forfeited under subsection (f)) shall be included as if it were an annuity payable to him under such Act; and

"(E) no deduction for purposes of the civil service retirement and disability fund shall be made from the retired pay payable to him under subsection (d) of this section, or from any other salary, pay, or compensation payable to him, for any period after the date on which such retired pay began to accrue.

"(3) Waiver of civil service benefits.—

"(A) Any individual who has elected to receive retired pay under subsection (d) of this section may (at any time thereafter during the period prescribed by subsection (e) (1)) waive all benefits under the Civil Service Retirement Act. Such a waiver—

"(i) once made, shall be irrevocable, and

"(ii) shall be made in the same manner as is provided for an election by such individual under subsection (e). The chief judge of the Court of Claims shall transmit to the Civil Service Commission a copy of each notice of waiver filed with him under this paragraph.

"(B) In the case of any individual who has made a waiver under this paragraph—

"(i) no annuity shall be payable to any person under the Civil Service Retirement Act with respect to any service performed by such individual (whether performed before or after such waiver is filed and whether performed as commissioner or otherwise);

"(ii) no deduction shall be made from any salary, pay, or compensation of such individual for purposes of the civil service retirement and disability fund for any period beginning after the day on which such waiver is filed;

"(iii) except as provided in clause (iv), no refund shall be made under the Civil Service Retirement Act of any amount credited to the account of such individual or of any interest on any amount so credited;

"(iv) additional sums voluntarily deposited by such individual under the second paragraph of section 12 of the Civil Service Retirement Act (5 U.S.C. 2262) shall be promptly refunded, together with interest on such additional sums at 3 per centum per annum (compounded on December 3 of each year) to the day of such filing; and

"(v) subsections (d) and (e) of section 11 of the Civil Service Retirement Act (5 U.S.C. 2261 (d) and (e)) shall not apply.

"(4) Employees' compensation.—Subsections (f) and (g) of section 7 of the Civil Service Retirement Act (5 U.S.C. 2257 (f) and (g)) shall apply in respect of retired pay accruing under subsection (d) of this section as if such retired pay were an annuity under such Act."

Sec. 4. Chapter 51 of title 28, United States Code, as amended by the preceding section, is further amended by adding thereto a new section 797 reading as follows:

"§ 797. Annuities to widows and dependent children of commissioners

"(a) Definitions.—For purposes of this section—

"(1) The term 'Court of Claims' means the United States Court of Claims.

"(2) The term 'commissioner' means any commissioner of the Court of Claims, including any individual receiving retired pay (or compensation in lieu of retired pay) under section 796 of title 28, United States Code, whether or not performing judicial duties pursuant to section 796(c) of title 28, United States Code.

"(3) The term 'director' means the director of the Administrative Office of the United States Courts.

"(4) The term 'commissioner's salary' means the salary of a commissioner received under section 792(b), retired pay received under section 796(d), and compensation (in lieu of retired pay) received under section 796(c).

"(5) The term 'survivors annuity fund' means the Court of Claims commissioners survivors annuity fund established by this section.

"(6) The term 'widow' means a surviving wife of an individual, who either (A) shall have been married to such individual for at least two years immediately preceding his death or (B) is the mother of issue by such marriage, and who has not remarried.

"(7) The term 'dependent child' means an unmarried child, including a dependent stepchild or an adopted child, who is under the age of eighteen years or who because of physical or mental disability is incapable of self-support.

"(b) Election.—Any commissioner may by written election filed with the director within six months after the date on which he takes office after appointment, or within six months after the date upon which he first becomes eligible for retirement under section 796(b), or within six months after the enactment of this section, bring himself within the purview of this section.

"(c) Salary Deductions.—There shall be deducted and withheld from the salary of each commissioner electing under subsection (b) a sum equal to 3 per centum of such commissioner's salary. The amounts so deducted and withheld from such commissioner's salary shall, in accordance with such procedure as may be prescribed by the Comptroller General of the United States, be deposited in the Treasury of the United States, to the credit of a fund to be known as the 'Court of Claims commissioners survivors annuity fund' and said fund is appropriated for the payment of annuities, refunds, and allowances as provided by this section. Each commissioner electing under subsection (b) shall be deemed thereby to consent and agree to the deductions from his salary as provided in this subsection, and payment less such deductions shall be a full and complete discharge and acquittance of all claims and demands whatsoever for all judicial services rendered by such commissioner during the period covered by such payment, except the right to the benefits to which he or his survivors shall be entitled under the provisions of this section.

"(d) Deposits in Survivors Annuity Fund.—Each commissioner electing under subsection (b) shall deposit, with interest at 4 per centum per annum to December 31, 1947, and 3 per centum per annum thereafter, compounded on December 31 of each year, to the credit of the survivors annuity fund, a sum equal to 3 per centum of his commissioner's salary and of his basic salary, pay, or compensation for service as a Senator, Representative, Delegate, or Resident Commissioner in Congress, and for any other civilian service within the purview of section 3 of the Civil Service Retirement Act (5 U.S.C. 2253). Each such commissioner may elect to make such deposits in installments during the continuance of his service as a commissioner in such amount and under such conditions as may be determined in each instance by the director. Notwithstanding the failure of a commissioner to make such deposit, credit shall be allowed for the service rendered, but the annuity of the widow of such commissioner shall be reduced by an amount equal to 10 per centum of the amount of such deposit, computed as of the date of the death of such commissioner, unless such widow shall elect to eliminate such service entirely from credit under subsection (n), except that no deposit shall be required from a commissioner for any year with respect to which deductions from his salary were actually made under the Civil Service Retirement Act and no deposit shall be required for any honorable service in the Army, Navy, Air Force, Marine Corps, or Coast Guard of the United States.

"(e) Investment of Survivors Annuity Fund.—The Secretary of the Treasury shall invest from time to time in interest-bearing securities of the United States or Federal farm loan bonds, such portions of the survivors annuity fund as in his judgment may not be immediately required for the payment of the annuities, refunds, and allowances as provided in this section. The income derived from such investments shall constitute a part of said fund for the purpose of paying annuities and of carrying out the provisions of subsections (g), (h), and (j).

"(f) Crediting of Deposits.—The amount deposited by or deducted and withheld from the salary of each commissioner electing to bring himself within the purview of this section for credit to the survivors annuity fund shall be credited to an individual account of such commissioner.

"(g) Termination of Service.—If the service of any commissioner electing under subsection (b) terminates other than pursuant to the provisions of section 796, the amount credited to his individual account, together with interest at 4 per centum per annum to December 31, 1947, and 3 per centum per annum thereafter, compounded on December 31 of each year, to the date of his relinquishment of office, shall be returned to him.

"(h) Entitlement to Annuity.—In case any commissioner electing under subsection (b) shall die while a commissioner after having rendered at least five years of civilian service computed as prescribed in subsection (n), for the last five years of which the salary deductions provided for by subsection (c) or the deposits required by subsection (d) have actually been made or the salary deductions required by the Civil Service Retirement Act have actually been made—

"(1) if such commissioner is survived by a widow but not by a dependent child, there shall be paid to such widow an annuity beginning with the day of the death of the commissioner or following the widow's attainment of the age of fifty years, whichever is the later, in an amount computed as provided in subsection (m); or

"(2) if such commissioner is survived by a widow and a dependent child or children, there shall be paid to such widow an immediate annuity in an amount computed as provided in subsection (m), and there shall also be paid to or on behalf of each such child an immediate annuity equal to one-half the amount of the annuity of such widow, but not to exceed $900 per year divided by the number of such children or $360 per year, whichever is lesser; or

"(3) if such commissioner leaves no surviving widow or widower but leaves a surviving dependent child or children, there shall be paid to or on behalf of each such child an immediate annuity equal to the amount of the annuity to which such widow would have been entitled under paragraph (2) of this subsection had she survived, but not to exceed $480 per year.

"The annuity payable to a widow under this subsection shall be terminable upon such widow's death or remarriage. The annuity payable to a child under this subsection shall be terminable upon (A) his attaining the age of eighteen years, (B) his marriage, or (C) his death, whichever first occurs, except that if such child is incapable of self-support by reason of mental or physical disability his annuity shall be terminable only upon death, marriage, or recovery from such disability. In case of the death of a widow of a commissioner leaving a dependent child or children of the commissioner surviving her, the annuity of such child or children shall be recomputed and paid as provided in paragraph (3) of this subsection. In any case in which the annuity of a dependent child is terminated under this subsection, the annuities of any remaining dependent child or children, based upon the service of the same commissioner, shall be recomputed and paid as though the child whose annuity was so terminated had not survived such commissioner.

"(i) Determination of Dependency and Disability.—Questions of dependency and disability arising under this section shall be determined by the director subject to review only by the Judicial Conference of the United States, the decision of which shall be final and conclusive. The director may order or direct at any time such medical or other examinations as he shall deem necessary to determine the facts relative to the nature and degree of disability of any dependent child who is an annuitant or applicant for annuity under this section, and may suspend or deny any such annuity for failure to submit to any examination so ordered or directed.

"(j) Payments in Certain Cases.—

"(1) in any case in which—

"(A) a commissioner electing under subsection (b) shall die while in office (whether in regular active service or retired from such service under section 796), before having rendered five years of civilian service computed as prescribed in subsection (n), or after having rendered five years of such civilian service but without a survivor or survivors entitled to annuity benefits provided by subsection (h), or

"(B) the right of all persons entitled to annuity under subsection (h) based on the service of such commissioner shall terminate before a valid claim therefor shall have been established.

the total amount credited to the individual account of such commissioner, with interest at 4 per centum per annum to December 31, 1947, and 3 per centum per annum thereafter, compounded on December 31 of each year, to the date of the death of such commissioner, shall be paid, upon the establishment of a valid claim therefor, to the person or persons surviving at the date title to the payment arises, in the following order of precedence, and such payment shall be a bar to recovery by any other person:

"(i) to the beneficiary or beneficiaries whom the commissioner may have designated by a writing filed prior to his death with the director;

"(ii) if there be no such beneficiary, to the widow of such commissioner;

"(iii) if none of the above, to the child or children of such commissioner and the descendants of any deceased children by representation;

"(iv) if none of the above, to the parents of such commissioner or the survivor of them;

"(v) if none of the above, to the duly appointed executor or administrator of the estate of such commissioner; and

"(vi) if none of the above, to such other next of kin of such commissioner as may be determined by the director to be entitled under the laws of the domicile of such commissioner at the time of his death.

Determination as to the widow, child, or parent of a commissioner for the purposes of this paragraph shall be made by the director without regard to the definitions in subsections (a) (6) and (7).

"(2) In any case in which the annuities of all persons entitled to annuity based upon the service of a commissioner shall terminate before the aggregate amount of annuity paid equals the total amount credited to the individual account of such commissioner, with interest at 4 per centum per annum to December 31, 1947, and 3 per centum per annum thereafter, compounded on December 31 of each year, to the date of the death of such commissioner, the difference shall be paid, upon establishment of a valid claim therefor, in the order of precedence prescribed in paragraph (1).

"(3) Any accrued annuity remaining unpaid upon the termination (other than by death) of the annuity of any person based upon the service of a commissioner shall be paid to such person. Any accrued annuity remaining unpaid upon the death of any person receiving annuity based upon the service of a commissioner shall be paid, upon the establishment of a valid claim therefor, in the following order of precedence:

"(A) to the duly appointed executor or administrator of the estate of such person;

"(B) if there is no such executor or administrator payment may be made, after the expiration of thirty days from the date of the death of such person, to such individual or individuals as may appear in the judgment of the director to be legally entitled thereto, and such payment shall be a bar to recovery by any other individual.

"(k) Payments to Persons Under Legal Disability.—Where any payment under this section is to be made to a minor, or to a person mentally incompetent or under other legal disability adjudged by a court of competent jurisdiction, such payment may be made to the person who is constituted guardian or other fiduciary by the law of the State of residence of such claimant or is otherwise legally vested with the care of the claimant or his estate. Where no guardian or other fiduciary of the person under legal disability has been appointed under the laws of the State of residence of the claimant, the director shall determine the person who is otherwise legally vested with the care of the claimant or his estate.

" '(l) Method of Payment of Annuities.—Annuities granted under the terms of this section shall accrue monthly and shall be due and payable in monthly installments on the first business day of the month following the month or other period for which the annuity shall have accrued. None of the moneys mentioned in this section shall be assignable, either in law or in equity, or subject to execution, levy, attachment, garnishment, or other legal process.

"(m) Computation of Annuities.—The annuity of the widow of a commissioner electing under subsection (b) shall be an amount equal to the sum of (1) 1¼ per centum of the average annual salary received by such commissioner for judicial service and any other prior allowable service during the last 5 years of such service prior to his death, or prior to his receiving retired pay under section 796(d), whichever first occurs, multiplied by the sum of his years of judicial service, his years of prior allowable service as a Senator, Representative, Delegate, or Resident Commissioner in Congress, his years of prior allowable service performed as a member of the Armed Forces of the United States, and his years, not exceeding fifteen, of prior allowable service performed as a congressional employee (as defined in section 1(c) of the Civil Service Retirement Act (5 U.S.C. 2251(c)), and (2) three-fourths of 1 per centum of such average annual salary multiplied by his years of any other prior allowable service, but such annuity shall not exceed 37½ per centum of such average annual salary and shall be further reduced in accordance with subsection (d), if applicable.

"(n) Includible Service.—Subject to the provisions of subsection (d), the years of service of a commissioner which are allowable as the basis for calculating the amount of the annuity of his widow shall include his years of service as a commissioner of the Court of Claims, his years of service as a Senator, Representative, Delegate, or Resident Commissioner in Congress, his years of active service as a member of the Armed Forces of the United States not exceeding five years in the aggregate and not including any such service for which credit is allowed for the purposes of retirement or retired pay under any other provision of law, and his years of any other civilian service within the purview of section 3 of the Civil Service Retirement Act (5 U.S.C. 2253).

"(o) Simultaneous Entitlement.—Nothing contained in this section shall be construed to prevent a widow eligible therefor from simultaneously receiving an annuity under this section and any annuity to which she would otherwise be entitled under any other law without regard to this section, but in computing such other annuity service used in the computation of her annuity under this section shall not be credited.

"(p) Payment of Annuities.—The director shall regulate and pay annuities in conformity with this section.

"(q) Estimates of Expenditures.—The director under the supervision of the Judicial Conference of the United States shall submit to the Bureau of the Budget annual estimates of the expenditures and appropriations necessary for the maintenance and operation of the survivors annuity fund, and such supplemental and deficiency estimates as may be required from time to time for the same purposes, according to law. Funds so appropriated shall be for the Court of Claims commissioners survivors annuity fund, to be expended by the director under the supervision of the Judicial Conference. The director shall cause periodic examinations of the survivors annuity fund to be made by an actuary, who may be an actuary employed by another department of the Government temporarily assigned for the purpose, and whose findings and recommendations shall be transmitted by the director to the Judicial Conference.

"(r) Transitional Provision.—In the case of a commissioner who dies within six months after the date of enactment of this section after having rendered as least five years of civilian service computed as prescribed in subsection (n), but without having made an election as provided in subsection (b), an annuity shall be paid to his widow and surviving dependents as is provided in this section, as if such commissioner had elected on the day of his death to bring himself within the purview of this section but had not made the deposit provided for by subsection (d). An annuity shall be payable under this section computed upon the basis of the actual length of service as a commissioner and other allowable service of the commissioner and subject to the reduction required by subsection (d) even though no deposit has been made, as required by subsection (h), with respect to any of such service.

"(s) Waiver of Civil Service Benefits.—Any commissioner electing under subsection (b) shall, at the time of such election, waive all benefits under the Civil Service Retirement Act. Such a waiver shall be made in the same manner and shall have the same force and effect as a waiver filed under section 796(g)(3)."

Sec. 5. Funds necessary to carry out the provisions of this Act may be appropriated out of any money in the Treasury not otherwise appropriated.

With the following committee amendments:

(1) On page 2, strike lines 22 and 23 and on page 3, strike lines 1 and 2 and insert in lieu thereof the following:

"(5) in any determination of length of service as commissioner there shall be included all periods during which an individual served as a commissioner of the Court of Claims, his years of service not to exceed fifteen years in the aggregate as a Senator, Representative, Delegate, Resident Commissioner in Congress, or his years of service not to exceed five years in the aggregate as a congressional employee (as defined in section 1(c) of the Civil Service Retirement Act (5 U.S.C. 2251(c)), or his years of active service as a member of the Armed Forces of the United States not to exceed five years in the aggregate and not including any such service for which credit is allowed for the purposes of retirement or retired pay under any other provision of law, or not to exceed five years of any other civilian service within the purview of section 3 of the Civil Service Retirement Act (5 U.S.C. 2253)."

(2) On page 5, line 5 after the word "than" insert the following: "eighty per centum of".

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. WALTER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the Record.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. WALTER. Mr. Speaker, this legislation has been recommended to the Committee on the Judiciary by the Judicial Conference of the United States which, in March of this year, approved the proposal for increasing the number of commissioners in the Court of Claims from 15 to 20 and recommended that a retirement system and a system of annuities for survivors' dependents of commissioners be set up. The retirement and annuity system under the recommendation of the Judicial Conference of the United States is to be patterned upon a system presently applicable to the judges of the U.S. Tax Court.

The need for the increase of the number of commissioners of the U.S. Court of Claims is well justified. The court itself is composed of only five judges. That number has not been increased in over 100 years. Commissioners are in fact trial judges. I shall insert at this point the applicable rule of the court. I shall also insert statistical data regarding the court's caseload.

Rule Change in the U.S. Court of Claims, Effective March 15, 1962

Rule 37, as amended January 16, 1961, is further amended to read as follows:

"RULE 37. AUTHORITY OF COMMISSIONERS

"(a) General: The commissioners shall serve as the trial judges of the court to the extent of the authority therefor prescribed by the statute and these rules. As such they shall have the power to do and perform any acts which may be necessary or proper under the court's orders of reference and these rules for the efficient performance of their duties and the regulation of proceedings before them. In the event that a question of authority arises in proceedings before a commissioner which is not covered by a rule or the order of reference, the commissioner shall exercise his discretion thereon, subject to review by the court on application by the dissatisfied party. Any misconduct by attorneys, witnesses, parties, or other persons at any proceeding before a commissioner may be reported by him to the court for such disciplinary action, including contempt proceedings, as the court may deem proper under the circumstances.

"(b) Responsibility: In all cases referred to him the commissioner shall be responsible in the first instance: (1) for all orders requisite to the joinder of issue on the pleadings except orders that are dispositive of a case; (2) for disposition of procedural motions; (3) for the direction and conduct of pretrial proceedings (including calls, discovery, and depositions); (4) for trial of issues of fact; and (5) for making and reporting findings of fact. In any case referred to him the commissioner shall, if so directed by the court, submit his recommendation for conclusions of law.

"(c) Reference of cases: Unless otherwise ordered by the court, every case shall be referred to a commissioner for his determination of the facts by trial or stipulation. The report of the commissioner, containing findings of fact pursuant to determination by him or upon stipulation of the parties, shall be deemed a return of the case to the court, terminating the reference. The filing of a dispositive motion will suspend the reference, for purposes of the particular motion and subject to the order of the court pursuant to paragraph (e) of this rule, but will not terminate it.

"(d) Reference of procedural motions: (1) Description: In every case under reference to a commissioner the court will refer to him, as a matter of course for action in the first instance, all procedural motions, including (i) motions for extensions of time under rules 5 and 16; (ii) motions directed to the pleadings under rule 15 (except motions for judgment on the pleadings and motions asserting defenses based upon lack of jurisdiction or failure to state a cause of action); (iii) motions to amend or supplement the pleadings under rule 18; (iv) motions for interpleading under rule 19; (v) motions to add or drop parties under rule 23; (vi) motions for intervention under rule 24; (vii) motions to substitute parties under rule 25; (viii) motions for discovery under rule 26; (ix) motions for calls under rule 27; (x) motions for the consolidation of actions, or for the separation of trials, or for the severance of issues under rule 38; (xi) motions to substitute attorneys under rule 80; (xii) procedural motions in common carrier cases, including motions for the suspension of proceedings; and all other interlocutory motions deemed procedural rather than dispositive.

"(2) Action by commissioner: With respect to any such motion so referred the commissioner shall, by appropriate order, on behalf of the court and in his name as commissioner, allow, deny, or otherwise dispose of it, and the order of the commissioner shall be deemed to be the order of the court unless subjected to review as hereinafter provided. The commissioner's order and all accompanying papers, including the responses or objections thereto filed by opposing parties, shall be returned to the clerk.

"(3) Requirements for procedural motions: With respect to form, content, number of copies, time and place for filing, service, and notice of the action taken, the provisions of rule 7, and where pertinent to the motion, the provisions of the rules enumerated in subparagraph (1) of this paragraph (d) shall be applicable to procedural motions referred to a commissioner: *Provided*, That when a commissioner is engaged in the trial of a case outside Washington, D.C., and determines that the filing with him of a procedural motion will expedite the disposition of the case then under trial, such a motion may be accepted for filing by him; in such instance, he may determine how the motion shall be served on the adverse party, specify when and where the response or objection to the motion shall be made, and may give notice of his action on the motion by announcement made in open court and recorded in the transcript; as soon as practicable thereafter, the written motion, showing the date it was filed with the commissioner and the action taken by him, together with any written response or objection, shall be returned by him to the clerk.

"(4) Review by the court: Every order of a commissioner entered pursuant to subparagraphs (2) or (3) of this paragraph (d) shall become the order of the court unless within 5 days after the action thereon a dissatisfied party files with the court a request for review of the commissioner's action, asserting and setting forth with particularity the circumstances relied upon as showing that the order (i) was improvidently issued, (ii) represents an abuse of discretion, and (iii) adversely affects substantial rights of the dissatisfied party. Requests for review may be acted upon the chief judge or a judge in chambers, or may be assigned for argument before the court or a judge designated for that purpose prior to action thereon.

"(e) Reference of dispositive motions: (1) Description: In any case under reference to a commissioner the court may by order refer to him, for his recommendation of conclusions of law, a motion to dismiss, a motion for judgment on the pleadings (including any motion asserting defenses based upon lack of jurisdiction of the subject matter or the person or upon failure to state a claim upon which relief can be granted), or a motion for summary judgment, together with any objections or responses thereto filed by opposing parties and any reply brief filed by the moving party.

"(2) Action by commissioner: With respect to any such motion so referred the commissioner shall prepare and file with the clerk his recommendation for conclusions of law, and shall simultaneously return to the clerk the motion and all accompanying papers.

"(3) Notice of commissioner's recommendation: Upon the filing of the commissioner's recommendation, the clerk shall mail a notice of the filing and five copies of the recommendation to each party, as provided by rule 3.

"(4) Review by the court: (i) If any party is dissatisfied with the recommendation of the commissioner made pursuant to subparagraph (2) of this paragraph (e), he shall file with the court, within 30 days after the filing of the commissioner's recommendation, a request for review of such recommendation and (a) a statement that he relies on the papers previously filed in connection with the motion or (b) a further brief specifying with particularly the matters which he wishes the court to consider in the review and discussing the issues involved. When a further brief is filed by a dissatisfied party any adverse party may file an answering brief within 30 days. When such further or answering briefs are filed, they shall conform to rule 7(d) with regard to duplication and number of copies.

"(ii) If a timely request for review of the commissioner's recommendation is filed pursuant to subdivision (i) of this subparagraph (4), the case shall be assigned to the calendar for argument before the court.

"(iii) In the absence of a timely request for review, the court will adopt the commissioner's recommendation as the basis of its action on the motion.

"(f) Consideration of motions by commissioner: In connection with any motion referred to him the commissioner may (1) require the moving party to supply any additional information to explain the nature and purpose of the motion, (2) schedule the motion for conference or hear oral argument in Washington or elsewhere, or (3) take such other action as in his judgment is requisite to a determination by him.

"(g) Motions not referred: Motions which will not be referred to a commissioner include (1) procedural motions filed (i) after a case has been returned to the court by the commissioner or (ii) after the reference to the commissioner has been suspended by the filing of a dispositive motion (subject to the lifting of such suspension by order pursuant to paragraph (e)); and (2) motions authorized by rules 53 and 54.

"(h) Evidence: Upon the completion of pretrial procedures, the commissioner shall proceed with the taking of such evidence as is necessary to close proof. Whenever practicable, such proof shall be taken in one continuous session, at one place, or a series of consecutive sessions with a view to avoiding unnecessary intervening delays.

"The commissioner may require the production before him of evidence upon all pertinent matters, including the production of all books, papers, vouchers, writings, documents, plans, drawings, materials, or apparatus of any nature applicable thereto. He shall put witnesses under oath or affirmation and rule upon the admissibility of evidence, and he may call and examine witnesses, including the parties to the action.

"(i) Substitution of commissioners: When the commissioner to whom a case has been referred is unavailable, the chief commissioner or another commissioner designated by him may: (1) rule upon motions, (2) conduct pretrial proceedings, or (3) hear evidence: *Provided*, That when oral testimony has been heard by one commissioner after reference of the case to him, the case shall not thereafter, except for good cause, be referred to another commissioner.

"(j) Disqualification: A commissioner may at any time withdraw from a case if he deems himself disqualified. Upon the filing in good faith by any party of a timely and sufficient affidavit of personal bias or disqualification of a commissioner, the court shall determine the matter."

CASELOAD

During the court year, from October 3, 1960, to September 30, 1961, the court disposed of 2,519 cases. Except for 49 of these cases, in which no given amounts were claimed, the total amount claimed was $103,551,433.54. Of the cases disposed of, the court rendered judgments for plaintiffs in the sum of $10,338,579.27, of which $2,139,067.04 carried interest. A number of these judgments were based on settlements between the parties. Also, the court rendered judgments for the United States on counterclaims in the amount of $482,908.33, of which $28,431.28 carried interest. The clerk has reported to the Congress the business of the court for the above period, showing the names of the plaintiffs, the amounts involved, the nature of the cases, and the disposition thereof.

Of the total number of cases pending on October 1, 1961, 5,116, there were 2,836 class cases pending, in which test cases have been or will be tried. The balance of the class cases will be disposed of administratively if the test cases are decided in favor of the plaintiffs and will be dismissed if decided in favor of defendant. In practically all of the other 2,280 cases, testimony is to be taken by the trial commissioners of this court.

The following is a table setting forth the number and type of cases commenced and terminated during the court year ended September 30, 1961:

	Pending Oct. 1, 1960	Filed	Disposed of	Pending Sept. 30, 1961
Regular cases to be tried	2,399	581	714	2,266
Overtime pay and service class cases	4,523	111	1,798	2,836
Appeals from the Indian Claims Commission	8	13	7	14
Total	6,930	705	2,519	5,116
Regular cases to be tried:				
Service pay	446	49	157	338
Congressional	66	6	10	62
Contract	404	120	119	405
Indian	11	2	3	10
Miscellaneous	419	94	118	325
Patent	70	13	12	71
Property requisitioned	309	35	26	318
Tax	465	203	135	533
Transportation of property (via railroad or truck)	194	59	58	195
Japanese relocation program	15	0	6	9
Overtime pay cases (class cases):				
Alaska Railroad	179	0	0	179
Firefighters	2,032	0	1,687	345
Other overtime cases	328	111	53	386
Service class cases	1,984	0	58	1,926
Appeals from Indian Claims Commission	8	13	7	14

TAX AND PROPERTY REQUISITIONED CASES

As of the close of business September 30, 1961, there were 533 pending tax cases on the Court of Claims dockets, with a total amount of $196,902,656.84. Six percent interest, as permitted by statute, on this amount is $11,814,159.41 per annum.

As of the close of business on September 30, 1961, there were 318 pending property requisitioned cases on the Court of Claims dockets, the total amount claimed in these cases being $37,887,866.02.[1] Four percent interest as part of just compensation on this total sum amount to $1,519,514.64 per annum.

PETITIONS TO THE SUPREME COURT FOR WRITS OF CERTIORARI

Petitions for certiorari pending Oct. 3, 1960	15
Petitions for certiorari filed Oct. 3, 1960, to Sept. 30, 1961	30
Total	45
Record for court year Oct. 3, 1960, to Sept. 30, 1961:	
Petitions for certiorari denied	27
Petitions for certiorari granted and decisions affirmed	2
Petitions for certiorari granted, decision reversed and case remanded	2
Petitions for certiorari granted but not acted upon	0
Petitions for certiorari filed but not acted upon	14
Total	45
Records delivered to attorneys of record but not filed	22

Mr. Speaker, as the House well knows, the Judicial Conference of the United States, is composed of the Chief Justice of the United States, the chief judges of each of the 11 judicial circuits, one district judge from each of the 11 circuits, and the chief judges of the U.S. Court of Claims and the U.S. Court of Customs and Patent Appeals. It is thus the highest body of its kind in the entire judicial system of the United States and although the Committee on the Judiciary carefully scrutinizes all of their recommendations, very much weight is attached to the position which the Judicial Conference takes in matters pertaining to the Federal judiciary.

At the present time the average caseload of tryable cases of each of the 15 commissioners is over 100, and the backlog of tryable cases is between 3 and 4 years. These tryable cases are exclusive of cases which are disposed of by motion or settlement.

This means that if the Court of Claims did not accept another petition it would take between 3 and 4 years before the present caseload would be worked out.

The seriousness of this situation goes beyond inconvenience to litigants and delay in the administration of justice because in two large categories of these cases, namely tax cases and condemnation cases, interest runs against the Government.

In tax cases interest at 6 percent runs against the Government from the day that the aggrieved taxpayer pays the taxes under protest. Interest at 4 percent runs against the Government in condemnation cases from the time of the taking by the Government.

It may be fairly said that the savings to the Government by the engagement of the additional commissioners and the corresponding reduction in the backlog of the court's cases would many times exceed the cost of the salaries and the expenses of the commissioners.

The reason for the backlog at the Court of Claims is quite simple. It is because of the ever increasing governmental activity involving defense contracts, space exploration, Federal highway program, and all of the other varied but expanding programs of the Federal Government. I am not attempting here to assess the value of these programs, but the end result of increased governmental activity in contracts, taxing, condemnation, and related fields is increased litigation.

The Committee on the Judiciary is favorably impressed with the high professional character of the commissioners who have historically been appointed solely on the basis of fitness to perform the duties of their office and without regard to political affiliation. Under a laudable rule promulgated by the Court of Claims no commissioner may be removed from office by the court except for inefficiency, neglect of duty, or misconduct.

RETIREMENT OF COMMISSIONERS

In view of the demands upon the professional character, the training and the experience of the commissioners, their present system of retirement appears to the committee to be insufficient and it is therefore proposed to improve it. This is the second purpose of the bill now before us.

Because of the evolution of the functions of the commissioners of the Court of Claims, they now occupy a hybrid status in that while they are trial judges in the judicial system they do not enjoy statutory status as trial judges, nor can they receive full judicial retirement benefits. Therefore, it is absolutely essential that the commissioners be permitted to count limited amounts of prior Government service for retirement purposes. Federal judges serve, of course, for life and retire on full pay. Commissioners of the Court of Claims under governing statutes and under this bill do not have life tenure and may retire on a maximum of only 80 percent of full pay. In order to partially compensate for this deficiency in retirement benefits, it was the judgment of the Committee that since most of the commissioners have paid in substantial amounts of money in Government retirement and have prior Government service, modest amounts of that prior service should be available for crediting to the commissioner's retirement.

The cost of the retirement provision of this legislation to the Government is so small that the Administration Office of the U.S. Court, after consultation with the chief actuary of the Social Security Administration, stated that "a precise determination is not worth carrying out from an economical standpoint." I include at this point in the RECORD a copy of the letter addressed to the Senator from South Carolina [Mr. JOHNSTON], by the Administrative Office of the U.S. Courts:

ADMINISTRATIVE OFFICE OF THE
U.S. COURTS,
Washington, D.C., May 4, 1962.

Hon. OLIN D. JOHNSTON,
Chairman, Subcommittee on Improvements in Judicial Machinery, U.S. Senate, Washington, D.C.

DEAR SENATOR JOHNSTON: This is in reference to the committee inquiry as to the cost of the proposal which has been submitted for changing present retirement provisions in effect for commissioners of the U.S. Court of Claims.

At the time this proposal was under consideration we, in conjunction with representatives of the Court of Claims, consulted with Robert J. Myers, chief actuary, Social Security Administration, Department of Health, Education, and Welfare. Mr. Myers who has been kind enough to help previously with respect to judicial retirement problems was kind enough to study and advise us with respect to this one. The question of ascertaining the cost of this proposal was brought up with Mr. Myers. It should be noted here that this applies to only some 15 individuals and that under the provisions of the proposed change the coverage situation is such that the civil service retirement system is generally advantageous until about 18 years of service have been acquired, and after that time generally advantageous for the commissioners involved to switch over to the proposed system.

Mr. Myers indicated to us that it was his thought that the actuarial costs aspects of the proposal were both of relatively small degree insofar as the monetary costs are concerned and of a nature that made any precise determination not worth carrying out from an economical standpoint. The reasons for this are that so few individuals are potentially involved, that any costs arising are only those in excess of costs currently incurred for this group under the civil service retirement system, and that it is difficult to know how many of the presently existing (or, for that matter, future) commissioners would elect to participate in the new provisions. From a preliminary analysis of the situation, it would appear that only a few of the existing commissioners would have an advantage in shifting over immediately to the proposed new alternative provisions. Further, it is not at all clear how many of the other commissioners will acquire sufficient service in the future to make it potentially advantageous to shift over to the proposed new provisions—and even then, whether it would always be to their advantage, so that they would so shift.

I hope that this provides the necessary information and answer to the inquiry made but if it does not please advise me and I should be happy to try to provide any information that might be desired.

Sincerely yours,

JOHN C. AIRHART,
Assistant Director.

INCORPORATING THE AMERICAN SYMPHONY ORCHESTRA LEAGUE

The Clerk called the bill (H.R. 11944) to incorporate the American Symphony Orchestra League.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following persons:

Harold Gregory, Salt Lake City, Utah.
Samuel R. Rosenbaum, Philadelphia, Pennsylvania.
Mrs. Harry Fagg, Beaumont, Texas.
Frank E. Joseph, Shaker Heights, Ohio.

---

[1] Of which $21,864,574.36 is the total amount claimed in 310 cases pertaining to requisition of lands; of which $16,123,291.66 is the total amount claimed in 8 cases pertaining to personal property requisitioned.

John D. Wright, Phoenix, Maryland.

Doctor George Szell, Cleveland, Ohio.

Henry Denecke, Cedar Rapids, Iowa.

Harry Levenson, Worcester, Massachusetts.

Theodore C. Russell, Jackson, Mississippi.

Stanley Williams, Milwaukee, Wisconsin.

Oliver M. Clegg, Magnolia, Arkansas.

R. Philip Hanes, Junior, Winston-Salem, North Carolina.

Mrs. Ben Hale Golden, Lookout Mountain, Tennessee.

Miles F. Portlock, Junior, Orkney Springs, Virginia.

Mrs. B. H. Littlefield, Bradenton, Florida.

Cecil W. Slocum, Omaha, Nebraska.

Max Rudolph, Cincinnati, Ohio.

Mrs. Ward T. Langstroth, Billings, Montana.

Elden Bayley, Springfield, Ohio.

George Barati, Honolulu, Hawaii.

Mrs. Albert C. Olsen, Buffalo, New York.

John Edwards, Pittsburgh, Pennsylvania.

Mrs. Mignonne P. Ladin, New York, New York.

Leslie C. White, Doraville, Georgia.

Mrs. Fitzgerald Parker, Nashville, Tennesee.

Doctor Peter Paul Fuchs, Baton Rouge, Louisiana.

R. Wilton Billstein, Woodbury, New Jersey.

Mrs. Elizabeth S. Greene, West Hartford, Connecticut.

Gibson Morrissey, Roanoke, Virginia.

Alfred C. Connable, Kalamazoo, Michigan.

Mrs. Holmes Frederick, Greenville, South Carolina.

William Steinberg, Pittsburgh, Pennsylvania.

Virginia Wartman, Allentown, Pennnsylvania.

Robert L. Conn, Springfield, Illinois.

Paul O. Grammer, Essex Fells, New Jersey.

Henry Janiec, Spartanburg, South Carolina.

Charles B. Stacy, Charleston, West Virginia.

Doctor James Christian Pfohl, Charlotte, North Carolina.

Frederick I. Moyer, Castle Rock, Colorado.

Thomas D. Perry, Junior, Hinghman, Massachusetts.

Carlos Moseley, New York, New York.

Mrs. G. Robert Herberger, Scottsdale, Arizona.

James P. Robertson, Wichita, Kansas.

Myron Levite, Brooklyn, New York.

Mrs. Leo R. Pflaum, Wayzata, Minnesota.

and their successors, are hereby created and declared to be a body corporate by the name of American Symphony Orchestra League (hereinafter referred to as the corporation) and by such name shall be known and have perpetual succession and the powers, limitations, and restrictions herein contained.

COMPLETION OF ORGANIZATION

SEC. 2. A majority of the persons named in the first section of this Act are authorized to complete the organization of the corporation by the selection of officers and employees, the adoption of a constitution and bylaws, not inconsistent with this Act, and the doing of such other acts as may be necessary for such purpose.

PURPOSES OF THE CORPORATION

SEC. 3. The purposes of the corporation shall be to—

(1) serve as a coordinating, research and educational agency and clearinghouse for symphony orchestras in order to help strengthen the work in their local communities;

(2) assist in the formation of new symphony orchestras;

(3) through suitable means, encourage and recognize the work of America's musicians, conductors, and composers; and

(4) aid the expansion of the musical and cultural life of the United States through suitable educational and service activities.

CORPORATE POWERS

SEC. 4. The corporation shall have power—

(1) to have succession by its corporate name;

(2) to sue and be sued, complain and defend in any court of competent jurisdiction;

(3) to adopt, use, and alter a corporate seal;

(4) to choose such officers, managers, agents, and employees as the business of the corporation may require;

(5) to adopt, amend, and alter a constitution and bylaws, not inconsistent with the laws of the United States or any State in which the corporation is to operate, for the management of its property and the regulation of its affairs;

(6) to contract and be contracted with;

(7) to take by lease, gift, purchase, grant, devise, or bequest from any private corporation, association, partnership, firm, or individual and to hold any property, real, personal, or mixed, necessary or convenient for attaining the objects and carrying into effect the purposes of the corporation, subject, however, to applicable provisions of law of any State (A) governing the amount or kind of property which may be held by, or (B) otherwise limiting or controlling the ownership of property by, a corporation operating in such State;

(8) to transfer, convey, lease, sublease, encumber, and otherwise alienate real, personal, or mixed property; and

(9) to borrow money for the purposes of the corporation, issue bonds therefor, and secure the same by mortgage, deed of trust, pledge, or otherwise, subject in every case to all applicable provisions of Federal and State laws.

PRINCIPAL OFFICE; SCOPE OF ACTIVITIES; DISTRICT OF COLUMBIA AGENT

SEC. 5. (a) The principal office of the corporation shall be located in Charleston, West Virginia, or in such other place as may be later determined by the board of directors, but the activities of the corporation shall not be confined to that place, but may be conducted throughout the various States and possessions of the United States.

(b) The corporation shall have in the District of Columbia at all times a designated agent authorized to accept service of process for the corporation; and notice to or service upon such agent, or mailed to the business address of such agent, shall be deemed notice to or service upon the corporation.

MEMBERSHIP; VOTING RIGHTS

SEC. 6. (a) Eligibility for membership in the corporation and the rights, privileges, and designation of classes of members shall, except as provided in this Act, be determined as the constitution and bylaws of the corporation may provide.

(b) Each member of the corporation, other than honorary, sustaining or associate members, shall have the right to one vote on each matter submitted to a vote at all meetings of the members of the corporation.

BOARD OF DIRECTORS; COMPOSITION; RESPONSIBILITIES

SEC. 7. (a) Upon the enactment of this Act the membership of the initial board of directors of the corporation shall consist of the following persons:

R. Wilton Billstein, Woodbury, New Jersey.

Igor Buketoff, Fort Wayne, Indiana.

Mrs. Ronald A. Dougan, Beloit, Wisconsin.

Mrs. J. W. Graham, Sioux City, Iowa.

Howard Harrington, Detroit, Michigan.

William Herring, Winston-Salem, North Carolina.

Harold Kendrick, New Haven, Connecticut.

Robert MacIntyre, Birmingham, Alabama.

Thomas Perry, Junior, Boston, Massachusetts.

Mrs. H. W. Roberts, Dallas, Texas.

Mrs. Jouett Shouse, Washington, District of Columbia.

Alan Watrous, Dallas, Texas.

John S. Edwards, Pittsburgh, Pennsylvania.

Mrs. Fred Lazarus III, Cincinnati, Ohio.

Charles W. Bonner, Fresno, California.

Alfred Connable, Kalamazoo, Michigan.

Victor Feldbrill, Winnipeg, Manitoba Canada.

Mrs. Gerald S. Greene, West Hartford, Connecticut.

Mrs. G. Robert Herberger, Scottsdale, Arizona.

Thomas Iannaccone, Rochester, New York.

Dr. Richard Lert, Hollywood, California.

Mrs. Fitzgerald Parker, Nashville, Tennessee.

Mrs. Leo R. Pflaum, Wayzata, Minnesota.

Miss Helen Ryan, Orlando, Florida.

George Szell, Cleveland, Ohio.

Jackson Wiley, Springfield, Ohio.

George Irwin, Quincy, Illinois.

R. H. Wangerin, Louisville, Kentucky.

(b) Thereafter, the board of directors of the corporation shall consist of such number, shall be selected in such manner (including the filling of vacancies), and shall serve for such term as may be prescribed in the constitution and bylaws of the corporation.

(c) The board of directors shall be the governing board of the corporation and, during the intervals between the meetings of members, shall be responsible for the general policies and program of the corporation and for the control of all contributed funds as may be raised by the corporation.

OFFICERS; ELECTION AND DUTIES OF OFFICERS

SEC. 8. (a) The officers of the corporation shall be a president, one or more vice presidents (as may be prescribed in the constitution and bylaws of the corporation), a secretary, and a treasurer, and one or more assistant secretaries and assistant treasurers as may be provided in the constitution and bylaws.

(b) The officers of the corporation shall be elected in such manner and for such terms and with such duties as may be prescribed in the constitution and bylaws of the corporation.

USE OF INCOMES; LOANS TO OFFICERS, DIRECTORS, OR EMPLOYEES

SEC. 9. (a) No part of the income or assets of the corporation shall inure to any of its members, directors, or officers as such, or be distributable to any of them during the life of the corporation or upon its dissolution or final liquidation. Nothing in this subsection, however, shall be construed to prevent the payment of compensation to officers of the corporation in amounts approved by the board of directors of the corporation.

(b) The corporation shall not make loans to its officers, directors, or employees. Any director who votes for or assents to the making of a loan or advance to an officer, director, or employee of the corporation, and any officer who participates in the making of such a loan or advance, shall be jointly and severally liable to the corporation for the amount of such loan until the repayment thereof.

NONPOLITICAL NATURE OF CORPORATION

SEC. 10. The corporation, and its officers and directors as such, shall not contribute to or otherwise support or assist any political party or candidate for public office.

LIABILITY FOR ACTS OF OFFICERS AND AGENTS

SEC. 11. The corporation shall be liable for the acts of its officers and agents when acting within the scope of their authority.

PROHIBITION AGAINST ISSUANCE OF STOCK OR PAYMENT OF DIVIDENDS

SEC. 12. The corporation shall have no power to issue any shares of stock or to declare or pay any dividends.

BOOKS AND RECORDS; INSPECTION

SEC. 13. The corporation shall keep correct and complete books and records of account and shall keep minutes of the proceedings of its members, board of directors, and committees having any authority under the board of directors; and it shall also keep at its principal office a record of the names and addresses of its members entitled to vote. All books and records of the corporation may be inspected by any member entitled to vote, or his agent or attorney, for any proper purpose, at any reasonable time.

AUDIT OF FINANCIAL TRANSACTIONS

SEC. 14. (a) The financial transactions shall be audited annually by an independent certified public accountant in accordance with the principles and procedures applicable to commercial corporate transactions. The audit shall be conducted at the place or places where the accounts of the corporation are normally kept. All books, accounts, financial records, reports, files, and all other papers, things, or property belonging to or in use by the corporation and necessary to facilitate the audit shall be made available to the person or persons conducting the audit; and full facilities for verifying transactions with the balances or securities held by depositories, fiscal agents, and custodians shall be afforded to such person or persons.

(b) A report of such audit shall be made by the corporation to the Congress not later than March 1 of each year. The report shall set forth the scope of the audit and shall include a verification by the person or persons conducting the audit of statements of (1) assets and liabilities, (2) capital and surplus or deficit; (3) surplus or defict analysis, (4) income and expense, and (5) sources and application of funds. Such report shall not be printed as a public document.

USE OF ASSETS ON DISSOLUTION OF LIQUIDATION

SEC. 15. Upon dissolution or final liquidation of the corporation, after discharge or satisfaction of all outstanding obligations and liabilities, the remaining assets, if any, of the corporation shall be distributed in accordance with the determination of the board of directors of the corporation and in compliance with the constitution and bylaws of the corporation and all Federal and State laws applicable thereto.

TRANSFER OF ASSETS

SEC. 16. The corporation may acquire the assets of the American Symphony Orchestra League, Incorporated, a corporation organized under the laws of the States of Virginia and Michigan, upon discharging or satisfactorily providing for the payment and discharge of all of the liability of such corporation and upon complying with all laws of the States of Virginia and Michigan applicable thereto.

RESERVATION OF RIGHT TO AMEND OR REPEAL CHARTER

SEC. 17. The right to alter, amend, or repeal this Act is expressly reserved.

With the following committee amendments:

On page 1, line 3, strike out the colon after "persons" and insert a dash.

On pages 1, 2, and 3, strike out the periods which follow the listing of each of the incorporators' names and insert semicolons.

On page 3, line 25, delete the comma after "bylaws".

On page 6, lines 7 and 8, strike out "various States and possessions of the United States." and insert "United States, the Commonwealth of Puerto Rico, and the territories and possessions of the United States."

On page 7, strike out the periods following lines 5 through 24 and insert semicolons.

On page 8, strike out the periods following lines 1 through 7 and insert semicolons.

On page 10, strike out the first sentence of section 14. (a) and insert in lieu thereof the following: "The accounts of the American Symphony Orchestra League shall be audited annually in accordance with generally accepted auditing standards by independent certified public accountants or independent licensed public accountants, certified or licensed by a regulatory authority of a State or other political subdivision of the United States."

On page 12, insert the following new section 16, and renumber the present section 16 and section 17 as section 17 and section 18:

"EXCLUSIVE RIGHT TO NAME, EMBLEM, SEALS, AND BADGES

"SEC. 16. The corporation shall have the sole and exclusive right to the name "American Symphony Orchestra League" and to have and to use in carrying out its purposes distinctive insignia, emblems and badges, descriptive or designating marks, and words or phrases as may be required in the furtherance of its functions. No powers or privileges hereby granted shall, however, interfere or conflict with established or vested rights."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. FORRESTER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 3338), strike out all after the enacting clause, and insert in lieu thereof the provisions of the bill (H.R. 11944) to incorporate the American Symphony Orchestra League, as just passed.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The Clerk read the Senate bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following persons—

Harold Gregory, Salt Lake City, Utah;

Samuel R. Rosenbaum, Philadelphia, Pennsylvania;

Mrs. Harry Fagg, Beaumont, Texas;

Frank E. Joseph, Shaker Heights, Ohio;

John D. Wright, Phoenix, Maryland;

Doctor George Szell, Cleveland, Ohio;

Henry Denecke, Cedar Rapids, Iowa;

Harry Levenson, Worcester, Massachusetts;

Theodore C. Russell, Jackson, Mississippi;

Stanley Williams, Milwaukee, Wisconsin;

Oliver M. Clegg, Magnolia, Arkansas;

R. Philip Hanes, Junior, Winston-Salem, North Carolina;

Mrs. Ben Hale Golden, Lookout Mountain, Tennessee;

Miles F. Portlock, Junior, Orkney Springs, Virginia;

Mrs. B. H. Littlefield, Bradenton, Florida;

Cecil W. Slocum, Omaha, Nebraska;

Max Rudolph, Cincinnati, Ohio;

Mrs. Ward T. Langstroth, Billings, Montana;

Elden Bayley, Springfield, Ohio;

George Barati, Honolulu, Hawaii;

Mrs. Albert C. Olsen, Buffalo, New York;

John Edwards, Pittsburgh, Pennsylvania;

Mrs. Mignonne P. Ladin, New York, New York;

Leslie C. White, Doraville, Georgia;

Mrs. Fitzgerald Parker, Nashville, Tennessee;

Doctor Peter Paul Fuchs, Baton Rouge, Louisiana;

R. Wilton Billstein, Woodbury, New Jersey;

Mrs. Elizabeth S. Greene, West Hartford, Connecticut;

Gibson Morrissey, Roanoke, Virginia;

Alfred C. Connable, Kalamazoo, Michigan;

Mrs. Holmes Frederick, Greenville, South Carolina;

William Steinberg, Pittsburgh, Pennsylvania;

Virginia Wartman, Allentown, Pennsylvania;

Robert L. Conn, Springfield, Illinois;

Paul O. Grammer, Essex Fells, New Jersey;

Henry Janiec, Spartanburg, South Carolina;

Charles B. Stacy, Charleston, West Virginia;

Doctor James Christian Pfohl, Charlotte, North Carolina;

Frederick I. Moyer, Castle Rock Colorado;

Thomas D. Perry, Junior, Hingham, Massachusetts;

Carlos Moseley, New York, New York;

Mrs. G. Robert Herberger, Scottsdale, Arizona;

James P. Robertson, Wichita, Kansas;

Myron Levite, Brooklyn, New York;

Mrs. Leo R. Pflaum, Wayzata, Minnesota;

and their successors, are hereby created and declared to be a body corporate by the name of "American Symphony Orchestra League" (hereinafter referred to as the corporation) and by such name shall be known and have perpetual succession and the powers, limitations, and restrictions herein contained.

COMPLETION OF ORGANIZATION

SEC. 2. A majority of the persons named in the first section of this Act are authorized to complete the organization of the corporation by the selection of officers and employees, the adoption of a constitution and bylaws not inconsistent with this Act, and the doing of such other acts as may be necessary for such purpose.

PURPOSES OF THE CORPORATION

SEC. 3. The purposes of the corporation shall be to—

(1) serve as a coordinating, research and educational agency and clearing house for symphony orchestras in order to help strengthen the work in their local communities;

(2) assist in the formation of new symphony orchestras;

(3) through suitable means, encourage and recognize the work of America's musicians, conductors, and composers; and

(4) aid the expansion of the musical and cultural life of the United States through suitable educational and service activities.

CORPORATE POWERS

SEC. 4. The corporation shall have power—

(1) to have succession by its corporate name;

(2) to sue and be sued, complain and defend in any court of competent jurisdiction;

(3) to adopt, use, and alter a corporate seal;

(4) to choose such officers, managers, agents, and employees as the business of the corporation may require;

(5) to adopt, amend, and alter a constitution and bylaws, not inconsistent with the laws of the United States or any State in which the corporation is to operate, for the management of its property and the regulation of its affairs;

(6) to contract and be contracted with;

(7) to take by lease, gift, purchase, grant, devise, or bequest from any private corporation, association, partnership, firm, or individual and to hold any property, real, personal, or mixed, necessary or convenient for attaining the objects and carrying into effect the purposes of the corporation, subject, however, to applicable provisions of law of any State (A) governing the amount or kind of property which may be held by, or (B) otherwise limiting or controlling the owner-

ship of property by, a corporation operating in such State;

(8) to transfer, convey, lease, sublease, encumber, and otherwise alienate real, personal, or mixed property; and

(9) to borrow money for the purposes of the corporation, issue bonds therefor, and secure the same by mortgage, deed of trust, pledge, or otherwise, subject in every case to all applicable provisions of Federal and State laws.

PRINCIPAL OFFICE; SCOPE OF ACTIVITIES; DISTRICT OF COLUMBIA AGENT

SEC. 5. (a) The principal office of the corporation shall be located in Charleston, West Virginia, or in such other place as may be later determined by the board of directors, but the activities of the corporation shall not be confined to that place, but may be conducted throuhgout the various States and possessions of the United States.

(b) The corporation shall have in the District of Columbia at all times a designated agent authorized to accept service of process for the corporation; and notice to or service upon such agent, or mailed to the business address of such agent, shall be deemed notice to or service upon the corporation.

MEMBERSHIP; VOTING RIGHTS

SEC. 6. (a) Eligibility for membership in the corporation and the rights, privileges, and designation of classes of members shall, except as provided in this Act, be determined as the constitution and bylaws of the corporation may provide.

(b) Each member of the corporation, other than honorary, sustaining, or associate members, shall have the right to one vote on each matter submitted to a vote at all meetings of the members of the corporation.

BOARD OF DIRECTORS; COMPOSITION, RESPONSIBILITIES

SEC. 7. (a) Upon the enactment of this Act the membership of the initial board of directors of the corporation shall consist of the following persons:

R. Wilton Billstein, Woodbury, New Jersey;
Igor Buketoff, Fort Wayne, Indiana;
Mrs. Ronald A. Dougan, Beloit, Wisconsin;
Mrs. J. W. Graham, Sioux City, Iowa;
Howard Harrington, Detroit, Michigan;
William Herring, Winston-Salem, North Carolina;
Harold Kendrick, New Haven, Connecticut;
Robert MacIntyre, Birmingham, Alabama;
Thomas Perry, Junior, Boston, Massachusetts;
Mrs. H. W. Roberts, Dallas, Texas;
Mrs. Jouett Shouse, Washington, District of Columbia;
Alan Watrous, Dallas, Texas;
John S. Edwards, Pittsburgh, Pennsylvania;
Mrs. Fred Lazarus III, Cincinnati, Ohio;
Charles W. Bonner, Fresno, California;
Alfred Connable, Kalamazoo, Michigan;
Victor Feldbrill, Winnipeg, Manitoba, Canada;
Mrs. Gerald S. Greene, West Hartford, Connecticut;
Mrs. G. Robert Herberger, Scottsdale, Arizona;
Thomas Iannaccone, Rochester, New York;
Doctor Richard Lert, Hollywood, California;
Mrs. Fitzgerald Parker, Nashville, Tennessee;
Mrs. Leo R. Pflaum, Wayzata, Minnesota;
Miss Helen Ryan, Orlando, Florida;
George Szell, Cleveland, Ohio;
Jackson Wiley, Springfield, Ohio;
George Irwin, Quincy, Illinois;
R. H. Wangerin, Louisville, Kentucky.

(b) Thereafter, the board of directors of the corporation shall consist of such number, shall be selected in such manner (including the filling of vacancies), and shall serve for such term as may be prescribed in the constitution and bylaws of the corporation.

(c) The board of directors shall be the governing board of the corporation and, during the intervals between the meetings of members, shall be responsible for the general policies and program of the corporation and for the control of all contributed funds as may be raised by the corporation.

OFFICERS; ELECTION AND DUTIES OF OFFICERS

SEC. 8. (a) The officers of the corporation shall be a president, one or more vice presidents (as may be prescribed in the constitution and bylaws of the corporation), a secretary, and a treasurer, and one or more assistant secretaries and assistant treasurers as may be provided in the constitution and bylaws.

(b) The officers of the corporation shall be elected in such manner and for such terms and with such duties as may be prescribed in the constitution and bylaws of the corporation.

USE OF INCOME; LOANS TO OFFICERS, DIRECTORS, OR EMPLOYEES

SEC. 9. (a) No part of the income or assets of the corporation shall inure to any of its members, directors, or officers as such, or be distributable to any of them during the life of the corporation or upon its dissolution or final liquidation. Nothing in this subsecton, however, shall be construed to prevent the payment of compensation to officers of the corporation in amounts approved by the board of directors of the corporation.

(b) The corporation shall not make loans to its officers, directors, or employees. Any director who votes for or assents to the making of a loan or advance to an officer, director, or employee of the corporation, and any officer who participates in the making of such a loan or advance, shall be jointly and severally liable to the corporation for the amount of such loan until the repayment thereof.

NONPOLITICAL NATURE OF CORPORATION

SEC. 10. The corporation, and its officers and directors as such, shall not contribute to or otherwise support or assist any political party or candidate for public office.

LIABILITY FOR ACTS OF OFFICERS AND AGENTS

SEC. 11. The corporation shall be liable for the acts of its officers and agents when acting within the scope of their authority.

PROHIBITION AGAINST ISSUANCE OF STOCK OR PAYMENT OF DIVIDENDS

SEC. 12. The corporation shall have no power to issue any shares of stock or to declare or pay any dividends.

BOOKS AND RECORDS; INSPECTION

SEC. 13. The corporation shall keep correct and complete books and records of account and shall keep minutes of the proceedings of its members, board of directors, and committees having any authority under the board of directors; and it shall also keep at its principal office a record of the names and addresses of its members entitled to vote. All books and records of the corporation may be inspected by any member entitled to vote, or his agent or attorney, for any proper purpose, at any reasonable time.

AUDIT OF FINANCIAL TRANSACTIONS

SEC. 14. (a) The accounts of the American Symphony Orchestra League shall be audited annually in accordance with generally accepted auditing standards by independent certified public accountants or independent licensed public accountants, certified or licensed by a regulatory authority of a State or other political subdivision of the United States. The audit shall be conducted at the place or places where the accounts of the corporation are normally kept. All books, accounts, financial records, reports, files, and all other papers, things, or property belonging to or in use by the corporation and necessary to facilitate the audit shall be made available to the person or persons conducting the audit; and full facilities for verifying transactions with the balances or securities held by depositories, fiscal agents, and custodians shall be afforded to such person or persons.

(b) A report of such audit shall be made by the corporation to the Congress not later than March 1 of each year. The report shall set forth the scope of the audit and shall include a verification by the person or persons conducting the audit of statements of (1) assets and liabilities, (2) capital and surplus or deficit, (3) surplus or deficit analysis, (4) income and expense, and (5) sources and application of funds. Such report shall not be printed as a public document.

USE OF ASSETS ON DISSOLUTION OR LIQUIDATION

SEC. 15. Upon dissolution or final liquidation of the corporation, after discharge or satisfaction of all outstanding obligations and liabilities, the remaining assets, if any, of the corporation shall be distributed in accordance with the determination of the board of directors of the corporation and in compliance with the constitution and bylaws of the corporation and all Federal and State laws applicable thereto.

EXCLUSIVE RIGHT TO NAME, EMBLEM, SEALS, AND BADGES

SEC. 16. The corporation shall have the sole and exclusive right to the name "American Symphony Orchestra League" and to have and to use in carrying out its purposes distinctive insignia, emblems and badges, descriptive or designating marks, and words or phrases as may be required in the furtherance of its functions. No powers or privileges hereby granted shall, however, interfere or conflict with established or vested rights.

TRANSFER OF ASSETS

SEC. 17. The corporation may acquire the assets of the American Symphony Orchestra League, Incorporated, a corporation organized under the laws of the States of Virginia and Michigan, upon discharging or satisfactorily providing for the payment and discharge of all of the liability of such corporation and upon complying with all laws of the States of Virginia and Michigan applicable thereto.

RESERVATION OF RIGHT TO AMEND OR REPEAL CHARTER

SEC. 18. The right to alter, amend, or repeal this Act is expressly reserved.

The SPEAKER. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. FORRESTER: Strike out all after the enacting clause of S. 3338 and insert the provisions of H.R. 11944 as passed.

The amendment was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The proceedings whereby H.R. 11944 was passed were vacated and that bill was laid on the table.

Mr. MACGREGOR. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. MACGREGOR. Mr. Speaker, our action in granting a Federal charter to the American Symphony Orchestra League, Inc., gives needed asistance to an important segment of the cultural life of our country. The league's activities are nationwide, and its services are many and varied.

Over 100 orchestras participate in the league's monthly exchange of information. The league talent pool serves orchestras, musicians, managers, and conductors, and is designed to assist organizations, in finding needed personnel. Its individual service program enables members to request and receive advisory service on employment and on special problems.

The U.S. Government selected the American Symphony Orchestra League to develop the work and organization of the music committee of the people-to-people program. The Rockefeller Foundation, Broadcast Music, Inc., the Avalon Foundation, and other business and nonprofit groups have cooperated with the league's study and training activities on specific projects.

Lastly, in this era of more and more deficit spending, I am pleased to be the author of a measure which involves no expenditure of the taxpayers' money.

CLARIFYING AIRCRAFT ACCIDENT INVESTIGATION AUTHORITY

The Clerk called the bill (S. 962) to amend the Federal Aviation Act of 1958, as amended, to aid the Civil Aeronautics Board in the investigation of aircraft accidents, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 701(c) of the Federal Aviation Act of 1958 is amended by adding at the end thereof the following:

"In carrying out its duties under this title, the Board is authorized to examine and test to the extent necessary any civil aircraft, aircraft engine, propeller, appliance, or property aboard an aircraft, affected by, or involved in, an accident in air commerce. In the case of any fatal accident, the Board is authorized to examine the remains of any deceased person aboard the aircraft at the time of the accident, who dies as a result of the accident, and to conduct autopsies or such other tests thereof as may be necessary to the investigation of the accident."

SEC. 2. Section 701(d) of the Federal Aviation Act is amended to read:

"Aircraft

"(d) Any civil aircraft, aircraft engine, propeller, appliance, or property aboard an aircraft, affected by, or involved in, an accident in air commerce, shall be preserved in accordance with, and shall not be moved except in accordance with, regulations prescribed by the Board."

SEC. 3. Section 1105 of the Federal Aviation Act of 1958 is amended by inserting after the first sentence thereof the following:

"The Board may avail itself of the assistance of the Federal Bureau of Investigation and of any investigatory or intelligence agency of the United States in the investigation of the activities of any person in connection with an aircraft accident. The Board may avail itself of the assistance of any medical agency of the United States in the conduct of such autopsies or tests on the remains of deceased persons aboard the aircraft at the time of the accident, who die as a result of the accident, as may be necessary to aid the Board in the investigation of an aircraft accident."

SEC. 4. Section 902 of the Federal Aviation Act is amended by adding thereto a new subsection (i) to read:

"Interference With Aircraft Accident Investigation

"(i) Any person who knowingly and without authority removes, conceals, or withholds any part of a civil aircraft involved in an accident, or any property which was aboard such aircraft at the time of the accident, shall be subject to a fine of no less than $100 nor more than $5,000, or imprisonment for not more than one year, or both."

SEC. 5. Section 203 of the Federal Aviation Act of 1958 is amended by adding thereto a new subsection (c) to read:

"Acceptance of Donations

"(c) The Board, on behalf of the United States, is authorized to accept any gift or donation of money or personal property, or of services, where appropriate, for the purposes of its functions under title VII of this Act. For adequate compensation, by sale, lease, or otherwise, the Board, on behalf of the United States, is authorized to dispose of any such personal property or interest therein: *Provided,* That such disposition shall be made in accordance with the Federal Property and Administrative Services Act of 1949, as amended."

With the following committee amendments:

Page 1, line 8, strike out ", affected by, or involved in," and insert in lieu thereof "involved in".

Page 2, line 4, immediately before the period, insert the following: ": *Provided,* That to the extent consistent with the needs of the accident investigation, provisions of local law protecting religious beliefs with respect to autopsies shall be observed".

Page 2, beginning in line 9, strike out ", affected by, or involved in," and insert in lieu thereof "involved in".

Page 3, line 5, strike out "(i)" and insert in lieu thereof "(o)".

Page 3, line 7, strike out "(i)" and insert in lieu thereof "(o)".

Page 4, line 3, strike out "amended." and insert in lieu thereof "amended.' "

The committee amendments were agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. WILLIAMS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. WILLIAMS. Mr. Speaker, the purpose of S. 962 is to assist the Civil Aeronautics Board in civil aviation accident investigations.

Careful and painstaking investigations of civil aviation accidents are very important in determining facts necessary to prevent the recurrence of similar accidents. The very excellent record of the Civil Aeronautics Board in determining the cause of civil aviation accidents has contributed materially to the splendid aviation safety record we have in this country.

The Committee on Interstate and Foreign Commerce favors enactment of S. 962 because we believe it will make it easier for the Board to find the cause of civil aviation accidents.

The Board has been doing a good job. With this legislation, we believe it can do a better job and with greater speed.

As for what this legislation does, specifically S. 962 would provide the Board with express statutory authority to do the following:

First. Examine and test to the extent necessary all component parts of the aircraft and property aboard the aircraft;

Second. Examine and conduct autopsies or such other tests as may be necessary in the case of any fatal accident;

Third. Request assistance of any medical agency of the United States in the conduct of medical examinations and tests necessary to the investigation of the accident;

Fourth. Request assistance of the Federal Bureau of Investigation or any investigatory agency of the United States with respect to an investigation of the activities of any person in connection with the accident;

Fifth. Provide criminal penalties for removing, concealing, or withholding any part of a civil aircraft involved in an accident, or any property aboard the aircraft; and

Sixth. Authorize the Board, on behalf of the United States, where appropriate, to accept gifts of money, other personal property, and services in connection with the investigation of any accident.

The Subcommittee on Transportation and Aeronautics held hearings on a companion House bill. The subcommittee and the full committee have given this legislation careful consideration. Minor clarifying amendments were adopted by the committee. We believe the reported bill is good legislation and favor its adoption.

The SPEAKER. That concludes the call of the Consent Calendar today.

INFORMATION RELATING TO PUBLICATIONS WITH SECOND-CLASS MAIL PRIVILEGES

Mr. UDALL. Mr. Speaker, I ask unanimous consent to return for immediate consideration to Consent Calendar No. 598, the bill (H.R. 10696) to amend section 4369 of title 39, United States Code, with respect to the filing of information relating to publications having second-class mail privileges, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 4369 of title 39, United States Code, is amended to read as follows:

"§ 4369. Filing of information relating to publications of the second class

"(a) Each owner of a publication having second-class mail privileges under section 4354 of this title shall furnish at least once a year to the Postmaster General information in such form and detail and at such time as he may require respecting—

"(1) the identity of the editor, managing editor, publishers, and owners;

"(2) the identity of the corporation and stockholders thereof, if the publication is owned by a corporation;

"(3) the identity of known bondholders, mortgagees, and other security holders;

"(4) the extent and nature of the circulation of the publication, whether through the mails or otherwise; and

"(5) such other information as he may deem necessary to determine whether the publication meets the standards for second-class mail privileges.

"(b) The Postmaster General may require publications which have second-class mail privileges under section 4355 or 4356 of this title to furnish information in such form and detail as he may require to the extent it is necessary to determine whether the publication continues to qualify thereunder.

"(c) The Postmaster General shall make appropriate rules and regulations to carry out the purposes of this section, including provision for suspension or revocation of second-class mail privileges for failure to furnish the required information."

(b) The table of contents of chapter 63 of such title is amended by striking out

"4369. Affidavits relating to publications of the second class."

and inserting in lieu thereof

"4369. Filing of information relating to publications of the second class."

SEC. 2. The second paragraph of section 2 of the Act of August 24, 1912, as amended by the Act of June 11, 1960 (74 Stat. 208; Public Law 86-513), and by paragraph 34 of the first section of the Act of June 11, 1960 (74 Stat. 202; Public Law 86-507), is hereby repealed.

With the following committee amendments:

Page 1, line 9, strike out "at least once a year to the Postmaster General information in" and insert in lieu thereof "to the Postmaster General at least once a year, and shall publish in such publication once a year, information in".

Page 2, immediately following the comma in line 10, strike out "whether through the mails or otherwise; and" and insert in lieu thereof "including, but not limited to, the number of copies distributed, the methods of distribution, and the extent to which such circulation is paid in whole or in part; and".

Page 2, immediately following line 13, insert the following: "The Postmaster General shall not require the names of persons owning less than 1 per centum of the total amount of stocks, bonds, mortgages, or other securities."

Page 2, immediately following line 19, insert the following:

"(b) Each publication having second-class mail privileges under section 4355(b) of this title shall furnish to the Postmaster General information in such form and detail, and at such times, as he requires to determine whether the publication continues to qualify thereunder. In addition, the Postmaster General may require each publication which has second-class mail privileges under section 4355(a) or 4356 of this title to furnish information, in such form and detail and at such times as he may require, to determine whether the publication continues to qualify thereunder."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SAFETY STANDARDS FOR AUTOMOBILE SEAT BELTS

Mr. ROBERTS of Alabama. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill—H.R. 134—to provide that seat belts sold or shipped in interstate commerce for use in motor vehicles shall meet certain safety standards.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of Commerce shall prescribe and publish in the Federal Register standards for seat belts for use in motor vehicles. Such standards shall be designed to provide the public with safe seat belts so that passenger injuries in motor vehicle accidents can be kept to a minimum. Standards first established under this section shall be prescribed and published not later than one year after the date of enactment of this Act.

SEC. 2. (a) The manufacture for sale, the sale, or the offering for sale, in interstate commerce, or the importation into the United States, or the introduction, delivery for introduction, transportation or causing to be transported in, interstate commerce, or for the purpose of sale, or delivery after sale, in interstate commerce, of any seat belt manufactured on or after the date this section takes effect shall be unlawful unless such seat belt meets the standards prescribed by the Secretary of Commerce as set forth in the first section of this Act.

(b) Whoever violates this section shall be fined not more than $1,000, or imprisoned not more than one year or both.

SEC. 3. As used in this Act—

(1) The term "interstate commerce" includes commerce between one State, territory, possession, the District of Columbia, or the Commonwealth of Puerto Rico and another State, Territory, possession, the District of Columbia, or the Commonwealth of Puerto Rico.

(2) The term "motor vehicle" means any other vehicle or machine propelled or drawn by mechanical power and used on the highways principally in the transportation of passengers.

(3) The term "seat belt" means any strap, webbing, or similar device designed to secure a passenger in a motor vehicle in order to mitigate the results of any accident, including all necessary buckles, and other fasteners, and all hardware designed for installing such seat belt in a motor vehicle.

SEC. 4. This Act shall take effect on the date of its enactment except that section 2 shall take effect on such date as the Secretary of Commerce shall determine but such date shall be not less than one hundred and eighty days nor more than one year after the date of publication of standards first established under the first section of this Act. If such standards first established are thereafter changed, such standards as so changed shall take effect on such date as the Secretary of Commerce shall determine but such date shall be not less than one hundred and eighty days nor more than one year after the date of their publication in accordance with the provisions of the first section of this Act.

With the following committee amendment:

Page 1, line 4, after the word "Register", insert "minimum".

The committee amendment was agreed to.

Mr. ROBERTS of Alabama. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. ROBERTS of Alabama. Mr. Speaker, H.R. 134 is a safety measure which will reduce the highway accident death toll. This is accomplished by establishing Federal safety standards for automobile seat belts manufactured for sale or offered for sale in interstate commerce.

The standards would be established by the Secretary of Commerce.

Enactment of the bill is favored by the Department of Commerce and the Department of Health, Education, and Welfare. The Bureau of the Budget has no objection to enactment of the legislation. Hearings were held by the Subcommittee on Health and Safety, August 17, 1962, and have been printed.

In recent years, due to educational campaigns carried on by the American Medical Association, the National Safety Council, the U.S. Public Health Service, the Advertising Council, the General Federation of Women's Clubs, the automobile manufacturers, other national groups, and many local organizations such as chambers of commerce, there has been a phenomenal increase in the sale and use of seat belts.

Safety experts are greatly pleased with this. But one development has cast a shadow on the program.

Automobile seat belts of inferior quality and design have been placed on the market in response to the growing public interest in automotive safety devices. There is no way to determine exactly how many substandard seat belts are now being used by unsuspecting motorists, but the number will increase unless, and until, there is some means to establish adequate standards, such as provided in this bill.

It would appear both desirable and necessary to protect the public from inferior and unsafe seat belts placed on the market by some manufacturers and dealers who are more concerned with profit than with the public safety. The vast majority of seat belt manufacturers are maintaining high standards of quality. Unfortunately, however, a newly created public demand for a product often results in the marketing of substandard equipment.

The States have traditionally exercised regulatory authority of motor vehicle safety features, and there may be some question as to the entry of the Federal Government into the field of the automotive safety standards.

However, as the President pointed out in his March 15, 1962, message on consumer protection and interest program, consumers have a right to be protected against the marketing of goods which are hazardous to health or life. The President made clear that the Federal Government has a responsibility to consumers in the exercise of this right and that additional legislation would be required in some fields for the Federal Government to meet such responsibilities.

Federal standards have been established in other areas of public safety.

The Federal Aviation Agency has promulgated standards governing certain aircraft equipment. In the trucking field certain technical requirements have been established by the Interstate Commerce Commission.

H.R. 134 provides for similar action by the Department of Commerce on seat belt standards.

The Secretary should have no difficulty in complying with the provisions of this legislation. Standards have been established by the Society of Automotive Engineers and by the General Services Administration.

The Committee on Interstate and Foreign Commerce believes that enactment of H.R. 134 would be in the public interest. Its purpose is to assure purchasers of seat belts sold or offered for sale in interstate commerce that the belts conform to reasonable safety standards designed to make them adequate for the purpose for which they are intended.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

POSTAL SERVICE AND FEDERAL EMPLOYEES SALARY ACT OF 1962

Mr. MURRAY. Mr. Speaker, I move to suspend the rules and agree to House Resolution 818.

The Clerk read as follows:

> *Resolved,* That immediately upon the adoption of this resolution the bill H.R. 7927, with the Senate amendment thereto, be, and the same hereby is, taken from the Speaker's table, to the end that the Senate amendment be, and the same hereby is, disagreed to and a conference is requested with the Senate upon the disagreeing votes of the two Houses thereon.

The SPEAKER. Is a second demanded?

Mr. GROSS. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. GROSS. At what point, if any, would a point of order to invoke rule XX be in order in the consideration of this bill? Would it be in order now, or if the motion to suspend the rules is adopted, would it be in order then?

The SPEAKER. In response to the inquiry of the gentleman from Iowa, the Chair will say that it is not in order on a motion to suspend the rules. If the rules are suspended, the point of order then is too late.

Is a second demanded?

Mr. GROSS. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. MURRAY. Mr. Speaker, last January 24 the House passed by a strong voice vote H.R. 7927, to place in effect long overdue postal rate adjustments necessary to wipe out the $800 million postal deficit.

The House-passed bill would increase postal revenues by $691 million in first-, second-, and third-class mail. Most of the remaining deficit is due to losses in fourth-class, or parcel post mailings and the Postmaster General is required by law to petition the Interstate Commerce Commission for rate adjustments in that class sufficient to place it on a pay-as-you-go basis, with only 4 percent variation permitted.

The other body has amended H.R. 7927 and made three major changes in the House bill.

The first such change is in postage rates for second-class commercial publications and in the minimum per piece rate for third-class advertising bulk mailings.

CALL OF THE HOUSE

Mr. JOHANSEN. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER pro tempore (Mr. ALBERT). Evidently a quorum is not present.

Mr. BONNER. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 254]

Alexander
Anfuso
Arends
Aspinall
Bass, N.H.
Belcher
Bell
Bennett, Mich.
Berry
Betts
Blitch
Bolling
Boykin
Brewster
Brooks, Tex.
Burke, Ky.
Carey
Celler
Daddario
Diggs
Dominick
Dooley
Evins
Farbstein
Feighan
Frazier
Garland
Glenn
Goodell
Gray
Griffin
Hall
Hansen
Harris
Harvey, Ind.
Hébert
Hiestand
Hoffman, Ill.
Hoffman, Mich.
Hull
Ichord, Mo.
Inouye
Johnson, Wis.
Jones, Ala.
Kearns
Kee
Keith
Kilburn
Kitchin
McDonough
McDowell
McIntire
McSween
McVey
Macdonald
Magnuson
Martin, Nebr.
Merrow
Michel
Miller, Clem
Miller, George P.
Monagan
Moorehead, Ohio
Mosher
Nedzi
O'Brien, Ill.
Osmers
Powell
Pucinski
Rains
Reifel
Rousselot
Saund
Scherer
Scranton
Seely-Brown
Sheppard
Shipley
Short
Sibal
Sikes
Siler
Taylor
Thompson, N.J.
Tollefson
Tupper
Utt
Van Pelt
Van Zandt
Vinson
Watts
Weis
Whalley
Wickersham
Willis
Yates

The SPEAKER. On this rollcall 336 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

TO AMEND SECTION 502 OF THE MERCHANT MARINE ACT, 1936, AS AMENDED

Mr. BONNER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 11586) to amend section 502 of the Merchant Marine Act, 1936, as amended, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

The Chair hears none, and appoints the following conferees: Messrs. BONNER, DOWNING, CASEY, TOLLEFSON, and PELLY.

POSTAL SERVICE AND FEDERAL EMPLOYEES SALARY ACT OF 1962

The SPEAKER. The Chair recognizes the gentleman from Tennessee [Mr. MURRAY].

Mr. MURRAY. Mr. Speaker, the second such change is the addition of a modified form of the President's official request for reformation of the four major Federal statutory salary systems.

The third such change is the addition of language to liberalize existing civil service retirement annuities and survivor benefits by 5 percent, to provide for future annuity adjustments whenever the consumer price index of the Bureau of Labor statistics has risen by 3 percent or more, and to grant certain other retirement benefits.

As to postal rates, the bill as passed by both Houses increases rates on first-class letters from 4 cents to 5 cents, cards and drop letters from 3 cents to 4 cents, airmail letters from 7 cents to 8 cents, and airmail cards from 5 cents to 6 cents. These adjustments will increase postal revenues by $454 million—approximately 75 percent of the total revenue increase under the Senate bill and 66 percent of the total under the House bill.

The chief differences between the House and Senate postal rate provisions are in regular second-class publications beyond county and in the third-class bulk rate minimum charge per piece.

In second-class mail, the House bill applies to each copy of a regular commercial publication sent beyond county a fixed charge of one-half cent for the first year after enactment and 1 cent thereafter. The Senate amendment strikes this fixed charge and, in lieu thereof, adjusts existing pound zone rates in three annual increments. Editorial matter would receive three successive 4-percent increases, and advertising material would receive three successive increases totaling, for the various zones, from 10 percent to 33⅓ percent in the third year. The House bill would increase second-class postal revenues by a total of $53.4 million, but the Senate amendment would increase such revenues by only $25.1 million, a difference of $28.3 million.

As to third-class mail, the House bill increases the minimum charge per piece on bulk commercial mailings of circulars, books, catalogs, and so forth, from 2½ cents to 3½ cents in one stage. The Senate amendment increases such bulk minimum per piece charge to 2⅝ cents in 1963, to 2¾ cents in 1964, and to 2⅞ cents thereafter. Increased revenue from third-class mail under the House bill would be $161.9 million—most of it imediately available in the first year—while the Senate amendment would increase revenues from third-class mail by only $97.2 million spread over a 3-year period—a difference of $64.7 million when all new rates are in effect.

The House bill makes no increase in rates on either second- or third-class mailings of nonprofit organizations or classroom publications. The Senate amendment increases the pound rate on such publications from 1½ cents to 1.6 cents in 1963, to 1.7 cents in 1964, and to 1.8 cents in 1965. It also requires classroom publications to pay 60 percent of regular commercial rates, in lieu of their existing rates of 1½ cents per pound on editorial matter and zone rates on advertising subject to one-eighth cent minimum per copy.

In view of the material differences between H.R. 7927 as passed by the House and as passed by the Senate, I strongly recommend adoption of the resolution to send this bill to conference.

Mr. GROSS. Mr. Speaker, I yield myself 10 minutes.

Mr. Speaker, when the distinguished chairman of the House Post Office and Civil Service Committee, the Honorable Tom Murray, sought unanimous consent to take from the Speaker's table H.R. 7927, a bill to adjust postal rates, together with Senate amendments and requested a conference, I objected. This was on the grounds that it would be an irregular and unwise procedure for the House to shirk its responsibility by failing to insist that the Committee of the Whole House consider the far-reaching Senate amendments which were added to the House bill.

This is no ordinary conference that is sought to be made in order through the arbitrary process of suspension of the rules. The Senate-attached amendments deal with subject matter, among other things, involving the spending of more than $2,600 million—subject matter and spending that has had not one moment of consideration in the House of Representatives.

I insist that the motion to suspend the rules be defeated; that this legislation be sent to the Rules Committee and a procedure agreed upon whereby the entire House membership has an opportunity to examine the Senate amendments and take appropriate action in accordance with the dictates of their conscience.

Mr. Speaker, this bill is sent to us on a virtual take-it-or-leave-it basis. I call attention to page 20819 of the Congressional Record of September 26, 1962, wherein during debate in the other body, the chairman of the Senate Post Office and Civil Service Committee made the following statement:

> Last year the House Committee on Post Office and Civil Service, after extended public hearings and many executive sessions, reported a reasonably sound bill which would have provided $550 million in additional revenue when fully effective. Due to ill-advised and totally inequitable amendments adopted in an air of utter confusion during the closing moments of the session, the bill referred to the Senate was little less than a chaotic monstrosity. Under these circumstances the Senate Post Office and Civil Service Committee had no alternative but to start afresh on the construction of a sound measure that would at one and the same time produce needed revenues and yet not hamstring the Nation's economy.

Mr. Speaker, it borders on arrogance to describe the House-approved postal rate increase bill as a "chaotic monstrosity," and to imply that Members of the House did not know what they were doing when they passed the postal rate bill in January of this year. I did not support that bill, but I did not then, nor do I now, charge the Democrat leadership of the House or anyone who voted for it with having given birth to a "chaotic monstrosity." I do call your attention to the fact, for whatever it may be worth, that the postal rate bill as approved by the House 9 long months ago was closer to the recommendations of the President than is that portion of the bill which this semigag procedure of rule suspension seeks to send to conference.

I seriously doubt, Mr. Speaker, whether any Member of this body can fully explain what the Senate did to the House-approved postal rate bill, much less the ramifications of the Government-wide pay increases and policies dealing with the so-called pay reform.

There has been little time to analyze the differences that now exist between the House and Senate postal rate bills, but apparently the other body reduced the rate increases which the House had provided for certain categories of mail and in order to make up the loss of this revenue the Senate increased rates for smaller mail users. A notable example of this is the fact that the historical policy with respect to free-in-county mailings for the smaller publications of the Nation was eliminated in the Senate bill. The amount of increase which the other body then imposed on these smaller county newspapers is impossible to determine, and I insist this matter be fully explored before the House takes further action.

Another inconsistency between the House and Senate postal rate bills relates to the increase which the Senate imposed on nonprofit publications, such as religious and veterans' publications. The House had made no change whatever in that category of mail.

I note, too, that the Senate weakened the so-called Cunningham amendment regarding Communist propaganda which is being mailed into the United States from countries behind the Iron Curtain. I recall that the House was almost unanimous in its support of this amendment and I question whether this body is ready to abdicate its responsibility in connection with these provisions and others in this legislation which are being crammed down our throats.

Now with respect to the other provisions of the bill relating to pay for Federal employees and increases in the annuities of retired civil service employees, not one provision of which has had one moment of consideration on the House floor in the 9 months of this session. I say to you that there are hidden provisions which makes it imperative that this bill be considered by the House in Committee of the Whole where a full explanation may be had and amendments offered.

Members will recall the long struggle that has been made in the House to hold down the number of supergrade positions in the Federal service—grades GS–16, GS–17, and GS–18. It is my understanding that the Senate has specifically added 411 supergrades, with salaries ranging from $16,000 to $20,000 per year and further provided, in rather vague and indefinite language, for an unknown additional number. In other words, I doubt seriously if anyone in this body or the other body can tell us accurately whether the Senate added 500, 600, 700, 800, or 1,000 supergrade positions.

Another hidden section in the Senate approved rate bill provides for the addition of 111 positions in the top three postal service levels, PFS–18, PFS–19, and PFS–20, which will pay salaries of between $15,500 and $18,000 annually.

Let me also call attention to the fact that the Senate amendments provide pay increases for all legislative employees, including those of Members of Congress. And if I read the bill correctly, certain employees of the Members of the other body may be paid up to $18,800 per year.

I seriously doubt whether the Members of this body are aware that the Senate amendments provide a change in the Whitten amendment and thus opens the door to an increase in the number of permanent positions in the Government. This is contrary to the will of this body. Time and again the House Appropriations Committee has emphasized the need for retaining the Whitten amendment and the House Members have always concurred in this.

I do not want these remarks to be construed as opposing a pay increase for Federal employees, especially postal workers in the lower levels. I do insist that before the House can vote intelligently on this measure it should be completely explored, analyzed, and explained. I reiterate that the amendments by the Senate will provide pay increases costing more than $1 billion, and the increased annuities, also provided by the other body, will add $1,600 million to the liability of the Government employees retirement fund which, as of June 1962, was estimated to be $33,700 million in the red.

Mr. Speaker, more than a conference is needed on this legislation. It requires far more consideration than can be given here today or under the 1 hour allowed for the conference report. I have tried to invoke rule 20 which was designed for the very purpose of sending such legislation as this to the Committee of the Whole wherein Members of the House could learn at least something of the ramifications of what is being proposed and vote with at least some degree of intelligence.

I am reminded by what is now taking place of the action that at the start of the 87th Congress when the Rules Committee was packed for the alleged purpose of giving Members of the House the opportunity to understand and work their free will upon legislation. Do those of you who voted for that proposition mean what you said then by your votes?

Now you are confronted with a motion to suspend the rules, a harsh, abnormal proceeding which permits of no amendments and a total of 40 minutes of debate—a semigag rule when applied to legislation of such vital importance.

I earnestly hope that whoever made the decision that the House was either too busy or not competent to act on this legislation under the normal and prescribed procedures will reconsider and permit H.R. 7927, with its many ramifications and hidden provisions, to come before the House in Committee of the Whole.

To end this, I ask you to defeat the motion to suspend the rules.

Mr. MURRAY. Mr. Speaker, I yield 5 minutes to the gentleman from Virginia [Mr. BROYHILL].

Mr. BROYHILL. Mr. Speaker, I hope that the House will suspend the rules and permit this bill to be sent to conference. Most certainly it is far-reaching legislation, it is complicated legislation, it is controversial legislation. Any measure which provides a $600 million-odd increase in revenue is bound to be controversial; any legislation that provides a $1 billion increase in expenditure is bound to be controversial but I think that the overwhelming majority of us will agree that we must raise postal rates, because the Department has to bear hundreds and hundreds of millions of dollars increased cost in transporting, distributing, and delivering the mails. I think it is altogether fitting and proper that the users of the mails should pay a larger portion of the cost. Certainly it is the best bargain the American people can possibly receive, even with a $600-million increase in rates.

I think we all realize also that we must have some adjustment in the salaries of Federal and postal employees. We must certainly help increase and maintain a decent standard of living for the vast majority of our employees, and good management dictates that we see that Federal salaries are competitive with comparable positions in free enterprise. If we ever hope to attract and retain efficient employees, employees who are competitive with those in free enterprise, we have got to recognize that proper salaries must be provided.

The House has already acted on the postal rate legislation. It acted rather affirmatively, and approved it by a rather substantial majority. That is the portion of the bill that is back before us here with a Senate amendment.

I regret that the House has not acted on the salary increase portion of the legislation; however, the Committee on the Post Office and Civil Service did hold extensive hearings on the subject, and we came up with a reasonable compromise bill. It was reported out of the Committee on the Post Office and Civil Service by an overwhelming majority. It is merely due to a parliamentary technicality that the House has not yet had an opportunity to consider the legislation which was reported out by the committee.

The bill for the increase in salaries is similar to the bill our committee overwhelmingly approved. I say quite similar but it does not go quite as far as the majority of our committee would like, but we feel that this should be acceptable, especially when we are confronted with the situation that this is the best we can hope for. So if this bill is taken from the Speaker's table and sent to conference I am sure the conferees will come back with a reasonable compromise, not one that all of us will agree with, but one that the vast majority of us will agree is acceptable under the circumstances at this late stage of the 87th Congress.

I do hope, Mr. Speaker, that the House will overwhelmingly approve suspension of the rules so that this bill can go to conference and we can get some pay adjustment and rate adjustment legislation through before this Congress adjourns.

Mr. BARRY. Mr. Speaker, will the gentleman yield?

Mr. BROYHILL. I yield to the gentleman from New York.

Mr. BARRY. I would like to ask the gentleman, if when we send this to conference, can the provisions of the House bill with regard to rate structure on postage be insisted upon or do we surrender our right by sending it to conference.

Mr. BROYHILL. I do not know whether I am qualified to answer the question of the gentleman or not. We have a right to insist on the original House position insofar as the rate bill is concerned. Unfortunately, we do not have a House bill pending in the House on pay legislation, and what the Senate has done in that regard would be the ceiling.

Mr. WALLHAUSER. Mr. Speaker, will the gentleman yield?

Mr. BROYHILL. I yield to the gentleman from New Jersey.

Mr. WALLHAUSER. Does the gentleman believe if we do not suspend the rules we would ever be able to consider any measure in this Congress with reference to rates and pay increases?

Mr. BROYHILL. I am fearful we will not have time. I would rather not take the chance, and I think the overwhelming majority of the people who will be affected by the legislation are willing to go along with this procedure as the best we can possibly hope for at this stage of the session.

Mr. GROSS. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. JOHANSEN].

Mr. JOHANSEN. Mr. Speaker, as a matter of self-respect of this House, the pending resolution should be defeated. We are considering this resolution today under the cloud of an accusation—and the accusation was not even factually accurate—that this House "in an air of utter confusion" adopted this legislation at the end of the last session. Of course we adopted the postal legislation in January of this year. We are acting under a cloud of accusation that the legislation produced by this House with respect to postal rates "was little less than a chaotic monstrosity."

I suggest, Mr. Speaker, also as a matter of legislative responsibility, that we should reject this resolution.

As the gentleman from Iowa has so forcefully pointed out, two of the major items in this 3-in-1 deal have not been considered on the floor of the House. I think as a matter of respect for the labors of your Committee on the Post Office and Civil Service, which worked for weeks and weeks in hearings on Federal pay legislation and a lesser time on the matter of retirement pay, and the fruits of all those labors will be brought to you, under a conference report with a limitation of 1 hour of debate. As to the legislative procedure, let me say further that the House is being asked to vote up or down an omnibus bill involving three distinct and separate areas of legislation—Federal pay increases, and within that category are at least four or five separate and distinct pay matters. We are asked to consider an increase in retirement pay. We are asked to consider postal rate legislation as it may be modified in conference.

With respect to the Federal pay and retirement provisions, as I have pointed out, and as the gentleman from Iowa has pointed out, neither of these provisions of the bill has been brought to the floor of this House for thorough debate, and under the conditions we will face if this bill goes to conference, there will be no opportunity for meaningful debate in 1 hour's time.

With respect to the postal rate legislation, I want to be completely frank with the House. I spoke for, I voted for the postal rate bill that was adopted in January. I did so despite some declared misgivings regarding certain provisions of the legislation. But that was before the President of the United States had decided that he could by arbitrary act deny something in the neighborhood of a 5-percent increase in prices of a certain major basic industry of the country.

Mr. Speaker, this legislation with respect to first-class users of the mail alone involves a 25-percent increase and very substantial increases in the price of mail service in the other classes.

Mr. Speaker, I supported the legislation earlier this year, but that was before it became a determined judgment that we needed tax relief in this country. Now we propose to impose additional costs, an increased tax, if you please, upon the American people. A major victim of this increase will be small business itself.

Mr. Speaker, I have always supported the principle that we should be rid of the postal deficit. But I must say in all candor that I lose some zeal for a balanced postal budget in the light of testimony before our committee—and I refer especially to the testimony given by Budget Director Bell—that there are circumstances and that we now exist in a circumstance in which overall deficit financing by the Federal Government is a desirable thing.

Mr. Speaker, in the circumstances I lose some of my concern about closing the gap of this deficit in one segment of the Government. Of course, that brings me to the fact that this omnibus bill involves a $1 billion a year increase in Federal pay. It involves, to be sure, a $603 million increase in revenues under the Senate version. But there is still almost $400 million of additional expense, a good share of which will be added to the national deficit.

The SPEAKER. The time of the gentleman from Michigan has expired.

Mr. GROSS. Mr. Speaker, I yield 2 additional minutes to the gentleman from Michigan [Mr. JOHANSEN].

Mr. JOHANSEN. Mr. Speaker, as has been pointed out by the gentleman from Iowa [Mr. GROSS] a moment ago, there is an increase in the number of supergrades. The pay bill involves excessive increases at the higher levels of pay. Let the House be on notice that this legislation, if enacted, sets the stage for next year for consideration of an executive pay increase; for further increases in salary for higher levels; for increases in the pay of the judiciary, and for substantial proposed increases in the compensation of Members of Congress.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. JOHANSEN. Yes; I am glad to yield to the gentleman from Iowa.

Mr. GROSS. Is it not true that the House Committee on Post Office and Civil Service passed out a bill on pay increases weeks ago, and does the gentleman know what the gentleman from Virginia [Mr. BROYHILL] was referring to when the gentleman spoke of some technicality that had prevented the House from considering this bill that was voted out so long ago?

Mr. JOHANSEN. It is entirely true that this pay legislation was voted out several weeks ago. The gentleman from Michigan is at a total loss to know what the gentleman from Virginia [Mr. BROYHILL] is talking about with respect to a technicality.

I will say this, however; that I am not willing to see orderly and sound legislative processes frustrated by any technicality, particularly when the technicality is invoked for the very purpose of accomplishing such frustrations.

Mr. GROSS. Is it not true that this bill, if the gentleman will yield further, which suspension of the rules seeks to send to conference, is a bill of 114 pages, and only some 20 of those pages are devoted to the rate increase, while the other 70 to 80 pages of the bill constitute an amendment by the other body which has never been considered in the House of Representatives?

Mr. JOHANSEN. The gentleman is correct with reference to that portion of the bill that is referred to as merely an amended postal rate bill. It is a case of the tail wagging the dog, I will say to the gentleman.

The SPEAKER pro tempore. The time of the gentleman from Michigan has again expired.

Mr. GROSS. Mr. Speaker, I yield the gentleman 1 additional minute.

Mr. JOHANSEN. Let me say in conclusion that the story on this legislation, so far as the retirement pay provisions of this bill are concerned, as amended in the Senate, involves, as the gentleman from Iowa has pointed out, an additional commitment of obligation by the Government of the United States of $1.6 billion. And as is so often the case in such matters, there is no offsetting assurance of revenue to meet that obligation.

Mr. MURRAY. Mr. Speaker, I yield 4 minutes to the gentleman from Montana [Mr. OLSEN].

Mr. BARRY. Mr. Speaker, will the gentleman yield?

Mr. OLSEN. I yield to the gentleman from New York.

Mr. BARRY. Mr. Speaker, I would like to ask the gentlemen if the question before the House is to disagree to the Senate amendments and send the bill to conference. Is that the proceeding under which we are now deliberating at this moment?

Mr. OLSEN. That is my understanding.

Mr. BARRY. In effect, when we vote for this measure, we are voting to reject the Senate amendments and send the bill to conference?

Mr. OLSEN. That is my understanding of the resolution.

Mr. BARRY. This would have to do only with the pay rate provisions since the matter of salary has not been before this entire body; is that not correct?

Mr. OLSEN. As I understand, the question that will go to conference to be discussed is the postal rate portion of this bill.

Mr. BARRY. I thank the gentleman.

Mr. OLSEN. Mr. Speaker, I urge support of this resolution. As we send H.R. 7927 to conference the normal procedure, as I understand, is satisfied. The House passes a postal rate bill and it goes to the Senate. The Senate passes a postal rate bill. Then we have a conference on the two bills on the differences involved. I have studied both the Senate and House versions of the rate bill and there is really not much difference between them, but there is enough difference so that they should go to conference so that the differences can be reconciled.

The third-class rates provided under the Senate bill are about one-eighth of a cent less than the President recommended. They are about five-eighths of a cent less than we provided in the House bill, and about three-eighths of a cent higher than the House Post Office Committee recommended to the House. So there is not much difference in third-class mail to go to conference.

In second-class mail some differences arise. That is where most of the differences are in the bill. This is very normal procedure and I think that the members of our Post Office Committee would say for the most part that there is very little difference between the two bills. So far as objecting to this bill going to conference is concerned, I think anyone who insists upon its not going to conference is really insisting that there be no new pay bill, that there be no new retirement bill and that there be no postal rate adjustment in this session of Congress.

The urgency is that the pay increase for classified and postal employees is more than 18 months late by all of the studies that anyone or any group has made. The pay bill that the Senate passed is less in amount than the bill the House passed. It is much more moderate than the House-passed bill. So I submit that sending this to conference and finally approving the pay bill and the retirement bill of the Senate is a very reasonable thing for this House to do.

Finally I submit the question is as follows—if you are in favor of a pay increase for Federal and postal employees and increased benefits for Federal retirees, this is the only opportunity you will have to provide it. Only those who are against a pay increase for Federal employees or increased benefits for retirees will vote against this resolution.

Mr. ROGERS of Colorado. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. ROGERS of Colorado. Mr. Speaker, I am pleased to note that the bill provides in section 606(a) for an increase in the ceiling on grades 16, 17, and 18 from the present 1,989 to 2,400. I understand that in its requests for additional authority to allocate these so-called supergrades the Civil Service Commission advised the Senate Post Office and Civil Service Committee that a sufficient number of these grades was required to enable it adequately to reclassify the 324 Federal hearing examiners now holding GS 15 grades to appropriate supergrade levels. Now that provision is being made for this additional authority an important step can be taken by the Civil Service Commission to preserve and promote the best interests of the Federal Government and to relieve the years' long inequity borne by the Government's underpaid hearing examiners.

Section 11 of the Administrative Procedure Act mandates that the Civil Service Commission alone shall prescribe the compensation for the Federal hearing examiners. Because of the ceilings imposed by Congress on the number of allowable grades 16, 17, and 18, the Civil Service Commission has been unable for several years to discharge its statutory mandate by reclassification of any of the hearing examiner positions to the appropriate supergrade level merited by their responsibilities.

The records established before congressional committees and the Civil Service Commission amply sustain the entitlement of these positions to supergrade classifications. The President's message on the regulatory agencies supported by the opinions of distinguished legal authorities, private practitioners and bar associations intimately acquainted with the duties and responsibilities of the hearing examiner function unqualifiedly urge the immediate reclassification of these positions to supergrade levels. Nevertheless, because of the numerical ceilings on supergrades and the necessity of treating hearing examiners performing the same function alike, the Civil Service Commission has been unable to date to upgrade any of the examiners now frozen at the GS-15 level for many years.

This inability has produced the following undesirable results: Hearing examiners of proven ability with years of invaluable Federal experience have been lost to the Government because of the greater monetary attraction of private employment, frequently with the very industries regulated by the Federal agencies by whom these examiners had been employed. For example, hearing examiners formerly employed by the CAB now hold positions as counsel for Trans World Airlines, Continental Airlines, Trans-Texas Airways, and a number of other major air carriers.

At the same time the Federal agencies are severely handicapped in the employment of hearing examiners of superior caliber from the registers established by the Civil Service Commission because of the high percentage of declinations from persons on these registers offered employment at the GS-15 level. For example, recently the National Labor Relations Board sought to fill 10 hearing examiner vacancies from a CSC certificate containing the names of 34 qualified persons. Twenty-two of them, or over 64 percent, stated they were not interested in appointment at Grade GS-15. Similar statistics are available for other agencies.

In addition, serious intra-agency inequities have been created by the advancement of individual attorneys, economic analysts, and administrative personnel to supergrade levels while the examiners, largely because of their numbers, have been bypassed. It is not unusual for GS-16 attorneys and GS-17 economic witnesses to appear before GS-15 examiners in the hearings over which they preside.

The competence and devotion of the Federal hearing examiners are the best guarantees of the effectiveness of the Administrative Procedure Act. I am gratified that the Civil Service Commission by the appropriate reclassification of these hearing examiners under the additional grant of authority of this bill will, in sum, avoid the erosion of highly trained and competent manpower, facilitate the procurement by the Government of the able men needed to perform the exacting judicial functions of the hearing examiner position, and rectify the longstanding inequity borne by the Federal hearing examiners.

Mr. MURRAY. Mr. Speaker, I yield 3 minutes to the gentleman from Virginia [Mr. SMITH].

Mr. SMITH of Virginia. Mr. Speaker, 3 minutes is mighty little time to discuss a bill which involves a charge on the Treasury of over a billion dollars a year permanently, from now on out.

I am not going to discuss the merits of the bill, but under the rules of the House any Senate amendment that comes over here that inflicts any charge on the Treasury of the United States is required under rule XX of the House of Representatives to go to the Committee of the Whole, the purpose of that being that the House might consider the bill on its merits and have an opportunity to say its will. By suspension of the rules, this method that is now invoked in this case, the House is deprived of the privilege of ever considering whether this is a good bill or a bad bill. You are establishing a precedent here today that is going to damn you for a long time to come.

I am greatly interested in the rules of this House and the proper procedures of this House. I think this is a terrible thing to do. I know it is going to be done. I know this House is going to vote for it. I know there are a great many Members here who cannot resist any demand that it made upon them by their servants, the civil service employees, the employees of the people of the United States.

What you are doing here today, irrespective of the merits of this bill, is to deprive yourselves and the people you represent from being represented in the expenditure of a billion dollars a year of the money that the taxpayers put up, and you say, "No; we won't consider this bill. We are going to suspend the rules and we are going to turn everything loose here in the last days of the session." If that is the way you think you ought to run this Congress, go ahead and do it, but I will have no part of it.

Mr. GROSS. Mr. Speaker, I yield 1 minute to the gentleman from Missouri [Mr. CURTIS].

Mr. CURTIS of Missouri. Mr. Speaker, the question I had in mind has been clarified by the gentleman from Virginia in regard to procedures. It is a complicated procedure. We actually are rejecting the Senate amendment, which is the pay increase bill. In sending this to conference in this manner the House will never have an opportunity to consider the merits of the Senate pay increase bill. I could not agree more with the gentleman from Virginia in his pointing out that procedures are the essence of civil rights. If we do not have regard for our own procedures and the integrity of this House, we might just as well disband this Congress. I think the procedural votes are coming to be meaningful more and more each day as we move more and more toward government by men and away from government by law.

From the bottom of my heart I would urge everyone to reject this motion to suspend the rules.

Mr. GROSS. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. GROSS. Under the rule providing for suspension of the rules it is unnecessary to alternate as to time; is that not correct?

The SPEAKER pro tempore. The proponents are entitled to close the debate, under the rules.

Mr. GROSS. That is not the rule, is it?

The SPEAKER pro tempore. That is what the Chair has stated the rule to be.

Mr. HARSHA. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. HARSHA. Mr. Speaker, I find myself in a rather peculiar position because I must say that I concur in the judgment of some of my colleagues who feel that this motion and parliamentary procedure to suspend the rules and circumvent adequate hearings by the appropriate committee is not the way to legislate, particularly, with a measure involving so many billions of dollars and so many lives of Federal employees. I would much prefer that the normal procedures be followed and a proper bill reported to this House after adequate hearings with the opportunity afforded all interested parties to be heard. However, this is not a new procedure and there are many bills that are being offered to this body under the suspension rules procedure, many of which are as equally important as this and many have been denied committee hearings. Yet, this body chooses on various occasions to adopt that procedure so I am in total disagreement with those that will say that this preliminary procedure today will set a precedent.

I think we must be realistic when we look at this procedure. Everyone knows that we are all anxious to return to our districts. Everyone knows that Congress will soon adjourn and unless we adopt this procedure here today all likelihood of obtaining a much-needed raise for postal employees and Federal workers will vanish.

We hear impassioned pleas from certain Members of the House about raising the standard of living of people throughout the world, yet, when it comes to raising the standard of living of our own citizens and our Government employees that same impassioned support has been lacking heretofore. These very same people whom we were trying to help through foreign aid and other economic dole throughout the world will never come to the assistance and aid of this country in the event she needs it. This is exemplified by the very way that some of our so-called allies who have received billions of dollars in foreign aid over the years, and are still receiving billions of dollars of foreign aid, will not even assist us with the embargo of Cuba but instead choose to say that it is "your problem" and continue to trade with the Communist nations. If this Government can continue to help those kind of allies, certainly this much needed pay raise is little enough to do for its own citizens who will assist this Government and come to its aid in time of need.

Our Government is one of the most important phases of our economy. Because Government does have such a vital effect on our well-being, it should be staffed with the most competent and efficient people possible.

There should be adequate incentives to Government careers to encourage this type of individual to enter Government service. Certainly Government should be able to compete with private enterprise and industry in obtaining competent, efficient, and dedicated employees.

In order to do this, Government must be in a position to offer competitive wage scales and other incentives to personnel—competitive that is with and comparable to those offered by industry or private enterprise.

I have long subscribed to the theory that Government employees should be paid on a comparable basis with employees of private enterprise for comparable work.

A survey conducted by the Bureau of Labor Statistics reveals that postal workers are among those wage earners receiving approximately $1,000 less than the established average wage of a family of four.

Under the circumstances, such as these, how can Government compete with private industry in employing able, conscientious employees? The answer is obvious. Certainly the postal service and its employees have built an enviable reputation over the years and I am interested in seeing that record and reputation enhanced. In order to do this we must be able to continue to interest qualified persons in the postal service. They have earned this increase and are justly entitled to it.

Certainly, the other Federal employees are entitled to a reasonable cost-of-living increase and this is all that this bill offers.

Now, Mr. Speaker, as I have indicated, I support this portion of the bill, particularly which grants increases to postal employees and Federal classified employees. I therefore urge my colleagues to vote in favor of suspending the rules so that the Senate bill may be referred to conference committee and the conflicting portions of the House and Senate bills compromised so that a pay raise can be granted to these employees before Congress adjourns.

But again, as so often happens in legislation, I find some of the bitter mixed in with the sweet and this is true in this instance. As you know, the House of Representatives passed a postal rate bill with an amendment which prohibited the free distribution of Communist propaganda in this country. I was a cosponsor of this amendment, and when the matter was before the House debated in favor of it, and had introduced, previous to that time, a bill prohibiting the free distribution of Communist literature by the Post Office Department to the citizens of the United States. Now the Senate version of the bill has watered down this amendment. The amendment as passed by the Senate puts into effect substantially the same Executive order that had existed throughout the Eisenhower administration—prohibiting the indiscriminate and free distribution of Communist literature in this country. This order was rescinded by President Kennedy allowing tons of subversive material to reach all citizens at the expense of the American taxpayer.

Now the Senate bill will again reinstate this Executive order; however, it will allow all Communist literature addressed to any particular individual to be delivered if he so desires and it will continue to deliver such propaganda to universities, Government agencies, libraries, and so forth, all at the expense of the American taxpayer.

Americans throughout the country are calling on Congress to end this subsidy given Communist propaganda. The time for the House of Representatives to act on this serious problem is now and to put an end to this unholy situation. If we are going to ask the American taxpayer to pay higher postal rates how, in good conscience, can we do this and not put a stop to the free delivery and subsidization of this trash? To ask the American taxpayer to pay increased postal rates while at the same time permitting this Red propaganda to be distributed in this country free of charge is sheer hypocrisy.

If the free distribution of this propaganda were stopped, an increase in first-class rates would not be needed. To argue as the Post Office Department does that because we send out more mail than we receive is not a valid reason for continuing to accept Red propaganda. To accept such an argument is tantamount to saying that because we send out larger quantities of perfume we should continue to accept smaller quantities of poisonous gas. So I would urge my colleagues, particularly those members of the conference committee, to insist that the House version, or House amendment to prohibit the free distribution of Communist propaganda, be included in the conference report and here again is another reason for voting to suspend the rules to consider this bill in conference because, if we do not consider this bill in this manner then there will be no valid Executive order or law prohibiting this distribution of Communist mail and it will continue to be delivered to the citizens and youth of this country at the expense of the taxpayer.

Again, Mr. Speaker, I urge my colleagues to vote in the affirmative on this motion.

Mr. MURRAY. Mr. Speaker, I yield the balance of the time to the gentleman from Louisiana [Mr. MORRISON].

Mr. MORRISON. Mr. Speaker and Members of the House, I am sure all of us realize that Congress is not going to be in session very much longer. We all are realists and we all know that unless this suspension of the rules is voted by a two-third vote, the pay legislation for Federal postal employees and classified employees will be killed and dead for this session. We further know that the legislation for increased rates for postage will also be killed if this bill is not sent to conference. We know it would be impossible to send this bill with the Congress closing in these last remaining few days to the Committee on Rules with the idea of expecting favorable consideration and being returned in time for the consideration of the House under a rule.

I might say, we had a very, very important bill that our committee passed out several weeks ago on retirement. On September 21 I wrote to the chairman of the Committee on Rules and all the members of the Committee on Rules and asked them please to grant us a hearing on this retirement bill that we had passed out of our committee, and up to the present time the Rules Committee has not granted our committee chairman, or myself as vice chairman, an opportunity to be heard on this very important retirement bill.

So it boils down to this, that the House committee has passed out a pay bill providing salary increases for 2½ million Federal employees and so has the Senate.

Mr. BECKER. Mr. Speaker, will the gentleman yield for a brief question?

Mr. MORRISON. I yield.

Mr. BECKER. The gentleman will concede, however, that this obnoxious situation was not created by the Republican side of the aisle but that side of the aisle.

Mr. MORRISON. Well, I will not agree to that. I think that is your opinion, and not mine.

Mr. BECKER. The gentleman's side has control of this and not this side.

Mr. MORRISON. Mr. Speaker, I refuse to yield further because I do not have enough time. But you know as well as I do that if you are in favor of the Federal employees getting a pay raise and if you are in favor of action on the postal rate increase legislation, the thing to do is to vote to suspend the rules and send this bill to conference. That will enable the conferees to work out all differences. All this legislation has been passed by the full committee of the House and has been passed by the full committee of the Senate. If you are against the Federal employees and the postal workers getting a pay raise in this session of the Congress, then you vote against this suspension. If you are in favor of a Federal pay raise for Federal employees, including the postal employees, then you will vote yea to suspend the rules and send this to conference, a procedure which is followed almost every day during the closing days of the session of Congress. There is nothing unusual about this and there is nothing different about it. This is the customary procedure. The time is late, and if you want to send this legislation to conference, then you have to vote for this motion to suspend the rules by a two-thirds vote.

Mr. DANIELS. Mr. Speaker, I hope the House will suspend the rules and send this bill, H.R. 7927, to conference. The House has fully considered the postal rate increase bill and passed it by an overwhelming vote. The Senate also has fully debated the bill and added an amendment relative to pay raises for Federal employees and increased benefits for retirees. The latter amendment does not grant the increases in salaries approved by the House Post Office and Civil Service Committee, but it appears to be a reasonable compromise. I regret that a parliamentary technicality prevents full debate of the salary increases in this House. However, the testimony before the House committee was convincingly clear that a pay raise for postal workers and classified employees was 18 months overdue. The Senate amendment provides increases less than those approved in the House. It appears to me that these Federal employees should not be penalized any longer, and I urge that the rules be suspended and the bill sent to conference.

Mr. JOELSON. Mr. Speaker, I will support the motion to suspend the rules and send the postal bill to conference. I am concerned that legislative maneuvering is being used as an excuse to deny Federal employees the pay increases they so well deserve.

Although I feel the rate increases for second- and third-class mails are inadequate, I will support the total bill if the conference retains the pay increase provisions which I strongly endorse.

Mr. ADDABBO. Mr. Speaker, I believe that the underpaid, dedicated, Federal employees have waited too long for their overdue adjustment of wages.

Though we may not agree fully with the procedures being followed today I believe we must and should take whatever steps needed to expedite this increase of salary and annuities.

Extensive hearings have been held by the Post Office and Civil Service Committee, of which I am a member, which clearly proved that these increases are necessary and long overdue.

Mr. BURKE of Massachusetts. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. BURKE of Massachusetts. Mr. Speaker, I highly commend the distinguished Speaker of the House for his fine leadership in enacting H.R. 7927, the postal and Government employee pay bill.

It was a privilege for me to work for and give my vigorous support to this meritorious bill and I trust our action today will move the measure to early final passage and enactment.

The bill is fair, equitable, and helpful to many efficient employees of the Federal Government and its passage will be applauded and approved by the country.

I therefore urge that the rules be suspended and the bill be passed so that it may become law before the session ends.

Mr. PHILBIN. Mr. Speaker, I am gratified that the pay bill for faithful postal and Government employees has been brought to the floor of the House for immediate action, under suspension of the rules.

I think the illustrious Speaker has exhibited great wisdom and loyalty to principle in scheduling this vital bill at this time under our suspension procedures. Otherwise, there certainly would be a good chance that, like other worthy pieces of legislation, this commendable and necessary bill might have been lost, or blocked, in the confusion that attends the end of the session.

I do not desire at this time, Mr. Speaker, to elaborate on my views on the bill that are well known to my constituency and many splendid employees of Government, whom this measure will affect.

I believe that Congress has a duty at all times to make sure that postal workers and Federal employees are well paid and generously treated. This Government cannot fall behind private industry in providing decent pay scales and standards for capable, efficient Government workers, who are entitled to receive adequate, generous compensation, and other accompanying benefits, for their splendid service to the Government and the American people.

It is with pride and satisfaction that I will support the passage of the bill.

I am happy indeed to urge favorable immediate action on this fine bill and to cast my vote in favor of it, because I know that it is not only in the interest of many persons concerned, but also in the interest of efficient, economic Government service for the American people.

The SPEAKER. The time of the gentleman from Louisiana has expired. All time has expired.

The question is on the motion to suspend the rules and agree to the resolution.

The question was taken.

Mr. JOHANSEN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. The Chair will count. [After counting.] Two hundred and five Members are present, not a quorum.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 327, nays 22, not voting 86, as follows:

[Roll No. 255]

YEAS—327

Abernethy
Adair
Addabbo
Albert
Alford
Andersen,
  Minn.
Anderson, Ill.
Andrews
Ashbrook
Ashley
Ashmore
Auchincloss
Ayres
Bailey
Baker
Baldwin
Baring
Barrett
Barry
Bass, Tenn.
Bates
Battin
Becker
Beckworth
Bennett, Fla.
Boggs
Boland
Bolton
Bonner
Bow
Brademas
Bray
Breeding
Brewster
Bromwell
Brooks, Tex.
Broomfield
Brown
Broyhill
Bruce
Buckley
Burke, Mass.
Byrne, Pa.
Byrnes, Wis.
Cahill
Casey
Cederberg
Chamberlain
Chelf
Chenoweth
Chiperfield
Church
Clancy
Clark
Coad
Cohelan
Collier
Colmer
Conte
Cook
Cooley
Corbett
Corman
Cramer
Cunningham
Curtin
Curtis, Mass.
Dague
Daniels
Davis,
  James C.
Davis, John W.
Davis, Tenn.
Dawson
Delaney
Dent
Denton
Derounian
Derwinski
Devine
Dingell
Dole
Donohue
Dorn
Dowdy
Downing
Doyle
Dulski
Durno
Dwyer
Edmondson
Elliott
Ellsworth
Everett
Fallon
Fascell
Fenton
Findley
Finnegan
Fino
Flood
Flynt
Fogarty
Forrester
Fountain
Frelinghuysen
Friedel
Fulton
Gallagher
Garmatz
Gary
Gavin
Giaimo
Gilbert
Glenn
Gonzalez
Goodling
Granahan
Grant
Green, Oreg.
Green, Pa.
Griffin
Griffiths
Gubser
Hagan, Ga.
Hagen, Calif.
Haley
Halleck
Halpern
Harding
Hardy
Harrison, Wyo.
Harsha
Harvey, Mich.
Hays
Healey
Hechler
Hemphill
Henderson
Herlong
Hoeven
Holifield
Holland
Horan
Hosmer
Huddleston
Jarman
Jennings
Jensen
Joelson
Johnson, Calif.
Johnson, Md.
Jones, Ala.
Judd
Karsten
Karth
Kastenmeier
Kearns
Kelly
Keogh
King, Calif.
King, N.Y.
King, Utah
Kirwan
Kluczynski
Knox
Kornegay
Kowalski
Kunkel
Laird
Landrum
Lane
Langen
Lankford
Latta
Lennon
Lesinski
Libonati
Lindsay
Loser
McCulloch
McFall
McMillan
Macdonald
MacGregor
Mack
Madden
Mahon
Mailliard
Marshall
Martin, Mass.
Mason
Mathias
Matthews
May
Meader
Miller, N.Y.
Milliken
Mills
Minshall
Moeller
Monagan
Montoya
Moore
Moorhead, Pa.
Morgan
Morris
Morrison
Morse
Moss
Moulder
Multer
Murphy
Murray
Natcher
Nedzi
Nelsen
Nix
Norblad
Norrell
Nygaard
O'Brien, N.Y.
O'Hara, Ill.
O'Hara, Mich.
O'Konski
Olsen
O'Neill
Ostertag
Passman
Patman
Pelly
Perkins
Peterson
Pfost
Philbin
Pike
Pilcher
Pillion
Pirnie
Poff
Powell
Price
Purcell
Quie
Randall
Reece
Reuss
Rhodes, Ariz
Rhodes, Pa.
Riehlman
Riley
Rivers, Alaska
Rivers, S.C.
Roberts, Ala.
Roberts, Tex.
Robison
Rodino
Rogers, Colo.
Rogers, Fla.
Rooney
Roosevelt
Rosenthal
Rostenkowski
Roudebush
Roush
Rutherford
Ryan, Mich.
Ryan, N.Y.
St. George
St. Germain
Santangelo
Saylor
Schadeberg
Schenck
Schneebeli
Schweiker
Schwengel
Scott
Selden
Shelley
Shriver
Sibal
Sisk
Slack
Smith, Calif.
Smith, Iowa
Smith, Miss.
Spence
Springer
Stafford
Staggers
Steed
Stephens
Stratton
Stubblefield
Sullivan
Teague, Calif.
Teague, Tex.
Thomas
Thompson, La.
Thompson, N.J.
Thompson, Tex.
Thomson, Wis.
Thornberry
Toll
Trimble
Udall, Morris K.
Ullman
Vanik
Van Zandt
Waggonner
Wallhauser
Walter
Weaver
Westland
Wharton
Whitener
Whitten
Widnall
Williams
Wilson, Calif.
Wilson, Ind.
Winstead
Wright
Young
Younger
Zablocki
Zelenko

NAYS—22

Abbitt
Alger
Avery
Beermann
Burleson
Cannon
Curtis, Mo.
Fisher
Ford
Gathings
Gross
Harrison, Va.
Johansen
Jonas
Jones, Mo.
Kilgore
Lipscomb
Poage
Ray
Smith, Va.
Taber
Tuck

NOT VOTING—86

Alexander
Anfuso
Arends
Aspinall
Bass, N.H.
Belcher
Bell
Bennett, Mich.
Berry
Betts
Blatnik
Blitch
Bolling
Boykin
Burke, Ky.
Carey
Celler
Daddario
Diggs
Dominick
Dooley
Evins
Farbstein
Feighan
Frazier
Garland
Goodell
Gray
Hall
Hansen
Harris
Harvey, Ind.
Hébert
Hiestand
Hoffman, Ill.
Hoffman, Mich.
Hull
Ichord, Mo.
Inouye
Johnson, Wis.
Kee
Keith
Kilburn
Kitchin
Kyl
McDonough
McDowell
McIntire
McSween
McVey
Magnuson
Martin, Nebr.
Merrow
Michel
Miller, Clem
Miller,
  George P.
Moorehead,
  Ohio
Mosher
O'Brien, Ill.
Osmers
Pucinski
Rains
Reifel
Rogers, Tex.
Rousselot
Saund
Scherer
Scranton
Seely-Brown
Sheppard
Shipley
Short
Sikes
Siler
Taylor
Tollefson
Tupper
Utt
Van Pelt
Vinson
Watts
Weis
Whalley
Wickersham
Willis
Yates

So (two-thirds having voted in favor thereof) the rules were suspended and the resolution was agreed to.

The Clerk announced the following pairs:

Mr. Hébert with Mr. Arends.

Mr. Daddario with Mr. Reifel.

Mr. Aspinall with Mr. Michel.

Mr. McSween with Mr. Bennett of Michigan.

Mr. Anfuso with Mr. Dominick.

Mr. Alexander with Mr. Osmers.

Mr. Taylor with Mr. Utt.

Mr. Rains with Mr. Siler.

Mr. Willis with Mr. Betts.

Mr. Carey with Mr. Martin of Nebraska.

Mr. Farbstein with Mr. Kilburn.

Mr. Celler with Mrs. Weis.

Mr. Feighan with Mr. Bell.

Mr. Pucinski with Mr. Mosher.

Mr. Rogers of Texas with Mr. Whalley.

Mr. Kitchin with Mr. McIntire.

Mr. Shipley with Mr. Kyl.

Mr. Sikes with Mr. Hall.

Mr. Inouye with Mr. Rousselot.

Mr. Hull with Mr. McDonough.

Mr. Burke of Kentucky with Mr. Harvey of Indiana.

Mr. Gray with Mr. Belcher.

Mr. Magnuson with Mr. Tollefson.

Mr. George P. Miller with Mr. Hiestand.

Mr. Johnson of Wisconsin with Mr. Van Pelt.

Mr. Blatnik with Mr. Berry.

Mr. O'Brien of Illinois with Mr. McVey.

Mr. Evins with Mr. Hoffman of Illinois.

Mr. Ichord of Missouri with Mr. Keith.

Mr. Sheppard with Mr. Scranton.

Mr. Watts with Mr. Goodell.

Mr. Yates with Mr. Moorehead of Ohio.

Mr. McDowell with Mr. Hoffman of Michigan.

Mr. Diggs with Mr. Scherer.

Mr. Clem Miller with Mr. Garland.
Mrs. Hansen with Mr. Tupper.
Mr. Vinson with Mr. Seely-Brown.
Mr. Wickersham with Mr. Dooley.
Mr. Harris with Mr. Merrow.
Mr. Frazier with Mr. Bass of New Hampshire.

The result of the vote was announced as above recorded.

The doors were opened.

A motion to reconsider was laid on the table.

The SPEAKER. The Chair appoints the following conferees: Messrs. MURRAY, MORRISON, and CORBETT.

Mr. MORRISON. Mr. Speaker, I ask unanimous consent that all Members be permitted to extend their remarks following my remarks on the resolution just agreed to.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

APPOINTMENT OF CONFEREE

Mr. BONNER. Mr. Speaker, I ask unanimous consent that the gentleman from Washington [Mr. TOLLEFSON] be excused as a conferee on the bill (H.R. 11586) to amend section 2 of the Merchant Marine Act, 1936, as amended.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The SPEAKER. The Chair appoints the gentleman from California [Mr. MAILLIARD] as a conferee on the bill H.R. 11586, vice the gentleman from Washington [Mr. TOLLEFSON].

CONSERVATION OF TROPICAL TUNA

Mr. SELDEN. Mr. Speaker, I move to suspend the rules and pass the bill (S. 2568) to amend the act of September 7, 1950, to extend the regulatory authority of the Federal and State agencies concerned under the terms of the Convention for the Establishment of an Inter-American Tropical Tuna Commission, signed at Washington May 31, 1949, and for other purposes, with amendments.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2 of the Act entitled "Tuna Conventions Act of 1950" (16 U.S.C. 951) is amended by repealing subsection (e) in its entirety and substituting therefor a new subsection (e) as follows:

"(e) 'United States' shall include all areas under the sovereignty of the United States, the Trust Territory of the Pacific Islands, and the Canal Zone."

SEC. 2. Section 6 of the Act entitled "Tuna Conventions Act of 1950" (16 U.S.C. 955) is amended by striking out the phrase "head of the enforcement agency" where it appears once each in subsections (a) and (b) and inserting in lieu thereof in both places the term "Secretary of the Interior," and by adding a new subsection (c) immediately following subsection (b), as follows:

"(c) Regulations required to carry out recommendations of the commission made pursuant to paragraph 5 of article II of the Convention for the Establishment of an Inter-American Tropical Tuna Commission shall be promulgated as hereinafter provided by the Secretary of the Interior upon approval of such recommendations by the Secretary of State and the Secretary of the Interior. The Secretary of the Interior shall cause to be published in the Federal Register a general notice of proposed rulemaking and shall afford interested persons an opportunity to participate in the rulemaking through (1) submission of written data, views, or arguments, and (2) oral presentation at a public hearing. Such regulations shall be published in the Federal Register and shall be accompanied by a statement of the considerations involved in the issuance of the regulations. After publication in the Federal Register such regulations shall be applicable to all vessels and persons subject to the jurisdiction of the United States on such date as the Secretary of the Interior shall prescribe, but in no event prior to an agreed date for the application by all countries whose vessels engage in fishing for species covered by the convention in the regulatory area on a meaningful scale, in terms of effect upon the success of the conservation program, of effective measures for the implementation of the commission's recommendations applicable to all vessels and persons subject to their respective jurisdictions. The Secretary of the Interior shall suspend at any time the application of any such regulations when, after consultation with the Secretary of State and the United States Commissioners, he determines that foreign fishing operations in the regulatory area are such as to constitute a serious threat to the achievement of the objectives of the commission's recommendations. The regulations thus promulgated may include the selection for regulation of one or more of the species covered by the convention; the division of the convention waters into areas; the establishment of one or more open or closed seasons as to each area; the limitation of the size of the fish and quantity of the catch which may be taken from each area within any season during which fishing is allowed; the limitation or prohibition of the incidental catch of a regulated species which may be retained, taken, possessed, or landed by vessels or persons fishing for other species of fish; the requiring of such clearance certificates for vessels as may be necessary to carry out the purposes of the convention and this Act; and such other measures incidental thereto as the Secretary of the Interior may deem necessary to implement the recommendations of the commission: *Provided,* That upon the promulgation of any such regulations the Secretary of the Interior shall promulgate additional regulations, with the concurrence of the Secretary of State, which shall become effective simultaneously with the application of the regulations hereinbefore referred to (1) to prohibit the entry into the United States, from any country when the vessels of such country are being used in the conduct of fishing operations in the regulatory area in such manner or in such circumstances as would tend to diminish the effectiveness of the conservation recommendations of the commission, of fish in any form of those species which are subject to regulation pursuant to a recommendation of the commission and which were taken from the regulatory area; and (2) to prohibit entry into the United States, from any country, of fish in any form of those species which are subject to regulation pursuant to a recommendation of the commission and which were taken from the regulatory area by vessels other than those of such country in such manner or in such circumstances as would tend to diminish the effectiveness of the conservation recommendations of the commission. In the case of repeated and flagrant fishing operations in the regulatory area by the vessels of any country which seriously threaten the achievement of the objectives of the commission's recommendations, the Secretary of the Interior, with the concurrence of the Secretary of State, may, in his discretion, also prohibit the entry from any such country of such other species of tuna, in any form, as may be under investigation by the commission and which were taken in the regulatory area. The aforesaid prohibitions shall continue until the Secretary of the Interior is satisfied that the condition warranting the prohibition no longer exists, except that all fish in any form of the species under regulation which were previously prohibited from entry shall continue to be prohibited from entry."

SEC. 3. Section 7 of the Act entitled "Tuna Conventions Act of 1950" (16 U.S.C. 956) is amended by deleting the section in its entirety and substituting in lieu thereof the following:

"SEC. 7. Any person authorized to carry out enforcement activities under this Act and any person authorized by the commissions shall have power without warrant or other process, to inspect, at any reasonable time, catch returns, statistical records, or other reports as are required by regulations adopted pursuant to this Act to be made, kept, or furnished."

SEC. 4. Section 8 of the Act entitled "Tuna Conventions Act of 1950" (16 U.S.C. 957) is amended by deleting the section in its entirety and substituting in lieu thereof the following:

"SEC. 8. (a) It shall be unlawful for any master or other person in charge of a fishing vessel of the United States to engage in fishing in violation of any regulation adopted pursuant to section 6(c) of this Act, or for any person knowingly to ship, transport, purchase, sell, offer for sale, import, export, or have in custody, possession, or control any fish taken or retained in violation of such regulations.

"(b) It shall be unlawful for the master or any person in charge of any fishing vessel of the United States or any person on board such vessel to fail to make, keep, or furnish any catch returns (statistical records, or other reports as are required by regulations adopted pursuant to this Act to be made, kept, or furnished); or to fail to stop upon being hailed by a duly authorized official of the United States; or to refuse to permit the duly authorized officials of the United States or authorized officials of the commissions to board such vessel or inspect its catch, equipment, books, documents, records, or other articles or question the persons on board in accordance with the provisions of this Act, or the convention, as the case may be.

"(c) It shall be unlawful for any person to import, in violation of any regulation adopted pursuant to section 6(c) of this Act, from any country, any fish in any form of those species subject to regulation pursuant to a recommendation of the commission, or any tuna in any form not under regulation but under investigation by the commission, during the period such fish have been denied entry in accordance with the provision of section 6(c) of this Act. In the case of any fish as described in this subsection offered for entry into the United States, the Secretary of the Interior shall require proof satisfactory to him that such fish is not ineligible for such entry under the terms of section 6(c) of this Act.

"(d) Any person violating any provision of subsection (a) of this section shall be fined not more than $25,000, and for a subsequent violation of any provisions of said subsection (a) shall be fined not more than $50,000.

"(e) Any person violating any provision of subsection (b) of this section shall be fined not more than $1,000, and for a subsequent violation of any provision of subsection (b) shall be fined not more than $5,000.

"(f) Any person violating any provision of subsection (c) of this section shall be fined not more than $100,000.

"(g) All fish taken or retained in violation of subsection (a) of this section, or the monetary value thereof, may be forfeited.

"(h) All provisions of law relating to the seizure, judicial forfeiture, and condemnation of a cargo for violation of the customs laws, the disposition of such cargo or the proceeds from the sale thereof, and the remission or mitigation of such forfeitures shall apply to seizures and forfeitures incurred, or alleged to have been incurred, under the provisions of this Act, insofar as such provisions of law are applicable and not inconsistent with the provisions of this Act."

SEC. 5. Section 10 of the Act entitled "Tuna Conventions Act of 1950" (16 U.S.C. 959) is amended by deleting the section in its entirety and substituting in lieu thereof the following:

"SEC. 10. (a) The judges of the United States district courts and United States commissioners may, within their respective jurisdictions, upon proper oath or affirmation showing probable cause, issue such warrants or other process as may be required for enforcement of this Act and the regulations issued pursuant thereto.

"(b) Enforcement of the provisions of this Act and the regulations issued pursuant thereto shall be the joint responsibility of the United States Coast Guard, the United States Department of the Interior, and the United States Bureau of Customs. In addition, the Secretary of the Interior may designate officers and employees of the States of the United States, of the Commonwealth of Puerto Rico, and of American Samoa to carry out enforcement activities hereunder. When so designated, such officers and employees are authorized to function as Federal law enforcement agents for these purposes.

"(c) Any person authorized to carry out enforcement activities hereunder shall have the power to execute any warrant or process issued by any officer or court of competent jurisdiction for the enforcement of this Act.

"(d) Such person so authorized shall have the power—

"(1) with or without a warrant or other process, to arrest any persons subject to the jurisdiction of the United States at any place within the jurisdiction of the United States committing in his presence or view a violation of this Act or the regulations issued thereunder;

"(2) with or without a warrant or other process, to search any vessel subject to the jurisdiction of the United States, and, if as a result of such search he has reasonable cause to believe that such vessel or any person on board is engaging in operations in violation of the provisions of this Act or the regulations issued thereunder, then to arrest such person.

"(e) Such person so authorized may seize, whenever and wherever lawfully found, all fish taken or retained in violation of the provisions of this Act or the regulations issued pursuant thereto. Any fish so seized may be disposed of pursuant to the order of a court of competent jurisdiction, pursuant to the provisions of subsection (f) of this section or, if perishable, in a manner prescribed by regulations of the Secretary of the Interior.

"(f) Notwithstanding the provisions of section 2464 of title 28 of the United States Code, when a warrant of arrest or other process in rem is issued in any cause under this section, the marshal or other officer shall stay the execution of such process, or discharge any fish seized if the process has been levied, on receiving from the claimant of the fish a bond or stipulation for the value of the property with sufficient surety to be approved by a judge of the district court having jurisdiction of the offense, conditioned to deliver the fish seized, if condemned, without impairment in value or, in the discretion of the court, to pay its equivalent value in money or otherwise to answer the decree of the court in such cause. Such bond or stipulation shall be returned to the court and judgment thereon against both the principal and sureties may be recovered in event of any breach of the conditions thereof as determined by the court. In the discretion of the accused, and subject to the direction of the court, the fish may be sold for not less than its reasonable market value and the proceeds of such sale placed in the registry of the court pending judgment in the case."

SEC. 6. Nothing in this Act shall be construed to amend or repeal the provisions of section 4311 of the Revised Statutes, as amended (46 U.S.C. 251).

The SPEAKER. Is a second demanded?

Mr. JUDD. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. SELDEN. Mr. Speaker, S. 2568 is a bill to amend the Tuna Conventions Act of 1950. It is designed to further the conservation of tuna in an area of the eastern Pacific Ocean extending from San Francisco on the north to Valparaiso, Chile, on the south.

S. 2568 authorizes the Secretary of the Interior to issue regulations to control the amount of tuna caught by U.S. citizens and vessels in the area. It also provides certain authority to impose embargoes against the importation into the United States of tunafish caught in violation of the conservation regulations, and provides various penalties for other acts in violation of the regulations.

These regulations will be developed and based on recommendations of the Inter-American Tropical Tuna Commission. The Commission was created by a convention negotiated between the United States and Costa Rica in 1949. Panama and Ecuador are now members and Colombia has signified an interest in joining.

The Commission's primary function is the gathering and interpretation of factual information to facilitate maintaining the maximum sustainable yield of yellowfin and skipjack tuna in the convention area. It has been gathering and analyzing scientific information concerning tuna for almost 12 years and from its findings has developed specific recommendations for limiting and controlling the catch of yellowfin in the area. Under the Tuna Convention Act which was passed in 1950 no provision was made to give the necessary authority to the Secretary of the Interior or others to act on any conservation recommendations which the Commission might make. This bill is intended to correct that oversight.

Briefly, the principal difference between the conservation measures proposed by this bill and the traditional conservation measure is that this bill is aimed at preventing overfishing rather than restoring the resource after it has been overfished. Under the recommendations of the Commission, the annual quota for yellowfin tuna to be caught during 1962 is 83,000 tons, 78,000 tons of which would be allowable for regular fishing activities, and 5,000 tons allotted as incidental catch to other fishing activities.

The estimated cost to the U.S. Government to cover the enforcement activities which would result from this legislation is $75,000 annually. The enforcement program will be carried out shoreside, supplemented to a small extent by surveys at sea.

Mr. JUDD. Mr. Speaker, I yield myself 2 minutes.

Mr. Speaker, I rise in support of this bill, S. 2568. It merely provides authority to the Secretary of the Interior to issue and enforce regulations for controlling the catch of tuna in an area identified in a convention that our Government has entered into with Costa Rica. This is a conservation measure, Mr. Speaker, and is designed to protect the tuna supply in a large fishing area in the eastern Pacific for the benefit of our fishermen and consumers as well as the fishermen and consumers of other countries.

The regulations to be issued will be in accordance with the recommendations of the Inter-American Tropical Tuna Commission, which was established by the convention between the United States and Costa Rica.

This Commission has been scientifically studying this matter for some 12 years, but as the chairman of the subcommittee, the gentleman from Alabama, has said, the original provisions did not authorize the Secretary of the Interior to take steps to implement the recommendations. That is what this bill will do. I am sure it will be beneficial to the whole fishing industry and to our own tuna industry.

I recommend the adoption of the bill.

Mr. Speaker, I yield 5 minutes to the gentleman from California [Mr. WILSON].

Mr. WILSON of California. Mr. Speaker, I want to compliment the Committee on Foreign Affairs and particularly the chairman of the subcommittee, our colleague, the gentleman from Alabama [Mr. SELDEN], for the thoroughness of the hearing he held on this very important legislation.

Conservation, of course, is vital. In an important segment of the fishing industry like the tuna fisheries, it is essential and is vitally needed. I was very much distressed, however, when the subcommittee felt that it could not take action on a request of representatives of the American Tunaboat Association, which represents the bulk of the high seas tuna fishing fleet. They requested sanctions in the bill against those Latin American countries which are harassing tuna fishermen operating outside the 3-mile limit off the coast of Central and South America. An amendment was proposed by Mr. Felando of the American Tunaboat Association to provide an embargo. The committee decided against it, and I am sorry they did. I recognize that they gave full consideration to Mr. Felando's arguments, but I feel Mr. Felando was desperately attempting to point out the plight of the tuna fishing fleet as it is being harassed in South American waters. I do not believe the State Department really knows what is going on in South America with regard to the harassment of our tuna fleet. As a matter of fact, the Deputy Assistant Secretary of State for Inter-American Affairs, Mr. Herbert G. May, testified, and I quote:

> There have been remarkably few cases to my knowledge where any of these countries have taken any action against U.S. tuna vessels.

As a matter of fact there was so much harassment over the years that this body and the Senate passed Fisherman's Protective Act; and even in spite of that act the harassment has continued.

I have in my hand a list of 50 cases of harassment of American fishing vessels outside of the legal 3-mile limit in South American waters, and I ask unanimous consent to include this as part of my remarks.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The matter referred to follows:

The following information is based upon official business records of the American Tunaboat Association, upon affidavits of masters of tuna clippers, and upon verbal reports received by the undersigned from other masters and managing owners of tuna clippers.

Name of vessel	Date	Location	Remarks
MV Marico	Sept. 15, 1951	Puerto Bolivar, Ecuador	Seized by Ecuadoran frigate *Guayas*. Vessel was entering port because of repairs. Vessel was fined $5,500.
MV Tesoro Del Mar	November 1951		Seized by Ecuadorans, vessel was of Panamanian registry, no information available.
MV Notre Dame	Nov. 4, 1951	5.1 miles west-northwest of Isla de la Plata, Ecuador.	Vessel seized while en route to fishing banks in high seas off Peru. Vessel fined $8,000, released after fine paid under protest.
MV Sun Pacific	July 30, 1952	1°52″ south latitude 81°4″ west longitude (18 miles off coast of Ecuador).	Vessel released Aug. 18, 1952, upon deposit of cash bond of $11,600.
MV Equator	July 31, 1952	0°52″ south latitude 81°3″ west longitude (12 to 13 miles off coast of Ecuador).	Vessel in possession of Ecuadoran fishing license issued in Panama. Vessel paid $1,000, released after being in custody 3 weeks.
MV Venus	April 1952	Off coast of Colombia	Vessels seized and taken into port of Buenaventura. (Reference: El Tiempo, Newspaper in Bogota, Colombia, dated July 25, 1952).
MV Cesare Augustus	do	do	
MV Jackie Sue	do	do	
MV Lina B	do	Off coast of Colombia, beyond 3 miles.	
MV American Beauty	Aug. 9, 1952	El Salvadore	Seizure of vessel, no other facts available.
MV Martin B	Oct. 21, 1952	Ecuador, 00° north latitude 80°43″ west longitude.	Ecuadoran merchant vessel *Rio Guayas* attempted to stop and board vessel, but *Martin B.* did not stop or permit boarding.
MV Starcrest	May 20, 1953	Panama	Fine imposed and paid $3,000 for vessel and bail for crew in the amount of $2,000.
MV Conte Bianco	Mar. 1, 1954	Galapagos Islands, Ecuador	Vessel boarded by naval officers. Vessel had purchased Ecuadoran fishing license. Vessel charged with failure to clear vessel and vessel assessed penalty, $8,848.50.
MV Santa Rosa	do	do	Assessed penalty, $9,040.50; same as above.
MV Helen Ann	do	do	$9,040.50; same as above.
MV Bernadette	do	do	Vessel boarded and documents inspected by naval officers of Ecuadoran patrol vessel *Bae Manabi*. Fined $10,240.50.
MV Conte Di Savoia	do	do	Abandonment of Ecuadoran waters without presenting for inspection of the captain of the port, the fishing license as well as other pertinent documents; $9,088.50.
MV Sun Beam	Apr. 14, 1954	In waters between port of Salinas and Santa Clara Island, Ecuador.	Seized by Ecuadoran patrol vessel *El Oro*. Fine imposed (amount unknown). Vessel in distress at time of seizure.
MV Venus	June 1954	Ecuador	No further information.
MV Sun Streak	Sept. 4, 1954	3°15′ south latitude 80°54′ west longitude (12 miles west of Santa Clara Island, Ecuador).	Seized by patrol vessel *Bae Manabi*. Fine imposed, $12,000.
MV Belle of Portugal	Sept. 25, 1954	San Cristobal, Galapagos Islands, Ecuador.	Charged that in July, this vessel was sighted 12 miles off Manta, Ecuador, during July. Vessel released after boarding by naval officers.
MV Portuguesa	Nov. 19, 1954	31 miles, 304 degrees true from Foca Island, Peru.	Peruvian cutter D-3 *Rodriguez* advised master to come aboard immediately or "we will sink you." Master refused, vessel continued to operate 3 miles off the coast.
MV Invader	Nov. 14, 1954	23 miles southwest of Foca Islands, Peru.	Boarded by Peruvian naval vessel, and request for fishing license. Released and told to get license from Peruvian consul in Los Angeles.
MV Renoun	do	4°47″ south latitude 81°28″ west longitude, about 15 miles off coast of Peru.	Boarded by Peruvian naval vessel D-2 *Aguirre*. Advised to proceed 200 miles off coast.
MV Seafarer [1]	do	4°58″ south latitude 81°37″ west longitude.	Same as above.
MV Stanford	Feb. 18, 1955	Off the coast of Peru, beyond 3 miles	Seized and fined $2,000. Taken into port of Talara.
MV E.S. Lucido	do	do	Do.
MV Miss Universe	do	do	Do.
MV Marsha Ann	do	do	Do.
MV Alaska Reefer	do	do	Do.
MV Sea King	do	do	Do.
MV Tony B	Jan. 18, 1955	Entered port of Callao, Peru	*Tony B.* had engine trouble.
MV Western Clipper	do	do	Sick crewmember aboard the *Western Clipper*.
MV Artic Maid	Mar. 27, 1955	35 miles off the coast of Ecuador	Vessel stopped, shot at, Chief Engineer William Peck severely wounded. Vessel impounded.
MV Santa Anna	do	do	Vessel seized.
MV Magellan	Mar. 26, 1955	25 miles off the coast of Ecuador	Vessel boarded and inspected then released.
MV Western Pride	do	do	Do.
MV Katie Lou	Nov. 25, 1955	3°4″ south latitude, 80°43″ west longitude (18 miles from Santa Clara Island, Gulf of Guayaquil, Ecuador.	Seized and taken into port of Guayaquil. Released Nov. 28, 1955.
MV Historic	Jan. 20, 1956	2°48″ south latitude, 80°40″ west longitude (about 18 miles from the coast of Ecuador).	Vessel stopped by Ecuadoran naval vessel *Atahualpa*, ordered to proceed to nearest port. Ship's documents taken and then vessel released.
MV Santa Anita	do	do	Vessel stopped by Ecuadoran naval vessel *Atahualpa*, ship's documents taken, and then vessel released.
MV Commodore ATA sent letter dated Feb. 8, 1956, to the Secretary of State, outlining the above events.	Jan. 29, 1956	32 miles, 280° true from Cape Pasado, Ecuador.	Vessel stopped by Ecuador patrol vessel, *President Velasco*, detained 1 hour, boarded by armed personnel. Released after search indicated no bait.
MV Normandie	Dec. 13, 1957	19°45″ south latitude, 70°37″ west longitude (20 to 25 miles off the coast of Chile).	Chilean airplane shot across the bow of vessel, ordered vessel to go into port of Iqueque. Other vessels in vicinity: *Chicken of the Sea*, *Starcrest*, *Southern Pacific*, and *Excalibur*. Total fine imposed, $6,000.
MV Shamrock	Feb. 7, 1961	Off coast of Ecuador beyond 3 miles	Ecuadoran gunboat stops vessel, master of *Shamrock* leaves his vessel and shows documents to patrol boat.
Do	Mar. 21, 1961	11.9 miles off island in Gulf of Panama.	Vessel seized, crew and master imprisoned. Paid $2,500 fine plus costs. At time of seizure vessel having mechanical problems and under repair.
NV Normandie	May 1961	11 miles off Manta, Ecuador	Vessel stopped, fishing activities interrupted, master left and boarded Ecuadoran patrol vessel. License and other ship's documents inspected. Vessel permitted to continue fishing. 4 other vessels in vicinity.
Do	Nov. 29, 1961	15 miles west of Cape Pasado	Vessel stopped by Ecuadoran patrol boat while it was working on school of fish. Papers inspected and then vessel released.
MV Nautilus	Dec. 15, 1961	Salinas, Ecuador	Master required to pay port captain in Salinas, Ecuador, $300 to avoid trouble with authorities and fish off the coast. This vessel paid $200 for annual registration fee and $4,884 for fishing license for trip commencing on Nov. 22, 1961.

---

[1] Other vessels were boarded, but their names are unknown. Ambassador of Peru notified by letter from ATA dated Nov. 23, 1954.

Name of vessel	Date	Location	Remarks
MV Equator	Jan. 27, 1962	Sank approximately 40 miles of Gorgona Island, Colombia.	Crew used vessel's powerboat to escape to Gorgona Island. Crew denied opportunity to purchase fuel, and required to leave the small vessel at the island. After clearance from U.S. Embassy in Bogotá and Colombian authorities, MV *Cabrillo* went to Gorgona Island to pick up powerboat. At island, master of *Cabrillo* was told that powerboat would not be released. Commandant on island told him that unless the *Cabrillo* would leave, the vessel would be seized and fined. Powerboat was eventually removed from island after U.S. Embassy took further action.
MV San Joaquin	Feb. 12, 1962	Seized about 8 to 9 miles off the coast of Colombia.	Colombian patrol vessel *Arc Gorgona* seized the vessel, placed armed guards abroad. Vessel fined $2,318.20; vessel released.
MV Jo Linda	Feb. 23, 1962	4°10'' north latitude 78°10'' west longitude (25 miles off the Colombian coast).	Colombian gunboat *No. 71* came on the vessel during early morning hours, fired 12 rounds. *Jo Linda* escaped into the darkness after a 30 minute chase.
MV Saratoga	do	4°10'' north latitude 78°10'' west longtude.	Same Colombian gunboat that shot at *Jo Linda* chased *Saratoga*; darkness prevented capture.
MV Western Ace	Mar. 28, 1962	Off coast of Ecuador beyond 3 miles.	Vessel seized, held in port of Salinas for 3 days. No fine imposed.
MV Normandie	Apr. 3, 1962	00°08'' south latitude 80°59'' west longitude (28 miles west of Cape Pasado, Ecuador).	Stopped by Ecuadoran patrol vessel *Esmalda* master of *Normandie* left vessel, and showed logbook and other documents.
MV Constitution	Apr. 16, 1962	1°05' north latitude 80°21' west longitude (20 miles northwest of Punta Galera, Ecuador).	Ecuadoran patrol vessel *President Velasco* stopped vessel and requested master to leave vessel. Vessel boarded by armed personnel who checked papers and then released the vessel for fishing.
MV Normandie	Apr. 17, 1962	2°10'' south latitude 81°08'' west longitude (8 miles west of Cape San Elena, Ecuador).	Vessel was setting net, armed men from Ecuadoran patrol vessel boarded and inspected the ship's log. Master of the vessel ordered into port of Salinas. Master paid captain of port $60 and left to continue fishing.
MV Lou Jean	Apr. 28, 1962	About 15 miles off coast of El Salvador.	Vessel shot at, boarded, and seized while it was en route San Diego with load of fish caught 80 miles off Costa Rica. No fine.
MV Mauritania and Seapreme	June 1962	Peruvian coast	Vessels chased off fishing banks 25 miles off Peruvian coast by Peruvian patrol vessel.
MV White Star	Aug. 3, 1962	Beyond 3 miles off the coast of Ecuador between Manta and Isla La Plata.	Vessel seized and taken into port and held for about 5 weeks. No fine imposed.
MV Cabrillo	Aug. 6, 1962	5 miles off Isla La Plata, Ecuador	Vessel boarded by armed soldiers, and commandant of the island threatened to seize the vessel. Master gave them whisky and tuna, then vessel permitted to continue fishing.
MV Larry Roe	Aug. 24, 1962	Galapagos Islands, Ecuador	Vessel taken under custody on ground ship's papers irregular. Vessel released for fishing after few days delay. No fine imposed.
MV Evelyn R	Sept. 10, 1962	do	Vessel held under custody on ground that it abandoned islands without proper clearance, and that it unloaded fish in Panama. Released Sept. 13, 1962. No fine on vessel but master fined.

Mr. WILSON of California. Mr. Speaker, I believe that this situation is desperate. If our fleet is to function under the Tuna Conservation Act, and this harassment is continued they must have some relief from it. When a tuna clipper is kept in port in custody of some Latin American country, it negates the principle of first come, first served on the fishing grounds, and our boats are really discriminated against.

I would like at this time if I may, Mr. Speaker, to ask the chairman of the subcommittee, the gentleman from Alabama [Mr. SELDEN], if as early as possible we can have consideration of legislation that will protect the tuna fishermen in their offshore rights.

Mr. SELDEN. I certainly understand the concern of the gentleman from California and the concern of his constituents in connection with the interference with U.S. fishing vessels. I also assure him that the committee shares this concern. However, the committee did not believe that the inclusion of an amendment such as the one suggested by Mr. Felando would be an effective solution.

I will assure the gentleman, however, that should legislation be introduced early in the next session dealing with this subject, and referred to this subcommittee we will be very glad to have the gentleman appear before the subcommittee at that time.

Mr. WILSON of California. I thank the gentleman.

The jurisdiction of the committees on legislation of this type is a puzzle to me. In the case of similar legislation with regard to the salmon fisheries, the Pelly Salmon Conservation Act, it was referred to the Committee on Merchant Marine and Fisheries and they reported it out favorably. I do not know whether the gentleman's committee will have jurisdiction should such legislation be introduced next year.

However, if the gentleman will permit me, I am very much interested in the economic aid appropriation and as one suggestion for relief of the tuna fisherman it might be well for the United States to withhold economic or military aid from these countries that indulge in this harassment. That might very effectively bring about an acceptable settlement of this vexing question and I wonder should such a proposal come before his committee if the gentleman could assure me that it would be given consideration.

Mr. SELDEN. While I cannot speak for the chairman of the full Committee on Foreign Affairs, I can assure the gentleman that any time such a proposal comes before the subcommittee I will be very pleased to have him appear. The members are sincerely interested in the problem presented by the distinguished gentleman from California.

Mr. WILSON of California. I thank the gentleman for his interest.

The SPEAKER. The question is, Will the House suspend the rules and pass the bill S. 2568?

The question was taken; and—two-thirds having voted in favor thereof—the rules were suspended and the bill as amended was passed.

A motion to reconsider was laid on the table.

TEMPORARY SUMMER EMPLOYMENT BY THE FEDERAL GOVERNMENT

Mr. MURRAY. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5698) to extend the apportionment requirement in the Civil Service Act of January 16, 1883, to temporary summer employment, and for other purposes.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the sixth paragraph of section 2 of the Civil Service Act of January 16, 1883, as amended (5 U.S.C. 633), providing for the apportionment of appointments in the competitive civil service, is amended by inserting "(including appointments to temporary employment of more than thirty days in the period from May 1 through September 30 of each year, except appointments to the postal field service and appointments of an emergency nature)" immediately following "appointments to the public service aforesaid".

The SPEAKER. Is a second demanded?

Mr. BROYHILL. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

CALL OF THE HOUSE

Mr. KEARNS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 256]

Alexander
Anfuso
Arends
Aspinall
Bass, N.H.
Belcher
Bell
Bennett, Mich.
Berry
Betts
Blitch
Bolling
Boykin
Bromwell
Burke, Ky.
Carey
Celler
Coad
Curtin
Dawson
Diggs
Dominick
Dooley
Evins
Farbstein
Feighan
Frazier
Garland
Goodell
Gray
Hall
Hansen
Harris
Harrison, Va.
Harvey, Ind.
Hébert
Hiestand
Hoffman, Ill.
Hoffman, Mich.
Hull
Ichord, Mo.
Inouye
Johnson, Wis.
Kee
Keith
Kilburn
Kitchin
Kyl
McDonough
McDowell
McIntire
McSween
McVey
Magnuson
Martin, Nebr.
Michel
Miller, Clem
Miller, George P.
Moorehead, Ohio
Mosher
Moulder
O'Brien, Ill.
Osmers
Pillion
Powell
Pucinski
Rains
Reifel
Riley
Rogers, Tex.
Rousselot
Saund
Saylor

Scherer
Scranton
Seely-Brown
Sheppard
Shipley
Short
Sikes
Siler
Smith, Calif.
Smith, Miss.
Spence
Taylor
Tollefson
Tupper
Utt
Van Pelt
Vinson
Watts
Weis
Whalley
Wickersham
Willis
Wilson, Ind.
Yates
Zelenko

The SPEAKER. On this rollcall, 336 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

PARLIAMENTARY INQUIRY

Mr. KEARNS. Mr. Speaker.

The SPEAKER. For what purpose does the gentleman rise?

Mr. KEARNS. Mr. Speaker, I would like to rise to make a parliamentary inquiry. Could I have the record taken down of the number of Democrats and Republicans who answered the last rollcall?

The SPEAKER. The Chair will state that that is not a subject of a parliamentary inquiry.

Mr. KEARNS. Mr. Speaker, will it be put in the Record that I made that request?

The SPEAKER. What the gentleman has said is a part of the Record, and the Chair assumes that the Official Reporters record everything correctly.

EXTENSION OF CIVIL SERVICE APPOINTMENT REQUIREMENT TO TEMPORARY SUMMER EMPLOYMENT

The SPEAKER. The Chair recognizes the gentleman from Tennessee [Mr. Murray].

Mr. MURRAY. Mr. Speaker, I yield such time as he may require to the gentleman from Texas [Mr. Beckworth].

Mr. BECKWORTH. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include certain letters, information, and data pertaining to the civil service activities included in the bill under consideration.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BECKWORTH. Mr. Speaker, it is not my purpose to take a lot of time at this point. I shall include in the Record certain information. I feel that it is clear in that it would only extend the apportionment act which has been the law of the land since 1883 to summer employment.

Mr. Speaker and Members of the House, first I want to thank my chairman, the Honorable Tom Murray, for helping me to bring this bill to the floor of the House. I have worked under Chairman Murray a number of years. He is honest and earnest and I have great respect and appreciation for him. Also, I want to thank our great Speaker of the House, Speaker McCormack, our distinguished majority leader, Carl Albert, and our distinguished House Democratic whip, Hale Boggs, as well as several Democratic and Republican members of our committee and Mr. Charlie Johnson and Mr. George Mott and others of our staff for what they have done to see that this bill might be considered. Representative Arnold Olsen, an able, alert, diligent, and very outstanding member of our committee and Representative John Slack, a very outstanding and diligent West Virginian Member of Congress, have introduced bills similar to H.R. 5698. Representative Olsen testified at a hearing for his bill and Representative Slack has put forth much effort in the House and the other body. To them I express my thanks once again. Also Senator Jennings Randolph, of West Virginia, a member of the Senate Post Office and Civil Service Committee, has introduced a similar bill in the Senate, S. 3660. I thank Senator Randolph for his interest and his efforts in connection with legislation.

It is my contention that this bill will help to correct some inequities and disparities as between the 51 jurisdictions of our Nation. I refer to our 50 States and the District of Columbia.

Our Government in one way or the other spends millions of dollars annually to enable people—some from foreign lands—to learn about our system of government as it operates in Washington, D.C., our Nation's Capital. There are a good many U.S. Government summer jobs made available annually; however, in checking the best figures I have been able to assemble I find that the citizens of many States are practically left out when it comes to filling these summer jobs.

On page 20547 of the Congressional Record of Monday, September 24, 1962, I have placed some figures. I request each Member to turn to the table and check your own State. A bill, H.R. 5698, recently passed the House Civil Service Committee by a vote of 15 for and 1 against. It would go a long way in helping to correct the present disparity and inequality among students of States in my opinion.

Actually if one looks at the names and addresses of the summer employees from Maryland and Virginia, he will see that the greater geographical portion of each of these States is poorly represented, for most of these employees show addresses in very close proximity to Washington.

In the future in hiring summer employees, I think it would be well to test thoroughly all prospective employees. Make the examinations as far reaching and as difficult as is necessary to assure that the services of meritorious and able people are obtained. Membership in either the Republican or Democratic Party should have no bearing on which student is hired.

Incidentally, as I commented to the subcommittee, I think it would be well to make a study of summer employment in other areas. For example, I would like to know how many people go to California from Texas to work for the U.S. Government each summer and how many go from the Washington area to work for the U.S. Government each summer. I favor looking into this.

Mr. Speaker, as the gentleman from Montana pointed out, this particular legislation is only a sample of a problem that is confronted by every Member of Congress. It is difficult to get information from U.S. agencies and departments too often. There is reluctance even to make an initial effort on the part of some departments to get it. There is no question, as I see it, but with favoritism in departments being shown. If we can pass this legislation, we will serve notice that we are going to look into these things with greater care than ever before; real good will come from this.

Mr. WILSON of Indiana. Mr. Speaker, will the gentleman yield?

Mr. BECKWORTH. I yield to the gentleman from Indiana.

Mr. WILSON of Indiana. Mr. Speaker, there is an old saying that when a stone is thrown the big dog that yelps loudest is usually the one that is against it.

The gentleman is hitting on a very sore spot. These people are yelping. We have a schoolboy in the Secretary of Defense Department by the name of McNamara. You have heard about him. I asked him for some information that he did not want me to have, how many billions of dollars of the taxpayers' money were being given to people who were favorites and friends of the Department to the extent of $3 or $4 billion a year? They came around reversing their position. They realized I can get that information, and I am getting it from the General Accounting Office, with their complete cooperation. I think we can bring about a reversal in the decision of these people, and I assure the gentleman I will work with him all the way.

Mr. BECKWORTH. Mr. Speaker, as I have stated from time to time, this information has not been too easy to obtain. Many agencies I have contacted for it. The Civil Service Commission had little information about the geographical distribution by States of the summer jobs here in the Washington area. At least one agency felt it had no authority to give me the information. I refer to the Library of Congress. I had asked the Library of Congress for the names and addresses of its summer employees as I had asked other agencies. This is the reply I received:

The Library of Congress,
Washington, D.C., July 10, 1959.

Hon. Lindley Beckworth,
U.S. House of Representatives,
Washington, D.C.

Dear Mr. Beckworth: This will acknowledge your communication of June 17 in response to my letter of June 16 regarding the appointments made to the Library staff for the summer months.

I have again given your request careful consideration and have thoroughly reviewed our longstanding policy of not providing personal information, including addresses, regarding Library employees. I have concluded that the present policy is a sound one, and I have conferred with the Chairman of the Joint Committee on the Library who has approved the continuation of this policy. I, therefore, regret that I cannot fully comply with your request. However, I call to your attention the fact that we regularly publish in the Library of Congress Information Bulletin a list of various personnel actions, including the names of new appointees. In the event that you do not have a file of the

Information Bulletin, I shall be glad to supply you with one covering recent months.

I am returning, as you requested, the original of my letter.

Sincerely yours,

L. QUINCY MUMFORD,
Librarian of Congress.

I wrote Mr. Mumford of the Library of Congress a letter February 9, 1961. I include it here:

Mr. L. QUINCY MUMFORD,
The Librarian of Congress,
Washington, D.C.

DEAR MR. MUMFORD: I am sending you the enclosed package which has in it letters from the Veterans' Administration, Department of Treasury, Department of Air Force, Department of Health, Education, and Welfare, Federal Communications Commission, Department of Interior, Department of Labor, Interstate Commerce Commission, Comptroller General, Federal Trade Commission, Department of Defense, Department of State, Department of Commerce, Atomic Energy Commission, Department of Army, National Aeronautics and Space Administration, Securities and Exchange Commission, and Department of Navy. Please have the proper person call me when this is received.

Also you will note a copy of a letter you wrote me July 10, 1959. I would like to have this same information in connection with the Library of Congress for 1959 or 1960 omitting the use of names.

I sincerely would like to know how many people worked in the Library of Congress temporarily who were residents of the District of Columbia, who were residents of Maryland, who were residents of Virginia, and who were the residents of the other States.

I desire to talk to you about this letter that I am enclosing. Also I wish to know the names of the people who came to the conclusion to refuse me the information.

Regards,

LINDLEY BECKWORTH.

I include Mr. Mumford's answer and the figures. I was not given the name of the summer employees of the Library of Congress. I believe any Member of the House or Senate is entitled to these names:

THE LIBRARY OF CONGRESS,
Washington, D.C., March 1, 1961.

Hon. LINDLEY BECKWORTH,
House of Representatives,
Washington, D.C.

DEAR MR. BECKWORTH: In response to your letter of February 15, I wish to inform you that it is the policy of the Library to attempt to fill temporary vacancies with people who are interested in continuing in employment with us. This has had the effect of abolishing our program of summer employment. Statistics for 1960 reveal that about one-fourth of our temporary positions for the year were filled in the period from May 15 to August 15. These appointments were made for varying lengths of time, up to a year.

Statistics concerning temporary employment during 1960 show that those appointed came from 26 States, the District of Columbia, Puerto Rico, China, and Japan. Maryland and the District of Columbia contributed more appointees than any other localities. However, many present residents of these two areas originally came here from other States, obtained Federal employment, and took up local residence.

Attached are pages of statistics for 1959 and 1960. Some oddities are apparent. For instance, Delaware, one of the States in close proximity to Washington, contributed one temporary employee in 1960 and one in 1959.

I trust that these facts provide you with the information you require.

I am returning to you, herewith, the material you sent me with your letter.

Sincerely yours,

L. QUINCY MUMFORD,
Librarian of Congress.

Personnel appointed to temporary positions in 1960

State and territory:	
District of Columbia	34
Maryland	36
Virginia	10
Alabama	0
Alaska	0
Arizona	0
Arkansas	1
California	6
Colorado	0
Connecticut	0
Delaware	1
Florida	0
Georgia	2
Hawaii	0
Idaho	1
Illinois	2
Indiana	0
Iowa	0
Kansas	0
Kentucky	0
Louisiana	0
Maine	0
Massachusetts	10
Michigan	4
Minnesota	0
Mississippi	1
Missouri	1
Montana	0
Nebraska	0
Nevada	1
New Hampshire	0
New Jersey	3
New Mexico	0
New York	5
North Carolina	4
North Dakota	0
Ohio	2
Oklahoma	0
Oregon	0
Pennsylvania	23
Puerto Rico	1
Rhode Island	2
South Carolina	1
South Dakota	1
Tennessee	2
Texas	2
Utah	1
Vermont	0
Washington	0
West Virginia	4
Wisconsin	1
Wyoming	0
Total	162
FOREIGN	
China	1
Japan	1
Total	2

I include here a brief example of what I asked for and what I received from the State Department:

DEPARTMENT OF STATE,
Washington, D.C., June 16, 1959.

Hon. LINDLEY BECKWORTH,
House of Representatives.

DEAR MR. BECKWORTH: I refer to your communication of June 5, 1959, in which you request additional information concerning temporary employees whom we have hired or plan to hire for the summer.

Addresses of these individuals are as follows:

Masters, Robert L., 4409 North 15th Street, Arlington, Va.

Preusse, Gail W., 7016 Freeport Street, Woodlawn, Hyattsville, Md.

Berberich, Joan F., 1122 North Jackson Street, Arlington, Va.

Kasen, Sherry Z., 2434 16th Street NW., Washington 9, D.C.

Lineberry, Robert G., 1500 Deborah Drive, Falls Church, Va.

Foster, Carolyn, 4104 Woodbine Street, Chevy Chase 15, Md.

Olewiler, Paula E., 1626 Primrose Road NW., Washington, D.C.

Lewis, Judith D., 11004 Havenpark Drive, Silver Spring, Md.

Robinson, Nancy J., 7533 Carroll Avenue, Takoma Park, Md.

Brown, Majorie, 321 10th Street NE., Washington, D.C.

Hitselberger, Margaret, 2522 North Glebe Road, Arlington 7, Va.

Martin, Patricia L., 3801 South 8th Street, Arlington, Va.

Spillane, Mary D., 3726 12th Street NE., Washington, D.C.

Fruit, Martha A., 304 East Greenway Boulevard, Falls Church, Va.

Koons, Elma L., 826 Aspen Street NW., Washington, D.C.

Cassedy, Patricia I., 7409 Flora Street, Springfield, Va.

Burch, Rosanne E., 3438 Mount Pleasant Street, NW., Washington 10, D.C.

Faasen, Marianne, 7773 Emerson Road, West Lanham Hills, Hyattsville, Md.

Herbert, Beverly A., 142 Cambridge Road, Alexandria, Va.

Brooks, Valarie T., 4108 Chesterbrook Road, McLean, Va.

Buckner, Doris G., 1391 Sheridan Street, NW., Washington, D.C.

Schriebel, Dawn M., Devils Reach Road, Woodbridge, Md.

Fleener, Charles J., 5812 Chevy Chase Parkway NW., Washington, D.C.

Cooley, Abigail J., Twin Hills, Waterford, Va.

Burton, Lance J., 3401 Prospect Street, NW., Washington, D.C.

Cockrill, S. Ronald, 243 Ingraham Street, NW., Washington 11, D.C.

Finch, Margaret S., 4624 21st Street, Washington, D.C.

Keel, Janice E., 927 South Columbus Road, Alexandria, Va.

Roberts, Arlene V., 5822 23d Place, Hillcrest Heights, Md.

Michellod, Janet M., 10503 South Dunmoor Drive, Silver Spring, Md.

Powers, Elizabeth, 4411 38th Street, Brentwood, Md.

Friedland, Beverly, 8331 Navahoe Drive, Silver Spring, Md.

Faules, Dolores J., 5000 Queensbury Road, Riverdale, Md.

Blunt, Sarah W., 2580 Bradway Boulevard, Birmingham, Mich.

Simpson, Margaret L., 1024 Downing Street, R.F.D. 4, Annandale, Va.

Horowitz, Betty, 6002 Seventh Street NW., Washington 11, D.C.

Clem, Barbara Ann, 4748 Eastern Avenue, NE., Washington, D.C.

Dulaski, Benedict J., III, 4902 Dorset Avenue, Chevy Chase 15, Md.

Fortucci, Paula R., 6019 Ninth Road North, Arlington, Va.

Kenney, Elizabeth A., 8423 Piney Branch Road, Silver Spring, Md.

Loney, Carol A., 3435 North Glebe Road, Arlington, Va.

Pinney, Patricia K., 3335 Legation Street NW., Washington, D.C.

Shinkwin, Anne D., 4213 North 23d Street, Arlington, Va.

Tuya, Marina C., 3104 Q Street SE., Washington D.C.

McCormick, Helen, 772 Kenilworth Terrace NE., Washington, D.C.

Price, Mary Alice, 1601 Shepherd Street NW., Washington, D.C.

Thompson, Kenneth H., Jr., Post Office Box 138, St. John's College, Annapolis, Md.

I hope that this information is of assistance to you. Your letter is being returned as you requested, a copy having been made for our files.

Sincerely yours,
WILLIAM B. MACOMBER, Jr.,
Assistant Secretary.

After I had obtained the names and figures from a number of agencies, I sent them to the Library of Congress. The result of the tabulations of the Library of Congress is the following table which also is found on page 20912 of the September 26, 1962, CONGRESSIONAL RECORD. Look at your own State:

Summary of temporary employment in selected Government agencies, summer 1959

States	Summary	General Accounting Office [1]	The Library of Congress [2]	Department of Agriculture [3]	Department of Commerce [4]	Department of Defense [5]	Department of the Air Force [6]	Department of the Army [7]	Department of the Navy [8]	Department of Health, Education, and Welfare [9]	Department of the Interior [10]	Department of Labor [11]	Department of State [12]	Department of the Treasury [13]	Atomic Energy Commission [14]	Civil Service Commission [15]	Federal Communications Commission [16]	Federal Power Commission [17]	Federal Trade Commission [18]	Interstate Commerce Commission [19]	National Aeronautics and Space Administration [20]	National Science Foundation [21]	Securities and Exchange Commission [22]	Veterans' Administration [23]
Alabama	3				2				1															
Arizona	5				4					1														
Arkansas	6		3	1	1	1																		
California	37	2		2	9					1	1			21										1
Colorado	37				34					2					1									
Connecticut	9		1		5					1	1													1
Delaware	3				3																			
District of Columbia	490		30	48	54	5	3	52	23	164	43	1	19	19		2	11	1		3		5		7
Florida	13	1	1		9				1															1
Georgia	4									2	1	1												
Idaho	13				1										11							1		
Illinois	33			2	13			2	6	2	3			4								1		
Indiana	14				5			2	4			1												2
Iowa	10		1		5	1			2	1														
Kansas	10		1		7				1	1														
Kentucky	9				2				2	3				1		1								
Louisiana	5								1					2							1			1
Maine	2				2																			
Maryland	628	6	16	88	80	1	4	80	33	208	34	2	17	23		5	15	1	2	2	2	4		5
Massachusetts	54		1	1	21	1		2	10	8	1	2		1			1			1			2	2
Michigan	25	1	2		3			2	8	3	1	2	1					1						1
Minnesota	4			1	2					1														
Mississippi	5		1		2			2																
Missouri	13		1		5			2	1	2		1											1	
Montana	2							1						1										
Nebraska	9			2	6						1													
Nevada	1				1																			
New Hampshire	6				2					1		2										1		
New Jersey	24		1		6			2	3	1	1			2	8									
New Mexico																								
New York	110		4	7	28		1	11	9	11	4	1	2	2	23						1		2	4
North Carolina	26		2	1	9			5	4	2				3										
North Dakota	1			1																				
Ohio	16	1	2		6			2			3		1											1
Oklahoma	4			1	3																			
Oregon	6				6																			
Pennsylvania	57	1	2		22	1		9	4	4	1	1		4	4							1		3
Rhode Island	3				3																			
South Carolina	4		1		1				2															
South Dakota	4		1	1	2																			
Tennessee	12		1		8				1	1				1										
Texas	14	2			10	1		1																
Utah	12		1		7										2		1							1
Vermont																								
Virginia	546	2	13	88	77	17	7	137	30	61	57	1	16	15			12	2		4		1	1	5
Washington	9	1	1		4					2					1									
West Virginia	5		2		1					1				1										
Wisconsin	10		1	1	7							1												
Wyoming	2				1																			1
Alaska																								
Hawaii	2				2																			
Puerto Rico	1									1														
Virgin Islands																								
Foreign	3		3																					
Total number of employees	2,321	17	93	245	481	28	15	312	146	485	152	16	56	100	50	8	40	5	2	10	4	14	6	36

---

[1] General Accounting Office, letter of June 1, 1959. The figures given represent applicants who had been chosen or tentatively chosen to fill summer jobs in 1959.

[2] The Library of Congress, letter of Mar. 1, 1961. The figures given represent temporary employees hired for varying lengths of time, up to a year, from May 15 to Aug. 15, 1959. The Library has no special program of summer employment.

[3] Department of Agriculture, letter of June 16, 1959. The figures stated represent temporary jobs in the Washington, D.C., metropolitan area which were to be filled by students during the summer, 1959.

[4] Department of Commerce, letter of June 18, 1959. The figures given represent student assistants and student trainees hired for the summer, 1959.

[5] Department of Defense, letter of June 10, 1959. The figures given represent students selected for summer employment in 1959 by the Office of the Secretary of Defense.

[6] Department of the Air Force, letter of June 23, 1959. The figures given represent student trainees hired by the Department of the Air Force Headquarters for the summer, 1959.

[7] Department of the Army, letter of June 15, 1959. The figures stated here represent students who had been selected or tentatively selected for temporary appointments for the summer, 1959, with the Department of the Army.

[8] Department of the Navy, letter of May 19, 1959. The figures given represent students majoring in engineering or the physical sciences who were prospective employees of the Navy Department for the summer, 1959.

[9] Department of Health, Education, and Welfare, letter of Aug. 19, 1959. The figures given represent students employed by the Department of Health, Education, and Welfare for the summer, 1959.

[10] Department of the Interior, letter of July 21, 1959. The figures stated represent students who were appointed to temporary jobs in the Department of the Interior in the Washington, D.C., metropolitan area for the summer, 1959.

[11] Department of Labor, letter of June 1, 1959. The figures stated include temporary student assistants who were selected for positions with the Department of Labor for summer, 1959.

[12] Department of State, letter of June 4, 1959. The figures given represent temporary employees and students whom the Department of State had hired or planned to hire for typing, stenographic, and student assistant positions for summer, 1959.

[13] Department of the Treasury, letter of June 23, 1959. The figures given include all summer appointments of students, regardless of the temporary or nontemporary nature of the jobs, themselves, for 1959.

[14] Atomic Energy Commission, letter of June 15, 1959. The figures given include all temporary summer appointments to the entire Atomic Energy Commission for summer, 1959.

[15] Civil Service Commission, letter of June 9, 1959. The figures given indicate students occupying temporary positions with the Civil Service Commission for summer, 1959.

[16] Federal Communications Commission, letter of June 5, 1959. The figures given represent students temporarily employed by the Federal Communications Commission for summer, 1959.

[17] Federal Power Commission, letter of June 1, 1959. The figures given include individuals who were employed on a temporary basis as student assistants for summer, 1959.

[18] Federal Trade Commission, letter of May 28, 1959. The figures given indicate students holding temporary summer jobs as of May 28, 1959.

[19] Interstate Commerce Commission, letter of June 1, 1959. The figures listed include tentative selections of individuals made to fill temporary typing and stenographic positions with the Interstate Commerce Commission for summer, 1959.

[20] National Aeronautics and Space Administration, letter of June 10, 1959. The figures given include summer appointments for 1959 with the National Aeronautics and Space Administration.

[21] National Science Foundation, letter of June 3, 1959. The figures given include temporary stenographic, typing, and student trainee positions that were to be filled primarily by students during the summer, 1959.

[22] Securities and Exchange Commission, letter of June 3, 1959. The figures given include students who were selected for participation in the student assistant program of the Securities and Exchange Commission for summer, 1959.

[23] Veterans' Administration, letter of June 17, 1959. The figures given include temporary summer jobs filled by students in the Central Office Headquarters and the Medical Division of the Veterans' Benefits Office for summer, 1959.

Compiled by Sandra D. Worthen, History and Government Division, Legislative Reference Service, Library of Congress, Mar. 17, 1961.

After I studied the table I undertook to get the help of the Civil Service Commission through the House Legislative Counsel. I include a letter addressed to me March 2, 1962:

U.S. House of Representatives,
Office of the Legislative Counsel,
Washington, D.C., March 2, 1961.

Hon. Lindley Beckworth,
House of Representatives,
Washington, D.C.

Dear Mr. Beckworth: Pursuant to your request there is enclosed a draft of a bill to extend the apportionment requirement of the Civil Service Act to temporary summer employment.

As you requested in our telephone conversation last week, I have consulted with the U.S. Civil Service Commission.

I call to your attention the important features of the draft resulting from that conversation.

First, as you request, the draft extends to temporary summer employment the apportionment requirement of the Civil Service Act.

Second, in order that the concept of summer employment may not be attacked as being too vague and indefinite, such concept is defined, in effect, as employment from May 1 through September 30.

Third, to obviate any foreseeable objections of Government agencies to the draft as placing too much of a curtailment on freedom of operation, the draft exempts from the apportionment requirement the postal field service and necessary suddenly-required short-term appointments of less than 30 days, as well as employments in emergencies. These exceptions are designed to allow needed flexibility in agency operations while effectuating the desired policy.

I hope that the draft is satisfactory to you. If not, I am glad to be of any further assistance.

Respectfully,
David B. Carper,
Assistant Counsel.

I introduced H.R. 5698 March 20, 1961, as follows:

H.R. 5698

(In the House of Representatives, 87th Cong., 1st sess., March 20, 1961; Mr. Beckworth introduced the following bill, which was referred to the Committee on Post Office and Civil Service)

A bill to extend the apportionment requirement in the Civil Service Act of January 16, 1883, to temporary summer employment, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the sixth paragraph of section 2 of the Civil Service Act of January 16, 1883, as amended (5 U.S.C. 633), providing for the apportionment of appointments in the competitive civil service, is amended by inserting "(including appointments to temporary employment of more than thirty days in the period from May 1 through September 30 of each year, except appointments to the postal field service and appointments of an emergency nature)" immediately following "appointments to the public service aforesaid".

On August 9, 1961, a hearing was held on H.R. 5698. Later, Representative Arnold Olson and I appeared before the subcommittee which had originally conducted the hearing. Soon thereafter the subcommittee met and voted out H.R. 5698 without recommendation. I do not know that subcommittee action without recommendation is frequent.

I have since undertaken to obtain figures more up to date. They are not always easy to obtain.

I quote some of the information I placed in the September 24, 1962, issue of the Congressional Record on page 20545:

Interstate Commerce Commission,
Washington, D.C., August 15, 1962.

Hon. Lindley Beckworth,
House of Representatives,
Washington, D.C.

Dear Congressman Beckworth: As requested in your letter of August 7, 1962, I am pleased to furnish you the following list of the names and addresses of persons holding summer jobs in Interstate Commerce Commission.

Miss Jewell Boleyn, Falls Church, Va.; Miss Catherine Carr, Falls Church, Va.; Mr. Robert A. Cox, Alexandria, Va.; Mr. Andrew Dixon, Washington, D.C.; Miss Roberta Doerner, Cheverly, Md.; Mr. David Flaherty, McLean, Va.; Mr. Arthur Gray, Washington, D.C.; Miss Martha Angela Keener, Washington, D.C.; Mr. Thomas E. Winslow, Chevy Chase, Md.; Miss Susan Hammond, Gaithersburg, Md.; Miss Helena Jessel, Arlington, Va.; Miss Dorothy A. Layton, Arlington, Va.; Mr. Frank Pontello, Washington, D.C.; Mr. Robert I. Ridgeway, Beltsville, Md.; Mr. Paul Seidenman, Silver Spring, Md.; Mr. David Reilly, Arlington, Va.; Miss Judith Staples, Washington, D.C.; Mr. Ivan F. Wollman, West Hyattsville, Md.

Except for these summer employees, we have no employees serving under temporary appointments. Your enclosure is returned.

Sincerely,
Rupert L. Murphy,
Chairman.

U.S. Civil Service Commission,
Washington, D.C., August 28, 1962.

Hon. Lindley Beckworth,
House of Representatives,
Washington, D.C.

Dear Mr. Beckworth: Reference is made to your letter of August 7, 1962, requesting the names of the persons holding summer jobs in the Civil Service Commission this year, and also those who hold temporary positions.

We have broken down our list of summer employees into two groups; college students and other summer and temporary employees. The other summer employees are primarily 1962 high school graduates who will enter college this fall.

I trust the enclosed lists will provide you with the information you desire.

Sincerely yours,
John W. Macy, Jr.,
Chairman.

College Students Employed by Civil Service Commission, Summer 1962

CENTRAL OFFICE

Olivia Baish, clerk-typist, Washington, D.C.

David Book, clerk-typist, Alexandria, Va.

Anne D. Cranshaw, clerk, Belle Haven, Alexandria, Va.

Marsha Deal, clerk-stenographer, Arlington, Va.

Diana Fitch, clerk, Washington, D.C.

Ronald Jackson, mail and file clerk, Laurel, Md.

Martha Ludwig, clerk-typist, Arlington, Va.

Lynn McGriff, clerk-stenographer, Great Falls, Va.

William P. Macht, student aid, Arlington, Va.

Judith Menaugh, clerk, Alexandria, Va.

Patrick O'Neil, assembly clerk, Washington, D.C.

Robert S. Rendell, student aid, New York, N.Y.

Clair W. Rodgers, student aid, Washington, D.C.

Pamela Siegle, clerk-typist, Silver Spring, Md.

Ellen Siegman, clerk-stenographer, Silver Spring, Md.

Mary L. Simmons, clerk-stenographer, Arlington, Va.

Helen Smith, clerk-typist, Riverdale, Md.

Delano Stewart, mail clerk, Washington, D.C.

William H. Thomas, messenger, Washington, D.C.

Eileen Wrenn, clerk-typist, Arlington, Va.

REGIONAL OFFICES

Robert L. Marshall, mail clerk, Dallas, Tex.

John M. Numoto, clerk-typist, Seattle, Wash.

OTHER SUMMER AND TEMPORARY EMPLOYEES 1962—CENTRAL OFFICE

Robert T. Bain, Jr., clerk-typist, Alexandria, Va.

Victoria G. Blaney, clerk-stenographer, Arlington, Va.

Angela M. Eggers, clerk-typist, Falls Church, Va.

Thomas F. Harkins, mail clerk, Falls Church, Va.

Mary Ann Kuhn, clerk-typist, Washington, D.C.

James D. Magness, assembly clerk, St. Augustine, Fla.

John R. Maguire, statistical clerk, Ellicott City, Md.

Patricia A. Pascoe, clerk-typist, Arlington, Va.

Patrician A. Reichhardt, clerk-typist, Silver Spring, Md.

Agnes F. Sembly, clerk-stenographer, Baltimore, Md.

Benjamin J. Stein, statistical clerk, Silver Spring, Md.

Joyce V. Cohen, enrollment examiner, Washington, D.C.

Loretta A. Moses, clerk-stenographer, West Hyattsville, Md.

Rita M. Schneider, control clerk, Washington, D.C.

Carmen Waters, clerk-typist, Washington, D.C.

Office of the Secretary of Defense,
Washington, D.C., September 19, 1962.

Hon. Lindley Beckworth,
House of Representatives.

Dear Mr. Beckworth: This is in further response to your letter of August 7, 1962, requesting the names and addresses of the persons who held summer and temporary jobs in the Department of Defense.

The requested information is furnished in the attached listings for the Office of the Secretary of Defense and the Organization of the Joint Chiefs of Staff, Defense Atomic Support Agency, Defense Communications Agency, Defense Supply Agency, and Office of Civil Defense.

Sincerely yours,
John E. Moore,
Director of Personnel.

Names and Addresses of Persons Who Held Summer and Temporary Jobs in the Office of the Secretary of Defense and the Office of the Joint Chiefs of Staff

Richard W. Apgar, Fairfax Station, Va.; Sue E. Arbogast, Alexandria, Va.; Judith K. Bangert, Annandale, Va.; Martha B. Bannerman, Washington, D.C.; Kathryn E. Barret, Alexandria, V.; Winifred A. Berg, Washington, D.C.; Cynthia Bell, Falls Church, Va.;

Peter D. Bell, Gloucester, Mass.; Rebecca L. Birch, McLean, Va.; Jerry R. Birdwell, Cleburne, Tex.; Judy Blankenship, Falls Church, Va.; Barbara Ann Blandford, Falls Church, Va.; Elmly Jeanne Blessing, Richmond, Va.; Barbara E. Boggan, Tupelo, Miss.

Roger E. Bolton, Dover, Pa.; Katherine A. Bonner, McLean, Va.; Kathleen Broderick, Alexandria, Va.; Barbara Brooking, Fairfax, Va.; Andrea L. Brousseau, Arlington, Va.; Hunter M. Breland, Washington, D.C.; Louis A. Casgrain, Providence, R.I.; Sarah Cheney, Kensington, Md.; Nona Anne Christensen, Arlington, Va.; Charlotte R. Clifford, Clifton, Va.; Sally Coltrin, Falls Church, Va.; Corinne Cooper, Alexandria, Va.; Diana Copsey, Lincoln, Nebr.; Joyce A. Coryell, Herndon, Va.

Katherine Counts, Alexandria, Va.; Carolyn M. Craft, Philadelphia, Pa.; Shauneen A. Cruise, Falls Church, Va.; Marianna Damminger, McLean, Va.; Patricia A. Dean, Annandale, Va.; Barbara Doug, Annandale, Va.; Mary J. Donnelly, Vienna, Va.; Mary C. Dunnington, Bethesda, Md.; Sandra D. Ellis, Takoma Park 12, Md.; Kay L. English, Alexandria, Va.; Susan E. Farr, Arlington, Va.; Robert Ferguson, Baltimore 28, Md.; Weaver H. Gaines, Arlington, Va.

Sharon M. Gauss, Alexandria, Va.; Gail Geoghegan, Alexandria, Va.; Lynne S. Graham, Alexandria, Va.; Mary Kay Grow, Provo, Utah; Eugene Hager, Hermitage, Tenn.; Beverly Lynn Hink, Vienna, Va.; Carolyn J. Hinricks, Sogenau, Mich.; Stanley L. Holtoner, Jr., Arlington 7, Va.; Louise Elaine Hoover, Arlington, Va.; Barbara J. Hopkins, Arlington, Va.; Mary J. Houch, Falls Church, Va.; Joe Hughes, Arlington, Va.; Jennifer Innes, Alexandria, Va.

Katherine R. Jennings, Springfield, Va.; Jo Ann Karr, Normal, Ill.; Katherine A. Laing, Falls Church, Va.; Linda Lawerence, Arlington, Va.; Linda Lee, Portsmouth, Va.; Linda Jean Livesay, Alexandria, Va.; Karen Lohrke, Bay City, Mich.; Linda M. Loughton, Falls Church, Va.; Sandra R. Loughton, Falls Church, Va.; Nancy K. Malone, Arlington, Va.; Patricia A. Martin, Jackson, Miss.; Jon J. Masters, New York, N.Y.; Gwen McIntyre, Clifton, Va.

Mattie E. McQuaig, Quintman, Miss.; Judith K. Moran, Alexandria, Va.; Gordon Ryon Moreland, Waldorf, Md.; Barbara A. Morris, Port Republic, Va.; Elaine Mueller, Alexandria, Va.; Martha Meurer, Muenter, Tex.; Linda Marion Nelson, Arlington, Va.; Sharon Ann Norvell, Alexandria, Va.; Betty O'Hara, Falls Church, Va.; Bryon Ostby, Springfield, Va.; Carolyn Miller Ousey, Falls Church, Va.; Patricia J. Parry, Arlington, Va.; Helen Patrick, Silver Spring, Md.

Sydness Podnos, Washington, D.C.; Robert Prentice, Clifton, Va.; Janice M. Provan, Falls Church, Va.; Linda S. Rhodes, Arlington, Va.; Margaret H. Rich, Falls Church, Va.; Velda F. Rosado, Arlington, Va.; Patricia L. Rosenberg, McLean, Va.; Mary M. Roudabush, Arlington, Va.; Elizabeth Rowe, Washington, D.C.; Karen A. Rowe, Falls Church, Va.; Barbara Saintsing, Falls Church, Va.; Walter William Shoaf, Arlington, Va.; Walter B. Slocombe, Ann Arbor, Mich.

Nancy Kay Smith, Alexandria, Va.; Linda Spaur, Capitol Heights, Md.; Eileen M. Stark, Alexandria, Va.; Susan Steinberg, Kensington, Md.; Melinda P. Teel, McLean, Va.; Melissa A. Thompson, Arlington, Va.; Janet L. Thurman, Alexandria, Va.; Susan Cole Twitchell, Alexandria, Va.; Bonnie Vannon, McLean, Va.; Judith Warder, Lorton, Va.; Diana Kay Webb, Arlington, Va.; Doris Weber, Vienna, Va.; Janet Whalon, Falls Church, Va.; Sandra Wise, Arlington, Va.; James Wright, Fort Worth, Tex.; John W. Wylie, Takoma Park, Md.; Phyllis Zauder, Alexandria, Va.

DEPARTMENT OF DEFENSE,
DEFENSE ATOMIC SUPPORT AGENCY,
Washington, D.C., August 22, 1962.

Memorandum for: Director of Personnel, Office of the Secretary of Defense.

Subject: Temporary summer employees.

In response to your memorandum of August 22, 1962, subject as above, there are listed below the names and addresses of persons who have held temporary jobs in this Agency in the Washington area this summer:

Miss Carla Cooper, Arlington, Va., and Miss Sara J. Piovia, Arlington, Va.

JOHN A. ROSADO,
Director of Civilian Personnel.

DEPARTMENT OF DEFENSE,
DEFENSE COMMUNICATIONS AGENCY,
Washington, D.C., August 27, 1962.

Memorandum for: The Director of Personnel, Office of the Secretary of Defense.

Subject: Temporary summer employees.

Reference: (a) Director of Personnel, Office of the Secretary of Defense memo, August 22, 1962, subject as above.

1. Information requested by reference (a) is as follows:

Eleanor M. Clark, Arlington, Va.; Bonnie L. Doyle, Arlington, Va.; Marian J. Gilmore, Arlington, Va.; Virginia L. Lerch, Arlington, Va.; Patricia A. Long, McLean, Va.; Mary C. May, Arlington, Va.; Diana L. McLaughlin, Arlington, Va.; Patricia K. Voight, Washington, D.C.; Carol J. Woodward, Falls Church, Va.

For the Director:

W. W. WEYANT,
For E. S. MALONEY,
Colonel, USMC, Executive Officer.

HEADQUARTERS, DEFENSE
SUPPLY AGENCY,
Washington, D.C., August 28, 1962.

Memorandum for: Mr. John E. Moore, Director of Personnel, Office of the Secretary of Defense.

Subject: Temporary summer employees.

With reference to your memorandum of August 22, 1962, subject as above, enclosed as requested is a list of the names and addresses of persons who held temporary jobs this summer with this Agency, in the Washington area.

WALTER N. HOWELL,
Chief, Headquarters Personnel Branch
(For the Director).

SUMMER EMPLOYEES

Samuel F. Blythe, Washington, D.C.; Thomas M. Brooks, Washington, D.C.; Glen T. Casey, Alexandria, Va.; Brian Devine, Chevy Chase, Md.; John W. Devine, Chevy Chase, Md.; Joe I. Ellis, Washington, D.C.; James D. Gardner, Falls Church, Va.; Freddie L. Lewis, Washington, D.C.; David S. Goldberg, Washington, D.C.; Sharon E. Stiver, Alexandria, Va.; Susan M. O'Connell, Silver Spring, Md.; Barbara J. Robinson, Washington, D.C.; Gordon T. Nelson, Alexandria, Va.; Charlsie M. Abel, Fairfax, Va.; Nancy J. Bell, Falls Church, Va.; Mary D. Rigsby, Amarillo Air Force Base, Tex.; John S. George, Arlington, Va.; Julie Ann Kendall, Arlington, Va.; Evelyn Moody, Camp Springs, Md.; Katherine A. Gillam, Arlington, Va.; Patricia A. Spurr, East Riverdale, Md.; Jacquelyn Meyer, Falls Church, Va.; Margaret A. Erlendson, Vienna, Va.; Eric M. Dash, Takoma Park, Md.; Charles F. Carter, Arlington, Va.; Mary H. Perkins, Arlington, Va.; James R. Grote, Alexandria, Va.; Nancy J. Almand, Alexandria, Va.; Marilyn E. Mays, Alexandria, Va.;

Judy A. Sells, Arlington, Va.; Annette K. Grider, Fairfax, Va.; Nancy R. Myers, Washington, D.C.; Elizabeth A. Osborne, Bethesda, Md.; Sharon T. O'Connell, Bethesda, Md.; Judith L. Turner, Bethesda, Md.; Patricia E. Hall, Washington, D.C.; Christina Smith, Washington, D.C.; Dorothy M. Carberry, Vienna, Va.; Sandra Ray Lanier, Arlington, Va.; Mary A. Blanche, Alexandria, Va.; Kara Sue DeLap, Vienna, Va.; Barbara J. David, Washington, D.C.; Elizabeth A. Esau, Vienna, Va.; Janet L. Ganes, Washington, D.C.; Pamela R. Harris, Pleasant Grove, Utah.

Rosa O. Holloman, Dunn, N.C.; Ardith A. Meyer, Arlington, Va.; Pamela C. Ralston, Fleet Post Office, New York, N.Y.; Doris R. Watson, Washington, D.C.; Joan Jackson, Washington, D.C.; Sally Shaftel, Silver Spring, Md.; Kathleen Bartram, Arlington, Va.; Nancy J. Reece, Falls Church, Va.; Diane M. Collins, Takoma Park, Md.; Marcia M. Caldwell, McLean, Va.; Gloria J. Kafer, Arlington, Va.; Frances L. Panneton, Washington, D.C., Maria I. Bush, Alexandria, Va.; George M. Milward, Alexandria, Va.; John C. MacDonald, Washington, D.C.; Leslie A. Venable, Fort Monroe, Va.; Phyllis G. Allen, Alexandria, Va.; Beverly J. Evans, Silver Spring, Md.; Pat F. Bishop, Fort Belvoir, Va.; Donna J. Sullivan, Alexandria, Va.; Patricia L. Lynn, Arlington, Va.; Rhea A. Starkey, Falls Church, Va.; Myra N. Volk, Bethesda, Md.; John J. Gill, Washington, D.C.; Patricia J. Robinson, Alexandria, Va.; Jane C. Hennessy, Arlington, Va.; Barbara G. Letts, Washington, D.C.; Evelyn B. Rosen, Portland, Oreg.; Enid M. Hennessy, Arlington, Va.; and Susan S. White, Annandale, Va.

ASSISTANT SECRETARY OF DEFENSE,
Washington, D.C.

Memorandum for: John E. Moore, Director of Personnel, Office of the Sedretary of Defense.

Subject: Temporary summer employees.

In accordance with your memorandum of August 22, 1962, following is a list of names and addresses of temporary summer employees who held temporary jobs in the Office of Civil Defense in the Washington area:

Marilyn Appel, Falls Church, Va.; Lynda Arensen, Arlington, Va.; Patricia Archer, Alexandria, Va.; Joan R. Booth, Falls Church, Va.; Rosalind Buck, Alexandria, Va.; Julia B. Cravotta, Arlington, Va.; Robert Carlsen, Wheaton, Md.; Stephanie Cadman, Arlington, Va.; Craig R. Disher, Falls Church, Va.; Linda G. Dix, Alexandria, Va.; Virginia Engelman, Arlington, Va.; Louie S. Echols, Washington, D.C.; Dorothy Galenti, Alexandria, Va.; Patricia Garrett, Arlington, Va.; Dorothy M. Harris, Manassas, Va.; Patricia A. Harris, Arlington, Va.; Gay Hillam, Arlington, Va.; Patsy Hough, Alexandria, Va.; Kent Hughes, Portland, Oreg.; Caroline Keyhoe, Alexandria, Va.; Roberta J. Landes, Alexandria, Va.; Gretchen Lackner, Arlington, Va.; Jaclyn J. Lambert, Vienna, Va.; John P. McCarthy, Greenbelt, Md.; Carol P. McNamara, McLean, Va.; Joan Markey, Washington, D.C.; Sandra Morrissey, Alexandria, Va.; Sara Nichols, Salisbury, Md.; Robert A. L. Plybon, Alexandria, Va.; Patricia Powell, Arlington, Va.; Murray Roberts, Alexandria, Va.; Susan Squires, McLean, Va.; Jacqueline M. Strolio, Arlington, Va.; Abby Swanick, Arlington, Va.; Sandra L. Turrow, Annandale, Va.; and Katherine J. Williams, Arlington, Va.

JAMES R. HUBERT
(For H. Scott Denniston, Chief, Placement and Employee Relations Branch).

Temporary employees, summer 1962—A tabulation of States of residence of temporary summer employees of the Federal agencies in the Washington, D.C., area, based upon replies to Representative Beckworth's inquiry

	Summary	Air Force	Navy [1]	Office of the Secretary	Area Redevelopment Administration	Business and Defense Services Administration	Bureau of the Census	Coast and Geodetic Survey	Bureau of International Programs	Maritime Administration	Patent Office	Bureau of Public Roads	Bureau of Standards	Weather Bureau	Comptroller General	Bureau of Engraving and Printing	Federal Communications Commission	Federal Power Commission	Federal Trade Commission	Government Printing Office	Post Office Department	State Department
Alabama	2																					2
Alaska																						
Arizona																						
Arkansas	4		1																			3
California	22	1		2	1	4	2						2		2		1		1		1	5
Colorado	8	2		1		2							1								1	2
Connecticut	6			1							1		1						1			2
Delaware	2	1											1									
Florida	8	1				1	1				1		2	2								
Georgia	4	1									1		1									1
Hawaii																						
Idaho	1																		1			
Illinois	12	1	2	2	1		1							1								4
Indiana	7	2																	1		1	3
Iowa	5	1				1	1															2
Kansas	6												3									3
Kentucky	4		2										1						1			
Louisiana	5	1	1			1					1											1
Maine	3		1					1					1									
Maryland	812	75	325	32	10	21	30	16	9	8	19	28	43	20	9	1	36	23	3	24	36	44
Massachusetts	17	1	4	1	1	1	1		1			1					1				1	4
Michigan	13		5				1				2	1							2			2
Minnesota	2										1		1									
Mississippi	1		1																			
Missouri	6	2			1						1											2
Montana																						
Nebraska	4		1		1								2									
Nevada																						
New Hampshire	1																					1
New Jersey	19		1	1	1				1		1		4				1		4		1	4
New Mexico	2												1									1
New York	42	3	4	2		1	4				5	2	8				2		3		1	7
North Carolina	17			3	1		7				3	1										2
North Dakota	3		3																			
Ohio	25	2	2	1		2	2	1					7						2			6
Oklahoma	1											1										
Oregon	2				1							1										
Pennsylvania	34	2	5	1		1	2	1	1		6	1	6	1								7
Rhode Island	3	2																				1
South Carolina	4		2																1			1
South Dakota	2			1			1															
Tennessee	6		3						1				2									
Texas	14	1		3							3								1			6
Utah	5			2							2	1										
Vermont																						
Virginia	655	106	152	27	9	18	3	23	7	8	25	34	27	31	5	5	30	23	3	6	41	63
Washington	1																					1
West Virginia	3	1		1															1			
Wisconsin	6				1			1			1											3
Wyoming																						
District of Columbia	536	36	104	22	9	8	19	6	3	3	32	13	32	16	6		29	26	4	12	25	71
Summary	2,335	242	679	103	37	61	75	49	23	19	105	84	145	71	22	6	109	72	29	42	108	254
Agriculture [2]	611																					
Total	2,946																					

[1] Navy Department specifically notes that permanent home addresses are listed only if local address is not available. Navy list includes 64 employees with no address, local or permanent. They are not in the table.

[2] Department of Agriculture lists 611 employees as summer temporaries. It does not, however, list any local address or State of residence. These employees are not incorporated in the table.

NOTE.—In some instances the replies did not specify whether the employee's address was his temporary summer address or his permanent residence.

Replies were received but no data were supplied by Office, Secretary of Defense; Department of the Army; Atomic Energy Commission; Central Intelligence Agency; Department of Commerce; Department of Interior; and National Aeronautics and Space Administration.

Source: Frederick L. Scott, History and Government Division, Legislative Reference Service, Sept. 4, 1962.

[From the Washington Post, Mar. 26, 1962]

THE FEDERAL DIARY—AGRICULTURE DEPARTMENT POLICY TO DISCOURAGE NEPOTISM IS ISSUED

(By Jerry Kluttz)

Agriculture Secretary Freeman has issued a general policy that discourages nepotism in the Department.

He does not want close relatives to be given jobs in the same agencies where the related employees and officials are working.

In no case does he want employees to work directly under relatives who are supervisors.

Freeman informed his staff in a special letter that he had decided to take the steps, after much soul searching, to avoid public criticism particularly in the Department's handling of summer and other part-time jobs.

He explained that his "general policy guidance" in no way restricts the employment of persons, relatives or not, who qualify for them through competitive tests.

[From the Washington Daily News, May 24, 1962]

SUMMER JOB PLUMS ENTICE WHITE HOUSE

(By John Cramer)

The White House has uncovered a rich, new and previously untapped well of patronage appointments—temporary summer jobs in Washington for young sons and daughters of the politically deserving.

It has set up a special program under Larry O'Brien, Presidential assistant for congressional liaison, to make sure that the right sons and daughters get as many as possible of the jobs available.

As part of this program, the White House recently asked all major agencies here to specify how many jobs they could offer youngsters recommended by the White House.

Later, in another memo, the agencies were asked to specify the total number of temporary summer jobs they expect to fill.

GUIDANCE?

This request, it was explained, was for the purpose of giving the White House guidance in planning an orientation program for the summer appointees.

Some agency officials think it was for the purpose of giving the White House a firm reading on the number of jobs it can expect to convert into patronage appointments next year.

A White House spokesman said the new program was established partly as an attempt to provide better service for Members of Congress seeking summer jobs here for sons and daughters of their constituents.

The Members had complained that too many of the jobs were going to the offspring of agency officials and their friends.

A second reason for the White House program, it was explained, was the desire to give as many youngsters as possible, from all parts of the country, a summertime opportunity to see the Federal Government as it operates in the Capital.

Officials do not deny, however, that the program has strong patronage overtones.

A spot check of agency officials yesterday disclosed that the White House has been referring candidates for summer jobs in steadily increasing numbers.

A referral amounts to a request that the candidate be appointed to any vacancy for which he's qualified.

Several agency officials thought the number of referrals would have been much larger had the White House launched its program earlier—before agencies were in a position to say that many of their jobs already had been pledged.

The total of available summer jobs in agencies here is at least several thousand.

Agencies generally put on temporary employees—especially in routine clerical-type jobs—to keep the wheels moving during the summer vacation period when many regular employees are absent.

Some agencies find it convenient, and even, they claim, more efficient, to let certain routine tasks accumulate for the summer employees.

And agencies in the scientific fields actively seek as many college students as their budgets will permit—in the hope that summertime experience will prompt the students to take Government jobs after graduation.

Traditionally, Civil Service Commission puts on a considerable drive each spring to recruit high school and college students for typist and stenographic jobs.

These students must pass regular civil service exams before they're accepted for duty.

Those assigned to clerical duties ordinarily are asked to pass mere noncompetitive exams to prove that they meet minimum qualifications.

Agency officials defend the summer employment system as thoroughly justified. Privately, however, they concede that too large a proportion of the summer jobs go to youngsters of agency officials. Some also will concede that the jobs have become a form of "personal patronage" for those who control them.

Now apparently, we're getting White House patronage as a substitute.

ABOUT PUBLIC HEALTH SERVICE

The grapevine has several major personnel changes coming soon in troubled Public Health Service. Among the reports are these:

That Deputy Surgeon General John Porterfield will resign in the near future to accept a much-mentioned job directing the administration of research grants for the University of California.

That Richard Seegal, now executive officer at Public Health Service, and Robert Grant, a division executive there, are leading candidates to succeed Paul Caulk, recently demoted from his job as Public Health Service executive officer.

Mr. Seegal, a former Caulk aid, is said to be the favored candidate of Assistant Secretary Rufus Miles. Mr. Miles' behind-the-scenes power struggle with Mr. Caulk was one of the factors leading to the recently concluded investigation of Public Health Service.

[From the Washington Post, Aug. 5, 1962]

THE FEDERAL DIARY—U.S. JOBS IN JUNE HIGHEST IN 10 YEARS

(By Jerry Kluttz)

Federal employment here during the month of June jumped by 9,979, the largest monthly increase in 10 years, to 257,369.

But most of that increase is accounted for by the hiring of students and others for temporary jobs which will end this month. The month of September can be expected to show a sharp decline.

The largest increases here were 2,257 in Defense and 1,297 in HEW.

Overall Federal employment rose to 2,514,211 during the month, an increase of 35,412 over May. Again, much of the rise was due to the employment of seasonal and temporary workers.

[From the Washington Evening Star, Sept. 3, 1962]

FEDERAL PAYROLL SETS NEW HIGH

The Government's civilian payroll reached a record high of $14,296 million in the last fiscal year, a congressional committee reported today.

The Joint Committee on Reduction of Nonessential Federal Expenditures said also the total of 2,443,808 persons on the civilian payrolls was the highest average since fiscal 1954 when it reached 2,436,164.

The first month of the new fiscal year, which began July 1, also showed an increase of 14,530 over June for a total of 2,511,025 employees, the report added.

[From the Washington Daily News, Sept. 3, 1962]

U.S. PAYROLL HITS RECORD

Senator HARRY F. BYRD, Democrat, of Virginia, reported today that the Federal civilian payroll for the year ended June 30 totaled a record $14.3 billion plus $314 million for foreign nationals not on regular rolls.

Senator BYRD, chairman of the Congressional Committee on Reduction of Nonessential Federal Expenditures, said employment by the Federal agencies averaged 2,443,808, compared with an average of 2,372,445 in the previous year.

It seems that the need for 9,000 jobs rather suddenly is somewhat difficult to understand. I would certainly hope that no official in any agency is in effect creating jobs. I am for looking into this. You will note at the bottom of the last table that the Agriculture Department did not send me the names and addresses of their employees. I have wired for them:

TO SECRETARY OF AGRICULTURE,
Washington, D.C.:

Several weeks ago I wrote you and asked for the names and addresses of the 611 summer employees in your Department. You have not sent me this information—many Departments have. Please send it to me.

LINDLEY BECKWORTH.

I would like to obtain these names and addresses in view of an article that appeared March 26, 1962, in the Washington Post. The article was written by Mr. Jerry Kluttz. I include the article:

THE FEDERAL DIARY—AGRICULTURE DEPARTMENT POLICY TO DISCOURAGE NEPOTISM IS ISSUED

(By Jerry Kluttz)

Agriculture Secretary Freeman has issued a general policy that discourages nepotism in the Department.

He doesn't want close relatives to be given jobs in the same agencies where the related employees and officials are working.

In no case does he want employees to work directly under relatives who are supervisors.

Freeman informed his staff in a special letter that he had decided to take the steps, after much soul-searching, to avoid public criticism, particularly in the Department's handling of summer and other part-time jobs.

He explained that his "general policy guidance" in no way restricts the employment of persons, relatives or not, who qualify for them through competitive tests.

I wish to emphasize again at this point that it is disturbing more and more to me that some agencies of our Government are slow to furnish what individual Members of Congress ask for in the way of information. The excuse that it would take too much time and cost too much and is in another form is often used. This in most instances is incorrect in my opinion. Today if one sought to ascertain how many people over 45 years of age have been hired by the U.S. Government in the last 12, 18, or 24 months, he would find it very difficult to obtain such information.

I include some communications:

U.S. DEPARTMENT OF AGRICULTURE,
June 18, 1962.

Hon. LINDLEY BECKWORTH,
Third District, Texas,
Congress of the United States,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN: We are writing you in regard to your letter of June 4, 1962, which requested information on various grain loans. We have been informed by our State director that the information you seek has been furnished by the State office to the Department in Washington, D.C.

Yours very truly,

ALFRED H. OLSON,
Office Manager, County ASCS Office,
Wyandotte County, Kans.

U.S. DEPARTMENT OF AGRICULTURE,
Elkhart, Kans., June 15, 1962.

LINDLEY BECKWORTH,
House of Representatives,
Washington, D.C.

DEAR SIR: Reference is made to your letter of June 4, 1962, concerning the Commodity Credit Corporation loan program and the amount of producers who participated, in the years 1958, 1959, 1960, and 1961.

We have been informed by our State ASCS office that the requested information has been furnished by the State office to the Department in Washington, D.C.

Sincerely,

SCOTT MUSE,
County Office Manager, Morton ASCS County Office.

U.S. DEPARTMENT OF AGRICULTURE,
South Hutchinson, Kans.,
June 18, 1962.

Congressman LINDLEY BECKWORTH,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN BECKWORTH: This letter is in reply to your letter dated June 4 concerning information for our county for the years 1958, 1959, 1960, and 1961.

It is our understanding that the information which you requested in this letter has been furnished to you by the State office through the Department in Washington, D.C.

Very truly yours,

WALTER N. MURPHY,
County Office Manager, Reno ASCS County Office.

U.S. DEPARTMENT OF AGRICULTURE,
CHEROKEE ASCS COUNTY OFFICE,
June 18, 1962.

Hon. LINDLEY BECKWORTH,
Third District, Texas,
House of Representatives,
Washington, D.C.

DEAR MR. BECKWORTH: Replying to your letter of June 4, 1962, requesting certain information for our county for the years 1958, 1959, 1960, and 1961, it is our understanding that the requested information has been furnished by our State office to the Department in Washington, D.C.

Respectfully yours,

CHARLES W. BELT,
County Office Manager.

U.S. DEPARTMENT OF AGRICULTURE,
ABILENE, KANS.,
June 18, 1962.

Congressman BECKWORTH,
House of Representatives,
Washington, D.C.

DEAR SIR: We have your letter of June 4 concerning the information concerning loans through the Commodity Credit Corporation on grain for the 1958, 1959, 1960, and 1961 years.

We understand the information which you requested has already been furnished the USDA in Washington, D.C., by our State office.

Since our workload has been such that compiling this information would mean an extra burden, we suggest you endeavor to get this information from the USDA in Washington.

Sincerely,

DANIEL H. SCHMIDT,
County Office Manager, Dickinson ASCS County Office.

U.S. DEPARTMENT OF AGRICULTURE,
ATWOOD, KANS.,
June 18, 1962.

Congressman LINDLEY BECKWORTH,
House of Representatives,
Washington, D.C.

DEAR SIR: In reply to your letter of June 4, 1962, requesting information about grain crop loans in the past 4 years from this county.

I have been effectively stopped from getting the information. I regard this as an unsound policy concerning any Member of the House or Senate as his work might relate to any department.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., June 4, 1962.

DEAR DIRECTOR: For the years 1958, 1959, 1960, and 1961 I desire the following information for your county:

How many barley producers participated in the Commodity Credit Corporation loan program? What was the total loaned in your county in each year?

How many corn producers participated in the Commodity Credit Corporation loan program? What was the total loaned in your county each year?

How many grain sorghum producers participated in the Commodity Credit Corporation loan program? What was the total loaned in your county in each year?

How many oat producers participated in the Commodity Credit Corporation loan program? What was the total loaned in your county in each year?

How many rye producers participated in the Commodity Credit Corporation loan program? What was the total loaned in your county in each year?

How many soybean producers participated in the Commodity Credit Corporation loan program? What was the total loaned in your county in each year?

How many wheat producers participated in the Commodity Credit Corporation loan program? What was the total loaned in your county in each year?

How many peanut producers participated in the Commodity Credit Corporation loan program? What was the total loaned in your county in each year?

How many rice producers participated in the Commodity Credit Corporation loan program? What was the total loaned in your county in each year?

How many cotton producers participated in the Commodity Credit Corporation loan program? What was the total loaned in your county in each year?

How many farmers participated in the programs of two of these crops? How many farmers participated in the programs of three of these crops? How many farmers participated in the programs of four of these crops?

For this information I shall be grateful.

Regards,

LINDLEY BECKWORTH.

I actually was getting from counties some of the information asked for in this letter:

APRIL 28, 1961.

Mr. ANTHONY FANTACI,
Director, Branch for Older Workers, U.S. Department of Labor, Washington, D.C.

DEAR MR. FANTACI: Please note the enclosure.

It seems to me the officials of the division of the Labor Department which is trying to help the aged in their efforts to obtain work should be interested in getting in touch with the Defense Department and ascertaining from the Defense Department the extent to which this Department follows its policy of hiring older people. I request you to do this. Mr. BECKWORTH and I would like to get the actual figures.

With kindest regards,

Sincerely,

JOHN E. FOGARTY,
Member of Congress.

P.S.—It seems to me also you should get in touch with the other departments of our Government including the Civil Service Commission and ask for this information. We want the actual figures for each department.

Congressman JOHN FOGARTY,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN FOGARTY: Your letter of April 28, 1961, addressed to Mr. Anthony Fantaci of the Bureau of Employment Security, has been referred to me because of the department and Government-wide implications of your request to look into the extent to which various Federal agencies are following a policy of nondiscrimination in employment with respect to age. In connection with previous inquiries by Congressman LINDLEY BECKWORTH, we have discussed this matter with the Civil Service Commission and the Federal Council on Aging. Virtually every agency has expressed interest in having such data but apparently do not have the staff required to obtain it on a regular or even one-time basis.

Upon receiving your letter, we again contacted the Civil Service Commission with the thought in mind that it is the central personnel agency of Government which is responsible for determining adherence to all Federal employment programs and policies including those relating to the age factor. A copy of our letter to Mr. John Macy, Chairman, Civil Service Commission, is enclosed.

From information obtained from our own personnel office and from other sources, I believe that there is an agreement among personnel officials in Government that a regular program of statistical information is desirable and should be obtained on a regular basis. I also believe that this is a proper function for the Civil Service Commission working with the Federal Council on Aging. This Department, too, because of its concern for and the various program activities in behalf of older workers generally, certainly has an interest in eliminating age discrimination in Federal employment.

As soon as we obtain a response from the Civil Service Commission, followed by any needed discussion with its staff, I will let you know the outcome.

Sincerely yours,

W. WILLAND WIRTZ,
Under Secretary of Labor.

U.S. CIVIL SERVICE COMMISSION,
Washington D.C., January 27, 1961.

Hon. LINDLEY BECKWORTH,
House of Representatives.

DEAR MR. BECKWORTH: This refers to your letter of December 31, 1960, submitting a list you received from the Department of State, of employees over 60 years of age who were appointed to that Department during the calendar year 1960.

All of the employees listed, except Mr. Lehman P. Nickell, were appointed to positions excepted from competitive civil service examination and appointment procedures. According to information we received from the personnel office of the Department, Mr. Nickell was reinstated to the position of special assistant, grade GS–15, in that Department on January 4, 1960. None of the employees listed, therefore, was appointed through the competitive examination procedure.

Sincerely yours,

DONALD R. HARVEY,
Chief, Examining Division.

DEPARTMENT OF STATE,
Washington, D.C., December 28, 1960.

Hon. LINDLEY BECKWORTH,
House of Representatives.

DEAR MR. BECKWORTH: I have received your letter of December 6, 1960, in which you requested information about the policy of the Department of State regarding the employment of older people.

The Department's policy in this matter is formulated and carried out in accordance with civil service regulations and the provisions of the Foreign Service Act of 1946, as amended.

Civil service employees of the Department may be appointed between 18 and 70 years of age.

The appointment of Foreign Service personnel is made in accordance with the provisions of the Foreign Service Act of 1946, as amended, which permits the employment of persons between 21 and 60 years of age. On occasion, however, Foreign Service personnel who have had highly specialized or technical experience have been appointed without regard to the age limitation.

During the past 12 months, 17 persons over 60 years of age have been appointed to the Department, 10 of whom have had no prior Federal service.

I trust that this information will be helpful to you, and if I can be of any further assistance, please do not hesitate to call upon me.

Sincerely yours,

WILLIAM W. WALKER,
Deputy Director of Personnel.

Also I include some information that was sent me August 30, 1962, by the national space agency:

NATIONAL AERONAUTICS AND
SPACE ADMINISTRATION,
Washington, D.C., August 30, 1962.

Hon. LINDLEY BECKWORTH,
House of Representatives,
Washington, D.C.

DEAR MR. BECKWORTH: I am writing you further concerning your request for a list of names and addresses of persons who held temporary and summer jobs in the National Aeronautics and Space Administration this summer. In accordance with your request, we are furnishing such a list of employees who served with NASA headquarters in the

Washington, D.C., area. I hope this information will be helpful to you.

Sincerely yours,

Paul G. Dembling,
Director, Office of Legislative Affairs.

NASA Employees (Summer and Temporary) Working for NASA Since June 1, 1962

Anderson, Blanche L., 8502 Powhatan Street, Hyattsville, Md.

Armstrong, Conrad G., GS-39 Gallatin Hall, HBS, Boston, Mass.

Arons, Daniel M., 2129 Delancey Place, Philadelphia, Pa.

Arthur, Carolyn A., 122 Northrop Road, Alexandria, Va.

Avery, Dianne, 5908 Lemon Road, McLean, Va.

Basler, Betty A., 5046 North 35th Road, Arlington, Va.

Badian, Saundra L., 8515 Farrell Drive, Chevy Chase, Md.

Banes, Susan P., 805 Malcolm Drive, Silver Spring, Md.

Barnhart, Pamela J., 4514 Jamestown Road, Washington, D.C.

Barrett, Grace S., 1045 Madison Avenue, Huntington, W. Va.

Bettis, Denise J., 842 South Highland Street, Arlington, Va.

Bishopp, Nancy L., Route 2, Box 290, McLean, Va.

Boarman, Patricia A., 200 Fort Davis Street SE., Washington, D.C.

Boggs, Charles W., 5421 York Lane, Bethesda, Md.

Boone, Joyce L., 125 Fox Way, Forest Heights, Md., Washington, D.C.

Borowski, Ellen A., 7514 Girard Street, College Park, Md.

Bowman, Patricia L., 3408 North Emerson Street, Arlington, Va.

Brewer, James F., 203 Lexington Drive, Silver Spring, Md.

Brewer, Rose D., 1140 Westmount Avenue, Dallas, Tex.

Britts, Kathleen B., 3544 Valley Drive, Alexandria, Va.

Brooks, Neal A., 10143 Dallas Avenue, Silver Spring, Md.

Brunsvold, Kenneth T., 3109 Russell Road, Alexandria, Va.

Buddeke, Mary K., 3909 Lorraine Avenue, Falls Church, Va.

Cain, William O., III, 7615 Gresham Street, Springfield, Va.

Cappello, Josephine A., 44 E. Street NW., Washington, D.C.

Carmody, Katherine M., 1018 Poplar Drive, Falls Church, Va.

Casper, Jonathan D., 4932 North 34th Street, Arlington, Va.

Chapman, Joyce A., 1241 Eaton Road SE., Washington, D.C.

Clary, Thomas R., 904 Belmore Avenue, Staunton, Va.

Cooledge, W. Scott, III, 8 Devereaux Street, Arlington, Mass.

Corbett, Sara A., 1300 Grass Hill Terrace, Falls Church, Va.

Creekpaum, Christiana, 5706 Southeast Lafayette, Portland, Oreg.

Coffman, Virginia C., 7122 Edgemoor Lane, Alexandria, Va.

Dahlberg, Joy E., 3085 South 2300 East, Salt Lake City, Utah.

DeCelle, Margaret L., 703 Carter Road, Rockville, Md.

Dietrich, Florence A., 4616 Guilford Road, College Park, Md.

DiPietro, Linda R., 848 Kennebec Street, Pittsburgh, Pa.

Downs, Bonnee J., 708 Grove Street, Falls Church, Va.

Dunn, Jean C., 7308 Gateway Boulevard, District Heights, Md., Washington, D.C.

Eaton, Wendolyn L., 7208 Blair Road NW., Washington, D.C.

Keegan, Edna L., 6123 Westland Drive, West Hyattsville, Md.

Ettleman, Barbara L., 6312 Pioneer Drive, Springfield, Va.

Evans, Dale P., 7902 Sleaford Place, Bethesda, Md.

Faunce, Mary L., 5904 Triton Court, Marlow Heights, Md.

Feldman, Jean M., 1902 Reedie Drive, Silver Spring, Md.

Florio, Rose A., 5137 12th Street NE., Washington, D.C.

Foster, Perry T., 706 Browning Avenue, Calvert, Tex.

Friedenberg, Marvin F., 6635 24th Avenue, West Hyattsville, Md.

Friedman, Ronne D., 1733 Ladd Street, Silver Spring, Md.

Gershenson, Suzanne, 3204 Woodhollow Drive, Chevy Chase, Md.

Glaser, Ralphine V., 7700 82d Place, Palmer Park, Md.

Gotkin, Trine E., 7424 Piney Branch Road, Takoma Park, Md.

Groves, Judy L., 1115 Highland Avenue, Falls Church, Va.

Gura, Michael P., 7102 Edgevale Street, Chevy Chase, Md.

Haaser, Theodore C., 11716 College View Drive, Wheaton, Md.

Hadary, Sharon G., 265 Tangdon Street, Madison, Wis.

Hanopole, Sharon H., 13404 Dauphine Street, Silver Spring, Md.

Hardin, Natalie C., 5227 Janice Lane SE., Washington, D.C.

Harrell, Juanita C., 1428 Euclid Street NW., Washington, D.C.

Harris, Marie K., 2364 Skyland Place SE., Washington, D.C.

Henry, Helen M., 1702 White Oak Drive, Silver Spring, Md.

Hessing, Melody B., 11134 Newport Mill Road, Kensington, Md.

Hickey, Elizabeth A., 6109 29th Street NW., Washington, D.C.

Hoff, John S., 3041 N Street NW., Washington, D.C.

Holl, Karen J., 4306 North 39th Street, Arlington, Va.

Hootman, Nancy L., 3118 Franconia Road, Alexandria, Va.

Hunt, Joseph M., Fordham University, Fordham Road and 3d Avenue, Bronx, N.Y.

Ivanow, Julia M., 5949 Arlington Blvd., Arlington, Va.

Jacobs, J. Ethan, 2097 West Market Boulevard, Lima, Ohio.

Jaffe, Arlene I., 2305 Churchill Boulevard, Silver Spring, Md.

Kaufman, Beth L., 899 North Kentucky Street, Arlington, Va.

Keith, Judith L., 5000 Allwood Drive, Alexandria, Va.

Kirby, Paul V., 2009 Lanier Drive, Silver Spring, Md.

Kirk, John C., 7910 Kentbury Drive, Bethesda, Md.

Laciny, Dorothy S., 3418 63d Avenue, Cheverly Manor, Hyattsville, Md.

LaFevers, Fredrick S., 206 Chandler Road, Goldsboro, N.C.

Lee, Beverly Ann, 1909 Chapman Road West Hyattsville, Md.

Lee, Nancy A., 3320 11th Place SE., Washington, D.C.

Leukhardt, Donna P., 2210 Beaumont Street, Washington, D.C.

Levinson, Sanford V., 830 4th Avenue West Hendersonville, N.C.

Lewis, Lila L., 1230 Crittenden Street NW., Washington, D.C.

Lichtman, Paul B., 1180 Gerard Avenue, New York, N.Y.

Lloyd, Dora Lee, Stonehedge Farm, Middleburg, Va.

London, Helaine B., 7600 Hammond Avenue, Takoma Park, Md.

Lukacs, Doris J., 2443 Colebrook Drive, Washington, D.C.

Maguire, William C., Lowell House, L-42, Cambridge, Mass.

Mailer, Amy S., 1098 Ruatan Street, Silver Spring, Md.

Marcello, Randi J., 3000 63d Avenue, Cheverly, Md.

Maske, Mary E., 4726 Rickey Avenue, Washington, D.C.

McCall, Carina A., 1101 Cypress Drive, Wilmington, N.C.

McCray, Norma E., 2608 Sherman Avenue NW., Washington, D.C.

Megonigal, Carol J., 6332 Lumar Drive, Washington, D.C.

Mickelsen, Elizabeth K., 5425 Harwood Road, Bethesda, Md.

Mietus, James D., 125 Greenaway Road, Eggertsville, N.Y.

Moos, Judy A., 4647 Lewis Avenue, Washington, D.C.

Namey, Lynn M., 3119 8th Street, North Arlington, Va.

Odom, Barbara A., 5515 Second Street N.W., Washington, D.C.

O'Donnell, Catherine V., 3310 Ivanhoe Lane, Alexandria, Va.

Patrick, Maureen F., 710 Wayne Avenue, Silver Spring, Md.

Pearson, Margaret C., 5901 First Street, North Arlington, Va.

Perry, Sylvia C., 4905 Broadview Road SE., Washington, D.C.

Posey, Tyree R., 6525 Charles Street, Falls Church, Va.

Poush, Boyd, 1001 North Quantico Street, Arlington, Va.

Povich, Lynn, 1801 Sudbury Lane NW., Washington, D.C.

Putnam, Irene F., R.F.D. No. 2, care of Catesby Farm, Middleburg, Va.

Roe, Kenneth V., 240 South First West, Panguitch, Utah.

Roll, Suzanne, 910 Charlotte Road, Plainfield, N.J.

Rosholt, Robert L., 1810 Ashland Avenue, St. Paul, Minn.

Rossi, Linda M., 9528 Sherwood Drive, R.F.D. No. 4, Upper Marlboro, Md.

Schnur, Robert A., 19 Everett Street, Cambridge, Mass.

Schulte, Karen V., 1603 Pinecastle Road, Falls Church, Va.

Shadoan, Harry B., Ruth Road, Somerset, Ky.

Shafer, Nettie T., 5425 Goldsboro Road, Bethesda, Md.

Sherman, Isabelle S., 2107 Windham Place, Silver Spring, Md.

Sherman, Nancy L., 654 Sleepy Hollow Road, Falls Church, Va.

Smith, Elaine L., 6300 North 12th Street, Arlington, Va.

Smith, Marianne V., 6109 54th Avenue, Riverdale, Md.

Stanwood, Thora E., 6944 Winterberry Lane, Bethesda, Md.

Subin, Donald W., 2 South Somerset Avenue, Ventnor City, N.J.

Titus, Carol L., 12827 Flack Street, Wheaton, Md.

Torbert Penelope, 3108 Schellhorn Road, Alexandria, Va.

Voegel, Robert P., 2113 Coleridge Drive, Silver Spring, Md.

Wallace, Anderson, Jr., 1803 North Quinn Street, Arlington, Va., Apartment No. 201.

Wallenius, Margaret S., Box 453, Wilson College, Chambersburg, Pa.

Ward, Barbara J., 2714 Highwood Drive, Dallas, Tex.

Ward, Michael T., 163 Hilton Street, Alexandria, Va.

Weinberg, David R., Carleton College, Northfield, Minn.

Weiss, Arthur J., 8928 Bradmoor Drive, Bethesda, Md.

Yurasko, William H., 1777 Yale Station, New Haven, Conn.

Mr. Kluttz mentioned in his article nepotism. I enclose three letters in regard to Representative NEAL SMITH'S bill on this subject:

AUGUST 30, 1962.

Hon. TOM MURRAY,
Chairman, Committee on Post Office and Civil Service, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: On January 22, 1962, I introduced a bill dealing with nepotism in the Federal Government. On January 22 and June 29 I requested you to hold a hearing on this bill, and on January 25 and July 6 you said that a determination would be made as to whether any action should be scheduled during this session after the departmental reports were received. I understand that these reports have now been received, and I respectfully urge that such hearings now be held. I realize that it is late in the session, but I respectfully urge that you hold at least a 1-day hearing, and I further respectfully urge that the Post Office Department be scheduled as a witness so that it can be determined what action should be started in the next Congress.

Both Congressman Beckworth of Texas and Congressman Whitener of North Carolina have from time to time expressed to me that they are also interested in this bill.

Sincerely,

NEAL SMITH,
Member of Congress.

POST OFFICE DEPARTMENT,
Washington, D.C., September 25, 1962.

Hon. LINDLEY BECKWORTH,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN: In reply to your recent request; hereinafter set out is the text of our report to the Bureau of the Budget on the bill H.R. 9812, proposing to prohibit nepotism in Government employment.

The bill, as applied to the Post Office Department, would prohibit postal officials from appointing, employing, or recommending for appointment, employment or promotion in the Department or other organizational unit in which the official is serving, or over which he exercises jurisdiction or control, any person who is a relative of the official.

The Post Office Department supports the principle that nepotism in the postal service is undesirable and whenever action by a postmaster to appoint or promote a relative is brought to our attention an attempt is made to disperse such employee found to be serving under the postmaster's jurisdiction. Postmasters are also discouraged from considering the employment of their relatives. However, in rural areas and small towns it is not always possible to find qualified eligibles not related to the postmaster interested in postal employment. Therefore it is sometimes necessary to permit the employment of relatives.

In our view the bill as presently drafted appears too restrictive, particularly where rural post offices are concerned.

The Department therefore feels that, if H.R. 9812 receives favorable consideration, exception should be made for those situations where it is not possible to recruit qualified candidates to fill essential positions except through the employment of relatives of postmasters.

The Bureau of the Budget has advised that from the standpoint of the administration's program there is no objection to the submission of this report.

Sincerely yours,

LOUIS J. DOYLE,
General Counsel.

U.S. CIVIL SERVICE COMMISSION,
Washington, D.C., August 29, 1962.

Hon. TOM MURRAY,
Chairman, Committee on Post Office and Civil Service, House of Representatives, House Office Building.

DEAR MR. CHAIRMAN: This is in further reference to your letter of February 5, 1962, requesting the views of the Civil Service Commission on H.R. 9812, a bill to prohibit nepotism in Government employment, and for other purposes.

H.R. 9812 would prohibit public officials, either elected or appointed, in the executive, legislative, or judicial branches of the Government, from appointing, employing, or recommending for appointment, employment, or promotion in the department or other organizational unit in which the official is serving, or over which he exercises jurisdiction or control, any person who is a relative of the official.

The Civil Service Commission agrees in principle that nepotism or favoritism in any form should not be a controlling factor for entry on the public payroll. However, for the reasons cited below, we are opposed to enactment of H.R. 9812.

Although, as indicated, coverage under H.R. 9812 extends to congressional, Presidential, and other policy level appointments, our chief concern with H.R. 9812 is with its possible effect, if enacted, on positions in the competitive service and on positions in certain agencies of the executive branch which are not in the competitive service, but which have established special merit systems by law or by administrative action. This latter group includes positions in Tennessee Valley Authority, Atomic Energy Commission, Canal Zone Government, and Foreign Service of the Department of State. As of March 31, 1962, over 91 percent of all Federal officials and employees were employed in the competitive service or in special merit systems.

The Civil Service Act of 1883 provides that whenever there are already two or more members of a family serving under permanent-type appointments in the competitive service, no other members of such family, except a veteran, shall be eligible for such appointment.

The original purpose of this provision was to guard against nepotism in the Federal service. While there may have been reason for concern over family influence in appointments under the spoils system, this has not been a problem since the establishment of the civil service merit system. The open competitive examination process itself assures that appointments are made on the basis of the ability of persons to do the work.

Several years ago, the Civil Service Commission made a study of the operations of the "members of family" law. It appeared that its primary effect is a harmful one. In a small but significant number of instances, it prevents the hiring of persons who are otherwise well qualified for Government work. These persons are usually young people, many of whom are still minors, who have just completed school and continue to live with their parents until they establish homes of their own.

Many of these persons who are barred from appointment by the restriction are qualified for employment in types of work in which the Government has shortages of well-trained personnel. Typically, they are stenographers, typists, student trainees in scientific and engineering fields, and junior level professionals. They pass the open competitive examinations, but cannot be appointed to Government jobs because two members of their immediate family household are already employed in the competitive service.

The restriction causes greater difficulties in areas where the Government is the predominant employer, either because of heavy concentration of Government agencies, such as in Washington, D.C., or location of installations at isolated areas. Not only does the restriction bar qualified personnel from employment in shortage occupations, but it also cuts off the local employment opportunities for these young people, many of whom have been reared in a tradition of Government service.

In one respect, H.R. 9812 is more restrictive than the "members of family" law. H.R. 9812 would prohibit the employment of a relative. The "members of family" restriction does not apply to veterans, nor unless two or more members of the immediate family are already employed by the Government. However, in another respect, H.R. 9812 is less restrictive. The "members of family" law prohibits, in certain situations, the employment of a relative in any position in the competitive service. H.R. 9812 would prohibit employment of a relative only in the same department.

Despite these differences, we feel that enactment of H.R. 9812 would create problems in recruiting similar to those described above attributed to the "members of family" law.

Enactment of H.R. 9812 would create one more legal obstacle to effective recruitment for the competitive service.

Further, the language of H.R. 9812 might be construed as restricting the selection of personnel for such positions as assistants to Members of Congress, as well as restricting appointments by the President to departments and agencies.

This report has not received clearance from the Bureau of the Budget.

By direction of the Commission:

Sincerely yours,

JOHN W. MACY, Jr.,
Chairman.

It is noted the Civil Service Commission opposes the Smith bill. It also opposes my apportionment bill. The Civil Service Commission in their letter to me informs me they hired about 35 summer employees in the central office or Washington area. Only five come from outside the Washington area.

I include an article that appeared September 28, 1962, in the Washington Post. It relates to a speech made by our distinguished Vice President:

JOB EQUALITY URGENT, VICE PRESIDENT SAYS

Vice President LYNDON B. JOHNSON said yesterday that it is of "urgent necessity" to eliminate job discrimination, which he said will cost the country from $13 billion to $17 billion this year.

"Our Government cannot declare equal employment opportunity to be a national policy unless the Government's house is in order," he said. "And we are now engaged in every possible type of activity to assure that the Government's house will be in order."

JOHNSON spoke at the Marriott Motor Hotel, Arlington, at a meeting of Army compliance officers for the President's equal employment opportunity program. The Vice President said the Council of Economic Advisers estimates the Nation's gross national product would rise by $13 billion this year if all jobs were handled "without regard to irrelevant considerations of ancestry."

He said the increase would rise to $17 billion "if the opportunity to train for all jobs were open on the same basis."

"In other words," he said, "job discrimination will cost us $13 billion to $17 billion this year."

JOHNSON, speaking as chairman of the President's Committee on Equal Employment Opportunity, said equal access to jobs "is a question of justice—and no nation can hold itself forth as the leader of the free world unless it practices justices to all of its citizens, regardless of race, creed, color, or national origin."

Secondly, he said, it is "a matter of economic urgency—because we can no longer deny ourselves the use of brains and skilled manpower for reasons totally irrelevant to merit."

He told the Army officials that President Kennedy, his Cabinet, and the whole administration would back them in every possible way in their efforts to reduce discrimination in the fields of Government contracts and Government employment.

At this point I include some remarks which appeared June 27, 1958, in the Congressional Record:

Mr. Beckworth. Mr. Speaker, I quote the pertinent part of a letter I received from Hon. Stephen S. Jackson, Deputy Assistant Secretary of Defense, which was written me June 9, 1958:

"Dear Mr. Beckworth: At a recent hearing before the Davis subcommittee of the House Post Office and Civil Service Committee, you questioned the late Assistant Secretary Francis regarding age limits for civil-service employment in the Department of Defense.

"There are no maximum age limits for any noncompetitive civil-service positions in the Department of Defense, and the vast bulk of civilian positions in the Department are in the competitive civil service.

"The 46-year-old woman to whom you referred undoubtedly applied at Barksdale Air Force Base, which is one of the recruiting points for Air Force oversea positions, for a teaching position in the Air Force oversea dependents schools.

"Although younger women do tend as a group, to adapt more readily to the changes in living conditions which are involved in employment in foreign areas. It is recognized that many older women also can successfully make the adjustment. The Air Force plans, therefore, in recruiting for the 1959–60 school year to increase the age limits for oversea schoolteachers to 60.

"We share your concern that qualified older workers not be denied opportunity for employment solely because of their age, and assure you that Department of Defense practices are to make fullest practicable use of older workers in jobs for which they qualify."

The lady referred to in the letter lost her husband. There are many such ladies in our land and they deserve to have employment opportunities. The same is true with reference to older men.

Also I quote some of my remarks on the floor of the House, August 16, 1957:

"Mr. Beckworth. Mr. Speaker, on July 10, 1957, I placed in the Congressional Record an article which appeared in the Reader's Digest in the July issue of 1957, and an article that appeared in the Dallas Morning News, June 29, 1957. In the Washington Post, July 25, 1957, there was an article by Jeff O'Neill entiled 'Older Worker Gets Job Break.' The article refers to the policy of the Lofstrand Co. of Rockville, Md., concerning older workers. In the Evening Star, August 14, 1957, is an article entitled 'Hire Older Workers, Employers Are Urged.'

"For many years I believe I have recognized the seriousness of the problems that face older people who seek employment. In the early 1930's I knew a very experienced man in oilfield work who about the time he became 45 years of age or older and lost his job and could not find anything like steady, gainful employment thereafter. He had 3 children, the oldest of whom was about 14. He was capable in his work, and his wife and children needed the income from his ability to earn as much as they had ever needed or would ever need that which he might earn.

"For months, even though he was A–1 in his ability to do oilfield work, much of which required considerable skill, he sought work, but was told he was too old. From worry, disappointment, and humiliation because he could not provide for his family, he became ill and not too long thereafter passed away. My observation of the plight of this family has remained vividly with me. Incidentally, to be sure this was the depression period, but I recall many younger men in the very active east Texas oilfield worked quite regularly, for drilling in this field was at its height in those years.

"During World War II it was clearly shown that older people as well as crippled and handicapped people could do good jobs of work in many phases of our economy."

I believe those who wish summer employment in Washington from far removed areas should have more opportunity than they have had in the past. Also I believe our people over 45 years of age should have a better opportunity to obtain Federal employment. I have introduced a resolution having for its purpose the finding out the extent to which the U.S. Government hires older people.

In this connection it is my feeling that we have too many unassembled civil service examinations and that in some instances the cutoff dates are too soon after the announcements of examinations. I saw an announcement by one department recently; it was dated July 5, 1962, and related to a good many jobs. The cut-off on one of the jobs was July 6, 1962. The cut-off days on other jobs was July 12, 1962. The average person would not know about the openings in time to apply.

I enclose some letters:

U.S. Civil Service Commission,
Washington, D.C., June 19, 1961.

Hon. Lindley Beckworth,
House of Representatives.

Dear Mr. Beckworth: This refers to your letter of May 17, 1961, forwarded from the Post Office Department, requesting information about postmaster examinations at post offices the size of those at Dallas, Mineola, and Tyler, Tex.

Applicants for postmaster examinations for first-class offices at postal field service levels 10 and above, such as Dallas (postal field service level 17) and Tyler (postal field service level 13), are not required to take a written test but are rated on a scale of 100 on the basis of an evaluation of their business and professional experience and their general fitness for the position. This is referred to as an unassembled examination. The evaluation of the applicants' experience and fitness is made from statements by the competitor in his application and on corroborative evidence secured by a representative of the Civil Service Commission through a field investigation. In the investigation, the representative interviews all the applicants under consideration, some of the applicants' references, their employers or supervisors when necessary, and other persons comprising a representative cross section of the patrons of the post office.

Postmaster examinations for post offices at postal field service levels 5 through 9, such as Mineola (a first-class post office at postal field service level 9) consist of two parts: (1) a written test, and (2) an evaluation of experience and fitness. These are referred to as assembled examinations. Competitors are rated on a scale of 100 on the written test and must attain for eligibility a rating of at least 70, excluding credit for veteran preference. Those who fail to pass the written test are given no further consideration.

Applicants who pass the written test are then rated on a scale of 100 on experience and fitness and must attain a rating of at least 70 in this part of the examination, excluding credit for veteran preference. The evaluation of an applicant's experience background is made from statements by the competitor in his application and on cooroborative evidence secured by the Civil Service Commission through a correspondence inquiry.

Competitors who are rated ineligible on experience and fitness are not assigned final numerical ratings, but are rated ineligible in the examination as a whole. The scores of each competitor who is eligible on both the written test and on experience and fitness are combined. Any additional points for veteran preference are then added to the competitor's combined (average) rating.

In conducting a correspondence inquiry in examinations for postmaster positions, questionnaires regarding the applicants' qualifications are sent to some of the applicants' references, to their employers or supervisors when necessary, and to other persons, comprising a representative cross section of the patrons of the post office.

Your enclosures are returned.

Sincerely yours,

Donald R. Harvey,
Director, Bureau of Recruiting and Examining.

U.S. Civil Service Commission,
Bureau of Departmental Operations,
Washington, D.C.

Hon. Lindley Beckworth,
House of Representatives.

Dear Mr. Beckworth: Chairman Jones asked me to reply to your recent letter concerning your interest in unassembled examinations.

During fiscal year 1960 the Commission (central office, regional offices, and Boards of U.S. Civil Service Examiners under their jurisdiction) processed 476,016 applications. Of this number 393,939 were for unassembled examinations and 82,077 for assembled examinations. An unassembled examination is one in which all or a part of the examination requirements are expressed in terms of minimum amounts of work experience or training pertinent to the class of position for which the examination is held. Some unassembled examinations include both experience and training requirements, plus a written examination as well.

New hires authorized by the Commission in fiscal year 1960 totaled 238,926. However, we do not have available statistics showing the breakdown of new hires by type of examination through which appointed. We hope that this information will serve your purpose.

Your enclosures are returned.

Sincerely yours,

Donald R. Harvey,
Chief, Examining Division.

U.S. Civil Service Commission,
Washington, D.C., May 18, 1961.

Hon. Lindley Beckworth,
House of Representatives,
Washington, D.C.

Dear Mr. Beckworth: Your communication of May 9, 1961, is returned herewith.

During the calendar year 1960 a total of 465,217 accessions to Federal positions in the United States were reported by Federal agencies. Of these accessions, 43,102 were persons reappointed after having left the service at some earlier date, 21,968 were transfers from one agency to another without a break in service, and 23,596 were restored or returned to duty after suspension, reduction in force, furlough, or extended leave without pay. The remaining 376,551 persons were hired without regard to previous Federal service.

How many of these may have had some previous Federal employment we do not know but their employment in 1960 was not based on prior service.

Sincerely yours,

DAVID F. WILLIAMS,
Director, Bureau of Management Services.

A well informed and fair minded Member of the House of Representatives after noting that 38 unassembled civil service examinations were given within a year compared with 82,077 assembled civil service examinations being given within the same year commented as follows:

> I thank you for the copy of the letter addressed to you by Mr. Donald R. Harvey, Chief of the Examining Division of the U.S. Civil Service Commission. The figures contained therein are amazing and certainly something should be done about the situation. These facts would indicate to me that we practically have no competitive civil service system.

Some of the testing is done by civil service examining boards. I list some of these in the area of Texas.

BOARD OF U.S. CIVIL SERVICE EXAMINERS,
U.S. DEPARTMENT OF AGRICULTURE,
Fort Worth, Tex., September 24, 1962.

Hon. LINDLEY BECKWORTH,
House of Representatives,
Washington, D.C.

DEAR MR. BECKWORTH: As requested in your letter of September 9, 1962, we are attaching a list of the names and addresses of members of the civil service examining boards in Dallas and Forth Worth, Texas.

We are also attaching a copy of our examination announcement for the position of cartographic draftsman, GS–2/3, for which we maintain a register of eligibles. We are forwarding Mr. Hall a copy of the announcement, and form 57 so that he may apply, if he desires.

Sincerely yours,

E. R. TRENT,
Acting Executive Secretary.

Boards of U.S. Civil Service Examiners, Texas

BOARD AND IDENTIFICATION NUMBER	
Del Rio: Charles L. Piper, Laughlin Air Force Base, Del Rio, Tex	68
El Paso:	
Melchor T. Ontiveros, Army and Air Force, El Paso, Tex	14
Miss Blanche M. Burns, International Boundary and Water Commission, United States and Mexico, El Paso, Tex	13
Ruben Avelar, Mexican farm labor program, El Paso, Tex	139
Fort Hood: Mrs. Charlotte E. Zatlukal, Department of the Army, Fort Hood, Tex	26
Fort Worth:	
Miss Ruth E. Frantz, Carswell Air Force Base, Fort Worth, Tex	41
Everett G. McClendon, Federal Aviation Agency, Fort Worth, Tex	19
Waylon E. Warren, Corps of Engineers, Fort Worth, Tex	61
Mrs. Nell Brown, Federal Housing Administration, Fort Worth, Tex	17
Mrs. Elsa M. Linder, Forth Worth General Depot, Forth Worth, Tex	18
Leo R. Kent, U.S. Department of Agriculture, Forth Worth, Tex	7
Mr. LeJaun Powell, Housing and Home Finance Agency, Forth Worth, Tex	136
Ernest N. Wolff, U.S. Post Office, Fort Worth, Tex	126
Wesley W. Neill, U.S. Public Health Service Hospital, Fort Worth, Tex	20
Edward F. Cook, Weather Bureau, Fort Worth, Tex	16
Galveston:	
Mrs. Rose G. Weaver, Corps of Engineers, Galveston, Tex	21
Mrs. March L. Brady, U.S. Public Health Service Hospital, Galveston, Tex	22
Houston:	
Mrs. Carmelite F. Genest, Ellington Air Force Base, Houston, Tex	53
Abilene: Mrs. Louise W. Bishop, Dyess Air Force Base, Abilene, Tex	112
Amarillo:	
Mrs. Elizabeth P. Tucker, Bureau of Mines Helium Plant, Amarillo, Tex	1
Allen D. Davenport, Veterans Administration Hospital, Amarillo, Tex	2
Mrs. Evelyn C. Renner, Amarillo Air Force Base, Amarillo, Tex	58
Austin:	
Howard D. Hazelton, Bergstrom Air Force Base, Austin, Tex	3
Mrs. Sadie R. Cutbirth, Internal Revenue Service, Austin, Tex	144
Max Spillman, Jr., Selective Service System, Austin, Tex	137
Big Spring:	
W. H. Bacus, Veterans' Administration Hospital, Big Spring, Tex	52
Eugene L. Smith, Webb Air Force Base, Big Spring, Tex	64
Bonham: Albert A. Smith, Veterans' Administration Center, Bonham, Tex	60
Corpus Christi: Clyde M. Postell, Army and Navy, U.S. Naval Air Station, Corpus Christi, Tex	4
Dallas:	
Lloyd G. Smith, Central Contract Management Region, U.S. Air Force, Dallas, Tex	138
Federal Deposit Insurance Corporation, Dallas, Tex	5
Mrs. Alice B. Chandler, Federal Housing Administration, Dallas, Tex	6
General Accounting Office, Dallas, Tex	118
Paul A. Berger, Jr., Internal Revenue Service, Dallas, Tex	143
Mrs. Minnie Dean, U.S. Post Office, Dallas, Tex	121
Wm. F. Shanholtz, Veterans' Administration Hospital, Dallas, Tex	11
Mrs. Ruth Ward, General Services Administration, Dallas, Tex	131
Lawrence W. Kemper, U.S. Air Force, U.S. Naval Air Station, Dallas, Tex	116

When the Civil Service Commission gives examinations for the benefit of Members of Congress in their efforts to get good candidates for West Point and the other academies, I feel good tests are given. These certainly are not unassembled examinations. I emphasize it is my feeling there are too many unassembled examinations given by the Civil Service Commission. I feel generally the assembled postmastership examinations given by the Post Office Department are good examinations.

I am this day introducing a bill to provide that maximum use of assembled examinations be used by the Civil Service Commission and that in effect "cutoff" dates for taking civil service examinations be of longer duration; in other words, in my opinion, the length of time between the announcement of a given examination and the final date to apply to qualify should in many instances be lengthened. I would hope these two provisions, if enacted into law, would enable the Government to recruit better qualified people and enable it to promote those already in the Government that are best qualified.

A copy of the bill follows:

A BILL TO AMEND THE CIVIL SERVICE ACT OF JANUARY 16, 1883, WITH RESPECT TO THE FILLING OF POSITIONS IN THE COMPETITIVE CIVIL SERVICE

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Civil Service Act of January 16, 1883, as amended (5 U.S.C. 632 and following), is amended by adding at the end thereof the following:

"SEC. 12. The Commission is authorized and directed to take such action as may be appropriate with respect to the filling of positions in the competitive civil service in order to insure, to the maximum extent practicable, that—

"(1) all due and sufficient notice and opportunity is given to applicants in connection with the filing of applications for such positions, and

"(2) such positions are filled through assembled competitive examinations.".

Note the Washington Star article of June 30, 1962, and note the September 19, 1962, letter which follows:

EFFORT UNDERWAY TO REQUIRE MORE WRITTEN EXAMS FOR JOBS

(By Joseph Young)

One of the most active members of the House Civil Service Committee is waging a fight to have the Government use more written exams in filling the more important Federal positions.

Representative BECKWORTH, Democrat, of Texas, says he is greatly disturbed over the increased number of unassembled (nonwritten) exams for middle and upper bracket Government jobs.

He has asked the Civil Service Commission and the various Government agencies for a breakdown on the number of assembled written) exams for middle and upper bracket given and for which type of jobs. The CSC and some of the agencies' replies already have been received and the replies printed in the CONGRESSIONAL RECORD.

The Texan says he will pursue the matter in the House Civil Service Committee. He said he fears the quality of persons chosen through unassembled exams is not as high as it could be in many cases if some kind of written exam were required.

"It's essential that the Government be staffed by the best employees possible," Mr. BECKWORTH said.

He declared that the unassembled exam, under which a person is graded solely on training and experience, frequently is not the best gage for measuring ability for a particular job.

Political considerations also sometimes are a factor in selecting persons for the better Federal jobs when unassembled exams are used to the detriment of the merit system, he feels.

ON THE RISE

The use of unassembled examinations has risen sharply ever since the CSC delegated to agencies the right to hold their own exams under the auspices of civil service examining boards. These boards are composed mainly of agency employees, subject to periodic inspection by the CSC.

Here is the breakdown of agency tests this year received thus far by Mr. BECKWORTH:

Navy—assembled, 9,552; unassembled, 14,444. Treasury—assembled, 1,005; unassembled, 1,797. Justice—assembled, 446; unassembled, 116. Federal Aviation Agency—assembled, 306; unassembled, 1,634. Labor Department—assembled, none; unassembled, 197. National Aeronautics and Space Administration—assembled, 905; unassembled, 2,284. General Services Administration—assembled, 156; unassembled, 580. Federal Home Loan Bank Board—assembled, 2; unassembled, 48.

U.S. CIVIL SERVICE COMMISSION,
Washington, D.C., September 19, 1962.
Hon. LINDLEY BECKWORTH,
House of Representatives,
Washington, D.C.

DEAR MR. BECKWORTH: This is in reply to your letters of August 16, 28, and 31, 1962, and your telephone conversation with Mr. Eddinger of our Bureau of Recruiting and Examining regarding the publication "Current Vacancies for Civilians" issued by the Bureau of Weapons, Department of the Navy.

Under the Federal merit promotion program each agency is responsible for developing promotion plans, under certain guidelines issued by the Civil Service Commission. Agencies may, but are not required to, include in these promotion plans provisions for advertising vacancies and receiving applications from those interested in promotion. Other agencies review the qualifications of employees by reference to existing files.

The publication you submitted is a list of current vacancy announcements published primarily to provide a ready reference file of positions for employees who are interested in promotion. The list is published twice a week and is posted on bulletin boards of offices in the areas where it is believed qualified and interested applicants may be found. This list consolidates in one record a compilation of individual announcements previously issued.

Without knowledge of the system used, it might appear from the review of a single listing that the publicity period for some positions is somewhat brief. However, those shown on any list as having a few days remaining in the filing period have appeared on previous listings, and have received publicity by individual announcement.

The periods of advertising vary from 6 to 30 days and are based on the size of the area in which it is thought well qualified and interested candidates may be located. Each position is shown on all listings published during the prescribed publicity period.

These areas of consideration are established by the agency concerned and are based on what is expected to produce a reasonable number of highly qualified candidates for the particular positions. If sufficient applications are not received, it is a normal practice to then extend the area of consideration and the time within which applications should be filed.

Please let us know if we can be of further assistance to you. As you requested, the items which accompanied your letters are returned.

Sincerely yours,
SEYMOUR S. BERLIN,
Director, Bureau of Inspections.

I enclose some other articles at this point:

STUDENT WORKERS HEAR KENNEDY AS RAIN HITS

(By Harriet Griffiths)

About 2,000 college-age summer Government workers were left standing damply outside Constitution Hall today when rain transferred their meeting with President Kennedy from the White House lawn.

Six thousand of the students were to have heard a welcome from the President before the weather changed the scene.

The 4,000-capacity Constitution Hall, where a seminar began today to give the students an insight into the workings of Government branches other than those in which they work, quickly filled up, leaving hundreds of students still milling outside.

"We saw the President when he came out, though," cheerfully reported Ginnie Wright, now a clerk-typist with the National Institutes of Health and this fall a senior at the University of Maryland. Eight busloads from her agency were left out.

"We got to see him tuck his necktie in his suit," Ginnie said. She added that the students weren't particularly mad, but "I think were just disappointed."

Inside the hall the President drew a laugh from his audience when he said he sometimes wishes his was a summer job, too.

But he told the young workers he thought there was no career that could bring as much satisfaction and stimulus—"and as little compensation, perhaps financially" * * * as being a servant of the U.S. Government.

He said he hoped that after the students leave in August and finish their studies, they will again be willing to give part of their lives to advancing their country's interest.

"I do not regard the great interests of this country in any narrow sense," he said. "Our interests are those of the free world."

He told the group that "when we serve our country in 1962, I think we are serving the cause of freedom."

This country, he noted, is carrying the burden for the defense of freedom in nearly every part of the globe. Some of its problems today wouldn't exist, he observed, if the country had taken a narrow course in the last 15 years.

He said the kind of problems the country faces now are different from those of Woodrow Wilson or Franklin D. Roosevelt's time, and the slogans and cliches which suited an earlier generation don't suit the kind of problems existing today.

Solving these problems, the President said, requires the finest judgment, on which even experts differ.

"This Government needs your assistance," he told the young people.

[From the Washington (D.C.) Post, Aug. 29, 1962]

GOP PLANS SEMINAR TO RIVAL PRESIDENT'S

(By Dorothy Butler)

Republican National Chairman WILLIAM E. MILLER accused the White House yesterday of "perverting into purely political operations" its seminars for college students working in Government jobs this summer.

So the Republicans will hold a seminar of their own today, MILLER announced.

He said college students working in GOP congressional offices, at GOP National Committee headquarters at congressional campaign committee offices were not allowed to attend the seminars, including yesterday's finale.

Nearly 5,000 students gathered on the south lawn of the White House, where President Kennedy urged them to consider Government as a career at a time "when this country must make not only our own society work, but all those societies which are dependent upon us."

Commenting on MILLER's statement, White House Press Secretary Pierre Salinger said he did not believe "all those thousands out on the lawn today were all Democrats unless there has been a very strong trend toward the Democratic Party."

"As I understand it," Salinger added, "all those working in the Government were invited."

Dorothy Davies, director of the seminars, has said earlier that invitations had been restricted to students working directly on Federal jobs. Those working with political parties were excluded, she said.

MILLER further complained in his statement that the interns got a "one-sided picture" of Government because the seminars featured only Democratic speakers.

Today's GOP-sponsored seminar is open to anybody, MILLER said, and will start at 4:30 p.m. in the Ways and Means Committee hearing room of the House Office Building.

Speakers will include Senators BARRY GOLDWATER, Republican of Arizona, and KENNETH B. KEATING, Republican of New York, and Representative THOMAS B. CURTIS, Republican, of Missouri.

At the White House, Kennedy asked those who had become interested in "either a politician or a civil servant or a bureaucrat" to lift their hands. A lot of hands—but not nearly all—were held up.

Then the President praised the Constitution, calling it "extraordinary," but a document that "has to be made to work today in an entirely different world from the day in which it was written."

Later in the afternoon, the young people heard Attorney General Robert F. Kennedy at Constitution Hall.

One student asked him about Monday night's television debate in Boston between his brother, Edward M. (Teddy) Kennedy, and Edward J. McCormack, opponents in the Democratic primary for U.S. Senator from Massachusetts.

"I think Teddy won," the Attorney General answered, to a round of applause and laughter.

Another asked him about Washington influence in the younger Kennedy's campaign.

"I know there have been suggestions that we were going to deport people who didn't vote the right way," Kennedy said—again to laughter—"but I can tell you that all these things are untrue."

Senator JOHN D. MCCLELLAN, Democrat of Arkansas, also addressed the seminar yesterday.

The series wound up last night with a jazz festival at the Sylvan Theater, which featured the Dave Brubeck Quartet, Tony Bennett and Pearl Bailey.

[From the Washington (D.C.) Star, Aug. 28, 1962]

FIVE THOUSAND YOUTHS HEAR TALK BY PRESIDENT

President Kennedy today urged nearly 5,000 college students, working in various Government agencies as summer "interns," to consider making "an attractive career" in Government service.

He told the group, gathered on the south lawn of the White House, that a career as a politician or civil servant is "most challenging in these days when American leaders face complex problems at home and abroad."

The President said he was struck by the fact that some of the most gifted men in American history, such as Calhoun, Clay, and Webster, failed in dealing with comparatively few problems in the few decades before the Civil War. The fact that the Civil War came about despite their efforts was an indication of failure, he made clear.

America's political leaders may not be so gifted today, he added, but they have to deal with problems much more complex than those of 100 years ago. The extraordinary obligation of meeting such problems impresses all those with responsibility in the Government, he said.

I include some additional data:

STUDENT SUMMER EMPLOYEES IN THE FOOD AND DRUG ADMINISTRATION, 1959

Mr. Jordan Maclay, 1816 24th Street NW., Washington, D.C., student assistant (laboratory helper), GS-1398-1; sch A, sec. 6.101(s).

Mr. James C. Sharland, 1319 North 3d Street, Marquette, Mich., student assistant (pharmacist), GS-405-4; sch A, sec. 6.101(s).

Mr. J. Frederic Mushinski, 7607 Westfield Drive, Bethesda, Md., student assistant (chemist), GS-1320-5; sch A, sec. 6.101(s).

Miss Margaret Lois Brown, Apt. 9, 811 Greenbrier Street, Arlington, Va., student assistant (pharmacist), GS-405-5, sch A, sec. 6.101(s).

Miss Elizabeth Brooks, 5325 North 32d Street, Arlington, Va., student assistant (chemist), GS-1320-4, sch A, sec. 6.101(s).

Miss Donna L. Drevenak, Route 2, Box 296, Clinton, Md., trainee (clerk-dictation machine), GS-316-3, USCS Cert. No. B-7461, & CS Reg 2.301(c).

Miss Janet Mirian Koch, 5111 Dumfries Street SE., Washington, D.C., trainee (clerk-dictation machine), GS-316-3, USCSC Cert. No. B-11738 dtd 5-25-59 & CS Reg 2.301(c).

Mr. Kevin Glynn, 2430 Pennsylvania Avenue NW., Apt. 617, Washington, D.C., clerk-typist, GS-322-3, CS Reg 2.404.

Mr. William G. Polking, 420 Franklin Street NE., Washington, D.C., student assistant (publications editor), GS-010-4, sch A, sec. 6.101(s).

Miss Ruth Ann Green, 4514 Livingston Road SE., Washington, D.C., Stat Clk (typist) GS-1531-5, CS Reg 2.404.

Miss Esther Swallen, 524 Van Buren Street NW., Washington, D.C., student assistant (chemist), GS-1320-4; sch A, sec. 6.101(s).

Miss Patricia A. McCann, 6513 Eighth Avenue, Ray Park, Hyattsville, Md., student assistant (chemist), GS-1320-5; sch A, sec. 6.101(s).

Miss Cynthia M. Campbell, 7611 Hogarth Street, Springfield, Va., student assistant (chemist), GS-1320-4; sch A, sec. 6.101(s).

Mr. James S. Foulke, 8205 New Hampshire Avenue, Hyattsville, Md., bacteriologist, GS-420-5; CS Reg. 2.404.

Mr. John Charles Cain, 10229 Capitol View Avenue, Silver Spring, Md., student assistant (chemist), GS-1320-3; sch A, sec. 6.101(s).

Miss Eileen A. McAlinden, 2313 Ross Road, Silver Spring, Md., student assistant (chemist), GS-1320-3; sch A, sec. 6.101(s).

Miss Sandra E. Lincoln, 2620 Sixteenth street, Washington, D.C., student assistant (chemist), GS-1320-4; sch A, sec. 6.101(s).

Mr. Alberto W. Vazquez, 5722 N. Eleventh Street, Arlington, Va., student assistant (entomologist), GS-414-5; sch A, sec. 6.101 (s)

Miss Karen I. Skrivseth, 203 Rogers Drive, Falls Church, Va., clerk-typist, GS-322-3; USCS Cert. No. B-11739, dtd. 5-18-59, & CS, Reg. 2.301(c).

Mr. Richard Lee Stone, 4819 N. Sixteenth Street, Arlington, Va., student assistant (mathematician), GS-1530-2; sch A, sec. 6.101(s).

Miss Erin Horrocks, 523 Tennessee Avenue, Alexandria, Va., student assistant (chemist), GS-1320-4; sch A, sec. 6.101(s).

Miss Betty Ann Brown, 2960 Second Street, S.E., Washington, D.C., clerk (typist), GS-301-4; CS Reg. 2.404.

Mr. James S. Reid, 10938 Clermont Avenue, Garrett Park, Md., student assistant (pharmacologist), GS-405-5; sch A, sec. 6.101(s).

Mr. John L. Rhodes, 5701 Massachusetts Avenue, Falls Church, Va., student assistant (pharmacologist), GS-404-5; sch A, sec. 6.101 (s).

Mr. Wade Markham, 1426 Twenty-first Street, NW., Washington, D.C., student assistant (chemist), GS-1320-5; sch A, sec. 6.101(s).

Mr. Gerald W. Luedeman, 5718 Ogden Road, Bethesda, Md., student assistant (laboratory helper), GS-1398-2; sch A, sec. 6.101 (s).

Miss Jeanine This, Box 330B, Route 5, McLean, Va., student assistant (laboratory helper), GS-1398-2, sch A; sec. 6.101(s).

Miss Alice Lee Landgraf, 3610 Ingomar Place, NW., Washington, D.C., student assistant (chemist), GS-1320—4; sch A, sec. 6.101 (c).

Mr. John F. B. Haney, 7502 Finns Lane, Lanham, Md., student assistant (chemist), GS-1320-5; sch A, sec. 6.101(s).

U.S. DEPARTMENT OF THE INTERIOR,
Washington, D.C., July 21, 1959.

Hon. LINDLEY BECKWORTH,
House of Representatives,
Washington, D.C.

DEAR MR. BECKWORTH: Reference is made to my letter of June 10, 1959.

Enclosed is a list of the names and addresses of students who have been appointed to temporary jobs in this Department in the Washington, D.C., metropolitan area for the 1959 summer season.

Sincerely yours,

ABRAM H. CANNON,
Acting Director of Personnel.

Adams, Burma-Jo, 4425 First Street NE., Washington, D.C..

Allen, Frederick R., 2100 North Powhatan Street, Arlington, Va.

Anderson, Barbara Jean, 5601 23d Street, North Arlington, Va.

Andrews, Ronald T., 96 North Freeman Road, Orchard Park, N.Y.

Ashman, Phyllis L., 2319 Peggy Lane, Silver Spring, Md.

Bartlett, Kenneth A., 109 East Collins Street, Oxford, Ohio.

Baxter, Duard O., 1214 South Thomas Street, Apt. 22, Arlington, Va.

Bishop, Sharon R., 112 King William Drive, Olney, Md.

Blankenbaker, Richard, 3601 North Kensington Street, Arlington, Va.

Bohlig, Robert M., 331 Vincent Place, Elgin, Ill.

Bowser, Carl J., 801 Levering Avenue, Los Angeles, Calif.

Breen, Kathleen F., 1018 Carson Street, Silver Spring, Md.

Bromery, Robert M., 11254 Old Baltimore Pike, c/o Henry Dickerson, Beltsville, Md.

Byrn, Marianne P., 4615 De Russey Parkway, Chevy Chase, Md.

Carruth, Virginia L., 3303 Camalier Drive, Chevy Chase, Md.

Cassell, William C., 4103 North Haven, Toledo, Ohio.

Chaniot, George E., 1096 West Prairie, Decatur, Ill.

Chromis, Jane A., 4622 38th Street NW., Washington, D.C.

Clinkscale, Harold W., 1315 Clifton St. NW., Washington, D.C.

Daniels, Arvil A., 3419 Wisconsin Avenue, Washington, D.C.

Davis, Robert E., 8511 Cedar Street, Silver Spring, Md.

DeCatur, Louis A., 3517 Toledo Terrace, Hyattsville, Md.

Dilweg, Diane L., 1650 Harvard Street NW., Washington, D.C.

Donahue, Mary S., 5019 Allen Road, Washington, D.C.

Douglas, Peter P., 1628 21st Street NW., Washington, D.C.

Dunning, Harold P., Jr., 4200 North 35th Street, Arlington, Va.

Dyer, Maxine, Box 355, Route No. 3, Annandale, Va.

Elkins, Scott W., 1400 North Buchanan Street, Arlington, Va.

Ellis, M. Dianne, Arcola, Va.

English, Barbara N., 1011 17th Street NW., Washington, D.C.

Epstein, Rachel, 6 Ash Street, Cambridge, Mass.

Fagg, Elizabeth S., Sterling, Va.

Faux-Burhans, William L. C., 40 Decatur, Bay Ridge, Annapolis, Md.

Fenton, Jerry F., 2926 South Buchanan Street, Arlington, Va.

Finn, Doris E., 2346 Skyland Place SE., Washington, D.C.

Fleischer, Walter H., 4542 Harrison Street, NW., Washington, D.C.

Friedlander, Robert A., 3636 16th Street NW., 735B, Washington, D.C.

Fugh, John L., 5812 28th Street NW., Washington, D.C.

Gillam, Patricia D., 3909 Stratford Lane, Alexandria, Va.

Goldberg, Jill Beth, 1041 Ruatan Street, Langley Park, Md.

Gowen, Christine, 1516 Commonwealth Avenue, Alexandria, Va.

Green, Tim G., 4890 Battery Lane, Bethesda, Md.

Greene, Bruce A., Jr., 214 Columbus Street, North, Arlington, Va.

Gross, Alan, 3700 Massachusetts Avenue, NW., Washington, D.C.

Gumm, Judith, 3827 Keller Street, Alexandria, Va.

Gumm, Marcia Sue, 3827 Keller Street, Alexandria, Va.

Hansen, Hardy, 3901 Woodbine Street, Chevy Chase, Md.

Harman, Thomas E., 3001 North Franklin Street, Arlington, Va.

Harrison, Robert L., 50 Beers Place, Stratford, Conn.

Hart, Beverly A., 313 Timberwood Avenue, Silver Spring, Md.

Haslet, Charles C., Jr., 4610 Third, North, Arlington, Va.

Hayes, Donna, 301 Pinewood Avenue, Silver Spring, Md.

Hicks, Jeanine G., 11212 Monticello Avenue, Silver Spring, Md.

Hill, Judith C., 4809 South 23d Street, Arlington, Va.

Hodges, Edward B., 501 Dorchester Road, Falls Church, Va.

Inman, Martha L., 5528 17th Street, North, Arlington, Va.

Irwin, David F., Jr., 427 Valley Lane, Falls Church, Va.

Izumi, Nobuko A., 1211 North Pitt Street, Alexandria, Va.

Jackson, Robert B., 3304 Rutgers Street, Hyattsville, Md.

Jacobs, Barbara S., 3620 South Taylor Street, Arlington, Va.

Johnson, Margaret Ann, 10316 Insley Street, Silver Spring, Md.

Johnston, John T., 1620 Riggs Place NW., Washington, D.C.

Kahler, John S., Box 234-D, Route 1, Alexandria, Va.

Kanis, Anita Lynn, 1383 Sheridan Street NW., Washington, D.C.

Kerwin, James A., R.F.D. No. 1, Warsaw, N.Y.

Kiem, Robert L., 502 Empress Street, Alexandria, Va.

Kimmel, Terrel E., 4601 Elm Street, Chevy Chase, Md.

Kuska, Edward A., Oshkosh, Nebr.

Kriegsmann, Arthur W., 6607 31st Street NW., Washington, D.C.

Langhorne, Nancy, 4425 Montgomery Avenue, Bethesda, Md.

Langley, Susan, 6825 Algonquin Avenue, Bethesda, Md.

Landis, Darlene R., 308 Ellsworth Drive, Silver Spring, Md.

Ledbetter, Roscoe A., 914 French Street NW., Washington, D.C.

Lefkowitz, Judith J., 7619 Ninth Street NW., Washington, D.C.

Little, Dennis, 3401 Prospect Street NW., Washington, D.C.

Love, Janet E., 2607 Central Avenue, Alexandria, Va.

MacCarthy, Kevin, 3420 Legation Street NW., Washington, D.C.

Mace, Betty Ann, 201 Elmira Street SW., Apartment 308, Washington, D.C.

Malanga, Hugh A., 6623 Williston Place, Falls Church, Va.

Malinowski, William F., 4804 26th Street North, Arlington, Va.

Maloney, Timothy, 1223 34th Street NW., Washington, D.C.

Maney, Dorthy E., Hillendale Road, R.D. 1, Box 212, Chadds Ford, Pa.

Margetts, Marilynn P., 7407 Wyndale Lane, Chevy Chase, Md.

Mellichamp, James M., 764 Fowler Street, Atlanta, Ga.

Mensh, Joan R., 2246 Sudbury Road NW., Washington, D.C.

Merrill, Celine, 1554 44th Street NW., Washington, D.C.

Miller, Brian C., 5809 Namakagan Road, Glen Mar Park, Md.

Miller, James D., 243 Hillside Circle, Vienna, Va.

Miller, L. Thomas III, 1504 52d Avenue, Coral Hills, Md.

Molthrop, David C., 605 Lakeview Drive, Falls Church, Va.

Moore, Linda R., Arlington Towers, J1204, Arlington, Va.

Moyer, Ellen S., 2698 Newark Street NW., Washington, D.C.

Naeser, Charles W., 120 Van Winkle Drive, Falls Church, Va.

Nelson, Howard C., 3445 38th Street NW., Washington, D.C.

Outlaw, Lindabelle, Route No. 3, Box 323, Vienna, Va.

Oyler, Bonnie Jean, 3714 Mark Drive, Alexandria, Va.

Paris, Charles D., 4330 Yuma Street NW., Washington, D.C.

Pavony, Donald, 118 Cedar Lane, Teaneck, N.J.

Peart, Lowell D., 4509 River Road NW., Washington, D.C.

Peck, Alice L., 5148 North 10th Road, Arlington, Va.

Perkins, Dixie Lee, 7313 Holly Hill Avenue, Takoma Park, Md.

Petersilia, Edith C., 4903 Taney Avenue, Alexandria, Va.

Pickett, Judith E., 7503 Halleck Street, District Heights, Md.

Pumpelly, J. Reed, 3610 North 26th Street, Arlington, Va.

Putz, Carl H., 812 Princeton Avenue, Haddonfield, N.J.

Reed, Jill A., 6637 Barnaby Street NW., Washington, D.C.

Rippere, Kenneth H., Taylor Road, Huntington, N.Y.

Robinette, James M., 1918 North Madison Street, Arlington, Va.

Sanders, Harry K., 1200 South Courthouse Road, Arlington, Va.

Schram, Arthur B., 420 South Brown Street, Jackson, Mich.

Scollon, Nancy J., 6319 Walhonding Road, Washington, D.C.

Scott, James L., 516 Timber Lane, Falls Church, Va.

Sherman, Allan K., 8318 Draper Lane, Silver Spring, Md.

Shoemaker, Karlyn S., 2123 Annandale Road, Falls Church, Va.

Shurman, Ronia J., 2518 Tunlaw Road NW., Washington, D.C.

Simpson, Elizabeth Sue, 1005 Custis Parkway, Falls Church, Va.

Speaker, Kay, 501 Applegrove Road, Silver Spring, Md.

Spence, H. Michael, 1316 New Hampshire Avenue, Apartment 4, Washington, D.C.

Stancil, Sandra E., 1211 North Pitt Street, Alexandria, Va.

Stanley, Dorothy J., 1929 H Street NE., Washington, D.C.

Stevens, Patricia A., 204 Tyson Drive, Falls Church, Va.

Stewart, Catherine J., 4810 North Lane, Bethesda, Md.

Stowell, Peter N., 6436 Hibbling Avenue, Springfield, Va.

Strand, John L., 234 East St. Charles Road, Elmhurst, Ill.

Strauss, Helene L., 5214 11th Street NE., Washington, D.C.

Strean, Bernard M., Jr., 3816 North Dittmar Street, Arlington, Va.

Sullivan, Richard L., 4426 Harrison Street NW., Washington, D.C.

Surrett, Linda Jo, 4540 32d Road North, Arlington, Va.

Tammaru, Mati, 1815 F Street NW., Washington, D.C.

Telford, I. Ralph, 3424 Garrison Street, NW., Washington, D.C.

Thompson, Robert D., 4804 South Chesterfield Road, Arlington, Va.

Townsend, Gerald H., Route 1, Post Office Box 260, Clinton, Md.

Trodden, Stephen A., 4833 South First Street, Arlington, Va.

Turner, Robert M., 3848 Calvert Street, NW., Washington, D.C.

Valdes, Kenneth N., 1701 Ivy Hill Drive, McLean, Va.

Van Zandt, Eleanor R., 205 South Ivy Street, Arlington, Va.

Velten, Paul W., 2412 19th Street NW., Washington, D.C.

Vernon, Kay, 5314 Worthington Drive, Washington, D.C.

Wade, Patricia A., Route 2, Post Office Box 163, McLean, Va.

Wagner, Lotus Anne, 1504 Timber Lane, Falls Church, Va.

Wallace, William, Ivy Road, Charlottesville, Va.

Walsh, John J., 3121 Alabama Avenue, SE., Washington, D.C.

Waters, Charlotte Ann, 3153 North 19th Street, Arlington, Va.

Wells, Clarence E., Jr., 12 East Crescent Road, Greenbelt, Md.

Welt, Jeanne, 1011 Crestwood Drive, Alexandria, Va.

Wetherell, David B., 1008 New Hampshire Avenue NW., Washington, D.C.

Whitmore, Geoffrey M., 20 Woodmoor Drive, Silver Spring, Md.

Willett, Manetta, 2901 32d Street SW., Washington, D.C.

Wollon, James T., 9 Oak Hill Drive, Annandale, Va.

Young, Bradford K., 6401 Winnepeg Road, Bethesda, Md.

Yuter, Linda E., 2203 Ross Road, Silver Spring, Md.

Zadnik, Valentine, Route 2, Mantua, Ohio.

I include a recent item from the Comanche, Tex., Chief—a fine newspaper in Texas:

> President Kennedy recently told a group of college students working in Washington as summer interns in Government agencies, that if they were pleased with their work, some of them should consider making Government work their career.
>
> Congressman Lindley Beckworth of East Texas contends that if summer Government jobs are that important as an introductory step toward Federal service, the President should divide these Government jobs equally among the students of the 50 States based on the population of each State.
>
> Such a bill has been introduced by Congressman Beckworth and it has been approved by a vote of 15 to 1 by the House Civil Services Committee.
>
> Beckworth said that 51,000 college students were on Uncle Sam's payroll during the past 3 months and that 70 percent of them were from the District of Columbia, Virginia, and Maryland.
>
> We are certain that there are now many Comanche County boys and girls in college who would like to spend 3 months next summer working in Washington and get one of those fat Government checks that is going to somebody. Why not to some worthy young men and women of Comanche County?
>
> We are sure that Congressman Omar Burleson would be glad to help some of them get one of these coveted positions if the bill becomes law.

Also I include a letter from Mr. McGrath:

> September 27, 1962.
>
> Representative Lindley Beckworth,
> *Washington, D.C.*
>
> Dear Congressman Beckworth: I have read H.R. 5698, and I am wholeheartedly in favor of your proposal.
>
> Could you let me know if any further action has been taken on this bill? If so, what procedure need students follow for summer employment?
>
> I personally am interested in working in some way in Washington, D.C., this summer after my graduation and before I start law school; and I would like to know what steps to take.
>
> I only wish that more Congressmen would take the initiative to let the college students know what they are doing. I offer my most sincere thanks for your allowing me to read over this matter, and I will ocntact Morris Udall for further information as soon as possible.
>
> Please send me any pertinent information on the subject so that I may relate it to the other 18,000 members of our student body.
>
> Sincerely yours,
>
> Dan McGrath.

Mr. HECHLER. Mr. Speaker, will the gentleman yield?

Mr. BECKWORTH. I yield.

Mr. HECHLER. Mr. Speaker, I think this is a very good bill. I want to compliment the gentleman from Texas for his effort on behalf of this bill which I believe will produce simple justice. It is great inspiration for a young person to come to Washington during the summer or to have an opportunity to work in the Federal Government in other States. I think it is a shame that young men and women from more sections of the country do not have the chance to work for the Government. I believe that emphasis, unfortunately, has been given to the employment of people within 50 or 100 miles of the District of Columbia to the detriment of citizens of the States all over the Nation.

I notice in the report of the committee that it includes a letter from the Chairman of the Civil Service Commission, Mr. John Macy, quoting from a report of the Commission noting that in the present labor market they do not get enough applicants from States in areas that are a distance from Washington.

I have had many letters from students interested in working for the Federal Government. It would be an inspiration to them, and also would enrich the wellsprings of our present and future talent for them to be employed during the summer. I would like to ask the gentleman from Texas if he feels we would get sufficient applicants from other States of the Union were these summer employment opportunities adjusted on a wide basis.

Mr. BECKWORTH. It is my opinion that we surely would. On the other hand, assume that we did not, then the jurisdictions close by would be called upon to fill the vacancies. The gentleman is so correct when he says that most of the jobs go to people within a 50- or 100-mile radius of Washington. I would narrow it to a 12- or 14-mile radius of Washington.

Mr. HECHLER. I was just being liberal in my statement.

Mr. BECKWORTH. I know the gentleman was. It is my judgment that the positions would be filled by students from the other States; but, assuming they are not filled, these three jurisdictions would still have the same opportunity to fill them once they are unfilled by the other States. I commented to the gentleman from Virginia [Mr. Broyhill] when the subject was before the committee, that in my opinion these close jurisdictions will still have by far a greater proportion of the jobs.

Mr. HECHLER. I notice in the table that the gentleman submitted the State of West Virginia had only five. I can count and also supply for the record 25 or 30 superior students from West Virginia who wanted jobs but were unable to get them.

Mr. BECKWORTH. The gentleman is correct. That is one reason why our colleague from West Virginia [Mr. SLACK] has introduced a similar bill, and Senator JENNINGS RANDOLPH has done the same thing in the Senate.

I want to take this opportunity to commend the gentleman from West Virginia [Mr. HECHLER] who, as I said before, has made a great effort to bring boys and girls here to Washington to work in his congressional office. It is my understanding, within the last few months, the gentleman has brought as many as 75 students and given them an opportunity to learn something about the workings of our Government. I commend the gentleman.

Mr. SLACK. Mr. Speaker, will the gentleman yield?

Mr. BECKWORTH. I yield to the gentleman from West Virginia.

Mr. SLACK. I, too, wish to commend the gentleman from Texas for the exceedingly fine work he has done in this field. I was pleased to have the opportunity to cosponsor this legislation. I join with him in urging its passage today.

Mr. BECKWORTH. I appreciate what the gentleman has said, and I can truthfully say, as I previously stated, that the gentleman from West Virginia [Mr. SLACK], has made many efforts, and put forth great diligence. This has had a most helpful effect in advancing this legislation in the House, and in also seeing to it that consideration is given this legislation in the Senate.

I thank the gentleman.

Mr. SMITH of Iowa. Mr. Speaker, will the gentleman yield?

Mr. BECKWORTH. I yield to the gentleman from Iowa.

Mr. SMITH of Iowa. I want to commend the gentleman from Texas, not only for the work he has done on this bill but also on a much broader bill that I introduced in January. I said publicly at that time I did not expect it to pass this year, because you have to work on those things for some time before they get consideration. I expect to introduce this bill again in January, and I hope the gentleman will continue his efforts.

Mr. BECKWORTH. Which bill is that?

Mr. SMITH of Iowa. H.R. 9812.

Mr. BECKWORTH. I recall the bill the gentleman has in mind, and I know that beginning in January he has sought to bring about hearings on his nepotism bill. I tried to help him get a hearing. It certainly is my intention this coming January to see what can be done to bring about further hearings on this subject. I think by and large there are many dedicated people in the Federal Government, but we want our Government to become stronger in all aspects.

Mr. Speaker, I reserve the balance of my time.

Mr. O'HARA of Illinois. Mr. Speaker, I wish to congratulate my good friend the gentleman from Texas [Mr. BECKWORTH] with whom I have the happy good fortune to be warmly associated on the Committee on Foreign Affairs. I am indebted to him, as are other Members of the House, not only for H.R. 5698, the measure now under consideration, but also for the illuminating presentment in debate of a regrettable situation in the Nation's Capital as regards summer vacation employment in the Federal offices.

I must confess I was shocked to learn that Illinois, with a population of over 10 million, has a total of only 33 employed in the Federal offices in Washington on summer vacation jobs. Maryland has 628, Virginia 546, the District of Columbia 490—a total of 1,664 from an area with about 8 million population. That is at the rate of 51 to 1 from Illinois. It makes neither equity nor sense.

I listened to the gentleman from Virginia [Mr. BROYHILL], but he failed completely to convince me that the jobs were for the most part undesirable. Poppycock to all this talk that a summer job in the Nation's Capital for a young man or a young woman during the school vacation period is a worthless thing. I can think of nothing more valuable educationally to the young person and nothing better for our country. The experience of serving Uncle Sam here in Washington, of being part of our Federal Government, of seeing the sunshine on the dome of the Capitol and of living and working in the midst of events that make history, cannot fail to make a better, a more understanding citizen, in the future, of the youth who has that experience.

Miss Bernadette Londak is 1 of the 33 from Illinois who presently are holding vacation jobs in the Capital. She is working with the Weather Bureau, is thrilled by the opportunities for learning that her experience is giving her. Miss Londak is from the district I have the honor to represent, a product of Mercy High School. I first met her when she came to Washington for the annual dinner given the winners of a national science contest for high school graduates. It is the most exclusive dinner in Washington. A Member of Congress gets in only as escort of some youth from his district who has finished among the top young scientists in this contest. Miss Londak's escort to the dinner of several years ago, an occasion she has made one of triumph for the Second District of Illinois, has the sense of a rare privilege.

Miss Londak since has pursued her university studies with the same scholastic distinction that marked her high school career. This fall she will enroll for her master's degree and later will go on for her doctor's degree. She is destined for an outstanding career as a scientist. She regards her vacation work in Washington with the Weather Bureau as a rich background for her scientific research.

Mr. Speaker, I am supporting H.R. 5698. I hope it will open the door of opportunity here in Washington in the summer jobs in the Federal offices for more Bernadette Londaks.

Mr. BROYHILL. Mr. Speaker, I yield myself 10 minutes.

Mr. Speaker, I realize that I stand practically alone here today in opposing the passage of this legislation. I recognize and I acknowledge the difficulty which any Member of this body who represents a congressional district located away from Washington faces in opposing a bill such as this, because on the surface it looks like a good, simple legislation which serves a noble cause.

Mr. Speaker, it has been made to appear that there is a large number of lucrative jobs in the Washington area which are being raided or absorbed by the people who live in the metropolitan area of Washington. If that were true, I would say that the bill should pass. Quite obviously, if it were true, any Member representing a congressional district away from here who would oppose this bill and who had some demagog running against him, would have Cain raised against him as a result of his vote to oppose the bill. But I submit, Mr. Speaker, that this is not the case.

Mr. Speaker, in the first place, only 4 percent—4 percent—of these temporary summertime jobs are in the Washington area. Ninety-six percent of them are scattered throughout the country in such States as New York, Texas, California, and other places. The statistics that were referred to by the gentleman from Texas [Mr. BECKWORTH] are rather obvious. When the gentleman cites them on the Washington area jobs, most certainly, the majority of those jobs would be absorbed by the students in this area. But if one used statistics on the jobs in New York and California, one would find the same percentage of those jobs were being filled or being absorbed by the students who live in those areas.

Mr. Speaker, I would suggest, if we take any action at all here, let us make it fair. Let us put all summertime jobs on an apportionment basis so the students in this area would have an equal opportunity for these other jobs—the ones in New York and California, as well as the 4 percent of the jobs which happen to be in the Washington area.

Mr. Speaker, what kind of jobs are we talking about? Here is what O. Glenn Stahl, Director of the Bureau of Programs and Standards of the Civil Service Commission had to say about them when testifying in opposition to the bill before our committee:

> Also, we have to bear in mind what some of these summer hires are like. They range all the way from laborers, picked up by the Forest Service from local farm areas to work on some access roads during the months when the work can be done, to high school teachers who want to work part time in the summer in the parks, to the Army hiring to accelerate their laundry activities during the summer on account of the greater amount of summer clothing laundered. Of course, they include a goodly number of high school and college students.

So, again, we are talking about 4 percent of all the jobs. Some of these jobs are not the desirable type of jobs for students to fill during the summertime if they are to gain the firsthand knowledge of our Government's operations that the sponsor of the legislation desires.

I am vigorously opposed to this legislation, not only because it is designed to discriminate against the young people of my district and deprive them of their already limited opportunities for summertime employment, but also because it is extremely bad legislation that should never have been reported from our committee.

H.R. 5698 seeks to extend the application of an existing provision of law that in itself is archaic, unworkable, and which definitely serves no useful purpose.

The apportionment provision of the Civil Service Act, which H.R. 5698 proposes to extend to temporary summertime employment, is completely obsolete and its outright repeal has been sought by the U.S. Civil Service Commission for a number of years in the interest of good personnel management.

Apportionment dates back to 1883 and was considered at that time as a desirable means of distributing Federal jobs among the States and territories at the headquarters of the National Government in the District of Columbia area. At that time most jobs in the relatively small competitive service that were subjected to apportionment were located here.

However, over the years since this apportionment requirement was established its effect on the Federal service has decreased considerably. One of the primary reasons for this is the change in the size and distribution of the Federal Government. Today only 10 percent of the slightly more than 2 million jobs in the competitive service are in the Washington area.

Several other factors have also diminished the importance and effect of apportionment. By the terms of the Veterans' Preference Act of 1944 all veterans—and they comprise approximately 50 percent of all Federal appointees—are exempted from apportionment. In addition, the Civil Service Commission has authority under the law to waive the requirement for the appointment of nonveterans to certain positions in the interest of good administration. For example, the Commission has waived apportionment for positions in specific occupations where there are shortages of qualified personnel.

Because of the flexibility of the apportionment provision and its limited coverage, it actually presents no serious administrative problems. It applies at the present time to only about 2.5 percent of all competitive appointments and the Commission can waive its application with regard to this small number in the interest of good administration.

I might point out that even for those positions to which apportionment applies, it has not resulted in comparable representation of all States and territories. Forty-six States and territories are in arrears, and 10 are in excess of their apportionment quotas. In the present labor market the Federal Government in Washington simply cannot attract enough applicants from States and territories in areas, many of which are at a distance from Washington, to meet their apportionment quotas. Apportionment simply does not work. Further, it is an outmoded requirement that operates as an obstacle to good and effective governmental operations.

The enactment, therefore, of H.R. 5698 would compound an already bad and unworkable situation. Further, since these so-called temporary summer jobs are excepted in large measure from the competitive civil service and since the apportionment provision applies only to competitive positions, the enactment of H.R. 5698 would not accomplish the objectives which it apparently seeks. In fact, representatives of the Civil Service Commission testified in the open hearing on H.R. 5698 that even if it were enacted, it would have no substantial effect and probably would be impossible to administer. It is significant, also, that according to the testimony of the Civil Service Commission, and I mentioned this earlier, less than 4 percent of the summer hires in Government—temporary jobs of all kinds, including students and teachers—are in the Washington area. The remainder of them are out in the field, in the various States and cities. This is where the great bulk of the summer jobs are to be found.

Even if we were in some way able to apportion among the States the 4 percent of summer jobs that become available in the District of Columbia area, it would certainly be patently unfair to the young people living in the District or nearby Maryland or Virginia who do not have access to the remaining 96 percent of the summer jobs that are available outside the Washington area.

I am not insensitive to the fact that there are young people throughout the country who would like to come to Washington for the summer and gain a firsthand knowledge of our Federal Government by working for it. At the same time, I think it is recognized that the vast majority of students seeking any type of summer job, whether Government or otherwise, would prefer to work in their home areas. Nevertheless, any student or any other person living outside Washington who expresses an interest in summer employment here and who properly applies, is given full consideration by the agencies involved. It is an established fact that many of them actually do come here for summer work.

These temporary summer positions are quite properly filled on the basis of each applicant's merits and abilities, not on the totally irrelevant and accidental circumstance of where he may live.

Mr. Speaker, let us let the record speak for itself. Each year the Civil Service Commission conducts a student trainee program designed to recruit college students for on-the-job training programs in Federal research laboratories and offices located thoughout the country. Students are recruited by competitive examinations which are conducted on a nationwide basis.

Figures which have been furnished to me by the Commission show that this past summer's program resulted in the recruitment throughout the country of a total of 1,954 students. Of this number, 242, or approximately 12 percent, were assigned to duties in the Washington, D.C., area.

It is extremely significant, Mr. Speaker, that of the 242 students assigned to duties here, exactly one-half were permanent residents of States and territories not in the immediate metropolitan District of Columbia area.

The students living in this immediate area, therefore, had access to only one-half the jobs that were available here. They had access to none of the jobs that were available outside this area.

It all adds up to this—students living in the Metropolitan Washington area made up only 6 percent of the total student trainee program. By the stretch of nobody's imagination can this be considered an unfair situation.

Mr. Speaker, this student trainee program is conducted primarily to attract young people into the career Government service. In fact, at the conclusion of this summer's student training program, President Kennedy urged these students to consider Government as a career at a time "when this country must make not only our own society work, but all those societies which are dependent upon us."

Enactment of H.R. 5698 would seriously interfere with the President's desire to recruit these promising students to permanent careers in Government employment.

I say again that enactment of H.R. 5698 would be an empty gesture. This bill will not have time to be approved by the other body. The administration opposes the bill. I hate to think that I would be in a very small minority here today in supporting the President of the United States. In fact, his opposition to the bill and the opposition of the Civil Service Commission certainly indicates that if by some miracle this bill were to pass the other body, it would certainly run into a Presidential veto. But I recognize the political facts of life. It would be most difficult for a Member outside of this area to vote against the bill to take a few jobs from the Washington area, and from people who are competing for them here.

Mr. HECHLER. Mr. Speaker, will the gentleman yield?

Mr. BROYHILL. I yield.

Mr. HECHLER. The gentleman mentioned 4 percent of the summer jobs were here in Washington, D.C. This means then that many residents of Virginia and Maryland and the District of Columbia are going out into the other States and getting those jobs in the other States; is not that correct?

This is because if Virginia is credited with 25 percent of these summer student jobs, as the figures indicate, this would seem to indicate that Virginia, Maryland, and the District of Columbia residents are going out to West Virginia, California, and many other States and taking away those jobs.

Mr. BROYHILL. I do not think there is any question about that. The jobs are wide open right now. People from California can compete for Washington jobs and people in the Washington area can compete for the California jobs.

What this bill seeks to do is to apportion the jobs that are located here on a nationwide basis but not touch the other jobs that are located outside this area.

Mr. Speaker, I yield such time as he may desire to the gentleman from Maryland [Mr. Mathias].

Mr. MATHIAS. Mr. Speaker, it appears to me that in the light of the statement of the Civil Service Commission that it is sheer folly to extend this provision of the act of 1883. Mr. John W. Macy, Jr., in his letter of May of last year to the committee said, "Under the circumstances, it appears that the apportionment serves very little purpose and creates avoidable paperwork." In my judgment this bill would create an administrative impossibility. You would have to have people brought to Washington to be interviewed for summer work under the requirements of this bill. In my judgment, it is not in the best interest of the employment system of the Federal Government.

Mr. WAGGONNER. Mr. Speaker, will the gentleman yield?

Mr. MATHIAS. I yield to the gentleman from Louisiana.

Mr. WAGGONNER. I wonder if the gentleman from Maryland shares the same point of view as the gentleman from Virginia who preceded him, when he made the statement that most of these jobs, and I understand there are some 10,000 of these summer jobs available around the country, are undesirable. Does the gentleman share that point of view?

Mr. MATHIAS. I do not recall that the gentleman said the jobs were undesirable. I think he did say that some jobs may not have been suited to students.

Mr. WAGGONNER. That is exactly what he said, that they were not desirable for students.

Mr. BROYHILL. If the gentleman will yield, if I said those exact words I will correct the Record. What I meant and implied was that many of these jobs were not desirable, they were not at all the type these students would be seeking.

Mr. WAGGONNER. Will the gentleman tell me then what his interest in these jobs is?

Mr. BROYHILL. I said it when I had the floor. This makes an unworkable system. That has been proven with the law which this bill seeks to amend. It has been proven unworkable. This puts 4 percent of the summertime jobs in the apportionment system. You just cannot supply the employers with the needed workers by having to go all over the country.

Mr. WAGGONNER. Would the gentleman be willing to take a chance and try this recommended apportionment procedure and see if these employees could be provided?

Mr. BROYHILL. The Civil Service Commissioner said the law is not working as it is.

Mr. MURRAY. Mr. Speaker, I yield 1 minute to the gentleman from Mississippi [Mr. Williams].

Mr. WILLIAMS. Mr. Speaker, I ask unanimous consent to speak out of order.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. WILLIAMS. Mr. Speaker, I take this time in order to announce to the House that in view of the reprehensible conduct and reported atrocities on the part of the Federal marshals at Oxford, Miss., last night and continuing on through today, I have just introduced a resolution that would create a select committee to investigate the role and conduct of the Department of Justice with respect to the situation at the University of Mississippi. I hope that this House will see fit to entertain that resolution so that the true facts as to what happened last night in our State may be permitted to come to light.

Mr. MURRAY. Mr. Speaker, I yield 3 minutes to the gentleman from Montana [Mr. Olsen].

Mr. OLSEN. Mr. Speaker, I want to take just a few minutes to review how these jobs or any jobs are obtained. The reports that have been filed in the Congressional Record from time to time by our colleague, the gentleman from Texas [Mr. Beckworth], disclose to all of us that most of the jobs that are under civil service are not awarded by reason of examinations or tests but they are unassembled examinations and are awarded on some basis and qualification other than competitive examination. As a matter of fact, with respect to these summertime jobs, it is my considered judgment and the judgment of those of us who discussed this bill in the committee that nepotism and favoritism select the young people who have these jobs during the summer. They are selected not just for the jobs in Washington, D.C., but they are selected at this place, Washington, D.C., for employment in other places in the United States, and they are sent from the offices here in the District out to Montana and out to Texas and out to California. So there is a great deal more to be discussed, perhaps, at a later time than this particular bill. This bill is just a little tiny step in the right direction, that there be apportionment of summertime jobs in the Capital of the United States. After all, there is only one such Capital. So that youngsters from all of the States can have an equal opportunity and a fair opportunity to enjoy working at the Capital, I hope early next year we can go into the other questions of nepotism and favoritism with respect to other summertime jobs and with respect to all of the jobs that are under civil service.

Mr. CUNNINGHAM. Mr. Speaker, will the gentleman yield?

Mr. OLSEN. I yield.

Mr. CUNNINGHAM. I want to commend the gentleman from Montana and the gentleman from Texas for this legislation. As a matter of fact, we know what is happening here. It is the fathers who are in the civil service or who are in the military who are getting these jobs for their children, because they know when they are coming up, and they are all spoken for before the people in our districts get a chance to bid on them.

Mr. OLSEN. The gentleman is so correct. As a matter of fact, the parents are interchanging the jobs for their youngsters and for their relatives.

Mr. HECHLER. In other words, this is a form of reciprocal nepotism.

Mr. OLSEN. That is exactly right.

The SPEAKER. The time of the gentleman has expired.

Mr. BROYHILL. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania [Mr. Fulton].

Mr. FULTON. Mr. Speaker, I believe the real problem of student employment for the summer is how the students can know where and through whom to get the jobs and how does a student find what the calendar of employment is—when these jobs are to be available, so that the students can apply. In my district in Pittsburgh we have tried to get some students jobs all over the country, but we are often told, "Well, we are sorry; those job applications closed in January or February"—or it might be March or April—and it is too late.

May I ask the chairman of the Post Office and Civil Service Committee [Mr. Murray], or my friend the gentleman from Texas [Mr. Beckworth] a question? Would it be possible to make a roster of student Government jobs in every department and agency in the Federal Government and then have it published, outlining the method of application, where you get the applications, what the qualifications are that are required, and also the time, the calendar of such applications? I recommend that such a Federal list of student summer jobs be prepared, so that everybody knows where these jobs are.

I am a member of the Science and Astronautics Committee, a ranking member of the committee, and have been on the committee since its start, and have never been advised of the summer jobs that might be open in that agency. Suddenly I hear in a committee meeting that there were 200 jobs in the Weather Bureau for students this current summer. I am sure that I knew nothing about the program until it was too late to advise any student to put in an application. Could the gentleman tell me whether it would be possible to get lists of rosters of Federal summer jobs for students?

Mr. BECKWORTH. The gentleman is on the right track. That is exactly what has not been done. It has been resisted. In the Record tomorrow you will see a list of summer employees in the Space Agency about which the gentleman has spoken, and you will find that probably 90 percent live within 10 miles of the Potomac River or over in Maryland or in the District of Columbia. Again I say the gentleman is on the right track, and I ask him if he will help insist that it be done.

Mr. FULTON. May I ask the gentleman from Tennessee, chairman of the Committee on Post Office and Civil Service, whether a resolution sponsored by me to authorize and require the Civil Service Commission to prepare and circulate such a roster of student jobs available for Federal Government summer employment would be a practical procedure? Is it practical to have such a roster established, and does it take a resolution of this House, a concurrent resolution, or a statute to do it?

Mr. MURRAY. The committee of which I am chairman would be very glad to look into any resolution the gentleman might propose.

Mr. FULTON. And would that be a practical procedure?

Mr. MURRAY. The gentleman would have to decide that for himself.

Mr. FULTON. The gentleman has already decided. I will be glad to sponsor such a resolution to provide a list of Federal Government summer jobs for students.

Mr. BROYHILL. Mr. Speaker, I yield such time as he may consume to the gentleman from Indiana [Mr. WILSON].

Mr. WILSON of Indiana. Mr. Speaker, since this subject has come up and it seems to be of a controversial nature, I think we could go further. I think the Members of the House should be informed by way of a report as to who has been on this list of employment, where they came from, what the nature of their jobs is, as well as what they pay. All those things are important to me in Indiana. I have some people who might want to come to Washington, or go to California. What is the nature of the job that you are talking about? Would the chairman of the committee be willing to inform the House what the jobs are and what they pay these students?

Mr. BECKWORTH. One of the first statements I made today was along that line of how do we get information from agencies.

Mr. WILSON of Indiana. Let me say something to the gentleman. I have a way of getting the information and I can get it for the gentleman if he cannot get it.

We have a General Accounting Office down here established for that purpose.

Mr. BECKWORTH. I invite the gentleman to help us of the House Post Office and Civil Service Committee to the fullest possible extent. We tried in our committee to get information. Some we obtained. I will say that the way we have been able to get information about the 2,400 jobs we referred to for 1959 was in this manner: I first took it up with the Civil Service Commission and asked the Commission to furnish me the names and addresses of those people employed to work in the Government the prior summer. They said in effect they did not have such information, that it would do no good, that it would be unimportant. They had some for the CSC, their own agency.

What did I do then? I wrote to each agency of the Government, 24 or 25 of them. Probably I did not write to all because there is a limit to what one person can do. I asked them for the names and addresses of people they had hired in the previous summer.

I got many names and many addresses, some of which I have put in the CONGRESSIONAL RECORD. If one will look at the CONGRESSIONAL RECORD of September 24 and September 26 he will see a good many names and addresses.

Here is one of the things I want to emphasize: More and more as a Member of Congress asks for information from the various departments of this Government, somebody comes back and says, "That is not material. We have it in another form," or "It will take too much time to get it," or "We are working on other things more important." "It will cost too much." "We do not have time."

That is exactly what many times witnesses told those who were investigating the Agriculture Department. They were told by a person from the Agriculture Department something like this: "I did not think it was important enough; I was working on something else more important, so I thought."

I ask the gentleman to help all the way to get information that I have to some extent through hundreds of letters been able to obtain.

Mr. WILSON of Indiana. I want to assure the gentleman from Texas I shall help him in every way possible. We will get that list. But the thing I cannot understand is why the Department makes it so difficult for us to get this information.

The SPEAKER. The time of the gentleman from Indiana has expired.

The question is on the motion of the gentleman from Tennessee, that the rules be suspended and the bill be passed.

The question was taken.

Mr. BECKWORTH. Mr. Speaker, I demand a division.

Mr. FULTON. Mr. Speaker, I object to the vote on the ground a quorum is not present, and make the point of order a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 311, nays 19, not voting 105, as follows:

[Roll No. 257]

YEAS—311

Abernethy
Adair
Addabbo
Albert
Alford
Alger
Andersen, Minn.
Anderson, Ill.
Andrews
Ashbrook
Ashley
Ashmore
Auchincloss
Avery
Ayres
Bailey
Baker
Baldwin
Baring
Barrett
Barry
Bass, Tenn.
Bates
Battin
Becker
Beckworth
Beermann
Bennett, Fla.
Boggs
Boland
Bolton
Bonner
Bow
Brademas
Bray
Breeding
Bromwell
Brooks, Tex.
Broomfield
Brown
Bruce
Burke, Mass.
Burleson
Byrne, Pa.
Byrnes, Wis.
Cahill
Cannon
Casey
Cederberg
Chamberlain
Chelf
Chenoweth
Chiperfield
Church
Clancy
Clark
Cohelan
Collier
Colmer
Conte
Cook
Cooley
Corbett
Corman
Cramer
Cunningham
Curtis, Mass.
Curtis, Mo.
Dague
Daniels
Davis, James C.
Davis, John W.
Davis, Tenn.
Dawson
Delaney
Dent
Denton
Derounian
Derwinski
Devine
Dingell
Dole
Donohue
Dorn
Dowdy
Doyle
Dulski
Durno
Dwyer
Edmondson
Elliott
Ellsworth
Everett
Fascell
Fenton
Findley
Fino
Fisher
Flood
Flynt
Ford
Forrester
Fountain
Frelinghuysen
Fulton
Gallagher
Gathings
Gavin
Giaimo
Gilbert
Glenn
Gonzalez
Goodling
Granahan
Grant
Green, Pa.
Griffin
Griffiths
Gross
Gubser
Hagan, Ga.
Hagen, Calif.
Haley
Halleck
Halpern
Harding
Harrison, Wyo.
Harsha
Harvey, Mich.
Hays
Healey
Hechler
Hemphill
Henderson
Herlong
Hoeven
Holland
Horan
Hosmer
Huddleston
Jarman
Jennings
Jensen
Joelson
Johansen
Johnson, Calif.
Jonas
Jones, Ala.
Jones, Mo.
Judd
Karsten
Karth
Kastenmeier
Kearns
Kelly
Keogh
Kilgore
King, Calif.
King, N.Y.
King, Utah
Kluczynski
Knox
Kornegay
Kowalski
Kunkel
Laird
Landrum
Lane
Langen
Lennon
Lesinski
Libonati
Lindsay
Lipscomb
Loser
McCulloch
McFall
McMillan
Macdonald
MacGregor
Mack
Madden
Mahon
Mailliard
Martin, Mass.
Matthews
May
Meader
Merrow
Miller, N.Y.
Milliken
Mills
Minshall
Moeller
Monagan
Montoya
Moore
Moorhead, Pa.
Morgan
Morris
Morrison
Morse
Moss
Multer
Murphy
Murray
Natcher
Nedzi
Nelsen
Nix
Norblad
Norrell
Nygaard
O'Hara, Ill.
O'Hara, Mich.
O'Konski
Olsen
O'Neill
Osmers
Ostertag
Passman
Patman
Pelly
Perkins
Peterson
Pfost
Philbin
Pilcher
Pillion
Pirnie
Poage
Powell
Price
Purcell
Quie
Randall
Ray
Reece
Reuss
Rhodes, Ariz.
Rhodes, Pa.
Riehlman
Rivers, Alaska
Rivers, S.C.
Roberts, Ala.
Roberts, Tex.
Robison
Rodino
Rogers, Colo.
Rogers, Fla.
Roosevelt
Rostenkowski
Roudebush
Roush
Rutherford
Ryan, Mich.
Ryan, N.Y.
St. George
St. Germain
Schadeberg
Schenck
Schneebeli
Schweiker
Schwengel
Scott
Selden
Shelley
Shriver
Sibal
Sisk
Slack
Smith, Calif.
Smith, Iowa
Stafford
Staggers
Stephens
Stratton
Stubblefield
Sullivan
Taber
Teague, Calif.
Teague, Tex.
Thomas
Thompson, Tex.
Thomson, Wis.
Thornberry
Toll
Trimble
Tuck
Udall, Morris K.
Ullman
Vanik
Van Zandt
Waggonner
Wallhauser
Walter
Weaver
Westland
Wharton
Whitener
Whitten
Widnall
Williams
Wilson, Calif.
Wilson, Ind.
Winstead
Wright
Young
Younger
Zablocki
Zelenko

NAYS—19

Abbitt
Brewster
Broyhill
Downing
Fallon
Friedel
Garmatz
Gary
Hardy
Johnson, Md.
Lankford
Marshall
Mathias
O'Brien, N.Y.
Poff
Rooney
Rosenthal
Santangelo
Smith, Va.

NOT VOTING—105

Alexander
Anfuso
Arends
Aspinall
Bass, N.H.
Belcher
Bell
Bennett, Mich.
Berry
Betts
Blatnik
Blitch
Bolling
Boykin
Buckley
Burke, Ky.
Carey
Celler
Coad
Curtin
Daddario
Diggs
Dominick
Dooley
Evins
Farbstein
Feighan
Finnegan
Fogarty
Frazier
Garland
Goodell
Gray
Green, Oreg.
Hall
Hansen
Harris
Harrison, Va.
Harvey, Ind.
Hébert
Hiestand
Hoffman, Ill.
Hoffman, Mich.
Holifield
Hull
Ichord, Mo.
Inouye
Johnson, Wis.
Kee
Keith
Kilburn
Kirwan
Kitchin
Kyl
Latta
McDonough
McDowell
McIntire
McSween
McVey
Magnuson
Martin, Nebr.
Mason
Michel
Miller, Clem
Miller, George P.
Moorehead, Ohio
Mosher
Moulder
O'Brien, Ill.
Pike
Pucinski
Rains
Reifel
Riley
Rogers, Tex.
Rousselot
Saund
Saylor
Scherer
Scranton
Seely-Brown
Sheppard
Shipley
Short
Sikes
Siler
Smith, Miss.

Spence
Springer
Steed
Taylor
Thompson, La.
Thompson, N.J.
Tollefson
Tupper
Utt
Van Pelt
Vinson
Watts
Weis
Whalley
Wickersham
Willis
Yates

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The Clerk announced the following pairs:

Mr. Hébert with Mr. Arends.
Mr. Rogers of Texas with Mr. Reifel.
Mr. Aspinall with Mr. McIntire.
Mr. Rains with Mr. Betts.
Mr. Hull with Mr. Mosher.
Mr. Anfuso with Mr. Curtin.
Mr. Feighan with Mr. Bennett of Michigan.
Mr. Celler with Mr. Rousselot.
Mr. Fogarty with Mr. McDonough.
Mr. Daddario with Mr. Kilburn.
Mr. George P. Miller with Mr. Utt.
Mr. Pucinski with Mr. Belcher.
Mr. Pike with Mr. Saylor.
Mr. McDowell with Mr. Hiestand.
Mr. Thompson of Louisiana with Mr. Short.
Mr. Shipley with Mr. Kyl.
Mr. Kirwan with Mr. Bell.
Mr. Sikes with Mr. Hall.
Mr. Gray with Mr. Tupper.
Mr. Thompson of New Jersey with Mr. Siler.
Mr. Sheppard with Mr. Martin of Nebraska.
Mr. Harris with Mr. Keith.
Mr. Holifield with Mr. Harvey of Indiana.
Mr. Magnuson with Mr. Van Pelt.
Mr. Clem Miller with Mr. Berry.
Mr. Watts with Mr. Michel.
Mr. Kitchin with Mr. Hoffman of Illinois.
Mr. Alexander with Mr. Goodell.
Mr. Carey with Mrs. Weis.
Mr. Farbstein with Mr. Tollefson.
Mr. O'Brien of Illinois with Mr. Moorehead of Ohio.
Mr. Evins with Mr. Springer.
Mr. Finnegan with Mr. Dominick.
Mr. Frazier with Mr. Scranton.
Mr. Johnson of Wisconsin with Mr. Bass of New Hampshire.
Mr. Taylor with Mr. Latta.
Mr. Willis with Mr. Scherer.
Mr. Blatnik with Mr. McVey.
Mr. Ichord of Missouri with Mr. Garland.
Mrs. Hansen with Mr. Dooley.
Mrs. Green of Oregon with Mr. Seely-Brown.
Mr. Diggs with Mr. Mason.
Mr. Burke of Kentucky with Mr. Hoffman of Michigan.

Mr. FRIEDEL changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

The doors were opened.

A motion to reconsider was laid on the table.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed without amendment bills of the House of the following titles:

H.R. 8113. An act to amend the act of August 9, 1955, for the purpose of including the Southern Ute Indian Reservation among reservations excepted from the 25-year lease limitation.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 12900. An act making appropriations for certain civil functions administered by the Department of Defense, certain agencies of the Department of the Interior, the Atomic Energy Commission, the St. Lawrence Seaway Development Corporation, the Tennessee Valley Authority, and certain river basin commissions, for the fiscal year ending June 30, 1963, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. ELLENDER, Mr. HAYDEN, Mr. RUSSELL, Mr. MCCLELLAN, Mr. HILL, Mr. MAGNUSON, Mr. HOLLAND, Mr. KERR, Mr. PASTORE, Mr. HRUSKA, Mr. YOUNG of North Dakota, Mr. MUNDT, and Mrs. SMITH of Maine to be the conferees on the part of the Senate.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 3597) entitled "An act to amend title 38, United States Code, to permit, for 1 year, the granting of national service life insurance to certain veterans heretofore eligible for such insurance", requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. BYRD of Virginia, Mr. KERR, Mr. LONG of Louisiana, Mr. WILLIAMS of Delaware, and Mr. CARLSON to be the conferees on the part of the Senate.

PRESERVING CONFIDENTIAL NATURE OF DOCUMENTS

Mr. DELANEY, from the Committee on Rules, filed the following privileged resolution (H. Res. 821, Rept. No. 2502) which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 10569) to amend title 13, United States Code, to preserve the confidential nature of copies of information filed with the Bureau of the Census on a confidential basis. After general debate, which shall be confined to the bill, and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Post Office and Civil Service, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

AGREEING TO SENATE AMENDMENTS TO H.R. 8181

Mr. DELANEY, from the Committee on Rules, filed the following privileged resolution (H. Res. 822, Rept. No. 2503) which was referred to the House Calendar and ordered to be printed:

Resolved, That immediately upon the adoption of this resolution the bill H.R. 8181, with the Senate amendments thereto, be, and the same hereby is, taken from the Speaker's table, to the end that the Senate amendments be, and the same are hereby, agreed to.

REQUIRING AUTHORIZATION FOR CERTAIN APPROPRIATIONS OF THE U.S. COAST GUARD

Mr. BONNER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 8151) to amend title 14, United States Code, to require authorization for certain appropriations.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That after December 31, 1963, funds may not be appropriated to or for the use of the Coast Guard for the construction of shore or offshore establishments, or for the procurement of vessels or aircraft, unless the appropriation of such funds has been authorized by legislation enacted after that date.

SEC. 2. Chapter 17 of title 14, United States Code, is amended by adding at the end thereof the following new section:

"§ 656. Use of appropriations to restore, replace, establish, or develop facilities

"(a) The Secretary may use any funds appropriated to or for the use of the Coast Guard for other construction purposes to restore, repair, or replace facilities that have been damaged or destroyed, including acquisition of sites.

"(b) The Secretary may use any funds appropriated to or for the use of the Coast Guard for other construction purposes to acquire, construct, convert, extend, and install at Coast Guard installations and facilities, needed permanent or temporary public works, including the preparation of sites and the furnishing of appurtenances, utilities, and equipment, but excluding the construction of family quarters, costing not more than $200,000 for any one project.

"(c) The Secretary shall report every six months to the Committee on Commerce of the Senate and the Committee on Merchant Marine and Fisheries of the House of Representatives on the administration of this section."

SEC. 3. The analysis of chapter 17 of title 14, United States Code, is amended by adding the following new item at the end thereof:

"656. Use of appropriations to restore, replace, establish, or develop facilities."

The SPEAKER. Is a second demanded?

Mr. PELLY. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. BONNER. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, the purpose of the bill, H.R. 8151, is to assist the Coast Guard in the performance of its functions and strengthen congressional control over Coast Guard capital acquisition and improvements by requiring specific authorization for the construction of shore and offshore establishments, and for the procurement of vessels and aircraft. Enactment of this bill would place the Coast Guard on a basis similar to the other military services.

At the present time, under section 92 of title 14 of the United States Code, the

Secretary of the Treasury possesses broad powers with respect to projects initiated by the Coast Guard. These powers are so broad as to obviate the necessity for authorizing legislation by the legislative committees of Congress for most activities which would fall under the Coast Guard's jurisdiction.

The effect of the absence of a hearing by the legislative committee having jurisdiction over the Coast Guard may be injurious to the Coast Guard in that opportunity is not afforded to it to present its prospective programs in the light of a broad general approach. The result is that the failure to have a complete record made before the committee having legislative cognizance of its affairs can well militate against the success of its programs. The experience of the legislative committees is such, in this and other fields, that they are in a position to be of genuine help to the agencies under their cognizance. However, by reason of the present situation this assistance cannot be rendered to the Coast Guard since there is no opportunity for a hearing before such committees.

The Department of the Treasury favored the objectives of the bill, and the bill as reported has been worked out in close cooperation with the Assistant Secretary of the Treasury and the Commandant of the Coast Guard.

Mr. Speaker, I want to congratulate the Committee on Appropriations of the House of Representatives, specifically the Subcommittee on Appropriations now chaired by the gentleman from Virginia [Mr. Gary]. For many years prior to Mr. Gary's chairmanship, the Coast Guard was one of the neglected branches of the service.

Time after time I appealed to the Secretary of the Treasury, the Commandant of the Coast Guard, and the Bureau of the Budget with respect to the air equipment the Coast Guard has. The Coast Guard was sending young cadets up with crates that were secondhand and handed down from the other military branches of the Government.

The Committee on Appropriations saw fit to make it possible for the Coast Guard to go into a program of replacement of its air fleet.

The Board of Visitors, year after year, and the representatives of the Committee on Appropriations were there at New London, Conn., and pointed out the firetrap of the Coast Guard Academy that was built during World War II. There was never any authorization, yet the Commandant of the Coast Guard came to me as chairman of the committee many, many times with respect to capital replacements for the Coast Guard. The chairman of the House Appropriations Committee saw fit year after year to appropriate certain moneys to start the rebuilding of the Coast Guard Academy to take care of the enrollment it has now. Originally the Coast Guard Academy was not built for its present enrollment. During the war there was not elbowroom in space for those who were sent there.

So I want to congratulate the members of the Coast Guard Subcommittee on both sides of the House for the interest they have shown in the Coast Guard and in bringing the Coast Guard up to where it can stay afloat. There are many functions of the Coast Guard that are continually brought to the attention of the public that the Coast Guard has not the tools to carry out.

Mr. GARY. Mr. Speaker, will the gentleman yield?

Mr. BONNER. I yield to the gentleman from Virginia.

Mr. GARY. I thank the gentleman for the very kind remarks he has made concerning our subcommittee.

Mr. BONNER. I sincerely meant what I said.

Mr. GARY. As everyone knows, I have been interested in the Coast Guard for a long time, and our former colleague, the Honorable Gordon Canfield, of New Jersey, who alternated with me as chairman of our subcommittee for many years, was an outstanding friend of the Coast Guard. It is one of our most efficient and economic branches of the armed services. It is a part of our national defense organization, and a very important part.

I questioned this bill, but I have no disposition to oppose it.

I have no objection whatever to the authorization, provided it does not delay the Coast Guard in getting its appropriations for needed improvements.

I am sorry that this bill is being considered before the hearings on the bill have been printed. I do have a copy of the galley proof of the hearings in my hand. In the statement of Mr. James A. Reed, the Assistant Secretary of the Treasury, I notice the statement in which he says, as follows:

> I am entirely sympathetic with the intent of the legislation here proposed. I would be less than frank, however, if I did not say that legislation of this type could result in delays and difficulties for the Coast Guard if it were not implemented very effectively each year by this committee and its counterpart in the Senate, as well as by the Appropriations Committees of both Houses, and the Congress generally.

I think that is true. I certainly will say that so long as the distinguished gentleman from North Carolina [Mr. Bonner] remains as chairman of the legislative committee, I have no fear of any tieup in that committee, because I know of the gentleman's interest in the Coast Guard. I know that there is not a person in the Congress who is more interested.

There is one statement in the hearings that I would like to correct, Mr. Speaker. I notice also in the hearings it is said with reference to the Coast Guard Academy:

> When we go there as members of the Board of Visitors, we do not frequently—in fact, I do not know of a single instance—that there has been a member of the appropriations subcommittee on that Board of Visitors.

Mr. Speaker, I had the privilege of serving on that Board of Visitors for about 5 years. I served as Chairman several times. I attended regularly when I was on the Board.

Mr. BONNER. I will say to the gentleman from Virginia [Mr. Gary] that I do not remember just how that got into the hearings, but I do know the gentleman has given devoted attention to the Coast Guard and the Coast Guard Academy. I want to assure the gentleman that as long as I am chairman of this committee—and I think I can speak for my counterpart on the minority side, the gentleman from Washington [Mr. Tollefson]—this will be the first business of the Committee on Merchant Marine and Fisheries and the hearings will start immediately upon the convening of each Congress.

Mr. GARY. If the gentleman will yield further, if it does not delay the appropriations, I have no objection to the appropriations being authorized.

Mr. BONNER. I will say further to the gentleman that we have worked out an agreement with the Treasury and the Bureau of the Budget. The Department of the Treasury favored the objectives of the bill. The bill, as reported, has been worked out in close cooperation with the Assistant Secretary of the Treasury, and the Commandant of the Coast Guard.

Mr. Speaker, I want to call the attention of the Members of the House to the Congressional Record of Tuesday, September 25, 1962, page 20597, in which I inserted an address made by the Commandant of the Coast Guard to the Propeller Club of Washington, D.C., and I read only the following:

> Without going into a further recital of numbers, the problem faced is serious, block obsolescence of the major part of the Coast Guard fleet.

Mr. PELLY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I know I speak the sentiments of the minority members of the House Committee on Merchant Marine and Fisheries in support of everything that the chairman has said.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER. The question is on the motion of the gentleman from North Carolina that the House suspend the rules and pass the bill H.R. 8151, as amended.

The question was taken; and (two-thirds having voted in favor thereof), the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. BONNER. Mr. Speaker, I ask unanimous consent that all Members who desire to do so may extend their remarks on the bill just passed at this point in the Record.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. McGown, one of its clerks, announced that the Senate insists upon its amendments to the bill (H.R. 7927) entitled "An act to adjust postal rates, and for other purposes," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. JOHNSTON, Mr. MONRONEY, and Mr. CARLSON to be the conferees on the part of the Senate.

REIMBURSEMENT OF CERTAIN VESSEL CONSTRUCTION EXPENSES

Mr. BONNER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 11587) to amend the Merchant Marine Act, 1936, in order to provide for the reimbursement of certain vessel construction expenses, as amended.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 502(f) of the Merchant Marine Act, 1936, as amended (46 U.S.C. 1152(f)), is amended by inserting at the end thereof the following:

"If as a result of allocation under this subsection the applicant incurs expenses for inspection and supervision of the vessel during construction and for the delivery voyage of the vessel (which delivery voyage shall be deemed terminated when the vessel reaches its home port or a point on its subsidy route equally distant) in excess of the estimated expenses for the same services that he would have incurred if the vessel had been constructed by the lowest responsible bidder the Federal Maritime Board (with respect to construction under title V, except section 509) shall reimburse the applicant for such excess, less any gross income the applicant receives that is allocable to the delivery voyage minus the extra expenses incurred to produce such gross income, and such reimbursement shall not be considered part of the construction-differential subsidy. If the vessel is constructed under section 509 the Secretary of Commerce shall reduce the price of the vessel by such excess, less any gross income (minus the extra expenses incurred to produce such gross income) the applicant receives that is allocable to the delivery voyage. If as a result of such allocation the expenses the applicant incurs with respect to such services are less than the expenses he would have incurred for such services if the vessel had been constructed by the lowest responsible bidder the applicant shall pay to the Federal Maritime Board (with respect to construction under title V, except section 509) an amount to the Secretary of Commerce (with respect to construction under section 509) an amount equal to such reduction and such payment shall not be considered a reduction of the construction-differential subsidy."

SEC. 2. The amendment made by this Act shall be effective with respect to any contract entered into under the provisions of section 502 of the Merchant Marine Act, 1936, as amended, and the Federal Maritime Board shall, with the consent of the other parties thereto, modify any such contract entered into prior to the date of the enactment of this Act to the extent authorized by the amendment made by this Act.

The SPEAKER. Is a second demanded?

Mr. PELLY. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. BONNER. Mr. Speaker, the purpose of this bill is to amend existing law to correct an inequity which imposes extra expense upon ship operators when construction contracts are allocated to other than the lowest bidder in order to maintain a dispersed mobilization base.

H.R. 11587, as an amendment to existing law, provides that whenever a ship construction contract is allocated to a shipyard other than the one which submitted the lowest responsible bid, the shipowner shall be reimbursed by the Government for the excess of the expenses he incurs for inspection and supervision of construction of the new vessel and for delivery to the first port of loading for the commencement of the service for which it was designed, over the expenses he would have incurred for these items if the lowest responsible bid had been accepted. Such reimbursement would be subject to adjustment on account of income the operator might receive on the delivery voyage.

In recent years there have been instances where operators have suffered heavy, extra expenses due to allocations of ship construction projects to other than the low bidders under the provisions of the 1936 act. Such extra expenses result from the allocation and are more properly chargeable to the national interest in placing the work in a more distant yard. This bill would be applicable to past cases in the same area of consideration as well as those that might arise in the future. The committee felt that it was only fair that these few past cases should be covered as well as those which might occur in the future.

The bill as reported includes an amendment which would require an adjustment in favor of the Government in the event an allocation should be of benefit to the operator. Amendment to this effect was recommended by the Maritime Administration.

Mr. Speaker, this is absolutely fair and correct. If we are going to have the authority vested in the Maritime Administration to allocate ship construction among the various shipyards of the United States, this bill ought to be passed.

I shall be glad to answer any questions.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. BONNER. I yield.

Mr. GROSS. Have the objections of the General Accounting Office been met with respect to this bill?

Mr. BONNER. What objections are they?

Mr. GROSS. The General Accounting Office in its report on the bill objected to retroactive pay, as I recall; is that not correct?

Mr. BONNER. We have had this matter up for a long time and it has been a sore subject. There is a retroactive provision in the bill and I think it is fair. If the Government compelled a private shipyard to spend $800,000—and, of course, that is beyond the figure—to do what the Government wanted done, when the private operator could build the ship somewhere else for less money, then the private operator is certainly entitled to some reimbursement for the expense he has gone to. All of this, as we see it, is in behalf of the national defense to keep a certain number of necessary shipyards going on the various coasts of the country.

Mr. GROSS. Can the gentleman say what the retroactive provisions in this bill amounts to, the total amount?

Mr. BONNER. In all the allocations made it has been less than $1 million.

Mr. GROSS. $700,000 or $800,000?

Mr. BONNER. It is several hundred thousand dollars. I do not have the actual figures. But I do think in fairness to those who have been forced into this type of construction it is fair.

Mr. GROSS. This report states further, quoting again from the letter from the General Accounting Office—

> Furthermore, we recommend that the wording of section 802 of the act, which establishes the limitation of the amount to be paid by the Government upon repurchase, should be amended to provide for the exclusion of national defense costs in place of the existing exclusion of national defense features, in order to embrace not only the expenses of inspection, supervision, and delivery, but also the excess price occasioned by allocation which is not now specified in section 802.

Was this principle of the bill corrected by the committee?

Mr. BONNER. The committee did not think it was necessary for them to go into that. This is something that the Secretary of Defense does. He tells the operator what national defense features to put on the ship. There is nothing else for the operator to do but put the national defense features on. As long as the ship sails he has to carry these national defense features around the world, and they take up space in the ship and they require attention to keep them in shape on the ship. It is a continuous cost to the operator.

I want to congratulate the gentleman from Iowa. He is a member of our committee. I have often paid him a compliment for his diligence in looking into things that need clearing up, where it is apparent that we might be spending unnecessary money.

Mr. GROSS. I thank the gentleman for his compliment.

Mr. BONNER. I mean what I say sincerely.

Mr. GROSS. I am not going to make an issue of this, but in my opinion this amount is in a large way a windfall, and I cannot support the bill.

Mr. BONNER. I can understand the gentleman's saying he cannot support the bill, but I do think it is an absolute necessity.

Mr. AVERY. Mr. Speaker, will the gentleman yield?

Mr. BONNER. I yield to the gentleman from Kansas.

Mr. AVERY. I think I may join the gentleman from Iowa in opposing the bill for this reason: Every time we have an agricultural bill on the floor gentlemen criticize the Department of Agriculture and the expense of its operations. Here is an industry that has probably been receiving more subsidy in proportion to its appraised value than any other industry in the United States. This business starts in, but at the end of the session we find it is a necessity that the

Treasury finds itself obligated to consider it as part of the merchant marine or part of our naval fleet. So I am placing that on the record.

Mr. BONNER. May I reply to the gentleman in this way: If we did not have the American-flag merchant marine then we would have to use MSTS vessels. It costs about two or three times as much to operate an MSTS vessel as it does a privately owned American-flag vessel. When we get in an emergency the owner of the private-flag vessel does not have anything to say. The Secretary of Defense calls for his vessel. If it is sailing abroad, halfway across the ocean, he turns around and comes back to the American port. There is no other industry in the United States that is charged with the responsibility that these ships are charged with with respect to the national defense.

Mr. AVERY. I would just like to say this. Yes, there is a subsidy to the agricultural industry. But certainly it is just one of the industries receiving a subsidy. Certainly it is not exclusive.

Mr. PELLY. Mr. Speaker, I yield 1 minute to the gentleman from California [Mr. Mailliard].

Mr. MAILLIARD. Mr. Speaker, while I do not want to make an issue out of it, I think it is worth pointing out for the Record that there is a provision in this bill, which is an amendment to the original bill, which requires if there should be some savings to the shipowner he should be required to repay the Government. While this looks like an equitable two-way street, I fear we have an administrative monstrosity because there would have to be a computation of the amount to be paid on the basis of a hypothetical voyage of a ship, which never took place. I fear that this would be a matter of argument and contention, and I hope if the bill is taken up in the other body that there will be some correction of that feature of the bill.

Mr. BONNER. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the motion of the gentleman from North Carolina that the House suspend the rules and pass the bill as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

PROMOTING FOREIGN COMMERCE OF UNITED STATES THROUGH USE OF MOBILE TRADE FAIRS

Mr. BONNER. Mr. Speaker, I move that the House suspend the rules and pass the bill (S. 3389) to promote the foreign commerce of the United States through the use of mobile trade fairs, as amended.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That title II of the Merchant Marine Act, 1936, as amended (46 U.S.C. 1101 et seq.), is amended by adding immediately after section 212(A) thereof (46 U.S.C. 1122a) the following new section:

Sec. 212. (B) (a) The Secretary of Commerce shall encourage and promote the development and use of mobile trade fairs (1) which to the extent they are transported by vessel shall be transported by vessels of United States registry to foreign ports and (2) which are designed to show and sell the products of United States business and agriculture at such foreign ports and at other commercial centers throughout the world.

"(b) There is authorized to be appropriated not to exceed $500,000 per fiscal year for each of the three fiscal years during the period beginning July 1, 1962, and ending June 30, 1965. In addition to such appropriated sums, the President shall make maximum use of foreign currencies owned by or owed to the United States to carry out the purposes of this section."

Sec. 2. Section 104(m) of the Agricultural Trade Development and Assistance Act of 1954, as amended, is amended by inserting immediately before ", and (B)" the following: "or section 212(B) of the Merchant Marine Act, 1936".

The SPEAKER. Is a second demanded?

Mr. BOW. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. BONNER. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, this is one of the most interesting bills that has been brought before the Committee on Merchant Marine and Fisheries of the House in years.

The purpose of this bill is to authorize and direct the Secretary of Commerce to provide assistance toward the development of the American merchant marine and the promotion of the foreign commerce of the United States through the use of portable export exhibits, generally referred to as "mobile trade fairs." The bill reported by our committee would accomplish this purpose through amendment to section 212 of the Merchant Marine Act of 1936, as amended.

Experience to date indicates that a program of trade promotion and development through the active participation of the Government, the American maritime industry, and American exporters will eventually be virtually self-supporting, with a need for only a minimum of Government financial assistance. Accordingly, the bill, as reported, limits the authorization of appropriated funds to not to exceed $500,000 for a fiscal year for each of the 3 fiscal years during the period beginning July 1, 1962, and ending June 30, 1965. The bill further provides that use may be made of foreign currencies or counterpart funds owned by or owed to the United States to aid in carrying out its purposes.

The objectives of the bill, as it passed the Senate, and the original House bill, H.R. 12533, are the same except that the House committee, by amending title 2 of the Merchant Marine Act of 1936, as amended, emphasizes the intent to develop the American merchant marine as well as to promote the foreign commerce of the United States.

The idea proposed to be implemented by this legislation was initiated by a leading American steamship line, the Isbrandtsen Co., who has used it with considerable success as a means of stimulating trade. It is particularly valuable to small exporters and manufacturers who cannot afford to maintain worldwide organizations.

At very low cost, under the mobile trade fair plan, as many as eight manufacturers may display their products in those parts of the world served by American steamship lines. The exhibits are displayed in metal containers about the size of a truck trailer. They are readily handled on and off ships and may be transported to inland trade centers, as well as being shown in port communities.

All work and attendant expenses, except certain assistance needed in the foreign areas, will be borne either by steamship operators or the exhibitor. In the initial stages of developing the program, it is anticipated that some Government assistance will be needed abroad for such purposes as facilitating entrance and clearance at foreign ports, public relations and arrangements for exhibiting space overseas and some financial assistance in foreign countries to defray such expenses as entrance clearance, truckage, site rental, labor, publicity, and transportation from ports to interior cities.

Our committee is greatly impressed with the prospects for such a program. Nevertheless, it is deemed desirable that this bill be limited to a 3-year period in the belief that its success will obviate the necessity for Government financial assistance beyond that period of time.

Mr. Speaker, this has nothing to do with the big land-based international trade fairs. I favor them, too, because they serve a valuable purpose in presenting the American way of life and our industry to the world. This is for small businessmen. You should have heard the small individual businessmen who testified enthusiastically for this bill. If the House wants to give an opportunity to the small business of the United States to have a chance to send an exhibit of the products of small business around the world and let people see these products, here is the opportunity to do so.

Major companies of the American merchant marine have agreed to join in the program proposed by this bill to contribute a large portion of the expense of carrying it out with only a small cost to the Federal Government. I think the originator of this plan, the Isbrandtsen Line, should be congratulated, because it has brought to small business of this country an opportunity to exhibit their wares, where heretofore they never had a chance.

Mr. Speaker, I reserve the balance of my time.

Mr. BOW. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would do nothing in any way to injure our merchant marine. I think as one who is landlocked there is no more ardent supporter of the merchant marine in the House than I am. I only regret the fact that we do not have a much bigger and better merchant marine. I think we are being overtaken by practically every nation in the world.

I think we must do everything we can to support our merchant marine.

Mention was made here of agricultural subsidies and subsidies granted the merchant marine. The subsidies granted agriculture have created a great surplus where now they have become quite a problem. But there has been no surplus in the case of the subsidy given to our merchant marine; in fact, we have a scarcity. Our shipyards are being closed down. They should be building more ships. But that is not the purpose of my taking this second.

Mr. Speaker, I wanted to ask some questions. I happen to be on the subcommittee that handles appropriations for trade fairs, and I know something about the amount of money we are spending in that field. I should like to ask the distinguished gentleman from North Carolina whether or not he believes this program will be terminated at the end of 3 years or whether we are just embarking upon a program that will increase in cost rather than decrease.

Mr. BONNER. I first want to say that the gentleman from Ohio has been a strong advocate of the American merchant marine. I wish we had more inland people who had as keen an interest and insight into the American merchant marine as does the gentleman whom I am addressing at present.

This program covers a 3-year period.

Mr. BOW. This, of course, is supposed to be on an experimental basis for 3 years, but can the gentleman tell me whether this amount of $500,000 a year is all that will be asked and that we have a 3-year limitation?

Mr. BONNER. We had the representatives of the various companies who wanted to participate in this program and were willing to participate in it. So we arrived at an estimate of this figure for 3 years.

Mr. MAILLIARD. Mr. Speaker, will the gentleman yield?

Mr. BOW. I yield.

Mr. MAILLIARD. I would remind the gentleman that the bill as it came to us from the Senate had neither a limitation of funds nor a limitation of time.

Mr. BOW. I recognize that, and I want to go into the Senate bill as I proceed.

Mr. MAILLIARD. We thought it was preferable to place a limitation on both the funds and the time.

Mr. BOW. We have had a library bill. I remember a few years ago we brought up that bill on an experimental basis for 2 years with a small appropriation, but it grew in size and extended in time. What I am trying to find out now is whether this is a real 3-year limitation at a cost of $1,500,000, or will it continue beyond that time and beyond that amount?

Mr. BONNER. The gentleman from California has given a good explanation and answer. The Senate bill had no limitation in it. The committee in its consideration struck out everything after the enacting clause and inserted a bill on which we had had thorough hearings.

Mr. BOW. I am trying to find out whether, if this bill passes, it provides for a 3-year program or whether it provides for an experiment that will continue on indefinitely and cost a sizable amount of money.

Mr. BONNER. We believe that 3 years should be an ample test for this experiment, and it is on an experimental basis. What happens after that will depend on whether it proves successful and accomplishes what we hope it will.

Mr. BOW. In the same paragraph, under (C), appears the following:

> In addition to such appropriated sums, the President shall make maximum use of foreign currencies owned by or owed to the United States to carry out the purposes of this section.

I should like to find out from the committee whether the committee has in mind that the President shall come in under section 1415 of the Supplemental Appropriations Act of 1957, which requires an appropriation for all of these funds, or whether the gentleman feels the President will be able to use these funds without appropriation?

Mr. BONNER. It is my understanding we had in the committee, when we had foreign currency we used them.

Mr. BOW. That is an important point, and I should like to be very certain about this, because it is very important. Under the Supplemental Act of 1957, section 1415 was written in and has now become permanent law. In all cases where foreign currencies are going to be used, they first must be appropriated to the Treasury. That is a bookkeeping transaction, so that the Congress can keep control on the foreign currency situation and know how they are being used.

Does the gentleman believe that under this language before the President can use these funds he will have to submit the matter to the Congress and have appropriations for it?

Mr. BONNER. I want the President to do what is necessary under existing law. I think that is the answer the gentleman wants.

Mr. BOW. I would like to know whether the committee gave consideration to this fact and whether it is the idea of the committee they can use these funds wherever they exist without first coming to the Congress to have them allocated?

Mr. BONNER. I do not want any funds allocated whatsoever before coming to the Appropriations Committee.

Mr. BOW. The gentleman believes, then, that the President must come in under section 1415 before getting these funds?

Mr. BONNER. I agree with the gentleman.

Mr. BOW. I thank the gentleman.

Now, I note that in the Senate bill there was a provision including aircraft. The committee has stricken aircraft from this bill and confines it only to merchant-flag ships.

Mr. BONNER. That is right. This bill was first referred to the Committee on Interstate Commerce of the House. The Committee on Merchant Marine at that time was holding hearings on this subject. We went to the Speaker and the Parliamentarian and the chairman of the Committee on Interstate Commerce, and we got the bill through what we thought was our prerogative back to the Committee on Merchant Marine. I agree with the Committee on Foreign Affairs. We have submitted before we brought this bill out what we have done. The committee has jurisdiction over air transportation, so we struck out all air transportation because the Committee on Merchant Marine does not have jurisdiction over that.

Mr. BOW. Under the Senate bill aircraft could be used.

Mr. BONNER. Yes.

Mr. BOW. The gentleman said in his opening statement these exhibits can be taken inland and exhibited there. Would that not be better done by aircraft, which raises the question whether aircraft should be in this bill?

Mr. BONNER. If the gentleman is familiar with the truck bodies and the containers, you can lift them off the truck, you can put them on ships and send them by ship, you can transfer them to another truck and take them inland. Under the plan we considered aircraft would not be practical.

Mr. BOW. I should like to go one step further.

Mr. BONNER. I may say to the gentleman we favored aircraft utilization and felt there should be provision made for it in other legislation.

Mr. BOW. In other words, as I understand the gentleman, that will be further considered during the period of time this is going on; and if aircraft is necessary, consideration will be given to it?

Mr. BONNER. Yes; in a separate bill.

Mr. BOW. There is one further question I would like to ask, and that is why an amendment to the Agricultural Trade Development Act of 1954 could not have been had by insertion of section 212(b) of the Merchant Marine Act of 1956?

Mr. BONNER. They have some authority to use counterpart funds, and we put it in there that the authority could be used in this instance.

Mr. BOW. I was concerned about section 212(b) because it contains language for the construction of ships and liners. There is no item in this for construction of liners or ships of any kind?

Mr. BONNER. There is no authorization for ships.

Mr. BOW. But you have written in the provisions of section 212(b). The Merchant Marine Act under section 212(b) is authority for construction. There is authority for construction by or with the aid of the U.S. express liner or superliner vessels comparable with those of other nations.

I would assume that there would be no intention to do that.

Mr. BONNER. If the gentleman will yield further, we will study all the maritime problems arising and carry out the policies set forth in title I of this act. That is general provision for various studies for improving the merchant marine. We do not intend to give any authority to build any ships.

Mr. BOW. What the gentleman from North Carolina has just read is section 212(a). But what the gentleman is amending, and including in this act, is section 212(b), which is construction of superliners. The gentleman will find the language of section 212(b) on page 17 of the report. Section 212(b) is the section with reference to the study of any movement of commodities in the waterborne export and import of foreign commerce of the United States, for the purpose of securing preference to vessels of U.S. registry in the shipment of such commodities. However, under section 212 (b) there is stated the following:

> There may be constructed by or with the aid of the United States express-liner or super-liner vessels comparable with those of other nations.

Mr. BONNER. That is a study. That is not to construct the vessel. It is a study of the vessel.

Mr. BOW. However, under section 212(b) (2) there is provision for construction.

Mr. BONNER. That is provision to study; to cooperate with vessel owners in devising means by which the importers and exporters of the United States can be induced to give preference to vessels under U.S. registry.

Mr. BOW. Now, read subsection (2) of that section.

Mr. BONNER (reading):

> There may be constructed by or with the aid of the United States express-liner or super-liner vessels comparable with those of other nations.

Mr. BOW. Does the gentleman mean to have that language in this bill?

Mr. BONNER. No; we do not.

Mr. BOW. Well, the committee is the only one which can amend this bill. Will the committee offer an amendment to strike that from the bill?

Mr. BONNER. That is in the basic law; that is not in this bill.

Mr. BOW. You are amending this bill to include section 212 of your law.

Mr. BONNER. That is correct.

Mr. BOW. As a result, you are making that a part of the Agricultural Trade Development Act, and not the Merchant Marine Act.

Mr. BONNER. Now, which one is the gentleman talking about? There is one which begins with a capital "B," and one which begins with a little "b." Does the gentleman see the difference there? I would ask the gentleman to turn to page 18 of the report where there is listed section 212(B).

Mr. BOW. That is where you now have amended the language of your bill.

Mr. BONNER. That language is as follows:

> The Secretary of Commerce shall encourage and promote the development and use of mobile trade fairs.

Mr. BOW. I hope the committee will take this up in conference.

Mr. BONNER. Does that answer the gentleman's question?

Mr. BOW. No, I do not think it does. However, I shall discuss it with the gentleman later before he goes to conference.

Mr. Speaker, I would like to direct a parliamentary inquiry to the Chair.

The SPEAKER pro tempore. The gentleman will state his parliamentary inquiry.

Mr. BOW. Mr. Speaker, inasmuch as this is a Senate bill in which all after the enacting clause has been stricken and a new bill has been written by the House committee, my parliamentary inquiry is this:

Is there a limitation upon the conferees when they take it to conference, or may they write anything into the bill which might be germane thereto, even though it is not in disagreement with the House?

The SPEAKER pro tempore. The Chair will state that only as it relates to differences between the House bill and the Senate bill. They are limited by the differences between the two bills.

Mr. BOW. Mr. Speaker, a further parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. BOW. Can they write into a new bill that came in here language which is not in either the House bill or the Senate bill, or do they have complete freedom to write any language which might be germane to each bill?

The SPEAKER pro tempore. The Chair will state that they cannot do so, if the purpose is to expand the language in either bill.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. BOW. I yield to the gentleman from Iowa.

Mr. GROSS. The gentleman spoke of the money that we are presently spending on trade fairs, and so on and so forth.

Can the gentleman give us a rough estimate of how much money we are presently spending on them?

Mr. BOW. I will make a rough estimate, reserving the right to correct the RECORD if I am mistaken, but I should think that in the appropriations just this year it would be over $7 million.

Mr. GROSS. Does the gentleman think that his committee could reduce the amount of that expenditure in order to absorb this, or is this to be another one of those "in addition to"?

Mr. BOW. I can say this; that the committee generally does reduce the items submitted to it. I should assume this might be cut. We could reduce it somewhat after careful study to make sure that we work the will of the House if it passes this bill. I think we have gone all out on trade fairs and trade missions. I find that the other body has increased the amount authorized by the House in the bill which they have just reported out today. So I do think we will check that very carefully and should.

Mr. GROSS. I agree.

Mr. BOW. We have gone rather wild in many of these trade fairs, in the things we are doing. We are now establishing trade centers in many of the countries of the world through the Federal Government. I am glad to see one thing in this bill and that is that it has to do with private enterprise. I am hoping that private enterprise will move into this field and that by their going into it now to the tune of $1.5 million we will not encourage private enterprise to look to the Federal Government and have the USIA and the Department of Commerce and others take it over. I hope that it will encourage private enterprise to do more of these things throughout the world, because it will be to their advantage as well as to the advantage of our Government.

Mr. BONNER. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER pro tempore. The question is, Will the House suspend the rules and pass the bill, S. 3389, as amended?

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The title was amended to read "To amend the Merchant Marine Act, 1936, to develop the American merchant marine and promote the foreign commerce of the United States through the use of mobile trade fairs."

A motion to reconsider was laid on the table.

COMMITMENT OF CONSTRUCTION RESERVE FUNDS

Mr. BONNER. Mr. Speaker, I move to suspend the rules and pass the bill (S. 3396) to amend section 511(h) of the Merchant Marine Act, 1936, as amended, in order to extend the time for commitment of construction reserve funds.

The Clerk read as follows:

> *Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the proviso at the end of section 511(h) of the Merchant Marine Act, 1936, as amended, is amended to read as follows: "*Provided,* That until January 1, 1963, in addition to the extensions hereinbefore permitted, further extensions may be granted ending not later than December 31, 1963."
>
> SEC. 2. The amendment made by the first section of this Act shall take effect December 31, 1962, or on the date of enactment of this Act, whichever date first occurs.
>
> Passed the Senate September 24, 1962.
>
> Attest:
>
> FELTON M. JOHNSTON,
> *Secretary.*

The SPEAKER pro tempore. Is a second demanded?

Mr. PELLY. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

Mr. BONNER. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, this bill would extend for 1 additional year the time in which a vessel operator might commit certain construction reserve funds for the construction of new vessels.

Section 511 of the Merchant Marine Act, 1936, provides that, to promote construction, and so forth, or acquisition of vessels, operators in the U.S., foreign, or domestic shipping trades may establish a construction reserve fund in which tax-deferred deposits may be made of proceeds from sales of vessels, indemnities on account of losses, earnings from vessel operations, and so forth.

The benefit of the tax features of the law are available only after reserve funds are committed for new construction, reconstruction, vessel acquisiton, and so forth, within the period described in regulations governing the fund.

This bill involves some $11 million of construction reserve funds of the American-Hawaiian Steamship Co., on which Federal taxes will become due on January 1, 1963, unless the proposed extension of time for their commitment for new construction is granted.

American-Hawaiian Steamship Co. was one of the longtime U.S. operators in the intercoastal trades.

American-Hawaiian in 1961 was accorded a 1-year extension of time for commitment of funds, until December 31, 1962, after its application for mortgage insurance on three advanced design container ships was denied by the Maritime Administrator in favor of another operator who offered to use existing vessels. It now appears that the hearings likely will not be concluded in time for commitment of the funds by the end of this year, for which reason an extension to December 13, 1963, is considered necessary.

Thus, the delay in committing the reserve funds for the construction of the proposed new vessels is not due to any delay or lack of diligence on the part of American-Hawaiian but rather due to the extensive hearings presently being held by the Maritime Administration.

The three container ships the company proposes to build would represent a total outlay of $64 million. The vessels would be among the world's most modern and fastest cargo types, with a capacity of nearly 1,000 containers, accommodating 20,000 tons of cargo. Their 24-knot speed would make possible a 9-day sailing schedule between east and west coast ports of the United States. Each container could fit on a truck chassis or rail flatcar for land travel.

Mr. HOLIFIELD. Mr. Speaker, will the gentleman yield?

Mr. BONNER. I yield to the gentleman from California.

Mr. HOLIFIELD. Where would this $11 million go if it were not used for this purpose?

Mr. BONNER. They would draw it down and pay certain tax assessments.

Mr. HOLIFIELD. In other words, it would go into the U.S. Treasury?

Mr. BONNER. Well, the operator would get the major part of the money.

Mr. SHELLEY. Mr. Speaker, will the gentleman yield?

Mr. BONNER. I yield to the gentleman from California.

Mr. SHELLEY. The point is that under the law they were allowed to build up these reserves which are held by the U.S. Government, in a way. They are held on deposit. There is no tax levied against them. What we are doing here is extending for 1 year the period against which no tax will be levied provided that they then build a ship for the intercoastal service.

If this bill is not passed the American-Hawaiian Steamship Co., which is now going out of the steamship business unless they rebuild the vessel, will be entitled to withdraw the funds they are entitled to less the amount due the Federal Government, and that will end them in this business.

Mr. BONNER. That is all there is to it.

Mr. PELLY. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, I think I might supplement what the chairman of the Committee on Merchant Marine and Fisheries has said by saying that the American-Hawaiian Steamship Co., applied to the Maritime Administration for assistance in constructing certain ships, and that application was rejected. Now they have been asked to resubmit an application, as I understand. The reason for extending the time during which they may keep this reserve fund without having to pay taxes on it is that now a new application has been filed with the Maritime Commission, and it is apparent that if this application is approved we can have modernization in our intercoastal service by the addition of ships and vessels for that purpose. The need for this legislation is not caused by the steamship company. Rather the cause is a delay on account of Government action.

The SPEAKER pro tempore. The question is, will the House suspend the rules and pass the bill S. 3396, as amended?

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

EXTENDING CERTAIN TIME LIMITATIONS WITH RESPECT TO THE VESSEL "SPITFIRE"

Mr. BONNER. Mr. Speaker, I move to suspend the rules and pass the bill—H.R. 12968—to amend section 901(b) of the Merchant Marine Act, 1936, to eliminate certain time limitations, with amendments.

The Clerk read as follows:

> *Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the vessel *Spitfire* owned by the General Cargo Corporation, New York, New York, shall be deemed to be a privately owned, United States-flag commercial vessel for the purposes of subsection (b) of section 901 of the Merchant Marine Act, 1936, as amended (46 U.S.C. 1241(b)), notwithstanding the time limitations in the last sentence of such subsection if such vessel is documented under United States registry on its first arrival at a United States port not later than December 31, 1962.

The SPEAKER pro tempore. Is a second demanded?

Mr. MAILLIARD. I demand a second, Mr. Speaker.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

Mr. BONNER. Mr. Speaker, the purpose of the bill, as reported with amendments, is to extend until December 31, 1962, certain time limitations of section 901(b) of the Merchant Marine Act, 1936, as amended, with respect to the vessel *Spitfire,* owned by the General Cargo Corp. of New York, N.Y., so that the vessel will be eligible as a privately owned U.S.-flag commercial vessel for participation in the carriage of cargoes under the cargo preference law.

Section 901(b) of the Merchant Marine Act, 1936, as amended by Public Law 87-266, provides that for purposes of determining eligibility for participation in cargoes reserved for "privately owned U.S.-flag commercial vessels" under that section—the cargo preference law—the term "privately owned U.S.-flag commercial vessels" shall not be deemed to include any vessel which subsequent to the date of enactment of that amendment—September 21, 1961—is documented under foreign laws or is rebuilt outside the United States, until such vessel has been documented under the laws of the United States for a period of 3 years.

The section, as amended, makes an exception if prior to enactment of the amendment, first, the owner of a vessel, or contractor for the purchase of a vessel, originally constructed in the United States and rebuilt abroad or contracted to be rebuilt abroad, has notified the Maritime Administration of its intent to document such vessel under U.S. registry and such vessel is so documented on its first arrival at a U.S. port not later than 1 year subsequent to the date of enactment of the amendment; or, second, the owner of a vessel under U.S. registry has made a contract for the rebuilding abroad of such vessel and has notified the Maritime Administration of such contract and such rebuilding is completed and such vessel is thereafter documented under U.S. registry on its first arrival at a U.S. port not later than 1 year subsequent to the date of enactment of the amendment. The date of enactment of the amendment was September 21, 1961.

Existing law provides an exception to protect owners of American built ships who were having conversion work performed abroad and who intended to redocument their vessels in the United States. To accomplish this the law gave such operators 1 year from date of enactment to complete construction work and redocument their vessel in the United States. The 1-year time period expired on September 21, 1962.

There appeared to be three ships which, due to strikes, slowdowns, and other construction delays in foreign shipyards, were unable to meet the September 21 deadline. Legislation was introduced and considered by our committee in behalf of three vessels, the *Spitfire,* the *Glenbrook,* and the *Montauk.* This bill is limited solely to the *Spitfire,* since the committee was advised that the *Glenbrook* and *Montauk* might not be eligible under the law in any event. The Maritime Administrator asked for further time to complete an investigation of the facts concerning the two ships.

On the other hand, the testimony before the committee indicated that the owner of the *Spitfire* complied with the requirements of the law with regard to giving notice of contract and intention prior to September 21, 1961, and proceeded promptly to have the conversion work performed on the vessel, and, but for strikes and slowdowns in the Spanish shipyard in which the work was under contract, the ship would have been completed, returned, and redocumented in the United States early in 1962. The committee considered that extension of time for a reasonable period would be equitable, and accordingly amended the bill so as to give the vessel owner until December 31, 1962, an opportunity to have the work completed and the vessel redocumented in the United States so that it might be eligible as a "privately owned U.S.-flag commercial vessel" within the meaning of section 901(b) of the Merchant Marine Act, 1936, as amended.

Enactment of this legislation involves no cost to the United States.

We had lengthy hearings. The Maritime Administration approves of the bill. The committee reported out this bill relating to this one vessel and left the other two vessels to determination by the Maritime Administration.

Mr. MAILLIARD. Mr. Speaker, I yield myself 2 minutes.

Mr. Speaker, while I agreed not to object to this bill as amended, I should like to point out, so that the RECORD shows just what we have done here. The bill before it was amended would have permitted any vessels in this particular class to have an extension of time.

I also must take issue with what the chairman said, that we had lengthy hearings. We had hearings that lasted only 2 hours, during which time enough suspicious information was developed that we came to the conclusion that with regard to the other two ships in question we were in no position to make intelligent decisions.

With regard to the facts on this ship, I think the committee was satisfied that there was a real effort to meet the deadline and that it was truly beyond the control of the operator. But I think the House should know that the owner of this vessel is also the owner of one of the other vessels involved, and if you would look at page 5 of the committee report, which has the testimony of the Maritime Administrator, you will see that this particular gentleman is under investigation and there is a possibility of fraud. I think this should be a matter of record when the House votes on this bill.

The **SPEAKER** pro tempore (Mr. ALBERT). The question is, Will the House suspend the rules and pass the bill H.R. 12968, as amended?

The question was taken; and two-thirds having voted in favor thereof, the rules were suspended, and the bill as amended was passed.

The title was amended so as to read: "A bill to extend certain time limitations of section 901(b) of the Merchant Marine Act, 1936, with respect to the vessel *Spitfire*."

A motion to reconsider was laid on the table.

CALL OF THE HOUSE

Mr. BROMWELL. Mr. Speaker, I make the point of order that a quorum is not present.

The **SPEAKER** pro tempore. Evidently a quorum is not present.

Mr. JONES of Missouri. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 258]

Alexander
Anfuso
Arends
Aspinall
Baker
Barrett
Barry
Bass, N.H.
Bass, Tenn.
Belcher
Bell
Bennett, Mich.
Betts
Blitch
Boggs
Bolling
Boykin
Buckley
Burke, Ky.
Carey
Celler
Chiperfield
Clark
Coad
Curtin
Daddario
Diggs
Dominick
Dooley
Evins
Fallon
Farbstein
Feighan
Finnegan
Fogarty
Frazier
Garland
Garmatz
Glenn
Goodell
Green, Oreg.
Hall
Hansen
Harris
Harrison, Va.
Harsha
Harvey, Ind.
Hébert
Hiestand
Hoffman, Ill.
Hoffman, Mich.
Hull
Ichord, Mo.
Inouye
Johnson, Wis.
Kearns
Kee
Keith
Kelly
Kilburn
Kirwan
Kitchin
Kluczynski
Kyl
Latta
McDonough
McDowell
McIntire
McSween
McVey
MacGregor
Madden
Magnuson
Martin, Mass.
Martin, Nebr.
Mason
Michel
Miller, Clem
Miller, George P.
Moorehead, Ohio
Mosher
Moulder
O'Brien, Ill.
O'Neill
Passman
Pilcher
Powell
Pucinski
Rains
Reifel
Riley
Rogers, Tex.
Rousselot
Saund
Saylor
Schadeberg
Scherer
Scranton
Seely-Brown
Sheppard
Shipley
Short
Sikes
Siler
Smith, Miss.
Spence
Springer
Staggers
Taber
Taylor
Thompson, La.
Thompson, N.J.
Tollefson
Tupper
Ullman
Utt
Van Pelt
Vinson
Watts
Weis
Whalley
Whitten
Wickersham
Willis
Winstead
Wright
Yates
Zelenko

The **SPEAKER.** On this rollcall 309 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

CONFERENCE REPORTS ON APPROPRIATION BILLS

Mr. CANNON. Mr. Speaker, I ask unanimous consent that for the remainder of the session it be in order to consider conference reports on appropriation bills at any time.

Mr. GROSS. Mr. Speaker, I object.

1963 WHEAT PROGRAM—SMALL FARM EXEMPTION

Mr. COOLEY. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 13241) to amend section 309 of the Food and Agriculture Act of 1962.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That item (7) of Public Law 74, Seventy-seventh Congress (7 U.S.C. 1340(7)), as amended by section 309 of the Food and Agriculture Act of 1962, is amended by changing the period at the end thereof to a comma and adding "or 1963."

The **SPEAKER.** Is a second demanded?

Mr. HOEVEN. Mr. Speaker, I demand a second.

The **SPEAKER.** Without objection, a second will be considered as ordered.

There was no objection.

Mr. COOLEY. Mr. Speaker, I yield 1 minute to the gentleman from Florida [Mr. ROGERS].

Mr. ROGERS of Florida. Mr. Speaker, I ask unanimous consent to speak out of order and to revise and extend my remarks.

The **SPEAKER.** Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. ROGERS of Florida. Mr. Speaker, word has just come that the Norwegian Shipowners Association has announced its decision to suspend further shipments to Cuba aboard Norwegian flagships. This action makes Norway the third allied nation to cooperate with the U.S. embargo on Cuba. West Germany and Turkey have announced their cooperation, and moved with equal determination in the cause of the principles of the free world.

What of the others? Over 25 percent of the ships involved in Cuban traffic are Greek flagships. Over 15 percent of the traffic is in British ships. When will these nations come around? Are the policies of their Governments contrary to ours? The British Foreign Secretary, Lord Home, has expressed British "sympathy" for the Cuban dilemma, but these condolences could be given added sincerity by a British ban on water haulage to Cuba.

Mr. Speaker, tomorrow a hearing will be held by the House Select Committee on Export Control. The purpose of the hearing is to investigate the entire matter of shipments to Cuba. Hopefully this investigation will result in a clarification that the American people want and have every right to expect allied cooperation in stopping aid to the Communists.

Mr. COOLEY. Mr. Speaker, I yield myself 3 minutes.

Mr. Speaker, we are submitting a very brief bill, the purpose of which is to amend the Agricultural Act which was signed by the President just a few days ago. This is made necessary because between the time that the House conferees first met until the bill was finally signed thousands of small wheat farmers planted under the then existing law, which permitted them to plant up to 15 acres of wheat for harvest without penalty.

Just before the President signed the bill I was advised by officials of the Department of Agriculture that it would be almost impossible to administer the bill because of the situation which then existed, that is, thousands of little farmers knowing at the time they had a right to plant up to 15 acres, had planted up to 15 acres, and had exceeded the highest planting in the previous 3 years, as provided in the bill.

Thousands of others in other parts of the country no doubt are planning to plant wheat for harvest in 1963, but under the language of the bill that was signed by the President they would be operating under a law different from that in effect at the time the producers referendum was held. The effect of the bill is to correct this situation and give small wheat farmers—those planting under 15 acres—the same exemption from marketing quotas under the 1963 wheat program as they had under the 1938 act when the referendum was held on August 30, 1962.

Mr. POAGE. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Texas.

Mr. POAGE. I wonder if the chairman would explain to the House that we had been considering this bill in August 1962 before any wheat was planted, but practically all the winter wheat in the United States is planted during the month of September. It took an entire month before the Congress could get this bill through. The result was that at the time of the conference report, at that time there was originally an agreement on this phase of the bill, there was not any necessity for changing this bill. But by the time the bill finally became law a great many people had acted under the authority of the then existing law which was the law of the land until a week ago when the President signed this thing.

Mr. COOLEY. I know there was some unhappiness because of the 15-acre exemption. That is one of the things that resulted in the accumulation of the enormous supply of wheat we now have in storage. I, for one, would like to see it done away with if possible. But we know we cannot possibly do it now. It would not be fair to subject these people to the payment of penalties by changing the law after the wheat has been planted. We are told that unless we pass this bill 250,000 or 300,000 small wheat farmers may find themselves in the position of having to pay penalties.

Mr. MAHON. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. MAHON. Many of the wheat growers in my area have already planted wheat and some of them are in the 15-acre category. As I understand it, this takes care of the situation for the crop year now beginning. To fail to pass this bill would be a great injustice to many farmers. The bill is urgently required.

Mr. COOLEY. That is right.

Mr. MAHON. I want to commend the committee for its action in presenting the pending measure.

Mr. BATTIN. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. BATTIN. I hesitate to bring this up. I know the position of the chairman of the committee. But it boils down to something that is quite inconsistent and I would like to just ask the gentleman whether he agrees or disagrees. When the farm bill passed the House a week or so ago the House was informed the purpose of it was to reduce the number of bushels being produced to get it more in line with consumption. A week later you come back and you are going to create a 15-acre exemption that is bound to increase the amount of wheat that is produced and the amount that is in storage. I do not quite understand the position of the committee.

Mr. COOLEY. It was pointed out by the gentleman from Texas [Mr. POAGE] a moment ago at the time we went to conference very few, if any, wheat farmers had planted their winter wheat. During the past 4 weeks thousands of them have planted. At that time it was perfectly proper to do so because they had the right to plant. Now I do not think they should be penalized.

Mr. HOEVEN. Mr. Speaker, I yield myself 8 minutes.

Mr. Speaker, this bill has a very interesting history. The bill is not one to correct a mere typographical error, as some people have contended. It proposes to make a very substantial change in the law concerning the 15-acre farm marketing quota. Under the wheat law that was in effect up to last Thursday when President Kennedy signed the new farm bill, anyone in America who chose to do so could raise 15 acres of wheat for harvest in 1963. There was no requirement that there be a previous history of raising wheat on the farm. It was an open-end invitation to everyone to raise 15 acres of wheat if they chose to do so. Many farmers throughout the winter wheat area did just that. They planted 15 acres of wheat relying on the Department of Agriculture's advice that they could do so. The new farm bill, however, changed the law as to this 15-acre exemption. It says that in 1963 a small wheat farmer can plant no more wheat than he did in 1959, 1960, or 1961. Thus, if he planted no wheat in any of those 3 years, he could plant no wheat in 1963. If he has already planted his 1963 winter wheat to an acreage that is greater than his highest planted crop in 1959, 1960, and 1961, he would be required to either destroy this excess acreage or to pay a marketing penalty.

This bill before us, H.R. 13241, is designed to change the new farm law by allowing all small wheat farmers to plant up to 15 acres in 1963, going back to the law that was in force and effect before the conference report was approved.

It would in effect repeal the provision in the new bill which cut back all small wheat farmers, and it would reinstate the old law. Let us say at this point it seems rather a ridiculous situation when this bill was introduced on September 26, 1962, to amend a law which the President had not yet signed. The President signed the bill on September 27. This is just an example of the flood of so-called correction and adjustment amendments which will be forthcoming when the 1964 wheat certificate plan goes into effect.

I would point out in that regard to all Members who are directly interested in 15-acre wheat farmers, that the adoption of the certificate wheat plan permanently repeals the 15-acre wheat exemption in 1964.

The conferees on the omnibus farm bill made the change in the 15-acre exemption for 1963 with their eyes open. They knew what they were doing. There was no mistake, there was no error.

The Department of Agriculture even sent word to the conferees that they did not favor the change in the 1963 program. This happened on September 17, 1962, the last day of the conference. I also assume that the President was advised of the effect of this provision when he signed the bill into law last week; and knowing of the proposed amendment he should not have signed the bill until the amendment had been approved.

I am also sure that Secretary Freeman was aware of this provision when the bill was signed or he would not have asked the chairman of the committee to introduce the bill now before us.

Mr. Speaker, the issue in H.R. 13241 is not a partisan one at all. In fact, Members from districts which have 15-acre wheat farmers may find some merit in H.R. 13241. To Members representing the commercial wheat districts west of the Mississippi River, I doubt there will be much support. To Members not involved directly in wheat or in agriculture generally, I would point out just two facts. First, this bill is being brought up under a procedure whereby there is a very limited debate with no chance of amendment and without committee hearings. If an inequity is to be corrected, I would like a chance to correct a few other inequities in the new farm bill, such as 80-cent corn which this administration is offering my Iowa corn farmers in 1964.

Secondly, to again open up wide the 15-acre exemption for 1963 will encourage further production of wheat. And let us remember that many 15-acre wheat farmers are not small farmers. They are small wheat farmers, yes, but in many instances this wheat production is incidental to their regular farm operation. It can do nothing more than bring more wheat acres into production, not only this fall but next spring. It will bring in untold numbers of new growers, and still many people complain about the ever-growing surplus of wheat.

Many members of the Committee on Agriculture have repeatedly said that the 15-acre exemption has been a loophole in the wheat law. This bill reopens that loophole. At a time when wheat farmers in the Western States are being paid some $43 an acre to retire wheat acreage for 1963, thousands of new acres of wheat could come into production in the area east of the Mississippi River and elsewhere. So what becomes of the wheat surplus that everyone wants to reduce? It would simply mean more wheat in Commodity Credit bins and more cost to the taxpayers.

This was the very reason the conferees on the farm bill changed the 15-acre law. If that was a good reason a week ago, why is it not now? It looks to me that this whole thing is a maneuver to get off a political hook.

Mr. COOLEY. Mr. Speaker, I yield myself 2 minutes to ask the gentleman from Iowa a question; that is, whether or not, as one of the conferees, he knew at the time that under that bill and the provisions thereof 300,000 small wheat farmers might be subjected to a penalty.

Mr. HOEVEN. I will say to the gentleman that the minority members of the conference committee did not sign the conference report. When the question was determined as to whether or not the certificates plan would be incorporated in the conference report, the Republican members of the conference committee did not associate themselves with any further effort.

Mr. COOLEY. Will the gentleman answer the question: Did he realize that under this law 300,000 wheat farmers might be subjected to penalty and the same 300,000 had no voice in the matter?

Mr. HOEVEN. I do not know. Representatives of the Department of Agriculture, however, came into the conference and warned us about this thing, and the conferees, regardless of that, wrote it into the conference report. The minority members refused to sign the report.

Mr. COOLEY. The gentleman was one of the conferees. Was he aware of the effect this would have?

Mr. HOEVEN. I said I was aware of the situation.

Mr. COOLEY. The gentleman was aware of it but he did not say anything about it?

Mr. HOEVEN. Something was said on our side.

Mr. COOLEY. I did not know about the effect of it until the night before the President signed the bill, and when I was advised of it I immediately introduced this bill to correct the mistake.

Mr. HOEVEN. The gentleman was not listening when representatives of the Department of Agriculture warned the gentleman what this would do.

Mr. COOLEY. We talked about it, but nobody knew the ultimate effect of it.

The SPEAKER. The time of the gentleman from North Carolina has expired.

Mr. COOLEY. Mr. Speaker, I yield 3 minutes to the gentleman from Texas [Mr. Poage].

Mr. POAGE. Mr. Speaker, I do not think it makes a great deal of difference how we got into this unfortunate situation. Of course it might make some difference as to where you can put some political blame. It might have some political implications. But as far as trying to deal fairly with the smaller wheatgrowers of America is concerned, it does not make much difference whether the ranking minority member knew about this and the rest did not understand about it or not. I am not going to claim I had the foresight that the minority members say they had.

We recognized in August when the conference committee first met that practically no one had planted wheat in the United States and that there would be no injustice if we proceeded at that time to announce to everybody in the United States that they could not plant 15 acres in compliance with the old law, because nobody had at that time acted under the old law; but it happens that the month of September is the month during which about four-fifths of all the winter wheat of the United States is planted. It happens that the conference went on for a long time. It was a full month from the time the conference committee met and discussed this matter until it became law.

During that time a very large number of small wheatgrowers had planted under authority of the law as it then existed, and they are the ones we are talking about, people who grow less than 15 acres. We are not talking about one single big wheatgrower in the United States.

So often we get up here and talk about "this is for the small farmer" when we do not have any definition of "small farmer."

Mr. Speaker, in this case we are talking about no one who is growing more than 15 acres of wheat, and he is pretty small. So clearly, this is a case of small farmers.

I do not personally believe in the 15-acre exemption. I think we made a mistake when we adopted it. I sought to remove it from the law. I would like to remove it from the law. If the farmers adopt the certificate plan which is offered to them under the act which has just been cited, this exemption will be removed from the law next year. But in the meantime, I do not want to do an injustice or be unfair to 300,000 or 300 farmers in the United States who acted in good faith, who acted under the law as it existed at the time they acted, up until the 27th day of September, 1962, they had a right to plant this 15 acres. I think it was ill-advised, but they had the legal right to do it. They exercised their legal rights.

Mr. Speaker, I do not think the Congress should now take away from them the right which they had under the law and, in effect, impose an ex post facto law.

Mr. Speaker, I think the gentleman from Iowa [Mr. Hoeven] correctly stated that in the large commercial wheat areas, the great commercial areas such as in my State, which produces a substantial amount of commercial wheat—we have grown as much as 150 million bushels of wheat, and that is not just chicken feed; we are a substantial producer of wheat—in the large producing areas most of the larger producers would like to do anything they can do to get rid of the 15-acre man. I do not blame them for wanting to be rid of the 15-acre man. I want to get rid of the exemption, but I want it to be done in an honorable way. I want it to be done in a fair way, and I want it to be done without doing an injustice to any man.

Mr. Speaker, I agree with the gentleman from Iowa [Mr. Hoeven] that in Ohio, Indiana, Illinois, in Kentucky, in Pennsylvania, and in New York most of the farmers will want to perpetuate the 15-acre exemption. Certainly it will be of definite interest in those States.

Mr. HOEVEN. Mr. Speaker, will the gentleman yield?

Mr. POAGE. Certainly, I yield to the gentleman from Iowa.

Mr. HOEVEN. Of course, the gentleman from Texas [Mr. Poage] knows that the 15-acre exemption will be entirely repealed in 1964.

Mr. POAGE. I said that.

Mr. HOEVEN. The gentleman from Texas said it would perpetuate it.

Mr. POAGE. I said that if farmers approve the certificate plan next year that it will wipe out the 15-acre exemption. Still that does not mean that the people in those areas do not want to perpetuate it, and I repeat my statement that it is perfectly obvious, as the gentleman from Iowa said, that those people will want to perpetuate that because it is to their advantage. But I do not want them to perpetuate it. Neither do I want to take it away from them by some chicanery which takes away a right they had at the time they acted.

Mr. Speaker, those Members of the House who are not involved in either of these areas are simply faced with the question of whether this is right or wrong. They are faced with the question of the morality of the thing. Should you take away from anyone, no matter whether you think he should have been given the right or not, should you take away from him the right which he exercised under the law as it existed at the time he exercised it?

Mr. COOLEY. Mr. Speaker, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from North Carolina.

Mr. COOLEY. And these little fellows had a right under the law up to the very minute that the President signed the bill?

Mr. POAGE. That is right; up until last Thursday.

Mr. ALBERT. Mr. Speaker, will the gentleman yield?

Mr. POAGE. Yes, I yield to the gentleman from Oklahoma.

Mr. ALBERT. This will be in the nature of an ex post facto law with respect to every one who had planted under the 15-acre exemption prior to the passage of the Agricultural Act?

Mr. POAGE. That is right. It becomes an ex post facto law for about 300,000 people in the United States. It was not ex post facto at the time the conference committee first met. I want everyone to understand that. We did not deliberately impose an ex post facto program upon these people. The long delay is what made it that way.

Mr. ALBERT. Whether it was on purpose or inadvertent is immaterial.

Mr. POAGE. That is exactly my view.

Mr. ALBERT. It was an ex post facto law and the fact that it is in the 1964 program is immaterial, because those who plant in 1964 will be on notice.

Mr. POAGE. That is exactly right.

Mr. HOEVEN. Mr. Speaker, I yield 5 minutes to the gentleman from Minnesota [Mr. Quie].

Mr. QUIE. Mr. Speaker, I think we have been in trouble ever since we started working on agricultural legislation this session. When we went into conference I pointed out that in Minnesota, even in August we start planting winter wheat. Some people were disfranchised, you say. I might also point out that these 300,000 people who have now planted more than their highest acreage average for the last 3 years, never had the right to vote in the first place.

One of the troubles with this wheat-control program over these years has been the fact that we have had a 55-million-acre minimum and a 15-acre exemption. In 1963, when the referendum was passed, we provided in the conference report for a voluntary program, so that we could actually reduce wheat acreage below 55 million acres. But despite a difficult situation, some farmers had already planted up to their 15 acres and we had to do something about the overplanting under the 15-acre exemption. This is not the first time we have legislated after farmers have planted. We did that in 1961, when the emergency feed grain program was passed. Farmers had already planted corn at that time; they had already planted grain sorghum. We legislated for them.

Mr. ALBERT. Mr. Speaker, will the gentleman yield?

Mr. QUIE. I yield.

Mr. ALBERT. The difference is that under the 1961 act, the program was voluntary. If this were a voluntary program those who had planted 15 acres could reduce and come under the program, and it would be an entirely different matter.

Mr. QUIE. It was voluntary to this extent in 1961, that a farmer could get price supports if he would comply, but he would get no support if he would not comply. Some farmers planted, assuming 65 percent support on all they planted. What this means really is that the program will be unfair to certain farmers. The Department of Agriculture did not wait until the President signed the bill before they notified the States that this change had been made. I was in Minnesota on the day that the Senate passed the conference report, before the President signed the bill. And already the word had come down to the counties that farmers could only plant up to the highest acreage of the last 3 years. That means that here were some farmers who followed this in September, and only planted up to their highest acreage. They would have planted up to the 15 acres if the notice had not been given. So there is a group of farmers to whom this is going to be unfair whatever we do, and it would not be fair to the others, either.

What is going to happen is that every bushel of wheat raised under the 15-acre exemption will go into the market. It will all go into the market. And, so, because that wheat is going into the market, the wheat that other farmers have raised under their allotments will have to go into storage. So every bushel of wheat raised under the 15-acre provision will have to go into storage, and we are going to have to pay taxes on it.

I have 15-acre producers in my district. I have elevators that never purchased a kernel of wheat until this 15-acre exemption came into effect, who would be greatly benefited by this. But I believe that as long as we have controls, that the law ought to control. I do not believe 15-acre exemptions should be permitted if we have the control program. I do not like it. I do not think they should be permitted to raise wheat when other farmers raising wheat have had to send it into storage. We do not think it is fair to the farmers who have raised wheat all these years. That is the basis for my objection. In fact I think the whole program is in trouble, more so than any other commodity.

Mr. COOLEY. Mr. Speaker, will the gentleman yield?

Mr. QUIE. I yield.

Mr. COOLEY. Mr. Speaker, the gentleman sat through the conference. I would like to ask him the same question I asked the gentleman from Iowa. Did he realize that if we passed that bill, that 300,000 small wheat farmers of America might be subjected to penalties?

Mr. QUIE. I did not know the number. But on the first day that the subject came up in conference I pointed out to the gentleman and those who sat with him, that some farmers had already planted, all the way from the South to the North. I do not know what the number was. I sat there, as did the gentleman from North Carolina, when the Department representatives said that there were four things that had to be changed, and one of them was this question. We considered it and turned their proposal down.

Mr. COOLEY. The gentleman was in the committee this morning, or yesterday morning, or whenever it was, when the Department representatives said that the total acreage involved was very, very small.

We were told that the difficulties of administering this bill were almost impossible, and that the cost would be $1,500,000. I think with that explanation this House ought to agree with what is right and honest and fair, rather than go out and penalize 300,000 people when we did not intend to do it.

Mr. QUIE. Take those 300,000 people. Multiply 30 bushels per acre by 2 acres each, overall they would have planted otherwise. That would be 18 million bushels. Multiply that by $1.82, and you find a cost of $33 million, a much greater cost to the Government than the $1,500,000 it would cost to administer this program. So I think we have an expensive program here when you are willing to spend $30 to $100 million more for a program to save $1.5 million. How can we continue to build up surpluses in a control program and try to justify it. Would it not be better to have a voluntary program for all, so each farmer could choose his wheat acreage?

Mr. HOEVEN. Mr. Speaker, I yield 3 minutes to the gentleman from Kansas [Mr. DOLE].

Mr. DOLE. Mr. Speaker, I take this time to point out some things which have not been mentioned. This morning when the bill was before our committee we had a very brief explanation of it. We heard a man from the Department who could give us no figures and no estimates as to what the cost might be and how many farmers might be involved. The estimates appearing in the papers have been around 300,000 or 350,000 farmers. If those who are involved, out of an estimated total of 1.2 million 15-acre producers, each were permitted to plant 1 additional acre which would yield in these areas an average of 30 bushels an acre, an additional 9 million bushels would be added to the surplus, and this is a very conservative estimate. A more realistic figure would be an average of 5 acres per farmer if this bill is enacted. Multiply 300,000 or 350,000 by 5 and that by 30—yield per acre—and you get over 50 million bushels of wheat to add to the surplus.

The Department experts say this will not cost any additional money. In Kansas, where many of our farmers are permitted to plant less than 25 percent of their cropland, now in 1964, because of this bill we will have added 50 million bushels to the surplus, yet will be asking Hard Winter wheat producers to take at least a 20-percent cut in acreage because of the present surplus. We are going to add 50 million bushels more to the surplus by this legislation, which is unfair to the commercial wheat farmers who undoubtedly will be asked to take even a deeper cut in 1964 because of it.

The date on the conference report on H.R. 12391, the Food and Agriculture Act of 1962, is September 17. It indicates on page 34 that apparently someone in the conference knew what was going on because it is stated—

> As in 1962, the 15-acre exemption would be modified to the highest acreage planted in 1959, 1960, or 1961.

What this bill does is to invite everyone, wherever they live, to plant 15 acres to wheat during this current marketing year. It is patently ridiculous at the very time the administration talks long and loud about surpluses and storage costs.

Mr. CURTIS of Missouri. If the gentleman will yield, if I understand the gentleman's figures, this would add 50 million bushels, in other words, about $80 million on the taxpayer's back.

Mr. DOLE. Well, it is difficult to tell, but it would be substantial. We have had much talk from Secretary of Agriculture Freeman about storage costs, but he must admit many million additional bushels will go into storage by this legislation. Coming from a commercial wheat area, I know this is bad legislation, and while we talk about bailing out 350,000 15-acre wheat farmers, what about the best interests of farmers in commercial wheat States such as Kansas, Oklahoma, the Dakotas, Nebraska, and other commercial wheat producing areas. Certainly this should be defeated. We have heard statements about how this bill would help the little farmer, and I trust the Members will not be led to believe that those who raise 15 acres of wheat do nothing else. Most of the farmers involved here raise wheat just as a sideline, which permits them to utilize almost every acre not devoted to their primary crop, whether it be tobacco, cotton, corn, or what have you. Great Plains wheatgrowers have been urging a clampdown on the 15-acre producer for some time, and 2 weeks ago when the administration farm bill was in conference an amendment was included which would have restricted farmers with allotments of less than 15 acres to plant only as much wheat as they had grown in the highest year in the years 1959, 1960, or 1961. Thus, if a farmer had only 8 acres as his highest figure in one of these years, but actually planted 15 acres in 1963, he would, under the bill signed last week by the President, be subject to certain penalties unless he plowed under the overseeded acres. This same provision applies to other wheat producers who overplant, but today the same Members who approved the conference report are now asking that we change it and throw open the doors to permit anyone to plant up to 15 acres without penalty. This is not a clerical error as some have stated in the press, but it changes the very law passed by this House by the narrow vote of 202 to 197. It is a direct slap in the face to all wheat producers in commercial areas and is just another example of what happens when a stubborn Secretary of Agriculture completely confuses the Nation's farmers by his refusal to compromise so that acceptable legislation may be enacted prior to planting time. Though this may not be a lesson to Secretary Freeman, it is something you should remember as he parades around the country making political speeches about the great strides he has made in agriculture the last 2 years.

To the wheat producer of western Kansas, this legislation is most discriminatory and should be defeated.

Mr. BEERMANN. Mr. Speaker, will the gentleman yield?

Mr. DOLE. I yield to the gentleman from Nebraska.

Mr. BEERMANN. When we had the Department of Agriculture representative before us, was he able to give us an estimate of how many new producers this might involve?

Mr. DOLE. No, he did not give us anything that I know of.

Mr. BEERMANN. When we asked him about the cost, he had no idea about the number of bushels or what it would cost.

Mr. DOLE. He did not know, of course. Nobody knows how many will take advantage of this. Anybody who has 15 acres lying around can now plant 15 acres of wheat. As they say in the report, the planting season does not end until the end of October; then you have the spring wheat people, too.

Mr. BEERMANN. Well the gentleman is right on the estimate of 50 million bushels for probably $80 million.

Mr. COOLEY. Mr. Speaker, I yield 3 minutes to the gentleman from Missouri [Mr. Jones].

Mr. JONES of Missouri. Mr. Speaker, there is not anything too complicated about this. There have been some statements made that I do not think leave the correct impression. This wheat which is produced this year under the 15-acre provision is not subject to price supports and it cannot go into loan. That is No. 1.

So far as increasing the amount of acreage, there will be very little of that because the farmers who are growing these 15 acres or less have their farm plans made. Therefore, we are not going to add much to them.

Nothing that we do, whether we pass or do not pass this bill, is going to change the 1964 law or the allotments for that year.

Unless we do pass this law, I think we will be bringing about an inequity to these 15-acre-or-less producers who planted prior to the signing of the new farm bill because, while they will have complied with the law at that time, the new law does give the Government an obligation to go back and administer under this new law. In that case, those farmers who had planted more than the highest acreage that they had planted in any one of these last 3 years would be penalized or they would have to plow up that difference. It might be only an acre or it might be 2 acres. There is not a lot of acreage involved and there is a rather insignificant amount of wheat involved here.

So I think if we want to do equity to all the farmers and put all of the 15-acre wheat farmers under the same rule, then it is very important that we do pass this law.

Mr. ALBERT. Mr. Speaker, will the gentleman yield for just one observation?

Mr. JONES of Missouri. I yield.

Mr. ALBERT. I think the gentleman will agree with me that this will affect the overwhelming majority of wheatgrowers east of the 100th meridian, east of Oklahoma and Kansas, and it will affect the overwhelming majority of the wheatgrowers east of the Mississippi River.

Mr. JONES of Missouri. I do not see how any Representative who represents an area where they do have these 15-acre wheat allotments could possibly vote against this. I think those who are not representing that type of wheat producer and who want to be fair and see that equity is done will want to vote for this law. And those who, like myself, are interested in economy may be interested in this letter from the Under Secretary in which he says:

> It is conservatively estimated that.the enactment of this bill will result in savings of around $1,500,000 in administrative costs.

Now, how does it do that? Unless we do adopt this amendment all of this wheat that was planted prior to September 26, when this bill was signed, will have to be measured. That is, the plots will have to be measured, and they will have to get the production of the 3 years to see which was the highest and then if they have overplanted, there will have to be a penalty assessed. So, as a matter of equity and as a matter of fairness and to avoid the possibility of these people being penalized and to save this money, I think the amendment should be adopted.

I think the following letter, from the Under Secretary of Agriculture, Mr. Murphy, to the chairman of the House Committee on Agriculture, the Honorable Harold D. Cooley, explains very clearly why this bill should be passed.

Department of Agriculture,
Washington, D.C., October 1, 1962.

Hon. Harold D. Cooley,
Chairman, Committee on Agriculture,
House of Representatives.

Dear Mr. Chairman: This is in reply to the request of your office for a report on H.R. 13241, a bill to amend section 309 of the Food and Agriculture Act of 1962.

This Department recommends the enactment of this bill.

H.R. 13241 would amend section 309 of the Food and Agriculture Act of 1962 to provide that a farm marketing quota on the 1963 crop of wheat shall not be applicable to any farm on which the acreage of wheat exceeds the smaller of (1) 15 acres, or (2) the highest number of acres actually planted to wheat on the farm for harvest in any of the calendar years 1959, 1960, 1961, or 1963. Under the present provisions of section 309, the exemption would apply to the smaller of (i) 15 acres, or (ii) the highest acreage planted in 1959, 1960, or 1961.

Prior to the enactment of the Food and Agriculture Act of 1962, it was necessary because of time limitations to proceed with a wheat referendum for the 1963 crop based on existing law. Among other things, the then existing law provided for a 15-acre wheat exemption for marketing quota purposes. Farmers were so informed and notified prior to their favorable vote in the recent wheat referendum. The provisions of law with respect to eligibility to vote in the recent referendum provided that any person subject to marketing quotas on wheat would be eligible to vote. Therefore, many producers who at the time were unable to vote are now in a marketing quota penalty position because they have planted more wheat on their farm for harvest in 1963 than the highest acreage planted for harvest in 1959, 1960 or 1961. In the area where the largest number of these farms is located, the planting season for wheat is from approximately September 10 to October 30.

In the winter wheat States, wheat has already been planted on a large percentage of the small wheat farms in reliance on the notice previously given. In these cases it would be necessary under section 309 of the act for the farm operator to dispose of the excess acreage on the farm or be subject to a marketing quota penalty.

There are about 1,200,000 wheat farms which will be affected by the change in the wheat exemption required by section 309. Of these 1,200,000 small wheat farms, it is estimated that from 200,000 to 300,000 farms would have an acreage seeded to wheat for harvest in 1963 in excess of the permitted acreage. Unless the provisions of section 309 are changed, it will be necessary to determine for each of these farms the highest acreage planted to wheat on the farm for harvest in 1959, 1960, or 1961 and renotify the farmers involved and give them an opportunity to appeal. This will be an expensive, time-consuming delay in getting the 1963 wheat stabilization program underway, and cause great confusion and dissatisfaction on the part of farmers.

We believe that under the present provisions of law producers would feel that they had been misinformed with respect to the acreage of wheat which they could grow and would resist the enforcement of the existing provisions of section 309 of the act. We are quite sure that a large number of producers would resort to legal action before complying with this provision of the law.

For 1964 and subsequent years, the Food and Agriculture Act of 1962 provides that the 3-year average acreage of wheat on these small farms will be used both for marketing quota purposes and for purposes of the wheat stabilization program.

In view of the difficulties we would experience in administering the 1963 wheat program with the provisions of section 309 unchanged, we strongly urge the enactment of this bill.

It is conservatively estimated that the enactment of this bill will result in a savings of around $1,500,000 in administrative costs.

The Bureau of the Budget advises that there is no objection to the presentation of this report from the standpoint of the administration's program.

Sincerely yours,
Charles S. Murphy.

Mr. HOEVEN. Mr. Speaker, I yield 2 minutes to the gentleman from Kansas [Mr. Avery].

Mr. AVERY. Mr. Speaker and Members of the House, this is a debate that has been going on ever since we have had a wheat program. I am distressed, I might say, to see the gentleman from Oklahoma [Mr. Albert] and the gentleman from Texas [Mr. Poage] deserting the wheat-producing area on this particular issue, because they have always been able to stand up for what we believe to be the best interests of the historical wheat-producing area.

Mr. ALBERT. Mr. Speaker, will the gentleman yield?

Mr. AVERY. I will yield to the gentleman if the gentleman can get me another minute.

Mr. ALBERT. I think the point here is a matter of fairness. This is a question of passing an ex post facto law. The gentleman is correct in this respect—if the wheat farmers had been on notice, I would agree with him.

Mr. AVERY. There is nothing unfair about the bill as it applies to the 15-acre farmers as the bill is now written. But I think there has been a misrepresentation made here this afternoon. There is no discrimination in the present language of the bill. Every wheat farmer is being treated like every other one. Their production is going to be limited to the wheat-producing history on that farm. Now we want to come along here and say, well, if you have under 15 acres you do not need to comply and you may be relieved from the penalty that we are imposing this year, and proceed to plant the usual 15 acres.

The gentleman from Missouri [Mr. Jones] mentioned about the extra administrative cost. That is fictitious. Every wheat farm is going to have to be measured whether this bill passes today or not and a certain percentage of the farmers will be overplanted. So after the measurement has been made they will have to destroy their wheat and they are going to have about the same number of acres to destroy whether or not this bill passes. Therefore that is a fictitious argument as far as the administrative costs of the bill are concerned.

As to whether there are 300,000 wheat farmers affected by this I do not know. Where that figure came from I do not know. I think there is a presumption that all farmers would like to plant 15 acres of wheat and would like to exceed their history by the 15 acres if they could. I do not think that is a valid assumption, because they will not be eligible for price support if they do exceed their farm history.

The bill should be defeated, Mr. Speaker, as evidence of majority support of the bill that passed the other day.

Mr. HOEVEN. Mr. Speaker, I yield such time as he may desire to the gentleman from Ohio [Mr. Latta].

Mr. LATTA. Mr. Speaker, I arise today to support H.R. 13241 which will once again give to the small family-type farmers of America the 15-acre wheat exemption to which they are rightfully entitled. I regret, however, that it will be for only 1 year.

It is quite true that the Democrat farm bill recently passed by this Congress would have given to these small wheat producers for the crop year 1963 an exemption only as large as the highest of their planted acres for 1959, 1960, or 1961. This was not an error as now suggested by the Democrats when they passed their bill as this restrictive language was in H.R. 12391 which the House passed and was considered by the conferees in conference; it was in the conference report which the conferees sent to the House; and it was contained in House Report No. 2385.

This unbearable and unwarranted restriction on these small wheat producers was known to the administration at the time the President signed the Food and Agriculture Act of 1962 and the bill which we are considering today, H.R. 13241, was introduced by our chairman a full day in advance of the White House fanfare surrounding the President at the time he signed the bill.

Therefore, Mr. Speaker, I want it thoroughly and completely understood that in supporting this bill today, I am not being hoodwinked into believing that we are correcting an unintentional error in the legislation to which I previously referred. We are, instead, amending one of the many inequities and injustices in that legislation which should have been apparent to all at the time it was passed.

Mr. HOEVEN. Mr. Speaker, I yield the remainder of my time to the gentleman from Montana [Mr. Battin].

The SPEAKER. The gentleman from Montana is recognized for 2 minutes.

Mr. BATTIN. Mr. Speaker, we have heard a great deal of conversation about wanting to be fair, and I think we should. If you review the 1962 Agriculture Act that passed the House there was no 15-acre exemption. There was no 15-acre exemption in the bill that passed the House a few weeks ago and also passed the Senate and that went to conference. Now we are coming back and saying we need a 15-acre exemption for the small wheat farmers who plant corn, sorghum, and everything else, and who need a little extra income.

I represent probably the largest wheat-producing area in the United States as far as area is concerned. You are asking me and you are asking other Members who represent the commercial wheat producers of this country to go home and tell our people they have to take a 20-percent cut in their acreage and at the same time explain why the 15-acre producer should come back in a program.

What about the consuming areas? The gentleman from Missouri [Mr. Curtis] made a very fine point. We were told no more than a week and a half ago that the reason we had to have rigid controls on wheat producers was that we simply had to cut down wheat production, yet today we are now asked by the same people who supported controls, the same people who insisted on controls to cut down production, now want to open the doors and let more wheat be produced. It just does not make any sense, and I do not think it is going to make sense to other Members in this House who want to help the consuming areas, the taxpayers who will have to pay the bill.

What worries me, Mr. Speaker, is that some Members are going to come back next year again asking the commercial wheat producers to cut back again.

Mr. COOLEY. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, I just want to say again I think our committee acted as promptly and as diligently as the situation demanded when we became aware of the effect that the bill would have on these 250,000 or 300,000 small wheat farmers.

We have given you, the membership of this House, an opportunity to say whether you want to penalize these farmers; and as pointed out by the gentleman from Oklahoma [Mr. Albert] a large majority of these 15-acre people are east of the Mississippi River.

I can readily understand how the large commercial wheat growers feel about this 15-acre exemption. I sympathize with their situation and I will do everything I can to prevent further expansion of the 15-acre exemption now in the law. After 1964 we will not have such an exemption on the statute books.

Mr. BREEDING. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the Record.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. BREEDING. Mr. Speaker, this amendment adds the words "or 1963" to the section dealing with the 15-acre exemption. Under the provisions of law in effect when marketing quotas were approved on August 30 of this year, every producer was eligible to seed up to 15 acres without penalty. Since the agricultural bill was enacted after the referendum, I believe it was the intention of the committee not to require any reduction in allotments on permitted acres below that in effect at the time of the referendum.

As a matter of fact, it is not only morally wrong, but actually unconstitutional as I see it to enact retroactive legislation.

The farmers in my district know that I have always been opposed to the 15-acre exemption, and the permanent wheat program for 1964 permanently repeals the 15-acre provision.

This amendment as I understand it, leaves the 15-acre exemption as it has previously been under the old 1958 law.

It has been brought to my attention that without this legislation it would be impossible to administer, that it would be hard to tell just when the wheat was planted.

The seedings in the new act says that without this amendment that if you planted according to the average of your recent seedings you would be all right but if you seeded up to 15 acres then you would have to pay a penalty on all acres above your average, a penalty of about $1.10 per bushel times your normal yield. Although I am opposed to the 15-acre exemption, this bill keeps the status of the 15-acre exemption as it was administered under the old 1958 act.

Mr. Speaker, I am opposed to the 15-acre exemption.

I am opposed to this legislation.

Mr. COOLEY. Mr. Speaker, I yield 1 minute to the gentleman from Pennsylvania [Mr. Fulton].

Mr. FULTON. Mr. Speaker, I have a farm myself in Pennsylvania, a small one, and I am interested in the protection and rights of the small farmers of Pennsylvania and the country. I believe this bill is a situation where we are deciding between the farmers of 15 acres and under and, on the other hand, the commercial farmers of very large-sized acreage. To me, in the U.S. farm program there is room for the 15-acre and under farmer and he is entitled to his full rights in my book.

I can understand the situation of those farmers in the Middle West areas who think there should be commercial-size farms only.

But it is in the commercial-farm States that the surpluses are arising. Eastern States such as Pennsylvania are deficit feed-growing areas, and do not cause farm surpluses. As a matter of fact, our Pennsylvania farmers buy their necessary feed from other States when it is not raised on their own farms, or nearby in Pennsylvania. So our Pennsylvania farmers are good customers of the commercial areas of the Midwest States and should not be penalized by not being able to raise 15 acres of feed on their own farms to feed their own animals. Otherwise if the small farmers have to destroy the crop already planted, or part of it, because of the current state of agriculture law, they are penalized in a year of drouth requiring extra feed, and have to pay cash for outside feed, plus added freight charges from Midwest areas.

As an eastern district small farmer from Pennsylvania, knowing in what situation the Pennsylvania small farmer now finds himself, I favor this bill, and hope it passes.

CALL OF THE HOUSE

Mr. JONES of Missouri. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 259]

Alexander
Anfuso
Arends
Aspinall
Auchincloss
Baker
Baring
Barry
Bass, N.H.
Becker
Bell
Bennett, Mich.
Berry
Betts
Blitch
Boggs
Bolling
Boykin
Burke, Ky.
Carey
Celler
Chiperfield
Coad
Curtin
Curtis, Mass.
Daddario
Diggs
Dominick
Dooley
Evins
Farbstein
Feighan
Finnegan
Fogarty
Frazier
Farland
Goodell
Goodling
Gray
Gubser
Hall
Hansen
Harris
Harrison, Va.
Harsha
Harvey, Ind.
Hébert
Hiestand
Hoffman, Ill.
Hoffman, Mich.
Hull
Ichord, Mo.
Inouye
Johnson, Wis.
Kastenmeier
Kearns
Kee
Keith
Kilburn
Kitchin
Kowalski
Kyl
Laird
Latta
McDonough
McDowell
McIntire
McMillan
McSween
McVey
MacGregor
Magnuson
Martin, Nebr.
Mason
Michel
Miller, Clem
Miller, George P.
Moore
Moorehead, Ohio
Mosher
O'Brien, Ill.
Passman
Powell
Pucinski
Rains
Reifel
Riley
Rogers, Tex.
Saund
Saylor
Schadeberg
Scherer
Scranton
Seely-Brown
Shelley
Sheppard
Shipley
Short
Sikes
Siler
Smith, Calif.
Smith, Miss.
Spence
Springer
Steed
Taber
Taylor
Teague, Calif.
Thompson, N.J.
Tollefson
Tupper
Ullman
Utt
Van Pelt
Vinson
Watts
Weis
Whalley
Whitten
Wickersham
Willis
Winstead
Yates
Zelenko

The SPEAKER. On this rollcall 311 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

AMENDING SECTION 309, FOOD AND AGRICULTURE ACT OF 1962

Mr. COOLEY. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is, Will the House suspend the rules and pass the bill H.R. 13241?

The question was taken and on a division (demanded by Mr. DOLE) there were—ayes 180, noes 57.

Mr. DOLE. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken and there were—yeas 255, nays 60, not voting 120, as follows:

[Roll No. 260]

YEAS—255

Abbitt
Abernethy
Adair
Addabbo
Albert
Alford
Andersen, Minn.
Anderson, Ill.
Andrews
Ashbrook
Ashley
Ashmore
Bailey
Bass, Tenn.
Beckworth
Bennett, Fla.
Blatnik
Boland
Bonner
Bow
Brademas
Bray
Brewster
Brooks, Tex.
Brown
Bruce
Buckley
Burke, Mass.
Burleson
Byrne, Pa.
Cannon
Casey
Cederberg
Chamberlain
Chelf
Church
Clark
Cohelan
Colmer
Cook
Cooley
Corbett
Corman
Cramer
Cunningham
Dague
Daniels
Davis, James C.
Davis, John W.
Davis, Tenn.
Dawson
Delaney
Dent
Denton
Derwinski
Devine
Dingell
Donohue
Dorn
Dowdy
Downing
Doyle
Dulski
Edmondson
Elliott
Everett
Fascell
Fenton
Findley
Fisher
Flood
Flynt
Ford
Forrester
Fountain
Friedel
Fulton
Gallagher
Gary
Gathings
Gavin
Giaimo
Gilbert
Gonzalez
Granahan
Grant
Green, Oreg.
Green, Pa.
Griffin
Griffiths
Hagan, Ga.
Hagen, Calif.
Haley
Halleck
Halpern
Harding
Hardy
Harrison, Va.
Harsha
Harvey, Mich.
Hays
Healey
Hechler
Hemphill
Henderson
Herlong
Holifield
Holland
Huddleston
Jarman
Jennings
Joelson
Johansen
Johnson, Md.
Jonas
Jones, Ala.
Jones, Mo.
Judd
Karsten
Karth
Kastenmeier
Kelly
Keogh
Kilgore
King, Calif.
King, N.Y.
King, Utah
Kluczynski
Knox
Kornegay
Kunkel
Landrum
Lane
Lankford
Lennon
Lesinski
Libonati
Lindsay
Loser
McCulloch
McFall
McMillan
Macdonald
Mack
Madden
Mahon
Marshall
Mathias
Matthews
May
Meader
Merrow
Miller, N.Y.
Milliken
Mills
Moeller
Monagan
Montoya
Moorhead, Pa.
Morgan
Morris
Morrison
Moss
Moulder
Multer
Murphy
Murray
Natcher
Nedzi
Nix
Norblad
Norrell
O'Brien, N.Y.
O'Hara, Ill.
O'Hara, Mich.
O'Konski
O'Neill
Ostertag
Passman
Patman
Perkins
Peterson
Pfost
Philbin
Pike
Pilcher
Pillion
Pirnie
Poage
Poff
Powell
Price
Purcell
Randall
Reece
Reuss
Rhodes, Pa.
Riehlman
Rivers, Alaska
Rivers, S.C.
Roberts, Ala.
Roberts, Tex.
Robison
Rodino
Rogers, Colo.
Rogers, Fla.
Rooney
Roosevelt
Rosenthal
Rostenkowski
Roudebush
Roush
Rutherford
Ryan, Mich.
Ryan, N.Y.
St. Germain
Santangelo
Schenck
Schneebeli
Schweiker
Scott
Selden
Sisk
Slack
Smith, Iowa
Smith, Va.
Staggers
Stephens
Stratton
Stubblefield
Sullivan
Teague, Tex.
Thomas
Thompson, La.
Thompson, Tex.
Thomson, Wis.
Thornberry
Toll
Trimble
Tuck
Udall, Morris K.
Vanik
Van Zandt
Waggonner
Walter
Weaver
Westland
Wharton
Whitener
Widnall
Williams
Wilson, Ind.
Wright
Young
Zablocki

NAYS—60

Alger
Avery
Ayres
Baldwin
Baring
Bates
Battin
Becker
Beermann
Bolton
Breeding
Bromwell
Broomfield
Broyhill
Byrnes, Wis.
Cahill
Chenoweth
Clancy
Collier
Conte
Curtis, Mo.
Derounian
Dole
Durno
Dwyer
Ellsworth
Fino
Glenn
Gross
Gubser
Harrison, Wyo.
Hoeven
Horan
Hosmer
Jensen
Johnson, Calif.
Langen
Lipscomb
Mailliard
Martin, Mass.
Minshall
Morse
Nelsen
Nygaard
Olsen
Osmers
Pelly
Quie
Ray
Rhodes, Ariz
St. George
Schwengel
Shriver
Sibal
Smith, Calif.
Stafford
Teague, Calif.
Wallhauser
Wilson, Calif.
Younger

NOT VOTING—120

Alexander
Anfuso
Arends
Aspinall
Auchincloss
Baker
Barrett
Barry
Bass, N.H.
Belcher
Bell
Bennett, Mich.
Berry
Betts
Blitch
Boggs
Bolling
Boykin
Burke, Ky.
Carey
Celler
Chiperfield
Coad
Curtin
Curtis, Mass.
Daddario
Diggs
Dominick
Dooley
Evins
Fallon
Farbstein
Feighan
Finnegan
Fogarty
Frazier
Frelinghuysen
Garland
Garmatz
Goodell
Goodling
Gray
Hall
Hansen
Harris
Harvey, Ind.
Hébert
Hiestand
Hoffman, Ill.
Hoffman, Mich.
Hull
Ichord, Mo.
Inouye
Johnson, Wis.
Kearns
Kee
Keith
Kilburn
Kirwan
Kitchin
Kowalski
Kyl
Laird
Latta
McDonough
McDowell
McIntire
McSween
McVey
MacGregor
Magnuson
Martin, Nebr.
Mason
Michel
Miller, Clem
Miller, George P.
Moore
Moorhead, Ohio
Mosher
O'Brien, Ill.
Pucinski
Rains
Reifel
Riley
Rogers, Tex.
Rousselot
Saund
Saylor
Schadeberg
Scherer
Scranton
Seely-Brown
Shelley
Sheppard
Shipley
Short
Sikes
Siler
Smith, Miss.
Spence
Springer
Steed
Taber
Taylor
Thompson, N.J.
Tollefson
Tupper
Ullman
Utt
Van Pelt
Vinson
Watts
Weis
Whalley
Whitten
Wickersham
Willis
Winstead
Yates
Zelenko

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Hébert and Mr. Hull for, with Mr. Short against.

Mr. Harvey of Indiana and Mr. Betts for, with Mr. Reifel against.

Mr. Latta and Mr. Goodling for, with Mr. Laird against.

Mr. Alexander and Mr. Rogers of Texas for, with Mr. Kearns against.

Mr. Scranton and Mr. Kilburn for, with Mr. Belcher against.

Mr. Curtin of Pennsylvania and Mr. Baker for, with Mr. McVey against.

Mr. Shipley and Mr. Gray for, with Mr. Martin of Nebraska against.

Mr. Garmatz and Mr. Fallon for, with Mr. Berry of South Dakota against.

Mr. Kitchin and Mr. Boggs for, with Mr. Tollefson against.

Mr. Burke of Kentucky and Mr. Rains for, with Mr. Schadeberg against.

Mr. George P. Miller and Mr. Johnson of Wisconsin for, with Mr. Kyl against.

Mr. Sikes and Mr. Willis for, with Mr. Curtis of Massachusetts against.

Mr. Daddario and Mr. Fogarty for, with Mr. Barry against.

Mr. Aspinall and Mr. MacGregor for, with Mr. Keith against.

Until further notice:

Mr. Taylor with Mr. Van Pelt.

Mr. Inouye with Mr. Siler.

Mr. Kirwan with Mr. Moorehead of Ohio.

Mr. Thompson of New Jersey with Mr. Hoffman of Illinois.

Mr. Ichord with Mr. Goodell.

Mr. Kowalski with Mr. Auchincloss.

Mr. Watts with Mr. Bell.

Mr. Ullman with Mr. Dooley.

Mr. Vinson with Mr. Utt.

Mr. Anfuso with Mr. Tupper.

Mr. Farbstein with Mr. McIntire.

Mr. Carey with Mr. Heistand.

Mr. Celler with Mr. Frelinghuysen.

Mr. Feighan with Mr. Springer.

Mr. Pucinski with Mr. Michel.

Mr. O'Brien of Illinois with Mr. Rousselot.

Mr. Finnegan with Mr. Hall.

Mrs. Riley with Mr. Saylor.

Mr. Frazier with Mr. Mason.

Mrs. Hansen with Mr. Chiperfield.

Mr. Harris with Mr. Bass of New Hampshire.

Mr. Shelley with Mrs. Weis.

Mr. Sheppard with Mr. Mosher.

Mr. Clem Miller with Mr. Hoffman of Michigan.

Mr. McSween with Mr. Moore.

Mrs. Kee with Mr. Scherer.

Mr. Macdonald with Mr. Taber.

Mr. Whitten with Mr. Dominick.

Mr. Winstead with Mr. Garland.

Mr. Zelenko with Mr. Bennett of Michigan.

Mr. Yates with Mr. Seely-Brown.

Mr. Evins with Mr. McDonough.

Mr. HALEY, Mr. MILLER of New York, and Mr. LINDSAY changed their vote from "nay" to "yea."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

THE AGRICULTURE ACT OF 1962—A DESCRIPTIVE SUMMARY

Mr. COOLEY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. COOLEY. Mr. Speaker, the Department of Agriculture has published a descriptive summary of the Agriculture Act of 1962, Public Law 87-703. With the permission of the House, I am inserting this summary in the RECORD, in the thought that it will be useful to the Members as a concise and ready reference. The summary follows:

THE AGRICULTURE ACT OF 1962—A DESCRIPTIVE SUMMARY

The act (Public Law 87-703) consists of four main titles, each of which is directed to improving and up dating Federal programs in a broad area of action.

Title I provides new authority and resources for putting land to optimum economic and social uses. It gives added depth and breadth to the nationwide rural areas development program, offers alternatives to the use of land for surplus crop production, opens the way for an expansion of outdoor recreational facilities on locally owned lands, and gives new impetus to the conservation of land and water resources, flood prevention, development of local water supply, and similar measures for realining and improving land use.

Title II provides new authorities for program activities calculated to promote the consumption of agricultural commodities abroad through amendments to the food-for-peace legislation.

Title III provides the Secretary of Agriculture with new authority to work with farmers to bring agricultural production in line with domestic and export needs, improve and stabilize farm income, reduce surplus stocks, and to reduce the costs of farm programs. The 1963 wheat program calls for voluntary diversion of land from production and is similar to the 1962 program. A new wheat program for 1964 will serve to manage supplies if it is approved by two-thirds of the growers in a referendum. The current feed grain program will be continued, with some changes, in 1963. Starting next year, wheat and feed grain producers who participate in the programs will receive payment in kind of 18 cents a bushel. They also will receive payments for diverting land from these crops.

Title IV authorizes the Department to make loans for recreational development and facilities to individual farmers and to associations serving farmers and other rural people. Among other provisions, the law authorizes that the total amount of real estate loans that may be made out of the insurance fund and held on hand at any one time is increased from $10 to $25 million.

TITLE I. NEW TOOLS FOR LAND-USE ADJUSTMENT AND RURAL AREAS DEVELOPMENT

Valuable new resources for putting land to uses desired by the people—not the production of surplus crops—are authorized in title I of the Food and Agriculture Act of 1962. These same resources will give new strength to the nationwide rural areas development program.

A tremendous expansion of outdoor recreational facilities for all Americans will result from the new authorities in title I when coupled with credit authority in title IV for "income-producing recreational enterprises" and the already going programs of the U.S. Department of Agriculture.

Recreational development on locally owned land (none of it will be bought by the Federal Government) will be an important part of long-range programs to put unneeded cropland into other paying uses. Grass lands and forest lands will be expanded. So will flood prevention and development of water supply for rural and urban use and for water-based recreation. New impetus will be given to production of fish and wildlife on farm and ranch land.

Under provisions of title I and other authorities, the Department of Agriculture is prepared to launch with local agencies and organizations: Rural renewal projects, resource conservation and development projects, and watershed recreational development.

Additional emphasis will be given to getting cropland into grass and trees to reduce crop production, increase forage and timber production, and improve food and cover for wildlife. These changes also will reduce erosion and silting of streams and water supply reservoirs.

These and other programs will aid in bringing agricultural production into balance with needs. The Department has estimated that in 1980, all domestic and greatly expanded export needs for farm products can be produced on 50 million fewer acres than were available for crops in 1959.

The new programs also mesh with aid already being received by local rural people under the Area Redevelopment Act and Accelerated Public Works Act in cooperation with the Department of Commerce and USDA.

New land-use adjustment program authorized in section 101

Many individual farmers under this section will be eligible for additional help under long-term agreements with the Department to change cropping systems and land use and to develop soil, water, forest, wildlife, and recreational resources.

These agreements may run for as long as 10 years, except that agreements for the establishment of tree cover cannot provide for annual payments for more than 5 years.

For lands not in the conservation reserve, the Department can enter into agreements for assistance totaling up to $10 million during each calendar year.

For lands coming out of the conservation reserve in 1962, the Department may provide assistance totaling up to $15 million during 1963 calendar year.

About 25.6 million acres are now held out of crop production by the conservation reserve. Contracts expire December 31, 1962, on 1.3 million acres. These lands generally will be eligible for the new land use adjustment program.

Section 101 also provides that the agricultural conservation program will continue to have Federal administration. This provision, as well as the establishment of the new land use program, is in an amendment to the Soil Conservation and Domestic Allotment Act. Previously, the Act had provided for a Federal agricultural conservation program to January 1, 1963. After that time, the program was to be carried out by the States under plans approved by USDA. The States had not moved to develop these plans.

Rural renewal, conservation-development projects authorized in section 102

The Department will use authority provided in section 102, together with provisions in other sections of title I, title IV, and presently operating programs, to aid local public agencies, sponsors, and associations to carry out rural renewal and resource conservation and development projects.

The Department can provide technical assistance and loans to local public agencies designated by the Governor of a State or the State legislature. A single loan exceeding $250,000 would have to be approved by the appropriate congressional committees. Loans will be repaid within 30 years. However, loan repayment may be deferred up to 5 years while the project is getting underway.

These loans could be used by local authorities for such purposes as forestry, soil and water conservation, flood prevention and the reorganization of farm resources, including the preservation, development and use of natural resources. Funds also may be used for the installation of such facilities as roads, parks, water supply systems, sewage disposal and community buildings related to land conservation and use. Section 102, however, prohibits Federal help for the building of industrial parks or the establishment of private or commercial enterprises. (Under title IV, loans may also be made to associations for shifts in land use and recreational facilities and to individual farmers and ranchers for recreational uses and facilities.)

Rural renewal projects provide new tools for severely disadvantaged rural areas where much of the land is not in its best use, resulting in chronic underemployment and underdeveloped communities. Objectives of the program are to create conditions that will make these communities attractive to private investment and individual enterprise.

Resource conservation and development projects also will be locally initiated and locally sponsored. These projects will provide a framework for stepped-up programs of conservation, development, and use of all land, water, and related resources within a resource area where acceleration of current conservation activities plus the use of new authorities will provide additional economic opportunities to local people.

New impetus for watershed protection and development in sections 103–106

New recreational opportunities and new sources of future water supply for municipalities and industries can be created in small watershed projects under amendments to the Watershed Protection and Flood Prevention Act (Public Law 566).

The same new authorizations also apply to the 11 watershed improvement programs authorized by the Flood Control Act of 1944.

The significance of the amendments of Public Law 566 is illustrated by these facts:

The Department already is assisting local organizations and agencies in the operation of 425 small watershed projects throughout the country. Planning help has been authorized for another 366 projects. And USDA aid has been requested for an additional 969 projects. All told, the 1,760 projects in operation, in planning stage, and in pending requests cover more than 125 million acres.

The Department may now share with local public bodies up to one-half of the cost of land, easements, and rights-of-way for reservoir or other sites or areas in small watershed projects to be dedicated for public recreation. The Department also may share up to one-half of the cost of providing minimum facilities for public health and safety and for access to the new recreation areas. These facilities could include water supply, sanitation, electrical service, boat anchorage and launching sites, swimming beaches, access roads, parking areas, public camp and picnic sites, trails, overlook stations, cleared public use water areas, and related administrative facilities.

State game, fish, and park agencies are eligible as sponsoring public bodies when they assume responsibility for operating and maintaining the public recreational facilities. So are counties, municipalities, and special purpose districts created by or under provisions of State legislation.

The Department also may advance funds to these eligible agencies for immediate acquisition of easements and rights-of-way for watershed project structure sites if necessary to prevent encroachment of other developments. These advances must be repaid before construction starts. The Department cannot acquire any land.

The number of watershed recreational developments is limited by law to one for each 75,000 acres of watershed area, and not to exceed three for any watershed project.

In the past watershed recreational development has not had Federal cost-sharing aid, although the Department could cooperate with local groups or agencies which assumed full responsibility for both financing and operation. Of the first 2,500 structures planned for flood prevention, recreational development was included in fewer than 30 structures.

Future water supply for municipal and industrial purposes is vital to the growing, developing area. One amendment to the Watershed Act was provided to help solve this problem of adequate future water supply.

The Department of Agriculture now can assist local organizations develop water supply for future use in watershed projects in the same manner as the Department of the Army and the Department of the Interior under the Flood Control and Reclamation Acts.

USDA now is authorized to pay up to 30 percent of the total cost of a reservoir for the purpose of storing water for future municipal or industrial use. Repayment and interest charges may be deferred up to 10 years if the stored water is not used during this period. Repayments begin as soon as the water is first used. Full repayment must be made within the useful life of the structure but not to exceed 50 years from the time of initial use.

TITLE II. EXPORT EXPANSION FACILITATED

Provisions in title II of the Food and Agriculture Act of 1962 will facilitate U.S. efforts to expand its exports of agricultural commodities. This will be done through amendments to the long-term dollar credit program and the school lunch authorization in Public Law 480.

Specifically, provisions in title II of the Food and Agriculture Act of 1962 do the following:

1. Authorize the Secretary of Agriculture to make dollar credit export sales agreements with foreign and U.S. private trade firms. This is in addition to the existing authority to make such agreements on a government-to-government basis. It should increase the opportunities for sales under this program.

2. Authorize dollar credit export sales agreements with banks and other financial institutions acting in behalf of governments. This should broaden the program to some countries whose laws make it difficult to conclude government-to-government agreements.

3. Permit scheduling payments in reasonable—rather than approximately equal—annual amounts. In addition, the date for beginning annual payments may be deferred up to 2 years after the last delivery in each calendar year. This will make possible more flexible terms that can be adjusted to a country's ability to pay.

4. Specific authorization is given for donating commodities for use in nonprofit school lunch programs outside the United States, permitting expansion of programs already underway or planned.

TITLE III. PRODUCTION MANAGEMENT

The new farm law is designed to maintain and increase farm income; to continue the reduction in surpluses which began with the 1961 emergency program; and to cut the cost to the taxpayers.

The legislation extends the current emergency feed-grain program into 1963 with some changes, but provides no diversion program for 1964.

The 1963 wheat program calls for voluntary diversion of land from production and is similar to the 1962 program.

Starting next year, wheat and feed-grain growers who participate in diversion will receive payment in kind of 18 cents per bushel produced.

For land taken out of production they also will be paid at a rate up to 50 percent of the value, at the price-support level, of the normal production of the diverted land.

A new wheat program for 1964 will serve to control production if it is approved by two-thirds of the farmers in a national referendum.

Under this marketing certificate program, the 55-million-acre national allotment will be eliminated and the Secretary will set a national quota and allotment based on estimated domestic and foreign requirements and desirable cuts in CCC stocks.

Two levels of price support will be set up under the new program—one on wheat for food and a portion of that for export, and the other on wheat for livestock feed. The two-price plan will limit the amount of wheat eligible for the higher support, which will be established between 65 and 90 percent of parity.

The new program represents a major step to control wheat production and to bring the surplus down to manageable size.

The total carryover of all feed grains declined from 85 million tons in 1961 to 73 million tons in 1962. The carryover for October 1, 1963, is expected to be about 62 million tons.

The farm bill offers no feed-grain program for 1964 and thereafter. The Secretary is authorized in 1964 to set the price support between 50 and 90 percent of parity at a level that he decides will not increase CCC stocks of feed grain.

The 1963 feed-grain program

This is a voluntary program covering corn, grain sorghum, and barley.

Farmers can take part by reducing their 1959–60 base acreage from at least 20 percent to a maximum of 50 percent. However, up to 25 acres may be diverted on any one farm if the allotment is large enough.

Those who participate will be eligible for price supports at $1.20 a bushel for corn. This will come through a national price-support loan at $1.02, and payment in kind of 18 cents from CCC stocks. CCC will assist farmers in marketing their payment-in-kind certificates. In addition, payment will be made for land diverted at a rate up to 50 percent of the price support level for the normal production of the diverted land. No price support will be given to those who do not take part.

Price supports for other feed grains will be related to corn.

The 1963 wheat program

Wheatgrowers already have approved marketing quotas for the 1963 crop and have planted or are making plans on acreage based on the 55 million acre national allotment. The 1962 farm law calls for wholly voluntary diversion of 1963 wheatland.

Producers may qualify for payments by diverting from production 20 to 50 percent of whichever is larger—their wheat allotment or the average acreage of wheat in 1959, 1960, 1961. (Up to 10 acres could be diverted on small farms.) Such participants would be eligible for diversion payment equal to 50 percent of the price-support value of normal production on the diverted land. In addition, those who participate and comply with allotments would qualify for price-support loans at $1.82 per bushel and an 18-cents-a-bushel payment-in-kind.

Such farmers would therefore receive support at $2 a bushel, through the loan and the payment-in-kind program.

Cooperating farmers could choose to exchange the payment-in-kind certificates for wheat from CCC; to sell the certificate, or ask CCC to market the certificate for them.

For those who do not sign up for diversion but who stay within the 1963 wheat allotment, the support level would be $1.82. For those who make a diversion agreement but do not comply with it, there will be no price support and no diversion payment.

The 1964 wheat program

The marketing certificate program will eliminate the 55-million-acre national allotment.

Participating producers will be assured of price support between 65 and 90 percent of parity for their share of wheat to be used domestically for food and for export. Any wheat produced beyond that amount would be used for seed or feed or marketed at a price related to the feed value and the world price of wheat.

The price support system will thus be revised. Certificates will be used to distinguish between wheat for food and wheat for feed.

Under the program, the Secretary will estimate the number of bushels of wheat to meet requirements for the coming year, and determine a national allotment large enough to produce that quota. This is similar to what is now done in programs for tobacco, cotton, and rice.

Farmers could qualify for diversion payments for 2 years on acreage equal to the difference between the new allotment and the allotment they would have received based on 55 million acres nationally. Diverted land would be put to conservation uses.

The long-range program provides a tool to adjust the supply of different kinds of wheat to demands for them. The Secretary will be authorized to raise the allotment for any type of wheat that would otherwise be in short supply.

The Secretary is authorized to put the 1964 program into effect in an orderly way to avert either large profits or heavy losses which might occur.

A notable change for 1964 will be abolition of the 15-acre exemption under which any farmer could grow 15 acres of wheat. However, those with an acreage history under this provision would be credited with their history and given an allotment on that basis.

Those with 15 acres or less who choose to take part could divert as much as their entire acreage for payment. The bill also provides that:

If more than one-third of the growers voting reject the program, price support will be set at 50 percent of parity to cooperators.

Some crops not in surplus, such as safflower and sesame, could be raised on diverted land, at the Secretary's discretion. Partial diversion payments could be made.

TITLE IV. NEW CREDIT SERVICES FOR RECREATIONAL DEVELOPMENT AND SHIFTS IN LAND USE

Loans by USDA's Farmers Home Administration are authorized for development of recreational facilities, to help farmers develop new income-producing opportunities.

All the improvements made in the credit services of the Farmers Home Administration program will be helpful in carrying out the rural renewal and resource conservation and development section in title I of the Food and Agriculture Act of 1962.

Provisions under title IV:

1. Add "recreational uses and facilities" to the purposes for which real estate loans may be made to the owner-operators of not larger than family farms.

The interest rate on most loans is 5 percent, and the repayment is up to 40 years. The loan and other debts against the security property may not exceed its normal value. Maximum loan is $60,000.

2. Add "shifts in land use including the development of recreational facilities" to the purposes for which loans may be made to associations serving farmers and other rural families in small communities up to 2,500 population. The interest rate varies but may not exceed 5 percent and loans may be made up to $1 million. Repayment period is up to 40 years.

3. Add "recreational uses and facilities" to the purposes for which operating loans may be made to the operators of not larger than family farms. The interest rate is 5 percent, and the maximum loan $35,000. Repayment period is up to 7 years.

Fish farming: The definition of farmers is broadened to permit persons engaged in fish farming to qualify for Farmers Home Administration credit assistance. This improvement will permit farmers to develop an additional enterprise to supplement their income.

Real estate loan action: The total amount of real estate loans that may be made out of the insurance fund and held on hand at any one time is increased from $10 million to $25 million.

Increasing the ceiling to $25 million will permit the sale of larger blocks of loans to national lenders, increase the number of loans available for sale to State lenders, and permit a more orderly operation of the insured loan fund.

U.S. PARK POLICE

Mr. RUTHERFORD. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Concurrent Resolution 581.

The Clerk read the concurrent resolution, as follows:

Resolved, That in the enrollment of the bill (H.R. 8567) to authorize the Secretary of the Interior to create trial boards for the United States Park Police, and for other purposes, the Clerk of the House is authorized and directed to make the following correction:

In the Senate amendment numbered 3, strike out "discharges" and insert in lieu thereof "charges".

The **SPEAKER.** Is there objection to the request of the gentleman from Texas?

There was no objection.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

FORT ST. MARKS NATIONAL HISTORIC SITE

Mr. RUTHERFORD. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 12164) to provide for the establishment of the Fort St. Marks National Historic Site, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 2, after line 19, insert:

"SEC. 4. There is authorized to be appropriated not to exceed $100,000 for the purposes of this Act."

The **SPEAKER.** Has the gentleman cleared this language with the Republican leadership?

Mr. RUTHERFORD. It has been cleared with the minority leadership on the committee as well as on the floor.

The **SPEAKER.** Is there objection to the request of the gentleman from Texas?

Mr. GROSS. Reserving the right to object, Mr. Speaker, is this $100,000 an increase? What is the story?

Mr. RUTHERFORD. The story is that the House did not place any limitation on the amount. The Senate did place a limitation. We are accepting the limitation placed by the Senate of not to exceed $100,000.

The **SPEAKER.** Is there objection to the request of the gentleman from Texas?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

OCEANOGRAPHIC ACT OF 1962

Mr. DINGELL. Mr. Speaker, I call up the conference report on the bill (S. 901) to advance the marine sciences, to establish a comprehensive 10-year program of oceanographic research and surveys, to promote commerce and navigation, to secure the national defense, to expand ocean, coastal, and Great Lakes resources, to authorize the construction of research and survey ships and laboratory facilities, to expedite oceanographic instrumentation, to assure systematic studies of effects of radioactive materials in marine environments, to enhance the public health and general welfare, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The **SPEAKER.** Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. No. 2493)

[To accompany S. 901]

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 901) to advance the marine sciences, to establish a comprehensive ten-year program of oceanographic research and surveys, to promote commerce and navigation, to secure the national defense, to expand ocean, coastal, and Great Lakes resources, to authorize the construction of research and survey ships and laboratory facilities, to expedite oceanographic instrumentation, to assure systematic studies of effects of radioactive materials in marine environments, to enhance the public health and general welfare, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House to the text of the bill and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following: "That this Act may be cited as the 'Oceanographic Act of 1962'.

"SEC. 2. (a) It is hereby declared to be the policy of the United States to develop, encourage, and maintain a coordinated, comprehensive, and long-range national program in oceanography for the benefit of mankind, defense against attack from the oceans, and operation of our own surface and subsurface naval forces with maximum efficiency, rehabilitation of our commercial fisheries, and increased utilization of these and other resources. Furtherance of this policy requires that adequate provision be made for continuing systematic research, studies, and surveys of the ocean and its resources, and of the total marine environment, the development of new and improved techniques, instruments, or equipment for oceanographic research and surveys, the education and training of scientists and technicians through a sustained and effective program, and encouragement of international cooperation in marine research and surveys in the national interest. It is further declared to be the policy of the United States to implement the national program through the balanced participation and cooperation of all qualified persons, organizations, institutions, agencies, or corporate entities, whether governmental, educational, nonprofit, or industrial.

"(b) It is the purpose of this Act to carry out and effectuate the policies declared in subsection (a) of this section.

"SEC. 3. (a) The Office of Science and Technology (hereinafter referred to as the 'Office') established by Reorganization Plan Numbered 2 of 1962 shall establish, advance, and develop a national program of oceanography. In order to insure that the greatest possible progress shall be made in carrying out this national program, the Office shall issue a statement of national goals with respect to oceanography, which shall set forth methods for achieving those goals and the responsibility of the departments, agencies, and instrumentalities of the United States to carry out the national program on an integrated, coordinated basis.

"(b) The national program of oceanography may be revised from time to time as the Office determines necessary.

"(c) In establishing, advancing, and developing the national program of oceanography and in revising such program the Office shall consult with all interested departments, agencies, and instrumentalities of the United States, as well as capable non-Federal institutions, industries, and other competent sources, where appropriate.

"SEC. 4. (a) The President is authorized to establish in the Office the position of Assistant Director for Oceanography. Upon the establishment of such position, the Assistant Director shall be appointed by the President, by and with the advice and consent of the Senate, and shall receive compensation at the rate of $19,000 per annum.

"(b) The Assistant Director shall perform such duties and exercise such powers in carrying out this Act as the Director of the Office shall prescribe.

"SEC. 5. (a) The Director of the Office is authorized and directed to appoint an Advisory Committee for Oceanography to consist of not less than seven members. The Committee shall contain adequate representation of scientists selected on the basis of competence from universities and other non-Federal institutions and agencies, and from industry.

"(b) The Advisory Committee shall meet at the call of the Director. The Advisory Committee shall review the national program of oceanography and revisions thereof and may make recommendations with respect thereto.

"SEC. 6. The Director shall report annually during the month of January to the President and the Congress. Such report shall contain the following:

"(1) The general status of oceanography.

"(2) The status of research, development, studies, and surveys conducted (directly or indirectly) by the United States in furtherance of oceanography, together with application of such research, development, studies, and surveys.

"(3) A detailed analysis of the amounts proposed for appropriation by Congress for the ensuing fiscal year for each of the departments, agencies, and instrumentalities of the Government to carry out the purposes of this Act.

"(4) Current and future plans and policies of the United States with respect to oceanography.

"(5) Requests for such legislation as may be necessary to carry out as rapidly as possible the purposes of this Act.

"SEC. 7. The Bureau of the Budget shall provide the Congress, in connection with the budget presentation for fiscal year 1964, and each succeeding year, a horizontal budget showing (A) the totality of the amounts proposed for appropriation by Congress for marine sciences, and (B) the funding assigned to each department, agency, or instrumentality of the Government to carry out the purposes of this Act.

"SEC. 8. As used in this Act the term 'oceanography' includes, but is not limited to, the acquisition, assemblying, processing, and dissemination of all scientific and technological oceanographic and related environmental data, including, but not limited to, physical, geological, biological, fisheries, hydrographic and coastal survey, meteorological, climatological, and geophysical data."

And the House agree to the same.

That the Senate recede from its disagreement to the amendment of the House to the title of the bill and agree to the same.

JOHN D. DINGELL,
ALTON LENNON,
BOB CASEY,
THOMAS M. PELLY,
ROBERT F. ELLSWORTH,
F. BRADFORD MORSE,
Managers on the Part of the House.
GEORGE A. SMATHERS,
CLAIR ENGLE,
E. L. (BOB) BARTLETT,
JOHN MARSHALL BUTLER,
KENNETH B. KEATING,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 901) to advance the marine sciences, to establish a comprehensive 10-year program of oceanographic research and surveys, to promote commerce and navigation, to secure the national defense, to expand ocean, coastal, and Great Lakes resources, to authorize the construction of research and survey ships and laboratory facilities, to expedite oceanographic instrumentation, to assure systematic studies of effects of radioactive materials in marine environments, to enhance the public health and general welfare, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The House amendment strikes out all of the Senate bill after the enacting clause and inserts a substitute. The Senate recedes from its disagreement to the amendment of the House with an amendment which is a substitute for both the Senate bill and the House amendment. The conference substitute is substantially the same as the amendment of the House to the Senate bill. The differences between the House amendment and the substitute agreed to in conference are noted in the following outline except for minor technical and clarifying changes made necessary by reason of the conference agreement.

SECTION 2

Section 2 of the conference substitute contains a statement of national policy. It is substantially the same as the provisions of the House amendment except that the proposed conference substitute adds language emphasizing that in a national oceanographic program mention should be made of the development of new and improved techniques, instruments, or equipment for oceanographic research and surveys, education and training, and the encouragement of international cooperation in marine research and surveys. In addition, the proposed conference substitute, in order to more correctly express the emphasis on education and training of desired personnel, replaces the phrase "oceanographic scientists" with the phrase "scientists and technicians".

SECTION 3

Subsection (a) of section 3 of the proposed conference substitute provides that in addition to establishing a national program of oceanography, as provided in the House amendment, the Office of Science and Technology should also advance and develop such a program.

Subsection (b) of such section of the proposed conference substitute is identical with the House amendment except for the elimination of certain redundancies.

Subsection (c) of section 3 of the proposed conference substitute is the same as the provision of the House amendment except for conforming amendments made necessary by earlier amendments.

SECTION 4

The House amendment establishes as a matter of law the position of Assistant Director of Oceanography. The proposed conference substitute authorizes the President to establish this position. It further provides when the President so establishes this position he will appoint the Assistant Director with the advice and consent of the Senate. The House amendment also contained this requirement.

SECTION 5

The House amendment authorized the Director of the Office of Science and Technology to appoint an advisory committee for oceanography to consist of seven members. The proposed conference substitute requires the Director to appoint such a committee to consist of not less than seven members and provides an additional requirement that there be adequate representation on the committee of scientists selected from universities and other non-Federal institutions and agencies and from industry.

SECTION 6

Section 6 of the proposed conference substitute is identical with that section in the House amendment.

SECTION 7

Section 7 of the proposed conference substitute requires the Bureau of the Budget to provide Congress in connection with the budget presentation for fiscal year 1964 and each fiscal year thereafter, a horizontal budget showing (A) the totality of the amounts proposed to be appropriated by Congress for marine sciences, and (B) the funding assigned to each department, agency, or instrumentality of the Government to carry out the purposes of this act.

There was no similar provision in the House amendment.

The managers on the part of the House agreed to the inclusion of this section but wish to emphasize the importance, as is provided in section 6(3) of the conference substitute, of bringing the details of any coordinated program before the appropriate legislative committees of the Congress.

SECTION 8

Section 8 of the proposed conference substitute is identical with section 7 of the House amendment.

TITLE

The amendment of the House to the title of the bill is an accurate description of the text of the proposed conference substitute and the Senate accepts that House amendment.

EXISTING PROGRAMS

There is no intention that any part of this bill be construed as requiring the discontinuance of any existing sound program within the scope of this legislation, neither should anything in this bill be construed to inhibit those changes which may be necessary to carry out the public policy set forth in this bill.

ADMINISTRATION

Your conference committee gave serious and extended consideration to the question of whether or not the matter of the establishment, advancement and development of a program of oceanography should be under the aegis of the Office of Science and Technology in the Executive Office of the President or whether the President, himself, should be named in lieu thereof. It was the unanimous opinion that inasmuch as the Office of Science and Technology, established by Reorganization Plan No. 2 of 1962, proposed by the President, was the vehicle for performing the coordinating function, it was not necessary to specify that the President, himself, would be personally responsible. In view of the fact that the Office of Science and Technology is directly under the President, it seemed that the House amendment clearly means that the establishment of a program does, in fact, place the responsibility upon the President through his Office of Science and Technology, with full cooperation, coordination and collaboration of all departments of the executive branch under his command. Accordingly, the conferees of the House and Senate agreed that this feature of the bill should remain unchanged.

John D. Dingell,
Alton Lennon,
Bob Casey,
Thomas M. Pelly,
Robert F. Ellsworth,
F. Bradford Morse,
Managers on the Part of the House.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND REMARKS

Mr. ALBERT. Mr. Speaker, on behalf of the gentleman from North Carolina [Mr. Bonner], I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the following bills: H.R. 8151, H.R. 11587, S. 3389, S. 3396, and H.R. 12968.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

REVENUE ACT OF 1962

Mr. MILLS submitted a conference report and statement on the bill (H.R. 10650) to amend the Internal Revenue Code of 1954 to provide a credit for investment in certain depreciable property, to eliminate certain defects and inequities, and for other purposes.

FEDERAL AID FOR THE TRAINING OF HEALTH PERSONNEL

Mr. DEVINE. Mr. Speaker, I ask unanimous consent that the gentleman from Maryland [Mr. Mathias] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. MATHIAS. Mr. Speaker, this Congress has regrettably lost its opportunity to help meet the serious problems of higher education in this period of expanding enrollments and rising instructional costs. It is still not too late, however, to provide critically needed assistance to the schools which train our physicians, dentists, and public health specialists.

Whether we meet this responsibility will largely determine whether the Nation has an adequate supply of well-trained professional health personnel in the years ahead. H.R. 4999, which has been favorably reported by the Interstate and Foreign Commerce Committee, will help meet this responsibility. It provides for a 10-year program of matching grants for construction of medical teaching facilities, a 5-year program of loans to medical students, and a 3-year extension of the health research facilities construction program.

I am glad that the Rules Committee has granted a rule on this bill and I urge the Congress to act favorably on it before adjournment so that Americans may continue to receive the quality medical care of which we as a nation are so rightfully proud.

The need for Federal assistance in this area has long been recognized, and is long overdue. Such a program was first recommended by President Eisenhower in 1956. In a special health message in that year, he noted that:

> The rate at which physicians are being graduated from the Nation's medical schools is barely keeping pace with the increase in population. There are serious shortages in such specialized fields as psychiatry, pediatrics, and in physical medicine and rehabilitation. Relative to population, the number of dentists and nurses is diminishing. The aging of our population and the increase in the incidence of chronic disease, the anticipated continued growth of voluntary health insurance plans, and the general expansion of our economy—all will tend to increase the demand for health services.

Since that time the shortage of medical personnel has grown more acute. In 1960 the Surgeon General's Consultant Group on Medical Education estimated that by 1975 we must increase the annual output of our medical schools by 50 percent and our dental schools by 75 percent, simply to achieve the minimal national objective of maintaining the present ratio of physicians to population.

Furthermore, we are already a debtor nation in regard to our supply of young physicians: we are relying on an increasing number of foreign trained doctors to staff our hospitals and provide medical services in communities throughout the country. The United States should be in a position to export, rather than import, trained health personnel so that we may assist in meeting the needs of the international community.

The necessity for Federal aid in the solution of this problem has been recognized by all the professional associations. Such a program was pledged in the platforms of both the Republican and Democratic parties in 1960. It is time for us to redeem our pledges, and take action to meet our health manpower needs.

REVIEW OF FEDERAL PAY RATES

Mr. DEVINE. Mr. Speaker, I ask unanimous consent that the gentleman from Maryland [Mr. Mathias] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. MATHIAS. Mr. Speaker, provision for annual review of Federal pay rates should insure that employees of the Federal Government will not experience in the future the deceleration in pay scales relative to industry that has gone on over a long period of time. The fact that employees of the Government stand willing, almost to a man, to make financial sacrifices to remain in the service should not be license to either take advantage of them or to forget them.

Federal employees are a popular target because they are not provided with the means by which they can defend themselves. I continue to be impressed with their competence, their loyalty, and their dedication to service. Happily, the time appears near when they will be put on equal financial footing with their counterparts outside of Government.

I urge that this legislation be sent to conference without further delay.

CONSTITUTIONAL CRISIS IN MISSISSIPPI

Mr. ALFORD. Mr. Speaker, I ask unanimous consent to extend my remarks in the body of the Record and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. ALFORD. Mr. Speaker, for the second time in my life I have seen the unbelievable and unwarranted defiance of the Constitution of the United States by the use of armed force to impose the will of a minority on a sovereign State.

If the reports of harsh and brutal treatment of citizens by armed soldiers and Federal marshals are true, the episode in my home city, Little Rock, 5 years ago, pales into a tragic memory. Already, according to these reports, lives have been lost and scores have been wounded and injured.

I have seen the bayonets of illegal interventionists glistening in the sun. It is a sight to strike terror into the hearts of all those who love America and cherish its traditions.

The basic issues in this struggle have not been clearly defined and brought into focus. In an effort to accomplish this, I have today sent a telegram to the President of the United States who must bear the full responsibility for this unhappy trend of events.

Under leave to extend my remarks, I include a copy of that telegram dispatched to the White House this morning:

> The Honorable John F. Kennedy,
> *The White House,*
> *Washington, D.C.*
>
> Mr. President: In the name of the American Republic, I deplore that you have made the same tragic mistake as did your predecessor in sending armed forces into a sovereign State in complete violation of the rights reserved to the States under our Constitution. Relative to the intervention of the Federal Government in affairs that are prerogatives of a sovereign State under the Constitution, in all sincerity and with the highest purpose to preserve the Republic, all of us should be reminded that the Constitution is not plastic. It cannot be molded or twisted to suit the political designs of a few. The Supreme Court's decision is not "the law of the land" even though in a case the Court may soundly define the meaning of particular words of the Constitution. It is the Constitution which

remains "the supreme law of the land" (art. VI), and which you and I are under oath to uphold and defend. Under the Constitution the judiciary has no power to make general rules bearing upon the people and governments of the sovereign States. In short, Federal courts cannot amend the Constitution. The present action of the Court toward the State of Mississippi through its orders are in direct conflict with the Constitution, according to the interpretation clearly stated by the framers and adopters of the Constitution, our Founding Fathers. The great moral issue in Mississippi today, therefore, is not segregation versus integration of the schools; it is, instead, the issue of the sovereign people and the Constitution versus defaulting public trustees as oath-breaking usurpers. Shall we have limited government and rule by law as interpreted by the framers and adopters of the Constitution or shall we have usurpers supreme with unlimited powers? Mr. President, shall the American Republic endure or shall we sacrifice our State sovereignty to an all-powerful superstate acting in direct opposition to the will of the majority of the people of a sovereign State and therefore in opposition to the Constitution? I respectfully submit with malice toward no one, but with the love of the American Republic above all political expediency that the use of force in any form convinces even the most intellectually uninformed that our values of patriotism are radically confused. If force is to be used by our National Government, let it be used against our enemy, international communism, Cuba in particular, and not against loyal patriotic Americans who are upholding their rights as guaranteed to them by the Constitution. Listen, well, Mr. President, to what Hamilton, Madison, and Jay, who wrote in the Federalist about the distribution of powers between the Federal Government and the States:

"The powers delegated by the Constitution to the Federal Government are few and defined. Those which are to remain in the State governments are numerous and indefinite. The former will be exercised principally on external objects as war, peace, negotiation, and foreign commerce. The powers reserved to the several States will extend to all objects, which, in the ordinary course of affairs, concern the internal order and prosperity of the State."

In our beloved country, Mr. President, the people are sovereign.

DALE ALFORD,
Member of Congress.

CHARITABLE CONTRIBUTION CARRYOVER

Mr. DEVINE. Mr. Speaker, I ask unanimous consent that the gentleman from Missouri [Mr. CURTIS] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. CURTIS of Missouri. Mr. Speaker, one of the important, if secondary, functions of our Internal Revenue Code is to encourage the allocation of funds by individuals and corporations in this country to purposes which are consistent with our overall national goals. Probably the outstanding example of this operation of the Internal Revenue Code is the deduction given for charitable contributions by taxpayers.

Limitations have been set on the amount of the deductions which one might take for his contributions of this nature. Basically, the upper deduction limit is 20 percent. I am proud to have had a leading role in extending this by an extra 10 percent for contributions made to religious, educational, and medical charities and I have offered legislation seeking to extend this extra 10-percent provision to other contributions, those to libraries and museums (H.R. 7478).

I have today offered another bill in this area of the Internal Revenue Code. This would permit individual taxpayers a 2-year carryover for charitable contribution deductions, just as corporate taxpayers are now allowed. This would further encourage the social use of an individual's funds, turning money into areas in which it can help the entire society—areas such as education and health—and at the same time leaving in the hands of the people, each individual taxpayer, exactly which charity will receive support. This encouragement comes through permitting those whose contributions exceed the current upper limits to carry the amount not absorbed by 1 year's deduction forward into later years.

I believe this deserves the considered attention of the Congress and, although I am aware no action could be taken on it this session, I hope this bill will help stir thoughts in this area.

MODERNIZING WELFARE

Mr. DEVINE. Mr. Speaker, I ask unanimous consent that the gentleman from Missouri [Mr. CURTIS] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. CURTIS of Missouri. Mr. Speaker, our laws reflect many of the prejudices and fears of an earlier day. We, along with moving ahead into new areas of legislative interest, must, at the same time, weed out these dead remnants of the past and bring the laws of yesterday more into harmony with our society of today.

I have today introduced a bill to do just that. It is an amendment to the Social Security Act and is designed to secure the same treatment under our social security laws for those afflicted with tuberculosis and mental disease as is given those suffering from other types of illness. Several sections of the Social Security Act now specifically except the tubercular and mental patients from the benefits of the law which are given to others having other infirmities. Our medical science has advanced and we now recognize these afflictions as similar in kind to the others to which man falls prey.

There is no basis in reason why the treatment under the welfare sections of our laws should differentiate between these afflictions and others. I hope that the Congress will act to modernize our welfare laws.

FRAUDULENT USE OF CREDIT CARDS

Mr. DEVINE. Mr. Speaker, I ask unanimous consent that the gentlewoman from Ohio [Mrs. BOLTON] may extend her remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mrs. BOLTON. Mr. Speaker, I am introducing a bill today to amend title 18 of the United States Code to prohibit the fraudulent or unlawful use of credit cards that have been lost or stolen.

Credit card frauds have increased at a phenomenal rate in recent years. From 1955 through 1961, it is estimated that they have increased 1,100 percent. These crimes affect many millions of people in this country to whom credit cards have been issued as they are liable for the use of such cards prior to notifying the issuing companies in the event they are lost or stolen. Federal legislation should help to act as a deterrent to the fraudulent use of such credit cards.

A number of State legislatures, including that of Ohio, have recognized the need for legislation to cover the fraudulent use of credit cards. However, because of the fact that oil company credit cards are used in connection with automobiles, the matter is appropriately a Federal interstate one. In the period of a month a person committing a credit card fraud can travel through many States prior to the time that the person to whom the card has been issued may be aware that the card is being misused. Further, because of the mobile character of the person committing the fraud and its interstate character, it is virtually impossible to apprehend the wrongdoer without the assistance of the Federal Bureau of Investigation.

Probably it will be impossible for the Congress to act on this matter in the short time remaining but I am hopeful that by introducing the bill at this time, the reports of the Federal agencies involved will be worked out during the adjournment period, and that we can pass the bill early in the 88th Congress.

ONE HUNDREDTH ANNIVERSARY OF THE EMANCIPATION PROCLAMATION

Mr. DEVINE. Mr. Speaker, I ask unanimous consent that the gentleman from Iowa [Mr. SCHWENGEL] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. SCHWENGEL. Mr. Speaker, on the 22d of September 1962, the Civil War Centennial Commission—a creature of the Congress—with the help and support of the Lincoln group of the District of Columbia, the D.C. Civil War Centennial Commission and the National Park Service, commemorated the 100th anniversary of the issuance of what I have called America's most phenomenal document, the Proclamation of Emancipation. The ceremonies were held on the steps of the Lincoln Memorial in Washington, D.C.

Those who were present were unanimous in their agreement that this was both appropriate and a moving event. It sought to, and I believe did, reveal some of the greatness that has been and is a part of our heritage.

The program recognized and featured the arts of America which inform, inspire, and instill in us a desire to move further and with greater rapidity in the direction of those goals established by our forefathers when they brought forth such documents as the Declaration of Independence, the Constitution, and the Proclamation of Emancipation authored by America's most American American—Abraham Lincoln.

It was appropriate and desirable that we have Miss Mahalia Jackson, one of America's most loved singers, appear, and perform on our program. And, she did perform magnificently. Singing with a feeling that was contagious and encompassing, she thrilled beyond measure those in our presence and the millions who heard her on television and radio that day as she sang the National Anthem, that beautiful song, "America," and then thrilled us as she was escorted to the podium for an impromptu singing "The Battle Hymn of the Republic." She brought forth our most noble sentiments, she thrilled us and all who heard and saw her supremely.

Mr. Speaker, in 1922 the committee of the Congress responsible for dedicating the Lincoln Memorial invited Edwin Markham to recite his poem, "Lincoln the Man." Reports of that occasion indicate that one of the high points of that program was Edwin Markham's personal presentation of this beautiful poem "Lincoln." Last Saturday, again, we who were there were thrilled to hear Archibald MacLeish recite a poem entitled "At the Lincoln Memorial: A Poem for the Centennial of the Emancipation Proclamation," which he wrote especially for the centennial commemoration. It was obvious that he reflected much and deeply on the occasion and the opportunity this presented before he wrote the poem. His personal presentation was superb and challenged our thinking toward the higher goals that the author of the proclamation and occasion suggest. Somehow, too, it was a prayer as well as a hope as revealed in the closing lines, directed at the stone image of Lincoln, but for us all, saying:

> "And you,
> Within there, in our love, renew
> The rushing of that deeper flood
> To scour the hate clean and the rusted blood,
> The blind remembrance!
> O renew once more,
> Staring at stillness on that silent floor,
> The proud, lost promise of the Sea!
> Renew the holy dream we were to be!"

It was great. It was moving. It was meaningful. It was magnificent.

Mr. Speaker, "Forever Free: A Lincoln Chronicle" was an original score written by Ulysses Kay, one of America's greatest music writers, interpreters, and producers of music. It reached heights of perfection and appropriateness far beyond the fondest hopes of all. Real students and critics of music have noted that it was excellent and that it will live.

There are many bands which could have played this score but none better than the U.S. Marine Band under the direction of Capt. Dale Harpham.

It was a thrilling moment, Mr. Speaker, when the original draft of the Emancipation Proclamation, in Lincoln's own handwriting, was presented to the Chairman of the Commission, Allan Nevins, by the Governor of the great State of New York, the Honorable Nelson Rockefeller. Through an unusual and interesting set of circumstances, and partially because the State gave us a Secretary of State in the Lincoln administration, the State of New York is owner of this document. Governor Rockefeller's brief comments revealed deep feeling and thinking when he said, among several other excellent things:

> May God give us the love, the courage, the understanding to see in perspective ourselves and the times in which we live—and to make the faith that lies behind this proclamation truly live for all men in all places of our land.

Following this, the document was placed on display in the Lincoln Memorial until Monday when it was delivered to the Library of Congress where it is now on display for the public to see for 30 days.

It was fortunate, indeed, that the Honorable Thurgood Marshall, judge, U.S. Court of Appeals, Second Circuit, was asked and accepted the opportunity to speak. He could and did testify to our national greatness and urged us on to even nobler goals with the recognition of the spirit of the document we were commemorating.

Mr. Speaker, there can be no doubt that the Honorable Adlai E. Stevenson is one of America's most eloquent speakers and can and does speak from great understanding and much experience and with firm conviction. All agree that he spoke the truth not only for us but for all who love liberty and he spoke not only to us but to the world when he said such things as:

> Like all title deeds of human progress, the Proclamation of Emancipation meant more than it said.
>
> Beside national independence in 1776 stood the goal of individual freedom; beside the preservation of the Union in 1862 stood the same great idea—planted there by the most beloved of American leaders.
>
> And today—just a century later—freedom is again at stake. This time the whole worldwide society of men is perilously divided on the issue.

And then, Mr. Speaker, he reminded us eloquently and with feeling that:

> Truth was never the enemy of liberty, and it is no coincidence that the greatest statesman of liberty, the greatest champion freedom has ever known, was also the man who claimed least infallibility for himself and for his cause. We can be humble as he was humble—knowing that the cause of freedom is greater than its defenders, and can triumph in spite of all their shortcomings.
>
> In this spirit, we dare declare that the concern and dedication of our Union is the freedom of all mankind. With this candor, we can claim to the Lincoln's heirs in the unfinished work of emancipation.

Following this eloquent address, the audience there and across the Nation heard the President speak a few appropriate words on tape.

It would be incongruous, of course, on an occasion like this not to have prayer and we were fortunate indeed in having for both the invocation and benediction, the Chaplain of the Senate, the Very Reverend Frederick Brown Harris who in both instances reflected the spirit of the occasion as he expressed in noble words the high ideals we strive to attain while pleading for the assistance of the Architect of the universe in helping us to reach higher goals so necessary in this critical time.

Mr. Speaker, we who are members of the Civil War Centennial Commission and all the students in America who have a great interest in the Civil War and its proper commemoration are grateful indeed that we can have the guiding hand and direction of Dr. Allan Nevins within our group. We are fortunate to have him as Chairman of the Commission. Because of his great interest and respect and because of his ability he was the presiding officer on this occasion and performed his duties with great dignity and appropriateness and with great honor and credit to his country.

Mr. Speaker, it should be noted that the success of this program, and it was very successful, was impossible without the complete cooperation of the press, radio and television people. These people of the various communications media helped both in promoting interest before the ceremonies and in the reporting of the event. A good share of the program went over radio and television live. At other times parts of the program and the entire program was made available to the public by film. This program was seen and heard by many millions of people.

Reports we have received to date indicate there was universal acceptance and applause of both the staging and presentation as well as the content. Newspapers were generous with pictures, stories, and editorial comment. So, again, we must salute all of the communications media for the fine public service they offered, as is their custom, in this instance.

Mr. Speaker, no great endeavor like this can be staged without the help of many people who have an understanding of the need and a desire to present ceremonies like this in such a manner that would add to our heritage. In this connection great tribute and thanks must go to many people in all sections of the country who are interested in history generally and the Civil War in particular who gave support and encouragement to the sponsors. Many who have a great interest in Lincoln were very helpful and encouraging and furnished a strong moral support without which a very difficult program like this could not be produced. No man deserves greater credit for his leadership than the chairman of the Commission, Dr. Allan Nevins, who historians generally agree is not only a gentleman and a scholar but one of the best students and writers of history that this country has ever known. Under him, the staff of the Civil War Centennial Commission must be given great credit and I want to make special note of the untiring service rendered by Mr. Ed Gass who is the assistant director of the Commission and who numerous times gave of his time and talent and went far beyond the call of duty. The new executive director, Dr. James I. Robertson, measured up to every expectation on this occasion as he has with everything he has attempted since taking this position with the Commission. There were many intricate details, matters of programing, timing, approval of scripts, response to questions and dealing with public relations that called for and received his very deft and errudite attention. So a special salute must go to these two gentlemen and to those people who worked directly under them and with them such as: the committee on arrangements for the ceremonies, Ralph E. Becker, chairman, Lawrence Beckerman, Miss Josephine Cobb, William A. Coblenz, Lloyd A. Dunlap, Edmund C. Gass, Cornelius W. Heine, David C. Mearns, William A. Ring, James I. Robertson, Jr., Fred Schwengel, Paul J. Sedgwick, William Small, Eddie N. Williams; the members of the Civil War Centennial Commission, Dr. Allan Nevins, Bell Wiley, Roy K. Davenport, Bruce Catton, Senator Ralph Yarborough, Fred Schwengel, Senator Clinton P. Anderson, Alvin L. Aubinoe, Mrs. Consuelo N. Bailey, the honorable Richard Bolling, Dr. Avery O. Craven, W. Norman FitzGerald, Jr., Congressman George A. Goodling, Dr. John A. Krout, Dr. John W. Masland, Jr., David Mearns, Askel Nielsen, William S. Paley, Senator Hugh Scott, Congressman Frank E. Smith, Senator John G. Tower, Conrad L. Wirth; the members of the staff of the Civil War Centennial Commission, Harry B. Elkins, administrative assistant; Conrad Drexel, staff assstant; Mary Ann Watson, secretary for the Commission; Virgil C. Jones, liaison officer.

A salute and thanks must also go to the Library of Congress and the people of the Government Park Service who cooperated splendidly in assuring the success of this endeavor.

The Commission is grateful also for the fine help and cooperation extended by the Defense Department and a special thanks go to the servicemen who were a part of the honor guard during the time the proclamation document was on display at the Lincoln Memorial.

Mr. Speaker, a word of appreciation must be said for the District of Columbia Metropolitan Board of Trade and Mr. William Ring, their genial, energetic, and devoted public servant and convention director.

The State Department protocol people and especially Mr. Williams must be thanked for their help and cooperation.

Mr. Speaker, so that others may read about this affair and order that may be in the permanent record for posterity, I ask for unanimous consent to have this put into the body of the CONGRESSIONAL RECORD.

NEVINS SCRIPT

At 10:59: In behalf of the Civil War Centennial Commission, I welcome you to the commemoration of the most far-reaching and beneficent events in our history, President Lincoln's issuance of the Emancipation Proclamation just 100 years ago today. We commemorate it by a varied program of 1 hour. The second half of the program will be carried to a national television audience by CBS and NBC. It will therefore be necessary to halt the program momentarily just before 11:30 for correct timing.

The invocation will be pronounced by the Reverend Frederick Brown Harris, Chaplain of the U.S. Senate.

PRAYER OFFERED AT THE LINCOLN MEMORIAL EMANCIPATION PROCLAMATION ANNIVERSARY BY DR. FREDERICK BROWN HARRIS, CHAPLAIN OF THE U.S. SENATE

Eternal God, Father of all mankind, at this revered shrine of memory and gratitude, we come in this high hour to lift our Te Deum that in days of destiny, out of the quarry of a people's hope, Thou dost raise up leaders of moral stature to be the mouthpieces of Thy decrees. We sing our jubilate that when the hour strikes for a nation to decide in the strife twixt truth and falsehood, for the good or evil side, Thou does find a man with conscience captured by a great passion, who says to Thy summons, "Here am I, use me."

Such in the unfolding of our history, was the role of Thy servant, Abraham Lincoln, at whose feet a united nation sits this day because, while he drew the sword to save the Union, he proved that his pen was even mightier than the sword. Brother is he to all bondsmen, as in the spirit of Moses, the emancipator of old, in Thy name, he cried to all who profited from the fetters binding their brother man, "Let my people go."

In this temple, emblazoned with his immortal words, as he called on Thee to save, we are grateful for his sculptured form, where pilgrims from all the earth pay homage to the fame of this kindly, earnest, brave, foreseeing man, sagacious, dreading praise not blame, who even when maligned and ridiculed, opened not his mouth, and kept his soul in patience.

And so, on this day of commemoration, we give Thee thanks for the iron firmness of the resolve of this man of sorrows, who was acquainted with grief, and that hating violence, yet he shrank not from any cost of blood and treasure, poured out for the transcendent blessing of an unbroken· Union with the blot of human slavery erased from its escutcheon.

O Thou God who guided Lincoln and who are our hope and help in these tense and tangled days, gird us, we pray, with his vision and courage as this land he loved publishes new emancipation proclamations to break the shackles of thralldom enslaving the bodies and minds of Thy children anywhere in all the world. Grant us Thy grace as our America dedicates her strength against the wrong that needs resistance, for the right that needs assistance, and for the coronation of Thy truth which shall yet make men free.

We ask it in that name, which to the emancipator, was above every name, as he reechoed the ancient words "The judgments of the Lord are true and righteous, altogether." Amen.

At 11:02: The audience will now please rise and join with Miss Mahalia Jackson and U.S. Marine Band in singing our National Anthem.

At 11:06: Every eminent American poet—Bryant, Whittier, Emerson, Longfellow—hailed emancipation when it was promulgated. Today another eminent poet amplifies its meaning for our generation. Mr. Archibald MacLeish.

SEPTEMBER 22, 1962.

AT THE LINCOLN MEMORIAL

(A poem for the Centennial of the Emancipation Proclamation by Archibald MacLeish—Copyright 1962 by Archibald MacLeish)

Slow Potomac, tarnished water
Silent already with the sense of sea
And still the stain upon you of those raging reaches,
Ravaged Shenandoahs and the toppled elm—
Hold us a little in your drifting thought,
O soiled, sad river! We,
We too, forefeel; we too remember:
Greatness awaits us as it waits for you
Beyond the sea-fall on those shuddering beaches . . .
And the shame pursues.

We bring the past down with us as you bring your
Sodden branches,
Froth on your yellow eddies and a few
Blind flowers floating like a dead bird's wing:
All that defiling refuse of old wrong,
Of long injustice, of the mastered man,
Of man (far worse! far worse!) made master—
Hatred, the dry bitter thong
That binds these two together at the last;
Fear that feeds the hatred with its stale imposture;
Spoiled, corrupted tramplings of the grapes of wrath . . .
We bring the past down with us, the shame gathers
And the dream is lost.
And still beyond us always the lost dream.

Think of us, river, where your eddies turn
Returning on the purpose of the stream
And the gulls scream!
Yes and beyond there where the surges burn
Bright on their beaches and the waters live,
Think of us, river!
Is this our destiny—defeated dream?

Within that door
A man sits or the image of a man
Staring at stillness on a marble floor.
No drum distracts him nor no trumpet can
Although he hears the trumpet and the drum.
He listens for the time to come.
"As to the policy I 'seem to be pursuing'. . .
I would save the Union . . .
My paramount object in this struggle is to save the Union . . ."
The trumpet's breath,
The drummer's tune—
Can drum and trumpet save the Union?
What made the Union—held it in its origins together?
"I have often inquired of myself
What great principle or idea it was . . .
It was not the mere matter of the separation from the motherland
But something in the declaration giving liberty
Not along to the people of this country
But hope to the world . . .
It was that which gave promise
That in due time
The weights should be lifted from the shoulders of all men."
To save the Union:
To renew
That promise and that hope again.

Within this door
A man sits or the image of a man
Remembering the time before.
He hears beneath the river in its choking channel
A deeper river rushing on the stone,
Sits there in his doubt alone,
Discerns the principle,
The guns begin,
Emancipates—but not the slaves,
The Union—not from servitude but shame:
Emancipates the Union from the monstrous name
Whose infamy dishonored
Even the great Founders in their graves . . .
He saves the Union and the dream goes on.

Think of us, river, when the sea's enormous
Surges meet you on that morning shore!
Think of our destiny, the place
Named in our covenant where we began—
The rendezvous of man,
The concourse of our kind, O kindred face!
And you,
Within there, in our love, renew
The rushing of that deeper flood
To scour the hate clean and the rusted blood,

The blind remembrance!
O renew once more,
Staring at stillness on that silent floor,
The proud, lost promise of the sea!
Renew the holy dream we were to be!

At 11:11: Music joins its note of jubilation to our commemoration of the epochal event. The distinguished composer, Mr. Archibald MacLeish, presents his concerto.

At 11:12–11:26: "Forever Free: A Lincoln Chronicle," as played by the U.S. Marine Band, Capt. Dale Harpham, conducting.

At 11:26: Mr. MacLeish and Mr. Kay will now present the script of the poem, and the musical score of the concerto, to be placed on display in the Library of Congress.

At 11:28: We have now completed the nontelevised portion of the program. In a moment we shall reach the most dramatic scene of our program, as we shall see the manuscript draft of the Emancipation Proclamation as written and signed by Abraham Lincoln. This immortal document is the property of the State of New York, to which it passed after Lincoln had presented it to an Army relief bazaar in Albany. It bears with his signature that of his Secretary of State, another unforgettable champion of freedom, William H. Seward. When we get the red light that we are on the air, Governor Rockefeller of New York will present this unique document. I am happy to say that it will for some hours be exhibited in this memorial, and then for a month in the Library of Congress—Governor Rockefeller—

At 11:30: Governor Rockefeller presents the proclamation.

Excerpts of Remarks by Governor Rockefeller Prepared for Delivery at 100th Anniversary, Emancipation Proclamation, Lincoln Memorial, Washington, D.C., Saturday, September 22, 1962

Here in this hallowed place, we meet today in the spirit of our Founding Fathers who in this great Nation created man's supreme expression of the Judeo-Christian heritage dedicated to the worth and dignity of each and every individual.

How fortunate we are as Americans to live in a nation blessed with this spiritual heritage.

For this Nation lives by a concept that is not racist, not nationalistic, but universal, and is dedicated to the brotherhood of man under the fatherhood of God.

Abraham Lincoln gave meaning to this spiritual concept in the Emancipation Proclamation whose 100th anniversary we celebrate here today. It is an historic milestone along the road to the ultimate fulfillment of this spiritual heritage.

The State of New York is proud indeed to make available for exhibit here in our Nation's Capital the original draft of that proclamation, in Lincoln's own hand. It is our State's most treasured possession.

The very existence of this document stirs our conscience with the knowledge that Lincoln's vision of a nation truly fulfilling its spiritual heritage is not yet achieved.

May this occasion therefore be one to inspire us all, as Americans, to rededicate ourselves—that we shall make a living reality of the basic belief in the worth and dignity of the individual and the right of each to full and equal opportunity in sharing the American dream.

May God give us the love, the courage, the understanding to see in perspective ourselves and the times in which we live—and to make the faith that lies behind this proclamation truly live for all men in all places of our land.

At 11 34: We thank you Governor Rockefeller; we thank the State of New York. This charter of the freedom of a race will soon be sealed into a specially built shrine in Albany; but it is most safely and perdurably enshrined in the hearts of the people.

At 11:35: Miss Mahalia Jackson will now sing "My Country 'Tis of Thee."

At 11:37: We turn to an indomitable Negro leader who is also an indomitable American leader, Judge Thurgood Marshall of the Federal court of appeals.

Remarks of Judge Thurgood Marshall, Emancipation Proclamation Ceremonies, Saturday, September 22, 1962, Lincoln Memorial, Washington, D.C.

It is an extreme privilege to participate in this commemoration of the 100th anniversary of the Emancipation Proclamation. This proclamation must be regarded as one of the historical documents basic to the protection of our human rights. We can all recite from memory sections of the Declaration of Independence, especially the phrase, "we hold these truths to be self-evident, that all men are created equal." Each year we pay honor to Bill of Rights Day in recognition of our Government's determination to protect the individual from Federal governmental tyranny. As a former Justice of our Supreme Court stated:

"The very purpose of a Bill of Rights was to withdraw certain subjects from the vicissitudes of political controversy, to place them beyond the reach of majorities and officials and to establish them as legal principles to be applied by the courts."

The important purpose of the Declaration of Independence was carried forward by the Emancipation Proclamation.

The underlying purpose of that document was to not only free the slaves but also to give to them the rights already enjoyed by all others. However, after the Civil war our Government found that this could only be accomplished by amendments to the Constitution. Thus, we added the 13th, 14th, and 15th amendments to our basic documents for the protection of human rights. These documents have been termed efforts toward codification of the Judeo-Christian ethic. The Emancipation Proclamation is certainly the clearest expression of this doctrine. Indeed, the 13th, 14th, and 15th amendments carrying this principle over into enforcible constitutional law have been characterized by our Supreme Court as follows:

"One great purpose of these amendments was to raise the colored race from that condition of inferiority and servitude in which most of them had previously stood into perfect equality of civil rights with all other persons within the jurisdiction of the States."

While the enforcement of the Civil War amendments as other constitutional provisions must remain with the courts, the realization of the equalitarian principles of the Emancipation Proclamation is the responsibility of all. We must, therefore, rededicate ourselves to the determination to recognize every American on his merit without regard to race, color, or previous condition of servitude.

At 11:40: The battle for freedom has been transferred from the national arena to the international arena. No champion of freedom, justice, and good will throughout the world is abler, more courageous, or more eloquent than the permanent representative of the United States in the United Nations. We are honored to present Ambassador Adlai E. Stevenson.

U.S. Mission to the United Nations

(Address by the Honorable Adlai E. Stevenson, U.S. Representative to the United Nations, at the Emancipation Proclamation Ceremonies, Lincoln Memorial, Washington, D.C., September 22, 1962)

This day just a hundred years ago, America reached a turning point.

It was 5 days after Antietam. In the South Mountain defiles and on the fields around Sharpsburg ghastly clumps of dead soldiers lay unburied. The foul weeds of Civil War—hatred, fury, cruelty—grew ranker as the lists of slain and wounded filled the bulletin boards, and the hospital trains crept north and south between lines of harrowed watchers. In Europe, leaders pondered intervention; some ready to take harsh advantage of the New World's agony; some like Gladstone racked with anxiety to stop the slaughter.

Then came the flash, the lightning stroke that enables men to see the changes wrought by the storm. A haggard President told his Cabinet and his Maker that if the foe was driven from Union soil, he would declare the slaves "forever free." Within hours headlines all over this land clamored with the word "emancipation." Within days every slave had heard the news. Within weeks people all over the world were hailing the redemption of young America's promise.

Like all title deeds of human progress, the Proclamation of Emancipation meant more than it said. Morally it meant that American civilization and human bondage were irrevocably incompatible. And a panoply of larger freedoms was bound up in that first small step. For the proclamation touched not the fate of Americans alone; it gave courage to the oppressed from the Thames to the Ganges; it inaugurated a new age of worldwide reforms. It was an application of the basic tenets of the Nation, tenets which gave promise, said Lincoln, that "in due time the weight would be lifted from the shoulders of all men."

Since we admit so readily our gratitude and our debt to other nations for their enrichment of our national fabric, I hope it will not seem immodest to others that Americans take such pride in the momentous milestone we commemorate today nor in the globe-circling spread of our spirit of national independence and individual freedom. During the past two centuries the two have walked hand in hand. Besides national independence in 1776 stood the goal of individual freedom; besides the preservation of the Union in 1862 stood the same great idea—planted there by the most beloved of American leaders.

And today—just a century later—freedom is again at stake. This time the whole worldwide society of men is perilously divided on the issue. National independence has swept the earth like wildfire, but individual freedom is still the great unfinished business of the world today. Once more we doubt whether the human experiment can survive half slave and half free. Once more we feel, as men did in Lincoln's day, that the future of mankind itself depends upon the outcome of the struggle in which we are engaged.

In this context, with this urgency, with these fears, it would be easy enough to slip into the path of cloudy rhetoric. I could paint you a picture of this world struggle in which our adversaries would be pitch black and we—"the land of the free and the home of the brave"—would be lily white.

Such speeches are not too difficult to concoct. But since today we celebrate not only the act of emancipation, but also the Great Emancipator who sits brooding behind me, it is well to point out that Lincoln, throughout all the agonies and defeats, and the breathtaking triumphs of the Civil War, never made such a speech. Never did he define his cause—this overwhelming cause of freedom—in terms of white and black, good and bad, excellence and evil. Abraham Lincoln never stooped to the cheap rhetoric of the patriotic occasion. Instead he continued, obstinately and greatly, to see human affairs and human emotions in all their complexity and ambiguity, and to refuse the snap judgments into which self-righteousness can so easily lead us all. If ever a leader lived by the Biblical injunction—"Judge not, lest ye be judged"—it was Lincoln. For him, truth was the groundwork of freedom, and you could no more build victory upon delusion than you could sustain society in slavery. And this is reason enough for his saintly rank among world statesmen.

So if today we wish to honor both the act of emancipation and the man who framed it, we have to follow in the same dedication to truth, and the same abhorrence for pretension and self-deceit. We know that we uphold the cause of freedom. Equally we know that we risk betraying it if we have any illusions about our failures and insufficiencies.

If the issue between North and South sometimes seemed ambiguous to Lincoln; if, as in the second inaugural, he recognized the equal complicity of northerners organizing the slave trade and southerners profiting by the results, so too, today we must approach the theme of freedom in the world context with some of Lincoln's modesty and accuracy.

Are we the pure-souled defenders of freedom when Negro citizens are anywhere denied the right to vote, or to equal education, or to equal opportunity? Can we be surprised if, abroad, friends with sadness and enemies with delight observe the inequalities and injustices which still mar our American image?

In his day, Lincoln was bitterly attacked for this unwillingness to take the straight partisan line, to claim all virtue for the North, all evil for the South, to praise himself and his cause, to damn all his adversaries. His sense that issues might be relative and ambiguous roused men of rougher certitude to furies of denunciation, and Lincoln was accused of weakness, even of treachery, because he could not go along with the single-minded jingoism of much of the propaganda of his day.

So today, there is a danger that those who do not see things in the stark contrasts of black and white will be denounced as feeble and even treacherous. It is therefore worth while recalling that Lincoln's sense of the complexity of all great historical issues did not hold him back for 1 hour from "doing the right" as God would have him to see the right, or deter him from emancipating the slaves and fighting a great war to its finish to insure that the Union would be preserved and the emancipation honored.

So today, our sense of our own failures and weaknesses in the struggle for freedom does not mean, for one instance, any faltering in the sacrifices which are necessary to insure that the Western democracies and the unalined peoples of the world have the shield against aggression that they need, and the aid necessary to uphold it. That we make no claim to final righteousness will help us to keep open all the paths to negotiation and fruitful compromise. It does not—any more than it did for Lincoln—make us compromise with violence, aggression or fraud. We shall stand all the firmer for not standing in a false light. Our defense of freedom will be all the stronger for being based not on illusions but upon the truth about ourselves and our world. Free freedom must be rooted in reality or it will crumble as errors are revealed and faith is shaken. Only the truth can make us free.

The immortal document that the Great Emancipator read to his advisers just 100 years ago closed one era of American history and opened another. It freed the Negro from his age-old bondage; it freed the white people of the South from an outworn and crippling institution; it freed the Republic from the darkest stain upon its record. It gave freedom a mighty impulse throughout the globe. And it will surround the homely features of President Lincoln with an unfading halo.

But it marked a beginning, not an end; it was a call to a new battle—a battle which rages around us in every part of the world in this new time of testing.

Truth was never the enemy of liberty, and it is no coincidence that the greatest statesman of liberty, the greatest champion freedom has ever known, was also the man who claimed least infallibility for himself and for his cause. We can be humble as he was humble—knowing that the cause of freedom is greater than its defenders, and can triumph in spite of all their shortcomings.

In this spirit, we dare declare that the concern and dedication of our Union is the freedom of all mankind. With this candor, we can claim to be Lincoln's heirs in the unfinished work of emancipation.

At 11:51 we have all taken inspiration from the eloquent words of Governor Rockefeller, Judge Marshall, Ambassador Stevenson. And we have one final message, ladies and gentlemen, the President of the United States.

Remarks of the President at Ceremony Taking Place at the Lincoln Memorial, Washington, D.C., on Saturday Morning, September 22, 1962

I take great pleasure in greeting you on this centennial commemoration of one of the most solemn moments in American history. One hundred years ago today Abraham Lincoln signed the Emanicipation Proclamation. He thereby began the process which brought a final end to the evil of human slavery, which wiped out from our Nation what John Quincy Adams called the great stain upon the North American Union. But the Emancipation Proclamation was not an end. It was a beginning. The century since has seen the struggle to convert freedom from rhetoric to reality. It has been in many respects a somber story. For many years progress toward the realization of equal rights was very slow. A structure of segregation divided the Negro from his fellow American citizens. He was denied equal opportunity in education and employment. In many places he could not vote. For a long time he was exposed to violence and to terror. These were bitter years of humiliation and deprivation.

Looking back at this period, one must observe two remarkable facts. The first is that despite humiliation and deprivation, the Negro retained his loyalty to the United States and to democratic institutions. He showed this loyalty by brave service in two world wars, by the rejection of extreme or violent policies, by a quiet and proud determination to work for long-denied rights within the framework of the American Constitution.

The second is that despite deprivation and humiliation the Negro has never stopped working for his own salvation. There is no more impressive chapter in our history than the one in which our Negro fellow citizens sought better education for themselves and their children, built better schools and better housing, carved out their own economic opportunity, enlarged their press, fostered their arts, and clarified and strengthened their purpose as a people.

In doing these things, the Negroes enlisted the support of many of their fellow citizens both North and South. But the essential effort, the sustained struggle was borne by the Negro alone with steadfast dignity and faith. And in due course the effort had its results. The last generation has seen a belated, but still spectacular, quickening of the pace of full emancipation. Twenty-five years ago the Nation would have been unbelieving at the progress to be made by the time of this centennial, progress in education, in employment, in the evenhanded administration of justice, in access to the ballot, in the assumption of places of responsibility and leadership, in public and private life.

It has been a striking change, and a change wrought in large measure by the courage and perseverance of Negro men and women. It can be said, I believe, that Abraham Lincoln emancipated the slaves, but that in this century since our Negro citizens have emancipated themselves.

And the task is not finished. Much remains to be done to eradicate the vestiges of discrimination and segregation, to make equal rights a reality for all of our people, to fulfill finally the promises of the Declaration of Independence. Like the proclamation we celebrate, this observance must be regarded not as an end, but a beginning. The best commemoration lies not in what we say today, but in what we do in the days and months ahead to complete the work begun by Abraham Lincoln. "In giving freedom to the slaves," President Lincoln said, "we assure freedom to the free." In giving rights to others which belong to them, we give rights to ourselves and to our country.

At 11:57: The Marine Band will now play "The Battle Hymn of the Republic."

At 12: The benediction will now be pronounced by the Reverend Mr. Harris.

A JUST PROGRAM FOR ALLOCATION OF LAND FOR INDIAN TRIBES

Mr. DEVINE. Mr. Speaker, I ask unanimous consent that the gentleman from North Dakota [Mr. Nygaard] may extend his remarks at this point in the Record.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. NYGAARD. Mr. Speaker, I am introducing a bill which will donate in trust status 1,424 acres of submarginal land to the Devils Lake Sioux Tribe of the Fort Totten Reservation in North Dakota.

Title to these lands was acquired by the United States pursuant to title 11 of the National Industrial Recovery Act of June 16, 1933, for the purpose of retiring them from private ownership and for correcting maladjustments in land use. It was planned that it would be made available for Indian tribal use. Jurisdiction over the land was transferred by Executive order from the Department of Agriculture to the Department of the Interior for administration for the benefit of the Indians, insofar as consistent with the conservation purposes for which it was acquired.

My bill will donate these 1,424 acres to the tribe in trust status, and the land will be a part of the Fort Totten Reservation.

This bill carries the endorsement of the present Secretary of the Interior as well as the Secretary of the previous administration. A few weeks ago in response to a request by the House Committee on Interior and Insular Affairs for a study and review of the proposed legislation, the Office of the Comptroller General submitted its report. The representation of the Comptroller General Offices made an on-the-spot analysis of the question and found—

> * * * If the tribe's tentative land-use plan, proposed as a result of our inquiries, is determined to be a realistic plan for tribal use of the land to provide employment and industrial training and development to unemployed tribal members, furtherance of this plan would be encouraged by a donation in

trust to the tribe of a sufficient number of submarginal acres to permit the plan to be successful.

TRIBUTE TO MESSRS. CHIPERFIELD AND ANDERSEN

Mr. DEVINE. Mr. Speaker, I ask unanimous consent that the gentleman from Iowa [Mr. JENSEN] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. JENSEN. Mr. Speaker, on January 3, 1939, I was one of 80 new Republican Members sworn into this body at the beginning of the 76th Congress.

Today just five of us are left in the House out of that huge class, and I want to take this occasion to salute a pair of even that small number who will not be here in the 88th Congress, no matter what happens to the other three.

I am speaking of our good friends and colleagues, BOB CHIPERFIELD and CARL ANDERSEN, who will pass into retirement at the end of this Congress.

To you more junior Members, all of whom have marked degree of affinity with Members with whom you began your service, I say make the most of that unique tie. Do not take it too much for granted. The friendships created here are most rewarding.

As I reach the end of my 24th year of service with these two fine gentlemen, both of whom have served their people ably and faithfully, the emptiness which I forecast will come over me after they are gone prompts me to tell them here and now that my fondness and affection for each of them will never diminish, and I hope I will see them again and often and that they will enjoy every hour of their retirement and rest from their many years of tireless public service in the House of Representatives of the United States.

CONSTITUTIONAL CRISIS

Mr. DEVINE. Mr. Speaker, I ask unanimous consent that the gentleman from Illinois [Mr. FINDLEY] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. FINDLEY. Mr. Speaker, the situation at the University of Mississippi poses the most serious constitutional crisis since the Civil War.

At issue is the supremacy of Federal law. This supremacy was clearly specified in the U.S. Constitution which just recently passed its 175th year. Decisions of the Federal courts are a part of Federal law and must be respected.

The President is right in using the full authority and force of the Federal Government in this crisis. He deserves the full support of all who believe in constitutional principles.

DISCONTINUANCE OF USE OF SIMPLIFIED ADDRESS FOR CONGRESSIONAL FRANKED MAIL

Mr. DEVINE. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. CONTE] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. CONTE. Mr. Speaker, I have been requested by the officials of the Post Office Department to insert the following memorandum pertaining to franked mail in the body of the CONGRESSIONAL RECORD:

DISCONTINUANCE OF USE OF SIMPLIFIED ADDRESS FOR CONGRESSIONAL FRANKED MAIL

The legislative branch appropriation bill, 1963 (H.R. 11151), contains a provision which prohibits the use of any of the appropriated money to finance the mailing of matter with a simplified form of address under the franking privilege by any Member or Member-elect of Congress to postal patrons, including those patrons on rural or star routes.

It is my understanding that the postal regulations provide for use by the public of two forms of simplified addresses when appropriate postage has been paid:

(1) Mail for delivery to each boxholder on a rural or star route at any post office and for all post office boxholders at post offices not having city or village carrier service may be addressed "Postal Patron, Local."

(2) Mail for delivery to patrons who are served by city or village carriers or through post office boxes at carrier offices may be addressed "Occupant, Street and Number or Post Office Box Number, Name of Post Office and State," the name of the addressee not being required.

The prohibition in the legislative branch appropriation bill, 1963, discontinues all privileges which the Members of Congress have had of sending franked mail with any form of a simplified address. No form of a simplified address may be used on franked mail for either rural route patrons or patrons receiving their mail by city or village letter carriers.

The Post Office must comply with the law by declining to accept any congressional franked mail unless it is specifically addressed with the personal name of the intended recipient and his definite post office address.

I am sure the Members of Congress will observe these new limitations which have been placed by law upon the use of the frank. Members may hereafter use simplified forms of address only when postage at the regular rates is prepaid by them on the mail so addressed.

THE NORTH CAROLINA HIGH SCHOOL DEBATING UNION

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from North Carolina [Mr. KORNEGAY] may extend his remarks at this point in RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. KORNEGAY. Mr. Speaker, Edgar Ralph Rankin has recently retired from the University of North Carolina at Chapel Hill after 50 years of service as director of the university's statewide high school debating program.

His long service to the cause of discussion and debate in the high schools began in October 1912, when he became secretary of the newly organized North Carolina High School Debating Union.

Thousands of men and women prominent in the professional, governmental, and business life of the State and Nation have declared that they owe much to their participation in the North Carolina high school debates.

Mr. Rankin considers that discussion and debate are the finest arts of democracy and that our high schools can perform no finer service for the Nation than to encourage their students to think constructively on important public questions and to express themselves well.

His influence has extended for years outside North Carolina to the national scene. He retired recently as chairman of the National University Extension Association's Committee on Discussion and Debate Materials and Interstate Cooperation.

He is a veteran of both World Wars, a man of quiet dignity and integrity, a man who speaks plainly, eloquently, briefly, and to the point.

The force of his efforts for the past half century in encouraging high school students to study thoroughly and debate effectively the public issues of the day will continue to be felt for many years.

The Reynolds High School of Winston-Salem presented him recently with a certificate of appreciation for his 50 years of service in organizing and conducting State high school debating, athletic, speech, and academic contests.

The North Carolina High School Debating Union was organized to encourage the study and discussion of important questions in a systematic fashion among the high schools of the State by the University of North Carolina in the school year 1912–13. When North Carolina started, there were only a few organizations of the type in operation in the United States. Now, practically every State has a high school speech or debate league.

All debate questions discussed by the high schools in the 50-year period have been timely and well worth the study which has been devoted to them. Some of the questions have been settled in the course of time; others are as timely now as they were when first discussed years ago.

The central philosophy of the debating movement has been that freedom of inquiry and freedom of debate are essential to the preservation of our free society and that high school students, in their preparation for the responsibilities of citizenship, should be given the opportunity of studying and discussing public questions.

More than 34,000 high school students have represented their schools in interscholastic competition in the annual statewide contests of the North Carolina

High School Debating Union during the 50 years of its existence. These students have received extremely valuable experience which has served them well in later life. This experience has likewise served North Carolina and the Nation well in that the students have become better fitted to fulfill their total duties and responsibilities in this challenging age.

Many outstanding citizens of North Carolina are numbered as participants in these debates. Among these are included two Members of the House of Representatives, presently serving from North Carolina, as well as a number of prominent lawyers, doctors, educators, and businessmen, who did not reach the finalist stage in the debates but who gave good accounts of themselves in their forensic abilities and gave portent of fine public careers to follow.

All these and many more can attest to the value this debating experience provided. I am sure that many boys and girls who took part in these debates while in high school were fired by an ambition to attend college and to go on to careers in which the ability to "think on your feet" was a valuable prerequisite to a successful and influential life service in many, many areas of endeavor, public and private.

I submit this historical sketch commemorating the 50th anniversary of the North Carolina High School Debating Union and call special attention to the messages and greetings extended by Secretary of Commerce Luther H. Hodges and Vice President LYNDON B. JOHNSON on the occasion of this significant milestone in the history of the union, which are reproduced in the closing pages of the sketch.

HISTORICAL SKETCH OF THE NORTH CAROLINA HIGH SCHOOL DEBATING UNION

THE FIRST DECADE

The North Carolina High School Debating Union was organized among the high schools of the State by the Dialectic and Philanthropic Literary Societies of the University of North Carolina during the school year 1912–13. The query of that year was: "Resolved, that the constitution of North Carolina should be so amended as to allow women to vote under the same qualifications as men." Ninety schools participated in the first annual statewide debate on February 22, 1913. Sixteen schools won both debates and sent their teams to Chapel Hill for the final contest. The Pleasant Garden High School, represented by Grady Bowman and S. C. Hodgin, on the affirmative, won the award of the Aycock Memorial Cup—the trophy which had been provided by the intercollegiate debaters of the University of North Carolina—over the Durham High School, represented by Henry Greenberg and David Brady, on the negative, in the final debate on March 7, 1913. One of the students taking part in the debates of the first year, as a representative of the Hawfields High School of Alamance County, was W. Kerr Scott, who became Governor of North Carolina and died while a Member of the U.S. Senate.

One hundred and fifty schools took part in the second annual statewide debate on March 20, 1914, on the query: "Resolved, that the constitution of North Carolina should be so amended as to allow the initiative and referendum in statewide legislation." Forty-one high schools won both of their debates and sent their teams to Chapel Hill for the final contest. The Winston-Salem High School, represented by Charles Roddick and Clifton Eaton, on the negative, won the award of the Aycock Memorial Cup over the Graham High School, represented by Michael H. Kernodle and Miss Flonnie Cooper, on the affirmative, in the final debate on April 3, 1914. During the school year 1913–14, the North Carolina High School Debating Union was incorporated as a regular feature of the work of the university extension division.

Two hundred and fifty schools took part in the third annual statewide contest on March 26, 1915, on the query: "Resolved, that the United States should adopt the policy of subsidizing its merchant marine engaged in foreign trade." Fifty schools won both of their debates and sent their teams, numbering 200 speakers, to Chapel Hill for the final contest. The Wilson High School, represented by Miss Lalla Rookh Fleming and Miss Ethel Gardner, on the negative, won the award of the Aycock Memorial Cup over the Statesville High School, represented by Stewart Cowles and Cowles Bristol, on the affirmative, in the final debate, on April 9, 1915. This was the first final victory for a team composed of two girls.

Three hundred and twenty-five schools took part in the fourth annual Statewide debate, a mammoth contest, on March 31, 1916, on the query: "Resolved, that the United States should adopt the policy of greatly enlarging its Navy." Sixty-eight schools won both of their debates and sent their teams to Chapel Hill for the final contest. The Graham High School, represented by Miss Myrtle Cooper and Boyd Harden, on the affirmative, won the award of the Aycock Memorial Cup over the Wilson High School, represented by Wade Gardner and David Isear, on the negative, in the final debate on April 14, 1916. Ninety-four counties were represented by the schools holding membership during this year.

Three hundred and thirty-one schools participated in the fifth annual statewide debate, another mammoth contest, which was held on March 31, 1917, on the query: "Resolved, that the Federal Government should own and operate the railways." Seventy-four schools won both of their debates and sent their debaters to Chapel Hill for the final contest. The Waynesville High School, represented by Vinson Smathers and Roy Francis, on the affirmative, won the award of the Aycock Memorial Cup by a 3-to-2 decision of the judges over the Mount Olive High School, represented by Miss Gladys Andrews and Miss Emma Lindsay, on the negative, in the final debate on April 20, 1917. The late President Edward K. Graham presided at the final debate. The Aycock Cup was presented to the winning team by Mr. R. O. Everett of Durham. The enrollment of schools for the contest of this year reached a peak for the 50 years under review. Ninety-two counties were represented by the high schools holding membership. Among those who represented their schools during this year of greatest participation were: Associate Justice William H. Bobbitt, of the Supreme Court of North Carolina, then a debater for the Charlotte High School; Associate Justice Clifton L. Moore, of the Supreme Court of North Carolina, then a debater for the Burgaw High School; and Secretary of State Thad Eure, then a debater for the Gatesville High School.

Three hundred schools took part in the sixth annual statewide debate, still a mammoth contest, which was held on March 29, 1918, on the query: "Resolved, that Congress should enact a law providing for the compulsory arbitration of industrial disputes." Sixty-six schools won both debates and sent their teams to Chapel Hill to enter the final contest. The Wilson High School, represented by Thomas Burton and Will Anderson, on the negative, won the award of the Aycock Memorial Cup over the Jamestown High School, represented by Miss Nelle Haynes and Wills Staley, on the affirmative, in the final debate on April 12, 1918. Ninety-three counties were represented by the schools holding membership during this year.

One hundred and eighty schools enrolled for the seventh annual statewide debate on April 4, 1919, on the query: "Resolved, that that U.S. Government should adopt a policy of requiring 1 year of military training for all able-bodied men before they reach the age of 21." Forty-one schools won both of their debates and sent their teams to the university for the final contest. The Durham High School, represented by Miss Aura Holton and Leo Brady, on the negative, won the award of the Aycock Memorial Cup, over the Goldsboro High School, represented by Miss Sudie Creech and William Hosea, on the affirmative, in the final debate on May 2, 1919.

Two hundred high schools participated on April 14, 1920, in the eighth annual statewide debate on the query: "Resolved, that the United States should adopt a policy of further material restriction of immigration." Forty-four schools won both of their debates and sent their teams to the university to take part in the final contest. The Asheville High School, represented by Arthur Kale and Clifton Ervin, on the affirmative, won the award of the Aycock Memorial Cup over the Goldsboro High School, represented by Miss Elizabeth Edwards and Miss Blanche Henley, on the negative, in the final debate on April 28, 1920.

Two hundred schools participated in the ninth annual statewide debating contest on April 1, 1921. The query was: "Resolved, that the policy of collective bargaining through trade unions should prevail in American industry." Fifty schools won both of their triangular debates and sent their teams numbering 200 debaters, to the university for the final contest. The Durham High School, represented by Miss Eunice Hutchins and Ludlow Rogers, on the negative, won the award of the Aycock Memorial Cup over the Greensboro High School, represented by James Hendrix and Allen Stanback, on the affirmative, in the final debate on April 15, 1921. Associate Justice Susie Sharpe, the first woman member of the Supreme Court of North Carolina, was a representative of the Reidsville High School in the debates of this year, as she also represented Reidsville in the debates for the next 3 succeeding years.

Two hundred and fifty schools enrolled for the 10th annual statewide debate on March 24, 1922, on the query: "Resolved, that the United States should enter the League of Nations." Sixty schools won both of their triangular debates and sent their teams, numbering 240 debaters, to Chapel Hill for the final contest. The Durham High School, represented by Linwood Hollowell and Freeman Twaddell, on the negative, won the award of the Aycock Memorial Cup over the Burlington High School, represented by Miss Catherine Martin and Giles Nicholson, on the affirmative, in the final debate on April 7, 1922. The late President Harry W. Chase presided at the final debate. The Aycock Cup was presented to the winning team by Dr. Frank P. Graham, "in the presence of," to quote a contemporary account, "the biggest audience seen in Memorial Hall in a generation." Since the Durham High School won in the final debates of 1921, and

1922, this school came into permanent possession of the first Aycock Cup.

THE SECOND DECADE

Two hundred and fifty schools took part in the 11th annual statewide debate on March 31, 1923, on the query: "Resolved, that Congress should provide for the enforcement of decisions of the Railroad Labor Board." Sixty schools won both of their triangular debates and sent their teams, numbering 240 debaters, to the university for the final contest. The Elizabeth City High School, represented by Miss Ellen Mellick and Miss Mary Dozier, on the negative, won the first award of the second Aycock Memorial Cup over the Wilson High School, represented by Anderson Boswell and William Anderson, on the affirmative, in the final debate on April 13, 1923. This was the second final victory for a team composed of two girls. The Aycock Cup was presented to the winning team by Mr. D. B. Teague of Sanford. One of the students taking part in the debates of this year, as a representative of the Oxford High School, was James E. Webb, who is now the Director of the National Aeronautics and Space Administration at Washington, the Central Agency for the Exploration of Outer Space and for the projected manned trip to the moon and return. Mr. Webb is a former Under Secretary of State.

Two hundred and fifty schools took part in the 12th annual statewide debate on March 28, 1924, on the query: "Resolved, that the interallied war debts should be canceled." Seventy-one schools won both of their debates and sent their teams to the university for the final contest. The Wilson High School, represented by Miss Catherine Ware and Fred Carr, on the affirmative, won the award of the Aycock Memorial Cup over the Durham High School, represented by Miss Lucille Mulholland and Everett Weatherspoon, on the negative, in the final debate on April 11, 1924.

Two hundred and thirty-five schools entered the 13th annual statewide contest on March 27, 1925. The query was: "Resolved, that North Carolina should ratify the port terminals and water transportation act." Sixty-five schools won both of their debates and sent their teams to Chapel Hill for the final contest. The Wilson High School, represented by Miss Catherine Ware and Fred Carr, on the negative, won the award of the Aycock Memorial Cup over the Richard J. Reynolds High School of Winston-Salem, represented by Miss Mell Efird and Joe Carlton, on the affirmative, in the final debate on April 10, 1925. The late Dr. James F. Royster presided at the final debate. The late Prof. N. W. Walker, then, as for many years, chairman of the Debating Union Committee, presented the Aycock Cup to the winning team. Since the Wilson High School won in the final debates of 1924 and 1925, this school came into permanent possession of the second Aycock Cup. The final debates of 1924 and 1925 provided the only instance, during the period of 50 years under review, in which a team of the same two debaters won the award of the Aycock Cup for 2 years.

Two hundred and twenty-four schools took part in the 14th annual statewide debate on April 2, 1962, on the query: "Resolved, that North Carolina should levy a State tax on property to aid in the support of an 8-month school term." Sixty-seven schools won both of their debates and sent their teams to the university for the final contest. The Richard J. Reynolds High School of Winston-Salem, represented by Miss Mell Efird and Miss Loretto Carroll, on the negative, won the first award of the third Aycock Memorial Cup over the Wilson High School, represented by Miss Catherine Ware and Harry Finch, on the affirmative, in the final debate on April 16, 1926. This was the third final victory for a team composed of two girls.

Two hundred and twenty-three schools participated in the 15th annual statewide debate on April 1, 1927, on the query: "Resolved, that Congress should enact the Curtis-Reed bill, providing for a Federal department of education." Sixty-seven schools won both of their debates and sent their teams to the university for the final contest. The Greensboro High School, represented by Harry Gump and Henry Biggs, on the affirmative, won the award of the Aycock Memorial Cup over the Wilson High School, represented by Miss Hannah Moore and Harry Finch, on the negative, in the final debate on April 15, 1927. The Aycock Cup was presented to the winning team by the late Dr. R. D. W. Connor.

One hundred and ninety-five schools entered the 16th annual statewide debate which was held on April 6, 1928. The query for that year was: "Resolved, that Congress should enact the McNary-Haugen farm relief bill." Fifty schools won both of their debates and sent their representatives to the university for the final contest. The Washington Collegiate Institute, represented by Henry Roper and Hal Hopper, on the negative, won the award of the Aycock Memorial Cup over the Grace High School of Asheville, represented by Miss Virginia Styles and Ed Allison, on the affirmative, in the final debate on April 20, 1928.

One hundred and ninety-six schools participated in the 17th annual statewide contest on April 5, 1929, on the query: "Resolved, that the United States should join the World Court." Fifty-nine schools won both of their debates and sent their teams to Chapel Hill. The Roanoke Rapids High School, represented by Floyd Adams and Shearod Crumpler, on the negative, won the award of the Aycock Memorial Cup over the Goldsboro High School, represented by Miss Eleanor Bizzell and Edward Outlaw, on the affirmative, in the final debate on April 19, 1929. The Aycock Cup was presented to the winning team by the late Dr. A. T. Allen, then State superintendent of public instruction.

One hundred and eighty-six schools took part in the 18th annual statewide contest on April 4, 1930, on the query: "Resolved, that North Carolina should adopt the proposed constitutional amendment, authorizing the classification of property for taxation." Fifty-one schools won both of their debates and sent their teams to the university for the final contest. Miss Eleanor Bizzell and Ezra Griffin, on the negative, won the award of the Aycock Memorial Cup for the Goldsboro High School over the affirmative debaters of the same school, Edward Outlaw and Billie Crow, in the final debate on April 18, 1930. This was the first instance in which an affirmative team and a negative team from the same school met each other in the final debate.

Two hundred and eighteen schools entered on April 3, 1931, the 19th annual statewide contest on the query: "Resolved, that the United States should grant immediate independence to the Philippines." Fifty-two schools won both of their debates and sent their teams to the university for the final contest. The Goldsboro High School, represented by Miss Marian Weil and Ezra Griffin, on the negative, won the award of the Aycock Memorial Cup over the Richard J. Reynolds High School, of Winston-Salem, represented by Miss Helen Davis and L. C. Bruce, Jr., on the affirmative, in the final debate on April 17, 1931. Since the Goldsboro High School won in the final debates of 1930 and 1931, this school came into permanent possession of the third Aycock Memorial Cup. The presentation of the Aycock Cup to the winning team was made by the late Prof. H. H. Williams.

Two hundred and fourteen schools took part in the 20th annual statewide contest on April 1, 1932, on the query: "Resolved, that the United States should adopt a system of compulsory unemployment insurance." Fifty-five schools won both of their debates and sent their teams to Chapel Hill for the final contest. The Curry High School, of Greensboro, represented by Miss Katherine Keister and Nash Herndon, on the negative, won the first award of the fourth Aycock Memorial Cup over the Grainger High School, of Kinston, represented by Miss Louise Weyher and Ralph Burgin, on the affirmative, in the final debate on April 15, 1932.

THE THIRD DECADE

Two hundred and fifteen schools entered the 21st annual statewide debate on March 31, 1933, on the query: Resolved, that North Carolina should adopt the sales tax as a feature of its State system of revenue." Fifty-one schools won both of their debates and sent their representatives to Chapel Hill for the final contest. The Needham B. Broughton High School of Raleigh, represented by Miss Katherine Martin and Wade Marr, Jr., on the affirmative, won the award of the Aycock Memorial Cup over the Boyden High School of Salisbury, represented by Miss Mildred Williams and James Dorsett, on the negative, in the final debate on April 14, 1933. Dr. Frank P. Graham, then president of the University of North Carolina, presided at the final debate. Mr. Charles E. McIntosh presented the Aycock Cup to the winning team. The date of the final debate preceded by only a few days the date on which the General Assembly of North Carolina adopted the sales tax as a feature of the State system of revenue.

Two hundred schools participated in the 22d annual statewide debate on March 30, 1934, on the query: Resolved, that the United States should adopt the essential features of the British system of radio control and operation." Forty-five schools won both of their debates and sent their teams to the university for the final contest. The Thomasville High School, represented by Miss Katherine Covington and A. C. Lovelace, Jr., on the affirmative, won the award of the Aycock Memorial Cup over the Gastonia High School, represented by Miss Vivian Shaw and Tom McDill, on the negative, in the final debate on April 13, 1934.

Two hundred and twenty-five schools took part in the 23d annual statewide debate on March 22, 1935, on the query: "Resolved, that the United States should adopt the policy of extending Federal aid to general public education." Sixty-eight schools won both of their debates and sent their teams to Chapel Hill for the final contest. The Goldsboro High School, represented by Powell Bland and Maurice Edwards, on the affirmative, won the award of the Aycock Memorial Cup over the Greensboro High School, represented by Joe Stone and David Stafford, on the negative, in the final debate on April 12, 1935.

Two hundred and twenty-seven schools participated in the 24th annual statewide debate on March 27, 1936, on the query: "Resolved, that the several States should provide for the socialization of medicine." Sixty-four schools won both of their debates and sent their teams to Chapel Hill for the final contest. The Grainger High School, of Kinston, represented by Miss Rose Pully and Miss Minetta Bartlett, on the affirmative, won the award of the Aycock Memorial Cup over the Union Grove High School, represented by Miss Rachel Templeton and Miss Cleo Templeton, on the negative, in the final debate on April 17, 1936. This was the fourth final victory for a team composed of two girls. The contest of this year provided the only instance, during the period of 50 years under review, in which an affirmative team composed of two girls met a negative team composed of two girls in the final debate for the Aycock Cup.

Two hundred and thirty-three schools took part in the 25th annual statewide debate on April 2, 1937, on the query: "Resolved, that the Government should own and operate all electric light and power utilities." Sixty-three schools won both of their debates and sent their teams to the university for the final contest. Miss Frances Johnson and Philip Moore, affirmative speakers for the Weldon High School, won the award of the Aycock Memorial Cup over Miss Katherine Henderson and Miss Blanche Mitchell, debaters on the negative for the Weldon High School, in the final debate on April 22, 1937. This was the second time, during the period of 50 years, in which an affirmative team and a negative team from the same school met each other in the final debate. Dr. Robert B. House presented the Aycock Cup to the winning team.

Two hundred and thirty-four schools participated in the 26th annual statewide high school debate on April 1, 1938, on the query: "Resolved, that the several States should adopt a unicameral system of legislation." Sixty-six schools won both of their debates and sent their teams to the university for the final contest. The Union Grove High School, represented by Miss Fern Templeton and Miss Wanona Rash, on the negative, won the award of the Aycock Memorial Cup over the Boyden High School of Salisbury, represented by Henderson Ward and John Hanford, on the affirmative, in the final debate on April 22, 1938. This was the fifth final victory for a team composed of two girls.

Two hundred and thirty-seven schools took part in the 27th annual statewide high school debate on March 31, 1939, on the query: "Resolved, that the United States should establish an alliance with Great Britain." Sixty-one schools won both of their debates and sent their teams to the university for the final contest. The High Point High School, represented by Kermit Albertson and George Humphreys, on the affirmative, won the award of the Aycock Memorial Cup over the Franklinton High School, represented by Miss Mary Elizabeth Kearney and Joe Hicks, on the negative, in the final debate on April 21, 1939.

Two hundred and twenty-five schools participated in the 28th annual statewide high school debate on March 29, 1940, on the query: "Resolved, that the United States should own and operate the railroads." Fifty-five schools won both of their debates and sent their teams to the university for the final contest. The Monroe High School, represented by Moke Williams and Miss Elinor Ellwanger, on the negative, won the award of the Aycock Memorial Cup over the James A. Gray High School of Winston-Salem, represented by Miss Laura Brown and Percy Wall, on the affirmative, in the final debate on April 19, 1940. Medals for the four finalists were provided by the Dialectic Senate.

Two hundred and forty schools took part in the 29th annual statewide high school debate on March 28, 1941, on the query: "Resolved, that the United States should adopt a policy of requiring 1 year of military training of all able-bodied men before they reach the age of 23." Sixty-four high schools won both of their debates and sent their teams to the university for the final contest. The Durham High School, represented by Charles Markham and Walter Cannon, on the negative, won the award of the Aycock Memorial Cup over the Washington High School, represented by Frank Leggett and William Abeyounis, on the affirmative, in the final debate on April 18, 1941. Medals for the four finalists were again provided by the Dialectic Senate.

One hundred and fifty schools participated in the 30th annual Statewide high school debate on March 27, 1942, on the query: "Resolved, that a union of Western Hemisphere nations should be established." Thirty-five high schools won both of their debates and sent their teams to the university for the final contest. The Rocky Mount High School, represented by Miss Margaret Fountain and Jennings Mangum, on the negative, won the award of the Aycock Memorial Cup over the Pittsboro High School, represented by Miss Florence Gordon and Marion Petty, on the affirmative, in the final debate on April 17, 1942. Dialectic Senate Medals were again provided for the four finalists.

THE FOURTH DECADE

One hundred and three schools took part in the 31st annual statewide high school debate held in March 1943, on the query: "Resolved, that the United States should adopt the policy of extending Federal aid to general public education." District debating contests were held at the following host colleges: Appalachian State Teachers College, Catawba College, East Carolina College, Flora Macdonald College, Lenoir Rhyne College, Meredith College, and the Woman's College of the University of North Carolina. Affirmative teams and negative teams, holding district titles on the respective sides of the query, came to Chapel Hill to participate in the final contest. The Forest City High School, represented by Miss Marie Howes and Miss Doris Turner, on the affirmative, won the award of the Aycock Memorial Cup over the Apex High School, represented by W. C. Mills and Miss Annie Lois Travis, on the negative, in the final debate on April 2, 1943. Dialectic Senate Medals were again presented to the four finalists. This was the sixth final victory for a team composed of two girls.

One hundred and twelve schools participated in the 32d annual statewide high school debating contest held in March 1944, on the query: "Resolved, that the United States should join the other nations in a program of world security and that the association so formed should have an adequate police force." District contests were held at host colleges, as follows: Appalachian State Teachers College, Catawba College, East Carolina College, Flora Macdonald College, Meredith College, and the Woman's College of the University of North Carolina. Six affirmative teams and six negative teams, holding district titles on the respective sides of the query, came to Chapel Hill for the final contest. The Richard J. Reynolds High School of Winston-Salem, represented by Stuart Bondurant, Jr., and Paage Harrison, on the affirmative, won the award of the Aycock Memorial Cup over the Fayetteville Senior High School, represented by Miss Rebecca Ballentine and Paul Moyle, Jr., on the negative, in the final debate on April 7, 1944. The North Carolina High School Debating Union has made use continuously, from the contest of 1943–44 to date, of the national high school debate queries for the respective years, as selected—by the vote of the agencies concerned—under the general auspices of the National University Extension Association's Committee on Discussion and Debate Materials and Interstate Cooperation.

Ninety-eight schools took part in the 33d annual statewide high school debate held in April 1945, on the query: "Resolved, that the legal voting age should be reduced to 18 years." District debating contests were held at the following host colleges: Appalachian State Teachers College, Catawba College, East Carolina College, Flora Macdonald College, Meredith College, and the Woman's College of the University of North Carolina. Six affirmative teams and six negative teams, holding district titles on the respective side of the query, came to Chapel Hill for participation in the final contest. The Rockingham High School, represented by Miss Ann Kelly and Alva Pryce, on the affirmative, won the award of the Aycock Memorial Cup over the Rocky Mount High School, represented by Brian Scott and Michael Quinlivan, on the negative, in the final debate on May 4, 1945.

Approximately 100 schools participated in the 34th annual statewide high school debate held in April 1946, on the query: "Resolved, that every able-bodied male citizen of the United States should have 1 year of full-time military training before attaining age 24." District contests were held at host colleges, as follows: Appalachian State Teachers College, Catawba College, East Carolina College, Flora Macdonald College, Meredith College, and the Woman's College of the University of North Carolina. The winning teams from the district centers, six on the affirmative and six on the negative, came to Chapel Hill for participation in the final contest. The Durham High School, represented by Buck Rogers and Dick Smith, on the negative, won the award of the Aycock Memorial Cup over the Smithfield High School, represented by Gray Mattox, Jr., and Robert Pool, on the affirmative, in the final debate on May 3, 1946.

One hundred and seven schools enrolled for participation in the 35th annual statewide high school debating contest, held in April 1947, on the query: "Resolved, that the Federal Government should provide a system of complete medical care available to all citizens at public expense." District centers were held at the same six colleges which had served as hosts for the district contests in the preceding year. The winning teams from the district centers, six on the affirmative and six on the negative, came to Chapel Hill for participation in the final contest. The Forest City High School, represented by Miss Dorothy Bradley and Miss Betty Moyer, on the negative, won the award of the Aycock Memorial Cup over the Lee H. Edwards High School of Asheville, represented by Robert Church and Paul Roth, on the affirmative, in the final debate on May 2, 1947. This was the seventh final victory for a team composed of two girls.

One hundred and eleven schools registered for participation in the 36th annual statewide high school debate on April 2, 1948, on the query: "Resolved, that the Federal Government should require arbitration of labor disputes in all basic American industries." District centers were held at the same six colleges which had served as hosts for the district contests in 1946–47. The winners from the district contests, six affirmative teams and six negative teams, came to the university for the final contest. The Forest City High School, represented by Miss Betty Moyer and William Bostic III, won the award of the Aycock Memorial Cup over the Four Oaks High School, represented by Miss Miriam Lassiter and Harvey Cobb, Jr., on the affirmative, in the final debate on April 30, 1948. Mr. Charles E. McIntosh presided at the final debate. Mr. C. C. Shotts presented the Aycock Cup to the winning team. Since the Forest City High School won in the final debates of 1947 and 1948, this school came into permanent possession of the fourth Aycock Cup.

One hundred and twelve schools enrolled for the 37th annual statewide high school debate on April 1, 1949, on the query: "Resolved, that the United Nations now be revised into a federal world government." District contests were held at the same six colleges which had conducted district centers in 1947–48. The winners from the district contests, six affirmative teams and six negative teams, came to the University to enter the final contest. The Roxboro High School, represented by Jack Featherston and James Ramsey, on the negative, won the first award of the fifth Aycock Memorial Cup over the Greenville High School, represented by

Rodney Fulcher and Frederick P. Brooks, Jr., on the affirmative, in the final debate on April 29, 1949.

One hundred and thirteen schools registered for the 38th annual statewide high school debate on March 31, 1950, on the query: "Resolved, that the President of the United States should be elected by the direct vote of the people." District centers were held at the same six colleges which had served as hosts for the district contests in the preceding year. The winners from the district centers, six affirmative teams and six negative teams, came to Chapel Hill to take part in the final contest. The Richard J. Reynolds High School of Winston-Salem, represented by John Peddycord and Charles Rodenbough, on the affirmative, won the award of the Aycock Memorial Cup over the Brevard High School, represented by Bruce McGuire and Mary Ellen Short, on the negative, in the final debate on April 28, 1950.

One hundred and fourteen schools enrolled for the 39th annual statewide high school debate on March 30, 1951, on the query: "Resolved, that the American people should reject the welfare state." District contests were held at the same six colleges which had conducted district centers in the preceding year. The winning teams from the district contests, six on the affirmative and six on the negative, came to Chapel Hill to participate in the final contest. The Roxboro High School, represented by John Brooks and Slade Crumpton, on the negative, won the award of the Aycock Memorial Cup over the Richard J. Reynolds High School of Winston-Salem, represented by Harold McKeithen and Walter Webb, on the affirmative, in the final debate on April 27, 1951.

One hundred and thirteen schools registered for participation in the 40th annual statewide high school debate on March 28, 1952, on the query: "Resolved, that all American citizens should be subject to conscription for essential service in time of war." District centers were held at the same six colleges which had served as hosts for the district contests in 1950–51. Winning teams from the district contests, six on the affirmative and six on the negative, came to Chapel Hill to enter the final contest. The Roxboro High School, represented by Hunter Tillman and Jimmy Warren, on the negative, won the award of the Aycock Memorial Cup over the James A. Gray High School of Winston-Salem, represented by Miss Jerry Anne Jervis and Miss Carol Sloan, on the affirmative, in the final debate on May 2, 1952. Dr. W. W. Pierson presided at the final debate. The Aycock Cup was presented to the winning team by Dr. William C. Friday, now president of the University of North Carolina. Since the Roxboro High School won in the final debates of 1951 and 1952, this school came into permanent possession of the fifth Aycock Cup.

THE FIFTH DECADE

One hundred and eight schools took part in the 41st annual statewide high school debate on March 27, 1953, on the query: "Resolved, that the Atlantic Pact nations should form a federal union." District contests were held at the same six colleges which had conducted district centers in the preceding year. The winning teams from the district contests, six on the affirmative and six on the negative, came to Chapel Hill to enter the final contest. The Richard J. Reynolds High School of Winston-Salem, represented by Miss Mary Nell Meroney and Walter Webb, on the negative, won the first award of the sixth Aycock Memorial Cup over the Walter M. Williams High School of Burlington, represented by Larry Black and Jimmy Chamblee, on the affirmative, in the final debate on May 1, 1953.

One hundred and six schools enrolled for the 42d annual statewide high school debate on March 26, 1954, on the query: "Resolved, that the President of the United States should be elected by the direct vote of the people." District centers were held at the same six colleges which had served as hosts for the district contests in the preceding year. The winning teams from the district contests, six on the affirmative and six on the negative, came to Chapel Hill for the final contest. The Edenton High School, represented by Miss Ethel Swets and Robert Earl Edwards, on the negative, won the award of the Aycock Memorial Cup over the Roxboro High School, represented by Johnny Morris and Bill Mewborne, on the affirmative, in the final debate on April 30, 1954.

One hundred and three schools took part in the 43d annual statewide high school debate on March 18, 1955, on the query: "Resolved, that the Federal Government should initiate a policy of free trade among nations friendly to the United States." District contests were held at the same six host colleges which had conducted district centers in the preceding year. The winning teams from the district contests, six on the affirmative and six on the negative, came to the university for the final contest. The Richard J. Reynolds High School of Winston-Salem, represented by Simon Sosnik and Emerson Wall, on the negative, won the award of the Aycock Memorial Cup over the Concord High School, represented by Miss Mary Anna Glass and John Porter, on the affirmative, in the final debate on April 29, 1955. Dr. Robert B. House, then chancellor of the University of North Carolina, presided at the final debate. Mr. Russell M. Grumman, then director of the university extension division, presented the Aycock Cup to the winning team.

One hundred high schools took part in the 44th annual statewide high school debate on March 16, 1956, on the query: "Resolved, that governmental subsidies should be granted according to need to high school graduates who qualify for additional training." District centers were held at the same six colleges which had served as hosts for the district contests in the preceding year. The winning teams from the district contests, six on the affirmative and six on the negative, came to the University to enter the final contest. The Concord High School, represented by Miss Ann Finley and Jim Richards, on the affirmative, won the award of the Aycock Memorial Cup over the Clinton High School, represented by Marvin Musselwhite, Jr., and Bill Shipp, on the negative, in the final debate on April 27, 1956.

Ninety-two schools registered for participation in the 45th annual statewide high school debate on March 15, 1957, on the query: "Resolved, that the Federal Government should sustain the prices of major agricultural products at not less than 90 percent of parity." District contests were held at the same six host colleges which had conducted district centers in the preceding year. The winning teams from the district centers, six on the affirmative and six on the negative took part in the final contest at the university. The Roxboro High School, represented by Bill Strum and Gus Burns, on the negative, won the award of the Aycock Memorial Cup over the New Bern High School, represented by Miss Mary Ann Allen and Miss Delores Stephenson, on the affirmative, in the final debate on April 26, 1957. The award of an Alexander Hamilton Commemorative Scholarship was made to Gus Burns of the Roxboro High School.

Ninety-two schools took part in the 46th annual statewide high-school debate on March 14, 1958, on the query: "Resolved, that U.S. foreign aid should be substantially increased." District contests were held at the following host colleges: Appalachian State Teachers College, Catawba College, East Carolina College, Flora Macdonald College, Meredith College, and the Woman's College of the University of North Carolina. The winning teams from the district contest, six on the affirmative and six on the negative, came to Chapel Hill for participation in the final contest. The Richard J. Reynolds High School of Winston-Salem, represented by Peter Freed and Charles Elkins, on the affirmative, won the award of the Aycock Memorial Cup over the Walter M. Williams High School of Burlington, represented by James Copeland and Calvin Linnemann, on the negative, in the final debate on April 25, 1958. Dr. William B. Aycock, chancellor of the University of North Carolina, presided at the final debate. Mr. J. M. Saunders presented the Aycock Cup to the winning team.

Ninety-three high schools registered for participation in the 47th annual statewide high-school debate on March 13, 1959, on the query: "Resolved, that the United States should adopt the essential features of the British system of education." District contests were held at host colleges, as follows: Appalachian State Teachers College, Catawba College, East Carolina College, Flora Macdonald College, Meredith College, and the Woman's College of the University of North Carolina. The winning teams from the district contests, six on the affirmative and six on the negative, participated in the final contest at the university. The Richard J. Reynolds High School of Winston-Salem, represented by Miss Kate Blackwell and Peter Freed, on the negative, won the award of the Aycock Memorial Cup over the Needham B. Broughton High School of Raleigh, represented by Miss Kay Shaw, and Miss Linda Shirley, on the affirmative, in the final debate on April 24, 1959. Dr. A. K. King presided at the final debate. The Aycock Memorial Cup was presented to the winning team by Mr. J. M. Saunders. Since the Richard J. Reynold High School won in the final debates of 1958 and 1959, this school came into permanent possession of the sixth Aycock Cup.

One hundred schools took part in the 48th annual statewide high-school debate on March 11, 1960, on the query: "Resolved, that the Federal Government should substantially increase its regulation of labor unions." District contests were held at the following six host colleges: Applachian State Teachers College, Campbell College, Catawba College, East Carolina College, Flora Macdonald College, and the Woman's College of the University of North Carolina. The winning teams from the district contests, six on the affirmative and six on the negative, came to Chapel Hill to enter the final contest. The New Bern High School, represented by Richard McEnally and Marshall Ball, on the affirmative, won the first award of the seventh Aycock Memorial Cup over the Roxboro High School, represented by Edward Clayton and Sandy Dalles, on the negative, for the final debate on April 22, 1960.

One hundred and two high schools registered for participation in the 49th annual statewide high school debate on March 10, 1961, on the query: "Resolved, that the United Nations should be significantly strengthened." The host colleges which conducted the district contests were: Appalachian State Teachers College, Campbell College, Catawba College, East Carolina College, Flora Macdonald College, and the Woman's College of the University of North Carolina. The winning teams from the district contests, six on the affirmative and six on the negative, entered the final contest at the University. Jimmy Blackburn and Michael Harrington, affirmative speakers for the Richard J. Reynolds High School of Winston-Salem, won the award of the Aycock Memorial Cup over David Meschan and Chester Davis, debaters on the negative for the Richard J. Reynolds High School, in the final debate on April 21, 1961. This was the third time, during the period of the 50 years under review, in which an affirmative team and a negative team from the same school met each other in the final debate for the Aycock Cup.

One hundred and three schools took part in the 50th annual statewide high school debate on March 9, 1962, on the query: "Resolved, that the Federal Government should equalize educational opportunity by means of grants to the States for public elementary and secondary schools." The host colleges which conducted the district contests were: Appalachian State Teachers College, Campbell College, Catawba College, East Carolina College, St. Andrews Presbyterian College, and the Woman's College of the University of North Carolina. The winning teams from the district contests, six on the affirmative and six on the negative, participated in the final contest at the university. The Roxboro High School, represented by Curtis Branscome and John Davis, on the negative, won the award of the Aycock Memorial Cup over the Richard J. Reynolds High School of Winston-Salem, represented by Jimmy Blackburn and Michael Harrington, on the affirmative, in the final debate on April 27, 1962. Dr. A. K. King, a former intercollegiate debater for the University of North Carolina, presided at the final debate. Mr. J. M. Saunders, a former debater for the Durham High School in the contests of the North Carolina High School Debating Union and a former intercollegiate debater for the University of North Carolina, presented the Aycock Cup to the winning team. Several "50th anniversary" messages were read to the audience by the Secretary.

At a general meeting of debaters and teachers held on April 26, Dean James L. Godfrey extended a welcome on behalf of the University. President W. Arthur Hays, Jr., of the Dialectic and Philanthropic Society, extended greetings on behalf of this society. The following faculty members served as judges in the course of the 50th annual final contest: Professors S. G. Barnes, S. G. Baxter, J. R. Caldwell, G. B. Cleveland, E. H. Hartsell, J. E. King, F. B. McCall, F. W. Ryan, W. B. Sanders, F. C. Shepard, C. P. Spruill, P. F. Walker, W. S. Wells, and Earl Wynn.

FIFTIETH ANNIVERSARY FEATURES

A great many messages of congratulations and good wishes were received by the North Carolina High School Debating Union upon the completion of its 50th year of continuous operation.

Two of these messages are reproduced below: one from Secretary of Commerce Luther H. Hodges, who served as Governor of North Carolina for 6 years and who in his high school career represented Leaksville in the debates; the other from Vice President LYNDON B. JOHNSON, former United States Senator from Texas, who served at one time as a high school debate coach in Texas.

GREETINGS FROM SECRETARY OF COMMERCE HODGES

My sincere congratulations to you and the University on the occasion of the 50th annual final debate of the North Carolina High School Debating Union. This is a remarkable achievement. The Debating Union has meant a great deal to students throughout North Carolina. I recall the pleasure of being one of the earlier participants in these debates. Please extend my best wishes to the students in attendance.

Washington, D.C., April 26, 1962.

LUTHER H. HODGES.

GREETINGS FROM VICE PRESIDENT JOHNSON

With utmost pleasure I send heartiest congratulations on the 50th anniversary of the North Carolina Debating Union. It is gratifying to join your many friends in observing the golden year of an event which has attracted national attention. May your forum continue to be an expression of ideas and ideals and advocate free thought and free speech.

Washington, D.C., April 26, 1962.

LYNDON B. JOHNSON.

THE MISSISSIPPI CRISIS

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. NIX] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. NIX. Mr. Speaker, I agree with the gentleman who stated here today that this is a sad day in the history of our country. However, I do not and shall never agree that the use of force by the Government of the United States to enforce the legal decrees of the courts of this land in the face of blatant defiance of those decrees by the Governor of the State of Mississippi and in the face of expressed approval of that defiance by the legislature as well as palpable disregard of law enforcement by local authorities, is illegal.

Mr. Speaker, it is a sad day in the history of this great country and, the reason for this sadness is that men whose forebears fled to this land to escape tyranny and injustice have so forgotten their heritage and become so steeped in the evil of intolerance, that they seek now by the advocate of force and violence to withhold from their fellow citizens those rights for which white and black of this Nation have all fought and died.

Mr. Speaker, the President of the United States is charged with the responsibility of assuring the enforcement of the decrees of our courts.

I conclude with the reminder that the rights sought by James Meredith are 100 years overdue. Let that debt be paid now.

MEMORIAL TO THE SIX MILLION MARTYRS

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. MULTER] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. MULTER. Mr. Speaker, on September 23, 1962, many hundreds of persons assembled at the East Midwood Jewish Center in my district in Brooklyn to participate in a martyrs memorial consecration service to honor the memory of the 6 million Jews annihilated by Nazis in crematories, gas chambers, and by other means too horrible to describe.

The East Midwood Jewish Center of which the eminent rabbi, Harry Halpern, is the spiritual leader, was chosen by Mr. Paul Lewis, of Dallas, Tex., as the institution in the northeastern part of our country to permanently house a memorial plaque to these martyrs.

Made of beautiful marble and adorned with six lamps which will burn forever, it is inscribed as follows:

> These do I remember and my heart is grieved.
>
> These six lamps burn perpetually as a memorial to our 6 million Jewish brethren, innocent victims of the unspeakable Nazi brutality whose sacred memory is enshrined in our hearts. May their tragic fate be a grim reminder of the havoc wrought by blind hatred, a stern warning to all men against silence in the face of tyranny and a solemn admonition that we must never forget them.

As part of a solemn and inspiring program, the Honorable Robert F. Wagner, mayor of the city of New York, made the following remarks:

ADDRESS BY HON. ROBERT F. WAGNER, MAYOR OF NEW YORK CITY, AT EAST MIDWOOD JEWISH CENTER, SEPTEMBER 23, 1962

We are gathered together to dedicate a memorial to 6 million who died as martyrs, who were killed for their origin and their faith and their God—who were killed as a warning that humans can be inhuman.

This is not the only memorial which has been raised to remember and keep alive their memories. In Paris, in London, in Prague, and in Warsaw—in many cities in the United States through the benefactions of Mr. Paul Lewis, of Dallas, Tex., and in other places—there are plaques and monuments recalling the life and death of these 6 million.

In stone and metal, beneath flickering but undying lamps, passersby read of the nameless 6 million. They have now become a part of history and many would like to forget that they were people—with names and faces and families.

This is natural. No human soul can retain in fresh form the memory of such an enormous tragedy.

Yet, it would be well if every man and woman outside these walls held this memory as freshly as possible within himself.

Every man who remembers is a walking prayer to these dead.

What can we do with this memory? Is it enough simply to mourn and to express regret?

No, we must do more. We must keep the vigil that their deaths deserve. We must make names like Auschwitz and Ravensbruck serve as goads to our conscience. It is not enough to say that this must never happen again.

We must actively seek to make sure that it never happens again—neither to Jews nor to any other group of people.

This slaughter of the innocents was modern history's blackest chapter. It must not be hidden or camouflaged to save sensibilities or to forgive the guilty.

All of us must recognize an important truth—that while the dead we remember here were 6 million Jews, the loss was all mankind's.

That loss can never be repaired, but it can serve as a constant reproach to all who preach or practice hatred, prejudice, and discrimination.

We must rid our society of these evils. In the name of these 6 million dead, we must all learn to love instead of to hate, and to practice the precepts of brotherhood—across the bounds of race, creed, color, and national origin.

This should be our pledge in honor of these dead.

THE HONORABLE EUGENE J. KEOGH

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from North Carolina [Mr. Kornegay] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. KORNEGAY. Mr. Speaker, I want to take this opportunity to reiterate my strong interest in and approval of the bill, H.R. 10, sponsored patiently for many years by my esteemed colleague, the Honorable Eugene Keogh.

Mr. Keogh has worked with admirable courage and persistence to assure that self-employed persons may provide and enjoy some of the pension benefits now available to a large segment of our population.

It has been a rocky road for Gene Keogh, but he has displayed great fortitude and never deviated from his intention and purpose to correct this inequity by a tax concession which makes it possible for such individuals to build up a private pension fund for themselves and for the benefit of their families.

I was delighted when the conferees eliminated the crippling amendments unfortunately placed in the bill by the other body, which in my opinion were not germane and were entirely unwarranted in this piece of legislation.

I now want to express the hope that the President will sign this bill and permit it to become a public law before the Congress adjourns, so that we can all go home knowing that H.R. 10, Gene Keogh's brainchild, is safely home at last.

TRUTH IN LENDING

The SPEAKER. Under the previous order of the House the gentleman from New York [Mr. Halpern] is recognized for 15 minutes.

Mr. HALPERN. Mr. Speaker, half a year has passed since the President sent to the Congress the most important legislative program ever outlined by a President specifically to advance the consumers' interests. Undoubtedly, the most important of his recommendations, measured in dollars, was his urging that the Congress pass truth-in-lending legislation.

A year before the President's support of truth in lending, I introduced H.R. 7013, a truth in lending bill. This bill meets an immediate and continuing need for price information on the part of millions of consumers on every income level and on every educational level. There are no more concealed, incomprehensible, misleading, and often deceptive prices within our price-regulated economy than the prices of credit.

Too often the average person is unaware of the full amount of interest charges and other costs he must pay when he borrows. The borrower, whether it be for a home, a car, a television set, or any appliance or acquisition of property, ought to have the opportunity of knowing how much his total cost is going to be. And this should be mandatory in writing, and as simple as possible.

There is no classification of credit which involves so many millions of Americans, and few that reach total amounts comparable to consumer credit—extensions of $50 billion new short-term credit and $30 billion of new long credit each year. The widely varying present-day practices of the various merchants of consumer credit—the small loan company, the credit union, the mail-order house, the department store, the automobile dealer and his finance company, the commercial banker—fail to give the consumer the simple price information to which he is entitled, and which is essential if he is to make rational use of his income.

Consumers who are unaware of the price of credit until they have bound themselves to a series of payments cannot get the full degree of satisfaction that this income should make possible. Nor can they make the sensible choices which will insure the success of efficient and ethical merchants and lenders, and change the way of others or drive them out of business.

A true interest and credit disclosure law will protect the public against the credit deceptions that have brought misery to so many families. Installment purchasing abuses are one of the biggest consumer problems of our times. And, with some $52 billion in consumer credit, exclusive of mortgages, outstanding in this country, it is obvious this represents a tremendous portion of our economy and it is essential to inform the borrower of his commitment.

It is absurd to suppose that consumer credit, when used without awareness of its price, does not make the economic system less efficient and less stable than it would be if consumers had full price information about credit. No one would be so foolish as to say that consumers would be happier and business more prosperous if consumers bought their groceries, their clothes, their cars, their furniture, without first asking and considering the price. Yet, when credit is used to make these purchases, under present credit practices, consumers usually do not know the total cost of their purchase, nor do they know the cost of the credit, nor can they compare the price of the credit they use with the price of credit from some other source that is available to them.

My truth-in-lending bill would correct this great and growing deficiency in merchandising and lending. It requires simple disclosures in writing which everyone who is in the business of extending credit can make without difficulty. First, on any credit for which a payout schedule is drawn up and a charge made, whether for small electric appliances or a house, the bill requires disclosure of the total additional charge made for credit. Second, on credit from any source, it requires the price or rate to be stated in language that is comparable for all sources; that is, as an annual rate on the unpaid balances as they are reduced by periodic payments. This requirement makes universal the method of stating finance charges which we are taught in grade school arithmetic, which is used for mortgages on our homes, and is required of small loan companies in five States.

My bill, H.R. 7013, is a simple, practical means to meet a most important need of millions of consumers. The principle of the bill has the support of the President and the executive branch and interested independent offices of the Government.

No longer could the credit grantor merely say that the loan costs you "only 3 percent a month" or "you pay only 7 percent" or "you can buy this car for just $60 a month." If the consumer buys a car on time the monthly payments would have to be broken down to show what part is for the auto, what part is for service fees, what part represents interest charges each month and what the true rate of interest is, and so forth. This certainly seems reasonable enough.

If lenders and dealers are required to tell the simple truth the public will know how much interest and charges it pays and can compare these rates with those charged by others. In other words, when the consumer goes into a transaction, he will do so with his eyes wide open. It is important to note that the proposed law does not tell any creditor that he cannot levy the charges in question. All it does is simply require that the consumer be simply informed how much he is paying for and what for.

A similar bill has been examined at length before a Senate subcommittee in three sessions of Congress. This is sponsored by the distinguished Senator from Illinois, the Honorable Paul Douglas, who has pioneered in this type of legislation and who has done so much to focus attention on the need for such regulation and toward the accomplishment of meaningful action in this field.

Mr. Speaker, despite the public need for this legislation, the adequate knowledge of its desirability and practicability, and the public and Executive support of its purposes, no committee action has been taken on it.

Enough time has gone by for every aspect of this legislation to have been considered. Ample opportunity has been given to all sides for a full study and evaluation of the legislation.

Little time is left in this session, yet sufficient time remains to act on this bill, and bring its benefits to consumers at an early date. Postponement of action will benefit only some inefficient and unscrupulous merchants of debt, whose charges will not be brought into the knowledge of consumers or into open competition with the efficient and ethical businessman and lender until such time as this bill has been enacted and made effective. Postponement of action on the bill will, at the cost of consumers, benefit temporarily only certain sectors of the community which the Congress ought not shelter.

Mr. Speaker, I cannot urge strongly enough that Congress take up this issue before we adjourn. I fervently repeat my appeals to the respective committees in each body of Congress to act on the bill while there is still opportunity this session.

You can be certain if action is not forthcoming, Mr. Speaker, that this ef-

fort will continue relentlessly in the next Congress and will be carried through to become a major law to benefit the consumers of America.

FARMERS AND THE NEW FRONTIER—A REPORT ON THE 87TH CONGRESS

The SPEAKER. Under the previous order of the House the gentleman from Iowa [Mr. HOEVEN] is recognized for 15 minutes.

Mr. HOEVEN. Mr. Speaker, now that Congress has approved and the President has signed the 1962 farm bill, I think it would be appropriate to pause for one moment and briefly review where we have been, where we are, and where we are headed, on agricultural legislation in this Congress.

WHERE WE HAVE BEEN

As you will recall, we started the 87th Congress with the most revolutionary and most radical proposal in the realm of farm legislation ever set forth by a President of the United States. The President asked Congress to completely surrender its legislative duties and responsibilities by delegating to the Department of Agriculture the authority to write and enforce complex control and subsidy legislation for every single farm commodity produced in America. As set out in sections 360 (a) and (b) of H.R. 6400, the administration's 1961 farm bill:

> SUBTITLE C—MARKETING QUOTAS
>
> *Part VII—Marketing quotas for specified agricultural commodities*
>
> SEC. 360. (a) This part covers any agricultural commodity including but not limited to the following: corn, tobacco, wheat, cotton, rice, peanuts, barley, oats, rye, grain sorghums, flaxseed, soybeans, dry edible beans, grass seeds, vegetables (including potatoes), fruits, tree nuts and seeds, hogs, cattle, lamb, chickens, turkeys, whole milk, butterfat, eggs, hops, honey, and gum naval stores. Any regional or market classification, type, or grade of any agricultural commodity covered by this part may be treated as a separate commodity hereunder.
>
> LEGISLATIVE FINDING
>
> Sec. 360. (b) The agricultural commodities named in this part are produced for commercial purposes, and the entire production of such commodities is available for marketing either within the State of production or in interstate and foreign commerce. All marketing of these agricultural commodities is either in the current of interstate or foreign commerce or directly burdens, obstructs, or affects such commerce. The marketing of that part of such commodities as enters directly into the current of interstate and foreign commerce cannot be effectively regulated without extending the regulation, in the manner provided in this Act, also to that part which is marketed within the State of production.

This means, of course, that every single one of the some 256 farm commodities produced in this Nation would have gone under the thumb of Mr. Freeman. Under this bizarre plan, Mr. Freeman and his associates would have written the control plan for cattle or cabbage, cauliflower or cotton, or whatever commodity it might be; and after doing so, he would have sent a summary of the basic features of his plan to Congress. The Congress could neither dot an "i" nor cross a "t". It was simply take it or leave it, for in 60 days it would automatically go into law. After that, there would be a so-called referendum of farmers under which the Secretary would decree who could vote and what the choice would be.

As radical and as unsound as this proposal was, it was rejected by both the House and Senate Agriculture Committees by narrow votes. Thus, it never reached the floor of Congress for debate.

It stands as a sobering reminder, however, of what the New Frontier plans to do to the Constitution of the United States which is based on the doctrine of separation of powers between the legislative, the executive, and the judicial branches of the Government. It stands also as "people's exhibit No. 1" to buttress the obvious fact of this administration's power grabbing.

As we moved into 1962 the New Frontier changed its tactics but not its goal of completely dominating American agriculture. Instead of again asking for shotgun authority to control every commodity and every farmer in America, they focused their energy and effort on the three major commodities which are absolutely vital to the agricultural economy of the Nation—corn and feed grains, wheat, and dairy products.

While the 1962 recommendations carried a lot of extraneous provisions on Public Law 480, land use, marketing orders, Rural Electrification Administration bookkeeping, and Farmers Home Administration lending programs, the heart and soul of the bill was a strict control plan for dairy farmers, corn farmers, and wheat farmers.

The dairy plan was quickly scuttled. Every responsible dairy organization in the Nation opposed it. Here, for example, is what some of them said about it. The National Milk Producers Federation said:

> Surely it would be the height of folly to require American producers to submit to rigid production controls to reduce total supply and then permit imports to come in and replace our own production. Without effective import controls, domestic production could be rolled back without in any way reducing the surplus problem.

The Metropolitan Cooperative Milk Producers Bargaining Agency of Syracuse, N.Y., said:

> We feel that this section as written allows the Secretary of Agriculture to virtually dictate what producers must do and that a referendum vote granted them would be as meaningless as a Russian election.

The American Farm Bureau Federation said:

> The proposal to permit the sale or rental of milk bases means that these rights to produce milk would soon acquire a substantial cash value. As the milk bases changed hands over time, the cost of acquiring them would largely eliminate any temporary benefits that might be achieved under the program. It would no longer be possible for a young man to work into the dairy business by acquiring heifer calves and growing them to maturity. In addition to acquiring cows, he would have to find both the means of financing the purchase of a production base and someone willing to sell production rights.

But probably one of the most shocking and frightening suggestions ever made in the area of farm controls was included in this ill-fated dairy proposal. Here is the complete text of section 440 of H.R. 10010, the administration's 1962 farm bill:

> SUBTITLE C—DAIRY
>
> REPORTS AND RECORDS
>
> SEC. 440. Each first processor and producer shall keep such records for such period of time and shall make such reports as the Secretary shall prescribe for the purposes of this subtitle. The Secretary is hereby authorized to examine such records and any other records, accounts, documents, and other papers which he has reason to believe are relevant for the purposes of this subtitle and which are in the custody or control of such first processor or producer. Any person failing to make any report or keep any record as required by the Secretary, pursuant to this subtitle, shall be guilty of a misdemeanor and, upon conviction thereof, shall be punished by a fine of not more than $2,000 or by imprisonment for not more than 1 year, or both.

A proposal to imprison a dairy farmer in a Federal penitentiary for failing to keep a record or for refusing to let a Federal official snoop about his personal records or any other material deemed relevant by the Secretary would seem preposterous had it not been recommended by the President of the United States.

This naked expression of coercion by the Federal Government or at the very least the threat of it, should bring home to every one of us (nonfarmers as well as farmers) the danger to our liberties that exists in the Cochrane-Freeman plans for American agriculture.

Mr. Freeman later withdrew his endorsement of this penal provision, blaming its inclusion on "overenthusiastic" subordinates. I shudder to think what fate the American farmer would now be suffering if by chance the 1961 recommendations to let Mr. Freeman and Mr. Cochrane write the farm laws had been approved. Without the vigil of Congress, I am afraid penalties and penitentiary terms would by now be the watchwords of the New Frontier farm program.

Even though the dairy farmer escaped the controllers in 1962, the certificate wheat plan and the feed grain control provisions survived committee action and were even passed by the Senate. However, in the most dramatic debate of this Congress, the House of Representatives on June 21, 1962, gave the American farmer his greatest single legislative victory by rejecting the Kennedy "rule or ruin" farm bill 215 to 205.

In turning down this extremely unfair and unsound bill, the House rejected the administration's feed grain and wheat control plans. It finished the prospect of feed grain controls for at least 1 more year. The administration's feed grain program would have imposed unworkable and inequitable acreage allotments and marketing quotas on corn and feed grain farmers in spite of the fact that Congress specifically repealed these devices in 1954 and 1958. In order to sway southern votes for the bill, the

New Frontier completely sold out the great feed producing States of Iowa, Illinois, Minnesota, North Dakota, South Dakota, Montana, Nebraska, Kansas, Oklahoma, Texas, New Mexico, Missouri, Michigan, Indiana, and Ohio by accepting such unfair loopholes as the corn for silage exemption and the 40-acre small farm exemption. These loopholes would have made corn farmers in Iowa and the other great feed producing States take the overwhelming burden of the controls and the cuts in acreage while excluding from reducing their acreage some 93 percent of the feed grain farmers in Virginia, some 84 percent in Alabama, some 93 percent in North Carolina, some 94 percent in Mississippi, some 98 percent in West Virginia, and some 92 percent in South Carolina.

Later, with my support, a compromise bill extending voluntary wheat and feed grain programs cleared the House and went to conference with the Senate which had again passed the certificate wheat plan and had adopted a permanent feed grain program designed to pull the rug from under the corn farmer.

WHERE WE ARE

During the conference on this bill the House conferees completely capitulated to the Senate and to the administration. The conference bill embraced the wheat certificate plan for 1964, it called for 80-cent corn in 1964, it established an expensive new payment plan for the 1963 wheat and feed grain programs, it placed the U.S. Department of Agriculture in full scale public recreation, and it dropped the House-passed voluntary dairy program.

When the conference report came back to the House for approval, I, along with my minority colleagues on the conference committee, the gentleman from Oklahoma [Mr. BELCHER], and the gentleman from Minnesota [Mr. QUIE], pointed out that no minority members of the conference, either from the House or the Senate, had participated in this unilateral Democratic report. During the final House debate on the conference bill, Republicans were given only one-third of the time for presenting arguments and counterproposals. I felt there was no sound reason for legislating beyond 1963, so I offered a motion to recommit the bill back to the conference committee with instructions to simply extend voluntary programs through 1963. On a straight party vote, the Democratic majority turned it down by 165 to 104. Then the House, with only two Republicans voting for it voted by a 5-vote margin (202 to 197) to approve the report. Later it cleared the Senate by an 11-vote margin (52 to 51) without a single Republican Senator supporting it.

Here is what this new bill means to farmers, consumers, and taxpayers:

In 1963 corn and wheat farmers will experience a very liberal and expensive payment program for the voluntary retirement of acreage, but in 1964 the honeymoon is over. After 1 year of payments on producing acres, payments on nonproducing acres and price-support loans at $1.02 per bushel, the rug is pulled out from under the corn farmer. He is then faced with no payments whatsoever and price support at 80 cents a bushel. Not only that, but the Government surplus could be dumped on the market at 84 cents a bushel, plus carrying charges, and 175 million bushels of cheap feed wheat would be thrown into artificial competition with corn. During the debate in the House on the conference report there was not one single attempt to dispute the obvious fact that there will be 80-cent corn in 1964. During the debate in the Senate on the bill both before and after it went to conference, the junior Democratic Senator from Wisconsin [Mr. PROXMIRE], pointed out that under the Senate-adopted formula the 1964 corn support would be extremely low—50 percent of parity.

At page 20460 of the CONGRESSIONAL RECORD of September 24, 1962, he said:

> Next year our feet will be to the fire. Those of us who want to maintain income for dairy, beef, and hog farmers will be in a far different position than we were this year, because the alternative to doing nothing will be 50 percent price supports, which means a further cruel income drop for our farmers.

This Democratic corn and feed grain program for 1964 is of course nothing more than a brazen attempt to blackjack the corn farmer to his knees so that strict controls can be applied next year. I for one will not be a party to such a ruthless political scheme.

Under the Democratic 1964 certificate wheat plan, some 925 million bushels of wheat will be sold for food and export needs under a complex certificate system designed to give the farmer $2 per bushel. Some 175 million bushels of wheat will be marketed as feed at a price support level set in relation to the price support on feed grains, relative feeding value, and world wheat prices. U.S. Department of Agriculture officials told the House-Senate conferees that the 1964 wheat support would be 92 cents, if based on 80-cent corn. The difference between these two support levels will be made up by a certificate which will be issued to wheat farmers. Processors and exporters will be required to buy these certificates in order to process and export wheat. If the human food and export support were $2 per bushel and the hog and livestock support were 92 cents per bushel, the certificates would be worth $1.08 per bushel. In addition, wheat farmers will be required to cut their present acreage by at least 20 percent below their 1963 allotments, and will be eligible for diversion payments based on 50 percent of their normal yield on the retired acreage for only 2 years. After 1965 there well be no further diversion payments. The 15-acre marketing quota exemption and the 30-acre wheat-for-feed exemption are both repealed and all small wheat farmers will be brought under strict new controls that are extremely unfair.

What this means is cheap feed wheat being dumped on the corn market, sharply reduced acreage and income for wheat farmers, a "bread tax" of $1.08 per bushel on consumers, and continued high costs to taxpayers.

When we stop and take a good look at where we are, we see President Kennedy getting a tattered one-third of his legislative package in the certificate wheat plan. He also has the tools of coercion to use as a lever to force the corn farmer under controls next year. I regret very much losing even this one-third to the administration because it lays the groundwork for new and more sweeping controls later.

WHERE WE ARE GOING

Now that this bill has the President's signature, the empty promises and exaggerations of the Democratic Party in 1960 are plainly apparent to the country. The 1960 Democratic platform said:

> The Democratic administration will work to bring about full parity of income for farmers in all segments of agriculture by helping them to balance farm production with the expanding needs of the Nation and the world.
>
> Measures to this end include production and marketing quotas measured in terms of barrels, bushels, and bales, loans on basic commodities at not less than 90 percent of parity, production payments, commodity purchases, and marketing orders and agreements.

Speaking at the Farmers Union GTA Convention, St. Paul, Minn., October 2, 1960, candidate Kennedy said:

> Third, I would support farm programs which will raise farm income to full parity levels as soon as it is feasible to do so. By parity income, I mean an income which will give average farm producers a return on their farming investment, their labor, and their managerial effort equal to the returns that are earned by comparable resources in other industries.

Yet, in spite of these glowing promises, the Democratic bill signed by the President calls for 80-cent corn in 1964—only 50 percent of parity. It calls for certificate wheat supports at 65 percent to 90 percent of parity, another way of saying "flexible price supports," and it calls for noncertificate wheat supports not even based on the parity principle, but instead on feeding value, feed grain supports, and world prices.

Perhaps the disillusioned followers of Mr. Kennedy in 1960 could take some small cheer in the New Frontier contention that high price supports must be accompanied by supply management programs. Yet the present law is clear on the so-called basics—tobacco, wheat, peanuts, rice, and cotton. Each of these crops is covered by acreage allotments and marketing quotas, the instruments of strict "supply management." Each of these crops, except tobacco, could enjoy supports at 90 percent of parity with the stroke of Mr. Freeman's pen. Yet none do. Tobacco is supported under a special formula passed 2 years ago to prevent tobacco supports from going higher. Under Public Law 86–389 the 1962 tobacco support is 101 percent of the 1959 support. Peanuts are currently supported at 82 percent of parity, rice at 76 percent of parity, wheat at 82.6 percent of parity, and upland cotton at 82 percent of parity.

The lesson of this should be apparent to all farmers. Controls do not mean high supports under Mr. Freeman. The Democratic Party has repudiated 90 percent of parity on the record which shows that there is no commodity in America which has been or is being supported at 90 percent of parity by Mr. Freeman.

Along with the sharp increase in the number of employees added to the Department of Agriculture in order to help that agency spend even more tax money, farm debt in America has also risen to an alltime high of $27.7 billion. So have farm costs risen to an alltime high of $27.6 billion in the second quarter of 1962.

The measurement of farm income and expense, the parity ratio, has not exceeded 81 on the New Frontier, a far cry from parity of income. In addition, the outmigration of population from agriculture is now at a rate of some 1 million persons per year.

The only thing that this administration offers is controls and more controls, and it is not particular how it obtains them. Whether it is bypassing Congress through a radical delegation of legislative authority, or whether it is penitentiary terms for dairy farmers, or whether it is 80-cent corn for corn farmers, or whether it is by another means, the end is the same—the complete control of our agricultural economy.

This is what we have to look forward to next year—more attempts at controlling American agriculture.

Just as sure as I am speaking today, we will see renewed and vigorous attempts to regiment corn farmers using 80-cent corn as a lever of coercion, and to control the dairy industry of America, using the corn program as a precedent.

My sincere hope is that the next 88th Congress will have enough Members with the strength and courage to resist the powerful forces of coercion and compulsion and put American agriculture back on the track under our free enterprise system.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. Watts (at the request of Mr. Abbitt) for the remainder of the week, on account of illness.

Mr. Anfuso (at the request of Mr. Buckley), for an indefinite period, on account of death in family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. Holifield, for 60 minutes, tomorrow.

Mr. Halpern (at the request of Mr. Devine), for 15 minutes, today.

Mr. Pillion (at the request of Mr. Devine), for 1 hour, on Wednesday, October 3.

Mr. Pillion (at the request of Mr. Devine), for 1 hour, on Thursday, October 4.

Mr. Pillion (at the request of Mr. Devine), for 1 hour, on Friday, October 5.

Mr. Hoeven (at the request of Mr. Devine), for 15 minutes, today.

Mr. Alger (at the request of Mr. Devine), for 1 hour, on Thursday, October 4.

Mr. Lindsay (at the request of Mr. Devine), for 30 minutes, on Wednesday.

Mr. Moore (at the request of Mr. Devine), to vacate today's special order and to address the House for 1 hour on Wednesday, October 3.

Mr. Waggonner (at the request of Mr. Albert), for 30 minutes, today, to revise and extend his remarks, and include extraneous matter.

Mr. Fogarty (at the request of Mr. Albert), for 1 hour, on Wednesday, October 3, 1962..

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the Congressional Record, or to revise and extend remarks, was granted to:

Mr. Bonner and to include a prayer.

Mr. Pike and to include extraneous matter.

(The following Members (at the request of Mr. Devine) and to include extraneous matter:)

Mr. Becker.

Mr. Findley.

Mr. Curtis of Missouri.

Mr. Van Zandt.

Mr. Judd.

(The following Members (at the request of Mr. Albert) and to include extraneous matter:)

Mr. Celler.

Mr. Powell.

Mr. Landrum.

Mr. Fountain and to include tables.

Mr. Rogers of Florida in two instances.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table, and under the rule, referred as follows:

S. 765. An act to consolidate Vicksburg National Military Park and to provide for certain adjustments necessitated by the installation of a park tour road, and for other purposes; to the Committee on Interior and Insular Affairs.

S. 783. An act to provide for the addition of certain property in Philadelphia, Pa., to Independence National Historical Park; to the Committee on Interior and Insular Affairs.

S. 2805. An act to provide for a program of agricultural land development in the State of Alaska; to the Committee on Agriculture.

S. 3326. An act to amend the National Defense Education Act of 1958 in order to extend the provisions of title II relating to cancellation of loans under such title to teachers in private nonprofit elementary and secondary schools and in institutions of higher education; to the Committee on Education and Labor.

ENROLLED BILL AND JOINT RESOLUTION SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 5423. An act to amend title 10, United States Code, to authorize the Secretary of the Navy to take possession of the naval oil shale reserves, and for other purposes; and

H.J. Res. 693. Joint resolution granting the consent and approval of Congress for the State of Maryland, the Commonwealth of Virginia, and the District of Columbia to amend the Washington Metropolitan Area Transit Regulation Compact, and for other purposes.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 1060. An act to authorize the Secretary of Interior to construct, operate, and maintain the Oroville-Tonasket unit of the Okanagan-Similkameen division, Chief Joseph Dam project, Washington, and for other purposes;

S. 3089. An act to amend the act directing the Secretary of the Interior to convey certain public lands in the State of Nevada to the Colorado River Commission of Nevada in order to extend for 5 years the time for selecting such lands; and

S. 3408. An act to establish in the Library of Congress a library of musical scores and other instructional materials to further educational, vocational, and cultural opportunities in the field of music for blind persons.

BILLS PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on the following dates present to the President, for his approval, bills and joint resolutions of the House of the following titles:

On September 28, 1962:

H.R. 10. An act to encourage the establishment of voluntary pension plans by self-employed individuals;

H.R. 4333. An act to amend the act entitled "An act to provide for the registration and protection of trademarks used in commerce, to carry out the provisions of certain international conventions, and for other purposes," approved July 5, 1946, as amended;

H.R. 7326. An act for the relief of E. La Ree Smoot Carpenter;

H.R. 7708. An act for the relief of Mr. and Mrs. Gerald Beaver and Sgt. and Mrs. Cecil P. Fisher;

H.R. 8134. An act to authorize the sale of the mineral estate in certain lands;

H.R. 8205. An act to provide tax relief to the International Brotherhood of Teamsters, Chauffeurs, Warehousemen, and Helpers of America Local 863 pension fund and the contributors thereto;

H.R. 8738. An act to amend sections 1 and 5b of chapter V of the Life Insurance Act for the District of Columbia;

H.R. 8824. An act to modify the application of the personal holding company tax in the case of consumer finance companies;

H.R. 9472. An act for the relief of Janina Tekla Gruszkos.

H.R. 10022. An act to amend section 510 (a)(1), Merchant Marine Act, 1936;

H.R. 10937. An act to amend the act providing for the economic and social development in the Ryukyu Islands;

H.R. 11059. An act relating to the effective date of the qualification of Bricklayers Local 45 (Buffalo, N.Y.), pension fund as a qualified trust under section 401(a) of the Internal Revenue Code of 1954;

H.R. 11217. An act to amend section 6112 of title 10, United States Code;

H.R. 11728. An act to amend section 1206 (a) of the Merchant Marine Act, 1936, to authorize investment of the war risk insurance fund in securities of, or guaranteed by, the United States;

H.R. 12529. An act to provide for the free entry of one nuclear magnetic resonance spectrometer and one mass spectrometer for the use of the University of Illinois;

H.R. 12589. An act to amend the Smith-Lever Act of May 8, 1914, as amended.

H.R. 13067. An act to amend title VIII of the National Housing Act with respect to the authority of the Federal Housing Commissioner to pay certain real property taxes and to make payments in lieu of real property taxes;

On September 29, 1962:

H.R. 310. An act to amend title 10, United States Code, to authorize the Secretary of Defense, the Secretaries of the military departments, and the Secretary of the Treasury to settle certain claims for damage to, or loss of, property or personal injury or death, not cognizable under any other law;

H.R. 2952. An act to direct the Secretary of the Interior to convey certain public lands in the State of California to the city of Needles;

H.R. 11887. An act to provide for the conveyance of all right, title, and interest of the United States reserved or retained in certain lands heretofore conveyed to the city of El Paso, Tex.; and

H.J. Res. 897. Joint resolution making continuing appropriations for the fiscal year 1963, and for other purposes.

On October 1, 1962:

H.R. 5423. An act to amend title 10, United States Code, to authorize the Secretary of the Navy to take possession of the naval oil shale reserves, and for other purposes; and

H.J. Res. 693. Joint resolution granting the consent and approval of Congress for the State of Maryland, the Commonwealth of Virginia, and the District of Columbia to amend the Washington Metropolitan Area Transit Regulation Compact, and for other purposes.

ADJOURNMENT

Mr. ALBERT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 7 minutes p.m.) the House adjourned until tomorrow, Tuesday, October 2, 1962, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2594. A letter from the Secretary of State, transmitting a draft of a proposed bill entitled "A bill authorizing an appropriation to enable the United States to extend an invitation to the Food and Agriculture Organization (FAO) of the United Nations to hold a World Food Congress in the United States in 1963"; to the Committee on Foreign Affairs.

2595. A letter from the Comptroller General of the United States, transmitting a report on the review of postal operations relating to the experimental mail-processing plant at Providence, R.I., previously designated by the Post Office Department as "Project Turnkey"; to the Committee on Government Operations.

2596. A letter from the Deputy Administrator, General Services Administration, transmitting the report of the Archivist of the United States on records proposed for disposal under the law; to the Committee on House Administration.

2597. A letter from the Secretary of Commerce, transmitting a report of all claims paid by the Department of Commerce during fiscal year 1962, pursuant to section 404 of the Federal Tort Claims Act (28 U.S.C. 2675); to the Committee on the Judiciary.

2598. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated August 28, 1962, submitting a report, together with accompanying papers and an illustration, on a survey of Stave Island Harbor, South Gouldsboro, Maine, authorized by the River and Harbor Act, approved July 3, 1958; to the committee on Public Works.

2599. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated August 23, 1962, submitting a report, together with accompanying papers and illustrations, on a review of the report on Lamine and Blackwater Rivers, Mo., requested by a resolution of the Committee on Flood Control, House of Representatives, adopted September 18, 1944; to the Committee on Public Works.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. COOLEY: Committee on Agriculture. H.R. 13241. A bill to amend section 309 of the Food and Agriculture Act of 1962; without amendment (Rept. No. 2497). Referred to the Committee of the Whole House on the State of the Union.

Mr. BONNER: Committee on Merchant Marine and Fisheries. H.R. 9547. A bill to facilitate the application and operation of the Fish and Wildlife Act of 1956, and for other purposes; with amendment (Rept. No. 2498). Referred to the Committee of the Whole House on the State of the Union.

Mr. BONNER: Committee on Merchant Marine and Fisheries. H.R. 13176. A bill to increase the participation by counties in revenues from the national wildlife refuge system by amending the act of June 15, 1935, relating to such participation, and for other purposes; without amendment (Rept. No. 2499). Referred to the Committee of the Whole House on the State of the Union.

Mr. PATMAN: Select Committee on Small Business. Report on financing problems of small business (Rept. No. 2500). Referred to the Committee of the Whole House on the State of the Union.

Mr. THOMPSON of New Jersey: Joint Committee on Disposition of Executive Papers. House Report No. 2501. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

Mr. DELANEY: Committee on Rules. House Resolution 821. Resolution for consideration of H.R. 10569, a bill to amend title 13, United States Code, to preserve the confidential nature of copies of information filed with the Bureau of the Census on a confidential basis; without amendment (Rept. No. 2502). Referred to the House Calendar.

Mr. O'NEILL: Committee on Rules. House Resolution 822. A resolution providing that H.R. 8181 be taken from the Speaker's table and the Senate amendments considered; without amendment (Rept. No. 2503). Referred to the House Calendar.

Mr. DAVIS of Tennessee: Committee on Public Works. H.R. 13273. A bill authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes; with amendment (Rept. No. 2504). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee on Agriculture. H.R. 13188. A bill to amend the 1963 wheat provisions of the Food and Agricultural Act of 1962 to provide for adjustments in yields resulting from irrigation; with amendment (Rept. No. 2505). Referred to the Committee of the Whole House on the State of the Union.

Mr. THOMAS: Committee on Appropriations. H.R. 13290. A bill making supplemental appropriations for the fiscal year ending June 30, 1963 and for other purposes; without amendment (Rept. No. 2507). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLS: Committee of conference. H.R. 10650. A bill to amend the Internal Revenue Code of 1954 to provide a credit for investment in certain depreciable property, to eliminate certain defects and inequities, and for other purposes (Rept. No. 2508). Ordered to be printed.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WALTER: Committee on the Judiciary. S. 3600. An act for the relief of Chao Hua-Hsin; without amendment (Rept. No. 2506). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BECKWORTH:

H.R. 13280. A bill to amend the Civil Service Act of January 16, 1883, with respect to the filling of positions in the competitive civil service; to the Committee on Post Office and Civil Service.

By Mr. BETTS:

H.R. 13281. A bill to reinstate the 15-acre farm marketing quota exemption for 1963; to the Committee on Agriculture.

By Mrs. BOLTON:

H.R. 13282. A bill to amend title 18 of the United States Code to prohibit the transportation in interstate or foreign commerce, with unlawful or fraudulent intent, or counterfeit, altered, lost, stolen, wrongfully appropriated, revoked, or canceled credit cards; to the Committee on the Judiciary.

By Mr. CURTIS of Missouri:

H.R. 13283. A bill to amend the Internal Revenue Code of 1954 to allow individual taxpayers the same 2-year carryover with respect to the deduction for charitable contributions as is presently provided for corporate taxpayers; to the Committee on Ways and Means.

H.R. 13284. A bill to amend title I, X, and XIV of the Social Security Act to make individuals suffering from tuberculosis or mental illness eligible thereunder for public assistance payments (and medical assistance) on the same basis as individuals suffering from other types of illness; to the Committee on Ways and Mean.

By Mr. DINGELL:

H.R. 13285. A bill to amend the Export-Import Bank Act of 1945 to facilitate exports to areas with respect to which the United States is incurring a trade deficit; to the Committee on Banking and Currency.

By Mr. FINDLEY:

H.R. 13286. A bill to establish a corn support program for 1964; to the Committee on Agriculture.

By Mr. NYGAARD:

H.R. 13287. A bill to donate to the Devils Lake Sioux Tribe, Fort Totten Reservation, some submarginal lands of the United States, and to make such lands part of the reservation involved; to the Committee on Interior and Insular Affairs.

By Mr. THOMPSON of Texas:

H.R. 13288. A bill to authorize and direct the Secretary of the Air Force or his designee to grant an easement in public lands on Bayucos Island and Matagorda Island, Tex., to Calhoun County, Tex., for a historical site and other public use; to the Committee on Armed Services.

By Mr. BECKWORTH:

H.R. 13289. A bill to amend title 13 of the United States Code to except certain persons from the requirement of paying fees for certain census data; to the Committee on Post Office and Civil Service.

By Mr. THOMAS:

H.R. 13290. A bill making supplemental appropriations for the fiscal year ending June 30, 1963, and for other purposes.

By Mr. GALLAGHER:

H. Con. Res. 578. Concurrent resolution expressing the sense of the Congress with respect to the situation in Berlin; to the Committee on Foreign Affairs.

By Mr. HALPERN:

H. Con. Res. 579. Concurrent resolution for a study of the procedures of Congress; to the Committee on Rules.

By Mr. BRADEMAS:

H. Con. Res. 580. Concurrent resolution expressing the sense of the Congress with respect to the situation in Berlin; to the Committee on Foreign Affairs.

By Mr. PATMAN:

H. Res. 819. Resolution providing for the printing of certain proceedings in the House Committee on Banking and Currency; to the Committee on House Administration.

By Mr. WILLIAMS:

H. Res. 820. Resolution authorizing a select committee to investigate the role and conduct of the Department of Justice; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII,

The SPEAKER presented a memorial of the Legislature of the State of Florida, memorializing the President and the Congress of the United States relative to expressing to the President and to the Congress of the United States the concern of the people of Florida arising from the building up of Communist bases at the State's back door. And that it is becoming apparent that unless proper action is taken the State of Florida will suffer, and the citizens will undergo great hardships, which eventually will bear upon all the people of the United States; and requesting prompt action to take whatever measures are necessary to counteract the Communist occupation of the Cuban islands, which was referred to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CURTIN:

H.R. 13291. A bill for the relief of William H. Woodhouse; to the Committee on the Judiciary.

By Mr. FINO:

H.R. 13292. A bill for the relief of Felice Bonanno; to the Committee on the Judiciary.

H.R. 13293. A bill for the relief of Nicolo Scorsone; to the Committee on the Judiciary.

By Mr. HOSMER:

H.R. 13294. A bill for the relief of Dr. Jovita M. San Pedro Rosenblatt; to the Committee on the Judiciary.

By Mr. KARTH:

H.R. 13295. A bill for the relief of Hurley Construction Co.; to the Committee on the Judiciary.

By Mr. MARTIN of Massachusetts:

H.R. 13296. A bill for the relief of Messias Vicente DeArruda; to the Committee on the Judiciary.

H.R. 13297. A bill for the relief of Jose Clemente Pedro, to the Committee on the Judiciary.

By Mr. O'NEILL:

H.R. 13298. A bill for the relief of Hector Wong; to the Committee on the Judiciary.

By Mr. POWELL:

H.R. 13299. A bill for the relief of Carl McDonald Farrell; to the Committee on the Judiciary.

By Mr. ROONEY:

H.R. 13300. A bill for the relief of Mrs. Emilia Pucci; to the Committee on the Judiciary.

By Mr. SANTANGELO:

H.R. 13301. A bill for the relief of George Alexakis; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

The Free World Cries for U.S. Initiative: We Are Beginning to Show Some

EXTENSION OF REMARKS

OF

HON. PAUL G. ROGERS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, October 1, 1962

Mr. ROGERS of Florida. Mr. Speaker, the United States is beginning to exercise initiative and action in meeting the Cuban threat. I have been advised that use of U.S. ports will be denied to any ship engaging in Cuban commerce. This information greatly enhances the progress which has been achieved in the last several weeks, and, although the Soviets are still in Cuba, their expulsion becomes a greater possibility as the U.S. Government faces more readily the challenge presented to it. As you will recall, action is being taken for maximum defense precautions to guarantee the security of the Southeastern United States, reducing the possibility of Soviet action from the underbelly of America. In addition, hearings have just been concluded by the House Select Committee on Export Control, where the matter of free world vessels going to Cuba was given extensive investigation.

These developments are gratifying to the American people and the will of this Nation that Cuba be dealt with realistically is beginning to receive proper interpretation and executive action. A democracy sometimes weaves a slow and tortuous course and it must be emphasized at this point that the action now beginning to occur is due in large part to the Congress of the United States.

On September 12, I took the floor of the House to urge seven specific steps for unilateral action against the Russian buildup in Cuba. Just prior to that, I introduced a resolution reaffirming the principles of the Monroe Doctrine and groundwork was laid for unilateral action with the passage of Senate Joint Resolution 230, the final congressional declaration of support for unilateral action included in the seven points which I urged were:

First. Air and surface military exercises in international waters off Cuba with warnings to world shipping that such exercises are taking place.

Second. Alert the U.S. Armed Forces to exercise maximum defense of the southeastern United States. The Congress, through its Committee on Armed Services, has called for such action by the Defense Department.

Third. The barring of U.S. ports to any ship which traffics with Cuba. Official action within the executive has been announced today on this point. Hopefully, there will be no qualifications to the cargoes these vessels carry to Cuba but it will apply instead to the simple fact that they trade with Cuba.

Fourth. The Congress precipitated the ban on allied shipping to Cuba by the investigation which I urged on September 20 into the subject of allied shipping to Cuba. Hearings held by the House Select Committee on Export Control contributed greatly in making the facts known to the American people. Allied cooperation has already begun, and West German, Turkish and Norwegian shipping no longer engage in the heavy Cuban trading.

Mr. Speaker, we are beginning to act. With decisive action by the United States, our cold war strategy will be given new life and America will achieve true results in the cold war. The free world cries for U.S. initiative. We are beginning to show some.

Establishing a Permanent Commission on National Policy for Senior Citizens

EXTENSION OF REMARKS

OF

HON. ALEXANDER WILEY

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Monday, October 1, 1962

Mr. WILEY. Mr. President, the Nation, and rightly so, is devoting considerable thought and work to better meeting the needs of over-65 citizens.

A great many of these folks, during their productive lifetimes, have not had opportunity to lay away a nest egg for retirement.

As a result, there is a great need for developing realistic programs to fulfill the special social-economic needs of their lives.

In a weekend broadcast over Wisconsin radio stations, I was privileged to discuss fundamental approaches in dealing with the problems in this field. I ask unanimous consent to have excerpts of my address and a supplementary statement printed in the RECORD.

There being no objection, the excerpts and supplemental statement were ordered to be printed in the RECORD, as follows:

Nationally, there are 17 million individuals over 65—including over 400,000 in Wisconsin. This represents a great economic and political force in our national life. As well, they possess a great reservoir of knowledge and experience.

Unfortunately, a great many older folks—after completing their productive years—find themselves: In serious economic straits, existing in poor housing, suffering from malnutrition and poverty, relegated to uselessness and isolation; and often literally rejected by society.

The Nation, I believe, has a moral responsibility—as well as an economic opportunity—to design more realistic programs to brighten the outlook for these folks.

Briefly now, I would like to review some recommendations which if adopted would—I believe—help to provide a more realstic foundation for an improved senior citizen program.

HOUSING

First, let's take a look at housing. According to recent studies about 45 percent of folks over 65 need better housing. Now, what can be done?

Speed action to put into effect legislation (fortunately approved by both the Senate and the House of Representatives), which I supported, to provide $200 million in loans to improve both urban and rural housing for the elderly. This will provide opportunity for greater efforts by churches and philanthropic organizations to construct low-cost housing for the aging. Across the Nation, there are about 200 such projects—including several in Wisconsin at Madison, Milwaukee, Oconomowoc, Waupaca, White Water, West Allis, and Woodville.

Also, it could, and should, encourage expansion of country village retirement projects along Wisconsin's lakes, streams, woodlands and other scenic, away-from-the-city communities. This would: Provide homes in natural surroundings; decentralize the overclogging of our cities (too often characterized by rundown tenament-type living quarters); be a source of income, to stimulate economic life in such communities.

MEDICAL CARE

We need also to create a more realistic medical-personal care program, as required, with a proportionate sharing of the responsibility by Federal, State, and local governments, as well as by citizens.

In the past, I have voted for such legislation. Unfortunately, this has become highly controversial. For the future, the States should, I believe, speak out—for example, through their legislatures—on the kind of program they want for our senior citizens.

COMMISSION ON NATIONAL POLICY FOR SENIOR CITIZENS

In the past, the Nation's approach to meeting their needs has been fragmented, piecemeal, haphazard, and without real direction and goal.

Therefore, I am recommending the establishment of a permanent Commission on National Policy for Senior Citizens. The Commission would be a nonpolitical body established to evaluate—and make recommendations for meeting—the special problems facing our senior citizens. The responsibilities would include making recommendations on: Housing—the need for improved retirement benefits under various programs, particularly resulting from rising costs of living; projects for mature folks, enriched by years of experience, to continue to serve communities in advisory, if not active, capacities; meeting their medical and personal needs; maintaining living standards of decency and dignity; establishing proportionate responsibilities of Federal, State, and local government, as well as individual and corporate citizens, in meeting the needs of the aged; and generally, to improve the outlook for senior citizens.

I shall recommend this and be happy to support such legislation in the next session of Congress.

SUPPLEMENTAL STATEMENT

Fundamentally, there is a need to solve the pre-65—as well as over-65—problems of our maturing citizens.

If accomplished, this would head off many after-65 problems. This requires, I believe, a dual approach, including more effective efforts toward: Ending job discrimination against older workers; special training for older, displaced workers; making more flexible the existing mandatory retirement at a specific age; exploring for ways to maintain income for older citizens; establishing foster homes for older men and women without families; expanding libraries for the elderly; citizenship and voting registration drives among the elderly; utilizing mature citizens in advisory positions—either in their chosen professions, or in civic needs of the community; and stepping up research on all phases and problems of aging, including economic, social, recreational, educational, physical, intellectual, and spiritual needs.

The objective of a creative program should be not just to provide for idle waste of later years; but rather, for using the vast reservoir of experience and know-how that these individuals have acquired through their working, productive lifetimes.

Private Enterprise Foreign Aid: A Proposal of Congressman Findley

EXTENSION OF REMARKS

OF

HON. THOMAS B. CURTIS

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, October 1, 1962

Mr. CURTIS of Missouri. Mr. Speaker, one of the most respected and hardest working of this Congress freshmen is the gentleman from Illinois [Mr. FINDLEY]. His sound thinking and effective efforts have marked him as a young man of great promise in Washington. In a recent speech the gentleman offered a proposal to put greater emphasis on private enterprise in our foreign-aid program by giving our private businesses a greater role to play in this program. America has grown great under the principles of private enterprise, and it is this success which the nations we aid wish to share.

Speaking before the second annual agri-business symposium at Purdue University in Lafayette, Ind., FINDLEY outlined three basic objectives for his foreign-aid private enterprise project.

First. Inform underdeveloped countries about the private enterprise system—what it is, what it has achieved, what makes it tick—by means of lectures, fairs, seminars, literature, and text materials.

Second. Arrange exchanges of personnel at various levels to promote understanding and to develop techniques and know-how.

Third. Establish within American business and industrial enterprises schools which business leaders in underdeveloped countries can attend at little or no cost.

In connection with this project FINDLEY told the symposium audience of a proposed bill to allow business expense deductions for amounts spent by corporations to move this forward.

In his speech the gentleman put forth forcefully the need for such a project and I am placing a part of his speech in the RECORD to spell out this idea and its rationale more fully:

Too often, we have permitted the fruits of U.S. private enterprise, in the form of foreign-aid dollars, to be used for experiments in socialism—experiments which have no chance of success.

The real success story of American private enterprise is little known around the world. Khrushchev is doing his best to make capitalism a dirty word. We are not doing enough to defend it—or to help our neighbors abroad discover the progress which can flow from our free economic system.

Underdeveloped countries desperately need the tools of private enterprise so they can build their own solid road to progress. This means know-how in marketplace operations.

Unfortunately our foreign aid is dispensed by career State Department bureaucrats who have never had business experience. They have neither knowledge of the private enterprise system, nor confidence in it. Most of them have been in Government all their adult lives and think only in terms of Government action.

If this new-type foreign aid is to succeed, it must be free of Government domination. It must be financed, directed and carried out by businessmen. Let the State Department arrange the visas and then keep hands off.

A Prayer for the Launching of a Ship

EXTENSION OF REMARKS

OF

HON. HERBERT C. BONNER

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, October 1, 1962

Mr. BONNER. Mr. Speaker, some 2 weeks ago, in an address before the Propeller Club, port of Baltimore, Md., I discussed the subject of national seapower—an indispensable adjunct to our economy and our defense posture.

I discussed our shortcomings and our needs, and my belief in the importance of striving toward maritime goals which are inherent to the realization of our national destiny.

I quoted glowing words which show, in a light that the cold figures of an accountant's balance sheet or profit and loss statement cannot show, that there is a factor that guides, and aids, and supports us before the face of the world above all others.

I quoted the words of Henry Ward Beecher concerning the viewing of a nation's flag, and I here quote again:

A thoughtful mind when it sees a nation's flag, sees not the flag, but the nation itself. And whatever may be its symbols, its insignia, he reads chiefly in the flag, the government, the principles, the truths, the history that belong to the nation that sets it forth. The American flag has been a symbol of liberty, and men rejoiced in it.

Mr. Speaker, our flag, any nation's flag, is a soul-stirring symbol of national pride and national objectives. This is why it is so prominently considered in the law and the lore of the sea that covers three-quarters of the earth's surface and provides the indispensable avenues of communication and commerce among the peoples of the world.

But beyond the flag and its national symbolism there is the higher sentiment of the spirituality of a people. Men of all the ages have sensed the pervasive spirit of the Almighty, by whatever name He was given, as they have gone about their seaborne adventures. In the face of the violent uncertainties of the elements His benediction has been sought from the beginning to the end of the life of a ship engaged upon "business in great waters" whether for pleasure, for profit, for the transportation of people and cargo, or for the catching of fish.

Earliest history records the offering of human sacrifice with religious dedication upon the launching of a ship. Today we have a remnant of the sacrificial ceremony in the practice of launchings by lovely ladies smashing a bottle of wine on the bow of a new ship as the ship breaks from her earthly bounds to glide to her natural element.

Today, we still celebrate the solemnities of religious dedication in recognition of that great Life Force that rules us all.

Some 10 days ago a magnificent new American ship was launched in Pascagoula, Miss., in one of our splendid and efficient shipyards, Ingalls Shipbuilding Corp.

I regret I could not be present because of business in the House on the day I would have had to leave.

But I have since read the inspired invocation rendered by the Venerable John J. Hawkins, archdeacon of Fairfield, Conn., and rector of Saint Paul's Episcopal Church, Riverside, Conn. It is evident that Reverend Hawkins felt the import of his function in the ceremony—as he thought of the mission of this new vessel to serve as a connecting link between our country and the newly emerging areas of Africa to be served by the vessel's owners, Farrell Lines.

Reverend Hawkins had never attended a launching before. I do not know what he might have planned to say before he left Connecticut. But when his turn came on the launching stand just before the thrilling ceremony of the naming of the ship *African Neptune*, I know that the remarks that he made from scribbled notes on the back of an envelope came deeply from within.

I ask leave to include in the Record the invocation presented by the Venerable John J. Hawkins at the launching of the *African Neptune* at Pascagoula, Miss., on September 15, 1962:

A Prayer for the Launching of a Ship

O Almighty and Eternal God, who alone spreadest out the heavens, and rulest the raging of the sea; we commend to Thy Almighty protection this ship, *African Neptune*, now to be launched upon the great deep.

Bless, preserve and guard her, wherever she may go, from the dangers of the sea, from the violence of enemies, and from every evil and hazard to which she may be exposed.

Grant that she may bring honor to our country, honest profit to her owners, and mutual benefit to all the people of the many nations and races to whom she may bear her cargoes.

O, Father of all, bless her designers, and all who shared in any way in her construction. Above all, guard and keep her master and officers, her crew and all who sail in her. Conduct them in continued safety to the haven where they would be, with a grateful sense of Thy mercies; all of which we humbly ask through Jesus Christ, our Lord. Amen.

Independence Day of the Republic of Guinea

EXTENSION OF REMARKS

OF

HON. ADAM C. POWELL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, October 1, 1962

Mr. POWELL. Mr. Speaker, we take this opportunity to send warm felicitations to His Excellency the President of the Republic of Guinea, Sekou Touré; and His Excellency, the Ambassador of the Republic of Guinea to the United States, Dr. Seydou Conte, on the occasion of the fourth anniversary of Guinea's independence.

The small Republic of Guinea is one of the new states of southwest Africa. It was constituted in 1958, and since then has enjoyed its sovereign and independent status. The sturdy native people of the country total almost 3 million, and with their country were part of France's huge African empire, living under French domination for more than 100 years. At the end of the last war France's rule over the area was relaxed considerably. For a dozen years (1946–58) Guinea was part of the French community comprising France's oversea possessions. Then in September 1958, in a referendum the people of Guinea decided by an overwhelming majority to secede from the French community. A few days later, on October 2, Guinea was proclaimed an independent republic. Thus was born this new state in southwest Africa. As of now its sovereignty is absolute and complete, but in their Constitution the people of Guinea voluntarily provided for the renunciation, or definite curtailment, of their sovereignty in favor of African unity, and this principle has found expression in subsequent agreements signed with Ghana and Mali.

Since its birth 4 years ago the Republic of Guinea has had its ups and downs. Its dominating and aggressive President and Prime Minister Sekou Touré has often been caught between the East-West diplomacy. It seemed that for a while there was too much flirting between the leaders of Guinea and Moscow, and this was looked upon with open disapproval by free world leaders. But Sekou Touré proved he was no one's satellite when he had a Russian mission kicked out of Guinea for interfering in internal affairs. President Touré has sought the financial and technical aid he needs in any and all countries. Many still regard him as the enigmatic, though quite the energetic leader of his people, who are struggling hard to pull themselves up by their bootstraps and live happily in their homeland. On the fourth anniversary of their independence day we wish more power to them in all their worthy endeavors.

The Consecration of the Right Reverend Albert A. Chambers

EXTENSION OF REMARKS

OF

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, October 1, 1962

Mr. FINDLEY. Mr. Speaker, today in Springfield, Ill., the Reverend Canon Edward N. West, canon sacrist of the Cathedral of St. John the Divine, New York City, will narrate the radio and television presentations of the consecration of the Right Reverend Albert A. Chambers in St. Paul's Cathedral in Springfield.

Canon West is a man of national prominence. He is a personal friend of Bishop-Elect Chambers and has narrated the radio and television broadcasts of several consecrations of Episcopal bishops as well as the network broadcasts and telecasts of Christmas and Easter services from the New York cathedral.

Canon West was the select preacher at the University of Dublin, 1952, honorary chaplain to the Archbishop of Canterbury at the opening of the 1948 Lambeth Conference and master of ceremonies at the Anglican Congress of 1954. He has participated in numerous radio and television panels, and has frequently broadcast lectures.

A native of Boston, Mass., Canon West is a graduate of Boston University and the General Theological Seminary, and is a distinguished author, artist, architect, and lecturer, as well as a priest of the Episcopal Church.

He is an honorary associate of the American Guild of Organists, and has been their national chaplain; chaplain (major), 11th Internal Security Battalion, New York Guard, and vice chairman of the Joint Commission on Church Architecture and the Allied Arts. He has designed chapels for the Royal Navy, the American merchant marine, and the U.S. Military Academy at West Point, and the iconostasis of the Serbian Cathedral in New York City.

Canon West has been decorated by the Netherlands, Great Britain, France, Japan, and the United States, and his ecclesiastical honors include the Grand Cross of St. Joanikije, given by the Serbian Patriarchate; Grand Officer of the Greek Order of St. Dennis of Zante; Archpriest's Crosses given by the Russian Orthodox Church and the Patriarchate of Jerusalem, and the Medal of Merit of the Order of St. Gregory the Illuminator, given by the Patriarchate of all Armenians.

He has been a lecturer at the General Theological Seminary, Episcopal Theological School, and New York University.

Mr. Speaker, I join the many friends of Bishop-elect Chambers in extending to him the appreciation of us all for the service given in the past, and for the spiritual guidance he has provided and will continue to provide to the people of west-central Illinois.

Congressman Pike Reports on 2d Session, 87th Congress

EXTENSION OF REMARKS

OF

HON. OTIS G. PIKE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, October 1, 1962

Mr. PIKE. Mr. Speaker, I would like to take this opportunity to report, through the medium of the CONGRESSIONAL RECORD, to my constituents in Suffolk County on my record as their Representative during the 1962 session of this, the 87th Congress of the United States of America.

I could not, with a straight face, tell my constituents that this was the greatest session of Congress in the history of our Nation, nor label it "great" at all. I am prepared to defend the proposition, however, that it was a good session; that it accurately reflected the mood of our citizens, and was responsive to the needs and wishes of our people in both domestic and foreign affairs. It was a Congress of great changes and contrasts.

When the House convened on January 10, 1962, it was in an atmosphere saddened by the death of Speaker Sam Rayburn. The House quickly elected one of his most loyal and trusted friends, JOHN B. MCCORMACK, as Speaker.

The atmosphere of economic crisis which had marked our convening in 1961 had disappeared. The 1960 recession was over, employment and profits were both up, and Congress was in a more conservative mood.

As its first piece of business the House enacted a bill providing for the construction of college academic facilities, but because the Senate passed an amended education bill far more liberal than the House would accept, the compromise version was defeated, and no aid to education bill at all was passed by Congress this year.

Among the contrasts and changes so obvious in Washington this year was the ease with which some parts of the administration's program passed, and the difficulty encountered by other parts. This trend became obvious as early as February. The Manpower Development and Training Act, designed to teach new skills to workers in areas of chronic unemployment, passed by a vote of 354 to 62, but only a week earlier the move to create a new Department of Urban Affairs was blocked by a vote of 264 to 150.

This Congress made the highest peacetime appropriations in the Nation's history for national defense, but not one vote was cast against it. The tax bill, on the other hand, designed both to raise some increased revenue and to give a credit to business for new capital improvements, just squeaked through the House by a 219 to 196 vote and was completely gutted by the Senate before being passed in a vastly different form.

Another strange contrast was the vote on the Peace Corps. In 1961 the Peace Corps was a very passionate issue, but so well has it proved itself that in April a vote to double its size was passed by a count of 317 to 70.

The physical operation of the Congress itself was a study in contrasts this year. Starting at a fast pace with a great many committee meetings and hearings in January and February, the Congress considered 12 major bills in the month of March and 10 in April. In May, however, the legislative machinery seemed to run out of gas and creak to a halt. Only five record votes were held in the entire month of May and newspapers and columnists all over the country started asking "What is the matter with Congress?"

By midsummer Congress was going at a fast clip again, and in September 20 major votes were held. Those who had labeled it a "do-nothing Congress" in June, were obliged to admit by October that it had, in fact, done quite a few things. Rowland Evans, Jr., Washington staff correspondent for the New York Herald Tribune, said this on October 1:

> The 87th Congress has approved or seems to be on the point of approving an unusual number of important programs, including the Peace Corps, the unprecedented grant of new tariff-cutting powers for the President, a tax bill giving business a $1 billion tax writeoff against investment in new plants and equipment, a bill giving Federal aid to depressed areas (twice vetoed in somewhat similar form by former President Eisenhower), an increase in the minimum wage, a farm bill putting rigid restrictions on the planting of feed grains and wheat, a new water project called Fryingpan-Arkansas, a bill giving Federal aid to educational TV stations, a measure tightening up Federal standards on new drugs, a $900 million emergency public works bill, and a constitutional amendment abolishing the poll tax.
>
> The 87th Congress also started an expanded program of aid for Latin America, called the Alliance for Progress; established a new disarmament agency; substantially increased the military budget on the force level; voted billions for new space projects; approved an unprecedented $100 million for loans to the U.N.; and, before adjournment, will increase the cost of postage stamps.

The New York Herald Tribune is not notorious among newspapers as one of the administration's strongest supporters. Mr. Evans pointed out the defeat of all education bills, the Department of Urban Affairs, and the proposal for medical care for the aging as administration defeats. They were, and major ones. The fact remains, however, that most Congressmen feel as I do—that they are not there simply to say "yes" to everything the President proposes—or "no" if in the opposition. The President asked Congress for a tremendous amount of legislation. For example, President Eisenhower, in his first 2 years in office, asked for approximately 65 major pieces of legislation. President Kennedy, in the same period, asked for about 110. President Eisenhower got 30 of his 65; President Kennedy 65 of his 110.

In addition to the legislation mentioned above, there were other bills not so vital to the Nation as a whole, but still important to substantial groups of people on eastern Long Island. There was a bill, for example, which required television sets manufactured in the future to be able to receive more channels. It does not sound like much, but it meant that the residents of the tip of Long Island have two television stations rather than one to watch for entertainment. They are too far out for New York City stations, and the only stations within their range are channel 8 in New Haven and channel 3 in Hartford. Had this law not been passed, channel 3 was to be converted to an educational TV station.

Another new law of some local interest is one which allows oyster growers to be included under the loan provisions of the Farmers Home Administration.

There are some laws of interest only to a very few persons in the district. These are called private bills. Most of these applied to immigration matters, but there was one which applied to a boat. On these private bills my batting average was pretty good. I introduced nine such bills and withdrew one when I learned that the people who asked for the legislation had not told me the truth. Of the remaining eight, five were passed by Congress and signed by the President; two are still pending but will have to be reintroduced in the next session; and only one was turned down in committee.

These bills certainly are not of earth-shaking importance, but it does seem to me to be a wonderful thing when the legislative body of a Nation of 180 million people will take the time to hold hearings on a law to bring an elderly parent into this country from Poland, or a young child from Italy. It is one of the great attributes of a democracy, however, that it cares about the fate of individual human beings.

The Congress continues to be run by the moderates, and the moderates continue to examine each proposal on its merits, and then to vote according to their own best judgment of whether the proposed law will be good for their own districts and for the Nation. I try to be among the moderates.

While legislation provides a record for all to see, the great bulk of the job is still behind the scenes. My own Armed Services Committee was tremendously busy this year going over the reasons behind and justifications for the record-breaking appropriations for aircraft, missiles, and naval vessels. The subcommittee of which I am a member conducted lengthy hearings on the Reserve callup of 1961 and the state of readiness of our Reserves generally. The report which it issued after those hearings was comprehensive and will have a great effect on future Reserve policies.

In the 2-year session of the 87th Congress our offices in Washington and Riverhead received almost exactly 50,000 communications by letter or telegram from our almost exactly 1 million constituents in Suffolk and Nassau Counties. How many phone calls we received I have no idea. The communications ranged from a tremendous flood when it appeared that Republic Aviation Corp. would have mass layoffs, to requests from individual widows for help in finding lost social security checks.

Some requests we can help in—Republic has more workers than it had a year ago—and a man in Medford knows how to obtain a live buffalo—and some we cannot—we cannot find 1,500 hotel rooms overnight—we do not have facilities for crating and shipping bicycles to Long Island—but the endless variety of the requests keeps me and my staff of five full-time secretaries and two part-time assistants jumping.

As this 1962 session—the longest peacetime session since 1949—draws to a close, the same cold war is still upon us, and a shooting war seems to be more of a possibility than it was. Cuba is a more acute problem than it was in January 1961. On the other hand, the Communist world has its own troubles. Red Chinese and Indian troops are killing each other in border clashes. Russia has been asked to close three consulates in Red China, and the differences between those two countries are becoming greater rather than less. We approach the year 1963 with our economy in better shape than it was in January 1961, with fewer unemployed, and with corporate profits higher. We approach it with a vastly strengthened military position. We approach it determined to excel in science and in space.

These have been 2 momentous years. I have deeply appreciated the honor of representing the First Congressional District of the State of New York in Washington during these 2 momentous years. I have tried to show this appreciation by giving all of my energy and all of my time to the job. In 103 votes so far this year, I have missed only 1; in 219 votes to date in the 2-year session, I have been present and voting 218 times. While my views on all of these issues may not please all of my constituents, I hope they will tell me their feelings about the following record:

Date	Issue	Otis G. Pike vote	Total vote	
			Yea	Nay
Jan. 10, 1962	Election of Speaker:			
	McCormack	Yea	248	
	Halleck		166	
Jan. 30, 1962	$1,500,000,000 program for construction of college academic facilities	Yea	319	80
Feb. 5, 1962	Acquire additional land and motel at Grand Canyon National Park	Nay	202	136
Feb. 6, 1962	Authorize additional Assistant Secretary of Commerce for Scientific and Technical Programs	Yea	231	169
Feb. 20, 1962	Increase national debt ceiling by $2,000,000,000	Nay	251	194
Feb. 21, 1962	Resolution blocking creation of Department of Urban Affairs	Nay	264	150
Feb. 28, 1962	Manpower Development and Training Act of 1962	Yea	354	62
Mar. 7, 1962	Authorize $25,000,000 matching grant program for educational TV	Yea	338	68
Mar. 15, 1962	Tighten controls over welfare and pension plans	Yea	284	106
Do	Motion to recommit public welfare amendments to limit amounts to be paid	Yea	155	232
Do	Final passage of welfare amendments designed to aid rehabilitation	Yea	319	69
Mar. 21, 1962	Authorize appropriation of $13,000,000,000 for purchase of aircraft, missiles, and ships	Yea	403	0
Mar. 27, 1962	Motion to recommit—kill—appropriation of $5,000,000,000 for Department of Labor, HEW, and related agencies in fiscal 1963.	Nay	24	372
Mar. 29, 1962	Motion to recommit tax bill to remove withholding of tax on dividends and interest	Yea	190	225
Do	Passage of tax bill providing withholding of tax on dividends and interest	Nay	219	196
Apr. 2, 1962	Increase compensation payments to veterans with service-connected disabilities	Yea	346	0
Apr. 3, 1962	Authorize $63,000,000 to expand Peace Corps	Yea	317	70
Apr. 4, 1962	Limit U.S. contribution to U.N. Congo operation	Nay	153	235
Apr. 5, 1962	Pay New York City for extra police protection required by U.N. Assembly	Yea	207	153
Apr. 10, 1962	Authorize President to regulate textile imports	Yea	312	81
Apr. 11, 1962	Prohibit Congressmen from mailing free mail addressed only to "Occupant" or "Boxholder"	Yea	192	107
Apr. 18, 1962	Appropriate $48,000,000,000 to Department of Defense	Yea	388	0
May 2, 1962	Require future TV sets to receive 70 ultra-high-frequency channels in addition to present 12 very high frequency channels	Yea	279	90
May 3, 1962	Establish private corporation to create and operate communications satellite system	Yea	354	9
May 9, 1962	Pay Philippine Islands an additional $73,000,000 for World War II damages	Nay	171	201
May 23, 1962	Authorize $3,700,000,000 appropriation for National Aeronautics and Space Administration in fiscal 1963	Yea	343	0
June 7, 1962	Tighten controls over negotiated defense contracts	Yea	362	0
June 14, 1962	Increase national debt ceiling	Nay	211	192
June 19, 1962	Extend Sugar Quota Act	Yea	319	72
June 21, 1962	Recommit—kill—farm bill	Yea	215	205
June 25, 1962	Extend Defense Production Act	Yea	328	0
Do	Extend and Amend Export Control Act	Yea	339	0
June 28, 1962	Trade Expansion Act of 1962	Yea	298	125
June 29, 1962	Ban interstate shipment of gambling machines	Yea	348	1
Do	Give Federal Aviation Agency more control over nonscheduled airlines	Yea	337	0
July 2, 1962	Extend subsidy of American shipbuilding industry	Yea	293	5
Do	Increased funds for administration of Pacific Trust Territories	Yea	281	14
July 12, 1962	Foreign aid authorization bill	Yea	250	164
July 17, 1962	Prohibit sale of waste steam at Hanford atomic plant to local public utilities companies for electric generating plant	Nay	232	168
July 18, 1962	Give Justice Department subpena power in civil antitrust suits. Motion to recommit—kill	Nay	202	200
July 19, 1962	Farm bill extending price support on wheat and feed grains	Nay	229	163
July 20, 1962	Appropriation for State, Justice, and Commerce Departments and Civil Rights Commission	Yea	266	86
July 25, 1962	Agriculture Department appropriation including price supports	Nay	346	41
July 26, 1962	Build $3,500,000 dam at Mann Creek, Idaho	Nay	199	162
Aug. 1, 1962	Appropriation bill for 23 executive agencies and independent offices, including Veterans' Administration and National Aeronautics and Space Administration.	Yea	369	12
Do	Build $6,290,000 dam at Baker Valley, Oreg	Nay	200	182
Aug. 8, 1962	Give monetary award to winner of National Medal of Science	Yea	198	177
Do	Compensate U.S. citizens for certain World War II property losses	Yea	354	15
Aug. 27, 1962	Amend U.S. Constitution to abolish poll tax in Federal elections	Yea	295	86
Do	Provide additional loan funds for housing for the elderly in urban and rural areas	Yea	367	6
Aug. 29, 1962	Motion to recommit—kill—Public Works Acceleration Act	Nay	192	221
Sept. 13, 1962	Establish 80-mile Padre Island National Seashore	Yea	258	87
Sept. 14, 1962	Authorize purchase of U.N. bonds up to $100,000,000	Yea	257	134
Sept. 18, 1962	Motion to consider bill to enlarge boundaries of Virgin Islands National Park	Absent	270	5
Sept. 19, 1962	Tighten security procedures in National Security Agency	Yea	352	23
Do	Tighten security procedures in defense contracting industries	Yea	247	132
Do	Build $1,600,000 peanut research laboratory in Georgia	Nay	143	222
Sept. 20, 1962	$3,600,000,000 foreign aid appropriation bill	Yea	249	144
Sept. 24, 1962	Allow President discretion to call 150,000 Reserves during recess of Congress	Yea	342	13
Sept. 25, 1962	Allow self-employed business, professional, and farm operators to establish retirement plans on semi-tax-exempt basis	Yea	361	0
Sept. 26, 1962	Resolution expressing will of Congress on Cuba	Yea	384	7

With Liberty and Justice for All

EXTENSION OF REMARKS

OF

HON. WALTER H. JUDD

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, October 1, 1962

Mr. JUDD. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address I gave at a rally on September 23, 1962, in Minneapolis, commemorating the 100th anniversary of Abraham Lincoln signing of the Emancipation Proclamation:

ADDRESS BY HON. WALTER H. JUDD AT EMANCIPATION RALLY, MINNEAPOLIS, MINN., SEPTEMBER 23, 1962

It is appropriate and a privilege to pay tribute to Abraham Lincoln on this 100th anniversary of his issuance of the Emancipation Proclamation. It was contended by some at that time that it was legally wrong—depriving citizens of property without due process of law. But it was morally right, and morally necessary. Lincoln put first obligations first—those to man. He cut through the fog by proclaiming an end to the institution of slavery itself. Human beings were not property. No longer were they to be owned, bought and sold like work animals.

No people has ever made greater progress than Negroes have in America these 100 years, whenever and wherever given the same opportunity as other Americans. But many have not been permitted to enjoy full citizenship, including at the polls, in schools, in jobs, in travel, in owning property.

Not until the last decade has there been substantial progress in the thinking of the country and in the actions of its Government to match the progress of the Negro. The most significant steps were, first, administrative actions in the fifties to end segregation in the Armed Forces, Federal institutions, the District of Columbia, interstate trains and buses; second, the Supreme Court decision of 1954 outlawing segregation in schools; and third, the passage of the Civil Rights Act of 1957. Gradually more and better jobs in most fields have opened up and appointments to higher positions in government have been made.

But such outrages as the burning of churches and attempts to exclude qualified Negroes from universities, continue. The recent sending to some northern States of persons called "reverse freedom riders" but really political refugees, underlines tragically how far we still have to go to change the attitudes and institutions that are based on prejudice and tradition. The Federal Government cannot force people to change their thinking, but it can and should compel changes in their actions.

When groups in certain States started the "reverse freedom rider" gimmick, designed to embarrass people in nonsegregation States at the expense of innocent Negroes, I asked the Justice Department and our congressional legal counsel how this traffic in human beings could be stopped. They reported there is no legislation to prevent it. So on September 14, 1962, I introduced a bill, H.R. 13141, to correct this omission. The bill makes it unlawful, makes it a felony, to furnish transportation to unemployed persons and members of their families in order to cause them to move to another State, unless they have a binding contract providing employment for 6 months or a sum of $1,800, plus funds sufficient to return to their original place of residence.

I was shocked to find that the only law we now have in this field is the White Slave Traffic Act. My bill changes it to the Traffic in Humans Act and expands its authority to do just that: forbid all traffic in human beings, for whatever purpose, with stiff penalties for violations.

The same bill was introduced by Congressman ABRAHAM J. MULTER, of New York. We realize we probably cannot get action upon it this late in the present session. But we will introduce it in the next session and press for hearings, consideration, and action until we get them.

The Emancipation Proclamation emancipated the Negro from his status as a slave and as property. The time has come to complete his emancipation. He must be freed now from persecution, discrimination, oppression, or any exploitation that denies him full equality of status as a human being and as an American citizen.

America must do this out of justice to the Negro. It must also do it out of concern for itself. Our whole system of life and government is under attack today all around the world. Race discrimination is still the weakest spot in America's armor. Until it is ended, other peoples will continue to say to us, "What your country does behind you, sounds so loud in our ears that we cannot hear what you say." America cannot afford race discrimination.

This hundredth anniversary is also a good time for everyone in America to stop thinking of our Negro population as a problem and start thinking of them as a great resource, still largely unused. We need to realize that the United States is the second largest Negro country in the world. In addition to millions of good workers, there are thousands of highly trained, competent Negro leaders, with love and loyalty for the country of their birth, and appreciation of the advantages it affords despite the frustrating difficulties in gaining full equality. These leaders are better able to tell the story of free America, its strengths and its shortcomings, than most white citizens. What wouldn't the Soviet Union give to have such an asset as it strives to influence peoples all around the world in favor of its system.

Under three Presidents I have urged our State Department and those administering our foreign aid program to use far more Negroes in our agencies and programs abroad—not just in Africa, but among all other peoples in all continents. No one can represent our country more effectively or convincingly.

Negroes, like all persons, want first of all to be free. But as soon as they are free, they, like all persons, want to belong, to be recognized and have importance, to be needed, to participate, to be able to contribute. All human beings want to be apart; and at the same time to be a part of. Let us work together to achieve this high goal of full participation in our national life by all citizens. Let us rejoice at the emancipation already achieved and resolve to carry it on to completion. Let us take as our great cause in both domestic and foreign policy what we so often say in the Pledge of Allegiance to our flag: "With liberty and justice for all."

Why Distinguished Educators Favor Voluntary Unionism

EXTENSION OF REMARKS

OF

HON. PHIL M. LANDRUM

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, October 1, 1962

Mr. LANDRUM. Mr. Speaker, one of the great problems confronting the American working men and women today is the question of compulsory union membership. In a compendium published by the chamber of commerce, "Why Distinguished Educators Favor Voluntary Unionism," Hon. Robert Stephens, Congressman from Georgia's 10th District, Prof. James W. Wiggins, of Emory University in Atlanta, Ga.; and Dr. Noah Longdale, president of Georgia State College in Atlanta, Ga., present their views on this important question and I trust that all Members will take advantage of the opportunity to read and consider the opinions of these distinguished men.

The articles referred to are as follows:

UNIONS FAVOR RIGHT TO VOTE, BUT NOT ON RIGHT TO WORK

(By ROBERT G. STEPHENS, JR., House of Representatives, Congress of the United States)

(NOTE.—Before his election to Congress from Georgia's 10th District, Representative STEPHENS was an educator and attorney in Athens, Ga. Upon his graduation from the University of Georgia in 1935, he was selected for an exchange student scholarship at the University of Hamburg, Germany. He returned to the University of Georgia to teach history and political science. By the time World War II began, he had earned both a master of arts and a bachelor of laws degree. In the Army during the war, his final assignment was as a member of the legal staff of Supreme Court Justice Jackson at the Nuremberg trials. For a time after the war, he returned to the University of Georgia faculty, until his election in 1947 as city attorney of Athens. Representative STEPHENS is descended from a family long identified with political life in Georgia. Among his ancestors is Alexander Hamilton Stephens, vice president of the Confederacy, a U.S. Congressman after the Civil War, and the Governor of Georgia at the time of his death.)

Our ancestors bequeathed to us a magnificent heritage in the belief that we have certain inalienable rights, among which are "life, liberty, and pursuit of happiness." As charity is the greatest among faith and hope, so liberty is the greatest among life and happiness.

Liberty encompasses the freedom of choice and the latter includes the right to choose the employment in which one shall engage. Laws or agreements which restrict the freedom of choice thus restrict liberty and deprive a person of the most important of his inalienable rights.

Patriots of the era of the American Revolution would have shrieked with indignation against any action which said that a man could not work unless he sacrificed his rights to choose whether he would belong to a labor union or not. True patriots should shriek today.

Voltaire, French writer and critic of the 18th century, whose mind and tongue gave shape to the pent-up passions of the American sons of liberty, said he might violently object to what another said but that he would fight to the death for his right to say it. This expresses exactly my conviction regarding the right to work unless membership in a union is held. I violently object to agreements which require a person to join a union or lose his job, but I will fight to the death for his right to join a labor union of his own free will.

Compulsory unionism is not possible in my State. The Georgia Legislature in 1947 enacted a statute against compulsory union membership. Georgia along with Texas, Tennessee, North Carolina, and Virginia joined the ranks of the right-to-work States in 1947. Only Arizona, Florida, Arkansas, and Nebraska preceded us. Since that time, the total of States where the freedom to work is protected has risen to 19.

A right-to-work statute is not antiunion nor designed to destroy organized labor. It really is a statute designed to protect the rank and file dues-paying union member from officials who become dictators.

Where the workingman has the legal right to quit a labor organization if he wishes, these unions will begin to police themselves in order to remain legitimate agents for collective bargaining.

I always have regarded the tremendous opposition to voluntary union membership by union officers as a paradox. Unions proclaim to be great protectors of individual freedom. Unions today are spending a great deal of money urging their members and others to participate in elections—to register and vote. This is commendable, and, as a Member of Congress and a former college political science teacher, I congratulate them for it.

But as proponents of democracy, it is hard to understand why union officials provide the greatest opposition to permitting the general electorate to vote on the question of a State right-to-work law. In other words the professional unionist is all for the right to vote, but not if it's to vote on the right to work.

Only last year, in 1961, I am told that through the efforts of union lobbyists the house and senate labor committees of the Oklahoma Legislature refused to permit the full assembly to vote on a proposal that would have permitted the citizens of Oklahoma to decide whether that State would have a right-to-work law.

Aroused Oklahoma citizens finally circulated petitions to obtain more than 200,000 signatures demanding that the question of right to work be placed on the ballot for them to decide the issue. Organized labor in Oklahoma then petitioned the Oklahoma secretary of state to set aside the successful initiative petition.

This same great objection to permitting the public to vote on the question of voluntary or compulsory unionism is opposed by most paid union staff personnel all over the country.

The State legislature of my neighboring State of Florida was under the same type of union pressure as Oklahoma, when a bill to strengthen the Florida right-to-work law was presented. The same experience was found in Maine last year.

As a lawyer with experience in examining evidence, I believe that the 15 years Georgia has had its right-to-work law offers ample proof that unions and their members benefit when membership is voluntary. The latest figures available show that in 1960 union membership in Georgia was 115,000. This number is limited to the AFL–CIO membership and does not include the Teamsters and other independent unions who have members in my State.

Georgia, a right-to-work State, has more union members than Colorado, Oklahoma, or West Virginia—States where compulsory unionism contracts are permitted. In fact, Georgia ranks 24th among the 50 States in union membership. The Labor Department has revealed there are 603 unions operating in the State.

The Bureau of Labor-Management Report of the U.S. Department of Labor in June 1962, released information on union assets. Compiled from reports filed under the Landrum-Griffin law (made possible in part by my colleague from Georgia, Representative PHIL M. LANDRUM), total union assets in Georgia are $5,661,900. Unions collect $5,170,200 a year in dues in Georgia alone.

I do not believe that any impartial persons in America would hold that Georgia's right-to-work statute has destroyed unionism in Georgia.

In conclusion, I make this further observation from history: when great mobs infested Rome, clamoring for favors from the Emperor who controlled the granaries and food supplies, the people had no work and were wholly dependent upon the whim of the Emperor for their daily sustenance. Having no earning capacity, they had no power to buy and nothing to invest. These people owned nothing.

God forbid that this historical example recur in the modern world where men by wholesale be willing to work but there is no employment.

And God forbid that the opposite shall ever prevail in America that there be work to do but men be deprived of the right to perform.

VOLUNTARISM: A CENTRAL THEME OF AMERICAN LIFE

(By James W. Wiggins, Emory University, Atlanta, Ga.)

(NOTE.—Dr. Wiggins has been an educator for nearly 30 years, since his first assignment as a social science teacher in Colquitt County, Ga., in 1934. He has both his master's and doctor's degrees from Duke University and has been on the faculty at Emory University since 1946. In 1950 he was named chairman of the department of sociology and anthropology.

(He is a specialist in the studies of population and gerontology and is the past president of the Emery chapter of the American Association of University Professors. Professor Wiggins belongs to a number of scientific societies, and also is president of the Atlanta chapter of the Military Government Association. He is a native of Salisbury, N.C.)

A sociological analysis of voluntary union membership may be undertaken in several ways. A professional sociologist might, depending on his mode of approach, identify countries in which, either in the past or today, compulsory labor union membership would seem appropriate. We are here interested in the United States, and perhaps other comparable societies.

Any insistence that man be compelled to do what he will not do voluntarily rests on assumptions. If workers in the United States must be compelled to join labor unions in order to earn their bread, they are either right in their unwillingness to join or they are so uninformed that they cannot be trusted to choose for themselves.

Today, with compulsory education for all, any suggestion that American labor is uninformed is an attack on the public school system itself. Not only have levels of formal educational attainment risen consistently in recent decades, but the evidence also indicates that the trend will continue and partly as a result of labor union pressure. No nation has ever had comparable resources for adult or continuing education. Newspapers are left in nearly every doorway, and many families receive more than one. For the few who are illiterate, and for the many who are literate, radio constantly informs, and the ubiquity of television extends from the bar to the boudoir.

If a man is competent to make his own informed decisions anywhere in the world, or at any point in history, it is here and now.

It is nevertheless possible that the larger context of institutions, traditions, and values might seem to support compulsion. If so, there is an obligation to report it. In the United States citizens and some noncitizens are under compulsion to pay taxes, a large share of which goes to protect the citizen's chosen activities. American men are compelled to enter military service for limited periods of time. Children are required to attend an approved school for a number of years. But even those who refuse to defend their own country are not deprived of food, clothing, or shelter as punishment.

All of these compulsions are designed not to restrict but to increase the range of voluntary action. The very fabric of the Nation is impregnated with positive supports to voluntary choice. Every State joined the Union voluntarily. The basic documents from the Declaration of Independence to the 15th amendment—and the 21st—almost without exception push toward voluntarism. Such nongovernmental agencies as the American Civil Liberties Union and the American Association of University Professors support the rights of individual decision, vocally, and effectively. So thoroughly committed is the Nation to individual decision that, with the leadership of Philosopher John Dewey, voluntarism was authorized even for kindergarten children.

Compulsion exercised by one group of private citizens on another group of private citizens as a condition of access to a livelihood is not congruent with the traditions of this Nation or with its present orientations. At the same time, both tradition and present values unequivocally support the right of men to voluntarily join together, under law, to maximize their satisfactions.

Labor unions are significant parts of American society. Their financial assets, their welfare and retirement responsibilities, and their role in the life of the United States warrant another question. It has been generally reported, and publicly deplored by union leaders, that union membership is in decline. How may voluntary membership affect their continued service to society, or their own survival? The decline is, of course, a reflection of the changing economic context in which the unions operate.

There is another element. Under compulsion, the constant feedback from bottom to top which is essential to flexibility and adaptation of an organization does not flow freely. This has been recognized recently as a special problem even behind the Iron Curtain. The automobile manufacturer who paid no attention to the voluntary choices of his customers would go out of business. The hardening of institutional arteries spells the doom or impotence of any organization, and it is not at all certain that labor unions are exceptions.

Compulsory membership in an organization gives a false sense of vitality and promise, which may make its end more abrupt, and more startling. Suppressing the symptoms of decline may furnish a certain comfort, but once the sedative of coercion wears off, the patient may be beyond help.

We have been told by our national leadership in recent years that we should examine our image abroad, and labor unions make a contribution to the image. They may present either of two contrasting images—an image of compulsory membership and regimentation, or of voluntary participation and freedom. The former image may be familiar to many of these people, since they have been required to pay a share of their product for the privilege of producing. But these payments have been to the owners of the land on which they grew their food, not to nonowners of capital. If the image projected is one of compulsion it is difficult to see how one compulsion is preferred to another.

On the other hand, if man really seeks freedom—and on this assumption we rest our American case—the image he seeks is that of a free worker, freely choosing his associations, deciding for himself which choices best serve his interests. The freeman not only has the right to make right choices, but also to make wrong choices. He will be attracted by the image from which this light shines clearly.

The United States allows noncitizens to enter the country and enter the labor force, but if these visitors are required to join a labor union, or a church, or the chamber of commerce, they remember a greater private coercion than is imposed by the Government. There is some controversy over the importance of the image. There is no real controversy over the growing competition for international trade.

If we insist that all men be the same height, we need not be surprised that men of lower average potential—who let tall men grow tall—reach higher and grasp the prize. In this changed world, many reports confirm that the U.S.S.R. is cultivating its tall men. Can any way of life, however superior in conception, compete at the rate of its slowest or its least competent proponents, and still win?

Voluntarism in social life is, and has been, a central theme of American life. Freely chosen organization for the pursuit of common goals is also a bright thread throughout its history. These two orientations are not mutually exclusive, but are complementary. This is what has made the Nation the greatest in the world, and in many ways the most exciting. Only tomorrow's news can tell what will next be advocated—or opposed—by a new voluntary organization of free Americans.

The right to choose is basic in our society. I strongly support this fundamental, indeed this cornerstone of our democracy. It is difficult to conceive of a free people being forced to subscribe to involuntary action, regardless of the ends in mind.

A required membership in a private organization, for example, a labor union, whose political views may not be in consonance with the views of individual members is at variance with the concept of freedom so carefully established and given us by our founding patriots.

NOAH LANGDALE, Jr.,
President, Georgia State College,
Atlanta, Ga.

Widespread Support for State Legislative Recommendations of the Advisory Commission on Intergovernmental Relations

EXTENSION OF REMARKS

OF

HON. L. H. FOUNTAIN

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, October 1, 1962

Mr. FOUNTAIN. Mr. Speaker, in 1959 I introduced legislation to create a permanent advisory body on intergovernmental relations, drawn from all levels of government and charged with continuing study and effort toward improving the overall effectiveness of our Federal system of government under the Constitution. The legislation was enacted as Public Law 380 of the 86th Congress, and for the past 3 years it has been my pleasure to serve on the Advisory Commission on Intergovernmental Relations as one of the three members appointed from the House of Representatives. The other Members of the House serving on the Commission at the present time are the gentlewoman from New Jersey [Mrs. DWYER] and the gentleman from New York [Mr. KEOGH].

I wish to call attention to the fact that the Commission, as a continuing national body, is not content with merely making studies and recommendations. Commission members want to see the recommendations put into effect. Today I would like to describe a major area of the Commission's work which has to do with recommendations which we have directed to the attention of State governments.

As a vital part of its overall responsibility for studying and making recommendations to the National, State, and local governments on ways in which intergovernmental relations might be improved, the Commission has given considerable attention to the strengthening of State and local governments. As a consequence, it is urging the States to adopt legislation which the Commission believes would strengthen State-local relations, provide greater assistance to local units in meeting their taxing and borrowing problems, and make it easier for local governments in metropolitan areas to deal with urgent areawide problems.

The Commission is about to enter a very important phase of its activities, namely, a concerted effort to implement many of the important recommendations for State legislation it has made since its establishment by Congress in late 1959. The Commission is looking forward to January 1963, when 47 of the 50 State legislatures will be in regular session, and the first time since it really got underway that the Commission will have a full program of legislative recommendations to present to the State legislatures in regular session.

One of the key ways the Commission hopes to accomplish this legislative goal is to work closely with the major national organizations of local and State officials concerned with ingovernmental relations—the National Legislative Conference of the Council of State Governments, the Governors' Conference, the National Association of Counties, the American Municipal Association, and the U.S. Conference of Mayors.

The Commission has succeeded in obtaining a remarkable degree of endorsement of its State legislative proposals by these five organizations of public officials, as indicated by a tabulation which I will place in the RECORD at this point:

Endorsement of State legislative recommendations of the Advisory Commission on Intergovernmental Relations

Recommendation	Organizations taking formal action in support of ACIR recommendations				
	National Legislative Conference	Governors' Conference	National Association of Counties	American Municipal Association	U.S. Conference of Mayors
A. State-local relations:					
1. Office of local affairs	X	X		X	X.
2. Financial and technical assistance to local governments.		X	X	X	X.
3. Voluntary transfer of functions between municipalities and counties.	X	X	X	X	X.
4. Municipal annexation and incorporation	X	X	X	X	X.
5. Constitutional barriers to intergovernmental cooperation.	([1])	([1])	([1])	([1])	([1]).
6. Authorization of interlocal contracting and joint enterprises.	X	X	X	X	X.
B. Taxation and finance:					
1. Interlocal coordination of nonproperty taxes.			X	X	X.
2. Exchange of tax records and information	X		X		
3. Investment of idle 'unds	X	X	X	X	X.
4. Technical assistance to small local governments on the investment of idle funds.	X	X		X	
5. Repeal of certain State restrictions on local government debt.[2]			X	X	X.
6. State technical assistance on local government debt issuances.		X	X	X	
7. Standards for official statements on local debt offerings.				X	
C. Metropolitan areas:					
1. Assertion of legislative authority	([1])	([1])	([1])	([1])	([1]).
2. Metropolitan functional authorities	X	X	X	X	
3. Metropolitan area study commissions	X	X	X	X	
4. Metropolitan planning commissions	X	X	X	X	X.
5. Extraterritorial planning, zoning, and subdivision regulation				X	
6. Municipal incorporation [2]	X	X	X	X	X.
7. Securing and preserving "open space"	X	X		X	
8. Mass transportation in metropolitan areas	X	X	X	X	

---

[1] Not specifically considered.

[2] Not included in program approved by Committee of State Officials on Suggested State Legislation of the Council of State Governments.

This tabulation shows that of the Commission's 21 legislative proposals for State action, the Committee of State Officials on Suggested State Legislation of the Council of State Governments has endorsed all but 2 of the recommendations; the National Legislative Conference has endorsed 13; the Governors' Conference and the National Association of Counties have each endorsed 14; and the U.S. Conference of Mayors has endorsed 10. The American Municipal Association has endorsed 18 of the 21 State legislative proposals.

As indicated by their formal endorsement of the Commission's recommendations, these organizations concerned with strengthening the State and local levels of government in our Federal system strongly support the Commission in this effort.

Finally, I wish to call attention to the fact that the Advisory Commission has prepared a document containing drafts of the legislation it is commending to the State legislatures for consideration, together with succinct statements of the reasons for the legislation. In addition to being a valuable source document for anyone interested in improving the effectiveness of State and local governments, it is good evidence of the significance of the work being done by the Advisory Commission on Intergovernmental Relations.

Telstar

EXTENSION OF REMARKS

OF

HON. FRANK J. BECKER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, October 1, 1962

Mr. BECKER. Mr. Speaker, one of the greatest scientific advances of our time is the project Telstar. I am sure we are all proud of this great achievement, but little do we realize that while the name of one company has received considerable acclaim, there are many others who contributed greatly to the success of the project.

PIC Design Corp. and its president, Winfred M. Berg—a personal friend of mine—located in my congressional district in the village known as East Rockaway adjoining the community in which I live, was one of the suppliers for this project.

Mr. Berg and PIC Design Corp. have every right to be proud of their participation not only in this great project, but in the fact that the work they turn out must be so precise that only dedicated people can do the job. I am sure that we all join in congratulating Mr. Berg and the PIC Design Corp. for their achievement.

The Concentration of Ownership and the Decline of Competition in News Media

EXTENSION OF REMARKS
OF
HON. EMANUEL CELLER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Monday, October 1, 1962

Mr. CELLER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include an address I made before the Overseas Press Club, New York City, Thursday, September 27, 1962, on "The Concentration of Ownership and the Decline of Competition in News Mediums."

The statement follows:

It is at once a pleasure and a privilege to respond to your chairman's gracious invitation to address this, the world's largest organized body of foreign correspondents.

I am particularly glad to have this opportunity to discuss, and, I hope, to enlist your sympathetic interest in, the study by the House Antitrust Subcommittee, of which I am chairman, of the concentration of ownership, and the decline of competition in news mediums.

In undertaking its inquiry the subcommittee has been mindful of this warning voiced by Lester Markel of the New York Times not so long ago:[1] "No profession I know, with the possible exception of psychiatry, is so sensitive to criticism as the newspaper business."

Despite Mr. Markel's words to the wise, I am glad to report to you tonight, the subcommittee to date has enjoyed the wholehearted cooperation and interest of the newspapers and newspapermen it has sought in the course of its study.

We start with the fact that the press enjoys a unique constitutional position. Our inquiry, bounded as it is by the subcommittee's authority to propose legislation, is circumscribed by the first amendment's command: "Congress shall make no law * * * abridging the freedom * * * of the press."

I want to make it crystal clear that every member of the subcommittee is deeply devoted to this fundamental guarantee of our freedom. We have no intention of trespassing in this constitutional preserve. Indeed, a glance at history provides the most cogent reasons for restraint. In 1680, late in the reign of that "merrie" monarch, Charles II, one Roger L'Estrange took office in London as "licenser of the press." On that occasion, L'Estrange remarked: "A newspaper makes the multitude too familiar with the actions and councils of their superiors and gives them not only an itch but a kind of colorable right and license to be meddling with the government."

Since democracy, unlike despotism, rests upon the "right and license" of the people "to be meddling with the government," and since the people must be informed if they are to meddle well, it is no surprise to find Thomas Jefferson taking the opposite tack. Jefferson wrote:[2] "Were it left to me to decide whether we should have a government without newspapers or newspapers without government, I should not hesitate a moment to prefer the latter."

The first amendment leans heavily toward Jefferson's view in prescribing the groundrules for the not always peaceful coexistence of our government with a free press. Lest we take too much for granted, our goodly heritage of liberty, however, it is well to remember that we still confront today the authoritarian tenets of that almost forgotten "licenser of the press" I mentioned a moment ago. As Lenin put it:[3] "Why should freedom of speech and freedom of the press be allowed? Why should a government which is doing what it believes to be right allow itself to be criticized? It would not allow opposition by lethal weapons. Ideas are more fatal things than guns. Why should any man be allowed to buy a printing press and disseminate pernicious opinions calculated to embarrass the government?"

Why indeed? Precisely because ideas are the very lifeblood of the democratic process, we rightly insist that every man be free to disseminate his opinions subject only to the laws of libel and slander.

Every public figure has had his share—I hesitate to say "his fair share"—of criticism at the hands of our free press. Yet I know of no responsible official in American public life today who would countenance the slightest encroachment on our great constitutional principle, in Madison's phrase, that "the freedom of the press, as one of the great bulwarks of liberty shall be inviolable."[4]

But, and you knew a "but" was coming, as Judge Learned Hand has reminded us:[5] "the mere fact that a person is engaged in publishing, does not exempt him from ordinary municipal law, so long as he remains unfettered in his own selection of what to publish."

This is the legal touchstone. So long as they remain free to print what they please, newspaper publishers are subject to our labor laws,[6] our tax laws,[7] and, of particular importance to the Antitrust Subcommittee, our antitrust laws.[8] Indeed, as we learned during this session of Congress, general legislation often affects the newspaper business deeply. The tax bill and the postal rate increase legislation are only two examples.

But the press enjoys a unique constitutional freedom so that it can serve a paramount public purpose. In the words of Judge Hand, the press:[9] "serves one of the most vital of all general interests: the dissemination of news from as many different facets and colors as is possible. That interest is closely akin to, if indeed it is not the same as, the interest protected by the first amendment; it presupposes that right conclusions are more likely to be gathered out of a multitude of tongues, than through any kind of authoritative selection. To many this is, and always will be folly; but we have staked upon it our all."

The Supreme Court has taken the same view. It has held that the Government can intervene to insure that private restraints too shall not clog the channels of free communication. The Court said:[10] "It would be strange indeed * * * if the grave concern for freedom of the press which prompted adoption of the first amendment should be read as a command that the Government was without power to protect that freedom * * *. That amendment rests on the assumption that the widest possible dissemination of information from diverse and antagonistic sources is essential to the welfare of the public, that a free press is a condition of a free society."

The Supreme Court thus recognized our common stake in assuring a variety of news and views. We proceed, as Justice Holmes put it,[11] on the theory that "the ultimate good desired is better reached by free trade in ideas—that the best test of truth is the power of the thought to get itself accepted in the competition of the market. That at any rate is the theory of our Constitution."

The Supreme Court has harmonized the first amendment with the competitive principles of our antitrust laws in this way:[12] "Freedom to publish is guaranteed by the Constitution, but freedom to combine to keep others from publishing is not. Freedom of the press from governmental interference under the first amendment does not sanction repression of that freedom by private interests."

You, whose craft is reporting the news, and whose calling is the truth, can appreciate the advantages of competition in reporting the news, and the need for variety in presenting the news to the public. Judge Hand has described the reporter's art well:[13] "News is history; recent history, it is true, but veritable history, nevertheless; and history is not total recall, but a deliberate pruning of, and calling from, the flux of events. * * * A personal impress is inevitable at every stage; it gives its value to the dispatch, which without it would be unreadable."

So long as this personal factor is crucial, is not the reader better able to find out what has happened when he can read what two observers have had to say rather than one man's account?

Further, the reporter's story is filtered through his editors. They must decide how much of the story shall reach the reader if, indeed, it is to reach him at all.[14]

Are there not strong reasons, therefore, for the Antitrust Subcommittee to survey the decline of newspaper competition in America today? This year we have seen the largest newspaper consolidations in our history in Los Angeles—our second largest and fastest growing city. Newspapers have closed in Jackson, Miss., and Eugene, Oreg. Newspapers have merged in Milwaukee and St. Petersburg. The last four of those cities now have no newspaper competition. At the same time, perhaps paradoxically, a record purchase price—reportedly $42 million—was paid for the monopoly newspapers in New Orleans.

---

[1] Remarks at Ohio State University, Feb. 21, 1961.

[2] Letter to Edward Carrington, Jan. 16, 1787.

[3] Speech in Moscow, 1920.

[4] 5 Writings of Madison 370, 377 (1910) speech before the Congress of June 8, 1789, on the subject of amendments to the Constitution.

[5] *United States* v. *Associated Press*, 52 F. Supp. 362, 374.

[6] *Oklahoma Press Publishing Co.* v. *Walling*, 327 U.S. 186, 192; *Mabee* v. *White Plains Publishing Co.*, 327 U.S. 178; *Associated Press* v. *Labor Board*, 301 U.S. 103, 132–133.

[7] *Grosjean* v. *American Press Co.*, 297 U.S. 233, 250.

[8] *Indiana Farmers Guide Co.* v. *Prairie Farmer Co.*, 293 U.S. 268; *United States* v. *Associated Press*, 52 F. Supp. 362; aff'd 326 U.S. 1; *Lorain Journal* v. *United States*, 342 U.S. 143; *Times-Picayune* v. *United States* 345, 594; *Union Leader Corp.* v. *Newspapers of New England, Inc.*, 180 F. Supp. 125, mod. and aff'd, 1 Cir., 284 F. 2d 582 (1960).

[9] *United States* v. *Associated Press*, *supra*, 52 F. Supp. at p. 372.

[10] *Associated Press* v. *United States*, 326 U.S. 1, 20.

[11] *Abrams* v. *United States*, 250 U.S. at p. 630 (dissenting opinion).

[12] *Associated Press* v. *United States*, *supra*, 326 U.S. at p. 20.

[13] *United States* v. *Associated Press*, *supra*, 52 F. Supp. at 372.

[14] *United States* v. *Associated Press*, *supra*, 52 F. Supp. at p. 372: "the same personal choice which must figure in preparing a dispatch, operates in deciding what events are important enough to appear at all; and about that men will differ widely; as we often find, when a service 'carries' what others have thought to be trivial; or may indeed have missed altogether."

But this year's developments form only the latest chapter in the story. The decline of daily newspaper competition in our cities is a subject of longstanding concern. As the Supreme Court observed in 1952 in the *Times-Picayune* case:[15] "despite the vital task that in our society the press performs, the number of daily newspapers in the United States is at its lowest point since the century's turn: in 1951, 1,773 daily newspapers served 1,443 American cities, compared with 2,600 dailies published in 1,207 cities, in the year 1909. Moreover, while 598 new dailies braved the field between 1929 and 1950, 373 of these suspended publication during that period—less than half of the new entrants survived. Concurrently, daily newspaper competition within individual cities has grown nearly extinct: In 1951, 81 percent of all daily newspaper cities had only one daily paper; 11 percent more had two or more publications, but a single publisher controlled both or all. In that year, therefore, only 8 percent of daily newspaper cities enjoyed the clash of opinion which competition among publishers of their daily press could provide.

In the decade since the Times-Picayune case, the parade of newspaper mergers and closings has continued unabated. Today there are only 55 cities with competing dailies, as opposed to 552 such cities 40 years ago.

While the number of daily newspapers in the United States has declined only slightly in the last decade to 1,759, 95 percent of our cities have no newspaper competition whatever.

In 1946, 10 States had not a single city with competing daily newspapers. Today the number of such States has swollen to 23. Thus nearly half the States of the Union today lack that "clash of opinion which competition among publishers of their daily press could provide." Is this a healthy situation? Does it provide the newspaper reader with more than one point of view about the events of the day?

The marked decline in newspaper competition has been accompanied by a steady increase in the number of newspapers under absentee chain ownership. In the 1920's only 153 (of more than 2,000) daily newspapers were owned by chains. Today, 560 (out of 1,759) daily newspapers are owned by chains, and these chain-owned newspapers account for almost one-half (46.1 percent) of the total daily newspaper circulation. The subcommittee will explore the impact, if any, of chain ownership—which has grown so rapidly in recent years—upon the decline of local newspaper competition.

Now every newspaper merger this year, with the exception of Los Angeles, has resulted in a local newspaper monopoly. Hence, every such merger involves a possible violation of the Celler-Kefauver Act. Such mergers also pose a threat to the principles, formulated by our courts, that "monopoly in the mass communication or news and advertising is contrary to the public interest,"[16] and "only by keeping the dissemination of news free from monopolies can the constitutional guarantees of free speech and free press ever be fully achieved."[17]

There is a human side also. And stark tragedy that faces many who lose their jobs because of the demise of papers through consolidations and mergers. Many face a bleak future after serving with a paper for many years. Often the loss of their jobs forces newspapermen to uproot themselves and their families and to leave their homes in search of new employment elsewhere. How many of you may face this prospect some day, or have already faced it? These include editors, reporters, lithographers, pressmen, and others.

Few reporters, indeed, have the talent—or at least the good luck—to write an "Advice and Consent" and reap lush profits. Fewer still can write a successful Broadway play, marry the leading lady and live happily forever after.

On the other hand, the courts in the Union Leader case[18] have recently held that some cities cannot support two competing newspapers of high quality. In these so-called natural news monopolies, the subcommittee will be interested to inquire why this is so, for only if a competing newspaper is doomed anyway—only if it is a "failing corporation"—will its purchase by the survivor do no harm to competition and thus pass muster under the Celler-Kefauver Act. Indeed this limited exception to our antimerger law is subject to the further exception that there be no bona fide offer from an outsider to buy the failing newspaper, thereby preserving competition.

Furthermore, even in the Union Leader case itself, where a so-called natural news monopoly was involved, the courts held that the antitrust laws apply where the person who foresees a fight to death intends to use or actually does use unfair weapons.[19]

On the other hand, publishers, like other businessmen, are under no obligation to stay in business if they are losing money, and they are free to dispose of their property subject only to our antitrust laws.

We are mindful of the publishers' plight. Confronted by high newsprint costs and constantly rising labor costs, the metropolitan dailies at the same time are having trouble, like other businesses, in following their readers to the suburbs. To the inroads of the suburban press on their circulation must be added the loss to television and to radio of additional revenues from advertising—the economic mainstay of the newspaper business.[20]

Accordingly, the subcommittee will be seeking answers to these questions:

First, are newspaper mergers good, bad, or of no consequence?

Second, are newspaper mergers inevitable under existing conditions?

Third, what are these conditions and can they be changed?

Fourth, do certain business practices in the newspaper industry result in unreasonable restraints of trade?

Fifth, if so, should such restrictive practices be exempted from the antitrust laws as the necessary price for survival of the daily press?

Sixth, do newspaper mergers confront the advertiser with a shrunken choice of rates, format, and readers?

Radio and television, of course, make it possible to preserve a variety of voices, despite the newspaper monopolies in most of our cities today. Accordingly, the subcommittee is concerned with the degree of cross-ownership of radio and television stations by newspapers.

The courts have long held that in the award of a license to use a public asset, the Federal Communications Commission may seek to foster "the widest possible dissemination of information from diverse and antagonistic sources."[21] In the case of radio and television, as with newspapers, the courts have recognized that "news communicated to the public is subject to selection and, through selection to editing, and that in addition there may be diversity in method, manner and emphasis of presentation."[22]

Accordingly, it is relevant for the subcommittee to consider how far the radio or television voice in our cities is subject to control by the newspaper voice. As of September 1961, 68 monopoly newspapers controlled the only AM radio station in town, and in 10 communities the only daily newspaper controlled the only television station. In four cities today, the only daily newspaper also owns the only radio and television station.

Perhaps more significant, the number of television stations with newspaper or magazine affiliations has grown from 41 (out of 97) in 1950 to 161 (out of 484) commercial TV stations in 1962. While the number of radio stations affiliated with newspapers or magazines has declined somewhat during the same period, 412 AM stations (out of 3,745 are affiliated with newspapers or magazines and 147 (out of 811) commercial FM stations have newspaper or magazine affiliations. The subcommittee will explore the prevailing trends in this area of cross-ownership.

This in brief is the nature of our inquiry. We are not alone in our interest, for as you doubtless already know, a distinguished Royal Commission in England has just finished a comprehensive survey of the same subjects. The pertinence of our study is thus pointed up by the concern of our sister democracy with the self-same problems.

The subcommittee will be thorough and objective. We shall proceed with diligence, and at the same time with restraint.

I want to repeat here and now what I said when our inquiry was first announced: "We are not gunning for anybody, nor are we concerned with anyone's political views." Nor, I might add, are we interested in the views or editorial content of any particular newspaper. We are anxious that the people have access to diverse views and opinions, and that the true picture of the mediums of news communication be presented to the public.

We intend to ascertain the facts. With the facts in hand, we shall consider whether legislation is needed and if so, what sort of legislation would be appropriate.

As your chairman has suggested, I have kept these remarks as short as the nature of the subject will permit. I shall be glad to try to answer any questions you may have.

Council of Foreign Ministers Should Act To Guarantee Freedom of the Americas

EXTENSION OF REMARKS

OF

HON. PAUL G. ROGERS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, October 1, 1962

Mr. ROGERS of Florida. Mr. Speaker, the Council of Foreign Ministers is currently in session on the subject of Cuba. This is significant in view of the fact that hearings were held this morning by

---

[15] *Times-Picayune* v. *United States,* 345 U.S. 594, 603.

[16] *Mansfield Journal Co.* v. *Federal Communications Commission,* D.C. Cir., 180 F. 2d 28, 33.

[17] *Id.*, at p. 36.

[18] *Union Leader Corp.* v. *Newspapers of New England, Inc.,* 180 F. Supp. 125, mod. and aff'd., 1 Cir., 284 F. 2d 582 (1960).

[19] *Union Leader Corp.* v. *Newspapers of New England, Inc., supra,* 180 F. Supp. at 140.

[20] *Times-Picayune* v. *United States, supra,* 345 U.S. at p. 604.

[21] *Scripps-Howard Radio* v. *Federal Communications Commission,* D.C. Cir., 189 F. 2d 677, 683.

[22] Id.

the House Select Committee on Export Control into the general subject of waterborne commerce to Cuba.

The hearings continue, and a number of matters regarding U.S. policy toward Cuba will undoubtedly be exposed.

Hopefully, the meeting will yield some concrete results as well. The United States has an excellent opportunity at this meeting to reassert the same leadership and clear initiative found in the principles of the Monroe Doctrine.

It has been the Congress of the United States which has precipitated U.S. action to counter Cuban communism thus far. Certainly congressional investigation into traffic to Cuba by Allied vessels could only be instituted by the Congress.

The influence of the Congress is also being felt at the meeting where just that week a strong resolution of congressional intent for action and positive policies against Cuban communism was approved.

The eyes of America are trained on this question, looking for clear-cut means to oust the Communists from the Western World. With continued attention to this matter by the Congress, the will of the American people will not be misinterpreted and effective steps will be taken to guarantee the freedom of the Americas.

Testimonial Dinner Tendered Comdr. Frank J. Zenzer, Department of Pennsylvania, Veterans of Foreign Wars of the United States, at Glenside, Pa., on September 29, 1962

EXTENSION OF REMARKS

OF

HON. JAMES E. VAN ZANDT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, October 1, 1962

Mr. VAN ZANDT. Mr. Speaker, it was my privilege to join in the fine testimonial dinner tendered to Comdr. Frank J. Zenzer, Department of Pennsylvania, Veterans of Foreign Wars of the United States, on September 29, 1962, at Glenside, Pa.

Frank J. Zenzer has the distinction of serving as department commander at the same time his wife Dorothy Zenzer is serving as the president of the Ladies Auxiliary of the Veterans of Foreign Wars, Department of Pennsylvania. The Veterans of Foreign Wars team of Frank and Dorothy Zenzer is making forward strides in carrying out the objectives of the VFW.

In my role as principal speaker at the testimonial dinner, it was my privilege to deliver the following address:

ADDRESS BY REPRESENTATIVE JAMES E. VAN ZANDT, MEMBER OF CONGRESS, 20TH DISTRICT OF PENNSYLVANIA, AT A TESTIMONIAL DINNER TENDERED COMDR. FRANK J. ZENZER, DEPARTMENT OF PENNSYLVANIA, VETERANS OF FOREIGN WARS OF THE UNITED STATES, CASA CONTI RESTAURANT, GLENSIDE, PA., SEPTEMBER 29, 1962

It is a privilege which I prize highly to join with you this evening in tendering a well-deserved tribute of esteem and gratitude to Department Commander Frank J. Zenzer for his achievements in behalf of an organization to which, as you know, I am deeply devoted.

Frank Zenzer's election as department commander reflected sincere appreciation for his years of dedicated service to the ideals and objectives of the Veterans of Foreign Wars of the United States. It is an accepted fact that the success of any man is due in a large measure to the beneficial influence of some woman in his life, whether it is mother, wife, or some other loved one.

In this connection Frank's gracious and lovely wife, Dorothy, enjoys a share in his success in life. Serving as president of the Ladies Auxiliary, Dorothy Zenzer, with a warm sense of pride, shares in their achievements in behalf of the Veterans of Foreign Wars of the United States. It is pleasing to learn that next month a joint testimonial dinner will be held in tribute to this remarkable VFW husband-wife team of which we are so proud.

This evening, however, is Frank's night as we pay our tribute of respect and esteem in recognition for his many fine qualities of manhood and for his marked ability and inspiring leadership.

Frank J. Zenzer's greatest achievement of course was to marry Dorothy Krier, the daughter of Mrs. Frieda Krier and the late Headley Krier. Tonight we salute him for his advancement in organized veterandom to the position of commander of the Pennsylvania Department of the Veterans of Foreign Wars.

It is a gross understatement to say we are all mighty proud of Commander Frank Zenzer. Truly, he is a worthy successor to our able former Commander Johy Radko and other department commanders who preceded them.

In reviewing Frank Zenzer's VFW activities we are reminded that he served as Montgomery County council commander in 1950–51; he served two terms as 16th District commander from 1953 to 1955. He was chief of staff of the Department of Pennsylvania during 1960–61.

Last year he was elected department senior vice commander and also served as the department's membership chairman.

Frank was born in Glendive, Mont. Fortunately for Pennsylvania he came here as a boy, graduating from the senior high school in Abington, Pa., and the Temple University Teachers' College. While at Abington he was voted the outstanding athlete of the year.

During the war Frank served in the 88th Infantry Division and is a member of the 88th Infantry Division Association and the Military Order of the Cooties. He is employed as a supervisor in precision tools at the Standard Pressed Steel Co., in Jenkintown.

Frank's administrative ability and leadership qualities have been ably demonstrated. He organized the flag program at Freedom Foundation in Valley Forge. He served as Pennsylvania Department chairman of the bylaws and ritual committee, as chairman of the "get out the vote" campaign, and he organized the veterans' blood donor program.

He received the Legion of Honor Award from the Chapel of the Four Chaplains in Philadelphia. In addition he has also been the recipient of the VFW Citation and Award for Outstanding Leadership.

Commander Frank Zenzer represents the finest traditions of our great Republic. These traditions include sacrifice in behalf of country embracing service in its cause on foreign shores and in enemy waters during time of war. His devotion to rendering service to the veterans of its military and naval forces in time of peace and in the cold war had known no bounds.

As members of the VFW we are well aware of Frank Zenzer's zeal and devotion in advancing the best interest of our beloved organization. I am sure that you will not think that I am slighting such an outstanding American if on this occasion designed to honor him. I speak to you briefly of crucial matters affecting veterans and the entire Nation at this time.

When I had the great pleasure and honor of speaking to the Pennsylvania Department of the VFW last year and again this year, I said then in offering constructive criticism that it appeared to me as veterans we lacked the prestige we enjoyed some years ago. I pointed to the fact that the Department of Pennsylvania has seemed to have lost some of the influence and prestige it enjoyed in the past in the various national conventions.

For years the voice of the Department of Pennsylvania was heeded and respected in the affairs of the national organization. Today that voice is muffled to some extent and in such a degree that it demands our immediate attention. The Department of Pennsylvania cannot afford to be relegated to a minor role in directing the future of the VFW.

We can recapture our former prestige and abandon our second place role by a determined effort to regain our place of prominence in national VFW affairs. We owe it to the membership of the Department of Pennsylvania to become again the vital force we were as one of the outstanding State departments of the Veterans of Foreign Wars of the United States. You will recall that I have warned on various occasions of the carefully planned efforts of antiveteran groups to destroy the veterans benefits program.

This sinister attack commands the utmost vigilance on our part if we hope to repel the antiveteran propaganda. Speaking of veterans benefits we are all gratified that increases in service-connected disability compensation rates have recently been approved by the Congress. The bill was signed by the President on September 7. But there is much, much more to be done.

As you know, I am in favor of a pension for the dwindling number of World War I veterans.

I said last year—and I must say to you this year—that this division within our own veteran ranks with some veterans organizations opposing such a pension adversely affects the position of veterans generally.

We are strong only when united and no group should be more aware of that basic bit of good sense than those who have had military training and experience. But the attacks on veterans benefits are not merely on an attempt to obtain a general pension for veterans of the First World War.

The Bradley Committee, headed by retired General of the Army Omar Bradley, recommended several years ago that the non-service-connected benefits paid by the Veterans' Administration should be administered by the Social Security Administration. It further recommended that 10- and 20-percent disabilities should be "phased out" or in other words abolished by the payment of small lump sums.

Some metropolitan newspapers agreed with these positions. These recommendations and proposals are still alive. I do not agree with them, and I doubt seriously whether you do.

But I have told you before and I tell you now that the attempt is still being made to destroy the veterans' benefits program and with it the organized veteran community. It cannot be repeated often enough that the objective is to destroy our identity by simply having us absorbed by the social security system.

When—and if that day comes—there will be no nonservice benefits, no widow's benefits, no VA hospitals, no veterans' preference in public employment, and even service-connected disability compensation for disability ratings of less than 40 percent will be drawn from social security. This calamity for the veteran population of this country can be prevented if we make a determined and sustained effort to revive our enthusiasm for the veterans' cause.

The Members of the Congress have to be made aware of the grassroots support for the veterans' program. When the Members of the Congress overrode a Presidential veto in the thirties to pass the bonus bill no one in either the House or the Senate had any doubt of the fact that the veterans of this country were organized, unified, and enthusiastic. It is about time that we made sure that this were so again.

I am aware that it may be thought that dire pronouncements concerning the prospects of disaster to the veterans' benefits program reveal lack of understanding of current realities.

Well, I assert to you that on the contrary these warnings are conveyed to you by someone who ought to know what he is talking about as a past VFW department commander, as a past VFW commander in chief, as a veteran of the First and Second World Wars and the Korean conflict, and as a Member of Congress.

I assure you that the same opposition to veterans and veterans' benefits that produced the Economy Act of the early thirties, the recommendations of the Hoover Commissions of 1949 and 1955, and of the Bradley Commission of 1956 exists today. This organized opposition is powerful and will do everything in its power to reduce veterans' benefits, change their nature, minimize their coverage, and eliminate them entirely.

At the 37th annual department encampment I said that 42 of the 70 recommendations made by the Bradley Commission were detrimental to the interests of veterans. The Bradley Commission was typical of the kind of so-called factfinding and recommendation-making that has prevailed in the past and will continue in the future with renewed energy.

With the dangerous, critical military situation that now exists there will be—there is bound to be—a continuing need for large Active Duty Forces and a sizable Reserve, parts of which will be called up as warranted.

Therefore, the veteran population continues to grow. Unfortunately veterans' organizations do not continue to grow in proportion. There are 22 million veterans but only about 5 million of them are members of the Legion, the DAV, the Jewish War Veterans, the Catholic War Veterans, the Veterans of World War I, the Spanish-American War Veterans, the AMVETS, and the Veterans of Foreign Wars.

Thus, 17 million veterans in this country are enjoying the benefits organized veterandom obtained for them without belonging to one of the various veterans' organizations. Lest our critics fall prey to the erroneous assumption that organized veterandom is concerned solely with the preservation of the veterans' benefits program, let me remind them in no uncertain terms that in peace as in war we stand ready to defend with all the energy we can muster our priceless and cherished American ideals of liberty and freedom.

Organized veterandom is united in its opposition to world communism. We defy the efforts of radical leftwing organizations who seek to coddle the twin international forces of evil represented by Soviet Russia and Red China. Therefore, we reject the freak form of so-called liberalism that advocates:

(1) Recognition by the United States of Red China and its admission to the United Nations.

(2) Abolition of the House Committee on Un-American Activities or rendering it incapable of ferreting out subversive elements in our midst.

(3) We oppose their desire to abolish the Federal Bureau of Investigation because we regard FBI Director J. Edgar Hoover as the greatest living exponent of redblooded Americanism.

(4) We oppose outlawing any reference to Almighty God in our public schools or in any other segment of American life including inscriptions on the coin or currency of the United States.

(5) We oppose forfeiting the sovereignty of these United States in exchange for "a mess of pottage" called world government as advocated by the so-called "world federalists."

(6) We oppose tinkering with the textbooks in our public schools to suit the fancy of radicals who would rewrite American history and degrade or distort the true meaning of the Constitution of the United States.

(7) We refuse to join radical forces in their efforts to repeal the Smith Act or the McCarran Act, both of which provide Government control over Communist-front groups in our midst.

(8) We refuse to approve the proposal of the radical leftwingers that nuclear testing by the United States be abandoned regardless of whether Soviet Russia agrees to do likewise.

(9) We refuse to agree to the leftwing opposition to loyalty tests, censorship of books, movies or other forms of communication. This means in plain language they do not want any protest against the spreading of Communist propaganda in any form.

(10) In their opposition to outlawing the Communist Party the leftwing group maintain the banning of Communist student organizations on the campuses of American colleges.

The objectives of the radical organizations which I have enumerated give you a good idea of the great and constant menace we are confronted with in preserving American ideals. The parade of radical groups is headed by the American Civil Liberties Union and another group of fake liberals masquerading under the name of "Americans for Democratic Action."

The American Civil Liberties Union filed "a friend-of-the-court brief in the U.S. Court of Appeals in Washington, D.C., September 19, seeking to have the McCarran Act declared unconstitutional on the ground that its requirement that Communist-front groups register with the Government is a violation of the "due process" clause of the fifth amendment to the Constitution. The organizations whose appeals are pending are: Veterans of the Abraham Lincoln Brigade, National Council of American-Soviet Friendship, Inc., American Committee for Protection of Foreign-Born, United May Day Committee, and Jefferson School of Social Science.

The activities of these so-called "liberal" groups are revolting and disgusting to members of the VFW who succeeded in helping me to secure the permanent designation of May 1 as Loyalty Day through enactment of the resolution I introduced in Congress.

I have cited the attack on the veterans' benefits program and the activities of radical leftwing organizations as proof of the compelling problems organized veterandom faces in attaining its objectives of protecting and preserving American ideals. We are confronted with an almost superhuman task in meeting the challenge of Socialist reformers who disguise themselves as liberals thereby perverting the true meaning of authentic liberalism.

Their determined desire is to replace the American system of free enterprise with their socialistic schemes designed to make all Americans subservient to a central government. Their freak brand of liberalism is being foisted on the American people. Their method of operation was exposed by FBI Chief J. Edgar Hoover when he warned that the so-called liberal "can be more destructive than the known Communist because of the esteem his cloak of respectability invites."

Are we in organized veterandom going to be content to sit idly by while these cunning, masquerading radicals continue their determined drive to replace the American form of government with their brand of socialism?

Finally, bear in mind the testimony in 1954 before the House Judiciary Committee by the legislative chairman of the New York Communist Party when he said, "The fundamental and long-range aim of the Communist Party of the United States is socialism. We state that and we state that very frankly."

In brief socialism is the back door to communism.

Today you hear little of active participation of the political scene of Norman Thomas and his Socialist Party in the United States. The reason is plainly evident because the radical posing as a liberal is accomplishing socialistic aims through other avenues and as FBI Director J. Edgar Hoover said, "Under his cloak of respectability."

How can our veterans' groups meet the challenges hurled at the veteran population and the Nation as a whole? I repeat again, the recommendation that I have so often made in meeting such deadly attacks against veterans' organizations and their programs—I recommend increased membership.

There are approximately 15 million veterans in the United States who are eligible for membership in the VFW. You know what a small, terribly small, disgracefully small, proportion of that total potential membership we have in our great organization the Veterans of Foreign Wars. We want these veterans as comrades; we need them as comrades; we must have them as comrades. This is out task.

This is a task that requires the type of leadership that a man like Frank Zenzer, your new commander, is capable of providing. Membership drives cannot be conducted from the floor of Congress or the offices of the U.S. House of Representatives or the U.S. Senate.

You may be sure, however, that, as in the past, wherever I am I will be following and supporting the efforts of the Veterans of Foreign Wars to promote Americanism and resisting any and all attempts to destroy veterans' benefits.

In conclusion I wish to assure Commander Frank Zenzer on this joyous occasion that it has been a great pleasure to be able to attend this fine testimonial dinner. I know Frank that you and your wonderful wife, Dorothy, will treasure fond memories of the tribute tendered you this evening as one of the most able State commanders in the history of the Pennsylvania Department of the Veterans of Foreign Wars. It is the sincere prayer of all of us, Frank, that God will keep you and Dorothy close to him and that He will continue to shower you with his choice blessings of good health, happiness, and a full measure of contentment.

SENATE

TUESDAY, OCTOBER 2, 1962

(Legislative day of Monday, October 1, 1962)

The Senate met at 10 o'clock a.m., on the expiration of the recess, and was called to order by the Vice President.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

Eternal God, who—though all else fades—remainest the same, Thou dost leave us never, even when we leave Thee and walk with those who have not God in all their thoughts. Thy tender mercy is over all Thy works.

We come, at the beginning of yet another day, praying for strength for our burdens, wisdom for our perplexities, insight to discern the signs of our times, and faith sufficient even to remove mountains that loom frowningly before us.

We come with an ardent prayer in our hearts for our America. Confessing her failures, purged of her betrayals of democracy, may she be more and more an inspiring and emancipating power for security and stability in the cruel conflict between light and darkness now raging in its mad fury around this disordered world.

We ask it in the name of the Prince of Peace, Christ Jesus, our Lord. Amen.

THE JOURNAL

On request of Mr. HUMPHREY, and by unanimous consent, the reading of the Journal of the proceedings of Monday, October 1, 1962, was dispensed with.

COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. HUMPHREY, and by unanimous consent, the Committee on Public Works was authorized to meet during the session of the Senate today.

FOREIGN AID AND RELATED AGENCIES APPROPRIATIONS, 1963

The VICE PRESIDENT. Under the order of yesterday, the Senate will now resume the consideration of House bill 13175, making appropriations for foreign aid and related agencies for the fiscal year ending June 30, 1963, and for other purposes.

The question is on agreeing to the amendment of the Senator from Connecticut [Mr. DODD]. The time between 10 a.m. and 10:15 a.m. is to be divided equally between the Senator from Connecticut and the Senator from Louisiana [Mr. ELLENDER].

Mr. DODD. Mr. President——

Mr. HUMPHREY. Mr. President, will the Senator from Connecticut yield briefly, so that we may clear the Executive Calendar?

Mr. DODD. I am very glad to yield for that purpose.

EXECUTIVE SESSION

Mr. HUMPHREY. Mr. President, I move that the Senate proceed to the consideration of executive business, to consider the nominations on the Executive Calendar.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORT OF A COMMITTEE

The following favorable report of a nomination was submitted:

By Mr. BEALL, from the Committee on Armed Services:

Capt. Mary J. Wettle, for appointment in the Regular Air Force, in the grade of captain, to perform the duties of a nurse.

The VICE PRESIDENT. If there be no further reports of committees, the nominations on the Executive Calendar will be stated.

AMBASSADORS

The Chief Clerk read the nomination of Llewellyn E. Thompson, of Colorado, a Foreign Service officer of the class of career ambassador, to be Ambassador at Large.

The VICE PRESIDENT. Without objection——

Mr. ALLOTT. Mr. President, will the Senator from Minnesota yield?

Mr. HUMPHREY. I yield.

Mr. ALLOTT. I wish to say just a word about Llewellyn Thompson, who comes from my part of Colorado.

Thirty-five years ago I had the pleasure of attending the University of Colorado with him. He has been a close friend of mine ever since that time.

Llewellyn Thompson is a true career Ambassador, who has done all the work that anyone in such career work has done along the way. Particularly outstanding has been his service in the past few years as our Ambassador to the U.S.S.R.

This nomination is very well deserved; and I could not let this opportunity pass without paying my personal tribute to him for his great contributions to our country. All of us are proud of him for his outstanding achievements in the career services; and I pay my own personal tribute to him for the great work he has done.

The VICE PRESIDENT. The question is, Will the Senate advise and consent to this nomination?

Without objection, the nomination is confirmed.

The next nomination on the Executive Calendar will be stated.

The Chief Clerk read the nomination of W. Walton Butterworth, of Louisiana, a Foreign Service officer of the class of career ambassador, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Canada.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

ORGANIZATION FOR ECONOMIC COOPERATION AND DEVELOPMENT

The Chief Clerk read the nomination of John M. Leddy, of Virginia, to be the representative of the United States of America to the Organization for Economic Cooperation and Development.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

AGENCY FOR INTERNATIONAL DEVELOPMENT

The Chief Clerk read the nomination of Hollis B. Chenery, of California, to be Assistant Administrator for Program Review and Coordination, Agency for International Development.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Dr. Leona Baumgartner, of New York, to be Assistant Administrator for Human Resources and Social Development, Agency for International Development.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

THE ARMY

The Chief Clerk proceeded to read sundry nominations in the Army, which had been placed on the Secretary's desk.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that these nominations be considered en bloc.

The VICE PRESIDENT. Without objection, the nominations will be considered en bloc; and, without objection, they are confirmed.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of all these nominations.

The VICE PRESIDENT. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. HUMPHREY. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

FOREIGN AID AND RELATED AGENCIES APPROPRIATIONS, 1963

The Senate resumed the consideration of the bill (H.R. 13175) making appropriations for foreign aid and related agencies for the fiscal year ending June 30, 1963, and for other purposes.

Mr. DODD. Mr. President, I wish briefly to recapitulate the arguments in support of my amendment to H.R. 13175, as amended by the Senate Appropriations Committee. This amendment, if it is approved, will have the effect of restoring $2 million of the $5.3 million which the administration requested for assistance to Algerian refugees and displaced Algerians.

First of all, I believe we should approve this amendment because it is the humane thing to do. Several hundred thousand Algerian refugees—refugees from the civil war that has devastated Algeria in recent years—are now returning to their country from Tunisia and Morocco. In many cases, their homes have been destroyed or their villages eradicated.

In addition, there are within Algeria some 2 million Algerians whom the war has made displaced persons within their own country, and whose plight is equally destitute.

Second, I believe that enlightened self-interest demands our participation in the work of rehabilitation and relief for Algerian refugees. The Communists are working hard to extend their influence in Algeria and Morocco, because control of these two countries would give them control of the Straits of Gibraltar and the Mediterranean Sea. They do not stint in their efforts. The U.S.S.R. and Red China have, in fact, already donated 29,400 tons of wheat, and the total value of Communist contributions to Algeria at this moment is estimated to exceed $4 million.

Third, I believe this undertaking commends itself to our support because it does not commit us to a continuing and apparently insoluble problem like the Palestine-Arab problem. These Algerian refugees are returning to their own country. The requirement is, not for a continuing handout to continue from year to year, but for a one-time, emergency grant to prevent starvation and to help them reestablish themselves on their own land.

Fourth, I believe this proposal commends itself to our support because it is at the same time both the cheapest and the most effective form of foreign aid. Grants from government to government, while essential, sometimes lend themselves to abuse, and the identity of the benefactor country is frequently forgotten or lost in the shuffle. Assistance rendered through international agencies suffers from the weakness that it lacks national identity. But the program which would be made possible by my amendment would be directed, on the spot, by representatives of the American Government and by the dedicated representatives of the American voluntary agencies working in the refugee field, who have been among our most effective ambassadors of goodwill. It would, in short, be a people-to-people program; and, precisely because of this, I can think of no more effective way of communicating our friendship to the people of Algeria.

Mr. President, the need of the Algerian refugees is great. The sum called for by my amendment is exceedingly modest compared with the scope of the project and compared with the vast sums which we appropriate for military assistance and other forms of foreign aid. The good that can be accomplished by this modest sum in poverty-stricken Algeria is enormous. Conversely, in the fluid and marginal political situation which exists today in Algeria, the penalty for showing ourselves completely indifferent to the needs of the Algerian refugees might exceed even the most pessimistic warnings.

Mr. President, I earnestly appeal to my colleagues to support this modest amendment.

Mr. ELLENDER. Mr. President, yesterday when this amendment was submitted, I objected to it because I felt the Senate committee had given the matter due consideration, and in deleting the amount budgeted for Algerian refugees it had concurred with the House.

I wish to point out that we, as a nation, have been at the forefront in assisting refugees throughout the world. Since World War II we have accepted over half a million refugees from Western Europe. Last year the President used a small amount out of the contingency fund to assist the refugees in Algiers. The only reason advanced for that was that the Russians had given a boatload of wheat, and therefore we should counter what the Russians did.

Mr. President, this bill provides $70,110,000 to take care of the Cuban refugees who arrive in our country daily.

I do not object to our aid to Cuban refugees, Mr. President, but the record will show that no one is sharing this burden with us as we have shared the burden in caring for the European refugees.

We have been very liberal in aiding the peoples of Western Europe with their refugee problem. Now we need assistance in regard to Cuba. But we knock on the door and there is no answer. We have to carry the whole load.

It strikes me that we ought to call a halt to this kind of thing. As I pointed out previously, if we permit expenditures for this reason it will mean that the Algerian refugees will have a foot in the door of our Treasury. We will be called upon from year to year to put up more and more money to take care of them.

As the Senator from Connecticut stated yesterday, the argument against this proposal is that the French ought to do it. I say the French ought to do it. They are well able to. We are now carrying a load that is very burdensome. We are making $70,110,000 available for Cuban refugees and $17,200,000 for Palestinian refugees. In addition, for refugees in Europe, Tibet, Hong Kong, and for the U.N. High Commissioner we are making available almost another $17 million.

I contend that other prosperous countries could do more for refugees throughout the world, and they should do more. I hope the amendment will not be adopted.

Mr. DODD. Mr. President, I wish to say to my distinguished friend the very able Senator from Louisiana, that I made the point yesterday, as the Senator accurately pointed out, that the only argument that could be made against this very modest proposal is that the French should do it. Perhaps I neglected to add that the French are doing a very great amount of work in the same way. They are heavily burdened. They are committed to spending a vast amount of money in that country.

All my proposal would do would be to permit us to send voluntary agencies—the best representatives our country could send. There is no commitment to do it next year. This is an acute situation.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. DODD. I yield.

Mr. ELLENDER. Last year we provided $7,488,000 for refugees exclusive of those in Palestine and Cuba.

Mr. DODD. Not for Algerians.

Mr. ELLENDER. Not all for them. This year we will furnish $16,677,000, which is $8,189,000 more. It grows from year to year.

Mr. DODD. I know it does. I do not know how we can change it, when the Communists are on the march. Many persons are fleeing Cuba. Are we going to close our doors to them and say, "You cannot go"?

Mr. ELLENDER. We cannot take care of the whole world. Why do they not help us with the Cuban refugees?

Mr. DODD. I am not suggesting that we take care of the whole world. This would do very little. It would provide help to the extent of $2 million. We can do much, through private agencies, to help people whose homes have been destroyed and who are starving. This does not involve big government projects. It would provide food and roofs over the heads of the refugees. That is all we are being asked to do for the people. I hope we can do it.

Mr. ELLENDER. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that there may be a quorum call, and that the quorum call be ended at the conclusion of 5 minutes. Since the time is to be divided, that request would have to be agreed to.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

The VICE PRESIDENT. The quorum call is automatically rescinded.

The question is on agreeing to the amendment offered by the Senator from Connecticut [Mr. DODD]. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Colorado [Mr. CARROLL], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Pennsylvania [Mr. CLARK], the Senator from Illinois [Mr. DOUGLAS], the Senator from Mississippi [Mr. EASTLAND], the Senator from Alabama [Mr. HILL], the Senator Washington [Mr. MAGNUSON], the Senator from Arkansas [Mr. MCCLELLAN], the Senator from Oklahoma [Mr. MONRONEY], and the Senator from Florida [Mr. SMATHERS] are absent on official business.

I further announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Alaska [Mr. GRUENING], and the Senator from Wyoming [Mr. HICKEY] are necessarily absent.

On this vote, the Senator from Colorado [Mr. CARROLL] is paired with the Senator from Alaska [Mr. GRUENING]. If present and voting, the Senator from Colorado would vote "yea," and the Senator from Alaska would vote "nay."

On this vote, the Senator from Illinois [Mr. DOUGLAS] is paired with the Senator from Pennsylvania [Mr. CLARK]. If present and voting, the Senator from Illinois would vote "yea," and the Senator from Pennsylvania would vote "nay."

Mr. KUCHEL. I announce that the Senators from Vermont [Mr. AIKEN and Mr. PROUTY], the Senator from Utah [Mr. BENNETT], the Senator from South Dakota [Mr. BOTTUM], the Senator from Indiana [Mr. CAPEHART] the Senator from Kentucky [Mr. MORTON], the Senator from Pennsylvania [Mr. SCOTT] and the Senator from Texas [Mr. TOWER] are necessarily absent.

If present and voting, the Senator from Utah [Mr. BENNETT], the Senator from South Dakota [Mr. BOTTUM], the Senator from Indiana [Mr. CAPEHART], the Senator from Pennsylvania [Mr. SCOTT], and the Senator from Texas [Mr. TOWER] would each vote "nay."

The result was announced—yeas 26, nays 52, as follows:

[No. 300 Leg.]

YEAS—26

Burdick
Case
Dodd
Fong
Hart
Hartke
Humphrey
Javits
Keating
Kefauver
Kuchel
Long, Mo.
Long, Hawaii
McCarthy
Metcalf
Morse
Moss
Muskie
Neuberger
Pastore
Pell
Randolph
Smith, Mass.
Symington
Williams, N.J.
Yarborough

NAYS—52

Allott
Bartlett
Beall
Bible
Boggs
Bush
Butler
Byrd, Va.
Byrd, W. Va.
Cannon
Carlson
Church
Cooper
Cotton
Curtis
Dirksen
Ellender
Engle
Ervin
Goldwater
Gore
Hayden
Hickenlooper
Holland
Hruska
Jackson
Johnston
Jordan, N.C.
Jordan, Idaho
Kerr
Lausche
Long, La.
Mansfield
McGee
McNamara
Miller
Mundt
Murphy
Pearson
Proxmire
Robertson
Russell
Saltonstall
Smith, Maine
Sparkman
Stennis
Talmadge
Thurmond
Wiley
Williams, Del.
Young, N. Dak.
Young, Ohio

NOT VOTING—22

Aiken
Anderson
Bennett
Bottum
Capehart
Carroll
Chavez
Clark
Douglas
Eastland
Fulbright
Gruening
Hickey
Hill
Magnuson
McClellan
Monroney
Morton
Prouty
Scott
Smathers
Tower

So Mr. DODD's amendment was rejected.

Mr. ELLENDER. Mr. President, I move to reconsider the motion by which the amendment was rejected.

Mr. HUMPHREY. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The VICE PRESIDENT. The Senate will resume consideration of the amendment of the Senator from South Carolina [Mr. JOHNSTON] designated No. "10-1-62—E."

Mr. JOHNSTON. Mr. President, I have discussed and explained my amendment previously, so I believe Senators and others realize fully that what is given away in the bill will increase our deficit that much more. It is also plain to everyone that we are increasing our deficit by giving away money that we do not have. However, I realize the Senate is in no present mood to save the taxpayer any money. Therefore, I withdraw my amendment.

The VICE PRESIDENT. The amendment of the Senator from South Carolina is withdrawn.

Mr. McCARTHY. Mr. President, I am prepared to call up an amendment which I sent to the desk yesterday. The amendment would have the effect of transferring $20 million from the contingency fund and earmarking it for malaria eradication programs. I have discussed the question with my colleague [Mr. HUMPHREY] and other Senators who are handling the bill. They have persuaded me that such a transfer may not be necessary.

They have suggested that the report covers adequately the intention of Congress with reference to the present efforts toward the eradication of malaria. I understand that the committee itself considered the problem and has concluded that funds could be used for that purpose. If that is not the case, I shall ask that my amendment be considered.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield.

Mr. HUMPHREY. I assure the Senator that the subject was brought up in the committee. There was discussion as to whether or not the development grant section of the bill, as well as the contingency fund of the President, would permit the fulfillment of the American approach to the malaria eradication program. It is well understood—and it is so stated in the committee report—that development grant funds are available for that purpose.

The budget estimates are $32,910,000. These funds are available in the appropriations for development grants, the Alliance for Progress grants, development loans and international organizations and programs, and they should be used. If for any reason these appropriations are hard pressed, the President's contingency fund is available. That is our program.

On page 5 of the committee report it is stated:

> The committee also feels that the full requirement for the bilateral malaria eradication program be financed out of this appropriation notwithstanding the reductions made herein.

This relates to the economic assistance section. The purpose of the Senator's amendment has been accomplished in terms of the committee report. What he sought to do was to earmark certain funds without increasing the overall amount in the bill.

Mr. McGEE. Mr. President, it seems to me that the malaria eradication program has double protection. One of them is the fund we are discussing, and the other is the transfer by the President of funds from the contingency fund.

Mr. HUMPHREY. Yes; there is a certain amount of transferability in the bill also. This is a program in which we have engaged for several years. It is the expressed position of our Government that this program be financed.

Mr. McCARTHY. Has any fund been set up for any other disease eradication?

Mr. HUMPHREY. No.

Mr. McCARTHY. As I understand, the malaria eradication program has been singled out by the report for special attention and consideration. Is that correct?

Mr. HUMPHREY. Yes; the report points that out.

Mr. SALTONSTALL. Mr. President, I support the bill as reported by the Appropriations Committee. I have supported our foreign aid programs in the past and I commend the efforts of our Government in carrying forward our economic and military assistance programs. This program has affected, and does affect, our national security in a positive way. So long as foreign assistance remains an essential part of our foreign policy, and this foreign policy is founded on the principle of furthering our national interest and protecting the security of this country, I will support such a program.

Our economic, military and technical aid to foreign countries totals about one-twentieth of our Federal budget. At a time when we should seek places in which to cut our expenditures, this program looms as a very large burden on the American taxpayer. But foreign aid is part of our offense and defense in the cold war. It is as important to our national security as our Defense Establishment, which has a budget this year 10 times greater than foreign aid. At a time when we must concern ourselves with submarine bases in Cuba, with Cuban attempts to export revolution to the Latin American Republics, with Communist penetration of the Congo, with Communist guerrillas in South Vietnam, and, of course, with the ever-dangerous Berlin situation, we cannot cut back on our commitment to lead and defend the free world. The cold war cannot be fought if we keep our eyes on our account books alone.

Surely two very high priorities for this administration are to persuade our more wealthy allies to play an increasingly large role in aiding the less developed countries so that they carry a larger share of this burden and, secondly, to be absolutely certain that we are spending funds only in those places and only for those programs that are essential to further our objectives of seeking and maintaining peace and our national security.

There has been criticism of the large amount of unspent foreign-aid funds which have previously been appropriated. This is a subject which is easy to oversimplify. The comptrollers use several terms in defining the status of foreign-aid funds, such as committed funds, obligated funds, subobligated funds, and unsubobligated funds. I have been assured by the administration—and my own study of this situation has supported this—that while there are large sums of money in the so-called pipeline, there are very small sums of money proportionately which have not now been earmarked and committed for approved projects and programs. In fact, one of the major reasons that a larger amount of funds have remained in the "unspent but obligated" category is that under congressional direction we are increasing our development loan program and decreasing our grant aid program. These development loans are for long-range projects in the less developed countries and they are repayable only in dollars. Once a loan agreement is made the funds must remain available for expenditure in increments, sometimes over a period of several years. Thus, while large sums remain unspent they are very definitely obligated under official loan agreements.

The Foreign Assistance Act of 1962 contains in section 620(e) a provision for suspending assistance to any government which nationalizes or expropriates U.S. property. This provision should be adhered to in every instance, otherwise foreign governments will not take it seriously and attempt to abide by it. I recommended language in the report to the bill which reads in part as follows:

> The degree of effectiveness of this section, particularly as to expropriation of property owned by U.S. citizens, is directly related to the degree of strictness of interpretation and application of its terms to any country receiving assistance under this act.

I have been informed that the Republic of Honduras has adopted a law which would permit the confiscation of the property of U.S. companies. This proposed law has been passed by the Congress of Honduras and has now been signed by the President. We would be remiss if we did not put the Government of Honduras, and any other government considering such action, on notice that section 620(e) of the Foreign Assistance Act is a part of the law governing the expenditure of foreign-aid funds and that it will be acted on just as any other law of this land will be acted on.

I recommended language in the report to assure continuation of the program for training African students in this country. This program is supported only in part by funds from development grants. Private American institutions, American colleges and universities, and African governments together contribute about three-quarters of the cost of this program. The underdeveloped countries, particularly in Africa, lack not only capital but also skilled manpower and trained civil servants. Helping to educate these people is a very valuable long-term investment necessary to develop the capacity for leadership in these countries.

Language has also been put in the report concerning the investment guarantee program. I urge the AID to move forward with this program, which will encourage American private industry to invest in and manage large projects essential to the development of the less developed countries. How much better to encourage our efficient and highly trained private enterprise organizations to undertake these programs and, where possible, to do so instead of having our Government undertake them.

Mr. McGEE. Mr. President I was prepared to offer an amendment on page 19 of the bill, to restore the section that was struck from the House bill, which would have added $1,600,000 for the U.S. Information Agency to build a new transmitter in Thailand.

The importance of that transmitter was made abundantly clear in the committee. It was pointed out, however, that the negotiations were not complete as to where the transmitter would be located. The committee felt, with that uncertainty, that perhaps this matter ought to go over to either the State-Justice Department appropriation bill or the supplemental appropriation bill, at a time when the negotiations would be further along and their completion would be more certain.

With that understanding, namely, that it will come up in one of the two alternatives that I have mentioned, I shall not offer my amendment. I urge that the appropriate committee give serious consideration to the subject, because in Thailand we have a considerable vacuum in our information program so far as radio transmission is concerned.

I hope the item will receive prompt consideration in connection with either the State-Justice budget or the supplemental appropriation bill, which is now being considered.

Mr. HUMPHREY. Mr. President, I want to add my voice and support for the $1.6 million already appropriated by the House toward the construction by the USIA of a megawatt medium-wave transmitter in Thailand.

Our commitment to preserve freedom is nowhere in the world more embattled than in southeast Asia. The Communists are using military action in Vietnam; subversion in northeast Thailand; promises of aid for Indonesia and throughout the area ceaseless propaganda barrages, mixing threats and economic inducements. Right now Radio Hanoi and Radio Peiping dominate medium-wave broadcasting in this area. A recent field survey in northeast Thailand indicated that Radio Peiping is laying down a medium-wave signal 6 times stronger than the voice of America at its best and 12 times stronger than any local Thailand station.

The proposed Voice of America medium-wave megawatt will for the first time give us a signal competitive with the Communist radio. This transmitter will cover Burma, Cambodia, Laos, North and South Vietnam, Malaya, parts of Indonesia, and parts of southwestern China as far north as Chungking.

Time is of the essence. It is hoped that the final detailed agreement with Thailand will shortly be concluded. By appropriating $1.6 million as the House has done we may well save some 6 or 7 months.

All of us want to prevail in the cold war. Let us not deny or delay the use of any effective means of communication. For truth to win, it must be heard.

Mr. JAVITS. Mr. President, I believe there should be an expression from the committee chairman or from the Senator in charge of the bill on the floor about the Thailand radio transmitter, in order to confirm the understanding that it will have proper consideration in connection with the supplemental bill, which no doubt will be before the Senate in a day or two.

I know that the Senator cannot bind any committee. Nonetheless, such a statement would assist the Senator who had proposed the amendment and myself also, as I am deeply interested in the matter. I hope there may be an expression on the subject from the Senator from Arizona or from the Senator from Minnesota [Mr. HUMPHREY]. The matter was discussed in the Committee on Appropriations. The reason the item was not included in the appropriation bill is that negotiations had not been completed.

Mr. HAYDEN. That is correct.

Mr. HUMPHREY. The other body did not like to have an appropriation made before negotiations were completed. We followed the same pattern. The proposal was not rejected by the committee. To the contrary, the fact is that the negotiations have not been completed, and it is eligible for consideration. I cannot say that the supplemental appropriation bill will include this item, but it is the legitimate place for the item. It was not rejected by the Appropriations Committee.

Mr. JAVITS. And that is confirmed by the chairman of the Appropriations Committee?

Mr. HAYDEN. The Senator is correct.

Mr. McGEE. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a statement on this project, which goes into the background of the situation in Thailand, where it is proposed to construct this radio transmitter.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

U.S. INFORMATION AGENCY APPROPRIATIONS FOR ACQUISITION AND CONSTRUCTION OF RADIO FACILITIES—REQUEST THAT FUNDS TO INITIATE CONSTRUCTION OF A MEGAWATT MEDIUM-WAVE TRANSMITTER IN THAILAND BE REINSTATED

H.R. 13175 as passed by the House included $1.6 million to enable the U.S. Information Agency to commence construction of a needed megawatt medium wave transmitter in Thailand. The Senate Appropriations Committee agree that this facility is needed but did not make an allowance for the item because negotiations for the site on which the facility would be constructed had not been fully concluded at the time that the committee considered the request. The committee report states that if successful negotiations are completed in the near future, the Agency can obtain the funds in a supplemental budget request to the Congress.

We have new information now that the Prime Minister of Thailand has publicly announced in press interviews that he agrees in principle with VOA construction of a megawatt transmitter in Thailand. Also, our negotiators are currently in Bangkok and engineers are physically reviewing alternative sites. It is the opinion of the Director of the Voice of America that it will not be possible to conclude a final agreement with Thailand before this Congress adjourns, but that negotiations will be concluded in the very near future, culminating almost certainly in an agreement which would enable the United States to begin work on an approved site immediately.

Another consideration is the fact that the President's request for funds for this project was given considerable publicity in Thailand, and congressional approval would reinforce the importance which this country attaches to the project.

Under these circumstances, allowing for the factor of delay of up to 7 months which

> would be involved if we await a new supplemental request next January, and Mr. Murrow's assurance that his Agency would not obligate any of these funds if negotiations should break down for any reason, I propose now that we amend the original committee action and go along with the House in appropriating funds to initiate this project as soon as possible.

Mr. JAVITS. I compliment the Senator from Wyoming [McGEE] on the way he has followed up on this item. I am honored in joining him in the pursuit of it.

Mr. HUMPHREY. I am in full support of the Senators in that regard.

Mr. CARLSON. Mr. President, on June 5 of this year I directed the attention of the Senate to an amendment to the foreign assistance bill of 1961 which I offered and which was adopted, the amendment reading as follows:

> To the maximum extent feasible, officers and employees performing functions under this Act abroad shall be assigned to countries and positions for which they have special competence, such as appropriate language and practical experience.

It is now possible to report that in reference to appointments for oversea posts, some Government departments have made a notable effort to carry out the wishes of the Senate by "assigning officers and employees to countries and positions where they have special competence, such as appropriate language and practical experience."

However, one or two important agencies requiring assignment of personnel overseas have not fully carried out the intent of the amendment. I am advised that the reason for their failure to do so is an administrative regulation requiring all officers and employees destined for service overseas to sign an agreement as a condition precedent to filing Civil Service Form 57, insisting that if appointed to a position in foreign service, the applicant agrees to service wherever the personnel head of the agency designates. This requirement, unless modified, is in my opinion a handicap to the appointive officers as it discourages men and women especially qualified in language and/or acquinted with special areas from seeking Government service.

Therefore, knowing our great need for such specially qualified people to serve our country abroad, I had hoped to offer an amendment to the current appropriation bill affecting foreign service in slightly different language, but it would be subject to a point of order. The amendment that I had intended to offer is as follows:

> Officers and employees performing functions under this Act abroad shall be assigned to countries and positions for which they have special competence such as appropriate language, personal knowledge of the country and practical experience; persons having such special qualifications shall not be required to sign a statement agreeing to service on a worldwide basis.

It is my hope that those in authority will select our representatives on basis of their qualifications.

Mr. MORSE. Mr. President, I should like to address some questions to the acting majority leader, by way of making a record on this subject. He knows that yesterday I filed a notice of motion to suspend the rule, so that my bill, S. 2985, could be offered to the pending bill.

The bill before the Senate would give away hundreds of millions of dollars. Hundreds of millions of dollars of waste are involved in the military appropriation contained therein, to the great detriment of the American taxpayers, undermining the greatest defense weapon we have, namely, our national economy.

I am a very cooperative individual. My leadership came to me this morning and asked me if I would give consideration to filing another notice of motion today to add my bill, S. 2985, to the appropriation bill for the Justice Department or, if necessary, to the appropriations for the Commerce Department. It would do ironic justice if it were added to the appropriations for the State Department, although I believe it is perfectly appropriate that it be added to this very unsound foreign aid bill, against which I shall vote, because I do not intend to cast any vote which in my judgment would weaken America's greatest defense weapon; namely, its economy. I do not intend to vote for a bill that involves 65 cents out of every dollar of foreign aid going into an outright giveaway, and only 35 cents into repayable loans.

The acting majority leader knows that in the Committee on Foreign Relations, on which he and I have the honor to serve, we have for 4 years waged a battle to try to increase the loan features at a much more rapid pace and to decrease the grant features of the foreign-aid bill. I shall discuss that point later.

Now I wish to ask a question or two of the acting majority leader with reference to the bill S. 2985. I have been battling for several years in the Senate seeking to do justice to World War I veterans, who are the forgotten veterans of American history, and who, in my judgment, are entitled to the kind of minimum pension which my bill provides.

My proposal would protect the American taxpayer, in that veterans who would get the pension are the veterans who, after all, sorely need it. The money would flow immediately into the cash registers of America; it would increase the purchasing power of America; it would stimulate the economy and help to expand it. But the important point, so far as the senior Senator from Oregon is concerned, is that these veterans are entitled to the pension as a matter of economic justice.

So I was about to offer my bill as an amendment to the foreign-aid bill and ask Senators to stand up once again and be counted on this issue. However, I have agreed with the leadership not to offer it, in order that the foreign-aid bill may proceed to a third reading. I am a realist; I know that the foreign-aid bill will pass. It should not, but it will.

But I now serve notice that I shall offer my bill as an amendment to the State, Justice, Commerce appropriations bill, provided the majority leader can give me such assurance as any majority leader could give me, that the State, Justice, Commerce appropriations bill will come to the floor of the Senate either tomorrow or the next day for debate and vote.

Mr. HUMPHREY. I can give the Senator from Oregon that firm assurance. Not only will the Senate consider the State, Justice, Commerce appropriation bill; it will also consider the supplemental appropriation bill. So the Senator will have two opportunities to offer his amendment. I am aware of his desire to do so.

First, I express my deep appreciation to the Senator from Oregon for his cooperation with respect to the foreign aid appropriation bill. There will be ample opportunity for him to offer his amendment to either of the two remaining appropriation bills.

Mr. MORSE. I thank the acting majority leader for his cooperation with me in regard to this proposal. I have no desire to follow a parliamentary course of action today which will delay the vote on the foreign aid bill, in view of the fact that I will have other avenues, parliamentarywise, which will enable me to obtain a vote on S. 2985.

I do feel, however, that it is especially appropriate to offer as an amendment to the foreign aid bill.

Mr. President, I now file notice of my motion to suspend the rule.

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing my amendment to the bill (H.R. 12580), the State, Justice, Commerce appropriation bill, 1963.

Mr. HUMPHREY. I thank the Senator from Oregon for his cooperation.

Mr. HICKENLOOPER. Mr. President, I wish to discuss for a few minutes a subject which I believe is of supreme importance to our country; namely, the cavalier treatment by the State Department of a law just passed by Congress, the ink of the signature on which has not yet dried. It is with reference to the expropriation and seizure of American property in certain foreign countries. I believe other Senators are interested as well.

Mr. HUMPHREY. Mr. President, will the Senator from Iowa yield?

Mr. HICKENLOOPER. I yield.

Mr. HUMPHREY. I am aware of the deep interest of the Senator from Iowa in this subject. I also am deeply interested.

Mr. HICKENLOOPER. I know the Senator from Minnesota is interested.

Mr. HUMPHREY. The Senator from Iowa worked diligently in the Committee on Foreign Relations to perfect language that would seek to correct the situation to which he alludes.

In the light of the progress made on the foreign aid appropriation bill, since many items have been considered very carefully, would the Senator from Iowa be willing to permit the bill to be read the third time? Then we could have as much debate on the text and ultimate purpose as we might desire. It would be helpful if we could proceed to the third reading.

Mr. HICKENLOOPER. I wish to help the leadership expedite final action on any piece of proposed legislation. Frankly I have been wrestling with myself concerning the preparation of a further amendment which would implement the legislation already on the books. I have concluded that it would probably be ineffectual to write an amendment which would say to the State Department, in effect, "You will have to do what the law already tells you to do." That would be a rather futile gesture.

I have concluded that the law is adequate in accordance with my amendment, which was included in the authorization bill as it passed the Senate. I think the difficulty is that the State Department is still not following the spirit and intent of the law. Therefore, my own conclusion is that it would be vain or futile to offer an amendment merely telling the State Department to do what the law already prescribes it shall do. So I do not wish to offer an amendment.

Mr. HUMPHREY. I appreciate that.

Mr. MORSE. Mr. President, will the Senator from Iowa yield?

Mr. HICKENLOOPER. I yield.

Mr. MORSE. The Senator from Iowa and I, and perhaps other Senators, wish to discuss the Honduran case, not at great length, but to make a record concerning it. I quite agree with the Senator from Iowa that no amendment to the existing law is needed. If there is any reader in the State Department who can read the English language, he will see that the law is already crystal clear. The sad fact is, as we shall bring out later, that the Senator from Iowa and the Senator from Oregon are satisfied that there is a deliberate attempt on the part of the State Department to ignore and evade the law.

The State Department must be held to an accounting for its failure to follow the law which is already on the books, for the action of the State Department with respect to the Honduran situation cannot be justified. The law is perfectly clear. In my judgment, the law prohibits the State Department from doing what it was attempting to in regard to the Honduran matter. I think it is up to the Committee on Foreign Relations to call the representatives of the State Department before it to make a record and hold them to an accounting for their action, for I consider them to be guilty of malfeasance in office with regard to the situation in Honduras.

So far as I am concerned, I am willing to have the bill read the third time; then Senators who wish to make a record on the Honduran case may do so after the third reading.

Mr. HICKENLOOPER. I thank the Senator from Oregon. I told the majority leader a moment ago that in view of the fact that I do not intend to offer an amendment, I would have no objection to the bill being read the third time, provided I do not lose the floor. However, I have just been informed that the Senator from South Dakota [Mr. MUNDT] has an amendment which he intends to offer and has been waiting to offer.

I certainly do not wish to block him from offering his amendment. I think the majority leader understands that. Also, the Senator from Missouri [Mr. SYMINGTON] desires to make a statement; but he stated that he was willing to wait until after the third reading. As I understand, his remarks do not pertain to an amendment.

Mr. SYMINGTON. The Senator is correct.

Mr. HICKENLOOPER. I am perfectly willing to yield to the Senator from Missouri at any appropriate time; but I understand that it would be just as appropriate to have the third reading.

Mr. SYMINGTON. I shall wait.

Mr. LAUSCHE. Mr. President, will the Senator from Iowa yield?

Mr. HICKENLOOPER. I yield.

Mr. LAUSCHE. Mr. President, last week the Senate passed a resolution urging firmness on the part of the administration with regard to Cuba. Several weeks ago in the Committee on Foreign Relations, through the sponsorship of the Senator from Iowa, a highlight of the discussion was the subject of granting aid to countries which confiscated, without compensation, the property of citizens of the United States. At that time, it was argued, especially by the Senator from Iowa, that the confiscation by Brazil merely gave encouragement to other nations to confiscate property of U.S. citizens. The excuse given by the State Department was that a province of Brazil—not the national government—did the confiscating. But, Mr. President, in my opinion that argument did not have a sound basis; and I cannot accept it.

The situation in Honduras is a part of the trend or movement that follows our countenancing the confiscation of the property of American citizens in other countries; and I think we have no more vital responsibility than to let the other nations of the world know that the amendment adopted and included in the foreign aid authorization bill was placed in that bill with the somber and firm purpose of having the State Department put it into execution. I believe this subject should be discussed either now or following the passage of this bill; and before the day is over I shall have more to say about it.

Mr. HICKENLOOPER. Mr. President, I thank the Senator from Ohio.

Mr. MANSFIELD. Mr. President——

Mr. HICKENLOOPER. I yield to the majority leader.

Mr. MANSFIELD. Mr. President, I have discussed with the senior Senator from Iowa [Mr. HICKENLOOPER], who now controls the floor, the Senator from Oregon, the Senator from Minnesota, and other Senators, the amendment to be offered by the distinguished senior Senator from South Dakota [Mr. MUNDT]. I am about to make a unanimous-consent request which I hope will meet with the approval of the Senate. What I shall request is not an unusual procedure, because we tried it last week, and it was very successful.

Mr. President, I ask unanimous consent that the third reading of the bill be considered as having been arrived at, and that 20 minutes be allocated to the amendment to be offered by the Senator from South Dakota, with 15 minutes to be controlled by him and 5 minutes to be controlled by the Senator from Arizona.

The VICE PRESIDENT. Is there objection?

Mr. HICKENLOOPER. Mr. President, reserving the right to object, I wish to protect my right to the floor.

Mr. MANSFIELD. The Senator's right to the floor will be protected, because, under the proposed agreement, the suggested action will be taken with the proviso that he will keep the floor and will retain it while the amendment is being considered, and will have the floor afterward.

Mr. HICKENLOOPER. Then I have no objection.

The VICE PRESIDENT. Is there objection? Without objection, it is so ordered; and the question now is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

Mr. MUNDT. Mr. President, I have at the desk an amendment which I now submit on behalf of myself and the Senator from Louisiana [Mr. ELLENDER].

The VICE PRESIDENT. The amendment to the committee amendment will be stated.

The CHIEF CLERK. In the committee amendment on page 3, in line 19, it is proposed to strike out "$1,125,000,000", and to insert in lieu thereof "$1,000,000,000."

The VICE PRESIDENT. The question is on agreeing to the amendment submitted by the Senator from South Dakota, on behalf of himself and the Senator from Louisiana, to the committee amendment.

Mr. MUNDT. Mr. President, if I may have the attention of the Senate, I wish to say that when a proposal similar to this amendment was previously voted on, it lost by a margin of only two or three votes, as I recall. That effort was to cut $200 million from the Development Loan Fund. My amendment offers the Senate a "last chance" opportunity to make a cut in this multibillion-dollar bill and to require an improvement in the efficiency by which these colossal amounts are dispensed throughout the world.

Since yesterday I have conferred with several Members of the Senate who would like to have some economy effected in this area, but who thought a $200 million cut might be too large. Accordingly, I have joined with the Senator from Louisiana [Mr. ELLENDER] in proposing that the appropriation be reduced by $125 million. The result would be to provide $1 billion for the Development Loan Fund—still far above the amount approved in the House.

Mr. President, we propose this amendment in the interest of economy. It is true that economy may be an old-fashioned word, and it may be that many persons have lost all intention to economize and all desire to have the budget balanced. But even if we accept the fact that some Senators honestly feel that spending money is the way to make the country prosperous—

although I do not agree—let us realize that, at least in my opinion, what the loan and aid program under the bill needs more than anything else is selectivity. However, when more and more funds are added to the program, as if money meant nothing to the taxpayers of the Nation, the element of selectivity, the process of deciding which to accept and which to reject, is lost. Anyone who heard the testimony at the hearings of our Appropriations Committee or who has read the testimony must realize that some proposed loans should be rejected. We need to have the loans which are third class or fourth class in priority rejected, and we need to have the good ones or the better ones accepted. However we should not be committed to giving everybody everything.

In addition to economy—and I do not here criticize those who are against economy—if they consider it proper to be liberal with the people's money, that is their right—the element of selectivity in this connection should appeal even to those who do not advocate economy. In connection with the aid program, we need to emphasize the point that it is supposed to be a businesslike program, a shift from grants to loans. That is what we were told. But we find that the shift has been made in name only, because instead of requiring the payment of Treasury rates of interest or legitimate rates of interest, most of these grants are 40-year development loans without interest.

I do not think we should attempt to deceive our constituents. I believe we should let the taxpayers know that we are calling a grant a development loan, and that the only difference is that one-fourth of 1 percent interest is to be charged as a so-called service charge although in some instances even that is to be deferred 10 years.

We were advised that this program was to be handled on the basis of a businesslike transaction, with annual payments to be made and with some legitimate rate of interest to be paid on an annual basis. However, all those things have now gone by the board, because too many Members of Congress were willing to have money treated as if it were falling leaves at the first frost in the fall. Thus we encourage bad administration rather than wise administration of this AID money.

But, Mr. President, at a time when we are regularly asked to increase our national debt limit, the least we can do, in making this last effort on the bill, is to amend it to the extent of providing for $1 billion, instead of pushing on the agency in charge an additional $125 million, when it does not state what it would do with it, other than that it would provide it to some country at one-fourth of 1 percent interest over a period ranging as high as 40 years.

Mr. President, in order that future students of this matter and research workers who may wish to determine on what basis Congress acted may have the benefit of some definite statistics, I ask unanimous consent to have printed at this point in the RECORD a table entitled "Fiscal Year 1962 Program for India," which appears on page 19 of the House Appropriations Committee report on the bill, and also a table, from page 20 of the same report, entitled "Loans Other Than United States to India." It will be a most revealing study to anybody taking the time seriously to examine it.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

Fiscal year 1962 program for India

[Dollars in millions]

	Total cost foreign exchange and rupees	U.S. loan value	Date loan authorized	Service charge	Terms of repayment	Maximum maturity
Project:						
Cambay thermal powerplant	$52.5	$33.6	July 28, 1961	¾ of 1 percent	In U.S. dollars	40 years.
Bandel thermal powerplant	54.2	38.0	Nov. 30, 1961	do	do	Do.
Pamba-Kakki hydroelectric powerplant	58.9	20.2	Mar. 23, 1962	do	do	Do.
Trombay thermal powerplant	26.3	17.9	May 29, 1962	do	do	Do.
Patherdih coal washery plant	7.7	4.2	Jan. 24, 1962	do	do	Do.
Premier automobile manufacturing plant	[1] 3.0	3.0	Dec. 18, 1961	do	do	Do.
Hindustan Motors, Ltd	21.4	15.8	(3)	do	do	Do.
Industrial Finance Corp	[1] 20.0	20.0	Mar. 16, 1962	do	do	Do.
Rayon tire cord factory	15.7	9.8	do	do	do	Do.
Railway program	43.0	43.0	May 31, 1962	do	do	Do.
Total project		205.5				
Nonproject: Industrial raw materials, components, steel, etc.	[1] 200.0	200.0	Mar. 16, 1962	¾ of 1 percent	In U.S. dollars	Do.
Grand total	[1] 502.7	405.5				

[1] Other local or foreign exchange costs of project or nonproject nature over the years not included in this report.

[3] Development Loan Committee approved June 14, 1962.

Loans other than United States to India

[Dollars in millions]

Country	Total project cost	Loan value	Date authorized	Interest rate	Terms of repayment	Maximum maturity
FREE WORLD						
West Germany:						
Rourkela	$241.5	$157.1	Feb. 26, 1958	6.3	(1)	3 years.
Capital goods	(1)	40.1	Jan. 6, 1959	5½	(1)	20 years.
Do	(1)	30.0	May 27, 1960	6½	(1)	Do.
Do	(1)	30.0	Nov. 15, 1960	5½	(1)	15 years.
Rourkela	(1)	24.6	Jan. 30, 1961	5¾	(1)	4 years.
Do	(1)	48.3	Apr. 29, 1961	5½	(1)	18 years.
Balance of payments	(1)	25.0	do	5½	(1)	20 years.
Do	(1)	42.5	Sept. 14, 1961	3	(1)	Do.
United Kingdom:						
Lazard Credit Durgapur (private loan).	(1)	32.2	Jan. 5, 1957	[2] +1	(1)	2½ years.
Durgapur	(1)	42.0	June 30, 1958	[2] +¼	(1)	11 years.
Capital goods	(1)	79.8	Dec. 20, 1958	+¼	(1)	20 years.
Naharkatiya oil pipeline.	(1)	8.4	June 23, 1959	+¼	(1)	6½ years.
Capital goods	(1)	53.2	Nov. 25, 1959	+¼	(1)	20 years.
Do	(1)	28.0	Aug. 16, 1960	+¼	(1)	Do.
Do	(1)	14.0	Dec. 23, 1960	+¼	(1)	Do.
Do	(1)	28.0	May 1, 1961	+¼	(1)	25 years.
Do	(1)	84.0	do	+¼	(1)	Do.
Do	(1)	14.0	Nov. 10, 1961	+¼	(1)	Do.
Japan:						
Credit	(1)	50.0	Feb. 4, 1958	5¾	(1)	10 years.
Ad hoc	(1)	10.0	Aug. —, 1958	(1)	(1)	
Do	(1)	10.0	Mar. —, 1959	6	(1)	Do.
Consortium	(1)	80.0	Aug. 18, 1961	6	(1)	15 years.
FREE WORLD—Con.						
Japan:						
Credit—Con.						
Bailadila Iron	(1)	$21.0	Mar. 8, 1960	6	(1)	
Orissa Iron	(1)	8.0	Jan. 4, 1958	6	(1)	5 years.
Switzerland	(1)	22.9	July 30, 1960	3¾	(1)	10 years.
Yugoslavia	(1)	39.9	Jan. —, 1960	3	(3)	
France:						
Consortium	(1)	30.0	Sept. 12, 1961		(4)	
2d plan	(1)	100.0		(1)		
Italy	(1)	96.0	Aug. 29, 1961	6	(1)	12 years.
Total, free world		1,249.0				
SOVIET BLOC						
U.S.S.R.:						
Bhilai Steel	(1)	132.5	Feb. 2, 1955	2½	(5)	Do.
Industrial	(1)	126.0	Nov. 9, 1957	2½	(5)	Do.
Drugs	(1)	20.0	May 29, 1959	2½	(5)	7 years.
Barunri Oil	(1)	25.0	Sept. 28, 1959	2½	(5)	12 years.
Credit 3d plan	(1)	375.0	Sept. 12, 1959	2½	(5)	Do.
Do	(1)	125.0	Feb. 21, 1961	2½	(5)	Do.
Czechoslovakia		48.5	Nov. —, 1959	2½		8 years.
Poland	(1)	30.0	May —, 1960	2½		Do.
Rumania	(1)	11.0	Oct. —, 1958	2½		7 years.
Total, Soviet bloc		893.0				

[1] Not known.

[2] Treasury rate.

[3] Under negotiation.

[4] To be negotiated.

[5] Export of Indian commodities to U.S.S.R.

Mr. MUNDT. Mr. President, the table entitled "Loans Other Than United States to India" has a very interesting column captioned "Interest rate." Senators and taxpayers should study it. It shows that, with the sole exception of Uncle Sam—who seems to be trying to recapture the title of "Uncle Sucker" or "Uncle Sap"—every other country making a development loan to India charges a legitimate rate of interest. Sometimes I think perhaps they charge a little too much interest; but at least they do not superimpose upon their taxpayers the cost of making such foreign loans without charging any realistic interest whatsoever to the country to which the loan is made.

Mr. President, another point which should be borne in mind is that these loans are in competition with private business loans. Billions of dollars have been invested abroad in this area by American industry. We should encourage more such investments, and we should encourage foreign groups to engage in business transactions with private investors in this country. But that cannot be done if there is a big smorgasbord of our Government's money in the next tent, accompanied by an invitation "Come and get it, and we will either give it to you without interest or we will give it to you at one-fourth of 1 percent interest."

Mr. President, how can participation between American business and private business abroad be encouraged when an arrangement to provide no-interest long-term loans or grants is made ready for use?

Mr. McGEE. Mr. President, will the Senator yield?

Mr. MUNDT. In just one second.

I submit that this is the last opportunity this year the Senate has to vote for an important economy measure, to save at least $125 million. I think that is important. Some persons will disagree because they have lost concern about economy. But I think no one will disagree about the desirability of insisting on some selectivity in this program. If it is reduced to $1 billion, what remains is not a small item of change. But to cut the item down by $125 million would force the administrators of the program to pick and choose between the worst loans and the better loans, the bad loans and the good loans, the really attractive and important loans, and those in which they simply shovel out the taxpayer's money because the money is forced upon the administrators of AID.

A third great advantage of our amendment to make at least a modest reduction is that it would necessitate developing some kind of businesslike bookkeeping, some kind of businesslike approach, some kind of prudent management of the funds, by encouraging the AID administrators to charge some type of legitimate interest rates, and insist on a realistic beginning of an annual, regular repayment program, which our Appropriations Committee has been trying to get them to do year after year.

If we can have the support of the Senate and cut this amount down a little, we can make some achievement in that direction. We will fire a warning shot that the taxpayers are tired of being kidded and told that what really is a development program is actually a grant program. It is the former in name, but, as the Senator from Louisiana pointed out yesterday, it is becoming a grant program under a long name by misrepresenting it as a development loan program.

The reason for it is that the administrators have become reckless as a consequence of having too much money to spend in too many farflung areas of the world.

I have been in favor of an aid program. I have supported it in the past. If a reasonable, realistic program can be placed before us, I am ready to support it again. But I am not going to support another program which is profligate and reckless on its face, which deceives the American people on its face. Other Senators may want to support it. As one Senator, I will not cast another vote to perpetuate and to expand that kind of financial fraud on the American people, especially when the money is made available to Communist countries, to self-seeking neutrals, and to those who oppose us as well as to those who support us.

I have sat with the Appropriations Committee and I have interrogated witnesses. I have read the reports of the Senator from Louisiana [Mr. ELLENDER], who traveled extensively and looked firsthand at projects. He has looked at the projects which administrators talk about vicariously. It is a somewhat curious situation when a witness talks about a project he has never seen and a Member of the Senate who has been there comes up with firsthand facts to demonstrate its futility.

Unless we start cutting down these programs realistically, sooner or later, as we continue to run this country in the red, our citizens are going to be aroused to the point where they will insist the United States call off the whole program.

So I suggest that we exercise a little prudence, because to do so will bring us big dividends in the future. I hope the Mundt-Ellender amendment will be adopted.

I reserve the remainder of my time.

Mr. McGEE. Mr. President, is the Senator through, or will he yield?

Mr. MUNDT. I reserve the remainder of my time.

Mr. McGEE. Mr. President, will the Senator yield me 3 minutes?

Mr. HAYDEN. I yield the Senator from Wyoming 3 minutes.

Mr. McGEE. Mr. President, we were over all this ground yesterday, and we tried to analyze the issues at stake in the loan development program. I challenge the statement that these loans are all being made on a 40-year basis and the suggestion that they have become grants. The hard fact is that the record for last year suggests that $341 million of those loans were out for more than 20 years, generally up to 40 years, but that $358 million—a larger number—were on a 10- to 20-year loan basis. Finally, nearly $300 million additional in loans were on a 5- to 10-year loan basis.

I think it would be a disservice to this body to leave the impression that all of the loans are being made on a 40-year loan formula, which is not the case.

Likewise, I think we ought to bear in mind that, on the whole development loan program, the Senate has been after the foreign aid administrators to convert our grant program as rapidly as possible to a loan program. This was the transitional stage, so that it would be feasible to make the adjustment without interrupting the momentum of the kind of economic impact we sought to achieve.

The Senator from South Dakota was present during all this interrogation, when it was established that the development loans will be made only where there are reasonable prospects of repayment, and, furthermore, that the administrators must adhere to the criteria enumerated in the committee report; namely:

First. Whether the financing might be partly or completely obtained from other free world sources on reasonable terms.

Second. The economic and technical soundness of the proposed activity must be established.

Third. Whether the project shows reasonable promise of contributing to the development of economic resources or an increase of production capacities of the country concerned.

Fourth. The relationship of the activity to other developmental activities and its contribution to long range objectives.

Fifth. The extent to which the recipient country shows a responsiveness to the economic, political, and social concerns of its people and a determination to use effective self-help measures.

Sixth. The possible effects of the proposed loan upon the U.S. economy, with special reference to areas of labor surplus, is another criterion.

As a result of the changes brought about by Members of the Senate, changes recommended by the Senator from Louisiana [Mr. ELLENDER], we have been able to tighten up the provisions of the loan program. We have been able to force the improvements in which the Senator from South Dakota is interested, as is the Senator from Wyoming.

As I suggested yesterday, this is no time to be cutting back further. The program has already been cut back substantially in committee. We know full well that we go into conference without any indication of what kind of compromise will be brought about in the conference.

The VICE PRESIDENT. The time of the Senator has expired.

Mr. McGEE. Mr. President, I ask unanimous consent that I may have another half minute.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. McGEE. Having made this progress, it is hardly the fair moment, and certainly hardly the right moment, to attempt to cut the program still further beyond the committee's recommendation, as we seek to improve and broaden the base of economic impact all over the world.

Mr. MORSE. Mr. President, will the Senator yield me half a minute?

Mr. MUNDT. I yield half a minute to the Senator from Oregon.

Mr. MORSE. I intend to vote for the amendment. The observations of the Senator from Wyoming would have been much sounder if he had given support to efforts to eliminate some of the grant money provided in the bill. We have an obligation to save the taxpayers hundreds of millions of dollars, and we should have saved it in regard to the grant features. Our obligation is to save the taxpayers something. Therefore, I am going to vote for any amendment that will cut down the total cost of the bill, in behalf of the taxpayers of the country.

Perhaps that will teach the administration next year, in view of the close votes in this session, what is going to happen in the next session, because, after the voters are heard from in November, notice will be served on the administration that the time has come when hundreds of millions of dollars must be saved in the foreign aid bill.

Mr. MUNDT. I appreciate the Senator's contribution. He has expressed the situation succinctly. I do not see how we can defend this kind of profligate spending of the taxpayers' money unless we have complete contempt for budget balancing.

I yield half a minute to the Senator from Ohio [Mr. Lausche].

Mr. LAUSCHE. Mr. President, I shall support the amendment of the Senator from South Dakota. I shall do so because past experience has demonstrated that doles and loans without interest have not achieved the objective advocated by the sponsors of the programs.

The attitude of our allies in NATO and in the Western Hemisphere concerning our problems with Cuba indicates that what we had hoped to achieve by our bountiful aid has not had ultimate achievement.

I do not believe that we can continue to dole out money the way we have, in the face of the constant cries about the absence of and the flight of gold.

The VICE PRESIDENT. The time of the Senator from Ohio has expired.

Mr. MUNDT. Mr. President, I yield the Senator another half minute.

Mr. LAUSCHE. We cannot do it. This program is feeding American dollars into foreign countries, which countries then are demanding payment not in American dollars, but in American gold. We cannot afford to continue on that course. The evidence is entirely too great that there has been maladministration and extravagance.

The VICE PRESIDENT. The Senator's time has again expired.

Mr. LAUSCHE. May I have another minute?

Mr. MUNDT. Mr. President, I yield the Senator another half minute.

Mr. LAUSCHE. Over and above all that, I have seen what has happened in the Committee on Foreign Relations, when members of foreign delegations have been entertained. Time and again the question is asked, "What can you do for the United States if we aid you?" The answer is, "You are audacious in asking us what we can do for you. You help us."

I am shocked every time I hear those answers.

For those reasons I will support the amendment.

Mr. HAYDEN. Mr. President, I yield a half a minute to the Senator from New York [Mr. Javits].

The VICE PRESIDENT. The Senator from New York is recognized for one-half minute.

Mr. JAVITS. Mr. President, the $50 billion we spend for defense annually is much more than we are now talking about—it is 10 times as much—but that has not enabled us to achieve our aspirations and objectives, either.

The economic aid program is the one offensive arm of the United States. I do not wish to see it crippled.

Second, we shall have to negotiate with the House of Representatives. The only question before the Senate is whether we shall start negotiations from a lower base or from the base set by the committee. I am in favor of at least starting from the base set by the committee.

Third, the Europeans are now contributing $2½ billion to foreign aid. Do we wish to knock that in the head, or should we encourage it?

Those are the issues on the vote to come. Therefore, I shall vote against the amendment. I am grateful to the chairman for yielding to me.

Mr. MUNDT. Mr. President, may we have a report on the time remaining, please?

The VICE PRESIDENT. There is 1 minute remaining on each side.

Mr. MUNDT. Mr. President, I yield a half minute to the Senator from Louisiana [Mr. Ellender].

Mr. ELLENDER. Mr. President, it will be recalled that yesterday I offered an amendment to cut this program by $200 million, and the vote was very close. As I pointed out, the program will continue to grow and, in my humble judgment, it will resolve itself into another giveaway program.

As we loan money to the various countries on a long term basis, we are told that our friends are assisting by making similar loans to this country. How are our so-called allies rendering this so-called assistance? They are doing it by making short-term loans at high interest rate. And how are we making these so-called loans? On a 40-year basis at at a three-quarters of 1 percent service charge with a 10-year grace period.

These can be called loans by no stretch of the imagination. But what really irks me is that the high-interest, short-term, business-like loans made the rich countries of Western Europe and Japan will be repaid to those countries with the hard-earned American dollars we have given, and are giving, away.

The VICE PRESIDENT. The time of the Senator from Louisiana has expired.

Mr. MUNDT. Mr. President, I shall take the 20 or 30 seconds remaining to answer the remarks made by the Senator from Wyoming, when he pointed out that not all of the loans are 40-year loans. That is what I said. That is why we need some selectivity. If we reduce the amount of money which is available, more of the loans will be 5- and 10-year loans.

The table shows that more than a half-billion dollars of 40-year interest-free loans were granted to India last year, and nearly another half billion dollars is proposed for India this year on the basis of 40 years and three-fourths of 1 percent interest. That is pretty much a grant, and the only way to stop it is to effectuate some economy now.

The VICE PRESIDENT. The Senator from Arizona has 1 minute remaining.

Mr. HAYDEN. Mr. President, I yield the minute to the Senator from Montana [Mr. Mansfield].

Mr. MANSFIELD. Mr. President, I thought this question was settled yesterday when the distinguished Senator from Louisiana [Mr. Ellender] offered an identical amendment, except that the figure was somewhat higher. As I recall, the amendment would have cut $200 million instead of the $135 million proposed in the pending Mundt amendment.

Yesterday the distinguished Senator from Wyoming [Mr. McGee], the distinguished Senator from Massachusetts [Mr. Saltonstall], and the distinguished Senator from Minnesota [Mr. Humphrey], the acting floor leader, answered all of the arguments advanced at that time. If my memory serves me correctly, the Senate turned down that proposal by a vote of 40 to 34.

I hope, even though there is a division within the Appropriations Committee on this particular question, which has been indicated by the debate on the floor yesterday and today, that the majority opinion of the Committee on Appropriations will be upheld and that the Senate will vote down the amendment offered by the Senator from South Dakota.

Mr. MUNDT. Mr. President, I ask for the yeas and nays on my amendment.

Mr. MORSE. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

The VICE PRESIDENT. All time has expired. The question is on agreeing to the amendment offered by the Senator from South Dakota [Mr. Mundt]. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. BURDICK. Mr. President, I have a pair with the senior Senator from Pennsylvania [Mr. Clark]. If he were present and voting, he would vote "nay." If I were at liberty to vote, I would vote "yea." I therefore withhold my vote.

Mr. HUMPHREY. I announce that the Senator from Colorado [Mr. Carroll], the Senator from New Mexico [Mr. Chavez], the Senator from Pennsylvania [Mr. Clark], the Senator from Illinois [Mr. Douglas], the Senator from Mississippi [Mr. Eastland], the Senator from Alabama [Mr. Hill], the Senator from Washington [Mr. Magnuson], the Senator from Arkansas [Mr. McClellan], and the Senator from Oklahoma [Mr. Monroney] are absent on official business.

I further announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Alaska [Mr. GRUENING], and the Senator from Wyoming [Mr. HICKEY] are necessarily absent.

On this vote, the Senator from Colorado [Mr. CARROLL] is paired with the Senator from Utah [Mr. BENNETT]. If present and voting, the Senator from Colorado would vote "nay," and the Senator from Utah would vote "yea."

I further announce that, if present and voting, the Senator from Illinois [Mr. DOUGLAS] would vote "nay."

Mr. KUCHEL. I announce that the Senators from Vermont [Mr. AIKEN and Mr. PROUTY], the Senator from Utah [Mr. BENNETT], the Senator from South Dakota [Mr. BOTTUM], the Senator from Indiana [Mr. CAPEHART], the Senator from Kentucky [Mr. MORTON], and the Senator from Texas [Mr. TOWER] are necessarily absent.

The Senator from Wisconsin [Mr. WILEY] is detained on official business.

If present and voting, the Senator from Indiana [Mr. CAPEHART], the Senator from Kentucky [Mr. MORTON], and the Senator from Texas [Mr. TOWER] would each vote "yea."

On this vote, the Senator from South Dakota [Mr. BOTTUM] is paired with the Senator from Wisconsin [Mr. WILEY]. If present and voting, the Senator from South Dakota would vote "yea," and the Senator from Wisconsin would vote "nay."

On this vote, the Senator from Utah [Mr. BENNETT] is paired with the Senator from Colorado [Mr. CARROLL]. If present and voting, the Senator from Utah would vote "yea," and the Senator from Colorado would vote "nay."

The result was announced—yeas 38, nays 40, as follows:

[No. 301 Leg.]

YEAS—38

Allott
Bible
Boggs
Bush
Butler
Byrd, Va.
Cannon
Carlson
Cotton
Curtis
Dirksen
Ellender
Ervin
Fong
Goldwater
Hickenlooper
Hruska
Johnston
Jordan, N.C.
Jordan, Idaho
Keating
Lausche
Long, La.
Miller
Morse
Mundt
Murphy
Pearson
Proxmire
Robertson
Russell
Smith, Maine
Stennis
Talmadge
Thurmond
Williams, Del.
Yarborough
Young, N. Dak.

NAYS—40

Bartlett
Beall
Byrd, W. Va.
Case
Church
Cooper
Dodd
Engle
Gore
Hart
Hartke
Hayden
Holland
Humphrey
Jackson
Javits
Kefauver
Kerr
Kuchel
Long, Mo.
Long, Hawaii
Mansfield
McCarthy
McGee
McNamara
Metcalf
Moss
Muskie
Neuberger
Pastore
Pell
Randolph
Saltonstall
Scott
Smathers
Smith, Mass.
Sparkman
Symington
Williams, N.J.
Young, Ohio

NOT VOTING—22

Aiken
Anderson
Bennett
Bottum
Burdick
Capehart
Carroll
Chaves
Clark
Douglas
Eastland
Fulbright
Gruening
Hickey
Hill
Magnuson
McClellan
Monroney
Morton
Prouty
Tower
Wiley

So Mr. MUNDT's amendment was rejected.

Mr. HICKENLOOPER. Mr. President, I understand that the bill has now been read the third time. Is that correct?

The VICE PRESIDENT. The Senator is correct.

Mr. HICKENLOOPER. I wish to discuss a subject for a few minutes. First, I yield 4 minutes to the Senator from Missouri.

LET US GIVE THE ADMINISTRATOR OF THE FOREIGN AID PROGRAM ADEQUATE FUNDS TO PROPERLY MANAGE THE JOB

Mr. SYMINGTON. Mr. President, the present concern with our many problems as a nation, adequate defense shield, balance of payments, the heavy tax burden on our citizenry, necessitate the Congress taking a careful look at this year's recommended foreign-aid program.

I entered a respectful but earnest protest, however, against one of the recent House reductions—the reduction in the administrative funds requested to manage the AID program, and am very glad the Senate Appropriations Committee restored most of that reduction; in fact, for the following reasons, I wish they had restored it all.

We know that any aid program requires appropriations to cover its administration costs. We also realize that a program's success or failure depends a great deal on the way its is managed.

Those of us who in recent years have visited various parts of the world also realize that one of the prime requirements for any aid program is better administration, better business management under more sound accounting principles.

Nevertheless, the House reduced by $7 million the requested appropriation for administrative expense. Actually it was $9.7 million, because the House expressed disapproval of a shift of 258 positions, which in turn had to be financed from these administrative funds.

This House proposal meant a reduction of nearly 20 percent in administration; and this reduction would have cut the heart out of any real chance for major improvement in the management of the program, despite the fact that in effect this new Agency is now being administered by one of the ablest men in Government—Fowler Hamilton.

The lending operations of AID mean that actually Mr. Hamilton is operating the largest public bank in the world.

How many people realize that AID's loan funds for the fiscal year 1962 almost equaled the combined total of the Export-Import Bank and the World Bank? The total AID loan authorizations in fiscal 1962 were $1,341 million, as compared to loan authorizations of $882 million by the World Bank and $584 million in comparable loans by the Export-Import Bank.

In the 4 years since its inception, the cumulative loans of the Development Loan Fund, combined with those of AID, totaled $3,327 million, which is more than half that lent by the World Bank in the 15 years since 1947; and almost 45 percent of that lent by the Export-Import Bank for comparable loans in the 16 years since 1946.

The people who would be affected by the proposed House reduction include economists and financial analysts, engineers and auditors, controllers, contract experts and lawyers; in other words, those necessary to plan, organize, implement, and audit investments under this multibillion-dollar loan program.

For many years we here on the Senate floor have stressed the importance of better management of AID, because we know that good management is essential for maximum return to the taxpayer for each dollar invested.

A cut in the magnitude proposed would have required the arbitrary dismissal of more than 1,000 out of the 3,000 Americans on the administrative staff—an almost fatal blow to an agency that has had less than a year to get on its feet.

It would have nullified all recent efforts to achieve a reorganization and reorientation of our foreign aid activities, especially those efforts now being made to streamline and consolidate programs in Central and South America.

It could only affect adversely the policy announced in the recent joint congressional resolution, namely, a firm stand against the obviously growing danger of the Cuban Communist beachhead in this hemisphere.

How can we afford to cut by a third the staff of financial analysts who must analyze and recommend how these billions are to be utilized; by a third the engineers appointed to see that projects are soundly designed—by one-third those people working with American businesses to generate private investments overseas—by one-third the auditors, contract experts, and lawyers employed to assure this money is spent in the best interests of the United States.

Regardless of differences as to what should be the total amount of the program, all of us want to see it operated with maximum efficiency. Surely, therefore, we do not want now to cripple its carefully drawn up plans and programs designed to attain that efficiency.

If, counting pipeline, the total program is around $12 billion—a figure presented the House—what is being asked for management is considerably less than one-half of 1 percent of what must be managed.

Surely this is well in line with other administrative costs, and I would hope the Senate conferees are able to so convince our friends in the House.

UNANIMOUS-CONSENT AGREEMENT TO LIMIT DEBATE

Mr. HUMPHREY. Mr. President, I should like to have the attention of the Members of the Senate. In discussing this matter with certain Members of the Senate, it appears to be very desirable that we come to an agreement as to the hour at which the Senate will vote on the passage of the foreign aid bill.

I ask unanimous consent that the vote on the passage of the foreign aid bill be at 3 p.m.

Mr. JAVITS. Mr. President, reserving the right to object, this is all very well, but one Member could obtain the floor and keep it until 3 p.m. Therefore, I suggest that the Senator amend his request to allow for 2 hours of general debate on the bill, with 1 hour being controlled by one side and 1 hour by the other side, those who oppose the bill and those who favor the bill. Then Senators will all know that they can speak on the bill.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that beginning at the hour of 1 p.m., with the vote to come at 3 p.m., there be 2 hours of debate on the bill, the time to be equally divided between the proponents and the opponents.

Mr. JAVITS. Reserving the right to object—

Mr. GOLDWATER. Mr. President, I ask for the yeas and nays on the passage of the bill.

The yeas and nays were ordered.

Mr. JAVITS. I shall want at least 10 minutes to speak on the bill. I should like to stipulate that now and, if more time is needed, let us get it.

Mr. HUMPHREY. There will be plenty of time.

The VICE PRESIDENT. Is there objection to waiving a quorum call? The Chair hears none, and it is so ordered.

Is there objection to the unanimous-consent request of the Senator from Minnesota? The Chair hears none, and it is so ordered.

Mr. HUMPHREY. I ask unanimous consent that the time be controlled by the majority leader and the minority leader.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. HICKENLOOPER. I yield 1 minute to the Senator from New York.

Mr. JAVITS. Mr. President, before we get off the main body of the debate, I should like to call attention to the fact that it is claimed that AID is not taking full advantage of the extended risk authority in the foreign aid bill, except for one housing loan which was recently placed under such guarantees.

The use of such guarantees, whenever possible, in place of public grants or loans would be a definite step in the direction of enlisting the private sector in the Alliance for Progress program, as well as in the international development program in general. It would carry out the intent of my amendment to section 601 of the Foreign Assistance Act in 1961 and the intent of my amendment to the new Alliance for Progress title—section 251(f), title VI of the Foreign Assistance Act of 1962—both of which amendments were designed to stimulate the greater use of the private sector in meeting the foreign economic policy objectives of the United States.

When I moved to increase the aggregate amount of the all-risk guarantees, and the aggregate amount of the individual guarantees, it was with the intention of seeing the authority used, so that private enterprise investment might replace some public investment.

I should like to point out that even Development Loan funds are now made available to private investment. While I understand that a number of requests are pending, and I do not wish to urge AID to make any improvident loans, I feel very strongly that every effort should be made to give these guarantees, and actually to use the authority, as this is the way in which we can bring about the greatest effectiveness in our foreign aid program and to minimize, as far as possible, public investment.

Mr. HICKENLOOPER. Mr. President, I wish to discuss for a few minutes a subject which I think is of vital importance to the United States, to our foreign policy, and to our relations with other countries. As I view it, it is the attitude of our Government toward the expropriation or seizure of American property in foreign countries. Repeated instances of expropriation have arisen, specifically, instances which occurred early this year; namely, a couple of expropriations in Brazil, some expropriations in Ceylon, some threatened expropriations in other places, and a general beginning of a wave of seizure of American property by foreign governments without adequate purpose or sufficient payment of the property. This action has aroused the indignation of many Members of Congress.

It has always been my concept that one of the duties of the U.S. Government is to protect the reasonable, fair, equitable rights of American citizens abroad. I submit that that is not being done, that it has been neglected, and that American citizens and their property are being discriminated against. Not only is their property being seized in certain countries without adequate, fair compensation, but the State Department and the administration are not exercising vigorous care or attention to see to it that the traditional protection given to their rights—not the unusual or extraordinary territorial rights, but merely the basic rights of American citizens abroad—is being afforded American citizens.

Early this year, when the Foreign Assistance Authorization Act of 1961 was before the Senate for consideration, I filed with the Committee on Foreign Relations, for the reference of the Senate, an amendment which sought to reach this situation. There had been two expropriations in Brazil. No real provision had been made to pay for the seizure of that property. Other expropriations were threatened. Bills were introduced in the legislatures of a number of countries throughout the world providing for the expropriation and seizure of foreign property under various types and kinds of alleged payment, most of which were long-term bonds of questionable value and having no certainty of convertibility. In effect, this action merely amounted to expropriation and seizure of the property.

There are other countries where unfair and inequitable tax exactions or other business requirements were placed upon American nationals doing business in those countries, requirements which were not applied to the nationals of the countries.

In many nations throughout the world the U.S. citizens were being put upon. They were being treated without equity as compared with the nationals of those countries. Americans were being discouraged in their business operations.

Meanwhile, there was lipservice from the U.S. Government. It was said that we were encouraging American investment abroad and were exporting American know-how. At the same time the basic interests of Americans abroad were not being protected.

The amendment to which I refer, which was considered by the Committee on Foreign Relations, provided that the United States would not attempt to control the sovereignty of any nation in the expropriation of property for public convenience as that nation saw it, or for the exercise of eminent domain, which we recognize as a sovereign power of a sovereign government. The amendment provided, in effect, that when any nation seized the property of an American citizen or imposed exactions by way of regulations or taxes upon Americans doing business abroad that were not equitably applied to all people in that country, the United States would withhold foreign aid from that country; and the President was directed to withhold foreign aid. We did not seek to dictate the sovereign rights of any country; but we reserved the right, under the amendment, to say what we would do with our money if foreign countries abused American citizens by denying them their rights.

The State Department raised all kinds of objections. They wrote memorandums; they appeared before the committee; they said, in effect, "We will protect American rights. Please do not write any such laws. Some of the countries will take offense at us and will not take our money."

The committee held a hearing, and considerable influence was brought to bear by administration sources to soften the amendment. The amendment provided that the Foreign Claims Settlement Commission of the United States, which has had a long history of surveying foreign values, has the legal machinery to determine the reasonable value of American property seized abroad. If a foreign country did not wish to accept the findings of the Foreign Claims Settlement Commission as to the facts and pay the claim in convertible currency—not in so-called bonds of questionable value or in long-deferred payments that could be subject to deception in one way or another, according to strange manipulations of foreign governments, then we would withdraw our aid. It was our view that if a foreign country wished to take American property, they should pay for it; but that if they did not want to pay for it, we would withdraw our aid.

Mr. President, I ask unanimous consent to have the proposed amendment to the Foreign Assistance Act of 1961 printed at this point in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

> (d) At the end of section 620 add the following new subsection:
>
> "(e) (1) Notwithstanding any other provision of law, no assistance shall be furnished under this Act to any government or to any political subdivision or agency of such government, if such government or any political subdivision or agency thereof (A) has heretofore expropriated, nationalized, or otherwise acquired the ownership or control, or hereafter expropriates, nationalizes or otherwise acquires the ownership or control, of any property owned directly or indirectly by any national of the United States, without providing immediate and effective compensation to such national as required by international law, justice, and equity and as determined, within ninety days of seizure or within forty-five days of the date of enactment of this subsection, whichever is later, by the Foreign Claims Settlement Commission, or (B) imposes upon such property discriminatory taxes or other exactions, or restrictive maintenance or operational conditions not imposed or enforced with respect to property of a like nature owned or operated by its own nationals or the nationals of any government other than the Government of the United States.
>
> "(2) For the purposes of this subsection the term 'national of the United States' shall have the same meaning as that term is defined in section 301(2) of the International Claims Settlement Act of 1949, as amended.
>
> "(3) The Foreign Claims Settlement Commission of the United States shall have exclusive jurisdiction to determine the extent and amounts of any losses sustained by a national of the United States for the purposes of this subsection. For the purpose of such determination, the Commission may exercise to the extent consistent with the purposes of this subsection, the powers conferred upon it by the provisions of the International Claims Settlement Act of 1949, as amended.
>
> "(4) The appropriation of such funds as may be necessary for the Foreign Claims Settlement Commission of the United States to carry out its functions under this subsection is hereby authorized.
>
> "(5) No other provision of this Act shall be construed to authorize the President to waive the provisions of this subsection."

Mr. HICKENLOOPER. Mr. President, the amendment was not adopted. It was modified. It went to the House. The House further modified it. Eventually, after the conference report was adopted, we ended with a provision in the Foreign Assistance Act of 1962, section 620(e).

Mr. SALTONSTALL. Mr. President, will the Senator from Iowa yield?

The PRESIDING OFFICER (Mr. MUSKIE in the chair). Does the Senator from Iowa yield to the Senator from Massachusetts?

Mr. HICKENLOOPER. I yield.

Mr. SALTONSTALL. I think it very important to emphasize the last four lines of that provision, as follows:

> Such suspension shall continue until he—

That is to say, the President—

> is satisfied that appropriate steps are being taken and no other provision of this Act shall be construed to authorize the President to waive the provisions of this subsection.

I think that is very important.

Mr. HICKENLOOPER. It is very important, indeed; and I thank the Senator from Massachusetts.

Mr. President, I think perhaps I had better read this provision into the RECORD, so that Senators can understand just what this provision is. It is an addition to the Foreign Assistance Act of 1962. Section 620(e) of the Foreign Assistance Act of 1962 reads as follows:

> (e) The President shall suspend assistance to the government of any country to which assistance is provided under this Act when the government of such country or any governmental agency or subdivision within such country on or after January 1, 1962—
>
> (1) has nationalized or expropriated or seized ownership or control of property owned by any United States citizen or by any corporation, partnership, or association not less than 50 per centum beneficially owned by United States citizens, or
>
> (2) has imposed or enforced discriminatory taxes or other exactions, or restrictive maintenance or operational conditions, which have the effect of nationalizing, expropriating, or otherwise seizing ownership or control of property so owned,
>
> and such country, government agency, or government subdivision fails within a reasonable time (not more than six months after such action or after the date of enactment of this subsection, whichever is later) to take appropriate steps, which may include arbitration, to discharge its obligations under international law toward such citizen or entity, including equitable and speedy compensation for such property in convertible foreign exchange, as required by international law, or fails to take steps designed to provide relief from such taxes, exactions, or conditions, as the case may be, and such suspension shall continue until he is satisfied that appropriate steps are being taken and no other provision of this Act shall be construed to authorize the President to waive the provisions of this subsection.

That is what was written into the law by Congress.

As I stated a while ago, the ink on that act is scarcely dry; but today I am persuaded that this provision of law, which was written in by Congress, and the declaration of Congress which was made as a result of this provision, are being disregarded by the State Department, and the spirit of the law is not being put into effect. For some reason, which I do not know, this provision is being soft pedaled.

Mr. SALTONSTALL. Mr. President, will the Senator from Iowa yield again to me?

Mr. HICKENLOOPER. I yield.

Mr. SALTONSTALL. Does the Senator from Iowa—whose amendment this is—interpret the amendment to mean that the President must withhold our aid from any country, even though a subdivision or agency of the government of that country, rather than that country itself, expropriates the property and does not make prompt payment for it? In other words, if a subdivision of such a government were to take such expropriation action and if it failed to make appropriate payment, is the President prohibited from giving our aid to that country as a whole?

Mr. HICKENLOOPER. That is correct; in such event, our aid to that country should be stopped.

The point is that we were forced—as often is required by legislative procedure—to compromise somewhat from my original amendment, which I thought was airtight and would not permit any escape. We were forced to compromise somewhat; and apparently the difficulty arises from the last paragraph of the law which was enacted—section 620(e) of the Foreign Assistance Act of 1962—at the point where it reads: "and such country, government agency, or government subdivision fails within a reasonable time (not more than 6 months after such action or after the date of enactment of this subsection, whichever is later) to take appropriate steps."

At the time when we adopted that language, I pointed out that those were weasel words, and that they left the gate wide open for the Executive or the State Department to say that the steps were reasonable or were appropriate, or to say that the time was reasonable—in other words, that there could be endless delay without making these countries come up to the till and lay the money on the line, if they were going to seize American property.

Mr. President, I think that is what has happened, and I shall state why I think so. I am not talking now about expropriation proceedings already going on, those which have not yet been settled in Brazil, or those which have not necessarily been settled in Ceylon, nor am I talking about other countries in which there is still the threat of the seizure of American property. Some time ago I learned that a bill before the Honduras Legislature provided for the establishment of an agency or commission which would have the right to seize and take over foreign property in Honduras, but with no specified method of payment, except as the commission might determine, and that there would be no appeal to the courts from the action taken by the commission, or no appeal from the commission's decision. In short, the commission could do as it pleased, and could fix such payment, or even a specious payment, as it might wish to fix; and it has openly announced that its purpose is to seize American property in Honduras. The officials have stated that sometime it will get around to issuing some sort of bonds, payable at some distant time in the future, but that in the meantime Americans or American companies will lose their property.

The reason why I say I wonder how much attention is being paid by the responsible U.S. officials whose duty it is to see to it that U.S. citizens' property is given equitable treatment, is that 2 weeks ago or so I called the State Department and asked about this matter. I received a vague reply to the effect that something was being considered, but nothing was being done in Honduras.

A few days later I called and said, "I understand that the law has been passed in Honduras."

The reply was, "If it has been, we don't know anything about it."

Later I called again; and then the reply was, "We assume the law was passed, but we understand they will not be as hard on foreign property as the law might permit them to be."

On September 20, I asked the acting chairman of the Senate Foreign Relations Committee to send a letter to the State Department, because I had also heard indirectly—and I believe it to be a fact, although I cannot allege it, because I was not present when the conversations took place; but I heard it from sources which I believe to be accurate—that specific instructions had gone from our State Department, to our representatives abroad, to soft pedal this amendment, and not to emphasize it to foreign governments, because it might disturb our relationships; and our people abroad were told to be careful about what they said to foreign governments about their responsibility under this amendment.

Mr. SALTONSTALL. Mr. President, will the Senator from Iowa yield again to me?

Mr. HICKENLOOPER. I yield.

Mr. SALTONSTALL. I point out that the property in Honduras belongs to one of the best companies in Massachusetts, the United Fruit Co. Not only does the institute or commission have the right, as I understand, to make such a decision, without the right of appeal, and to establish the amount to be paid, but I also understand that it is stated that this matter would be handled under the principles of the OAS, in order to help carry out the intention in connection with the OAS—although in my opinion it would be directly contrary to the purpose of the OAS, as I understand it.

Mr. HICKENLOOPER. I agree with the Senator from Massachusetts. Furthermore, in addition to the United Fruit Co., a number of other companies are involved.

At this point I shall refer to the United Fruit Co. I know every Senator wishes to have equitable and proper treatment accorded his constituents. Furthermore, in this connection it is important to note that the United Fruit Co. has done in Honduras many things which no other company has done.

It has established schools. It has established hospitals. It has brought about the highest wage scales in the country. It has brought about better living conditions. U.S. companies have done more for the countries where they operate than the local governments have even approached doing for their own countries, but the property of the various countries is proposed to be seized under laws which we knew about, but apparently which we did nothing to attempt to stop. When I say "stop," I mean that we still recognize the right of sovereignty, but we did nothing to attempt to see that fair payment was made for the property seized. That is the point involved.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I yield.

Mr. MORSE. Is it the understanding of the Senator from Iowa that the bill has already passed the Honduran Parliament?

Mr. HICKENLOOPER. On last Sunday, day before yesterday, with a great deal of ceremony in Honduras, the bill was signed——

Mr. MORSE. By the President?

Mr. HICKENLOOPER. Signed by the President, and there was a great deal of speechmaking to the effect that they are going to take this property now and it will belong to the Hondurans. Apparently one of the major speechmakers at that time had just recently returned from Castro's Cuba and he spoke of the great day on which the land of Honduras is being returned to the Hondurans.

Mr. MORSE. Mr. President, will the Senator yield for another question?

Mr. HICKENLOOPER. In just a moment. On yesterday I called the State Department again and I said, "I understand the bill has been signed down there." The person to whom I spoke said, "Well, we did not know it, if it had been." I received a call at 2 o'clock in which I was told, "Well, we called the Ambassador down there and we learn it was signed yesterday."

I knew it before that. Apparently the State Department did not know about it. There is something rather mysterious about the whole thing.

Mr. MORSE. Does the Senator know of any official protest on the part of the State Department to the Honduran Government in opposition to the passage of that bill?

Mr. HICKENLOOPER. I know of no vigorous protest. Furthermore, I know of no vigorous calling to the attention of the Honduran Government prior to the contemplated action as far as concerns the possible results which might flow under the law which passed here.

Mr. MORSE. Will the Senator yield for another question?

Mr. HICKENLOOPER. I think the facts show that a perfunctory report was made to the Honduran Government of the action in the foreign aid bill. I am now talking about going in and saying, "This is the policy which has been written, and I want you to know we must stand behind the legislative policy written by the Congress of the United States." I do not think it went that far. I think perfunctory information was given on it.

I also have information, as I stated, that our people were told to soft pedal it, not to emphasize it.

Mr. MORSE. Would the Senator from Iowa, who is the ranking Republican member of the Subcommittee on Latin American Affairs of the Committee on Foreign Relations, of which subcommittee I am privileged to be chairman, join with me in an official request to the Secretary of State to file forthwith with the subcommittee a detailed report on whatever action the State Department has taken with respect to the events leading up to the passage of the bill in Honduras?

Mr. HICKENLOOPER. On September 20 I requested the acting chairman of the Foreign Relations Committee to do exactly that. No reply was received until about 2 hours ago, when this great sheaf of papers arrived. I have not had time to examine all the papers. They have been in the process of being examined in the last hour and a half. Up to now I have not been able to find any real vigorous representation protesting the action. It was not even a "positively maybe" operation. But there is a report on the happenings.

Mr. MORSE. It is my understanding that the report does not cover the point I am raising—as to the record of the protest of the State Department in regard to the passage of the bill.

Mr. HICKENLOOPER. I have not had time to show these papers to the Senator, but the Senator from Oregon has access to them.

Mr. MORSE. I will renew my request to the Senator from Iowa later if I understand the nature of the report to be as indicated, because I do not intend to let the State Department just brush this one under the rug.

I call to the attention of the Senator from Iowa that we have been privileged for the last several days to have the galleries loaded with representatives of the State Department and the Pentagon Building as we have debated the foreign aid bill, but the galleries have been emptied of the legislative representative sections of the State Department and the Pentagon Building. I think they have one or two representing each department now, instead of the 15 or 20 who have been present during the last several days. They had due notice that we were going to discuss the Honduras matter. I can understand why they cannot "take it." They have had such an unfortunate attitude with regard to this matter that they just cannot take the criticism. But they are going to have to take the criticism and to answer for their course of conduct in the hearings the committee has officially approved, and which the subcommittee will start this fall regarding what I consider to be the bad record the State Department has been making with regard to the whole Alliance for Progress program, of which this is, as I shall show, an integral part.

Mr. HICKENLOOPER. Mr. President, I ask unanimous consent to have printed at the conclusion of my remarks the following:

A copy of a telegram under date of September 17, 1962, 7:39 p.m., from Mr. Thomas E. Sunderland, president, United Fruit Co., to the Honorable Edward M. Martin, Assistant Secretary of State, who happens to be in charge of Latin American affairs.

A copy of a telegram from Mr. Sunderland to Assistant Secretary Martin, dated September 18, 1962, 11:40 a.m.

A copy of another telegram from Mr. Sunderland to Assistant Secretary Martin, under date of September 18, 1962, 12:44 p.m.

A telegram to me, under date of October 1, timed 2:30 p.m., from Victor C. Folsom, vice president, United Fruit Co.

Another telegram to me, dated October 1, 1962, timed 3:11 p.m., from Mr. Folsom, vice president, United Fruit Co.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. HICKENLOOPER. These communications set forth the activity and the vital concern of these people in the seizure of their property, and indicate their concern with the inaction or failure to get something done.

I shall conclude my statement, and then yield to Senators.

I conclude by saying that, as I tried to point out, and as other Senators tried to point out when the bill was considered earlier in the year, the success of expropriation in one country will stimulate expropriation in other countries by dissident groups. The success of expropriation in Ceylon and in Brazil will stimulate expropriation in other countries. Now it is coming in Honduras, and Panama is also threatening expropriation. There are bills in the legislatures of Chile and Peru—to do what? To seize American property.

Mr. LAUSCHE. It began in Cuba.

Mr. HICKENLOOPER. People in those countries are pointing to the success Castro had in Cuba in seizing American property.

I sat in Bogotá at a conference with a Cuban representative, still in the OAS organization at that time, a year ago, who said to the Latin American countries, "If you need help, do what we did. You have $10 billion worth of American property investments in Latin America. Take it. That is the way to get your money. Take American property in those countries."

The Cuban representative advised them to do that, and I wonder if some of those countries are not taking the advice of the Cuban representative.

If our State Department and the administration supinely do not protest, if they do not protect the equitable and fair right of American citizens, all this property may be lost. We are not talking about unfair claims of rights, or rights which some owners might wish to claim which are unjust. We are talking about fair and equitable rights of American people abroad. That is the issue.

The law is sufficient. The law which is already on the books is sufficient, if there is an intention on the part of the administration to implement the law in good faith. That is the whole burden of my discussion.

EXHIBIT 1

BOSTON, *September 7, 1962.*

The Honorable EDWIN M. MARTIN,
Assistant Secretary of State,
Department of State,
Washington, D.C.:

As you know we have tried to reach you by phone today. We have asked Mr. Baker of our Washington office to return to you the letter of September 12, 1962, which Victor C. Folsom wrote to you under that date because I want to make clear that I approved that letter and also we feel that the statements therein contained factual information which you will want in your official Department files. You will recall that this is the letter the original of which you returned to us today. Events today indicate the situation in Honduras is getting more serious with the passage of time. Despite assurances by the President in the presence of the American Ambassador that copy of the proposed law would be shown us today, Government officials have now declined to show us the proposed law. Apparently American Ambassador does not have copy of this proposed law although we understand that he has requested a copy. We urgently need action by State Department through American Ambassador to get copy of this proposed law before it is too late to take action to protect American interests. Responsible officials of ours now in Honduras continue to have the impression that Honduran officials believe this so-called agrarian reform law either has the tacit approval of the United States or that in any event the United States does not object strenuously to its passage. Imperative that you correct this misimpression on the part of officials of Honduras, otherwise American property apparently will be subject te expropriation without normal judicial and constitutional protection and without any prompt adequate and effective compensation. We have attempted to point out provisions of the Hickenlooper amendment but our representatives in Honduras have been unable to find that the Honduran Government has been advised as to the seriousness of this portion of our law. Appreciate the difficulties under which you are working and know of your desire to protect American investment abroad. We hope that this telegram and previous letters from Victor Folsom supplementing what you are getting from your Ambassador will help you to take the necessary action which I am sure the Department desires under circumstances of this kind.

THOMAS E. SUNDERLAND,
President, United Fruit Co.

BOSTON, *September 18, 1962.*

The Honorable EDWIN M. MARTIN,
Assistant Secretary of State,
Department of State,
Washington, D.C.:

Supplementing my telegram of yesterday our representatives met yesterday with acting charge of affairs in Panama and were told by him that the U.S. Embassy there has not, repeat not, called to the attention of the Government of Panama the existence of the Hickenlooper amendment to the 1962 aid act and the fact that the proposed agrarian code would be inconsistent with said amendment. Our company representatives also were told that the U.S. Embassy had received specific instructions not to make representations to the Government of Panama based upon the Hickenlooper amendment. Our representatives believe that failure to make appropriate representations to the Government of Panama leads Panamanian officials to believe that the proposed law has the approval of the U.S. Government. Urgently necessary that misimpression of Panamanian officials be corrected immediately because, as you know, the Panamanian Congress is scheduled to commence the third and final reading of the proposed law today. Hope this information will help you to take the effective action to protect American investments abroad which I know you and State Department desire under these circumstances.

THOMAS E. SUNDERLAND,
President, United Fruit Co.

BOSTON, *September 18, 1962.*

The Honorable EDWIN M. MARTIN,
Assistant Secretary of State,
Department of State, Washington, D.C.:

Supplementing my telegrams of yesterday and today, our representatives have been informed by the Embassy in Honduras that the U.S. Embassy there has not even called to the attention of the Government of Honduras the existence of the Hickenlooper amendment to the 1962 aid act and the fact that the proposed agrarian law would be inconsistent with said amendment. Our representatives also were told that the U.S. Embassy had received instructions not to make representations to the Government of Honduras based upon the Hickenlooper amendment, because it would be premature. As you know, matter is most urgent as bill may become law unless the misimpression that the U.S. Government approves the proposed law is corrected.

THOMAS E. SUNDERLAND,
President, United Fruit Co.

OCTOBER 1, 1962.

Hon. BOURKE B. HICKENLOOPER,
Senate Building,
Washington, D.C.:

Yesterday the President of Honduras signed so-called agrarian reform law but did not repeat nor issue statement regarding modifications of law but on the contrary made speech praising the law. We had understood from State Department that President was to issue statement pointing out that it would be necessary to amend the law to make it consistent with Alliance for Progress program and international law. Now that law adopted and held up as being praiseworthy and in accordance with the Alliance for Progress program it will be very difficult to secure its modification. Therefore State Department solution appears highly improbable.

VICTOR C. FOLSOM,
Vice President, United Fruit Co.

OCTOBER 1, 1962.

Hon. BOURKE B. HICKENLOOPER,
Senate Building,
Washington, D.C.:

I have sent following message to Assistant Secretary of State Martin:

"Thank you for your message of September 30, and your promise to send us a copy of the so-called agrarian reform law signed by the President of Honduras yesterday. Reference your point 1 you must recognize how difficult it is for us to comment on laws the exact text of which we have not yet seen. The clear implication given Members of Congress from the memorandum delivered to them was that the State Department had the law and had carefully examined it at the time the memorandum was written. Reference point 2 new law by its terms gives agrarian reform institute overriding powers not subject to normal constitutional guarantees and access to the courts and we know of no legal opinion in Honduras which disagrees with this point of view. Reference point 3 we are advised by the American Ambassador that no representations were made by him regarding the Hickenlooper amendment prior to September 11 or 12 after passage of law but that he could not say that the State Department might have done. We have checked with Honduran Ambassador and he did not receive any representations regarding Hickenlooper amendment prior to September 12. Reference point 5 confiscatory taxation provided for in articles 63–65 makes 'voluntary expropriation' anything but voluntary. Provisions obviously call for forced transfer without the payment of prompt, adequate and effective compensation and this is confiscation. Reference point 7 cannot understand your statement that no defensible analogy can be made between this program and Communist agrarian reform particularly since you state that you have not read the 'exposicion de motivos' or statement of purposes attached to the law. The President of Honduras signed the law yesterday without making any statement whatsoever regarding its future amendment to eliminate the conflict of its provisions with the Constitution of Honduras and international law. We had understood that the President would make such a statement at the time the law was signed."

VICTOR C. FOLSOM,
Vice President, United Fruit Co.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I yield to the Senator from Massachusetts.

Mr. SALTONSTALL. I should like to invite the Senator's attention to the language on pages 22 and 23 of the report on the foreign aid and related agencies appropriation bill, 1963. On page 22, the section which was inserted in the Foreign Assistance Act of 1962 by the Senator from Iowa is stated in full. At the end of that section are these words, inserted in the committee report on my motion:

> The committee recommends that a most strict interpretation be given to this section of the act. The degree of effectiveness of this section, particularly as to expropriation of property owned by U.S. citizens, is directly related to the degree of strictness of interpretation and application of its terms to any country receiving assistance under this act.

That language was inserted by the committee to carry out to the best of the ability of the committee the purpose of the Senator's amendment. Does the Senator agree?

Mr. HICKENLOOPER. I thank the Senator from Massachusetts. The Senator is very modest. I know that he was the author of that language and the committee accepted and agreed to it and put it into the report.

I thank the Senator for bringing the language to our attention. That would strengthen the implementation of the law.

Mr. SALTONSTALL. That is what the Senator wishes to do, is it not? That is the purpose of the Senator's speech?

Mr. HICKENLOOPER. Exactly. I ask only for a good faith enforcement of the law passed by the Congress in the interest of equity to American property abroad.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I yield to the Senator from Ohio.

Mr. LAUSCHE. I should like to relate a bit of the background leading up to this discussion of foreign nations confiscating without due compensation property of U.S. citizens.

In the Committee on Foreign Relations the subject of Cuba came up for discussion. It was then pointed out that the confiscation which was tolerated in Cuba in all probability would lead to confiscation of property in Brazil. It was further pointed out in the Committee on Foreign Relations, and especially by the Senator from Iowa, that the sufferance of what happened in Cuba brought on what happened in Brazil and, following what happened in Brazil, what happened in Ceylon. Bolivia was then discussing confiscation. Now Honduras is doing so.

Mr. President, it cannot be escaped that the supine acceptance of one grave offense gives encouragement to all other nations around the world that they can proceed in the fashion of Cuba and Brazil to confiscate American property without fear.

What disturbs me is that in the Committee on Foreign Relations, when minds were in agreement about the need to forbid the granting of foreign aid to countries which confiscated American property without compensation, we had difficulty in procuring the approval of the State Department to the ultimate language which was to be used.

Mr. HICKENLOOPER. The Senator is correct.

Mr. LAUSCHE. With that difficulty in mind, we now have difficulty in procuring a compliance with the language which was finally agreed upon as a compromise.

Mr. HICKENLOOPER. It is inconceivable to me that we cannot get compliance by the administrative branch of this Government with the law and the intent of the law which the Congress passed, but I am sorry to say there is foot dragging someplace which prevents the operation of the law in its full vigor.

Mr. LAUSCHE. We have been pushed around in Laos and in Vietnam, and by the building of the wall in Berlin. We have been pushed around in the Congo. We are now being pushed around by international law being violated. Our sovereignty and our honor are being insulted by this confiscation of property throughout the world.

If it were at an end now, I would say we probably could suffer through it, but it is foolish to think it is ending now. What has happened will give added encouragement to other nations to confiscate our property.

We have been pushed and pushed. We have retreated and retreated. Our honor has been assaulted. I do not know where it will stop. I know the problem gets worse each day.

The law prohibiting aid to countries guilty of expropriating property of U.S. citizens without compensation has been written. The State Department officials must abide by it, and for compliance, the Congress should voice its vigorous demand.

Mr. MORSE. Mr. President, I compliment the Senator from Iowa [Mr. HICKENLOOPER] and the Senator from Massachusetts [Mr. SALTONSTALL] for the position they have taken in opposition to the proposed course of action by Honduras in regard to expropriating American property in Honduras.

I ask unanimous consent to have printed in the RECORD at this point the section of the existing law previously referred to by the Senator from Iowa, section 620(e) of the Foreign Assistance Act of 1962.

There being no objection, the section was ordered to be printed in the RECORD, as follows:

> (e) The President shall suspend assistance to the government of any country to which assistance is provided under this Act when the government of such country or any governmental agency or subdivision within such country on or after January 1, 1962—
>
> (1) has nationalized or expropriated or seized ownership or control of property owned by any United States citizen or by any corporation, partnership, or association not less than 50 per centum beneficially owned by United States citizens, or
>
> (2) has imposed or enforced discriminatory taxes or other exactions, or restrictive maintenance or operational conditions, which have the effect of nationalizing, expropriating, or otherwise seizing ownership or control of property so owned.
>
> and such country, government agency or government subdivision fails within a reasonable time (not more than six months after such action or after the date of enactment of this subsection, whichever is later) to take appropriate steps, which may include arbitration, to discharge its obligations under international law toward such citizen or entity, including equitable and speedy compensation for such property in convertible foreign exchange, as required by international law, or fails to take steps designed to provide relief from such taxes, exactions, or conditions, as the case may be, and such suspension shall continue until he is satisfied that appropriate steps are being taken and no other provision of this Act shall be construed to authorize the President to waive the provisions of this subsection.

Mr. MORSE. Mr. President, I call particular attention to the last four lines of that law as referred to by the Senator from Massachusetts:

> Such suspension shall continue until he is satisfied that appropriate steps are being taken and no other provision of this Act shall be construed to authorize the President to waive the provisions of this subsection.

The State Department knew that that was a part of the law. As chairman of the Subcommittee on Latin American Affairs, I am keenly disappointed that the State Department has not taken a more adamant and persistent attitude in regard to what they knew was the plan of Honduras to enact the kind of law that was referred to by both the Senator from Iowa and the Senator from Massachusetts. The law enacted by the Honduran Parliament and signed by the President in recent days becomes meaningless so far as concerns giving any assurance to American property owners in Honduras that they will receive just compensation for property seized.

There is no question that the Government of Honduras has a sovereign power to expropriate the property of the United Fruit Co. or any other American investor in Honduras. I am not at all concerned with any controversy that may exist between the United Fruit Co. and the Honduran Government in regard to past differences.

But I am concerned with the question of U.S. sovereignty. We have the sovereign duty to protect our investors abroad. When we cooperate with our investors and when we urge them to invest in Latin American countries, as we have done time and time again, and when we have urged foreign governments to offer them such terms and conditions as will encourage them to invest in a foreign country, I say that a relationship is developed between the U.S. Government and the foreign government that imposes upon each the duty and the obligation to see to it that foreign investors, be they U.S. investors, British, Dutch, Canadian, or any other, receive fair compensation for their property when a foreign sovereign decides to seize and expropriate all property.

It is not happening in Honduras. It is as simple as that. The Senator from Iowa pointed out that it is contemplated that some script or bond or paper may be offered in payment for this property. Mr. President, there is only one compensation that means anything, and that is hard, cold American dollars.

This was the discussion that took place in the Foreign Relations Committee, which was alluded to by the Senator from Iowa and the Senator from Ohio.

I opposed the Hickenlooper amendment in the Foreign Relations Committee, as the Senator from Iowa will testify. I felt it went too far. I offered a substitute. The Morse substitute was adopted in the Foreign Relations Committee. It was a substitute that set out a procedure which gave assurance that if there could not be a settlement through diplomatic channels and negotiations within 6 months, the dispute would go to arbitration. That was the basis of the Morse proposal in the Foreign Relations Committee. It was adopted by the Senate. It was made a part of the language which was approved by the Senate. It went to conference. In conference, it was modified in accordance with the language that we put in the bill as section 620(e) of the Foreign Assistance Act.

However, this language was retained:

> * * * such country, government agency, or government subdivision fails within a reasonable time (not more than 6 months after such action or after the date of enactment of this subsection, whichever is later) to take appropriate steps, which may include arbitration, to discharge its obligations under international law toward such citizen or entity, including equitable and speedy compensation for such property in convertible foreign exchange, as required by international law—

There is nothing in the Honduran law that gives the United Fruit Co. or any other investor in Honduras any assurance that it will get payment in convertible foreign exchange.

In fact, it is perfectly clear from a reading of the law that they are not going to give any, and the American investors are not going to get any.

Therefore, I believe that our Government has an obligation to make clear to Honduras that there is something they are not going to get, and that is foreign aid, until they pay in convertible foreign exchange for American property.

Without reading it, I ask unanimous consent to insert at this point in my speech the statement in the committee report on the nationalization of property of U.S. citizens.

There being no objection, the excerpt was ordered to be printed in the Record, as follows:

NATIONALIZATION OF PROPERTY OF U.S. CITIZENS

Section 620(e) of the Foreign Assistance Act of 1962 reads as follows:

(e) The President shall suspend assistance to the government of any country to which assistance is provided under this Act when the government of such country or any governmental agency or subdivision within such country on or after January 1, 1962—

(1) has nationalized or expropriated or seized ownership or control of property owned by any United States citizen or by any corporation, partnership, or association not less than 50 per centum beneficially owned by United States citizens, or

(2) has imposed or enforced discriminatory taxes or other exactions, or restrictive maintenance or operational conditions, which have the effect of nationalizing, expropriating, or otherwise seizing ownership or control of property so owned,

and such country, government agency or government subdivision fails within a reasonable time (not more than six months after such action or after the date of enactment of this subsection, whichever is later) to take appropriate steps, which may include arbitration, to discharge its obligations under international law toward such citizen or entity, including equitable and speedy compensation for such property in convertible foreign exchange, as required by international law, or fails to take steps designed to provide relief from such taxes, exactions, or conditions, as the case may be, and such suspension shall continue until he is satisfied that appropriate steps are being taken and no other provision of this Act shall be construed to authorize the President to waive the provisions of this subsection.

The committee recommends that a most strict interpretation be given to this section of the act. The degree of effectiveness of this section, particularly as to expropriation of property owned by U.S. citizens, is directly related to the degree of strictness of interpretation and application of its terms to any country receiving assistance under this act.

Mr. MORSE. I call particular attention to the last paragraph of that statement, which calls upon the President to make the most strict interpretation of the law, and makes perfectly clear by very strong language that foreign aid is not to go to a country which violates the spirit, intent, and purpose of section 620(e).

I hope the Government of Honduras will take note, and that other Latin American countries will take note. I serve notice today that, although I opposed the more drastic form of the Hickenlooper amendment in committee on expropriation, next year I will support even stronger language, if we are to be faced with this kind of evasion of the purpose which, in my judgment, Honduras is on the road to committing.

We must make clear to American investors that if there is a seizure of their property they will get fair compensation. If they do not get fair compensation, we do not propose to take American tax dollars and pour them into any country by way of foreign aid, so that they will in effect get a double take—the property of American investors and the taxpayers' money.

What kind of prestige and respect does that build up for the United States in Latin American countries, or anywhere else in the world?

Today I associate myself with the Senator from Iowa and the Senator from Massachusetts in protest of the course of action that Honduras is following in this case.

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. HICKENLOOPER. The modification which the Senator from Oregon offered, to my mind, was finally accepted by the Committee on Foreign Relations because it probably was an orderly procedural method of approaching this problem, and brought into play arbitration or mediation forces under international law, which would be a desirable end to achieve. I believe the committee thought that the modification was sound. I am sure no member of the committee thought that the amendment, as it was finally adopted, would be flouted by any American official.

Mr. MORSE. I agree with the Senator.

Mr. HICKENLOOPER. The committee did not conceive that it would be disregarded. If there were a good faith enforcement of or accession to that provision of law, and if it were vigorously adhered to in the interest of the rights of American citizens, we really would not need any more law than that.

Mr. MORSE. I agree.

Mr. HICKENLOOPER. It is the failure vigorously to sustain the provision of law that causes objection and points to a danger.

Mr. MORSE. I am in complete agreement with the Senator from Iowa. I thank the Senator from Colorado for his courtesy in permitting me to make these remarks.

Mr. ALLOTT. Mr. President, I wish to address myself to the remarks of the distinguished Senator from Iowa, the distinguished Senator from Oregon, the distinguished Senator from Massachusetts, and the distinguished Senator from Ohio. I address myself to the subject of expropriation, and note that there are other forms of expropriation other than outright expropriation.

In 1957, a group of people in my State bought the tramway buses of the city of Denver and sold them, after reconditioning them, to the city of São Paulo in Brazil. The total purchase price was somewhere in the neighborhood of a million dollars. They did not sell them to the city, as such; they sold them to a corporation, called the CMTC corporation, which is owned two-thirds by the city of São Paulo and one-third by the State of São Paulo. Here we are dealing not with the city or with the State, but rather with a corporation which is owned wholly by the city and the State. They have been using these buses constantly since that time, and are still using them. For 2 or 3 years they have been in default upon their payments. The people in Denver have no way of securing payment, because the city and the State own the corporation. Within the past 2 months a new agreement has been entered into, and the corporation is again in default; and roughly half of the amount is still owing. The debt is payable through the U.S. Denver National Bank in Denver, as escrow agent.

However, even since they have entered into a new repayment schedule, to begin in August, as late as yesterday they claimed that they have made the payments due in August and in September, when in fact the Denver bank has still not received a single penny upon that contract.

Where do we find ourselves now? We find ourselves with a city- and State-owned corporation refusing to pay its debts to U.S. citizens, who sold them this property in good faith. There has never been a claim of any kind that the property was not good for the purposes for which it was intended. There has never been a claim of any breach of warranty. There has been a refusal to pay. Demands for payment have been made, and they have been met with the customary excuses that one always gets from bill dodgers: "I am going to get at that right away. You can expect to get a check next week. We are going to attend to it right away."

So even after they negotiated a new agreement about 2 months ago, they are in default, under the new agreement, on the payments due in August and September, installments which they now claim, to the State Department, they have paid. But they have not been paid and have not been deposited with the escrow agent in Denver. Thus there are all sorts and forms of expropriation.

I agree that a part of the sovereign right of any nation is to effect expropriation, if that is the nation's will. But it is also a part of our doctrine and understanding that no nation will effect expropriation without payment in an established currency which can be traded and utilized on the world market.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD, as background for our concern, subsection (e) of Public Law 87-565, dated August 1, 1962; and also, following that, the last paragraph of the report of the Committee on Appropriations on the foreign aid and related agencies appropriation bill, 1963.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

[From Public Law 87-565]

(e) The President shall suspend assistance to the government of any country to which assistance is provided under this Act when the government of such country or any governmental agency or subdivision within such country on or after January 1, 1962—

(1) has nationalized or expropriated or seized ownership or control of property owned by any United States citizen or by any corporation, partnership, or association not less than 50 per centum beneficially owned by United States citizens, or

(2) has imposed or enforced discriminatory taxes or other exactions, or restrictive maintenance or operational conditions, which have the effect of nationalizing, expropriating, or otherwise seizing ownership or control of property so owned,

and such country, government agency or government subdivision fails within a reasonable time (not more than six months after such action or after the date of enactment of this subsection, whichever is later) to take appropriate steps, which may include arbitration, to discharge its obligations under international law toward such citizen or entity, including equitable and speedy compensation for such property in convertible foreign exchange, as required by international law, or fails to take steps designed to provide relief from such taxes, exactions, or conditions, as the case may be, and such suspension shall continue until he is satisfied that appropriate steps are being taken and no other provision of this Act shall be construed to authorize the President to waive the provisions of this subsection.

[From Report on Foreign Assistance Appropriations, 1963]

The committee recommends that a most strict interpretation be given to this section of the act. The degree of effectiveness of this section, particularly as to expropriation of property owned by U.S. citizens, is directly related to the degree of strictness of interpretation and application of its terms to any country receiving assistance under this act.

Mr. ALLOTT. Mr. President, I think that what bothers all of us is this: If nations can expropriate, and if because the government owns the corporations, as in the case of Brazil, which I have just cited, they can refuse to pay for property delivered, and being used we in America must determine how we shall act.

Although I have steadily supported foreign aid, and intend to vote for the bill this afternoon, I have been concerned for a long time that the State Department as a whole, not only under this administration, but also under the previous administration, has taken a very immature, unknowledgeable attitude toward countries we are trying to assist. I am concerned because the people in those countries have come to believe that the money we are sending to them in the form of foreign assistance is no longer something we are providing them of our own will, but rather something in which they have a right to share, namely, the prosperity of the United States. During my attendance at interparliamentary meetings and other similar meetings, I have heard this view expressed.

I do not believe that any foreign nation has a right to share in our prosperity or in our goods. If we wish to share our prosperity with them—and I have felt that I wish to do so—that is another thing. But no nation has a right to the wealth, the money, or the goods which the people of the United States have developed through hard work, imagination, initiative, courage, and brains, when other nations themselves are unwilling to exert the same qualities to raise the standards of their own countries.

At Punta del Este, the United States agreed to provide $14 billion to Latin-America during the next 10 years. We contributed the first portion of that sum last year, and more will go into the Alianza para el Progresso this year.

I do not know how we can impress the State Department with the fact that in our constant help throughout the world, when other countries repeatedly and constantly kick us in the teeth, the rest of the world can only regard us as weaklings, as vacillators, as a people who have lost their national purpose, when we have rewarded other nations after they have kicked us in the teeth by continuing to supply them with huge sums for their own advancement, to provide the basic, decent things that I believe all men are entitled to. As a Christian, I believe that I am my brother's keeper. Therefore, I am willing to devote a part of my taxes to the help of other countries; to bring to the poverty stricken countries, whose living conditions are beyond imagination, the basic rudiments of health, living standards, and education.

I may be uncultural, but I am not interested in sending art exhibits to African countries, as we have done. They are not interested in art exhibits. They are interested in the basic things which will help them to raise themselves a little off the ground.

The trouble with those who administer our foreign aid is that they think of helping those people by providing them with the same living standards which we enjoy. What matters television? What matters even radio stations? What matter bathtubs, when people are living in dire poverty, living on less than a thousand calories a day, subject to pellagra, and all the other tropical diseases? What do television sets mean in a situation like that?

Probably the death of a child in some forgotten Pacific archipelago is just as great a loss to its father and mother as would be the death of a child to parents in this country.

Our task—if we have a task—is to try to aim the aid at the level and the place where, in each country, it will place people in a position where they can achieve a little better living standard, a little better educational standard, and perhaps receive a little medicine. But how false we are to our own ideals when we blindly continue to spread our beneficence among people who will kick us in the teeth, because when we fail to react to those kicks, they only regard this big, strong Nation with all its defense power, all its wealth, as a weakling. I hope that somehow or other we may impress this concept upon the State Department and those who administer the foreign-aid program.

I endorse what other Senators have said in this respect. I think we must take a hard look at the situation. From this time forward, let no one make the mistake that we will dispense our aid and spend our money, to use a common expression, "like a drunken sailor on a Saturday night"; but that we will dispense aid to countries which at least recognize the principles of basic law which we recognize. I feel certain that Congress is of the mind that there will be no further aid to countries which practice expropriation against the United States.

Mr. MANSFIELD. Mr. President, I yield 10 minutes to the Senator from Virginia, under the time limitation which has been agreed to.

The PRESIDING OFFICER. The Senator from Virginia is recognized for 10 minutes.

Mr. BYRD of Virginia. Mr. President, the Federal Government has spent U.S. taxpayers' money in postwar foreign aid for 17 years. It has spent a gross total of $101 billion in some 100 countries around the world, since the end of World War II.

The President has estimated that another $3.9 billion will be spent in so-called foreign aid in the current fiscal year; and this bill would give him the publicized $4.4 billion more in spending authority; but this is not all the bill provides.

In addition to the $4.4 billion, the bill would provide a total of $2.4 billion more, as follows:

	Millions
Peace Corps	$64
Ryukyu Islands, administration	12
Cuban refugees	70
Migration and refugee assistance	17
Inter-American Development Bank	60
International Development Association	62
International Monetary Fund	2,000
Philippine war damage claims, including administrative expenses	74
International conferences and contingencies	1

When all of this money is included, the bill as it now stands before the Senate would provide a total of $6.8 billion. The bill also authorizes the use of $1.3 billion in Export-Import Bank debt authority, including $750 million for so-called development project loans.

Unspent balances in previous foreign aid spending authority total more than $17 billion, including $10.1 billion in Export-Import Bank and International Bank balances. Enactment of this new $6.8 billion would make nearly $25 billion available for foreign aid spending.

In this connection, the House committee report on this bill said:

> If the administration should spend at the same rates in subsequent fiscal years as it did in fiscal year 1962, when expenditures were $3,198,100,000, there are sufficient funds on hand now from prior year appropriations to run the program for approximately 25 months without any appropriations for fiscal year 1963.

In view of the returns we are receiving, I oppose committing the United States to spend another $25 billion in the kind of foreign aid which this country is now passing out; and I wish to be recorded as voting against this bill.

I would be the first to support assistance for people who have emergency need for food, clothing, and shelter. But it is certain that relief such as this is not the primary purpose of the projects to be financed with funds in the pending bill.

Unbelievable waste has been characteristic of U.S. foreign aid for years. The little we know about the expenditures contemplated under this bill provides convincing evidence that the waste will be continued. But this is not the worst of it.

In most of this program we are providing money for the proverbial "pig in a poke." Chairman OTTO PASSMAN, of the House Subcommittee on Foreign Aid Appropriations, said—as shown by the CONGRESSIONAL RECORD of September 20, 1962—page 20154:

> Agency witnesses told our subcommittee that they do not know the projects to which they are going to obligate funds until after they get the money.

Those in charge of the foreign-aid programs keep the projects secret, not only from the Congress and the people of the United States; Representative PASSMAN quoted one witness as saying recipient countries also are not told until the money is available.

After the money is spent, we find how irresponsible our foreign-aid projects can be. We find ourselves looking silly, not only at home, but also in the eyes of the world, when we are confronted with authenticated reports of:

U.S. money being used to finance the cause of communism, when our foreign-aid materials were used in constructing a 500-bed hospital which generally was accepted as a showpiece of Russian foreign aid in Cambodia.

The $14 million drought relief program which did not relieve; the $2 million road that went nowhere; and the $125,000 irrigation project which did not irrigate—all in Peru.

The machinery and equipment for a $1,370,000 sawmill, in Iran, which was left standing on a beach, open and exposed to the weather, for more than a year.

The $265,000 worth of dump trucks which could not be used in the Pakistan terrain where they were sent for a dam project. They stood idle while the earth-moving work was done by women with head baskets and burros.

Such reports of inexcusable waste in foreign-aid projects go on and on. The story of inefficiency among those who administer the foreign aid is told repeatedly in official audit reports which are published by the Comptroller General of the United States.

I have been generally opposed to so-called foreign aid since we changed its purpose from helping people in emergency need to providing multibillion-dollar blank checks for use by the State Department in ill-advised and nonproductive foreign relations.

There have been times when I was more sympathetic to the usefulness of so-called military assistance than I was for the useless economic aid programs. But again I quote from the statement by Representative PASSMAN—September 20, 1962, page 20155 of the CONGRESSIONAL RECORD. He said:

> The military phase of the foreign aid program is not military in the sense that we think of our own Defense Establishment. It is primarily a State Department military program through which military equipment is being provided to from 65 to 71 nations of the world; and much of it—yes, very much of it—is given to please or appease some potentate or some ruler of a newly created country.
>
> This has been done to such an extent that many nations are now resentful—one of the most recent instances of this, which is still of a serious nature, being Thailand's protest again our supplying fighter planes to Cambodia.

All of this, of course, brings to mind the conversion of a U.S. airplane tender to be the flagship of the Ethiopian Navy. Ethiopia has an 800-mile coastline, and the conversion cost the taxpayers of the United States $3,100,000, plus the value of the ship. The conversion actually made the vessel a yacht for Haile Selassie. The staterooms were wallpapered in goldleaf. Then we trained 100 Norwegian men, who—in turn—were to train Ethiopian crews. It is doubtful that this kind of defense assistance is going to win many wars.

American taxpayers do not have money to waste like this. Foreign policy based on giveaway programs is essentially weak, not strong. As if we did not know it before, we have had 17 years' experience with foreign aid to prove that international friendship cannot be bought.

Foreign-aid programs, as we have developed them, have been controversial for years. Over the 17 years, no one has given foreign-aid appropriations closer study than has Representative PASSMAN. For this reason, I quote him again. On page 20154 of the RECORD of September 20 we find that he said:

> The aid programs are not limited to so-called free nations. We are pouring the American taxpayers' wealth into dictatorships, so-called neutral nations, Communist-influenced nations, and Communist-dominated nations, and into outright Communist countries.
>
> We have been giving our wealth and earnings for years to people who tax themselves not at all, or at least at far lower rates than we pay in order to make gifts to them.
>
> And many of these nations, which not only accept our gifts, but demand more, are no nearer now to self-support than when we started to pay their bills.

Representative PASSMAN made these statements when he was presenting this 1963 foreign-aid appropriation bill to the House of Representatives; and later in his statement—page 20157 of the CONGRESSIONAL RECORD for September 20, 1962—he said:

> After much probing we have at last elicited the fact that during fiscal year 1963 we shall

be giving or have given aid to 101 foreign nations. This is most of the free world, and some Communist and Communist-oriented nations are included.

I am concerned also with the large sums programed for so-called neutralist or nonalined nations. I think of the immense sums already committed and set aside for India, Indonesia and Ghana.

Should we not expect that these countries would at least support us on major issues before the United Nations? Yet, preponderantly their votes have been against our proposals.

It is clear that we live in the kind of a world where international friendship can not be bought with profligate expenditures abroad; and we cannot buy off Communist pressure in cold or shooting wars. We had better spend our money for more useful purposes.

This Nation has been on deficit financing during 11 of the 17 years of the postwar foreign-aid programs, and since 1945 the Federal debt has been increased by more than $40 billion. The debt now exceeds $300 billion.

There will be another deficit this year, without tax reduction. This year's deficit is presently estimated at from $3 to $5 billion. This may be compared with $3.9 billion which the President estimates he will spend for foreign aid during the year.

I regard reductions made by the House of Representatives in this bill as steps in the right direction. I shall support all amendments to restore the House levels; and in the end I shall vote against the bill, at whatever levels the appropriations may be.

In this statement I have referred to the fact that we have spent a gross total of $101 billion for foreign aid, and I have said that unexpended balances in prior year spending authorizations total more than $17 billion.

I ask unanimous consent that the tables which show these figures be included in the RECORD at this point in my statement.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

U.S. postwar foreign assistance, by type and major program, fiscal years 1946–63, showing cumulative gross grants, loans, etc., and repayments, fiscal years 1940–59 actual, and fiscal years 1961 and 1962 estimated, and including use of foreign currencies made available through sales of surplus agricultural commodities overseas

[In millions]

	Foreign assistance—cumulative, July 1, 1945, through June 30, 1961 (actual)			Fiscal year 1962 (estimate)	Foreign assistance—cumulative, July 1, 1945, through June 30, 1962 (estimate)			Fiscal year 1963 (estimate)	Foreign assistance—cumulative, July 1, 1945, through June 30, 1963 (estimate)		
	Gross	Repayments and returns	Net		Gross	Repayments and returns	Net		Gross	Repayments and returns	Net
Grants:											
Military assistance:											
Mutual security and related programs	$27,355	$106	$27,349	$1,400	$28,855	$106	$28,749	$1,400	$30,255	$106	$30,149
Special country programs	803		803		803		803		803		803
Lend-lease	679	189	490		679	180	490		679	189	490
Military equipment loans	163	13	150		163	13	150		163	13	150
Total, military grants	29,100	309	28,791	1,400	30,500	308	30,192	1,400	31,900	308	31,592
Economic and other assistance:											
Mutual security and related programs	25,169	1,046	24,123	1,402	26,571	1.046	25,525	1,361	27,932	1,046	26,886
Alliance for Progress				85	85		85	225	310		310
Under agricultural disposal programs:											
From foreign currencies—Public Law 480	403		403	200	603		603	250	853		853
Famine relief, etc	702		702	205	907		907	300	1,207		1,207
Through private welfare agencies	1,158		1,158		1,158		1,158		1,158		1,158
Other (transportation)	169		169		169		169		169		169
Special country programs	1,256		1,256		1,256		1,256		1,256		1,256
Lend-lease (postwar pipelines)	1,227	554	673		1,227	554	673		1,227	554	673
Civilian supplies (GARIOA and Korea)	5,859	4	5,855		5,859	4	5,855		5,859	4	5,855
UNRRA, post-UNRRA, and interim aid	3,443		3,443		3,443		3,443		3,443		3,443
Other	332		332		332		332		332		332
Prior grants converted into credits	2,257		−2,257		−2,257		−2,257		−2,257		−2,257
Total, economic grants	37,462	1,604	35,858	1,892	39,353	1,604	37,749	2,136	41,489	1,604	39,885
Total, grants	66,562	1,912	64,650	3,292	69,853	1,912	67,941	3,536	73,389	1,912	71,477
Loans and credits, economic and other:											
Mutual security:											
Development loans	538	24	514	1,114	1,652	63	1,589	1,549	3,201	117	3,084
Other	2,886	364	2,521	80	2,966	399	2,567	56	3,022	439	2,583
Under agricultural disposal programs—Public Law 480	1,240	6	1,235	600	1,840	6	1,835	750	2,590	6	2,585
Export-Import Bank	7,016	3,779	3,237	900	7,916	4,670	3,246	800	8,716	5,470	3,246
British loan	3,750	436	3,314		3,750	490	3,260		3,750	545	3,205
Surplus property (including merchant ships)	1,492	891	601		1,492	891	601		1,491	891	601
Lend-lease	71	336	−265		71	336	−265		71	336	−265
Other	510	742	−232		510	742	−232		510	742	−232
Grants converted into credits	2,257	1,024	1,233		2,257	1,024	1,233		2,257	1,024	1,233
Total, loans and credits	19,759	7,602	12,157	2,694	22,454	8,620	13,833	3,155	25,608	9,570	16,038
Other assistance through net accumulation of foreign currency claims: Balance of claims, not yet used or distributed by program above, accumulated through sales of surplus agricultural commodities primarily under Public Law 480	2,954		2,954	200	3,154		3,154	200	3,354		3,354
Total, grants, credits, etc	89,274	$9,515	79,761	6,186	95,461	$10,532	84,928	6,891	102,351	$11,482	90,869
Subscriptions to international institutions:											
Inter-American Development Bank	80		80	110	190		190	60	250		250
International Bank for Reconstruction and Development	635		635		635		635		635		635
International Development Association	74		74	62	136		136	62	198		198
International Finance Corporation	35		35		35		35		35		35
International Monetary Fund	4,125		4,125		4,125		4,125		4,125		4,125
Total subscriptions	4,949		4,949	172	5,121		5,121	122	5,243		5,243
Grand total, postwar foreign assistance	94,224	9,515	84,710	6,358	100,582	10,532	90,049	7,013	107,594	11,482	96,112

Balances, authorizations, etc., available for U.S. foreign aid programs under H.R. 13175, as reported by the Senate Appropriations Committee (Sept. 28, 1962)

	Unexpended balances, June 30, 1962 (estimated)	Appropriations in H.R. 13175 as reported in the Senate	Total availability
Title I: Foreign aid (mutual security):			
Military assistance	$2,791,500,000	$1,450,000,000	$4,241,500,000
Economic assistance:			
Development grants	438,500,000	275,000,000	713,500,000
Development loans	2,163,900,000	1,125,000,000	3,288,900,000
Alliance for Progress	518,400,000	575,000,000	1,093,400,000
Supporting assistance	457,600,000	400,000,000	857,600,000
Contingency fund	257,000,000	290,000,000	547,000,000
International organizations	70,400,000	148,900,000	219,300,000
Surveys of investment opportunities	1,500,000	1,000,000	2,500,000
Investment guaranties	236,899,000	100,000,000	336,899,000
American hospitals abroad (Poland)		2,800,000	2,800,000
Administrative expenses:			
Agency for International Development	9,900,000	52,000,000	61,900,000
Department of State	3,300,000	3,100,000	6,400,000
Subtotal, title I	6,948,899,000	4,422,800,000	11,371,699,000
Title II: Foreign aid (other):			
Peace Corps	19,238,000	63,750,000	82,988,000
Ryukyu Islands, administration	3,646,000	12,000,000	15,646,000
Cuban refugees	3,011,000	70,110,000	73,121,000
Migration and refugee assistance	5,548,000	16,677,000	22,135,000
Inter-American Development Bank	200,000,000	60,000,000	260,000,000
International Development Association	58,000,000	61,656,000	119,656,000
Subtotal, title II	289,353,000	284,193,000	573,546,000
Title III: Loans to International Monetary Fund		2,000,000,000	2,000,000,000
Title IV: Export-Import Bank of Washington	4,373,817,000	(1,298,000,000)	4,373,817,000
Title V: Miscellaneous agencies:			
Philippine war damages, claims, and expenses		73,560,000	73,560,000
International conferences and contingencies		849,000	849,000
Subtotal, title V		74,409,000	74,409,000
Other identifiable balances (exclusive of Public Law 480):			
International Bank for Reconstruction and Redevelopment	5,715,000,000		5,715,000,000
Total	17,327,069,000	6,781,402,000	24,108,471,000

Mr. **JAVITS**. Mr. President, how is the time being controlled?

Mr. **MANSFIELD**. It is divided, and the Senator from New York is in charge of the time available on his side.

Mr. **JAVITS**. Very well.

Mr. President, I yield myself 10 minutes.

The **PRESIDING OFFICER**. The Senator from New York is recognized for 10 minutes.

Mr. **JAVITS**. Mr. President, I desire to make a few remarks about the situation in Cuba.

First, I wish to refer to an editorial published today in the New York Times. The editorial refers to me and also to my junior colleague [Mr. KEATING], and imputes that I—at this time I shall not speak for my colleague [Mr. KEATING], who is perfectly able to speak for himself—am among those who are urging President Kennedy to take unilateral action against Cuba which could easily lead to war.

Mr. President, I have been approached before on this theory by many well-meaning persons who have the interests of our country as much at heart as I do, but who apparently do not understand either precisely what I advocate or precisely what is at stake.

In commenting on what I advocate, let me say that apparently the editorial writer did not read the speech I made yesterday, although I am glad to say that it received excellent coverage in the New York Times. In that speech I pointed out that what we expect of the President is not a commitment in regard to action of a unilateral character, but a sense of urgency. I pointed out that I am so thoroughly devoted to the bipartisan foreign policy of the United States that I would not seek in any sense to embarrass the President in the conduct of our foreign policy, once that decision had been made, and that the reason why I feel free to speak about Cuba is that the decision has not been made, but the President is engaged in what he calls close surveillance, through our forces, before determining what our policy is to be.

First, as to my own concept of our policy: I believe our ultimate objective must be to restore to the people of Cuba their rightful privilege of self-government and self-determination, which we are confident would mean the end of Castro, because communism, I believe, we are all convinced, does not represent the will of the people of Cuba or what they bargained for when Castro came to power. Castro came to power under no such announcement, but as a revolutionary who was seeking to end the tyranny which the people of Cuba had suffered at the hands of Batista and others.

How is that objective to be obtained? I have advocated, and advocate now, that a sense of urgency dictates making the Organization of American States face its responsibility and face the issue, not by pleasant conversations but by deliberative meetings. The Inter-American Treaty of 1947 makes clear their responsibility.

If the effort is unsuccessful through that means—and all signs indicate it will be, though it must be done since this course of action is a condition precedent to any further course of action—then we next must seek the creation of a new inter-American defense organization in the Caribbean and Central America. There is every promise that it would be successful. Then that defense organization would take the action required in order to prevent the Communists from continuing to build up a military base in Cuba.

Third, in the same deliberate way, have the NATO powers face this issue, not in informal conversations, but at a council meeting, so that they, too, can face their responsibility.

Having done those things, the United States can then decide what will be its next course, again remembering our objective, which is to restore to the Cuban people self-determination and self-government and to prevent the Communist arms buildup there.

Let us remember one thing—and we must never forget it—we are not facing Castro; we are facing Khrushchev. If we understand that, then we will have a Cuban policy which makes sense. We are facing Khrushchev. This is his offensive in the cold war in the Western Hemisphere.

One is asked the question, What is the authority of the other American states? Why cannot Cuba deal with the Soviet Union if it chooses to? Is it not a sovereign state?

The answer to that question is found in unmistakable terms in an article of the Inter-American Treaty of 1947. This issue is completely taken care of by the language of article 6, which was almost prescient:

> If the inviolability or the integrity of the territory or the sovereignty or political independence of any American state should be affected—

Meaning "should be threatened"—

> by an aggression which is not an armed attack, or by any other fact or situation that might endanger the peace of America—

Let me repeat those words:

> or by any other fact or situation that might endanger the peace of America, the Organ of Consultation shall meet immediately in order to agree on the measures which must be taken in case of aggression to assist the victim of the aggression, or in any case, the measures which should be taken for the common defense and for the maintenance of the peace and security of the continent.

It seems to me that even those who are opposed to taking action against Castro's Cuba—or Khrushchev's Cuba, which it really is—would agree that the "fact or situation that might endanger the peace of America" is being built up on Cuban soil right now, and it must not stand. It is like the situation in Mississippi—it is not being built up by the United States, it is being built up by others; in the case of Cuba by other nations. That issue must be pinned down and faced by the American nations, not in informal conversations, but in the most deliberate and grimmest meetings of the OAS.

Once a great nation acts to commit itself unilaterally, it cannot stop until its objective is achieved. That is why all of us are united behind the United States and the President in respect of the disastrous failure at the Bay of Pigs. I still take my share of the responsibility, as one who is devoted to our responsibilities in foreign policy, for that failure. That does not mean we should not learn from it and do better next time.

We are not committing ourselves to take unilateral action. We are not committing our forces. A great power cannot do that unless it means business all the way. But it means that after we have tried every other avenue which I have suggested and still find we cannot proceed, in the name of the inter-American system, under the treaty of 1947, or under a security treaty in Central America or the Caribbean, the United States reserves to itself the decision as to how it will deal with the situation if its vital national interests are violated.

If we explore further political means and we are still stymied and frustrated, we will take another look; and we are not committed as to what we will do in that eventuality.

Mr. President, I said as much yesterday, and I ask unanimous consent that a news account of the statement I made yesterday be printed in the Record at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. JAVITS. Mr. President, we are asked one other question: Why should not the Russians have a base in the Western Hemisphere when we have a base in Turkey, which is on the border of the Soviet Union? The difference is that Turkey has a government which represents its people. Nobody denies that fact. It is a NATO partner. It is involved with us in that Organization.

Second, and critically important, it is not we who threaten aggression against the world. It is not we who say we will send our rockets and missiles against the United States if somebody harms a hair of Cuba's head, or otherwise displeases the Soviet Union. It is Khrushchev who is constantly rattling missiles.

Incorporated in the United Nations Charter, as well, are procedures to defend our treaty commitments in the free world against a voiced and determined threat, which we do not make, and which we have never made. So I see no similarity between the situation of Turkey and Cuba.

Finally, there are those who say that if the Western World acts in Cuba, the Russians may act with respect to Berlin, Turkey, or somewhere else. Of course they may. They may do it on any afternoon, or on any one of a hundred occasons, including the episode of the U-2 plane which flew over Russia. Such a possibility canot be determinative of our policy.

There is grave risk in any policy we undertake, but when we undertake it, we must stick to that policy notwithstanding the risk, because the policy is so persuasive.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. JAVITS. I yield myself 2 more minutes.

To sum up, Mr. President, I say let us do everything that must be done in consulting our allies in the OAS and in NATO, in the greatest deliberativeness, and not in any informal conversations or private negotiating. Let us organize a new defense organization in the Caribbean and Central America, where the trouble now is. Let us then take another look at what should be the next course of action. Let us not tie our hands and say we can move only if certain things happen.

That is the sound policy which we must adopt, and which must be adopted in view of the posture which Khrushchev has adopted in the Western Hemisphere. Incidentally, whatever may be the ideas with respect to the Monroe Doctrine, whether it is out of date or whether it is a warning which is 130 years old—it is at least that, and Khrushchev has decided to fly in the face of it.

Let us all understand that. Mr. Khrushchev has done this with his eyes wide open, after the United States had served notice for a century and a third. I think that should carry great weight in demonstrating good faith of the United States, and the seriousness of our purpose.

[From the New York Times, Oct. 2, 1962]

JAVITS ASKS KENNEDY TO DISCUSS CUBAN THREAT

Senator Jacob K. Javits declared yesterday that President Kennedy should address the country on the gravity of the Cuban situation and also ask for an emergency meeting of the Organization of American States.

The New York Republican asked the President to go on television and radio to discuss Cuba and "to be blunt not only with us but with his administration."

Senator Javits, who is campaigning for reelection this fall, spoke at a luncheon meeting of the U.S. Inter-American Council at the Pierre Hotel.

He said that "The United States simply cannot permit the kind of military buildup which is going on in Cuba today to continue indefinitely. To do so would be to endanger directly the security of this Nation."

However, Senator Javits opposed an invasion or a blockade of Cuba, saying he could not "go for such a simple solution."

"This is 1962, not 1898," he reminded his audience. "Unlike the Americans of Theodore Roosevelt's day we cannot have a quick little war in Cuba and have done with it."

In urging the President to ask for an emergency meeting of the OAS, Senator Javits acknowledged that the OAS had refused in the past to act against Cuba. "My answer to that is that we must find out if the OAS will refuse to act," he said. "It is a vital condition precedent to anything we will do."

If the OAS refuses to heed the President, Senator Javits went on, "the United States should move immediately to seek to organize a Central American and Caribbean defense organization, pledged and armed to see to it that Castroism and Soviet arms are contained within Cuba and that Castro's power is gradually undermined."

Senator Javits criticized the Kennedy administration for what he said was downgrading of worry over Soviet arms going to Cuba.

He charged that the White House has not crystallized U.S. policy on Cuba, but added that "the public senses that it is way ahead of the White House in its estimate of the seriousness of the situation."

EXHIBIT 1

A POLICY ON CUBA

(By Senator Javits, of New York)

The mail flooding into my office makes one fact very plain: The American people are disturbed about the Cuban situation, deeply disturbed, disturbed as they have not been since the Korean war.

This concern is no emotional binge, as some commentators have tried to make it out. The worry is the perfectly legitimate one of any sensible citizen. Potential Russian missile and submarine bases in Cuba are nothing to be taken lightly. The Soviet arms moving into Havana make it increasingly difficult for the Cuban people to overthrow Castro. Most dangerous of all is the fact that as we know very well, the Soviet method will be to export communism throughout Latin America; indeed, the heritage of unstable government and social injustice is such that the present economic and social condition of many countries to the south offers a field day to such ambitions.

It is not farfetched to picture a future in which the United States could be in a giant pincer, with a Latin America largely Red forming one hinge and a Red Russia and China forming the other.

We must recognize as a people that we are dealing with Khrushchev, not Castro, in Cuba. We are directly confronting Soviet power militarily, economically and propagandawise in the Western Hemisphere for the first time. This historic breakthrough presents us with a completely different situation from Berlin or from the danger of Soviet reaction on Turkey if we move in Cuba, because it is a threat to our base of operations.

The prime danger of the Soviet in Cuba is not so much the simple one of grave imminent danger to the physical integrity of the United States but rather of undermining the Western Hemisphere base of the free peoples by enticing away others of the American Republics to follow the example of Cuba. I believe this was implicit in the joint resolution on Cuba adopted by the Senate and House of Representatives on September 20 and 26.

Public concern over the Cuban issue must be the deeper because while the White House has not finally crystallized the U.S. policy, the public senses that it is way ahead of the White House in its estimate of the seriousness of the situation.

The public feeling is one of urgency, of emergency, of desiring a stepped-up timetable of action.

This does not mean that the President should improvidently be pushed or rushed in exercising his great constitutional responsibility for the Nation's foreign policy, but it does mean that officials like myself must express their views so that the national consensus, which will influence the President's policy, may be truly representative of the Nation.

At his most recent formal discussion of the subject, the President downgraded worries over Soviet arms moving into Cuba. They "do not constitute a serious threat to any other part of this hemisphere."

Despite the Soviet armament Castro now has at his disposal to crush any revolt, the President declared: "It is Mr. Castro and his supporters who are in trouble." He lectured Americans who were excited about the day—they must, he said, keep "their head"—including, presumably, those whose heads tell them that something is decidedly amiss 90 miles off Florida.

President Kennedy characterized his policy toward massive Soviet arms shipments to Cuba as one of "careful surveillance." But he left unanswered the basic question: Is our timetable reflecting the real urgency of the situation?

In all fairness, the President did speak as if he had understood that there might be something besides "surveillance."

"Let me make this clear," he said. "If at any time the Communist buildup in Cuba were to endanger or interfere with our security in any way * * * or if Cuba should ever attempt to export its aggressive purposes by force or the threat of force * * * or become an offensive military base of significant capacity for the Soviet Union, then this country will do whatever must be done to protect its own security and that of its allies."

Now, this does have the ring of drawing a line and saying: Beyond this, not one step further.

But this leaves the drawing of the line exclusively to the President. And in view of our past mistakes, we cannot leave it at that; we must have a national consensus on urgency and timing to have a direct effect on our policy.

In the true spirit of the bipartisan foreign policy, we all took the blame for the ramshackle intervention at the Bay of Pigs, one of the most humiliating and costly blunders in modern American history. But we would be unworthy of the power and responsibility we exercise if we did not learn from it.

The whole situation is one demanding blunt talk. I need not say to an audience of this kind that I am a strong backer of bipartisanship in foreign affairs. For years I have been talking and for years I have been acting bipartisanship in this field. I need also not say to you that until the national decision is taken, bipartisanship should not and cannot mean a failure to speak out on matters of such great moment, backing the President where he seems right, criticizing him where he appears wrong, and prodding him where he seems to need it.

Just what is the nub of the Cuban situation as I see it? It is this: The United States simply cannot permit the kind of military buildup which is going on in Cuba today to continue indefinitely. To do so would be to endanger directly the security of this Nation.

What should we do about the situation? Some Americans, out of an understandable anger and fear, want the United States immediately to blockade Cuba. Others want to go still further—to use the Armed Forces of the United States to drive Castro out of power. I say such attitudes are understandable; the danger is great and provocations are extreme. But at this stage a blockade or intervention is a commitment from which a great nation like our own cannot withdraw—it is irrevocable until its objective is realized. And going further, as we all know, could escalate into direct conflict with the Soviet Union.

We cannot rule out this risk, but we still have some time to try to concert a defense effort of all or some appropriate part of the Americas before we resort to the final powerful and dangerous medicine. Also, there is not yet even a recognized Cuban Government-in-exile on the model of De Gaulle's Free French with which to deal.

This is 1962, not 1898. Unlike the Americans of Theodore Roosevelt's day, we cannot have a quick little war in Cuba and have done with it. The Cuban situation is a particular instance, demanding immediate attention, but it is nonetheless only one aspect in the worldwide, longrunning cold war. One element in this cold war is obviously the relentless imperialism of communism. But another part is the revolutionary ferment on every continent, and especially in Latin America. Some of this ferment is Communist, some partly Communist, some not Communist at all. A good deal of it represents the entirely legitimate aspirations of the hundreds of millions around the globe for a better standard of living, the ending of color lines, stable government, peace, and a greater sense of dignity for the individual.

The eyes of these millions are on us as we make our moves in the Cuban situation. We know that Castro is now a little puppet of Khrushchev, who has cruelly abused and betrayed the hopes of the Cuban people. But this knowledge has not caught up with too many of the millions—again especially in Latin America—to whom Castro is still a symbol of the bold revolutionist who thumbs his nose at rich and mighty nations like the United States and takes drastic measures at home to improve the lot of the ordinary fellow. Practically all students of Latin American affairs agree that the failure in the Bay of Pigs strengthened Castro at home and made him an appealing figure throughout Latin America.

So, in dealing with Cuba, we have strong reasons for choosing the right time. But what do we do meanwhile? Eloquent talk and little action is simply not enough. For the cold fact remains: The United States cannot permit the kind of military buildup which is going on in Cuba to continue indefinitely.

I believe there are a number of moves, hardheaded and vigorous moves, which can be and should be taken, not tomorrow, but at once.

I call upon President Kennedy to describe the seriousness of the Cuban crisis to the American people directly on national television and radio. I call upon him to be blunt not only with us but with his administration. I call upon him to recognize the urgency plainly required by the situation.

Then must come the action—again not in some vague future but now, in the evermore dangerous present. The proper organization to handle Khrushchev in Cuba is the OAS, the Organization of American States. Through the OAS, we and all the other countries of the Western Hemisphere are pledged to protect every nation of the hemisphere from threats to its security of just this kind. I know the Latin American foreign ministers are coming to Washington tomorrow, but Mexico, Brazil, and Argentina, the big three, will be absent. I call upon President Kennedy to ask for an emergency meeting of the OAS, put the matter formally and properly to the nations, and demand action. There are those who argue that the OAS has in the past refused to act against Cuba, that it will refuse again, and that we will be caught in a diplomatic failure. My answer to that is we must find out if the OAS will refuse to act; it is a vital condition precedent to anything we will do.

Also, after all, circumstances change the minds of nations as well as individuals. Surely every day makes plainer to the whole Western Hemisphere, Latin Americans as well as Americans, that the U.S.S.R. is in Cuba. If the OAS won't move, it won't move; that would be too bad. But the fear of failure leaves me cold in such a serious situation.

In the event that the OAS will not act, another swift step is called for. Cuba's closest neighbors have a quite different attitude from the rest of the continent. They ought certainly to be ready to do something about the Cuban threat. If the OAS is stymied, the United States should move immediately to seek to organize a Central American and Caribbean defense organization, pledged and armed to see to it that Castroism and Soviet arms are contained within Cuba and that Castro's power is gradually undermined.

At the same time, there is NATO, the alliance of the free countries of the West, which was formed precisely to serve as a bastion against the spread of communism. The Cuban situation includes this supreme irony: During the last year, the merchant ships of America's NATO allies have been carriers to Cuba of oil and other materials essential to the Communist military buildup there. At present ships from NATO countries are even being chartered to transport Soviet arms and personnel. This disgraceful situation certainly can be ended. Just the other day, one NATO country, Turkey, announced that its ships would carry no more cargoes to Cuba. Like all Americans, I hailed this statement. But I would be a good deal more in a hailing mood if it had been accompanied by announcements from other NATO nations.

Just a short while ago, on September 16, the New York Times reported: "The United States has had little success thus far in stopping NATO shipping for Cuba. Moreover, U.S. officials do not expect much success and they are not especially worried at present. A high-ranking Government official expressed the administration feeling that the Cuba problem is less threatening this year than it was last year."

Less threatening this year than last—is this the kind of judgment on which we really want to base our handling of NATO or Cuba?

Let us have done with rationalizations. Let us face the facts, however jolting they may be. And let us move. Then we will not only be keeping our heads, as President Kennedy wants us to. We will be using them—and, let me add, we will be calling upon that tradition of decisiveness which has heretofore marked America when plainly confronted by an enemy.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. JAVITS. I yield to my colleague.

Mr. KEATING. I wish to associate myself completely with the remarks made by my distinguished colleague. A determined effort is being made to make it appear that anyone who favors a stronger and more vigorous policy with regard to Cuba than has been pursued to date is to be identified with an immediate U.S. invasion of Cuba or some other warlike action.

The PRESIDING OFFICER. The time yielded by the Senator from New York has expired.

Mr. JAVITS. Mr. President, I yield my colleague 5 additional minutes.

The PRESIDING OFFICER. The junior Senator from New York is recognized for 5 additional minutes.

Mr. KEATING. Of course that is not true. There are many who have different views as to the method for dealing with this situation. Some would immediately go further than others. There are a great number of measures that can be taken, of varying degrees of effectiveness. Some have been discussed. Others, perhaps wisely and deliberately, have not been specifically mentioned, but are certainly in many minds.

The outline which my distinguished colleague has made is precisely, with one addition, the proposal which I made several weeks ago when this question first arose.

The first of my proposals made August 31, again September 4 and September 6, was to tell the people the facts about Cuba. I have urged careful consideration of the possibilities of blockade—a policy vigorously supported by the Navy 2 years ago. I have urged an economic boycott of Cuba by the United States, the OAS, and NATO. Above all, I have urged Government officials to stop talking about offensive and defensive weapons and apprise the American people of the real perils we face. If this problem is becoming a political issue in the campaign being waged—and I wish to say, incidentally, that in my judgment a political campaign is nothing more than a national discussion of vital national issues and is a part of the lifeblood of a free government—it is because the American people have not yet been told the full story about Cuba. An effort has been made to downgrade the crisis and keep from the American people the full meaning of the crisis. Naturally, this is resented, not only by Members of Congress, or Members running for Congress, but by the entire Nation.

As my colleague indicated, it is absurd to say that if we act in regard to Cuba the Russians will apply pressure in Berlin. Exactly the opposite is true. If we do not take a strong stand in respect to Cuba, 90 miles from our shores, the Soviets certainly will expect us not to take a strong stand in Berlin, so much farther away. Inaction in this case can be much more dangerous, more provocative, than firm action.

What we need, first and foremost, are the facts about Cuba. Some have been given. There have been two statements of fact about the Soviet buildup in Cuba—one by the President, and a briefing by the Department of State. There are many other facts which, in my judgment, should be told to the American people, and which, if they were revealed, would in no way impair the national security of the United States. On the contrary, a full statement of the facts might well result in better cooperation from our allies and the nations threatened. I think the people should be told.

There is one aspect of the Cuban situation which is a real danger, a danger not fully acknowledged as yet. I refer to the increasing number of Africans in Cuba. The most recent reports suggest that between 1,500 and 2,000 Ghanaians and Guineans are in Cuba. Women as well as men from those countries have been seen in Havana. Why are these Africans there? There are many French-speaking Africans.

Various parts of Cuba are about 100 miles by water from Haiti, from Jamaica, and very little farther from the Dominican Republic. Authoritative sources believe that these Africans are part of a deliberate plan to infiltrate the neighboring Caribbean countries and to overturn, by sabotage and subversion, the existing governments.

In Santo Domingo, the capital of the Dominican Republic, which is now progressing quite satisfactorily under its new post-Trujillo government, there are rumors everywhere that Cubans and Africans have been parachuted into the interior.

Let me make very clear that those rumors have not been confirmed, but it is common talk on the streets of Santo Domingo, and the rumors are a very good indication of the unrest which exists in the countries near to Cuba, the fear of the eventuality, and perhaps the shape of things to come in the Caribbean.

It was well known in Havana that at the time of the summer uprising in Venezuela, when the so-called Communist guerrillas tried to oust President Betancourt, that transport planes were ready and on the alert at Havana Airport to render assistance to the Venezuelan Communists at the first opportunity. Had the Venezuelan Government forces lost their control of their airport, we might have seen the first evidence of Castro's efforts to export aggression at that time.

Meanwhile, the equipment continues to flow from Russia into Cuba—crates that are so large that special unloading machinery is required, cargoes so secret that they are unloaded only by Russians or Czechoslovaks under cover of darkness, containers so long that two railroad cars must be hooked together to carry them.

The PRESIDING OFFICER. The time of the Senator from New York has expired.

Mr. JAVITS. Mr. President, I yield my colleague 5 additional minutes.

The PRESIDING OFFICER. The junior Senator from New York may proceed for an additional 5 minutes.

Mr. KEATING. Mr. President, the evidence mounts that the Cuban people are suffering under ordeals of terror and hardships. Hundreds of executions are reportedly taking place. Even the once-trusted Cuban militia is—much of it—no longer armed; weapons have been taken from the Cubans, to be stored in armories, yet the Russians and Czechoslovaks carry their weapons prominently.

As my colleague said, this is not a Castro problem, it is a Khrushchev problem.

Disease and epidemics are spreading. Thousands of children have polio. Gastroenteritis, diarrhea, and pneumonia are raging. But there is no medicine, and the Government confiscates most of the medicines mailed in by compassionate relatives. Famine threatens many, especially the poor. Cubans by the dozen are retreating to the hills, to set up guerrilla units.

We can encourage these units. We can help feed and equip them. But let us face facts. Small guerrilla groups will need more support if they are to defeat tanks, planes, missiles, and all the panoply of Soviet might. Without our assistance, these groups have no chance of victory. Without our assistance, all the countries of the Caribbean are in danger, not merely of propaganda but of direct infiltration and efforts to overthrow the government.

Unless the realities of the situation are known and understood throughout the Nation, the hemisphere, and the world, there is little hope to combat the new power of the Communist menace in the Caribbean.

To think of defeating Castro at this date, or of cleaning up this hemisphere so far as Cuba is concerned, without incurring some risk that a U.S. shot may be fired is unrealistic. That is a hazard which will always be present, not only under present circumstances, but also circumstances of the foreseeable future.

Mr. President, exactly as the danger is immeasurably greater today than it was 6 months ago, 6 months from now it will be immeasurably greater than it is today unless forceful action is taken.

I subscribe completely to what has been said with respect to action by the Organization of American States, presenting united hemispheric solidarity, which is highly desirable. We must endeavor in every way to obtain their support. We must endeavor in every way to make our NATO allies see the folly of the position they are taking. But to say that under all circumstances we will permit our hands to be tied by them and under no circumstances will we move on our own to protect the prestige, the power, and the might of the United States is contrary, I believe, to the wishes of the Congress and to the wishes of the American people. The OAS cannot be a veto to U.S. action—as I observed in a statement September 6 and again before the Foreign Relations and Armed Services Committees September 17.

Once the commitment to an active policy is made, we cannot dodge the responsibility of using sufficient force to attain our purpose.

There is no easy way out. Once the power and prestige of the U.S. Government are committed to a struggle, whether it be in Cuba, Berlin, South Vietnam, or anywhere else, we cannot afford to have it ineffective. Those who argue for so-called policies of moderation at this stage of the game are, in fact, supporting the very kind of halfhearted effort that led to the 1961 fiasco in Cuba, following which, it will be remembered, every Member of Congress, without regard to party, stood back of the President of the United States in the unfortunate situation which we then faced.

If the President decides that force is necessary to achieve his objectives and to protect the prestige and authority of our Nation, in my judgment he will have the wholehearted support not only of the Congress, but of the people of our country in the course that he feels it is necessary to pursue. But whatever action is taken, it must be strong enough and carefully planned so that it will not fail.

I am very happy that my colleague has brought up this subject. I intend to speak on it at greater length at a future time and to emphasize that there are many courses we can take short of the actual use of force, but with a stronger attitude and a more definite commitment toward what we are trying to accomplish than has been indicated heretofore.

Mr. JAVITS. Mr. President, I ask unanimous consent to have printed at this point in the RECORD the editorial published in the New York Times, to which I referred.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

SHADOW OF 1956?

Congressional election campaigns are occasions for candidates to air their views on national and international affairs; but, in their zeal to win, rival candidates are frequently unable to resist the temptation of overdramatizing and oversimplifying the most critical issues. The one-dimensional approach is, unfortunately, effective with many voters.

If it is naive to expect candidates to refrain from injecting the Cuban issue into the current congressional campaign, it is still reasonable to suggest that they measure up to the responsibilities of the offices they are seeking.

A growing number of Members of Congress, including JACOB K. JAVITS, the senior Senator of New York, his colleague, Senator KENNETH B. KEATING, and Senator STROM THURMOND, Democrat, of South Carolina, are among those who are urging President Kennedy to take unilateral action against Cuba that could easily lead to war.

Senator KEATING has proposed an immediate economic and military blockade. He has indicated he would approve shooting, if required, to halt the flow of weapons and technicians from the Communist bloc. Senator JAVITS urged the President to warn the Soviet Government to cease the shipment of weapons and technicians. He said it would be "the President's duty as Commander in Chief to stop the shipments by whatever means he deems appropriate" if the Soviet Government did not accede to his request.

We do not like the present situation in Cuba, a Communist, Soviet-supported state on our very borders. Castro's political orientation is without question a potential danger to this hemisphere. But we are not at war with him. The proposals being put into circulation for public consideration by homegrown advocates of "unilateralism" can only have the most damaging effect on our world position and the ability of the administration to deal safely with a hornet's nest.

The advocates of unilateral action against Cuba could profitably recall that it was the Suez affair in 1956 that diverted world attention to the point of enabling the Soviet Premier to crush the Hungarian rebellion without risking any physical reaction from the Western Powers. We must not fall into the trap of creating another Suez out of Cuba, to distract the world while Russia makes another Hungary out of Berlin.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed the following bills of the Senate, severally with amendments, in which it requested the concurrence of the Senate:

S. 962. An act to amend the Federal Aviation Act of 1958, as amended, to aid the Civil Aeronautics Board in the investigation of aircraft accidents, and for other purposes;

S. 2568. An act to amend the act of September 7, 1950, to extend the regulatory authority of the Federal and State agencies concerned under the terms of the Convention for the Establishment of an Inter-American Tropical Tuna Commission, signed at Washington May 31, 1949, and for other purposes;

S. 3389. An act to promote the foreign commerce of the United States through the use of mobile trade fairs; and

S. 3504. An act to provide for alternate representation of secretarial officers on the Migratory Bird Conservation Commission, and for other purposes.

The message also announced that the House had passed the joint resolution (S.J. Res. 214) authorizing the President of the United States to designate the period from November 26, 1962, through December 2, 1962, as National Cultural Center Week, with an amendment, in which it requested the concurrence of the Senate.

The message further announced that the House had agreed to a concurrent resolution (H. Con. Res. 581) authorizing the Clerk of the House to make a correction in the enrollment of H.R. 8567, in which it requested the concurrence of the Senate.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H.R. 134. An act to provide that seat belts sold or shipped in interstate commerce for use in motor vehicles shall meet certain safety standards;

H.R. 8151. An act to amend title 14, United States Code, to require authorization for certain appropriations;

H.R. 11587. An act to amend the Merchant Marine Act, 1936, in order to provide for the reimbursement of certain vessel construction expenses;

H.R. 5698. An act to extend the apportionment requirement in the Civil Service Act of January 16, 1883, to temporary summer employment, and for other purposes;

H.R. 11949. An act to repeal section 25 of title 13, United States Code, relating to the duties of supervisors, enumerators, and other employees of the Bureau of the Census, Department of Commerce;

H.R. 11950. An act to amend section 131 of title 13, United States Code, so as to provide for taking of the economic census 1 year earlier starting in 1968;

H.R. 11086. An act to amend title 28, United States Code, to provide for additional commissioners of the United States Court of Claims, and for other purposes;

H.R. 11111. An act to amend the act of October 4, 1961, authorizing the Secretary of Agriculture to sell and convey certain lands in the State of Iowa; and

H.R. 12341. An act to amend section 309 of the Food and Agriculture Act of 1962.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

H.R. 6682. An act to provide for the exemption of fowling nets from duty, and for other purposes; and

H.R. 12180. An act to extend for a temporary period the existing provisions of law relating to the free importation of personal and household effects brought into the United States under Government orders, and for other purposes.

HOUSE BILLS REFERRED OR PLACED ON CALENDAR

The following bills were severally read twice by their titles and referred or placed on the calendar, as indicated:

H.R. 134. An act to provide that seat belts sold or shipped in interstate commerce for use in motor vehicles shall meet certain safety standards;

H.R. 8151. An act to amend title 14, United States Code, to require authorization for certain appropriations; and

H.R. 11587. An act to amend the Merchant Marine Act, 1936, in order to provide for the reimbursement of certain vessel construction expenses; to the Committee on Commerce.

H.R. 5698. An act to extend the apportionment requirement in the Civil Service Act of January 16, 1883, to temporary summer employment, and for other purposes;

H.R. 11949. An act to repeal section 25 of title 13, United States Code, relating to the duties of supervisors, enumerators, and other employees of the Bureau of the Census, Department of Commerce; and

H.R. 11950. An act to amend section 131 of title 13, United States Code, so as to provide for taking of the economic censuses 1 year earlier starting in 1968; to the Committee on Post Office and Civil Service.

H.R. 11111. An act to amend the act of October 4, 1961, authorizing the Secretary of Agriculture to sell and convey certain lands in the State of Iowa; to the Committee on Agriculture and Forestry.

H.R. 11086. An act to amend title 28, United States Code, to provide for additional commissioners of the United States Court of Claims, and for other purposes; placed on the calendar.

THE 95TH BIRTHDAY ANNIVERSARY OF THEODORE FRANCIS GREEN

Mr. PASTORE. Mr. President, today, as the Senate of the United States discusses the foreign-aid appropriations for 1963, we may well pause a moment to remember a former colleague.

Theodore Francis Green, as a member of the Foreign Relations Committee of the Senate, did much through these eventful years to help our Presidents shape the foreign policy of this Nation.

Today in health and happiness in the sanctuary of his Providence home, our former colleague, Theodore Francis Green, observes his 95th birthday.

For two-thirds of this century and one-third of the 19th century his life has been the essence of Americanism—of private virtue and public service.

Theodore Francis Green has always lived close physically and spiritually to his beloved Brown University and they have mutually honored each other for 80 years.

All his life Theodore Francis Green has lived close to the needs and yearnings of people—first, his neighbors—then, his State—then, his country and, as we have known him here, close to the necessities and yearnings of the entire world in a time of greatest stress.

We, his colleagues, on many occasions have been happy to speak in praise of our friend and fellow Senator, especially in that hour when he sacrificed personal prestige for the sake of national service and stepped down from the chairmanship of our Foreign Relations Committee in order that others might gain experience against the hour when he chose to surrender his representation of his native State in this Senate. That sacrifice was the glorious hour of his public service and personal integrity.

Theodore Francis Green was already a Rhode Island tradition when I was born and I served my apprenticeship in public service under his aegis as my Governor.

As the people of Rhode Island entrusted me with further honors, I found in him a mentor and friend and never more so than in the years I served in this Chamber as his junior.

Out of my understanding of his human statesmanship, out of my heart for all his friendship, I speak not only for myself but I am certain that I echo the sentiments of all of us when I wish to Theodore Francis Green that the cup of his health and happiness may be filled to the brim and running over on this his 95th birthday.

Mr. PELL. Mr. President, I rise today to pay honor to Theodore Francis Green, my predecessor in the Senate, upon his 95th birthday.

I pay tribute to him, too, not merely because he was the oldest man to ever have served in this body, but, because of the liberal, forward-thinking leadership, and inspiration he gave our State and Nation through the years.

From the time he organized, outfitted, and commanded his own company in the Spanish-American War until right now, today, he has served his community to the best of his exceedingly great capacity. And his community has, through the years, been the city of Providence, the State of Rhode Island and Providence Plantations, the United States of America, and, as chairman of the Foreign Relations Committee, the whole free world.

Speaking in a more personal vein, I also am most grateful to him for his friendship and the inspiration he has been to me through the years.

It is with very real humility that I wish him a happy birthday and add my own affectionate good wishes.

Mr. KUCHEL. Mr. President, I yield myself 1 minute.

One of the sweetest personalities that I came to know as a friend during my few years in the Senate is the former senior U.S. Senator from Rhode Island, Theodore Francis Green. I had the honor to accompany him on at least two occasions to the North Atlantic Treaty Organization Parliamentary Conference. I had an opportunity over a 10-day period on each of those occasions to be with him most of our waking hours, to enjoy not only his keen insights into the problems of America and its relations with the rest of the world, but also the unique and whimsical capacity in which Senator Green has always expressed himself so pungently and in a highly erudite manner.

Theodore Green has been a great public servant in the Senate, where he served over the years with distinction with my friend and colleague, JOHN PASTORE, as his junior partner, representing the great Commonwealth of Rhode Island. Before he entered the Senate, and as a young man, I remember reading of the vigor, the courage, and the progressivism which marked his years as chief executive of Rhode Island. So as our friend and former colleague celebrates his 95th birthday, Senators wish to extend the warmest and most sincere best wishes for health and happiness in the days ahead.

Mr. MANSFIELD. Mr. President, I yield myself 1 minute.

I wish to join the two Senators from Rhode Island and the acting minority leader, the Senator from California, in expressing heartfelt congratulations and best wishes to our former colleague—a grand Rhode Island institution, a living historical monument—Theodore Francis Green, on his 95th birthday.

Theodore Francis Green has made many contributions to the welfare of Rhode Island, to the Nation, and to the free world. Those contributions have been recognized by many of our own and many other citizens around the globe. I daresay, however, that one of the things he is very proud of is the fact that his former colleague, Senator JOHN PASTORE, is continuing to furnish the stability, the enthusiasm, and the integrity which have marked his own service down through the years. I am sure that Theodore Francis Green is especially proud of the fact that he has been succeeded by such an outstanding legislator as the junior Senator from Rhode Island, CLAIBORNE PELL.

Rhode Island is indeed fortunate to have these three men, two of them on active service and one of them behind the scenes giving of his advice and counsel, I am sure, at all times. We honor a great American and a great man in the person of our friend and former colleague, Theodore Francis Green.

The PRESIDING OFFICER (Mr. GORE in the chair). On behalf of the entire membership of the U.S. Senate, the Chair wishes to extend joyful felicitations to the distinguished former Senator from Rhode Island, Theodore Francis Green, upon the attainment of his 95th birthday, and to wish for him and to those who love him many more such happy occasions.

THE CALENDAR

Mr. MANSFIELD. Mr. President, with the concurrence of the minority leader and the Senate, I yield myself 10 minutes, to have the Senate proceed to the consideration of measures on the calendar to which there is no objection, which have been cleared and ready for action.

I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 2098, H.R. 1362, and succeeding measures, in sequence.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

CALOGERA VIRONE MESSINA

The bill (H.R. 1362) for the relief of Calogera Virone Messina was considered, ordered to a third reading, read the third time, and passed.

PRISCILLO JOSE SISSON

The bill (H.R. 1483) for the relief of Priscillo Jose Sisson and Evelyn Sisson was considered, ordered to a third reading, read the third time, and passed.

MICHAEL ANTHONY DEDETSINAS

The bill (H.R. 1598) for the relief of Michael Anthony Dedetsinas was considered, ordered to a third reading, read the third time, and passed.

ROSA AND RITA QUATTROCCHI

The bill (H.R. 2978) for the relief of Rosa and Rita Quattrocchi was considered, ordered to a third reading, read the third time, and passed.

SIMON KARASICK

The bill (H.R. 4483) for the relief of Simon Karasick was considered, ordered to a third reading, read the third time, and passed.

FORREST L. GIBSON

The bill (H.R. 5695) for the relief of Forrest L. Gibson was considered, ordered to a third reading, read the third time, and passed.

VALIDATING PER DIEM PAYMENTS TO MEMBERS AND FORMER MEMBERS OF THE U.S. COAST GUARD

The bill (H.R. 7099) to validate payments of certain per diem allowances made to members and former members of the U.S. Coast Guard while serving in special programs overseas was considered. ordered to a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 2140), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

The purpose of the proposed legislation is to validate per diem allowances in the amount of approximately $23,500 made to about 71 members of the U.S. Coast Guard in the period from September 17, 1958, to April 1, 1959, while these members were engaged in establishing certain loran stations in Turkey, Libya, and Italy. The bill would also permit the refund of amounts repaid by the members involved and credit to the extent of the validations would be allowed in the accounts of the disbursing officers who made these payments.

STATEMENT

This bill was introduced in accordance with the recommendation contained in an executive communication directed to the Speaker of the House of Representatives from the Secretary of the Treasury.

The members of the U.S. Coast Guard here involved were issued travel orders to three countries in the Mediterranean area, Italy, Libya, and Turkey, where they were to be engaged in the establishment of loran transmitting stations. The men had to forage for such quarters and subsistence as the area offered because the prospective stations were located in isolated areas. Prior to the commissioning of the stations the men were paid per diem allowances throughout the time the stations were being built. Upon commissioning of the stations the men were permanently attached to these stations. The General Accounting Office has disallowed the payment of per diem in these cases claiming that the payments were not authorized from the date of each man's arrival into the geographical area where his permanent duty was to be served despite the physical absence of a station at the time of his arrival.

According to the communication of the Department of the Treasury the repayment of the amounts here involved would impose a hardship upon many of these men, particularly those with families having to return substantial sums. The above-mentioned communication pointed out that these per diem payments in most instances did not cover the additional expense the men were obliged to incur, therefore, the committee is of the opinion that the return of these payments is most unjust and harsh.

As is stated in the Treasury communication it is not intended that these men would also be permitted to receive additional allowances for quarters or subsistence for the same periods involved. In consideration of the circumstances here involved this committee agrees with the position taken by the Treasury Department that this is a situation where equitable relief should be extended to the Coast Guard members involved. It is therefore recommended by the committee that the bill be considered favorably.

Attached hereto and made a part of this report is a letter, dated May 10, 1961, addressed to the Speaker of the House of Representatives from the Secretary of the Treasury.

PENSION PLAN FOR EMPLOYEES OF LOCAL UNIONS 645, 1507, AND 1511, BROTHERHOOD OF PAINTERS, DECORATORS & PAPERHANGERS OF AMERICA

The bill (H.R. 7876) relating to the effective date of the qualification of the joint pension plan for employees of Locals 645, 1507, and 1511, Brotherhood of Painters, Decorators & Paperhangers of America was announced as next in order.

Mr. MANSFIELD. Mr. President, the bill has been cleared with the approval of the distinguished chairman of the Committee on Finance, the Senator from Virginia [Mr. BYRD]. He has stated, however, that this is not to be considered a precedent, because there is a question as to jurisdiction with respect to legislation of this nature. I wish to make this statement, so that it will be understood that while this and similar bills are being considered at this time with the approval of the distinguished chairman of the Finance Committee, it is not to be considered a precedent for the future.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 2141), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

The purpose of the bill is to extend retroactively the qualification under the Internal Revenue Code to the pension plan of the unions.

STATEMENT

The Treasury Department has no objection to the bill.

The Congress has adopted similar legislation extending retroactive qualification to a number of negotiated pension plans under the Internal Revenue Code.

In its favorable report on the bill the Treasury Department has commented:

"The Internal Revenue Service has ruled that this plan, which was established under a collective bargaining agreement, meets the requirements for qualification under section 401 of the Internal Revenue Code for taxable years ending after August 31, 1960. However, the plan does not so qualify for prior taxable years, although a collective bargaining agreement specifying that employers were to make contributions for pension purposes was entered into on September 1, 1956. This is because it was not until September 1, 1960, that a specific pension plan, indicating such features as the size of the benefits to be paid to retired employees and the eligibility requirements, was actually established.

"H.R. 7876 would extend retroactive qualification under the Internal Revenue Code to the plan from September 1, 1956, when the collective bargaining agreement providing for employer pension contributions was first entered into, until April 11, 1961, providing it is shown to the satisfaction of the Secretary of the Treasury or his delegate that the trust has not in this period been operated in a manner which would jeopardize the interest of its beneficiaries. The objective of the bill is to give the employers concerned the right to deduct contributions, made to the plan before it qualified under the Internal Revenue Code, in the year such contributions took place. In addition, the bill seeks to grant the plan exemption from tax on its investment income during this prequalification period. Since the Internal Revenue Service has ruled that the plan meets the qualification rules of the Internal Revenue Code for taxable years ending after August 31, 1960, the bill's objective would be achieved by granting the plan retroactive qualification from September 1, 1956, until August 31, 1960. Accordingly, it would appear desirable to amend the bill to terminate the retroactive qualification period on August 31, 1960, instead of carrying it until April 11, 1961, as under the present bill.

"Except where there has been a waiver of assessment, the period of limitations provided by present law for the assessment and collection of tax and for granting refunds will have expired for part of the retroactive period covered by the bill. At present, claim for credit or refund of income tax must be filed within 3 years from the time the return was filed or 2 years from the time the tax was paid, whichever is later. Accordingly, for taxpayers on a calendar-year basis, the period of limitation on filing a claim for refund has already expired for the 1956 and 1957 tax years.

"In previous years the Congress adopted legislation extending to a number of negotiated pension plans retroactive qualification under the Internal Revenue Code for periods in which they did not qualify under the provisions generally applicable. Such retroactive qualification for specific plans was provided by Private Law 85-540, approved August 8, 1958, by Public Law 86-781, approved September 14, 1960, by Public Law 86-779, approved September 14, 1960, and by Public Law 87-59, approved June 27, 1961.

"The Department has no objection to the adoption of H.R. 7876 amended as indicated above. However, we believe that if a significant number of additional cases similar to that involved in H.R. 7876 should arise in the future, it would be preferable to provide relief through general legislation. The Treasury is now preparing draft legislation containing its suggestions for according equitable tax treatment to negotiated plans under the pension provisions of the code and would be pleased to cooperate with the Congress toward this objective."

The committee believes that the bill is meritorious and recommends it favorably.

Attached and made a part of this report is a letter, dated February 7, 1962, from the Treasury Department.

MARIE SILVA ARRUDA

The bill (H.R. 8855) for the relief of Marie Silva Arruda was considered, ordered to a third reading, read the third time, and passed.

CHARLES L. KAYS

The bill (H.R. 9469) for the relief of Charles L. Kays was considered, ordered to a third reading, read the third time, and passed.

LEOPOLDO ROCHA CANAS AND TEOFILO CAOILE SERVITO

The bill (H.R. 10316) for the relief of Leopoldo Rocha Canas and Teofilo Caoile Servito was considered, ordered to a third reading, read the third time, and passed.

MAJOR SINGH SUNGA

The bill (H.R. 10881), for the relief of Major Singh Sunga was considered, ordered to a third reading, read the third time, and passed.

JOSEPH HAMMOND

The bill (H.R. 10897) for the relief of Joseph Hammond was considered, ordered to a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 2146), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

The purpose of the proposed legislation is to pay Joseph Hammond, of Whittier, Calif., $2,502.50 in full settlement of his claims for payment of prisoner-of-war benefits under the War Claims Act of 1948, as amended, by reason of his detention as a prisoner of war by the North Koreans and Chinese Communists in Korea from December 3, 1950, to August 31, 1953, following his capture while fighting in Korea as a member of the U.S. Army.

STATEMENT

The facts in relation to this claim appear in House Report No. 2262 on H.R. 10897, and are as follows:

"Joseph Hammond is an honorably discharged veteran of Army service. The following information was supplied the committee by Mr. Hammond. He enlisted in the U.S. Army on August 23, 1949. He was assigned to a basic training unit at Fort Knox, Ky., and then was transferred to Edgewood, Md., which was his duty station at the time of the outbreak of the Korean war. At his request, he was assigned to a unit being sent overseas. His unit was in on the assault on Inchon, South Korea, in September of 1950. His next landing was at Wonson from which he accompanied the Army forces moving north into the Chosen Reservoir area.

"On December 3, 1950, he volunteered for a mission which involved driving a jeep past American defense lines and into an enemy-held area. He was accompanied by Salvatore R. Conte. On this mission, the vehicle was hit by enemy fire and Mr. Hammond was wounded. The two American soldiers were surrounded by the enemy and captured. They were taken on a 16-day forced march during which they were joined by 350 more American prisoners of war. They were taken to a Korean town near Kanggye which became a prisoner-of-war camp. He remained there for about 3 months, and then was a part of a group taken south. Since he was not able to travel due to weakness and swollen feet due to improper food, he was isolated with several other men in a little valley somewhere in central Korea. When he was able to travel, he was moved to rejoin the main group which had been enlarged by other newly captured men. After 10 or 12 days, he was in a group separated from the main body. This was in April or May of 1951 and at this time he attempted to escape and was recaptured. Mr. Hammond stated that upon his recapture he was imprisoned in a flooded air raid shelter for about 3 weeks, and then was marched without shoes, with several other recaptured prisoners for about 5 days to a place called the mining camp. He and this group of prisoners remained there from June to November 1951. During this period, he was tried by a Chinese court-martial, found guilty of aiding prisoners of war, cursing Chinese officers, and other offenses. He was found guilty and sentenced to 6 months at hard labor. In his statement filed with the committee, Mr. Hammond recounted how in November 1951 they were marched north to Changsong POW Camp on the Yalu River. There he was locked up as an agitator and later placed in a "reactionary squad" of particularly troublesome prisoners. Included among these prisoners was Salvatore R. Conte, the man who was originally captured with him.

"Mr. Hammond described the events of May Day 1952. On that day, this squad, including Mr. Hammond, was ordered to parade under Red flags. They refused and soon the entire camp was near riot. Mr. Hammond was arrested the next day, put in solitary confinement, and forced to sign a confession for a long list of 'crimes.' Mr. Hammond stated that he was locked in a wooden box 2 feet wide, 3 feet high, and 5 feet long where he was forced to sit in a crosslegged position for 27 days. Salvatore Conte was similarly treated. Mr. Hammond was kept in an abandoned outhouse for a total of 4 months. For 6 months of this time, he was subjected to repeated beatings. He was again court-martialed by the Chinese for various crimes against the Chinese, and was sentenced to 1 year imprisonment with 15 other prisoners of war, including Mr. Conte. They remained together until August 1953 when they were moved to Panmunjom for repatriation.

"After Mr. Hammond's repatriation in August of 1953, and several months of recuperation, he received an honorable discharge and was separated from the Army. He was awarded the Bronze Star and the Good Conduct Medal. Subsequently, he received a 40-percent service-connected disability rating from the Veterans' Administration. This is based on a 10-percent disability for a gunshot wound and a 30-percent disability resulting from injuries suffered during his 33-month imprisonment in Korea as a prisoner of war.

"Mr. Hammond has appealed to Congress for relief, since, despite the events outlined above, his claim for prisoner-of-war compensation for inhumane treatment and improper food during his 33-month imprisonment was not allowed by the Foreign Claims Settlement Commission of the United States. The report of the Foreign Claims Settlement Commission is set forth following this report. The report does not detail the facts, but merely states that the Commission had determined that he did not meet the eligibility criteria set forth in applicable law, and that therefore the claim was denied. In substance, the claim was rejected on the basis that actions taken by Mr. Hammond during the first 3-month period of his imprisonment were interpreted as the equivalent of collaboration.

"As to legislative relief, the Commission stated:

" 'The Commission feels that action on H.R. 10897 constitutes a matter of legislative policy, and therefore would have no objection to its favorable consideration.'

"This committee has carefully considered this matter. A subcommittee hearing was held to receive testimony on the bill, H.R. 10897, on July 11, 1962. At the conclusion of that hearing, the members indicated that they desired to receive further evidence as to the basis of the claim, as well as the deficiencies in the procedures which contributed to the adverse decision regarding the claim. A second hearing was conducted on Wednesday, August 1, 1962, when the sponsor of the bill appeared, accompanied by Mr. Salvatore R. Conte, who has been mentioned in this report and who at that time testified as to his own knowledge and observations as to Mr. Hammond's conduct while a prisoner of war and as to his record as a soldier.

"The committee feels from its examination of the matter that the rejection of Mr. Hammond's claim was erroneous and inequitable in view of all of the circumstances of the case. It further appears that this inequity was compounded by the weight given by the Commission to testimony given by Mr. Hammond as a Government witness in a court-martial as to the conduct of a sergeant who was a prisoner of war in one of the POW camps in which Mr. Hammond was also imprisoned. While the Commission indicated that the claim was denied on the basis of information supplied by the Department of Defense 'upon the grounds that Hammond failed to sustain the burden of proof as to his eligibility under the act,' it appears that the Commission placed undue weight upon the testimony presented at the court-martial of one William H. Olson which was obviously not originally intended for use in connection with the proceeding before the Foreign Claims Settlement Commission. Since it was so used, Mr. Hammond was entitled to explain his statements and to further amplify his remarks.

"After a full consideration of this matter, this committee has concluded that the facts establish that Mr. Hammond was not given an adequate opportunity to present his case before the Commission, and further that on the merits he is entitled to the relief provided in H.R. 10897. At the subcommittee hearing on August 1, 1962, Mr. Salvatore R. Conte described how he, along with other prisoners in the Kanggye Camp, had received instructions from a Major McLaughlin, the senior American officer at the camp, to, in effect, go along with the attempted indoctrination, and this included the writing of articles. Mr. Conte further stated that although his conduct as a prisoner of war was "not too much different" from that of Mr. Hammond, his claim for prisoner-of-war benefits was allowed while Mr. Hammond's was denied. It further appears that this pretense was maintained for just 3 months, and then the prisoners were marched south, and their hoped-for release did not come about. At that point, Mr. Conte stated:

" 'Now, when that pretense was over, when we found out we were not released, I was one not released, Joe Hammond was not released; the pretense was over. After that, I am sure anybody's testimony can verify the fact just exactly what Joe Hammond was. He ended up in jail for well over a year.

" 'I say their jails when I say "jail." This included wooden boxes, ditches, latrines, handcuffs, beatings, anything that went along with it, whatever passed their mind, if you were not cooperative.

" 'Now, we were not only passive, we were outspokenly against them because the ruse was over. We wanted no part of it. We told them frankly, openly, that it was all over with, we are no longer "students"; we are now prisoners of war and we expected to be treated as such.

" 'This did not go over too favorably with them because we were a small group that opened up this particular camp. They were bringing in new troops every day that had been captured. And these men were the ones they were looking to work on. And as a direct result of Joe Hammond's action, these men were not indoctrinated or even attempted to have been indoctrinated.

" 'I say they were not attempted to have been indoctrinated because of men like Joe; it was never successful. Joe not only—other things I would like to say about Joe, he and I used to help other prisoners to escape. We did not make this information generally known because we did not want people taking off for a lark. Because warm weather came along, we were interested, we thought about men genuinely interested in escaping and we thought could make the trip.

" 'I personally felt it was impossible to escape from the camp where we were. I was willing to help, and Joe was. He went right into their headquarters, stole maps off the walls, stole torchlights, flashlights out of their quarters—anything that could have been used on an escape attempt.

" 'This is just one of the things he was active in. And as a result of this, we were finally found out and we ended up in jail.'

"At the same hearing on August 1, 1962, Mr. Conte stated that he never had a chance to finish testimony before the Commission in 1955. In response to a direct question on this point, Mr. Conte states:

" 'No, I was halfway through my testimony and they decided they had sufficient evidence, that sufficient testimony was given and no more would be necessary. That was the end of that.'

"The following statement of Charles W. Stevens, American Legion representative, was made a part of the record at the subcommittee hearing:

" 'My appearance as counsel before the War Claims Commission was in the capacity of assistant rehabilitation director and chief of claims of national headquarters of the American Legion. It was not my custom to appear, although I was accredited by the Commission to serve as counsel. Other accredited members of the staff usually presented the claims under my supervision of Americans who were former prisoners of war during World War II or the Korean conflict. This case has been brought to my attention by one of them. I considered it a most meritorious claim upon a thorough review of the record and was impressed by the frankness and honesty of the claimant, Joseph Hammond. Having 40 years' experience as an employee of national headquarters and of the Federal Government since my World War I service in the development and presentation of claims, I believe I can accurately evaluate evidence and appraise the veracity and integrity of a claimant.

" 'Having participated in the discussions and national convention resolutions which brought the legislation about, drafting some of it, and testifying in support of it before congressional committees, I was fully cognizant of its full import and had not believed that a claimant such as Mr. Hammond would be deprived of the benefits.

" 'When the hearing, conducted by a staff examiner, was held, the claimant and witness appearing, I was confident that our case for award of the benefits had been made when we were informed that sufficient evidence had been adduced for the Commission's decision. I was completely nonplused by the adverse decision.

" 'After over 30 years' service in national headquarters, I was retired on my 66th birthday, February 26, 1960. I have no present records, consequently, to support my statement. However, my recollection is vivid because I felt an injustice was done. I certify to the correctness of what I have said.'

"The information presented to this committee, therefore, establishes that there is a serious question whether Mr. Hammond was given an adequate opportunity to present his evidence before the Commission. In fact, it appears that circumstances of the matter, as reflected in the subcommittee hearings and as set forth in some detail in this report, may never have been adequately considered by the Commission, because of the abrupt termination of the hearing on December 19, 1955.

"While this lack is of crucial importance in this matter, it is also relevant to note that the prior adverse decision on the matter may well place an unfair burden of proof upon the claimant under the circumstances. In this connection, it is necessary to trace the sequence of events up to the time of the 1955 hearing. Mr. Hammond filed his claim on December 23, 1954, and he was advised in November of 1955 that it had been disallowed. He immediately wrote to the Commission requesting a hearing. While a hearing had been scheduled for December 12, 1955, it was ascertained by a congressional office on December 9, 1955, that neither Mr. Hammond nor his attorney had been notified. A postponement was granted to December 19, 1955. Further, a 'summary of information' detailing the basis of the initial rejection had not been delivered to Mr. Hammond. He finally received those findings on December 16, 1955. The period for the consideration of this claim by the Commission ended on December 23, 1955, and this too is a factor, for it appears to have also prejudiced Mr. Hammond's efforts to secure an adequate consideration of his claim within the short period of time available before December 23, 1955. After the brief hearing on December 19, 1955, the Commission handed down its adverse decision on December 23, 1955, the last day for action on the claim. This committee is advised that the transcript of the December 19 hearing had not yet been made available to the Commission when it rendered its decision. The fact that the Commission faced this kind of a deadline appears to have further prejudiced Mr. Hammond's efforts to have a complete consideration of the case.

"In considering this matter it is necessary to refer to the history of Mr. Hammond's period as a prisoner of war as traced at the beginning of this report. The events at the Kanggye Camp, which have been referred to in this report and were an issue in the Olson court-martial, relate to the first 3 months of his 33 months as a prisoner of war. The privations suffered by Mr. Hammond are described in the information filed with the committee and have been outlined in this report. In order to demonstrate the basis for the committee's conclusions in this case, testimony presented in explanation of Mr. Hammond's pretended cooperation has been quoted at length. While it appears that the Commission declined to consider the events which occurred after that 3-month period as having relevancy to the matter, this committee feels that the history of Mr. Hammond's experiences as a prisoner of war can only be interpreted as lending further credence to the facts testified to by Mr. Conte concerning the pretended cooperation followed for that period."

After consideration of the foregoing, the committee concurs in the findings and conclusions of the House of Representatives and recommends that the bill, H.R. 10897, be considered favorably.

Attached hereto and made a part hereof is the report of the Foreign Claims Settlement Commission on this bill.

ARTHUR H. BRACKBILL

The bill (H.R. 12092) for the relief of Arthur H. Brackbill was considered, ordered to a third reading, read the third time, and passed.

JOSEPH WOLF, JR.

The bill (H.R. 12093) for the relief of Joseph Wolf, Jr., was considered, orderd to a third reading, read the third time, and passed.

REIMBURSEMENT OF MONEYS EXPENDED FOR PURCHASE OF COUNTERFEITS

The bill (H.R. 12451) to authorize reimbursement to appropriations of the U.S. Secret Service of moneys expended for the purchase of counterfeits was considered, ordered to a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report—No. 2149—explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

The purpose of the bill is to provide that moneys expended from Secret Service appropriations for the purchase of counterfeits and subsequently recovered shall be reimbursed to the appropriation current at the time of deposit.

STATEMENT

In requesting the introduction of the proposed legislation the Secretary of the Treasury wrote:

"The purpose of the proposed legislation is to facilitate the enforcement of the counterfeiting laws by enabling the U.S. Secret Service to retain for further use funds expended by enforcement agents for the purchase of counterfeits when the funds used to make such purchases are later recovered.

Many times the funds or part of the funds expended for the purchase of counterfeits are recovered when the violator is apprehended. However, section 3617 of the Revised Statutes (31 U.S.C. 84) provides that the gross amount of moneys from whatever source derived shall be paid into the Treasury. Thus, it is necessary to deposit into miscellaneous receipts moneys recovered after their use to purchase counterfeits (see 3 Comp. Gen. 911; 5 Comp. Gen. 289).

"The use of funds to purchase counterfeits is one of the most effective enforcement tools presently available in combating counterfeiting. If an undercover agent is able to show that he has a substantial sum of money for the purchase of counterfeits, he may be able to gain direct access to the principals in the counterfeiting operation and thereby effect the seizure of the counterfeits and the counterfeiting plant. Such seizures reduce potential losses by the public since the persons who suffer the monetary losses from counterfeiting are the individuals who innocently accept counterfeits as genuine instruments.

"The Secret Service appropriation provides $20,000 annually for the payment of rewards or for information looking toward the apprehension of criminals. Because the amount appropriated is small in comparison to the increased needs resulting from a rise in counterfeiting activity, the Secret Service must expend the funds cautiously so that they will not be depleted early in the fiscal year. There have been occasions recently when the lack of funds has prevented the Secret Service from using the purchase technique where such use could have led to the capture of the principals and the plant. Hence, authority to use recovered funds would be of material assistance in Secret Service efforts to suppress counterfeiting and the proposed legislation would authorize that practice.

"The legislation is patterned after similar authority possessed by the Bureau of Narcotics in connection with the purchase of narcotics and marihuana (31 U.S.C. 529a). It should be noted that the proposed legislation would not result in the creation of a revolving fund since the appropriation would expire for obligation at the end of the fiscal year as do all annual appropriations."

In testifying for a similar bill, H.R. 12451, before a subcommittee of the Committee on the Judiciary of the House of Representatives, Mr. James J. Rowley, Chief, U.S. Secret Service, Treasury Department, commented as follows:

"The bill incorporates a draft of legislation submitted to the Congress by the Secretary of the Treasury on July 5, 1962. Its purpose is to permit the U.S. Secret Service to retain for further use funds expended by Secret Service agents for the purchase of counterfeits when the funds spent for such purchases are later recovered upon the apprehension of the counterfeiter. At the present time such recovered moneys must be returned into the general fund of the Treasury. This is because of a provision of law that requires that the gross amount of moneys from whatever source derived be paid into the Treasury.

"There has been a sharp increase in counterfeiting activities in recent years. New developments in offset printing have made it possible to manufacture passable counterfeits in large quantities. Well-financed and highly organized gangs, whose members have been habitually engaged in other types of criminal activities, have entered the counterfeiting field.

"In the fiscal year 1962, the Secret Service recovered, in round numbers, $4,100,000 in counterfeit paper money. This compares with $2,200,000 recovered in fiscal year 1961 and $435,000 in fiscal year 1960. In the first month of the present fiscal year, $919,000 in counterfeits have already been recovered.

"In combating this upsurge in counterfeiting activities, it is essential that the Secret Service have at its disposal every possible law enforcement tool. One of the most effective enforcement tools presently available to the Service is the use of 'buy money'—by this I mean funds appropriated by the Congress which can be used by our agents, working under cover, to make purchases of counterfeits from those dealing in counterfeits.

"The Secret Service appropriation for the past fiscal year provided $20,000 and the appropriation for the present fiscal year provides $30,000 for the payment of all rewards or for information, including so-called 'buy money.' Because the amount appropriated is small in comparison to need, we are often reluctant to enter into negotiations with counterfeiters where a considerable risk is involved in consummating a successful purchase. This is especially true in the early part of the fiscal year. Perhaps we sometimes exercise an overabundance of caution in these early months. However, our fear is that the funds may be depleted, leaving no funds available if an important case should develop later in the year. In fact, occasions have arisen where, because of the limited amount of funds, we have not pursued leads because we would not have had the money available to follow through if a large prospective purchase had materialized. I feel that if our agents in the field knew that "buy money" would be available for reuse if recovered, they would make more use of this valuable investigative technique.

"The persons who suffer the monetary loss from counterfeiting are the innocent individuals who accept the counterfeits. If a merchant accepts a counterfeit bill in payment for a purchase, he not only loses the goods he sold, but any change he gave in making the sale. I would like to point out in this connection that the use of 'buy money' has this effect—it in great measure reduces the potential losses by the public. Of the $4,100,000 in counterfeits recovered in fiscal year 1962, for example, only $500,000 was passed on the public. In fiscal year 1961, the loss to the public of the $2,200,000 recovered was also $500,000. Of the $919,000 recovered during the first month of this fiscal year, the loss to the public was $43,000.

"The proposed legislation is similar to the authority already possessed by the Bureau of Narcotics with respect to the purchase of narcotics and marihuana. The authority to reuse the recovered funds would not result in a revolving fund. This is so since the money would be used to reimburse the appropriation current at the time of the recovery and the entire appropriation would lapse at the end of the fiscal year.

"In conclusion, the enactment of H.R. 12451 would assist the Secret Service to perform its enforcement responsibilities more effectively. Consequently, I urge that the bill be given favorable consideration by your committee."

The committee believes that the proposed legislation is meritorious and recommends it favorably.

BENJAMIN LEACH

The bill (H.R. 12887) for the relief of Benjamin Leach, Diogracias Leach, Rogelio Leach, and Maximo Leach was considered, ordered to a third reading, read the third time, and passed.

CONCETTA MARIA, ROSETTA, AND TOMASINO MANGIARACINA

The Senate proceeded to consider the bill (H.R. 12402) for the relief of Concetta Maria, Rosetta, and Tomasino Mangiaracina which had been reported from the Committee on the Judiciary with an amendment, to strike out all after the enacting clause and insert:

That, for the purposes of the Act of September 26, 1961 (Public Law 87-301), Concetta Maria, Rosetta, and Tomasino Mangiaracina shall be deemed to be within the purview of section 25 of that Act.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

ELAINE VERONICA BRATHWAITE

The Senate proceeded to consider the bill (H.R. 1691) for the relief of Elaine Veronica Brathwaite which has been reported from the Committee on the Judiciary, with amendments, on page 1, at the beginning of line 6, to strike out "natural born"; and after line 7, to insert a new section, as follows:

SEC. 2. For the purposes of sections 101 (a)(27)(A) and 205 of the Immigration and Nationality Act, Jessie Bamer shall be held and considered to be the alien minor child of Mr. Albert Bamer, a citizen of the United States.

SEC. 3. The natural mothers of the said Elaine Veronica Brathwaite and Jessie Bamer shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read: "An act for the relief of Elaine Veronica Brathwaite and Jessie Bamer."

JOAN ROSA ORR

The Senate proceeded to consider the bill (H.R. 10605) for the relief of Joan Rosa Orr which had been reported from the Committee on the Judiciary, with amendments, on page 1, line 7, after the word "Act", to strike out "under such conditions and controls which the Attorney General, after consultation with the Surgeon General of the United States Public Health Service, Department of Health, Education, and Welfare, may deem necessary to impose"; and in line 11, after the word "That", to strike out "unless the beneficiary is entitled to care under chapter 55 of title 10 of the United States Code,".

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

BILLS PASSED OVER

On request of Mr. MANSFIELD, the following bills were passed over:

Calendar No. 2131, S. 2225, to fix the fees payable to the Patent Office, and for other purposes.

Calendar No. 2132, S. 2639, to amend the provisions of title 35 of the United States Code relating to the oath of applicant for patent, and the provision of the Trademark Act of July 5, 1946, relating to verification by the applicant of application for trademark registration, and for other purposes.

Calendar No. 2133, H.R. 12513, to provide for public notice of settlements in patent interferences, and for other purposes.

CONVEYANCE OF CERTAIN LANDS TO STATE OF TEXAS OR HARRIS COUNTY, TEX.

The bill (S. 3041) to authorize the conveyance of certain lands in Harris County, Tex., to the State of Texas or the county of Harris was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provisions of section 109 of the Act of August 20, 1958 (72 Stat. 641), as amended by section 413 of the Act of August 10, 1959 (73 Stat. 322), the Administrator of General Services is authorized to convey to the State of Texas or the county of Harris, Texas, for historic monument use, or for park and recreational use, or both, in accordance with the provisions of section 13(h) of the Surplus Property Act of 1944, as amended, so many of such parcels of certain lands adjacent to the San Jacinto Battleground Park located in Harris County, Texas, as may be approved under said section 13(h) for such use or uses, the parcels (containing approximately one hundred and forty-two acres) being more specifically described as parcels A-23, A-25, A-26, A-27, and A-28, as shown on General Services Administration's resubdivision map, dated January 1962, of the San Jacinto Ordnance Depot property, Harris County, Texas.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 2183), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

The purpose of this bill is to authorize the Administrator of General Services to convey certain lands in Harris County, Tex., to the State of Texas or the county for historic-monument use or for park and recreational use, or both. The lands are adjacent to the San Jacinto Battleground Park in Harris County and consist of 142 acres. The bill further authorizes the Administrator to convey as many of these acres as may be approved in the manner prescribed by section 13(h) of the Surplus Property Act of 1944, as amended. That act provides for the conveyance of Federal surplus property to States or their political subdivisions for historic-monument purposes without monetary consideration, or for public park purposes at 50 percent of fair market value.

BACKGROUND

The land covered by this bill is part of the former San Jacinto Ordnance Depot which originally comprised approximately 4,902 acres of land located outside of the city of Houston, Tex. The depot was established in 1941–42 in Harris County, Tex., with an investment of $14,855,974 for the land, buildings, and appurtenances thereto. The depot was used for ammunition storage and outloading of ships during World War II, and during the Korean war. The property was declared excess to the needs of the U.S. Army on March 17, 1960, and on March 22 the General Services Administration proceeded to sell it without screening for possible use by other Government agencies as required by the Federal Property and Administrative Services Act of 1949, as amended. This action was taken by the General Services Administration pursuant to section 109(a) of the Military Construction Act of 1958, Public Law 85–685 approved August 20, 1958, which provided as follows:

"(a) The Secretary of the Army is authorized and directed, unless the Secretary of Defense finds after due investigation that such action would be inimical to the national security, to make available to the Administrator of the General Services Administration, or his designee, the San Jacinto Ordnance Depot, Texas. Upon such property being made available, the Administrator or his designee is authorized and directed to enter into a contract or contracts for the sale of such property in lots or in its entirety under public bid procedures and at not less than the fair market value and to convey by quitclaim deed, all right, title, and interest of the United States, except as retained in this act, in and to such property to any legal person or group except Government agencies or departments upon such terms and conditions as the Administrator or his designee determines to be in the public interest.

"(b) Any conveyance made pursuant to the provisions of subsection (a) hereof shall include the following conditions:

"(1) All mineral rights, including gas and oil, in the lands to be conveyed shall be reserved to the United States;

"(2) The San Jacinto property shall be offered for sale within twenty-four months from the date of enactment of this Act;

"(3) Title in and to such property shall remain in the United States until full payment of the agreed purchase price is made."

The committee is informed that the General Services Administration has sold several parcels of land, improvements, railroad sidings and rights-of-way of the original depot and recovered in excess of $3 million.

S. 3041 supersedes S. 673, which was introduced by Senator YARBOROUGH during the 1st session of the 87th Congress. The former bill (S. 673) provided for transferring 152 acres of land to the State of Texas for use as a public park without reimbursement or transfer of funds. S. 3041 authorizes the conveyance of 142 acres of land, which surrounds the De Zavala Cemetery and burial plot of Lorenzo De Zavala who was active in Mexican politics during the early 1800's as Governor of the State of Mexico; member of the Mexican Senate and Chamber of Deputies; and Minister Plenipotentiary to France. This area has sufficient historical importance to be preserved and the State and local historical societies have strongly recommended that this property be preserved for these purposes.

The committee has also received several communications from the Honorable Price Daniel, Governor of the State of Texas, and from the county commissioners of Harris County and other local civic organizations urging enactment of this measure.

CERTAIN REAL PROPERTY TRANSFERRED BY THE RECONSTRUCTION FINANCE CORPORATION

The bill (H.R. 11594) to extend for 2 years the period for which payments in lieu of taxes may be made with regard to certain real property transferred by the Reconstruction Finance Corporation was considered, ordered to a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 2187), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

The purpose of this bill is to extend for 2 years from December 31, 1962, the period in which payments in lieu of taxes may be made to State and local taxing authorities by the Federal Government with respect to certain real property on which payments were authorized by Public Law 388, 84th Congress. Public Law 388, which became law on August 12, 1955, was designed to furnish temporary relief for local taxing authorities which were under an undue and unexpected burden as the result of the transfer of taxable real property from the Reconstruction Finance Corporation or its subsidiaries to another Federal agency or department, which transfer operated to take such property out of taxation. The act authorized payments in lieu of taxes with respect to such property only if it was transferred by the RFC, or one of its subsidiaries, to another Federal agency or department on or after January 1, 1946, and only if title to such property has been held continuously by the United States since such transfer.

With respect to real property meeting these conditions, the Government department having custody or control was required by Public Law 388 to pay the local taxing authority, for the period commencing on January 1, 1955, and terminating on December 31, 1958, an amount equal to the real property tax which would have been payable on any date on which such taxes would have been due during the specified period if the property were privately owned. Bills of similar import were approved by this committee in the 85th Congress, and again in the 86th Congress when the original act was extended for 2-year periods. H.R. 11594 was approved by the House of Representatives, further extending the act for 2 additional years.

Following are extracts from House Report No. 2154, which set forth the background and agency view on H.R. 11594:

BACKGROUND

Public Law 388 applies primarily to industrial or commercial-type plants or facilities constructed by or under the Reconstruction Finance Corporation for purposes connected with the emergency period surrounding World War II. Congress exempted the personal property of the RFC and its subsidiaries from taxation by State and local taxing authorities. Congress, however, specifically made the real property of the RFC and its subsidiaries subject to State, territorial, and local taxation to the same extent according to its value as other real property in the hands of private citizens and also subject to special assessments for local improvements (15 U.S.C. 694j(a)(6)). Because of a ruling by the U.S. Court of Claims in 1952, and a subsequent ruling by the Comptroller General in the same year, certain real properties that in the course of events had been transferred from the RFC to other Government departments became nontaxable by local authorities. This was true in cases where the Government corporation had transferred complete legal title to another Government department and also where the corporation retained legal authority and transferred custody, control, or accountability for the real property to another Government department.

In its report on the bill (H.R. 6182) which became Public Law 388 in the 84th Congress, this committee stated:

"Thus, real property which has been on the State and local tax rolls by specific provisions of an act of Congress has been taken off such tax rolls by a transfer to another Government department without any break in the chain of title being held by the United States. In the view of your committee this has resulted in the imposition of an unjustifiable financial burden upon communities. The nature and use of the commercial or industrial facilities involved has not changed. The Congress has already provided that these properties should be taxed when they are held by and under the exclusive control of the Reconstruction Finance Corporation. It therefore, appeared just and necessary that provisions be made, as in this bill, at least on a temporary basis, to make payments in lieu of taxes until a comprehensive policy with regard to payments in lieu of taxes shall have been enacted by the Congress."

GENERAL STATEMENT

Since its enactment, Public Law 388 has been twice extended by the Congress, but unless this bill is enacted, it will expire on December 31, 1962. Information submitted to this committee by the Bureau of the Budget, Department of Defense, and the General Services Administration indicates that there has been no significant change in the status or us of these remaining properties and, hence, the elimination of the payments would render the same hardship to local communities that Public Law 388 sought to alleviate in the 84th Congress.

In 1958, the U.S. Supreme Court rendered several decisions which had the effect of upholding the constitutionality of statutes enacted by Michigan, and possibly some other States, which authorized the taxing of Federal property in that State if the beneficial use of the property was in the hands of private lessees. To date, however, no State with such statutes has moved to tax any former Reconstruction Finance Corporation properties now subject to Public Law 388. Therefore, although the potential effect of these decisions are uncertain, they are having no present effect.

There has been a significant decline in the total payments indicating a lessening of the obligation of the U.S. Government in this area. For example, in fiscal year 1961, the Department of Defense made payments in lieu of taxes on former RFC properties totaling $4,346,230.77; while in fiscal year 1962, payments made totaled $2,611,218.74. Some obligations have not yet been paid but the difference between the 2 fiscal years is striking. The General Services Administration made $340,555 in payments in fiscal year 1961 and estimates $286,770 for fiscal year 1962.

The committee agrees that fairness and equity to our local communities which bear increased expenses for public services of various kinds due to the location of these plants dictates that these payments in lieu of taxes be continued.

BILL PASSED OVER

The bill (S. 3760) to amend the National Defense Education Act of 1958 to raise the limit of Federal payments into student loan funds, to broaden the types of equipment which may be acquired with Federal grants and loans, and for other purposes, was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. MANSFIELD. Over.

The PRESIDING OFFICER. The bill will be passed over.

SURVEY OF FEDERALLY OWNED LANDS FOR PURPOSE OF LOCATING STRATEGIC MINERALS

The Senate proceeded to consider the bill (S. 1696) to authorize the Secretary of the Interior to conduct a survey of federally owned lands for the purpose of locating strategic minerals which had been reported from the Committee on Interior and Insular Affairs, with amendments, on page 1, line 4, after the word "of", where it appears the first time, to strike out "all"; in line 5, after the word "of", to strike out "strategic"; in the same line, after the word "minerals", to insert "and mineral fuels"; in line 6, after the word "security", to insert "and economic welfare"; in line 7, after the word "States", to strike out "that are not available or that are in short supply" and insert "In furtherance of this policy, the Secretary is specifically authorized to: (a) select the areas of highest priority to be surveyed, and (b) determine the scope of such surveys and the appropriate procedures for them."; on page 2, after line 6, to strike out:

(b) The survey shall be conducted over a period of ten years from the date on which this bill becomes law, and the Secretary of the Interior shall at the end of that time submit a comprehensive report of the survey and a compilation of all data obtained during the ten year period on a regional and national basis.

After line 12, to strike out:

(c) The Secretary of the Interior shall designate the minerals to be covered by the survey.

In line 15, after the word "shall", to insert "submit to the Congress and"; in line 16, after the word "published", to strike out "one or more"; in line 23, after the word "Interior", to strike out "during the ten-year period of this survey"; on page 3, line 1, after the word "find", to insert "as a result of this survey"; in line 11, after the word "may", to strike out "specify." and insert "specify: *Provided*, That this section shall not apply to any reserved area where mineral extraction is prohibited pursuant to statute."; after line 13, to strike out:

SEC. 4. There are authorized to be appropriated such sums as are needed to carry out the purposes of this Act.

And, in lieu thereof, to insert:

SEC. 4. Any right of entry for survey or exploration, or any location under the mining laws or lease under the mineral leasing laws, as provided herein, may be authorized or granted only with the consent of the department or agency having jurisdiction over the lands involved, and subject to such conditions as the department or agency involved may prescribe to insure the adequate utilization and protection of the lands for the primary purpose for which they have been acquired or withdrawn.

And, on page 4, after line 2, to insert a new section, as follows:

SEC. 5. In addition to appropriations otherwise authorized by law, there are authorized to be appropriated not to exceed $7,000,000 annually to carry out the purposes of this Act.

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior is authorized to conduct a survey of federally owned lands for the purpose of locating deposits of minerals and mineral fuels necessary to the national security and economic welfare of the United States. In furtherance of this policy, the Secretary is specifically authorized to: (a) select the areas of highest priority to be surveyed, and (b) determine the scope of such surveys and the appropriate procedures for them.

(a) The survey shall cover all lands owned by the Federal Government, including withdrawn and reserved lands as well as those subject to the provisions of the mineral leasing laws and mining laws.

SEC. 2. The Secretary of the Interior shall submit to the Congress and cause to be published reports which shall include the following:

(1) The probable location of strategic minerals as determined by the survey and the approximate grade of ore so located.

(2) The availability of mineral lands, whether under the mining laws or the mineral leasing laws.

SEC. 3. In the event the Secretary of the Interior shall find as a result of this survey that it is in the best interests of the United States or necessary to the national security that certain withdrawn or reserved lands be opened for mineral development, he shall submit his findings and recommendations in writing to the President, who, if in agreement with the findings and recommendations, may issue an Executive order making such lands available for location under the mining laws or for lease under the mineral leasing laws, regardless of the mineral involved, subject to such terms or conditions as the President may specify: *Provided*, That this section shall not apply to any reserved area where mineral extraction is prohibited pursuant to statute.

SEC 4. Any right of entry for survey or exploration, or any location under the mining laws or lease under the mineral leasing laws, as provided herein, may be authorized or granted only with the consent of the department or agency having jurisdiction over the lands involved, and subject to such conditions as the department or agency involved may prescribe to insure the adequate utilization and protection of the lands for the primary purpose for which they have been acquired or withdrawn.

SEC. 5. In addition to appropriations otherwise authorized by law, there are authorized to be appropriated not to exceed $7,000,000 annually to carry out the purposes of this Act.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

The title was amended, so as to read: "A bill to authorize the Secretary of the Interior to conduct a survey of federally owned lands for the purpose of locating minerals and mineral fuels."

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 2188), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF MEASURE

The purpose of S. 1696, as amended, is to provide for surveys and studies by the Secretary of the Interior of federally owned lands to ascertain the location of minerals and mineral fuels necessary to the national security and economic welfare of our country.

While authority for such surveys now exists, technically speaking, the measure is welcomed by the Interior Department "as a renewed and clarified expression of congressional intent" in providing the Nation with adequate supplies of minerals and fuels for the future. Because the publicly owned lands of the United States are so vast—approximately 800 million acres, or approximately a third of the land area of the Nation, not including the Outer Continental Shelf in which the Federal Government has sovereignty over the mineral resources of the subsoil, the Secretary is authorized to determine the areas of higher priority to be surveyed as well as scope and procedures.

The Secretary would report to Congress the results of the survey, including the probable location of mineral deposits, and the approximate grade of the ore so located. In the event the surveys disclose that mineral deposits necessary to the national security or urgently needed in our economy are found in lands now withdrawn or reserved, the Secretary is directed to submit his findings and recommendations to the President who may make the lands available for development of the mineral deposits under the mining or leasing laws, as the case may be.

BACKGROUND OF LEGISLATION

To no small extent, the economic growth and prosperity of our Nation have been based on the development and use of our nonrenewable mineral and fuel resources. Our future security, strength, and prosperity will continue to depend heavily upon this base. We must assure an adequate supply of minerals and fuels needed for an expanding Nation and a rising standard of living, as well as for our security in an era when dependence upon oceanborne foreign sources of supply is extremely hazardous.

Department of the Interior witnesses testified before the committee that today our consumption of minerals is doubling every 15 to 25 years, a rate that must at least give us pause to consider whether we may at some early time exhaust our known commercial deposits of many vital materials. If we are to extend our known reserves in the minerals field—and the committee knows of no one in authority who does not believe this highly advisable—then we must embark upon increased research and exploration.

Your committee is convinced that S. 1696 will be a significant forward step in expanding our reserves of basic raw materials within our own country.

The measure would in no way be a departure from our historic philosophy, that mineral prospecting, except in periods of national emergency, is primarily a matter for private enterprise. Rather, S. 1696 would make possible a comprehensive classification of Federal mineral lands and an inventory of the probable mineral resources in them. Clearly it is in the national interest that as much information as possible concerning the resources of our publicly owned lands be available for use when needed.

NO EFFECT ON WILDERNESS BILL

During the committee's consideration of S. 1696, question was raised concerning the bill's possible effect on pending legislation to establish certain wilderness areas in the United States where all forms of commercial activity would be prohibited. The committee was the unit of the Senate that considered and reported favorably the wilderness bill, S. 174, and hence gave careful consideration to the problem. The members believe that it would be highly desirable to have knowledge of the mineral resources of a prospective wilderness area before it was definitely placed in the wilderness system which would be established.

Witnesses appearing in behalf of the Secretary of the Interior at the hearings on S. 1696 concurred, pointing out the desirability of obtaining information as to mineral resources prior to action withdrawing an area.

Furthermore, the amendment proposed by the Department of the Army and adopted by the committee as a new section 4 gives ultimate control over mineral exploration or other activity under S. 1696 to the agency or department which has jurisdiction over any withdrawn lands in question.

The committee finds no conflict whatever between the purposes and intent of S. 1696 and the proposed wilderness legislation.

THE COMMITTEE AMENDMENTS

The committee amendments, with the exception of appropriation limitation, are those proposed by the Department of the Interior and the Department of the Army on behalf of the Secretary of Defense. Explanation of them is set forth in detail in the Department of the Interior's letter dated August 16, and Department of the Army's letter dated May 8. The committee gave careful consideration to the comments of the Department of Agriculture, set forth in the Department's letter of May 11, and is convinced that the amendment proposed by the Department of the Army and adopted by the committee as section 4 of the reported bill meets the points raised by Secretary Freeman.

The reports and comments are set forth in full below.

With respect to the appropriation, the Interior Committee as a matter of policy is reluctant to report out open end appropriation authorizations. Accordingly, after study and consultation, it has limited appropriation authorization to not more than $7 million annually under the bill.

MEASURES PASSED OVER

On request of Mr. MANSFIELD, the following measures were passed over:

Calendar No. 2152, S. 2858 to modify the project for protection against tidal waves and excessive high tides at Hilo Harbor, Hawaii.

Calendar No. 2155, Senate Joint Resolution 142 proposing an amendment to the Constitution of the United States relating to equal rights for men and women.

Calendar No. 2157, H.R. 555 for the relief of Elmore County, Ala.

MAJ. WILLIAM R. COOK

The bill (H.R. 6987) for the relief of Maj. William R. Cook was considered, ordered to a third reading, read the third time, and passed.

JOHN W. SCHLEIGER

The bill (H.R. 7617) for the relief of John W. Schleiger was considered, ordered to a third reading, read the third time, and passed.

BILLS PASSED OVER

On request of Mr. MANSFIELD, the following bills were passed over:

Calendar No. 2160, H.R. 9285, for the relief of Helenita N. Stephenson.

Calendar No. 2161, H.R. 10501, for the relief of Kenyon B. Zahner.

HENRY E. KEISER

The bill (H.R. 11552) for the relief of Henry E. Keiser was considered, ordered to a third reading, read the third time, and passed.

C. EDWIN ALLEY

The bill (H.R. 2836) for the relief of C. Edwin Alley was considered, ordered to a third reading, read the third time, and passed.

BILLS PASSED OVER

On request of Mr. MANSFIELD, the following bills were passed over:

Calendar No. 2164, H.R. 8846, to amend the Internal Revenue Code of 1954 with respect to the taxation of dispositions of property—other than stock—pursuant to orders enforcing the antitrust laws.

Calendar No. 2165, H.R. 6371, to amend section 37 of the Internal Revenue Code of 1954 with respect to the limitation on retirement income.

Calendar No. 2166, H.R. 8517, to grant emergency officers retirement benefits to certain persons who did not qualify therefor because their qualifications were not submitted before May 25, 1929.

ASSISTANCE TO STATES IN FURTHER DEVELOPING GENERAL UNIVERSITY EXTENSION EDUCATION

The Senate proceeded to consider the bill (S. 3477) to promote the security and welfare of the people of the United States by providing for a program to assist the several States in further developing their programs of general university extension education which had been reported from the Committee on Labor and Public Welfare, with an amendment, on page 7, line 23, after "section 5(b)", to insert "and except that no payments shall be made to any State from its allotments for any fiscal year unless and until the Commissioner finds that there will be available for expenditure for such programs from State or other non-Federal sources during such fiscal year not less than the total amount actually expended for general university extension education programs from such sources during the fiscal year ending June 30, 1962. In determining after June 30, 1964, the cost of carrying out such programs and the amounts available for expenditure, or expended, from State or other non-Federal sources, there shall be excluded any amounts the Commissioner determines have been or will be realized by recipient certified institutions from fees or other charges to persons benefiting from such programs"; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "General University Extension Education Act of 1962".

FINDINGS AND DECLARATION OF PURPOSE

SEC. 2. (a) The Congress hereby finds that the continuing security and defense of this Nation requires the fullest development of the intellectual resources and technical skills of its people, and it is therefore essential to disseminate to the people the new knowledge and technical information being developed through research and study.

(b) The Congress further finds that the economic and social conditions resulting from such factors as unemployment caused by technological changes, and mobility of our population, and their attendant problems, and the increasing amount of personal time available to large segments of our population, make it essential to the general welfare that solutions to problems resulting from such factors developed by our scientists and scholars be made directly available to people confronted by them and those who are training others to cope with these problems.

(c) The Congress, therefore, declares it to be the purpose of this Act to provide a program to assist the several States in the further development of their publicly supported general university extension education programs which it determines offer great promise in promoting the security, defense, and welfare of the United States by extending the benefits of the land-grant colleges and State universities beyond their immediate campuses.

INSTITUTIONAL CONTROL UNIMPAIRED; PROGRAMS UNDER OTHER ACTS

SEC. 3. (a) Nothing contained in this Act shall be construed as authorizing a department, agency, officer, or employee of the United States to exercise any direction, supervision, or control over, or impose any requirements or condition with respect to, the personnel, curriculum, methods of instruction, or administration of any educational institution.

(b) Nothing in this Act shall alter, duplicate, or supersede programs authorized under the Act of February 23, 1917 (Smith-Hughes Vocational Education Act), as amended (20 U.S.C. 11 and the following); the Vocational Educational Act of 1946; or any other Federal law for vocational education, or the Act of May 8, 1914 (Smith-Lever Act), as amended (7 U.S.C. 341-348), providing for cooperative extension work in subjects relating to agriculture and home economics.

DEFINITIONS

SEC. 4. As used in this Act—

(a) The term "State" includes the Commonwealth of Puerto Rico.

(b) The term "land-grant college" means any college, university, or other institution of higher education entitled to the benefits of the Act of July 2, 1862, as amended (7 U.S.C. 301-308).

(c) The term "State university" means (1) any college or university which was founded wholly or in part upon land granted by Congress to the State in which such college or university is located upon admission of such State to the Union; or (2) a university in a State which is designated by law or other appropriate authority of such State as a State university and is supported in whole or in part from State tax revenues.

(d) The term "general university extension education program" means educational activities which are (1) offered in subject matter fields represented by the members of the faculty of a land-grant college or State university, (2) of college level, or above, as determined by the land-grant college or State university offering such educational activities, and (3) for the benefit of persons above the usual age of compulsory school attendance who are not attending any institution of higher education as regular full-time students.

(e) The term "Commissioner" means the (United States) Commissioner of Education.

(f) The term "certified institution" means any land-grant college or State university which is designated to participate in carrying out the provisions of this Act as provided in section 6(a) of this Act.

APPROPRIATIONS AUTHORIZED; ALLOTMENT

SEC. 5. (a) There is hereby authorized to be appropriated $9,020,000 for the fiscal year ending June 30, 1963, and for each of the three succeeding fiscal years, for making grants for the development of general university extension education programs in the several States as provided in this Act.

(b) Of the sums appropriated pursuant to subsection (a) for any fiscal year, the Commissioner shall allot $20,000 to each State which has a State plan approved under section 6(c). The amount remaining from such sums appropriated for any fiscal year after making the allotment under the preceding sentence shall be allotted among such States so that each such State is allotted an amount under this sentence which bears the same ratio to such remaining amount as the population of such State bears to the total population of all such States. The population of each State and of all the States shall be determined by the Commissioner on the basis of data for the most recent year for which satisfactory data are available from the Department of Commerce. Allotments made under this subsection of sums appropriated for the fiscal year ending June 30, 1963, shall remain available for obligation until June 30, 1964.

CERTIFIED INSTITUTIONS; STATE PLANS

SEC. 6. (a) Any State which desires to receive payments under the provisions of this Act shall by appropriate action of a competent State body, officer, or agency (1) designate one or more land-grant colleges or State universities, or both, which are located in such State as certified institutions to participate in carrying out the provisions of this Act in such State, and (2) transmit to the Commissioner the names of such certified institutions.

(b) The certified institution or institutions in each State shall submit to the Commissioner a State plan which—

(1) sets forth the general university extension education program for which funds paid to the State under this Act will be used exclusively;

(2)(A) If there is only one certified institution in the State, provides that it will be the sole agency for administering such plan, or (B) if there are two or more certified institutions in the State (i) provides for coordinated administration by such institutions of such plan, (ii) sets forth the geographic areas in the State which each institution will operate in and the subject matter fields that will be taught in each such area by each institution under the program set forth in paragraph (1) of this subsection, and (iii) sets forth the manner in which funds allotted to the State under section 5 (b) will be shared by such institutions;

(3) sets forth procedures for such fiscal control and fund accounting as may be necessary to assure proper disbursement of, and accounting for, funds paid to the State under this Act; and

(4) provides for making such reports in such form and containing such information as the Commissioner may from time to time require to enable him to carry out his functions under this Act.

(c) The Commissioner shall approve any State plan and any modification thereof which complies with the provisions of subsection (b).

PAYMENT

SEC. 7. From a State's allotments under section 5(b) for any fiscal year, the Commissioner shall from time to time during the period such allotments are available for payment, pay to each State an amount equal to one-half the cost of carrying out the general extension education program set forth in its State plan approved under section 6(c); except that no State shall receive payments under this section for any period in excess of its allotments for such period under section 5(b) and except that no payments shall be made to any State from its allotments for any fiscal year unless and until the Commissioner finds that there will be available for expenditure for such programs from State or other non-Federal sources during such fiscal year not less than the total amount actually expended for general university extension education programs from such sources during the fiscal year ending June 30, 1962. In determining after June 30, 1964, the cost of carrying out such programs and the amounts available for expenditure, or expended, from State or other non-Federal sources, there shall be excluded any amounts the Commissioner determines have been or will be realized by recipient certified institutions from fees or other charges to persons benefiting from such programs.

REPORT

SEC. 8. The Commissioner shall make an annual report to the Congress with respect to the program carried on under the provisions of this Act.

ADMINISTRATION OF STATE PLANS

SEC. 9. (a) The Commissioner shall not finally disapprove any State plan submitted under this Act, or any modification thereof, without first affording the certified institution or institutions submitting the plan reasonable notice and opportunity for a hearing.

(b) Whenever the Commissioner, after reasonable notice and opportunity for hearing to the certified institution or institution administering a State plan approved under this Act, finds—

(1) that the State plan has been so changed that it no longer complies with the provisions of section 6(b), or

(2) that in the administration of the plan there is a failure to comply substantially with any such provision,

the Commissioner shall notify such certified institution or institutions that the State will not be regarded as eligible to participate in the program under this Act until he is satisfied that there is no longer any such failure to comply.

JUDICIAL REVIEW

SEC. 10. (a) If any State is dissatisfied with the Commissioner's final action with respect to the approval of its State plan submitted under this Act, or with respect to his final action under section 9(b), such State may, within sixty days after notice of such action, file with the United States district court for the district in which the certified institution or one of the certified institutions administering the plan (if more than one) is located, a petition for review of such action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Commissioner or any officer designated by him for that purpose. The Commissioner thereupon shall file in the court the record of the proceedings on which he based his action.

(b) Upon the filing of the petition referred to in subsection (a) of this section the court shall have jurisdiction to affirm the action of the Commissioner or to set it aside, in whole or in part, temporarily or permanently. The findings of the Commissioner as to the facts, if supported by substantial evidence, shall be conclusive, but the court, for good cause shown, may remand the case to the Commissioner to take further evidence, and the Commissioner may thereupon make new or modified findings of fact and may modify his previous action, and shall file in the court the record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence.

(c) The judgment of the court affirming or setting aside, in whole or in part, any action of the Commisioner shall be final, subject to review as provided in sections 1291 and 1254 of title 28, United States Code. The commencement of proceedings under this section shall not, unless so specifically ordered by the court, operate as a stay of the Commissioner's action.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 2204), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

EXPLANATION OF COMMITTEE AMENDMENT

The committee has added a provision to section 7 of the bill to assure that the legislation will accomplish its objective of stimulating the development and improvement of extension education. Under the bill as introduced it might have been possible in some instances that this objective would be thwarted because Federal funds would merely be substituted for State funds. The committee's amendment would preclude this by conditioning Federal payments during a fiscal year on a finding that the eligible institutions will continue to expend from State and other non-Federal sources during that year at least as much for general extension education programs as was spent from such sources for such programs during the fiscal year ending June 30, 1962. Accomplishment of this objective of the legislation would be further aided by exclusion, after June 30, 1964, for purposes of this "maintenance of State effort" provision as well as for purposes of determining the amount of non-Federal funds used to match Federal funds paid under the bill, of any amounts realized by participating institutions from fees or other charges imposed on persons benefiting from the general extension education programs.

EXPLANATION OF THE BILL

The purpose of the bill is to establish a publicly supported program of general extension education, at the college level or above, to be operated by the State universities and land-grant colleges. It would stimulate these institutions to utilize their vast resources by bringing old and new knowledge in programs of adult education to individuals and groups in their local communities.

The bill authorizes an annual appropriation of $9,020,000 for fiscal year 1963 and for each of the 3 succeeding fiscal years. From the sums appropriated, a basic allotment of $20,000 will be made to each State participating in the program. In addition, the remaining sum will be divided among the several participating States on the basis of relative total population. In order to receive its allocation, a participating State must provide an equal matching sum for available sources.

BACKGROUND OF LEGISLATION

Rapid technological and social changes, together with the increased complexity of international relations, demand greater emphasis on continuing education for adults.

The accelerating rate at which new knowledge and information are being developed in the sciences, technologies, and engineering renders our usual system of formal education inadequate to meet the needs of those persons beyond the normal age of school attendance for such new knowledge and information. The growing proportion of the older age group to our total population requires programs of study so that this group may adjust and continue its usefulness to our changing society.

Hearings were held on the bill on July 28, 1962, at which time testimony favorable to the measure was given by representatives of the Department of Health, Education, and Welfare; the Association of Land-Grant Colleges and State Universities; and the Extension Division of the University of California. The vice chancellor for development of Texas A. & M. College System; the dean of the College of Education, University of Maryland; the director of management development and training of the Instrument Division of Lear Siegler, Inc., of Grand Rapids, Mich.; the legislative representative of the United Automobile Workers and the legislative representative of the American Library Association also testified on behalf of the measure.

The committee was honored to receive testimony on the bill from the Honorable CLEVELAND M. BAILEY, a Member of the House of Representatives from West Virginia, the author of the companion bill in the House of Representatives, H.R. 11340, who serves on the House Committee on Education and Labor. H.R. 11340 has been favorably reported from the House Committee on Educaton and Labor and is now before the House Rules Committee.

Many statements in support of the measure were filed with the committee from all parts of the Nation from educators and representatives of business and labor.

In its consideration of the measure the committee gave heed to points raised by the two Senators from Missouri with respect to the operation of the extension program in that State. The committee does not intend that the operation of this program, if the bill is adopted, should in any way disturb existing administrative patterns through which a State provides university extension services to its people.

The definition of "State university" in the bill is not intended to interfere with the freedom of action by the States in designating institutions for purposes of the bill. Thus, if a State has a State college or colleges which it feels are adequate to participate under the bill and which it designates by law or other appropriate authority as a university for purposes of the bill, such colleges would be regarded as State universities under the bill.

In a similar manner the committee considered carefully the testimony, written, and oral, asking that in the administration of the program provision be made which would permit expenditure of funds for library books and other materials and services which are required by such a program, whether such services are provided by the college or university library or through contract with the public library facilities of the State. The committee believes that the language of the bill will enable the Commissioner of Education and the State officials cooperating with him in this program to achieve this desirable end. The committee further agreed that under the State plans, there is ample authority, if the State wishes to do so, to provide university extension services to adult migratory workers.

The following table sets forth distribution among the States in the first year of the program:

TABLE I.—*Distribution of $9,020,000 under the provisions of S. 3477, the General University Extension Education Act of 1962:*[1] *1st year of operation*

State	Flat grant	Distribution of $8,000,000 on basis of 1960 population	Total amount
50 States and Puerto Rico	$1,020,000	$8,000,000	$9,020,000
Alabama	20,000	144,459	164,459
Alaska	20,000	10,001	30,001
Arizona	20,000	57,583	77,583
Arkansas	20,000	78,991	98,991
California	20,000	695,033	715,033
Colorado	20,000	77,562	97,562
Connecticut	20,000	112,111	132,111
Delaware	20,000	19,736	39,736
Florida	20,000	218,964	238,964
Georgia	20,000	174,369	194,369
Hawaii	20,000	27,982	47,982
Idaho	20,000	29,504	49,504
Illinois	20,000	445,801	465,801
Indiana	20,000	206,181	226,181
Iowa	20,000	121,942	141,942
Kansas	20,000	96,341	116,341
Kentucky	20,000	134,351	154,351
Louisiana	20,000	144,029	164,029
Maine	20,000	42,862	62,862
Maryland	20,000	137,116	157,116
Massachusetts	20,000	227,676	247,676
Michigan	20,000	345,951	365,951
Minnesota	20,000	150,965	170,965
Mississippi	20,000	96,320	116,320
Missouri	20,000	191,027	211,027
Montana	20,000	29,839	49,839
Nebraska	20,000	62,411	82,411
Nevada	20,000	12,615	32,615
New Hampshire	20,000	26,839	46,839
New Jersey	20,000	268,280	288,280
New Mexico	20,000	42,055	62,055
New York	20,000	742,133	762,133
North Carolina	20,000	201,479	221,479
North Dakota	20,000	27,968	47,968
Ohio	20,000	429,228	449,228
Oklahoma	20,000	102,959	122,959
Oregon	20,000	78,213	98,213
Pennsylvania	20,000	500,556	520,556
Rhode Island	20,000	38,008	58,008
South Carolina	20,000	105,361	125,361
South Dakota	20,000	30,093	50,093
Tennessee	20,000	157,741	177,741
Texas	20,000	423,625	443,625
Utah	20,000	39,385	59,385
Vermont	20,000	17,241	37,241
Virginia	20,000	175,423	195,423
Washington	20,000	126,173	146,173
West Virginia	20,000	82,270	102,270
Wisconsin	20,000	174,752	194,752
Wyoming	20,000	14,596	34,596
Puerto Rico	20,000	103,900	123,900

---

[1] Method: $20,000 to each of the 50 States and Puerto Rico, and the remainder ($8,000,000) distributed on the basis of the 1960 population.

MRS. EDITH KIAER

The resolution (S. Res. 219) to refer to the Court of Claims the bill (S. 2594) for the relief of Mrs. Edith Kiaer was considered, and agreed to, as follows:

Resolved, That the bill (S. 2594) entitled "A bill for the relief of Mrs. Edith Kiaer", now pending in the Senate, together with all accompanying papers, is hereby referred to the Court of Claims; and the court shall proceed with the same in accordance with the provisions of sections 1492 and 2509 of title 28 of the United States Code and report to the Senate, at the earliest practicable date, giving such findings of fact and conclusions thereon as shall be sufficient to inform the Congress of the nature and character of the demand as a claim, legal or equitable, against the United States and the amount, if any, legally or equitably due from the United States to the claimant.

U.S. DISTRICT COURT HOLDING COURT AT AKRON, OHIO

The bill (H.R. 11678) to waive section 142 of title 28, United States Code, with respect to the U.S. District Court for the Northern District of Ohio, Eastern Division, holding court at Akron, Ohio was considered, order to a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 2206), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

The purpose of this bill is to waive the restrictions and limitations contained in section 142, title 28, United States Code, insofar as they apply to the furnishing of court facilities at Akron, Ohio, for the U.S. District Court for the Eastern Division of the Northern District of Ohio.

STATEMENT

The facts in connection with this matter are contained in House Report No. 2341 on H.R. 11678, and are as follows:

"The northern district of Ohio is divided into two divisions, eastern and western. The eastern division is authorized to hold court at Cleveland, Youngstown, and Akron. Federal facilities for the holding of court at these places are provided for at Cleveland and Youngstown, but Akron does not have Federal facilities.

"According to the census figures of 1960, the eastern division of the northern district of Ohio covers an area of 9,016 square miles and contains within that area a population of 4,179,813 people.

"In view of the increase in population and the expansion of the economy and industry in the area in and about Akron, Ohio, your committee is of the opinion that permanent Federal facilities for the U.S. District Court for the Northern District of Ohio should be provided for in the proposed new Federal building at Akron, Ohio. There are several Federal activities at Akron that require special purpose space or require a particular location by reason of their operations. Such Federal units are the Agriculture Department, the Federal Aviation Agency, the Commerce Department, and Reserve units of the Defense Department.

"In order that court facilities may be provided for in the contemplated Federal building at Akron, Ohio, it is necessary to waive the provisions of section 142, title 28, United States Code, which provide as follows:

"'Court shall be held only at places where Federal quarters and accommodations are available, or suitable quarters and accommodations are furnished without cost to the United States.'

"Your committee is informed that by resolution dated April 7, 1962, the Senate Committee on Public Works requested a report of building project survey for Akron. This study has been completed and was transmitted to the Committees on Public Works of the Senate and House of Representatives August 10, 1962. The report, in stating all Federal space requirements, included 13,930 square feet for use by the U.S. courts in accordance with a recent request from the Administrative Office of the U.S. Courts. General Services Administration interposes no objection to this legislation. The cost of the new Federal facility at Akron which the General Services Administration has approved on a planned basis would involve an estimate of $600,000.

"However, it should be pointed out here that the procedure followed by the General Services Administration is to consult with all interested parties. Then, prior to the appropriation of funds for any acquisition, construction, or alteration of public buildings, the General Services Administration is required, pursuant to section 7 of the Public Buildings Act of 1959, where the construction or acquisition of any building involves an expenditure in excess of $100,000 or where the alteration of any public building involves an expenditure in excess of $200,000, to transmit to the Congress a prospectus of the proposed projects which contains a brief description of the facilities to be included in the project, including any necessary court facilities. That section also requires approval by the Public Works Committees of the House and Senate before an appropriation may be made for any project in excess of $100,000 in the case of acquisition and construction, and $200,000 in the case of an alteration."

The committee, after consideration of the foregoing, concurs in the conclusion reached and the action taken by the House of Representatives and, accordingly, recommends that the bill, H.R. 11678, be considered favorably.

MILOYE M. SOKITCH

The bill (S. 2344) for the relief of Miloye M. Sokitch was considered, ordered to be engrossed for a third reading, read the third time, and passed as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding any provisions of title III of the International Claims Settlement Act of 1949, as amended, limiting the period within which claims may be filed thereunder, including section 316 of such Act (22 U.S.C. 1641o), the Foreign Claims Settlement Commission of the United States is authorized and directed (1) to receive, consider, and act upon any claims of Miloye M. Sokitch of Washington, District of Columbia, filed within six months after the date of enactment of this Act, against the Government of Italy, as if such claims had been filed within the time and manner provided in the International Claims Settlement Act of 1949, and (2) to certify to the Secretary of the Treasury for payment out of remaining balances in the Italian claims fund any award issued pursuant to such claims. The Secretary of the Treasury is authorized and directed to pay to the said Miloye M. Sokitch out of such fund, in accordance with the provisions of section 310 of such Act (22 U.S.C. 1641i), the amount of any such award so certified by the Commission. Nothing in this Act shall constitute an admission of liability on the part of the United States.

JEAN ROSEN

The bill (S. 3645) for the relief of Jean Rosen was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Jean Rosen, of Upper Black Eddy, Pennsylvania, the sum of $20,000. The payment of such sum shall be in full satisfaction and final settlement of the claim of the said Jean Rosen arising out of an accident which occurred on or about February 22, 1943, when the Pan American Airways seaplane "Yankee Clipper", on which she was traveling to entertain members of the Armed Forces of the United States crashed in the Tagus River in the Port of Lisbon, Portugal.

(b) The sum appropriated by this section is the amount found by the Court of Claims, acting pursuant to section 2 of the Act entitled "An Act for the relief of Jane Froman, Gypsy Markoff, and Jean Rosen", approved August 27, 1958 (72 Stat. A189), to be equitably due the said Jean Rosen over and above the amount paid to her pursuant to the first section of such Act.

SEC. 2. No part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

MARGARET MACPHERSON

The bill (H.R. 1660) for the relief of Margaret MacPherson, Angus MacPherson, Ruth MacPherson, and Marilyn MacPherson was considered, ordered to a third reading, read the third time, and passed.

LT. COL. EDWARD HIRSCH

The bill (H.R. 9590) for the relief of Lt. Col. Edward Hirsch was considered, ordered to a third reading, read the third time, and passed.

JURISDICTION OF CERTAIN CASES INVOLVING POLLUTION OF INTERSTATE RIVER SYSTEMS

The bill (H.R. 10617) providing that the U.S. district court shall have jurisdiction of certain cases involving pollution of interstate river systems, and providing for the venue thereof was considered, ordered to a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report No. 2211, explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

The purpose of the proposed legislation is to give the U.S. district courts concurrent original jurisdiction of cases involving the pollution of interstate river systems where the pollution is an alleged violation of an interstate compact and the signatory States have consented to such jurisdiction in their compact.

STATEMENT

The States of Texas, Arkansas, Oklahoma, and Louisiana are in process of negotiating an interstate compact for the apportionment of the waters of the Red River and for control of its pollution. These States desire to assure an impartial Federal forum for the litigation of water pollution issues that may arise under the compact, without need to resort directly to the Supreme Court where the controversy is between soverign States.

The Constitution gives the Supreme Court original (but not exclusive) jurisdiction of suits by a State against another State or its citizens. Statute law (28 U.S.C. 1251(a)(1)) makes such Supreme Court jurisdiction exclusive in controversies between States. Further, statute law makes the Supreme Court's jurisdiction nonexclusive in actions by a State against a citizen of another State (29 U.S.C. 1251(b)(3)), but no statute has been found which specifies that the district courts have jurisdiction of such cases.

WHAT THE BILL DOES

H.R. 10617 would give the U.S. district courts concurrent, original jurisdiction of any case or controversy satisfying all of the following conditions:

1. It involves the construction or application of an interstate compact which (a) relates in whole or in part to the pollution of an interstate river system; and (b) expresses the consent of the signatory States to be sued in a district court in cases involving the construction or application thereof;
2. It involves the pollution of the waters of such river systems in alleged violation of the compact;
3. One or more of the compacting States is plaintiff; and
4. The case or controversy is within the judicial power of the United States as set forth in the Constitution.

The jurisdiction conferred by the bill would be without any limitation as regards the value of the matter in controversy and irrespective of the place of residence, situs, citizenship, nature, character, or legal status of all parties other than the compacting plaintiff State or States, provided that nothing in the bill is to be construed as authorizing a State to sue its own citizens in said district courts.

Existing venue rules would be expanded by including the judicial district in which the acts of pollution occur.

The bill does not express consent of the United States to be sued.

SECTION ANALYSIS

Section 1(a) of H.R. 10617, as amended, provides that the U.S. district courts shall have original jurisdiction (concurrent with that of the Supreme Court of the United States and that of any other Federal or State court having original jurisdiction) of any case or controversy involving the pollution of interstate river systems, where the pollution is an alleged violation of an interstate compact, in which the signatory States have consented to be sued in a district court, one or more of the plaintiffs is a compacting State, and the matter is within the judicial power of the United States.

Section 1(b) states that such jurisdiction shall be without any limitation as to the value of the matter in controversy and irrespective of the place of residence, situs, citizenship, nature, character, or legal status of parties other than the compacting plaintiff State or States, except that nothing in the bill should be construed as authorizing a State to sue its own citizens in said district courts.

Section 1(c), as amended, makes clear that the original jurisdiction conferred by the bill includes jurisdiction of suits between

States signatory to the compact, but that nothing in the bill is to be construed as authorizing a State to sue another State which is not a signatory to such compact in the district courts.

Section 1(d) expands existing venue rules to include any judicial district in which the acts of pollution complained of occur.

Section 2 of H.R. 10617 is a severability clause, saving valid portions of the bill if other portions should be declared invalid by a court.

AGENCY REPORTS

To meet an objection of the Department of Justice to an earlier version (H.R. 6717) the bill makes clear that it does not apply to suits by a State against its own citizens. With the exception of the objection noted the Department of Justice has expressed no objection to the legislation. The Department of the Army and the Department of Health, Education, and Welfare, defer to the Department of Justice. The Department of the Interior and the Judicial Conference of the United States make no recommendation. No agency has expressed opposition.

This committee is of the opinion that this proposed legislation serves a most useful and worthwhile purpose in providing for a forum wherein matters in controversy among States who have negotiated compacts can settle differences without resorting directly to the Supreme Court of the United States. It is, therefore, recommended that H.R. 10617 be favorably considered.

Attached to and made a part of this report are the reports of the Departments of Justice, the Army, and Health, Education, and Welfare on H.R. 6717, an earlier version of H.R. 10617.

LT. COL. WILLIAM A. CARTER

The Senate proceeded to consider the bill (S. 3394) for the relief of Lt. Col. William A. Carter, U.S. Air Force, which had been reported from the Committee on the Judiciary, with an amendment, to strike out all after the enacting clause and insert:

That William A. Carter, lieutenant colonel, United States Air Force (3019A), is relieved of all liability for repayment to the United States of the sum of $2,793.21, representing the amount of overpayments of basic pay received by him for the period from June 23, 1942, through August 29, 1961, while he was serving as a member of the United States Army and the United States Air Force, such overpayment having been made as a result of administrative error.

SEC. 2. The Comptroller General of the United States or his designee shall relieve disbursing officers, including special disbursing agents, of the Army, Navy, and Air Force from accountability or responsibility for any payments described in section 1 of this Act, and shall allow credits in the settlement of the accounts of those officers or agents for payments which are found to be free from fraud and collusion.

SEC. 3. The Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the said William A. Carter, the sum of any amounts received or withheld from him on account of the overpayments referred to in section 1 of this Act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (H.R. 8140) to strengthen the criminal laws relating to bribery, graft, and conflict of interest, and for other purposes, was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. MANSFIELD. Over.

The PRESIDING OFFICER. The bill will be passed over.

AMENDMENT OF THE DISTRICT OF COLUMBIA POLICE AND FIREMEN'S SALARY ACT OF 1958

The Senate proceeded to consider the bill (S. 3705) to amend the District of Columbia Police and Firemen's Salary Act of 1958, as amended, to increase salaries to adjust pay alinement, and for other purposes, which had been reported from the Committee on the District of Columbia, with an amendment on page 9, after line 4, to strike out:

(7) Each officer or member serving as a lieutenant in class 5 immediately prior to the effective date of this Act, with service as a corporal or higher rank prior to July 1, 1953, shall be advanced two steps in class 5 and shall receive the scheduled rate of basic compensation for the higher step. Any active service immediately prior to the effective date of this Act in any service step will be credited to the next higher service or longevity step.

After line 12, to strike out:

(8) Each officer or member serving as a captain in class 7 immediately prior to the effective date of this Act with service as a corporal or higher rank prior to July 1, 1953, shall be advanced two steps in class 7 and shall receive the scheduled rate of basic compensation for the higher step. Any active service immediately prior to the effective date of this Act in any service step will be credited to the next higher service or longevity step.

And, at the beginning of line 21, to strike out "(9)" and insert "(7)"; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 101 of the District of Columbia Police and Firemen's Salary Act of 1958 (72 Stat. 480), as amended (sec. 4-823, et seq., D.C. Code, 1961 edition), is amended to read as follows:

"SEC. 101. The annual rates of basic compensation of the officers and members of the Metropolitan Police force and the Fire Department of the District of Columbia shall be fixed in accordance with the following schedule of rates:

Salary schedule

Salary class and title	Service step 1	Service step 2	Service step 3	Service step 4	Service step 5	Service step 6	Longevity step 7	Longevity step 8	Longevity step 9
Class 1:									
Subclass (a) Fire private. Police private.	$5,650	$5,950	$6,250	$6,550	$6,850	$7,150	$7,450	$7,750	$8,050
Subclass (b) Private assigned as— Technician I. Plainclothesman.[1]	5,920	6,220	6,520	6,820	7,120	7,420	7,720	8,020	8,320
Subclass (c) Private assigned as— Technician II. Station clerk. Motorcycle officer.	6,190	6,490	6,790	7,090	7,390	7,690	7,990	8,290	8,590
Class 2:									
Subclass (a) Fire inspector.	6,550	6,850	7,150	7,450	-------	-------	7,750	8,050	8,350
Subclass (b) Fire inspector assigned as— Technician I.	6,820	7,120	7,420	7,720	-------	-------	8,020	8,320	8,620
Subclass (c) Fire inspector assigned as— Technician II.	7,090	7,390	7,690	7,990	-------	-------	8,290	8,590	8,890
Class 3 Assistant marine engineer. Assistant pilot. Detective.	6,990	7,290	7,590	7,890	-------	-------	8,190	8,490	8,790
Class 4:									
Subclass (a) Fire sergeant. Police sergeant.	7,450	7,750	8,050	8,350	-------	-------	8,650	8,950	9,250
Subclass (b) Detective sergeant.	7,890	8,190	8,490	8,790	-------	-------	9,090	9,390	9,690
Subclass (c) Police sergeant assigned as— Motorcycle officer.	7,930	8,230	8,530	8,830	-------	-------	9,130	9,430	9,730
Class 5 Fire lieutenant. Police lieutenant. Detective lieutenant.	8,350	8,725	9,100	9,475	-------	-------	9,850	10,225	-------
Class 6 Marine engineer. Pilot.	8,915	9,290	9,665	10,040	-------	-------	10,415	10,790	-------
Class 7 Fire captain. Police captain. Detective captain.	9,475	9,850	10,225	10,600	-------	-------	10,975	11,350	-------
Class 8 Assistant Superintendent of Machinery. Battalion fire chief. Deputy fire marshal. Police inspector.	10,975	11,375	11,775	12,175	-------	-------	12,575	12,975	-------
Class 9 Deputy Fire Chief. Deputy Chief of Police. Fire marshal. Superintendent of Machinery.	12,575	12,975	13,375	13,775	-------	-------	14,175	14,575	-------
Class 10 Fire Chief. Chief of Police.	17,000	17,400	17,800	18,200	-------	-------	18,600	19,000	-------

---

[1] Service as such for over 60 consecutive calendar days.

SEC. 2. The rates of basic compensation of officers and members to whom the first section of this Act applies shall be adjusted as follows:

(a) Each officer and member receiving basic compensation immediately prior to the effective date of this Act at one of the scheduled service or longevity rates of a class or subclass in the salary schedule in the District of Columbia Police and Firemen's Salary Act of 1958, as amended, shall receive a rate of basic compensation at the corresponding scheduled service or longevity rate in effect on and after the effective date of this Act, except that:

(1) Each private who immediately prior to the effective date of this Act was serving in service step 6, or longevity steps 7 or 8 in any subclass in class 1, and had a total of thirteen or more years of service as of the first day of the first pay period which began after January 1, 1958, shall, on the effective date of this Act, be advanced from service step 6 to longevity step 7, or from longevity step 7 to longevity step 8, or from longevity step 8 to longevity step 9, as the case may be, and receive the appropriate scheduled rate of basic compensation for such step in the subclass in which he is serving. Any active service immediately prior to the effective date of this Act which each such private has rendered in the service step or longevity step from which he is being advanced will be credited to him for subsequent advancement purposes under the provisions of section 401 of the District of Columbia Police and Firemen's Salary Act of 1958, as amended, except that such active service provision shall not apply to any private assigned as detective, class 1, subclass (c), immediately prior to the effective date of this Act.

(2) Each private who, immediately prior to the effective date of this Act, was serving in a position bearing the title of station clerk in class 1, subclass (b), shall be placed in the corresponding title in class 1, subclass (c), and shall receive basic compensation (1) at the service step or longevity step in subclass (c) corresponding to that service step or longevity step in which he was serving immediately prior to the effective date of this Act, or (2) at the longevity step to which he is entitled under the provisions of paragraph (1) of subsection (a) of this section. Any active service which each private so assigned as station clerk has rendered in the service step or longevity step in which he was serving immediately prior to the effective date of this Act will be credited to him for subsequent advancement purposes under the provisions of section 303 or section 401, as the case may be, of the District of Columbia Police and Firemen's Salary Act of 1958, as amended.

(3) Each private who immediately prior to the effective date of this Act was serving in a position bearing the title of detective or precinct detective in class 1, subclass (c) or subclass (d), shall on the effective date of this Act, after the application of the provisions of paragraph (1) of subsection (a) of this section, be placed in and receive basic compensation at a scheduled rate in class 3, with the title of detective as follows:

From—	To—
Detective, class 1, subclass (c):	Detective, class 3:
Service steps 1, 2, 3, and 4	Service step 1.
Service step 5	Service step 2.
Service step 6	Service step 3.
Longevity step 7	Service step 4.
Longevity step 8	Longevity step 7.
Longevity step 9	Longevity step 8.

From—	To—
Precinct detective, class 1, subclass (d):	Detective, class 3:
Service steps 1, 2, and 3	Service step 1.
Service step 4	Service step 2.
Service step 5	Service step 3.
Service step 6	Service step 4.
Longevity step 7	Longevity step 7.
Longevity step 8	Longevity step 8.
Longevity step 9	Longevity step 9.

In computing the time served by each officer or member so assigned from detective, class 1, subclass (c), to detective, class 3, on the effective date of this Act for purposes of advancement to the next higher scheduled service step or longevity step as provided in sections 303 or 401, as the case may be, of the District of Columbia Police and Firemen's Salary Act of 1958, as amended, such time shall commence as of the effective date of this Act. Any active service which each officer or member so assigned from precinct detective, class 1, subclass (d), to detective, class 3, has rendered in the service step or longevity step in which he was serving immediately prior to the effective date of this Act will be credited to him for subsequent advancement purposes under the provisions of section 303 or section 401, as the case may be, of the District of Columbia Police and Firemen's Salary Act of 1958, as amended.

(4) Each private who immediately prior to the effective date of this Act was serving in a position bearing the title of detective sergeant in class 1, subclass (e), shall on the effective date of this Act, after the application of the provisions of paragraph (1) of subsection (a) of this section be placed in the corresponding title in class 4, subclass (b), and shall receive the scheduled rate of basic compensation at a service step or longevity step as follows:

From—	To—
Detective sergeant, class 1, subclass (e):	Detective sergeant, class 4, subclass (b):
Service steps 1, 2, and 3	Service step 1.
Service step 4	Service step 2.
Service step 5	Service step 3.
Service step 6	Service step 4.
Longevity step 7	Longevity step 7.
Longevity step 8	Longevity step 8.
Longevity step 9	Longevity step 9.

Any active service which each officer or member so assigned as detective sergeant has rendered in the service step or longevity step in which he was serving immediately prior to the effective date of this Act will be credited to him for subsequent advancement purposes under provisions of section 303 or section 401, as the case may be, of the District of Columbia Police and Firemen's Salary Act of 1958, as amended.

(5) Each officer and member who, immediately prior to the effective date of this Act, was in class 3, subclass (a), as corporal, or in class 3, subclass (b), as corporal assigned as motorcycle officer, shall, on the effective date of this Act be placed in and receive basic compensation at a scheduled rate in class 4, subclass (a), or class 4, subclass (c), as the case may be, with the title of sergeant as follows:

From—	To—
Corporal, class 3, subclass (a):	Sergeant, class 4, subclass (a):
Service steps 1 and 2	Service step 1.
Service step 3	Service step 2.
Service step 4	Service step 3.
Longevity step 7	Service step 4.
Longevity step 8	Longevity step 7.
Longevity step 9	Longevity step 8.

From—	To—
Corporal assigned as motorcycle officer class 3, subclass (b):	Sergeant assigned as motorcycle officer, class 4, subclass (c):
Service steps 1 and 2	Service step 1.
Service step 3	Service step 2.
Service step 4	Service step 3.
Longevity step 7	Service step 4.
Longevity step 8	Longevity step 7.
Longevity step 9	Longevity step 8.

In computing the time served by each officer or member so assigned from corporal to sergeant or from corporal to sergeant assigned as motorcycle officer on the effective date of this Act for purposes of advancement to the next higher scheduled service step or longevity step as provided in section 303 or 401, as the case may be, of the District of Columbia Police and Firemen's Salary Act of 1958, as amended, such time shall commence as of the effective date of this Act.

(6) Each officer or member who was a sergeant in class 4 immediately prior to the effective date of this Act, and who was a sergeant prior to July 1, 1953, shall be advanced to and shall receive the scheduled rate of basic compensation for longevity step 9 in class 4. Each officer or member who was a sergeant in class 4 immediately prior to the effective date of this Act and who was promoted to sergeant after June 30, 1953, and prior to the effective date of the District of Columbia Police and Firemen's Salary Act of 1958, shall, if immediately prior to the effective date of this Act he was serving in longevity step 7 or service step 4 or any lower service step, be advanced to the second higher scheduled step in class 4 above such step in which he was so serving or if, immediately prior to the effective date of this Act he was serving in longevity step 8 he shall be advanced to longevity step 9 in class 4, and shall receive the scheduled rate of basic compensation for the step to which he is advanced. Each officer or member who was a sergeant in class 4 immediately prior to the effective date of this Act and who was promoted to sergeant on or after the effective date of the District of Columbia Police and Firemen's Salary Act of 1958, shall be advanced to and receive the scheduled rate of basic compensation for the next higher scheduled step in class 4. Any active service which each such sergeant has rendered in the service step or longevity step in which he was serving immediately prior to the effective date of this Act will be credited to him for subsequent advancement purposes under the provisions of section 303 or section 401, as the case may be, of the District of Columbia Police and Firemen's Salary Act of 1958, as amended.

(7) Each officer or member receiving basic compensation at scheduled longevity step 9, in classes 5 through 10, respectively, of the District of Columbia Police and Firemen's Salary Act of 1958, as amended, shall be placed in and receive the rate of basic compensation at the scheduled longevity step 8, in classes 5 through 10, respectively, of the above schedule.

SEC. 3. (a) Section 203(b) of the District of Columbia Police and Firemen's Salary Act of 1958, as amended, is amended by deleting therefrom "Fire Marshal".

(b) Title II of such Act is amended by adding at the end thereof the following new section:

"SEC. 204. The aid to the Fire Marshal shall be included as a fire inspector in class 2, subclass (a)."

(c) The first sentence of section 304 of such Act is amended to read as follows: "Any officer or member who is promoted or transferred to a higher class shall receive basic compensation at the lowest scheduled rate of such higher class which exceeds his existing rate of compensation by not less than one step increase of the class from which he is promoted or transferred: *Provided*, That any such officer or member serving in a subclass other than subclass (a) of any class (who is not assigned as a detective sergeant in class 4, subclass (b)) shall receive basic compensation at the lowest scheduled rate of such higher class which exceeds by one step increase the rate shown for subclass (a) in the same step in which he was serving in the class from which promoted: *Provided further*, That such scheduled rate in the higher class shall not be less than his existing rate of pay."

(d) Section 401(a)(2) of such Act is amended to read as follows:

"(2) Not more than three successive longevity step increases may be granted to any officer or member in classes 1 through 4, nor more than two successive longevity step increases may be granted to any officer or member in classes 5 through 10; nor shall any officer or member be granted a longevity step increase above the maximum scheduled longevity step in the subclass in which he is serving or, if there are no subclasses in his class, in the class in which he is serving."

SEC. 4. This Act shall take effect as of the first day of the first pay period beginning after January 1, 1963.

Mr. SMITH of Massachusetts. Mr. President, the purposes of S. 3705 are, first, to provide an increase in the salaries of policemen and firemen; second, to more adequately provide for the recognition of the assigned responsibilities of certain officers and members of the several police forces and Fire Department of the District of Columbia; third, to provide a one-step advancement for privates with long years of service to more nearly equalize such service with the time required for newly appointed privates to reach the top; fourth, to eliminate the rank of corporal; and fifth, to permit better pay alinement among members.

The salary schedule of this bill provides for an average salary increase for policemen and firemen of the District of Columbia of 11.6 percent. This increase will more effectively facilitate the recruitment and retention of fully qualified members of the Police and Fire Departments. For example, the increase from $5,160 to $5,650 provided by the bill for the minimum salaries of police privates would place the District in first place in comparison to the nearby communities and would raise the relative standing of Washington, D.C., from 10th to 6th place by comparison to the 20 major cities with population in excess of 500,000. The increase from $6,450 to $7,150 for the maximum salaries of Police and Fire Department privates would also place the District in first place in relation to the nearby communities and would raise the relative standing of Washington, D.C., from sixth to fifth place by comparison with the same 20 major cities.

In preceding years the Metropolitan Police Department was able to make great strides toward meeting its recruitment needs by sending four recruiting teams of police officials into communities where Labor Department statistics showed substantial unemployment. Other metropolitan cities, New York and Chicago for example, are now following the District's lead by sending their own recruiting teams into these same areas. Therefore the salary adjustments and pay increases provided for in this bill are needed to enable the Metropolitan Police Department to meet this challenge.

It is also necessary to keep the salaries of policemen and firemen in good competitive position with those of classified Government employees. Failure to do so would create serious morale and recruitment problems.

The effective date of the pay adjustments and increase made by this bill is the first pay period after January 1, 1963, and the additional cost to the District of Columbia for the remainder of fiscal year 1963 will be approximately $1.8 million, including necessary pension equalization of retired members of police and fire forces. The additional costs of this bill for the first full fiscal year are $3,978,900.

In addition to increasing the salaries of policemen and firemen in the District, S. 3705 advances all privates having 13 years or more of service, one step so as to equalize the pay scale among all privates in the service. This particular adjustment was made necessary by inequities that were caused by prior pay legislation.

The bill also changes station clerks in class I from subclass (b) to subclass (c) so as to provide a salary more commensurate with the assigned responsibilities to other assignments of police privates.

The provisions of the bill eliminate the rank of corporal and advance them to sergeant class 4. The elimination of the corporal rank is consistent with practices in all other major cities.

The bill eliminates the longevity step 9 for classes 5—lieutenants—through 10—fire and police chiefs. These steps were deleted for the reason that these ranks or classes are not likely to be attained because of the number of years service required.

It is the view of the committee that the adoption of these provisions, along with an adequate pay schedule as now included in the bill, should enable the Metropolitan Police Department and the Fire Department to remain first class law enforcement and firefighting organizations.

Mr. President, I unhesitatingly request that my colleagues join with me in voting for the enactment of this measure.

The PRESIDING OFFICER. The question is on the engrossment of the amendment and the third reading of the bill.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report—No. 2214—explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

The Committee on the District of Columbia, to whom was referred the bill (S. 3705) to amend the District of Columbia Police and Firemen's Salary Act of 1958, as amended, to increase salaries, to adjust pay alinement, and for other purposes, after full consideration report favorably thereon with an amendment and recommend that the bill as amended do pass.

The amendment is:

On page 9, lines 5 through 20, strike paragraphs (7) and (8) and renumber paragraph (9) on line 21 as paragraph (7).

The principal purposes of the bill are (1) to provide an increase in the salaries of policemen and firemen, (2) to more adequately provide for the recognition of the assigned responsibilities of certain officers and members of the several police forces and Fire Department of the District of Columbia, (3) to provide a one-step advancement for privates with long years of service to more nearly equalize such service with the time required for newly appointed privates to reach the top, (4) to eliminate the rank of corporal, and (5) to permit better pay alinement among members.

This bill provides for an average salary increase for policemen and firemen of the District of Columbia of 11.6 percent. This increase will more effectively facilitate the recruitment and retention of fully qualified members of the Police and Fire Departments. For example, the increase from $5,160 to $5,650 provided by the bill for the minimum salaries of police privates would place the District in first place in comparison to the nearby communities and would raise the relative standing of Washington, D.C., from 10th to 6th place by comparison to the 20 major cities with population in excess of 500,000. The increase from $6,450 to $7,150 for the maximum salaries of police privates would also place the District in first place in relation to the nearby communities and would raise the relative standing of Washington, D.C., from sixth to fifth place by comparison with the same 20 major cities.

In preceding years the Metropolitan Police Department was able to make great strides toward meeting its recruitment needs by sending four recruiting teams of police officials into communities where Labor Department statistics showed substantial unemployment. Other metropolitan cities, New York and Chicago for example, are now following the District's lead by sending their own recruiting teams into these same areas. Therefore the salary adjustments and pay increases provided for in this bill are needed to enable the Metropolitan Police Department to meet this challenge.

It is also necessary to keep the salaries of policemen and firemen in good competitive position with those of classified Government employees. Failure to do so would create serious morale and recruitment problems.

The effective date of the pay adjustments and increase made by this bill is the first pay period after January 1, 1963, and the additional cost to the District of Columbia for the remainder of fiscal year 1963 will be approximately $1.8 million, including necessary pension equalization of retired members of police and fire forces. The additional costs of this bill for the first full year are as follows:

District of Columbia Police and Fire Department	$3,624,500
Park Police (District of Columbia share)	66,000
Total cost to District of Columbia government	3,690,500
Park Police (U.S. Government share)	114,200
White House Police (including Secret Service retirement)	174,200
Total cost to U.S. Government	288,400
Annual total cost of bill	3,978,900

In addition to providing a general salary increase the bill provides for the following adjustments in the present salary structure:

1. Advancement of all privates having 13 years or more of service as of January 1958, now in steps 6, 7, and 8, to steps 7, 8, and 9, respectively. This is necessary to equalize, as much as possible, the time element for those privates with the time now required for a private to reach the top longevity rate.

The District of Columbia Police and Firemen's Salary Act of 1958 (72 Stat. 480), as amended (sec. 4–823, et seq., D.C. Code, 1951 ed.) changed the length of service time requirement from 5 years between longevity increases under the previous law to 2 years between service steps and 4 years between longevity steps for all officers and members except privates who were placed in the first three steps of class 1. This change reduced the time requirement from 28 to 19 years for privates to reach their top longevity rate. However, privates who had a number of years' service prior to the Salary Act of 1958 have to serve more than 19 years to reach the top longevity step. Therefore, it is proposed to equalize as much as possible the time element for those privates having a number of years service with the time now required to reach the top longevity rate. In order to accomplish such equalization of time, this bill provides that all privates in service on the effective date of the Salary Act of 1958 (as of the first day of the first pay period which began after January 1, 1958) will be advanced one step. For example, a private having 13 years of service in January 1958, will now be in service step 7, with over 17 years' service including some service credit toward longevity step 8. Under the provisions of this bill, he would be advanced to longevity step 8, and have approximately 3 years to advance to longevity step 9. Thus, he would serve close to 21 years to reach the top longevity step. On the other hand, if he were not advanced a step as provided in this bill, he would have to serve approximately 25 years to reach the top longevity step.

2. Change of station clerks in class 1 from subclass (b) to subclass (c). This change will provide a salary more commensurate with the assigned duties and responsibilities in relation to other special assignments of police privates.

Under the Salary Act of 1958, station clerks were included in class 1, subclass (b), along with technician I and plainclothesmen. Privates assigned as station clerks are in charge of the station in the absence of superior officers and assume other responsibilities which are greater than those assumed by technicians or plainclothesmen who are in subclass (b). Accordingly, this bill places station clerks in subclass (c) of class 1, which is believed to provide more appropriate recognition of station clerk responsibilities in relation to other special assignments of police privates.

3. Combine the title of precinct detective with the title of "detective." In order to appropriately recognize the requirements for detective work, the rank of detective has been included in class 3 and the rank of detective sergeant has been included in class 4. In addition, the ranks of detective lieutenant and detective captain have been established in classes 5 and 7, respectively, along with regular uniformed lieutenants and captains.

The bill eliminates from class 1, the various categories of detectives. Class 1 was established in the Salary Act of 1958 to accommodate those officers and members who perform the duties of a private and who may also perform specialized duties such as station clerk or technician. However, the officers and members assigned to the detective category are called on to exercise a much greater degree of ingenuity and investigative ability than is required of privates. Also, officers and members who enter the detective line of work are required to take examinations to be eligible for promotion to the various detective levels through captain. Accordingly, the changes are needed as described above. In establishing these new detective levels, the existing positions of detective and precinct detective have been combined into the position of detective in class 3 since in actual practice there is no distinction made in the assignments they are called on to accomplish.

4. Elimination of the rank of police corporal and advancement of all corporals from class 3 to sergeants class 4. The elimination of the corporal rank is consistent with practices in practically all other major cities.

The bill eliminates the rank of police corporal, and corporal assigned as a motorcycle officer in class 3 of Salary Act of 1958 as a promotional step between police private and sergeant. In actual practice, corporals in the Metropolitan Police Department share to a great extent the supervisory responsibilities of sergeants, with the general exception of acting in lieu of lieutenants as occasion demands. All corporals now in class 3 would be made sergeants in class 4 and begin new periods of service for purposes of advancement to higher steps in class 4. The elimination of the corporal rank provides for a better pattern of rate differences upon promotion of privates to the next higher rank and aids in better placement of officers and members according to their length of service.

5. Adjustment of all sergeants now in class 4 in line with the elimination of the corporal rank and to minimize as much as possible the placing of corporals with lesser amounts of service in the same steps in class 4 as sergeants who have more service.

In line with elimination of the corporal category, and to minimize as much as possible the placing of corporals with lesser amounts of service in the same steps in class 4 with officers who have preceded them as sergeants, the bill provides for the following adjustments:

(a) advance all those sergeants to step 9, class 4 who were promoted to sergeant before July 1, 1953 (the effective date of the Police and Firemen's Salary Act of 1953);

(b) advance all those sergeants two steps who were promoted to sergeants after June 30, 1953, and prior to the effective date of the Police and Firemen's Salary Act of 1958; and

(c) advance all other sergeants to the next higher step.

These dates were selected because the two salary acts mentioned involved major pay system changes. These changes created situations whereby a number of officers and members promoted to sergeant were placed in steps above other sergeants who had been previously promoted.

6. Elimination of longevity step 9 for classes 5 (lieutenants) through 10 (chiefs). Experience has shown that the top longevity step (No. 9) in those ranks or classes is not likely to be attained because of the number of years of service required. For example, it was found in a study made by the Police Department that the average time for a private to reach the rank of lieutenant is 20.8 years from the time of his appointment. If he continues to serve as a lieutenant and depending on the step he is in, there is an additional 14 to 18 years, or a total of 34 to 38 years, he would have to serve to reach the top step. For those promoted to the rank of captain, the number of years to reach the top step would average over 5 years additional to that shown for lieutenant. Since it seems highly unlikely that the top longevity step of these higher ranks will be used, this bill eliminates the longevity step No. 9 established by the Salary Act of 1958 in classes 5 through 10.

7. Change of fire marshal's aid from private, class 1, subclass (c), to fire inspector, class 2. The duties of the aid to the fire marshal require the services of a qualified fire inspector.

Section 203(b) of the Salary Act of 1958 provides that the aid to the fire marshal shall be included as a technician in subclass (c) of class 1. Class 1 is established for the rank of private and the subclasses in class 1 are for privates with special assignments. The aid to the fire marshal is required at times to make special investigations which would normally require the services of a fire inspector and is called on to exercise a knowledge of the inspectional requirements in the daily activities with which he is concerned. The qualifications and duties required of the aid to the fire marshal are more specialized than those required of other aids in the fire department. Accordingly, the bill would permit the aid to the fire marshal to receive basic compensation as a fire inspector in class 2.

8. Provide a uniform method of rate computation for privates when promoted whether they receive or do not receive additional compensation for special assignments. The Salary Act of 1958 provides additional compensation for those officers or members serving on special assignments, such as, for example, motorcycle officer. At the present time, when an officer receiving additional compensation is promoted, even though he will not perform the special assignment after promotion, the additional compensation rate is required to be used in computing his new salary. Because of this provision, two officers having the same amount of service (one on special assignment and one not on special assignment) receive different rates of pay upon promotion. Provisions of this bill will, for the most part, correct this inconsistency.

The committee amendment striking paragraphs (7) and (8) of section 2(a) on page 9 of the bill follows a recommendation of the Board of Commissioners of the District of Columbia. The Commissioners reported as follows on these two sections of the bill:

"These objectionable provisions would increase the rates of pay for a majority of the lieutenants and captains by placing such officers in a higher step within their respective classes, so that on the basis of their length of service they would be compensated at rates exceeding those rates paid (1) a few lieutenants and captains with lesser service time, and (2) some of the officers and members in lower classes.

"As regards the first aspect of the problem, because of the rate they received in a lower class resulting from long tenure of service or special assignments, some relatively few officers and members, when promoted, may be placed in a step equivalent to or exceeding the step of other officers and members who have been previously promoted. However, this situation is not generally prevalent, since the great majority of officers and members follow the normal promotional pattern without special assignment compensation and accordingly are in proper pay alinement with one another. Also, for the most part, provisions of S. 3705 (other than paragraphs (7) and (8) of section 2(a)) correct the situations underlying the provisions concerning advancement of lieutenants and captains. A larger differential between classes is provided for lieutenants and captains, as well as other ranks, and, in addition, S. 3705 would reduce considerably the effect of special assignment compensation on any future promotions. These features of the bill will definitely aid in achieving better pay alinement.

"With respect to the second aspect of the problem, some of the officers and members in the higher classes are currently receiving a lower rate of pay than officers and members in a lower class because of certain overlapping features of the pay system and benefits provided by the District of Columbia Police and Firemen's Salary Act of 1958, as amended. The situation of overlapping rates and the effect on certain of the lieutenants and captains is not peculiar to the pay system for police and firemen. For example, under the Classification Act of 1949, as amended, an employee in a particular grade may receive a greater amount of compensation than an employee in a higher grade because the employee in the lower grade has had a longer tenure of service in such grade than the employee in the higher grade has had in his grade. Ideally, if sufficient spread existed between classes, i.e., if it were possible to begin each class with a rate of pay substantially above the topmost pay rate for the next lower class, a condition similar to that just described could not happen.

"For the foregoing reasons, the Commissioners consider it undesirable to increase the compensation of the lieutenants and captains who would benefit from paragraphs (7) and (8) of subsection (a) of section 2 of S. 3705, and, accordingly, the Commissioners recommend that these paragraphs be deleted and thet the remaining paragraphs of such subsection be renumbered accordingly."

The Board of Commissioners has reported to the committee that funds are available for the remainder of fiscal year 1963 to meet the pay increases and adjustments provided for in this bill as well as the increases in proposed teachers pay legislation. The committee is therefore unanimous in approving this legislation and finds it wholly necessary and justified to maintain the competitive position of the police forces and Fire Department in the labor market.

The Board of Commissioners favors enactment of this bill. The additional cost to the District government has been previously set out in this report.

Changes in existing law

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law in the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

(72 Stat. 481; sec. 4–823, et seq., D.C. Code, 1961 edition)

⟦SEC. 101. The annual rates of basic compensation of the officers and members of the Metropolitan Police force and the Fire Department of the District of Columbia shall be fixed in accordance with the following schedule of rates:

SALARY SCHEDULE

Salary class and title	Service step 1	Service step 2	Service step 3	Service step 4	Service step 5	Service step 6	Longevity step 7	Longevity step 8	Longevity step 9
Class 1:									
Subclass (a)	$4,800	$5,000	$5,200	$5,440	$5,720	$6,000	$6,280	$6,560	$6,840
Fire private.									
Police private									
Subclass (b)	5,050	5,250	5,450	5,690	5,970	6,250	6,530	6,810	7,090
Private assigned as:									
Station clerk.									
Technician I.									
Plainclothesman.[1]									
Subclass (c)	5,300	5,500	5,700	5,940	6,220	6,500	6,780	7,060	7,340
Private assigned as:									
Detective.									
Technician II.									
Motorcycle officer.									
Subclass (d)	5,700	5,900	6,100	6,340	6,620	6,900	7,180	7,460	7,740
Private assigned as:									
Precinct detective.									
Subclass (c)	6,200	6,400	6,000	6,840	7,120	7,400	7,680	7,960	8,240
Private assigned as:									
Detective sergeant.									
Class 2:									
Subclass (a)	5,500	5,780	6,060	6,340			6,620	6,900	7,180
Fire inspector.									
Subclass (b)	5,750	6,030	6,310	6,590			6,870	7,150	7,430
Fire inspector assigned as:									
Technician I.									
Subclass (c)	6,000	6,280	6,560	6,840			7,120	7,400	7,680
Fire inspector assigned as:									
Technician II.									
Class 3:									
Subclass (a)	5,900	6,180	6,460	6,740			7,020	7,300	7,580
Assistant marine engineer.									
Assistant pilot.									
Police corporal.									
Subclass (b)	6,400	6,080	6,960	7,240			7,520	7,800	8,080
Corporal assigned as:									
Motorcycle officer.									
Class 4:									
Subclass (a)	6,400	6,680	6,960	7,240			7,520	7,800	8,080
Fire sergeant.									
Police sergeant.									
Subclass (b)	6,900	7,180	7,460	7,740			8,020	8,300	8,580
Police sergeant assigned as:									
Motorcycle officer.									
Class 5	7,000	7,350	7,700	8,050			8,400	8,750	9,100
Fire lieutenant.									
Police lieutenant.									
Class 6	7,500	7,850	8,200	8,550			8,900	9,250	9,600
Marine engineer.									
Pilot.									
Class 7	8,000	8,350	8,700	9,050			9,400	9,750	10,100
Fire captain.									
Police captain.									
Class 8	9,500	9,850	10,200	10,550			10,900	11,250	11,600
Assistant superintendent of machinery.									
Battalion fire chief.									
Deputy fire marshal.									
Police inspector.									
Class 9	11,000	11,350	11,700	12,050			12,400	12,750	13,100
Deputy fire chief.									
Deputy chief of police.									
Fire marshal.									
Superintendent of machinery.									
Class 10	15,000	15,350	15,700	16,050			16,400	16,750	17,100
Fire chief.									
Chief of police.									

---

[1] Service as such for over 60 consecutive calendar days.

Sec. 101. The annual rates of basic compensation of the officers and members of the Metropolitan Police force and the Fire Department of the District of Columbia shall be fixed in accordance with the following schedule of rates:

SALARY SCHEDULE

Salary class and title	*Service step 1*	*Service step 2*	*Service step 3*	*Service step 4*	*Service step 5*	*Service step 6*	*Longevity step 7*	*Longevity step 8*	*Longevity step 9*
Class 1:									
Subclass (a)	$5,650	$5,950	$6,250	$6,550	$6,850	$7,150	$7,450	$7,705	$8,050
Fire private.									
Police private.									
Subclass (b)	6,920	6,220	6,520	6,820	7,420	7,120	7,720	8,020	8,320
Private assigned as—									
Technician I.									
Plainclothesman.[1]									
Subclass (c)	6,190	6,490	6,970	7,090	7,390	7,690	7,990	8,290	8,590
Private assigned as—									
Technician II.									
Station clerk.									
Motorcycle officer.									
Class 2:									
Subclass (a)	6,550	6,850	7,150	7,450	----------	----------	7,750	8,050	8,350
Fire inspector.									
Subclass (b)	6,820	7,120	7,420	7,720	----------	----------	8,020	8,320	8,620
Fire inspector assigned as—									
Technician I.									
Subclass (c)	7,009	7,390	7,690	7,990	----------	----------	8,209	8,590	8,890
Fire inspector assigned as—									
Technician II.									
Class 3	6,990	7,290	7,590	7,890	----------	----------	8,190	8,490	8,790
Assistant marine engineer.									
Assistant pilot.									
Detective.									
Class 4:									
Subclass (a)	7,450	7,750	8,050	8,350	----------	----------	8,650	8,950	9,250
Fire sergeant.									
Police sergeant.									
Subclass (b)	7,890	8,190	8,490	8,790	----------	----------	9,090	9,390	9,690
Detective sergeant.									
Subclass (c)	7,930	8,230	8,530	8,830	----------	----------	9,130	9,430	9,730
Police sergeant assigned as—									
Motorcycle officer.									
Class 5	8,350	8,725	9,100	9,475	----------	----------	9,850	10,225	----------
Fire lieutenant.									
Police lieutenant.									
Detective lieutenant.									
Class 6	8,915	9,290	9,665	10,040	----------	----------	10,415	10,790	----------
Marine engineer.									
Pilot.									
Class 7	9,475	9,850	10,225	10,600	----------	----------	10,975	11,350	----------
Fire captain.									
Police captain.									
Detective captain.									
Class 8	10,975	11,375	11,775	12,175	----------	----------	12,575	12,975	----------
Assistant Superintendent of Machinery.									
Battalion fire chief.									
Deputy fire marshal.									
Police inspector.									
Class 9	12,575	12,975	13,375	13,775	----------	----------	14,175	14,575	----------
Deputy Fire Chief.									
Deputy Chief of Police.									
Fire marshal.									
Superintendent of Machinery.									
Class 10	17,000	17,400	17,800	18,200	----------	----------	18,600	19,000	----------
Fire Chief.									
Chief of Police.									

---

[1] *Service as such for over 60 consecutive calendar days.*

Sec. 101. (a) Each employee of the District of Columbia or of the United States whose salary is fixed and regulated by the District of Columbia Police and Firemen's Salary Act of 1958 (72 Stat. 480) shall receive, in addition to the compensation provided by such Act, compensation at the rate of 7.5 per centum of the basic compensation provided by such Act.

Sec. 2. (a) Retroactive compensation or salary shall be paid by reason of this Act only in the case of an individual in the service of the District of Columbia or of the United States (including service in the Armed Forces of the United States) on the date of enactment of this Act, except that such retroactive compensation or salary shall be paid (1) to any employee covered in this Act who retired during the period beginning on the day following the first day of the first pay period which began on or after July 1, 1960, and ending on the date of enactment of this Act for services rendered during such period and (2) in accordance with the provisions of the Act of August 3, 1950 (Public Law 636, Eighty-first Congress), as amended, for services rendered during the period beginning on the first day of the first pay period which began on or after July 1, 1960, and ending on the date of enactment of this Act by any such employee who dies during such period.

(b) For the purposes of this section, service in the Armed Forces of the United States in the case of an individual relieved from training and service in the Armed Forces of the United States or discharged from hospitalization following such training and service, shall include the period provided by law for the mandatory restoration of such individual to a position in or under the Federal Government or the municipal government of the District of Columbia.

TITLE II—METHOD OF ASSIGNMENT OF EMPLOYEES TO SALARY SCHEDULES

Sec. 201. (a) In initially adjusting salaries, officers and members of the Metropolitan Police force and of the Fire Department of the District of Columbia, in service on the effective date ——— of this Act, shall be placed in salary classes and steps provided in section 101, title I of this Act as follows:

Class I

District of Columbia Police and Firemen's Salary Act of 1953	District of Columbia Police and Firemen's Salary Act of 1958
Private, class 1	Subclass (a), class 1, service step 1.
Private, class 2	Subclass (a), class 1, service step 2.
Private, class 3	Subclass (a), class 1, service step 3.
Private, class 4	Subclass (a), class 1, service step 4.
Private, class 4 (with 1 longevity increase)	Subclass (a), class 1, service step 5.
Private, class 4 (with 2 longevity increases)	Subclass (a), class 1, service step 6.
Private, class 4 (with 3 longevity increases)	Subclass (a), class 1, longevity step 7.
Private, class 4 (with 4 longevity increases)	Subclass (a), class 1, longevity step 8.
Private, class 4 (with 5 longevity increases)	Subclass (a), class 1, longevity step 9.

(2) Each Private, who, on the effective date of this Act was serving in a position bearing the title Probational Detective, or Precinct Detective, or Detective Sergeant, or Station Clerk, or Motorcycle Officer, or Plain-Clothesman (service as such for over 60 consecutive calendar days immediately preceding such effective date), or Technician I, or Technician II (such titles being provided by or established pursuant to authority contained in the District of Columbia Police and Firemen's Salary Act of 1953, as amended), shall be placed in the corresponding title in Sub-Class (b), or (c), or (d), or (e), of Class 1 and shall be placed in the step within such Sub-Class on the basis of his basic salary and longevity increases in the same manner as Privates in Sub-Class (a) of Class 1. The former position bearing the title "Probational Detective" shall hereafter bear the title "Detective".

Class 2 through class 10

(3) All officers and members serving in titles provided by or established pursuant to authority contained in the District of

Columbia Police and Firemen's Salary Act of 1953, as amended, which correspond to titles included in class 2 through class 10 in Section 101, Title I of this Act shall be placed in such classes according to such titles and in the steps within such classes on the basis of their basic salary and longevity increases as follows:

District of Columbia Police and Firemen's Salary Act of 1953	District of Columbia Police and Firemen's Salary Act of 1958
Basic salary	Service step 1.
Basic salary (with 1 longevity increase)	Service step 2.
Basic salary (with 2 longevity increases)	Service step 3.
Basic salary (with 3 longevity increases)	Service step 4.
Basic salary (with 4 longevity increases)	Longevity step 7.
Basic salary (with 5 longevity increases)	Longevity step 8.

(b) In initially adjusting salaries, each officer and member entitled under this Act to be placed in a Class above Class 1 and whose latest promotion has been subsequent to June 30, 1953, and prior to the effective date of this Act, shall be placed in the step of his Class which provides a salary not less than the amount he would have received under the provisions of this Act had he not been so promoted until the effective date of this Act.

SEC. 202. In initially adjusting salaries, the following positions shall be included as Technician I in Sub-Class (b) of Class 1 of the schedule in section 101, title I:

(a) Chief Photographer, Fire Department;

(b) Regular first driver-operator or tillerman of a Fire Department hose wagon, pumper, aerial ladder truck, rescue squad, or fire department ambulance.

SEC. 203. In initially adjusting salaries, the following positions shall be included as Technician II in Sub-Class (c) of Class 1 of the schedule in section 101, title I:

(a) Chief Radio Technician for the Fire Department;

(b) Aide to the Fire Chief, Deputy Chief, Battalion Fire Chief, [Fire Marshal,] or Superintendent of Machinery.

SEC. 204. *The aid to the Fire Marshal shall be included as a fire inspector in class 2, subclass (a).*

TITLE III—METHOD OF APPOINTMENT, ADVANCEMENT, PROMOTION AND DEMOTION

SEC. 301. All original appointments of Police and Fire Privates shall be made at the minimum rate set forth in the schedule in section 101, title I of this Act, and the first year of service shall be probationary.

SEC. 302. The Commissioners of the District of Columbia, in the case of the Metropolitan Police force and the Fire Department of the District of Columbia, the Secretary of the Treasury, in the case of the White House Police force, and the Secretary of the Interior, in the case of the United States Park Police force, are hereby authorized to establish and determine, from time to time, the positions to be included as Technicians in Classes 1 and 2 in section 101, title I, with the exception of those positions included as Technician I and Technician II in sections 202 and 203 of title II.

SEC. 303. (a) Subsequent to the initial salary adjustment provided in title II, each officer and member, except an officer or member in service step 1, or 2, or 3, Class 1, who has not attained the maximum service step rate of compensation for the rank or title in which he is placed shall be advanced in compensation successively to the next higher service step rate for such rank or title at the beginning of the first pay period immediately subsequent to the completion of one hundred and four calendar weeks of active service, if he has a current performance rating of "satisfactory" or better.

(b) Satisfactory service (other than that credited in the initial adjustment of salaries under this Act), rendered immediately prior to the effective date of this Act by any officer or member who, in the initial adjustment of salaries, is placed in service step 4 or 5, Class 1, or service step 1, or 2, or 3, Classes 2 through 9, shall be credited as follows: each five calendar days of such service shall be credited as the equivalent of two calendar days of service for the purpose of computing the first period of one hundred and four calendar weeks of active service required by this section to entitle such officer or member to an advance in compensation to the next higher service rate for his rank or title.

(c) Each officer and member serving in steps 1, 2, or 3 of Sub-Classes (a), (b), (c), (d), or (e) of Class 1 shall be advanced in compensation successively to the next higher service step rate for his current Sub-Class at the beginning of the first pay period immediately subsequent to the completion of fifty-two calendar weeks of active service in his class if he has a current performance rating of "satisfactory" or better.

(d) Satisfactory service (other than that credited in the initial adjustment of salaries under this Act) rendered immediately prior to the effective date of this Act in the rank of Private, Class 1, or Private, Class 2, or Private, Class 3, shall be credited in computing the first period of fifty-two calendar weeks required under the provisions of this section for advancement from service steps 1, or 2, or 3, of Class 1.

SEC. 304. [Any officer or member who is promoted or transferred to a higher class shall receive basic compensation at the lowest rate of such higher class which exceeds his existing rate of compensation by not less than one step increase of the class from which he is promoted or transferred.] *Any officer or member who is promoted or transferred to a higher class shall receive basic compensation at the lowest scheduled rate of such higher class which exceeds his existing rate of compensation by not less than one step increase of the class from which he is promoted or transferred: Provided, That any such officer or member serving in a subclass other than subclass (a) of any class (who is not assigned as a detective sergeant in class 4, subclass (b)) shall receive basic compensation at the lowest scheduled rate of such higher class which exceeds by one step increase the rate shown for subclass (a) in the same step in which he was serving in the class from which promoted: Provided further, That such scheduled rate in the higher class shall not be less than his existing rate of pay.* If the existing rate of compensation of an officer or member is above the maximum longevity step increase in the class from which he is promoted or transferred and there is no rate in the higher class to which he is promoted or transferred, which is at least one step increase above his existing rate, such officer or member shall receive the maximum longevity rate of such higher class or his existing rate, whichever is greater. Any officer or member in any class who is assigned or transferred to any Sub-Class within the same Class shall be placed in the same service or longevity step in such Sub-Class as that which he was in immediately prior to being so assigned or transferred.

SEC. 305. Whenever any officer or member of the Metropolitan Police force, the Fire Department of the District of Columbia, the White House Police force, or the United States Park Police force is changed or demoted from any class to a lower class, the Commissioner of the District of Columbia, or the Secretary of the Treasury, or the Secretary of the Interior, as the case may be, may, in their or his discretion, in changing or demoting such officer or member, fix his rate of compensation at any rate provided for the Class or Sub-Class to which he is changed or demoted which does not exceed his existing rate of compensation, except that if his existing rate falls between two step rates provided in such lower class, he may receive the higher of such rates.

TITLE IV—LONGEVITY

SEC. 401. (a) In recognition of long and faithful service, each officer and member shall receive an additional step increase (to be known as a longevity step increase) beyond the maximum scheduled service step rate for the Sub-Class in which he is serving, or for the Class in which he is serving if there are no Sub-Classes in his Class for each 208 calendar weeks of continuous service completed by him following the effective date of this Act at such maximum rate or at a rate in excess thereof, without change to a higher Class, subject to all of the following conditions:

(1) No officer or member shall receive more than one longevity step increase for any two hundred and eight calendar weeks of continuous service, and in order to be eligible therefor he shall have a current performance rating of "satisfactory" or better.

[(2) Not more than three successive longevity step increases may be granted to any officer or member; nor shall any officer or member be granted a longevity step increase above the maximum scheduled longevity step in the Sub-Class in which he is serving or in the Class in which he is serving if there are no Sub-Classes in his Class.]

(2) Not more than three successive longevity step increases may be granted to any officer or member in classes 1 through 4, nor more than two successive longevity step increases may be granted to any officer or member in classes 5 through 10; nor shall any officer or member be granted a longevity step increase above the maximum scheduled longevity step in the subclass in which he is serving or, if there are no subclasses in his class, in the class in which he is serving.

(3) Each longevity step increase shall be equal to one step increase of the class or Sub-Class in which the officer or member is serving.

(4) Each longevity step increase, shall begin on the first day of the first pay period following completion of each two hundred and eight weeks.

(b) Satisfactory service (other than credited in the initial adjustment of salaries under this Act) rendered immediately prior to the effective date of this Act by any officer or member who, in the initial adjustment of salaries, is placed in service step 6, Class 1, or service step 4, Classes 2 through 9, or longevity steps 7 or 8, shall be credited as follows: each five calendar days of such service shall be credited as the equivalent of four calendar days of service for the purpose of computing the first period of two hundred and eight calendar weeks of active service required by subsection (a) of this section to entitle such officer or member to an advance in compensation to the next higher longevity step rate for his rank or title.

BILL PASSED OVER

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 2186, S. 3756.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 3756) to amend section 309 of the Food and Agriculture Act of 1962.

Mr. KUCHEL. Over.

The PRESIDING OFFICER. The bill will be passed over.

ADDITIONAL FUNDS FOR THE COMMITTEE ON THE JUDICIARY

The resolution (S. Res. 406) providing additional funds for the Committee on the Judiciary was considered and agreed to, as follows:

Resolved, That section 4 of S. Res. 293, Eighty-seventh Congress, second session, authorizing an investigation of escapees and refugees from Communist tyranny, agreed to February 22, 1962, is amended by striking out "$75,000" and inserting in lieu thereof "$87,500".

PRINTING OF ADDITIONAL COPIES OF HEARINGS

The concurrent resolution (H. Con. Res. 513) for printing additional copies of hearings was considered and agreed to.

PRINTING OF WALL MAP OF THE UNITED STATES

The concurrent resolution (H. Con. Res. 574) authorizing the printing of a wall map of the United States, and for other purposes, was considered and agreed to.

PRINTING OF REVISED EDITION OF SENATE DOCUMENT ENTITLED "NEW MEXICO—LAND OF ENCHANTMENT"

The resolution (S. Res. 399) to print as a Senate document with additional copies, a revised edition of a Senate document entitled "New Mexico—Land of Enchantment" was considered and agreed to, as follows:

Resolved, That there be printed as a Senate document a revised edition of Senate Document 91, Seventy-seventh Congress, entitled "New Mexico—Land of Enchantment", and that there be printed five thousand copies of such document for the use of the Committee on Interior and Insular Affairs.

PRINTING AS SENATE DOCUMENT COMMITTEE PRINT OF "REPORT OF THE NATIONAL FUELS AND ENERGY STUDY GROUP"

The Senate proceeded to consider the resolution (S. Res. 408) to print as a Senate document a committee print of a "Report of the National Fuels and Energy Study Group," which had been reported from the Committee on Rules and Administration, with amendment, in line 7, after the word "second", to strike out "session." and insert "session; and that there be printed one thousand three hundred additional copies of such document for the use of that committee."; so as to make the resolution read:

Resolved, That there be printed with illustrations as a Senate document the committee print, with appropriate foreword, entitled "Report of the National Fuels and Energy Study Group on an Assessment of Available Information on Energy in the United States", issued by the Committee on Interior and Insular Affairs during the Eighty-seventh Congress, second session; and that there be printed one thousand three hundred additional copies of such document for the use of that committee.

The amendment was agreed to.

The resolution was considered and agreed to.

PRINTING AS SENATE DOCUMENT OF REVISED EDITION of SENATE DOCUMENT NO. 740 ENTITLED "EQUAL RIGHTS AMENDMENT"

The resolution (S. Res. 410) authorizing the printing as a Senate document of a revised edition of Senate Document No. 740, entitled "Equal Rights Amendment" was considered and agreed to, as follows:

Resolved, That there be printed as a Senate document a revised edition of Senate Document 74, Eighty-second Congress, entitled, "Equal Rights Amendment—Questions and Answers on the Equal Rights Amendment", prepared by the National Woman's Party; and be it further

Resolved, That five thousand additional copies of such document be printed for the use of the Committee on the Judiciary.

LOCAL UNION 435, INTERNATIONAL HOD CARRIERS BUILDING & COMMON LABORERS' UNION OF AMERICA

The bill (S. 2953) relating to the tax-exempt status of the pension plan of Local Union No. 435 of the International Hod Carriers' Building & Common Laborers' Union of America was considered, ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the pension plan of Local Union Numbered 435 of the International Hod Carriers' Building and Common Laborers' Union of America, which was negotiated to take effect May 1, 1960, pursuant to an agreement between such union and the Building Trades Employers Association of Rochester, New York, Incorporated, and which has been held by the Internal Revenue Service to constitute a qualified trust under section 401(a) of the Internal Revenue Code of 1954, and to be exempt from taxation under section 501(a) of such Code, shall be held and considered to have been a qualified trust under such section 401(a), and to have been exempt from taxation under such section 501(a), for the period beginning May 1, 1960, and ending April 20, 1961, but only if it is shown to the satisfaction of the Secretary of the Treasury or his delegate that the trust has not in this period been operated in a manner which would jeopardize the interests of its beneficiaries.

Mr. MANSFIELD. Mr. President, S. 2953 is similar to Calendar No. 2105, H.R. 7876, a bill relative to the effective date of the qualification of the joint pension plan for employees of Locals 645, 1507, and 1511, Brotherhood of Painters, Decorators, and Paperhangers of America, which has just been passed.

S. 2953 has been called up with the distinct understanding with the chairman of the Committee on Finance, the Senator from Virginia [Mr. BYRD], that it, like the House measure, was reported by the Committee on the Judiciary, although there is a question as to jurisdiction; and that the action taken on S. 2953 will not constitute a precedent, so far as the jurisdiction of the Committee on Finance is concerned.

GRANTING OF EMERGENCY OFFICERS RETIREMENT BENEFITS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar 2166, H.R. 8517.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill—H.R. 8157—to grant emergency officers retirement benefits to certain persons who did not qualify therefor because their qualifications were not submitted before May 25, 1929.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. MILLER. Mr. President, I offer an amendment to the bill. I ask unanimous consent that the reading of the amendment be dispensed with but that the amendment be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill, insert the following new section:

"The limitations of time contained in section 1905 of title 38, United States Code, are hereby waived in favor of Walter J. Johnson (Veterans' Administration claim numbered C–6048500), and his application for benefits under chapter 39 of title 38, United States Code, shall be acted upon under the remaining provisions of such chapter if he applies for such benefits within the six-month period which begins on the date of enactment of this Act."

Mr. MILLER. Mr. President, the substance of the amendment is the same as is contained in the House passed bill, H.R. 4795. It affects one individual having 60 percent disability. The amendment waives the statute of limitations for his filing a claim for $1,600.

I have discussed the amendment with the distinguished Senator from Virginia [Mr. BYRD], chairman of the Committee on Finance, and he has no objection to it.

I ask unanimous consent that a statement of explanation, contained in the House report, be printed at this point in the RECORD.

There being no objection, the excerpt from the House report (Rept. No. 1022) was ordered to be printed in the RECORD, as follows:

STATEMENT

The beneficiary of this legislation is a resident of Westside, Crawford County, Iowa. During his military service with the U.S. Marines, in the Pacific theater of action in World War II, he sustained a battle injury in hand-to-hand combat on Iwo Jima.

Because of his wounds he was honorably discharged February 17, 1947, and his wounds were determined to be 60-percent disabling. In addition, it was determined he was entitled to special monthly compensation for loss of use of one hand.

On March 10, 1959, Mr. Johnson applied for assistance in the purchase of an automobile under chapter 39, United States Code, title 38. The application was denied April 3, 1959, for not having been filed seasonably. Had the application been filed timely, Mr.

Johnson would have been entitled to a payment of not more than $1,600 on the purchase price of an automobile or other conveyance because of the extent of his injuries.

Mr. Johnson affirmed, by affidavit, that from the date of his discharge from the service until on or about March 10, 1959, he was not aware of the fact that he was entitled to the benefits sought by this legislation. He knew of the existence of such law but believed that the benefits thereunder were extended to amputees only and they had to have 100-percent disability. The first knowledge he received of eligibility under the law was when he was informed by the contact representative at the veterans hospital in Omaha, Nebr., that the benefits of the public law extended to cases such as his. An affidavit from the contact representative established that he interviewed Mr. Johnson on or about March 10, 1959, and that the latter had no knowledge whatsoever of the fact that veterans who have a disability rating for loss of use of limb might be entitled to receive the sum of $1,600 toward the purchase of an automobile or other conveyance.

The committee is of the opinion that Mr. Johnson's misconception as to the applicability of the public law is completely understandable especially when a veteran is not informed thereon. It is obvious that Mr. Johnson was not informed of the available benefit so that he could make timely application or he would have availed himself thereof. It is clear, to the committee, that the delay in filing an application is not attributable to neglect or indifference on the part of Mr. Johnson. In view thereof the committee concludes that there was excusable delay and waiving the statute of limitations would be consonant with the spirit and purpose of the law. The committee therefore recommends that this legislation be considered favorably.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Iowa.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed for a third reading, and the bill to be read a third time.

The bill (H.R. 8517) was read the third time and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report—No. 2203—explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

This bill would reopen the emergency officers' retirement program to permit a very limited group of former World War I emergency officers to apply for and receive the benefits of that program. Individuals who would be permitted to make application for retirement benefits would be those who were eligible under the original law but who would have received retired pay at a monthly rate lower than the monthly rate of disability compensation then payable to them from the Veterans' Bureau.

Generally, applications must have been made for these benefits by May 24, 1929.

While the deadline for applying for emergency officers' retirement benefits would be waived as to the proposed beneficiaries, the bill would continue the previous requirements that (1) the permanent war-service disability of 30 percent must have existed prior to May 25, 1929, and (2) the disability must be clearly shown to have been incurred in or aggravated by active service, without benefit of statutory or regulatory presumption of any kind.

INCREASE OF LIMIT OF FEDERAL PAYMENTS INTO STUDENT LOAN FUNDS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 2150 (S. 3760).

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 3760) to amend the National Defense Education Act of 1958 to raise the limit of Federal payments into student loan funds, to broaden the types of equipment which may be acquired with Federal grants and loans, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. MANSFIELD. Mr. President, the Senator from New York [Mr. JAVITS] desires to make a statement on the bill.

Mr. JAVITS. Mr. President, I am very sorry that the Senator from Oregon [Mr. MORSE] is not present, because he was one of the most stalwart fighters in Congress for a bill to provide aid to higher education. However, I understand he has advised the majority leader that although the bill is not satisfactory to him, he would like to see it passed. So would I. I think it is only fair to say that the bill represents our acknowledgement of the bankruptcy of all our efforts to provide Federal aid to education during the entire 87th Congress.

The bill merely provides authorization for additional loans to students and institutions of higher education in the amount of $125 million a year for each of 2 years, and very modestly increases from $250,000 to $500,000 the aggregate limits which can go to any institution. The Senate bill makes some changes with respect to State allotments, so that they will not go to waste, but may be reutilized by other States.

I am informed that the committee in the other body reported a similar bill this morning to the House, although it is not exactly like the Senate bill.

After all the work which has been done on Federal aid to higher education, notwithstanding the great national security interest which is involved, and the disadvantage under which we labor in not giving our young people the prospect of going to college for the education to which they are entitled, we have labored long and hard to come up now with the tiniest possible mouse.

We merely continue the student loan program for 2 years, as it has expired as of June 30, 1962. That is about all we do.

It is true that the other body rejected, by a close vote, an agreement with our conferees, of whom I am one, in respect to Federal aid to higher education.

It has been considered by some in the other body that a further conference was warranted and that an effort might be made to agree. What contributed to the defeat of the conference report was a provision for a new program which would have forgiven all student loans to students of extraordinary need. It was said that the House resented that type of discrimination, and rejected the conference report for that reason, but that a new conference might have produced some other result.

I prefer a new conference. I pleaded for one on the floor of the Senate; but the chairman of the Senate conferees, the Senator from Oregon [Mr. MORSE], after a very careful investigation of the problem, came to the conclusion—which I respect, whether I agree with it or not—that a further conference would be fruitless; that the higher education bill was dead for 1962—indeed, for this Congress—and that we had better approve a small authorization in order to continue the National Defense Education Act, and try again in 1963.

I do not know whether I shall be here in 1963. Nonetheless, I feel that probably, under all the circumstances, there was no other decision which the Senator from Oregon could have reached. I felt bad about the situation. I protested; and if I had been the chairman I would have sought another conference in an effort to reach agreement. However, I cannot find any really basic fault with the judgment of the Senator from Oregon because I know of his sympathy toward higher education.

What is to be done now? Here we see the demise of a really urgent program upon which the conferees of both Houses had agreed. They had produced what I consider to be an excellently balanced conference report which meets alike the church-school issue, which we know is a very perplexing and deep one, and the issues in connection with the proportions to be devoted to loans and to grants for aid to the colleges.

The scholarship provisions, which I had the honor to draft to the satisfaction of the conferees. The provisions in regard to the new type of loan program differ from the provisions of the National Defense Education Act under which forgiveness is based on engaging in the teaching profession. Under this measure, forgiveness is based, not on engaging in the teaching profession, but—as I had preferred—on scholarship, upon being in the upper 25 percent of the class, in which case 50 percent of the loan each year would be forgiven. I felt that was as close as we could go toward a scholarship program and still have a loan program.

But now the entire house has come tumbling down, and in my opinion the Nation is left unprepared for the emergency in higher education which it is facing and will continue to be facing in the days ahead.

Today, I am introducing a bill, of which I am a sponsor, which includes the provisions of the conference report which failed, except for the new forgiveness provision for the loan program—for which I use, instead, my own forgiveness provision, based on scholarship rather than on extraordinary need. Other than that provision, my bill includes all the other provisions of the conference report which failed in the House of Representatives.

Now we are coming to the end of the session——

Mr. MANSFIELD. Mr. President, let me ask how much time remains under my control.

The PRESIDING OFFICER. Twenty-three minutes.

Mr. JAVITS. Mr. President, we are not debating the foreign-aid bill; and I ask unanimous consent that I may proceed for 10 minutes, without having the time I use charged against the time available on the foreign-aid bill.

The PRESIDING OFFICER. The Chair must advise that, by unanimous consent, the Senate will vote at 3 o'clock on the question of passage of the foreign-aid bill.

Mr. JAVITS. I am sorry, I did not realize that, Mr. President. I yield myself 3 minutes, and then I shall be through.

The PRESIDING OFFICER. The Senator from New York is recognized for 3 minutes.

Mr. JAVITS. Mr. President, what is to be done now? I believe that by introducing this bill, I am doing two things: First, in view of the fact that I am running for reelection and the fact my State comprises 10 percent of the Nation, I am making a speech in regard to what I shall do if I am returned to the Senate, and I am inviting the people of my State to have their say about this matter. This is the statement of my position on aid to higher education. I hope other Senators who find themselves in similar circumstances will do likewise.

In connection with this measure, Mr. President, I also hope that other Senators who find themselves in the same position in which I find myself—for I realize that my head is on the block, and I am running the risks involved, but I do so gladly and with honor—will take the same stand during the campaign. If people feel strongly about this matter, let us have some expression of the national will in regard to higher education, so that those who return here next January will be far more impressed with the demand of the country that a higher education bill be enacted into law, and not be destroyed by what I consider to be relatively narrow views in regard to the church-school issue.

I believe that to be a fair statement of the issue. In my judgment, we provided for loans and grants for strictly academic purposes, and they would have been related strictly to the needs of the young people, in terms of the security of the Nation; and in the student-aid program we provided—as is provided by the present program—that the student may attend any school he chooses, whether a private school, a public school, or a parochial school.

I hope the bill I am introducing will encourage other Senators to do what I am doing—namely, submit this question to the people, the final arbiter, so that Senators who return in January—and I hope to be among them—will be able to do their duty to the country.

I think the Nation has suffered a great deal as a result of the defeat of the higher education bill. I hope the Senate will pass at least this minuscule portion of what remains to be done at this session.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report—No. 2179—explaining the purposes of Senate bill 3760.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

If enacted, the bill would—

1. Raise the appropriations now authorized for title II of the National Defense Education Act, which finances the student loan program, from the present $90 million for each of the fiscal years 1963 and 1964 to $125 million;

2. Raise the presently existing ceiling in title II of $250,000 per institution of higher education participating in the student loan program to $500,000;

3. Permit reallocation of title III funds for the purchase of equipment from States which cannot use such funds to States having need for the funds;

4. Broaden the variety of teaching equipment which may be purchased with title III funds to include test-grading equipment and additional audiovisual teaching materials.

The amendments which comprise this bill are substantially the same as those contained in Senate Report 652 which accompanied S. 2345 to the floor of the Senate last July 31, 1961.

BACKGROUND

Hearings were held on amendments to the National Defense Education Act before the Senate Committee on Labor and Public Welfare on May 12 and 13, 1961. Support for the amendments to the National Defense Education Act which comprise this bill was given by the Department of Health, Education, and Welfare, representatives of institutions of higher education and national organizations.

TITLE II AMENDMENTS DISCUSSION

Under the title II program more than 380,000 students in 1,450 participating institutions have received educational loans exceeding $230 million. In 1962–63 an estimated 220,000 students will borrow $110 million. Furthermore, through the influence of this program, loans have become one of the major forms of financial assistance to college and university students.

This highly successful program has brought us considerably closer to the objective stated in the act "to give assurance that no student of ability will be denied an opportunity for higher education because of financial need."

Of the 151,115 student borowers in 1960–61, 137,537 were undergraduate students and 13,578 were graduate students. Men borrowers numbered 95,201 and women borrowers 55,914. The average loan last year was $470, compared with $438 in 1959–60, the first full year of the program. During the current academic year the loans are expected to average about $500.

Sixty-seven percent of the loans were made to students with superior academic background in science, mathematics, engineering, or modern foreign languages and to students preparing to teach in elementary and secondary schools. The law requires that in reviewing loan applications, institutions give special consideration to these students.

Student borrowers in science totaled 14,887; in mathematics, 4,499; in modern foreign languages, 2,312; in engineering, 12,334; and in medicine and dentistry, 3,024. Student borrowers preparing to teach totaled 69,552.

Of the 1,410 colleges and universities participating in the program in 1960–61, 886 were private and 524 public.

As of June 30, 1961, a total of 12,785 student borrowers had repaid $1.95 million to the loan funds set up at colleges and universities. This was about eight times the amount actually due.

In addition to the 12,785 students who have begun repayments, 4,118 have applied for partial cancellation of their loans because of full-time teaching service in public elementary or secondary schools. The law provides for 10-percent cancellation of loan principal for each year of teaching service up to 50 percent of the total loan principal. As of June 30, 1961, the total amount canceled was $233,037.

Participating colleges and universities have received $73.8 million from the Government in 1961–62 and have added $8.2 million from their own funds under the requirement that they contribute $1 for each $9 they receive from the Federal Government. In addition, the institutions last spring made loan commitments totaling $14 million for the current academic year. Thus the loan funds total about $96 million this year.

The number of institutions participating in the program has increased from 1,181 in 1959 to 1,357 in 1960, 1,410 in 1961, and 1,452 in 1962. About 90 percent of all students enrolled full time attend institutions participating in the loan program.

The following table secured from the Office of Education is indicative of the need to raise both the authorization and the institutional ceiling:

Institutions requesting over $250,000 (total, $35,615,004)

Alabama:	
Tuskegee Institute	$283, 432
University of Alabama	392, 897
Arkansas: University of Arkansas	298, 434
Arizona: University of Arizona	267, 195
California:	
San Francisco State College	314, 146
San Jose State College	498, 664
Stanford University	477, 149
University of California:	
Los Angeles	585, 000
Santa Barbara	281, 682
University of Southern California	387, 000
Colorado: University of Colorado, Boulder	341, 019
District of Columbia: Georgetown University	297, 000
Florida:	
Florida State University	292, 500
University of Florida	536, 400
University of Miami	382, 263
Georgia: University of Georgia	390, 150
Illinois:	
Knox College	312, 300
Loyola University	323, 044
Northwestern University	253, 800
Southern Illinois University	336, 600
University of Illinois	490, 342
Indiana:	
Indiana University	628, 785
Purdue University	373, 500
University of Notre Dame	275, 497
Valparaiso University	374, 495
Iowa:	
Iowa State University of Science and Technology	257, 850
Luther College	294, 251
State University of Iowa	646, 200
Kansas:	
Kansas State University of Agriculture and Applied Science	491, 306
Kansas State Teachers College, Emporia	296, 100
University of Kansas	428, 400

Institutions requesting over $250,000 (total, $35,615,004)—Continued

Kentucky:	
Eastern Kentucky State	267,088
University of Louisville	355,500
Louisiana:	
Louisiana State University and Agricultural and Mechanical College	$318,852
Tulane University of Louisiana	388,199
Maryland:	
Johns Hopkins University	260,100
Morgan State College	378,949
University of Maryland	424,800
Massachusetts:	
Boston College	250,000
Boston University	470,228
Tufts University	294,615
University of Massachusetts	263,673
Michigan:	
Central Michigan University	388,817
Eastern Michigan University	275,616
Michigan State University of Agricultural and Applied Science	748,589
University of Michigan	418,500
Wayne State University	281,201
Minnesota:	
Bemidji State College	324,383
St. Cloud State College	307,800
St. Olaf College	299,700
University of Minnesota	981,000
Mississippi: University of Mississippi	435,150
Missouri:	
Central Missouri State College	332,904
Northwest Missouri State College	277,064
St. Louis University	250,000
University of Missouri	445,500
Washington University	283,500
Nebraska: University of Nebraska	289,226
New Hampshire: Dartmouth College	281,700
New York:	
Columbia University	418,434
Ithaca College	463,691
Long Island University	261,657
Manhattan College	368,433
New York University	342,090
Pratt Institute	318,969
Rensselaer Polytechnic Institute	256,230
Syracuse University	315,700
University of Buffalo	918,248
University of Rochester	324,057
North Carolina:	
North Carolina State	318,846
University of North Carolina	428,964
North Dakota: North Dakota State University	319,500
Ohio:	
Bowling Green State University	277,200
Ohio State University	531,000
University of Cincinnati	359,225
Oklahoma:	
Northeastern State College	360,352
Oklahoma State University	513,813
University of Oklahoma	361,800
Oregon:	
Oregon State University	314,100
University of Oregon	374,400
Pennsylvania:	
Pennsylvania State University	576,000
Temple University	341,741
University of Pennsylvania	400,437
University of Pittsburgh	536,850
Tennessee: University of Tennessee	299,720
Texas:	
Baylor University	366,181
University of Houston	364,649
Virginia: Virginia State College	304,200
Washington: University of Washington	646,445
West Virginia: West Virginia University	313,219
Wisconsin:	
Marquette University	488,884
University of Wisconsin	358,350
Puerto Rico: University of Puerto Rico	411,564

NOTE.—In only one State—Pennsylvania—have two universities requested over $500,000.

Thirteen universities requested over $500,000 each; seven universities requested over $600,000 each; four universities requested over $700,000 each; three universities requested over $800,000 each; and two universities requested over $900,000 each.

DISCUSSION OF TITLE III AMENDMENTS

A. Existing law—National Defense Education Act of 1958

Purpose: To stimulate a nationwide effort to strengthen instruction in science, mathematics, and modern foreign languages, the act at present authorizes:

1. Payments to States for acquiring the needed laboratory and other special equipment for use in providing education in science, mathematics, or modern foreign language, and for remodeling laboratory or other space used for such equipment;
2. Payments to States for expansion and improvement of State supervisory services in public elementary and secondary schools in the fields of science, mathematics, and modern foreign languages; and
3. Loans to private nonprofit elementary and secondary schools for the same types of special equipment and remodeling for which grants to States may be used.

Provisions: Funds are now provided for payments to the States to help finance local projects to improve instruction in science, mathematics, and modern foreign languages through purchase of laboratory and other special equipment, including audiovisual materials and equipment and printed materials (other than textbooks), and for minor remodeling of existing space for the use of the equipment acquired.

A State's allotment is based on a formula reflecting relative school-age population and relative income per school-age child within the State.

Federal payments to the State must be matched dollar for dollar by State or local funds. A State's allotment for the purposes of acquisition of equipment and minor remodeling remains available for 2 years.

Funds for State supervisory services are allotted to each State on the basis of the ratio of its school-age population to the school-age population of all States. No State's allotment may be less than $20,000.

Loan funds are allotted to a State in the ratio that the State's enrollment in nonprofit private schools bears to the total of such enrollment in all the States. Loans are made only after applications have been received which meet conditions necessary to protect the financial interests of the United States. Loans mature on a date agreed to by the Commissioner and the borrower, but in all cases the loans must be repaid in full with interest in not more than 10 years from the date the loans were made.

Loans now bear interest at the rate arrived at by adding one-quarter of 1 percent per annum to the rate determined by the Secretary of the Treasury to be equal to the current average yield on all outstanding obligations of the United States.

Twelve percent of each year's appropriation for acquisition of equipment is reserved for loans to private nonprofit schools.

B. Proposed reallocation amendment

The need to provide administrative procedures to permit the reallocation of unused equipment purchase funds is demonstrated by the fact that $8,351,833 of the $52,800,000 of funds appropriated for the fiscal year ending June 30, 1960, which were available for expenditure through June 30, 1961, have lapsed. Twenty-three States, however, used their full allotments. States such as California, Ohio, New York, and Minnesota have advised the Commissioner of Education that they have been obliged to curtail their equipment acquisition activities due to lack of Federal funds.

C. Audiovisual equipment

Since the passage of the National Defense Education Act of 1958, it has come to the committee's attention more forcefully than ever that technology is entering the classroom. The committee wishes to take every measure feasible to provide pupils in elementary and secondary schools with the full benefits of improved instruction.

In this spirit, an amendment was made to title III in order to provide financial assistance for test-grading equipment, and for additional types of audiovisual instructional materials. Under the amendments, school districts will be able to purchase these materials for approved projects. With the heavier teaching loads ahead, the classroom teacher will require whatever relief can be made available to reduce paperwork chores. Test-grading equipment as provided in the amendments holds promise of permitting the teacher to devote more time to instruction. And, with audiovisual aids now more readily available, especially all types of projectors, schools need equipment for producing or reproducing audiovisual instructional materials to use with these projectors. Many schools will be able to prepare instructional materials more economically.

According to testimony received by the committee:

"One of the most important and effective new advancements in the audiovisual field is the development of devices, materials, and programs which make it possible for individual teachers to produce their own transparencies, slides, tape recordings, and other audiovisual materials. One of these devices, for example, makes it possible to copy any drawing, picture, or printed material, using a simple and inexpensive office copying device, into transparency form so that the material can be projected for plain viewing by a whole class within minutes. The teacher can then keep this transparency, and others she may prepare, until she returns to this unit of instruction again; then all she has to do is pull the transparency from her file and place it on the projector."

And—

"A certain amount of technical equipment is necessary for the proper storage, repair, and distribution of films, so they will remain in usable condition over a long period of time. Within the provisions of the present law, the Office of Education has been unable to find adequate justification to permit the purchase of necessary film library equipment with title III matching funds. This equipment, including such items as film splicers, rewinds, inspection machines, and storage cabinets, is urgently needed for the proper maintenance and distribution of the films which have been acquired."

The amendment should go a long way toward further strengthening of instruction in the subjects identified in title III.

COST STATEMENT

If enacted, the bill would permit an increase of $35 million in funds authorized for student loans under title II over the presently authorized amount of $90 million for the current fiscal year and the following fiscal year. It is the belief of the committee that other costs incidental to the remaining amendments can be absorbed within the administering agency.

The **PRESIDING OFFICER.** If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 3760) was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 201 of the National Defense Education Act of 1958 is amended by striking out "each for the fiscal year ending June 30, 1962, and for the two succeeding fiscal years" and inserting in lieu thereof "for the fiscal year ending June 30, 1962, $125,000,000 each for the fiscal year ending June 30, 1963, and the succeeding fiscal year".

(b) Section 203(b) of such Act is amended by striking out "$250,000" and inserting in lieu thereof "$500,000".

SEC. 2. Section 302(a)(4) of such Act is amended to read as follows:

"(4) The amount of any State's allotment under this subsection for any fiscal year which the Commissioner determines will not be required for such fiscal year for carrying out the part of the State plan (if any) approved under this part for which such allotment is available shall be available for reallotment from time to time, on such dates during such year as the Commissioner may fix, to other States in proportion to the original allotments to such States under this subsection, but with such adjustments as may be necessary to prevent reallotment to any State of any sum in excess of the amount which the Commissioner estimates it needs and will be able to use for such year for carrying out the part of the State plan for which the amount reallotted would be available. Any amount reallotted to a State under this paragraph during the year from funds appropriated pursuant to the first sentence of section 301 shall be deemed part of its allotment under this subsection for such year."

SEC. 3. Section 303(a)(1) of such Act is amended by striking out "suitable" and inserting in lieu thereof the following: "and of test-grading equipment, equipment for use by teachers or students in public elementary or secondary schools for producing or reproducing audiovisual materials for instructional purposes, and specialized equipment for audiovisual libraries or centers serving such schools,".

EXTENSION TO OYSTER PLANTERS OF BENEFITS OF DISASTER LOANS FOR FARMERS AND STOCKMEN

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 2181, House bill 946.

The PRESIDING OFFICER. Is there objection?

There being no objection, the bill (H.R. 946) to extend to oyster planters the benefits of the provisions of the present law which provide for production disaster loans for farmers and stockmen was considered, ordered to a third reading, was read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report—No. 2219—explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

The Committee on Agriculture and Forestry, to whom was referred to bill (H.R. 946), to extend to oyster planters the benefits of the provisions of the present law which provide for production disaster loans for farmers and stockmen, having considered the same, report thereon with a recommendation that it do pass without amendment.

This bill would authorize disaster loans to oyster planters under subtitle C of the Consolidated Farmers Home Administration Act of 1961. Hearings were held by the subcommittee in charge of this legislation and have been printed. There was no opposition to the bill.

At the hearing several witnesses proposed an amendment to include shrimp fishermen. The committee considered this amendment carefully, but felt that the inclusion of fishermen who move from place to place in their operations and whose operations have none of the incidents of farming should not be included in a farm loan bill. As pointed out in the attached report of the House Committee on Agriculture, oystermen generally are not covered by the bill, but only oyster planters. Oyster planters plant, cultivate, and harvest their crops like other farmers and have been treated as farmers in other farm loan legislation.

The report * * * of the House Committee on Agriculture * * * further explains the bill and the need for its enactment:

"[H. Rept. No. 1502, 87th Cong., 2d sess.]

"The Committee on Agriculture, to whom was referred the bill (H.R. 946) to extend oyster planters the benefits of the provisions of the present law which provide for production disaster loans for farmers and stockmen, having considered the same, report favorably thereon with amendments and recommend that the bill do pass.

"The amendments are as follows:

"Strike out all after the enacting clause and insert:

"'That subsection (v) of section 321 of the Consolidated Farmers Home Administration Act of 1961 is amended by striking out "farmers or ranchers" and inserting "farmers, ranchers, or oyster planters" and by striking out "farming or ranching" and inserting "farming, ranching, or oyster planting".'

"PURPOSE

"The bill would amend the emergency loan provisions of the Consolidated Farmers Home Administration Act of 1961 to make it clear that oyster planters are included among the eligible recipients of such loans.

"Emergency loans as authorized by this act may be made by the Farmers Home Administration only in so-called disaster areas which have been designated by the Secretary of Agriculture as the result of a finding (1) that there exists in such area a general need for agricultural credit which cannot be met for temporary periods of time by private, cooperative, or other responsible sources (including loans under regular FHA real estate or production loan authorities) at reasonable rates and terms for loans for similar purposes and periods of time, and (2) that the need for such credit in such area is the result of a natural disaster.

"Such loans may be made for any of the purposes for which regular FHA real estate or production loans may be made but only in the event of the three conditions noted above (1) that there has been a natural disaster in the area, (2) that agricultural credit is not available from any other responsible source, and (3) that the area has been designated as a disaster area by the Secretary of Agriculture. Inclusion of oyster planters in this disaster loan program would not make them eligible for regular FHA loans.

"NEED FOR THE LEGISLATION

"The immediate need for the legislation is, of course, the disaster which has struck the oyster-producing area of the Atlantic coast as the result of the recent destructive storm. This storm washed over the outer sand barriers and into the bays and inlets where oysters are produced. It covered many of the beds with sand, killing the oysters therein, and otherwise caused serious damage, if not complete destruction, of many of the oysterbeds. This will require rehabilitation of the beds, in some instances the establishment of a new rock bottom on which the oysters may grow, and certainly the replanting of the beds to new oysters.

"Oystermen are distinguished from other producers of seafoods in at least two respects: (1) Oysters do not travel from place to place but remain fixed at one locality after a very early stage of their development; and (2) most oysters are grown on legally designated plots of land beneath the surface of bays and salt water inlets which are marked by fixed boundaries and which either belong to the oyster planter or are leased from some State or other agency for the purpose of oyster production. In addition, oysters are planted, cultivated, and harvested much as any other agricultural crop and are ordinarily produced on land which has been specially prepared for that purpose.

"In this connection, it will be noted that the committee has used the words "oyster planters" rather than "oystermen" to distinguish the operation described above from that of searching for oysters in the open sea and harvesting them from wild beds.

"The concept that oyster planters might be considered farmers under the provisions of the agricultural loan programs is not a new one. By the act of June 18, 1934 (12 U.S.C. 1131g–2) Congress authorized production credit associations, operating under the Farm Credit Administration, to make loans to oyster planters. The authority for FHA emergency loans contained in this bill does not duplicate this authority, since the emergency loan provisions of the act provide that such loans may not be made to any farmers (including oyster planters) if credit is available from other sources, including production credit associations.

"COST

"Since the total amount of loans by the Farmers Home Administration is authorized from year to year by the Congress and since the emergency loans to oyster planters which might be made pursuant to the authority of this bill would come within that total authorization, there would not be any additional cost to the Government as the result of the enactment of this bill.

"COMMITTEE AMENDMENT

"H.R. 946 was introduced on January 3, 1961, before the enactment in the Agricultural Act of 1961 of the Consolidated Farmers Home Administration Act of 1961. This act consolidated the many laws relating to FHA loan operation into one statute and repealed a number of previous statutes relating to specific parts of the loan program, including the act of April 6, 1949, which H.R. 946 would have amended. The committee amendment, therefore, merely applies the purpose of H.R. 946 to the law as it exists today."

AMENDMENT OF CONSOLIDATED FARMERS HOME ADMINISTRATION ACT OF 1961

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 2182, House bill 12653.

The PRESIDING OFFICER. Is there objection?

There being no objection, the bill (H.R. 12653) to amend the Consolidated Farmers Home Administration Act of 1961 in order to increase the limitation on the amount of loans which may be insured under subtitle A of such act was considered, ordered to a third reading, was read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report—No. 2220—explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

The purpose of this bill is to increase from $150 million annually to $200 million annually the amount of loans which may be insured under the Consolidated Farmers Home Administration Act of 1961.

NEED FOR THE LEGISLATION

A substantial part of the FHA loan program for farmers is carried out by insuring loans made by private credit agencies which meet the standards and requirements of the Farmers Home Administration, rather than by the direct use of Federal funds. The current authorization for such loans, enacted as part of the Agricultural Act of 1961, limits the amount of insured loans in any fiscal year to $150 million. The demand for insured loans was so great during the last previous fiscal year that the $150 million annual insurance authorization was exhausted on May 11, 1962. This bill will permit FHA to meet this demand for agricultural credit at least for the current fiscal year by increasing the authorization for insured loans to $200 million.

COMMITTEE AMENDMENT

The bill as introduced would have authorized an increase in the amount of insured loans to $300 million. The Secretary of Agriculture in reporting favorably on the bill recommended that this be reduced to $200 million and the committee has followed this recommendation.

COST

There will be no appreciable increase in administrative cost as the result of this legislation and, on the contrary, it will permit a substantial increase in FHA loans to farmers with the use of private funds rather than Federal funds.

AMENDMENT OF RURAL ELECTRIFICATION ACT OF 1936

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 2183, House bill 10708.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the bill (H.R. 10708) to amend section 203 of the Rural Electrification Act of 1936, as amended, with respect to communication service for the transmission of voice, sounds, signals, pictures, writing, or signs of all kinds through the use of electricity, which had been reported from the Committee on Agriculture and Forestry, with an amendment on page 2, line 4, after the word "mean", to strike out "telegraph services or facilities, or community antenna television system services or facilities such service and facilities shall be limited to closed circuit television operations other than those intended" and insert "message telegram service or community antenna television system services or facilities other than those intended exclusively".

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

LEASE AND TRANSFER OF TOBACCO ACREAGE ALLOTMENTS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 2184, House bill 12855.

The PRESIDING OFFICER. Is there objection?

There being no objection, the bill (H.R. 12855) to amend the Agricultural Adjustment Act of 1938 relating to the lease and transfer of tobacco acreage allotments was considered, ordered to a third reading, was read the third time, and passed.

POLE MOUNTAIN DISTRICT

Mr. MANSFIELD. Mr. President, I ask that the Senate now proceed to consider Calendar No. 2185, Senate bill 3370.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the bill (S. 3370) to authorize the Secretary of Agriculture to relinquish to the State of Wyoming jurisdiction over those lands within the Medicine Bow National Forest known as the Pole Mountain district, which had been reported from the Committee on Agriculture and Forestry, with an amendment on page 1, line 3, after the word "authorized", to strike out "and directed to relinquish to the State of Wyoming all" and insert "to relinquish to the State of Wyoming such measure as he may deem desirable of legislative"; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Secretary of Agriculture is authorized to relinquish to the State of Wyoming such measure as he may deem desirable of legislative jurisdiction heretofore acquired by the United States over lands within the Medicine Bow National Forest constituting the area known as the Pole Mountain District, created by Executive Order Numbered 4245, dated June 5, 1925, as amended by public land order numbered 1897, dated July 10, 1959.

(b) Relinquishment of jurisdiction under the authority of this Act may be made by filing with the Governor of the State of Wyoming a notice of such relinquishment, which shall take effect upon acceptance thereof by the State of Wyoming in such manner as the laws of such State may prescribe.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

AMENDMENT OF FOOD AND AGRICULTURE ACT OF 1962

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 2186, Senate bill 3756.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 3756) to amend section 309 of the Food and Agriculture Act of 1962.

Mr. MANSFIELD. Instead, Mr. President, I ask unanimous consent that the Senate proceed to the consideration of House bill 13241, to amend section 309 of the Food and Agriculture Act of 1962. This bill was received only today from the House of Representatives; and, first, I ask that the bill be read twice.

The PRESIDING OFFICER. Without objection, it is so ordered; and the Senate will now proceed to the consideration of House bill 13241, to amend section 309 of the Food and Agriculture Act of 1962.

The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill (H.R. 13241) was ordered to a third reading, read the third time, and passed.

The PRESIDING OFFICER. Without objection, Senate bill 3756 will be indefinitely postponed.

Mr. MANSFIELD. Those are all the measures on the calendar which I wish to ask the Senate to consider at this time.

CONSERVATION NEWS CITES NATIONAL WILDLIFE FEDERATION'S BASIC PURPOSE OF ESTABLISHING AND MAINTAINING NATIONAL PARKS

Mr. YARBOROUGH. Mr. President——

Mr. HUMPHREY. Mr. President, how much time does the Senator from Texas wish?

Mr. YARBOROUGH. One minute.

Mr. HUMPHREY. I yield 1 minute to the Senator from Texas.

Mr. YARBOROUGH. Mr. President, the Conservation News, a publication of the National Wildlife Federation, recently published a series of excellent articles dealing with the purpose and some of the problems of national parks.

Since this 87th Congress has established a record by legislation authorizing three national seashore recreational areas, opening up vast new areas to permanent public use, this article in the Conservation News will, I am sure, be of interest to my colleagues.

The three national seashore recreational areas established by this Congress are Point Reyes in California, Cape Cod in Massachusetts, and Padre Island, off the Texas gulf coast. The most recent of these to be approved was my bill for a national seashore recreational area on 80.5 miles of Padre Island.

Because of the interest in national parks and the concern of this 87th Congress over the need for preserving recreational areas for this and future generations and because of the difference in national parks, national seashore recreational areas, and national military parks, I ask unanimous consent to have printed in the RECORD an article, captioned "National Parks—A National Issue" from the October 1, 1962, edition of Conservation News.

There being no objection, the article was ordered to be printed in the Record, as follows:

Part III. National Parks—A National Issue

(By Ernest Swift)

Editorials in the last two issues of Conservation News dealt with national parks from the standpoint of historical background in relation to early pioneers who envisioned the preservation of our natural phenomena, as well as their concepts and dedication to an ideal. Also discussed were the problems resulting from an increasing and highly mobile human population, from the demands for changes in the old order of things, and from the creation of new public recreation areas by whatever name they may be called.

People have many diverse ideas as to what should constitute a national park and the purposes of its creation. And if they do not immediately get what they want, they advocate a law. This makes them feel virtuous. Sound, basic laws are necessary, but national parks will not continue in perpetuity if an intelligent public attitude is lacking.

What should that attitude be? The impact of conflicting interests leaves the Park Service with problems of ecology and public relations, with attempts at long-range planning being frustrated by seasonal and day-to-day obligations.

Many visitors do not distinguish between national parks and national forests, and conservation to them becomes a confusing word because of the congressional objectives imposed on the two agencies. Hunting, logging, and mining are carried on in the forests, but not in the parks. Some are surprised and happy with this situation, a few envision material waste.

Because an original congressional act uses the term "pleasuring ground" some people think that the Park Service is obligated to establish the metropolitan image alongside of Old Faithful. Scientists and nature students see the national parks as outdoor laboratories.

In a brochure recently published the Park Service interprets the basic conception of national parks and the obligations imposed by congressional act upon the Service. These statements speak for themselves:

"The national parks contain the largest and best preserved examples of original American landscape. They constitute a resource affording outstanding opportunity for basic natural history research. Moreover, the National Park Service requires from research a continuous flow of precise knowledge about the nature and composition of this resource, and about the people who use it. The need is more critical than at any time in the past, and will intensify. The reasons are clearly evident.

"Congress has directed that the national parks be safeguarded and preserved as complete, natural communities of life.

"Maintenance of the integrity of these natural properties is a practical requirement for their proper use. Their value for wilderness-based recreation, for organized and avocational education in the fields of natural history and conservation, and as a theater for basic research by scientists depends upon maintenance of the unchanged natural environments contained therein. Each unnatural change or impairment destroys a part of their capacity to serve these purposes.

"The national parks are complex organisms. * * * Unless under study by trained observers, unnatural changes can approach an irreversible stage before being recognized.

"The national parks are rapidly becoming islands, bounded on all sides by lands ever more intensively managed and manipulated for other purposes.

"The parks are increasingly subjected to adverse influences arising around their borders. Unless recognized and neutralized the inevitable consequence is damage or disturbance of the forests, wildlife, soil, and water relationships, frequently of such scope as to threaten the natural integrity of the whole environment, and in some cases the very existence of some parks.

"Each year, additional millions of people seek recreation in the national parks.

"Thus, the first essential task is to manage these properties so as to neutralize, to the greatest degree possible, all unnatural influences, whether arising from unbalanced natural conditions and public use within, or whether invading the parks from without.

"To do this means that the Service must understand, much more completely than it does now, the natural characteristics of these properties, the nature of the normal processes at work within them, the unnatural forces imposed upon them, and, as well, the relationships of park visitors to the natural environments. If the Service is to protect and preserve, it must know what it is protecting, and what it must protect against. It is the function of research to get at the truth, to develop the fund of knowledge necessary for intelligent and effective management.

"Research, which contributes to preservation and management, has an additional and equally important collateral value. * * * Through research on natural environments, primitive soils and life forms, science has contributed much to agriculture, forestry, medicine, and other practical pursuits. * * * Outside the national parks, there are few places where studies of the original environments are still possible. These places are fast disappearing, and the national parks may well offer the only opportunity in this country, if not in the world, for such basic and perhaps essential, research in the future.

"The responsibilities of the National Park Service are to preserve the resource so that research opportunity is perpetuated, to encourage and to facilitate independent research, and to pursue its own research program, dictated primarily by park preservation and interpretative needs, so that it too contributes to the broad fund of scientific knowledge."

Although the parks have been researched by both public and private agencies as well as individuals, the moneys allocated to the Service for this function have been meager, to say the least. For this reason, there has been little continuity in park research.

The above-listed aims of the Park Service sound a long way off from the national parks being merely "pleasuring grounds," but it is important that people in their mass migration learn to appreciate these more important basic values.

Space does not permit evaluation of all new proposals or even specific trends in the parks or other recreational use areas, but thought should be given to what the national parks will look like and be like in 25 or 50 years from now, especially if the Park Service is not given the necessary research and management tools needed for future planning.

Mission 66 was essential for many physical improvements, but still does not provide a lasting program of research, and many a nature lover has had the cold chills because of some of the bulldozing dislocation resulting from Mission 66.

Demosthenes once accused the Athenians of waiting for bad news before they would act. Up to the present time the entire conservation pattern can be likened to filling sandbags to stop a flood.

To protect the parks from overdevelopment and overuse, Marion Clawson has raised the question of an increased entrance fee—for debate he has suggested $25.

The merit of this idea will be dragged by the tail around the Halls of Congress and shouted down as being unfair to the common man, of whom Lincoln once said, "God must love the common man because He made so many of them."

Not many years ago an innovation was started on public hunting grounds whereby hunters were picked by lot or first come, first served, plus a fee. This was a terrific wrench to the pioneer philosophy of free hunting, but time has done much to heal the wounds.

The Park Service had best commence right now to condition the freewheeling public to the idea that some time they may have to get a ticket and take an examination before they will be allowed to enjoy the last remnant of primitive America.

LET US SEE THE ADMINISTRATION CREATIVE TAX PROGRAM NOW

Mr. JAVITS. Mr. President, I yield myself 2 minutes.

The stock market dipped sharply yesterday. I do not believe that this was a selloff because people think that inflation has come to an end—as was claimed for the massive dip last spring. I rather think it was a continuing vote of lack of confidence in the economy. It was an indication of the President's failure to provide this country with effective leadership on domestic economic issues.

We have been promised a far-reaching program of tax reform to be submitted to the Congress next year and to be effective retroactively to January 1, 1963. The Chairman of the Council of Economic Advisers stated so again yesterday. The President said last month that this new tax program would be creative.

There would be nothing as creative in terms of firming up economic confidence than submittal, right now, of at least a broad outline of the President's tax program. We have been told what the new program is supposed to do: Increase consumer spending, stimulate investment, and improve profit margins. I believe the Congress and the people would like to see how these laudable ends are proposed to be achieved.

The Congress knows that, if the tax program is submitted next year in the same highly controversial condition as was the original revenue bill which finally seems to be near passage by the Congress, it will be a miracle to make it retroactive to January 1, 1963, perhaps even to pass it at all in 1963.

Let the President make his program available now so that Congress and the people can study it over the next months and perhaps advise him in avoiding the pitfalls which made the progress of the more limited administration tax program to be passed at this session such a tortuous 18-month journey. Let the President give the business community some view of what is ahead, some incentives to move into the future. The way to win business confidence is by showing it—not by guessing games.

Certainly, there has been little in the performance of the administration and of the economy over the past year and a half to provide real incentives or to give a clear view ahead. The last time we had an unemployment rate of less than 5 percent, seasonally adjusted, was in May of 1960—30 months ago, in the Eisenhower administration. Since the beginning of this year, the leading economic indicators have been fluctuating uncertainly. Last month, for example, a few more were up than down. This month two more are down than up. Here is, at best, a sideward drift. The industrial production index has failed to rise for the third time this year. Capital investment is groping around the $37 billion annual rate, which it had reached 5 years ago—in 1957—when the labor force had 4 million fewer people to be employed.

We received no incentive tax cut this year. The President decided to bow to his committee chairman in the Congress. I believe that it was a poor decision. But now he can act on his own. He can restore some element of economic confidence by letting us see, now, the creative tax program he proposes to submit next year.

FOREIGN AID AND RELATED AGENCIES APPROPRIATIONS, 1963

The Senate resumed the consideration of the bill (H.R. 13175) making appropriations for foreign aid and related agencies for the fiscal year ending June 30, 1963, and for other purposes.

Mr. JAVITS. Mr. President, I yield 5 minutes to the Senator from Kentucky [Mr. COOPER].

Mr. COOPER. Mr. President, I have supported the foreign aid program during my service in the Senate. Nevertheless, during the past several years I have voted for the foreign aid program with some reservations. My reservations do not arise from any change in my views regarding the necessity of a foreign aid program. I believe it is an important arm of our foreign policy. I believe it is necessary in our self-interest to open the avenues of association and trade with the developing countries, for we have had little association with many of them in our relatively short history as a nation. In the harshest self-interest it is essential that we do not abandon the field to the Soviet Union—in countries which are desperately seeking aid. Looking around us today, and to the future, it is in our interest and the interest of those countries we assist that these nations shall remain free—free in the sense of being independent, sovereign nations, and free in holding democratic values.

Also, I have voted for aid because I believe our country—with all its troubles, yet rich among the countries of the world—has a humanitarian and spiritual duty to help those less favored.

My reservations and my doubts—and I think they are shared by many—on the foreign aid bill have arisen because of known facts and many doubts that the money we appropriate is not being as effectively used as it should and could be used. I believe the people of our country would feel better about foreign aid appropriations if they had assurance that they were being used as effectively as possible.

In view of the vast number of countries which receive our foreign aid, and the uncertain and difficult conditions in many of these countries as they try to catch up with the 20th century economically, I understand that we cannot expect perfection.

In 1955 and in 1956, when I was not in the Senate, I made my recommendations to the State Department, and I have made them since. I do not believe it is possible to have an aid program that is as effective as it should be unless the President—and through him the State Department—makes the decision to negotiate at the very highest level possible, with the leaders of the countries we help and their representative responsible for development, to determine if their internal plans and programs for development are designed to secure development of those countries and that the projects to which our aid is applied are proper objects for the purpose.

Why is it important to do this? The very progress of our foreign aid program shows the different conceptions we have had. I will leave out the Marshall plan, because it dealt with a highly developed group of nations. Theirs was a problem of rehabilitation, rather than initial development.

It was followed by the point 4 program, designed to provide training and assistance in the fields of health, education, public administration, transportation, agriculture—to provide to the developing countries the base for a start toward industrialization.

Under the Eisenhower administration the concept of development grants was evolved to help countries toward industrial and economic development, to build the industrial capacity needed to relieve unemployment, provide needed goods, and raise the living standards of their people.

In the evolution of a plan, it is necessary that we, as well as the country we aid, decide whether the aid we give should be used primarily for an agricultural program, or a point 4 program, or one of industrial development, or some proper mixture. There must be a plan of development. Some countries are ready for high industrial development, while others are not. Once the objective is established, we ought to be able to determine, in consultation with the officials of other countries, at the highest level, whether the specific projects they select, and for which they ask our aid, will contribute largely to their objectives—their fundamental plan of development.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. COOPER. May I have 5 minutes more? I have not spoken during the whole debate.

Mr. KUCHEL. Mr. President, I yield 5 minutes to the Senator from Kentucky.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. JAVITS. First, I think it should be emphasized that the Senator who now has the floor is a former Ambassador to India, one of the countries which we aid the most. The Senator speaks from the depth of his experience. I hope very much that not only the Senate but also the world will listen.

I should like to ask the Senator—which is the reason why I have interrupted—whether he would add another factor, the private enterprise factor, and whether we should not bargain with the countries to which we give aid, to be sure that they will be receptive to all the private enterprise investment available to them if they will but treat it fairly, without discrimination, and without having the sword of Damocles of expropriation hung over their heads every Wednesday.

Mr. COOPER. I am glad to accept the Senator's suggestion: Many of these countries have misconceptions about American private enterprise, but they should accept bona fide and helpful private investment.

Mr. President, I wish to emphasize my first point. I speak from limited experience in this regard, but at least from some experience.

The evolution of a program for a country, and specific projects, must of course be initiated by the country involved. The program and the projects are proposed by officials of the country, and tentatively agreed to by U.S. officials of our AID programs actually on the ground in the recipient country. They are planned, reviewed, and then recommended to officials in Washington, D.C.—where I am afraid that the recommendations are often reviewed and accepted project by project, rather than upon their merit as an integral and necessary part of the basic program for development, which the United States had previously reviewed and found workable.

I believe it is necessary that the basic programs of the countries we aid should be considered at the highest level possible, at least by an Assistant Secretary of State or by those at the highest levels in AID. Experts could be brought in to assist in this review and study.

Of course, the preliminary work is done in the country aided, by consultation between officials of the recipient country and our officials under the Agency for International Development. I do not mean to say that this process is not carried on with respect to some countries, and partially for all. The essential point I am making is that before the United States makes commitments of aid to a country for its development—a development that will continue for many years and require continued assistance by the United States—this country should do its best, through consultations and advice, to persuade and assist the recipient country to develop and adopt a basic program for development that has the chance of succeeding. If this is not done, our aid will be ineffective and will not help greatly.

Only after such a decision on the major plan is made—at the highest levels—can there be valid decisions as to whether specific projects are needed for its success. Of course there will be revisions, and changes. But these basic determinations must be made by our country or else our aid will not meet our objective of promoting the speedy and adequate development of the countries we aid. And of course the basic plan, and every project, must include the greatest self-help possible.

I have examined the hearings year after year. I do not serve on the Committee on Foreign Relations or on the Appropriations Committee, and so I do not receive the benefit of information which comes to them. But I talk often with many who work with our programs, and with others who observe them.

I do not believe that the United States is making the decisions at the highest levels, whether a basic program has been developed by each country which offers the best chance for success, and whether specific projects of the program to which our money is applied contributes largely to the success of the plan.

I know that this is a difficult process, but the largest effort should be made.

I know the question will be asked, "Would not such negotiations and consultations at high levels be interpreted as placing strings on aid?" Of course this is a matter of concern on the part of countries to which aid is given. I would answer by saying, "We are willing to provide help for a program of development which both of us believe can succeed. It is not provided as a matter of right, nor as a matter of grace. There must be a two-way agreement on a workable program, for the application of our aid."

I believe the people of the other countries would respect us more, and respect the genuine good purpose of our aid, if we apply such standards before we make major contributions.

It might be said, "Some will go to the Soviet Union." Many go to the Soviet Union, anyway. I think the best answer is, "After consultations—going over your programs at the highest level—we have made the best decision we can about the extent and objects of our aid. It is all that we can do. If the Soviet Union will help you further, it is not our decision and we have no objection.

During my stay in India, I found that India had done good planning on its long-term programs. That is one of the reasons I supported their program and our aid. High officials of the United States, as well as the United Kingdom, reviewed their programs with their high officials, and found them workable. However, even there, until long-term commitments were possible, I believe too much of our money was funneled off by our officials into secondary projects. Valuable as they were, they were not as important to development as they should have been.

And there is a tendency on the part of those who have charge of such programs to build up their forces, to make the programs last.

I have spoken on this subject year after year. I have done more. In past years I have made recommendations to the State Department, and to officials of the past and present administrations.

The PRESIDING OFFICER. The time of the Senator from Kentucky has expired.

Mr. KUCHEL. Mr. President, I yield the Senator 3 additional minutes.

Mr. COOPER. I supported the recommendation of President Eisenhower and later, of President Kennedy, which was implemented in part last year when the Congress agreed to authorize long-term commitments.

But long-term commitments are not enough. There should be no long-term commitment until there has been the fullest exploration of the program proposed by another country, with a thorough analysis of the program at the very highest possible level in our own country.

People of foreign nations will respect us if we ask for high standards. Our programs then will mean more to the beneficiary countries and more for our purpose—helping other nations to the maximum possible extent.

TRIBUTE TO DR. STERLING M. McMURRIN, COMMISSIONER OF EDUCATION

Mr. COOPER. Mr. President, a few days ago, a great public servant left the scene of public affairs and started back to the college campus, to his classes in philosophy. Dr. Sterling McMurrin, who had served as U.S. Commissioner of Education for something less than 2 years, called together the staff of the Office of Education to bid them adieu. But he gave more than a warm personal message. He spoke to them of his philosophy; his philosophy of education of public service, of life in all its aspects.

Dr. McMurrin is a scholar, and a civilized man. But scholar though he is, he has never confined himself or his thoughts to an ivory tower, to a world limited by academic walls.

He was appointed by a Democratic President, but Sterling McMurrin followed no partisan political pattern; no partisan political procedures; he followed the dictates of his conscience and the mandates of great thinkers of all ages: the eastern wise men, the classic Greek philosophers, the leaders who gave the world the Judean-Christian code of moral living, and the thoughtful writings of the scholasticists of the Middle Ages to the beginning of modern philosophy.

With this knowledge he sought to give direction, but never directives to education.

He spoke of the tremendous importance of the individual and sought to emphasize the overwhelming necessity today for the personal and the intellectual integrity of the individual.

I do not plan here to comment editorially on the speech he made, extemporaneously to his staff on his last day in office. His speech calls for widest dispersal. All thoughtful Americans should have the opportunity to read it and ponder its message.

American education may well be guided by it; all thoughtful school people will be inspired by it.

I trust it will not mark the departure of Dr. McMurrin from an active role in shaping policy for American education. We need him to help provoke thought, even though he may wish to leave the arena of public administration.

I hope a way will be found to keep his intellectual leadership before the Nation.

As a first step, I ask unanimous consent that this speech be inserted in the body of the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY STERLING M. MCMURRIN, U.S. COMMISSIONER OF EDUCATION, U.S. DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE, TO THE OFFICE OF EDUCATION STAFF, SEPTEMBER 5, 1962, DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE AUDITORIUM, WASHINGTON, D.C.

I very much appreciate your willingness to come together to make it possible for me to say a few words to you regarding the Office of Education and also relative to education as a whole in this country.

This is a most gracious attendance. Frankly, I didn't know we had this many people in the Office of Education.

I must say that it's a very great disappointment to me that I have not become better acquainted with all of you personally. The very nature of the work of the Office of Education has, of course, brought me in very intimate contact with some persons on a daily basis, with others on a less frequent basis, and with some of you, rarely, if ever. It's a very great disappointment to me frankly, and in many ways, I'm aware that it's my own fault. On one or two occasions with very firm resolve, I undertook to meet with small groups of the professional staff to discuss with you on a somewhat more intimate basis, though I'm afraid you may have felt rather artificially, the work that you are doing and the degree of satisfaction that you realize from that work. I'm really very sorry because this was a most rewarding experience for me, becoming better acquainted with the work of the Office of Education and also cultivating a more personal relationship with many of you. I'm very sorry that I did not pursue this effort more vigorously. Frankly, I had no idea that I would be leaving as soon as I am, and it's always easy to look back and see all the mistakes that have been made—things that should have been done—and should have been said that were not said and done.

I would like you to know that my reasons for resigning from the Office as Commissioner are really very, very simple. I have read some highly sophisticated and subtle, complicated and profound explanations for my resignation. Some of them certainly have been most impressive, all of them very interesting, some very enlightening, and, I must say, others very tempting. I wish, frankly, that I had been capable of a resignation on such technical, profound, and subtle grounds as some of those that have been described. But after giving much consideration to the matter, I have decided that my own reasons are the best after all, and I want you to believe that I'm very sincere when I say that my reason for resigning is simply that I have always considered myself to be a kind of misplaced schoolteacher. For the past 8 or 9 years I have been involved in administrative work. I have wanted for a long time to leave administration and return to teaching and research, and when I came to Washington it was with the firm intention of leaving administrative work on the occasion of the termination of my tenure as Commissioner. I had no idea that that termination would come so soon.

It was the resignation of Mr. Ribicoff from the Department that prompted me to submit my own resignation, simply because I felt that this would be an appropriate time for me to make such a move—in view of the change of administration in the Department.

I assure you that my resignation at this time has nothing whatsoever to do with any lack of confidence in our very distinguished Secretary, Mr. Celebrezze, or any lack of confidence in the importance of the work or the future of the Office of Education. It is not due to any large frustrations or any small frustrations of any kind. It is simply due to being placed in a position of having to make a choice between two ways of life. I frankly wish that I were two people and could follow both of them.

Now, whether it's wise or unwise for me to have resigned at this time is a judgment for anyone to make who cares to. I leave, certainly, with very mixed feelings and emotions. My experience here has been in every way, professionally and personally, one of very great satisfaction. It is a very difficult thing for me to leave feeling that many things that we are working on are yet unfinished. I personally would like to see them through to a further stage of development. I don't say through to completion because I think an operation of this kind should never feel that its work is in any sense completed.

I am very highly complimented and, of course, personally am pleased by the fact that many of you have urged me to remain in the Commissioner's office, and Secretary Celebrezze has himself urged me to remain. I very much appreciate his attitude in this matter. I don't want to dwell on the point of my leaving, I simply felt that I owed you some very clear statement accounting for this action. I would like you to know that I certainly will have a continuing interest in education in this country, and in the world at large for that matter, and in the solution of the numerous problems that are confronting it. I told some of our colleagues yesterday that I was really beginning to get interested in education. I don't want that to sound like it does sound. But I mean to say very frankly that I have, through association with you, and through the responsibilities placed upon me by my work in the Office of Education, become intensely interested in the major issues facing education, and I'm quite sure that these will always remain a very basic part of my life's commitment.

It has been a very great pleasure, as I have said, to have association with you, individually and personally. It is a matter of great pride to me that I have had this identification with the Office of Education and with the Federal Government. As you very well know, from things that I have said in the past, I am inclined to be somewhat critical of the things that we are doing and the way that we are doing them in the Office of Education. I would like you to know, however, that I believe that the Office of Education is subjected to a kind of criticism from both within and without the Government that is, for the most part, highly unjustified. The weaknesses that are to be found in the Office of Education are very real, but it is also true that there are very great strengths in the program of the Office, the personnel who administer that program, and in the manner in which the program is administered. And I think that it is most unfortunate that a considerable number of people in the Government, as well as outside the Government, are so ready to overlook the obvious instances of great strength and high integrity in the administration of the Federal program of education in this Office in favor of the weaknesses that they, rightly or wrongly, are able to identify. Those weaknesses are due, I think, to a variety of factors. They are due in part, I suppose, to the conservatism of people in education. That, incidentally, is to be found not only in the Office of Education, but in all educational institutions, both high and low. This conservatism is something that stands in the way, it seems to me, of American education moving as rapidly as it might in the direction of satisfying the intellectual purposes of our schools, colleges, and universities.

Our weaknesses are due, in part, I suppose, to the character of bureaucratic structure, where things move altogether too slowly. I personally think that much of what we do in the Office might just as well be done in half the time that we are taking. I'm aware that very often this is due to inadequate personnel. It's one thing to insist that we are not doing as well as we should; it's something else to provide more adequate staff in terms of numbers, and also in terms of salaries, to do the kind of job that is needed. I feel that very often the Congress is inclined to withhold from the Office of Education those very resources that are necessary to make it possible for the Office to do the things that the Congress rightly expects of it.

At any rate, you know as well as anyone else that in an operation of this kind there are many shortcomings and many deficiencies. Things move slowly. Very often it is impossible to attract to positions many of the people that you would like to attract to them. We've all had that experience because all of us are in one way or another responsible for the success or failure of our personnel recruitment efforts.

There are many things that could be said on the negative side, and I for one do not want to gloss over them. I think it would be a most unfortunate thing if we were not only entirely sensitive to the criticisms that come from without, but ready to be even more vigorous in our own criticism of ourselves. And I believe that the Office of Education should—and I say the same of all the educational institutions in the country—they should develop a more adequate technique and a more abundant spirit of self-criticism than has been customary with them; because, after all, it is the criticism that comes from within that is likely to make the largest difference in any educational enterprise.

But having said that, I want to return to my insistence that the strengths of the Office of Education far outreach in my honest opinion, the credit that has been given to the Office by people both in and outside the Government. Here, as you very well know, are tremendously important programs being efficiently administered and administered with a very high degree of integrity in the public interest, in what is often, it seems to me, a most remarkably selfless manner, programs which receive virtually no attention from the public and often nothing more than ceremonial attention from the Government itself. So I do want to insist to you that I am sincere when I say that it has been a matter of very great pride to be associated with you in the U.S. Office of Education.

I believe that the future of the Office deserves the careful and continuing consideration of all of us, and of all those who are interested in the future of American education. Many good things have come from the Office of Education in the past, and many, many more things must come from it in the future. It must be the chief source of leadership in American education—of leadership in ideas, leadership in incentive, and of genuine inspiration for the forward movement of American education. I have found, as a matter of fact, that many people in the Office of Education have been somewhat apologetic about the role which they have performed in relationship to education in the Nation at large, and it seems to me, in relationship to some institutions and some educational organizations. I would like to insist that the U.S. Office of Education should never be compared in any way whatsoever with any of the educational organizations that represent institutions or that represent educational functions or that represent segments of the educational profession. It, in a sense, stands over and above any educational organization that we can identify simply by reason of its being a basic function and agency of the Federal Government, and it should, it seems to me, be the chief source of leadership in American education. I have no doubt that it will continue to be a source of genuine leadership and will continue to increase in its command of respect from the educational world.

Now in saying this, I would also like to insist that, in my opinion, there are very real dangers connected with the Federal Government's involvement with education and educational institutions. These dangers have always been present and they are present now. I have entire sympathy with those in and out of the Government who are continually alert to the danger of the Federal Government's taking an active part in educational enterprises of one kind or another. The danger is a perfectly obvious one. It is conceivable that if various kinds of safeguards were not maintained, the Federal Government could eventually come into some kind of control of the educational enterprise of the Nation and produce a monolithic structure of our educational establishment. This, it seems to me, would be a very great tragedy for the intellectual and cultural life, and the social structure of the Nation. This would be a most tragic thing, and it seems to me that those who are charged with the responsibility of formulating educational policies for the Federal Government and of administrating educational programs established by the Federal Government have upon their shoulders a very large obligation to make sure that we do not move in the direction of the destruction of the kind of control and administration that in principle we now have over our schools, colleges, and universities.

I have read, as I know you have, numerous arguments in favor of State and local control of the schools and of the independence of our institutions of higher education. It seems to me that there are far better arguments than most of those that I have read, because so many of them have to do simply with a kind of national habit or convention on the one hand, or with matters that in the last analysis are trivial on the other. The main argument in favor of the kind of administration and control which we now have in this country, I would think, is that this kind of educational organization is clearly in part responsible for, and is reciprocally casually related to, the pluralistic structure and the democratic foundation of our society, and any major change in the control of education, which determines the intellectual and cultural processes of the Nation, must inevitably control the character of our society and, in various ways, the quality of our culture. Anyone who presumes to undertake to change this format of education that has for historic causes and reasons become a part, and a very fundamental part, of our social structure and cultural life, is certainly taking upon himself the very large responsibility of tampering with the democratic character of our institutions and our culture.

The kind of educational organization that we have is intimately and integrally tied up with the pluralistic foundations of our national life. And this, in turn, lies at the very foundation of our democratic institutions and our democratic ways of living. It is for this reason, it seems to me, that all who are associated with the tasks of the Office of Education or of any other Federal agency related to education have a major obligation to be genuinely vigilant in the matter of respecting the independence and the autonomy and the self-determination of our educational institutions, as far as their relation to the Federal Government is concerned.

Now I am aware that this matter is an extremely complex and difficult one, because it is possible to pursue the line of local control to the point of absurdity. It is just as great a responsibility that lies upon the members of local school boards or the members of State boards of education or local superintendents and faculties and State commissioners and their staffs, to see the problems of education from the standpoint of the large national needs that have long existed and are developing and will develop in the future, as it is a responsibility of those of us who serve the Federal Government in education to see the schools from the standpoint of the value of State and local control. And one of the great misfortunes of American education at the present time, it seems to me, is that many of those who are in positions of immediate or indirect influence upon and control of the schools are unable to see the responsibility of those schools other than in provincial and highly localized terms. This, I would think, is the great problem that we face in undertaking to describe a pattern of education for America that will satisfy the enormous needs of the future. Those needs have to do with the integrity of the individual, the value of the individual, the cultivation of his intellectual, moral, artistic, and spiritual life, with providing for him the highest opportunities of which we are capable for the cultivation of his intellect. They have to do also with those large needs that in various ways and for various causes accrue to the Nation as a whole and to communities and States and regions. In some way or another—and I presume that we are moving in a satisfactory direction in this regard—in some way or another, we must do justice to the individual and justice at the same time, and through our ministering to the intellectual needs of the individual, to the community, and the State and the Nation. We must see the problems of education from a national perspective as well as a local perspective. We must satisfy those problems in such a way that the individual has the finest education of which he is capable, because it is good for him as an individual person, and has that education because it is necessary to the quality of our culture and the strength and security and the lasting power of the Nation. This, it seems to me, is an exceedingly difficult task. It involves the best effort and the most profound and generous commitment of all of us.

If we turn attention to the problem of education in itself, it seems to me that we are faced with a very large issue that has several aspects. In the first place, we have a kind of sociocultural problem that was identified many years ago by the very perceptive French writer, De Tocqueville, who felt that the American people were in a sense intoxicated with the value of equality. It was his opinion, as you well know, that the Americans were ready to sacrifice freedom to equality, that nothing mattered more than equality. And it was his opinion, as it has been the opinion of many social philosophers in the past and even in the present, that this kind of commitment to equality must eventually have a dead leveling effect upon a people that reduces the whole of a society to mediocrity.

Now I'm not suggesting that De Tocqueville and the others who have taken this position were correct. I certainly am not willing to admit that the American people in his time or now are willing to sacrifice freedom to equality. But quite certainly the ideal of the value of equality has had an enormous impact on the character of our society, upon our habits of thinking, upon our conceptions of what is good and what is not good. We have, in many, many ways sacrificed other values to it, while not discerning profoundly the best meaning of "equality" itself.

Now I think personally that our schools are not nearly as strong as they should be. They are not nearly as strong as they might have been if we had gone in some other direction. They are not nearly as strong as they can be in the future, or as they will be in the future, because it's very obvious to all of us that we have become alert to the problem that our dedication to equality has created for us, and that we are moving in a good direction. The consequences of our move are to be found all around us.

The point is that we have conceived of equality in a manner that, after all is said and done, is somewhat undemocratic, and we have approached the problems of education all too frequently under the assumption that some way or another, the children and the students must be brought into the presence of knowledge and confronted with the disciplines of the intellect on a basis of equality that puts them all in exactly the same situation and gives them exactly the same status. Now I know that I am caricaturing the thing to some extent. But, nevertheless, the attitude has prevailed very widely that equality should take precedence over everything else, and those who are of better than average competence in one way or another have all too frequently suffered as a result. Quite certainly, the creative powers of our culture have very clearly suffered as a result. The creative achievements of our society are not what they might have been, as great as they are, if over the past 30 or 40 years we had been moving steadily in the direction that I believe we are now moving, that is to the recognition of the meaning of equality and democracy in education in the simple terms that all of us have always been so familiar with—the equality of opportunity—and if we had undertaken to, in some way or another, translate that ideal of opportunity into the best possible conditions for the full development, and absolutely full development, of the intellectual capacities of the individual. We have sacrificed and wasted our talents in a most disgraceful manner, and, as you very well know, at the present time the Nation is suffering as a result of this waste, and countless numbers of individuals have been its victims.

Again, I think it's entirely obvious that the Nation is alerted to the character of this problem, and I hope that those of us here will in various ways make ourselves felt wherever possible, insisting on the highest quality of education of which the individual is capable. And as you very well know, it is becoming more and more obvious that the individual is capable of learning far more, far faster, and far earlier, than we had ordinarily supposed.

Well, I don't want to dwell upon this point too much, because it's an entirely obvious one, and I don't for a moment suspect that any of you would disagree with me. There are, of course, people here and there who disagree, partly, I think, because of their unwillingness to change their ways and change their habits in matters having to do with education.

But to give attention to one other very large problem, that it seems to me has plagued our educational life, and one which we are still struggling with, I refer to the fact that for a generation or two a very pronounced irrationalism has been invading the intellectual life of our society, and to a not inconsiderable degree, affecting the quality of our educational program. This is an irrationalism that has numerous facets. It has to do not simply, of course, with education; it has to do with the whole structure of the intellectual life of a society. But there has been, for the past several decades, an increasing threat to what might be called the "liberal ideal" of the Western World, and it is this threat, it seems to me, that our educational institutions must move to overthrow.

The liberal ideal is associated historically with the classical Greek conception of man that is so brilliantly expressed by Aristotle in his statement, "Man is a rational animal." Aristotle's ethics are predicated upon this conception of man. The thing that is good for man is whatever constitutes the cultivation of his reason, and the cultivation of his reason is related to the achievement of knowledge. It is out of this, for instance, that you have this remarkable, and perhaps meaningless, conception of God in Aristotle's metaphysics, that God is pure thought thinking itself. But here, nevertheless, is the fountainhead historically of the Western liberal conception of the nature of man that has in various ways produced the high culture and intellectual attainment of the Western World—that man is a rational animal, and that his proper vocation is the pursuit of reason and the achievement of knowledge. This is taken up into the theology of the Christian Church in the Catholic doctrine that describes the meaning of the Biblical statement that man is made in the image of God as meaning that man is vested with the divine rationality.

Now this, I think, is something that has been most seriously threatened for the past half century or more by large developments in our society and in our culture. It is ridiculous, as many undertake to do, to pin such large developments on individuals as if any single individual could be responsible for changing the course of the development of a culture. Quite certainly, the major practical failures of our society in the form of the two World Wars and the depression between those wars, and now the inability of the world to secure the foundations for peace, have had a large negative impact upon this somewhat optimistic liberal conception of man, the role that he should play in history, the meaning of the "good life."

Now, as far as our schools are concerned, I think they have participated to a considerable degree in the invasion of irrationalism, or, if you prefer to put it otherwise, the decline of the ideal of reason and knowledge. There are many causes for this decline in our schools, but obviously we are beginning to make a very sound comeback, and I think the Office of Education has a major role to play in this Nation in this comeback. There has been too often a failure to recognize that it is not the purpose of a school to perform all of the functions of a society that are worth performing. Society is a complex organism. The various institutions of society are in existence because they do more or less successfully perform important social functions in the life of the individual and the life of the society. The task of the school has to do with the achievement and the dissemination of knowledge, and the cultivation of the intellect and induction into the uses of the reason. This is what schools are for. And I would think that the schools should insist upon fastening their attention and their energies upon, and devoting their resources to, knowledge and reason for their own sake and for the consequences that flow from knowledge and reason when these are vigorously pursued. The insistence that they should do that is one of the stands which Office of Education should take. It seems to me that when it does not take that stand it is failing in its very grave responsibility to the Nation.

I am well aware that the schools are under the necessity of performing all kinds of social functions. The important thing is that those functions always be recognized as secondary or tertiary to the primary concern of knowledge and the intellect, and that many of them be eliminated wherever possible. And it is quite obvious that it is the purpose of a school, and our society rightly expects that the schools will satisfy this purpose, to contribute to the artistic life of the individual, his artistic creativity, to contribute to the moral life of the individual, to his personal and civic character, and to contribute to the spiritual quality of his life. And any school that does not in various ways strengthen the moral and artistic and spiritual life of the individual, make him more perceptive and give him a more profound moral discernment, is quite certainly a failure as an institution of education, whether it is an elementary school, secondary school, college, or university.

But my point is the simple one that those institutions that turn their attention to morality as their primary purpose rather than to knowledge as their primary purpose will not be producers of knowledge, and will also not be producers of morality. And those schools that assume that their primary purpose has to do with spirituality—unless this actually is the basic reason for their existence, within an ecclesiastical framework. (I am not referring here to parochial schools which may or may not be established for such a purpose. I am referring to public schools primarily and to those institutions that fundamentally are like public schools.) Those who suppose that you cultivate the spiritual life on the campus or in the schoolroom in some kind of abstraction from the pursuit of knowledge and a rigorous discipline of the intellect will discover that the spirituality cultivated is at best an appearance, or if it is real, is quite superficial; or that it was cultivated in spite of the school, and not because of it. It is only when a school pursues its primary purpose and function, a purpose and function that should be respected and protected by all of those who are in a position either to control or administer educational affairs or in various ways to affect them that it will yield these other important and also very basic products of education.

So I think very frankly that there are two threats that hang over us, two factors in our culture that have already adversely affected American education, but that we are in the process of successfully fighting and shall continue to fight with much vigor, the undemocratic conception of equality, which I mentioned earlier, and the threat of irrationalism and lack of respect for reason, the lack of respect for the integrity and purpose of an educational institution.

I would like to mention just one more thing that seems to me to be appropriate as a consideration for all of us who have a serious interest in the problems of education. That is the large condition of our culture when seen against the backdrop of history and in terms of our relationships with other nations and with other cultures. As you well know the predominant conception of the life of a society and the life of a culture in the Western World, as in the Orient, has been that cultures proceed essentially on a cyclical pattern—that some way or another after they begin they go through a life cycle and eventually the cycle is completed. There are notable exceptions to this, of course, but this still is the predominant conception of culture in much of the world and it is a conception that must always in a sense hang over us as a kind of threat that eventually our culture will decline and die.

Now there are many arguments against this theory of the life cycle of a culture in favor of the linear conception of a cultural progress which does not necessarily have to come to an end. In the 19th century, as you well know, and in the 18th century the doctrine of progress became a kind of all-consuming theory of history in parts of Western Europe and in our own country. We became in a sense almost intoxicated with the idea that there is an inevitable destiny for our kind of culture and our kind of society, and indeed, for our own society under our own Government—an inevitable destiny of its moving onward and upward so that it would move with us or without us; that nothing could prevail against this inevitable automatic progress. Much of the irrationalism that we now suffer from in our culture is related to the decline of this idea of inevitable progress, a decline occasioned, as I have already indicated, by the wars and depression and enhanced today by our failure to clearly establish a foundation for peace.

A problem that we now face, it seems to me, is that we must seriously raise the question, "Are we involved inevitably in some kind of progress?" Most of us would be now inclined to say no to that question. We also, I hope, would be inclined to say no to those prophets of doom such as Spengler and the Marxists, who insist that the inevitable decline and destruction of our culture is before us. Here it seems to me is our great task as far as education is concerned. That is, that we must recognize that neither the success nor failure of our kind of society or of our kind of culture is already written into the structure of human history, but that in some way or another it is conceivable and possible that human beings can through their action as individuals and in concert determine the course of their society and the rise or fall of their culture. The great task of American education is to establish the free determination of the future of our society and to bring to our culture a genuine creative renaissance. It must be a renaissance expressed not simply in our technological or even in our scientific achievements, but expressed in all our intellectual, artistic, moral, and spiritual achievements and in the establishment of a genuine social justice for all of our people.

I think that it is only when we see the task of the schools in terms of the large role, the very large role, that education plays in the course of history as well as in the determination of the life of the individual, the quality and character of his life, that we can adequately come to grips with the responsibility which so heavily rests upon all of us, the responsibility of achieving the highest quality of education of which we are capable, because so much depends upon it for us and for the world.

Well, I had no intention of sermonizing on this occasion. I must tell you very frankly that I thought it was inappropriate for me to say anything and it was only after a number of our colleagues had urged me to do so that I came to the decision to consume your time in this way. I want to tell you again what a very great honor and great personal pleasure it has been for me to be associated with you and to assure you once more of my continuing interest in your work and my continuing support of you as the staff of the U.S. Office of Education.

TRIBUTE TO SENATOR ALBERT GORE

Mr. HUMPHREY. Mr. President, there appeared in the Chattanooga Times recently an excellent feature article by the noted columnist and reporter, Mr. Charles Bartlett, under the caption "In Washington and New York" with the title "Gore Travels Between Reality and Idealism."

Mr. President, I think this is a most appropriate time to bring this article to the attention of the Senate, because the Presiding Officer at this moment is the main attraction of the article. In other words, our present Presiding Officer is the central figure of this article written by Mr. Bartlett. It is an article which pays very proper and just respect and admiration to the distinguished junior Senator from Tennessee.

I join Mr. Bartlett in his sentiments concerning the junior Senator from Tennessee. It is an article well deserved, which does justice to the distinguished Senator from Tennessee. I ask unanimous consent that the article may be printed in the body of the Record.

The PRESIDING OFFICER (Mr. Gore in the chair). The Chair trusts there is no objection. The Chair hears no objection.

There being no objection, the article was ordered to be printed in the Record, as follows:

In Washington and New York: Gore Travels Between Reality and Idealism

(By Charles Bartlett)

Washington.—It is possible to sympathize with Senator Albert Gore in his present necessity to commute regularly between the Senate and the General Assembly. He is riding an airstream between two wind chambers.

A man would have to be deeply inured, as Gore is, to all the vicissitudes, of parliamentary procedure to endure such a schedule. These include the emphasis on words, over solutions, on individual purposes over the common good, and sometimes on publicity over principles.

Gore is further obliged to undergo a change of role and attitude each time he takes the plane. In Washington he enjoys the independence of being a Senator, a man who can make his own judgments and exert his own critical faculties. In New York he is a spokesman for the Government, an ambassador of national policy whose own thoughts and doubts must be subliminated to directives from the State Department. In Washington, he is the gentleman from Tennessee. In New York he is the U.S. representative.

He enjoys the advantage in both places of being a part of the majority faction which can in most cases command the votes to carry its will. But just as Gore has never been content to float along with the Democratic majority in the Senate, he seems almost certain to have independent ideas on the course of Western policy in the United Nations. When faced with the choice of staying on the team or going it alone in pursuit of his convictions, Gore has always chosen the role of the loner and those who wish him well in New York hope deeply that the conflict will not arise to plague him during his 3 months there.

While the U.N. has been, since its formation, something of an exercise in frustration, the Tennessee Senator may find it a refreshing change from the Senate, where he has been occupied for most of the past 9 months with bumping his head against the wall of conservatism which dominates the Senate Finance Committee. Having played the consistent loser in this contest, he should find it relaxing to participate in the stratagems which are likely to produce victories in General Assembly rollcalls. Certainly, as he himself has pointed out, his Soviet opponents are not likely to prove any more wily or resourceful than the stalwarts like Senator Robert Kerr against whom he has been contending in the Senate.

Senators have often in the past been elected for the U.N. assignment with the purpose of broadening their horizons and giving them a deeper feel of the world's problems. The choice is known to have been made in Gore's case with the purpose of giving the

U.S. delegation the benefit of his penetrating and activist approach to problems. He reflects none of the soft shoe approach in domestic or foreign politics and the impact of his personality upon the carpeted diplomacy at the U.N. may be substantial.

The chief virtue which the Senate can claim over the General Assembly is the quality of realism. A Senator must deal in terms of clear realities—the sentiment at home, the administration's position, the limitations of the budget. The General Assembly, largely because of the number of new nations whose immediate aspirations exceed anything they have at hand, has found it hard to break through the insulation of idealism to come to grips with the situation which exists.

Few of its delegates, particularly those from the newer nations, can claim the variety and sophistication of experience which has been GORE's fortune, and many of its diplomats have difficulty in adjusting to the fact that the world forum is a hardboiled political exercise in which charm and blandishments are only one key to the alinement of votes. Some tend to be diverted by the wash of receptions and social bonhommie which are part of the New York scene.

In this atmosphere the United States needs most of all a demonstration of rugged character and unbending purposefulness. GORE has these qualities and he is likely to make them felt.

TRIBUTES TO MR. JUSTICE FRANKFURTER AND MR. JUSTICE GOLDBERG

Mr. HUMPHREY. Mr. President, one of the most distinguished careers in the history of the U.S. Supreme Court ended yesterday and, I predict, another distinguished career began. Mr. Justice Frankfurter's seat on the Nation's highest tribunal was assumed by Mr. Justice Goldberg.

Mr. President, I was present for that inspiring and memorable ceremony and occasion.

In recent days many Members of this Body have risen to pay tribute to Justice Goldberg. I have rarely observed such great unanimity of feeling regarding an appointment to the Supreme Court. He was a great lawyer and Secretary of Labor. He will be a great justice. This Nation is most fortunate to have his wisdom and judicial experience at its command.

Similarly this Nation has been most fortunate to have had the services of Justice Frankfurter over the past quarter century. Felix Frankfurter has written his final opinion, but the wisdom he imparted to these opinions will remain with this country for decades. His legacy is indeed impressive and his contributions indeed historic. As Chief Justice Warren said yesterday:

> As scholar, teacher, public servant, enlightened critic and member of this Court for almost a quarter of a century, Justice Frankfurter has already made a contribution to our jurisprudence rarely equaled in the life of our Court.

Mr. Justice Frankfurter's concern for objectivity, his scholarly dedication to the law, his respect for the executive and legislative branches, and his abundance of commonsense constituted his unique contribution to the work of the Court over the past 25 years.

In a letter addressed to his former colleagues on the Court, Mr. Justice Frankfurter again gave evidence of these qualities as he testified to his abiding faith in the role of reason as the central element in the judicial process, and the importance of these processes to the health of our democratic system.

He writes, in part:

> My years on the Court have only deepened my conviction that its existence and functioning according to its best historic traditions are indispensable for the well-being of the Nation. The nature of the issues which are involved in the legal controversies that are inevitable under our constitutional system does not warrant the Nation to expect identity of views among the members of the Court regarding such issues, nor even agreement on the routes of thought by which decisions are reached. The Nation is merely warranted in expecting harmony of aims among those who have been called to the Court. This means pertinacious pursuit of the processes of reason in the disposition of the controversies that come before the Court. This presupposes intellectual disinterestedness in the analysis of the factors involved in the issues that call for decision. This in turn requires rigorous self-scrutiny to discover, with a view to curbing, every influence that may deflect from such disinterestedness.

Justice Frankfurter's contribution to American jurisprudence has been so massive during his tenure on the bench that one tends to forget the career that preceded his appointment by President Roosevelt in 1939. His service with Henry L. Stimson in the U.S. attorney's office in 1907, his position as special assistant to Secretary of War Stimson in President Taft's cabinet, and his similar position with Secretary of War Lindley M. Garrison in the Wilson administration, his collaboration with Herbert Croley, Walter Lippmann, and Francis Hackett in the founding of the New Republic, his years as professor of law at Harvard Law School, his participation in the Paris Peace Conference, his role as principal adviser and consultant to President Franklin Roosevelt during the early years of the New Deal—all of these accomplishments constitute a record of public service of highest merit.

Although Mr. Justice Frankfurter has retired from active service on the Court, I am confident his contributions to our society has not ended. I trust this Nation will have the commonsense to seek his wisdom and counsel for many years to come. Perhaps his colleagues on the Court said it best in their farewell letter:

> Your retirement does not end our association. It merely changes the form of it. You will always be one of us, and after rest and relaxation from the rigors of the courtwork restore you to health, we look forward to years of continued happy association with you * * *.

Indeed the entire country looks forward to the many contributions to our public life that Felix Frankfurter still has before him. He is a great American and I salute him.

Mr. President, I ask unanimous consent that the text of the letters between the Justices of the Supreme Court and Justice Frankfurter be printed in the RECORD at this point.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

TEXT OF A LETTER TO RETIRING ASSOCIATE JUSTICE FELIX FRANKFURTER FROM CHIEF JUSTICE EARL WARREN AND ASSOCIATE JUSTICES OF THE SUPREME COURT

SEPTEMBER 27, 1962.

DEAR JUSTICE FRANKFURTER: As the opening day of our 1962 term approaches, it becomes increasingly difficult for all of us to realize that you will not be in your accustomed chair, which you filled with such distinction and in such good fellowship with your colleagues for almost a quarter of a century.

All of us, except Mr. Justice White, our newest member, have served with you for years and we, more than any others, will feel the loss that comes from your retirement. We regret the necessity for it, but we reluctantly accept your decision because your doctor has told you and us that if this course is pursued there will be opened to you new avenues of usefulness to the profession to which you dedicated yourself 60 years ago.

Every one of those years was an eventful year for you as you strained every fiber of your mind and body to the administration of justice and to the welfare of the Court. Few men in the life of the Supreme Court have made contributions to its jurisprudence equal to your own. As a scholar, teacher, critic, public servant, and a member of the Court for 24 terms, you have woven your philosophy of law and your conception of our institutions into its annals where all may read them and profit thereby.

Your retirement does not end our association. It merely changes the form of it. You will always be one of us, and after rest and relaxation from the rigors of the courtwork restore you to health, we look forward to years of continued happy association with you. In the meantime, our best wishes for a rapid recovery will always be with you.

Sincerely,

EARL WARREN.
HUGO L. BLACK.
WM. O. DOUGLAS.
TOM C. CLARK.
JOHN M. HARLAN.
WM. J. BRENNAN, Jr.
POTTER STEWART.
BYRON R. WHITE.

TEXT OF JUSTICE FRANKFURTER'S LETTER TO THE CHIEF JUSTICE AND ASSOCIATE JUSTICES

SEPTEMBER 28, 1962.

MY DEAR BRETHREN: It would be unnatural for me not to address you thus. Although you have been apprised that I have advised the President of my decision to retire as of August 28, under the appropriate provisions of law, as an active member of the Court. I still address you as I do, for the endeavors which the business of the Court entails in the daily intimacy of our association have forged bonds of fellowship which cannot be abruptly severed. The final manifestation of your fraternal feelings toward me, your letter of September 27, your generous words of farewell, are a cheering close to our uniformly happy curial relations over the years, and I shall enduringly cherish your moving letter. Retiring from active membership on the Court of itself would involve a wrench in my life, but the fact is that I have served the Court in one professional way or another almost from the day that I ceased to be a law student, not merely during the years that I have actually been on the Bench.

My years on the Court have only deepened my conviction that its existence and functioning according to its best historic traditions are indispensable for the well-being of the Nation. The nature of the issues which are involved in the legal controversies that are inevitable under our constitutional system does not warrant the Nation to expect identity of views among the members of the Court regarding such issues, nor even agreement on the routes of thought by which decisions are reached. The Nation is merely warranted in expecting harmony of aims among those who have been called to the Court. This means pertinacious pursuit of the processes of reason in the disposition of the controversies that come before the Court. This presupposes intellectual disinterestedness in the analysis of the factors involved in the issues that call for decision. This in turn requires rigorous self-scrutiny to discover, with a view to curbing, every influence that may deflect from such disinterestedness.

I have spent happy years in my fellowship with you and I carry away the abiding memory of such happy years of comradeship in grappling with problems worthy of the best in fallible men.

My best wishes for happy, long years for each of you and continued satisfying labors, and every good wish that the Court may continue its indispensable role in the evolution of our beloved Nation.

With the happiest memories, I am

Sincerely and faithfully yours,

FELIX FRANKFURTER.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. KUCHEL. I, too, was honored to be in attendance yesterday at the Supreme Court chambers when Mr. Justice Goldberg took the oath of office as an Associate Justice of our Nation's highest tribunal. Many Senators and others, of all shades of public opinion, have paid tribute to the great qualities of the new member of the U.S. Supreme Court. Yesterday those who were in attendance, including the President and Vice President of the United States, the Speaker of the House of Representatives, and on down to the rest of us, witnessed the moving spectacle of the simple but precise oath required of a Justice of the Supreme Court of the United States. We were deeply moved to see the welcome which was given to the new member of the Court, not alone by his brethren on the Court, but also by those in attendance and, indeed, people across the country.

I join the Senator from Minnesota also in paying tribute to a great retiring Justice, Felix Frankfurter, who has marked for himself a high and splendid reputation as an American, a lawyer, and a judge of great vision, courage, and integrity. I join also in prophesying that Mr. Justice Goldberg will follow that same high path in making the U.S. Supreme Court the continuing symbol of equal justice under law in our country.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had agreed to the amendment of the Senate to the amendments of the House to the bill (S. 2697) to waive certain time limitations prescribed in chapters 33 and 35 of title 38, United States Code, in the case of certain veterans and eligible persons ordered to active duty with the Armed Forces, or whose period of duty with the Armed Forces was involuntarily extended, on or after August 1, 1961.

The message also announced that the House insisted upon its amendment to the bill (S. 3597) to amend title 38, United States Code, to permit for 1 year, the granting of national service life insurance to certain veterans heretofore eligible for such insurance, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. TEAGUE of Texas, Mr. DORN, Mr. EVERETT, Mr. AYRES, and Mr. ADAIR were appointed managers on the part of the House at the conference.

The message further announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 12900) making appropriations for certain civil functions administered by the Department of Defense, certain agencies of the Department of the Interior, the Atomic Energy Commission, the St. Lawrence Seaway Development Corporation, the Tennessee Valley Authority and certain river basin commissions for the fiscal year ending June 30, 1963, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. CANNON, Mr. KIRWAN, Mr. FOGARTY, Mr. JENSEN, and Mr. TABER were appointed managers on the part of the House at the conference.

The message also announced that the House had agreed to the amendment of the Senate to each of the following bills of the House:

H.R. 7600. An act to amend title 38, United States Code, to revise the effective date provisions relating to awards, and for other purposes; and

H.R. 9342. An act to provide for an exchange of lands between the United States and the Southern Ute Indian Tribe, and for other purposes.

The message further announced that the House had severally agreed to the amendments of the Senate to the following bills of the House:

H.R. 6190. An act to amend title 38 of the United States Code to provide for the repair or replacement for veterans of certain prosthetic or other appliances damaged or destroyed as a result of certain accidents;

H.R. 8556. An act to amend the National Science Foundation Act of 1950 to require certain additional information to be filed by an applicant for a scholarship or fellowship, and for other purposes; and

H.R. 9737. An act to amend section 641 of title 38, United States Code, to provide that deductions shall not be made from Federal payments to a State home because of amounts collected from the estates of deceased veterans and used for recreational or other purposes not required by State laws;

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H.R. 683. An act to authorize the Donna-Rio Bravo Bridge Co. to construct, maintain, and operate a toll bridge across the Rio Grande near Donna, Tex.; and

H.R. 9491. An act to provide for the removal of an encumbrance on the title of certain real property heretofore conveyed to the board of education of the Vallejo School District, Vallejo, Calif., by the U.S. Housing Corporation.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills and joint resolutions, and they were signed by the Vice President:

S. 699. An act to amend the act entitled "An act to incorporate the Hungarian Reformed Federation of America," approved March 2, 1907, and for other purposes;

S. 3120. An act to amend section 6 of the act of May 29, 1884;

S. 3152. An act to provide for the nutritional enrichment and sanitary packaging of rice prior to its distribution under certain Federal programs, including the national school lunch program;

S. 3156. An act to amend section 142 of title 28, United States Code, with regard to furnishing court quarters and accommodations at places where regular terms of court are authorized to be held, and for other purposes;

S. 3396. An act to amend section 511(h) of the Merchant Marine Act, 1936, as amended, in order to extend the time for commitment of construction reserve funds;

S. 3431. An act to consent to the amendment of the Pacific marine fisheries compact and to the participation of certain additional States in such compact in accordance with the terms of such amendment;

S.J. Res. 211. Joint resolution providing for the establishment of an annual National School Lunch Week; and

S.J. Res. 228. Joint resolution authorizing the issuance of a gold medal to General of the Army Douglas MacArthur.

HOUSE BILL REFERRED

The following bill was read twice by its title and referred as indicated:

H.R. 683. An act to authorize the Donna-Rio Bravo Bridge Co. to construct, maintain, and operate a toll bridge across the Rio Grande near Donna, Tex.; to the Committee on Foreign Relations.

FOREIGN AID AND RELATED AGENCIES APPROPRIATIONS, 1963

The Senate resumed the consideration of the bill (H.R. 13175) making appropriations for foreign aid and related agencies for the fiscal year ending June 30, 1963, and for other purposes.

Mr. HUMPHREY. Mr. President, I have had brought to my attention certain articles and editorials which I believe best express the importance of our foreign aid program and the contribution this country is making to the overall program of economic assistance to the underdeveloped areas of the world. I ask unanimous consent that an editorial entitled "Multilateral Foreign Aid" that appeared in the Washington Post on Friday, September 21, be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

MULTILATERAL FOREIGN AID

Eugene R. Black, the distinguished President of the World Bank, raised an important foreign aid issue when he asked whether "we are likely to get the best results if * * * funds are supplied on a bilateral basis—direct from one government to another—or should they be channeled through, and administered by, a multilateral agency?"

While he readily conceded that bilateral aid is an important instrument of foreign policy, Mr. Black's telling criticisms of those programs cannot be ignored. Aid that is "offered or exacted as a price in political bargaining" is frequently used in a manner which fails to take account of the obvious economic priorities of the underdeveloped recipients. Prestige projects—sports arenas and elaborate air terminal facilities—sometimes take precedence over vitally necessary programs for irrigation, housing, and rural highway construction. And the long overdue reform of the systems of land tenure and taxation, without which rapid growth is impossible, are delayed when bilateral assistance prolongs the lives of hopelessly backward political regimes.

The positive case for expanding multilateral foreign aid through the international agencies which Eugene Black has managed with such consummate skill rests on a series of important economic considerations. If aid were principally administered through international agencies, the recipient countries would be free to make purchases in the cheapest markets; they would be placed under greater obligation to institute reforms; and they would draw upon the experiences and technological resources of many smaller countries that are not now able to engage in programs of bilateral assistance.

There are very real obstacles that preclude the possibility of a rapid shift to multilateral foreign assistance, but Under Secretary of State George W. Ball indicated a willingness to expand such programs when he supported Mr. Black's request for an expansion of the resources of the International Development Agency, a World Bank affiliate.

Mr. HUMPHREY. The editorial points out the importance of our economic assistance being channeled more and more into the multilateral international agency type of institution.

I ask unanimous consent that an article published in the Washington Post on Friday, September 21, relating to the President's speech before the governors of the World Bank and the International Monetary Fund, together with the President's speech, be printed at this point in the Record.

There being no objection, the article and speech were ordered to be printed in the Record, as follows:

Kennedy Urges Nations To Increase Aid Shares

(By Frank C. Porter)

President Kennedy yesterday called upon other nations to assume a greater share of the world's monetary and foreign-aid burdens.

He also reaffirmed the U.S. resolve to meet its "special responsibilities, as one of the leaders of the free world, as its richest and most powerful nation, as possessor of its most important currency, and as the chief banker for international trade."

Among American obligations, the President gave first priority to the elimination of the deficit in our balance of international payments "without resorting to deflation or retreating to isolation."

Mr. Kennedy delivered a major economic address before an overflow crowd at the joint annual meetings of the World Bank and International Monetary Fund at the Sheraton-Park Hotel.

"No other country or currency has borne so many burdens," the President said. "But we cannot and should not bear them all alone."

By recognizing that "some sharing of responsibilities has already been achieved," Mr. Kennedy made it clear that he feels other industrialized nations, particularly in Europe, can and should shoulder an even greater share.

The President also pointedly reminded his audience, which included the free world's top financial and economic leaders, that the United States since 1946 has spent "some $88 billion overseas for the defense and aid of others. The European nations alone received some $26 billion in economic aid."

A Fund source noted that President Kennedy, who is credited with a greater interest in economic affairs than most of his predecessors, went well beyond the greetings and felicitations offered by previous American Presidents at Bank-Fund meetings.

There was speculation that he deliberately chose the opportunity of addressing the guardians of the West's pursestrings to make his strongest plea yet for sharing monetary and foreign aid responsibilities.

Much of the President's speech was devoted to the strength of the dollar, which he said "has been at or near the top of my own agenda" since taking office.

The dollar is not only a national, but also an international currency, Mr. Kennedy explained. "It is the most effective substitute for gold in the international payments system. If the dollar did not exist, as reserve currency, it would have to be 'invented.' "

Consequently, the security of the dollar "is and ought to be of major concern to every nation here," Mr. Kennedy continued. "To undermine the strength of the dollar would undermine the strength of the free world."

A year ago at the Bank-Fund meetings in Vienna, widespread doubts as to the dollar's stability led to a flood of advice from Europeans as to American monetary and fiscal disciplines needed to protect it.

But at the present meetings, numerous speakers, including Per Jacobsson, Managing Director of the Fund, have pointed to increasing strength in the dollar. The day after Jacobsson spoke, in fact, the pound sterling dropped below par with the dollar for the first time in 13 months.

The Finance Minister of a top European nation, for example, privately dismissed any possibility of a rise in the price of gold and said he hoped the whole question of dollar devaluation "will be dead and buried."

Instead, the current meetings have concerned themselves more with making more long-term, low-interest aid available to underdeveloped nations, whose expanding need for funds is outstripping their ability to repay conventional loans.

President Kennedy took note of this in pledging U.S. support for a plan to increase the resources of the International Development Association, a World Bank affiliate that extends 50-year credits at interest rates of less than 1 percent.

He also paid warm tribute to retiring Bank President Eugene R. Black and said he hopes "the rest of us" will increase our own efforts "in pursuing the goals he set."

These include, Mr. Kennedy said, greater capital assistance to less developed areas, maintenance of easily accessible markets in the industrialized nations for products of the growing countries, commodity and other agreements to help stabilize the export earnings of these nations, and greater efforts by these nations themselves to mobilize effectively manpower and resources.

"We who are meeting today do not intend to be mastered by our money or by our monetary problems," the President concluded. "We intend to master them, with unity and generosity—and we shall do so in the name of freedom."

Text of President's Bank and Fund Speech

Mr. Chairman, members of the Board of Governors, and distinguished guests, this is my first opportunity to take part in your annual meetings and to welcome you here to Washington—and I do so with genuine pleasure. For you are concerned with the problems which have been among my primary concerns since the day I took office exactly 20 months ago; and in that time I have come to appreciate how vital a role is played by the International Monetary Fund and the International Bank for Reconstruction and Development and its affiliated institutions. The work of the International Development Association is particularly important—and this country fully supports the proposal that the Executive Directors develop a program to increase its resources.

The pioneering practices of the Bank—which have set a standard for others to follow—will sorely miss the services of Eugene Black. I hope he will permit us to call upon his wise counsel in the future—and that the rest of us, in pursuing the goals which he set, will increase our own efforts—including efforts in the industrialized countries to provide greater capital assistance to the less developed areas—efforts also in the industrialized countries to maintain at home prosperous and easily accessible markets for the products of the growing nations—efforts to reach commodity agreements and other arrangements which will help stabilize the export earnings of those nations—and, finally and most importantly, greater efforts in the developing nations themselves to mobilize effectively their own people and financial resources, and to make certain that the benefits of increased output are shared by the many and not by the few.

In addition to these discussions on the role of the Bank, your meetings this year, as was true last year, are giving top attention to the state of the dollar—and that has been at or near the top of my own agenda during this last year and a half.

We in the United States feel no need to be self-conscious about discussing the dollar. It is not only our national currency—it is an international currency. It plays a key role in the day-to-day functioning of the free world's financial framework. It is the most effective substitute for gold in the international payments system. If the dollar did not exist, as a reserve currency, it would have to be "invented"—for a volume of foreign trade already $130 billion a year and growing rapidly, accompanied by large international capital movements, cannot rest solely on a slowly growing stock of gold which now totals only $40 billion.

The security of the dollar, therefore, is and ought to be of major concern to every nation here. To undermine the strength of the dollar would undermine the strength of the free world. To compete for national financial security in its narrowest sense by taking individual actions inconsistent with our common goals would in the end only impair the security of us all.

I recognize that this Nation has special responsibilities—as one of the leaders of the free world, as its richest and most powerful nation, as possessor of its most important currency, and as the chief banker for international trade. We did not seek all of these burdens—but we do not shrink from them. We are taking every prudent step to maintain the strength of the dollar, to improve our balance of payments, to back up the dollar by expanding the growth of our economy.

We are pledged to keep the dollar fully convertible into gold—and to back that pledge with all our resources of gold and credit. We have not impaired the value of the dollar by imposing restrictions on its use. We have not imposed upon our citizens in peacetime any limitations on the amount of dollars they may wish to take or send abroad. We have followed a liberal policy on trade. And we have continued to supply our friends and allies with dollars and gold to rebuild their economies and defend their freedom.

All this we have willingly done. No other country or currency has borne so many burdens. But we cannot and should not bear them all alone. I know that other countries do not expect us to bear indefinitely both the responsibilities of maintaining an international currency and, in addition, a disproportionate share of the costs of defending the free world and fostering social and economic progress in the less developed parts of the world. Concern over our imbalance of payments is not our concern alone—for it is not caused by our own narrow self-interest. Our deficit this year is expected to approximate $1.5 billion, a considerable improvement over last year's $2.5 billion and even higher in the years before. But our total gross military expenditures abroad are $3 billion alone. Our dollar aid expenditures abroad are $1.3 billion. The dollar itself is strong—and our commercial trade, excluding exports financed by AID, produces a surplus of nearly $3 billion. In short, our balance-of-payments deficit is not the result of any monetary or economic mismanagement, but the result of expenditures our people have made on behalf of the people of the free world.

In 1946 the United States held over 60 percent of the world's supply of gold. Now we are down to 40 percent. And during that time we have spent some $88 billion overseas for the defense and the aid of others. The European nations alone received some $26 billion in economic aid. The United States as a result no longer has a disproportionate share of the free world's gold, economic strength—or economic responsibility.

That is why I emphasize once again: these are not American problems, they are free world problems. They are problems which cannot be met by one nation in isolation or by many nations in disarray. They are not the sole concern of either the rich or the poor, of either deficit or surplus nations alone. When burdens are shared, there is no undue burden on any nation. When risk is shared, there is less risk for all. And cooperative efforts to defend the international currency system based primarily on the dollar, and to share other responsibilities, are not, therefore, based on appeals to gratitude or even friendship, but on the hard and factual grounds of self-interest and commonsense.

Of course, the United States could bring its international payments into balance overnight if that were the only goal we sought. We could withdraw our forces, reduce our aid, tie it wholly to purchases in this country, raise high tariff barriers and restrict the foreign investments or other use of American dollars. Such a policy, it is true, would give rise to a new era of dollar shortages, free-world insecurity and American isolation—but we would have "solved" the balance-of-payments problem.

But the basic strength of the dollar makes such actions as unnecessary as they are unwise. They would not only be inconsistent with the responsibility and the role of the United States in the world today; they would—because of the crucial role of the dollar—be utterly self-defeating. All of us here are determined to follow the only other feasible course—not the unacceptable courses of restriction and isolation, or deflation, but the course of true cooperation—of liberal payments and trade—of sharing the cost of our NATO and Pacific defenses—of sharing the cost of the free world's development aid—and of working together on steps to greater international stability, with other currencies in addition to the dollar bearing an increasing share of its central responsibilities.

We in the United States recognize that our own obligation in this regard includes, as a matter of first priority, taking action to eliminate the deficit in our balance of payments, and to do so without resorting to deflation or retreating to isolation.

I have spoken frankly at this meeting because these two successful institutions, the Bank and the Fund, have long flourished in a spirit of candor, and have consistently shown a reliable capacity to respond both flexibly and effectively to new needs and new challenges. This spirit of cooperation and candor and initiative will, I know, continue in the future. For only in this spirit can we hope to maintain a sturdy free-world financial system, with stable exchange rates, capable of supporting a growing flow of trade and foreign investment, free from discrimination and restrictions.

I have spoken frankly, moreover, because I believe the current strength of the dollar enables us to speak frankly and with confidence. Some sharing of responsibilities has already been achieved. Considerable progress in the balance of our international accounts has been made. A new agreement among 10 industrialized countries to supplement the resources of the fund, with special borrowing arrangements of up to $6 billion, has been concluded, and implementing action will be completed by the U.S. Congress within the next few days or weeks. Less formal arrangements between the major trading countries have also been evolved to cope with any potential strains or shocks that might arise from sudden movements of capital. These arrangements, I should add, contain within themselves the possibility of wider and more general applications—and this country will always be receptive to suggestions for expanding these arrangements or otherwise improving the operation and efficiency of the international payments system.

All of this is ground for confidence—for making it increasingly clear that no extreme or restrictive measures are needed, that speculation against the dollar has lost its allure, and that the economy of the United States can continue to expand in a framework based on the maintenance of free exchange and the early achievement of equilibrium. The expansion in our domestic economy, while not all that we had hoped, has been substantial—and of equal importance, it has been accompanied by price stability. Wholesale prices for industrial goods are actually lower today than they were during the recession months of 1961.

Nevertheless, I do not underestimate the continuing challenge which faces us all together. The very success of our efforts—the very prosperity of those who have prospered—imposes upon us special obligations and special burdens. Centuries ago the essayist Burton referred with scorn to those who were "possessed by their money" rather than possessors of it. We who are meeting here today do not intend to be mastered by our money or by your monetary problems. We intend to master them, with unity and generosity—and we shall do so in the name of freedom.

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed at this point in the Record an editorial entitled "Poland and Yugoslavia," published in the Minneapolis Tribune on September 21, relating to an issue that we have debated with considerable heat and emotion in the Senate.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Poland and Yugoslavia

Some people may honestly get some emotional satisfaction if the proposed ban on all U.S. economic assistance to Poland and Yugoslavia is allowed to remain as part of present foreign aid legislation. But will the best interests of the Nation be served?

No one thinks that any U.S. aid is going to cause either country to throw in with the West in the global power struggle, or even to lean visibly in a westward direction.

Poland can't, being surrounded by Soviet army forces (in both East Germany and Russia).

Yugoslavia isn't thus surrounded, but it does have a Communist economic-political system which is different enough from Russia's to cause strains between Moscow and Belgrade but is still Communist enough to cause the Yugoslavs to follow too close to the Soviet line for the liking of most Americans.

Still, neither the Poles nor the Yugoslavs are the kind of slavish Soviet satellites that, for example, the Czechs or Romanians or Bulgarians are. They resent the degree, or attempted degree of Russian overlordship. And it is in our best interests to encourage that resentment—against the possible day of unforeseen crisis when it might pay unexpected dividends.

It does seem, too, that whenever a people nourish a spark of independence, this Nation, dedicated as it is to the ideal of independence, should be inclined to help them keep that spark alive.

Mr. HUMPHREY. Mr. President, how much time remains?

The **PRESIDING OFFICER.** The Senator has 10 minutes remaining.

Mr. HUMPHREY. How much time does the opposition have remaining?

The **PRESIDING OFFICER.** Fourteen minutes.

Mr. HUMPHREY. I yield 5 minutes to the Senator from South Carolina.

Mr. THURMOND. Mr. President, it is my firm belief that the entire concept of foreign aid, as it now exists, is ill-conceived and based upon incorrect evaluations. To fortify this conclusion one needs but to look at the results which our foreign aid program has attained in these few short years. Rather than extending freedom throughout the four corners of the globe, we are now faced with the firm entrenchment of the international Communist conspiracy just 90 miles from our shores in Cuba. It is readily apparent to me, and I believe that it should be to everyone, that it is folly to assume that we can buy the respect and friendship of foreign nations. The respect which the United States deserves as the foremost defender of liberty in the world has, from the inception of our Republic, been earned and not bought.

The undeveloped and underdeveloped so-called emerging nations should be treated with the same firmness of purpose and honesty which has gained the United States the respect of our longtime allies. It should be considered by them to be an act of international blackmail if we attempt to gain their respect and friendship through the coercive influence of the root of all evil—money. I submit that this is exactly the case in the world today. These so-called emerging nations will naturally turn their allegiance toward any nation or group of nations which wields power, and by that power, commands the respect of the so-called uncommitted nations. If the United States is to maintain and strengthen its role in international affairs, we must seek to gain, not just the friendship of the peoples of other countries, but the respect of all peoples in other countries, even our enemies. To do this we must remain strong economically, as well as militarily, and stand firm in our convictions, demanding what is our right through treaties and international law.

My weekly report to the people which came out this week is devoted to the subject of foreign aid. I ask unanimous consent that this newsletter, entitled "Foreign Aid—Boon or Boondoggle?" be inserted in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

(See exhibit 1.)

Mr. THURMOND. Mr. President, I believe that the Senate has abdicated its constitutional duty when the wording of the House of Representatives in sections 107 and 109 of this bill, H.R. 13175, was rejected. It has been argued both during the consideration of the appropriation and when the authorization legislation was before the Senate, that the executive branch has the responsibility for the conduct of foreign affairs. I certainly agree with this argument, but I fail to see that it has any application in this instance. Congress, and Congress alone, has the duty to appropriate funds from the Treasury of the United States. The power of appropriation carries with it the power to determine who or what country will be the recipient of these funds. By adopting the Senate Appropriations Committee language, the Senate has said: "We don't want to make this determination. We will leave it to the President." I firmly believe that this is too great a burden for any one man to shoulder. The President should welcome a congressional determination in this field, and Congress should, by all means, be willing to face up to the problem.

EXHIBIT 1

[From newsletter "STROM THURMOND Reports to the People"]

FOREIGN AID—BOON OR BOONDOGGLE?

One of the final issues which always has to be resolved before adjournment of the Congress is the issue of foreign-aid appropriations. Each year the Congress has been taking a harder look at foreign aid spending because of increasing examples of boondoggling and waste, more aid to more countries (including Communist countries), strong indications that this "temporary" program will never end, and concern that this program has had little effect for our side in the cold war.

Congressman OTTO PASSMAN, of Louisiana, the man who handles the foreign-aid spending bill in the House, has studied this program inside and out for many years. In convincing his committee and the House to go along with a cut of $1.1 billion in the President's aid request for fiscal year 1963, the Congressman made this assessment of aid effectiveness over the years: "The nations we help the most are kicking us the hardest in the teeth. There is no indication that all the money you [aid officials] have given has changed the international situation one iota."

Since World War II, the Congress has voted more than $100 billion in aid to 101 of the world's 113 nations. Instead of tapering off on the program, the Congress has been asked to increase it and to hold the line for even Communist countries. When the foreign-aid authorization bill was considered earlier in the year, the Senate tacked on a rider prohibiting aid to Communist countries. Extreme pressure was exerted, however, and this provision was modified by the House. Now the House has reinstituted this provision in the appropriation bill. In addition, the House wrote in a prohibition against aid to any country permitting its ships to haul supplies to or give any assistance to Cuba.

Congressman PASSMAN has told me that he and his House conferees are not prepared to yield on dollar figures or language to Senate liberalization of the bill. If the Congressman can prevail in his position, he will have rendered a great service to his country. He has been liberally criticized by the White House, the State Department and the so-called liberal prestige press for his restrictive amendments and cuts, but he has a solid report full of good statistics to bolster his position.

Here are some valid reasons for cutting aid: (1) as of June 30, 1962, aid officials had $7 billion in unexpended funds; (2) instead of following congressional orders to cut funds to neutralist nations attending the Belgrade Conference, where the United States was criticized and the U.S.S.R. was not, aid officials have requested an extra $142 million to give to these countries; (3) after administration criticism of aid reductions in previous years, testimony in each subsequent year has indicated that the reductions were not harmful, but were in fact helpful; (4) numerous projects have been started all over the world without having been justified to the Congress; (5) aid officials delayed more than 2 months after the budget was sent to Congress to try and explain proposed projects to the Passman subcommittee; (6) according to Congressman PASSMAN, total foreign-aid spending of all types amounts to approximately $12 billion annually instead of the annual $4 billion voted for that part designated as the foreign aid bill; (7) foreign aid has direct adverse effects on our gold outflow problem; and (8) investigators continue to find more examples of wasteful and extravagant aid, such as to build a $10 million palace for President Tubman of Liberia and a $3.1 million "floating luxury palace" for Emperor Haile Selassie of Ethiopia.

Since the House acted on the bill, the General Accounting Office has charged that the $1.2 billion aid program for Korea from 1957–61 stunted that nation's growth and encouraged corruption. GAO auditors found that the level of aid was "beyond the capacity of the Korean economy to absorb productively or of its government to administer efficiently." Also, Congressman PAUL ROGERS, of Florida, has raised the question of whether U.S. foreign-aid grain is being transhipped to Cuba. A Senate Internal Security Subcommittee report has stated that Communist Yugoslavia, which gets aid from us, has an aid program of its own to Communist, Socialist, and Neutralist countries to keep them away from the Western World. And, we give Mr. Tito aid, even aircraft and uranium.

There may be justification for some aid, mainly military and some economic loans—but, only to our friends who are willing to stand with us in a cold or hot war.

Sincerely,

STROM THURMOND.

The PRESIDING OFFICER. The time of the Senator has expired.

THE 40TH ANNIVERSARY OF THE FOUNDING OF THE RESERVE OFFICERS ASSOCIATION OF THE UNITED STATES

Mr. MANSFIELD. I yield 3 minutes to the Senator from Texas.

The PRESIDING OFFICER. The Senator from Texas is recognized for 3 minutes.

ROA HAS FINE RECORD IN AREA OF NATIONAL DEFENSE

Mr. YARBOROUGH. Mr. President, I desire to add briefly to what has been said about the Reserve Officers Association and its 40th birthday.

ROA is a fine organization and is deserving of the high praise which we have heard given it. The ROA, in existence since 1922, has as its primary objective the support of a military policy for the United States that will provide adequate national security and promote the development and execution of this policy.

In 1950, the Congress recognized the significance of the contributions of the ROA in the area of national defense by issuing a charter to the association. Today, the ROA remains one of the outstanding, patriotic organizations with special knowledge, experience, industry, and dedication.

My own association with the members of the ROA has been a rich experience in my life.

The association's work this year is particularly meaningful to me because its president is a Texan, and two of its other national officers are ,from that great State.

Lt. Col. Robert C. Hammond, of San Antonio, is the national vice president for air force. Colonel Hammond, who is on active duty with the Air Force, recently returned from the Far East where he served for 2 years. He is an experienced pilot and one who is serving in his ROA position with dignity and competence. The ROA junior vice president for Navy also is a Texan, Lt. John R. Trice, of Waco.

Our new national president is Maj. Gen. John H. Foster. General Foster, a longtime flier, is deputy commander of the 12th Air Force, and is chairman of the Tactical Air Command's Reserve Policy Board. Recognized as one of the Nation's Reserve leaders, he has served for the past 3 years as a member of the Defense Department's Reserve Forces Policy Board.

He was unanimously elected by the ROA convention, after similar selection as its nominee by the Air Force section. He was given a standing ovation by the convention, which also cheered ROA's new first lady, Mrs. Phoebe Foster, herself a gifted speaker and a nationally known leader in the Episcopal Church. The Fosters maintain their home at 111 Sheraton Drive, San Antonio, Tex.

A native of Waco, General Foster first came to San Antonio from the University of Texas for flight training at Brooks Field. He was commissioned a second lieutenant in 1931. An active reservist for 10 years he was called to active duty in 1941. He organized and commanded the first radio controlled target squadron, later supervising 25 such squadrons from Air Corps Headquarters in Washington. Some phases of the present missile program had their beginning in this work.

Early in World War II, he became deputy commander of the 16th Heavy Bombardment Wing and later joined the combat operations section of the Mediterranean Allied Air Force. He received the Bronze Star Medal and the Order of the British Empire for distinguished service in the Mediterranean. He was promoted to full colonel in December 1944. He won his first star in 1954 and made major general in 1961.

Continuing active in the Reserves after the war, General Foster organized and commanded for 10 years the 433d Troop Carrier Wing. His present Reserve assignment, as a businessman, General Foster has served with the "Fighting 12th" Air Force.

An outstanding civic leader as well as business man, General Foster has served as vice president of the San Antonio Chamber of Commerce and for three terms was chairman of its military affairs committee. He is chairman of the Southwest Texas Multiple Sclerosis Society, the Episcopal Churchman's Association of West Texas, the American Legion, the American Red Cross, the Life Underwriters, and the Community Chest.

In ROA, General Foster organized and headed the Alamo wing of ROA, and for the past 2 years has been national executive committeeman.

In addition to his other activities, during the past year he accepted the job as memorial building fund chairman for ROA, and within a few months had brought Texas from last place standing in the association to 15th place.

I ask unanimous consent that the following congratulatory messages on the 40th birthday of ROA published in the October 1962 edition of the Officer, the official publication of the Reserve Officers Association, be printed in the Record.

There being no objection, the letters were ordered to be printed in the Record, as follows:

The White House,
Washington, D.C., September 7, 1962.
Maj. Gen. John H. Foster,
President, Reserve Officers Association of the United States, Washington, D.C.

Dear General Foster: Your association, in the four decades of its activity, has established an enviable record of service, particularly in its emphasis on the importance of Reserve Forces to national defense. Certainly this interest in a strong and active Reserve is close to our national tradition, and the attainment of a military posture, adequate to the security interests of the Nation, is worthy of every citizen's support.

As we move through these difficult times, it is a great source of strength to me, as Commander in Chief, and I am sure to the members of the Government, both in the executive and the Congress, to know that we have the strong support of your members. I am confident that the Reserve Officers Association will, as it has in the past, continue to take the broad and objective view as a guideline in its activity.

On your 40th anniversary, my congratulations to the Reserve Officers Association for its notable achievements. My best wishes for future years of successful activity.

Sincerely,

John F. Kennedy.

Full Contribution Made to Preservation of Freedom

I am pleased to add my voice to the many others who extend congratulations to the Reserve Officers Association upon the occasion of its 40th birthday.

Throughout the history of this Nation, our military Reserve forces have responded in the time of need and made their full contribution to the preservation of our freedom. The need for such devoted service is as great today as at any time in our history, and I know that the Reserve Officers Association will continue to make its full contribution to insure the continuing high quality of our Reserve forces.

Carl Vinson,
Chairman, House Armed Services Committee.

ROA's Objective Shared by All Who Love Country

The Reserve Officers Association deserves hearty congratulations on its 40th birthday. The objective of the ROA—to support a military policy for the United States that will provide adequate national security—is one that is shared by all of us who love our country.

The ROA has many significant accomplishments of which it may justifiably be proud. I extend best wishes for your continued success.

Richard B. Russell,
Chairman, House Armed Services Committee.

Army Secretary Vance Salutes ROA Tradition

Congratulations to the Reserve Officers Association of the United States on its 40th anniversary.

The ROA's support of a military policy of a strong national defense long has been a significant factor in the effort to maintain—and strengthen—the security of the United States. In sending congratulations and appreciation to the ROA for its four decades of service to the Nation, I include my best personal wishes for its future success. It is my sincere hope and conviction that the association will continue in the fine tradition to which the ROA has conformed throughout its distinguished history.

Cyrus R. Vance,
Secretary of the Army.

Paul Says Reserves Prove Source of Strength

The 40th anniversary of the Reserve Officers Association of the United States comes at an opportune time in that it also marks the termination of the most recent participation of the Reserve Forces in support of national mobilization. For this reason I am particularly appreciative of this opportunity to congratulate the Reserve Officers Association on the important contribution which its members continue to make to the national security and welfare of the country.

As in two World Wars and in Korea, the Reserve Forces of the Nation have been a source of military and national strength. This vital role was again demonstrated in the limited mobilization which was recently concluded. Here again, in the cold war, the Reserve Forces provided the means of rapidly strengthening our military capability to demonstrate the determination of the United States to protect its interests and to provide for our national security.

As the Reserve Officers Association looks back over its 40 years of activity and the progress to which it has contributed, it merits every assurance that its future will be equally rewarding. It is with confidence that I wish the Reserve Officers Association of the United States and its membership continued success and honorable service.

Norman S. Paul,
Assistant Secretary of Defense (Manpower).

ROA Assists in Building Officers

The Reserve Officers Association of the United States has consistently rendered valuable assistance to the U.S. Army. Its membership, which includes leaders in all services and communities in the United States, has consistently supported our efforts toward security through a strong, well-balanced national Military Establishment including Ready Reserve Forces. The members of your chapters perform a most valuable service, also, in creating an awareness among our public of the need for adequate strength, funds and equipment to accomplish our mission.

As you know, Reserve officers today comprise a large segment of our Active Army officer corps and those of our sister services. Their performance meets the highest standards of military service in every aspect. The same can be said for those officers who, although not now on active duty, stand ready to respond swiftly and surely in any emergency. The Reserve Officers Association, during its 40 years of existence, has provided invaluable assistance in building this truly professional force of Reserve and Regular officers.

I would like to take this opportunity to congratulate the officers and members of the association for your outstanding achievements and to assure you of my continued support.

Herbert B. Powell,
General, U.S. Army,
Commanding, Conarc.

Past Year One of Remarkable Achievement

The past year has been a year of remarkable achievement for the Air Force and its Reserve Forces. We have seen our efforts to attain the greatest possible total capability pay dividends in the effective performance of reserve units ordered to active duty.

The progress which has been made in improving the stature of our Reserve Forces is the result of the combined labors of active duty personnel, reservists, and groups such as the Reserve Officers Association which have enhanced our efforts by their interest and support.

I congratulate the Reserve Officers Association on its 40 years of patriotic service to our Nation. I look forward to the continuation of the fine relationship between your organization and the U.S. Air Force.

Curtis E. LeMay,
General, USAF,
Chief of Staff.

Legion Commander Praises ROA Role

On October 2, 1962, the Reserve Officers Association will have ample justification to celebrate 40 years of dedicated, patriotic service. From its modest beginning in 1922, ROA has grown in size and prestige until today it plays a most important role in shaping our Nation's military policy.

ROA has compiled a most enviable record by its continuing efforts to build and maintain the Reserve Forces of all the services as significant elements of the Nation's military forces. The records of two World Wars and Korea, and last year's cold-war callup, have amply shown the wisdom of the programs and policies your association has supported.

It is a very great personal honor for me to extend congratulations to General Foster and to the dedicated members of your association on this noteworthy occasion, and to wish for them many more years of continued success.

Charles L. Bacon,
National Commander, the American Legion.

ROA Most Reliable, Helpful Forum

Congratulations to the Reserve Officers Association of the United States on the occasion of their 40th birthday.

I am not sure that I was a charter member, but most certainly, I joined as soon as the opportunity was afforded me and I have belonged consistently ever since. The organization has been a most reliable and helpful forum in which the best interests of the Armed Forces in general and the citizen soldiers in particular could be coordinated to the ultimate benefit of the security of our country.

Clark W. Thompson,
House Ways and Means Committee.

ROA Has Served American Tradition

The Reserve Officers' Association has served the American tradition of the citizen-soldier both zealously and effectively throughout the 40 years of its existence. As you know, the subcommittee of which I am chairman has insisted, as you have insisted, on the maintenance of the strength of our Reserve components.

Congratulations on your 40th anniversary and best wishes in your continued efforts in support of adequate national security.

George H. Mahon,
Chairman, Subcommittee on Department of Defense Appropriations.

ROA Members Are Leaders In Shaping National Defense

As one who is proud of his membership in the Reserve Officers Association, I want to take this opportunity to congratulate the ROA on its 40th anniversary on October 2, 1962.

It was an inspired group who united the various independent Reserve officer groups into a national organization 40 years ago. The ROA now includes Reserve officers of all branches of the Armed Forces and has grown to become a vital influence for the Nation's welfare in matters of national defense.

The members of the ROA serve their country faithfully and well in time of war and in time of peace they are leaders in guiding and shaping our defense for future needs.

No other organization is so peculiarly and adequately equipped with the actual knowledge and experience to provide the valuable contribution to our national welfare as is offered by the ROA.

James E. Van Zandt,
House Armed Services Committee.

National Reputation of ROA Superior

For 40 years, the Reserve Officers Association has been an alert, vigorous, intelligent force for a good military policy for the United States, and for the safety of our Nation against all foes.

The achievements of ROA are legend, and its national reputation is superior. As former chairman of the National Legislative Committee of ROA, I am honored by that association with some of the finest men in the world.

Founded twoscore years ago with the blessings of "Blackjack" Pershing, and with members like Harry Truman, it started with spark and fire, and hasn't lost the flame of desire to serve. May ROA never lose it.

I believe the ROA is and should be proud of its president, Maj. Gen. John Foster, and its executive director, Col. John Carlton. May the next 40 years of the ROA be as noted as the past 40 for achievement.

Ralph Yarborough,
Senate Post Office and
Civil Service Committee.

Splendid Record of Achievement

On this 40th birthday anniversary of the Reserve Officers Association of the United States, I wish to extend my grateful appreciation to all members of the ROA and their associates in the uniform of our great Republic.

The splendid record of achievement you have written in peace and in war marks one of the bright pages in American military history. I congratulate you.

During my 15 years in the U.S. Senate, 10 years of which have been on the Senate Armed Services Committee, I have come to know firsthand and to appreciate more than the average American, the remarkable service our Reserve forces have rendered to the national defense of this country.

For example, it was the great overwhelming response of the Reserves and the National Guard to the President's callup last fall during the Berlin crisis that really turned the tide in that beleaguered German city.

When the American people and our Reserve forces responded quickly to the President's call, that word got through to the Kremlin and Khrushchev began to pull back from his threatening position in Berlin.

My warmest congratulations go to the ROA, and my grateful heart is full of admiration for your record of accomplishments.

John Stennis,
Senate Appropriations Committee.

VFW, ROA Fight Shoulder to Shoulder

May I take this method and opportunity to congratulate the Reserve Officers Association on their 40th birthday. The association has been a great step forward in promoting the best interests of the Armed Forces of the United States. Your organization has always been in the forefront of every fight to improve our national defense as well as to promote the best interests of those men who make great sacrifices to serve this country throughout a lifetime in the Armed Forces.

The Veterans of Foreign Wars has always enjoyed close cooperation with the ROA and insofar as we are concerned I hope the two organizations will be fighting shoulder to shoulder when you celebrate your second 40th anniversary.

Omar B. Ketchum,
Executive Director,
Veterans of Foreign Wars.

Interest, Support, Asset to Nation

I wish to extend my congratulations to you and the Reserve Officers Association on the occasion of the 40th anniversary of ROA.

During my service as a reservist, as an Air Force commander, and in my present assignment, there has been ample opportunity to observe and appreciate the support which ROA has given to efforts to strengthen our national military posture and particularly the posture of the Reserve forces of all the armed services.

Your interest and support are a valuable asset to the Air Force and its Air Reserve Forces as well as to our Nation.

Chester E. McCarty,
Major General, USAF, Assistant Chief of Staff for Reserve Forces.

ROA's Objectives Have Been Sound

This, the 40th anniversary of the Reserve Officers Association of the United States, is a time for looking back and a time for looking ahead.

I was not privileged to know ROA during its earliest years, but over the 23 years since 1939 I have closely watched a long succession of elected and appointed officers strive industriously and courageously to carry out the objectives of the association: an adequate national security and an adequate Reserve.

The association's objectives have been sound; its efforts to achieve them have been unceasing.

Our Nation's security would be far less adequate, our Nation's Reserve forces far less ready had there been no ROA.

But the struggle to achieve ROA's objectives has no end.

Long life, then, to the Reserve Officers Association. May it flourish many times 40 years as a vital adjunct to our Nation's security, a powerful, vital, courageous proponent of adequate defense and adequate Reserve of which every member—past, present, and future—can be proud, can say, "I served too. I helped."

John Slinkman,
Editor, Navy Times.

Hopes ROA, Legion Will Continue Joint Efforts

October 2, 1962, your 40th anniversary, is a most memorable occasion for those of us who know of the great record of accomplishment of the Reserve Officers Association.

Please accept my sincere congratulations to the Reserve Officers Association for accomplishing so much in so few years. Certainly your record in the cause of national defense is a monument to dedication to the principles that have made America the great land that she is.

My hope for the future is that our two organizations, the American Legion and the ROA, will continue their joint efforts to insure the United States shall always remain militarily strong to preserve the blessings of liberty that have been passed on to us by our forefathers.

Robert H. Bush,
Chairman, National Security Commission of the American Legion.

National Press Club Salutes the Reserves

On behalf of the National Press Club it is a privilege and a pleasure to salute the Reserve Officers Association of the United States on the occasion of your organization's 40th anniversary.

Our congratulations on your accomplishments during the past four decades and our best wishes for your continued success in the future.

George Cullen,
President, National Press Club.

History, Achievements Are Source of Pride

It is indeed a pleasure to extend my heartiest congratulations to the Reserve Officers Association of the United States on its 40th anniversary.

The history and achievements of the ROA are a source of pride to all of its members and friends, as well as an example to Americans everywhere. Your illustrious past is the foundation for an even more successful future.

Carl Darnell, Jr.,
Major General, GS,
Chief, Office Reserve Components.

ROA Objective Accomplished in Outstanding Manner

I should like to offer my warmest congratulations to the Reserve Officers Association of the United States on the occasion of your 40th anniversary.

In my capacity as Deputy Commanding General for Reserve Forces, Headquarters, U.S. Continental Army Command, I am well aware of the tremendous contribution your association has made to our Nation's strength and stature. During the past 40 years your objective of a military policy for the United States that would guarantee our national security has been accomplished in an outstanding manner.

Historically, the civilian-soldier has proved the difference between victory and defeat and as his principal national voice, your association is to be congratulated on its interest in the defense of our Nation.

Louis W. Truman,
Lieutenant General, U.S. Army, Deputy Commanding General (RF), Conarc.

Mr. THURMOND. Mr. President, today is the anniversary of the founding of the Reserve Officers Association of the United States.

On October 2, 1922, the Reserve officers from throughout the Nation, most of whom had served in World War I, came together in Washington, D.C., and organized this splendid association, which is commonly known as ROA. The constitution of this great organization has as its objective "a military policy which will provide adequate national security."

ROA is an independent, voluntary organization of officers of the various military services, who are dedicated to this mission. Some 150 Members of the Congress, both House and Senate, are members of the organization.

It has been my honor to serve as national president of the association. As I look about the Chamber, I see others here who have been prominent as reservists and as members of ROA.

The association was issued a charter by the Congress in 1950.

Mr. President, throughout the existence of this worthwhile organization it has worked unceasingly and effectively for a strong national defense. Those of us who serve on the committees of Congress can testify that ROA representatives have been most helpful to us in consideration of military problems. On this 40th anniversary of ROA, the association can take pride in its many accomplishments in behalf of our national security.

Something of the history, background, and service of ROA is recounted in the October issue of the association's magazine, the Officer. The title of this article is "ROA's History: A Record of Accomplishment in Many Fields." In recognition of this occasion, Mr. President, I ask unanimous consent that this article follow these remarks.

There being no objection, the article was ordered to be printed in the Record, as follows:

ROA's History: A Record of Accomplishment in Many Fields—Association Stature as Defense Booster at Alltime High

(By Col. J. B. Stuart)

The ROA: "A great national insurance policy."

This characterization of the Reserve Officers Association of the United States was made by the Nation's top military leader at ROA's formative convention in Washington, D.C., October 2-4, 1922. Today, 40 years later, ROA remains just that—an independent bulwark in the struggle for a strong, free America.

From the very beginning, ROA went to Congress to obtain increased appropriations so that this country's citizen-soldiers might be prepared through adequate training and modern equipment. The association's history reflects a glorious job in keeping the United States strong and ready.

ROA's battles with the Congress were tough in the beginning. Complacency had set in once again after World War I. But through the years the association has earned the high respect of both the House and Senate whose Members now frequently consult ROA's national staff on legislation. Never has the ROA's image been as respected as it is today. From the Pentagon to the White House and the Capitol its voice is heeded.

At the beginning, ROA was made up of officers of the Army and the Army Air Force.

A quarter of a century of agitation resulted in the establishment of the Air Force as a separate department under the Armed Forces Unification Act of 1947. ROA promptly revised its constitution to provide for a separate Air Force section.

At approximately the same time that ROA had its beginning a sister organization was established called the Naval Reserve Officer's Association. NROA worked in harmony with ROA and was successful in supporting the Naval Reserve in its development prior to World War II. NROA was instrumental in bringing about the passage of the Naval Reserve Act of 1938 which served Naval Reservists until the passage of ROPA in 1955.

At the close of the war in 1945, Naval Reserve officers of World War II founded the Reserve Officers of the Naval Service (RONS). RONS and NROA merged and performed valuable service in securing appropriations for a larger postwar Naval Reserve, and through its leadership and efforts the Navy's Roper Board was convened with the objective of modernizing and strengthening the Naval Reserve Act of 1938.

The most notable achievement of the year 1948 (leaving out ROA-er Harry Truman's election as President of the United States) was the final consummation of the marriage of the ROA and RONS.

ROA today is the only association to represent all the services: Army, Navy, Air Force, Marine Corps, Coast Guard and Public Health Service.

THE FORMATIVE PERIOD

Col. James Barnes, historian, writing in the Officer magazine of April 1931, describes ROA's beginning:

"Following the Great War many officers were mustered out of military life within a few weeks or months after the cessation of hostilities but many thousand still kept up their interest and allegiance by carrying on their commissions into the Naval Reserve that existed under the National Defense Act.

"It was soon evident, however, that something would have to be done to secure and maintain an organization which would make them cohesive as a reliable and working force under the act and also make them coherent as a body by proper representation before the public and the National and State legislative bodies."

During 1920 and 1921, gatherings of Reserve officers were held in New York and New Jersey and smaller ones in the Midwest and elsewhere in the country. At the Seventh Regiment Armory in New York City a meeting was held where a permanent organization was proposed, and the following year, the spring of 1922, another larger meeting took place with Brig. Gen. John Ross Delafield presiding for the second time.

From these meetings came the plan for an independent, civilian organization composed of men who, although they held commissions in the Reserve, were primarily citizens with the points of view and with the interest and privileges of citizens.

About this time a voluntary group, consisting of Brig. Gen. Henry J. Reilly, Col. Charles S. Bryan and Col. John A. Stewart and others, was in touch with General of the Armies John J. Pershing and the Chief of Staff. It was made evident that it was the desire of these higher military officers that an independent organization of Reserve officers should be formed as soon as possible for the purpose of assisting in putting the National Defense Act into effect.

THE FIRST CONVENTION

Before long, the groups got together and the first convention was set. General Delafield, much against his expressed desire, took the gavel, as presiding officer. It was evident that little could be done without the assent and approval of the War Department. That this was well understood was shown when the speakers included John W. Weeks, Secretary of War; Gen. James G. Harbord, Chief of Staff, who called ROA "a great national insurance policy," and General Pershing.

Colonel Barnes in his article said that the committee on constitution had the hardest job; the preamble came easy; but many elements were subject to long discussion and one had to be abandoned within a year as unnecessary and impracticable, that is, the corps area formation and separate organizations.

General Reilly was elected first national president. He proceeded to carry on the work from his private office and an apartment.

During the ensuing year much work was done in the corps areas with General Delafield, who had refused to be a candidate for the first presidency, a leader. However, during the year, General Pershing made it clear to him that he wished General Delafield to become the second president. He was elected at the Indianapolis convention in October 1923. Considering that his work for the association and for national defense was not completed, General Delafield consented to his reelection at the Columbus, Ohio, convention in 1925. Like General Reilly, General Delafield remains a leading spirit of ROA.

General Delafield's reports for the years 1924-25, point out, among other matters, the greatly increased appropriations for the Organized Reserves secured from Congress by ROA. In the first year of ROA while General Reilly was president, the appropriation was increased from $1,005,000 to $1,755,000. The next year the increase was by more than $1,500,000, and $373,132 above the budget figure. Similar success was to be noted the next year.

ROA WINS A GREAT VICTORY

These increases for 2 successive years over the amount set by the President's budget were unusual and caused President Coolidge to send for Senator James W. Wadsworth, Jr., of the Senate Committee on Military Affairs, and tell him that General Delafield in appearing before the committee of Congress was violating the Articles of War and was subject to court martial.

Wadsworth promptly warned General Delafield. The general then went, through Secretary of War Dwight F. Davis, to Gen. John A. Hull, Judge Advocate General, and asked for an opinion—whether a Reserve officer, when not on active duty might properly appear before Congress and endeavor to influence legislation. General Delafield received the opinion in writing to the fact that a Reserve officer when not on active duty had all the rights and priviliges of any other citizen.

Anticipating trouble, General Delafield took the opinion with him when he went before the House Appropriations Subcommittee in January 1926. Congressman James F. Madden, chairman of the full committee, sat with the subcommittee. When General Delafield's turn came, he asked leave to address the subcommittee. Madden replied with an angry tirade against General Delafield and others for urging increased appropriations.

General Delafield in a letter sometime ago described the scene:

"I sat quietly arranging my papers, and getting the opinion of the Judge Advocate General ready to read aloud. My quiet attitude seemed to anger Mr. Madden. Looking about the room I saw that a number of the officers present looked quite concerned, and some had turned pale. When Mr. Madden had finished, I again stood up and politely asked leave to address the subcommittee. Mr. Madden answered angrily that they would let me do it this time, but ordered me to do so sitting down. I continued standing and read the opinion of the Judge Advocate General aloud. I could see confidence returning to the faces of the officers about me as I read. Mr. Madden, anticipating what was coming, slipped quietly out of the room."

During this period, Kansas City, Mo., had the best equipped training center for the local Organized Reserves; among the officers responsible for this was Maj. (now colonel) Harry S. Truman.

BEFORE THE SECOND GREAT WAR

Between the two big wars ROA fought an uphill struggle to maintain appropriations for the Reserves at a figure to insure ample training. Despite public apathy, pacifist organizations, and the psychological dormance created by the Kellogg Pact (which outlawed war), ROA continued to warn against a lack of preparedness.

The need for defense mounted as Europe became a battlefield and it was no longer safe for a ship to cross the Atlantic. Then came the first draft act in peacetime history.

Realizing what might soon happen, ROA by action of the 1941 New Orleans convention, made arrangements for trusteeship management in case of war. On January 10, 1942, the assets and records of ROA were transferred to the board under provisions of a trust agreement. When on January 31, 1942, all membership lists were submitted by departments and chapters, the official suspension of the ROA became effective. This prewar association had a membership of approximately 31,000 officers.

ROA was reactivated soon after the end of World War II, with the convention in Chicago electing a paratrooper leader as national president. Brig. Gen. Donald B. Adams continued the succession of outstanding citizen-soldiers as head of the association. He was followed by Col. William Neblett, an Air Force officer, with Col. Clarence "Lefty" Barnes then preceding the first Navy president, Comdr. John Bracken.

Other postwar leaders have been Col. Charles Skeele, Col. John Coleman, Capt. Robert Burke, Brig. Gen. Thomas H. King, Maj. Gen. (now a U.S. Senator) Strom Thurmond, Rear Adm. Charlie LaBarge, Brig. Gen. Roger Zeller, Brig. Gen. de Lesseps Morrison (New Orleans' mayor who is now the Ambassador to the Organization of American States), Rear Adm. Leon Jacobi, Brig. Gen. John W. Richardson, Maj. Gen. Carl T. Sutherland, and Rear Adm. John E. Harlin. The incumbent, Maj. Gen. John H. Foster, was elected at the 1962 convention at Las Vegas.

THE ALL-SERVICE ASSOCIATION

During these years, ROA had followed the trend toward unification exemplified by the merger of other service organizations with the ROA, which until 1948 had been almost entirely Army. The Reserve Officers of the Naval Service (RONS) came into the association at the convention at Denver in 1948 and began a trend which later brought into the organization a substantial Air Force membership, the active Coast Guard element, and a representative Marine group. Later, officers of the Public Health Service began joining ROA.

With unification and the all-service character ROA assumed, its leaders also began helping to build a more realistic Reserve program. It was more than simply coincidence that the convention which sealed the ROA-RONS merger also heard the word of "victory" in the long fight to gain enactment of a reservists' retirement system. Public Law 810, so widely acclaimed, was but one of a series of incentives which capped ROA's legislative efforts. It was followed in a few years by the Reserve Officer Personnel Act, so properly called "The Reservists' Magna Carta."

The fact that one of ROA's founders—Col. Harry S. Truman—was in the White House during this epochal growth of the Reserves, added to the rise in ROA's prestige in the legislative field.

FORTY YEARS OF ACCOMPLISHMENT

ROA's efforts have been so productive that members have preserved its record in a pamphlet called "Years of Accomplishment." Yet it does not fully tell the story of ROA's work in helping toward enactment such important bills for the Regulars as well as the Reserves as the Military Pay Act of 1958 and measures to afford the services major opportunities for modernization and increased effectiveness.

Of significance during the past several years was the ROA series of victories in preserving the Reserve tradition and gaining sufficient appropriations to maintain the strength of the Reserve Forces.

This, too, was an all-service accomplishment, ranging from funds to provide fuel for flight training in the Naval Reserve, to the millions required for armories and training centers as well as for the drill pay program.

The House Armed Services Committee in its recent report emphasized that while the cost of Reserves is considerable, it represents only one-tenth of that required for maintained active duty strength of similar size. "This economically impossible alternative therefore emphasizes the vital importance of both continuing the Reserve program and insuring that it is truly ready," said this report.

ROA's most recent—and in a sense its most significant—accomplishment came with the enactment of the so-called Anti-RIF Act, a measure to improve the status of reservists serving with the Active Duty Forces. This bill actually increases by four times the readjustment pay scale—its effect is virtually to prohibit the RIF. Recognizing the measure's vital importance, Navy Times, among others, pointed out ROA's role in its enactment. "The real push that got the bill through came from the Reserve Officers Association," the Times Editor John Slinkman wrote.

THE CHARTER AND THE CONGRESS

It was in the postwar era too that ROA gained its official recognition from the Congress, by issuing a rare document—a charter from the Congress.

This charged ROA (as does the ROA constitution) to work for a military policy that will provide adequate national security.

The charter also opened the way for ROA to take advantage of another unique strength, and to organize the Reserve officers who are in the Congress.

In the late fifties more than 150 such officers were enrolled in the association and in the 1958–59 administrations came into being the ROA Legislative Advisory Committee. Of the more than 150 Congressmen on the rolls, some 30 were selected for this group. Representative BOB SIKES, Representative JAMES E. VAN ZANDT, Senator HOWARD CANNON, and Senator RALPH YARBOROUGH were leaders in these groups. Outstanding members of both parties, representing all the services, were in this group. ROA is nonpartisan.

NEW TECHNIQUES IN APPEALS

With space exploration beginning and the defense machine becoming ever more complex, ROA's operations, too, were tuned to the times. In the 1954–55 period, the national conventions adopted modern changes in the association's law which clarified authority and made possible the building of a national staff with strength, prestige, and the authority to act. At the same time, the association's professional staff began producing and aiming at its new problems a series of national advertisements, promotional materials professionally done and made available to the field, and to gear their own publications to new needs. The popular ROA Washington newsletter was being distributed to every member, and the magazine packed with behind the scenes information about legislation and policy.

"The ROA Story" was one of a series of bright new pamphlets which were placed in circulation. Other aspects of a more aggressive public relations program were developed. ROA crashed into the crowded front ranks in Washington with a midwinter conference now drawing only top-drawer attendance. This was built about the selection annually of a "Minute Man of the Year." These now include Brig. Gen. David Sarnoff, chairman of RCA (1958); Chairman Richard B. Russell, of the Senate Armed Services Committee (1959); Bryce Harlow, assistant to President Eisenhower (1960); Hugh M. Milton, Under Secretary of the Army (1961), and Representative Carl Vinson, chairman of the House Armed Services Committee (1962).

CHARACTER AND THE MEMORIAL

ROA has not been without its problems, not the least of which has been a continuing one of membership strength. Officers have been disinterested, preoccupied, retired, and generally misunderstanding of the association's purposes and its work. Yet, the hard core has remained loyal, and the renewal rate has been substantially above that of similar associations. The rolls have jumped (to 135,000 in 1946) or have slumped (to 47,000 in 1951); yet despite this obvious acute pressure created by loss of revenue, ROA has been able to continue to maintain its character as a voluntary, and independent association, having no ties other than with its members and no cause to serve except national security.

It was on that basis that ROA's leaders after some years of indecision finally decided to ask its membership to build, as a commitment to the Reserve tradition, a National Reserve Officers Memorial Building.

Lt. Gen. Lewis B. Hershey accepted chairmanship of a committee of outstanding Reserve officers and citizen-leaders with the understanding that the memorial building drive would be in the proud independent ROA pattern. The project he called, "A memorial to the ideal for which citizen soldiers have lived and died, and a pledge that individual responsibility for national survival shall be accepted by the Reserve officers of today, to be passed proudly on to the Reserve officers of tomorrow."

Chapters and departments, without pressure and because they believe in what they are doing, already have contributed and/or pledged to this fund more than $400,000. The goal is $1,500,000. A site literally in the shadow of the National Capitol (No. 1 Independence Avenue) already has been earmarked for the association and a 20-percent downpayment placed on deposit with the Federal agency handling the area.

Meanwhile, there was no letup in demands on the ROA staff.

THE GATHERING STORM

The year 1962 will go down in ROA annals as one in which the Reserves found themselves fighting for their lives.

When Secretary of Defense McNamara took office, ROA gave him a resounding welcome and expressed hope for a new regime of a vital and even stronger Reserve. Both the ROA national president and the executive director visited with him and came away with the expectation that the association's mandate for strong Reserve programs had gotten across.

MEMORIAL BUILDING FUND DRIVE IS LAUNCHED

But ROA was to find that philosophical attacks were being made in the Department of Defense against the Reserves. Soon the first real sign of trouble appeared—the abolishment of the assistant secretaries of defense for the Reserve forces in the several services.

Then the series of events got underway with the Reserves' neck in the noose. The climate at the Pentagon was one of secrecy: statutory boards, statutory advisers on the Reserves, were kept in ignorance of what was coming. Hearsay reports of pending changes for the worse were heard.

The first real demonstrable roadsign appeared when the callup began. A derogatory press included items which had their origin in the DOD and found their way into the national press. A statement by an Assistant Secretary of Defense questioned the value of the Reserve program and exaggerated the money spent on it.

Soon after the callup last fall, there was a sweep of anti-Reserve feeling across the country, based largely on blown-up newspaper stories of the gripes of a few malcontents. Many of the accounts were without fact.

At the same time the Secretary of Defense was assuring Congress of DOD's intention to increase the size of the Reserves and intensify their training.

Finally, after days, the truth came out: The DOD presented a plan to reduce all Reserve programs. The first proposals were severe and drastic but later were modified but to the experienced eyes of ROA's national president and executive director and his staff, the course was obvious.

At this point, ROA prepared what became known as the white paper on the status of the Reserves of all the services. It was widely read on Capitol Hill and given national publicity.

ROA ASKS PROBE

With further signs of deterioration, specifically the holding back of the Navy's Selected Reserve funds, ROA brought the whole matter to the attention of the chairmen of the House and Senate Armed Services Committees, and requested a thoroughgoing investigation. The Hébert committee hearing, a summary of whose report is carried elsewhere in this issue, was the result. All through the long hearing it was obvious that the Reserve components were fighting for their lives but ROA was girded for battle as never before. The Senate Appropriations Committee wrote mandatory language into a military money bill directing that the strength of the Army Reserve should be maintained. Chairman CARL VINSON, of the House committee, gave the Secretary of Defense a specified time in which to submit a report on why cuts were being made for the Naval and Air Force Reserve, and lastly the Hébert report came out, which was a resounding victory for ROA.

ROA has emerged from this battle stronger than ever. We've made no shotgun charges. We have not engaged in recriminations or personalities. We have stuck to cold, hard facts. We have exposed fallacies that were seriously proposed by the civilian amateur experts in the Pentagon that bordered on the ridiculous. We have fought against Defense Department dictatorship and the principles for which we have fought have not changed. They are based upon the sound premise of national defense.

We face the future with serene confidence. We are beholden to no special interest. We live on the cumulation of the dues of our members. We are responsible to them and to them only. We reflect their views which come from dynamic youth and experienced age. Forty-six percent of our members are of the "company officer" and "division officer" grades and on the other end of the spectrum is the retired committee with a lifetime of experience. The net result of their thinking tempered by that of the executive director with his professional staff is a nonpolitical, unequivocal product related directly to the country's needs.

ROA will continue to move forward supremely confident of success for our only motive is to secure the life and security of our Nation through a strong national defense team which includes the Reserve Forces of the Army, Navy, Air Force, Marine Corps, Coast Guard, and Public Health Service.

Mr. MILLER. I yield 1 minute to the Senator from Nebraska.

Mr. CURTIS. Mr. President, I commend the distinguished Senator from South Carolina for his remarks. With his usual patriotic zeal, he has noted an occasion that is important to all of us in this country. I, too, wish to pay my tribute to the Reserve Officers Association. The men who constitute it have served us well in peace and war. They have given us leadership in America's defense, which is very valuable. I commend the Senator. I am glad he has called this subject to our attention.

Mr. THURMOND. I thank the distinguished Senator from Nebraska.

Mr. MILLER. Mr. President, I yield myself 1 minute.

I join the Senator from South Carolina in paying tribute to the Reserve Officers Association. It has been my privilege to have been a member of this outstanding patriotic and farsighted association since 1937. I hold my membership in the highest regard. The Reserve Officers Association has rendered great service to our Nation by promoting legislation needed for an effective and adequate national defense. I express the hope and conviction that it will continue to provide effective leadership for national security in the years to come.

Mr. President, I yield 1 minute to the Senator from Delaware.

Mr. LAUSCHE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. Does the Senator from Iowa yield for a parliamentary inquiry?

Mr. MILLER. I do.

The PRESIDING OFFICER. The Senator will state it.

Mr. LAUSCHE. I suggest that Senators discuss the bill, for which time has been allocated.

The PRESIDING OFFICER. That is not a parliamentary inquiry.

Mr. LAUSCHE. I make that suggestion.

Mr. MILLER. I yield 1 minute to the Senator from Delaware.

Mr. BOGGS. Mr. President, I join the distinguished Senator from South Carolina [Mr. THURMOND] and other Senators in recognizing the 40th anniversary of the Reserve Officers Association.

As has been so well stated, it is a good, national, independent organization of citizen soldiers who devote themselves, at times at great inconvenience, to keeping abreast not only of citizen responsibilities in time of peace and in this cold war situation, but also in time of actual warfare.

The members of this association throughout the Nation have for 40 years been a bulwark of strength for our national defense preparations and organization. Today they are available on short notice, even immediately, to reenforce the defense forces of our country. This organization deserves the highest praise for its outstanding work in helping to keep our great country a strong country and in meeting whatever situation may develop involving the security of our Nation.

Mr. THURMOND. I thank the distinguished Senator from Delaware.

Mr. CARLSON. Mr. President, today is the 40th anniversary of the founding of the Reserve Officers Association. I wish to commend the organization for their devotion to the fundamental principles upon which our great Nation has been built.

As Governor of the State of Kansas I had the opportunity to work closely with the members of the Reserve Officers Association and also with the national organization. These men are rendering an outstanding service at a time when our Nation faces a great crisis. I commend the members of the organization.

Mr. MANSFIELD. Mr. President, I wish to join my distinguished colleagues in complimenting the Reserve Officers' Association on its 40th anniversary.

The Reserve Officers Association of Montana has made a notable record of maintaining an organization which is very diligent in keeping up its duties in relation to the armed services. I feel honored to join with my many colleagues who have spoken on this occasion.

Mr. SPARKMAN. Mr. President, I wish to add a brief word to the expression by the Senator from Montana and by other Senators in regard to the 40th anniversary of the Reserve Officers Association.

It has been my privilege during the period of a good many years to be a member of that organization. I was a Reserve officer for 37 years prior to retirement from that position.

I remember the early days when I served as a Reserve officer, and the lack of organization so far as the program for the Reserve officers was concerned. During recent years, and certainly since the end of World War II, there has been a decided change in the Reserve organizations, in the Reserve training, and all related matters, and a great deal of the improvement has been brought about by programs adopted or recommended by the Reserve Officers' Association.

I congratulate the organization upon its 40th anniversary and I commend it for the fine work it has done.

Mr. JAVITS. Mr. President, I wish to identify myself as being in agreement with the other Senators who have spoken on this 40th anniversary of the Reserve Officers Association. I, too, am a member of the Reserve Officers Association. I am a great admirer of its work, and I have cooperated in it.

I join my colleagues in expressing congratulations and in further expressing the expectation that there will be many more decades of similarly fruitful service from this outstanding organization.

Mr. BYRD of Virginia. Mr. President, I wish to associate myself with the remarks by my colleagues who have paid tribute on this 40th anniversary of the Reserve Officers Association. I have had an opportunity to come closely in contact with that fine organization. I think it is doing splendid work for the protection of the country and for the development of our military strength.

Mr. CANNON. Mr. President, I wish to associate myself with the remarks by my colleagues in congratulating the Reserve Officers Association on its 40th anniversary. This organization has been very diligent in looking after the affairs of all the military services, not only those who serve in the Reserve forces but also those who serve on active duty. It has carried out a program over the years which has been in the best interests of those in the service of our country, ever mindful of the responsibilities we as citizens have to our military people.

The organization has, in turn, been mindful of the responsibilities of the military to the civilian aspect of our life.

During this period of grave crisis for our Nation as in the past, the ROA stands out as a rock of freedom.

I congratulate the Reserve Officers Association on this anniversary, and certainly join in wishing them well and continued success throughout the coming years.

Mr. ROBERTSON. Mr. President, the Reserve Officers Association of the United States is to be commended for the magnificent service it has rendered our Nation by fostering a policy to provide for a strong national defense. I salute them on their 40th anniversary and wish them continued success.

Mr. ENGLE. Mr. President, I have been a Reserve officer for a great many years. I desire to associate myself with the remarks made by my friends, the distinguished Senator from Nevada [Mr. CANNON] and the distinguished Senator from Minnesota [Mr. HUMPHREY] with respect to the anniversary of the Reserve Officers Association. I am aware of their activities. They have dealt constructively with the defense problems of the Nation throughout the years. They are a great organization, and I am pleased indeed to join in congratulating them on this anniversary.

Mr. BUTLER. Mr. President, I wish to associate myself with the remarks of my colleagues, in connection with the Reserve Officers Association. I have many friends in the association. They do a wonderful work, and I heartily commend them on their work.

Mr. MOSS. Mr. President, for 40 years the Reserve Officers Association of the United States has served as a professional organization for Americans who serve their country as Reserve officers in the military services. These civilians give that extra bit of their time and talent which keeps our country prepared to meet a military crisis. The ROA keeps its members informed and better prepared to perform their military duties.

My membership in ROA predates World War II and continues to date. I am proud of this membership. I congratulate ROA on its 40th birthday.

Mr. LAUSCHE. Mr. President, I associate myself with the expressions of felicitations of a number of Senators on the 40th anniversary of the Reserve Officers Association.

When the Reserve units were established, I assume it was calculated that the security of the Nation would be served, and the cost of maintaining the military defense would be reduced. Word is current that with the Reserves we serve our national security at a cost one-sixth of what it would be in the event that we had to have fully implemented our national military defenses.

The members of the Reserves frequently are looked upon with indifference. However, the fact is that as members of the Reserve they obligate themselves to respond to the call if and when it comes. Many of these members are married. They have their responsibilities in civilian life. Nevertheless, they continue as members of the Reserves. In my opinion they are entitled to far greater credit than they receive.

On this day, their 40th anniversary, I express my felicitations to them and my gratitude for the services they are rendering to their country in trying to preserve its security.

Mr. SMATHERS. Mr. President, I am pleased to join in calling attention to the 40th birthday of the ROA.

The association maintains a national headquarters in Washington, as it has since 1922. This staff now is headed by my good friend, an officer who during most of my first term in the Senate served as my administrative assistant, Col. John T. Carlton, known to many of us as "Jake." As executive director of ROA, Colonel Carlton has on his staff several officers known for their outstanding service—Rear Adm. Alexander Jackson, Jr., director of naval affairs, whose fine Navy career included service as Chief of Reserves and author of our present Select Reserve system; Maj. Gen. George O. N. Lodoen, director of Army affairs, who as an honor ROTC graduate gave 35 years to the Army in many positions where he served with and commanded reservists; Col. Arthur A. Brackett, director of Air Force affairs, who in more than 20 years Active Air Force service became known as an expert in personnel legislation; Col. C. M. "Count" Boyer, legislative consultant, who is a real euthority on military law; and Mr. Wilbur Jennings as editor of the ROA magazine, the Officer, who for many years was on the Associated Press staff covering Capitol Hill.

Under its charter from the Congress, ROA has sought to serve the cause of national security. Many of them have relied upon the guidance of these officers in matters relating to the military, and particularly to the Reserves which are so important in the national defense picture.

In my own State, ROA is recognized as a fine, patriotic concern seeking to serve only the national interests. I am happy to join in saluting this fine association on its 40th anniversary.

I should like to include in my remarks a letter to ROA from the President of the United States, together with letters from several others of the Nation's leaders. I ask unanimous consent that these letters appear at this point of my remarks.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

THE WHITE HOUSE,
Washington, D.C., September 7, 1962.

Maj. Gen. JOHN H. FOSTER,
President, Reserve Officers Association of the United States, Washington, D.C.

DEAR GENERAL FOSTER: Your association, in the four decades of its activity, has established an enviable record of service, particularly in its emphasis on the importance of Reserve forces to national defense. Certainly this interest in a strong and active Reserve is close to our national tradition, and the attainment of a military posture, adequate to the security interests of the Nation, is worthy of every citizen's support.

As we move through these difficult times, it is a great source of strength to me, as Commander in Chief, and I am sure to the members of the Government, both in the executive and the Congress, to know that we have the strong support of your members. I am confident that the Reserve Officers Association will, as it has in the past, continue to take the broad and objective view as a guideline in its activity.

On your 40th anniversary my congratulations to the Reserve Officers Association for its notable achievements. My best wishes for future years of successful activity.

Sincerely,

JOHN F. KENNEDY.

FULL CONTRIBUTION MADE TO PRESERVATION OF FREEDOM

I am pleased to add my voice to the many others who extend congratulations to the Reserve Officers Association upon the occasion of its 40th birthday.

Throughout the history of this Nation our military Reserve forces have responded in the time of need and made their full contribution to the preservation of our freedom. The need for such devoted service is as great today as at any time in our history, and I know that the Reserve Officers Association will continue to make its full contribution to insure the continuing high quality of our Reserve forces.

CARL VINSON,
Chairman, House Armed Services Committee.

ROA'S OBJECTIVE SHARED BY ALL WHO LOVE COUNTRY

The Reserve Officers Association deserves hearty congratulations on its 40th birthday.

The objective of the ROA—to support a military policy for the United States that will provide adequate national security—is one that is shared by all of us who love our country.

The ROA has many significant accomplishments of which it may justifiably be proud. I extend best wishes for your continued success.

RICHARD B. RUSSELL,
Chairman, House Armed Services Committee.

ARMY SECRETARY VANCE SALUTES ROA TRADITION

Congratulations to the Reserve Officers Association of the United States on its 40th anniversary.

The ROA's support of a military policy of a strong national defense long has been a significant factor in the effort to maintain—and strengthen—the security of the United States. In sending congratulations and appreciation to the ROA for its four decades of service to the Nation, I include my best personal wishes for its future success. It is my sincere hope and conviction that the association will continue in the fine tradition to which the ROA has conformed throughout its distinguished history.

CYRUS R. VANCE,
Secretary of the Army.

Paul Says Reserves Prove Source of Strength

The 40th anniversary of the Reserve Officers Association of the United States comes at an opportune time in that it also marks the termination of the most recent participation of the Reserve forces in support of national mobilization. For this reason I am particularly appreciative of this opportunity to congratulate the Reserve Officers Association on the important contribution which its members continue to make to the national security and welfare of the country.

As in two World Wars and in Korea, the Reserve forces of the Nation have been a source of military and national strength. This vital role was again demonstrated in the limited mobilization which was recently concluded. Here again, in the cold war, the Reserve forces provided the means of rapidly strengthening our military capability to demonstrate the determination of the United States to protect its interests and to provide for our national security.

As the Reserve Officers Association looks back over its 40 years of activity and the progress to which it has contributed, it merits every assurance that its future will be equally rewarding. It is with confidence that I wish the Reserve Officers Association of the United States and its membership continued success and honorable service.

NORMAN S. PAUL,
Assistant Secretary of Defense (Manpower).

ROA Assists in Building Officers

The Reserve Officers Association of the United States has consistently rendered valuable assistance to the U.S. Army. Its membership, which includes leaders in all services and communities in the United States, has consistently supported our efforts toward security through a strong, well-balanced national Military Establishment including Ready Reserve forces. The members of your chapters perform a most valuable service, also, in creating an awareness among our public of the need for adequate strength, funds and equipment to accomplish our missions.

As you know, Reserve officers today comprise a large segment of our Active Army Officer Corps and those of our sister services. Their performance meets the highest standards of military service in every aspect. The same can be said for those officers who, although not now on active duty, stand ready to respond swiftly and surely in any emergency. The Reserve Officers Association, during its 40 years of existence, has provided invaluable assistance in building this truly professional force of Reserve and Regular officers.

I would like to take this opportunity to congratulate the officers and members of the association for your outstanding achievements and to assure you of my continued support.

HERBERT B. POWELL,
General, U.S. Army,
Commanding, Conarc.

Past Year One of Remarkable Achievement

The past year has been a year of remarkable achievement for the Air Force and its Reserve forces. We have seen our efforts to attain the greatest possible total capability pay dividends in the effective performance of Reserve units ordered to active duty.

The progress which has been made in improving the stature of our Reserve forces is the result of the combined labors of active duty personnel, reservists, and groups such as the Reserve Officers Association which have enhanced our efforts by their interest and support.

I congratulate the Reserve Officers Association on its 40 years of patriotic service to our Nation. I look forward to the continuation of the fine relationship between your organization and the U.S. Air Force.

CURTIS E. LEMAY,
General, U.S. Air Force,
Chief of Staff.

Legion Commander Praises ROA Role

On October 2, 1962, the Reserve Officers Association will have ample justification to celebrate 40 years of dedicated, patriotic service. From its modest beginning in 1922, ROA has grown in size and prestige until today it plays a most important role in shaping our Nation's military policy.

ROA has compiled a most enviable record by its continuing efforts to build and maintain the Reserve forces of all the services as significant elements of the Nation's military forces. The records of two World Wars and Korea, and last year's cold war callup, have amply shown the wisdom of the programs and policies your association has supported.

It is a very great personal honor for me to extend congratulations to General Foster and to the dedicated members of your association on this noteworthy occasion, and to wish for them many more years of continued success.

CHARLES L. BACON,
National Commander,
The American Legion.

THE SPEAKER'S ROOMS,
U.S. HOUSE OF REPRESENTATIVES,
Washington, D.C., September 22, 1962.

Col. JOHN T. CARLTON,
Executive Director, Reserve Officers Association, Washington, D.C.

DEAR COLONEL: Warmest congratulations to the Reserve Officers Association of the United States on 40 years of devoted patriotic endeavor.

By helping America build and maintain an impregnable military security, your loyal members have encouraged and stimulated the constructive forces of peace, progress and prosperity everywhere in the free world.

Your unceasing vigil against espionage, subversion and betrayal at home is applauded wherever freedom finds voice.

May your good works continue to flourish in a salubrious climate of popular appreciation and national gratitude.

With sincere personal regards, I am,

Sincerely yours,
JOHN W. MCCORMACK,
Speaker.

Mr. ALLOTT. Mr. President, I want to join all of my colleagues who today have paid tribute to the Reserve Officers Association. The continued dedication of all of these men to the protection of their country—continued as it has been over a period of many years—is one of the real inspirations to patriotic concepts. I know many who have pursued their studies and activities over a period of 30 years with a devotion that bespeaks the finest love of country. The work of the association in bringing all of these efforts into focus, and bringing with it the sense of comradeship that everyone who has served in the military forces possesses is a wonderful asset to this country. Without this constant, ready military preparedness, this country would find itself in a truly sad plight. I salute the association on its 40th birthday.

Mr. SYMINGTON. Mr. President, along with other Senators, it is a privilege to join with my distinguished colleague from South Carolina in saluting the Reserve Officers Association—of which he has been a national president—on the occasion of its 40th anniversary.

This group of dedicated Americans has been instrumental in shaping our national defense policies for many years.

At its formative convention, held in Washington on October 2–4, 1922, the ROA was characterized as "a great national insurance policy."

In their efforts to build up the strength of our Reserve Forces, these men have played an important role in assuring that America be ready to meet great national emergencies.

It is gratifying to note the role which the State of Missouri has played in the history of the Reserve Officers Association. Former President Harry Truman formed and headed one of the original chapters in the years 1919 and 1920 in Kansas City, Mo. Under the leadership of men such as Mr. Truman, the Kansas City area had the best equipped training center for the local organized reserves following the First World War.

One of the greatest of all Missourians, General of the Armies John J. Pershing, was the principal speaker at the first convention of the Reserve Officers Association.

Mr. President, I salute this distinguished organization on this notable occasion in its history of service to our Nation.

Mr. KEATING. Mr. President, on October 2, 1922, a small group of patriotic Americans who held Reserve commissions in the Armed Forces of the United States banded together to form the Reserve Officers Association. The charter, as approved by the Congress, instructs them to support a military policy which provides adequate national security.

Today we observe the 40th anniversary of the founding of the Reserve Officers Association. We congratulate this fine group of men on four decades of growth and splendid service.

I am proud that my State of New York in 1920 was one of the first departments in the group and a leader in forming the national association. Today ROA contains 60,000 officers representing six uniformed services—the Army, Navy, Air Force, Marine Corps, Coast Guard, and Public Health Service.

I am proud also of my membership in the association—membership which is voluntary, independent, and nonpartisan.

May I congratulate the Reserve Officers Association for a job well done—for 40 years of hard work, dedication, and service to the men, women, and children of the United States of America.

Mr. COOPER. Mr. President, I commend the junior Senator from South

Carolina [Mr. THURMOND] for his thoughtfulness in reminding the Senate of the 40th anniversary of the Reserve Officers Association.

Those who are members of this organization, having served our country in the Armed Forces—with many still serving—give their patriotic support, their knowledge, and experience, to the defense, the security, and the freedom of our country.

Senator THURMOND, himself a member of the Reserve Officers Association, has served our country on the battlefield with bravery and distinction.

FOREIGN AID AND RELATED AGENCIES APPROPRIATIONS, 1963

The Senate resumed the consideration of the bill (H.R. 13175) making appropriations for foreign aid and related agencies for the fiscal year ending June 30, 1963, and for other purposes.

Mr. MILLER. I yield 2 minutes to the Senator from Ohio.

Mr. LAUSCHE. Mr. President, I believe in granting aid to countries in need and which show a friendly attitude to our country, or at least are willing to occupy positions of genuine neutrality.

I cannot support the pending bill, on which we will vote in a short time, because when it is passed it will authorize the making of gifts and loans:

First. To countries ruled either directly or indirectly by Communist governments;

Second. To professed neutral countries which consistently assail our integrity and throw in their lot with the Communist bloc;

Third. To countries which look with indifference upon our plea not to carry to Cuba in their national ships equipment of war.

Moreover, I cannot vote for the bill, because:

First. It would further aggravate our gold reserve problem about which the President has rightfully shown his grave concern;

Second. It would give encouragement to the other nations, now in positions of financial strength, not to carry their fair share of these international responsibilities.

Third. It would encourage irresponsibility because of its excessiveness in the amounts made available for gifts as distinguished from loans.

Fourth. It would weaken our fiscal position, which needs bolstering, instead of weakening.

Mr. MILLER. I yield 3 minutes to the Senator from North Carolina.

Mr. ERVIN. Mr. President, the United States could have an intelligent and effective foreign aid program at much less cost if it confined itself to giving away the patrimony of our people to allies who have manifested their willingness to stand up on the side of the free world in any possible Armageddon with those who would extinguish the light of liberty on this earth.

But the pending bill, like its predecessor bills, does not provide for a sensible and sound foreign aid program. On the contrary, it undertakes to continue the image of Uncle Sam as a deluded old gentleman who wanders about, to and fro on the face of the earth, scattering the patrimony of our people abroad among friends and neutralists and potential foes alike, under the delusion that somehow he can purchase peace and buy friends with dollars.

I cannot vote for the bill because I believe it thus presents the United States to the world as a nation suffering under the delusion that it can purchase peace and security by giving away the patrimony of our people, in this particular case by taking the unearned income of unborn generations of Americans for the purpose of making gifts to friends and neutralists and foes alike; and because the amount of our deficit during the coming fiscal year will virtually equal the amount of the appropriation carried by the bill.

Mr. MILLER. I yield 3 minutes to the Senator from Florida.

Mr. HOLLAND. I rise to speak briefly about one provision of the bill, that which provides an appropriation to the Department of Health, Education, and Welfare for assistance to refugees in the United States, meaning, in this instance, the Cuban refugees, a large number of whom are still in the State which I represent, in part.

I wish to express my appreciation to the members of the committee who, I think, unanimously supported the view which I believe is sound, namely, that the Federal Government should carry more nearly all of the extra expenses incurred upon the host area than has been the case heretofore. The appropriation made by the House was some $55 million. It was raised by committee recommendation to $70,110,000, which is the full amount of the budget estimate.

Almost every Senator with whom I have spoken has asked me: "How is it that this item comes under the head of foreign aid?" The reason is that the authorization bill, which was passed a short while ago, had not been passed when the annual appropriation bill for the Department of Health, Education, and Welfare, which will handle this appropriation, was being considered and passed by Congress.

Without laboring the question at all, other than to express my very deep appreciation and gratitude, in which my distinguished colleague from Florida [Mr. SMATHERS] joins me, to the members of the committee and to every Member of the Senate who has expressed an interest in the subject, I wish to say that this amount is to be a partial reimbursement, for example, in reference to schools where the estimated number of Cuban children in the public schools of Dade County was 18,000. Already there are approximately 20,000 enrolled for this year, and the number is mounting with every passing week.

With reference to this part of the appropriation, it is only fair for the Federal Government to take care of 60 percent of the expenditures for the Cuban children, leaving the State of Florida and the local citizens with the cost of the expense which they have heretofore carried in greater amount, and which I am sure will continue to be carried in whatever amount may be necessary.

Mr. President, this is a national problem. It is fair and right that the National Government should care for the greater portion of the problem. We in Florida are trying to react as good Americans and as humanitarian citizens, and we believe we have done so.

It is only fair to say that the Cuban refugees have behaved themselves in an exemplary fashion. That is the verdict of all the law enforcement agencies, school authorities, and everyone else.

I think this is the most practical way we have in which to show to the unfortunate people who are refugees from their own nation that we regard them as our friends and brethren, and that we are doing our best to help to take care of them.

I yield the floor.

Mr. HUMPHREY. Mr. President, I yield 4 minutes to the Senator from Wyoming.

Mr. McGEE. Mr. President, the story of foreign aid in the recent years of our great country has been one of total unselfishness on the part of the American people. I submit that when the full story of man is recorded, one of the elements which will loom large in that narrative will be the way in which the American people have risen to the opportunity to help others to help themselves, not only in the wake of war, but in the absence of war. This is the first time in human history that a victorious nation has ever so conducted itself.

Naturally, we understand best the difficulties and tortures of our own country in making these economic sacrifices and commitments. Nonetheless, our people have always risen to the occasion. It is not the easiest of questions for Members of this body, particularly in an election year; but I think it behooves Congress to do what the position of the country requires, and that it is right to lead the great people of this land toward that goal.

In the process of writing our foreign aid story, however, we have had to learn much, because we began from scratch. Everything was new. In the lending process, we have made mistakes. Obviously, there has been waste. There has been waste in most things which we have undertaken. However, I know of no single individual in this body, or anywhere else, who has done more to make this program work better than it started to work; has done more to make constructive suggestions for the improvement of the program, so that it might be in the total national interest than the distinguished Senator from Louisiana [Mr. ELLENDER]. He and I have not always agreed on the philosophy behind some of the programs; but I take my hat off to him for what he has succeeded in achieving in the interest of making foreign aid a better operating program.

We have not gone far enough. We have not made all the improvements the program demands. I only hope that the Senator from Louisiana will persevere in the kind of educating he has done for me and, I trust, all other Senators, in making us alert to what must be done to increase the efficiency of the foreign-aid program.

I should like to mention, in passing, three or four of the suggestions which stem specifically from recommendations which the senior Senator from Louisiana has made following his extensive travels and long study of some of these problems. For example, he was the first to insist that aid be put on a loan basis and that we reduce the previous grant-aid program. The Senator from Louisiana was among the first to insist—in fact, he was the first to demand—that loans be repaid in whatever currency the United States might specify, but favoring dollar repayment.

What has been done about that suggestion? Beginning last year, a major shift was made in moving away from so much of the grant assistance and into a development loan program. What is even more important, in a way, is that repayment has been demanded almost exclusively in American dollars.

The senior Senator from Louisiana early demanded that aid to advanced countries be terminated, or at least sharply reduced, and that an improvement be made in the assistance being provided.

The Senator from Louisiana demanded that a greater share of the burden be borne by our allies. They are not yet carrying enough, but they are carrying more than they were.

The PRESIDING OFFICER. The time of the Senator from Wyoming has expired.

Mr. McGEE. Mr. President, I ask unanimous consent that a rather extended list of specific improvements initiated by the Senator from Louisiana be included in the text of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

SENATOR ELLENDER'S CONTRIBUTION TO THE AID PROGRAM

GENERAL

1. Recommendation: That aid be put on a loan basis and that grant aid be reduced; further, that loans be repaid in whatever currency the United States might specify but that dollar-repayment was preferred.

Action: Beginning last year, a major shift was made from grant assistance to development loans, with repayment almost exclusively in dollars.

2. Recommendation: That aid to more advanced countries, especially grant assistance, be terminated.

Action: Aid to advanced countries has been reduced; there is now only a small amount of military assistance being given to our European allies. In the more advanced countries such as Greece, grant aid has been terminated in favor of a limited program of loans.

3. Recommendation: That more of the burden of aid be borne by our allies.

Action: There has been a steady increase in the amount of aid provided by our allies.

4. Recommendation: That wherever possible, aid be provided on a multilateral rather than bilateral basis.

Action: There is now much greater emphasis on multilateral aid programs. Several consortia have been established, such as the one for the Indus River Basin. Multilateral aid through the International Bank and its International Development Association has also increased substantially. In addition, there is now a new organization, consisting of the United States, Canada, Japan, and the nations of Western Europe—the OECD, Organization for Economic Cooperation and Development—one of the main purposes of which is multilateral aid.

5. Recommendation: That purchases under the aid program be made, as far as possible, in the United States.

Action: Steps have been taken to tie aid funds to purchases in the United States. About 80 percent of aid money is now spent directly in this country.

6. Recommendation: That the aid program be better adapted to local conditions and that there be greater flexibility in the field.

Action: Under the new aid program enacted last year, primary emphasis is placed on these points: long-term, country-by-country planning is now a basic feature of the aid program.

7. Recommendation: That the good-neighbor policy be revitalized by establishing a new and stronger aid program in Latin America, with emphasis on helping the masses, and that aid be made conditional on internal reforms.

Action: The Alliance for Progress and the Act of Bogotá were developed to serve this purpose.

8. Recommendation: Greater emphasis on treating the conditions and factors which limit development, and on providing only as much aid as a country can effectively absorb.

Action: One of the fundamental aspects of the new aid program is its emphasis on these very principles.

9. Recommendation: Emphasis on technical assistance, especially on education and agriculture.

Action: Continued emphasis on technical assistance, with increased emphasis on education and agricultural development.

FAR EAST

1. Recommendation: A realistic rate of exchange in sales of agricultural products under the Public Law 480 program.

Action: An amendment by Senator ELLENDER has helped to achieve this result.

2. Recommendation: That electric power and transportation utilities receiving U.S. aid raise their rates to assure a reasonable return on investment.

Action: Conditions have been negotiated in loan agreements requiring a sound public utility rate structure.

3. Recommendation: That our allies provide more aid in the Far East.

Action: Greater aid efforts by Europe and Japan in this region.

NEAR EAST AND SOUTHEAST ASIA

1. Recommendation: That future aid be placed on a loan basis rather than grants.

Action: Economic grant aid has been terminated in Greece, Pakistan, and Iran, where future aid will be on a dollar repayable basis.

2. Recommendation: That development grant aid is inappropriate for an advanced country such as Greece or Israel.

Action: Development grants have been terminated in Greece, Lebanon, and Israel.

3. Recommendation: That our European allies should assist in helping Turkey.

Action: An OECD (Organization for Economic Cooperation and Development) consortium, which includes France, Germany, Britain, Italy, and others, was recently formed for just this purpose.

4. Recommendation: That Turkey modernize its taxation system.

Action: Turkey has since increased its tax revenue substantially, and is now considering further tax increases to help finance its development plan.

LATIN AMERICA

1. Recommendation: That the good neighbor policy be reactivated through a more effective aid program for Latin America.

Action: The Alliance for Progress was established for this purpose.

2. Recommendation: That aid be provided in such a manner as to benefit all the people of Latin America, rather than just the wealthy. Specifically, that aid be conditioned upon internal reforms such as tax laws, which will benefit the masses.

Action: Under the Alliance for Progress and the Act of Bogotá, aid is conditioned upon internal reform, and primary emphasis is being placed on aid programs such as housing, which will benefit the masses.

3. Recommendation: That a cooperative loan program exclusively for Latin America be inaugurated, emphasizing loans to smaller businesses, for the purpose of stimulating domestic investment. Also recommended establishing a central control bank for lending in all of Latin America.

Action: A cooperative loan program for Latin America has been inaugurated, and the development of cooperatives is being stressed under the Alliance for Progress. In addition, the Inter-American Development Bank has been established under which credit is made available to all Latin American countries.

AFRICA

1. Recommendation: That aid programs be better tailored to meet local needs and be kept on a level which can be effectively absorbed and used.

Action: A better application of these principles to the African aid program under the new foreign assistance program.

2. Recommendation: That emphasis be placed on agricultural development, primary education and a credit program for helping small business.

Action: These programs are being stressed under the new approach.

3. Recommendation: Greater multilateral cooperation in Africa development, particularly through the U.N. in such places as the Congo.

Action: Efforts to promote greater multilateral effort in Africa, especially through the U.N. A U.N. aid program for the Congo is now in effect.

Mr. MILLER. Mr. President, I yield 2 minutes to the Senator from Oregon.

Mr. MORSE. Mr. President, regretfully I shall vote against the bill. In my judgment, the bill will weaken our greatest defense weapon, our economy.

The bill contains hundreds of millions of dollars of waste of the taxpayers' money.

For 4 years I have waged a fight in committee to change grants to loans. Four years ago we were giving about 90 cents of every aid dollar. Today we are giving 65 cents out of every foreign aid dollar. We cannot justify that to the taxpayers.

Furthermore, we cannot continue this program while our allies in the cause of freedom are not fulfilling their share of the burden of paying a part of the cost of protecting freedom.

Consider our NATO allies, and their failure to carry their share of the burden of NATO. Consider our allies in southeast Asia and their failure to carry anywhere near their share of the burden in southeast Asia. Consider the failure of our allies to come to our assistance in carrying some of the burden of the Alliance for Progress program.

The United States has a total national debt of more than $300 billion. The combined national debt of all our allies is only $209 billion, $90 billion less than the total national debt of the United States. Yet in this bill it is proposed that we give away hundreds of millions of dollars more to countries which ought to be paying their share of the burden.

Regretfully, I shall vote against this unfortunate giveaway bill.

The **PRESIDING OFFICER**. All time has expired.

The hour of 3 o'clock having arrived, the question is, Shall the bill pass?

On this question, the yeas and nays have been ordered; and the clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. **ALLOTT** (when his name was called). On this vote, I have a pair with the senior Senator from Indiana [Mr. Capehart]. If the Senator from Indiana [Mr. Capehart] were present and voting, he would vote "nay." If I were at liberty to vote, I would vote "yea." I withhold my vote.

Mr. **MILLER** (when his name was called). On this vote, I have a live pair with the junior Senator from South Dakota [Mr. Bottum]. If the Senator from South Dakota [Mr. Bottum] were present and voting, he would vote "nay." If I were at liberty to vote, I would vote "yea." I withhold my vote.

Mr. **MANSFIELD** (when his name was called). On this vote, I have a pair with the senior Senator from Arkansas [Mr. McClellan]. If the Senator from Arkansas [Mr. McClellan] were present and voting, he would vote "nay." If I were at liberty to vote, I would vote "yea." I withhold my vote.

The rollcall was concluded.

Mr. **HUMPHREY**. I announce that the Senator from New Mexico [Mr. Chavez], the Senator from Pennsylvania [Mr. Clark], the Senator from Mississippi [Mr. Eastland], the Senator from Washington [Mr. Magnuson], and the Senator from Arkansas [Mr. McClellan] are absent on official business.

I further announce that the Senator from New Mexico [Mr. Anderson], the Senator from Arkansas [Mr. Fulbright], the Senator from Alaska [Mr. Gruening], and the Senator from Wyoming [Mr. Hickey] are necessarily absent.

I further announce that, if present and voting, the Senator from Pennsylvania [Mr. Clark] would vote "yea."

On this vote, the Senator from New Mexico [Mr. Chavez] is paired with the Senator from Alaska [Mr. Gruening]. If present and voting, the Senator from New Mexico would vote "yea," and the Senator from Alaska would vote "nay."

Mr. **KUCHEL**. I announce that the Senators from Vermont [Mr. Aiken and Mr. Prouty], the Senator from Utah [Mr. Bennett], the Senator from South Dakota [Mr. Bottum], the Senator from Indiana [Mr. Capehart], the Senator from Kentucky [Mr. Morton], and the Senator from Texas [Mr. Tower] are necessarily absent.

If present and voting, the Senator from Vermont [Mr. Aiken] would vote "yea."

On this vote, the Senator from Vermont [Mr. Prouty] is paired with the Senator from Utah [Mr. Bennett]. If present and voting, the Senator from Vermont would vote "yea," and the Senator from Utah would vote "nay."

On this vote, the Senator from Kentucky [Mr. Morton] is paired with the Senator from Texas [Mr. Tower]. If present and voting, the Senator from Kentucky would vote "yea," and the Senator from Texas would vote "nay."

The respective pairs of the Senator from South Dakota [Mr. Bottum] and that of the Senator from Indiana [Mr. Capehart] have been previously announced.

The result was announced—yeas 57, nays 24, as follows:

[No. 302 Leg.]

YEAS—57

Bartlett
Beall
Boggs
Burdick
Bush
Byrd, W. Va.
Cannon
Carlson
Carroll
Case
Church
Cooper
Cotton
Dirksen
Dodd
Douglas
Engle
Fong
Gore
Hart
Hartke
Hayden
Hickenlooper
Hill
Holland
Humphrey
Jackson
Javits
Keating
Kefauver
Kerr
Kuchel
Long, Mo.
Long, Hawaii
McCarthy
McGee
McNamara
Metcalf
Monroney
Moss
Muskie
Neuberger
Pastore
Pearson
Pell
Proxmire
Randolph
Saltonstall
Scott
Smith, Mass.
Smith, Maine
Sparkman
Symington
Wiley
Williams, N.J.
Yarborough
Young, Ohio

NAYS—24

Bible
Butler
Byrd, Va.
Curtis
Ellender
Ervin
Goldwater
Hruska
Johnston
Jordan, N.C.
Jordan, Idaho
Lausche
Long, La.
Morse
Mundt
Murphy
Robertson
Russell
Smathers
Stennis
Talmadge
Thurmond
Williams, Del.
Young, N. Dak.

NOT VOTING—19

Aiken
Allott
Anderson
Bennett
Bottum
Capehart
Chavez
Clark
Eastland
Fulbright
Gruening
Hickey
Magnuson
Mansfield
McClellan
Miller
Morton
Prouty
Tower

So the bill (H.R. 13175) was passed.

Mr. **MANSFIELD**. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. **HUMPHREY**. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. **HAYDEN**. Mr. President, I move that the Senate insist on its amendments, and request a conference with the House on the disagreeing votes thereon, and that the Chair appoint conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. Hayden, Mr. Ellender, Mr. Holland, Mr. Pastore, Mr. McGee, Mr. Saltonstall, Mr. Mundt, and Mrs. Smith of Maine conferees on the part of the Senate.

TRANSACTION OF ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

APPOINTMENTS BY THE VICE PRESIDENT

The **VICE PRESIDENT**. The Chair announces the following appointment of Senators to attend several important conferences:

The Interparliamentary Union Conference in Brasilia, Brazil, beginning October 24: Senator Robertson, Chairman, Senator Long of Hawaii, Senator Smith of Massachusetts, Senator Thurmond, Senator Stennis, Senator Metcalf, Senator Talmadge, Senator Yarborough, Senator Murphy, and former Senator Homer Ferguson, ex officio.

The NATO Parliamentarian's Conference in Paris, France, beginning November 12: Senator Fulbright, Senator Smathers, Senator Cannon, Senator McClellan, Senator McCarthy, Senator Byrd of Virginia, Senator Kefauver, Senator Jordan of North Carolina, Senator Randolph, Senator Kuchel, Senator Mundt, Senator Javits, Senator Cooper, and Senator Hickenlooper.

The Peace Corps Conference in Puerto Rico: Senator Humphrey.

The International Atomic Energy Conference, in Geneva, Switzerland: Senator Pastore.

The Commonwealth Parliamentary Conference to be held in Lagos, Nigeria, November 15: Senator Burdick, Senator Williams of New Jersey, and Senator Keating.

The GATT Conference, at Geneva Switzerland: Senator McCarthy.

The UNESCO Conference, in Paris, France: Senator Byrd of West Virginia.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following communication and letters, which were referred as indicated:

Proposed Supplemental Appropriation, Fiscal Year 1963, for General Services Administration (S. Doc. No. 154)

A communication from the President of the United States, transmitting a proposed supplemental appropriation for the fiscal year 1963, in the amount of $3 million, for the General Services Administration (with an accompanying paper); to the Committee on Appropriations, and ordered to be printed.

Report on Hydrostatic Test Facility at Marshall Space Flight Center

A letter from the Administrator, National Aeronautics and Space Administration, Washington, D.C., reporting, pursuant to law, on the construction of the Hydrostatic Test Facility at the Marshall Space Flight Center; to the Committee on Aeronautical and Space Sciences.

Report on Facilities for Testing and Related Work on the Advanced Saturn Launch Vehicle

A letter from the Administrator, National Aeronautics and Space Administration, Washington, D.C., reporting, pursuant to law, on the research and development to provide facilities for testing and related work on the Advanced Saturn launch vehicle; to the Committee on Aeronautical and Space Sciences.

Report on Department of the Army Contracts for Military Construction Awarded Without Formal Advertisement

A letter from the Secretary of the Army, transmitting, pursuant to law, on Department of the Army contracts for military construction awarded without formal advertisement, covering the period January 1, through June 30, 1962 (with an accompanying report); to the Committee on Armed Services.

REPORT ON REVIEW OF POSTAL OPERATIONS RELATING TO EXPERIMENTAL MAIL-PROCESSING PLANT, PROVIDENCE, R.I.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the review of postal operations relating to experimental mail-processing plant, Providence, R.I., Post Office Department, dated September 1962 (with an accompanying report); to the Committee on Government Operations.

REPORT ON TORT CLAIMS PAID BY DEPARTMENT OF COMMERCE

A letter from the Secretary of Commerce, transmitting, pursuant to law, a report on tort claims paid by that Department, during fiscal year 1962 (with an accompanying report); to the Committee on the Judiciary.

RONNIE E. HUNTER

A letter from the Comptroller General of the United States, transmitting a draft of proposed legislation for the relief of Ronnie E. Hunter (with accompanying papers); to the Committee on the Judiciary.

REPORT ON OPERATIONS IN CONNECTION WITH THE BONDING OF GOVERNMENT OFFICERS AND EMPLOYEES

A letter from the Secretary of the Treasury, transmitting, pursuant to law, a report on operations in connection with the bonding of Government officers and employees, for the fiscal year ended June 30, 1962 (with an accompanying report); to the Committee on Post Office and Civil Service.

DISPOSITION OF EXECUTIVE PAPERS

A letter from the Deputy Administrator, General Services Administration, Washington, D.C., transmitting, pursuant to law, a report of the Archivist of the United States on a list of papers and documents on the files of several departments and agencies of the Government which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition (with accompanying papers); to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The VICE PRESIDENT appointed Mr. JOHNSTON and Mr. CARLSON members of the committee on the part of the Senate.

RESOLUTION OF BOARD OF SUPERVISORS, ONEIDA COUNTY, N.Y.

Mr. JAVITS. Mr. President, I ask unanimous consent to have printed in the RECORD a resolution adopted by the Board of Supervisors of Oneida County, N.Y., relating to the decision of the Supreme Court on prayer in public schools.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

BOARD OF SUPERVISORS, ONEIDA COUNTY RESOLUTION 267

Whereas the Supreme Court of the United States handed down a recent decision that it was not proper for public schools to open the school day with the following prayer: "Almighty God, we acknowledge our dependence upon Thee, and we beg Thy blessings upon us, our parents, our teachers, and our country"; and

Whereas the said decision has caused much dissension and concern generally among various groups throughout the country and especially within the county of Oneida; and

Whereas the said prayer is nondenominational in nature and is not partisan to any religious group or any other group; and

Whereas it would be to the best moral interests of the community and our country to permit public schools to open the school day with the aforesaid prayer, and to display to the nations of the world that the United States still leads in human causes and principles: Now, therefore, be it

Resolved, That this board go on record requesting the President of the United States, the Honorable John F. Kennedy; Governor of the State of New York, the Honorable Nelson D. Rockefeller; the Honorable Jacob Javits and the Honorable Kenneth Keating, U.S. Senators, and Congressman Alexander Pirnie, to request the Congress of the United States to approve appropriate legislation and, if necessary, a constitutional amendment, permitting the public schools within the United States to open the school day with the prayer heretofore endorsed by the New York State Department of Education, and the clerk of this board is hereby authorized to forward certified copies of this resolution to the foregoing public officials.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. PELL, from the Committee on Labor and Public Welfare, with amendments:

S. 741. A bill to provide for the establishment of a Federal Advisory Council on the Arts to assist in the growth and development of the fine arts in the United States (Rept. No. 2260).

By Mr. HRUSKA, from the Committee on the Judiciary, with amendments:

S. 2900. A bill to provide for the representation of certain defendants in criminal cases in the U.S. district courts (Rept. No. 2261).

By Mr. DIRKSEN, from the Committee on the Judiciary, with an amendment:

S. 3124. A bill for the relief of Lt. Col. Gustave M. Minton, Jr., U.S. Air Force (Rept. No. 2264).

By Mr. FONG, from the Committee on the Judiciary, without amendment:

H.R. 3131. An act for the relief of Richard C. Collins (Rept. No. 2265).

By Mr. HUMPHREY (for Mr. MCCLELLAN), from the Committee on Government Operations, without amendment:

H.R. 11899. An act to amend the Federal Property and Administrative Services Act of 1949, as amended, to provide for a Federal telecommunications fund (Rept. No. 2262).

By Mr. SPARKMAN, from the Committee on Foreign Relations, with an amendment:

S. 3679. A bill authorizing an appropriation to enable the United States to extend an invitation to the Food and Agricultural Organization of the United Nations to hold a World Food Congress in the United States in 1963 (Rept. No. 2263).

By Mr. BYRD of Virginia, from the Committee on Finance, with amendments:

H.R. 10117. An act to amend section 401 of the Internal Revenue Code of 1954 to provide that plans which provide certain medical and other benefits for retired employees and their families may be qualified pension plans (Rept. No. 2266).

By Mr. BEALL, from the Committee on the District of Columbia, without amendment:

H.R. 8563. An act to amend the Life Insurance Act of the District of Columbia to permit certain policies to be issued to members of duly organized national veterans' organizations (Rept. No. 2267).

By Mr. BEALL, from the Committee on the District of Columbia, with amendments:

H.R. 12546. An act to amend the Life Insurance Company Act of the District of Columbia (48 Stat. 1145), approved June 19, 1934, as amended (Rept. No. 2268).

By Mr. MORSE, from the Committee on the District of Columbia, with an amendment:

S. 3259. A bill to regulate private employment agencies in the District of Columbia (Rept. No. 2269).

REPORT ON DISPOSITION OF EXECUTIVE PAPERS

Mr. JOHNSTON, from the Joint Select Committee on the Disposition of Papers in the Executive Departments, to which was referred for examination and recommendation a list of records transmitted to the Senate by the Archivist of the United States, dated September 21, 1962, that appeared to have no permanent value or historical interest, submitted a report thereon, pursuant to law.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. JAVITS:

S. 3775. A bill relating to college academic facilities and student assistance; to the Committee on Labor and Public Welfare.

(See the reference to the above bill by Mr. JAVITS, which appears under a separate heading.)

By Mr. SPARKMAN (for himself and Mr. BUSH):

S. 3776. A bill to authorize the establishment of Federal mutual savings banks; to the Committee on Banking and Currency.

AMENDMENT OF FEDERAL HOME LOAN BANK AND HOME OWNERS LOAN ACTS—AMENDMENT

Mr. SMATHERS (for himself and Mr. SPARKMAN) submitted an amendment, in the nature of a substitute, intended to be proposed by them, jointly, to the bill (S. 582) to amend section 17 of the Federal Home Loan Bank Act and to amend section 5 of the Home Owners Loan Act of 1933, which was referred to the Committee on Banking and Currency, and ordered to be printed.

RIVERS AND HARBORS AND FLOOD CONTROL ACT OF 1962—AMENDMENTS

Mr. BOGGS submitted amendments, intended to be proposed by him, to the bill (S. 3773) authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes; which were ordered to lie on the table and to be printed.

TO PROVIDE MORE DEFINITIVE TARIFF CLASSIFICATION DESCRIPTION FOR LIGHTWEIGHT BICYCLES—AMENDMENT

Mr. JAVITS submitted an amendment, intended to be proposed by him, to the bill (H.R. 8938) to provide a more definitive tariff classification description for lightweight bicycles, which was ordered to lie on the table and to be printed.

DEPARTMENTS OF STATE, JUSTICE, AND COMMERCE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATION BILL, 1963—AMENDMENTS

Mr. PROXMIRE (for himself, Mr. Douglas, and Mr. Lausche) submitted amendments, intended to be proposed by them, jointly, to the bill (H.R. 12580) making appropriations for the Departments of State, Justice, and Commerce, the judiciary, and related agencies for the fiscal year ending June 30, 1963, and for other purposes, which were ordered to lie on the table and to be printed.

Mr. JAVITS submitted amendments, intended to be proposed by him, to House bill 12580, supra, which were ordered to lie on the table and to be printed.

NOTICE OF MOTION TO SUSPEND THE RULE—AMENDMENT TO DEPARTMENTS OF STATE, JUSTICE, AND COMMERCE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATION BILL, 1963

Mr. MORSE submitted the following notice in writing:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H.R. 12580) making appropriations for the Departments of State, Justice, and Commerce, the Judiciary, and related agencies for the fiscal year ending June 30, 1963, and for other purposes, the following amendment, namely:

At the end of the bill, insert the following:

"Sec. . That section 521 of title 38 of the United States Code is amended by redesignating subsections (b) through (f) as subsections (c) through (g), respectively, and by inserting after subsection (a) the following new subsection:

"'(b) (1) In the case of a veteran of World War I, pension shall be paid at the following monthly rate:

"'(A) $75; or

"'(B) $90 if (i) the veteran is sixty-five years of age or older, or (ii) the veteran has been rated as permanently and totally disabled for an aggregate period of ten years; or

"'(C) $150 if the veteran is in need of regular aid and attendance.

"'(2) If the veteran served outside the continental limits of the United States for a period of thirty days or more during the creditable period of service the monthly rate payable to him under paragraph (1) shall be increased by 10 per centum.

"'(3) For purposes of this section, a veteran of World War I shall be deemed to be permanently and totally disabled upon reaching the age of sixty-five years.

"'(4) No pension shall be paid under paragraph (1) to any unmarried veteran whose annual income exceeds $1,800, or to any married veteran or any veteran with children whose annual income exceeds $3,000.'

"Sec. . (a) Subsections (c), (d), and (e) of such section (as redesignated by the first section of this Act) are amended by striking out 'If' in each subsection and inserting in lieu thereof 'In the case of a veteran of World War II or the Korean conflict, if'.

"(b) Subsection (e) of such section (as redesignated by the first section of this Act) is amended by striking out '(b) or (c)' and inserting in lieu thereof '(c) or (d)'.

"Sec. . The amendments made by this Act shall take effect on the first day of the first month which begins after the date of the enactment of this Act."

Mr. MORSE also submitted an amendment, intended to be proposed by him, to House bill 12580, making appropriations for the Departments of State, Justice, and Commerce, the Judiciary, and related agencies for the fiscal year ending June 30, 1963, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

NOTICES OF MOTIONS TO SUSPEND THE RULE—AMENDMENT TO SUPPLEMENTAL APPROPRIATION BILL, 1963

Mr. SMATHERS submitted the following notice in writing:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H.R. 13290) making supplemental appropriations for the fiscal year ending June 30, 1963, and for other purposes, the following amendment; namely, at the end of the bill add the following:

"Sec. —. That this act may be cited as the 'Self-Employed Individuals Tax Retirement Act of 1962".

Sec. —. Qualification of Plans.

"Section 401 of the Internal Revenue Code of 1954 (relating to qualified pension, profit-sharing, and stock bonus plans) is amended—

"(1) by adding at the end of paragraph (5) of subsection (a) the following new sentence: 'For purposes of this paragraph and paragraph (10), the total compensation of an individual who is an employee within the meaning of subsection (c) (1) means such individual's earned income (as defined in subsection (c) (2)), and the basic or regular rate of compensation of such an individual shall be determined, under regulations prescribed by the Secretary or his delegate, with respect to that portion of his earned income which bears the same ratio to his earned income as the basic or regular compensation of the employees under the plan bears to the total compensation of such employees.';

"(2) by adding at the end of subsection (a) the following new paragraphs:

"'(7) A trust shall not constitute a qualified trust under this section unless the plan of which such trust is a part provides that, upon its termination or upon complete discontinuance of contributions under the plan, the rights of all employees to benefits accrued to the date of such termination or discontinuance, to the extent then funded, or the amounts credited to the employees' accounts, are nonforfeitable. This paragraph shall not apply to benefits or contributions which, under provisions of the plan adopted pursuant to regulations prescribed by the Secretary or his delegate to preclude the discrimination prohibited by paragraph (4), may not be used for designated employees in the event of early termination of the plan.

"'(8) A trust forming part of a pension plan shall not constitute a qualified trust under this section unless the plan provides that forfeitures must not be applied to increase the benefits any employee would otherwise receive under the plan.

"'(9) In the case of a plan which provides contributions or benefits for employees some or all of whom are employees within the meaning of subsection (c) (1), a trust forming part of such plan shall not constitute a qualified trust under this section unless, under the plan, the entire interest of each employee—

"'(A) either will be distributed to him not later than his taxable year in which he attains the age of 70½ years, or, in the case of an employee other than an owner-employee (as defined in subsection (c) (3), in which he retires, whichever is the later, or

"'(B) will be distributed, commencing not later than such taxable year, (i) in accordance with regulations prescribed by the Secretary or his delegate, over the life of such employee or over the lives of such employee and his spouse, or (ii) in accordance with such regulations, over a period not extending beyond the life expectancy of such employee or the life expectancy of such employee and his spouse.

A trust shall not be disqualified under this paragraph by reason of distributions under a designation, prior to the date of the enactment of this paragraph, by any employee under the plan of which such trust is a part, of a method of distribution which does not meet the terms of the preceding sentence.

"'(10) In the case of a plan which provides contributions or benefits for employees some or all of whom are owner-employees (as defined in subsection (c) (3))—

"'(A) paragraph (3) and the first and second sentences of paragraph (5) shall not apply, but—

"'(i) such plan shall not be considered discriminatory within the meaning of paragraph (4) merely because the contributions or benefits of or on behalf of employees under the plan bear a uniform relationship to the total compensation, or the basic or regular rate of compensation, of such employees, and

"'(ii) such plan shall not be considered discriminatory within the meaning of paragraph (4) solely because under the plan contributions described in subsection (e) (3) (A) which are in excess of the amounts which may be deducted under section 404 (determined without regard to section 404(a) (10)) for the taxable year may be made on behalf of any owner-employee; and

"'(B) a trust forming a part of such plan shall constitute a qualified trust under this section only if the requirements in subsection (d) are also met,'; and

"(3) by redesignating subsection (c) as subsection (h) and inserting after subsection (b) the following new subsections:

"'(c) Definitions and Rules Relating to Self-Employed Individuals and Owner-Employees.—For purposes of this section—

"'(1) Employee.—The term "employee" includes, for any taxable year, an individual who has earned income (as defined in paragraph (2)) for the taxable year. To the extent provided in regulations prescribed by the Secretary or his delegate, such term also includes, for any taxable year—

"'(A) an individual who would be an employee within the meaning of the preceding sentence but for the fact that the trade or business carried on by such individual did not have net profits for the taxable year, and

"'(B) an individual who has been an employee within the meaning of the preceding sentence for any prior taxable year.

"'(2) Earned income.—

"'(A) In general.—The term "earned income" means the net earnings from self-employment (as defined in section 1402(a)) to the extent that such net earnings constitute earned income (as defined in section 911(b) but determined with the application of subparagraph (B)), but such net earnings shall be determined—

"'(i) without regard to paragraphs (4) and (5) of section 1402(c),

"'(ii) in the case of any individual who is treated as an employee under sections

3121(d)(3)(A), (C), or (D), without regard to paragraphs (2) of section 1402(c), and

" '(iii) without regard to items which are not included in gross income for purposes of this chapter, and the deductions properly allocable to or chargeable against such items. For purposes of this subparagraph, sections 911(b) and 1402, as in effect for a taxable year ending on December 31, 1962, and subparagraph (B), as in effect for a taxable year beginning on January 1, 1963, shall be treated as having been in effect for all taxable years ending before such date.

" '(B) Earned income when both personal services and capital are material income-producing factors.—In applying section 911(b) for purposes of subparagraph (A), in the case of an individual who is an employee within the meaning of paragraph (1) and who is engaged in a trade or business in which both personal services and capital are material income-producing factors and with respect to which the individual actually renders personal services on a full-time, or substantially full-time, basis, so much of his share of the net profits of such trade or business as does not exceed $2,500 shall be considered as earned income. In the case of any such individual who is engaged in more than one trade or business with respect to which he actually renders substantial personal services, if with respect to all such trades or businesses he actually renders personal services on a full-time, or substantially full-time, basis, there shall be considered as earned income with respect to the trades or businesses in which both personal services and capital are material income-producing factors—

" '(i) so much of his share of the net profits of such trades or businesses as does not exceed $2,500, reduced by

" '(ii) his share of the net profits of any trade or business in which only personal services is a material income-producing factor.'

The preceding sentences shall not be construed to reduce the share of net profits of any trade or business which under the second sentence of section 911(b) would be considered as earned income of any such individual.

" '(3) Owner-employee.—The term "owner-employee" means an employee who—

" '(A) owns the entire interest in an unincorporated trade or business, or

" '(B) in the case of a partnership, is a partner who owns more than 10 percent of either the capital interest or the profits interest in such partnership.'

To the extent provided in regulations prescribed by the Secretary or his delegate, such term also means an individual who has been an owner-employee within the meaning of the preceding sentence.

" '(4) Employer.—An individual who owns the entire interest in an unincorporated trade or business shall be treated as his own employer. A partnership shall be treated as the employer of each partner who is an employee within the meaning of paragraph (1).

" '(5) Contributions on behalf of owner-employees.—The term "contribution on behalf of an owner-employee" includes, except as the context otherwise requires, a contribution under a plan—

" '(A) by the employer for an owner-employee, and

" '(B) by an owner-employee as an employee.

" '(d) Additional Requirements for Qualification of Trusts and Plans Benefiting Owner-Employees.—A trust forming part of a pension or profit-sharing plan which provides contributions or benefits for employees some or all of whom are owner-employees shall constitute a qualified trust under this section only if, in addition to meeting the requirements of subsection (a), the following requirements of this subsection are met by the trust and by the plan of which such trust is a part:

" '(1) In the case of a trust which is created on or after the date of the enactment of this subsection, or which was created before such date but is not exempt from tax under section 501(a) as an organization described in subsection (a) on the day before such date, the trustee is a bank, but a person (including the employer) other than a bank may be granted, under the trust instrument, the power to control the investment of the trust funds either by directing investments (including reinvestments, disposals, and exchanges) or by disapproving proposed investments (including reinvestments, disposals, and exchanges). This paragraph shall not apply to a trust created or organized outside the United States before the date of the enactment of this subsection if, under section 402(c), it is treated as exempt from tax under section 501(a) on the day before such date; or, to the extent provided under regulations prescribed by the Secretary or his delegate, to a trust which uses annuity, endowment, or life insurance contracts of a life insurance company exclusively to fund the benefits prescribed by the trust, if the life insurance company supplies annually such information about trust transactions affecting owner-employees as the Secretary or his delegate shall by forms or regulations prescribe. For purposes of this paragraph, the term "bank" means a bank as defined in section 581, a corporation which under the laws of the State of its incorporation is subject to supervision and examination by the commissioner of banking or other officer of such State in charge of the administration of the banking laws of such State, and, in the case of a trust created or organized outside the United States, a bank or trust company, wherever incorporated, exercising fiduciary powers and subject to supervision and examination by governmental authority.

" '(2) Under the plan—

" '(A) the employees' rights to or derived from the contributions under the plan are nonforfeitable at the time the contributions are paid to or under the plan; and

" '(B) in the case of a profit-sharing plan, there is a definite formula for determining the contributions to be made by the employer on behalf of employees (other than owner-employees).

Subparagraph (A) shall not apply to contributions which, under provisions of the plan adopted pursuant to regulations prescribed by the Secretary or his delegate to preclude the discrimination prohibited by subsection (a)(4), may not be used to provide benefits for designated employees in the event of early termination of the plan.

" '(3) The plan benefits each employee having a period of employment of 3 years or more. For purposes of the preceding sentence, the term "employee" does not include any employee whose customary employment is for not more than 20 hours in any 1 week or is for not more than 5 months in any calendar year.

" '(4) Under the plan—

" '(A) contributions or benefits are not provided for any owner-employee unless such owner-employee has consented to being included under the plan; and

" '(B) no benefits may be paid to any owner-employee, except in the case of his becoming disabled (within the meaning of section 213(g)(3)) prior to his attaining the age of 59½ years.

" '(5) The plan does not permit—

" '(A) contributions to be made by the employer on behalf of any owner-employee in excess of the amounts which may be deducted under section 404 (determined without regard to section 404(a)(10)) for the taxable year;

" '(B) in the case of a plan which provides contributions or benefits only for owner-employees, contributions to be made on behalf of any owner-employee in excess of the amounts which may be deducted under section 404 (determined without regard to section 404(a)(10)) for the taxable year; and

" '(C) if a distribution under the plan is made to any employee and if any portion of such distribution is an amount described in section 72(m)(5)(A)(i), contributions to be made on behalf of such employee for the 5 taxable years succeeding the taxable year in which such distribution is made.

Subparagraphs (A) and (B) shall not apply to any contribution which is not considered to be an excess contribution (as defined in subsection (e)(1)) by reason of the application of subsection (e)(3).

" '(6) Except as provided in this paragraph, the plan meets the requirements of subsection (a)(4) without taking into account for any purpose contributions or benefits under chapter 2 (relating to tax on self-employment income), chapter 21 (relating to Federal Insurance Contributions Act), title II of the Social Security Act, as amended, or any other Federal or State law. If—

" '(A) of the contributions deductible under section 404 (determined without regard to section 404(a)(10)), not more than one-third is deductible by reason of contributions by the employer on behalf of owner-employees, and

" '(B) taxes paid by the owner-employees under chapter 2 (relating to tax on self-employment income), and the taxes which would be payable under such chapter 2 by the owner-employees but for paragraphs (4) and (5) of section 1402(c), are taken into account as contributions by the employer on behalf of such owner-employees,'

"then taxes paid under section 3111 (relating to tax on employers) with respect to an employee may, for purposes of subsection (a)(4), be taken into account as contributions by the employer for such employee under the plan.

" '(7) Under the plan, if an owner-employee dies before his entire interest has been distributed to him, or if distribution has been commenced in accordance with subsection (a)(9)(B) to his surviving spouse and such surviving spouse dies before his entire interest has been distributed to such surviving spouse, his entire interest (or the remaining part of such interest if distribution thereof has commenced) will, within 5 years after his death (or the death of his surviving spouse), be distributed, or applied to the purchase of an immediate annuity for his beneficiary or beneficiaries (or the beneficiary or beneficiaries of his surviving spouse) which will be payable for the life of such beneficiary or beneficiaries (or for a term certain not extending beyond the life expectancy of such beneficiary or beneficiaries) and which will be immediately distributed to such beneficiary or beneficiaries. The preceding sentence shall not apply if distribution of the interest of an owner-employee has commenced and such distribution is for a term certain over a period permitted under subsection (a)(9)(B)(ii).

" '(8) Under the plan—

" '(A) any contribution which is an excess contribution, together with the income attributable to such excess contribution, is (unless subsection (e)(2)(E) applies) to be repaid to the owner-employee on whose behalf such excess contribution is made;

" '(B) if for any taxable year the plan does not, by reason of subsection (e)(2)(A), meet (for purposes of section 404) the requirements of this subsection with respect to an owner-employee, the income for the taxable year attributable to the interest of such owner-employee under the plan is to be paid to such owner-employee; and

"'(C) the entire interest of an owner-employee is to be repaid to him when required by the provisions of subsection (e) (2)(E).

"'(9)(A) If the plan provides contributions or benefits for an owner-employee who controls, or for two or more owner-employees who together control, the trade or business with respect to which the plan is established, and who also control as an owner-employee or as owner-employees one or more other trades or businesses, such plan and the plans established with respect to such other trades or businesses, when coalesced, constitute a single plan which meets the requirements of subsection (a) (including paragraph (10) thereof) and of this subsection with respect to the employees of all such trades or businesses (including the trade or business with respect to which the plan intended to qualify under this section is established).

"'(B) For purposes of subparagraph (A), an owner-employee, or two or more owner-employees, shall be considered to control a trade or business if such owner-employee, or such two or more owner-employees together

"'(i) own the entire interest in an unincorporated trade or business, or

"'(ii) in the case of a partnership, own more than 50 percent of either the capital interest or the profits interest in such partnership.'

For purposes of the preceding sentence, an owner-employee, or two or more owner-employees, shall be treated as owning any interest in a partnership which is owned, directly or indirectly, by a partnership which such owner-employee, or such two or more owner-employees, are considered to control within the meaning of the preceding sentence.

"'(10) The plan does not provide contributions or benefits for any owner-employee who controls (within the meaning of paragraph (9)(B)), or for two or more owner-employees who together control, as an owner-employee or as owner-employees, any other trade or business, unless the employees of each trade or business which such owner-employee or such owner-employees control are included under a plan which meets the requirements of subsection (a) (including paragraph (10) thereof) and of this subsection, and provides contributions and benefits for employees which are not less favorable than contributions and benefits provided for owner-employees under the plan.

"'(11) Under the plan, contributions on behalf of any owner-employee may be made only with respect to the earned income of such owner-employee which is derived from the trade or business with respect to which such plan is established.

"'(e) Excess Contributions on Behalf of Owner-Employees.—

"'(1) Excess contribution defined.—For purposes of this section, the term "excess contribution" means, except as provided in paragraph (3)—

"'(A) if, in the taxable year, contributions are made under the plan only on behalf of owner-employees, the amount of any contribution made on behalf of any owner-employee which (without regard to this subsection) is not deductible under section 404 (determined without regard to section 404 (a)(10)) for the taxable year; or

"'(B) if, in the taxable year, contributions are made under the plan on behalf of employees other than owner-employees—

"'(i) the amount of any contribution made by the employer on behalf of any owner-employee which (without regard to this subsection) is not deductible under section 404 (determined without regard to section 404(a)(10)) for the taxable year;

"'(ii) the amount of any contribution made by any owner-employee (as an employee) at a rate which exceeds the rate of contributions permitted to be made by employees other than owner-employees;

"'(iii) the amount of any contribution made by any owner-employee (as an employee) which exceeds the lesser of $2,500 or 10 percent of the earned income for such taxable year derived by such owner-employee from the trade or business with respect to which the plan is established; and

"'(iv) in the case of any individual on whose behalf contributions are made under more than one plan as an owner-employee, the amount of any contribution made by such owner-employee (as an employee) under all such plans which exceeds $2,500; and

"'(C) the amount of any contribution made on behalf of an owner-employee in any taxable year for which, under paragraph (2) (A) or (E), the plan does not (for purposes of section 404) meet the requirements of subsection (d) with respect to such owner-employee.

For purposes of this subsection, the amount of any contribution which is allocable (determined in accordance with regulations prescribed by the Secretary or his delegate) to the purchase of life, accident, health, or other insurance shall not be taken into account.

"'(2) Effect of excess contributicn.—

"'(A) In general.—If an excess contribution (other than an excess contribution to which subparagraph (E) applies) is made on behalf of an owner-employee in any taxable year, the plan with respect to which such excess contribution is made shall, except as provided in subparagraphs (C) and (D), be considered, for purposes of section 404, as not meeting the requirements of subsection (d) with respect to such owner-employee for the taxable year and for all succeeding taxable years.

"'(B) Inclusion of amounts in gross income of owner-employees.—For any taxable year for which any plan does not meet the requirements of subsection (d) with respect to an owner-employee by reason of subparagraph (A), the gross income of such owner-employee shall, for purposes of this chapter, include the amount of net income for such taxable year attributable to the interests of such owner-employee under such plan.

"'(C) Repayment within prescribed period.—Subparagraph (A) shall not apply to an excess contribution with respect to any taxable year, if, on or before the close of the 6-month period beginning on the day on which the Secretary or his delegate sends notice (by certified or registered mail) to the person, to whom such excess contribution was paid of the amount of such excess contribution, the amount of such excess contribution, and the net income attributable thereto, is repaid to the owner-employee on whose behalf such excess contribution was made. If the excess contribution is an excess contribution as defined in paragraph (1)(A), or (B)(i), or is an excess contribution as defihed in paragraph (1)(C) with respect to which a deduction has been claimed under section 404, the notice required by the preceding sentence shall not be mailed prior to the time that the amount of the tax under this chapter of such owner-employee for the taxable year in which such excess contribution was made has been finally determined.

"'(D) Repayment after prescribed period.—If an excess contribution, together with the net income attributable thereto, is not repaid within the 6-month period referred to in subparagraph (C), subparagraph (A) shall not apply to an excess contribution with respect to any taxable year beginning with the taxable year in which the person to whom such excess contribution was paid repays the amount of such excess contribution to the owner-employee on whose behalf such excess contribution was made and pays to such owner-employee the amount of net income attributable to the interest of such owner-employee which, under subparagraph (B), has been included in the gross income of such owner-employee for any prior taxable year.

"'(E) Special rule if excess contribution was willfully made.—If an excess contribution made on behalf of an owner-employee is determined to have been willfully made, then—

"'(i) subparagraphs (A), (B), (C), and (D) shall not apply with respect to such excess contribution;

"'(ii) there shall be distributed to the owner-employee on whose behalf such excess contribution was willfully made his entire interest in all plans with respect to which he is an owner-employee; and

"'(iii) no plan shall, for purposes of section 404, be considered as meeting the requirements of subsection (d) with respect to such owner-employee for the taxable year in which it is determined that such excess contribution was willfully made and for the 5 taxable years following such taxable year.

"'(F) Statute of limitations.—In any case in which subparagraph (A) applies, the period for assessing any deficiency arising by reason of—

"'(i) the disallowance of any deduction under section 404 on account of a plan not meeting the requirements of subsection (d) with respect to the owner-employee on whose behalf an excess contribution was made, or

"'(ii) the inclusion, under subparagraph (B), in gross income of such owner-employee of income attributable to the interest of such owner-employee under a plan,

for the taxable year in which such excess contribution was made or for any succeeding taxable year shall not expire prior to 1 year after the close of the 6-month period referred to in subparagraph (C).

"'(3) Contributions for premiums on annuity, etc., contracts.—A contribution by the employer on behalf of an owner-employee shall not be considered to be an excess contribution within the meaning of paragraph (1), if—

"'(A) under the plan such contribution is required to be applied (directly or through a trustee) to pay premiums or other consideration for one or more annuity, endowment, or life insurance contracts on the life of such owner-employee issued under the plan,

"'(B) the amount of such contribution exceeds the amount deductible under section 404 (determined without regard to section 404(a)(10)) with respect to contributions made by the employer on behalf of such owner-employee under the plan, and

"'(C) the amount of such contribution does not exceed the average of the amounts which were deductible under section 404 (determined without regard to section 404 (a)(10)) with respect to contributions made by the employer on behalf of such owner-employee under the plan (or which would have been deductible under such section if such section had been in effect) for the first 3 taxable years (i) preceding the year in which the last such annuity, endowment, or life insurance contract was issued under the plan and (ii) in which such owner-employee derived earned income from the trade or business with respect to which the plan is established, or for so many of such taxable years as such owner-employee was engaged in such trade or business and derived earned income therefrom.

In the case of any individual on whose behalf contributions described in subparagraph (A) are made under more than one plan as an owner-employee during any taxable year, the preceding sentence shall not apply if the amount of such contributions under all such plans for such taxable year exceeds $2,500. Any contribution which is not considered to be an excess contribution by reason of the application of this paragraph shall, for purposes of subparagraphs (B) (ii), (iii), and (iv) of paragraph (1), be taken into account as a contribution made by such owner-employee as an employee to the extent that the amount of such contribution is not deductible under section 404 (determined without regard to section 404(a)(10)) for the taxable year, but only for the purpose of applying such subparagraphs to other contributions made by such owner-employee as an employee.

" '(f) Certain Custodial Accounts.—

" '(1) Treatment as qualified trust.—For purposes of this title, a custodial account shall be treated as a qualified trust under this section, if—

" '(A) such custodial account would, except for the fact that it is not a trust, constitute a qualified trust under this section;

" '(B) the custodian is a bank (as defined in subsection (d)(1));

" '(C) the investment of the funds in such account (including all earnings) is to be made—

" '(i) solely in regulated investment company stock with respect to which an employee is the beneficial owner, or

" '(ii) solely in annuity, endowment, or life insurance contracts issued by an insurance company;

" '(D) the shareholder of record of any such stock described in subparagraph (C)(i) is the custodian or its nominee; and

" '(E) the contracts described in subparagraph (C)(ii) are held by the custodian until distributed under the plan.

For purposes of this title, in the case of a custodial account treated as a qualified trust under this section by reason of the preceding sentence, the custodian of such account shall be treated as the trustee thereof.

" '(2) Definition.—For purposes of paragraph (1), the term "regulated investment company" means a domestic corporation which—

" '(A) is a regulated investment company within the meaning of section 851(a), and

" '(B) issues only redeemable stock.

" '(g) Annuity Defined.—For purposes of this section and sections 402, 403, and 404, the term "annuity" includes a face-amount certificate, as defined in section 2(a)(15) of the Investment Company Act of 1940 (15 U.S.C., sec. 80a–2); but does not include any contract or certificate issued after December 31, 1962, which is transferable, if any person other than the trustee of a trust described in section 401(a) which is exempt from tax under section 501(a) is the owner of such contract or certificate.'

"Sec. 3. Deductibility of Contributions to Plans.

"(a) Inclusion of Self-Employed Individuals.—Section 404(a) of the Internal Revenue Code of 1954 (relating to the deductibility of contributions to pension, annuity, profit-sharing, or stock bonus plans or plans of deferred compensation) is amended—

"(1) by striking out in paragraph (2) 'and (6),' and inserting in lieu thereof '(6), (7), and (8), and, if applicable, the requirements of section 401(a) (9) and (10) and of section 401(d) (other than paragraph (1)),'; and

"(2) by adding after paragraph (7) the following new paragraphs:

" '(8) Self-employed individuals.—In the case of a plan included in paragraph (1), (2), or (3) which provides contributions or benefits for employees some or all of whom are employees within the meaning of section 401(c)(1), for purposes of this section—

" '(A) the term "employee" includes an individual who is an employee within the meaning of section 401(c)(1), and the employer of such individual is the person treated as his employer under section 401(c)(4):

" '(B) the term "earned income" has the meaning assigned to it by section 401(c)(2);

" '(C) the contributions to such plan on behalf of an individual who is an employee within the meaning of section 401(c)(1) shall be considered to satisfy the conditions of section 162 or 212 to the extent that such contributions do not exceed the earned income of such individual derived from the trade or business with respect to which such plan is established, and to the extent that such contributions are not allocable (determined in accordance with regulations prescribed by the Secretary or his delegate) to the purchase of life, accident, health, or other insurance; and

" '(D) any reference to compensation shall, in the case of an individual who is an employee within the meaning of section 401(c)(1), be considered to be a reference to the earned income of such individual derived from the trade or business with respect to which the plan is established.

" '(9) Plans benefiting self-employed individuals.—In the case of a plan included in paragraph (1), (2), or (3) which provides contributions or benefits for employees some or all of whom are employees within the meaning of section 401(c)(1)—

" '(A) the limitations provided by paragraphs (1), (2), (3), and (7) on the amounts deductible for any taxable year shall be computed, with respect to contributions on behalf of employees (other than employees within the meaning of section 401(c)(1)), as if such employees were the only employees for whom contributions and benefits are provided under the plan;

" '(B) the limitations provided by paragraphs (1), (2), (3), and (7) on the amounts deductible for any taxable year shall be computed, with respect to contributions on behalf of employees within the meaning of section 401(c)(1)—

" '(i) as if such employees were the only employees for whom contributions and benefits are provided under the plan, and

" '(ii) without regard to paragraph (1)(D), the second and third sentences of paragraph (3), and the second sentence of paragraph (7); and

" '(C) the amounts deductible under paragraphs (1), (2), (3), and (7), with respect to contributions on behalf of any employee within the meaning of section 401(c)(1), shall not exceed the applicable limitation provided in subsection (e).

" '(10) Special limitation on amount allowed as deduction for self-employed individuals.—Notwithstanding any other provision of this section, the amount allowable as a deduction under paragraphs (1), (2), (3), and (7) in any taxable year with respect to contributions made on behalf of an individual who is an employee within the meaning of section 401(c)(1) shall be an amount equal to one-half of the contributions made on behalf of such individual in such taxable year which are deductible under such paragraphs (determined with the application of paragraph (9) and of subsection (e) but without regard to this paragraph). For purposes of section 401, the amount which may be deducted, or the amount deductible, under this section with respect to contributions made on behalf of such individual shall be determined without regard to the preceding sentence.'

"(b) Limitations on Deductible Contributions on Behalf of Self-Employed Individuals.—Section 404 of the Internal Revenue Code of 1954 (relating to the deductibility of contributions to pension, annuity, profit-sharing, or stock bonus plans or plans of deferred compensation) is amended by adding after subsection (d) the following new subsections:

" '(e) Special Limitations for Self-Employed Individuals.—

" '(1) In general.—In the case of a plan included in subsection (a) (1), (2), or (3), which provides contributions or benefits for employees some or all of whom are employees within the meaning of section 401(c)(1), the amounts deductible under subsection (a) (determined without regard to paragraph (10) thereof) in any taxable year with respect to contributions on behalf of any employee within the meaning of section 401(c)(1) shall, subject to the provisions of paragraph (2), not exceed $2,500, or 10 percent of the earned income derived by such employee from the trade or business with respect to which the plan is established, whichever is the lesser.

" '(2) Contributions made under more than one plan.—

" '(A) Overall limitation.—In any taxable year in which amounts are deductible with respect to contributions under two or more plans on behalf of an individual who is an employee within the meaning of section 401(c)(1) with respect to such plans, the aggregate amount deductible for such taxable year under all such plans with respect to contributions on behalf of such employee (determined without regard to subsection (a)(10)) shall not exceed $2,500, or 10 percent of the earned income derived by such employee from the trades or businesses with respect to which the plans are established, whichever is the lesser.

" '(B) Allocation of amounts deductible.—In any case in which the amounts deductible under subsection (a) (with the application of the limitations of this subsection) with respect to contributions made on behalf of an employee within the meaning of section 401(c)(1) under two or more plans are, by reason of subparagraph (A), less than the amounts deductible under such subsection determined without regard to such subparagraph, the amount deductible under subsection (a) (determined without regard to paragraph (10) thereof) with respect to such contributions under each such plan shall be determined in accordance with regulations prescribed by the Secretary or his delegate.

" '(3) Contributions allocable to insurance protection.—For purposes of this subsection, contributions which are allocable (determined under regulations prescribed by the Secretary or his delegate) to the purchase of life, accident, health, or other insurance shall not be taken into account.

" '(f) Certain Loan Repayments Considered as Contributions.—For purposes of this section, any amount paid, directly or indirectly, by an owner-employee (within the meaning of section 401(c)(3)) in repayment of any loan which under section 72(m)(4)(B) was treated as an amount received under a contract purchased by a trust described in section 401(a) which is exempt from tax under section 501(a) or purchased as a part of a plan described in section 403(a) shall be treated as a contribution to which this section applies on behalf of such owner-employee to such trust or to or under such plan.'

"Sec. 4. Taxability of Distributions.

"(a) Employees' Annuities.—Section 72(d)(2) of the Internal Revenue Code of 1954 (relating to employees' annuities) is amended to read as follows:

" '(2) Special rules for application of paragraph (1).—

For purposes of paragraph (1)—

" '(A) if the employee died before any amount was received as an annuity under the contract, the words "receivable by the employee" shall be read as "receivable by a beneficiary of the employee"; and

"'(B) any contribution made with respect to the contract while the employee is an employee within the meaning of section 401(c)(1) which is not allowed as a deduction under section 404 shall be treated as consideration for the contract contributed by the employee.'

"(b) Special Rules Relating to Self-Employed Individuals and Owner-Employees.—Section 72 of the Internal Revenue Code of 1954 (relating to annuities, etc.) is amended by redesignating subsection (m) as subsection (o) and by inserting after subsection (l) the following new subsections:

"'(m) Special Rules Applicable to Employee Annuities and Distributions Under Employee Plans.—

"'(1) Certain amounts received before annuity starting date.—Any amounts received under an annuity, endowment, or life insurance contract before the annuity starting date which are not received as an annuity (within the meaning of subsection (e)(2)) shall be included in the recipient's gross income for the taxable year in which received to the extent that—

"'(A) such amounts, plus all amounts theretofore received under the contract and includible in gross income under this paragraph, do not exceed

"'(B) the aggregate premiums or other consideration paid for the contract while the employee was an owner-employee which were allowed as deductions under section 404 for the taxable year and all prior taxable years. Any such amounts so received which are not includible in gross income under this paragraph shall be subject to the provisions of subsection (e).

"'(2) Computation of consideration paid by the employee.—In computing—

"'(A) the aggregate amount of premiums or other consideration paid for the contract for purposes of subsection (c)(1)(A) (relating to the investment in the contract),

"'(B) the consideration for the contract contributed by the employee for purposes of subsection (d)(1) (relating to employee's contributions recoverable in 3 years), and

"'(C) the aggregate premiums or other consideration paid for purposes of subsection (e)(1)(B) (relating to certain amounts not received as an annuity).

any amount allowed as a deduction with respect to the contract under section 404 which was paid while the employee was an employee within the meaning of section 401(c)(1) shall be treated as consideration contributed by the employer, and there shall not be taken into account any portion of the premiums or other consideration for the contract paid while the employee was an owner-employee which is properly allocable (as determined under regulations prescribed by the Secretary or his delegate) to the cost of life, accident, health, or other insurance.

"'(3) Life insurance contracts—

"'(A) This paragraph shall apply to any life insurance contract—

"'(i) purchased as a part of a plan described in section 403(a), or

"'(ii) purchased by a trust described in section 401(a) which is exempt from tax under section 501(a) if the proceeds of such contract are payable directly or indirectly to a participant in such trust or to a beneficiary of such participant.

"'(B) Any contribution to a plan described in subparagraph (A)(i) or a trust described in subparagraph (A)(ii) which is allowed as a deduction under section 404, and any income of a trust described in subparagraph (A)(ii), which is determined in accordance with regulations prescribed by the Secretary or his delegate to have been applied to purchase the life insurance protection under a contract described in subparagraph (A), is includible in the gross income of the participant for the taxable year when so applied.

"'(C) In the case of the death of an individual insured under a contract described in subparagraph (A), an amount equal to the cash surrender value of the contract immediately before the death of the insured shall be treated as a payment under such plan or a distribution by such trust, and the excess of the amount payable by reason of the death of the insured over such cash surrender value shall not be includible in gross income under this section and shall be treated as provided in section 101.

"'(4) Amounts constructively received.—

"'(A) Assignments or pledges.—If during any taxable year an owner-employee assigns (or agrees to assign) or pledges (or agrees to pledge) any portion of his interest in a trust described in section 401(a) which is exempt from tax under section 501(a) or any portion of the value of a contract purchased as part of a plan described in section 403(a), such portion shall be treated as having been received by such owner-employee as a distribution from such trust or as an amount received under the contract.

"'(B) Loans on contracts.—If during any taxable year, an owner-employee receives, directly or indirectly, any amount from any insurance company as a loan under a contract purchased by a trust described in section 401(a) which is exempt from tax under section 501(a) or purchased as part of a plan described in section 403(a), and issued by such insurance company, such amount shall be treated as an amount received under the contract.

"'(5) Penalties applicable to certain amounts received by owner-employees.—

"'(A) This paragraph shall apply—

"'(i) to amounts (other than any amount received by an individual in his capacity as a policyholder of an annuity, endowment, or life insurance contract which is in the nature of a dividend or similar distribution) which are received from a qualified trust described in section 401(a) or under a plan described in section 403(a) and which are received by an individual, who is, or has been, an owner-employee, before such individual attains the age of 59½ years, for any reason other than the individual's becoming disabled (within the meaning of section 213(g)(3)), but only to the extent that such amounts are attributable to contributions paid on behalf of such individual (whether or not paid by him) while he was an owner-employee,

"'(ii) to amounts which are received from a qualified trust described in section 401(a) or under a plan described in section 403(a) at any time by an individual who is, or has been, an owner-employee, or by the successor of such individual, but only to the extent that such amounts are determined, under regulations prescribed by the Secretary or his delegate, to exceed the benefits provided for such individual under the plan formula, and

"'(iii) to amounts which are received, by an individual who is, or has been, an owner-employee, by reason of the distribution under the provisions of section 401(e)(2)(E) of his entire interest in all qualified trusts described in section 401(a) and in all plans described in section 403(a).

"'(B)(i) If the aggregate of the amounts to which this paragraph applies received by any person in his taxable year equals or exceeds $2,500, the increase in his tax for the taxable year in which such amounts are received and attributable to such amounts shall not be less than 110 percent of the aggregate increase in taxes, for the taxable year and the 4 immediately preceding taxable years, which would have resulted if such amounts had been included in such person's gross income ratably over such taxable years.

"'(ii) If deductions have been allowed under section 404 for contributions paid on behalf of the individual while he is an owner-employee for a number of prior taxable years less than 4, clause (i) shall be applied by taking into account a number of taxable years immediately preceding the taxable year in which the amount was so received equal to such lesser number.

"'(C) If subparagraph (B) does not apply to a person for the taxable year, the increase in tax of such person for the taxable year attributable to the amounts to which this paragraph applies shall be 110 percent of such increase (computed without regard to this subparagraph).

"'(D) Subparagraph (A)(ii) of this paragraph shall not apply to any amount to which section 402(a)(2) or 403(a)(2) applies.

"'(E) For special rules for computation of taxable income for taxable years to which this paragraph applies, see subsection (n)(3).

"'(6) Owner-employee defined.—For purposes of this subsection, the term "owner-employee" has the meaning assigned to it by section 401(c)(3).

"'(n) Treatment of Certain Distributions With Respect to Contributions by Self-Employed Individuals.—

"'(1) Application of subsection.—

"'(A) Distributions by employees' trust.—Subject to the provisions of subparagraph (C), this subsection shall apply to amounts distributed to a distributee, in the case of an employees' trust described in section 401(a) which is exempt from tax under section 501(a), if the total distributions payable to the distributee, with respect to an employee are paid to the distributee within 1 taxable year of the distributee—

"'(i) on account of the employee's death,

"'(ii) after the employee has attained the age of 59½ years or

"'(iii) after the employee has become disabled (within the meaning of section 213(g)(3)).

"'(B) Annuity plans.—Subject to the provisions of subparagraph (C), this subsection shall apply to amounts paid to a payee, in the case of an annuity plan described in section 403(a), if the total amounts payable to the payee with respect to an employee are paid to the payee within 1 taxable year of the payee—

"'(i) on account of the employee's death,

"'(ii) after the employee has attained the age of 59½ years, or

"'(iii) after the employee has become disabled (within the meaning of section 213(g)(3)).

"'(C) Limitations and exceptions.—This subsection shall apply—

"'(i) only with respect to so much of any distribution or payment to which (without regard to this subparagraph) subparagraph (A) or (B) applies as is attributable to contributions made on behalf of an employee while he was an employee within the meaning of section 401(c)(1), and

"'(ii) if the recipient is the employee on whose behalf such contributions were made, only if contributions which were allowed as a deduction under section 404 have been made on behalf of such employee while he was an employee within the meaning of section 401(c)(1) for 5 or more taxable years prior to the taxable year in which the total distributions payable or total amounts payable, as the case may be, are paid.

This subsection shall not apply to amounts described in clauses (ii) and (iii) of subparagraph (A) of subsection (m)(5) (but, in the case of amounts described in clause (ii) of such subparagraph, only to the extent that subsection (m)(5) applies to such amounts).

"'(2) Limitation of tax.—In any case to which this subsection applies, the tax attributable to the amounts to which this subsection applies for the taxable year in which such amounts are received shall not exceed whichever of the following is the greater:

"'(A) 5 times the increase in tax which would result from the inclusion in gross income of the recipient of 20 percent of so much of the amount so received as is includible in gross income, or

"'(B) 5 times the increase in tax which would result if the taxable income of the recipient for such taxable year equaled 20 percent of the amount of the taxable income of the recipient for such taxable year determined under paragraph (3)(A).

"'(3) Determination of taxable income.—Notwithstanding section 63 (relating to definition of taxable income), for purposes only of computing the tax under this chapter attributable to amounts to which this subsection or subsection (m)(5) applies and which are includible in gross income—

"'(A) the taxable income of the recipient for the taxable year of receipt shall be treated as being not less than the amount by which (i) the aggregate of such amounts so includible in gross income exceeds (ii) the amount of the deductions allowed for such taxable year under section 151 (relating to deductions for personal exemptions); and

"'(B) in making ratable inclusion computations under paragraph (5)(B) of subsection (m), the taxable income of the recipient for each taxable year involved in such ratable inclusion shall be treated as being not less than the amount required by such paragraph (5)(B) to be treated as includible in gross income for such taxable year.

In any case in which the preceding sentence results in an increase in taxable income for any taxable year, the resulting increase in the taxes imposed by section 1 or 3 for such taxable year shall not be reduced by any credit under part IV of subchapter A (other than section 31 thereof) which, but for this sentence, would be allowable.'

"(c) Capital Gains Treatment of Certain Employees' Trust Distributions.—Section 402(a)(2) of the Internal Revenue Code of 1954 (relating to capital gains treatment for certain distributions) is amended by adding at the end thereof the following new sentence: 'This paragraph shall not apply to distributions paid to any distributee to the extent such distributions are attributable to contributions made on behalf of the employee while he was an employee within the meaning of section 401(c)(1).'

"(d) Capital Gains Treatment of Certain Employees' Annuity Payments.—Section 403(a) of the Internal Revenue Code of 1954 (relating to taxability of a beneficiary under a qualified annuity plan) is amended—

"(1) by striking out in paragraph (2)(A)(i) 'which meets the requirements of section 401(a) (3), (4), (5), and (6)' and inserting in lieu thereof 'described in paragraph (1)';

"(2) by adding at the end of paragraph (2)(A) the following new sentence: 'This subparagraph shall not apply to amounts paid to any payee to the extent such amounts are attributable to contributions made on behalf of the employee while he was an employee within the meaning of section 401(c)(1).'; and

"(3) by adding after paragraph (2) the following new paragraph:

"'(3) Self-employed individuals.—For purposes of this subsection, the term "employee" includes an individual who is an employee within the meaning of section 401(c)(1), and the employer of such individual is the person treated as his employer under section 401(c)(4).'

"Sec. 5. Plans for Purchase of United States Bonds.

"(a) Qualified Bond Purchase Plans.—Part I of subchapter D of chapter 1 of the Internal Revenue Code of 1954 (relating to deferred compensation, etc.) is amended by adding at the end thereof the following new section:

"'Sec. 405. Qualified Bond Purchase Plans.

"'(a) Requirements for Qualification.—A plan of an employer for the purchase for and distribution to his employees or their beneficiaries of United States bonds described in subsection (b) shall constitute a qualified bond purchase plan under this section if—

"'(1) the plan meets the requirements of section 401(a) (3), (4), (5), (6), (7), and (8) and, if applicable, the requirements of section 401(a) (9) and (10) and of section 401(d) (other than paragraphs (1), (5) (B), and (8)); and

"'(2) contributions under the plan are used solely to purchase for employees or their beneficiaries United States bonds described in subsection (b).

"'(b) Bonds to Which Applicable.—

"'(1) Characteristics of bonds.—This section shall apply only to a bond issued under the Second Liberty Bond Act, as amended, which by its terms, or by regulations prescribed by the Secretary under such Act—

"'(A) provides for payment of interest, or investment yield, only upon redemption;

"'(B) may be purchased only in the name of an individual;

"'(C) ceases to bear interest, or provide investment yield, not later than 5 years after the death of the individual in whose name it is purchased;

"'(D) may be redeemed before the death of the individual in whose name it is purchased only if such individual—

"'(i) has attained the age of 59½ years, or

"'(ii) has become disabled (within the meaning of section 213(g)(3)); and

"'(E) is nontransferable.

"'(2) Must be purchased in name of employee.—This section shall apply to a bond described in paragraph (1) only if it is purchased in the name of the employee.

"'(c) Deduction for Contributions to Bond Purchase Plans.—Contributions paid by an employer to or under a qualified bond purchase plan shall be allowed as a deduction in an amount determined under section 404 in the same manner and to the same extent as if such contributions were made to a trust described in section 401(a) which is exempt from tax under section 501(a).

"'(d) Taxability of Beneficiary of Qualified Bond Purchase Plan.—

"'(1) Gross income not to include bonds at time of distribution.—For purposes of this chapter, in the case of a distributee of a bond described in subsection (b) under a qualified bond purchase plan, or from a trust described in section 401(a) which is exempt from tax under section 501(a), gross income does not include any amount attributable to the receipt of such bond. Upon redemption of such bond, the proceeds shall be subject to taxation under this chapter, but the provisions of section 72 (relating to annuities, etc.) and section 1232 (relating to bonds and other evidences of indebtedness) shall not apply.

"'(2) Basis.—The basis of any bond received by a distributee under a qualified bond purchase plan—

"'(A) if such bond is distributed to an employee, or with respect to an employee, who at the time of purchase of the bond, was an employee other than an employee within the meaning of section 401(c)(1), shall be the amount of the contributions by the employee which were used to purchase the bond, and

"'(B) if such bond is distributed to an employee, or with respect to an employee, who, at the time of purchase of the bond, was an employee within the meaning of section 401(c)(1), shall be the amount of the contributions used to purchase the bond which were made on behalf of such employee and were not allowed as a deduction under subsection (c).

The basis of any bond described in subsection (b) received by a distributee from a trust described in section 401(a) which is exempt from tax under section 501(a) shall be determined under regulations prescribed by the Secretary or his delegate.

"'(e) Capital Gains Treatment Not To Apply to Bonds Distributed by Trusts.—Section 402(a)(2) shall not apply to any bond described in subsection (b) distributed to any distributee and, for purposes of applying such section, any such bond distributed to any distributee and any such bond to the credit of any employee shall not be taken into account.

"'(f) Employee Defined.—For purposes of this section, the term 'employee' includes an individual who is an employee within the meaning of section 401(c)(1), and the employer of such individual shall be the person treated as his employer under section 401(c)(4).

"'(g) Proof of Purchase.—At the time of purchase of any bond to which this section applies, proof of such purchase shall be furnished in such form as will enable the purchaser, and the employee in whose name such bond is purchased, to comply with the provisions of this section.

"'(h) Regulations.—The Secretary or his delegate shall prescribe such regulations as may be necessary to carry out the provisions of this section.'

"(b) Clerical Amendment.—The table of sections for such part is amended by adding at the end thereof the following new item:

"'Sec. 405. Qualified bond purchase plans.'

"Sec. 6. Prohibited Transactions.

"Section 503 of the Internal Revenue Code of 1954 (relating to prohibited transactions) is amended by adding at the end thereof the following new subsection:

"'(j) Trusts Benefiting Certain Owner-Employees.—

"'(1) Prohibited transactions.—In the case of a trust described in section 401(a) which is part of a plan providing contributions or benefits for employees some or all of whom are owner-employees (as defined in section 401(c)(3)) who control (within the meaning of section 401(d)(9)(B)) the trade or business with respect to which the plan is established, the term "prohibited transaction" also means any transaction in which such trust, directly or indirectly—

"'(A) lends any part of the corpus or income of the trust to;

"'(B) pays any compensation for personal services rendered to the trust to;

"'(C) makes any part of its services available on a preferential basis to; or

"'(D) acquires for the trust any property from, or sells any property to;

any person described in subsection (c) or to any such owner-employee, a member of the family (as defined in section 267(c)(4)) of any such owner-employee, or a corporation controlled by any such owner-employee through the ownership, directly or indirectly, of 50 percent or more of the total combined voting power of all classes of stock entitled to vote or 50 percent or more of the total value of shares of all classes of stock of the corporation.

"'(2) Special rule for loans.—For purposes of the application of paragraph (1)(A), the following rules shall apply with respect to a loan made before the date of the enactment of this subsection which would be a prohibited transaction if made in a taxable year beginning after December 31, 1962:

"'(A) If any part of the loan is repayable prior to December 31, 1965, the renewal of such part of the loan for a period not extending beyond December 31, 1965, on the same terms, shall not be considered a prohibited transaction.

" '(B) If the loan is repayable on demand, the continuation of the loan beyond December 31, 1965, shall be considered a prohibited transaction.'

"Sec. 7. Other Special Rules, Technical Changes, and Administrative Provisions.

"(a) Retirement Income Credit.—Section 37(c)(1) of the Internal Revenue Code of 1954 (relating to definition of retirement income) is amended—

"(1) by striking out subparagraph (A) and inserting in lieu thereof the following:

" '(A) pensions and annuities (including, in the case of an individual who is, or has been, an employee within the meaning of section 401(c)(1), distributions by a trust described in section 401(a) which is exempt from tax under section 501(a)),'; and

"(2) by striking out 'and' at the end of subparagraph (C), by striking out 'or' at the end of subparagraph (D) and inserting in lieu thereof 'and', and by adding after subparagraph (D) the following new subparagraph:

" '(E) bonds described in section 405(b)(1) which are received under a qualified bond purchase plan described in section 405(a) or in a distribution from a trust described in section 401(a) which is exempt from tax under section 501(a), or'.

"(b) Adjusted Gross Income.—Section 62 of the Internal Revenue Code of 1954 (relating to the definition of adjusted gross income) is amended by inserting after paragraph (6) the following new paragraph:

" '(7) Pension, profit-sharing, annuity, and bond purchase plans of self-employed individuals.—In the case of an individual who is an employee within the meaning of section 401(c)(1), the deductions allowed by section 404 and section 405(c) to the extent attributable to contributions made on behalf of such individual.'

"(c) Death Benefits.—Section 101(b) of the Internal Revenue Code of 1954 (relating to employees' death benefits) is amended—

"(1) by striking out clause (ii) of paragraph (2)(B) and inserting in lieu thereof the following:

" '(ii) under an annuity contract under a plan described in section 403(a), or'; and

"(2) by adding at the end thereof the following new paragraph:

" '(3) Self-employed individual not considered an employee.—For purposes of this subsection, the term "employee" does not include an individual who is an employee within the meaning of section 401(c)(1) (relating to self-employed individuals).'

"(d) Amounts Received Through Accident or Health Insurance.—Section 104(a) of the Internal Revenue Code of 1954 (relating to compensation for injuries or sickness) is amended by adding at the end thereof the following new sentence:

'For purposes of paragraph (3), in the case of an individual who is, or has been, an employee within the meaning of section 401(c)(1) (relating to self-employed individuals), contributions made on behalf of such individual while he was such an employee to a trust described in section 401(a) which is exempt from tax under section 501(a), or under a plan described in section 403(a), shall, to the extent allowed as deductions under section 404, be treated as contributions by the employer which were not includible in the gross income of the employee.'

"(e) Amounts Received Under Accident and Health Plans.—Section 105 of the Internal Revenue Code of 1954 (relating to amounts received under accident and health plans) is amended by adding at the end thereof the following new subsection:

" '(g) Self-Employed Individual Not Considered an Employee.—For purposes of this section, the term "employee" does not include an individual who is an employee within the meaning of section 401(c)(1) (relating to self-employed individuals).'

"(f) Net Operating Loss Deduction.—Section 172(d)(4) of the Internal Revenue Code of 1954 (relating to nonbusiness deductions of taxpayers other than corporations) is amended—

"(1) by striking out 'and' at the end of subparagraph (B);

"(2) by striking out the period at the end of subparagraph (C) and inserting '; and'; and

"(3) by adding after subparagraph (C) the following new subparagraph:

" '(D) any deduction allowed under section 404 or section 405(c) to the extent attributable to contributions which are made on behalf of an individual who is an employee within the meaning of section 401(c)(1) shall not be treated as attributable to the trade or business of such individual.'

"(g) Certain Life Insurance Reserves.—Section 805(d)(1) of the Internal Revenue Code of 1954 (relating to pension plan reserves) is amended—

"(1) by striking out in subparagraph (B) 'meeting the requirements of section 401(a)(3), (4), (5), and (6) or' and inserting in lieu thereof 'described in section 403(a), or plans meeting'; and

"(2) by striking out in subparagraph (C) 'and (6)' and inserting in lieu thereof '(6), (7), and (8)'.

"(h) Unincorporated Businesses Electing To Be Taxed as Corporations.—Section 1361(d) of the Internal Revenue Code of 1954 relating to unincorporated business enterprises electing to be taxed as domestic corporations) is amended by inserting before the period at the end thereof the following: 'other than an employee within the meaning of section 401(c)(1) (relating to self-employed individuals), or for purposes of section 405 (relating to qualified bond purchase plans) other than an employee described in section 405(f)'.

"(i) Estate Tax Exemption of Employees' Annuities.—Section 2039 of the Internal Revenue Code 1954 (relating to exemption from the gross estate of annuities under certain trusts and plans) is amended—

"(1) by striking out in subsection (c)(2) 'met the requirements of section 401(a)(3), (4), (5), and (6)', and inserting 'was a plan described in section 403(a)'; and

"(2) by adding at the end of subsection (c) the following new sentence: 'For purposes of this subsection, contributions or payments on behalf of the decedent while he was an employee within the meaning of section 401(c)(1) made under a trust or plan described in paragraph (1) or (2) shall be considered to be contributions or payments made by the decedent.'.

"(j) Gift Tax Exemption of Employees' Annuities.—Section 2517 of the Internal Revenue Code of 1954 (relating to exclusion from gift tax in case of certain annuities under qualified plans) is amended—

"(1) by striking out in subsection (a)(2) 'met the requirements of section 401(a)(3), (4), (5), and (6)', and inserting in lieu thereof 'was a plan described in section 403(a)'; and

"(2) by adding at the end of subsection (b) the following new sentence: 'For purposes of this subsection, payments or contributions on behalf of an individual while he was an employee within the meaning of section 401(c)(1) made under a trust or plan described in subsection (a)(1) or (2) shall be considered to be payments or contributions made by the employee.'

"(k) Federal Unemployment Tax Act.—Section 3306(b)(5) of the Internal Revenue Code of 1954 (relating to definition of wages) is amended by striking out subparagraph (B) and inserting in lieu thereof the following new subparagraphs:

" '(B) under or to an annuity plan which, at the time of such payment, is a plan described in section 403(a), or

" '(C) under or to a bond purchase plan which, at the time of such payment, is a qualified bond purchase plan described in section 405(a);'

"(l) Withholding of Income Tax.—Section 3401(a)(12) of the Internal Revenue Code of 1954 (relating to definition of wages) is amended by striking out subparagraph (B) and inserting in lieu thereof the following new subparagraphs:

" '(B) under or to an annuity plan which, at the time of such payment, is a plan described in section 403(a); or

" '(C) under or to a bond purchase plan which, at the time of such payment, is a qualified bond purchase plan described in section 405(a).'

"(m) Information Requirements.—

"(1) In general.—Subpart B of part III of subchapter A of chapter 61 of the Internal Revenue Code of 1954 (relating to information concerning transactions with other persons) is amended by adding after section 6046 the following new section:

" 'Sec. 6047. Information Relating to Certain Trusts and Annuity and Bond Purchase Plans.

" '(a) Trustees and Insurance Companies.—The trustee of a trust described in section 401( ) which is exempt from tax under section 501(a) to which contributions have been paid under a plan on behalf of any owner-employee (as defined in section 401(c)(3)), and each insurance company or other person which is the issuer of a contract purchased by such a trust, or purchased under a plan described in section 403(a), contributions for which have been paid on behalf of any owner-employee, shall file such returns (in such form and at such times), keep such records, make such identification of contracts and funds (and accounts within such funds), and supply such information, as the Secretary or his delegate shall by forms or regulations prescribe.

" '(b) Owner-Employees.—Every individual on whose behalf contributions have been paid as an owner-employee (as defined in section 401(c)(3))—

" '(1) to a trust described in section 401(a) which is exempt from tax under section 501(a), or

" '(2) to an insurance company or other person under a plan described in section 403(a),

shall furnish the trustee, insurance company, or other person, as the case may be, such information at such times and in such form and manner as the Secretary or his delegate shall prescribe by forms or regulations.

" '(c) Empoyees Under Qualified Bond Purchase Plans.—Every individual in whose name a bond described in section 405(b)(1) is purchased by his employer under a qualified bond purchase plan described in section 405(a), or by a trust described in section 401(a) which is exempt from tax under section 501(a), shall furnish—

" '(1) to his employer or to such trust, and

" '(2) to the Secretary (or to such person as the Secretary may by regulations prescribe),

such information as the Secretary or his delegate shall by forms or regulations prescribe.

" '(d) Cross Reference.—

" 'For criminal penalty for furnishing fraudulent information, see section 7207.'

"(2) Clerical amendment.—The table of sections for such subpart B is amended by adding after the reference to section 6046 the following:

" 'Sec. 6047. Information relating to certain trusts and annuity and bond purchase plans.'

"(3) Penalty.—Section 7207 of the Internal Revenue Code of 1954 (relating to fraudulent returns, statements, or other documents) is amended by adding at the end thereof the following new sentence: 'Any person required pursuant to section 6047 (b) or (c) to furnish any information to the Secretary or any other person who willfully furnishes to the Secretary or such other person any information known by him to be fraudulent or to be false as to any material matter shall be fined not more than $1,000, or imprisoned not more than 1 year, or both."

"Sec. 8. Effective Date.

"The amendments made by this Act shall apply to taxable years beginning after December 31, 1962."

Mr. SMATHERS also submitted an amendment, intended to be proposed by him, to House bill 13290, making supplemental appropriations for the fiscal year ending June 30, 1963, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

Mr. McCARTHY submitted the following notice in writing:

In accordance with rule XL, of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H.R. 13290) making supplemental appropriations for the fiscal year ending June 30, 1963, and for other purposes, the following amendment; namely, at the end of the bill add the following new section:

"Sec. . That section 6 of the Temporary Extended Unemployment Compensation Act of 1961 (75 Stat. 8) is amended to read as follows:

" 'COVERED PERIOD

" 'Sec. 6. In the case of any individual, the covered period referred to in sections 3 and 4 is the period—

" '(1) beginning on whichever of the following is the later:

" '(A) April 8, 1961; or

" '(B) the day after the date on which any applicable agreement is entered into under section 7 or 8, and

" '(2) ending—

" '(A) on February 28, 1963, or

" '(B) on May 31, 1963, in the case of an individual who (for a week beginning before March 1, 1963) had a week with respect to which temporary extended unemployment compensation was payable under section 3, reimbursement was payable under section 4, or reimbursement would have been so payable but for the fact that the unemployment compensation was payable under title XV, with the exception of the period

" '(3) beginning—

" '(A) on April 1, 1962, or

" '(B) on July 1, 1962, in the case of an individual who (for a week beginning before April 1, 1962) had a week with respect to which temporary extended unemployment compensation was payable under section 3, reimbursement was payable under section 4, or reimbursement would have been so payable but for the fact that the unemployment compensation was payable under title XV, and

" '(4) ending on November 3, 1962.' "

Mr. McCARTHY also submitted an amendment, intended to be proposed by him, to House bill 13290, making supplemental appropriations for the fiscal year ending June 30, 1963, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

Mr. McCARTHY. Mr. President, I have today filed written notice of my intention to move to suspend paragraph 4 of rule XVI, in accordance with rule XL of the Standing Rules of the Senate, for the purpose of proposing an amendment to the bill (H.R. 13290) making supplemental appropriations for the fiscal year ending June 30, 1963.

The amendment I intend to propose extends the Temporary Extended Unemployment Compensation Act of 1961 for 4 months.

The proposed amendment makes no changes in the Temporary Extended Unemployment Compensation Act of 1961 except to provide for an extension of the program for the period from November 4, 1962, to March 1, 1963, with a 3-month phaseout expiring May 31.

The 4-month extension would not require any new appropriation and it would not levy any new taxes. It would be financed from the estimated $172 million surplus from the proceeds of the tax of 0.4 percent on 1962 and 1963 taxable wages which was enacted last year.

The extended benefits would be paid to workers who exhausted regular benefits after June 30, 1960, for weeks of unemployment beginning within the period November 4, 1962–May 31, 1963, if they had filed a first claim for TEUC before March 1, 1963.

An estimated 600,000 beneficiaries would receive assistance under the 4-month program. It is anticipated on the basis of the first year experience with the program that they would claim over 1.5 million weeks at an average weekly amount of $31.70.

The rate of unemployment, seasonally adjusted, was 5.8 percent in August and the number of long-term unemployed is especially significant. In August 934,000 had been unemployed 15 weeks or more and 593,000 for 27 weeks or more. The number of workers who have exhausted their benefit rights under State systems has been over 120,000 per month during the past 4 months.

A special Department of Labor study of the beneficiaries under TEUC has shown that more than 3 out of 5 TEUC claimants in both September and May, 1961, were sole or principal supporters of their households; this includes those who lived alone, but this group accounted for only 1 in 7 of the claimants.

Mr. President, the motion which I intend to make when the supplemental appropriations bill comes before the Senate is an unusual procedure. I am reluctant to use it, but the issue is of most serious concern. We are within a few days of adjournment and it is clear that if the Members of the Senate are to have an opportunity to express their judgment on a temporary program to assist the unemployed, it will have to be done through suspension of the rules.

The record should show that a strong effort has been made by the administration and by many of us in Congress to get consideration for a bill to extend the temporary unemployment compensation program.

Last spring President Kennedy sent a letter to each House, asking for an extension. I introduced the bill (S. 3411) incorporating his recommendations in the Senate. The Ways and Means Committee and the Finance Committee, of course, have been occupied with the tax and trade measures. On August 22 Secretary Goldberg testified before the Ways and Means Committee of the House on the importance of the measure, but the Committee failed to act on the bill, reportedly on a 13–12 vote. I have discussed the urgency of the situation at an executive session of the Committee on Finance, although since the House had not sent over a bill, no action was taken.

My proposed amendment is a scaled down program from that recommended by the administration. The President recommended a 1-year extension, retroactive to last April 1 when eligibility under TEUC terminated. The administration program also provided an additional tax, a 0.1 percent increase on the normal Federal unemployment tax for the taxable year 1964. Under my proposed amendment no tax increase would be necessary, and the program would not be retroactive. The long-term unemployed from all the States of the Nation benefited from the temporary unemployment compensation program enacted last year. More than 40 States had areas of substantial and persistent unemployment in July 1962. Approval of the temporary program for another 4 months through this winter will bring some degree of assistance to hundreds of thousands of citizens in great need.

EXPRESSION OF SENSE OF CONGRESS IN SUPPORT OF EFFORTS TO ENFORCE COMPLIANCE WITH THE MANDATES OF FEDERAL COURTS—EXTENSION OF TIME FOR CONCURRENT RESOLUTION TO LIE ON THE TABLE

Mr. KEATING. Mr. President, I ask unanimous consent that Senate Concurrent Resolution 96, which was previously ordered to lie on the table until the close of business today, be ordered to lie on the table until the close of business on Thursday, October 4.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the Record, as follows:

By Mr. YARBOROUGH:

Article entitled "Senator Yarborough Points Out: Great Texans Linked to Henderson County," published in the Athens (Tex.) Weekly Review of September 27, 1962, dealing with the history of Henderson County, Tex.

CONGRESSIONAL DECISIONS ON CONSTITUTIONAL QUESTIONS

During the debate on the Foreign Assistance Act, 1963, Mr. BUTLER. Mr. President, as a Senator of the United States and as a citizen of the sovereign State of Maryland, I, as is true of many other Americans, am deeply concerned with the ruthless display of naked power in the sovereign State of Mississippi. I have a suggestion to make in connection with this situation, and any similar situations which might arise in the future.

It seems to me that under the Constitution, article III, section 2, the Supreme Court has original jurisdiction in but two instances and has no appellate jurisdiction except such as given it by the Congress on the terms that Congress sees fit to give it. That being the case, I recommend to the thoughtful consideration of my colleagues passage of an act of Congress, or if need be, a constitutional amendment which would provide in substance that whenever the Supreme Court of the United States decides a case in which the Constitution of the United States is drawn into question and the consequences of which will have a serious impact upon the people of a sovereign State, or when the domestic tranquillity is liable to be disrupted and our foreign relations embarrassed, that such opinions be advisory only and shall be enforced as law by the Executive only after an appropriate act passed by the Congress of the United States.

I am not one who would undermine the Federal judicial system but as a thoughtful American, I cannot help but see the effect of "judge-made" law, not only on our economic life but on our religious life. I dread a judicial oligarchy as much as I dread any other form of tyranny. I think it is a great mistake for Americans to accept as a verity everything that the Supreme Court says merely because it is the Supreme Court. The Supreme Court is wrong, was manifestly wrong in the school prayer case, and it has been wrong in many other instances. Indeed, it has reversed itself on many occasions. There should be some check on their mistakes the same as there is a check on the executive and legislative power.

I offer this as a suggestion. I hope that some day it will be adopted and through its adoption promote a greater unity among our people, insure our domestic tranquillity, and improve our image abroad among foreign nations.

Mr. MORSE. Mr. President, before I return to the subject matter which the Senate is considering, and before my good friend from Maryland leaves the Chamber, I wish to say that I could not disagree with him more in relation to the observations he has made. I am satisfied that the act he proposes would be unconstitutional. Therefore, it would require a constitutional amendment, which would certainly be a proper procedure. Such an amendment could be offered, and then we would see how many votes it would receive.

I believe the proposal of my good friend from Maryland would shatter the Union. We really settled the issue with the Civil War. At that time we settled once and for all, I hope, in our country that the Constitution is supreme. There is no danger of a judicial oligarchy, because we have our checks upon the Supreme Court, and they can be manifested any time it is the will of the American people to exercise them.

I am satisfied also that the great and long overdue and landmark decision of 1954 on integration of American schools was unanswerably correct. It is a landmark decision such as Marbury versus Madison in 1803. It is a decision that merely states that the Constitution means what it says, and that first-class citizenship should be guaranteed to the colored people of the United States as well as to the white.

As I said on the floor of the Senate yesterday, it is unfortunate that we must enforce the Constitution in the manner in which it is being done in Mississippi at the present time. But that was a decision for Mississippi to make, and it decided by its defiance of government by law that the enforcement was necessary.

We cannot maintain government by law in our country unless we recognize, as Chief Justice Marshall, the great Virginian, in 1803 made crystal clear in Marbury versus Madison, that the Constitution of the United States is supreme and is binding upon all, including the citizens of Mississippi, Arkansas, and every other State. Whenever the people of any State wish to substitute law by mob for government by law, whoever is President of the United States must follow the course of action that the great President of the United States has followed in the Mississippi case.

As I said yesterday and repeat today, I think the President rose to the heights of superlative statesmanship at a very sad hour for him when he made the decision to enforce the Constitution when it was threatened by actions taken by the Governor of Mississippi, the Lieutenant Governor of Mississippi, and those in Mississippi, and outside Mississippi who went into Mississippi who endeavored to substitute mob rule for the law of our country.

Mr. BUTLER. Mr. President, I shall be glad to join in general debate with the Senator from Oregon on this subject at some other time.

Mr. MORSE. I shall look forward to such a debate. As one who took the position that I took yesterday on the floor of the Senate, I felt that I owed it to my record to make clear that I could not disagree with the Senator from Maryland more than in relation to the speech he just made.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. MORSE. No. I must cover the subject which the Senate is considering.

Mr. KUCHEL. I would appreciate the Senator's yielding so that I could make a very brief statement.

Mr. MORSE. No. I must attend with other Senators a foreign ministers' luncheon at the White House at 1 o'clock.

POLITICKING IN CONNECTION WITH DEFENSE CONTRACTS

Mrs. SMITH of Maine. Mr. President, The Nation magazine of October 6, 1962, on pages 190 and 191, has an editorial supporting my opposition to the "two-bit politicking" practice of the Kennedy administration on announcements of defense contracts.

I invite the attention of all Senators, regardless of political party, to it. I am proud to say that the Eisenhower administration did not engage in such a policy but rather adhered strictly to a nonpartisan, simultaneous notification policy to all members of a State congressional delegation.

And I particularly invite the attention of the White House and the Portland papers to this good reading.

I ask unanimous consent that the editorial be placed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Two-Bit Politicking

Senator Margaret Chase Smith seldom raises her voice in the Senate, but when she does it is usually for a good reason. Currently, the Senator is "mad as a hornet" about the practice, initiated by the Kennedy administration, of permitting Democratic Senators and Representatives to announce the signing of new Department of Defense contracts involving their own States and districts. Senator Smith registered a protest over the practice a year ago and was assured that it would be stopped. But quite recently Senator Muskie of Maine was given the opportunity of announcing a new defense installation in that State. The practice, of course, has been "standard operating procedure" since the Kennedy administration took office. On July 26, 1962, Ted Lewis reported in his column in the New York Daily News that "Democratic Senators and Representatives are given first chance to announce defense contracts going to their States or districts. The daily list of contract awards goes from the Pentagon direct to the White House before noon. Kennedy's aids pass the information on to the proper party legislators. This two-bit politicking is considered most helpful by Congressmen of the party in power." Helpful it may be, in a partisan sense, but it should be stopped.

REPORT ON BRYANT MEMORANDUM ON LIBRARY OF CONGRESS

Mr. JORDAN of North Carolina. Mr. President, I have received from Mr. L. Quincy Mumford, Librarian of Congress, a letter transmitting a memorandum report on the Bryant memorandum. Mr. Mumford's reply is a comment upon the report made by Mr. Douglas W. Bryant, associate director of the Harvard University Library, which was placed in the Record on May 24, 1962, by the distinguished Senator from Rhode Island [Mr. Pell]. I ask unanimous consent that the letter and memorandum of Mr. Mumford be printed in the Record.

There being no objection, the letter and report were ordered to be printed in the Record, as follows:

The Librarian of Congress,
Washington, D.C., September 28, 1962.

Hon. B. Everett Jordan,
Chairman, Joint Committee on the Library,
U.S. Senate, Washington, D.C.

Dear Senator Jordan: You will recall that, at the last meeting of the Joint Committee on the Library, Senator Pell stated that he had received a memorandum on the Library of Congress and related matters on which he would like my comment. Subsequently, on May 24, 1962, the Senator introduced the memorandum, from Douglas W. Bryant, associate director of the Harvard University Library, into the Congressional Record and sent me a copy of it.

My colleagues and I have studied the memorandum thoroughly, and I have obtained comment from a number of librarians and scholars. My report on it is submitted herewith for the consideration of the joint committee. A copy has been sent directly to Senator Pell and copies are being transmitted herewith for other members of the committee.

Because Mr. Bryant's memorandum was given very wide circulation to librarians and others, I would like your permission, as chairman of the joint committee, to distribute processed copies of my report to members of the Association of Research Libraries and others who may have received Mr. Bryant's memorandum. If my report should be too lengthy to introduce into the Congressional Record, the committee might wish to consider issuing it as a committee print.

I will be glad at any time to discuss matters covered in the report with you as chairman and with the joint committee.

The Library is greatly indebted to you for the very helpful attention you have been giving to our problems. I regret that I have to impose this rather weighty one on you so late in the session.

Sincerely yours,

L. Quincy Mumford.

Library of Congress,
September 28, 1962.

To: Members, Joint Committee on the Library.
From: Librarian of Congress, S. Quincy Mumford.
Subject: Report on Bryant memorandum.

You will recall that, at the last meeting of the Joint Committee on the Library, Senator Pell stated that he had received a memorandum on the Library of Congress and related matters on which he would like my comment. Subsequently, on May 24, 1962, the Senator introduced the memorandum, from Douglas W. Bryant, associate director of the Harvard University library, into the Congressional Record and sent me a copy of it.

My colleagues and I have studied the memorandum thoroughly, and I have obtained comment from a number of librarians and scholars. My report on it is submitted herewith. It is a lengthy one, but it was necessary to give considerable background information, to report on developments not known to Mr. Bryant, and to analyze his comments and suggestions, which dealt with exceedingly complex matters. I hope you will nevertheless have time to give it serious consideration.

Report of the Librarian of Congress on the Bryant Memorandum

(Submitted to the Joint Committee on the Library, September 1962, Washington, D.C.)

A memorandum prepared by Douglas W. Bryant, associate director of the Harvard University Library, at the request of Senator Claiborne Pell was introduced by the Senator into the Congressional Record of May 24, 1962, and the Librarian of Congress was asked to comment upon it.

The stated purpose of the memorandum was "to consider what the Library of Congress does and what it ought to do for the Government and the Nation generally." The memorandum went on, however, to describe "the present program of the Library of Congress and related agencies," to suggest "what should be done by the Library of Congress and other Federal agencies," and to speculate on "how can the Federal program be administered?" Thus, the memorandum did not by any means deal solely with the Library of Congress, nor did it always clearly differentiate, in discussing programs, which ones should be the responsibility of the Library and which ones should be fostered or administered by other Federal agencies. While this makes response to the memorandum on the part of the Library of Congress difficult, it underscores, perhaps unintentionally, how complex the problem—which is not that of the Library of Congress alone but of the libraries of the Nation, especially those that serve the needs of research—really is. The implication of the memorandum, furthermore, is that the faults and the solutions are in the Federal Government and in the Library of Congress in particular. At any rate, Mr. Bryant does not suggest that they lie elsewhere.

With many of Mr. Bryant's observations I am in complete agreement. Many of the proposals are neither new nor startling to research librarians. A number of them, for example, coincide with recommendations contained in the report of the Library of Congress Planning Committee dated March 12, 1947. (This committee was composed of librarians and scholars who were appointed by Librarian of Congress Luther H. Evans to define the role of the Library after the House Appropriations Committee had turned down Dr. Evans' request for nearly a 100-percent increase in his budget for the fiscal year 1947 with the injunction that the role of the Library had to be approved, a policy had to be established, by "the legislative committees of the Congress charged with responsibility for operations of the Library" before support for such an expansion of activities would be considered.[1] The Planning Committee's report was presented to the House Committee on Administration and the Senate Committee on Rules and Administration, from whose members, of course, the membership of the Joint Committee on the Library is drawn, but no formal action was taken on it.) Other things proposed by Mr. Bryant have been discussed in the Library's own publications. In a few instances, Mr. Bryant was not up to date on developments within the Library of Congress, and in some cases I found his proposed solutions considerably oversimplified. I also regret very much that the memorandum was prepared and published without reference to the introduction to my annual report for the fiscal year 1961, which described the unfortunate circumscribing effects that lack of space has had on the entire program of the Library of Congress in recent years. I am by no means complacent about the programs and problems of research libraries, including those of the Library of Congress, but neither am I disheartened.

I have sought as widespread comment on the memorandum as has been feasible during the summer, when many scholars and research librarians are scattered throughout this country and abroad on exchanges, fellowships, or vacations. I arranged to have it placed on the agenda for discussion at the annual business meeting of the Association of Research Libraries in Miami Beach in June, but because of an already crowded program, time did not allow for more than passing mention of it. There is, among ARL's membership, divided opinion on some aspects of the memorandum, and, even if there had been time to discuss it, the results might have been divisive rather than constructive. At the meeting I requested, and later received, however, reactions from what can fairly be called a cross section of the membership. I have also consulted representatives of other library associations, other leaders in the profession, and scholars, and I am grateful for the time they have taken to reply freely and frankly.

THE LIBRARY OF CONGRESS AS THE NATIONAL LIBRARY

Few in this country, and none abroad, would take issue with the assertion that the Library of Congress is the de facto, if not the de jure, national library of the United States. Although it was initially designed as a parliamentary library only, its services have, over the years, been extended by Congress itself until now it serves not only Members and committees of Congress, but other branches of the Government, the libraries of the country, the world of scholarship, and the public in general. As Representative Omar Burleson, who has served alternately as chairman or vice chairman of the Joint Committee on the Library, said to the House of Representatives in a speech of January 18, 1961, the Library of Congress "is, in effect, the national library of the United States." And he continued: "That it is in the legislative branch is entirely fitting, for the Library, like the Congress itself, is dedicated to serving the Nation."[2] That this concept of the Library is a bipartisan one is illustrated by Representative Fred Schwengel's remarks to the House on the same day: "The Congress created the Library of Congress and saw it through its tragedies and its triumphs until today it is, in fact, the national library of the United States, one of the great cultural institutions of the world."[3]

The Planning Committee suggested in 1947, not that the name of the Library be changed, but that a subtitle be added. It proposed that the institution be known as "The Library of Congress—The National Library of the United States of America." Mr. Bryant proposes that the Library be "recognized officially as the national library (without necessarily changing its name)." I have never felt that a change of name was necessary. The Library of Congress is a venerable institution, with a proud history, and to change its name would do unspeakable violence to tradition.

I would be happy, however, to have the Congress recognize the national responsibilities of the Library of Congress in some formal way. This could, if the Congress wishes, be done in a statement introducing the "codification, simplification, and completion" of legislation relating to the Library which I was directed to prepare when I took office in 1954. This codification, which spells out the statutory basis for the many national-library activities of the institution, was submitted to the Joint Committee on the Library but final action on it has not been taken. Such a statement would confirm once and for all the status of the Library.

The Congress, since I have been in office, has recognized the national responsibilities of the Library in a way that matters most—with understanding and consistent support. Unfortunately, however, too many members of the press, the library world, and the scholarly community tend only to remember a statement of the Appropriations Committee of the House of Representatives in May 1954, after I had been named Librarian of Congress before I took office:

"The committee has not been entirely satisfied with the operation of the Library. The new Librarian should be mindful that the Library is the instrument and the creature of the Congress. Its duties historically have been to meet the needs of the Members of Congress first and to limit its services to others to that which can be furnished with the funds and staff available."[4]

---

[1] U.S. Congress, House, Committee on Appropriations, "Legislative Branch Appropriation Bill, 1948," Rept. No. 2040, 79th Cong., 2d sess., 1947, p. 6.

[2] U.S. Congressional Record, 87th Cong., 1st sess., vol. 107, pt. 1, p. 978.

[3] Ibid., p. 982.

This was strong language, indeed, but subsequent actions and statements of the same committee lead me to conclude that it represented only temporary dissatisfaction rather than fixed policy. Representative CLARENCE CANNON, chairman of the Committee on Appropriations of the House of Representatives, in defending the budget of the Library on the floor of the House in May 1957, said:

"The Library of Congress is the greatest library in the world. It is the visible, irrefutable evidence of the academic and intellectual achievement of the American people. It is convincing proof that we are not merely shopkeepers or money grabbers, as Kaiser Wilhelm insisted, but a people of culture, learning, and scientific progress equal if not superior to any on the globe. Let no action here on the floor today retard the continued growth and development of this national institution."[5]

The report of the Committee on Appropriations of the House of Representatives on the legislative branch appropriation bill for 1960 stated:

"The Library of Congress is conceded to be the world's largest and the richest in resources. It is inevitable that its collections, the demands upon it, and thus its volume of work will continue to grow. More demands are being made upon it by the Congress, the Government agencies, private organizations, and the public generally. As pointed out in other years, its collections and skills have for some years been, and continue to be, of substantial value to the defense and security agencies. To be useful, the collections must be properly organized and indexed; to be up to date, the collections must be complete and that requires expenditures for purchases in addition to copyright deposits; to be of ready service, there must be enough employees to handle the demands with reasonable expedition. It is for these reasons that in the last several years the committee has been recommending and the Congress has been granting modest additions to the staff and other resources of the Library. But, as has been mentioned before, the Library is in a critical situation in the matter of inadequate space.

"The saturation point is approaching. A third library building is needed, now. Otherwise, there will be no place to put the acquisitions or the people to service them. The committee is pleased to note that bills were recently introduced to authorize funds for a study looking to a third building."[6]

This obviously does not represent the thinking of men who would limit the resources of the Library to their own use. The Joint Committee on the Library, in its actions on numerous problems brought before it and in its attitude as exemplified by Representative BURLESON's speech quoted earlier, has also taken a broad view of the institution's role.

When I took office, the Library was reeling from a reduction in force at a time when additional demands were being made upon it. I inherited many serious backlogs, of years' standing, in some of the basic but behind-the-scenes operations of the institution. The Library had not fully made up deficiencies in acquisitions and cataloging occasioned by World War II when the so-called "information explosion" burst upon us. The greatly increased output of the world's presses coincided with this Nation's urgent and ever-increasing need for materials from every corner of the earth for use in official and private research. There was greatly accelerated interest in a number of areas (science and technology), new nations were emerging (independence in Asia and Africa), the cold war called for new modes of combat (information became more and more a weapon), while old methods of dealing with information storage and retrieval were staggering under the burdens being placed upon them, and searching examination of the brave new world of computer technology was a necessity.

In the face of these challenges, the budgets I have presented to Congress may have seemed modest, but there have been Members of Congress who did not regard them as such. I have always pointed out that our requests by no means met all our needs, a number of which cannot be met until our space situation is improved. But, in relation to our requests, the Congress has responded with understanding, more than doubling our appropriations since I have been in office. Much of this increase has been absorbed by increased costs, of course, but there has been a 34-percent gain in the number of positions on the staff, and these have been in support not just of services to Congress but to the Nation as well. In addition, the Congress has appropriated large sums to the Architect of the Capitol for the renovation of the Library's physical plant and for equipment.

If to some the Library's budget seems large and its needs evergrowing, sober thought should be given to the multitude of responsibilities it bears, responsibilities that are central to the Nation's library economy, to the preservation of man's thought and experience, and to the exploitation of that record in national planning, in legislating, in academic research, in bibliographic endeavor, and in cultural enrichment.

The Library of Congress today performs more national library functions than any other national library in the world. The functions of such libraries vary, but each of them engages in some, and the Library of Congress in all, of the following:

1. Maintains comprehensive collections, especially evidence of the national heritage, for the use of the Government, the scholarly world, and the public, making it a national center for research.

2. Benefits from official, intergovernmental exchange of publications.

3. Receives through copyright or legal deposit materials for the enrichment of its collections.

4. Receives gifts to the Nation in the form of collections of personal papers, rare books, and other valuable materials and in the form of trust funds and bequests, which enable it not only to enrich the collections but to present cultural programs in such fields as literature, art, and music.

5. Develops a comprehensive classification system, which is widely used by other research institutions, and cataloging codes, which are nationally accepted standards.

6. Services as a center for cooperative cataloging of books and other forms of material by the Nation's libraries.

7. Provides a national catalog card distribution service.

8. Maintains national union catalogs on cards, which serve as guides to the Nation's research resources in various forms (such as books and manuscripts) and in various fields (such as Hebraica and Slavica), and furnishes information about the location of needed materials to those who cannot personally consult these tools.

9. Publishes in book form a national bibliography, or a major contribution thereto, such as the Library's National Union Catalog.

10. Gives reference service on its premises and provides extensive information from and about its collections by mail.

11. Participates in a nationwide interlibrary loan system, which enables it to share collection responsibilities with other libraries and to make research materials generally available, thereby strengthening smaller libraries throughout the country by supplementing their research resources through those of the national library.

12. Has an active bibliographic program and makes the results of it widely available through publication.

13. Administers the national books-for-the-blind program.

14. Presents exhibits selected from the national collections for the education and enjoyment of the general public, and circulates exhibits at home and abroad as evidence of the national history and culture.

15. Experiments and conducts research in the area of library technology.

16. Engages in national and international cooperative bibliographic projects and works with other national libraries and international organizations to achieve standardization of rules in order to increase the accessibility of the materials of knowledge without regard to national boundaries and language barriers.

In the final analysis, I have always felt that on the question of being the national library the substance is more important than the form. It is incongruous, of course, that the Library of Congress has not been so designated while two Federal libraries in special fields—medicine and agriculture—have been officially named national libraries—the National Agricultural Library by administrative action of the Secretary of Agriculture (on the basis of the department's organic act of May 15, 1862), and the National Library of Medicine by action of the Congress (P.L. 410 of the 2d session of the 78th Congress). Thus it seems only logical that the national status of the Library of Congress, the Government's largest general research library, should also be recognized. Any statement of policy by the Congress or proposed legislation on the subject, should, as Mr. Bryant suggests, take cognizance of the status of the NLM and the NAL. In providing for the designation of other collections as national libraries, very high standards should be set, for the danger is not that appropriate libraries will not be so designated but that some libraries will be when in fact they cannot fulfill the functions. The term "national library" could become a status symbol, the achievement of which would do nothing to advance the cause of research or the health of the library community.

THE ORGANIZATIONAL LOCATION OF THE LIBRARY OF CONGRESS

In the United States there is no national library system, with a directing agency at the apex and branches spreading downward and outward throughout the country. Given our system of government, with the separation of powers at the national level—and, within the executive branch, a departmentalized organization—and with the division of powers between the Federal Government and the States, there is little possibility that an administratively logical system, with power and direction flowing from the top to the bottom, can be developed. Even if such a system were possible, there is a very real question as to whether it would be desirable in a country as large as ours and with as many diverse interests to serve.

There is no point, consequently, in dwelling on the possibility of a national library system, in the strictest sense, or even of a Federal library system. I do not believe the latter would be possible even if the Library of Congress were renamed the national library and were transferred to the executive branch as an independent agency—and it should not be forgotten that the (Hoover) Commission on the Organization of the Executive Branch of the Government deplored and discouraged the creation of additional independent agencies. The several executive departments would be loath to give up the direction of their libraries to such an agency, much less to a national library that might instead be made a bureau of another department, such as the Department of Health, Education, and Welfare, or of some new agency, such as a Department of Scientific and Cultural Affairs.

---

[4] U.S. Congress, House, Committee on Appropriations, "Legislative-Judiciary Appropriation Bill, 1955," Rept. No. 1614, 83d Cong., 2d sess., 1954, p. 4.

[5] U.S. CONGRESSIONAL RECORD, 85th Cong., 1st sess., vol. 103, pt. 6, p. 7319.

[6] U.S. Congress, House, Committee on Appropriations, "Legislative Branch Appropriation Bill, 1960," Rept. No. 407, 86th Cong., 1st sess., 1959, pp. 6–7. Public Law 86–469 of the 86th Cong., 2d sess., authorized the making of plans and specifications for a third building for the Library and the Legislative Branch Appropriations Act for fiscal 1961 appropriated $75,000 for the purpose.

Whether in the executive branch or the legislative branch, the Library of Congress would scarcely be in a position to coordinate the activities of other Federal libraries, except in a very informal way. A Council of Federal Librarians might be established, with or without legislative action, and it might well serve a useful purpose as a channel of information, as the means of improving communications between Federal libraries as to their needs and plans, and as a vehicle for organizing cooperative efforts. The Library of Congress has considered the advisability of taking the initiative in organizing such a council. Some Federal librarians think, however, that such a council might be little more than a debating society, dominated by the larger libraries. Its recommendations to executive departments and agencies might be suspect as special pleading, and its proposals would certainly have to compete for support within each agency with its other needs. Thus its influence is unlikely to be great. Nevertheless, the Library will recanvass the possibilities of such a council.

What, in short, would be gained by transferring the Library of Congress to the executive branch? It would still have to obtain support from the Congress for its activities. In the executive branch this means, first, conforming to the President's directive as to the size of the Federal budget, second, adhering to departmental policy as to whether increases in certain areas may be requested, and third, scrutiny and perhaps cuts by the Bureau of the Budget before the budget requests can be submitted to the Congress for consideration. Congress has given many evidences of the pride it takes in the Library that bears its name; is it not, then, reasonable to believe that rather more advantage than disadvantage attaches to the Library's being in the legislative branch? I am unwilling to believe that the Congress would refuse appropriations for activities in the national interest just because such action would increase the size of the budget of the legislative branch.

It has been argued that the Library of Congress (the national library) needs, and would benefit from, the active interest of the Chief Executive. We certainly do not disagree with this point of view. We welcome Presidential support, but it is not necessary that the Library be in the executive branch to receive it. President Theodore Roosevelt, in his annual message delivered to Congress on December 3, 1901, showed his interest in libraries in general and in the role of the Library of Congress in particular when he said:

"Perhaps the most characteristic educational movement of the past 50 years is that which has created the modern public library and developed it into broad and active service. There are now over 5,000 public libraries in the United States, the product of this period. In addition to accumulating material, they are also striving by organization, by improvement in method, and by cooperation, to give greater efficiency to the material they hold, to make it more widely useful, and by avoidance of unnecessary duplication in process to reduce the cost of its administration.

"In these efforts they naturally look for assistance to the Federal library, which, though still the Library of Congress, and so entitled, is the one national library of the United States. * * * Resources are now being provided which will develop the collection properly, equip it with the apparatus and service necessary to its effective use, render its bibliographic work widely available, and enable it to become, not merely a center of research, but the chief factor in great cooperative efforts for the diffusion of knowledge and the advancement of learning."[7]

Theodore Roosevelt's support was very helpful to Herbert Putnam (Librarian of Congress from 1899 to 1939) in developing the Library of Congress into a modern institution, which has never ceased to be a leader in the library world. Both he and President Taft provided that their papers should come to the Library of Congress, and both Presidents Coolidge and Wilson also thought it a proper home for their papers and otherwise gave evidence of their interest in it.

Although Presidents Franklin D. Roosevelt, Harry S. Truman, and Dwight D. Eisenhower had their own libraries for their personal papers, they, too, were concerned for the welfare of the National Library. It was not long ago, in fact, that former President Truman personally testified on behalf of a bill to provide substantial appropriations for the microfilming of the papers of 23 Presidents of the United States which are in the Library of Congress. It seems unlikely, therefore, that President Kennedy, a former Member of the Congress who has characterized the Library as "perhaps the world's greatest repository of culture,"[8] would be deterred from lending his support to it because it is in the legisaltive branch.

On the other hand, not every administration could be counted on to be as militantly cultural as, for example, the present one. We ought not to discount the proven value of what one might call the corporate directorship of the Congress, exemplified not only by the special roles of the Joint Committee on the Library and the Subcommittees on Legislative Branch Appropriations, but by an ever-increasing interest on the part of the membership of Congress as a whole in this great cultural institution which bears its name. Thanks to the Library Services Act program, the value of library services is being brought home to Members of Congress in dramatic fashion and they, in turn, are giving enthusiastic and ever-broadening support to such programs. The Library of Congress is likely to reap dividends from this situation in the form of greater understanding of, and support for, similar services on the national scene. Already, a number of bills have been introduced (and a hearing has been held in the House of Representatives) to extend the Library Services Act to meet certain needs of research libraries.

It is interesting to note that the division chiefs and department directors in the Library of Congress greatly value the academic freedom they have in the legislative branch to develop and carry out programs in the Nation's interest.

I cannot feel, in short, that either history, logic, or expediency dictates the transfer of the Library of Congress to the executive branch. In the course of 162 years in the legislative branch the Library has become a cultural monument to democracy. No one will argue that it cannot or should not be improved, but the possibility of achieving a greater Library—including making it more useful to the executive branch and the Nation—lies, I believe, elsewhere than in uprooting it from its traditional place in the Federal Government.

PROPOSED NATIONAL LIBRARY ADVISORY BOARD

Certain ambiguities and contradictions mark the proposal with respect to a National Library Advisory Board and make it difficult to weigh the merit of the plan as presented. Before arriving at this point, Mr. Bryant has forcefully enunciated the need for the Library of Congress (as the national library) to assert leadership "not exclusively to be sure, but in generous measure" in planning on a national basis for research library services and in moving toward these objectives. He has also acknowledged that the Library of Congress is "the major Federal agency operating in this field" (planning and execution of national library programs) and "the major instrument through which the Government participates in research library concerns." But Mr. Bryant believes that there "is need for an executive agency to be responsible for leadership, planning, and coordination in the research library field." Were it possible to transfer the Library of Congress to the executive branch where it "logically ought to be attached" according to Mr. Bryant, the proposed National Library Advisory Board would have what might seem to some a very neat foundation from which to work. However, he acknowledges that if a proposal for the transfers of the Library were to "encounter serious practical difficulties, it would not be essential to pursue it."

The National Library Advisory Board would be created for "reviewing policy and operations and for advising the President and Federal agencies on the planning and execution of national library programs and on interdepartmental library matters within the Federal establishment," and that does not exclude the legislative branch. Elsewhere, Mr. Bryant states:

"It is of the utmost importance that the executive branch have an agency—and one in which it has full confidence—to advise it on Library affairs and to speak for it. The officers of a great institution, particularly one that is not in the executive branch, cannot serve this purpose; they inevitably become identified with their institution, while the administration needs objective advice on this institution and its relations with others."

Apart from some of the implications of the above statement, which do not place a very high estimate on the intellectual integrity of officials of the Library of Congress, I can only conclude that, since there seems little likelihood of the transfer of the Library from the legislative branch, one of the main purposes of the proposed Board is largely to displace the Library as "the major instrument through which the Government participates in research library concerns" and to exercise some control over the Library of Congress through an executive branch instrument. Certainly the language of Mr. Bryant's memorandum describes a board with much greater powers than is suggested by the somewhat ambiguously titled National Library Advisory Board.

If the executive branch feels the need for a board to guide executive branch plans and policies and to advise on library matters that might be fostered or administered by Federal agencies, in whatever branch of the Government, it would be presumptuous of the Library of Congress to argue against it, and it does not. If such a board is formed, not only should it work closely with the Librarian of Congress as Mr. Bryant proposes;

---

[7] U.S. CONGRESSIONAL RECORD, 57th Cong., 1st sess., vol. 35, pt. 1, p. 91.

[8] John F. Kennedy, "The Candidates and the Arts," Saturday Review, Oct. 29, 1960, p. 43.

the Librarian ought, ex officio, to be a member of the Board, for it is scarcely possible to plan a national library program without taking into account the Library of Congress and having informed advice from as well as about it.

In fact, it has been suggested that a board separate and apart from the national library would have difficulty effecting working relationships with other research libraries and might find itself to be impotent.

Consideration should be given, I suggest, not to the creation of a permanent superlibrary agency, but to the creation of a temporary national commission—to be established by the Congress and to report to the President—which would examine the library needs of the country more searchingly than is possible in framing individual pieces of legislation and which would make recommendations for a national program, not all of which would necessarily be carried out by the Federal Government.

The Librarian of Congress has certainly felt the need for improving channels for the exchange of information and advice from the library and scholarly worlds. He had, although Mr. Bryant did not know this, set up a liaison committee on which the major national library associations—the American Library Association, the Association of Research Libraries, and the Special Libraries Association—and the one existing foundation concerned with library technology—the Council on Library Resources, Inc.—are represented. Steps have also been taken to form two additional advisory committees representing the physical and biological sciences on the one hand and the social sciences and the humanities on the other.

This approach, rather than the formation of one large advisory committee, was taken because experience with such large committees has shown the Library that these groups have different, and sometimes competing, interests, that scholars do not always have the background for considering purely technical library problems, and that the needs of scholarship are, naturally enough, not always the major concern of every librarian. The homogeneous groups tend to focus much more sharply on problems relating to their special interests, and this is helpful, but, in the final analysis, no advisory committee can arrive at administrative decisions. It is the responsibility of the Librarian to do that after weighing needs against resources—or the possibility of obtaining resources—to meet them.

It should be noted that the Librarian of Congress in the past 8 years has not been without advice, most of it solicited. In addition to an impressive roster of honorary consultants, the Library has had many committees to advise on specific activities and problems. The Advisory Committee on the Public Law 480 Program to acquire, under the direction of the Librarian and with U.S.-owned foreign currencies, foreign publications for U.S. research libraries is a typical example. Its members include representatives of the American Council of Learned Societies (which in turn represents such organizations as the American Philosophical Society, the American Historical Association, the American Political Science Association, the Modern Language Association, and many others), the National Science Foundation, the National Library of Medicine, the National Agricultural Library, the Department of State, the Central Intelligence Agency, the American Library Association, the Association of Research Libraries, the American Association of Law Libraries, the Social Science Research Council. There is a committee (composed of historians, archivists, and manuscript curators) on the National Union Catalog of Manuscript Collections; a group of historians, editors, and other scholars to advise on a comprehensive program for microfilming European archives and manuscript collections of American interest; an advisory committee on the new classification schedule for law; a panel of consultants on the comprehensive revision of the U.S. copyright law; a committee to select fine prints for the Prints and Photographs Division; and an advisory committee on "The Handbook of Latin American Studies."

Representatives of the Library, in turn, serve on official commissions, such as the National Historical Publications Commission, and on innumerable committees of scholarly and technical organizations, national and international, bringing their specialized knowledge and the resources of the Library to bear on areas and problems of concern to the Government, the world of learning, and the library community. Advisory and planning committees, in fact, constitute a well-traveled, two-way street.

There is considerable feeling in the library and scholarly worlds, however, that, in addition to this extensive apparatus, the Library of Congress would benefit from a high-level board of regents for the institution—a board established by the Congress, with congressional representatives and with members appointed by the President from the public and from panels suggested by various professional organizations. Such a body, it has been suggested, would give an impartial review to the needs of the Library and its clientele, would provide the Joint Committee on the Library with an outside view of the Library's problems and activities, and would lend prestige and support to requests for appropriations and other efforts of the Library. The day certainly has passed when the Library's relations with the country, particularly the library and scholarly worlds, can be as informal—indeed as paternal—as they were half a century ago.

The present Library administration has always regarded the Joint Committee on the Library, however, as a kind of board of trustees or board of regents. On policy questions it has been exceedingly helpful. It has not undertaken to review or support the Library's budget requests, because appropriations are in the province of the Appropriations Committees of both Houses, or to represent the Library outside the halls of Congress. If the Congress should feel that an outside, impartial review and recommendation on new or enlarged library programs, in what becomes each year a more complex and highly specialized field, would be of value to it, the Librarian of Congress would, of course, welcome the creation of such a body.

THE PRESENT PROGRAM OF THE LIBRARY OF CONGRESS AND RELATED AGENCIES

The program of the Library of Congress sketched by Mr. Bryant under this heading is a mere outline, but my annual reports to Congress gives a fuller account of that program and of my stewardship, and I need not extend the scope of this document by further elaboration, nor does it seem appropriate for me to comment here on the programs of "related agencies."

WHY THE PRESENT PROGRAM IS INADEQUATE

Mr. Bryant is writing of research libraries in general under this heading. The Library of Congress subscribes, by and large, to his four points: (1) American libraries are not collecting enough, (2) improved bibliographical apparatus must be provided for control of materials; (3) deteriorating materials must be preserved and replaced; and (4) the Federal Government must participate materially in the programs of research libraries. All research libraries in the United States have long been aware of these basic needs, and some very substantial progress, in which the Library of Congress has had a leading part, has taken place, through, for example, such acquisition programs as the Farmington plan, the joint program for the acquisition of Latin American materials, and the Public Law 480 program; cooperative microfilming programs for acquisition and for preservation; cooperative bibliographic efforts, such as the National Union Catalog; and studies of problems of acquisition, bibliographic control, and library research. More needs to be done, of course, in planning programs, defining roles, and ascertaining a fair division of financial responsibility, and more will be said later on some of these points, which are taken up again in later sections of Mr. Bryant's memorandum.

WHAT SHOULD BE DONE BY THE LIBRARY OF CONGRESS AND OTHER FEDERAL AGENCIES

New Federal programs are needed in at least five specific areas, Mr. Bryant says. In one of these areas the Library of Congress is already leading the way. In a second, it expects to play a major role. It has an interest in but it is not, probably, the agency to administer the other programs.

1. Research and experimentation should be undertaken on a large scale in the application of modern technology to library purposes: The Library of Congress, which was among the first of the Government agencies to mechanize its business operations, has for several years been studying the possibilities of automating the organization, storage, and retrieval of information in its collections. In 1958 it formalized its explorations by establishing an internal Committee on Mechanized Information Retrieval. In 1959 it availed itself of offers from three of the principal companies in the field to conduct preliminary surveys of certain of the Library's operations. The reports on these surveys emphasized, among other things, the extraordinarily complex and interrelated nature of the Library's operations, not only internally but in respect to the library economy of the entire country. These characteristics dictate a systems approach, rather than the mechanization of a discrete process here and there in the Library. They also make it necessary to proceed with care, the reports recognized, lest a change that might benefit the Library of Congress have an adverse effect on the country's library system. At that time hardware sophisticated enough to deal with the Library's complex of information storage and retrieval problems was not available, but further study was recommended.

In 1960 a small grant for doing the careful planning necessary for a more searching project was obtained from the Council on Library Resources, Inc., and in April 1961 a grant of $100,000 was received from the council for a survey of the possibilities of automating the organization, storage, and retrieval of information in the Library. This survey, which is nearing completion, was undertaken by a team of leading experts in computer technology, data processing, systems analysis, and information storage and retrieval. Dr. Gilbert W. King, director of research for the International Business Machines Corp., heads the team. Other members are Dr. H. P. Edmundson, synthetic intelligence department at Ramo-Wooldridge, a division of Thompson Ramo-Wooldridge, Inc.; Dr. Merrill M. Flood, professor of mathematical biology in the Department of Psychiatry, University of Michigan Medical School; Dr. Manfred Kochen, manager of information retrieval, IBM; Dr. Don R. Swanson, manager of the synthetic intelligence department at Ramo-Wooldridge; and Dr. Alexander Wylly, director of the military systems research division of the Planning Research Corp. Their final report, which will be made available to research libraries and the public, is expected sometime in 1962. It may not provide a blueprint for the immediate and complete automation of the Library of Congress, but it is hoped it will at least provide a step-by-step program of automation, which may be followed not only by the Library of Congress but by other research libraries.

The men working on this survey represent the best brains in this business, and, if a breakthrough can be made, they can surely point the way. Then and only then, does the Library expect to request appropriations for taking the next steps. It would do a disservice to other research libraries and to the Nation to proceed on any less careful, responsible basis. Meanwhile, no more searching analysis of the "software" as well as the "hardware" necessary for automating a large research library, with material on a universality of subjects that must serve an infinite diversity of needs, is being made.

The Library has experimented with such things as the instantaneous facsimile transmission of documents; it has produced accessions lists with mechanized equipment; and it has kept in close touch with Federal agencies that are developing M–T (mechanical-translation) systems and has itself been developing under contract a Russian-English machine vocabulary. It has sought and received approval from the Joint Committee on the Library to explore the possibility of taking over a major M–T operation (on transferred funds), if and when that should become appropriate. Because, however, the Library of Congress has resisted the temptation to mechanize a small operation here and there, for which it could have had easy acclaim, but has chosen rather to concentrate on a broad approach that has at least possibilities of a significant breakthrough, it may seem to some that it has been lacking in leadership. We do not agree. This field is so complex, the costs even in this age of astronomical figures will be so enormous, and the implications of automating the Library of Congress will be so pervasive that, as Representative BURLESON has said, it is wise "to make haste slowly" in this area, for it would constitute "a chain reaction that once started would be difficult to reverse." The Subcommittee on Legislative Branch Appropriations of the House Committee on Appropriations has similarly endorsed the Library's method of attacking this problem.

2. The underdeveloped countries should be assisted in creating or strengthening their own national libraries and bibliographies listing their current publications. This is a desirable objective that should be pursued in every way possible. Neither the Library of Congress nor the Federal Government at large, however, can intrude in the internal affairs of emerging countries by assisting in the development of their national libraries unless it is requested to do so. The Library has always been ready to assist by lending or recommending personnel for this purpose or by helping to arrange visits to this country so that U.S. library organizations, methods, and building plans may be investigated. Last fiscal year more than 200 foreign librarians visited the Library of Congress, where they were given orientation training ranging from a few days to 5 months. In addition to furnishing training and advisory and consultant services, the Library has also furthered the cause of libraries in emerging countries through exchange agreements and through the publication of accession lists and bibliographies relating to those countries. These undertakings have provided extensive bibliography for countries that had no indigenous bibliography, for example, southern Asia. Some of these projects have been maintained for many years ("Handbook of Latin American Studies and Monthly Index of Russian Accessions") and they are being continued; others, such as the "Southern Asia Accessions List," have been partially replaced by national bibliographies. The Library is now doing extensive work in bibliography for Africa south of the Sahara, as is noted in more detail later.

There are, in short, many things that the Library of Congress does to foster library development in emerging countries, but it would seem more appropriate if full-fledged programs for creating or strengthening national libraries could be developed in such Federal agencies as the Agency for International Development and in such international agencies as the United Nations Educational, Scientific and Cultural Organization, with advice from the Library of Congress and other Government agencies.

3. The preservation of research materials. There is agreement among research libraries that a national plan of action is essential. Mr. Bryant is himself chairman of a committee of the Association of Research Libraries to produce one. The Library of Congress expects to have a central role in any plan adopted.

This is an enormous problem on which the Library of Congress did pioneering work a number of years ago. Since then other libraries have accepted some responsibility for preservation programs and commercial firms have become active. There is need not only for coordination of efforts, however, but of higher standards of performance.

The Library of Congress recognizes its responsibility for preserving for the Nation the record of the past. Congress has provided funds to the Library for microfilming some of its own deteriorating books and newspapers, but a great deal more support for this activity is needed. If the Library were able to preserve on microfilm a substantial portion of its deteriorating materials, the problem for the country would, to some extent, be solved because microcopies could be furnished other institutions at a reasonable price. Nevertheless, a national plan is necessary to avoid duplication and to insure that information about materials copied is available.

Congress has also provided support for preserving and making more widely available several of the Library's special collections of research interest. The collection of paper prints of early motion pictures (1894–1912) is being converted to projectionable safety film and the import Kleine collection of early motion pictures on nitrate film has been converted to safety film. Papers of 23 Presidents of the United States that are in the Library's custody are being indexed and microfilmed, and copies of these films may be purchased by other libraries. Provision has also been made for indexing and microfilming the records of the Russian Orthodox Church in Alaska, which are important for the vital statistics as well as the historical material they contain.

It might be pointed out that the Library of Congress also concerns itself with problems relating to the preservation of other types of library materials. With foundation funds it initiated in 1957 a project, for example, which resulted in a 74-page report on the deterioration of sound recordings (discs and tapes) and the best methods of preserving them in libraries, a report that has been hailed in this country and abroad as a pioneering study.

4. Federal grants-in-aid to research libraries: Since college and university libraries through their support of research, much of it on Government contracts, are serving the national interest, Federal grants-in-aid to them seem fully warranted. Such grants are provided for in the several bills that have been introduced to amend and broaden the Library Services Act program, which is administered by the Library Services Branch of the Office of Education. The Library testified in favor of this provision when hearings on H.R. 11823 and related bills were held recently before the General Subcommittee on Education of the Committee on Education and Labor of the House of Representatives.

5. A program of scholarships and fellowships to recruit and train librarians: There is a national shortage of professional librarians and a serious lack of trained librarians who also have special subject and language competence. The Library of Congress, like other research libraries, suffers from this. Once again, the proposed amendments to the Library Services Act would help to remedy this situation by giving aid to college and university libraries for holding training institutes, but more needs to be done.

In an attempt to meet its own needs, the Library of Congress sought and obtained approval from the Joint Committee on the Library to negotiate with an accredited library school to give library science courses at the Library of Congress so that subject and language specialists and others without library school degrees could be trained under the Federal Employees Training Act. It was proposed that these courses be opened to employees of other Federal libraries in the Washington area.

Ruefully, it must be recognized, however, that neither the Federal Government nor college and university libraries can compete for talent, insofar as salary is concerned, with private industry, especially in scientific fields. At the present time, the Library of Congress cannot even compete in regard to salary with the universities for the specialists it needs to carry on its program in a number of fields.

IMPROVING OR EXTENDING EXISTING LIBRARY OF CONGRESS PROGRAMS

Emphasis on the five areas just mentioned should not, Mr. Bryant writes, and we agree, be allowed to obscure the importance of improving or extending a number of programs to which the Library of Congress is already committed. He mentions seven.

1. Acquisitions program: The scope of the Library's acquisitions program should be considerably broadened, Mr. Bryant feels. The problem is to get the right publications when they are available; it is not always so much a question of quantity as of quality. But to collect on as broad a scale as the Library of Congress must, in a world whose printing presses all seem to be on a 24-hour day, substantial funds for purchases are essential.

Everything possible has been and is being done to improve exchange relations. When I took office, the Library had 12,463 exchange agreements; now it has 22,232. Then it had 3 with the U.S.S.R., for example; now it has 427 with the Soviet Union. Fruitful as these exchange relations are, they do not bring in all the material that is essential. For example, the results of research abroad, which both Government and private scholarship in this country need, are published largely in journals, and most of these have to be purchased.

That the Library has been aware of the need for additional funds for acquisitions is evident from the periodic requests for this purpose that it has made to the Congress, and a number of these requests have been granted. Since the present Librarian has been in office, a total increase of $463,000 for the purchase of material has been requested and $330,000 has been received, raising the book budget from $350,000 to $680,000. But these additions have been absorbed by price increases, by the need to use substantial parts of them for microfilming deteriorating materials, and by the necessity of obtaining increasing numbers of serial publications, either in the original or in microfilm form, which has the result of creating continuing fixed charges against available funds. This has left little or nothing for filling in gaps of important recent material and nothing at all for rare materials, other than the few that can be bought with gift or trust funds. Although I feel that the Library of Congress should strive to augment the national collection of rare materials, especially of Americana, I do not feel that it should purchase rarities purely for rarity's sake or duplicate other readily available collections. It is incumbent upon me, however, to attempt to keep the research collections of the Library in the preeminent position they have always enjoyed, and for this, continuing and increasing support for purchases will be needed and will be sought.

As for assisting other research libraries in their acquisitions programs, the Library has done many things and perhaps can do more. When the head of its African section visited Africa recently to investigate the publishing situation and methods of obtaining materials, his findings were made available to libraries and other groups concerned with African studies, and he was able to assist in the filling of want lists of books needed. The Library took the initiative, for example, in implementing the provision in Public Law 48 (the wheat loan interest program) for the procurement of Indian official publications. This program is of benefit primarily to the Midwest Inter-Library Center, the University of California, and the University of Pennsylvania rather than the Library of Congress, although, of course, the entire Asian studies program in this country is thereby strengthened. Under the Public Law 480 program, the Library requested appropriations to develop acquisitions programs in 12 countries. Approval was obtained for a pilot project in three countries—India, Pakistan, and the United Arab Republic—and materials which go to more than a score of American libraries, in addition to the Library of Congress, are now coming into the United States at the rate of a million pieces a year. Efforts are also being made to establish microfilming programs in these countries, and it is hoped that the Congress will approve the extension of the Public Law 480 program to other countries where there are surpluses of U.S.-owned foreign currencies.

The Library of Congress has for many years taken the lead in coordinating plans for microfilming archival and manuscript materials of American interest in European institutions. In April 1961 a conference was held in Washington to discuss needs, and in the summer of 1962 the Assistant Chief of the Library's Manuscript Division visited a number of Western European depositories to enlist cooperation. This effort, linked to a Public Law 480 microfilming program, could bring into the country much research material long eagerly sought by American scholars.

2. Cataloging: The Library of Congress will certainly be able to serve the Nation more effectively when it has eliminated its arrearages in uncataloged materials—which were largely inherited by the present Library administration—and has put the cataloging of all its acquisitions on a current basis, as Mr. Bryant suggests. I believe he would agree, however, that the Library has made tremendous strides toward this goal; only lack of space for the operations has prevented the Library from asking the Congress for the manpower required for a truly adequate program.

The cataloging of American trade publications has been put on a current basis, and orders for catalog cards for a high percentage of them are being filled prior to the publication dates of the books. This has been made possible through cooperation sought and obtained from some 3,000 publishers, who are sending their publications to the Library for cataloging in advance of the publication dates and who are printing Library of Congress catalog card numbers in the books themselves. This program is assisted by the R. R. Bowker Co. of New York, which supplies additional books from those received for listing in Publishers' Weekly.

An effort was made to give other libraries the greatest possible benefit from prepublication cataloging by persuading publishers to print not only the card number but the entire cataloging information in their books. An experiment, carried on for a year under a grant from the Council on Library Resources, Inc., raised the hopes of many librarians that this plan could be made to work; it was therefore with the greatest regret that the Library concluded that it was not economically and otherwise feasible.

Another plan of the Library's, which is designed to supply other libraries simultaneously with cataloging information for books they acquire for their own collections, is a growing success. This is the "cards-with-books program" in which book wholesalers, publishers, and jobbers buy Library of Congress cards and supply sets of them with the books they sell to libraries. During fiscal 1962, 14 distributors joined the plan and bought more than 4,880,000 cards.

The general improvement in the availability of catalog cards, of which the "cards-with-books program" plays a relatively small part, is demonstrated by the tremendous increases in card sales in the last 8 years. In fiscal 1955 the Library sold more than 23,450,000 cards and returned to the U.S. Treasury $1,168,361 for the sale of these cards and of book catalogs and other technical publications, as compared with more than 42,386,000 cards sold and $2,792,099 returned to the Treasury in fiscal 1962 for the sale of these cards and technical publications.

Thus far, the greatest emphasis has been placed on current American publications, chiefly because the improved service benefits the greatest number of libraries. In consequence it has not yet been possible to concentrate on the sizable arrearage of materials of research importance nor on foreign books as a whole, although the Library's record for cataloging current Slavic receipts promptly is a very good one. It should be noted that much of this arrearage is under preliminary control, although printed catalog cards are not yet available. A task force to attack this problem on a modest scale is envisaged as soon as the promise of space in the Naval Weapons Plant is a reality.

In three directions the Library has made substantial progress of special interest to research libraries. The first program entails the extension of cataloging services to materials in many languages not previously covered by LC printed cards. In 1958 the Far Eastern languages section in the Descriptive Cataloging Division was established and began to print catalog cards for Chinese, Japanese, and Korean books. Recently a special section to catalog books in South Asian languages was also created. Along with these new services, the Library has been developing cataloging rules, transliteration systems, and procedures that have made it possible to embark on the cataloging of materials in many other languages.

The second development, which is the fruit of extensive investigation by the Library and which is of special interest to research libraries, is the utilization of a new process for reproducing catalog cards. This process is now making it economically feasible for the Library to fill orders for out-of-print cards not expected to be in wide enough demand to justify reprinting by traditional methods of printing or photoduplication. It is anticipated that within 6 months the Library will be able to fill all such orders promptly.

The third service has only recently been started. In response to a demand from research libraries, the Library has begun to sell, in proofsheet form, copies of the catalog entries prepared for the National Union Catalog from copy supplied by other libraries and not represented by LC printed cards.

Thus the Library is constantly seeking ways to improve cataloging services to other libraries. The ultimate answer, I feel, lies in centralization; the higher degree of centralized cataloging there is at the Library of Congress, the greater the benefit nationally.

3. The National Union Catalog: The National Union Catalog on cards was established in its present form in 1927, when the first installment of a 5-year grant for this purpose was received from the Rockefeller Foundation. Today this catalog contains 14 million cards locating significant research materials that are in some 800 North American libraries. It is probably the most important single research tool in the country, providing bibliographic control and facilitating interlibrary loan.

In 1947 the Library of Congress began to issue its author catalog and in 1950 its subject catalog in book form. In 1956, in cooperation with the American Library Association's Committee on Resources of American Libraries and the Association of Research Libraries, the author catalog was expanded into "The National Union Catalog," and holdings of other libraries were included; the publication has more than doubled in size since then.

The Library has already begun the publication in book form of the older portion of the National Union Catalog on cards by issuing the 1952–55 segment under the sponsorship of the Resources Committee. It has also been in consultation with this committee for some time on a plan to issue the pre-1952 section.

The Library of Congress provides an information service on the National Union Catalog that is of great importance to the scholarly community. Last fiscal year more than 33,000 requests were handled.

A number of other union cdtalogs and lists are issued by the Library. With foundation support, it is preparing for publication the third and final edition of the "Union Lists of Serials." For more than a decade it has issued "New Serial Titles," at first only a record of its own acquisitions but for a number of years past a union list, unconfined as to scope and representing the acquisitions of some 600 libraries.

Also with foundation support, the Library is bringing the difficult field of manuscript collections under bibliographical control through its National Union Catalog of Manuscript Collections. This has been available to other libraries only in the form of catalog cards, but the first volume in book form has just now been published.

The Library's Cyrillic Union Catalog is being published this year under commercial auspices with the sponsorship of the ALA's National Union Catalog Subcommittee, the Joint Committee on Slavic Studies, and the ARL's Committee on Slavic Resources. To cover current acquisitions in the Slavic field the Library has issued, since 1948, the "Monthly Index of Russian Accessions," a current union list of the acquisitions of major American libraries pursuing Slavic programs. It is regrettable that, because of circumstances beyond the Library's control, a companion union list, the "East European Accessions Index," had to be discontinued. The Library was sharply criticized for not pressing for appropriations to continue this list when funds for its support were withdrawn by other Federal agencies, but the Library's budget had already been presented when notice was received that funds were to be withdrawn. Thus, it was late to attempt a rescue operation. The Library did present the case to the subcommittees on legislative appropriations, pointing out that now seemed hardly the time to withdraw Government support from any activity that contributed to the country's knowledge of the Soviet bloc. In fairness, however, it also had to call attention to the high cost of the list ($362,000 a year) and the low incidence of use (8 percent of those working in the field), which an independent survey revealed. Furthermore, it was necessary to note that the transferred funds that were supporting the "Monthly Index of Russian Accessions" were probably going to be withdrawn and that the Library might well have to ask for half a million dollars to continue this essential list. In view of these facts, the subcommittee took no action.

The assumption by the Library of the task of preparing a detailed subject index to "Dissertation Abstracts," a cooperative undertaking with the publisher and the ARL, has made this indispensable publication vastly more useful to the research libraries, which depend upon it for the control of this essential body of material.

The Library's "Monthly Checklist of State Publications" should also be mentioned because State libraries, State university libraries, and others cooperate with the Library in making this unique and valuable list as complete as possible.

4. Mechanization of the "National Union Catalog." It may well be that the survey in depth of the possibility of automating the organization, storage, and retrieval of information in the Library will make recommendations that will lead to the mechanization of this important tool for bibliographic control and scholarly research. At present, there is no point in speculating on the matter.

5. Specialized subject and other scholarly bibliographies: Although the Library has made a number of notable contributions in this field, perhaps more attention has been given recently to the publication of the large accession lists and other bibliographic tools such as those mentioned above in the section on the "National Union Catalog."

One has only to look at the monumental "Guide to the Study of the United States of America," published in 1960, however, to realize that the Library has not lost its touch; a supplement to this guide, which has been hailed on both sides of the Atlantic, is now being compiled. Among other outstanding bibliographic works of recent years were catalogs of the Lessing J. Rosenwald Collection of rare illustrated books in the Library of Congress and of the Alfred Whital Stern Collection of Lincolniana, the concluding volumes of Phillips' "A List of Geographical Atlases in the Library of Congress," volume V of which was published in 1958 and volume VI of which is in the press, to say nothing of the biobibliography that constituted the "Catalogue of the Library of Thomas Jefferson," the fifth and concluding volume of which was published in 1959.

A whole series of less pretentious but very useful guides to materials relating to areas and subjects of current interest have been published. Among those relating to Africa, for example, are: "Africa South of the Sahara: A Selected Annotated List of Writings, 1951–1956"; "Africa South of the Sahara: An Introductory List of Bibliographies"; "African Newspapers in Selected American Libraries"; "Nigerian Official Publications, 1869–1958: A Guide"; "North and Northeast Africa: A Selected Annotated List of Writings, 1951–1957"; "Official Publications of British East Africa: Part I"; "Official Publications of French West Africa, 1946–1958: A Guide"; "Official Publications of Somaliland, 1941–1949: A Guide"; and "Serials for African Studies." To meet the need for information occasioned by the centennial of the Civil War, the Library has issued "The American Civil War: A Centennial Exhibition"; "The American Civil War: A Selected Reading List"; "The Civil War: A List of One Hundred Books in Braille and on Talking Book Records"; Carl Sandburg's "Civil War Centennial Address"; "The Civil War in Motion Pictures"; "The Civil War in Pictures 1861–1961"; "A Chronological List of Selected Pictorial Works"; and "Civil War Maps: An Annotated List of Maps and Atlases in Map Collections of the Library of Congress."

If automation should prove successful, it would, of course, revolutionize bibliographic work, making it possible to supply computer-produced demand bibliographies rapidly and on any subject.

"Publication" by microfilm is also being done. Although the microfilms of the 23 groups of Presidential papers in the Library, now being issued with indexes prepared from mechanically produced and arranged punched cards, lack the illuminating annotation that Julian P. Boyd gives in "The Papers of Thomas Jefferson," they nevertheless reveal in great detail this extraordinary instrument in American government—the Chief Executive—and provide the raw materials for countless scholarly edited works and interpretive studies.

6. Improvement of interlibrary loan and photographic services: The Library has received relatively little criticism of either of these services. Occasionally someone feels that the rates for photoduplication are high, but in such cases the comparisons made are with subsidized services, with operations, for example, in which the personnel is paid from appropriated funds. It should be remembered that the Library's photoduplication service is a self-supporting one and that costs for personnel, equipment, and maintenance must be paid from income. Others have the impression that orders are held up so that personnel and equipment can operate at a steady rate. The Photoduplication Laboratory does not need to do this. It has so many orders that it usually operates on a 6-day week. Any backlogs that accumulate result from lack of space in which additional equipment to handle orders can be installed. Relief for the space situation would result in speedier service.

Interlibrary loan service has been improved by absorbing, on a reciprocal basis, the cost of postage in sending materials to other libraries and by securing additional appropriations to make it possible to accept telephone requests from Government agencies.

7. Cultural programs: For many years the Library has sponsored activities and programs that have made available the enlightenment of literature, learning, and music not only to the Nation's Capital but—through broadcasts, recordings, publications, and the sponsorship of extension concerts—to a much broader audience throughout the country. It pioneered in the recording of folk music and of poets—of both the English-speaking and the Hispanic worlds—reading their own poems, and it continues to issue recordings in these fields. It commissions musical compositions and presents premieres of new works, as well as concerts of modern and classical chamber music in the Library and in small communities in the United States. It maintains musical collections that are preeminent in their breadth. Its programs of poetry readings, dramatic productions, and lectures on literary and musical developments not only add luster to the Washington scene but, through the published lectures, supply critical comment used widely by college students and professors. Its collection of fine prints is outstanding, and its sponsorship of the National Exhibition of Prints encourages, through recognition and purchase, the development of the graphic arts. Its exhibits of fine printing as well as of fine prints, of literary and historical treasures, and of Americana are viewed each year by hundreds of thousands of visitors to the halls of the Library. Illustrated catalogs are published for some of these exhibits, thus extending their influence, and a number of them are circulated in the United States and abroad, bringing home to Americans the richness of their history and culture and reminding our neighbors abroad that comic books, Cadillacs, and cookouts are not the sole evidences of our national life.

Many special conferences organized by the Library are held in Washington. International colloquiums on Hispanic and Islamic studies, attended by the outstanding scholars from these areas, and a national symposium on the status of research on Lincoln, for example, have been held; and the National Poetry Festival, scheduled for October 1962, will bring together more outstanding American poets than have ever before been assembled for 3 days of readings and of critical consideration of American poetry in the last half century.

On the sponsoring committees for most cultural programs in the Nation's Capital you will find an official of the Library of Congress. The Librarian of Congress is, for example, on the board of trustees of the National Cultural Center. He and others from the Library have participated in planning for this center and, when the money-raising phase of this enterprise has been completed, the Library will undoubtedly have an even larger role to play in regard to the program of the center.

The roster of those in the worlds of arts, letters, and scholarship who associate themselves with the Library of Congress by serving as honorary consultants is as broad as it is distinguished. Few would question the national impact, for example, of Robert Frost, who was the Library's consultant in poetry in 1958–59 and who has since served it as honorary consultant in the humanities. The appeal and influence of his poetry and personality are undeniable. It is a heartening sight indeed to see an auditorium filled to overflowing with high school students who applaud as enthusiastically to encourage the reading of a favorite Frost poem as they would to spark a seventh-inning rally.

It is quite true that most of these Library activities are supported by grants or income from foundations. It is difficult to see anything reprehensible in this. (Why should the Library of Congress turn its back on such support any more than a State university should?) It does not prove that Congress would not support such activities; in fact, Congress does to some extent by staffing the Music Division, the Prints and Photographs Division, the Exhibits Office, and other units, and in other ways. That individual benefactors and foundations find it appropriate to finance such activities only indicates their recognition that the Library of Congress serves as the National Library and its programs serve scholarship and the Nation. Such grants or endowments, in turn, enable the Library to embark on new and usually experimental programs, in which both the requirements and the methods of meeting them need to be tested. Mr. Bryant says, for example, that Congress should support the small African section created by the Library with a grant from the Carnegie Corp. That is exactly what Congress has begun to do. Having established the need for special attention to acquiring African materials and for assisting African studies in this country and having pointed the way to accomplishing this, the Library, in its budget presented last year, asked the Appropriations Committees to begin putting positions in this unit in the regular budget. In fact, except for the income from a few large endowments in the Library, the money received as grants from foundations is really seed money. The Library cultivates the soil, sows the seed, and, if there is a rich harvest, asks the Congress for appropriations to carry on. Thus was established, for example, the National Union Catalog on cards, which has been maintained for years by appropriations. Congress recognizes the validity of this pattern, usually with a willingness to continue programs of proven worth to the Nation.

SUMMARY

Mr. Bryant's memorandum has already served a useful purpose by calling attention to the problems of research libraries throughout the Nation. It will serve an even broader purpose if it brings understanding of the complexities of those problems, strengthens the determination to find solutions, and rallies support, not only in the Congress, but in the executive branch, within the library profession, and among the clientele of research libraries.

I am sure that Mr. Bryant did not mean to suggest—although his emphasis on one side of the picture did leave this impression—that all the problems of research libraries can or should be solved by the Federal Government, and in particular by the Library of Congress. These problems are so many and so complex that no one official—not even an "ideal" Librarian of Congress—could alone solve them, nor can the agencies of both the executive and legislative branches. The officers and trustees of universities have a duty to give their libraries the same support they would to a new physics laboratory or to a new stadium. Mr. Bryant says that "the major research libraries are already functioning as national institutions," but are they in all important respects? For example, some of the major research libraries are not furnishing descriptions of their manuscript holdings for the National Union Catalog of Manuscript Collections. States and localities must also play their parts. The solutions, in short, must be cooperatively arrived at, but, just as Federal assistance to the public libraries of the country has been recognized as appropriate and desirable, so also will the Federal Government, I believe, recognize the necessity of playing a larger role in strengthening the research libraries of the Nation.

The Library of Congress has not abrogated its leadership in the library world. It has been necessary, however, for it to concentrate on strengthening its own collections and services during the past several years—to put its own house in better order. To have neglected to do this would be a great disservice to the library and scholarly communities, because so central is the Library of Congress to the library economy and research efforts of the country that, to the extent that the institution is weak, the whole fabric of library service is weakened. Every institution must go through such periods of catching up, of shoring up its operations. That this coincided with greatly increased demands on the Library and the necessity of instituting new services—such as the National Science and Technology Referral Center now being organized in the Library—at the same time that space in its buildings was shrinking to the vanishing point, should not lead librarians to conclude that the Library of Congress is disinterested in their problems or scholars to feel that the Library has abandoned its traditional fostering of humanistic research. The Library's space problem has been worse than frustrating; it has been stifling. There has been a regrettable lack of understanding on this point, which is reflected, I think, in Mr. Bryant's memorandum.

Mr. Bryant calls for leadership, but leadership, in the absence of line authority, must strike a delicate balance between domination and encouragement. Those who urge the Library of Congress to greater leadership would be the first to cry out against attempted Government dictation. This would be resented and resisted to the point of wrecking the many complex cooperative arrangements already in existence. In hewing the fine line between the two positions, perhaps the Library of Congress has of late been too careful to remain in the background rather than pushing to the vanguard.

The Library of Congress does not find it hard to function as the National Library without the name and without a statutory definition of its mission. "An appropriation for a third library building for the Library of Congress," one research librarian declared, "might do more to enlarge the scope of the National Library than the adoption of a formal statement of its responsibilities." Many, however, do feel that some form of recognition of the Library's status in legislation would be desirable, and I agree that this might be helpful.

The officers of the Library are convinced that the institution can accomplish any program suggested by Mr. Bryant or any assigned to it by legislation just as effectively, if not more so, under its present organization as under any of the alternatives suggested. As one scholarly deacon from Boston put it: "I feel strongly that the Library of Congress needs more financial support to do many of things it now clearly knows that it wants to do. I hope, however, that that support may be obtained without great blowing of trumpets and administrative reorganization. I would thoroughly dislike any notion of transferring the Library to the executive branch. I am convinced that the Library of Congress, given time, people, and funds, is more than capable of generating new activities as they may be needed without outside stimulation."

Others think that both the Library and the Congress would benefit from the Library's having a board of regents. This is something the Congress itself will have to decide, but any such board would obviously have to be more closely articulated with the Library than Mr. Bryant's proposal contemplates. (The Librarian has already taken steps, through the organization of informal committees, to bring to bear on technical and research problems the advice of the library and scholarly worlds.) If the Chief Executive feels the need for a permanent advisory board on national library problems and programs of and for the Nation, I am sure that he will take the necessary action. The Library feels, however, that neither of these courses would be the wisest initial step. Instead, it is suggested that a temporary National Commission on Library Problems at all levels, created by the Congress and responsible to the President, might be the answer.

The possibility of a Council of Federal Librarians will be explored by the Library of Congress, although past experience with such a council does not promise great accomplishments in terms of coordination of Federal library activities.

The responsibilities of the Library of Congress are so diverse and many of them are of such magnitude that the time has never been and will probably never come when the execution of them could not but be improved. "The question," as one humanist who has agreed to advise the Library put it, "is not whether the Library's program can be improved, but how it can best be improved." The Library is eager to pursue programs with all the intensity required by the Congress, the Government as a whole, and the Nation. For this it requires space, adequately compensated personnel, and continuing financial support. It believes that, along with the other research libraries of the country, it can supply the "imaginative leadership."

The task of strengthening the national scholarly resources to meet the Nation's present and foreseeable needs is a very great one. It is overtaxing the physical plants and financial resources of research libraries but not, I hope, the librarian's traditional ingenuity, initiative, and ability to innovate. Conventional methods of acquisition, classification, organization, and service—however much we improve them—may not be the answer. We must—as we are doing—explore the possibilities that computer technology offers, wtih the accompanying necessity of rethinking our approaches to basic library functions. We may well be on the threshold of a technological revolution in library science, but this does not permit us to sit idly by until there is a significant breakthrough. The Library of Congress has chosen to move forward on both fronts: while strengthening its traditionally operated programs, it is seeking to find radically new and better ways for the organization, storage, and retrieval of information in its vast storehouse of knowledge in order to keep the institution creatively responsible to the Congress and the Government at large, to scholarship and the library community, to the people and the times.

Respectfully submitted.

L. QUINCY MUMFORD,
Librarian of Congress.

THE 452D TROOP CARRIER WING WINS FOR SECOND STRAIGHT YEAR

Mr. ENGLE. Mr. President, the Nation's military strength depends in no small part on the strength of its Reserves. An efficient, adaptable, mobile, and spirited Reserve Force is vital to our ability to meet crises in any part of the world.

A fine illustration of all that we look and hope for in Reserve Forces, I believe, is the 452d Troop Carrier Wing at March Air Force Base in Riverside, Calif.

For the second consecutive year, the unit has won first place in the annual Continental Air Command Reserve Troop Carrier competition at the Ellington Air Force Base in Texas.

Entered in this year's competition were the 3 best crews of each of the 15 Reserve wings throughout the United States. Each wing competed in three events—the first, a three-aircraft formation paratrooper drop; the second, a two-aircraft night navigational bundle drop; and the third, a two-aircraft low-level heavy equipment drop.

This competition was designed to provide added recognition for the Air Force Reserve program, the professionalism of its personnel and proven—ready now—capability to perform its wartime mission.

The competition was scored in the most minute details such as takeoff times computed in seconds, landing times measured in seconds, maintenance of altitudes and assigned airspeeds, accuracy of the drops and rigging of the loads.

On the basis of these results, the 452d has established itself as the outstanding troop carrier wing in the Reserve program under the Continental Command.

In addition to the wing victory at Ellington, a 452d crew placed third in the Air Force Association competition at Las Vegas. This showing has given the crew recognition as the third best troop carrier crew in the United States and the Reserve program.

I would like to take this occasion to publicly commend and congratulate Col. Earl O. Anderson, the competition team captain and 452d wing commander, and his Reserve unit for their very fine performance and record.

Being a flyer myself, I take special interest in this unit's activities. Being a Californian, I take special pride in knowing that my State is being so well represented in national Air Force competition. And being an American, I am heartened to know that this crack flying unit is prepared and ready to face any crisis that might develop anywhere in the world at any time.

UNNECESSARY EXPENDITURES

Mr. MOSS. Mr. President, an elder statesman in the other wing of our two-party political system remarked recently that the administration now in office is spending the next three generations of Americans into debt. I must admit that I was startled by the remark, because I had gained the distinct impression from his previous speeches that this statesman did not really believe there were going to be three more generations of Americans. It struck me as a rather negative vote of confidence in the future, but a vote is a vote, as I am sure the Members of this body will agree.

I looked further into his remarks, and discovered that he was disturbed, not by Government spending, but by unnecessary Government spending, which is a fairly safe stand for elder statesmen.

Unnecessary Government spending is something like juvenile delinquency; everybody talks about it but very few people really understand it, and certainly none of us here would have anything to do with it. Furthermore, this particular breed of Government spending is not with us constantly; it is a periodic visitor; it usually appears around election time, particularly when there's a shortage of good, live issues to take up with the folks back home.

Every election year, as regularly as the cherry blossoms and a good deal more punctually, a great number of people who want to get elected to public office—or who want to get someone else out of public office—set out to slay the dragon of unnecessary public spending. Fortunately, he is an out-of-town dragon. He never lives in your own State or in your own congressional district. He comes from someplace else and he has no constituents. If you represent a Midwestern constituency, he is down South putting wasteful price supports under peanuts and cotton and tobacco; if you live in the South, he is way out West building shipyards that will put the next three generations of southerners in debt. Or, if you live in the past, he is burning up the taxpayers' money on schools and on medical care for old people who did not plan ahead.

Unnecessary Government spending does not have many real friends, but he does have quite a few casual acquaintances who are willing to go out on the town with him so long as nobody from home sees them together. Thus we find some Members of the House who regard aid to our free world allies as sinful but do not mind spending a few necessary millions here and there on worthy local projects that will win friends and influence elections. Given a choice between economic aid to a foreign ally 3,000 miles distant and construction of a fishing pier in the home district, they have no nagging doubts as to which is necessary and which is unnecessary. Unlike charity, economy in Government spending does not always begin at home.

This administration has expressed concern about the future of education in the wealthiest country on earth. But Abraham Lincoln educated himself in a log cabin by the light of a wood fire. Perhaps the solution is more log cabins, more wood fires, and fewer Government-aided schools with expensive electric lights.

This administration is concerned, too, about the health of the American people, and it proposes to do something about the situation through programs of medical care and more stringent control over the drugs we consume to tranquilize us at budget time. While this involves Government spending, some of us regard it as necessary if we are to have those three surviving generations to help pay the national debt.

So we find that when we get into the subject of unnecessary Government spending, we must pose a few questions and perhaps question a few posers. There are hardheaded businessmen who will tell you that one of the root causes for all this unnecessary spending is too much Government interference in business. But, of course, in someone else's business. The large national magazines need their subsidies on postal rates; the big corporations must have their expense account deductions; and the bicycle manufacturer must have tariff protection against his low-wage foreign competitors. These things cost the taxpayer money, but they are necessary. Unnecessary Government spending is what Government does for the other fellow.

We find ourselves, too, spending the substance of future generations on the exploration of outer space. Of course, I have no real assurance that they will have any interest in taking up residence on the other planets, but, considering the present state of affairs on earth, they may well be grateful to us for the opportunity.

As we read the long roll of Government spendng, from subsidies to spaceships, all of us, I am sure, look hopefully for opportunities to economize, to trim back these spending programs. Because all of us are against unnecessary Government spending and for a balanced budget. There are some, indeed, who regard the balanced budget as a heavenly reward for fiscal virtue. But we want the ax to fall somewhere else. It seems that everybody wants to go to heaven, but nobody wants to die.

Of course, there is a ready solution to the debt problem of our descendents: we can foreclose the future. We can cut off all Government services to the American people in the name of economy; we can chop off our foreign aid programs at the roots, reduce our military might, let the space race go by default, and lie down quietly for a free burial by Mr. Khrushchev. I think the Kremlin's budget director would not regard the undertaking as unnecessary Government spending with the shoe on his foot.

As for myself, I would rather be broke than in bondage. I am confident most of the American people feel the same way. Freedom is worth any price. Our test for every Federal investment should be: Will it strengthen our total posture against the Communist bloc? If it will, it is necessary spending. We must spend enough to be first in might. Our problem is to see that every appropriated dollar is well spent—and not misspent.

This administration has been charged with spending the United States into destruction. I submit that the so-called economy program of its opponents could expose us to far greater danger—it could pennypinch us into oblivion.

THE DUE PROCESS FACTOR IN THE MEREDITH CASE

Mr. STENNIS. Mr. President, several days ago in a speech on the floor of the Senate I raised the point that the Supreme Court of the United States has not heard the appeal of the State of Mississippi in the Meredith case on the merits. I pointed out that even though the appeal of the State of Mississippi was pending in the Supreme Court, the State of Mississippi had not been given an opportunity to argue the matter in open court, to have the Justices meet around the conference table to consider and discuss the case among themselves and render a decision.

A highly objective approach to the entire subject is taken by the distinguished columnist, Mr. Arthur Krock, in the October 2 issue of the New York Times. Mr. Krock's statement is factually correct and is a fine commentary concerning the disposition of the Court to push the case through before rendering an actual judgment of their own.

Of particular significance is Mr. Krock's quote of Justice Black, when he said, even before the State of Mississippi had had a chance to present its case:

> There is very little likelihood that this Court will grant certiorari to review the judgment of the court of appeals.

Mr. President, I ask unanimous consent that Mr. Krock's article be included in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE DUE PROCESS FACTOR IN THE MEREDITH CASE

(By Arthur Krock)

WASHINGTON, October 1.—When the Supreme Court began its October term today it had already rejected, in effect and in fact, a pending appeal for review of the Meredith case by the State of Mississippi. In a most unusual, if not unparalleled, procedure, instead of dismissing the appeal as a judicial body in actual session, the members of the Supreme Court, from scattered locations during the summer recess, had given sanction to a single Justice, Hugo Black, to make the following statements in an order to the University of Mississippi to enroll James Meredith at the opening of the current semester:

"There is very little likelihood that this Court will grant certiorari to review the judgment of the court of appeals, which essentially involves only actual issues. * * * Although convinced that I have the power to act alone in this matter, I have submitted it to each of my brethren, and I am authorized to state that each of them agrees that the case is properly before this Court, that I have power to act, and that, under the circumstances, I should exercise that power as I have done here."

Established procedure under "due process" is completed only when a court of last resort has formally disposed of the final step available to litigants. Since the agreement of all the other Justices that Black announced in his order of September 12, 1962, could have been learned only by communication means other than face-to-face discussion, this raises the legitimate question whether "due process" was afforded the State of Mississippi. If, as Justice Black also announced, the Court was certain to reject the State's request for review, that could have been done in the established manner when the Court reassembled today, the day Meredith actually was enrolled at the university.

THE ATTORNEY GENERAL SPEAKS

On September 29, in a speech telephoned to a San Francisco audience, Attorney General Kennedy chided the American Bar Association as well as the lawyers in Mississippi for the "absence of any expression of support * * * for our [the Kennedy administration's] present effort to deal with the situation * * *." It may be that the Supreme Court's highly unusual and informal manner of rejecting that State's final appeal will be attended by this same silence at the bar. But discussion of the method among lawyers would seem to be as obligatory on the profession as the support the Attorney General failed to receive from an official spokesman of the ABA.

His complaint was justified to that extent. Once the lower Federal court had imposed on the Mississippi State authorities obedience to its orders, as sustained—however irregularly—by Justice Black in the name of the Supreme Court, their execution by the Executive was mandatory if the constitutional system of the United States was to be maintained. And this absolute necessity is not lessened by the fact that, in regularly demonstrating that the Constitution is what the judges say it is, the Supreme Court has often rewritten and amended it, and also acted as a legislature, to effect shifting personal, social, and economic doctrines.

THE DEPARTMENT'S ROLE

Both President Kennedy and his brother, the Attorney General, have no such claim for support for their politically based attempt to persuade the Democrats of the South that the Department of Justice's activities in the assault on racial segregation in the schools and colleges were purely responsive to Federal court orders after litigation instituted by private citizens. This attempt is plainly revealed in the stress the President and the Attorney General have given to the technical fact that "this Government had not originally been a party to" the Meredith case. But, after Federal Circuit Judge Cameron had granted four stays against the order of fellow judges that Meredith must be enrolled in September, despite the pendency of Mississippi's appeal for review to the recessed Supreme Court, the Attorney General enthusiastically entered the proceedings before Black as amicus curiae.

As Anthony Lewis, this newspaper's chief reporter in this field, wrote in our issue of September 2: "The Justice Department has become increasingly active in school cases—especially since Mr. Robert Kennedy took office. From a starting point of intervening only when violence threatened compliance with a court order, the Department has become more and more an initiator and planner of litigation."

DISTRICT OF COLUMBIA INSURANCE RATING LAW

Mr. MORSE. Mr. President, the Subcommittee on Business and Commerce of the Senate Committee on the District of Columbia held hearings on S. 556, repealing the present fire insurance rating law and consolidating the regulation of fire rates with casualty rates under the present casualty insurance rating law.

At the request of the committee, Assistant Attorney General Lee Loevinger, of the Antitrust Division of the Department of Justice, testified on the measure. Mr. Loevinger's position was a very powerful and sound one. Thus, I ask unanimous consent that the testimony of Mr. Loevinger be included at this point in my remarks so that each Member of Congress may have an opportunity to read it.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

STATEMENT OF LEE LOEVINGER, ASSISTANT ATTORNEY GENERAL, ANTITRUST DIVISION, DEPARTMENT OF JUSTICE, BEFORE THE SUBCOMMITTEE ON BUSINESS AND COMMERCE, SENATE COMMITTEE ON THE DISTRICT OF COLUMBIA, JUNE 21, 1962

I appear today in response to the request of your chairman, Senator BEALL, to discuss S. 556, a bill to amend and consolidate the laws providing for regulation of certain insurance rates in the District of Columbia. The bill would repeal the present fire insurance rating law [1] and consolidate the regulation of fire rates with casualty rates under the present casualty insurance rating law [2] with certain amendments.

Under the present fire rate law all fire insurance companies doing business within the District must belong to a single rating bureau and adhere to the rates promulgated by it and approved by the Superintendent of Insurance. The only means by which a company can compete in fire rates is through a cumbersome and costly deviation process which requires annual refiling and subjects the would-be deviator to administrative and judicial procedings instigated by its competitors.

The effect of S. 556 would be to eliminate mandatory bureau membership and prior approval of rates; to authorize independent ratemaking and partial subscribership to rating bureaus; and to deny to rating bureaus and their members and subscribers the right to oppose applications for deviations.

Our interest in this bill stems from the fact that because of the McCarran Act of 1945 [3] the application of the antitrust laws to the business of insurance is directly affected by the regulation which is imposed upon it by the States and the District. In effect, the State laws function as exemptions for the business of insurance from the antitrust laws, except in cases of boycott, coercion or intimidation to which the Sherman Act remains applicable as provided by the McCarran Act. However, such exemptions must be made in accordance with the purposes of Congress in authorizing them. Those purposes were succinctly stated in the House report on the McCarran Act [4] as follows:

"Nothing in this bill is to be construed as indicating it to be the intent or desire of Congress to require or encourage the several States to enact legislation that would make it compulsory for any insurance company to become a member of rating bureaus or charge uniform rates. It is the opinion of Congress that competitive rates on a sound financial basis are in the public interest."

Unfortunately, there exists rating laws which are not consistent with these purposes. Among them is the District fire rate law which was enacted prior to the McCarran Act. It is noteworthy that the Senate Subcommittee on Antitrust and Monopoly, in concluding its constructive study of insurance rating problems, condemned the coercive features inherent in the District fire rate law and others like it as being in "fundamental conflict with the competitive spirit of the McCarran Act." [5] We concur in this conclusion.

The Department recognizes that the public has a large interest in the reliability and solvency of insurance companies and that this requires protection by some degree of regulation. However, regulation should not be allowed to operate in a manner that denies to the public the benefits of healthy competition. It is competition which produces economies of operation, improvement of coverage, and reduction of rates. No regulation should restrict the play of competition any further than is necessary to provide stability and reliability in the industry.

The insurance industry is clearly one of the most important in our economy. It affects nearly all aspects of our personal and business life. A few statistics will serve to illustrate this. Total insurance premiums paid in 1960 in the United States approximated $32 billion, up $1.4 billion over 1959.[6] This amounts to over 8 percent of our national income and over 40 percent of the Federal revenues for 1960.[7] Premiums written by property and casualty companies alone in 1960 totaled alomst $14.5 billion, an increase of nearly 7 percent over 1959.[8] In the District of Columbia alone insurance companies earned, for all lines of property and casualty insurance in 1960, total premiums amounting to slightly more than $130.5 million.[9]

It is with these facts in mind that we appear today to comment upon S. 556. This bill is of particular importance to the regulation of insurance not only within the District, but throughout the country. The District fire law, with its restrictive provisions, remains in effect today in spite of the fact that the McCarran Act and the more liberal casualty rate law were enacted after it. It is held out by those who seek to preserve or obtain similar restrictions in other jurisdictions as an indication of congressional approval of State sanctioned mandatory bureau membership and rate uniformity. The time has come to make clear that the intent of Congress was and is that stated in the House Report on the McCarran Act.

We believe S. 556 would accomplish much in that regard.

A. MANDATORY BUREAU MEMBERSHIP REQUIREMENT

The overall legislative history of the McCarran Act supports the Senate Judiciary Committee view that the mandatory bureau requirement in the District of Columbia fire rating law conflicts with the purpose of Congress in enacting the McCarran Act.[10] The history of the McCarran Act reveals that it is the result of compromise between those forces which sought complete immunity from the antitrust laws for the business of insurance, and those which believed the antitrust laws should apply in all their vigor to the insurance field.

---

[1] D.C. Code, sec. 35-1401 et seq. (1944).

[2] D.C. Code, sec. 35-1501 et seq. (1948).

[3] 15 U.S.C. 1011-1015 (1945).

[4] H. Rept. 143, 79th Cong., 1st sess. (1945).

[5] S. Rept. 831, 87th Cong., 1st sess. (1961), p. 113.

[6] Insurance Information Institute's "Insurance Statistics 1961."

[7] The Economic Almanac, pp. 391, 422 (1960).

[8] Insurance Information Institute's "Insurance Statistics, 1961."

[9] Spectator's "Insurance by States" (1961 ed.).

Following the indictment in *United States v. Southeastern Underwriters Association*[11] identical bills were introduced in the House and Senate which would have given the business of insurance complete antitrust immunity.[12] The House Committee on the Judiciary in 1943 printed a favorable report on the House bill (H. Rept. 873), stating:

"The nature of insurance is such that the public interest would not best be served by applying thereto antitrust laws such as the Sherman Act and the Clayton Act.

* * * * *

"Uniformity in rates and the like promotes competition rather than restrains it. The real competition in insurance is competition in service. Competition in rates which may result in inadequate rates and insolvency should be discouraged and not encouraged."

This statement is in sharp conflict with the later House Report 148 in 1945 which states, "It is the opinion of Congress that competitive rates on a sound financial basis are in the public interest." Legislative history reveals that the statement in House Report 143 pertaining to competitive rates actually stemmed from protests against the earlier anticompetitive language contained in committee reports.[13] This change in position in favor of competitive rates on a sound financial basis and against mandatory rates is significant. It is noteworthy that this same House Report 143 has now been relied upon by the Supreme Court in three important insurance cases to explain the meaning of other aspects of the McCarran Act.[14]

Apparently moved by an understandable desire to maintain State regulation of insurance, the National Association of Insurance Commissioners (NAIC) endorsed the Walter-Hancock bill,[15] which passed the House in 1944 over the opposition of the Department of Justice and was referred to the Senate. The Senate Committee on the Judiciary reported the bill favorably, stating: "Uniformity, as to rates, forms of policies, and the like, is not only desirable in insurance but is necessary if the business of insurance is to be conducted to meet the needs and requirements of all business and all persons."[16] In a strongly worded minority report Senator O'Mahoney and five other members of the committee strenuously opposed the bill, observing that "the enactment of this bill is not needed to preserve State regulation. It is needed, however, if certain coercive, restrictive, and monopolistic 'acts in the conduct' of insurance are to be exempted from the antitrust laws." The sharp conflict of views within the Judiciary Committee a few months before the final enactment of the McCarran Act foreshadowed the compromise legislation which was to become law within 6 months.

The minority report also stated that it was their belief that Congress should accede to the request of the NAIC in that no definite action should be taken until the State officials had an opportunity to present to Congress the report upon which they had been working. The report of the NAIC resulted in a proposed bill which, together with explanatory memorandums, was brought to the attention of Congress in November 1944 (90 Congressional Record, pp. A4403–A4408). In essence the compromise advanced by the Commissioners as it pertained to ratemaking was to advocate immunity for cooperation but not compulsion in ratemaking.[17] It is noteworthy in this regard that the NAIC included in their proposals Senator O'Mahoney's idea that the Sherman Act continue to apply to acts of boycott and coercion, irrespective of State regulation.

In the report accompanying the Commissioners' proposed compromise bill there is found a detailed discussion of the considerations upon which the NAIC based their recommendation for immunizing cooperative ratemaking from the Sherman Act. The following reference to the District fire rating law appears in the report: "Congress itself recently recognized a necessity for concert of action in the collection of statistical data and ratemaking when it enacted the District of Columbia Fire Insurance Rating Act" (90 Congressional Record, A4405). Noteworthy is the fact that the Commissioners made no reference to the compulsory feature of the District Act which makes membership in the rating bureau mandatory. Moreover, they expressly rejected this concept in the NAIC legislative proposals in 1944, and in the All Industry Act which was drafted under the auspices of the NAIC and approved by that body on June 12, 1946 (discussed infra).

The NAIC compromise proposals included provision for a moratorium period during which the States could enact appropriate regulatory legislation for the insurance industry. Congress adopted the moratorium principle in the McCarran Act. In effect this was an invitation from Congress to the States to enact legislation in conformity with the purpose of Congress expressed in the McCarran Act and the reports which accompanied it. The critical question to consider is how did the representatives of the States charged with the task of implementing the McCarran Act construe the will of Congress regarding mandatory bureau membership? Authorities agree that those charged with the immediate task of implementing the McCarran Act during the moratorium period concluded that insurance companies could voluntarily combine in rating matters, but that compulsory ratemaking was contrary to the desire of Congress expressed in House Report 143. This is made clear by the all industry model casualty and surety rate regulatory bill approved by the NAIC on June 12, 1946, which contains the following provision:

"(b) An insurer may satisfy its obligation to make such filings by becoming a member of, or a subscriber to, a licensed rating organization which makes such filings, and by authorizing the [commissioner] to accept such findings on its behalf: *Provided*, That nothing contained in this Act shall be construed as requiring any insurer to become a member of or a subscriber to any rating organization."

The casualty law presently in effect in the District was enacted on May 20, 1948, toward the close of the moratorium provided by the McCarran Act. Senate Report 1038 accompanying the then pending bill reveals its purpose in the following statement:

"Public Law 15 provides that * * * the Sherman Act, the Clayton Act, and the Federal Trade Commission Act 'shall be applicable to the business of insurance to the extent that such business is not regulated by State law.' Section 5 of Public Law 15 reads, 'As used in this act, the term "State" includes the several States, Alaska, Hawaii, Puerto Rico, and the District of Columbia.' The purpose of this bill, therefore, is to provide for the District of Columbia regulation contemplated by Public Law 15 with respect to that part of the business of insurance which is within the scope of the bill. It is not intended for use as a model in any of the States. It has been favorably recommended by the Commissioners of the District of Columbia and the Commissioner of Insurance for the District of Columbia."

The casualty law at the outset states, "Nothing in this chapter shall be construed to require uniformity in insurance rates, classifications, rating plans, or practices."[18]

This principle will be extended to cover fire insurance rating if the instant bill S. 556 is enacted. We strongly support its provisions which eliminate mandatory bureau membership.

B. PRIOR APPROVAL OF RATES

Under the present fire rate law, rates do not become effective until approved by the superintendent (sec. 35–1408). S. 556 would permit rates to become effective upon filing (sec. 35–1503(f)). With the elimination of the mandatory bureau membership requirement, we do not believe that prior approval is either required or prohibited by the McCarran Act so long as there is supervision of concerted ratemaking by State authority. We do believe, however, that from a competitive standpoint a file and use provision permits greater flexibility to companies in responding to changing conditions. It would also free the regulatory agency from the burden of analyzing numerous routine filings and allow it to concentrate on those matters requiring greater attention.[19]

In favoring this provision, we recognize that there are certain dangers in a file and use insurance market. A large number of companies, operating through a rating organization, could slash rates in concert in an attempt to drive out competitors. We know of no such development within the District under the casualty law which has been in effect since 1948. We believe this possibility does not outweigh the advantages of a file and use provision and would be minimized by proper attention of the regulatory agency to the statutory standards to which rates must conform.

---

[10] S. Rept. 831, 87th Cong., 1st sess. (1961), p. 113.

[11] 322 U.S. 533 (1944). The indictment was returned on November 20, 1942.

[12] The House bills were popularly known as the Walter-Hancock bills (H.R. 3269–3270) and the Senate bill as the Bailey-Van Nuys bill (S. 1362).

The bills were quite brief providing as follows: "That nothing contained in the act of July 2, 1890, as amended, known as the Sherman Act, or the act of October 15, 1914, as amended, known as the Clayton Act, shall be construed to apply to the business of insurance or to acts in the conduct of that business or in any wise to impair the regulation of that business by the several States."

[13] See letter from president of the American Farm Bureau Federation, dated February 3, 1945, and the remarks of Congressman Celler pertaining thereto (91 Congressional Record, pp. 1087–1089).

[14] *Federal Trade Commission v. Travelers Health Association*, 362 U.S. 293 (1960); *Maryland Casualty Co. v. Cushing*, 347 U.S. 409 (1953); *Prudential Insurance Co. v. Benjamin*, 328 U.S. 408 (1946).

[15] H. Rept. 878, 78th Cong., 1st sess. (1943).

[16] S. Rept. 1112, 78th Cong., 2d sess. (1944).

[17] For example, Senate Report 831 in speaking of the purpose of the NAIC proposals sets forth the joint statement of the chairman of the executive committee and the chairman of the Subcommittee of Federal Legislation of the NAIC commenting upon the effect and intent of the proposals (report, p. 71):

"After July 1, 1948, it is provided that the Sherman Act shall not apply to the use of the cooperative rates, forms and underwriting plans where State approved. * * * Nor to cooperative action for making of rates, rules or plans where their use is not mandatory."

[18] D.C. Code, sec. 35–1503(d).

[19] For further comment on the desirability of immediate use of rates see S. Rept. 831, 87th Cong., 1st sess. (1961), pp. 117–119.

C. PARTIAL SUBSCRIBERSHIP

We endorse the principle of partial subscribership, believing it to be economically desirable that a company be free to avail itself of the services of a rating organization for some lines of insurance without thereby being compelled to utilize all the services of a rating organization. This principle is expressed both in the present casualty rate law (sec. 35–1506(d)) and in the amendment to S. 556 which would substitute a new provision. We express no preference as between the present and proposed provisions. If Congress should believe that the amendment more adequately defines and protects the principle of partial subscribership, then we would certainly recommend its enactment.

D. DEVIATIONS

The deviation procedure under S. 556 is a more desirable one than exists for fire insurance at present (sec. 35–1405). A deviation would no longer be limited to a 1-year period of effectiveness; and the rating organization and its members and subscribers are denied the right to oppose the application for a deviation (S. 556, sec. 3). These provisions would eliminate the burdens of refiling annually and of facing the harassment of administrative and judicial proceedings instigated by competitors which discourage all but the strongest and most aggressive companies from attempting to engage in competition through rate reduction or coverage innovation.

We might suggest, however, that S. 556 could well take the final step in removing restrictions from the deviator's ability to compete. There would appear to be no compelling need to require that a deviation must have prior approval to become effective when an independent or rating organization rate does not (sec. 35–1503(f)). The requirement serves to place the deviator at a competitive disadvantage vis-a-vis the independent or member or subscriber of a rating organization. A company which desires to utilize rating organization services but not rating organization rates should not be placed at such a disadvantage. This might be accomplished by the adoption of the new section 35–1506(f) proposed as an amendment to S. 556.

We would like to note at this point our endorsement of that portion of the proposed amendment to section 3 of S. 556 which would deny to any competitior or organization of competitors the status of a party to any hearing on a filing or deviation of any company or rating organization or to an appeal from an order entered thereon. This is a logical and equitable extension of the principle contained in the present section 3 of S. 556. It would hardly be appropriate to free the deviator from the burden of opposition from its competitors while leaving the independent or rating organization subject to it. Our endorsement of this provision rests upon our understanding that, while denied the status of parties, competitors and rating organizations would have the right to present their views on a rate filing to the superintendent.

E. ADHERENCE TO RATING ORGANIZATION RATES

With the elimination of mandatory bureau membership, the creation of partial subscribership, and the facilitation of deviation, the requirement that a member or subscriber adhere to rates filed on its behalf by a rating organization (sec. 35–1503(g)) ceases to be a burden upon competition, if properly interpreted and administered by the superintendent. If the superintendent is to exercise his duty to determine that rates meet the statutory standards, the rates must be filed with him. The filing of the rates would be meaningless if the rates were not in fact utilized by the companies filing them or on whose behalf they are filed. It is therefore not unreasonable to require adherence to the filed rates, since the freedom to compete is preserved by the rights to file independently, to be a partial subscribed, and to deviate from rating organization rates.

CONCLUSION

There are those who will say that to liberalize the District fire rate law as discussed above is to precipitate rate wars with resultant chaos and failure of companies due to inadequate rates. To dispel this contention one need only to point to the industry's experience in those States with liberal laws and particularly in a State such as California which does not even require that rates be filed with the insurance commissioner. That experience demonstrates that competition is not detrimental to the health of the industry and that mandatory bureau membership and uniformity of rates are not required to protect the public interest. The industry thrives under the liberal laws and in California there has not been a single company failure due to inadequacy of rates.[30]

We urge that legislation be enacted to provide within the District the competitive climate which Congress intended to create in the insurance industry when it passed the McCarran Act; and to provide the States with an unequivocal expression of the type of regulation which Congress contemplated when it granted the States the authority to regulate this great industry and immunize it from the full impact of the antitrust laws.

PROMOTION OF FOREIGN COMMERCE THROUGH MOBILE TRADE FAIRS

Mr. ENGLE. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 3389.

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 3389) to promote the foreign commerce of the United States through the use of mobile trade fairs, which were to strike out all after the enacting clause and insert:

That title II of the Merchant Marine Act, 1936, as amended (46 U.S.C. 1101 et seq.), is amended by adding immediately after section 212(A) thereof (46 U.S.C. 1122a) the following new section:

"SEC. 212. (B) (a) The Secretary of Commerce shall encourage and promote the development and use of mobile trade fairs (1) which to the extent they are transported by vessel shall be transported by vessels of United States registry to foreign ports and (2) which are designed to show and sell the products of United States business and agriculture at such foreign ports and at other commercial centers throughout the world.

"(b) There is authorized to be appropriated not to exceed $500,000 per fiscal year for each of the three fiscal years during the period beginning July 1, 1962, and ending June 30, 1965. In addition to such appropriated sums, the President shall make maximum use of foreign currencies owned by or owed to the United States to carry out the purposes of this section."

SEC. 2. Section 104(m) of the Agricultural Trade Development and Assistance Act of 1954, as amended, is amended by inserting immediately before ", and (B)" the following: "or section 212(B) of the Merchant Marine Act, 1936".

And to amend the title so as to read: "An Act to amend the Merchant Marine Act, 1936, to develop the American merchant marine and promote the foreign commerce of the United States through the use of mobile trade fairs."

Mr. ENGLE. Mr. President, I move that the Senate disagree to the amendments of the House and ask for a conference with the House of Representatives on the disagreeing votes thereon, and that the Chair appoint conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. ENGLE, Mr. BARTLETT, and Mr. BUTLER conferees on the part of the Senate.

AMENDMENTS TO NATIONAL SCHOOL LUNCH ACT—CONFERENCE REPORT

Mr. JORDAN of North Carolina. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 11665) to revise the formula for apportioning cash assistance funds among the States under the National School Lunch Act, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of Oct. 4, 1962, p. 22340, CONGRESSIONAL RECORD.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. JORDAN of North Carolina. Mr. President, the Senate made two amendments to the House bill.

The first Senate amendment provided for a 3-year transition from the old cash assistance apportionment formula to the new formula provided by the bill. The conference report recommends that the House agree to this amendment.

The other Senate amendment provided for a more mathematical formula for apportionment to States of the $10 million special assistance funds authorized by the bill. The conference report recommends that the House agree to this amendment with two clarifying changes, which represent no change in substance; but help to carry out the intention of the Senate amendment. The first of these changes makes it clear that State needs for additional special assistance funds must be based on needs of "eligible" schools. The second change makes it clear that the maximum per lunch limitation on any school's share of special assistance funds would be a uniform limit for all States. That was always intended by the Senate amendment.

The conference report was signed by all conferees of each House.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

---

[30] S. Rept. 831, 87th Cong., 1st sess. (1961), p. 116.

NEW HOUSING FACTS

Mr. ROBERTSON. Mr. President, we have just passed a bill of something over $4 billion for foreign aid, all of which will be borrowed money, because, on the best estimates I have been able to make, without a tax cut we will be in the red more than $8 billion in the current fiscal year. Dr. Heller, chief of the economic advisers, told the mortgage bankers in Chicago that we were going to have a tax cut to stimulate the economy. It will probably be along the lines of the bill recommended by Walter Reuther and other labor leaders, and will probably cut the tax from 20 to 10 percent. That will result in a deficit of another $10 billion, making a total of $18 billion.

In addition, we hear consistent rumors to the effect that the President is going to issue an order to desegregate all housing.

He has no constitutional right, but it is claimed that the NAACP is putting on constant pressure.

There is $175 billion tied up in mortgages.

It is claimed that if that order goes into effect, it would cut new construction from 50 to 75 percent.

Mr. President, I have had an opportunity to analyze the census information on housing. It is very significant. The construction program has slowed down. Unoccupied housing has increased. Foreclosures have greatly increased.

If we are to have a tax cut and if we are to continue to spend borrowed money for people abroad, as though it cost nothing, and if, in addition, we are to take action which I think would be outside our constitutional authority, to definitely slow down private enterprise, what will be the result? Mr. President, the result will be bankruptcy, eventually.

NEW FACTS ABOUT HOUSING

Mr. President, new and important housing facts have come to light as the results of the 1960 census of housing have been released. Few of these facts have received the public attention they deserve.

According to the census information, our housing economy during the 1950's surpassed expectations in several major respects. Houses and apartments were built in a record number—and production was more than one-fifth larger than previously estimated. The housing supply improved a great deal in average quality—and in some cases the improvement was dramatic. The use of housing space eased considerably—and as a result crowding declined to an alltime low.

Even so, our housing economy raised some basic questions about the goals and achievements of Federal housing programs.

I would like to review briefly these and other developments in the housing field, and to comment upon their implications for Government housing policies.

RECORD PRODUCTION

Mr. President, the 1960 housing census and related measures indicate that about 15 million dwelling units were completed during the 1950's. As in earlier decades, private enterprise and private ownership accounted for nearly all production. Of the 15 million units completed, all but some 425,000 were privately built and owned. Thirty-four times more private dwellings were built than public dwellings.

These findings, in my opinion, reemphasize the strategic role of private enterprise in residential construction. They underline the importance of adopting public policies designed to make the most of private market forces—not to bypass them by setting up arbitrarily low interest rates, arbitrarily high standards, or uneconomic rents.

The census findings also suggest the price we would pay, in terms of gigantic public outlays, if Federal policies so discouraged private construction that we had to rely mainly upon public building activity instead. An estimated $170 billion in new nonfarm residential construction was put in place during the 1950's. Of this total, approximately $165 billion, or 97 percent, was privately owned.

Production of dwellings over the past decade considerably exceeded the volume of building registered in the 1920's, the previous 10-year record. Even so, recent production was smaller in relation to the inventory existing at the beginning of the period, because the 1950 inventory was more than twice the size of the 1920 inventory. The 15 million dwellings completed between 1950 and 1960 were equivalent to about 33 percent of the 46.1 million units existing in 1950. Some 7 million dwellings were recorded as started between 1920 and 1929; that output was equivalent to approximately 39 percent of the 17.7 million units existing in 1920.

Most new units completed during the 1950's were financed by conventional mortgages or by all-cash payments. Less than 30 percent, or about 4.2 million units, were underwritten by FHA-insured or by VA-guaranteed loans. Here again, private initiative—unaided by public credit—performed most of the job.

IMPROVEMENTS IN QUALITY

New housing production during the 1950's, as well as improvements to the existing inventory, contributed toward a marked rise in the average quality of the housing supply. A long stride was taken toward fulfilling the declaration of national housing policy enunciated in the Housing Act of 1949, "the realization as soon as feasible of the goal of a decent home and a suitable living environment for every American family."

Occupied housing increased by about 10 million units, or by 23 percent, over the last decade. But occupied dwellings of higher quality—with complete plumbing facilities, and in structures reported as not dilapidated—increased far more by about 16½ million units or by 60 percent. In 1950, these units of higher quality made up about three-fifths of the total occupied housing stock. But by 1960, they acounted for over four-fifths.

During the same 10-year period, occupied housing of lower quality—lacking complete plumbing facilities, or in dilapidated structures—declined by over two-fifths. The decline of at least 6.4 million units reduced the number of lower quality dwellings to less than 9 million units. A further reduction of a similar amount in the 1960's—through demolition, repair, or other means—would eliminate nearly all dwellings now lacking complete plumbing facilities, or in dilapidated structures.

In my own State of Virginia, the quality of occupied housing improved dramatically in the 1950's. All occupied housing increased by about 228,000 units, or by about one-fourth. But occupied housing of higher quality increased by an estimated 359,000 units, or by four-fifths. Meanwhile, lower quality occupied dwellings declined by 131,000 units, or by more than three-tenths.

All regions of the Nation improved their housing. Take the case of dwellings occupied by nonwhite households in the census region of the South. There occupied units of all types increased by 291,000, or by 12 percent, between 1950 and 1960. At the same time, higher quality units occupied by nonwhite households increased by 720,000, or by over 200 percent. Lower quality units decreased by 429,000, or by 20 percent.

Further improvement in the quality of our housing inventory will undoubtedly occur in the 1960's. To make the most progress, I believe that a careful analysis of the record of the 1950's should be made to reveal some of the major factors that contributed toward our past housing progress. Such an analysis would help to show what may need to be done in the future. Past experience suggests that most housing improvement can take place as a result of private market operations with minimum reliance upon direct Federal intervention through subsidized programs requiring large outlays of public funds.

EASING OCCUPANCY

The 1960 census of housing and related measures show that occupancy eased notably during the past decade. The use of residential space declined in intensity even as the postwar backlog of housing demand was being worked down.

One indication of easing occupancy appeared in the declining trend of married couples who doubled up by sharing the same dwelling. Doubling up dropped from over 2 million in early 1950 to 945,000 in early 1960. That was the lowest number of doubled-up married couples since 1910. It was the lowest proportion of all married couples—2.4 percent—on record. By 1960, doubling up was 2 million below the all time high in 1947, when the rate was 8.7 percent.

Between 1950 and 1960, in other words, the number of doubled-up married couples declined by half. The rate of doubling up declined from 5.6 percent to 2.4 percent. These declines took place during the same period that the total number of married couples increased by more than a tenth.

Doubling up in 1960 was far below comparable figures prevailing in 1930 after nearly a decade of active building. Early in 1930, 1,525,000 married couples were doubled up. The doubling-up rate was 6.1 percent.

Further evidence of easing occupancy is reflected in census figures on overcrowding. A common measure of overcrowding is 1.51 persons per room or more. In 1950, dwellings reporting this intensity of use accounted for 6.2 percent of all occupied units. But, in 1960, overcrowded units were only 3.6 percent of the total.

Easing occupancy during the 1950's is also suggested by still other census statistics. They show that new housing was completed well in excess of the needs of population expansion. Households—or occupied units—increased by approximately 10 million over the past decade. But new dwelling completions totaled 15 million. This means that for each net increase of 1,000 in households, the equivalent of about 1,500 dwellings were built on the average.

Although 15 million new units were completed, the inventory of housing accommodations expanded by only 12.3 million units. A net of several million residential units, in other words, was lost through demolition and other means. Even so, the housing inventory increased over 2 million units more than occupancy increased.

Vacancies, as a result, rose by over 2 million units. This was equivalent to about 1½ years' average production of dwellings during the same period. The increase in vacancies was equivalent to about one-sixth of the net expansion in the housing inventory—another indication of easier occupancy conditions.

Early in 1960, vacancies totaled some 5.3 million units, or 9 percent of the total supply of housing. Of all vacant units, about 2 million were reported as available on the market for sale or rent—as compared with 1.2 million in 1950.

More study, I believe, needs to be given to the vacancy situation. It does not seem clear to what extent the upward vacancy trend may reflect a general oversupply of housing or to what extent it may reflect a supply of dwellings with certain size, location, price, or rental characteristics that fail to correspond to market demand. Nor does it seem clear how much further vacancies may rise before they begin to depress residential prices, rents, and construction. But higher vacancies and easier occupancy suggest that we are now closer to that critical level than we were 10 years ago.

HOUSING INVENTORY

The census findings indicate that more than 58 million housing units were standing early in 1960. This housing inventory represented nearly one-fourth of our total national wealth. The value of nonfarm residential structures—excluding land—alone approached $400 billion in 1958, according to special estimates.

Over the past decade, the existing housing inventory far surpassed the volume of new output. More than seven-tenths of all dwellings existing in 1960, for example, were contained in structures built before 1950. New units were erected during the decade primarily to expand the inventory rather than to replace older units.

As mentioned earlier, some 15 million units were completed during the 1950's. The housing inventory increased by a net of 12.3 million dwellings. Thus the equivalent of about 82 out of every 100 new units, on the average, went toward expanding the existing inventory. Approximately 18 out of every 100 new units went, in effect, toward replacing older units.

Because the number of dwellings withdrawn was relatively small, new production ordinarily resulted in net additions to the inventory. Demands for new units arose largely for growth rather than for replacement. This tendency contrasts sharply with investment in business inventories, which may be plus or minus depending upon whether the rate of inventory additions exceeds or falls short of the rate of inventory withdrawals. The contrast between capacity—and its use—for residential consumption as against manufacturing production has taken on new meaning in view of the informative hearings on measures of productive capacity held in May before the Subcommittee on Economic Statistics of the Joint Economic Committee.

From year to year, as well as over the past decade, the size and value of the existing housing inventory far exceeded figures for new construction activity that added to the inventory. In 1960, nearly 1.3 million new dwelling units were built, and an estimated $23 billion in new nonfarm residential construction was put in place. Large as these figures were, new construction represented less than 3 percent of the number of existing units, and less than 6 percent of their value. Outlays for repairs and maintenance of existing units, at $5.2 billion, were equivalent to as much as one-fourth of the value of new construction.

The importance of the existing inventory is also reflected in the residential mortgage debt outstanding. During the 1950's, the total number of dwellings increased by roughly a fourth. But the amount of nonfarm residential mortgage debt outstanding more than tripled—from about $45 billion at the end of 1949 to $148 billion 10 years later. FHA-insured and VA-guaranteed mortgage loans rose from $17 billion to $59 billion. Increased holdings of the Federal National Mortgage Association accounted for over one-tenth of the total expansion in FHA and VA mortgages outstanding.

The inventory of existing dwellings, therefore, consists largely of highly durable facilities built to last for generations. It represents a vast amount of accumulated capital in tangible and intangible form. Compared with the size of the inventory, annual output is proportionately minor, unlike the case in many other areas of economic activity. Public and private commitments in the existing inventory far exceed new commitments made in any given year.

For these reasons, Federal housing policies and programs, in my opinion, should take full account of the existing residential inventory as well as of new construction which expands the inventory. In this connection, I believe that it would be most unfortunate if the President, for reasons of political expediency, should issue an Executive order prohibiting racial discrimination in housing. This action could have a substantial adverse effect upon equities and investments in existing dwellings. Over $175 billion is now invested in mortgages on existing nonfarm residential properties alone, and these investments have largely come from the hard-earned savings of individuals and families accumulated in banks, savings and loan associations, and insurance companies. Such action could also result in a sharp drop in housing starts. According to a survey published in June by the National Association of Home Builders, builders who expected a cutback in their output under a FHA-VA antidiscrimination order estimated that their new construction activity would drop by more than 50 percent. One-third of these builders predicted a drop of more than 75 percent. A drop in housing starts of this magnitude would have a marked adverse impact on national employment and income.

Already, less strength in underlying housing demand has been evidenced by easing occupancy and rising vacancies. An Executive order on discrimination would compound the situation. A further unfavorable factor has been the upward trend in nonfarm real estate foreclosures—from 21,537 in 1950 to 44,075 in 1959, and to 73,074 in 1961.

The upward foreclosure trend has broad implications for Federal housing policy. With respect to mortgage finance alone, for example, it concerns policies ranging from maximum permissible terms on federally underwritten mortgages to proposals for developing federally supervised secondary market facilities for conventional mortgages. It concerns policies regarding mortgage premiums on FHA-insured mortgages as well as reserves held against mortgage risks by lenders or insurers.

Higher foreclosures have implications which extend beyond the housing field. The upward foreclosure trend on FHA-insured mortgages has resulted in a sharp increase in federally guaranteed debt. In setting claims on certain defaulted FHA-insured mortgages, the Federal Housing Administration issues federally guaranteed debentures which are later redeemed out of FHA operating revenue or out of proceeds from selling acquired properties and mortgages. Reflecting higher foreclosure rates, the amount of FHA debentures, which was $16 billion in mid-1950, came to $139 billion in mid-1960. By mid-1963, the figure is expected to be $629 million. This would represent an increase in these federally guaranteed debentures of $490 million within 3 years.

UNANSWERED QUESTIONS

Mr. President, experience in the housing field during the 1950's has raised some unanswered questions about Federal programs. The facts show, for example, that houses were turned out in record number over the past decade. Even so, nonfarm housing production represented only about 4.5 percent of the total national output of goods and services. This proportion was no larger than it was in the 1920's, long before the era of the omnibus housing act. In what ways, then, did Federal housing programs influence the total volume of new residential construction during the 1950's?

The facts show that sharp increases took place over the past decade in residential construction costs, and in housing prices and rents. To what degree did these increases reflect Federal housing credit programs that generally operated under more and more liberal terms? In the case of a new one-family home with an FHA-insured mortgage, for example, the average price increased from $9,780 to $14,448, or by 48 percent, between 1951 and 1959. While the average price rose, the average loan amount rose even more. As a result, the average downpayment, excluding closing costs, dropped from $2,105 to $1,111, or by 47 percent. Over the same period, the average loan maturity lengthened from about 23 to 29 years, thus reducing the rate of repaying the principal and building up the equity.

Since 1959, of course, there has been a further liberalization in most mortgage credit terms, particularly on federally underwritten loans. The Housing Act of 1961 made it possible for a new $15,000 home to be purchased under the regular FHA insurance program with a 3-percent downpayment of only $450. A $25,000 home may be bought with a 9-percent downpayment of $2,200. Both could be financed with a 35-year Government-insured loan. The potential risks of such loans for lenders, borrowers, and the Government should be watched closely, in the light of rising trends in vacancies and foreclosures and some softening in new-house prices in certain areas.

To what extent did Government housing activities during the 1950's benefit home buyers as against home sellers, including builders? The census data show that homeownership rose during the past decade from 55 percent to an all-time high of 62 percent, as owner-occupied units increased by over 9 million whereas renter-occupied units increased by less than 1 million. Yet at the same time, we also know that housing prices and rents rose even faster than the general level of all consumer prices. Did home buyers or home sellers, including builders, benefit most? Were these results entirely consistent with the intent of housing policy?

How did Federal programs affect the location of residential construction in outlying as against downtown areas? Were problems of urban renewal and urban transportation accordingly eased or intensified?

I believe that questions such as these deserve intensive study and consideration, both inside and outside Government circles. In that connection, I was pleased that the Independent Offices Appropriation Act of 1962 made some provision for urban studies and housing analysis by the Housing and Home Finance Agency. That, in my opinion, is a step forward. Only by understanding more about housing markets in general, and by discovering more about the effects of Federal housing programs in particular, can we establish realistic housing objectives within the limits of the public and private resources likely to become available for housing. Only in this way can we come to a sound basis for determining which Federal programs should be extended, modified, abolished, or initiated.

These programs embrace far more than the multi-billion-dollar activities of the Housing and Home Finance Agency, with its Community Facilities Administration, Federal Housing Administration, Federal National Mortgage Association, Public Housing Administration, and Urban Renewal Administration. They also relate directly to housing and home financing activities of the Federal Home Loan Bank Board, the Veterans' Administration, the Atomic Energy Commission, the National Aeronautics and Space Administration, the Small Business Administration, and the Departments of Agriculture, Commerce, Labor, Defense, and Health, Education, and Welfare. Federal involvement in housing is large, indeed.

Federal housing policy, of course, is embodied in far more than specific housing programs and agencies. To mention only a few, it is also reflected in tax laws and regulations affecting mortgage lenders, home and apartment owners, and real estate investment trusts; in monetary actions affecting the cost or availability of mortgage credit to finance new or existing dwellings; in small business programs affecting the residential builder or rehabilitator; and ultimately in all Federal actions affecting such things as residential neighborhoods, home prices and rents, and occupancy costs.

CONCLUSION

Mr. President, the findings of the 1960 census of housing serve as a valuable supplement to the statistics gathered in the 1950 and 1940 censuses of housing, and from the 1956 national housing inventory. This wealth of information provides testimony to the foresight of the Congresses which authorized our national housing surveys and appropriated funds for them. The 76th Congress authorized the housing census of 1940. Later, the 81st Congress authorized our regular decennial census of housing, which began with the 1950 census. The 84th Congress authorized the 1956 national housing inventory.

Thanks to nationwide housing measures in 1960, as well as in 1956, 1950, and 1940, we have basic information that did not exist during the 1930's when many Federal housing programs were established. Material from these housing surveys has given us solid facts to take the place of earlier rules of thumb. These statistics, and the analyses which they make possible, should help us to forestall any recurrence of the housing excesses of the late 1920's, or of the housing difficulties that followed in the 1930's. They should also help us to move forward more effectively toward achieving housing standards that are consistent with our available housing resources.

ASSISTANCE TO REFUGEES AND ESCAPEES FROM COMMUNIST PERSECUTION

Mr. HART. Mr. President, we have just concluded discussion on the Foreign Aid Appropriations Act. One of the features of that bill was a substantial appropriation for assistance to refugees and escapees from Communist persecution overseas. Included also was a substantial appropriation to assist in meeting the problems created by the arrival in this country of refugees from Cuba. In providing for both of these activities, the Congress reflects the genuine concern which occupies the hearts and minds of all Americans for these troubled peoples. It acknowledges the extremely valuable leadership and service rendered by the many voluntary agencies which are the real muscle of any effort to assist refugees.

The recent heavy influx of Chinese refugees into Hong Kong drew vast public attention to the problem of a bewildered people in that sensitive corner of the world. Equally dramatic and, of course, much closer to home, has been the influx of refugees from communism right here in this country. I refer, of course, to the Cuban refugees concentrated in Florida whose people, and particularly the citizens of Dade County, have reacted magnificently in receiving the refugees and adjusting to the problems any such arrival will necessarily create. Great effort is now being made to resettle these Cuban refugees elsewhere in this country.

Congress is on the eve of its adjournment. Before we leave it here it would be well for each of us to make note of this resettlement effort, for when we return to our respective States it is possible that we can encourage citizen groups to prepare and organize a resettlement effort. It has been my feeling that resettlement of Cuban refugees throughout the United States offers the best approach. It gives these people effective asylum and the opportunity to live reasonably normal and productive lives. As a Senator from Michigan, I am best acquainted with a resettlement flight to Grand Rapids which occurred a few months ago. The flight was sponsored by several Christian Reformed churches in the Grand Rapids area. The Christian Reformed denomination, as a whole, also operates a highly appreciated and efficiently run clinic and relief center in Miami. Together they are appropriately called the Good Samaritan Center.

Mr. President, I ask unanimous consent to include at this point in the RECORD my statement of welcome to the Cubans arriving in Grand Rapids on May 29, and a brief article from the Grand Rapids Press of June 1, 1962.

There being no objection, the statement and article were ordered to be printed in the RECORD, as follows:

STATEMENT OF WELCOME TO CUBAN REFUGEES ARRIVING IN GRAND RAPIDS, MICH., MAY 29, 1962

It is an honor for me to bid the Cubans welcome to Grand Rapids and the State of

Michigan. America has long been a refuge for victims of political tyranny, and we of Michigan share with all Americans a desire that you be afforded an opportunity to live a normal and productive life as long as you are with us. You are an industrious people, and will contribute much to the economic, social, and cultural life of this community. Our country is the better because you are here. I know this is the feeling that Americans generally have.

Certainly this is true of those who have sponsored your freedom flight to Grand Rapids. I commend the Christian Reformed Church and the people of this city for opening their hearts and homes to you who have fled the oppression of Castro's communism. Once again the Christian Reformed Church has shown what local, private initiative can do. Without question, its efficient and energetic program of assistance to Cuban refugees is a fine demonstration of the vitality of our democratic society. It is also in the best traditions of our Christian heritage. I hope that what is being witnessed here today will serve as an example to other organizations and communities across our free land.

Philip A. Hart,
Chairman, Subcommittee on Refugees and Escapees.

[From the Grand Rapids Press, June 1, 1962]

Job Offers Roll In—Cuban Refugee Backers Say Picture Bright for Refugees

Louis Vandertil, coordinator of housing and employment for the Cuban refugee project here of the Christian Reformed Board of Home Missions, reported Friday jobs for the new Grand Rapids Cuban citizens appears to be no problem.

He quoted four or five representatives of big business in the area as agreeable to accepting the Cubans as employees, and said a contractor, a maintenance and refrigeration company, and the State farm bureau have contacted him with offers of employment.

Job interviews are being arranged for next week. Most of the Cubans have social security cards which they obtained in Miami.

In the meantime, families are getting settled in their new apartments, and in at least one home Friday was a very festive day. Jose Antonio Infante was 10 years old Friday and it was a happy birthday for him. He has a new baseball and bat, his family has a new apartment and the future looks bright.

Jose and his parents, the Benito Infantes, and his two younger sisters, Ana Maria and Ileana, arrived in Grand Rapids Tuesday on the refugee plane from Miami, that brought 65 Cubans to settle in the Grand Rapids area.

Their second-floor apartment, supplied by members of the Christian Reformed Church which sponsored the move north, is at 619 Emerald Street NE. The living room, bath, dining room, kitchen, utility porch and front balcony are now in use by the family, with two extra bedrooms in reserve for two bachelor friends who will be here from Miami as soon as possible.

When the Infantes arrived Tuesday evening, the ladies of the LaGrave Avenue Christian Reformed Church and the landlord had seen to it that the linoleum floors gleamed and the kitchen and bath and other areas were spotless. Groceries, linens, dishes, utensils, and other necessities awaited them.

The apartment will satisfy their needs until Infante finds work and the family is in a position to have its own home.

CASTRO CAN'T TAKE MY MIND

Compared with the conditions in crowded Miami, their new apartment must seem large, but the Infantes were people of means in Havana, and although they don't say so, must have become accustomed to a fine home.

Infante was an attorney, an instructor in the law school at the University of Havana, and owner of a huge sugar and banana plantation.

"Castro took my home, my offices, my plantation," Infante says in broken English, "but he could not take my mind."

"I am a lawyer, and when I return to Cuba, I will still be a lawyer."

Friday evening, 2 LaGrave church families will treat the Infantes to dinner out in a local restaurant, with a cake with 10 candles for Jose.

A former Cuban businessman who addressed the Grand Rapids Rotary Club Thursday praised the city for making the refugees welcome and warned that time is running out on the chance to start a revolution that would overthrow Cuba's Fidel Castro.

Mr. HART. Mr. President, the Saturday Evening Post, on June 16, 1962, editorially commented on the opportunity which is ours to assist refugees from communism, Cuban brand, here in our land. I think the reading of this editorial also might be helpful in the event we do find opportunity in our respective States to encourage this most worthwhile resettlement program. I ask unanimous consent that this editorial be made a part of my remarks at this point.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Our Refugees From Castroland

Americans have watched with growing frustration in recent weeks as the tide of refugees sweeping down from Communist China has been turned back at Hong Kong. The pathetic pictures of these unfortunate people pressing against the barbed wire at the border weigh heavily on the consciences of decent men. It is a tragic dilemma that, for all our good intentions, we can aid only a tiny trickle of those who suffer.

Here at home, however, we are presented with a much better opportunity to help the victims of communism's inhumanity to man. The plight of the refugees from Castro's Cuba may be less dramatic than that of the Chinese, but it is a compelling problem for America.

Every week about 1,800 Cuban refugees arrive in Miami. Most of them come by plane, but around 50 make a hazardous journey by boat. In April, for example, a group of refugees set out in the predawn darkness on a 20-foot boat. They expected to navigate the 90 miles in a day, but the boat lost its propeller, and they drifted in the open sea for 6 days without food or water. When a charter boat finally spotted them and towed them into Islamorada in the Florida Keys, a small boy was dead, and the nine survivors were suffering from malnutrition and exposure.

Cuban refugees are sponsored by friends and relatives who send them $25 to pay the fare. The refugees must take the dollars to the bank and convert them to pesos, which is one reason why dollar-hungry Castro lets them go. They are permitted to bring out of Cuba only a few personal possessions.

On arrival in Miami the refugees are carefully screened by the Public Health Service, immigration and customs and are taken to temporary housing by friends, relatives, or voluntary organizations (Catholic, Protestant, Jewish, and the International Rescue Committee). Then they check in at the Cuban Refugee Center, a two-story, white concrete building on First Avenue in Miami, where they are registered and classified for jobs. The U.S. Government grants them assistance to a maximum of $100 a month for a family ($60 for a single person) and gives them food from surplus stocks until they find jobs.

For most of them this is a forlorn hope. The refugees are proud people who do not want to live off the Government. Some of the highly skilled Cubans have found positions in universities and other institutions that are worthy of their talents, but, even so, doctors, architects, and engineers have taken jobs as busboys, parking-lot attendants, and bootblacks. Miami is a tourist center, and its economy is unable to accommodate the heavy flow of refugees. Of the 75,000 in the Miami area, about 27,000 (the figure represents employable individuals, but with dependents it would come to 54,000) are unemployed.

Last year at President Kennedy's direction, the Department of Health, Education, and Welfare began a coordinated effort to help the refugees and to facilitate their resettlement in other parts of the United States. So far nearly 26,000 have been resettled in 620 cities in all the other States, Alaska excepted. Church and service organizations and private individuals who sponsor the refugees obligate themselves to provide housing and support until the refugees find new jobs. The Government pays transportation to the resettlement area and grants the refugees up to $100 a family as a transitional allotment, so that they will not be penniless when they arrive.

At first many of the refugees understandably were reluctant to leave Miami, because they were afraid that they might miss an opportunity to return to Cuba. But the Government has recently pledged to return them to Miami and pay their fares when it is possible for them to return to Cuba. As a result, and through the passage of time, the reluctance to resettle away from Miami has diminished.

Despite the efforts of the Government and other agencies, the situation in Miami grows more acute every day. Of the 1,800 refugees arriving every week, only 600 are being resettled. In a very real sense this is a national rather than a local problem. It is the first time that refugees from communism have escaped directly into the United States. We bear a special responsibility to help the Cuban people. We are going to spend billions of dollars in the Alliance for Progress. The way we treat the Cuban refugees may be as important as anything that we do in Latin America.

Every citizen can play a part in this effort, through his church, his service organization or by writing directly to the Cuban Refugee Center, Miami, Fla., for further information. As Secretary of Health, Education, and Welfare Abraham Ribicoff told the annual Mayors Conference in Miami, here is an opportunity "to help your country and to aid the cause of freedom everywhere."

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, is the junior Senator from Montana ready for consideration of the House amendment to S. 3504?

Mr. METCALF. The Senator from Wyoming [Mr. McGee] is out of the Chamber at the present.

Mr. MANSFIELD. Mr. President, I ask the Presiding Officer to lay before the Senate the conference report on the tax bill.

The PRESIDING OFFICER (Mr. HART in the chair). The Chair is advised that the conference report has not yet been received.

ALTERNATE REPRESENTATION OF SECRETARIAL OFFICERS ON MIGRATORY BIRD CONSERVATION COMMISSION

Mr. McGEE. Mr. President, I ask the Presiding Officer to lay before the Senate the amendments of the House of Representatives to S. 3504.

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 3504) to provide for alternate representation of secretarial officers of the Migratory Bird Conservation Commission, and for other purposes, which were to strike out all after the enacting clause and insert:

That section 18 of the Migratory Bird Conservation Act (16 U.S.C. 715q) is hereby amended by striking out "commisison" and inserting in lieu thereof "commission" and by striking out "$5,000" and inserting in lieu thereof "$7,500".

And to amend the title so as to read: "An Act to amend the Migratory Bird Conservation Act."

Mr. McGEE. Mr. President, I move that the Senate concur in the House amendments.

Mr. METCALF. Mr. President, will the Senator from Wyoming yield?

Mr. McGEE. I am happy to yield to the Senator from Montana.

Mr. METCALF. Mr. President, the Senator from Nebraska [Mr. HRUSKA] and I are representatives of the Senate on the Migratory Bird Conservation Commission. We have experienced some difficulty in getting a quorum of the Commission together at times because the Secretary of Commerce, the Secretary of Agriculture, or the Secretary of the Interior could not be present.

Formerly there was a Solicitor's opinion which stated that only the Secretaries themselves could serve as voting members of the Commission. The bill (S. 3504) was introduced to provide for alternate representation by an Assistant Secretary or by an Under Secretary.

Subsequent to the introduction of the bill the Solicitor found an old opinion which stated that under the Reorganization Act the Secretaries could designate anyone to serve as their alternates on the Commission. Immediately the need for the bill became important from another point of view, because the Senator from Nebraska [Mr. HRUSKA] and I, as congressional representatives, along with Representative KARSTEN and Representative GAVIN from the House, spend our time at the meetings, and we did not wish to be under obligation to attend meetings with those of lesser authority than either the Secretaries or Assistant Secretaries.

After the introduction of the bill, the Secretary of Commerce, the Secretary of the Interior, and the Secretary of Agriculture designated alternates. By executive authority they have designated either an associate Assistant Secretary or an Under Secretary.

Therefore, we have accomplished the result we wished to accomplish by passage of the bill. The only thing remaining is to agree to the House amendments, for the increased authorization for the accelerated program.

At the present time the Senator from Nebraska [Mr. HRUSKA] and I feel that by executive administration and authority we have accomplished what we set out to do, and suggest that the Senate concur in the House amendments.

Mr. McGEE. Mr. President, I commend the junior Senator from Montana for his leadership in regard to this measure and for improving the elements at stake, as a member of the Migratory Bird Conservation Commission.

I speak now not as chairman of the subcommittee which heard the testimony, but as an avid duck hunter. I hope that the Commission can get busy and that it will increase the quotas allowed on mallards this season. One mallard is not sufficient to make a person go hunting.

Mr. METCALF. There will not be any mallards, until there is a better duck program.

The PRESIDING OFFICER (Mr. HART in the chair). The question is on agreeing to the motion by the Senator from Wyoming that the Senate concur in the House amendments.

The motion was agreed to.

AMENDMENT OF THE DISTRICT OF COLUMBIA TEACHERS SALARY ACT OF 1955

Mr. HUMPHREY. Mr. President, earlier today when we went over a list of bills on the calendar to which there was no objection and which had been cleared on both sides of the aisle, it was our understanding that we had requested consideration of Calendar No. 2178. Apparently there was some error. Therefore, I now ask unanimous consent that the Senate proceed to the consideration of Calendar No. 2178, S. 1447.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 1447) to amend the District of Columbia Teachers Salary Act of 1955, as amended.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Minnesota?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on the District of Columbia, with an amendment, to strike out all after the enacting clause and insert:

TITLE I

SEC. 101. The Act entitled "An Act to fix and regulate the salaries of teachers, school officers, and other employees of the Board of Education of the District of Columbia, and for other purposes", approved August 5, 1955 (69 Stat. 521, ch. 569), as amended, is amended as follows:

(1) Section 1 is amended by striking everything after the first sentence and inserting in lieu thereof the following salary schedules:

"Salary class and position	Service step 1 (minimum)	Service step 2	Service step 3	Service step 4	Service step 5	Service step 6	Service step 7	Service step 8	Service step 9
Class 1: Superintendent of Schools	$25,000								
Class 2: Deputy superintendent	17,400	$17,800	$18,200	$18,600	$19,000	$19,400	$19,800		
Class 3: Assistant superintendent; president, teachers college	15,000	15,325	15,650	15,975	16,300	16,625	16,950	$17,275	$17,600
Class 4: Director, curriculum; dean, teachers college	13,240	13,565	13,890	14,215	14,540	14,865	15,190	15,515	15,840
Class 5:									
Group A, bachelor's degree	11,420	11,745	12,070	12,395	12,720	13,045	13,370	13,695	14,020
Group B, master's degree	11,920	12,245	12,570	12,585	13,220	13,545	13,870	14,195	14,520
Group C, master's degree plus 30 credit hours	12,120	12,445	12,770	13,095	13,420	13,745	14,070	14,395	14,720
Chief examiner.									
Director, food services.									
Director, industrial and adult education.									
Executive assistant to superintendent.									
Psychiatrist.									
Class 6:									
Group B, master's degree	11,480	11,805	12,130	12,455	12,780	13,105	13,430	13,755	14,080
Group C, master's degree plus 30 credit hours	11,680	12,005	12,330	12,655	12,980	13,305	13,630	13,955	14,280
Assistant to assistant superintendent (elementary schools).									
Assistant to assistant superintendent (junior and senior high schools).									
Assistant to assistant superintendent (general research, budget, and legislation).									
Assistant to assistant superintendent (pupil appraisal, study, and attendance).									
Director, elementary education, (supervision and instruction).									

"Salary class and position	Service step 1 (minimum)	Service step 2	Service step 3	Service step 4	Service step 5	Service step 6	Service step 7	Service step 8	Service step 9
Class 6—Continued									
Director, health, physical education, athletics and safety.									
Executive assistant to deputy superintendent									
Principal, elementary school									
Principal, junior high school									
Principal, senior high school									
Principal, vocational high school									
Principal, Americanization School									
Principal, boys' junior-senior high school									
Principal, Capitol Page School									
Principal, health school									
Principal, laboratory school									
Principal, veterans' high school									
Class 7:									
Group B, master's degree	10,720	11,045	11,370	11,695	12,020	12,345	12,670	12,995	13,320
Group C, master's degree plus 30 credit hours	10,920	11,245	11,570	11,895	12,220	12,545	12,870	13,195	13,320
Director, elementary education (administration).									
Director in elementary education.									
Director, special education.									
Class 8:									
Group B, master's degree	10,160	10,485	10,810	11,135	11,460	11,785	12,110	12,435	12,760
Group C, master's degree plus 30 credit hours	10,360	10,685	11,010	11,335	11,660	11,985	12,310	12,635	12,960
Assistant principal, elementary school.									
Assistant principal, junior high school.									
Assistant principal, senior high school.									
Assistant principal, vocational high school.									
Assistant principal, Americanization School.									
Assistant principal, health school.									
Dean of students, teachers college.									
Director, school attendance.									
Registrar, teachers college.									
Supervising director, adult education and summer school.									
Supervising director, athletics.									
Supervising director, curriculum.									
Supervising director, elementary education (supervision and instruction).									
Supervising director, reading clinic.									
Supervising director, subject field.									
Professor, teachers college.									
Class 9:									
Group A, bachelor's degree	9,220	9,545	9,870	10,195	10,520	10,845	11,170	11,495	11,820
Group B, master's degree	9,720	10,045	10,370	10,695	11,020	11,345	11,670	11,995	12,320
Group C, master's degree plus 30 credit hours	9,920	10,245	10,570	10,895	11,220	11,545	11,870	12,195	12,520
Assistant director, food services.									
Supervising director, audiovisual instruction.									
Class 10:									
Group B, master's degree	9,280	9,605	9,930	10,255	10,580	10,905	11,230	11,555	11,880
Group C, master's degree plus 30 credit hours	9,480	9,805	10,130	10,455	10,780	11,105	11,430	11,755	12,080
Assistant director, adult education and summer schools.									
Statistician.									
Class 11:									
Group B, master's degree	8,840	9,165	9,490	9,815	10,140	10,465	10,790	11,115	11,440
Group C, master's degree plus 30 credit hours	9,040	9,365	9,690	10,015	10,340	10,665	10,990	11,315	11,640
Assistant director, audiovisual.									
Assistant director, practical nursing.									
Assistant director, subject field.									
Associate professor, teachers college.									
Chief librarian, teachers college.									
Supervisor, elementary education.									
Class 12:									
Group B, master's degree	8,400	8,725	9,050	9,375	9,700	10,025	10,350	10,675	11,000
Group C, master's degree plus 30 credit hours	8,600	8,925	9,250	9,575	9,900	10,225	10,550	10,875	11,200
Chief attendance officer.									
Clinical psychologist.									
Class 13:									
Group B, master's degree	7,520	7,845	8,170	8,495	8,820	9,145	9,470	9,795	10,120
Group C, master's degree plus 30 credit hours	7,720	8,045	8,370	8,695	9,020	9,345	9,670	9,995	10,320
Assistant professor, teachers college.									
Psychiatric social worker.									
Assistant professor, laboratory school.									

"Salary class and position	Service step 1 (minimum)	Service step 2	Service step 3	Service step 4	Service step 5	Service step 6	Service step 7	Service step 8
Class 14:								
Group A, bachelor's degree	$6,155	$6,430	$6,705	$6,980	$7,255	$7,530	$7,805	$8,080
Group B, master's degree	6,655	6,930	7,205	7,480	7,755	8,030	8,305	8,580
Group C, master's degree plus 30 credit hours	6,855	7,130	7,405	7,680	7,955	8,230	8,505	8,780
Class 15:								
Group A, bachelor's degree	5,000	5,275	5,550	5,825	6,100	6,375	6,650	6,925
Group B, master's degree	5,500	5,775	6,050	6,325	6,600	6,875	7,150	7,425
Group C, master's degree plus 30 credit hours	5,700	5,975	6,250	6,525	6,800	7,075	7,350	7,625
Attendance officer.								
Census supervisor.								
Child labor inspector.								
Counselor, elementary and secondary schools.								
Counselor, placement.								
Instructor, laboratory school.								
Instructor, teachers college.								
Librarian, elementary and secondary schools.								
Librarian, teachers college.								
Research assistant.								
School psychologist.								
School social worker.								
Speech correctionist.								
Teacher, elementary and secondary schools."								

"Salary class and position	Service step 9	Service step 10	Service step 11	Service step 12	Service step 13	Longevity step X	Longevity step Y
Class 14:							
Group A, bachelor's degree	$8,355	$8,630	$8,905	$9,180	$9,455		
Group B, master's degree	8,855	9,130	9,405	9,680	9,955		
Group C, master's degree plus 30 credit hours	9,055	9,330	9,605	9,880	10,155		
Class 15:							
Group A, bachelor's degree	7,200	7,475	7,750	8,025	8,300	$8,650	$9,000
Group B, master's degree	7,700	7,975	8,250	8,525	8,800	9,150	9,500
Group C, master's degree plus 30 credit hours	7,900	8,175	8,450	8,725	9,000	9,350	9,700
Attendance officer.							
Census supervisor.							
Child labor inspector.							
Counselor, elementary and secondary schools.							
Counselor, placement.							
Instructor, laboratory school.							
Instructor, teachers college.							
Librarian, elementary and secondary schools.							
Librarian, teachers college.							
Research assistant.							
School psychologist.							
School social worker.							
Speech correctionist.							
Teacher, elementary and secondary schools."							

(2) Section 2, subsection (a), is amended by striking from the third sentence "December 31, 1957" and inserting in lieu thereof "December 31, 1962"; by striking from the fourth sentence the words "counselor in the vocational high schools, counselor in the junior high schools", and the words "school social worker,", and by inserting immediately before the period at the end of the same sentence the following: ", and except that a person not possessing a master's degree who was appointed on probationary or permanent status before January 1, 1963, to a position as a nonshop teacher in a vocational education program, or counselor in the vocational high schools, or counselor in the junior high schools may continue to be employed in such a position, and except that a person not possessing a master's degree who was on the list of eligible candidates for any such position before January 1, 1963, may continue to be eligible for such position until the expiration of such eligible list"; and by striking from the fifth sentence "December 31, 1957" and inserting in lieu thereof "December 31, 1962".

(3) Section 2, subsection (b), is amended by striking the figure "18" wherever it appears and inserting in lieu thereof the figure "15".

(4) Section 4 is amended to read as follows:

"SEC. 4. Each teacher, school officer, or other employee in the service of the Board on January 1, 1963, who occupies a position held by him on December 31, 1962, under the provisions of this Act, shall be placed in a salary class covered by section 1 of this Act as indicated at the end of this section. Any employee in group A, B, or C of his salary class on December 31, 1962, shall be assigned to the same letter group of the salary class to which he is transferred on January 1, 1963.

"TITLE AND CLASS OF POSITION ON DECEMBER 31, 1962

Title	Class
Superintendent	1
Deputy superintendent	2
Assistant superintendent	3
Assistant superintendent in charge of business affairs	3
President, District of Columbia Teachers College	3
Dean, District of Columbia Teachers College	4
Chief examiner	5
Dean of students, teachers college	5
Executive assistant to the superintendent	5
Psychiatrist	5
Director, food services	5
Executive assistant to the deputy superintendent	6
Assistant to the assistant superintendent (elementary schools)	6
Director, curriculum	4
Director, elementary education (administration)	7
Director, elementary education (supervision and instruction)	6
Director in elementary education	7
Director, health, physical education, athletics and safety	6
Director, industrial and adult education	5
Director, special education	7
Principal, senior high school	6
Principal, vocational high school	6
Principal, junior high school	7
Registrar, teachers college	7
Principal, Americanization School	7
Principal, junior high school	7
Professor, District of Columbia Teachers College	8
Supervising director, adult education and summer schools	8
Supervising director, athletics	8
Supervising director, curriculum	8
Supervising director, elementary education (supervision and instruction)	8
Assistant to the assistant superintendent (general research, budget and legislation)	8
Assistant to the assistant superintendent (junior and senior high schools)	7
Assistant to the assistant superintendent (pupil appraisal, study and attendance)	8
Supervising director, reading clinic	8
Supervising director, subject field	8
Director, school attendance	8
Supervising director, audiovisual instruction	9
Principal, elementary school	8
Principal, Capitol Page School	8
Principal, health school	7
Principal, laboratory school	7
Assistant principal, senior high school	8
Assistant principal, vocational high school	8
Assistant director, food services	9
Assistant principal, junior high school	9
Assistant principal, Americanization School	9
Associate professor, District of Columbia Teachers College	13
Assistant principal, elementary school	11
Assistant principal, health school	14
Assistant director, audiovisual instruction	13
Assistant director, evening and summer schools	11
Principal, veterans high school	8
Assistant director, practical nursing	13
Assistant director, subject field	13
Statistician	11
Assistant professor, District of Columbia Teachers College	16
Assistant professor, laboratory school	16
Chief attendance officer	15
Chief librarian, District of Columbia Teachers College	13
Clinical psychologist	15
Supervisor, elementary education	13
Psychiatric social worker	16
Attendance officer	18
Census supervisor	18
Child labor inspector	18
Coordinator, practical nursing	18
Counselor, elementary and secondary schools	18
Counselor, placement	18
Instructor, District of Columbia Teachers College	18
Instructor, laboratory schools	18
Librarian, elementary and secondary schools	18
Librarian	18
Research assistant	18
School psychologist	18
School social worker	18
Speech correctionist, District of Columbia Teachers College	18
Teacher, Elementary and secondary schools	18

"TITLE AND CLASS OF POSITION ON JANUARY 1, 1963

Title	Class
Superintendent	1
Deputy superintendent	2
Assistant superintendent	3
Assistant superintendent in charge of business affairs	3
President, District of Columbia Teachers College	3
Dean, District of Columbia Teachers College	4
Chief examiner	5
Dean of students, District of Columbia Teachers College	8
Executive assistant to the superintendent	5
Psychiatrist	5
Director, food services	5
Executive assistant to the deputy superintendent	6
Assistant to the assistant superintendent (elementary schools)	6
Director, curriculum	4
Director, elementary education (administration)	7
Director, elementary education (supervision and instruction)	6

"TITLE AND CLASS OF POSITION ON JANUARY 1, 1963—continued

Title	Class
Director in elementary education	7
Director, health, physical education, athletics and safety	6
Director, industrial and adult education	5
Director, special education	7
Principal, senior high school	6
Principal, vocational high school	6
Principal, boys' junior-senior high school	6
Registrar, District of Columbia Teachers College	8
Principal, Americanization School	6
Principal, junior high school	6
Professor, District of Columbia Teachers College	8
Supervising director, adult education and summer schools	8
Supervising director, athletics	8
Supervising director, curriculum	8
Supervising director, elementary education (supervision and instruction)	8
Assistant to the assistant superintendent (general research, budget, and legislation)	6
Assistant to the assistant superintendent (junior and senior high schools)	6
Assistant to the assistant superintendent (pupil appraisal, study, and attendance)	6
Supervising director, reading clinic	8
Supervising director, subject field	8
Director, school attendance	8
Supervising director, audiovisual instruction	9
Principal, elementary school	6
Principal, Capitol Page School	6
Principal, health school	6
Principal, laboratory school	6
Assistant principal, senior high school	8
Assistant principal, vocational high school	8
Assistant director, food services	9
Assistant principal, junior high school	8
Assistant principal, Americanization School	8
Associate professor, District of Columbia Teachers College	11
Assistant principal, elementary school	8
Assistant principal, health school	8
Assistant director, audiovisual instruction	11
Assistant director, evening and summer schools	10
Principal, veterans high school	6
Assistant director, practical nursing	11
Assistant director, subject field	11
Statistician	10
Assistant professor, District of Columbia Teachers College	13
Assistant professor, laboratory school	13
Chief attendance officer	12
Chief librarian, District of Columbia Teachers College	11
Clinical psychologist	12
Supervisor, elementary education	11
Psychiatric social worker	13
Attendance officer	15
Census supervisor	15
Child labor inspector	15
Coordinator, practical nursing	15
Counselor, elementary and secondary schools	15
Counselor, placement	15
Instructor, District of Columbia Teachers College	15
Instructor, laboratory schools	15
Librarian, elementary and secondary schools	15
Librarian	15
Research assistant	15
School psychologist	15
School social worker	15
Speech correctionist, District of Columbia Teachers College	15
Teacher, elementary and secondary schools	15"

(5) Section 6, subsection (a), is amended to read as follows:

"(a) On January 1, 1963, each permanent employee assigned to salary classes 2 through 15 in accordance with section 1 and section 4 of this Act shall be assigned to the same numerical service step on the schedule for his salary class, or salary class and group, under this Act as he occupied on December 31, 1962, except that employees assigned to salary class 15 on January 1, 1963, who on December 31, 1962, were on service step 13 shall be assigned to service steps for their respective groups as follows: An employee who on January 1, 1963, has completed fourteen years of creditable service but less than sixteen years shall be assigned to longevity step X, and an employee who on January 1, 1963, has completed sixteen years of creditable service shall be assigned to longevity step Y. In determining years of creditable service for placement on service steps, credit shall be given for previous service in accordance with the provisions of this Act governing the placement of employees who are newly appointed, reappointed, or reassigned or who are brought under this Act in accordance with the provisions of section 5."

(6) Section 6, subsection (b), is amended by striking the period at the end thereof and inserting the following: ", except that each employee in salary class 15 shall advance from service step 13 to longevity step X on July 1 following the completion of fourteen years of creditable service; from longevity step X to longevity step Y on July 1 following the completion of sixteen years of creditable service: *Provided*, That beginning with the step increase normally due July 1, 1963, the Board of Education, on the written recommendation of the Superintendent of Schools, is authorized to deny any such salary advancement for the year immediately following any year in which the employee fails to receive a performance rating of 'satisfactory' from his superior officer.".

(7) Section 7, subsection (a), is amended by striking the figure "18" and inserting in lieu thereof "15", by striking the figure "17" and inserting in lieu thereof "14", and by striking the fourth sentence and inserting in lieu thereof the following: "Employees newly appointed or reappointed to positions of assistant professor (salary class 13), chief librarian and associate professor (salary class 11), and professor (salary class 8) shall receive one year of placement credit for each year of satisfactory service, not in excess of five years, in a position of the same or higher rank in a college or university of recognized standing outside the District of Columbia public schools, as determined by the Board."

(8) Section 8, subsection (a), is amended by striking the period at the end thereof and inserting the following: ", except that beginning with any such step increase normally due subsequent to June 30, 1963, the Board of Education, on written recommendation of the Superintendent of Schools, is authorized to deny any such increase in salary for the year immediately following any year in which the employee fails to receive a performance rating of 'satisfactory' from his superior officer."

(9) Section 11, (1), is amended by inserting after the word "increment" the words, "or longevity increment".

(10) Section 13, subsection (a), is amended by striking the classification and pay rates for educational employees in the summer and evening schools and inserting in lieu thereof the following classification and pay rates:

"Classification	Step 1	Step 2	Step 3
	Per Diem		
SUMMER SCHOOL (REGULAR)			
Teacher, elementary and secondary schools, and instructor, District of Columbia Teachers College	$20.18	$22.70	$25.22
Assistant professor, District of Columbia Teachers College	23.21	26.11	29.00
Associate professor, District of Columbia Teachers College	26.23	29.51	32.78
Assistant principal, elementary and secondary schools	29.26	32.92	36.57
Supervising director, and professor, District of Columbia Teachers College	29.26	32.92	36.57
Principal, elementary and secondary schools	32.29	36.32	40.35
	Per Diem		
VETERANS' SUMMER HIGH SCHOOL CENTERS			
Teacher	$30.27	$34.05	$37.83
	Per Period		
EVENING SCHOOLS			
Teacher	$5.04	$5.54	$6.16
Assistant principal	7.15	8.03	8.93
Principal	7.89	8.86	9.86".

(11) Section 13, subsection (b), is amended by striking "January 1, 1958" and inserting in lieu thereof "January 1, 1963".

(12) Section 14 is amended to read as follows:

"SEC. 14. Each employee assigned to salary class 15 in the schedule provided in section 1 of this Act, each assistant professor in salary class 13, each associate professor in salary class 11 and each professor in salary class 8 shall be classified as a teacher for payroll purposes and his annual salary shall be paid in ten monthly installments in accordance with existing law."

(13) Section 15 is amended to read as follows:

"SEC. 15. On and after January 1, 1963, the Act entitled 'An Act to provide that the Board of Education of the District of Columbia shall have sole authority to regulate the vacation periods and annual leave of absence of certain school officers and employees of the Board of Education of the District of Columbia', approved March 5, 1952, as amended, shall apply to employees of the Board of Education whose salaries are fixed in salary classes 6 through 14, inclusive, under this Act, except the following: Executive assistant to deputy superintendent and assistants to assistant superintendents in salary class 6; dean of students, District of Columbia Teachers College, professor, District of Columbia Teachers College, director, school attendance, and registrar, District of Columbia Teachers College, in salary class 8; assistant director, department of food services, in salary class 9; statistician, in salary class 10; associate professor, District of Columbia Teachers College, and chief librarian, District of Columbia Teachers College, in salary class 11; and assistant professor, District of Columbia Teachers College, in salary class 13."

(14) Section 16 is amended by striking "January 1, 1958" and inserting in lieu thereof "January 1, 1963"; by striking "salary class 18" and inserting in lieu thereof "salary class 15"; by striking "chief librarian and assistant professor, salary class 14" and inserting in lieu thereof "assistant professor,

salary class 13; and chief librarian, salary class 11".

SEC. 102. The provisions of section 101 of this title shall become effective as of January 1, 1963.

TITLE II

SEC. 201. (a) The annuity of each person who, on the effective date of this section, is receiving or entitled to receive an annuity from the District of Columbia teachers' retirement and annuity fund shall be increased by 5 per centum of the amount of such annuity.

(b) The annuity of each person who receives or is entitled to receive an annuity from the District of Columbia teachers' retirement and annuity fund commencing during the period which begins on the day following the effective date of this section and ends five years after such date, shall be increased in accordance with the following table:

If the annuity commences between—	The annuity shall be increased by—
January 2, 1963, and December 31, 1963	4 per centum.
January 1, 1964, and December 31, 1964	3 per centum.
January 1, 1965, and December 31, 1965	2 per centum.
January 1, 1966, and December 31, 1966	1 per centum.

(c) In lieu of any other increase provided by this section, the annuity of a survivor of a retired employee who received an increase under this section shall be increased by a percentage equal to the percentage by which the annuity of such employee was so increased.

(d) No increase provided by this section shall be computed on any additional annuity purchased at retirement by voluntary contributions.

(e) The limitation contained in the next to the last sentence of section 5(c)(1) of the Act entitled "An Act for the retirement of public-school teachers in the District of Columbia", approved August 7, 1946 (60 Stat. 875), as amended, as enacted by the Act of July 2, 1956 (70 Stat. 487), shall not be effective on and after the effective date of this section.

(f) The increases provided by this section shall take effect on the effective date of this section, except that any increase under subsection (b) or (c) shall take effect on the beginning date of the annuity.

(g) The monthly installment of annuity after adjustment under this section shall be fixed at the nearest dollar.

SEC. 202. The Act entitled "An Act for the retirement of public-school teachers in the District of Columbia", approved August 7, 1946, as amended, is amended by adding at the end thereof the following new sections:

"SEC. 21. Whenever used in this Act the term 'price index' shall mean the annual average over a calendar year of the Consumer Price Index (all items—United States city average) published monthly by the Bureau of Labor Statistics.

"SEC. 22. (a) After January 1, 1964, and after each succeeding January 1, the Commissioners of the District of Columbia shall determine the per centum change in the price index from the later of 1962 or the year preceding the most recent cost-of-living adjustment to the lastest complete year. On the basis of such Commissioners' determination, the following adjustments shall be made:

"(1) Effective April 1, 1964, if the change in the price index from 1962 to 1963 shall have equaled a rise of at least 3 per centum, each annuity payable from the fund which has a commencing date earlier than January 2, 1963, shall be increased by the per centum rise in the price index adjusted to the nearest one-tenth of 1 per centum.

"(2) Effective April 1 of any year other than 1964 after the price index change shall have equaled a rise of at least 3 per centum, each annuity payable from the fund which has a commencing date earlier than January 2 of the preceding year shall be increased by the per centum rise in the price index adjusted to the nearest one-tenth of 1 per centum.

"(b) Eligibility of an annuity increase under this section shall be governed by the commencing date of each annuity payable from the fund as of the effective date of an increase, except as follows:

"(1) Effective from the date of the first increase under this section, an annuity payable from the fund to an annuitant's survivor (other than a child entitled under section 9(b)3, which annuity commenced the day after the annuitant's death, shall be increased as provided in subsection (a)(1) or (a)(2) if the commencing date of annuity to the annuitant was earlier than January 2 of the year preceding the first increase.

"(2) Effective from its commencing date, an annuity payable from the fund to an annuitant's survivor (other than a child entitled under section 9(b)3, which annuity commences the day after the annuitant's death and after the effective date of the first increase under this section, shall be increased by the total per centum increase the annuitant was receiving under this section at death.

"(3) For purposes of computing an annuity which commences after the effective date of the first increases under this section to a child under section 9(b)3, the items $600, $720, $1,800, and $2,160 appearing in section 9(b)3 shall be increased by the total per centum increase allowed and in force under this section, and, in case of a deceased annuitant, the items 40 per centum and 50 per centum appearing in section 9(b)3 shall be increased by the total per centum increase allowed and in force under this section to the annuitant at death. Effective from the date of the first increase under this section, the provisions of this paragraph shall apply as if such first increase were in effect with respect to computation of a child's annuity under section 9(b)3 which commenced between January 2 of the year preceding the first increase and the effective date of the first increase.

"(c) No increase in annuity provided by this section shall be computed on any additional annuity purchased at retirement by voluntary contributions.

"(d) The monthly installment of annuity after adjustment under this section shall be fixed at the nearest dollar."

SEC. 203. (a) Section 5(b)(1) of the Act entitled "An Act for the retirement of public-school teachers in the District of Columbia", approved August 7, 1946, as amended, is amended by striking out "50 per centum" and inserting in lieu thereof "55 per centum" and by striking out "$2,400" and inserting in lieu thereof "$3,600".

(b) Section 9(b)(1) of such Act is amended by striking out "one-half" and inserting in lieu thereof "55 per centum of".

(c) Section 9(b)(2) of such Act is amended by striking out "one-half" in the three places where it appears therein and inserting in lieu thereof in the first two places "55 per centum of" and in the third place "55 per centum".

(d)(1) The third sentence of section 9(b)(3) of such Act is amended to read as follows: "The child's annuity shall commence on the day after the employee dies, and such annuity granted under this Act or any right thereto shall terminate on the last day of the month before (1) his attaining age eighteen unless incapable of self-support, (2) his becoming capable of self-support after age eighteen, (3) his marriage, or (4) his death, except that the annuity of a child who is a student as described in section 9(c)(2) shall terminate on the last day of the month before (A) his marriage, (B) his death, (C) his ceasing to be such a student, or (D) his attaining age twenty-one."

(2) Notwithstanding any other provision of law, the benefits resulting from enactment of this amendment shall be paid from the teachers' retirement and annuity fund.

(e) Section 9(c)(2) of such Act is amended by substituting a comma for the period at the end thereof and adding the following: "or such unmarried child between eighteen and twenty-one years of age who is a student regularly pursuing a full-time course of study or training in residence in a high school, trade school, technical or vocational institute, junior college, college, university, or comparable recognized educational institution. A child whose twenty-first birthday occurs prior to July 1 or after August 31 of any calendar year, and while he is regularly pursuing such a course of study or training, shall be deemed for the purposes of this paragraph and section 9(b)(3) to have attained the age of twenty-one on the first day of July following such birthday. A child who is a student shall not be deemed to have ceased to be a student during any interim between school years if the interim does not exceed four months and if he shows to the satisfaction of the Commissioners that he has a bona fide intention of continuing to pursue a course of study or training in the same or different school during the school semester (or other period into which the school year is divided) immediately following the interim."

SEC. 204. Notwithstanding any other provision of law, the benefits made payable under the Act entitled "An Act for the retirement of public-school teachers in the District of Columbia", approved August 7, 1946, as amended, by reason of the enactment of this title shall be paid from the District of Columbia teachers' retirement and annuity fund.

SEC. 205. Section 201 of this title shall take effect on January 1, 1963. The amendments made by section 203 shall not apply in the case of employees retired or otherwise separated prior to the date of enactment of this Act, and the rights of such persons and their survivors shall continue in the same manner and to the same extent as if these amendments had not been enacted.

The **PRESIDING OFFICER**. The question is on agreeing to the committee amendment.

The amendment was agreed to.

Mr. **SMITH** of Massachusetts. Mr. President, the purpose of S. 1447, as amended by the committee, is twofold. The bill is divided into two titles, and title I amends the District of Columbia Teachers' Salary Act of 1955, as amended. Title II provides for the adjustment of annuities paid from the District of Columbia teachers' retirement and annuity fund.

Title I of the bill provides for the following:

First, an increase in the salary schedules for teachers and school officers;

Second, a reduction from 18 to 15 in the number of classes in the pay schedule for teachers and school officers;

Third, authorization for the Board of Education to discontinue the annual increments of employees whose performance is less than satisfactory;

Fourth, placement of principals of elementary and secondary schools in the same class of the salary schedule; and

Fifth, a revision upward of the salary schedule for summer and evening school employees.

Under the provisions of this amended bill, the number of classes in the teachers' and officers' salary schedule will be reduced in number from 18 to 15. Class 18 in existing law, which includes teachers, counselors, and instructors, among others, would become class 15, and form the foundation for the salary structure. Class 15 is the primary cost control factor for the reason that it includes approximately 90 percent of all employees covered under the Teachers' Salary Act. The bill provides that the overall salary increase would amount to about 14 percent.

At the present time, teachers, counselors, instructors, and other school personnel receive a salary minimum of $4,800, $5,300, and $5,500, for the bachelor's degree, master's degree, and master's degree plus 30 credit hours, respectively. The maximum salaries for these degrees are $7,095, $7,633, and $7,848, respectively. These established salaries place the District of Columbia in a less than favorable position in comparison with the teacher salary scales of other large cities and the greater metropolitan area of the District of Columbia.

The committee was advised that the six local school systems in the outlying counties have recently approved new increased salary schedules. These school systems all compete heavily with the District for the recruitment of qualified and experienced teachers. The approval of these higher salaries for the county school systems has now placed the District school system at the very bottom of the local salary ladder, although it is the largest school system in the metropolitan area. The direct effect of this disparity in salary structures is to place the District at a definite disadvantage in recruiting and also retaining competent teachers and related personnel.

The salary schedule set forth in the pending bill provides that teachers, counselors, instructors, and other related personnel included in class 15 of the salary schedule will have their minimum salaries increased to a level of $5,000, $5,500, and $5,700 for the bachelor's degree, master's degree, and master's degree plus 30 credit hours. The maximum salaries provided in this class would be $9,000, $9,500, and $9,700, respectively.

On August 1, 1962, the Fiscal Affairs Subcommittee held public hearings on this legislation. During the hearing, the committee heard numerous witnesses representing business, professional, and civic organizations. Among those testifying, the executive secretary of the District of Columbia Education Association strongly stressed, as did many of the other witnesses, that there is a pressing need in the District for salary increases for schoolteachers, which will enable the District to acquire competent and experienced instructor personnel.

Dr. Hansen, the Superintendent of Schools for the District of Columbia, testified in considerable detail on the problems now confronting the District in maintaining a competent teaching staff. He informed the committee that in 1961, a total of 530 new teachers were inducted into the system, which is far too high, and that it illustrates the transciency problem affecting the school system. The high rate of turnover in the District school system is attributed to the complete inadequacy of the existing salary schedule for teachers. Dr. Hansen also made it clear that competent men teachers cannot be recruited without higher salaries being made available to them so that they can adequately support their families.

It is the committee's view that from all the information received, there is a definite need for increases in the salaries of District teachers. The salary schedule for teachers, counselors, instructors, and other related personnel, as included in the amended bill will place the District in a favorable competitive position with other school systems of the major cities in the United States. Equally important, the bill will bring the salary schedule for the District on par with and, in some instances, place the District ahead of the salary schedules of the other school systems in the metropolitan area.

The Superintendent of Schools of the District of Columbia is included in class 1, and the salary established for this position is $25,000 annually. Class 2 of the schedule includes the Deputy Superintendent of Schools, and a minimum salary of $17,400 is provided for this position. The present salary of the Superintendent of District Schools is $1,000 less than that of the lowest paid superintendent in any of the 20 major cities with population of over 500,000. In addition to this fact, four of the six District of Columbia metropolitan area school systems pay their superintendent more than $17,000. Montgomery County, Md., pays its superintendent $23,000, and rates the highest for the metropolitan area.

The various salaries attaching to the school personnel contained in classes 1 through 14 have been accomplished generally by making a comparison of the relationships between salaries of certain benchmark positions and those of teachers in the other large cities; comparison of the resultant ranking of those benchmark positions with like ones in other cities after the median index was applied. In addition to this, the salaries that are reflected in the classes have also been accomplished by making comparisons with salaries of some of the key executives of the District government, as well as with counterpart positions, and with respect to teachers college positions, comparison with salaries being paid by other teachers colleges and other degree-granting institutions.

In amending S. 1447 and reporting the present bill to the floor, the committee proceeded to adopt a considerably less expensive salary schedule, which had the approval of the Board of Commissioners of the District of Columbia. In recommending the salary schedule that is now included in the amended bill, the Commissioners assured the committee that the scope of the schedule would place the District in a favorable position with respect to minimum and maximum salary rates, as compared with the other six public school systems in the Washington metropolitan area and major cities throughout the Nation.

During consideration of this legislation, the committee also made two amendments to existing law which it felt was desirable in order to help bring about increased competency on the part of the teachers and officers of the school system. One provision authorizes the board of education to suspend the various automatic salary increases where the teachers and officers fail to achieve a satisfactory rating at the end of the year. The other provision authorizes a single salary schedule for all principals and assistant principals, with all principals being placed in class 6 of the salary schedule and all assistant principals being placed in class 8. In making this change in existing law, the committee was of the view that the elementary principalship is as responsible and intricate in its demands as the principalship on any level. In addition, the educational requirements for these positions are the same. A master's degree is required of any teacher serving as a principal at either the elementary or secondary school level.

The committee believes that the provisions of the amended bill will do much to correct the many problems now confronting the District school system. It is only fair that teachers should be given a reasonable annual income for the preparation, effort, and responsibilities required of them. It is essential to pay salaries that will attract highly talented and dedicated youth into the profession. If this is not accomplished, education in the Nation's Capital will deteriorate because of the inadequacy of the education staff. The cost of this portion of the bill for fiscal year 1963 is estimated to be $3.8 million. In fiscal year 1964, the cost is estimated to be approximately $6.3 million, and a similar amount for each of the years thereafter. Title I of the bill is effective January 1, 1963.

TITLE II

Title II of the pending bill provides for the adjustment of annuities paid from the District of Columbia teachers' retirement and annuity fund.

The adjustments of annuities under this title are similar to those proposed to be extended to civil service retirees under legislation which has already passed the Senate and is presently in conference.

Generally, the provisions of this portion of the bill provides a 5-percent increase, effective January 1963 in all annuities then payable from the fund. Another provision of the bill extends this initial increase on a graduated percentage basis to all annuities which commence in the 5-year period following January 1, 1963, in accordance with an established schedule.

Finally, a third provision of title II provides automatic increases in annuities when percentage changes in the price index have equaled a rise of at least 3 percent. The first increases under this provision will be allowable after April 1, 1964.

It is estimated that the annual increase in cost to the District will amount to $277,424 initially.

The Board of Commissioners for the District of Columbia recommend the enactment of this legislation.

Mr. President, it is sincerely hoped that my colleagues will join with me in voting for this very much needed legislation.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

The title was amended so as to read: "A bill to amend the District of Columbia Teachers' Salary Act of 1955, as amended, and to provide for the adjustment of annuities paid from the District of Columbia teachers' retirement and annuity fund."

AMENDMENT OF ACT CONCERNING GIFTS TO MINORS IN DISTRICT OF COLUMBIA

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 11018, which was read, as follows:

In the House
of Representatives, U.S.,
September 21, 1962.

Resolved, That the House concur in the amendment of the Senate numbered 1 to the bill (H.R. 11018) entitled "An Act to amend the Act concerning gifts to minors in the District of Columbia", with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment in subsection (b) and subparagraphs (1), (2), and (3) thereof, of section 5, insert the following:

"(b) Compensation for the guardian or custodian shall be according to:

"(1) Any direction of the donor when the gift is made, provided that it is not in excess of any statutory limitation of the District of Columbia for guardians or custodians;

"(2) Any statute of the District of Columbia applicable to custodians or guardians;

"(3) Any order of the court."

Resolved, That the House concur in the amendment of the Senate numbered 2.

Mr. BIBLE. Mr. President, the amendment of the House of Representatives is acceptable. I move that the Senate concur in the House amendment to the amendment of the Senate.

The motion was agreed to.

PROHIBITION OF USE OF CERTAIN NAMES, AND SO FORTH, BY COLLECTING AGENCIES IN DISTRICT OF COLUMBIA

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 2795) to prohibit the use by collecting agencies and private detective agencies of any name, emblem, or insignia which reasonably tends to convey the impression that any such agency is an agency of the Government of the District of Columbia, which was, on page 2, line 3, strike out "or 'Municipal',".

Mr. BIBLE. Mr. President, the amendment has been checked. It is acceptable. It has been cleared on both sides of the aisle. I move that the Senate concur in the House amendment.

The amendment was agreed to.

DELEGATION OF FUNCTION OF APPROVING CERTAIN CONTRACTS BY COMMISSIONERS OF DISTRICT OF COLUMBIA

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 1651) to authorize the Commissioners of the District of Columbia to delegate the function of approving contracts not exceeding $100,000, which were, on page 1, line 5, strike out " $100,000 " and insert " $50,000 ".

And to amend the title so as to read: "An Act to authorize the Commissioners of the District of Columbia to delegate the function of approving contracts not exceeding $50,000."

Mr. BIBLE. Mr. President, the amendments of the House are acceptable. The matter has been cleared on both sides of the aisle. I now move that the Senate concur in the House amendments.

The motion was agreed to.

DEPARTMENTS OF STATE, JUSTICE, AND COMMERCE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS, 1963

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate be permitted to take up the appropriation bill for the Departments of State, Justice, and Commerce, the Judiciary, and related agencies tomorrow.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana? The Chair hears none, and it is so ordered.

Mr. HUMPHREY. Mr. President, the Senate is awaiting the conference report on the tax bill, which we shall consider shortly. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

REGISTRATION OF STATE CERTIFICATES BY COMMON CARRIERS IN INTERSTATE AND FOREIGN COMMERCE—CONFERENCE REPORT

Mr. SMATHERS. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 320) to amend the provisions contained in part II of the Interstate Commerce Act concerning registration of State certificates whereby a common carrier by motor vehicle may engage in interstate and foreign commerce within a State. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of Sept. 25, 1962, pp. 20583–20584, Congressional Record.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. SMATHERS. Mr. President, under present law, found in the second proviso of section 206(a)(1) of the Interstate Commerce Act, a motor vehicle carrier operating solely within a State pursuant to a valid State permit or certificate can register such State permit with the Commission and thereby become eligible to transport interstate commerce within that State. The interstate right obtained by registration cannot exceed in terms of duration or routes the underlying State permit. Under this provision many abuses occur, such as splitting of rights and selling them, resulting in dual operations where only a single operator was intended.

Therefore, the Senate passed in the 1st session of the 87th Congress S. 302, designed to curb these abuses. This would be accomplished by requiring the holder of a State permit to petition first his State motor vehicle commission, requesting that he be able to get interstate rights by registering it with the Interstate Commerce Commission. The State agency would then hold a hearing and if it finds affirmatively, the Interstate Commerce Commission would grant the registration unless there is a protest requesting the Commission to reverse or modify the State determination. If there is such a protest, the ICC would make an independent determination on the basis of the hearing record developed before the State commission.

The House of Representatives adopted a series of amendments to the version that passed the Senate. Many are technical—changing, for example, the effective date of the bill from December 31, 1961, to the date of enactment. However, there were four amendments added by the House at the request of Congressman Sisk that have substantive consequences. Three of these were adopted unanimously:

First. A provision preserving rights for a carrier who has been unable to file his intrastate certificate under the second provisio and to operate in interstate commerce because of pending litigation concerning the validity of his intrastate operations;

Second. A provision changing the standard of proof from "prima facie" to "conclusive" which would require the Commission to issue certificates of registration embracing all of the operating authority contained in State certificates; and

Third. A provision which would give a so-called second proviso operator a grace period of 6 months on the interstate portion of his rights in event that the underlying State certificate was suspended or revoked. The change that would be effected is this: Instead of the interstate right expiring at the same time the State right expires, an operator whose State right was suspended or revoked would have 6 months in which to get his State right reinstated. Thus the interstate right would have now a longer life term than the State right.

The fourth amendment offered by Congressman Sisk and the one that became known as the Sisk amendment after it was added on a division vote in the House is the one the House-Senate conferees, after two meetings, agreed to eliminate. This provision would have created an indefinite interstate right unless and until the Commission conducted a hearing for the purpose of revocation. The Interstate Commerce Commission and the National Association of Railroad and Utility Commissioners—composed of members from the State regulatory agencies—opposed the Sisk amendment.

In summary, the conference agreed to accept three of the four Sisk amendments. The fourth, which was not accepted, represented a sharp departure from the purposes for which the bill was enacted by the Senate originally—see page 5 of the Commission's letter.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed, without amendment, the following bills of the Senate:

S. 136. An act for the relief of Dinko Dorcic;

S. 453. An act for the relief of Robert J. Scanlan;

S. 689. An act for the relief of Karl Heinz Agar;

S. 1263. An act for the relief of Marie Margaret Arvanetes;

S. 1999. An act for the relief of Anna Marie Erdelyi;

S. 2667. An act for the relief of Sebastiana Santoro;

S. 2687. An act for the relief of Robert D. Barbee;

S. 2690 An act for the relief of Mona McIsaac Downey;

S. 2711. An act for the relief of Tasia Demetropoulou (Dimitropoulos);

S. 2753. An act for the relief of Duk Man Lee and Soon Mal Lee;

S. 2777. An act for the relief of Arild Ericksen Sandli;

S. 2836. An act for the relief of Carmelo Rafala;

S. 2902. An act for the relief of Sumiko Takahashi;

S. 2908. An act for the relief of Rosa Fumarola Balice;

S. 2922. An act for the relief of Raymond Chester Hendon;

S. 2950. An act for the relief of Dwijendra Kumar Misra;

S. 2992. An act for the relief of Michelangelo Comito (Nati);

S. 3085. An act for the relief of Paul Huygelen and Luba A. Huygelen;

S. 3177. An act for the relief of Michael (Mike) Bessler;

S. 3265. An act foe the relief of Despina Anastos (Psyhopeda);

S. 3267. An act for the relief of Gunter Heinz Hillebrand;

S. 3275. An act for the relief of Anna Sciamanna Misticoni;

S. 3295. An act for the relief of Mathew Lengyel (also known as Brother Paul, S.V.D.);

S. 3336. An act for the relief of Lazaro Loyola Arinque, Jr.;

S. 3390. An act for the relief of Naife Kahl;

S. 3452. An act for the relief of Dr. Hassan M. Nouri;

S. 3557. An act for the relief of Betty Sandra Fagann; and

S. 3600. An act for the relief of Chao Hua-Hsin.

The message also announced that the House had agreed to the amendments of the Senate to each of the following bills of the House:

H.R. 8181. An act to authorize the construction of a National Fisheries Center and Aquarium in the District of Columbia and to provide for its operation; and

H.R. 12080. An act to permit domestic banks to pay interest on time deposits of foreign governments at rates differing from those applicable to domestic depositors.

REVENUE ACT OF 1962—CONFERENCE REPORT

Mr. KERR. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 10650) to amend the Internal Revenue Code of 1954 to provide a credit for investment in certain depreciable property, to eliminate certain defects and inequities, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of today.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

The PRESIDING OFFICER. The question is on agreeing to the conference report. (Putting the question.)

Mr. MILLER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MILLER. Is this the vote on the adoption of the conference report?

The PRESIDING OFFICER. The Senator is correct.

Mr. MILLER. There will be no further vote on the tax bill after this vote?

The PRESIDING OFFICER. The Senator is correct. When the report is agreed to, that concludes the matter.

Mr. MILLER. It seems to me that we should know what the conference report contains. May we have a brief statement from the Senator who was in charge of the bill on the floor?

Mr. KERR. Mr. President, is it the desire of the acting majority leader that I make a statement on the action of the conferees?

Mr. HUMPHREY. Yes; it would be helpful if the Senator were to do so.

Mr. KERR. Mr. President, the proposed Revenue Act of 1962, as passed by the Senate, contained 203 amendments. While it is true that many of these were technical or conforming amendments, nevertheless, approximately 100 of these represented substantive changes in the bill. It is, of course, not easy to reconcile this many differences, particularly on a subject matter as complex as tax revision measures are. Nevertheless, the conference committee has reached agreement.

I am glad to be able to say that in very large measure the bill as agreed to by the conferees very closely resembles the bill as passed by the Senate. Thus, in the case of the investment credit, the so-called Long amendment requiring an adjustment to basis has been retained. The reporting system for dividends and interest and patronage dividends rather than the House provision for withholding has also been retained. Moreover, the foreign-income provisions also with only very slight modifications are the same as passed by the Senate. It is in no small part due to the leadership furnished the Senate conferees by their great chairman that it was possible for us to bring back the Senate bill largely in its original form.

The action taken by the conferees will increase somewhat the revenue loss in the fiscal year 1963. The Treasury has estimated that the loss is increased by $490 million if no effect is given to the stimulative effect of the bill. The joint committee staff has estimated that this loss is increased by $615 million on the same basis. This increase in loss occurs almost wholly because the House conferees insisted on making the investment credit effective as of January 1, 1963, rather than July 1, 1963.

On a full year basis the Treasury estimates that the bill will result in a revenue loss of $170 million with no effect being given to the stimulative effect. With this effect the bill would result in a surplus. The joint committee staff estimate comparable to the Treasury loss of $170 million is $550 million.

Mr. President, I ask to have inserted in the Record at this point two tables showing the Treasury and joint committee staff estimates on the bill as agreed to by the conferees.

There being no objection, the tables were ordered to be printed in the Record, as follows:

Estimated full-year revenue effect of H.R. 10650 as agreed to by the conferees

[Millions of dollars]

	As estimated by the staff of the Joint Committee on Internal Revenue Taxation	As estimated by the staff of the Treasury Department
Investment tax credit	−1,340	−1,020
Reporting of dividend and interest payments	+275	+240
Mutual banks and savings and loan associations	+170	+200
Entertainment, etc., expenses	+100	+100
Capital gains on depreciable property	+105	+100
Mutual fire and casualty companies	+25	+40
Cooperatives	+30	+35
Foreign items:		
Controlled foreign corporations	+50	+85
Grossup of dividends	+15	+25
All other foreign items	+25	+30
Secs. 21–26	−5	−5
Secs. 27, 28, 30, and 33	[1] —	[1] —
Total	−550	−170

[1] Less than $2,500,000.

Estimated revenue effect of H.R. 10650 for the fiscal year 1963 as agreed to by the conferees

[Millions of dollars]

	As estimated by the staff of the Joint Committee on Internal Revenue Taxation	As estimated by the staff of the Treasury Department
Investment tax credit	−1,265	−985
Reporting of dividend and interest payments	0	0
Mutual banks and savings and loan associations	+10	+5
Entertainment, etc., expenses	[1] +	+5
Capital gains on depreciable property	0	0
Mutual fire and casualty companies	0	0
Cooperatives	0	0
Foreign items:		
Controlled foreign corporations	0	0
Grossup of dividends	0	0
All other foreign items	+10	+5
Secs. 21–26	[1] −	0
Secs. 27, 28, 30, and 33	[1] −	0
Total	−1,245	−970

[1] Less than $2,500,000.

Mr. KERR. Mr. President the material I shall present next is a summary of the changes made by the conferees in the actions taken by the Senate. If I make no comment on a Senate amendment this means that it was accepted by the conferees and is in the final bill.

Mr. President, in order that my references to the pages and the amendment numbers may be clearly understood and included in the RECORD, I ask unanimous consent to have printed in the RECORD at the conclusion of my remarks a pamphlet entitled "Summary of Senate Amendments to H.R. 10650, Revenue Bill of 1962." This pamphlet summarizes the Senate amendments by number. The pages I refer to are pages in this pamphlet and the numbers are to Senate amendment numbers.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. KERR. Mr. President, the provisions of the bill as approved by the Senate were retained with the following substantive exceptions and modifications.

PAGE 1, AMENDMENTS 11–14—INVESTMENT CREDIT

The conferees rejected the Senate amendment which would have made the investment credit available only with respect to property acquired or constructed after June 30, 1962. Under the conference agreement, this credit will be available with respect to property acquired or constructed after December 31, 1961, as provided in the House bill.

It is the understanding of the conferees on the part of both the House and the Senate that the purpose of the credit for investment in certain depreciable property, in the case of both regulated and nonregulated industries, is to encourage modernization and expansion of the Nation's productive facilities and to improve its economic potential by reducing the net cost of acquiring new equipment, thereby increasing the earnings of the new facilities over their productive lives.

PAGE 2, AMENDMENTS 29 AND 31—ENTERTAINMENT EXPENSES

The conferees rejected the Senate amendment which would have permitted a deduction for entertainment-type expenses which were "associated with" a taxpayer's trade or business and substituted a provision which would allow a deduction for such expense items which directly precede or follow a substantial and bona fide business discussion—including business meetings at a convention—if the taxpayer establishes that such items are associated with the active conduct of his trade or business. The House provision relating to entertainment-type facilities was retained.

The rule of the House bill as described in the report of the Committee on Ways and Means is more strict than the "or associated with" rule of the Senate amendment. The rule of the House bill would not allow deduction of expenditures for entertainment occurring under circumstances where there is little or no possibility of conducting business affairs or carrying on negotiations or discussions relating thereto, such as where the group of persons entertained is large or the distractions substantial.

It is the understanding of the conferees, both on the part of the House and the Senate, that the alternative Senate "or associated with" test as described in the report of the Finance Committee would apply to certain entertaining primarily to encourage goodwill where the evidence of business connection is clear, whether or not business is actually transacted or discussed during the entertainment. The conference agreement would permit a deduction for the cost of an entertainment item, even though the item is not directly related to the active conduct of the taxpayer's trade or business, if the item is associated with it, so long as the entertainment activity directly precedes or follows a substantial and bona fide business discussion. The conditions under which an item is "associated with" the active conduct of a trade or business are contained in the report of the Committee on Finance. The deductibility of other items of entertainment expense, as well as items with respect to facilities, would be governed by the rule of the House bill.

Section 274(a) as agreed to by the conferees will allow as a deduction the cost of entertaining connected with what are primarily business meetings. For example, if the taxpayer conducts substantial negotiations with a group of business associates and that evening entertains the group and their wives at a restaurant, theater, concert, or sporting event, such entertainment expenses, if associated with the active conduct of the taxpayer's business, will be deductible even though the purpose of the entertainment is merely to promote goodwill in such business. Moreover, if a group of business associates with whom the taxpayer is conducting business meetings comes from out of town to the taxpayer's place of business to hold substantial business discussions, the entertainment of such business guests by the taxpayer the evening prior to the business discussions will be regarded as directly preceding the business discussions.

Similarly, if in between, or in the evenings after, business meetings at a convention, the taxpayer entertains his business associates or prospective customers attending such meetings—and their wives—such entertainment will be considered as directly preceding or following a business discussion.

Any entertainment which is a part of substantial and bona fide business discussions, where the conduct of business is the principal activity during combined entertainment and business time spent together by the taxpayer and the person or persons entertained, will be deductible if the expense is associated with the active conduct of the taxpayer's trade or business.

Also, the cost of banquets at meetings of professional and business associations would normally be deductible. As in the above cases, if the expense is associated with the active conduct of a trade or business, it would not be necessary for the person paying for the banquet to attend the banquet himself. For example, a dental equipment supplier would be able to deduct the cost of purchasing a table at a dental association banquet for dentists who are actual or prospective customers for his equipment.

Thus, under the business meal exception contained in proposed section 274 (e)(1), and the conference agreement, the cost of providing food and beverages at most business meetings and banquets would be deductible, as well as almost all restaurant and most hotel entertaining. In neither of the situations covered by the conference agreement nor under the business meal exception is there a requirement that business must actually be discussed in order to get a deduction.

Senators will recall that on the floor of the Senate I indicated that the principal difference between the House entertainment and the Senate entertainment provisions was the description of these provisions in the House Ways and Means Committee report and in the Senate Finance Committee's report. In my judgment the conferees, in the provision they have worked out, have just about split the difference between the House and Senate versions of this provision. I will illustrate that by saying our staff estimates that under the House version, this provision would have raised about $125 million in additional taxes. Under the Senate version our staff estimated that the entertainment provision would raise about $85 million. It was the estimate of the staff that under the language of the report adopted by the conferees, the entertainment provision will raise about $105 million. Therefore, the difference between the two versions of this provision was split as nearly equally as the conferees were able to do it.

AMENDMENT TO SECTION 482 (HOUSE BILL ONLY)

The House receded in this case because the conferees on the part of both the House and the Senate believe that the objectives of section 6 of the bill as passed by the House can be accomplished by amendment of the regulations under present section 482. Section 482 already contains broad authority to the Secretary of the Treasury or his delegate to allocate income and deductions. It is believed that the Treasury should explore the possibility of developing and promulgating regulations under this authority which would provide additional guidelines and formulas for the allocation of income and deductions in cases involving foreign income.

PAGE 4, AMENDMENT 48—MUTUAL SAVINGS BANKS, ETC.

The conferees modified the Senate amendment which limited the deductibility of additions to reserves by mutual savings banks, and other thrift organizations to 12 percent of deposits—the limitation that exists under present law—by providing that this limitation would not apply to taxpayers who computed their deduction for additions to bad debt reserves on the experience method.

PAGE 5, AMENDMENT 50

The conferees rejected the Senate amendment which would have permitted stockholder-owned savings and loan associations to deduct only 50 percent of taxable income as a reasonable addition to their bad debt reserves, thereby equating them with mutual savings institutions by permitting them to deduct 60 percent of taxable income for such additions.

PAGE 5, AMENDMENT 60

The conferees modified the Senate action taken on the definition of a "domestic building and loan association" by revising certain limitations on the investment of assets in a manner which would provide for a proportionate cutback in the otherwise allowable deduction for additions to reserves for losses on qualifying real property loans so long as the Senate bill's 36-percent limitation with respect to other than 1- to 4-unit residental housing and certain other investments is not increased to more than 41 percent. If other investments exceed this 41-percent limitation, the institution will not be treated as a building and loan association. For purposes of these investment limitations, passbook loans and investments in home office buildings would be treated the same as investments in 1- to 4-unit residential property.

PAGE 7, AMENDMENT 85—MUTUAL FIRE AND CASUALTY INSURANCE COMPANIES

The conferees modified the provision exempting underwriting income from tax to make it applicable only to mutual fire and casualty insurance companies receiving gross amounts under $500,000 rather than $600,000 as provided in the Senate bill.

It had been $300,000 as passed by the House.

PAGE 7, AMENDMENT 87

The conferees modified the Senate amendment applicable to mutual companies experiencing underwriting losses to make it applicable only to those companies that experience such losses in each of the 5 years immediately preceding 1962 and by permitting such losses to be carried over and offset only against statutory underwriting gains during the next 5 years.

PAGE 8, AMENDMENTS 95–96

The conferees eliminated the Senate amendment which would have provided a special alternative coverage area rule applicable to concentrated risk companies where the risks involved arose within 400 miles of any fixed point selected by the taxpayer.

They retained the 200 miles limit for concentrated risks, however, which also was added by the Senate.

PAGE 9, AMENDMENT 104

The conferees modified the Senate amendment which would treat mutual flood insurance companies substantially the same as factory mutual companies by providing amendments to insure that these companies and their subscribers would be treated identically.

The bill as agreed to by the conferees treats the subscriber of a mutual flood insurance company in the same manner as a policyholder of a factory mutual is treated under existing law—and under the bill. Accordingly, the subscriber of a mutual flood insurance company may only deduct—assuming the payment of the premium constitutes a business expense—so much of the premium as the company absorbs.

PAGE 11, AMENDMENT 126—CONTROLLED FOREIGN CORPORATIONS

The conferees modified the provisions of the Senate bill relating to the tax treatment of controlled foreign corporations only slightly. It refined the schedule of minimum distributions required by such corporations for varying effective foreign tax rates. Compliance with this minimum distribution rule as under the Senate version will avoid the application of the new rules generally applicable to controlled foreign corporations.

The committee of conference was informed by the Treasury Department of the policy it plans to follow in the granting of rulings under section 367 of the Internal Revenue Code of 1954 in situations in which taxpayers seek to reorganize, during a reasonable period after the enactment of the bill, their foreign corporate structures in response to the enactment of section 12 of the bill as agreed to in conference.

The Treasury Department, for purposes of section 367, will not treat a transaction involving the reorganization of foreign corporate structures as being in pursuance of a plan having as one of its principal purposes the avoidance of Federal income taxes solely by reason of the fact that a principal purpose of the reorganization is to terminate a method of operation which would result in tax to U.S. shareholders under the provisions of section 12 of the bill. In such cases a favorable ruling under section 367 will generally not be denied by the Treasury Department in transactions in which earnings and profits of foreign corporations are carried over to other foreign corporations under circumstances in which there will be no reduction of the U.S. taxes—and foreign taxes—that would be payable on the eventual remittance of such earnings and profits to U.S. shareholders.

Under present administrative rules, where corporate shareholders are involved the Treasury Department generally does not issue rulings under section 367 which permit the tax-free remittance to the United States of earnings and profits of foreign corporations. However, under existing practice a ruling permitting a tax-free exchange is generally given subject to a condition that an appropriate amount be included in the income of the domestic shareholder—thus negating the existence of a principal purpose to avoid U.S. tax. Such rulings will continue to be given even though a principal purpose of the transaction is (1) to terminate the activities of a foreign corporation which would result in tax to U.S. shareholders under the provisions of section 12 of the bill, and (2) to carry on such activities in the future through a domestic corporation.

The conferees recognize that the problems in this area are complex and that particular aspects of the policy as explained above may require qualification and refinement as experience is gained in applying it to particular situations.

The conferees on the part of the Senate called attention to the colloquy in the Senate with respect to the amendment offered in the Senate relating to corporations engaged in producing or selling books or other media of communications, and so forth—see pp. 18598–18599 of the CONGRESSIONAL RECORD for September 5, 1962. The conferees were advised that the substance of this amendment was not within the jurisdiction of the conference committee. However, the conferees have requested the Treasury Department to study this matter and report back next year to the Committees on Ways and Means and Finance.

Mr. President, I continue to summarize the conference report.

PAGE 13, AMENDMENT 145—FOREIGN INVESTMENT COMPANIES

The conferees eliminated the Senate amendment which would have provided that clearance from the Internal Revenue Service under section 367 need not be obtained in the case of a foreign investment company registered with the Securities and Exchange Commission if it is a party to a reorganization in which all of its properties are acquired by a domestic regulated investment company before January 1964. The committee of conference was informed by the Treasury Department that the proposed new subsection was not needed in view of the administrative practices under section 367 of the code, and might therefore imply that such practices are erroneous.

PAGE 15, AMENDMENT 159—GAIN FROM SALES OR EXCHANGES OF STOCK IN FOREIGN CORPORATIONS

The conferees rejected the alternative averaging ceiling limitation applicable to the tax on individual shareholders who sell or exchange stock in foreign corporations.

PAGE 15, AMENDMENT 161—SALES AND EXCHANGES OF PATENTS, ETC., TO FOREIGN CORPORATIONS

The conferees rejected the Senate amendment which would have provided an exception from the general rule that gain on sale of patents to a controlled foreign corporation would be treated as ordinary income rather than as capital gain in the case of transfers of such patents to a foreign subsidiary for use in manufacturing operations of the subsidiary.

The conferees requested the Treasury Department to study and report back on the proper tax treatment of the transfer of patents, and so forth, to foreign subsidiaries which use such property in their own manufacturing operations.

PAGE 16, AMENDMENT 173—REPORTING ON INTEREST, DIVIDENDS, AND PATRONAGE DIVIDENDS OF 10 OR MORE A YEAR

The House receded with only clerical amendments but as a part of the agreement to the Senate amendment, the House and Senate conferees have requested the Treasury Department to make annual reports to the Committees on Ways and Means and Finance on the improvement in the reporting on tax returns of dividends, interest, and patronage dividends as a result of the Senate amendment, with the view that this matter will be reconsidered by the Committees on Ways and Means and Finance if it is determined that there has not been sufficient improvement in the reporting of such income.

PAGE 20, AMENDMENT 197—EXCLUSION FROM GROSS INCOME OF GAIN FROM SALE OF RESIDENCE BY INDIVIDUALS AGED 65 OR OVER

The conferees rejected the Senate amendment which would have excluded from gross income gain realized by a taxpayer aged 65 or over from the sale or disposition of his principal residence which he had occupied for 5 years at the time of sale.

PAGE 21, AMENDMENT 199—SOCIAL SECURITY AMENDMENT RELATING TO STATEMENT OF CLAIMANTS FOR MEDICAL ASSISTANCE FOR THE AGED

The conferees rejected the Senate amendment which would have permitted States to accept as presumptively correct any written statement as to the financial status of a claimant of medical assistance for the aged.

PAGE 21, AMENDMENT 200—FOREIGN SUBSIDIARIES MANUFACTURING PRODUCTS ABROAD FOR SALE IN THE UNITED STATES

The conferees rejected the Senate amendment which would have provided that under certain conditions a foreign corporation would be deemed to be engaged in business in the United States if such foreign corporation were 10 percent U.S. owned and derived more than 10 percent of its gross income from the sale of competitively mined, manufactured, or processed articles which were sold by the foreign corporation for ultimate U.S. consumption or disposition in the United States.

PAGE 22, AMENDMENT 203—TREATIES

The conferees rejected the Senate provision that would have provided that any provision in this bill that contravened an existing tax treaty was not to have precedence over the treaty obligation.

In this connection, the Treasury Department informed the committee of conference that it is its view that there are no conflicts between provisions of the bill and provisions of tax treaties, with one minor exception relating to the real estate clause of the Greek Estate Tax Treaty which the Treasury will seek to have renegotiated before July 1, 1964.

Mr. JAVITS. Mr. President, will the Senator from Oklahoma yield for questions?

Mr. KERR. I yield.

Mr. JAVITS. First, I think it would not have been quite right to allow the conference report to be agreed to without some analysis and discussion of it. A measure which involved many days of debate and exercised the business community of the country should certainly not go through the Senate in 5 minutes. That was the purpose the Senator from Iowa [Mr. MILLER] sought to serve and which I sought to serve in interrupting the proceeding.

I do not ask these questions with any hostile or adverse intent. I intend to support the conference report. However, I think it is important to pinpoint certain of the critical items in it.

First, taking the items in series as reported by the conference, the Senator from Oklahoma said there will be a net gain in revenue by the enactment of the bill. Will that gain be attributable to an excess from the closing of loopholes?

Mr. KERR. Will the Senator show me the statement to which he has just referred?

Mr. JAVITS. It was only my impression of what the Senator said.

Mr. KERR. I don't believe the Senator from Oklahoma made any such statement unless it was with respect to the Treasury full-year effect of the bill taking into account its stimulative effect.

Mr. JAVITS. I thought I heard the Senator use the figure "$105 million."

Mr. KERR. That was in connection with only one amendment to the bill, the provision concerned with entertainment expenses.

The language in the bill which was agreed upon in conference will result in the collection of approximately $20 million more revenue a year than would have the language in the bill as passed by the Senate.

Mr. JAVITS. Is the Senator from Oklahoma prepared to give an estimate of the revenue gain as against revenue diminution by virtue of the passage of the bill?

Mr. KERR. The overall passage of the bill?

Mr. JAVITS. Yes.

Mr. KERR. Nearly everyone connected with our committee and the Committee on Ways and Means, the staff of the Joint Committee on Internal Revenue Taxation, the individual members of the Committee on Finance, and the personnel in the Treasury have come forward with an estimate as to what the revenue result will be by reason of the passage of the bill. I have placed the revenue estimates of the two staffs in the RECORD.

When the bill was before the Senate, the Senator from Oklahoma took the position that in the first year there would be a loss, under the bill, of $200 million; that, in his judgment, thereafter there would be a net gain from the bill.

The latter statement is still the opinion of the Senator from Oklahoma as to the longrun effect.

In view of the fact that the Senate conferees were unable to retain in conference the Senate amendment which made investment credit effective July 1, 1962, instead of January 1, 1962, there will be an additional loss in fiscal 1963 of approximately $500 million.

However, as I said a while ago, in the judgment of the Senator from Oklahoma, after fiscal 1963, because of its stimulative effect, the bill will produce a net revenue.

Mr. JAVITS. Speaking for myself, I shall support the conference report with this estimate, which I gather is in the neighborhood of $650 million to $750 million for the first year.

Mr. KERR. I think it would not be in excess of $970 million for the first year; my judgment is that it would be less.

Mr. JAVITS. I feel, as does the Senator from Oklahoma, that the stimulus of the economy which is represented by the bill is very much worthwhile and will pay us back handsomely.

Mr. KERR. I thank the Senator from New York for his statement. I agree with him.

Mr. JAVITS. I thought it important to pinpoint that item so that there would be no lack of explanation.

In regard to entertainment expenses, I gather that the fundamental thrust of the change was not to use the words "directly related to the conduct of the taxpayer's trade or business exclusively" or the words "associated exclusively", but to do what we lawyers often do—namely, to relate the propriety of the entertainment expense deduction to the fact that the expense was in connection with—whether before or after—income, and so forth, which would be earned. I think that is a fair compromise, in view of the desire to tighten the definition, which those in some quarters felt had been abused; and I do not believe it would materially change the decisions of the internal revenue authorities in regard to the deductions claimed by those who have pursued a reasonable course of conduct in making deductions for the expenses of entertainment with fair relationship to their earning of income or engaging in business.

Let me ask to what extent the conference report allows the deduction of expenses of entertainment in connection with good will.

Mr. KERR. This was the principal work of the conferees, I say to the Senator from New York with respect to entertainment expenses. Expenses connected with the development of good will can be appropriately and legally deducted under the language agreed to by the conferees, provided the expenditure is directly preceding or following a substantial and bona fide business discussion. This includes business meetings at a convention. In such cases the entertainment goodwill is deductible if it is associated with business. Otherwise the expense must be directly related to business.

Mr. JAVITS. Therefore, would the Senator say we are dealing with a matter of hours or minutes or days or with a bracket of time, as it relates to a business deal?

Mr. KERR. I would say that if a business representative is engaged in an effort to expand or further his business or make sales, and if there is a goodwill expenditure at the time of the effort—or I believe the language of the conference report is "directly preceding or following a substantial and bona fide business discussion."

Mr. JAVITS. I notice in the report, the words "directly precede or follow." I am trying to ascertain from the Senator whether there is to be reasonable latitude in terms of a duration of time, provided the taxpayer can show it is directly related to being immediately after or immediately before a discussion.

Mr. KERR. In my opinion that is an accurate statement if the business discussion is substantial and bona fide.

Mr. JAVITS. Men might take a 3-hour or 4-hour automobile ride or train ride before they reached the situs of the entertainment.

Mr. KERR. Yes.

Mr. SMATHERS. Mr. President, will the Senator from Oklahoma yield?

Mr. KERR. I yield.

Mr. SMATHERS. So, as the Senator from New York has said, if the expense is "directly related to," there is no limitation, as I understand, as to hours or minutes, or anything of the sort.

Mr. JAVITS. I am speaking of the way a lawyer would consider this matter; and I wonder whether we are dealing with an event bracket or with a time bracket.

Mr. SMATHERS. It is an event bracket.

Mr. JAVITS. So I believe it will be necessary to prove contiguity with the event, not as regards time.

Mr. SMATHERS. Yes.

Mr. KERR. I believe the report uses the words "directly preceding or following a substantial and bona fide business discussion."

Mr. JAVITS. And that refers to an event, and shows that we are dealing with an event bracket.

Mr. KERR. The interpretation of the internal revenue authorities in this regard will be reasonable.

Mr. JAVITS. I thank the Senator.

I notice that the conference report, in dealing with building and loan associations, a matter of great controversy—is rather heavily weighted on the side taken by the Senate, and that the definition voted by the House, which was considerably restricted, has been considerably yielded in favor of the position taken by the Senate. Is it fair to say that, generally speaking, the Senate view in that regard has prevailed?

Mr. KERR. I would say the definition included by the House was both vague and at the same time relatively severe. The Senator from New York was on the floor of the Senate when the definition which had been written by the Finance Committee was further modified. The conferees further changed the definition, as contained in the Senate amendment dealt with on the floor. The effect of the change was to make it slightly more generous. Also, it provided a reduced deduction for those who did not quite meet the definition but nearly did so. This "near miss" category, however, can only be retained for 2 years at most, for any consecutive period.

Mr. JAVITS. I thank the Senator.

I have two further questions to ask. One of them relates to the problem of controlled foreign corporations under American ownership, and the attempt to include a provision which would be such that American concerns would not thus find themselves at a disadvantage when competing with foreign corporations which would not come under the provisions imposed by this tax bill.

Of course it is impossible for me to deal with all the nuances of this matter; but we have great confidence in the Senator from Oklahoma, and therefore I wish to ask him this question: Was the competitive situation of such American firms in competition with foreign firms reasonably taken into consideration in determining the tax base upon which the controlled foreign corporations should operate?

Mr. KERR. This measure does not touch, taxwise, the operations of a legitimate manufacturing or similar operating corporation in another country which is a subsidiary of a company in the United States. It does, however, tax to U.S. shareholders income from tax haven operations.

Mr. JAVITS. As I have said, we have great confidence in the Senator from Oklahoma, and we accept that assurance. But he will remember that was the principal matter about which the Senator from Minnesota [Mr. McCarthy] and I and other Senators made our fight—namely, the competitive aspect.

From a quick reading of the report, I gained the impression that that is the general thrust of this portion of the conference report.

Mr. KERR. The Senate amendments I offered were intended to enable our concerns abroad to be competitive and the House agreed to these amendments.

Mr. JAVITS. In connection with my last question, I must say that, being the author of the compromise in regard to reporting, I have been quite dismayed by the many protests which have been made by credit unions, which have sent to me, and I am sure, to many other Members of the Senate, telegrams in which they have strongly urged that the reporting provisions which we substituted for the withholding provisions—and I am glad to say that the latter have been deleted from the bill—would be very onerous on the credit unions.

Will the Senator state whether that question was considered by the conferees, and will he state their point of view in that regard?

Mr. KERR. I understand this controversy arose by reason of the provision of the bill, as passed by the House, calling for withholding by the payors of dividends and of interest. I worked out a number of amendments which, in my judgment, would have alleviated any injustice or inconvenience to any taxpayer with reference to whom such dividends or interest earnings did not result in further tax.

That effort, however, availed nothing. Those in opposition to the withholding measure came forward with a reporting requirement providing for the submission by payors of information returns to the Government for interest, dividends, and patronage dividends of $10 or more per person per year, and providing that this same information must also be submitted by the payors to the recipients of interest, dividends, or patronage dividends on an annual basis. Penalties of $10 per return on statement, but not to exceed $25,000 per payor, are provided for failures to file returns with the Government and penalties of $10 per statement but not over $25,000 are provided for failures to submit statements to payees.

Those who had opposed withholding, both as members of the committee and as representatives of industry, who appeared before the committee as witnesses, advocated adoption of an adequate reporting requirement in lieu of the withholding provisions in the bill, and that was done.

I will say to my friend from the great State of New York that, in my judgment, if I had been in the building and loan business, or in the banking business, or in any business paying dividends, or in the regulated investment company business, or in the credit union business, I would have been before the Finance Committee favoring the liberalized withholding provisions, rather than this reporting requirement. But such was not the case.

There were not sufficient votes on the committee to retain the withholding provisions, and there were not, sufficient votes in the Senate to retain the withholding provisions.

When the withholding provisions were eliminated, the Senator from Oklahoma supported the amendment offered by the distinguished chairman of the committee, the Senator from Virginia [Mr. Byrd], who had the support of the majority of the members of the committee.

It may well be a burdensome provision for the payors of dividends and interest. But when the question came to a vote, in committee the withholding amendments were defeated and the committee instead adopted the reporting provisions.

Mr. JAVITS. I, too, opposed the withholding, but is it fair to say that, having accepted an alternative rather than withholding, which the savings institutions and credit unions considered the least worse of the two alternatives, they must live with it? I notice the Treasury has been asked to carefully watch the operation——

Mr. KERR. Yes. I would like to read that language into the Record.

Mr. JAVITS. I think it might help if the Senator heard my question first.

Mr. KERR. Very well.

Mr. JAVITS. I will not read it. I will let the Senator from Oklahoma read it. The Treasury is to watch the operation to see if it wishes any improvement in the reporting of dividend and interest income.

Would the Senator, as a matter of legislative record, be willing to have the Treasury watch it from the point of view of the onerousness of the reporting on the part of segments of the savings industry, including thrift industries, to see what additional revenue has been produced by this provision, and also report if it finds that the reporting requirements which the bill carries bear particularly heavy on any particular section of the thrift industry, and if so, to make recommendations?

Mr. KERR. There is no provision in the conference report for that.

Mr. JAVITS. No, there is not.

Mr. KERR. As the Senator from New York has just indicated, the House and Senate conferees have requested the Treasury Department to make annual reports to the House Committees on Ways and Means and the Senate Committee on Finance on the improvement in the reporting on tax returns of dividends, interest, and patronage dividends as a result of the Senate amendment, with the view that this matter will be reconsidered by the Committees on Ways and Means and Finance if it is determined that there has not been sufficient improvement in the reporting of such income.

In further answer to the question, I think that this subject will be brought before the Congress after this law goes into effect and the payors have had to operate under it. The Senator from Oklahoma accepted the thesis of the chairman of the Finance Committee, that this reporting requirement would produce as much revenue as the withholding requirement. Whether it does or not, I believe it will be more burdensome to those who pay interest and dividends. There is no doubt in the mind of the Senator from Oklahoma that those affected will be before Congress in the next 12 or 18 months, as soon as they have to make the reports once, and will ask Congress to reconsider this decision.

So far as the Senator from Oklahoma knows, the witnesses who appeared before the committee representing the savings and thrift industries and financial institutions and corporations paying dividends, who opposed the withholding tax, generally supported the provision requiring this additional reporting. I talked with a number of the witnesses. I frankly told them that I thought they were getting out of a very comfortable couch into the fire, and not out of the frying pan into the fire; but they assured the Senator from Oklahoma that is what they wanted. If the committee report is adopted and the bill is signed, that is what they are going to get.

Mr. JAVITS. I happen to be one of those who believed that the reporting was superior to the withholding requirement. I thought the withholding requirement, considering our general situation, was not wise. But we are now considering the report. I have no doubt it will be approved. I myself intend to support it.

Will the Senator join with me in the suggestion that the Treasury, at the same time it reports on revenue production, report on the way the reporting system is operating and the way it affects different segments of the thrift industry?

Mr. KERR. I shall be glad to bring it to the attention of the Finance Committee, because I think the suggestion has merit.

Mr. JAVITS. I thank the Senator.

Mr. YARBOROUGH. Mr. President, will the Senator yield for a question?

Mr. KERR. I yield.

Mr. YARBOROUGH. Was any change made by the conference committee in the sections relating to lobbying deductions?

Mr. KERR. No changes were made. That question was not in conference, because after adoption of the amendment of the Senator from Kentucky deleting from the bill, the Finance Committee amendment, the language retained was identical with that passed by the House. So there was no matter in conference with reference to that question.

Mr. YARBOROUGH. Did I correctly understand the distinguished Senator from Oklahoma to say that the first year of the operation under the bill the result probably would show a net loss of about $600 million?

Mr. KERR. That is my judgment. That would be for fiscal year 1963.

Mr. YARBOROUGH. I thank the distinguished Senator.

Mr. KUCHEL. Mr. President will the Senator yield?

Mr. KERR. I yield to the Senator from California.

Mr. KUCHEL. First I wish to congratulate my able friend from Oklahoma, who has assumed a very great responsibility with respect to this proposed legislation and who has performed it in the usual excellent manner which characterizes his work.

Was the text of the amendment which I offered with respect to the Japanese-American problem retained in the bill as the Senate approved it?

Mr. KERR. I say to the distinguished Senator from California with the realization that it will come to him with an impact of pleasure, joy, and pride, that the answer is "Yes."

Mr. KUCHEL. I thank my able friend.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

SO-CALLED TAX RELIEF BILL NOT GOOD FOR AMERICA

Mr. YARBOROUGH. Mr. President, the original purpose of this tax bill was to eliminate undesirable loopholes. At the same time, it was felt by the administration proponents that the sluggish performance of the economy could be stimulated by creating new tax incentives; thus, the investment credit. But what has happened is that many of the loophole-closing provisions have been rendered impotent, and the investment credit provision has been so altered that it will not fulfill its original purpose. President Kennedy asked for a provision that would induce new investment, investment that would not be made in the absence of such a credit. Therefore, the President proposed a 15-percent tax credit on new investment; that is, investment in excess of depreciation. Such a provision was properly designed to provide an incentive to net investment, and thus encourage economic growth, providing that other important factors were favorable.

The President's original proposal has been greatly altered. The investment credit provision, as amended, provides no incentive to net investment. Rather than affording a strong investment-inducing tax credit of 15 percent on net investment, the bill now will give a 7-percent tax credit to gross investment. Business will be given a windfall tax deduction for investment that would have been made even in the absence of a tax credit. This is a windfall that business did not ask for. To their credit, potential large beneficiaries said they did not want it.

The National Industrial Conference Board, reporting on a survey to determine what effect the 7-percent investment credit would have upon capital investment, states:

> Overall, the increase in 1963 outlays expected on account of the investment tax credit may be small in relation to its potential. In more than half of the industries covered, moreover, the imputed difference was less than 1 percent.

Mr. President, there is a need at the present time to stimulate the economy. The recovery from each succeeding postwar recession has been weaker than the one before. But, Mr. President, the economic growth equation is comprised of two equal parts: supply and demand. The most pressing economic growth problem facing the American economy is insuring effective demand. A study by the staff of the Joint Economic Committee makes the following two points:

First. The growth rate in the postwar period tapered off substantially after 1953. Not only was recent history marred by two recessions, but a period of low growth during prosperity also occurred. This low growth during prosperity was due primarily to the slowing down of the rate of growth of demand, particularly the demand for goods.

Second. That a lack of labor and capital did not limit growth during this period is revealed by: (a) Higher unemployment rates, even during the prosperity phase 1956–57; (b) the higher percentage of the labor force which was working part time; and (c) the low and falling rates of capital utilization. The McGraw-Hill index of plant utilization is now at approximately 85 percent. Certain key industries such as steel are even lower.

There is a shortage of investment funds; in 1961 American corporations accumulated nearly $12 billion in liquid assets. In the face of this overwhelming evidence, can we come to any conclusion other than that the problem we must conquer is one of insufficient demand? The investment credit operates on the supply side of the equation. We are treating the healthy patient and ignoring the sick one. What sense does it make to give a business firm an incentive to enlarge or modernize its productive capacity, when there is not enough demand for its product to warrant full use of the capacity it already has?

Increased demand will give business a healthy, natural incentive to expand. Therefore, we should be looking to the lower economic brackets when we consider who should get a tax deduction. In the past 8 years accelerated depreciation allowances and other tax changes have reduced the tax load of corporations by $4 billion a year. During this same period virtually no tax cuts have been given to low- and middle-income groups. The biggest impact upon consumption from a tax reduction comes from these bottom income groups, since these people spend a larger proportion of their incomes than do those in any other category. Almost all of a tax cut for our lowest bracket taxpayer will result in increased spending.

It is utter folly to think about giving an investment credit to business at a time when corporations are increasing their liquidity and are not finding enough demand to use even the capacity they already have. Rather we should attack the source of our problem—insufficient demand, and that can best be accomplished by tax relief for lower bracket individuals.

Mr. President, the bill before the Senate is the very antithesis of that. The bill would worsen the situation instead of help to solve the problem.

We are all hopeful of giving some tax relief next year on the bottom end of the scale, but we must realize now that what tax cuts we give this year will reduce the amount of tax cuts we can make next year for the benefit of the public at large. This year we are frittering away the badly needed tax cut for the people for the benefit of a few groups who do not really need tax relief.

Mr. GORE. Mr. President, will the Senator yield?

Mr. YARBOROUGH. I yield to the distinguished Senator from Tennessee.

Mr. GORE. I wonder what incentive for modernization would be involved in a retroactive tax gift of the investment credit to January 1, 1962.

Mr. YARBOROUGH. I confess that that is a question I am unable to answer. The distinguished Senator from Tennessee will have to find some other source. He could not do it by clairvoyance, because it could not be done by projecting into the future, since the capital improvement would already have been made prior to the time the bill was passed.

The purported object is an incentive to cause capital improvements in the future. As already pointed out, the purchasing power of the people is not high enough to utilize the productive capacity now available.

We will be making a tax cut in the wrong place, in the wrong brackets.

By further illustration, I cite the really horrible example: the provision in the bill allowing a tax deduction for lobbying expenditures.

At the present time the tax laws are neutral with respect to the expenses incurred by the different groups which engage in lobbying activities. This is as it should be; groups which lobby for the purpose of advancing their own self-interest should pay for these activities themselves. They have no right to ask for the financial support of the rest of the economy.

That is what happens when we provide a tax credit for some businesses to send representatives to lobby the Congress. We make the other citizens pay the expense of their lobbying for their own selfish ends.

Section 3 would change all that. Section 3 would give a tax deduction to business concerns for lobbying activities. This tax deduction would be given only to business concerns. The revenue lost from these deductions will have to be made up by the rest of the economy. The average citizen will be forced to pay for the lobbying activities of big business, and further, cannot even take advantage of the deduction himself.

We would deny the deduction to a citizen who wished to write or telephone to a Senator or his Representative about pending legislation—legislation which would quite probably hit the citizen in the pocketbook. We would deny that deduction, and yet allow such an expense to be made tax free by a business that was lobbying. That section of the bill is completely unconscionable.

Those two sections alone—the investment credit and the lobbying deduction—unfortunately vitiate any public interest to be gained by passage of the other provisions of the bill. For the sake of having a reasonably just tax relief bill next year, the conference report should be killed now. Next year, when the public comes clamoring, "Where is the tax cut you promised us in 1962?" I do not desire to be one who will have to say, "We gave it away last year. We gave it away last year to someone who did not need it."

In my opinion, the bill is not a tax reform. It is the opposite. It is tax regression. It would create greater inequities in our tax structure. In effect, it would give tax cuts to the larger financial interests which are not using their productive capacity now, and deny tax cuts to the great body of American citizens.

It has been stated by the chairman of the conference that the bill would result in a net loss of revenue of $600 million in fiscal year 1963.

The bill is not a tax reform bill. It is a bill that would put us $600 million further in the hole for the relief of those who do not need it.

I see no good, no public benefits in the bill to compensate for the loss of revenue and the greater inequity in the tax structure which would result by giving no relief to those in the lower income brackets, but giving more tax cuts to those in the higher brackets. It would not give a tax cut to the buying public. It is based upon a trickle-down theory which is an archaic and outmoded economic theory, not leading to a generally prosperous economy.

Mr. President, I hope that the conference report is rejected. I ask for the yeas and nays.

The yeas and nays were not ordered.

Mr. YARBOROUGH. Mr. President, I suggest the absence of a quorum.

Mr. MANSFIELD. Mr. President, will the Senator withhold his request until we determine whether it is possible to arrive at a time at which to vote?

Mr. YARBOROUGH. I withhold my request. I have no further statement to make.

Mr. MANSFIELD. Would it be satisfactory if we can arrange to vote at or before 5 o'clock?

Mr. YARBOROUGH. Whatever hour is satisfactory to the majority leader is satisfactory to me.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that there be a vote on the conference report at or before 5 o'clock.

Mr. SMATHERS. If no Senator wishes to speak further, perhaps the vote could be taken sooner.

Mr. MANSFIELD. I suggested any time before 5 o'clock.

Mr. SMATHERS. Very well.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana? The Chair hears none, and it is so ordered.

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays on the question of agreeing to the conference report.

The PRESIDING OFFICER. Is there a sufficient second?

The yeas and nays were ordered.

Mrs. NEUBERGER obtained the floor.

Mr. MANSFIELD. Mr. President, will the Senator from Oregon yield?

Mrs. NEUBERGER. I yield.

Mr. MANSFIELD. May I ask how long the Senator believes she will speak?

Mrs. NEUBERGER. Not more than 5 minutes.

Mr. MANSFIELD. Mr. President, will the Senator yield for the purpose of my suggesting the absence of a quorum, without losing her right to the floor?

Mrs. NEUBERGER. I yield with that understanding.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. With the consent of the Senator from Oregon, I should like to ask the attachés of the Senate to notify Senators that there will be a vote between now and 5 o'clock on the conference report on the tax bill.

The PRESIDING OFFICER. The attachés will take note.

Mrs. NEUBERGER. Mr. President, during the initial debate on section 3 of the tax bill, the lobbying expense deduction was sharply challenged by the Senators from Illinois and Tennessee. At that time I was particularly impressed and disturbed by their argument that the deduction would benefit only those private commercial interests which already exercise a disproportionate voice in the legislative process. During the present session, we have had ample opportunity to witness the voice of the consumer struggling to be heard against the broadly financed campaigns of the business giants. The lobbying deduction will only amplify the advantage already enjoyed by the business interests.

Unfortunately, the counsel of my dissenting colleagues remained unheeded and the lobbying deduction is entrenched in the conference report now before us. The deduction is, however, expressly limited to direct lobbying. It is, therefore, important that the legislative history clearly indicate that section 3 disallows deductions for efforts "to influence the general public, or segments thereof."

I have before me a copy of the detailed and exhaustive minutes of a meeting of the timber policy implementation committee of the National Lumber Manufacturers Association held in Chicago on June 14 of this year. These minutes describe the committee's launching of a program of "massive" public indoctrination in the goals of the National Lumber Manufacturers Association.

After preliminary discussion, the committee unanimously adopted the following statement of purpose:

> It shall be the purpose of the timber policy implementation committee to develop widespread support for Federal forest management policies that produce jobs, income, industry stability and prosperous communities by—
>
> (a) Organizing and activating local citizen groups to aid in finding solutions to Federal timber supply problems;
>
> (b) Informing Federal forest dependent communities of the problems of Federal forest management;
>
> (c) Developing community understanding of how such problems affect the well-being of dependent communities;
>
> (d) Encouraging community leaders to inform the Government of their interest in such problems by bringing an informed opinion to bear on public land management policies and decisions;
>
> (e) Encouraging other forest industry associations and other organizations interested in the timber policy problems of the industry to cooperate in carrying forward the committee's program and to undertake such other activities and programs in the interest of purchasers and processors of Federal timber and communities dependent upon Federal timber as may be helpful in maintaining stability for those who buy and process timber from Federal forests, and the communities dependent thereon;
>
> (f) By discussing such problems with Government agencies involved.

The committee also appropriated for the implementation of its program the sum of $55,000.

I am not concerned today with the merits of the National Lumber Manufacturers Association's case. There are, however, significant groups, particularly conservation groups, which take a view of timber policies diametrically opposed to that of the National Lumber Manufacturers Association. It is certain that any expenditures made by these groups in disseminating their views will not be tax deductible, and I should like to make certain that the contributions of individual lumber companies to the timber policy implementation committee's program will be equally nondeductible.

I am probably particularly sensitive about this issue because in my State of Oregon there is a very active group, conservation minded, and interested in having the Oregon dunes established as a national seashore park. Contributions to the support of this avowed lobbying group are non-tax-deductible. The activities of the committee supporting the Oregon dunes are non-tax-deductible. I see an opportunity here for this massive program, which I will ask to have inserted in the RECORD.

It is planned in every detail as a tax-deductible item.

I quote a few paragraphs from this plan:

It sets out the scale of contributions, and how the members of the NLMA will contribute according to the number of board feet they produce. It states:

> It will be possible to begin operations with the funds in hand, but accomplishment of the long-range purposes of the program will depend upon the voluntary subscription of several hundreds of thousands of dollars over a period of several years.

All of this will be tax deductible under our new tax law.

In another place the plan states:

> The series of speeches at service clubs will pave the way for a communitywide rally to which all members of all organizations in the community will be invited by either a telephone squad or a direct mail campaign. It is likely that for an organization such as FACTS where there is no profit motive, arrangements could be made for free use of a grange hall, a lodge hall, or even a high school auditorium.

In another section it states that the implementation of one of the points has assumed greater urgency "because the Secretary, and the Chief of the Forest Service, had failed to take any recognition of the needs of dependent communities."

The assumption is that they must lobby them further.

Then it states:

> The committee members concluded that an intense interest in the industry's problems had been sparked in Congress and the Forest Service had been made acutely aware of the dissatisfaction with its policies and procedures; that the industry had laid effective groundwork and built up a momentum which should not be allowed to die down; and that a program was needed to build up public support which, when added to the industry's efforts, would eventually lead to solution of the problems.

I could go on and on and cite details which the lumber manufacturers have available for presenting their cause before communities and before Members of Congress, before members of the Cabinet, and so forth. My point is that all of this grandiose effort is a tax-deductible item under the new bill.

I ask unanimous consent to have the minutes of this meeting and the prospectus inserted in the RECORD, at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

MINUTES OF THE MEETING OF THE TIMBER POLICY IMPLEMENTATION COMMITTEE, WATER TOWER INN, CHICAGO, ILL., JUNE 14, 1962

A meeting of the timber policy implementation committee was held at the Water Tower Inn, Chicago, Ill., June 14, 1962, in accordance with due notice of call. The meeting was called to order at 9:30 a.m. by Chairman N. B. Giustina, and upon call of the roll, the following members, a quorum, were present:

Representing Western Pine Association, E. C. Rettig, C. T. Gray, Walter W. Black; representing West Coast Lumbermen's Association, Niles B. Hult, R. W. Middleton; representing Southern Pine Association, J. F. Muller, Ralph S. Taggart, Warren Briggs; at large, B. L. Orell, J. D. Bronson, C. M. Hines, N. B. Giustina, Douglas M. Miller.

Others present included Robert Keck and W. E. Griffee. Absent members were Abbott M. Fox and L. L. Stewart.

OPENING REMARKS OF CHAIRMAN

Chairman Giustina briefly outlined the appointment of the committee by NLMA President Arthur Temple, Jr., and stated the purpose of the meeting. He explained that the committee had been requested to implement a public relations program through a "grassroots" organization to activate broad public support of the four points which the industry felt would solve its Federal timber problems. These four points, he added, dealt with allowable cut, timber appraisal procedures, appeals procedures, and proposals for study and revision of Government timber sales contract forms.

After concluding his remarks, Chairman Giustina called upon Mortimer B. Doyle, executive vice president of the National Lumber Manufacturers Association, to give the background of the problem which had led to the appointment of the committee.

BACKGROUND OF INDUSTRY'S FEDERAL TIMBER POLICY PROGRAM

Mr. Doyle recounted the numerous efforts made in the past by various industry groups to bring about parity in bargaining between Federal administrators and members of the industry dependent upon Federal timber. All of these efforts, he stated, had been fruitless and the situation had progressively deteriorated.

Not suceeding in correcting the policies and practices of the Federal timber management agencies which were leading to industry instability and economic distress for the companies and communities dependent upon Federal timber, the National Lumber Manufacturers Association Forest Management Committee, Mr. Doyle said, had studied the matter in detail. The committee, he added, had concluded that industry and community forces must be combined to develop enough strength and influence to impress the Federal agencies of the urgency of the problem. To accomplish this, he said, the forest management committee recommended, and the board of directors at the November 1961 meeting authorized the appointment of an executive council on Federal timber supply.

The council met in December 1961 and developed a five-point program, Mr. Doyle stated. The first four points the chairman had already outlined, he said, and the fifth called for the establishment of a citizens' public information organization to build up grassroots support for the solution of the industry's Federal timber policy problems.

Mr. Doyle than enumerated the developments and actions taken since that meeting of the council which included—

(a) January 19, 1962: National Lumber Manufacturers Association executive committee approved in principle council's first four points and authorized National Lumber Manufacturers Association participation and support of fifth point, if such action were requested by affected regional associations.

(b) February 21, 1962: Four points presented to Secretary of Agriculture and 45 Members of Congress.

(c) Letters from hundreds of lumbermen written to Members of Congress emphasizing seriousness of situation.

(d) March 1962: Western Pine Association authorized $25,000 for point 5, providing National Lumber Manufacturers Association developed an acceptable program within 90 days.

(e) March 12, 1962: National Lumber Manufacturers Association executive committee authorized expenditure of $25,000 for point 5, providing comparable financial cooperation was sought from other groups.

(f) Series of meetings held by National Lumber Manufacturers Association and Congressmen and Senators: April 11, 1962; April 12, 1962; and June 4, 1962.

(g) March 3, 1962: Nine western Senators wrote Secretary of Agriculture supporting industry's position and urging prompt consideration. Secretary replied on April 17, 1962.

(h) May 9, 1962: Having received no reply from the Secretary of Agriculture regarding its February 21 presentation, NLMA board of directors at its 1962 spring meeting reaffirmed its position and instructed President Temple to telegraph President Kennedy urging prompt action on the industry's problems. A reply was received 10 days later from a Deputy Assistant Secretary of Commerce stating that the Department of Commerce and other agencies would conduct a complete study of industry problems and make recommendations for Government consideration and action.

(i) May 24, 1962: Eight Members of Congress spoke on industry's situation on floor of House of Representatives.

(j) June 4, 1962: Major portion of testimony and discussion at hearings before Senate Commerce Committee in Portland, Oreg., was on national forest management problems.

(k) June 11, 1962: Secretary of Agriculture replied to industry's point 4 program.

Mr. Doyle summarized by stating that the industry had made some progress on all four points, but had failed to achieve its main objectives. In view of this, he said, implementation of point 5 had assumed even greater urgency because the Secretary, and the Chief of the Forest Service, had failed to take any recognition of the needs of dependent communities.

He then outlined the task of the committee which, he said, included the following three fundamental steps:

(a) Development and acceptance of a statement of objectives.

(b) Adoption of a comprehensive plan of operation.

(c) Adoption of a preliminary budget to accomplish the objectives of the program in line with the operation plan.

After elaborating on the details of each of these points, Mr. Doyle concluded by stating that if the program were well-conceived, well-financed, and well-executed, it would stimulate action at the local level which inevitably would attain the objectives the industry was seeking.

Following Mr. Doyle's summary of the background of the industry's Federal timber policy program, the committee discussed the resolution adopted by the NLMA board of directors on May 9, 1962, authorizing the program. Question was raised as to the interpretation of the provision that the "committee will cooperate with the regional associations, their members and others to secure broad public support for the program." The members concluded that they should first approve and detail a program and then decide how it should be implemented.

GENERAL DISCUSSION OF PROPOSED PROGRAM

Before taking up specific aspects of the proposed program, the committee read the material in the meeting book which had been prepared by the NLMA staff and informally discussed the suggested statement of purpose, methods of accomplishing objectives, operating policies and procedures and preliminary budget.

The committee members concluded that an intense interest in the industry's problems had been sparked in Congress and the Forest Service had been made acutely aware of the dissatisfaction with its policies and procedures; that the industry had laid effective groundwork and built up a momentum which should not be allowed to die down; that they should take advantage of what had been done; and that a program was needed to build up public support which, when added to the industry's efforts, would eventually lead to solution of the problems.

The committee agreed that it should—

(a) Determine the general approach to the problem.

(b) Decide if the approach should be long range or short range.

(c) Decide if they could develop a program which would produce the desired results.

(d) Determine if they could get adequate financing to carry forward such a program.

(e) Determine the organization and administration of such a program.

Following the general discussion, the committee took up each point of the program in detail.

STATEMENT OF PURPOSE

The committee discussed the purpose of the timber policy implementation committee and the need for a clear-cut statement to serve as a guide in its future operations. During the discussion it was brought out that the whole program should be aimed at securing equity from the Federal Government on timber policies and the purposes and objectives should clearly state and foster this aim.

After detailed discussion of the purposes of the timber policy implementation committee, on motion by Mr. Middleton, seconded by Mr. Rettig, the following statement of purpose was unanimously approved:

"It shall be the purpose of the timber policy implementation committee to develop widespread support for Federal forest management policies that produce jobs, income, industry stability and prosperous communities by—

"(a) Organizing and activating local citizen groups to aid in finding solutions to Federal timber supply problems;

"(b) Informing Federal forest dependent communities of the problems of Federal forest management;

"(c) Developing community understanding of how such problems affect the well-being of dependent communities;

"(d) Encouraging community leaders to inform the Government of their interest in such problems by bringing an informed opinion to bear on public land management policies and decisions;

"(e) Encouraging other forest industry associations and other organizations interested in the timber policy problems of the industry to cooperate in carrying forward the committee's program, and to undertake such other activities and programs in the interest of purchasers and processors of Federal timber and communities dependent upon Federal timber as may be helpful in maintaining stability for those who buy and process timber from Federal forests, and the communities dependent thereon;

"(f) By discussing such problems with Government agencies involved.

"The immediate objectives of the committee shall be the implementation of the four lumber industry recommendations to the Secretary of Agriculture which are: (1) an annual statement of performance standards; (2) a fair appraisal method; (3) a practical and workable appeals procedure; and (4) contract revision, as well as other current timber policy problems, such as ingress and egress, land acquisition by public agencies and other similar matters."

METHOD OF ACCOMPLISHING OBJECTIVE

The committee next discussed how to proceed to carry out its responsibilities and what method for financing the program should be approved. Three alternatives were discussed:

(a) Providing required funds from the National Lumber Manufacturers Association budget.

(b) Additional contributions from the federated regional associations.

(c) Support from individual companies whose future is dependent on a prompt solution of the problem.

During the discussion it was brought out that the National Lumber Manufacturers Association could only finance the program at the expense of other approved activities and projects and that, similarly the regional associations had indicated their budgets were not flexible enough to accommodate additional budgetary expenses at the present time.

The committee, after discussing the matter in detail, concluded that the program should be launched with the funds already available and that continuing support should be on the basis of individual company contributions, and continued support of interested associations. Following discussion of the exact wording of the resolution, including amendments, on motion by Mr. Hines, seconded by Mr. Rettig, the following resolution was unanimously approved:

"In view of the importance of carrying forward promptly and intensively the Federal timber policy program, the timer policy implementation committee approves the establishment and carrying forward of the program on the basis of individual company contributions, together with continued support of interested associations."

OPERATING POLICIES AND PROCEDURES

The committee then discussed what operating policies and procedures would be appropriate to the successful carrying forward of the program. During the discussion it was brought out that although the industry had on many occasions in the past presented its timber management problems to the Congress and the administrative agencies of the Government, it had met with little success in securing solutions to those problems.

Another point made was that it was now apparent that the industry must muster the massive support of the general public in those communities dependent upon the forest based industries. To do this the grass roots strength necessary to achieve policy revisions essential to community and industry survival must be organized and once organized this strength must be exerted at the local level toward apprising elected representatives and Federal administrators of the urgency of prompt and effective action to correct the economic effects of adherence to existing policies.

There was considerable discussion of where the program would be initiated—which areas would be given priority. It was brought out that this program should lead to an approach to the Forest Service which might not directly bear on the four points, but would have important reactions on any future operations in association with the Forest Service. In this connection, it was brought out that if any policy determinations were effected at the national level, every region would benefit, and each local area would feel the results. Therefore, the determination of "priority areas" was not essential to the effectiveness of the program.

Following discussion of the various points which should be included in a statement of operating policies and procedures, on motion by Mr. Bronson, seconded by Mr. Muller, the following resolution was unanimously approved:

"The solution of the industry's problems with Federal agencies is a matter of paramount importance to the companies and communities dependent upon Federal timber. To effectively carry out its responsibility in this connection, the timber policy implementation committee hereby established the following statement of operating policies and procedures:

" '1. The industry must assume fundamental responsibility for solicitation and provision of adequate financial support from principals and companies concerned with Federal timber policy problems.

" '2. The committee will provide guidance in the selection of communities in which basic organizational activities are to be carried forward by the staff and nominate for enlistment in the program citizens in each community who are aware of the correlation between forest-industry operations and community prosperity.

" '3. The committee will undertake, within the policies and directions of the National Lumber Manufacturers Association board of directors, to guide the evolution of the program, determine its scope and emphasis and to provide such other direction as may be requested by the executive vice president of National Lumber Manufacturers Association.

" '4. It will be the responsibility of the staff to carry out, under the direction of the executive vice president, programs and activities approved by the committee as contributive to the principal objectives of the committee and to develop additional projects and associated efforts for consideration by the committee. In this connection, the staff will be charged with conceiving, developing, and executing programs designed to establish, as rapidly as possible, in key areas, strong local groups comprised of business, professional, and other community leaders and providing such groups with printed and visual materials enabling them to conduct effective action programs among their fellow citizens. Such organizations, programs, and instructional materials shall be aimed specifically at informing the general public of its stake in Federal timber policies.

" '5. In accordance with its bylaws and the authorization of the board of directors, National Lumber Manufacturers Association will furnish, at cost, the services and facilities required in the program.

" '6. To carry forward its program speedily and effectively, the timber policy implementation committee solicits the active cooperation, support and assistance of the federated associations, all producers and other organizations, companies, and individuals susceptible wholly or in part to the influence of the Federal timber policy programs with which the timber policy implementation program is concerned.' "

ADMINISTRATION OF THE PROGRAM

The committee discussed the administration of the program and the most practical way of accomplishing the job to be done. It was suggested that the program be handled as a special project under the auspices of the National Lumber Manufacturers Association.

During discussion it was brought out that establishing the program as a special project under NLMA in no way precluded solicitation of funds from nonmember companies nor contributions from affiliated or other associations or groups. It was also pointed out that setting up the program in this manner put the committee in the clear position of moving in any direction it desired without having to go through formal approval by another group, just so long as its activities did not conflict with National Lumber Manufacturers Association approved policies.

Following discussion, on motion by Mr. Rettig, seconded by Mr. Hines, the following resolution was unanimously approved:

"The administration of the timber policy implementation committee shall be a special project of the National Lumber Manufacturers Association."

BUDGET

The committee discussed what budget should be provided for the timber policy implementation program. Mr. Doyle outlined a preliminary budget for the committee, which he said would provide the maximum program activities and require the services of five full-time and four part-time employees.

During the discussion which followed, it became evident that members of the committee were agreed that it would be better to start the program off modestly. In discussing the details of the National Lumber Manufacturers Association accounting procedures, it was pointed out that the association's fiscal year runs from December 1 to November 30 of the following year, and establishing a June-to-May fiscal period for the committee would create some difficulties as far as the National Lumber Manufacturers Association bookkeeping was concerned.

The following suggestions were offered for the committee's consideration:

(a) That a preliminary first budget for 6 months (to November 30, 1962) of $30,000 be approved to get the program underway.

(b) That the committee schedule a meeting at the time of the National Lumber Manufacturers Association annual meeting (November 1962) to consider next year's operations, including a 1963 budget.

(c) In the interim, ascertain the probable amount of support available from individual companies, associations and others.

(d) Members of the committee in the meantime study and digest the full recommended program so they would be informed of its proposed activities and could make suggestions at the November meeting.

After discussion of the budget requirements of the program, on motion by Mr. Taggart, seconded by Mr. Hines, the following resolution was unanimously approved:

"That the program be inaugurated with the understanding that there is now available the sum of $55,000 for the expenditure; that expenditures between now and November 30, 1962, not exceed $30,000; that a program and funding effort be developed within 30 days and presented to the industry for consideration and attitude; and that, based on such industry attitude toward funding on a yearly basis, a final yearly budget be formalized at the time of the National Lumber Manufacturers Association annual meeting in November 1962."

Members of the committee expressed the desire that the experienced National Lumber Manufacturers Association personnel who had been working on this program be made available for advising and counseling the committee, consistent with their other duties and responsibilities and with appropriate costs charged to the committee. Mr. Doyle assured the committee that this would be done.

Following approval of the budget, each member of the committee expressed satisfaction with the program. There was general agreement that the program, as approved would be acceptable to the federated associations and the industry.

ADJOURNMENT

There being no other business, the meeting was adjourned at 5 p.m.

MORTIMER B. DOYLE,
Committee Executive.

PROSPECTUS FOR TIMBER POLICY IMPLEMENTATION COMMITTEE PROGRAM

THE OBJECTIVE

The timber policy implementation program is designed to acquaint forest-based communities with the economic and regulatory factors affecting the lives and futures of their citizens and to influence them to insist that the executive branch of Government bring about parity in industry-Government bargaining, particularly with respect to industry proposals involving (1) sale of the allowable cut from the national forests; (2) realistic timber appraisals; (3) administrative and judicial appeals procedures; (4) timber sales contract form.

In addition, the committee will undertake to explain the impact on communities of other timber policy problems, such as ingress and egress, land acquisition by public agencies and other similar matters.

Communities dependent upon Federal timber for fundamental industrial employment must be made aware of their own stake in the continued operations of firms engaged in logging and the production of lumber and wood fibers.

Present Federal timber sales policies exert an influence on the lives of every man, woman and child in each such community. If responsible citizens of those communities are made conscious of the threat to community existence by Federal Government adherence to unsound policies they will, at the local level, tend to demand corrective action by their elected representatives.

In the past there has been no continuous, nationwide, coordinated effect on the part of the forest industries to acquaint residents of dependent communities of these facts nor to solicit their support of industry programs for correction.

The increasing unemployment in the forest industries and the advantage of discussing the issues in terms of continued employment give the overall effort a sense of urgency which should not be underrated. Similarly, since most of the communities involved derive their principal revenues for all their goods and services directly or indirectly from the forest it will be possible to arouse positive action by all citizens and not only those directly employed by the forest industries. Local press, radio and television outlets, local elected officials, service clubs and other community spirited organizations and citizens should react positively to an effort which is designed to strengthen the economic base for their own community.

THE BASIC PLAN

It is planned to conduct the timber policy implementation program on a national basis, concentrating initially on the creation of a network of local action committees in communities which depend heavily upon Federal timber for their economic stability.

DETERMINING THE ORGANIZATIONAL TARGETS

There are two fundamental ways to proceed in organizing the local committees. The first envisions the establishment of citizens committees in cities and towns which are largely dependent upon Federal timber and upon the payrolls resulting from the logging and conversion of logs into manufactured items. The second contemplates the analysis of political geographic units which derive direct benefits from the sale of Federal timber and which afford a primary opportunity for direct assistance to Government representatives while, at the same time, reducing the organizational burden.

In the first instance, where sawmill towns are principally involved, the community leaders, in most instances, may be directly identified with the logging or sawmill operators. If such individuals assume fundamental leadership for the campaign, the project may be attacked by the opposition on the basis that it is self-serving and is a means for the operators to strengthen their own position by using the community. Such opposition would reduce the basic effectiveness of the program since much time and effort would be spent in defending the integrity of the program while its main objectives would suffer. In the second instance, however, using county seats in Federal timber areas as the basic organizational unit it would be possible to identify with the public interest from the outset and win the support of elected county officials as well as teachers, lawyers, doctors, and other professional people with the mill operators participating as interested local citizens with special knowledge of the problem.

The county is the basic Government unit which derives direct financial return from Federal timber sales which is earmarked for building roads and for public education. Similiarly, county seats afford an opportunity to make use of such newspaper, radio, and TV facilities which may exist in forested areas. It appears logical on that basis to concentrate on the county seats in forested areas as the first places in which to organize local action committees.

While there are approximately 6,000 communities in the United States having a population of 2,500 or more (based on the 1960 census) there are only 3,072 counties in the United States plus 24 election districts in Alaska. These latter 3,000 political units would require screening against Federal timber involvement to determine areas of initial concentration for organization. Taking the Pacific Coast States as an example, California has 58 counties; Oregon, 36; and Washington, 39. By concentrating organizational work initially on county seats, it would be possible to establish basic units in only those communities having a direct relationship to timber sales among the 133 potential communities. Similar examples can be found in the South and Midwest. If, on the other hand, a decision were made to establish action groups in forest-based communities having 2,500 or more population in those three States, California would require screening of 386 potential communities, Oregon, 61, and Washington, 84, for a total of 531, or nearly four times the number of county seats.

There is an interesting political phenomenon concerning county seats which may have a direct bearing on the success of concentrating the organizational effort in those communities. All seven Members of the Washington delegation in the House of Reprepresentatives and both Senators from that State reside in six communities which are county seats. Three of the four Oregon Congressmen and both Senators from Oregon also reside in county seats. Eighty percent of the present Members of the U.S. Senate reside in county seats.

Step one of organizing the implementation program must be to analyze the counties of the United States to identify those counties which have a substantial interest in Federal timber sales. Then the place of residence of each Congressman representing such a district would be checked against the county seats of those counties, and the residences of all Senators would be checked against county seats within forested States. The final determination of county seats meeting any of these criteria would provide the community list for initial organization. It would be desirable, of course, to ascertain simultaneously the counties where all Congressmen live as a basis for phase 2 of the organizational effort.

Those communities dependent upon the forests in which national legislators reside would receive top priority for the initial organization. It follows then that attempts would be made to organize all county seats in areas having Federal forests.

As each local group is formed in a county seat it would be assigned the responsibility of establishing similar groups at other cities, towns, and villages within the boundaries of the county with the presidents of all groups comprising a county action committee.

ADOPTING AN IDENTITY

Although the overall project will be identified by the name of the responsible committee within the National Lumber Manufacturers Association, the timber policy implementation committee, it will be essential to adopt an identifying name for local action groups which has the threefold advantage of being significant when written in its entirety, meaningful when abbreviated to its key initials, and easy to remember once it has been heard or seen and established in the minds of both people in the community and the elected officials who will be the ultimate targets of the group's action.

Many current successful action groups have one-word abbreviations for longer titles such as COPE, MEDIC, CARE, HELP, AID, and ACTION.

The local action groups of the timber policy implementation committee will be known as the committee on Federal and community timber supply. The short form will be FACTS.

This designation will serve to remind the community that the actions of the group will provide FACTS with respects to the local economy; that the function of the group is in the interest of community information without being either politically or selfishly inspired; and that identification with the program will enable the entire community to improve its outlook and opportunity.

An easy-to-remember designator which has significance when related to the basic name of any organization is a great asset in making the general public aware of the organization and what it is doing.

LAUNCHING THE PROGRAM

Basic to undertaking a community action program of any kind is adequate funding.

When it has been determined what the communities are which can yield the greatest potential results from being organized, it will be necessary to alert forest-based industries having a need for Federal timber in those areas and solicit their finanical support as well as advice with respect to local leadership.

Consideration must be given in each community situation to the advantages and disadvantages of having local committees directed by forest industry managers. In some communities direct leadership of the program by officials of lumber companies, for instance, might be misconstrued by the very people it is desired to enlist. In other communities such lumber leadership would be absolutely essential. Each community must be studied to determine the best leadership approach. In general it is considered that the program would be best served by having forest industry firms provide nominations of doctors, lawyers, teachers, clergymen, club men and women, elected officials, and other community opinion leaders who have demonstrated an understanding of the correlation between community economic health and a strong forest industry. Direct contacts with these people will be conducted personally by timber policy implementation committee program staff representatives during the active organizational phase.

FUNDING THE CAMPAIGN

The board of directors of National Lumber Manufacturers Association, in adopting the resolution relative to the Timber Policy Committee of National Lumber Manufacturers Association made available to the Committee the funds subscribed in support of its activities and authorized solicitation of funds from the regional and other interested associations and individual companies when the committee has prepared and submitted an acceptable plan, including a budget.

Current National Lumber Manufacturers Association funds available total $25,000, but the Western Pine Association Directors have authorized expenditures of $25,000 and the Southern Pine Association, $5,000 to support an acceptable Federal timber policy implementation program.

It is contemplated that direct solicitation of funds from purchasers and processors of Federal stumpage, including all segments of the forest products industry, pulp and paper, plywood, railway ties, and other forest manufacturers, and lumber manufacturers will be undertaken with rates established on the basis of volume of Federal timber purchased last year by each supporter.

The scale of contributions recommended is as follows:

	Annual dues
Quantity of Federal timber purchased:	
Less than 5,000,000 board feet	$100
5,000,000 to 10,000,000 board feet	500
10,000,000 to 25,000,000 board feet	1,000
25,000,000 to 50,000,000 board feet	2,500
50,000,000 to 100,000,000 board feet	5,500
Over 100,000,000 board feet	10,000

Based upon an analysis of purchases of Forest Service stumpage by the 200 largest buyers, the scale of contributions would provide with good support of those buyers, the necessary annual budget of $145,000.

Funds such as those required to support this venture will not be obtained by direct mail solicitation alone. It will be necessary for principals, who themselves are contributors, to arrange personal or phone interviews with the principals of prospective donors and sell both the concept and the program. Large sums cannot be obtained through solicitation by members of the staff.

A fund solicitation committee of five industry principals will be established for each volume category of Federal timber purchasers and will conduct direct solicitation personally, by telephone, and by mail among firms purchasing Federal timber in the same volume as the individuals soliciting the contributions. This technique will assure that small, medium, and large operators will be reached by businessmen who share similar problems with respect to Forest Service timber policies and who will thus be more convincing salesmen of the concept of participation.

It will be possible to begin operations with the funds in hand, but accomplishment of the long-range purposes of the program will depend upon the voluntary subscription of several hundreds of thousands of dollars over a period of several years.

THE CAMPAIGN

Essentially the function of the staff will be to provide community leaders, and through them the public at large in forest-based communities, with information and guidance with respect to the effect of Forest Service timber policies on the economic well-being of their communities and of their fellow citizens. The means for accomplishing this task are limited only by the available funds and staff.

A fundamental program is that of organization within key communities to provide the timber policy implementation committee and the staff with a leadership of hardworking, knowledgeable people to represent the community's point of view in public forums, community meetings, and various sessions with local, State, and National officials and lawmakers.

As indicated, it will be necessary to assemble the names, interests, and capability factors of key residents of affected communities and to determine an itinerary for a staff member to methodically tour the regions and undertake the establishment of local action committees.

The staff representative will be armed with a well-conceived simple visual presentation, supported by reading material so that he can make a presentation to key leaders in a small, informal session designed to acquaint them with the facts. A more elaborate, sound-color filmagraph or motion picture should be developed to explain the issues, demand the action, and describe the results of success or of failure to larger audiences. The organization of a local conference on the subject should be the obligation of the local committee with a staff member arriving to conduct the session and describe the work of the group.

The staff will be obliged to develop a series of patterned speeches, news stories, radio scripts, and television materials for use by the local group in arousing community interest in a mass meeting to consider the problem. Sample kits of this material will be available at the first meeting of each local organizing group and will be prepared in such a way that it can easily be converted for use in each locality.

It is essential that the local chamber of commerce, which has ready access to local statistics with respect to employment, payrolls, industry, and other community economic and population statistics, be approached immediately after the local group has agreed to undertake the local program. Basic information of this kind, carefully melded into the basic news and feature material for all media will help materially in alerting local citizens to their dependency on forest industries and spur their interest in supporting the efforts of the local committee.

Immediately after announcing the creation of the local committee, the fact that it has met, and the outline of the program it proposes to carry forward for the local community, it will be essential to involve the local radio, TV, and newspaper outlets in a planned sequence of editorials, feature articles, TV panel shows, radio interviews, and similar public service activities acquainting the general public with the facts and recommending that they interest themselves in the battle being fought in their behalf.

On a predetermined time schedule, probably a month following the initial meeting, arrangements should be made for a speech bureau which will provide qualified speakers on each of the four points who can explain the ramifications of each and relate it to the needs of the immediate community.

Once again, the local committee should take the lead in providing opportunities for the speakers to make appearances through the service clubs of the area. Speaking dates before service clubs in smaller communities provide a potential three-way impact: To the captive audience at luncheon or dinner; to the reading public where detailed accounts of such addresses are frequently published, when a text is provided the editor in advance; and through radio which frequently carries live remote broadcasts or tapes the speech and plays it over the air in prime time.

The series of speeches at service clubs will pave the way for a communitywide rally to which all members of all organizations in the community will be invited by either a telephone squad or a direct mail campaign. It is likely that for an organization such as FACTS where there is no profit motive, arrangements could be made for free use of a Grange hall, a lodge hall, or even a high school auditorium.

It will be necessary for a staffman to arrive in the community several days in advance of community rally to assist local leaders to develop an audience. Where possible, it would be desirable to have congressional representatives on hand to speak in favor of the overall program. It will be equally desirable to invite the chairmen of both the county Democratic and Republican committees to sit on the platform and thus demonstrate the nonpartisan nature of the issue. The image of community solidarity would then become apparent. Sufficient advance notice of this kind of ideal situation would enable the staff to alert national news magazines and picture magazines in addition to the wire services for a full-scale "grassroots" economics story, which are few and far between.

Immediate attention will be given to the development of a leadership manual for use in the local committees to provide detailed discussions of each of the four points, and other timber policy issues, questions and answers, membership campaign information and techniques, fund solicitation information for local projects and programs, and outline for the local campaign and how-to-do-it information, a description of methods for influencing community opinion molders, and a primer concerning community programs and how they should be operated for maximum success.

Basic issue pamphlets will be prepared and will be designed to provide for imprinting of the name of the local committee and localization to as great an extent as possible.

In addition, more comprehensive discussions of each point at issue will be developed for use of community discussion group leaders and others who desire more detailed information.

It is essential in any national campaign, involving local action groups, that local workers be identified with a nationwide effort and share, if only vicariously, in the limelight of national identity. For that reason, it might be desirable at a later time to establish a clipsheet to appear monthly with photos and to be distributed in bulk to local committees for distribution. Each editor in participating communities will be included on the mailing list, not only for the newspaper but for all releases originating from the national oragnization.

A clipping service should be hired to provide measurement of coverage throughout the campaign. Not only will such clippings provide a valuable historical record, but much of the editorial content for the organization clipsheet could be based on the stories occurring at widely separated locations in the United States. Nothing makes a volunteer organization work harder than knowledge that its efforts are being given national recognition and a spirit of competition, created through this means, spurs the entire program.

Consideration should be given eventually to a countywide rally, a statewide rally, and a national rally of individuals representing the organization throughout the country. It would be appropriate at such a national event to have prominent industrialists and public officials recognize the impact of the program and measure its effects.

In addition to the monthly clipsheet, it is considered desirable to undertake publication of a weekly newsletter which will be published on a limited basis for the information and guidance of leaders in each community. It will consist largely of up-to-date information of negotiations with public officials in Washington, quotable quotes from congressional sources, advice on procedures, and a catalog of available materials such as pamphlets, brochures, feature articles, and similar material.

CHRONOLOGICAL ACTIVATION PLAN

1. Approve basic plan, budget, and organization.
2. Employ basic staff.
3. Prepare prospectus.
4. Distribute prospectus, solicit and obtain funds.
5. Determine target communities.
6. Build list of prospective community leaders.
7. Prepare leadership manual, visual presentation, and associated scripts, news stories, pamphlets, and brochures for initial group meetings.
8. Acquire western regional manager.
9. Prepare itinerary for organizational meetings.
10. Develop sound-color filmagraph or motion picture providing detailed information concerning program and community involvement.
11. Develop pamphlet to be distributed to all seeing film.
12. Announce national organization in all media.
13. Arrange first group meetings.
14. Concentrate on development of materials for speakers bureau.
15. Initiate weekly newsletter.
16. Organize initial community rallies.
17. Contact national officials of employee groups, enlist their endorsement of program and participation by locals. Follow on with Grange, Farm Bureau Federation, Hoo-Hoo, and similar groups.
18. Sustain program in all aspects providing new and different material on a regular basis to each organized community.

Staff Organization and Functions

The timber policy implementation committee will be staffed and administered under the existing industry relations division of the National Lumber Manufacturers Association, with separate accounting and financing, but bearing its appropriate share of administrative and service costs.

The timber policy implementation committee program will be coordinated with present programs conducted by the industry relations division, benefiting from the staff personnel already available but retaining a separate and distinct identity.

The chief forester of NLMA will serve as a special adviser to the committee.

Staff personnel—timber policy implementation committee. Director for community programs and manager, eastern region: Under the direct supervision of the director, industry relations division, he will conceive and execute projects and programs to achieve the purpose of timber policy implementation, will directly supervise the personnel under his jurisdiction, and will conduct organizational activities within the States east of the Mississippi River.

Secretary to the assistant director for community programs will perform all duties appropriate to the position including the maintaining of appropriate files, records, and procedures as required.

Manager, Pacific coast region will conduct organizational activities within the States of California, Oregon, and Washington and will operate from a city centrally located in the region under his jurisdiction.

Manager, Rocky Mountain region, will conduct organizational activities in the States of Idaho, Montana, Arizona, New Mexico, Colorado, Wyoming, Utah, South Dakota, and Nevada, and will operate from a city centrally located in the region under his jurisdiction.

Manager, editorial services department will provide all written materials required for accomplishment of the programs and projects undertaken by the timber policy implementation project including, but not limited to, editorials, pamphlets, brochures, news stories, feature articles, speeches, manuals, scripts, and photographic materials.

Secretary to manager, editorial services department will perform all duties appropriate to the position including maintenance of appropriate files, records, and procedures, including the historical records of accomplishments.

National Lumber Manuafcturers Association will provide the balance of timber policy implementation committee staff activities with appropriate charges to the timber policy implementation committee.

The **PRESIDING OFFICER.** The question is on agreeing to the conference report on the tax bill.

Mr. KERR. Mr. President, I wish to read from the letter of the Secretary of the Treasury with reference to the investment credit provision in the bill before the Senate:

> The central element of the President's recommendations was the need for an incentive for investment in machinery and equipment that would stimulate a higher rate of economic growth and better enable our industry to compete in markets at home and abroad. The investment credit contained in this bill will operate as a powerful stimulus to investment. In combination with the Treasury's recent administrative reform of depreciation, the credit will, at long last, give to American business tax treatment on new investment in machinery and equipment approaching that of its chief competitors in Western Europe, Canada, and Japan. Its adoption will constitute a major advance toward our national goals of greater economic growth and the increased productive efficiency and competitiveness necessary to a solution of our balance-of-payments problem.

Mr. President, it is the opinion of the Senator from Oklahoma that those who take the position that the investment credit provision in the bill will not result in a great stimulant to our economy, that it will not result in the encouragement of expansion and modernization, and thus make a more efficient productive complex of our industrial structure, either have not read the bill or do not understand it.

We have listened to many who talked about a recession which was to have begun in August or September. The fact is that every economic indicator now coming to public attention shows that our production is running ahead of a year ago; that our construction outlays are at an all-time high; that the production of steel increased 3 percent last week over the preceding week and that it was the third consecutive weekly increase; that the production of automobiles is 30 percent above what it was a year ago.

Also, I noticed a statement by the chairman of the board of the American Telephone & Telegraph Co. to the effect that new telephone installations were running 7½ percent ahead of a year ago.

In the judgment of the Senator from Oklahoma, a substantial part of the evident increase in our economic production, a substantial part of the improvement in our economic structure in the last 6 to 10 weeks—as related to the time immediately preceding that and as compared with a year ago—is directly attributable to the investment credit.

Mr. GORE. Mr. President, will the Senator from Oklahoma yield?

Mr. KERR. I yield to the Senator from Tennessee.

Mr. GORE. To what would the Senator attribute an incentive to investment? How would the application of the investment credit, which is tax reduction, to January 1, 1962, provide incentive for improvement?

Mr. KERR. There is no Member of the Senate better qualified to answer that question than the Senator who asked it. He is just as aware as is the American industrial and economic community of the fact that the House held hearings on this proposal much of last year; that the House passed a bill early this year which included the investment credit provision; that the House-passed bill provided an effective date of January 1, 1962, for the application of investment credit.

It is the opinion of the Senator from Oklahoma, substantiated by the evidence from countless numbers of representatives of industry, that they had proceeded throughout the year in the development and expansion of their investments with the expectation that the investment credit would be available.

Rather than this provision being in the posture of creating an impetus retroactively, it is but carrying out the expectation of the American industrial workshop throughout the year, as to the result, and the treatment, of their expenditures for new equipment and modernization of old equipment.

Mr. GORE. Mr. President, will the Senator further yield?

Mr. KERR. I yield for a question.

Mr. GORE. Is it a correct understanding of the Senator's answer that the retroactive application of the investment credit is not, in fact, an incentive, but is a reward for what has already been done?

Mr. KERR. The providing of a proposed incentive which is acted upon affirmatively by the beneficiary of it, by reason of its having been proffered, might well be interpreted as being a reward when it materializes; but that is a result after the fact. The stimulant was the productive cause before the fact.

The Senator from Oklahoma, believing in the investment credit provision, and believing that it is a stimulant, certainly would be the first to acknowledge and the last to deny that the receipt by the investor of the investment credit comes as a reward. A reward for what? For having responded to the stimulant of the promise of the credit by moving to expand his productive facilities or to modernize them in response to the stimulant that was offered.

So I say to my good friend from Tennessee, if he succeeds in establishing that this investment credit is a reward to those who have expanded their productive facilities, he will have proved the case that it is effective in bringing about such expansion and such modernization.

Mr. GORE. Mr. President, will the Senator further yield?

Mr. KERR. I yield for a question.

Mr. GORE. If the reward or windfall goes to those who did not make such an investment because of the proposed investment credit, would the Senator give the same answer with respect to them?

Mr. KERR. The Senator from Oklahoma does not care to discuss or speculate on a legislative impossibility. The Senator from Tennessee is an authority on the Constitution. He knows that legislation must be general in application in order to conform to the Constitution.

The Senator knows—being a student of the Bible—that it rains on the just as well as on the unjust; and certainly some of those who will benefit from the investment credit might have made their investments without the credit. The legislation cannot be made applicable only to those who made their investments by reason of the credit, since this is general legislation, and must be made applicable to all who make investments. Moreover, we cannot look into their minds to see what they would have done in the absence of a credit.

SUMMARY OF SENATE AMENDMENTS TO H.R. 10650—REVENUE BILL OF 1962

(Prepared for the use of the House and Senate conferees on the revenue bill of 1962 by the staff of the Joint Committee on Internal Revenue Taxation, September 20, 1962)

[Number of Senate amendment and description]

1. Clerical conforming change.
2. Technical drafting change.

II. INVESTMENT CREDIT

3. Clerical conforming change.
4. Conforming change to No. 5 below.
5. This provides a 3-year carryback of any investment credit which because of the limitation cannot be used in the current year. The 5-year carryforward which was in the House bill is retained. The credit may not be carried back to a year ending before June 30, 1962, and for years beginning before that date a proration rule in effect limits the carryback privilege to the portion of the year occurring after June 30, 1962. The revenue effect of this amendment is believed to be negligible. This is a committee amendment.
6. This provides that where property is lost or destroyed as the result of a casualty or is stolen and is insured, reinvestment of the insurance proceeds in replacement property is not to be eligible for the investment credit. This is designed to eliminate the allowance of a credit where the taxpayer has made no contribution of additional funds toward the acquisition of new property. This reduces the revenue cost of the credit by $25 million. This is a committee amendment.
7. Conforming amendment to No. 5 above.
8. Conforming amendment to No. 5 above.
9. Conforming amendment to No. 6 above.
10. This provides that the purchase of livestock is not to be eligible for the investment credit. This was provided because they are not included in the category of property resulting in ordinary income (to the extent of depreciation deductions) at the time of sale. This is expected to result in a revenue gain of less than $5 million a year. This is a committee amendment.

11, 12, 13, and 14. This provides that the investment credit is to be available only with respect to property acquired or constructed after June 30, 1962, rather than on or after January 1, 1962. This has no full-year revenue effect but reduces the cost of the credit in the first fiscal year by $650 million. This is a committee amendment.

15. Conforming amendment to No. 6 above.
16. Conforming amendment to No. 5 above.
17. This deletes the requirement of the House bill that in order to shift the benefit of the investment credit from the lessor to the lessee the lessor must be engaged in the business of leasing property. This is intended to avoid the problem of having to determine whether a lessor is engaged in the business of leasing. This change has no significant effect on revenues. This is a committee amendment.
18. Technical drafting change.

19, 20, and 21. This change, known as the Long amendment, provides for the reduction of the amount on which depreciation may be taken in the case of assets eligible for the investment credit by the amount of the investment credit allowable. Where a taxpayer purchases a $100 asset, for example, $7 of this may be allowable as a reduction in tax in the form of a credit. In such a case, this provision limits the depreciation which may be taken with respect to this $100 asset to $93 instead of the $100 presently available. If because of the limitation on the credit, this full $7 cannot be taken as a credit in either the current year or in any of the years in which this may be carried, then the taxpayer is allowed a deduction to the extent this credit is not used in computing his income to compensate him for the depreciation deduction lost. In the fiscal year 1963 it is estimated that this will result in an increase in revenue of $25 million and in a full year in the immediate future a revenue gain of $95 million. If it were assumed that there were no growth in investments, however (and apart from the advantage gained by the taxpayer in recovering his cost more quickly), this provision would ultimately reduce the revenue cost of the investment credit by one-half. This is a committee amendment.

22. Clerical conforming change.

23. Conforming amendment to No. 5 above.

24. Conforming amendment to Nos. 19, 20, and 21.

25. Clerical conforming amendment.

26. Clerical conforming amendment.

27. Clerical conforming amendment.

28. Conforming amendment to Nos. 11, 12, 13, and 14 above.

IV. ENTERTAINMENT EXPENSES

29, 30, and 31. The amendment, by adding the words "or associated with" modified the House bill as reflected in the report to permit the deduction of certain expenses for goodwill.

The House report interprets the words "directly related to the active conduct of a trade or business" as limiting entertainment expenses (1) to those cases where there is more than a general expectation of deriving income at some future time; (2) to those expenses which occur under circumstances where there is at least some possibility of conducting business affairs or negotiations or discussions; (3) to those where the taxpayer or his representative is present at the entertainment activity; and (4) to those cases where the group of persons entertained is not large or the distraction is not substantial. Reference to the allowance of goodwill expenditures in the House report (except in the case of specific exceptions) is limited to goodwill expenditures in a hospitality room at a convention.

The Senate report indicates that expenses are not to be disallowed merely because they are incurred for the purpose of generating business goodwill. The Senate report indicates that no deductions for entertainment expenses would be allowed for (1) expenses attributable to the wife or family of a client or customer; (2) for expenses where there is a big backlog of orders showing entertainment is not necessary to produce income; (3) for expenses which are against public policy or public conscience; and (4) expenses which are lavish or extravagant.

The joint committee staff estimates that the Senate version will bring in $40 million less than the House version; the Treasury Department estimates it will bring in $65 million less. This is a committee amendment.

32. As under the House bill, the Senate disallows the deduction of gifts in excess of $25 per recipient. It has modified the House provision, however, to provide for the exclusion from this provision of (1) items costing not over $4 which have the taxpayer's name imprinted, and which are one of a number of identical items distributed; (2) signs, display racks, etc., to be used on business premises of recipient; and (3) tangible personal property costing not over $100 awarded to an employee for long service or for safety achievements. This is a committee amendment.

33. In the case of a combined business and personal trip away from home, the travel cost is to be allocated to the business and personal aspect (and denied as a deduction to the extent allocated to the personal aspect) where the time away from home is for more than 1 week and the portion of the time spent for personal purposes constitutes 25 percent or more of the total time away from home. There would be a small revenue increase under this change. This is a committee amendment.

34, 35, and 36. Conforming clerical changes.

37. Permits deduction of expenses by taxpayer which are related to business meetings of agents or directors as well as employees and stockholders as provided under the House bill. This is a committee amendment.

38, 39, and 40. Conforming clerical changes.

41. In the case of expenses for meals and lodging incurred while traveling, the Senate amendment provides that to be deductible these meals or lodging must not be lavish or extravagant under the circumstances. The House version permits a reasonable allowance for amounts spent for meals and lodging. This is a committee amendment.

42. This makes the entertainment provisions effective for taxable years ending after December 31, 1962, rather than taxable years ending after June 30, 1962, with respect to periods after the dates specified. This is a committee amendment.

V. DISTRIBUTIONS IN KIND BY FOREIGN CORPORATIONS

43. The amendment provides that the share of the foreign tax is to be credited with respect to a distribution in kind from a foreign corporation and is to be determined on the basis of the fair market value of the distribution, rather than on the basis of the adjusted basis of the property as under the House bill. This is a committee amendment.

44. Conforming clerical amendment.

VI. AMENDMENT TO SECTION 482—HOUSE BILL ONLY

45. This deletes section 6 of the House bill providing an amendment to section 482 of the code. In general, the House provision provided that where goods are purchased or sold by a domestic corporation to a related foreign corporation, the income arising from these transactions is to be allocated between the parties on the basis of the location of the assets used in the operations, the payroll attributable to them, and the related selling expenses. This rule would not apply where an arm's-length price could be established for the purchase or sales. This is a committee amendment.

VII. DISTRIBUTIONS OF FOREIGN PERSONAL HOLDING COMPANY INCOME—HOUSE BILL ONLY

46. The amendment deletes section 7 of the House bill relating to distributions of foreign personal holding conpany income. In general, the House provision provides that the passive income of a foreign personal holding company is to be taxed to the U.S. shareholders if 20 percent or more of its income is "foreign personal holding company income," and if 80 percent or more of its income is of this type, then the remaining income of the company also is to be taxed to the shareholders. Under present law all of the income is taxed to the shareholders in the case of such companies if 50 or 60 percent of the company's income is foreign personal holding company income. This is a committee amendment.

VIII. MUTUAL SAVINGS BANKS, ETC.

47. Conforming clerical change.

48. This puts a ceiling on the deduction which may be taken by mutual savings banks, etc. The deduction may not increase reserves for losses to an amount equal to more than 12 percent of total deposits. In general, this is the same as the ceiling under present law. The revenue increase is expected to be small. This is a committee amendment.

49. Clerical conforming change.

50. Generally, mutual savings banks and savings and loan associations may deduct, and add to their loss reserves, 60 percent of what would otherwise be their taxable income. This amendment limits the deduction which may be taken in the case of stock savings and loan associations to 50 percent of taxable income. This is expected to increase revenues by about $10 million a year. This is a committee amendment.

51. Clerical conforming change.

52. Generally, mutual savings banks, etc., can deduct 60 percent of taxable income, or an amount which brings the reserve on losses on qualifying real property loans to 3 percent (plus a reasonable amount for the reserve for other losses). This amendment places a ceiling on the reserve for losses on qualified real property loans where the deduction taken is 60 percent of taxable income. In such a case, this deduction may not increase the balance in the reserve for losses on qualified real property loans to more than 6 percent of these loans. This will result in a very small increase in revenue. This is a committee amendment.

53. Clerical conforming change.

54. This amendment increases the 3-percent level of reserves previously referred to for which a deduction may be taken to 5 percent for the first $4 million of loans (a maximum increase in reserves of $80,000) during the first 10 years of mutual savings institutions' existence. The revenue loss is not significant. This is a committee amendment.

55. Clerical conforming change.

56. The House bill provided that the reserve for losses on qualified real property loans at the end of 1962 was to be established out of existing reserves attributable to years beginning after December 31, 1951 (the year these institutions became taxable), up to a level of 3 percent of qualifying loans. This amendment takes into account pre-1952 reserves to the extent necessary to obtain the 3 percent beginning reserve. No revenue estimates are available. This is a committee amendment.

57. Clerical conforming change.

58 and 59. Clerical conforming change.

60. The definition of a domestic building and loan association in the House bill in general provides that substantially all of the business of the institution must consist of accepting savings and investing the proceeds in loans secured by residential real property and other loans to the extent authorized for a Federal savings and loan association under the Home Owners' Loan Act. The definition in the Senate amendment requires that the institution be one which is federally insured or subject to State or Federal supervision, one substantially all of whose business consists of acquiring savings from the public and investing in real estate loans, and one whose assets are invested as specified below.

In general, 90 percent of the total assets of the institution must be invested in loans secured by real property (or closely associated uses). Of this 90 percent of total assets, at least 80 percent (72 percent of total assets) must be invested in residential real property or closely associated uses. Moreover, 60 percent of this 90 percent (54 percent of total assets) must be invested in residential real property containing four or fewer family units or in closely associated uses. Cash and Government obligations may also qualify under any of the percentage requirements specified above.

However, to prevent the cash or Government obligations from being used as a means of expanding nonresidential loans beyond the difference between 72 and 90 percent of total assets and to prevent the expansion of other than one- to four-family residential loans beyond the difference between the 54 and 90 percent of total assets, it is provided that not more than 18 percent of total assets may be invested in other than residential loans, cash, and Government obligations and not more than 36 percent of total assets in other than one- to four-family residential unit loans and cash and Government obligations.

It is also provided that not more than 3 percent of the assets of the association may consist of stock in any private corporation. This definition is not believed to have any significant revenue consequences. This is a committee amendment which was modified by a floor amendment made by Senator SPARKMAN.

61. The House bill repealed exemptions granted Federal savings and loan associations from excise taxes on communications and on transportation of persons. The Senate, in addition, repealed the exemptions for these savings institutions in the case of documentary stamp taxes. The revenue gain is expected to be negligible. This is a committee amendment.

62. This provides that dividends and interest paid by savings institutions which are chartered and supervised as savings and loan under Federal or State law are to be deductible to the institution for tax purposes in the same way as interest on deposits is for commercial banks. This is to be true whether or not the savings institution meets the definition of a "domestic building and loan association." No revenue effect is anticipated. This is a committee amendment.

63. Clerical conforming change.

64. The Senate definition of a domestic savings and loan association is to be effective for taxable years after the date of enactment of the bill rather than on the date of enactment. This is a committee change.

65. The effective date for the excise tax changes is postponed from June 30, 1962, to January 1, 1963. This is a committee amendment.

VII. DISTRIBUTIONS BY FOREIGN TRUSTS

66. Clerical conforming change.

67. Clerical change.

68. Clerical change.

69. Under the House bill where there was a foreign trust to which both U.S. persons and foreign persons contributed money or property, a U.S. beneficiary receiving a distribution from such a trust would be taxable on the entire amount of accumulated income. The amendment provides that the U.S. beneficiary is to be taxable only on the portion of the distributions made to him attributable to contributions by U.S. persons. The revenue loss is believed to be negligible. This is a committee amendment.

70. Under the House bill this provision would apply to distributions made in taxable years of trusts beginning after the date of enactment of the bill. Under the Senate amendment the provision is to apply to distributions made after December 31, 1962. This is a committee amendment which was modified on the floor by a compromise worked out with Senator McCARTHY.

VIII. MUTUAL FIRE AND CASUALTY INSURANCE COMPANIES

71, 72, 73, and 74. Clerical conforming amendments.

75 and 76. Technical changes.

77, 78, 79, 80, 81, and 82. Under existing law and the House bill companies with total receipts from all sources (including premiums) not in excess of $75,000 are exempt from tax. The Senate amendment raises this exemption level to $150,000. This is expected to result in a revenue loss of less than a half million dollars a year. This is a committee amendment.

83. Conforming amendment.

84. Conforming to Nos. 77–82 above.

85. The House bill provided that companies with total receipts above the exemption level but not in excess of $300,000 were to be taxed only on investment income (similar to present law except for the omission of the 1-percent alternative premiums tax). The Senate raised this $300,000 to $600,000, thereby taxing only companies with incomes above this level or underwriting income. This also is expected to result in a revenue loss of less than half a million dollars a year. This is a committee amendment.

86. Technical amendment.

87. This amendment provides that a mutual company experiencing underwriting losses in each of 5 out of the 6 years immediately preceding 1963 is to have a special 5-year carryover of the excess of underwriting losses over underwriting gains during the 6-year period. The term "underwriting loss" in this case is computed without any deduction for dividends to policyholders. The revenue loss under this provision is estimated to be small, in the neighborhood of $1 or $2 million. This is a committee amendment which was modified by a floor amendment by Senator McCarthy.

88. Clerical conforming change.

89, 90, 91, and 92. Conforming changes to No. 85 above.

93 and 94. Under the House bill a concentrated risk company is one deriving more than 50 percent of its premium income from insuring in one State against losses arising from wind, hail, floods, and so forth. The Senate provided that a company met this requirement when 40 percent of its premium income was concentrated rather than 50 percent. This will result in a small revenue loss. This is a committee amendment.

95 and 96. Under the House bill, to be eligible for a special deduction for concentrated risk 50 percent of the premium income from wind, hail, flood, etc., must be derived from one State. Under the Senate amendment for the special deduction to be available, the taxpayer could count as an alternative to concentration of premium income from one State the concentration of premium income from an area within 200 miles of any six points selected by the taxpayer. In either of such cases, to the extent the concentration exceeded 40 percent of the premium income there was to be. a similar percentage increase in the proportion of underwriting income which could be set aside for up to a 5-year period in the PAL account. The Senate amendment also provides as an alternative that the taxpayer can elect to make his determination on the basis of a 400-mile radius from any six points but in this case set aside only one-half of the excess of his concentration over 40 percent in that area. There will be a revenue loss under this provision which is believed to be small. Provision for the 200-mile radius alternative is a committee amendment while provision for the 400-mile radius was an alternative worked out with Senator HICKENLOOPER.

97 and 98. Under the House bill, underwriting losses to the extent attributable to the deduction for policyholder dividends had first to be charged against the PAL account and only to the extent of any excess against investment income. Under the Senate amendment losses arising from policyholder dividends, as well as from other sources (except the PAL deduction itself) is charged first against investment income and then only to the extent of any loss still remaining against the amount in the PAL account. It has been estimated that the annual revenue loss from this amendment may build up to about $5 million in the fifth year but most of this loss will be recaptured in later years. This is a committee amendment.

99. Conforming to Nos. 97 and 98 above.

100. The House taxes reciprocal underwriters and interinsurers under the same rules that apply to ordinary mutuals except that it permits them in effect to combine the underwriting income of the attorney-in-fact with their own for purposes of offsetting losses. The Senate amendment also permits the reciprocal to use the combined underwriting income as the basis for setting aside the deduction of 25 percent of underwriting income in the PAL account. However, any additional amount set aside in this manner attributable to the attorney-in-fact may be only deferred for 5 years and not retained permanently in this account. It is expected that this will result in a negligible revenue loss. This is a committee amendment.

101. This is a conforming change to No. 100.

102. This is a conforming change to Nos. 77–82.

103. Clerical conforming change.

104. This treats mutual flood insurance companies (including reciprocal exchanges) operating on a premium deposit system in the same manner as factory mutual fire insurance companies. As a result, these flood insurance companies are to determine their underwriting income on the basis of their schedule of premium absorptions. However, the companies will also be required to increase their absorbed premiums by 2 percent of the amount actually absorbed. This will result in a negligible revenue loss. This is a committee amendment.

105, 106, 107, 108, and 109. Clerical conforming changes.

IX. DOMESTIC CORPORATIONS RECEIVING DIVIDENDS FROM FOREIGN CORPORATIONS

110. Clerical conforming amendment.

111. The House bill "grosses up" dividends received from all foreign corporations. The Senate amendment provides for the same grossup in the case of dividends received from other than "less developed country corporations." A less developed country corporation has the same definition as in section 12, but here also includes certain holding companies. In general terms, a less developed country corporation is one which is engaged in the active conduct of a trade or business which derives 80 percent or more of its gross income from sources within less developed countries and which has 80 percent in value of its assets invested in a trade or business in a less developed country and certain other assets consistent with carrying on this trade or business. Certain shipping and aircraft corporations also qualify. A third category, which for purposes of this one provision also qualifies, is a foreign holding company which owns 10 percent or more of the stock in less developed country corporations, which receive 80 percent or more of their income from sources within less developed countries and have 80 percent or more of their assets invested in the same manner as other less developed country corporations. It is estimated this amendment will lose $10 million a year. This is a committee amendment.

112, 113, 114, 115, 116, 117, 118, 119, and 120. Clerical conforming amendments.

X. SEPARATE LIMITATIONS ON FOREIGN TAX CREDIT WITH RESPECT TO CERTAIN INTEREST INCOME

121. This is a new section. It provides that the foreign tax credit limitation for certain interest income is to be computed separately from the limitation for other types of income. The interest income referred to does not include that derived from the active conduct of a trade or business, from a banking or similar business, or from a corporation in which the taxpayer has a 10-percent voting interest. No revenue estimate is available. This is a committee amendment.

XI. EARNED INCOME FROM SOURCES OUTSIDE THE UNITED STATES

122. Clerical conforming amendment.

123. This denies an exclusion to an individual as a "bona fide resident of a foreign country" if the individual (1) has earned income from sources within that foreign country; (2) has filed a statement with the authorities of that country that he is not a resident of it; and (3) has been held not to be subject to income tax as a resident of

that country. This will result in a negligible revenue gain. This is a committee amendment.

124. This provides that the $20,000 or $35,000 ceiling on the exclusion, for a limited period of time, is not to apply to certain fringe benefits. These are noncash compensation, such as provision for a home or a car. These fringe benefits are entirely excluded from taxable income in 1963, are excluded to the extent of two-thirds in 1964, and excluded to the extent of one-third in 1965. This will result in a negligible revenue loss. This is a committee amendment.

125. In general, the House bill applied to taxable years ending after December 31, 1962, with respect to amounts received after that date for services performed after that date, or for services performed before that date. The Senate amendment applies to taxable years ending after September 4, 1962, but only with respect to amounts received after March 12, 1962, for services performed after December 31, 1962, or received after December 31, 1962, for services after that date. The amendments relative to pensions and annuities applies to taxable years ending after December 31, 1962. This is a floor amendment offered by Senator Kerr.

XII. CONTROLLED FOREIGN CORPORATIONS

126. Both the House and Senate versions of this provision are concerned primarily with tax-haven devices. However, the versions of the bill differ considerably. The House and Senate features can be compared as follows:

1. Both versions tax to U.S. shareholders income arising from insurance of U.S. risks. However, the Senate version does not tax such income to the shareholders unless this income represents more than 5 percent of total premiums and other consideration.

2. Both versions tax passive investment income under certain conditions to the U.S. shareholders. The Senate version, however, includes in this category all rental income. It also provides that rents and royalties received from an unrelated person and derived from a trade or business are not to be included. Also excluded are dividends, interest, and gains from the sale of securities derived from a financial business or from investments made by an insurance company attributable to its insurance business. Finally, dividends and interest received from a related corporation located in the same foreign country are not included. Also, rents, royalties, and similar amounts are excluded if received for the use of property in the same country.

3. Foreign base company sales income is taxed under both versions. However, it and the investment income described above are taken into account under the House version only if representing 20 percent of gross income, and if they represent 80 percent, all income of the corporation is taxed to the U.S. shareholders. Under the Senate version, the income is taxed only if it represents 30 percent of gross income, and if it represents 70 percent or more, all of the income is taxed to the U.S. shareholders.

4. The Senate version alone taxes foreign base company service income derived from the performance of technical, managerial, engineering, etc., services for a related person outside of a country in which the controlled foreign corporation is organized. This income under the Senate version is taken into account in applying the 30-percent test referred to above.

5. Under the Senate version, tax on dividends and interest derived from a less developed country may be avoided if reinvested in a less developed country. Under the House version, the reinvestment provisions applied not only to dividends and interest but also to other forms of passive income and base company sales income. In addition, it was not necessary that they be derived from a less developed country. However, the reinvestment had to be made in a corporation in a less developed country in which the taxpayer and no more than four other Americans had an interest of more than 50 percent.

6. The Senate version does not contain the provision of the House bill which taxed to the U.S. shareholders, income not reasonably needed in the taxpayer's trade or business, nor does it include the provision that such earnings be reinvested in the same trade or business in which the taxpayer was engaged for the last 5 years, or before December 31, 1962.

7. The House version provided that U.S. shareholders were to be taxed on income from, or attributable to, patents, copyrights, formulas, and processes developed or acquired in the United States. The Senate version does not tax such income to the U.S. shareholders but in a separate section (sec. 16) provides that gains from any of these patents, copyrights, etc., are to be taxed as ordinary income in most cases at the time of the transfer of the patent or other rights from the domestic corporation to the foreign subsidiary.

8. Both versions tax in substantially the same manner to the U.S. shareholders earnings which are reinvested in the United States although not distributed to the U.S. shareholders.

9. The Senate version makes this section inoperative where the overall foreign and U.S. taxes paid with respect to the foreign operations are not substantially below what the U.S. taxes would have been on this income. This is known as the minimum distribution provision. It provides a schedule of effective foreign tax rates and corresponding percentages of distribution which, if complied with, make this section inoperative. There is no such provision in the House bill.

10. The Senate version provides that this provision is not to apply to the export-trade income of export-trade corporations. In general, this provides that where the products sold are those produced or grown in the United States and where the profit attributable to these operations complies with certain specified limitations, then this export-trade income is not to be subject to this provision if the earnings are reinvested in an export-trade business.

It is estimated that the House and Senate versions will bring in about the same amount of revenue; namely, $50 million a year. This is a committee amendment.

XIII. GAIN FROM DISPOSITION OF CERTAIN DEPRECIABLE PROPERTY

127. Clerical conforming amendment.

128, 129, 130, 131, and 132. Conforming changes to No. 135.

133. The amendment provides that an adjustment is to be made in the computation of the 50-percent limitation applicable in the case of percentage depletion deductions. It is provided that deductions taken into account in determining the expenses of mining in computing "taxable income from the property" are to be decreased by any gain properly allocable to the mining property which under this provision is treated as ordinary income rather than capital gain. This is expected to result in an annual revenue loss of $5 million. This is a committee amendment.

134. Clerical conforming amendment.

135. The House bill applied to property disposed of after the date of enactment of the bill and provided that the only gain which would be treated as ordinary income generally was to be depreciation occurring in 1962 and subsequent years. The Senate amendment provides that the provision is to apply to property disposed of in taxable years beginning after December 31, 1962. However, as under the House bill, depreciation occurring in 1962 and subsequent years will still result in ordinary income if the property is disposed of in a taxable year beginning after December 31, 1962. This is a committee amendment.

XIV. FOREIGN INVESTMENT COMPANIES

136 and 137. Clerical conforming amendments.

138, 139, 140, and 141. Technical amendments.

142. Clerical conforming change.

143. Technical amendment.

144. Clerical conforming amendment.

145. This amendment provides that clearance from the Internal Revenue Service under section 367 need not be obtained in the case of a foreign investment company registered with the SEC if it is a party to a reorganization in which all of its properties are acquired by a domestic regulated investment company before January 1, 1964. However, for this treatment to be available, the corporation for the year 1963 must have elected to distribute at least 90 percent of its ordinary income and to have distributed, or treated as distributed, any excess of its net long-term capital gains over its net short-term capital losses. This is a committee amendment.

146. Clerical conforming change.

147. The Senate extended from 30 to 45 days the period of time elapsing after the end of the taxable year before the investment companies must report to the shareholders their share of the undistributed capital gains which they must take into account for tax purposes. This is a committee amendment.

148, 149, 150, 151, and 152. These are technical amendments.

153. Under present law where domestic regulated investment companies have more than 50 percent of their assets invested in foreign securities, any foreign tax credits available to the company in such a case may be passed through to the shareholders of the regulated investment company. The Senate amendment makes this same treatment available in the case of foreign investment companies which distribute most of their ordinary income currently and require their shareholders to report the company's capital gains whether or not distributed. This is a committee amendment.

154, 155, and 156. Clerical conforming amendments.

XV. GAIN FROM SALES OR EXCHANGES OF STOCK IN FOREIGN CORPORATIONS

157 and 158. Clerical conforming changes.

159. The Senate amendment, while retaining the basic structure of the House provision, made a number of important modifications:

1. Under the House version amounts received on the sale of stock, as distinguished from a redemption, were treated as ordinary income and not as dividends. This meant that the foreign tax credit would not be available in such cases. The Senate version treats the appropriate portion of the gain on a sale as a dividend.

2. Under the House version, individual shareholders were required to treat the gain as ordinary income in the year of the sale. Under the Senate version the tax of an individual shareholder (on either a redemption or sale) is to be no greater than would be provided under the lower of two ceilings. The first provides that the individual's tax is to be no greater than if the foreign corporation had been a domestic corporation paying the regular corporate tax (offset by available foreign tax credits) which then made a liquidating distribution of the balance to the U.S. shareholder and that this balance was subject to a capital gains tax. This is a tax of no more than 52 percent (less any foreign tax credits available) plus a capital gains tax on the remaining 48 percent at not more than a 25 percent rate. The aggregate tax in such a case is 64 percent (52 percent plus 25 percent of 48 percent). The second ceiling provides that the tax is not to exceed

the amount which would have resulted had the earnings and profits been distributed to the shareholder in the years they were earned.

3. The Senate version also provides that earnings and profits are not to include profits on sales if the corporation could have qualified for a tax-free sale on liquidations had it been a domestic corporation.

4. The Senate provision does not apply to earnings and profits accumulated by a foreign corporation while it was a less developed country corporation if the stock sold was owned for at least 10 years before that time by the U.S. shareholder.

5. The Senate version provides that the ordinary income treatment in this section is not to apply to earnings and profits accumulated in taxable years before January 1, 1963. Under the House bill the ordinary income treatment could have applied to earnings and profits accumulated since February 28, 1913.

This is a committee amendment.

160. The House provision is effective for sales or exchanges occurring after the date of enactment of the bill. The Senate version applies to sales or exchanges occurring after December 31, 1962. This is a committee amendment.

XVI. SALES AND EXCHANGES OF PATENTS, ETC., TO FOREIGN CORPORATIONS

161. The House bill in section 13 (sec. 12 of the Senate amendments) would have taxed income attributable to patents, copyrights, and exclusive formulas and processes substantially developed, created, or produced in the United States or acquired from related U.S. persons as giving rise to income (whether distributed or not) which was taxable to the U.S. shareholders of controlled foreign corporations. The Senate substituted for this a new provision which treats gains from the transfers of patents, copyrights, etc., as ordinary income rather than capital gain when transferred by a U.S. person to a foreign corporation which it controls. An exception is provided for transfers for use in the subsidiary's own manufacturing business. This is a committee amendment.

XVII. TAX TREATMENT OF COOPERATIVES AND PATRONS

162. Conforming amendment to Nos. 164–168 below.

163. The House bill provided for withholding at a 20-percent rate on patronage dividends. The Senate amendments delete the withholding provision and, as indicated in section 19 below, substitute certain reporting requirements. In addition, they provide that for a cooperative to receive any deduction for noncash allocations, it must pay out at least 20 percent of the patronage dividends in cash. This applies both in the case where the patron has given his consent to receiving allocations and where he has had the option for a 90-day period to receive cash or scrip. This is a committee amendment.

164, 165, 166, 167, and 168. Under the House bill a patron gives his consent to being taxed on noncash patronage dividends either by providing this consent in writing or by being a member of the cooperative when its bylaws provided for this consent. The Senate version adds a new procedure for giving consent. This consent may be supplied by endorsing and cashing a qualified check. The check must indicate that by endorsing and cashing it, the patron is consenting to taking the remainder of the patronage dividends into account in computing his income. For the cooperative to omit a patronage dividend under this procedure from its income for the year in which the patronage occurs, the qualified check must be endorsed and cashed within 90 days after the payment period for the cooperative. This is a committee amendment.

169, 170, 171, and 172. Clerical conforming amendments.

XIX. REPORTING ON INTEREST, DIVIDENDS, AND PATRONAGE DIVIDENDS OF $10 OR MORE A YEAR

173. The House bill provided for withholding at a rate of 20 percent with respect to most interest, dividends, and patronage dividends payments. In this system, provision was made for the use of exemption certificates for individuals expecting to have no tax liability and a system of quarterly refunds for those having a tax liability but subject to overwithholding. The Senate amendments in lieu of this provided for the submission by payors of information returns to the Government for interest, dividends, and patronage dividends of $10 or more per person per year. This same information must also be submitted by the payors to the recipients of interest, dividends, or patronage dividends on an annual basis. Penalties of $10 per return on statement, but not to exceed $25,000 per payor, for failures to file returns with the Government and $25,000 for failures to submit statements to payees, are provided. The joint committee staff estimated that the withholding provision in the House bill would result in a revenue increase of $550 million. The Treasury Department estimated the revenue increase to be $780 million. The joint committee staff estimates that the reporting system will result in a revenue increase of $275 million a year, while the Treasury Department estimates it will increase revenues by $240 million a year. This is a committee amendment.

XX. INFORMATION WITH RESPECT TO FOREIGN CORPORATIONS

174 and 175. Clerical conforming changes.

176. With respect to the annual information return, the Senate has provided a ceiling on the penalty which may be imposed where the information is not supplied. Under present law, a failure to supply the required information results in a decrease of 10 percent in the foreign tax credit allowed a domestic corporation, plus an additional 5 percent for each 3-month period of noncompliance. The Senate amendment provides that in no event is this penalty to exceed $10,000 or the income of the foreign corporation with respect to which the penalty occurred, whichever is the greater. This is a committee amendment.

177 and 178. Clerical conforming changes.

179. In the case of the annual information return in determining whether or not 50-percent control exists and, therefore, whether or not the information must be supplied, the Senate amendment has narrowed somewhat the constructive ownership rules applied under the House bill. Stock owned by a partner, an estate, trust, or corporation will not be treated as owned by the partnership, estate, trust, or corporation if this treats a U.S. person as owning stock owned by a person who is not actually a U.S. person. Also, a person is not to be considered as owning stock held by a corporation if his stock interest is not more than 10 percent. This is a committee amendment.

180 and 181. In the case of information required with respect to organizations, reorganizations, etc., the Senate bill provides that officers or directors who are U.S. citizens need supply information only if there are 5 percent U.S. shareholders and the information they submit is to be only the names and addresses of these shareholders. This is a committee amendment.

182. Clerical conforming change.

183. The Senate amendment provides that no information is to be required to be furnished with respect to a foreign corporation which is organized, reorganized, etc., unless that information was required under regulations in effect 90 days prior (30 days prior at the beginning of the first year) to the date on which the U.S. persons became liable to file the return with respect to the information. This is a committee amendment.

184, 185, 186, 187, and 188. Clerical conforming changes.

XXI. EXPENDITURES BY FARMERS FOR CLEARING LAND

189. This permits taxpayers engaged in the business of farming to deduct, in computing their tax, expenditures they incur in clearing land of brush and trees, in leveling the land and in diverting streams to make the land suitable for farming. This deduction may not exceed $5,000 in any year or, if less, 25 percent of the taxpayer's income from farming. There is no comparable House provision. This is a committee amendment.

XXII. CHARITABLE CONTRIBUTIONS MADE FROM INCOME ATTRIBUTABLE TO SEVERAL TAXABLE YEARS

190. Under present law where charitable contributions are made in a year and an averaging device permits the spreading of income received in that year over several years, the charitable limitation is applied after the averaging of the income occurs. Under the Senate amendment the limitation on charitable contributions made at the election of the taxpayer is to be applied before the income is spread over the years to which it is attributable, for purposes of determining the application of the 20- or 30-percent charitable limitation. There is no comparable House provision. This is a committee amendment.

XXII. EFFECT DATE OF SECTION 1371 (C) OF THE CODE

191. This amendment provides for the years 1958 and 1959 that in determining the number of shareholders of a small business corporation for purposes of the election provided by subchapter S of the code (under which shareholders are taxed directly on their corporate earnings), spouses who hold stock of such a corporation jointly or under community property laws are to be treated as one shareholder. There is no comparable House provision. This is a committee amendment.

XXIV. LOSSES SUSTAINED IN CONVERTING FROM STREET RAILWAY TO BUS OPERATIONS

192. The Senate amendment provides that net operating losses incurred in 1953 and 1954 by a street railway company in converting from streetcar to bus service, which are not absorbed in the normal carryover period, are to be treated as a net loss occurring in 1959. This permits these losses to be carried forward to the years 1960 through 1964. There is no comparable House provision. This is a committee amendment.

XXV. PENSION PLAN OF INTERNATIONAL HOD CARRIERS' BUILDING AND COMMON LABORERS' UNION

193. The Senate amendment provides that the union-negotiated pension plan of Local Union No. 435 of the International Hod Carriers' Building and Common Laborers' Union of America is to be treated as a qualified tax-exempt trust for the period from May 1, 1960, to April 20, 1961, if the trust was not operated during this period in a manner to jeopardize the interests of its beneficiaries. This also permits employers to deduct contributions made to the trust in this period. There is no comparable House provision. This is a committee amendment.

XXVI. PARTNERSHIP YEAR OF SURVIVING PARTNER IN TWO-MAN PARTNERSHIP

194. The Senate amends the 1939 Code (years after 1946) to provide that where one partner in a two-man partnership dies, the partnership year for the surviving partner is not to close prior to the time the partnership year would have closed had neither partner died nor otherwise disposed of his interest. There is no comparable House provision. This is a committee amendment.

XXVII. EXCLUSION FROM GROSS INCOME OF AWARDS MADE PURSUANT TO EVACUATION CLAIMS OF AMERICAN-JAPANESE INDIVIDUALS

195. The Senate amendment provides that amounts received as awards made under the Japanese-American Evacuation Claims Act to persons of Japanese ancestry who were evacuated from the west coast in 1942 during World War II are not to be subject to Federal income tax. There is no comparable House provision in the bill but this provision is identical to a bill passed by the House on August 30, 1962. This is a floor amendment by Senator Kuchel.

XXVIII. DEDUCTION FOR DEPRECIATION BY TENANT STOCKHOLDER OF COOPERATIVE HOUSING CORPORATION

196. The Senate amendment provides that a depreciation deduction is to be allowed a tenant stockholder in a cooperative housing corporation to the extent this deduction is a business deduction and is properly allocable to his proprietary lease or his right of tenancy and his stock. There is no comparable House provision. This is a floor amendment made by Senator Sparkman.

XXIX. EXCLUSION FROM GROSS INCOME OF GAIN FROM SALE OF RESIDENCE BY INDIVIDUALS AGE 65 OR OVER

197. The Senate amendment excludes from a taxpayer's gross income any gain realized by him from the sale or disposition of his principal residence after he or his spouse has reached the age of 65. The exemption applies only if the property has been used by the taxpayer as his principal residence for at least 5 years prior to the sale and if the sales price exceeds $30,000 the exclusion is to be limited to the same proportion of the gain which $30,000 is of the sales price. There is no comparable House provision. The Treasury Department has estimated that this amendment will cost $30 million a year. This is a floor amendment made by Senator Dirksen.

XXX. DEDUCTION FOR INCOME TAX PURPOSES OF CONTRIBUTIONS FOR JUDICIAL REFORM

198. The Senate amendment provides that gifts made after December 31, 1961, to nonprofit organizations supporting or opposing the reorganization of the judicial branch of a State government, where referendums are occurring in 1962, are to be deductible as charitable contributions. The nonprofit organizations must be created and operated exclusively to consider such proposals and to provide information, make recommendations, and seek public support or opposition to them. In addition, no part of the earnings of the organization may inure to the benefit of any private individual and the organization must not participate in any political campaign of any candidate for public office. There is no comparable House provision but an identical bill was recently passed by the House. This is a floor amendment made by Senator Dirksen.

XXXI. SOCIAL SECURITY AMENDMENT RELATING TO STATEMENT OF FINANCIAL STATUS OF CLAIMANTS FOR MEDICAL ASSISTANCE FOR THE AGED

199. Under present law a State plan must include standards limiting eligibility to those aged persons who lack means to pay for medical services. This amendment would expressly permit a State to accept as presumptively correct any written statement by an applicant as to his financial status. Such a statement can be accepted without investigation if a State desires to do so under present law. There is no comparable House provision. This is a floor amendment offered by Senator Dirksen.

XXXII. FOREIGN SUBSIDIARIES MANUFACTURING PRODUCTS ABROAD FOR SALE IN THE UNITED STATES

200. This amendment provides that under certain conditions a foreign corporation is to be deemed to be engaged in a trade or business within the United States and its gross income from sources within the United States is to be deemed to be not less than the gross income it derives from the sale of competitive articles which are sold by it for ultimate use, consumption, or disposition in the United States. This section is to apply to a foreign corporation only if 10 percent or more of its stock is held by a domestic corporation and the foreign corporation derives 10 percent or more of its gross income from the sale of competitive articles which are sold by it for ultimate use, consumption, or disposition in the United States.

A competitive article for purposes of this section is one which is mined, processed, or manufactured outside of the United States for a foreign corporation which is the same as or similar to presently or formerly mined, processed, or manufactured in the United States by the corporation holding 10 percent or more of the foreign corporation's stock or any subsidiary of such domestic corporation. There is no comparable House provision. It has been estimated that if corporations continue their present imports into the United States without regard to this provision, this provision might result in a revenue increase of $50 million. This is a floor amendment offered by Senator McCarthy.

XXXIII. EFFECTIVE DATE OF AMENDMENT TO SECTION 1374(b)

201. Shareholders of a small business corporation electing to be taxed under subchapter S generally may deduct their proportionate share of the corporation's net operating loss. This "passthrough" of the net operating loss, however, initially was available only with respect to shareholders who were living at the end of the corporation's taxable year. Public Law 86–376 removed this requirement that the taxpayer be living at the end of the corporation's year for this passthrough of the loss to be available. This was made effective as of October 24, 1959. The Senate amendment would make this change effective retroactively to September 2, 1958. There is no comparable House provision. This is a floor amendment offered by Senator Cotton.

XXXIV. TREATIES

202. Clerical conforming amendment.

203. The House bill provided that if any provision in this bill contravened any existing tax treaty then the new statutory law was to have precedence over the prior tax treaty. The Senate amended this to provide that no provision of this bill was to apply in any case where its application would be contrary to any treaty obligation of the United States. This is a committee amendment.

The VICE PRESIDENT. The hour of 5 o'clock having arrived, the question is on agreeing to the conference report on the tax bill, H.R. 10650.

On this vote, the yeas and nays have been ordered; and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from New Mexico [Mr. Chavez], the Senator from Pennsylvania [Mr. Clark], the Senator from Mississippi [Mr. Eastland], the Senator from Ohio [Mr. Lausche], the Senator from Washington [Mr. Magnuson], the Senator from Rhode Island [Mr. Pell], and the Senator from Arkansas [Mr. McClellan] are absent on official business.

I further announce that the Senator from New Mexico [Mr. Anderson], the Senator from Arkansas [Mr. Fulbright], the Senator from Alaska [Mr. Gruening], the Senator from Wyoming [Mr. Hickey] are necessarily absent.

On this vote, the Senator from Alaska [Mr. Gruening] is paired with the Senator from New Mexico [Mr. Chavez]. If present and voting, the Senator from Alaska would vote "nay," and the Senator from New Mexico would vote "yea."

On this vote, the Senator from Pennsylvania [Mr. Clark] is paired with the Senator from Mississippi [Mr. Eastland]. If present and voting, the Senator from Pennsylvania would vote "nay," and the Senator from Mississippi would vote "yea."

I further announce that if present and voting, the Senator from Rhode Island [Mr. Pell], would vote "yea."

Mr. KUCHEL. I announce that the Senators from Vermont [Mr. Aiken and Mr. Prouty, the Senator from Maryland [Mr. Beall], the Senator from Utah [Mr. Bennett], the Senator from South Dakota [Mr. Bottum], the Senator from Connecticut [Mr. Bush], the Senator from Indiana [Mr. Capehart], the Senator from Nebraska [Mr. Hruska], the Senator from Kentucky [Mr. Morton], the Senator from Texas [Mr. Tower], and the Senator from Massachusetts [Mr. Saltonstall] are necessarily absent.

If present and voting, the Senator from Vermont [Mr. Aiken], and the Senator from Maryland [Mr. Beall], would each vote "yea."

On this vote, the Senator from Utah [Mr. Bennett] is paired with the Senator from Nebraska [Mr. Hruska]. If present and voting, the Senator from Utah would vote "yea," and the Senator from Nebraska would vote "nay."

On this vote, the Senator from South Dakota [Mr. Bottum] is paired with the Senator from Connecticut [Mr. Bush]. If present and voting, the Senator from South Dakota would vote "yea," and the Senator from Connecticut would vote "nay."

On this vote, the Senator from Indiana [Mr. Capehart] is paired with the Senator from Texas [Mr. Tower]. If present and voting, the Senator from Indiana would vote "yea," and the Senator from Texas would vote "nay."

On this vote, the Senator from Kentucky [Mr. Morton] is paired with the Senator from Massachusetts [Mr. Saltonstall]. If present and voting, the Senator from Kentucky would vote "yea," and the Senator from Massachusetts would vote "nay."

The result was announced—yeas 56, nays 22, as follows:

[No. 303 Leg.]

YEAS—56

Allott
Bible
Butler
Byrd, Va.
Byrd, W. Va.
Cannon
Carlson
Carroll
Case
Church
Cooper
Cotton
Dirksen
Dodd
Ellender
Engle
Ervin
Fong
Hartke
Hayden
Hill
Holland
Humphrey
Jackson
Javits
Johnston
Jordan, N.C.
Kerr
Kuchel
Long, Mo.
Long, Hawaii
Long, La.
Mansfield
McCarthy
McGee
Metcalf
Monroney
Moss
Mundt
Murphy
Muskie
Pastore
Pearson
Randolph
Robertson
Scott
Smathers
Smith, Mass.
Smith, Maine
Sparkman
Symington
Talmadge
Wiley
Williams, N.J.
Young, N. Dak.
Young, Ohio

NAYS—22

Bartlett
Boggs
Burdick
Curtis
Douglas
Goldwater
Gore
Hart
Hickenlooper
Jordan, Idaho
Keating
Kefauver
McNamara
Miller
Morse
Neuberger
Proxmire
Russell
Stennis
Thurmond
Williams, Del.
Yarborough

NOT VOTING—22

Aiken
Anderson
Beall
Bennett
Bottum
Bush
Capehart
Chavez
Clark
Eastland
Fulbright
Gruening
Hickey
Hruska
Lausche
Magnuson
McClellan
Morton
Pell
Prouty
Saltonstall
Tower

So the report was agreed to.

Mr. KERR. Mr. President, I move that the vote by which the conference report was adopted be reconsidered.

Mr. HUMPHREY. Mr. President, I move to lay that motion on the table.

The VICE PRESIDENT. The question is on agreeing to the motion to lay on the table.

The motion to lay on the table was agreed to.

AUTHORIZING THE CLERK OF THE HOUSE TO MAKE A CORRECTION IN THE ENROLLMENT OF H.R. 8567

The PRESIDING OFFICER (Mr. HART in the chair) laid before the Senate, House Concurrent Resolution No. 581, which was read as follows:

Resolved by the House of Representatives (the Senate concurring), That in the enrollment of the bill (H.R. 8567) to authorize the Secretary of the Interior to create trial boards for the United States Park Police, and for other purposes, the Clerk of the House is authorized and directed to make the following correction:

In Senate amendment numbered 3, strike out "discharges" and insert in lieu thereof "charges".

Mr. MANSFIELD. Mr. President, I move that the Senate concur in the concurrent resolution. Its purpose is to correct an error in H.R. 8567.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to.

THE 85TH BIRTHDAY ANNIVERSARY OF SENATOR HAYDEN, OF ARIZONA

Mr. MANSFIELD. Mr. President, it is my pleasure and privilege to call to the attention of the Senate the fact that today is the birth anniversary of a great man, the senior Senator of the United States, the President pro tempore of this body, a man whom, regardless of our political affiliations, we respect, admire, and love.

On this occasion I want to extend, on my behalf—and I hope all other Senators will join me—my felicitations and congratulations to the senior Senator from Arizona on his birth anniversary.

[Prolonged applause, Senators rising.]

Mr. HAYDEN. Mr. President, what the majority leader says makes me very happy to be 85 years young.

ORDER FOR ADJOURNMENT TO 10 A.M. TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate adjourns tonight it adjourn to meet at 10 o'clock tomorrow morning.

The VICE PRESIDENT. Without objection, it is so ordered.

LEGISLATIVE PROGRAM

Mr. MANSFIELD obtained the floor.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. DIRKSEN. I wish to ask the majority leader about the schedule for the remainder of the day.

Mr. MANSFIELD. In response to the question raised by the distinguished minority leader—whom we are all glad to see back in the Chamber and in such obviously good health——

Mr. DIRKSEN. I thank the Senator. [Applause.]

Mr. MANSFIELD. There will be no further business tonight except for a couple of bills which seem to be without opposition and which have cleared both sides.

Mr. President, it is the intention, at the conclusion of the morning hour tomorrow, to take up Calendar No. 2176, H.R. 8140, a bill to strengthen the criminal laws relating to bribery, graft, and conflict of interest, and for other purposes.

It is my understanding that the Senator from New York [Mr. KEATING] has several amendments, and that he is agreeable to a time limitation of very short duration on those amendments.

Then it is contemplated that the Senate will take up the State, Justice, and Commerce appropriation bill; the conference report on the drug bill; possibly the conference report on the trade bill, in the event the House has acted, possibly tomorrow, more likely on Thursday; the conference report on H.R. 7283, the war claims bill, in the event the House has acted Wednesday or Thursday.

For the remainder of the week, on Thursday and possibly Friday, there will be the supplemental appropriation bill; the conference report on the District of Columbia Appropriation bill; the conference report on the State, Justice, Commerce, Judiciary appropriation bill; the conference report on the Agriculture Department appropriation bill; the conference report on the public works appropriation bill; the conference report on the foreign-aid appropriation bill; the conference report on the supplemental appropriation bill; and other odds and ends as they come in.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. MORSE. Speaking about odds and ends, does the Senator have any recommendation to make to me as to the bill to which I should attach the Senate "prohibition" bill?

Mr. MANSFIELD. I would say any bill.

OATH OF APPLICANT FOR PATENT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 2132, S. 2639.

The VICE PRESIDENT. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 2639) to amend the provisions of title 35 of the United States Code relating to the oath of applicant for patent, and the provisions of the Trademark Act of July 5, 1946, relating to verification by the applicant of application for trademark registration, and for other purposes.

The VICE PRESIDENT. Is there objection to the request of the Senator from Montana?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on the Judiciary, with an amendment to strike out all after the enacting clause and insert:

That title 35, United States Code, is amended by adding the following new sections after section 24:

"§ 25. Declaration in lieu of oath

"(a) The Commissioner may by rule prescribe that any document to be filed in the Patent Office and which is required by any law, rule, or other regulation to be under oath may be subscribed to by a written declaration in such form as the Commissioner may prescribe, such declaration to be in lieu of the oath otherwise required.

"(b) Whenever such written declaration is used, the document must contain a warning that willful false statements and the like are punishable by fine or imprisonment, or both, under section 1001, title 18, United States Code.

"§ 26. Effect of defective execution

"Any document to be filed in the Patent Office and which is required by any law, rule, or other regulation to be executed in a specified manner may be provisionally accepted by the Commissioner despite a defective execution, provided a properly executed document is submitted within such time as may be prescribed."

SEC. 2. The analysis of chapter 2 of title 35, United States Code, immediately preceding section 21, is amended to read as follows:

"Sec.
"21. Day for taking action falling on Saturday, Sunday, or holiday.
"22. Printing of papers filed.
"23. Testimony in Patent Office cases.
"24. Subpenas, witnesses.
"25. Declaration in lieu of oath.
"26. Effect of defective execution."

The VICE PRESIDENT. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The bill (S. 2639) was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended, so as to read: "A bill to amend title 35 of the United States Code to permit a written declaration to be accepted in lieu of an oath, and for other purposes."

PUBLIC NOTICE OF SETTLEMENTS IN PATENT INTERFERENCES

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of calendar No. 2133, H.R. 12513.

The VICE PRESIDENT. The bill will be stated by title for the information of the Senate.

The **Legislative Clerk.** A bill (H.R. 12513) to provide for public notice of settlements in patent interferences, and for other purposes.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on the Judiciary, with an amendment, to strike out all after the enacting clause and insert:

That section 135 of title 35, United States Code, is amended by designating the first and second paragraphs thereof as subsections (a) and (b), respectively, and by adding thereto the following subsection:

"(c) Any agreement or understanding between parties to an interference, including any collateral agreements referred to therein, made in connection with or in contemplation of the termination of the interference, shall be in writing and a true copy thereof filed in the Patent Office before the termination of the interference as between the said parties to the agreement or understanding. If any party filing the same so requests, the copy shall be kept separate from the file of the interference, and made available only to Government agencies on written request, or to any person on a showing of good cause. Failure to file the copy of such agreement or understanding shall render permanently unenforceable such agreement or understanding and any patent of such parties involved in the interference or any patent subsequently issued on any application of such parties so involved. The Commissioner may, however, on a showing of good cause for failure to file within the time prescribed, permit the filing of the agreement or understanding during the six-month period subsequent to the termination of the interference as between the parties to the agreement or understanding.

"The Commissioner shall give notice to the parties or their attorneys of record, a reasonable time prior to said termination, of the filing requirement of this section. If the Commissioner gives such notice at a later time, irrespective of the right to file such agreement or understanding within the six-month period on a showing of good cause, the parties may file such agreement or understanding within sixty days of the receipt of such notice.

"Any discretionary action of the Commissioner under this subsection shall be reviewable under section 10 of the Administrative Procedure Act."

The VICE PRESIDENT. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill (H.R. 12513) was read the third time and passed.

EXTENSION OF REGULATORY AUTHORITY UNDER CONVENTION FOR ESTABLISHMENT OF INTER-AMERICAN TROPICAL TUNA COMMISSION

Mr. BARTLETT. Mr. President, I ask the Presiding Officer to lay before the Senate the amendments of the House of Representatives to the bill, S. 2568, to amend the act of September 7, 1950, to extend the regulatory authority of the Federal and State agencies concerned under the terms of the Convention for the Establishment of an Inter-American Tropical Tuna Commission, signed at Washington May 31, 1949, and for other purposes.

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the bill from the Senate (S. 2568) entitled to amend the act of September 7, 1950, to extend the regulatory authority of the Federal and State agencies concerned under the terms of the Convention for the Establishment of an Inter-American Tropical Tuna Commission, signed at Washington May 31, 1949, and for other purposes, which were, on page 1, strike out lines 7 and 8, and insert:

(e) "United States" shall include all areas under the sovereignty of the United States, the Trust Territory of the Pacific Islands, and the Canal Zone.

On page 5, line 4, strike out "any" and insert "such", and on page 5, strike out lines 7 through 13, inclusive, and insert "The aforesaid prohibitions shall continue until the Secretary of the Interior is satisfied that the condition warranting the prohibition no longer exists, except that all fish in any form of the species under regulation which were previously prohibited from entry shall continue to be prohibited from entry."

Mr. BARTLETT. Mr. President, the House amendments were suggested by the Department of State and are of a technical and clarifying nature. They do not alter the substance of the bill. They were worked out after consultation with the American tuna industry, which has a deep interest in this subject.

I move that the Senate concur in the House amendments to S. 2568.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Alaska.

The motion was agreed to.

Mr. BARTLETT. Mr. President, I move that the vote by which the Senate concurred in the House amendments to S. 2568 be reconsidered.

Mr. McCARTHY. Mr. President, I move to lay that motion on the table.

The VICE PRESIDENT. The question is on agreeing to the motion to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

AMENDMENT OF COMMUNICATIONS ACT OF 1934

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 2187, H.R. 11732.

The VICE PRESIDENT. The bill will be stated by title for the information of the Senate.

The **Legislative Clerk.** A bill (H.R. 11732) to amend section 305 of the Communications Act of 1934, as amended.

The VICE PRESIDENT. The question is on agreeing to the motion by the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the bill.

The VICE PRESIDENT. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading and passage of the bill.

The bill (H.R. 11732) was ordered to a third reading, read the third time, and passed.

DEPARTMENTS OF STATE, JUSTICE, AND COMMERCE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATION BILL, 1963

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 2188, which is to be the unfinished business.

The VICE PRESIDENT. The bill will be stated by title for the information of the Senate.

The **Legislative Clerk.** A bill (H.R. 12580) making appropriations for the Departments of State, Justice, and Commerce, the Judiciary, and related agencies for the fiscal year ending June 30, 1963, and for other purposes.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the bill (H.R. 12580), which had been reported from the Committee on Appropriations, with amendments.

ENROLLED BILLS AND JOINT RESOLUTIONS PRESENTED

The Secretary of the Senate reported that on today, October 2, 1962, he presented to the President of the United States the following enrolled bills and joint resolutions:

S. 699. An act to amend the act entitled "An act to incorporate the Hungarian Reformed Federation of America," approved March 2, 1907, and for other purposes;

S. 3120. An act to amend section 6 of the act of May 29, 1884;

S. 3152. An act to provide for the nutritional enrichment and sanitary packaging of rice prior to its distribution under certain Federal programs, including the national school lunch program;

S. 3156. An act to amend section 142 of title 28, United States Code, with regard to furnishing court quarters and accommodations at places where regular terms of court are authorized to be held, and for other purposes;

S. 3396. An act to amend section 511(h) of the Merchant Marine Act, 1936, as amended, in order to extend the time for commitment of construction reserve funds;

S. 3431. An act to consent to the amendment of the Pacific Marine Fisheries Compact and to the participation of certain additional States in such compact in accordance with the terms of such amendment;

S.J. Res. 211. Joint resolution providing for the establishment of an annual National School Lunch Week; and

S.J. Res. 228. Joint resolution authorizing the issuance of a gold medal to General of the Army Douglas MacArthur.

ADJOURNMENT UNTIL 10 A.M. TOMORROW

Mr. MANSFIELD. Mr. President, if there is no further business to come before the Senate, I move, according to the previous order, that the Senate stand in adjournment until 10 o'clock tomorrow morning.

The motion was agreed to; and, (at 5 o'clock and 26 minutes p.m.) the Senate adjourned, under the previous order, until tomorrow, Wednesday, October 3, 1962, at 10 o'clock a.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate October 2 (legislative day of October 1), 1962:

DIPLOMATIC AND FOREIGN SERVICE

AMBASSADORS

Llewellyn E. Thompson, of Colorado, a Foreign Service officer of the class of career ambassador, to be Ambassador at Large.

W. Walton Butterworth, of Louisiana, a Foreign Service officer of the class of career ambassador, to be Ambassador Extraordinary and Plenipotentiary of United States of America to Canada.

ORGANIZATION FOR ECONOMIC COOPERATION AND DEVELOPMENT

John M. Leddy, of Virginia, to be the representative of the United States of America to the Organization for Economic Cooperation and Development.

AGENCY FOR INTERNATIONAL DEVELOPMENT

Hollis B. Chenery, of California, to be Assistant Administrator for Program Review and Coordination, Agency for International Development.

Dr. Leona Baumgartner, of New York, to be Assistant Administrator for Human Resources and Social Development, Agency for International Development.

IN THE ARMY

The nominations beginning Samuel J. Merrill to be major, and ending Eugene K. Wilson III to be second lieutenant, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on September 21, 1962.

HOUSE OF REPRESENTATIVES

TUESDAY, OCTOBER 2, 1962

The House met at 12 o'clock noon.

The Reverend Maurice D. Ashbury, of the All Saints' Episcopal Church, Frederick, Md., offered the following prayer:

Almightly and most gracious Heavenly Father, we humbly beseech Thee, to pour out Thy spirit upon all flesh, that all men everywhere may dwell together in peace and safety and Thy will be done on earth as it is in heaven. Bless all the people of these United States and especially their Representatives in Congress here assembled. Grant them wisdom and strength to know and to do Thy will. Guide and direct them in all their deliberations to the advancement of the safety, honor, and welfare of all Thy people. Grant that all things may be so ordered and settled by their endeavors, upon the best and surest foundations, that peace and happiness, truth and justice, religion and piety, may be established among us for all generations. These and all other necessities for them and for all people of these United States, we ask humbly in the name of and for the sake of Jesus Christ, our Lord. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McGown, one of its clerks, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 9342. An act to provide for an exchange of lands between the United States and the Southern Ute Indian Tribe, and for other purposes; and

H.R. 12080. An act to permit domestic banks to pay interest on time deposits of foreign governments at rates differing from those applicable to domestic depositors.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 11665) entitled "An act to revise the formula for apportioning cash assistance funds among the States under the National School Lunch Act, and for other purposes," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. JORDAN of North Carolina, Mr. EASTLAND, Mr. YOUNG of Ohio, and Mr. HART, Mr. HICKENLOOPER, Mr. YOUNG of North Dakota, and Mr. COOPER to be the conferees on the part of the Senate.

PUBLIC WORKS APPROPRIATION BILL, 1963

Mr. CANNON. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 12900) making appropriations for certain civil functions administered by the Department of Defense, certain agencies of the Department of the Interior, the Atomic Energy Commission, the St. Lawrence Seaway Development Corporation, the Tennessee Valley Authority and certain river basin commissions for the fiscal year ending June 30, 1963, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments and agree to the conference requested by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

The Chair hears none and appoints the following conferees: Messrs. CANNON, KIRWAN, FOGARTY, JENSEN, and TABER.

CONFERENCE REPORTS

Mr. CANNON. Mr. Speaker, I ask unanimous consent that for the remainder of the session it may be in order for the Committee on Appropriations to file conference reports at any time.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

Mr. GROSS. Mr. Speaker, may we have the request restated?

Mr. CANNON. We come in every day and on every bill we ask that we have until midnight to file a report, whether the House is in session or not. This is merely the filing of the report before midnight.

Mr. GROSS. Mr. Speaker, I still did not understand the request of the gentleman from Missouri.

The SPEAKER. The gentleman from Missouri [Mr. CANNON] asks unanimous consent, as the Chair understands the gentleman's request, that the Committee on Appropriations may have permission to file conference reports at any time during the balance of the session.

Mr. GROSS. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

TO AMEND SECTION 641 OF TITLE 38, UNITED STATES CODE

Mr. TEAGUE of Texas. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 9737) to amend section 641 of title 38, United States Code, to provide that deductions shall not be made from Federal payments to a State home because of amounts collected from the estates of deceased veterans and used for recreational or other purposes not required by State laws, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 2, after line 10, insert a new section, as follows:

"SEC. 2. Section 1712 of title 38, United States Code, is amended by adding at the end thereof a new subsection as follows:

"'(c) Notwithstanding the provisions of subsection (a) of this section, an eligible person may be afforded educational assistance beyond the age limitation applicable to him under such subsection if (1) he suspends pursuit of his program of education after having enrolled in such program within the time period applicable to him under such subsection, (2) he is unable to complete such program after the period of suspension and before attaining the age limitation applicable to him under such subsection, and (3) the Administrator finds that the suspension was due to conditions beyond the control of such persons; but in no event shall educational assistance be afforded such person by reason of this subsection beyond the age limitation applicable to him under subsection (a) of this section plus a period of time equal to the period he was required to suspend the pursuit of his program, or beyond his thirty-first birthday, whichever is earlier.'"

Amend the title so as to read: "An Act to amend section 641 of title 38, United States Code, to provide that deductions shall not be made from Federal payments to a State home because of amounts collected from the estates of deceased veterans and used for recreational or other purposes not required by State laws, and to amend chapter 35 of such title in order to afford educational assistance in certain cases beyond the age limitations prescribed in such chapter."

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

TO AMEND TITLE 38, UNITED STATES CODE, RELATING TO AWARDS

Mr. TEAGUE of Texas. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 7600) to amend title 38, United States Code, to revise the effective date provisions relating to awards, and for other purposes, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 4, line 21, strike out "deceased." " and insert: "deceased."

"(k) The effective date of the award of benefits to a widow or of an award or increase of benefits based on recognition of a child, upon annulment of a marriage shall be the date the judicial decree of annulment becomes final if a claim therefor is filed within one year from the date the judicial decree of annulment becomes final; in all other cases the effective date shall be the date the claim is filed."

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. ADAIR. Mr. Speaker, reserving the right to object, the previous bill, this bill, and as I understand it, two more bills are bills which have been cleared with the minority; is that correct?

Mr. TEAGUE of Texas. If the gentleman will yield, that is correct. All bills being considered have been cleared with the minority.

Mr. ADAIR. Mr. Speaker, I will say to the Members of the House that I know of no objection to the request which the gentleman from Texas is making.

Mr. Speaker, I withdraw my reservation.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

TO AMEND TITLE 38, UNITED STATES CODE, REPAIR OR REPLACEMENT OF CERTAIN PROSTHETIC APPLIANCES

Mr. TEAGUE of Texas. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 6190) to amend title 38 of the United States Code to provide for the repair or replacement for veterans of certain prosthetic or other appliances damaged or destroyed as a result of certain accidents, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 1, line 6, strike out "618" and insert "619".

Page 1, line 8, strike out "(a) The" and insert "The".

Page 2, strike out the line immediately following line 8 and insert:

"619. Therapeutic and rehabilitative activities."

Page 2, in the line immediately following line 9, strike out "618" and insert "619".

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

CERTAIN VETERANS AND ELIGIBLE PERSONS ORDERED TO ACTIVE DUTY

Mr. TEAGUE of Texas. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (S. 2697) to waive certain time limitations prescribed in chapters 33 and 35 of title 38, United States Code, in the case of certain veterans and eligible persons ordered to active duty with the Armed Forces, or whose period of duty with the Armed Forces was involuntarily extended, on or after August 1, 1961, with a Senate amendment to the House amendment, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment to the House amendment, as follows:

On page 4, after line 8, of the House engrossed amendments, insert a new section as follows:

"Sec. 7. (a) Section 1502(a) of title 38, United States Code, is amended to read as follows:

" '(a) Every veteran who is in need of vacational rehabilitation on account of a service-connected disability which is, or but for the receipt of retirement pay would be, compensable under chapter 11 of this title shall be furnished such vocational rehabilitation as may be prescribed by the Administrator, if such disability—

" '(1) arose out of service during World War II or the Korean conflict; or

" '(2) arose out of service after World War II, and before the Korean conflict, or after the Korean conflict, and is rated for compensation purposes as 30 per centum or more, if less than 30 per centum is clearly shown to have caused a pronounced employment handicap.'

"(b) The first sentence of section 1502(c)(3) of title 38, United States Code, is amended to read as follows:

" '(3) Vocational rehabilitation may not be afforded to a veteran on account of post-World War II service after nine years following his discharge or release; except vocational rehabilitation may be afforded to any person until—

" '(A) August 20, 1963, if such person was discharged or released before August 20, 1954, or

" '(B) Nine years after the date of the enactment of this subparagraph if such person is eligible for vocational rehabilitation by reason of a disability arising from service before such date of enactment, but either after World War II, and before the Korean conflict, or after the Korean conflict.'

"(c) Section 1502(c)(4) of title 38, United States Code, is amended (1) by striking out 'Korean conflict service' and inserting in lieu thereof 'post-World War II service'; and (2) by striking out 'his service during the Korean conflict' and inserting in lieu thereof 'such service'.

"(d) Section 1502(d) of title 38, United States Code, is repealed."

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Senate amendment to the House amendment was concurred in.

A motion to reconsider was laid on the table.

TO AMEND THE NATIONAL SCIENCE FOUNDATION ACT OF 1950

Mr. TEAGUE of Texas. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 8556) to amend the National Science Foundation Act of 1950 to require certain additional information to be filed by an applicant for a scholarship or fellowship, and for other purposes, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 2, line 8, strike out "1961)" and insert "1962)".

Page 3, after line 16, insert:

"Sec. 3. Section 1001 of the National Defense Education Act of 1958 is amended by striking out subsection (f) and inserting in lieu thereof the following:

" '(f)(1) No part of any funds appropriated or otherwise made available for expenditure under the authority of this Act shall be used to make payments or loans to any individual unless such individual has taken and subscribed to an oath or affirmation in the following form: "I do solemnly swear (or affirm) that I bear true faith and allegiance to the United States of America and will support and defend the Constitution and laws of the United States against all its enemies, foreign and domestic".

" '(2) No fellowship or stipend shall be awarded to any individual under the provisions of title IV or of part A of title VI of this Act unless such individual has provided the Commissioner (in the case of applications made on or after October 1, 1962) with a full statement regarding any crimes of which he has ever been convicted (other than crimes committed before attaining sixteen years of age and minor traffic violations for which a fine of $25 or less was imposed) and regarding any criminal charges punishable by confinement of thirty days or more which may be pending against him at the time of his application for such fellowship or stipend.

" '(3) The provisions of section 1001 of title 18, United States Code, shall be applicable with respect to the oath or affirmation required under paragraph (1) of this subsection and to the statement required under paragraph (2).

" '(4)(A) When any Communist organization, as defined in paragraph (5) of section 3 of the Subversive Activities Control Act of 1950, is registered or there is in effect a final order of the Subversive Activities

Control Board requiring such organization to register, it shall be unlawful for any member of such organization with knowledge or notice that such organization is so registered or that such order has become final (i) to make application for any payment or loan which is to be made from funds part or all of which are appropriated or otherwise made available for expenditure under the authority of this Act, or (ii) to use or attempt to use any such payment or loan.

"'(B) Whoever violates subparagraph (A) of this paragraph shall be fined not more than $10,000 or imprisoned not more than five years, or both.

"'(g) Nothing contained in this Act shall prohibit the Commissioner from refusing or revoking a fellowship award under title IV of this Act, in whole or in part, in the case of any applicant or recipient, if the Commissioner is of the opinion that such award is not in the best interests of the United States.'"

Amend the title so as to read: "An Act to amend the National Science Foundation Act of 1950 to require certain additional information to be filed by an applicant for a scholarship or fellowship, and to amend the National Defense Education Act of 1958 with respect to certain requirements for payments or loans under the provisions of such Act, and for other purposes."

The **SPEAKER**. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

Mr. **TEAGUE** of Texas. Mr. Speaker, I ask unanimous consent to include in the Record at this point two letters with reference to this bill, one addressed to the chairman of the Committee on Education and Labor, and one addressed to the chairman of the Committee on Science and Astronautics.

The **SPEAKER**. Is there objection to the request of the gentleman from Texas?

There was no objection.

The letters referred to follow:

Committee on Science
and Astronautics,
Washington, D.C., September 26, 1962.
Hon. Adam Clayton Powell,
Chairman, Committee on Education and Labor, U.S. House of Representatives, Washington, D.C.

Dear Chairman Powell: H.R. 8556, passed by the House of Representatives on the Consent Calendar on September 6, 1961, originated in the Committee on Science and Astronautics of the House of Representatives, who explained the purposes of H.R. 8556 as follows:

"(1) To eliminate the so-called non-Communist disclaimer affidavit presently required by section 16 of the National Science Foundation Act; (2) to add a new provision making it a crime for any member of a Communist organization, as defined in the Subversive Activities Control Act of 1950, to apply for or to use any scholarship or fellowship awarded under the provisions of section 10 of the act; (3) to require each applicant for scholarship or fellowship to provide the National Science Foundation with a full statement of the crime of which he has been convicted (other than crimes committed before attaining 16 years of age and minor traffic violations for which a fine of $25 or less was imposed), and information regarding any criminal charges punishable by confinement of 30 days or more which may be pending against him; and (4) to declare that the National Science Foundation may refuse or revoke any scholarship or fellowship award in the best interests of the United States."

The Senate of the United States referred H.R. 8556 to its Committee on Labor and Public Welfare. That committee has jurisdiction over both the National Science Foundation Act of 1950 and the National Defense Education Act. Accordingly, on September 21, 1962, that committee filed its report on H.R. 8556 recommending passage with amendments extending its provisions to the National Defense Education Act. The Senate committee report notes that section 1001(f) of the National Defense Education Act was patterned after section 16(d) of the National Science Foundation Act; that its recommendations are consistent with reports of the House Committee on Education and Labor heretofore filed recommending amendment of section 1001(f) of the National Defense Education Act; and that conformity should be preserved between section 16(d) of the National Science Foundation Act and section 1001(f) of the National Defense Education Act.

In the event of Senate passage of H.R. 8556, as amended, it is contemplated that my committee will request this bill be taken from the Speaker's table and acted upon by the House. At such time I would like to have from you an indication of your views as chairman of the committee having jurisdiction over the National Defense Education Act with regard to this legislation. Such correspondence will be made part of the legislative history and will be evidence of your committee's jurisdiction in this field.

Very truly yours,
George P. Miller,
Chairman.

September 27, 1962.
Hon. George P. Miller,
Chairman, Committee on Science and Astronautics, U.S. House of Representatives, Washington, D.C.

Dear Chairman Miller: I have received and reviewed your recent letter with regard to H.R. 8556 as it was amended by the Senate and presently before the House.

I note with great interest your comments regarding the amendment to section 1001(f) of the National Defense Education Act as contained in the above-mentioned bill. Under ordinary circumstances, I would think it most desirable that my committee meet and vote on this question of amending this statute which comes under our jurisdiction. However, I recognize the present time limitations which prevent us from proceeding in this way.

I have reviewed my committee's report No. 674, issued July 6, 1961, to accompany H.R. 7904. This report, on pages 66 and 67, notes a proposed change which we considered advisable and as a substitute for the present provisions of section 1001(f). It is my belief that the amendment proposed in H.R. 8556 to this section is consistent with the recommendations made by my committee last year.

In reviewing the minutes of our meeting on H.R. 7904, I note that our proposed amendment had full bipartisan support. Because of this finding and in view of the time pressure referred to above, I believe I can advise you that the amendment proposed to section 1001(f) of the NDEA in H.R. 8556 is acceptable to my committee.

This conclusion, of course, in no way binds the members of this committee in further discussions of amendments to the National Defense Education Act which will very likely be under consideration in the 88th Congress. In addition, my comments cannot be construed to indicate that our committee has relinquished or would relinquish any of its responsibility and jurisdiction with regard to the NDEA or any other proposed legislation dealing with educational activities.

With every good wish.

Very truly yours,
Adam C. Powell,
Chairman.

NATIONAL LIFE INSURANCE TO CERTAIN VETERANS

Mr. **TEAGUE** of Texas. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 3597) to amend title 38, United States Code, to permit, for 1 year, the granting of national service life insurance to certain veterans heretofore eligible for such insurance, with a House amendment thereto, and agree to the conference requested by the Senate.

The **SPEAKER**. Is there objection to the request of the gentleman from Texas?

The Chair hears none and appoints the following conferees: Messrs. Teague of Texas, Dorn, Everett, Ayres, and Adair.

EXCHANGE OF LANDS BETWEEN UNITED STATES AND SOUTHERN UTE INDIAN TRIBE

Mr. **HALEY**. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 9342) to provide for an exchange of lands between the United States and the Southern Ute Indian Tribe, and for other purposes, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert: "That (a) there is hereby transferred to the United States all of the right, title, and interest of the Southern Ute Indian Tribe in the following lands, which are needed for the Navajo Dam and Reservoir project, except the minerals therein and the right to prospect for and remove them in a manner that does not impair the project, as prescribed by the Secretary of the Interior:

"NEW MEXICO PRINCIPAL MERIDIAN, COLORADO

"Township 32 North, Range 4 West

"Section 16: West half northwest quarter southwest quarter southwest quarter, northwest quarter southwest quarter southwest quarter southwest quarter.

"Section 17. South half south half northwest quarter southeast quarter, north half southwest quarter southwest quarter, north half south half southwest quarter southwest quarter, south half southwest quarter northeast quarter southeast quarter,

"Section 18: North half northwest quarter southwest quarter, northeast quarter southeast quarter northwest quarter southwest quarter, north half southeast quarter southeast quarter, north half south half southeast quarter southeast quarter, northeast quarter southwest quarter southeast quarter, north half northwest quarter southwest quarter southeast quarter, north half northeast quarter southeast quarter southwest quarter.

"Township 32 North, Range 5 West

"Section 5: Southeast quarter northeast quarter southeast quarter northwest quarter, east half southeast quarter southeast quarter northwest quarter,

"Section 9: West half, east half southeast quarter southeast quarter, west half southeast quarter southeast quarter, southwest quarter southeast quarter, southeast quarter southeast quarter southeast quarter southeast quarter,

"Section 10: Southeast quarter southeast quarter, southwest quarter southeast quarter, northeast quarter southeast quarter northeast quarter southeast quarter, south half south half northeast quarter southeast quarter, southeast quarter southeast quarter southwest quarter, south half southwest quarter southeast quarter southwest quarter, northeast quarter, southwest quarter southeast quarter southwest quarter, southeast quarter southeast quarter southwest quarter, southwest quarter.

"Section 11: South half south half northwest quarter southwest quarter, northwest quarter southwest quarter northwest quarter southwest quarter, south half southwest quarter northeast quarter southwest quarter,

"Section 12: Southeast quarter southwest quarter southwest quarter southwest quarter, south half southeast quarter southwest quarter southwest quarter, south half south half southeast quarter southwest quarter,

"Section 13: Northeast quarter northeast quarter southwest quarter, north half northwest quarter southeast quarter, north half north half northeast quarter southeast quarter,

"Section 14: North half north half northeast quarter southwest quarter, north half northeast quarter northwest quarter southwest quarter, north half northwest quarter northwest quarter southeast quarter,

"Section 15: West half northwest quarter northeast quarter southeast quarter, west half northeast quarter, northwest quarter southeast quarter, north half north half southwest quarter southeast quarter.

"Section 16: Northeast quarter.

"Containing 707.5 acres, more or less.

"(b) In exchange for such conveyance, the Secretary of the Interior is authorized to transfer to the United States in trust for the Southern Ute Indian Tribe, subject to valid existing rights, public lands on the Archuleta Mesa, reserving to the United States the minerals therein and the right to prospect for and remove them under regulations of the Secretary of the Interior, that are contiguous to the present eastern boundary of the Southern Ute Indian Reservation, and that have a value equal to or not materially greater than the value of the lands conveyed by the tribe, such values to be determined by the Secretary: *Provided*, That such public lands shall be selected in a manner that will not increase the Government's management problem for other public lands, the selection shall be approved by the Southern Ute Indian Tribe, and the Southern Ute Indian Tribe shall pay to the United States any difference in the values of the lands exchanged.

"(c) The owners of the range improvements of a permanent nature placed, under the authority of a permit from or agreement with the United States, on the public lands conveyed to the tribe shall be compensated for the reasonable value of such improvements, as determined by the Secretary, out of appropriations available for the construction of the Navajo unit, Colorado River storage project.

"(d) Persons whose grazing permits, licenses, or leases on the public lands conveyed to the tribe are canceled because of such conveyance shall be compensated in accordance with the standard prescribed by the Act of July 9, 1942, as amended (43 U.S.C. 315q), out of appropriations available for the construction of the Navajo unit, Colorado River storage project.

"(e) The public lands conveyed to the tribe shall be a part of the Southern Ute Indian Reservation and shall be subject to the laws and regulations applicable to other tribal lands in that reservation.

"(f) The tribal lands conveyed to the United States shall no longer be "Indian country" within the meaning of section 1151 of title 18 of the United States Code. They shall have the status of public lands withdrawn for administration pursuant to the Federal reclamation laws, and they shall be subject to all laws and regulations governing the use and disposition of public lands in that status.

"(g) In any right-of-way granted by the United States for a railroad over the tribal lands conveyed to the United States, the Secretary shall provide the Southern Ute Indians, at such points as he determines to be reasonable, the privilege of crossing such right-of-way.

"(h) The tribal lands conveyed to the United States shall not be utilized for public recreational facilities without the approval of the Southern Ute Tribal Council.

"(i) Nothing in this Act shall be construed to abridge any fishing rights that are vested in the Indians."

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

Mr. HALEY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. HALEY. Mr. Speaker, the only difference between H.R. 9342 as it passed the House and as it was amended by the Senate is in subsection (h). The House bill would have allowed the Southern Ute Tribe to utilize for recreational purposes certain lands that are being transferred to the United States if such utilization would not interfere with Navajo Dam and Reservoir. The Senate amendment omits this provision. In other words, under the Senate amendment the lands in question will not be utilizable by the tribe for recreational development. The amendment, I am advised, is acceptable to the Southern Ute Tribal Council.

THE SCHOOL LUNCH BILL

Mr. FRELINGHUYSEN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. FRELINGHUYSEN. Mr. Speaker, a few minutes ago a House-Senate conference on the so-called school lunch bill, H.R. 11665, broke up. The differences between the bill as passed by the House and as approved by the other body were discussed. After no more than 15 minutes these differences were reconciled, and agreement was reached. I am confident that final action will be taken on this conference report within the next few days.

Mr. Speaker, the ease with which the Senate and House conferees reached agreement on the school lunch program makes it apparent that a similar agreement could as easily be reached on a college facilities bill. Although I myself am not a conferee on that bill, I should like to point out that the Republican House conferees have been urging an early conference with the Senate. So far, I regret to say, there has been no response and no meeting has even been attempted.

This lack of effort on the part of the Democratic conferees is hard to explain, Mr. Speaker. Surely they must realize the need for more facilities. Surely they must realize that solid bipartisan support does exist for Federal aid to help build additional college academic facilities. Their refusal even to seek agreement on what should be done, I repeat, is hard to justify. This certainly should be no more difficult to achieve than agreement on the school lunch program. Time is running out, Mr. Speaker, but this form of assistance could be quickly agreed upon.

SELECT COMMITTEE ON EXPORT CONTROL

Mr. ALBERT. Mr. Speaker, on behalf of the gentleman from North Carolina [Mr. KITCHIN], I ask unanimous consent that the House Select Committee on Export Control may be permitted to sit today during general debate.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

GROSS NATIONAL PRODUCT: WHAT IT IS AND WHAT IT IS NOT

Mr. CURTIS of Missouri. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CURTIS of Missouri. Mr. Speaker, one of the most useful economic indicators is the gross national product. Like many tools, however, the GNP has its limitations. Too often we fail to recognize these, and we rely unreservedly upon the GNP figure for policy guidance.

Because of a failure to recognize the limits of GNP and to understand its true nature, I was happy to see in the September 22 issue of the Morgan Guaranty Survey, an article which discusses the gross national product.

Among the points made by the article is that instead of measuring economic performance, the GNP actually estimates "the market value of the Nation's output of goods and services, excluding those which go into the production of other goods and services." In other words, it is more a measure of economic activity than of economic performance.

The article then goes on to show how the GNP actually underestimates—or in some cases overestimates—the level of economic activity.

The article concludes by cautioning against excessive reliance on the GNP figure as the one true indicator of how things are going with the economy. It also expresses the hope, which I have myself frequently voiced in sessions of the Joint Economic Committee, that in their involvement with grand totals or aggregates, economists not neglect the components or the "little picture" of our economy.

This article is so important to a better understanding of the economic issues before our country that I am including it in the Record at this point:

The Content of Gross National Product: ?+?+?=$519 Billion

In an economy as large and complex as that of the United States, the layman groping for some sense of what is going on is likely to be grateful for the statistical invention called gross national product. In one tidy figure it caters to his wish for a simple, single measure of the Nation's total economic achievement. He can watch it go up or down, memorize and quote its latest reading, check the accuracy of predictions that experts and others have made as to its course.

The popular preoccupation with GNP troubles some professional analysts. Their dismay is not that of craftsmen disturbed at seeing the tools of the trade fall into unlicensed hands. Indeed, the economists most involved in developing the GNP concept are pleased that their work has generated such wide general interest. At the same time, there is concern that public reception of their statistical creature may be based on superficial understanding, or even misunderstanding, of its true nature.

Certainly few laymen have any detailed grasp of how the gross national product figure is calculated. It would be interesting to discover, for instance, how many realize that a given year's published GNP, even after revisions that may go on for a decade or more is strictly an estimate and in no meaningful sense an actual counting up of things produced. A committee of economists who studied the whole field of national economic accounts for the Bureau of the Budget in 1957 remarked, in recommending steps to improve public understanding: "* * * a large part of the public does not understand the meaning of the national income and product statistics, and * * * only a few technicians are familiar with the details of their shortcomings."

Dispelling some of the general innocence about GNP and other big-big-picture economic statistics might lessen the layman's tendency to take them without question, but familiarity is hardly likely to breed contempt. While gross national product as posted is not the full-fleshed reality many take it to be, observation of changes in it from quarter to quarter and from year to year does contribute to understanding of what is happening to overall economic activity. Thus the figure is a useful tool both for business planning and for the formulation of national policy.

The tool is of comparatively recent design—surprisingly recent in view of the place it already has managed to win in the working kits of most economists. The Department of Commerce, whose National Income Division is the source of the official GNP estimates, brought out its first ones just 20 years ago last March. They covered the years 1939, 1940, and 1941. In May 1942, estimates for the years back to 1929 were presented. Regular quarterly publication of estimates, expressed at annual rates, was started in 1947.

HOW IT BEGAN

The earliest origins of national product accounting go back much further. The antecedents of GNP can be found in a series of attempts—in different countries at various times over a span of nearly three centuries—to put a size on a nation's economic achievements. Usually the investigator's focus was expressed as income rather than product; even today the statistical framework of which GNP is the best-known part is referred to as the national income accounts.

The beginning was in 17th-century England, where a versatile physician named Sir William Petty (1623–87) set out to prove that his country was richer than its leaders thought. Seeking a gage of annual national income, he started by assuming that it was equal to total spending. He then proceeded to work out the dimensions of the latter. He estimated the total population of England and Wales at 6 million, and multiplied that by what he reckoned as the average annual expense per man, woman, or child for "food, housing, clothes, and other necessaries"—£6 13s. 4d., later revised to £7.

Sir William went on to apportion the calculated national income of some £40 million among classes of earning factors. He assigned £15 million to property as earnings chiefly in the form of rents and profits. The rest he attributed to labor. Assuming half the population was gainfully employed, he derived an average income for workers of sevenpence per working day. He recognized income differences among workers by dividing them into six brackets, earning from twopence per day in the lowest-paid to a shilling in the highest. He assumed an equal number of workers in each category.

From such computations he moved to a set of broad conclusions, including what may have been the first recorded gap estimate. Among them:

"That the power and wealth of England, hath increased above this 40 years.

"That there are spare hands enough among the King of England's subjects, to earn 2 million per annum, more than they now do, and there are employments, ready, proper, and sufficient, for that purpose.

"That there is money sufficient to drive the trade of the nation.

"That the King of England's subjects, have stock, competent, and convenient to drive the trade of the whole commercial world."

While there is no way of checking Sir William's figures, it seems safe—considering that he had to work in an almost total absence of dependable statistical material—to assume that they contained inaccuracies. The methods he used, however, are not without parallels among techniques used by national income and product estimators today.

FIRST U.S. ESTIMATE

The development of national income study was slow and intermittent; some further work was done in England during the 1700's, and attempts were made in France and Russia. It wasn't until 1843 that the first estimate was made for the United States. The author was Prof. George Tucker, an economist and for a while a Member of Congress. He had studied the data of several censuses; and, when the 1840 count was broadened to include a substantial amount of economic information, he took advantage of the results to construct an estimate of annual income, which he also called "product of the country."

He shrank the income concept by limiting his estimate to material production. Perhaps he did so because of lack of data concerning services; he gave no reason. For the year 1840 he gaged the annual product to have a value of slightly over $1 billion. After the 1850 census he made an estimate for that year of nearly $2 billion.

The Tucker method, within its narrower scope, was closer to a straight count of things produced than is today's product accounting, which relies heavily on such indirect guides as income-tax returns and social security data as well as on direct reports and estimates of output. He regarded as his most difficult problem the assigning of prices to the goods units reported in the census. To make some provision for regional differences, he did his pricing on a State-by-State basis.

Professor Tucker dealt somewhat arbitrarily with the problem of eliminating from his count of final products those goods used as raw materials or components—a task still challenging to product estimators. He simply deducted one-third from the gross value of manufactured goods to account for raw materials; he based this on reports indicating that among manufacturers in New York two-thirds of selling price as an average went to wages and profits. In the case of household manufacturing, he increased the proportion for raw materials to one-half, this adjustment no doubt reflecting the reasonable assumption that earnings (whether called wages or profits) were slimmer in home industry than in factories.

Over the half-century following the Tucker work, the amount of statistical information available in the United States increased tremendously. The first scholar to make use of the new data for income-stimulating purposes was Dr. Charles B. Spahr, who published in 1896 an estimate of national income for 1890. His work turned back in the direction of measuring income, rather than product. His prime concern, actually, was income distribution among various groups in society.

A couple of decades later, Dr. Willford I. King developed income estimates for the census years from 1850 through 1910. When the National Bureau of Economic Research was established in 1920, the first project undertaken was an extension of Dr. King's research to cover the years 1909–19, published in 1921 and 1922. The Bureau continued active in the national income field, publishing in 1930 Dr. King's estimates for the years 1909–28.

As the late Prof. Paul Studenski noted in a review of the history of national income study, the work began and for a long time continued as a strictly private enterprise, commanding only such resources as individual scholars or their sponsoring organizations could muster. Governments showed little interest in the findings until well into the 20th century. Problems of reconstruction after World War I and later of worldwide depression brought the statisticians' ledgers to the tables where policy decisions were being made.

In the United States, Congress in 1932 directed the Department of Commerce to prepare studies showing how the Nation's income was divided as to point of origin and also as to means of payment (whether in wages, dividends, rents, etc.). Commerce enlisted the aid of Prof. Simon Kuznets, who had joined the team of national income scholars at the National Bureau. He organized and directed the study, the first Government-sponsored look at income in the United States, which culminated in 1934 in publication of estimates for the years 1929–32. His work on this project and in subsequent studies at the National Bureau was a major influence in shaping the official approach to national accounting as adopted and currently employed by the Commerce Department.

ENTER GROSS NATIONAL PRODUCT

Income estimates, including a modest amount of subsidiary data, were published annually by the Department through the late 1930's. Meanwhile, scholars working independently in the field were experimenting with a concept broader than that of national income. The latter, which had become the chief focus of economic measurement, was thought of as the earnings of labor and property used in production. This was also expressed as the total value of goods and services produced for final consumption, plus additions to inventory, plus additions to the supply of capital, minus the value of capital needed for replacement.

In 1934, Dr. Clark Warburton presented estimates he had made for the odd-numbered years 1919 through 1929, showing a quantity he called "value of the gross national product," the first appearance of the term in published discussion. It was used to signify a quantity that was larger than national income—chiefly because it reflected no deductions representing replacement of depreciated capital or taxes included in market prices.

Professor Kuznets also developed national product estimates on a gross basis. The Commerce Department gave GNP official status with publication of its estimates in the spring of 1942. The immediate reason for the innovation was the belief that it provided a more meaningful basis than did the smaller national income figure for relating the volume of war production to total output.

In the first full-dress exposition of their GNP approach, Commerce economists conjectured modestly as to possible uses it might have beyond the special needs of wartime and postwar policy planning that had led to its development. "The estimates," they said, "should also prove useful in other capacities, both to businessmen and to private economists seeking a summary picture of the economic process as background for special studies and policies." They could hardly have been expected to foresee that the statistical artifact they were unveiling would become the general public's favorite yardstick for measuring economic performance.

What GNP actually measures—or, more accurately, estimates—is the market value of the Nation's output of goods and services, excluding those which go into the production of other goods and services. For instance, steel used in building construction is counted only once—as part of the value of the finished building.

The seemingly all-inclusive reach of GNP doubtless has had something to do with its popular acceptance. Comprehensiveness can have statistical advantages, too—for instance, the enhanced validity of a total whose calculation does not involve estimating the amount of depreciation, a quantity on which reliable information has always been difficult to obtain.

Forming the GNP concept was only the beginning of a task that has no foreseeable conclusion—the job of bringing the estimate constantly closer to the reality it is supposed to express. Progress has been impressive, thanks to improvements in the thousands of statistical compilations which the estimators use as raw material and in the art of estimating itself. But the job is far from finished. Even the beginning—defining GNP—appears to have no end. Debate as to the proper content and the most meaningful presentation of gross national product has been continuous virtually since the original concept was introduced.

A LAYMAN'S LOOK

The colloquy is likely to continue, for there is much to discuss. The annual laying out of the official income and product accounts involves some 75 statistical tables, with crisscrossing and interlocking references that add up to a highly detailed panorama of the economy. Behind the published details, the worksheets of the estimators who prepare them are crowded with underlying data many times more detailed. Tying the whole together is an accounting scheme so complex that even the technicians most intimately involved sometimes find it hard to communicate with each other about it. For the layman, a look at the system is best obtained through the summary tables published each year by the Department of Commerce.

These appear in the annual national income issue of the Department's monthly Survey of Current Business. The first and most basic of the tables for 1961 is reproduced below, with cross-referencing symbols omitted and certain accounting details not shown. The arrangement in two columns reflects the fact that the economy's output of goods and services is being looked at in two ways. On the left side it is viewed as a flow of income payments to various parties, adding down to the subtotal national income. Several further items are then attached to result in the grand total gross national product. On the right side the same grand total is achieved as the simple sum of what has been spent for goods and services by four large groups of buyers: Consumers, business (investing in capital goods and inventory), foreigners as net purchasers (exports minus imports), and Government (including Federal, State, and local).

"Statistical discrepancy" in the left column is a balancing item. It recognizes that the alternate methods of adding up gross national product shown in the two columns don't cover precisely the same ground. It doesn't mean that one is accurate while the other is inaccurate by the exact amount of the discrepancy. Rather, both methods are inaccurate, but in differing degrees. The difference between their respective errors is the amount of the discrepancy; the exact amounts of the errors—the amounts by which the two estimates miss gross national product as it really exists—are impossible to know. The estimators believe they have reduced the possibility of error in their total figure to about 1 percent. The discrepancy item in recent years has been as low as $0.6 billion and as high as $3.4 billion.

National Income and Product Account, 1961

[Billions; figures may not add because of rounding]

Compensation of employees:		Personal consumption expenditures		$338.1
Wages and salaries	$278.8	Gross private domestic investment		69.3
Employer contributions for social insurance	12.0	Net exports of goods and services:		
Other labor income	11.4	Exports	27.3	
Proprietors' income	47.8	Imports	23.3	
Rental income of persons	12.3			4.0
Corporate profits (before tax)	45.6	Government purchases of goods and services		107.4
Inventory valuation adjustment	.0			
Net interest	20.0			
National income	427.8			
Business transfer payments	2.1			
Indirect business tax and nontax liability	48.2			
Current surplus of Government enterprises less subsidies	-1.7			
Capital consumption allowances	45.3			
Statistical discrepancy	-3.1			
Gross national product	518.7	Gross national product		518.7

Neither column of the table looks at output in the way that might seem most natural—as a stream of commodities and services flowing from the bountiful cornucopia that is the U.S. economy. Such a view, of course, is impossible through the eyes of accounting, which can add up the diverse fruits of production only in the common denominator of dollars. National product must be thought of, in Professor Kuznets' words, as a "sum of values" rather than "a congeries of specific commodities and services."

There is, to be sure, a great deal of tallying of specific goods and services in national product accounting. Production figures issued by industries or compiled by Government agencies, used in connection with price data, play an important part in the building up of the dollar totals, or in cross-checking the validity of totals arrived at from other directions. But nowhere in the published tables of the income and product accounts is there reference to the number of automobiles or television sets produced, the loaves of bread baked, the number of coats and trousers drycleaned. The denomination is always dollars.

As a result, GNP is sensitive to changes in prices. To permit year-to-year comparisons free of the effect of price changes, the Commerce Department issues GNP and subsidiary figures in "constant" dollars as well as the more commonly cited current-dollar ones. The "deflated" gross national product, as the price-adjusted estimate is often called, was added to the official statistics in 1951, with 1947 prices used as the base. Subsequently 1954 was adopted as base.

Insofar as is possible, the deflation of current-dollar GNP is performed on a product-by-product basis. This permits careful assignment of weight to individual price changes according to the proportion of total output they affect in a given year. For appraising economic growth and improvement in living standards, the constant-dollar figure is, of course, more meaningful.

The expression of GNP in monetary terms comports with the general rule of national accounting that only goods and services exchanged for money in market-type transactions are counted. This criterion produces some ironic results. The do-it-yourselfer who spends a weekend finishing off a room of his house does no more for the gross national product than if he had stacked his purchase of lumber in the corner and gone golfing. Buying the materials and tools was a contribution to GNP; but his labor, although it has added value to his house, does not swell the official national output by a single dollar. If he hires a carpenter, however, his whole payment for the job is an addition to GNP.

The most substantial excluding of productive effort from the formal accounts by reason of the money-payment criterion is the ignoring of the work of housewives in their own homes. Here, too, is a paradox. In terms of national income and product, the woman caring for her home and family is considered nonproductive; the girl working in a factory or office is productive. If they trade places—the housewife taking the factory or office job and hiring its former holder to take care of her home—both are then performing services for money and their work gets into GNP, which shows an increase although exactly the same amount of production is occurring as before.

Distortions like these are tolerated in the national accounting system because there is no statistically sound way to work into the accounts a value representing the services rendered. Any attempt to assign a dollar value to the aggregate of American hometending would involve guesswork, which is a quite different thing from estimation.

The housewife has found a way, if inadvertently to make the GNP figure more reflective of true output. She has done this by shifting to outside helpers a growing portion of the work once done in the home. The purchase and use of laborsaving devices, the serving of prepared foods that reduce kitchen work, more frequent taking of meals in restaurants, the sending of clothes and linens to the laundry are all changes that bring what was once uncounted housework into the market area as bought services or as an added element of value in bought goods.

Changes in a nation's living habits, in other words, can affect the national income and product totals in the absence of any change in the actual volume of goods or services produced and consumed. A nation in process of transition from a predominantly barter economy to a market economy, for instance, is likely to find its annual increases in income and product greatly overstated in relation to actual improvement in national welfare. A shift out of agriculture into industry normally brings a similar result.

Conversely, countries where economic development has lagged tend to look worse off in their national accounts than they are, especially when their figures are compared with those of more advanced nations. Where a high proportion of activity goes on outside the market economy, the money-payment criterion for counting goods and services results in understatement of the level of national well-being. International comparisons of national income or gross national product are rendered further dubious in many cases by significant differences from country to country in underlying statistical concept.

The U.S. accounting basis makes exceptions to the money-payment rule in several cases where the basis exists for a reasonably sound assignment of monetary value—through a process called "imputation." The principal use of this device is in the case of homes occupied by their owners. Since the rent on rented dwellings goes into GNP, the comparable service enjoyed by homeowners from their own dwellings must also be included if the total is not to be subject to variation resulting merely from changes in the proportion of homeownership. The imputation is made by regarding homeowners as landlords who rent to themselves at going local rates. In this useful accounting fiction they are considered to be spending as tenants and receiving income as landlords.

Imputation is used also in the case of employees who receive all or part of their pay "in kind"—for example, in food. They are assumed to have received the equivalent in cash and to have spent it on the items received in kind. Food and personal clothing provided to members of the Armed Forces are treated in this manner and thus included in the income and product accounts. Food and fuel produced and consumed on farms likewise receive an imputed cash value and appear as sales made by the farmer as producer to himself as consumer.

WHAT THE VINTNERS SELL

The business of estimating the value of the Nation's output involves many decisions of inclusion and exclusion that stir controversy among the experts and are likely to strike the layman as being, at best, arbitrary. Beyond the ironies occasioned by application of—and exceptions to—the standard of money payment, a number of oddities result from the introduction of legal criteria.

The official accounting excludes from national income and product all economic activity which violates the law. Thus the official estimates for the years when prohibition was in effect include no allowance for nonmedicinal personal consumption of alcoholic beverages. The estimate for 1933, the year the prohibition amendment was repealed, includes $626 million for alcoholic beverages; for 1934, the first full year of legalized drink, expenditures are put just above $2 billion.

In large part these additions to gross national product must be considered attributable to arbitrary accounting rather than to a changed pace of economic activity. Dr. Warburton's estimate of 1929 GNP, not distinguishing between legal and illegal activities, had assigned a market value of $3.75 billion to alcoholic beverages consumed.

The statistical difficulty of keeping GNP legally pure did not end with repeal. There can hardly be a reliable way to exclude from current accounting liquor that finds its way to illicit ultimate sale in "local option" areas. Nor is there a means of counting out goods sold in violation of "fair trade" price-maintenance laws. Rigorous application of what has been called the "Caesar's wife" approach to national accounting would demand elimination—even retroactively—of transactions involving fraud, antitrust violations, breach of contract, or legal taint of any kind.

The obvious impossibility of such sifting has led some critics of the present system to urge that lawfulness be dropped altogether as a criterion for inclusion of activity in GNP. They argue that attempts to apply it discriminatingly can only end in basing in-or-out judgments on personal views as to morality or social desirability. Better, say the holders of this view, to rely on the simple test of marketability—can it be sold for a price?—to determine what is a part of the national output.

QUESTIONS IN THE PUBLIC SECTOR

Another area of extensive disagreement among GNP technicians is the treatment of government's (Federal, State, and local) large role in the economy. Government business enterprises (public power projects, municipal waterworks and transit lines, Army post exchanges and commissaries) are included in the "business" sector along with privately owned concerns. Interest payments by Government, however, are treated not as income to the recipients but as transfer payments—a term applied generally to payments for which there is no return in goods or services (e.g., gifts, social security benefits, charitable donations, relief). Thus such interest payments do not add to the statistical total of GNP. Government purchases, on the other hand, including compensation paid to Government employees, are regarded as being for final consumption; thus, as indicated in the table above, they swell the total of gross national product.

Critics argue that interest payments by Government, no less than those by business concerns, should be included in income and product. Until 1947, they were. The National Income Division defends their exclusion since then on the grounds that the bulk of Government debt was incurred to finance wars and current expenditures rather than income-producing assets, and that therefore the interest on it should not be treated as representing the purchase of a service (money use) at the time of payment. The National Income Division further argues that comparisons of the value of prewar and postwar output would be distorted by the inclusion of continuing interest payments on war-created debt.

It can also be contended that noninclusion of Government interest is consistent with the official treatment of Government-owned buildings, roads, parks, and other fixed properties. These are not treated as service-producing capital assets having a long life; instead, they are considered to have been consumed in the year they were purchased. Thus interest on the debts incurred to pay for the facilities cannot be related to currently produced services.

Dissenters from the official view hold that such Government facilities do in fact perform useful services on a current basis, which should be reflected in the national accounts as imputed rent. Commerce's answer is that there is no basis for assigning realistic value to services rendered by Government property and that imputations made without adequate basis would hurt the integrity of the accounting system.

This point of difference involves more than a mere quibble over a fine point of national income accounting. It leads directly to the whole controversial question of whether the Federal Government should have a capital budget, distinguished from the current-expenditures one, in order to play down the size of the deficit.

Not all criticism of the official treatment of the Government sector is to the effect that present rulings in that area tend to understate GNP. One of the chief complaints from the start has been that some of the services performed by Government (and represented in the product total as wage payments to Government employees) are actually intermediate to the production of end goods by business and therefore should be eliminated from final product count just as raw materials and fuel used in production are. Police protection and law enforcement in general, for instance, might be considered in this view as partly directed to providing conditions necessary for the conduct of business.

Dividing the salaries of G-men and judges, the cost of highway upkeep, or the Nation's defense expenditures, between final and nonfinal purposes would involve many hairline distinctions, some of them more metaphysical than mathematical. The National Income Division has stood by its view that such separations cannot be meaningfully made, but has in effect held the door open for anyone wishing to propose a practical way of doing the job. Mr. George Jaszi, Chief of NID, calls the whole question of possible duplication between intermediate and final products "one of the most difficult subjects of national income theory."

For the layman, the chief significance of the numerous technical disagreements over the philosophy and procedures of national accounting may be to serve as a reminder that GNP is a theoretical concept rather than a definite, measurable quantity. To emphasize this is not to disparage the concept's usefulness, but to caution against excessive reliance on the resultant figure as the one true indicator of how things are going with the economy.

As single figures go, GNP is the most comprehensive that the statistical art has yet devised in the economic realm. But no single figure can tell all—or even very much—about how well an economy is functioning, how well it is serving its people, how soundly it is building for the future.

A few years ago, Prof. T. C. Schelling of Yale University, in the course of a discussion of national accounting, ventured the opinion that "The fetish for a 'single best estimate of the economy's performance' has already gone too far." With electronic computing enormously enhancing not only the government's ability to use data but also the private economy's capacity to originate them, the tendency to add up is likely to maintain its dominance over economic research. Pre-Keynesian theorists were wont to concentrate on the economic behavior of one man or one firm and weren't greatly concerned with what current study calls "the aggregates." As today's investigators click off their tapes and sharpen their imputations, they are contributing useful insights that were impossible to obtain in the nonstatistical days. It must be hoped, however, that their involvement with grand totals will not lead to neglect of the "little picture" in economic study—a focus also suitable to the capabilities of the computer.

WATERSHED PROTECTION AND FLOOD PREVENTION

The SPEAKER laid before the House the following communication, which was read, and, with the accompanying papers, referred to the Committee on Appropriations:

U.S. House of Representatives,
Committee on Agriculture,
Washington, D.C., September 28, 1962.
Hon. James W. McCormack,
The Speaker, House of Representatives, Washington, D.C.

Dear Mr. Speaker: Pursuant to the provisions of section 2 of the Watershed Protection and Flood Prevention Act, as amended, the Committee on Agriculture in executive session on September 26, 1962, considered the work plans transmitted to you by executive communication and referred to this committee and unanimously approved each of such plans. The work plans involved are:

EXECUTIVE COMMITTEE, STATE, AND WATERSHED

No. 1127, Puerto Rico, Anasco River.
No. 2423, Louisiana, Bayou Folse.
No. 2423, Kansas, Bee Creek.
No. 2423, Nebraska, Big Indian Creek.
No. 2423, Kentucky, Big Muddy Creek.
No. 2423, Iowa, Big Wyacondah.
No. 2534, Arkansas, Crooked Bayou.
No. 2423, South Carolina, Duncan Creek.
No. 2534, Tennessee, Hardin Creek.
No. 2423, Pennsylvania, Kaercher Creek.
No. 2423, Indiana, Lattas Creek.
No. 2288, Tennessee, Line Creek.
No. 2423, North Dakota, Lower Forest River.
No. 2423, Kansas, Middle Caney.
No. 2423, Vermont, Neshobe River.
No. 930, West Virginia, Saltlick Creek.
No. 2423, Indiana, Stucker Fork.
No. 2423, Mississippi, Upper Bogue Phalia.
No. 1331, Massachusetts, Upper Quaboag River.
No. 2534, Kentucky, West Fork of Pond River.
No. 1227, Kansas, Silver Creek.

Sincerely yours,
Harold D. Cooley,
Chairman.

CALL OF THE HOUSE

Mr. GROSS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 261]

Alexander
Anfuso
Arends
Aspinall
Ayres
Bates
Belcher
Bennett, Mich.
Berry
Blitch
Bolling
Boykin
Breeding
Brewster
Brown
Burke, Ky.
Celler
Chamberlain
Coad
Curtin
Dominick
Dooley
Evins
Fenton
Frazier
Garland
Goodell
Gray
Green, Oreg.
Hall
Hansen
Harris
Harrison, Va.
Harvey, Ind.
Hébert
Hiestand
Hoffman, Ill.
Hoffman, Mich.
Jarman
Johnson, Md.
Kearns
Kee
Kilburn
King, Calif.
Laird
Latta
McDonough
McDowell
McIntire
McSween
McVey
Macdonald
MacGregor
Magnuson
Martin, Nebr.
Mason
Merrow
Michel
Miller, George P.
Monagan
Moorehead, Ohio
O'Brien, Ill.
Powell
Rains
Reifel
Rogers, Tex.
Rousselot
Santangelo
Saund
Saylor
Schadeberg
Scherer
Scott
Scranton
Seely-Brown
Shelley
Sheppard
Shipley
Short
Sibal
Siler
Springer
Tollefson
Ullman
Utt
Van Pelt
Vinson
Watts
Weis
Whalley
Wickersham
Willis
Winstead
Yates
Zelenko

The SPEAKER. On this rollcall, 337 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

WAR CLAIMS ACT OF 1948

Mr. MACK. Mr. Speaker, I ask unanimous consent that the conferees on the bill H.R. 7283 have until midnight to file a report.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

PRIVATE CALENDAR

The SPEAKER. This is Private Calendar day. The Clerk will call the first individual bill on the Private Calendar.

MRS. WILLIAM W. JOHNSTON

The Clerk called the bill (H.R. 9942) for the relief of Mrs. William W. Johnston.

Mr. GROSS. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

CLARA B. FRY

The Clerk called the bill (H.R. 7615) for the relief of Clara B. Fry.

Mr. GROSS. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

CARLETON R. McQUOWN, THOMAS A. PRUETT, AND JAMES E. ROWLES

The Clerk called the bill (H.R. 4950) for the relief of Carleton R. McQuown, Thomas A. Pruett, and James E. Rowles.

Mr. GROSS. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore (Mr. Albert). Is there objection to the request of the gentleman from Iowa?

There was no objection.

DANIEL WALTER MILES

The Clerk called the bill (H.R. 7469) for the relief of Daniel Walter Miles.

Mr. GROSS. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

DR. AND MRS. ABEL GORFAIN

The Clerk called the bill (H.R. 6709) for the relief of Dr. and Mrs. Abel Gorfain.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the limitations of sections 322(b), 3774, and 3775 of the Internal Revenue Code of 1939, or of section 6511(b)(2) of the Internal Revenue Code of 1954, relating to the refund of excess income taxes or of any other statute of limitation, the claim of Doctor and Mrs. Abel Gorfain for the refund of excess income taxes paid by them for the years 1949 to and including 1956, heretofore filed with the Internal Revenue Service shall be considered as having been timely filed with relation to those years on November 1, 1960, and shall be considered and paid in accordance with the provisions of otherwise applicable provisions of laws relating to such refunds of income taxes.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

THEODORE ZISSU

The Clerk called the bill (H.R. 8550) for the relief of Theodore Zissu.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provisions of section 33 of the Trading With the Enemy Act, as amended (50 App. U.S.C. 33), with respect to the filing of claims and the institution of suits for the return of property or any interest therein pursuant to section 9 or 32 of such Act (50 App. U.S.C. 9 or 32), Theodore Zissu, a United States citizen, may within six months after the enactment of this Act file a claim for the return of certain property, namely, his interest as owner of 30 per centum of the stock of Industria Romana Mechanica si Chimica S.A., Bucharest, Rumania, the forge plant property and equipment of which latter corporation was vested by the Office of Alien Property under Vesting Order Numbered 46, effective July 6, 1942, and Supplement to Vesting Order Numbered 46, effective May 11, 1943, and which forge plant property and equipment was subsequently sold by said Office of Alien Property; and that claim shall be considered on its merits in accordance with the remaining provisions of that Act. If no such return is made within a period of sixty days after the filing of such claim, the said Theodore Zissu shall be entitled, within one year of the expiration of such period, to institute suit pursuant to section 9 of said Act (50 App. U.S.C. 9) for the return of such property. If the said Theodore Zissu shall establish his ownership of the said 30 per centum of the stock of said Industria Romana Mechanica si Chimica S.A., Bucherest, Rumania, he shall thereby be deemed to be entitled to recover 30 per centum of the value of the property seized and taken by the Alien Property Custodian from said Industria Romana Mechanica si Chimica S.A., Bucharest, Rumania.

Mr. CONTE. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Conte: On page 2, beginning in line 14, strike out all following the period after the word "property" down through line 20 on page 2.

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

COMBEST B. SILLS

The Clerk called the bill (H.R. 8062) for the relief of Combest B. Sills.

Mr. GROSS. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

GEORGE H. PETERS

The Clerk called the bill (H.R. 8549) for the relief of George H. Peters.

Mr. GROSS. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

HENRY ARMSTRONG, ADMINISTRATOR OF THE ESTATE OF ELLA ARMSTRONG

The Clerk called the bill (H.R. 6940) for the relief of Henry Armstrong, administrator of the estate of Ella Armstrong.

Mr. ANDERSON of Illinois. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

FRANCIS X. FOLEY

The Clerk called the bill (H.R. 1659) for the relief of Francis X. Foley.

Mr. GROSS. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

MRS. NATHALIE ILINE

The Clerk called the bill (H.R. 12101) for the relief of Mrs. Nathalie Iline.

Mr. GROSS. Mr. Speaker, I ask unanimous consent to have this bill passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

MRS. MARGARET PATTERSON BARTLETT

The Clerk called the bill (H.R. 4964) for the relief of Mrs. Margaret Patterson Bartlett.

Mr. AVERY. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kansas?

There was no objection.

JANE FROMAN, GYPSY MARKOFF, AND JEAN ROSEN

The Clerk called the bill (H.R. 12313) for the relief of Jane Froman, Gypsy Markoff, and Jean Rosen.

Mr. GROSS. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

Mr. MULTER. I object, Mr. Speaker.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. ANDERSON of Illinois and **Mr. GROSS** objected, and, under the rule, the bill was recommitted to the Committee on the Judiciary.

DINKO DORCIC

The Clerk called the bill (S. 136) for the relief of Dinko Dorcic.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Dinko Dorcic shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ROBERT J. SCANLAN

The Clerk called the bill (S. 453) for the relief of Robert J. Scanlan.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Robert J. Scanlan, of Colorado Springs, Colorado, is hereby relieved of all liability for repayment to the United States of the sum of $2,199.60, representing unauthorized payments of per diem which he received as a Sergeant First Class, United States Army, for the period from December 1, 1953, to October 31, 1954, while he was serving on active duty at Tsuchiura, Honshu, Japan, such payments having been made as a result of administrative error.

SEC. 2. The Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the said Robert J. Scanlan, the sum of any amounts received or withheld from him on account of the payments referred to in the first section of this Act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

KARL HEINZ AGAR

The Clerk called the bill (S. 689) for the relief of Karl Heinz Agar.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Karl Heinz Agar shall be deemed to be within the purview of section 323 of that Act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MARIE MARGARET ARVANETES

The Clerk called the bill (S. 1263) for the relief of Marie Margaret Arvanetes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Marie Margaret Arvanetes may be classified as an eligible orphan within the meaning of section 101(b)(1)(F) of the said Act and a petition may be filed by Mr. and Mrs. Richard Paul Mohr, citizens of the United States, in behalf of the said Marie Margaret Arvanetes pursuant to section 205 (b) of the Immigration and Nationality Act subject to all the conditions in that section relating to eligible orphans.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

IVANKA VLADIMIROVNA TINDEK

The Clerk called the bill (S. 1848) for the relief of Ivanka Vladimirovna Tindek.

Mr. WALTER. Mr. Speaker, I ask unanimous consent that this bill be stricken from the calendar.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

ANNA MARIE ERDELYI

The Clerk called the bill (S. 1999) for the relief of Anna Marie Erdelyi.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationally Act, Anna Marie Erdelyi, the fiancée of Sergeant Clinton G. Dubey, a citizen of the United States, shall be eligible for a visa as a nonimmigrant temporary visitor for a period of three months: *Provided,* That the administrative authorities find that the said Anna Marie Erdelyi is coming to the United States with a bona fide intention of being married to the said Sergeant Clinton G. Dubey and that she is found otherwise admissible under the immigration laws, except that the provisions of sections 212(a)(9) and 212(a)(12) of the Immigration and Nationality Act shall not be applicable to the said Anna Marie Erdelyi: *Provided further,* That these exemptions shall apply only to grounds for exclusion of which the Department of State or the Department of Justice had knowledge prior to the enactment of this Act. In the event the marriage between the above-named persons does not occur within three months after the entry of the said Anna Marie Erdelyi, she shall be required to depart from the United States and upon failure to do so shall be deported in accordance with the provisions of sections 242 and 243 of the Immigration and Nationality Act. In the event that the marriage between the above-named persons shall occur within three months after the entry of the said Anna Marie Erdelyi, the Attorney General is authorized and directed to record the lawful admission for permanent residence of the said Anna Marie Erdelyi as of the date of the payment by her of the required visa fee.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SEBASTIANA SANTORO

The Clerk called the bill (S. 2667) for the relief of Sebastiana Santoro.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Sebastiana Santoro shall be held and considered to be a child of Giovanni Santoro, a citizen of the United States, as defined in section 101(b)(1)(A) of that Act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ROBERT D. BARBEE

The Clerk called the bill (S. 2687) for the relief of Robert D. Barbee.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Robert D. Barbee of Yosemite National Park, California, the sum of $4,000, in full satisfaction of all claims of the said Robert D. Barbee against the United States for compensation for personal property damages sustained by him and his family as the result of a fire on September 5, 1961, which destroyed the Government-owned quarters at Maraine Park, Colorado, which he and his family were occupying while he was employed as a seasonal ranger at Rocky Mountain National Park, Colorado, such fire having been caused by an improperly constructed fireplace in such quarters: *Provided,* That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MONA McISAAC DOWNEY

The Clerk called the bill (S. 2690) for the relief of Mona McIsaac Downey.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Mona McIsaac Downey shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act: *Provided,* That if the said Mona McIsaac Downey is not entitled to medical care under the Dependents' Medical Care Act (70 Stat. 250), a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the Immigration and Nationality Act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RAYMOND CHESTER HENDON

The Clerk called the bill (S. 2922) for the relief of Raymond Chester Hendon.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Raymond Chester Hendon, YN1, United States Navy, of Smyrna, Tennessee, the sum of $516.86, in full satisfaction of all his claims against the United States for reimbursement for the cost of shipping his household effects from Arlington, Virginia, to Smyrna, Tennessee, on May 8, 1961, incident to his anticipated release from active duty and transfer to the Fleet Reserve in the near future: *Provided,* That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MARIO RODRIGUES FONSECA

The Clerk called the bill (H.R. 1359) for the relief of Mario Rodrigues Fonseca.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Mario Rodrigues Fonseca, shall be held and considered to be the natural-born alien child of Mario Rodrigues Fonseca, a citizen of the United States.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

KAINO KNUUTTILA

The Clerk called the bill (H.R. 2338) for the relief of Kaino Knuuttila.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Kaino Knuuttila shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following: "That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, Kaino Hely Auzis shall be held and considered to be the natural-born alien minor child of Aileen Ellen Auzis and Anthony Adolph Auzis, citizens of the United States: *Provided,* That the natural parents of the beneficiary shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, and was read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Kaino Hely Auzis."

A motion to reconsider was laid on the table.

NORA LEE DOUGLAS

The Clerk called the bill (H.R. 5133) for the relief of Nora Lee Douglas.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Nora Lee Douglas, shall be held and considered to be the natural-born child of Henry James Douglas, a citizen of the United States.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ANTHONY JOSEPH CALANDI

The Clerk called the bill (H.R. 8351) for the relief of Anthony Joseph Calandi.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Anthony Joseph Calandi, shall be held and considered to be the natural-born alien child of Salvatore and Frances Calandi, citizens of the United States: *Pro-*

vided, That the natural parents of the beneficiary shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following: "That, in the administration of the Immigration and Nationality Act, Anthony Joseph Calandi may be classified as an eligible orphan within the meaning of section 101(b)(1)(F) of the said Act and a petition may be filed by Salvatore and Frances Calandi, citizens of the United States, in behalf of the said Anthony Joseph Calandi pursuant to section 205(b) of the Immigration and Nationality Act subject to all the conditions in that section relating to eligible orphans."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PONG YONG JIN

The Clerk called the bill (H.R. 8728) for the relief of Pong Yong Jin.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, Pong Yong Jin shall be held and considered to be the natural-born alien minor child of Mr. and Mrs. Donald A. Markham, citizens of the United States: *Provided,* That the natural parents of the beneficiary shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

With the following committee amendment:

Strike all after the enacting clause and insert in lieu thereof the following: "That, in the administration of the Immigration and Nationality Act, Pong Yong Jin (also known as Pang Yong Chin) may be classified as an eligible orphan within the meaning of section 101(b)(1)(F) of the said Act, and a petition may be filed by Mr. and Mrs. Donald A. Markham, citizens of the United States, in behalf of the said Pong Yong Jin (also known as Pang Yong Chin) pursuant to section 205(b) of the Immigration and Nationality Act subject to all the conditions in that section relating to eligible orphans."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended to read: "A bill for the relief of Pong Yong Jin (also known as Pang Yong Chin)."

A motion to reconsider was laid on the table.

BASILIO KING

The Clerk called the bill (H.R. 9430) for the relief of Basilio King.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Basilio King shall be held and considered to have been admitted to the United States for permanent residence as of September 20, 1945, and the said Basilio King shall be held and considered to be within the purview of section 101(a)(27)(B) of the Immigration and Nationality Act, if he is otherwise admissible under the provisions of the said Act.

With the following committee amendment:

Strike out all after the enacting clause and insert the following: "That, for the purposes of section 101(a)(27)(B) of the Immigration and Nationality Act, Basilio King, his wife Monica Elisa Co Chia King, and their children Henry Alexander Victor King, Basilio King, Jr., Johnny King, Elizabeth King, Sylvia King, and Cynthia King shall be deemed to be returning resident aliens."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Basilio King, his wife, and their children."

A motion to reconsider was laid on the table.

KATHERINA RAFFAELLI

The Clerk called the bill (H.R. 10178) for the relief of Katherina Raffaelli.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purpose of the Immigration and Nationality Act, Katherina Raffaelli shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following: "That the Attorney General is authorized and directed to cancel any outstanding orders and warrants of deportations, warrants of arrest, and bond, which may have issued in the case of Katherina Raffaelli. From and after the date of the enactment of this Act, the said Katherina Raffaelli shall not again be subject to deportation by reason of the same facts upon which such deportation proceedings were commenced or any such warrants and orders have issued."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

YASUKO AGENA

The Clerk called the bill (H.R. 11746) for the relief of Yasuko Agena.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Yasuko Agena, the fiancee of Charles J. Scherfner, a citizen of the United States, shall be eligible for a visa as a nonimmigrant temporary visitor for a period of three months: *Provided,* That the administrative authorities find that the said Yasuko Agena is coming to the United States with a bona fide intention of being married to the said Charles J. Scherfner and that she is found otherwise admissible under the immigration laws. In the event the marriage between the above-named persons does not occur within three months after the entry of the said Yasuko Agena, she shall be required to depart from the United States and upon failure to do so shall be deported in accordance with the provisions of sections 242 and 243 of the Immigration and Nationality Act. In the event the marriage between the above-named persons shall occur within three months after the entry of said Yasuko Agena, the Attorney General is authorized and directed to record the lawful admission for permanent residence of the said Yasuko Agena as of the date of the payment by her of the required visa fee.

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following: "That, in the administration of the Immigration and Nationality Act, Yasuko Agena, the fiancee of Charles J. Scherfner, a citizen of the United States, and her minor child, Carl William Agena shall be eligible for visas as nonimmigrant temporary visitors for a period of three months: *Provided,* That the administrative authorities find that the said Yasuko Agena is coming to the United States with a bona fide intention of being married to the said Charles J. Scherfner and that they are found otherwise admissible under the immigration laws. In the event the marriage between the above-named persons does not occur within three months after the entry of the said Yasuko Agena and Carl William Agena, they shall be required to depart from the United States and upon failure to do so shall be deported in accordance with the provisions of sections 242 and 243 of the Immigration and Nationality Act. In the event that the marriage between the above-named persons shall occur within three months after the entry of the said Yasuko Agena and Carl William Agena, the Attorney General is authorized and directed to record the lawful admission for permanent residence of the said Yasuko Agena and Carl William Agena as of the date of the payment by them of the required visa fees."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Yasuko Agena and Carl William Agena."

A motion to reconsider was laid on the table.

ELFRIEDE UNTERHOLZER SHARBLE

The Clerk called the bill (H.R. 13013) for the relief of Elfriede Unterholzer Sharble.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provision of section 212(a)(9) and (12) of the Immigration and Nationality Act, Elfriede Unterholzer Sharble may be issued a visa and admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of that Act: *Provided*, That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice had knowledge prior to the enactment of this Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ROBERT O. NELSON AND HAROLD E. JOHNSON

The Clerk called the bill (H.R. 13072) for the relief of Robert O. Nelson and Harold E. Johnson.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the application of section 2 of the Act of July 31, 1894 (28 Stat. 205), as amended (5 U.S.C. 62) (pertaining to the concurrent holding of more than one Government office), is hereby waived with respect to the service performed, in good faith, by retired Warrant Officer (AUS) Robert O. Nelson as an employee of the Bureau of Old-Age and Survivors Insurance, Social Security Administration, from May 15, 1961, to February 16, 1962, inclusive; and with respect to the service performed in good faith by retired Warrant Officer (AUS) Harold E. Johnson, as an employee of the Public Health Service from September 18, 1961, to June 22, 1962, inclusive.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DOROTHY L. LISETTE

The Clerk called the bill (H.R. 13120) for the relief of Dorothy L. Lisette.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the immigration and naturalization laws, Dorothy L. Lisette shall be held and considered to have been lawfully admitted to the United States for permanent residence as of October 1, 1905.

SEC. 2. The provisions of section 336(c) of the Immigration and Nationality Act shall be inapplicable in the case of Dorothy L. Lisette.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

TASIA DEMETROPOULOU (DIMITROPOULOS)

The Clerk called the bill (S. 2711) for the relief of Tasia Demetropoulou (Dimitropoulos).

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, Tasia Demetropoulou (Dimitropoulos) shall be held and considered to be the natural-born alien minor child of Mr. and Mrs. James Demos, citizens of the United States: *Provided*, That the natural parents of the said Tasia Demetropoulou (Dimitropoulos) shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The bill was ordered to be read a third time, was read the third time and passed, and a motion to reconsider was laid upon the table.

DUK MAN LEE AND SOON MAL LEE

The Clerk called the bill (S. 2753) for the relief of Duk Man Lee and Soon Mal Lee.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Duk Man Lee and Soon Mal Lee may be classified as eligible orphans within the meaning of section 101(b)(1)(F) of the said Act and petitions may be filed by Mrs. Kut Pok Chung, a citizen of the United States, in behalf of the said Duk Man Lee and Soon Mal Lee pursuant to section 205(b) of the Immigration and Nationality Act subject to all the conditions in that section relating to eligible orphans.

The bill was ordered to be read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

ARILD ERICKSEN SANDLI

The Clerk called the bill (S. 2777) for the relief of Arild Ericksen Sandli.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provisions of paragraph (9) of section 212(a) of the Immigration and Nationality Act, Arild Ericksen Sandli may be issued an immigrant visa and admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of such Act: *Provided*, That this Act shall apply only to grounds for exclusion under such paragraph known to the Secretary of State or the Attorney General prior to the date of the enactment of this Act.

The bill was ordered to be read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

CARMELO RAFALA

The Clerk called the bill (S. 2836) for the relief of Carmelo Rafala.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provisions of sections 212(a)(9) and (10) of the Immigration and Nationality Act, Carmelo Rafala may be issued a visa and be admitted to the United States for permanent residence if otherwise admissible under the provisions of that Act: *Provided*, That the exemptions granted herein shall apply only to grounds for exclusion of which the Department of State and the Department of Justice have knowledge prior to the enactment of this Act.

The bill was ordered to be read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

SUMIKO TAKAHASHI

The Clerk called the bill (S. 2902) for the relief of Sumiko Takahashi.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Sumiko Takahashi, the fiancée of Specialist Sixth Class James R. Mitchell, a citizen of the United States, shall be eligible for a visa as a nonimmigrant temporary visitor for a period of three months: *Provided*, That the administrative authorities find that the said Sumiko Takahashi is coming to the United States with a bona fide intention of being married to the said Specialist Sixth Class James R. Mitchell and that she is found otherwise admissible under the immigration laws. In the event the marriage between the above-named persons does not occur within three months after the entry of the said Sumiko Takahashi, she shall be required to depart from the United States and upon failure to do so shall be deported in accordance with the provisions of sections 242 and 243 of the Immigration and Nationality Act. In the event that the marriage between the above-named persons shall occur within three months after the entry of the said Sumiko Takahashi, the Attorney General is authorized and directed to record the lawful admission for permanent residence of the said Sumiko Takahashi as of the date of the payment by her of the required visa fee.

The bill was ordered to be read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

ROSA FUMAROLA BALICE

The Clerk called the bill (S. 2908) for the relief of Rosa Fumarola Balice.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Rosa Fumarola Balice, shall be held and considered to be the natural-born alien child of Otto Balice and Elizabeth Balice, citizens of the United States: *Provided*, That the natural parents of the said Rosa Fumarola Balice shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The bill was ordered to be read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

DWIJENDRA KUMAR MISRA

The Clerk called the bill (S. 2950) for the relief of Dwijendra Kumar Misra.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Dwijendra Kumar Misra shall be held and considered to have been lawfully admitted to the United States for permanent residence as of July 1, 1954.

The bill was ordered to be read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

MICHELANGELO COMITO (NATI)

The Clerk called the bill (S. 2992) for the relief of Michelangelo Comito (Nati).

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Michelangelo Comito (Nati), shall be held and considered to be the natural-born alien child of Mr. and Mrs. Joseph Nati, citizens of the United States: *Provided,* That the natural parents of the said Michelangelo Comito (Nati) shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PAUL HUYGELEN AND LUBA A. HUYGELEN

The Clerk called the bill (S. 3085) for the relief of Paul Huygelen and Luba A. Huygelen.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Paul Huygelen and Luba A. Huygelen may be naturalized upon compliance with all the requirements of title III of the Immigration and Nationality Act, except that no period of residence or physical presence within the United States or any State shall be required in addition to their residence and physical presence within the United States since July 7, 1955, and February 6, 1952, respectively.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DESPINA ANASTOS (PSYHOPEDA)

The Clerk called the bill (S. 3265) for the relief of Despina Anastos (Psyhopeda).

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Despina Anastos (Psyhopeda) may be classified as an eligible orphan within the meaning of section 101(b)(1)(F) of the said Act and a petition may be filed by Mr. and Mrs. John B. Anastos, citizens of the United States, in behalf of the said Despina Anastos (Psyhopeda) pursuant to section 205(b) of the Immigration and Nationality Act subject to all the conditions in that section relating to eligible orphans.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GUNTER HEINZ HILLEBRAND

The Clerk called the bill (S. 3267) for the relief of Gunter Heinz Hillebrand.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, the periods of time Gunter Heinz Hillebrand has resided in the United States since his admission as a lawful permanent resident on March 5, 1956, shall be held and considered to meet the residence and physical presence requirements of section 316 of the said Act, and the petition for naturalization may be filed with any court having naturalization jurisdiction.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ANNA SCIAMANNA MISTICONI

The Clerk called the bill (S. 3275) for the relief of Anna Sciamanna Misticoni.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Anna Sciamanna Misticoni may be classified as an eligible orphan within the meaning of section 101(b)(1)(F) of the said Act and a petition may be filed by Mr. and Mrs. Anthony Misticoni, citizens of the United States, in behalf of the said Anna Sciamanna Misticoni pursuant to section 205(b) of the Immigration and Nationality Act subject to all the conditions in that section relating to eligible orphans.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

YET GEE MOY (TSZE WOO LAI) AND MEE SEN MOY (SAU MING LAI)

The Clerk called the bill (S. 3279) for the relief of Yet Gee Moy (Tsze Woo Lai) and Mee San Moy (Sau Ming Lai).

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor children, Yet Gee Moy (Tsze Woo Lai) and Mee Sen Moy (Sau Ming Lai), shall be held and considered to be the natural-born alien children of Mr. and Mrs. Suey Lung Moy, citizens of the United States: *Provided,* That the natural parents of the said Yet Gee Moy (Tsze Woo Lai) and Mee Sen Moy (Sau Ming Lai) shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following: "That, in the administration of the Immigration and Nationality Act, Yet Gee Moy (Tsze Woo Lai) and Mee Sen Moy (Sau Ming Lai) may be classified as eligible orphans within the meaning of section 101(b)(1)(F) of the said Act and a petition may be filed by Mr. and Mrs. Suey Lung Moy, citizens of the United States, in behalf of the said Yet Gee Moy (Tsze Woo Lai) and Mee Sen Moy (Sau Ming Lai) pursuant to section 205(b) of the Immigration and Nationality Act subject to all the conditions in that section relating to eligible orphans."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MATHEW LENGYEL (BROTHER PAUL, S.V.D.)

The Clerk called the bill (S. 3295) for the relief of Mathew Lengyel (also known as Brother Paul, S.V.D.).

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Mathew Lengyel (also known as Brother Paul, S.V.D.) shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LAZARO LOYOLA ARINQUE, JR.

The Clerk called the bill (S. 3336) for the relief of Lazaro Loyola Arinque, Jr.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Lazaro Loyola Arinque, Junior, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MICHAEL (MIKE) BESSLER

The Clerk called the bill (S. 3177) for the relief of Michael (Mike) Bessler.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of American in Congress assembled, That, in the administration of the Immigration and Nationality Act, the provisions of the proviso to section 201(a) shall not be applicable in the case of Michael (Mick) Bessler, a native of Malaya: *Provided,* That the natural mother of Michael (Mike) Bessler shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. LEE MA CHIN-YING

The Clerk called the bill (S. 3240) for the relief of Mrs. Lee Ma Chin-Ying.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Mrs. Lee Ma Chin-Ying shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following: "That, the Attorney General is authorized and directed to cancel any outstanding orders and warrants of deportation, warrants of arrest, and bond, which may have issued in the case of Mrs. Lee Ma Chin-Ying. From and after the date of the enactment of this Act, the said Mrs. Lee Ma Chin-Ying shall not again be subject to deportation by reason of the same facts upon which such deportation proceedings were commenced or any such warrants and orders have issued."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NAIFE KAHL

The Clerk called the bill (S. 3390) for the relief of Naife Kahl. There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, Naife Kahl shall be held and considered to be the natural-born alien child of Mr. and Mrs. Zaki Joseph Kahl, citizens of the United States: *Provided,* That the natural parents of the beneficiary shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DR. HASSAN M. NOURI

The Clerk called the bill (S. 3452) for the relief of Dr. Hassan M. Nouri.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That for the purposes of the Immigration and Nationality Act, Doctor Hassan M. Nouri shall be held and considered to have been lawfully admitted to the United States for permanent residence on July 3, 1957.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BETTY SANDRA FAGANN

The Clerk called the bill (S. 3557) for the relief of Betty Sandra Fagann.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Betty Sandra Fagann may be classified as an eligible orphan within the meaning of section 101(b)(1)(F) of the said Act and a petition may be filed by Antoinette Blanche Fagann, a citizen of the United States, in behalf of the said Betty Sandra Fagann pursuant to section 205(b) of the Immigration and Nationality Act subject to all the conditions in that section relating to eligible orphans.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GARLAND G. BISHOP

The Clerk called the bill (H.R. 7432) for the relief of Garland G. Bishop.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Garland G. Bishop, La Grange, Georgia, is relieved of liability to pay to the United States the sum of $184, which sum represents an overpayment of per diem allowance made to him by the United States, during the period beginning June 15, 1958, and ending September 14, 1958, during which he was an Army officer on active duty assigned to temporary duty at Camp Breckinridge, Kentucky. In the audit and settlement of the accounts of any certifying or disbursing officer of the United States, full credit shall be given for the amount for which liability is relieved by this Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDMENT OF PRIVATE LAW 87-197

The Clerk called the bill (H.R. 9777) to amend Private Law 87-197.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of section 1 of Private Law 87-197, approved September 15, 1961, is hereby amended by striking out the date "July 31, 1959" and inserting the date "November 30, 1959" in lieu thereof.

With the following committee amendment:

Page 1, after line 6: Insert the following paragraph:

"Sec. 2. The first sentence of section 2 of Private Law 87-197, approved September 15, 1961, is amended by adding at the end thereof the words 'and in addition such amounts as represent the balance of retired pay otherwise due for the above period.'"

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MELBORN KEAT

The Clerk called the bill (H.R. 10089) for the relief of Melborn Keat.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $1,000 to Melborn Keat, of Pen Argyl, Pennsylvania, in full settlement of his claims against the United States for the refund of the amount of a bail bond which another individual was required to post in connection with a hearing in Allentown, Pennsylvania, in April of 1960, which was furnished by the said Melborn Keat in the form of a certified check for $1,000 drawn to the order of a United States commissioner and delivered to him in his official capacity which amount was not returned because the check or the proceeds therefrom were never deposited with the United States district court: *Provided,* That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any persons violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GEORGE EDWARD LEONARD

The Clerk called the bill (H.R. 12217) for the relief of George Edward Leonard.

There being, no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to George Edward Leonard, first lieutenant, Army of the United States, retired, of Kansas City, Missouri, the sum of $4,247.20, in full satisfaction of all claims of the said George Edward Leonard against the United States for compensation for disability retired pay which was withheld from him by the United States on the erroneous grounds that, while employed by the United States in various civilian capacities from July 1, 1950, through December 31, 1954, he was subject to the salary and retired pay limitations prescribed by section 212 of the Economy Act of 1932 (5 U.S.C. 59a): *Provided*, That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LT. CLAUDE V. WELLS

The Clerk called the bill (H.R. 12805) for the relief of Lt. Claude V. Wells.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Lieutenant Claude V. Wells, United States Navy, retired, is relieved of any liability under the Act of July 31, 1894 (5 U.S.C. 62), to pay to the United States all amounts received by him as a civilian employee of the Department of the Navy from February 9, 1959, through September 17, 1960, and as an employee of the General Services Administration from September 18, 1960, through July 5, 1962; and is relieved of all liability to pay to the United States all amounts received by him as a retired commissioned officer of the United States Navy between February 9, 1959, and July 5, 1962, in contravention of the Act of July 30, 1932 (5 U.S.C. 59a). In the audit and settlement of the accounts of any certifying or disbursing officer of the United States, credit shall be given for amounts for which liability is relieved by this Act.

Mr. LANE. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LANE: Add the following sections at the end of the bill:

"SEC. 2. The Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Lieutenant Claude V. Wells an amount equal to the aggregate of the amounts paid by him, or withheld from sums otherwise due him, in complete or partial satisfaction of the liability to the United States specified in the first section.

"SEC. 3. No part of the amount appropriated in this Act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DR. OLGA MARIE FERRER

The Clerk called the bill (H.R. 12886) for the relief of Dr. Olga Marie Ferrer.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That for the purposes of title III of the Immigration and Nationality Act, Doctor Olga Marie Ferrer (A12539965) shall be held and considered to have been admitted to the United States for permanent residence on May 17, 1947, and to have complied with the residential and physical presence requirements of section 316 of the said Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CHAO HUA-HSIN

The Clerk called the bill (S. 3600) for the relief of Chao Hua-Hsin.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Chao Hua-Hsin, shall be held and considered to be the natural-born alien child of Arthur E. Link, a citizen of the United States: *Provided*, That the natural parents of the said Chao Hua-Hsin shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JANE FROMAN, GYPSY MARKOFF, AND JEAN ROSEN

Mr. MULTER. Mr. Speaker, I ask unanimous consent to return to Calendar No. 770, H.R. 12313, for the relief of Jane Froman, Gypsy Markoff, and Jean Rosen, and ask for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, (1) to Jane Froman, the sum of $217,263.56, (2) to Gypsy Markoff, the sum of $142,230.42, and (3) to Jean Rosen, the sum of $149,175.46. The payment of such sums shall be in full satisfaction of the respective claims of the said Jane Froman, Gypsy Markoff, and Jean Rosen arising out of an accident which occurred on or about February 22, 1943, when the Pan American Airways seaplane Yankee Clipper, on which they were traveling to entertain members of the Armed Forces of the United States, crashed in the Tagus River in the Port of Lisbon, Portugal: *Provided*, That no part of the amounts appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to, or received by, any agent or attorney on account of services rendered in connection with the claims referred to herein, and the same shall be unlawful, any contract to the contrary notwithstanding.

With the following committee amendment:

Page 1, strike all after the enacting clause and insert the following: "That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, (1) to Jane Froman, the sum of $20,000.00, (2) to Gypsy Markoff, the sum of $20,000.00, and (3) to Jean Rosen, the sum of $20,000.00, in accordance with the recommendations of the United States Court of Claims in its opinion in congressional reference case numbered 20–58, Jane Froman, Gypsy Markoff and Jean Rosen against The United States, decided June 6, 1962. The amounts paid under the authority of this Act shall be in full and final settlement of the respective claims of the said Jane Froman, Gypsy Markoff, and Jean Rosen against the United States arising out of an accident which occurred on or about February 2[illegible], 1943, when the Pan American Airways seaplane Yankee Clipper, on which they were traveling as entertainers engaged by Camp Shows, Incorporated, to provide entertainment to members of the Armed Forces of the United States, crashed in the Tagus River in the Port of Lisbon, Portugal: *Provided*, That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER pro tempore. This concludes the call of the Private Calendar.

CALL OF THE HOUSE

Mr. CURTIS of Missouri. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER pro tempore (Mr. ALBERT). Evidently a quorum is not present.

Mr. MILLS. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 262]

Alexander
Anfuso
Arends
Aspinall
Barrett, Pa.
Bass, N.H.
Bates
Belcher
Bennett, Mich.
Berry
Blitch
Bolling
Boykin
Breeding
Brown
Buckley
Burke, Ky.
Celler
Chamberlain
Curtin
Diggs
Dominick
Dooley
Evins
Frazier
Garland
Goodell
Gray
Hall
Halleck
Hansen
Harris
Harrison, Va.
Harvey, Ind.
Hébert
Hiestand
Hoffman, Mich.
Hull
Jarman
Karth
Kearns
Kee
Kilburn
Kirwan
Kowalski
Laird
Latta
McDonough
McDowell
McIntire
McSween
McVey
MacGregor
Magnuson
Martin, Nebr.
Mason
Merrow
Michel
Miller, George P.
Moorehead, Ohio
Moulder

O'Brien, Ill.
Powell
Rains
Reifel
Riley
Rogers, Tex.
Rousselot
Santangelo
Saund
Saylor
Schadeberg
Scherer
Scott
Scranton
Seely-Brown
Selden
Shelley
Sheppard
Shipley
Short
Sibal
Siler
Smith, Miss.
Springer
Thompson, La.
Tollefson
Ullman
Utt
Van Pelt
Vinson
Watts
Weis
Whalley
Wickersham
Willis
Winstead
Yates
Zelenko

The **SPEAKER** pro tempore (Mr. ALBERT). On this rollcall, 337 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

HON. CLARE E. HOFFMAN

Mr. **MEADER**. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include a resolution.

The **SPEAKER**. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. **MEADER**. Mr. Speaker, I believe Members will be interested in knowing that today the chairman of the Committee on Government Operations, the gentleman from Illinois, Hon. WILLIAM L. DAWSON, is sending to the ranking minority member of the committee, our colleague, the gentleman from Michigan, Hon. CLARE E. HOFFMAN, a letter enclosing a copy of a resolution adopted by the House Committee on Government Operations on September 19, 1962. That resolution was adopted unanimously on that date and subsequently was signed by all 19 majority members and all 10 minority members of the committee.

I will include a copy of the letter of the gentleman from Illinois and the entire text of the resolution in my remarks, but I just want to read the resolving clause of the resolution which is as follows:

> *Resolved*, That the Committee on Government Operations of the House of Representatives of the United States express its gratitude and appreciation for the distinguished service of the Honorable CLARE E. HOFFMAN, and extend its best wishes for many happy years of well-earned retirement.

The letter and the text of the resolution are as follows:

OCTOBER 1, 1962.

Hon. CLARE E. HOFFMAN,
House of Representatives,
Washington, D.C.

DEAR COLLEAGUE: On behalf of the membership of the Committee on Government Operations, I am happy to enclose herewith a resolution adopted by the full committee at its meeting on Wednesday, September 19, 1962.

You have my personal wishes for good health and happiness in your retirement.

Sincerely,

WILLIAM L. DAWSON,
Chairman.

RESOLUTION OF THE GOVERNMENT OPERATIONS COMMITTEE

Whereas the Honorable CLARE E. HOFFMAN, having represented the Fourth Congressional District of Michigan in the U.S. House of Representatives since 1935, has announced his decision to retire at the end of the 87th Congress; and

Whereas Representative HOFFMAN served as chairman of the Committee on Government Operations of the House of Representatives in the 80th and 83d Congresses, and as ranking minority member in the 81st, 82d, 84th, 85th, 86th, and 87th Congresses; and

Whereas Representative HOFFMAN's leadership, determination, diligence, and devotion to his principles have contributed substantially to the record of performance of the committee: Now, therefore, be it

Resolved, That the Committee on Government Operations of the House of Representatives of the United States express its gratitude and appreciation for the distinguished service of the Honorable CLARE E. HOFFMAN, and extend its best wishes for many happy years of well-earned retirement.

WILLIAM L. DAWSON, of Illinois, Chairman; CHET HOLIFIELD, of California; JACK BROOKS, of Texas; L. H. FOUNTAIN, of North Carolina; PORTER HARDY, Jr., of Virginia; JOHN A. BLATNIK, of Minnesota; ROBERT E. JONES, of Alabama; EDWARD A. GARMATZ, of Maryland; JOHN E. MOSS, of California; JOE M. KILGORE, of Texas; DANTE B. FASCELL, of Florida; HENRY S. REUSS, of Wisconsin; ELIZABETH KEE, of West Virginia; KATHRYN E. GRANAHAN, of Pennsylvania; JOHN S. MONAGAN, of Connecticut; NEAL SMITH, of Iowa; RICHARD E. LANKFORD, of Maryland; ROSS BASS, of Tennessee; LUCIEN N. NEDZI, of Michigan; R. WALTER RIEHLMAN, of New York; GEORGE MEADER, of Michigan; CLARENCE J. BROWN, of Ohio; FLORENCE P. DWYER, of New Jersey; ROBERT P. GRIFFIN, of Michigan; GEORGE M. WALLHAUSER, of New Jersey; ODIN LANGEN, of Minnesota; JOHN B. ANDERSON, of Illinois; RICHARD S. SCHWEIKER, of Pennsylvania; F. BRADFORD MORSE, of Massachusetts.

SEPTEMBER 19, 1962.

REVENUE ACT OF 1962

Mr. **MILLS**. Mr. Speaker, I call up the conference report on the bill (H.R. 10650) to amend the Internal Revenue Code of 1954 to provide a credit for investment in certain depreciable property, to eliminate certain defects and inequities, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The Clerk read the statement.

Mr. **MILLS** (during the reading of the statement). Mr. Speaker, I ask unanimous consent to dispense with the further reading of the statement.

The **SPEAKER** pro tempore. Without objection, it is so ordered.

There was no objection.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. NO. 2508)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 10650) to amend the Internal Revenue Code of 1954 to provide a credit for investment in certain depreciable property, to eliminate certain defects and inequities, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 11, 12, 13, 14, 28, 30, 50, 95, 145, 146, 197, 199, 200, and 203.

That the House recede from its disagreement to the amendments of the Senate numbered 2, 3, 4, 6, 7, 8, 10, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 49, 51, 52, 53, 55, 56, 57, 58, 59, 62, 63, 64, 65, 66, 67, 68, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 86, 88, 93, 94, 97, 98, 100, 101, 102, 103, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 141, 142, 143, 144, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 160, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 174, 175, 176, 177, 178, 179, 181, 182, 184, 185, 186, 188, 191, 193, and 194 and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with amendments as follows:

Page 3, line 6, of the Senate engrossed amendments, strike out "date" and insert "dates".

Page 4 of the Senate engrossed amendments, strike out lines 27 and 28 and insert:

"(b) Conforming amendment.
"(c) Clerical amendment.
"(d) Effective date."

Page 5 of the Senate engrossed amendments, strike out lines 1 to 24, inclusive, and insert:

"Sec. 27. Exclusion from gross income of certain awards made pursuant to evacuation claims of Japanese-American persons.
(a) In general.
(b) Effective date, etc.

"Sec. 28. Deduction for depreciation by tenant-stockholder of cooperative housing corporation.
(a) Allowance of deduction.
(b) Clerical amendment.
(c) Effective date.

"Sec. 29. Deduction for income tax purposes of contributions to certain organizations for judicial reform.

"Sec. 30. Effective date of amendment to section 1374(b).

"Sec. 31. Treaties."

And the Senate agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with amendments as follows:

Page 6, line 13, of the Senate engrossed amendments, strike out "June 30, 1962" and insert "December 31, 1961".

Page 7 of the Senate engrossed amendments, strike out lines 14 to 22, inclusive, and insert:

"(4) TAXABLE YEAR BEGINNING BEFORE JANUARY 1, 1962.—For purposes of determining the amount of an investment credit carryback that may be added under paragraph (1) for a taxable year beginning before January 1, 1962, and ending after December 31, 1961, the amount of the limitation provided by subsection (a)(2) is the amount which bears the same ratio to such limitation as the number of days in such year after December 31, 1961, bears to the total number of days in such year."

And the Senate agree to the same.

Amendment numbered 9: That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment as follows:

Page 9, line 19, of the Senate engrossed amendments, after "is", insert "equal to or"; and the Senate agree to the same.

Amendment numbered 29: That the House recede from its disagreement to the amendment of the Senate numbered 29, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment, insert the following: ", or, in the case of an item directly preceding or following a substantial and bona fide business discussion (including business meetings at a convention or otherwise), that such item was associated with,".

And the Senate agree to the same.

Amendment numbered 31: That the House recede from its disagreement to the amendment of the Senate numbered 31, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following: ", or, in the case of an item described in subparagraph(A) directly preceding or following a substantial and bona fide business discussion (including business meetings at a convention or otherwise), the portion of such item associated with,".

And the Senate agree to the same.

Amendment numbered 48: That the House recede from its disagreement to the amendment of the Senate numbered 48, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: ", but the amount determined under this subparagraph shall in no case be greater than the larger of—

"(i) the amount determined under paragraph (4), or

"(ii) the amount which, when added to the amount determined under subparagraph (A), equals the amount by which 12 percent of the total deposits or withdrawable accounts of depositors of the taxpayer at the close of such year exceeds the sum of its surplus, undivided profits, and reserves at the beginning of such year (taking into account any portion thereof attributable to the period before the first taxable year beginning after December 31, 1951)".

And the Senate agree to the same.

Amendment numbered 54: That the House recede from its disagreement to the amendment of the Senate numbered 54, and agree to the same with an amendment as follows: Page 46, after line 4, of the House engrossed bill insert:

"(5) Limitation in case of certain domestic building and loan associations.—If the percentage of the assets of a domestic building and loan association which are not assets described in section 7701 (a)(19)(D)(ii) exceeds 36 percent for the taxable year (as determined for purposes of section 7701 (a)(19) for such year), the amount determined under paragraph (2), and the amount determined under paragraph (3), shall in each case be the amount (determined without regard to this paragraph but with regard to the limits contained in paragraphs (2), (3), and (1)(B)) reduced by the amount determined under the following table:

"If the percentage exceeds—	but does not exceed—	the reduction shall be the following proportion of the amount so determined without regard to this paragraph—
36 percent	37 percent	1/12
37 percent	38 percent	1/6
38 percent	39 percent	1/4
39 percent	40 percent	1/3
40 percent	41 percent	5/12"

And the Senate agree to the same.

Amendment numbered 60: That the House recede from its disagreement to the amendment of the Senate numbered 60, and agree to the same with amendments as follows:

Page 24, line 15, of the Senate engrossed amendments, strike out the parenthesis at the beginning of the line.

Page 25, line 23, of the Senate engrossed amendments, strike out "(i) and (ii)" and insert "(i), (ii), (iv), and (vi)".

Page 26, line 10, of the Senate engrossed amendments, strike out "(i) and (ii)" and insert "(i), (ii), (iv), and (vi)".

Page 27, after line 6, of the Senate engrossed amendments, insert: "The term 'domestic building and loan association' also includes any association which, for the taxable year, would satisfy the requirements of the first sentence of this paragraph if '41 percent' were substituted for '36 percent' in subparagraph (E). Except in the case of the taxpayer's first taxable year beginning after the date of the enactment of the Revenue Act of 1962, the second sentence of this paragraph shall not apply to an association for the taxable year unless such association (i) was a domestic building and loan association within the meaning of the first sentence of this paragraph for the first taxable year preceding the taxable year, or (ii) was a domestic building and loan association solely by reason of the second sentence of this paragraph for the first taxable year preceding the taxable year (but not for the second preceding taxable year)."

And the Senate agree to the same.

Amendment numbered 61: That the House recede from its disagreement to the amendment of the Senate numbered 61, and agree to the same with amendments as follows:

Page 27, line 13, of the Senate engrossed amendments, strike out "Excise".

Page 27, line 15, of the Senate engrossed amendments, after "ACT", insert "OF 1933".

Page 27, line 16, of the Senate engrossed amendments, after "Act", insert "of 1933".

Page 27, lines 19 and 20, of the Senate engrossed amendments, strike out "Exemption From Discriminatory State and Local Taxation.—".

And the Senate agree to the same.

Amendment numbered 69: That the House recede from its disagreement to the amendment of the Senate numbered 69, and agree to the same with amendments as follows:

Page 64, line 9, of the House engrossed bill, strike out "6047" and insert "6048".

Page 65, line 13, of the House engrossed bill, strike out "6047" and insert "6048".

Page 67, after line 6, of the House engrossed bill, strike out "6047" and insert "6048".

And the Senate agree to the same.

Amendment numbered 85: That the House recede from its disagreement to the amendment of the Senate numbered 85, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "$500,000"; and the Senate agree to the same.

Amendment numbered 87: That the House recede from its disagreement to the amendment of the Senate numbered 87, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"(f) Special Transitional Underwriting Loss.—

"(1) Companies to which subsection applies.—This subsection shall apply to every mutual insurance company which has been subject to the tax imposed by this section (as in effect before the enactment of this subsection) for the 5 taxable years immediately preceding January 1, 1962, and has incurred an underwriting loss for each of such 5 taxable years.

"(2) Reduction of statutory underwriting income.—For purposes of this part, the statutory underwriting income of a company described in paragraph (1) for the taxable year shall be the statutory underwriting income for the taxable year (determined without regard to this subsection) reduced by the amount by which—

"(A) the sum of the underwriting losses of such company for the 5 taxable years immediately preceding January 1, 1962, exceeds

"(B) the total amount by which the company's statutory underwriting income was reduced by reason of this subsection for prior taxable years.

"(3) Underwriting loss defined.—For purposes of this subsection, the term 'underwriting loss' means statutory underwriting loss, computed without any deduction under section 824(a) and without any deduction under section 832(c)(11).

"(4) Years to which subsection applies.—This subsection shall apply with respect to any taxable year beginning after December 31, 1962, and before January 1, 1968, for which the taxpayer is subject to the tax imposed by subsection (a)."

And the Senate agree to the same.

Amendment numbered 89: That the House recede from its disagreement to the amendment of the Senate numbered 89, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "$1,100,000"; and the Senate agree to the same.

Amendment numbered 90: That the House recede from its disagreement to the amendment of the Senate numbered 90, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "$1,100,000"; and the Senate agree to the same.

Amendment numbered 91: That the House recede from its disagreement to the amendment of the Senate numbered 91, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "$500,000"; and the Senate agree to the same.

Amendment numbered 92: That the House recede from its disagreement to the amendment of the Senate numbered 92, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "$1,100,000"; and the Senate agree to the same.

Amendment numbered 96: That the House recede from its disagreement to the amendment of the Senate numbered 96, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "arising, either in any one State or within 200 miles of any fixed point selected by the taxpayer,"; and the Senate agree to the same.

Amendment numbered 99: That the House recede from its disagreement to the amendment of the Senate numbered 99, and agree to the same with an amendment as follows: Page 85, line 4, of the House engrossed bill, after "insurance", insert "company"; and the Senate agree to the same.

Amendment numbered 104: That the House recede from its disagreement to the amendment of the Senate numbered 104, and agree to the same with amendments as follows:

Page 89, line 10, of the House engrossed bill, after "mutual fire", insert "or flood".

Page 89, line 19, of the House engrossed bill, after the period and before the quotation marks, insert "Premiums paid by the subscriber of a mutual flood insurance company referred to in paragraph (3) of section 831(a) shall be treated, for purposes of computing the taxable income of such subscriber, in the same manner as premiums paid by a policyholder to a mutual fire insurance company referred to in such paragraph (3)."

Page 90, line 18, of the House engrossed bill, after "mutual fire", insert "or flood".

And the Senate agreed to the same.

Amendment numbered 126:

That the House recede from its disagreement to the amendment of the Senate numbered 126, and agree to the same with amendments as follows:

Page 62, line 7, of the Senate engrossed amendments, before "is", insert "income".

Page 64, line 24, of the Senate engrossed amendments, after "is", insert "created or".

Page 82, lines 6 and 7, of the Senate engrossed amendments, strike out "(computed without regard to section 931)".

Page 82, lines 14 and 15, of the Senate engrossed amendments, strike out "(computed without regard to section 931)".

Page 100 of the Senate engrossed amendments, strike out the table following line 10 and insert:

"If the effective foreign tax rate is (percentage)—	The required minimum distribution of earnings and profits is (percentage)—
Under 10	90
10 or over but less than 20	86
20 or over but less than 28	82
28 or over but less than 34	75
34 or over but less than 39	68
39 or over but less than 42	55
42 or over but less than 44	40
44 or over but less than 46	27
46 or over but less than 47	14
47 or over	0"

Page 106, line 3, of the Senate engrossed amendments, strike out "total" and insert "consolidated".

Page 106, line 5, of the Senate engrossed amendments, strike out "total" and insert "consolidated".

Page 107, lines 20 and 21, of the Senate engrossed amendments, strike out "is eligible to make" and insert "makes".

And the Senate agree to the same.

Amendment numbered 140: That the House recede from its disagreement to the amendment of the Senate numbered 140, and agree to the same with an amendment, as follows: Page 123, line 14, of the Senate engrossed amendments, after "1962" insert a comma; and the Senate agree to the same.

Amendment numbered 159: That the House recede from its disagreement to the amendment of the Senate numbered 159, and agree to the same with amendments as follows: Page 130 of the Senate engrossed amendments, beginning with line 8, strike out all through page 131 and insert the following:

"(b) Limitation on Tax Applicable to Individuals.—In the case of an individual, if the stock sold or exchanged is a capital asset (within the meaning of section 1221) and has been held for more than 6 months, the tax attributable to an amount included in gross income as a dividend under subsection (a) shall not be greater than a tax equal to the sum of—

"(1) a pro rata share of the excess of—

"(A) the taxes that would have been paid by the foreign corporation with respect to its income had it been taxed under this chapter as a domestic corporation (but without allowance for deduction of, or credit for, taxes described in subparagraph (B), for the period or periods the stock sold or exchanged was held by the United States person in taxable years beginning after December 31, 1962, while the foreign corporation was a controlled foreign corporation, adjusted for distributions and amounts previously included in gross income of a United States shareholder under section 951, over

"(B) the income, war profits, or excess profits taxes paid by the foreign corporation with respect to such income; and

"(2) an amount equal to the tax that would result by including in gross income, as gain from the sale or exchange of a capital asset held for more than 6 months, an amount equal to the excess of (A) the amount included in gross income as a dividend under subsection (a), over (B) the amount determined under paragraph (1)."

Page 135, lines 9 and 10, of the Senate engrossed amendments, strike out "referred to in subparagraph (B)" and insert "ending on the date of the sale or exchange".

Page 137, line 25, of the Senate engrossed amendments, strike out "(2)".

And the Senate agree to the same.

Amendment numbered 161: That the House recede from its disagreement to the amendment of the Senate numbered 161, and agree to the same with amendments as follows: Page 139 of the Senate engrossed amendments, insert quotation marks after "apply." in line 7 and strike out lines 8 to 14, inclusive; and the Senate agree to the same.

Amendment numbered 173: That the House recede from its disagreement to the amendment of the Senate numbered 173, and agree to the same with amendments, as follows:

Page 150, line 4, of the Senate engrossed amendments, strike out "6047" and insert "6048".

Page 150, line 6, of the Senate engrossed amendments, strike out "6048" and insert "6049".

Page 154, line 13, of the Senate engrossed amendments strike out "6048(a)(1)" and insert "6049(a)(1)".

Page 155, line 4, of the Senate engrossed amendments, strike out "6048(a)(2)" and insert "6049(a)(2)".

Page 155, line 5, of the Senate engrossed amendments, strike out "6048(a)(3)" and insert "6049(a)(3)".

Page 156, line 5, of the Senate engrossed amendments, strike out "6048(c)" and insert "6049(c)".

Page 156, line 8, of the Senate engrossed amendments, strike out "6048(a)(1)" and insert "6049(a)(1)".

Page 156, line 22, of the Senate engrossed amendments, strike out "6048(a)(1)" and insert "6049(a)(1)".

Page 156, line 25, of the Senate engrossed amendments, strike out "6048(a)(2), or 6048(a)(3)" and insert "6049(a)(2), or 6049(a)(3)".

Page 157, line 19, of the Senate engrossed amendments, strike out "6048" and insert "6049"; and the Senate agree to the same.

Amendment numbered 180: That the House recede from its disagreement to the amendment of the Senate numbered 180, and agree to the same with an amendment as follows: Page 159, line 18, of the Senate engrossed amendments, after "person", insert "(as defined in section 7701(a)(30))".

And the Senate agree to the same.

Amendment numbered 183: That the House recede from its disagreement to the amendment of the Senate numbered 183, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"(e) Limitation.—

"(1) General rule.—Except as provided in paragraph (2), no information shall be required to be furnished under this section with respect to any foreign corporation unless such information was required to be furnished under regulations which have been in effect for at least 90 days before the date on which the United States citizen, resident, or person becomes liable to file a return required under subsection (a).

"(2) Exception.—In the case of liability to file a return under subsection (a) arising on or after January 1, 1963, and before June 1, 1963—

"(A) no information shall be required to be furnished under this section with respect to any foreign corporation unless such information was required to be furnished under regulations in effect on or before March 1, 1963, and

"(B) if the date on which such regulations become effective is later than the day on which such liability arose, any return required by subsection (a) shall (in lieu of the time prescribed by subsection (d)) be filed on or before the 90th day after such date."

And the Senate agree to the same.

Amendment numbered 187: That the House recede from its disagreement to the amendment of the Senate numbered 187, and agree to the same with an amendment as follows: Page 239, after line 3, of the House engrossed bill, strike out "6038(d)(2)" and insert "6038(d)(1)"; and the Senate agree to the same.

Amendment numbered 189: That the House recede from its disagreement to the amendment of the Senate numbered 189, and agree to the same with amendments as follows: Page 163, after line 23, of the Senate engrossed amendments, insert:

"(b) Conforming Amendment.—Section 263(a)(1) (relating to disallowance of deductions for capital expenditures) is amended by striking out 'or' at the end of subparagraph (C), by striking out the period at the end of subparagraph (D) and inserting ', or', and by adding at the end thereof the following new subparagraph:

" '(E) expenditures by farmers for clearing land deductible under section 182.' "

Page 163, line 24, of the Senate engrossed amendments, strike out "(b)" and insert "(c)".

Page 164, line 4, of the Senate engrossed amendments, strike out "(c)" and insert "(d)".

And the Senate agree to the same.

Amendment numbered 190: That the House recede from its disagreement to the amendment of the Senate numbered 190, and agree to the same with an amendment as follows: Page 165 of the Senate engrossed amendments, strike out lines 4 through 10 and insert: "In any case in which the taxpayer elects to have the provisions of the preceding sentence apply, for purposes of computing the limitation on tax under this part—

"(1) only the same proportion of the amount to which this part applies shall be taken into account for purposes of computing the limitations under section 170(b)(1)(A) and (B) for taxable years before the taxable year in which such amount is received or accrued as (A) the excess of the maximum amount which could, if the taxpayer had made additional contributions described in clause (i), (ii), or (iii) of section 170(b)(1)(A), have been described in clause (i) of the preceding sentence over the amount described in such clause (i), bears to (B) such maximum amount, and

"(2) the portion of the amount of charitable contributions described in the preceding sentence shall not be taken into account in computing the tax for the taxable year in which the amount to which this part applies is received or accrued."

And the Senate agree to the same.

Amendment numbered 192: That the House recede from its disagreement to the amendment of the Senate numbered 192, and agree to the same with an amendment as follows: Page 168, of the Senate engrossed amendments, strike out lines 6 to 11, inclusive, and insert:

"(b) Unused Conversion Loss Defined.—The amount of the unused conversion loss shall be the sum of the part of the net operating loss for each year described in subsection (a) which (without regard to this section) would be carried over to the sixth taxable year following the loss year if section 172(b) of the Internal Revenue Code of 1954 (or, where applicable, section 122(b)(2)(B) of the Internal Revenue Code of 1939) permitted such a carryover."

And the Senate agree to the same.

Amendment numbered 195: That the House recede from its disagreement to the amendment of the Senate numbered 195, and agree to the same with an amendment as follows: Page 171, line 19, of the Senate engrossed amendments, strike out "American-Japanese Individuals" and insert "Japanese-American Persons"; and the Senate agree to the same.

Amendment numbered 196: That the House recede from its disagreement to the amendment of the Senate numbered 196, and agree to the same with amendments as follows: Page 173, line 9, of the Senate engrossed amendments, after "and", insert "Business".

Page 174, after line 2, of the Senate engrossed amendments, insert:

"(b) CLERICAL AMENDMENT.—The table of sections for part VII of subchapter B of chapter 1 is amended by striking out the item relating to section 216 and inserting in lieu thereof the following:

"'Sec. 216. Deduction of taxes, interest, and business depreciation by cooperative housing corporation tenant-stockholder.'"

Page 174, line 3, of the Senate engrossed amendments, strike out "(b)" and insert "(c)".

And the Senate agree to the same.

Amendment numbered 198: That the House recede from its disagreement to the amendment of the Senate numbered 198, and agree to the same with an amendment as follows: Page 177, line 2, of the Senate engrossed amendments, strike out "30" and insert "29"; and the Senate agree to the same.

Amendment numbered 201: That the House recede from its disagreement to the amendment of the Senate numbered 201, and agree to the same with an amendment as follows: Page 181, line 8, of the Senate engrossed amendments, strike out "33" and insert "30"; and the Senate agree to the same.

Amendment numbered 202: That the House recede from its disagreement to the amendment of the Senate numbered 202, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "31"; and the Senate agree to the same.

WILBUR D. MILLS,
CECIL R. KING,
HALE BOGGS,
EUGENE J. KEOGH,
JOHN W. BYRNES,
HOWARD H. BAKER,
Managers on the Part of the House.

HARRY FLOOD BYRD,
ROBERT S. KERR,
RUSSELL B. LONG,
GEORGE A. SMATHERS,
JOHN J. WILLIAMS,
FRANK CARLSON,
WALLACE F. BENNETT,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 10650) to amend the Internal Revenue Code of 1954 to provide a credit for investment in certain depreciable property, to eliminate certain defects and inequities, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The following Senate amendments made technical, clerical, clarifying, or conforming changes: 1, 2, 3, 4, 7, 8, 15, 16, 20, 22, 24, 25, 26, 27, 34, 35, 36, 38, 39, 40, 44, 47, 49, 51, 53, 55, 57, 58, 59, 63, 66, 67, 68, 71, 72, 73, 74, 77, 78, 83, 86, 88, 89, 101, 103, 105, 106, 107, 108, 109, 110, 112, 114, 115, 116, 117, 118, 119, 120, 122, 127, 134, 136, 137, 138, 139, 142, 144, 146, 148, 149, 150, 151, 152, 154, 155, 156, 157, 158, 164, 165, 169, 170, 171, 172, 174, 175, 177, 178, 182, 184, 185, 186, 187, 188, and 202. With respect to these amendments (1) the House either recedes or recedes with amendments which are technical, clerical, clarifying, or conforming in nature, or (2) the Senate recedes in order to conform to other action agreed upon by the committee of conference.

CREDIT FOR INVESTMENT IN CERTAIN DEPRECIABLE PROPERTY

Amendments Nos. 5 and 23: Under the bill as passed by both the House and the Senate the amount of the investment credit which may be allowed for any taxable year may not exceed so much of the liability for tax for the taxable year as does not exceed $25,000, plus 25 percent of so much of the liability for tax for the taxable year as exceeds $25,000. Under the bill as passed by the House, any unused credit resulting from this limitation was to be carried forward to each of the 5 succeeding taxable years to the extent not taken into account in intervening years. Under Senate amendment No. 5, such unused credit is first carried back to the 3 preceding taxable years and then carried over to the 5 succeeding taxable years. This rule is subject to three exceptions: (1) The unused credit may be a carryback only to taxable years ending after June 30, 1962, (2) to the extent that an unused credit arises by reason of a net operating loss carryback, such unused credit is taken into account only as a carryover and not as a carryback from such year, and (3) in the case of a taxable year beginning before July 1, 1962, and ending after June 30, 1962, the limitation on the credit allowable for such year for purposes of the carryback to such year is the amount which bears the same ratio to the limitation otherwise applicable as the number of days in such year after June 30, 1962, bears to the total number of days in such year. The House recedes with amendments conforming to the unused credit carryback provisions to the conference action on Senate amendment No. 28 (which provides that the investment credit is to apply to taxable years ending after December 31, 1961).

Senate amendment No. 23 amends the provisions of the code relating to periods of limitation and interest to conform to the Senate amendments providing for the unused credit carryback. The House recedes.

Amendments Nos. 6 and 9: The bill as passed by the House (sec. 46(c) of the code, as added by the bill) defined the qualified investment for purposes of the investment credit as the aggregate of (1) the applicable percentage of the basis of each new section 38 property placed in service during the taxable year, plus (2) the applicable percentage of the cost of each used section 38 property placed in service during the taxable year. These applicable percentages vary according to the useful life of the property. If any such property is disposed of, or otherwise ceases to be section 38 property with respect to the taxpayer, before the close of the useful life that was taken into account in computing the investment credit, then the income tax for the taxable year of the disposition is increased (sec. 47 of the code, as added by the bill) by an amount equal to the decrease in credits which would have resulted had the useful life used in determining the credit been the period beginning with the time the property was placed in service and ending with the time it ceased to be section 38 property.

The bill as passed by the Senate retains these rules except in cases where section 38 property is placed in service by the taxpayer to replace property which was stolen or was destroyed or damaged by fire, storm, shipwreck, or other casualty. Under Senate amendment No. 6, the basis (if new property) or cost (if used property) of the replacement section 38 property taken into account in determining qualified investment is required to be reduced by an amount equal to the amount received by the taxpayer as compensation (by insurance or otherwise) for the property destroyed, damaged, or stolen, or by an amount equal to the adjusted basis of such property, whichever is the lesser. This rule is not to apply if the reduction in qualified investment attributable to the substitution required by section 47(a)(1) of the code with respect to the property so destroyed, damaged, or stolen is greater than the reduction required under the new paragraph (4) added to section 46(c) by Senate amendment No. 6.

Senate amendment No. 9 adds a new paragraph (4) to section 47(a) of the code (relating to certain dispositions, etc., of sec. 38 property) to coordinate the provisions of such section 47(a) with the new rules provided under Senate amendment No. 6. In general, the new paragraph (4) of section 47(a) provides that paragraphs (1) and (3) of section 47(a) shall not apply to property which ceases to be section 38 property on account of its destruction or damage by fire, storm, shipwreck, or other casualty, or by reason of its theft, if such property is replaced by property to which the new paragraph (4) of section 46(c) (added by Senate amendment No. 6) applies, and if the reduction under that new paragraph is greater than the reduction in qualified investment under paragraph (1) of section 47(a).

The House recedes on Senate amendment No. 6 and recedes with a technical clarifying amendment on Senate amendment No. 9.

Amendment No. 10: This amendment adds a new paragraph (6) to new section 48(a) of the code (defining "section 38 property" for purposes of the investment credit) to provide that livestock is not to be treated as section 38 property. The House recedes.

Amendments Nos. 11, 12, 13, and 14: The bill as passed by the House defined the term "new section 38 property" as section 38 property (1) the construction, reconstruction, or erection of which is completed by the taxpayer after December 31, 1961, or (2) acquired after December 31, 1961, if the original use of such property commences with the taxpayer and commences after such date. In determining qualified investment described in clause (1) of the preceding sentence, only that portion of the basis which is properly attributable to construction, reconstruction, or erection after December 31, 1961, is to be taken into account. The bill as passed by the House also limited the definition of "used section 38 property" to property acquired by purchase after December 31, 1961. Senate amendments Nos. 11, 12, 13, and 14 changed these dates from December 31, 1961, to June 30, 1962. The Senate recedes.

Amendment No. 17: Under the bill as passed by the House, a person engaged in the business of leasing property would be permitted to elect with respect to any new section 38 property to treat the lessee as having acquired the property. Under Senate amendment No. 17, the lessor is not required to be engaged in the business of leasing property in order to make the election. The House recedes.

Amendments Nos. 18 and 19: Senate amendment No. 19 adds a new subsection (g) to new section 48 of the code (containing definitions and special rules relating to the investment credit). The new subsection requires that for purposes of subtitle A of the code (relating to income tax), other than for purposes of the investment credit, the basis of any section 38 property be reduced by an amount equal to 7 percent of the qualified investment with respect to such property. The new subsection provides, however, that if the tax under chapter 1 of the code is increased, or an adjustment in carrybacks or carryovers is made, under new section 47(a) of the code, the basis of the property is to be increased by an amount equal to the portion of the increase in tax and the portion of the adjustment attributable to such property. The House recedes.

It is the understanding of the conferees on the part of both the House and the Senate that the purpose of the credit for investment in certain depreciable property, in the case of both regulated and nonregulated industries, is to encourage modernization and expansion of the Nation's productive facilities and to improve its economic potential by reducing the net cost of acquiring new equipment, thereby increasing the earnings of the new facilities over their productive lives.

Senate amendment No. 18 provides that if a lessor makes an election to treat the lessee as having acquired the property then, under regulations prescribed by the Secretary of the Treasury or his delegate, the new subsection (g) added by amendment No. 19 is not to apply and the deductions otherwise allowable under section 162 of the code to the lessee for amounts paid to the lessor under the lease are to be adjusted in a manner consistent with the provisions of the new subsection (g). The House recedes.

Amendment No. 21: This amendment adds a new section 2(c) to the bill, adding a new section 181 to part VI of subchapter B of chapter 1 of the code (relating to itemized deductions for individuals and corporations). If after applying the carrybacks and carryovers of any unused investment credit any amount thereof remains unused, this amount is to be allowed to the taxpayer as a deduction for the first taxable year following the last taxable year in which the unused amount could have been allowed as a credit. However, if a taxpayer dies or ceases to exist before such first taxable year, the amount described in the preceding sentence (or proper portion thereof) is, under regulations, to be allowed to the taxpayer as a deduction for the taxable year in which such death or cessation occurs. The House recedes.

Amendment No. 28: Under the bill as passed by the House, the amendments made by section 2 (relating to credit for investment in certain depreciable property) were to apply with respect to taxable years ending after December 31, 1961. Under Senate amendment No. 28, the amendments were to apply with respect to taxable years ending after June 30, 1962. The Senate recedes.

DISALLOWANCE OF CERTAIN ENTERTAINMENT, ETC., EXPENSES

Amendments Nos. 29, 30, and 31: The bill as passed by both the House and the Senate adds a new section 274 to the code (relating to disallowance of certain entertainment, etc., expenses). Section 274(a)(1) as passed by the House provided that no deduction otherwise allowable under chapter 1 of the code is to be allowed for any item—

(1) with respect to an activity which is of a type generally considered to constitute entertainment, amusement, or recreation, unless the taxpayer establishes that the item was directly related to the active conduct of the taxpayer's trade or business, or

(2) with respect to a facility used in connection with such an activity, unless the taxpayer establishes that the facility was used primarily for the furtherance of the taxpayer's trade or business and that the item was directly related to the active conduct of such trade or business,

and such deduction is in no event to exceed the portion of such item directly related to the active conduct of the taxpayer's trade or business.

Senate amendments Nos. 29, 30, and 31 inserted the words "or associated with" after the words "directly related to" each place they appeared in the new section 274(a)(1) as passed by the House.

Under the conference agreement the House recedes on Senate amendment No. 29 with an amendment providing that deductions otherwise allowable under chapter 1 of the code shall not be allowed for any item with respect to an entertainment type activity "unless the taxpayer establishes that the item was directly related to, or, in the case of an item directly preceding or following a substantial and bona fide business discussion (including business meetings at a convention or otherwise), that such item was associated with," the active conduct of the taxpayer's trade or business. Under the conference agreement, the Senate recedes on amendment No. 30, and the House recedes on amendment No. 31 with an amendment conforming to the action on amendment No. 29.

The rule of the House bill as described in the report of the Committee on Ways and Means is more strict than the "or associated with" rule of the Senate amendment. The rule of the House bill would not allow deduction of expenditures for entertainment occurring under circumstances where there is little or no possibility of conducting business affairs or carrying on negotiations or discussions relating thereto, such as where the group of persons entertained is large or the distractions substantial.

It is the understanding of the conferees, both on the part of the House and the Senate, that the alternative Senate "or associated with" test as described in the report of the Finance Committee would apply to certain entertaining primarily to encourage goodwill where the evidence of business connection is clear, whether or not business is actually transacted or discussed during the entertainment. The conference agreement would permit a deduction for the cost of an entertainment item, even though the item is not directly related to the active conduct of the taxpayer's trade or business, if the item is associated with it, so long as the entertainment activity directly precedes or follows a substantial and bona fide business discussion. The conditions under which an item is "associated with" the active conduct of a trade or business are contained in the report of the Committee on Finance. The deductibility of other items of entertainment expense, as well as items with respect to facilities, would be governed by the rule of the House bill.

Section 274(a) as agreed to by the conferees will allow as a deduction the cost of entertaining connected with what are primarily business meetings. For example, if the taxpayer conducts substantial negotiations with a group of business associates and that evening entertains the group and their wives at a restaurant, theater, concert, or sporting event, such entertainment expenses, if associated with the active conduct of the taxpayer's business, will be deductible even though the purpose of the entertainment is merely to promote goodwill in such business. Moreover, if a group of business associates with whom the taxpayer is conducting business meetings comes from out of town to the taxpayer's place of business to hold substantial business discussions, the entertainment of such business guests by the taxpayer the evening prior to the business discussions will be regarded as directly preceding the business discussions.

Similarly, if in between, or in the evenings after business meetings at a convention, the taxpayer entertains his business associates or prospective customers attending such meetings (and their wives), such entertainment will be considered as directly preceding or following a business discussion.

Any entertainment which is a part of substantial and bona fide business discussions, where the conduct of business is the principal activity during the combined entertainment and business time spent together by the taxpayer and the person or persons entertained, will be deductible if the expense is associated with the active conduct of the taxpayer's trade or business.

Also, the cost of banquets at meetings of professional and business associations would normally be deductible. As in the above cases, if the expense is associated with the active conduct of a trade or business, it would not be necessary for the person paying for the banquet to attend the banquet himself. For example, a dental equipment supplier would be able to deduct the cost of purchasing a table at a dental association banquet for dentists who are actual or prospective customers for his equipment.

Thus, under the business meal exception contained in proposed section 274(e)(1), and the conference agreement, the cost of providing food and beverages at most business meetings and banquets would be deductible, as well as almost all restaurant and most hotel entertaining. In neither of the situations covered by the conference agreement nor under the business meal exception is there a requirement that business must actually be discussed in order to get a deduction.

Amendment No. 32: Section 274(b), as added to the code by the bill as passed by both the House and the Senate, provides in effect that no deduction is to be allowed under section 162 or 212 of the code for any expense for gifts to any individual to the extent that the total expenses of the taxpayer for gifts to such individual during the same taxable year exceed $25. For purposes of the new section 274, the term "gift" is defined to mean any item excludable from gross income of the recipient under section 102 of the code which is not excludable from his gross income under any other provision of chapter 1 of the code. Senate amendment No. 32 adds a new provision providing that such terms does not include—

(1) an item having a cost to the taxpayer not in excess of $4 on which the name of the taxpayer is clearly and permanently imprinted and which is one of a number of identical items distributed generally by the taxpayer.

(2) a sign, display rack, or other promotional material to be used on the business premises of the recipient, or

(3) an item of tangible personal property having a cost to the taxpayer not in excess of $100 which is awarded to an employee by reason of length of service or for safety achievement.

The House recedes.

Amendment No. 33: This amendment adds a new subsection (c) to the new section 274 added to the code by the bill. The new subsection (c) provides that in the case of any individual who is traveling away from home in pursuit of a trade or business or in pursuit of an activity described in section 212 of the code (relating to expenses for production of income), no deduction is to be allowed under section 162 or 212 for that portion of the expenses of such travel otherwise allowable under such section which, under regulations prescribed by the Secretary of the Treasury or his delegate, is not allocable to such trade or business or to such activity. The new subsection (c) is not to apply to the expenses of any travel away from home which does not exceed 1 week or where the portion of the time away from home which is not attributable to the pursuit of the taxpayer's trade or business or an activity described in section 212 is less than 25 percent of the total time away from home on such travel. The House recedes.

Amendment No. 37: Under subsection (e)(6) of the new section 274 of the code, as added by the bill as passed by the House, section 274(a) (relating to disallowance of entertainment, amusement, or recreation expenses) was not to apply to expenses directly related to business meetings of employees or stockholders. Under Senate amendment No. 37, section 274(a) is not to apply to expenses incurred by a taxpayer which are directly related to business meetings of his employees, stockholders, agents, or directors. Under this provision, the members of a partnership are to be considered as agents. The House recedes.

Amendment No. 41: Section 162 of the code provides that there shall be allowed as a deduction all the ordinary and necessary expenses paid or incurred during the taxable year in carrying on any trade or business, including "traveling expenses (including the entire amount expended for meals and lodging) while away from home in the pursuit of a trade or business." Under the bill as passed by the House, the parenthetical matter quoted in the preceding sentence would be changed to "(including a reasonable allowance for amounts expended for meals and lodging)". Under Senate amendment No. 41, such parenthetical matter would be changed to "(including amounts expended for meals and lodging other than amounts which are lavish or extravagant under the circumstances)". The House recedes.

Amendment No. 42: Under the bill as passed by the House, the amendments made by the bill with respect to the disallowance of certain entertainment, etc., expenses were to apply with respect to taxable years ending after June 30, 1962, but only in respect of periods after such date. Under Senate amendment No. 42, the amendments are to apply with respect to taxable years ending after December 31, 1962, but only in respect of periods after such date. The House recedes.

AMOUNT OF DISTRIBUTION WHERE CERTAIN FOREIGN CORPORATIONS DISTRIBUTE PROPERTY IN KIND

Amendment No. 43: Subsection (d) of section 5 of the bill as passed by the House would amend section 902(a) of the code (relating to credit for foreign taxes) to provide that for purposes of section 902 (a) and (b) the amount of any distribution in property other than money is to be determined under section 301(b)(1)(B) of the code. Under section 301(b)(1)(B) the amount of a distribution of property to a corporate shareholder is the lesser of (1) the fair market value of such property, or (2) the adjusted basis of such property (in the hands of the distributing corporation immediately before the distribution). Senate amendment No. 43 strikes out subsection (d) of section 5 of the bill. The House recedes.

AMENDMENT TO SECTION 482 OF THE INTERNAL REVENUE CODE

Amendment No. 45: Section 6 of the bill as passed by the House amended section 482 of the code (relating to allocation of income and deductions among taxpayers) by designating the existing text as subsection (a) and by adding a new subsection (b) to provide special rules for allocating taxable income, arising from sales of tangible property within a related group which includes a foreign organization, among the members of the group. The allocation was to be made by the Secretary of the Treasury or his delegate by taking into consideration that portion of the factors listed in the bill which is attributable to the United States and that portion which is not attributable to the United States. The bill also permitted consideration of other factors (including special risks, if any, of the market in which the property is sold). If the taxpayer established to the satisfaction of the Secretary or his delegate that an alternative method of allocation clearly reflects the income of each member of the group with respect to the property in question, the alternative method was required to be used.

Senate amendment No. 45 strikes out section 6 of the bill as passed by the House.

The House recedes. The conferees on the part of both the House and the Senate believe that the objectives of section 6 of the bill as passed by the House can be accomplished by amendment of the regulations under present section 482. Section 482 already contains broad authority to the Secretary of the Treasury or his delegate to allocate income and deductions. It is believed that the Treasury should explore the possibility of developing and promulgating regulations under this authority which would provide additional guidelines and formulas for the allocation of income and deductions in cases involving foreign income.

DISTRIBUTIONS OF FOREIGN PERSONAL HOLDING COMPANY INCOME

Amendment No. 46: Section 7 of the bill as passed by the House amended section 552 (a) of the code to substitute a 20-percent gross income requirement for the requirement now contained in the definition of a foreign personal holding company that more than 60 percent (or 50 percent in certain cases) of its gross income consist of foreign personal holding company income. Such section 7 also amended the definition of "undistributed foreign personal holding company income" contained in section 556(a) of the code to mean taxable income (adjusted as provided by existing law) if the foreign personal holding company income exceeds 80 percent of the company's gross income, and to mean a proportionate part of such taxable income if the foreign personal holding company income does not exceed 80 percent of its gross income.

Senate amendment No. 46 strikes out section 7 of the bill as passed by the House.

The House recedes.

MUTUAL SAVINGS BANKS, ETC.

Amendment No. 48: The bill as passed by both the House and the Senate amends section 593 of the code to provide rules relating to reserves for losses on loans by mutual savings institutions listed in the bill. Subsection (b)(1) of the amended section 593 prescribes the method for determining the reasonable addition for the taxable year to the reserve for bad debts under section 166 (c) of the code and also specifies the reserves to which such additions are to be made. Such reasonable addition is the sum of two amounts—(1) the amount determined under section 166(c) to be the reasonable addition to the reserve for losses on nonqualifying loans, plus (2) the amount determined by the taxpayer to be a reasonable addition to the reserve for losses on qualifying real property loans (but the amount so determined by the taxpayer is not to exceed the amount determined under pars. (2), (3), or (4) of sec. 593(b), whichever amount is the largest). Senate amendment No. 48 adds a further limitation providing that the amount of the addition for a taxable year to the reserve for losses on qualifying real property loans, when added to the amount of the addition to the reserve for losses on nonqualifying loans, shall in no case be greater than the amount by which 12 percent of the total deposits or withdrawable accounts of depositors of the taxpayer at the close of such year exceeds the sum of its surplus, undivided profits, and reserves at the beginning of such year (taking into account any portion thereof attributable to the period before the first taxable year beginning after December 31, 1951). The House recedes with a substitute for the Senate amendment which provides, in effect, that the 12-percent ceiling is not to apply in the case of a taxpayer using the experience method for the taxable year.

Amendments Nos. 50 and 52: Under section 593(b)(2) of the code as amended by the bill as passed by the House, the amount of the reasonable addition to the reserve for losses on qualifying real property loans for a taxable year was limited to the excess of an amount equal to 60 percent of the taxable income for such year over the amount determined under section 166(c) to be a reasonable addition to the reserve for losses on nonqualifying loans. For purposes of this method, taxable income is determined without regard to any deduction for any additions to the reserves for bad debts, and also by excluding from gross income any amount included therein by reason of subsection (f) (relating to the treatment of certain distributions of property to stockholders by a domestic building and loan association).

Senate amendment No. 50 provided that, in the case of a domestic building and loan association having capital stock with respect to which any distribution of property is not allowable as a deduction under section 591 (relating to dividends paid on deposits), an amount equal to 50 percent of the taxable income is substituted for the 60 percent provided by the bill as passed by the House. The Senate recedes.

Senate amendment No. 52 provides that the amount of the addition determined under section 593(b)(2) is not to exceed the amount necessary to increase the balance (as of the close of the taxable year) of the reserve for losses on qualifying real property loans to 6 percent of such loans outstanding at such time. The House recedes.

Amendment No. 54: Under section 593(b) (3) of the code as amended by the bill as passed by the House, the amount of the reasonable addition to the reserve for losses on qualifying real property loans for a taxable year was limited to an amount equal to the amount necessary to increase the balance (as of the close of the taxable year) of such reserve to 3 percent of such loans outstanding at such time. Senate amendment No. 54 permits the balance of the reserve for losses on qualifying real property loans to be increased to a larger amount in the case of a mutual savings institution which is a new company and which does not have capital stock with respect to which distributions of property are not allowable as a deduction under section 591 of the code. This larger amount is the sum of two amounts: (1) 3 percent of qualifying real property loans outstanding at the close of the taxable year, plus (2) an amount equal to 2 percent of so much of such loans as does not exceed $4 million, reduced (but not below zero) by the amount, if any, of the balance (as of the close of such year) of the taxpayer's supplemental reserve for losses on loans. A taxpayer is a "new company" for any taxable year only if such taxable year begins not more than 10 years after the first day on which it (or any predecessor) was authorized to do business as a mutual savings institution described in section 593(a) of the code.

The House recedes with an amendment. Under the conference action the text of section 593(b)(3) of the code is the same as it is under Senate amendment numbered 54. In addition, under the conference action the new section 593(b)(5) of the code provides that in the case of certain domestic building and loan associations there will be a reduction in the amount determined under paragraph (2) (60 percent of taxable income method) and paragraph (3) (percentage of real property loans method) of section 593(b). For purposes of computing this reduction, the amount determined under paragraph (2), and the amount determined under paragraph (3), shall in each case be the amount determined without regard to the new section 593(b)(5), but with regard to the 12-percent ceiling added by Senate amendment No. 48 and, in the case of the amount determined under paragraph (2), the 6-percent ceiling added by Senate amendment No. 52. The reduction provided by the new section 493(b)(5) will apply only in the case of a domestic building and loan association which qualifies as such for the taxable year solely by reason of the second sentence of section 7701(a)(19) (see the discussion of Senate amendment No. 60), which changes the 36-percent requirement of subparagraph (E) of the first sentence of section 7701(a) (19) to a 41-percent requirement. The reduction varies from one-twelfth to five-twelfths, depending on the number of percentage points (and fractions thereof) by which the association fails to satisfy the 36-percent requirement.

Amendment No. 56: Section 593(c) of the code, as amended by the bill as passed by the House provides for the allocation of pre-1963 reserves (that is, the net amount, determined as of December 31, 1962, accumulated in the reserve for bad debts for taxable years beginning after December 31, 1951)—

(1) first, to the reserve for losses on nonqualifying loans, to the extent such reserve is not increased above the amount which would be a reasonable addition under section 166(c) of the code for a period in which such

loans increased from zero to the amount outstanding at the close of 1962,

(2) second, to the reserve for losses on qualifying real property loans, to the extent such reserve is not increased above the amount equal to 3 percent of the loans outstanding at the close of 1962 or, if larger, the amount which would be a reasonable addition under section 166(c) of the code for a period in which such loans increased from zero to the amount outstanding at the close of 1962, and

(3) then to a supplemental reserve for losses on loans.

Senate amendment No. 56 adds a new paragraph (5) to section 593(c) providing, in effect, that if the pre-1963 reserves are insufficient to bring the balance of the reserve for qualifying real property loans up to the amount referred to in paragraph (2) above then the term "pre-1963 reserves" includes so much of the surplus, undivided profits, and bad debt reserves (determined as of December 31, 1962) attributable to the period before the first taxable year beginning after December 31, 1951, as is necessary to bring the balance of the reserve for qualifying real property loans up to the amount referred to in paragraph (2) above. This rule is to apply only for the purpose of determining reasonable additions under the amended section 593 to such reserve, and for such purpose the amount so allocated is to be treated as remaining in such reserve. The House recedes.

Amendment No. 60: Section 7701(a)(19) of the code defines the term "domestic building and loan association" as a domestic building and loan association, a domestic savings and loan association, and a Federal savings and loan association, substantially all of the business of which is confined to making loans to members.

The bill as passed by the House amended section 7701(a)(19) to provide that the term "domestic building and loan association" means any domestic building and loan association, domestic savings and loan association, and Federal savings and loan association which met each of two requirements. The first requirement was that the association be either (i) an insured institution within the meaning of section 401(a) of the National Housing Act, or (ii) subject by law to supervision and examination by State or Federal authority having supervision over such associations. The second requirement was that substantially all of the business of the association must consist of accepting savings and investing the proceeds in (i) loans secured by an interest in real property which is, or from the proceeds of the loan will become, residential real property, and (ii) other loans to the extent they would be authorized to be made by a Federal savings and loan association under section 5(c) of the Home Owners' Loan Act of 1933.

Senate amendment No. 60 adopts without change the first requirement of the bill as passed by the House, but replaces the second requirement with six new requirements:

(1) Substantially all of the business of the association must consist of acquiring the savings of the public and investing in loans described in paragraph (2) below.

(2) At least 90 percent of the amount of the total assets (determined as of the close of the taxable year) of the association must consist of (i) cash, (ii) obligations of the United States, a State, or a political subdivision of a State, stock or obligations of a corporation which is an instrumentality of one of those governmental units, and certificates of deposit in, or obligations of, a corporation organized under a State law which specifically authorizes such corporation to insure the deposit or share accounts of member associations, (iii) loans secured by an interest in real property and loans made for the improvement of real property, (iv) loans secured by a deposit or share of a member, (v) property acquired through the liquidation of defaulted loans described in clause (iii) of this paragraph, and (vi) property used by the association in the conduct of the business described in paragraph (1) above.

(3) Of the assets taken in account as assets constituting the 90 percent of total assets, at least 80 percent of such 90 percent must consist of (i) assets of the types described in clauses (i) and (ii) of paragraph (2) above, and (ii) loans secured by an interest in real property which is, or from the proceeds of the loan will become, residential real property or real property used primarily for church purposes, loans made for the improvement of residential real property or real property used primarily for church purposes, or property acquired through the liquidation of defaulted loans described in this paragraph.

(4) Of the assets taken into account as assets constituting the 90 percent of total assets, at least 60 percent of such 90 percent must consist of (i) assets of the types prescribed in clauses (i) and (ii) of paragraph (2) above, and (ii) loans secured by an interest in real property which is, or from the proceeds of the loan will become, residential real property containing four or fewer family units or real property used primarily for church purposes, loans made for the improvement of residential real property containing four or fewer family units or real property used primarily for church purposes, or property acquired through the liquidation of defaulted loans described in this paragraph.

(5) Not more than 18 percent of the amount of the total assets (determined as of the close of the taxable year) of the association may consist of assets other than those referred to in paragraph (3) above, and not more than 36 percent of the amount of such total assets may consist of assets other than those referred to in paragraph (4) above.

(6) Except for property described in paragraph (2) above, not more than 3 percent of the total assets of the association may consist of stock of any corporation.

Senate amendment No. 60 also provides that, at the election of the association, the percentages specified in paragraph (2) through (6) above shall be applied on the basis of the average assets outstanding during the taxable year, rather than at the close of the taxable year, as computed under regulations prescribed by the Secretary of the Treasury or his delegate.

The House recedes with amendments. Under the conference action, loans secured by a deposit or share of a member, and property used by the association in the conduct of its savings and loan business, are in effect to be taken into account (1) in the same manner as loans on residential real property for purposes of section 7701(a)(19)(D)(i), and (2) in the same manner as loans on residential real property for four or fewer family units for purposes of section 7701(a)(19)(D)(ii).

Under the conference action, a second sentence and a third sentence are added to section 7701(a)(19). The new second sentence provides that the term "domestic building and loan association" also includes any association which would satisfy the requirements of the first sentence if "41 percent" were substituted for "36 percent" in subparagraph (E) of the first sentence. The new third sentence provides in effect that, except in the case of the association's first taxable year (whenever occurring in the case of a new association) beginning after the date of the enactment of the bill, the modification of the 36-percent requirement is to be available to it for a taxable year only if—

(1) it met the requirements of the first sentence of section 7701(a)(19) for the immediately preceding taxable year, or

(2) it qualified as a domestic building and loan association for the immediately preceding taxable year solely by reason of the second sentence of section 7701(a)(19) and (if the taxable year is the third or any succeeding taxable year of the association beginning after the date of the enactment of the bill) it met the requirements of the first sentence of section 7701(a)(19) for the second preceding taxable year.

Amendment No. 61: The bill as passed by the House repealed the exemption of Federal savings and loan associations from the taxes imposed by sections 4251 and 4261 of the code (relating, respectively, to the excise tax on communications and the excise tax on the transportation of persons). Senate amendment No. 61 amends section 5(h) of the Home Owners' Loan Act of 1933 (12 U.S.C. 1464(h)) so as to eliminate entirely the exemptions from Federal taxes which that section now provides in the case of Federal savings and loan associations.

Under section 4382(a)(2) of the code, capital stock and certificates of indebtedness issued by domestic building and loan associations and cooperative banks are exempt from the documentary stamp taxes imposed by chapter 34 of the code. Senate amendment No. 61 amends section 4382(a)(2) so as to eliminate this exemption insofar as it extends (i) to all certificates of indebtedness issued by a domestic building and loan association or cooperative bank, and (ii) to shares or certificates of stock issued by such a domestic building and loan association or cooperative bank, to the extent that such shares or certificates of stock do not represent deposits or withdrawable accounts.

The House recedes with clerical and clarifying amendments.

Amendment No. 62: This Senate amendment adds a new provision to the bill as passed by the House which would amend section 591 of the code (relating to the deduction for dividends paid on deposits by mutual savings banks, cooperative banks, and domestic building and loan associations) so as to make clear that a deduction will be allowable under section 591 for (1) interest paid or credited to the accounts of depositors or holders of accounts on their deposits or withdrawable accounts by mutual savings banks, cooperative banks, and domestic building and loan associations, and (2) dividends and interest described in section 591 paid by a savings institution chartered and supervised as a savings and loan or similar association under Federal or State law. The House recedes.

Amendment No. 64: Under the bill as passed by the House, the change in the definition of the term "domestic building and loan associaton" would have taken effect on the enactment of the bill. Senate amendment No. 64 adds a new provision under which the new definition will apply to taxable years beginning after the date of the enactment of the bill. The House recedes.

Amendment No. 65: The bill as passed by the House provided an effective date of July 1, 1962, for the termination of the exemption of domestic building and loan associations from the excise taxes on communications and transportation of persons. Senate amendment No. 65 provides an effective date of January 1, 1963, for the termination of exemptions from Federal taxes. The House recedes.

DISTRIBUTIONS BY FOREIGN TRUSTS

Amendment No. 69: The bill as passed by the House defined the term "foreign trust created by a United States person" (for purposes of the provisions of the bill relating to distributions by foreign trusts) as, in general, a foreign trust to which money or property has been transferred directly or indirectly by a U.S. person, or under the will of a decedent who at the date of his death was a U.S. citizen or resident. Senate amendment No. 69 provides that such term means that portion of a foreign trust attributable to money or property transferred directly or indirectly by such a person or under the will of such a decedent. The House recedes with clerical amendments.

Amendment No. 70: Under the bill as passed by the House, the amendments to subchapter J of chapter 1 of the code with respect to distributions by foreign trusts were to apply with respect to distributions made in taxable years of trusts beginning after the date of the enactment of the bill. Senate amendment No. 70 provides that these amendments are to apply with respect to distributions made after December 31, 1962. The House recedes.

MUTUAL INSURANCE COMPANIES (OTHER THAN LIFE, MARINE, AND CERTAIN FIRE OR FLOOD INSURANCE COMPANIES)

Amendments Nos. 75 and 76: These are amendments to conform, in the case of insurance companies subject to tax under part II of subchapter L of chapter 1 of the code, the normal tax rates on mutual insurance company taxable income and on taxable investment income to the action taken by the Congress in the Tax Rate Extension Act of 1962.

The House recedes.

Amendments Nos. 79, 80, 81, 82, and 102: Under existing law and under the bill as passed by the House, mutual insurance companies other than life or marine are exempt from income tax if the gross amount received from specified items does not exceed $75,000. Under the bill as passed by the House, if this gross amount is over $75,000 but less than $125,000, the alternative tax imposed by the new section 821(c)(1) of the code on small companies is proportionately reduced. Under Senate amendment No. 102, a mutual insurance company other than life or marine is exempt from income tax if the gross amount does not exceed $150,000. Senate amendments Nos. 79, 80, 81, and 82 provide for a proportionate decrease in the alternative tax if the gross amount is over $150,000 but less than $250,000. The House recedes.

Amendments Nos. 84 and 85: Under the bill as passed by the House, the alternative tax for certain small companies provided by the new section 821(c) of the code applied for a taxable year only if the gross amount referred to in section 821(c)(3) for the taxable year exceeded $75,000 but did not exceed $300,000. Under Senate amendments Nos. 84 and 85 the $75,000 and $300,000 amounts are changed to $150,000 and $600,000, respectively. The House recedes on Senate amendment No. 84. The House recedes on Senate amendment No. 85 with an amendment changing the $600,000 amount provided by the Senate amendment to $500,000.

Amendment No. 87: This amendment adds a new subsection (f) to section 821 of the code and provides a special transitional underwriting loss deduction for taxable years beginning after 1962 and before 1968 for mutual insurance companies which were subject to the tax imposed by existing section 821 for the 6 taxable years immediately preceding 1963 and which incurred an underwriting loss for at least 5 of such 6 years. The mutual insurance company taxable income with respect to such a company is reduced each year by the amount by which (1) the sum of the underwriting losses of such company for such 6 years, reduced by the underwriting gain for such years, exceeds (2) the total amount by which mutual insurance company taxable income was reduced under the new subsection (f) for prior taxable years. The House recedes with a substitute under which (1) the new subsection (f) applies only in the case of a company which has been subject to the tax imposed by section 821 for each of the 5 taxable years immediately preceding 1962, and has incurred an underwriting loss for each of such 5 taxable years, and (2) such losses are to be used as an offset only to statutory underwriting income.

Amendments Nos. 90, 91, and 92: Section 823(c) of the code, as added by the bill as passed by the House, provided a special deduction (not to exceed $6,000 in amount) in determining the statutory underwriting income or loss for the taxable year if the gross amount received from the items specified in section 823(c) does not equal or exceed $900,000. Under Senate amendments Nos. 90, 91, and 92 this special deduction decreases to zero when the gross amount equals $1,200,000. The House recedes with an amendment under which the deduction decreases to zero when the gross amount equals $1,100,000.

Amendments Nos. 93, 94, 95, and 96: Under the bill as passed by the House, paragraph (1) of the new section 824(a) added to the code (relating to deduction to provide protection against losses) provides that in determining the statutory underwriting income or loss for any taxable year there is to be allowed as a deduction the sum of—

(1) an amount equal to 1 percent of the losses incurred during the taxable year, plus

(2) an amount equal to 25 percent of the underwriting gain for the taxable year, plus

(3) if the concentrated windstorm, etc., premium percentage (as defined in the bill) for the taxable year exceeds 50 percent, an amount determined by applying so much of such percentage as exceeds 50 percent to the underwriting gain for the taxable year.

Under the bill as passed by the House, paragraph (2) of the new section 824(a) defines the term "concentrated windstorm, etc., premium percentage" as the percentage obtained by dividing (A) premiums earned on insurance contracts during the taxable year, to the extent attributable to insuring against losses arising in any one State, from windstorm, hail, flood, earthquake, or similar hazards, by (B) premiums earned on insurance contracts during the taxable year.

Senate amendments Nos. 93 and 94 increase the scope of the coverage of paragraph (3) above and increase the amount of the deduction by striking out the references to 50 percent and inserting in lieu thereof 40 percent. The House recedes.

Senate amendment No. 96 changes the definition of "concentrated windstorm, etc., premium percentage" to permit the percentage to be determined by reference to premiums attributable to insuring against losses arising (1) in any one State, (2) if the taxpayer so elects, within 200 miles of any fixed point selected by the taxpayer, or (3) if the taxpayer so elects, within 400 miles of any fixed point selected by the taxpayer. Senate amendment No. 95 provides that, in the case of a taxpayer making the election described in clause (3) of the preceding sentence, the amount of the deduction allowable by reason of section 824(a)(1)(C) is to be one-half of the amount it would be but for this amendment. The House recedes on Senate amendment No. 96 with an amendment under which the percentage is to be determined by reference to premiums attributable to losses arising either (1) in any one State, or (2) within 200 miles of any fixed point selected by the taxpayer. The Senate recedes on Senate amendment No. 95.

Amendments Nos. 97, 98, and 99: Subsection (d) of the new section 824 of the code, as added by the bill, sets forth the amounts which are to be subtracted from the protection against loss account. These amounts are taken into account for purposes of determining mutual insurance company taxable income.

Under the bill as passed by the House, the first subtraction from the account was to be made for so much of the statutory underwriting loss as was generated either by the deduction for dividends to policyholders or by the deduction provided in section 824(a) for protection against losses. Thus, under the bill as passed by the House, any underwriting loss attributable to policy dividends could not be applied against taxable investment income unless the balance in the protection against loss account has first been reduced to zero.

The effect of Senate amendments Nos. 97, 98, and 99 is to permit any portion of the statutory underwriting loss attributable to the deduction for dividends to policyholders to be first applied against taxable investment income. The House recedes on Senate amendments Nos. 97 and 98, and recedes on Senate amendment No. 99 with a clerical amendment.

Amendment No. 100: New section 826 of the code, as added by the bill, in effect, permits a mutual insurance company which is an interinsurer or reciprocal underwriter to elect to combine certain income of its attorney in fact with its own underwriting income. If the company so elects, it is credited with so much of the tax paid by the attorney in fact as is attributable to such income of the attorney in fact. Under the bill as passed by the House, subsection (d) of section 826 provided, in effect, that the protection against loss deduction of the reciprocal making the election and the addition to its protection against loss account were to be computed without regard to the election. Senate amendment No. 100 strikes out this provision, thus permitting the protection against loss deduction, and the amount added to the protection against loss account, to reflect amounts attributable to such income of the attorney in fact. The amendment inserts a new subsection (d) providing, in effect, that no part of the amount added to the protection against loss account by reason of the election by the reciprocal may remain in the account (and thus be subject to tax deferral) for more than 5 years. The House recedes.

Amendment No. 104: Under this amendment (and Senate amendment No. 74) mutual flood insurance companies are to be taxed under part III of subchapter L of chapter 1 of the code (which imposes a tax on certain marine and mutual fire insurance companies and on certain stock insurance companies which are not life insurance companies).

The House recedes with technical conforming amendments making it clear that the taxation of these mutual flood insurance companies (and of their subscribers or policyholders) is to be the same as the present tax treatment of so-called factory mutuals (and of their policyholders).

DOMESTIC CORPORATIONS RECEIVING DIVIDENDS FROM FOREIGN CORPORATIONS

Amendments Nos. 111 and 113: These amendments deal with (1) the method to be used for determining the amount of foreign income tax deemed to have been paid by domestic corporations with respect to dividends received from foreign corporations for purposes of the allowance of a foreign tax credit under section 902 of the code, and (2) the amount to be treated as received as a dividend by reason of the tax so deemed paid. Under the bill as passed by the House, the entire amount of foreign income tax of the foreign corporation was to be taken into account in determining the foreign income tax deemed to be paid by the domestic corporation, and (under new sec. 78) an amount equal to the taxes deemed paid was required to be included in income as a dividend. Senate amendment No. 111 would (A) retain existing law with respect to dividends paid by a foreign corporation out of accumulated profits of a year for which it is a "less developed country corporation," and (B) provide, with respect to all other dividends paid by a foreign corporation, the same rules as were provided by the bill as passed by the House. Under Senate amendment No. 113, the new section 78 is amended to exclude from the application of the new section 78 dividends referred to in clause (A) above. The House recedes on Senate amendments Nos. 111 and 113.

SEPARATE LIMITATION ON FOREIGN TAX CREDIT WITH RESPECT TO CERTAIN INTEREST INCOME

Amendment No. 121: Section 904 of the code provides a per-country limitation on the amount of the foreign tax credit or (at the election of the taxpayer) an overall limitation may be applied. Senate amendment No. 121 adds a new section to the bill to provide a separate limitation on the foreign tax credit with respect to certain interest income. Under the amendment, (1) the foreign tax credit limitations are to be applied separately with respect to (A) certain interest income, and (B) income other than such interest income, and (2) the overall limitation is not to apply to such interest income. The interest income referred to is any interest other than—

(A) interest derived from any transaction which is directly related to the active conduct of a trade or business in a foreign country or a possession of the United States,

(B) interest derived in the conduct of a banking, financing, or similar business,

(C) interest received from a corporation in which the taxpayer owns at least 10 percent of the voting stock, and

(D) interest received on obligations acquired as a result of the disposition of a trade or business actively conducted by the taxpayer in a foreign country or a possession of the United States or as the result of the disposition of stock or obligations of a corporation in which the taxpayer owned at least 10 percent of the voting stock.

The amendment requires the Secretary the Treasury or his delegate by regulations to prescribe the manner of applying foreign tax credit carrybacks and carryovers where the taxpayer elects the overall limitation as to other incomes and provides transitional rules (1) for foreign tax credit carrybacks from years to which the new provisions apply to years to which they do not apply, and (2) for foreign tax credit carryovers from years to which the new provisions do not apply to years to which they do apply. The new provisions are to apply with respect to taxable years beginning after the date of the enactment of the bill, but only with respect to interest resulting from transactions consummated after April 2, 1962. The House recedes.

EARNED INCOME FROM SOURCES WITHOUT THE UNITED STATES

Amendment No. 123: This amendment adds a new paragraph (6) to section 911(c) of the code as contained in the bill as passed by the House. Section 911(c) contains special rules for determining the amount of earned income from sources without the United States which is excludable from gross income. The new paragraph (6) provides that a statement by an individual who has earned income from sources within a foreign country to the authorities of that country that he is not a resident of that country, if he is held not subject as a resident of that country to the income tax of that country by its authorities with respect to such earnings, shall be conclusive evidence with respect to such earnings that he is not a bona fide resident of that country for purposes of section 911(a)(1). The House recedes.

Amendment No. 124: This amendment adds a new paragraph (7) to section 911(c) of the code as contained in the bill as passed by the House. Under the new paragraph (7), if an individual who qualifies as a bona fide resident of a foreign country receives compensation from sources without the United States (except from the United States or any agency thereof) in the form of the right to use property or facilities, the $20,000 or $35,000 limitation applicable with respect to such individual (A) for a taxable year ending in 1963, is to be increased by an amount equal to the amount of such compensation so received during such taxable year; (B) for a taxable year ending in 1964, is to be increased by an amount equal to two-thirds of such compensation so received during such taxable year; and (C) for a taxable year ending in 1965, is to be increased by an amount equal to one-third of such compensation so received during such taxable year. The House recedes.

Amendment No. 125: The bill as passed by the House provided that the amendment made to section 911 of the code was to apply to taxable years ending after December 31, 1962, but only with respect to amounts received after December 31, 1962, which were attributable either to (A) services performed after December 31, 1962, or (B) services performed on or before December 31, 1962, but only if on March 12, 1962, there existed no right (whether forfeitable or nonforfeitable) to receive such amounts. Senate amendment No. 125 provides that the amendment made to section 911 of the code will apply to taxable years ending after September 4, 1962, but only with respect to (1) amounts received after March 12, 1962, which are attributable to services performed after December 31, 1962, or (2) amounts received after December 31, 1962, which are attributable to services performed on or before December 31, 1962, unless on March 12, 1962, there existed a right (whether forfeitable or nonforfeitable) to receive such amounts. The House recedes.

CONTROLLED FOREIGN CORPORATIONS

Amendment No. 126: The bill as passed by the House added a new subpart F to part III of subchapter N of chapter 1 of the code (relating to income from sources without the United States). The new subpart F (relating to controlled foreign corporations) provided rules under which a U.S. person who owns stock in a controlled foreign corporation would be required to include in his gross income a pro rata share of certain portions of the controlled foreign corporation's income. Senate amendment No. 126 struck out these provisions of the bill as passed by the House and inserted new text in the nature of a substitute which adds a new subpart F (relating to controlled foreign corporations) and a new subpart G (relating to export trade corporations). Under the conference agreement, the House recedes with amendments, which, except as discussed below in paragraph (m) relating to receipt of minimum distributions, are either technical or clerical. The more important differences between the bill as passed by the House and the Senate amendment as agreed to in conference are explained below.

(a) Amounts included in gross income: The bill as passed by both the House and the Senate provides, in general, that a U.S. person who owns, or is considered to own, 10 percent or more of the total combined voting power of all classes of stock entitled to vote of a controlled foreign corporation is required to include in his gross income his pro rata share of (1) the subpart F income of the foreign corporation, (2) previously excluded subpart F income withdrawn from investment in less developed countries, and (3) the increase in earnings of the foreign corporation invested in certain property ("nonqualified property" in the bill as passed by the House, and limited to "United States property" in the Senate amendment). Under the bill as passed by the House, this provision applied if the foreign corporation was a controlled foreign corporation on any one day of the taxable year. Senate amendment No. 126 requires that the foreign corporation be a controlled foreign corporation for an uninterrupted period of 30 days or more during its taxable year. The bill as passed by both the House and the Senate defines U.S. persons to mean, in general, citizens or residents of the United States, domestic partnerships and corporations, and any estate or trust (other than a foreign estate or trust). However, Senate amendment No. 126, in cases relating to certain corporations organized in the Commonwealth of Puerto Rico or possessions of the United States, excludes from the definition of U.S. persons certain individual citizens of the United States who are bona fide residents in the Commonwealth of Puerto Rico or the possessions of the United States in which the corporation is created or organized.

(b) Subpart F income:

(1) Amounts included: The bill as passed by both the House and the Senate included within the term "subpart F income" the foreign base company income of a controlled foreign corporation and the income of a controlled foreign corporation derived from the insurance of U.S. risks. The bill as passed by the House also included in the subpart F income of a controlled foreign corporation income of such corporation derived from U.S. patents, copyrights, and exclusive formulas and processes if such properties were substantially developed, created, or produced in the United States or were acquired from a related U.S. person. Senate amendment No. 126 does not include such income in subpart F income. However, see amendment No. 161 for a provision that gain on the sale or exchange of such property to a foreign corporation controlled by the transferor is to be taxable as ordinary income.

(2) Limitations on subpart F income: The bill as passed by both the House and Senate provided that the subpart F income of a controlled foreign corporation could not exceed the earnings and profits for the taxable year. Senate amendment No. 126 provides that, for purposes of this limitation, the earnings and profits for any taxable year is to be reduced by deficits in earnings and profits for taxable years of the controlled foreign corporation beginning after December 31, 1962 (and certain deficits in earnings and profits for taxable years beginning after December 31, 1959, and before January 1, 1963) and, under regulations prescribed by the Secretary of the Treasury or his delegate, by deficits in earnings and profits of other corporations in a chain of ownership which includes the controlled foreign corporation.

(c) Income derived from insurance of U.S. risks: The bill as passed by both the House and the Senate provides that subpart F income includes income of a controlled foreign corporation derived from the insurance or reinsurance of property in the United States or of lives or health of residents of the United States. However, under Senate amendment No. 126 this provision applies only if the premiums or other consideration received or accrued in respect of such insurance or reinsurance by a controlled foreign corporation represents more than 5 percent of total premiums and other consideration.

(d) Foreign base company income: The bill as passed by both the House and the Senate provides that the term "foreign base company income" means the sum of the foreign personal holding company income (discussed in paragraph (e) below) and the foreign base company sale income (discussed in paragraph (f) below) of a controlled foreign corporation. Senate amendment No. 126 also includes foreign base company services income (discussed in paragraph (g) below) within the defined term.

(e) Foreign personal holding company income: The bill as passed by both the House and the Senate provides that subpart F income of a foreign corporation includes foreign personal holding company income, with certain modifications. The bill as passed by the House provided for an exclusion in the case of personal holding company income of certain banks. The Senate amendment provides for an exclusion from personal holding company income of: (1) rents and royalties derived from the active conduct of a trade or business, if received from an unrelated person; (ii) dividends, interest, and certain gains derived in the conduct of a banking, financing, or similar business, or derived by an insurance company on investments of unearned premiums or certain reserves, if received from an unrelated person; (iii) dividends and interest received from related persons if such persons are organized, and have a substantial part of their assets, within the country of incorporation of the controlled foreign corporation; (iv) interest received in the conduct of a banking, financing, or similar business from a related person also engaged in the conduct of a banking, financing, or similar business, if the businesses of both the recipient and payor are predominantly with unrelated persons; and (v) rents, royalties, and similar amounts received from a related person for the use of, or the privilege of using, property within the country of incorporation of the controlled foreign corporation.

(f) Foreign base company sales income: The bill as passed by both the House and the Senate provides that subpart F income of a controlled foreign corporation includes income, whether in the form of profits, commissions, fees, or otherwise, derived by a controlled foreign corporation in connection with the purchase of property from a related person, or sale of property to a related person, when the property sold was neither manufactured in, nor sold for use, consumption, or disposition in, the country in which the controlled foreign corporation is organized. The Senate amendment provides that foreign branches of a controlled foreign corporation shall, under certain circumstances, be treated as wholly owned subsidiary corporations for purposes of determining the foreign base company sales income of the controlled foreign corporation, and treats foreign base company sales income of the branch as foreign base company sales income of the controlled foreign corporation.

The bill as passed by the House provided for a reduction of foreign base company sales income by an amount equal to the increase in qualified investments in less developed countries. Moreover, the bill as passed by the House provided that foreign base company sales income would be includible in subpart F income only if such income amounted to at least 20 percent of gross income (not including other foreign base company income). Senate amendment No. 126 contains neither provision. However, see the discussion below under paragraph (h) relating to exclusions from foreign base company income.

(g) Foreign base company services income: Senate amendment No. 126 provides that subpart F income of a controlled foreign corporation includes income, whether in the form of compensation, commissions, fees, or otherwise, derived by a controlled foreign corporation in connection with the performance of technical, managerial, engineering, or like services if such services are performed for a related person and are performed outside the country of incorporation of the controlled foreign corporation, and if such income is not related to certain selling activities. The bill as passed by the House did not contain any similar provision.

(h) Exclusions from foreign base company income: The bill as passed by the House provided that no part of the gross income of a controlled foreign corporation would be treated as foreign base company income if such income was less than 20 percent of gross income, and that the entire gross income of such a corporation would be treated as foreign base company income if such income exceeded 80 percent of gross income. Senate amendment No. 126 changes these percentages to 30 percent and 70 percent, respectively. The bill as passed by the House also provided, in general, that foreign base company income was to be reduced by an amount equal to the increased investment in certain less developed country properties, including stock of a foreign corporation engaged in business almost wholly within less developed countries if substantially all the property of such corporation was ordinary and necessary for the active conduct of such trade or business. Senate amendment No. 126 provides that foreign base company income does not include dividends and interest received from qualified investments in less developed countries, and net gain from the sale or exchange of such investments to the extent such dividends, interest, and gains do not exceed the increased investment of a controlled foreign corporation, for the taxable year, in qualified investments in less developed countries. The Senate amendment also provides that foreign base company income does not include income of a controlled foreign corporation derived from the use of any aircraft or vessel in foreign commerce, or from services directly related to such use.

(i) Withdrawal of previously excluded subpart F income from qualified investments: As noted in paragraph (h) above, Senate amendment No. 126 provides that dividends, interest, and gains derived from qualified investments in less developed countries are excluded from foreign base company income to the extent of the increased investment for the taxable year, in qualified investments in less developed countries. Amounts once excluded from foreign base company income under this provision are, however, included in gross income of U.S. shareholders when there is a decrease in qualified investments in less developed countries.

(1) Qualified investments in less developed countries: The Senate amendment defines the term "qualified investments in less developed countries" to mean (A) stock of a less developed country corporation, but only if the controlled foreign corporation which makes the investment owns 10 percent or more of the stock of such corporation, (B) an obligation of a less developed country corporation which at the time acquired by the controlled foreign corporation has a maturity of 1 year or more, but only if the controlled foreign corporation which makes the investment owns 10 percent or more of the stock of such corporation, and (C) obligations of a less developed country. However, if any such investment is disposed of within 6 months after the date of its acquisition, it is not to be treated as a qualified investment.

(2) Less developed country corporations: Senate amendment No. 126 defines the term "less developed country corporation" to mean a foreign corporation engaged in the active conduct of a trade or business if (A) such corporation derives 80 percent or more of its gross income from sources within less developed countries, and (B) 80 percent or more of the assets of such corporation consists of (i) property located in less developed countries if used in an active trade or business, (ii) stock of any other less developed country corporation, (iii) obligations of less developed country corporations which at the time of their acquisition have a maturity of 1 year or more, (iv) obligations of a less developed country, and (v) certain other investments, including certain permissible investments in the United States. The Senate amendment also provides that the term "less developed country corporation" includes a foreign corporation (1) which, in general, derives 80 percent or more of its gross income (A) from the use in foreign commerce of aircraft or vessels registered under the laws of a less developed country, (B) from the performance of services directly related to such aircraft or vessels, (C) from the sale or exchange of such aircraft or vessels, and (D) from dividends and interest received from other less developed country corporations (within the meaning of this sentence) in which the recipient owns 10 percent or more of the voting stock, and from gain from the sale or exchange of stock or obligations of such other less developed country corporations, and (2) 80 percent or more of the assets of which consist of assets used in connection with the production of income described in (1) above, and of certain permissible investments in the United States.

(j) Increase in investments in certain property: The bill as passed by the House provided for the inclusion in gross income of U.S. shareholders of earnings and profits of a controlled foreign corporation invested in nonqualified property to the extent of a shareholder's pro rata share of the increase in such investments for the taxable year. As defined in the bill as passed by the House, nonqualified property meant (1) property located in the United States, with certain exceptions, but including stock in a domestic corporation or an obligation of a U.S. person, and (2) property other than property ordinary and necessary for the active conduct of a trade or business (or for a substantially similar trade or business) carried on by the controlled foreign corporation outside the United States, if (A) the business had been carried on since December 31, 1962, or for a 5-year period ending at the close of the preceding taxable year, or (B) the business was carried on almost wholly within less developed countries. Senate amendment No. 126 includes only the first category of nonqualified property defined in the Senate amendment as "United States property."

(k) Controlled foreign corporations: The bill as passed by the House provided that a foreign corporation would be considered a controlled foreign corporation if more than 50 percent of the total combined voting power of all classes of its stock entitled to vote was owned by U.S. persons on any day during the taxable year of such corporation. Under Senate amendment No. 126, a foreign corporation is a controlled foreign corporation only if U.S. shareholders (defined as a U.S. person who owns, with the application of special rules of ownership continued in the Senate amendment, 10 percent or more of the stock of a foreign corporation) on any day during the taxable year of such corporation owned more than 50 percent of the total combined voting power of all classes of stock entitled to vote of such corporation. Senate amendment No. 126 also provides that a corporation organized in the Commonwealth of Puerto Rico or a possession of the United States is excluded from the term "controlled foreign corporation" if the corporation is primarily engaged in the active conduct of specified trades or businesses in the Commonwealth of Puerto Rico or a possession of the United States and derives its income from specified sources.

(l) Individuals subject to tax at corporate rates: Senate amendment No. 126 provides that a U.S. shareholder who is an individual may elect to limit his U.S. tax liability with respect to amounts which are includible in his gross income under the new subpart F by using the rates provided by section 11 of the code applicable in the case of a domestic corporation, and by applying the provisions of section 960 (relating to foreign tax credit). A U.S. shareholder who makes an election under this provision must, in the year of actual distribution of an amount previously taxed under subpart F, include an amount in gross income equal to the amount distributed reduced by U.S. tax previously paid with respect to such amount.

(m) Receipt of minimum distributions: Senate amendment No. 126 provides that if a given percentage of the earnings and profits of a controlled foreign corporation is distributed, a domestic corporate shareholder may elect to exclude from its gross income its share of the amount of subpart F income of such controlled foreign corporation. A domestic corporate shareholder may elect to apply the minimum distribution provision on the basis of (1) any controlled foreign corporation in which it owns stock directly, (2) controlled foreign corporations in a chain of ownership, or (3) all controlled foreign corporations. In the case of an election with respect to all controlled foreign corporations, the domestic corporation may also elect (A) to exclude, under certain circumstances, less developed country corporations, and (B) to treat its foreign branches as controlled foreign corporations, for purposes of this provision. The required minimum distribution decreases as the effective foreign tax rate increases, with the result that the sum of the amount of foreign tax paid by the foreign corporations, and the U.S. tax paid by the shareholders on distributions of current earnings and profits of such corporations, produces an overall effective tax on current foreign profits equal to approximately 90 percent of the tax that would have been paid had the foreign corporations been taxable as domestic corporations. Under the conference agreement, a new table of minimum distributions, which permits less variation from this 90-percent requirement, is substituted for the table contained in Senate amendment No. 126. Under Senate amendment No. 126, an affiliated group of corporations eligible to file a consolidated return under section 1501 of the code could elect to be treated as a single corporation for purposes of applying the minimum distribution provision. Under the conference agreement, this election may be made only if the affiliated group actually files such a consolidated return for the taxable year.

(n) Export trade corporations: Senate amendment No. 126, which adds a new subpart G to part III of subchapter N of chapter 1 of the code, provides that the subpart F income of a controlled foreign corporation which is an export trade corporation shall be reduced by the export trade income of such corporation which constitutes foreign base company income. In general, this provision applies to controlled foreign corporations which derive more than 75 percent of their gross income from (1) the sale of property produced in the United States to unrelated persons for use outside the United States, (2) the performance of certain services outside the United States for unrelated persons, (3) the use of export property by unrelated persons, and (4) the receipt of interest on obligations which qualify as export trade assets. However, the amount of export trade income which reduces subpart F income is limited to the lesser of (1) an amount equal to 1½ times certain export promotion expenses of the controlled foreign corporation, or (2) an amount equal to 10 percent of the gross receipts of such corporation from the transactions described above. In addition, the amount of export trade income which reduces subpart F income can in no event exceed an overall limitation based on the increase in investments in export trade assets.

(o) Miscellaneous: The commitee of conference was informed by the Treasury Department of the policy it plans to follow in the granting of rulings under section 367 of the Internal Revenue Code of 1954 in situations in which taxpayers seek to reorganize, during a reasonable period after the enactment of the bill, their foreign corporate structures in response to the enactment of section 12 of the bill as agreed to in conference.

The Treasury Department, for purposes of section 367, will not treat a transaction involving the reorganization of foreign corporate structures as being in pursuance of a plan having as one of its principal purposes the avoidance of Federal income taxes solely by reason of the fact that a principal purpose of the reorganization is to terminate a method of operation which would result in the tax to U.S. shareholders under the provisions of section 12 of the bill. In such cases a favorable ruling under section 367 will generally not be denied by the Treasury Department in transactions in which earnings and profits of foreign corporations are carried over to other foreign corporations under circumstances in which there will be no reduction of the U.S. taxes (and foreign taxes) that would be payable on the eventual remittance of such earnings and profits to U.S. shareholders.

Under present administrative rules, where corporate shareholders are involved the Treasury Department generally does not issue rulings under section 367 which permit the tax-free remittance to the United States of earnings and profits of foreign corporations. However, under existing practice a ruling permitting a tax-free exchange is generally given a subject to a condition that an appropriate amount be included in the income of the domestic shareholder (thus negating the existence of a principal purpose to avoid U.S. tax). Such rulings will continue to be given each though a principal purpose of the transaction is (1) to terminate the activities of a foreign corporation which would result in tax to U.S. shareholders under the provisions of section 12 of the bill, and (2) to carry on such activities in the future through a domestic corporation.

The conferees recognize that the problems in this area are complex and that particular aspects of the policy as explained above may require qualification and refinement as experience is gained in applying it to particular situations.

The conferees on the part of the Senate called attention to the colloquy in the Senate with respect to the amendment offered in the Senate relating to corporations engaged in producing or selling books or other media of communications, etc. (see pp. 18598–18600 of the CONGRESSIONAL RECORD for Sept. 5, 1962). The conferees were advised that the substance of this amendment was not within the jurisdiction of the conference committee. However, the conferees have requested the Treasury Department to study this matter and report back next year to the Committees on Ways and Means and Finance.

GAIN FROM DISPOSITIONS OF CERTAIN DEPRECIABLE PROPERTY

Amendments Nos. 128, 129, 130, and 131: The bill as passed by both the House and the Senate adds a new section 1245 to the code. In general, the new section provides for the treatment as ordinary income of the gain from the disposition of certain depreciable property to the extent of depreciation deductions (taken in periods specified in the bill) which are reflected in the adjusted basis of the property.

Under the bill as passed by the House, the new section 1245 applied to property disposed of after the date of the enactment of the bill and to the extent of adjustments for depreciation and certain amortization for taxable years beginning after December 31, 1961. Under Senate amendment No. 128, the new section applies to property disposed of during a taxable year beginning after December 31, 1962. Under Senate amendments Nos. 129, 130, and 131, the adjustments taken into account are those attributable to periods after December 31, 1961. The House recedes.

Amendment No. 132: The bill as passed by both the House and the Senate amends section 167 of the code to permit a taxpayer to elect to change his method of depreciation in respect of section 1245 property from any declining balance or sum of the years-digits method to the straight line method. Under the bill as passed by the House, the election was required to be made within the period after the date of the enactment of the bill prescribed by the Secretary of the Treasury or his delegate. Under Senate amendment No. 132, the election must be made by the taxpayer on or before the last day prescribed by law (including extensions thereof) for filing his return for his first taxable year beginning after December 31, 1962. The House recedes.

Amendment No. 133: This amendment adds a new provision to the bill, inserting a new sentence after the second sentence of section 613(a) of the code, relating to the general rule for computing percentage depletion. The new sentence, which does not affect the computation of the gross income from the property under the first sentence of section 613(a), provides that the allowable deductions taken into account with respect to expenses of mining in computing the taxable income from the property shall, for purposes of the 50-percent limitation contained in the second sentence of section 613 (a), be decreased by an amount equal to so much of any gain which (1) is treated under new section 1245 of the code (relating to gain from disposition of certain depreciable property) as ordinary income, and (2) is properly allocable to the property. The House recedes.

Amendment No. 135: Under the bill as passed by the House, the amendments made by the bill relating to gain from dispositions of certain depreciable property (new sec. 1245), including the election to change the method of depreciation with respect to section 1245 property, the amount taken into account as salvage value, and the special rule for charitable contributions of section 1245 property, were to apply to taxable years beginning after December 31, 1961, and ending after the date of the enactment of the bill. Under Senate amendment No. 135, the amendments (except the amendments with respect to salvage value, which take effect as provided by the bill as passed by the House) are to apply to taxable years beginning after December 31, 1962. The House recedes.

FOREIGN INVESTMENT COMPANIES

Amendments Nos. 140 and 141: The bill as passed by both the House and the Senate adds a new section 1246 to the code, relating to gain on foreign investment company stock.

Under the bill as passed by the House, a foreign investment company was defined as any foreign corporation which met one of two alternative tests. Under Senate amendment No. 140, either of these two tests must be met for any taxable year beginning after December 31, 1962. One test is registration under the Investment Company Act of 1940 either as a management company or as a unit investment trust. The second test (which must be met at a time when more than 50 percent of either the voting power or total value of the stock is held by U.S. persons) under the House bill was that the foreign corporation must be engaged (or holding itself out as being engaged) primarily in the business of investing, reinvesting, or trading in securities (within the meaning of section 3(a)(1) of the Investment Company Act of 1940). Senate amendment No. 141, in effect, excludes from the second test certain foreign corporations such as brokers, banks, and small loan companies. The House recedes on Senate amendments Nos. 140 and 141.

Amendment No. 143: Subsection (e)(1) of section 1246 added to the code by the bill provides that the basis of stock of a foreign investment company acquired from a decedent dying after December 31, 1962, is to be reduced by the amount of the decendent's ratable share of earnings and profits. Under the bill as passed by the House, the ratable share was of the accumulated earnings and profits of the company. Under Senate amendment No. 143, the ratable share is of the earnings and profits accumulated after December 31, 1962. The House recedes.

Amendment No. 145: This amendment adds a new subsection (g) to the new section 1246 of the code. The new subsection (g) provides that if a registered foreign investment company has made an election (under the new sec. 1247 added by the bill) to distribute income currently with respect to taxable years beginning after December 31, 1962, then section 367 of the code is not to apply in respect of such foreign investment company if the company is a party to a reorganization in which all of its properties are acquired before January 1, 1964, by a domestic corporation which is a regulated investment company under section 851 for this first taxable year ending after the reorganization. The committee of conference was informed by the Treasury Department that the proposed new subsection was not needed in view of the administrative practices under section 367 of the code, and might therefore imply that such practices are erroneous. The Senate recedes.

Amendment No. 147: New section 1247 added to the code by the bill provides that new section 1246 of the code (treating gain on sale or exchange of foreign investment company stock as ordinary income) is not to apply to the qualified shareholders of a registered foreign investment company if the company elects on or before December 31, 1962, with respect to each taxable year beginning after such date, to distribute 90 percent or more of its taxable income currently and to designate in a written notice to its shareholders the pro rata amount of the excess of the net long-term capital gain over the net short-term capital loss and the portion thereof which is being distributed. Under the bill as passed by the House, the notice must be mailed before the expiration of 30 days after the close of the taxable year. Under Senate amendment No. 147, the notice must be mailed before the expiration of 45 days after the close of the taxable year. The House recedes.

Amendment No. 153: This amendment strikes out subsection (d) of the new section 1247 added to the code by the bill and inserts subsections (d), (e), (f), and (g).

Under the Senate amendment the new subsection (d) requires each qualified shareholder of a foreign investment company with respect to which an election under section 1247 is in effect to compute his long-term capital gains by including his pro rata share of the distributed portion of the company's excess of net long-term capital gain over net short-term capital loss and his pro rata share of the undistributed portion of such excess. Subsection (e) is the same as subsection (d) as passed by the House in requiring proper adjustment in the earnings and profits of the company and in the adjusted basis of stock of such company held by such shareholder to reflect such shareholder's inclusion in gross income of undistributed capital gains, but also requires proper adjustment in a qualified shareholder's ratable share of the company's earnings and profits.

Subsections (f), (g), and (h) are new provisions relating to the election by a foreign investment company with respect to foreign taxes. Under subsection (f), a foreign investment company which has elected to distribute income currently and more than 50 percent of the value of whose total assets at the close of the taxable year consists of stock or securities in foreign corporations may elect (for such taxable year and for purposes of complying with its election to distribute 90 percent or more of its taxable income) to compute its taxable income without any deduction for income, etc., taxes paid to foreign countries or possessions of the United States and to treat the amount of such taxes as distributed to its shareholders. If the election is made each qualified shareholder of the company is required (1) to include in gross income and treat as paid by him his proportionate share of such taxes, and (2) for purposes of the foreign tax credit, to treat such share of taxes as having been paid to the country in which the company is incorporated and to treat as gross income from sources within such country such share of taxes and any dividend paid to him by the company. Subsection (g) provides for notice to the shareholders of their proportionate share of the taxes to be taken into account as provided in subsection (f). Subsection (h) provides that the election and notice are to be made in such manner as the Secretary of the Treasury or his delegate may prescribe by regulations. The House recedes.

GAIN FROM CERTAIN SALES OR EXCHANGES OF STOCK IN CERTAIN FOREIGN CORPORATIONS

Amendments Nos. 159 and 160: The bill as passed by the House added a new section 1248 to the code which provided, in general, that (1) if a U.S. person owned, or was considered to have owned, 10 percent or more of the voting stock of a foreign corporation on the date he sells or exchanges stock in such corporation or during the 5-year period ending on such date, and (2) the foreign corporation was a controlled foreign corporation on the date of the sale or exchange or during the 5-year period ending on such date, then (1) gain recognized on the sale or exchange, other than in redemption or liquidation of such stock, would, to the extent of the earnings and profits of the corporation attributable to the stock sold or exchanged, be considered gain from the sale of property which is not a capital asset, and (2) gain recognized on a distribution in redemption or liquidation of such corporation would, to the extent of the earnings and profits of the corporation attributable to the stock exchange, be treated as a dividend. The new section 1248 provided for the reduction in the earnings and profits of a foreign corporation by amounts included in gross income of a U.S. person as subpart F income or as amounts invested in nonqualified property, but only to the extent such amounts did not result in an exclusion from gross income. The bill did not apply to distributions in redemption of stock to pay death taxes, consideration received in an exchange to which section 356 applied, or to amounts includible in gross income under any other provision of the code as a dividend, gain from the sale of an asset which is not a capital asset, or gain from the sale of an asset held for not more than 6 months.

Senate amendment No. 159 provides that (a) if a U.S. person sells or exchanges stock in a foreign corporation (including distributions in redemption or liquidation), and (b) such person owns, or is considered to own, 10 percent or more of the voting stock of such corporation at any time during the 5-year period ending on the date of sale or exchange on a date when such corporation was a controlled foreign corporation, then the gain shall be includible in the gross income of such U.S. person as a dividend, to the extent of the earnings and profits of the foreign corporation accumulated (1) in taxable years of the corporation beginning after December 31, 1962, (2) while the stock sold or exchanged was held by the U.S. person, and (3) while the foreign corporation was a controlled foreign corporation.

Senate amendment No. 159 provides that earnings and profits of a foreign corporation are to be determined according to rules substantially similar to those applicable to domestic corporations, except that the earnings and profits are to be reduced with respect to a U.S. person by amounts included in gross income under section 951, gain realized from the sale or exchange of property in pursuance of a plan of complete liquidation, income derived from sources within the United States of a foreign corporation engaged in trade or business within the United States, amounts included in gross income of a qualified shareholder of a foreign investment company, and, in some cases, by earnings and profits accumulated while the foreign corporation was a less developed country corporation.

Under Senate amendment No. 159, the earnings and profits of a foreign corporation whose stock is sold or exchanged is, under certain circumstances, deemed to include earnings and profits of foreign corporations in a chain of corporations. The Senate amendment also provides that if a domestic corporation was formed or availed of principally for the holding, directly or indirectly, of stock of one or more foreign corporations, the sale or exchange of the stock of the domestic corporation will be treated as a sale or exchange of the stock of the foreign corporation or corporations held by the domestic corporation.

The new section 1248, as amended by Senate amendment No. 159, provides a limitation on the tax imposed on an individual who is a U.S. person by reason of the application of the new section. In general, the tax so imposed is not to exceed the greater of (1) his pro rata share of the taxes which would have been imposed if the foreign corporation had been a domestic corporation during the period he held the stock sold or exchanged, or (2) the taxes which would have been imposed if the amounts to which the section applies had been received as dividends in the years in which earned by the foreign corporation. With respect to Senate amendment No. 159, the House recedes with amendments which (1) eliminate the second limitation described in the preceding sentence, and (2) make clerical and conforming changes.

Under the bill as passed by the House, the new section 1248 applied to sales or exchanges after the date of the enactment of the bill. Senate amendment No. 160 provides that the new section shall apply to sales or exchanges after December 31, 1962. The House recedes.

SALES AND EXCHANGES OF PATENTS, ETC., TO CERTAIN FOREIGN CORPORATIONS

Amendment No. 161: Senate amendment No. 161 adds a new section to the bill which adds a new section 1249 to the code, relating to gain of a U.S. person from the sale or exchange after December 31, 1962, of a patent, invention, model, or design (whether or not patented), copyright, secret formula or process, or similar property right to a foreign corporation which such person controls (within the meaning of the new sec. 1249). If such gain would (but for the new section) be gain from the sale or exchange of a capital asset or of property described in section 1231, then such gain is to be considered as gain from the sale or exchange of property which is neither a capital asset nor property described in section 1231. Under subsection (c) of the new section 1249, the new section would not apply, however, to gain realized from the sale or exchange for stock or contribution to capital of such property where it is established to the satisfaction of the Secretary of the Treasury or his delegate that the principal purpose of the transfer is to enable the foreign corporation to use the property in its own manufacturing operations. The new section 1249 applies to taxable years beginning after December 31, 1962.

Under the conference agreement, the House recedes with an amendment striking out subsection (c) of the new section 1249. With the deletion of subsection (c), the new section 1249 provides ordinary income treatment for all taxable sales or exchanges of patents (and other property covered by the provision) by a domestic corporation to a foreign corporation which it controls. The new section 1249 would not apply to nontaxable transactions such as those sales or exchanges to which (as the result of a ruling under sec. 367) section 351 of the code applies. Neither the enactment of section 1249 nor the deletion of the exception in subsection (c) is intended to have any implications with respect to the application of section 367 of the code to such nontaxable transactions.

The conferees requested the Treasury Department to study and report back on the proper tax treatment of the transfer of patents, etc., to foreign subsidiaries which use such property in their own manufacturing operations.

TAX TREATMENT OF COOPERATIVES AND PATRONS

Amendments Nos. 162, 163, 166, 167, and 168: The bill as passed by the House provides that, in computing the taxable income of a cooperative organization, certain distributions paid to patrons in the form of qualified written notices of allocation are to be treated as deductions from the cooperative's gross income. The recipients of such qualified written notices of allocation are required to include the stated dollar amount of such allocations in their gross income when received. A written notice of allocation is qualified only if (1) it is payable in cash within 90 days at the option of the patron, or (2) the patron has consented to include the stated dollar amount of this written notice of allocation in his gross income. Senate amendment No. 163 contains a further requirement which provides that a written notice of allocation is not a qualified one unless 20 percent or more of the distribution of which it is a part is paid in money or by qualified check.

The bill as passed by the House provides two methods by which a patron may consent to the inclusion in his gross income of the stated dollar amount of qualified written notices of allocation not redeemable in cash within the period provided in the bill. Senate amendments Nos. 162 and 166 provide a third method by which such consent may be made. Under this third method a patron may consent by endorsing and cashing (within the time prescribed by the amendment) a qualified check which is paid as a part of the same distribution as the written notice of allocation. Under Senate amendment No. 167, a qualified check is defined as a check (or other instrument redeemable in money) on which there is a clearly imprinted statement that the endorsement and cashing of the check (or other instrument) constitutes the consent of the payee to include in his gross income, as provided in the Federal income tax laws, the stated dollar amount of the written notice of allocation which is a part of the patronage dividend or payment of which such qualified check is also a part. Under Senate amendment No. 168, if a qualified check is not cashed on or before the 90th day after the close of the payment period for the taxable year with respect to which it is paid, such check becomes a nonqualified written notice of allocation. The House recedes on amendments Nos. 162, 163, 166, 167, and 168.

WITHHOLDING OF INCOME TAX AT SOURCE ON INTEREST, DIVIDENDS, AND PATRONAGE DIVIDENDS; REPORTING OF INTEREST, DIVIDEND, AND PATRONAGE DIVIDEND PAYMENTS OF $10 OR MORE DURING A YEAR

Amendment No. 173: Section 19 of the bill as passed by the House added to the Internal Revenue Code of 1954 provisions requiring the withholding of income tax at source on certain interest, dividend, and patronage dividend payments. The tax was to be withheld at the rate of 20 percent and was to apply to payments of interest, dividends, and patronage dividends as those terms were defined for withholding purposes. In addition, the bill as passed by the House provided for exemptions from withholding, quarterly refunds, and special credits. The tax withheld was to be allowed as a credit against the income tax of the recipients of the payments to the extent it had not been previously refunded to them or credited against other tax due from them.

Amendment No. 173 strikes out the provisions of section 19 of the bill as passed by the House and, in lieu thereof, adds to the Internal Revenue Code of 1954 provisions requiring persons who make payments of dividends, patronage dividends, or interest (within the meaning of such terms as defined in the Senate amendments) aggregating $10 or more to any other person in a calendar year to file an information return with the Secretary of the Treasury or his delegate with respect to such payments. The Senate amendment adds provisions requiring that payors of dividends, patronage dividends, and interest (as those terms are defined by the amendment) furnish to the recipients of these amounts annual statements showing the amounts paid to them as reported on the information returns filed with the Internal Revenue Service. New penalty provisions are provided by the Senate amendment for failure to file information returns with respect to payments of dividends, patronage dividends, or interest, and for failure to furnish to a recipient of such payments an annual statement of such payments.

The House recedes with clerical amendments. As a part of the agreement to the Senate amendment, the House and Senate conferees have requested the Treasury Department to make annual reports to the Committees on Ways and Means and Finance on the improvement in the reporting on tax returns of dividends, interest, and patronage dividends as a result of the Senate amendment, with the view that this matter will be reconsidered by the Committees on Ways and Means and Finance if it is determined that there has not been sufficient improvement in the reporting of such income.

INFORMATION WITH RESPECT TO CERTAIN FOREIGN ENTITIES

Amendment No. 176: Section 6038(b) of the code, as contained in the bill as passed by both the House and the Senate, provides for a reduction in foreign tax credit for each failure to furnish information with respect to a foreign corporation controlled by a U.S. person. Senate amendment No. 176 provides that such reduction is not to exceed whichever of the following amounts is greater: (A) $10,000, or (B) the income of the foreign corporation for its annual accounting period with respect to which the failure occurs. The House recedes.

Amendment No. 179: Section 6038(d)(1) of the code as contained in the bill as passed by the House provided that, in applying the constructive ownership rules of section 318(a) of the code for purposes of determining control under section 6038 of the code, the rule which requires ownership of 50 percent of the stock of a corporation before stock owned by such corporation is attributed to its stockholders was to apply without regard to the 50-percent limitation. Senate amendment No. 179 substitutes a 10-percent limitation for the 50-percent limitation. Senate amendment No. 179 also provides that the rules of section 318(a)(2) of the code that stock owned by a partner or a beneficiary of an estate or trust will be considered as owned by the partnership, estate, or trust, are not to be applied so as to consider a U.S. person as owning stock which is owned by a person who is not a U.S. person, nor will a corporation be considered as owning stock owned by or for a 50 percent or more stockholder where the effect is to consider a U.S. person as owning stock which is owned by a person who is not a U.S. person. The House recedes.

Amendments Nos. 180 and 181: Section 6046 (a) and (b) of the code, as amended by the bill as passed by the House, required each U.S. citizen or resident who (on or after January 1, 1963) was or becomes an officer or director of a foreign corporation and each U.S. person who (on or after January 1, 1963) was or becomes an owner of 5 percent or more in value of the stock of such a corporation to file an information return setting forth such information as the Secretary of the Treasury or his delegate prescribes by forms or regulations as necessary for carrying out the provisions of the income tax laws. Under Senate amendment No. 180, such an officer or director is required to file an information return only if 5 percent or more in value of the stock of the foreign corporation is owned by a U.S. person. Under Senate amendment No. 181, in the case of an officer or director of the foreign corporation, the information required is limited to furnishing the names and addresses of the U.S. persons who own 5 percent or more in value of the stock of such corporation. The House recedes on amendment No. 180 with a technical amendment. The House recedes on amendment No. 181.

Amendment No. 183: This amendment adds a new subsection (e) to section 6046 of the code. Under the new subsection, no information is to be required to be furnished under section 6046 with respect to any foreign corporation (1) if the liability of the U.S. citizen, resident, or person to file a return under section 6046(a) arises on or after January 1, 1963, and before March 1, 1963, unless such information is required to be furnished under regulations which have been in effect since January 1, 1963 (but only if such regulations were prescribed before December 1, 1962), or (2) if the liability of the U.S. citizen, resident, or person to file a return under section 6046(a) arises on or after March 1, 1963, unless such information is required to be furnished under regulations which have been in effect for at least 90 days.

Under the conference agreement, the House recedes with an amendment substituting a new subsection (e). Under the conference agreement, in the case of liability to file a return under section 6046 of the code arising on or after January 1, 1963, and before June 1, 1963—

(A) no information is to be required to be furnished under section 6046 with respect to any foreign corporation unless such information was required to be furnished under regulations in effect on or before March 1, 1963, and

(B) if the date on which such regulations become effective is later than the day on which such liability arises, any return required by section 6046(a) is required (in lieu of the time prescribed by sec. 6046(d)) to be filed on or before the 90th day after such date.

In the case of liability to file a return under section 6046(a) arising on or after June 1, 1963, no information is to be required to be furnished under section 6046 with respect to any foreign corporation unless such information was required to be furnished under regulations which have been in effect for at least 90 days before the date on which the U.S. citizen, resident, or person becomes liable to file a return required under section 6046(a).

EXPENDITURES BY FARMERS FOR CLEARING LAND

Amendment No. 189: This amendment adds a new section to the bill, adding a new section 182 to part VI of subchapter B of chapter 1 of the code (relating to itemized deductions for individuals and corporations). The new section 182 permits farmers to elect to treat as deductible expenses, rather than as nondeductible expenditures for capital improvements to property, expenditures for the clearing of land (including a reasonable allowance for depreciation with respect to depreciable property used in the clearing of land) if such expenditures are for the purpose of making the land suitable for use in farming. The term "clearing of land" includes the eradication of trees, stumps, and brush, the treatment or moving of earth, and the diversion of streams and watercourses. The new section 182 limits the deduction for expenditures for the clearing of land for any taxable year to $5,000 or to 25 percent of the taxable income derived from farming during the taxable year, whichever amount is the lesser. The new section applies to taxable years beginning after December 31, 1962. The House recedes with clerical and conforming amendments.

CHARITABLE CONTRIBUTIONS MADE FROM INCOME ATTRIBUTABLE TO SEVERAL TAXABLE YEARS

Amendment No. 190: This amendment adds a new section to the bill, adding a new subsection (e) to section 1307 of the code, relating to rules applicable to part I of subchapter Q of chapter 1 of such code (which relates to income attributable to several taxable years).

When income attributable to several taxable years is received or accrued in a particular taxable year, part I of subchapter Q provides, under certain circumstances, that the tax attributable thereto for the taxable year in which it is received or accrued is, in general, not to be greater than the aggregate increases in taxes which would have resulted if the amount had been included in the taxpayer's income, on an allocated basis, over the period specified in the applicable section of such part I.

New subsection (e) provides that an individual who receives or accrues in a taxable year an amount to which part I of subchapter Q applies may elect (in such manner and at such time as the Secretary of the Treasury or his delegate prescribes by regulations) to apply the provisions of subsection (e) in computing his tax liability under such part. If the taxpayer so elects, the amount received or accrued shall be reduced, for the purposes of computing his tax liability under such part I with respect to such amount, by an amount (1) which bears the same ratio to the amount of his allowable charitable deduction for the taxable year in which the amount was received or accrued (computed without regard to pt. I of subch. Q) as (2) the amount received or accrued during the taxable year to which part I applies bears to the adjusted gross income for such year (computed without regard to pt. I of subch. Q).

New subsection (e) further provides that no portion of the amount received or accrued to which part I of subchapter Q applies shall (for purposes of computing the limitation on tax under such part) be taken into account for purposes of computing the limitation under section 170(b)(1) of the code for the taxable year in which the amount to which such part applies is received or accrued.

The House recedes with an amendment which is technical and clarifying in nature and is a substitute for the provision described in the preceding paragraph.

EFFECTIVE DATE OF SECTION 1371(c) OF THE INTERNAL REVENUE CODE OF 1954

Amendment No. 191: The Senate amendment adds a new section to the bill as passed by the House which provides that section 1371(c) of the code (relating to the determination of the number of shareholders of a small business corporation where stock is owned by a husband and wife) is, subject to the provisions for filing of election and consents described below, to apply to taxable years beginning after December 31, 1957, and before January 1, 1960. Under existing law, section 1371(c), which was added to the code by section 2(a) of Public Law 86-376 (approved September 23, 1959), applies only to taxable years beginning after December 31, 1959. The Senate amendment provides a 1-year period within which an otherwise qualifying small business corporation may make a special election to have the earlier effective date of section 1371(c) apply. For the special election to be valid, a corporation must have previously filed a timely election to have its income taxed directly to its shareholders, and each person who is a shareholder at the time of the special election (as well as each person who was a shareholder for any taxable year beginning after December 31, 1957, and ending before the date on which the special election is made) must give his consent. The amendment also provides that where a special election (and the requisite consents) has been made, the statute of limitations for assessing additional tax against the corporation or the shareholders attributable to the earlier effective date of section 1371(c) (and the statute of limitations for allowing a credit or refund of any overpayment of tax by the corporation or its shareholders attributable to the earlier effective date of section 1371(c)) is to remain open, or be opened, for 1 year following the the date of the election. The House recedes.

CERTAIN LOSSES SUSTAINED IN CONVERTING FROM STREET RAILWAY TO BUS OPERATIONS

Amendment No. 192: The Senate amendment adds a new section to the bill as passed by the House which provides that in the case of net operating losses incurred in the calendar years 1953 and 1954 principally as the result of conversion from street railway to bus operations, an additional 5 years, beginning with 1960, is to be allowed for the carryover of such losses. The Senate amendment applies only for years in which the taxpayer is engaged in the furnishing or sale of transportation (as defined in sec. 1503(c)(1)(A) of the 1954 code). The House recedes with a technical amendment.

PENSION PLAN OF LOCAL UNION NO. 435, INTERNATIONAL HOD CARRIERS' BUILDING AND COMMON LABORERS' UNION OF AMERICA

Amendment No. 193: The Senate amendment adds a new section to the bill as passed by the House which provides that the pension plan of Local Union No. 435 of the International Hod Carriers' Building and Common Laborers' Union of America, which was negotiated to take effect May 1, 1960, pursuant to an agreement between such union and the Building Trades Employers Association of Rochester, N.Y., shall be held and considered to have been a qualified trust under section 401(a) of the code, and to have been exempt from taxation under section 501(a) of the code, for the period beginning May 1, 1960, and ending April 20, 1961, but only if it is shown to the satisfaction of the Secretary of the Treasury or his delegate that the trust has not in this period been operated in a manner which would jeopardize the interests of its beneficiaries. The House recedes.

CONTINUATION OF A PARTNERSHIP YEAR FOR SURVIVING PARTNER IN A TWO-MAN PARTNERSHIP WHERE ONE DIES

Amendment No. 194: The Senate amendment adds a new section to the bill as passed by the House which amends section 188 of the Internal Revenue Code of 1939 (relating to different taxable years of partner and partnership) to provide that for purposes of chapter 1 of the 1939 code, if the surviving partner so elects within 1 year after the date of enactment of this bill, the death of one of the partners of a partnership consisting of two members shall not result in the termination of the partnership or in the closing of the taxable year of the partnership with respect to the surviving partner prior to the time the partnership year would have closed if neither partner had died or disposed of his interest. The amendment is to apply to taxable years of a partnership beginning after December 31, 1946, to which the Internal Revenue Code of 1939 applies. The amendment further provides that if refund or credit of any overpayment resulting from the application of such amendment was prevented on the date of the enactment of the bill, or at any time within 1 year from such date by the operation of any law or rule of law (other than those relating to closing agreements and compromises), refund or credit of such overpayment may, nevertheless, be made or allowed if claim therefor is filed within 1 year after the date of enactment of the bill. No interest is to be allowed or paid on any overpayment resulting from the application of the amendment. The House recedes.

EXCLUSION FROM GROSS INCOME OF CERTAIN AWARDS MADE PURSUANT TO EVACUATION CLAIMS OF JAPANESE-AMERICANS

Amendment No. 195: This amendment, which adds a new section to the bill, provides that awards received under the Japanese-American Evacuation Claims Act, as amended in 1951 and 1956 (50 U.S.C. App., secs. 1981–1987), are not to be included in gross income for purposes of chapter 1 of the Internal Revenue Code of 1939 or 1954. This treatment is to apply with respect to taxable years ending after July 2, 1948.

Any refund or credit of an overpayment of Federal income tax (including interest, additions to the tax, additional amounts, and penalties) resulting from this provision which is barred on the date of the enactment of this bill, or within 1 year from such date, by any law or rule of law may, nevertheless, be made, without interest, if a claim for such refund or credit is filed within 1 year after the date of enactment of the bill. In the case of any claim described in the preceding sentence, the amount to be refunded or credited as an overpayment is not to be diminished by any credit or setoff based on any item other than the amount of the award.

The House recedes with technical amendments.

DEDUCTION FOR BUSINESS DEPRECIATION BY TENANT-STOCKHOLDER OF COOPERATIVE HOUSING CORPORATION

Amendment No. 196: This amendment adds a new section to the bill, adding a new subsection (c) to section 216 of the code (relating to amounts representing taxes and interest paid to a cooperative housing corporation).

The new subsection (c) provides that so much of the stock of a tenant-stockholder in a cooperative housing corporation as is allocable, under regulations prescribed by the Secretary of the Treasury or his delegate, to a proprietary lease or right of tenancy in property subject to the allowance for depreciation under section 167(a) shall, to the extent that such proprietary lease or right of tenancy is used by such tenant-stockholder in a trade or business or for the production of income, be treated as property subject to the allowance for depreciation under section 167(a). The amendment is effective with respect to taxable years beginning after December 31, 1961. The House recedes with clerical amendments.

EXCLUSION FROM GROSS INCOME OF GAIN FROM SALE OF RESIDENCE BY INDIVIDUAL AGE 65 OR OVER

Amendment No. 197: This amendment added a new section to the bill, adding a new section 121 to part III of subchapter B of chapter 1 of the code (relating to items specifically excluded from gross income). The new section 121, applicable only in the case of individuals, provided that gross income does not include gain from the sale, exchange, or involuntary conversion (within the meaning of sec. 121(e)) after December 31, 1962, of property used by the taxpayer as his principal residence, if (1) the taxpayer had attained the age of 65 years before the sale, exchange, or involuntary conversion, and (2) the property had been used by the taxpayer as his principal residence for a period of not less than 5 years at the time of its sale, exchange, or involuntary conversion. The Senate recedes.

DEDUCTION FOR INCOME TAX PURPOSES OF CONTRIBUTIONS TO CERTAIN ORGANIZATIONS FOR JUDICIAL REFORM

Amendment No. 198: This amendment, which adds a new section to the bill, provides that a contribution or gift made after December 31, 1961, with respect to a referendum occurring during the calendar year 1962, shall be deductible as a charitable contribution under section 170 of the code if made to, or for the use of, an organization created and operated exclusively to consider proposals for the reorganization of the judicial branch of any State or local government and to provide information, make recommendations, and seek public support or opposition to such proposals. For contributions or gifts to be eligible for this treatment, no part of the net earnings of the organization may inure to the benefit of any private shareholder or individual and the organization must not participate in any political campaign in behalf of, or in opposition to, any candidate for public office. The House recedes with a clerical amendment.

AMENDMENT TO SOCIAL SECURITY ACT RELATING TO STATEMENT OF FINANCIAL STATUS OF CLAIMANTS FOR MEDICAL ASSISTANCE FOR THE AGED

Amendment No. 199: This amendment added to the bill a new section, amending section 2(a) of the Social Security Act so as to permit a State to provide in its State plan under title I of such act that any written statement required of a claimant for medical assistance for the aged under that title shall be presumed by the State agency administering the plan to be factually correct for purposes of determining eligibility for such assistance insofar as the statement relates to the claimant's financial status. The Senate recedes.

FOREIGN SUBSIDIARIES MANUFACTURING PRODUCTS ABROAD FOR SALE IN THE UNITED STATES

Amendment No. 200: Senate amendment No. 200 added a new section to the bill to provide that foreign corporations to which the proposed new section, section 885 of the code, applies are deemed to be engaged in trade or business within the United States, and their gross income from sources within the United States is deemed to be not less than their gross income from the sale of competitive articles sold for ultimate use, consumption, or disposition in the United States. The new section applied to a foreign corporation if at any time during the taxable year one or more domestic corporations own, directly or through one or more other corporations, 10 percent or more of the outstanding stock of the foreign corporation, and if for such taxable year the foreign corporation derives 10 percent or more of its gross income from the sale of competitive articles sold for ultimate use, consumption, or disposition in the United States. For such purpose a competitive article is any article mined, processed, or manufactured outside the United States for a foreign corporation which is the same as or similar to any article mined, processed, or manufactured in the United States (or formerly mined, processed, or manufactured in the United States) by any domestic corporation described in the preceding sentence with respect to the foreign corporation, or by any subsidiary of such domestic corporation. The new provision applied to taxable years beginning after December 31, 1962. The Senate recedes.

EFFECTIVE DATE OF AMENDMENT TO SECTION 1374(b) OF INTERNAL REVENUE CODE OF 1954

Amendment No. 201: The Senate amendment adds a new section to the bill as passed by the House which makes the amendment to section 1374(b) of the code, which was added by section 2(b) of Public Law 86-376 (approved Sept. 23, 1959), effective on September 2, 1958. Under existing law, the amendment to section 1374(b), which permits the deduction of a deceased shareholder's pro rata share of the net operating loss of an electing small business corporation incurred in the year in which he dies, is effective only with respect to taxpayers who die after September 23, 1959. The House recedes with a clerical amendment.

TREATIES

Amendment No. 203: The bill as passed by the House provided that section 7852(d) of the code, relating to treaty obligations, was not to apply in respect of any amendment made by the Revenue Act of 1962. Senate amendment No. 203 provides that no provision of the Revenue Act of 1962 will apply in any case where its application would be contrary to any treaty obligation of the United States.

The Senate recedes. In this connection, the Treasury Department informed the committee of conference that it is its view that there are no conflicts between provisions of the bill and provisions of tax treaties, with one minor exception relating to the real estate clause of the Greek Estate Tax Treaty which the Treasury will seek to have renegotiated before July 1, 1964.

WILBUR D. MILLS,
CECIL R. KING,
HALE BOGGS,
EUGENE J. KEOGH,
JOHN W. BYRNES,
HOWARD H. BAKER,
Managers on the Part of the House.

The **SPEAKER** pro tempore. The Chair recognizes the gentleman from Arkansas [Mr. MILLS].

Mr. **MILLS**. Mr. Speaker I yield myself 10 minutes.

Mr. Speaker, you will recall the House passed H.R. 10650 in March of this session of the Congress after several weeks of consideration in the Ways and Means Committee. The bill was sent over to the Senate. In the Finance Committee and on the floor of the Senate there were 203 amendments adopted.

When your conferees on the part of the House met with the conferees on the part of the Senate many of us had the impression that perhaps in the process of amending H.R. 10650 to this extent, the Senate had actually performed a major operation. That is not the case, Mr. Speaker; the majority of the 203 amendments which were adopted by the other body are technical, clarifying, or conforming, and were not amendments of substance. I do not mean, however, Mr. Speaker, to minimize the fact that the other body made a number of rather substantial changes in H.R. 10650 while that body was considering the bill, but many of these 203 amendments could be accepted by the conferees on the part of the House with the full recommendation of the Treasury Department and the advice of the technicians of the Department as well as the technicians working with the Ways and Means Committee. In many instances—and we on this side prefer not to make this admission—somewhere along the line somebody came up with language that carried out the objectives which the House sought better than did the language in the House bill itself. Of course, they had the advantage of all our preliminary work, we feel.

One of the fundamental changes with respect to this bill in the Senate was with respect to the investment credit.

The investment credit had been worked out in the Ways and Means Committee. As passed by the Senate there were only two really major points that were in disagreement and in conference: First, the Senate had changed the effective date of this provision from January 1 of this year, as provided in the House bill, to July 1 of this year; and, second, the Senate saw fit to adopt an amendment which reduced the basis of an asset for purposes of depreciation by the amount of the investment credit. If the taxpayer received 7 percent of the cost of this asset as an investment credit then the basis for depreciation is, under the conference report, reduced from 100 cents to 93 cents, for each dollar of cost.

Actually, Mr. Speaker, that was a rather basic change in the investment credit provision, but it was accepted by the House conferees among other things for the reason that it will reduce the revenue loss otherwise resulting from the investment credit over a 10-year period by some $4½ or $5 billion, and it will, I must say—and I think my friend from Wisconsin would not mind my saying this—provide for the very result that he had urged when the matter was in the Ways and Means Committee.

In other words, as amended by the other body, the investment credit served to reduce the amount of the basis of the asset for depreciation purposes and therefore did not provide a tax benefit in addition to depreciation. What this does is not to this exact percentage but almost to it. In combination it is less effective as an incentive under the conference agreement as the House provision would have made it. In other words the 7-percent investment credit is worth about 14 percent for depreciation purposes at the full corporate rate. Adding this to the 7-percent reduction in the depreciation basis under the conference agreement you reach a total of 107 cents in equivalent depreciation to the taxpayer for each dollar of investment as a result of this investment credit. Under the House bill he would have obtained $1.14 of depreciation for each dollar of his investment.

So you see there is a reduction of approximately 50 percent in the tax benefit over this period of time of his investment credit.

Actually this often-used comparison of the credit with depreciation ignores the fact that the credit is available when the investment is made and the adjustment in the depreciation basis will result in lower deductions only in future years. When this is taken into account it is fair to say that as modified the investment credit is about 70 percent as effective as an incentive as it was under the House bill.

Mr. **CURTIS** of Missouri. Mr. Speaker, will the gentleman yield for an inquiry?

Mr. **MILLS**. I yield to the gentleman from Missouri.

Mr. **CURTIS** of Missouri. The reason this works out to about 7 percent is because of the 52-percent corporate tax?

Mr. MILLS. Yes.

Mr. CURTIS of Missouri. I want to make this point: For your smaller concerns, if you have 30 percent, it would mean more?

Mr. MILLS. It would mean more. I was taking the 52-percent rate.

The Senate receded from its amendment which provided for this program to go into effect as outlined in the House bill on January 1 of this year rather than on July 1 as provided by the Senate.

It will be recalled that the investment credit and withholding of the tax on interest and dividends were the subject matter of a motion to recommit the bill when it was passed by the House, therefore I will turn now to the change made by the Senate with respect to the collection of the tax due on interest and dividends. It will be recalled that under the provisions of existing law, it is necessary for an institution paying dividends to report annually, to the Internal Revenue Service, the name of each recipient of a dividend of $10 or more. The Senate decided in its wisdom, after having had two votes on the question of withholding—I think 20 voted for the proposition on one occasion and maybe less on the other occasion—to strike out the House passed provision for withholding and to substitute a reporting system that was worked out in conjunction with the staff of the Joint Committee on Internal Revenue taxation, as well as the staff of the Treasury Department.

Therefore, the withholding provision that some Members of the House found objectionable in March is out of the bill as we bring it back to the House from the conference. In lieu of it is this provision that has been developed and which calls for a reporting system.

The SPEAKER pro tempore. The time of the gentleman from Arkansas has expired.

Mr. MILLS. Mr. Speaker, I yield myself 5 additional minutes.

Mr. Speaker, this reporting system in my opinion may develop to be more onerous upon the institutions that are paying interest and dividends than would the withholding system have been. Let us take an example of a savings and loan association in your district which pays to 1,000 depositors $10 in interest or more each year. It is necessary for that institution to prepare a slip of paper with the taxpayer's name, the taxpayer's address, the taxpayer's tax number, which we passed under legislation earlier in this Congress, with the amount of interest actually disbursed to him, and transmit that to the Internal Revenue Service.

Then it must give the recipient another piece of paper which will indicate to that individual that the institution has reported to the Internal Revenue Service the fact that it has paid to that individual whatever this amount of interest is.

Mr. Speaker, it was thought in the conference that it would be desirable to try this system, because everyone in the conference was, I think, in agreement that every effort should be made to assist the Internal Revenue Service to collect the taxes due and owing from all people alike on the basis of the provisions of existing law.

Mr. BYRNES of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. MILLS. I would be glad to yield to the gentleman from Wisconsin.

Mr. BYRNES of Wisconsin. The gentleman has said that this reporting system may prove to be more onerous than the withholding system. However, I would call to the attention of the gentleman the fact that the withholding system that passed this House, and practically any withholding system that had been suggested other than the original one of the administration, required some reporting.

Mr. MILLS. The House bill did not require the reporting involved in the Senate amendment. The House bill did require some handling of exemption certificates. I was coming to the point of saying that even though it was my own private opinion that the reporting system might turn out to be more onerous, some of the institutions which are charged with the responsibility under this provision of being reporting agents to the Internal Revenue Service, apparently feel, based upon what they tell me, that this will be more workable from their point of view and that it is far more acceptable to them than the provision for withholding. They also state that they question it will be more onerous to them.

Mr. BYRNES of Wisconsin. If the gentleman will yield further, the main point I wanted to make was—and I think the gentleman will agree—that under the bill as it passed the House the withholding would also have involved reporting.

Mr. MILLS. The required information under the House bill would not have been voluminous.

It may turn out that this reporting system will do the job. It was our thought when we were in the Ways and Means Committee and considered this entire matter, that the only really sound way to collect the amount of money that is not being collected now from interest and dividends was through a system of withholding. We explored this. But we have been here long enough to know that it is not always the will of the House that prevails. Sometimes compromises have to be worked out. We took this reporting provision with an addition to it requiring the Treasury to report back at the end of each year, providing us with information as to the effectiveness of the system of reporting.

Mr. Speaker, this provision, it is anticipated, will bring in additional money. I doubt that anyone can assure us with any degree of certainty that it will bring in $300 million, $100 million, $200 million, or any other fixed amount. It is estimated by the staff of the Joint Committee on Internal Revenue Taxation that whereas $550 million, they say, would have been collected under withholding, this system will collect around $275 million.

It is said by the Treasury that it probably will enable a collection of around $240 or $250 million. The Treasury at the same time said that the method of withholding that we had, based upon more recent data than they had when the matter was before the House would produce $780 million of revenue.

There is a large difference, Mr. Speaker, in the revenue effect of the conference report compared to the House bill. That revenue effect is not with respect to this fiscal year; it is not with respect to the past fiscal year; because the situation is approximately the same in that respect between the conference report and the House bill. The difference, if any, Mr. Speaker, would develop in the course of the first full year of the operation of this conference report compared to the House bill.

The major difference in revenue effect is the amount that will be developed on the plus side through reporting compared to the amount that would be developed on the plus side through withholding.

The staff of the joint committee says that this bill, contrary to the bill as it passed the House, will create a deficit in a full year of operation of $550 million. The same group said that the bill as it passed the House would create a deficit in the first full year of $285 million. The Treasury people on the other hand said that in a full year of operation as the bill passed the House there was a revenue gain in the bill of $325 million. They say that as a result of the action taken in the conference, in the same full year, that revenue gain of $325 million has been changed to a loss of $170 million on a gross basis. On a net basis there is a gain of $10 million. So, Mr. Speaker, I say that on this question of the revenue effect of the conference report in a full year of operation, it is not certain as between the two staffs.

The membership may take, if they desire, the figures of the staff of the joint committee or they may take the figures of the Treasury Department. I think, frankly, that it is probably correct that the revenue effect of this will be somewhere in between the two estimates of these two staffs.

Mr. Speaker, there are many other provisions of the bill that I hope others will take time to discuss. I want to yield to the gentleman from Wisconsin when I conclude my remarks. I hope that he will take up other provisions. I would call attention to the fact that this conference report was signed by all of the conferees on the part of the House with the exception of the gentleman from Illinois [Mr. MASON]. All of the conferees on the part of the Senate signed the conference report.

I suggest, Mr. Speaker, that this is about the best job that your conferees on the part of the House could do.

Mr. BAILEY. Mr. Speaker, will the gentleman yield?

Mr. MILLS. I yield.

Mr. BAILEY. I would like to ask the distinguished chairman of the committee if the Members of the House are to understand that the withholding tax as such is not a part of the bill.

Mr. MILLS. It is not a part of the bill. I must suggest to those who voted for the bill as it passed the House that the primary difference is the difference between withholding and reporting.

If a Member who voted for this bill to pass last March now should vote against the conference report, I am not saying that it would be, but it could be interpreted by someone to mean that that Member was casting that vote because he did not want the tax bill to go through without the withholding provision in it. I say that could be an interpretation placed upon it, and I wanted to advise my friends of that possibility.

Mr. SMITH of Virginia. Mr. Speaker, will the gentleman yield?

Mr. MILLS. I yield.

Mr. SMITH of Virginia. I should like to ask this question: As the result of all this hard work done by the Senate and the House and the committee of conference, is the net result a loss to the Treasury or is it a gain to the Treasury? I understand that your own estimate is that it will be a loss of some probably $200 million. The joint staff of the House and Senate estimates that it will be some $300 million.

Mr. MILLS. Actually, as I pointed out it depends upon whose estimate you take. We have the Treasury estimate, which I shall include as part of my remarks along with a further explanation of other provisions of the bill. Then we have the estimates of the staff of the joint committee. As I pointed out, as far as this present fiscal year we are in is concerned, I doubt there is any significant difference in revenue effect in this fiscal year between the House-passed bill and the conference report. There are significant differences in the estimates of revenue loss in a full year of operation, when all these provisions are in effect.

My own guess is, and it is only a guess, that these estimates at that time, perhaps one high, one low, would lead us to the conclusion that there might be some loss in that year somewhere in between these two estimates. The Treasury says there would be a gain of $10 million on a net basis. The joint staff says there would be a loss of some $550 million on a gross basis. My own thought is that the figure would be somewhere in between.

Mr. SMITH of Virginia. Would the gentleman say that the Treasury then instead of gaining by this bill would lose perhaps $250 million a year?

Mr. MILLS. Somewhere in between these two figures would be my best guess. That would depend entirely on how well this investment credit works. If it does what the experts and the Treasury say it is going to do, if it creates additional impetus for investment and brings about modernization of facilities within plants that are going to be competing, that is desired and that is thought will be the case, then in all probability there would be more money developed under the income tax from corporations and other business operations. So that I am not certain as to what the revenue implication would be 2 or 3 years in advance. But as far as the present is concerned, there is not, in my opinion, any difference in effect.

Mr. COLLIER. Mr. Speaker, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from Illinois.

Mr. COLLIER. I wonder if the distinguished chairman of the committee can tell us if there is any estimate of the number of accountants that would be needed in the various financial institutions where the duplicate reports to the savers and the Internal Revenue Bureau are involved?

Mr. MILLS. There would not be any duplicate reporting except where a depositor in one institution might have a deposit in half a dozen other institutions. Those would not be basic duplications. They would be duplicates of a report with respect to the same individual, but upon different accounts.

Mr. COLLIER. How many savings accounts are involved?

Mr. MILLS. I am uncertain as to how many savings accounts are involved. Does the gentleman from Wisconsin have the figures?

Mr. BYRNES of Wisconsin. My understanding, may I say to my chairman, is that with the $10 limitation there are about 350 million accounts.

Mr. MILLS. That may be correct.

Mr. BYRNES of Wisconsin. And as to all accounts, there are about 500 million.

Mr. COLLIER. What would be involved in personnel to handle this function and the increase in administrative costs?

Mr. MILLS. There may be some additional personnel in the Internal Revenue Service but we do not have the figures with respect to them. Many of the paying institutions were anxious to have this method enacted in lieu of the withholding method, as I pointed out earlier. They said they could live with it and that it would be acceptable to them. It was on that basis largely that I think the other body went along with the reporting system.

Mr. COLLIER. So there would be no real increase in administrative costs?

Mr. MILLS. There will be some increase compared to withholding. I cannot say that this will do the job without some additional personnel to check returns and do what would have been done under a withholding system with less personnel—I cannot say that. There would be, if all of these returns are checked, in all probability some requirements for additional people. But bear in mind this, that if this provision does collect in the first year of its operation the amount that the staff of the joint committee says, $275 million, we will be making money even if we have to put up even as much as $10 million for additional personnel.

Mr. KYL. Mr. Speaker, will the gentleman yield?

Mr. MILLS. I yield to the gentleman.

Mr. KYL. Is it not true that the proposed data processing system of the Internal Revenue Service with its assigned taxpayer numbers, anticipates a reporting method similar to the one under discussion?

Mr. MILLS. This reporting system will be more effective in 1966 or whenever it is when this entire data processing plan is in effect. It is in effect in some areas. To the extent that it is, can be used within a section of this program.

Mr. LINDSAY. Mr. Speaker, will the gentleman yield?

Mr. MILLS. I yield to the gentleman.

Mr. LINDSAY. I am curious as to why the distinguished chairman of the committee did not touch on the international features of the bill. One of the aspects of the House bill that gave me the most trouble was the taxation of foreign subsidiaries. Was the gentleman going to cover that point?

Mr. MILLS. My understanding is that this provision meets the objection that the gentleman from New York, as I recall, registered on the floor, in that, under the pending bill, we are confining this operation of penetrating the veil of foreign corporations owned by American corporations for the purpose of getting at what is described as tax haven income. We are not going beyond that as we did in the House version. By the same token, the Senate version in this respect, which we accepted, does not permit, under circumstances that were permitted by the House bill, a deferral of that income from the American tax depending on its investment in certain areas, and so on. So that as the Senate confined the effect of it, the Senate also limited the opportunity within that confinement for any escape by reinvestment in certain sections of the world. So the provision brings in, I think, in a better way the same $85 million that would have been brought in by the House bill, according to the statement of the Treasury.

Mr. LINDSAY. I thank the gentleman.

Mr. MILLS. I think the gentleman will be satisfied with this version.

Mr. DERWINSKI. Mr. Speaker, will the gentleman yield?

Mr. MILLS. I yield to the gentleman.

Mr. DERWINSKI. Could the gentleman clarify the Senate provision that would have offered capital gains tax relief for persons over 65 who were selling their home?

Mr. MILLS. That was deleted in conference along with other provisions written in on the floor of the Senate. Legislation of this nature is a matter, of course, that is of interest to all of us. It is a matter, however, that the Committee on Ways and Means had not had an opportunity to consider and we thought it would be better to have it carried over so that we could have hearings on it at some time in the future.

Mr. DERWINSKI. I thank the gentleman.

Mr. MILLS. Mr. Speaker, under leave to extend my remarks, I would like to include a more detailed comment on the conference agreement along with the revenue estimates I have referred to.

The proposed Revenue Act of 1962, as agreed to by your conferees, still retains the basic approach that was embodied in H.R. 10650 as passed by the House, but it, of course, represents a compromise as is always true of conference agreements. This tax bill presents a program of changes designed to stimulate business activity and to eliminate various preferential provisions of present tax law. Permit me to first give you the principal highlights.

The part of the program designed to provide a business incentive is the investment credit. The general provisions of the investment credit have been maintained close to the provisions in the House bill. Your conferees did accept an amendment which requires the taxpayer to reduce the basis of business property for depreciation purposes by the amount of the investment credit taken. This will in the long run lessen the revenue loss from the investment credit although it will also lessen the incentive effect of the credit. Your conferees succeeded in retaining the effective date of January 1 of this year as provided in the House bill in order to make the credit applicable to investors who proceeded with their business plans relying on the provisions of the bill as it passed the House.

Your conferees were forced to accept the deletion of the provision for withholding on dividends and interest in favor of the plan for more detailed reporting of payments. Whether or not this reporting will be a satisfactory substitute for withholding will be finally proved one way or the other by experience. The Members of the House should realize that the reporting approach requires a good deal more paperwork, particularly on the part of banks and savings and loan associations. It will also be more expensive for the Internal Revenue Service to actually collect the money when the reports of payments are received and reconciled with individual tax returns. The reconciliation job will be enormous even with continued heavy outlays on automatic data processing equipment and once discrepancies are discovered between the reports of payments and the reports of receipts, activity of revenue agents will be called for. This will require considerable outlays by the Internal Revenue Service if the tax evasion on nonreporting of dividends and interest is to be substantially reduced by means of information returns.

In the matter of the business entertainment expense deduction, your conferees reach agreement on the rule between the relatively strict rule of the House and the milder rule adopted by the other body. In general, the House bill will prevail in that entertainment expenses to be deductible must be directly related to the active conduct of the trade or business. An exception is provided for business entertainment directly preceding or following a substantial business discussion. Entertainment of a good will character is to be allowed as deductible if it is associated with the active conduct of the trade or business.

The provisions of the House bill with respect to gain from the sale of depreciable property are substantially unchanged in the final bill.

The various provisions of the House bill which reduce or eliminate the tax differences on special provisions applicable to certain classes of domestic taxpayers have been largely retained in the final bill. These include mutual savings banks, savings and loan associations, mutual fire and casualty insurance companies, and cooperatives. Your conferees accepted various amendments introduced in these areas by the other body designed to eliminate particular cases of hardship that might have developed under the House bill. In the mutual savings area, a more specific provision was adopted relating to the definition of a savings and loan association. In the cooperative area, in view of the elimination of withholding, your conferees accepted an amendment requiring cooperatives to distribute at least 20 percent of patronage refunds in the form of cash as a condition for obtaining a tax deduction with respect to noncash dividends. This will obtain the results sought in the House bill of assuring the patron of the ability to meet at least the first bracket tax liability on his entire patronage dividend.

In the area of taxation of foreign income, your conferees have accepted, in the main, the modifications of the House bill adopted in the other body. On the matter of the deferred income of controlled foreign corporations, the direction of these amendments was to apply the provisions more particularly with respect to tax-haven income, that is, situations where the whole foreign corporation arrangement exists more for tax purposes than for business purposes. On the other hand, the provisions as modified would have less impact than might have occurred under the House bill on other business operations. Your conferees accepted the exception to the requirement for "gross-up" in connection with the foreign tax credit on dividends for dividends received from less developed country corporations. With the exception of these modifications, the foreign tax provisions in the final bill are substantially like those contained in the House bill.

I will now briefly describe the other susbtantive amendments adopted in the other body which are in addition to the matters I have already mentioned.

INVESTMENT CREDIT

As accepted by your conferees, the bill includes several improvements in the operation of the investment credit. One of these has to do with the carryback of credits that cannot be used because they are too large in relation to the current tax. Under the House bill the taxpayer would have to carry forward the unused credit to be used against taxes of the following 5 years. Under an amendment accepted by your conferees, the taxpayer may first carry back the unused credit against tax during the prior 3 years.

This will permit the credit to operate as a current investment incentive even when many taxpayers might have little or no current tax liability.

Another amendment to the investment credit provision provides that no credit would be allowed with respect to reinvestment of insurance proceeds where property has been stolen or destroyed or damaged by fire, storm, shipwreck, or other casualty. Since replacement is fairly automatic in these situations, it is believed that no incentive is necessary.

Another amendment in this area provides that the investment credit shall not apply to investment in livestock. Under the House bill, livestock, like buildings, was exempted from the provisions for ordinary income treatment on sale, to the extent of prior depreciation. It was agreed that since livestock is excluded for this purpose it should, like buildings, be excluded from the investment credit.

Mr. Speaker, as passed by the House, the bill also provided that a person engaged in the business of leasing property could elect to give the benefit of the investment credit to his lessee. Your conferees accepted an amendment which made this election available also where the lessor was not in the business of leasing property.

As I explained earlier, the conferees accepted amendments made by the other body to the investment credit provisions as passed by the House which provided that the cost of property for depreciation purposes was to be reduced by the amount of the investment credit allowed with respect to such property. This reduction on the depreciation base will be restored if it develops that the taxpayer gets no benefit from the investment credit.

ENTERTAINMENT EXPENSES

Mr. Speaker, under the House bill no deduction would have been allowed for any business entertainment unless the expense item was directly related to the active conduct of the trade or business. Similarly, the House bill provided that no deduction would be allowed for expense items with respect to a facility, such as a yacht, used in connection with business entertainment unless the facility is used primarily for the furtherance of the trade or business and that the expense item was directly related to the active conduct of the trade or business. The amendment adopted in the other body provided that these items could be deducted if they were "associated with" as well as "directly related to" the business. The committee report of the other body indicated that the words "or associated with" were to cover a range of goodwill expenditures.

Under the conference agreement, the words "or associated with" were made applicable only to items directly preceding or following a substantial and bona fide business discussion—including a business meeting at a convention. The concept of the House bill was retained so far as entertainment facilities are concerned.

Mr. Speaker, the other body also amended the entertainment expense provisions of the House bill by carving out certain exceptions from the application of the general rule contained therein that business gifts would be deductible only to the extent that they did not exceed $25 a year for each donee. In general, these exceptions relate to advertising and promotional material and to employee service or safety achievement awards, subject to reasonable dollar limitations.

Another amendment made by the other body to the provisions of the House bill had to do with the deductibility of traveling expenses in the case of a taxpayer who is away from home on business or in pursuit of an income-producing activity. Under this amendment the deduction for business travel is cut down in certain cases where there are major nonbusiness as well as business reasons for the trip. There is to be no cutdown where the trip lasts less than a week, nor where the time spent on other than business is less than 25 percent. Your conferees accepted this amendment.

Mr. Speaker, as passed by the House, the bill provided for the deduction of traveling expenses which were to include a reasonable allowance for amounts expended for meals and lodging.

Under the amendment made by the other body, only those expenses for meals and lodging while traveling, which are not lavish or extravagant under the circumstances, would be deductible. Under the conference agreement, this amendment was retained.

Mr. Speaker, your conferees also accepted the amendment made by the other body which updates the effective date of these new entertainment expense provisions from the June 30, 1962, date specified in the House bill to December 31, 1962.

MUTUAL SAVINGS BANKS, ETC.

The major change from the House bill provision relating to mutual savings banks and savings and loan institutions was an amendment which would have provided a lower reserve deduction for those institutions which had capital stock. Under the conference agreement this change from the House bill was eliminated.

Your conferees accepted several amendments which provided certain ceilings on the loss reserves. One was the 12 percent ceiling of previous law. Another ceiling is provided by the rule that the reserve for losses in qualifying real property loans cannot exceed 6 percent of those loans. An amendment which would require that pre-1952 reserves would be taken into account for certain purposes was also adopted. The remaining amendment related to the reserve computation was an alternative formula for new institutions. This was also accepted.

Another amendment adopted in the other body went to the definition of a building and loan, or savings and loan association. Generally the amendment went in the direction of replacing the qualitative tests of the House bill with a specific formula. The formula carried out the general thrust of the House bill so far as limiting commercial and nonresidential loans is concerned. The amendment introduced in addition a limitation on the amount of lending on multifamily residential property. Under the conference agreement the formula approach of the amendment was retained with the clarification that assets used in the trade or business and passbook loans would be treated in the same manner as investments in one- to four-unit residential property. In addition, under the conference agreement, the formula was modified to allow institutions to exceed the percentage limitation on investments in other than one- to four-unit residential property but by no more than 5 percentage points and for not over 3 years. If the institution is within this 5 percent range over the allowable investment, the special reserve deductions are reduced by one-twelfth of each 1 percentage point of the excess on the basis of the formula contained in the amendment.

The matter of the definition of a savings and loan association has been a matter of considerable uncertainty in the last few weeks. I would like to make several points to clarify questions that might be in Members' minds on this matter. In the first place we have been assured by the Treasury technicians that if, in some future year, a savings and loan association ceases to qualify under the new definition, this fact by itself will not result in imposition of tax on the reserves accumulated in prior years. In addition, the operation of the new definition will not impede the participation loan program endorsed by the Congress in 1959. An institution will be able to treat as a residential property loan a participation in such a loan or the portion remaining after the sale of a participation to another institution so long as the taxpayer continues to meet the principal requirements of the new statute that subtsantially all of the business of the institution consists of acquiring the savings of the public and investing them in loans. In such cases, sales of participations, with an agreement to continue servicing the loans on which participations are sold, as well as occasional sales of loans, would not cause the institution to lose its status as a building and loan association provided, this principal requirement of the statute is met.

MUTUAL FIRE AND CASUALTY INSURANCE COMPANIES

Mr. Speaker, your conferees accepted several amendments dealing with the tax treatment of mutual fire and casualty insurance companies that were designed to modify the application of the House bill in special circumstances. The general provision of the House bill in this area was retained.

A group of amendments were intended to provide additional exemptions from the new provision for small insurance companies. These amendments were accepted by your conferees with two minor modifications.

Your conferees accepted an amendment which would provide that underwriting losses generated by policyholder dividends could be deducted first against investment income before being charged against the deferred income account. Under the House bill, these underwriting losses attributable to policyholder dividends had to be charged first against the deferred income account. This modification was accepted in order to prevent the bill from discriminating against ordinary mutuals in favor of the so-called deviating companies.

The other body adopted an amendment dealing with certain companies having underwriting losses for a series of years prior to 1962. The principal of this amendment was accepted by the conferees but the scope of the amendment was substantially narrowed. Another amendment liberalized the provisions of the House bill dealing with certain companies insuring against natural disasters and having concentrated risks. The alternative rules for measuring this concentration adopted in the other body were accepted with one modification.

Your conferees accepted an amendment dealing with the treatment of reciprocal companies which would modify the application of the rule of the House bill which permits the reciprocal to take into account the income and the tax paid by a corporate attorney in fact. Under the amendment, this is permitted to increase the amount of the deferred income.

Finally, your conferees accepted a provision that would allow certain mutual flood insurance companies to be treated in the same manner as the so-called factory mutuals. The amendment in this regard was modified so as to insure that subscribers in such a flood insurance company would be treated in the same manner as policyholders in a factory mutual in determining their current deduction for business insurance. Under present practice, a policyholder in a factory mutual is permitted to deduct only the absorbed premium.

FOREIGN TAX PROVISIONS

1. FOREIGN TAX CREDIT

The House bill provided the so-called gross-up in the foreign tax credit for an American corporation receiving dividends from a foreign corporation. Your conferees accepted the amendment which exempts from the new gross-up provision dividends from a foreign corporation which derives substantially all of its income from sources within a less-developed country. A shipping company whose vessels are registered in a less-developed country might also qualify for this exception to the gross-up procedure. This amendment will reduce the estimated revenue gain from the gross-up provision as contained in the House bill from $30 million to $20 million.

Your conferees accepted a new provision for a separate foreign tax credit limitation for certain interest income, not derived directly in connection with a trade or business. This provision will discourage the use of short-term investments in foreign securities in order to take advantage of a potentially unusable foreign tax credit on other income, and thus will tend to improve our balance of payments.

2. FOREIGN EARNED INCOME

The report contains substantially the same provisions as the House bill in limiting the exclusion from income of foreign earned income of American citizens permanently residing abroad beginning in 1963. Several amendments were accepted. One prevented a taxpayer from simultaneously claiming to be a foreign resident for U.S. tax purposes and a U.S. resident for foreign tax purposes and thereby avoid U.S. tax. Another provides a 3-year transition rule for including in the tax base income received in the form of the right to use property. Another amendment prevents evasion of the new limitations by prepayments of income in 1962 for services to be performed after 1962.

3. CONTROLLED FOREIGN CORPORATIONS

The basic section dealing with controlled foreign corporations, as contained in the conference agreement, is substantially similar to the provision adopted in the other body. Generally, the revision from the House bill directed the section more explicitly at the so-called tax-haven corporation. In this area, the final bill is in many respects tighter than the House bill. The final bill has a more limited application than did the House bill.

Under the House bill the profits of a controlled foreign corporation might be taxable to principal U.S. shareholders whatever the source of the profit if reinvestment is not in substantially the same trade or business as one in which the company was already engaged or in a less developed country. The revised provisions concentrate on relatively passive forms of income where there is reason to believe that the incomes are being diverted to the foreign corporation principally for tax advantage.

The two bills are substantially the same with respect to income earned from insurance of U.S. risks except that the Senate and conference bill provide a de minimis provision. The two bills were substantially similar with respect to passive investment incomes such as dividends, interest, rents, and royalties except that the final bill provides various exceptions for these incomes earned in connection with an active trade or business conducted by the foreign corporation or certain subsidiaries of the foreign corporation.

Under the original House bill, passive investment income could avoid the special tax provision, however, by being reinvested in a less developed country. The conference bill narrows this exception by limiting it to dividends, interest, and gains on investments in less developed countries. The bill does not now have a special provision within the section on controlled foreign corporations to deal with the income earned on U.S. patents, copyrights, and so forth, as was contained in the House bill. This problem is dealt with here through a single tax imposed at the time that a patent is transferred to a foreign subsidiary.

Both the House bill and the final bill apply the new tax provisions to certain sales income, where sales involving one foreign country are channeled through a tax haven corporation in another foreign country in order to minimize the tax. The principal change here reduced the allowable minimum income of this sort that could be received by combining the minimum with respect to foreign base company sales income with the minimum provided for passive investment income. These were two separate minimum 20-percent figures in the House bill and have now been combined into a single 30-percent minimum provision. Your conferees accepted another feature of the amendment which extended this principle to certain types of service income where the income arising from services performed in one country might be diverted to a tax haven corporation in another foreign country in order to minimize taxes.

The House bill, as well as the pending bill, makes the new tax provisions apply in certain cases where the controlled foreign corporation invests part of its profits in U.S. assets as a device for bringing the profits home without actually paying dividends. The provision in this regard is substantially the same as it was in the House bill.

The amendment adopted in the other body provided several relief provisions consistent with preventing tax avoidance. These provisions have been accepted with slight modification by your conferees. One of the relief measures provides that the tax imposed by reason of this section on an individual U.S. shareholder will not be greater than the tax that would be imposed if the income had been earned through a corporation organized in the United States.

It is also provided that the new tax provisions will not be operative if the controlled foreign corporation makes a sufficiently large distribution of its current earnings and profits to assure the result that the aggregate tax imposed by the foreign government on these earnings and profits and by the United States on the dividends distributed will be about 90 percent of the 52 percent U.S. corporate tax rate.

The conference agreement also provided that corporations organized in and principally doing business in Puerto Rico, the Virgin Islands, or other possessions of the United States will generally be excluded from the category of controlled foreign corporations. In addition, certain persons who are residents of Puerto Rico, the Virgin Islands, or other possessions of the United States will not be treated as U.S. persons for purposes of determining U.S. control.

The final revision in this provision accepted by your conferees was a limited exception for export trade corporations as defined in the bill. The general effect of this provision is to specify that where a foreign corporation is engaged in exporting U.S. goods for foreign sale, its income up to a limit of certain normal trade markups will be excepted from the new tax provisions if this income is reinvested in export trade assets. The inclusion of this provision is desirable in order to permit reasonable corporate structures designed to increase the level of U.S. exports.

4. SALES OF PATENTS, AND SO FORTH, TO FOREIGN CORPORATIONS

Under the bill approved by the House, income realized by a controlled foreign corporation which was attributable to patents, and so forth, created or produced in the United States would be currently taxable to U.S. shareholders, whether distributed or not. The other body substituted for this treatment a provision under which gain on the sale or exchange of patents, and so forth, to a controlled foreign corporation by a U.S. person in control of such corporation would be treated as ordinary income unless it was established that such property was to be used by the foreign subsidiary in its own manufacturing operations.

Under the conference agreement, the amendment made by the other body was retained but the exception of transfers to a foreign subsidiary for use in its manufacturing operations was deleted.

5. OTHER FOREIGN TAX PROVISIONS

The remaining foreign tax provisions may be referred to briefly. Your conferees accepted an amendment deleting the House provisions changing present law with regard to foreign personal holding companies. This amendment was regarded as unnecessary in view of the changes with regard to controlled foreign corporations. We also accepted the deletion of the amendment in the House bill to Section 482 of present law. The House bill provided a specific formula for allocating sales income between related domestic and foreign companies. This deletion was accepted with the understanding that the Treasury would seek to carry out the intent of the House bill provision through its broad regulatory power under section 482 in present law.

Your conferees accepted an amendment to the new rule of the House bill relating to the valuation of property distributed with respect to stock by a foreign corporation to a domestic corporate shareholder. The amendment provides a consistent rule for computing the foreign tax credit.

Your conferees accepted two minor amendments to the new provision added by the House bill with respect to distributions by foreign trusts with U.S. grantors. The amendments limit the new provisions to the portion allocable to property contributed by U.S. persons and make the effective date uniformly December 31, 1962.

The conference agreement contains substantially unchanged the House bill provision eliminating certain abuses under present law in regard to foreign investment companies. An amendment was adopted to the provision allowing these companies to elect to be taxed substantially like domestic investment companies. Under the amendment, companies making this election would get the same treatment as domestic regulated investment companies on foreign tax credits. Another amendment dealing with the application of section 367 to the domestication of a foreign investment company was rejected as unnecessary.

Mr. Speaker, as passed by the House, the bill provided that certain gains realized on redemption or sale of stock in a controlled foreign corporation by a 10 percent or more U.S. shareholder would be treated as a dividend to the extent of the shareholder's share of the corporation's earnings and profits.

Your conferees accepted an amendment limiting the new rules to transactions occurring after December 31, 1962, and then treating as ordinary income only earnings and profits accumulated after that date. The final version also provides other exceptions to the new rules and provides a limitation on the tax payable by individual shareholders, based upon the tax that would be paid by a corporate shareholder.

6. INFORMATION AS TO FOREIGN ORGANIZATIONS

Your conferees accepted the amendment made by the other body to the provisions of the House bill requiring the submission of information with respect to foreign organizations, with one minor modification having to do with the date the new reporting requirements go into effect. In general these amendments liberalized the reporting requirements specified in the House bill and reduced the penalty for noncompliance with these provisions.

GAIN FROM THE DISPOSITION OF CERTAIN DEPRECIABLE PROPERTY

Under the House bill, gain on the disposition of certain depreciable property after enactment would be treated as ordinary income to the extent of depreciation taken with respect to the property for taxable years beginning after December 31, 1961. The other body amended this provision to make it applicable only to dispositions made in taxable years beginning after December 31, 1962, and only with respect to depreciation taken in periods after December 31, 1961. Under the conference agreement, the amendments made by the other body are retained.

The other body also amended the provisions of the House bill to take account of the interaction of the effect of this new provision upon the computation of the taxable income base to which the 50-percent limitation on allowable depletion deductions is applied. Under this amendment, this taxable income base would, in effect, be increased by the amount of ordinary income realized by virtue of this new provision, thereby increasing the base to which the 50-percent depletion limitation applies. Your conferees accepted this amendment.

COOPERATIVES

Under the House bill, patronage dividends paid in cash or qualified written notices of allocation would be deductible by a cooperative and taxable to patrons. Written notices of allocation would qualify only if they were redeemable in cash within 90 days after issuance or were those with respect to which the patrons had consented to include the stated value thereof in income. The other body amended this provision of the House bill to provide that a written notice of allocation would not qualify unless 20 percent or more of the stated amount of the written notice of allocation was paid in cash or by qualified check. Under the conference agreement, this amendment was retained.

Your conferees also accepted an amendment made by the other body which permits member and nonmember patrons to consent to the inclusion of the stated value of a patronage allocation in their income by endorsing and cashing a qualified check within 90 days after the close of the cooperative's payment period for which the check is paid. This method of giving consent is in addition to the other methods that were provided in the House bill.

REPORTING OF INTEREST, DIVIDENDS, AND PATRONAGE DIVIDENDS

As passed by the House the bill contained provisions which would have instituted a system of withholding of tax at source on payments of interest, dividends, and patronage dividends. These provisions were deleted by the other body and, in lieu thereof, provisions were substituted which would require paying agents, after January 1, 1963, to report to the Government and to provide payees with annual statements of all payments of these items which amount to $10 or more per year. The other body also provided penalties for the failure to timely report these items and to provide statements for payees.

Under the conference agreement, the reporting provisions approved by the other body are retained.

PROVISIONS ADDED BY THE OTHER BODY NOT IN HOUSE BILL

(1) EXPENDITURES BY FARMERS FOR CLEARING LAND

Your conferees accepted a provision which would permit taxpayers engaged in farming to deduct, currently, rather than capitalize, expenditures incurred in clearing and leveling land, and in diverting streams, to make the land suitable for farming. This deduction is limited to $5,000 or 25 percent of the taxpayer's income from farming, whichever is the lesser.

(2) CERTAIN CHARITABLE CONTRIBUTIONS

An amendment was accepted to modify the operation of the charitable contribution deduction where a taxpayer spreads back a lump sum receipt of income over the years to which it is attributable for the purpose of determining the amount of tax he must pay on such income. Under the conference agreement, the amendment was modified to more closely carry out the intent, to permit the deductibility of contributions to be determined as closely as possible to what it would have been in the absence of the bunching.

(3) EFFECTIVE DATE OF SECTION 1371(C)

Your conferees accepted an amendment making applicable to 1958 and 1959 the rule that spouses who hold stock in a "subchapters corporation" jointly or under community property laws would be treated as one shareholder for the purpose of applying the 10 shareholder rule.

(4) LOSSES SUSTAINED BY CERTAIN STREET RAILWAY COMPANIES

Your conferees accepted an amendment providing that certain losses incurred in 1953 and 1954 by a street railway company not heretofore used against taxable income could be carried forward and offset against income in the years 1960 through 1964. This amendment is comparable to the bill passed by the House last year.

(5) EXEMPTION FOR PENSION TRUSTS

The conference agreement contains an amendment to provide that the union negotiated plan of a local of the International Hod Carriers', Building & Common Laborers' Union of America is to be treated as a qualified tax-exempt trust for the period beginning May 1, 1960, to April 29, 1961. A number of similar bills have been approved by the House in recent years and this amendment contains the same safeguards that were in prior legislation.

(6) CONTINUATION OF PARTNERSHIP YEAR IN CERTAIN CASES

Your conferees accepted an amendment which would provide, under the code of 1939, that where one of two partners dies, the partnership year for the surviving partner would not have to terminate at that time. This amendment is designed to provide relief from the inadvertent "bunching" of income that occurred under prior law.

(7) EXCLUSION OF CERTAIN AWARDS

An amendment made by the other body provided that awards made pursuant to the Japanese-American Evacuation Claims Act of 1948 would be excluded from gross income of recipients. Although no comparable provision was contained in the House bill, legislation sponsored by our colleague, Mr. KING of California, identical to this bill was passed by the House recently. Under the conference agreement, this amendment is retained.

(8) COOPERATIVE HOUSING DEPRECIATION

Your conferees accepted an amendment to provide that a tenant-stockholder in a cooperative housing corporation can take depreciation on the portion of his basis in the stock to the extent that the deduction represents a business deduction and is properly allocable to his proprietary lease or right of tenancy.

(9) PERSONS 65 OR OLDER SELLING PERSONAL RESIDENCES

An amendment made by the other body which was rejected under the conference action would have provided that gain realized from the sale or disposition of his personal residence by a taxpayer aged 65 or over would be excluded from gross income provided the taxpayer or his spouse used such residence for 5 years before such sale or exchange. However, the amount so excluded would not be permitted to exceed that portion of the gain corresponding to the ratio of $30,000 to the sales price.

(10) CONTRIBUTIONS TO JUDICIAL REFORM ORGANIZATIONS

Mr. Speaker, one of the amendments which was accepted provides deduction for gifts made after December 31, 1961, to nonprofit organizations created and operated exclusively to advance State and local judicial reform proposals which are the subject of referendums in 1962, as charitable contributions. No part of the net earnings of the organization may inure to the benefit of any private individual nor may the organization participate in any political campaign in behalf of or in opposition to any candidate for public office. An identical bill on this subject by our colleague, the gentleman from Illinois [Mr. YATES] was recently passed by the House.

(11) SOCIAL SECURITY AMENDMENT

Under the conference agreement, an amendment to the Social Security Act was deleted. This amendment would have permitted the States to accept as presumptively correct any written statement as to financial status made by an applicant for medical assistance for the aged under the Kerr-Mills Act.

(12) FOREIGN SUBSIDIARIES MANUFACTURING PRODUCTS ABROAD FOR SALE IN THE UNITED STATES

The other body added a provision to the House bill which would have taxed as U.S. source income the income realized by a 10 percent U.S.-owned foreign corporation from the sale for use, consumption, or disposition in the United States of competitive articles mined, processed, or manufactured abroad. This treatment would apply if 10 percent or more of the gross income of such foreign corporation was derived from such sales. Under the conference agreement, this amendment was eliminated from the bill.

(13) EFFECTIVE DATE OF AMENDMENT TO SECTION 1374 (b)

Your conferees accepted a provision changing the effective date of a 1959 amendment to subchapter S of the Internal Revenue Code. This 1959 amendment permitted shareholders in such corporations who died before the end of the corporation's taxable year to deduct their share of any net operating loss sustained by the corporation. The amendment changes the effective date of the 1959 provision from September 23, 1959, to September 2, 1958.

TREATIES

Mr. Speaker, the House bill provided, in effect, that the provisions of the bill were to have precedence over any conflicting treaty obligation. The bill approved by the other body provided that the bill's provisions were not to take precedence over conflicting treaty obligations. Under the conference agreement, the provisions of the House bill would be retained.

Estimated full-year revenue effect of H.R. 10650,[1] as passed by the House of Representatives, as amended by the Senate Committee on Finance, as amended by the Senate and as agreed to by the conferees

[Millions of dollars]

	As passed by the House of Representatives	As amended by the Committee on Finance	As amended by the Senate	As agreed to by conference
Investment tax credit	−1,395	−1,340	−1,340	−1,340
Withholding on dividends and interest	+550			
Reporting of dividend and interest payments		+275	+275	+275
Mutual banks, and savings and loan associations	[2] +170	[2] +180	[2] +180	[2] +170
Entertainment, etc., expenses	+125	+85	+85	+100
Capital gains on depreciable property	+110	+105	+105	+105
Mutual fire and casualty companies	[3] +25	[3] +25	[3] +25	[3] +25
Cooperatives	+30	+30	+30	+30
Foreign items:				
Controlled foreign corporations	+50	+50	+50	+50
Grossup of dividends	+25	+15	+15	+15
All other foreign items	+25	+25	+25	+25
Products of foreign subsidiaries sold in United States			+50	
Secs. 21–26		−5	−5	−5
Secs. 27, 28, 30, and 33			[4] —	[4] —
Secs. 29 and 31			−30	
Total	−285	−555	−535	−550

[1] At levels of income and investment estimated for the calendar year 1962, without taking into account effect of provisions on the economy; estimates are rounded to nearest $5,000,000.

[2] The level of income for these thrift institutions in 1962 has been revised upward since the preparation of the revenue estimates for the House bill.

[3] Revenue gain which would result if this provision were in effect for 1962 and had been in effect for the 5 preceding years, so that amounts added to the protection against loss account in the 1st year and not offset by losses would be brought into taxable income in 1962.

[4] Less than $2,500,000.

Source: Staff of the Joint Committee on Internal Revenue Taxation.

Estimated revenue effect of H.R. 10650 for the fiscal year 1963,[1] as passed by the House of Representatives, as amended by the Senate Committee on Finance, as amended by the Senate, and as agreed to by the conferees

[Millions of dollars]

	As passed by the House of Representatives	As amended by the Committee on Finance	As amended by the Senate	As agreed to by conference
Investment tax credit	−1,340	−650	−650	−1,265
Withholding on dividends and interest	+170			
Reporting of dividend and interest payments		0	0	0
Mutual banks and savings and loan associations	+10	+10	+10	+10
Entertainment, etc., expenses	+60	[2] +	[2] +	[2] +
Capital gains on depreciable property	0	0	0	0
Mutual fire and casualty companies	0	0	0	0
Cooperatives	0	0	0	0
Foreign items:				
Controlled foreign corporations	0	0	0	0
Grossup of dividends	0	0	0	0
All other foreign items	+10	+10	+10	+10
Products of foreign subsidiaries sold in the United States			0	
Secs. 21–26		[2] —	[2] —	[2] —
Secs. 27, 28, 30, and 33			[2] —	[2] —
Secs. 29 and 31			[2] —	
Total	−1,090	−630	−630	−1,245

[1] Estimates are rounded to nearest $5,000,000.

[2] Less than $2,500,000.

Source: Staff of the Joint Committee on Internal Revenue Taxation.

Estimated full-year revenue effect of H.R. 10650

[In millions of dollars]

	Gross effect [1]			Net effect [2]		
	House	Senate	Conference	House	Senate	Conference
Investment tax credit [3]	−1,105	−1,020	−1,020	−555	−580	−580
Capital gains on depreciable property	+100	+100	+100	+50	+50	+50
Withholding on dividends and interest	+780	[4] +240	[4] +240	+520	[4] +155	[4] +155
Expense accounts	+125	+60	+100	+80	+40	+65
Mutual savings banks and savings and loan associations	+200	+205	+200	+135	+140	+135
Mutual fire and casualty companies	+40	+35	+40	+25	+20	+25
Cooperatives	+35	+35	+35	+25	+25	+25
Foreign items:						
Controlled foreign corporations	+85	+85	+85	+85	+85	+85
Grossup of dividends	+35	+25	+25	+35	+25	+25
All other foreign items	+30	[5] +30	+30	+30	[5] +30	+30
Miscellaneous provisions		−35	−5		−25	−5
Total	+325	−240	−170	+430	−35	+10

[1] Without taking into account the effect on the economy of the provisions.

[2] After taking into account the estimated effect on the economy of the provisions.

[3] At levels of income and investment estimated for 1962. In estimating the net revenue cost of the investment credit, its favorable effects on the level of investment were computed from statistical relationships in the past years between investment and gradual changes in the cost of capital goods (profitability) and cash flow. This procedure thus does not take into account the especially favorable impact on businessmen's decisions to invest of the sudden major improvements in these factors resulting from the enactment of the credit. Taking this into account should produce more favorable effects than those shown in the table.

[4] Estimated gain from increased compliance because of reporting requirements.

[5] Because of difficulty of interpretation, no estimate has been made of amendment taxing income derived from imports of goods manufactured abroad by foreign subsidiaries.

Source: Office of the Secretary of the Treasury, Office of Tax Analysis, Sept. 27, 1962.

Estimated revenue effect of H.R. 10650, fiscal year 1963

[In millions of dollars]

	Gross effect [1]			Net effect [2]		
	House	Senate	Conference	House	Senate	Conference
Investment tax credit [3]	−1,040	−520	−985	−525	−235	−530
Capital gains on depreciable property						
Withholding on dividends and interest	+245			+235		
Expense accounts	+65	+5	+5	+40	+5	+5
Mutual savings banks and savings and loan associations	+5	+5	+5	+5	+5	+5
Mutual fire and casualty companies						
Cooperatives						
Foreign items:						
Controlled foreign corporations						
Grossup of dividends						
All other foreign items	+5	+5	+5	+5	+5	+5
Miscellaneous provisions						
Total	−720	−505	−970	−240	−220	−515

[1] Without taking into account the effect on the economy of the provisions.

[2] After taking into account the estimated effect on the economy of the provisions.

[3] At levels of income and investment estimated for 1962. In estimating the net revenue cost of the investment credit, its favorable effects on the level of investment were computed from statistical relationships in the past years between investment and gradual changes in the cost of capital goods (profitability) and cash flow. This procedure thus does not take into account the especially favorable impact on businessmen's decisions to invest of the sudden major improvements in these factors resulting from the enactment of the credit. Taking this into account should produce more favorable effects than those shown in the table.

Source: Office of the Secretary of the Treasury, Office of Tax Analysis, Sept. 26, 1962

Mr. MILLS. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter and tables.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. MILLS. Mr. Speaker, I yield 20 minutes to the gentleman from Wisconsin [Mr. BYRNES].

Mr. BYRNES of Wisconsin. Mr. Speaker, I would like to bring your attention back to March 29 when this bill was before the House of Representatives. At that time I opposed this bill. I offered a motion to recommit with instructions to make certain changes in it. One hundred and ninety Members of the House of Representatives at that time voted that those changes should be made. Then on the vote on final passage I joined with 196 Members of this House to oppose the bill.

I appear here today, however, in view of the changes that have been made, in support of this legislation.

My objections to H.R. 10650 as it passed the House were directed primarily to three parts of the bill:

First. The withholding on interest and dividends;

Second. The windfall provision—the so-called investment credit—for expenditures made for the acquisition of machinery, equipment, livestock, or any other movable property used in a trade or business;

Third. The foreign income provisions—seeking to build a Berlin wall in the tax laws to prevent American business from going abroad.

I am very happy to report to the House—and particularly to those Members who voted for the motion to recommit and against the bill—that these provisions have been either completely deleted—or have been amended so as to reflect more nearly the minority views in the House.

I would like to refresh your memory on another point. When this bill was before the House on March 27 the President saw fit to have a press conference at which he took note of the position of the Republican minority and charged us with an obstructionist effort to kill the bill. My colleagues on the other side of the aisle took the floor and charged that the amendments offered by the Republican minority were designed to gut the bill.

When I took the floor of the House on March 29 I suggested that he get his facts straight, that we were not attempting to gut the bill, we were attempting to improve it. There were some 21 sections of the bill. Eighteen of them had our general approval on the minority side. But there were three sections to which we objected. We were trying to improve the bill.

Mr. Speaker, we now have a bill with one of these sections eliminated, and the other two vastly improved. Did this gut the bill? I would like to read you the concluding paragraph of a letter which Mr. Stanley S. Surrey, Assistant Secretary of the Treasury, addressed to the New York Times, on September 12, 1962. Mr. Surrey, talking about the Senate bill which contained these changes, said:

> As a longtime tax lawyer with years of experience both in and out of government, I believe the present tax bill makes advances in more broad areas of income taxation than any tax legislation since 1942.

In quoting Mr. Surrey I do not mean to infer agreement with all he says. I just point out, Mr. Speaker, that we were not trying to gut the bill, we were trying to improve it, and I am here now to support the bill, because the changes we asked for but which were refused by this body were adopted in the Senate and were finally agreed to in conference.

This bill, which the administration describes as the most advanced in broad areas of income taxation than any tax legislation since 1942, embodies the same proposals which, when advanced by the Republicans in this House, were greeted with the claim that we were gutting the tax bill.

Had these provisions been adopted in the committee or on the House floor, we would not be here discussing this because it would have been law months before now due to the fact the controversy would have been eliminated, and we would have had a sound bill, in my judgment.

Let me say just a few things about certain of the provisions that are left, and I would like to address myself for a moment particularly to the withholding provision.

I know that most Members—regardless of party—were relieved to learn that the section in the House bill—which provided for withholding on dividends and interest—was completely deleted.

There was substituted a provision requiring dividend and interest paying companies to report the amount of dividends paid both to the Treasury Department and to the payee. This was a suggestion made by Republicans on the committee.

With the new automatic record-processing equipment, which the Internal Revenue Service is installing, it will soon be possible for the Service automatically to check the returns of taxpayers against these reports.

Most important, the paying agent will be required to furnish each taxpayer annually with a report of the amount of dividends and interest paid to that taxpayer. When he gets ready to file his return, the taxpayer will have a record of the amounts paid to him throughout the year. This should eliminate the loss of revenue resulting from forgetfulness on the part of taxpayers.

We are giving the Treasury Department the tools which are needed to collect any taxes due on interest and dividends.

I would caution only that I think the temptation will be great for those diehard exponents of an across-the-board withholding in the Treasury to sit on their hands in the next few years, and then claim that the returns are not resulting in adequate compliance. We must make every effort to see that the Internal Revenue Service makes use of these tools which we have given them; otherwise you can be sure they will be back here in a year or two telling us there is some fantastic amount of income escaping taxation which cannot be discovered and collected without an arbitrary across-the-board system of withholding. So much for withholding.

As passed by the House, upon the insistence of the administration, investment credit was the greatest loophole of all time. I repeat again, briefly, how that worked:

The taxpayer might purchase a new machine costing $1,000. The taxpayer would receive a tax credit of $70. In other words, he would get back $70 from the Government in the form of a credit or reduction of his tax liability, merely because he purchased the machine. The taxpayer, however, would set up the machine on his books at a cost of $1,000. He would then deduct that amount over the life of the property in the form of depreciation. Thus, the taxpayer was getting a deduction for $70 of the cost of the machine for which he had already been reimbursed by the Government in the form of the investment tax credit.

Mr. Speaker, the amendment which was adopted in the Senate is the same as an amendment which I proposed in the committee. The taxpayer is now required to reduce the cost of the machine for depreciation purposes by the amount of the subsidy or the investment credit. For example, if the taxpayer under the bill as is before us now received an investment credit of $70 on the purchase of a $1,000 machine, the taxpayer can only deduct $930 of the cost of the machine for depreciation purposes over the life of the property. With this Senate amendment, the investment credit is only half as bad as it was in the House bill. The taxpayer still gets a subsidy, but does not get it tax free. He cannot have the subsidy and depreciate the amount at the same time.

I am not suggesting that the investment credit is now good tax law. I am not doing that. I am only saying they have eliminated a great share of the windfall and the loophole and the bonanza. I still believe we should have approached this question through a change in depreciation.

This change in the investment credit was bitterly fought by the Kennedy administration. It is not significant in its immediate revenue effect, but it has a very significant long-term effect. Over the next 10 years this amendment results in savings in the Federal revenues aggregating some $5 billion.

At this point I ask permission to insert in my remarks a schedule prepared by the staff of the Joint Committee on Internal Revenue Taxation showing the difference between the investment credit as provided for in the House bill and the investment credit as amended by the Senate and accepted by your conferees.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The schedule referred to follows:

Estimated revenue loss under investment tax credit provision of H.R. 10650 as agreed to by the conferees and without Senate amendment 19, which reduces depreciation base by amount of tax credit, 1962–72, assuming an annual increase of 5 percent in investment in eligible assets [1]

[In millions]

Calendar year	Revenue loss attributable to investment tax credit on eligible assets acquired or constructed in calendar year [2]		
	Under provision as agreed to by the conferees (including Senate amendment 19)	Decrease in revenue loss ascribable to Senate amendment 19	Under provision without Senate amendment 19
1962	$1,320	$50	$1,370
1963	1,350	140	1,490
1964	1,385	230	1,615
1965	1,400	310	1,710
1966	1,390	390	1,780
1967	1,435	465	1,900
1968	1,470	535	2,005
1969	1,505	605	2,110
1970	1,545	670	2,215
1971	1,575	730	2,305
1972	1,630	790	2,420
1962–66	6,845	1,120	7,965
1962–72	16,005	4,915	20,920

[1] This is the rate of increase assumed by the Secretary of the Treasury before Senate Committee on Finance on Apr. 2, 1962.

[2] Except that carryforwards are allocated to years to which they are carried; tax effects of reduced depreciation base are allocated to years in which depreciation is taken on the relevant assets, that is, assets acquired in the designated year and in designated years preceding that year; and tax effects of deductions for unused investment credit are allocated to years in which the deductions are taken. Carrybacks are allocated to years from which they are carried. Estimates are rounded to nearest $5,000,000.

Source: Staff of the Joint Committee on Internal Revenue Taxation, Sept. 27, 1962.

Mr. **BYRNES** of Wisconsin. Mr. Speaker, I am still opposed to the investment credit. I do not think that it makes any sense. This form of so-called tax incentive will result in an immediate revenue loss of $1.3 billion. It has been rammed down the throat of the business community—notwithstanding that business would prefer that any incentive for investment in machinery and equipment take the form of accelerated depreciation. If we are going to provide for a tax incentive of $1.3 billion to business, we should give business what it needs and wants—not waste our tax revenues on some new gimmick.

In the House bill, the investment credit was applied to any property put into use after January 1, 1962. The Senate moved this date up to July 1, 1962, thereby cutting in half the revenue loss. In conference, however, the Senate receded.

Faced with a deficit of at least $5 billion for fiscal 1963, I do not find any justification for providing a retroactive investment credit at a revenue loss of some $1.3 billion. There can be no justification for giving a taxpayer an incentive to do something which he has already done, and would have done in any event. By making the investment credit retroactive to January 1, 1962, that is what this bill will do.

I would have preferred to make the provision prospective, and if the provision had been made effective as of October 1, 1962, for instance, the date on which we are passing this bill, the revenue loss for fiscal 1963 would have been reduced by about $1 billion and we would have had practically a balanced revenue bill today.

Mr. Speaker, I think it is most unfortunate that we did not bring out a balanced bill, when it was so easy to do so, simply by changing the effective date of this provision. But I must say to the Members of the House as one of the House conferees and charged with trying to hold the House position, when the motion was made on our side that we recede and hold to the January 1 date, there was no parliamentary device whereby that could even be insisted upon.

Mr. Speaker, just a word about the taxation of income earned abroad by foreign corporations in which there is an American ownership. I concur in the provisions of the conference report as I concurred in the provisions of the House bill which sought to tax the income of American-owned "paper" companies, those set up in tax-haven countries for the sole purpose of avoiding U.S. income taxes on transactions which would otherwise have been taxable in the United States. But, as I pointed out in March 29 when this bill was before the House, the House bill did not stop at that point.

As originally passed by this House, H.R. 10650 attempted to tax to the American shareholder the income of all foreign corporations—whether tax haven or otherwise—in which the American shareholder might be said to have had a substantial interest. It would no longer have been possible for an American-owned company in Germany to compete in the same markets with another German corporation, the stock of which was owned by other than American nationals. This is what I objected to in the House bill.

Where the House used a shotgun to get at the problem involved here the Senate, to their credit, used a rifle. The foreign income provisions of this bill as rewritten by the Senate, and as it comes to us from the conference, are immeasurably better than the bill passed by the House. For the most part the bill no longer will seriously impede the ability of an American-owned business located abroad to meet its foreign competition.

The final version of this bill is still incompatible with the stated policy of the administration—to encourage private investment in the less developed countries. The bill provides for the deferral of U.S. tax on certain types of income earned abroad which is reinvested in a less developed country. However, the only income to which the exception applies is that which was derived from the same or another less developed country.

As I interpret this restriction, the administration is saying that if a foreign subsidiary of an American corporation has earnings in Brazil, it can invest those earnings in Latin America without the equivalent of first repatriating the earnings and paying the full U.S. income tax. However, it cannot do this if the earnings come from Western Europe.

The likelihood of generating reinvestment funds in the less developed countries is exceedingly remote. There will be none. What is going to happen? The answer should be obvious.

The U.S. corporation is not going to subject the earnings of its German manufacturing subsidiary to the full U.S. income tax for the privilege of reinvesting those earnings in a less developed country. It will reinvest the earnings in Germany or in the Common Market. This it can do without any U.S. tax.

The House bill, bad as it was, did permit greater latitude for reinvestment in less developed countries than the Senate bill or the conference report that is before you. In the conference I tried to insist on the House provision which would have permitted the international trading or export corporation to reinvest its earnings in a less developed country regardless of the source of such earnings.

In my opinion, regardless of statements to the contrary, the administration is not really seeking to encourage private investment in the less developed countries. The administration's basic philosophy is that the public sector—the Federal Government—should take over the initiative and control of the investment of American funds both at home and abroad. The administration really does not have sufficient confidence in American business to let it operate under the free enterprise system. That is what is lacking in this administration.

Mr. Speaker, let me say in conclusion that when considered in the light of the changes which the other body saw fit to adopt and your conference is bringing to you, when we weigh it all in the balance, I think that we have some features of this bill that are sound and good and, over all we have a balanced bill. That is not to say that I agree with all parts of it. Even though the bill will result, frankly, in a $1.3 billion loss for fiscal 1963—and that is the part I object to mostly as far as this conference report is concerned—there are other provisions of the bill which will ultimately yield about $790 million to $1 billion additional revenue each year. It is that aspect that from the fiscal standpoint brings me to the conclusion that revenuewise and equitywise the country is generally better with this bill than without it, in spite of the $1.3 billion loss in the fiscal year 1963.

We do pick up, I emphasize again, somewhere between $700 million and $1 billion a year when the other sections of the bill other than the investment credit go into operation, which is what happens in January 1963.

On the whole, therefore, I come to the conclusion that we should support the bill.

I am hopeful that the experience of the administration in presenting this legislation will serve as a lesson for next year.

The responsibility for tax legislation rests with the Ways and Means Committee—not downtown. I am always prepared to listen to the representatives from the Treasury Department. However, neither I, nor any other member of the Ways and Means Committee, should be asked to accept without question a dictatorial tax policy conceived outside of the Congress and without any regard to its practical effect upon the economy.

If the administration comes up here next year with the same attitude that was exhibited with respect to this bill, it will be impossible to evolve a sound program of tax reform.

Mr. MILLS. Mr. Speaker, I yield 2 minutes to the gentleman from Tennessee [Mr. Baker].

Mr. BAKER. Mr. Speaker, as one of the managers on the part of the House, I urge your support of the conference report on H.R. 10650. I do so with some misgivings, because after we have struggled for more than 18 months, we bring forth a tax bill without facing up to the real problem; that is, the existing high and confiscatory rate structure. We should attack that problem first.

I have long urged the need for rate reform. The gentleman from Florida [Mr. Herlong] and I have identical bills pending. As introduced early in this Congress our bills, H.R. 2030 and H.R. 2031, covered both rate reform as well as depreciation. When the great demand for tax reduction was at its height over the Nation, we introduced identical bills, H.R. 12632 and H.R. 12633, dealing solely with rate reform, and rate reduction, all tied to a balanced budget after the first year.

Over a 5-year period, the first bracket individual rate would be reduced from 20 to 15 percent; the $4,000 to $6,000 taxable income bracket from 26 percent to 17 percent, and corresponding reductions in all brackets bringing the top rates, both individual and corporate, down to 42 percent. Nearly 60 percent of the reduction would fall in taxable income brackets below $6,000.

It was estimated that this rate reduction would result in a loss of revenue of about $1 billion for fiscal 1963. After fiscal 1963, the full year effect of the 1964 reductions would be about $3.7 billion—$2.7 billion to individuals and $1 billion to corporations, with the express power in the President to defer any annual reduction which would result in unbalancing the budget.

I urge that the approach and rationale of the Herlong-Baker bills be adopted and enacted in the 88th Congress.

H.R. 10650 accomplishes many desirable objectives.

Withholding on interest and dividends was stricken in conference, and a fair and sensible method of reporting of dividends and interest in excess of $10 both to the Treasury Department and to the recipient was adopted.

This bill closes many loopholes and tax evasion devices in the field of tax-haven corporations and expense accounts.

We have provided new rules for the taxation of mutual banks and savings and loan associations, for the taxation of mutul fire and casulty insurance companies and for the taxation of cooperatives, all in the interest of fairness and equity to all taxpayers.

The bill as agreed to in conference provides a more rational basis for taxing to the U.S. shareholders the income earned abroad by foreign corporations.

There is a great deal more to be done in the field of tax reform and tax revision. I believe that H.R. 10650 will stimulate business activity, and I urge the adoption of the conference report.

Mr. MILLS. Mr. Speaker, I ask that all Members desiring to do so may have 5 legislative days to extend their remarks at this point in the Record on the conference report.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. ALGER. Mr. Speaker, while there is still much to be desired in this bill it has been greatly improved over the way it was passed by the House and comes nearer to the position I supported when we debated this legislation in this body. The withholding tax on interest and dividends, to which I was opposed, has been eliminated. Investment credit has been cut from a total of 107 to 100 percent and, while my own feeling is that realistic depreciation reform is better, this is a decided improvement. The provisions affecting foreign investment have also been greatly improved. While I would have preferred that the investment credit would become effective on enactment of the measure instead of being made retroactive to January 1, 1962, so that the deficit of this bill would be cut in half, I believe we have taken a decidedly improved position.

I think it is only right to point out that the loss of revenue through the enactment of this bill will amount to $1.25 billion in fiscal 1963 and $550 million in fiscal 1964 and thereafter. I deplore the loss of revenue to the Government which cannot help but contribute to further deficits. I am for a balanced budget as the only responsible approach to fiscal policy, but I firmly believe that tax cuts are needed to stimulate business and when tax inequities are found, that is the time to correct them. This is the position I took last year when the Korean war excise taxes were up for renewal. For the first time in 7 years I voted for a tax cut before cutting spending because I stated then, and I state now, I am not picking up the tab any further for the big spenders, wherever they may be or whoever they may be politically. In this my voting record is consistent—I am for reduced spending and on that basis for reduced taxes. Therefore, while not entirely satisfied, I support the conference report on the tax bill.

Mr. BETTS. Mr. Speaker, I support the adoption of the conference report on H.R. 10650. My action in this regard should not be construed as wholehearted approval of all the provisions of this battered and bruised legislation, but instead indicates my conclusion that the bill on balance as it emerged from conference makes some modest contribution to the improvement of our Federal tax structure.

The Senate in acting on H.R. 10650 corrected or ameliorated many of the shortcomings and objectionable features of the House-passed version of the Treasury Department's tax recommendations. Examples of improvements made by the Senate include the following:

The investment credit was improved by providing a 3-year carryback of any investment credit which could not be used in the current taxable year. I might say, Mr. Speaker, that the investment credit as approved by the Congress is a total departure from the unwise, unworkable, and unfair investment credit proposal originally urged by the administration. As the investment credit emerges from the conference committee, it essentially becomes the equivalent of a first year writeoff of a portion of the costs of acquisition of a capital asset. It in effect becomes liberalized depreciation and this is what the Republican membership of the House Committee on Ways and Means originally urged at the time the Treasury Department proposal provoked such controversy.

Mr. Speaker, another improvement in the conference approved bill is the deletion of withholding on dividends and interest. As was stated in the Senate committee report the provision of the House-passed bill for withholding on dividends and interest was neither simple in operation nor free of substantial hardship for broad groups of taxpayers. The report went on to say the proposal represents a heavy administrative burden for the businesses which would have to perform the withholding and collection functions for the Government. It also appears that there are numerous tax avoidance possibilities in a system providing exemption certificates and intra-annual refunds. This accurate condemnation of the House withholding provision made it inescapable that the other body would act to delete this House provision. I regret that the Senate has seen fit to substitute for the withholding requirement a so-called compromise measure introducing added complexity in the area of tax administration. I think it fair to say that no Member of the Congress favors either tax loopholes or tax avoidances. There are, however, different approaches to solving existing problems. In the case of under reporting of interest and dividends, I think a major corrective stride can be accomplished through improved enforcement procedures possible under existing law and through the effective utilization of the new automatic data processing system in conjunction with the program for introducing taxpayer account numbers.

Mr. Speaker, improvement is also found in the bill as it emerged from conference over the House-passed version in regard to the complex, confused, and confiscatory provisions dealing with the taxation of income derived from abroad. In my judgment, the House version of H.R. 10650 established tax rules for the taxation of income arbitrarily attributed to U.S. taxpayers which would have substantially lessened the ability of American free enterprise to participate in an expanding level of international trade. While I find this fault to be also true of the bill as agreed to in conference, the extent of this hardship on the endeavors of American free enterprise in the world markets will be reduced.

For the most part, I frankly do not find a good legal or economic basis of justification for the tax changes which are to be made under the conference agreement in the foreign income area. The tax haven abuse situation which cries for correction could have been dealt with on the basis of less sweeping change imposing less stringent conditions.

As it is, the conference version of the foreign income provisions in H.R. 10650 will impose greater tax burdens and infinitely greater tax complexity on the American entrepreneur engaged in international trade and commerce.

This will be occurring at the very time our Nation is ostensibly urging private enterprise to assist in the development of the underdeveloped countries and at the very time our Nation is about to assume leadership in urging the reduction of trade and tariff barriers among the nations of the free world. Mr. Speaker, the conference report fails to deal adequately with our real needs in the way in which our American tax laws apply to oversea income but the measure again represents a substantial improvement over the House-passed bill.

In closing, Mr. Speaker, let me make it clear that I do not mean to sound critical of my able and diligent colleagues who serve with me on the Committee on Ways and Means nor my colleagues who serve with distinction in the House of Representatives. The truth of the matter is that when the Treasury Department came forward with its controversial and complex proposals for amending our Federal tax structure, these proposals were described only in the most general terms and there were no drafts of statutory language available. We made repeated efforts to obtain drafts of such language from the Treasury to no avail. Thus, the committee had to develop a bill virtually from scratch and scratch we did. I urge my colleagues to support the adoption of the conference report.

Mr. SCHNEEBELI. Mr. Speaker, this bill is a substantial improvement over the bill first proposed by the President on April 20, 1961. It is much better than the bill as passed by this body earlier this year. As my colleagues preceding me have said, the bill as agreed to in conference conforms in most respects to the views of the Republican members of the Ways and Means Committee.

I would say that the Revenue Act of 1962 is in better form today than at any other time during the last 17 months. This is not to say that I have no reservations about the bill. I still do. Nevertheless, I will say that this is a much improved piece of legislation.

When I addressed this body on March 28 of this year, I expressed grave concern over what the administration was attempting to do in the withholding of interest and dividends sections of H.R. 10650. Since that time this unrealistic scheme has been removed entirely from the bill.

I know all my colleagues are relieved. I am certain that the vast majority of the electorate—who made their views known on this issue—will be equally gratified.

Since the beginning, I have maintained that the withholding of 20 percent of the income arising from interest and dividends was both unworkable and unsound.

The exemptions for those under age 18 and for those expecting to pay no tax, plus the quickie refund provisions, were nothing more than sweeteners designed to soft-pedal unpopular legislation. They did nothing to alleviate the obvious complications and complexities surrounding the procedure. At most, they merely added confusion to chaos.

When we stop to consider the massive overwithholding that would have occurred—the turmoil and paperwork between individuals and the Internal Revenue Service, with its resultant confusion—and the effect on tax-exempt institutions, we can see why it had to be eliminated from the bill.

My support of the Senate provision providing for the reporting on interest and dividends is not of recent origin. I supported this approach on the vote to recommit in order that the withholding feature of the bill be eliminated. This was back in March. I supported reporting as a proper remedy even before then.

This year the national processing center at Martinsburg, W. Va., will be fully in use. It will be using the latest in electronic-processing machinery known as automatic data processing. Also this year, the first of nine Internal Revenue district centers at Atlanta, Ga., will be equipped with automatic data processing. Next year Philadelphia will be fully implemented. By 1966, at the latest, all nine districts will have complete facilities for this project.

The reports received from financial institutions on interest and dividends of $10 or more a year per recipient will be fed into these machines. These reports can be matched against the numbered accounts of the various taxpayers concerned. Any taxpayer not reporting such income on his individual return can be quickly discovered.

At the same time, all this will not be going on behind the taxpayer's back. These same financial institutions will be required to send reports to the taxpayers to whom they have paid interest or dividends. The taxpayer will have the benefit of the identical information when making out his return, as the Internal Revenue Service will have when checking his account.

Both the taxpayers and financial institutions have expressed interest in this approach to a very serious problem. Both realize that millions of dollars in revenues are lost each year because some fail to report and pay the tax on this income. Those who do comply with the letter of the law are desirous of working toward a practical solution of this problem.

All parties concerned have a year to prepare for this reporting approach. It will become effective in 1964 on 1963 income. In that time everyone will have a chance to get his house in order. Hardship should be minimized because of the prospective features of the new system.

I sincerely hope that the Treasury Department and the Internal Revenue Service will make the proper use of the information to be gained from the reporting. I hope they will consider this legislation in the spirit in which it has been offered—not as a scheme designed to further avoid the payment of taxes on income from interest and dividends, but as a workable and practical method for correcting a widely recognized abuse of our tax laws. I hope they have a willingness to make this reporting system work, and will not immediately throw in the towel in disgust and again ask for withholding in this tax reform and reduction package that they are planning for next year—or even the year after, for that matter.

The elimination of withholding and the substitute of a reporting system is the will of the people and of this Congress.

Mr. Speaker, again let me say that this is a much-improved bill and, in conclusion, I urge its support.

Mr. VANIK. Mr. Speaker, I want to set forth my opposition to this conference report on the Revenue Act of 1962. This legislation will constitute a tax drain on the Treasury vastly disproportionate to any stimulation to the economy which it may bring about. The passage of this monstrous proposal, with its overwhelming advantages to the business community, will make it increasingly difficult to pass a fair and equitable and comprehensive tax revision act next year. At that time, the industrial and business sector will insist on added concessions as a condition of support for any large-scale tax revision legislation.

While the tax credit principle may serve as an accelerator toward boom, it also has a potential of serving as an accelerator toward recession. It cannot be expected to serve as a constant stimulus to growth in our economy. As an accelerator, it may serve as an impetus to higher investment spending in periods of higher profits in order to conserve tax liability, and correspondingly slow down investment in periods of recession and low profits when there will be less tax liability toward which to apply the credit.

As adopted in the conference report, the investment credit is made to apply on the first dollar of investment including such new investment as the taxpayer would undertake in the normal course of events. This serves to provide a taxpayer with a bonus for doing something he would do without the stimulant of tax credit. It would seem more prudent to reward a taxpayer for such new investment as he may make beyond that required in the normal course of business.

It seems unfair to extend this tax bonanza to industrial activity generated by defense procurement. The defense contract producers who are already the recipients of Government aid in the form of defense contracts, many of which are noncompetitive, will receive a special tax windfall thrcugh the tax credit.

Perhaps the most unjust feature of all in this law are the provisions which extend the benefits of tax credit to investment in procurement abroad. Thus the purchase of a generator abroad by an American concern for use in this country creates an entitlement for tax credit on taxes due the U.S. Treasury. This Treasury loss cannot help the domestic economy.

In my judgment the enactment of the tax credit provisions will provide a one-shot stimulus to the economy which will soon lose its effect. In computing the revenue loss to the Treasury, the long-range effect must be computed. The Joint Committee on Internal Revenue has estimated a $10 billion tax loss for the period 1962–66 and approximately $26 billion for the next 10-year period.

This legislation is utterly indefensible.

Mr. PHILBIN. Mr. Speaker, it is gratifying to note that the conference has measurably improved the tax bill.

When the bill was originally before the House, it was presented and considered under a closed rule, barring amendments. The motion to recommit was entirely inadequate, and did not make several necessary revisions that should have been proposed, and they have now been adopted to substantial degree in the other body and in the conference.

The withholding provisions would have occasioned much inconvenience and expense to many segments of the American people—honest taxpayers, businessmen, and many of our banking institutions.

It is generally agreed that due taxes should be collected by the Government, and that is a job for enforcement agencies which should not be saddled upon others.

The reporting provisions which have been adopted are somewhat onerous, but it will be possible for the persons and institutions concerned to live with them, and they can test them in the clear light of actual experience to see whether or not they are workable or that some other expedient will have to be adopted.

While the taxation of American foreign business stoll presents many difficulties, the conference report, as passed, has also improved that situation.

However, I want to make it clear that I do not believe this bill is, by any means, perfect nor is it a substitute for a major overhaul of our tax laws, streamlining of the current rates, elimination of some very onerous taxes and substantial reductions to lighten current burdens on the taxpayers and business which are, as I have stated so many times, seriously reducing our standards of living and stifling initiative and incentive, and thus handicapping our great free enterprise system.

It is my conviction that if our tax system is adequately and properly revised, it will not only be possible to lift many burdens from the backs of the people—workers, farmers, professional groups, managers, small business, and many others—but it will also make it possible more easily to secure substantial, additional tax revenue, but budgetary deficits, and put our Government on a sound, fiscal basis.

I will, therefore, support the conference report.

Mr. MILLS. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

NATIONAL FISHERIES CENTER AND AQUARIUM, DISTRICT OF COLUMBIA

Mr. O'NEILL. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 822 and ask for its immediate consideration.

The Clerk read as follows:

> *Resolved,* That immediately upon the adoption of this resolution the bill H.R. 8181, with the Senate amendments thereto, be, and the same hereby is, taken from the Speaker's table, to the end that the Senate amendments be, and the same are hereby, agreed to.

Mr. O'NEILL. Mr. Speaker, I yield myself 30 minutes.

Mr. Speaker, this is a resolution relating to the bill (H.R. 8181) to authorize the construction of a National Fisheries Center and Aquarium in the District of Columbia and to provide for its operation. This bill was introduced by the gentleman from Ohio [Mr. KIRWAN]. It passed the House the last day of the session last year by 75 votes.

It went to the Senate where it lingered for some time. The Senate passed the bill with an amendment cutting our original authorization from $20 million to $10 million. It came back with the motion that we concur with the Senate amendment. I hope we concur with the Senate amendment.

Mr. Speaker, I now yield to the gentleman from Kansas.

Mr. AVERY. Mr. Speaker, I yield 5 minutes to the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Speaker, with hope, if not a song in our hearts, we look forward today to an end to the 87th Congress—a Congress that has inched and limped its way through 9 weary months serving well the T. & T. Club. And what more fitting epitaph could be written on the tomb of this deceased than the procedure here today by which the House approves a $10 million platinum-lined fish bowl.

It is not to be built on the Mississippi, the Maumee, the Katahoochee, or the banks of the Wabash far away. Although the bill hints that individuals of any nation will be encouraged to use it, there is no evidence that Foggy Bottom, watering place of the promoters of an independent, interdependent one world, is even being considered.

There was some talk that members of the finny tribe might be offered the opportunity to share the swimming pool in the $100 million new New House Office Building but this is understood to have been given the thumbs-down treatment and for two reasons: First, the shark and barracuda might find something edible about their swimming companions; and second, tourists, paying out their hard-earned cash for admissions which this bill provides, might get a different and startling perspective of House Members when attired in abbreviated bathing apparel.

Although the bill is silent on the subject, the best guess is that this gilt-edged fish bowl will be located on the banks of the Potomac where the flotsam and jetsam goes drifting by when the tide is running. And on a quiet summer night, when the tide is in, one sniff of the air is all that is needed to inform one and all that the Potomac is close by. Here then is our setting for this $10 million dream attraction that is to bring paying tourists from every nook and crevice of the world, and way points between.

I labor under no illusions about the passage of this bill. The author, the genial gentleman from Ohio [Mr. KIRWAN] is persuasive. He would not be the veteran Member of Congress that he is, neither would he be the chairman of the Democrat congressional campaign committee if that were not true.

As a member of the Appropriations Committee he knows there is nothing easier to spend than public money for it does not appear to belong to anybody. As a Member of Congress for many more years than the gentleman from Iowa, he needs no reminder of the barrenness of the Federal Treasury, of the debts that have been piled high on the generations yet to come.

Appearing before the Rules Committee yesterday, he is reported to have said in justification for his glorified fish tank that "families that fish together, stay together." I would like to tell the gentleman from Ohio that a fishing pole is standard equipment in my car; that it is my earnest hope there will come a year, any year, when the Democratic leadership, of which he is a part, will bring an end to a session of Congress before the rivers and streams freeze over in Iowa.

And I am sure the steelworkers of Ohio, where the mills have been operating at around 50 percent of capacity, will rush to spend their leisure hours in Washington watching fish cavort behind $10 million worth of glass, tile, and marble.

Incidentally, if this proposition were amendable I would attempt to salvage something out of it by prohibiting the use in its construction of European or Japanese steel that is undercutting American labor and industry by $50 or more per ton.

By the way, it is interesting to note that nothing like a $10 million fish bowl has ever before been attempted in this country. It is even more interesting to learn that in Massachusetts, the land of the cod, the Kennedy dynasty, and the feuding McCormacks and Kennedys, the aquarium has closed its doors for lack of patronage. In Boston, center of the great New England fishing industry, the fish bowl has gone where the woodbine twineth and the whangdoodle whangeth for lack of interest and funds.

Mr. Speaker, I submit that at this time of debt and deficit there are 10 million better ways to spend $10 million than on a glorified bathtub for fish. If nothing else, I submit that a small part of this huge amount might better be spent on the protection of human life and limb from the gangs of criminals in the Nation's Capital including protection of the visitors who now flock to this city.

Mr. Speaker, in view of the busted condition of the Federal Treasury this is a ludicrous proposal and I urge that the move to concur in the Senate amendments and pass the bill be defeated.

Mr. O'NEILL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the remarks of the gentleman from Iowa are most interesting. The best way to defeat a bill is to harpoon it with ridicule. However, I doubt very much that the gentleman has read the bill in its entirety.

Mr. GROSS. Mr. Speaker, will the gentleman yield? Would the gentleman like an answer to his question concerning the bill?

Mr. O'NEILL. The references the gentleman makes convinces me that he is not familiar with the bill.

The author of the bill, I am sure, knows more about this subject than any man who has served in this Congress, because for many years he has been chairman of the Appropriations Subcommittee on the Interior. No man in this Congress knows more about the services of the Department of the Interior with regard to this matter than he.

How far are we behind Russia, Norway, and Japan when we come to consider not aquariums but the scientific development of fish?

It is easy to say that this is a glorified fish bowl, to heap ridicule on it and try to defeat the bill, but the truth of the matter is it is much more than just an aquarium; it is a place where scientific study is going to be carried on. In this field we are so lacking, so far behind the other nations of the world that it is absolutely and utterly disgraceful.

The aquarium will be a self-liquidating project. The Department of the Interior has the authority to charge the appropriate admission to pay for the building and its upkeep. Besides its scientific value it will be a beautiful and interesting attraction which will add much to the enjoyment of the millions of Americans who visit their Nation's Capital annually.

At this time, Mr. Speaker, I yield such time as he may desire to the gentleman from Ohio [Mr. KIRWAN].

Mr. KIRWAN. Mr. Speaker, the bill H.R. 8181 came to the floor of this House last year and passed with an estimated cost of $20 million, not $10 million as now provided for, by a majority of 73 votes on a rollcall. In the Senate it passed by over a 2 to 1 majority. So a large majority in each instance, including Members on both sides of the aisle, have felt that expenditures for this project were justified.

There are over 20 million people who buy fishing licenses each year in the United States. They pay over $52 million in fees. They also pay about $6 million in excise taxes on fishing equipment. I think we can afford to spend the equivalent of 50 cents for each of these 20 million fishermen to build the best fisheries center in the world.

It is estimated by the Department of the Interior that the fishermen spend each year, $3 billion. Now, they are entitled to a $10 million investment by their Government.

The bill provides that the cost of construction will be paid for within 30 years by user fees. In addition, the annual operation and maintenance costs will be paid from user fees. It is estimated that with our adequate, attractive facility, there will be over 3 million visitors each year. And, I believe, visitations will be even greater with the rapidly expanding population in this area and the constant increase in visitors to Washington.

Most important is the fact that this center will include badly needed research facilities.

The present laboratories of the Fish and Wildlife Service are very inadequate and we must foster the conduct of fishery research if we are to help the fishing industry which is laboring under serious handicaps. We must improve our methods and equipment if our industry is going to survive foreign competition.

They tell you that today Russia fishes right off our shores with large, modern equipment.

We want to invest $10 million in a great asset. If you go to any part of the world, one of the show places usually is the aquarium. Where is ours? Down in the basement of the Commerce Building—a shame. All we are asking is $10 million for an industry that creates $3 billion worth of business a year.

Think of the motorboats, the fishing and camping equipment, and all the other items that are bought each year by this group of over 20 million fishermen. They spend billions in America and pay over $50 million in special taxes each year. Yet any time we undertake to spend something for them and on America, oh, then you hear the howls.

Mr. Speaker, I am only asking that the Members of the House here today support a bill which this House passed last year by a majority of 73, providing for an expenditure of $20 million. The Senate cut that amount by $10 million, and added some more amendments to the bill which in my opinion make it a very, very good bill.

Mr. AVERY. Mr. Speaker, will the gentleman yield?

Mr. KIRWAN. Yes, I yield to the gentleman from Kansas.

Mr. AVERY. I might say that the gentleman was equally persuasive in the Rules Committee yesterday morning as he is in the well of the House this afternoon. I have not examined the RECORD to find out how I voted—I think I voted against this bill—but the gentleman with his friendly persuasion has almost talked me into voting for it today.

Mr. Speaker, I was interested in the gentleman's statement that the fishermen of America contribute approximately $52 million annually through the purchase of fishing licenses. Was that the gentleman's statement?

Mr. KIRWAN. Yes. Over 20 million buy licenses and the fees come to $52 million, and I am suggesting we can afford to spend the equivalent of 50 cents for each of these sportsmen.

The Interior Department estimates that these sportsmen spend over $3 billion a year. It is a $3-billion-a-year industry. They pay considerable in special taxes and fees and I believe Federal expenditures that will benefit this group are fully justified.

Mr. AVERY. I believe one of the most important aspects of this project is the provision for research facilities and the benefits that should accrue to this group and the industry from the conduct of urgently needed fishery research.

Mr. BOLAND. Mr. Speaker, will the gentleman yield?

Mr. KIRWAN. Yes; I yield to the gentleman from Massachusetts.

Mr. BOLAND. Is it not a fact that this is a self-liquidating proposition?

Mr. KIRWAN. Yes.

Mr. BOLAND. And, this is going to be paid off in what period of time?

Mr. KIRWAN. In 30 years.

Mr. BOLAND. May I also emphasize that this is far more than an ordinary aquarium. It will be a fish research laboratory and holds tremendous promise for looking into and finding out the answers to the serious questions that plague the fishing industry in New England and throughout the Nation.

Mr. O'NEILL. Mr. Speaker, I move the previous question.

The previous question was ordered.

The **SPEAKER.** The question is on the resolution.

The question was taken, and the Speaker announced that the ayes had it.

Mr. GROSS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The **SPEAKER.** The Chair will count. [After counting.] One hundred and ninety-nine Members are present, not a quorum.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 244, nays 104, not voting 88, as follows:

[Roll No. 263]

YEAS—244

Abbitt
Abernethy
Addabbo
Albert
Alford
Andersen, Minn.
Andrews
Ashbrook
Ashley
Avery
Bailey
Baker
Baring
Bass, Tenn.
Beckworth
Bennett, Fla.
Betts
Blatnik
Boggs
Boland
Bonner
Bow
Brademas
Brewster
Brooks, Tex.
Broyhill
Buckley
Burke, Mass.
Burleson
Byrne, Pa.
Cahill
Cannon
Carey
Casey
Chelf
Chenoweth
Clark
Cohelan
Colmer
Cook
Cooley
Corbett
Corman
Cunningham
Daddario
Daniels
Davis, Tenn.
Dawson
Delaney
Dent
Denton
Dingell
Donohue
Dorn
Dowdy
Downing
Doyle
Dulski
Edmondson
Elliott
Ellsworth
Everett
Fallon
Farbstein
Fascell
Feighan
Fenton
Finnegan
Flood
Fogarty
Forrester
Friedel
Gallagher
Garmatz
Gary
Gavin
Giaimo
Gilbert
Glenn
Gonzalez
Granahan
Grant
Gray
Green, Pa.
Griffiths
Hagan, Ga.
Hagen, Calif.
Haley
Halleck
Halpern
Harding
Hardy
Harrison, Va.
Harsha
Hays
Healey
Hechler
Hemphill
Henderson
Herlong
Holifield
Holland
Horan
Huddleston
Ichord, Mo.
Inouye
Jarman
Jennings
Jensen
Johnson, Calif.
Johnson, Md.
Johnson, Wis.
Jones, Ala.
Karsten
Karth
Kastenmeier
Keith
Kelly
Keogh
Kilgore
King, Calif.
King, Utah
Kirwan
Kluczynski
Kornegay
Kowalski
Kyl
Landrum
Lane
Lankford
Lennon
Lesinski
Libonati
Lindsay
Loser
McCulloch
McFall
McMillan
Macdonald
Mack
Madden
Mahon
Marshall
Martin, Mass.
Mathias
Merrow
Miller, Clem
Milliken
Mills
Minshall
Moeller
Monagan
Montoya
Moorhead, Pa.
Morgan
Morris
Morrison
Morse
Mosher
Moss
Multer
Murphy
Murray
Natcher
Nedzi
Nix
Norrell
Nygaard
O'Brien, N.Y.
O'Hara, Ill.
O'Hara, Mich.
Olsen
O'Neill
Osmers
Ostertag
Passman
Patman
Perkins
Peterson
Pfost
Philbin
Pilcher
Pirnie
Poage
Powell
Price
Pucinski
Purcell
Randall
Reuss
Rhodes, Ariz.
Rhodes, Pa.
Rivers, Alaska
Rivers, S.C.
Roberts, Ala.
Roberts, Tex.
Rodino
Rogers, Colo.
Rogers, Fla.
Rooney
Roosevelt
Rosenthal
Roush
Rutherford
Ryan, Mich.
Ryan, N.Y.
St. Germain
Schenck
Schneebeli
Schwengel
Selden
Sikes
Sisk
Slack
Smith, Iowa
Spence
Staggers
Steed
Stephens
Stratton
Stubblefield
Sullivan
Taylor
Teague, Tex.
Thomas
Thompson, N.J.
Thompson, Tex.
Thornberry
Toll
Trimble
Tuck
Tupper
Udall, Morris K.
Vanik
Van Zandt
Walter
Weaver
Westland
Whitener
Whitten
Winstead
Wright
Young
Zablocki

NAYS—104

Adair
Alger
Anderson, Ill.
Ashmore
Auchincloss
Ayres
Baldwin
Barry
Bass, N.H.
Battin
Becker
Beermann
Bell
Bolton
Bray
Bromwell
Broomfield
Bruce
Byrnes, Wis.
Cederberg
Chamberlain
Chiperfield
Church
Clancy
Collier
Conte
Cramer
Curtis, Mass.
Curtis, Mo.
Dague
Davis, James C.
Derounian
Derwinski
Devine
Dole
Durno
Dwyer
Findley
Fino
Fisher
Flynt
Ford
Fountain
Frelinghuysen
Fulton
Gathings
Goodling
Green, Oreg.
Griffin
Gross
Gubser
Harrison, Wyo.
Harvey, Mich.
Hoeven
Hoffman, Ill.
Hosmer
Joelson
Johansen
Jonas
Jones, Mo.
Judd
King, N.Y.
Kitchin
Knox
Kunkel
Langen
Lipscomb
Mailliard
Mason
Matthews
May
Meader
Miller, N.Y.
Moore
Moulder
Nelsen
Norblad
Pelly
Pike
Pillion
Poff
Quie
Ray
Reece
Riehlman
Robison
Rostenkowski
Roudebush
St. George
Schweiker
Shriver
Smith, Calif.
Smith, Va.
Taber
Teague, Calif.
Thomson, Wis.
Waggonner
Wallhauser
Wharton
Widnall
Williams
Wilson, Calif.
Wilson, Ind.
Younger

NOT VOTING—88

Alexander
Anfuso
Arends
Aspinall
Barrett
Bates
Belcher
Bennett, Mich.
Berry
Blitch
Bolling
Boykin
Breeding
Brown
Burke, Ky.
Celler
Coad
Curtin
Davis, John W.
Diggs
Dominick
Dooley
Evins
Frazier
Garland
Goodell
Hall
Hansen
Harris
Harvey, Ind.
Hébert
Hiestand
Hoffman, Mich.
Hull
Kearns
Kee
Kilburn
Laird
Latta
McDonough
McDowell
McIntire
McSween
McVey
MacGregor
Magnuson
Martin, Nebr.
Michel
Miller, George P.
Moorehead, Ohio
O'Brien, Ill.
O'Konski
Rains
Reifel
Riley
Rogers, Tex.
Rousselot
Santangelo
Saund
Saylor
Schadeberg
Scherer
Scott
Scranton
Seely-Brown
Shelley
Sheppard
Shipley
Short
Sibal
Siler
Smith, Miss.
Springer
Stafford
Thompson, La.
Tollefson
Ullman
Utt
Van Pelt
Vinson
Watts
Weis
Whalley
Wickersham
Willis
Yates
Zelenko

So the resolution was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Hébert for, with Mr. Utt against.
Mr. Bates for, with Mr. Sibal against.
Mr. Anfuso for, with Mr. Reifel against.
Mr. Scranton for, with Mr. Hiestand against.
Mr. Kearns for, with Mr. Martin of Nebraska against.
Mr. Ullman for, with Mr. Belcher against.
Mr. Aspinall for, with Mr. Laird against.
Mr. Thompson of Louisiana for, with Mr. Siler against.
Mr. George P. Miller for, with Mr. MacGregor against.
Mr. Hull for, with Mr. Rousselot against.
Mr. O'Brien of Illinois for, with Mr. Kilburn against.
Mr. Dominick for, with Mr. Short against.
Mr. Shipley for, with Mr. Stafford against.
Mr. Tollefson for, with Mr. Schadeberg against.
Mr. Shelley for, with Mr. Brown against.
Mr. Sheppard for, with Mr. Hoffman of Michigan against.
Mr. Santangelo for, with Mr. Hall against.
Mr. John W. Davis for, with Mr. Berry against.
Mr. Celler for, with Mr. Michel against.
Mr. Zelenko for, with Mr. McVey against.
Mr. Magnuson for, with Mr. Van Pelt against.
Mr. Rains for, with Mr. Seely-Brown against.
Mr. Barrett for, with Mr. Glenn against.
Mr. Diggs for, with Mr. Scherer against.
Mr. Evins for, with Mr. McDonough against.

Until further notice:

Mr. Rogers of Texas with Mr. Curtin.
Mr. Frazier with Mrs. Weis.
Mr. Burke of Kentucky with Mr. Moorehead of Ohio.
Mr. Breeding with Mr. McIntire.
Mr. Watts with Mr. Harvey of Indiana.
Mr. Willis with Mr. Bennett of Michigan.
Mr. McDowell with Mr. Latta.
Mr. Alexander with Mr. Dooley.
Mr. Scott with Mr. Saylor.
Mrs. Kee with Mr. Garland.
Mrs. Riley with Mr. Springer.

Mrs. ST. GEORGE and Mr. GUBSER changed their vote from "yea" to "nay."

Mr. SLACK and Mr. GLENN changed their vote from "nay" to "yea."

The result of the vote was announced as above recorded.

The doors were opened.

A motion to reconsider was laid on the table.

TO PERMIT DOMESTIC BANKS TO PAY INTEREST ON TIME DEPOSITS OF FOREIGN GOVERNMENTS AT RATES DIFFERING FROM THOSE APPLICABLE TO DOMESTIC DEPOSITORS

Mr. SPENCE. Mr. Speaker. I ask unanimous consent to take from the Speaker's desk the bill (H.R. 12080) to permit domestic banks to pay interest on time deposits of foreign governments at rates differing from those applicable to domestic depositors, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 1, line 5, strike out "The" and insert: "During the period commencing on the effective date of this sentence and ending upon the expiration of three years after such date, the".

Page 2, line 3, strike out "The" and insert: "During the period commencing on the effective date of this sentence and ending upon the expiration of three years after such date, the".

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

COMMITTEE ON RULES

Mr. SMITH of Virginia. Mr. Speaker, I ask unanimous consent that the Committee on Rules have until midnight to file a privileged report.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

FORMULA FOR APPORTIONING ASSISTANCE FUNDS UNDER NATIONAL SCHOOL LUNCH ACT

Mr. POWELL submitted a conference report and statement on the bill (H.R. 11665) to revise the formula for apportioning cash assistance funds among the States under the National School Lunch Act, and for other purposes.

DEPARTMENT OF AGRICULTURE AND RELATED AGENCIES APPROPRIATIONS, 1963

Mr. WHITTEN submitted a conference report and statement for teh bill (H.R. 12648) making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1963, and for other purposes.

PROVIDING COMPENSATION FOR CERTAIN WORLD WAR II LOSSES

Mr. MACK submitted a conference report and statement on the bill (H.R. 7283) to amend the War Claims Act of 1948, as amended, to provide compensation for certain World War II losses.

TRADE EXPANSION ACT OF 1962

Mr. MILLS submitted a conference report and statement on the bill (H.R. 11970) to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes.

DISTRICT AQUARIUM AUTHORIZATION BILL

Mrs. GREEN of Oregon. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentlewoman from Oregon?

There was no objection.

Mrs. GREEN of Oregon. Mr. Speaker, an aquarium is a most enjoyable and instructive place to visit for grownups and children alike. I would like to have an aquarium constructed in the Nation's Capitol—once more pressing needs have been met. But, Mr. Speaker, I have recently visited homes of needy families in the District. I have seen hungry children, young brothers taking turns wearing the same set of clothing, and a 2-year-old boy with badly bowed legs due to rickets caused by malnutrition. I have seen the haunted look of despair and pleading in the faces of abandoned mothers who see their children in these conditions. In addition, the District public schools are overcrowded; with some children getting only half a day's instruction. The public institutions of our Federal City are overcrowded. There is work to be done among delinquent children and jobs to be created and found for the teenage school dropouts, whom James Conant, formerly president of Harvard University, has aptly described as social dynamite.

Let us put first things first. When we have enough money to restore the items deleted in the welfare programs; when we have enough money for desperately needed classrooms; when we have enough money for milk and hot lunch programs for thousands of hungry children; when we have enough money for clinics for youngsters who urgently need medical attention, then I will be delighted to join in spending the money for the aquarium and the fish.

Mention has been made on the floor of $57 million spent on the Columbia River for fish. My information is that this is money spent on the fisheries program over a period of years extending back to fiscal 1938. Commercial fishing is a prime industry of Oregon. Commercial landings carry a value of about $28 million a year. Some 3,000 licensed commercial fishermen "farm" the rivers and streams of Oregon, mainly the Columbia River, and the coastal waters. They do this incidentally without the benefit of the hundreds of millions of dollars paid out to land farmers for planting or not planting certain agricultural commodities. The Federal moneys expended since 1938 are largely to help maintain the propagation patterns and the cleanliness of the Columbia River which flows, I point out, through several States, not just Oregon, for hundreds of miles.

THE FRANKLIN DELANO ROOSEVELT MEMORIAL COMMISSION

Mr. O'NEILL. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 802 and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the joint resolution (H.J. Res. 712) to authorize and direct the Franklin Delano Roosevelt Memorial Commission to raise funds for the construction of a memorial. After general debate, which shall be confined to the joint resolution, and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on House Administration, the joint resolution shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the joint resolution for amendment, the Committee shall rise and report the joint resolution to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the joint resolution and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. O'NEILL. Mr. Speaker, I yield myself such time as I may consume; following which I yield 30 minutes to the gentlewoman from New York [Mrs. ST. GEORGE].

Mr. Speaker, this is an open rule providing for 2 hours of general debate. I know this is a very controversial matter. It is the Franklin Delano Roosevelt Memorial. In 1959 this Congress authorized a committee to go forth and to report to the Congress. They have reported to the Congress and recommended that a memorial be built in honor of our former great President.

I know that many of you who have seen a small likeness of this memorial over in the lobby or the rotunda of the New House Office Building feel the chagrin that I felt when I looked at it. I had the feeling that it does not bring out any of the greatness or the fame of a great President like President Roosevelt. It is my intention when we get into the Committee of the Whole to offer, at the appropriate time, an amendment. That amendment will read in part as follows:

> That pursuant to Public Law 372, Eighty-fourth Congress, the Franklin Delano Roosevelt Memorial Commission is hereby authorized and directed to consult with the Commission of Fine Arts to determine whether the winning design of Pedersen and Tilney, of New York, may be so changed or modified to secure the approval of the Commission of Fine Arts. If it is determined that such changes or modifications are not practical, the Commission is authorized and directed to select, with the advice and approval of the Commission of Fine Arts, such other design among those already submitted in the competition for the proposed memorial.

My amendment will also provide that they may consider a living memorial, such as a stadium, an educational institution, an information center, a memorial park, or any other suitable or worthy project.

I have talked to so many Members of Congress on both sides of the aisle who feel as I do that the memorial that this committee has reported back to the Congress is not worthy of the great President who served us only a short time ago.

Mr. Speaker, I shall speak further on this when we get into Committee of the Whole.

Mrs. ST. GEORGE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 802, as has already been explained, makes in order the consideration of House Joint Resolution 712, to authorize and direct the Franklin Delano Roosevelt Memorial Commission to raise funds for the construction of a memorial to the late President Franklin Delano Roosevelt.

Mr. Speaker, I appear here in rather an anomalous position, because I am not only taking charge of the rule for my side of the House, but I was and am a member of the Franklin Delano Roosevelt Commission. I did introduce a concurrent resolution.

Mr. Speaker, I would like to say first of all that no matter what happens to this resolution or to this bill, there is no question that everyone favors a memorial to the late President Franklin Delano Roosevelt. I would also like to explain for the benefit of the House, if they do not already know it, that this Commission was most careful and most diligent in its work.

Whether or not the result is satisfactory to the House is entirely another matter. But I feel that our Chairman, Mr. Francis Biddle, who worked hard and long on this matter, gave it a great deal of time and took great pains over it, and the other members of the Commission, too, are entitled to some consideration.

I would also like to point out, Mr. Speaker, that we handed this whole matter and this decision over to the very best brains that we could get, architecturally, in this country. There was a competition, there were prizes offered, and these prizes were by no means inconsiderable.

I would like to read to you something from the report which will give a picture of how these prizes were given and determined and by whom, because this Commission did not make that determination.

The members of the jury were as follows: Pietro Belluschi, FAIA, dean of the School of Architecture and Planning, Massachusetts Institute of Technology, chairman. Thomas D. Church, landscape architect, San Francisco. Bartlett Hayes, Jr., director of the Addison Gallery of American Art, Phillips Academy. Joseph Hudnut, professor of architecture emeritus, Harvard University. Paul Marvin Rudolph, AIA, chairman of the Department of Architecture, Yale University.

These people are all tops in their field. The Commission considered itself most fortunate in obtaining their advice and their ruling.

The six prize winners in the first stage were:

Abraham W. Geller, architect, of New York City. Tasso Katselas, architect, of Pittsburgh. Rolf Myller, architect, of New York City. William F. Pedersen and Gradford S. Tilney, architects, of New York City. Sasaki-Walker-Luders Associates, of Watertown, Mass. Joseph J. Wehrer and Harold J. Borkin, architects, of Ann Arbor, Mich.

The first prize, which was given on December 29, 1960, shows Pedersen and Tilney as the winners, and the prize was $50,000. The jury made a lengthy report, some of which is in this report before you, in which they gave their reasons. The other contestants, the others that I have named, five in number, each received $10,000. This was also passed on by the famed, high-grade, well-informed jury, and they were graded according to these gentlemen's decisions.

For these reasons I do hope that the House will feel, no matter what its decision may be, that this Commission, acting in the very best interests of the Congress and of the people of the United States, were not capricious, and that we did not use our own taste or our own ideas, but deferring to these people who are the outstanding architects of the United States. I hope that this resolution will pass, because I do feel that it was the finest and the best that we could obtain by modern standards.

Mr. Speaker, we must remember that in every age there are innovations, and that in every age the people of the older generations, yes, and even the younger generation, are apt to be very stereotyped and easily shocked by anything that is modern. I believe, on good authority, that Michelangelo was severely criticized for some of his work by the people of his generation.

And that is equally true for every generation. I trust the House will give this matter deep and mature thought before they vote on this resolution.

Mr. Speaker, I reserve the balance of my time.

Mr. O'NEILL. Mr. Speaker, I yield 3 minutes to the gentleman from Missouri [Mr. Jones].

Mr. JONES of Missouri. Mr. Speaker, as chairman of the subcommittee which held the hearings on this bill, I want to make a few comments and observations.

First, in the resolution that we are now debating from the Committee on Rules, I note that the resolution would provide for the consideration of the joint resolution "to authorize and direct the Franklin Delano Roosevelt Memorial Commission to raise funds for the construction of a memorial." But that resolution is silent on the first section of the bill which says that the design of the permanent memorial to Franklin Delano Roosevelt is hereby approved by the Congress. I think I express the feelings of a number of Members and possibly a majority who are enthusiastic in their desire to create a memorial to the late President Roosevelt, and yet we are opposed to the design that has been submitted.

I think for that reason we would do well, and probably save a lot of time by defeating the rule so that a new bill can be introduced to implement what the Member of the Committee on Rules, the distinguished gentleman from Massachusetts, said was his intent. However, I have read his amendment, or the proposed amendment, and that amendment does not in my opinion bring that matter back to the Congress for approval. My position is that if the Congress is going to put its stamp of approval on the design of the monument that that design should come back to this House and give us an opportunity to either approve or reject. The bill, as originally introduced, which was House Joint Resolution 712, I think was improved by committee amendments. That resolution went through our committee by a very close vote. Since that time some of those who voted to approve the resolution have changed their minds and would not want to go ahead and put their stamp of approval and give permission for the raising of these funds. As I said before, I am for the memorial. I am opposed to the design. I think the proper thing to do would be to defeat this rule and let the author of the bill, the gentleman from New York [Mr. Keogh] introduce a new bill which would implement the amendment which is to be proposed by the gentleman from Massachusetts. I think in that way we could conserve time and accomplish the purpose that is in the minds of all of us. If we pass the resolution I believe we will be engaging in an exercise of futility and frustration, for in my opinion this bill will never clear both Houses and become law at this session of Congress.

The SPEAKER. The time of the gentleman has expired.

Mr. O'NEILL. Mr. Speaker, I am happy that the gentleman from Missouri is in agreement except for the fact that he wants the rule killed. I am in favor of the rule. As to the statement made by the gentleman from Missouri, I know he is incorrect—perhaps the gentleman is misinformed.

Mr. JONES of Missouri. Mr. Speaker, will the gentleman yield?

Mr. O'NEILL. I yield to the gentleman.

Mr. JONES of Missouri. Will you read the amendment that you propose to offer and then I will show you why you do not do what you say you are doing.

Mr. O'NEILL. Section 2 of my amendment provides that the commission shall report its findings and recommendations to the Congress and the President not later than June 30, 1963. That is exactly the same language that was in the original bill offered by the gentleman from New York [Mr. Keogh], which forces the commission to make this report back to the Congress, and that is why the legislation is before us today.

Mr. JONES of Missouri. But you do not say anything about the Congress approving it after they report. I have had too many experiences here with people reporting what they are going to do and the Congress does not have anything to say about it. If you would add, "to report back for the approval of the Congress"—then you would have something that would be acceptable.

Mr. THOMPSON of New Jersey. Mr. Speaker, will the gentleman yield?

Mr. O'NEILL. I yield.

Mr. THOMPSON of New Jersey. Without trying to arbitrate the disagreement which is apparent here, upon the introduction, if we get to that point, of the gentleman from Massachusetts' [Mr. O'Neill] amendment, I shall offer an amendment, or a substitute for it, requiring that the Congress approve the design; in other words, striking the words "with approval," which I believe are followed in the gentleman's substitute.

Mrs. ST. GEORGE. Mr. Speaker, I yield 5 minutes to the gentleman from Maryland [Mr. MATHIAS].

Mr. MATHIAS. Mr. Speaker, I do not rise in opposition to the principle of a memorial to the late President Franklin D. Roosevelt; in fact, I support the proposition for such a memorial. I think our thanks are due to the Commission which has worked so diligently, as the gentlewoman from New York has described, to attempt to produce a design and a plan for this memorial which is acceptable to the American people; and I think we should thank the architectural jury which exerted its best esthetic effort to select a design.

The design they have chosen however, is one which seems to me to lend itself more to a remote location, to an area such as Stonehenge, which is in a dramatic, natural, and wild setting. I do not think it lends itself to a metropolitan area. I do not think it lends itself to one of the civilized capitals of the world.

If it were proposed to put it on a mountain top or on a plain, or perhaps near the banks of the Hudson River, which President Roosevelt loved so well, it might be wholly acceptable as a contemporary design.

Mr. SMITH of Iowa. Mr. Speaker, will the gentleman yield?

Mr. MATHIAS. I yield.

Mr. SMITH of Iowa. I would suggest that it lends itself nicely to being placed at the Iowa State University College of Agriculture, for it is like a modern feeding lot with windbreaks on all sides, and a place to feed cattle in the center.

Mr. MATHIAS. I do not feel that the design lends itself to the tone of the city of Washington, as this city was created and has been developed. It was created in a classic mold. The Capital City was erected on a classic theme, and there are contemporary expressions of a classic theme which are both useful and ornamental. I do not see where a design such as this fits in the architectural pattern that is so well established.

I think it is an unfortunate design. I think it should not be approved by the House because of its lack of harmony with the rest of the city of Washington.

There is a very simple solution to this problem, a solution which carries out the desire of President Roosevelt himself. That desire was expressed by him to Justice Frankfurter. It involved a simple memorial in the city of Washington. This seems to me to be a powerful argument to defeat the rule as it is presently before the House and to reconsider this question. There is a sound reason to carry out President Roosevelt's wishes in a simple manner as he wanted it done by the erection of a stone at the spot he selected himself. If we subsequently want to go through with the present design it might be executed in another more appropriate location.

Mr. O'NEILL. Mr. Speaker, I yield to the gentleman from Florida [Mr. BENNETT.]

Mr. BENNETT of Florida. Mr. Speaker, I rise to support the rule for this bill. I feel that this bill, as it will be amended, will result eventually in the construction of an appropriate memorial for the late President Roosevelt. It is very important to me that this be done. I think this can be a good living memorial, a contribution to our country. I introduced H.R. 5080 early in this session of Congress; and previously had introduced various bills to provide for a memorial in the form of an educational institution in keeping with the lofty ideals and great idealism of this great President. This would be a more fitting memorial to him than a more static type of memorial. This institution could be directed toward the developing of people for Government service.

I have found from having introduced this that there are many people who favor it throughout the country. The conditions of the legislative situation today will allow us to consider this approach; and there will therefore be the possibility that we can consider a living type of a memorial rather than being restricted to a stagnant sort. There are a great many memorials in Washington today that are beautiful in themselves, but when you look at the overall pattern, the city might be improved if we had more of the living type of memorials. I therefore think consideration should be given to a living type of memorial, such as an educational institution as embraced in the legislation I have introduced.

Mr. HECHLER. Mr. Speaker, will the gentleman yield?

Mr. BENNETT of Florida. I yield to the gentleman from West Virginia.

Mr. HECHLER. Is the gentleman in favor of the rule? Does he believe that by voting for the rule his objective could be attained?

Mr. BENNETT of Florida. I think it is better to vote for the rule. We can amend the legislation on the floor by any method we want to. By voting for the rule we will be making some progress.

Mr. HECHLER. I think the gentleman has set forth a fine idea, and by voting for the rule it would further that idea.

Mr. BENNETT of Florida. I thank the gentleman and at this point I recite the terms of the bill I have introduced:

H.R. 5080

A bill to provide for the establishment of the Franklin Delano Roosevelt Institute to be a graduate school for advanced studies in American Government for selected individuals of outstanding ability to pursue advanced studies in American political theory, methods, and institutions in preparation for public service with the Government of the United States, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That it is the purpose of this Act to establish, as a memorial to Franklin Delano Roosevelt, the thirty-second President of the United States, a graduate school for advanced studies in American Government (1) emphasizing the study of the philosophy and purposes of American political theory, methods, and institutions, (2) observing rigid academic standards with respect to the admission of students and the conferring of degrees, (3) limiting the numbers of the faculty and student body in such a manner as to assure the maintenance of high academic standards, and (4) preparing young men and women, selected on the basis of demonstrated scholastic achievement, qualities of leadership, and motivation for public service, for distinguished careers in public service with the Government of the United States.

SEC. 2. There is hereby established a graduate school for advanced studies in American Government to be known as the "Franklin Delano Roosevelt Institute" (hereafter in this Act referred to as the "Institute"). The Institute shall be located in the District of Columbia on the real property reserved as the site for the proposed Franklin Delano Roosevelt Memorial by the first section of Public Law 86–214, approved September 1, 1959 (73 Stat. 445).

SEC. 3. (a) There is hereby established a commission to be known as the Commission on the Franklin Delano Roosevelt Institute (hereafter in this Act referred to as the "Commission"), for the purpose of considering and formulating plans for the design and construction of the Institute.

(b) The Commission shall be composed of sixteen members appointed as follows:

(1) eight members appointed by the President of the United States, four from the executive branch of the Government and four from private life;

(2) four Members of the Senate, appointed by the President of the Senate; and

(3) four Members of the House of Representatives, appointed by the Speaker of the House of Representatives.

The four members of the Commission appointed from private life shall be selected from among distinguished educators in the United States.

(c) The Commission shall, in such manner as it may deem appropriate, solicit the submission of plans for the design and construction of the Institute and, in the selection of suitable plans, the Commission shall take into consideration the functional needs of the Institute, together with its purpose as a memorial to Franklin Delano Roosevelt.

(d) In carrying out its duties under this section, the Commission on the Franklin Delano Roosevelt Institute shall request the advice and recommendation of the Commission of Fine Arts and the National Capital Planning Commission. The Commission of Fine Arts and the National Capital Planning Commission shall render such advice and recommendations at the request of the Commission on the Franklin Delano Roosevelt Institute.

(e) The members of the Commission who are Members of Congress, and the members appointed from the executive branch of the Government, shall serve without compensation, but they shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of their duties as members of the Commission. The members of the Commission who are appointed from private life shall each receive $50 per diem when engaged in the actual performance of their duties as members of the Commission, plus reimbursement for travel, subsistence, and other necessary expenses incurred by them in the performance of such duties.

(f) As soon as practicable after the date of enactment of this Act the Commission shall submit to the Congress for approval the plans selected by the Commission for the design and construction of the Institute. The approval of the Congress shall be by concurrent resolution stating in effect that it approves the action of the Commission in the selection of such plans. Effective as of the date of the adoption of such concurrent resolution the Commission shall cease to exist.

SEC. 4. The management of the Institute shall be vested in a Board of Trustees (hereafter in the Act referred to as the "Board") which shall consist of five members to be appointed by the President of the United States, by and with the advice and consent of the Senate. The first trustees appointed shall continue in office for terms (beginning on a date specified by the President) of one, two, three, four, and five years, respectively, the term of each to be designated by the President at the time of the appointment. Their successors shall be appointed for terms of five years, except that any person chosen to fill a vacancy shall be appointed only for the unexpired term of the trustee whom he shall succeed. Upon the expiration of his term of office a trustee shall continue to serve until his successor shall have been appointed and shall have qualified. The Board shall choose a chairman from among its membership. A vacancy on the Board shall not impair the right of the remaining trustees to exercise all the powers of the Board. The trustees shall be compensated at the rate of $50 for each day spent in attendance at meetings of the Board, and shall be paid actual traveling and subsistence expenses incident to attending such meetings.

Sec. 5. The Board shall appoint a President of the Franklin Delano Roosevelt Institute (hereafter in this Act referred to as the President of the Institute) to serve for a term of ten years. The President of the Institute shall be responsible, under the direction and supervision of the Board, for the administration of the Institute, and shall have such duties and powers as may be delegated to him by the Board. The President of the Institute shall be compensated for his services, which shall be on a full-time basis, at a sum not to exceed $25,000 per annum.

Sec. 6. (a) The Board shall provide for the construction of the Institute in accordance with the plans for its design and construction approved by the Congress under section 3(f) of this Act.

(b) In carrying out the purpose set forth in the first section of this Act, the Board shall—

(1) institute and maintain appropriate courses of advanced studies in American political theory, methods, and institutions;

(2) fix requirements for admission and establish required standards of academic proficiency to be maintained by students admitted to the Institute;

(3) fix the number of students to be admitted to the Institute; and

(4) prescribe such regulations as may be necessary to carry out the provisions of this Act.

(c) The Board may, subject to the civil-service laws or the Classification Act of 1949, as amended, appoint and fix the compensation of such professors, assistant professors, and instructors as may be necessary to carry out the provisions of subsection (b) of this section. The Board is also authorized to provide appropriate instruction through visiting lecturers, and to establish, in cooperation with other Federal agencies, such intern-trainee programs as it may deem appropriate. The Board may, subject to said 1949 Act, as amended, appoint and fix the compensation of such other persons as may be necessary to carry out the provisions of this Act.

(d) The President of the Institute, in accordance with such regulations as the Board shall prescribe, may grant appropriate degrees to persons completing a course of study at the Institute.

Sec. 7. (a) The Board shall select the students to be admitted on fellowships to the Institute from among citizens of the United States who have received a baccalaureate degree and are found by the Board to be qualified to pursue a course of advanced study offered at the Institute. Upon application the Board may approve for admission selected foreign students, not to exceed 5 per centum of the student body.

(b) Each student, other than a foreign student, admitted to the Institute shall sign an agreement, that, unless sooner separated, he will complete his course of study at the Institute and will accept an appointment and serve with the Government of the United States in a position commensurate with his education and training, as determined by the United States Civil Service Commission, during the four-year period beginning on the date of the completion of his course of study at the Institute. Nothing in this subsection shall be construed to require the United States to offer a position to any individual who completes his course of study at the Institute.

(c) In any case in which an individual shall fail to complete his course of study at the Institute or shall refuse to accept an appointment and serve with the Government of the United States, in accordance with the agreement referred to in subsection (b) of this section, such individual shall be required to pay to the United States the amounts paid by the United States under this Act with respect to the education and training of such individual at the Institute. The Board shall prescribe the terms of any payment to the United States under this subsection, but the Board may waive the foregoing provisions of this subsection in any case in which the Board deems such waiver to be appropriate under the circumstances.

Sec. 8. Attendance at the Institute shall be without charge and the United States shall furnish to each student at the Institute such books, supplies, and equipment as may be necesary to his course of study and shall pay to each student at the Institute a monetary allowance to cover the costs of board, lodgings, other living expenses, and necessary travel, for such student and his dependents, as may be required for the successful pursuit and completion of his course of study at the Institute.

Sec. 9. (a) The Board shall award annually four-year scholarships to be known as "Franklin Delano Roosevelt Scholarships", for the purpose of encouraging the pursuit of courses of study in American political theory, methods, and institutions at accredited nonprofit institutions of higher education located within the United States and selected by the recipient of a Franklin Delano Roosevelt Scholarship. The award of Franklin Delano Roosevelt Scholarships shall be distributed annually among recipients as follows:

(1) one from each of the several States of the United States,

(2) one from the District of Columbia,

(3) one from the Commonwealth of Puerto Rico, and

(4) one from possessions of the United States.

(b) The Board shall select the recipients of Franklin Delano Roosevelt Scholarships from among citizens of the United States who complete their high school education in the year in which they are selected as recipients of such scholarships. Such selections shall be made solely on the basis of ability, as determined by the Board in such manner as it may deem appropriate.

(c) Such scholarships shall be awarded only to those recipients who agree to emphasize the study of American Government in a course of study leading toward a baccalaureate degree approved by the Board, and shall be reapproved annually in the discretion of the Board, upon receiving assurances satisfactory to it that the recipient is successfully pursuing his course of study at the institution selected by him and is, in the opinion of the Board, maintaining a satisfactory academic standing at such institution.

(d) With respect to each recipient of a Franklin Delano Roosevelt Scholarship, the Board shall provide for the payment of the customary cost of tuition, and such laboratory, library, health, infirmary, and other similar fees as are customarily charged, and shall pay for books, supplies, equipment, and other necessary expenses, including board, lodging, other living expenses, as are generally required for the successful pursuit and completion of the course by other students in the institution. Such payments may be made in such manner as the Board may deem appropriate.

(e) Each recipient of a Franklin Delano Roosevelt Scholarship shall agree to complete his selected course of study and accept an appointment and serve with the Government of the United States in a position determined by the United States Civil Service Commission to be commensurate with his education and training for a period of time, beginning on the date of his completion of such course of study, equal to that during which he held a Franklin Delano Roosevelt Scholarship. In any case in which such a recipient shall fail to complete such course of study, or shall refuse to accept such appointment and serve with the Government of the United States for such period of time, he shall be required to pay to the United States the amounts paid by the United States under this Act with respect to such recipient. The Board shall prescribe the terms of any payment to the United States under this subsection, but the Board may waive the provisions of the preceding sentence of this subsection in any case in which the Board deems such waiver to be appropriate under the circumstances.

Sec. 10. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

Mr. O'NEILL. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the House resolution.

The question was taken; and on a division (demanded by Mr. Hosmer), there were ayes 71, noes 4.

So the House resolution was agreed to.

Mr. THOMPSON of New Jersey. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of House Joint Resolution 712, to authorize and direct the Franklin Delano Roosevelt Memorial Commission to raise funds for the construction of a memorial.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of House Joint Resolution 712, with Mr. Sikes in the chair.

The Clerk read the title of the House joint resolution.

By unanimous consent, the first reading of the House joint resolution was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from New Jersey [Mr. Thompson] will be recognized for 1 hour, and the gentleman from Ohio [Mr. Schenck] will be recognized for 1 hour.

The Chair recognizes the gentleman from New Jersey [Mr. Thompson].

Mr. THOMPSON of New Jersey. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, I am sure that during the debate on this legislation there will be many points of view made which will be of interest to us, and I hope that every member of the committee will listen carefully before making a final determination.

Mr. Chairman, in the deliberations before the Committee on House Administration the point was made clear, such as was suggested by the gentleman from Maryland [Mr. Mathias], who preceded me during discussion of the rule, that indeed no one finds himself in opposition to the establishment or the construction of a memorial to the late great President Roosevelt.

The members of the committee, in fact, took rather considerable pains to say that they do favor a memorial. Proceeding from there, then, we were, will be, have been, and I suppose whatever the future might indicate unless this resolution is adopted today, continue to discuss whether it should be a living memorial, whatever a living memorial might be, in the form of a school, in the form of a gallery, in the form of a stadium, or whatever.

Mr. Chairman, it is not simply the concensus, it is unanimously agreed upon that there should be a suitable memorial. At the time when the Commission had been appointed under earlier legislation brought before the Committee on House Administration, the suggestion that this award should be made on the basis of a competition, I had some reservations.

I was the coauthor last year of the legislation to create a commission to determine what sort of a memorial should be erected or dedicated to Woodrow Wilson. In the course of the colloquy and the discussion of that legislation I made quite a point of the fact that there was no competition involved and that, therefore, the Commission to be created under that legislation would not be bound in any sense by a competition, the judges of which were to be selected from outside sources. I think that is a wise procedure. But in this case it was not followed. The competition was held, the winner was determined by persons infinitely better qualified than any member of this committee or of this body, and an award of $50,000 was made to the winner.

Mr. Chairman, in the earlier competition six winners were determined, five of whom, as I understand, received $10,000. Therefore, in a very real sense today, having authorized, having expended, and having approved of a competition, we are now told nunc pro tunc, if you please, that the authorization, the moneys expended, the taste involved, the decisions made, were not those which please us.

Mr. YOUNGER. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Sixty-two Members are present, not a quorum.

The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 264]

Albert
Alexander
Andersen Minn.
Anfuso
Arends
Ashley
Aspinall
Baring
Barrett
Bates
Belcher
Bennett, Mich.
Berry
Blitch
Bolling
Boykin
Breeding
Brown
Bruce
Buckley
Burke, Ky.
Celler
Coad
Corbett
Curtin
Curtis, Mass.
Davis, John W.
Dawson
Diggs
Dominick
Dooley
Evins
Farbstein
Fenton
Fogarty
Frazier
Garland
Garmatz
Goodell
Hall
Hansen
Harris
Harrison, Va.
Harvey, Ind.
Hébert
Hiestand
Hoffman, Mich.
Hull
Inouye
Kearns
Kee
Kilburn
Kirwan
Kowalski
Laird
Latta
McDonough
McDowell
McIntire
McSween
McVey
MacGregor
Magnuson
Martin, Nebr.
Mason
Michel
Miller, George, P.
Moorehead, Ohio
Morrison
Murray
O'Brien, Ill.
Passman
Pillion
Powell
Rains
Reifel
Riley
Rogers, Tex.
Rousselot
Santangelo
Saund
Saylor
Schadeberg
Scherer
Scott
Scranton
Seely-Brown
Shelley
Sheppard
Shipley
Short
Sibal
Siler
Slack
Smith, Miss.
Spence
Springer
Stafford
Staggers
Steed
Thomas
Tollefson
Ullman
Utt
Van Pelt
Vinson
Watts
Weis
Whalley
Whitten
Wickersham
Willis
Yates
Zelenko

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. SIKES, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration House Joint Resolution 712, and finding itself without a quorum, he had directed the roll to be called, when 320 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

Mr. THOMPSON of New Jersey. Mr. Chairman, before the call of the roll, I pointed out that as the result of an architectural competition which was judged by an extremely competent and eminent group, the names of whom are set forth on page 3 of the report and read earlier by the gentlewoman from New York, there has been to this minute an investment of $150,000 in this project as the result of that competition. By no means do I state that because this investment has been made—because of it solely—a determination should be made.

I suggest, with all due respect to the very good taste of the members of the committee, I know of no one who sits on it or who is a Member of this body who is a renowned architect, I know of no one, and this includes myself, of course, whose taste is such that he or she can say that something is, because it does not strike their eye as pleasing, inappropriate.

There has been a lot of debate about the design of many of the existing memorials. To me it would seem that there seems to be not only in this body but on the Commission of Fine Arts a longstanding and absolutely irrevocable commitment to the Greek and to the Roman architecture. If anything else differs from them, it is not any good.

Mr. Chairman, this is very fine, except that were we to adhere to this tradition throughout all of our cultural life, there would not be any modern art, modern painting, and modern architecture. There would not, indeed, in the colonial days have been the exquisite architecture which is known as the 17th and 18th century American architecture.

Mr. Chairman, a lot of people point to the Lincoln Memorial as being beautiful. It happens that I agree with that, although I am not qualified to judge, except what pleases me. Others point to the Jefferson Memorial as being beautiful. I think it is completely inappropriate. It is the cubical from Monticello which Jefferson designed, and there is no question but what he was influenced greatly by a neoclassical urge as a result of his travels abroad. Does this mean, however, that the design selected as a result of this competition does not, as the Chairman of the Fine Arts Commission—who has no art training at all, just a great deal of experience and knowledge, having worked with it—lacks repose?

In the committee hearing the Chairman of the Fine Arts Commission said that the Washington Monument, 500-and-something-feet tall, has repose. But the proposed design which is 187 feet tall and, incidentally, can be modified and indeed and in fact will be modified in height, at least, and less than 200 feet tall, does not have repose.

Mr. Chairman, how on earth to the mind of anyone, except subjectively, can something 555 feet tall have repose, and then something under 200 feet tall have no repose?

The same gentleman said that the design was restless. Well, I did not see that it was particularly restless. But if indeed it is, I think that is fine. I think that the son of the late great President from whom we will hear later in support of a motion to substitute something else for this would characterize his father as restless, bold, imaginative, courageous, with new ideas.

Mr. Chairman, do we have to go to Rome, and to Greece for new ideas? Indeed, we ought to adopt those which we have. Our whole culture shows this. We also have the pizza pie, and that is something new, too. There is no particular marriage of sentiment, except in the minds of the Fine Arts Commission, as to the architecture.

Mr. Chairman, members of the Committee will probably be amused if they have the opportunity to read the hearings as to the ideas of the designer of the new New House Office Building, to be called inappropriately the Rayburn Building. The architect of that monstrosity—and I defy anyone with any sort of taste to argue its beauty—says "This design of the Roosevelt Memorial is ugly." I will have to yield to him on that point, because if there has been ever a monument to ugliness in architecture, it is that new building.

That man said also that the design of the Roosevelt Memorial is restless. Now, his design cannot be accused of being restless. It must have 500,000 tons of steel in it, and nothing could ever move it.

Look at the facade, if you please.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. THOMPSON of New Jersey. I am delighted to yield.

Mr. HAYS. I think, if you were to define this proposed Roosevelt Memorial, you could define it with a little four-letter word and leave out all the rest of it. It is just plain ugly, so far as I am concerned.

Mr. THOMPSON of New Jersey. There you are; that is, again, a demonstration of the difference in an individual's point of view. I am sure that I like some music which the gentleman does not like. I am sure that he thinks some buildings are pretty that I do not think are pretty. I would ask the gentleman, though, does he think the new New House Office Building is a beautiful thing?

Mr. HAYS. No; but I heard the gentleman's comments about it. I believe he called it a monstrosity. I do not say that you can justify one monstrosity by criticizing another monstrosity.

Mr. THOMPSON of New Jersey. Oh, no; I am not trying to do that. That is a rationale which the gentleman might apply, but not I. I say this, and this is a very subjective view of mine. I am not qualified, and I doubt, with all due respect to the gentleman, whether he is qualified in terms of training, and so forth, to determine what is beautiful in terms of architecture. I know that I appreciate novelty and newness. I know that this is bold and imaginative. I know there are some things I do not like about it, but I am not qualified to say that we should not have it. I leave it to the judgment of all of you. But I will submit here that all the Members of this body, collectively, or any group of them collectively, or individually, would be unable as long as this body exists, to design a memorial which everyone here would like. I do not think that is our business. We are politicians or statesmen, this year, and Members of Congress. We are not architects.

Mr. HAYS. Mr. Chairman, will the gentleman yield further?

Mr. THOMPSON of New Jersey. I yield.

Mr. HAYS. I will submit to the gentleman that I went over this with some architects once before, and you do not have to be trained as an architect to have good taste.

Mr. THOMPSON of New Jersey. That is right. I do not like the new Rayburn Building.

Mr. HAYS. I did not originate that; Thomas Jefferson said that before I did.

Mr. THOMPSON of New Jersey. That is right. I am not accusing the gentleman of having bad taste. I hope he is not accusing me of having bad taste. He may have good taste in his own mind and, in the mind of others, and I may have it, and we may be both quite in disagreement. I happen, for instance, not to be wild about Spanish architecture. It is beautiful, I am told. I do not like it. I happen not to be wild about aluminum, or aluminium, as some of my more sophisticated friends call it. Yet some people build beautiful buildings, so I am told, very high glass and aluminum buildings.

I submit here that I know of no way under which this body can make a decision as to the appropriateness of a design. And I suggest that in the absence of the knowledge which I do not have and in the absence of the knowledge as I think it prevails in this institution, it might be very well for us to accept this design, to let it be built and to let the people of the Nation decide its appropriateness. If there is some other way, I do not know it.

The decision has not been made here. We are simply ratifying something, a decision by a body which we created. Whether or not any of us agree with that, the fact is that on paper at least they have qualifications which none of us have.

It might be argued and it will be argued by people who knew the late President—and I did not, unfortunately—that this is not appropriate. Some way or other, along the line, there has come into being a statement which I would like to have verified from firsthand knowledge, that the late President felt that he would like a simple memorial. What in his mind was the definition of simple, I do not know. Whether he ever defined it I do not know. We are in the fortunate position of having his eldest son with us today. Perhaps he can say that. I know that it was written in the memoirs of a Supreme Court Justice as having gotten it from the late President who allegedly heard the late President say it, made a note of it, and therefore it became written down.

If, indeed, that is what the late President wanted, we ought to give it careful consideration. But let us see what he wanted; let us determine it. Very few people—and I think this is one quality that the late President Roosevelt did not have—are so vain as to assume during their lifetime that there would be a great monument erected to them. Simple modesty alone would dictate that the man would say, "I want something simple."

Mr. SCHENCK. Mr. Chairman, I yield myself such time as I may desire.

Mr. Chairman, it so happens that I have the great privilege and high honor to be a member of the Roosevelt Memorial Commission. I have greatly enjoyed and appreciated this opportunity to associate with my friends on the Commission, who are certainly dedicated and able people. The Commission has done a very sincere job. Personally, I want to commend the Chairman and the members and officers of the Franklin Delano Roosevelt Memorial Commission for the job they have done, because I think they have done a fine job.

It just so happens, Mr. Chairman, that I was the only member of the Memorial Commission who voted against accepting the recommendation by this very highly qualified group of architects, artists, and engineers. Certainly I do not try to set myself up as an authority on art but I think I know what I like, and I did not like what I saw, when I saw the drawings and the model of this memorial, which to me is a great monstrosity.

Personally, I also very sincerely favor the erection or the development of a suitable and appropriate memorial fitting to the memory of the great President Roosevelt, because he made outstanding contributions to our Nation. As you know, the location of this has been approved. It is just west of the Tidal Basin, a very beautiful location that could be developed in many different ways.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. SCHENCK. I yield to the gentleman from Ohio.

Mr. HAYS. It would seem to me that something like the new cultural center, pictures of the architect's design of which I have seen, would be more acceptable. It is very modern. It would be much more suitable and much more useful than the type of thing that has won this competion.

I certainly am for a Franklin D. Roosevelt Memorial, but I think the House ought to bear in mind that we turned down one here for Theodore Roosevelt, not out of any desire that he not have a memorial but because they brought in something that could best be described as a gyroscope, and nobody thought it was very suitable for Teddy Roosevelt. The House turned it down.

It seems to me we do not have to approve this design. I do not think it would be a reflection on anybody, if he thought this design was not suitable, to vote against it. I have heard some people on the other side say, "Well, I don't want to be in the position of voting against this because people will say I was against the memorial just because it was for Franklin Delano Roosevelt." I do not think that is true at all. I think everybody in this Chamber is for a memorial, and I think everybody would like to see one that is useful and suitable, one that will enhance the city rather than detract from it.

Mr. SCHENCK. I thank the gentleman for his comments. May I suggest that if we wanted to do something to perhaps bring discredit upon the memory of the great President Roosevelt then we should very well approve the design that has been offered here. I know of nothing that would do it better. The design is not in harmony with the general development of the area. It is not in keeping with the warm personality of former President Franklin D. Roosevelt. It was not approved by the Fine Arts Commission. It was not approved by the Department of the Interior.

Mr. KEOGH. Mr. Chairman, will the gentleman yield?

Mr. SCHENCK. I yield to the gentleman.

Mr. KEOGH. Is it not the fact that the objection of the Department of the Interior is based principally, if not solely, upon the opinion of the Fine Arts Commission? In effect, you have the Fine Arts Commission dictating its will to the Department of the Interior.

Mr. SCHENCK. I would say to my colleague from New York who is a member of the Roosevelt Memorial Commission and one whom I respect most highly, as to the fact of whether or not the Department of the Interior based its opinion on the Fine Arts Commission or vice versa, I obviously have no way of knowing because I am not a member either of the Fine Arts Commission or of the Department of Interior staff.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. SCHENCK. I yield to the gentleman.

Mr. HAYS. I would point out to the distinguished gentleman from New York, frequently we have heard it said that Paris is the most beautiful city in the world. Now you can agree with that or disagree with it. But, the fact remains that they have a Fine Arts Commission there and you do not build anything in Paris that does not meet with the approval of that commission. They have kept the city from having monstrosities erected in it—except, perhaps, for the Eiffel Tower, which was supposed to be a temporary thing. Certainly, talking about the qualifications here, you would not want better qualifications than the Fine Arts Commission to pass on something. That is certainly better than a committee that probably might be or were a self-serving organization.

Mr. SCHENCK. I thank my colleague for his comments. I would agree wholly that the Fine Arts Commission is certainly in a very fine position and certainly well qualified to develop a sound and well founded judgment on this proposed memorial. May I point out, it is estimated that the cost of this proposed memorial, and some have referred to it as some broken tombstones, others have called it unfinished book ends, or unfinished bridge piers and other uncomplimentary terms. Whatever you want to call it—it is proposed to be built of a special kind of reinforced concrete and is estimated to cost between $4½ and $5 million, perhaps more. It is proposed that this memorial will be financed out of public contributions. Personally, I feel there is considerable doubt as to whether or not this design has enough popular appeal to collect $4½ or $5 million.

I noticed in the paper just the other day that a couple of new office buildings going up here, rather large and extensive office buildings, I might add, that will house a lot of people, that these are going to be built for about $5 million each—and they are not being built only out of reinforced concrete—and will include many facilities for the use of people.

Mr. THOMPSON of New Jersey. Mr. Chairman, will the gentleman yield?

Mr. SCHENCK. I yield to the gentleman.

Mr. THOMPSON of New Jersey. The fact is, however, using the standards which the gentleman from Ohio cites, that all of the new buildings in the District of Columbia, that is the public buildings, have had to be approved by the Fine Arts Commission; is that not so?

Mr. SCHENCK. That is my understanding.

Mr. THOMPSON of New Jersey. Then, if the new Rayburn Office Building is a testimony to their taste; would not the gentleman question it somewhat?

Mr. SCHENCK. I would say to my friend that I am not going to question the design or the appearance of the Rayburn Office Building. Again I think it is a matter of personal like or dislike. But, certainly, the Fine Arts Commission is in a better position to judge design than I am. I am approaching this proposal not only from the standpoint of a pleasing design but also to enlist the support for public contributions to build this memorial. It would seem to me that this particular design of memorial, and if you have not seen it, for goodness sakes do not miss it—it is set up in the lobby of what shall I call it—the New House Office Building, the Longworth House Office Building. Look at the design there and see if you like it.

Mr. Chairman, it would seem that the real way to handle this situation would be to refer this matter back to the Roosevelt Memorial Commission to see if that Commission could not come up with a more acceptable design, more appropriate to the memory of a famous ex-President.

I hope that the eldest son of the former great President, who is also a member of the Commission, will tell us whether or not the President's family approves of this design, or what can be done about it, if he feels he has the freedom to do that. But I would hope that we would take a long look at this and would then refer the entire matter back to the Franklin Roosevelt Memorial Commission in the hope that a more fitting, more beautiful, better design could be derived.

Mr. BURLESON. Mr. Chairman, will the gentleman yield?

Mr. SCHENCK. I yield to the gentleman from Texas.

Mr. BURLESON. I do not wish to inject rude materialism too heavily into this discussion, especially since the very beautiful presentation made by our friend from New Jersey [Mr. THOMPSON] but we have about $150,000 already appropriated to the Commission and invested in this matter. Really, now, thinking in dollars and cents, it is suggested that another $200,000 be appropriated to work further in the matter of presenting a design. Three hundred and fifty thousand dollars is not exactly a small sum related to this matter.

Mr. SCHENCK. Would my friend feel that because of having spent $150,000 in an ineffective way that we ought to take the results?

Mr. BURLESON. No, of course not. I do not say that it should be the determining factor in the consideration at all, but I do not think it should be ignored.

Another point, if the gentleman will yield further, these are not exactly blank slabs. Unfinished bookends as some have called them. These perpendicular slabs will have quotations of the former President Roosevelt inscribed on them; words written and spoken as only he could. They are not just blank slabs, and I think that does make a difference in appearance and meaning. So there is something besides the esthetic consideration. I hardly think it would look as even we see it in the model.

Mr. SCHENCK. May I suggest to and remind our friend that the very beautiful thoughts and words worthy of remembrance of former Presidents Lincoln and Jefferson are also inscribed on the interior walls of the memorials to their memory; and certainly the Lincoln and Jefferson Memorials are much more impressive than this set of oversized bookends.

Mr. FRELINGHUYSEN. Mr. Chairman, will the gentleman yield?

Mr. SCHENK. I yield.

Mr. FRELINGHUYSEN. It seems to me that if we want to read the inspiring words of our former President we could find a more appropriate way of presenting them. I, for one, believe we ought to have a reconsideration of the design.

Mr. SCHENCK. I thank the gentleman.

Mr. WIDNALL. Mr. Chairman, will the gentleman yield?

Mr. SCHENCK. I yield to the gentleman from New Jersey.

Mr. WIDNALL. Since there has been mention of the Commission on Fine Arts, I do not believe anyone has read into the RECORD why it objected to this particular design, and objected strenuously, not just the Chairman of the Commission. This committee, created by the Congress 62 years ago, was for the express purpose of advising the President and committees of Congress on matters of art, and it stated about this slab design:

> The design does not conform with the requirements of Public Law 86-214, approved September 1, 1959, which provides that the competition for the proposed memorial shall be carried out so as to insure that it will be harmonious as to location, design, and land use with the Washington Monument, the Jefferson Memorial, and the Lincoln Memorial.

The slab design, by its great size and height, competes with, rather than supplements the three memorials with which it is required by law to be "harmonious."

As to design, it is lacking in the repose which is an essential element in memorial art, as well as the qualities of monumental permanence that are the essence of the three memorials with which it must by law conform.

The Commission of Fine Arts also questioned the durability of concrete of which the proposed memorial would be constructed.

Mr. SCHENCK. I thank the gentleman.

May I say that we on the minority side want to make it very clear that we are in favor of and desire to have an appropriate memorial built to the memory of the great former President, Franklin D. Roosevelt, and we hope that a design appropriate and fitting and warm will ultimately be the result.

Mr. THOMPSON of New Jersey. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. ROOSEVELT].

Mr. ROOSEVELT. Mr. Chairman, the gentleman from Ohio [Mr. SCHENCK] and my very good friend, the gentleman from New Jersey [Mr. THOMPSON], have suggested they would like me to say a word on this subject.

It is, I am sure my colleagues will understand, difficult for me to discuss it.

I am a member of the Commission, recently appointed by the Speaker. I voted to bring this matter to the House for the very simple reason I felt that the resolution which was adopted on September 1, 1959, required such procedure.

I think also that the resolution placed the members of the Commission unfortunately in rather a straitjacket, in that it made it practically obligatory to hold a so-called competition, and then if they did not accept the results of that competition by the jury, find themselves in opposition to and criticizing the cream of the crop, so to speak, of the architectural world. It was therefore, I think, approved, I can say at least for some members, rather halfheartedly.

I think it would be fair for me to say that I believe, first of all, it would be good to do what the gentleman from Massachusetts is going to propose; that is, that we adopt amendments to this resolution, sending the matter back to the Commission, not binding them just to this competition and its results, but instructing them to confer with the Commission on Fine Arts to try to do what the original effort was, to make it in conformity with the other great memorials to past Presidents and to also give them the leeway to consider other ideas, some of which have been proposed by the Members of this body, and which, certainly it seems to me, deserve consideration.

I may be wrong, but knowing the idealism and the practicability of my father, I think he would have been a little upset if a memorial to him was to be considered solely and wholly on the basis of architecture.

Somehow it seems to me that what he represented, what he stood for, and various other matters of that nature deserve also to be considered.

Mr. Chairman, some Members of the House may remember that when the matter of the Jefferson Memorial was being discussed, it was not limited just to an architectural competition. In fact, my father rather insisted that the practicality of Jefferson as a man, what he stood for and his own architectural abilities should also be considered. Therefore I hope that the amendments which will be offered by the gentleman from Massachusetts [Mr. O'NEILL] will be favorably considered because they in no way indicate any blame to the present members of the Commission. Let me pause here to say that there is no man whom I can think of more devoted to the interests of my father and understanding more of what he meant to stand for as a man and as a public servant than former Attorney General Francis Biddle, Chairman of the Commission, and that my good friend, the gentleman from New York [Mr. KEOGH], can be said to be in the same category. He knows of my high respect and regard for him. But I believe also that it would be good now to let that Commission have another look at it and come back, as the proposed amendment will say, by June 30, 1963, which is a 7- or 8-month period. As a result they will have ample opportunity to work on it and can come back and make another recommendation to this body so that it may then pass on that further recommendation. They may come back with the same thing. But at least we will know then that they have considered everything that it seems to me up until now has not had sufficient consideration.

Mr. Chairman, it is a little difficult for me to speak for the rest of the members of my family. But I do say that what has been proposed by the gentleman from Massachusetts [Mr. O'NEILL] has our approval.

Mr. Chairman, I hope no one will think that we are trying as a family to set ourselves up as architectural experts. We certainly are not. We are simply saying we believe that there is some justification in the criticisms that have been made of the design, that we as a family would be happy if the Fine Arts Commission could agree on the final designation, and we think the best opportunity here is to go out and have another look at it. However, if I may add my own personal word, may I say I think my father was certainly a man of forward-looking ideology, and yet in many matters he had also a conservative streak that went along almost with the traditional.

Mr. Chairman, some of the Members may know that in the State of New York, around his home county of Duchess County, he saw to it that there was an architectural design for post offices, for schools, and things of that kind and you will see that they were all built in the old Dutch tradition. They are built out of field stone, and there is nothing modernistic about them.

Then, too, in reference to what my good friend, the gentleman from New Jersey [Mr. THOMPSON] said, I think it is true that in answer to a question from Supreme Court Justice Frankfurter that he did once express himself as saying he wanted only the simplest kind of remembrance, he did not in any way specify what it should be.

Mr. Chairman, I would also like to say that others of you who have been to Hyde Park where my father is buried, he is buried, at his own request, in the rose garden, a simple, unpretentious place. The tombstone which is there was of his own design. It is the simplest tombstone you could possibly find. It has nothing but his name on it, the date of his birth, and the date of his death, and the name of my mother so that it may be later inscribed with his. It is marble. It is simple. I think it is enduring. But I think it is also fundamentally representative of his own good taste, if such a thing can be said to be.

Mr. Chairman, may I conclude by saying that I hope my good friend, the gentleman from Mr. York [Mr. KEOGH] and I hope General Biddle and the other members of the Commission will not feel too badly if the amendments which will be offered by the gentleman from Massachusetts [Mr. O'NEILL] are adopted. I think by postponing it, by giving the Commission a little wider latitude, we may come back perhaps with a more enduring and a more fitting memorial.

Mr. SCHENCK. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. SCHWENGEL].

Mr. SCHWENGEL. Mr. Chairman, I find it hard to follow the gentleman who has just spoken. As he was talking I recall that I was sitting as a member of the Iowa Legislature when the announcement was made to the world of the death of Franklin Delano Roosevelt. I remember so well the atmosphere that prevailed for so long at that time. Republicans and Democrats, citizens everywhere mourned deeply the loss of this great leader.

I want to say that I am certainly not against providing a memorial for Franklin Roosevelt. But I do want it to be adequate and appropriate. This may be the time to say that I question the policy of providing memorials for people until 50 years after they have passed. There are exceptions, of course, and this may be one of the exceptions that should be made. I would not argue that point at all. But most of the time, in 50 years greatness is established and a more appropriate and adequate memorial is the result. No better example of this can be found than the memorial that I can see every day and all of us I am sure see often, that of our most American American, Abraham Lincoln.

The Congress has decided that this should be done. Little did I dream when I was a member of the Iowa Legislature that I would be sitting in the Congress to help make the decision on this important and appropriate question. I have some ideas about this. I have given some thought to it. Some of you know about my interest in history. I know that there are opportunities here in Washington to get a feel of those great ideals that prevailed in the hearts and minds of the patriots who gave us this wonderful system that we call the American system. I am no expert in the field of art.

Certainly I am no expert on memorials, although I love the memorials; I love all of them around here. I have no great criticism to make of the memorials we now have. I am sure that those who put them there, put them there with good reason. There may be others that should be built to the memory of great men.

I question whether the memorial proposed in this resolution is the appropriate memorial; and because I do, and because I believe when we criticize we ought to advance other ideas, I have today introduced a resolution with 21 "whereases" in it. Most of those "whereases" deal with the reason why we should have an adequate information center here in Washington, D.C., so that the millions of people who come here every year—and it is estimated that over 8 million come each year—may have a better opportunity to benefit from seeing the memorials, the Capitol Building area, the Library of Congress, the Archives, the Art Gallery, and all the other things that can be seen here. This resolution calls for the creation of a committee of 18; 12 Members of Congress, 6 House Members and 6 Senators, to be appointed on a bipartisan basis. It calls for the appointment of the President of the Board of Commissioners who in turn will name two people from the cultural and historical interests of this community to serve; the Secretary of the Interior should serve also, and it calls for the appointment of two people from the Metropolitan Board of Trade in this District.

It calls for the study of the feasibility and advisability of having such a memorial center here in Washington, patterned after the one you can see in Williamsburg, where people may go, park their cars, go into an information center, be refreshed, go into an auditorium and there see a 30-minute film of the dramatic moments that brought this great idea into being, and the part that Williamsburg played in that.

Let me just say that I suggest this so that it may be considered as a Roosevelt Memorial Center.

As I indicated earlier, Mr. Chairman, my resolution proposes the appointment of a Commission which will carefully study and subsequently report to the Congress its conclusions respecting ways and means of effectively and relatively inexpensively educating the public, both at home and abroad, respecting American history, traditions, democratic processes and devotion to peace.

To be sure the executive departments carry on some activities toward this objective. The Members of both Houses of the Congress give preferred attention to the subject in talking to their constituents and when speaking before many groups throughout the land. But it is clear that we have neglected to take advantage of the unequaled opportunity for influencing public opinion along these lines here in the Nation's Capital.

Almost 8 million people are now visiting Washington every year. This number included delegates to some 400 conventions, several hundred thousand students and an increasing number of visitors from other countries of the world.

Despite the fact that our National Capital contains a fabulous array of historical material and patriotic shrines as well as living demonstrations of democracy at work, there is no methodical and organized method for educating the millions of visitors concerning their existence and the lessons which can be learned in them.

In my opinion an appropriate designed and operated visitor center should be provided. The Park Service has recognized this need and made a small and very inadequate start by conducting a visitor center in the old Haines Point Sea House. The residents, particularly the business people, see this need too and have included the outlines for such a center in their plans for revitalizing the central business district. It has also been suggested that the Polo Field in Potomac Park which provides ample space for parking of cars and sightseeing buses be converted into a visitor center.

My resolution does not contain any specifications respecting the solution to the shortcomings to which I have referred. Its preamble recites in detail existing needs and inadequacies and outlines in broad generalities the wisdom of establishing a vast educational program to create a true image of America in the minds of our millions of visitors.

It then provides for a commission composed of six Senators and six Members of this body, an appointee of the Secretary of the Interior, a Commissioner of the District of Columbia, and two residents appointed by the Commissioners representing cultural activities plus two persons appointed by the President of the Metropolitan Washington Board of Trade. This Commission is charged with studying means for accomplishing the objective set forth in the resolution and submitting a report to the Congress concerning the most effective way of correcting the inadequacies I have referred to.

I hope that the House will act promptly on my resolution.

Mr. SCHENCK. Mr. Chairman, I yield 1 minute to the gentleman from Iowa [Mr. JENSEN].

Mr. JENSEN. Mr. Chairman, I am pleased by the fine presentations my colleague from Iowa makes relative to the history of this Nation and the things the children of this Nation should look forward to, gaining much in knowledge and patriotism.

Mr. THOMPSON of New Jersey. Mr. Chairman, will the gentleman yield?

Mr. JENSEN. I yield.

Mr. THOMPSON of New Jersey. The gentleman from Iowa, I am certain, has a very splendid motive in mind. I wonder, however, whether this does not presuppose something which is of a very commercial nature. Would they sell popcorn or hot dogs there? How more appropriate is it to have a visitor center than anything else? I am not trying to judge any of them. I just think that the idea now of changing course, with all respect to our friend from Iowa, is a little less than sensible at the moment.

Mr. JENSEN. Mr. Chairman, I wish to take this occasion to rise in behalf of my colleague, the gentleman from Iowa, the Honorable FRED SCHWENGEL. All of us know the gentleman from Iowa as a man of principle who labors long and hard in these halls to do a good job for his constituents as well as the rest of the people in this great country of ours. It really isn't necessary to rise to make a case for one so dedicated and sincere in the performance of his duties, but recently the gentleman from Iowa, FRED SCHWENGEL, was the unwitting victim of a printing error in the usually errorless CONGRESSIONAL RECORD. News stories which appeared on the basis of this error have tended to leave a false impression in the minds of some, although an effort has been made on the part of the press to set the record straight. So that there can be do doubt about Congressman SCHWENGEL's allegiances and his intentions, I feel that it is incumbent on me to set forth the true facts as I know them after reading the CONGRESSIONAL RECORD and discussing the error with the people involved.

On September 19, the gentleman from Iowa, Congressman SCHWENGEL, was on the floor of the House during a special order of our friend, the gentleman from Indiana, BILL BRAY, who was calling attention to the unfairness of the Department of Justice in juggling trial dates and sites for cases involving the President of the Teamsters, the notorious Mr. Hoffa.

Although the gentleman from Iowa [Mr. SCHWENGEL] did not have an opportunity to say the things he had in mind about the way the Attorney General has operated the Department of Justice, he was able to write out his remarks in longhand and extend them at that particular point in the RECORD. The only trouble was, only three paragraphs of his remarks appeared in the RECORD. The rest of the speech which appeared under his name were the remarks of another Member, our colleague, the gentleman from Wisconsin [Mr. O'KONSKI].

The reporters who wrote their stories from the CONGRESSIONAL RECORD without checking with the gentleman from Iowa, Congressman SCHWENGEL, did him an injustice. They inferred that he took Hoffa's side in the controversy and that he was in league with Hoffa's lawyers who were making some of the same statements Mr. SCHWENGEL was supposed to have made on the same day.

To my knowledge, the gentleman from Iowa [Mr. SCHWENGEL] never mentioned Hoffa. He confined his remarks to the Attorney General and pointed out some of the things which have been going on in the Department of Justice which are subject to criticism and debate. Most of the Members in this body must feel the same way because no one rose to defend the Attorney General.

It is easy to see how a Member's reputation could be damaged in a situation of this kind. People who read the first story linking the gentleman from Iowa, SCHWENGEL, with Hoffa and then did not get to see the story which told what he really said, would rightfully be critical of the gentleman from Iowa [Mr. SCHWENGEL], but they would be doing him an injustice. With the thought that I can help correct a situation of that kind, I have taken the floor today, but it also gives me an opportunity to say some things about my good friend from Iowa which I have been wanting to say for a long time.

I have seen him come along since he first came to this body 8 years ago. He came here fortified with a background in the Iowa Legislature so it did not take him as long to learn the ropes as it did some of us. He knew his way around in committee work and in legislative debate. It was obvious from the beginning that he was not a rubberstamp or a reed blowing first one way and then the other in the shifting winds of public opinion. He is a man of principle and he sticks by his guns. It is this same dedication to principle which prompted him to speak out against the Attorney General for not seeing that laws and regulations apply equally to all.

We should call him, Fearless, Fighting FRED because he stands up for what he believes and if he feels that he is in the right, he will take on all comers to see that justice prevails.

The people who are SCHWENGEL's constituents know these things. They know how friendly and cooperative his office is. They know how hard he works in Washington and in the district. His people get prompt service and effective representation.

FRED and I have had to work closely together since he came to Congress, so I have become aware of this ability his constituents respect so much. He is on the Public Works Committee; I am on Appropriations. As a member of the flood control projects, and so forth, when cleared through his committee they come up before the Appropriations Committee for the necessary funds. Neither of us has any time for those phony public works projects which do not make much sense fiscally; they have got to have favorable benefit-cost ratios or we do not go along with them.

We have not always agreed, but let me say that we agree a lot more than we disagree. When there is a difference of opinion we have respect for the other fellow's viewpoint and know that he is taking a stand which he feels to be the right one within the dictates of his own conscience.

All of us who have worked closely with the gentleman from the First District of Iowa know that he has brought some bold and imaginative ideas to Congress. This student program of his, "The Week in Washington," is known all over the country. I understand he has brought 80 college students and 13 political science instructors from Iowa colleges to Washington over the past 8 years. These people have spent a week in SCHWENGEL's home and through a comprehensive schedule which he sets up, have become better acquainted with their Government and how we manage the Nation's business at this level. Some of the students who have come here are constituents of mine. I know they are better citizens after this experience and they are urging others to be better citizens.

All of us know of SCHWENGEL's interest in history. In fact, we look to him to keep us straight on these matters and to see that the historical events are properly commemorated. This respect for him as a historian spills over to the other side of the aisle. Twice during the past few years he has been named chairman of committees on arrangements to commemorate the 150th anniversary of Lincoln's birth and the centennial reenactment of Lincoln's first inaugural. No other Republican has been so recognized.

More recently he has been named president of the Historical Society of the U.S. Capitol, another idea of his which he has developed and brought into being. It is fitting and proper that he should be the first president.

We can expect him and all of the others who have joined him in this enterprise to tell the story of this historic building in such a way that every American will lift his head a little higher in the proud knowledge that the Capitol not only symbolizes this wonderful Government of ours but that it stands as a beacon of promise for people around the world who yearn for freedom and liberty.

I share the gentleman from Iowa's [Mr. SCHWENGEL] interest in history and his reverent respect for Lincoln. I feel that anyone who knows this country's history and the role which Lincoln had in our development as a nation cannot help but be a better qualified exponent of the American way of life. We can speak stronger and clearer for freedom because we know from whence it came.

So, Mr. Chairman, I say let us set the record straight for the gentleman from Iowa, FRED SCHWENGEL, so that there can be no doubt where he stands when it comes to principle. In doing this, we want them to know how valuable a Member he is in the House of Representatives. He is admired and respected on both sides of the aisle and all of us are in his debt for constantly reminding us how we can apply the lessons of the past to the problems of today, keeping in mind that the history of our Government is unique in the annals of time and we are on God's side.

Mr. THOMPSON of New Jersey. Mr. Chairman, I yield 13 minutes to the gentleman from New York [Mr. KEOGH].

Mr. KEOGH. Mr. Chairman, I am delighted about several things that have developed in the course of this debate and disappointed in a few others. I am delighted that there apparently is complete unanimity that there should, must, and therefore will be a great memorial to a great man. It am also pleased with the fact that there has been such apparent controversy that has arisen over the proposed design. The controversy that arises here is nothing unusual, as I shall try to develop in a few moments. But I remind you, Mr. Chairman, that one of the fundamental maxims of equity is that one should not do indirectly what one cannot do directly.

I make the bald and bold charge that there are people here who very conscientiously would want the very best design and favor a memorial to a great man, but who would probably never come to a definitive conclusion as to what that design should be.

Mr. Chairman, I must at the outset pause to pay my deep and abiding respects to our distinguished and charming colleague, our fellow Commissioner from New York in the person of Mrs. ST. GEORGE, who has been stalwart in all the work of the Commission up to this very moment.

I wish it were in my capabilities to describe to this committee the utter and complete dedication and devotion that has been given to this task by our distinguished Chairman of the Commission, a one-time judge of the circuit court of appeals of the third circuit, and onetime great Attorney General of the United States. I wish he had the privilege of the floor to direct his remarks to the members of the committee, for he would do it in a most creditable and most persuasive fashion. I regret that that great man and this great work must of necessity lean on as weak a reed as he and it are.

But, Mr. Chairman, I say another one of the pleasant things that have come out of this high-level debate is that at long last I find my distinguished friend, the gentleman from Massachusetts, coming as he does and representing that great center of culture in Cambridge, Mass., finally letting his cultural instincts overtake his normally pragmatic political operations. This, Mr. Chairman, is a source of great comfort and encouragement to me. But he is not alone in that, Mr. Chairman. He has joined a large group of recently arrived and self-appointed experts in art. I stand before you today making no contention in that direction at all. I simply say that your servants, the members of this Commission, have sought diligently and painstakingly to do what you have directed them to do and they have done it in a way that you have ordered them to do it. They have, Mr. Chairman, in the parlance of the legislature, rigidly and studiously adhered to what you always urge; namely, following the regular order. Now what was the regular order? We were commissioned to come up with a design appropriate in nature and scope to memorialize one of the greatest men we have seen as President of the United States and one who will go down, I am sure, in history for eternity. Following your instructions, we undertook to conduct a national competition. The testimony with respect to that competition is that of all the competitions that have ever been held in this country, this one attracted the widest and the deepest interest. Following the rigid, well established, the orderly rules of procedure, the jury whose qualifications must be conceded even by the previously alluded to recent joiners among the ranks of art experts—the jury went over the 574 different designs. It was not decided to have this national competition until your Commission, Mr. Chairman, gave very careful and well thought out consideration to the type of memorial that would be proposed. We considered many designs. Some of them were in line with the late, great President's vocation and his avocations. But we have decided, and we have decided unanimously, that this design and the memorial that would be designed would be something that would represent him. I think that the jury has selected a design that is most unique, it is most controversial, it is most modern. But, in my opinion, Mr. Chairman, it is a fitting memorial to a most unique—certainly most modern—and I dare say a somewhat controversial figure.

Mr. THOMPSON of New Jersey. Mr. Chairman, will the gentleman yield?

Mr. KEOGH. I yield to the gentleman.

Mr. THOMPSON of New Jersey. In connection with the efforts being made by our dear friend, the gentleman from Massachusetts, I might commend him for his courage in this regard and for his independence, which is so traditional of people from the great Bay State.

In view of the fact that no less than three of the members of the Commission are from that great State, Mr. O'NEILL had the courage and determination to disagree with their judgment, and for this I think we should all commend him.

Mr. KEOGH. The gentleman said "Commission"; I think the gentleman meant the jury.

Mr. THOMPSON of New Jersey. I meant the jury. There were on that jury Pieto Beluschi, FAIA, dean of the School of Architecture and Planning, Massachusetts Institute of Technology, chairman; Bartlett Hayes, Jr., director of the Addison Gallery of American Art, Phillips Academy; and Joseph Hudnut, professor of architecture emeritus, Harvard University.

So you can see how deeply people feel about this and the variety of the positions taken.

Mr. KEOGH. It is simply further evidence that that great commonwealth, possessed as it is of much culture and art, does and can disagree. I trust that our disagreement today will continue, in the words of our great Speaker, to be not disagreeable.

But let me point out to the committee, Mr. Chairman, that the main argument that is used here today is that the Fine Arts Commission did not approve the design. Let me point out to you in the first place that the approval or disapproval of the Fine Arts Commission was not a requisite. Their function under the basic statute setting up the Commission is advisory only; but to those who attach any sacrosanct ability to that Commission, permit me to remind you that the recently rejected Theodore Roosevelt Memorial received the unanimous approval of the Fine Arts Commission but failed to receive the approval of the Congress. Now, if we are going to have a standard, let us be uniform and consistent in the application of that standard.

Mr. O'BRIEN of New York. Mr. Chairmain, will the gentleman yield?

Mr. KEOGH. I yield to my distinguished colleague from New York.

Mr. O'BRIEN of New York. I want to join with the distinguished gentleman from New Jersey in complimenting the gentleman on his courage, and I think that the courage of the gentleman from New Jersey is manifest here today. I can speak with a certain amount of sympathy, because several years ago I had to take the well of the House and defend as best I could another architectural suggestion that dealt with the memorial to another Roosevelt. It was not a pleasant experience. But I must say that very often architects propose and design structures to please architects and sometimes as monuments to their own architectural memory rather than the person to be honored.

Mr. KEOGH. Mr. Chairman, let me point out what the past president of the American Institute of Architects had to say. And at this point I would like to remind my distinguished friend from California that nothing gives me a more uncomfortable feeling than to disagree with him on a matter that I know is so close and touching to him. I wish we could have agreed unanimously on an adequate and proper memorial to a great man whose son you happen to be, but unfortunately that was not possible; and I predict that in the future it will not be possible. I want also to say to you that while stress has been laid on the architectural features of this memorial, architecture is just one part of it. We are presenting to the country what has been recognized by those who are far more expert than I shall ever be, something that is really part of a great man, and we are reminding them forever of the words he spoke in connection with the great deeds he performed.

The past president of the American Institute of Architects said:

> It should be noted here that since the inception of the Commission the AIA has worked closely with it to insure the professional guidance, democratic procedures, and ethical controls which have been tested over the years and proven essential to the public interest, which includes the encouragement and selection of good design. In our opinion the procedures followed have been exemplary and the individuals appointed by the Commission to advise on the selection of site, to serve as professional adviser to the Commission and as jurors to select the winning design have been outstanding.

Mr. Chairman, I say to one and I say to all that if you are in agreement that there should be a memorial to this great man, if you are going to follow the regular order, if you are going to permit your servants, the members of this Commission, to do what you have instructed them to do, you will overwhelmingly vote down the substitute that will be presented by that great Representative from Massachusetts, and you will sustain the committee; you will sustain the Commission, and you will give verve and inspiration to the early, to the satisfactory, and to the well deserved completion of a great and challenging memorial to a great man.

Mr. SCHENCK. Mr. Chairman, I yield 5 minutes to the gentleman from New Jersey [Mr. WIDNALL].

Mr. WIDNALL. Mr. Chairman, I had intended to speak at length on my own substitute bill proposing a Franklin D. Roosevelt Memorial Park with seasonal flowers, as I believed a memorial far more permanent and far more beautiful could be erected in memory of Franklin Delano Roosevelt, an outstanding President of the United States. There is complete unanimity in the House on having an adequate and a fine memorial that will recognize the place President Roosevelt earned in the hearts of the American people and in history.

In offering my own resolution, which was H.R. 11804, I knew that so many Members of the Congress, and not just Members of the Congress but the American people, had great opposition to the proposal that came out of the Commission.

May I just read this, which is from my own testimony before the committee, and I was talking about the action of the District of Columbia Recreation Board:

> The Board urged that this park, which is so strategically located between the Lincoln and Jefferson Memorials be renamed the Franklin D. Roosevelt Memorial Park with a simple stone marker in conformity with the request for a simple memorial made by President Roosevelt himself. This request was related by his friend, Justice Felix Frankfurter. Certainly, President Roosevelt's wishes should be respected.
>
> The District of Columbia Recreation Board has suggested that the marker be surrounded by a beautiful rose garden or rose field—which is the English translation of the Dutch ancestral meaning of the name Roosevelt, and the remainder of the 27 acres be developed as a center for culture and recreation.

My proposal would embody a flower garden, replete with seasonal flowers, which would be a living memorial and give a wonderful opportunity for the American people to see a real beauty spot here in Washington. We have had too much of a bulldozer complex, and we should be getting away from that.

In view of the fine remarks of the gentleman from California [Mr. ROOSEVELT], in support of the amendment to be offered by the gentleman from Massachusetts [Mr. O'NEILL], I yield back the balance of my time and urge support of the substitute.

Mr. AUCHINCLOSS. Mr. Chairman, will the gentleman yield?

Mr. WIDNALL. I yield to the gentleman from New Jersey.

Mr. AUCHINCLOSS. I presume that I have known Franklin D. Roosevelt longer than anyone sitting in the House here. I went to school with him in 1898. I always respected him. I remember him as a schoolboy one day when he got a very bloody nose in a fight. I helped wipe that nose. In his after life, I want to say that I did not agree with him in many of the things he stood for. I do recognize, however, that he was a President of the United States. He served his country well and he deserves well of his country.

Mr. Chairman, I am very much in favor of a memorial to his memory, but I must say that I am a little bit aghast at the suggested memorial which has been submitted for our consideration. I hope that perhaps some changes might be made so that a more appropriate memorial to this great man—and he was a great man—shall be made for the future admiration of the people of America.

Mr. THOMPSON of New Jersey. Mr. Chairman, I yield 3 minutes to the gentleman from Michigan [Mr. RYAN].

Mr. RYAN of Michigan. Mr. Chairman, naturally I am in favor of a memorial to the late great President Roosevelt, but I urge support of the amendment to be submitted and proposed by the gentleman from Massachusetts [Mr. O'NEILL]. I am not in favor of the selection of this type of memorial for the reason that the proposed memorial does not truly, or even with the exercise of a creative imagination, represent former President Roosevelt as the man, nor does it truly represent his ideals or his philosophy; nor does it truly represent his contributions to America and to the world; nor does it represent the period in which he lived.

Many of my constitutents, and also many people living in other districts, are actually shocked when they gaze upon or see photographs of the selection heretofore made by the Franklin D. Roosevelt Memorial Committee. One person even stated that it can best be summed up as an ant's eye view of a cemetery—carelessly plotted—in a back area of a farm in the wilderness. Another person remarked that it could best be used for providing handball courts for our youth.

Basically, the memorial proposed by this committee, bears a striking resemblance to an ancient stone circle created in England and dating back to around 1500 B.C. These historic ruins are known to us today as the Stonehenge.

Certainly, since we know President Roosevelt to have been a person with a forward look and possessed with new philosophical views in our Government, and heavily endowed with creative imagination, any monument taking our thoughts backward throughout the centuries, is not fitting and appropriate to his memory.

You may ask what should a monument represent? What should a monument do? What should a monument look like? These are the questions which I believe must be kept in mind in attempting to make the proper selection.

A monument must be pleasing to the eye, just as beautiful music is pleasing to the ear and just as good food is pleasing to the taste. This proposed monument does not appear to be pleasing to the eye and which fact is evidenced by the violent reaction of the public.

A monument should reflect the qualities of the person for whom it is built to commemorate. Emphatically, this one does not. A monument should leave a message, both moral and spiritual, with the untold numbers of people who will journey from all parts of this country, and no doubt various parts of the world, to view it. This one leaves only criticism and a sense of frustration. A monument should have beauty and be of graceful form; it should be dramatic in composition, and most of all, pleasing to the eye.

Mr. Speaker, this design is unworthy as a tribute to Franklin D. Roosevelt. Do not further anger the American public by compounding injury to a wound and approve this resolution. Rather, put an end to this controversy by voting for the proposed amendment and allow the Commission to start anew.

I thank you.

Mr. THOMPSON of New Jersey. Mr. Chairman, I yield 1 minute to the gentleman from New Jersey [Mr. JOELSON].

Mr. JOELSON. Mr. Chairman, in the 1 minute allotted to me, if I may be allowed a personal note, I would like to say at the end of my freshman term that never have I been prouder to be a Congressman that I have been today because of the tone of this debate. It has been unsullied completely by any partisanship. I think the only difference among us today is the difference as to what would be the most suitable memorial to this great man, Franklin D. Roosevelt. There is certainly no evidence of any attempt to stall. I would like to bow in the direction of the right-hand side of the aisle today for the spirit of the remarks on that side. It is apparent that we want to get the best possible memorial to our great late President.

Mr. THOMPSON of New Jersey. Mr. Chairman, I have no further requests for time.

Mr. SCHENCK. Mr. Chairman, I have no further requests for time.

Mr. THOMPSON of New Jersey. Mr. Chairman, I ask unanimous consent that the joint resolution be considered as read and open for amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The joint resolution follows:

Whereas by joint resolution approved August 11, 1955, the Franklin Delano Roosevelt Memorial Commission was duly established for the purpose of formulating plans for the design, construction, and location of a permanent memorial to Franklin Delano Roosevelt in the city of Washington or its environs; and

Whereas by joint resolution approved September 1, 1959, there was reserved as a site for said memorial that portion of the West Potomac Park in the District of Columbia which lies between Independence Avenue and the inlet bridge; and the said Commission was authorized to hold a competition for the proposed memorial, and to award a prize of $50,000 to the winner therof; and

Whereas the competition was duly held, and the winning prize was awarded to Pedersen and Tilney, of New York, by the jury of award; and

Whereas the winning design was thereafter approved by the said Commission, with the inclusion of a statue or bas-relief of President Roosevelt, and the result of the competition and the approval of the winning design duly reported to the President and to the Congress, as provided by the joint resolution of September 1, 1959: Therefore be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the design of a permanent memorial to Franklin Delano Roosevelt, with the inclusion of a statue or bas-relief of President Roosevelt to be added thereto, as reported to the President and the Congress by the Franklin Delano Roosevelt Memorial Commission, is hereby approved by the Congress.

SEC. 2. (a) The Franklin Delano Roosevelt Memorial Commission is hereby authorized—

(1) to raise by public subscription such funds as it may deem necessary to pay for the construction of the Franklin Delano Roosevelt Memorial in accordance with the design referred to in the first section;

(2) to accept gifts to be used in carrying out its functions pursuant to this joint resolution;

(3) to make such expenditures, from appropriated funds or funds received as gifts pursuant to paragraph (2) of this subsection, without regard to the civil service laws or the Classification Act of 1949, as it may deem advisable to carry out the provisions of this joint resolution;

(4) to enter in such contracts or other arrangements as it may deem advisable in carrying out the purposes of this joint resolution, without performance or other bonds and without regard to section 3709 of the Revised Statutes; and

(5) to accept and utilize the services of voluntary and uncompensated personnel and to provide transportation and subsistence as authorized by section 5 of the Act of August 2, 1946 (5 U.S.C. 73b–2) for persons serving without compensation.

(b) The Franklin Delano Roosevelt Memorial Commission shall avail itself of the advice and assistance of the Commission of Fine Arts with respect to the design of the statute or bas-relief to be added to the original design for the memorial.

SEC. 3. (a) Chapter 57 of title 39 of the United States Code is amended by adding at the end thereof the following new section:

"§ 4169. Correspondence of Franklin Delano Roosevelt Memorial Commission.

"Commissioners of the Franklin Delano Roosevelt Memorial Commission may send correspondence concerning the official business of the Commission as franked mail."

(b) The table of sections at the beginning of chapter 57 of title 39 of the United States Code is amended by adding at the end thereof the following:

"4169. Correspondence of Franklin Delano Roosevelt Memorial Commission."

(c) Subsection (a) of section 4167 of title 39 of the United States Code is amended by inserting "Commissioners of the Franklin Delano Roosevelt Memorial Commission," immediately after "Members-elect of Congress,".

SEC. 4. Any gift to or for the use of the Franklin Delano Roosevelt Memorial Commission pursuant to section 2(a)(1) or 2(a)(2) of this joint resolution shall, for the purposes of the Internal Revenue Code of 1954, be deemed to have been a gift to or for the use of the United States for exclusively public purposes.

SEC. 5. The Franklin Delano Roosevelt Memorial Commission shall make a report to the President and the Congress of its activities pursuant to this joint resolution not more than two years after the date of enactment hereof.

SEC. 6. There are hereby authorized to be appropriated such sums, not exceeding $200,000 in the aggregate, as may be necessary to carry out the purposes of this joint resolution.

Mr. O'NEILL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. O'NEILL: Strike out all after the resolving clause and insert the following: "That, pursuant to Public Law 372, Eighty-fourth Congress, the Franklin Delano Roosevelt Memorial Commission is hereby authorized and directed to consult with the Commission of Fine Arts to determine whether the winning design of Pedersen and Tilney, of New York, may be so changed or modified to secure the approval of the Commission of Fine Arts. If it is determined that such changes or modifications are not practical, the Commission is authorized and directed to select, with the advice of the Commission of Fine Arts, such other design among those already submitted in the competition for the proposed memorial, or to consider a living memorial such as the stadium, an educational institution, information center, memorial park or any other suitable or worthy project.

"SEC. 2. The Commission shall report its findings and recommendations to the Congress for its approval and to the President not later than June 30, 1963.

"SEC. 3. There is authorized to be appropriated not more than $50,000 to carry out the provisions of this joint resolution."

Mr. SCHENCK. Mr. Chairman, will the gentleman yield?

Mr. O'NEILL. I yield to the gentleman.

Mr. SCHENCK. According to the advance copy of the proposed amendment offered by the gentleman that I read, after listening to the Clerk read the amendment just offered, one word was deleted. That would require the approval of the Fine Arts Commission. I thought that was a part of the gentleman's amendment. Also, in the original copy of the amendment that I have, the appropriation to be authorized is not to exceed $25,000, which certainly should be ample.

Mr. KEOGH. Mr. Chairman, will the gentleman yield?

Mr. O'NEILL. I yield to the gentleman from New York.

Mr. KEOGH. Mr. Chairman, according to the advance copy of the proposed amendment which the gentleman was gracious enough to give me, it seems there were other changes. I wonder if the gentleman would be good enough to read the language in section 1 after the competition for the proposed memorial. What were the other types the gentleman enumerated in his amendment—centers, stadiums?

Mr. O'NEILL. Mr. Chairman, to answer first the gentleman on the minority side, it is my understanding that the gentleman in charge of the legislation on the majority side was going to offer an amendment to the $25,000 authorization. He requested $50,000. He is far more knowledgeable on this subject than I am with regard to the cost. He has been a member of the Commission, and since he felt that $50,000 is needed, I went along with him.

Mr. SCHENCK. Mr. Chairman, will the gentleman yield?

Mr. O'NEILL. I yield.

Mr. SCHENCK. It so happens that I am a member of the Memorial Commission. By any stretch of the imagination I can see no reason for $50,000. I think $25,000 is ample.

Mr. O'NEILL. I may have assumed that the gentleman from New Jersey [Mr. Thompson] was speaking for the entire delegation. I regret that.

Mr. THOMPSON of New Jersey. Mr. Chairman, will the gentleman yield?

Mr. O'NEILL. I am glad to yield to the gentleman.

Mr. THOMPSON of New Jersey. It was my feeling, I will say to the gentleman from Ohio, that $25,000 was inadequate, based on the draft of the amendment which the gentleman from Massachusetts was so kind as to give us. The amendment offered by the gentleman from Massachusetts, however, is expanded to such an extent that I am worried now whether $50,000 will be enough, because we are to consider stadiums, information centers, and an educational institution, rather than the original amendment of the gentleman.

I think what I will do following the gentleman's remarks is offer as a substitute to his amendment his original amendment.

Mr. O'NEILL. With regard to the question of the gentleman from New York, may I say that I spoke with the gentleman from California [Mr. Roosevelt] and with the gentleman from New Jersey [Mr. Thompson] and with about six or eight Members who were going to offer amendments. Then I would say we rewrote this amendment, of which I gave the gentleman a copy some time later, much later than the copy I gave the gentleman there.

Mr. ROOSEVELT. Mr. Chairman, will the gentleman yield?

Mr. O'NEILL. I yield to the gentleman from California.

Mr. ROOSEVELT. May I just make plain the fact that the other things to be considered by the Commission are largely the ideas of the Members of this House.

Mr. O'NEILL. They are ideas of very broad scope which would open the door for the Commission to restudy the entire problem.

Mr. ROOSEVELT. They could restudy the entire matter. Therefore, it does not seem to me to be out of order.

Mr. KEOGH. Mr. Chairman, will the gentleman yield?

Mr. O'NEILL. I yield to the gentleman from New York.

Mr. KEOGH. May I ask the gentleman if he is aware that we are seeking only an authorization for the appropriation and we would of necessity have to go before the Committee on Appropriations and justify what we are seeking?

Mr. O'NEILL. I am sure the gentleman is aware of that.

It is with diffidence that I rise at this time to offer an amendment to the legislation introduced by the gentleman from New York [Mr. Keogh]. Although I happen to be from Boston, I do not hold myself up as a critic of the esthetic whatsoever. This came before the Rules Committee. In the Rules Committee, after listening to the evidence, this joint resolution almost got stymied there. As a matter of fact, the Republican Members of the Rules Committee resisted voting on it and allowed the Democrats to vote on what we would do. If we did not report it out of the Rules Committee it apparently would appear that all legislation would be dead on this matter. In other words, it would just be lying dormant in committee. So we reported it out, and consequently it is on the floor.

You have all heard the testimony of the gentleman from California [Mr. Roosevelt] of the feeling that he and his family have on a matter of this type. I know many Members of Congress who have commented on it as they have gone through the rotunda of the New House Office Building, as they saw the replica of the design there in the rotunda.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

(By unanimous consent, Mr. O'Neill was permitted to proceed for 5 additional minutes.)

Mr. O'NEILL. When you read the report you will see this language:

> The monumental quality of the project comes from the simplicity with which this idea is transmitted. Although the basic form is so elemental as to be virtually the outgrowth of tradition, the vast concrete tablets emphasize the intervening spaces as positive entities, thereby providing a total image which is firmly identified with the 20th century.

I do not know whether in providing a monument to the great, beloved, and departed President we want to go along with the 20th century image. I think we should go along with the city of Washington traditionalized. Who is going to say what the generations in the future will think?

Mr. KEOGH. If the gentleman will yield further, has the gentleman had an opportunity during this typical day of the closing days of the session to observe the new office buildings being built along Constitution Avenue, and if so, does he think they follow the traditional architecture of the city of Washington? I am asking him that in his capacity as an expert on art.

Mr. O'NEILL. I do not claim to be an expert on art, but I am sure they do not vary from the pattern as widely as this that you have here.

Mr. KEOGH. The gentleman admits it varies, but it is a question of degree?

Mr. O'NEILL. I agree with that entirely. Yes, I do, but I do think this, we should stick to the traditional.

Mr. Chairman, I ask my colleagues, do you imagine if you were to walk into this monument that they want, that you could get the feeling that this is a hallowed memorial and can you imagine that you would get the same feeling of sanctity that you get when you visit the Lincoln Memorial?

Mr. Chairman, I will say this—I do not hold myself out to be a critic of art whatsoever, but in all the annals of American art I have never seen such a hideous monstrosity in my life as the gentleman from New York is advocating here today. I have stood over there where the model of this proposed memorial has been on exhibition on three or four occasions and I have watched the people come by and look at it. One person would say that it was book ends. Another person would say it looks like vandals have desecrated a graveyard.

People would stand there in astonishment wondering what it possibly could be. Yet, this is what the modern art world wants us to honor a great President with.

Mr. Chairman, my amendment merely says this:

> The Commission is authorized and directed to select with the advice of the Commission on Fine Arts such other designs among those already submitted in the competition for the proposed memorial, or to consider a living memorial such as the stadium.

One of our colleagues in the House has proposed that the stadium that has already been erected here in the District of Columbia be named in honor of the late, great President.

Another Member wanted to offer an amendment to provide that an educational institution be built.

Another Member wanted an information center to be built.

Still another Member, Mr. Chairman, recommends a memorial park.

Member after Member came up with ideas so we added to words "or any other suitable or worthy project."

Mr. Chairman, it is almost the unanimous feeling with the exception of one or two Members in this House—and we appreciate their feelings and we, ourselves, appreciate the work that has been done in behalf of the committee, but we regret and I, for one, at least regret that I do not feel I can go along with it. I think we have to think of the heritage of this Nation. I feel we have to consider the heritage that we will pass on to future generations. I think it would be a great insult and completely out of line with the history and customs here in Washington, D.C. I hope, Mr. Chairman, that my amendment is adopted.

Mr. THOMPSON of New Jersey. Mr. Chairman, I offer a substitute amendment.

The Clerk read as follows:

> Amendment offered by Mr. Thompson of New Jersey as a substitute for the amendment offered by Mr. O'Neill: Strike out all after the resolving clause and insert the following: "That pursuant to Public Law 372, Eighty-fourth Congress, the Franklin Delano Roosevelt Memorial Commission is hereby authorized and directed to consult with the Commission of Fine Arts to determine whether the winning design of Pedersen and Tilney, of New York, may be so changed or modified to secure the approval of the Commission of Fine Arts. If it is determined that such changes or modifications are not practical, the Commission is authorized and directed to select, with the advice of the Commission of Fine Arts,

such other design among those already submitted in the competition for the proposed memorial.

"SEC. 2. The Commission shall report its findings and recommendations to the Congress and to the President not later than June 30, 1963.

"SEC. 3. There is authorized to be appropriated not more than $50,000 to carry out the provisions of this joint resolution."

CALL OF THE HOUSE

Mrs. CHURCH. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Fifty-two Members are present, not a quorum.

The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 265]

Abbitt
Alexander
Anfuso
Arends
Aspinall
Baker
Baring
Barrett
Bates
Belcher
Bennett, Mich.
Berry
Blitch
Bolling
Boykin
Breeding
Brewster
Brown
Burke, Ky.
Celler
Chenoweth
Chiperfield
Coad
Cooley
Curtin
Davis, John W.
Diggs
Dominick
Dooley
Evins
Frazier
Garland
Glenn
Goodell
Gubser
Hall
Hansen
Harris
Harsha
Harvey, Ind.
Hébert
Hiestand
Hoffman, Mich.
Hull
Kearns
Kee
Kilburn
Kluczynski
Laird
McDonough
McDowell
McIntire
McSween
MacGregor
Magnuson
Marshall
Martin, Nebr.
Mason
Michel
Miller, George P.
Moorehead, Ohio
Moulder
O'Brien, Ill.
Osmers
Powell
Rains
Riley
Rousselot
Ryan, Mich.
Santangelo
Saund
Saylor
Schadeberg
Scherer
Scott
Scranton
Seely-Brown
Shelley
Sheppard
Shipley
Short
Sibal
Siler
Smith, Calif.
Smith, Miss.
Spence
Springer
Stafford
Steed
Taber
Thompson, La.
Tollefson
Tuck
Ullman
Utt
Van Pelt
Vinson
Watts
Weis
Whalley
Wharton
Whitten
Wickersham
Willis
Winstead
Yates
Zelenko

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. SIKES, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration House Joint Resolution 712, and finding itself without a quorum, he had directed the roll to be called, when 328 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. The gentleman from New Jersey [Mr. THOMPSON] is recognized for 5 minutes in support of the substitute amendment.

Mr. THOMPSON of New Jersey. Mr. Chairman, I regret the delay in the disposition of this legislation. I regret also that there has arisen some disagreement. It was not my purpose as a member of the committee in handling this legislation to impose my will or the will of anyone on the Members of this body. It was my purpose and it is my purpose to see if it is possible for us to see to it that a suitable memorial is erected to the memory of the late, great President Roosevelt.

I had been informed earlier that the gentleman from Massachusetts [Mr. O'NEILL] had an amendment which he was courteous enough to show me. The gentleman from New York [Mr. KEOGH] and I discussed it and deleted two words, so instead of $25,000 it called for $50,000.

The gentleman from Massachusetts did show, apparently, to the gentleman from New York, but it did not come to my attention, a revision of that amendment. When it was read, I was surprised to learn there had been added the proposition that a stadium was to be considered, that a visitors' center be considered, or some sort of living memorial—an undefined thing. This came as a surprise especially in view of the fact that whether or not you like the design, $150,000 has been spent on it. I do not say that because of that it should be accepted. But there was a competition by an internationally respected board which made a judgment, with which, apparently, many do not agree.

The amendment which I seek to have adopted as a substitute for the gentleman from Massachusetts' [Mr. O'NEILL] amendment would take us back to the very beginning and we would start all over. The substitute amendment would take us back to the end of the competition so that there could be, in the language originally drafted by the gentleman from Massachusetts [Mr. O'NEILL], "consultation with the Commission of Fine Arts." In other words, my substitute amendment provides for what the gentleman from Massachusetts' [Mr. O'NEILL] amendment provided for originally and calls for a consultation with the Fine Arts Commission and takes the matter back, as I said, to where the competition ended. I do not think this body should be bound now or at any other time to be dictated to by the taste, and incidentally in my opinion, the very questionable taste, at times, of the Fine Arts Commission. That is why I have offered the substitute which would take us back to what the original proposition was. Now if anyone thinks the stadium ought to be named for President Roosevelt—fine. I have not heard anyone say specifically that it should. Or if it should be a visitors' center, if that is a majority rule of this House, that is fine too. But, for heaven's sakes why start all over again? That is the only reason I am persisting in taking us back to the point at which we thought we had begun.

As I say, I regret very much this controversy and conflict, especially with my friend, my congressional classmate, so to speak, who sits with me on the committee, the gentleman from California [Mr. ROOSEVELT]. I respect greatly the views of his family and I respect his personal views, and I am trying to accommodate. But all of a sudden to have a stadium and everything else dumped in is just more than I think the committee should accept.

Furthermore, I will never vote for a proposition which gives the authority of this body to the Commission of Fine Arts.

Mr. KEOGH. Mr. Chairman, will the gentleman yield?

Mr. THOMPSON of New Jersey. I yield to the gentleman.

Mr. KEOGH. I would say, and I am sure without contradiction, that the Commission went most fully into this question.

It was our unanimous opinion that this memorial should be a memorial to this great man and he should not take a secondary place, as he would were it a stadium, a tourist center, were it a rose garden, or a museum.

I restate, Mr. Chairman, that neither I nor the committee are trying to impose our will, our judgment, as to what the final design should be. But I warn you that if you do not support my substitute you will be giving that final determination to the Commission of Fine Arts. Worthy though it might be, I think they should advise us rather than dictate to us.

Mr. SCHENCK. Mr. Chairman, I rise in opposition to the substitute amendment offered by the gentleman from New Jersey [Mr. THOMPSON].

Mr. Chairman, I would say to my friend from New Jersey that I have examined the amendment originally offered by the gentleman from Massachusetts [Mr. O'NEILL] and we find no objection to that amendment. I would also state that I have an amendment to offer to his amendment to restore the original language included in the O'Neill amendment which would require approval of the Commission of Fine Arts, which I consider eminently qualified, and which would also provide the sum of $25,000, which I think is completely adequate. The members of the Memorial Commission do not receive any compensation of any kind, expenses or otherwise. I think $25,000 is ample. So I rise to oppose the substitute amendment offered by the gentleman from New Jersey and to explain how I intend to amend the amendment offered by the gentleman from Massachusetts. I discussed this with him, and he is in complete accord with changing the amendment back to the original language.

Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. SCHENCK. My parliamentary inquiry, Mr. Chairman, is, should the amendment I propose to offer to restore the language as originally intended in the O'Neill amendment be offered at this point or after the disposition of the substitute?

The CHAIRMAN. Permit the Chair to state that the amendment to the amendment of the gentleman from Massachusetts [Mr. O'NEILL] may be offered now if the gentleman so chooses, or subsequently. However, should the substitute amendment be agreed to then of course it would be too late for the gentleman to offer an amendment.

Mr. SCHENCK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SCHENCK to the amendment offered by Mr. O'NEILL: In line 9 after the word "advice" insert the words "and approval"; and in line 2 of section 3 strike out "$50,000" and insert "$25,000".

Mr. O'NEILL. Mr. Chairman, will the gentleman yield?

Mr. SCHENCK. I yield.

Mr. O'NEILL. Mr. Chairman, I am happy to accept the modification of the amendment offered by the gentleman from Ohio.

May I say I want to oppose the amendment offered by the gentleman from New Jersey [Mr. THOMPSON].

What my amendment does in effect is this: The Commission accepted, as we all know the hideous monstrosity that is now on exhibition in the rotunda of the New House Office Building. If that is the best they had, then they did not have much to choose from. What we are doing is opening the door and going into a new field. Part of the amendment says:

> If it is determined that such changes or modifications are not practical, the Commission is authorized and directed to select, with the advice and approval of the Commission of Fine Arts, such other design among those already submitted in the competition for the proposed memorial, or to consider a living memorial such as the stadium, an educational institution, information center, memorial park, or any other suitable or worthy project.

This would go back to the committee with a wide open door. They can restudy the entire problem. The American people do not want to accept that which has been proposed as a memorial to the great President Roosevelt.

Mr. KEOGH. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Ohio [Mr. SCHENCK].

Mr. Chairman, the effect of the inclusion of the words "and approval" of the Commission of Fine Arts means that the Commission, the Memorial Commission, is precluded from coming back to the Congress with a design other than what that Commission approves.

I say to you, Mr. Chairman, that the Congress should not delegate any absolute power to a commission which has for its basic statute only the authority to advise. If the Congress today is exercising its obvious will in opposition to a proposal that has received the acclaim of those who are admittedly experts, then it should retain its authority to pass its stamp of approval on any proposal that might come in. And the gentleman from Ohio by his own amendment would be deprived of the opportunity in the future to express his well-informed opinion about any memorial.

Mr. THOMPSON of New Jersey. Mr. Chairman, will the gentleman yield?

Mr. KEOGH. I yield to the gentleman from New Jersey.

Mr. THOMPSON of New Jersey. I would like to state very simply the difference between the substitute and the amendment which the gentleman from Massachusetts has said is acceptable to him. The language of my substitute is that of the gentleman from Massachusetts' [Mr. O'NEILL] original thought and is the same, with two exceptions. We let the Congress make the ultimate decision and the Fine Arts Commission is granted $50,000 instead of $25,000. We are willing to yield on that point. But we do not want to open the door to all of these other extraneous matters which have been added at the last moment.

Mr. ALGER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I ask unanimous consent to speak out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. O'NEILL. Mr. Chairman, I object.

Mr. ROOSEVELT. Mr. Chairman, I move to strike the necessary number of words.

Mr. Chairman, may I say that I hope the amendment offered by the gentleman from Massachusetts [Mr. O'NEILL] and the gentleman from Ohio [Mr. SCHENCK] will be accepted, and that the House will vote down the substitute offered by the gentleman from New Jersey [Mr. THOMPSON], for a very simple reason. We have maintained the dignity of the public structures of Washington by having a Fine Arts Commission, and I think it is necessary that we continue to have their approval in this kind of structure as we have had in the past. I humbly believe $25,000 is enough for this Commission to operate until June 30, at which time this resolution calls for them to come back to the Congress with a report.

Therefore, as amended by Mr. SCHENCK, Mr. O'NEILL's substitute should be agreed to.

Mr. RYAN of New York. Mr. Chairman, no one who has read the inspiring and yet very fundamentally American words of Franklin Delano Roosevelt; no one who recognizes the influence of this great President on the history of this Nation during some of its most trying times; and no one who lived during any phase of the Roosevelt administration or who has walked in silence among the monuments of this Capital City to other great leaders of this Nation could be silent about the proposed monument envisioned by House Joint Resolution 712.

Since we are concerned with the very serious desire to pay due and fitting tribute to one of this Nation's most dynamic leaders, I would suggest that the recommendation of the Federal Commission on Fine Arts be heeded.

You will remember that the Fine Arts Commission rejected the proposed design and said: "It is lacking in repose, an essential element in memorial art, and the qualities of monumental permanence that are the essence of the three memorials with which it must, by law, conform."

It would seem to me that the wishes of this illustrious President himself might be considered as a guide in the design and construction of his memorial. It has been emphasized repeatedly that President Roosevelt wanted only a simple monument. Moreover, the life of this individual who loved the outdoors and who was vigorous despite his physical handicap would suggest a monument which symbolizes life.

Mr. Chairman, no one has spoken with greater conviction about the dignity of man than did Franklin D. Roosevelt. His words concerning the four essential human freedoms are already deeply imbedded in the rich history of our land. You will remember his words:

> In future days, which we seek to make secure, we look forward to a world founded upon four essential human freedoms.
>
> The first is freedom of speech and expression—everywhere in the world.
>
> The second is freedom of every person to worship God in his own way—everywhere in the world.
>
> The third is freedom from want—which, translated into world terms, means economic understandings which will secure to every nation a healthy peacetime life for its inhabitants—everywhere in the world.
>
> The fourth is freedom from fear—which, translated into world terms, means a worldwide reduction of armaments to such a point and in such a thorough fashion that no nation will be in a position to commit an act of physical aggression against any neighbor—anywhere in the world.

You will also remember the warmth and very personal feelings which President Roosevelt promoted in his memorable series of fireside chats—which cemented him in the hearts of his fellow citizens—whom he greeted time and again as "my friends."

Surely, the memory of these things about the man suggest that this memorial in our Capital should be in keeping with the spirit of Franklin D. Roosevelt. His was a warm, vibrant, exciting spirit. I do not believe that these qualities are reflected in the imposing monument which has been recommended.

We have come to know a lot about the illustrious Franklin Delano Roosevelt. Volumes have been written about him, and historians have begun to evaluate his total influence on the progress of this Nation. Because of the abundance of historical information about this national leader we all presume to know a bit about him and to be able to evaluate what would be a fitting remembrance. No one from without, however, can know a man as can his own family. Whether closely knit or loosely bonded, family members have a way of knowing the real person. To my knowledge, no member of President Roosevelt's family has agreed that the proposed memorial of House Joint Resolution 712 is appropriate to the man. In fact, the family has expressed through the eloquent and moving words of our colleague from California, JAMES ROOSEVELT, its feeling that the O'Neill amendment would be a fair disposition of the pending resolution. Mr. Chairman, I feel strongly that we should be guided by the feelings of the family and, particularly, by the wishes of that noble lady, who is truly the first lady of the world, Mrs. Eleanor Roosevelt.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. SCHENCK] to the amendment offered by the gentleman from Massachusetts [Mr. O'NEILL].

The amendment was agreed to.

The CHAIRMAN. The question now recurs on the substitute offered by the gentleman from New Jersey [Mr. THOMPSON] to the amendment offered by the gentleman from Massachusetts [Mr. O'NEILL].

The substitute was rejected.

The CHAIRMAN. The question now recurs on the amendment offered by the gentleman from Massachusetts [Mr. O'NEILL], as amended.

The amendment, as amended, was agreed to.

Mr. O'NEILL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. O'NEILL: Page 2, strike out the last line of the preamble and insert the following: "of September 1, 1959; and

"Whereas said design has created considerable controversy and is subject to specific criticism, and lacks the approval of the Commission of Fine Arts: Therefore be it".

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts.

The amendment was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. SIKES, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration House Joint Resolution 712, to authorize and direct the Franklin Delano Roosevelt Memorial Commission to raise funds for the construction of a memorial, pursuant to House Resolution 802, he reported the resolution back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment?

If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the resolution.

The resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. O'NEILL. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. O'NEILL: Amend the title so as to read: "Joint resolution to direct the Franklin Delano Roosevelt Memorial Commission to consider possible changes in the winning design for the proposed memorial or the selection of a new design for such memorial."

The SPEAKER. The question is on the amendment offered by the gentleman from Massachusetts.

The amendment was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that all Members may extend their remarks immediately preceding the passage of House Joint Resolution 712 which was passed this afternoon, and that they may have 5 legislative days to do so.

The SPEAKER pro tempore (Mr. LIBONATI). Without objection, it is so ordered.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. McGown, one of its clerks, announced that the Senate disagrees to the amendment of the House to the bill (S. 3389) entitled "An act to promote the foreign commerce of the United States through the use of mobile trade fairs," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. ENGLE, Mr. BARTLETT, and Mr. BUTLER to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 10650) entitled "An act to amend the Internal Revenue Code of 1954 to provide a credit for investment in certain depreciable property, to eliminate certain defects and inequities, and for other purposes."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 11665) entitled "An act to revise the formula for apportioning cash assistance funds among the States under the National School Lunch, and for other purposes."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 320) entitled "An act to amend the provisions contained in part II of the Interstate Commerce Act concerning registration of State certificates whereby a common carrier by motor vehicle may engage in interstate and foreign commerce within a State."

The message also announced that the Senate agrees to the amendment of the House to the amendment of the Senate numbered 1 to the bill (H.R. 11018) entitled "An act to amend the act concerning gifts to minors in the District of Columbia."

FURTHER PROGRAM THIS WEEK

The SPEAKER. The Chair recognizes the gentleman from Wisconsin [Mr. BYRNES].

Mr. BYRNES of Wisconsin. Mr. Speaker, I asked for recognition in order to inquire of the majority leader concerning the program for tomorrow.

Mr. ALBERT. Mr. Speaker, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield to the gentleman.

Mr. ALBERT. Mr. Speaker, the first order of business tomorrow will be H.R. 13290, the Supplemental Appropriation Act for 1963.

Second, H.R. 13273, the omnibus rivers and harbors and flood control bill.

Third, H.R. 7283, the conference report on the War Claims Act of 1948, as amended.

Fourth, S. 1123, child labor provisions, Fair Labor Standards Act.

Fifth, H.R. 11665, conference report on funds for the School Lunch Act.

Mr. Speaker, I would like to advise the House further that the chairman of the Committee on Ways and Means, the gentleman from Arkansas [Mr. MILLS], has advised that he will be prepared to call up—and I think this will be the first order of business on Thursday—the conference report on the Trade Expansion Act. There will probably be other conference reports ready on Thursday.

Mr. BYRNES of Wisconsin. Mr. Speaker, I understood also that the chairman of the Committee on Ways and Means was intending to call up some other bills that were unanimously brought out of the committee.

Mr. ALBERT. Those have been announced and they may come up tomorrow.

Mr. SCHENCK. Mr. Speaker, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield to the gentleman from Ohio.

Mr. SCHENCK. Mr. Speaker, may I inquire of the majority leader if there has been a request to file the conference report on the drug bill.

Mr. ALBERT. I am not aware of it, if there has been.

HOUR OF MEETING TOMORROW

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock a.m. tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

SELECT COMMITTEE ON EXPORT CONTROL

Mr. WHITENER. Mr. Speaker, I ask unanimous consent that the House Select Committee on Export Control have permission to sit tomorrow during general debate.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

COMMITTEE ON THE DISTRICT OF COLUMBIA

Mr. WHITENER. Mr. Speaker, I ask unanimous consent that the House Committee on the District of Columbia be permitted to sit during general debate tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

Mr. CURTIS of Missouri. Reserving the right to object, Mr. Speaker, there have been some strange things passed under unanimous consent without the knowledge of the House. I refer to one specific thing that apparently happened today, where the loyalty oath under the Defense Education Act was amended. Very few Members, I have found, even knew that that was done. Therefore, I am going to object to any of these unanimous-consent requests until there is some understanding of the protection of the minority side. So I do object.

The SPEAKER. The Chair cannot take the proposition that strange things happen, because all unanimous-consent requests have been carefully screened in connection with legislation.

Will the gentleman from North Carolina repeat his request?

Mr. WHITENER. Mr. Speaker, I ask unanimous consent that the House Committee on the District of Columbia be permitted to sit tomorrow during general debate.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

Mr. CURTIS of Missouri. I object, Mr. Speaker.

The SPEAKER. Objection is heard.

NON-SERVICE-CONNECTED PENSION PROGRAM FOR VETERANS

Mr. LIBONATI. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the Record.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. LIBONATI. Mr. Speaker, H.R. 13303 was introduced as the proposed amendments to Public Law 26-211 considered by the Veterans' Affairs Committee at hearings as a basis for compromise legislation.

I have introduced today a bill, H.R. 13303, which proposes certain changes and improvements in the non-service-connected pension program for veterans.

The most controversial of the bills introduced in the 87th Congress touching veterans' legislation has been the non-service-connected pension bill H.R. 3745.

The Committee on Veterans' Affairs has held numerous hearings in this sensitive area. The officials and experts of both the veteran organizations and the Veterans' Administration have presented their views and criticisms of Public Law 26-211 covering this subject.

Only recently the hearings were reopened to receive further testimony on the same subject matter over a 6-week period.

The key veteran organizations and the Veterans' Administration presented evidence before the committee pointing out the weaknesses in the present law and suggested changes for purposes of amendment in order to interest servicemen to change over from the old law to the new 26-211—passed last session. The inequities created by the new law were minutely discussed and remedial amendments proposed to rectify the weaknesses in the present act.

Many of the changes suggested at this series of meetings are incorporated in H.R. 13303. At least a basic start has been made to bring about remedial legislation through this corrective measure. The consensus of the opinions of the veteran groups was considered and made possible the consideration of these changes.

The major provisions of H.R. 13303 are as follows:

First. The minimum and intermediate income steps are raised, thereby allowing a major number of veterans and widows to obtain higher rates of pension.

Second. The monthly rate of pension for veterans and widows whose annual income is below the minimum income increment is raised. In most instances these raises are about $5 per month.

Third. It excludes from annual income reports the amounts paid by the veteran for burial expenses of a spouse and children.

Fourth. The disability requirement for veterans 65 years of age or older is eliminated. In other words, veterans 65 years of age or older will be presumed eligible on the basis of age without the requirement of a physical examination.

Fifth. H.R. 13303 excludes from annual income reports the cost of medical, dental, and hospital expenses of the veteran, his spouse, and children in the case of any veteran who has attained the age of 65 years.

Sixth. H.R. 13303 excludes from the annual income reports of veterans all earned income of the spouse.

Seventh. Profits realized from the disposition of real or personal property are excluded from the income report.

Eighth. The bill excludes 10 percent of all payments of public or private retirement and eliminates the feature of the current law which does not require the counting of income from a public or private retirement plan until the contribution of the individual is recouped.

H.R. 13303, if enacted, would provide certain desirable changes in the pension program which are particularly directed to the needs of World War I veterans who now constitute about 90 percent of those on the pension rolls.

H.R. 13303 is being introduced at this time in order that its costs may be estimated by the Veterans' Administration and the Bureau of the Budget so that the bill can be placed under immediate study by the appropriate administrative agencies and a position can be developed.

It has always been my contention that a compromise could be effected in this area of legislation. Both the gentleman from Florida [Mr. Haley] and myself felt that the only way to realize some progressive advantages in this field of veterans legislation in order to alleviate the unfortunate financial predicament of many World War I veterans and their widows, was to pursue a course of conferences and study with the administration participating. Through the good offices of our chairman, the gentleman from Texas [Mr. Teague], and the efforts of the Honorable John (Jack) Gleason, Director of the Veterans' Administration, together with the hearings appealing to the officials of the veteran organizations to enter into a frank discussion of their differences with the present Public Law 26-211 to aid the committee in drawing up a test bill as a basic start for legislative changes—affecting Public Law 26-211. And so we are appreciative for the cooperation of these dedicated men who made possible a partial solution of a critical problem.

With a completion of the study of H.R. 13303 as to the costs by the VA and the Bureau of the Budget, we hope further changes can be made in determining these benefits. Criticism is cheap, even if only partial success is the reward for sincere effort, persistence, and patience. It goes without saying that the members of the committee and the committee staff, who alleviate in real service their many problems, are thankful for the progress made in the new provisions of H.R. 13303 here presented. I am certain that Past National Commander John Bashara of the Veterans of World War I, who has worked so diligently for the passage of remedial legislation in this phase of the World War I veterans' problems will feel somewhat rewarded for his confidence in our decision to compromise the issue and reap some success for him in the dedication to this cause.

AMERICA AND THE UNITED NATIONS

The SPEAKER pro tempore (Mr. Libonati). Under previous order of the House, the gentleman from South Carolina [Mr. Rivers] is recognized for 60 minutes.

Mr. RIVERS of South Carolina. Mr. Speaker, in my opinion, the real issue involved in our desperate effort to raise funds for the United Nations has been overlooked and ignored.

With the rapid addition of the newly created African and Asian nations, the U.N. has been turned into a racist organization. If there is conflict at the world organization involving a white race and a colored race—as there is frequently—the U.N. invariably backs the colored race.

The latest example took place on August 10. The Special Committee on Colonialism of the U.N. voted 12 to 4 to recommend Security Council sanctions against the Portuguese if the latter did not free the African Province of Mozambique.

Even the United States, which has been the tail on the Afro-Asian bloc's kite at the U.N. balked at this one. We voted against the resolution. Jonathan B. Bingham, U.S. representative, protested at what he termed excesses by anticolonialist members of the U.N.

I hope this vote represents a return to commonsense on the part of the U.S. Government. But I fear greatly that our sobriety is only temporary. We are negotiating with the Portuguese Government for the renewal of air base leases on the Azores. Our vote against Portugal on the Mozambique issue probably would have ended those negotiations. The air bases are of tremendous value from a military standpoint. The Portuguese, a NATO member and friendly nation, have given them to us free of charge. Once we have the Azores again, I greatly fear that Portugal will find the U.S. Government voting against it at the U.N.—as it has done now for more than a year.

We have gone along enthusiastically with the U.N. effort to dismember Portugal by freeing the West African Province of Angola. We have supported an infamous gang of murderers led by one Holden Roberto. His followers invaded northern Angola from the nearby Belgian Congo last March. They tortured, raped, and butchered. But our condemnation at the U.N. was not for the terrorists. It was for the Portuguese whose only crime was defending themselves and their families.

The transformation of the U.N. into a racist organization, dominated by the Afro-Asian bloc, is a matter of common knowledge. Even the liberals have commented upon it frequently. For example, Chet Huntley, radio-TV commentator, whose heart bleeds copiously and frequently, said on June 16 of the attempt to force the Belgians out of the African area of Ruanda Urundi:

> Another mess is about to be perpetrated in the United Nations, judging by all the signs. The Afro-Asian bloc of nations with their pathological tantrums about the evils of colonialism and backed by the Communist bloc, is on the verge of securing independence for yet another country, which has about as much preparation for statehood as did the Congo.

With the exception of the Mozambique vote—which is quite surprising—we have backed the Afro-Asian bloc at the U.N. all the way. We have done so in the name of anticolonialism, but this policy is a sham and a fraud. Our definition of colonialism is the somewhat narrow and puzzling definition employed by the Afro-Asian crowd at the U.N.

In brief, this is it. If a white race—the Russians, for example—has a white colony—Hungary, or East Germany, for example—that is not colonialism. It may seem like colonialism, but it really is not. It just seems that way.

If a colored race—Red China, for example—has a colony—Tibet, for example—that also is not colonialism. It may seem so, but once again appearances are deceptive.

But if a white race has a colored colony, that is colonialism, evil, reprehensible, awful. If the colored race is not ready for freedom—no matter, right is right and wrong is wrong. Down with colonialism and down with the whites.

The Russians flaunt their colonialism in our face and ask us what we are going to do about it. A great hue and cry arose when Russian tanks and Russian guns shot down the Hungarians, who, incidentally, were rebelling against colonialism. But our support of the oppressed race was purely vocal. The Hungarians learned a bitter lesson.

We stood by, hands in our pockets, while the Russians built the Berlin wall. It is true that we, once again, raised our voices. But we watched the wall go up. We still are shouting about the wall, but it still stands. Some time ago the East German police shot an 18-year-old boy as he tried to flee to West Berlin. He fell near the wall, only a few yards away from a U.S. control point. There he lay, dying, but we did nothing.

Furthermore, a still greater test is coming in Berlin, the test which will happen if the Russians turn Berlin sovereignty over to the East German Government as a part of the campaign to force us to withdraw our troops. How will we meet that situation? Nobody knows.

Of course, we did nothing about China's conquest of Tibet but to cluck-cluck disapproval. Nor did India's seizure of Portuguese Goa result in anything but some melancholy remarks by our U.N. Ambassador, Adlai Stevenson.

Now we have belied all our piety about anticolonialism by conniving to help bring it about in Dutch New Guinea.

This area has been a Dutch colony, as was Indonesia not too long ago. The Dutch were willing to turn the territory loose and proposed that it be under a U.N. mandate. However, Sukarno, the cocky little Indonesian dictator, wanted Dutch New Guinea for himself. It is a wild jungle tract inhabited by a primitive race called Paupans which are not far from stone age civilization. The Paupans are in no way related to the Indonesians, but that made no difference to Sukarno. He threatened war to gain his point and sent troops to New Guinea. Some skirmishes took place.

Through Ellsworth Bunker, former Ambassador to Argentina, the settlement, so-called, has been worked out. It provides that the Indonesians will take over Dutch New Guinea next year. They will administer the colony for several years. Then follows an election, supposedly under strict U.N. supervision, by the Paupans to decide what they want to do.

This is nothing but a cynical arrangement to make New Guinea an Indonesian colony. The Indonesian dictator has had his way. He threatened to start a war with the Dutch and both the United Nations and the United States surrendered to him.

The Washington Post and other liberal organs have talked about this sellout, as if it were a victory for virtue. The editorial writers, even the most starry eyed, must have had their tongues deep in their cheeks. And no wonder. This sellout of the Papuans is a real stinker, a violation of our high-sounding principles and those of the U.N., also.

Incidentally, only a month or so ago, the Post and its brethren were boasting about our triumph in the Belgian Congo. At the time, Tshombe, the Katangan leader, apparently had been whipped by U.N. troops and brought to heel. Up went the fanfare about the U.N. and the wonders it had performed. These encomiums turned out to be premature. The Belgian Congo is a mess, a fiasco, a catastrophe. It is the direct result of our policy of knuckling to the racists in Africa and elsewhere. We pressured the Dutch into giving up the Belgian Congo prematurely. Again, we were bowing before the Afro-Asian bloc. The Congo was not ready for self-government. The savages ran amuck, raping, robbing, and murdering. This was the beginning of trouble which seems endless.

Finally, we decided the Congo must be united under one Cyrille Adoula, a leftist whose loyalty to us and the West still is highly questionable. The leader in Katanga Province, Moise Tshombe, did not like this arrangement, and no wonder. His province is highly developed, comparatively speaking, is stable politically, and moreover had the backing of white interests.

But Tshombe did not understand one thing. His friendship for the whites and for the West made him a political leper. The Afro-Asian bloc did not like him because of his white connections. Subservient to the Afro-Asian bloc, the State Department did not like him either.

The U.N., with our backing, decided to force Tshombe to give in to Adoula. This policy resulted in a U.N. war on Tshombe and in rape, murder, and terrorism by the U.N. troops. Our State Department spokesmen say the U.N. fought in self-defense. This is reminiscent of George Orwell's "War is peace—freedom is slavery." The State Department is trying to corkscrew its way out of the Congo dilemma, but only the incurably gullible are fooled.

The U.N.'s intervention in the Belgian Congo has bankrupted the United Nations. Moreover, the U.N. soon will be broke again unless we get out of the Congo. Any money we vote now will be only a stopgap. If the U.N. troops remain, the U.N. soon will be back, hat in hand, saying, "Just one more time."

We have mired our wagon in the Congo mudhole. In the face of the failure and idiocy of our policy, we still cry "Adoula over Tshombe." We are busy trying to find ways to force Katanga to give in. The alternative, we say, is some leader who will be more leftist than Adoula, who is pretty far to the left himself. This hypothetical leftist might bring in the Russians. In reality, the Russians are highly pleased with the way things are going. The chaos we are causing in the Congo creates the conditions under which communism thrives.

Well, why not make Tshombe the Congo leader? He runs a pretty good show in his own country. He might do the same for the rest of the country. But no, Tshombe is anti-Communist and friendly to the whites. The Afro-Asian bloc does not like him. So, he is out.

During consideration of the U.N. bond proposal before the House Foreign Affairs Committee it developed that we were picking up the U.N. tab for other countries, including Cuba, Albania, Bulgaria, Poland, and Yugoslavia. They have shared in more than $30 million in special contributions which the United States has made to the U.N.

I agree that this action was reprehensible and indefensible, but it is not surprising. We insist on heavy grants to Yugoslavia and other Communist countries from our aid funds. It makes no sense, but the explanation goes something like this: They are Communists, all right, but they are not exactly like the Soviet Union. The money we give them may help further development of their own particular brand of communism. So what? Since every Communist country is an enemy, I still do not see how aiding our foes helps us. But there it is, a zany explanation with the patented State Department twist.

Our peculiar attitude toward leftwing dictators also is a bit puzzling. Sukarno is a dictator. There is no question about it. Nor is there any question that his country is in dire straits. The cost of living is high; so is unemployment. Money which should be spent to help the people is going for military equipment, and for aggression. But Sukarno mouths leftist phrases. He says the right things to please liberal organs like the Washington Post. Consequently, his takeover of Dutch New Guinea is approved. A leftist dictator can depend on tender and deferential treatment from most of our liberals. But periodically there are solemn editorials in the liberal press which call upon the United States to reexamine its position toward Portugal and Spain. There is grave headshaking over alleged oppression, censorship, ponderous references to pent-up feeling on the part of the people, and intimations that Franco and Salazar cannot long endure.

The leftist and Communist dictators do not get this treatment from our liberals. Conditions in Spain and Portugal are good indeed in comparison to conditions in Cuba, Indonesia, Red China, East Germany, and so on, but is there a call for reappraisal of our policies toward these countries? There is not. Most of the liberal press admonishes us to leave Castro alone. Do they say that the Government cannot endure because of bad conditions in the country? They do not.

Instead, the Washington Post and the New York Times and other liberal papers take the view, apparently, that any country which has gone behind the Iron Curtain has gone forever. The people may be oppressed, as they always are, but there is no hope for them. There is no freedom, too bad, too bad. There may be starvation. That also is deplorable. Nothing can be done about it. We must let events take their course. Maybe, some day, the Communist regimes will mellow and the people under communism will be better off. Let us hope so, but, meanwhile, let us not rock the boat.

As a matter of fact, I think our liberal spokesmen fear uprisings in the Communist countries. They might expose our impotency, as Hungary did. They might make it plain that our principal weapon against our Communist foes is appeasement.

But, as for the dictators on the right. How we roar and thunder and threaten them. We brought down Batista and got Castro. We rebuked the Peruvian junta, a foolish, premature action, which left us with a red face and some crow to swallow. Yet, we never learn. Our liberals will not be satisfied until there are leftist regimes in Spain and Portugal. Then they will quarrel over the blame for this blow to the West, but they will agree that nothing can be done about it.

The animosity of the liberals and, in fact, our State Department toward right-wing dictators makes little sense against the background of the world struggle. Neither do phases of our foreign policy—the insistence on giving billions in grants to Communist countries, for example—make sense. One excuse for surrendering to Sukarno over Dutch New Guinea is that this dictator might turn to the Communist bloc. If we help overthrow Franco and Salazar might not their successors turn to the Communists? We swapped Batista for Castro. Only a few miles off our coast, this puffed up toad spits in our faces, and we take it. Just the same, the possibility that the overthrow of anti-Communist governments in Spain and Portugal might bring new calamities upon us, never seems to occur to our liberals.

On the surface, it would seem that our Afro-Asian policy is completely fatuous. In supporting the nationalists and racists at the U.N., we are working against our best interests.

A successful propaganda campaign has been waged to convince Negro leaders in this country that their destiny is tied in with the destiny of Africa. This is romantic nonsense. The only thing, actually, the Negroes here have in common with the Africans is skin color. The tribal animosities which beset Africa are lacking in this country. The culture of the Negroes here is an American culture. The amazing strides made by the Negroes in this country are due to America, not Africa. Our Negroes have been the beneficiaries of a white civilization. Yet, Negroes like Martin Luther King and many others ally themselves emotionally with Africa. They glory in the doom and downfall of the whites, regardless of the long-range results.

Such outfits as the American Committee on Africa, which lists many prominent Americans among its members, are violently racist. The committee, which says Mrs. Roosevelt and Arthur Schlesinger, Jr., belong to it, echoes the Communist line in assailing Portugal. Apparently, its staff has been infiltrated by leftists and pro-Communists. Hope Stevens, member of the committee executive board, has belonged to, worked for, or been a member of more than 20 organizations cited as Communist by congressional committees or the Department of Justice. Other executives have been affiliated with Communist-dominated movements. Yet, the Department of State named George M. Houser, who heads the American Committee to its Advisory Committee on African Affairs.

The American Committee already is on record. Every nationalist and racist movement on the part of colored races is backed to the limit. The whites are always wrong, unless, of course, they are in full retreat. If the State Department heeds Houser's advice, the future for the whites in Africa and for all Africa is bleak indeed.

The Communists are delighted with our African policy. They fulminate against Tshombe. They are vehement against the Portuguese in Angola and Mozambique, almost as vehement as the American Committee on Africa. It is significant that the Negro Communist, William Worthy, who worked for the Fair Play for Cuba Committee and later fled to Cuba is now busy working for the Angola terrorists. He comments most favorably about the American Committee.

Worthy returned to the United States not long ago and was indicted for illegal entry. Any day now I expect the Washington Post and New York Times to come forward in his defense.

Some of the Negro leaders in this country must recognize the danger of supporting racist movements in Africa and of arguing for equality here. Yet few Negroes in this country criticize racist leaders like Mboya in Kenya or Nkrumah in Ghana. They are pilloried if they do. Most of the Negro papers in this country take the racist view on Africa. For example, when India overran Goa, which had been Portuguese for generations, the Chicago Defender said it did not care one bit whether India was right or wrong. The Defender continued: "We cast our lot on the side of Premier Nehru in any dispute between him and the colonial-minded, undemocratic government at Lisbon." I wonder if the Defender regards Ghana's Government as democratic?

The Afro-American newspapers in this country are violently racist on African affairs and hate the Portuguese venomously. This pattern runs throughout the Negro press, although there are exceptions.

The Portuguese have pursued a multiracial policy for a long time, the policy which American Negroes claim they want here. It would seem that American Negroes would strongly support the Portuguese, or at least be much more sympathetic with them than with other colonial white powers. Yet, the Portuguese, if anything, are hated even more than are other white countries in Africa. This is hard to explain. As I see it, the attitude of our own Government and other developments have led Negroes here to believe that the black race will take over most of the continent. This excites and thrills them. They become racist and nationalist. The tolerant race attitude of the Portuguese offers an obstacle to the Negro takeover. Therefore the Portuguese are villains.

The idea that there can be a unified Africa, dominated by the Negro race, is silly. Under the most favorable circumstances, it would take generations to get rid of Negro tribal antagonisms and feuds. Not only are the tribes hostile to each other, they differ radically in almost every respect: linguistically, culturally, ethnically, physically, spiritually.

The Arab race, which also is experiencing a nationalist revival, dominates much of north Africa. The Arab nations are highly developed in comparison to most of the predominantly Negro countries. If any race is to dominate the continent, which is doubtful, it is much more likely to be the Arabs than the Negroes. Nehru has designs on Africa, where many Indians live already. There is animosity between Arabs and Negroes and between Indians and the Negroes and between the Chinese and the Negroes. The idea that, with the elimination of the whites from Africa, the colored races will live as one big, happy family belongs in the folklore of fuzzy minded people like Soapy Williams, one of the administration's principal African advisers, incidentally. For purposes of illustration, let me point out what has happened in British Guiana, on the north coast of South America. There on the verge of a takeover by the Communist leader, Jagan, difficulties arose.

The two big racial groups, the Negroes and the Indians, fell to fighting. The issue was a race issue, pure and simple. Jagan had to plead for British troops to restore order. Independence was delayed temporarily. Eventually Jagan will get his way and British Guiana will join the U.N., to help the Communist bloc there, but the hatred and strife between the Negroes and the Indians will remain.

The Negroes are a minority by comparison to other great races, the white race, the yellow race, and the brown-red race. They are backward in comparison to the Orientals and the whites. This may not be their fault, but it is true. Yet, our Negro leaders cry "Africa for the Africans," meaning Africa for the Negroes. They do not lift their voices against racism in Africa. They do not criticize extremists like Mboya in Kenya.

A reliable Negro journalist, Louis Lomax, quotes Mboya as follows:

> The Europeans know they are finished in Kenya. Now all they want to know is if we're going to pay them for their land. The civil servants know they are done here. Now all they want to know is whether we are going to give them a pension. Every day they stop me on the streets and they ask me: "Mr. Mboya, are you going to take our land? Are we going to be compensated? Are we going to get pensions?"
>
> I tell them, "Don't ask me to pay you. Tell your troubles to MacLeod (the British Colonial Secretary). Let him pay you. As far as we are concerned, the Europeans have lived off the fat of the land. They have had their compensations and their pensions."
>
> Then the Europeans want to know if they can stay on in Kenya. I tell them: "Sure." But if they stay on they must get out of politics. We are going to have an all-black parliament and an all-black government. We are going to divide our land among our people. If the Europeans want to stay, they can stay on as squatters. If they want to work, they can work for us.

The material development which exists in Kenya is largely the result of white skills and knowledge, and funds furnished by the whites. The plantations which the natives intend to take over were carved from the bush by the whites. The modern city, Nairobi, was built by whites; the civilization in Kenya is a white civilization. The whites are rewarded by mistreatment and confiscation. If they wish to stay on, they can, in the words of Mboya, remain as homeless squatters. No wonder that the whites are fleeing Kenya, realizing what is in store for them. Nor is Mboya's attitude exceptional; it is the rule with the most powerful Negro politicians in the new nations which now dominate the U.N.

Let us assume that a white leader in this country proposed the confiscation of Negro property, and the abolition of all Negro privileges. Let us assume that he said, in effect, that the Negroes had better get out, since if they remain, they remain without possessions, without hope, as squatters. This proposal and the man who made it would be denounced all over this land. The Mboyas arrogantly tell what they plan to do to the whites in their countries. Some of it already has been done. I hear no denunciation from our Martin Luther Kings. I hear no criticism of Mboya from papers like the Washington Post. I hear no liberal outcries against such racism. If there is any comment, it is to the effect that colonialism must go—that is, white colonialism. We have just finished a little scheme which makes colonists out of the Papuans. Why did we do it? Well, Sukarno, the Indonesian dictator, was acting up and causing trouble. He must be placated and appeased. Besides, the liberal creed says it is not really colonialism when a colored race oppresses and rules a colored race.

If Salazar and Franco are succeeded by leftwing dictators, we can appease the newcomers so they will not go completely over to the Communists. If they do go Communist, we can still appease them by giving them hundreds of millions of dollars as we are doing in the case of countries like Yugoslavia and Poland.

I realize that such a policy would be hopelessly moronic, as are some of our policies now, but, anyhow, we dare not offend the Negro voter—how tragic.

Our part in turning Dutch New Guinea over to Indonesia is shameful and reprehensible. As I have said already, it makes a mockery of our high sounding principles against colonialism. No matter, our Government will not lose any Negro support through the Papuan rape. The Papuans are Melanesians. When we deal with colonialism, the most important objective is not to do anything which offends the Negro voters in this country.

Agitators are swarming over the South. They are violating laws. They are trampling on the rights of the local citizens. They are trying to provoke violence which will enable them to pose as martyrs. Then their leaders can hold big mass meetings in the North and East, at which there will be breast beating and wailing about persecution. Let one of these professional agitators get as much as a bump on the head and he screams like a pig stuck in a fence. The TV cameras get busy. The news is carried North, South, East, and West. There are front page stories all over the Nation, about violence, editorials excoriating the southerners who are trying to mind their own business.

But where are the demonstrations and sit-ins for the victims of Holden Roberto's murderers in Angola? Where are the freedom riders for the whites fleeing Kenya? Where are the mass meetings and the weeping for the victims of undisciplined Negro troops in the Congo? This country, apparently, could not care less. The victims might have built up the country, but they are colonialists and white. They are strictly out of luck. Who cares? They do not vote here.

Nor do the victims themselves dare protest. If they open their mouths, their teeth are in danger. If they had the audacity to stage an organized demonstration, they would be lucky to escape alive. The authorities in the United States protect the Negro demonstrators. In some of the racist African States, if the whites tried a freedom ride, the authorities might turn machineguns upon them.

Through its racist policy, the United States has helped ruin the Belgian Congo. We are doing our best to turn Angola into another Congo. Our man in the Belgian Congo, Adoula, has allowed the Angolan terrorists to establish a camp on his territory. They are training there for an invasion of Angola. And we have voted against Portugal on the Angolan question for more than a year at the U.N.

If the Portuguese fall in Angola, we will have another Congo mess on our hands. It could be even worse for the despairing whites might league with Rhodesia, Mozambique, and South Africa to fight it out. The loss of Angola might overthrow the Portuguese Government and lead to events which would throw both Portugal and Spain into Communist hands.

If this tragic condition should result, America will stand alone as she stands today in the Cuban tragedy. There is not one single ally on whom we can depend in our problem with Cuba. Should we lose Spain and Portugal, God help America.

GENERAL WALKER'S PSYCHIATRIC EXAM AND PROTECTION OF THE LAW

Mr. ALGER. Mr. Speaker, I ask unanimous consent to address the House for 3 minutes.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. ALGER. Mr. Speaker, I take this time because I am deeply concerned over a development at 5:44 this afternoon. I read from the news ticker report:

> Former Maj. Gen. Edwin A. Walker, of Texas, charged with inciting insurrection and seditious conspiracy in connection with the University of Mississippi outbreak, was ordered today placed under psychiatric examination at the U.S. medical center here.
>
> U.S. District Attorney F. Russell Millin announced the action in Federal district court here while Walker's attorneys were trying to arrange the General's release under $100,000 bond.
>
> A few moments after Millin made the announcement, Dr. Russell Settle, warden of the medical center, told newsmen he had been advised by telephone that the psychiatric treatment order was issued by a Federal judge in northern Mississippi.
>
> Asked whether the order meant Walker would not be allowed to post bond on the insurrection and sedition charges, Settle replied: "I am not making any assumptions."
>
> Millin, Walker's attorneys, and District Judge John W. Oliver retired to the judge's chambers for private discussions immediately after Millin made his announcement in open court.

So concerned was I over the information that Major General Walker, my constituent and a citizen of the United States, had been sent to a mental hospital, that I called the Attorney General this morning. He was courteous enough to call me back, to return my call, and he and I discussed this matter temperately. I told him I was not doing that for publicity, I had no knowledge of what would occur later in the day, but a friend had called me and wires were rapidly coming forward at that time. I told the Attorney General I represented the Government to my people and of course the people to the Government.

Mr. Speaker, I want to read the statement first of my recapitulation of the meeting and the conversation I had this morning by telephone with the Attorney General.

This is my statement: General Walker was arrested by the Government because of an alleged violation of Federal law. Whether or not he is guilty must be decided by the courts, not by the newspapers, his friends, or those who are opposed to him. I shall not judge General Walker as I would not judge anyone charged with a violation of the law. I have greatly admired his anti-Communist work and I feel in the past he has rendered the cause of patriotism great service in exposing some of our weaknesses in dealing with the international Communist conspiracy.

The charge he now faces must not be confused with his past efforts. If, in his zeal to preserve the rights of the States and our American Republic as we have known it, he has transgressed the laws of the land, he should be tried on that charge and that charge alone. In my concern for General Walker as a constituent, and as I would do for any constituent who has found himself in trouble with the Government, I talked personally with the Attorney General to ascertain the Government's position in this situation. The Attorney General assured me—and this was this morning, I would say around 11 a.m.

The Attorney General assured me that General Walker is being given, and will be given, every constitutional guarantee under the law protecting the rights of the accused. He said General Walker was transferred to the Federal prison at Springfield, Mo.—sometime before the court order, I will digress to say, upon the recommendation of the Director of the Bureau of Prisons, James V. Bennett. The general's transfer to this prison had no connection with the fact that there is a mental hospital connected with that particular Federal prison. That is what I was told.

The Attorney General declared that no mental examination of General Walker can be made without a hearing and a ruling of the court. He further stated that General Walker will be released, as would any other citizen in like circumstances—so far as he knew at that time—as the result of normal legal processes. Upon payment of the bond imposed by the court the Attorney General said there would be no barrier to his release. He stated that he was sure General Walker's attorney, when he was apprised of all the circumstances would agree that General Walker was being fully protected.

My own statement to the Attorney General was that while I did not agree with the 1954 decision of the Supreme Court, the place to change the law was on the floor of Congress and not on the campus of the University of Mississippi. I said that I was bound by my oath as a Member of the House of Representatives to represent the people of my district, to assure them full protection of the Constitution and at the same time to uphold the laws of the country and to explain the Government position to those affected by this situation.

The Attorney General thanked me for this attitude and assured me again that the Federal Government would give General Walker complete protection under due process of his constitutional rights.

Mr. Speaker, I am deeply concerned because General Walker, my constituent, was sent to a mental hospital before there was a court ruling, and I was assured this morning that he would have the complete protection of the law.

Mr. Speaker, I thank the gentleman from Iowa for yielding to me at this time and I ask unanimous consent that these remarks be printed in the RECORD directly preceding the gentleman who yielded to me so that this subject matter will not be confused with the subject on which the gentleman intends to speak since this is an entirely different matter. I do want to remind my colleagues that this being an entirely different matter, that this was the subject matter and the issue on which I earlier today asked permission to speak out of order during debate. Of course, that request was not made out of any disrespect for the subject matter then under consideration which was being debated—far from it. But I made the request to speak out of order at that time because of my interest in protecting our fellow citizens, a protection which each of us here accords to fellow citizens under the laws of our land.

The **SPEAKER** pro tempore (Mr. LIBONATI). Without objection, it is so ordered.

There was no objection.

THE 2D SESSION OF THE 87TH CONGRESS

Mr. RHODES of Arizona. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. RHODES of Arizona. Mr. Speaker, the 2d session of the 87th Congress is now the longest continuous peacetime session since the 31st Congress, 1st session, which adjourned September 30, 1850, after a session of 302 days. While the 2d session of the 81st Congress did not formally adjourn until January 2, 1951, both Houses recessed on September 23 of that year as far as transaction of legislative business was concerned.

I, for one, cannot help but wonder why this prolonged session is necessary. Bills and resolutions coming before us sporadically deal mainly with domestic matters, so therefore the international situation cannot be blamed. I have an idea that this session may well be protracted with the hope among administration leaders that a wornout and fearful membership will be easier prey to the creations of the ultraliberal advisers to the President. In plain English, perhaps the Executive feels that our natural desire to get home and to start campaigning might cause us to vote for a lot of silly legislation desired by some of the self-styled sophisticates who are calling the shots for this administration.

Those of us who have worked through other, and I might add, shorter Congresses, know that an issue once brought up and voted down was left to sleep the sleep of death unless changing circumstances forced its resurrection. However, in this Congress we have voted time and again on matters which we had previously rejected merely because the Executive has apparently felt an overpowering urge to impose his will on the Congress.

For example, the House or Senate, in its wisdom, rejects a bill. Then we pass a weak "extension of previous programs" only to have conferees report back completely new and far-reaching legislation for our consideration, similar to that we had rejected. The agriculture bill is a case in point. I am so tired of voting on the Hanford atomic reactor issue that I hope to see the word only in my travels of the Far West. When the President could not get his Department of Urban Affairs legislation from the Rules Committee, he attemped to accomplish the same objective by administrative reorganization, only to see that rebuffed as well. Federal aid to education came up under Calendar Wednesday procedure to overwhelming defeat, but I fully expect to see once more a conference report on higher education, which the House recommitted 2 weeks ago, unless Congress goes home soon.

The administration should learn from these defeats that they propose and Congress disposes—once only if possible. I say to them now, "Let mass transportation; youth opportunities; and similar measures rest in peace until a new Congress returns to breathe life into them if this is the will of the Nation."

Mr. Speaker, those who feel Congress will surrender so readily its prerogatives will find they have misjudged the devotion of the Members of Congress to their duties. No matter how petty and unnecessary this prolonged session becomes, I am sure that the great majority of us are willing to fight it out on this line all winter—a season growing nearer and nearer even in the semitropical regions of Washington, D.C.

NON-SERVICE-CONNECTED PENSION PROGRAM FOR VETERANS

MR. HALEY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. HALEY. Mr. Speaker, I have introduced today a bill which proposes certain changes and improvements in the non-service-connected pension program for veterans.

Our committee, the Veterans' Affairs Committee, has been holding hearings for the past 6 weeks and has heard testimony from about 2 dozen witnesses, including representatives of all the major veterans' organizations.

This bill incorporates many of the changes which were suggested through the consensus of opinion by the veteran groups. The major provisions of the bill are as follows:

First. The minimum and intermediate income steps are raised, thereby allowing a major number of veterans and widows to obtain higher rates of pension.

Second. The monthly rate of pension for veterans and widows whose annual income is below the minimum income increment is raised. In most instances these raises are about $5 per month.

Third. The bill excludes from annual income reports the amounts paid by the veteran for burial expenses of a spouse and children.

Fourth. The disability requirement for veterans 65 years of age or older is eliminated. In other words, veterans 65 years of age or older will be presumed eligible on the basis of age without the requirement of a physical examination.

Fifth. The bill excludes from annual income reports the cost of medical, dental, and hospital expenses of the veteran, his spouse, and children in the case of any veteran who has attained the age of 65 years.

Sixth. The bill excludes from the annual income reports of veterans all earned income of the spouse.

Seventh. Profits realized from the disposition of real or personal property are excluded from the income report.

Eighth. The bill excludes 10 percent of all payments of public or private retirement and eliminates the feature of the current law which does not require the counting of income from a public or private retirement plan until the contribution of the individual is recouped.

This proposal, if enacted, would provide certain desirable changes in the pension program which are particularly directed to the needs of World War I veterans who now constitute about 90 percent of those on the pension rolls.

This bill is being introduced at this time in order that its costs may be estimated by the Veterans' Administration and the Bureau of the Budget so that the bill can be placed under immediate study by the appropriate administrative agencies and a position can be developed.

FABRICATOR IN THE FIELD OF JOURNALISM

Mr. PASSMAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. PASSMAN. Mr. Speaker, most men who become famous in their vocations or professions, whatever their fields of activity may be, are identifiable in public discussion of their work without the necessity of mentioning them by name. The person whom I would like to bring to the attention of the membership of the House at this time, in connection with another deliberate effort on his part to thwart my successful work as chairman of the Subcommittee on Foreign Operations Appropriations, is in that category. Reference to him as the No. 1 prize-winning fabricator in the field of journalism is adequate identification.

May I say, Mr. Speaker, that I have not been to Paris since either 1959 or 1960. I do plan to go there, however, in the very near future. But the fact is, most of my trips to check on foreign aid operations have been to the Far East, to such countries as Korea, South Vietnam, Laos, Thailand, Burma, Taiwan, and Japan.

In every instance, before leaving on a foreign trip the word goes to the field that our committee members travel without tuxedos; that we do not require or desire, nor will we accept, entertainment or fancy dinners. We go out on business, and we want that fact fully understood before we depart.

Last year I did make a trip to five European countries to hold hearings, but not to Paris or any part of France. Last fall I made a trip around the world, that took me into the jungles of the Far East. Both of these trips involved 37 days of travel. Even as chairman of the subcommittee, my total expenses, exclusive of transportation—and I do mean "total"—amounted to $1,248.95, which I believe is probably a record for conservatism. I wonder, Mr. Speaker, if the accepted No. 1 journalistic truthtwister can find a record to match this one.

Furthermore, may I state that the members of the Committee on Appropriations, traveling abroad, do not touch so-called counterpart funds in any manner, form, or fashion, but use only dollars—thanks to the wisdom of Chairman Clarence Cannon. Also, expenses of Appropriations Committee members are accounted for to the last penny, and inserted in the Record.

May our Heavenly Father have mercy on this poor truthtwister's soul, for he obviously knows of no other way by which to earn a livelihood. He will be missed when he is called to the Great Beyond. It may take a century for his equal to appear on the American scene

U.S. CAPITOL HISTORICAL SOCIETY

The SPEAKER pro tempore. Under previous order of the House the gentleman from Iowa [Mr. Schwengel] is recognized for 60 minutes.

Mr. HOLIFIELD. Mr. Speaker, will the gentleman yield?

Mr. SCHWENGEL. I yield to the gentleman.

Mr. HOLIFIELD. Mr. Speaker, I want to thank the gentleman from Iowa for yielding to me at this point. Some time ago I secured a 60-minute special order for today which special order follows the special order of the gentleman from Iowa. I secured this time for the purpose of placing in the Record a speech on the subject of the establishment of our Disarmament Agency which occurred approximately a year ago.

I ask unanimous consent at this time, Mr. Speaker, that my remarks appear in the Record following those of the gentleman from Iowa.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HOLIFIELD. I also ask, Mr. Speaker, unanimous consent that my colleague from California [Mr. Clem Miller] may have similar permission for himself and other Members, who also wanted to participate in the discussion on the Disarmament Agency.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. CLEM MILLER. If the gentleman from Iowa will yield, I will ask unanimous consent, Mr. Speaker, that immediately following the insertion of the remarks of the gentleman from California [Mr. Holifield] which are to follow those of the gentleman from Iowa, that the following gentlemen may extend their remarks: Messrs. Murphy, McDowell, Moss, Gallagher, Clem Miller, Zablocki, Fascell, O'Hara of Michigan, Morgan, Hays, Keith, Price, Blatnik, Kastenmeier, Smith of Iowa, Moorhead of Pennsylvania, Rodino, Daniels, Kowalski, Reuss, Westland, and Barry.

The SPEAKER pro tempore. Without objection it is so ordered.

There was no objection.

Mr. SCHWENGEL. Mr. Speaker, often when young people from my district and other places come to Washington, I remind them that they are in the city of Washington, the seat of government, and that it serves the people of a great Nation through elected representatives. It was born from the union of a desire to be free and a desire to have and keep more of what can be fairly earned under freedom. Its Capitol Building stands as an eloquent testimony to the rewards of work, sacrifice and intelligent application of the principles found in freedom. Under the dome of the Capitol and within the shadow of the Capitol you will find many evidences of notable events in your history. Here we have put and built memorials in tribute to some of the great in our heritage who have had a major part in shaping the destiny of the institution that makes us brothers. While here, visit these memorials and there try to catch something of the spirit which burned in the hearts of those who were the torchbearers of freedom not only for this country, but for the world. We should be proud to note that more people visit this Capitol area than visit any other seat of government in the world. The American pilgrimage to this place indicates many things, importantly, I think, their interest in and respect for the freedom and opportunities its Capitol Building signifies. Foreigners come to see something of themselves brought here by people whom we call immigrants. They come here to learn how their own traditions have flourished when the burdens of the Old World are left behind and when they are mingled with the high ideals and virtues of other countries.

Mr. Speaker, after considering and passing on a project that has for its purpose the recalling, revealing, and retelling the history of an important time and person in our heritage, this seems to me an opportune moment in the deliberations of the second session of the 87th Congress to acquaint this House and the country more officially on the organization, the aims, and the progress of the U.S. Capitol Historical Society. Already this society—which we propose shall belong and be open to all the people of the United States—has made an impact, through its meetings and the consequent newspaper stories, that has proved most heartening to the dedicated handful of founders responsible so far for the beginnings that have been made.

Mr. BURLESON. Mr. Speaker, will the gentleman yield?

Mr. SCHWENGEL. I yield to the gentleman from Texas.

Mr. BURLESON. Mr. Speaker, the gentleman from Iowa is to be highly commended for the able and aggressive leadership he is furnishing in connection with the Capitol Historical Society. Largely through his efforts, the society is now functioning for the purpose of filling a most worthwhile need.

We have here, in this Capitol Building in which we meet and conduct our daily business, a symbol of national unity and a landmark of American history in no way inferior to Plymouth Rock and Valley Forge, to the Alamo and the battlefield of Gettysburg, to Mount Vernon and Arlington. This building is at once a patriotic shrine and a living, active center of our Federal Government. It is well that this important fact is to be publicized and emphasized, to strengthen the patriotic fervor of our citizens, and in particular to give this dramatic impetus to the education of our young people, through the formation and projected activities of the Capitol Historical Society.

I cannot too highly commend the purposes for which this society is formed, and the objectives to be carried on and promoted by it. These are, as listed in the constitution of the society:

> To encourage in the most comprehensive and enlightened manner an understanding by the people of the founding, growth, and significance of the Capitol of the United States of America as the tangible symbol of their representative form of government; to undertake research into the history of the Congress and the Capitol, and to promote the discussion, publication, and dissemination of the results of such studies; to foster and increase an informed patriotism of the land in the study of this living memorial to the founders of this Nation and the continuing thread of principles as exemplified by their successors.

The officers and trustees of the Capitol Historical Society are eminent persons, distinguished at once for their patriotic devotion to the Nation, their abiding interest in American history, and their particular concern with the part the Capitol Building has played, and is playing today, in the continuing course of that history. Under the honorary chairmanship of the revered Senator CARL HAYDEN, of Arizona, the officers are: president, the Honorable Fred Schwengel, a Representative from Iowa; vice presidents, the Honorable Marguerite Stitt Church, a Representative from Illinois; the Honorable Hubert H. Humphrey, a Senator from Minnesota; Melvin Payne, executive vice president and secretary, the National Geographic Society; Allan Nevins, the noted historian; and Carl Haverlin, president of Broadcast Music, Inc.; recording secretary, Mrs. Lillian A. Kessel, Research and Information Division, Office of the Architect of the Capitol; and treasurer, Mr. Victor M. Birely, president of Birely & Co., investments, who served with distinction as a member of the Lincoln Sesquicentennial Commission. As is appropriate for an organization of such purposes and activities, the organizers of this society have chosen for membership on the board of trustees a distinguished list of noted historians.

The formation of the Capitol Historical Society is a splendid step forward in placing the National Capitol in its due place at the center both of American history and of love of country. Through the activities of this society, our people should attain a deeper realization of the importance of the Capitol as a symbol of the continuity and unity of America.

Mrs. CHURCH. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The **SPEAKER** pro tempore. Is there objection to the request of the gentlewoman from Illinois?

There was no objection.

Mrs. CHURCH. Mr. Speaker, I am proud to rise today to hail the formation and incorporation of the U.S. Capitol Historical Society, which we hope and, indeed, trust will serve as a link between the past and present history of a great nation and as a challenge to Americans today to recapture dedication to that freedom under law which those who have labored in these Halls have preserved for every American.

In so rising, Mr. Speaker, I would pay merited tribute to Congressman FRED D. SCHWENGEL of the First District of Iowa. He has done more in our day to make history come alive through his own reverence for this august building than any Member who has ever served in this House. To his inspiration is due the rededication of us all to like reverence for the brick and mortar preserved through the ages, and particularly for the men—and the women—who have labored here and by their actions turned brick and mortar into a shrine of human rights and individual freedom. To him, indeed, goes our gratitude for leading us to the further realization that what we do here constitutes not isolated action; not fractional representation of various areas or interest; not temporary support of transient plans and actions. What we say here, what we do here, makes us, ourselves—and we claim such honor humbly—a vital, even if only transient, part of the great stream of history of a country that we are proud to call our own, one Nation, indeed, "under God, with liberty and justice for all."

The dreams and hopes of the U.S. Capitol Historical Society are limitless. The plans that come within our range of thought are imaginative, as well as purposeful. We are mindful of the words of Daniel Burnham: "Make no little plans. They have no magic to stir men's blood." We hope that our plans and the sound execution thereof will provide the magic to bring awareness to all Americans, of all ages, particularly our youth, of the greatness of their country, of the power of its ideals, of the loss that would come not only to Americans but to all mankind if we faltered in our realization of those ideals. We would personalize the tragedy that would occur, if through carelessness, indifference, or cowardice, each successive generation ceased to savor national glory or failed to carry, individually and collectively, its due share of responsibility for the perpetuation of the principles and direction delineated by those who have temporarily occupied the chairs of national responsibility in these legislative, and once also judicial, chambers.

The inspiration which the founders of this society feel so strongly is, nevertheless, Mr. Speaker, not enough. There will be scholarly work to accompany the research and expert care in the selection of articles that may be returned to these halls and in the preparation of the reports and pamphlets, etc., that will be made available to the wide scope of citizens that we hope to reach.

The presence on the board of trustees of authorities whose dedication is equaled by experience and proven eminence is guaranteed that our efforts will be successful.

The immediate nationwide response even to the most sparse indication—and it has been sparse to date—that such a society for the preservation of the buildings and the history of the Capitol was being formed, indicates an interest far beyond our dreams. It awakens within those of us who seek to build this nationwide society a quickened sense of urgency. We urge all Americans to join us in our effort to make these halls a living symbol of the American spirit and the American dream. We trust that every living Member of the U.S. Congress, present and past, will hasten to add his name to the list of proud sponsors of this newly formed United States Capitol Historical Society.

Mr. BARRY. Mr. Speaker, will the gentleman yield?

Mr. SCHWENGEL. I yield to the gentleman from New York.

Mr. BARRY. I wish to commend the gentleman for bringing this matter before us today. I am confident over the years his work will spread to the annals of our journals and also it will reach into the land and make us more constantly aware of the great heritage which we have.

The society proposes simply to make itself responsible for directing the preparation of and disseminating, throughout the United States and the world, the history of this Capitol building. And by employing the history of this, perhaps most sacred edifice in the whole complex of Government buildings in the United States, to make it the focus and foundation for telling amply, inspirationally and correctly the story of our country. For to the founders of this society and of course to all of us, the story of this Capitol is indeed the story of our country. Here within these halls are reflected the triumph and the travail, the glory and the tragedy, the sacrifices and the rewards derived from them, that have brought this democracy under the republican form of government to the position of eminence in world history we now enjoy as a people.

Mr. Speaker, the Capitol Historical Society, by the will of those who created it and the Constitution already adopted that now governs it, proposes to become the most open, the most integrated, the numerically largest, and the most democratic society of men, women and children in the world and, very likely, in the history of societies. In fact we shall consider ourselves 100 percent organized only when, under certain respective categories, we shall have attained a possible active membership of 187 million people, or when we shall have enlisted as members the total population of the United States.

This at least is one of our aims and we hope for a reasonable measure of success.

We are to be, of course, a nonprofit society, financed not through Federal appropriation, but through grants from private funds and through subscriptions deliberately planned to be modest and widely attractive. For it is one of the tenets of our faith that members of our society, whether individuals, corporations, institutions, adults, or schoolchildren, shall have a stake moneywise, however relatively nominal, in a body to which they will owe a kind of allegiance, a discipline perhaps, and a patriotic responsibility. For we want the people of the United States, all our people everywhere, to be themselves learners and scholars, teachers and missionaries of their own great and remarkable history.

It will be the function of the society to enlist almost at once the services of some nationally respected, highly diligent and competent American historian to launch the first project in a whole catalog of projects. We proposed that in due course we shall need the talents and the skills of a staff of historians and researchers to do the fullest justice to this very Chamber in which I am now speaking, to that Speaker's podium over there, to the rooms and corridors adjoining this Chamber, to the Senate, to the stairways, the cellars, the facade, the walks, the paintings and statues, the decorations that constitute this symbol of the free government, this Capitol building of the Government of the United States. It is a history that will be rich in exact data, rich in drama, incredible for the sweep, the nobility, the humanity of its legislation over the years. It is a history that will tell the full story of this Republic and the decisions that have come out of the building down to the very hour in which I now speak. It will be the story of war and peace, of controversy and debate, of deliberations and decisions that have changed the face of the earth and shaken empires to their foundations.

That's the story we propose to tell.

And in the telling of it we mean to give the whole of mankind—not only ourselves—a truer image of the United States. Once we have the basic materials of accurate history gathered for us in detail by our historians and researchers and put to the severest tests of truth, we shall translate them into every known form of communication for distribution everywhere. It will be done by brochures and guide books, by newspaper accounts, by biographical tomes, pictorially and through texts. We shall enlist all the newer devices of electronic communications, employing in time the Telstar and satellite communications, for which this very Congress legislated so wisely. There will be moving picture shorts and static slides, tape recordings and radio, television and simple photography. The story of the United States will be told, with the Capitol as the focus, in music and drama, in sketches and features, and nothing will be overlooked.

That is how we propose to tell the story.

This is the history of the Capitol that will be told to the millions of tourists who visit this building and this Capitol annually. It will be distributed—we hope—to every schoolhouse in the land and it will be not a chore in the compulsory curriculum of education, but an inspirational entertainment in which history itself and the compelling stuffs of which our history is made, shall be made inviting, desirable, fascinating, and ennobling to the young minds of the land. For adults as well the story will go out to clubs and societies, institutions and factories, union halls and board rooms, on ships at sea, in rumpus rooms and public auditoriums, among political and social organizations.

And all those who see and hear and read and listen to lectures and commentary, we again hope, will become live and active members of our Capitol Historical Society.

If this is done—as we determine it shall be—without the use of Government funds and it becomes—as we determine it shall be—one of the major cultural and educational endeavors in our country, who can or would oppose it? Is this not a project on the grand scale in which we can all unite? Is this not a brilliant and an unfailing opportunity for removing the shame of neglect that has kept so much of a great nation in ignorance of its own sublime history? One has but to look about this room, this massive Chamber and—knowing its story—be stricken with awe and a sense of wonder. We have but to think of the legislation that was passed here in this very session and the decisions that were debated and put into law.

It is here that the President must come to deliver his state of the Union address. The Executive makes the recommendations but this is the House which, with the other body, determines whether or not they shall be adopted. It is here that we hold the Nation's pursestrings. Indeed, when war is declared it is here that the declaration is made. Here in this Chamber comes the U.S. Supreme Court on special occasion. In this room we listen to the prime ministers, the heads of states, the notables of our own and foreign countries in joint meetings. Why, to me, as of course to you, this room spills over with the very essence of history. And the story from this moment goes back to the hour when George Washington laid the cornerstone at the founding of our country. Indeed, it goes back before that to the negotiations that determined that the Capitol of the new country shall be on this spot.

I recall the reading of some recent history of that time and in this book was printed, the first time I have seen it, a speech made by John Adams. It was the first speech made in this area. It was made in what is now known as the Old Supreme Court Chamber, where the old Senate Chamber was. Among other things he said that we are fortunate now to have a permanent site of the U.S. Capitol. We should all be grateful that we have a "temple of liberty."

That is what this building is and its story must be told not only to our own people and the coming generations, but it must be told to the world so that they will better understand the true objectives that lie in the hearts and minds of these wonderful people we call Americans.

Mr. Speaker, the reception of this idea is underscored and its success assured when you read the following list of people and organizations that have been elected and included in the list of officers, trustees, and advisors in the Capitol Society.

President: Fred Schwengel.

Vice presidents: Congresswoman Marguerite Stitt Church, Senator Hubert H. Humphrey, Mr. Melvin Payne, Allan Nevine, and Carl Haverlin.

Recording secretary: Mrs. Kassel.

Treasurer: Mr. Victor Birely.

Ex Officio: Living presidents, Vice President of the United States, Speaker of the House, Minority Leader of the House, Minority Leader of the Senate, Secretary of the Smithsonian, Librarian of Congress, Architect of the Capitol, Chairman of the House Administration Committee, Chairman of the Senate Rules and Administration Committee, Chairman of the Joint Committee on the Library, and Archivist of the United States.

Representatives of the following private organizations: American Historical Association, American Political Science Association, National Trust for Historical Preservation, American Institute of Architects, Columbia Historical Society, and Society of Architectural Historians.

The following trustees (15 of the following 17): William S. White, Gerald McDermott, John Jackson, Mrs. Morris Udall, Arthur Hanson, Mrs. Dorothy Ragan, Mrs. Constance Green, Mrs. Robert L. Bacon, Bruce Catto[illegible] Walter M. Whitehill, Mr. Richard Raca[illegible]alter, Benjamin Quarles, Elmer Ellis, Arthur Flemming, Julian Boyd, Congressman McC. Mathias, Congressman Stephens, Steve Feeley, Dr. John Crane, and Ralph Becker.

Mr. Speaker, when addressing a religious heritage group here in Washington recently I made the following remarks. Because many people have evidenced an interest in that speech and because they may serve an interest in the subject, I include them herewith:

MY IMPRESSIONS OF THE CAPITOL

The edifice—our Capitol which we see daily—visitors have already seen often and many will see again is the world's best known public building where liberty is active, vibrant and meaningful.

Although designed piece by piece under the direction of several architects, this magnificent structure shows little evidence of the patchwork one might expect and which is so evident in some of the great buildings of the world.

From any one of the many views of the Capitol, one becomes aware of its magnificent grandeur. It is an imposing structure and presents the symmetry, unity, and classic grace of a building envisioned and designed by a master architect.

The cornerstone was laid in pomp and ceremony with the first President playing a major role, September 18, 1793. With extensions, south and north, added in 1857 and 1859; the dome completed in December of 1863; the terrace added in 1891; and the east front extended in 1962, it appears to be a completed masterpiece of permanence.

Yet, the Capitol will never be complete while the Nation lasts and we want it to be eternal. That is why the Congress, under the guiding hand of many competent architects, built for the ages. The Capitol has grown as the Nation has grown; it will continue to grow.

The impress of each succeeding generation will be found on its walls or will be otherwise noted, making evident the incomparable advancement, intellectual, artistic and governmental, that comes with understanding and gradual application of the principles found in our compact, declaration, and Constitution.

This building is American; American because its major symbolic interest is human beings. Besides the flag, it is our most American American symbol; it is our shrine, a vast and important history has been made here. It is an American heritage that should be cherished.

It has permanence because it is built on a good foundation. I know because I have explored all the inner and lower recesses of this building.

Its strength, its permanence, its growth is assured because it is built on a sound foundation of philosophy—a philosophy that denotes moral character. This is so evident in the lives of our great patriots who early made a great discovery for our Government.

You will recall from your history the inadequacy of the Articles of Confederation. You will recall the struggles, difficulties and frustrations that those men who attended the Constitutional Convention faced. The atmosphere and the prospects were so discouraging that George Washington was led to say, "It is too probable that no plan we propose will be adopted. Perhaps another dreadful conflict is to be sustained. If, to please the people, we offer what we ourselves disapprove, how can we afterward defend our work?"

Then, pointing away, he said, "Let us raise a standard to which the wise and honest can repair. The event is in the hand of God."

But it was at a critical moment when the convention appeared to be on the verge of collapse when Ben Franklin had this to say:

"In this situation of this assembly, groping as it were in the dark to find political truth, and scarce able to distinguish it when presented to us, how has it happened, sir, that we have not hitherto once thought of humbly applying to the Father of Lights to illuminate our understandings? In the beginning of the contest with Great Britain when we were sensible of danger, we had daily prayer in this room for the divine protection. Our prayers, sir, were heard, and they were graciously answered. All of us who were engaged in the struggle must have observed frequent instances of a superintending providence in our favor. To that kind providence we owe this happy opportunity of consulting in peace on the means of establishing our future national felicity, and have we now forgotten that powerful Friend? Or do we imagine that we no longer need His assistance? I have lived a long time and the longer I live the more convincing proofs I see of this truth; that God governs in the affairs of men. And if a sparrow cannot fall to the ground without His notice, is it probable that an empire can rise without His aid? We have been assured, sir, in the sacred writings that 'except the Lord build the house, they labor in vain that build it.' I firmly believe this; and I also believe that without His concurring aid we shall succeed in this political building no better than the builders of Babel: we shall be divided by our little partial local interests; our projects will be confounded, and we ourselves shall become a reproach and bye word down to future ages. And what is worse, mankind may hereafter from this unfortunate instance, despair of establishing governments by human wisdom and leave it to chance, war and conquest."

Here was the greatest discovery our Nation and our patriots ever made.

It is evident in so many of our documents. George Washington, in his Farewell Address, said in effect, "Religion and morality are indispensable to political prosperity."

Evidencing great faith and an understanding of the moral values, the first speech in this Capitol included this wording: "May this territory be the residence of virtue and happiness. In this city may that piety and virtue, that wisdom and magnanimity, that constancy and self-government, which adorned the great character whose name it bears, be forever held in veneration. Here, and throughout our country may simple manners, pure morals, and true religion, flourish forever."

And, an example followed when he said, "It would be unbecoming the representatives of this Nation to assemble, for the first time, in this solemn temple, without looking up to the Supreme Ruler of the universe, and imploring His blessing."

These words were spoken by John Adams to the Congress on the 22d of November in 1800. Since that time every President of the United States has invoked the blessings, called upon his God for guidance, and admonished his people about the moral values.

Oh, so much could be said about this. There is so much evidence of their faith but none, it seems to me, greater than the words expressed by the man I have dubbed our most American American. In the last 72 words of his last public utterance—simple words they were. Fifty-nine of them one syllable words, 12 of them two syllable words and 1 three syllable word and that word was charity.

You will recognize the author when I quote him by saying, "With malice toward none; with charity for all; with firmness in the right, as God gives us to see the right, let us strive on to finish the work we are in; to bind up the Nation's wounds; to care for him who shall have borne the battle, and for his widow, and his orphan—to do all which may achieve and cherish a just and lasting peace, among ourselves, and with all nations."

You are interested in American religious heritage. You couldn't be identified with anything more important and more necessary to freedom.

I have said, and I believe firmly, that if we would take the religious thought out of our American atmosphere, the freedom we know would fold very soon, and anarchy would prevail.

There are many Members of the Congress who understand this and they are trying to keep this spark alive by meeting every week in prayer sessions during the breakfast hour. Also, in the Senate and House the secretaries have weekly prayer breakfast meetings—also in the departments of the Government. The last count indicated there were 37 groups that meet weekly in prayer sessions here in Washington to think on and learn things religious and moral.

You are to be commended for your interest. Keep it up. Promote it, and to the extent you possibly can, make it more meaningful and worthwhile for more people by developing a sense of dedication toward those things that involve religion.

DISARMAMENT OR DISASTER

The SPEAKER pro tempore. Under previous order of the House, the gentleman from California [Mr. HOLIFIELD] is recognized for 60 minutes.

Mr. HOLIFIELD. Mr. Speaker, just 1 year ago the U.S. Arms Control and Disarmament Agency came into being as a separate statutory Agency charged with the primary responsibility within our Government for the formulation and implementation of U.S. arms control and disarmament policy. The legislation establishing the Agency received the support of an overwhelming majority of both bodies of the Congress.

This was a significant piece of legislation. It is the first time in history that any nation has created a statutory agency within its government devoted solely to arms control and disarmament.

Along with many others I sponsored and actively supported the creation of this Agency. On the occasion of the anniversary of its creation, therefore, I would like to reaffirm my support of the U.S. Arms Control and Disarmament Agency and commend it for a job well done during the first year of its existence.

As a member of the Joint Committee on Atomic Energy, of which I now have the honor to serve as chairman, and also as chairman of the Subcommittee on Military Operations of the Committee on Government Operations, I have been intimately involved in our national security policy for many years.

I have consistently supported measures which, I believe, would strengthen the security of our Nation and the security of the free world.

One of the reasons I supported the creation of the U.S. Arms Control and Disarmament Agency was my considered belief that a sound and well-thought out policy on arms control and disarmament was an essential and integral part of our national security policy. In the uncontrolled arms race in which, because of Soviet intransigence, we find ourselves today, we have not really solved our problem of security as we have perfected our weapons. The offensive capability has gotten so far ahead of defense that we can no longer offer an effective defense for our population from an attack of Soviet intercontinental ballistic missiles. To prevent the infliction of such a horror on our population we must rely on our ability to retaliate in kind, city for city.

In this dilemma, where the balance of terror prevails, it is vital to our security that, at the same time that we retain our capacity to retaliate, we do everything in our power to bring the arms race under control and to turn the upward spiral downward.

Therefore, I support the Arms Control and Disarmament Agency in its efforts to formulate sound and workable arms control and disarmament proposals.

And, on the basis of these proposals, I support the negotiation of agreements with the Soviet Union which will enhance the national security of both of us by freeing both of us from the deadly competition in destructive technology in which we are now locked.

U.S. interest in disarmament by no means began with the creation of the Arms Control and Disarmament Agency 1 year ago. That Agency now provides a much needed focus for our efforts and has provided them with new impetus.

The United States has always pursued a policy of peace. "Peaceful coexistence" is a phrase that Chairman Khrushchev has seized upon to characterize Soviet foreign policy since the death of Stalin. Regrettably, he has robbed the phrase of any real meaning by using it to legitimize subversion, guerrilla tactics, wars of national liberation, and wars for the liquidation of colonialism. Had the Communists not seized upon the phrase "peaceful coexistence" and completely distorted its meaning in this way, I might use it to characterize U.S. policy. For we have indeed tried to exist peacefully among a community of independent nations.

We entered each of the two World Wars reluctantly and as soon as the hostilities ceased we were among the first to disarm.

At the end of the Second World War we had in being the most powerful warmaking machine ever created by any nation and it was at the peak of its efficiency. We possessed a complete monopoly on the most deadly of weapons, the atomic bomb. As soon as hostilities terminated, our Armed Forces were demobilized in record time.

The United States even offered to give up completely the atomic bomb at a time when its monopoly over that weapon was still complete. On June 14, 1946, Bernard Baruch presented to the United Nations a far-reaching yet practical proposal which would have placed all atomic energy activities under the United Nations. Thereafter, all atomic production would have been confined to peaceful purposes under effective international control.

Unhappily, the Soviet Union rejected this offer and with the explosion of their first atomic bomb in September of 1949 the nuclear arms race was on.

Following the cessation of hostilities in Korea, the United States once again took the initiative in arms control and disarmament. In 1953 President Eisenhower laid before the United Nations his atoms-for-peace program. One of the basic ideas embodied in this proposal was an international agency to promote the peaceful uses of atomic energy and to safeguard nuclear materials from being converted to military purposes.

Eventually this idea bore fruit in the creation of the International Atomic Energy Agency.

I had the honor of serving as the representative of the Joint Committee on Atomic Energy at the first organizational meeting of this Agency held at Vienna in October of 1957, and have also served as a congressional adviser to the American delegation to the general conference of the Agency. Therefore, I can testify to the useful work that the International Atomic Energy Agency has done over the years since its founding.

Unfortunately, another of the basic ideas expressed in President Eisenhower's atoms-for-peace program has never been implemented. This was his proposal for the contribution by the nuclear powers to the International Agency of agreed quantities of nuclear materials for peactime purposes from their stockpiles. This measure was never accepted by the Soviet Union.

Another important initiative in the arms control field by the United States was the open-skies proposal of President Eisenhower. This proposal was first advanced at the summit conference at Geneva in 1955. Implementation of this plan and the exchange of military blueprints would have gone far toward reducing the danger of surprise attack and easing international tensions in the opinion of many thoughtful people.

One of the most intensive negotiating efforts of the 1950's on the subject of disarmament occurred in London in 1957. Our proposals at that time focused on a few first steps which would have the effect of tapering off the arms race. The proposals that the United States made in 1957 were: a nuclear test ban, a cutoff in the production of fissionable material for use in nuclear weapons, reductions in numbers of men in the Armed Forces, reductions in conventional armaments, and the establishment of zones to guard against surprise attack. When this effort to reach a disarmament agreement broke down, the Soviet Union refused to participate further in disarmament negotiations and not until 1960 did full scale disarmament talks begin again.

However, in 1958 a conference was held in Geneva devoted exclusively to the problems of surprise attack. Our delegation to this conference was ably led by Mr. William C. Foster, who now is Director of the Arms Control and Disarmament Agency.

Beginning in October 1958, representatives of the United States, United Kingdom, and the Soviet Union also met to negotiate an agreement on the cessation of nuclear testing. The scientific findings made by a conference of experts from the three nuclear powers and from other countries during July and August of 1958 provided a basis for negotiation.

This technical conference, convened at the suggestion of President Eisenhower, produced a report which stated that with certain capabilities and limitations a nuclear test ban agreement could be effectively policed by the use of various types of instrumentation.

It was the task of the diplomats to translate these technical findings into a treaty providing for a control system to monitor the cessation of tests. These negotiations continued over a period of nearly 4 years and are now still going on.

On the question of comprehensive disarmament, during the spring and summer of 1961 a series of constructive bilateral exchanges between ourselves and the Soviet Union were held. Mr. John J. McCloy, then President Kennedy's special adviser on disarmament, and a man who played a leading role in advocating the need of a separate agency to deal with the problems of arms control and disarmament, ably represented the United States in these discussions.

The result was agreement on the joint statement of agreed principles for disarmament negotiations. In this document, which now forms the basis of negotiations at the 18-nation Disarmament Conference in Geneva, both sides have recognized that their overall goal is general and complete disarmament in a peaceful world.

Both sides have recognized that all disarmament measures must be balanced so as to protect the security of all nations and that disarmament must be carried out under effective international inspection and control.

The unifying theme running throughout all these disarmament negotiations has been the controversy between the two sides over how much verification would be permitted. This is still true today.

On the one hand, we have, I believe, rightly insisted that if we are to disarm we must have reasonable assurance that our potential enemies are doing likewise. On the other hand, the Soviet Union has thus far uniformly rejected our proposals for various means of verifying that disarmament obligations were being carried out.

This I believe is essentially the problem of the open versus the closed society. The Soviet Union has repeatedly professed an interest in disarmament. If this interest is sincere, the Soviets must at some point demonstrate a willingness to open their society to the limited extent necessary to provide the world with a reasonable degree of confidence that they were in fact beating their swords into ploughshares and their spears into pruning hooks.

The purpose of this brief review of our past efforts to reach agreements with the Soviet Union on measures of arms control and disarmament has been to demonstrate the continuing interest the United States has in pursuing a real policy of peace.

However, if I am to be candid I must state that too often prior to last year our disarmament policy appeared to me to be a last-minute affair. Our proposals seemed to be lacking a sound technical basis and no consistent approach had been evolved. An example of this was found in the nuclear test ban negotiations when in 1959 as a result of further study we were forced to modify our own previous technical evaluation of the proposed control system we had agreed with the Russians was to be the basis of our future negotiations.

One of my primary reasons for supporting the creation of the Arms Control and Disarmament Agency was because I felt the need of long-range planning and the development of a sound technical basis for our arms control and disarmament proposals.

I am happy to say that the results of the first year of operation of the Arms Control and Disarmament Agency have in my mind fully justified its creation.

The Agency, under the able direction of Mr. William C. Foster, has formulated a number of major proposals which now constitute the basis of U.S. arms control and disarmament policy.

The outline of basic provisions of a treaty on general and complete disarmament in a peaceful world, which was presented at the 18-nation Disarmament Conference at Geneva by Ambassador Arthur H. Dean on April 18, 1962, is a detailed and explicit statement of the U.S. position on general and complete disarmament. The draft comprehensive treaty banning all nuclear weapon tests in the atmosphere, outer space, and underwater, both of which were submitted to the Geneva disarmament conference on August 27, 1962, taken together embody the U.S. position on the cessation of nuclear testing.

Each of these disarmament proposals was the product of intensive study within the Arms Control and Disarmament Agency and coordination with other interested executive agencies and officials. Each proposal ultimately received the approval of the President. The appropriate committees and Members of the Congress were also kept informed. Recently as chairman of the Joint Committee on Atomic Energy, I presided over hearings where the key persons involved in the preparation of the new test ban proposals discussed the nature of these proposals and their technical basis.

The Arms Control and Disarmament Agency also managed our participation in the disarmament negotiations at the 18-nation Disarmament Conference in Geneva.

This conference began on March 14, 1962. It is perhaps the most important conference of its kind since World War II.

Because of the effective backstopping provided by the Agency, I believe that the U.S. delegation to the conference has been better prepared and better equipped to present the U.S. position in its true light than at any previous disarmament conference. We have also succeeded in exposing the Soviet plan for general and complete disarmament, under its veneer of appealing propaganda, as a thinly disguised proposal for immediate dismantling of the NATO Alliance and the Western defense system without a corresponding reduction in the military power of the Warsaw Pact.

Therefore, the Arms Control and Disarmament Agency in its first year of operation has given us a sound policy in this most important field. Moreover, it has effectively managed our efforts to negotiate effective and safeguarded arms control and disarmament agreements on the basis of this policy.

Finally, the Agency has begun a research program which is now well under way. As you know, the House has voted for the appropriation of approximately $4 million to be spent on the expanded contract research program of the Agency during the fiscal year 1963. Compared with the $5.6 billion that will be devoted to research and development of new weapons systems by the Defense Establishment, this is certainly a modest amount.

I believe that a sound and carefully thought out research program is essential to the continuing success of the Agency. Every arms control and disarmament measure which becomes a part of our national security policy must have both a sound technical and political basis.

The problems of arms control and disarmament are complex. Distrust on both sides runs deep. Therefore, progress will not come quickly. To date we can point to no success in terms of agreement with the Soviet Union. However, we must continue to advance realistic measures to enhance our security through arms control and disarmament. For if our security and the future security of the world does not lie in this direction, where will we find it?

Let there be no mistake as to my advocacy of a vigorous effort on the part of the United States to obtain a realistic program of disarmament. I strongly believe that we stand on the brink of a new dark ages, in the event of a nuclear world war. There can be no greater crusade on behalf of world humanity than the crusade for universal peace. The top religious, scientific, and diplomatic leaders of every nation should be mobilized for an untiring effort to find a solution for national differences, which will exclude war.

Our quest for peace in the nuclear age, however, should never cause us to become blind to the realities of our time. We must be warm of heart but cold of mind in evaluating the strength and purpose of ideologies which would despoil us and defraud us of those priceless possessions of liberty and human dignity. The sword of military power must always be in readiness during these dangerous times to protect us from disaster, while we negotiate the formula for peace between nations and men.

THE CONTRIBUTION OF ARMS CONTROL AND DISARMAMENT TO NATIONAL SECURITY

Mr. MURPHY. Mr. Speaker, to my mind, one of the great speeches of the years since the Second World War was delivered by President Kennedy before the United Nations General Assembly on September 25, 1961. In that speech the President called for a "truce to terror." He presented to the General Assembly on that historic occasion the U.S. plan for general and complete disarmament and challenged the Soviet Union "not to an arms race, but to a peace race."

This was the day before he signed into law the act which created the U.S. Arms Control and Disarmament Agency. This Agency is now responsible for insuring that the United States wins the peace race.

I am proud to have been one of the sponsors of the Arms Control and Disarmament Act. During the past year I have watched with continued interest the Agency get established, and under the able leadership of Mr. William C. Foster, come quickly to grips with some of the most pressing problems of our day.

On this occasion I would like to commend the Agency and Mr. Foster for the fine work that has been done during the past year in formulating a sound disarmament policy and in guiding our efforts to reach safeguarded and guaranteed agreements with the Soviet Union on arms control and disarmament measures. The United States has by its disarmament proposals during the past year laid before the Soviet Union and all the world a sound and workable way of achieving world peace and security.

I would like for a few moments to consider how best our security may be enhanced in the world today.

President Kennedy, last fall before the General Assembly, succinctly summarized the present dilemma when he said: "in a spiraling arms race a nation's security may well be shrinking even as its arms increase." The Arms Control and Disarmament Agency is charged by statute to insure that our arms control and disarmament policy will promote the national security.

I think that we all recognize today that our national security may be shrinking to the vanishing point. It cannot be denied that our lack of security is due in large part to the aggressive nature of communism.

On the other hand, we are also becoming victims of our own technology. One of the critical issues of our day is whether we will be able to successfully respond to the challenge of communism.

However, another equally important challenge facing the world today, involves all mankind regardless of ideological belief, whether living in a society that is open or closed, industrially advanced or underdeveloped. This challenge is whether man will be able to live with his science.

In playing with fission and fusion man may not only burn his fingers but blow his head off.

Therefore, in the situation in which we find ourselves today, I think it is vastly important that we all consider arms control and disarmament a permanent and vital part of our overall national security policy.

The development of modern weapons of mass destruction and intercontinental means of delivering them at the mere push of a button has negated any positive value that defense expenditures for strategic weapons may have. At best we hope for a balance of terror. Both the Soviet Union and the United States are nations of hostages. In spite of all our defense expenditures we cannot today defend our own people from the devastation of a thermonuclear attack launched from the Soviet Union. All we can do is give them as much as or more than we get.

If the deterrent fails all humanity loses, both the West and the East and millions of innocent bystanders in the nonaligned countries of the world.

Therefore, our hopes for finding a way out of the dilemma of the arms race must be in a sound arms control and disarmament policy. This is the best and most constructive step we can make toward increasing our security as a nation and the security of the free world.

THE CONTRIBUTION OF ARMS CONTROL AND DISARMAMENT AGENCY TO FOREIGN POLICY

Mr. McDOWELL. Mr. Speaker, on the occasion of the anniversary of the U.S. Arms Control and Disarmament Agency I should like to congratulate the Agency in particular for the contribution it has made to the overall foreign policy of the United States.

As a member of the Committee on Foreign Affairs I have been involved in our Nation's foreign policy for some time. I was also one of the original sponsors of the legislation which established the Arms Control and Disarmament Agency. One of my reasons for urging the passage of this legislation was my belief that our arms control and disarmament effort must be a permanent part of our overall foreign policy.

The arms race and the resulting threat of a nuclear war is a worldwide concern. No nation in the world today could rationally believe that it could completely escape the effects of a general nuclear war between East and West. Therefore, all nations of the world have a legitimate interest in arms control and disarmament and in doing whatever they can to prevent a general war between the great powers from breaking out.

In this situation the United States should definitely not let the nonalined and uncommitted countries determine our disarmament policy. The decisions must be made by our own Government. On the other hand, I believe that it is vital if we are to retain our position as leader of the free world to convince the world of our unequivocal sincerity and deep interest in disarmament, of the reasonableness of our disarmament proposals, and of the unreasonableness of the Soviet proposals.

The 18-nation Disarmament Conference, presently recessed but due to resume its sessions in Geneva on November 12, is the best forum we have ever had for achieving our foreign policy objectives in this regard. Previous disarmament discussions have been held in a forum that was either too narrow or too broad. Previous disarmament discussions had been either confined to those nations directly involved in the East-West conflict as members of NATO or the Warsaw Pact, or else they had been held in the General Assembly where the large number of members and limited time for debate maximizes the opportunity for propaganda victories by oversimplified but high-sounding disarmament proposals.

The 18-nation Disarmament Committee, on the other hand, is composed of five of the members of NATO, of which France has thus far not participated, five members of the Warsaw Pact, and eight new members who were chosen to represent geographical areas of the world not included within either of the two power blocs. These eight new members include such leaders among the nonalined nations of the world as Sweden, Mexico, Brazil, India, and Burma.

Therefore, at the 18-nation Disarmament Conference the United States has a unique opportunity to inform world opinion about our attitude toward disarmament.

I believe that the series of far-reaching proposals that have been formulated by the Arms Control and Disarmament Agency and presented to the Disarmament Conference by Ambassador Arthur H. Dean, the leader of the U.S. delegation, have demonstrated to the world that the United States is sincerely interested in disarmament and that if disarmament is not achieved it is not thought the fault of us or our allies.

Our basic position on general and complete disarmament and the new nuclear test ban proposals are all reasonable and safeguarded approaches to the problem of controlling the arms race.

Moreover, the opportunity we have had to engage the Soviet Union in continuous discussions of their own plans for a disarmed world has enabled us to reveal their true nature. I believe that Ambassador Dean has successfully demonstrated to all participants in the 18-Nation Disarmament Conference the transparent motives behind many of the Soviet proposals and the fact that their implementation would result in a dismantling of Western defenses with no corresponding reduction in Soviet capability to wage war.

Therefore, I support the Arms Control and Disarmament Agency in its role in proving to the world that the United States has a sincere and deep interest in disarmament and in taking positive steps toward securing a peaceful world. I believe that our participation in the 18-Nation Disarmament Conference is an important contribution to our foreign policy and I urge our Government to continue these negotiations. With patience and persistence, I hope we will succeed in convincing the Soviets, as well as the nonalined nations, of the reasonableness of our disarmament proposals.

We must continue to press the Soviets hard for agreement. For in the last analysis we will have to reach mutual agreement if we are to succeed in halting the arms race before we indulge in mutual suicide.

ORGANIZATION AND STAFFING OF THE ARMS CONTROL AND DISARMAMENT AGENCY

Mr. MOSS. Mr. Speaker, the quality of our arms control and disarmament policy depends upon the quality of the people who are responsible for its formulation. As a sponsor of the Arms Control and Disarmament Act, I have followed closely the organization and growth of the Agency, and I have been very favorably impressed by the personnel that have been attracted to this new Agency and the expeditious manner in which it has been organized.

As we know, the Agency is under the direction of Mr. William Foster, a man who brings to his job a wealth of experience in national and international security affairs in the service of Government and private industry. He has held such important posts as head of the Marshall plan and Deputy Secretary of Defense. His deputy, Mr. Adrian Fisher, formerly legal adviser to the State Department and General Counsel of the Atomic Energy Commission, like Mr. Foster is a man with a long and distinguished career in the service of his country. Both these men have become familiar figures on Capitol Hill. I think we should all be grateful for their painstaking efforts to keep the appropriate committees, and Congress generally informed about the activities and pending proposals of the Agency.

Mr. Foster has functionally organized the Agency into our bureaus: International Relations, Science and Technology, Weapons Evaluation and Control, and Economics. These four bureaus are each headed by an assistant director and are staffed by personnel of special competence in the areas of their particular concern. In addition, the Agency is provided with a general counsel and public affairs adviser. Overall planning and coordination between the four bureaus of arms control and disarmament policy is the responsibility of the Disarmament Advisory Staff which is directly responsible to Mr. Foster. A General Advisory Committee, consisting of a number of distinguished private citizens, has also been appointed and has played an active role in advising the Director on broad aspects of arms control and disarmament policy. This Committee is under the chairmanship of Mr. John J. McCloy, formerly the President's adviser on disarmament.

Since its creation, Mr. Foster has taken great care to assure that the Arms Control and Disarmament Agency is staffed with competent and responsible individuals from top to bottom. There are presently almost 140 people devoting their full energies to the important work of formulating and carrying out U.S. arms control and disarmament policy. These include senior diplomats, distinguished scientists, military, and political experts, economists, and lawyers.

Mr. Foster has chosen Mr. Jacob Beam, formerly our Ambassador to Poland, to head the Bureau of International Relations. Mr. Henry A. Byroade, formerly Ambassador to Afghanistan, is in charge of the Disarmament Advisory Staff. Dr. Franklin A. Long, formerly head of the chemistry department at Cornell University and connected with nuclear weapons development and who has previously served on the Scientific Advisory Committee of the Department of Defense is the Assistant Director in charge of the Bureau of Science and Technology. In the field of weapons evaluation and control, which is obviously an important part of the work of the Agency, Vice Adm. Edward N. Parker is the Assistant Director. Admiral Parker has previously been intimately associated with weapons systems development and nuclear weapons and has served as Deputy Director of the Strategic Targeting Group at Omaha, Nebr.

The various backgrounds among the personnel of the Agency provide, I believe, one of its chief resources. Within the Agency there is agreement on the necessity and the urgency of action on arms control and disarmament problems.

On the other hand, the diverse views and expertise that can be brought to bear on any particular problem will insure the balanced nature of any proposal which will finally receive the Director's stamp of approval. I am also convinced that the personnel Mr. Foster has attracted to the Arms Control and Disarmament Agency are above all, interested in generating arms control and disarmament proposals that will promote our national security.

THE ARMS CONTROL AND DISARMAMENT AGENCY AND THE GENEVA CONFERENCE

Mr. GALLAGHER. Mr. Speaker, last July I had the privilege and the honor of serving as adviser to the U.S. delegation to the 18-nation Disarmament Conference in Geneva, Switzerland. In the light of my observations at the Conference and as a result of my conversations with Secretary Rusk I am convinced that the Geneva Conference is one of the most significant developments in the history of our multilateral negotiations on disarmament since the Second World War.

I was particularly pleased with the impressive job which the Arms Control and Disarmament Agency has done in preparing for and managing U.S. participation in the Geneva Conference. As an original sponsor of the legislation creating the U.S. Arms Control Agency, I am gratified to report that it has finished its first year of operations with an impressive record that fully justifies its existence.

During the course of that year the Arms Control and Disarmament Agency, under the able direction of William C. Foster, has managed and provided the essential support for a series of negotiations covering the complete spectrum of disarmament problems from the nuclear test ban to general and complete disarmament.

I am, of course, referring to U.S. participation in the 18-nation Disarmament Conference, which is now in recess until November 12.

The Conference of the 18-nation Committee on Disarmament is the outgrowth of a series of bilateral discussions between the United States and the Soviet Union which took place during the spring and summer of 1961. These discussions culminated in the joint statement of agreed principles for disarmament negotiations and in agreement on the countries that should participate in resumed disarmament talks on the basis of these principles. The United States was ably represented in the bilateral discussions by Mr. John J. McCloy, at that time adviser to the President on disarmament. It was Mr. McCloy who played an instrumental part in planning and advocating the necessity of the creation of an independent statutory agency to be charged with responsibility for the formulation and carrying out U.S. disarmament policy.

The joint statement set forth general and complete disarmament as a goal shared by both countries. It recognized both the need for international peacekeeping machinery and the possibility of deciding upon and carrying out initial disarmament measures even before a comprehensive treaty was signed.

The necessity for adequate control was recognized, although the U.S.S.R. refused to accept the U.S. position that verification procedures should apply not only to weapons destroyed but also to those retained. The 18-nation Disarmament Committee was named and the U.N. General Assembly called upon it to begin negotiations as a matter of utmost urgency.

Negotiations began in Geneva last March with the United States resolved to explore any pathway which might lead to progress. My observations at the Conference have convinced me that several factors are working in our favor there.

First, the U.S. delegation to the Conference is ably led by Ambassador Arthur N. Dean, a veteran negotiator on disarmament issues. Backstopping the delegation is a group of economic, scientific, and military experts drawn from the new U.S. Arms Control and Disarmament Agency.

Another reason for hope is the composition and atmosphere of the Geneva meetings. In addition to the four NATO nations—United States, United Kingdom, Italy, and Canada—and the five Warsaw Pact nations—Soviet Union, Poland, Czechoslovakia, Bulgaria, and Rumania, eight new neutral nations are represented—Brazil, Mexico, Sweden, Ethopia, Nigeria, United Arab Republic, India, and Burma. France was invited but has so far declined to take its seat on the grounds that only the four nuclear powers should negotiate on disarmament or nuclear test ban treaties.

The seriousness with which the West and the eight new nations are approaching the difficult problems of disarmament is a hopeful sign. Even on the Soviet side, the talks have been fairly free of polemics.

The eight new nations seem to be making a responsible contribution to the deliberations of the Conference. Their very presence, in my judgment, has restrained the Soviet Union's propaganda attacks and has resulted in the focusing of attention upon the serious problems involved in negotiating a workable disarmament treaty.

The 18-nation Disarmament Conference has been organized in such a way that the complete range of disarmament problems can be discussed both openly and in private talks. In plenary sessions of the Conference the respective plans of the United States and the Soviet Union for achieving general and complete disarmament have been extensively discussed.

In addition, a Committee of the Whole has been constituted to consider partial measures which are capable of being instituted immediately and which would facilitate the reaching of agreement on broader problems. Among the items on the agenda of this Committee are measures to reduce the risk of war by accident, miscalculation, or failure of communication and measures to prevent the further spread of nuclear weapons. Both of these subjects are areas of critical concern to all. These are also specific problems in which the area of common interest we share with the Soviet Union is relatively large. I sincerely hope that the United States will press hard for agreement in both these areas.

The Disarmament Committee has also constituted a Subcommittee on the Discontinuance of Nuclear Weapons Tests. The three nuclear powers represented at the Conference, the United States, United Kingdom, and Soviet Union, are members of the subcommittee which is continuing to meet in Geneva during the recess of the Conference. The continuation of these sessions was proposed by the United States in an effort to reach agreement on a test ban prior to January 1, 1963.

But even if no agreement between the major nuclear powers is reached in the near future, the Geneva Conference has offered useful opportunities to advance U.S. interests. The Arms Control and Disarmament Agency is involved there in a serious and worthwhile endeavor to achieve the widest area of agreement on disarmament at the earliest possible time. By communicating our point of view to other countries and by demonstrating that disarmament is a complicated task which cannot be achieved by propagandistic proposals, the Geneva talks have already been of value.

I have come back from Geneva convinced that the cause of humanity makes disarmament absolutely vital. The economics of the escalation of weapons and counterweapons ad infinitum make it a compelling necessity. We cannot continue to dissipate our resources and energy in the search of means to destroy each other.

Russia knows this as well as we do. That is why they are in Geneva, too. If we do not discuss means we will never find a solution. So long as we can talk, so long as we can keep the channels of communication open, there is hope. This is why we must persevere. It requires patience, but the prize is the greatest that man can bestow on his fellow man—for the prize is peace.

THE GOAL OF OUR DISARMAMENT NEGOTIATIONS

Mr. CLEM MILLER. Mr. Speaker, our arms control and disarmament policy affects many crucial areas of our overall national policy and national goals. While my foremost reason for supporting the creation of the Arms Control and Disarmament Agency a year ago was the absolute necessity for research and facts, I also felt there was a requirement to establish a central organization to plan and create policy in this area.

If our arms control and disarmament policy is to be meaningful it must be kept under constant review. The shifting responses we receive in negotiations with the Soviet Union and other nations represented at the 18-nation Disarmament Conference must result in continuing revaluation.

This means that our objectives will shift, and the necessity for revaluation on our own part doubles and redoubles.

One of the unvarying factors in our negotiations to the present time has been our effort to reach the broadest area of agreement at the earliest possible date. The imperatives of an onrushing scientific technology compel this approach.

This is why, although we have presented a plan for general and complete disarmament at Geneva, our delegation has also been pressing for agreement on a number of other more limited measures such as the nuclear test ban, measures to reduce the risk of war, and measures to prevent the further spread of nuclear weapons.

It is important that we continue our efforts to seek out those areas where arms control and disarmament measures can be undertaken now without awaiting agreement on a comprehensive disarmament plan. If, after thorough exploration and discussion of a particular measure, no basis for agreement can be found, we must look in new directions. We must keep looking, no matter how dispiriting the outlook. This has no connection with appeasement. It does not indicate, by direction or inference, any dilution of our national goals. It does require the utmost in patience and a continuing perserverance. These are the most difficult qualities of mankind, and it is not just coincidence that they have always measured high in the values of any civilization and in religious beliefs. Intemperance, incontinence, and the quick resort to action have often been the easiest course to pursue. It is when the heat becomes intolerable that the brave man stands fast at his post while the lesser man charges off in either direction, and perhaps both. We have a lot of this sort around in American politics today, busy charging off—both directions—with their trumpeting about no-win and whatnot when their country would be better served if they stood attentively at the ready. I am thankful we have the persevering people of our Disarmament Agency who pursue the grim and never-ending task of standing fast, stolid, resourceful, and persevering.

Another avenue which I believe could be fruitfully studied by the Disarmament Agency for presentation at Geneva would be the combination of various limited measures into one or more individual packages. By tying several specific measures of arms control together, it might be easier to make a package which would be in the interests of both sides.

I believe that the implementation of carefully selected limited measures either separately or in combinations could well have a snowball effect. It would substantially assist us in reaching further and broader agreements which would gradually bring control over the arms race within our grasp.

This is a constructive way to proceed. It is far removed from the indiscriminate and misinformed criticism now leveled at the Disarmament Agency. This Agency has a very difficult task before it. It needs the understanding evaluation of everyone. I am very glad to join with my colleagues in support of the Disarmament Agency as an essential part of our present policy. I am happy to salute the Arms Control and Disarmament Agency on the recent anniversary of its first year in operation. I know that it is developing the resource, the research, the resolve to perform the most important task ever to lie before the bar of mankind.

Mr. BARRY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BARRY. Mr. Speaker, it is indeed a pleasure to give my support to the work of the Arms Control and Disarmament Agency which has just completed its first year of operation. The problems of arms control and disarmament are among the most complex and pressing with which our Government must deal. Every proposal we advance at Geneva, if accepted, would have an impact on the most sensitive areas of both our foreign policy and our national defense. Therefore, I believe, that one of the outstanding contributions the Agency has made during the past year is to provide us with a much needed central organization for the formulation of a sound U.S. arms control and disarmament policy.

The proposals which the Arms Control and Disarmament Agency has presented during the past year have been the product, first, of intensive research and study within the Agency itself, and then, through coordination with other interested Government agencies, including the Department of State, Department of Defense, Atomic Energy Commission, National Aeronautics and Space Administration, Central Intelligence Agency, U.S. Information Agency, and members of the White House staff. Finally, these proposals have received the approval of President Kennedy himself.

I believe this process, which permits painstaking and well-informed consideration of the many aspects of the problems involved, has resulted in a series of sound and effective proposals for halting the arms race. During the past year the United States has come forward with a major proposal for general and complete disarmament, and a series of proposals for limited arms control measures designed to reduce the risk of war by accident, miscalculation, or failure of communication and to prevent the further spread of nuclear weapons. The United States has also presented major new proposals for the cessation of nuclear weapons tests.

I believe that the technical basis for each of these proposals is sound. Moreover, the presentation of these proposals at the 18-nation Disarmament Conference in Geneva and our participation in that Conference has been effectively managed by the Arms Control and Disarmament Agency. Our position has been presented in a clear and precise manner.

When the Arms Control and Disarmament Act was passed last year it received the support of a large and bipartisan majority. Our arms control and disarmament policy is an integral and vital part of our national security policy. Today we cannot rely on increased defense expenditures alone to insure our national security. The nature of modern weapons is such that general war now may mean mutual suicide.

Therefore, we must urgently seek to find new ways of enhancing our national security through effective and safeguarded measures in the field of arms control and disarmament. The Arms Control and Disarmament Agency should, I believe, continue to receive the bipartisan support of the entire Congress.

U.S. POSITION ON GENERAL AND COMPLETE DISARMAMENT

Mr. ZABLOCKI. Mr. Speaker, I join my colleagues in extending my congratulations to the Arms Control and Disarmament Agency on the occasion of its first anniversary. In particular I would like to commend it for formulating a sound and workable proposal for general and complete disarmament.

On April 18, 1962, Ambassador Dean presented at the 18-nation Disarmament Conference in Geneva the U.S. outline of basic provisions of a treaty on general and complete disarmament in a peaceful world. This document has been aptly characterized by President Kennedy as a blueprint for the peace race. It is the product of intensive research and study by the Arms Control Disarmament Agency. The treaty outline is perhaps the most comprehensive and detailed disarmament plan ever formulated by any government. I believe that Mr. Foster and the Agency staff can justifiably point with pride to this set of proposals.

The treaty outline, which is an explicit statement of the U.S. position on general and complete disarmament, contains a realistic set of proposals for a balanced, across-the-board reduction of armaments. If disarmament were carried out according the the U.S. plan, the arms race would first of all be frozen and then the warmaking capabilities of all nations would be progressively decreased.

It would be unrealistic to hope that disarmament alone will end all conflicts between nations. Therefore, concurrently with the scaling down of national armaments and force levels under the U.S. plan, the means of settling international disputes peacefully would be strengthened and made more effective.

The treaty outline also contains adequate safeguards to assure us that all other parties to any disarmament treaty would be fully complying with their obligations to disarm. It calls for the establishment of an international organization for verifying that disarmament is carried out by all parties, and proposes a method of zonal inspection as a way in which we might effectively check to see that agreed retained levels of armaments were not being exceeded and that no clandestine production of armaments was taking place.

Under the U.S. treaty outline disarmament would be carried out in three stages. Armaments and forces would be reduced in each stage. Other measures would be implemented to reduce the risk of war by accident and to strengthen peacekeeping machinery. Prior to proceeding from one stage to the next there would be a pause in order to determine that all measures required in that stage had been carried out and the preparations for the next stage had been completed.

In this way disarmament would proceed step by step, stage by stage until all nations retained only those forces and armaments necessary for their internal security. The maintenance of international peace and security would be the responsibility of the United Nations so strengthened as to be able to effectively deal with any threats to the peace or security of a disarmed world.

While general and complete disarmament as an attainable objective is, in my opinion, still out of sight I think it is important for the United States to have a position and to continue discussions on this subject. All of us would, I am sure, like to see the realization of our dream of a free, secure, and peaceful world of independent states adhering to common standards of justice and international conduct and subjecting the use of force to the rule of law. But for the time being, I am afraid, this peaceful world is a dream world.

This, however, does not mean that continuing negotiations toward general and complete disarmament, such as we are now carrying on in Geneva, is an idle exercise of the imagination.

I believe that these negotiations can be extremely valuable in proving to the world that we want to disarm. In addition, it is useful to have a road map of where we ultimately want to go in order to assist us in finding the best route to get there.

U.S. POSITION ON VERIFICATION

Mr. FASCELL. Mr. Speaker, by far the largest obstacle in the way of agreement with the Soviet Union on a broad range of arms control and disarmament measures has been the problem of verification. We do not trust the Russians. Our lack of trust is well founded and its roots, although not running far back in history, run very deep.

In spite of the persistence of deep distrust between the two sides, it is imperative if we are to avoid a nuclear inferno that will sweep both sides up in its flames, that we seek to maintain control of our common destiny by seeking to implement effective measures to curb the arms race.

We cannot base a disarmament agreement with the Soviet Union on trust. Therefore, the United States has proposed that disarmament must be effectively verified. This means that we must be provided, as a part of any agreement, with a means of assuring ourselves that the other parties to any agreement were honoring their obligations.

I am pleased to note that the Arms Control and Disarmament Agency has devoted perhaps more of its time during the past year to attempting to find solutions to the verification problem than any other single problem. More of the contract research effort has been devoted to the practical difficulties and opportunities of various types of verification methods than to all other problems combined.

In the case of the nuclear test ban, our latest proposal for a comprehensive treaty banning all tests combines a network of nationally manned, internationally supervised control posts and an annual quota of on-site inspections. On the other hand, our proposal for a limited treaty banning tests in the atmosphere, outer space, and underwater can be adequately verified by our existing national detection system alone.

The verification system we have proposed in order to provide us with assurance that general and complete disarmament was being carried out by all parties is necessarily more complex. The actual destruction of armaments, demobilization of forces, and destruction or conversion to peaceful uses of plants producing armaments would be checked on the spot by the inspectors of an international disarmament organization to be established at the very beginning of disarmament. In order to insure us that at any stage of the disarmament process agreed levels of retained armaments were not exceeded, either by hidden stockpiling or clandestine production, a system of zonal inspection has been devised. The Soviet Union would not know ahead of time which zone would be inspected at any particular point in time.

Therefore, the entire territory of the Soviet Union need not be opened up at the outset of disarmament, but can be progressively opened by periodically selecting new zones to inspect as disarmament proceeds. In this way the amount of inspection has been related to the amount of disarmament.

I would like to commend the Arms Control and Disarmament Agency for the substantial effort it has made in attempting to improve our methods of verification during the past year.

The problem of verification is one of devising proposals which are soundly based on technical fact and political judgment so as to adequately protect our national security. Within this framework, however, we should constantly attempt to simplify and improve our proposals through continuous research and study. And when our efforts yield results we should never hesitate to revise or modify our proposals.

U.S. POSITION ON STRENGTHENING PEACEKEEPING MACHINERY

Mr. O'HARA of Michigan. Mr. Speaker, on the occasion of the anniversary of the Arms Control and Disarmament Agency I would like to join my colleagues in congratulating the Agency on the fine work it has done in its first year.

Disarmament is in itself no panacea for the world's ills. It will not change the basic nature of man. We cannot assume that in a disarmed world, the golden rule will suddenly be observed by all.

In a disarmed world national interests will continue to clash. The competition between ideologies will persist. Therefore, if any plan for disarmament is to be successful it must provide effective substitutes for the threat or use of force in international relations. It must also provide means whereby violent revolution and reaction will be supplanted by evolutionary methods of peaceful change.

The U.S. position on general and complete disarmament, I believe, takes a realistic view of the problem of the reconciliation of clashing interests and aspirations in a world where the use of force is no longer available. In fact, the U.S. plan is based upon the premise that there exists an inseparable relationship between the scaling down of national armaments on the one hand and the building up of international peacekeeping machinery on the other. It is our position that decreasing armaments must go hand in hand with increasing the effective uses of alternatives to force as a means of protecting the security and vital interests of nations.

Initially, the U.S. plan for general and complete disarmament proposes a series of measures. They would include making the existing means of settlement of international disputes such as negotiation, conciliation, arbitration, and judicial settlement more effective. The United Nations capability for maintaining international peace and security would also be strengthened. Another very important measure is that effective means would be devised for dealing with the problems of indirect aggression and subversion.

Finally, agreement would be reached for the establishment in the second stage of disarmament of a United Nations peace force. As national armaments were further reduced, this force would be strengthened to the point when disarmament was complete that it would be capable of dealing with any threat of international aggression or breach of the peace. Therefore, under the U.S. plan, by the time the world were disarmed the rule of law would have become fully substituted for the use of force and an effective deterrent to the resort to force would be in existence.

It may sound as though the millennium would have arrived, but I believe that the approach is a realistic one, and I support it as an essential part of our disarmament plan. This plan has been realistically conceived on the assumption that action on disarmament cannot await the moral regeneration of man.

DISARMAMENT WILL NOT WORK TO OUR MILITARY DISADVANTAGE

Mr. MORGAN. Mr. Speaker, our national security today is based largely on the armaments we possess and our capabilities to use them to meet a wide variety of aggressive challenges throughout the world. On the other hand, national insecurity is also generated by the nature of the armaments that we ourselves and our potential enemies possess. Modern weapons are largely weapons of mass destruction. If there is a general nuclear war, no one will live to be able to dig himself out of the rubble and say, "Thank God, the bomb landed in the next block."

Therefore, while we continue to rely on our armaments to deter aggression and maintain our national security, we must seek to enhance our national security through the implementation of an effective arms control and disarmament policy.

Last year we created a new statutory agency to formulate and implement our policy in this field. As chairman of the Foreign Affairs Committee I felt the need, along with the great majority of my fellow Members of the Congress, for an intensified effort to be made in order to provide the United States with a sound arms control and disarmament policy. I, therefore, was a sponsor and proponent of the legislation creating a new agency to deal specifically with problems in this field. I believe that the Arms Control and Disarmament Agency has, during the first year of its existence, made substantial and worthwhile efforts toward its objective. I believe that the policies and proposals it has evolved are sound, and if implemented would achieve the desired objective of enhancing the security of the United States and the free world.

One of the basic principles upon which our entire approach to disarmament is based is that the carrying out of disarmament must not work to the military disadvantage of any state or group of states.

Indeed, no nation would ever be right in entering into a disarmament agreement whereby another nation would gain military advantage. Disarmament in such circumstances would proceed only until the nation in whose favor the advantage lay determined that it was time to call the shots. Even a suspicion that another country was gaining a significant military advantage during the disarmament process might reverse that process and cause the beginning of a new arms race perhaps more deadly and harder to get out of than the first.

Therefore, I am happy to see the realism with which the problem of maintaining military security has been approached in our disarmament proposals.

In order to guarantee that no military advantage would accrue to any country during disarmament, the U.S. proposal for comprehensive disarmament, which is contained in the "outline of basic provisions of a treaty on general and complete disarmament in a peaceful world," calls for national armaments to be reduced in an across-the-board percentage cut of 30 percent in the first stage and 35 percent in each of the next two stages until agreed levels for internal security forces and contingents for an international peace force were reached. The principle of a percentage across-the-board cut would preserve the weapons mix existing at the time disarmament began. Therefore, as each country reduced its armaments, both the balance within its own military establishment and the balance between its military forces and those of other countries reducing their own forces in like manner would be maintained.

Therefore, under the U.S. plan disarmament would in fact be carried out in a manner which would not work to the advantage of any state or group of states. The security of all would be increased.

THE RISKS OF DISARMAMENT VERSUS THE RISKS OF CONTINUING THE ARMS RACE

Mr. HAYS. Mr. Speaker, the problems of the cold war and the arms race are inextricably intertwined. When the cold war blows hot the chances of stopping the arms race go down. When a new or improved weapons system threatens to upset the precarious military balance the odds go against a peaceful political solution to cold war crises. Therefore, we must simultaneously meet both the political and ideological challenge of the cold war and the scientific and technological challenge of the arms race.

Our growing concern about the adequacy of our previous efforts to meet the challenge of the arms race culminated last year in the passage of legislation establishing a new agency in the Government specifically charged with the task of seeking a solution to this problem in effective measures of arms control and disarmament.

Now that the Arms Control and Disarmament Agency has come of age, I believe we can look back on a first year of significant and substantial contributions. Significant new proposals for comprehensive disarmament, partial measures of arms control and a nuclear test ban have been carefully prepared and put forward. A contract research program has been begun and is now well underway. I believe that all of this effort has been in our national interest, and in the interest of promoting the security of ourselves and the free world.

But I would like on the occasion of the Agency's first anniversary to say a word about the future. Thinking about the future has been characterized by some as thinking about the unthinkable. But sometimes I wonder whether people fear the arms race or disarmament more.

Risks are inherent both in a continuation of the arms race and in disarmament. The risks of disarmament can be effectively minimized by carefully balanced plans for reducing armaments and by verification systems which will provide assurance that everyone is keeping in step and honoring their obligations to disarm. On the other hand, the risks inherent in the arms race will inevitably increase as the race goes on until the doomsday machine which is capable of destroying the world has been developed and tested. The doomsday machine is one weapon for which a test ban is not necessary.

Given the risks of continuing an unrestricted arms race we should be willing and eager to take the relatively slight risks necessary for disarmament. One of these risks is that no verification system will be foolproof; it will have a high degree of reliability, but the perfect system is impossible. Another risk, in the case of comprehensive disarmament, is that economic dislocations will occur. But these problems can be avoided by adequate planning and the economic gains in terms of increased availability of resources for constructive rather than destructive purposes far outweigh any short-term difficulties.

Finally, some people seem to be afraid of peaceful competition with the Communist system. I believe that those timid souls who are afraid to run this risk greatly underestimate the vitality of our system of political freedom based on representative democracy, equality of opportunity, and free enterprise. Disarmament should insure the preservation and expansion of freedom and the values we cherish most throughout the world. Without the threat of force where would communism be today?

Therefore, I support the pursuit of a policy of arms control and disarmament. In carrying out this policy the rewards are great and the risks well worth taking.

WHY WE SHOULD SEEK A NUCLEAR TEST BAN

Mr. KARTH. Mr. Speaker, I think it is extremely important that the United States take an unequivocal stand against all nuclear testing, and that our Government make every effort consonant with our national security to reach an agreement with the Soviet Union on a treaty which would bring about a nuclear cease-fire. Therefore, I am pleased to give my strong support to the Arms Control and Disarmament Agency in the excellent job it has done in preparing and presenting to the Soviets at the Geneva Conference on August 27 two new proposals for a test ban in the form of draft treaties.

The first of these proposals, and the one strongly favored by the United States, is for a comprehensive treaty banning all tests in all environments for all time. The second is for a limited treaty banning tests in the atmosphere, outer space, and underwater.

It should be clear to us all that the cessation of nuclear weapons testing would be in our national interest. A nuclear test ban would be a significant first step to turn down the nuclear arms race and a first step toward more comprehensive measures.

At the present time we believe we are ahead of the Soviet Union in weapons development. However, in the present stage of development, each series of tests by both sides is most likely to produce less of significance to the United States than the Soviet Union. Therefore, continued unlimited testing will permit the Soviet Union to at least narrow the gap in weapons technology. Second, unlimited testing by the nuclear powers will spur other nations to attempt to develop their own nuclear capability and thus obtain the dubious distinction of membership in the nuclear club. Finally, we are all aware that radioactive fallout may represent a danger to future generations. The only debate is when this danger becomes sufficiently great as to require affirmative action. As yet there is no definitive answer to this question.

Any test ban would entail some risk of cheating by the Soviet Union. But our present test ban proposals, I believe, provide a reasonable assurance that any attempted cheating would be detected.

I also believe, and this is the crux of the matter, that the risk of any cheating is far outweighed by the danger to our security resulting from a continuation of unlimited testing.

Our present situation was highlighted by the President's statement at his press conference of August 29 when he said:

> Those who oppose an agreement should consider what our security will look like at the end of the decade if we do not have the agreement and we have the possibility of 10 or 15 countries having these weapons and when one goes off it may mean they all go off.

As you all know, the Soviet Union has not accepted either of our recent test ban proposals. It continues to insist upon a ban on all nuclear tests without any obligatory on-site inspection. By seizing the initiative with these two proposals for a comprehensive and a limited ban on nuclear tests we have, however, given the Soviet Union a difficult choice. If it insists upon a ban on all tests, it must accept on-site inspections on Soviet soil. If, on the other hand, it refuses such inspections, it appears wholly unreasonable in also refusing a ban on those tests which do not require on-site inspections on Soviet soil.

I, therefore, support the efforts of the Arms Control and Disarmament Agency in advancing the interests of the United States by its proposals for a nuclear test ban. I urge that we continue to negotiate on the basis of these proposals in the hope that the Soviet Union will finally agree to take this first step with us toward bringing the deadly arms race to a halt before it is too late. For as I have shown, time is running out.

U.S. PROPOSAL FOR A COMPREHENSIVE TEST BAN TREATY

Mr. PRICE. Mr. Speaker, as you know, on August 27, the United States presented to the Soviet Union at the Geneva Disarmament Conference two major new proposals for a nuclear test ban, one for a comprehensive treaty prohibiting all tests, and an alternative proposal for a ban on tests in the atmosphere, outer space, and under water.

As a member of the Joint Committee on Atomic Energy, I participated in hearings at which the new test ban proposals were discussed by Mr. Foster, Ambassador Dean, representatives of the Department of Defense and Atomic Energy Commission, and the scientists who were in charge of Project VELA—the research program which yielded the results that made the proposals possible.

I support the Arms Control and Disarmament Agency for the significant step forward it has made in preparing and presenting these new proposals. I believe that there has been a lot of misunderstanding in particular about the nature of the proposal for a comprehensive treaty, and therefore I think now is an appropriate occasion to set the record straight.

The U.S. proposal for a comprehensive treaty provides for a network of control posts, manned by nationals of the country where they are located, but under the continuous supervision of an impartial international commission.

The new scientific data from Project VELA and from the operation of our existing national detection system have improved our capability to detect underground explosions at long distances. This improvement has enabled us to simplify the network of control posts, under international supervision and make it considerably more economical to operate without impairing its effectiveness.

The new comprehensive treaty would also require the Soviet Union to permit free and unrestricted access to its territory for the purpose of carrying out an inspection of the area where an unidentified seismic event has occurred. The new results from Project VELA and actual observation of a great many earthquakes over a period of years have indicated that the number of seismic events of a given magnitude occurring annually in the Soviet Union are substantially less than what our scientists previously believed. This has enabled the United States to propose to reduce the number of on-site inspections required without reducing the effectiveness of the verification system.

However, our scientists have not yet found a way to positively identify all seismic events as either earthquakes or underground nuclear explosions without on-site inspection. Therefore, an obligation to permit and facilitate on-site inspections on the territory of the Soviet Union has been clearly stated in our new proposal for a comprehensive treaty.

I think it is fair to conclude that the present U.S. proposal for a comprehensive treaty banning all nuclear tests provides for a verification system approximately as effective as the one we were willing to accept for 3 years prior to the recent modification in our position.

Certain people have charged that this latest proposal for a comprehensive treaty is a "concession" to the Soviet Union. I think that these people are misinformed or have been misled.

What we have done is to propose a ban on nuclear tests which contains an improved system of verification. The verification system would be more economical to run and simpler to operate. Because it would also involve less intrusion on Soviet territory it is hoped that it would be more acceptable to the Soviet Union. All of this has been accomplished without any significant reduction in the capability of the verification system to catch the Soviet in any attempt to cheat.

The net effect has been to revise the system of control parts and on-site inspections in the light of the results of scientific research and practical experience. Thus far, approximately $90 million of the taxpayers' money has been spent on this research, and I am happy to see that it is beginning to pay dividends.

WHY WE SHOULD SEEK A BAN ON NUCLEAR TESTS IN THE ATMOSPHERE, UNDERWATER, AND OUTER SPACE

Mr. BLATNIK. Mr. Speaker, I would like to join my colleagues who have preceded me in supporting the work of the Arms Control and Disarmament Agency during its first year of operations. I congratulate the Agency on the substantial contributions it has made in formulating a sound and safe arms control and disarmament policy for the United States.

I was particularly pleased when on August 27 in addition to proposing to the Soviet Union a comprehensive treaty banning all nuclear tests, the United States also proposed that we enter into a limited treaty banning tests in the atmosphere, outer space, and underwater.

Tests in the atmosphere, outer space, and underwater, I am told, can be effectively verified without the necessity of on-site inspections on Soviet soil. Under this limited proposal, then, we would not be giving up our insistence on adequate inspection and controls.

I believe that the limited treaty would result in a definite brake on the arms race. It would make it easier to prevent the spread of nuclear weapons to countries not now possessing them. Having agreed to stop tests in atmosphere, outer space, and underwater, it should also be easier to reach agreement on an effective inspection and control system for stopping all tests.

Finally, the conclusion of a limited treaty would free mankind from the dangers of radioactive fallout. The degree of danger to ourselves and future generations from atomic radiation caused by nuclear testing in the atmosphere is a question on which the scientists have not yet agreed.

However, the report of the United Nations Scientific Committee on the Effects of Atomic Radiation published on September 9 notes that there is no clear indication of a threshold for harmful effects. In other words, there is no level of radiation exposure for individuals below which harmful effects will not result.

Therefore, I think it is high time for the nuclear powers to join together in an agreement to stop polluting the atmosphere which we share in common with all nations of the world. The U.S. proposal for a limited treaty provides a sound basis for such an agreement.

Mr. KASTENMEIER. Mr. Speaker, last week marked the first anniversary of one of the most important legislative achievements not only in this Congress but in recent times—the creation of the U.S. Arms Control and Disarmament Agency. I am proud to have been one of those members to sound an early call for the establishment of such an Agency and to actively participate in the legislative development and enactment of the law creating this new body. While I cannot say that this newly created instrumentality has lived up to all the promises and expectations that were had for it, nonetheless it has made progress and its potential still remains great for meeting the most important challenge of our time—the amelioration and extinction of the arms race and the ugly prospects for war.

All of us, I am sure, look upon disarmament as an ultimate objective which we would like to achieve. However, I have sometimes heard it said that the cause of our difficulties does not lie in the destructiveness of our modern weapons but rather in the evil motives of some of the men possessing them. The arguments run that we are a peaceful nation and therefore our vast array of weapons of mass destruction should cause us no anxiety. The political challenge of communism is said to be the source of international conflict and tension. This is why we have been required to produce the capability of completely destroying the human race several times over.

If this were completely true there would be little justification for our having established the Arms Control and Disarmament Agency. If this were true we should stop talking about disarmament completely. But I firmly believe that it is a gross oversimplification to state that the challenge of communism is the source of all our troubles on the international scene. The fact of the matter is that both communism and the arms race are substantial contributing causes to international tension and anxiety. We must successfully deal with both challenges if we are to preserve our security and the security of the free world.

President Kennedy in addressing the United Nations General Assembly on September 25, 1962, summarized the true situation as follows:

> Men no longer debate whether armaments are a symptom or a cause of tension. The mere existence of modern weapons—10 million times more powerful than anything the world has ever seen and only minutes away from any target on earth, is a source of horror and discord and distrust. Men no longer maintain that disarmament must await the settlement of all disputes, for disarmament must be a part of any permanent settlement.

I agree with the President's statement wholeheartedly. However, I would go one step further. I would say that while comprehensive disarmament must be a part of any permanent political settlement, immediate action is required in a number of more limited areas of arms control and disarmament. This action should be taken in spite of the political climate generated by the crises in Berlin, Cuba, and elsewhere.

The areas where I call for immediate action are three:

First. We must take steps to halt the further spread of independent national nuclear forces. The implementation of two specific measures will assist in achieving this objective. A nuclear test ban would inhibit any nation attempting to develop nuclear weapons. In addition, an agreement between the nuclear powers not to transfer nuclear weapons to individual nations not now possessing them and an agreement on the part of nations not having nuclear weapons not to acquire them would substantially restrict the creation of new national nuclear forces.

Second. I urge immediate action be taken on measures to reduce the risk of war caused by accident, miscalculation, or a failure of communications. I think there are a number of steps which should be taken in concert with the Soviet Union in this field. The United States and the Soviet Union have agreed in principle on two such measures at the Geneva Disarmament Conference. They are an exchange of military missions and the establishment of rapid communications between governments to be used in particular situations to avoid misinterpretation of the actions of one side by the other. I urge that when the Geneva talks resume on November 12, that our delegation be prepared to discuss and explore in detail with the Soviet Union these measures and that we bend our efforts to reach an agreement.

Third. I believe urgent attention must be directed to outer space. The arms race is threatening to extend itself into infinity. It would be tragic indeed if we would not do everything in our power to prevent this. Orbiting of weapons of mass destruction in outer space could do nothing but increase our anxiety and decrease further our national security. The solution to the problem of outer space is effective cooperation to insure its dedication to peaceful uses for the mutual benefit of all nations.

Mr. Speaker, I have touched briefly on only three areas for action. There are more. Indeed, problems dealing with arms control and disarmament proliferate virtually from day to day. The task, therefore, of Mr. Foster and the Arms Control and Disarmament Agency grows even more immense as time passes and requires of us as legislators greater understanding and support if this new instrument is to more adequately live up to its awesome mandate.

RESEARCH ON ARMS CONTROL AND DISARMAMENT

Mr. SMITH of Iowa. Mr. Speaker, one of the primary functions of the Arms Control and Disarmament Agency is the conduct, support, and coordination of research relating to arms control and disarmament. The purpose of the research program is to insure the acquisition of a fund of theoretical and practical knowledge concerning disarmament. This will provide the Agency with the background necessary for the formulation of sound arms control and disarmament policy.

I would like to congratulate the Agency for the research program which during the first year of its operation has gotten well underway. We can expect this program to pay dividends in both the near- and far-distant future.

As we all know, arms control and disarmament policy touches on some of the most sensitive and vital aspects of both our foreign policy and our national security. The issues involved are of a tremendously complex and frequently technical nature. Moreover, the arms control effort is a relatively new effort, and there are still many areas where a lot of basic thinking needs to be done.

In these circumstances, I think it is a prerequisite to the success of our policy in this field that it be soundly based on a thorough investigation of all underlying factors. The research program of the Arms Control and Disarmament Agency is, therefore, vital to its continued operation. As an original sponsor of the Agency bill, I am happy to support this effort.

During fiscal year 1962, the Agency was authorized to spend $600,000 on its contract research program. Of this amount, $588,961 was actually committed on a total of 10 contracts and grants covering a wide range of topics.

Included are studies of zonal inspection, techniques of monitoring production of strategic delivery vehicles, verification requirements for inspection systems and problems of indirect aggression and subversion. Contracts have been let to such well-known private firms as Raytheon and Bendix Systems and nonprofit organizations such as Institute for Defense Analyses.

I think that almost all of us in the Congress share the belief that one of the greatest obstacles in the way of agreement with the Soviet Union on measures of disarmament has been the problem of verification. It is of primary concern to us that any disarmament measure contain effective safeguards so that we will feel confident that the Soviet Union will be carrying out all its obligations.

The Agency, I am pleased to note, has given first priority in its research program to the problem of verification. This is reflected in the fact that among the research contracts awarded during the first year of operations, studies on various aspects of the inspection and control problem have predominated. Five out of the ten contracts awarded in fiscal 1962, having an aggregate value of $437,461, involved studies of various aspects of inspection and control.

In addition to its own contract research program, the Agency has responsibility for the coordination of all research on arms control and disarmament being done by various other Government agencies. We all know of the significant new scientific data resulting from Project VELA. This project is administered by the Department of Defense. Its purpose is to conduct research in the field of the detection and identification of nuclear explosions. Approximately $90 million has been spent to date on this program.

New technical improvements in our capability to detect earth tremors caused by nuclear explosions or earthquakes at long distances have resulted from this research. In addition, the number of earth tremors of a given magnitude that might be confused with tremors from nuclear explosions has been shown by actual observation to be less than an earlier estimate.

It is on the basis of this research that we have been able to propose to the Soviet Union a comprehensive treaty ending all nuclear tests which contains a simpler and more economical system of internationally supervised nationally manned control posts and a reduction in the annual quota of on-site inspections which would be required on Soviet territory. The result of our research program in this field has enabled us to simplify the verification system required without reducing its capability to detect and identify nuclear explosions.

I hope that the research program which the Arms Control and Disarmament Agency is itself now engaged in will similarly enable us to improve our present disarmament proposals. It is the whole purpose of such a program to provide the Agency with the necessary scientific and political basis for proposing new and more effective solutions to these critical problems.

I hope that the Agency will not hesitate to come forward with new proposals, if after careful testing and coordination with other interested Government agencies, these proposals prove to be sound.

In this connection, I would, in closing, like to address a word of caution to us on Capitol Hill.

Every time we hear of a new disarmament proposal, or a modification in previous proposals, we must not always assume that it involves a concession. Too often, judging from some of the criticism I have heard, it would seem that the worst thing that could happen would be to reach agreement with the Soviet Union. No disarmament measure will be free of all risk. But each of us in his own mind must carefully weigh the risk of disarmament measures with adequate verification against the risk of a nuclear disaster if the arms race continues.

I believe that the best way to retain our national security these days while reducing defense costs is through safeguarded and verifiable arms control and disarmament agreements. In matters which are so vital to our national security, we must not rest on the assumption that a new proposal is without effective safeguards or that our willingness to move forward is a sign of weakness.

Frankly, I hope that the future will bring forth many new arms control and disarmament proposals from the Agency we created a year ago. I feel confident that these proposals will be fully consistent with our national security policy.

THE ECONOMIC EFFECTS OF DISARMAMENT

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, 1 year ago, when legislation to establish the Arms Control and Disarmament Agency was before the House, I said:

> Any major step toward disarmament seems out of the question at this moment in history.

Despite this fact, I gave wholehearted support to this legislation, saying:

> The scientific, technological, legal and economic problems in achieving this goal of peace require an unfettered agency which can carry on the study and research which will prepare us so thoroughly that if that fleeting moment comes, when the political situation in international communism is such that they are willing to negotiate meaningful arms control or disarmament—we will be prepared.
>
> Otherwise, without intensive research and study by the Agency we ought to be reluctant to negotiate with the Communists because we might not know when we had given too much away.

One of the research problems which was a concern of many of us when the Arms Control and Disarmament Agency was established last year was the impact that any comprehensive disarmament plan would have on our national economy. Because of this, one of the stated purposes of the Agency is to assess the effect of arms control and disarmament policy on the economy.

The act establishing the Agency specifically directs the Agency to conduct research and develop studies regarding the economic consequences of arms control and disarmament, including the problems of readjustment arising in industry and the reallocation of national resources. In organizing the Agency, Mr. Foster has created a separate Bureau of Economics to deal with this important aspect of our disarmament policy.

During its first year of operation, the Arms Control and Disarmament Agency contributed in a number of significant ways to our greater understanding of the economic and social implications of disarmament.

In January of 1962 the Agency published a report on the economic impacts of disarmament. The report was prepared by a panel of experts drawn from industry, labor, and the academic community, and chaired by Emile Benoit of Columbia University. The conclusions of the panel as set forth in the report were that the economic problems which may be expected in the event of comprehensive disarmament are by no means insuperable. However, in order to solve these problems sensible adjustment policies and advanced planning will be required and, therefore, vigorous Government leadership will be necessary.

The Economics Bureau of the Arms Control and Disarmament Agency also played a primary role in preparing the U.S. reply to an inquiry of the Secretary General of the United Nations on the economic and social implications of disarmament in our country.

I think this work of the Agency has gone far to dispel our ignorance about the effects of disarmament on our economy and the economies of other countries. It has shown that we have nothing to fear and much to gain economically from disarmament.

Of course, the desirability of the objective of saving present and future generations from the scourge of war completely overshadows any economic calculations of gain or loss as a result of disarmament. But with so many people in the United States now dependent for their livelihood on our national defense effort, there is a legitimate cause for concern.

We are currently spending about one-tenth of our gross national product on defense. Slightly less than this proportion of the total labor force is employed in defense industries.

The precise nature of the economic problems generated by disarmament will depend to a large extent upon the amount of expenditures that will be required to support the alternative ways of insuring our security—that is the verification system and the peacekeeping machinery and institutions that will be a necessary part of any disarmament plan—and the amount of time it will take to complete the process of disarmament. Naturally, a crash disarmament program would be more disruptive to our economy than one that will be carried out over a period of years as is presently contemplated in the U.S. plan.

Given these two variables of continuing security expenditures and the phasing of disarmament, there are two basic economic problems which will require sound planning to overcome. The first is the maintenance of aggregate demand for goods and services. As demand for armaments and other military supplies decreases, offsetting demand in other areas must be increased. The second is overcoming structural dislocations in the economy caused by the fact that some workers and industries will be hit harder than others. There is also a geographic aspect to this problem since the defense industries are not uniformly spread throughout the country, but are concentrated in various areas.

However, the possibilities for economic gains from disarmament more than offset any temporary losses. The Federal tax burden could be substantially reduced. In the public sector we need more schools, higher teacher salaries, better roads, new systems of urban transportation and a host of other basic investments. Disarmament would enable us to devote more of our national resources than is presently possible to these constructive ends.

Disarmament would also make it possible for the United States to play a truly creative role in assisting the developing nations of the world to achieve better standards of living. We should not be afraid of peaceful competition with the Soviet bloc in assisting other countries of the world in achieving a better economic and social environment for themselves. One of the corollaries of disarmament is, in my opinion, that some of the glaring economic and social inequities that exist in the world today must be rectified. This will remove the temptation to resort to force as a solution to domestic as well as international problems.

In conclusion, I am pleased to express my appreciation to the Arms Control and Disarmament Agency for its important contributions during the past year to our understanding of the economic effects of disarmament. I am hopefully looking forward to the day when it will be necessary for us to take action in this field as a result of our reaching a disarmament agreement.

Mr. RODINO. Mr. Speaker, I would like to add my congratulations to those already expressed by some of my colleagues to the Arms Control and Disarmament Agency on a job well done.

During its first year, under the direction of Mr. William C. Foster, the problems of any new agency getting its operations off the ground have been kept to a minimum. On the other hand, during the very first year of its existence the Agency has made its impact felt both at home and abroad as a new and constructive force helping to shape our national security and foreign policies. I think that a lot of the credit for getting the Arms Control and Disarmament Agency out of the starting gate and off to such a fast start should go to Mr. Foster. Of course, we are all aware of his organizational talents and managerial abilities which have been amply demonstrated to us in the past. So his latest accomplishments with the Arms Control and Disarmament Agency are in the tradition of a long and distinguished career in the service of his country.

I would like to join with my colleagues in commending the Agency for the significant and major new proposals that it has come up with over the past year covering both comprehensive disarmament and the nuclear test ban.

As a cosponsor of the legislation which established the Agency, I have followed with interest the preparation and presentation of these proposals. Recently, I was at Geneva where I attended sessions of the 18-nation Disarmament Conference, and thoroughly discussed the U.S. position on a broad range of arms control and disarmament issues with Ambassador Arthur H. Dean, the leader of the U.S. delegation to the Conference. I was also present during the preliminary discussions and planning leading up to the presentation to the Conference on August 27 of our new proposals both for a comprehensive treaty banning all nuclear tests and for a limited treaty banning tests in the atmosphere, outer space, and underwater.

In my opinion, which is based upon my experience in Geneva as well as numerous conversations with officials of the Agency, each of these proposals is designed to promote the security of our country.

I believe that if the present arms race continues unchecked it will shrink our security to the vanishing point. It is the responsibility of the Arms Control and Disarmament Agency to formulate U.S. policy in this area in such a way that the implementation of measures of arms control and disarmament will enhance our national security by bringing the arms race under control. I believe therefore, that our arms control and disarmament policy should be considered as an integral part of our national security.

We must maintain a strong defense posture and an ability to meet Communist aggression wherever it occurs. At the same time we must seek agreement with the Soviet bloc on safeguarded measures of arms control and disarmament. A strong military position and a sound arms control and disarmament policy are two sides of the same coin. Both are in our national interest.

What our Government does or does not do in the field of arms control and disarmament will have a vital impact on each and every man, woman, and child in this country. And yet I am convinced that the general public remains appallingly uninformed and even uninterested in this crucial aspect of our national policy. The general feeling seems to be that we are trapped in an impossible situation.

Extremists on both sides persist in shouting at each other and calling for oversimplified solutions to a complex and continuing problem. But the result of all this vocalizing has been to cast a cloud of misinformation over the generally prevailing attitude of ignorance coupled with anxiety.

But public confidence in our disarmament policy is a prerequisite for its ultimate success. Therefore, I believe that we can all contribute to the success of the Agency's efforts by taking the lead in informing the public about the way in which our arms control and disarmament policy can play a constructive and perhaps a key role in bringing about an improvement in our national security and in the achievement of important foreign policy objectives.

Mr. DANIELS. Mr. Speaker, last week commemorated the first anniversary of the Arms Control and Disarmament Agency. I am most pleased to join with my colleagues on this occasion in support of our new Agency of peace which we created 1 year ago. It has, during its first year of operation, made a remarkable record of achievement in formulating our arms control and disarmament policy and in managing U.S. participation in the 18-nation Disarmament Conference at Geneva.

One of the vital issues of our day is whether we will be able to bring the arms race under control before it spreads completely out of control. Today our situation has been characterized as a balance of terror. The balance, although precarious, is largely possible because of the limited number of countries which today are in possession of nuclear weapons of mass destruction and the means of delivering them.

However, the arms race is threatening to spread out of control in two directions—vertically into outer space, and horizontally throughout the world. Both of these developments, if permitted to occur, would further shrink our national security.

Based on existing technology, it has been estimated that over 10 additional countries can acquire at least a few nuclear weapons and a crude delivery capability during the next 10 years. What our security will look like at the end of another decade of an unrestricted arms race is not a pleasant prospect.

However, our new Arms Control and Disarmament Agency offers, in my opinion, one avenue for a way out of our dilemma. Through safeguarded measures of arms control and disarmament, I believe, it is possible to enhance our national security while at the same time maintaining and insuring our political integrity as a nation. We need to bend every effort to seek an improvement in our security and the security of the free world in this way.

In order to bring the arms race under control we will need to reach agreement with the Soviet Union on mutually acceptable measures. Any measure to which we agree must be fully consistent with our national security. Moreover, we cannot simply trust the Soviets to honor their commitments to disarm. Therefore, any agreements we reach to reduce our arms must contain adequate means of verification.

In the absence of agreement, we must continue to maintain a military force in being which is capable of meeting Communist aggression wherever it occurs, and of deterring a strike against the United States by its capacity to retaliate in kind. But at the same time we must recognize that exclusive reliance on our retaliatory capability—to give more than we get—is extremely dangerous. Whether we give more than we get in an exchange of multimegaton nuclear weapons will make little difference to the great majority of our population.

For these reasons, I am happy to support the Arms Control and Disarmament Agency in its important work of seeking new ways to enhance our national security through realistic measures of arms control and disarmament. I am convinced that if there is to be a future for our grandchildren it must lie in the direction of turning the upward spiral of the arms race downward.

Mr. KOWALSKI. Mr. Speaker, the first responsibility of those of us who desire peace, who favor negotiations, who abhor war, is to recognize that a very large segment of our people have been convinced that war is preferable to confusion and inaction as they see it. We must ourselves believe in peace so strongly that we will reassure our friends who may have lost patience to restrain themselves. We must give encouragement to those who are working for peace. Most of all, each one of us must realize that to work for world peace is the most important thing we can do.

Last week the Arms Control and Disarmament Agency celebrated its first anniversary. One year ago the Agency was established within our Government to formulate and implement U.S. arms control and disarmament policy. The legislation creating the Agency was passed by an overwhelming and bipartisan majority of the Congress—and at a time when the Berlin wall was being thrown up to complete the imprisonment of East Germany. The Arms Control and Disarmament Agency is working to dispel confusion. It is working for world peace.

The challenge of communism, and the challenge of the arms race are inextricably intertwined. Attempts to pin the blame for the crisis in the world today on either the Communist challenge or the arms race lead to a fruitless discussion of cause and effect. The truth of the matter is that both the Communist challenge and the arms race are substantial factors in the complex equation which today spells a grave threat to the security of the United States and freedom-loving peoples throughout the world.

The creation of the Arms Control and Disarmament Agency 1 year ago reflected the considered judgment of the Congress that it was in our national interest to increase our effort to bring the arms race under control before it was too late. It was felt that a central organization was needed to insure the formulation and implementation of our arms control and disarmament policy in a manner which would best promote our national security.

The facts of life in the 20th century are these: Neither side could escape from a nuclear war without devastating material damage to its own nation; in a nuclear war many of the nonmaterial national values which we seek to preserve—at present by relying on our military strength—would be destroyed; the security of both sides is decreased as the arms race continues, extending itself outward to other countries and upward into outer space.

Bearing in mind these facts, I believe the Arms Control and Disarmament Agency has fully justified its creation 1 year ago. I am proud to be one of its sponsors. I support the Agency, its activities and the sound policy it has given us in this vital area of our national security affairs.

The Agency has been responsible for the preparation of a number of significant proposals both for comprehensive disarmament and a nuclear test ban. These proposals include the U.S. Outline of Basic Provisions of a Treaty on General and Complete Disarmament in a Peaceful World, characterized by President Kennedy as our "blueprint for the peace race," and two alternative proposals for a cessation of nuclear testing: one for a comprehensive treaty banning all tests in all environments and the other for a treaty banning nuclear tests in the atmosphere, outer space, and underwater.

Each of these proposals was the product of intensive study within the Arms Control and Disarmament Agency itself, and extensive coordination throughout the Government, including consultations with the appropriate committees of Congress. Each of these proposals is designed to enhance our national security through the implementation of measures which would bring the arms race under control. Each proposal contains adequate provision for verification, so that we could be confident that the Soviets were adhering to their treaty obligations in the same manner we would be.

In addition to coming forward with a series of major proposals, the Arms Control and Disarmament Agency has managed U.S. participation in the 18-nation Disarmament Conference at Geneva. This Conference was convened on March 14, 1962, and although now in recess, it is due to resume its sessions in Geneva on November 12.

The Conference is, I believe, the most significant of its kind since the end of the Second World War. In addition to the members of NATO and the Warsaw Pact, eight nations which represent countries and areas of the world not included within either of the major power blocs are participating in the Conference.

The Conference has been organized in such a way as to facilitate the discussion of the complete spectrum of arms control and disarmament problems ranging from general and complete disarmament, through partial measures of arms control which would facilitate more comprehensive measures, to the nuclear test ban.

Participation in the 18-nation Disarmament Conference has presented the United States with a rare opportunity to present its proposals to the Soviet Union in a serious atmosphere where propaganda is kept to a minimum. We at the same time have been able to convince world opinion of our sincere interest in disarmament, and the fact that if agreements have not been reached the fault does not lie with the United States.

The Arms Control and Disarmament Agency has managed the negotiations effectively and convincingly. It has provided both experienced personnel and much needed backstopping which had been lacking in the past.

Finally, the Agency has during its first year of operation started a contract research program to provide a sound basis for technical and political judgments in the formulation of our future policy.

Therefore, during the past year the Agency has given the United States a sound arms control and disarmament policy. It has effectively managed the presentation and discussion of our proposals in an intricate series of negotiations at an international conference. Finally, the Agency has through its research program succeeded in laying a solid foundation upon which to build our future policy.

It is of vital importance that we continue to support the work of the Agency in its efforts to bring the arms race under control. The future of Western civilization may well depend on the success of our efforts to turn the upward spiral of the arms race downward.

In a recent address before the joint session of the Senate and House of Representatives of the Philippines, General MacArthur said:

> The great question is, Can global war now be outlawed from the world?
>
> If so, it would make the greatest advance in civilization since the Sermon on the Mount. It would lift at one stroke the darkest shadow which has engulfed mankind from the beginning. It would not only remove fear and bring security—it would not only create new moral and spiritual values—it would produce an economic wave of prosperity that would raise the world's standard of living beyond anything ever dreamed of by man.
>
> Many will tell you with mockery and ridicule that the abolition of war can be only a dream—that it is but the vague imaginings of a visionary. But we must go on or we will go under. And the great criticism that can be made is that the world lacks a plan that will enable us to go on.
>
> We are in a new era. The old methods and solutions no longer suffice. We must have new thoughts, new ideas, new concepts. We must break out of the straitjacket of the past. We must have sufficient imagination and courage to translate the universal wish for peace, which is rapidly becoming a universal neecssity, into actuality.

The Arms Control and Disarmament Agency is bringing us the new thoughts, new ideas, new concepts we desperately need to forge a new world free from the horror of war. If it fails, we fail and there will be no one left to tell the reason why. In 10 years there will be peace on earth with or without people.

Mr. REUSS. Mr. Speaker, a week ago, on September 26, the House was busy with the mailed fist. We passed, 384 to 7, Senate Joint Resolution 230, expressing the determination of the United States to fight, if need be, to prevent the extension by force of communism in the Western Hemisphere.

In our preoccupation, we slighted the olive branch. For September 26 was the first anniversary of the signing by President Kennedy of the law establishing the U.S. Arms Control and Disarmament Agency.

I am proud to have been a cosponsor of that law. Like the Peace Corps and the Trade Expansion Act, the Arms Control and Disarmament Agency will stand as a landmark that the 87th Congress, while preparing for the worst with a record-breaking arms budget and a Reserve callup, has also worked for the best—a world in which eternal peace permits justice and good will to rule.

The Arms Control and Disarmament Agency has finished a first year of constructive achievement. Its studies and recommendations enabled this country to submit to the Geneva Conference a general disarmament treaty on April 18, 1962, and a nuclear test ban treaty on August 27, 1962. It is true that nothing has come—so far—of these draft treaties. But we should ask ourselves: How much worse off would we be if the United States had failed to take the informed initiative toward world peace that it has?

The Agency's achievements are the work of a patriotic and dedicated group of public officials. I want to record the Nation's gratitude to men like Director William C. Foster; Ambassador at Geneva Arthur Dean; Deputy Director Adrian S. Fisher; General Counsel George Bunn; Disarmament Advisers Robert E. Matteson and Jerome L. Spingarn. All these men, and others equally devoted whose work I may not know personally, have set the highest standards of public service. Their unselfish work for the cause of peace is their own best reward.

Mr. WESTLAND. Mr. Speaker, since today represents the first anniversary of the Arms Control and Disarmament Agency, I would like to express my congratulations on achieving its first birthday. Under the able direction of my good friend, William C. Foster, the Agency has become a well-organized and functioning part of our Government in a relatively short period of time. It has come to grips with the challenging problems in the field of arms control and disarmament with a minimum of delay.

For the present we are in an arms race of tremendous proportions. We must, in these circumstances, take care that we keep sufficient forces in being to effectively deter any threat of aggression. Our forces must be capable of meeting aggression anywhere in the world with a sufficiently flexible response so that we can fight "brush fires" as well as a major conflict.

However, at the same time it is in our national interest to pursue a vigorous policy of seeking a method of arms controlling and perhaps eventual disarmament. Our national security can best be served by bringing the arms race under control before it extends itself outward into space and engulfs the entire world.

During its first year of operation the Arms Control and Disarmament Agency has taken the lead in the formulation of a number of significant and important proposals in the field of arms control and disarmament both of a comprehensive and a limited nature. The implementation of these proposals would, I believe, increase our national security by helping to bring the arms race within our control.

I was particularly interested in the new proposals that were made during the first year of the Agency's operation on the question of a nuclear test ban. As you know, two proposals have been advanced: one for a comprehensive treaty banning all nuclear tests, and the other banning nuclear tests in the atmosphere, outer space, and underwater.

As a member of the Joint Committee on Atomic Energy, I participated in extensive hearings which were held on these new proposals prior to their being presented formally to the 18-nation Disarmament Conference in Geneva. I believe that proposals must contain effective provisions for inspection which would adequately deter the Soviet Union or any other party to the treaty from cheating and would detect any actual violations. The comprehensive treaty provides for an inspection system consisting of a network of internationally supervised, manned control posts and an annual quota of on-site inspections to determine whether unidentified seismic events were in fact earthquakes or underground nuclear explosions. The technical basis for this inspection system is sound.

However, in our negotiations we must recognize the type of government and people we are dealing with. We must never forget that their eventual aim is to destroy us by one means or another. Under these conditions it is easy to realize the difficulties involved; yet I believe, as I have always believed, that this country must take the lead in trying to find some method of achieving world peace. While we are seeking this goal we must never let down our guard, for to do so could be fatal to our way of life.

I know that Bill Foster, the head of this agency, is a completely dedicated American and that he will follow American precepts in all his dealings with the Soviet. To him and the agency he heads I wish a happy birthday—may they have many more.

Mr. FRELINGHUYSEN. Mr. Speaker, as one of the sponsors of the legislation which established the Arms Control and Disarmament Agency, I am glad to join with my colleagues, on this first anniversary of the Agency's existence, in extending my best wishes to them. The Arms Control and Disarmament Act, it should be noted, was passed last year by an overwhelming and bipartisan majority of both bodies of the Congress.

During the past year, in connection with my work on the Foreign Affairs Committee, I have followed with interest the activities of the Agency. On this occasion I should like briefly to recall the world situation at the time when the advisability of creating this new Agency was up for discussion. The Berlin wall had just been thrown up, literally completing the imprisonment of East Germany. The United States was deeply involved in Laos. The Soviet Union had just resumed nuclear testing. It was against this background that we established the Arms Control and Disarmament Agency as a separate Agency within our Government. There were those, I might add, who questioned the timing of this action, and, indeed, its wisdom.

Our action of a year ago reflected an increasing awareness on the part of all of us of the dangers inherent in an unrestricted and continuing arms race. We felt also that prompt action was required in order to bring this arms race under control. This need was apparent despite—I might even say because of—the persistence of cold war crises around the world.

In other words the creation of the Arms Control and Disarmament Agency last year reflected, I believe, a considered judgment on the part of Congress that as long as the cold war did not turn hot it was in our national interest to make every effort consonant with our national security to reduce the deadly competition between ourselves and the Soviet Union in the development and perfection of the weapons of war. Hopefully, we saw also the importance of eventually bringing this competition to a halt.

During the past year, unfortunately, the cold war has continued unabated. In Laos, for the moment at least, the situation appears to be more stable. On the other hand, the Berlin crisis continues to boil. And most recently the Soviet Union has seen fit to penetrate the Western Hemisphere by supplying Cuba with modern armaments in ever-increasing volume.

However, during the past year the Arms Control and Disarmament Agency has become firmly established. It has formulated and presented major proposals for comprehensive disarmament, and for a nuclear test ban. These proposals represent a sincere effort on the part of the United States to enhance its own security, and the security of the free world, through what we hope are practical arms control and disarmament measures.

We cannot await the final solution of our conflict with the Communists before taking any action to halt the current arms race. The power of today's weapons, and the tensions created by this deadly competition in armaments, threatens the security of both sides. No nation, no matter how powerful, could possibly escape without extreme devastation from a nuclear holocaust, regardless of which side started it.

Therefore, it is primarily because of the persistence of the cold war that arms control and disarmament must play an important role in our national security policy. This is not, as some charge, a question of letting down our own guard at a time when pressures are increasing. Rather, it is an honest and thoughtful effort—though regrettably so far unproductive—to reduce tensions. It is an effort to reduce in some measure present massive and essentially wasteful expenditures on armaments by a persistent search for an effective modus vivendi. The Agency may not as yet have much in the way of solid achievements to boast of, but we can at least hope for better things ahead.

EIGHTY-SEVEN MILLION JOBS

Mr. BARRY. Mr. Speaker, I ask unanimous consent that the gentleman from Iowa [Mr. Schwengel] may extend his remarks at this point in the Record.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. SCHWENGEL. Mr. Speaker, I sincerely hope that all of us find time in the weeks ahead to read "87 Million Jobs," the little book Congressman Tom Curtis has written. Whether we do or not, we shall all remain in his debt. There is no problem where the facts are less well understood and where they are more important to sound solutions than the problem of unemployment. There was a great need for someone to seek out the facts about unemployment and then sit down and work out a solution based on commonsense, and unusual business practice. Tom Curtis has done this. The results are here for us to read and profit by in this brief, 100-odd-page book.

The facts about unemployment have been made a mystery by clouds of emotionalism and deliberate obfuscation raised by the practitioners of power purges and money injections on the New Frontier. Tom Curtis has gotten these facts and here presents them to us, but he has not written a mystery story. So I do not hesitate to tell you his solution.

Despite better than 18 months on the New Frontier we still have unemployment at close to the 6-percent rate. Business is still hesitant to act with any confidence in the possibility of future profits. We not only have an indecisive stock market but an uncertain, not to say menacing, situation beyond our frontiers. In addition, we now have a President with an indecisive mind and an uncertain temper.

Tom Curtis points out that the future will bring us further unemployment problems. During the sixties our population will rise an estimated 28 million, or 15 percent. The number of people seeking work will grow by nearly 20 percent, 13½ million, to give us a labor force, employed and unemployed, of 87 million by 1970. Hence Congressman Curtis' title.

To provide these people jobs is the economic problem of the decade. The solution advanced by the present administration of Government spending is not only not a solution, but an inhibition of the natural solution. We need a national climate which will provide trained people for skilled work in private industry.

The problem, as Tom Curtis sees it, is not that jobs are unavailable for many workers, but rather that many workers are not trained to take the jobs that our advancing technology is and will be creating. We have the men. We have the jobs. But the men cannot do the jobs. To foster self-improvement and training by suitable changes in our tax laws and unemployment insurance systems is seen as essential. Changes are needed also to encourage both new business investment and the replacement of existing but obsolete machinery and plant. We will thus create the jobs and train the men to fill them, in an atmosphere of business growth and optimism.

In this program the part the Federal and State governments could play is a key one, but it is in the field of providing a nationwide clearinghouse for information about job opportunities, a job inventory, and in strengthening the training of our young people, not in narrow vocational skills, but in the fundamentals needed in any job. It is not in creating jobs, made work, nor is it in taking over the whole program. It should foster cooperation and make training and investment financially possible and attractive. Government should be on tap, not on top.

"87 Million Jobs" is the hard sensible look at the real problems we face in putting people to work that has been so badly needed. It does not ask what we can do for our country. It asks what we as Americans can do for ourselves. It puts people, not the Government, first. It gets back to the old American principle of self-reliance and neighborliness, the spirit that raised barns and built the West of the old frontier. In this spirit of paying for what you get, I urge you to buy a copy of TOM CURTIS' book, "87 Million Jobs," read it and urge it upon your friends.

I can think of no better Christmas reading, even though its message is that there is no Santa Claus.

RESPONSIBLE TAX REDUCTION

Mr. BARRY. Mr. Speaker, I ask unanimous consent that the gentleman from Texas [Mr. ALGER] may extend his remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. ALGER. Mr. Speaker, at the outset I would make it clear in my remarks on our Nation's fiscal affairs that I am in favor of tax reduction. I make this not too startling assertion because before I am through addressing the membership of the House there may be some who will wonder why I am not advocating a general tax increase of major proportions. I repeat, I favor tax reduction. I favored it last year in what was not an election year and I favor it this year in what is an election year. Thus, political year or not, I assert I favor tax reduction.

But, Mr. Speaker, to favor tax reduction is not enough. Between the sentiment in favor of a lessened tax burden and a vote making it a responsible reality is a broad span of fiscal and economic factors—factors, some of which must be carefully managed, some which must be encouraged in a proper direction, and all of which must be evaluated and weighted. They are factors that require proper understanding, knowledge, and self-discipline on the part of our citizenry. The various segments of our private enterprise economy and Government officialdom must be alert to these factors so that our national affairs may progress in a way to make tax reduction advisable, answerable, and achievable.

The factors to which I refer include considerations of tax fairness and equity, tax policy in terms of impact on dynamic growth of our free enterprise system. Other factors relate to the health and vitality of our economy. Also, our Government fiscal posture with respect to debt and budgetary outlook as well as the monetary and balance-of-payments considerations must be taken into account in determining the feasibility of tax reduction. Mr. Speaker, I would examine these factors and other considerations affecting tax policy in the context of how they influence a determination as to whether or not tax reduction is advisable, answerable, and achievable.

Mr. Speaker, is tax reduction advisable? The answer to this question is an emphatic and unequivocal "Yes."

Tax receipts of Federal, State, and local governments currently amount to approximately one-third of our net national product—an alarming indication of the extent to which we have gone toward socializing the productive efforts of our citizens.

The Federal Government begins to tax at a 50-percent rate each dollar of an individual's taxable income at the $16,000 level and then tax confiscation reaches 91 percent all too soon. The Federal tax rate structure thus has the effect of limiting a man in some cases to 9 percent of the fruits of his labor. A corporation earning over $25,000 pays tax at a 52-percent rate to the Federal Government. Despite the fact that it requires over $15,000 of capital investment to provide a worker a job in industry, our present tax rate structure, which takes too much too soon, prevents creation of job opportunities by preventing savings. As a matter of moral principle in tax policies our Federal Government should never be allowed to take in taxes more than 49 cents of any dollar earned by a citizen; indeed, even a lower rate would be sound Government policy to give full encouragement to the productive capacity of our people as we unleash their ingenuity and industry and foster the venturesomeness of risk taking. The present tax structure embodies a peculiar tax policy for a country that relies on individual initiative for progress.

The level of tax rates as applied to profits affects the volume of capital goods speeding, by limiting funds available for this purpose and by making the opportunities less attractive. Corporate profits in 1961 were less after taxes than their level 6 years earlier in 1955. This profit deflation limited the private enterprise system's incentive and ability to invest so that spending on new plant and equipment in the second quarter of 1962 was not as large in dollar amount, at current prices, as it was in 1957. In short, capital destroying tax rates have kept our Nation from realizing its potential for progress by thwarting economic development. This is hardly getting America moving with vigor in any direction but backward.

Our tax structure puts such emphasis on assessing tax against employment, income, and capital accumulation that American enterprise is handicapped as it attempts to compete in both domestic and world markets. Of the total revenues of the Federal Government approximately 85 percent come from income taxes, estate and gift taxes, and employment taxes. This results in a tax impact that is hardly conducive to the creation of jobs, the development of taxable income and the accumulation of capital. The sharp progressivity of rates under this system is self-defeating in that it thwarts the revenue raising purpose and inevitably leads to substantive complexity and discriminations. Tax rate reduction and tax reform are essential elements in any program to improve the competitive capacity of America's industry and commerce in international trade.

To ignore this urgent need for tax reduction is to abet the Marxian doctrine prescribed in the Communist Manifesto for making "despotic inroads on the rights of property, and on the conditions of bourgeois production."

Mr. Speaker, in providing further justification for affirmatively arguing that tax reduction is advisable, I would turn to an appraisal of the current condition of our economy. It is now clearly evident that the Kennedy programs involving proposals for standby tax cuts, standby public works, standby controls over business and agriculture, and all the other tired and discredited standbys of the New Deal and Fair Deal have produced a standstill economy. Government policies of deliberate spending deficits, uncertain economic goals, militant paternalism in unwanted and unneeded social programs, and confused timidity in foreign affairs have impaired confidence in our national future. These muddled programs and policies have made our current lagging recovery gravely reminiscent of the "Roosevelt thirties" and the NRA—initials that came to stand for "No Recovery Anytime."

The various economic indicators force the conclusion that business activity is doing little better than holding its own and in some areas is in actual retreat. The prolonged lack of vigor in the economy breeds apprehension and produces pressures for retrenchment. Steel production in the latest week is off from the previous week and is still markedly below a year ago; miscellaneous freight carloadings are down from what they were a month ago; seasonally adjusted nonfarm employment is down and there is a shortening of the average workweek. In brief, the indicators imply ambiguity in meaning but their failure to measure a growing strength suggests a "sideway" economy at best and perhaps portends a downturn that begins far short of a point of full recovery.

There is a difference between sustained softness and dynamic development, and I submit that a timely and responsible tax reduction program would lead our national economy from softness to strength. Oppressive tax rates that thwart savings and investment have defeated our objective of economic growth to full employment. Excessive reliance for revenues on steeply progressive taxes imposed on employment and productivity have encouraged a decline in the competitive vitality and capability of our economy. The solution to these mounting problems can only be found in doing something about our tax rates. That is why, Mr. Speaker, I say with such a feeling of urgency that tax reduction is advisable.

That leaves the question: Is tax reduction answerable? Is it achievable?

My reply to the question: Is tax reduction answerable? is less unequivocable than was my answer to the question of advisability. First, let me simply state what I mean when I question the answerability of tax reduction. As present-day citizens of our Nation, I believe we are answerable for our stewardship of our affairs to ourselves and also to those generations that are to come after us. Surely we have no more solemn responsibility than to conduct our affairs in such a way that our descendants will find that we have not encumbered their liberty nor encroached on their opportunity. Thus, it is with respect to ourselves and to our descendants that we must meet the test of answerability in resolving the questions of tax reduction now.

With respect to ourselves there is an obligation to preserve the security of our Nation in terms of economic and military strength while creating an environment that will permit our citizens to attain the productive fruits of their maximum capabilities. There is no question that economic strength and optimum resource employment could be encouraged by alleviation of the present tax depressants. Similarly, our national security could be enhanced by tax reduction in the sense that our enduring military strength must be contingent on economic strength.

But these beneficial results would flow from tax reduction only under certain circumstances. Our foreign obligations and domestic aspirations would preclude us from successfully sustaining a prolonged program of lower taxes in the face of higher spending and bigger deficits. The morning after consequences of such fiscal folly would be swift and sure. On the other hand a realized surplus is not a prerequisite to tax reduction. If our Federal Government had our Government expenditures under firm control in the current year and those years immediately ahead, tax rates could soundly be adjusted downward to stimulate initiatives and incentives as a basis for sustainable economic growth.

Mr. Speaker, if I have properly prescribed the fiscal basis for tax reduction, it is then appropriate to inquire as to whether or not we have our Government expenditures under firm control. I regret to say that we do not. Government spending—inside and outside the budget—is on the move and the only direction in which it is going is upward. For example, the entire budget of the United States in 1930 was $3 billion; at intervals of decades spending has grown to $9 billion in 1940, to $40 billion in 1950 to $80 billion in 1960, and it will surely reach $100 billion before the end of this Presidential term. Annual spending since the last complete Eisenhower fiscal year of 1960 has increased 21 percent. Under the New Frontier "new obligational authority" has skyrocketed from $79.6 billion in the last Eisenhower year to $99.3 billion in fiscal 1963. This increase can only mean increased spending pressures in future years. Thus, the significance of the 1963 budget as it affects tax reduction possibilities is that first, there is a probable budget deficit for the year of upward of $5 billion and, secondly, contains the seeds for virtually irresistible spending increases in the future.

I earnestly submit to my colleagues that we need not conclude from this grim outlook that nothing can be done to avoid the likelihood of deficits, debt, and decline. Indeed, Mr. Speaker, it is the graveness of the present predicament that makes it so urgent that we not resign ourselves to a continuation of the present trend. We must positively and emphatically act to rid ourselves of the "crises psychology" which holds that every problem demands a solution by Government and that the best solution is to spend more from the Federal Treasury regardless of whether or not there is anything there to spend. We must not squander our substance and the productivity of future generations on unwanted or unneeded schemes at home and on multibillion dollar foreign aid programs to assist allies that do business as usual with our Communist enemies. We must act to rid ourselves from the control of the compulsive spenders. We must act more selectively, rather than less selectively, in approving Government expenditures.

Mr. Speaker, it is possible within the limitations I have described for us to regard tax reduction now as a responsible course of action insofar as we are concerned with the present generation. But to the extent we are answerable to succeeding generations, can we responsibly urge tax reduction now? Let us look at some facts that bear on this question.

First. In the last 32 years we have gone in the red with budgetary deficits 26 times and only 6 times have we paid our bills without additional borrowing.

Second. For the first time in our history we have a national public debt in excess of $300 billion and we are the most debt ridden people in the world.

Third. In addition to the public debt we have spending commitments under existing laws without enacting a single new program or enlarging a present one that obligate our Federal Government to the payment of a total of more than $1 trillion over and above the cost of defense and ordinary annual costs of Government. These obligations include such items as $300 billion for veterans, $250 billion for imbalances in the social security system, and other major cost items.

Fourth. Just the payment of the annual carrying charges on the national debt requires $9 billion without any debt reduction; this means about 10 cents out of every tax dollar has to go for this purpose.

Fifth. The policies of the past three decades of Santa Claus government-by-credit card have imposed a present mortgage on the future of our people equal to $22,000 per family of four, and

Sixth. Our gold supply is now down to approximately $16 billion and $12 billion of this is needed to back our currency. Short-term foreign claims in the amount of $18 billion can be asserted against the remaining $4 billion in gold, not required as a currency reserve. This serious problem is aggravated by the fact that we continue to have adverse gold demands made against us.

Mr. Speaker, these facts raise serious concern about our national course of events. We have mismanaged our fiscal affairs in such a way as to enhance the centralization of power in the Federal bureaucracy to the point of eroding our personal freedoms. In our quest for individual security through a government guarantee, we forget that democracy once created does not endure forever unguarded. Democracy is not certain to be perpetuated; it must be continually earned. We have incurred debt to be paid by succeeding generations and we have thinly lessened the freedom of those generations. Can we then responsibly think now in terms of reducing taxes without first discharging our debts?

Mr. Speaker, an affirmative answer can be given to this question only under the most stringent conditions. We must pursue a course of coordinated tax and debt reduction. Our tax reduction program must be so devised as to promote maximum real economic growth in our private enterprise economy. Self-discipline in fiscal affairs is necessary on the part of every citizen. Every office seeker must refrain from using the taxpayer's money to bid for votes. It is urgent that frank recognition be given to the fact that we cannot rely on the hope that everything will be easier in the future; we must solve today's problems today. Every expenditure must meet the criteria of absolute essentiality. On this basis tax reduction today can be accomplished in a way that meets our responsibility to future generations.

Mr. Speaker, this leaves our third and last question: Is tax reduction achievable? My answer to this question is in the affirmative, conditioned on the qualifications that I will now set forth.

The character of the reductions in tax burden must be such as to buttress our production capability through creative incentives to additional effort. The type of tax reduction proposed must be based on economics and not politics. The rate reform should be of such a nature as to eliminate the confiscation of capital that occurs under our present tax structure.

The administration should commit the Federal Government to maximum budgetary spending levels for the next 3 fiscal years not to exceed the 1963 spending authoriations. By such a course of action the Kennedy administration would be helping to restore confidence at home and abroad in our firm resolve to achieve full economic growth within the framework of sound fiscal policies.

In providing tax reduction it is important that effective watchfulness be maintained to guard against an inflationary round that would give further advantages to foreign-based competition. Failure to take proper safeguards in this area would aggravate our balance-of-payments problems and would impair our ability to maintain an effective posture of economic strength.

Mr. Speaker, administration spokesmen have joined in keen competition to see who can achieve the greatest public acclaim from promises of tax reduction to be effective next year. These spokesmen have been joined by the President in publicly committing the Federal Government to a course of sweeping tax rate reform. To this I say: "Fine and bully for all; but how is it to be done?"

Can we expect performance as well as promise in regard to tax reductions from an administration that wantonly squanders our national substance on boondoggles, baubles, and bungles? Will the embattled three budgetarians—Dillon, Bell, and Heller—really be able to convince Walter Reuther and his followers that America cannot use the Treasury to spend the Nation rich and that the time is long overdue for spending reform to enable sound tax reduction? How long can the hope of tax rate reform be sustained if the Federal Government continues to spend and borrow at the present rate? Is there any justification for believing that the New Frontier will devise a fiscal formula enabling more Government spending at reduced cost to the taxpayer?

Mr. Speaker, these are the critical questions that must be answered prior to our finding an answer to the question as to whether or not tax reduction is achievable. These are questions that just in their asking lead to the inescapable convictions that if we would tax less, we must spend less; if we would improve our tax structure, we must first bring order to our Government spending policies.

Mr. Speaker, in my remarks this afternoon I have attempted to discuss the fiscal and economic issues that bear on the feasibility and prospects for tax rate reduction in the coming year. I believe that tax reduction is advisable, answerable, and achievable as soon as the Kennedy administration is ready to recognize that the U.S. Treasury is not a bottomless pit of taxpayer resources. The prospects for tax reduction next year will depend on the willingness of the New Frontier to repudiate the Democratic platform of 1960. The tax outlook for 1963 depends on the way in which the Kennedy administration provides fiscal and economic leadership for our Nation in the days and months ahead. Mr. Speaker, if liberty is to be preserved in our Nation for ourselves and our descendants, we must diligently practice fiscal prudence involving minimum spending financed by a minimum tax burden. Sustainable economic growth is in large part reliant on the way in which our Nation's fiscal affairs are handled. The choice is between private enterprise and Government stagnation; for me, Mr. Speaker, it is an easy choice—a choice that leads to responsible tax reduction.

REPORT OF WESTINGHOUSE ELECTRIC CORP. BOARD OF ADVICE

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, four very distinguished Americans have been given an unusual opportunity to study, from a candid inside view, the current policies and practices of a large American corporation with respect to our antitrust laws.

I refer to the board of advice appointed in the spring of 1961 by the Westinghouse Electric Corp., which has its headquarters in my congressional district. The board is composed of Dean Erwin N. Griswold, of Harvard Law School; Dean Eugene V. Rostow, of Yale Law School; Prof. S. Chesterfield Oppenheim, of Michigan Law School; and Dr. A. D. H. Kaplan, of the Brookings Institution.

The ability, stature, and objectivity of these men are known to us all. The results of their study, therefore, are significant not only to Westinghouse but to all American business and to all students and legislators interested in preserving and strengthening the American business system.

The board, in its final report, has made some very constructive and important recommendations. The board recognizes, of course, the need for constant alertness and effective internal enforcement programs by American corporations to insure compliance with the letter and the spirit of the antitrust laws; the board also emphasizes the need for sincere and vigorous support for such programs on the part of the highest officers of the corporation, by precept and by example. But the board emphasizes that mere defensive programs are not enough—it calls upon private enterprise to take the initiative in adopting policies of aggressive and flexible competition.

The board observes that—

> Such an approach is consistent with vigorous and profitable growth and should permit the corporation to utilize profit opportunities available to it in many markets in a more thorough and comprehensive manner than would be possible under a purely negative program of avoiding violations of the law.

Mr. Speaker, this positive attitude toward competition is most important. It has always been my conviction that the success of American business, and hence the strength of our American economy, rests very largely upon the vigor of competition. Private competition has a dynamic force and creativity which cannot be matched by the only alternative as a guide and regulator for the economy—Government ownership or Government control.

This is why I have always supported effective antitrust laws and their vigorous enforcement. These laws are designed to foster free and open competition, which is our surest guarantee of economic progress. It is clear, therefore, that business has more to gain than any other element in our society from an effective antitrust program and from affirmative, vigorous competition.

I commend the Westinghouse company, in the wake of the 1961 electrical industry antitrust cases, for seeking the advice of this eminent board; I commend the members of the board for their willingness to serve and for the important contribution they have made. Under unanimous consent, I include the final report of the board of advice at this point in the RECORD:

JULY 19, 1962.

MARK W. CRESAP, Jr., Esq.,
President, Westinghouse Electric Corp., Pittsburgh, Pa.

DEAR SIR: In the spring of 1961, the undersigned were requested by Westinghouse Electric Corp. to serve as members of an advisory group, or board of advice, to the management in reviewing and appraising the procedures adopted by the corporation to assure future compliance with the antitrust laws and with high standards of business conduct.

On October 16, 1961, we made an interim report which contained a statement of our understanding with the management as to the scope of the responsibilities of the board of advice and of the management, respectively. It recapitulated our meetings to the date of that report with representatives of management and listed the presentations made, data supplied and, generally, the matters discussed and questions considered. For convenience, a copy of our interim report is attached hereto as exhibit A. Since our interim report we have had further meetings with representatives of management, as described below. We fully agree with the suggestion of the management that the time has come when it is appropriate to summarize our views as to the existing procedures and further plans of the management and to submit this final report, as follows:

1. In the light of the activities described in the indictments and complaints in the criminal and companion civil actions instituted by the Department of Justice during 1960 in the Federal court in Philadelphia against members of the electrical equipment manufacturing industry, including Westinghouse, the immediate and basic problem with which the management had to cope, and with respect to which our advice and counsel had originally been sought, was the establishment of a more comprehensive educational and enforcement program which would prevent the occurrence of any such activities in the future. Management recognized that, although those activities were contrary to established Westinghouse policy, a vigorous enforcement program coupled with an intensified educational program—and the wholehearted support of the entire organization—were necessary to attain the desired results.

2. The corporation's problem is complex. In general, the corporation manufactures and sells apparatus and appliances for the generation, transmission, utilization and control of electricity. It is the second largest producer of such equipment in the United States. The corporation is organized into a number of basic product groups. It has about 109,000 employees. Approximately 1,650 of its employees have pricing and marketing responsibility and are located at numerous plants and sales offices throughout the United States. The corporation's product mix runs from heavy electrical equipment and defense and atomic projects to various electrical devices used in the home—in all some 8,000 basic products, with about 300,000 variations. Many of these products and product groups are sold in distinct economic markets, in competition with like products offered by rivals widely different, in many of those markets, in number, economic strength, and market policy. Moreover, the company's product mix—as wide and varied as it is—is constantly changing as a result of research and innovation. Accordingly, although Westinghouse is the second largest producer of electrical equipment in the United States, its relative position as to particular products and product lines in particular markets varies considerably. It is subject to varying degrees of competition within the various markets and its competitors in any given product or product line may provide substantially more or less of the supply in the market than it does.

At the same time the distribution channels and the sales outlets through which the corporation sells its products are as varied as the products. Westinghouse sells directly to municipal, State, and Federal governments, to public utilities, to manufacturers, to distributors, to dealers, and directly to consumers.

In short, the corporation is continually confronted with virtually every economic and antitrust and trade regulation problem which a business enterprise can encounter. Moreover, because the corporation sells throughout the United States and abroad and functions through a host of employees, communication and control are an indispensable feature of its efforts to implement corporate policy. Constant alertness is needed to identify problems as they may arise.

3. During the grand jury investigations that led to the Philadelphia cases, and before any indictments were handed down, the management of the corporation undertook to impress upon those officers and employees of the corporation with pricing and marketing authority a personal sense of responsibility for compliance with the letter and the spirit of the antitrust and trade regulation laws. At a meeting of the management council in Absecon, N.J., on February 2, 1960, the president reiterated the policy of the corporation to comply with the antitrust laws. A new management guide was read to that meeting which stated in part:

"It is the policy of Westinghouse to comply fully with all laws governing its operations and to conduct its affairs in keeping with the highest moral, legal, and ethical standards."

At that meeting the president made it clear that any per se violation of the antitrust laws would be considered an act of disloyalty to the corporation.

4. The reiteration of that policy has been carried down the chain of command through policy directives, letters, memorandums, and a continuing series of personal conferences on all levels. Further, the company has sought to strengthen the management's sense of personal responsibility by broadening the general understanding of the antitrust and trade regulation laws through a more comprehensive educational program at all levels addressed to explaining those laws and their applicability to many of the company's day-to-day marketing problems.

An antitrust section was established in the law department to serve management in carrying out their responsibilities. The antitrust section has conducted a continuing educational program which during the last 14 months directly reached 10,000 management persons and which is designed to review the antitrust compliance program at least once a year with every person in Westinghouse who has pricing or marketing responsibility. The president has added his authority to this program by personal addresses to a large number of groups of supervisory personnel. At the same time, the antitrust section regularly reviews the activities of those persons to insure that they understand and are applying the lessons they have learned to particular transactions. Its duties include independent investigations in areas where it deems such action advisable to prevent tendencies that could lead to violations.

A policy has been established regarding the participation of Westinghouse employees in industry activities and trade association meetings, limiting such participation to strictly business sessions under proper auspices.

A system of certificates from those who determine prices and those who supervise such functions, and a like system requiring reports on all contacts with corresponding personnel in competitors' organizations, have been established.

Finally, a definite enforcement program has been promulgated providing for punishment for violations, including dismissal in serious cases.

5. Since our interim report we have had an opportunity, as a result of an analysis made of the compliance certificates filed during the past year by employees having pricing and marketing responsibility, to appraise this part of the corporation's enforcement program on the basis of a presentation made to us by management. The certificates indicated an understanding on the part of employees of the problems they face and of the conduct expected of them. After discussion of the certificate procedure, some suggestions were made for improving the form, review and handling of the certificates and dealing with the information obtained from them. The board of advice also heard a review of the educational meetings conducted by the chief of the antitrust section of the law department with many groups throughout the organization.

6. We are satisfied that a thorough job has been done in bringing home to the Westinghouse organization the types of activities that constitute per se violations of the antitrust laws and the management's determination to prevent all such activities and, where they are found, to punish the offenders. We are also satisfied that great efforts have been made to make this compliance program a part of a larger program intended to promote higher standards of business conduct generally and to win the affirmative support of the organization to it. With the memory of the Philadelphia cases still fresh, we believe that currently no one in the Westinghouse organization can have any excuse for participating in any activity constituting a per se violation of the antitrust laws. As we stated in our interim report, however, the management recognizes that "the success of the corporation's policy and program will depend on constant support by the officers of the corporation, by precept and example, on constant reiteration and constant checking and inspection, and in the gradual elimination of some habits of thinking common to many businesses."

7. During our earliest consultations with management, it became clear that the company's program for explaining the antitrust and trade regulation laws to all appropriate levels and parts of management, and its administrative arrangements to insure management compliance with company policy, did not constitute the main area of our possible usefulness to the company. The company did not need our advice to appreciate the importance of such programs. They were in fact established and put into effect, under the direction of competent and qualified persons, before our appointment. At the request of the President, discussions at our later meetings centered around the development of suitable material for presentation to Westinghouse management groups to supplement the program of education and compliance which the corporation had already established. These consultations have led to the development of our principal recommendation to the company—that it plan, organize and carry out a program of education in the economics of competition, intended to develop within the organization an improved awareness of opportunities for profitable competitive action consistent with the antitrust laws, and an attitude of initiative in responding to them.

It is our view that the corporation's problem in relation to the antitrust laws should not be regarded as solely, or even primarily, the negative task of issuing and policing strict instructions against overt collusion with competitors, price fixing, market division and the like. Measures of that sort are necessary, but the success of such negative programs, and, more broadly the corporation's business success in the future, will depend to a considerable degree on the adoption by the corporation of policies of vigorous (and even aggressive) flexible, competitive initiative, appropriate to the nature of the electrical industry and to the structure of the many product markets in which the corporation sells, and will sell in the future. We recognize the difficulties of articulating and applying such policies to particular situations, in the light of the complexities of the antitrust laws, especially in markets where the number of sellers is small. And we have emphasized the particular importance to the company, in many of the markets where it sells, of distinguishing between those forms of price discrimination which may, and those which do not, adversely affect competition in a relevant market. The board appreciates the challenge of explaining such policies, as they are developed, to experienced businessmen who may have become accustomed over the years to other attitudes. Despite those difficulties, however, the board believes that such an approach could contribute greatly to morale by giving management a greater sense of purpose and achievement, and, in the end, could place the problem of avoiding antitrust violations within a positive rather than a negative framework. Such an approach is consistent with vigorous and profitable growth and should permit the corporation to utilize profit opportunities available to it in many markets in a more thorough and comprehensive manner than would be possible under a purely negative program of avoiding violations of the law.

In line with the management's suggestions, the board has at our recent meetings discussed some basic economic writings designed to give insight into private competitive enterprise in the 7th decade of the 20th century and the criteria by which such competition must be tested. We have also reviewed with management a series of practical problems and questions which the operating executives face in the marketing of Westinghouse products, questions which illustrate the application of the economic principles to the facts of life in selling products in various markets.

We recommend, therefore, that the management retain competent staff to plan, organize and carry out such a sustained program of continuing economic and legal education for its managerial and sales personnel.

In conclusion, we desire to express, jointly and severally our appreciation for the opportunity to have participated in this pioneering effort to explore and define an important series of problems of modern economic policy, and to help bridge the gap between common business and theoretical ways of viewing such problems. Throughout, our discussions have been characterized by candor and openmindedness on the part of the management. We have been impressed by management's determination to perfect the corporation's policies and procedures to insure high standards of conduct in all its operations.

Respectfully submitted.

Erwin N. Griswold.
A. D. H. Kaplan.
S. Chesterfield Oppenheim.
Eugene V. Rostow.

Exhibit A

October 16, 1961.

Mark W. Cresap, Jr., Esq.,
President, Westinghouse Electric Corp.,
Pittsburgh, Pa.

Dear Sir: The undersigned were designated earlier this year to serve as members of an advisory group, or board of advice, to the management of Westinghouse Electric Corp. in reviewing and appraising the corporation's procedures to assure future compliance with the antitrust laws and with high standards of business conduct. We now make the following progress report for the information of the management and the members of the board of directors of the corporation:

1. It was agreed with management at the outset (a) that the board of advice would have no managerial responsibilities: Its function would be to review and appraise, on the basis of presentations to be made by officers of the corporation, corporate policies and procedures in the marketing and pricing of Westinghouse products, and to give advice concerning them, with particular reference to compliance with the antitrust and trade regulation laws and high standards of business conduct; and (b) that responsibility for the development of such policies and procedures, and for their success or failure,

would continue to rest on the corporation, not on the board of advice. The board has not undertaken, on its own part, to make separate investigations or verifications or special research studies in depth relating to the pricing and distribution practices of the corporation.

2. In connection with the discussions at the various meetings with management referred to below, we were supplied with a large amount of material for our review relating to the general subjects to be considered by the board, including copies of the various indictments and complaints in the criminal and companion civil actions instituted by the Department of Justice during 1960 in the Federal court in Philadelphia (the Philadelphia antitrust cases) against members of the electrical manufacturing industry, including Westinghouse; copies of directives and other statements made by the president of Westinghouse to the management organization with reference to the company policy of compliance with the antitrust laws and with high standards of business conduct; copies of the enforcement program adopted by management following the Philadelphia antitrust cases and of related management guides, directives, forms of reports and explanatory matter; copies of documents relating to the establishment of and activities of the antitrust section in the Westinghouse Law Department to assist in the compliance program and in the intensified educational program throughout the organization; copies of press releases, letters to stockholders; copies of the 1960 annual report, a recent prospectus and other financial information; copies of organization charts; and an illustrative part of the Westinghouse price list.

3. The board of advice has met with representatives of management on 8 different days during the summer, from June 20 to October 14, 4 days in New York City and 4 days in Pittsburgh. During these meetings, members of management appeared before us, with various charts and other exhibits, and explained to us their procedures and policies with reference to the marketing of various product lines, the research and development program and related matters.

(a) Mr. J. H. Jewell, vice president, marketing, outlined the organizational structure and the variety of sales and distribution channels utilized by Westinghouse to market its products, and described the implementation of pricing policies at the division level.

(b) Mr. J. K. Hodnette, executive vice president, described the method by which Westinghouse sets its prices, and discussed the problems of identical pricing in the context of standardized products and close-price competition.

(c) Case studies of the problems in pricing and marketing were presented by the following: Messrs. L. M. Elkner, large and medium turbines; James Wallace, meters; J. W. Stirling, mixed negotiations; C. C. Shutt, small motors; R. N. Campbell, air conditioning; C. J. Witting, refrigerators; R. J. Sargent, new products.

(d) Mr. D. C. McAllister at Sussite described and demonstrated the use of a computer, together with the system of teletype circuits connecting Westinghouse sales offices, plants, and warehouses and Sussite, in the day-to-day pricing and billing of shelf items, reducing to minutes the time required to receive an order at any sales office in the country, price the product, issue the invoice, locate the product at the nearest warehouse or plant, forward shipping papers and direct the shipment of the product, all automatically.

(e) Mr. Francis Dalton, controller, described the corporation's method of determining and allocating costs, including standard cost procedures for determining standard costs and variances.

(f) Mr. Thomas M. Kerr, Jr., chief attorney of the antitrust section of the Westinghouse Law Department, described the program which had been established by the corporation to insure compliance with the antitrust laws from the three main aspects—responsibility, education, and review—and the activities of the antitrust section in connection with that program.

(g) Dr. S. W. Herwald, vice president, research, described the research organization of Westinghouse and its objectives and relationship to the rest of the organization. Examples of the application of particular research to specific problems were described by Drs. John Hulm, John Coltman, and J. C. R. Kelly.

(h) Mr. T. L. Bowes, general patent counsel, described the patent procurement licensing, and enforcement policies of Westinghouse and the steps taken by his department to prevent patent misuse.

4. During all the above-mentioned presentations, many questions were asked by members of the board of advice and discussed with members of management present. There were also discussed various questions submitted by management for the board's consideration and several questions on which the board requested information. The discussions embraced many subjects, in addition to those directly related to the primary function of the board, including, among other things, the terms of the consent decrees being negotiated with the Department of Justice by the corporate defendants in the Philadelphia antitrust cases, the damage actions instituted and threatened by the various customers and others based on the charges in the Philadelphia antitrust cases, some recurring problems involving bidding and pricing and general problems regarding corporate management and marketing strategy and techniques. In all the discussions, there has been an open-minded willingness on the part of management to receive and consider all questions asked and suggestions made.

5. At all meetings there were present, in addition to the executives making the presentation Messrs. Mark W. Cresap, Jr., president; Howard S. Kaltenborn, vice president and assistant to the president; Carlisle P. Myers, vice president and general counsel; and Donald C. Swatland, of Cravath, Swaine & Moore (except that Messrs. Cresap and Swatland missed part of 1 day due to transportation difficulties). Mr. Kerr, chief attorney of the antitrust section of the Westinghouse Law Department, and Mr. Thomas D. Barr, assistant to the board, also attended the meetings.

6. As indicated above, the board has participated with many members of management in extended discussions relating to the corporation's pricing and distribution practices and has received from the officers of the corporation a large amount of information. The board has not completed its review and appraisal, but the board has been impressed by the earnestness and vigor with which the president has taken steps to establish procedures to carry out the company policy of compliance with the antitrust and trade regulation laws and high standards of business conduct, and to intensify the program of education in these matters throughout the organization. The board believes that he fully realizes that the success of the corporation's policy and program will depend on constant support by the officers of the corporation, by precept and example, on constant reiteration and constant checking and inspection, and on the gradual elimination of some habits of thinking common to many businesses.

7. During our meetings with the officers of the corporation, some members of the board have had occasion to offer their preliminary views relating to the competitive posture of a large industrial corporation today. President Cresap has expressed the hope that, as these views are more definitely formulated, they may suggest suitable subject matter for presentation to Westinghouse management groups (by way of supplementing the comprehensive program of education and compliance which the corporation has established). The contemplated subject matter would include the insights required by managements of large corporations in our present social climate into the meaning of private competitive enterprise, into the economic criteria by which competition must be tested and into necessary standards of business conduct.

The objective in reinforcing the corporation's present program would be to provide added management tools in focusing the thinking of the Westinghouse organization beyond mere enforcement of compliance with the letter of the antitrust laws and toward an atmosphere throughout the organization which is conducive to positive competition—competition of a type which is consistent with vigorous and profitable growth as well as with high standards of business conduct.

Respectfully submitted.

Eugene V. Rostow.
S. Chesterfield Oppenheim.
A. D. H. Kaplan.
Erwin N. Griswold.

BURNS CREEK PROJECT, IDAHO

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Idaho [Mr. Harding] is recognized for 30 minutes.

Mr. HARDING. Mr. Speaker, I want to set the facts straight about Burns Creek.

The Burns Creek project is a multiple-purpose project in eastern Idaho.

For several years the Bureau of Reclamation and the Corps of Engineers have jointly studied the Snake River in Idaho. One project receiving their unanimous support has been the proposed Burns Creek Dam which is needed to complete the Palisades project in eastern Idaho.

The Burns Creek project has had the support of the Eisenhower administration and now the Kennedy administration. In a sense it has even had the support of this House. A $500,000 appropriation has twice been approved by the House in order that construction could be started on the project immediately after authorization. The Burns Creek project, which is recommended for inclusion by the House Public Works Committee, is the result of the combined studies of the Bureau of Reclamation and the Corps of Engineers and is basically the same project that has been proposed in prior Congresses.

In reviewing the legislative history of this bill it has twice passed the Senate, once on the Consent Calendar on August 20, 1957, and once by a voice vote on July 24, 1959. Extensive hearings have been held in the House of Representatives in the Irrigation and Reclamation Subcommittee of the House Interior Committee and the bill has twice been approved by this subcommittee. It was approved on June 27, 1960, on a voice vote and on January 22 of this year by a vote of 13 to 7.

Yet in spite of the fact that this project has twice been approved by the Senate and has twice been approved by the subcommittee that held hearings on the project, opponents of the project have been able to keep it from coming to a vote in the House.

I am grateful that immediately after the disastrous floods that occurred in Idaho during February of this year the Corps of Engineers, once again recommended the construction of this project. The National Rivers and Harbors Board of the Corps of Engineers, after reading the testimony of their engineers and also of the power companies and others who oppose the bill, recommended its inclusion in the public works omnibus bill.

The Public Works Committees of both the House and the Senate have responded by voting to include Burns Creek in this year's omnibus bill. That is right and appropriate as a result of the great need for the dam.

President John F. Kennedy told a cheering crowd in Pocatello, Idaho, on September 6, 1960:

> I have supported the Burns Creek project twice. I want to make it perfectly clear that if I am elected President or if I serve in the Senate, Burns Creek will receive my support for the third time.

Vice President Richard Nixon, speaking at Boise, Idaho, on September 13, 1960, had this to say:

> Once the need is apparent and the project is shown to be feasible then we have to follow through vigorously with engineering and construction. That has been the impetus of this administration's constant support of Burns Creek. Incidently, I might say I do not intend to forget Burns Creek now or in the future.

Secretary of the Interior Udall on Monday stated:

> Our most recent analysis, based on the present costs and benefits, indicates that the United States will receive $1.65 of value for every $1 spent on the project. All reimbursable costs of the project will be repaid and 97 percent of these costs with interest. I doubt that there is another project in the entire rivers and harbors omnibus bill that has a repayment potential any more favorable than Burns Creek.

However, Mr. Speaker, the initial support for the Burns Creek project started with Idaho irrigators. These hardy farmers, descendents of pioneer stock who opposed the Hells Canyon and other so-called power projects, have been unanimous in their support of Burns Creek. I would like to read the statements of a few of the irrigators and water users who are supporting this project. I am not going to mention the many chambers of commerce, civic clubs, and other organizations who support Burns Creek. I am going to confine my quotations to those who are bona fide water users.

First let me read the statement of Lynn Crandall, the retired Snake River watermaster about whom the gentleman from Pennsylvania [Mr. SAYLOR] stated:

> Probably no other person in the country knows as much about the Snake River and its water as Mr. Crandall does from his actual experience.

Mr. Crandall says:

> My name is Lynn Crandall. For 29 years, 1930–58, inclusive, I was watermaster on Snake River in charge of water deliveries to about 100 canals serving 1¼ million acres of land. I retired from this position about 2 years ago.
>
> I am appearing here at the request of the Committee of Nine on behalf of the Snake River water users.
>
> These water users have developed their farms, battled with the floods in wet years and suffered from lack of water in the dry years so that no one is better able to judge their need for additional storage insurance water than themselves.
>
> In 1959 they made application for 157,000 acre-feet of Burns Creek space although only 100,000 acre-feet is available, and due to deficient runoff in 1960 and perhaps a similar situation in 1961, a still larger amount would be applied for at the present time.
>
> In 1960 many of the canals used all their stored water and some of those most seriously short rented an additional 76,000 acre-feet from owners who had sufficient storage supply so that they were willing to spare some to help the others.
>
> Each year for the past 5 years the Snake River water users at their annual meeting have without a dissenting vote adopted a resolution in support of the Burns Creek project. The latest expression of their position is shown in the following resolution adopted at their annual meeting in Idaho Falls on March 6, 1961:
>
> "BURNS CREEK RESOLUTION
>
> "Whereas Water District No. 36 of the State of Idaho furnishes water for irrigation to some 100 canal companies and irrigation districts and other individuals in the upper and lower Snake River Valley in southern Idaho, and which water district has approximately 1,500,000 acres of irrigated farmlands within its boundaries; and
>
> "Whereas Water District No. 36 of the State of Idaho, has repeatedly in the past favored the construction and operation of the Burns Creek Reservoir with a storage capacity of 234,000 acre-feet, as proposed by the Bureau of Reclamation in its feasibility report of said project; and
>
> "Whereas the canal companies and irrigation districts under said Water District No. 36 are united in their efforts for multiple development of the water resources of the Upper Snake River and its tributaries: Now, therefore, be it
>
> "*Resolved by the members of Water District No. 36 of the State of Idaho duly assembled at their annual meeting in Idaho Falls, Idaho, this 6th day of March 1961*, That:
>
> "1. We do hereby urge the enactment of legislation by the Congress for the authorization and construction of the Burns Creek project on the South Fork of the Snake River with a total storage capacity of 234,000 acre-feet.
>
> "2. We do hereby urge the Idaho congressional delegation to actively work, support, and vote for this legislation of multiple water resource development which will further protect and safeguard existing irrigation projects by making it possible to regulate the flow of the river below Palisades and at the same time provide 100,000 acre-feet of additional supplemental water for irrigation.
>
> "3. Since all of the storage water of the proposed Burns Creek Reservoir project is oversubscribed by more than 50 percent by water users who have contracted for Palisades space, we oppose any provisions in the Burns Creek legislation that would make Burns Creek Reservoir water available to anyone other than to Palisades space holders.
>
> "We do not believe that it is for the best interest of Idaho if its citizens are denied the opportunity to have full development of the water resources of Snake River on account of opposition by the private power companies.
>
> "The value of the Burns Creek Reservoir to the Snake River water users is best evidenced by tentative applications from 63 canal companies, irrigation districts and individuals for 157,000 acre-feet of such space compared to 100,000 acre-feet available for sale."
>
> When the Palisades Reservoir was built applications for space were received considerably in excess of that available. After eliminating large applications for new land irrigation the users agreed in their Palisades contracts that 300,000 acre-feet of additional storage could be developed by the Government with a priority right the same as Palisades to be made available only for sale to owners of Palisades space.
>
> The cheap low-cost storage on the upper Snake River in Idaho has already been developed; Wyoming is strongly opposed to building additional reservoirs in that State for use in Idaho, leaving on the main river only the possibility at Burns Creek of getting 100,000 acre-feet with nearly all the cost to be repaid from power sales, and perhaps of getting several hundred thousand acre-feet by raising American Falls Dam. However, only about half of the irrigated area lies below American Falls Dam while it could be served from Burns Creek. Ordinarily American Falls water can be exchanged for water in upstream reservoirs but in some years conditions might arise when this could not be done, and due to much greater flooded area exposed to winds on the Snake River plain the evaporation losses are greater at American Falls than in the upstream mountain areas. There are also several reservoir projects proposed on tributary streams like Teton River and Willow Creek, for example, but they are required to serve the local areas.
>
> There is a wide fluctuation in the flow of the Snake River between wet and dry years. For example, in 1956 the runoff of Snake River at Moran, Wyo., above all irrigation was 1,484,000 acre-feet while in 1960 it was only 769,000 acre-feet or about one-half as much. The only way in which the dry year situation can be improved is to provide additional storage capacity to hold water over from the wet to the dry years.
>
> It is only a question of time when the pressures of an increasing population and greater demands for water will require the full development of the water supplies of our western rivers and this can only be accomplished by using power revenues to pay most of the cost of projects that would not otherwise be feasible.
>
> The private power companies participate to some extent in the benefits of the Palisades-Burns Creek power operation. Most of the Snake River water users are customers of the private power companies so that the latter would indirectly benefit from any improvement in the water supply of such customers. The Palisades-Burns Creek power is delivered to the Goshen substation of the Utah Power & Light Co. This company charges the city of Idaho Falls 1 mill per kilowatt-hour to carry its power over the company lines to Idaho Falls, a distance of about 14 miles. In 1960 such charge amounted to $82,500. The Bureau of Reclamation has estimated that the private power companies will receive about $500,000 annually for carrying the Government power from Goshen substation to place of use. Also the private companies make some profit on resale of any Government power that they purchase.
>
> I wish to devote the remainder of my small time to discussing one matter which has arisen since I prepared my statement, and that is the public charge by the Utah Power & Light Co. that the Snake River was administered during this past winter to the detriment of the irrigation users by turning down 300,000 acre-feet of water from Jackson Lake to Palisades for power purposes and spilling 150,000 acre-feet of stored water from Palisades unnecessarily in order to produce power at that point.

That charge arises from lack of information about the details of the operation.

Last fall the Bureau of Reclamation created an advisory committee to advise them on operation of the river, consisting of the various groups of water users. I was a member of that committee, representing several of the large canal companies.

That committee met once a month, since last October, and at the first of each month, with the Bureau of Reclamation, and advised the Bureau what they thought was a proper amount to release from the reservoirs. And the Bureau of Reclamation has operated the river in accordance with those recommendations of the water users.

There have been no arbitrary actions of the Bureau at all. It covered mostly the operation at the Palisades and at the Minidoka powerplant.

During the period from October 1, 1960, to March 1, 1961, Palisades Reservoir storage increased 428,000 acre-feet, of which 260,000 acre-feet represents water which was discharged from Jackson Lake during that 5 months' period. That was the repayment for Palisades water that had accumulated in Jackson Lake the summer before.

As the Jackson Lake people ordered their water out of Jackson Lake, those orders were filled from Palisades water, in order to maintain a nice lake surface for the tourists up in Wyoming and create a feeling of good will between Wyoming and Idaho. And then after the season is over, that water spills down in the wintertime.

If you subtract the 260,000 acre-feet from the 428,000 acre-feet, you have left 168,000 acre-feet storage which accumulated in Palisades during the 5 winter months in excess of the water that was spilled from Jackson Lake; so that instead of any stored water being run out of Palisades during that 5 months' period, there actually was 168,000 acre-feet retained there, which was in effect accorded a priority with American Falls water. American Falls has a prior right over Palisades. So that water was retained there to the credit of American Falls if it should be necessary next spring to run it down the river to fill it.

In the winter operation, we do not try to let down too much water, because we do not want to fill American Falls before the beginning of the irrigation season and then have to spill some.

Also, the city of Idaho Falls sits on that section of the river with three little low-head powerplants, and it takes about 2,700 second-feet to run those powerplants. And we have not even been letting down enough water to do that.

The mayor told me the other day that if there had been any surplus water run down Snake River last winter, the city of Idaho Falls never saw it at the powerplants, which had not been able to operate at capacity all winter.

I do not think this was an intentional misstatement by the Utah Power & Light Co. I think they just were not fully advised about this method of operation.

Next let me read the statement of John T. Poole, a director of the Heise Roberts flood district and chairman of the Long Island Land Co.:

I am John T. Poole, appearing on behalf of flood control district No. 1 of Idaho. This flood control district was created in 1946. The primary purpose of the district is to assist the United States and to obtain aid and assistance from the United States in flood prevention and control of the waters of the Snake River. The district embraces lands adjoining and adjacent to the river on both the right and left banks of the South Fork of the Snake River from Heise downstream to and beyond the confluence of the North and South Forks of the Snake River to Roberts, Idaho. There are approximately 44,160 acres of land within the district with a total assessed valuation of approximately $1,266,000. Of far more importance, however, are the diversions of water for irrigation within the district for lands outside the district. From Anderson's Dam at Heise to the Idaho Canal diversion dam, the area in which the funds appropriated by the Congress of the United States have thus far been expended, there are 38 separate canals which divert water to irrigated lands either directly out of the Snake River or out of the Great Feeder Canal, which diverts its water from the Snake River. During the year 1953, diversions from these 38 canals totaled 1,961,588 acre-feet of the Snake River, which irrigated 243,024 acres of highly fertile land. These lands are located in Madison, Jefferson, Bonneville, and Bingham Counties, Idaho. These headings and the irrigation of these lands are directly dependent upon the measures and methods of flood control and prevention taken by the Corps of Engineers and flood control district No. 1 of Idaho. The municipality of Idaho Falls, and all of its municipal hydroelectric power is dependent upon the maintenance of the present channel of Snake River within flood control district No. 1 of Idaho. Less directly, most other municipalities from Rexburg on the north to Blackfoot on the south are dependent upon the economy of the areas served by these diversions.

Already constructed on the South Fork of the Snake River upstream from flood control district No. 1 is the Jackson Dam in western Wyoming, and the Palisades Dam in eastern Idaho. The first dam, Jackson, was primarily for the storage of irrigation waters. However, Palisades Dam is a multiple-purpose dam, that is, for irrigation, flood control, and incident thereto the production of hydroelectric power. Palisades Dam, used in conjunction with Jackson Dam above, and American Falls Dam below, has approximately 1 million acre-feet of storage for flood control. Since its construction the threat of flood disaster to large tracts of highly fertile lands due to spring runoffs has been materially averted. Although it has not eliminated the necessity for channelization and bank stabilization in flood control district No. 1 of Idaho, it has materially lessened the flood threat. These dams alone, however, do not provide adequate flood control capacity to meet the recurring emergency runoff in the South Fork of the Snake River. Illustrative of this point is the fact that Palisades Dam has a capacity of 1,400,000 acre-feet of water, and a probable normal drawdown of 1 million acre-feet. These figures may be contrasted with a waste runoff of 3,800,000 acre-feet in 1928 and 3,500,000 acre-feet in 1952.

As early as 1952, and before, flood control district No. 1 of Idaho recognized the fact that haphazard development of the Snake River Basin without a comprehensive and integrated plan of development would detract from the possibilities that would be realized under a comprehensive plan of development. We were instrumental in our own small way, in procuring a series of hearings in February of 1955 on the modification of the report of the Chief of Engineers on Columbia River and tributaries, Northwestern United States, submitted in House Document No. 531, 81st Congress, 2d session. As a result of these hearings the Bureau of Reclamation and the Corps of Engineers, with other related Federal agencies, conducted a study for the maximum development of the Snake River, which study is embodied in a "Joint Preliminary Summary Report on the Upper Snake River Basin" (1960).

Burns Creek Dam is an integral part of the development of the Snake River according to this plan embodied in the aforementioned report. Burns Creek Dam is designed primarily as a reregulating dam with 100,000 acre-feet of storage for irrigation to be used in connection with and as an integral part of Palisades Dam. This may appear to your committee to be of small consequence in the prevention of flood threats, but integrated with Jackson, Palisades, and American Falls Dams, it could, and probably would provide the margin of safety for periods of time which would avert a flood threat, particularly when flows of spring runoff are "peaking."

Flood control district No. 1 of Idaho feels that water resource activities in the United States, and particularly on the Snake River transcend individuals, or groups of individuals, private or public, and that the national interest dictates that the development of water resources must be in accord with the plan of development embodied in the study by the Corps of Engineers and the Bureau of Reclamation. Burns Creek Dam is a project which will make available for irrigation more than 100,000 acre-feet of water for irrigation, which will serve as a reregulating reservoir for the Palisades Reservoir, and which appears economically feasible from every point of view. It is a part of a well-formulated plan for the further development of water.

It is the considered opinion of this Flood Control Committee that the pattern of water development should be predicated upon the good and necessity of all, namely, for the good of populations domestic needs and agricultural and industrial needs for water. If in the pattern of water development, there is developed hydroelectric power which would be in competition to, or supplement that of private industry, it is the opinion of this Flood Control Committee that the water development should be carried on regardless of the opposition to such water development by such private industry. Succinctly put, the national interest, which in substance is the people's interest, must transcend profitmaking in any plan or pattern of water development.

I think I have a very fair statement here, not in connection with any space we have in Burns Creek, but our purpose is to help the United States prevent floods and to spend the money of the United States that they have seen fit to give us to the best interests of the people on the Snake River.

Mr. Speaker, next I would like to read the statement of Leonard Graham, chairman of the Committee of Nine of Idaho Water District 36:

Mr. Chairman and committee members, my name is Leonard Graham. I am a farmer and reside at Rigby, Idaho. I am a member and chairman of the Committee of Nine of Idaho Water District No. 36, which water district encompasses approximately 1,500,000 acres of land irrigated from the waters of the great Snake River and its tributaries. I am also the chairman of the Upper Snake River Water Users Protective Union, an organization composed of some 52 canal companies and irrigation districts irrigating about one-half million acres of land in a high state of cultivation. These organizations have requested me to attend this hearing and testify favoring the authorization and construction of the multiple-purpose Burns Creek Dam and Reservoir with a total storage capacity of 234,000 acre-feet. Much has already been said favoring this project, and there is probably little that I can add, but I do want to say this, based on my knowledge of farming and irrigation in Idaho, we do need the Burns Creek Dam and Reservoir.

The water users of the upper Snake River and its tributaries strongly believe in the orderly upstream development of our water resources in a manner that will provide the greatest use and benefit. Burns Creek Reservoir, with its 100,000 acre-feet of supplemental storage for irrigation could very well mean the difference between a crop failure or a successful farming operation during a dry cycle such as we are experiencing now. Incidentally, our snowfall and water content in the upper watershed area of the Snake River and its tributaries is averaging approximately 70 percent of normal at this time. What we favor about the Burns Creek project is that it will provide supplemental water to lands now under irrigation, but which need the assurance of more water in dry years. The concern of these water users is best shown by the fact that the 100,000 acre-feet of supplemental storage has been oversubscribed by holders of space in Palisades Reservoir by more than 50 percent at the present time.

Idaho Water District No. 36 and the protective union at their annual meetings for the past 5 years have urged the passage of this legislation.

This project, in addition to providing the 100,000 acre-feet of supplemental storage for irrigation, will also permit power peaking at the Palisades Reservoir powerplant and the regulating of the flow of the river below the Burns Creek Dam on an even basis. The reregulating feature is much to be desired as erratic fluctuation of the flow of the water into the river disrupts the entire irrigation program and can damage the diversion works from the river into the canal systems. It also can result in a great loss of fish, which is a matter of no minor concern.

The water users have come to realize that there are many uses for water and that multiple-purpose projects upstream that do not interfere with irrigation should be favored over single-purpose projects. In this connection, let me say, that the Burns Creek project will also provide a beautiful lake for recreation, flood control, sedimentation control, fish and wildlife, and power benefits. It is a project that will afford maximum beneficial use of the water.

Finally, in closing, let me urge that because of the urgent need for the 100,000 acre-feet of additional storage for irrigation of lands now under cultivation and because this space in the proposed Burns Creek project has been oversubscribed by holders of irrigation space in Palisades Reservoir, that the 100,000 acre-feet of storage be made available only to holders of space in the Palisades Reservoir.

Also in closing I want to point out that we recognize the right of the power companies and others to state their views in opposition to this or any other project, and we would fight to assure them of that right, but we wish to make it known emphatically right here and now, that we are not in accord with the views expressed by the power companies in opposition to the Burns Creek project.

We respectfully urge the authorization of the Burns Creek Dam and 234,000 acre-foot reservoir.

Mr. Crandall has referred to the operation of the water in the system with the use of the different reservoirs, and I think probably that is a point which should be made clear to this committee.

I feel that it is an issue where the truth should be known fully to the extent possible. It is to our benefit as well as that of others to be here. We appreciate the opportunity. We want to be cooperative. And it will be a pleasure, I am sure, to continue.

Here is a statement by Leo Murdock, a member of the Committee of Nine and a director of the Aberdeen-Springfield Canal Co.:

Mr. Chairman and members of the committee, my name is Leo Murdock. I am a farmer and reside at Blackfoot, Idaho. I am a member of the Committee of Nine of Idaho Water District No. 36, and also a director of the Aberdeen-Springfield Canal Co., and I have been authorized by both organizations to testify here today and to urge favorable consideration by your committee of the proposed Burns Creek legislation which is now before you for consideration.

We favor the Burns Creek legislation that will authorize the construction of a dam and reservoir having a capacity of 234,000 acre-feet. This project, as Mr. Leonard Graham, chairman of the Committee of Nine, has so ably pointed out, will provide an additional 100,000 acre-feet of storage space of supplemental water for use in irrigating lands now under irrigation. Incidentally, the million and a half acres of farmlands embraced within the boundaries of Idaho Water District No. 36 is one of the oldest and perhaps the most productive farm area in the entire State of Idaho. The entire economy of southern Idaho is tied to agriculture, and these farmlands are in need of additional supplemental water to better insure a crop during the dry years. The 100,000 acre-feet of storage space in the proposed Burns Creek project has been oversubscribed by holders of space in the Palisades Reservoir and the legislation now being considered by your committee should by all means provide that this entire 100,000 acre-feet of storage space be made available for use on lands now under irrigation and to those canal companies and irrigation districts that hold space in Palisades Reservoir.

I am not going to go into the advantages of the other multiple-purpose use benefits as they have been ably presented to you by other witnesses speaking in behalf of the water users of Idaho.

I am very grateful for the opportunity you have extended to our group of appearing before your committee and pointing out the urgent need for the Burns Creek Dam and the 234,000 acre-foot storage reservoir.

Mr. Speaker, I next present the statement of Clifford Scoresby, secretary of the Committee of Nine and a member of the Upper Snake River Water Users Protective Union:

Mr. Chairman and gentlemen of the committee, my name is Clifford Scoresby. I farm in the Idaho Falls area. I am a member and secretary of the Committee of Nine of Idaho Water District No. 36, and I am also a director of the progressive irrigation district and a director of the Upper Snake River Water Users Protective Union. I am appearing here not only for myself personally, but also as a spokesman for these water organizations. Needless to say, we respectfully request this committee to report out favorably the Burns Creek integrated reregulating dam, reservoir and powerplant project bill.

This legislation has previously passed the U.S. Senate on two occasions. The plan was formulated only after many years of study and consultation. The benefit of this project to irrigation in Idaho and other multiple-use benefits have been stated and restated and without going into the matter in further detail, I wish to say that I wholeheartedly subscribe to the statement made by Leonard Graham, chairman of the Committee of Nine. As he so ably pointed out, we need the 234,000 acre-foot project, as it will provide the 100,000 acre-feet of additional storage so much needed for use on land now under irrigation, and at the same time permit the regulating of the flow of the river on an even basis. That is the long and short of it. The other benefits are much to be desired, and let me say, it has really been an accomplishment to get our farmers to recognize these other multiple-use benefits as being essential.

Members of the committee, we urge your favorable consideration of this legislation.

Mr. Speaker, the time is rapidly dwindling and I will present only one further statement of one of the many water users who favor Burns Creek.

This is Russell Holm, a director of the Idaho Irrigation District and also chairman of the land and water development committee of the Idaho Falls Chamber of Commerce:

Mr. Chairman, members of the committee, and guests, my name is Russell Holm. I am a farmer and livestock raiser by occupation. I reside at Shelley, Idaho, with my lovely wife and two sons. I am a member of the Idaho Falls Chamber of Commerce and at present I am chairman of the chamber's land and water development committee consisting of 35 topflight men of the Idaho Falls area. I speak as a representative of the chamber here today.

I am also a director of the Idaho Irrigation District with an acreage of 36,000 acres. We are buying 58,800 acre-feet of space in Palisades Reservoir at $7.75 per acre-foot, or $455,700. We own 13,230 acre-feet of storage space in American Falls Reservoir, in addition to the decreed natural flow of water from Snake River.

The Idaho Falls Chamber of Commerce is vitally interested in the maximum development and beneficial use of resources of the mighty Snake River, before she bows her neck and heads for the sea. Over the years the chamber of commerce has carried on an active interest and a cordial relationship with the people of the Bureau of Reclamation, Corps of Engineers, Soil Conservation Service, and all other groups who work for the development of our water resources.

Because of my occupation and chamber of commerce responsibilities I am here as a witness favoring the authorization for construction of the Burns Creek Reservoir project. This will provide a storage capacity of 234,000 acre-feet, including 100,000 acre-feet of active storage.

The 100,000 acre-feet of supplemental water would firm up underground stream and surface moisture.

This is indeed a multipurpose project which would provide maximum beneficial use for: (a) irrigation, (b) power, (c) recreation, (d) fish and wildlife, (e) sedimentation control, (f) reregulation, (g) summer homes.

The reregulation feature of the project is all-important to provide channel and bank erosion control where canal diversion structures are located in the great feeder area of Heise and on downstream where flow fluctuation would be controlled to other headgates, also.

Burns Creek space is 50 percent oversubscribed by holders of Palisades Reservoir space. We want this 100,000 acre-feet to provide supplemental water for lands now under irrigation but with short supplies.

The Idaho Irrigation District needs additional supplemental water for added security for lands now under irrigation and will buy whatever additional space is allocated to us in Burns Creek Reservoir.

Burns Creek power will provide a great potential for future expansion by private development of lands overlying the vast underground streams and lakes of the Snake River Plains area west and south of Idaho Falls. In time of national emergency and as our population grows there will be a great need for putting these lands under cultivation.

When these lands are irrigated there will be new homes, new and better schools, purchases of new machinery, and, of course, new jobs and new opportunities for people with healthy attitudes who have a desire for work and self-accomplishment.

The Burns Creek project is meritorious, and we urge your favorable consideration of it.

Thank you kindly for the privilege of appearing before this distinguished committee.

> On the trip I have sort of been the guiding grandmother for this bunch of kids. I want to thank this group for being so very nice to us, and we certainly appreciate the opportunity that we have had of being here and appearing before you.

Mr. Speaker, these men are all water users. They are political conservatives. Most of them have sought and been elected to office as Republicans, yet they are unanimous in their support for Burns Creek.

Only last week the Idaho State Reclamation Association meeting at Twin Falls went on record opposing public power but supporting the authorization and construction of the Burns Creek project.

When Mr. Broussard called the Burns Creek project a political plum and an uneconomic powerplant, he was insulting every intelligent and responsible water used in Idaho who supports this project.

It is my sincere hope that when this House acts on the Burns Creek project it will respond to the wishes of the water users of Idaho.

In today's edition of the Salt Lake Tribune I was subjected to a personal attack by D. L. Broussard, vice president and secretary of the Utah Power & Light Co.

Mr. Broussard described the Burns Creek project in eastern Idaho as "strictly a political expediency, a political plum to get an Idaho politician elected." Mr. Broussard said further:

> It has been stated that Representative HARDING has to get Burns Creek through the Congress to get himself reelected. Burns Creek is an uneconomic powerplant and this $52 million is a pretty expensive political plum to get a politician elected.

Mr. Speaker, this statement of the vice president of the Utah Power & Light Co. is an insult to every farmer-irrigator in Idaho.

BURNS CREEK PROJECT

The SPEAKER pro tempore. Under previous order of the House, the gentlewoman from Idaho [Mrs. PFOST] is recognized for 30 minutes.

Mrs. PFOST. Mr. Speaker, the U.S. Senate has on several occasions, and with substantial majorities, passed a bill authorizing construction of the Burns Creek Dam on the Snake River in Idaho.

Now it appears, at long last, that the Members of the House of Representatives are to have an opportunity to vote on this measure which has become almost synonymous with progress in southern Idaho. The Burns Creek project will be before the House in a day or two in the omnibus rivers and harbors bill.

Burns Creek is not a partisan issue in Idaho. It has the emphatic support of members of both political parties in the State. It is also backed resolutely by farm organizations, by labor organizations, by business organizations, and by liberals and conservatives alike. All agree that this dam must be built if the Snake River irrigation complex in southern Idaho is ever to achieve anything approaching its full potential.

Nor should Burns Creek be a partisan issue in Washington. The Kennedy administration has given the project its blessing, and it was supported for several years by the prior administration under President Eisenhower.

Despite this almost unanimous backing, the same loud voices of opposition which have worn out their arguments against the measure in the past have been raised again in these final days of the 87th Congress. They were heard in this Chamber and on this floor last week in a last-ditch effort to defeat the bill.

I predict that this final effort to stop Burns Creek will fail, even though the principal opposition to the bill is generated and financed by the powerful private power lobby. It will fail because it is a selfish opposition—a ruthless opposition—an opposition dedicated only to what is best for the power trusts, rather than what is best for Idaho and for its people. It completely ignores what Idaho needs and wants.

Both the gentleman from Idaho, Congressman HARDING, and I are sponsors of bills to build Burns Creek. The project was exhaustively discussed, first by the Irrigation and Reclamation Subcommittee of the House Interior Committee, which reported the measure favorably, and again by the full Interior Committee itself. It was defeated in full committee, largely, I am convinced, through the unrelenting efforts of the private power lobby.

The measure is now before the House Public Works Committee, of which I am a member. The Army Corps of Engineers has given full support to the project. After study by my committee, the main provisions have been incorporated into the omnibus rivers and harbors bill. A rule was granted on that measure this morning and I understand consideration is scheduled to begin tomorrow.

I have been a Burns Creek partisan ever since I came to the Congress 10 years ago, even though it is located in the Second Congressional District, rather than the First District which I represent. Just recently I visited the Burns Creek area again to see once more for myself the tremendous potential for development the project offers. I talked with officials of the cities and towns who are seeking the power the project will make possible, and with the farmers who need the irrigation assistance it will offer. Person after person expressed the conviction that through Burns Creek the region can be revitalized.

The proposed project is located on the mighty Snake in Bonneville County some 30 miles downstream from the Bureau of Reclamation's Palisades Dam. It would complete and efficiently integrate its facilities with Palisades to produce maximum service in operations. Its benefits would be enormous in terms of flood control, irrigation, navigation, recreation and wildlife, and power. The reservoir created by building of the dam, for example, would form another Idaho boating and fishing attraction for the thousands of vacationers who come annually to my State from all parts of the country. It would assure more intelligent and efficient use of water, that most precious of all commodities in the semiarid West.

From the beginning, Burns Creek has been considered an integral part of the Palisades project. When the Palisades project was first planned, Burns Creek was considered an imperative complement. Downstream irrigators are crying for both the additional storage and the reregulation function the Burns Creek Reservoir would provide. This dam is a classic example of a project which will provide multiple benefits. It will make additional storage water available for use on downstream lands. This water can also be used to firm up existing water rights. It will reregulate and level out the flow of the water discharged by Palisades, thus making it available in a more usable state for downriver users. It will also provide both electrical generation and recreation, as well as flood control benefits.

The full capabilities of the Palisades project are now handicapped because of serious problems that would be created if the plant was used for unrestricted peaking during periods of the year when releases are not adequate for continuous operation at full capacity. Burns Creek would act as a reregulator to permit more effective use of facilities already provided at Palisades. There is need for this additional power right now to supply REA's and cities in the area. And the Federal Power Commission estimates a tenfold increase in power requirements in the next 40 years. The suggestion by the opposition that a small 17,000-acre-foot reservoir might be built for reregulation purposes is contrary to every sound principle of water resources development.

Burns Creek is indeed, an ideal site for a reservoir on the upper Snake River, and it must be developed for maximum beneficial use for all purposes. To do less, would waste an irreplacable water resource.

Flood control is an important feature of this much desired dam. The latest engineering drawings on the project, provide for an enlargement of the outlets works to make use of the 120,000 acre-feet of storage for flood control on a forecast basis. This means that storage capacity would be regulated to catch flood waters whenever they may occur. The Army Corps of Engineers report that the present estimated cost allocable for flood control is $3,576,000. When the overall project and its relationship to Palisades is studied, this figure makes sense.

Considerable opposition to Burns Creek has been based on the contention it would displace as much as 250,000 tons of coal which would otherwise be used to generate electrical energy. This is both unrealistic and short-sighted. With power requirements growing steadily, the Nation is going to need all the coal-fired power it can get. We are moving into the era of the intertie, when the power generated in one region will be transmitted 1,000 or more miles to turn the wheels of a factory in another region. The 1,000-mile intertie between the Northwest and California's Central Valley is already on the drawing boards and is likely to become a reality within 4 or 5 years. These new markets for power—along with a growing population that is expanding its power uses every year—will mean additional business and revenues for all those equipped to generate power by coal-fired plants as well as by hydroprojects.

It has been alleged that the $52 million cost of the proposed Burns Creek project is excessive. Let us examine this. The general rise in costs of labor and materials, of which all of us are well aware, is partly responsible for the expense of the project. Original estimates of cost, as I recall them from the 1959 hearings, were in the neighborhood of $45 million. Each year that the project has been delayed has meant an inflationary increase in its cost. In addition, plans for the dam were modified to conform to the rigid standards of the Army Engineers, including the changes made on the outlets to provide for flood control. While these changes, taken as a whole, did increase the cost of the project, they also greatly enhanced its value to the Nation.

Burns Creek is a completely feasible project, financially sound in every way.

It represents, in every sense of the word, a solid investment in America. Through revenues from power and from water users, the cost of its construction would more than be paid for over the next 50 years. This point—on the payout schedule on the project—has been gone over time and again in the hearings conducted both in the House and in the Senate. The costs have been calculated down to the last nickel by the fiscal experts of the Department of the Interior and the Bureau of the Budget. The fact that they gave the project their full approval is significant evidence of its ultimate worth as one of the Nation's resources.

According to a detailed study by the Army Corps of Engineers, Burns Creek would increase firm generation of power at Palisades, the two facilities combined producing approximately double the firm power which could be obtained from Palisades alone.

The people of Idaho are too wise to be fooled by the arguments advanced against Burns Creek. Some months ago I received a flood of letters from folks living in the First District of Idaho—my own district. Enclosed in their letters was a 12-page pamphlet, in fancy colors, obviously an expensive printing job, which had been put out by the private-power lobby opposing Burns Creek. How did the pamphlet describe the project? It was entitled "Burns Creek: $50 Million White Elephant." By rather devious logic, it tried to explain that the project would be, and I quote, "unnecessary, unjustified, and an extravagant waste of the taxpayers' money."

The tone of the letters from my constituents was, "How about this, GRACIE? See what they are up to now? They are spending hundreds of thousands of dollars printing things like this and mailing them out when they could better be giving us service at a lower cost."

It disturbs me that there are those who play fast and loose with statistics and facts in order to prove their illusion of the "white elephant." I would urge them to do more homework on the problem and, even better, visit Idaho and talk to the hundreds of officials at every level of local government, along with engineers and water experts who have been living with the idea of the project for years and see and understand its importance. The arguments advanced by the private-power lobby simply cannot survive objective analysis. Indeed, were the reasoning they use on Burns Creek to be followed in other cases, no Federal dam of any description would ever be built anywhere.

As the time remaining in the 87th Congress grows short, I urge my colleagues to lend their support to the Burns Creek project, which is included in the omnibus rivers and harbors bill. After so many years of delay, it is time to put the private-power lobby in its place. It is time for passage of this measure which can mean so much to the future of Idaho and to an expanding America.

LEAVES OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. SAYLOR on account of illness.

Mrs. RILEY (at the request of Mr. WAGGONNER), for October 2 and 3, 1962, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. SIKES, for 30 minutes, on tomorrow.

Mr. MADDEN, for 20 minutes, on Thursday and Friday.

Mr. RYAN of New York, for 5 minutes, today.

Mr. O'HARA of Illinois, for 30 minutes on Friday.

Mr. HARDING, for 30 minutes, today.

Mr. ELLSWORTH (at the request of Mr. BARRY), for 10 minutes, on October 4, 1962.

Mr. FARBSTEIN (at the request of Mr. HAGAN of Georgia), for 15 minutes, today, and to revise and extend his remarks and include extraneous matter.

Mr. DULSKI (at the request of Mr. HAGAN of Georgia), for 1 hour, on Thursday, October 4.

Mrs. FROST, for 30 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. HAYS and to include extraneous matter.

Mrs. GRIFFITHS and to include extraneous matter.

Mrs. BOLTON in two instances and to include extraneous matter.

Mr. TEAGUE of Texas to insert certain correspondence in the RECORD during the consideration of H.R. 8556.

Mr. BENNETT of Florida, his remarks during debate on the Roosevelt Memorial Commission resolution, and to include extraneous matter.

Mr. RHODES of Pennsylvania in two instances and to include extraneous matter.

Mr. ELLIOTT and to include extraneous matter.

Mr. ALGER.

(The following Members (at the request of Mr. BARRY) and to include extraneous matter:)

Mr. PELLY.

Mr. LIPSCOMB.

(The following Members (at the request of Mr. HAGAN of Georgia) and to include extraneous matter:)

Mr. RODINO.

Mr. ROONEY.

Mr. KASTENMEIER.

Mr. STRATTON.

ENROLLED BILLS SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 6682. An act to provide for the exemption of fowling nets from duty, and for other purposes; and

H.R. 12180. An act to extend for a temporary period the existing provisions of law relating to the free importation of personal and household effects brought into the United States under Government orders, and for other purposes.

SENATE ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

The SPEAKER announced his signature to enrolled bills and joint resolutions of the Senate of the following titles:

S. 699. An act to amend the act entitled "An act to incorporate the Hungarian Reformed Federation of America," approved March 2, 1907, and for other purposes;

S. 3120. An act to amend section 6 of the act of May 29, 1884;

S. 3152. An act to provide for the nutritional enrichment and sanitary packaging of rice prior to its distribution under certain Federal programs, including the national school lunch program;

S. 3156. An act to amend section 142 of title 28, United States Code, with regard to furnishing court quarters and accommodations at places where regular terms of court are authorized to be held, and for other purposes;

S. 3396. An act to amend section 511(h) of the Merchant Marine Act, 1936, as amended, in order to extend the time for commitment of construction reserve funds;

S. 3431. An act to consent to the amendment of the Pacific Marine Fisheries Compact and to the participation of certain additional States in such compact in accordance with the terms of such amendment;

S.J. Res. 211. Joint resolution providing for the establishment of an annual National School Lunch Week; and

S.J. Res. 228. Joint resolution authorizing the issuance of gold medal to General of the Army Douglas MacArthur.

THE MISSISSIPPI CRISIS

The SPEAKER pro tempore. Under previous order of the House, the gentleman from New York [Mr. RYAN] is recognized for 5 minutes.

Mr. RYAN of New York. Mr. Speaker, I ask unanimous consent to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. RYAN of New York. Mr. Speaker, I rise to commend the President for his courageous leadership in the Mississippi crisis. The Chief Executive acted with patience and wisdom.

All of us, the citizens of every State of the Union, including Mississippi, owe a deep debt to the President and his administration for upholding the sanctity of the law. As the President so ably pointed out:

> If this country should ever reach the point where any man or group of men, by force, or threat of force, could long defy the commands of our courts and Constitution, then no law would stand free from doubt, no judge would be sure of his writ, and no citizen would be safe from his neighbors.

It should be carefully pointed out that both the President and the Attorney General used the Federal marshals and Federal troops as a last resort. The Attorney General talked with the Governor of Mississippi to try to persuade him to withdraw from his invalid position of opposition to the Federal courts. His efforts were met with incredible stubbornness and reckless disregard for the national welfare.

The President was equally patient. He watched with a calm eye the futile efforts of his chief law-enforcement officer to persuade a Governor to obey the laws of the United States. Finally, after there was no other way to uphold the law and the Constitution, the President ordered the Federal marshals to see that the law was obeyed.

Under the intelligent leadership of James McShane, Chief U.S. Marshal, the marshals acted with restraint and discretion which redounds to their everlasting credit. Their orders were not to fire into any crowd which might gather. In spite of unbelievable pressure, consisting of a howling mob throwing rocks, sticks, metal, and any object which was available, not a single marshal violated his orders. When there was an obvious and impending threat to lives, the marshals dispelled the crowd with the use of tear gas. There have been reckless charges made concerning the conduct of these brave and dedicated men. I fear that such charges arise from bigotry and self-interest.

Mr. Speaker, the country has survived a great crisis, the greatest test of our Federal system since the Civil War. We were fortunate that in this crisis the President, the Attorney General, and the Federal marshals exhibited great leadership in upholding the cause of liberty.

Mr. WAGGONNER. Mr. Speaker, will the gentleman yield?

Mr. RYAN of New York. I do not yield at this time.

ADJOURNMENT

Mr. WAGGONNER. Mr. Speaker, I make the point of order that a quorum is not present.

Mr. HARDING. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 47 minutes p.m.), under its previous order, the House adjourned until tomorrow, Wednesday, October 3, 1962, at 11 o'clock a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2600. A letter from the Administrative Assistant Secretary of the Interior, transmitting the receipts and expenditures of the Department of the Interior in connection with the administration of section 15 of the Outer Continental Shelf Lands Act for the fiscal year 1962; to the Committee on the Judiciary.

2601. A letter from the Secretary of the Treasury, transmitting a report of the operations by Federal departments and establishments in connection with the bonding of officers and employees under the provisions of 6 U.S.C. 14 for the fiscal year ended June 30, 1962; to the Committee on Post Office and Civil Service.

2602. A letter from the Administrator, National Aeronautics and Space Administration, transmitting a report to the Committee on Science and Astronautics of the House of Representatives pursuant to section 3 of the act of July 21, 1961 (75 Stat. 216, 217), and submitted to the Speaker of the House of Representatives purusuant to rule XL of the rules of the House of Representatives; to the Committee on Science and Astronautics.

2603. A letter from the Administrator, National Aeronautics and Space Administration, transmitting a report to the Committee on Science and Astronautics of the House of Representatives pursuant to section 1(c) of the National Aeronautics and Space Administration Authorization Act for the fiscal year 1963 (76 Stat. 382), and submitted to the Speaker of the House of Representatives pursuant to rule XL of the Rules of the House of Representatives; to the Committee on Science and Astronautics.

2604. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated August 16, 1962, submitting a report, together with accompanying papers and an illustration, on an interim hurricane survey of the Eastern Shore of Virginia, authorized by Public Law 71, 84th Congress, approved June 15, 1955 (H. Doc. No. 599); to the Committee on Public Works and ordered to be printed with one illustration.

2605. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated August 16, 1962, submitting a report, together with accompanying papers and illustrations, on an interim hurricane survey of Fairfield, Conn., authorized by Public Law 71, 84th Congress, approved June 15, 1955. It is also in final response to the Flood Control Act, approved September 3, 1954 (H. Doc. No. 600); to the Committee on Public Works and ordered to be printed with two illustrations.

2606. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated July 25, 1962, submitting a report, together with accompanying papers and illustrations on a review of the reports on the Wynoochee River, Wash., requested by a resolution of the Committee on Public Works, House of Representatives, adopted July 29, 1954 (H. Doc. No. 601); to the Committee on Public Works and ordered to be printed with illustrations.

2607. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated August 8, 1962, submitting a report, together with accompanying papers and illustrations, on a cooperative beach erosion control study of the shore from San Gabriel River to Newport Bay, Orange County, Calif., Appendix V, phase II, authorized by the River and Harbor Act as amended and supplemented, approved July 3, 1930, and a survey of Anaheim Bay, Calif., authorized by the River and Harbor Act of July 3, 1958 (H. Doc. No. 602); to the Committee on Public Works and ordered to be printed with illustrations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MORRISON: Committee on Post Office and Civil Service. H.R. 9531. A bill to amend the law relating to pay for postal employees; with amendment (Rept. No. 2509). Referred to the Committee of the Whole House on the State of the Union.

Mr. THOMPSON of New Jersey: Joint Committee on Disposition of Executive Papers. House Report No. 2510. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

Mr. POWELL: Committee of conference. H.R. 11665. A bill to revise the formula for apportioning cash assistance funds among the States under the National School Lunch Act, and for other purposes (Rept. No. 2512). Ordered to be printed.

Mr. MACK. Committee of conference. H.R. 7283. A bill to amend the War Claims Act of 1948, as amended, to provide compensation for certain World War II losses (Rept. No. 2513). Ordered to be printed.

Mr. WHITTEN: Committee of conference. H.R. 12648. A bill making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1963, and for other purposes (Rept. No. 2514). Ordered to be printed.

Mr. COLMER: Committee on Rules. House Resolution 823. Resolution for consideration of H.R. 13273, a bill authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes, without amendment (Rept. No. 2515). Referred to the House Calendar.

Mr. MILLS: Committee on Ways and Means. H.R. 12109. A bill to amend the Tariff Act of 1930 to permit certain natural grasses and other natural materials to be imported free of duty; with amendment (Rept. No. 2516). Referred to the Committee of the Whole House on the State of the Union.

Mr. POWELL: Committee on Education and Labor. H.R. 13204. A bill to amend the National Defense Education Act of 1958 to raise the limit on Federal payments into student loan funds, to broaden the types of equipment which may be acquired with Federal grants and loans under title III thereof, and for other purposes; with amendment (Rept. No. 2517). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLS: Committee of conference. H.R. 11970. A bill to promote the general welfare, foreign policy, and security of the

United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes (Rept. No. 2518). Ordered to be printed.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. DAVIS of Tennessee: Committee on Public Works. S. 1563. An act to authorize the conveyance of certain lands within the Clark Hill Reservoir, Savannah River, Ga.-S.C., to the Georgia-Carolina Council, Inc., Boys Scouts of America, for recreation and camping purposes; without amendment (Rept. No. 2511). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. HALEY:

H.R. 13302. A bill to amend chapter 15 of title 38, United States Code, to revise the pension program for World War I, World War II, and Korean conflict veterans, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. LIBONATI:

H.R. 13303. A bill to amend chapter 15 of title 38, United States Code, to revise the pension program for World War I, World War II, and Korean conflict veterans, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. McFALL:

H.R. 13304. A bill to amend section 2304 of title 10, United States Code, to provide that military procurement of fluid milk from distributors shall be under such conditions as to insure that dairy farmers will receive not less than minimum prices established under State law; to the Committee on Armed Services.

By Mr. GONZALEZ:

H.R. 13305. A bill to assist the States in carrying out on a continuing basis in-service training program for State and local government officials and employees with a view to increasing efficiency and economy in the operation of State and local governments, including the District of Columbia, the Commonwealth of Puerto Rico and the territorial possessions of the United States, and encouraging the highest standards of performance in the transaction of the public business; to the Committee on Education and Labor.

By Mr. PUCINSKI:

H.R. 13306. A bill to amend the National Defense Education Act of 1958 in order to extend the provisions of title II relating to cancellation of loans under such title to teachers in private nonprofit elementary and secondary schools and in institutions of higher education; to the Committee on Education and Labor.

By Mr. FASCELL:

H.R. 13307. A bill authorizing an appropriation to enable the United States to extend an invitation to the Food and Agriculture Organization of the United Nations to hold a World Food Congress in the United States in 1963; to the Committee on Foreign Affairs.

By Mr. SCHWENGEL:

H.J. Res. 899. Joint resolution to establish a commission to formulate plans for a visitors' information and reception center in the District of Columbia; to the Committee on the District of Columbia.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CLANCY:

H.R. 13308. A bill for the relief of Stephen and Simone Grignet; to the Committee on the Judiciary.

H.R. 13309. A bill for the relief of Elisabeth Werner; to the Committee on the Judiciary.

By Mr. ELLIOTT:

H.R. 13310. A bill providing for the extension of patent No. 2,439,502, issued April 13, 1948, relating to an automatic fire alarm system; to the Committee on the Judiciary.

By Mr. FASCELL:

H.R. 13311. A bill for the relief of Gertrude P. Splaine; to the Committee on the Judiciary.

By Mr. KEOGH:

H.R. 13312. A bill for the relief of Anna Ballarotta; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

412. Mr. STRATTON presented a resolution of the Board of Supervisors of Schenectady County, Schenectady, N.Y., adopted September 19, 1962, with regard to the establishment of a national cemetery at Saratoga Battlefield National Park, which was referred to the Committee on Interior and Insular Affairs.

EXTENSIONS OF REMARKS

Washington Report

EXTENSION OF REMARKS

OF

HON. BRUCE ALGER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 2, 1962

Mr. ALGER. Mr, Speaker, under leave to extend my remarks in the Record, I include the following newsletter of September 29, 1962:

FATE OF FREE WORLD MAY BE AT STAKE IN CUBA

The most important issue in Congress this week, as it is in the Nation, was Cuba. What we do, or fail to do about Russian Communist invasion of the Western Hemisphere may decide the future of the United States and the free world. If we fail in Cuba, all other problems and campaign issues, foreign and domestic, may be meaningless. If we cannot, or dare not stop Russian aggression here, there is little hope we can stop it anywhere and the success of the Communist conspiracy to rule the world may be assured.

House action centered around two resolutions—House Resolution 804, authorizing active duty for the Ready Reserve (debated on Monday, September 24 and passed 342 to 13) and House Resolution 805, expressing the determination of the United States with respect to the situation in Cuba (debated on Wednesday, September 26, passed 384 to 7). I stood with the 13 and 7 in demanding stronger action than called for in the resolutions and urging a firm and determined policy to end Russian Communist agression in this hemisphere in order to win the battle against the Communist conspiracy. Part of the debate and my complete statement on House Resolution 805 are reprinted as a part of this report. (Note especially the replies to my question, "is the present situation in Cuba a violation of the Monroe Doctrine?" as given by Congressman Wayne Hays, Democrat, of Ohio, and Congressman Walter Judd, Republican, of Minnesota, both members of the House Committee on Foreign Affairs.)

In the earlier debate on the callup of Reserves, I said in part (page 20505 Congressional Record, September 24): "It is with a heavy heart that I must say what I must say. I cannot join with my colleagues in this callup of Reserves. Texans remember the mistake of the last callup of reservists from Texas. This callup of 150,000 reservists, when there are 2,700,000 men in our military forces ready for action, shows that this is a gesture only, a political gesture. Not only that, we all know that, contrary to the presentation of this bill, the real issue, the guts of the bill is in section 2 giving the President the authority to extend the military service a year if he deems this necessary. So the callup of 150,000 reservists to solve the foreign policy problems—or errors—is a phony solution. The report accompanying the bill does not explain why we need a callup of 150,000. On the contrary * * * there are reasons given why we do not need this callup in view of the increased military manpower within the last year. Further, Mr. McNamara pointed out that there is less need for a callup now that a year ago."

That I am not alone in decrying the lack of a firm policy to deal with the serious threat of Soviet aggression in Cuba is indicated in the following editorial from the Plattsburg Press-Republican, Plattsburg, N.Y. My mail shows that many Americans share these views.

"ISN'T BEST DEFENSE A DISPLAY OF CONFIDENCE?

"The United States boasts that it can knock out the Russian nation within 48 hours should she start any war with us.

"This is no idle boast for we have the striking power, the weapons and the manpower to do it.

"This Nation has almost 3 million men in its Armed Forces at the present time.

"Yet, because the Communists are arming Cuba, the House votes President Kennedy the authority to call up 150,000 reservists should the situation in Cuba or anywhere else grow more threatening.

"We surely don't think the House action is any display of confidence in the capacity of our Armed Forces to handle trouble should it break out anywhere in the world.

"With Army manpower now at 1,066,404 men, the Navy at 666,428 men, the Marines at 190,926 men, and the Air Force at 884,025 men, the House feels the Cuban situation requires authority to call up 150,000 reservists.

"And, we might point out, 1,836,000 of our servicemen are stationed within the continental United States. The balance are on oversea assignments.

"Representative BRUCE ALGER, Republican of Texas, called the bill a political gesture and tried to get the House to limit the President's authority to extending tours of duty or present enlistments.

"But ALGER's action was to no avail.

"It seems to us that the best defense against Communist saber-rattling is a display of confidence in our capacity to meet any crisis.

"How ludicrous we must look to the world when we vote authority to call up 150,000 reservists when we already have 3 million well-trained men in arms."

To sum up: There can be no victory without strength and a positive, firm policy dedicated to basic American precepts of protecting our own freedom and that of our neighbors in this hemisphere. The greatest danger lies, not in facing up to the Russian threat in Cuba, but in inviting war through miscalculation by Khrushchev in the mistaken idea that we are governed by fear and will not fight to protect our principles. For a straightforward hard-hitting, positive policy see newsletters of September 8, Cuba—Present Danger, and September 15—Cuba.

[From the CONGRESSIONAL RECORD, Sept. 26, 1962]

EXPRESSING THE DETERMINATION OF THE UNITED STATES WITH RESPECT TO THE SITUATION IN CUBA

Mr. MADDEN. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 805 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

"*Resolved*, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the joint resolution (S.J. Res. 230) expressing the determination of the United States with respect to the situation in Cuba. After general debate, which shall be confined to the joint resolution, and shall continue not to exceed three hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign Affairs, the joint resolution shall be considered as having been read for amendment. No amendment shall be in order to said joint resolution except amendments offered by the direction of the Committee on Foreign Affairs and such amendments shall not be subject to amendment. At the conclusion of the consideration of the joint resolution for amendment, the Committee shall rise and report the joint resolution to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the joint resolution and amendments thereto to final passage without intervening motion except one motion to recommit."

Mr. JUDD. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. ALGER].

(Mr. ALGER asked and was given permission to revise and extend his remarks.)

Mr. ALGER. Mr. Chairman, this resolution and the report accompanying it just do not solve the problem we seek to solve.

Mr. Chairman, I would like to ask a question of the chairman of the full Committee on Foreign Affairs, or a member of the Committee on Foreign Affairs, if I may, whether the committee believes that the present situation in Cuba is a violation of the Monroe Doctrine?

Mr. HAYS. Mr. Chairman, if the gentleman will yield, I can only speak for myself, but I think if a determination is made that the buildup in Cuba reaches a point where it is a threat to the United States, then it is a violation of the Monroe Doctrine.

Mr. ALGER. I thank the gentleman for the gentleman's answer.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. ALGER. I yield to the gentleman from Minnesota.

Mr. JUDD. I would go further and say that I think there is already a breach, that there is no question but what a foreign system is established in our hemisphere.

Mr. ALGER. I would agree with the gentleman from Minnesota.

Mr. CURTIS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. ALGER. I yield to the gentleman from Massachusetts.

Mr. CURTIS of Massachusetts. Mr. Chairman, since when under the Mondoe Doctrine does this extension of this system into this hemisphere have to be a danger to our national security? The words of the Monroe Doctrine are "any extension of the system in this hemisphere" is a violation of that doctrine.

Mr. ALGER. I agree with the gentleman, and must observe, as I read this bill—and all of us want to show unanimity behind our Commander in Chief, of course—but what this bill presents to me by its language is that this—that he will tolerate Soviet aggression in Cuba without resisting. If any Member of this House doubts that, permit me to read the language.

First of all, we mention the Monroe Doctrine on the front of the resolution. Then on page 2 we say as follows:

"Whereas the international Communist movement has increasingly extended into Cuba its political, economic, and military sphere of influence—"

There it is; that is the violation of the Monroe Doctrine, by the very language in the bill.

Mrs. KELLY. Mr. Chairman, will the gentleman yield?

Mr. ALGER. I yield to the gentlewoman from New York.

Mrs. KELLY. I would like to say to the gentleman from Texas that in my viewpoint on that particular question I feel that the Monroe Doctrine was breached or violated when we withdrew recognition of Cuba.

Mr. ALGER. Mr. Chairman, I believe the language which appears on page 2 which I have quoted to the members of the Committee shows without a shadow of a doubt that the present situation is in violation of the Monroe Doctrine. Therefore, we must in good conscience endeavor to strengthen its provisions before we give up the ghost in this debate today.

Mr. Chairman, the report says, and I quote a portion of it to the members of the Committee:

"To provide a means of expressing national unity regarding U.S. policies toward Cuba."

Mr. Chairman, we simply must ask what are those policies? We cannot have national unity without knowing the policies. It is for that reason that I shall listen with interest, as I am sure all the Members will, to the motion to recommit, which is very simple. It contains two proposals: First, it says "whereas the international Communist movement has increasingly extended into Cuba its political, economic, and military sphere of influence" and then this addition, "in violation of the Monroe Doctrine," and then, secondly, in a new section 2, it says, as I recall, that we stand behind our President shoulder to shoulder in urging the enforcement of the Monroe Doctrine which has been violated.

Mr. Chairman, now politically I appeal to you, and I have yet to cast a political vote for solely partisan reasons on the floor of this House, except for the election of the Speaker, which I have gladly done each 2 years—I say to you now what we need is not another weak resolution. What we need is a strong resolution showing by its terms that we are ready to take the necessary action.

Mr. Chairman, the President says that Cuba has only defensive weapons. So does Mr. Khrushchev say that. I say this is not so. A gun in a man's pocket is defensive but when he pulls it and shoots it to kill somebody, it becomes offensive. The weapons going to Cuba we know will be used to take lives. Whose lives? American soldiers', I fear. I know nobody else that will enforce a doctrine of hemispheric protection.

Mr. Khrushchev said, "We will bury you," and "We will bury the Monroe Doctrine." I am not just sure which comes first in his thinking; I suspect the Monroe Doctrine. But he said it. He said the Monroe Doctrine is dead, and like anything that is dead, it must be buried. He is doing it and we are permitting him to get away with it, because we are tolerating aggression in Cuba by Russia, not just by the puppet Castro, but by Russia, by Khrushchev, and we are not doing anything about it.

The action we should have taken was to do something about property expropriation. We should have done something about the invasion of this hemisphere by communism violating the Monroe Doctrine. We should recognize a Cuban Government-in-exile and actually help the Cubans. These are not Cubans who are holding the people in bondage. These are Communists. Castro is not a Cuban, as we define our friends over there in Cuba. We have not done anything about recognizing a government-in-exile and helping them. Indeed, we have not even protested to the Communist government, as I understand, the current state of affairs in Cuba; although we Members are not fully informed. But I understand we have not even protested to Russia nor indeed, to our allies who are shipping goods to Cuba. We learn today that Britain and others are making no apologies for continuing to ship to Cuba. Nor intend to stop doing so.

It seems to me we cannot go along with a resolution like this which is weak, that we must have a debate, and that we need not to keep it nonpartisan if that means refusing to criticize constructively because we are talking about the good of our country. So I am not here saying, let us all join in burying our heads in the sand, instead of discussing this, even if it be political. We cannot let foreign opinion influence our debate or votes. We must do what is best in healthy U.S. self-interest.

I remember the U-2 debate and anybody who would say that that was nonpartisan would be stretching a point. Much of that partisan criticism was unfair I thought, but it proved that Democrat Members then were not interested in being bipartisan or nonpartisan on the contrary, I recall what was said during that debate at that time. But that is a bygone matter. Let us unite and have a strong resolution by recommitting and strengthening this joint resolution. We must not, we dare not pass a weak resolution. Weakness or the appearance of it can bring on the war by miscalculation. We are not weak, but when we act weak by passing weak resolutions we invite the foolish or unknowing to test us. Then we would be in a war we did not intend and could have avoided by firm resolution and firm action. Firmness and strength now is our only hope to prevent war—weakness invites it. Let us join in recommitting the bill to strengthen it by reaffirming our belief in the Monroe Doctrine, by recognizing its present violation which necessitates action now to protect this hemisphere.

Dick Dwelle, in Athens Review, Gives Henderson County History

EXTENSION OF REMARKS
OF
HON. RALPH YARBOROUGH
OF TEXAS
IN THE SENATE OF THE UNITED STATES
Tuesday, October 2, 1962

Mr. YARBOROUGH. Mr. President, the Athens Daily & Weekly Review is published at Athens, Henderson County, Tex., by the Honorable Dick Dwelle. This is my native county, and I have viewed with pride his "Wonderful Year" edition of the Athens Weekly Review of August 30 of this year, in which a golden anniversary of Athens' growth is reviewed, and also for the 75th anniversary edition of the Athens Daily Review published September 28, 1960, which was an historical edition, containing, among many fine historical items, an editorial titled "A Great Heritage." That editorial from the September 28, 1960, issue of the Athens Daily Review reads as follows:

A Great Heritage

The Review has attempted to condense in these comparatively few pages more than 100 years of progress built upon faith, hope, courage, and sound planning—but the story is far from told. Unprinted is the spirit of the decades, a spirit that is as young today as it was when Henderson County was carved from a wild east Texas territory and men set about establishing a home.

The underlying story is progress, something that is never fulfilled. When pioneers think progress is near fulfillment, a new generation sees new horizons from their foundation.

The Athens Review has seen those new horizons from generation to generation and hopes that it has built solidly and well as a stepping stone for greater achievements by those who will follow. And whatever that progress, it is the solemn prayer of today's Review that along with any and all improvements will run the strong thread of service.

Mr. President, in the Athens Weekly Review for September 27, 1962, Mr. Dwelle has quoted from a letter that I wrote him which gives some points of the influence in the political and governmental life of Texas of this county, which has a population of less than 25,000, but which has made a notable contribution to our State. Mr. Dwelle does a fine service for our people in reminding them of their heritage.

I ask unanimous consent to have printed at this point in the Record the article from the Athens Weekly Review of September 27, 1962, titled "Senator Yarborough Points Out—Great Texans Linked to Henderson County."

There being no objection, the article was ordered to be printed in the Record, as follows:

Senator Yarborough Points Out—Great Texans Linked to Henderson County

The influence Henderson County had on the young State of Texas when it was facing its early day problems has received little attention.

Following publication of the Review's "Wonderful Year" edition, Senator Ralph Yarborough wrote us and was kind enough to include some information that we think Henderson Countians will enjoy reading. Senator Yarborough is an authority on southern history.

Too, we want to thank the Senator for the very nice remarks about the edition and for providing us with the following information.

"You have much in these papers ('Wonderful Year' edition) of the glamorous role of Texas in the Confederacy, of the Quanah Parker story, of the Battle of the Neches when the Cherokees were driven out and this section of Texas opened to white settlement, and many other exciting events. Less exciting, but very influential in the life of the State of Texas, has been the political influence of Henderson County.

"When Jim Hogg was first elected district attorney, he lost Smith and Gregg Counties, but was elected by the votes of Henderson, Van Zandt, Wood, and Upshur Counties. When he ran for reelection as district attorney, he had moved to Tyler, lived there, but in his race for reelection as district attorney, he again lost Smith and Gregg Counties, but was again elected by Henderson, Van Zandt, Wood, Upshur, and Rains Counties. It was Henderson County which played a notable part in sending Jim Hogg on to the attorney generalship and the governorship, where he made the greatest record of any Governor in the history of Texas.

"John H. Reagan came to notice in Texas by his participation in the Battle of the Neches when the Cherokees were driven out, and his first important office was district judge of the district including Henderson County, and he started from Buffalo on the Trinity, in Henderson County, where he began practicing law the year Henderson County was created.

"Practically all the historians say that Texas has had four statesmen: Stephen F. Austin, Sam Houston, John H. Reagan, and Jim Hogg. Two of these four were started on the road to fame by Henderson County. I would add a fifth, the "Old Alcalde," O. M. Roberts, who as Governor, built the present State capitol, first opened the doors of the University of Texas, and actually established a statewide public free school system. If O. M. Roberts is entitled to the fifth position in that hall of fame, then Henderson will have been the moving force in starting three of Texas' five only statesmen on the road to greatness. It is a record for any county to be proud of anywhere.

"I will keep these two anniversary editions. I treasure them as history of my native county, and I want to thank you for the initiative and the hard work, the energy, and creative thinking that went into producing them."

The Reactions of the People of the 17th District of Michigan to a Proposed Federal Income Tax Cut

EXTENSION OF REMARKS
OF
HON. MARTHA W. GRIFFITHS
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Tuesday, October 2, 1962

Mrs. GRIFFITHS. Mr. Speaker, in my August newsletter, this year, I asked my constituents this question: If you were given a $100 tax cut, spread in 12 equal installments, what would you do with the money?

I received the following answers:

Fifty-six percent: If money received in installments via more take-home pay each month due to decreased withholding, it would be absorbed into the budget for everyday expenses, gas, telephone and electric bills, medical and dental expenses, car payments, home repairs, charity, taxes (sales, property, and the new Detroit income tax), and maybe once in a while a dinner out.

Thirty-one percent: Would like the money in a lump sum or would save it and spend it in one lump sum for major expenditures such as a new car, home repairs and improvements, education and property taxes.

Thirteen percent commented on a tax cut but did not answer the specific question or were retired so would not receive a tax cut.

And I received these comments:

Twenty percent for a tax cut of which 2 percent would like it in the form of an increased exemption.

Eighteen percent for a tax cut but only if accompanied by a cut in Government spending.

Sixty-two percent against a tax cut at this time. As one replied, "Certainly the taxes are high but this is what we are paying for freedom we enjoy in this country, the price for that is not too high."

The general population characteristics of the 17th District are: Total population, 1960, 512,752; land area, 119 square miles; population per square mile, 4,308; age, 19 years and younger, 200,107; 65 years and older, 35,684. Housing, owner occupied, 126,432 or 86.8 percent. My district has the second highest percentage of owner-occupied homes in the Nation. Assessed valuation, land and buildings, $1,093,431,295; average property taxes, $55 per $1,000 of assessed valuation, which valuation is approximately 30 percent of the market value; school taxes range from a low of $18 per $1,000 to a high of $53 per thousand.

England has successfully used her tax structure to pump money into her economy on some occasions and to control inflation on other occasions.

If the tax structure of the United States is to be used as a method of putting money into the economy to increase employment or to take money out of the economy to reduce inflation, from the answers I received to my question it is apparent to me that a great deal of work must be done to explain such a program.

Second, it is obvious to me that the taxpayer is anxious to reduce the taxes he pays at the local level, into the local communities. In a high property tax area, this tax is a most onerous burden upon a young couple attempting to rear a family and upon the retired couple living on a reduced fixed income. Possibly one of the more apparent reasons is that property taxes are not on a pay-as-you-go basis but are collected on an accumulated basis every 6 months, in a lump sum.

It was a pleasure for me to run this survey; to observe the many areas in which the money from a tax reduction would be spent and to read the answers from the very best congressional district of them all; excerpts from some of which follow:

We do have a lot of responsibility, which we are able to face only if we pay the expenses, so I do not think we should have a tax cut. It is only too bad that we are compelled to spend so much money for defense, instead of for research to improve humanity.

If a lump sum would probably be used to help buy a set of the Encyclopedia Britannica for my five grandchildren, if smaller amount to help buy them a dog.

I have no interest in hoarding money. I am proud and gratified to contribute to the health of the economy by being a spender, a purchaser, in my old age (72).

We have never heard objections to income tax, but we constantly hear concern over the U.S. unbalanced budget.

A hundred extra dollars would make it easier for us to buy a half a steer for the deep freeze.

We are an old couple and need so much medicine.

Could a drowning man use a life preserver?

I consider taxes 50 percent charity and regulate my church and charity giving accordingly.

I believe it would just tend to disappear into other forms of taxes that seem to go up continuously or new ones added.

Use it to purchase a needed item we can't squeeze out of our present budget.

I firmly believe, unpopular as it may be, that any tax cuts should first begin with corporations.

I sure would not buy booze, I don't drink.

It appears far more important to save and create jobs for American citizens than to reduce income taxes.

This mite wouldn't amount to a hill of beans as far as I am concerned.

I wish to go on record as wishing to invest a hundred dollars a year more in an intelligent, and dynamic, foreign policy.

Results of 1962 Congressional Questionnaire in New 35th District of Upstate New York

EXTENSION OF REMARKS

OF

HON. SAMUEL S. STRATTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 2, 1962

Mr. STRATTON. Mr. Speaker, some weeks ago I sent out through the eight counties of the new 35th Congressional District a questionnaire asking for views on a number of issues currently pending in Congress. We had a very splendid response and have now completed a tabulation of the results of over 6,000 replies. Incidentally, even as of this late day, many of these issues are still unresolved here. The questions, together with the returns, are as follows:

Questions	Percent		
	Yes	No	Undecided
Do you favor—			
1. Hospitalization insurance for retired persons under the social security system?	47.2	47.6	5.2
2. (a) Gradual elimination of all price supports and marketing controls on milk and other agricultural products?	64.2	16.4	19.4
(b) A voluntary supply management plan for dairy farmers, with some form of continued Government price help?	34.6	24.0	41.3
3. Maintaining present laws which prevent midwestern milk supplies indiscriminately flooding New York State milk markets?	71.2	12.2	16.6
4. Elimination of the $800,000,000 postal deficit by—			
(a) Increases in 1st-class mail rates only?	12.9	55.8	31.2
(b) Equitable rate increases for all classes of mail?	66.5	15.5	17.8
(c) Reduction in present postal services?	15.5	52.1	32.4
5. (a) Creating more jobs by means of tax credits for businesses expanding within the United States rather than abroad?	72.9	9.0	18.1
(b) Making up the loss of revenue in (a) above by collecting taxes presently owed on dividend and interest income through the same withholding method that now applies to wages and salaries?	28.9	48.2	22.9
6. Channeling more defense contracts into upstate areas, even at the risk of bypassing the lowest bidder?	40.2	43.2	16.6
7. Giving the President authority to promote greater sales of U.S. agricultural and industrial products to the Common Market, provided we protect the jobs of workers affected by foreign import competition?	64.6	18.4	17.0
8. Resumption of U.S. nuclear tests, so long as the Soviets refuse to agree to a workable test ban treaty?	80.6	9.6	9.8
9. Federal aid to education in the form of—			
(a) Aid to colleges and universities?	38.6	35.6	25.7
(b) Aid to only public secondary and elementary schools?	34.5	42.3	23.2
(c) Aid to all secondary and elementary schools?	26.8	48.0	25.2
10. U.S. purchase of U.N. bonds to underwrite U.N. operations designed to unify and bring peace to the Congo?	34.4	39.6	25.9
11. Adoption of precise legal standards to insure fair and equitable apportionment of congressional districts?	76.2	3.8	20.0
12. In general, do you approve of the way in which President Kennedy has handled his job?	48.7	34.3	16.9

Putting all this in general terms, sentiment in this new district would appear to be strongly in favor of: gradual elimination of agricultural supports and controls, maintaining present barriers against midwestern milk, spreading any postal rate increase over all classes of mail, the administration's business tax incentive plan, the President's trade expansion bill, nuclear testing and precise standards governing reapportionment of congressional districts. Sentiment is reasonably favorable toward: a voluntary supply-management plan for dairy farmers, Federal aid to colleges, and President Kennedy's conduct in office. On the other hand, sentiment is slightly against: medicare, more defense contracts for up-State New York at figures over the lowest bid, aid to public schools only, and U.S. purchases of U.N. bonds. And sentiment is strongly opposed to: postal rate increase for first-class mail only, any reduction in postal service, withholding taxes on dividends and interest, and aid to all schools both public and private. Incidentally, medicare has the fewest number of undecided voters; supply-management for dairy farmers the most.

An Important Provision of the New Farm Act for Dairy Farmers

EXTENSION OF REMARKS

OF

HON. ROBERT W. KASTENMEIER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 2, 1962

Mr. KASTENMEIER. Mr. Speaker, for the information of Members of Congress and interested farmers, I would like to call attention to an important provision of the new farm program recently signed into law.

For the first time farmers who grow corn for feed rather than market will receive direct payments worth 18 cents per bushel for those cooperating in the program. I have been in close touch with the Department of Agriculture on this matter and to insure that no mistake could be made, a public record of legislative history was made before the measure was approved by Congress.

The program would average $350 or more in payments to individual farmers in the Second Congressional District of Wisconsin. Taking typical' production figures, assume an average of 35 acres of corn grown for direct feeding. With 74 bushels yield per acre and acreage reduced 20 percent to 28 acres, production would be 2,072 bushels. At 18 cents per bushel, payments would total $372.96.

Working with the gentleman from Texas [Mr. POAGE], who is a member of the House Agriculture Committee, we made this absolutely clear before final approval of the measure. I insert here a passage from the debate in the CONGRESSIONAL RECORD of September 20, 1962, in which we brought this to the attention of the House:

> **Mr. KASTENMEIER.** Mr. Speaker, will the gentleman yield?
>
> **Mr. POAGE.** I yield.
>
> **Mr. KASTENMEIER.** Will the 18-cent-per-bushel payment apply to the farmer who harvests his corn for purposes of silage?
>
> **Mr. POAGE.** Yes; it will. The bill as agreed upon by the conferees provides that the 18-cent-per-bushel payment in kind shall be made on the acreage of corn planted multiplied by the 1959–60 yield. This means the producer would receive 18 cents per bushel in kind on the number of bushels so determined irrespective whether such corn is harvested for grain or silage or destroyed as a result of drought or other disaster. It is necessary, of course, that the producer reduce his total acreage of feed grains including corn for silage by at least 20 percent in order to be eligible for such payment in kind. In other words, if he cooperates he gets the payment the same as anybody else does. The payment is not dependent on the use of the grain but on the cooperation on the part of the producer in reducing the accumulation of unneeded surplus grain.

There is also a written commitment from the Secretary of Agriculture on this point which was made in the following letter to me:

Mr. KASTENMEIER. Mr. Speaker, I rise to insert herewith a letter to me from the Secretary of Agriculture, dated September 19, 1962, which concurs in the response of the gentleman from Texas [Mr. POAGE] to a question I propounded earlier in this debate. The letter and the remarks of the gentleman from Texas [Mr. POAGE] are heartening news to Wisconsin dairy farmers.

DEPARTMENT OF AGRICULTURE,
Washington, D.C., September 19, 1962.

Hon. ROBERT W. KASTENMEIER,
House of Representatives.

DEAR MR. KASTENMEIER: This is in reply to your request for information regarding the effect on Wisconsin producers of feed grain legislation proposed by the conference committee.

Although feed grain producers benefited materially from the 1961 and 1962 programs, those who feed their crop would benefit even more under the program proposed by the committee. As you know, most Wisconsin grain producers feed the grain they produce.

These producers, under the 1961–62 feed grain programs, were not able to take full advantage of the higher price supports furnished farmers by this administration, since support was provided in the form of loans on grain production. Very little grain was placed under loan in Wisconsin. Of the approximately 120 million bushels of corn produced in 1961 by Wisconsin farmers, only 2.6 million bushels were placed under loan.

On the other hand, the proposed 1963 program would enable each participating producer to obtain 18 cents a bushel for the normal production of his corn acreage, whether harvested for grain or otherwise. The total amount of payment the producers in your district would be eligible to receive would amount to almost $6 million on an estimated normal production of 33 million bushels. With full participation in the State of Wisconsin, payments would be as high as $30 million, on an estimated normal production of about 170 million bushels on the acreage remaining after the 20-percent reduction. In addition, diversion payments would be made on diverted acreage, as was the case under the 1961–62 programs.

This would mean substantially more farm income for these families than was obtained under previous programs—and a total income far in excess of what they could expect if no legislation is passed and we return to the Benson programs of the 1950's.

In addition to cutting the income of your farm constituents, the failure of this bill to pass would result in increasing costs to taxpayers, in increasing Government stocks, and in wiping out gains made by the 1961–62 programs provided by the Congress, which spectacularly reduced surpluses and raised farm income.

Market prices for feed, under the proposed legislation, would be approximately the same as those which prevailed during the last 2 years.

Passage of this bill is vital to the continued economic health of your constituents and to the interests of taxpayers, consumers, and farmers throughout the Nation.

Sincerely yours,

ORVILLE L. FREEMAN.

The Department of Agriculture has given me the following data which will be useful in estimating the effect of the new provision:

Average acreage in corn, 1959–60

[Per farm]

Dane	38.6
Waukesha	30.0
Jefferson	30.2
Dodge	32.9
Columbia	40.9
Second District	35.1
Wisconsin	24.6

Adjusted 1959–60 average corn yield

[Bushels per acre]

Dane	75.0
Waukesha	72.8
Jefferson	73.0
Dodge	74.5
Columbia	71.2
Second District	73.7
Wisconsin	[1]66.8

[1] Not strictly comparable with other figures.

The Pomona Story

EXTENSION OF REMARKS
OF

HON. GLENARD P. LIPSCOMB

OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, October 2, 1962

Mr. LIPSCOMB. Mr. Speaker, it is a very real privilege to me to have delivered to the office of each Member of the House a copy of "The Pomona Story," which presents the inspiring story of the plan for progress of Pomona, Calif.

The copies of "The Pomona Story" being distributed, together with a message of personal greetings, have been supplied through the good offices of the mayor of Pomona, Hon. James S. Baker. This feature on Pomona was included as a special supplement to the Los Angeles Times on September 24, 1962.

I know that each Member of the House will find this to be an interesting and informative presentation of the Pomona plan for progress, for it relates a story of how civic-minded and forward-looking citizens have made startling progress in revitalizing and beautifying their city.

Pomona is a community of 75,000 which is observing its 75th anniversary. It is a cultural and educational center as well as a city of fine homes and commerce. It is a community with a plan and many outstanding people who have worked hard toward carrying it out.

The heart of new Pomona is the mall, a nine-block long shopping center in the heart of the business district, featuring brilliant new stores and office buildings surrounding a landscaped mall on which shoppers can stroll amid fountains and statuary. The mall was financed entirely without Government assistance and is a tribute to what can be done by private initiative and free enterprise.

Other highlights of the Pomona plan for progress are a complete transportation center, a new regional civil center, modern highways, and industrial parks.

The Pomona story represents the fruits of the dedicated efforts of many citizens and groups and Pomona can be justly proud of the nationwide attention being given to their accomplishments.

It will be noted that the message accompanying the Pomona story contains an invitation to all Members of Congress to reflect on the Pomona plan for progress in connection with discussions with constituents on problems and needs arising in their respective districts across the Nation. I should like to second that invitation, for Pomona represents an outstanding example of what the people can do in their own behalf to improve their communities and enrich their lives.

Steuben Parade

EXTENSION OF REMARKS
OF

HON. JOHN J. ROONEY

OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, October 2, 1962

Mr. ROONEY. Mr. Speaker, last Saturday, September 29, New Yorkers paid tribute to Gen. Friedrich Wilhelm, Baron von Steuben, who by drilling an American army helped so greatly to achieve ultimate victory for General Washington's army in the Revolutionary War. Mayor Willy Brandt, of West Berlin, participated in these spontaneous ceremonies in leading over 25,000 marchers, including 50 bands, from 62d Street to 86th Street on Fifth Avenue and then east into Yorkville, the city's German-American section.

Later in the day, at the banquet in the Leiderkranz, Gen. Lucius Clay received a plaque with an appropriate citation for his meaningful deeds demonstrated in Berlin. A personal representative of the President of the United States, the Honorable Michel Cieplinski, Acting Administrator of the Bureau of Security and Consular Affairs, Department of State, read the President's message preceding his own remarks.

I consider the President's message on this occasion and Mr. Cieplinski's remarks very significant.

They read as follows:

THE WHITE HOUSE,
Washington.

I am delighted to send greetings and very best wishes to those participating in the fifth annual Steuben parade. I am especially pleased to convey these greetings through Michael Cieplinski.

From the time of General von Steuben to the present, Americans of German ancestry have made many notable contributions to the progress of America and to the principles and ideals of social, economic and political freedom.

Throughout the world today those ideals are threatened by totalitarian forces, and nowhere is that threat more visible nor more imminent than in Berlin where freemen are daily forced to see human freedom destroyed. We are pledged to defend the freedom of all peoples of the world, including the people of West Berlin. We will not fail to fulfill that commitment, just as a von Steuben did not fail to fulfill his commitment to American independence.

With every good wish for an enjoyable and inspiring parade,

JOHN F. KENNEDY.

ADDRESS BY HON. MICHEL CIEPLINSKI, ACTING ADMINISTRATOR, BUREAU OF SECURITY AND CONSULAR AFFAIRS, ON THE OCCASION OF THE FIFTH ANNUAL STEUBEN BANQUET AT THE LEIDERKRANZ, NEW YORK, N.Y., SATURDAY, SEPTEMBER 29, 1962

I was delighted to have the opportunity to bring the President's message to New York for the Steuben Day ceremonies. For many years I have admired the really remarkable contributions made to democracy, human freedom, and economic advancement by persons of German origin throughout the world.

As was so clearly pointed out in the recent exchange of remarks between Ambassador Knappstein and President Kennedy, the relations between Germany and the United States have never been better. While "No German today seriously visualizes the future of his country other than in the setting of a united Europe acting in close cooperation with the United States," we place equally great importance upon maintaining and fostering the cordial relations which exist between our two countries and peoples. The President has firmly stated the determination of all Americans to maintain the freedom of the free citizens of West Berlin and pledged our Nation's cooperation with the nations of the Atlantic Community.

In his words, we as a Nation stand "ready to cooperate in the work of assisting less fortunate nations and people, to develop the arts and industries and institutions they must have as the civilization of which we are a part expands." This cooperation between the United States and Germany as nations seems to me a logical extension of the type of German-American cooperation symbolized in the parade here today. German immigrants have played a vital part in developing our Nation from loosely federated ex-Colonies—simple societies and definitely underdeveloped—to what I consider the most highly developed and complex civilization the world has ever known. We were able to contribute to the postwar reconstruction—or redevelopment, if you like—of the Federal Republic and West Berlin. Only the Soviet obstacle prevented us from helping all Germany. Now is the time for these two great Western countries to work together in assisting other though far less fortunate neighbors. Modern communications bring every land closer together today than were the United States and Germany during most of the two centuries since Baron von Steuben made his long journey to come to aid the rebellious Colonies. Germany and the United States are, therefore, also neighbors in the furthest reaches of Asia, Africa, and Latin America.

Dr. Walter Scheel announced that Germany plans to provide some $750 million annually to enhance West Germany's contribution to the world responsibilities of the Atlantic community. Germans will be cooperating with Americans in projects around the world. Dr. Scheel particularly mentioned cooperation in Latin America, an area in which our two countries have great mutual interest—we, as it is a part of this hemisphere, and Germany because of the many Latin Americans of German descent who have participated in the early development of South America.

I have stressed worldwide economic cooperation because this phase of our mutual efforts has begun in the last few years and will, I hope, develop rapidly in the coming months and years. But, as this economic cooperation increases our far-reaching cooperation in Western Europe itself will continue—efforts in military, economic and cultural fields. All of us know of the protection offered free nations by the defensive shield of NATO. In economic cooperation, our new Trade Expansion Act will enable the United States to contribute to Atlantic unity and to work even more closely with the European Common Market, thus encouraging the economic betterment of all. We all know of the debt our country owes to European influences, but less widely known is the contribution made by American cultural activities to Europe. We now have 19 cultural and information centers in West Germany and a similar center in West Berlin. The value attached to these centers by German people is shown by the fact that the West German state and Federal governments and the communities concerned now pay more than half the cost for nine of these centers.

Indeed, ladies and gentlemen, let us all pledge ourselves to work for the bright future of Western democracy, be we German-Americans, or Americans of any background. I am not overlooking the unhappy divided state of Germany or the cruel wall in Berlin, but we shall not forget our commitment to freedom and we shall continue, as we have in the past, to stand firm. And as we stand together holding firmly the bright torch of liberty, we know that we are making contributions to the cause of freedom and betterment of man.

The Need for a Foreign Service Academy

EXTENSION OF REMARKS

OF

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 2, 1962

Mr. RODINO. Mr. Speaker, I have just returned from the Disarmament Conference at Geneva, and as I ponder over this sobering experience I am reminded once again of the tremendous demands which the struggle for international supremacy makes on the American people and their leaders. The future of our country and the free world rests on many factors, none of which is more crucial than the quality of our representatives abroad. We find it easy to understand the need for allocating billions of dollars for defense, but tend to forget that success in foreign policy rests not only on the power of our military security, but also on the skill of our diplomats. For this reason several Members of Congress have become convinced that the best defense of America's interests abroad requires a National Foreign Service Academy, comparable to the splendid military academies at West Point, Annapolis, and Colorado Springs.

I have introduced a bill—H.R. 1079—providing for the establishment of a U.S. Foreign Service Academy, to be supervised by the Secretary of State. Students at the Academy would receive an undergraduate education, leading to the degree of bachelor of arts, with a liberal arts program suitably designed to prepare them to serve their country abroad. Living quarters and a subsistence allowance would be provided by the Academy. Once the first class had graduated, preference in the original appointments of permanent officers of the Foreign Service would be given to graduates of the Academy.

The school established under this bill would have several advantages over our present system of selecting junior Foreign Service officers.

First, it would result in our sending better trained representatives to foreign countries. A Foreign Service Academy should serve as a unique focal point for the study of foreign areas, foreign languages, politics, economics, and history. Enjoying facilities comparable to those of the military academies, it would undertake a level of instruction which cannot be expected from private institutions or existing Government agencies.

Second, the Academy would provide a much broader opportunity for American young people interested in serving their country abroad. It would open the doors to young men and women who are unable to secure the necessary training by virtue of their financial circumstances. At the same time, the very existence of a Foreign Service Academy would stimulate interest in service abroad and bring home the message to young Americans that our future as a nation rests on diplomatic skill as well as military strength.

More important, it would put training and recruitment of Foreign Service officers on a professional basis. We have seen in the military acadamies that the experience of a 4-year program, with students of common interests living together, results in a spirit and dedication that can only operate to the benefit of our country.

Recent events on the international scene, and the growing concern of all Americans over the overwhelming responsibilities facing our country in the coming years make it imperative that we take immediate constructive steps to insure proper training for the men and women on whom we must depend to combat communism all over the world. To say this is not to denigrate the achievements of our diplomats, who have established records of service of which we may all be proud. But in the light of the overwhelming problems which face our country around the world, our procedure for selecting diplomats is too haphazard to do the job. We owe it to our future as a nation to bolster our supply of trained, knowledgeable people to understand the full implications of the world around us and how to deal with it. A U.S. Foreign Service Academy would demonstrate to the world that America is determined to meet the challenge before us.

Alabama Poet Received International Citation

EXTENSION OF REMARKS

OF

HON. CARL ELLIOTT

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 2, 1962

Mr. ELLIOTT. Mr. Speaker, Martha Bankhead Molloy, of Sulligent, Ala., has received an honorary citation from Geoffrey Handley-Taylor, bibliographer to Her Majesty the Queen's Poet Laureate, England, stating that her name has been selected for inclusion in "Dictionary of International Biography, a Biographical Record of Contemporary Achievement."

Published by a nonprofitmaking organization, the "Dictionary of International Biography" is served by a voluntary editorial and advisory board of 20 notables from 3 continents. The countries represented are England, France, Australia, Scotland, and the United States.

Since 1958, when she resumed writing interests started in an elective course in college, she has had published or accepted for publication 70-odd poems. Her poetry is well known in the United States, and has appeared in "Anthologie de la Poesie Contemporaine aux Etats-Unis," Paris, a book prefaced by Dr. Clinton F. Larson, national president of State Poetry Societies, France, and in "The Spring Anthology 1962," London. The latter also has one of her creations booked for their 1963 edition.

Martha Molloy's poetry and literary history are on file at Alabama archives. Her poetry appears also in journals filed in the British Museum, and the Poetry House, Belgium.

She is a B.S. degree home economist, and graduate of Auburn University. Her professional work has been in the technical and teaching fields.

Many civic, professional, and social organizations have extended membership to her. To mention a few in the literary field: American Poetry League, Wisconsin Poetry Foundation, World Poetry Day Organization, Chaporral Federated Poets, Louisiana State Poetry Society, Alabama Writers' Conclave, and Alabama Historical Association.

Her deceased husband, Daniel Wilson Molloy, was a disabled World War II veteran. He was a graduate of Georgetown University, School of Foreign Service, and a professor of Spanish at the University of Alabama and Marion Military Institute, Alabama. They have one son, Daniel Wilson Molloy, Jr., who is a fine student and a potential scientist.

I am happy to take this means of commending Mrs. Molloy's achievement to the country.

Voting Record of Congressman Wayne L. Hays on Major Legislation of the 87th Congress

EXTENSION OF REMARKS

OF

HON. WAYNE L. HAYS

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 2, 1962

Mr. HAYS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include my voting record on 35 of the most important bills to come before the House of Representatives during the 87th Congress. I have done this every 2 years since I have been in Congress and mailed out copies so that my constituents could have a convenient method of checking my record. As voters in the 18th Congressional District they have the right to know how their Congressman represented them in Washington and how I voted on the major issues.

The record follows:

How I voted	Issue	Status
Voted for..........	Establish Area Redevelopment Administration to make loans and grants for industrial redevelopment in distressed areas.	Became law.
Voted for..........	Authorize additional $11,500,000,000 for completion of Federal highway program.	Became law.
Voted for..........	Establish program of training of unemployed in vocational schools, or on-the-job training.	Became law.
Voted for..........	Increase Federal minimum wage and extend coverage..........................	Became law.
Voted for..........	Increase authority of Small Business Administration to make loans............	Became law.
Voted for..........	Public Works Acceleration Act to accelerate construction of necessary public works in communities with excess unemployment.	Became law.
Voted for..........	Raise payments under Social Security Act by increasing minimum benefits and benefits to widows.	Became law.
Voted for..........	Express the sense of Congress against seating of Communist China in the United Nations.	Adopted.
Voted for..........	Mutual security program of loans and grants for economic aid and development and program for Latin America.	Became law.
Voted for..........	Establish Peace Corps to help peoples of interested countries in meeting their needs for skilled manpower.	Became law.
Voted for..........	Establish a U.S. Arms Control Agency..	Became law.
Voted for..........	Extend the President's authority to use surplus farm products to aid needy peoples and the economy of developing nations.	Became law.
Voted for..........	Mutual Educational and Cultural Exchange Act to consolidate and broaden programs of educational and cultural exchange of persons between the United States and other countries.	Became law.
Voted for..........	Housing Act of 1961 to improve housing for moderate- and low-income families and promote urban development.	Became law.
Voted for..........	Temporary Extended Unemployment Compensation Act of 1961..............	Became law.
Voted against....	Trade Expansion Act of 1962 giving the President the authority to cut duties on imports by agreements with other nations.	Became law.
Voted for..........	Authorize loans up to total of $100,000,000 by the United States to the United Nations based on matching combined subscriptions of all other countries.	Became law.
Voted against....	Tax revision bill (Revenue Act of 1962)......................................	Became law.[1]
Voted for..........	Extend and improve public assistance and child welfare service programs of the Social Security Act.	Became law.
Voted for..........	Senior Citizens Housing Act providing for low- and moderate-cost housing for elderly in urban and rural areas.	Became law.
Voted for..........	Provide stricter regulation of drug industry and distribution of new drugs.....	Became law.
Voted for..........	Self-Employed Individuals Tax Retirement Act..................................	
Voted for..........	Extend veterans' direct and guaranteed home loan programs..................	Became law.
Voted for..........	Increase in payments to veterans' widows..	Became law.
Voted for..........	Increase rates of compensation for service-connected disability paid to veterans.	Became law.
Voted for..........	Provides for review by independent medical experts of disputed disability or death claims of veterans.	Became law.
Voted for..........	Constitutional amendment to prohibit poll taxes..................................	Adopted.
Voted for..........	Federal pay reform bill providing pay increase for classified, postal, and civilian employees.	
Voted for..........	Permit Rural Electrification Administration to extend its telephone lending authority to other electrical communication facilities.	Became law.
Voted for..........	Authorized program of Federal grants to communities and nonprofit agencies to help finance projects to combat juvenile delinquency.	Became law.
Voted for..........	Expand the Federal Water Pollution Control Act to provide for a more effective program of water pollution control.	Became law.
Voted for..........	Permit miners of clay and shale to include as a depletion allowance the process of manufacturing brick and tile.	Became law.
Voted for..........	Cuba resolution expressing U.S. determination to use arms if necessary to protect our security against Soviet dictatorship military buildup in Cuba.	Became law.
Voted for..........	Authorize program of Federal aid to colleges and universities and scholarships for students.	Defeated.
Voted for..........	Federal aid for educational television outlets..	Became law.

---

[1] I voted against this bill because it included a withholding tax on dividends and interest. This provision was eliminated by the Senate and did not become law.

Bayonets and Mississippi

EXTENSION OF REMARKS

OF

HON. THOMAS M. PELLY

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 2, 1962

Mr. PELLY. Mr. Speaker, certainly the scene we have witnessed in Mississippi in recent days is not one of which any American can be proud. Indeed, it is one of which every American, north and south, east and west, I am sure, is ashamed.

The Governor of the State of Mississippi has shown contempt for the courts and apparently has failed even to seek a compromise solution. Through his actions he invited repetition of the incidents of Little Rock and even to some degree outdid the Governor of Arkansas.

On the other hand, Mr. Speaker, this situation might well have been avoided had the administration adhered to a firm and consistent administrative policy. Properly the policy of the Federal Government is that no person shall be denied education because of race, color, or creed, yet during 1961 the Department of Health, Education, and Welfare loaned this segregated institution, the University of Mississippi, in disregard of law, $250,000, its maximum amount in loans and also its Public Health Service research grants and loans amounted to more than $1 million. Furthermore, the National Science Foundation in fiscal 1962 awarded the University of Mississippi active research grants totaling $78,700 and educational grants totaling $433,000. All these Federal expenditures to an educational institution which was in violation of the 14th amendment to the Constitution.

Belatedly the National Science Foundation, I learn, for 1963 has a new policy that any institution to be eligible for funds must accept students without regard to race, color, or creed. I am glad the Foundation has instituted this policy and can only say that all agencies of the Federal Government, in my opinion, should have long ago initiated such a policy. In this way peaceful pressure could have been brought to bear and could have prevented a situation such as just occurred in Mississippi from coming to a head. Actually the present policy of administering Federal aid to education has caused more harm than help in resolving this problem.

Mr. Speaker, more than half, or 157 of the South's 257 tax-supported colleges and universities have been desegregated, the great majority without controversy. The mistake is that the Federal Government should not have gone on supporting the University of Mississippi and should have brought pressure without precipitating the use of Federal forces. Instead, it could have been complying with the ruling of the Supreme Court and have been taking action with deliberate speed.

The Federal Government and the State of Mississippi are caught between two great forces, but as President Kennedy pointed out there may be laws with which an individual does not agree but at the same time no individual should defy them. However, had the Government proceeded in a different way, and earlier, this disgraceful episode in American history might well have been avoided and the force of public opinion and peaceful pressure could have been applied instead of the forces of bayonets and the power of arms.

The American people will make the judgment as to the course taken by the President and the Attorney General. As for me, I feel the blame attaches to the Government's compromise with what is right and the allowing of Federal programs to be handled in violation of the Constitution and the law of the land.

The 200th Anniversary of Womelsdorf, Pa.

EXTENSION OF REMARKS
OF
HON. GEORGE M. RHODES
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, October 2, 1962

Mr. RHODES of Pennsylvania. Mr. Speaker, an event of historic interest will take place next week in Berks County, Pa., the district which I am privileged to represent in the Congress.

It will mark the 200th anniversary of the founding of the borough of Womelsdorf. It will be a 3-day celebration scheduled for October 19, 20, and 21.

Womelsdorf is the third oldest borough of Berks County, and is situated close to its western boundary line, about 14 miles west of the city of Reading. The town, a typical Pennsylvania Dutch village was laid out in 1762, by John Womelsdorf, who had moved thither from the Amity settlement in 1760. The original plan contained 75 lots, being a part of the historical Weiser farm located in Heidelberg Township. The proprietor named it Middletown from its location midway between Reading and Lebanon. This name it bore until 1807, when a post office was established and was named Womelsdorf in honor of the founder of the town.

Womelsdorf is replete with historical association of events important in the history of the Nation. The important Indian interpreter, Conrad Weiser, lived just east of the borough; many Presidents of the United States have stopped here; the most notable of them, President George Washington, stayed here first when he went to inspect the Union Canal. Baron Stiegel of Stiegel Glass fame, taught school here in the last years of his life; the Charming Forge so important for the Revolutionary War is in this area.

The first house, a hotel, was built in 1762 by Jacob Seltzer. This building was one of the old landmarks until 1870, when it was razed. The stones were used in the cellar walls of the mansion erected by Eli Fidler on the adjoining lot. The hotel site was then occupied by the row of brick houses on the north side of East High Street, built in 1904.

The old structure was a substantial one, having been built of large limestone blocks. It is remembered as the place where the first President of the United States, George Washington, stopped for the night of November 13, 1793, on his tour through Reading, Lancaster, Harrisburg, and other Pennsylvania towns. The town was incorporated in 1833, embracing within its limits portions of the townships of Heidelberg and Marion.

In the early days of Womelsdorf, hats were made, tanneries were conducted, and guns were manufactured. These industrial activities have long since ceased.

One of the early industries of the town was the manufacture of flour. Seltzer's mill, at the lower end of the town, was the first to be erected. It was run by waterpower supplied by a South Mountain stream. This mill was rebuilt in 1862; and in 1877 steampower was added.

On the banks of the Tulpehocken in the northwestern part of the borough was another gristmill. This was totally destroyed by fire in 1900. It was rebuilt soon afterward and the roller process installed.

For years, however, the chief occupation of the borough has been the manufacture of cigars. This industry was introduced in 1852. The business was begun in a modest way, but by perseverance and shrewd business tact, a trade has been established that has become national in its scope.

Since 1882, one factory has occupied the Seibert mansion on High Street. With its spacious grounds it constituted one of the finest hand cigarmaking factories of the State. Several other factories were established later. Automation and machine made cigars took their toll of the prosperous industry which once thrived in Womelsdorf.

Another industry which once meant progress for Womelsdorf was the manufacture of hosiery. Here again automation has taken its toll. In 1916, the borough had two large stores, carrying general merchandise, two grocery stores, and a pharmacy. The Womelsdorf Union Bank was established in 1903.

The Lebanon Valley Railroad station was just outside the borough limits. The terminal of an electric road—trolley cars—was located in the western part of the town. This road connected the borough with the city of Reading.

Part of the history of this friendly community which I have inserted above was published in 1916 in "The Story of Berks County" by Dr. A. E. Wagner, Rev. F. W. Balthaser, and D. K. Hoch. Some House Members will remember Mr. Hoch as the former Representative from the district I represent.

Many Members have personally expressed their admiration and respect for former Congressman Daniel K. Hoch who served two terms as Berks County's Representative.

"Danny" Hoch as he was affectionately known in Berks County was a historian and highly respected leader in our community life. No one could speak the Pennsylvania Dutch dialect better than Danny.

"The Story of Berks County" was published by the Reading Eagle Co. in 1916. At that time both Mr. Hoch and I were Eagle employees. Hoch was circulation manager of the newspaper and I was a compositor in the printing office.

It became my task to makeup the pages and to read the proofs for this history book with its interesting story of Womelsdorf and other old Pennsylvania Dutch communities.

Last Saturday, October 6, it was my pleasure, along with Pennsylvania Senator Joseph S. Clark, to be an invited guest of Mayor Clarence E. Flickinger and Mrs. Mary E. Moore, general chairman of the Womelsdorf bicentennial, and citizens of the community at a special event in our honor.

It will begin on the evening of Friday, October 19, with ceremonies in the auditorium of the Womelsdorf Elementary School Center.

Dr. Fritz Braun, of the University of Heidelberg, Germany, will be the principal guest and speaker. He will be introduced by Dr. Arthur D. Graeff, Berks County's leading scholar and historian on Pennsylvania Dutch.

The blending of a hundred voices, representing local church choirs and citizens and a concert by Wes Fisher's Orchestra will render much for the program sponsored by the Womelsdorf High School Alumni Association.

Saturday, October 20, will be given over to community events. There will be a historical parade to be followed immediately by a historical pageant. The theme of the parade is "Forward, Womelsdorf; Forever My Home." The title of the pageant is "Womelsdorf, My Home Forever." On Saturday evening there will be a semiformal dance in the auditorium.

On the final day of the celebration a huge birthday cake will be cut. It will be large enough for all present to share in eating it.

Womelsdorf is the home of Bethany Children's Home, an institution of the Reformed United Church of Christ, which has been a haven for homeless or orphaned children for almost a hundred years. Next year Bethany will celebrate its centennial event. Rev. Garnet O. Adams, who manages the children's home, is a member of the bicentennial committee.

Other members are: Anna C. Taylor, Mrs. Dunbar J. Baker, Mrs. Sterling T. Keppley, Mrs. Paul C. Conway, Mrs. Clair P. Shanfelder, Chairman Mary E. Moore and Mayor Clarence E. Flickinger, Rev. Joyce C. Klick, Rev. Clarence R. Funk, Paul Hartman, Harvey H. Deck, Sr., Walter Rohrbach, Edward S. Deck, Merritt F. Auman, Joseph P. Grimes and Earl W. Ibach.

Church Day will be observed on Sunday, October 21. In the morning, special services in the churches of the borough will have anniversary features. The bicentennial observance by this western Berks borough will close on Sunday evening with a community church worship service in the nearby Conrad Weiser High School Area High

School Auditorium. The guest pastor for this occasion will be the Reverend Dr. W. Hamilton Aulenbach, rector of Christ and St. Michael's Episcopal Church, Germantown, Pa. He will preach the anniversary sermon.

Womelsdorf's earlier prosperity probably was due in part to its location. First, the Tulpehocken Trail brought groups of Indians and earlier settlers. Then, the Sunbury Road was established as a result of a petition from a number of county residents. In 1805, this road was incorporated as "The Berks and Dauphin Turnpike." In 1906, it became a free road.

Now, when you come to the Womelsdorf bicentennial celebration, you will follow Route 422 to a place plainly marked just east of the borough and continue west a very short distance. Womelsdorf will welcome you heartily.

Air Pollution Control: A Proposal To Extend and Strengthen the Federal Program

EXTENSION OF REMARKS

OF

HON. GEORGE M. RHODES

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 2, 1962

Mr. RHODES of Pennsylvania. Mr. Speaker, on September 17, when the House considered and passed S. 455, a bill to provide research and technical assistance relating to air pollution control, it was generally agreed that air pollution constitutes a serious and growing problem in many areas of the country.

During the brief discussion that took place that day on the floor of the House, it was pointed out that air pollution has some very serious implications to our physical health; that it has an adverse effect on agricultural productivity; that it causes physical damage through soiling and corrosion; and that the resulting economic loss to the Nation amounts to a staggering $4 to $11 billion annually.

Federal recognition of the problem dates back to 1955 and Federal involvement has consisted mainly of a relatively small-scale research effort. Although the Congress and the administration seem to be inclined toward accelerating our efforts to find solutions to the various aspects of the air pollution problem, what we have done can best be termed a minor effort and what the administration apparently contemplates doing falls far short of matching the immediacy and seriousness of the overall problem posed by increasing air pollution.

Today I have introduced an air pollution control bill, which is very similar to the administration measure, H.R. 10519, introduced by my distinguished colleague, Congressman KENNETH A. ROBERTS, who is chairman of the Public Health Subcommittee of the Committee on Interstate and Foreign Commerce, in March of this year.

But the bill I have introduced goes beyond the administration proposal in two important respects: First, my bill declares that it is the intent of the Congress that the Federal Government not only provide leadership but also assume the responsibility for organizing and carrying out a concentrated national program to achieve the prevention and control of air pollution, and second, to do so in the next 10 years. This national goal is to be accomplished through expanded research, training, and other activities, and by assisting State and local governments in initiating and carrying out effective air pollution prevention and control programs.

This measure recognizes that the technological breakthroughs that must be made to accomplish reasonable, practical, and economical control of air pollution can only be made through a broad, comprehensive, full-scale research effort centrally directed and supported by the Department of Health, Education, and Welfare. This bill recognizes that State and local governments are unable to assemble and coordinate the resources needed to achieve these technological breakthroughs and it further recognizes that private industry will not assume full responsibility for developing practical and economical control devices to handle industrial sources of air pollution. This bill recognizes further that despite all possible breakthroughs on the technological front, air pollution will never be abated unless State and local governments carry out effective control and enforcement programs. This bill would provide technical and financial assistance to State and local governments in establishing such effective control and enforcement programs.

Mr. Speaker, I understand that the experts in the field of air pollution are in general agreement that, given adequate resources, these technological breakthroughs are possible, including the development of practical control devices. I believe it is clearly the responsibility of the Federal Government to make certain that these technological breakthroughs are achieved just as the Federal Government assumed the responsibility for making the scientific advances necessary to take our astronauts to the moon, and beyond, and just as the Federal Government has undertaken the basic responsibility for assuring the maximum in aviation safety through research and development projects conducted by and through the Federal Aviation Agency.

In the last analysis all the costs of the problem and its solution are to be borne by the public. I believe it is the responsibility of the Congress to see to it that the costs are not chargeable to the public's health and that our efforts proved prolonged and ineffectual because we were pennywise and pound foolish. The immediate full-scale broad program which I propose will, I believe, assure us that every conceivable step is being taken to assure the American people a clean and healthful physical environment.

My good friend from Alabama [Mr. ROBERTS] indicated at the time the House passed S. 4544 that he planned on holding extensive hearings on the air pollution problem early next year. By introducing my bill at this time I hope to give all interested persons and organizations ample opportunity to study the proposal before the hearings contemplated by Mr. ROBERTS are held:

A BILL TO EXTEND AND STRENGTHEN THE FEDERAL AIR POLLUTION CONTROL PROGRAM

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act of July 14, 1955, as amended (42 U.S.C. 1857–1857g), is hereby amended to read as follows:

"DECLARATION OF POLICY

"SECTION 1. It is hereby declared to be the policy of the United States to protect our Nation's air resource so as to promote the public health and welfare and the productive capacity of our population. The growth in the amount and complexity of air pollution brought about by urbanization, industrial development, and the increasing use of motor vehicles, has resulted in mounting dangers to the health and well-being of our people, injury to agriculture crops and livestock, damage to and the deterioration of property, and hazards to air and ground transportation. Air pollution must be detected and abated at its source by the application of available devices and methods and where necessary by the development of new devices and methods to control air pollution or protect the exposed population. The Congress recognizes that the Federal Government has an obligation to provide the leadership in the initiation of national programs of research and development necessary to the ultimate prevention and control of air pollution.

"It is therefore the purpose of this Act to authorize and direct the Secretary of Health, Education, and Welfare to mount a concentrated national effort to achieve the prevention and control of air pollution within the next ten years and to further authorize the support of research, training and other activities and the assistance to the several States and local governments needed to assure the attainment of this national goal.

"APPROPRIATIONS AUTHORIZED

"SEC. 2. In order to carry out the purposes of this Act there is hereby authorized to be appropriated such sums as may be necessary for each of the ten fiscal years following July 1, 1964.

"DEFINITIONS

"SEC. 3. When used in this Act—

"(a) The term 'air pollution control agency' means any of the following:

"(1) A State health authority, or, in the case of any State in which there is a single State agency, other than the State health authority charged with responsibility for enforcing State laws relating to the prevention and control of air pollution, such other State agency;

"(2) An agency established by two or more States and having substantial powers or duties pertaining to the prevention and control of air pollution;

"(3) A city, county, or other local government health authority, or, in the case of any city, county, or other local government in which there is a single agency other than the health authority charged with responsibility for enforcing ordinances or laws relating to the prevention and control of air pollution, such other agency;

"(4) An agency of two or more cities, counties, or other local governments located in the same State or in different States and having substantial powers or duties pertaining to the prevention and control of air pollution.

"(b) The term 'State' means a State, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, and Guam.

"COOPERATIVE ACTIVITIES

"SEC. 4. (a) The Secretary of Health, Education, and Welfare shall cooperate with and encourage cooperative activities by all Federal departments and agencies having functions relating to the prevention and control of air pollution, so as to assure the utilization in the Federal air pollution control program of all appropriate and available facilities and resources within the Federal Government.

"(b) The Secretary shall encourage cooperative activities by the States and local governments for the prevention and control of air pollution; encourage the enactment of improved and, so far as practicable in the light of varying conditions and needs, uniform State and local laws relating to the prevention and control of air pollution; and encourage agreements and compacts between States for the prevention and control of air pollution.

"(c) The consent of the Congress is hereby given to two or more States to negotiate and enter into agreements or compacts, not in conflict with any law or treaty of the United States, for (1) cooperative effort and mutual assistance for the prevention and control of air pollution and the enforcement of their respective laws relating thereto, and (2) the establishment of such agencies, joint or otherwise, as they may deem desirable for making effective such agreements or compacts. No such agreement or compact shall be binding or obligatory upon any State a party thereto unless and until it has been approved by the Congress.

"RESEARCH, INVESTIGATIONS, TRAINING, AND OTHER ACTIVITIES

"SEC. 5. (a) The Secretary shall establish a national research and development program for the prevention and control of air pollution and shall:

"(1) encourage, cooperate with, and render technical services and financial assistance to air pollution control agencies and other appropriate public or private agencies, institutions, and organizations, and individuals in the conduct of, and

"(2) promote the coordination of research, investigations, experiments, training, demonstrations, surveys, and studies relating to the causes, effects, extent, prevention, and control of air pollution.

"(b) In carrying out the provisions of the preceding subsection the Secretary is authorized to—

"(1) collect and make available, through publications and other appropriate means, the results of and other information, including appropriate recommendations in connection therewith, pertaining to such research and other activities;

"(2) cooperate with other Federal departments and agencies, with air pollution control agencies, with other public and private agencies, institutions, and organizations, and with any industries involved, in the preparation and conduct of such research and other activities;

"(3) make grants to air pollution control agencies, to other public or nonprofit private agencies, institutions, and organizations, and to individuals, upon such terms and conditions as he may determine;

"(4) contract with public or private agencies, institutions, and organizations, and with individuals, without regard to section 3648 of the Revised Statutes (31 U.S.C. 529);

"(5) provide training for, and make training grants to, personnel of air pollution control agencies and other persons with suitable qualifications;

"(6) establish and maintain research fellowships, in the Public Health Service and at public or nonprofit private educational institutions or research organizations;

"(7) collect and disseminate, in cooperation with other Federal departments and agencies, and with other public or private agencies, institutions, and organizations having related responsibilities, basic data on chemical, physical, and biological air quality and other information pertaining to air pollution and the prevention and control thereof.

"(8) develop effective and practical devices, processes, and methods to prevent or control air pollution.

"SEC. 6. The Secretary after such research as he determines to be necessary shall from time to time determine and revise standards of air quality with respect to specific pollutants as in his judgment may be necessary to protect the public health and welfare.

"GRANTS FOR DEVELOPMENT, INITIATION, OR IMPROVEMENT OF AIR POLLUTION CONTROL PROGRAMS

"SEC. 7. (a) The Secretary is authorized to make grants to air pollution control agencies for the development, initiation, or improvement of enforcement programs for the prevention and control of air pollution.

"(b) Such grants shall be made, in accordance with regulations, upon such terms and conditions as the Secretary may find necessary to carry out the purposes of this section.

"SPECIFIC PROBLEMS OF AIR POLLUTION

"SEC. 8. The Secretary may conduct investigations and research and make surveys concerning any specific problem of air pollution confronting any air pollution control agency with a view to recommending a solution of such problem, if he is requested to do so by such air pollution control agency or if, in his judgment, such problem may affect or be of concern to communities in various parts of the Nation or may affect any community or communities in a State other than that in which the source of the matter causing or contributing to the pollution is located.

"PUBLIC CONFERENCES ON SPECIFIC PROBLEMS OF AIR POLLUTION

"SEC. 9. (a) Whenever, on the basis of reports, surveys, or studies, he believes it appropriate, or whenever requested by any air pollution control agency, the Secretary may call a public conference on any problem of air pollution which may affect or be of concern to communities in various parts of the Nation or which may affect any community or communities in any State other than the State in which the source of the matter causing or contributing to the pollution is located. Any such conference shall be conducted by a board composed of not less than five members, appointed by the Secretary, who shall be representative of the public, industry which is affected by or concerned with the problem, persons who are expert or have special knowledge in the matter, interested Federal departments and agencies, and interested air pollution control agencies.

"(b) Subject to regulations of the Secretary, an opportunity to be heard at such conference shall be accorded to all interested persons.

"(c) After consideration of the information presented at the conference and such other information as is available to it, the board shall make a report and recommendations to the Secretary on such matters as the existence, cause, and effect of the air pollution on which the conference was held, progress toward its abatement, and other related matters. Such report and recommendations, together with the comments and recommendations, if any, of the Secretary with respect thereto, shall be available to the community or communities, Government agencies, and industries concerned, and to the public, but shall not be binding on any person, agency, or organization.

"(d) Members of any conference board appointed pursuant to subsection (a) who are not regular full-time officers or employees of the United States shall, while participating in the conference conducted by such board or otherwise engaged on the work of such board, be entitled to receive compensation at a rate fixed by the Secretary, but not exceeding $100 per diem, including travel time, and while away from their homes or regular places of business they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by law (5 U.S.C. 73b–2) for persons in the Government service employed intermittently.

"COOPERATION BY FEDERAL AGENCIES TO CONTROL AIR POLLUTION FROM FEDERAL FACILITIES

"SEC. 10. It is hereby declared to be the intent of Congress that any Federal department or agency having jurisdiction over any building, installation, or other property shall, to the extent practicable and consistent with the interests of the United States and within any available appropriations, cooperate with the Department of Health, Education, and Welfare and with any air pollution control agency in preventing and controlling the pollution of the air in any area insofar as the discharge of any matter from or by such building, installation, or other property may cause or contribute to pollution of the air in such area.

"ADMINISTRATION

"SEC. 11. (a) The Secretary is authorized to prescribe such regulations as are necessary to carry out his functions under this Act. The Secretary may delegate to any officer or employee of the Department of Health, Education, and Welfare such of his powers and duties under this Act, except the making of regulations, as he may deem necessary or expedient.

"(b) Upon the request of an air pollution control agency, personnel of the Department of Health, Education, and Welfare may be detailed to such agency for the purpose of carrying out the provisions of this Act. The provisions of section 214(d) of the Public Health Service Act shall be applicable with respect to any personnel so detailed.

"(c) Payments under grants made under this Act may be made in installments, and in advance or by way of reimbursement, as may be determined by the Secretary.

"OTHER AUTHORITY NOT AFFECTED

"SEC. 12. This Act shall not be construed as superseding or limiting the authorities and responsibilities, under any other provision of law, of the Secretary or any other Federal officer, department, or agency.

"SHORT TITLE

"SEC. 13. This Act may be cited as the 'Federal Air Pollution Control Act'."

SEC. 2. The title of such Act is amended to read, "An Act to provide for air pollution prevention and control activities of the Department of Health, Education, and Welfare, and for other purposes."

Big Government

EXTENSION OF REMARKS

OF

HON. FRANCES P. BOLTON

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 2, 1962

Mrs. BOLTON. Mr. Speaker, staggering figures have been made public which emphasize how big the Federal Government has become. The total national debt including the $300 billion outstanding, unpaid obligations, unused authority, unfunded cost of started public works, contingent obligations, and other commitments actually reaches $1,242 billion. This equals $6,642 for each man, woman and child in the United States. Next to defense, the largest item in our Federal budget—$9.4 billion last year—is for the interest payment on the national debt.

The Federal Government is the largest single owner of real estate in the United States. Its total holdings exceed the combined areas of the six New England States plus Texas. It also owns 224,300 vehicles.

Senator BYRD, chairman of the Joint Committee on Reduction of Non-Essential Federal Expenditures, reported that as of June 30, 1962, there were 2,496,455 Federal employees. New Federal programs and policies since the Kennedy administration took office have added 143,656 employees to the Federal payroll, with an estimated added cost of $718,280,000 per year—or the total tax payments of 861,936 taxpayers.

Last January the President submitted to Congress the largest peacetime budget in history—$92.5 billion. At that time it was estimated that receipts from taxes and other revenue would be $93 billion, leaving a surplus of $500 million. However, we now hear that we will actually end this fiscal year with a deficit of from $4 to $5 billion. Two recently enacted administration bills, the $900 million "standby public works bill" and the tax revision bill, with its 7-percent credit provision add to this deficit.

Deficit spending is the real cause of inflation. Unless we begin to balance the budget and curb Government spending, we are going to have a continuing depreciation of the value of the dollar. While everyone is affected by inflation, those who are hurt the most are persons relying upon small, fixed incomes—such as pensions. Only when every citizen realizes it is his money that the Government spends and every taxpayer identifies himself with "the Treasury" can we expect to attain responsible public administration. Everyone must keep in mind that the Government has no money of its own. Government money or Federal funds or "Federal aid" must come from taxpayers—every cent of it. If it does not come from taxpayers, it must be borrowed, thereby further increasing our national debt and the burden on you and me—taxpayers.

Mr. Speaker, we hear much talk about the possibility of a tax reduction next year. The prospect of a tax cut is a pleasing one and most taxpayers agree that it is long overdue. However, taxes are supposed to pay the cost of Government. Therefore, would not the most direct approach to the question be to find ways to relieve the people of the tremendous burden of Federal spending, of deficits and debts which cheapen our money, and of general waste which pervades the "big government" operation? Real tax reform could come easily if we would cut back Government spending. This could do much to provide the conditions under which enterprise could flourish, providing more jobs and more goods for everyone. Instead of continuing to follow its policy of tax, tax, tax and spend, spend, spend, I would hope that the adminstration would forgo needless new Federal programs and those that may be desirable but not really necessary, such as the Washington fish tank and establish real priorities for needed Government expenditures.

House Joint Resolution 636, the Quality Stabilization Bill

EXTENSION OF REMARKS

OF

HON. FRANCES P. BOLTON

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 2, 1962

Mrs. BOLTON. Mr. Speaker, one of the bills which I very much hoped we would pass this session is House Joint Resolution 636, the quality stabilization bill. This joint resolution, which was reported by the Committee on Interstate and Foreign Commerce, is vital to the survival of hundreds of thousands of small, independent business men and women—the corner druggist, the grocer, the jeweler, the hardware merchant, the electric appliance dealer, the bookstore dealer, hat shops, women's and children's wear, and so forth.

The small retailer is at a great disadvantage in competing pricewise with the big department store, the discount house, the chainstore or supermarket. Looking at the situation realistically, if a price war should break out, the little retailer, the small businessman would be the first to die because he lacks the resources to endure the financial strain imposed by a price war. The giant retailer does have the resources to withstand the strain. He also has the ability to recoup losses on nationally advertised merchandise by selling to customers, attracted to the store by the promise of bargains, unfamiliar merchandise on which there is a substantial margin of profit.

Thus we are faced with the fact that unless the small businessman is afforded the opportunity of making a profit by enabling him to compete pricewise on nationally advertised, branded merchandise, we may find ourselves in a few years with a concentration of retailing in the hands of a few giant corporations. The trend is evident now and if we permit the trend to continue the economy of this country will suffer. We must not let this happen. The small retailer is the backbone of our communities and he represents the epitome of our American free-enterprise system.

Mr. Speaker, it is disappointing that this bill was not brought to the floor this session. Nevertheless, I hope the work accomplished on this matter this year will result in a good clean bill coming before us for action early in January.

HOUSE OF REPRESENTATIVES

WEDNESDAY, OCTOBER 3, 1962

The House met at 11 o'clock a.m.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Joshua 23: 11: *Take good heed therefore unto yourselves, that ye love the Lord your God.*

Almighty God, in these perilous times, when there are fears and fighting within and without our beloved country, may we cleave unto Thee with increasing tenacity of faith and courage.

Show us how we may stem the blatant and boisterous tides of communism and paganism which are seeking to engulf and enslave the whole world.

Grant that we may have within our hearts the abiding assurance that nothing can ever impede the progress and triumph of Thy kingdom of reason and righteousness.

Help us to understand that if our Republic is to remain invulnerable and invincible then we must continue to give ourselves with undivided and wholehearted devotion to those ideals and principles which are the secret of our Nation's greatness and glory.

Hear us in the name of the Captain of our Salvation. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Ratchford, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and joint resolutions of the House of the following titles:

On September 27, 1962:

H.R. 575. An act to authorize the Secretary of the Interior to construct, operate, and maintain the upper division of the Baker Federal reclamation project, Oregon, and for other purposes;

H.R. 2292. An act to authorize the Secretary of the Treasury to issue certificates of honorable service in lieu of certificates of disenrollment to certain persons who served as temporary members of the United States Coast Guard Reserve during World War II;

H.R. 12391. An act to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes;

H.R. 12526. An act to amend section 172 of the Internal Revenue Code of 1954 to provide a 7-year net operating loss carryover for certain regulated transportation corporations;

H.R. 12675. An act to provide for the formation of partnerships in the District of Columbia and to make uniform the law with respect thereto;

H.R. 12727. An act to amend the act of February 28, 1901, to insure that policemen and firemen in the District of Columbia will receive medical care for all injuries and diseases; and

H.R. 12762. An act to amend the District of Columbia Unemployment Compensation Act, as amended.

On September 28, 1962:

H.R. 1171. An act to assure continued fish and wildlife benefits from the national fish and wildlife conservation areas by authorizing their appropriate incidental or secondary use for public recreation to the extent that such use is compatible with the primary purposes of such areas, and for other purposes;

H.R. 1304. An act for the relief of Jung Hae;

H.R. 2604. An act for the relief of Pietro Dattoli;

H.R. 6016. An act for the relief of William Thomas Dendy;

H.R. 7123. An act for the relief of Mrs. Takako Coughlin;

H.R. 7431. An act to provide for the free entry of certain stained glass for St. Joseph's Cathedral, Hartford, Conn., and for other purposes;

H.R. 7438. An act for the relief of Anna Caporossi Crisconi;

H.R. 7796. An act to amend certain lending limitations on real estate and construction loans applicable to national banks;

H.R. 9593. An act to provide for the conveyance of certain phosphate rights to the Dr. P. Phillips Foundation of Orlando, Fla.;

H.R. 9893. An act for the relief of Tadeusz Sochacki;

H.R. 9995. An act for the relief of Dwight W. Clarahan;

H.R. 10540. An act to exclude deposits of petrified wood from appropriation under the U.S. mining laws;

H.R. 11019. An act to provide that the Uniform Limited Partnership Act shall apply in the District of Columbia;

H.R. 12416. An act to authorize the sale, without regard to the 6-month waiting period prescribed, of chestnut extract proposed to be disposed of pursuant to the Strategic and Critical Materials Stock Piling Act;

H.R. 12577. An act to place authority over the trust powers of national banks in the Comptroller of the Currency;

H.R. 12628. An act to provide additional funds under section 202(a)(4) of the Housing Act of 1959, and to amend title V of the Housing Act of 1949, in order to provide low and moderate cost housing, both urban and rural, for the elderly; and

H.R. 12899. An act to amend section 5155 of the Revised Statutes relating to bank branches which may be retained upon conversion or consolidation or merger.

On September 29, 1962:

H.J. Res. 897. Joint resolution making continuing appropriations for the fiscal year 1963, and for other purposes.

On October 1, 1962:

H.R. 9587. An act for relief of Anthony E. O'Sorio;

H.R. 11164. An act to approve an amendatory repayment contract negotiated with the Quincy Columbia Basin Irrigation District, authorize similar contracts with any of the Columbia Basin irrigation districts, and to amend the Columbia Basin Project Act of 1943 (57 Stat. 14), as amended, and for other purposes; and

H.J. Res. 730. Joint resolution to authorize the President to proclaim May 15 of each year as Peace Officers Memorial Day and the calendar week of each year during which such May 15 occurs as Police Week.

On October 2, 1962:

H.R. 8520. An act to amend the Soil Conservation and Domestic Allotment Act, as amended, to add a new section 16A to limit financial and technical assistance for drainage of certain wet lands; and

H.R. 11151. An act making appropriations for the legislative branch for the fiscal year ending June 30, 1963, and for other purposes.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed without amendment bills and concurrent resolutions of the House of the following titles:

H.R. 946. An act to extend to oyster planters the benefits of the provisions of the present law which provide for production disaster loans for farmers and stockmen.

H.R. 1362. An act for the relief of Calogera Virone Messina;

H.R. 1483. An act for the relief of Priscillo Jose Sisson and Evelyn Sisson;

H.R. 1598. An act for the relief of Michael Anthony Dedetsinas;

H.R. 1660. An act for the relief of Margaret MacPherson, Angus MacPherson, Ruth MacPherson, and Marilyn MacPherson;

H.R. 2836. An act for the relief of C. Edwin Alley;

H.R. 2978. An act for the relief of Rosa and Rita Quattrocchi;

H.R. 4483. An act for the relief of Simon Karasick;

H.R. 5695. An act for the relief of Forrest L. Gibson;

H.R. 6987. An act for the relief of Maj. William R. Cook;

H.R. 7099. An act to validate payments of certain per diem allowances made to members and former members of the U.S. Coast Guard while serving in special programs overseas;

H.R. 7617. An act for the relief of John W. Schleiger;

H.R. 7876. An act relating to the effective date of the qualification of the joint pension plan for employees of Local Unions 645, 1507, and 1511, Brotherhood of Painters, Decorators, and Paperhangers of America as a qualified trust under section 401(a) of the Internal Revenue Code of 1954;

H.R. 8855. An act for the relief of Marie Silva Arruda;

H.R. 9469. An act for the relief of Charles L. Kays;

H.R. 9590. An act for the relief of Lt. Col. Edward Hirsch;

H.R. 10316. An act for the relief of Leopoldo Rocha Canas and Teofilo Caoile Servito;

H.R. 16017. An act providing that the U.S. district courts shall have jurisdiction of certain cases involving pollution of interstate river systems, and providing for the venue thereof;

H.R. 10881. An act for the relief of Maj. Singh Sunga;

H.R. 10897. An act for the relief of Joseph Hammond;

H.R. 11522. An act for the relief of Henry E. Keiser;

H.R. 11594. An act to extend for 2 years the period for which payments in lieu of taxes may be made with respect to certain real property transferred by the Reconstruction Finance Corporation and its subsidiaries to other Government departments;

H.R. 11678. An act to waive section 142 of title 28, United States Code, with respect to the U.S. District Court for the Northern District of Ohio, Eastern Division, holding court at Akron, Ohio;

H.R. 11732. An act to amend section 305 of the Communications Act of 1934, as amended;

H.R. 12092. An act for the relief of Arthur H. Brackbill;

H.R. 12093. An act for the relief of Joseph Wolf, Jr.;

H.R. 12451. An act to authorize the reimbursement to appropriations of the U.S. Secret Service of moneys expended for the purchase of counterfeits;

H.R. 12653. An act to amend the Consolidated Farmers Home Administration Act of 1961 in order to increase the limitation on the amount of loans which may be insured under subtitle A of such act;

H.R. 12855. An act to amend the Agricultural Adjustment Act of 1938 relating to the lease and transfer of tobacco acreage allotments;

H.R. 12887. An act for the relief of Benjamin Leach, Diogracias Leach, Rogelio Leach, and Maximo Leach;

H.R. 13241. An act to amend section 309 of the Food and Agriculture Act of 1962;

H. Con. Res. 513. Concurrent resolution for printing additional copies of hearings;

H. Con. Res. 574. Concurrent resolution authorizing the printing of a wall map of the United States, and for other purposes; and

H. Con. Res. 581. Concurrent resolution authorizing the Clerk of the House to make a correction in the enrollment of H.R. 8567.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 1691. An act for the relief of Elaine Veronica Brathwaite;

H.R. 8517. An act to grant emergency officer's retirement benefits to certain persons who did not qualify therefor because their applications were not submitted before May 25, 1929;

H.R. 10605. An act for the relief of Joan Rosa Orr;

H.R. 10708. An act to amend section 203 of the Rural Electrification Act of 1936, as amended, with respect to communication service for the transmission of voice, sounds, signals, pictures, writing, or signs of all kinds through the use of electricity;

H.R. 12402. An act for the relief of Concetta Maria, Rosetta, and Tomasino Mangiaracina; and

H.R. 12513. An act to provide for public notice of settlements in patent interferences, and for other purposes.

The message also announced that the Senate had passed with amendments, in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 13175. An act making appropriations for foreign aid and related agencies for the fiscal year ending June 30, 1963, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. HAYDEN, Mr. ELLENDER, Mr. HOLLAND, Mr. PASTORE, Mr. MCGEE, Mr. SALTONSTALL, Mr. MUNDT, and Mrs. SMITH of Maine to be the conferees on the part of the Senate.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 1696. An act to authorize the Secretary of the Interior to conduct a survey of federally owned lands for the purpose of locating minerals and mineral fuels;

S. 2344. An act for the relief of Miloye M. Sokitch;

S. 2639. An act to amend title 35 of the United States Code to permit a written declaration to be accepted in lieu of an oath, and for other purposes;

S. 3041. An act to authorise the conveyance of certain lands in Harris County, Tex., to the State of Texas or the County of Harris;

S. 3370. An act to authorize the Secretary of Agriculture to relinquish to the State of Wyoming jurisdiction over those lands within the Medicine Bow National Forest known as the Pole Mountain District;

S. 3394. An act for the relief of Lt. Col. William A. Carter, U.S. Air Force;

S. 3477. An act to promote the security and welfare of the people of the United States by providing for a program to assist the several States in further developing their programs of general university extension education; and

S. 3760. An act to amend the National Defense Education Act of 1958 to raise the limit on Federal payments into student loan funds, to broaden the types of equipment which may be acquired with Federal grants and loans under title III thereof, and for other purposes.

The message also announced that the Senate agrees to the amendments of the House to bills of the Senate of the following titles:

S. 1651. An act to authorize the Commissioners of the District of Columbia to delegate the function of approving contracts not exceeding $100,000;

S. 2568. An act to amend the act of September 7, 1950, to extend the regulatory authority of the Federal and State agencies concerned under the terms of the Convention for the Establishment of an Inter-American Tropical Tuna Commission, signed at Washington May 31, 1949, and for other purposes;

S. 2795. An act to prohibit the use by collecting agencies and private detective agencies of any name, emblem, or insignia which reasonably tends to convey the impression that any such agency is an agency of the government of the District of Columbia; and

S. 3504. An act to provide for alternate representation of secretarial officers on the Migratory Bird Conservation Commission, and for other purposes.

APPROPRIATIONS FOR FOREIGN AID AND RELATED AGENCIES, 1963

Mr. PASSMAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 13175) making appropriations for Foreign Aid and related agencies for the fiscal year ending June 30, 1963, and for other purposes, with amendments of the Senate thereto, disagree to the amendments of the Senate and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

Mr. GROSS. Mr. Speaker, reserving the right to object, it is my understanding that the foreign giveaway bill is now nearly $800 million higher than the House figure. It is my hope that the conferees will go to conference and sit, if necessary, until the snow flies before they give away any substantial part of the figure as was passed by the House of Representatives.

Mr. PASSMAN. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield.

Mr. PASSMAN. I, myself, would say not just until the snow flies but until it has flown and melted away.

Mr. GROSS. I would say to the gentleman that I wish I could live to see the day when a substantial reduction is made, rather than an increase in a conference on one of these multibillion-dollar foreign giveaway bills.

Mr. PASSMAN. I think the record of the House conferees on this bill through the years speaks for itself. I can assure the gentleman it is my intention that this record will be maintained.

Mr. GROSS. I would be happy to see just one reduction in the annual rush to pass this foreign handout.

Mr. PASSMAN. I say to the distinguished gentleman from Iowa that overall the House conferees have upheld well the position of the House on this appropriation. I believe a similar situation will prevail in the conference committee this year; in fact, as far as I am concerned, I have no doubts about the results. We are well fortified by the facts.

Mr. GROSS. I wish the gentleman, my friend from Louisiana, would impress upon the other body that the Federal Treasury is insolvent. I question, at times, whether some of them know it.

Mr. PASSMAN. The gentleman and I are in complete accord on that matter.

Mr. GROSS. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

The Chair hears none and appoints the following conferees: Messrs. PASSMAN, GARY, CANNON, TABER, and FORD.

TO INCREASE CERTAIN TRAINING OPPORTUNITIES

Mr. TRIMBLE, from the Committee on Rules, reported the following privileged resolution (H. Res. 824 Rept. No. 2519) which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution, it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 4999), to increase the opportunities for training of physicians, dentists, and professional public health personnel, and for other purposes. After general debate, which shall be confined to the bill, and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the substitute amendment recommended by the Committee on Interstate and Foreign Commerce now in the bill, and such substitute for the purpose of amendment shall be considered under the five-minute rule as an original bill. At the conclusion of such consideration the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any member may demand a separate vote in the House on any of the amendments adopted in the Committee of the Whole to the bill or committee substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

CALL OF THE HOUSE

Mr. GROSS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 266]

Adair
Alexander
Andersen, Minn.
Anderson, Ill.
Anfuso
Aspinall
Belcher
Bennett, Mich.
Berry
Blatnik
Blitch
Bolling
Boykin
Breeding
Bromwell
Brown
Burke, Ky.
Carey
Celler
Chiperfield
Coad
Cook
Davis, John W.
Dawson
Diggs
Dominick
Dooley
Evins
Forrester
Frazier
Garland
Glenn
Goodell
Gray
Green, Oreg.
Griffiths
Hall
Hansen
Harris
Harrison, Va.
Harvey, Ind.
Hays
Hébert
Herlong
Hiestand
Hoffman, Mich.
Hull
Johnson, Md.
Kearns
Kee
Kilburn
Laird
McDonough
McDowell
McIntire
McSween
McVey
Macdonald
MacGregor
Magnuson
Martin, Nebr.
Michel
Miller, George P.
Moorehead, Ohio
Moulder
Norrell
O'Brien, Ill.
Osmers
Powell
Rains
Quie
Reifel
Rogers, Tex.
Roosevelt
Rousselot
Ryan, Mich.
St. Germain
Santangelo
Saund
Saylor
Scherer
Scranton
Seely-Brown
Shelley
Sheppard
Shipley
Short
Siler
Smith, Miss.
Springer
Stafford
Taber
Tuck
Ullman
Utt
Van Pelt
Vinson
Watts
Weaver
Weis
Whalley
Williams
Willis
Yates
Zelenko

The SPEAKER. On this rollcall, 328 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

AMENDING FEDERAL TRADE COMMISSION ACT TO PROMOTE QUALITY AND PRICE STABILIZATION AND FOR OTHER PURPOSES

Mr. MADDEN, from the Committee on Rules, reported the following privileged resolution (H. Res. 825, Rept. No. 2520) which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the joint resolution (H. J. Res. 636) to amend the Federal Trade Commission Act, to promote quality and price stabilization, to define and restrain certain unfair methods of distribution and to confirm, define, and equalize the rights of producers and resellers in the distribution of goods identified by distinguishing brands, names, or trademarks, and for other purposes. After general debate, which shall be confined to the joint resolution, and shall continue not to exceed four hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the joint resolution shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the joint resolution for amendment, the Committee shall rise and report the joint resolution to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the joint resolution and amendments thereto to final passage without intervening motion except one motion to recommit.

LAND FOR QUINAIELT INDIANS OF WASHINGTON

Mr. HALEY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 507) to set aside certain lands in Washington for Indians of the Quinaielt Tribe, with a Senate amendment to the House amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment to the House amendment, as follows:

On page 2, strike out all of section 2 and insert a new section 2 as follows:

"SEC. 2. The Indian Claims Commission is directed to determine in accordance with the provisions of section 2 of the Act of August 13, 1946 (60 Stat. 1050), the extent to which the value of the title conveyed by this Act should or should not be set off against any claim against the United States determined by the Commission."

Mr. HALEY. Mr. Speaker, I ask unanimous consent that the gentlewoman from Washington [Mrs. HANSEN] may extend her remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mrs. HANSEN. Mr. Speaker, S. 507, the bill currently before the House, is of great interest and personal concern to me, as it will restore to the Quinaielt Indian Tribe of my district, land at Cape Elizabeth, Wash., which was originally a part of the Quinaielt Reservation.

The land, consisting of approximately 85 acres, was set aside in 1914, to be used for the building of a lighthouse by the Department of Commerce. The lighthouse was never built, so in the first session of this Congress I introduced a bill, H.R. 4945, to set the land aside in trust for the Quinaielt Tribe, in the same manner as other real property is held in trust by the United States for the tribe. My bill and S. 507 are similar bills.

Differences exist between my bill and the Senate version on the question of what amount of money should be set off against a claim which the Quinaielt Tribe has pending before the Indian Claims Commission. However, the tribe has now agreed that the language insisted on by the Senate, which sets no limitation on the amount which may be offset against this claim, is acceptable to them. The tribe owns relatively little land at present, and is anxious to acquire the Cape Elizabeth lands, to aid it in its efforts to promote the welfare of the tribe and provide assistance to its members.

Inasmuch as the language of the Senate bill is acceptable to the Quinaielts, it is acceptable to me, and I urge the approval of S. 507, with amendment, at this time.

The SPEAKER. Without objection, the Senate amendment to the House amendment is concurred in.

There was no objection.

A motion to reconsider was laid on the table.

ESTABLISHMENT OF INSTITUTE OF CHILD HEALTH AND HUMAN DEVELOPMENT

Mr. ROBERTS of Alabama. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 11099) to amend the Public Health Service Act to provide for the establishment of an Institute of Child Health and Human Development, and for other purposes, with Senate amendments thereto and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 7, after line 4, insert:

"SEC. 4. (a) Section 704 of the Public Health Service Act is amended by striking out 'six' and inserting in lieu thereof 'nine'.

"(b) Section 705(a) of such Act is amended by striking out '1962' and inserting in lieu thereof '1965'."

Amend the title so as to read: "An Act to amend the Public Health Service Act to provide for the establishment of an Institute of Child Health and Human Development, to extend for three additional years the authorization for grants for the construction of facilities for research in the sciences related to health, and for other purposes."

Mr. ROBERTS of Alabama. Mr. Speaker, the creation of the Institute of Child Health and Human Development and of General Medical Sciences is a forward step in the field of public health. This has long been needed and will prove to be very beneficial in solving the problems in this field.

The Senate amendment is simply an extension of the program which has been in existence for health research for the past 6 years. This will assure the continuance of the program that has done much to help us find some answers in the field of the crippling and killing diseases such as cancer, heart disease, arthritis, mental illness and other diseases which plague mankind.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

SUPPLEMENTAL APPROPRIATION BILL, 1963

Mr. THOMAS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 13290) making supplemental appropriations for the fiscal year ending June 30, 1963, and for other purposes; and pending that, Mr. Speaker, I ask unanimous consent that general debate be limited to 1½ hours, the time to be equally divided and controlled by the gentleman from Iowa [Mr. JENSEN] and myself.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The SPEAKER. The question is on the motion.

The motion was agreed to; accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 13290) with Mr. THOMPSON of Texas in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Under the consent agreement the gentleman from Texas [Mr. THOMAS] will be recognized for 45 minutes, and the gentleman from Iowa [Mr. JENSEN] for 45 minutes.

The gentleman from Texas is recognized.

Mr. THOMAS. Mr. Chairman, I yield myself such time as I may consume and hope not to take too much time.

The CHAIRMAN. The gentleman from Texas is recognized.

Mr. THOMAS. I tell my colleagues, Mr. Chairman, that this will surely be the last supplemental bill for the year.

This bill contains about 36 items. When it left the Bureau of the Budget, it came to your committee with about 58 items. The budget estimate for these items, in round figures, was about $640 million. Your committee allowed about $393 million, a cut of about $244 million.

Those figures were slightly changed in the full committee yesterday. Our very able and genial chairman offered an amendment putting in some claims and judgments against the United States to the tune of about $10 million, made up of some 25 items. It was a very good amendment, and the committee accepted it 100 percent because those judgments bear interest and the quicker we get rid of them and pay them off the better off the taxpayers will be.

Your Deficiency Subcommittee is present. All of the members of that committee on both sides of the aisle are here, and we will try to answer any questions, either together or singly, that any Members want to ask. We want to give you every bit of information that you want, and certainly we will gladly give you all we have and do the best we can to help you.

Mr. Chairman, pending any questions, may I say that about 80 percent of the whole bill is made up of two big items, one from the armed services dealing with increases for rental allowance for quarters, per diem travel increases, and lump-sum readjustment pay, to the extent of about $157 million. We respectfully deferred that item for the reason those accounts under which this is paid have some $23 billion in the regular bill. We did not know whether they needed the money or not. If they need it, it will have to be paid. But we suggested that they wait another 6 or 7 months, and then come back at that time.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. THOMAS. I yield to the gentleman from Iowa.

Mr. GROSS. Is the $100 million for the United Nations bond issue or the $500 million for the accelerated public works program in this bill?

Mr. THOMAS. Neither of the two items are in this bill.

Mr. GROSS. Where will those items be taken care of?

Mr. THOMAS. It is my understanding those items have been sent to the other body for consideration. Unfortunately, we did not get them over here in time, according to my understanding, to be considered in this bill. Anyway, they are over on the other side.

Mr. GROSS. In what bill or bills will we expect to find those items?

Mr. THOMAS. It is my understanding, and this is hearsay with me, the public works item is in the Senate public works bill, and the $100 million item will be in the State, Justice appropriation bill.

Mr. GROSS. Is the gentleman saying to me, after all the fight that was carried on earlier in the session about originating appropriations in the Senate, that the other body is going to originate these two very substantial appropriations?

Mr. THOMAS. I am afraid a very square answer to the gentleman's question is "Yes."

Mr. GROSS. I am sorry to hear that, because I supported the fight that was made by the House, as best I could.

Mr. THOMAS. We appreciate the gentleman's help.

Mr. GROSS. I am sorry this battle apparently did not avail too much.

Mr. REUSS. Mr. Chairman, will the gentleman yield?

Mr. THOMAS. I yield to the gentleman from Wisconsin.

Mr. REUSS. I notice that the committee struck out a request of the Public Health Service for $2,761,000 to start site acquisition in the Washington area for a proposed environmental health center that would ultimately employ some 5,000 employees and cost around $70 million.

I want to commend the distinguished subcommittee chairman and the other members of the committee on both sides of the aisle for the judgment involved in that denial of an appropriation. It seems to me the decision is one in the best interest of the future of the Nation's Capital.

In the committee report, on page 3, there is simply set forth this language:

> While the House Committee on Appropriations is favorably inclined to the creation of a National Environmental Health Center, it is of the opinion that the Washington, D.C., site is an improper location.

Mr. Chairman, that leads me to the question which I desire to ask of the chairman of the subcommittee, the distinguished gentleman from Texas [Mr. THOMAS].

Just a week ago another committee of this body, the House Committee on Government Operations, in its report entitled "Criteria for Decentralizing Federal Activities From the Nation's Capital," suggested that a good rule of thumb would be that any Federal building or activity sought to be erected in the National Capital area be reviewed, and if it can as well, from the national standpoint, be constructed elsewhere in the 50 States of the Union, that is where it should be constructed.

The reason for the Committee on Government Operations' recommendation is to permit better planning for the National Capital, and at the same time to see that the Federal Establishment stays as close as possible to the people by being decentralized to the extent that this can be done without in any way impairing the effectiveness of the service.

My question is this, Is the criterion adopted by the House Committee on Government Operations the governing criterion which led to the decision of the Committee on Appropriations?

Mr. THOMAS. If my distinguished friend will yield, may I say to the gentleman that he always makes a good statement and always makes good sense. We are not trying to lay down any particular policy. We took a look at this and, sitting as a supplemental committee, we came up with this recommendation. My personal opinion is that I agree with my able and distinguished friend from Wisconsin 100 percent.

Mr. ROONEY. Mr. Chairman, will the distinguished gentleman from Texas yield?

Mr. THOMAS. I yield to the gentleman from New York.

Mr. ROONEY. I should like to say for the RECORD that I thoroughly disagree with the distinguished gentleman from Wisconsin.

Mr. JENSEN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, as always, I am not happy about these so-called supplemental appropriation bills. We have a law on the statute books, and it has been on the statute books for many, many years, and that law provides for heavy penalties and even jail sentences for agency heads who spend more during any quarter of a year than the regular appropriation provides. So, someone dreamed up this word "supplemental" a number of years ago, which word, of course, is in lieu of the word "deficiency."

So there is no law on the statute books which provides any penalties on any agency head who asks the Congress of the United States to spend the taxpayers' dollars for any reason on earth that might be his fancy to request. We have what we call a Subcommittee on Supplementals. This supplemental bill is no different than the other supplementals that have come before this House—we still call them deficiencies—since that subcommittee was instituted a number of years ago.

I must say that if it were not for the great patriotism and ability and fairness of our chairman, the gentleman from Texas [Mr. THOMAS] without a doubt this bill would be even larger than it is today, as is true of almost every supplemental bill that comes before his committee and then finally gets to the floor of the House. I may say this, that he spares no time or effort in questioning these bureaus, agencies, and departments that ask for these great sums of money for supplementals, or deficiencies, so to speak. But you see, Mr. Chairman, the members of the Subcommittee on Deficiency Appropriations are not as well acquainted with the functions of these departments, agencies, and bureaus that ask for these great sums of money, as the members of the subcommittees on appropriations which consider these agencies, departments, and bureaus in the regular annual bills. But they sit there in committee and listen to these agency heads and their staffs—sometimes as many as 25 come in at one time—and try as best they can to determine whether or not their requests are justified.

In this bill you will find supplemental requests for 14 agencies, bureaus, and commissions of government. We struck from the budget request some $243 million out of the $600-million-plus that was asked. Of course, those agencies that get nothing, after they had asked for millions upon millions, are not a bit happy. We reduced a number of them to zero; we reduced some of them by 50 percent, some of them by 75 percent, and some of them by 10 or 15 percent.

I must say that if I had my way there would be no Subcommittee on Deficiencies. Whenever a department or agency or bureau asked for additional funds over and above what was in the regular annual appropriation, I would send that request to the respective regular subcommittee to deal with that item, and those items which they know a lot about. I am satisfied that the establishment of the Subcommittee on Deficiencies, from which this bill originated, has cost the American taxpayers many dollars that would have been saved had the subcommittees which deal with these different agencies and bureaus of Government had the say as to how these supplementals should be dealt with.

I am also a member of the Subcommittee on Appropriations for the Interior Department. There are a number of items in here for the Interior Department. We struck out a number of them completely that we felt were not justified. The report starting at the bottom of page 5 explains those items quite in full, running to the bottom of page 7. I shall not take the time of the committee to read the report because I would just say what the report says. Anyone who is interested enough to take the time to read the report can then see why we did as we did.

So, Mr. Chairman, I am happy that we do have members on the committee that are also members of other subcommittees which deal with many of the items in this bill. My very able colleague, the gentleman from North Carolina [Mr. JONAS] is a member of the Independent Offices Subcommittee. The gentleman from Ohio [Mr. BOW], who is a member of the State, Justice, Commerce, and Judiciary Subcommittee of which the gentleman from New York [Mr. ROONEY] is chairman, is also a member of the minority on this Deficiency Subcommittee. They will speak on this bill as they feel best.

Mr. Chairman, I shall conclude my remarks by saying again that while I am not happy with this bill we did reduce the budget request by the amount of $243 million, which is not hay, as we say out in Iowa.

Yet, if I had my way it would have been reduced even more. But all legislation is a compromise and I have nothing but the highest praise for the gentleman from Texas [Mr. THOMAS], who handles a most difficult bill in a most able manner possible. I have nothing but the highest praise for all the other members of the subcommittee both on the minority and the majority. We sit day after day, week after week and month after month in these appropriation subcommittee hearings doing the best we can to hold the amounts down to as reasonable a figure as possible. I am quite proud of the fact that during the 20 years I have been a member of the Committee on Appropriations had the figures which the House Committee on Appropriations recommended prevailed, the Federal debt would have been in the neighborhood of $60 billion less than it is today, and your Federal income tax would be at least 15 percent less than it is today.

SPEAKER JOHN WILLIAM M'CORMACK—A TRIBUTE

Mr. THOMAS. Mr. Chairman, I yield to our genial friend, the gentleman from Rhode Island [Mr. FOGARTY], such time as he may consume.

Mr. FOGARTY. Mr. Chairman, there comes a moment in the life of the House of Representatives when combat and partisanship, and political and national and international issues, come to a solemn and a tranquil pause.

It is the end, if you will of a period of history in the life of the Nation. The work of the session, for weal or for woe, is finished or almost finished, and the wheels of legislation grind down to a halt.

Controversy and debate are gratefully suspended.

It is a moment when all of us, on this side of the aisle and on that, put away the weapons of our trade—not for always, because that would be fatal for the democratic process—but for a noble and edifying moment in the history of Federal legislation. After which the business of action in Government must begin again.

But this moment of passive and subdued suspension is a precious moment and I hold it to be sacred to us all.

It is a moment I like to think that is reserved for reflection and for self-evaluation.

Mr. Chairman, I like to think of it as a moment of truth in the purest sense.

It comes toward the end of every session of the Congress. It comes now as we approach the end of the 2d, and, of course, final session of the 87th Congress.

With the permission and I hope the earnest, perhaps even enthusiastic, acquiescense of the House I am going to seize upon this restful and thoughtful hiatus in the turbulent career of this 1962 session, to offer a tribute to as beloved and respected, admired and brilliant a personality as ever sat in this historic hall and graced the podium of the speakership.

Mr. Chairman, for once I represent no district, no section of no State. For once I speak for no bill and no piece of legislation. I have no amendments to offer, no arguments to make or to answer. Yet no pronouncement I have ever made calls so wholeheartedly upon my inmost feelings, as the pronouncements I feel I must make out of both duty and conscience. For to me, as perhaps to every Representative in this Chamber, the gentleman from Massachusetts, Speaker JOHN WILLIAM MCCORMACK, in this, his first tour of duty as the Speaker of the House, represents the fulfillment of a great American tradition.

Here, in this man, presides indeed, the ideal Speaker of the House.

This is why I renounce any parochial concept of the office of Representative to which I have been elected. This is why I want to feel that I speak for the whole House, for every district in the country, and for all the people of the land. It would do my heart good today, tomorrow, to the very last minute of this session if—other Representatives feeling as I do, would on their own, rise to make their obeisance of affection and respect to this remarkable citizen of Massachusetts who so fairly and impartially, with such consideration and understanding—and such consummate skill—wielded the gavel of his high office during this action-crowded and meaningful session.

We all know there are those in the outer margins of Federal legislation, in the press and the other news media, and some who are in the journalistic business of making what are called analyses, who will see the legislation of this session in a constricted light.

They see it not incorrectly, not even unkindly, but somewhat narrowly.

They see it like so many figures on a scoreboard, like a mathematical equation, like so many hits, runs and errors. There are those, fair in their way, who will look for the results in this session of Congress, like answers coming out of a computing machine. They will see it like so much legislation that was planned and pushed but failed to pass. They will see it like so much legislation that was, indeed, passed for the good of the country and is now on the statute books. And they will work out a sort of legislative balance sheet. It is the attitude of making profound legislative computations like ringing up so many dollars and cents on a cash register.

It is a process to which I have no real objection. It is the right of any citizen anywhere to arrive at his own estimate of what the Congress does or fails to do in the public interest or against it.

It happens to be my feeling that this 2d session of the 87th Congress achieved extraordinarily sound and desirable results within the orbit of its opportunity. It is even possible that, as I go on, I may mention a few of these results. But basically this is far from my purpose today. I would remind the country that this House is made up of a conglomerate group of highly individual, superbly independent, demonstrably competent Americans whose capacity for leadership has won them the places they hold here.

My purpose, rather, is to show that the leadership of this House in the person of the Speaker, in the character and capacity of the gentleman from Massachusetts, JOHN W. MCCORMACK, is in the hands of a man whose position in history was secure before this session began. Before he took up the gavel of the speakership he had already made his mark pronouncedly in the pages of the American story. Since he took the office to which we elected him he has in these months enormously strengthened it. Even those who, out of partisan blindness, or bad orientation, or out of what some call hard conservatism and others call bigotry, entertained fears of JOHN W. MCCORMACK'S management of the speakership, must now see him in his true and actual light. For there was not a syllable of his utterances, not so much as a single bang of his gavel during the months of his speakership and his leadership, that could in the remotest sense be construed as slanted, as unfair, or as unjustly weighted against one group of legislators in this House or another.

We are all aware of the dual role of the speakership since the days of the first incumbent—Frederick A. C. Muhlenberg, of Pennsylvania. He functions here in the role of the leader of his party and, yet, as the umpire, the referee between the parties and among the Representatives. He is what Lord James Bryce, before the turn of the century, said:

> He is usually the most eminent member of the party who has a seat in the House.

The dignity of the Speaker's office, said Lord Bryce, "stands next after the President and on a level with the Justices of the Supreme Court."

The Congress in 1947 confirmed the true rank of the speakership when it passed an act that President Truman signed. This made the Speaker the third in line and second in succession to the Presidency of the United States. To an office of such importance and magnitude, and to responsibilities so diverse and massive, one cannot apply some slide rule or arbitrary chart, some limited little measuring stick, saying this and this statute were passed and that and the other statute were held over. One cannot say so much of the program became law and so much fell by the wayside, and make that seem more than just one phase of the accomplishment.

It is my conviction that even here, in the legislative scoresheet, the results of this Congress, are rich in achievement and rank high in the constructive legislative history of our country. And on the level of this success the gentleman from Massachusetts, John W. McCormack, played a key and decisive role. It may be, and some no doubt will point it out, that under the dramatic pressure of crisis values—such as the famous hundred days in the era of Franklin Delano Roosevelt—more was accomplished in a given time. But that is hardly a fair estimate of the picture. For, indeed, if we study the significance of the legislation this House passed, its sweep and meaning, we shall find that substantively the 2d session of the 87th Congress, ranks high on any just comparison with the 87 Congresses that have gone before. It is, for the most part, with some disappointments that may freely be acknowledged, a do-the-right-thing Congress. And in his capacity as the first man of his party in this House, as Speaker, and as 1 of 437 Representatives, the gentleman from Massachusetts, John W. McCormack, lived up magnificently to the highest standards of American leadership in a post that is 1 of perhaps the 5 or 10 most important in the world.

The Speaker was, without a question of a doubt, the strong right arm of President John F. Kennedy in these Halls. He fought for the President's program, with many pronounced victories, every inch of the way demonstrating a skill and ingenuity that are the hallmarks of his leadership. But he did much more. And it is for this, mostly, that I rise to pay him tribute. He added to and enlarged the dignity of the speakership bequeathed to him in all its integrity and forcefulness by his great predecessor the late Sam Rayburn. The gentleman from Massachusetts, John W. McCormack, grew in the post to which we were all so proud to name him and added a new and remarkable dimension to his reputation for prudence, sound judgment, and meticulous and judicial rectitude. Even in his notable temperament as a fair and vigorous fighter for what he thinks is right he seemed to modify his nature to an even greater level of amiability and concession. When I say he grew in his role as a leader and an arbiter in the House, I mean that he exercised a remarkable gift for self-understanding. And where he felt it had to be done he adjusted his point of view, he modified and restrained, he reshaped his very nature, in order to model himself to the sometimes judicial aloofness that the speakership calls for when decisions have to be made.

This I say he did from my personal observation of the man and this I insist represents the highest order of human excellence. When in the years to come historians and biographers look for greatness in the men who presided over this House let them take note of this quality in the gentleman from Massachusetts, Speaker McCormack, and let them accord him the recognition, the applause, the encomiums he has so patently earned.

For what happened in this House during these months of the second session under the leadership, often the direction, and frequently the persuasion and guidance of the gentleman from Massachusetts, John W. McCormack, wins applause from us, his colleagues in this House, because many of us know how he went about his job.

We know how he fought.

We know how he conferred.

We know how he conciliated and compromised.

We know of his loyalty to the administration as a force behind a program, and of his loyalty as Speaker to President Kennedy personally, and as President of the United States.

No Speaker could have done more.

No Speaker could have done better.

And looking back over the pages of history from the beginning, back through the record, if you like, of the Founding Fathers, down through our own times, it is doubtful if—excepting a mere handful—there were many who could have done as well.

The gentleman from Massachusetts, John W. McCormack, made the institution of the speakership work harmoniously and smoothly with the institution of the Presidency. It stands out, a wonderful, indeed, a spectacular performance.

This 2d session of the 87th Congress represents achievement, politics being, as we are told, the art of the possible. And surely at every moment, in every crisis, at every strategic juncture, the gentleman from Massachusetts, John W. McCormack, Speaker of the House, was out front with the torch of legislative enlightenment. We Democrats and Republicans are many of us veteran enough to remember a famous but worn phrase which in this instance can be refreshingly summoned into use: "Let's look at the record."

Indeed, let us look at the record.

For this is a record not to sneer at, but to applaud. It is a record of success—I repeat, success—and no small part of that success is due to the cool appraisal, the healthy influence, the simple eloquence of the Speaker. It is a record that was accomplished in spite of the fact that much of it lacked the impetus that comes from extreme urgency and the drama of intense crisis, like the situation of the hundred days. But it was done and it stands on the statute books of our country as a record of legislation powerfully and meaningfully in the public interest and the defense of the United States and the free world.

Let us just sum up the legislation that bears the signature of the President and is now law—the accomplished fact:

There is, for instance, Public Law 87-415 making available $435 million over a 3-year period for the retraining of American manpower so that unemployed workers may become qualified to fill skilled jobs.

Is that in the public interest?

What can more directly affect advantageously some of the neediest elements in our population so that they can contribute to the American economy instead of draining it, and so that their productive strength can be added to what the economists call the gross national product? Here is a human value brought to fruition by enlightened legislation.

We have a law which this session of the Congress passed and the President signed, strengthening the enforcement provisions of the Union Welfare and Pension Plan Disclosure Act, and which we know as Public Law 420. Let me say only that it affords much better protection to the pensions of millions of American workers.

There are in the United States as I speak something over 54 million homes that have television sets. What comes out of these sets has been characterized a great wasteland. We here are not concerned with endorsing or condemning that presumably authoritative judgment. But we are concerned with improving TV so that those who wish it may have a wider range of choice. And this precisely is what this second session of the 87th Congress has provided for and President Kennedy has signed this measure into law.

Under this law the Federal Communications Commission is authorized to require television manufacturers to equip all new sets to receive ultrahigh frequency channels. Officially this is known as Public Law 87-529. It is a law that constitutes a vital change for the good of TV, its manufacturers and its broadcasters, for it helps to remove from the back of the industry a monkey of criticism heretofore formidably launched against it. It has enormous educational and cultural value for tens of millions of American viewers.

Of course I can go on like this, showing what the Congress in this session has done and what it has not done.

There is Public Law 87-503. This extends the normal corporation tax rate and certain excise tax rates. It provides also for the end of the tax on surface transportation. And it halves the tax on air transportation. As we know, air transportation is hardly the luxury it was once regarded and this provision will be a great help to a vital industry that badly needs Federal support along concrete lines. By the same token it means much to the traveling public and to executives and businessmen who are such constant users of transportation by flight. The end altogether of the tax on surface transportation is a desperately needed boon and was too long in coming. This Congress did the job that had to be done.

This is the Congress that expanded and liberalized Federal participation in State public assistance and child welfare under Public Law 87-563. Surely it is not necessary to detail the virtues of this measure because it goes to the heart of Judaeo-Christian ethics. Does anyone question whether a public responsibility as basic as this is in the public interest?

The same thing may be said in connection with the authorization by this Congress of up to $4,672 million for military and economic foreign aid. This Public Law 87-565 is a massive boulder in our wall of defense against the encroachments of an evil force that threatens to dominate the earth and to bury us. From the standpoint of my own convictions it is a small price to pay for the most precious values of a free society. This Congress by overwhelming majorities also gave the President standby authority for 1 year to call up 150,000 Reserves. And we all know that the struggle against communism is a prime motivating principle in the philosophy, the religion and the very life of the gentleman from Massachusetts, Speaker McCormack, and was indigenous to his career long before foreign aid became a fundamental tenet of American defense.

On the frontiers of outer space we have created in this Congress Public Law 87-624—the Communications Satellite Act of 1962. This provides for a privately owned corporation—under Government supervision—to launch and operate a worldwide system of communication relay satellites. The merits and demerits of the measure have been amply discussed, to say the least, especially in the other body. In effect the inherent idea means a tremendous organization with world-girdling facilities, for the dissemination of informaton to the whole of mankind. It is an instrument for incalculably strengthening the thinking of the free world.

And then there is the long overdue constitutional amendment outlawing the poll tax in Federal elections which, of course, is not yet public law, and which does not call for the President's signature. This is the amendment which must yet win the endorsement of three-fourths of the States before it can achieve ratification. But it was this Congress that took this basic and indispensable step toward a result so vital to the democratic process. This is the Congress that put the enactment machinery in motion so that the elimination of the poll tax in Federal elections is now a matter of final decision by the States, as called for by the Constitution.

This brings me to Public law 87-658 authorizing the President to allocate $900 million for job-creating public works projects in depressed areas, or sections of the country suffering from heavy unemployment. Here is another crucial piece of enlightened legislation that is profoundly in the public interest where the public interest is particularly vulnerable.

For a number of decades, since the early thirties, government on the Federal level has accepted this compelling responsibility on behalf of our people. It happens, I may add, to be a part of the philosophy of Government that has always had the wholehearted support of the gentleman from Massachusetts, Speaker McCormack. I doubt whether this Congress has ever had a harder fighting legislator dedicated to the task of eradicating poverty in this country than the gentleman from Massachusetts, John W. McCormack. This precisely is the task this measure, passed by this Congress, set for itself in the general program for ending joblessness.

Along with other measures too numerous and diverse to detail here this Congress passed the bill authorizing the President to lend up to $100 million to the United Nations—S. 2768. This, as we know, is a commitment, a responsibility, like honoring one's check. It is a commitment which up to now the Soviet Union, so far as its obligation is concerned, has dishonored. But our country and the Soviet Union operate—thank God—under different concepts of national integrity and of right and wrong.

There were other measures going through the legislative process as I was preparing this address. One, as you all know, authorizes the President to reduce tariffs in general up to 50 percent, to abolish tariffs on certain goods altogether, and to provide Government aid to U.S. industries and workers who may be disadvantaged by increased imports. It had passed both Houses, as I was assembling material for this comment on the Speaker, and was under discussion by the Senate-House committee for the adjustment of differences. It is a measure of the greatest possible significance to American industry and our economy and the strengthening of the free world.

Both Houses, also, had passed an extension of existing farm legislation for 1 year, and the House, as I wrote, had adopted the conference report, and was awaiting Senate action. This is a complex and a vexing problem which has had the deepest and the most thorough study of committees and experts. And the end is not yet.

There is other legislation on taxation which passed both Houses and which is vital to our economy and our budget. I have in mind H.R. 10650. This amends the Internal Revenue Code of 1954. It authorizes deductions from business taxes for investment in machinery. Our House bill also provides for withholding on dividend and interest payments. The measure is now in Senate-House conference. Here again we have a measure that is strategic and vital and that is wholly in the public interest and the interests of the U.S. Treasury and fair taxation.

The Congress also passed a bill—not yet law—providing for increases in first-, second-, and third-class mail rates. It limits the distribution of Communist propaganda through the mails—H.R. 7927.

There may have been disappointments in this Congress with regard to some legislation that many of us believe the country needs, but I would hardly call them failures. The worst that can be said is that there is a pause, a delay, a procrastination in the passage of legislation by this House and by the other body, legislation that ought now to be law. But in my judgment all that has happened is a prolongation of perhaps desirable debate. Aid to education and medicare call for further enlightenment of the American electorate. And it may very well be that in the end the country will have legislation that it needs and wants and that will be more carefully considered and the better drafted because of the delays and the obstructions, however undesirable they now seem.

Neither I nor, I know, the gentleman from Massachusetts, Speaker McCormack, think these delays and procrastinations and obstructions wise or helpful, nor would many of us in this House urge their continuance. But in the interests of the legislative process, indeed, in the interests of the democratic process, it is better to make sure that the legislation we all seek has the fullest accord of the country than to have steamroller tactics employed by the Speaker or by any of the committees of this House.

Here finally I come to another virtue of the Speaker of the House of Representatives in whose honor I make this brief address.

THE RECORD

Mr. Chairman, this and much that I failed to mention, is a substantive and a remarkable record of legislation. It reflects, I maintain, the high mind of the current leadership of this House not only in the Speakership but on both sides of the aisle. It is particularly significant of the noble aims and purposes, the distinguished management and the decency, of our Speaker, the gentleman from Massachusetts, John W. McCormack.

There is the legislation on defense and our enormous military budget and there is the support of the President by both bodies on the matter of Cuba.

We are a cohesive Government.

We are a loyal and a mature legislative body.

We are not given, I insist, to exploiting issues that touch our defense and our foreign affairs problems for mean and selfish political ends, even if here and there there may be occasional individual deviations from this principle.

In paying this tribute to the Speaker for adding a new dimension to his own personality since he assumed the speakership, I cannot forbear to pay a companion tribute to those nearest to him in the direction of party policy and initiative. If the stature of the gentleman from Massachusetts, John W. McCormack, has grown in this body and his posture, before the country, much likewise may be said of the gentleman from Oklahoma, Representative Carl Albert, the majority leader; and the majority whip, the gentleman from Louisiana, Hale Boggs.

This is a great triumvirate.

Their work has had and is going to have great significance for the history of this body and the eminence of the United States as the lead-nation of the free world.

Mr. Chairman, I look forward, as does this House, to your continued service in the eminent position with us that you now hold. We all trust and pray that many years are ahead for your leadership so that our country and the free world may be the beneficiary of your wisdom, your counsel and your extraordinary experience. Yet I am glad to testify as one of the Members of this House, reverently and wholeheartedly, that for your accomplishments up to this hour, for your dignity and your fairness in the administration of your leadership, and for the character of your performance since your first coming to this body with the 70th Congress, some 35 years ago, you are already counted among the immortals in the galaxy of American statesmen.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield to the distinguished majority leader, the gentleman from Oklahoma [Mr. Albert].

Mr. ALBERT. Mr. Chairman, first of all may I thank the distinguished gentleman from Rhode Island [Mr. Fogarty] for his kind words with reference to the leadership of the House of Representatives this year. But I am particularly happy that the gentleman has taken this time to pay tribute to our great and beloved Speaker. I am happy to join the gentleman in this tribute.

The gentleman from Massachusetts, John McCormack, is one of the great American statesmen of his generation, one of the great legislators of all time. His outstanding record made during his first session as the presiding officer of this House makes the words of eulogy with which the gentleman from Rhode Island has spoken most appropriate and timely.

John McCormack's success as Speaker was foretold in his distinguished record of 34 years of service in this House. His success in this House was likewise foretold by the manner in which he met his problems from the earliest years of his life. Fatherless at the age of 13, John McCormack became the chief support of his widowed mother and his sister and three brothers. He left school and worked by day; at night he studied law, and at the age of 21 was admitted to the bar of Massachusetts. The keen, analytical turn of mind which has characterized his service in this House was clearly in evidence during his early career as a trial lawyer in Boston. The perception and astuteness which have carried him to his present high office were already in the making when he won election to the Massachusetts Legislature.

In 1928, the gentleman from Massachusetts, John McCormack, came to the House of Representatives, the victor in a nine-man race. He was immediately marked as a "comer" and in his second term was named to the Committee on Ways and Means where he helped to shape many vital programs of the Roosevelt era which lifted from the Nation the grey curtain of depression.

In depression and in war, in peace, and in cold war, the gentleman from Massachusetts, John McCormack, for more than three decades has shared in the responsibility for the legislative decisions which have set the course of this Nation in both domestic and international affairs.

Named the first chairman of the Select Committee on Un-American Activities, the gentleman from Massachusetts, John McCormack, turned the spotlight of identification on the Communist menance. The Smith Act which came out of his committee to require the registration of all aliens has grown in significance over the years in direct proportion to the buildup of the Communist conspiracy.

A devout Christian gentleman who wears a Knight of Malta ribbon, the gentleman from Massachusetts, John McCormack, has repeatedly called the attention of the House and the country to the dangers of atheistic international communism. He has fought communism through the most militant support of a strong Military Establishment, through support of all programs designed to give this country overall leverage against the forces which seek her downfall.

When the gentleman from Massachusetts, John McCormack, was elected majority leader in 1940, the world horizons were clouded by war and the threat of war. Through trying years of stress, he fought side by side with the great Speaker Rayburn to cope with the problems of armaments and defense involved in this mammoth conflict.

With the coming of peace, the gentleman from Massachusetts, John McCormack, shifted gears and plunged on tirelessly to work for postwar economic restorations—the Greek-Turkey relief program, the Marshall plan, the North Atlantic Pact.

Not by chance or by accident has the gentleman from Masachusetts, John McCormack, attained the highest position in this House today. A devoted son of Massachusetts, he worked unceasingly for his district, yet never lost sight of the need to meet broad national problems as well. A Democrat of unquestioned fidelity, he has had an ear for the problems of all Members, regardless of political alinement or seniority, and he has earned the accumulated good will of years of consideration shown to his colleagues on both sides of the aisle.

It would be impossible to recount here the many events in the life of the gentleman from Massachusetts, Speaker McCormack, which have won him a place of distinction in the annals of this House, on the roster of his party, and on the list of the great and good men of history. The qualities which he brings to his job are greatness of mind, of heart, and of spirit. The achievements of his career have demonstrated a stature of of intellect, a breadth of vision, a wide-ranging compassion and a fighting spirit, which inevitably have led to the recognition accorded him by this House upon his election as Speaker.

The gentleman from Massachusetts, John McCormack, has presided over the House with dignity and decorum in keeping with great traditions of this institution. In the short course of a single session, he has joined the ranks of the most outstanding men to have served in the position to which he has acceded.

I have had the rare privilege of working closely with the Speaker on most of the problems which have come to his office during this session, and there have been many problems. He has brought to their solution the rare judgment, the fairness of attitude, and the deep understanding which time and experience and rare mature ability have honed to sharpest perfection. He has at all times been equal to the task and on top of the job.

The gentleman from Massachusetts, John McCormack, has served this House and the Nation effectively and well during his first session as Speaker. May the Almighty God bless him with good health, and bless this House and this country with the continued benefit of his guidance and leadership for many years to come.

Mr. LIBONATI. Mr. Chairman, it is with a deep sense of appreciation that we of the Illinois delegation join with our colleagues in extolling the contributions that our distinguished Speaker, the gentleman from Massachusetts, John William McCormack, has given to the people of this Nation through his years of service as a Member, leader and Speaker of this august body.

The Democratic Members of the Congress representing the State of Illinois under their beloved dean, Thomas J. O'Brien, have known of his virtues and abilities in statesmanship over the years—and this was reflected in the fact that the Illinois delegation was the first State delegation to unanimously endorse his candidacy for the speakership.

It is unfortunate that Mr. O'Brien is ill at this time and, therefore, unable to personally voice his personal sentiments as to the Christian character and brilliant oratorical forensics of his distinguished friend. But we can say that time and again when we of the Illinois delegation discussed the question of leadership in the House of Representatives, Mr. O'Brien said, "He is for us."—thus recognizing the gentleman from Massachusetts, Speaker McCormack's great loyalty to his friends.

Speaker McCormack is a humble and considerate man. He has a high sense of humility indicative of his early training and youth under humble circumstances. He has never refused to hear the troubles, problems or complaints of others regardless of the individual's standing whether important or not. He gives a straightforward answer without equivocation. His judgment is sound and based on the truth of the evidence. He is considerate of the feeling of others and commiserates with the unfortunate and underdog. He is a champion of people's rights and public causes. He never even in anger castigates a fellow human being. He is honest in his criticism and is not too proud to admit a mistake. He venerates the traditions established by the great men before him and never hesitates to give praise and compliments to a deserving person. His hand is always ready to help another. He is every deserving man's friend and helper. He stands firm for the things he believes and will guard his position against all odds. His courage is unmatched in opposition because of his high sense of sincerity of purpose. He is a real American citizen and patriot who does not unfurl the flag to pose among its folds in self-aggrandizement. The younger Members hold his genuine friendship in esteem as their adviser and tutor.

The gentleman from Massachusetts, Speaker John McCormack, as a lawyer, leader and legislator has developed through the tough and hurly-burly tumbling experiences of Boston's city streets. He struggled under tight financial circumstances to gain a foothold career in life. It is the story of struggles and deprivation of the ordinary necessities in life. We respect him in his greatness as a statesman. We admire him in his attainments and we love him for his high sense of humility and his inspiring religious image. Above all, we serve with a Speaker whose rare qualities of leadership reflect the great traditions of the Speaker before him, the immortal

Sam Rayburn, who ruled the House demanding decorum and strict adherence to the rules. The gentleman from Massachusetts, JOHN MCCORMACK, is his disciple. May God bless him and his lovely wife, Harriet, and keep them with us.

Mr. SLACK. Mr. Chairman, I join my colleagues in paying tribute to a truly great and good man, our beloved Speaker, the gentleman from Massachusetts, JOHN W. MCCORMACK.

He has lived up to the high standard of American leadership with the wonderful gift of deep understanding and fairness which he daily displays to the House membership. No Speaker could do more.

The achievements of his career and his statesmanship qualities gives him his rightful place in the ranks of the most outstanding men who have served as Speaker of this great body.

Mr. BURKE of Massachusetts. Mr. Chairman, I wish to associate myself with the distinguished gentleman from Rhode Island [Mr. FOGARTY] by joining with him in praising our great Speaker of the House, the gentleman from Massachusetts, JOHN W. MCCORMACK, for establishing one of the finest records ever compiled by a Speaker of the House in the history of our country. Speaker MCCORMACK assumed his duties at a time in our Nation's history when leadership was very vital. Trained in the halls of the Massachusetts Legislature where he served as a Member of the House of Representatives and later as a member of the Massachusetts Senate, the gentleman from Massachusetts, Speaker MCCORMACK, came to Washington with a solid legislative background. His years of service as a Congressman further developed the great talents in the man. As a member of the powerful House Ways and Means Committee, as majority leader and serving as the strong right arm of our late beloved Speaker Sam Rayburn the Honorable JOHN W. MCCORMACK earned the respect and admiration of Members of both sides of the aisle.

As Speaker of our National House he has presided with dignity and honor. He has served our Jresident, John F. Kennedy, with loyalty and fidelity. Speaker MCCORMACK has compiled a very impressive record. I need not cite the many progressive pieces of legislation that has been passed by the Congress because of his excellent leadership.

The Honorable JOHN W. MCCORMACK has already made his mark. His name will be recorded in our history books as a great American. The people of Massachusetts, his home State are proud of him. The people of his native city Boston love him and admire him. It is a great privilege to serve as a Member of Congress with a presiding officer of the caliber of the gentleman from Massachusetts, JOHN W. MCCORMACK. May the years be kind to him and Mrs. McCormack. God bless them both.

Mr. O'HARA of Illinois. Mr. Chairman, the speakership came to the gentleman from Massachusetts, JOHN MCCORMACK, late in his years and after a long and distinguished service in the House in peace and war. It came to him at a time when his heart and the hearts of his colleagues were heavy with the grief at the passing of the beloved Speaker Sam Rayburn. It bespoke the sentiment of the House, and the hold of the gentleman from Massachusetts, JOHN MCCORMACK, on the esteem and affection of his colleagues, that no other name was on anyone's mind when attention to duty, called upon us, in the midst of our grief, to give consideration to the selection of the successor in the speakership to one who for so long had been the strength upon which we leaned.

The gentleman from Massachusetts, JOHN MCCORMACK's hold on the esteem and affection of his colleagues on both sides of the aisle remains unshaken and unchanged as the first session of his speakership draws to a close. He himself has remained unchanged. Humility is the true unfailing index of greatness. In truly great men the sense of humility is more and more manifest as the succeeding steps in worldly success and acclaim are reached. As Speaker of the House of Representatives, as second in succession to the Presidency of the United States, the gentleman from Massachusetts, JOHN MCCORMACK, has shown the enriching quality of humility in a measure possible only with those who live in the spirit of self-abnegation and of service to their fellow men. He remains untouched and his greatness untainted by the vanities and pretenses of high and exalted station. He is as kindly, as approachable, to the lowly in position as to the highest.

In his first session he has performed the dual duties of his office in a manner that places him high in the company of the great Speakers of the past. He has presided over the House with parliamentary ability, tact and fairness, and with efficiency in the dispatch of business. He has met the challenge of party responsibility with a record of accomplishment that has seldom been equaled. The record of the House in the 2d session of the 87th Congress, when the going was not always easy, tells the story.

Mr. Chairman, as a Democrat, standing on the New Frontier, with faith in the future and that, under President Kennedy, our country will go to greater heights than ever we have known, I am proud of our Democratic leadership in the House. Speaker MCCORMACK, Majority Leader ALBERT, and Whip BOGGS, have measured up to every expectation. I join with my colleagues in a salute of congratulations, appreciation and affection.

Mr. EDMONDSON. Mr. Chairman, I ask unanimous consent that the gentleman from Maryland [Mr. JOHNSON] may extend his remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. JOHNSON of Maryland. Mr. Chairman, I rise today to express my sincere gratitude to a man who not only has personally inspired me, but has guided the House of Representatives through a trying period of history. Since coming to Congress, I have found the gentleman from Massachusetts, JOHN MCCORMACK, to be a real friend. I shall always be grateful for his many courtesies and assistance.

The great State of Massachusetts—the Bay State—gave to our Nation another distinguished son to take over the House leadership. A study of history will reveal Speaker MCCORMACK's State has produced more Speakers than any other. The gentleman from Massachusetts, JOHN MCCORMACK, is the seventh Bay Stater so honored.

The gentleman from Massachusetts, JOHN MCCORMACK, was elected to the Speaker's chair after 21 years of outstanding service as the House majority leader and a 33-year progressive record as a legislator. This is, indeed, an impressive record of devotion to his country.

I know of no one more qualified than the gentleman from Massachusetts, the Honorable JOHN MCCORMACK, to hold the high position of Speaker. His character, legislative experience, intellect, his proven ability as a strong leader has admirably fitted him for the arduous task as Speaker of the House of Representatives.

It is a fact well known to all of us that beyond and above experience and knowledge, the office of Speaker requires character. In a man character is measured, for the most part, by devotion to principle, industry in his work, integrity of action, compassion for his fellow man, and tolerance of the belief and causes of others who may differ with him.

With his devout faith in God and his sympathetic understanding of his fellow men, the gentleman from Massachusetts, JOHN MCCORMACK, possesses the spiritual qualities so necessary to the high position his office commands in our Nation. With his background of knowledge and experience, the gentleman from Massachusetts, JOHN MCCORMACK, has ably led the 2d session of the 87th Congress in national legislative responsibility through the gravest and most challenging period of our history.

I am sure all of us join in prayer that with God's help, the Almighty will grant continued strength and health to the man we all love, the gentleman from Massachusetts, the Honorable JOHN W. MCCORMACK.

Mr. BOLAND. Mr. Chairman, I want to associate myself with the remarks that the gentleman from Rhode Island [Mr. FOGARTY] has just delivered.

Seldom have I heard a finer tribute, more beautifully phrased, so neatly accurate and as well delivered as the tribute the distinguished Member from Rhode Island paid to the great and beloved Speaker of this House, the gentleman from Massachusetts, the Honorable JOHN W. MCCORMACK. And may I add, Mr. Chairman, no one is more deserving of this praise than the gentleman from Massachusetts, Speaker MCCORMACK.

Mr. Chairman, there is no doubt that Speaker MCCORMACK ascended to his great position at a most difficult time and under trying circumstances.

To follow Sam Rayburn to the exalted Speaker's chair was alone an almost unsurmountable task. The fine talents of

Speaker Rayburn, his strength of purpose, his spirit of dedication, his extraordinary sense of perception—the love, affection and regard in which he was held by the Members of this great body, all of these and more combined to compound the problems of his successor.

But, Mr. Chairman, the gentleman from Massachusetts, Speaker McCormack, was bound to accept and to meet with marked success, the great challenge that blanketed him. His whole character, his magnanimous devotion to his family, his friends, his church, his Nation, State and district—all tended to proclaim that a worthy successor had moved up to the highest position within the gift of the legislative branch of the Government of the United States.

Mr. Chairman, I need not run the litany of his accomplishments in the Halls of this body. They have been detailed many times before. Suffice it to say that they have been many and they have been great and good.

But I am delighted to have the opportunity, in the twilight and closing days of this 87th Congress, to add my voice in praise of the tremendous leadership that the gentleman from Massachusetts, Speaker McCormack, has exerted since the mantle of the speakership fell upon his shoulders and particularly during this long, arduous second session. When this 87th Congress passes and an account is taken of its accomplishments, it will be written that it, indeed, has been an extraordinarily good Congress that has etched a record that its Members can be proud of.

The leadership of this House is to be congratulated on the record that has been writ. And, of course, the man most responsible will be the distinguished Speaker McCormack. May I add that the spirit of cooperation between the Executive and the legislative branch has never been better. This comes as no surprise to those of us who know of the great respect and admiration that the Speaker holds for the Presidency. During his time as majority leader, and as Speaker, he has been the good right arm of President Kennedy in the administration's efforts to put through programs that reflected the philosophy of the Democratic Party and the Chief Executive.

Larry O'Brien, Special Assistant to the President for Congressional Affairs, has time and again indicated his gratitude and praise for the spirit of cooperation that reigns between the Executive and legislative. President Kennedy himself has acknowledged his appreciation of the Democratic leadership in the House.

And so, Mr. Chairman, we are coming to the close of this Congress—a Congress that emphatically proclaims and magnificently attests to the great leadership of this great body, the gentleman from Massachusetts, the Honorable John W. McCormack.

Mr. ZABLOCKI. Mr. Chairman, I wish to commend the distinguished gentleman from Rhode Island, Mr. John Fogarty, for calling to the attention of the House the many accomplishments of our beloved Speaker, the gentleman from Massachusetts, Hon. John W. McCormack. I want to associate myself with the gentleman's remarks.

It is indeed a great pleasure to join in paying tribute to our esteemed Speaker. During the gentleman from Massachusetts' [Mr. McCormack] colorful career of 34 years in Congress, he has served God, country, and his fellow man with distinction. As one of the most influential Members of the Congress, our Speaker played a vital part in the enactment of legislation affecting the domestic and international fields.

Upon his election as Speaker, some doubted the gentleman from Massachusetts [Mr. McCormack] would be able to fill the shoes of the great Sam Rayburn. Our Speaker proved these skeptics to be wrong. The gentleman from Massachusetts [Mr. McCormack] continued his distinguished and brilliant record as majority leader to his role as Speaker. He is a great leader, a great parliamentarian, a fair, just, courageous, and considerate presiding officer of the House of Representatives.

Mr. Speaker, it has been a great privilege and honor to serve with you. Your dedication to the welfare and interest of our Nation is an inspiration to all of us. You are a great leader and a great American. May the good Lord grant you and your beloved wife His choicest blessings and many more years of service as our Speaker.

Mr. MONAGAN. Mr. Chairman, I am happy to join my colleagues in paying tribute to our great Speaker, my friend, the gentleman from Massachusetts, John W. McCormack.

The gentleman from Massachusetts, Speaker McCormack, came to his present position after the service of one of our most famous Speakers in the history of the House of Representatives and there were some who feared that he might not live up to the record of Sam Rayburn.

I was not of that number and I am proud to say that my expectations have been fulfilled. The gentleman from Massachusetts, Speaker McCormack, has filled the chair of the House of Representatives with courtly grace which has won the approval and commendation of all Members on both sides of the aisle. His fairness, understanding, and his helpfulness have been notable.

Most important of all, however, he has contributed in substantial measure to moving forward, on behalf of the President and the Congress, legislation which has been dedicated to the welfare of the people of the United States. In doing this, he has risen above partisanship and above the petty temporary quarrels of political strife.

He will continue to lend luster to the third ranking office in the United States and he will, I am sure, be recorded in history as one of our great Speakers.

Mrs. KELLY. Mr. Chairman, to have served under your leadership during this session of the House of Representatives, the greatest legislative body in the world, has been a distinct honor and privilege. I am proud to call you my friend and thank you for all of the courtesies you have extended to me.

Your quiet, kind, and honest ways, giving each Member of this body a fair deal, are shining examples of the highest traditions of the House of Representatives. Your dedication to the President, as chief custodian of his legislative program, warrants the highest praise.

This has been a session of substantial accomplishment. Your hard work and your skillful management of the business of this House have been major factors in the progress we have made.

While you have served your Nation in the House of Representatives for 34 years, I still consider you to be a pioneer. You welcome new ideas, new challenges and enjoy working to implement them. There are no better qualifications for the high office which you hold.

I look forward to future sessions of Congress with the hope that I may, for many years, have the privilege of serving under your leadership.

Mr. COLMER. Mr. Chairman, I wish to be associated with the gentleman from Rhode Island [Mr. Fogarty], the majority leader, the gentleman from Oklahoma [Mr. Albert], and all of those who have preceded me in paying their respect to and confidence in our popular and able Speaker, the gentleman from Massachusetts, the Honorable John W. McCormack.

It has been my pleasure and privilege to serve in this body with the able gentleman whom we honor on this occasion for nearly 30 years. While I do not always find it possible to follow his leadership, I cherish the sincere personal relations and friendship which has existed for those three decades.

I can sincerely state that I have always found him to be a gentleman in every respect. Moreover, I can attest to the fact that in the discharge of his official duties as majority leader and Speaker that he is always honest and fair.

The gentleman from Massachusetts, John McCormack, is possessed of many virtues. He is not only a dedicated member of the Democratic Party, but he is a devoted churchman and friend. Mr. Chairman, I salute our Speaker, the gentleman from Massachusetts, John McCormack, on this occasion and wish for him a long and healthy life as he proceeds down the pathway of life with his charming, talented and devoted wife.

Mr. O'NEILL. Mr. Chairman, the Speaker of the U.S. House of Representatives holds a unique position.

He leads one of the few remaining parliamentary forums in the world today for expression of the will of a free people through their democratically elected Representatives. As such he is an important spokesman of the free world.

The speakership involves heavy duties and responsibilities. It also carries honor, prestige, and power ranked by historians and commentators as second only to that of the Presidency itself. And the Speaker is second in line of succession in event of disability of the President.

The Speaker and the President pro tempore of the Senate are the only officers of the National Government who, in effect, are twice elected, once by their home constituency and then again by their colleagues. As expressed on a bronze plaque in a lobby of the Capitol:

> Speakers of the House of Representatives of the United States, chosen by the people, honored by the preferment of their associates, these makers of history are memorialized as a tribute to their worth to the Nation.

In the 173-year history of our country under the Constitution of 1789 only 44 men were elected Speaker prior to this year.

The 45th man—our Speaker today—is JOHN WILLIAM McCORMACK, of Massachusetts, elected to the post January 10, 1962, at the start of the 2d session of the 87th Congress, succeeding the late Sam Rayburn of Texas.

Mr. McCORMACK, the seventh citizen of his home State to attain this honor, came to the speakership peculiarly well qualified by long experience to fulfill its varied and exacting demands of leadership.

For the Speaker is much more than merely the presiding officer of the House. His duties are manifold in character:

First. In the chair he is, as the House elected him to be, their servant, bound by the traditional code of rules to wield the gavel with impartiality and fairness to all, and to so conduct proceedings that the House performs its functions in orderly and expeditious fashion.

Second. Off the floor, as leader of his party, he works to enhance its prestige and to maintain its preeminence in power. This he does mainly by promoting enactment of legislation designed in the best interests of the country, calculated to win wide public approval and thereby to gain reelection of a majority for his party.

Third. At the same time, Speaker McCORMACK continues to serve his constituents of South Boston, comprising the 12th District of Massachusetts, who have loyally continued to reelect him every 2 years for 36 years, starting with his selection to fill an unexpired term in the 70th Congress in 1926.

Fourth. And finally, above and beyond all this, the Speaker is the chief administrator of an establishment of subordinate officials and employees—both elected and appointed—numbering well over 4,000, who serve the members of the committees of the House of Representatives. Jointly with the President pro tempore of the Senate he has jurisdiction also over other agencies of the legislative branch—which were created by and are creatures of the Congress: the General Accounting Office, the Library of Congress, Government Printing Office, and the Office of the Architect of the Capitol.

To this great task—at once judicial, legislative, and administrative, as well as political, in nature—Speaker McCORMACK has brought the wisdom, tact, know-how and historical perspective which are the fruit of nearly a half-century of public life.

JOHN W. M'CORMACK—PERSONAL

JOHN McCORMACK was only 13, and the eldest of three brothers, when his father died. He left public school to help support his mother and brothers, working as a newsboy, errand boy, and later an office boy for a law firm. There he read law and at 21 passed his bar examinations.

As a practitioner he was a highly successful trial lawyer, but preferred the political platform to the courtroom. He was one of the youngest delegates elected to the State constitutional convention in 1917. Later that same year he enlisted in the Army of World War I, emerging from the service as a sergeant major.

He won nomination and was elected to the State house of representatives in 1920–21 and 1922, followed by 4 years as a member of the State senate, where in the last 2 years of his service he was Democratic leader.

Mr. McCORMACK's talents as a legislator were recognized by Speaker John Garner, of Texas, and his aid, Representative Sam Rayburn, soon after the tall, lean Massachusetts man came to Washington. They helped start him up the ladder to leadership by backing his election to the Ways and Means Committee before he had served 2 terms. Few Members of Congress have won a seat on this all-important committee in such a short time.

The Rayburn-McCormack Democratic leadership alliance continued for 30 years. "JOHN and I have no secrets from each other," the Bostonian's predecessor has been quoted.

Speaker McCORMACK has always been in the forefront of battles for progressive and humanitarian legislation, was chairman of the first congressional committee to investigate extremist movements—Communist, Fascist, and Nazi alike—and was recently honored by the Washington Interfaith Committee for his years of effort in behalf of mutual understanding among all religious groups.

Mr. DONOHUE. Mr. Chairman, it is indeed a deep personal pleasure and privilege for me to join in this spontaneous tribute to my colleague from Massachusetts and our beloved Speaker of the House, the Honorable JOHN W. McCORMACK.

In my opinion, no man who ever served as a Member of this body has more exhaustively, more conscientiously, more patriotically or more effectively devoted his superior talents and abilities to the completely unselfish service of his country, his State and his district, than JOHN W. McCORMACK.

In preparation for his destiny as Speaker, JOHN McCORMACK fulfilled the most difficult and varied duties of majority leader with preeminent effectiveness through periods of national danger and peril for over 21 years. It is amazingly and universally recognized that throughout these long years, and despite the multitudinous burdens of leadership imposed upon him, JOHN McCORMACK still found time, with a willing spirit, to give patient counsel, guidance, sympathy and legislative courage to new Members coming into this House.

Even the newest Members here are well aware that there are mighty few, if any, men in the political life of the United States who have been tendered so many honors and decorations of all kinds and from every source in recognition of his exemplary character, extraordinary knowledge, dynamic leadership and patriotic dedication. All of us are equally aware that JOHN McCORMACK accepted these distinctions with his characteristically quiet humility and with the unselfish sense of these distinctions visiting honor upon this House generally and not himself personally.

In summary, this is the background of proven character, experience and attributes that JOHN McCORMACK brought into the discharge of the awesome responsibilities of Speaker of this House. It is not, then, a wonder, but more an expectation fulfilled, that we find in these closing days of the 87th Congress that under his inspiring and impartial guidance and ruling, the legislative achievements of these 2 years to be among the most constructive and impressive of any in our legislative history.

Because of the basic qualities and virtue consistently developed and demonstrated in public and private life, of indestructible integrity, unsurpassed competence of leadership and unswerving patriotic devotion, the name of our colleague from Massachusetts, JOHN W. McCORMACK, had already become a legend in our political life before the speakership of this House was bestowed upon him by his beloved colleagues. On his record, I confidently predict that JOHN W. McCORMACK will be recognized as one of the greatest Speakers who ever presided over this House, and his image will be forever enshrined in the most glorious pages of our national legislative history.

May the good, kind Lord continue to bless him, and his lovely and gracious wife, Harriet, with continuing good health through many more years of their devoted love. May divine providence further bestow upon this Nation the good fortune of preserving our Speaker's sustained leadership here for our eventual triumph over the Communist challenge still confronting us.

Mr. LANE. Mr. Chairman, before the 87th Congress passes into history, I want to express my personal thanks for the legislative skill, combined with consideration for the problems of individual Members, that has characterized the administration of the House during the first year of your speakership.

Your long apprenticeship as majority leader working with the late and highly regarded Speaker Sam Rayburn, during one of the most critical periods in the life of our Nation, thoroughly prepared you for your present responsibilities.

But the test that proved your talent and experience is your record of achievement in the 2d session of the 87th Congress. Against formidable obstacles you succeeded in winning approval for a large part of the administration's program.

Your strength in moments of decision has been enhanced by the example of your personal integrity. Representing a district which is close to yours, I know that you draw this strength from the people of Boston who are friends and neighbors rather than constituents. As Speaker, you are nourished by their qualities and thus honor the "voice of the people."

Every Member has learned much from your guidance. Sometimes, in concentrating on the problems of our individual districts, we tend to lose sight of the national interest. With your deep and abiding love for our country, you have taught us the effective and harmonious way in which these conflicting claims must be reconciled to arrive at the consensus which is the Government of the United States.

Your greatest satisfaction is that you have presided over the House of Representatives at the beginning of a new phase in domestic progress and international leadership.

The list of accomplishments during the past year is impressive. Of greater importance is the fact that they have opened the way for greater things to come.

The Nation is fortunate to have JOHN W. McCORMACK in the key position of Speaker, U.S. House of Representatives. His wealth of experience, his courage and understanding of the practical steps that must be taken to develop our Nation and to meet its responsibilities as the leader of the free world, inspire the Members of this House, and through them, the people, with confidence in the future.

We congratulate JOHN W. McCORMACK for the success he has achieved during his first term as Speaker.

To him and to his devoted wife Harriet we wish every blessing, now and in the years ahead.

Mr. PHILBIN. Mr. Chairman, I am pleased indeed to join with my able, distinguished and dear friend, Congressman JOHN E. FOGARTY, of Rhode Island, in his fine expressions concerning the outstanding Speaker of the House, the Honorable JOHN W. McCORMACK.

The greatness and goodness of our beloved Speaker is manifested to all Members of the House, to the Nation, and to the world. The House may well be proud of this illustrious son of Massachusetts, who is conducting one of the greatest offices of our land with such impressive dignity, impartiality, fairness, ability, and distinction.

It is clear that Speaker McCORMACK will go down in history as one of our greatest Speakers. His long, ripe experience in public life and in the House has given him an insight into every facet of the work of Congress, and the Government, as well as a superb knowledge of the great public questions with which the Congress is required to deal.

His mastery of parliamentary law and procedure, his warm friendships on both sides of the aisle, his ability to cooperate with leadership at every level, his eagerness to promote the public good at all times, to help and assist the Members of the House with problems of legislation and administration, and their own personal concerns, his meticulous fidelity to duty, unceasing labors in his difficult tasks and the great success which he has enjoyed as Speaker during this tremendously critical session, have won for him greatest respect, highest admiration, widest acclaim, and deepest gratitude.

With this great, experienced, knowledgeable, humane, effective leader at the helm, the country may be confident that the work of the Congress is proceeding with wisdom, sagacity, and judgment toward the high goals which the American people and the Nation have set to bring our ship of state through the turbulence of the hour into the calmer waters of peace, where human betterment and progress may bestow even greater blessings on our land, and untold benefits upon the nations and peoples of the earth.

I take great pleasure in congratulating my dear friend, Speaker McCORMACK, and wish for him and his most gracious, charming wife, Harriet, and his family, many more years of brilliant achievement for the House, the Congress, and the American people, and the free world. I hope the good Lord will shower upon them His choicest blessings, continued good health, success, and happiness.

Mr. FARBSTEIN. Mr. Chairman, since August 31 of last year, and especially since January 10 of this year, JOHN W. McCORMACK has demonstrated to the Members of the House the qualities which a Speaker should combine in himself. It is not easy for any one man to have such capacities. The purpose of the House is free, if limited, debate and the exchange of differing views of legislation; the Speaker's primary purpose is to facilitate procedure and keep order. At the same time, the Speaker is the leader of his party in the House, and he must exercise his strongest powers of persuasion on behalf of legislation which he believes essential to the public good, and he must do this without infringing his obligation to maintain the proper order of business in the House.

Speaker McCORMACK has measured up to his office most admirably.

If there is one thing that Members of both parties are in absolute agreement about, it is that the Speaker has shown the most scrupulous fairness toward every Member. He has recognized the right of every point of view to be heard, and the right of every Member who had something to say, to say it. He has never attempted to abridge the legislative process for the advantage of his party's aims, but has carefully guaranteed the full process of careful deliberation which the people expect of their representatives.

At the same time, Speaker McCORMACK continues to be a vigorous party leader, never a czar or a dictator, but an earnest and reasonable persuader, intent on converting the minds of others to the point of view which he considers to be in the best interest of the country.

If it might have appeared at the beginning of the session that legislative progress was slow, it was because Mr. McCORMACK refused to try to steamroller any program through the House. And the successes, such as the trade bill, which the President called a "terrific job" on his part, have been the fruition of the Speaker's capacity for democratic leadership.

The House can congratulate itself on having chosen JOHN W. McCORMACK as Speaker.

Mr. BOW. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, in following the gentlemen who have just spoken, I should like on behalf of myself and, I am sure, for the minority to express our appreciation for the courtesies extended to us by the distinguished Speaker of the House, the gentleman from Massachusetts, JOHN McCORMACK, who has followed many great Americans in the speakership of this House and, in following them, has shown that he is a great parliamentarian. He has been fair to the minority; we recognize him as a great American, and we join in wishing for him the best of health in his continued service.

He has followed a great Speaker of this House. Sam Rayburn was greatly beloved by all who served here. I think mine has been a better life for having served under, or rather, with Speaker Rayburn. I think that is the way he would prefer to have it said. I think those who serve with the gentleman from Massachusetts, JOHN McCORMACK, will feel the same.

It would seem that perhaps Massachusetts has a knack for statesmen. I have also served in this House under another great Speaker who came from the State of Massachusetts, the Honorable Joe Martin. I think Joe Martin has those same qualities of leadership that have been displayed by other Speakers of this House. He is fair and courageous. Although he has a great love of party, he has put aside party when the needs of the Nation required it. We can look at the history of all the Speakers and find that to be true.

I sincerely hope that the Speaker in the 88th Congress, a Republican, will show the same courtesy to the then minority as the majority now shows to the minority of this House.

Again, sincerely and from the bottom of my heart, I should like to express our appreciation of a great man, a great American and patriot, the gentleman from Massachusetts, JOHN McCORMACK. We hope that he and his beloved wife shall have many happy years together as he continues in the service of his country. May God bless them both.

Mr. HORAN. Mr. Chairman, will the gentleman yield?

Mr. BOW. I yield to the gentleman from Washington.

Mr. HORAN. I personally want to be associated with the thoughts expressed by the gentleman from Ohio [Mr. BOW].

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. BOW. I yield to the gentleman from Pennsylvania.

Mr. FULTON. I would like to compliment the gentleman on an excellent statement, and to be associated with his fine, complimentary remarks about our present Speaker, the gentleman from Massachusetts, John McCormack, as well as the two previous Speakers we have all known, Sam Rayburn and Joe Martin. These are three high-level men who have given us every opportunity to be heard whether we were in the majority or the minority.

May I point out one particular facet of the gentleman from Massachusetts, Speaker JOHN McCORMACK'S service to the House which has not been mentioned, that is, in the field of space. I served on the original Select Space Committee under the leadership of then chairman, the gentleman from Massachusetts, JOHN McCORMACK. I must say he was one of the biggest boosters for space research, and helped us get ahead in space as much as anybody I know, into our present situation where we are now orbiting our fine astronaut, Walter Schirra, for six orbits today.

In the early days of the space program there was much ridicule about it, but when the House set up a Committee on Science and Astronautics for space research under the leadership of the gentleman from Massachusetts, JOHN McCORMACK we made real progress.

I thank the gentleman very much.

Mr. BOW. Now I should like to return to the business before the House, this supplemental appropriation bill, and say to my colleagues that I believe the committee has taken out of this bill a considerable amount of money that can be saved for the taxpayers. If I had any criticisms at all of this bill I would have two. One is that in some instances the supplemental bill contains money to start new projects in various departments. I do not believe it is a proper function of supplemental appropriation bills to begin new projects. I think all new projects should be started by the regular subcommittees on appropriations. There are several in here that start new projects.

There are others here that should be here but are not because they are in bills of the other body. There will be the $100 million of United Nations loans. I think the other body passed $500 million in the accelerated public works project. It seems to me that all of these matters should originate here in the House of Representatives so that this House could work its will upon these bills rather than have them come back in conference, where we have no opportunity to work our will.

That would be my criticism of the bill.

Now there are several matters that some of my colleagues may have some difficulty with because of the cuts that were made in this bill. I would like to discuss them briefly.

One has to do with Health, Education, and Welfare on the question of educational television. I raised the question in the hearings on educational television. There was a request for $4,900,000 to get this program underway. Since we passed the educational television bill, a new system has been developed by the Federal Communications Commission which gives the possibility of 1,900 to 2,000 megacycle bands which would create about 20 bands for educational television and take it away from the present crowded bands of regular television. The important thing, I might say to my colleagues, is the fact that it would cost about one-third to one-fifth of what regular educational television would cost, thereby saving millions of dollars not only to the Federal Government but to the local school boards, local television operators, and others.

May I just quote what Commissioner Robert E. Lee of the Federal Communications Commission had to say about this new system:

> It may well be that if Bethpage, N.Y., will be to education what Kitty Hawk is to the aircraft industry, we can expect this to be a memorable day for the growth of television.

That statement was made in New York, at Bethpage, N.Y., when this new system was tried out and found to be workable.

I shall extend my remarks and put more details in the RECORD on this new program:

NEW ETV TECHNIQUE MAKES FEDERAL AID UNNECESSARY

Since the passage of the bill to provide $32 million Federal aid for educational television, the Federal Communications Commission has proposed a revolutionary new ETV service operating on the television broadcast auxiliary band 1990–2110 Mc/s. This new ETV service (called fixed station multiple address service by the FCC engineers) "offers the prospect of meeting all the reasonable requirements of educators." At the same time it will cost only a fraction of the conventional ETV station to purchase and install; and its operating expenses will be a drop in the bucket compared to either the conventional ETV broadcasting or closed circuit systems.

NEW SERVICE

A typical ETV fixed station service will be equipped, in addition to cameras and other studio facilities, with one transmitter which feeds programs into two broadbeam directive transmitting antennas attached to a schoolhouse chimney, which may reach less than 75 feet above ground level—no high towers are necessary. These antennas send a clear signal, according to the terrain, to between 30 and 40 miles, to be picked up by a receiver converter in each of the 20 or more schools in the district. These receiver converters, in turn, change the signal so that it can be tuned in and viewed on ordinary TV sets in the various classrooms.

If a greater range is desired, repeater translators may be licensed to do the job.

If desired, an ETV fixed station may interconnect with other ETV fixed stations or with commercial or noncommercial ETV broadcasting systems to receive or relay educational material.

ADVANTAGES

1. According to the FCC, the "total number of channels allocated for television broadcasting is inadequate to provide channels for broadcasting both educational and commercial, and still leave multiple channels for classroom instruction and other special users." The new service would take ETV for classroom and other special uses out of competition for the scarce television broadcasting bands needed for telecasting to the general public.

2. ETV fixed station signals will not play interference in the scarce spectrum channels and vice versa.

3. The new service is not intended to serve the general public. It is for supervised instruction in schools and colleges; in-service training of all sorts; advanced courses to help doctors, engineers, etc., to keep abreast of their professions; hospital and home courses for shut-ins or the temporarily ill. Converters for home use will be available for any eligible licensee.

4. The 1990–2110 Mc/s band provides some 20 channels for ETV and will permit the simultaneous transmission of a number of programs from the same originating location.

5. The cost of the new service is between one-fifth and one-third the cost of a moderately powered ETV broadcasting station.

6. Since the new service will be within the financial reach of every parochial school or college as well as every local school board, it will not pose a church-state problem.

7. Since the new service is limited in scope to the wishes of the eligible licenses, it is in the American tradition of local control of education.

What it will do is to give you a complete educational television band where schools can use it and it can be used for curriculum and so on.

I want to say in fairness that in the printed hearings, there is a statement credited to Mr. Nestingen, of the Health, Education, and Welfare Department, which actually is my own statement, and it shows him as putting the breaks on and going slow in bringing this up. Mr. Nestingen was, I may say, for the full amount of this appropriation and it is unfortunate that he was credited in the printed record with having said something that was my statement rather than his statement, and it might be misleading to those who read the RECORD. I want to make that correction and I will ask to have added to the RECORD a statement on that when we go back into the House.

I insert at this point the statement of HEW:

> A statement saying Federal financial aid for educational television is unnecessary was incorrectly attributed to Under Secretary Ivan A. Nestingen in testimony released today by the House Appropriations Subcommittee on Deficiencies, the Department of Health, Education, and Welfare said today.
>
> The statement, appearing on page 248 of hearings on the "Supplemental appropriation bill, 1963," was mistakenly attributed through an editorial inadvertence. The statement should have been attributed to Congressman FRANK T. BOW.
>
> Mr. Nestingen, in presenting the administration's views, testified in support of a budget request for $4,750,000 for grants for the current fiscal year (pp. 233–248 of the hearings) and strongly emphasized the need for these funds now.
>
> The funds were requested as a supplemental appropriation to provide Federal matching grants for the construction of educational television broadcasting facilities. The authorizing legislation was enacted by Congress in May of this year as an amendment to the Communications Act of 1934.

It would seem to me that this $2 million that has been allowed for educational television is sufficient funds to go ahead on a proper basis and we should go slow and not get into more extensive operations when this new development is coming along. I only remind the House that a few years ago we appropriated many millions of dollars for a certain system of navigational equipment for the airways of this country. I think we spent some $40 million or more on it. Within a year we found it was obsolete because of new developments. We do not want that to happen in this case, and that is the reason why we are calling this to the attention of the House and the country at this time.

The National Association of Educational Broadcasters, under contract with the HEW, recently published the results of the first nationwide educational television survey.

This survey found, to quote the HEW release, that "a primary concern was that this educational medium must reach far beyond the formal system of schools and provide opportunities for continuing education at every stage of life."

The survey also found that "the school systems of the country reported a greater need for educational television than the colleges and universities. More than 95 percent of public schools reported serious curriculum deficiencies or teaching needs. Most said that these could be met, or greatly helped, by broadcast television."

We know now that the new ETV service proposed by the FCC can take care of the needs of the school systems and of the colleges, much more effectively, economically, and satisfactorily than can broadcast ETV. I am convinced that the Congress no longer need concern itself with Federal aid for ETV in the schools and colleges.

This leaves only the problem of adult education, referred to as "enrichment" or continuing education, available to adults in their homes. This may be a legitimate field for Federal aid in ETV.

The Congress should recognize that the problem is much different and much more limited than we conceived it to be when the authorizing legislation was enacted.

In conclusion on ETV let me say—

First. It is cheap—initial investment and operational costs are considerably less than half those for either ordinary ETV broadcasting or closed-circuit using coaxial cables.

Second. It allows for several programs to be transmitted simultaneously.

Third. It is flexible. It is designed primarily for classroom use in schools within a 30-mile radius. Although it may be kept closed circuit, it may also act as a relay station for national broadcasts or other local broadcasts.

Fourth. Because it is flexible, school boards could do their own programing, using their own teachers; buy tapes of especially outstanding teachers for transmission over their closed-circuit system; or hook up on occasion with national networks or other local ETV stations as they choose. In other words, school boards would be in control of the ETV curriculum in the local schools.

Fifth. The FCC proposal to allocate the 2,000 megacycle band is in addition to the present FCC allocations for ETV broadcasting.

There is one other matter with reference to HEW that I am interested in. It was mentioned by the gentleman from Wisconsin earlier. That is with reference to the request that was made to build a new building in Washington for environmental health. This is a rather extensive project that they were going forward with. It seems to me, there was a great deal of duplication of what they anticipated and what is now being done at the Taft Laboratories at Cincinnati, Ohio.

The system at the laboratory in Cincinnati was built for these very purposes, and I was fearful that they might in some way disrupt the work going on in that great laboratory named after our great Senator, Bob Taft. I asked them to give me a statement of what they intend to do, what would be the future of the laboratory. They told me it was originally built to accommodate 375 to 425 personnel. They said they had from 400 to 500 people working there right now, leading me to believe that they were increasing the number of personnel in Cincinnati.

Upon checking their statement of 375 to 425 I found it was not correct. There are more than 1,200 employees in Cincinnati, rather than the 400 to 500. This means that they may be moving from this area some of these agencies. So I feel that they were not completely honest in their reply to me upon this question.

I might say further that they are now beginning to bring into Washington from various parts of the country personnel simply to try to show an increased personnel in Washington to try and justify this building in the District of Columbia. I think this is wrong. They ought to keep the personnel where they have them now, and not simply try to get new buildings for the transfer of employees from permanent posts back here to the District of Columbia.

Mr. Chairman, I think this is a good bill. The committee has saved some millions of dollars. I would like to just say this in closing, that the various departments of the Government should not in supplemental bills before the supplemental subcommittee attempt to put back into the bills money which has been denied them by the regular committees. This is wrong; it should not be done, but they have attempted in this bill and others where a regular subcommittee has denied funds, they have tried to get it in this bill. I think the departments should know that this is not the purpose of the supplemental subcommittee. I hope our committee will deny any request of that kind.

Mr. Chairman, I yield to the gentleman from Ohio [Mr. Clancy].

Mr. CLANCY. Mr. Chairman, I want to associate myself with the remarks of the gentleman from Ohio with respect to the environmental health center in Cincinnati. The committee should give favorable consideration to expanding the Taft Center in Cincinnati rather than building a new center in this area or elsewhere with the subsequent disruption of the lives of employees who have bought homes and established themselves in the Cincinnati area. The employees at the Taft Center have rendered valuable service to this country and have made great contributions to the welfare of our citizens. It would be unwise to move any part of this program elsewhere.

Mr. BOW. There are 1,200 employees in the Cincinnati area now, as I understand. That is where they have become established, that is where they should be working. I shall insist that they not cannibalize the Taft Laboratories to bring these people to Washington or elsewhere for the purpose of justifying the erection of a new building. This is where these people have established their homes. We should leave them there rather than bring them here simply to make a showing for a new building.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. BOW. I yield.

Mr. GROSS. I understand from reading the hearings that the Foreign Service Institute in the Arlington Towers apartment building is expanding all over the place. I do not know how many thousands upon thousands of square feet of space they have there. I wonder how long it will be before the State Department takes over this entire apartment layout.

Mr. BOW. If the gentleman will read the Record he will find that I have some concern about that too.

Mr. GROSS. Yes, and I am pleased to know he is watching this situation.

Mr. BOW. And it seems to me anything they do there ought certainly to be observed. We have spent a great deal of money there, and we are bringing in professors from all over the country to lecture our Foreign Service officers in that Institute. This seems to me to be completely out of line.

I share the gentleman's feeling that they should not spread out in such luxury apartments as the Arlington Towers. I think they certainly could handle this under the present situation.

Mr. GROSS. I understand the State Department is asking, for instance, for a $2,800 rug for the Seminar Room, whatever that is.

Does the gentleman think that would be a pretty expensive rug?

Mr. BOW. I would say it would be perfectly ridiculous to put any such rug in the Seminar Room.

Mr. GROSS. They are also asking for $700 worth of draperies for the Seminar and three study rooms. Is this the way this educational institution of the State Department is being operated?

Mr. BOW. I am afraid it has been plush in many instances, and I am opposed to that kind of expenditure in the Seminar Room. I think we could much better use that in other areas if we have to use it at all. What we ought to do is save it.

Mr. GROSS. I agree with the gentleman. I have looked at what I understand to be the Seminar Room, and I cannot see how in the world they can put nearly $3,000 worth of rugs in the Seminar Room.

Mr. BOW. All I can say is that the State Department can do amazing things at times. I am sure the gentleman has found all these funds where denied.

Mr. GROSS. They certainly can do amazing things.

Mr. BOW. And rather costly to the taxpayers of the country.

Mr. GROSS. I hope the gentleman and his subcommittee will keep a close eye on what is apparently going on in this Foreign Service Institute. I understand that right now they are knocking out more partitions and taking over more and more space in that apartment building.

Mr. BOW. I assure the gentleman we will watch it carefully.

Mr. GROSS. I thank the gentleman.

Mr. JENSEN. Mr. Chairman, I yield 10 minutes to the gentleman from North Carolina [Mr. JONAS].

Mr. JONAS. Mr. Chairman, I should like to comment briefly on some aspects of this bill. Over the years there may have been a few appropriation bills presented to this House in which budget requests were cut as much as this one, but I would say they have been few in number. Those who will consult the report of the committee will see that the cuts amounted to about 38 percent. That is a sizable reduction in any appropriation bill.

However, as the distinguished chairman of our subcommittee has pointed out, Members should not be under any illusions about the cut, because when this bill comes back from the other body and out of conference, if these additional items have not been added to regular appropriations bills in the other body, it will be substantially increased by an amount that will range from a half billion dollars to a billion dollars, because there remains to be appropriated money to purchase the U.N. bonds and to fund the emergency public works bill. Those items may come back here in other regular bills, as the chairman indicated they might, or they might be in this one when it comes from conference. At least it is safe to say while this is the last appropriation bill to come before this body during the present session, there will be substantial additional sums of appropriations that will be added on by the other body or in conference.

Something has been said during the course of debate by the gentleman from Wisconsin and by the gentleman from Ohio [Mr. BOW], and perhaps others, concerning the environmental health center that was proposed to be built in the Washington area.

The subcommittee eliminated the funds request for that project and suggested that consideration of the item go over until next year, to be handled by the regular subcommittee which handles appropriations for the Department of Health, Education, and Welfare.

Mr. Chairman, the item in question amounted to only $2.7 million. But do not be misled about that. This Environmental Health Center is supposed to cost eventually about $70 or $80 million, the first increment of which was to be only $34 million. This was made clear when the Department witnesses were before the subcommittee, and the $2.7 million requested by the Department in this bill was to be used only for the purchase of a site and to employ architectural engineers to prepare plans and specifications.

Mr. Chairman, it seems strange to me that the Department should undertake to add to the vast complex of Government installations in the Washington area and be willing to spend $3,000 an acre for 440 acres of land, at a cost of about $1.32 million, when an adequate and even better site in my judgment has been offered by the State of North Carolina through our distinguished Governor, free of charge to the Government, at what is known as the Research Triangle in North Carolina. This Research Triangle is an area of land, in a triangle formed by the University of North Carolina at Chapel Hill, Duke University at Durham, and North Carolina State College at Raleigh. This is an ideal location for the Environmental Health Center, and has all of the necessary supporting facilities in the way of scientists, engineers, medical schools, and all of the other things that the agency witnesses said they would require. These are all available within a stone's throw of where the Center would be built.

Mr. Chairman, all of these factors, plus the fact that the land would be donated to the Government free of charge, at a savings to the taxpayers of $1.32 million in site acquisition alone, with an additional savings of about $6 million in the construction of the first increment building of the Center, if the Governor of our State is correct in his statement in the brief which he filed with the subcommittee that construction costs in our State are approximately 20 percent less than those in the Washington area, would seem to me that the Research Triangle site in North Carolina would be ideal for this facility and much superior to the site selected in the Washington area.

Mr. Chairman, I was very pleased when the subcommittee decided to reject the item this year and pass it over for consideration next year in a regular bill to be handled by the subcommittee which handles the appropriations for the Department of Health, Education, and Welfare. This delay will give the Governor of North Carolina and other supporters of the Research Triangle site another 4 or 5 months to try to sell the Public Health Service on the advantages of the North Carolina site.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. JONAS. I shall be happy to yield to the gentleman from Iowa.

Mr. GROSS. First of all, I should like to commend the committee for the 38-percent cut in the budget figures. I point out, however, at the same time that with the $100 million U.N. bond issue matter still dangling, along with the $500 million for the accelerated public works program, this could very well have been a $1 billion deficiency appropriation instead of a $400 million-plus. But I do commend the committee, because I think we ought to be thankful around here for small favors when it comes to trying to save some of the taxpayers' money.

Mr. JONAS. Mr. Chairman, I think the record ought to show that we are dealing here not with regular appropriations, because all of the regular appropriations have heretofore cleared this body.

Mr. GROSS. That is right.

Mr. JONAS. These requests for funds, and the funds to be appropriated in this bill, are to be superimposed upon the regular bills that have already cleared this body. It amounts to additional spending, whether it is $400 million or $800 million or $900 million, as the case may be, if the bill included the United Nations bond money and the public works money which will come back over here from the other body.

Mr. GROSS. And this is the third deficiency appropriation bill of this session, is it not?

Mr. JONAS. Yes, that is correct; and the session is not yet over. I hope it is the last we will have during this session.

Mr. GROSS. Mr. Chairman, if the gentleman will yield further, I should like to commend him for his opposition to spending $3,000 an acre for a site for the environmental health center. I appreciate very much his efforts to stop that and to carry it over until another year when perhaps we may find this health center can be located at a place where at least the land acquisition will not cost the taxpayers anything.

Mr. Chairman, will the gentleman yield further for a minute or two?

Mr. JONAS. Mr. Chairman, I had hoped to be able to yield to the gentleman from Michigan [Mr. MEADER] if I have sufficient time.

Mr. THOMAS. Mr. Chairman, I yield 2 minutes to the gentleman so that the gentleman from Iowa may complete his statement.

Mr. GROSS. Mr. Chairman, I thank the gentleman.

Mr. Chairman, I never cease to marvel at the hearings and the efforts it takes to drag the facts and the truth out of some witnesses, particularly those of the State Department. I think the Members might be interested, if they have not already read it, in this little colloquy that took place in the subcommittee that handled this bill:

Mr. Bow. What are you going to pay these professors?

Mr. ORRICK. They get an honorarium of $100.

Mr. Bow. One hundred dollars a day?

Mr. ORRICK. No, sir; total.

I do not know how many lectures each will give. Dr. Millikan gave seven.

Mr. Bow. He gave seven lectures for $100?

Mr. ORRICK. Yes—$100 each.

Mr. Bow. One hundred dollars each?

Mr. ORRICK. Yes.

Mr. Bow. You paid his expenses to come here?

Mr. ORRICK. Yes.

Mr. Bow. What was the total cost?

Mr. ORRICK. $200. One hundred dollars per lecture and per diem and travel estimated at $100.

So what started out to be $100 for seven lectures turned out to be seven times that plus transportation.

Then on page 488 of the hearings there is this colloquy:

Mr. ROONEY. You had rent in the regular 1963 budget for the chancery operation in Buenos Aires, did you not?

Mr. LEWIS. Yes, sir.

Mr. ROONEY. Are we to understand that this $148,400 is an increase?

Mr. LEWIS. No, sir. This is the total amount of the lease.

Mr. ROONEY. But there was money in there. We have been paying rent in Buenos Aires for years, have we not?

Mr. LEWIS. Yes, sir.

Mr. ROONEY. This $148,400 is on top of that, is that correct?

Mr. LEWIS. That is right.

Mr. JONAS. Mr. Chairman, I am glad the gentleman has called attention to that colloquy. It proves that the members of the subcommittee were on the job and, while it is very difficult sometimes to pull all of the information we need out of the witnesses, we do the best we can.

Mr. GROSS. That is what I am trying to point out; it is often necessary to dig deep to get something out of them.

Mr. ROONEY. Mr. Chairman, will the distinguished gentleman from North Carolina yield?

Mr. JONAS. I yield to the gentleman from New York.

Mr. ROONEY. I should like to ask the distinguished gentleman from North Carolina if it was not on such testimony as that to which the gentleman from Iowa has referred, that the committee saw fit to make very substantial reductions in the budget requests?

Mr. JONAS. That is correct.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. JONAS. I yield to the gentleman from Iowa.

Mr. JENSEN. It must be said now that with the exception of one or two members the Subcommittee on Supplemental Appropriations did not know about it until the $100 million United Nations bond item had been sent to the Senate and the $900 million public works bill of the President had been sent to the Senate. I certainly did not know, and I know that all the other members did not know.

Mr. ROONEY. If the distinguished gentleman will yield, I am familiar with the procedure with regard to the $100 million United Nations bond issue. I was asked about it and my judgment was that it should first be considered in the Senate. Perhaps I was right, perhaps I was wrong. But I did know about it and was consulted about it by the clerk of the full committee.

Mr. JENSEN. I know the gentleman knew because he said so in the committee. There was one other member that knew about the public works item, but to my knowledge only two members, the gentleman and another one, knew that that item had been sent to the Senate.

Mr. JONAS. Irrespective of where the requests for the bond money and the public works money are now, they are not in this bill.

I can say in my judgment to the members of the Committee today that this is a good bill. It has been substantially reduced under the requests made in the budget. The reduction is 38 percent. I think this bill deserves the support of the members of the Committee of the Whole this afternoon, and I commend it to them.

Mr. JENSEN. Mr. Chairman, I yield the balance of my time to the gentleman from Michigan [Mr. MEADER].

Mr. MEADER. Mr. Chairman, I have asked for this time to call the attention of the committee to an amendment I propose to offer on page 1 of the bill. Strangely enough for me, this amendment will increase the amount of money in the bill, but not by a large amount; $250,000.

Mr. ROONEY. Mr. Chairman, will the gentleman yield?

Mr. MEADER. I yield to the gentleman from New York.

Mr. ROONEY. Is the gentleman now contending that a quarter of a million dollars is peanuts?

Mr. MEADER. Well, it is much less than many of the amounts we deal with.

I want to call attention to the reason for offering this amendment and offering it at this late stage. Michigan has been infested with the Japanese beetle. I have a picture of the bug here. It is a pretty-looking insect but it causes havoc to the crops. There are 80,000 acres in my congressional district along the Ohio border that have been infested with this beetle.

The reason for the lateness in bringing this to the attention of the Congress is that a trapping program was conducted throughout the summer which was only completed in the early part of September of this year. The State of Michigan is prepared to put up $250,000 to match the $250,000 from the Federal Goverment for an eradication program. In case this is not done, undoubtedly the area will be quarantined, and we will be spending money on stopping the transportation of fruits and vegetables, and so forth, which will be costly but will not make any inroads on the basic problem.

I think this is a meritorious amendment, and I hope it receives the support of the committee. When the amendment is offered I shall go into further detail, and when we get back into the House I will ask permission to insert further material which will show in detail the necessity for this program at this time.

Mr. THOMAS. Mr. Chairman, when we get back into the House I am going to ask unanimous consent that all Members may have 3 legislative days in which to extend their remarks at the proper point in the RECORD in connection with the many fine words that were said about our beloved Speaker, the gentleman from Massachusetts, JOHN McCORMACK.

In that regard may I say, Mr. Chairman, by any yardstick you want to measure him by, and I have watched him carefully for 25 years, he will go down in history as one of the great men of the 20th century and, certainly, one of the greatest legislators this House has ever had. But I do not want to stop there—I want to talk about that McCormack team—I want to say something about our beloved and distinguished friend, my personal friend and yours, the minority leader, the gentleman from Indiana, CHARLIE HALLECK, and his very able right hand man, the gentleman from Illinois, LES ARENDS. Over here there is another part of this McCormack team, our beloved majority leader, the gentleman from Oklahoma, CARL ALBERT, and our very able and genial friend the gentleman from Louisiana, HALE BOGGS. Where in the world are you going to beat that team? May I say that the good old United States of America is very, very fortunate in having these five able men to take care and to deliver for them during these perilous times and at all times.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated out of any money in the Treasury not otherwise appropriated, to supply supplemental appropriations (this Act may be cited as the "Supplemental Appropriation Act, 1963") for the fiscal year ending June 30, 1963, and for other purposes, namely:

Mr. THOMAS (during the reading of the bill). Mr. Chairman, I ask unanimous consent that the bill be considered as read and be open for amendment at all points.

Mr. CURTIS of Missouri. Mr. Chairman, reserving the right to object, I would like to speak for 5 minutes under the 5-minute rule.

Mr. THOMAS. Our friend will certainly get that time.

Mr. CURTIS of Missouri. Well, I would not be able to as I do not have any amendment. I want to strike out the last word.

Mr. THOMAS. My friend from Missouri will be able to get the time under the 5-minute rule.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. Are there any points of order?

The Chair hears none.

For what purpose does the gentleman from Michigan rise?

Mr. MEADER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MEADER: On page 1, after line 7, insert the following:

"DEPARTMENT OF AGRICULTURE

"*Agricultural Research Service*

"Salaries and expenses

"For an additional amount for 'plant and animal disease and pest control', $250,000."

Mr. MEADER. Mr. Chairman, as I explained briefly in general debate this amendment would add $250,000 for plant and animal disease and pest control intended to be used in Michigan for Japanese beetle eradication and to be matched by State funds on a 50–50 basis.

Mr. Chairman, a survey conducted from July to September this year trapping Japanese beetles disclosed approximately 80,000 acres in Monroe and Lenawee Counties in my congressional district to be infested with the Japanese beetle. Until a few days ago, I was unaware of this condition and, of course, until the survey was completed, no one was aware of it.

The eradication of these pests is urgent and must be undertaken promptly to prevent spreading and infestation of this rapidly multiplying, hitchhiking, flying insect, and to protect other areas in the State of Michigan, and to prevent the problem from reaching a magnitude where control would be extremely costly, if not altogether impossible.

Another factor of urgency is that the treatment of the soil must be undertaken between October 15 and November 1 this fall. It must be done before the ground freezes and before snow falls to be effective.

If this work is not done, this area and additional areas to which the infestation may spread will have to be placed under a costly and onerous quarantine, requiring inspection, fumigation and certification procedures, but failing wholly to deal with the basic problem, the existence of the infestation.

This program is an emergency which could not have been foreseen and is singularly appropriate for inclusion in this supplemental appropriation bill.

Mr. Chairman, I have received urgent requests from my congressional district and the State of Michigan pleading for assistance by the Federal Government in helping the State meet this problem promptly and effectively. I include two telegrams at this point in my remarks:

LANSING, MICH.,
September 28, 1962.

Congressman GEORGE MEADER,
House Office Building, Washington, D.C.:

It is of major importance for the welfare of the Michigan nursery industry and the citizens of the State that the Japanese beetle matching fund by United States be made available at once to allow soil treatment at this time. Michigan vigorously opposes a quarantine as the only alternative.

MICHIGAN ASSOCIATION OF NURSERYMEN,
VIC BERESFORD, *Executive Secretary.*

MONROE, MICH.,
October 1, 1962.

Congressman GEORGE MEADER,
House Office Building, Washington, D.C.:

Referring to information furnished you by George McIntyre, State department of agriculture, relative to Japanese beetle infestation in Monroe and Lenawee Counties. In order to prevent a restrictive quarantine being placed on infested area it is necessary to conduct control program that must be completed by November 15. Quarantine on this diversified area would mean heavy financial loss to growers in area, and eventually entire State. Committee signing message were selected at meeting of growers in area with State department of agriculture officials. We have met with members of State legislature and department of agriculture officials and have reasonable assurance that State funds will be available for control program, providing that 50 percent of cost can be shared by Federal funds. Estimated cost of control program is $500,000. Control program in infested area is imperative to protect spread of pest to balance of State. Will appreciate your efforts to make available $250,000 of Federal funds to match State funds for this control project. Secretary Freeman on recent visit to State was advised of seriousness of this problem. Seriousness of Japanese beetle problem could not be determined until close of trapping season. Trapping program conducted by State department of agriculture results made known September 15.

HAROLD MORRIN.
DELMONT CHAPMAN.
ROY FITKIN.
LOREN BLUM.
DONALD DROUILLARD.
BERNARD COUSINO.

Mr. Chairman, this morning I received a 3-page letter from Mr. George S. McIntyre, director of the Michigan Department of Agriculture, containing the facts and justification for this requested appropriation, which I include at this point in my remarks:

MICHIGAN DEPARTMENT OF AGRICULTURE,
Lansing, Mich., October 2, 1962.

Hon. GEORGE MEADER,
U.S. Congressman, Old House Office Building, Washington, D.C.

DEAR CONGRESSMAN MEADER: On September 19 I wrote you about the Japanese beetle infestation in Michigan. I also discussed this with you over the telephone. You will recall that I stated there was one major infestation in Monroe and Lenawee Counties comprising approximately 80,000 acres, one small area of 1,200 acres in Berrien County, and a few small spots in other parts of the State. The Berrien County Board of Supervisors has appropriated money to treat the 1,200 acres in Berrien, and the department with the assistance of the U.S. Department of Agriculture will treat all the other locations in the State except the 80,000 acres in Monroe and Lenawee Counties. It is this latter area that causes us some very real concern and the reason I am writing to you.

The site of the Monroe-Lenawee infestation is on the Michigan-Ohio border and extends into Michigan as much as 6 miles in some places. Ohio has long had Japanese beetle in the Toledo area but has elected to do nothing about it. We in Michigan therefore are exposed to infestation of the beetle from Ohio without being able to protect ourselves from it.

Starting about July 1 each year Michigan carries out a trapping program to locate Japanese beetle. Traps are set at appropriate places. Each trap contains an attractant which will attract Japanese beetle for some distance. If a beetle or beetles are found in a trap the soil in a 300-foot radius around the trap is hand treated with aldrin or dieldrin unless it is in a generally infested area such as the 1,200 acres in Berrien County or the 80,000 acres in Monroe and Lenawee Counties. In these areas treatment is applied by aircraft.

The first infestation was found in Monroe County in 1959. Approximately 15,000 acres were treated that year. The Monroe Board of Supervisors appropriated close to $39,000 to purchase the material used. The cost of application was paid for by the State and the U.S. Department of Agriculture.

In 1960 an additional 40,000 acres were found needing treatment. Costs of this were paid by the State and the U.S. Department of Agriculture. No major infestations were found in 1961. However, due to a population explosion by the Ohio infestation and the disappearance of aldrin residue from the soil from the previous years' treatments, approximately 80,000 acres were found infested in 1962.

Because the residue from dieldrin usually lasts from 3 to 5 years in the soil as compared to 2 years for aldrin, its use is being recommended this year. The estimated cost of the material and treatment is $480,000.

Michigan found its first Japanese beetle in 1932. Through a trapping and treatment program the State has been kept clean of beetles until now. Japanese beetle attacks 250 to 275 different kinds of plants and is not only of economic importance to farmers but is also of importance to people living in the cities and urban areas as well because it also attacks turfs, shrubbery, trees, etc.

Since the trapping program runs from July 1 to September 1 and sometimes later, it is impossible to know exactly the areas of infestation until after the close of the trapping season. This year as soon as the areas of infestation and the problems confronting us were known (August 29) we discussed the matter with the Governor, not only to apprise him of the situation but to also learn his wishes insofar as treatment was concerned. It was then discussed with the commission of agriculture at its meeting on September 5. It was the opinion of both the Governor and the commission that every effort should be made to treat the infested areas. To do so however required funds for which no provisions had been made by either the State legislature or Congress because there is no way of knowing the needs for such funds until after September 1 when the trapping program has been completed.

This situation was discussed with farmers and residents in both the southwestern and southeastern parts of the State. They have insisted that the area be treated.

What are the alternatives to treating the infested area in Monroe and Lenawee Counties?

If this area is not treated this fall a quarantine will be placed covering the movement of any fruit, vegetable, grain, hay, or whatever it may be that is capable of carrying Japanese beetle from the quarantined areas into an unquarantined area. This will mean that all such commodities will have to be treated and carry an inspection certificate showing treatment to have been made or to have been inspected and to be free of Japanese beetles. As severe and costly as a quarantine will be, it will not stop the spread of Japanese beetle to other areas of the State. It will only slow up its spread. Next year the infested area would be larger and in a short time the entire State would become infested and under quarantine. Not only will there be a spread if treatment is not carried out this fall but the problem will be so large after this fall that we do not believe it will be feasible to attempt treatment in the future. We must act now.

It is easy to see the economic hardships involved under a quarantine. There are several thousand acres of tomatoes in Monroe County that are sold to processing plants located outside of quarantine areas. These tomatoes would have to be treated before shipment. In some areas nurseries have had to move out of quarantined areas because of the costs caused by the quarantine.

It is estimated that the cost of treating this area will be $480,000. We believe the U.S. Department of Agriculture has an obligation to provide funds for one-half the costs since we are vulnerable to an infestation in Ohio from which Michigan is defenseless and from which neither the U.S. Department of Agriculture nor Ohio is doing one single thing to protect us. Members of the Michigan Legislature have stated they will make State money available only if the U.S. Department of Agriculture will provide funds to cover one-half the cost of treatment.

Time is of the essence. Treatment must be made between October 15 and November 1 this fall. It cannot be done in the spring because of pasturelands, and other crops that will be growing. It must also be done before the ground freezes and before snow falls. Funds must be made available immediately. If Federal funds are available the State will provide its share.

Please call me if further information is needed.

Sincerely,

G. S. MCINTYRE,
Director.

Mr. Chairman, I have also discussed this problem with officials in the Department of Agriculture, and this morning received a summary on the Japanese beetle from Mr. W. L. Popham in the Agriculture Research Service of the U.S. Department of Agriculture, which I incorporate at this point in my remarks:

JAPANESE BEETLE

The Japanese beetle attacks more than 200 species of agricultural, horticultural, and ornamental plants among which are such crops as grapes, peaches, apples, beans, corn, and others. It damages lawns, turfed areas, and garden plants.

The Japanese beetle was first found in this country in a nursery at Riverton, N.J., in 1916.

By 1918, 40,000 acres in that general area were infested and attempts were made to eradicate the beetle. This attempt failed because at that time there was no practical eradication treatment.

Without a satisfactory eradication procedure, State and Federal authorities decided that every effort should be made through quarantine and control work to delay spread to uninfested parts of the country. A Federal quarantine was invoked in 1919.

This program has been successful in delaying the spread of this important pest throughout the United States; however, in spite of the effectiveness of this work the infestation through natural spread has now reached into southern Michigan, eastern Illinois, and northern counties of Georgia and Tennessee. There are small infestations in East St. Louis, Ill.; St. Louis, Mo.; and Sacramento, Calif. These small infestations are under eradication treatment .

The Japanese beetle was first found in Michigan in 1932 in the city of Detroit. It has been found periodically since that time in several other cities but through a prompt eradication program by the State and Federal agencies infestations have either been eradicated or have been completely suppressed. This program has had the active support of the fruit and vegetable growers, the nursery industry, and the farmers and urban homeowners.

In 1959 and 1960 there was a buildup of the Japanese beetle population in the Toledo area of Ohio and from this area it spread across the line into Monroe and Lenawee Counties in Michigan. There was also buildup of the South Bend area of Indiana, and there was some spread from there into Berrien County, Mich. During the period 1959–61, 85,000 acres were treated, principally in these three counties, with funds provided by the Federal, State, and county governments to eradicate the beetle.

The eradication of Japanese beetle infestations each year as they have been discovered in Michigan has precluded the need for costly yearly quarantine compliance by the industry, in order to ship their products and the need for widespread use of insecticides on the affected farms and in the urban areas to control this pest.

Since the 1959–60 outbreak, extensive surveys have been made throughout the State to determine any recurrence of the Japanese beetle. In 1962, the trapping program revealed infestation again in Monroe and Lenawee Counties on about 80,000 acres, and 1,000 acres in Berrien County. The seriousness of the problem in Michigan could not be fully appraised until the end of the trapping program in September when the full extent of the 1962 spread was known.

This is a serious problem area. Based on past experience with this pest it can be assumed that without prompt eradication effort the beetle will build up and spread throughout the State. Eradication treatments to be effective in such situations should be applied in the fall of the year. There is strong public support for an aggressive program to deal with this problem.

The current Japanese beetle situation in Michigan is cause for alarm considering that the State is one of the major producers of nursery stock, fruits, and vegetables which are prime hosts of the Japanese beetle.

Similar infestations, but which are not so extensive, also occur in Illinois, Tennessee, and Missouri. These are infestations beyond the area of general infestation which should be eradicated promptly if spread is to be prevented into other parts of these States, and into other uninfested States.

Mr. Chairman, I hope the committee will adopt this amendment.

Mr. THOMAS. Mr. Chairman, will our able and distinguished friend yield just for a moment?

Mr. MEADER. I am glad to yield to the gentleman.

Mr. THOMAS. I realize that our friend here is a little bit at a disadvantage because he did not have an opportunity, I assume, to present this to the committee, but I know he realizes the committee is at a disadvantage too because the first time we heard about it was an hour ago, from our able friend. He did pretty well under the circumstances and, of course, my friend knows I am not fussing because I know that you do have a bad problem and we want to help.

I would like to ask our colleagues on the committee having jurisdiction of this matter whether they have had an opportunity to examine this problem.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. MEADER. I yield to the gentleman.

Mr. WHITTEN. All I can do is to say that I have talked to the author of the amendment and have served for some years as chairman of the committee which recommends funds for the work that we have tried to do in eradicating the Japanese beetle. The latest information is that the Department has some $760,000 for this work in the pending bill for agriculture. Also that bill includes $1,500,000 for outbreaks of pests for fiscal year 1963.

I do think that in this area it would not be remiss to grant these funds, but I think the Department has to be certain as to whether they wish to set out on an overall effort to control the Japanese beetle. It cannot be limited to a local situation. Unless adjacent States and the whole Federal Government work on this problem, history shows there is little chance of controlling it by just working in one place.

Mr. THOMAS. If the gentleman from Michigan will yield further, may I ask the gentleman from Mississippi [Mr. WHITTEN], and the gentleman from Minnesota [Mr. ANDERSON], the gentleman from Washington [Mr. HORAN], would it be possible for the committee to accept this amendment now and then take it to conference and rely upon your judgment and the judgment of other distinguished Members? And if it develops that this is serious and there is no money for it, then we accept it; otherwise we reserve the liberty of throwing it out in conference. Does that make sense?

Mr. WHITTEN. This was not called to our attention as a separate problem. It was before our committee, of course, along with the regular activities. May I say to the gentleman from Michigan, it would be perfectly agreeable, and I think good business, if we carried it to conference. Then I would suggest that members of the committee confer with Department of Agriculture officials and see if they could use this money under a sound approach to this problem.

Mr. THOMAS. Will the gentleman yield briefly to the gentleman from Washington [Mr. HORAN] that we may hear from him?

Mr. MEADER. I yield.

Mr. HORAN. I am in favor of allowing this amendment, because I think the State of Michigan has shown excellent judgment and good faith in offering to appropriate $250,000 of their own money to make a line operation against the Japanese beetle, which is very, very destructive to crops.

There is right now perhaps some $50,000 of Federal funds that might be applied by the Federal Government on this. There is $760,000 that we carry every year largely for M. & O., salaries, and expenses, and that sort of thing for use anywhere there is an emergency.

The CHAIRMAN. The time of the gentleman from Michigan [Mr. MEADER] has expired.

Mr. FORD. Mr. Chairman, I ask unanimous consent that the gentleman from Michigan [Mr. MEADER] may proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. FORD. Mr. Chairman, I am strongly in favor of the amendment of the gentleman from Michigan [Mr. MEADER]. With the $250,000 in this amendment and the funds promised by the State of Michigan the Japanese beetle problem in our State can be handled.

This is a critical problem in southeastern Michigan but there are other areas in the State where there is evidence of Japanese beetle infestation. There is some evidence Kent County has Japanese beetles. This is serious and action must be taken immediately.

I hope the amendment is approved.

Mr. HORAN. Mr. Chairman, will the gentleman yield further?

Mr. MEADER. I yield.

Mr. HORAN. The gentleman from Mississippi mentioned $1,500,000 emergency funds. They will not be available for this purpose.

I am in favor of this, but I do want to point out this fact which was raised by my colleague from Mississippi, it does very little for one State to put on a forthright program such as Michigan, unless the adjoining neighboring States do likewise.

I do think our great Committee on Agriculture legislation should make a study of this matter, and I think that a law is in order making it mandatory that uniform practices be had by every State, not only Michigan, but the surrounding States. I say this because in my own State of Washington during the depression years the State passed a law which made it possible for the State to bring a bulldozer into a commercial orchard and push over trees that were infested. This had to be done because a good, conscientious orchardist might protect his own orchard from pests to no avail if his neighbor neglected his property.

Mr. THOMAS. Mr. Chairman, will the gentleman yield briefly for a question?

Mr. MEADER. I yield.

Mr. THOMAS. Our friend, the gentleman from Washington, has spoken. I would like to know what our able and distinguished colleague on the other side, the gentleman from Iowa [Mr. Jensen], thinks about it.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. MEADER. I yield.

Mr. JENSEN. I, of course, have not made a great study of the Japanese beetle.

Mr. THOMAS. None of us have.

Mr. JENSEN. It is starting to spread to my State. However, we are not hurt too much yet. The Japanese beetles fly far and fast, and they multiply mighty fast. I know, as most everyone does, who knows anything about the problem, that we must head this infestation off or they are going to be really a problem.

So I am very much in favor of curbing the infestation of this destructive beetle.

Mr. THOMAS. Mr. Chairman, without objection, the committee will accept the gentleman's amendment. We will take it to conference, and if anything develops in conference we can throw it out.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. Meader].

The amendment was agreed to.

Mr. CURTIS of Missouri. Mr. Chairman, I move to strike out the last word, and I ask unanimous consent to speak out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CURTIS of Missouri. Mr. Chairman, I want to call attention to the fact that yesterday, maybe most Members now know it, we amended the National Defense Education Act of 1958 by striking out subsection (f) and inserting in lieu thereof several lengthy paragraphs. This is in reference to the disclaimer affidavit about which there is considerable controversy.

The question comes up, How could a thing like this occur by unanimous consent? At this time in the session we frequently have these unanimous-consent requests without anyone taking the mike and it is hard sometimes to know what they are. This was not programed, it was not on the whip notice, as far as I can find out. The people concerned with this as members of the Committee on Education and Labor on our side, primarily concerned with this jurisdiction, were not notified.

Mr. GRIFFIN. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and two Members are present, a quorum.

Mr. CURTIS of Missouri. Mr. Chairman, this Senate amendment to a House bill amended the National Defense Education Act. Actually, the committee that had the bill was the Science and Astronautics Committee, because the original bill was an amendment to the National Science Foundation Act.

You will find all of this on page 21728 of yesterday's Record. This was called up by the chairman of the Committee on Veterans' Affairs, the gentleman from Texas [Mr. Teague], although I do not know whether he was acting in that capacity. He asked unanimous consent on the three bills immediately preceding this for consideration. These bills had to do with veterans' affairs. Then this particular bill was called up which did not deal with veterans' affairs. Then, immediately after, another bill dealing with veterans' affairs was called up.

I do not happen to have strong feelings on this particular issue, although I do know many of the people I represent do. Many Members of the House do. Certainly this matter is quite controversial.

Let me show what the Senate amendment does, for the information of those who are concerned in the other direction.

It imposes a criminal penalty for whoever violates this, and they shall be subject to a fine of $10,000 and imprisonment for not more than 5 years, or both.

Mr. Chairman, the point is that if we can bring matters onto the floor of the House in this fashion, which I am sure the leadership on both sides know are controversial, without it having been considered by the committee which should consider it, then we have lost control of the legislative process.

Mr. Chairman, on the next page in the Record we find some very interesting letters exchanged between the chairman of the House Committee on Education and Labor, the gentleman from New York [Mr. Powell], and the chairman of the Committee on Science and Astronautics, the gentleman from California [Mr. Miller], in which the jurisdiction of the House Labor and Education Committee is in effect waived by the gentleman from New York, Chairman Powell.

These letters are dated September 26, 1962, and September 27, 1962.

Mr. Chairman, the House billion which this was a rider was passed in the closing days of the last session, on September 6, 1961, on the Consent Calendar, without effective notice being given at that time, I might say. For over a year the bill has been sitting in the other body, apparently just waiting until this stage of the session of the House.

Gentlemen, I have said before, and I repeat, unless we adhere to proper procedures in this Congress, government by law has disappeared. If this kind of procedure is to be followed it is going to require those of us who are trying to be faithful to our duties to have to object to all unanimous-consent requests. We should be able to rely on the leadership of the House to show more concern for the Members' representation and the people of this country, than to slip through a bill so far reaching and so controversial in this kind of fashion.

Mr. FRELINGHUYSEN. Mr. Chairman, will the gentleman yield?

Mr. CURTIS of Missouri. Yes, I yield to the gentleman from New Jersey.

Mr. FRELINGHUYSEN. Mr. Chairman, I should like to say to the gentleman from Missouri [Mr. Curtis], that I agree with the gentleman from Missouri in saying that this is far from an ideal way in which to consider a matter of real consequence. I do think it fair to point out, however, that this change in section 101(f) does not affect the loyalty oath provision of the National Defense Education Act or the National Science Foundation Act. It eliminates the so-called Communist disclaimer affidavit, and substitutes criminal charges in place of that provision.

Mr. Chairman, there was a brief discussion, but not until yesterday, in the Committee on Education and Labor, at the urging of some of the minority members of that committee, about this question.

The gentleman from Missouri referred to a letter which the chairman of the full committee wrote to the Science and Astronautics Committee——

Mr. CURTIS of Missouri. Yes; this letter is in the Record.

Mr. FRELINGHUYSEN. On page 21729, in which Mr. Powell said time did not permit our committee to take direct action on this. That is not quite accurate. We could have taken action yesterday. But had we done so, we still would not have had an opportunity even in committee for a full discussion. Of course, as the gentleman has pointed out, there was no discussion, no legislative history made yesterday on the floor.

I might say that I was in the Committee on Foreign Affairs yesterday; I arrived on the floor of the House at 12 minutes past noon, and found that action on the Senate amendment had already been taken.

I do think this matter was of sufficient importance to have been considered directly, and at some length in the House. I might add also that I think the language to be substituted for the disclaimer affidavit represents an improvement, but I regret that there was not at least some discussion of the changes in the National Defense Education Act.

Mr. CURTIS of Missouri. Mr. Chairman, I urge all of my colleagues to look into this particular procedure and come to their own conclusions.

Mr. TEAGUE of Texas. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the Record.

The CHAIRMAN. Is there objection to the gentleman from Texas?

There was no objection.

Mr. TEAGUE of Texas. Mr. Chairman, the gentleman from Missouri [Mr. Curtis] is critical of the manner in which H.R. 8556, to amend the National Science Foundation Act of 1950 to require certain additional information to be filed by an applicant for a scholarship or fellowship, and for other purposes, was passed.

Mr. Chairman, the gentleman from Missouri implies that this bill was considered in a way that was something less than complete frankness with the Members of the House. Mr. Chairman, first it seems only common courtesy that if any Member expects to criticize the actions of another Member of the

House that he would so inform that Member before making the remarks. This, the gentleman from Missouri [Mr. Curtis], did not do.

Mr. Chairman, some 10 days ago the gentleman from California [Mr. George P. Miller], chairman of the House Committee on Science and Astronautics, contacted me and asked if I, as the second ranking member of that committee, would call this bill up as he was to be out of town. I first called the staff of the Science Committee and instructed them to inform the minority members of the committee concerning this bill. Inasmuch as the other body had attached an amendment which applied to legislation originating in the House Committee on Education and Labor, I contacted this committee and was informed that the gentleman from Connecticut [Mr. Giaimo] was the person to contact. I spoke to the gentleman from Connecticut [Mr. Giaimo] and later went to the minority side of the House and contacted the gentleman from Pennsylvania [Mr. Fulton], the senior minority member on the Science Committee. I contacted the gentleman from Ohio [Mr. Ayres], who is a member of the Education and Labor Committee but was not able to locate the gentleman from Pennsylvania [Mr. Kearns] nor the gentleman from New Jersey [Mr. Frelinghuysen].

Early yesterday morning, I called the gentleman from Connecticut [Mr. Giaimo] and asked that he clear this with members of the minority on the Education and Labor Committee. He informed me that the committee was meeting that morning and would discuss it then. He called me later and advised that the bill had been discussed and that it would not be objected to. I was also called by a member of the committee's staff and informed that the bill was discussed and had been approved.

I discussed the bill with the Speaker, with the majority leader, and with the gentleman from Indiana [Mr. Halleck], the minority leader. I was told by the gentleman from Pennsylvania [Mr. Fulton] that he had contacted minority members of the Education and Labor Committee and that they agreed on the procedure under which the bill was to be considered.

Mr. Chairman, I had heard that the American Council on Education objected to this legislation and inquired of the council and was furnished a letter signed by Mr. Logan Wilson, saying that they approve of the legislation. I had heard that the gentleman from Pennsylvania, Mr. Francis Walter, had some objection to this bill. I contacted the gentleman from Pennsylvania [Mr. Walter] and was advised that he was in agreement and would support the legislation. If I had had any idea, Mr. Chairman, that the gentleman from Missouri was interested in this legislation I would have contacted him but I believe that every Member of the House will agree from my statements above that I did everything that any Member should be expected to do in clearing a bill. It is impossible to contact every Member of the House on a unanimous-consent request.

Mr. Chairman, the gentleman from Missouri makes a point of this unanimous-consent request being made at the same time that unanimous-consent requests concerning veteran bills were made. Mr. Chairman, I had five requests for concurrence in Senate amendments and one request for conference and this is the order in which the requests were made. Mr. Chairman, for the benefit of the gentleman from Missouri and to keep him fully informed, I shall advise him of any unanimous-consent requests pertaining to legislation which I shall make in the future.

Mr. GROSS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, it is just possible that I will not take the 5 minutes. I do so because I ran into an item in the bill under "International Organizations and Conferences, Missions to International Organizations," providing $12,000 for the Interparliamentary Union, the junketing organization for Members of Congress that has been close to my heart for a long time because of the spending for no good purpose.

Is it not true, I ask some member of the committee, that the Interparliamentary Union got $15,000 earlier? That this is $12,000 more? Is it not true that these junketeers wheel out MATS planes to take them wherever they want to go for these so-called conferences?

Is that about correct, I would ask my friend, the gentleman from New York [Mr. Rooney]?

Mr. ROONEY. If the distinguished gentleman from Iowa will yield, that is correct. But I should like to point out to the distinguished gentleman from Iowa that in my humble estimation the Interparliamentary Union Conference is one of the most effective means of achieving better relationship between the parliaments of the world. I have attended some of these conferences. I have not been to one in many years; but I never worked so hard in my life in a week or 10 days as I did in 1948 at the one in Rome, Italy.

Mr. GROSS. Mr. Chairman, I know the industry of the gentleman from New York, and I hope that is the story with all of the other delegates, but I am fearful that it is not.

Mr. ROONEY. Has the gentleman ever attended one?

Mr. GROSS. No.

Mr. ROONEY. The gentleman has been invited?

Mr. GROSS. Yes; the gentleman nominated me once.

Mr. ROONEY. I certainly did; and I wish the gentleman had gone to the conference that year because he would have realized that this expenditure of $27,000 is worthwhile.

Mr. GROSS. I understand the schedule that was developed or announced yesterday for this year's meeting of the Interparliamentary Union. I note that the delegates are going to Brasilia, the new capital of Brazil, and they are going by a circuitous route, as I understand it they are going by a circuitous route to get there and then by another circuitous route to get home. They are apparently going to do a little junketing as they go and come, I will say to the gentleman, if he will read the schedule for this year.

Mr. ROONEY. I do not know whether that is the correct word or not—"junket." I never liked it. However, the gentleman always uses it. I think that when one goes on official business, as a Member of the House of Representatives, that it is not junketing.

Mr. GROSS. Whether it is a junket depends on what the Member does and accomplishes. Mr. Chairman, I notice that the Peace Corps is going to have what is called a "middleman's" conference. And where do you suppose the so-called middleman's conference is going to be held, beginning on October 10, just a few days from now? It is going to be held at the luxurious Dorado Beach Golf Club, on the Caribbean, 25 miles from San Juan, P.R. That is the same hotel where the distinguished gentleman from New York, Mr. Adam Clayton Powell, had a minimum wage conference not so long ago and did not invite the Republican members of his committee to participate in that conference. I am not here appealing for sympathy for the Republicans who were left behind. I note that Laurance Rockefeller, who owns this sumptuous hotel, with rates beyond the average traveler, has made a special rate of $28 per day for the "middleman's" Peace Corps conference, this down-to-earth organization that was not going to cost the taxpayers anything. This was to be a labor of love, a sacrifice on the part of everybody connected with it. I notice that Vice President Johnson, the State Department's Walter Rostow, Edward Murrow, and R. Sargent Shriver, and others, will be on hand for the "middleman's" conference. I do not know how many of these are "middlemen," but they are going to be there to enjoy hotel accommodations at $28 a day.

Mr. ROONEY. Mr. Chairman, I should like to point out to the distinguished gentleman that that hotel in Puerto Rico was also visited by our distinguished Governor of the State of New York, "Nels" Rockefeller.

Mr. GROSS. I pointed out at the start of my remarks on this subject that it is the kind of place where people with the kind of money the Rockefellers have would be staying.

Mr. ASHBROOK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Ashbrook: On page 5, strike out lines 16 through 23.

Mr. ASHBROOK. Mr. Chairman, I would like to take a few moments here to reiterate some of the points made by my distinguished colleague from Ohio [Mr. Bow]. Those of you who took the time to read these hearings, and they are very interesting hearings, found on pages 242 to 249 some rather interesting statements regarding the educational television program.

I should like to compliment the gentleman from Ohio, the gentleman from North Carolina [Mr. Jonas] and the gentleman from Texas [Mr. THOMAS]. They have pointed out that there is probably not any need for this $2 million which has been requested to implement the educational television program. Indeed, they reduced the bureaucrats' request from $4,250,000 to the $2 million figure.

The reason for this reduction, I think, is well summed up by Mr. THOMAS on page 248:

> Mr. THOMAS. What Mr. Bow is trying to caution you on is to go slow and get your feet squarely on the ground, and that is what we all want you to do. You cannot do it in a year. This is a big field and is a field that no doubt will grow, so take your time. We will not rush you. We will help you in due time.

The point I would like to make to the committee is the fact that next year would more appropriately be "in due time," as the gentleman from Texas put it, because we already have had the testimony that the Federal Communications Commission has announced a program which would call for less expansive programs assuring local control and could offer educational television to the schools without the cost that is shown by the people who were promoting this program.

On page 246 the gentleman from Ohio [Mr. Bow] asked a very penetrating question, and I may say in reading the hearings that the gentlemen on both sides of the aisle asked very good questions. The gentleman from Ohio [Mr. Bow] said:

> It seems to me it would be well that the State and local school boards and educators generally be advised of this new development.

I might inject here that he is talking about the Federal Communications Commission's statement that you can have a 2000-megacycle television band at less cost.

The gentleman from Ohio [Mr. Bow] said, and I repeat—

> the State and local school boards and educators generally be advised of this new development so that they would have knowledge that something is in the making that would be less expensive to them. Have you done anything about that?

Here was the answer he received:

> Dr. BYSTROM. To my knowledge there has been no general information by the Office of Education on the 2000 megacycles for the reason I stated, that the Federal Communications Commission still is in the midst of acting on it.

I would suggest that if you look at the Federal Communications Commission document, they are much further than being "in the midst of acting on it," as Dr. Bystrom put it. They have made statements that this bill will be a workable program and in fact have pointed out that it holds great promise.

What we are doing here again is to take a new program and start it by supplemental or deficiency appropriations rather than waiting to get the full hearings that would properly be taken through the regular appropriations process next year. It is always questionable legislative procedure to start new projects or programs by this so-called supplemental process.

This is one of the areas I have studied very closely. As every Member of the House knows, there are always one or two specific areas in which you will have a particular interest and look at very closely. Educational television is one of those areas on which I have spent a great deal of time.

I happen to believe, and I do not think this is an alarmist statement, that this is one of the best means we can possibly have for developing a system in the hands of the national bureaucrats for putting their ideas out into every classroom in the country. It is very difficult to control 120,000 school districts, but it it relatively easy to control 5 or 6 central education television networks. I happen to believe, for all the points made by the gentleman from Texas [Mr. THOMAS], the gentleman from Ohio [Mr. Bow], and the gentleman from North Carolina [Mr. JONAS], that we would do well to delete this proposal right now and let it come in next year and stand on its own two feet under the regular appropriations process rather than sneak in through the back door.

Mr. BRUCE. Mr. Chairman, will the gentleman yield?

Mr. ASHBROOK. I yield to the gentleman from Indiana.

Mr. BRUCE. I should like to commend the gentleman from Ohio for his foresight in offering this amendment. I think certainly those who believe and have spoken eloquently on the subject of preserving local autonomy and control in the field of education would find this amendment much to their liking. Not only does that raise the possibility of a vast saving of money, which is advisable with our financial condition the way it is, but also the question of the tremendous possibilities of the use of educational television on campus, to facilitate construction in the classrooms through the new proposals that are coming forward, the new ideas. If this can be done, and apparently according to the Federal Communications Commission it can, it is really strengthening the fiber of local control, State control, over the very vital area of education. I commend the gentleman and support his amendment.

Mr. ASHBROOK. I thank the gentleman from Indiana.

One of the keys to the whole matter is the fact that the new 2000-megacycle-type ETV setup will be one which can be used locally. I think that is why the Office of Education so vehemently opposes it since they want an overall system of networks which can be controlled and used to their own purposes.

NEW PROJECT STARTED BY SUPPLEMENTAL

Mr. Chairman, I should like to draw to the attention of my colleagues on both sides of the aisle the fact that since the passage of the educational television authorization bill, more than one piece of new evidence has come to light which should cause us as responsible lawmakers to reconsider.

First, there is this new FCC proposal to allocate the 2000-megacycle range for educational TV. The initial investment for equipment and for the operational costs for this new TV technique are both estimated by the FCC to be far less than for conventional TV broadcasting. It therefore would be capricious indeed for us to appropriate Federal funds to further ETV broadcasting—at least until a study of the apparently more efficient and economic new method has been made, and the facts established.

Second—and it is this "new evidence" that I will deal with briefly here—there is the reorganization of the U.S. Office of Education along the lines suggested in the discredited pamphlet "A Federal Education Agency for the Future—Report of the Committee on Mission and Organization of the U.S. Office of Education." The question is: Is the U.S. Office of Education, staffed with so many educational bureaucrats dedicated to the "mission" set forth in "A Federal Education Agency for the Future," the appropriate agency to administer Federal aid to educational television in a country devoted to local control of education?

To be sure, the Educational Television Act vests administrative power not in the Commissioner of Education but in the Secretary of Health, Education, and Welfare. However, in the hearings on the supplemental appropriations bill, 1963, in its justification for the funds requested, HEW stated, and I quote from page 235:

> Implementation of the act will be accomplished by the established of an Assistant to the Secretary for Education Television and a Deputy. This unit, in the Office of the Secretary, will be responsible to the Under Secretary for executive direction and program coordination. It will establish policy guidelines for the Secretary, and review for the Secretary, recommendations of the Office of Education.
>
> A unit for educational television will be established in the Office of Education to carry out the operational details of the program. Important duties will involve review and processing of applications, preparation of recommendations for the Office of the Secretary, and disbursement of grand funds.

This means, of course, that the Office of Education will in effect administer the act—particularly inasmuch as Dr. John W. Bystrom, Assistant to the Secretary for Educational Television, came from the Office of Education. Both Dr. Bystrom and Dr. Arthur L. Harris, Associate Commissioner, Bureau of Educational Assistance Programs, Office of Education, appeared with Ivan A. Nestingen, Under Secretary of HEW, before the Appropriations Committee.

On July 26, Mr. Chairman, I revealed here on the floor of the House that not only had the Office of Education been reorganized along the lines of "A Federal Education Agency for the Future," but that a number of the committee members and their aids and associates in that project had been raised to positions of leadership in the reorganization. They were:

Dr. Arthur Harris, to the position of Acting Associate Commissioner and Director of the Bureau of Educational Assistance Programs.

Mr. Ralph C. M. Flynt, to the position of Acting Associate Commissioner and

Director of the Bureau of Educational Research and Development.

Mr. John F. Hughes, to the position of Acting Executive Director of the Office of Administration and Director in the Office of the Commissioner.

Mr. Charles P. Dennison, to acting executive officer under Mr. Flynt in the Office of Educational Research and Development.

Mr. Thomas E. Cotner, to the position of Acting Deputy Associate Commissioner in the Bureau of International Education.

Mrs. Sonia O. Ashworth, to the position of acting budget assistant under Mr. Flynt in the Bureau of Educational Research and Development.

Mr. Edward Cunningham, to the position of acting personnel assistant under Mr. Harris in the Bureau of Educational Assistance Programs.

Mr. E. Glenn Featherston, to the position of Deputy Associate Commissioner under Mr. Flynt in the new Bureau of Educational Assistance Programs.

At that time, I said:

> Mr. Speaker, I submit that this is no routine reorganization for purposes of efficiency or economy. I submit that this is a design for change in Office of Education functions leading toward Federal control over the State and local school systems and curriculum content—in short, Federal control of education.

It is my understanding, Mr. Chairman, that other OE personnel associated with the "mission" project have been promoted to high positions—including B. Harold Williams, a Mission Committee member, to be Acting Director of Information; and John G. Lorenz, a Mission Committee member, to be Acting Director of the Division of Continuing Education and Cultural Affairs.

Equally important is the recommendation to promote Mr. John R. Ludington to the position of chairman of the Office of Education Civil Service Review Board. Mr. Ludington was not a member of the Committee on Mission, but he was deeply involved in the life-adjustment movement—philosophical successor to progressive education—at the time of its heyday when the Office of Education was taking leadership in this field.

I have here in my hand a book, published by the OE, entitled "Vitalizing Secondary Education—Education for Life Adjustment," of which Dr. Ludington is a coauthor. Let me read you a few passages:

> In "Getting Programs of Life Adjustment Education Under Way," issued by the Office of Education in February 1949, the following criteria were suggested for the use of State committees in selecting cooperating schools:
>
> 1. The administration and staff understand and accept the guiding principles of life adjustment education.
>
> 2. The administration and staff propose a place of action in accordance with the principles of life adjustment education.
>
> 3. The administration and teaching staff are willing to change the school program to adapt it to life adjustment goals.
>
> 4. The community is ready to accept changes in the school program in the direction of life adjustment goals.
>
> 5. The school and community can make available necessary resources for carrying out the proposed plan of action.
>
> In this statement the Commission called attention to the importance of selecting cooperating schools having staffs willing to spend considerable time and energy in systematic efforts to change present programs.
>
> The Office of Education and the U.S. Government Printing Office distributed and sold more than 17,000 copies of "Life Adjustment Education for Every Youth," which reported activities of the first national conference at Chicago and plans for the Commission. The American Technical Society published and distributed free of charge to educators single copies of two popularly styled brochures—"High School—What's In It for Me?" and "A Primer of Life Adjustment Education." More than 58,000 copies of the first brochure were distributed. The Office of Education distributed free of charge many copies of "Developing Life Adjustment Education in a Local School" and "Getting [State] Programs of Life Adjustment Education Under Way." Also, in connection with the program, there were distributed a number of pertinent professional publications produced by staff members of the Office in the course of their regular duties and an especially useful statement reproduced by permission of a professional magazine.
>
> * * * * *
>
> Functions schools should serve: Schools planning programs for life adjustment education should make continuous efforts to understand the most significant cultural forces affecting the lives of people now and likely to affect them in the years ahead. School programs should provide the understandings and experiences necessary to meet the demands for democratic world citizenship. American schools cooperating with schools throughout the world must exchange information, experiences, and practices which have proved to be effective in helping young people live effectively in a modern democratic society.
>
> * * * * *
>
> Schools should help youth understand the patterns of the new social structure and the changed social relationships which advancing technology brings. In short the modern school should induct youth by stages into full membership in the dynamic local, State, National, and world communities in which they live.

These quotations show Dr. Ludington to be an ideological brother of the "mission" advocates. In the position of Chairman of the OE Civil Service Review Board he will be able to decide in large measure who will and who will not carry the "mission" torch and lead American education in curriculum changes and life adjustment.

I have proposed, Mr. Chairman, that in the OE the posts of Deputy Commissioner and Associate Commissioner be made appointive under schedule C and be kept out of civil service; and I have shown that my Chairman, Mr. Powell, Mr. Roosevelt, and Mrs. Green, with whom I do not always see eye to eye, have made the same suggestion. In this connection it is of interest to note that the position of Deputy Commissioner of Education, at present held by Wayne O. Reed, was sometime ago transferred from schedule S to Civil Service, and that this change took place at the time Reed was Chairman of the OE Civil Service Review Board—the position for which John R. Ludington, of the life adjustment persuasion, has been recommended.

What does all this have to do with educational television?

I submit, Mr. Chairman, that it does not take much imagination or special knowledge of the workings of Federal aid to see how much easier it would be to influence or control a handful of ETV stations that potentially reach all children than to control thousands of schools. The latter can be done, given enough Federal money, but not with the same degree of ease.

The Office of Education already has demonstrated that the basis of my fears is not unfounded. The Office was created largely "for the collection and dissemination of information describing the state of American education." The Office was well aware of the sensational FCC proposal regarding educational TV, and yet, by the admission of Dr. Bystrom, the OE did nothing to disseminate this information that should be of vital interest to every local school board. The OE decision not to inform the country of the new opportunity in ETV is certainly a form of control. It takes decision in this field away from the localities and vests it in the OE, and is an example of what we may expect if the OE has dollars to give for ETV.

Mr. Chairman, I support the amendment to strike the appropriation for ETV in 1963.

Pages 242 through 249 of the hearings on this supplemental appropriation bill are most revealing and I wish to have them included at this point along with the FCC statement on this subject:

FCC PROPOSED AUXILIARY SERVICE

Mr. Bow. I have been concerned about this program after learning that since the passage of this bill the Federal Communications Commission has come up with a proposal of a new rather revolutionary program operating on the television broadcast auxiliary band 1190–2110 megacycles. What have you done in that?

Dr. Bystrom. That is strictly in the experimental stage at this time. They have one experiment going in New York which has been quite successful. This so-called 2000-megacycle range would not be a substitute or a competitor for this kind of educational television activity.

Mr. Bow. Why not?

Dr. Bystrom. This is general cultural programing of broadcast quality for the general public. The 2000-megacycle range would be essentially closed circuit. By that I mean that you, by purchasing a very expensive application for your existing set at a price of about $300, you might be able to pick up the programs that would be put out in that 2000-megacycle range. But basically it would be for schools in the locality, it would be for institutions, and it would not be for the general public.

Mr. Bow. Do I understand, then, that your anticipation of this educational television facility is not for schools but to educate the general public? Is that correct?

Dr. Bystrom. No, that is not quite the case. The broadcast station is conceived as perhaps telecasting to the general public in the evening hours and being used by schools in the area during the morning and afternoon. In a case where it is a highly developed urban center the broadcast station is not sufficient because you can only put on one class at a time. If you develop this 2000-megacycle system it is possible for them to put six or eight classes on simultaneously. The broadcast station is especially good in the more sparsely populated areas, for school use; but it is essentially for the broad cultural programs, adult education, and that sort of thing.

Mr. Bow. The Federal Communications Commission, in their report, has stated that this new system they have developed offers the prospects of meeting all the requirements of educators. Do you agree with that?

Dr. Bystrom. For inschool use, yes.

Mr. Bow. With the new inschool use the cost is much less in the erection of facilities, is that not also true?

Dr. Bystrom. For purely school use the erection of the transmission facilities would be less expensive. However, the cost of reception would be much greater. The kind of receivers you would use for this 2000-megacycle range would be quite expensive. No one has set a figure on it yet because it is still experimental, but it could be two, three, or four times more than the traditional receiver would cost.

Mr. Bow. Where we are called upon to give grants of $1 million to States, the actual cost of equipment would be from one-fifth to one-third of the kind you are now anticipating, would it not?

Dr. Bystrom. Well, so far the only company in this field for the 2000-megacycle system is the Adler Co., and I think they have proposed some estimates that would come close to that figure, but these are still estimates and we are still talking about prototype equipment.

Mr. Bow. I have a copy of the proposed rulemaking of the Federal Communications Commission and have studied it very carefully and it seems to me we ought to go a little slow in the development of this educational television until we find out if this is true that it will cost only between one-fifth and one-third of the cost of the other, and perhaps we could save the Federal Government its share.

Dr. Bystrom. I would offer two responses. One is that on the same day—that was July 25, I think, you are referring to on which the Federal Communications Commission made this report on the 2000 megacycle—on that same day they reserved for educational television 6 new UHF channels in Georgia, 9 in Kentucky, and 12 in Florida. So I would say this is evidence on the part of the Federal Communications Commission, at least, that they still see a future for educational television as here proposed.

Mr. Bow. They also stated the "total number of channels allocated for television broadcasting is inadequate to provide channels for broadcasting both educational and commercial, and still leave multiple channels for classroom instruction and other special uses." So it seems to me they are very much concerned with the development of this educational television 2000 megacycle service, which is less expensive, than the one anticipated under these programs.

Mr. Thomas. Off the record.

(Discussion off the record.)

PROGRAMING RESPONSIBILITY

Mr. Bow. I notice in the release of the Secretary of Health, Education, and Welfare, I think that was the 23d of August, that he refers on page 3 to a nationwide system of instruction and general education. Does this mean that the Department is favoring a centrally controlled system of instruction and general education?

Mr. Nestingen. As far as programing is concerned, it is not our intent to get into the programing. We have a very keen interest in making sure that as much exposure as is possible of educational programs is made available to people through the television media wherever it is possible to do it. This is not to say we will be involved in the programing.

Mr. Bow. In view of the fact you have indicated it is not the intention to have this nationwide programing, would you then suggest it be decentralized in the various areas?

Mr. Nestingen. So far as programing is concerned, leave that to the States or local units of government or to the nonprofit television licenseholder.

INFORMATION TO SCHOOLS ON 2000-MEGACYCLE SYSTEM

Mr. Bow. Now has the Department done anything about advising the State and local school boards and educators generally about the possible advantages of this new system?

"Views of the Department of Health, Education, and Welfare on the proposed auxiliary educational television service (2000 megacycles)

"The following information is submitted to the Subcommittee on Deficiencies by the Department of Health, Education, and Welfare in response to the interest shown by Mr. Bow and the subcommittee in the new auxiliary educational television service proposed by the Federal Communications Commission in its public notice of July 26, 1962.

"The Department is presently encouraging active study of this service which gives evidence of being an extremely important asset to education. The Department will submit to the Federal Communications Commission, prior to September 17, 1962, comments relative to the proposed service. The educational media program of the Office of Education which administers the funds available for research and experimentation in the new educational media, under title VII of the National Defense Education Act, is prepared to give consideration to proposals for experimentation in the use of the 2000-megacycle range for in-school education. Through the medium of the three principal educational associations in the media field, the Joint Council on Educational Broadcasting, the National Association of Educational Broadcasters, and the National Educational Television and Radio Center, information is being provided school administrators, chief State school officers, and college and university authorities concerning the FCC Report No. 4296 and the nature of the 2000-megacycle-range service. Working in cooperation with the Federal Communications Commission we will continue and broaden informational and research efforts in relation to the new service.

"Wide use of the 2000-megacycle range by schools, colleges, and universities would in all probability reduce the anticipated demand by education over the next decade for television channels since agencies which might have sought multiple channels for essentially institutional use will now consider the 2000-megacycle-range service for private needs rather than the public service provided by VHF and UHF channel allocations. The 2000-megacycle-range service cannot by its private nature, however, meet the existing need for a general public educational television service and this need is sizable and still largely unmet.

"The Department recognizes the 2000-megacycle range as one of the ways to meet the need of education for a private, institutional television service. It is properly described by the Federal Communications Commission as an auxiliary or supplement to a public broadcast television service. We fully support the view of the Federal Communications Commission (docket No. 14744) when, in discussing the 2000-megacycle proposal, the Commission said:

"'In considering the contemplated uses of television for educational purposes, we find that two general types of operation are involved. There is a need for a broadcast type of operation whereby educational and cultural material as well as selected types of entertainment are transmitted for the purpose of being received by the general public on conventional television receivers located in individual homes. There is also a need for the transmission of instructional material to selected receiving locations for display on conventional TV receivers located in classrooms, lecture halls, industrial plants, hospitals, rehabilitation centers, and other similar places, as well as a limited number of private homes.'

"In the Educational Television Facilities Act, Congress directed its attention to the need for a public educational television broadcast service. This is evidenced by the history of the legislation, by the act's exclusion of support for private closed-circuit television except as incidental to public broadcast television, and by the primary purpose of the act which was to activate television channels allocated to education.

"State and local authorities are prepared and are preparing to provide that public educational television service. A list of the States with established television planning agencies is attached. Many of these authorities have been set up to meet the demand for State and local initiative in planning for public broadcast educational television required by the Educational Television Facilities Act.

"Many States have recently undertaken extensive educational and engineering surveys of State needs for public broadcast television facilities with funds provided by State and local public bodies and private sources. Undoubtedly, while some of these surveys will have to be modified should the proposed 2000-megacycle-range auxiliary service become a reality, the basic thrust of the planning has been to provide as many people as possible with the opportunity for noncommercial television service and plans for early station activation will not be greatly modified if at all. Thus, there may be expected a substantial demand immediately for funds under the act, a demand backed by careful local planning and extended effort to raise the necessary local matching funds.

"States with educational television planning authorities

"Alabama, Arkansas, California, Colorado, District of Columbia, Florida, Georgia, Hawaii, Idaho, Iowa, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Puerto Rico, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia—total, 41."

Mr. Nestingen. We are getting as much information out as possible on inquiry.

Mr. Bow. But have you circulated them at all and told them this new development was coming along?

Mr. Kelly. You are talking about the 2000-megacycle system?

Mr. Bow. Yes.

Dr. Bystrom. No. This is a very new development.

Mr. Bow. I know it is, and being new and with the prospects it has I think it is something we should give real consideration to.

Dr. Bystrom. The Federal Communications Commission, while they have put out a report, still are waiting for comments on that report so, in a sense, if we were to move before the Federal Communications Commission made a ruling on feasibility, it would be premature.

Mr. Bow. It seems to me it would be well that the State and local school boards and educators generally be advised of this new development so that they would have knowledge that something is in the making that would be less expensive to them. Have you done anything about that?

Dr. Bystrom. To my knowledge there has been no general information by the Office of Education on the 2000 megacycles for the reason I stated, that the Federal Communications Commission still is in the midst of acting on it.

EFFECT OF 2000-MEGACYCLE SYSTEM ON NEW PLANS

Mr. Bow. Let me ask this question: What do you people intend to do now with this new development, the 2000 megacycle?

Mr. Nestingen. Let me answer that in this way: Going back for a moment to the question you posed about whether it would not be a good idea, in effect, to hold up on the present program, I would say definitely not. I am not technically acquainted with the 2000 megacycle but I would say this, it is experimental and it is only on the basis of estimates and exploratory work the Federal Communications Commission is proceeding at the present time. There is great interest across the Nation in educational television. We are ready to move on a relatively inexpensive program now.

Mr. Bow. When you say "relatively inexpensive" what do you have in mind?

Mr. Nestingen. A total allotment of approximately $32 million over a 5-year period. Approximately 40 percent of the Nation's population is now within range of an educational television station, but if all channels now reserved for education were put to use we could reach over 90 percent of the Nation's population in the sense of exposure. It strikes me that this would be a relatively inexpensive program and we should not hold up our efforts, so to speak, on this program.

Mr. Bow. Science develops very fast. We had a situation in aviation a few years ago where we appropriated large sums of money for a particular type of transmission in the airlines. At that time we were right at the verge of a breakthrough. We put millions and millions of dollars into it and within 2 years we were junking it and putting millions and millions of dollars in the new system.

Let me read what the Federal Communications Commission says about it. This is under "New Service":

"The total number of channels allocated for television broadcasting is inadequate to provide channels for broadcasting, both educational and commercial, and still leave multiple channels for classroom instruction and other special uses.

"There are two frequency bands in the present frequency-service allocations which might be suitable for such a service. The television broadcast auxiliary band 1990 to 2110 megacycles is only a little more than twice the frequency of the upper UHF television broadcast band and its propagation characteristics should not be markedly different. Since the contemplated service is in the nature of a supplement to educational television broadcasting, sharing with TV broadcast auxiliary fixed circuits, that is, television STL and televsion intercity relay stations, which now occupy this band, would seem to be feasible.

"The simplest system will consist of a central transmitting station or stations transmitting instructional and cultural material to one or more school buildings for use in classroom instruction. If needed, receivers can also be located at other selected locations including the homes of individual students. In some cases, the nature of the terrain or the extent of the area to be served will make it impossible to provide the needed service from a single central location. In such instances, transmitters will be licensed as 'repeaters' placed at strategic locations to serve areas that are not served by the central station. In some areas it will be desirable to interconnect systems operated by different jurisdictions or operated in different areas by the same jurisdiction. The rules will permit the use of transmitters as relay stations to interconnect such systems. Finally, there may be a need to deliver the instructional programs carried by the school system, to an educational or commercial broadcasting station or to bring selected program material from an educational or commercial broadcasting station to the closed circuit system. The rules will provide for such use."

Mr. Thomas. Off the record.

(Discussion off the record.)

Mr. Bow. I would urge that the Office of Education go slow on this question of educational television facilities, and I think the schools should be advised of this new development coming along and if it will cost one-fifth to one-third of the cost presently anticipated, you do not need the $1 million matching funds.

Mr. Nestingen. Your point is well taken but I would like to make these observations on what we would like to do by way of proceeding. When you talk about a $32 million program——

TOTAL AUTHORIZATION AND EXPENDITURES

Mr. Thomas. This is a 5-year program and you are authorized to spend $6.5 million a year? Can you spend any part of the $32 million over the period of 5 years?

Mr. Nestingen. Not in excess of $32 million. We would anticipate being able to spend the $32 million in 5 years.

Mr. Thomas. Does it have to be in five annual installments?

Mr. Nestingen. No, we are asking for $4,750,000 during the first year.

Mr. Thomas. What Mr. Bow is trying to caution you on is to go slow and get your feet squarely on the ground, and that is what we all want you to do. You cannot do it in a year. This is a big field and is a field that no doubt will grow, so take your time. We will not rush you. We will help you in due time.

Mr. Bow. Mr. Chairman, I should like to make a further statement on this subject.

Mr. Chairman, since the passage of the bill to provide $32 million Federal aid for educational television, the Federal Communications Commission has proposed a revolutionary new ETV service operating on the television broadcast auxiliary band 1990 to 2110 megacycles. This new ETV service (called fixed station multiple-address service by the FCC engineers) "offers the prospect of meeting all the reasonable requirements of educators." At the same time it will cost only a fraction of the conventional ETV station to purchase and install; and its operating expenses will be a drop in the bucket compared to either the conventional ETV broadcasting or closed circuit systems.

A typical ETV fixed-station service will be equipped, in addition to cameras and other studio facilities, with one transmitter which feeds programs into two broadbeam directive transmitting antennas attached to a schoolhouse chimney, which may reach less than 75 feet above ground level—no high towers are necessary. These antennas send a clear signal, according to the terrain, to between 30 and 40 miles, to be picked up by a receiver converter in each of the 20 or more schools in the district. These receiver converters, in turn, change the signal so that it can be tuned in and viewed on ordinary TV sets in the various classrooms.

If a greater range is desired, repeater translators may be licensed to do the job.

If desired, an ETV fixed station may interconnect with other ETV fixed stations or with commercial or noncommercial ETV broadcasting systems to receive or relay educational material.

1. According to the FCC, the "total number of channels allocated for television broadcasting is inadequate to provide channels for broadcasting both educational and commercial, and still leave multiple channels for classroom instruction and other special uses." The new service would take ETV for classroom and other special uses out of competition for the scarce television broadcasting bands needed for telecasting to the general public.

2. ETV fixed station signals will not play interference in the scarce spectrum channels and vice versa.

3. The new service is not intended to serve the general public. It is for supervised instruction in schools and colleges; inservice training of all sorts; advanced courses to help doctors, engineers, etc., to keep abreast of their professions; hospital and home courses for shut-ins or the temporarily ill. Converters for home use will be available for any eligible licensee.

4. The 1990- to 2110-megacycle band provides some 20 channels for ETV and will permit the simultaneous transmission of a number of programs from the same originating location.

5. The cost of the new service is between one-fifth and one-third the cost of a moderately powered ETV broadcasting station.

6. Since the new service will be within the financial reach of every parochial school or college as well as every local school board, it will not pose a church-state problem.

7. Since the new service is limited in scope to the wishes of the eligible licensee, it is in the American tradition of local control of education.

It seems to me, Mr. Chairman, the reasons given for the need for Federal financial aid for ETV were the high costs of ETV; whereas the proposed new ETV service apparently is fully adequate and in many ways more suitable than conventional broadcasting; and whereas the new system costs considerably less than half an ETV broadcasting station for which the Federal Government would pay half—it is apparent that Federal financial aid for ETV is unnecessary—at least at this time.

Mr. Thomas. Any further questions?

Thank you very much, gentlemen. We are delighted and honored to have you and good luck to you. Come back and see us again.

NOTICE OF PROPOSED RULEMAKING

(Before the Federal Communications Commission, Washington 25, D.C.)

(In the matter of amendment of parts 2 and 4 of the Commission rules and regulations to establish a new class of educational television service for the transmission of instructional and cultural material to multiple receiving locations on channels in the 1990–2110 Mc/s or 2500–2690 Mc/s frequency band.)

(Docket No. 14744)

1. In considering the contemplated uses of television for educational purposes, we find that two general types of operation are involved. There is a need for a broadcast type of operation whereby educational and cultural material as well as selected types of entertainment are transmitted for the purpose of being received by the general public on conventional television receivers located in individual homes. There is also a need for the transmission of instructional material to selected receiving locations for display on conventional TV receivers located in classrooms, lecture halls, industrial plants, hospitals, rehabilitation centers, and other similar places, as well as a limited number of private homes. The broadcast type of operation obviously has to be carried on in the television broadcasting bands. Although the second type of operation is technically feasible on television broadcasting channels, it requires the use of more than one channel if courses in different subjects are to be given simultaneously. The total number of channels allocated for

television broadcasting is inadequate to provide channels for broadcasting, both educational and commercial, and still leave multiple channels for classroom instruction and other special uses.

2. Although television broadcasting is being used to a limited extent for classroom instruction it falls far short of meeting the actual needs of education, mainly because of the cost. The alternative, closed circuit systems which depend upon physical conductors or narrow beam microwave radio for distribution of instructional material, is also costly and lacks the ubiquity of broadcasting.

There is a real need for a service that can reach a number of scattered receiving locations from a central transmitting point and which at the same time can be controlled in such a manner as to make possible the assignment of several channels for a single system in a single area.

3. There are two frequency bands in the present frequency-service allocations which might be suitable for such a service. The television broadcast auxiliary band 1990–2110 Mc/s is only a little more than twice the frequency of the upper UHF television broadcast band and its propagation characteristics should not be markedly different. Since the contemplated service is in the nature of a supplement to educational television broadcasting, sharing with TV broadcast auxiliary fixed circuits, i.e., television STL and television intercity relay stations, which now occupy this band, would seem to be feasible.

The 120 Mc/s in this band would provide 20 standard 6 Mc/s television channels. The fact that the licensees have control of both the transmitting and receiving installations in the present service and the proposed new service, will permit considerable engineering planning to secure maximum efficiency in the use of the band.

4. The band 2500–2690 Mc/s is currently allocated to international control and operational fixed stations. Very little use is being made of this band at the present time. As an alternative to the 1990–2110 Mc/s band, this band might be allocated to the proposed new service on an exclusive basis. Existing licensees in the international control and operational fixed services would be permitted to continue use of the band but no new authorizations in those services would be granted. The propagation characteristics of this band should be approximately the same as those of the 2000 Mc/s band. The band would provide 31 standard 6 Mc/s television channels and thereby offers the promise of more available assignments. We invite comments as to the advantages and disadvantages of using this band for the proposed new service in lieu of the band 1990–2110 Mc/s.

5. Should the Commission eventually reallocate the 2500–2690 Mc/s band for this new educational service, it is further proposed that existing licensees in this band would be given a reasonable period of time in which to amortize their investment. Concomitant with such action, the Commission would consolidate the bands 1850–1990 Mc/s and 1990–2110 Mc/s into a single band, 1850–2110 Mc/s, with operational fixed available from the low end of the band upward and television STL and intercity relay from the top end downward. This would permit added flexibility to both services wherein specific congestion may develop.

6. Under either alternative, the Commission proposes to delete the spectrum space between 1990–2110 Mc/s from availability to television pickup stations, with suitable provision to be made for such of the stations in this classification as currently are authorized to operate this band.

7. During the preliminary exploration of this concept of a new class of educational television service, the matter was discussed with a manufacturer of a translator type device designed to operate in the 1990–2110 Mc/s band. The manufacturer volunteered to conduct certain experiments to determine the technical feasibility of an educational TV system in that band. With the cooperation of the Union Free School District No. 18 of New York, an experimental system has been established at Plainedge, Long Island, N.Y., with a transmitter operating in the channel 2008–2014 Mc/s. The transmitter provides 10 watts peak visual power output and 1 watt average aural power. The transmitter output is fed into two broadbeam directive transmitting antennas, mounted on the Plainedge High School building, 72 feet above ground, and aimed in approximately opposite directions. Each antenna provides an effective radiated power of 136 watts and an excellent signal is provided to seven individual school buildings scattered through the town. At each school building, a single receiver-converter is installed which picks up the 2000 Mc/s signal, converts it to channel 6 and feeds it into a master antenna distribution system where it goes to the individual classrooms for display on conventional TV receivers.

8. Preliminary reports from this experimental operation show that no unusual difficulties have been encountered and that the low power transmitter provides an adequate signal at all receiving locations. The receiving antennas employed at all but the most distant school are relatively simple and are mounted at rooftop level. At the most distant school a parabolic antenna is employed for receiving but it is only a 4-foot "dish" conveniently mounted on the roof. In an engineered system, particularly in congested areas, it would probably be desirable to employ more directive receiving antennas—not for the sake of additional gain, which might not be needed, but primarily to minimize interference from unwanted signals. Exact cost figures for such a system are not available but it has been estimated that a single-channel system of this type serving approximately 25 separate schools would require an investment of from one-fifth to one-third of the cost of a moderately powered TV broadcasting station serving the same purpose. This includes the special receiver-converters required at each receiving location to convert the signals to regular TV channels so that conventional TV receivers can be used in the individual classrooms.

9. Aside from its lower cost, such a system would have other advantages over a similar system operated on broadcast channels. Special types of material not intended for reception by the general public could be transmitted without employing special "scrambling" devices on the transmitter and receivers to provide the needed control since the average home would not be equipped for reception of the 2000 Mc/s signals. On the other hand, if reception is desired in selected homes of persons directly interested in the instructional material or at industrial plants, hospitals, clinics, rehabilitation centers, or private offices of professional people, the licensee could arrange to lend, lease, or sell the special receiver-converters for such purposes.

7. Operated as a private system rather than a broadcasting system, transmissions could include subject material for supervised instruction; training material in special skills; safety programs; material designed for the rehabilitation of the aged, infirm, or mentally disturbed; clinical studies; new arts and crafts; material intended to keep professional and semiprofessional people abreast of the state of the art in various fields; inservice training for teachers; instructional material for shut-ins; program material for purposes of entertainment or cultural advancement; as well as administrative traffic.

8. There are a number of technical advantages to the use of this band for this purpose. The 20 channels which can be established in the band provide a high degree of flexibility in making assignments thus increasing the possibility of providing multiple channels for individual areas. The rapid attenuation of the signal beyond the service range reduces its interfering capability substantially and this will make possible the duplication of assignments on the same channel in relatively nearby areas. Likewise, the low transmitter power required and the highly directive receiving antennas that are conventional in this band plus the use of needed directivity in the transmitting antennas not only further reduces the hazard of interference between systems but also provides the equivalent of substantially greater transmitting power and thus lengthens the service area. Other techniques such as the use of cross-polarization or rotating polarization are quite practical at 2000 Mc/s and provide added means of minimizing interference thereby increasing the total number of possible assignments. The use of this band offers the prospect of meeting all of the reasonable requirements of educators.

9. In the appendix attached hereto we have set forth proposed rules to govern this new class of educational TV service. The service is classed as a multiple-address fixed service and will operate as a supplement to the educational television broadcasting service. The service will be administered under part 4 of the Commission rules. The rules are designed to meet the needs of educators in several ways. The simplest system will consist of a central transmitting station or stations transmitting instructional and cultural material to one or more school buildings for use in classroom instruction. If needed, receivers can also be located at other selected locations including the homes of individual students. In some cases, the nature of the terrain or the extent of the area to be served will make it impossible to provide the needed service from a single central location. In such instances, transmitters will be licensed as "repeaters" placed at strategic locations to serve areas that are not served by the central station. In some areas it will be desirable to interconnect systems operated by different jurisdictions or operated in different areas by the same jurisdiction. The rules will permit the use of transmitters as relay stations to interconnect such systems. Finally, there may be a need to deliver the instructional programs carried by the school system, to an educational or commercial broadcasting station or to bring selected program material from an educational or commercial broadcasting station to the closed circuit system. The rules will provide for such use.

10. We have given careful consideration to the matter of transmission standards and have concluded that those which apply to television broadcasting stations should apply generally to this service. This will permit the use of conventional TV receivers for displaying the programs in individual classrooms. It may be possible to relax some of the more strict tolerances that broadcasting stations must observe. We have, as a matter of fact, proposed a less stringent frequency tolerance; a lower aural to visual power ratio; less attenuation of spurious emissions; considerable latitude in the choice of polarization; and, provision for remote control and in some cases unattended operation of the transmitters. These measures are intended to reduce the cost of installation and operation of these stations. Informed parties are invited to suggest other changes with due regard for the impact of such changes on the quality of the service and the efficient use of the channels. Changes in other of the proposed rules may be warranted or additional rules may be needed. Suggestions supported by factual data will be most helpful. Manufacturers

Dr. **Bystrom**. To my knowledge there has been no general information by the Office of Education on the 2000 megacycles for the reason I stated, that the Federal Communications Commission still is in the midst of acting on it.

EFFECT OF 2000-MEGACYCLE SYSTEM ON HEW PLANS

Mr. **Bow**. Let me ask this question: What do you people intend to do now with this new development, the 2000 megacycle?

Mr. **Nestingen**. Let me answer that in this way: Going back for a moment to the question you posed about whether it would not be a good idea, in effect, to hold up on the present program, I would say definitely not. I am not technically acquainted with the 2000 megacycle but I would say this, it is experimental and it is only on the basis of estimates and exploratory work the Federal Communications Commission is proceeding at the present time. There is great interest across the Nation in educational television. We are ready to move on a relatively inexpensive program now.

Mr. **Bow**. When you say "relatively inexpensive" what do you have in mind?

Mr. **Nestingen**. A total allotment of approximately $32 million over a 5-year period. Approximately 40 percent of the Nation's population is now within range of an educational television station, but if all channels now reserved for education were put to use we could reach over 90 percent of the Nation's population in the sense of exposure. It strikes me that this would be a relatively inexpensive program and we should not hold up our efforts, so to speak, on this program.

Mr. **Bow**. Science develops very fast. We had a situation in aviation a few years ago where we appropriated large sums of money for a particular type of transmission in the airlines. At that time we were right at the verge of a breakthrough. We put millions and millions of dollars into it and within 2 years we were junking it and putting millions and millions of dollars in the new system.

Let me read what the Federal Communications Commission says about it. This is under "New Service":

"The total number of channels allocated for television broadcasting is inadequate to provide channels for broadcasting, both educational and commercial, and still leave multiple channels for classroom instruction and other special uses.

"There are two frequency bands in the present frequency-service allocations which might be suitable for such a service. The television broadcast auxiliary band 1990 to 2110 megacycles is only a little more than twice the frequency of the upper UHF television broadcast band and its propagation characteristics should not be markedly different. Since the contemplated service is in the nature of a supplement to educational television broadcasting, sharing with TV broadcast auxiliary fixed circuits, that is, television STL and televsion intercity relay stations, which now occupy this band, would seem to be feasible.

"The simplest system will consist of a central transmitting station or stations transmitting instructional and cultural material to one or more school buildings for use in classroom instruction. If needed, receivers can also be located at other selected locations including the homes of individual students. In some cases, the nature of the terrain or the extent of the area to be served will make it impossible to provide the needed service from a single central location. In such instances, transmitters will be licensed as 'repeaters' placed at strategic locations to serve areas that are not served by the central station. In some areas it will be desirable to interconnect systems operated by different jurisdictions or operated in different areas by the same jurisdiction. The rules will permit the use of transmitters as relay stations to interconnect such systems. Finally, there may be a need to deliver the instructional programs carried by the school system, to an educational or commercial broadcasting station or to bring selected program material from an educational or commercial broadcasting station to the closed circuit system. The rules will provide for such use."

Mr. **Thomas**. Off the record.

(Discussion off the record.)

Mr. **Bow**. I would urge that the Office of Education go slow on this question of educational television facilities, and I think the schools should be advised of this new development coming along and if it will cost one-fifth to one-third of the cost presently anticipated, you do not need the $1 million matching funds.

Mr. **Nestingen**. Your point is well taken but I would like to make these observations on what we would like to do by way of proceeding. When you talk about a $32 million program——

TOTAL AUTHORIZATION AND EXPENDITURES

Mr. **Thomas**. This is a 5-year program and you are authorized to spend $6.5 million a year? Can you spend any part of the $32 million over the period of 5 years?

Mr. **Nestingen**. Not in excess of $32 million. We would anticipate being able to spend the $32 million in 5 years.

Mr. **Thomas**. Does it have to be in five annual installments?

Mr. **Nestingen**. No, we are asking for $4,750,000 during the first year.

Mr. **Thomas**. What Mr. Bow is trying to caution you on is to go slow and get your feet squarely on the ground, and that is what we all want you to do. You cannot do it in a year. This is a big field and is a field that no doubt will grow, so take your time. We will not rush you. We will help you in due time.

Mr. **Bow**. Mr. Chairman, I should like to make a further statement on this subject.

Mr. Chairman, since the passage of the bill to provide $32 million Federal aid for educational television, the Federal Communications Commission has proposed a revolutionary new ETV service operating on the television broadcast auxiliary band 1990 to 2110 megacycles. This new ETV service (called fixed station multiple-address service by the FCC engineers) "offers the prospect of meeting all the reasonable requirements of educators." At the same time it will cost only a fraction of the conventional ETV station to purchase and install; and its operating expenses will be a drop in the bucket compared to either the conventional ETV broadcasting or closed circuit systems.

A typical ETV fixed-station service will be equipped, in addition to cameras and other studio facilities, with one transmitter which feeds programs into two broadbeam directive transmitting antennas attached to a schoolhouse chimney, which may reach less than 75 feet above ground level—no high towers are necessary. These antennas send a clear signal, according to the terrain, to between 30 and 40 miles, to be picked up by a receiver converter in each of the 20 or more schools in the district. These receiver converters, in turn, change the signal so that it can be tuned in and viewed on ordinary TV sets in the various classrooms.

If a greater range is desired, repeater translators may be licensed to do the job.

If desired, an ETV fixed station may interconnect with other ETV fixed stations or with commercial or noncommercial ETV broadcasting systems to receive or relay educational material.

1. According to the FCC, the "total number of channels allocated for television broadcasting is inadequate to provide channels for broadcasting both educational and commercial, and still leave multiple channels for classroom instruction and other special uses." The new service would take ETV for classroom and other special uses out of competition for the scarce television broadcasting bands needed for telecasting to the general public.

2. ETV fixed station signals will not play interference in the scarce spectrum channels and vice versa.

3. The new service is not intended to serve the general public. It is for supervised instruction in schools and colleges; inservice training of all sorts; advanced courses to help doctors, engineers, etc., to keep abreast of their professions; hospital and home courses for shut-ins or the temporarily ill. Converters for home use will be available for any eligible licensee.

4. The 1990- to 2110-megacycle band provides some 20 channels for ETV and will permit the simultaneous transmission of a number of programs from the same originating location.

5. The cost of the new service is between one-fifth and one-third the cost of a moderately powered ETV broadcasting station.

6. Since the new service will be within the financial reach of every parochial school or college as well as every local school board, it will not pose a church-state problem.

7. Since the new service is limited in scope to the wishes of the eligible licensee, it is in the American tradition of local control of education.

It seems to me, Mr. Chairman, the reasons given for the need for Federal financial aid for ETV were the high costs of ETV; whereas the proposed new ETV service apparently is fully adequate and in many ways more suitable than conventional broadcasting; and whereas the new system costs considerably less than half an ETV broadcasting station for which the Federal Government would pay half—it is apparent that Federal financial aid for ETV is unnecessary—at least at this time.

Mr. **Thomas**. Any further questions?

Thank you very much, gentlemen. We are delighted and honored to have you and good luck to you. Come back and see us again.

Notice of Proposed Rulemaking

(Before the Federal Communications Commission, Washington 25, D.C.)

(In the matter of amendment of parts 2 and 4 of the Commission rules and regulations to establish a new class of educational television service for the transmission of instructional and cultural material to multiple receiving locations on channels in the 1990–2110 Mc/s or 2500–2690 Mc/s frequency band.)

(Docket No. 14744)

1. In considering the contemplated uses of television for educational purposes, we find that two general types of operation are involved. There is a need for a broadcast type of operation whereby educational and cultural material as well as selected types of entertainment are transmitted for the purpose of being received by the general public on conventional television receivers located in individual homes. There is also a need for the transmission of instructional material to selected receiving locations for display on conventional TV receivers located in classrooms, lecture halls, industrial plants, hospitals, rehabilitation centers, and other similar places, as well as a limited number of private homes. The broadcast type of operation obviously has to be carried on in the television broadcasting bands. Although the second type of operation is technically feasible on television broadcasting channels, it requires the use of more than one channel if courses in different subjects are to be given simultaneously. The total number of channels allocated for

television broadcasting is inadequate to provide channels for broadcasting, both educational and commercial, and still leave multiple channels for classroom instruction and other special uses.

2. Although television broadcasting is being used to a limited extent for classroom instruction it falls far short of meeting the actual needs of education, mainly because of the cost. The alternative, closed circuit systems which depend upon physical conductors or narrow beam microwave radio for distribution of instructional material, is also costly and lacks the ubiquity of broadcasting.

There is a real need for a service that can reach a number of scattered receiving locations from a central transmitting point and which at the same time can be controlled in such a manner as to make possible the assignment of several channels for a single system in a single area.

3. There are two frequency bands in the present frequency-service allocations which might be suitable for such a service. The television broadcast auxiliary band 1990–2110 Mc/s is only a little more than twice the frequency of the upper UHF television broadcast band and its propagation characteristics should not be markedly different. Since the contemplated service is in the nature of a supplement to educational television broadcasting, sharing with TV broadcast auxiliary fixed circuits, i.e., television STL and television intercity relay stations, which now occupy this band, would seem to be feasible.

The 120 Mc/s in this band would provide 20 standard 6 Mc/s television channels. The fact that the licensees have control of both the transmitting and receiving installations in the present service and the proposed new service, will permit considerable engineering planning to secure maximum efficiency in the use of the band.

4. The band 2500–2690 Mc/s is currently allocated to international control and operational fixed stations. Very little use is being made of this band at the present time. As an alternative to the 1990–2110 Mc/s band, this band might be allocated to the proposed new service on an exclusive basis. Existing licensees in the international control and operational fixed services would be permitted to continue use of the band but no new authorizations in those services would be granted. The propagation characteristics of this band should be approximately the same as those of the 2000 Mc/s band. The band would provide 31 standard 6 Mc/s television channels and thereby offers the promise of more available assignments. We invite comments as to the advantages and disadvantages of using this band for the proposed new service in lieu of the band 1990–2110 Mc/s.

5. Should the Commission eventually reallocate the 2500–2690 Mc/s band for this new educational service, it is further proposed that existing licensees in this band would be given a reasonable period of time in which to amortize their investment. Concomitant with such action, the Commission would consolidate the bands 1850–1990 Mc/s and 1990–2110 Mc/s into a single band, 1850–2110 Mc/s, with operational fixed available from the low end of the band upward and television STL and intercity relay from the top end downward. This would permit added flexibility to both services wherein specific congestion may develop.

6. Under either alternative, the Commission proposes to delete the spectrum space between 1990–2110 Mc/s from availability to television pickup stations, with suitable provision to be made for such of the stations in this classification as currently are authorized to operate this band.

7. During the preliminary exploration of this concept of a new class of educational television service, the matter was discussed with a manufacturer of a translator type device designed to operate in the 1990–2110 Mc/s band. The manufacturer volunteered to conduct certain experiments to determine the technical feasibility of an educational TV system in that band. With the cooperation of the Union Free School District No. 18 of New York, an experimental system has been established at Plainedge, Long Island, N.Y., with a transmitter operating in the channel 2008–2014 Mc/s. The transmitter provides 10 watts peak visual power output and 1 watt average aural power. The transmitter output is fed into two broadbeam directive transmitting antennas, mounted on the Plainedge High School building, 72 feet above ground, and aimed in approximately opposite directions. Each antenna provides an effective radiated power of 136 watts and an excellent signal is provided to seven individual school buildings scattered through the town. At each school building, a single receiver-converter is installed which picks up the 2000 Mc/s signal, converts it to channel 6 and feeds it into a master antenna distribution system where it goes to the individual classrooms for display on conventional TV receivers.

8. Preliminary reports from this experimental operation show that no unusual difficulties have been encountered and that the low power transmitter provides an adequate signal at all receiving locations. The receiving antennas employed at all but the most distant school are relatively simple and are mounted at rooftop level. At the most distant school a parabolic antenna is employed for receiving but it is only a 4-foot "dish" conveniently mounted on the roof. In an engineered system, particularly in congested areas, it would probably be desirable to employ more directive receiving antennas—not for the sake of additional gain, which might not be needed, but primarily to minimize interference from unwanted signals. Exact cost figures for such a system are not available but it has been estimated that a single-channel system of this type serving approximately 25 separate schools would require an investment of from one-fifth to one-third of the cost of a moderately powered TV broadcasting station serving the same purpose. This includes the special receiver-converters required at each receiving location to convert the signals to regular TV channels so that conventional TV receivers can be used in the individual classrooms.

9. Aside from its lower cost, such a system would have other advantages over a similar system operated on broadcast channels. Special types of material not intended for reception by the general public could be transmitted without employing special "scrambling" devices on the transmitter and receivers to provide the needed control since the average home would not be equipped for reception of the 2000 Mc/s signals. On the other hand, if reception is desired in selected homes of persons directly interested in the instructional material or at industrial plants, hospitals, clinics, rehabilitation centers, or private offices of professional people, the licensee could arrange to lend, lease, or sell the special receiver-converters for such purposes.

7. Operated as a private system rather than a broadcasting system, transmissions could include subject material for supervised instruction; training material in special skills; safety programs; material designed for the rehabilitation of the aged, infirm, or mentally disturbed; clinical studies; new arts and crafts; material intended to keep professional and semiprofessional people abreast of the state of the art in various fields; inservice training for teachers; instructional material for shut-ins; program material for purposes of entertainment or cultural advancement; as well as administrative traffic.

8. There are a number of technical advantages to the use of this band for this purpose. The 20 channels which can be established in the band provide a high degree of flexibility in making assignments thus increasing the possibility of providing multiple channels for individual areas. The rapid attenuation of the signal beyond the service range reduces its interfering capability substantially and this will make possible the duplication of assignments on the same channel in relatively nearby areas. Likewise, the low transmitter power required and the highly directive receiving antennas that are conventional in this band plus the use of needed directivity in the transmitting antennas not only further reduces the hazard of interference between systems but also provides the equivalent of substantially greater transmitting power and thus lengthens the service area. Other techniques such as the use of cross-polarization or rotating polarization are quite practical at 2000 Mc/s and provide added means of minimizing interference thereby increasing the total number of possible assignments. The use of this band offers the prospect of meeting all of the reasonable requirements of educators.

9. In the appendix attached hereto we have set forth proposed rules to govern this new class of educational TV service. The service is classed as a multiple-address fixed service and will operate as a supplement to the educational television broadcasting service. The service will be administered under part 4 of the Commission rules. The rules are designed to meet the needs of educators in several ways. The simplest system will consist of a central transmitting station or stations transmitting instructional and cultural material to one or more school buildings for use in classroom instruction. If needed, receivers can also be located at other selected locations including the homes of individual students. In some cases, the nature of the terrain or the extent of the area to be served will make it impossible to provide the needed service from a single central location. In such instances, transmitters will be licensed as "repeaters" placed at strategic locations to serve areas that are not served by the central station. In some areas it will be desirable to interconnect systems operated by different jurisdictions or operated in different areas by the same jurisdiction. The rules will permit the use of transmitters as relay stations to interconnect such systems. Finally, there may be a need to deliver the instructional programs carried by the school system, to an educational or commercial broadcasting station or to bring selected program material from an educational or commercial broadcasting station to the closed circuit system. The rules will provide for such use.

10. We have given careful consideration to the matter of transmission standards and have concluded that those which apply to television broadcasting stations should apply generally to this service. This will permit the use of conventional TV receivers for displaying the programs in individual classrooms. It may be possible to relax some of the more strict tolerances that broadcasting stations must observe. We have, as a matter of fact, proposed a less stringent frequency tolerance; a lower aural to visual power ratio; less attenuation of spurious emissions; considerable latitude in the choice of polarization; and, provision for remote control and in some cases unattended operation of the transmitters. These measures are intended to reduce the cost of installation and operation of these stations. Informed parties are invited to suggest other changes with due regard for the impact of such changes on the quality of the service and the efficient use of the channels. Changes in other of the proposed rules may be warranted or additional rules may be needed. Suggestions supported by factual data will be most helpful. Manufacturers

or prospective manufacturers of transmitters, antennas, receivers, studio equipment, and any other apparatus that might be used in this service are invited to supply data as to technical characteristics, reliability, and costs. Experimental data on propagation, quality of reception, and other experience in actual service use, if such data can be obtained promptly, will be most useful. We are particularly interested in data on the needed desired-to-undesired signal ratios at receiving points where the desired signal has the characteristics of those employed in the television broadcast auxiliary services and the undesired signal has transmission characteristics as proposed in these rules. We desire similar data for two cochannel signals having the transmission characteristics proposed in these rules, the amount of discrimination obtainable by the use of cross-polarization or right-hand and left-hand rotating polarization and similar data with respect to plane polarization versus rotating polarization; the amount of discrimination against unwanted signals which may be provided by various kinds of directive receiving antennas; and such other data as would make possible a more accurate assessment of interference potential.

11. Educational interests are invited to comment as to contemplated uses for a service of this kind, the number of channels that might be needed in a single system, typical areas to be covered, the kinds of material that may be transmitted over the system, the extent to which interconnection of systems may be employed, time schedules of when such service might be inaugurated, and such other data as may be helpful to the Commission. Television broadcast interests are invited to comment as to the feasibility of the proposed sharing of this band with TV auxiliaries, the extent to which they will cooperate in planning and engineering their auxiliary systems to permit the fullest use of this band both by broadcast auxiliaries and educational fixed systems, the advantages or disadvantages of employing 6 Mc/s channels with suitable equipment for broadcast auxiliary purposes, and other matters of concern to broadcasters.

12. Eligibility for licensing in the proposed service will be restricted to nonprofit educational organizations engaged primarily in supervised instruction. In general, the criteria applied in our rules for educational FM and television broadcast stations will be used to determine eligibility. A special application form will be designed for this service. The exact contents of this form cannot be determined until a decision is made as to whether the proposed rules will be adopted as proposed, with modification, or not adopted at all.

13. Comments by interested parties shall be filed no later than September 17, 1962, and replies to such comments no later than October 1, 1962. All relevant and timely comments and reply comments will be considered by the Commission before final action is taken in this proceeding. In reaching its decision in this proceeding, the Commission may also take into account other relevant information before it, in addition to the specific comments invited by this notice.

14. Authority for adoption of the rules proposed herein is contained in sections 4(i), 303, and 318 of the Communications Act of 1934, as amended.

15. In accordance with the provisions of section 1.54 of the Commission's rules and regulations, an original and 14 copies of all statements, briefs, or comments shall be furnished the Commission.

FEDERAL COMMUNICATIONS COMMISSION,
BEN F. WAPLE, *Acting Secretary.*

APPENDIX

1. Section 4.1 is amended by adding a new paragraph (d) to read as follows:

§ 4.1 Broadcast services covered by this part.

* * * * *

(d) Supplemental broadcast service: Educational television fixed (Subpart I)

2. Section 4.15 is amended by adding a new paragraph (f) to read as follows:

§ 4.15 License period.

* * * * *

(f) Licenses for educational television fixed stations will be issued for a period of 5 years beginning with the date of grant.

3. A new Subpart I is added to Part 4 to read as follows:

SUBPART I—EDUCATIONAL TELEVISION FIXED STATIONS.

Definitions and allocation of frequencies

§ 4.901 Definitions.

Educational television fixed station: A fixed station operated by an educational organization and used for the transmission of visual and aural instructional, cultural, and other types of educational material to one or more fixed receiving locations.

Attended operation: Operation of a station by a qualified operator on duty at the place where the transmitting apparatus is located with the transmitter in plain view of the operator.

Remote control: Operation of a station by a qualified operator at a control position from which the transmitter is not visible but which control position is equipped with suitable control and telemetering circuits so that the essential functions that could be performed at the transmitter can also be performed from the control point.

Unattended operation: Operation of a station by automatic means whereby the transmitter is turned on and off and performs its functions without attention by a qualified operator.

§ 4.902 Frequency assignments.

(a) The following frequency channels are available for assignment to educational television fixed stations:

Channel number:	*Frequency band* Mc/s
101	1990–1996
102	1996–2002
103	2002–2008
104	2008–2014
105	2014–2020
106	2020–2026
107	2026–2032
108	2032–2038
109	2038–2044
110	2044–2050
111	2050–2056
112	2056–2062
113	2062–2068
114	2068–2074
115	2074–2080
116	2080–2086
117	2086–2092
118	2092–2098
119	2098–2104
120	2104–2110

(b) The frequency band 1990–2100 Mc/s is shared with television broadcast auxiliary stations and assignments to new educational television fixed stations will not be made where interference would be caused to any existing television broadcast auxiliary station. Similarly assignments to new television broadcast auxiliary stations will not be made where interference would be caused to any existing educational television fixed station. It should be noted that a different channelling is employed for television broadcast auxiliary stations as set forth in § 4.602. In assessing potential interference this fact should be kept in mind.

(c) Although no numerical limit is placed upon the number of channels which may be assigned to a single licensee, applicants are expected to plan systems so as to use the fewest number of channels needed to perform the required service. The Commission may require applicants to review proposed systems if in its opinion the number of channels requested is excessive. Furthermore, in congested areas it may be necessary to limit the number of channels assigned to a single licensee to insure a fair and equitable apportionment of the available channels.

Note: If the alternative proposal to use the band 2500-2690 Mc/s is adopted, paragraphs (a) and (b) above will be made to conform to that decision.

(d) The same channel may be assigned to more than one station or more than one licensee in the same area if the geometric arrangement of the transmitting and receiving points or the times of operation are such that interference is not likely to occur.

§ 4.903 Interference

(a) Since interference in this service will occur only when an unfavorable desired to undesired signal ratio exists at the antenna input terminals of the affected receiver, the directive properties of receiving antennas can be used to minimize the hazard of such interference. Interference may also be controlled through the use of directive transmitting antennas, geometric arrangement of transmitters and receivers, and the use of the minimum power required to provide the needed service.

(b) An applicant for a new educational television fixed station is expected to take full advantage of such techniques to prevent interference to the reception of any existing television broadcast auxiliary station or educational television fixed station at authorized receiving locations. In cases where it can be demonstrated that potential interference could be effectively controlled with practical refinements at such existing receiving locations, the user of the receiving installation is expected to make the needed refinements if interference-free reception is desired.

(c) Existing licensees and prospective applicants are expected to cooperate fully in attempting to resolve problems of potential interference before bringing the matter to the attention of the Commission.

Administrative procedure

§ 4.911 Cross Reference.

See §§ 4.11 to 4.16.

Licensing policies

§ 4.931 Purpose and permissible service.

(a) Educational television fixed stations provide a means whereby instructional and cultural material in visual and aural form may be transmitted to one or more selected receiving locations in places such as public and parochial schools, college and university buildings, hospitals, nursing homes, training centers, clinics, rehabilitation centers, assembly halls, offices, business establishments, industrial plants, private homes, and other similar places, for the purpose of formal education, in-service training, instruction in special skills and safety programs, extension of professional training, keeping professional and semi-professional persons abreast of current developments in particular fields, and other similar endeavors. During periods when the circuits are not being used for the foregoing purposes, administrative traffic may be transmitted. However, educational television fixed stations will not be authorized for the sole purpose of handling administrative traffic.

(b) The transmissions of educational television fixed stations shall be intended for reception at specified receiving locations. However, such transmissions may also be directed to unspecified receiving locations if the material transmitted is intended for use by the recipients.

(c) Educational television fixed stations may be operated as relay stations to interconnect educational television fixed station systems in different areas, to deliver educational television program material to commercial and noncommercial educational television broadcasting stations, and to obtain program material from commercial and noncommercial educational television broadcasting stations for use by an educational television fixed station system.

§ 4.932 Eligibility and licensing requirements.

(a) A license for an educational television fixed station will be issued only to a noprofit educational organization engaged primarily in supervised instruction and which is otherwise qualified under the statutory provisions of the Communications Act of 1934, as amended.

(1) In determining the eligibility of publicly supported educational organizations, the accreditation of the appropriate State department of education will be taken into consideration.

(2) In determining the eligibility of privately controlled educational organizations, the accreditation of the appropriate State department of education or the recognized regional and national accrediting organizations will be taken into consideration.

(b) No numerical limit is placed on the number of stations which may be licensed to a single licensee. However, the Commission may impose such a limit in individual cases if such is found to be necessary to insure a fair and equitable distribution of available assignments to meet the needs of educational organizations for educational television fixed station systems and the needs of television broadcasting stations for television auxiliary services. Applicants are expected to support proposals with adequate engineering data to show that the proposed operation will be accomplished by the use of the smallest number of channels required to provide the needed service.

(c) An application for a new educational television fixed station or for changes in the facilities of an existing station shall specify the location of the transmitter and all proposed receiving locations which will be under the control of the applicant or will be equipped for reception by the applicant. If reception is also intended at unspecified receiving locations which are not under the control of the applicant, the application shall include a complete statement as to the purpose of such additional reception.

§ 4.933 Remote control operation.

(a) An educational television fixed station may be operated by remote control if the following conditions are met:

(1) The transmitter and associated control system shall be installed and protected in a manner designed to prevent tampering or operation by unauthorized persons.

(2) An operator meeting the requirements of § 4.965 shall be on duty at the remote control position and in actual charge thereof at all times when the station is in operation.

(3) Facilities shall be provided at the control position which will permit the operator to turn the transmitter on and off at will. The control position shall also be equipped with a carrier actuated device which will give a continuous visual indication whenever the transmitting antenna is radiating a signal.

(4) The control circuits shall be so designed and installed that short circuits, open circuits, other line faults, or any other cause which would result in loss of control of the transmitter, will automatically cause the transmitter to cease radiating.

(b) An application for authority to construct a new station or to make changes in the facilities of an existing station and which proposes operation by remote control, shall include an adequate showing of the manner of compliance with the requirements of this section.

§ 4.934 Unattended operation.

(a) An educational television fixed station used solely for relaying the signals of another educational television fixed station or a commercial or non-commercial educational television broadcasting station by automatic means, may be operated unattended if the following requirements are met:

(1) The transmitter shall be equipped with automatic circuits which will permit it to radiate only when a signal is present at the input terminals of the apparatus on the channel which it is intended to retransmit. The automatic circuit may be provided with a reasonable time-delay factor to prevent the transmitter from being turned off during momentary failures of the incoming signal.

(2) The transmitter shall accomplish the relaying of the incoming signal by direct heterodyne frequency conversion to a different channel, or linear amplification of the incoming signal. The use of a common oscillator to convert the incoming signal to a low frequency for amplification and to reconvert it to its original channel, will be considered to be the same as linear amplification. In cases where frequency conversion to a different channel is employed, the electrical characteristics of the incoming signal when retransmitted shall not be significantly altered except as to frequency and amplitude. In cases where linear amplification is employed, the electrical characteristics of the incoming signal when retransmitted shall not be significantly altered except as to amplitude. Care shall be taken in the design and installation of an unattended relay station to prevent instability which could result in spurious or other unwanted radiation.

(3) If the transmitting apparatus is located at a site which is not readily accessible at all hours and in all seasons, means shall be provided for turning the transmitter on and off at will from a location which can be reached promptly at all hours and in all seasons.

(4) The transmitter and any associated control circuits shall be installed and protected in a manner designed to prevent tampering or operation by unauthorized persons.

(5) In cases where the antenna supporting structure of an unattended station is required to have aeronautical hazard markings pursuant to the provisions of Part 17 of the Commission Rules, the licensee shall provide for inspection and logging of observations of such markings as required by §§ 17.37 and 17.38.

(b) An application for authority to construct a new station or to make changes in the facilities of an existing station and which proposes unattended operation, shall include an adequate showing as to the manner of compliance with the requirements of this section.

§ 4.935 Power limitations.

(a) The power of an educational television fixed station will be limited to that required to perform the proposed service. Applicants are expected to take full advantage of the power-concentrating properties of directive transmitting antennas and the collective properties of directive receiving antennas to provide the needed service.

(b) An application for a new educational television fixed station or for changes in the facilities of an existing station proposing a peak visual power output from the transmitter in excess of 10 watts, shall include a showing as to the distance and direction to each specified receiving point, the elevation above ground and the power gain of each receiving antenna at such receiving points, the vertical and horizontal directive patterns of the proposed transmitting antenna system in terms of power gain, the elevation of the transmitting antenna above ground and the nature of significant terrain features over the transmission path or paths.

(c) The operating power (peak visual) of an educational television fixed station shall not be permitted to exceed the authorized power by more than 10 percent at any time.

(d) The transmitter power output of the aural signal shall not be more than 70 percent nor less than 10 percent of the peak power output of the visual signal.

§ 4.936 Emissions and bandwidth.

(a) An educational television fixed station shall normally employ amplitude modulation (A5) for the transmission of the visual signal and frequency modulation (F3) for the transmission of the aural signal.

(b) The average power of radio frequency harmonics of the visual and aural carriers, measured at the output terminals of the transmitter, shall be attenuated no less than 60 decibels below the peak visual output power within the assigned channel. All other emissions appearing on frequencies more than 3 Mc/s above or below the upper and lower edges, respectively, of the assigned channel shall be attenuated no less than:

(i) 30 decibels for transmitters rated at less than 10 watts power output.

(ii) 40 decibels for transmitters rated at 10 watts or more power output.

(c) Should interference occur as the result of emission outside the assigned channel, greater attenuation may be required.

§ 4.937 Antennas.

(a) In order to minimize the hazard of harmful interference from other stations, directive receiving antennas should be used at all receiving points. The choice of receiving antennas is left to the discretion of the licensee. However, should interference occur and it can be demonstrated that such interference could be eliminated through the use of a more suitable but practical directive receiving antenna, the licensee of the station causing the interference is absolved of the responsibility of correcting the interference condition.

(b) Directive transmitting antennas shall be used wherever feasible so as to minimize the hazard of harmful interference to other licensees. The radiation pattern shall be designed to minimize radiation in directions where no reception is intended.

(c) In selecting a location for the transmitting antenna it should be borne in mind that interference to the reception of its transmissions is most likely to come from the direction in which receiving antennas must be aimed to receive its transmissions. Whenever possible the location should be chosen so that the receiving antennas in its system are aimed in directions from which interfering signals are least likely to come.

(d) The use of elevated receiving antennas is preferable to the use of elevated transmitting antennas or greater power to provide the desired service.

(e) The use of vertical or horizontal plane polarization or right-hand or left-hand rotating (circular) polarization may be used to minimize the hazard of harmful interference between systems. The Commission reserves the right to specify the polarization to be used.

(f) The power gain compared to a half-wave dipole and the directive properties of the transmitting receiving antennas proposed to be employed as well as the geometric distribution of the transmitting and receiving points, shall be supplied with each application for a new educational television fixed station or for changes in the antenna facilities of an existing station.

§ 4.938 Transmission standards.

The transmission standards of § 3.682 of this chapter shall be employed with the following exceptions:

(1) The provisions of § 4.937(e) apply with respect to the polarization of the radiated signal.

(2) The provisions of § 4.935(d) apply with respect to the ratio of aural to visual power output.

§ 4.950 Equipment performance and installation.

(a) The requirements of § 3.687 regarding the performance of transmitters and of their installation shall apply to transmitters employed at stations in the educational television fixed service with the following exceptions:

(1) The provisions of § 4.961 apply with respect to the frequency tolerance.

(2) The provisions of § 4.936 apply with respect to spurious emissions and radio frequency harmonics.

(b) The requirements of § 4.750(c), (e), and (f) regarding the performance of translators and of their installation shall apply to translators employed at stations in the educational television fixed service.

§ 4.951 Equipment changes.

(a) Formal application (FCC Form ——) is required for any of the following changes:

(1) Replacement of the transmitter as a whole except replacement with an identical transmitter, or any change in equipment which could result in a change in the electrical characteristics or performance of the station.

(2) Any change in the transmitting antenna system including the direction of radiation, directive pattern, antenna gain or transmission line.

(3) Any change in the height of the antenna above ground or any horizontal change in the location of the antenna in excess of 500 feet.

(4) Any change in the transmitter control system.

(5) Any change in the location of the transmitter except a move within the same building or upon the same tower or pole.

(6) Any change of frequency assignment.

(7) Any change of authorized operating power.

(b) Other equipment changes not specifically referred to in paragraph (a) of this section may be made at the discretion of the licensee, provided that the engineer in charge of the radio district in which the station is located and the Commission in Washington, D.C., are notified in writing upon the completion of such changes and provided further, that the changes are appropriately reflected in the next application for renewal of license of the station.

6. Suggested wording for proposed new section 4.952 to accommodate provision for type acceptance of transmitters and translators in Educational Television Fixed Service.

§ 4.952 Acceptability of equipment for licensing.

(a) In order to facilitate the filing of, and action on, applications for station authorizations, transmitting equipment will be accepted for licensing by the Commission under one of the following conditions:

(1) A transmitter or translator may be type accepted upon the request of any manufacturer of such equipment built in quantity by following the type acceptance procedure set forth in part 2 of this chapter, provided that the date and information submitted indicates that the equipment meets all technical requirements applicable to this Service. If accepted, such transmitting equipment will be included on the Commission's "Radio Equipment List, Part C, Equipment Acceptable for Licensing in the Radio Services Other Than Broadcast." Applicants specifying equipment included on such a list need not submit detailed descriptions and diagrams where the correct type number is specified, provided that the equipment proposed is identical with that accepted. Copies of the radio equipment list, part C, are available for inspection at the Commission's office in Washington, D.C., and at each of its field offices.

(2) An application specifying a transmitter or translator not included on the radio equipment list, part C, may be accepted upon the request of a prospective licensee submitting with the application for construction permit a complete description of the equipment, including the circuit diagram listing of all tubes used, function of each, multiplication in each stage, plate current and voltage applied to each tube, and a description of the oscillator circuit together with any devices installed for the purpose of frequency stabilization. However, if this data has been filed with the Commission by a manufacturer in connection with a request for type acceptance, it need not be submitted with the application for construction permit but may be referred to as "on file." Measurement data for type acceptance made in accordance with subparagraph (1) of this paragraph shall be submitted with the license application.

(b) Additional rules with respect to withdrawal of type acceptance, modification of type accepted equipment and limitations on the findings upon which type acceptance is based are set forth in part 2 of this chapter.

Technical operation

§ 4.961 Frequency tolerance.

(a) The frequency of the visual carrier shall be maintained within .0005 percent of the assigned frequency at all times when the station is in operation.

(b) The frequency of the aural carrier shall be maintained within 1 kilocycle-per-second of the frequency that is 4.5 megacycles-per-second above the operating frequency of the visual carrier.

§ 4.962 Frequency monitors and measurements.

(a) Suitable means shall be provided to insure that the operating frequencies of the station are within the prescribed tolerances.

(b) The operating frequencies shall be checked as often as is necessary to insure that they are within the prescribed tolerances at all times and in all cases the operating frequencies shall be checked at intervals of no more than one month.

§ 4.963 Time of operation.

(a) An educational television fixed station is not required to adhere to any regular schedule of operation. Unless otherwise specified in the license, the hours of operation are not limited.

(b) Except for purposes of tests and adjustments, the transmitter shall not be permitted to radiate unmodulated carriers or otherwise make unnecessary transmissions for extended periods of time.

§ 4.964 Station inspection.

The station and all records required to be kept by the licensee shall be made available for inspection upon request by any authorized representative of the Commission.

§ 4.965 Posting of station and operator licenses.

(a) The station license and any other instrument of authorization or individual order concerning the construction of the equipment or manner of operation shall be posted at the place where the transmitter is located, so that all terms thereof are visible except as otherwise provided in paragraphs (b) and (c) of this section.

(b) In cases where the transmitter is operated by remote control, the documents referred to in paragraph (a) of this section shall be posted in the manner described at the control point of the transmitter.

(c) In cases where the transmitter is operated unattended, the name of the licensee and the call sign of the unattended station shall be displayed at the transmitter site on the structure supporting the transmitting antenna, so as to be visible to a person standing on the ground at the transmitter site. The display shall be prepared so as to withstand normal weathering for a reasonable period of time and shall be maintained in a legible condition at all times by the licensee. The station license and other documents referred to in paragraph (a) of this section shall be kept at the nearest attended station operated by the licensee of the unattended station or in cases where the licensee of the unattended station does not operate attended stations, at the point of destination of the signals relayed by the unattended station.

(d) The original of each station operator license shall be posted at the place where he is on duty: *Provided, however,* That if the original license of a station operator is posted at another radio transmitting station in accordance with the rules governing the class of station and is there available for inspection by a representative of the Commission, a verification card (FCC form 758-F) is acceptable in lieu of the posting of such license; *Provided further, however,* That if the operator on duty holds an operator permit of the card form (as distinguished from the diploma form), he shall not post that permit but shall keep it in his personal possession.

§ 4.966 Operator requirements.

(a) An educational television fixed station used for the origination of visual and aural program material or the transmitter of which is modulated with visual and aural program material received from other sources, shall not be operated unless there is one or more operators holding a valid radiotelephone first-class or second-class operator license or radiotelephone third-class operator permit, on duty at the place where the transmitter is located or at an authorized control point established pursuant to the provisions of § 4.933, and in actual charge thereof.

(b) Except when under the immediate supervision of a radiotelephone first-class or second-class operator, the radiotelephone third-class operator permit holder may perform only the following functions:

(1) Those necessary to turn the transmitter on and off.

(2) Such adjustments as may be made by means of external controls and which are necessary to maintain modulation of the transmitter within the prescribed limits.

(3) Such adjustments as may be made by means of external controls and which are necessary to compensate for fluctuations of the power supply voltage which would otherwise result in changes in the authorized operating power.

(4) Make routine meter readings and inspection of antenna hazard marking for logging purposes.

(c) In cases where a transmitter is operated unattended pursuant to the provisions of § 4.934, an operator of the grade specified in paragraph (a) of this section shall observe the transmissions at the receiving point for the station or some other suitable place where the transmissions of the unattended station can be observed, at intervals of no more than 1 hour whenever the station is in operation. Should any condition of improper operation be observed, immediate measures shall be instituted to correct the condition of improper operation.

(d) Any tests, adjustments or repairs made while the transmitter is in operation and which require technical skill and knowledge to avoid improper operation, shall be made by or under the immediate supervision of an operator holding a valid radiotelephone first-class or second-class operator license.

(e) The licensed operator on duty and in charge of an educational television fixed station may, at the discretion of the licensee, be employed for other duties or for the operation of another station or stations in accordance with the class of operator license or permit which he holds and the rules and regulations governing such stations. However, such duties shall in no way interfere with the operation of the educational television fixed station.

§ 4.967 Marking and lighting of antenna structures.

The marking and lighting of antenna structures authorized by the Commission, where required, will be specified in the authorization issued by the Commission. Part 17 of the rules of the Commission sets forth the circumstances under which such marking and lighting will be required and the responsibility of the licensee with regard thereto.

§ 4.968 Additional orders.

In case the rules of this part do not cover all phases of operation with respect to external effects, the Commission may make supplemental or additional orders in each case as may be deemed necessary.

§ 4.969 Copies of the rules.

The licensee of an educational television fixed station shall have current copies of Parts 3 and 4, and in cases where aeronautical hazard marking of antennas is required Part 17, of the rules of the Commission, available for use by the operator in charge. Both the licensee and operator or operators responsible for the proper operation of the station are expected to be familiar with the pertinent rules governing educational television fixed stations.

§ 4.970 Modulation limits.

(a) Visual transmitter: The maximum excursion of the luminance signal in the white direction shall not exceed the value specified for the reference white level.

(b) Aural transmitter: The maximum frequency swing of the aural carrier shall not be permitted to exceed ±25 kc/s on sound peaks of frequent occurrence during any transmission. This is defined as 100 percent modulation.

§ 4.971 Modulation monitors and measurements.

Suitable means shall be provided to insure that the modulation limits specified in § 4.970 are observed.

§ 4.981 Logs.

(a) The licensee of an educational television fixed station shall maintain an operating log showing the following:

(1) The date and time of the beginning of each period of operation of the transmitter.

(2) The date and time of any unscheduled interruptions to the transmissions of the station, the duration of such interruptions, and the causes thereof.

(3) The date and time of the end of each period of operation of the transmitter.

(4) A record of all repairs, adjustments, maintenance, tests, and equipment changes, showing the date and time of such events, the name and qualifications of the person or persons performing such tasks, and a brief description of the matter logged.

(5) Where an antenna structure is required to have aeronautical hazard markings, the information required by § 17.38.

(b) The log entries shall be made by the person or persons competent to do so, having actual knowledge of the facts required, who shall sign the log when starting duty and again when going off duty.

(c) The log shall be kept in an orderly and legible manner, in suitable form and in such detail that the data required are readily available. Key letters or abbreviations may be used if proper meaning or explanation is contained elsewhere in the log.

(d) No log or portion thereof shall be erased, obliterated, or willfully destroyed within the period of retention required by rule. Any necessary correction may be made only by the person who made the original entry who shall strike out the erroneous portion, initial the correction made, and show the date the correction was made.

(e) Operating logs shall be retained for a period of not less than 2 years. The Commission reserves the right to order, in individual cases, retention of logs for a longer period of time. In cases where the licensee has notice of any claim or complaint to which information contained in the log may be pertinent, the log shall be retained until such claim or complaint has been fully satisfied or until the same has been barred by statute limiting the time for the filing of suits upon such claims.

§ 4.982 Station identification.

(a) Call signs for educational television fixed stations will consist of three letters and two digits pursuant to the provisions of § 2.302 relating to fixed stations.

(b) Except as otherwise provided in paragraphs (c) and (d) of this section, each educational television fixed stations shall transmit its call sign at the beginning and end of each period of operation and during operation, on the hour. Visual and aural transmissions shall be employed.

(c) The hourly station identification announcement during operation may be deferred if it would interrupt a single consecutive demonstration, lecture, or other similar discourse or otherwise impair the continuity of a program in progress. In such cases the station identification announcement shall be made at the first normal break in the continuity of the program.

(d) In cases where an educational television fixed station is operating as a relay for signals originating at some other station operated by the same licensee, its call sign shall be announced by the originating station at the times and in the manner prescribed in paragraph (b) of this section.

(e) In cases where an educational television fixed station is operating as a relay for signals originating at a station operated by some other licensee, its call sign may be transmitted by the originating station if suitable arrangements can be made with the other licensee or in lieu thereof, means shall be provided for the transmission of the call sign by the relay transmitter itself. If the transmitter is operating unattended or if it is not equipped for direct modulation by a locally generated signal, the transmission of the call sign may be made automatically in international Morse telegraphy by interrupting the carrier.

§ 4.983 [Reserved]

§ 4.984 Rebroadcasts.

(a) An educational television fixed station may retransmit the signals of any television broadcasting station provided that prior written consent or certification of consent is obtained from the station originating the signals which are retransmitted.

(b) An educational television fixed station may not retransmit the signals of any other class of station without prior authority of the Commission and consent of the station originating the signals to be retransmitted. Requests for such authority shall be submitted in writing to the Commission in Washington, D.C. at least 10 days prior to the commencement of such retransmissions and the request shall certify that consent for the retransmission has been obtained from the originating station.

Mr. THOMAS. Mr. Chairman, I rise in opposition to the amendment, and I ask unanimous consent, Mr. Chairman, that all debate on this amendment and all amendments to this paragraph end in 3 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. THOMAS. Mr. Chairman, I have a great deal of respect for our very able and genial friend who has just spoken. He is a very able and fine gentleman.

But, Mr. Chairman, I do hope this amendment is voted down. Of all the good things in this bill and of all the popular things in this bill, I think this is perhaps the most popular one. This item allows for 50 percent contributions to the cost of construction of educational television broadcasting facilities. This is for education, all nonprofit channels and stations, and provides 50 percent for new ones and 75 percent for old ones with an average contribution of about $100,000 per station and a total limitation of $1 million per State. There are 304 channels available in the United States and I will guarantee you when you get back to your office and read your mail after you have been over here all day long, my guess is you are going to have telegrams from 50 or 60 percent of those in your area urging you to vote for it.

The budget estimate in round figures was $5 million. Your committee cut it down to $2 million. This is a 5-year program for $32 million. I think your committee has been generous and reasonable and, I repeat the good words of my friend, the gentleman from Ohio [Mr. ASHBROOK], we did ask them to go slow and to guarantee that they would go slow because we did not give them too much.

Mr. Chairman, I ask for a vote and respectfully ask my colleagues to vote down the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. ASHBROOK].

The amendment was rejected.

Mr. THOMAS. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with an amendment with the recommendation that the amendment be agreed to and that the bill, as amended, do pass.

The motion was agreed to.

Accordingly the Committee rose, and the Speaker having resumed the chair, Mr. THOMPSON of Texas, Chairman of the Committee of the Whole House on the State of the Union reported that that Committee having had under consideration the bill (H.R. 13290) making supplemental appropriations for the fiscal year ending June 30, 1963, and for other purposes, had directed him to report the bill back to the House with an amendment with the recommendation that the amendment be agreed to and that the bill, as amended, do pass.

Mr. THOMAS. Mr. Speaker, I move the previous question on the bill and the amendment thereto to final passage.

The previous question was ordered.

The SPEAKER. The question is on the amendment.

The amendment was agreed to.

The **SPEAKER**. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The **SPEAKER**. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND ON SUPPLEMENTAL APPROPRIATION BILL, 1963

Mr. **THOMAS**. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the bill just passed.

The **SPEAKER**. Without objection, it is so ordered.

There was no objection.

GENERAL LEAVE TO EXTEND REMARKS

Mr. **THOMAS**. Mr. Speaker, I ask unanimous consent that all Members may have 3 legislative days in which to extend their remarks concerning our beloved Speaker at that point in the RECORD following the remarks of Mr. FOGARTY.

The **SPEAKER**. Without objection, it is so ordered.

There was no objection.

EIGHTH SEMIANNUAL REPORT OF THE OFFICE OF MINERALS EXPLORATION—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The **SPEAKER** laid before the House the following message from the President of the United States, which was read, and together with the accompanying papers, referred to the Committee on Interior and Insular Affairs:

To the Congress of the United States:

I transmit herewith the Eighth Semiannual Report of the Office of Minerals Exploration from the Secretary of the Interior as prescribed by section 5 of the act of August 21, 1958, entitled "To provide a program for the discovery of the mineral reserves of the United States, its Territories and possessions by encouraging exploration for minerals, and for other purposes."

JOHN F. KENNEDY.

The WHITE HOUSE, *October 3, 1962.*

RIVERS AND HARBORS AND FLOOD CONTROL PROJECTS

Mr. **COLMER**. Mr. Speaker, by direction of the Committee on Rules I call up the resolution (H. Res. 823) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee for the consideration of the bill (H.R. 13273) authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes. After general debate, which shall be confined to the bill, and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Public Works, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The **SPEAKER** pro tempore (Mr. ALBERT). The gentleman from Mississippi is recognized for 1 hour.

Mr. **COLMER**. Mr. Speaker, I yield the usual 30 minutes to the gentlewoman from New York [Mrs. ST. GEORGE], and pending that I yield myself such time as I may consume.

The **SPEAKER** pro tempore. The gentleman is recognized.

Mr. **COLMER**. Mr. Speaker, House Resolution 823 provides for the consideration of H.R. 13273, a bill authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes. The resolution provides an open rule with 2 hours of general debate.

H.R. 13273 is similar to the omnibus river and harbor and flood control bills of 1960 and preceding years, which have been considered at intervals of 2 to 4 years.

The purposes of the bill are to authorize construction of certain projects for navigation, beach erosion control, flood control, and other purposes, on which favorable recommendations have been made by the Chief of Engineers; authorize an increase in the monetary authorization for one comprehensive river basin plan previously approved by the Congress; authorize surveys of problems on streams and at other localities, to be carried out by the Corps of Engineers; provide for reimbursement to local interests for work done on authorized beach erosion control projects, and other matters.

Title I of the bill covers river and harbor works, including navigation and beach erosion control projects and matters related thereto. Title II covers flood control works, hurricane protection works, multiple-purpose works including and related to flood control and hurricane protection, and matters related thereto.

The total cost of the bill is estimated to be $2,307,719,300.

Mr. Speaker, I urge the adoption of House Resolution 823.

Mr. Speaker, I reserve the balance of my time.

Mrs. **ST. GEORGE**. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, House Resolution 823 makes in order consideration of H.R. 13273 authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes.

Mr. Speaker, this bill, as it comes before us, contains 167 projects. The price tag on them is $2,300 million. There is no one on the floor practically listening to the bill, because presumably the 297 Members who already have projects in the bill are very well satisfied with its contents.

I am not going to criticize the bill because I have not had enough time to study or examine it, nor has anyone else, I might add.

Yesterday morning your Committee on Rules met at 10:30 to consider this bill. When we arrived in committee we were informed that the bill had not yet been brought up from the Printer, nor had the report. We recessed until 11:15 yesterday morning, when the bill was finally brought to our attention for consideration. It is very obvious it was considered in an extremely cursory manner, and for that reason it would be impossible to either criticize or endorse in an intelligent manner.

This bill differentiates from the Senate bill, in that it is just about half the amount; therefore we like to believe it is preferable to the Senate bill. I would like to point out, however, Mr. Speaker, that in the minority report attention is called to the fact that there are 4 projects out of the 167 that are not even budgeted. I believe amendments are to be offered on the floor to strike these four projects from the bill, and it is my hope, at least, and I think the hope of some others, that that will be done. Out of 167 projects to only strike out 4, for the very obvious reason they have not been budgeted and have not been approved by the Bureau of the Budget, should be sufficient reason to strike these projects from the bill.

Mr. **HALLECK**. Mr. Speaker, will the gentlewoman yield?

Mrs. **ST. GEORGE**. I yield to the gentleman from Indiana.

Mr. **HALLECK**. Mr. Speaker, I would like to say at the outset that, of course, this is a very important matter and should have the attention of all Members.

The gentlewoman has referred to certain items that are in the bill. I would like to say at this point that for better than 25 years the people of the State of Indiana, their elected officials, Governors, Democrats, and Republicans, down to now, when we have a Democratic Governor, have been striving for a public deep water port on Lake Michigan on Indiana shores.

We have had a favorable report from the Army engineers. We have been years and years achieving that. The Army engineers have reported to the Bureau of the Budget that the project is economically feasible. I have every reason to believe that all of the people in the executive branch of the Government recognize that this project is economically feasible.

But for some reason or other, I think probably I know what the reasons are, although probably I cannot talk about them here on the floor of the House, but for reasons that I do not think are well founded, the approval of the Bureau of the Budget, along with the transmission to the Congress of the favorable report of the Army engineers, after all of the procedures have been gone through has not been forthcoming.

Now, could I just say further, with the gentlewoman's indulgence, in all my time here I have sought to abide by the rules governing consideration of matters such as these. I do not know yet what we from the State of Indiana, without regard to political affiliation, ought to do today about getting our project advanced.

Mrs. ST. GEORGE. I would like to point out to the gentleman from Indiana that I have mentioned four projects.

Mr. HALLECK. I understand.

Mrs. ST. GEORGE. Not one of these projects is located in the State of Indiana. I would like to also ask the gentleman if his project is in the bill about which he is talking?

Mr. HALLECK. If the gentlewoman will yield further, it has been introduced in bills by Members of the Indiana delegation here in the House of Representatives. It is not included in this bill. It should be included in this bill.

Mrs. ST. GEORGE. That may well be, and I hope the gentleman will offer such an amendment.

Mr. HALLECK. If the gentlewoman will yield further, may I just say this: As distinguished from some projects that are presently in the bill, our harbor has been approved by the Army engineers, declared economically feasible, and again may I say for reasons completely outside my control or apparently outside the control of anyone from my great State, Democrat or Republican, the approval of the Bureau of the Budget has not been forthcoming since last June. It should have been here. The project should have been included in this bill.

Now, as I said, I have always tried to follow the rules of procedure here. But if there ever was a project justified, this is it. When I first came to Congress, the Governor of my State was Paul V. McNutt. I appeared with him to testify in favor of this project. Already there is one steel mill located in this area. There will be others. What we need in Indiana is a public port, with the land available to provide for a diversified industrial complex, not just one kind of production, but all kinds of production.

We have too long been foreclosed. Possibly we are foreclosed now. But I want it clearly understood that it is through no fault of mine. In my 28 years here I do not think I have ever asked for a single thing for my own district which I could not demonstrate was completely justified. Seldom have I asked for a single thing for my district, but I must say that the failure of the Bureau of the Budget to follow the recommendations of the Army engineers, after years and years of support, is in my opinion completely without understanding, except as I said, having regard for the parliamentary situation that sort of hems us in here once in a while, some things have intervened which I do not believe are justified.

Mrs. ST. GEORGE. Mr. Speaker, I want merely to assure my leader that, of course, I was not in any way referring to his project as one in the bill. The four projects that I mentioned I think are definitely open to criticism. Of course, the House in due time can work its will on this. On the other hand, I think the gentleman from Indiana has brought out something that I wanted to touch upon also. The great mistake of bringing up a bill like this in a few short days and expecting to have the House vote intelligently upon it is just impossible and cannot be done.

Mr. WRIGHT. Mr. Speaker, will the gentlewoman yield?

Mrs. ST. GEORGE. I yield.

Mr. WRIGHT. Mr. Speaker, I should like to comment with respect to the remarks made by our distinguished colleague from Indiana [Mr. HALLECK] that I certainly sympathize with his point of view and with the frustration which frequently grips a Member of this House when he has the difficult task of trying to get through the various administrative agencies clearance for these projects. It is my understanding that we intend in this committee to have another omnibus bill next year. I should like to pledge to the gentleman from Indiana, as one member of this committee, that this project having been in the mill as long as it has, whether or not it gets favorable clearance from the Bureau of the Budget, I for one will be most anxious to help and support him in any way I can to see that it gets a fair and fully sympathetic hearing from this committee when we meet to hear these matters next year.

We cannot always be bound and inhibited by the recommendations of the Bureau of the Budget, although we try as best we can to do so. These two projects which have not been cleared by the Bureau of the Budget out of the 167 contained in this present bill may possibly be in the same category as the one referred to by the gentleman from Indiana.

Mr. HALLECK. Mr. Speaker, will the gentlewoman yield further to me?

Mrs. ST. GEORGE. I yield.

Mr. HALLECK. Mr. Speaker, I appreciate the remarks of the gentleman. All I can say is that we in my State, going clear back to the time when Mr. Minton was a Senator from Indiana and before he was a Justice of the Supreme Court; Senator Van Nuys; Governor McNutt, whom I mentioned earlier; Governor Schricker, who was twice Governor of Indiana; Governor Gates, Governor Craig, and every other Governor I can think of, and almost without exception our whole congressional delegation have been trying for all the years I have been here—28—to build this public port. We have been roadblocked and stymied to the point where some of us, after a bit, are going to start telling the truth. As I say, I do not know for sure what we can do about it today. I am going to watch and see what happens.

Mr. CRAMER. Mr. Speaker, will the gentlewoman yield to me?

Mrs. ST. GEORGE. I yield.

Mr. CRAMER. Mr. Speaker, in order that the situation be understood, and that we are not misled by some of the suggestions that there are "only four projects in controversy," I think it would be well at this point to say that the value of the projects that are in controversy is $144 million. Therefore, not minimizing the fact that there is moneywise a very substantial disagreement with regard to the bill, it will be the objective of the minority when the proper time comes for amendment, to offer amendments to try to get a clean bill and to strike out the $144 million worth of projects in this $2.3 billion bill, which is a pretty substantial portion of the bill.

Mr. Speaker, may I say secondly to the gentleman from Indiana [Mr. HALLECK] with regard to his project, that I know of no controversy concerning it; I know of no reason why the Bureau of the Budget should not have acted on it, because we certainly were flooded—and I mean flooded—with approvals by the Bureau of the Budget here in the last 10 or 12 days, since consideration of this bill started. The flood gates have been opened for Bureau of the Budget approval of projects of all kinds, many of which have not been waiting nearly as long as that of the gentleman from Indiana.

I know of no reason, no legitimate reason, why that project should not have been brought before our committee unless, perhaps, the gentleman just was not on the right list.

Mrs. ST. GEORGE. Mr. Speaker, may I say to the gentleman that I am very happy for his contribution and for his bringing out the fact that these four projects total $144 million, which, as he has well said, is a considerable amount. I would also like to point out that the Bureau of the Budget, I understand—and maybe at this very hour—are reversing their stand on some of these projects. Therefore, when I say that there are four projects that were disapproved, that was as of 11:15 yesterday morning. I do not vouch for the fact that they are still not acceding to these demands. In other words, Mr. Speaker, while we are not quarreling too much—and I say again not too much—with this bill, we must quarrel with the way in which it has been handled and brought before this House.

This should have been taken up months ago. It should have been worked on for a long time. There are some of the projects where the opponents of the project were never even heard in the various committees. That was testified to before the Rules Committee.

For all these reasons I trust that in the next Congress, the 88th Congress, we will start working a little before the end of June and try to study some of these matters that deserve a great deal of study and a great deal of consideration.

Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. ALGER].

Mr. ALGER. Mr. Speaker, I ask unanimous consent to proceed out of order.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. ALGER. Mr. Speaker, the overriding importance of what I have to say here today, the equal protection of the law, and I measure every word, is the only reason I would intrude on this debate.

Mr. Speaker, at this moment in Springfield, Mo., a citizen of these United States is being held in prison by the Government and from all the facts I have been able to gather, I am deeply concerned that his constitutional rights are being tragically violated. Maj. Gen. Edwin Walker is a resident of the Fifth District of Texas and I am his voice in Congress. This morning I received a telephone call from General Walker's mother, appealing to me to protect her son from what appears to be a deliberate conspiracy to deprive him of his liberty. As a responsible Member of the Congress of the United States I cannot, indeed it would be a violation of my oath, to refuse to heed such an appeal—an appeal from his mother.

As I stated on the floor of the House yesterday and as I made clear to the Attorney General in a telephone conversation with him yesterday morning, it is not my purpose to judge the guilt or innocence of General Walker concerning the charge made against him. It is my bounden duty as a Representative of the people to see that General Walker has the same protection of the law and the same guarantees of his constitutional rights as the Government is giving to James Meredith, using every source at its command to do so.

Since talking with the Attorney General yesterday morning and since my telephone conversation with the mother of General Walker, I have been given a complete chronology of the arrest, arraignment, imprisonment, and finally the ordering of a mental test for General Walker. This record makes it painfully clear that in the unparalleled treatment of General Walker the Government has violated two of his constitutional rights. No. 1, the right to be admitted to bail. No. 2, the right to have legal representation at every stage of the proceeding. He did not have legal representation in the court when the commitment order was issued by a judge in Mississippi while General Walker was being held in a cell in Springfield, Mo., having been sent there the day previous to the order which committed him there.

In order that every Member of this body have the benefit of the complete record, I would like to summarize the course of events as they have been given to me by General Walker's attorney within the past few hours.

General Walker was arrested around noon on Monday, October 1. His hearing was held at about 2 p.m. He was taken from Mississippi about 4 p.m. to be incarcerated at a Federal Prison reserved for psychiatric and mental prisoners where he arrived at 6:55 p.m.

As I pointed out in my remarks on the floor yesterday evening, the Attorney General assured me at about 10:30 yesterday morning, October 2, that General Walker was being treated as any other person accused of a law violation, that he was not removed to Springfield because it was a mental institution, that he could not be subjected to mental tests without a court order, and that he would be released on bond as soon as such bond was made available.

At 5:44 p.m. yesterday the news ticker carried a report that a Mississippi judge had issued a court order after a hearing held in Mississippi at 2 p.m. approximately that afternoon, ordering psychiatric tests for General Walker.

Mr. Speaker, we dare not allow our Government to ride roughshod over the constitutional rights of General Walker because if it is permitted to do so, then the freedom of every citizen of this land is in jeopardy and, indeed, the Constitution will have been betrayed.

General Walker's attorney advised me further that it was not possible to make the bond for him in Mississippi because he was shipped out before bond could be arranged and a man was there with the money. All day yesterday and up until this very moment, they have been endeavoring to make bond and have not been permitted to do so.

There are very sinister overtones to this whole proceding and it is my opinion that Congress must take some action to clear up the implications. In the haste with which the administration incarcerated General Walker and seemingly denied him his constitutional rights, it has willfully and illegally denied him full protection of the law through manipulation of the law or it has acted in collusion with the courts. In either case General Walker has been denied equal protection under the law and this we dare not ignore.

I have purposely refrained from commenting on the situation in Mississippi which resulted in the arrest of General Walker because, as I stated yesterday, while I have never agreed with the 1954 decision of the Supreme Court, it is my contention that the decision must be changed in the Halls of Congress and not on the campus of the University of Mississippi. As an officer of the Federal Government, elected by the people of the Fifth District of Texas, General Walker's district, I feel that I am bound by my oath of office to protect the people in their constitutional rights and I know every other Member intends the same protection to all citizens, and to uphold the laws of the land and the legal procedures of our courts even when I am in disagreement. But now I must comment because as in the case of General Walker, it appears the Government is going far beyond its constitutional authority in imposing its will upon the State of Mississippi and its people. It has been reported by news media, I suppose this is accurate and it is the only information I have, that U.S. marshals are preventing students of the University of Mississippi from leaving classes attended by James Meredith when they desire so to do. It is one thing to guarantee James Meredith the right to attend classes. It is quite another, and wholly without any constitutional authority for Federal officers to force other students to attend classes which they may wish to leave for any reason whatsoever.

The press reports further that U.S. marshals—and I have this morning's newspaper column to back this up, and that is all I know about it, in case that column is inaccurate, and members of the Armed Forces are searching cars without warrants. In the absence of warrants or in the absence of a declaration of martial law, such action is completely in violation of fourth amendment of the Constitution, as I understand it and I am not an attorney, I am freely admitting this, which states:

> The right of the people to be secure in their persons, houses, papers, and effects, against unreasonable searches and seizures, shall not be violated, and no warrants shall issue, but upon probable cause, supported by oath or affirmation, and particularly describing the place to be searched, and the persons or things to be seized.

Mr. Speaker, I appeal to every Member of this body and to every responsible official of this Government, let us use every means to return the situation we now face to one of reason governed by law and the Constitution. To do less, to continue to violate the rights under law of General Walker and to promulgate the questionable acts of unconstitutionality now going on in Mississippi shakes the very foundations of this Republic and it could come crashing down in the midst of such fury that the freedom of mankind will be destroyed forevermore.

I now ask that every means at the disposal of Congress be brought to bear to stop any further illegal acts against General Walker so that he may be brought speedily to trial with proper legal representation and under the full protection of all our legal procedures, not the least of which is his being able to prepare his own case for presentation, which is now being denied him, according to his attorneys.

Mr. ROONEY. Mr. Speaker, will the gentleman yield?

Mr. ALGER. I yield to the gentleman.

Mr. ROONEY. I should like to ask the distinguished gentleman if he has any information as to what General Walker was doing on the campus of the University of Mississippi at Oxford, Miss., last Sunday night?

Mr. ALGER. I do not have, except newspaper accounts, and neither has General Walker been able to answer that in his own defense before being committed.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. ALGER. Mr. Speaker, as addenda to my remarks, I would like to include four exhibits. First, section 18 U.S. 4244:

> Section 18 U.S. 4244: When the U.S. attorney reasonably believes that a person is insane or is so mentally defective that he is unable to understand the nature of the charge against him or to assist in his defense he will be under motion of U.S. attorney and under order of court committed for psychiatric examination.

Second. A transcript of the telephone conversation today at 11 a.m. with General Walker's attorney, Clyde J. Watts:

Mr. ALGER. All right, he was arrested around noon, hearing around 2, left around

4, and got to Springfield around 6; is that right?

Mr. Watts. He got to Springfield at 6:55.

Mr. Alger. Right.

Mr. Watts. His commitment before the judge in Mississippi was the following day, at which time Judge Clayton did not have Walker before him, so he could observe his condition and demeanor.

Mr. Alger. Just a minute. Of course his hearing was after they had already shipped him out?

Mr. Watts. That's right. Judge Clayton entered his order yesterday after Walker had arrived in Missouri.

Mr. Alger. Right.

Mr. Watts. It would have fixed the time of Clayton's order somewhere shortly after noon, probably around 2 o'clock on Tuesday.

Mr. Alger. October 2?

Mr. Watts. October 2.

Mr. Alger. All right.

Mr. Watts. Now, those are the critical times and dates.

Mr. Alger. Bond was refused at the day of October 1 and October 2.

Mr. Watts. The bond was—no, now here, the bond was fixed on October 1.

Mr. Alger. Right. And I understood that that day——

Mr. Watts. Before his bondsman, who was in Mississippi, before he could make the bond, Walker was brought to Missouri.

Mr. Alger. Missouri on the second, and on the second his bond was refused?

Mr. Watts. All morning long we were here endeavoring to make the bond.

Mr. Alger. I see. But you couldn't make the bond?

Mr. Watts. We could not—in other words, there is no legal proceeding in Missouri through which we could make the bond.

Mr. Alger. I understand.

Mr. Watts. We finally, after conference with the judge, were advised that the U.S. attorney would be here at 2 o'clock——

Mr. Alger. Right.

Mr. Watts. To discuss with us the mechanics of making the bond.

Mr. Alger. Mechanics.

Mr. Watts. When the U.S. attorney arrived, he called the U.S. attorney in Mississippi, who advised him that Judge Clayton, about 2 o'clock, had entered this new order and therefore bond was impossible.

Mr. Alger. All right.

All right. My next question: He was sent to Springfield on the evening or the afternoon of October 1 without any court order?

Mr. Watts. That's right. He was sent to Springfield by this telegram from the Director of Prisons that I read to you.

Mr. Alger. James Bennett?

Mr. Watts. James Bennett.

Mr. Alger. Yes.

Mr. Watts. To the marshal in Mississippi.

Mr. Alger. The marshal who had General Walker in custody?

Mr. Watts. Yes. That telegram directed delivery of Walker to Springfield, Mo.

Mr. Alger. And the man sending the wire was James Bennett?

Mr. Watts. That's right.

Mr. Alger. But how did Craig figure in that?

Mr. Watts. Craig is the U.S. Commissioner. He is the magistrate in Mississippi who fixed the bond.

Mr. Alger. I see. I see. Okay.

Now, all right, I said that you agreed he was sent, though, to the mental prison without a court order; the court order came the next day?

Mr. Watts. Now, the next day, this marshal in Mississippi sent this telegram that I quoted to you, dated October 2, which quotes the telegram from Bennett to the marshal.

Mr. Alger. Right.

Mr. Watts. Now, the following day, this telegram was sent to the warden, the Warden Russell here at the medical center. Now, that's the entire chronology.

Mr. Alger. All right. Now, since he has arrived there, what has been the personal treatment? You made the point as his attorney that being incarcerated in a cell in a mental institution prevents him from making his case.

Mr. Watts. That's right.

Mr. Alger. I mean preparing his case.

Mr. Watts. In other words, that defeats the very purpose of the statute. The statute is ostensibly for the protection of the accused prisoner.

Mr. Alger. Yes.

Mr. Watts. In order to attest his mental capacity to participate in his defense.

Mr. Alger. And what is that statute?

Mr. Watts. That's 18 United States Code Annotated 42.44.

Mr. Alger. All right. I can look that up. OK.

Mr. Watts. The purpose of that statute is to aid the accused who may be of questionable mentality to provide his defense.

Mr. Alger. Right.

Mr. Watts. Now, by the implementation of this statute, his defense is being completely frustrated in court.

Mr. Alger. Now, do you have anything else to add?

Mr. Watts. One other thing. The statute itself does not require that he be committed to a Federal penitentiary.

Mr. Alger. Right.

Mr. Watts. He could and properly should have been examined right there in Mississippi by a competent psychiatrist. Now, this business of shuffling him off to a penitentiary completely frustrates the preparation of his defense.

Mr. Alger. I have got to run to the floor, but I want you to continue adding such material as you would like to. I have to leave, but my assistant, Ralph Marlatt, is here and I have a reporter putting it down.

Mr. Marlatt. Go right ahead.

Mr. Watts. Now, we recognize in this unparalleled treatment of General Walker, the violation of two constitutional rights.

No. 1, the right to be admitted to bail.

No. 2, the right to have legal representation at every stage of the proceeding, which he did not have before Judge Clayton when the commitment order was issued yesterday at 2 o'clock.

Now, those constitutional rights are being, in our opinion, flagrantly denied him. And that covers it.

Mr. Marlatt. That's it. Fine. I think that's it, then.

Mr. Watts. There is another concept you ought to get out.

Mr. Marlatt. All right.

Mr. Watts. The Federal Government has massed and mobilized forces to protect the civil rights of one man in Mississippi, and in the operation of the juggernaut, it has run roughshod over the constitutional rights of General Walker.

Mr. Speaker, the morning newspaper account as it appeared in the Washington Post, Wednesday, October 3, 1962:

MENTAL TEST IS ORDERED FOR WALKER

Springfield, Mo., October 2.—Former Maj. Gen. Edwin A. Walker, a key figure in weekend battling over admission of a Negro to the University of Mississippi, was ordered placed under psychiatric examination in a Federal prison today.

His attorneys announced immediately that they would fight the order in U.S. district court here Wednesday. They instructed Walker to refuse to cooperate with prison physicians.

Walker was locked in the U.S. medical center here. He was brought here from Oxford, Miss., in a border patrol plane October 1, after his arrest and arraignment on charges of inciting insurrection and seditious conspiracy.

U.S. District Attorney F. Russell Millin, of Kansas City, told newsmen the psychiatric examination order was issued in Oxford this afternoon by U.S. District Judge Claude Clayton. Millin said it prevents Walker from obtaining his release under a $100,000 bond set yesterday at his arraignment.

TO TAKE 60 TO 90 DAYS

Millin said he understood the psychiatric examination would take 60 to 90 days and that during that period Walker would not be bailable.

Clyde J. Watts, spokesman for Walker's corps of attorneys, said they would ask U.S. District Judge John W. Oliver, holding court here, for either a writ of habeas corpus, freeing Walker, or for an injunction against any surgical or medicinal treatment of the former general without the presence of a psychiatrist or physician approved by Walker's counsel.

Watts said he and two Springfield attorneys, George Donegan and William Wear, talked to Walker in the medical center this morning and found him "clear, lucid, undisturbed, and possessing all his mental faculties."

Watts said they told Walker "that his response to questions asked by physicians or psychiatrists at the medical center should be only his name, rank, and serial number—the same as an American soldier who has been captured."

Watts, reading from a 4-page statement, told newsmen he had talked to Judge Clayton at Oxford by telephone and was informed the order committing Walker for psychiatric examination was issued on the basis of testimony by Dr. Charles E. Smith, a bureau of prisons psychiatrist. Watts quoted Judge Clayton as saying Dr. Smith had not seen Walker.

Watts said that during their talk with Walker this morning, Walker gave them his version of what happened at Oxford.

"He at no time led any assault, charge, or overt act against any State or Federal officer, including U.S. marshals," Watts said. "He at no time incited anyone to riot or disorder."

Walker told his lawyers, Watts said, that he was in contact with the sheriff in Oxford Saturday and Sunday and advised him he was "there to observe developments."

Walker said he was eating dinner Sunday night during President Kennedy's television speech to the Nation when newsmen advised him of a demonstration at the Ole Miss campus. He said he went there and found a "scene of considerable disturbance." He said he was standing near a Confederate monument about 300 yards from the administration building when several persons asked him to make a statement.

"General Walker made a statement that participants should avoid all semblance of violence that the real war was in Cuba, not Mississippi," Watts said.

SAYS HE HAD NO MISSILE

The former general told the lawyers his remarks lasted about 5 minutes and that as he watched the students going toward the U.S. marshals and then moving back, he was no closer than 30 feet to the officers.

Watts said Walker had "no missile, weapons, or rocks" and that "he counseled the participants to avoid violence."

The lawyer said the statement he read to newsmen had been concurred in by another Walker attorney, Robert Morris of Dallas, former counsel for the House Un-American Activities Committee. Morris was in Cleveland today, but was expected to arrive in Springfield soon.

Watts said Morris issued the following statement:

"I ask all citizens to examine what has happened today. Because General Walker raised his voice in a cause not popular to all of us, he should not be subject to this treatment. This is a suspension of the Bill of Rights."

The $100,000 bail set for Walker was offered on the basis of Oklahoma sureties that were not otherwise identified. Mrs. George Walker of Center Point, Tex., wife of the former general's rancher brother, told newsmen in Houston that it had been raised from two sources—the family and others whom she did not identify.

Mr. Speaker, finally, a record account from the Washington Post regarding the illegal search of automobiles in Oxford:

Torn Between Pride and Shame, Oxford Settles Into an Uneasy Calm

(By Gene Sherman)

Oxford, Miss., October 2.—An uneasy calm settled today over this proud college town that seems torn between civic pride and shame.

Shops were open again, but military convoys continued to rumble through the town, directed by military police stationed at intersections to halt civilian traffic when necessary.

MP's constantly patrolled the streets and the campus in jeeps. Army helicopters spun low overhead and Air Force troop transports kept the tiny airport busier than it has ever been.

Every car entering Oxford was searched for weapons by MP's who set up blockades on all roads leading into town.

There was some question by what legal authority this was accomplished, but as one resentful Oxford resident commented: "Who's going to fight 'em?"

"If I had to research the authority for that," said U.S. Attorney H. M. Ray, "I wouldn't have time to get my work done." He said it as an afterthought to a curt "No comment."

Theoretically, local government and law enforcement still prevail, but the demarcation between them and military authority is thin at the moment.

Martial law has not been declared, but Lt. Gen. Hamilton H. Howze, in command of the troop buildup, admitted it was pretty close at one time. He hastened to add that the situation had been close, not the declaration.

Chief of Police James D. Jones said he was glad to see the troops move in because he didn't think he had enough men to handle the situation. There are six in his department.

Local police are continuing to enforce city ordinances, he said, but the quelling of what might develop into a disturbance in the streets was up to the military. * * *

Mr. **COLMER**. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, it is not my intention to get into any debate at this time on this unfortunate tragedy that is being enacted in my once sovereign State of Mississippi, but since the question has been raised here may I say to my distingiushed friend from Texas and to the other Members of this body, and through this media to the country, that my understanding of the situation that has developed in Mississippi goes far beyond General Walker.

If what I understand to be the true facts down there as I have gotten them from reliable people, the whole question of the constitutional rights not only of General Walker but of the people of—again I repeat—the once sovereign State of Mississippi are being challenged and are being run over rough-shod.

In this connection, Mr. Speaker, many sound lawyers challenge the procedure if not the legality itself under which the U.S. Supreme Court through the Justice Department acted to force this would be student Meredith into the University of Mississippi.

As Mr. Arthur Krock so well pointed out in the New York Times on October 1, Mississippi was denied due process. He said in part:

> Established procedure under due process is completed only when a court of last resort has formally disposed of the final step available to litigants. Since the agreement of all the other Justices that Black announced in his order of September 12, 1962, could have been learned only by communication means other than face-to-face discussion, this raises the legitimate question whether 'due-process' was afforded the State of Mississippi. If, as Justice Black also announced, the Court was certain to reject the State's request for review, that could have been done in the established manner when the Court reassembled today, the day Meredith actually was enrolled at the university.

In other words, in the haste of the administration to force the admission of the NAACP's candidate Meredith into the all-white university, the State of Mississippi was denied the oppportunity under due process to have the merits of its side considered by the Supreme Court in an orderly manner. Instead a single Justice, Hugo Black, after some kind of a Gallup poll, acted on his own. The appeal of the State of Mississippi for an orderly review of the case is thus left hanging in the balance and has never been acted upon.

Mr. Speaker, I had not intended to go into this at this time. At another point in the Record I will have some further remarks on this unfortunate event.

Mr. Speaker, this is happening today to the people of Mississippi under the pretext of the admission of one man with his alleged rights, while the rights of 5,000 other students are apparently not considered. Yet it is happening to them under that pretext today. How do we know it is not going to happen to you tomorrow under some other pretext?

Mr. Speaker, I am so concerned about this matter, I am so disturbed about it, that I even hesitate to speak on the subject. But let me say to my friend from Texas that in the other body the machinery has been set in motion for an investigation of the legality of this whole procedure that has brought on this holocaust down in my beloved State of Mississippi.

Mr. **ALGER**. Mr. Speaker, will the gentleman yield for a unanimous-consent request?

Mr. **COLMER**. Mr. Speaker, I yield for a unanimous-consent request only.

Mr. **ALGER**. Mr. Speaker, I ask unanimous consent that I may be permitted to revise and extend my remarks and to include extraneous material that will include some of the conversation to which I alluded in my remarks.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. **COLMER**. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The **SPEAKER** pro tempore (Mr. Albert). The question is on the resolution.

The question was taken.

Mr. **FULTON**. Mr. Speaker, I object to the vote on the ground that a quorum is not present, and I make the point of order that a quorum is not present.

The **SPEAKER** pro tempore. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 344, nays 4, not voting 87, as follows:

[Roll No. 267]

YEAS—344

Abbitt
Abernethy
Addabbo
Albert
Alford
Alger
Andersen, Minn.
Andrews
Arends
Ashbrook
Ashley
Ashmore
Auchincloss
Avery
Ayres
Bailey
Baker
Baldwin
Baring
Barrett
Barry
Bass, N.H.
Bass, Tenn.
Bates
Battin
Becker
Beckworth
Beermann
Bell
Bennett, Fla.
Betts
Blatnik
Boland
Bolton
Bonner
Bow
Brademas
Bray
Brewster
Bromwell
Brooks, Tex.
Broyhill
Bruce
Buckley
Burke, Mass.
Burleson
Byrne, Pa.
Byrnes, Wis.
Cahill
Carey
Casey
Cederberg
Celler
Chamberlain
Chelf
Chenoweth
Church
Clancy
Clark
Coad
Cohelan
Collier
Colmer
Conte
Cook
Cooley
Corbett
Corman
Cramer
Cunningham
Curtin
Curtis, Mass.
Curtis, Mo.
Daddario
Dague
Daniels
Davis, James C.
Davis, Tenn.
Dawson
Delaney
Dent
Denton
Derounian
Derwinski
Devine
Dingell
Dole
Donohue
Dorn
Dowdy
Downing
Doyle
Dulski
Durno
Dwyer
Edmondson
Elliott
Ellsworth
Everett
Fallon
Farbstein
Fascell
Feighan
Fenton
Findley
Finnegan
Fino
Fisher
Flood
Flynt
Fogarty
Ford
Forrester
Fountain
Frelinghuysen
Friedel
Fulton
Gallagher
Garland
Garmatz
Gary
Gathings
Gavin
Giaimo
Gilbert
Gonzalez
Goodling
Granahan
Grant
Gray
Green, Oreg.
Griffin
Gross
Hagan, Ga.
Hagen, Calif.
Haley
Halleck
Halpern
Harding
Hardy
Harrison, Wyo.
Harsha
Harvey, Mich.
Healey
Hechler
Hemphill
Henderson
Hoeven
Holifield
Holland
Horan
Hosmer
Huddleston
Ichord, Mo.
Inouye
Jarman
Jennings
Jensen
Joelson
Johnson, Calif.
Johnson, Md.
Johnson, Wis.
Jonas
Jones, Ala.
Judd
Karsten
Karth
Kastenmeier
Kearns
Keith
Kelly
Kilgore
King, Calif.
King, N.Y.
King, Utah
Kirwan
Kitchin
Kluczynski
Knox
Kornegay
Kowalski
Kunkel
Kyl
Landrum
Lane
Langen
Lankford
Latta
Lennon
Lesinski
Libonati
Lindsay
Lipscomb
Loser
McCulloch
McFall
McMillan
McVey
Macdonald
Mack
Madden
Mahon
Mailliard
Marshall
Martin, Nebr.
Mason
Mathias
Matthews
May
Meader
Merrow
Miller, Clem
Miller, N.Y.
Milliken
Mills
Minshall
Moeller
Monagan
Montoya
Moore
Moorhead, Pa.
Morgan
Morris
Morrison
Morse
Mosher
Moss
Multer
Murphy
Murray
Natcher
Nedzi
Nelsen
Nix
Norblad
Norrell
Nygaard
O'Brien, N.Y.
O'Hara, Ill.
O'Konski
Olsen

O'Neill
Osmers
Ostertag
Passman
Patman
Pelly
Perkins
Peterson
Pfost
Philbin
Pike
Pilcher
Pirnie
Poage
Poff
Powell
Price
Purcell
Randall
Ray
Reece
Reuss
Rhodes, Ariz.
Rhodes, Pa.
Riehlman
Riley
Rivers, Alaska
Rivers, S.C.
Roberts, Ala.
Roberts, Tex.
Robison
Rodino
Rogers, Colo.
Rogers, Fla.
Rooney
Rosenthal
Rostenkowski
Roudebush
Roush
Rutherford
Ryan, Mich.
Ryan, N.Y.
St. George
St. Germain
Santangelo
Schadeberg
Schenck
Schneebeli
Schweiker
Schwengel
Scott
Selden
Shelley
Shriver
Sibal
Sikes
Sisk
Slack
Smith, Iowa
Smith, Miss.
Smith, Va.
Spence
Stafford
Staggers
Stephens
Stratton
Stubblefield
Sullivan
Taber
Taylor
Teague, Calif.
Teague, Tex.
Thomas
Thompson, La.
Thompson, N.J.
Thompson, Tex.
Thomson, Wis.
Thornberry
Toll
Tollefson
Trimble
Tuck
Tupper
Udall, Morris K.
Vanik
Waggonner
Wallhauser
Walter
Weaver
Westland
Wharton
Whitener
Whitten
Wickersham
Widnall
Wilson, Calif.
Wilson, Ind.
Winstead
Wright
Yates
Young
Younger
Zablocki

NAYS—4

Hoffman, Ill.
Johansen
Pillion
Smith, Calif.

NOT VOTING—87

Adair
Alexander
Anderson, Ill.
Anfuso
Aspinall
Belcher
Bennett, Mich.
Berry
Blitch
Boggs
Bolling
Boykin
Breeding
Broomfield
Brown
Burke, Ky.
Cannon
Chiperfield
Davis, John W.
Diggs
Dominick
Dooley
Evins
Frazier
Glenn
Goodell
Green, Pa.
Griffiths
Gubser
Hall
Hansen
Harris
Harrison, Va.
Harvey, Ind.
Hays
Hébert
Herlong
Hiestand
Hoffman, Mich.
Hull
Jones, Mo.
Kee
Keogh
Kilburn
Laird
McDonough
McDowell
McIntire
McSween
MacGregor
Magnuson
Martin, Mass.
Michel
Miller, George P.
Moorehead, Ohio
Moulder
O'Brien, Ill.
O'Hara, Mich.
Pucinski
Quie
Rains
Reifel
Rogers, Tex.
Roosevelt
Rousselot
Saund
Saylor
Scherer
Scranton
Seely-Brown
Sheppard
Shipley
Short
Siler
Springer
Steed
Ullman
Utt
Van Pelt
Van Zandt
Vinson
Watts
Weis
Whalley
Williams
Willis
Zelenko

So the resolution was agreed to.

The Clerk announced the following pairs:

Mr. Hébert with Mrs. Weis.

Mr. Keogh with Mr. Adair.

Mr. Green of Pennsylvania with Mr. Van Pelt.

Mr. Zelenko with Mr. Michel.

Mr. Rogers of Texas with Mr. Brown.

Mr. Hull with Mr. McIntire.

Mr. Rains with Mr. Utt.

Mr. Roosevelt with Mr. Bennett of Michigan.

Mr. Sheppard with Mr. Moorehead of Ohio.

Mr. O'Brien of Illinois with Mr. Laird.

Mr. Shipley with Mr. Berry of South Dakota.

Mr. Herlong with Mr. Anderson of Illinois.

Mr. Aspinall with Mr. Dominick.

Mr. Alexander with Mr. Springer.

Mr. John W. Davis with Mr. Quie.

Mr. Anfuso with Mr. Siler.

Mr. George P. Miller with Mr. Chiperfield.

Mr. Ullman with Mr. MacGregor.

Mr. McDowell with Mr. Short.

Mrs. Griffiths with Mr. Kilburn.

Mr. Harris with Mr. Van Zandt.

Mr. Pucinski with Mr. Saylor.

Mr. Magnuson with Mr. McDonough.

Mr. Watts with Mr. Rousselot.

Mr. Williams with Mr. Hiestand.

Mr. Breeding with Mr. Scherer.

Mr. Willis with Mr. Belcher.

Mr. Burke of Kentucky with Mr. Harvey of Indiana.

Mr. Boggs with Mr. Glenn.

Mr. Diggs with Mr. Reifel.

Mr. Evins with Mr. Goodell.

Mrs. Hansen with Mr. Hall.

Mr. Hays with Mr. Martin of Massachusetts.

Mr. O'Hara of Michigan with Mr. Broomfield.

Mrs. Kee with Mr. Scranton.

Mr. Steed with Mr. Gubser.

Mr. Harrison of Virginia with Mr. Dooley.

Mr. McSween with Mr. Seely-Brown.

Mr. Vinson with Mr. Hoffman of Michigan.

The result of the vote was announced as above recorded.

The doors were opened.

A motion to reconsider was laid on the table.

MOBILE TRADE FAIRS

Mr. BONNER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 3389) to promote the foreign commerce of the United States through the use of mobile trade fairs, with a House amendment thereto, insist on the House amendment, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina? The Chair hears none, and appoints the following conferees: Messrs. BONNER, DOWNING, CASEY, MAILLIARD, and PELLY.

RIVER AND HARBOR AND FLOOD CONTROL PROJECTS

Mr. DAVIS of Tennessee. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 13273) authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 13273 with Mr. WALTER in the chair.

The Clerk read the title of the bill.

By unanimous consent the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Tennessee [Mr. DAVIS] will be recognized for 1 hour, and the gentleman from New Jersey [Mr. AUCHINCLOSS] will be recognized for 1 hour.

The Chair recognizes the gentleman from Tennessee.

Mr. DAVIS of Tennessee. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, if I may have the attention of the Committee for a moment, I should like to say that the members of this Committee on Public Works on both sides of the aisle have agreed in all sincerity to do everything possible to reduce the time consumed in the consideration of this bill, despite the fact that it is a big one.

I recognize that there are 297 Members of this House affected directly or indirectly, and certainly interested in the consideration of this bill. We recognize that there are 167 projects included in it. We know also that it carries a money value of $2,300 million, covering 167 projects.

There is a bill in the other body which I understand will be considered on tomorrow. It carries a much greater money value. I want to be absolutely frank with the House. We want to get a good bill out, but we recognize that we will go into conference when we pass our version, with very skillful legislators, and it will require patience, and I hope intelligent action on our part.

So, then, recognizing further that so many of our Members want to get home, having some duties to perform at home, some living a great distance from here, they should be entitled to go.

So we want to cooperate with the House, and we ask the House cooperate with us, and we will get this bill out of the way as soon as possible and seek the conference and undertake to resolve the difference and try to bring back a sound bill which will be agreed to in conference. We do ask you to cooperate with us as we are asked to cooperate with you. We are going to discourage as much as possible too much conversation and too much discussion on the bill which may prove collateral. We want to keep this bill very much at it is, without the addition of any other projects. But I will say, in all fairness, we are going to have a bill in ,the House come next session, because there are a great many projects that should be in this bill and we promise, early in the session next year that this committee will give serious and full hearings to a great many projects that you may have in mind at the moment.

Mr. WESTLAND. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Tennessee. I yield to the gentleman from Washington.

Mr. WESTLAND. I am interested in this China Gardens project.

Mr. DAVIS of Tennessee. That is in the bill.

Mr. WESTLAND. I know it is in the bill, I may say to the gentleman, but we are very much interested on the Columbia and on the Snake Rivers in the fish going upstream. I understand there were no public hearings on China Gardens. It was authorized something like 7 years ago. It is supposed to be a reregulating reservoir for Nez Perce and High Mountain Sheep, one of which is going to be constructed. It seems to me that you put the cart before the horse here when you authorize or build High Mountain Sheep, then perhaps the China Gardens would be in order.

Mr. DAVIS of Tennessee. May I interrupt the gentleman. If he will consult the gentleman on his side handling that particular project, they will advise the gentleman what they have in mind at the moment.

Mr. WESTLAND. I thought the chairman of the committee would be able to give me some information.

Mr. DAVIS of Tennessee. I am giving it to the gentleman.

Mr. WESTLAND. Why were not hearings held?

Mr. DAVIS of Tennessee. I am not going to yield further. I will get to that at the proper time.

Mr. JONES of Alabama. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Tennessee. I yield to the distinguished gentleman from Alabama.

Mr. JONES of Alabama. I want to say in response to the inquiries propounded by the distinguished gentleman from Washington [Mr. WESTLAND] that there was no opposition to the development of this project by any of the local agencies insofar as the report is concerned.

Mr. BALDWIN. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Tennessee. I shall be glad to yield to the distinguished gentleman from California.

Mr. BALDWIN. I think, since this has been brought up, it should be said further that a question was asked of the Corps of Engineers at that time if there was any opposition to the project and the Corps of Engineers at that time said "no." But subsequent investigation found that there is substantial opposition to it. In fact, there is even an application for private power now, which has not yet been resolved.

Therefore, the information before the committee at the time this project was voted upon was not at all complete.

Mr. CRAMER. Mr. Chairman, will the gentleman yield for one further observation?

Mr. DAVIS of Tennessee. I do.

Mr. CRAMER. For the information of the gentleman from Washington [Mr. WESTLAND] and others, this is one of the projects referred to which is in controversy insofar as the minority is concerned. There will be a motion made at the proper time to strike it out.

Mr. DAVIS of Tennessee. Mr. Chairman, I thought I was trying to conserve and save time. It looks as if I am responsible for losing some time, with my distinguished friend—and he is a good friend—the gentleman from Washington [Mr. WESTLAND] in regard to this project.

Mr. Chairman, I do not want to leave this, however, without saying we are going to have hearings on projects that should be closer to inclusion in this bill than they presently are. I want to say to the distinguished minority leader, the gentleman from Indiana [Mr. HALLECK] that I did not wait until next year to tell the gentleman my feelings about the gentleman's project. But on this floor just a few days ago I expressed the hope to the gentleman that the Bureau of the Budget would have that project forwarded so that the committee could include it. I promised the distinguished minority leader insofar as I was concerned, if it came in at the very last minute, it would be added to this bill.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Tennessee. I yield to the distinguished minority leader.

Mr. HALLECK. I thank the gentleman for his courtesy and for his statement that I did discuss the matter with him. The gentleman and I have been friends for a long time. He will recall that I went to him and talked to him. However, long recognizing the arrangements by which we ought to proceed here, some suggestion has been made that perhaps since I once was majority leader or that once a man of my party was President of the United States and had something to say about the Bureau of the Budget, why did I not get this project approved before? Well, the plain fact of the matter is we have pursued—we people from Indiana—a regular course to get final approval of the Corps of Engineers.

It was just within the last year or so that we obtained such approval.

I recognize the situation. I just want to say to the gentleman the one thing about it that kind of sticks in my craw, as we say out in Indiana, is that I absolutely know that the responsible people of my State, including our members of the port commission who have acquired hundreds of acres of lands for the development of an industrial complex that we need, had every reasonable assurance that the Bureau of the Budget would follow the recommendations of the Corps of Engineers, and transmit a favorable report on this project. That favorable report has not been forthcoming for reasons that I say should have no place in our legislative branch. But I recognize the difficulty of my situation.

Mr. DAVIS of Tennessee. Mr. Chairman, I will say further to the distinguished gentleman from Indiana that he stated to me, and we agreed that we were going to follow the rules of the House on this bill—he said to me very frankly that "If the Bureau of the Budget does not approve, I certainly will not ask you to consider it."

The gentleman will recognize that we were in entire agreement.

Mr. MADDEN. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Tennessee. I yield to the gentleman.

Mr. MADDEN. Mr. Chairman, in regard to my good friend, the minority leader, I might say this Committee should be commended for not including the so-called Burns Ditch Harbor, that project did not start 20 years ago, it started 130-odd years ago, when Senator Daniel Webster came out to Michigan City, Ind., to dedicate a port at but a few miles up the shore from Michigan City, Ind. They discovered then that a port at that location, at the south end of the 600-mile sweep down from the north on Lake Michigan, annually fills up with sand and silt. Back in those days lake storms would block the harbor and require an appropriation every 3 or 4 years on the part of the Government to clean that harbor location so the harbor could function.

There is approved an application for an engineers study for a port to the west in Lake County, Ind., just out of that 600-mile sweep of sand drift, located at the Burns Ditch area, Lake County would make a practical location for a real port for northern Indiana.

There is an appropriation now authorized for an engineers' study at that location.

In verification of my good friend's statement regarding an engineers report, there have been two engineers reports on this so-called Burns Ditch—one report made in 1960 was withdrawn. That report criticized the location. That recalling of the first engineer's report was at the instance of the ex-Secretary of the Treasury, George Humphrey, who is building a steel mill at that location. He is making every effort to get the taxpayers of Indiana and of the United States to build a port for his steel mill. Mr. Humphrey has been very successful in his short experience as a Federal official on a number of different projects and contracts. I do not think that the people of the Nation should contribute to building a port for George Humphrey's steel mill, which is now under construction at this particular location. I feel sorry for this big land development project that some of the important people of Indiana are promoting in this area, but I do not think that the taxpayers of these United States should help build a port for George Humphrey's National Steel Corp.

Mr. HALLECK. Mr. Chairman, will the gentleman yield to me?

Mr. DAVIS of Tennessee. I yield to the distinguished gentleman from Indiana.

Mr. HALLECK. Mr. Chairman, the political overtones in this controversy have raged for years. The gentleman from the First District, for whom I have the highest regard, is like the mother who saw the column of soldiers going by and said, "Everybody is out of step but Jim." He is the one man from Indiana that I have been able to discover who is out of step.

By what he has just said he indicts our present Democrat Governor, Matt Welsh; he indicts the Port Commission; he indicts Governor McNutt; he indicts former Governor Schricker.

I will not stand for it. It is true that a steel company, Mid-West Steel, has built, on land that they have owned for years, a steel mill. They are going to build more. It is true that another steel company is going to build a mill.

The problem for the people of Indiana, my friend from Lake County notwithstanding, is to build there a deepwater port with land available for diversification. The gentleman from Lake County ought to understand and to know, because he represents a steel mill complex, that we need diversification. We need an opportunity for the development of a public harbor on the Great Lakes. May I say to the gentleman that if the State of Indiana, which already has put hundreds of thousands of dollars in this operation, is now to be foreclosed, one of two things will happen.

Maybe it will suit the gentleman who represents Lake County but it does not suit me and it does not suit all the other people I represent. Either the State of Indiana will build that harbor or the steel companies will build their harbors, as the steel companies built them at

Gary. They are private harbors. They are not open to public use.

Mr. MADDEN. Mr. Chairman, will the gentleman yield?

Mr. HALLECK. No, I will not. The gentleman from Tennessee has the floor. I cannot yield to the gentleman from Indiana. I am sorry he feels this way about it.

Mr. DAVIS of Tennessee. I hope you will not take all my time.

Mr. HALLECK. I will not take it all. I sat in a hearing on this proposition in the city of Gary, which the gentleman represents. I understand he has problems, that Gary's Chamber of Commerce is for this harbor but some other people up there are not. But I sat there with Governor Schricker, the then Democratic Governor of Indiana. I do not know whether the gentleman from Indiana was there or not, but I want to say this: There was unanimity of position of all of us from Indiana. The only thing I regret—I want to close by saying this. Probably I am foreclosed here today, but the people of my State are not going to be foreclosed and we are not going to forget it. There have been political manipulations from certain people in the other body that I say are unconscionable in an effort to defeat the accomplishment of a project in my great State.

You talk about spending taxpayers' money. The State of Indiana, the taxpayers of Indiana, have contributed to the building of harbors all over the United States of America.

All we ask is fair treatment.

Mr. MADDEN. Mr. Chairman, will the gentleman yield for one statement?

Mr. DAVIS of Tennessee. Briefly.

Mr. MADDEN. I am now quoting the first report of the Army Engineers of a year ago which, through the influence of former Secretary Humphrey, was withdrawn. In that report it is stated that 97 percent of the shipping through this particular location, if a port was built there, for the next 20 years 97 percent would be cargo in and out of the two steel mills. About 3 percent would go to southern Indiana.

Mr. DAVIS of Tennessee. Mr. Chairman, I refuse to yield any further. I have been more than generous. I decline to yield to anyone.

Mr. Chairman, I know I do not have any foes in this House. I sought in the beginning to suggest that, thinking so many Members of this House wanted to get home if at all possible by this weekend, and with the cooperation with the fine Members on the minority side handling this bill, and with the warm support of all the men on my side of this Committee, we were asking you not to offer any amendments to increase this bill, with the assurance that we are going to have a bill early next year, because it is important; but collateral matters had come in. I was asking that you not discuss matters outside, and to show you my good faith—let us be reasonable. If we pass this bill this afternoon, you know what we are up against in this conference with the other body, I repeat, a conference committee headed by skilled legislators. The leadership has indicated rather informally to me that if we can handle with reasonable haste and yet intelligence and justice this particular bill, we have a good opportunity to adjourn this weekend. That would be a happy moment with all of us.

To show you my sincerity further, I want to say that I have prepared with some degree of care a statement covering the overall context of this bill.

I am not going to use it, but, Mr. Chairman, I am going to ask unanimous consent to extend my remarks at this point in the RECORD and to include what I wanted to say to you because I am going to be sincere and consistent the rest of this day in the efforts to do what I told you in the beginning all of us on both sides of the aisle had agreed to do as far as this committee is concerned.

H.R. 13273, generally referred to as the omnibus river and harbor and flood control bill, comes to the floor of the House after careful consideration by the subcommittees and the full Committee on Public Works. The bill is divided into two parts—title I, designated as the River and Harbor Act of 1962; and title II, designated as the Flood Control Act of 1962.

Title I adopts 71 river and harbor projects located in 25 States, with an estimated Federal cost of $406,730,000. It also adopts eight beach erosion control projects in seven States, with an estimated Federal cost of $1,775,800.

Title II adopts 86 projects for flood control, hurricane protection, and multiple purposes in 37 States, with an estimated Federal cost of $2,307 million. It also provides for an increase in the monetary authorization for one comprehensive river basin plan, previously approved by the Congress, with an estimated Federal cost of $3,700,000.

The projects adopted in H.R. 13273, both individually and collectively, comprise a valuable addition to the Nation's civil works program. The broad objectives of this program are the full and efficient development, utilization, and conservation of the Nation's rivers, and the protection and development of its coasts, as a means of advancing the national economy and enhancing the welfare of the people. The attainment of these objectives requires the formulation of comprehensive and unified plans for river basin and coastal improvement.

In the Nation's infant years the Corps of Engineers of the Army possessed the primary engineering know-how available to the Government. Hence, the corps was called upon—particularly by President Jefferson—to pioneer the development of the Nation's resources. It conducted explorations, established routes for roads and canals, and served as adviser to both the President and the Congress in the civil aspects of engineering. It was not until 1824, however, that Congress began to appropriate funds for direct Federal developmental activities. The small appropriation of that year, for improving the navigability of the Ohio and Mississippi Rivers by the removal of snags, marks the beginning of what has come to be known as the civil works program. For almost a century this program was confined to the improvement of navigation, the only type of internal improvement considered by Congress to be a responsibility of the Federal Government. Finally, in 1917, Congress authorized flood control work on the Mississippi and Sacramento Rivers. Not until 1936, however, was general flood control legislation enacted; although, in 1928, the corps was directed to make broad basinwide surveys for flood control, navigation, and power development. These studies—commonly known as the 308 surveys—were the first Federal attempt to develop basinwide plans for multiple-purpose development. They had much to do with the gradual acceptance of the concept of comprehensive river basin development, and with the progressive broadening of the body of legislation made up of what are still designated the "flood control acts"; although they now actually provide the bulk of the legislative authorities under which the Nation carries out the comprehensive development of its great river systems.

Over the period of 138 years since 1824, the civil works program has contributed to the Nation's economic development by planning and constructing: 214 reservoirs providing 165 million acre-feet of storage capacity. 500 local protection projects—including the vast levee system protecting almost 24 million acres of flood plain land along the lower Mississippi River; 34 power installations having an aggregate capacity of 7 million kilowatts; 3.2 million acres of water area—summer season—which provided more than 100 million persondays of recreation in 1960, and which is being used more intensively each year; 22,500 miles of inland waterway which provided 123 billion ton-miles of lowcost transportation service in 1960; connecting channels between the Great Lakes which have converted them into a great inland sea providing 99 billion ton-miles of transportation service in 1960; 500 deep-draft commercial harbors on the shores of the oceans and Great Lakes; 250 small boat harbors for refuge, recreation and commercial fishing; shore protection works along more than 300 miles of coastline; and rescue and disaster relief work during great floods and other natural disasters.

In addition to the completed works mentioned above, the Corps of Engineers has under construction 172 new projects, including 62 reservoirs which will increase the aggregate storage capacity by about 46 million acre-feet, and will increase the capacity of power installations by nearly 4.5 million kilowatts—to 11.5 million kilowatts. A program of flood plain information studies was initiated during fiscal year 1962 to encourage States and local governmental entities to regulate the use of flood plain lands for the purpose of slowing down the growth of new flood problems.

The committee is convinced of the necessity for continuing study of the Nation's water and related land resource development requirements and of the necessity for continuing revision and expansion of the Nation's civil works program to meet current and prospective needs disclosed by such study. The projects adopted by H.R. 13273 were formulated in this way. They are based primarily on investigations made by the Corps of Engineers in close coordination with States, other Federal agencies, and local interests, and completed almost entirely since adoption of the River and Harbor and Flood Control Act of 1960. Thus, these projects are based on the most up-to-date appraisals of needs—both immediate and prospective—which it is possible to provide.

In the field of flood control the desirability of avoiding repetition of experienced damage and hazard to life is clear. Perhaps less clear is the role of the projects adopted by H.R. 13273 in bringing about the most effective use of our valley lands, so that we may capitalize on the compelling economic advantages attend upon their wise use. These works have been planned on the basis that flood control is a positive economic force in economic development rather than merely being a corrective measure.

Many of the reservoirs adopted by H.R. 13273 include storage designed to provide adequate supplies of good water, on schedule, to meet municipal, industrial, and agricultural needs. Substantial increases in low water flow will result from reservoir operation, with attendant improvement in water quality. The water supply and water quality control services which will be provided by the adopted projects also are positive forces in the national program for sound economic development.

Hydroelectric power facilities are included in those reservoir projects where economically feasible, to aid in serving growing municipal, industrial, and agricultural power needs.

The growth of public use of Federal land and water areas has been phenomenal in recent years. In 1961 public use of Corps of Engineers projects reached a total of 120 million visits, and water resource projects undertaken by other agencies served additional millions. The key role of water in outdoor recreational activity has been confirmed by the findings of the Outdoor Recreational Resources Review Commission. In recognition of public demand for outdoor recreational opportunities, substantially all of the reservoir projects adopted by H.R. 13273 provides for balanced basic recreational development. This will insure effective public use and enjoyment of the recreational potential which these projects will create.

In the field of navigation the projects adopted by H.R. 13273 are based on recognition of the importance of a sound transportation system to our economy, security, and general welfare, and the fact that each mode of transportation must play the role for which it is best suited.

The projects adopted for improvement of Great Lakes and coastal harbors will afford needed improvement and vitalization of these essential elements of our national transportation system. This is true also of the measures adopted for improvement of our inland waters.

Finally, the short protection measures adopted for beach erosion control and hurricane protection will serve to prevent irrevocable loss of beach areas, serious property damage, and hazard to life.

In summary, the committee considers H.R. 13273 to be a sound bill providing for essential continuing development of our Nation's water resources.

Mr. BLATNIK. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Tennessee. I yield to my warm friend on the committee who is chairman of the rivers and harbors section. We work together so well, I have to yield to my colleague.

Mr. BLATNIK. Mr. Chairman, I want to say what I really know is in the hearts of so many of our colleagues and friends on both sides of the aisle in expressing not only the appreciation but admiration and genuine commendation to our able colleague and distinguished colleague, the gentleman from Tennessee who for years has carried the brunt of a tremendous burden in presenting these multibillion dollar public works projects that help the areas throughout the Nation. Few people realize the hearings that go on day in and day out requiring great patience and technical knowledge to go into all the details of the economic and fiscal feasibility of these projects in areas far removed from your district, Mr. Chairman—areas, yes, far removed from your own State. The manner in which you have conducted the hearings and the consideration of your very important committee and the fairness and consideration that you have shown to every and all of your colleagues regardless from what part of the country they come from reflect great credit on the gentleman from Tennessee and it is proof of his sound knowledge and belief that anything that upgrades the resources of the country to provide for a freer and more efficient flow of commerce and traffic on the waterways of the country and anything that protects life and property in areas subject to flood enhances the economic development of those areas and contributes not only to the improvement of the particular area but to the sum total of the country.

Mr. JONES of Alabama. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Tennessee. I yield to the gentleman.

Mr. JONES of Alabama. Mr. Chairman, I have served on the Committee on Public Works for 16 years. During the course of my tenure on the Committee on Public Works, we have brought biennially public works proposals with a scheme of development of our water resources which are so immensely important to our Republic. During my tenure on the committee, I do not think I have ever worked with or sat along side any member who is so knowledgeable of the subject, and so articulate in his expression and understanding of the subject, so patient in his approach and who has given so much even to an infinite degree to research and study of this enormous problem than the distinguished gentleman from Tennessee, chairman of this subcommittee.

There is not a section of the United States that has not been a recipient of his good work. There is not a section that has not benefited by his zeal and his earnestness and his dedication to the proposition of orderly and judicious prosecution of water resources development.

So, Mr. Chairman, he is a tower of strength in this work that we seek here to do, and certainly, Mr. Chairman, we all adore him and find a great deal of satisfaction that he has directed this phase of the work of the Congress that has had so much to do with making this a great Nation.

Mr. WICKERSHAM. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Tennessee. Briefly.

Mr. WICKERSHAM. I would just like to compliment the gentleman for his splendid work and to tell him and the other members of the committee that we appreciate the fact that the Waurika project has been included in the bill. It was considered on the Senate side, hearings were held over there before the Interior Committee, and we appreciate the item of $24 million for the Waurika project.

Mr. DAVIS of Tennessee. I remember the gentleman talked to me about that.

Mr. Chairman, I am very grateful to my colleagues on the committee for the fine things they have said about me. Any man would be unappreciative indeed not to be moved by them.

Now I am going to practice what I tried and insisted on preaching earlier, I am going to sit down. I hope my friends on the minority side will have better fortune in controlling and limiting time than I have been able to accomplish on this side.

Mr. Chairman, I yield such time as he may desire to the gentleman from Alabama [Mr. JONES].

Mr. JONES of Alabama. Mr. Chairman, it is appropriate at this time in connection with H.R. 13273, the omnibus rivers and harbors and flood control bill, to restate some basic principles which I believe should underlie our national water resources policy.

Our national water policy is now being shaped. Only in recent years have we become aware of the need for such a policy and taken action to assess our resources in light of probable future needs.

History shows us, of course, that water has dominated human life. Americans are familiar with the impact of our river systems, harbors and rainfall on the social and economic development of the Nation. Water, or its absence, has shaped our destiny.

Throughout the 19th century and the early decades of the present century, we took our water resources for granted. In most of America, water was abundant. There seemed to be no need to husband or develop supplies. We used our water carelessly without any thought of the future.

But only a few short years ago we came to our senses and began to analyze the cold facts. We discovered that our water resources were not unlimited in the face of a rapidly expanding population and the demands of our swelling industrial complex. Surveys and studies showed us that there was no doubt about it; we must design a national water policy to enable us prudently and efficiently to employ this key resource.

It should be apparent to all of us today that the health and welfare of the American people in the years ahead will be dependent on the availability of adequate domestic and industrial water supplies. It follows, then, that we must construct a national water policy that will contribute to a sound regional and national development of this vital resource.

We must intensify our efforts to develop our water resources, to perfect flood control measures, to improve our waterways and our harbors, to expand existing hydroelectric projects and initiate others, to reduce water pollution, and to preserve areas of our lakes, rivers, streams and coastal waters for recreational purposes.

Proper water development is exemplified by the TVA. TVA is a model not only for our country but has been an example for similar development schemes throughout the world. The measure of its success has been demonstrated in all of its aspects. It is a source of pride to me to point to TVA as a model in satisfying water resources development in all of its ultimate needs and uses.

We can no longer enjoy the luxury of misusing our water resources.

Certainly the Federal Government has a clear responsibility for safeguarding and developing national water resources. In the national interest it must be the overseer of these resources for the ultimate benefit of all. Management responsibilities and duties may be shared with State and local governments and with private enterprise. But the primary powers must remain with the primary responsibility which is held by the Federal Government. At the same time there must be unity of approach as among the local, State, regional and national levels.

The report of the President's Water Resources Policy Commission, 1950, said:

> The national interest in water resources development is obviously large. It includes the benefits which accrue to the Nation as a whole, such as the strengthening of national security and the national economy, the conservation of soil, water, forest, and mineral resources, the encouragement of a wider and more economical dispersal of industry, the provision of opportunities for new investment and thus for employment, the provision of an adequate supply of food, fibers, and electric energy at reasonable prices, and the expansion of opportunities for the public enjoyment of recreation and wildlife. The amount of the Federal Government's contribution to water resources development should be determined accordingly.

Our interior waterways and our coastal waterways with their associated facilities form a critical transportation complex of paramount importance to agriculture, industry, and the national security. It is an essential element of our national policy that our navigable water resources be developed and used to the fullest economical extent. Low-cost water transportation is a significant factor in the location and establishment of industries today—and will be in the future—as it has been in the past.

A national water resources policy, then, must be designed to maintain and improve these important links in America's overall transportation pattern.

Flood control must be another element of this national water policy. Devastating floods have inflicted great human and economic losses on our Nation. An effective flood control program would preserve human life and effect huge annual savings by protecting the Nation's property, its soil, and its forests. Further, it would conserve our dwindling water supplies. Flood-producing conditions, the effects and repercussions of floods, and the flood-management measures are almost always of much more than local concern. The problem must be tackled through feasible comprehensive river-system or regional water-resource development plans.

Our Nation has a great future need of power capacity, part of which can be satisfied through hydrodevelopment. Another element of our national water policy, then, must concern itself with development of electric power. The economical and timely expansion of electric power will have most fundamental effects on the American economy, including agriculture. Power is one of the most important of all multiple-water-development purposes from the standpoint of bringing development projects and programs into the economically feasible and self-liquidating ranges.

It is obvious that the protection and expansion of our domestic, industrial, and public water supplies must be a primary mission of our national water resources policy. Our water requirements are growing and will continue to grow and we must provide more water by careful management of our present resources and by finding new resources.

In pressing development of our water resources we must be alert to the increasing needs of Americans for recreation areas and to the necessity of conserving our fish and wildlife. Our recreational resources must not be merely preserved, they must be enhanced and expanded. Again, the TVA is a fine example of the substantial and beneficial results that can be obtained through recreational planning and development coordinated in place and time with that of other water uses.

Mr. Chairman, I feel deeply that we must not falter in our pursuit of a comprehensive, fully rounded water resources policy. We are moving in the right direction but we must be unremitting in our determination to reach the final goal. We must continue to move ahead.

Mr. AUCHINCLOSS. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, the Committee on Public Works has very great responsibilities covering a wide area. It considers problems affecting the physical well-being of every part of the United States and reaches decisions on projects seeking the solution of these problems. Every Member of the House has perplexing questions for the development of his district and introduces legislation for their solution which reaches the Committee on Public Works. It is indeed an important though not spectacular committee.

Consider for a moment the scope of this committee's authority. It has the policy of highway construction throughout the country under its jurisdiction. The planning, building, and operation of this vast road system requires hard and intensive study in order to promote a sound expanding national policy in accord with the policies and laws of the various States. This program alone makes this committee an important one. But there are other responsibilities.

The Committee on Public Works must consider the construction of public buildings in all parts of the country and it is by no means a simple task to determine where a building should be located, its purpose, how much it should cost, and what agencies of Government should occupy it. These problems are not easy of solution, but require diligent research and real foresight. New Government buildings do not just happen, they are the result of careful planning and study.

Then there is the enormous problem of flood control of our rivers and lakes, which comes under the jurisdiction of this committee. Each one of these flood control projects presents different problems, frequently involving the construction of public powerplants, which require careful scientific study by men specially trained in that field of experience. The Corps of Army Engineers have time and again proved themselves highly capable to carry on such work and reach constructive conclusions, and I venture to state that it is the best qualified group in the world for this type of work. I am sure there are none better. This engineering knowledge is most important because the solution of this type of problem is technical and costly, and our taxpayers' money would be extravagantly wasted if scrupulous care was not used in the planning for the future. The Public Works Committee should never report out for the consideration of Congress any project of flood control without a completed report from the Corps of Army Engineers together with the approval of the Bureau of the Budget.

Then there is also the great question about the maintenance of the Nation's rivers and harbors and the protection from erosion of our shorelines, in Great Lakes as well as along the coastline. Here again keen alanysis by trained men is required to reach sound and farsighted conclusions. Like the flood control problem, the rivers and harbors projects are costly and care should be taken in reaching conclusions for their solution. It is the responsibility of the Committee on Public Works to make sound and well-supported recommendations concerning these matters, and it should never approve a report to Congress on any project without a full report from the Corps of Army Engineers.

The bill H.R. 13273 now under consideration contains many fully authenticated projects in various parts of the country covering flood control, rivers and harbors maintenance and protection from beach erosion, but unfortunately it contains a few projects which do not have the final approval of the Corps of Army Engineers and the Bureau of the

Budget. These projects are reviewed in the supplemental report signed by the minority members of the committee, so I shall not discuss them in detail. In these remarks I wish to stress the responsibilities, moral and legal, of the Committee on Public Works, and emphasize the fact that such unauthorized projects should not be included in any bill for the consideration of the House.

In accord with our system of operation, the House relies on its committees to study carefully matters submitted to it for consideration, and expects definite standards to prevail for the protection of all. As soon as projects are included in the so-called omnibus bill which fail to meet standards based on the approval of responsible and experienced Government agencies, then this measure can properly be called the pork-barrel bill to the everlasting humiliation of all of us. An omnibut bill should provide for the constructive benefit of America, based on sound reasoning and study and should not contain measures for the political aid of any individual Member with no recommendation of any kind from anyone. To maintain the dignity of the House of Representatives and fulfill our responsibilities as elected Members of the Congress, we should refuse to permit the authorization of taxpayers' money for projects without the approval of any qualified Government authority.

I have served on the Public Works Committee and its predecessor committees for about 20 years, and I am proud of its work and its responsibilities. I must confess however that I do shudder and my blood pressure rises when I read in the press that the committee has reported out a pork-barrel bill. I am sure my colleagues join with me in that feeling, and we should act together in protecting the fair name of this committee and the honor of this very great legislative body and thereby maintain the prestige of our Government.

Mr. Chairman, I yield 10 minutes to the gentleman from Florida [Mr. CRAMER].

Mr. ROBISON. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and three Members are present, a quorum.

The gentleman from Florida [Mr. CRAMER] is recognized for 15 minutes.

Mr. CRAMER. Mr. Chairman and Members of the Committee, we have before us today a $2.3 billion omnibus rivers and harbors bill. In that bill, as I previously stated, there is in controversy $144 million, such figure representing the dollar value of the projects involved in controversy.

Mr. Chairman, I appreciate the remarks of the gentleman, my distinguished colleague and friend from Tennessee [Mr. DAVIS] for his sincerity and his desire to attempt to get out a good bill. I would say that it has been the objective of the minority throughout the consideration of this bill, and particularly in view of the fact that it has been brought to the floor of the House at an unprecedentedly late period in this session of the Congress, without any public hearings, without any opportunity even for Members of Congress to testify, that it is essential in protecting the integrity of the great Committee on Public Works of the House of Representatives on which I have had the privilege of serving for 8 years, and the integrity which I think is essential that we protect, because we have the duty of protecting the rights and interests of the taxpayers of America and to make sure that this Congress, this House and this important committee, is never subject to the charge of pork barreling, to the charge of favoritism, to the charge of playing politics with public works projects, to the charge of not getting a dollar's worth of value for every dollar of the taxpayer's money spent.

Mr. Chairman, it has been my objective throughout as a member of this committee to make certain that those fundamental obligations, I believe, of our committee and certainly of every member on it, are observed. That is why there is controversy; that is why there is a difference of opinion in this particular bill as it relates to these particular projects.

Mr. Chairman, I think it is the duty of the minority when it believes the majority is not following the basic concepts which I have just pointed out to attempt to see that they are observed, particularly in a situation where you here in the last few days of the session allow to be brought up a $2.3 billion bill. The only hope of passage of the bill being that controversy is left out of the bill, the hope for passage being that certain ground rules are established and observed which do not subject the committee and this Congress to charges along this line. I say that as the bill is presently written it does involve pork barreling, favoritism, playing politics with the taxpayers' dollars. With reference to those ground rules I though there was an understanding concerning them as we started consideration of this legislation at this late hour.

Mr. Chairman, I had understood that the rules to be observed were, No. 1, there would be no project contained in the bill that was controversial, for the obvious reason that if there is one which is controversial, the people who oppose it should have a right, under our democratic form of government and system, to be heard. That is the least their right should be. But everyone of those people was denied the right to be heard under this bill. I trust and hope, and I am sure the gentleman from Tennessee [Mr. DAVIS] agrees with me, that this shall not be considered a precedent by the great Committee on Public Works of the House of Representatives—the manner in which this bill has been considered.

It should not be thought throughout this Nation that those who are interested in hundreds of millions and even billions of dollars of expenditures, concerning which there are substantial differences of opinion that those people who have those differences of opinion will be denied, and even the Members of Congress denied, the right to be heard on these projects.

So that is why I, for one, have insisted that the ground rules that I thought had been established be observed. That is why we are opposing these projects, because on them the ground rules were not observed. That is why we fought as hard as we did in the subcommittee and in the full committee to try to make this a clean bill, with good projects, sound projects, with a preservation of the rights of the taxpayers, a clean bill that could pass without controversy.

Well, it is interesting to note how this bill gets before us at this late date—and I am being careful in the words that I use. So far as I can determine, the reason this bill was not properly considered 6 months ago, as we usually do on omnibus rivers and harbors bills, with persons who are interested being given the right to testify, and with adequate consideration being given to all projects, with proper legislative procedure, is that it was held up for a $900 million pork-barrel, grab-bag bill that passed the House a few weeks ago. We spent all our time trying to push through a program that is unsound, that delegates to the President unlimited powers, using the taxpayers' money at the same time, without proper congressional authorization. We spent half of this session working on that $900 million pork-barrel bill rather than considering a sound approach, based on meritorious projects in an omnibus rivers and harbors bill, it being the duty of our committee to do so this year, on a biennial basis.

As a matter of fact, I was informed, and I think authoritatively so, that it was generally advised that we would not even have an omnibus rivers and harbors bill if the $900 million pork barrel, grab bag, handout bill did not pass. Well, it has passed. And I am one to say that that is a bill that is going to come back to haunt this Congress and the Public Works Committee, because it gave to the President the powers that are reserved to the Congress, that of authorizing the projects, precisely what we are doing here today and should be doing in other areas. But that is past history.

Now we are faced with a $2.3 billion bill in which there is $144 million in controversy, in the last few days of the session, when there is not an opportunity properly to consider all the controversies involved; and due to the fact that not to strike out these projects will jeopardize the entire bill, I think the best wisdom is to knock them out, particularly in view of the statement on the part of the distinguished gentleman from Tennessee to the effect that we will be hearing another omnibus rivers and harbors bill with other projects early next year. It also might lead you to ask why has it been essential to include a number of projects in this bill, and in particular the $144 million worth of projects involving controversy?

It is important that we protect the integrity of this bill, not only because of our responsibility to the taxpayers of this Nation but also your Representatives of the House in conference are going to have to face up to the other body. And again I say that as far as I can see, the only hope of getting a bill passed is to get one without controversy and try to hold the line. So far as the House bill is concerned, we can only preserve the House bill if we can take a position based upon merit, based upon the fact that we observed two rules. We made them and stuck by them because they are right; Rule No. 1 being noncontroversial projects on which hearings thus would not necessarily be justified.

Rule No. 2, projects that have been cleared by executive agencies.

That is what our amendments will do. Thus we can go to conference, and we can say to the other body we have protected the integrity of our bill by noncontroversial projects, and only those reported, and therefore we can insist on the other body's doing the same thing in a sound approach in the last few days of this session.

What are the projects in controversy? Burns Creek, in flood control, $52 million. China Gardens, flood control, $74,777,000. Jones Inlet, beach erosion control. Estimated cost, nobody knows what; minimum $4 million, maximum $17 million. Port Elizabeth, $230,500, annually.

These total $144 million, exclusive of the continuing annual costs.

I want to say something very briefly concerning the rivers and harbors projects, two of which I referred to, Fire Island and Port Elizabeth, that do not conform to the basic ground rules of this bill. The distinguished gentleman from California [Mr. BALDWIN], ranking Republican on the Flood Control Subcommittee, will discuss the Burns Creek and China Gardens projects, along with the gentleman from Iowa [Mr. SCHWENGEL]. Those two projects violate the rule of being noncontroversial. There could not be two more controversial projects before the Congress. They have no business in this bill when the effect of having them in this bill is to jeopardize all public works projects in the omnibus bill that is here.

Let us take Fire Island, $17 million. I invite your attention to the minority views in the committee report. There is not any politics in my approach to this. As a matter of fact, the two projects I propose striking out are in Republican districts, and I freely admit it. I still say if we are going to protect the integrity of this bill, a very good bill that abides by basic ground rules, if it is essential to pass a bill at this late stage in the session, then we should take out projects that do not conform to those rules, be they Democrat or Republican.

I say to my distinguished colleagues who are Republicans, who I know are interested in these projects, and I appreciate it, that I trust they will go along with the bill, at least the minority who are insistent on certain ground rules being followed.

Let us discuss, for instance, Jones Inlet. If you will refer to page 240 of this report, you will see a discussion of Fire Island Inlet or Jones Inlet, N.Y. I have had the privilege of visiting this project. I am very sympathetic to the project. I realize a solution must be found. But what is the status of the study or survey that is presently underway pursuant to previous congressional authorization? There has been no clearance by any Government agencies. As a matter of fact, the testimony before our committee was to the effect that the witnesses representing the Erosion Board and the Corps of Engineers could not even testify to what type of project they intend to construct at this location. That you will find in the minority views.

Secondly, the best estimate of cost was—imagine this, we are supposed to act on a project with a best estimate of cost as between $4 million and $17 million. That is as close as they could come to it.

The survey is the first step on any project. If you will turn to page 238 of the report, you will find every step a project must go through in order to conform to the ground rules. This project has not gone through any of them.

You say, Why observe ground rules? Because you as Members of Congress yourselves have said our committee should observe ground rules, and you have made it basic law. On the bottom of page 239 you will see reference to the fundamental basic law, which is the instructions to the committee in considering these projects. The report states:

> In section 202 of the River and Harbor and Flood Control Act of 1954, it is declared to be the policy of the Congress that:
>
> "No project or any modification not authorized, of a project for flood control or rivers and harbors, shall be authorized by the Congress unless a report for such project or modification has been previously submitted by the Chief of Engineers, U.S. Army, in conformity with existing law."

I know what the answer is going to be. It will be that we have waived this in other cases.

But we have never waived it to my knowledge in a case similar to this where you have last minute legislation in order to become a law of necessity. It should be noncontroversial and should obey the ground rules. So that is the difference. We are trying to pass a bill involving good projects in the late hours of the session and that is the objection of the minority.

Therefore, I will at the proper time offer an amendment, as the second ranking Republican member of the Rivers and Harbors Subcommittee, to strike out Fire Island Inlet or Jones Beach. If you look at the bill, you see that there is no cost in it. There is no figure because there is no way of knowing what the figure is.

Secondly, I will offer an amendment to strike out the Port Elizabeth project. It is a maintenance project. Yes, it is a small one. Yes, there is a Republican who is interested in it. The cost is $230,500 annually. Elimination of this project will preserve the integrity of this bill and so we can face the people of this Nation and the taxpayers and say we voted out a bill that was sound and was not a pork-barrel approach to public works projects.

So I will offer an amendment for the purpose of striking that out.

I have one other proposal which I intend to use whatever parliamentary procedures are available to me to try to get the Congress and our committee to consider properly the amendment written into the bill at the last minute without any hearings and without any report from the agencies. It appears on page 13 known as section 102 which completely amends the beach erosion control acts and permits 100-percent participation by the Federal Government for any damages caused by beach erosion but limited only to beach damage as a public function—not including any other public function. If you have a firehouse or city hall damaged by erosion, it does not conform and it cannot qualify for the funds. But if you have a beach and a park—it does. That does not make any sense to me at all.

It also provides on page 15, lines 11 through 13 direct appropriation of $3 million to be obtained from other projects that have already been appropriated for by the Congress.

Transfer fund authority, which I intend to object to at the proper time.

Mr. BECKER. Mr. Chairman, will the gentleman yield?

Mr. CRAMER. I am delighted to yield to my distinguished friend and colleague, the gentleman from New York, who I might say has shown a great deal of interest in the Jones Inlet project, and, as a matter of fact, he was our host when we went to Jones Inlet and Jones Beach. Nothing has been harder for me since I have been in the Congress to stand up here and oppose a project that I know my distinguished colleague is interested in and which is meritorious, I believe, if the Engineers had a chance to come up with a program.

Now I am glad to yield to my friend, the distinguished gentleman.

Mr. BECKER. I would be the last one to quarrel with my colleague from Florida on the matter of procedure and rules. The only point I would like to make insofar as the Fire Island-Jones Beach Inlet project is concerned, the erosion project, is that this is an authorized project and that we have made appropriations to complete the first phase of this project. What we are actually doing here or are attempting to do is that because of studies previously made by the Army Engineers and the engineers of the State of New York, to change the manner by which the project is to be continued rather than by dredging, which is what took place in the first phase, but by putting in some type of bypass pumping operation that would be permanent and always keep the channel clear as well as providing feeder sand for the beaches. That is why I hang my hat on the necessity of this project now so that we can continue with it, and next year when there will be no authorization bill, we at least can complete the study and then ask for the necessary appropriation.

Mr. CRAMER. May I say to the gentleman, this is a review report, but that report has not been refused. We do not know what it contains or how much it will cost, and it will not be available for 6 months. I will say to the gentleman, I will be the first one to support his proposal as a separate bill, if need be, next year if the Engineers indicate it is sound and if the cost is reasonable.

Mr. BECKER. The gentleman says this is estimated to cost between $4 million and $17 million. We will have to come back here next year for the necessary appropriation. Then we will know what the cost will be.

Mr. CRAMER. I will say to the gentleman from New York, as the gentleman from Tennessee indicated, that we are going to have a bill next year, we are going to consider a bill next year. I would support a proposal for the gentleman to put in a separate bill. Then it will go through the proper procedure.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. CRAMER. I yield

Mr HALLECK. Mr. Chairman, perhaps I have said too much already, but I have got to say this much further. The gentleman talked about ground rules. If there is one Member of this House who has tried to play by the ground rules, I have, but I want to add that the patience of some of us is being sorely tried.

I refer again to the effort that the officials of the State of Indiana have made for the past 25 years and more to establish a deepwater port on Indiana's shore of Lake Michigan.

If you want to know what the ground rules are, I refer you, Mr. Chairman, to page 238 of the report where the eight steps involved are set forth.

Step No. 1: Assignment of investigation by Chief of Engineers. That was done years ago for Indiana.

Step No. 2: Public Hearings by District Engineer. We have had hearings, and hearings, and hearings.

Step No. 3: Investigation by District Engineer.

Step No. 4: Review of Division Engineer and issuance of public notice.

Step No. 5: Review and hearings by Engineer Boards.

Step No. 6: Preparation of proposed report by the Chief of Engineers and review thereof by the affected States and Federal agencies.

Step No. 7: Transmittal of report to the Bureau of the Budget.

As of late June of this year, Mr. Chairman, all of these steps were behind us, as far as this project is concerned. Then we come to Step No. 8: Transmittal of report to Congress.

I just want to say that while I recognize the necessity of following the ground rules, when you come to that final step—and I say a case for the building of this harbor has been made—when you come to that final step, the report from the Bureau of the Budget, I am getting to the point where I just do not believe that the Bureau of the Budget should have the final determination for whatever reasons—they may be political or otherwise, and I happen to think in this case they have been political—and not against me, since it is only incidental that this harbor is in my district. The whole State of Indiana has been for this, they are for it now.

I just want to serve notice that if the State of Indiana from our Governor on down, and the bipartisan port commission, are to be foreclosed here today, I am not going to continue to take it lying down. They will either send up a report in compliance with the report of the Army Engineers, a carefully drawn report, or we may forget about the ground rules.

I know that this report from the Bureau of the Budget should have been forthcoming weeks ago, and as I said to the chairman of the committee, I was confident it would be here. It is not here.

Without going into any more detail I just want to conclude by saying that my State of Indiana is not going to longer be foreclosed. All of this talk about how the harbor would just be built for some selfish interests is absolutely without foundation. Indiana is going to have its harbor one way or the other.

Mr. CRAMER. Let me say to the gentleman that I appreciate his problem. This has been the reservation I have had, and illustrates it clearly—the reservation I have had about the manner in which this bill has been considered at this late date, in this short period of time.

Who has controlled what has gone into this bill? The gentleman from Indiana put his finger on it by using his project as an example. The agency that controls what has gone into the bill in the last 3 weeks of submission of new projects has been the Bureau of the Budget. There is no question about that. They have selected the projects to come up. There have been some Republican projects. As a matter of fact, I had a project that has been sent up, and there have been other projects. But the Bureau of the Budget has control of what should be considered under this short procedure in the consideration of this authorization bill and is the best evidence of the weakness of considering the bill in the manner in which it has been considered. I can remember the criticism offered the Bureau of the Budget under President Eisenhower, but I do not hear any today.

Mr. DAVIS of Tennessee. Mr. Chairman, I yield myself 3 minutes.

I want to say that we have agreed to use only 10 minutes, and I regret we have used 25 minutes. But that was due to the nice things said about me by other Members.

I want my good friend, the minority leader from Indiana, to feel in his heart that the gentleman from Tennessee tried to be generous in yielding to him, because if any man or woman in this House has any doubt about whether he has made his case for the public harbor at Burns Waterway in Indiana I would be the most surprised person in world. But, trying to keep our agreement, I want to announce now, Mr. Chairman, that there will be no further requests for time on this side in general debate. We hope to proceed as quickly and as orderly as possible when the bill is being read for amendment.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Tennessee. I yield to the gentleman from Iowa.

Mr. GROSS. This is a $2,300 million bill. What is the reason for all of this circumscription of time on the gentleman's side of the aisle? I assumed you wanted to tell us what is in the bill in detail. I am surprised you only asked for 2 hours of general debate. We used an hour and a half on a $400 million deficiency apropriation bill a little while ago. What is the deal? What is going on?

Mr. DAVIS of Tennessee. We are endeavoring to cooperate, to dispose of the business of this session. I stated in the beginning that this was a big bill. The gentlemen on the other side of the aisle have already stated their position. The gentleman from Florida, who always states a case well, has referred to four objections to this bill on which they are going to lodge objections, plus a fifth. When the point of order is raised on the fifth, I can say to him now that it will be conceded, so there will remain four.

May I say very humbly when this matter is presented and the objections on the other side of the aisle are stated under a limitation of time, and when we are standing on the bill as is, asking that there be no further additions, recognizing that we are going to be up against a bill in the other body providing more than a billion and a half additional dollars, we will do our dead level best in conference to hold our ground. I do not think I could be more sincere in any statement I can make to the gentleman from Iowa [Mr. GROSS] for whom I have the highest regard.

Mr. AUCHINCLOSS. Mr. Chairman, I yield 10 minutes to the gentleman from California [Mr. BALDWIN].

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. BALDWIN. I yield to the gentleman from Iowa.

Mr. GROSS. I still do not have an answer to my question as to why this attempted restriction of time. What is going on here today? Now, January, February, March, April, May, June, July, August, September have gone and this is October. Where has this bill been that it must be rammed through as far as time is concerned on an almost take-it-or-leave-it basis?

Mr. BALDWIN. I believe the gentleman from Iowa was querying the chairman on these points, and I shall yield to the chairman of the subcommittee, the gentleman from Tennessee [Mr. DAVIS], on that point.

Mr. CRAMER. Mr. Chairman, will the gentleman yield to me?

Mr. BALDWIN. I yield to the gentleman from Florida.

Mr. CRAMER. I think I tried to explain it. It has been in the deep freeze. The only thing that thawed it out was the $900 million pork-barrel bill, as far as I am concerned.

Mr. GROSS. Mr. Chairman, if the gentleman will yield further, I will say that while it is late in the session, you may be able to make speed by proceeding moderately this afternoon. I will say this to the members of the committee, I would like to get out of Washington and to Iowa as well as anyone else. But I do not like the kind of situation that I see developing. If this bill is going to be rammed down our throats without adequate explanation under the 5-minute rule, and under a general debate, the timetable for adjournment can be all out of gear, as far as I am concerned.

Mr. BALDWIN. Mr. Chairman, first I would like to say that it has been a privilege again for me to serve as the ranking member on the Flood Control Subcommittee of the Committee on Public Works, and to work with the Chairman of that Flood Control Subcommittee, the gentleman from Tennessee [Mr. DAVIS]. The gentleman from Tennessee has always been very fair to me. It has been a privilege for me, and a pleasure, to work with the gentleman.

Mr. Chairman, I would like to say that as far as the procedure under which this bill was brought to the House floor is concerned, the procedure was that because of the inadequate time available to the committee from the time the hearings started, there being only about 2½ weeks available for hearings, that both subcommittees would only hear the Corps of Engineers and occasionally a Member of Congress. In many cases Members of Congress were asked to file statements and told that there was inadequate time in which to be heard.

Mr. Chairman, this procedure is all right for projects that are noncontroversial. I do not have any objection to the procedure for that type project. But toward the end, particularly the last day of the Flood Control Subcommittee hearings, a number of extremely controversial projects were added to the agenda, and brought before the committee.

Mr. Chairman, of all the 167 projects in this bill in my opinion the most controversial of any of them is the $52-million Burns Creek project in Idaho. I would like to mention just briefly the history of this project, because I think it is important that all Members of the House be aware of it.

Mr. Chairman, this project has been pending before the House Interior and Insular Affairs Committee for four Congresses. The first bill on this subject was introduced in the 84th Congress. It was before the Interior Committee, but there was no action taken on it.

In the 85th Congress the bill was again introduced. A subcommittee of the Committee on Interior and Insular Affairs held 2 or 3 days of hearings on it. However, the committee took no action upon it.

In the 86th Congress bills were again introduced and a subcommittee of the House Interior and Insular Affairs Committee held about 11 days of hearings and meetings on it.

Although the subcommittee acted, the full committee did not take action upon it. In the 87th Congress, this Congress, the project was again before the full Interior Committee, and the Interior Committee last year held 4 days of hearings upon the project. This year, in February, the Interior Committee voted on the project and voted it down by a vote of 17 to 14.

After that history as a Bureau of Reclamation project before the House Interior Committee, this project suddenly blossomed out as a Corps of Engineers project. The only possible conclusion that I can come to is that it suddenly was transferred from the Bureau of Reclamation to the Corps of Engineers because it was defeated by the House Interior Committee.

The Corps of Engineers sent up a report to our committee just a week before the end of the hearings submitting this project to our committee. On the last day of the hearings the committee heard the Corps of Engineers only—no outside witnesses. The following day, two Members of Congress, one for it and one against it, testified briefly. One other Member had written the committee for the opportunity to be heard on the day that the hearing with the Corps of Engineers occurred, but he was not even given the opportunity to testify before the committee. In the committee files are requests for the opportunity to be heard from the United Mine Workers of America who in their letter said that they were opposed to the project and wanted the opportunity to be heard; a letter from the Electrical Workers Union, who wanted the opportunity to be heard against the project and were denied that opportunity; a letter from a coal company in Wyoming, that stated in their testimony last year that the effect of the Burns Creek project would be to reduce the mining of coal to the extent of 250,000 tons of coal per year, the company being the one which has a contract with a private power company that was going to serve some of the area. That company was not given the opportunity to be heard.

A letter was also on file before the committee by the Utah Power & Light Co., the company that serves some of the same area and now has a private power project under construction. That would be a 150,000-kilowatt plant which would be available in a few months and would serve some of the same area. And that company was not even given the opportunity to be heard.

Whatever the merits of this project may be, the Public Works Committee as a committee of the House of Representatives owes an obligation on controversial projects of this type to give the interested witnesses the opportunity to be heard.

Whether we agree with them or we do not agree with them, certainly this House and our committee owes the obligation to interested witnesses to give them the right to be heard. Once we give them that right to be heard, then we have the right to come to a decision, whether it is for or against their point of view. But to take a project and throw it into a bill that has had the controversial history like this has and bar interested witnesses from the opportunity to be heard, in my opinion, is unforgivable. This is not the way this Congress, in my opinion, should handle this type of project.

This project is opposed by the State of Utah. It is opposed by the State of Wyoming. The record of the hearings before our committee, just with the Corps of Engineers present, shows in the statement of the Corps of Engineers itself that both the States of Utah and Wyoming are opposed to the project.

This project therefore is before this House today with interested witnesses having requests on file with the committee 3 months ago that were never given the opportunity to be heard. Certainly we owe them the right to be heard.

When this was a Bureau of Reclamation project, the Bureau of Reclamation came before the Interior committee and said this was a 97-percent power project. The Bureau of Reclamation last year in the House Interior Committee testified before the House Interior Committee and stated that there was no flood control in the plans whatsoever, it was 97 percent power.

After the Interior committee turned it down in February it blossomed out as a Corps of Engineers project. The Corps of Engineers did not have the time to make a new design. They took the Bureau of Reclamation design, and they testified that the Bureau of Reclamation would build this project. Since they testified the Bureau of Reclamation would build and operate this project, it seems even more clear, therefore, that basically the only reason it was transferred from the Interior Committee to our committee was that the Interior committee had already defeated the project. The Corps of Engineers suddenly said when they came before our committee that this project had some flood control in it, but even after that it still had some 85 percent power in the project.

The United Mine Workers said that the private powerplant to be constructed and now in process of construction at Kemmerer, Wyo., will serve some of the same area. If the Burns Creek project is constructed it will reduce the consumption of coal by 250,000 tons a year and, therefore, deprive those coal miners of their occupation.

There was some testimony in one of the hearings before the Rules Committee that the Utah Power Co. and another plant use gas. The actual facts of the matter are that the Kemmerer plant in Wyoming, which is to serve some of the same area, is being designed to use coal exclusively. That was the testimony in the Interior Committee last year, and that testimony has not been refuted from any source.

Certainly the United Mine Workers have a right to be heard, the electrical workers have a right to be heard, the coal company has a right to be heard, and the private power companies that have been serving some of the same area have a right to be heard. Then we can make a decision, whatever it may be, in view of the testimony.

In this bill there are five projects in the State of Idaho amounting to $234 million.

Mr. HARDING. Mr. Chairman, will the gentleman yield?

Mr. BALDWIN. I would like to finish my statement. The chairman of the committee said he had 30 minutes remaining.

Mr. HARDING. The chairman said that time would be yielded back. If the gentleman will not yield to me, I will make the point of order that a quorum is not present.

The CHAIRMAN. The gentleman from California refuses to yield.

Mr. HARDING. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. HARDING. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count.

Mr. HARDING. Mr. Chairman, I withdraw the point of order.

The CHAIRMAN. The point of order is withdrawn. The gentleman from California is recognized.

Mr. BALDWIN. The point I wanted to make in conclusion was that the State of Idaho has five projects in this bill amounting to $234 million. The total bill is $2,307 million. That means the State of Idaho has more than one-tenth of the total monetary value in this whole bill.

According to the 1960 census there are 600,000 people in the State of Idaho. If you will divide 600,000 into $234 million you will find that there is in this bill for every citizen in the State of Idaho $350 per person. If you will review the other 49 States in the Union and divide their total population into the total amount of money in the bill for the other 49 States, you will find the average sum of money in this bill per person for the other 49 States is $12. Therefore, the State of Idaho has in this bill $350 per person and the other 49 States have on the average in this bill $12 per person.

This would certainly indicate that we should strike the Burns Creek project out of the bill, and I intend to offer an amendment for that purpose. We can give that project adequate hearings next year, and certainly the State of Idaho will not be treated unfairly because it will still have in this bill almost $200 million of Federal money.

Mr. AUCHINCLOSS. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. SCHWENGEL].

Mr. SCHWENGEL. Mr. Chairman, I first want to say that it has been a great experience to have the opportunity to serve on the Committee on Public Works with some very distinguished, devoted, and dedicated Members of the Congress. I want to pay tribute as others have to the leadership on the majority and leadership on the minority side who have always sought to serve the public interest and to pay close attention to the desires and interests of the individual members of the committee and the Members of the Congress as a whole.

We had some assurance earlier from the majority side that if the controversial projects do not stay in this bill, and I hope they do not, that they will be considered early next year and hearings will be granted, as they should be, on this and many other projects that we should have considered this year much earlier. Now this is not complete assurance, I say to you, because this presumes that the present majority leader will be the majority leader in the next session of the Congress—and I do not believe he will because I believe the majority will shift to our side of the aisle. So in order to have complete assurance, I would like to address this question to the ranking Member on the minority side, the gentleman from New Jersey [Mr. AUCHINCLOSS]. Can you give this House assurance that if these projects are taken out that they will be considered when you take over as chairman of this committee in the next Congress?

Mr. AUCHINCLOSS. I appreciate the statement of the gentleman. I am very busy trying to get reelected myself to the Congress and if the Congress could only adjourn, I think I will be reelected. If I am reelected, and if I serve on this committee and we control the House, I assure the gentleman that we certainly will give these projects serious consideration.

Mr. SCHWENGEL. I thank the gentleman. Now we are assured that these projects will be considered in the next session of the Congress.

At the proper time I will offer an amendment to have the China Gardens project taken out of this bill. And for these reasons. H.R. 13273 would authorize the construction of the China Gardens project on the Snake River in Idaho at a cost of $75 million. I say to this House that this is a controversial project. There have not been any public hearings on China Gardens. It is very controversial. Public witnesses were denied a hearing. There is an obligation on the part of the Congress to at least give the people in the area a chance to be heard as to whether they are for or against the project. The primary function of the China Gardens would be as a reregulating dam for the upstream High Mountain Sheep and it would be operated in coordination with High Mountain Sheep. The Pacific Northwest Power Co. has an application pending before the Federal Power Commission to construct High Mountain Sheep. The Pacific Northwest Power Co. has committed itself in testimony before the Senate Public Works Committee on September 6, 1962, to construct China Gardens, if the Federal Power Commission will make grants. It is adjacent to the High Mountain Sheep. Extensive hearings have been completed and the Federal Power Commission decision is imminent and I think almost assured. China Gardens can be deferred with no adverse effect on the power supply in the Northwest region. The anticipated ratification by Canada of the Columbia River Treaty will make available large blocks of electric power. This power plus the power of the Hanford reactor and other hydropower projects which will be constructed completely obviates any need for the China Gardens project until 1970.

That is important data to remember. If that is so, we have plenty of time on this, and this is virtually a 100-percent power project. But two-tenths of 1 percent benefit go to other phases.

Mr. Chairman, this is a key project, because this not only involves $75 million, but involves all the other projects which are part of that total system and probably would envision saving many millions of dollars more.

Mr. CRAMER. Mr. Chairman, will the gentleman yield?

Mr. SCHWENGEL. I yield to the gentleman from Florida.

Mr. CRAMER. The gentleman has just made a very important point right now. I have in my hand a 1957 estimate for the Columbia River and tributaries, all of which, Burns Creek, Knowles Dam, which is in the Senate bill, China Gardens, which is in this bill, Bruces Eddy, which is not in this bill, but is in the Senate bill—the total cost estimate of those projects is $478 million, not including about a 20-percent increase in cost of construction since 1957. The total cost of this Columbia River Basin is $1,169 million, not including the 20-percent increase. Including the 20-percent increase the estimate is $1,400 million. That is why it is so important in considering the authorization of the Burns Creek and China Gardens project—the gentleman mentioned the High Mountain Sheep. That is in for $198 million. It is essential to understand that this is underwriting this entire project without even public hearings on a $1,500 million Columbia Basin improvement program. Can you, Mr. Chairman, imagine such irresponsibility on the part of Congress?

Mr. SCHWENGEL. It is terrible and almost unforgivable.

Permit me to say in closing that it makes no sense to consider this project now, and the possibility of saving millions of dollars is very good. If these can be justified when the hearings are held next year we have the assurance they can be taken care of at that time.

Mr. CRAMER. If this body knocks out Burns Creek and China Gardens we can get further information about them next year.

Mr. SCHWENGEL. That is true.

Mr. Chairman, because the philosophy of public power is at stake in this bill, I think the public interest is served by calling attention to an article entitled "Our Changing Economy," which follows:

OUR CHANGING ECONOMY—WHO PAYS FOR FEDERAL POWER?

(By Maurice H. Stans)

The investor-owned electric utilities in the United States last year paid $1.312 billion in Federal income taxes and $1.104 billion in State and local taxes. Would you be willing to eliminate all these taxes in the future, and make the electric companies tax free?

Before you answer, think it over. A saving of $2.416 billion in this way to the utilities would make it possible for them to cut all their electricity rates by about one-fourth.

This would be quite a saving for everyone. This is what happens in areas where Federal power systems operate, like TVA and others. They do have low electricity rates.

So far it sounds good.

But then comes the inevitable question. Who would make up the loss in revenues to the Federal and local governments?

The answer is that you and other property holders and income earners in the country would have to pay nearly $2½ billion more in taxes—of one kind or another—for the governments to operate.

This circle illustrates a major distinction between Federal power and private power. Federal power is cheaper only because it shifts a burden of Government upkeep onto others.

To clarify this, let's look at the various costs involved in your electric bill:

Rather obviously such items as fuel, material, equipment and supplies presumably can be bought at similar prices by private enterprise or Government. Labor rates should be roughly comparable also, or else the labor unions should look into the matter. So this leaves one other major item:

Taxes currently are taking around 24 cents out of every $1 billed to customers by private enterprise utilities. But Federal power enterprises pay no Federal taxes and out of each revenue dollar may pay little or nothing to local and State governments.

Sometimes there is a further difference. Utilities must borrow large sums of money to build their plants and distribution networks. The Federal Government can borrow a little cheaper than private companies. Local tax-exempt bodies can borrow still cheaper. And one Federal program, the Rural Electrification Administration, borrows from the Federal Treasury at 2 percent although the Government has to pay around 4 percent for the long-term funds its lends the REA. Again the taxpayer makes it up.

So if the price paid for Federal power is lower than that for private enterprise power, you can credit these two cost breaks for which every taxpayer is paying extra to make up the difference.

At the present time one-eighth of the installed generating capacity in the United States is Federal power. The pressures for more spreading of this deceptive "bargain" grow regularly.

REA asked for a record appropriation of nearly half a billion dollars this year (although 98 percent of the farmers now have central station electricity). A proposal to build a Federal power unit at an atomic site at Hanford, Wash., was barely defeated in Congress a short time ago. And now Government planners are advocating construction of a Federal national power grid, although private power companies have a nationwide system of interconnections and are building more each year.

The arguments of Federal power proponents don't hold water:

1. There is no need for Federal power where private companies are willing and able to do the job, and this is almost everywhere. The capacity of the industry has doubled about every 10 years.

2. Private utilities have the means and the finances. They already have invested $46 billion in power facilities, and have been spending $3.2 billion a year on new plant and equipment. They will have $86 billion invested by 1970.

3. Federal power costs in actuality are not cheaper. Federal power rates are lower only because of Federal subsidy through tax exemption and cheap money. Indeed, the added tax burden of existing federalized power currently exceeds the supposed savings from its "cheap power."

Nor can the argument be used that private utilities are gouging the public. Private utility returns are regulated rigidly by government public utilities commissions which ordinarily allow between 5 and 7 percent on invested capital—hardly a get-rich-quick return.

The real issue in Federal power, then, is not efficiency or economy of operation. The real issue is whether we want growing Government and ultimate socialization of the power industry. There is no need for any increase in Federal power if private industry does the job as it has and can. The trend ought to be the other way, if we believe in free enterprise and in tax equity. The Government ought to give private companies the opportunity to take over the Federal power operations upon a demonstration of their ability to do so.

Unless the trend of recent years is stopped, the cost of Federal power to us taxpayers can be expected to go up.

Matched against any standard, the investor-owned electric power industry has demonstrated an amazing record of competence, progress, and service. Rates today are about one-third of what they were 50 years ago. America has more power capacity than the next five countries in the world combined—three times that of the Soviet Union. The American home uses nearly eight times the electricity of the Russian home.

The electric industry is today one of the outstanding examples of successful free enterprise. Should we allow it to be slowly destroyed at the price of industrial socialism and higher taxes?

Mr. AUCHINCLOSS. Mr. Chairman, I ask unanimous consent that the gentlewoman from New Jersey [Mrs. DWYER] may extend her remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mrs. DWYER. Mr. Chairman, I think it is important to clarify the record with respect to the item concerning the modification of the Newark Bay-Hackensack and Passaic Rivers, N.J., project which would authorize Federal maintenance of the channels to Port Elizabeth. While I appreciate the concern of those who object to this and other projects that established procedures should be followed with regard to authorization of such projects, I believe a closer examination of this matter will reveal that in all essential respects the Port Elizabeth project meets the standards.

First of all, Mr. Chairman, this is a very modest project. There are no construction costs whatsoever involved for the Federal Government. Annual maintenance charges are estimated at $230,500. The annual benefits have been forecast by the New York district and North Atlantic Division Engineers to be $8,078,000. This is an incredibly high benefit-cost ratio. Even after adding non-Federal charges, which include the costs to local interests for the maintenance of ship berths alongside the branch channel, the total annual charges for this project amount to $973,000, for a corresponding benefit-cost ratio of 8.3 to 1.

I can state unequivocably, Mr. Chairman, and I know that the district engineer and division engineer and Port of New York Authority all agree, that no matter what formula is used for the calculation of benefits and costs, the ratio of benefits to cost will be overwhelmingly favorable.

Those who object to the Port Elizabeth channels project—and I believe it is worth emphasizing that the objections have been exclusively procedural and none have been made to the substance of the project—make a special point of the fact that the Governors of the affected States have not had an opportunity to comment on the project. I do not believe this objection is valid. The principal sponsor of the project is the Port of New York Authority. The Port of New York Authority is a public body, responsible to the States of New York and New Jersey, and charged with the responsibility of developing and operating shipping facilities in the vast New York-New Jersey port area. As a matter of practice, the Port of New York Authority could not propose a project of this type without the consent of the two States involved. This project was approved by the board of directors of the port authority and was made a part of the official minutes of that organization. Those minutes were subsequently submitted to the Governors of New York and New Jersey and were approved by both Governors.

I think it is fair to conclude therefore that the Governors of New York and New Jersey not only have had an opportunity to review this project but are wholeheartedly in favor of it. I maintain that the full requirement of the procedure referred to by those who object to the project has been met.

I should also like to point out, Mr. Chairman, that the channel maintenance which would be authorized by this provision of the bill is the same as maintenance previously authorized by the Congress for other shipping channels in the area and specifically for the channels leading to Port Newark. Port Newark is located immediately adjacent to Port Elizabeth, and the two projects, insofar as channel maintenance is concerned, are exactly similar.

There is nothing precedent setting about this project in any way. The channels involved are vital to the foreign and domestic seagoing commerce of the United States. They are an integral part of the biggest and most important international port in the world. The responsibility of the Federal Government is clear and indisputable.

One final point, Mr. Chairman. Those who object to this project contend that there is no particular reason for Congress to authorize Federal maintenance of the channels at this time. I would strongly disagree with this contention. A large part of the network of channels to Port Elizabeth have been constructed and are now in use. An increasing volume of shipping is currently moving through these channels. Cargo handling facilities are in existence and are under construction along these channels. A portion of the channels has been in use for as long as a year. The problem of maintenance, therefore, is a present one which should not be postponed.

In summary, Mr. Chairman, I share my colleagues' concern that procedural requirements are important and should be insisted upon by Congress in the consideration of navigation and other public works projects. For the reasons I have outlined, I believe these requirements have been met in all significant respects. I hope the House will approve the inclusion of the Port Elizabeth channels item in the pending bill.

Mr. AUCHINCLOSS. Mr. Chairman, I now yield 5 minutes to the gentleman from Wyoming [Mr. HARRISON].

Mr. HARRISON of Wyoming. Mr. Chairman, I regret that the proponents of the Burns Creek project have seen fit to bring this project to the floor of the House today in the public works authorization bill. I also regret that they have seen fit to bring this project before us under a procedure which denied the opponents of the project any chance whatsoever to testify and to make their opposition and reason for such opposition known. It has been brought to the floor under a procedure of a closed hearing with one witness, and that one witness being from the Corps of Engineers. My own State of Wyoming desired to testify in opposition and made their opposition clear to the Corps of Engineers, but it is my understanding that the opposition of the State of Wyoming was not brought to the attention of the committee.

The procedure used on this particular piece of legislation not only is one which denies the rights of States and individuals to express their views on matters affecting them, but it also marks a new course in handling legislation before the House—a course which has taken a bill turned down by the House Interior and Insular Affairs Committee after extensive hearings, and brought it before the Public Works Committee under an entirely different theory that it was now a flood control project and not a reclamation project.

The Burns Creek project has been before the House Interior and Insular Affairs Committee, the committee on which I serve, on four different occasions. At no time was it ever claimed that this project was a flood control project and at no time were any benefits claimed for it under the heading of flood control. If there had been the proponents would surely have claimed them. The House Interior and Insular Affairs Committee turned this project down last February 7 because it was the opinion of the majority of the committee that this was not a true reclamation project, but was a 98-percent public power project with 2 percent being distributed between irrigation and wildlife and recreation benefits. The proponents have chosen on all these occasions to bring this bill before the House Interior and Insular Affairs Committee as a reclamation project. That was their choice. The House Interior and Insular Affairs Committee accepted the responsibility of hearings on this legislation in good faith. We gave it a fair and impartial hearing. We allowed all witnesses, whether for or against the project, to appear and testify or to put their testimony in the record—quite different from the action of the Public Works Committee.

The action of the Corps of Engineers and the progress of this bill as a flood control measure has been veiled in secrecy from the beginning. Neither myself nor the State of Wyoming was notified by the Corps of Engineers that a hearing would be held on May 4 on this project. When I learned of the proposed hearing and asked the Corps of Engineers why we were not notified, I was told that only the congressional delegation of Idaho was notified. Both the State of Wyoming and myself made requests for a continuance on this hearing, asking that we be allowed to testify before the Corps of Engineers. This was refused. Following their May 4 meeting in which the corps approved this project, the State of Wyoming was requested to give their views on Burns Creek. This was prepared by the State of Wyoming and forwarded to the Corps of Engineers and was a protest against the building of this project and yet, I understand that the testimony of the State was not made available to the committee.

The Utah Power & Light Co. is building a steam generation plant at Kemmerer, Wyo., which will serve that whole southwest area with electric power. This plant is nearly completed and it will supply employment for a great many now unemployed miners and will help the economy not only of these individuals, but of the whole area. This plant will furnish taxes to the United States and to the State of Wyoming. It can and it will supply power to the areas in Wyoming which it is proposed that the Burns Creek project supply.

It is also interesting to note that the Corps of Engineers raised the figure from about $46 to $52 million for this project. The reason for this being given that they must add some flood control measures to it, which is a clear indication that the project itself had to have something added to it to give the Engineers jurisdiction. Then again, the Corps of Engineers proposes to turn over to the Bureau of Reclamation the building of this dam and its operation as a multiple-unit project under the same construction plans. If it is a true flood control project, and not a reclamation project as it was proposed before our committee, then why does the Corps of Engineers turn it back to the Bureau of Reclamation? There is no reason why this project cannot be put over until next year. It is controversial and it should receive a full hearing with everyone given a chance to testify either for or against it. I hope that the Members of this House will support the motion to strike this project from the bill so that proper procedures can be followed, and those of us who oppose this project, and the States that oppose this project have their rights protected.

Mr. AUCHINCLOSS. Mr. Chairman, I yield such time as he may require to the gentleman from New York [Mr. ROBISON].

Mr. ROBISON. Mr. Chairman, I intend to vote against this bill—H.R. 13273—the omnibus rivers and harbors and flood control authorization bill, and I would like to take just a minute or two to tell my colleagues why.

Not only does H.R. 13273 contain—as the supplemental views of the minority Members point out—projects which ought to be deleted as either being opposed by the Corps of Engineers or because they have not been submitted to Congress in accordance with normal procedures, but it also contains several projects which we now know are controversial, and on which the opponent's thereof have been denied an opportunity to be heard. How many more are in this latter category. No one knows.

As a matter of fact, all of you will know as much about all of the projects which would be authorized by this bill—projects totalling over $2 billion worth in estimated cost—as we on the committee know, merely by having reference to the committee report which sets forth a summary of each such project as prepared by the Army Engineers. Why is that? Because those brief summaries were all the information of any of these projects that we had, for—under the ground rules set up for us; rules with which I suspect the chairman of our subcommittee and my very good friend, the gentleman from Tennessee Mr. DAVIS] did not agree—the only witnesses we were permitted to hear were witnesses from the Corps of Engineers and even their time was strictly limited.

Now, it may well be that even if we had held full, open hearings in the usual manner, we would still have reported to you a bill containing all or nearly all of the same projects as are set forth in H.R. 13273. I would have had no quarrel with any such result, and I would have supported such a bill for I fully appreciate the necessity of periodic legislation of this sort.

However, Mr. Chairman, I rather resent being used as a rubber stamp. I believe that my responsibility to the people I represent and to the people of this Nation goes well beyond that. Now, perhaps the great majority of the projects in this bill are truly noncontroversial and are fully justified, but, frankly, I do not know how we on the committee could so determine on the basis of the limited evidence we had before us. And I doubt that it mitigates our conduct at all for us to ease our conscience by saying that, after all, this is only an authorization bill and the Appropriations Committees will give each of these projects a more careful look before anything else is done thereon.

That is true, but the hardworking and overworked—if I may say so—Appropriations Committees also have a right to assume that we, on our part, have given the justification for these millions of dollars worth of new public works projects our full and careful consideration.

I am just as tired and ready to go home as any of you—maybe more so—but my conscience simply will not permit me to believe that our committee—a committee of which I have heretofore been proud to be a member—has lived up to its full responsibility in this instance. We have, I think, had ample time in which to do so, but it is not my right to speculate on why we did not.

However, it is my right—in protest—to vote against this bill, which I fully intend to do and I invite any of my colleagues who feel similarly inclined to join me in doing so.

Now, Mr. Chairman, if that means no omnibus bill this year, so be it. There is not much of "this year" left anyway, and if that is the case then perhaps we will come back in January, prepared and determined to do a proper job.

Mr. DAVIS of Tennessee. Mr. Chairman, I ask unanimous consent that the gentleman from Illinois [Mr. Gray] may extend his remarks at this point in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. GRAY. Mr. Chairman, I rise in support of H.R. 3273, a bill authorizing the construction, repair, and preservation of certain public works projects on rivers and harbors for navigation, flood control, and for other purposes. It has been my pleasure to serve on the important Subcommittees on Rivers and Harbors and Flood Control of the Committee on Public Works for 8 years and although time has been running against us in the closing days of this session, I can truthfully say that I have never witnessed a greater display of teamwork than has been shown by our chairman, our subcommittee chairmen, the members of the committee, and the staff. I want to personally commend my friend, the distinguished gentleman from Tennessee, Mr. Clifford Davis, and my friend the distinguished gentleman from Minnesota [Mr. Blatnik], chairmen of the Flood Control and Rivers and Harbors Subcommittees, respectively. They have done a magnificent job on this bill. I also want to publicly commend our chief clerk Mrs. Margaret Beiter, our consultant engineer, Mr. Joe Brennan, and Richard Sullivan our counsel. They have truly worked like Trojans and along with other members of the Public Works Committee staff have done an outstanding job.

Mr. Chairman, this is an all-American bill. This is not a so-called pork barrell bill as has been stated on the floor previously.

This is a bill to improve commerce and navigation, supply much needed protection for flood control, provide recreation, industral development, and meet other essential economic ingredients needed for a bigger and better America. America wll be stronger and most certainly a better place in which to live because of the tremendous benefits that will ultimately be derived from this legislation.

Mr. Chairman, I am particularly grateful to the committee for allowing several projects in Illinois to be included in this legislation. Coming from a district that is bounded on both sides by the two great rivers, the Ohio and Mississippi, we have far-reaching problems on the tributaries of these rivers. We have many God-given natural resources in the area and I am confident that the projects included in this bill will help our area gain full employment, in the not too distant future. We have been spending untold millions in the past for relief handouts and at present have as many as 25 percent of the employable force unemployed in some counties of my district. Serious flood damages annually, of course, only aggravate a bad situation. The projects I am about to list that are included in this bill for my district will help control floods, improve economic benefits, and provide much needed facilities, that have been lacking in the past. There is an authorization in this legislation for the Kaskaskia River navigation project and although the cost is $58.2 million to the Federal Government we already have promised over $300 million in private capital investment.

Mr. Chairman, it makes sense when we can invest $58 million in Federal funds and receive benefits many times over coming back to the Federal Government in the form of taxes and repayments. We also have in this bill an authorization for $35.5 million for the Rend Lake Reservoir in southern Illinois. I could speak all day on the need for Rend Lake but will suffice to say that the project will alleviate floods in the Big Muddy Basin, provide a much needed water supply for industry, give us a tremendous recreation area that can be enjoyed by all Americans and other multipurpose benefits. We also have included in the legislation an amendment deleting the amount of local cash contribution required for the Saline River, Ill., project authorized by Congress in 1958. Included in the Flood Control section of the bill is a project to alleviate floods along the Mississippi River on Kaskaskia Island between Ste. Genevieve and St. Marys, Mo. This flood control work on the Illinois side of the Mississippi River in Randolph County, Ill., is in the amount of $2,500,000. Included in the bill is a vitally needed flood control project in the Harrisonville and Ivy Landing Drainage and Levee No. 2, Illinois, in the amount of $1,112,000. Also a project in the Columbia Drainage and Levee District No. 3, Illinois, flood control works in the amount of $986,000 and, Mr. Chairman, a project in the Prairie du Pont Levee and Sanitary District, Ill., in flood control work in the amount of $921,000.

Mr. Chairman, the above projects are vitally needed in the basins surrounded by the two great rivers, the Ohio and the Mississippi, and I again want to thank the Committee and my colleagues for supporting this much needed legislation containing these valuable projects. Thank you very much.

Mr. DAVIS of Tennessee. Mr. Chairman, I yield such time as he may consume to the gentleman from Georgia [Mr. Flynt].

Mr. FLYNT. Mr. Chairman, I support this bill.

Mr. Chairman, I rise in support of H.R. 13273, a bill authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes.

This is legislation which usually every 2 years is brought before the Congress for the purpose of authorizing certain public works projects in the nature of construction, repair, and preservation of projects on rivers and harbors for navigation, flood control, and other purposes in the interest of a strong and vital United States.

The projects which are authorized by this legislation are in the nature of capital investments which will be of benefit to our Nation and its citizens for many years ahead. Most of these projects will be self-liquidating, and over the period of their lives will return to the Treasury of the United States more than the capital outlay, including cost of construction, interest charges, and maintenance of operation.

I am particularly pleased that this bill contains a provision for substantial river development on the Chattahoochee River in the form of a multipurpose dam and reservoir in the vicinity of West Point, Troup County, and Franklin, Heard County, Ga., and adjacent territory in Alabama.

The lower reach of the Chattahoochee River forms a portion of the boundary between Georgia and Alabama. Its headwaters are in the mountains of north Georgia. It drains the north central portion of Georgia as well as the southwest portion of Georgia and the southeast portion of Alabama. The drainage basin of the Chattahoochee River is 440 miles long and averages 30 miles in width. The confluence of the Chattahoochee and Flint Rivers join to form the Apalachicola River.

The authority for the inclusion of this portion of the bill is contained in resolutions by the Committee on Public Works of the House of Representatives adopted July 29,1955, in the 84th Congress and July 31, 1957, in the 85th Congress.

During recent years, in fact twice during one 12 month period, flood damage in what is referred to as the middle reach of the Chattahoochee River has been substantial. Flood damage at and below West Point, Ga., has been estimated to average $600,000 annually, and there was an estimated $2 million damage in a 2-year time frame including 1961 and 1962.

There is also an increasing demand for power in the area to be served by this project.

Recommended plan of improvement includes construction of West Point Dam and Reservoir for hydroelectric power, flood control, navigation, and recreation. The dam would be located at river mile 201.4 and would form a reservoir of 553,000 acre-feet capacity; 282,000 acre-feet would be for power purposes except for flood control storage use of a maximum of 204,000 acre-feet from December through April. Storage of 158,000 acre-feet would also be usable for flood control above the power pool.

The benefit-cost ratio is 1 to 3. The annual charges, including interest and amortization, maintenance, operation, replacement, and taxes forgone, are estimated at $2,671,000. The annual benefits, including flood control, power, recreation, fish and wildlife, and navigation, amount to $3,524,000.

The reports from the States of Georgia and Alabama were favorable to the authorization of this project. The affected Federal agencies, including the Departments of Interior, Agriculture, Commerce and Health, Education, and Welfare, the Federal Power Commission and the Public Health Service submitted written statements stating that there was no objection to the authorization of the project.

The Bureau of the Budget advises that there is no objection to the submission of the report to the Congress.

It is my belief that this project will be of great benefit and value to the economy of the area which we refer to as west central Georgia. It will also be of value to our adjoining State of Alabama.

Mr. Chairman, I would like to express my appreciation to the Committee on Public Works, especially to the Subcommittee on Flood Control, to both U.S. Senators from Georgia, Hon. RICHARD B. RUSSELL and Hon. HERMAN E. TALMADGE, to the U.S. Corps of Engineers, and to all others who have participated and cooperated in making possible the authorization for the West Point dam and reservoir. To each of those Members of Congress, engineer officials, and private citizens who have worked diligently for this cause, I express my gratitude and appreciation.

Mr. DAVIS of Tennessee. Mr. Chairman, we have no further requests for time.

Mr. GROSS. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and five Members are present, a quorum.

The Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—RIVERS AND HARBORS

SEC. 101. That the following works of improvement of rivers and harbors and other waterways for navigation, flood control, and other purposes are hereby adopted and authorized to be prosecuted under the direction of the Secretary of the Army and supervision of the Chief of Engineers, in accordance with the plans and subject to the conditions recommended by the Chief of Engineers in the respective reports hereinafter designated: *Provided*, That the provisions of section 1 of the River and Harbor Act approved March 2, 1945 (Public Law Numbered 14, Seventy-ninth Congress, first session), shall govern with respect to projects authorized in this title; and the procedures therein set forth with respect to plans, proposals, or reports for works of improvement for navigation or flood control and for irrigation and purposes incidental thereto, shall apply as if herein set forth in full:

Navigation

Narraguagus River, Maine: House Document Numbered 530, Eighty-seventh Congress, at an estimated cost of $500,000;

Carvers Harbor, Vinalhaven, Maine: Senate Document Numbered 118, Eighty-seventh Congress, at an estimated cost of $205,000;

Searsport Harbor, Maine: House Document Numbered 500, Eighty-seventh Congress, at an estimated cost of $700,000;

Portland Harbor, Maine: House Document Numbered 216, Eighty-seventh Congress, at an estimated cost of $8,340,000;

Kennebunk River, Maine: House Document Numbered 459, Eighty-seventh Congress, at an estimated cost of $270,000;

Portsmouth Harbor and Piscataqua River, Maine and New Hampshire: House Document Numbered 482, Eighty-seventh Congress, at an estimated cost of $7,500,000;

Gloucester Harbor, Massachusetts: House Document Numbered 341, Eighty-seventh Congress, at an estimated cost of $1,100,000;

Marblehead Harbor, Massachusetts: House Document Numbered 516, Eighty-seventh Congress, at an estimated cost of $1,752,000;

Chelsea Harbor, Massachusetts: House Document Numbered 350, Eighty-seventh Congress, at an estimated cost of $2,843,000;

Dorchester Bay and Neponset River, Massachusetts: Senate Document Numbered 126, Eighty-seventh Congress, at an estimated cost of $7,050,000;

Plymouth Harbor, Massachusetts: Senate Document Numbered 124, Eighty-seventh Congress, at an estimated cost of $1,200,000;

Pawtuxet Cove, Rhode Island: House Document Numbered 236, Eighty-seventh Congress, at an estimated cost of $210,000;

Little Neck Bay, New York: House Document Numbered 510, Eighty-seventh Congress, at an estimated cost of $2,185,000;

Flushing Bay and Creek, New York: House Document Numbered 551, Eighty-seventh Congress, at an estimated cost of $1,695,000;

Buttermilk Channel, New York: House Document Numbered 483, Eighty-seventh Congress, at an estimated cost of $2,226,000;

Newark Bay, Hackensack and Passaic Rivers, New Jersey (channels to Port Elizabeth): Modification of the existing navigation project authorized by the River and Harbor Act of 1954 (Public Law 780, Eighty-third Congress). House Document Numbered 252, is hereby authorized substantially in accordance with the plans being prepared by the Chief of Engineers.

Raritan River, New Jersey: House Document Numbered 455, Eighty-sixth Congress, maintenance;

Lynnhaven Inlet, Bay, and connecting waters, Virginia: House Document Numbered —, Eighty-seventh Congress, at an estimated cost of $1,068,000: *Provided*, That nothing in this Act shall be construed as authorizing reimbursement to local interests for the Long Creek-Broad Bay Canal Bridge;

Rollinson Channel and channel from Hatteras Inlet to Hatteras, North Carolina: House Document Numbered 457, Eighty-seventh Congress, at an estimated cost of $652,000;

Wilmington Harbor, North Carolina: Senate Document Numbered 114, Eighty-seventh Congress, at an estimated cost of $6,370,000;

Savannah Harbor, Georgia: Senate Document Numbered 115, Eighty-seventh Congress, at an estimated cost of $605,000;

Key West Harbor, Florida: Senate Document Numbered 106, Eighty-seventh Congress, at an estimated cost of $820,000;

Tampa Harbor, Port Sutton and Ybor Channels, Florida: House Document Numbered 529, Eighty-seventh Congress, at an estimated cost of $997,000;

Walter F. George lock and dam, Alabama: Senate Document Numbered 109, Eighty-seventh Congress, at an estimated cost of $500,000;

Pensacola Harbor, Florida: House Document Numbered 528, Eighty-seventh Congress, at an estimated cost of $424,000;

Holt lock and dam, Alabama: The Secretary of the Army is hereby authorized and directed to cause an immediae study to be made under the direction of the Chief of Engineers with a view to providing hydroelectric power generating facilities in said dam, and such installation of necessary power facilities is hereby authorized as determined to be justified by the Secretary of the Army, unless within the first period of sixty calendar days of continuous session of the Congress after the date on which the report is submitted to it such report is disapproved by the Congress.

Pascagoula Harbor, Mississippi: House Document Numbered 560, Eighty-seventh Congress, at an estimated cost of $4,870,000;

Mississippi River, Baton Rouge to Gulf of Mexico, Louisiana: Senate Document Numbered 36, Eighty-seventh Congress, at an estimated cost of $357,000;

Gulf Intracoastal Waterway, Louisiana and Texas: House Document Numbered 556, Eighty-seventh Congress, at an estimated cost of $25,540,000;

Calcasieu River Salt Water Barrier, Louisiana: House Document Numbered 582, Eighty-seventh Congress, at an estimated cost of $3,310,000;

Mississippi River at Clarksville, Missouri: House Document Numbered 552, Eighty-seventh Congress, at an estimated cost of $103,300;

Sandy Slough, Lincoln County, Missouri: House Document Numbered 419, Eighty-seventh Congress, at an estimated cost of $195,000;

Sabine-Neches Waterway, Texas: House Document Numbered 553, Eighty-seventh Congress, at an estimated cost of $20,830,000;

Trinity River, Wallisville Reservoir, Texas: House Document Numbered 215, Eighty-seventh Congress, at an estimated cost of $9,162,000;

Gulf Intracoastal Waterway, channel to Palacios, Texas: House Document Numbered 504, Eighty-seventh Congress, at an estimated cost of $818,000;

Gulf Intracoastal Waterway, channel to Victoria, Texas: House Document Numbered 288, Eighty-seventh Congress, at an estimated cost of $1,590,000;

Illinois Waterway, Illinois and Indiana: House Document Numbered 31, Eighty-sixth Congress, at an estimated cost of $114,652,000;

Kaskaskia River, Illinois: Senate Document Numbered 44, Eighty-seventh Congress, at an estimated cost of $58,200,000;

Mississippi River between Missouri River and Minneapolis, Minnesota: House Document Numbered 513, Eighty-seventh Congress, at an estimated cost of $1,205,000;

Ontonagon Harbor, Michigan: House Document Numbered 287, Eighty-seventh Congress, at an estimated cost of $4,741,000;

Muskegon Harbor, Michigan: House Document Numbered 474, Eighty-seventh Congress, at an estimated cost of $609,000;

Leland Harbor, Michigan: House Document Numbered 413, Eighty-seventh Congress, at an estimated cost of $485,000;

Little Bay De Noc, Gladstone Harbor and Kipling, Michigan: House Document Numbered 480, Eighty-seventh Congress, at an estimated cost of $350,000;

Green Bay Harbor, Wisconsin: House Document Numbered 470, Eighty-seventh Congress, at an estimated cost of $4,270,000;

Kenosha Harbor, Wisconsin: House Document Numbered 496, Eighty-seventh Congress, at an estimated cost of $673,000;

Manitowoc Harbor, Wisconsin: House Document Numbered 479, Eighty-seventh Congress, at an estimated cost of $719,000;

Milwaukee Harbor, Wisconsin: House Document Numbered 134, Eighty-seventh Congress, at an estimated cost of $4,029,000;

Calumet Harbor and River, Illinois and Indiana: House Document Numbered —, Eighty-seventh Congress, at an estimated cost of $11,464,000;

Chicago Harbor, Illinois: House Document Numbered 485, Eighty-seventh Congress, at an estimated cost of $1,505,000;

New Buffalo Harbor, Michigan: House Document Numbered 481, Eighty-seventh Congress, at an estimated cost of $667,000;

Caseville Harbor, Michigan: House Document Numbered 64, Eighty-seventh Congress, at an estimated cost of $327,000;

Saginaw River, Michigan: House Document Numbered 544, Eighty-seventh Congress, at an estimated cost of $4,784,000;

Rouge River, Michigan: House Document Numbered 509, Eighty-seventh Congress, at an estimated cost of $257,000;

Huron Harbor, Ohio: House Document Numbered 165, Eighty-seventh Congress, at an estimated cost of $8,557,000;

Cleveland Harbor, Ohio: House Document Numbered 527, Eighty-seventh Congress, at an estimated cost of $888,000;

Conneaut Harbor, Ohio: House Document Numbered 415, Eighty-seventh Congress, at an estimated cost of $6,179,000;

Erie Harbor, Pennsylvania: House Document Numbered 340, Eighty-seventh Congress, at an estimated cost of $671,000;

Buffalo Harbor, New York: House Document Numbered 451, Eighty-seventh Congress, at an estimated cost of $2,797,000;

Great Sodus Bay Harbor, New York: House Document Numbered 138, Eighty-seventh Congress, at an estimated cost of $765,000;

Oswego Harbor, New York: House Document Numbered 471, Eighty-seventh Congress, at an estimated cost of $1,180,000;

Dana Harbor, California: House Document Numbered 532, Eighty-seventh Congress, at an estimated cost of $3,730,000;

Santa Barbara Harbor, California: House Document Numbered 518, Eighty-seventh Congress, at an estimated cost of $3,000,000;

Oakland Harbor, California, Fruitvale Avenue Bridge: Senate Document Numbered 75, Eighty-seventh Congress, at an estimated cost of $1,750,000;

Oakland Harbor, California: House Document Numbered 353, Eighty-seventh Congress, at an estimated cost of $6,775,000;

Noyo River and Harbor, California: Senate Document Numbered 121, Eighty-seventh Congress, at an estimated cost of $13,231,000;

Columbia and Lower Willamette Rivers, Oregon and Washington: House Document Numbered 203, Eighty-seventh Congress, at an estimated cost of $493,000;

Columbia and Lower Willamette Rivers below Vancouver, Washington, and Portland, Oregon: House Document Numbered 452, Eighty-seventh Congress, at an estimated cost of $20,100,000;

Tacoma Harbor, Port Industrial and Hylebos Waterways, Washington: Senate Document Numbered 104, Eighty-seventh Congress, at an estimated cost of $2,460,000;

Kingston Harbor, Washington: House Document Numbered 417, Eighty-seventh Congress, at an estimated cost of $428,000;

Swinomish Channel, Washington: House Document Numbered 499, Eighty-seventh Congress, at an estimated cost of $887,000;

Kaunakakai Harbor, Molokai, Hawaii: House Document Numbered 484, Eighty-seventh Congress, at an estimated cost of $7,919,000;

Beach erosion

State of New Hampshire: House Document Numbered 416, Eighty-seventh Congress, at an estimated cost of $88,000;

Fire Island Inlet and shore westerly to Jones Inlet, Long Island, New York: Modification of the existing beach erosion control project authorized by the River and Harbor Act of 1958 (Public Law 500, Eighty-fifth Congress), House Document Numbered 411, Eighty-fifth Congress, is hereby authorized substantially in accordance with the plans, which will include a sand bypassing system at Fire Island Inlet, being prepared by the Chief of Engineers;

Virginia Beach, Virginia: House Document Numbered 382, Eighty-seventh Congress, periodic nourishment;

Fort Macon, Atlantic Beach and vicinity, North Carolina: House Document Numbered 555, Eighty-seventh Congress, at an estimated cost of $194,000;

Virginia Key and Key Biscayne, Florida: House Document Numbered 561, Eighty-seventh Congress, at an estimated cost of $220,000;

Lake Erie shoreline from the Michigan-Ohio State line to Marblehead, Ohio: House Document Numbered 63. Eighty-seventh Congress, at an estimated cost of $658,500;

Sheffield Lake Community Park, Sheffield Lake Village, Ohio: House Document Numbered 414, Eighty-seventh Congress, at an estimated cost of $100,300;

Ventura-Pierpont Area, California: House Document Numbered 458, Eighty-seventh Congress, at an estimated cost of $515,000.

SEC. 102. The Secretary of the Army is authorized to convey 17.94 acres of land located at old lock and dam numbered 7, Ohio River, to the city of Midland, Pennsylvania, after November 1, 1962, for public park and recreation purposes, without monetary consideration but subject to reversion to the United States if not utilized for public park and recreation purposes and further subject to such flowage rights as may be necessary in the operation of the New Cumberland lock and dam, Ohio River.

SEC. 103. That the Secretary of the Army is hereby authorized to reimburse local interests for such work done by them on the beach erosion projects authorized in section 101, and in other sections of this Act, subsequent to the initiation of the cooperative studies which form the basis for the projects: *Provided,* That the work which may have been done on these projects is approved by the Chief of Engineers as being in accordance with the projects herein adopted: *Provided further,* That such reimbursement shall be subject to appropriations applicable thereto or funds available therefor and shall not take precedence over other pending projects of higher priority for improvements.

SEC. 104. The Secretary of the Army is hereby authorized and directed to cause surveys to be made at the following named localities and subject to all applicable provisions of section 10 of the River and Harbor Act of 1950:

A channel between Point Shirley and Deer Island, Massachusetts, at approximately the same location as the former channel, commonly known as Shirley Gut.

Kings Bay Channel, Georgia.

Auglaize River in Wapakoneta, Auglaize County, Ohio.

SEC. 105. Title I of this Act may be cited as the "River and Harbor Act of 1962".

TITLE II—FLOOD CONTROL

SEC. 201. That section 3 of the Act approved June 22, 1936 (Public Law Numbered 738, Seventy-fourth Congress), as amended by section 2 of the Act approved June 28, 1938 (Public Law Numbered 761, Seventy-fifth Congress), shall apply to all works authorized in this title except that for any channel improvement or channel rectification project, provisions (a), (b), and (c) of section 3 of said Act of June 22, 1936, shall apply thereto, and except as otherwise provided by law: *Provided,* That the authorization for any flood control project herein adopted requiring local cooperation shall expire five years from the date on which local interests are notified in writing by the Department of the Army of the requirements of local cooperation, unless said interests shall within said time furnish assurances satisfactory to the Secretary of the Army that the required cooperation will be furnished.

SEC. 202. The provisions of section 1 of the Act of December 22, 1944 (Public Law Numbered 584, Seventy-eighth Congress, second session), shall govern with respect to projects authorized in this Act, and the procedures therein set forth with respect to plans, proposals, or reports for works of improvement for navigation or flood control and for irrigation and purposes incidental thereto shall apply as if herein set forth in full.

SEC. 203. The following works of improvement for the benefit of navigation and the control of destructive floodwaters and other purposes are hereby adopted and authorized to be prosecuted under the direction of the Secretary of the Army and the supervision of the Chief of Engineers in accordance with the plans in the respective reports hereinafter designated and subject to the conditions set forth therein: *Provided,* That the necessary plans, specifications, and preliminary work may be prosecuted on any project authorized in this title with funds from appropriations heretofore or hereafter made for flood control so as to be ready for rapid inauguration of a construction program: *Provided further,* That the projects authorized herein shall be initiated as expeditiously and prosecuted as vigorously as may be consistent with budgetary requirements: *And provided further,* That penstocks and other similar facilities adapted to possible future use in the development of hydroelectric power shall be installed in any dam authorized in this Act for construction by the Department of the Army when approved by the Secretary of the Army on the recommendation of the Chief of Engineers and the Federal Power Commission.

New England-Atlantic coastal area

The project for navigation and hurricane-flood protection at Wareham-Marion, Massachusetts, is hereby authorized substantially in accordance with the recommendation of the Chief of Engineers in House Document Numbered 548, Eighty-seventh Congress, at an estimated cost of $3,811,500.

The project for navigation and hurricane flood protection at Point Judith, Rhode Island, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 521, Eighty-seventh Congress, at an estimated cost of $2,414,000.

The project for navigation and hurricane-flood control protection at Narragansett Pier, Rhode Island, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 195, Eighty-seventh Congress, at an estimated cost of $1,152,000.

Long Island Sound area

The project for hurricane-flood control protection at New London, Connecticut, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 478, Eighty-seventh Congress, at an estimated cost of $2,401,000.

The project for hurricane-flood protection at Westport, Connecticut, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 412, Eighty-seventh Congress, at an estimated cost of $217,000.

The project for hurricane-flood protection at Mystic, Connecticut, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 411, Eighty-seventh Congress, at an estimated cost of $1,490,000.

Housatonic River Basin

The project for flood protection on the Naugatuck River at Ansonia-Derby, Connecticut, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 437, Eighty-seventh Congress, at an estimated cost of $5,620,000.

Hudson River Basin

The project for flood protection on Rondout Creek and Wallkill River and their tributaries, New York and New Jersey, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in Senate Document Numbered 113, Eighty-seventh Congress, at an estimated cost of $5,111,000.

New Jersey-Atlantic coastal area

The project for hurricane-flood protection and beach erosion control on Raritan Bay and Sandy Hook Bay, New Jersey, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 464, Eighty-seventh Congress, at an estimated cost of $3,097,000.

Susquehanna River Basin

The project for the Juniata River and tributaries, Pennsylvania, is hereby authorized in accordance with the recommendations of the Chief of Engineers in House Document Numbered 565, Eighty-seventh Congress, but without the power features, at an estimated cost of $32,150,000: *Provided*, That if the Chief of Engineers deems it desirable he may submit a reexamination report on the power generating to the Congress for its consideration.

Delaware River Basin

The project for the comprehensive development of the Delaware River Basin, New York, New Jersey, Pennsylvania, and Delaware, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers, in House Document Numbered 522, Eighty-seventh Congress, at an estimated cost of $224,000,000.

Potomac River Basin

The project for the North Branch of the Potomac River, Maryland and West Virginia, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers, in House Document Numbered 469, Eighty-seventh Congress, at an estimated cost of $50,965,000.

Middle Atlantic coastal area

The project for hurricane-flood protection at Norfolk, Virginia, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 354, Eighty-seventh Congress, at an estimated cost of $1,537,000.

The project for hurricane-flood protection and beach erosion control at Carolina Beach and vicinity, North Carolina, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 418, Eighty-seventh Congress, at an estimated cost of $739,000.

Apalachicola River Basin, Georgia

The project for the West Point Reservoir, Chattahoochee River, Georgia, is hereby authorized substantially in accordance with the recommendations of the Secretary of the Army and the Chief of Engineers in House Document Numbered 570, Eighty-seventh Congress, at an estimated cost of $52,900,000.

Central and southern Florida

The comprehensive plan for flood control and other purposes in central and southern Florida, approved in the Act of June 30, 1948, and subsequent Acts of Congress is hereby modified to include the following items:

The project for south Dade County, Florida, is hereby authorized substantially in accordance with the recommendations of the Secretary of the Army and the Chief of Engineers in Senate Document Numbered 138, Eighty-seventh Congress, at an estimated cost of $13,388,000;

The project for flood protection in the Cutler Drain Area, Florida, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in Senate Document Numbered 123, Eighty-seventh Congress, at an estimated cost of $2,063,000.

Green Swamp region, Florida

The project for the four river basins, Florida, namely the Hillsborough, Oklawaha, Withlacoochee, and Peace Rivers, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 585, Eighty-seventh Congress, at an estimated cost of $57,760,000.

Pascagoula River Basin

The project for flood protection on the Chunky Creek, Chickasawhay and Pascagoula Rivers, Mississippi, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 549, Eighty-seventh Congress, at an estimated cost of $6,740,000.

Lower Mississippi River Basin

The project for flood control and improvement of the lower Mississippi River, adopted by the Act of May 15, 1928, as amended, is hereby modified and expanded to include construction of certain improvements in Gin and Muddy Bayous, Yazoo River Basin, Mississippi, substantially in accordance with plans on file in the Office, Chief of Engineers, at an estimated cost of $150,000.

The project for hurricane-flood protection on the Mississippi River Delta at and below New Orleans, Louisiana, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 550, Eighty-seventh Congress, at an estimated cost of $7,502,000.

The project for flood protection on Red River in Natchitoches and Red River Parishes, Louisiana, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 476, Eighty-seventh Congress, at an estimated cost of $1,293,000.

The lower auxiliary channel, Yazoo River Basin, Mississippi, a unit in the Mississippi River and tributaries project, shall hereafter be known and designated as the Will M. Whittington Auxiliary Channel in honor of the late Member of the House of Representatives from the Third District of Mississippi, and former chairman of the House Public Works Committee. The Secretary of the Army, acting through the Chief of Engineers, United States Army, is hereby authorized and directed to erect appropriate markers along the auxiliary channel designating the project "The Will M. Whittington Auxiliary Channel". Any law, regulation, document, or record of the United States in which such project is designated or referred to under the name of lower auxiliary channel, Yazoo River Basin, Mississippi, shall be held and considered to refer to such project by the name of "Will M. Whittington Auxiliary Channel".

Buffalo Bayou

The project for flood protection on Vince and Little Vince Bayous, Texas, is hereby authorized substantially as recommended by the Chief of Engineers in House Document Numbered 441, Eighty-seventh Congress, at an estimated cost of $2,224,000.

Gulf of Mexico

The project for hurricane-flood protection at Port Arthur and vicinity, Texas, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 585, Eighty-seventh Congress, at an estimated cost of $23,380,000.

The project for hurricane-flood protection at Freeport and vicinity, Texas, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 495, Eighty-seventh Congress, at an estimated cost of $3,780,000.

Trinity River Basin

The project for flood protection on the East Fork of the Trinity River, Texas, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 554, Eighty-seventh Congress, at an estimated cost of $23,760,000.

The project for extension of the Fort Worth Floodway, Texas, is hereby authorized substantially as recommended by the Chief of Engineers in House Document Numbered 454, Eighty-seventh Congress, at an estimated cost of $5,148,000.

Brazos River Basin

The comprehensive plan for the Brazos River Basin, authorized by the Act of September 3, 1954, as amended by subsequent Acts of Congress, is hereby further modified to include the following item, and the monetary authorization for said comprehensive plan is hereby increased accordingly.

The project for the San Gabriel River, Texas, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered ——, Eighty-seventh Congress, at an estimated cost of $20,250,000.

The project for flood protection on the Clear Fork of the Brazos River at and in the vicinity of Abilene, Texas, is hereby authorized substantially as recommended by the Chief of Engineers in House Document Numbered 506, Eighty-seventh Congress, at an estimated cost of $31,200,000.

Tularosa Basin

The project for flood protection at Alamogordo, New Mexico, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 473, Eighty-seventh Congress, at an estimated cost of $2,040,000.

Rio Grande Basin

The project for flood protection at Las Cruces, New Mexico, is hereby authorized substantially as recommended by the Chief of Engineers in Senate Document Numbered 117, Eighty-seventh Congress, at an estimated cost of $3,350,000.

Arkansas River Basin

The Dardanelle lock and dam, Arkansas River, Arkansas, is hereby modified to provide for construction of a sewage outfall for the city of Russellville, Arkansas, substantially in accordance with plans of said city, approved by the Chief of Engineers, at an estimated cost of $1,400,000.

The project for flood protection on Cow Creek, Kansas, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 531, Eighty-seventh Congress, at an estimated cost of $1,560,000.

The project for flood protection on the Arkansas River at Dodge City, Kansas, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers, in House Document Numbered 498, Eighty-seventh Congress, at an estimated cost of $2,133,000.

The project for improvement of the Verdigris River and tributaries, Oklahoma and Kansas, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 563, Eighty-seventh Congress, at an estimated cost of $62,400,000.

The project for the Kaw Reservoir, Arkansas River, Oklahoma, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in Senate Document Numbered 143, Eighty-seventh Congress, at an estimated cost of $83,230,000.

White River Basin

The project for flood protection on Village Creek, White River, and Mayberry Levee Districts, Arkansas, is hereby modified to provide for construction of a pumping plant, substantially as recommended by the Chief of Engineers in House Document Numbered 577, Eighty-seventh Congress, at an estimated cost of $1,018,000.

The flood protection project for Village Creek, Jackson and Lawrence Counties, Arkansas, is hereby authorized substantially as recommended by the Chief of Engineers in House Document Numbered 352, Eighty-seventh Congress, at an estimated cost of $1,968,000.

Red River Basin

The project for Lake Kemp, Wichita River, Texas, is hereby authorized substantially in accordance with the rcommendations of the Chief of Engineers in Senate Document Numbered 144, Eighty-seventh Congress, at an estimated cost of $6,410,000.

The project providing for the construction of two experimental water quality study projects in the Arkansas-Red River Basins, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in Senate Document Numbered 105, Eighty-seventh Congress, at an estimated cost of $300,000.

The modification of the Broken Bow Reservoir, Mountain Fork River, Oklahoma, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in Senate Document Numbered 137, Eighty-seventh Congress, at an estimated cost of $23,800,000.

The project for the Clayton and Tuskahoma Reservoirs, Kiamichi River, Oklahoma, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in Senate Document Numbered 145, Eighty-seventh Congress, at an estimated cost of $29,748,000.

Missouri River Basin

The comprehensive plan for the Missouri River Basin, approved in the Act of June 28, 1938, as amended by subsequent Acts of Congress, is hereby further modified to include the following projects, and the monetary authorization for said general comprehensive plan is increased accordingly.

(a) The Kaysinger Bluff Reservoir, Osage River, Missouri, is hereby modified substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered ——, Eighty-seventh Congress, at an estimated additional cost of $43,245,000: *Provided*, That nothing in this Act shall be construed as authorizing the acquisition of additional lands for the establishment of a national wildlife refuge at the reservoir.

(b) The project for the Kansas River, Kansas, Nebraska, and Colorado, is hereby authorized substantially in accordance with the recommendations of the Secretary of the Army and the Chief of Engineers in Senate Document Numbered 122, Eighty-seventh Congress, at an estimated cost of $88,070,000: *Provided*, That the authorization for the Woodbine Reservoir on Lyon Creek is deferred at this time, subject to submission of a new feasibility report by the Chief of Engineers to the Eighty-eighth Congress, which shall take into account the water and related land resource development plans of the Soil Conservation Service, the Kansas Water Resources Board, and Lyon Creek Watershed Joint District Numbered 41, and preparation of said report is hereby authorized.

The project for flood protection on Papillion Creek and tributaries, Nebraska, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 475, Eighty-seventh Congress, at an estimated cost of $2,122,000.

The project for flood protection on Indian Creek, Iowa, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 438, Eighty-seventh Congress, at an estimated cost of $1,270,000.

Ohio River Basin

The project for flood protection on the Kokosing River, Ohio, is hereby authorized substantially as recommended by the Chief of Engineers in House Document Numbered 220, Eighty-seventh Congress, at an estimated cost of $2,438,000.

The project for flood protection on the Mad River above Huffman Dam, Ohio, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 439, Eighty-seventh Congress, at an estimated cost of $7,930,000.

The project for the Kentucky River, Kentucky, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers, in House Document Numbered 423, Eighty-seventh Congress, at an estimated cost of $26,020,000.

The project for flood protection on the Buckhannon River, West Virginia, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in Senate Document Numbered 43, Eighty-seventh Congress, at an estimated cost of $1,206,000.

The project for the Guyandot River and tributaries, West Virginia, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 569, Eighty-seventh Congress, second session, at an estimated cost of $60,477,000.

The project for Twelvepole Creek, West Virginia, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers, in House Document Numbered 520, Eighty-seventh Congress, at an estimated cost of $11,000,000.

The project for flood protection on Crab Creek at Youngstown, Ohio, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 440, Eighty-seventh Congress, at an estimated cost of $2,268,000.

The project for the Scioto River, Ohio, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered ——, Eighty-seventh Congress, at an estimated cost of $55,847,000.

The project for flood protection on the Allegheny River at Salamanca, New York, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 166, Eighty-seventh Congress, at an estimated cost of $1,390,000.

The project for French Creek, Pennsylvania, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in Senate Document Numbered 95, Eighty-seventh Congress, at an estimated cost of $23,102,000.

The project for the Saline River and tributaries, Illinois, authorized by the Flood Control Act of 1958 (Public Law 85–500), is hereby modified to provide that no cash contribution shall be required of local interests: *Provided*, That the other items of local cooperation recommended by the Chief of Engineers in House Document Numbered 316 of the Eighty-fourth Congress shall still be applicable.

Upper Mississippi River Basin

The project for the Illinois River and tributaries, Illinois, Wisconsin, and Indiana, is hereby authorized substantially as recommended by the Chief of Engineers in House Document Numbered 472, Eighty-seventh Congress, at an estimated cost of $71,465,000.

The project for Rend Lake, Illinois, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 541, Eighty-seventh Congress, at an estimated cost of $35,500,000.

The project for flood protection on the Mississippi River at and in the vicinity of Guttenberg, Iowa, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 286, Eighty-seventh Congress, at an estimated cost of $729,000.

The project for flood protection on the Mississippi River between Sainte Genevieve and Saint Marys, Missouri, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 519, Eighty-seventh Congress, at an estimated cost of $2,500,000.

The project for the Harrisonville and Ivy Landing Drainage and Levee District Number 2, Illinois, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 542, Eighty-seventh Congress, at an estimated cost of $1,112,000.

The project for the Columbia Drainage and Levee District Number 3, Illinois, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 543, Eighty-seventh Congress, at an estimated cost of $986,000.

The project for the Prairie DuPont Levee and Sanitary District, Illinois, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 540, Eighty-seventh Congress, at an estimated cost of $921,000.

The project for flood protection on Richmond Creek, Illinois, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 571, Eighty-seventh Congress, at an estimated cost of $4,995,000.

The project for the Joanna Reservoir, Salt River, Missouri, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 507, Eighty-seventh Congress, at an estimated cost of $63,300,000.

The project for flood protection on the Pecatonica River, Illinois and Wisconsin, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 539, Eighty-seventh Congress, at an estimated cost of $850,000.

The project for the Mississippi River Urban Areas from Hampton, Illinois, to Cassville, Wisconsin, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 450, Eighty-seventh Congress, at an estimated cost of $5,350,000.

The project for the Kickapoo River, Wisconsin, is hereby authorized substantially as recommended by the Chief of Engineers in House Document Numbered 557, Eighty-seventh Congress, at an estimated cost of $15,570,000.

The project for flood protection on the Warroad River and Bull Dog Creek, Minnesota, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 449, Eighty-seventh Congress, at an estimated cost of $972,000.

Great Lakes Basin

The project for flood protection on the River Rouge, Michigan, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 148, Eighty-seventh Congress, at an estimated cost of $8,659,000.

The project for flood protection on the Sandusky River, Ohio, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in Senate Document Numbered 136, Eighty-seventh Congress, at an estimated cost of $4,300,000.

Truckee River Basin

The project for flood protection on the Truckee River and tributaries, California and Nevada, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 435, Eighty-seventh Congress, at an estimated cost of $2,385,000.

San Francisco Bay area

The project for flood protection on Alameda Creek, California, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in Senate Document Numbered 128, Eighty-seventh Congress, at an estimated cost of $14,680,000.

The project for Corte Madera Creek, Marin County, California, is hereby authorized substantially in accordance with the recommendations of the Secretary of the Army and the Chief of Engineers in House Document Numbered 545, Eighty-seventh Congress, at an estimated cost of $5,534,000.

San Joaquin River Basin

The New Melones project, Stanislaus River, California, authorized by the Flood Control Act approved December 22, 1944 (58 Stat. 887), is hereby modified substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 453, Eighty-seventh Congress, at an estimated cost of $113,717,000: *Provided*, That upon completion of construction of the dam and powerplant by the Corps of Engineers, the project shall become an integral part of the Central Valley project and be operated and maintained by the Secretary of the Interior pursuant to the Federal reclamation laws, except that the flood control operation of the project shall be in accordance with the rules and regulations prescribed by the Secretary of the Army: *Provided further*, That the Stanislaus River Channel, from Goodwin Dam to the San Joaquin River, shall be maintained by the Secretary of the Army to a capacity of at least five thousand cubic feet per second subject to the condition that responsible local interests agree to maintain private levees and to prevent encroachment on the existing channel and floodway between the levees: *Provided further*, That before initiating any diversions of water from the Stanislaus River Basin in connection with the operation of the Central Valley project, the Secretary of the Interior shall determine the quantity of water required to satisfy all existing and anticipated future needs within that basin and the diversions shall at all times be subordinate to the quantities so determined: *Provided further*, That the Secretary of the Army adopt appropriate measures to insure the preservation and propagation of fish and wildlife in the New Melones project and shall allocate to the preservation and propagation of fish and wildlife, as provided in the Act of August 14, 1946 (60 Stat. 1080), an appropriate share of the cost of constructing the Stanislaus River division and of operating and maintaining the same, such costs to be nonreimbursable: *Provided further*, That the Secretary of the Army, in connection with the New Melones project, construct basic public recreation facilities, acquire land necessary for that purpose, the cost of constructing such facilities and acquiring such lands to be non-reimbursable and nonreturnable: *Provided further*, That contracts for the sale and delivery of the additional electric energy available from the Central Valley project power system as a result of the construction of the plants herein authorized and their integration with that system shall be made in accordance with preferences expressed in the Federal reclamation laws except that a first preference, to the extent of 25 per centum of such additional energy, shall be given, under reclamation law, to preference customers in Tuolumne and Calaveras Counties, California, for use in that county, who are ready, able, and willing, within twelve months after notice of availability by the Secretary of the Interior, to enter into contracts for the energy and that Tuolumne and Calaveras County preference customers may exercise their option in the same date in each successive fifth year providing written notice of their intention to use the energy is given to the Secretary not less than eighteen months prior to said dates: *And provided further*, That the Secretary of the Army give consideration during the preconstruction planning for the New Melones project to the advisability of including storage for the regulation of streamflow for the purpose of downstream water quality control.

The Hidden Reservoir, Fresno River, California, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in Senate Document Numbered 37, Eighty-seventh Congress, at an estimated cost of $14,338,000.

The Buchanan Reservoir, Chowchilla River, California, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in Senate Document Numbered 98, Eighty-seventh Congress, at an estimated cost of $13,585,000.

Russian River Basin

The project for Russian River, Dry Creek, California, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 547, Eighty-seventh Congress, at an estimated cost of $42,400,000.

Redwood Creek Basin

The project for flood protection on Redwood Creek, Humboldt County, California, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 497, Eighty-seventh Congress, at an estimated cost of $2,580,000.

Los Angeles River Basin

In addition to previous authorizations, there is hereby authorized to be appropriated the sum of $3,700,000 for the prosecution of the comprehensive plan for the Los Angeles River Basin approved in the Act of August 18, 1941, as amended and supplemented by subsequent Acts of Congress.

Rogue River Basin

The project for the Rogue River, Oregon and California, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 566, Eighty-seventh Congress, at an estimated cost of $106,700,000: *Provided*, That (a) the project is located, constructed, and operated to accomplish the benefits as set forth and described in the report of the district engineer and its appended report; (b) water for all purposes shall be released in the quantities and qualities at points described in the district engineer's report and its appendixes; (c) in the years of short water supply all water users will share the available water in the same proportions that they would share the total full supply when it is available and that no further water-use allocations will be made from the authorized storage so as to retain the maximum possible benefits to authorized uses during the periods of adversity when storage shortages occur.

Columbia River Basin

The project for the Burns Creek Dam and Reservoir, Snake River, Idaho, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in Senate Document Numbered 130, Eighty-seventh Congress, at an estimated cost of $52,000,000.

The project for the Ririe Dam and Reservoir, Willow Creek, Idaho, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 562, Eighty-seventh Congress, at an estimated cost of $7,027,000.

The project for the Blackfoot Dam and Reservoir, Blackfoot River, Idaho, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 568, Eighty-seventh Congress, at an estimated cost of $829,000.

The project for the Asotin Dam and Reservoir, Snake River, Idaho and Washington, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 403, Eighty-seventh Congress, at an estimated cost of $99,818,000.

The project for the China Gardens Dam and Reservoir, Snake River, Idaho, Oregon, and Washington, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 403, Eighty-seventh Congress, at an estimated cost of $74,777,000.

Cook Inlet, Alaska

The project for Bradley Lake, Cook Inlet, Alaska, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 455, Eighty-seventh Congress, at an estimated cost of $45,750,000.

Sec. 204. That section 205 of the Flood Control Act of 1948, as amended (33 U.S.C. 701s), is amended by, (a) striking out "$10,000,000" and inserting "$25,000,000" in lieu thereof, (b) substituting for the term "small flood control projects" the term "small projects for flood control and related purposes", and (c) striking out "*Provided*, That not more than $400,000 shall be allotted for this purpose at any single locality from the appropriations for any one fiscal year" and inserting in lieu thereof "*Provided*, That not more than $2,000,000 shall be allotted under this section for a project at any single locality and the amount allotted shall be sufficient to complete Federal participation in the project: *And provided further*, That no construction shall be undertaken on any project under the provisions of this section with a Federal cost in excess of $1,000,000 unless such project has been approved by resolutions adopted by the Committee on Public Works of the Senate and the Committee on Public Works of the House of Representatives, respectively."

Sec. 205. The consent of Congress is hereby granted to Duke Power Company, its successors and assigns, to construct, maintain, and operate a dam across Savannah River between Anderson County, South Carolina, and Elbert County, Georgia, near Middleton Shoals, and about two hundred and ninety-seven miles above the mouth of said river, for the purpose of providing a pool for condenser water for a steam-electric plant. Construction on such dam shall not be commenced until the plans therefor have been submitted to and approved by the Chief of Engineers, United States Army, and by the Secretary of the Army, and when such plans have been approved by the Chief of Engineers and by the Secretary of the Army, there shall be no deviation from such plans either before or after completion of said dam unless the modification of such plans has previously been submitted to and approved by the Chief of Engineers and the Secretary of the Army. In approving the plans for said dam such conditions and stipulations may be imposed as the Chief of Engineers and the Secretary of the Army may deem necessary to protect the present and future interest of the United States. Nothing in this section shall be construed to authorize the use of such dam to develop water power or generate hydroelectric energy. The grantee and its successors shall hold and save the United States free from all claims arising from damage which may be sustained by the dam herein authorized, or damage sustained by the appurtenances of the said dam, by reason of the future construction and operation by the United States of Hartwell Reservoir or any other Federal project upstream or downstream from the dam herein authorized. The authority granted by this section shall cease and be deemed null and void unless the actual construction of the dam hereby authorized is commenced within four years and completed within seven years from the date of approval of this section. The right to alter, amend, or repeal this section is hereby expressly reserved.

SEC. 206. The Secretary of the Army is hereby authorized and directed to cause surveys for flood control and allied purposes, including channel and major drainage improvements, and floods aggravated by or due to wind or tidal effects, to be made under the direction of the Chief of Engineers, in drainage areas of the United States and its territorial possessions, which include the following named localities: *Provided*, That after the regular or formal reports made on any survey are submitted to Congress, no supplemental or additional report or estimate shall be made unless authorized by law except that the Secretary of the Army may cause a review of any examination or survey to be made and a report thereon submitted to Congress, if such review is required by the national defense or by changed physical or economic conditions: *Provided further*, That the Government shall not be deemed to have entered upon any project for the improvement of any waterway or harbor mentioned in this title until the project for the proposed work shall have been adopted by law:

Waccasassa River (Levy County and Gilchrist County), Florida.

Valenciana River, Puerto Rico.

Lake Pontchartrain, north shore, Louisiana.

San Bernard River, Texas.

Clear Creek, Texas.

Peytons Creek and tributaries, Texas.

Sacramento River Basin and streams in northern California draining into the Pacific Ocean for the purposes of developing, where feasible, multiple-purpose water resource projects, particularly those which would be eligible under the provisions of title III of Public Law 85-500.

Battle Creek, Sacramento River, California.

All streams in Santa Barbara County, California, draining the Santa Ynez Mountains, except Santa Ynez River and tributaries.

SEC. 207. Title II of this Act may be cited as the "Flood Control Act of 1962".

Mr. BLATNIK (interrupting the reading of the bill). Mr. Chairman, I ask unanimous consent that title I, the rivers and harbors navigation section of the bill, be considered as read and open at any point for amendment.

Mr. CRAMER. Mr. Chairman, reserving the right to object, I understood that the request was going to be made that the entire bill be considered as read. I ask the gentleman from Minnesota not to make such a request.

The CHAIRMAN. Does the gentleman from Minnesota [Mr. BLATNIK] desire to modify the unanimous-consent request made, in accordance with the suggestion made by the gentleman from Florida [Mr. CRAMER]?

Mr. BLATNIK. Mr. Chairman, it would expedite the consideration of the bill and make it more orderly if we disposed of title I first. It should not take long. Then we can proceed in the same order on title II. I would certainly be agreeable that title II be considered as read and open at any point for amendment. It is purely a matter of logical order.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

Mr. CRAMER. Mr. Chairman, if they are not going to live up to the agreement made, I object, and let us read the bill. I understood it was agreed that the bill would be considered as read in toto.

Mr. BLATNIK. If the gentleman will yield, I am not aware of any such agreement.

Mr. CRAMER. Then I object.

The CHAIRMAN. Objection is heard.

Mr. BLATNIK. Mr. Chairman, I move that title I——

The CHAIRMAN. The Chair will state that that motion is not in order.

Mr. BLATNIK. Mr. Chairman, I ask unanimous consent that titles I and II be considered as read.

The CHAIRMAN. And open for amendment at any point?

Mr. BLATNIK. Open at any point for amendment.

Mr. CRAMER. Mr. Chairman, reserving the right to object, that does not preclude the right to raise points of order at any time, does it?

The CHAIRMAN. Of course not.

Is there objection to the request of the gentleman from Minnesota [Mr. BLATNIK], that the first two titles will be considered as read?

There was no objection.

Mr. BALDWIN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BALDWIN. Mr. Chairman, do points of order have to be brought up before any amendments are offered?

The CHAIRMAN. The Chair will state that they should be, but they may be raised.

Mr. GROSS. Mr. Chairman, I ask unanimous consent that points of order be in order at any time.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

The Clerk will report the first committee amendment.

The Clerk read as follows:

Page 5, line 16, strike out lines 16 through 25 and insert:

"Holt lock and dam, Alabama: The Secretary of the Army is hereby authorized and directed to cause an immediate study to be made under the direction of the Chief of Engineers with a view to providing hydroelectric power generating facilities in said dam, and his report on such study shall be submitted to the Congress by the Secretary of the Army within the first period of sixty calendar days of continuous session of the Eighty-eighth Congress."

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Page 7, line 21, insert:

"Lock and dam numbered 3, Big Sandy River, Kentucky, at an estimated cost not to exceed $200,000; such work as may be necessary for the repair and restoration of said lock and dam: *Provided*, That the work authorized herein shall have no effect on the condition that local interests shall operate and maintain the structure and related properties as required by the Act of Congress approved August 2, 1946 (60 Stat. 1062): *And provided further*, That there is hereby authorized to be expended from appropriations heretofore or hereinafter made for such functions administered by the Department of the Army such funds as may be necessary for the repair and restoration of lock and dam numbered 3 on the Big Sandy River."

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 13, line 15, insert:

"SEC. 102. (a) The Act approved August 13, 1946, as amended by the Act approved July 28, 1956 (33 U.S.C. 426e–h), pertaining to shore protection, is hereby further amended as follows:

"(1) the word 'one-third' in section 1(b) is deleted and the word 'one-half' is substituted therefor.

"(2) The following is added after the word 'located' in section 1(b): ', except that the costs allocated to the restoration and protection of Federal property shall be borne fully by the Federal Government, and further, that Federal participation in the cost of a project for restoration and protection of State, county, and other publicly owned shore parks and conservation areas may be the total cost exclusive of land costs, when such areas: Include a zone which excludes permanent human habitation; include but are not limited to recreational beaches; satisfy adequate criteria for conservation and development of the natural resources of the environment; extend landward a sufficient distance to include, where appropriate, protective dunes, bluffs, or other natural features which serve to protect the uplands from damage; and provide essentially full park facilities for appropriate public use, all of which shall meet with the approval of the Chief of Engineers.'

"(3) The following is added after the word 'supplemented' in section 1(e): ', or, in the case of a small project under section 3 of this Act, unless the plan therefor has been approved by the Chief of Engineers.'

"(4) Sections 2 and 3 are amended to read as follows:

" 'SEC. 2. The Secretary of the Army is hereby authorized to reimburse local interests for work done by them on authorized projects which individually do not exceed $1,000,000 in total cost after initiation of the survey studies which form the basis for the project: *Provided*, That the work which may have been done on the projects is approved by the Chief of Engineers as being in accordance with the authorized projects: *Provided further*, That such reimbursement shall be subject to appropriations applicable thereto or funds available therefor and shall not take precedence over other pending projects of higher priority for improvements.

" 'SEC. 3. The Chief of Engineers is hereby authorized to undertake construction of small shore and beach restoration and protection projects not specifically authorized by Congress, which otherwise comply with section 1 of this Act, when he finds that such work is advisable, and he is further authorized to allot from any appropriations heretofore or hereinafter made for civil works, not to exceed $3,000,000 for any one fiscal year for the Federal share of the costs of construction of such projects: *Provided*, That not more than $400,000 shall be allotted for this purpose for any single project and the total amount allotted shall be sufficient to complete the Federal participation in the project under this section including periodic nourishment as provided for under section 1(c) of this Act: *Provided further*, That the provisions of local cooperation specified in section 1 of this Act shall apply: *And provided further*, That the work shall be complete in itself and shall not commit the United States to any additional improvement to insure its successful operation, except for participation in periodic beach nourishment in accordance with section 1(c) of this Act, and as may result from the normal procedure applying to projects authorized after submission of survey reports.'

"(b) All provisions of existing law relating to surveys of rivers and harbors shall apply to surveys relating to shore protection and any expenses incident and necessary to investigation and study shall be paid from funds for 'General investigations, civil functions', Department of the Army, and section 2 of the River and Harbor Act approved July 3, 1930, as amended (33 U.S.C. 426), is modified to the extent inconsistent herewith.

"(c) The cost-sharing provisions of this section shall apply in determining the amounts of Federal participation in or payments toward the costs of authorized projects for which the Federal contribution has not been made prior to the date of approval of this Act, and the Chief of Engineers, through the Beach Erosion Board, is authorized and directed to recompute the amounts of Federal contribution toward the costs of such projects accordingly."

Mr. CRAMER. Mr. Chairman, I raise a point of order against the amendment in that it appears clearly in the amendment that it is an appropriation on an authorization bill.

The CHAIRMAN. Does the gentleman from Minnesota desire to be heard?

Mr. BLATNIK. Mr. Chairman, the committee concedes the point of order.

The CHAIRMAN (Mr. WALTER). The Chair sustains the point of order.

The Chair will state, this applies to the entire amendment from page 13, line 15, down to and including line 19 on page 16.

Mr. BLATNIK. Mr. Chairman, am I correct, then, that this applies to the entire section 102, it deletes that section?

The CHAIRMAN. That is correct.

The Clerk will report the next committee amendment.

The Clerk read as follows:

Page 16, line 20, strike "102" and insert "103".

Mr. CRAMER. Mr. Chairman, I raise the point of order against that in that it is no longer necessary with the deletion of section 102.

The CHAIRMAN. Without objection, the amendment is withdrawn.

There was no objection.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Page 7, line 4, strike out "103" and insert "104".

The CHAIRMAN. Without objection, the amendment is withdrawn.

There was no objection.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Page 17, line 16, insert:

"SEC. 105. The body of water designated as the Redondo Beach Harbor, California, shall be known and designated hereafter as the Redondo Beach King Harbor, California. Any law, regulation, map, document, record, or other paper of the United States in which such body of water is referred to shall be held to refer to it as the Redondo Beach King Harbor, California."

The CHAIRMAN. Without objection, the amendment will be modified to read "SEC. 104."

There was no objection.

The CHAIRMAN. Without objection, the amendment, as modified, will be agreed to.

There was no objection.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Page 17, line 23, strike out "104" and insert "106".

The CHAIRMAN. Without objection, that amendment will be withdrawn, as it should be "Section 105", and that amendment is agreed to.

There was no objection.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Page 18, line 3, strike out "A channel" and insert "Channel".

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Page 18, line 10, strike out "Sec. 105" and insert "SEC. 107".

Mr. CRAMER. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. CRAMER to the committee amendment: Strike out "107" and insert "106".

The amendment to the committee amendment was agreed to.

The committee amendment was agreed to.

Mr. WRIGHT. Mr. Chairman, so as to avoid any possible confusion in the numbering of these sections, I ask unanimous consent that the Clerk of the House be instructed so to number these sections serially that they are all in proper sequence.

The CHAIRMAN. The gentleman's request will have to be made in the House.

The Clerk will report the next committee amendment.

The Clerk read as follows:

On page 32, line 5, strike out "project" and insert "projects,".

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Page 40, line 10, strike out "five" and insert "eight".

The committee amendment was agreed to.

The CHAIRMAN. Are there any amendments to be offered?

Mr. BALDWIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BALDWIN: Page 44, delete all of the words in lines 4 through 8.

Mr. BALDWIN. Mr. Chairman, this amendment would delete the Burns Creek project in Idaho from this bill. As I mentioned earlier, this is a $52 million public power project. It was before the Interior Committee in the 84th, 85th, and 86th Congresses, and in this Congress. The Interior Committee held hearings on it in the 85th Congress and did not act on it. The Interior Committee held hearings on it in the 86th Congress and did not act on it. The Interior Committee held 4 days of hearings on it in the first session of this Congress, the 87th Congress.

Mr. GROSS. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Eighty-one Members are present, not a quorum.

The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 268]

Adair
Alexander
Andersen, Minn
Anderson, Ill
Anfuso
Aspinall
Belcher
Bell
Bennett, Mich.
Berry
Blitch
Bolling
Boykin
Breeding
Brewster
Brown
Burke, Ky
Cannon
Celler
Chiperfield
Coad
Curtin
Davis, John W.
Derwinski
Diggs
Dominick
Dooley
Evins
Fogarty
Forrester
Frazier
Garland
Glenn
Goodell
Griffiths
Hall
Hansen
Harris
Harrison, Va.
Harvey, Ind.
Hays
Hébert
Herlong
Hiestand
Hoeven
Hoffman, Mich.
Holland
Jones, Mo.
Karth
Kearns
Kee
Kilburn
Kirwan
Laird
Lindsay
McDonough
McDowell
McIntire
McSween
McVey
MacGregor
Magnuson
Martin, Nebr.
Mason
Michel
Miller, George, P.
Moorehead, Ohio
Moulder
O'Brien, Ill
O'Neill
Passman
Patman
Powell
Quie
Rains
Reifel
Rogers, Tex.
Roosevelt
Roudebush
Rousselot
Saund
Saylor
Scherer
Scranton
Seely-Brown
Shelley
Sheppard
Shipley
Short
Sibal
Siler
Springer
Steed
Taber
Ullman
Utt
Van Pelt
Vinson
Watts
Weis
Whalley
Williams
Zelenko

Accordingly, the Committee rose; and the Speaker pro tempore having resumed the chair, Mr. WALTER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H.R. 13273, and finding itself without a quorum, he had directed the roll to be called, when 332 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. The gentleman from California [Mr. BALDWIN] is recognized.

Mr. BALDWIN. Mr. Chairman, the amendment which I have just offered would strike lines 4 to 8 on page 44 of the bill and would therefore strike the $52 million controversial Burns Creek public power project in Idaho.

As I mentioned earlier in the debate, this project has been before the House Interior Committee in the last four Congresses. It was before the Interior Committee in a bill in the 84th Congress and no action was taken. It was before the Interior Committee in the 85th Congress, there were 2 or 3 days of hearings held, and no action was taken on it. It was before the 86th Congress in the Interior

Committee. There were about 11 days of hearings held and although the subcommittee acted, the full committee took no action on it. In the first session of 87th Congress, the Interior Committee held 4 days of hearings on it and the Interior Committee had a vote on it in February of this year. After being before the Interior Committee for four successive Congresses, the Interior Committee voted on this Burns Creek project in February of this year. The project was defeated by a vote of 17 to 14 by the House Interior Committee.

Then, very strangely, it was suddenly transferred from the Bureau of Reclamation to the Corps of Engineers and submitted to our committee, the Public Works Committee, just a week before our hearings closed on the omnibus bill. The sole witnesses allowed to be heard except the Corps of Engineers were one Member of Congress for it and one Member against it. But all other outside witnesses were prevented from testifying even though it was a highly controversial project. The Corps of Engineers stated that the project would be built by the Bureau of Reclamation, the same agency that tried for four Congresses to get it through the House Interior Committee and was defeated.

The facts of the matter are that these individuals have filed requests with the House Public Works Committee to be heard against the project and were denied the right of a hearing.

The United Mine Workers, who filed a request on June 18, stated in their letter that they were opposed to the project and would like to be heard.

The International Brotherhood of Electrical Workers on June 13 filed a letter with the committee saying they were opposed to the project and wanted to be heard.

The Kemmerer Coal Co. at Frontier, Wyo., on June 5 filed a letter saying it wanted to be heard and was opposed to the project.

The Utah Power & Light Co. on May 31 of this year filed a letter with the committee saying it wanted to be heard.

None of these people was given the right to be heard.

However you feel on the merits of the project, I believe all the Members of the House in their own hearts and minds believe that whenever a highly controversial project is before a committee the interested people who have filed requests to be heard should be given that opportunity.

Why is there this opposition? Because there is now under construction in Kemmerer, Wyo., in the same general area that would be served by the Burns Creek project, a private power plant that would have a 150,000-kilowatt capacity as compared to the Burns Creek plant capacity of 90,000 kilowatts. It is going to use coal. It has been designed for that use exclusively. This is the first unit of that private power project. It is designed eventually for 500,000 kilowatts. If the Burns Creek project is built, the United Mine Workers expect that the Burns Creek project is going to deprive them of the production of 250,000 tons of coal per year, and deprive many of them of the right of employment.

It is true the first unit of this plant is already under construction and will be built in any case, but the subsequent units of the plant will be postponed or eliminated completely if the Burns Creek project is used.

I believe basically in private enterprise. I believe private enterprise has shown it has the ability to provide the needs of an area. We should first give private enterprise that opportunity. Above all, I believe in the rights of the individuals, the mineworkers, the electrical workers, the coal companies, and the power companies involved, to be given an opportunity to be heard before a controversial project of this nature is decided upon.

Mrs. PFOST. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this measure, as the gentleman from California has said, has been considered by Members of this Congress for several years. In fact, back in 1957 the late senior Senator from Idaho, Senator Dworshak, introduced a Burns Creek bill, as did the then junior Senator from Idaho Senator CHURCH. Congressman Homes Budge represented the second district in Idaho and introduced a bill on the House side. These measures were considered by both the Senate and the House Committee on Interior and Insular Affairs.

In 1958, $1½ million was appropriated for the construction of the Burns Creek project; in 1959, $500,000 was appropriated, and in 1960 another $500,000 was appropriated. In 1961, there was a $487,500 carryover from prior appropriations.

This means that not only the Appropriations Committee but Members of the House have previously voted the necessary funds to start construction of the Burns Creek project.

Let me say this project should never have become a partisan issue. I had not until last year introduced a bill on the Burns Creek project because it was in the Second Congressional District, represented by Congressman Budge. But in 1961 Congressman HARDING, who replaced Mr. Budge, and I each introduced a Burns Creek bill. We have done everything we could to get it approved. It is not a partisan issue in Idaho. It should not be a partisan issue here in the House of Representatives. The people of the State of Idaho want it. They need it. We have had disastrous floods in that area and additional flood control projects are needed.

The charge has been made by opponents that this has now been turned into a flood control project. This is not true. The amount allocable to flood control by the Army Corps of Engineers is slightly more than $3 million. It will also provide supplemental irrigation water to 650,000 acres of land already being irrigated. The multiple uses are power, irrigation, flood control and recreation. It will be beneficial for the propagation of fish and wildlife, which is an important resource to our state.

Now in answer to the gentleman from California [Mr. BALDWIN] who said:

> Let private enterprise build these projects.

In cross examination during hearings I asked the manager of the Utah Power & Light Co. if the company had transmission lines to service the people in this area who are begging for power to pump irrigation water from underground wells.

He replied that they did not.

I asked if when the Kemmerer plant was constructed and in operation, would the company put in a transmission line to service the people in this area; his answer was, "No."

It seems to me, Mr. Chairman, that a project which has been proven to be necessary, a project having these multiple uses, a project that has been debated for so many years, should be approved by the Congress. It is high time that we get on today with the consideration of this overall public works bill which includes 167 projects affecting some 300 Members of the Congress. I see no reason for pointing a finger at specific projects.

Let me say, further, that the Burns Creek project is an integral part of the large overall Columbia Basin system and one which the Army Corps of Engineers and Bureau of Reclamation have been working closely together on for many years.

The CHAIRMAN. The time of the gentlewoman has expired.

Mr. AUCHINCLOSS. Mr. Chairman, I ask unanimous consent that the gentlewoman from Idaho may proceed for 1 additional minute.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. AUCHINCLOSS. Mr. Chairman, will the gentlewoman yield to me for a question.

Mrs. PFOST. I yield to my colleague.

Mr. AUCHINCLOSS. You said in your statement that this project had been before the Congress and had been considered by many Members of the Congress for a number of years. Would you care to comment on the fact that the standing committee of the Congress rejected it twice?

Mrs. PFOST. Let me say to the gentleman that the Committee on Appropriations for the years 1958 through 1960 certainly did not reject it. Also let me state that even though we were unsuccessful in getting approval by the House Committee on Interior and Insular Affairs, the Corps of Army Engineers was simultaneously making a Columbia Basin study. The Snake River drains 109,000 square miles in Idaho, Washington, and Oregon. The portion taking in the Burns Creek and surrounding areas covers a 5,750-square-mile drainage area above Heise, Idaho, in southeastern Idaho and western Wyoming. The Army Corps of Engineers recognized the need for this project in the upper reaches of the Snake River for the multiple benefits it would provide.

Because of the importance of this project to the Columbia River Basin system, the Corps of Army Engineers continued with their studies these several years and have finally come out early this year with a strong favorable report for the construction of the Burns Creek project. I hope it will not be deleted from our public works bill.

Mr. KYL. Mr. Chairman, I move to strike out the last word.

Mr. KYL. Mr. Chairman, it is entirely incongruous that this matter comes before us in this bill today. The project was considered by the Interior and Insular Affairs Committee. The gentlewoman from Idaho, for whom I have such great affection and esteem, is correct when she says it is a nonpartisan matter. The committee has the same ratio of Democrats and Republicans as the other committees of the Congress. The chairmen of both the committee and the subcommittee are of the majority party.

The gentlewoman from Idaho has said that the Corps of Army Engineers has placed in the record complete factual information which would lead anyone to think this project is desirable and should be completed at this time.

I think the Members of the House should know, Mr. Chairman, that the Engineers in report No. 4 for the Interior Department concerning the Upper Snake River Basin, Burns Creek, dated March, 1962, had these things to say about Burns Creek. Now, remember this was an Interior project. The Engineers come to the committee now, not the Interior Committee, but the Public Works Committee, to try to get a project not for the Engineers, but for the Reclamation Bureau. These were the facts stated by the Engineers in March 1962.

This report states that the Corps of Engineers has reviewed the Bureau of Reclamation's design plans and found them entirely inadequate. More than that, the corps now forecasts that further exploration will show serious deficiencies in foundation conditions which would result in greatly increased costs over those predicted here today. In the exact words of the Corps of Engineers:

> A considerable amount of additional exploration may be necessary for final design * * * the indicated additional investigation could disclose foundation conditions that would result in increasing costs.

But these new costs which involve the most expensive part of any dam—the foundation—are not included in the $52 million price tag we are looking at today.

Foundation costs are not the only added costs developed by the Corps of Engineers which have been conveniently omitted in today's cost estimate. The corps says:

> In order to use the lower 100,000 acre-feet for flood control, lowering of the outlet works or installation of a second tunnel would be required which could increase the project cost materially.

I submit that the $52 million price tag is but a foot in the door. I have great aversion to authorizing a project at a fictitious cost figure after an agency of our Government, in a formal engineering report, says flatly that the essential foundation will cost more and that the flood control facilities will cost more.

But these are not the only items where the cost picture will change for the worse. The Corps of Engineers in Interior Report No. 4 says that proper use of Burns Creek to take advantage of flood control opportunities will require changes in the Bureau of Reclamation's operating procedure at the expense of some power production. Loss of power production will mean loss of claimed revenues.

Now here is a project that was the subject of full hearings before the House Interior and Insular Affairs Committee and turned down after exhaustive examination. Burns Creek then was a $48,700,000 project that, by Bureau figures, failed to pay its own annual cost by $311,000 a year. Now the admitted cost is $52 million and the actual cost when the inadequacies of foundation conditions and flood control facilities are corrected must be millions more.

Have the Bureau's feasibility figures changed to compensate for the higher costs? They have not—not one iota. They have not even been adjusted to compensate for the increase from the $48 million to the $52 million figure, let alone for the additional expense Interior Report No. 4 makes evident. What the annual loss would actually prove to be if we were provided with a realistic accounting of an accurate price tag is something we have not been told.

To be fair to the taxpayers who always end up by paying the bill when we authorize projects with misleading financial information, and to assure ourselves that at least we are voting on conditions that actually exist, this Burns Creek project should be sent to the Interior and Insular Affairs Committee so it can examine the new costs revealed by the Corps of Engineers. In good conscience I cannot see how we could do otherwise.

Mr. ASHBROOK. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I want to associate myself with the remarks of the gentleman from Iowa. I am also a member of the Committee on Interior and Insular Affairs.

Mr. Chairman, the word "reclamation" has high political appeal in the West and to a somewhat lesser degree so does flood control. Now, I know of no reasonable man who will argue the merit of bona fide reclamation projects which the facts have proven to be economically feasible and the construction of which would be in the overall national interest. The same may be said about projects with bona fide and realistic flood control features. However, it is the firm responsibility of the Congress, a sacred trust, to obtain all the technical and economic facts about any so-called reclamation or flood control project, to conduct open and complete hearings, and, after taking under advisement the views expressed in support of and in opposition to the project and after careful and objective consideration of the facts, to decide whether or not the project is worthy of approval.

Mr. Chairman, the omnibus rivers and harbors and flood control bill reported by the Committee on Public Works includes a project which, if authorized, would constitute a gross violation of our sacred trust to screen out unworthy and uneconomic projects. This is the $52 million Burns Creek project proposed for construction in southeastern Idaho. Burns Creek has already been carefully evaluated by the Committee on Interior and Insular Affairs and found wanting. It was defeated by committee vote on February 7, 1962. I am certain the committee was surprised, shocked, and insulted to find Burns Creek turning up like a bad penny in the omnibus authorization bill—especially on the basis of masquerading this project as a flood control project.

Reclamation and flood control jointly occupy a warm spot in the heart of many of us far removed from the reclamation States. I certainly am sympathetic to flood control projects since I have meritorious projects in my own district. But we would be derelict in our duty if we did not weed out expensive, unnecessary projects which entail a gross waste of public funds. Burns Creek is such an unnecessary and uneconomic project.

Mr. Chairman, in my opinion Congress has already abdicated too many of its prerogatives and obligations by giving excessive administrative control and decision to the experts in the executive agencies in the planning and selection of water resources projects. Is the Congress now so inferior to the bureaucratic agencies that the experts can tag just any rag-tail project with a reclamation or flood-control label and ram its authorization down our throats? Are the legislative bodies now the weak sisters of our American system of checks and balances? I think it is high time we reassume our rightful prerogative of full control over the project authorization process. There is no better place to start than with Burns Creek.

This project is a classic example of wasteful spending at its destructive worst. The cost of $52 million, according to the latest estimates of these executive agency experts, is already a substantial increase from previous estimates. I defy anyone to tell me what the final cost would be. We can be sure it is not going to stop at $52 million. It is uneconomic. It is obviously and admittedly a power project since 98 percent of its construction costs are allocated to hydroelectric power generating facilities. By itself it can never repay to the Treasury its reimbursable construction costs. In fact, annual power revenues from Burns Creek would be over $350,000 less than required to pay the interest obligation which the experts have presumptuously assumed at only 2.632 percent. The experts have therefore proposed integration of Burns Creek electrically, hydraulically, and financially with an already authorized and operating self-liquidating reclamation project, Palisades upstream. In other words, these experts intend to subsidize the uneconomic Burns Creek power project with revenues from a good reclamation project, Palisades. And this is the project we are now considering even though it was rejected as unworthy by the Committee on Interior and Insular Affairs only 8 months ago, a committee on which I have the honor to serve.

Reclamation is going to lose a lot of eastern friends if this sort of thing keeps up. There is no rational justification of Burns Creek except to supply subsidized

Federal electricity to a few select special-interest groups in southeastern Idaho. We should not permit authorization of an unnecessary project which will benefit only a very small region at the expense of others. I submit that Burns Creek means $52 million of spending which cannot be justified.

Mr. HOSMER. Mr. Chairman, will the gentleman yield?

Mr. ASHBROOK. I yield to the gentleman from California.

Mr. HOSMER. Mr. Chairman, I also wish to associate myself with the remarks of the gentleman from Iowa. He has very carefully and very accurately painted the picture of this project. Its costs far exceed those that are printed in the committee report here and the revenue structure will be impeded if this project is built. I think it would be a great reflection on the soundness of judgment of this Congress should this project remain in the bill.

Mr. HARRISON of Wyoming. Mr. Chairman, will the gentleman yield?

Mr. ASHBROOK. I yield to the gentleman from Wyoming.

Mr. HARRISON of Wyoming. Mr. Chairman, I want to clear up one statement that was made here recently regarding testimony before the Committee on Interior and Insular Affairs today on this project.

As a member of that committee I sat through the hearings. When the question, as stated on the floor, was asked the representative of the Utah Power Co., whether or not they would furnish or build lines in this area, the answer was no. The reason was given that because of a power hookup and the Utah Power Co. and the Idaho Power Co. it would not be necessary to build lines in there because it would be uneconomical to go that distance, but the area could be and would be served and was being served with power presently in existence within the Utah Power Co. and the Idaho Power Co.

I opposed this project, the State of Wyoming opposed it, because it is uneconomical. I resent the fact that the people from my State, the State itself, and others have been denied the privilege of appearing before the committee on a project which is as important to the people as this one is. I think it is poor legislative procedure. I think it is improper to take a bill which has been acted upon in good faith by one of our standing committees and then within a period of a few months give it to another committee and pursue an entirely different theory.

I hope the Members of the House will see the fairness of the position of those who oppose the project and will sustain the motion to strike, and will consider allowing a full and open hearing in the next session of the Congress.

Mr. DENT. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. DENT. Mr. Chairman, water is not the only resource we need be concerned with. Coal is a resource and an important one too. Burns Creek, mislabeled with the good name of reclamation or partially hidden under a flimsy veil of extremely nebulous flood-control benefits, is still nothing more nor less than a poor and uneconomical power project. Burns Creek by any name would still be extremely detrimental to the ailing coal industry in the surrounding States. The coal mining companies and labor unions have, and continue to, vigorously oppose Burns Creek. The State of Wyoming and the Wyoming Natural Resource Board unqualifiedly oppose Burns Creek. All requested an opportunity to appear and testify in opposition before the Public Works Committee but were arbitrarily deprived of their right to be heard.

I wonder how long eastern Congressmen and their tax-paying constituents will continue to shell out hard-earned tax dollars to subsidize Government power generation to a small, select and self-interested handful of priviliged citizens? Most of the electric power which would generate at Burns Creek would go to three growing and prospering communities serving urban residents and business organizations. A favored few would gobble up the excessively priced benefits of Burns Creek with the Nation's hard-pressed taxpayers paying the bill.

In addition, every kilowatt-hour of power generated at Burns Creek would replace 1 pound of coal on the market—a pound which would be mined, marketed, and burned in a steam generator to produce an equivalent kilowatt-hour if Burns Creek did not exist. The power developed at Burns Creek would displace 20,000 man-shifts per year in the already depressed coal industry, an employment equivalent to 250,000 tons of coal mined annually, with a loss of $275,000 in mine payroll and $225,000 in supplies purchased locally. And also a reduction in annual State and local taxes of $18,000 and of annual payments to the United Mine Workers of America health, welfare, and retirement fund of $100,000.

The little town of Kemmerer, Wyo., would be particularly hard hit by the detrimental effect of Burns Creek. Kemmerer was founded as the center of the coal mining industry in southwestern Wyoming. Over the years the economic health of Kemmerer has fluctuated with the ups and downs of the coal industry. The coalfields of southwestern Wyoming have felt the full impact of the current depressed state of the coal business. Now, a utility company is building a large coal-burning thermoelectric plant near Kemmerer. New hope and new life have been given to the town of Kemmerer. The citizens in the area are seriously concerned with the effect of Burns Creek.

The mayor of Kemmerer traveled all the way to Washington in 1959 to appear before the Senate Subcommittee on Irrigation and Reclamation in opposition to Burns Creek. That is how concerned he was. I am particularly impressed with one statement the mayor made at that time. This is his statement:

> I should like to emphasize to you that the people of this area of Wyoming are appearing before this Senate committee without any intention of asking for Government assistance or aid, nor do we ask this committee to expend one dollar of the taxpayer's money in our behalf. We are here simply to request that you do not put a stumbling block in our way, to ask that you allow us to work out our own destiny and to develop our economic future with our own capital and our own initiative.

This has the clarion ring and virile spirit of our forefathers who fought to make America great. We cannot afford to put a stumbling block in the way of citizens whose spirit reflects so nobly the traditional spirit of American get-up-and-go. We cannot afford to let an uneconomical, unnecessary power project slip by under the false guise of reclamation or flood control.

Mr. EDMONDSON. Mr. Chairman, I rise in opposition to the pending amendment.

Mr. Chairman, a couple of things should be said to set the record straight in connection with this particular project.

I am one of the members of the Committee on Public Works who also sat on the Committee on the Interior and Insular Affairs. and I listened to the evidence with regard to this project.

There are three members of the Committee on Public Works at the present time who sat on the Committee on Interior and Insular Affairs and heard the evidence on this project. I think the record will show every member who heard the evidence over in the Committee on Interior and Insular Affairs voted to report this project out in the Committee on Public Works.

The plain fact of the matter is this is a good project. It was good enough to get the recommendation of the Bureau of the Budget under the Eisenhower administration when the man who represented that district was a member of Mr. Eisenhower's party.

When you get right down to the meat in the coconut, this bill failed to be reported out of the Committee on the Interior and Insular Affairs for one reason, and no other, and that is that some of the members of the other party who were champions of the bill when the district was represented by a Republican Congressman turned a flip in midair and opposed this project when we got a Democratic Representative from that district who was sponsoring the bill. The record will show that in the Committee on Interior and Insular Affairs. This is a good project. The Eisenhower engineers said it was a good project, the Eisenhower Bureau of the Budget said it was a good project.

The Engineers and the Bureau of the Budget of this administration have said it is a good project.

Mr. Chairman, it has been said it has no flood control in it. The report shows on page 224 thereof, if the Members of the Committee will take the time to look at it, that there are annual benefits of $120,000 a year in flood damage prevention under this project.

Mr. Chairman, insofar as the benefit-cost ratio is concerned, it is 1.7 to 1. That is a good project ratio by any standard. It was good enough to be something that our distinguished minority leader identified himself publicly with under the previous administration.

Mr. Chairman, I say to the Members of the Committee that we ought to stand together in support of this committee bill, and approve this project.

Mr. LANGEN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I am sure that it is the desire of every Member of this House that they serve the best interests of this Nation. I should say to the Members of the Committee that you have an excellent opportunity to do so by supporting the Baldwin amendment that is now before us for consideration. I say this as a member of the Committee on Interior and Insular Affairs, as a member of the subcommittee that has held hearings on this project ever since I came to Congress; yes, for 4 years we have been seriously concerned with this project. I cannot for the life of me understand how or why we should even have the project before us at this point, when that committee, after the most complete and extensive hearings, after having heard all the people who have an interest testify before that committee, and after the judgment of that committee then is such that it has turned it down, but definitely, just a matter of a few months ago.

Mr. Chairman, it has been said just a few minutes ago that this was such a good project and it had the support of any number of people. If that were the case, then I must obviously ask the question: Why? How come it was not approved prior to this time? How come it has not received approval at any time where hearings have been held and where there has been a complete analysis of the cost factors, of the need factors, and all of the items involved that have been heard and considered? The answer is simple, it is a bad project.

Mr. Chairman, permit me to relate to the members of the committee just a few of the objections, and I wish I had time to go over all of them: This project in its own right could not stand up by itself under any circumstances. As a matter of fact, if the power revenues were called upon to pay for this project, they would have to raise the rates to such a degree it would be completely unfeasible. This is no secret to the members of the committee. Everyone knows it. As a matter of fact, in order to make it pay out at all they are going to have to take over $30 million of profits from the Palisades project moneys that would otherwise go back into the Federal Treasury, if you please.

Mr. Chairman, then there is the matter of need. There was no evidence submitted to the committee that there was any need. In fact, there was evidence to the reverse, that there was every possibility that all of the electrical needs of that area would be supplied, could be supplied, and that there definitely was not any need for this kind of a project.

Mr. Chairman, permit me to bring into consideration one further item: This project in addition will aggravate one of the items that has been before this House constantly during this session, that of unemployment. This is why the Electrical Workers, the United Mine Workers, have all expressed their opposition to it. Why? Because it means less jobs in the United States, and I ask the members of the committee whether or not this has not been one of the truly great concerns of this session of Congress?

If we piece all of these items together—first, that there is not any need; and secondly, that it is a completely infeasible project; and thirdly, that it can do nothing but aggravate problems that already exist, then how in the name of commonsense can this House on this day approve this project, when we know that the recommendation has come to us without having heard all the testimony that has been presented in connection with it? It seems so inconsistent to me, when you have a committee whose prime purpose it has been to give consideration to this matter, that has gone into it thoroughly and completely—and there are those of us who sat through all these hearings—when that committee arrives at a decision and then we circumvent it in this manner, why do we even have our committee? Why do we go through that entire process, having given those who appeared as witnesses the assurance that their statements were going to be given consideration? They have every right to expect that their efforts should be respected. Do you need any more evidence than these I have referred to to turn down this project?

Mr. SAYLOR. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, what is involved in the question that is before you today and at this time is not merely that of a project. It involves the very integrity of the House of Representatives. If you, as Members of the House of Representatives, believe in the committee system, then you have no choice but to support this amendment and to strike this provision from this bill.

Why do I say that? The first bill on this project was presented several Congresses ago by Congressman Budge and Senator Welker as a result of a communication from the Interior Department. It was referred to the House Committee on Interior and Insular Affairs, it was referred to the Senate Committee on Interior and Insular Affairs, and after thorough hearings in each succeeding Congress it was defeated.

As a result I want to call your attention to certain startling facts. This is here as a flood control project. In February of this year, the Army Engineers who are charged with the responsibility of telling the House of Representatives how much flood control there is in any project, submitted their statement to the House and Senate committees and said that of the $48 million involved in this project there was not one penny's worth of flood control.

I defy any Member of Congress or anyone in this room to rise and challenge that statement.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. SAYLOR. I yield to the gentleman.

Mr. EDMONDSON. The Public Works Committee report on page 225 indicates $120,000 of annual flood control

Mr. SAYLOR. That is not the question I asked. I defy anyone to find in the report that was given to the House Committee on Interior and Insular Affairs where there was 1 cent's worth of flood control; not a penny.

After it was defeated in the House Committee on Interior and Insular Affairs, after full and complete hearings, people went down and asked them how they could get this project through. They went to the Army Engineers. This is the same group that for years has declared in report after report that there is no flood control in this project. They took the same project, and they now added the report that you have before the House Committee of Public Works.

I can tell you that if this goes through you might as well forget about your committee system in Congress, because all you have to do is have a bill defeated in one committee, go down and get somebody in a department downtown to take the same project, with no study whatsoever, change a figure or two, reshuffle all the figures, then bring it to another committee that might be more favorably disposed to it, and end up in getting it passed. This is what is involved in this project.

There is absolutely no need for this project at this time. What started out to be a small re-regulating reservoir costing about $5 million has now grown to be a public power project costing over $50 million.

In the testimony, session after session before our committee, they admitted that 97 and a fraction percent of all the benefits on this project were going to be power. The testimony is replete that the power produced at this site cannot be sold, at the same price as Palisades power. This power will be so expensive that if sold at that rate it will not even pay the interest on the bonds.

The only thing you can do this afternoon by voting for this project is to defy the committee system of Congress, and put on the books a project which will drag down reclamation into the dirt. I challenge you from the West to vote for this amendment.

Mr. HARDING. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I feel very humble as I stand before the House this afternoon because I was raised in the Snake River Valley of Idaho. I know what water means to the farmers of Idaho. When people say this is a power project, I reply that the impetus for the Burns Creek project started with the dirt farmers and the water users.

This project has had unanimous support in the State of Idaho except for two power companies. The chambers of commerce of many small towns in Idaho after hearing the testimony on Burns Creek both pro and con have gone on record supporting this project.

I would like to review the history of the Burns Creek project before this Congress; it has twice passed the Senate, once on the Consent Calendar and once on a voice vote. It is true that it has been rejected only once in the Interior Committee. It has never come to a vote before in the full Interior Committee before this year. The Subcommittee on Irrigation and Reclamation, after hearing lengthy testimony on the project, has voted twice to approve it, once on a voice vote again, and again by a vote of nearly 2 to 1.

I might say further, Mr. Chairman, that what the gentleman from Oklahoma said is true. I am sorry it is true, but two of the minority members in the Interior Committee that were two of the foremost sponsors of the bill 2 years ago have now reversed their position and voted against Burns Creek this year. Even though the leaders of the Republican Party are on record all over the United States of America as supporting the Burns Creek project, including President Eisenhower, Vice President Nixon, and even our distinguished minority leader, CHARLIE HALLECK. They have all declared their support for the Burns Creek project, yet, there has not been one member of the minority party so far who has voted for the project in four committee votes this year. I just want to say that our farmers in Idaho are not Democrats and Republicans—they are Americans. They want this project. They need it. It is a good project. It has been recommended by the Corps of Engineers, by the Department of the Interior, and by the Bureau of the Budget. I sincerely hope the House will in its wisdom approve this project which is so desperately needed in the State of Idaho.

Mr. CRAMER. Mr. Chairman, I move to strike out the last word and rise in support of the amendment.

Mr. WIDNALL. Mr. Chairman, will the gentleman yield?

Mr. CRAMER. I yield to the gentleman.

Mr. WIDNALL. Mr. Chairman, I would like to ask permission to speak out of order.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. WIDNALL. Mr. Chairman, I would like to announce that Astronaut Schirra has landed and has completed his six orbits around the earth. I make this announcement with pride because he comes from my congressional district. He is another great example of a wonderful team we have working for us. It is a great source of satisfaction to our country.

Mr. DAVIS of Tennessee. Mr. Chairman, will the gentleman yield for a unanimous-consent request?

Mr. CRAMER. If it does not come out of my time, Mr. Chairman, I yield.

Mr. DAVIS of Tennessee. Mr. Chairman, I ask unanimous consent that all debate on this amendment be closed at the conclusion of the remarks to be made by the gentleman from Florida [Mr. CRAMER].

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. CRAMER. Mr. Chairman and members of the committee, I too am delighted to hear that Astronaut Schirra has successfully orbited the earth six times. I am hopeful that we can do an equally American job here on the floor of the House today and bring this bill down out of orbit and onto the ground and on a sound fiscal basis by eliminating the Burns Creek project.

Now we have heard a lot of politics and we have heard a lot of discussion about who voted how and why. I just wonder if someone on the other side of the aisle could answer a question, and I do not think it is answerable, if this is such a good project and there is no politics in it, why in the world, when our distinguished former colleague from Idaho, Hamer Budge, who was trying so hard to get this project through for so many years, did the Democratic Congress consistently time and time again not even vote the thing out of the committee? For the obvious reason, there is something wrong with it.

Now we set ground rules when we were considering this bill at this last hour knowing that we were going to have problems procedurally if we tried to get through a controversial bill. Those ground rules were: First, there should be no controversial projects in this bill; and second, they should have clearance of all the departments. The Burns Creek project is about as controversial a project as you possibly can get as the history of the project itself indicates. This project was turned down by the Democratic controlled committee which has an 18 to 13 membership on the Interior and Insular Affairs Committee by a vote of 17 to 14. Does that sound like it is partisan? Of course not—it is a bad project. I say to you, we ought to think twice for the great people of the two great States who are opposing this project, if we put it in this bill without giving their representatives even an opportunity to be heard. That is the procedure that has been followed with regard to this legislation. The committee has not had an opportunity to be heard on this project. It is, as I said, as controversial as you can get.

The Burns Creek proposal in the omnibus bill has been imposed on the House in one of the slickest maneuvers we have seen in recent times. How did it get here? The Bureau of Reclamation proposed it in 1957. From 1957 to the beginning of this year it was before the Interior and Insular Affairs Committee. It was killed.

Stage 2: Here we are now. The Bureau of Reclamation does a fadeout and the Corps of Engineers in March does a fade-in. They filed a report on Burns Creek, recommending it for construction by the Bureau of Reclamation. Can you imagine the Corps of Engineers making a study, finding less than 10-percent justification for flood control, and the Corps of Engineers not going to construct the project which is always the case on projects which come before our committee, but the Bureau of Reclamation is going to have jurisdiction over this project? What a sleight-of-hand performance.

From the Interior Department, Bureau of Reclamation, all of a sudden to the Corps of Engineers, and from there it goes back to the Bureau of Reclamation. That is what is being done.

Stage No. 3: The approach now is to expose the Burns Creek project to action by Congress without any searching analysis or any hearings of any kind. That is what is happening.

Let me direct attention to a few more problems involved. This is part of the total Columbia River Basin program. The other body has included in their bill—and I have it right here, and this is what we are going to be faced with when we get to conference—they have Knowles Dam, they have Bruces Eddy. All of you know about these projects, you know they are controversial. But they are in the Senate bill. I suppose next we will be faced with China Gardens. The cost is $1,400 million.

Mr. Speaker, the project proposed in this omnibus bill has been imposed on the House in one of the slickest maneuvers we have seen.

Let me explain just how Burns Creek has come up before us. The Bureau of Reclamation first proposed this project in 1957. From 1957 to the beginning of this year it was before the Interior and Insular Affairs Committee where it rightfully belonged. That committee examined Burns Creek about as thoroughly as any project has ever been examined and they found it was not meritorious. They expressed their final disapproval in February 1962, when they refused to report it. This is stage 1.

Next comes stage 2. The Bureau of Reclamation does a fadeout, and the Corps of Engineers, in March, comes out with a hasty report on Burns Creek, recommending it for construction by the Bureau of Reclamation. Read the report and you find some mumbo-jumbo about flood control which puts the stamp of legitimacy on the switch of Burns Creek from Reclamation to corps. And so, because the corps is now the sponsoring agency but still to be administered by the Department of the Interior the project must go to the Public Works Committee. As the teenagers say, neat. By this simple stratagem, the Committee on Interior and Insular Affairs is bypassed and the project is ready to come before the Committee on Public Works.

Then comes stage 3. The approach now is not to expose the Burns Creek project to any sort of searching analysis. So the Public Works Committee publishes no schedule of projects they are going to consider for the omnibus bill. In fact, they let it be known that this bill, because it has been so hastily thrown together in these last few days of the session, would not include any controversial projects.

And I can assure my colleagues, if they do not already know it, Burns Creek is just about as controversial as you can get. Then, one quiet day, the flood control committee slips Burns Creek into the bill on a few minutes of testimony by a Corps of Engineers witness. When word of this leaks out and the telegrams of protest begin flooding the committee from witnesses who wanted to be heard in opposition, the committee, in a most undemocratic fashion, ignores everyone of them.

This, my friends, is how we come to consider the Burns Creek project in the omnibus bill today.

Let me draw attention to a few more inconsistencies.

First, if this is a reclamation project then it belongs with the Bureau of Reclamation and it should be before the Committee on Interior and Insular Affairs where it was before.

If it is a flood control project, then it rightly belongs with the Corps of Engineers and can come before the Public Works Committee. But—and this is a big but—then the corps should construct it, not as they have recommended, the Bureau of Reclamation. Obviously, therefore, this is simply a device to get this project out of one committee and into another.

Next, it must be remembered that this project has been rejected in the course of the regular legislative process. What we are dealing with now is a cynical perversion of this process.

I would further point out that in May of this year the Public Works Committee held hearings on some 10 or more corps projects, saying it did not intend to hold any more hearings. But suddenly, within the last few days, and with ill considered haste, the committee hauls out the barrel and stuffs it with controversial projects. This is done in hearings so blatantly and obviously staged to prevent any opposition whatsoever from being heard and I would be ashamed for this body if the bill goes through as it has been presented to us.

The demerits of Burns Creek do not need elaboration here. The project simply is no good. The record has already established that. It should be sufficient to know that we have seen a tremendous concerted, well-organized effort go into covering up that record. I hope the majority of my colleagues will be alert to this and will register their protest by voting for the elimination of this project from the bill.

The Burns Creek Dam and Reservoir has no place in the omnibus rivers and harbors and flood control bill. It fails to meet even minimum previously accepted standards for economic and financial feasibility. It is being paraded as a flood control project only because it was rejected as a reclamation project this year by the Interior and Insular Affairs Committee of the House of Representatives after 5 years of consideration. Moreover, if it were a flood control project, it would be a Corps of Engineers responsibility and not a Bureau of Reclamation project as proposed in this bill.

The Burns Creek project was recommended to the Congress as a Bureau of Reclamation project on April 4, 1957—see House Document No. 147, 85th Congress. Extensive hearings were held by the House Interior and Insular Affairs Committee in 1958, 1959, 1960, and 1961. The committee after thorough and searching examination consistently refused to approve the project for congressional authorization. The latest action of this committee occurred on February 7, 1962, when it rejected the proposal by a rollcall vote.

When the Bureau of Reclamation was unsuccessful in inflicting its will on its counterpart committee in the Congress—the Interior and Insular Affairs Committee—which is responsible for and intimately familiar with the program of this agency, it arranged for an end run around this committee by having the Corps of Engineers prepare a quickie report recommending this project for construction by the Bureau. Obviously the Corps of Engineers could not conduct any real study or prepare any intelligent report in that short period of time and the report in effect so states. The corps has not even investigated the damsite. Except for some minor reexamination of the flood control potentials of the project, the corps' studies were limited to a summary and evaluation of the report of the Bureau of Reclamation on the project.

The corps' review of the Bureau's designs indicated that "a considerable amount of additional exploration will be necessary for final design" of the dam. If this is true, it would be difficult to assure that the cost estimates can be firm. Burns Creek was selected as a project for early construction because of the need "to insure more adequate control of streamflows." Evidently, the control is now adequate and there is no problem with floods.

The report shows that it is practical to forecast seasonal runoff volumes on the Snake River with reasonable accuracy, that rainstorms are not a major factor in runoff production and that extensive regulation and a "fairly high degree of protection" from floods now exists. The original analysis of the corps used in connection with the Bureau of Reclamation's earlier reports determined that net flood control benefits from the Burns Creek project would be minor. The flood damages now cited in the report represent those that would have occurred under original conditions, and there are no data to show how these figures are adjusted to present conditions. Furthermore, the basis for changing the original conclusions are not shown. There is no space allocated for flood control storage and the operation of the Burns Creek project for power is a major use.

The appendix purporting to show how the standard project flood was designed is nothing more than an exposé of various approaches to the science of synthetic flood design and concludes that the flood damage and benefit estimates "should be verified or revised by a conventional derivation in substantial accordance with Civil Works Engineer Bulletin No. 52-8." The corps appears to be straining to find some flood control advantages for the project. Nevertheless, in spite of the historical and very real question as to whether there is any measurable flood control need or benefit in the Burns Creek project, some flood control has been claimed as a purpose and costs have been allocated to it. Apparently, therefore, this was done for reasons other than physical, economic or financial justification or merit and is why the corps' report fails to mention the legislative history of the project. The report appears to be merely a bold device for putting a new face on the Bureau project to make it logical for Public Works Committee consideration.

There is nothing new in the corps' report which was not available to the Congress in its earlier considerations of the Burns Creek project.

Facts developed during previous hearings show Burns Creek to be an extremely uneconomical project. The total Burns Creek net annual revenue would fall over $300,000 short of even meeting the annual interest payments on the project costs—at 2.632-percent rate—without repaying 1 cent of the principal. Therefore, the Bureau of Reclamation would have to integrate it with the upstream Palisades project in Idaho to make it appear feasible. Surplus revenues from a good reclamation project—Palisades, would be used to subsidize a poor power project—Burns Creek, thereby deferring the payout of Palisades some 33 years or 24 years beyond the 40-year period established by law for reclamation projects.

The merits or demerits of this project have not been fully discussed before either the Flood Control Subcommittee or the full Committee on Public Works of the House of Representatives. The Public Works Committee has not had the benefit of testimony of those opposed to the authorization of this project. In fact, several individuals from the project area—who represent both labor organization and business—requested time to be heard in opposition to Burns Creek and were specifically denied that opportunity.

The project is being railroaded through the Congress by a committee which has approved the project without adequate study and consideration of the many factors involved and in direct contempt for the decision of the committee which considered the proposal in accordance with established procedures and which reached its conclusion on the basis of all the facts. This is a travesty on the democratic process and an insult to the Congress.

To include a project of this controversial nature in the public works omnibus bill at this late date in the legislative session can only be construed as an obvious pork barrel effort and legislative irresponsibility. It was recognized that proper ground rules for consideration of this bill at this late date was that only noncontroversial projects would be included. Since no witnesses were permitted to appear except the Corps of Engineers, this bill can only be considered as being the result of one point of view. There is no wish here to impugn the testimony of the Corps of Engineers for they have a right to express their thinking on the project. But, to include a project that has had the benefit of only the executive department's views is more in keeping with the method of government in the Soviet Union than with the legislative traditions of the U.S. Congress. The attempt to get an omnibus bill out at the last minute without hearing witnesses in opposition who otherwise would be entitled to be heard on the basis that the proposed projects are noncontroversial, shows favoritism and pressure politics of the worst kind. This type of last-minute, narrowminded legislating must be avoided. There is nothing so urgent about Burns Creek that we must abandon established democratic legislative procedures.

Therefore, I sincerely urge the deletion of the Burns Creek Dam and Reservoir from this bill and passage of the Baldwin amendment.

The **CHAIRMAN**. The time of the gentleman from Florida has expired. All time has expired.

The question is on the amendment offered by the gentleman from California [Mr. Baldwin].

The question was taken and the Chair announced that the noes appeared to have it.

Mr. **BALDWIN**. Mr. Chairman, I demand tellers.

Tellers were ordered and the Chair appointed as tellers Mr. Davis of Tennessee and Mr. Baldwin.

The committee divided, and the tellers reported that there were—ayes 106, noes 109.

So the amendment was rejected.

Mr. **SCHWENGEL**. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. Schwengel: On page 44, strike out line 24 and all that follows down through and including line 4 on page 45.

Mr. **SCHWENGEL**. Mr. Chairman, I think the intent of the amendment is clear. At the outset I want to remind you that a pretty strong plea was made down here on the floor that the committee system of the Congress was at stake. With this, I wholly agree. But, Mr. Chairman, more is at stake. It is the orderly procedure of the operation of this great legislative body and, maybe, freedom. This is something we had better think about and think pretty seriously about these days.

Mr. Chairman, the authorization of the China Gardens project on the Snake River, costing $75 million, which is included in this bill, should be and can be deferred at this time without adverse effects. Let me underscore that: It can be postponed without any adverse effects.

Mr. Chairman, the China Gardens project is a companion project to the proposed $257 million High Mountain Sheep project which is now before the Federal Power Commission for early decision. China Gardens would be operated in coordination with that project to produce power and reregulate the fluctuating water releases from the High Mountain Sheep project which is planned to be located immediately upstream.

China Gardens should be constructed and operated by the same entity that constructs High Mountain Sheep project.

Mr. Chairman, there is absolutely no justification for Federal construction of the China Gardens project which derives its benefits almost 100 percent from power. Listen, only two-tenths of 1 percent of its benefits are assigned to the other purposes, which is recreation.

Mr. Chairman, the Pacific Northwest Power Co., an outstanding electric utility, has a pending license application with the Federal Power Commission for the High Mountain Sheep project. Hearings on the High Mountain Sheep project have been completed before the Federal Power Commission and the decision as to a license should be forthcoming in the very near future. This company, I repeat, is competent, it is resourceful, and fully qualified in all respects to construct the China Gardens project.

Mr. Chairman, listen to this: This company has committed itself before the Senate Public Works Committee to build China Gardens if it receives a license to construct the High Mountain Sheep project.

Mr. Chairman, the construction of China Gardens by this company will eliminate a present drain on the Federal Treasury for $75 million required for its construction. And, in addition, listen, would pay taxes of over $75 million in the next 50 years at the present rates and, of course, double that amount, or $150 million, for the 100 years on which China Gardens is offered in the House report.

Mr. Chairman, this ought to be pretty seriously in the minds of the members of the committee as we consider this project. We ought to be able to see from this alone that the public interest is not being served here. This is just one of the things that will be testified to and proved beyond doubt before our committee, if we could have some hearings on it.

Mr. Chairman, should a license be denied by the Federal Power Commission for the construction of the High Mountain Sheep project, which is highly unlikely, then the Congress will have ample time at a future session to authorize China Gardens without adverse effects on the power supplied to this region.

China Gardens will not be needed for its primary operational purpose of reregulation until High Mountain Sheep is constructed, and power from China Gardens will not be required until about 1970, nor will it be economic until that date.

The ratification by the Canadian Government of the treaty between Canada and the United States for flood control and power development in the Columbia River Basin, which is now imminent, will make available a large block of hydroelectric power. This power, plus the power that will be made available from the construction of the power facilities at the Hanford reactor which were recently authorized and the expected construction of other hydroelectric facilities, eliminates the need for the power from China Gardens until then.

I urge support of my amendment.

Mrs. **PFOST**. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I would like to call attention to the fact that this, again, is just another smokescreen thrown up by the private power trusts. This China Gardens project is a meritorious one. The authority for the review of this project was approved in 1955 by the Senate Public Works Committee. The project has a benefit-to-cost ratio of 1.7 to 1. Here, in this Army Corps of Engineers report, is a statement that the omission of the High Mountain Sheep project has only minor effect on the economic justification for the China Gardens project. It has been approved by the Departments of Interior, Agriculture, Commerce, HEW, and the State of Idaho. The States of Washington and Oregon have no objection to it. Also, the Bureau of the Budget has no objection.

The project will cost, as the gentleman has said, $74,777,000. It is a very important project in the Columbia River Basin system, of which the Snake River is a principal tributary. The China Gardens project is a relatively low-head dam and reservoir with an initial installed capacity of 180,000 kilowatts for the production of hydroelectric power. It will also provide recreation, which is an important industry in these times of shorter workweeks.

We must start development of our Columbia River Basin in Idaho, if we are to meet the needs of the people who will be moving into our great Northwest. These people will need power and the other facilities that will be brought about by development of such projects as those included in this rivers and harbors bill.

I certainly hope my distinguished colleagues will vote for the entire bill as it has been presented to the House today. The Idaho projects under bitter criticism should not be deleted from this important bill. All of them are important and are in accord with the President's message regarding the development of the Nation's natural resources.

Mr. **CRAMER**. Mr. Chairman, I can see no justification for Federal construction of the China Gardens project. A non-Federal body stands ready to build China Gardens and provide the same public benefits at no cost to the taxpayers. This non-Federal body is competent, resourceful, and fully qualified in all respects to build and operate this project.

China Gardens would function as a reregulating dam for the High Mountain Sheep project upstream. The non-Federal entity has a pending license application with the Federal Power Commission for High Mountain Sheep and has committed itself in hearings before a Subcommittee of the Senate Public Works Committee to construct China Gardens if a license is issued to it for High Mountain Sheep. Hearings on High Mountain Sheep have been completed before the Federal Power Commission and the question as to a license should be resolved within a year. Should a license for High Mountain Sheep be denied to the non-Federal entity, this committee could then consider whether China Gardens should be authorized. Accordingly, nothing would be lost by postponing action on China Gardens.

The committee has heard absolutely no testimony from anyone—either public witnesses or the Corps of Engineers—upon this project which involves the expenditure of public funds of $74 million. There are interests willing to build this project who have not been given an opportunity to appear and present their case. Certainly, if we as a committee are to perform our function, no projects should be authorized until full opportunity to present the issues of this committee have been afforded all interested parties, including the Corps of Army Engineers. To authorize this project under these circumstances seems to us to be reckless and unwarranted, particularly since the authorization of this project would deprive Federal, State, and local governments of taxes which would result from private development.

Mr. SCHWENGEL. Mr. Chairman, will the gentleman yield?

Mr. CRAMER. I yield to the gentleman from Iowa.

Mr. SCHWENGEL. There is testimony on record, and I think if we could hear this project before our Committee we would find out that this could be proved, that is that the public-power interests envision the production of 180,000 kilowatts and the private-power interests envision the development of 300,000 kilowatts. This ought to be considered. This ought to be an important factor as you consider the whole project.

Mr. CRAMER. I think the public power advocates are determined to grab off this project here and now before private enterprise gets busy on High Mountain Sheep and prove they can do a better job with private funds than can be done with public funds. That is what is behind the whole thing. If that is done, it is going to affect the entire Columbia River Basin program, amounting to $1.4 billion. That is what is involved. We need to strike this out so we can prevent the Columbia River Basin project from being authorized without even holding public hearings.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. Schwengel].

Mr. SCHWENGEL. Mr. Chairman, on that I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. Schwengel and Mr. McFall.

The Committee divided, and the tellers reported that there were—ayes 92, noes 104.

So the amendment was rejected.

Mr. HALEY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time to direct my remarks to the chairman of the Committee on Public Works. We have in this Public Works bill on page 25, the so-called Green Swamp Region of Florida.

Mr. Chairman, this calls for an authorization of $57,760,000 of Federal money with local participation to the extent of about $42 million.

My complaint here today, Mr. Chairman, is this: This may be a good project. There may have been some slip-up in the committee in its communication, but I have in my congressional district, and a large part of this project is in my congressional district, a great many people who are violently opposed to this project. I had contacted the committee and asked that they be heard. They were not given that opportunity, Mr. Chairman, and I hope that before any appropriations are made—as a matter of fact, I would demand that before appropriations are being made or will be made on this project that the people in my congressional district who are going to be called on to expend $42 million of their own money be given an opportunity to be heard. I would just like to say to the chairman of the Committee on Public Works that I realize it is not his fault, and I realize it is not the fault of other members of the committee that these people who oppose this project were not heard. But I do say this, that where the expenditure of nearly $100 million is involved and where the expenditure of $42 million of the people's money is involved, I think, Mr. Chairman, and do you not that they should have had an opportunity to be heard inasmuch as they had requested to be heard?

Mr. DAVIS of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. HALEY. I yield.

Mr. DAVIS of Tennessee. I am very sorry that this situation developed. The only thing I can promise the distinguished gentleman from Florida is that when you do go before the Appropriations Committee I shall be glad to go and state that there was a mistake in this matter.

Mr. HALEY. I thank the gentleman and yield back the balance of my time.

Mr. CRAMER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. Cramer: On page 4, strike out line 6 and all that follows down to and including line 12.

Mr. CRAMER. During debate on the bill, the gentleman from Florida [Mr. Haley] commented on the Green Swamp region, Fla., project, which is partially in his district and also in mine and two other districts, as of 1963 as a result of the redistricting, and which, because of the tremendous damage done by floods in this area, I felt it essential to have put in the bill this year. I did not realize that it was controversial until it came up on the Senate side, with some witnesses appearing against a portion of the project, pursuant to which, the other body, in reporting its bill, S. 3773, included a proviso on page 30, lines 13 to 16, and I quote:

> *And provided further,* That planning and construction on the Lowery-Mattie Conservation Area and its appurtenant works is deferred until additional studies are made thereon, and a further report submitted to the Congress.

Which protects the gentleman and his constituents and will give his constituents an opportunity to be heard at a future date. I can inform the gentleman that I expect to be appointed a conferee on the bill when the Senate acts and will give serious consideration to the inclusion of this proviso in the conference bill, yielding of course to the gentleman's concern on behalf of his constituents who desire to be heard. This is consistent with my position on the total bill, having stated that people should be entitled to be heard and controversial phases of the project should be eliminated.

Mr. Chairman, this is one of two amendments in the rivers and harbors section of the omnibus bill that are being offered for the reason that the projects do not conform to the basic ground rules which I believe are essential for the protection of the integrity of this bill, it being considered in the waning days of this Congress.

The ground rules that are being violated in these two projects are that they have not cleared the proper departmental agencies as is evidenced by the minority report, and I would call attention to page 238 of the report which sets out the procedures which Congress itself has said must be followed by our committee in considering projects. That is specifically provided in section 202 of the Rivers and Harbors Flood Control Act of 1954 in which this Congress stated:

> No project or any modification not authorized on a project for flood control or rivers and harbors shall be considered by the Congress unless the report on such project or modification has been previously submitted by the Chief of Engineers in conformity with existing law.

The project under discussion which this amendment will strike is the Port Elizabeth Channel maintenance project at an estimated cost of $230,500 a year.

There is no politics in this; there was not any politics in the other two amendments offered. This is a question of basic fundamental what is right and what is wrong. When we consider this bill on this basis controversial projects should be left out, projects without proper reports should be left out, and that is what this project is. It does not have proper clearance from the proper agency. The report was not acceptable to the Board of Engineers. The report was not acceptable because it did not show the measurement under the benefit-to-cost ratio. The report was sent back to the District Engineers where it now lodges.

This means that the report has not been approved by the Board of Engineers, by the Chief of Engineers. It has not prepared the proposed report referred to as required by the law with the Board's report to the Governor of the affected States and other interested Federal agencies for comments and recommendations. Therefore, it is not properly, in my opinion, before our committee, should not have been acted on by our committee, and I am therefore moving that it be stricken.

I say again so far as I am concerned the position being taken by the minority on this bill is to protect the integrity of this bill and our committee in this Congress so that we cannot be subject to the charge of pork-barreling or showing favoritism. We must come up with a bill with physical projects on a meritorious basis.

As I say, there is no politics in this or in the other two motions. This happens to be in a Republican district, and I happen to believe Republicans and Democrats alike should live up to the ground rules. That is why I am offering this amendment to strike this particular project. I shall also offer an amendment covering the Jones Inlet proposition, and trust the amendment will be agreed to.

Mr. CRAMER. Mr. Chairman, I ask unanimous consent to revise and extend my remarks on the pending amendment and the two previous amendments.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. McFALL. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Florida [Mr. CRAMER]. This is a Newark Bay channel-making project and was thoroughly considered by the committee. It is sound and meritorious. It is not a matter of local controversy as were the other two large projects that were previously considered by the committee. It is merely a channel-making project involving $230,500 a year. It is approved by the Corps of Engineers. They sent it up to the Board of Rivers and Harbors and the Board of Rivers and Harbors found they included something in the cost-benefit ratio that should not have been included. They sent it back to the corps for a refiguring. We have received from the corps an informal statement by letter, stating that the cost-benefit ratio will be 2 to 1. In every way this is a sound and meritorious project. The committee gave it thorough consideration, and while the Bureau of the Budget has not had the opportunity to consider it we on this side feel, in spite of whatever technical objection may be made to it, that there is no controversy, it is sound and meritorious and should be accepted as part of the bill.

Mr. FULTON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I want to announce the wonderful news that astronaut Walter Schirra has just arrived safely on the *Kearsarge* carrier deck in the Pacific.

He is back safe and sound, and we are all thankful. Schirra's almost six orbits of the world today have been an outstanding U.S. space accomplishment.

Congratulations to our present U.S. team of seven astronauts, and the five successes to this time. Congratulations to the National Aeronautics and Space Agency under the leadership of Administrator James Webb. Congratulations to the House Committee on Science and Astronautics, of which I am proud to be a member, as well as to the Senate Space Committee, who have handled the legislative authority for these NASA Mercury man-in-space programs. Congratulations to Congressman ALBERT THOMAS, and his appropriations subcommittee on supplying the funds. President Kennedy and former President Eisenhower share in this high success of the Mercury man-in-space program.

We Americans can hold up our heads today in the real progress that has marked the Schirra remarkable orbit of the world.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida [Mr. CRAMER].

The question was taken; and on a division (demanded by Mr. CRAMER) there were—ayes 67, noes 103.

So the amendment was rejected.

Mr. CRAMER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CRAMER: On page 12, strike out line 14 and all that follows, down to and including line 21.

Mr. CRAMER. Mr. Chairman, this involves Jones Inlet. It is becoming quite obvious that the House intends to go pork-barreling along its way. Therefore, I shall briefly discuss the project which is being objected to. It has no report of any kind from anybody, there is no way an estimate of cost can even be made.

Mr. Chairman, if the members of the committee will take a look at page 12 of the bill, the members will see that there is no estimate of the cost. There is no cost figure in the bill itself, which is the best indication of how bad a project it is from the standpoint of not properly being before the Congress.

Mr. Chairman, I hope the Congress will strike this project out and will support my amendment. But I repeat that it appears obvious that the House is going to merely pork-barrel its way along today. So, I will let it go at that.

Mr. PIKE. Mr. Chairman, I rise in opposition to the amendment.

Mr. PIKE. Mr. Chairman, I shall try to be brief on this project. I did not intend to take the well of the House at all today. But I had an awful shock today when I heard the gentleman from Florida [Mr. CRAMER] earlier refer to this particular project as a "Republican" project. Mr. Chairman, I want to assure the gentleman from Florida that in opposing it he need not feel badly at all, because I want to guarantee the gentleman that this project begins at a place called "Democrat Point" on the west end of Fire Island, and it happens to be in the congressional district which I have the honor to represent.

Mr. CRAMER. If the gentleman will yield, I stand corrected.

Mr. PIKE. Mr. Chairman, I want to assure the gentleman from Florida also that this is a project which was brought up in a hurry, because there was a disaster in this area in March of this year.

The committee report says that continuing erosion of the protective and recreational beach in the study area has progressed in recent years to such an extent that use of the beach is impaired, and improvements to the shore front areas are damaged by storms and subject to possible destruction.

Mr. Chairman, it is not "possible destruction." We lost 100 homes in that district this year. This is an emergency project. There is not any opposition to it locally whatsoever, unlike other projects which we have discussed here. However, time is important in regard to this project. It cannot be postponed without adverse effects.

Mr. Chairman, a big point has been made of the fact that they cannot accurately at this time tell us the exact number of dollars which may be required subsequently in an appropriation bill. But I say to the members of this committee that if this project is not approved, if this amendment is agreed to, it is quite possible that the cost will be measured in lives and not in dollars.

Mr. Chairman, I ask that this amendment be defeated.

Mr. McFALL. Mr. Chairman, will the gentleman yield?

Mr. PIKE. I shall be glad to yield to the gentleman from California.

Mr. McFALL. I wish to associate myself with the statement made by the gentleman from New York, who is a member of the committee. I also want to say that as a member of the commitmittee myself we agree with what the gentleman says. Many members of the committee have seen this emergency situation when we were in New York, and the committee feels that this is a much-needed and necessary project.

Mr. PIKE. In return, I will say that I am deeply grateful to the committee for having been aware of the emergency and disaster nature of this operation up there. I am greatly appreciative of the fact that they have seen fit to recognize this emergency and do something about it.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. PIKE. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. Mr. Chairman, this is a project which many members of the committee have been to New York and looked at for ourselves. So, there are members of this committee who are personally acquainted with the situation.

Mr. PIKE. I am aware of the fact that the committee has studied it very thoroughly and I am delighted that the committee has seen fit to include it in this bill. I think it would be a great mistake to accept this amendment.

Mr. CRAMER. Mr. Chairman, will the gentleman yield?

Mr. PIKE. I shall be glad to yield to the gentleman from Florida.

Mr. CRAMER. I want to say to the gentleman that I too have been there. It is a beautiful beach—this Jones Beach—but I will say to the gentleman also that possibly the Engineers can come up with a good project. If it is a good one and is feasible, I shall be for it. But we do not know what it is. That is the problem. I understand the gentleman's problem, and I am sympathetic with it.

Mr. PIKE. The gentleman from Florida is saying because there was a storm up there and they had to revise some of their planning before, and they have not got their plans completed, what the gentleman is saying is because we have a lot of erosion up there, we cannot do anything about the erosion.

Mr. BECKER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I think most of the Members of the House know that this is my project, and has been so for several years. I worked a great many years in an effort to take care of the beach erosion at Jones Beach, caused by the silting of sand at the Fire Island Inlet.

Mr. Chairman, as our colleague has said, the gentleman from Oklahoma [Mr. Edmondson], he was up there and he viewed it and so did many other Members of the House Committee on Public Works come up and view the project.

I would like to make one little correction, however. In the course of this authorized project the first phase has already been completed. The Congress voted funds twice for the first phase of this project. It is not a change that is taking place now, because the Army Engineers and the State engineers in the beginning were coming up with a bypassing pumping process, and I hope this is what they are doing now. As a matter of fact, I am sure that is what they have in mind.

Mr. Chairman, I hope, because of the conditions there in that area in my district, as well as in the First Congressional District, the committee will defeat this amendment so that the Engineers may proceed with the plans and get underway a permanent bypassing project in that area.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida.

The amendment was rejected.

Mr. ROUSH. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I take the well of the House at this time, and hope the committee will be indulgent. A while ago we heard two of the giants of this House exchange words and become involved in a very forceful colloquy concerning the Indiana port. I regret very much that we do not have in this bill an authorization for the Indiana port. I have the highest regard for my colleague from Indiana [Mr. Madden]. In Indiana he is Mr. Democrat. And I have an equally high regard and respect for my colleague from Indiana [Mr. Halleck]. In Indiana he is Mr. Republican. And because this powerful Democrat and this powerful Republican exchanged words on the floor of this House concerning this port, I fear there might be misunderstanding and that the Members of the House will think that this is a partisan issue. This is not so.

As much as I love my colleague [Mr. Madden], and respect him, I cannot stand with him on this issue. He stands alone in the Indiana delegation concerning our views on the Indiana port. He stands all alone. This has been a bipartisan or nonpartisan issue in Indiana for years and years and years.

My colleague from Indiana, the distinguished minority leader, referred to Henry F. Schricker. Mr. Schricker is perhaps the most beloved Democrat in the State of Indiana. He is for this port. The Governors who followed him, Governor Craig, and Governor Handley, Republicans, are for this port. At this moment there sits in the Governor's chair of Indiana a great Governor who has the backing of Hoosiers regardless whether they are Democrats or Republicans, regardless whether they represent big business or labor on this matter of an Indiana port.

You might ask, Well, why has not this port been authorized? Why has not the Bureau of the Budget seen fit to give its OK? I can say this: We have neighbors who are jealous of Indiana's intention to build a port. These people are trying to deprive us of this port because it will offer competition to another port on Lake Michigan. They are trying to build in Indiana a national park. We want a national park. But their plan includes this area where our port will be built, and we resent this interference in the affairs of Indiana on the part of our neighbor.

I tell you that when the distinguished minority leader said that we will not be foreclosed on this matter, he was not just talking. He was stating the truth for all of Indiana. Democrats and Republicans alike will rise and fight for this port which justifiably belongs to our great State.

Mr. DORN. Mr. Chairman, I wish to thank my distinguished colleagues, the gentleman from New York [Mr. Buckley], chairman of the committee; the gentleman from Tennessee, Judge Davis, chairman of the subcommittee; and each member of this great committee for doing the right thing by including H.R. 6789 in the omnibus rivers and harbors bill. I appreciate the consideration and fairness of the Rules Committee in granting a rule.

The people of my congressional district, the people of South Carolina, and yes, Mr. Chairman, the people of the entire southeastern section of the country are grateful for your sense of justice, your dedication to our traditional American opportunity system and your fairness to permit Duke Power Co. to move ahead without further delay.

This section—205—of the bill will permit Duke Power Co. to build a retaining dam across the Savannah River at Middleton Shoals between South Carolina and Georgia. This dam will enable Duke Power Co. to build the largest steamplant in the world in Anderson County in my congressional district. I introduced my bill, H.R. 6789, May 3, 1961. Since its introduction, the bill has been favorably approved by the Corps of Engineers, Department of the Army, and the Bureau of the Budget. Duke Power officials and engineers held many conferences with the Corps of Engineers to make this bill acceptable to all parties concerned. It was agreed that Duke would spend an additional $1,300,000 to raise the level of its dam in order to make its operation compatible with any further development of the Savannah River in the future. I wish to commend the Corps of Engineers for their cooperation and foresight in approving this project.

Mr. Chairman, there is no opposition to the language in H.R. 6789. It is the same identical bill as passed by the 80th Congress which authorized Duke to build a dam and steamplant on Dan River between North Carolina and Virginia. Mr. Chairman, I might add that section 205 of this bill is the same as that in H.R. 6789. Since the day the bill was introduced, over 17 months ago, I have not received one telephone call, nor one letter, nor one telegram from anyone in the United States opposing the bill. This authorization is in keeping with the President's program to get the economy moving. The construction of this gigantic steamplant, estimated to cost approximately $280 million, and possibly $300 million, will be of tremendous help to the unemployed coal miners of Virginia, West Virginia, Kentucky, Pennsylvania, and throughout the East. This bill is a positive answer to the unemployment problem by creating more jobs and larger payrolls. It will provide more cheap power and will thus encourage many new industries. It will be a shot in the arm for our depressed railroads.

Mr. Chairman, we need to move forward to meet our defense program. A great plant such as the one proposed by Duke with its fantastic abundance of cheap power will aid defense and will boost our economy. America must grow. This plant will point the way in the South.

The Duke Power Co. typifies the ideal, modern, progressive, philanthropic business corporation. Duke Power Co.'s wages and working conditions are second to none. The Duke Hospital with its charity, research, and philanthropy is known and admired throughout the world. Duke University is making its contribution in the desperate struggle with our enemies to win the cold war in the field of education. The President and leaders of this great company believe in progress.

They are dedicated to humanitarianism and they have a firm belief in the future of the United States.

Mr. Chairman, Duke Power Co. would spend approximately $300 million to build this gigantic project. The steamplant would consume $26 million of coal annually from the Nation's depressed coal mines. It would help the depressed railroads by their hauling 9,500 tons of coal daily to the plant. It would pay to the Federal Government annually approximately $10 million in taxes. It would pay to the State of South Carolina approximately $7 million annually in taxes. It would pay Anderson County —largest in my district—approximately $1 million annually in taxes, and it borders on a depressed area and is in line, may I say again, with the President's program to get the economy moving.

Mr. Chairman, may I repeat to emphasize that this is a taxpaying project of fantastic proportions. We must continue to encourage the construction and expansion of taxpaying enterprises if we are to balance our Federal budget and provide for the working people of America and the consumer, a sound, stable dollar.

Mr. Chairman, we must move the wheels of progress forward. We must keep turning forward the clock of economic progress and development. This bill authorizing this great project will inaugurate the dawn of a new day in the South. I know this section of the bill will have the unanimous approval of the House and the other body.

Mr. ASHBROOK. Mr. Chairman, I wish to thank the Committee on Public

Works for their consideration of my district in including for authorization of $2,438,000 for the very important Kokosing River project in the omnibus bill H.R. 13273. Time is of the essence and I am glad that we are today taking this forward step. Coming as it does, at the very close of the session of Congress it is my sincere hope that this project—indeed, this whole bill—will not be pigeonholed in our rush for adjournment. The people of my district were stunned by the January 1959 flood which devastated many areas but none harder than the city of Mount Vernon, Ohio. We have witnessed the expeditious handling of this flood protection project by the Corps of Engineers but at that almost 3 years have elapsed. The 3 years seems like a long time and yet by most standards in these matters, it has been very rapid.

It has been impossible to secure any quicker action on this project because this is the first—and only—authorization bill of the 87th Congress. If this bill passes, we then face the task of securing the funds to forthrightly proceed in this important matter. The Corps of Engineers has already informed me that their overall capabilities will be for $75,000 to initiate preconstruction planning of the North Branch Kokosing River Reservoir and an amount of $110,000 to initiate and complete preconstruction, snagging, and clearing on the Kokosing River in Mount Vernon. If this bill passes and is enacted into law, I will immediately request these funds. Up to now it has been a matter of surveying the needs and making the plans; now we are down to the real heart of the matter and that is the actual construction of the flood control system. I might say also that there has been a fine cooperative effort in securing this authorization. Local committees and citizens, officials in Knox County and the city of Mount Vernon, have been able partners in the promotion of this much needed flood control system.

I limit my remarks to the status of the study of the Kokosing River Basin, but as a matter of information there are at the present time three authorized studies in various stages of completion in my seven-county district. Each of these projects cover flood control and allied purposes, including water supply, pollution abatement, and recreation for the following watersheds: Licking River, Clear Fork and Rocky Fork, and the Scioto River.

At the outset, let me remind this committee that the district I am privileged to represent was one of the hardest hit in the January 1959 flood which caused such havoc in many areas of our Nation. The people of this area appreciate the considerate treatment they have already received by this committee in expeditiously appropriating funds for these worthy projects which are so ably administered by the Corps of Engineers. However, without appearing ungrateful, or unappreciative of these fine efforts, I must frankly state that the proposals in the Kokosing project are of the greatest necessity in affording proper flood protection for the citizens in the Kokosing River Basin and for their property.

Your committee has already received a great amount of testimony regarding the extent of flood damage to this area. The passage of over 3 years, of course, tends to dim the memory of this event and the hardships it imposed on so many of our citizens. The Kokosing and its tributaries in Mount Vernon, Fredericktown, and surrounding rural areas during the January 1959 flood inflicted damages totaling 5,300,000. The destruction occurred, primarily, to individual private properties and business establishments. This river basin has a serious history of extensive flooding dating as far back as 1932 with the more destructive ones occurring in 1913 and 1959. The January 1959 flood had a water runoff, above Mount Vernon, amounting to 5.2 inches which resulted in the highest cresting in history for the Kokosing River Basin. The record demonstrates that flooding is not restricted to any season, but that floods may occur in any month of the year. This recorded history of flood frequency and damages clearly illustrate the urgent need for immediate flood preventive measures.

The city of Mount Vernon and the village of Fredericktown are the major municipal areas in the river basin where the potential flood hazard is of extreme concern. Rural areas above and below Mount Vernon are also subject to flooding and would substantially benefit for the improvements.

Following the record 1959 flood the Corps of Engineers conducted a detailed damage survey based on a house-to-house canvass of the flooded areas. All tangible flood damages were placed on a monetary value. Physical damages included direct damages to buildings or parts thereof, and loss of damage to contents. Emergency costs, such as flood fighting, evacuation of families, and emergency restoration of damaged flood protection facilities were estimated conservatively because of the difficulty in estimating the thousands of man-hours donated by the residents of the area. This evidence more than substantiates the above-mentioned damage estimates and realistically illustrates the necessity for funding this program.

The Corps of Engineers has indicated the necessity of commencing this project as soon as possible, indirectly, by demonstrating the fact that June 1959 Federal costs of the North Branch Reservoir were estimated at $2,334,000 and by July 1961 these costs had increased by their estimate to $2,520,000. A substantial cost savings to the taxpayers will be afforded by expeditiously commencing work on this project.

The intangible damages, those that could not be given any monetary value, are very real and must be recognized. The principal intangible damage that merits discussion is the high probability of loss of life that exists at Mount Vernon in the event of the present levee overtopping at night. There are approximately 650 homes that are located in the flood plains of the Kokosing River behind the existing levee. First floor elevations of these homes vary from 2 to as much as 8 feet below the top of the protective levee. On January 21, 1959, the levee was overtopped early in the afternoon. Actual evacuation of most of the area was not started until after the levee failed, and even at this time was carried out under hazardous conditions. Had the overtopping and subsequent failure of the levee occurred late at night it is highly probable that loss of life by drowning or exposure would have reached disastrous proportions, and also, very probable that movable property evacuation would have proceeded at a much slower rate, thereby increasing the losses.

At this point I would like to elaborate on a quote taken from the report submitted by the Board of Engineers for Rivers and Harbors:

> An accurate forecast of the future trend of development for the Kokosing River Basin is extremely difficult to develop. For this reason a conservative approach to this phase of damage and benefit evaluation has been adopted.

Even though the Corps of Engineers issued a relatively conservative analysis report, the strategic location of the city of Mount Vernon and the rate of future growth predicted for the Kokosing River basin and the inevitable extensive expansion in the use of lands in the flood plains, in my opinion, more than vindicate the approval of this project. In fact, the projected future growth of this area in the next 50 years is 100 percent.

As has been earlier stated, the Kokosing River basin has an extensive history of flood problems which naturally has been long recognized by the local residents as evidenced by the efforts put forth, locally, on projects to curb flooding. Following the 1898 flood the people of Mount Vernon constructed a levee system that provided partial protection. This levee was destroyed by the 1913 flood and subsequently was rebuilt. The levee was again overtopped and partially destroyed by the 1959 flood.

Soon after the 1959 flood, local interest at Fredericktown, Mount Vernon, and affected rural areas throughout the basin again demonstrated their intense interest by working with the Corps of Engineers, U.S. Soil Conservation Service, Ohio Department of Natural Resources, and the Muskingum Watershed Conservancy District in designing and promoting concrete actions for attacking the flood menace. As a result of these fine efforts and extensive studies by the Corps of Engineers two separate and distinct plans were selected and recommended to make up the project plan for the Kokosing River basin. This combination of projects, the North Branch Reservoir and the snagging and clearing of the Kokosing at Mount Vernon, will have widespread benefits throughout the most densely populated reaches of the basin. The two plans will, respectfully, provide virtually complete protection at Fredericktown and would prevent overtopping of the existing levee at Mount Vernon on the basis of the record January 1959 flood and will virtually eliminate damages from all floods having an estimated frequency of recurrence in the order of 100 years.

In addition, the construction of the proposed North Branch project will greatly enhance the net flood control in the Mohawk Reservoir which is a key link in the 14 reservoir Muskingum River reservoir system.

Both the North Branch Reservoir and the snagging and clearing project at Mount Vernon show a favorable justification. Based on an incremental analysis, the two projects together have a favorable overall benefit-cost ratio of 1.3 to 1. Even though the snagging and clearing project at Mount Vernon has a higher benefit-cost ratio than the North Branch Reservoir, it is not recommended that the Mount Vernon project precede the North Branch Reservoir since it would create a false sense of security among the citizens of Mount Vernon.

The U.S. Fish and Wildlife Service reports that the proposed projects would have no significant effect on the fish and wildlife resources in the Kokosing River basin.

The U.S. Public Health Service investigated the need for water supply and pollution abatement and reported that there will be no need for such storage in the foreseeable future.

In conclusion, I sincerely urge that the House approve this request so that the future of the citizens of the Kokosing River basin can be secure from floods that have plagued them with damages amounting to millions of dollars over a short period of years.

Mr. JOELSON. Mr. Chairman, I fail to see the need for such a rush to enact this tremendous "pork barrel" in the waning days of this session. Certainly the appropriation cannot be made this year.

I am not convinced that the many projects which the bill would authorize are essential. They might be desirable in times of less economic demands upon our national budget, but these are unusual times. We simply cannot spend for every project suggested. I am opposed to this measure, H.R. 13273.

Mr. HALPERN. Mr. Chairman, there is a specific item in this bill before us which is of particular interest to the people of my district. I refer to the $2,185,000 Federal appropriation to improve and reclaim Little Neck Bay, which is on the westerly end of Long Island Sound about 17 miles northeast of the Battery, New York City.

The Corps of Army Engineers is to be heartily commended for its thorough survey, a vital undertaking which I recommended to this House in 1959.

The item to which I refer is contained in this bill as a result of this survey. It has been fully approved by the Department of the Interior, the Department of Health, Education, and Welfare, and the State of New York. The Bureau of the Budget has voiced no objection to the appropriation.

The envisioned plan calls for dredging an entrance channel 200 feet wide and 7 feet deep from Long Island Sound, to expanded anchorage facilities covering an area of 350 acres which would also be dredged to a 7-foot depth.

This proposed dredging would rid Little Neck Bay of unsightly, drifting mudbanks, removing the difficulties which have arisen from insufficient depth in the southerly part of the bay causing craft to moor in less sheltered areas—a condition which has plagued boaters for years. But, beyond this hazard, the deteriorating conditions has been a direct jeopardy to the health and property valuation of local residents.

At the same time the dredging operation is underway, it would be a tremendous community improvement to have a 3,000 foot seawall constructed along the western shore of the bay, so that the 2 million cubic yards of fill which the dredging will yield—could be utilized in the creation of waterfront recreation areas, playgrounds, and parking facilities. It is estimated that such a wall would cost not more than $375,000. This certainly would be money well spent. A portion of this fill could also be used for the planned extension of Alley Pond Park, and for the construction of a public marina—a real bonus to the community.

I wish the story had its happy ending here. But, there is still more to be done. The action here today, which I trust will be sustained by the Senate and approved by the President, is not, unfortunately, the complete fruition of the objective. It is, however, a long-sought start and an essential one.

The next step is for the State to match the Federal funds. There seems to be no State provision for providing moneys for such a purpose and legislation to correct this situation continually faces jurisdictional conflict. There have been some difficult hurdles, and I trust they will be overcome.

An answer to this problem—not only for Little Neck Bay, but for all similar situations throughout the country—can be found by applying funds derived from marine fuel taxes that now go to the highway trust fund for this purpose. My bill, H.R. 12890, would transfer to the several States the money being held in reserve by the Federal Government in the highway trust fund, and would require the States to earmark the money for the improvement of boating facilities. I call this legislation to the attention of my colleagues and enlist their support in its behalf.

All we seek, Mr. Chairman, is that the unclaimed and unrefunded portion of the fund be allocated for the sole purpose of improving boating facilities and improving harbors. After all, it is the use of the marine craft that produced this portion of the fund. It is no more than equitable then that it should be applied toward the improvement of the navigable waterways which will benefit the boat users who pay the tax in the first place.

This fund, Mr. Speaker, is now estimated to total some $13 million. It has been accumulated from the unrefunded 2-cent portion of the Federal taxes collected on sales of marine fuels.

My bill would appropriate to each State its pro rata share of this fund. New York's portion should more than take care of the matching funds it needs for its contribution to such projects as the one planned for Little Neck Bay.

The very establishment of the trust fund attests to the fact that the Federal Government intended to hold this money in reserve for boatmen. While some have received a refund of 2 cents for each gallon of marine gasoline they buy, the refund procedure is so complicated that it becomes impossible for the average operator of a small open boat to keep the records necessary to apply for a refund.

In a very real sense these funds are owed to these very boatmen and should be used for their benefit. It is tragic that this situation continues to exist while at the same time worthwhile and desired harbor improvement projects are prevented from going ahead because of lack of funds locally. It is only fitting that the trust fund be returned to the States in the proportion of their contributions to it, and that these moneys be used for harbor improvement. My bill is intended to do just that.

And, Mr. Speaker, to realize the side-benefits to which I referred earlier, we must look to New York's City Hall. It would be a shame, Mr. Chairman, if these side benefits which cost so little do not become a part of the overall plans. Surely, few projects are able to harvest such varied and desirable benefits for the over 1 million residents of the area surrounding Little Neck Bay.

Mr. Chairman, again let me say that few projects offer such desirable residual advantages to all concerned. As I stated, the project will make possible new playgrounds, parking facilities, waterfront recreational areas, and a park extention. Thus, the improvement of Little Neck Bay would not only be of a tremendous benefit to the many boatmen who use it and would provide a safer harbor of refuge—but would also make possible new recreational facilities, eliminate health fears and improve the property valuation of the many residents of the area.

Mr. Chairman, this bill fulfills an objective we in Queens and Nassau Counties have sought for a long time. I urge my colleagues to join me in giving it their fullest support.

Mr. SCHADEBERG. Mr. Chairman, it is with a deep sense of pride that I speak of the efforts of the city of Kenosha, Wis., and the dedicated cooperation of business firms and private citizens of Kenosha to create an international port of entry from a small natural harbor used by fishing boats and pleasure craft.

The impossible was accomplished. Kenosha, Wis., has been designated an international port of entry. The city spent $750,000 for land acquisition, construction of warehouse facilities, and dredging to make the port of Kenosha inviting to foreign ships using the St. Lawrence Seaway. A private concern, the Endee Co., spent $1.5 million to improve facilities for the expected business of the St. Lawrence Seaway.

Year 1961 was a good year for the Kenosha port—1962 was even better. By the end of August 1962, 68 ships used the port of Kenosha, compared with 38 by the end of August 1961. A total of

76 foreign ships called at the Kenosha port during 1961, compared to 4 in 1958, and about 50,000 tons of import and export cargo were handled, compared to 953 tons in 1958—the opening season of the St. Lawrence Seaway. The port of Kenosha handles the oversea shipment of Rambler automobiles made in Kenosha, feed grains, flour, lard and tallow, and military cargo.

Ships using the St. Lawrence Seaway are larger and loading heavier than in the past and lake ports must be deepened to accommodate the ships using the seaway, if the seaway is to be utilized to the full extent of its promise.

Recently the heavily laden Swiss freighter *Castagnola* ran aground at the entrance to the Kenosha Harbor. An all-night battle against heavy seas and a 40-mile-an-hour northeast wind which trapped the ship ended with its rescue from being smashed against the south pier, but unable to proceed. The *Castagnola,* which ran aground on a sandbar at the mouth of the harbor channel, was literally dragged through the sand back to the protection of the harbor, after 14 hours and 35 minutes of combined effort by the Coast Guard and private tugs. The *Castagnola* was grounded on mud and sand. This condition will be improved by deepening the entrance and approach channels as recommended by the Army Engineers.

The Corps of Engineers has recommended a $673,000 dredging project to deepen the Kenosha port to a depth of 25 feet to correspond with the depth of the St. Lawrence Seaway. The Kenosha Harbor project is included in H.R. 13273, the omnibus rivers and harbors and flood control bill and I respectfully ask for the favorable consideration of the House to this measure.

Mr. DERWINSKI. Mr. Chairman, this "pork barrel" bill is traditionally an abuse of the taxpayers and a vehicle whereby political debts are paid at their expense. The only justification for the huge cost of this measure is that numerous sound and needed projects are included, and in effect, the good outweigh the bad.

The action of the conferees in removing from the bill the $110,000 appropriation for preconstruction planning on the Calumet Harbor and River project, Indiana, and Illinois, is a great blow, completely unjustified. The continued development and expansion of the Lake Calumet Harbor is of major importance to Chicago and the entire Midwest. The removal of this project cannot be justified as an economy move especially with millions of dollars in excessive and unnecessary projects remaining in the bill.

I realize that in the rush for Congress to adjourn, the Members will pay little heed to one Member's plea for some semblance of sanity in this conference report. However, I emphasize to the House the complete irrationality in removing the preconstruction planning on the Calumet Harbor and River project and urge the rejection of the conference report so that this item can be restored.

Mr. ROBISON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time merely to announce to the House that at the appropriate moment I intend to offer a motion to recommit with instructions to strike the Burns Creek project.

Mr. GROSS. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I thought yesterday when the $10 million fishbowl was passed I heard the jingle of sleigh bells. With this $2,300 million "pork" bill this afternoon I hear them all over the place. I want to wish all of you a merry Christmas.

The SPEAKER. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. WALTER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 13273) authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes, pursuant to House Resolution 823, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. ROBISON. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. ROBISON. I am, Mr. Speaker.

The SPEAKER. The gentleman qualifies. The Clerk will report the motion to recommit.

The Clerk read as follows:

> Mr. ROBISON moves to recommit the bill, H.R. 13273, to the House Committee on Public Works with instructions to report the bill back to the House forthwith with the following amendment: On page 44, delete all the words on lines 4 through 8.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

Mr. ROBISON. On that, Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 203, nays 130, answered "present" 1, not voting 102, as follows:

[Roll No. 269]

YEAS—203

Abbitt
Abernethy
Addabbo
Alford
Alger
Andersen, Minn.
Andrews
Arends
Ashbrook
Ashmore
Auchincloss
Avery
Ayres
Bailey
Baldwin
Barry
Bass, N.H.
Bates
Battin
Becker
Beckworth
Beermann
Betts
Boland
Bolton
Bonner
Bow
Bray
Bromwell
Broomfield
Broyhill
Bruce
Burke, Mass.
Burleson
Byrnes, Wis.
Cahill
Carey
Casey
Cederberg
Chamberlain
Chenoweth
Church
Clancy
Clark
Collier
Colmer
Conte
Cook
Cooley
Corbett
Cramer
Cunningham
Curtis, Mass.
Curtis, Mo.
Daddario
Dague
Davis, James C.
Denton
Derounian
Derwinski
Devine
Dole
Donohue
Dowdy
Downing
Dulski
Durno
Dwyer
Elliott
Ellsworth
Fascell
Feighan
Fenton
Findley
Fino
Fisher
Ford
Fountain
Frelinghuysen
Fulton
Garland
Gary
Gathings
Gavin
Giaimo
Grant
Gray
Griffin
Gross
Gubser
Haley
Halleck
Hardy
Harrison, Wyo.
Harsha
Harvey, Mich.
Henderson
Hoffman, Ill.
Horan
Hosmer
Huddleston
Hull
Jarman
Jennings
Jensen
Joelson
Johansen
Jonas
Keith
Kilgore
King, N.Y.
Kitchin
Knox
Kornegay
Kunkel
Kyl
Lane
Langen
Latta
Lennon
Lipscomb
McCulloch
McVey
Mahon
Mailliard
Martin, Nebr.
Mathias
Matthews
Meader
Miller, N.Y.
Milliken
Minshall
Monagan
Moore
Morgan
Morse
Mosher
Murray
Nelsen
Norblad
Nygaard
O'Brien, N.Y.
Osmers
Ostertag
Passman
Patman
Pelly
Perkins
Philbin
Pillion
Pirnie
Poff
Pucinski
Randall
Ray
Reece
Rhodes, Ariz.
Rhodes, Pa.
Riehlman
Rivers, S.C.
Roberts, Tex.
Robison
Rogers, Fla.
Rutherford
St. George
St. Germain
Saylor
Schadeberg
Schenck
Schneebeli
Schweiker
Schwengel
Scott
Selden
Shriver
Sibal
Sikes
Slack
Smith, Calif.
Smith, Va.
Stafford
Staggers
Stratton
Taylor
Teague, Calif.
Teague, Tex.
Thomson, Wis.
Tuck
Vanik
Waggonner
Wallhauser
Walter
Westland
Wharton
Whitener
Whitten
Widnall
Wilson, Calif.
Wilson, Ind.
Winstead
Young
Younger

NAYS—130

Albert
Ashley
Baker
Baring
Barrett
Bass, Tenn.
Bennett, Fla.
Blatnik
Boggs
Brademas
Brooks, Tex.
Buckley
Byrne, Pa.
Celler
Chelf
Cohelan
Corman
Daniels
Davis, Tenn.
Dawson
Delaney
Dingell
Dorn
Doyle
Edmondson
Everett
Farbstein
Finnegan
Flood
Flynt
Forrester
Friedel
Gallagher
Garmatz
Gilbert
Gonzalez
Granahan
Green, Oreg.
Green, Pa.
Hagan, Ga.
Hagen, Calif.
Halpern
Harding
Healey
Hechler
Hemphill
Holifield
Ichord, Mo.
Inouye
Johnson, Calif.
Johnson, Md.
Johnson, Wis.
Jones, Ala.
Karsten
Kastenmeier
Kearns
Kelly
Keogh
King, Calif.
King, Utah
Kluczynski
Landrum
Lankford
Lesinski
Libonati
Loser
McFall
Macdonald
Mack
Madden
Marshall
May
Merrow
Mills
Montoya
Moorhead, Pa.
Morris
Morrison
Moss
Multer
Murphy
Natcher
Nedzi
Nix
O'Hara, Ill.
O'Hara, Mich.
Olsen
O'Neill
Pfost
Pike
Pilcher
Poage
Powell
Price
Purcell
Reuss
Riley
Rivers, Alaska
Roberts, Ala.
Rodino
Rogers, Colo.
Rooney
Rosenthal
Rostenkowski
Roush
Ryan, Mich.
Ryan, N.Y.
Santangelo
Shelley
Sisk
Smith, Iowa
Smith, Miss.
Steed
Stephens
Stubblefield
Sullivan
Thomas
Thompson, N.J.
Thompson, Tex.
Toll
Tollefson
Trimble
Tupper
Udall, Morris K.
Weaver
Wickersham
Willis
Wright
Yates
Zablocki

ANSWERED "PRESENT"—1

Fallon

NOT VOTING—102

Adair
Alexander
Anderson, Ill.
Anfuso
Aspinall
Belcher
Bell
Bennett, Mich.
Berry
Blitch
Bolling
Boykin
Breeding
Brewster
Brown
Burke, Ky.
Cannon
Chiperfield
Coad
Curtin
Davis, John W.
Dent
Diggs
Dominick
Dooley
Evins
Fogarty
Frazier
Glenn
Goodell
Goodling
Griffiths
Hall
Hansen
Harris
Harrison, Va.
Harvey, Ind.
Hays
Hébert
Herlong
Hiestand
Hoeven
Hoffman, Mich.
Holland
Jones, Mo.
Judd
Karth
Kee
Kilburn
Kirwan
Kowalski
Laird
Lindsay
McDonough
McDowell
McIntire
McMillan
McSween
MacGregor
Magnuson
Martin, Mass.
Mason
Michel
Miller, Clem
Miller, George P.
Moeller
Moorehead, Ohio
Moulder
Norrell
O'Brien, Ill.
O'Konski
Peterson
Quie
Rains
Reifel
Rogers, Tex.
Roosevelt
Roudebush
Rousselot
Saund
Scherer
Scranton
Seely-Brown
Sheppard
Shipley
Short
Siler
Spence
Springer
Taber
Thompson, La.
Thornberry
Ullman
Utt
Van Pelt
Van Zandt
Vinson
Watts
Weis
Whalley
Williams
Zelenko

So the motion to recommit was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Fallon for, with Mr. Ullman against.
Mr. Dent for, with Mr. Hébert against.
Mr. Holland for, with Mr. Thompson of Louisiana against.
Mr. Bell for, with Mr. George P. Miller against.
Mr. Laird for, with Mr. Shipley against.
Mr. Martin of Massachusetts for, with Mr. Anfuso against.
Mr. Williams for, with Mr. Roosevelt against.
Mr. Glenn for, with Mr. Sheppard against.
Mr. Goodling for, with Mr. Clem Miller against.
Mr. MacGregor for, with Mr. Frazier against.
Mr. Hiestand for, with Mr. Peterson against.
Mr. Rousselot for, with Mr. O'Brien of Illinois against.
Mr. Utt for, with Mr. Magnuson against.
Mr. Taber for, with Mr. Kirwan against.
Mr. Scherer for, with Mr. Brewster against.
Mr. Lindsay for, with Mr. Moeller against.
Mrs. Kee for, with Mr. Zelenko against.
Mr. Seely-Brown for, with Mrs. Hansen against.
Mr. Hoeven for, with Mr. Diggs against.
Mr. Alexander for, with Mr. John W. Davis against.
Mr. Goodell for, with Mr. Aspinall against.
Mr. Brown for, with Mr. Breeding against.
Mr. Quie for, with Mrs. Griffiths against.
Mr. Judd for, with Mr. Spence against.
Mr. Short for, with Mr. Karth against.
Mr. Roudebush for, with Mr. Hays against.
Mr. Michel for, with Mr. Coad against.

Until further notice:

Mr. Evins with Mr. Anderson of Illinois.
Mr. Burke of Kentucky with Mr. Scranton.
Mr. Thornberry with Mr. O'Konski.
Mr. Rogers of Texas with Mr. Kilburn.
Mr. Rains with Mr. Hall.
Mr. Watts with Mr. Reifel.
Mr. Vinson with Mr. McDonough.
Mr. Fogarty with Mr. Siler.
Mr. Harris with Mr. Berry.
Mr. Harrison of Virginia with Mr. Adair.
Mr. Herlong with Mr. Curtis.
Mr. McMillan with Mr. Dominick.
Mr. Kowalski with Mr. Moorehead of Ohio.
Mr. McSween with Mr. Bennett of Michigan.
Mrs. Norrell with Mr. Springer.
Mr. Moulder with Mr. Van Pelt.
Mr. McDowell with Mr. McIntire.
Mr. Saund with Mr. Harvey of Indiana.
Mrs. Blitch with Mr. Belcher.

Mr. FALLON. Mr. Speaker, I have a live pair with the gentleman from Oregon, Mr. ULLMAN. Had he been present, he would have voted "nay." I voted "yea." Therefore, I withdraw my vote and vote "present."

Messers. JARMAN, PERKINS, ROBERTS of Texas, WALTER, ELLIOTT, BONNER, FASCELL, ST. GERMAIN, LANE, PHILBIN, DONOHUE, and RANDALL changed their vote from "nay" to "yea."

The result of the vote was announced as above recorded.

Mr. DAVIS of Tennessee. Mr. Speaker, pursuant to the instructions of the House, I report the bill H.R. 13273 back to the House with an amendment which is at the Clerk's desk.

The SPEAKER. The Clerk will report the amendment.

The Clerk read as follows:

On page 44, delete all the words on lines 4 through 8.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. LATTA. On this vote, Mr. Speaker, I demand the yeas and nays.

The yeas and nays were refused.

The bill was passed.

A motion to reconsider was laid on the table.

Mr. DAVIS of Tennessee. Mr. Speaker, I ask unanimous consent that the Clerk be authorized to adjust indexes, cross-references, and numbers of sections in the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. DAVIS of Tennessee. Mr. Speaker, I ask unanimous consent that all Members desiring to do so may have 5 legislative days in which to extend their remarks in the RECORD on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 9491. An act to provide for the removal of an encumbrance on the title of certain real property heretofore conveyed to the Board of Education of the Vallejo School District, Vallejo, Calif., by the U.S. Housing Corporation.

The message also announced that the Senate had passed with amendments, in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 12580. An act making appropriations for the Departments of State, Justice, and Commerce, the Judiciary, and related agencies for the fiscal year ending June 30, 1963, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. McCLELLAN, Mr. ELLENDER, Mr. HAYDEN, Mr. HOLLAND, Mr. FULBRIGHT, Mr. MANSFIELD, Mrs. SMITH of Maine, Mr. SALTONSTALL, Mr. MUNDT, and Mr. HRUSKA to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the amendments of the House to a bill of the Senate of the following title:

S. 962. An act to amend the Federal Aviation Act of 1958, as amended, to aid the Civil Aeronautics Board in the investigation of aircraft accidents, and for other purposes.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 7927) entitled "An act to adjust postal rates, and for other purposes."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 901) entitled "An act to advance the marine sciences, to establish a comprehensive 10-year program of oceanographic research and surveys, to promote commerce and navigation, to secure the national defense, to expand ocean, coastal, and Great Lakes resources, to authorize the construction of research and survey ships and laboratory facilities, to expedite oceanographic instrumentation, to assure systematic studies of effects of radioactive materials in marine environments, to enhance the public health and general welfare, and for other purposes."

DEPARTMENTS OF STATE, JUSTICE, AND COMMERCE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATION BILL, 1963

Mr. ROONEY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H.R. 12580 making appropriations for the Departments of State, Justice, and Commerce, the Judiciary, and related agencies for the fiscal year ending June 30, 1963, and for other purposes with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none and appoints the following conferees:

Messrs. Rooney, Sikes, Cannon, Bow, and Taber.

AMENDING AND SUPPLEMENTING THE LAWS WITH RESPECT TO MANUFACTURE AND DISTRIBUTION OF DRUGS

Mr. ROBERTS of Alabama submitted a conference report and statement on the bill (S. 1552) to amend and supplement the laws with respect to the manufacture and distribution of drugs, and for other purposes.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. McGown, one of its clerks, announced that the Senate had passed without amendment bills of the House of the following titles:

H.R. 4034. An act for the relief of Lt. Cmdr. David V. Kyrklund;

H.R. 6386. An act for the relief of Cleo A. Dekat;

H.R. 7791. An act to amend title 13 of the United States Code to provide for the collection and publication of foreign commerce and trade statistics, and for other purposes;

H.R. 8321. An act for the relief of Maj. Clara May Matthews;

H.R. 8662. An act for the relief of Jose Fuentes;

H.R. 9128. An act for the relief of Sgt. Ernest I. Aguilar;

H.R. 9199. An act for the relief of certain officers and enlisted personnel of the 1202d Civil Affairs Group (Reinf Tng), Fort Hamilton, Brooklyn, N.Y.;

H.R. 9804. An act for the relief of Cuyahoga County, Ohio;

H.R. 9894. An act for the relief of Loretta Shea, deceased, in full settlement of the claims of that estate;

H.R. 10002. An act for the relief of civilian employees of the New York Naval Shipyard and the San Francisco Naval Shipyard erroneously in receipt of certain wages due to a misinterpretation of a Navy civilian personnel instruction;

H.R. 10026. An act for the relief of Thomas J. Fitzpatrick and Peter D. Power;

H.R. 10199. An act for the relief of Lester A. Kocher;

H.R. 10415. An act for the relief of Earl T. Briley;

H.R. 10423. An act for the relief of Mrs. Dorothy H. Johnson;

H.R. 11058. An act for the relief of Carl Adams;

H.R. 11334. An act for the relief of Mary J. Papworth;

H.R. 11578. An act for the relief of Don C. Jenson and Bruce E. Woolner;

H.R. 12090. An act for the relief of James Comeau;

H.R. 12539. An act for the relief of Leslie O. Cox and other employees of the Federal Aviation Agency;

H.R. 12701. An act for the relief of Catalina Properties, Inc.; and

H.R. 12936. An act for the relief of Kenneth E. Foussé and others.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1552) entitled "An act to amend and supplement the laws with respect to the manufacture and distribution of drugs, and for other purposes."

AMENDING SECTION 203 OF RURAL ELECTRIFICATION ACT OF 1936

Mr. POAGE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 10708) to amend section 203 of the Rural Electrification Act of 1936, as amended, with respect to communication service for the transmission of voice, sounds, signals, pictures, writing, or signs of all kinds through the use of electricity, with an amendment of the Senate thereto and agree to the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment as follows:

Page 2, line 4, strike out all after "mean" down to and including "intended" in line 8, and insert: "message telegram service or community antenna television system services or facilities other than those intended exclusively."

The SPEAKER. Is there objection to the request of the gentleman from Texas [Mr. Poage]?

Mr. GROSS. Mr. Speaker, reserving the right to object, will the gentleman say that the amendment of the other body is germane to the bill?

Mr. POAGE. Yes, I think they struck out a part of our bill.

Mr. GROSS. I just want to be sure there is not any subject matter that has been added to the bill that is not germane. I could not ascertain from reading the Senate amendment hurriedly whether or not it is germane. Has the minority agreed to this?

Mr. POAGE. The minority has approved it. The gentleman from California [Mr. Teague] is standing at the minority table.

Mr. GROSS. Mr. Speaker, I withdraw the reservation of objection.

PARLIAMENTARY INQUIRY

Mr. KEARNS. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. KEARNS. Mr. Speaker, I have two bills coming up tomorrow from my committee—the school lunch program and the child labor bill. I think the House is fairly well organized and I wonder if the Speaker could state when these bills will be programed for consideration.

The SPEAKER. The Chair will state in response to the parliamentary inquiry by the gentleman from Pennsylvania that the bills to which he has referred are programed for tomorrow.

Mr. KEARNS. Mr. Speaker, I have had my problems in connection with the Landrum-Griffin bill and the Hill-Burton Act and I have sat and listened to the testimony and debate on the school lunch program and the child labor bill. Could not these bills be brought up under unanimous consent?

The SPEAKER. The Chair will state that no one is more anxious than the Chair to have both pieces of legislation brought up and considered as they will be under the rules of the House.

Mr. KEARNS. I thank the Speaker.

The SPEAKER. Is there objection to the request of the gentleman from Texas [Mr. Poage]?

Mr. CURTIS of Missouri. Mr. Speaker, reserving the right to object, and I believe I shall object, until we can understand what the amendments of the Senate are. In light of what transpired yesterday, I will object and I will continue to object until the House knows just what is in these amendments. I think it would be well if we waited. They will be printed in the Record and we will have a chance to read them and understand them.

The SPEAKER. Does the gentleman from Missouri yield to the gentleman from Texas [Mr. Poage] to explain the amendments?

Mr. CURTIS of Missouri. I yield to the gentleman.

Mr. POAGE. The gentleman, apparently, does not want an explanation of the amendment.

Mr. CURTIS of Missouri. Mr. Speaker, I will say to the gentleman that these amendments frequently can be quite long and I cannot and I do not believe anyone can understand this in a few minutes at this time. I think if they are printed in the Record, we can read them and find out what they are for ourselves. It is very obvious that matters are coming over here that are not germane to legislation and are being agreed to by unanimous consent. As I said earlier, under the circumstances, I was going to object to these matters. They will be printed in the Record tomorrow and then, I am sure, there will not be any objection if the gentleman's explanation is correct.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. CURTIS of Missouri. I yield.

Mr. POAGE. I do not want to stand in the way of having it printed in the Record and being taken up tomorrow, but I would point out to the gentleman that these amendments are further limitations, that they were discussed by the committee, that there was a unanimous vote in the committee, with every member of the minority side present, that the ranking minority member of the committee approved the amendment this morning.

Mr. CURTIS of Missouri. Here is the problem, the gentleman from Iowa [Mr. Hoeven] is the ranking minority member. He is not on the floor. I believe the gentleman's statement on these things, but I think it should be brought up when the chief member on the other side is present. I am just one Member of the House, but no harm can be done by having it printed in the Record tonight and take it up tomorrow.

Mr. POAGE. The gentleman from California is right there. He can vouch for it.

Mr. CURTIS of Missouri. He knows nothing about it; he told me so.

Mr. TEAGUE of California. The gentleman from Iowa [Mr. Hoeven] did discuss it with the committee, and he said it was perfectly agreeable with him, that these amendments were restrictive. However, as for my situation I do not understand it.

Mr. CURTIS of Missouri. Mr. Speaker, I think we should let this go over until tomorrow.

The **SPEAKER.** Does the Chair understand that the gentleman objects for the time being? Is that correct?

Mr. CURTIS of Missouri. Yes, I object.

INDECENT PUBLICATIONS IN THE DISTRICT OF COLUMBIA

Mr. DOWDY submitted a conference report and statement on the bill (H.R. 4670) to amend the law relating to indecent publications in the District of Columbia.

PROVIDING COMPENSATION FOR CERTAIN WORLD WAR II LOSSES

Mr. MACK. Mr. Speaker, I call up the conference report on the bill (H.R. 7283) to amend the War Claims Act of 1948, as amended, to provide compensation for certain World War II losses, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

The **SPEAKER.** Is there objection to the request of the gentleman from Illinois?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. NO. 2513)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7283) to amend the War Claims Act of 1948, as amended, to provide compensation for certain World War II losses, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 5, 7, 8, and 9.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 10, 11, 12, 13, 14, 15, 17, and 18, and agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the House numbered 6, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "(2), and thereafter of any award made pursuant to section 202(a) to any claimant certified to the Commission by the Small Business Administration as having been, on the date of loss, damage, or destruction, a small business concern within the meaning now set forth in the Small Business Act, as amended."

And the Senate agree to the same.

Amendment numbered 16: That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"SEC. 206. At the end of the Act, as amended, add the following new section:

" 'SEC. 41. (a) Notwithstanding any statute of limitation, lapse of time, any prior decision by any court of the United States, or any compromise, release or assignment to the Alien Property Custodian, jurisdiction is hereby conferred upon the United States Court of Claims to hear, determine, and report to the Congress concerning the claims against the United States for the proceeds received by the United States from the sale of the property vested under the provisions of the Trading With the Enemy Act by vesting order numbered 33 relating to certificate numbers 104 to 121, inclusive, 125, 126, 128 to 134, inclusive, and 137 to 139, inclusive. Proceedings with respect to such claims may be instituted hereunder not later than one year after the date of the enactment of this Act.

" '(b) As used in this section the word "copyrights" includes copyrights, claims of copyrights, rights to copyrights, and rights to copyright renewals.

" '(c) All copyrights vested in the Alien Property Custodian or the Attorney General under the provisions of this Act subsequent to December 17, 1941, which have not been returned or otherwise disposed of under this Act, except copyrights vested by vesting orders 128 (7 F.R. 7578), 13111 (14 F.R. 1730), 14349 (15 F.R. 1575), 17366 (16 F.R. 2483), and 17952 (16 F.R. 6162) and copyrights vested with respect to the motion picture listed last in exhibit A of vesting order 11803, as amended (13 F.R. 5167, 15 F.R. 1626), are hereby divested as a matter of grace effective the ninety-first day after the date of enactment of this section, and the persons entitled thereto shall on that day succeed to the rights, privileges, and obligations arising out of such copyrights, subject, however, to—

" '(1) the rights of licensees under licenses issued by the Alien Property Custodian or the Attorney General in respect of such copyrights;

" '(2) the rights of assignees under assignments by the Alien Property Custodian or the Attorney General of interests in such licenses; and

" '(3) the right retained by the United States to reproduce, for its own use, or exhibit any divested copyrighted motion picture films.

The rights and interests remaining in the Attorney General under licenses issued by him or by the Alien Property Custodian in respect to copyrights divested hereunder are hereby transferred, effective the day of divestment, to the persons entitled to such copyrights: *Provided,* That all unpaid royalties or other income accrued in favor of the Attorney General under such licenses prior to the day of divestment shall be paid by the licensees to the Attorney General.

" '(d) All rights or interests vested in the Alien Property Custodian or the Attorney General under the provisions of this Act subsequent to December 17, 1941, arising out of prevesting contracts entered into with respect to copyrights, except—

" '(1) royalties or other income received by or accrued in favor of the Alien Property Custodian or the Attorney General under such contracts;

" '(2) rights or interests which have been returned or otherwise disposed of under this Act; and

" '(3) rights or interests vested by vesting orders 128 (7 F.R. 7578), 13111 (14 F.R. 1730), 14349 (15 F.R. 1575), and 17366 (16 F.R. 2483),

are hereby divested as a matter of grace, effective the ninety-first day after the date of enactment of this section, and the persons entitled to such rights or interests shall succeed thereto, subject to the right of the Attorney General to collect and receive all unpaid royalties or other income accrued in his favor under such prevesting contracts prior to the day of divestment.

" '(e) Nothing in this section shall be construed to transfer to a person entitled to a copyright divested hereunder the right of the Attorney General to sue for the infringement of such copyright during the period between (1) the vesting thereof or the vesting of rights and interests in a contract entered into with respect thereto, and (2) the day of divestment. The right to sue for infringement shall remain in the Attorney General.' "; and the Senate agree to the same.

Oren Harris,
Peter F. Mack, Jr.,
Leo W. O'Brien,
John D. Dingell,
J. Arthur Younger,
Milton W. Glenn,
Managers on the Part of the House.

Russell B. Long,
Alan Bible,
Everett M. Dirksen,
K. B. Keating,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7283) to amend the War Claims Act of 1948, as amended, to provide compensation for certain World War II losses, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

TECHNICAL AND CLERICAL AMENDMENTS

The following Senate amendments made technical, clerical, clarifying, or conforming changes: 1, 2, 3, 4, 7, 10, 11, 12, 17, and 18. With respect to these amendments the House recedes in order to conform to other action by the conference, or the Senate recedes in order to conform to other action agreed on by the committee of conference.

LATE NATIONALS

Amendment No. 5 would have authorized payment of war claims to persons presently U.S. nationals, who were not such nationals at the time the loss occurred.

Amendment No. 8 would have authorized the Foreign Claims Settlement Commission to determine the amount and validity of, and provided for the payment of claims of certain U.S. nationals who, while nationals of the United States or any government allied or associated with the United States during World War II, were detained as internees, or who, while serving in the armed forces of any government allied with or associated with the United States, were interned as prisoners of war during World War II, and who have since become U.S. nationals.

Amendment No. 9 would have authorized and directed the Foreign Claims Settlement Commission to receive and determine the validity and amount of claims of refugees from certain Communist countries who suffered loss or destruction of, or physical damage to, property in such countries during the period beginning May 8, 1945, and ending January 1, 1952.

With respect to amendments Nos. 5, 8, and 9, the Senate recedes, with the understanding that in the event there remains a balance in the war claims fund after the payment in full of claims provided for under this bill, consideration would be given to legislation providing for payment to these categories of persons. The committee of conference recommends that the Foreign Claims Settlement Commission should proceed to make an estimate of the amount of claims that would be involved in these amendments.

SMALL BUSINESS CLAIMANTS

Amendment No. 6 would provide for payment in full, after payments have been made in full for certain death and disability claims, to claimants certified by the Small Business Administration to have been small business concerns at the time of loss, damage, or destruction to its property. The House recedes with a clerical amendment.

SALE OF GENERAL ANILINE & FILM CORP.

Amendment No. 13 contains the provisions of H.R. 3460, as passed by the House of Representatives on August 9, 1962. This amendment, which authorizes the sale, in time of war or national emergency, of any property or interest claimed in any suit filed under section 9(a) of the Trading With the Enemy Act, in substance, will provide for the sale of the General Aniline & Film Corp. The history of the problem dealt with in this amendment is set forth in full in House Report No. 2046, 87th Congress, accompanying H.R. 3460. In view of the sizable amounts involved in this sale, the managers on the part of the House expect that the Department of Justice will advise the Congress in advance of the arrangements made by the Department with respect to such sale.

CLAIMS OF SUCCESSOR ORGANIZATIONS

Amendment No. 14 provides for the settlement of claims of successor organizations for the return of vested heirless property. A House bill on this subject, H.R. 5028, was reported from the Committee on Interstate and Foreign Commerce on July 24, 1962.

DIVESTMENT OF ESTATES AND TRUSTS

Amendment No. 15 provides for the divestment of the Government's interest in vested estates, trusts, insurance policies, etc. All rights and interests in such property which have not become payable or deliverable to the Attorney General prior to December 31, 1961, would be divested.

DIVESTMENT OF COPYRIGHTS

Amendment No. 16 provides for the divestment of the Government's interest in certain copyrights. This subject was dealt with in H.R. 9045 which passed the House on August 13, 1962.

This amendment, as agreed to by the conferees, also provides for the Court of Claims to hear, determine, and report to the Congress concerning claims arising out of the vesting of certain shares of the General Dyestuff Corp. These shares were vested by the United States during World War II on the theory that their ownership by an American citizen was serving to cloak ownership by German nationals. Proceedings in the court must be instituted within 1 year after the date of enactment of this bill.

Oren Harris,
Peter F. Mack, Jr.,
Leo W. O'Brien,
John D. Dingell,
J. Arthur Younger,
Milton W. Glenn,
Managers on the Part of the House.

Mr. MACK. Mr. Speaker, today we bring before the House a conference report on a bill which provides for compensation for certain losses as a result of World War II. For 17 years American citizens who suffered war damage losses during the Second World War have been denied payment. During this same period we have rewarded citizens of the Philippines and most all countries have made settlements with their own citizens for similar losses.

Ever since the War Claims Act was passed in 1948 these people have waited patiently for Congress to reimburse them. Most of these people have only limited resources and many of them lost their life savings as a result of World War II. They had no lobby to represent them here and since they were in somewhat limited numbers they encountered difficulty in securing approval of the Congress. It gives me great satisfaction today to know that justice is finally being done to these citizens.

In 1959 my Subcommittee on Commerce and Finance held extensive hearings on this matter involving some 800 pages of testimony. As a result of those hearings a similar bill was passed at that time but no action was taken in the other body and the bill died with the adjournment of Congress.

This year the House again acted in approving this bill and under the direction and guidance of the distinguished Senator from Louisiana, the Honorable Russell Long, the Senate approved this bill and added several amendments.

From first glance it appears that the House agreed to all the Senate amendments, but this is not the case. When the bill was being considered in the Senate because of the unusual parliamentary situation, many other proposals which had formerly been passed by the House of Representatives were included as amendments to the bill in the Senate. And as a result the House conferees were agreeable to the Senate amendments. The principal bill included in these amendments was the General Aniline bill which provides for the disposal of this large corporation which has been operated by the Government for over 20 years and which is worth some $200 million. It is necessary for this plant to be disposed of so that its facilities may be expanded. The House formerly approved this bill without a dissenting vote and, therefore, we readily accepted this amendment. The effect of this amendment is to return to private enterprise one of the largest corporations ever operated by the Federal Government after some 20 years of operation under the directions of our Government. Since this sale will involve a considerable sum of money, we feel that the Department of Justice should advise the Congress in advance of the arrangements made by the Department with respect to the sale.

Amendments Nos. 5, 8, and 9 which are known as the late nationals amendments were not agreed to by the managers on the part of the House, because the House had opposed these amendments when the bill was in the House for consideration. These amendments involved claims by people who are now citizens but were not citizens at the time of the loss.

There was great sympathy for these amendments on the part of the managers on both the House and the Senate and the Senate receded with the understanding that in the event there remains a balance in the war claims fund after the payments of claims provided for under this bill, consideration would be given to legislation providing for the payment to these categories of persons. The conference committee also recommended that the Foreign Claims Settlement Commission should proceed to make an estimate of the amount of claims that would be involved in these amendments.

Amendment No. 6 gives a priority to small business in the settlement of claims and the managers on the part of the House accepted this amendment.

Amendment No. 14 provides for the settlement of claims of successor organizations for the return of vested heirless property. This amendment was identical to a bill which passed the House in the 86th Congress and one which I sponsored in this Congress which was reported by the House Interstate and Foreign Commerce Committee. Therefore the managers on the part of the House accepted this amendment.

The managers on the part of the House also accepted amendments Nos. 14 and 15 which provides for the divestment of estates and trusts and the divestment of copyrights. The latter amendment as agreed to by the conferees also provides for the court of claims to hear, determine and report to the Congress concerning claims arising out of the vesting of certain shares of the General Dyestuff Corp. These shares were vested on the theory that their ownership by an American citizen was serving to cloak ownership by German nationals.

Mr. Speaker, I am especially proud of my subcommittee which has labored so long in an effort to compensate these American citizens for their World War II property and it is gratifying to know that these citizens will be compensated even though it is now 17 years after the end of the war.

Mr. DINGELL. Mr. Speaker, as one of the conferees on H.R. 7283 I am distressed at the addition of section 41(a).

This section, as it was approved by the conferees proposes to confer jurisdiction on the U.S. Court of Claims to hear claims against the United States by the stockholders of General Dyestuff Corp. (except Dr. Walter Duisberg) for the proceeds received by the United States from the sale of such stock which had been vested under the provisions of the Trading With the Enemy Act.

The addition of the above subsection to the Trading With the Enemy Act has been prompted by complaints made by Mr. Ernest K. Halbach, now deceased, the principal stockholder of General Dyestuff Corp., that a settlement he had entered into of his lawsuit for the return of his vested stock was consummated through coercion and duress exerted against him.

General Dyestuff Corp. was incorporated in 1925 and has been a selling agent for dyestuffs produced by I. G. Farben. All the stock in General Dyestuff Corp. has since its incorporation been subject to an option agreement whereby the optionholder could redeem any of the shares of stock at the option price of $100 per share plus a dividend of 6 percent from the date of the last declaration of dividends. From 1926 until 1933 I. G. Farben itself held the option to purchase the stock. From 1933 until 1938 the option was held by Marion Co., an Illinois corporation, whose own shares of stock were in turn held under option to Ed. Greutert & Cie, of Switzerland, a private banking firm owned and controlled by I. G. Farben. From 1938 to 1939 the option on the General Dyestuff Corp. stock was held by Chemnyco, Inc., a Farben service agency in the United States. In 1939, when the Farben-controlled American I. G. Corp. changed its name to General Aniline & Film Corp., Chemnyco, Inc., renounced its option, thus giving up without any consideration a right to buy $2,500,000 worth of stock for $600,000. D. A. Schmitz, the brother of the head of I. G. Farben, sold his majority stock interest in General Dyestuff Corp., as did two other smaller stockholders, to the corporation itself. The sale was made at the option price of $100 per share, notwithstanding its book value of $460 per share. This stock was resold by the corporation immediately to Halbach, Duisberg, and a few other employees of General Dyestuff Corp. at the price of $100. A new option agreement was signed by Halbach, Duisberg, and all other stockholders giving to General Dyestuff Corp. itself the same option as had always existed with the predecessor optionholders. In 1940 and 1941 two stock dividends were declared, each for 50 percent. As a result, Mr. Halbach's holdings, for example, increased from 2,100 shares to 4,725 shares.

All the stock of General Dyestuff Corp. was vested by the Alien Property Custodian on June 30, 1942, by vesting order No. 33 on the finding and determination that the stock was the property of foreign nationals. Each of the stockholders filed a claim for the return of the seized stock, and most of them—including Mr. Halbach and Dr. Duisberg—instituted lawsuits under section 9(a) of the Trading With the Enemy Act. Dr. Duisberg's lawsuit was dismissed for lack of prosecution, and such dismissal was upheld by the appellate courts. Mr. Halbach and the other stockholders, except Dr. St. George, were represented by the New York City law firm of Sullivan & Cromwell, and settlement negotiations were entered into. It was agreed between Mr. Halbach and the other stockholders and the Department of Justice attorneys that their claims would be settled by the payment to each of them of the option price, namely $100 per share plus 6 percent dividends since the last payment of dividends. These negotiations were consummated and payment was made in 1945. Inasmuch as 3 years had elapsed since the last payment of dividends, each of these stockholders—except Dr. St. George and Dr. Duisberg—received $118 per share. Mr. Halbach, for example, received for his 4,725 shares the sum of $557,550. He had paid for these shares $210,000.

From 1942 to 1950 Mr. Halbach remained on the payroll of General Dyestuff Corp. During that period of time he received as salary, bonuses, and salary adjustments the total sum of $558,600. Mr. Halbach retired in August 1950, at which time he was entitled to receive only $257 per month under the company's employee retirement plan and an additional $45 a month under social security. The board of General Dyestuff Corp. resolved, however, to make a voluntary monthly payment to him sufficient to bring him a total retirement pay of $1,500 per month.

In 1951, after his retirement, Mr. Halbach sought to obtain through private legislation and by a suit to vacate the judgment entered after the settlement in 1945 the reopening of his claim for the proceeds of the sale of his vested stock on grounds that the settlement had been entered into by reason of the exertion of coercion and duress against him. His motion to vacate the judgment was fully heard in the U.S. District Court for the District of New Jersey at which evidence and depositions were taken, and his motion to vacate the judgment was denied on the basis that there had been a complete failure to prove duress.

The Court of Appeals for the Third Circuit upheld the judgment of the lower court after appeal to it, and the Supreme Court of the United States denied certiorari. The issue of duress has been fully litigated. Moreover, the retention of Mr. Halbach as a high-salaried employee of General Dyestuff Corp. after the vesting of all the stock in the corporation, including Halbach's, and the generous treatment of his retirement annuity do not bespeak the duress alleged. Another important factor showing the absence of duress is the settlement that Dr. Duisberg agreed upon some 15 years after the Halbach settlement. Duisberg, the second largest stockholder of General Dyestuff Corp., was the only stockholder of that company with whom the Department of Justice had not settled. He was finally successful in obtaining a House resolution referring his claim against the United States to the Court of Claims for report on the legal and equitable nature of his claim, notwithstanding previous litigation, the statute of limitations, or res judicata. Dr. Duisberg accepted a settlement in 1961 on precisely the same formula as had been offered to Halbach and the other stockholders, namely, the option price of $100 per share plus dividends at 6 percent from 1942 to 1953, when General Dyestuff Corp. ceased to exist as an independent entity.

The stock of General Dyestuff Corp., had been seized notwithstanding its ownership by citizens of the United States because it was believed that the beneficial owner of the stock was I. G. Farben of Germany. The option agreements, the close association of the officers and directors of General Dyestuff Corp., with the personnel of I. G. Farben by blood relationship or economic dependence, and the sole concern of the corporation itself with Farben products, make this clear. After 1939 Mr. Halbach and General Dyestuff Corp., cooperated with I. G. Farben to distribute Farben products to South American companies in evasion of the British blockade. Testimony concerning these activities was presented to the Kilgore committee in December 1945 and is embodied in "Elimination of German Resources for War," hearings before a subcommittee of the Senate Committee on Military Affairs, June 1945 to March 1946.

Mr. STRATTON. Mr. Speaker, while I have strongly supported this legislation, it has long been my hope that the eligibility requirement for consideration of claims could be extended beyond the definition contained in the bill as it originally passed the House. It was my hope that the claims of those who are citizens of the United States at the time of the enactment of this legislation might also be in order, as well as the claims of those who were American citizens at the time the original loss or injury was actually sustained. I supported amendments to H.R. 7283 to that end which were offered at the time the bill was originally considered; unfortunately these amendments did not prevail.

I was therefore delighted when the Senate adopted certain amendments that did liberalize the bill in this very direction, and I was hopeful that the conference committee would accept the Senate amendments.

I am indeed sorry, Mr. Speaker, that the conference report now before us does not retain the Senate wording on this point. I sincerely regret that the House conferees were unwilling to accept the Senate position.

Of course, Mr. Speaker, in spite of this disappointment I shall not vote against the conference report because I believe this legislation is too important to jeopardize in this way at this late date in this session. At least we are making some progress. At least the version finally adopted by the conference committee makes some progress over the original House wording, even though it is not as strong as the Senate wording and not as extensive in its direct coverage of proper and legitimate claimants as I would have wished.

Mr. Speaker, the statement of the managers on the part of the House makes it clear that in the event there remains a balance in the war claims fund, after the payment in full of claims provided under the bill, consideration would be given to legislation providing for payment to these categories of persons.

And the statement goes on to say:

> The committee of conference recommends that the Foreign Claims Settlement Commission should proceed to make an estimate of the amount of claims that would be involved in these amendments.

This at least, Mr. Speaker, is a step in the right direction. Hence I shall not oppose the conference report. I hope the Commission will move swiftly to carry out the recommendations of the conference committee. And I am hopeful, too, that the funds available under this program will indeed make it possible to satisfy the claims of those many fine persons who are still technically excluded, but who now at least, are in direct line for relief in line with the provisions of this conference report.

Mr. RYAN of New York. Mr. Speaker, I wish to comment on one deeply disappointing aspect of the conference report on H.R. 7283. The Senate has receded from amendment No. 5, a provision which I believe would have been consistent with our general philosophy of citizenship. This provision would have compensated those citizens who were citizens at the time of passage of this bill but were not citizens at the time they lost their property.

At the time this bill was before us I fought for such an amendment. I felt then, and still feel, that it is inconsistent with our traditions to treat some citizens different from others. This is nothing more or less than the creation of two classes of citizenship. Such a concept is wholly inconsistent with American jurisprudence.

The conference report attempts to mitigate the error by suggesting that, after all claims are paid under this bill, those citizens, who are now citizens but not when they lost their property, might be compensated. The fact of the matter is, however, that there are over 34,000 claimants for war loss compensation; and the War Claims Commission has estimated that there will not be enough to pay all claims eligible under this bill. I regret that the conference committee did not include all citizens.

The **SPEAKER**. The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. **MACK**. Mr. Speaker, I ask unanimous consent that all Members may have permission to extend their remarks on the conference report, and that the gentleman from Michigan [Mr. DINGELL] may extend his remarks following mine before action was taken on the report.

The **SPEAKER**. Is there objection to the request of the gentleman from Illinois?

There was no objection.

ADJUSTING POSTAL RATES, AND FOR OTHER PURPOSES

Mr. **MURRAY** submitted the following conference report and statement on the bill (H.R. 7927) to adjust postal rates, and for other purposes:

CONFERENCE REPORT (H. REPT. No. 2525)

[To accompany H.R. 7927]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 7927) to adjust postal rates, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"That this Act may be cited as the 'Postal Service and Federal Employees Salary Act of 1962'.

"PART I—POSTAL SERVICE

"Title I—Postal Rates

"First-class mail

"SEC. 101. Section 4253(a) of title 39, United States Code, is amended by striking out the words 'four' and 'three' wherever appearing in subsection (a) and inserting in lieu thereof the words 'five' and 'four,' respectively.

"Airmail

"SEC. 102. (a) Section 4303 of title 39, United States Code, is amended—

"(1) by striking out the word 'seven' in subsection (a) and inserting in lieu thereof the word 'eight';

"(2) by striking out the word 'five' in subsection (b) and inserting in lieu thereof the word 'six';

"(3) by increasing each of the rates under the heading 'First pound over 8 ounces or fraction thereof' in the table in subsection (d)(1) by 8 cents;

"(4) by striking out paragraph (2) of subsection (d) and inserting in lieu thereof the following:

"'(2) The rate of postage on air mail of the first class weighing in excess of eight ounces shall be the rate provided by subsection (a) for each ounce not in excess of eight ounces, plus 5 cents for each ounce or fraction thereof in excess of eight ounces, but in no case less than the rate provided under paragraph (1) for air parcels.'

"Second class within county of publication

"SEC. 103. Subsections (a) and (b) of section 4358 of title 39, United States Code, are amended to read as follows:

"'(a) Except as provided in subsection (b), the rate of postage on publications admitted as second-class mail when addressed for delivery within the county in which they are published and entered is as follows:

"'[In cents]

	"'Mailed after January 6, 1963, and prior to January 1, 1965	Mailed after December 31, 1964
"'Rate per pound	1	1¼
Minimum charge per piece	⅛	⅛

"'(b) The rate of postage on the following publications admitted as second-class mail when mailed for delivery, within the county in which they are published and entered, by letter carrier at the office of mailing, shall be—

"'(1) publications issued more frequently than weekly, one cent a copy;

"'(2) publications issued less frequently than weekly—

"'(A) weighing two ounces or less, one cent a copy;

"'(B) weighing more than two ounces, two cents a copy.'

"Second class beyond county of publication

"SEC. 104. (a) Section 4359(b) of title 39, United States Code, is amended to read as follows:

"'(b)(1) Except as provided by paragraphs (2), (3), and (4), the rates of postage on publications mailed in accordance with subsection (a) are as follows:

"'[In cents]

	"'Mailed after January 6, 1963, and prior to January 1, 1964	Mailed during calendar year 1964	Mailed after December 31, 1964
"'Rate per pound:			
Advertising portion:			
Zones 1 and 2	3.4	3.8	4.2
Zone 3	4.4	4.8	5.2
Zone 4	6.4	6.8	7.2
Zone 5	8.4	8.8	9.2
Zone 6	10.4	10.8	11.2
Zone 7	12.0	12.0	12.0
Zone 8	14.0	14.0	14.0
Nonadvertising portion	2.6	2.7	2.8
Minimum charge per piece	.6	.8	1.0

"'(2) The postage on classroom publications is 60 per centum of the postage computed in accordance with paragraph (1).

"'(3) The rates of postage on publications of a qualified nonprofit organization mailed in accordance with subsection (a) are as follows:

"'[In cents]

	"'Mailed after January 6, 1963, and prior to January 1, 1964	Mailed during calendar year 1964	Mailed after December 31, 1964
"'Rate per pound	1.6	1.7	1.8
Minimum charge per piece	.125	.125	.125

"'(4) In lieu of the minimum charge per piece prescribed by paragraph (1), the minimum charge per piece to be paid by the following publications (other than publications to which paragraph (2) or paragraph (3) is applicable) shall be as follows—

"'(A) publications mailing fewer than 5,000 copies per issue outside the county of publication—one-half cent per piece;

"'(B) any issue of a publication the advertising portion of which does not exceed 5 per centum of the entire issue—.55 of a cent per piece when mailed after January 6, 1963, and prior to January 1, 1964, .65 of a cent per piece when mailed during calendar year 1964, and .75 of a cent per piece when mailed after December 31, 1964.'

"(b) Section 4359(e)(2) of title 39, United States Code, is amended by striking out 'and fraternal,' and inserting in lieu thereof the following: 'fraternal, and associations of rural electric cooperatives, and not to exceed one publication published by the official highway agency of a State which meets all of the requirements of section 4354 and which contains no advertising'.

"(c) Section 4360 of title 39, United States Code, is repealed.

"Second-class transient mail

"SEC. 105. Section 4362 of title 39, United States Code, is amended by striking out 'two cents' and inserting in lieu thereof 'four cents'.

"Controlled circulation publications

"SEC. 106. Section 4422 of title 39, United States Code, is amended by striking out '12 cents a pound or fraction thereof' and inserting in lieu thereof the following: '12½ cents a pound or fraction thereof when mailed after January 6, 1963, and prior to January 1, 1964, 13 cents a pound or fraction thereof when mailed during calendar year 1964, and 13½ cents a pound or fraction thereof when mailed after December 31, 1964'.

"Third-class mail

"SEC. 107. Section 4452 of title 39, United States Code, is amended—

"(1) by amending subsections (a), (b), and (c) to read as follows:

"'(a) Except as provided in subsection (c) of this section, and subject to the minimum charge per piece provided in subsection (b) of this section, the postage rates on third-class mail are as follows:

"'Type of mailing	Rate	Unit
	Cents	
(1) Individual piece	4 2	First 2 ounces or fraction thereof. Each additional ounce or fraction thereof.
(2) Bulk mailings under subsec. (3) of this section of:		
(A) Books and catalogs of 24 pages or more, seeds, cuttings, bulbs, roots, scions and plants.	12	Each pound or fraction thereof.
(B) Other matter	18	Do.

"'(b) Matter mailed in bulk under subsection (e) of this section is subject to a minimum charge for each piece of 2⅝ cents when mailed subsequent to January 6, 1963 and prior to January 1, 1964, 2¾ cents when mailed during calendar year 1964, and 2⅞ cents when mailed after December 31, 1964, except that the minimum charge per piece on such matter mailed by qualified nonprofit organizations is 1¼ cents.

" '(c) The pound rates on matter mailed in bulk under subsection (e) by qualified nonprofit organizations are 50 per centum of the pound rates provided by subsection (a).'

"(2) by striking out 'subsections (a) and (b) of' wherever it appears in subsection (d).

"(3) by striking out '$20' and 'twenty pounds' in subsection (e) and inserting in lieu thereof '$30' and 'fifty pounds', respectively, effective January 1, 1963.

"Fourth-class mail

"SEC. 108. Section 4552(b)(5) of title 39, United States Code, relating to size and weight limitations on fourth-class matter mailed to or from certain areas, is amended by striking out the words 'Territory of Hawaii' and inserting in lieu thereof the words 'States of Alaska and Hawaii,'.

"SEC. 109. Section 4554 of title 39, United States Code (relating to books, films, and similar educational materials), is amended by striking out that part of subsection (a) which precedes paragraph (1) and inserting in lieu thereof the following:

" '(a) Except as provided in subsection (b) of this section, the postage rate is 9½ cents a pound for the first pound or fraction thereof and 5 cents for each additional pound or fraction thereof when mailed after January 6, 1963 and prior to January 1, 1964, and 10 cents for the first pound or fraction thereof and 5 cents for each additional pound or fraction thereof when mailed after December 31, 1963, except that the rate now or hereafter prescribed for third- or fourth-class matter shall apply in every case where such rate is lower than the rate prescribed in this subsection on—'.

"Fees for second-class entry and registration

"SEC. 110. Section 4357 of title 39, United States Code, is amended—

"(1) by striking out '$25' in subsection (a)(1) and inserting in lieu thereof '$30';

"(2) by striking out '$50' in subsection (a)(2) and inserting in lieu thereof '$60';

"(3) by striking out '$100' in subsection (a)(3) and inserting in lieu thereof '$120';

"(4) by striking out '$10' in the first sentence of subsection (b) and inserting in lieu thereof '$15';

"(5) by striking out the second sentence of subsection (b) and inserting in lieu thereof the following: 'The fee for each additional entry is $15, except that if the additional entry is made within zones 3 to 8, inclusive (determined from the office of publication and entry), of the zones established for purposes of fourth-class mail, such fee shall be '$50.';

"(6) by striking out '$20' in subsection (c) and inserting in lieu thereof '$25'; and

"(7) by striking out the last sentence in subsection (d).

"Permit fees for mailing without stamps

"SEC. 111. Section 4052(b) of title 39, United States Code, is amended by striking out '$10' and inserting in lieu thereof '$15'.

"Fixing of fees by Postmaster General

"SEC. 112. Section 507 of title 39, United States Code, is amended by adding at the end thereof the following:

" '(12) the issuance of a permit for prepayment of postage without stamps.

" '(13) the entry, re-entry, or additional entry of a periodical publication as second-class mail.

" '(14) the registry of a news agent.

Fees prescribed by the Postmaster General under paragraphs (12) to (14), inclusive, shall be collected in lieu of the corresponding fees established under section 4052(b) or 4357."

"Keys and other small articles

"SEC. 113. Section 4651(b) of title 39, United States Code, is amended by striking out '5 cents' and inserting in lieu thereof '6 cents'.

"Method of determining gross receipts

"SEC. 114. Section 711(c) of title 39, United States Code, is amended by striking out 'Public Law 85-426' and inserting in lieu thereof 'any Act of Congress enacted on or after May 27, 1958'.

"Standards for determination of qualifications of applicants for positions of postmaster

"SEC. 115. In evaluating the qualifications of applicants for positions of postmaster, the United States Civil Service Commission shall give, with respect to each applicant, all due and appropriate consideration to experience in the postal field service, including seniority, length of service, level of difficulty and responsibility of work, attendance, awards and commendations, and performance rating.

"Title II—Postal Policy

"SEC. 201. (a) Section 2302(c)(4) of title 39, United States Code, is amended by striking out 'deemed to be attributable to the performance of public services under section 2303(b) of this title' and inserting in lieu thereof 'determined under section 2303 of this title to be attributable to the performance of public services'.

"(b) Section 2303(a) of title 39, United States Code, is amended—

"(1) by amending the heading so as to read

" '§ 2303. Identification of public services and costs thereof';

"(2) by striking out paragraph 1(A) and inserting in lieu thereof the following:

" '(A) reduced rates for certain publications as provided by section 4359 of this title;';

"(3) by striking out paragraph 1(C) and inserting in lieu thereof the following:

" '(C) second class mailings at postage rates as provided by section 4358 of this title;'; and

"(4) by striking out paragraph (2) and inserting in lieu thereof the following:

" '(2) 10 per centum of the gross cost of the operation of third-class post offices and the star route system, and 20 per centum of the gross cost of the operation of fourth-class post offices and rural routes.'

"(5) by adding at the end thereof the following new sentence: 'The terms "total loss" and "loss" as used in this section mean the amounts by which the total allocated costs incurred by the postal establishment in the performance of the public services enumerated in this subsection exceed the total revenues received by the postal establishment for the performance of such public services.'

"(c) Section 2303(b) of title 39, United States Code, is amended to read as follows:

" '(b) The Postmaster General shall report to the Congress, on or before February 1 of each year beginning with the year 1963, the estimated amount of the losses or costs (or percentage of costs) specified in subsection (a) incurred by the postal establishment in the then current fiscal year in the performance of the public services enumerated in such subsection. The aggregate amount of the losses or costs (or percentage of costs) specified in subsection (a), incurred by the postal establishment in any fiscal year in the performance of such public services, shall be excluded from the total cost of operating the postal establishment for purposes of adjustment of postal rates and fees, including any adjustment pursuant to the provisions of section 207(b) of the Act of February 28, 1925, relating to reformation of classification (39 U.S.C., 1958 ed. 247).'

"(d) The table of contents of chapter 27 of title 39, United States Code, is amended by striking out

" '2303. Identification of and appropriations for public services.'

and inserting in lieu thereof:

" '2303. Identification of public services and costs thereof.'.

"Title III—Miscellaneous

"Eligibility of certain organizations for second-class entry

"SEC. 301. Section 4355(a) of title 39, United States Code, is amended—

"(1) by inserting after the words 'State board of health' in subparagraph (3) a comma and the words 'or a State industrial development agency';

"(2) by striking out the period at the end of subparagraph (9) and inserting in lieu of such period a semicolon and the word 'or'; and

"(3) by adding at the end thereof the following new subparagraph (10):

" '(10) published by any public or nonprofit private elementary or secondary institution of learning or its administrative or governing body.'.

"Educational materials

"SEC. 302. Section 4554 of title 39, United States Code, is amended—

"(1) by striking out paragraph (5) of subsection (a) and inserting in lieu thereof the following:

" '(5) sound recordings, including incidental announcements of recordings and guides or scripts prepared solely for use with such recordings;';

"(2) by striking out the period at the end of paragraph (6) of subsection (a) and inserting in lieu thereof a semicolon;

"(3) by adding at the end of subsection (a) the following:

" '(7) printed educational reference charts, permanently processed for preservation; and

" '(8) looseleaf pages, and binders, therefor, consisting of medical information for distribution to doctors, hospitals, medical schools, and medical students.'

"(4) by striking out the word 'students'" immediately preceding the word 'notations' in paragraph (1) of subsection (a) and in paragraph (2) of subsection (b);

"(5) by inserting after the words 'loaned or exchanged' in paragraph (1) of subsection (b) the following: '(including cooperative processing by libraries)';

"(6) by striking out:

" '(D) bound volumes of periodicals;

" '(E) phonograph recordings; and'

in paragraph (2) of subsection (b) and inserting in lieu thereof:

" '(D) periodicals, whether bound or unbound;

" '(E) sound recordings; and'; and

"(7) by striking out 'and catalog of those items' in subsection (c) and inserting in lieu thereof 'scientific or mathematical kits, instruments, or other devices and catalogs of those items, and guides or scripts prepared solely for use with such materials'.

"Reading and other materials for blind persons

"SEC. 303. Sections 4653 and 4654 of title 39, United States Code, are amended to read as follows:

" '§ 4653. Publications for blind persons

" '(a) The following matter may be mailed free of postage—

" '(1) books, pamphlets, and other reading matter, including pages thereof:

" '(A) published (whether prepared by hand, or printed) either in raised characters or in sightsaving-size type, or in the form of sound recordings, for use of blind persons;

" '(B) in packages not exceeding the weight prescribed by the Postmaster General;

" '(C) containing no advertising or other matter whatsoever;

"'(D) unsealed;

"'(E) sent—

"'(i) by an institution, agency, publisher, organization, or association (including a library or school and including organizations or associations of or for blind people), not conducted for private profit, as a loan to blind readers, or when returned by the blind reader to the lender; or

"'(ii) to a blind person without cost to the blind person; or

"'(iii) to an institution, agency, publisher, organization, or association (including a library or school and including organizations or associations of or for blind people), not conducted for private profit, to be furnished to a blind person without cost to such blind person.

"'(2) magazines, periodicals, and other regularly issued publications:

"'(A) published (whether prepared by hand, or printed) either in raised characters or in sightsaving-size type, or in the form of sound recordings, for use of blind persons;

"'(B) containing no advertising;

"'(C) for which no subscription fee is charged.

"'(b) There may be mailed at the rate of postage of 1 cent for each pound or fraction thereof—

"'(1) books, pamphlets, and other reading matter, including pages thereof:

"'(A) published (whether prepared by hand, or printed) either in raised characters or in sightsaving-size type, or in the form of sound recordings, for use of blind persons;

"'(B) in packages not exceeding the weight prescribed by the Postmaster General;

"'(C) containing no advertising or other matter whatsoever;

"'(D) unsealed;

"'(E) sent—

"'(i) by an institution, agency, publisher, organization, or association (including a library or school and including organizations or associations of or for blind people), not conducted for private profit, on a rental basis to blind readers, or when returned by the blind reader to such organizations, at a price not greater than the cost price thereof; or

"'(ii) to a blind person at a price not greater than the cost price thereof; or

"'(iii) to an institution, agency, publisher, organization, or association (including a library or school and including organizations or associations of or for blind people), not conducted for private profit, to be furnished to a blind person at a price not greater than the cost price thereof.

"'(2) magazines, periodicals, and other regularly issued publications:

"'(A) published (whether prepared by hand, or printed) either in raised characters or in sightsaving-size type, or in the form of sound recordings, for use of blind persons;

"'(B) containing no advertising;

"'(C) when furnished by an institution, agency, publisher, organization, or association (including a library or school and including organizations or associations of or for blind people), not conducted for private profit, to a blind person, at a price not greater than the cost price thereof.

"'§ 4654. Reproducers, sound recordings, and other materials and appliances for the preparation of reading matter for blind persons

"'(a) Reproducers, or parts thereof, for sound recordings for blind persons which are the property of the United States Government may be mailed free of postage when sent for repair, or returned after repair—

"'(1) by an organization, institution, public library, or association for blind persons, not conducted for private profit;

"'(2) by a blind person to such an agency not conducted for private profit;

"'(3) from such an agency to an organization, institution, public library, or association for blind persons not conducted for private profit; or

"'(4) to a blind person.

"'(b) The Postmaster General may extend the free mailing privilege provided by subsection (a) of this section to reproducers or parts thereof for sound recordings for blind persons, braille writers and other appliances for blind persons or parts thereof, that are the property of—

"'(1) State governments or subdivisions thereof;

"'(2) public libraries;

"'(3) private agencies for the blind not conducted for private profit; or

"'(4) blind individuals.

"'(c) The Postmaster General may also permit the mailing free of postage of paper, records, tapes, and other materials for use by the recipients for the production (whether by hand or printed) of reading matter either in raised characters or sightsaving-size type, or in the form of sound recordings, for use of blind persons, where such materials are the property of—

"'(1) State governments or subdivisions thereof;

"'(2) public libraries;

"'(3) private agencies for the blind not conducted for private profit; or

"'(4) blind individuals.'

"Repeals and technical amendments

"SEC. 304. (a) The following provisions of law are repealed:

"(1) The third proviso in section 3 of the Act of October 30, 1951, as amended by the Act of June 23, 1959 (73 Stat. 89; Public Law 86–56);

"(2) Sections 204(d), 204(e)(1), and 204(e)(2) of the Postal Rate Revision and Federal Employees Salary Act of 1948, as amended by the Act of July 14, 1960 (74 Stat. 479; Public Law 86–644);

"(3) Sections 4361 and 4652 of title 39, United States Code.

"(b) Section 4359(a) of title 39, United States Code, is amended by striking out '4358, 4361, and 4362' and inserting in lieu thereof '4358 and 4362'.

"(c) Section 4451(d) of title 39, United States Code, is amended by striking out '(a)(2)' and inserting in lieu thereof '(a)(3)'.

"Communist political propaganda

"SEC. 305. (a) Chapter 51 of title 39, United States Code, is amended by adding at the end thereof the following new section:

"'§ 4008. Communist political propaganda

"'(a) Mail matter, except sealed letters, which originates or which is printed or otherwise prepared in a foreign country and which is determined by the Secretary of the Treasury pursuant to rules and regulations to be promulgated by him to be "communist political propaganda", shall be detained by the Postmaster General upon its arrival for delivery in the United States, or upon its subsequent deposit in the United States domestic mails, and the addressee shall be notified that such matter has been received and will be delivered only upon the addressee's request, except that such detention shall not be required in the case of any matter which is furnished pursuant to subscription or which is otherwise ascertained by the Postmaster General to be desired by the addressee. If no request for delivery is made by the addressee within a reasonable time, which shall not exceed sixty days, the matter detained shall be disposed of as the Postmaster General directs.

"'(b) For the purposes of this section, the term "communist political propaganda" means political propaganda, as defined in section 1(j) of the Foreign Agents Registration Act of 1938, as amended (22 U.S.C. 611(j)), issued by or on behalf of any country with respect to which there is in effect a suspension or withdrawal of tariff concessions pursuant to section 5 of the Trade Agreements Extension Act of 1951 or section 231 of the Trade Expansion Act of 1962, or any country from which any type of foreign assistance is withheld pursuant to section 620(f) of the Foreign Assistance Act of 1961, as amended.

"'(c) The provisions of this section shall not be applicable with respect to (1) matter addressed to any United States Government agency, or any public library, or to any college, university, graduate school, or scientific or professional institution for advanced studies, or any official thereof, or (2) material whether or not "communist political propaganda" addressed for delivery in the United States pursuant to a reciprocal cultural international agreement under which the United States Government mails an equal amount of material for delivery in any country described in subsection (b).'

"(b) The table of contents of chapter 51 of title 39, United States Code, is amended by adding at the end thereof the following:

"'4008. Communist political propaganda.'

"Effective date

"SEC. 306. Except as otherwise provided, the foregoing provisions of this part shall become effective on January 7, 1963.

"Notice with respect to obscene matter distributed by mail and detention thereof

"SEC. 307. In order to alert the recipients of mail and the general public to the fact that large quantities of obscene, lewd, lascivious, and indecent matter are being introduced into this country from abroad and disseminated in the United States by means of the United States mails, the Postmaster General shall publicize such fact (1) by appropriate notices posted in post offices, and (2) by notifying recipients of mail, whenever he deems it appropriate in order to carry out the purposes of this section, that the United States mails may contain such obscene, lewd, lascivious, or indecent matter. Any person may file a written request with his local post office to detain obscene, lewd, lascivious, or indecent matter addressed to him, and the Postmaster General shall detain and dispose of such matter for such period as the request is in effect. The Postmaster General shall permit the return of mail containing obscene, lewd, lascivious, or indecent matter, to local post offices, without cost to the recipient thereof. Nothing in this section shall be deemed to authorize the Postmaster General to open, inspect, or censor any mail except on specific request by the addressee thereof. The Postmaster General is authorized to prescribe such regulations as he may deem appropriate to carry out the purposes of this section.

"PART II—FEDERAL SALARY REFORM

"Title I—General Policy

"Short title

"SEC. 501. This part may be cited as the 'Federal Salary Reform Act of 1962'.

"Declaration of policy

"SEC. 502. The Congress hereby declares that, whereas the functions of a Federal salary system are to fix salary rates for the services rendered by Federal employees so as to make possible the employment of persons well qualified to conduct the Government's programs and to control expenditures of public funds for personal services with equity to the employee and to the taxpayer, and whereas fulfillment of these functions is essential to the development and maintenance of maximum proficiency in the civilian services of Government, then, accordingly, Federal salary fixing shall be based upon the principles that—

"(a) There shall be equal pay for substantially equal work, and pay distinctions shall be maintained in keeping with work and performance distinctions; and "(b) Federal salary rates shall be comparable with private enterprise salary rates for the same levels of work.

Salary levels for the several Federal statutory salary systems shall be interrelated, and salary levels shall be set and henceforth adjusted in accordance with the above principles.

"IMPLEMENTATION OF POLICY

"SEC. 503. In order to give effect to the policy stated in section 502, the President: (1) shall direct such agency or agencies, as he deems appropriate, to prepare and submit to him annually a report which compares the rates of salary fixed by statute for Federal employees with the rates of salary paid for the same levels of work in private enterprise as determined on the basis of appropriate annual surveys conducted by the Bureau of Labor Statistics, and, after seeking the views of such employee organizations as he deems appropriate and in such manner as he may provide, (2) shall report annually to the Congress (a) this comparison of Federal and private enterprise salary rates and (b) such recommendations for revision of statutory salary schedules, salary structures, and compensation policy, as he deems advisable.

"SEC. 504. (a) Whenever the President shall find that the salary rates in private enterprise for one or more occupations in one or more areas or locations are so substantially above the salary rates of statutory pay schedules as to handicap significantly the Government's recruitment or retention of well-qualified persons in positions compensated under (1) section 603(b) of the Classification Act of 1949, as amended (5 U.S.C. 1113 (b)), (2) the provisions of part III of title 39, United States Code, relating to personnel in the postal field service, (3) the pay scales for physicians, dentists, and nurses in the Department of Medicine and Surgery of the Veterans' Administration under chapter 73 of title 38, United States Code, or (4) sections 412 and 415 of the Foreign Service Act of 1946, as amended (22 U.S.C. 867 and 870), he may establish for such areas or locations higher minimum rates of basic compensation for one or more grades or levels, occupational groups, series, classes, or subdivisions thereof, and may make corresponding increases in all step rates of the salary range for each such grade or level: *Provided*, That in no case shall any minimum salary rate so established exceed the seventh salary rate prescribed by law for the grade or level. The President may authorize the exercise of the authority conferred upon him by this section by the Civil Service Commission or, in the case of employees not subject to the civil service laws and regulations, by such other agency or agencies as he may designate.

"(b) Within the limitations specified in subsection (a), rates of basic compensation established under such subsection may be revised from time to time by the President or by such agency or agencies as he may designate. Such actions or revisions shall have the force and effect of law.

"(c) Any increase in rate of basic compensation established under this section shall not be regarded as an 'equivalent increase' in compensation within the meaning of section 701(a) of the Classification Act of 1949, as amended, and section 3552 of title 39 of the United States Code.

"SEC. 505. The functions, duties, and regulations of the departments and the Civil Service Commission with respect to this title, the Classification Act of 1949, as amended, the provisions of part III of title 39, United States Code, relating to personnel in the postal field service, the Foreign Service Act of 1946, as amended, and the provisions of chapter 73 of title 38 of the United States Code relating to personnel of the Department of Medicine and Surgery in the Veterans' Administration, shall be subject to such policies and rules as the President may issue. Among other things, the President's policies and rules may provide for—

"(1) preparing and reporting to him the annual comparison of Federal salary rates with private enterprise rates,

"(2) obtaining and reporting to him the views of employee organizations on such annual comparison, and on other salary matters,

"(3) reviewing and reporting to him on the adequacy of the Federal statutory salary structures for the Federal programs to which they apply,

"(4) reviewing the relationship of Federal statutory salary rates and private enterprise salary rates in specific occupation and local areas, and

"(5) providing step-increases in recognition of high quality performance and providing for properly relating supervisory salary rates paid under one system to those of subordinates paid under another system.

"Title II—Pay System of the Classification Act of 1949

"Short title

"SEC. 601. This title may be cited as the 'Classification Act Amendments of 1962'.

"Basic compensation schedules

"SEC. 602. (a) Section 603(b) of the Classification Act of 1949, as amended (74 Stat. 298; 5 U.S.C. 1113(b)), is amended to read as follows:

"'(b) The compensation schedules for the General Schedule shall be as follows:

"'COMPENSATION SCHEDULE I

"'(To be effective for the period beginning on the first day of the first pay period beginning on or after the date of enactment of this Act, and ending immediately prior to the applicable initial effective date of Compensation Schedule II set forth below)

"'Grade	Per annum rates and steps									
	1	2	3	4	5	6	7	8	9	10
GS-1	$3,245	$3,350	$3,455	$3,560	$3,665	$3,770	$3,875	$3,980	$4,085	$4,190
GS-2	3,560	3,665	3,770	3,875	3,980	4,085	4,190	4,295	4,400	4,505
GS-3	3,820	3,925	4,030	4,135	4,240	4,345	4,455	4,580	4,705	4,830
GS-4	4,110	4,250	4,390	4,530	4,670	4,810	4,950	5,090	5,230	5,370
GS-5	4,565	4,725	4,885	5,045	5,205	5,365	5,525	5,685	5,845	6,005
GS-6	5,035	5,205	5,375	5,545	5,715	5,885	6,055	6,225	6,395	6,565
GS-7	5,540	5,725	5,910	6,095	6,280	6,465	6,650	6,835	7,020	7,205
GS-8	6,090	6,295	6,500	6,705	6,910	7,115	7,320	7,525	7,730	7,935
GS-9	6,675	6,900	7,125	7,350	7,575	7,800	8,025	8,250	8,475	8,700
GS-10	7,290	7,535	7,780	8,025	8,270	8,515	8,760	9,005	9,250	9,495
GS-11	8,045	8,310	8,575	8,840	9,105	9,370	9,635	9,900	10,165	-------
GS-12	9,475	9,790	10,105	10,420	10,735	11,050	11,365	11,680	11,995	-------
GS-13	11,150	11,515	11,880	12,245	12,610	12,975	13,340	13,705	14,070	-------
GS-14	12,845	13,270	13,695	14,120	14,545	14,970	15,395	15,820	16,245	-------
GS-15	14,565	15,045	15,525	16,005	16,485	16,965	17,445	17,925	-------	-------
GS-16	16,000	16,500	17,000	17,500	18,000	-------	-------	-------	-------	-------
GS-17	18,000	18,500	19,000	19,500	20,000	-------	-------	-------	-------	-------
GS-18	20,000	-------	-------	-------	-------	-------	-------	-------	-------	-------

"'COMPENSATION SCHEDULE II

"'(To be effective on the first day of the first pay period beginning on or after January 1, 1964, and thereafter)

"'Grade	Per annum rates and steps									
	1	2	3	4	5	6	7	8	9	10
GS-1	$3,305	$3,410	$3,515	$3,620	$3,725	$3,830	$3,935	$4,040	$4,145	$4,250
GS-2	3,620	3,725	3,830	3,935	4,040	4,145	4,250	4,355	4,460	4,565
GS-3	3,880	3,985	4,090	4,195	4,300	4,405	4,525	4,650	4,775	4,900
GS-4	4,215	4,355	4,495	4,635	4,775	4,915	5,055	5,195	5,335	5,475
GS-5	4,690	4,850	5,010	5,170	5,330	5,490	5,650	5,810	5,970	6,130
GS-6	5,225	5,410	5,585	5,760	5,935	6,110	6,285	6,460	6,635	6,810
GS-7	5,795	5,990	6,185	6,380	6,575	6,770	6,965	7,160	7,355	7,550
GS-8	6,390	6,600	6,810	7,020	7,230	7,440	7,650	7,860	8,070	8,280
GS-9	7,030	7,260	7,490	7,720	7,950	8,180	8,410	8,640	8,870	9,100
GS-10	7,690	7,945	8,200	8,455	8,710	8,965	9,220	9,475	9,730	9,985
GS-11	8,410	8,690	8,970	9,250	9,530	9,810	10,090	10,370	10,650	-------
GS-12	9,980	10,310	10,640	10,970	11,300	11,630	11,960	12,290	12,620	-------
GS-13	11,725	12,110	12,495	12,880	13,265	13,650	14,035	14,420	14,805	-------
GS-14	13,615	14,065	14,515	14,965	15,415	15,865	16,315	16,765	17,215	-------
GS-15	15,665	16,180	16,695	17,210	17,725	18,240	18,755	19,270	-------	-------
GS-16	16,000	16,500	17,000	17,500	18,000	-------	-------	-------	-------	-------
GS-17	18,000	18,500	19,000	19,500	20,000	-------	-------	-------	-------	-------
GS-18	20,000	-------	-------	-------	-------	-------	-------	-------	-------	-------'.

"(b) The rates of basic compensation of officers and employees to whom Compensation Schedule I of the General Schedule set forth in subsection (a) of this section applies shall, subject to the provisions of paragraph (10) of this subsection, be initially adjusted, effective on the first day of the first pay period beginning on or after the date of enactment of this Act, as follows:

"(1) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which begins on or after the date of enactment of this Act at the first, second, third, fourth, fifth, sixth, or seventh scheduled rate, or at the first or second longevity rate of a grade below grade 4 of the General Schedule of the Classification Act of 1949, as amended, he shall be advanced as follows: Employees in step 1 to step 2 of the new schedule; step 2 to step 3; step 3 to step 4; step 4 to step 5; step 5 to step 6; step 6 to step 7; step 7 to step 8; the first longevity step to step 9; and the second longevity step to step 10.

"(2) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which begins on or after the date of enactment of this Act at the third longevity rate of a grade below grade 4 of the General Schedule of the Classification Act of 1949, as amended, he shall receive basic compensation at the highest rate of the appropriate grade plus an amount equal to the value of the maximum within grade increment provided for that grade in effect on and after such day.

"(3) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which begins on or after the date of enactment of this Act at the first, second, third, fourth, fifth, sixth, or seventh scheduled rate, or at the first, second, or third longevity rate, of grade 4, 5, 6, 7, 8, 9, or 10 of the General Schedule of the Classification Act of 1949, as amended, he shall receive a rate of basic compensation at the corresponding first, second, third, fourth, fifth, sixth, seventh, eighth, ninth, or tenth rate of the appropriate grade in effect on and after such day.

"(4) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which begins on or after the date of enactment of this Act at the first, second, third, fourth, fifth, or sixth scheduled rate, or at the first, second, or third longevity rate of grade 11, 12, 13, or 14 of the General Schedule of the Classification Act of 1949, as amended, he shall receive a rate of basic compensation at the corresponding first, second, third, fourth, fifth, sixth, seventh, eighth, or ninth rate of the appropriate grade in effect on and after such day.

"(5) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which begins on or after the date of enactment of this Act at the first, second, third, fourth, or fifth scheduled rate, or at the first, second, or third longevity rate of grade 15 of the General Schedule of the Classification Act of 1949, as amended, he shall receive a rate of basic compensation at the corresponding first, second, third, fourth, fifth, sixth, seventh, or eighth rate of such grade in effect on and after such day.

"(6) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period, which begins on or after the date of enactment of this Act at the first, second, third, fourth, or fifth rate of grade 16 or grade 17 of the General Schedule of the Classification Act of 1949, as amended, he shall receive a rate of basic compensation at the corresponding first, second, third, fourth, or fifth rate of the appropriate grade in effect on and after such day.

"(7) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which begins on or after the date of enactment of this Act at the rate of grade 18 of the General Schedule of the Classification Act of 1949, as amended, he shall receive a rate of basic compensation at the corresponding rate of such grade in effect on and after such day.

"(8) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which begins on or after the date of enactment of this Act at a rate between two scheduled or two longevity rates, or between a scheduled and a longevity rate, of a grade of the General Schedule, he shall receive a rate of basic compensation at the higher of the two corresponding rates, as specified in paragraphs (1) through (6) of this subsection, in effect on and after such day.

"(9) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which begins on or after the date of enactment of this Act at a rate in excess of the maximum longevity rate for his grade, or in excess of the maximum scheduled rate for his grade if there is no longevity rate for his grade, he shall receive (A) the rate of the new schedule, in effect on and after such day, prescribed by paragraphs (1) through (6) of this subsection for employees at the maximum longevity rate or at the maximum scheduled rate, as the case may be, for his grade, or (B) if such rate is less than his existing rate, (i) the lowest rate of the new schedule for his grade which equals or exceeds his existing rate or (ii) if there is no such rate, his existing rate.

"(10) Service of officers and employees performed immediately preceding the first day of the first pay period which begins on or after the date of enactment of this Act, in the grade of the General Schedule in which their respective positions were placed on such day, shall be counted toward not to exceed one step increase under the time in grade provisions of subsection (a) of section 701 of the Classification Act of 1949 as amended by this Act.

"(11) If the officer or employee, immediately prior to the first day of the first pay period which began on or after the date of enactment of this Act, is receiving, pursuant to paragraph (4) of section 2(b) of the Federal Employees Salary Increase Act of 1955, an existing aggregate rate of compensation determined under section 208(b) of the Act of September 1, 1954 (68 Stat. 1111; Public Law 763, Eighty-third Congress), plus the amount of the increase provided by section 2 of the Federal Employees Salary Increase Act of 1955, by section 2 of the Federal Employees Salary Increase Act of 1958, and by section 112 of the Federal Employees Salary Increase Act of 1960, he shall receive an aggregate rate of compensation equal to the sum of (A) his existing aggregate rate of compensation determined under such section 208(b) of the Act of September 1, 1954, (B) the amount of the increase provided by section 2 of the Federal Employees Salary Increase Act of 1955, (C) the amount of the increase provided by section 2 of the Federal Employees Salary Increase Act of 1958, (D) the amount of the increase provided by section 112 of the Federal Employees Salary Increase Act of 1960, and (E) the amount of the increase made by this section in the maximum rate of his grade, until (i) he leaves his position, or (ii) he is entitled to receive aggregate compensation at a higher rate by reason of the operation of this Act or any other provision of law; but, when such position becomes vacant, the aggregate rate of compensation of any subsequent appointee thereto shall be fixed in accordance with applicable provisions of law. Subject to clauses (i) and (ii) of the immediately preceding sentence of this paragraph, the amount of the increase provided by this section shall be held and considered for the purpose of section 208(b) of such Act of September 1, 1954, to constitute a part of the existing rate of compensation of such employee.

"(c) The rates of basic compensation of officers and employees to whom Compensation Schedule II of the General Schedule set forth in subsection (a) of this section applies shall be initially adjusted, effective as of the first day of the first pay period beginning on or after January 1, 1964, as follows:

"(1) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which begins on or after January 1, 1964, at one of the rates of a grade in the General Schedule of the Classification Act of 1949, as amended, he shall receive a rate of basic compensation at the corresponding rate in effect on and after such date.

"(2) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which begins on or after January 1, 1964, at a rate between two rates of a grade in the General Schedule of the Classification Act of 1949, as amended, he shall receive a rate of basic compensation at the higher of the two corresponding rates in effect on and after such date.

"(3) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which begins on or after January 1, 1964, at a rate in excess of the maximum rate for his grade, as in effect on and after such date, he shall receive (A) the rate of the new schedule prescribed for employees at the maximum rate for his grade, or (B) his existing rate of basic compensation if such existing rate is higher.

"(4) If the officer or employee, immediately prior to the first day of the first pay period which begins on or after January 1, 1964, is receiving, pursuant to paragraph (4) of section 2(b) of the Federal Employees Salary Increase Act of 1955, an existing aggregate rate of compensation determined under section 208(b) of the Act of September 1, 1954 (68 Stat. 1111; Public Law 763, Eighty-third Congress), plus the amount of the increase provided by section 2 of the Federal Employees Salary Increase Act of 1955, by section 2 of the Federal Employees Salary Increase Act of 1958, and by section 112 of the Federal Employees Salary Increase Act of 1960, and the amount of the initial increase provided by this section, he shall receive an aggregate rate of compensation equal to the sum of (A) his existing aggregate rate of compensation determined under such section 208(b) of the Act of September 1, 1954, (B) the amount of the increase provided by section 2 of the Federal Employees Salary Increase Act of 1955, (C) the amount of the increase provided by section 2 of the Federal Employees Salary Increase Act of 1958, (D) the amount of the increase provided by section 112 of the Federal Employees Salary Increase Act of 1960, and (E) the amount of the increase made by this section in the maximum rate of his grade, until (i) he leaves his position, or (ii) he is entitled to receive aggregate compensation at a higher rate by reason of the operation of this Act or any other provision of law; but, when such position becomes vacant, the aggregate rate of compensation of any subsequent appointee thereto shall be fixed in accordance with applicable provisions of law. Subject to clauses (i) and (ii) of the immediately preceding sentence of this paragraph, the amount of the increase provided by this section shall be held and considered for the purpose of section 208(b) of such Act of September 1, 1954, to constitute a part of the existing rate of compensation of such employee.

"Step-increases

"SEC. 603. Title VII of the Classification Act of 1949, as amended (5 U.S.C. 1121–1125), relating to step-increases under such Act, is amended to read as follows:

" 'TITLE VII—STEP-INCREASES

" 'SEC. 701. (a) Each officer or employee compensated on a per annum basis, and occupying a permanent position within the scope of the compensation schedules fixed by this Act, who has not attained the maximum rate of compensation for the grade in which his position is placed, shall be advanced in compensation successively to the next higher rate within the grade at the beginning of the next pay period following the completion of (1) each fifty-two calendar weeks of service in salary rates 1, 2, and 3, or (2) each one hundred and four calendar weeks of service in salary rates 4, 5, and 6, or (3) each one hundred and fifty-six calendar weeks of service in salary rates 7, 8, and 9, subject to the following conditions:

" '(A) That no equivalent increase in compensation from any cause was received during such period;

" '(B) That his work is of an acceptable level of competence as determined by the head of the department; and

" '(C) That the benefit of successive step-increases shall be preserved, under regulations issued by the Commission, for officers and employees whose continuous service is interrupted in the public interest by service with the Armed Forces or by service in essential non-Government civilian employment during a period of war or national emergency.

" '(b) Any increase in compensation granted by law shall not be construed to be an equivalent increase in compensation within the meaning of subsection (a).

" 'SEC. 702. (a) Within the limit of available appropriations and in accordance with regulations prescribed by the Commission, the head of each department is authorized to grant additional step-increases in recognition of high quality performance above that ordinarily found in the type of position concerned. Step-increases under this section shall be in addition to those under section

701 and shall not be construed to be an equivalent increase in compensation within the meaning of subsection (a) of section 701.

"'(b) No officer or employee shall be eligible under this section for more than one such additional step-increase within any period of fifty-two weeks.

"'SEC. 703. This title shall not apply to the compensation of persons appointed by the President, by and with the advice and consent of the Senate.'

"General compensation rules

"SEC. 604. (a) Section 802(b) of the Classification Act of 1949, as amended (5 U.S.C. 1132(b)), relating to the salary to be received by an officer or employee who is promoted or transferred to a higher grade, is amended to read as follows:

"'(b) Any officer or employee who is promoted or transferred to a position in a higher grade shall receive basic compensation at the lowest rate of such higher grade which exceeds his existing rate of basic compensation by not less than two step-increases of the grade from which he is promoted or transferred. If, in the case of any officer or employee so promoted or transferred who is receiving basic compensation at a rate in excess of the maximum rate for his grade under any provision of law, there is no rate in such higher grade which is at least two step-increases above his existing rate of basic compensation, he shall receive (1) the maximum rate of such higher grade, or (2) his existing rate of basic compensation, if such existing rate is the higher. In case any such officer or employee so promoted or transferred is receiving basic compensation at a rate saved to him under section 507 of this Act upon reduction in grade, such officer or employee shall receive (A) basic compensation at a rate two steps above the rate which he would be receiving if such section 507 were not applicable in his case, or (B) his existing rate of basic compensation, if such existing rate is the higher.'

"(b) Section 802 of such Act is amended by adding at the end thereof a new subsection to read as follows:

"'(d) The Commission may issue regulations governing the retention of the rate of basic compensation of an employee who together with his position is brought under this Act. If any such employee so entitled to receive a retained rate under regulations issued pursuant to this subsection is later demoted to a position under this Act, his rate of basic compensation shall be determined in accordance with section 507 of this Act, except that service in the position which was brought under the Act shall, for purposes of section 507, be considered as service under this Act.'.

"(c) Section 803 of the Classification Act of 1949, as amended (5 U.S.C. 1133), is amended to read as follows:

"'SEC. 803. Each employee in a position under this Act, who regularly has responsibility for supervision (including supervision over the technical aspects of the work concerned) over employees whose compensation is fixed and adjusted from time to time by wage boards or similar administrative authorities as nearly as is consistent with the public interest in accordance with prevailing rates, may, in accordance with regulations issued by the Commission, be paid at one of the scheduled rates for his grade which is above the highest rate of basic compensation being paid to any such prevailing-rate employee regularly supervised, or at the maximum rate for his grade, as provided for in such regulations.'.

"Salary retention

"SEC. 605. Section 507 of the Classification Act of 1949, as amended (72 Stat. 830; 5 U.S.C. 1107), is amended—

"(1) by striking out '(other than grade 16, 17, or 18 of the General Schedule)' in paragraph (1) of subsection (a) of such section; and

"(2) by striking out '(B) in the same grade or in the same and higher grades;' in paragraph (4) of subsection (a) of such section; and by inserting in lieu thereof '(B) in any grade or grades higher than the grade to which demoted;'.

"Top grade positions under classification act of 1949

"SEC. 606. (a) Section 505(b) of the Classification Act of 1949, as amended (5 U.S.C. 1105(b)), relating to the limitation on numbers of positions in grades 16, 17, and 18 of the General Schedule of such Act, is amended by striking out 'not to exceed an aggregate of nineteen hundred and eighty-nine' and substituting in lieu thereof 'not to exceed an aggregate of twenty-four hundred, in addition to any professional engineering positions primarily concerned with research and development and professional positions in the physical and natural sciences and medicine which may be placed in such grades'.

"(b) Section 505(j) of such Act is amended by inserting after the word 'positions' the following: '(in addition to any professional engineering positions primarily concerned with research and development and professional positions in the physical and natural sciences and medicine which may be placed in such grades)'.

"(c) Section 505 of such Act is further amended by inserting after subsection (j) the following new subsections:

"'(k) The Attorney General is authorized, without regard to any other provision of this section, to place a total of ten positions of Warden in the Bureau of Prisons in grade 16 of the General Schedule. Such positions shall be in addition to the number of positions authorized to be placed in such grade by subsection (b).

"'(l) The Attorney General is authorized, without regard to any other provision of this section, to place a total of eight positions of Member of the Board of Parole in grade 17 of the General Schedule. Such positions shall be in addition to the number of positions authorized to be placed in such grade by subsection (b).'

"Conforming changes in existing law

"SEC. 607. (a) The following provisions of law are hereby repealed:

"(1) Section 104 of the Department of Commerce and Related Agencies Appropriation Act, 1956 (69 Stat. 234; 5 U.S.C. 592(d)), authorizing grade 17 of the General Schedule of the Classification Act of 1949 for the position of Budget Officer of the Department of Commerce so long as the position is held by the present incumbent.

"(2) Section 206 of the Public Works Appropriation Act, 1956 (69 Stat. 360; 5 U.S.C. 483–2), authorizing the Secretary of the Interior to place the position of Director, Division of Budget and Finance, in grade 17 of the General Schedule established by the Classification Act of 1949 so long as the position is held by the present incumbent.

"(3) The second paragraph under the heading 'Administrative Provisions' in title III of the Public Works Appropriation Act, 1956 (69 Stat. 364; 10 U.S.C. 1335, note), authorizing the Chief of Engineers to place the position of Chief of the Programs Branch, Office of the Assistant Chief of Engineers for Civil Works, in grade 17 of the General Schedule established by the Classification Act of 1949 so long as the position is held by the present incumbent.

"(4) Section 24(d) of the Area Redevelopment Act (75 Stat. 62; 42 U.S.C. 2521(d)), authorizing five positions in grades 16, 17, and 18 of the General Schedule established by the Classification Act of 1949 for agencies performing functions under that Act.

"(5) The fourth sentence of section 3(a) of the Fish and Wildlife Act of 1956 (70 Stat. 1120; 16 U.S.C. 742c(a)), relating to the annual salary of the Commissioner of Fish and Wildlife in the Department of the Interior, which reads: 'He shall receive compensation at the same rate as that provided for grade GS–18.'.

"(6) That part of section 207 of the Agricultural Act of 1956 (70 Stat. 200; 7 U.S.C. 1857), relating to the annual salary of an agricultural surplus disposal administrator in the Department of Agriculture, which reads: ', at a salary rate of not exceeding $15,000 per annum,'.

"(7) Section 1102 of the Classification Act of 1949, as amended (63 Stat. 971; 5 U.S.C. 1073), relating to the submission of reports with respect to the rates of compensation under, and the administration of, such Act.

"(b) The second proviso of the paragraph under the heading 'FEDERAL PRISON SYSTEM' and under the subheading 'SALARIES AND EXPENSES, BUREAU OF PRISONS' in title II (the Department of Justice Appropriation Act, 1956) of the Departments of State and Justice, the Judiciary, and Related Agencies Appropriations Act, 1956 (69 Stat. 273; Public Law 133, Eighty-fourth Congress; 5 U.S.C. 298a) is amended by striking out 'three positions' and inserting in lieu thereof 'one position'.

"SEC. 608. (a) Each position specifically referred to in, or covered by, any repeal made by section 607(a) of this title shall be placed in the appropriate grade of the General Schedule of the Classification Act of 1949, as amended, in accordance with the provisions of such Act.

"(b) Positions in grade 16, 17, or 18, as the case may be, of the General Schedule of the Classification Act of 1949, as amended, immediately prior to the effective date of this section, shall remain, on and after such effective date, in their respective grades, until appropriate action is taken under section 505 of the Classification Act of 1949 as in effect on and after such effective date.

"SEC. 609. (a) The changes in existing law made by this title shall not affect any position existing immediately prior to the effective date of any such changes in existing law, the compensation attached to such position, and any incumbent thereof, his appointment thereto, and his entitlement to receive the compensation attached thereto, until appropriate action is taken in accordance with this title.

"(b) The incumbent of each such position immediately prior to the effective date of this title shall continue to receive the rate of basic compensation which he was receiving immediately prior to such effective date until he leaves such position or until he is entitled to receive compensation at a higher rate in accordance with law. When such incumbent leaves such position, the rate of basic compensation of each subsequent appointee to such position shall be determined in accordance with the Classification Act of 1949, as amended.

"Effective dates

"SEC. 610. Except as otherwise expressly provided in this title, the provisions of this title shall become effective on the first day of the first pay period which begins on or after the date of enactment of this Act.

"Title III—Postal Field Service Employees

"Short title

"SEC. 701. This title may be cited as the 'Postal Employees Salary Adjustment Act of 1962'.

"Postal Field Service Schedules

"SEC. 702. Subsection (a) of section 3542 of title 39, United States Code, is amended to read as follows:

"'(a) There are established basic compensation schedules for positions in the postal field service which shall be known as the Postal Field Service Schedules and for which the symbol shall be "PFS". Each such schedule shall be in effect for the period specified with respect to such schedule. Except as provided in sections 3543 and 3544 of this title, basic compensation shall be paid to all employees in accordance with these schedules.

" 'POSTAL FIELD SERVICE SCHEDULE I

" '(To be effective for the period beginning on the first day of the first pay period beginning on or after the date of enactment of this Act, and ending immediately prior to the applicable initial effective date of the second PFS schedule set forth below)

" 'PFS	Per annum rates and steps											
	1	2	3	4	5	6	7	8	9	10	11	12
1	$3,595	$3,725	$3,855	$3,985	$4,115	$4,245	$4,375	$4,505	$4,635	$4,765	$4,895	$5,025
2	3,905	4,040	4,175	4,310	4,445	4,580	4,715	4,850	4,985	5,120	5,255	5,390
3	4,230	4,375	4,520	4,665	4,810	4,955	5,100	5,245	5,390	5,535	5,680	5,825
4	4,565	4,725	4,885	5,045	5,205	5,365	5,525	5,685	5,845	6,005	6,165	6,325
5	4,965	5,130	5,295	5,460	5,625	5,790	5,955	6,120	6,285	6,450	6,615	6,780
6	5,365	5,545	5,725	5,905	6,085	6,265	6,445	6,625	6,805	6,985	7,165	7,345
7	5,805	6,000	6,195	6,390	6,585	6,780	6,975	7,170	7,365	7,560		
8	6,285	6,495	6,705	6,915	7,125	7,335	7,545	7,755	7,965	8,175		
9	6,805	7,030	7,255	7,480	7,705	7,930	8,155	8,380	8,605	8,830		
10	7,395	7,640	7,885	8,130	8,375	8,620	8,865	9,110	9,355	9,600		
11	8,045	8,310	8,575	8,840	9,105	9,370	9,635	9,900	10,165			
12	8,840	9,135	9,430	9,725	10,020	10,315	10,610	10,905	11,200			
13	9,725	10,050	10,375	10,700	11,025	11,350	11,675	12,000	12,325			
14	10,705	11,060	11,415	11,770	12,125	12,480	12,835	13,190	13,545			
15	11,780	12,170	12,560	12,950	13,340	13,730	14,120	14,510	14,900			
16	12,955	13,385	13,815	14,245	14,675	15,105	15,535	15,965				
17	14,260	14,730	15,200	15,670	16,140	16,610	17,080	17,550				
18	15,500	16,000	16,500	17,000	17,500	18,000	18,500					
19	16,750	17,250	17,750	18,250	18,750	19,250						
20	18,000	18,500	19,000	19,500								

" 'POSTAL FIELD SERVICE SCHEDULE II

" '(To be effective on the first day of the first pay period beginning on or after January 1, 1964, and thereafter)

" 'PFS	Per annum rates and steps											
	1	2	3	4	5	6	7	8	9	10	11	12
1	$3,690	$3,820	$3,950	$4,080	$4,210	$4,340	$4,470	$4,600	$4,730	$4,860	$4,990	$5,120
2	4,010	4,145	4,280	4,415	4,550	4,685	4,820	4,955	5,090	5,225	5,360	5,495
3	4,345	4,490	4,635	4,780	4,925	5,070	5,215	5,360	5,505	5,650	5,795	5,940
4	4,690	4,850	5,010	5,170	5,330	5,490	5,650	5,810	5,970	6,130	6,290	6,450
5	5,085	5,255	5,425	5,595	5,765	5,935	6,105	6,275	6,445	6,615	6,785	6,955
6	5,500	5,685	5,870	6,055	6,240	6,425	6,610	6,795	6,980	7,165	7,350	7,535
7	5,950	6,150	6,350	6,550	6,750	6,950	7,150	7,350	7,550	7,750		
8	6,440	6,655	6,870	7,085	7,300	7,515	7,730	7,945	8,160	8,375		
9	6,965	7,200	7,435	7,670	7,905	8,140	8,375	8,610	8,845	9,080		
10	7,650	7,900	8,150	8,400	8,650	8,900	9,150	9,400	9,650	9,900		
11	8,410	8,690	8,970	9,250	9,530	9,810	10,090	10,370	10,650			
12	9,270	9,575	9,880	10,185	10,490	10,795	11,100	11,405	11,710			
13	10,210	10,545	10,880	11,215	11,550	11,885	12,220	12,555	12,890			
14	11,240	11,610	11,980	12,350	12,720	13,090	13,460	13,830	14,200			
15	12,370	12,780	13,190	13,600	14,010	14,420	14,830	15,240	15,650			
16	13,625	14,075	14,525	14,975	15,425	15,875	16,325	16,775				
17	15,000	15,495	15,990	16,485	16,980	17,475	17,970	18,465				
18	15,500	16,000	16,500	17,000	17,500	18,000	18,500					
19	16,750	17,250	17,750	18,250	18,750	19,250						
20	18,000	18,500	19,000	19,500								

"Rural carrier schedules

"SEC. 703. (a) Section 3543(a) of title 39, United States Code, is amended to read as follows:

" '(a) There are established basic compensation schedules which shall be known as the Rural Carrier Schedules, and for which the symbol shall be "RCS". Each such schedule shall be in effect for the period specified with respect to such schedule.

" 'RURAL CARRIER SCHEDULE I

" '(To be effective for the period beginning on the first day of the first pay period beginning on or after the date of enactment of this Act, and ending immediately prior to the applicable initial effective date of the second RCS Schedule set forth below)

	" 'Per annum rates and steps											
	1	2	3	4	5	6	7	8	9	10	11	12
Carriers in rural delivery service:												
Fixed compensation per annum	$2,027	$2,127	$2,227	$2,327	$2,427	$2,527	$2,627	$2,727	$2,827	$2,927	$3,027	$3,127
Compensation per mile per annum for each mile up to 30 miles of route	75	77	79	81	83	85	87	89	91	93	95	97
For each mile of route over 30 miles	24	24	24	24	24	24	24	24	24	24	24	24

" 'RURAL CARRIER SCHEDULE II

" '(To be effective for the period beginning on the first day of the first pay period beginning on or after January 1, 1964, and thereafter)

	" 'Per annum rates and steps											
	1	2	3	4	5	6	7	8	9	10	11	12
Carriers in rural delivery service:												
Fixed compensation per annum	$2,080	$2,180	$2,280	$2,380	$2,480	$2,580	$2,680	$2,780	$2,880	$2,980	$3,080	$3,180
Compensation per mile per annum for each mile up to 30 miles of route	77	79	81	83	85	87	89	91	93	95	97	99
For each mile of route over 30 miles	25	25	25	25	25	25	25	25	25	25	25	25'

"(b) Section 3543(c) of title 39, United States Code, is amended to read as follows:

" '(c) The Postmaster General may pay such additional compensation as he may determine to be fair and reasonable in each individual case to rural carriers serving heavily patronized routes.'

"(c) The first sentence of section 3543(f) of title 39, United States Code, is amended to read as follows: 'In addition to the compensation provided in the Rural Carrier Schedule, each rural carrier shall be paid for equipment maintenance a sum equal to—

" '(1) 12 cents per mile for each mile or major fraction of a mile scheduled, or

" '(2) $4.20 per day, whichever is greater.'

"(d) Section 3543 of title 39, United States Code, is amended by adding thereto new subsections (i) and (j) as follows:

" '(i) Each person serving as a substitute of record on the effective date of this subsection shall be placed in step 2 of the Rural Carrier Schedule and he shall be advanced by step-increases, on the basis of time on the rolls prior to the effective date, in accordance with the schedule of step-increases provided in section 3552, except that no such person shall be so advanced to a step higher than the step to which a regular carrier with the same length of service would have advanced prior to such effective date. Thereafter, he shall be advanced by step-increases, pursuant to the provisions of sections 3552 and 3553 of this title. On and after the effective date of this subsection, each substitute rural carrier shall be paid the daily rate, based on the step attained by him, for the route on which service is performed.

" '(j) Each temporary rural carrier who, on the effective date of this subsection, is serving on a vacant route pending the appointment of a regular rural carrier shall be placed in step 2 and shall be advanced by step-increases on the basis of any prior substitute or temporary rural carrier service in accordance with the schedule of step-increases provided in section 3552.'

"Fourth Class Office Schedules

"SEC. 704. (a) Section 3544(a) of title 39, United States Code, is amended to read as follows:

" '(a) There are established basic compensation schedules which shall be known as the Fourth Class Office Schedules, and for which the symbol shall be "FOS", for postmasters in post offices of the fourth class. Each such schedule shall be in effect for the period specified with respect to such schedule. Each such schedule is based upon the gross postal receipts as contained in returns of the post office for the calendar year immediately preceding. Basic compensation shall be paid to postmasters in post offices of the fourth class in accordance with these schedules.

"(b) Section 3544(b) of title 39, United States Code, is amended to read as follows:

" '(b) The basic salary of postmasters in fourth-class post offices shall be readjusted for changes in gross receipts at the start of the first pay period after the beginning of each fiscal year. When a post office is restored to a gross receipts category held by it prior to relegation to a lower gross receipts category, the postmaster's basic salary may be adjusted to the highest salary step held by him when the post office was in the higher gross receipts category. In all other cases, in adjusting a postmaster's basic salary under this section, the basic salary shall be fixed at the lowest step which is higher than the basic salary received by the postmaster at the end of the preceding fiscal year. If there is no such step the basic salary shall be fixed at the highest step for the adjusted gross receipts of the office. Each increase in basic salary because of change in gross receipts shall be deemed the equivalent of a step-increase under section 3552 of this title and the waiting period, for purposes of advancement to the next step, shall begin on the date of adjustment.'

"'FOURTH CLASS OFFICE SCHEDULE I

"'(To be effective for the period beginning on the first day of the first pay period beginning on or after the date of enactment of this Act and ending immediately prior to the applicable initial effective date of the second FOS schedule set forth below)

"'Gross receipts	Per annum rates and steps											
	1	2	3	4	5	6	7	8	9	10	11	12
$1,300 to $1,499.99	$3,277	$3,386	$3,495	$3,604	$3,713	$3,822	$3,931	$4,040	$4,149	$4,258	$4,367	$4,476
$900 to $1,299.99	3,003	3,102	3,201	3,300	3,399	3,498	3,597	3,696	3,795	3,894	3,993	4,092
$600 to $899.99	2,457	2,540	2,623	2,706	2,789	2,872	2,955	3,038	3,121	3,204	3,287	3,370
$350 to $599.99	1,911	1,973	2,035	2,097	2,159	2,221	2,283	2,345	2,407	2,469	2,531	2,593
$250 to $349.99	1,366	1,410	1,454	1,498	1,542	1,586	1,630	1,674	1,718	1,762	1,806	1,850
$200 to $249.99	1,092	1,128	1,164	1,200	1,236	1,272	1,308	1,344	1,380	1,416	1,452	1,488
$100 to $199.99	820	846	872	898	924	950	976	1,002	1,028	1,054	1,080	1,106
Under $100	545	562	579	596	613	630	647	664	681	698	715	732

"'FOURTH CLASS SCHEDULE II

"'(To be effective on the first day of the first pay period beginning on or after January 1, 1964, and thereafter)

"'Gross receipts	Per annum rates and steps											
	1	2	3	4	5	6	7	8	9	10	11	12
$1,300 to $1,499.99	$3,426	$3,540	$3,654	$3,768	$3,882	$3,996	$4,110	$4,224	$4,338	$4,452	$4,566	$4,680
$900 to $1,299.99	3,140	3,243	3,346	3,449	3,552	3,655	3,758	3,861	3,964	4,067	4,170	4,273
$600 to $899.99	2,569	2,655	2,741	2,827	2,913	2,999	3,085	3,171	3,257	3,343	3,429	3,515
$350 to $599.99	1,998	2,063	2,128	2,193	2,258	2,323	2,388	2,453	2,518	2,583	2,648	2,713
$250 to $349.99	1,428	1,474	1,520	1,566	1,612	1,658	1,704	1,750	1,796	1,842	1,888	1,934
$200 to $249.99	1,142	1,179	1,216	1,253	1,290	1,327	1,364	1,401	1,438	1,475	1,512	1,549
$100 to $199.99	857	884	911	938	965	992	1,019	1,046	1,073	1,111	1,127	1,154
Under $100	569	588	607	626	645	664	683	702	721	740	759	778'.

"SEC. 705. Section 3552 of title 39, United States Code, is amended to read as follows:

"'§ 3552. Automatic advancement by step increases

"'(a)(1) Each employee in levels 1 through 6 of the Postal Field Service Schedule, each employee subject to the Rural Carrier Schedule, and each employee subject to the Fourth Class Office Schedule, who has not reached the highest step for his position, shall be advanced successively to the next higher step as follows:

"'(A) To steps 2, 3, 4, 5, 6, and 7—at the beginning of the first pay period following the completion of fifty-two calendar weeks of satisfactory service; and

"'(B) To steps 8 and above—at the beginning of the first pay period following the completion of one hundred and fifty-six calendar weeks of satisfactory service.

"'(2) Each employee in the postal field service in level 7 or above of the Postal Field Service Schedule, who has not reached the highest step for his position, shall be advanced successively to the next higher step, as follows:

"'(A) To steps 2, 3, and 4—at the beginning of the first pay period following the completion of fifty-two calendar weeks of satisfactory service;

"'(B) To steps 5, 6, and 7—at the beginning of the first pay period following the completion of one hundred and four calendar weeks of satisfactory service; and

"'(C) To steps 8 and above—at the beginning of the first pay period following the completion of one hundred and fifty-six calendar weeks of satisfactory service.

"'(3) The receipt of an equivalent increase during any of the waiting periods specified in this subsection shall cause a new full waiting period to commence for further step-increases.

"'(b) Any increase in basic compensation granted by law on or after the date of enactment of the Postal Employees Salary Adjustment Act of 1962, to employees in the postal field service shall not be deemed to be an equivalent increase in basic compensation within the meaning of subsection (a) of this section.

"'(c) The benefit of successive step-increases shall be preserved, under regulations prescribed by the Postmaster General, for employees whose continuous service is interrupted by service in the armed services.'

"SEC. 706. Section 3554 of title 39, United States Code, is amended to read as follows:

"'§ 3554. Compensation of certain temporary employees

"'Temporary employees hired for a continuous period of one year or less for a position in the postal field service shall be paid basic compensation at the entrance step of the position to which they are appointed.'.

"SEC. 707. Section 3559 of title 39, United States Code, is amended to read as follows:

"'§ 3559. Promotions

"'An employee who is promoted to a position in the Postal Field Service Schedule which is not more than two salary levels above the salary level of the position from which promoted shall be paid basic compensation at the lowest step of the higher salary level which exceeds his existing basic compensation by not less than two steps of the salary level from which promoted. An employee who is promoted to a position in the Postal Field Service Schedule which is more than two salary levels above the level of the position from which promoted shall be paid basic compensation at the lowest step of the higher salary level which exceeds his existing basic compensation by not less than three steps of the salary level from which promoted. If there is no step in the salary level to which the employee is promoted which exceeds his existing basic compensation by at least the amount of the specified difference, the employee shall be paid the rate for the maximum step of the salary level to which promoted, or his existing basic compensation, whichever is higher.'

"SEC. 708. Subsection (a)(4) of section 6402 of title 39, United States Code, is amended to read as follows:

"'(4) delivery and collection service may not be established or extended under a star route contract on a rural route except when such rural route does not meet the minimum standards established by the Postmaster General, and becomes vacant; and'.

"SEC. 709. Section 3101 of title 39, United States Code, is amended by deleting paragraphs (5) and (6), and inserting in lieu thereof, the following:

"'(5) "basic salary" and "basic compensation" mean the rate of annual or hourly compensation specified by law, exclusive of overtime and night differential.'.

"SEC. 710. Subsection 3541(d) of title 39, United States Code, is amended by (a) inserting in paragraph (3) thereof, after 'rural carriers,' the phrase '(other than substitute rural carriers),' and (b) adding a new paragraph (5) as follows:

"'(5) To compute the daily rate of basic compensation for substitute rural carriers, the annual rate of compensation shall be divided by 304.'.

"Conversion as of the first pay period beginning on or after the date of enactment of this act

"SEC. 711. (a) The basic compensation of each employee subject to Postal Field Service Schedule I or Rural Carrier Schedule I, as the case may be, on the effective date of such schedule shall be determined as follows:

"(1) Each employee shall be assigned to the same numerical level and step he was in prior to the effective date of such schedule, except that employees in the first four levels of the Postal Field Service Schedule and employees (except employees subject to section 3543(j) of title 39, United States Code) in the Rural Carrier Schedule shall be advanced as follows: Employees in step 1 to step 2 of the new schedule; step 2 to step 3; step 3 to step 4; step 4 to step 5; step 5 to step 6; step 6 to step 7, step 7 to step 8. If changes in level or step would otherwise occur on the effective date of such schedule without regard to the enactment of such schedule, such changes shall be deemed to have occurred prior to conversion under this paragraph.

"(2) In addition to conversion under paragraph (1) of this subsection, each employee shall be advanced one additional step for each longevity step which he had earned on or prior to such conversion.

"(3) Credit toward the next step-increase (other than toward longevity steps) earned by an employee who had not reached step 7 or who is not advanced to step 7 under paragraph (1) prior to the effective date of such schedule shall be creditable under subsection 3552(a) and section 3553 of title 39, United States Code, toward further step-increases if no step-increases were granted pursuant to paragraph (2) of this subsection. Credit earned toward longevity step-increases prior to the effective date of such schedule shall not be creditable toward further step-increases pursuant to subsection 3552(a), and section 3553 of title 39, United States Code.

"(b) The basic compensation of each postmaster subject to the Fourth Class Office Schedule I on the effective date of such schedule shall be determined as follows:

"(1) Each postmaster shall be assigned to the same receipts category and numerical step he was in prior to the effective date of such schedule. If changes in receipts category or step would otherwise occur on the effective date of such schedule without regard to the enactment of such schedule, such changes in receipts category or step shall be deemed to have occurred prior to conversion.

"(2) Postmasters who, as of the effective date of this schedule, have not reached step 7, shall retain credit for advancement to the next step under section 3552(a) and section 3553 of title 39, United States Code, if no step-increases are granted pursuant to paragraph 3 of this subsection. Credit earned toward longevity step-increases prior to the effective date of such schedule shall not be creditable toward further step-increases under section 3552(a) and section 3553 of title 39, United States Code.

"(3) For each longevity step earned on or prior to the effective date of such schedule postmasters shall be advanced one step.

"(c) If the existing basic compensation of any employee subject to the Postal Field Service Schedule, Rural Carrier Schedule, or Fourth Class Office Schedule, as the case may be, is greater than the rate established by subsection (a) or (b) of this section, he shall be placed in the first step of such schedule which exceeds his existing basic compensation; if the existing basic compensation is greater than any numerical step, his existing basic compensation shall be established as his basic compensation.

"Conversion as of the first pay period beginning on or after January 1, 1964

"SEC. 712. The basic compensation of each employee subject to the Postal Field Service Schedule II, Rural Carrier Schedule II, or Fourth Class Office Schedule II, as the case may be, on the effective date of such schedule shall be determined as follows:

"(1) Each employee shall be assigned to the same numerical step for his position which he had attained prior to the effective date of such schedule. If changes in levels, receipts categories, or steps would otherwise occur on the effective date of such schedule without regard to enactment of such schedule, such changes shall be deemed to have occurred prior to conversion.

"(2) If existing basic compensation is greater than the rate to which the employee is converted under paragraph (1) of this section, the employee shall be placed in the lowest step which exceeds his basic compensation; if the existing basic compensation exceeds the maximum step of his position, his existing basic compensation shall be established as his basic compensation.

"SEC. 713. Subject to sections 711(c) and 712(2) of this title, rates of compensation fixed by reason of section 3560 of title 39, United States Code, shall not be increased by this title, notwithstanding any provision of such section to the contrary.

"Basic salary in cases of assignments of postal employees

"SEC. 714. (a) Section 3335(b) of title 39, United States Code, is amended by adding at the end thereof the following sentence: 'The Postmaster General may pay, as he deems advisable, in cases of such assignments, a basic salary computed in accordance with the provisions of such section 3559 without regard to the requirement in this subsection of assignment for more than thirty days in a calendar year.'.

"(b) Each payment of an increase in basic salary which was made prior to the date of enactment of this section for services performed for periods of thirty days or less in any calendar year in the course of an assignment referred to in section 3335(b) of title 39, United States Code, by a postal field service employee assigned to duties and responsibilities of a higher salary level, and which would have been authorized by such section 3335(b), if such services had been performed in the course of such assignment after the completion by such employee of thirty days of service in any calendar year in such higher salary level, are hereby validated to the same extent as if such services had been performed after the completion of thirty days of service in any calendar year in the course of such assignment. Payments of increases validated by this subsection shall be considered as basic salary for the purposes of the Civil Service Retirement Act (5 U.S.C. 2251–2267).

"Salary protection revision

"SEC. 715. (a) Section 3560(a)(1) of title 39, United States Code, is amended to read as follows:

" '(1) basic salary and salary level, with respect to the Postal Field Service Schedule,'.

"(b) Section 3560(b)(4) of title 39, United States Code, is amended to read as follows:

" '(4) who, for two continuous years immediately prior to such reduction in salary standing, served in the postal field service with any salary standing higher than the salary standing to which he is reduced; and'.

"(c) Section 3560(c) of title 39, United States Code, is amended—

"(1) by striking out the period at the end of paragraph (B) and inserting '; or' in lieu of such period, and

"(2) by adding at the end of such section 3560(c) the following paragraph:

" '(C) the amount of the rate in the lowest salary standing which such employee held during the two years immediately preceding such reduction in salary standing augmented by each step increase which he would have earned in such salary standing and by each increase provided by law in such salary rate.'.

"(d)(1) Subject to paragraph (2) of this section, the amendments made by this section to sections 3560(a)(1), 3560(b)(4), and 3560(c) of title 39, United States Code, shall apply only with respect to reductions in salary standing occurring on or after the date of enactment of this Act.

"(2) Payments not authorized by section 3560 of title 39, United States Code, which were made prior to the date ef enactment of this Act to employees in the postal field service in connection with reductions in salary standing and which would have been authorized under such section 3560 if the amendments made by this section to subsections (b)(4) and (c) of such section 3560 had been in effect at the time such payments were made, are hereby validated to the same extent as if such amendments had been in effect at such time.

"Rules for special compensation

"SEC. 716. Chapter 41 of title 39, United States Code, is amended by adding immediately following section 3105 a new section 3106 as follows:

" '§ 3106. Special compensation rules

" 'In order that the basic compensation schedules in sections 3542, 3543, and 3544 of this title may be used equitably and with maximum effect to attract and motivate employees, the Postmaster General may prescribe regulations pursuant to which he may, within the limit of available appropriations, grant to any officer or employee before the expiration of the periods prescribed by section 3552, step-increases in recognition of extra competence: *Provided*, That no officer or employee shall be eligible under this section for more than one such additional step-increase within any period of fifty-two weeks, and such increase shall not be considered to be an equivalent increase.'

"Personnel requirements

"SEC. 717. (a) Section 3301 of title 39, United States Code, is amended to read as follows:

" '§ 3301. Personnel requirements

" 'The Postmaster General shall determine the personnel requirements of the postal field service, and fix the number of supervisors and other employees in that service, except that there may not be at any one time more than one assistant postmaster employed at any post office or a total of 70 employees assigned to salary levels 18, 19, and 20 in the postal field service.'

"(b) Section 1310(a) of the Act of November 1, 1951 (65 Stat. 757), as amended, which fixes a ceiling on permanent employees in the Federal Government, is amended by inserting after the word '*Provided,*' the following: 'That increases in the number of permanent personnel in the Postal Field Service not exceeding 10 per centum above the total number of its permanent employees on September 1, 1950, shall not be chargeable to this limitation: *And provided further,*'.

"Conforming amendment

"SEC. 718. (a) The table of contents of chapter 41 of title 39, United States Code, is amended by adding after the heading entitled 'EMPLOYEES GENERALLY', the following:

" '3106. Special compensation rules'.

"(b) The table of contents of chapter 45 of title 39, United States Code, is amended by deleting '3558. Longevity step-increases'.

"Repeals

"SEC. 719. Sections 101 through 105 of the Act of July 1, 1960 (74 Stat. 296, Public Law 86–568), and section 3558 of title 39, United States Code, are repealed.

"Effective dates

"SEC. 720. Except as otherwise expressly provided in this title, the provisions of this title shall become effective on the first day of the first pay period which begins on or after the date of enactment of this Act, except that section 712 (conversion rules for second postal field service salary increases) shall become effective on the first day of the first pay period which begins on or after January 1, 1964.

"Title IV—Department of Medicine and Surgery in the Veterans' Administration

"SEC. 801. (a) Section 4103 of title 38 of the United States Code, relating to the appointment and annual salaries of the Chief Medical Director and certain other officers of the Department of Medicine and Surgery of the Veterans' Administration, is amended by striking out the words 'not to exceed eight Assistant Chief Medical Directors' in subsection (a) and inserting in lieu thereof the words 'not to exceed five Assistant Chief Medical Directors, such Medical Directors as may be designated to suit the needs of the Department,'.

"(b) Such section is further amended by striking out subsections (d) to (i), inclusive, and inserting in lieu thereof the following:

" '(d) Each Assistant Chief Medical Director shall be appointed by the Administrator upon the recommendation of the Chief Medical Director and shall be paid a salary of $20,000 a year.

" 'One Assistant Chief Medical Director shall be a qualified doctor of dental surgery or dental medicine who shall be directly responsible to the Chief Medical Director for the operations of the Dental Service.

" '(e) Medical Directors, during their period of service as such, shall be paid a salary of $18,500 minimum to $19,500 maximum a year.

" '(f) The Director of Nursing Service shall be a qualified registered nurse, appointed by the Administrator, and shall be responsible to the Chief Medical Director for the operation of the Nursing Service. During the period of service as such, the Director of Nursing Service shall be paid, effective on the first day of the first pay period beginning on or after—

" 'The date of enactment of the Federal Salary Reform Act of 1962, a salary of $14,565 minimum to $17,925 maximum a year;

" 'January 1, 1964, a salary of $15,665 minimum to $19,270 maximum a year.

" '(g) The Administrator may appoint a chief pharmacist and a chief dietitian. During the period of his service as such, the chief pharmacist and the chief dietitian shall be paid, effective on the first day of the first pay period beginning on or after—

" 'the date of enactment of the Federal Salary Reform Act of 1962, a salary of $14,565 minimum to $17,925 maximum a year;

" 'January 1, 1964, a salary of $15,665 minimum to $19,270 maximum a year.

" '(h) Except as provided in subsection (j), any appointment under this section shall be for a period of four years but persons so appointed shall be subject to removal by the Administrator for cause.

" '(i) Reappointments may be made for successive like periods.

" '(j) The Administrator may designate a member of the Chaplain Service of the Veterans' Administration as Director, Chaplain Service, for a period of two years, subject to removal by the Administrator for cause. During the period that any such member serves as Director, Chaplain Service, he shall be paid a salary, as determined by the Administrator, within the minimum and maximum salary limitations prescribed for grade GS–15 positions by the Classification Act of 1949, as amended. Redesignations under this subsection may be made for successive like periods. An individual designated as

Director, Chaplain Service, shall at the end of his period of service as Director revert to the position, grade, and status which he held immediately prior to being designated Director, Chaplain Service, and all service as Director, Chaplain Service, shall be creditable as service in the former position.'

"Physicians, dentists, and nurses

"SEC. 802. Section 4107 of such title 38 relating to the minimum and maximum rates of annual salary of certain physicians, dentists, and nurses of the Department of Medicine and Surgery of the Veterans' Administration is amended to read as follows:

"'§ 4107. Grades and pay scales

"'(a) (1) Effective on the first day of the first pay period on or after the date of enactment of the Federal Salary Reform Act of 1962, the grades and per annum full-pay ranges for positions provided in paragraph (1) of section 4104 of this title shall be as follows:

"'Physician and dentist schedule

"'Director grade, $16,000 minimum to $19,000 maximum.

"'Executive grade, $15,250 minimum to $18,750 maximum.

"'Chief grade, $14,565 minimum to $18,405 maximum.

"'Senior grade, $12,845 minimum to $16,245 maximum.

"'Intermediate grade, $11,150 minimum to $14,070 maximum.

"'Full grade, $9,475 minimum to $11,995 maximum.

"'Associate grade, $8,045 minimum to $10,165 maximum.

"'Nurse schedule

"'Assistant Director grade, $12,845 minimum to $16,245 maximum.

"'Chief grade, $11,150 minimum to $14,070 maximum.

"'Senior grade, $9,475 minimum to $11,995 maximum.

"'Intermediate grade, $8,045 minimum to $10,165 maximum.

"'Full grade, $6,675 minimum to $8,700 maximum.

"'Associate grade, $5,820 minimum to $7,575 maximum.

"'Junior grade, $5,035 minimum to $6,565 maximum.

"'(2) Effective on the first day of the first pay period beginning on or after January 1, 1964, the per annum full pay ranges for positions provided in paragraph (1) of section 4104 of this title shall be as follows:

"'Physician and dentist schedule

"'Chief grade, $15,665 minimum to $19,785 maximum.

"'Senior grade, $13,615 minimum to $17,215 maximum.

"'Intermediate grade, $11,725 minimum to $14,805 maximum.

"'Full grade, $9,980 minimum to $12,620 maximum.

"'Associate grade, $8,410 minimum to $10,650 maximum.

"'Nurse schedule

"'Assistant director grade, $13,615 minimum to $17,215 maximum.

"'Chief grade, $11,725 minimum to $14,805 maximum.

"'Senior grade, $9,980 minimum to $12,620 maximum.

"'Intermediate grade, $8,410 minimum to $10,650 maximum.

"'Full grade, $7,030 minimum to $9,100 maximum.

"'Associate grade, $6,090 minimum to $7,890 maximum.

"'Junior grade, $5,235 minimum to $6,810 maximum.

"'(b) No person may hold the director grade unless he is serving as a director of a hospital, domiciliary, center, or outpatient clinic (independent). No person may hold the executive grade unless he holds the position of chief of staff at a hospital, center, or outpatient clinic (independent), or the position of clinic director at an outpatient clinic, or comparable position.'

"SEC. 803. (a) Section 4108 of such title 38 which formerly prescribed the maximum amount of pay and allowances for medical, surgical, or dental specialists of the Department of Medicine and Surgery of the Veterans' Administration is amended, effective on the date of enactment of this Act, to read as follows:

"'§ 4108. Administration.

"'Nothwithstanding any law, Executive order, or regulation, the Administrator shall prescribe by regulation the hours and conditions of employment and leaves of absence of physicians, dentists, and nurses.'.

"(b) The table of contents of chapter 73 of such title 38 is amended by striking out

"'4108. Specialist ratings.'

and inserting in lieu thereof

"'4108. Administration.'

"Directors of hospitals, domiciliaries, and centers

"SEC. 804. Section 4111(b) of such title 38, relating to the annual salary of certain individuals serving as director of a hospital, domiciliary, or center, is amended, effective on the date of enactment of this Act, to read as follows:

"'(b) Notwithstanding any other provision of law, the per annum salary rate of each individual serving as a director of a hospital, domiciliary, or center who is not a physician in the medical service shall not be less than the rate of salary which he would receive under section 4107 of this title if his service as a director of a hospital, domiciliary, or center had been service as a physician in the director grade. This subsection shall not affect the allocation of any position of director of a hospital, domiciliary, or center to any grade of the General Schedule of the Classification Act of 1949, except with respect to changes in rate of salary pursuant to the preceding sentence, and shall not affect the applicability of the Performance Rating Act of 1950 to any individual.'

"SEC. 805. Except as otherwise expressly provided in this title, this title shall become effective on the first day of the first pay period which begins on or after the date of enactment of this Act.

"Title V—Foreign Service Act of 1946

"Short title

"SEC. 901. This title may be cited as the 'Foreign Service Salary Reform Act of 1962'.

"Foreign Service officers

"SEC. 902. The fourth sentence of section 412 of the Foreign Service Act of 1946, as amended (22 U.S.C. 867), is amended to read as follows:

"'On the first day of the first pay period which begins on or after the date of enactment of the Foreign Service Salary Reform Act of 1962, the per annum salaries of Foreign Service officers within each of the other classes shall be as follows:

"'Class 1	$18,975	$19,650					
Class 2	15,900	16,400	$16,900	$17,400	$17,900	$18,400	$18,900
Class 3	13,440	13,885	14,330	14,775	15,220	15,665	16,110
Class 4	11,150	11,515	11,880	12,245	12,610	12,975	13,340
Class 5	9,315	9,620	9,925	10,230	10,535	10,840	11,145
Class 6	7,705	7,960	8,215	8,470	8,725	8,980	9,235
Class 7	6,475	6,690	6,905	7,120	7,335	7,550	7,765
Class 8	5,540	5,725	5,910	6,095	6,280	6,465	6,650

"'On the first day of the first pay period which begins on or after January 1, 1964, the per annum salaries of Foreign Service officers within each of the other classes shall be as follows:

"'Class 1	$18,975	$19,650					
Class 2	15,900	16,400	$16,900	$17,400	$17,900	$18,400	$18,900
Class 3	14,265	14,735	15,205	15,675	16,145	16,615	17,085
Class 4	11,725	12,110	12,495	12,880	13,265	13,650	14,035
Class 5	9,695	10,015	10,335	10,655	10,975	11,295	11,615
Class 6	8,090	8,355	8,620	8,885	9,150	9,415	9,680
Class 7	6,810	7,035	7,260	7,485	7,710	7,935	8,160
Class 8	5,795	5,990	6,185	6,380	6,575	6,770	6,965'

"Foreign service staff officers and employees

"SEC. 903. Section 415 of such Act is amended to read as follows:

"'SEC. 415. (a) Effective on the first day of the first pay period which begins on or after the date of enactment of the Foreign Service Salary Reform Act of 1962, there shall be ten classes of Foreign Service staff officers and employees, referred to hereafter as staff officers and employees, and the per annum salaries of staff officers and employees within each class shall be as follows:

"'Class 1	$13,440	$13,885	$14,330	$14,775	$15,220	$15,665	$16,110	$16,555	$17,000	
Class 2	11,150	11,515	11,880	12,245	12,610	12,975	13,340	13,705	14,070	
Class 3	9,315	9,620	9,925	10,230	10,535	10,840	11,145	11,450	11,755	
Class 4	7,705	7,960	8,215	8,470	8,725	8,980	9,235	9,490	9,745	
Class 5	6,910	7,140	7,370	7,600	7,830	8,060	8,290	8,520	8,750	$8,980
Class 6	6,225	6,435	6,645	6,855	7,065	7,275	7,485	7,695	7,905	8,115
Class 7	5,610	5,800	5,990	6,180	6,370	6,560	6,750	6,940	7,130	7,320
Class 8	5,000	5,230	5,400	5,570	5,740	5,910	6,080	6,250	6,420	6,590
Class 9	4,575	4,725	4,875	5,025	5,175	5,325	5,475	5,625	5,775	5,930
Class 10	4,110	4,250	4,390	4,530	4,670	4,825	4,980	5,135	5,290	5,445

"'On the first day of the first pay period which begins on or after January 1, 1964, the per annum salaries of staff officers and employees within each class shall be as follows:

"'Class 1	$14,265	$14,735	$15,205	$15,675	$16,145	$16,615	$17,085	$17,555	$18,025	
Class 2	11,725	12,110	12,495	12,880	13,265	13,650	14,035	14,420	14,805	
Class 3	9,695	10,015	10,335	10,655	10,975	11,295	11,615	11,935	12,255	
Class 4	8,090	8,355	8,620	8,885	9,150	9,415	9,680	9,945	10,210	
Class 5	7,295	7,535	7,775	8,015	8,255	8,495	8,735	8,975	9,215	$9,455
Class 6	6,570	6,785	7,000	7,215	7,430	7,645	7,860	8,075	8,290	8,505
Class 7	5,890	6,085	6,280	6,475	6,670	6,865	7,060	7,255	7,450	7,645
Class 8	5,270	5,445	5,620	5,795	5,970	6,145	6,320	6,495	6,670	6,845
Class 9	4,715	4,870	5,025	5,180	5,335	5,490	5,645	5,800	5,955	6,110
Class 10	4,215	4,355	4,495	4,635	4,775	4,915	5,060	5,215	5,370	5,525

“‘(b) Notwithstanding the provisions of subsection (a) of this section, the Secretary may, under such regulations as he may prescribe, classify positions at levels below class 10, and establish salary rates therefor at lower rates than those prescribed by this section, for American employees recruited abroad who are not available or are not qualified for transfer to another post and who perform duties of a more routine nature than are generally performed at the class 10 level.’

“Conversion

“Sec. 904. Foreign Service officers, Reserve officers, and Foreign Service staff officers and employees who are entitled to receive basic compensation immediately prior to the effective date of this title at one of the rates provided by section 412 or 415 of the Foreign Service Act of 1946, shall receive basic compensation on and after the effective date of this title at the rate of their class determined to be appropriate by the Secretary of State: *Provided*, That staff officers and employees shall be transferred to the new staff classes established by this Act as follows:

“Present class under section 415 of the Foreign Service Act of 1946	Corresponding new class under section 415 of the Foreign Service Act of 1946, as amended
FSS– 1	FSS– 1
FSS– 2	FSS– 1
FSS– 3	FSS– 2
FSS– 4	FSS– 2
FSS– 5	FSS– 3
FSS– 6	FSS– 3
FSS– 7	FSS– 4
FSS– 8	FSS– 5
FSS– 9	FSS– 6
FSS–10	FSS– 7
FSS–11	FSS– 8
FSS–12	FSS– 9
FSS–13	FSS–10
FSS–14 and below	(1)

“[1] Remain at present class and salary rate until revised pursuant to new section 415(b).

“Conforming amendments

“Sec. 905. The heading of section 642 of the Foreign Service Act of 1946 is amended by deleting the words ‘and longevity’ and section 642 is amended by deleting ‘(a)’ in the first paragraph and by deleting subsection (b) in its entirety.

“Effective date

“Sec. 906. Except as otherwise expressly provided in this title, this title shall become effective on the first day of the first pay period which begins on or after the date of enactment of this Act.

“Title VI—Miscellaneous salary provisions

“Revision of salary limitations for certain scientific and professional positions

“Sec. 1001. (a) (1) Section 2(b) of the Act of August 1, 1947 (Public Law 313, Eightieth Congress, as amended (75 Stat. 789; 5 U.S.C. 1161–1163)), relating to the rates of compensation of certain scientific or professional positions, is amended to read as follows:

“‘(b) The per annum rates of compensation for positions established pursuant to the provisions of this Act shall not be less than the minimum rate of grade 16 of the General Schedule of the Classification Act of 1949, as amended, nor more than the highest rate of grade 18 of the General Schedule of such Act and shall be subject to the approval of the United States Civil Service Commission.’.

“(2) The first section of such Act is amended by adding at the end thereof the following new subsection:

“‘(g) the Librarian of Congress is authorized to establish and fix the compensation for not more than eight scientific or professional positions in the Library of Congress, each such position being established to carry out research and development functions of the Library which require the services of specially qualified personnel. Section 2(a) shall not apply to positions established under this subsection.’

“(b) Section 1581(b) of title 10 of the United States Code, relating to the rates of compensation of certain scientific or professional positions in the Department of Defense, is amended to read as follows:

“‘(b) Subject to the Civil Service Commission's approval as to rates, the Secretary may fix the compensation for positions established under subsection (a). However, the per annum compensation may not be less than the minimum rate of grade 16 of the General Schedule of the Classification Act of 1949, as amended, nor more than the highest rate of grade 18 of the General Schedule of such Act.’.

“(c) Section 4 of the Act of May 29, 1959 (73 Stat. 63; Public Law 86–36), as amended by section 204 of the Act of October 4, 1961 (75 Stat. 791; Public Law 87–367), authorizing scientific and professional positions in the National Security Agency, is amended by striking out ‘, as amended by paragraph (34) (B) of the first section of the Act of September 2, 1958 (72 Stat. 1456; Public Law 85–861)’.

“(d) The proviso contained in the first sentence of section 208(g) of the Public Health Service Act, as amended (42 U.S.C. 210(g)), relating to the rates of compensation of certain scientific, professional, and administrative personnel in the Public Health Service, is amended to read as follows: ‘: *Provided*, That the rates of compensation for positions established pursuant to the provisions of this subsection shall not be less than the minimum rate of grade 16 of the General Schedule of the Classification Act of 1949, as amended, nor more than the highest rate of grade 18 of the General Schedule of such Act, and shall be subject to the approval of the Civil Service Commission.’.

“(e) The proviso contained in the second sentence of section 12 of the Act of May 29, 1884 (62 Stat. 198 as amended and supplemented; 21 U.S.C. 113a), authorizing the Secretary of Agriculture to employ and fix the compensation of technical experts and scientists for research and study of foot-and-mouth disease and other animal diseases, is amended to read as follows: ‘: *Provided*, That the number so employed shall not exceed five and that the maximum compensation for each shall not exceed the highest rate of grade 18 of the General Schedule of the Classification Act of 1949, as amended.’.

“(f) Section 203(b) (2) of the National Aeronautics and Space Act of 1958 (72 Stat. 429; 42 U.S.C. 2473(b) (2)), as amended, authorizing the Administrator of the National Aeronautics and Space Administration to establish and fix the compensation of four hundred and twenty-five scientific, engineering, and administrative positions, is amended by striking out, in the second sentence, ‘, except that (A) to the extent the Administrator deems such action necessary to the discharge of his responsibilities, he may appoint and fix the compensation (up to a limit of $19,000 a year, or up to a limit of $21,000 a year for a maximum of thirty positions) of’ and by inserting in lieu thereof ‘, except that (A) to the extent the Administrator deems such action necessary to the discharge of his responsibilities, he may appoint and fix the compensation (at not to exceed the highest rate of grade 18 of the General Schedule of the Classification Act of 1949, as amended, or, for a maximum of thirty positions, not to exceed $21,000 a year) of’.

“(g) That part of the proviso in section 161d. of the Atomic Energy Act of 1954, as amended (71 Stat. 613; 42 U.S.C. 2201), fixing a limit of $19,000 on the compensation of scientific and technical personnel, is amended by striking out the words ‘up to a limit of $19,000)’ and inserting in lieu thereof ‘up to a limit of the highest rate of grade 18 of the General Schedule of the Classification Act of 1949, as amended)’.

“(h) Section 302(f) of the Federal Aviation Act of 1958 (72 Stat. 746; 49 U.S.C. 1343 (d)), as amended, authorizing the Administrator of the Federal Aviation Agency to select, employ, and fix the compensation of 23 positions at rates not to exceed $19,500 per annum, is amended by striking out ‘$19,500 per annum’ and inserting in lieu thereof ‘the highest rate of grade 18 of the General Schedule of the Classification Act of 1949, as amended’.

“(i) Section 2 of the Act of June 14, 1948, as amended (62 Stat. 441; 66 Stat. 43; 22 U.S.C. 290a), relating to the compensation of the United States representative and alternate on the Executive Board of the World Health Organization, is amended by striking out ‘Such representative shall be entitled to receive compensation at a rate not to exceed $12,000 per annum and any such alternate shall be entitled to receive compensation at a rate not to exceed $10,000 per annum’, and inserting in lieu thereof ‘Such representative and any such alternate shall each be entitled to receive compensation at one of the rates provided by section 412 of the Foreign Service Act of 1946, as amended,’.

“(j) Section 104(b) of the Mutual Educational and Cultural Exchange Act of 1961 (75 Stat. 530; Public Law 87–256) authorizing the fixing of the compensation of not to exceed ten employees without regard to the Classification Act of 1949, is amended to read as follows:

“‘(b) The President is authorized to employ such other personnel as he deems necessary to carry out the provisions and purposes of this Act, and of such personnel not to exceed ten may be compensated without regard to the provisions of the Classification Act of 1949, as amended, but not in excess of the highest rate of grade 18 of the general schedule established by such Act. Such positions shall be in addition to the number authorized by section 505 of the Classification Act of 1949, as amended.’

“(k) (1) Section 625(b) of the Foreign Assistance Act of 1961 (75 Stat. 449; Public Law 87–195), as amended, is amended by striking out ‘and of these, not to exceed eight may be compensated at a rate in excess of the highest rate provided for grades of such general schedule but not in excess of $19,000 per year’ and inserting in lieu thereof ‘but not in excess of the highest rate of grade 18 of such general schedule’.

“(2) Section 625(c) of such Act is amended by striking out ‘and of these, not to exceed three may be compensated at a rate in excess of the highest rate provided for grades of such general schedule but not in excess of $19,000 per year’ and inserting in lieu thereof ‘but not in excess of the highest rate of grade 18 of such general schedule’.

“(l) Section 7(b) of the Peace Corps Act (75 Stat. 615; Public Law 87–293) is amended by striking out ‘and of these not to exceed two may be compensated at a rate in excess of the highest rate provided for grades of such general schedule but not in excess of $19,000 per year’ and inserting in lieu thereof ‘but not in excess of the highest rate of grade 18 of such general schedule’.

“Agricultural stabilization and conservation county committee employees

“Sec. 1002. The rates of compensation of persons employed by the county committees established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) shall be increased by amounts equal, as nearly as may be practicable, to the increases provided by title II of this part for corresponding rates of compensation in the appropriate schedule or scale of pay.

"Assistant United States attorneys

"SEC. 1003. (a) The last paragraph of section 508 of title 28 of the United States Code is amended to read as follows:

"'Assistant United States attorneys and attorneys appointed under section 503 of this title—not more than $17,500.'

"(b) The rates of basic compensation of assistant United States attorneys whose basic salaries are fixed by section 508 of title 28, United States Code, shall be increased by 7½ per centum effective on the first day of the first pay period which begins on or after the date of enactment of this Act.

"Employees in the judicial branch

"SEC. 1004. (a) The rates of basic compensation of officers and employees in or under the judicial branch of the Government whose rates of compensation are fixed by or pursuant to paragraph (2) of subdivision a of section 62 of the Bankruptcy Act (11 U.S.C. 102(a)(2)), section 3656 of title 18 of the United States Code, the third sentence of section 603, section 604(a)(5), or section 672 to 675, inclusive, of title 28 of the United States Code, or section 107(a)(6) of the Act of July 31, 1956, as amended (5 U.S.C. 2206 (a)(6)), are hereby increased by two amounts, the first amount to be effective for the period beginning as of the first day of the first pay period which begins on or after the date of enactment of this Act, and ending immediately prior to the first day of the first pay period which begins on or after January 1, 1964, and the second amount to be effective on the first day of the first pay period which begins on or after January 1, 1964, and thereafter, which reflect the respective applicable increases provided by title II of this part in corresponding rates of compensation for officers and employees subject to the Classification Act of 1949, as amended.

"(b) The limitations provided by applicable law on the effective date of this section with respect to the aggregate salaries payable to secretaries and law clerks of circuit and district judges are hereby increased by two amounts, the first amount to be effective for the period beginning as of the first day of the first pay period which begins on or after the date of enactment of this Act, and ending immediately prior to the first day of the first pay period which begins on or after January 1, 1964, and the second amount to be effective on the first day of the first pay period which begins on or after January 1, 1964, and thereafter, which reflect the respective applicable increases provided by title II of this part in corresponding rates of compensation for officers and employees subject to the Classification Act of 1949, as amended.

"(c) Section 753(e) of title 28 of the United States Code (relating to the compensation of court reporters for district courts) is amended by striking out the existing salary limitation contained therein and inserting a new limitation to be effective for the period beginning as of the first day of the first pay period which begins on or after the date of enactment of this Act, and ending immediately prior to the first day of the first pay period which begins on or after January 1, 1964, and a second new limitation effective on the first day of the first pay period which begins on or after January 1, 1964, and thereafter, which reflect the respective applicable increases provided by title II of this part in corresponding rates of compensation for officers and employees subject to the Classification Act of 1949, as amended.

"Employees in the legislative branch

"SEC. 1005. (a) Each officer and employee in or under the legislative branch of the Government whose rate of compensation is increased by section 5 of the Federal Employees Pay Act of 1946 shall be paid additional compensation at the rate of 7 per centum of his gross rate of compensation (basic compensation plus additional compensation authorized by law).

"(b) The basic compensation of each employee in the office of a Senator is hereby adjusted, effective on October 16, 1962, to the lowest multiple of $60 which will provide a gross rate of compensation not less than the gross rate such employee was receiving immediately prior thereto, except that the foregoing provisions of this subsection shall not apply in the case of any employee if on or before the fifteenth day following the date of enactment of this Act the Senator by whom such employee is employed notifies the disbursing office of the Senate in writing that he does not wish such provisions to apply to such employee. In any case in which, at the expiration of the time within which a Senator may give notice under this subsection, such Senator is deceased such notice shall be deemed to have been given.

"(c) Notwithstanding the provision referred to in subsection (d), the rates of gross compensation of the elected officers of the Senate (except the Presiding Officer of the Senate), the Legislative Counsel of the Senate, the Official Reporters of Debates of the Senate, the Parliamentarian of the Senate, the Senior Counsel in the Office of the Legislative Counsel of the Senate, and the Chief Clerk of the Senate are hereby increased by 7 per centum.

"(d) The paragraph imposing limitations on basic and gross compensation of officers and employees of the Senate appearing under the heading 'SENATE' in the Legislative Appropriation Act, 1956, as amended (74 Stat. 304; Public Law 86-568), is amended to read as follows:

"'No officer or employee whose compensation is disbursed by the Secretary of the Senate shall be paid basic compensation at a rate in excess of $8,880 per annum, or gross compensation at a rate in excess of $18,880 per annum, unless expressly authorized by law.'

"(e) The limitation on gross rate per hour per person provided by applicable law on the effective date of this section with respect to the folding of speeches and pamphlets for the Senate is hereby increased by 7 per centum. The amount of such increase shall be computed to the nearest cent, counting one-half cent and over as a whole cent. The provisions of subsection (a) of this section shall not apply to employees whose compensation is subject to such limitation.

"(f) Each officer or employee of the House of Representatives, whose compensation is disbursed by the Clerk of the House of Representatives and is not increased automatically, or is not permitted to be increased administratively, by reason of any other provision of this section, shall receive additional compensation at the rate of 7 per centum of the rate of his total annual compensation in effect immediately prior to the effective date of this section.

"(g) The limitations on gross rate per thousand and gross rate per hour per person provided by applicable law on the effective date of this section with respect to the folding of speeches and pamphlets for the House of Representatives are hereby increased by 7 per centum. The amount of each such increase shall be computed to the nearest cent, counting one-half cent and over as a whole cent.

"(h) The additional compensation provided by this section shall be considered a part of basic compensation for the purposes of the Civil Service Retirement Act (5 U.S.C. 2251 and the following).

"(i) Notwithstanding any other provision of this section, no rate of compensation which exceeds $21,500 shall be increased by this section, and no increase provided by this section shall cause the gross rate of compensation (basic plus additional compensation authorized by law) or the total annual compensation of any officer or employee to exceed $21,500.

"(j) Insofar as the provisions of this section apply to officers and employees whose compensation is based on a monthly pay period which begins on the first day of the month, such provisions shall become effective on October 16, 1962.

"Saving provision

"SEC. 1006. Notwithstanding any provision of this Act, no rate of basic, gross, or total annual compensation or salary shall be reduced by reason of the enactment of this Act.

"Absorption of costs

"SEC. 1007. (a) The departments, agencies, establishments, and corporations in the executive branch shall absorb the costs of the increases in basic compensation provided by this Act to the fullest extent possible without seriously affecting the immediate execution of essential functions.

"(b) No request for additional or supplemental appropriations to meet the increases in basic compensation provided by this Act shall be transmitted to the Congress unless it is accompanied by a certification of the Director of the Bureau of the Budget that the amounts requested are necessary to provide for the continued execution of essential functions of the department, agency, or corporation concerned.

"(c) Pursuant to the objective of this section, heads of the executive branch activities concerned are directed to review with meticulous care each vacancy resulting from voluntary resignation, retirement, or death and to determine whether the duties of the position can be reassigned to other employees or whether the position can be abolished without seriously affecting the execution of essential functions.

"(d) Nothing contained in subsection (a) of this section shall be held or considered to require (1) the separation from the service of any individual by reduction in force or other personnel action or (2) the placing of any individual in a leave-without-pay status.

"Effective date

"SEC. 1008. Except as otherwise expressly provided, this title shall become effective on the first day of the first pay period which begins on or after the date of enactment of this Act.

"Ceiling provision

"SEC. 1009. Except as provided in section 1005, no rate of compensation which exceeds $20,000 per annum shall be increased or established by or pursuant to this Act and no increase made by or pursuant to this Act shall cause any rate of compensation to exceed $20,000 per annum.

"PART III—ADJUSTMENT OF ANNUITIES

"SEC. 1101. (a) The annuity of each person who, on the effective date of this section, is receiving or entitled to receive an annuity from the civil service retirement and disability fund shall be increased by 5 per centum of the amount of such annuity.

"(b) The annuity of each person who receives or is entitled to receive an annuity from the civil service retirement and disability fund commencing during the period which begins on the day following the effective date of this section and ends five years after such date, shall be increased in accordance with the following table:

"If the annuity commences between—	The annuity shall be increased by—
January 2, 1963, and December 31, 1963	4 per centum
January 1, 1964, and December 31, 1964	3 per centum
January 1, 1965, and December 31, 1965	2 per centum
January 1, 1966, and December 31, 1966	1 per centum

"(c) In lieu of any other increase provided by this section, the annuity of a survivor of a retired employee or Member of Congress who received an increase under this section shall be increased by a percentage equal to the percentage by which the annuity of such employee or Member was so increased.

"(d) No increase provided by this section shall be computed on any additional annuity purchased at retirement by voluntary contributions.

"(e) The limitation reading 'or (3) the sum necessary to increase such annuity, exclusive of annuity purchased by voluntary contributions under the second paragraph of section 10 of this Act, to $2,160' contained in section 8(c)(1) of the Civil Service Retirement Act of May 29, 1930, as amended by the Acts of July 16, 1952 (66 Stat. 722; Public Law 555, Eighty-second Congress), and August 31, 1954 (68 Stat. 1043; Public Law 747, Eighty-third Congress), shall not be effective on or after the effective date of this section.

"(f) The limitation contained in the next to the last sentence of section 8(d)(1) of the Civil Service Retirement Act of May 29, 1930, as amended, as enacted by the Act of August 11, 1955 (69 Stat. 692; Public Law 369, Eighty-fourth Congress), shall not be effective on and after the effective date of this section.

"(g) The increases provided by this section shall take effect on the effective date of this section, except that any increase under subsection (b) or (c) shall take effect on the beginning date of the annuity.

"(h) The monthly installment of annuity after adjustment under this section shall be fixed at the nearest dollar.

"SEC. 1102. (a) Section 1 of the Civil Service Retirement Act is amended by adding at the end thereof the following new subsection:

"'(t) The term "price index"' shall mean the annual average over a calendar year of the Consumer Price Index (all items—United States city average) published monthly by the Bureau of Labor Statistics.'

"(b) Such Act is further amended by redesignating section 18 as 19, and by inserting after section 17 the following new section:

"'Cost-of-living adjustment of annuities

"'SEC. 18. (a) After January 1, 1964, and after each succeeding January 1, the Commission shall determine the per centum change in the price index from the later of 1962 or the year preceding the most recent cost-of-living adjustment to the latest complete year. On the basis of such Commission determination, the following adjustments shall be made:

"'(1) Effective April 1, 1964, if the change in the price index from 1962 to 1963 shall have equaled a rise of at least 3 per centum, each annuity payable from the fund which has a commencing date earlier than January 2, 1963, shall be increased by the per centum rise in the price index adjusted to the nearest one-tenth of 1 per centum.

"'(2) Effective April 1 of any year other than 1964 after the price index change shall have equaled a rise of at least 3 per centum, each annuity payable from the fund which has a commencing date earlier than January 2 of the preceding year shall be increased by the per centum rise in the price index adjusted to the nearest one-tenth of 1 per centum.

"'(b) Eligibility for an annuity increase under this section shall be governed by the commencing date of each annuity payable from the fund as of the effective date of an increase, except as follows:

"'(1) Effective from the date of the first increase under this section, an annuity payable from the fund to an annuitant's survivor (other than a child entitled under section 10(d)), which annuity commenced the day after the annuitant's death, shall be increased as provided in subsection (a)(1) or (a)(2) if the commencing date of annuity to the annuitant was earlier than January 2 of the year preceding the first increase.

"'(2) Effective from its commencing date, an annuity payable from the fund to an annuitant's survivor (other than a child entitled under section 10(d)), which annuity commences the day after the annuitant's death and after the effective date of the first increase under this section, shall be increased by the total per centum increase the annuitant was receiving under this section at death.

"'(3) For purposes of computing an annuity which commences after the effective date of the first increase under this section to a child under section 10(d), the items $600, $720, $1,800, and $2,160 appearing in section 10(d) shall be increased by the total per centum increase allowed and in force under this section, and, in case of a deceased annuitant, the items 40 per centum and 50 per centum appearing in section 10(d) shall be increased by the total per centum increase allowed and in force under this section to the annuitant at death. Effective from the date of the first increase under this section, the provisions of this paragraph shall apply as if such first increase were in effect with respect to computation of a child's annuity under section 10(d) which commenced between January 2 of the year preceding the first increase and the effective date of the first increase.

"'(c) No increase in annuity provided by this section shall be computed on any additional annuity purchased at retirement by voluntary contributions.

"'(d) The monthly installment of annuity after adjustment under this section shall be fixed at the nearest dollar.'

"SEC. 1103. (a) Section 9(g) of the Civil Service Retirement Act is amended to read as follows:

"'(g) The annuity as hereinbefore provided (excluding any increase because of retirement under section 7) for any married employee or Member retiring under this Act, or any portion of such annuity designated in writing for purposes of section 10(a)(1), shall be reduced by 2½ per centum of so much thereof as does not exceed $3,600 and by 10 per centum of so much thereof as exceeds $3,600, unless the employee or Member notifies the Commission in writing at the time of retirement that he does not desire his wife or husband to receive an annuity as provided in section 10(a)(1).'

"(b) Section 10(a)(1) of such Act is amended to read as follows:

"'(1) If an employee or Member dies after having retired under any provision of this Act and is survived by a wife or husband to whom the employee or Member was married at the time of retirement, such wife or husband shall be paid an annuity equal to 55 per centum of an annuity computed as provided in subsections (a), (b), (c), (d), (e), and (f) of section 9, as may apply with respect to the annuitant, or of such portion thereof as may have been designated in writing for such purpose by the employee or Member at the time of retirement, unless the employee or Member has notified the Commission in writing at the time of retirement that he does not desire his wife or husband to receive such annuity.'

"(c) Section 10(b) of such Act is amended by striking out '50 per centum' and inserting in lieu thereof '55 per centum'.

"(d) Section 10(c) of such Act is amended by striking out '50 per centum' and inserting in lieu thereof '55 per centum'.

"(e) Section 10(e) of such Act is amended by striking out '50 per centum' and inserting in lieu thereof '55 per centum'.

"(f)(A) Section 1(j) of the Civil Service Retirement Act is amended by substituting a comma for the period at the end thereof and adding the following: 'or such unmarried child between eighteen and twenty-one years of age who is a student regularly pursuing a full-time course of study or training in residence in a high school, trade school, technical or vocational institute, junior college, college, university, or comparable recognized educational institution. A child whose twenty-first birthday occurs prior to July 1 or after August 31 of any calendar year, and while he is regularly pursuing such a course of study or training, shall be deemed for the purposes of this paragraph and section 10(d) to have attained the age of twenty-one on the first day of July following such birthday. A child who is a student shall not be deemed to have ceased to be a student during any interim between school years if the interim does not exceed four months and if he shows to the satisfaction of the Commission that he has a bona fide intention of continuing to pursue a course of study or training in the same or different school during the school semester (or other period into which the school year is divided) immediately following the interim.'

"(B) The third sentence of section 10(d) of the Act is amended to read as follows: 'The child's annuity shall commence on the day after the employee or Member dies, and such annuity granted under this Act or under the Act of May 29, 1930, as amended from and after February 28, 1948, or any right thereto shall terminate on the last day of the month before (1) his attaining age eighteen unless incapable of self-support, (2) his becoming capable of self-support after age eighteen, (3) his marriage, or (4) his death, except that the annuity of a child who is a student as described in section 1(j) shall terminate on the last day of the month before (1) his marriage, (2) his death, (3) his ceasing to be such a student, or (4) his attaining age twenty-one.'

"SEC. 1104. Notwithstanding any other provision of law, the benefits made payable under the Civil Service Retirement Act by reason of the enactment of this part shall be paid from the civil service retirement and disability fund.

"SEC. 1105. Section 1101 of this part shall take effect on January 1, 1963. The amendments made by section 1103 (except subsection (b)) shall not apply in the case of employees or Members retired or otherwise separated prior to the date of enactment of this Act, and the rights of such persons and their survivors shall continue in the same manner and to the same extent as if these amendments had not been enacted."

And the Senate agree to the same.

TOM MURRAY,
JAMES H. MORRISON,
ROBERT J. CORBETT,
Managers on the Part of the House.

OLIN D. JOHNSTON,
MIKE MONRONEY,
FRANK CARLSON,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 7927) entitled "An act to adjust postal rates, and for other purposes," submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The Senate amendment struck out all of the House bill after the enacting clause and inserted a substitute text.

The committee of conference recommends that the House recede from its disagreement to the amendment of the Senate with an amendment which is a substitute for both the text of the House bill and the text provided by the Senate amendment and that the Senate agree to the same.

The text of the House bill related only to postal rates.

The Senate amendment to the House text consisted of three parts.

Part I of the Senate amendment, consisting of three titles, related to postal rates. Title I of part I covered postal rate increases. Title II of part I contained amendments to the postal policy provisions of the postal laws. Title III of part I contained certain miscellaneous amendments to the postal laws.

Part II of the Senate amendment, consisting of six titles, related to Federal salary reform. Title I of part II contained a statement of policy with respect to Federal salary reform. Title II of part II contained provisions revising the pay system of the Classification Act of 1949, as amended. Title III of part II revised the compensation schedules of title 39, United States Code, and contained certain related provisions, with respect to postal field service employees. Title IV of part II of the Senate amendment contained salary increases for physicians, dentists, and nurses, and other personnel of the Department of Medicine and Surgery of the Veterans' Administration. Title V of part II revised the salary rates for personnel in the Foreign Service under the Department of State prescribed by the Foreign Service Act of 1946, as amended. Title VI of part II contains certain miscellaneous salary provisions which, in effect, revise the compensation rates for the following groups of employees: (1) certain scientific and professional employees; (2) agricultural stabilization and conservation county committee employees; (3) assistant U.S. attorneys; (4) employees in the judicial branch; (5) employees in the legislative branch.

Part III of the Senate amendment contained provisions making adjustments in annuities under the Civil Service Retirement Act, as amended.

The conference substitute, with the exceptions to be noted, is in general the same as the Senate amendment. Except for technical and minor drafting changes, the differences between the text of the House bill and the conference substitute are discussed below.

A summary of the major provisions of the conference substitute follow.

SUMMARY OF MAJOR PROVISIONS OF CONFERENCE SUBSTITUTE

Increased postal revenue

Postal revenue will be increased by $600.3 million per annum when all of the postal rate adjustments provided by part I of the conference substitute are placed in effect. Such increased revenue and the public service policy provisions of the conference substitute will—when adjustment in rates and conditions of mailability of fourth-class mail for which the Postmaster General has petitioned the Interstate Commerce Commission (as required by law) shall be approved—eliminate the postal deficit.

Such increased postal revenue provided by part I of the conference substitute is approximately $20 million less than the aggregate annual increased postal revenue of $620 million which would have been provided by the postal rate adjustment bill recommended to the House of Representatives by the Postmaster General and presented for consideration by the chairman of the House Committee on Post Office and Civil Service on January 23, 1962.

A table comparing present and proposed postal rates follows:

Comparison of present and proposed postal rates (new revenues based on 1963 volume)

Mail class	Postage rate unit	Present rate	First year (1963)		Second year (1964)		Third year (1965)	
			Rate	New revenues	Rate	New revenues	Rate	New revenues
First class:				*Millions*		*Millions*		*Millions*
Letters	Per ounce	4 cents	5 cents	$409.6	5 cents	$409.6	5 cents	$409.6
Drop letters	do	3 cents	4 cents	1.8	4 cents	1.8	4 cents	1.8
Cards	Per card	3 cents	4 cents	26.4	4 cents	26.4	4 cents	26.4
Total				437.8		437.8		437.8
Airmail:								
Letters	Per ounce	7 cents	8 cents	16.0	8 cents	16.0	8 cents	16.0
Cards	Per card	5 cents	6 cents	.3	6 cents	.3	6 cents	.3
Parcel post	Per pound	By zones [1]	(1) (3)	4.9	(1) (2)	4.9	(1) (3)	4.9
Total				21.2		21.2		21.2
Second class:								
In-county:								
Free mail	Per pound	Free	1 cent (lb.) ⅛ cent (min.)	.9	1 cent (lb.) ⅛ cent (min.)	.9	1¼ cents (lb.) ⅛ cent (min.)	1.5
Pound-rate matter	do	1 cent						
	Minimum per copy	⅛ cent						
Per-copy-rate matter	Per copy	1 cent or 2 cents.	Present rates	.3	Present rates	.3	Present rates	.3
Outside county:								
Regular publications:			3 annual 4 percent increases					
Editorial	Per pound	2½ cents	2.6 cents (lb.)	6.4	2.7 cents (lb.)	14.2	2.8 cents (lb.)	22.6
Advertising:			3 annual 10 percent increases (adjusted)					
Zones 1 and 2	do	3 cents	3.4 cents (lb.)		3.8 cents (lb.)		4.2 cents (lb.)	
Zone 3	do	4 cents	4.4		4.8		5.2	
Zone 4	do	6 cents	6.4		6.8		7.2	
Zone 5	do	8 cents	8.4		8.8		9.2	
Zone 6	do	10 cents	10.4		10.8		11.2	
Zone 7	do	12 cents	12.0		12.0		12.0	
Zone 8	do	14 cents	14.0		14.0		14.0	
	Minimum per copy	½ cent	0.6 cent (min.)[4]		0.8 cent (min.)[4]		1 cent (min.)[4]	
Nonprofit publications	Per pound	1½ cents	1.6 cents (lb.)	.3	1.7 cents (lb.)	.6	1.8 cents (lb.)	.9
	Minimum per copy	⅛ cent	⅛ cent (min.)		⅛ cent (min.)		⅛ cent (min.)	
Classroom publications:								
Editorial	Per pound	1½ cents	60 percent of regular rates	.3		.6		1.0
Advertising:								
Zones 1 and 2	do	1½ cents						
Zone 3	do	2 cents						
Zone 4	do	3 cents						
Zone 5	do	4 cents						
Zone 6	do	5 cents						
Zone 7	do	6 cents						
Zone 8	do	7 cents						
	Minimum per copy	⅛ cent						
Transient rate	First 2 ounces	2 cents	4 cents	1.1	4 cents	1.1	4 cents	1.1
	Each additional ounce	1 cent	1 cent		1 cent		1 cent	
Fees:								
Original entry—circulation under 2,000		$25	$30	.03	$30	.03	$30	.03
Original entry—circulation 2,000–5,000		$50	$60		$60		$60	
Original entry—circulation over 5,000		$100	$120		$120		$120	
Reentry		$10	$10		$10		$10	
Additional entry		$10	$15 (zones 3–8, $50)		$15 (zones 3–8, $50)		$15 (zones 3–8, $50)	
News agent registry		$20	$25		$25		$25	
Total				9.3		17.7		27.4
Controlled circulation	Per pound	12 cents	12½ cents	.3	13 cents	.6	13½ cents	1.0
	Minimum per piece	1 cent	1 cent		1 cent		1 cent	
Total				.3		.6		1.0
Third class:								
Single piece	1st 2 ounces	3 cents	4 cents	34.5	4 cents	34.5	4 cents	34.5
	Each additional ounce	1½ cents	2 cents	10.3	2 cents	10.3	2 cents	10.3

See footnote at end of table.

Comparison of present and proposed postal rates (new revenues based on 1963 volume)—Continued

Mail class	Postage rate unit	Present rate	First year (1963)		Second year (1964)		Third year (1965)	
			Rate	New revenues	Rate	New revenues	Rate	New revenues
Third class—Continued								
Bulk rate:								
Regular:				*Millions*		*Millions*		*Millions*
Circulars, etc	Per pound	16 cents	18 cents	3.1	18 cents	3.1	18 cents	3.1
	Minimum per piece	2½ cents	2⅝ cents	12.2	2⅝ cents	26.3	2⅞ cents	39.5
Books, catalogs, etc	Per pound	10 cents	12 cents	2.9	12 cents	2.9	12 cents	2.9
	Minimum per piece	2½ cents	2⅝ cents	.5	2⅝ cents	1.0	2⅞ cents	1.5
Nonprofit:								
Circulars, etc	Per pound	16 cents	9 cents	−1.7	9 cents	−1.7	9 cents	−1.7
	Minimum per piece	1¼ cents	1¼ cents		1¼ cents		1¼ cents	
Books, catalogs, etc	Per pound	10 cents	6 cents		6 cents		6 cents	
	Minimum per piece	1¼ cents	1¼ cents		1¼ cents		1¼ cents	
Bulk mailing fee	Calendar year	$20	$30	2.6	$30	2.6	$30	2.6
Total				66.4		80.0		93.7
Fourth class:								
Educational materials	1st pound	9 cents	9½ cents	.5	10 cents	1.0	10 cents	1.0
	Each additional pound	5 cents	5 cents		5 cents		5 cents	
Library materials	1st pound	4 cents	Present rates		Present rates		Present rates	
	Each additional pound	1 cent						
Total				.5		1.0		1.0
Keys, etc	Each 2 ounces	5 cents	6 cents	.1	6 cents	.1	6 cents	.1
Federal Government mail	Applicable class rates			20.5		21.0		21.0
Permit fees for mailing without stamps		$10	$15	.2	$15	.2	$15	.2
Mail mix adjustment				−3.0		−3.0		−3.0
Total new postal revenues, all classes				553.2		576.5		600.3
Estimated public service allowances				[3]375.0		[3]574.0		[3]373.0

---

[1] Air parcel post law requires payment of not less than 1st-class rates for 1st class sent by air.

[2] Present parcel post schedule plus 8 cents per piece. First-class matter above 8 ounces, 64 cents for 1st 8 ounces plus 5 cents for each additional ounce or the published parcel post rate if higher.

[3] Consists of total loss on free and reduced rate mail, additional public service on in-county mail, and the amount deemed attributable to 3d- and 4th-class post offices and rural and star routes.

[4] When number of copies mailed for delivery outside the county is fewer than 5,000, the minimum per copy is ½ cent.

On magazines containing less than 5 percent advertising the minimum charge per copy is 0.55 of a cent during 1963, 0.65 of a cent during 1964, and 0.75 of a cent thereafter.

Salary increases

Part II of the conference substitute places in effect major provisions of the Federal statutory salary reform proposal submitted to the Congress by the President earlier in the current session. The essential requirements of comparability of Federal and private enterprise salary rates, internal alinement of Federal salary schedules, and annual review and adjustment of salaries recommended by the President are provided by part II of the conference substitute. The chief differences between such part of the conference substitute and the President's recommendations are (1) salary adjustments under the conference substitute are in two phases, spaced 15 months apart, instead of three annual phases as recommended by the President, and (2) the three highest grades of the Classification Act of 1949 and the three highest levels of the postal field service schedule receive only one upward adjustment, leaving the final determination of the appropriate salaries for such grades and levels for consideration in the next Congress.

The conference substitute also provides comparable salary adjustments for employees in the judicial branch, agricultural stabilization and conservation county committee employees, congressional employees, and employees whose rates of compensation are fixed by administrative action. This is in conformity with the policy adopted by the Congress in all recent salary increase legislation.

The conference substitute provides salary increases which, when all are in effect, will average 11.2 percent for postal field service employees and 9.6 percent for classified employees and certain others.

Cost of salary increases

The annual cost of the salary reform provisions of the conference substitute will be $1.049 billion beginning with the calendar year 1964, when the salary adjustments provided for therein become fully effective. The salary reform legislation recommended by the President would have cost $1.054 billion a year beginning in the calendar year 1965. The annual cost of Federal civilian salary reform provisions contained in H.R. 9531, as reported favorably by the House Committee on Post Office and Civil Service but not acted upon by the House, would have been $1.469 billion beginning with the calendar year 1964—a difference of $420 million savings under the conference substitute.

Civil service retirement annuities

Part III of the conference substitute—

1. Provides a 5-percent increase, effective January 1, 1963, in all annuities then payable from the civil service retirement fund which commenced on or before that date.

2. Applies the increase on a graduated reduction basis to all annuities which commence in the 4-year period following January 1, 1963, in keeping with the practice followed in the last previous enactment of this kind.

3. Provides that the proper proportion of the increase granted an annuitant will accrue to his survivors.

4. Excludes from the increase annuity amounts purchased by voluntary contributions.

5. Removes the ceilings on increases imposed by certain previous enactments.

6. Provides for future adjustments in the event the calendar year average of the monthly Consumer Price Index of the Bureau of Labor Statistics increases not less than 3 percent.

7. Raises from $2,400 to $3,600 the portion of annuity to which the reduction of 2½ percent applies when electing survivorship benefits.

8. Increases the ratio of survivorship benefits from 50 to 55 percent.

9. Reverses present procedure by providing that in the future survivorship benefits will be automatic unless an adverse election is made.

10. Extends the right of survivorship benefits for children to the end of any school year in which a child attains the age of 21 years so long as the child pursues full-time studies in a school, college, university, or comparable recognized educational institution. This change is in keeping with provisions of veterans' benefit laws.

DIFFERENCES BETWEEN THE TEXT OF THE HOUSE BILL AND THE CONFERENCE SUBSTITUTE

PART I—POSTAL SERVICE

Postal rates

Both the House bill and part I of the conference substitute provide increases in postal rates and certain changes in the public service features of postal policy under chapter 27 of title 39, United States Code.

First-class mail

Section 3 of the House bill and section 101 of the conference substitute both provide for increases in the rate on first-class letter mail from 4 to 5 cents for each ounce or fraction of an ounce, in the rate on drop letters from 3 to 4 cents for each ounce or fraction of an ounce, and in the rate on each post card and each postal card from 3 to 4 cents.

Airmail

The amendments made by section 4 of the House bill increase the postage rates on airmail letters from 7 cents to 8 cents for each ounce or fraction thereof and on airmail postal and post cards from 5 cents to 6 cents. The existing requirement of minimum first-class ounce rates for air parcel post first-class matter is retained, but the existing minimum rate of 3 cents an ounce on such matter is eliminated.

Section 102 of the conference substitute increases the postage rate on airmail letters from 7 to 8 cents for each ounce or fraction thereof, and on airmail postal and post cards from 5 to 6 cents.

In keeping with the increase of 8 cents on airmail weighing 8 ounces, the first pound rate for air parcel post (other than first-class matter) is increased 8 cents. Air parcel post rates for first-class matter will be the regular 8-cent-an-ounce rate for each of the first 8 ounces, and the regular first-class letter rate of 5 cents an ounce for each ounce or fraction thereof over 8 ounces, but in no case less than the air parcel post rate for other matter.

Second-class mail within county of publication

Section 5 of the House bill removes the requirement, in connection with free-in-county mail, that publications must be printed in the county in which published.

Section 103 of the conference substitute eliminates free-in-county mailings, and extends to all such within-county mailings for calendar years 1963 and 1964 the existing 1 cent per pound and one-eighth cent minimum charge now applicable to certain categories of within-county mailings. At the start of calendar year 1965, the pound rate would be increased to 1¼ cents. The minimum charge per piece would remain at one-eighth cent. Existing per-copy rates applicable to publications issued less frequently or more frequently than once a week when mailed for delivery by letter carrier at the office of mailing are left unchanged.

Second-class mail beyond county of publication

Section 6 of the House bill imposes a piece rate charge of one-half cent effective July 1, 1962, and a piece rate charge of 1 cent effective July 1, 1963, to be paid in addition to existing pound rates.

Section 104(a) of the conference substitute increases second-class pound rates and the minimum charge per piece of publications for delivery outside the county of publication except that the current minimum charge of one-half cent per copy is not changed in the case of publications mailing less than 5,000 copies per issue outside the county of publication. The increase in pound rates on the nonadvertising portion is in three annual increments of 4 percent each year. The increase in pound rates on the nonadvertising portion is in three annual increments of 4 percent each year. The increase in pound rates on the advertising portion is in three annual increments of 0.4 cent each. The schedule provides increases after 3 years of 40 percent in zones 1 and 2; 30 percent in zone 3; 20 percent in zone 4; 15 percent in zone 5; and 12 percent in zone 6. The existing rates of 12 cents and 14 cents in zones 7 and 8, respectively, are not changed.

Any issue of a publication the advertising portion of which does not exceed 5 per centum of the entire issue will pay 0.55 of a cent per piece when mailed after January 6, 1963, and prior to January 1, 1964, 0.65 of a cent per piece when mailed during calendar year 1964, and 0.75 of a cent per piece when mailed after December 31, 1964.

Subsection (a) except as noted above also increases the minimum charge on the above publications in annual increments over a 3-year period from one-half cent to six-tenths of a cent, eight-tenths of a cent, and 1 cent, respectively.

Subsection (a) also fixes the postage rate on classroom publications at 60 percent of the regular rate. The rate applicable to the total content of publications of qualified nonprofit organizations (advertising and nonadvertising portions alike) is maintained at 1 cent per pound less than the pound rate applicable to the nonadvertising portion of regular publications. This produces a rate for these publications of less than 50 percent of the pound rates described above and the minimum per piece rate is retained at the present one-eighth of 1 cent.

Subsection (b) of section 104 extends the nonprofit rate to publications of official State highway agencies which meet all requirements for second-class entry and which contain no advertising. However, only one such publication in any State could be mailed at this rate. Also, the nonprofit rate is extended to associations of rural electric cooperatives.

Subsection (c) repeals existing law to the extent necessary to give effect to the changes in rates discussed above.

Second-class transient mail

Section 105 of the conference substitute increases the postage rate on the first 2 ounces of transient mail from 2 to 4 cents.

The House bill has no comparable provision relating to transient mail.

Controlled circulation publications

Section 8 of the House bill increases the rate to be paid by controlled circulation publications from 12 cents a pound to 14 cents a pound.

Section 106 of the conference substitute increases the pound rate on controlled circulation publications from 12 to 12½ cents the first year, to 13 cents the second year, and to 13½ cents thereafter.

Third-class mail

Section 9 of the House bill provides increases in rates for third-class mail as follows:

1. The piece rate on single mailings is increased from 3 cents on the first 2 ounces or fraction thereof to 4 cents.
2. The pound rate on all matter mailed in bulk (except books and catalogs of 24 pages or more, seeds, cuttings, bulbs, roots, scions, and plants) is increased from 16 to 21 cents. The pound rate on books and catalogs of 24 pages or more, seeds, cuttings, bulbs, roots, scions, and plants is increased from 10 to 18 cents except in the case of mailings by qualified nonprofit organizations which remains at 10 cents. The minimum rate per piece for other than qualified nonprofit organizations is increased from 2½ cents to 3½ cents.
3. The minimum rate on pieces of odd size is increased from 3½ cents to 4½ cents.

Section 107 of the conference substitute provides increases as follows in rates for third-class mail.

1. The piece rate on single mailings is increased from 3 cents on the first 2 ounces or fraction thereof and 1½ cents on each additional ounce or fraction thereof to 4 and 2 cents, respectively.
2. The pound rate on all matter mailed in bulk (except books and catalogs of 24 pages or more, seeds, cuttings, bulbs, roots, scions, and plants) is increased from 16 to 18 cents. The pound rate on books and catalogs of 24 pages or more, seeds, cuttings, bulbs, roots, scions, and plants is increased from 10 to 12 cents. The minimum rate per piece in either instance is increased in three annual increments—first to 2⅝ cents, a year later to 2¾ cents, and a year following that to 2⅞ cents.

Section 107 continues in effect the present minimum per piece charge on bulk third-class mailings by qualified nonprofit organizations and provides that the pound rates for such mailings shall be 50 per centum of the regular pound rates for bulk third-class mailings as embodied in the conference agreement.

In addition to the foregoing, this section raises the fee for a third-class bulk mailing permit from $20 to $30 and increases the minimum weight requirement from 20 to 50 pounds. This should have been adjusted in 1958 when the weight for third-class mail was increased from 8 to 16 ounces. One of the requirements for the bulk third-class pound rates is that such mail be in quantities of 20 pounds or of not less than 200 pieces. When the weight limit was 8 ounces a minimum of 40 such pieces was necessary, but when the weight limit was raised to 16 ounces only 20 such pieces was necessary to comply with the minimum weight limit. This is entirely too small a number of pieces to justify the bulk pound rate. Thus, in the future, to obtain the bulk third-class rate, it will be necessary to mail a minimum of 50 pounds or 200 pieces.

Fourth-class mail

Section 108 of the conference substitute restores to the States of Alaska and Hawaii the benefits of certain provisions relating to the maximum size and weight of fourth-class parcels mailed at or for delivery at first-class post offices which they enjoyed prior to their admission as States. Under these provisions, such parcels could be as large as 100 inches in length and girth combined and could weigh as much as 70 pounds. These are the maximums which are already applicable generally to parcels mailed at or for delivery at second-, third-, and fourth-class post offices or rural and star routes, and to parcels mailed at or for delivery at Army, Air Force, or Fleet Post Offices. The conditions which led to the original extension of these maximums to Alaska and Hawaii while in territorial status have not been altered by statehood and those maximums should be restored.

Section 109.—This section provides an increase in fourth-class postage rates on books, films, and similar educational materials from 9 cents for the first pound to 9½ cents during the first year and to 10 cents thereafter. The existing rate of 5 cents on each additional percent will continue without change.

The postage rates on fourth-class library materials would remain at 4 cents on the first pound and 1 cent for each additional pound.

The House bill contained no provisions comparable to section 108 or 109 of the conference substitute.

Fees for second-class entry and registration

The House bill made no change in fees for second-class mail.

Section 110 of the conference substitute provides increases as follows in second-class mailing fees:

	Existing fee	Proposed fee
Circulation:		
Not over 2,000	$25	$30
2,000 to 5,000	50	60
Over 5,000	100	120
Reentry	10	15
Additional entry	10	[1] 15 [2] 50
News agent	20	25

[1] Zones 1 and 2.

[2] Zones 3 to 8.

Permit fees for mailing without stamps

Section 111 of the conference substitute increases from $10 to $15 the permit fee for mailing without stamps.

The House bill contains no provisions on this matter.

Fixing of fees by Postmaster General

Section 112 of the conference substitute gives the Postmaster General the authority to adjust second-class entry and registration fees and permit fees for mailing with printed postage indicia in the future.

The House bill contains no provisions on this matter.

Keys and other small articles

Section 113 of the conference substitute increases from 5 cents for each 2 ounces to 6 cents for each 2 ounces the postage rate on keys and other small articles mailed without the prepayment of postage. The House bill contains no such provisions.

Method of determining gross receipts

Section 11 of the House bill and section 114 of the conference substitute both provide that increased revenues derived from the rate increases shall be excluded in determining compensation and allowances of postmasters and other employees and classes of post offices.

This is similar to the provision contained in the 1958 Postal Increase Act.

Qualifications of postmasters

Section 115 of the conference substitute requires the Civil Service Commission, in evaluating the qualifications of applicants for positions of postmaster, to give appropriate consideration to experience in the postal field service.

The House bill contains no provisions on this matter.

TITLE II—POSTAL POLICY

Section 2 of the House bill revises and strengthens the statement of congressional policy with respect to postal rates and fees originally enacted as the Postal Policy Act of 1958 and now contained in chapter 27 of title 39, United States Code.

Subsection (a) clarifies and strengthens the language of such policy with respect to the determination of postal expenses attributable to the performance of public service by the Postal Establishment.

Subsection (b) makes several important changes in the existing provisions of law with respect to identification of public services rendered by the Postal Establishment and the determination of the costs of such public services which shall be excluded from postal expenses for purposes of fixing postal rates and fees.

The first such change (sec. 2(b) (1) and (2)) provides that "the estimated calculated loss" from operation of third- and fourth-class post offices, star routes, and rural routes shall be held and considered to be an item of public service rendered by the Postal Establishment. Under present law, the "loss" on star routes and third- and fourth-class post offices is designated as an item of public service.

The second such change (sec. 2(b)(3)) supplies a needed clear definition of the terms "loss" and "total loss" as applied to revenues and expenses of the public service items specified in the law—a definition which was not included in the Postal Policy Act of 1958. This definitive language, coupled with the remaining provisions of section 2 of the bill, will provide standards and guidelines which are necessary for the Postmaster General to determine the amount of public service charges to be excluded from postal expenses each year for purposes of considering the need for adjustments in postal rates and fees.

The amendment made by section 2(c) requires the Postmaster General, on or before February 1 of each year beginning with the year 1962, to report to the Congress the amount by which costs of the public service items set forth in the postal policy provisions exceed revenues from such public service items and specifies, further, that the amount so determined and reported shall be excluded from the total cost of postal operations for purposes of adjustment of postal rates and fees. The last sentence of the amendment requires that the amount so determined and reported (and thus excluded from total operating costs for rate and fee purposes) shall be not less than 7½ percent of the total current budget of the Post Office Department.

The amendment made by section 2(d) is a technical amendment which conforms the table of contents of the appropriate chapter of title 39, United States Code, with the amendments made by the remainder of section 2 of the bill.

Section 201 of the conference substitute makes changes necessary to clarify and strengthen the statement of congressional policy with respect to postal rates and fees contained in chapter 27 of title 39, United States Code. Further, certain technical changes are made necessary by the elimination of free-in-county mailing under section 104. This section resolves a problem of long standing by providing a formula for use in determining the amount that shall be considered public service costs in the operation of star and rural routes and third- and fourth-class post offices. The conference substitute provides that 10 percent of the gross cost of the operation of third-class post offices and the star route system, and 20 percent of the gross cost of the operation of fourth-class post offices and rural routes shall be attributable to public service.

TITLE III—MISCELLANEOUS

Eligibility of certain organizations for second-class entry

Section 301 of the conference substitute adds publications of State industrial development agencies and public or nonprofit elementary and secondary schools to the list of those entitled to second-class entry without the necessity of having a bona fide list of regular subscribers.

The House bill contains no provisions on this matter.

Educational materials

Section 10 of the House bill makes certain technical changes in the preferential educational and library material rate listings to reflect the substantive changes made by Public Law 86-644, approved July 14, 1960. The subsection also supplies corrective language to clarify the purpose and intent of that part of section 4554(c) of title 39, United States Code, which extends the preferential library materials rates to scientific or mathematical kits, instruments, and devices, and catalogs and guides or scripts relating to their use. The existing preferential rates of 9 cents a pound for the first pound or fraction thereof and 5 cents for each additional pound or fraction thereof on educational materials and 4 cents a pound for the first pound or fraction thereof and 1 cent a pound for each additional pound or fraction thereof on library materials are retained.

Section 302 of the conference substitute provides corrective language to clarify the purpose and intent of that part of section 4554(c) of title 39 relating to the inclusion of guides, scripts, and catalogs with scientific or mathematical kits, instruments, or devices and sound recordings.

The conference substitute adds looseleaf pages, and binders therefor, consisting of medical information for distribution to doctors, hospitals, medical schools, and medical students to the educational materials category.

Reading matter and other materials for blind persons

Section 303 of the conference substitute revises sections 4653 and 4654 of title 39, United States Code, which relate to the mailing of reading and other materials for the use of blind persons. The changes made in these sections are designed to accomplish the following:

1. Existing law permits the free mailing to blind persons of books with raised type and recordings. This section would add books printed in sightsaving size type to this category. It would also make clear that the term "recordings" includes sound tapes.

2. Under present law public libraries and public institutions for the blind may mail free of postage books being loaned to blind persons. This section extends this privilege to any nonprofit organizations which lends books to the blind.

3. Extends the same free mailing treatment to reading materials mailed to nonprofit organizations for the use of blind persons as when sent directly to the blind persons.

4. Existing law permits magazines furnished to blind persons at cost to be mailed at the rate of 1 cent a pound. This section extends that rate to other reading materials furnished to blind persons at cost. It also makes it applicable where the materials are sent to nonprofit organizations for the use of blind persons.

5. Under present law sound reproduction devices owned by the United States which have been loaned to blind persons may be returned by those persons for repair at a postage rate of 1 cent a pound. The Postmaster General has authority to extend this rate to reproducers owned by States, public libraries, nonprofit agencies, and blind persons themselves. This section would eliminate the 1-cent-a-pound charge and permit free mailing of these devices. It also authorizes the Postmaster General, in his discretion, to extend free mailing privilege to the sending by State agencies, public libraries, private nonprofit agencies for the blind, and blind persons themselves, of paper, records, tapes, and other materials owned by them for use by the recipients for the production of reading matter in raised characters or sight saving size type, or in the form of recordings, for the use of blind persons. The House bill has no similar provision.

Repeals and technical amendments

Section 9(c) of the House bill and section 304 of the conference substitute repeal section 3 of the act of October 30, 1951 (Public Law 86-56). Also, paragraph (3) of the conference substitute repeals the following substantive provisions of law:

(1) Section 4361 of title 39, which authorizes publishers to mail proofs of advertisements at second-class zone rates applicable to advertising portions.

(2) Section 4652 of title 39, which permits public mailing of the CONGRESSIONAL RECORD from the District of Columbia at the rate of 1 cent per copy.

Communist political propaganda

Section 12 of the House-passed bill contains a provision which would amend section 505 of title 39, United States Code (international postal arrangements) for the purpose of excluding Communist political propaganda from the U.S. mails.

This section in the House bill also contains provisions designed to accomplish this purpose with respect to mail originating within the United States as well as mail originating outside the United States. Under these provisions mail matter determined by the Attorney General to be Communist political propaganda which is financed or sponsored by a Communist-controlled government is nonmailable within the United States, except as fourth-class mail.

During extensive hearings on section 12 of H.R. 7927, widely divergent views were expressed as to the need for such a provision and the form any such provision should take. Following extended deliberations in executive session, the committee has agreed upon what it considers to be an appropriate substitute which meets many of the objections expressed during the hearings, and which is designed to provide a workable solution to the problem of Communist political propaganda arriving for distribution in the United States.

Section 305 of the conference substitute consists of a modification of S. 2740, introduced by Senator BUSH on January 25, 1962, which would have had the effect of reinstating the program of screening Communist political propaganda substantially as that program was conducted prior to March 17, 1961.

Section 305 of the conference substitute provides for a program under which, with certain exceptions, Communist political propaganda coming into the United States from foreign countries would be intercepted and would be delivered only upon the request of the addressee within a reasonable time, which shall not exceed 60 days.

Section 305 specifically provides that mail matter, except sealed letters, originating in a foreign country and which is determined by the Secretary of the Treasury to be Communist political propaganda shall be detained by the Postmaster General upon its arrival for delivery in the United States, or upon its subsequent deposit in the U.S. domestic mails, and the addressee shall be notified that such matter has been received.

Such detention would not be required in the case of any matter which is otherwise ascertained by the Postmaster General to be desired by the addressee.

Exempted would be matter addressed to Government agencies, to libraries, or to colleges, universities, graduate schools, scientific or professional institutions for advanced studies, or any individual connected therewith. Likewise, material addressed for delivery in the United States pursuant to a reciprocal international agreement under which the U.S. Government mails an equal amount of material for delivery in a Communist country, would be exempted.

In order to furnish guidelines to the Secretary of the Treasury as to what constitutes Communist political propaganda, the entire definition of political propaganda contained in the Foreign Agents Registration Act of 1948 is incorporated by reference and related to matter issued by or on behalf of any country from which tariff concessions have been withdrawn under section 5 of the Trade Agreement Extension Act of 1951 or section 231 of the Trade Expansion Act of 1962, or which is denied assistance under section 620 (f) of the Foreign Assistance Act of 1961, as amended.

Effective date

Section 13 of the House bill provides an effective date of July 1, 1962. Section 306 of the conference substitute provides that, except as otherwise provided, the provisions of Part I—Postal Service shall become effective January 7, 1963.

Obscene matter distributed by mail

The House bill has no provisions on this subject.

Section 307 of the conference substitute authorizes the Postmaster General to detain and dispose of mail containing obscene, lewd, lascivious, or indecent matter.

PART II—FEDERAL SALARY REFORM

Part II of the conference substitute relates to Federal salary reform.

TITLE I—GENERAL POLICY

Title I of part II contains a statement of Federal salary policy.

Section 501 provides that part II may be cited as the "Federal Salary Reform Act of 1962."

Section 502 sets forth the policy of the Congress that pay of Federal civilian personnel shall be established upon the principles of equal pay for substantially equal work with pay distinctions maintained in keeping with work and performance distinctions; and that Federal salaries shall be comparable with salaries in private enterprise for the same levels of work

Section 503, pertaining to the implementation of the above policy, provides that the President shall have prepared and submitted to him an annual report comparing salary rates paid to Federal employees with rates paid for the same levels of work in private industry as determined through annual surveys of the Bureau of Labor Statistics of the Department of Labor. After seeking the views of employee organizations the President shall make an annual report to the Congress containing the comparison of Federal and private enterprise salary rates and such recommendations for revision of statutory salary schedules, salary structure, and compensation policy as he deems advisable.

In further implementation of the stated salary policy, section 504 provides that whenever the President or his designee finds that the salary rates in private enterprise for an occupation in any particular location are so substantially above the salary rates of Federal statutory pay schedules as to handicap significantly the Government in recruiting and retaining well qualified persons in positions under the pay systems of the executive branch covered by the conference substitute, the President, or his designee, may establish for such location higher minimum rates of basic compensation. Corresponding increases may be made in all step rates in the salary range for the applicable grade or level; however, the minimum salary rate established under this authority may not exceed the seventh compensation rate prescribed by law for the grade or level involved. The President may authorize the exercise of the authority conferred upon him by this section by the Civil Service Commission or, in the case of employees not subject to the civil service laws and regulations, by such other agency as he may designate.

Section 504 also provides that such rates may be revised from time to time and that such actions or revisions shall have the force and effect of law.

Section 504 further provides that any increase in basic compensation established under this section shall not be regarded as an "equivalent increase" in compensation within the meaning of section 701 (a) of the Classification Act of 1949, or section 3552 of title 39, United States Code.

Policies, rules, and regulations of the President

Section 505 further implements the salary policy by authorizing the President to prescribe policies, rules, and standards in order to carry out the policy and purpose of the conference substitute with respect to the several Federal salary systems covered by the conference substitute and in order to provide adequate supervision and control by the President over the functions, duties, and regulations of the respective authorities in the executive branch in connection with the administration and operation of the four major salary systems and the provisions of this title.

TITLE II—PAY SYSTEM OF THE CLASSIFICATION ACT OF 1949

Title II of part II of the conference substitute pertains to the pay system of the Classification Act of 1949, as amended.

Section 601 provides that title II may be cited as the "Classification Act Amendments of 1962."

Section 602 contains the compensation schedules for the General Schedule of the Classification Act of 1949, as amended, and the salary conversion rules for the two phases of the salary adjustment plan which would become effective on the first day of the first pay period which begins on or after the date of enactment (first phase) and on January 1, 1964 (second phase).

Section 602 (a) prescribes the compensation schedules. The schedule contains 10 regular steps in lieu of 7 scheduled and 3 longevity rates currently provided for GS–1 through GS–10; 9 rates for GS–11 through GS–14 in lieu of 6 scheduled and 3 longevity rates; 8 rates for GS–15 in lieu of 5 scheduled and 3 longevities; and 5 rates for GS–16 and GS–17 in lieu of the 5 rates currently provided by the Classification Act. Grade GS–18 continues to have a single rate. Because the number of regular step rates is increased, the current provisions for longevity step increases in title VII of the Classification Act of 1949 are no longer needed and are repealed in subsequent sections of the conference substitute.

Section 602 (b) specifies the rules adjusting existing pay rates to the rates of the new schedules. Employees generally are to retain the same relative place within the new grade range as they had within their former grade range.

Paragraph (10) of section 602(b) provides that service immediately preceding the effective date shall be counted toward not to exceed one step increase under the time in grade provisions of section 701(a) of the Classification Act of 1942, as amended by the conference substitute.

Paragraph (11) of section 602(b) applies to each officer or employee who is receiving immediately prior to the effective date of section 602, pursuant to paragraph (4) of section 2(b) of the Federal Employees Salary Increase Act of 1955, an existing aggregate rate of compensation, determined under section 208(b) of the act of September 1, 1954 (68 Stat. 1111; Public Law 763, 83d Cong.), plus the amount of the increase provided by section 2 of the Federal Employees Salary Increase Act of 1955, by section 2 of the Federal Employees Salary Increase Act of 1958, and by section 112 of the Federal Employees Salary Increase Act of 1960. Such officer or employee will receive an aggregate rate of compensation equal to the sum of (1) his existing aggregate rate of compensation determined under the savings provisions of section 208(b) of the act of September 1, 1954, referred to above, and (2) the amount of the increase provided by section 2 of the Federal Employees Salary Increase Act of 1955, and (3) the amount of the increase provided by section 2 of the Federal Employees Salary Increase Act of 1958, and (4) the amount of the increase provided by section 112 of the Federal Employees Salary Increase Act of 1960, and (5) the amount of the increase made by section 602 under compensation schedule I in the maximum rate of his grade. This rate will remain in effect for such officer or employee until he leaves his position or until he is entitled to receive aggregate compensation at a higher rate by reason of the operation of the amendment or any other law. However, when the position becomes vacant, the aggregate rate of compensation of any later appointee thereto will be fixed in accordance with applicable provisions of law. Paragraph (11) of section 602(b) also contains a provision to the effect that, subject to the possibility that any such officer or employee may leave his position or may become entitled to aggregate compensation at a higher rate, the amount of the increase provided by section 602 is to be held and considered, for the savings purposes of section 208(b) of the act of September 1, 1954, to constitute a part of the existing aggregate rate of compensation of the officer or employee.

Step increases

Section 603 amends title VII, "Step increases" of the Classification Act of 1949. Title VII currently provides two types of step increases: (1) Periodic step increases under section 701, and (2) longevity step increases beyond the scheduled maximum rate of the grade under section 703. As amended the conference substitute, title VII provides for (1) periodic step increases, and (2) additional step increases to be granted in recognition of high quality performance.

Section 701 now provides periodic step increases, for employees below the maximum rate of the grade, for each 52 calendar weeks of service if the amount of the step increases is less than $200, or 78 weeks of service if the employee's position is in a grade in which the step increase is $200 or more. As amended, section 701(a) provides for periodic increases at all grades following the completion of (1) 52 calendar weeks of service in salary rates 1, 2, and 3, (2) 104 calendar weeks of service in salary rates 4, 5, and 6, and (3) each 156 calendar weeks of service in salary rates 7, 8, and 9.

Paragraphs (A) and (C) of section 701(a) which relate to eligibility for step increases are in existing law. Paragraph (B) requires, as a prerequisite to within-grade advancement, that the employee's work is of an acceptable level of competence in contrast with the present wording that the employee has a current performance rating of "satisfactory" or better.

Subsection (b) of the revised section 701 is present law.

The new section 702 of the Classification Act of 1949 in the conference substitute authorizes, in subsection (a), additional step increases in recognition of high quality performance above that ordinarily found in the type of position concerned. Such additional step increases could be made in accordance with regulations prescribed by the Civil Service Commission and under subsection (b), would be limited to not more than one within any period of 52 weeks.

Current provisions of sections 703 and 704 of the Classification Act of 1949, relating to longevity step increases, are no longer needed since these steps have been included in the regular rate range for the respective grades. The provisions are therefore repealed. Section 703 of the amended title VII which is already in existing law (as section 705) provides that title VII shall not apply to persons appointed by the President, by and with the advice and consent of the Senate. Title VII currently does not have a section 702.

General compensation rules

Section 604(a) revises section 802(b) of the Classification Act of 1949 to provide that when an employee is promoted to a position in a higher grade he shall receive basic compensation at the lowest rate of the higher grade which exceeds his existing rate by not less than two step increases of the grade from which promoted. This subsection also specifies the action to be taken if there is no rate in the higher grade two step increases above the employee's existing rate, or if he is receiving a rate saved under section 507 of the Classification Act of 1949 on reduction in grade. Existing law provides only a one-step increase upon promotion or transfer to a higher grade. A similar proposal is included in H.R. 1010 which passed the House of Representatives on August 22, 1961.

Section 604(b) adds a new subsection (d) to section 802 of the Classification Act of 1949. There is no present authority for saving the basic compensation of an employee who, together with his position, is brought under the Classification Act from some other Federal pay system (such as the wage board system), if his salary rate is in excess of the maximum rate of the classification grade in which his position is placed. The new subsection would authorize the Civil Service Commission to issue regulations to permit the retention of salary in such instances. It includes special provisions applicable in case of subsequent demotion in grade.

Section 604(c) substitutes a new section 803 of the Classification Act of 1949. Because of the more comprehensive provisions in section 504 of title I, part II, of the conference substitute, the present provisions of section 803, authorizing advanced entrance rates of the grades for appointments in shortage occupations, are unnecessary and therefore are being deleted. Section 803, as amended, provides that under regulations of the Civil Service Commission, any employee under the Classification Act who regularly has responsibility for supervision, including technical supervision, over wage board employees may be paid a rate for his grade above the highest rate paid to any such prevailing rate employee.

Salary retention

Section 605 amends section 507 of the Classification Act of 1949 which provides for the retention of salary when an employee is demoted to a lower grade. The amendment in paragraph (1) extends application of the provisions of section 507 to employees in all grades of the Classification Act of 1949 by omitting the language of existing law which excludes application of the benefits to employees in grades GS-16, GS-17, and GS-18. The amendment in paragraph (2) strikes out "B in the same grade or in the same or higher grades;" in paragraph (4) of subsection (a) of such section 507 and inserts in lieu thereof "(B) in any grade or grades higher than the grade to which demoted;". This change in language will permit salary retention not now permitted under section 507 where there may have been a series of promotions followed by a demotion or a series of demotions.

Increase in number of top grade positions under the Classification Act of 1949

Section 606 amends section 505 of the Classification Act of 1949. Subsection (a) increases from 1,989 to 2,400 the limitation on the number of positions the Civil Service Commission, under section 505(b) of the Classification Act, may authorize to be placed in grades 16, 17, and 18 of the general schedule, and excludes from this limitation engineering research and development positions and positions in the physical sciences, natural sciences, and medicine. Subsection (b) excludes these same types of positions from the number of positions in grades 16, 17, and 18 now authorized for the Department of Defense in section 505(j) of the Classification Act.

Section 606(c) authorizes the Attorney General to place a total of 10 positions of warden in the Bureau of Prisons in grade 16 of the general schedule. This increases by four the number of such positions which may be assigned to GS-16. This subsection also authorizes the Attorney General to place a total of eight positions of member of the Board of Parole in grade 17 of the general schedule. Presently only one such position is in grade GS-17 and the other seven are in grade GS-16.

Section 607 repeals certain provisions of law authorizing (1) incumbency allocations to top Classification Act grades, and (2) certain positions to be placed in top grades of the act or to have an equivalent salary.

Section 608(a) provides that each position covered by a repeal provision in section 607 shall be placed in the appropriate grade of the general schedule of the Classification Act, in accordance with the provisions of that act.

Section 608(b) provides that positions in grades 16, 17, and 18 of the general schedule immediately prior to the effective date shall remain in such grades until appropriate action is taken under section 505 of the Classification Act.

SAVINGS PROVISION

Section 609 contains the usual salary savings provisions.

Effective dates

Section 610 provides that except as otherwise expressly provided the provisions of title II of part II shall become effective on the first day of the first pay period which begins on or after the date of enactment.

TITLE III—POSTAL FIELD SERVICE EMPLOYED

Section 701 cites this title as the "Postal Employees Salary Adjustment Act of 1962."

Employees under the postal field service schedule

Section 702 provides two postal field service schedules. Schedule I would be effective the first pay period after enactment and schedule II, the first pay period after January 1, 1964. The salary schedules for the postal field service follow the pattern established for other statutory pay systems in that they are based on the principle of industry comparability for levels of work.

The structure of the proposed schedules is generally similar to that of the Classification Act of 1949. It replaces both annual salary steps in the present PFS schedule and longevity rates which is accomplished by the addition of step increases to the PFS schedule.

Employees under the rural carrier schedule

Section 703(a) establishes two new schedules for determining rural carrier pay, the first effective on the first pay period after enactment and the second on the first pay period after January 1, 1964. It also combines the present salary steps and longevity steps into a single 12-step schedule.

Pay rates for the RCS schedule were determined by adding the amount of increase provided for PFS-4, step 7, to the present step 7 rate for the 42-mile route, and adjusting other rates for that route to the corresponding rates for PFS-4.

Section 703(b) amends section 3543(c) of title 39, United States Code, which authorizes payment of additional compensation to rural carriers on heavily patronized routes, by eliminating the existing provision permitting such payment only if the route does not exceed 61 miles in length, as well as the provision limiting the additional compensation to an amount which when added to the basic salary for the maximum step for the route would equal the basic salary for the maximum step for a 61-mile route.

Section 703(c) amends section 3543(f) of title 39, United States Code, to increase the equipment maintenance allowance for rural carriers from 10 cents to 12 cents a mile or from $3.50 to $4.20 a day, whichever is greater.

Section 703(c) changes the method of compensating substitute rural carriers. Under the present system these carriers are paid at the rate of the carrier in whose absence they are serving. Under the new provisions, substitute carriers will be paid on the basis of their own service in the same manner as regular carriers.

Postmasters under the fourth-class office schedule

Section 704 amends section 3544(a) of title 39, United States Code, the code to provide two new compensation schedules for postmasters in fourth-class post offices, one effective the first pay period after enactment and the other effective the first pay period after January 1, 1964.

The proposed schedules continue to relate compensation to receipts categories. The first schedule provides an increase of 10 percent above current salary rates. The second schedule adds another 5 percent or a total of 15 percent over existing rates. Subsection (b) extends to postmasters of the third- and fourth-class salary restoration rights now enjoyed by other postal employees.

Automatic advancement by step increases

Section 705 amends 39 U.S.C. 3552, which relates to advancement of employees by step increases.

Under subsection (a), 39 U.S.C. 3552, the schedule of advancement is established. The present schedule of advancement provides for increases based on 52 weeks of service in a step until the highest step in the level is reached. In levels PFS-1 through PFS-6 this form of advancement is continued for the first six increases; the next five increases are attained after a 156-week waiting period for each. In all levels above PFS-6, under the new schedule, the employee will be advanced to steps 2, 3, and 4, on the basis of 52 weeks of service in each step, to steps 5, 6, and 7, on the basis of 104 weeks of service, and to steps 8 and above, on the basis of 156 weeks of service. The conference substitute does not continue the limitation on the advancement of substitutes assigned to road duty. It has been the practice of the Post Office Department to credit service by such a substitute in step 4, PFS-5, and, upon placement in a position not subject to the limitation, the employee would be advanced in step in the new position on the basis of such service, if otherwise proper. The removal of such limitation will permit these substitute employees who were not advanced beyond step 4 of salary level PFS-5 by reason of the limitation, to be given credit for all their service in step 4 and given the appropriate step increases at the time of conversion.

Subsection (b), 39 U.S.C. 3552, codifies and makes permanent a provision of law common to salary increase legislation affecting postal employees. In effect, it provides that statutory increases in basic compensation are not equivalent increases for purposes of determining eligibility for advancement under subsection (a).

Subsection (c), 39 U.S.C. 3552, reenacts the last sentence of 39 U.S.C. 3552(a) as a separate subsection.

The current provisions of 39 U.S.C. 3552(b) are, in effect, repealed by this amendment. Under present service conditions, withholding of advancement by step increases from substitutes in PFS-5 assigned to road duty cannot be justified.

Temporary employees

Section 706 amends 39 U.S.C. 3554 by deleting the phrase "under the postal field service schedule" and inserting in its place the phrase "in the postal field service." The purpose of this change is to permit the payment of compensation to temporary rural carriers serving under limited appointments in the same manner as to other postal field service employees. In effect, this change will continue the present method of compensation of these carriers.

Promotions

Section 707 amends 39 U.S.C. 3559 in its entirety. The present method of promotion guarantees to each employee a minimum increase equivalent to the difference between step 1 of the level from which promoted and step 1 of the level immediately above. The new provision will guarantee to each employee promoted to a higher level a minimum increase equivalent to two step increases of the level from which promoted; if the employee is promoted to a level more than two levels above the level of his position, he will receive a minimum increase equivalent to three step increases.

Rural routes

The purpose of section 708 is to remove the limitation on the present authority of the Postmaster General with respect to the establishment or extension of star routes in areas previously served by rural routes. Under present law such substitution may not be made if a qualified rural carrier can be obtained. This change will permit the Postmaster General to exercise administrative discretion in the selection of the more efficient or economical service.

Miscellaneous provisions

The new salary plan abolishes longevity steps and provides for recognition of long service through addition of within-grade steps. Therefore, the distinction made in sections 3101(5) and 3101(6) of title 39, between basic salary and basic compensation, is no longer valid and section 709 eliminates this distinction.

Section 710 amends 39 U.S.C. 3541 to provide a method for determining the daily rate of compensation of substitute rural carriers. By using a factor of 304, the number of days of service on a rural route in a year, holiday pay is prorated throughout the year against the actual service of the substitute rural carrier. In this respect, pay treatment of these employees will be consistent with that afforded other substitute employees.

Conversion rules

Section 711 provides the rules for the conversion of existing salaries to the new pay schedules which would become effective on the first day of the first pay period after enactment. The conversion method generally will place each employee in the numerical step which he attains immediately prior to the effective date of the new pay plan, plus an additional numerical step for each longevity step attained immediately prior to conversion.

Credit is preserved toward the next within-grade or automatic step increase earned by employees prior to conversion if they were not given an additional step increase by reason of longevity steps attained prior to conversion. Such credit will be applied toward fulfillment of the requirements of the new advancement schedule. No credit earned toward longevity steps will be carried over. No employee's salary will be reduced on conversion.

In addition, to provide a greater salary increase for present employees, each employee in levels PFS-1 through PFS-4 or under the rural carrier schedule will be advanced one extra step on conversion.

Section 712 provides for the conversion of employees to the schedules to become effective in January 1964 according to the numerical step attained immediately prior to the date of conversion. Where existing compensation exceeds the rate for the numerical step, the existing compensation is retained if conversion cannot be made, to a scheduled step.

Section 713 amends section 3560 of title 39, United States Code, as added by section 201 of the act of September 21, 1961 (75 Stat. 569, Public Law 87-270), which provides, among other things, that employees in protected rates will be given statutory increases applicable to the salary standing from which reduced. The purpose of section 713 is to make clear that, inasmuch as the new salary plan involves basic structural changes for employees now under the PFS, RCS, and FOS schedules, this particular feature of 39 U.S.C. 3560 cannot be given application at the time of conversion to the new schedules. Salaries of employees in protected rates as of the date of conversion will be converted under sections 711 and 712 of the conference substitute, as appropriate.

Basic salary in cases of assignments of postal employees

Section 714 amends section 3335(b) of title 39, United States Code, so as to clarify the intent of Congress with respect to the authority of the Postmaster General to authorize higher level compensation. This amendment is required to remove objections of the Comptroller General, as stated in his decision of February 1, 1962 (B-138999), to the Department's application of the present statutory provision and to validate payments that have been made.

Salary protection

Section 715 extends existing salary protection provisions to all levels of the postal field service schedule and clarifies their application to certain situations.

Section 716 contains a new compensation rule which will permit the Postmaster General to make exceptions to the schedule of automatic advancement provided in 39 U.S.C. 3552 in recognition of exceptional competence. This provision will require implementation by regulations to be issued by the Postmaster General.

Top grade positions and Whitten amendment

Section 717 removes PFS-17 from the controlled position group and grants the postal field service a 10-percent exemption under the Whitten amendment.

Section 718 contains two conforming changes to the table of contents of title 39, United States Code.

Repeals

Section 719 repeals those provisions of Public Law 86-568 which contained salary increases for postal field service employees, effective July 9, 1960. It also repeals 39 U.S.C. 3558, which provides for the present system of longevity compensation; the new pay schedules supersede the longevity system in its entirety.

Effective dates

Section 720 specifies the effective dates of the various sections in title III.

TITLE IV—DEPARTMENT OF MEDICINE AND SURGERY IN THE VETERANS' ADMINISTRATION

Title IV relates to physicians, dentists, and nurses in the Department of Medicine and Surgery of the Veterans' Administration who are subject to a separate pay system prescribed by chapter 73 of title 38, United States Code. The revisions made by this title not only take into account the Bureau of Labor Statistics findings but also reflect the results of extensive studies of the Veterans' Administration concerning the need for a modernization of the entire grade and salary structure of the Department of Medicine and Surgery to recognize the numerous organizational and functional changes which have taken place in the Department since its inception in 1946.

In recognition of the nature of their occupations and the variability of assignments in a clinical setting, the grade and salary, of physicians, dentists, and nurses in the Department of Medicine and Surgery are determined on the basis of an individual's qualifications and professional attainment. Notwithstanding this fact, comparison of the qualification and skill requirements for like occupations under the Classification Act corroborate extension to the Department of Medicine and Surgery schedules in the manner indicated in the conference substitute bill of the salary scale proposed for the Classification Act system. Appropriate differentiation in pay between recognized skill levels as well as executive and managerial levels is maintained. Internal relationships of pay between the D.M. & S. system and the Classification Act system are also continued.

Section 801 amends section 4103 of title 38 of the United States Code. It reduces the maximum number of Assistant Chief Medical Directors from eight to five and modifies the provisions pertaining to directors of service and chiefs of division. In lieu of these positions, a new position level of Medical Director is established. The salaries of the Assistant Chief Medical Directors, the Director of Nursing Service, the Chief Pharmacist, and Chief Dietitian are appropriately adjusted in line with other increases proposed by the conference substitute. The statutory positions of the Deputy Director of Nursing Service, Chief Physical Therapist, and Chief Occupational Therapist are eliminated. The duties of the first-named position will be filled by a nurse of the Assistant Director grade. The salaries for the positions of Chief Physical Therapist and Chief Occupational Therapist will be set in the future under the Classification Act of 1949.

Section 802 amends section 4107 of title 38, United States Code. In subsection (a) of section 4107, the former schedules entitled "Medical Service" and "Dental Service" have been combined and retitled "Physician and Dentist Schedule." The existing schedules have provided identical grades and pay scales and their continued separation serves no purpose. The junior grade of the former schedules has been eliminated and, two new grades—the director grade and executive grade—have been established. The schedule now titled "Nursing Service" has been retitled "Nurse Schedule." Two new grades—the assistant director grade and chief grade—have been established, and the former grades of assistant director and senior grade have been retitled "senior grade" and "intermediate grade," respectively.

The amendment also provides the pay scales for the physician and dentist schedule and the nurse schedule to be effective on the first day of the first pay period after enactment and after January 1, 1964.

The amendment of section 4107 of title 38 of the United States Code specifies the intended use of the two new grades—director and executive—in the physician and dentist schedule.

Section 803, which amends section 4108 of title 38 of the United States Code, repeals the present provision providing for an allowance equal to 15 percent of the pay of persons rated as medical, surgical, or dental specialists under the provisions of that section, since the latitude which will be afforded within the pay range of each grade will permit appropriate recognition of specially qualified individuals. The current subsection (b) of 4107 of title 38, without change, has been redesignated as section 4108 for purpose of greater clarity and as a matter of drafting convenience.

Subsection (b) of section 803 is a perfecting amendment to the table of contents at the head of chapter 73 of title 38, to reflect the change in the catchline of section 4108.

Section 804 amends section 4111(b) of title 38 to provide that the per annum salary rate of a director of a hospital, domiciliary, or center who is not a physician in the medical service shall not be less than the rate of salary he would receive if such service as a director had been as a physician in the director grade. Except with respect to change in rate of salary, the subsection does not affect the allocation of any such position to any grade of the Classification Act or the application of the Performance Rating Act of 1950 to any individual.

Section 805 provides that title IV shall become effective on the first day of the first pay period after enactment except as otherwise expressly provided.

TITLE V—THE FOREIGN SERVICE ACT OF 1946

Section 901 provides that title V may be cited as the "Foreign Service Salary Reform Act of 1962."

Section 902 amends section 412 of the Foreign Service Act of 1946 by adjusting upward the per annum salary rates for the eight classes of Foreign Service officers. No change is made in the number of classes and, with the exception of class I, which has two salary rates, the general pattern of seven rates for each class is continued. As in other sections of this title, the schedules of per annum salary rates, provided by this section, are to be effective in two phases at the beginning of the first pay period after enactment and after January 1, 1964.

Section 903 amends section 415 of the Foreign Service Act of 1946 by revising the structure of the Foreign Service staff salary schedule and embodying certain changes directly comparable to those made in the revision of the Classification Act of 1949.

There are at present 22 classes in the Foreign Service staff schedule. The proposed schedule of 10 classes would eliminate the unnecessary and seldom-used classes in the current schedule. Since custodial, maintenance, and the most routine clerical functions are performed almost exclusively by alien employees at Foreign Service posts, there is little need for U.S. citizen employees at the level of duties represented by classes 14 through 22. Since classes 14 through 22 are to be abolished, it will be necessary to give the Secretary the authority contained in proposed section 415(b) in order that persons in such classes may continue to be employed at appropriate rates. The new section 415(b) would give the Department all needed flexibility in this respect, should it be desirable in unusual circumstances, to employ American personnel at lower rates for duties less difficult than those of FSS–10. Within the proposed Foreign Service staff salary schedule, 10 salary rates are proposed for the lower 6 classes, and 9 for the upper 4. This conforms with Classification Act of 1949 salary ranges proposed at similar salary levels. Section 903 prescribes two schedules of per annum salaries for staff officers and employees to be effective the first pay period after enactment and after January 1, 1964.

Section 904 provides for the conversion of Foreign Service personnel from their present salary rates to those established by the conference substitute.

Section 905 repeals section 642(b) of the Foreign Service Act relating to longevity step increases for Foreign Service staff officers and employees and makes minor conforming changes in the heading and identification of the section in the Foreign Service Act. Since the new Foreign Service staff schedule provides 9 or 10 rates for within-class increases, this section is no longer needed.

Section 906 provides that, except as otherwise expressly provided, title V shall become effective on the first day of the first pay period after enactment.

TITLE VI—MISCELLANEOUS SALARY PROVISIONS

Section 1001 increases the salary limitations for certain scientific, professional, and other positions to accord with the salary ranges of the general schedule of the Classification Act of 1949. In most cases the salary range stated in the laws which are amended has a $19,000 maximum. The amendments proposed would tie the maximum to grade 18 of the general schedule.

Subsection (a) of section 1001 revises the salary range in section 2(b) of Public Law 313, 80th Congress, as amended, from $12,500 to $19,000, to a range from the minimum salary of grade GS–16 to the highest rate of grade GS–18, and authorizes eight such positions in the Library of Congress.

Subsection (b) amends section 1581(b) of title 10 of the United States Code, relating to certain scientific or professional positions in the Department of Defense, to provide a minimum rate for such positions as the minimum rate of GS–16 and a maximum rate equivalent to GS–18 pay.

Subsection (c) extends the new range to positions now paid at $12,500 to $19,000 in the National Security Agency.

Subsection (d) amends the proviso in the first sentence of section 208(g) of the Public Health Service Act, as amended, which relates to compensation rates of certain scientific, professional, and administrative personnel in the Public Health Service to provide a minimum rate of grade GS–16 and a maximum at the pay of grade GS–18.

Subsection (e) establishes a maximum rate, equivalent to the pay of grade GS–18 for five positions of technical experts in the Department of Agriculture engaged in research in foot-and-mouth and other animal diseases.

Subsection (f) amends section 203(b)(2) of the National Aeronautics and Space Act of 1958 to provide that the Administrator may fix the rates for certain excepted positions at not to exceed the pay of grade GS-18 of the Classification Act of 1949. Thirty of these positions may continue to be paid up to $21,000.

Subsection (g) amends the proviso in section 161(d) of the Atomic Energy Act of 1954, as amended, to permit the fixing of salaries of scientific and technical personnel up to a limit of the pay of grade GS–18 of the General Schedule of the Classification Act of 1949. The present limit is $19,000.

Subsection (h) substitutes the GS–18 rate in place of $19,500 as the top salary for 23 positions in the Federal Aviation Agency.

Subsection (i) authorizes use of Foreign Service salary rates for paying the U.S. representative and alternate on the Executive Board of the World Health Organization in place of present maximum salaries of $12,000 and $10,000.

Subsection (j) sets the GS–18 rate as the maximum salary for certain positions established under the Mutual Educational and Cultural Exchange Act, now authorized to be paid up to $1,000 more than the rate of GS–18.

Subsection (k) fixes the GS–18 salary as the maximum rate for certain positions under the Foreign Assistance Act which may now be paid up to $19,000 a year.

Subsection (l) fixes the GS–18 salary rate as the top salary for certain Peace Corps positions now paying up to $19,000 a year.

Agricultural stabilization and conservation county committee employees

Section 1002 extends to agricultural stabilization and conservation county committee employees the salary increases provided by the conference substitute for corresponding Classification Act of 1949 salary levels.

Assistant U.S. attorneys

Section 1003 raises from $15,000 to $17,500 the maximum amount which can be paid to assistant U.S. attorneys and provides for an increase of 7½ percent in their existing rates of compensation.

Employees in the judicial branch

Section 1004 authorizes, for employees of the judicial branch, salary increases corresponding to those proposed in the statutory salary systems in the executive branch.

Officers and employees in the legislative branch

Section 1005(a) provides an increase of 7 percent to officers and employees in or under the legislative branch.

Subsection (b) provides for the automatic adjustment, effective October 16, 1962, of the compensation of employees in the office of a Senator to the rate nearest that being received by such employees immediately preceding such effective date unless the disbursing office of the Senate is notified to the contrary within 15 days after the date of enactment. Such notice, when given, would give effect to the increase.

Subsection (c) provides an increase of 7 percent in the rates of basic compensation of the elected officers of the Senate (not including the Presiding Officer) the Parliamentarian of the Senate, the legislative counsel and senior counsel in the Office of the Legislative Counsel of the Senate, the Official Reporters of Debates of the Senate and the Chief Clerk of the Senate, except that no such salary may be raised to an amount above $21,500.

Subsection (d) increases the limitation fixed by law on the compensation of employees of the Senate by the amount necessary to pay the additional compensation provided by the conference substitute.

Subsection (e) provides that the provisions of subsection (a) shall not apply to employees engaged in folding speeches and pamphlets whose compensation is subject to the new limitation.

Subsection (f) covers elected officers of the House of Representatives (other than Members) and certain other officers of the House of Representatives who are not covered by other provisions of the conference substitute. Subsection (f) covers the following officers and employees of the House of Representatives:

1. The Assistant Parliamentarian No. 1 of the House of Representatives, whose total rate of per annum compensation is now prescribed by House Resolution 339, 84th Congress, section 103 of the Legislative Branch Appropriation Act, 1957 (70 Stat. 370; Public Law 624, 84th Cong.), and section 117(g) of the Federal Employees Salary Increase Act of 1960 (pt. B of title I of the act of July 1, 1960; 74 Stat. 304; Public Law 86–568).

2. The following elected officers of the House of Representatives, whose total rates of per annum compensation are now prescribed by House Resolution 486, 84th Congress, section 103 of the Legislative Branch Appropriation Act, 1957 (70 Stat. 370; Public Law 624, 84th Cong.), section 4(k) of the Federal Employees Salary Increase Act of 1958 (72 Stat. 209; Public Law 85–462), and

section 117(g) of the Federal Employees Salary Increase Act of 1960 (pt. B of title I of the act of July 1, 1960; 74 Stat. 304; Public Law 86–568): the Clerk of the House, the Sergeant at Arms of the House, the Doorkeeper of the House, and the Postmaster of the House.

3. The chief of staff of the Joint Committee on Internal Revenue Taxation, whose total per annum compensation is now prescribed under authority of section 302(c) of the act of October 4, 1961 (75 Stat. 793; Public Law 87–367).

4. The legislative counsel of the House of Representatives, whose total per annum compensation is now fixed in accordance with a provision relating to the legislative counsel of the Senate in the Legislative Branch Appropriation Act, 1958 (71 Stat. 251; Public Law 85–75) (as modified by secs. 4(c) and 4(m) of the Federal Employees Salary Increase Act of 1958 (72 Stat. 208 and 209; Public Law 85–462)), and section 117(g) of the Federal Employees Salary Increase Act of 1960 (pt. B of title I of the act of July 1, 1960; 74 Stat. 304; Public Law 86–568).

5. The coordinator of information of the House of Representatives, whose total per annum compensation is now fixed under House Resolution 183, 80th Congress, section 105 of the Legislative Branch Appropriation Act, 1948 (61 Stat. 377; Public Law 197, 80th Cong.), section 2(e) of the act of October 24, 1951 (65 Stat. 612; Public Law 201, 82d Cong.), section 4(c) of the Federal Employees Salary Increase Act of 1955 (69 Stat. 176; Public Law 94, 84th Cong.), section 4(l) of the Federal Employees Salary Increase Act of 1958 (72 Stat. 209; Public Law 85–462), and section 117(g) of the Federal Employees Salary Increase Act of 1960 (pt. B of title I of the act of July 1, 1960; 74 Stat. 304; Public Law 86–568).

6. Two printing clerks, one for the majority caucus room and one for the minority caucus room, whose total per annum compensation is now provided for on a present incumbency basis in the paragraph under the heading "House of Representatives" and the subheading "Special and Minority Employees" in the Legislative Branch Appropriation Act, 1958 (71 Stat. 247; Public Law 85–75), as modified by a comparable provision in each annual appropriation act for the legislative branch, the latest such provision currently being the paragraph under the heading "House of Representatives" and the subheading "Special and Minority Employees" in the Legislative Branch Appropriation Act, 1962 (75 Stat. 325; Public Law 87–130).

7. Four minority employees of the House in positions referred to in House Resolution 486, 84th Congress, whose total per annum compensation is now fixed under such resolution and section 103 of the Legislative Branch Appropriation Act, 1957 (70 Stat. 370; Public Law 624, 84th Cong.), section 4(r) of the Federal Employees Salary Increase Act of 1958 (72 Stat. 209; Public Law 85–462), and section 117(g) of the Federal Employees Salary Increase Act of 1960 (pt. B of title I of the act of July 1, 1960; 74 Stat. 304; Public Law 86–568).

The above list of officers and employees within the purview of subsection (f) is not necessarily all-inclusive.

It may be noted, in connection with House officers and employees in the categories covered by subsection (f), that three employees in comparable categories are granted increases in compensation under section 1005 (a) rather than subsection (f). These employees are as follows:

1. The Chaplain of the House of Representatives, whose present rate of total per annum compensation consists of a per annum basic rate prescribed by section 6 of the Legislative Appropriation Act, 1956 (69 Stat. 508; Public Law 242, 84th Cong.), and additional compensation provided by the various pay increase laws covering legislative branch employees generally, including section 117(a) of the Federal Employees Salary Increase Act of 1960 (pt. B of title I of the act of July 1, 1960; 74 Stat. 303; Public Law 86–568).

2. The Assistant Parliamentarian No. 2 of the House of Representatives whose present rate of total per annum compensation consists of a per annum basic rate provided by House Resolution 277, 82d Congress, and section 277 of the Legislative Branch Appropriation Act, 1953 (66 Stat. 478; Public Law 471, 82d Cong.), and additional compensation provided by the various pay increase laws covering legislative branch employees generally, excluding the Federal Employees Salary Increase Act of 1958 but including section 117(a) of the Federal Employees Salary Increase Act of 1960 (pt. B of title I of the act of July 1, 1960; 74 Stat. 303; Public Law 86–568).

3. The clerk to the House Parliamentarian, whose present rate of total per annum compensation consists of per annum basic rate fixed under House Resolution 486, 85th Congress, and section 103 of the Legislative Branch Appropriation Act, 1959 (72 Stat. 453; Public Law 85–570), and additional compensation provided by the various pay increase laws covering legislative branch employees generally, excluding the Federal Employees Salary Increase Act of 1958 but including section 117(a) of the Federal Employees Salary Increase Act of 1960 (pt. B of title I of the act of July 1, 1960; 74 Stat. 303; Public Law 86–568).

Subsection (g) increases the limitations on gross rate per thousand and gross rate per hour per person payable to employees of the House of Representatives engaged in folding speeches and pamphlets by an amount equal to the increases granted to legislative employees under the conference substitute.

Subsection (h) makes clear that the increases provided by section 1005 are to be considered part of basic compensation for the purposes of the Civil Service Retirement Act.

Subsection (i) provides that notwithstanding any other provision of section 1005, no rate of compensation which exceeds $21,500 shall be increased by such section, and no increase provided by such section shall cause the gross rate of compensation (basic plus additional compensation authorized by law) or the total annual compensation of any officer or employee to exceed $21,500.

Subsection (j) provides that, insofar as the provisions of section 1005 apply to officers and employees whose compensation is based on a monthly pay period which begins on the first day of the month, such provisions shall become effective on October 16, 1962. The purpose of subsection (j) is to insure that officers and employees in the legislative branch will receive pay increases at approximately the same time as other officers and employees covered by the conference substitute.

Saving provision

Section 1006 provides, in effect, that no provision of the conference substitute shall operate to reduce any rate of salary, pay, or compensation of any officer or employee covered by the conference substitute.

Absorption of costs

Under section 1007, the departments and agencies are directed to provide for absorption of the costs of salary increases from available funds of the executive departments, but this section is not to be considered to require any employee to be separated from the service or placed in a leave-without-pay status.

Effective dates

Section 1008 provides that title VI, except as otherwise expressly provided, is to become effective on the first day of the first pay period after enactment.

Ceiling provisions

Section 1009 makes it clear that, except as provided in section 1005, this act will not cause any rate of compensation to exceed $20,000 per annum.

PART III—ADJUSTMENT OF ANNUITIES UNDER CIVIL SERVICE RETIREMENT ACT

The House bill contained no provisions such as are contained in the conference substitute under Part III, Adjustment of Annuities.

An explanation of Part III of the conference substitute is set forth below.

Section 1101 (a) provides a 5 percent increase, effective January 1, 1963, in all annuities then payable from the fund which commenced on or before that date.

Subsection (b) extends this initial increase on a graduated percentage basis to all annuities which commence in the 5-year period following January 1, 1963, in accordance with the following schedule:

Annuities commencing between—	*Are increased from commencing date by—*
Jan. 2 and Dec. 31, 1963	4 percent
Jan. 1 and Dec. 31, 1964	3 percent
Jan. 1 and Dec. 31, 1965	2 percent
Jan. 1 and Dec. 31, 1966	1 percent

Subsection (c) provides that the percentage increase granted a retiree under subsection (a) or (b) will apply to the annuity subsequently granted his survivor.

Subsection (d) excludes from the 1963 increase annuity amounts purchased at retirement by voluntary contributions.

Subsections (e) and (f) remove the ceilings on increases to retirees imposed by the 1952 and 1955 annuity increase laws. Under the annuity increase act of July 16, 1952, as amended by the act of August 31, 1954, no retiree's annuity (exclusive of that purchased by voluntary contributions) could be raised beyond $2,160. The act of August 11, 1955, similarly provided that no regular annuity could be increased under its terms beyond $4,104. These increase ceilings are repealed and made no longer effective on and after January 1, 1963. Each retiree affected by one or both of these ceilings who is still on the annuity rolls will be entitled to have his annuity rate reestablished as of January 1, 1963, as though these ceilings had never existed. This reestablished rate, plus a 5-percent 1963 increase, will be payable from and after January 1, 1963.

Subsection (g) states effective date provisions for increases.

Subsection (h) provides that monthly annuity rates after adjustment will be fixed to the nearest dollar.

Section 1102(a) adds a new subsection to section 1 of the Civil Service Retirement Act to define the term "price index" as the calendar year average of the monthly Consumer Price Index published by the Bureau of Labor Statistics.

Subsection (b) renumbers present section 18 of the Civil Service Retirement Act as section 19 and inserts a new section 18. New section 18 embodies an automatic annuity adjustment plan.

The new section 18 of the Retirement Act provides for future adjustment of annuities as follows:

Subsection (a) directs the Civil Service Commission to annually determine, after January 1, 1964, and each succeeding January 1, the percentage change in living costs from 1962 or from the year preceding the most recent cost-of-living adjustment to the latest complete year. Depending on the price index change, adjustment actions ensue.

Subsection (a)(1) provides that if the price index change from 1962 to 1963 equals a rise of at least 3 percent, an increase will be allowable, effective April 1, 1964. All annuities which began before January 2, 1963, will be increased by the percentage rise in the price index, adjusted to the nearest one-tenth of 1 percent.

Subsection (a) (2) provides for automatic increases in annuities effective April 1 of any later year after the percentage change in the price index has equaled a rise of at least 3 percent. All annuities payable from the fund as of April 1 which commenced earlier than January 2 of the preceding year will be increased by the percentage rise in the price index, adjusted to the nearest one-tenth of 1 percent.

Subsection (b) states the general rule that eligibility for an increase is governed by the commencing date of each annuity payable as of the appropriate April 1 effective date, but with these exceptions to the rule:

Under subsection (b) (1), a retiree's survivor (other than a current act child survivor) on the roll as of the first cost-of-living increase, whose annuity started the date after the retiree's death, will receive the initial increase provided the retiree's commencing date of annuity was earlier than January 2 of the year preceding the first increase.

Under subsection (b) (2), the annuity of a retiree's survivor (other than a current act child survivor), which starts the day after the retiree's death and after the effective date of the first cost-of-living increase will be increased from commencing date by whatever percentage increase the retiree was receiving at death.

Under subsection (b) (3), a special method is provided for increasing annuities of child survivors under the current act. These annuities are unique in that they are not the product of years of service times percentage of average salary. The child's rate is the lesser of (i) a set percent of average salary or (ii) a dollar amount which cannot reflect living cost salary increments. Thus, for these annuities, the cost-of-living annuity adjustment must be built into the benefit formula. The following provisions are made for child-survivor annuities which commence after the effective date of the first cost-of-living increase:

Existing formula		Increase provided—proposed increase
Spouse surviving	No spouse surviving	
40 percent of average salary divided by number of children.	50 percent of average salary divided by number of children.	Cumulative cost-of-living percent granted after commencing date of retired parent's annuity. Inapplicable to children of employee, because his average salary includes living cost adjustments which pass on to children.
$1,800 divided by number of children.	$1,160 divided by number of children.	Cumulative cost-of-living percent currently authorized. Applicable to children of retiree and employee alike, because salary living cost adjustments can never pass on to children.
$600	$720	Cumulative cost-of-living percent currently authorized. Applicable to children of retiree and employee alike, because salary living cost adjustments can never pass on to children.

Provision is made for applying these formula changes to any child's annuity which commenced in the 15-month period before the effective date of the first increase as if such initial increase had been in effect. Resulting rate adjustments would start on the effective date of the initial cost-of-living increase.

Subsection (c) excludes from cost-of-living increases annuity amounts purchased at retirement by voluntary contributions.

Subsection (d) provides that monthly annuity rates after cost-of-living increase will be fixed at the nearest dollar.

Section 1103 amends sections 1(j), 9(g), and 10(a) (1) of the Retirement Act to revise and liberalize provisions for children survivors and election of reduced annuity with benefit to widow or widower.

The present section 9(g) of the act permits a married person retiring for any reason to irrevocably elect, in lieu of single life annuity, a reduced benefit carrying with it a survivor annuity to spouse, the choice to be made at time of retirement. The retiring individual may designate all or any porton of the single life annuity (excluding any increase because of disability retirement) as the base for annuity to spouse. To partially support the added survivor protection the retiring individual accepts, for life, his or her annuity reduced by 2½ percent of the first $2,400 and by 10 percent of any amount over $2,400 designated as the base for survivor annuity. Under the present section 10(a) (1), the named spouse becomes entitled to 50 percent of this base amount as widow's or widower's annuity, starting the day after the retiree's death and continuing until remarriage or death.

Under the conference substitute, section 9(g) of the act is amended to accord the retiring married employee a reduced benefit carrying with it a survivor annuity to spouse, unless he affirmatively elects to receive in lieu thereof the single life annuity. In the absence of the life annuity election, the total annuity (excluding any increase because of disability retirement) or such lesser portion as may be designated at time of retirement will be used as the base for annuity to spouse, and the individual will receive, for life, his or her annuity reduced by 2½ percent of the first $3,600 and by 10 percent of any amount over $3,600 which serves as the base for annuity to spouse. Section 10(a) (1) of the act is amended to accord the named spouse 55 percent of the amount used for the survivor base as widow's or widower's annuity, which would start the day after the retiree's death and continue until remarriage or death.

Subsections (c), (d), and (e) similarly amend subsections (b), (c), and (e) of section 10 of the act to uniformly accord a named survivor or a spouse survivor 55 percent, instead of 50 percent, of the annuity in respect to the deceased former employee or Member.

Under existing law survivorship benefits paid to a child cease when the child attains the age of 18, marries, or dies except that such benefits may continue past the age of 18 if the child is incapable of self-support due to a disability incurred before attaining the age of 18.

Subsection (f) of section 1103 of the conference substitute amends section 1(j) of the Retirement Act. The substitute retains all present termination provisions but adds the further exception that benefits may continue to the end of the school year in which the child attains the age of 21 only so long as the child pursues a full-time course of study in a high school, trade school, technical or vocational institute, junior college, college, university, or comparable recognized educational institution.

This change in the Civil Service Retirement Act is in keeping with veterans' benefit laws which provide for the continuance of benefits between the ages of 18 and 21 to unmarried children while taking an approved course of instruction.

Section 1104 provides that benefits made payable under the Retirement Act by enactment of the conference substitute shall be paid from the retirement fund. This is necessary because of the restriction contained in the paragraph headed "Civil Service Retirement and Disability Fund" in section 1 of title I of the act of August 28, 1958.

Section 1105 specifies January 1, 1963, as the effective date for section 1101 and provides that amendments made by section 1103, except subsection (f) will not apply to employees or members retired or otherwise separated prior to date of enactment.

TOM MURRAY,
JAMES H. MORRISON,
ROBERT J. CORBETT,
Managers on the Part of the House.

LEGISLATIVE PROGRAM FOR TOMORROW AND THE BALANCE OF THE WEEK

Mr. BARRY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BARRY. Mr. Speaker, may I ask the majority leader the program for tomorrow and the balance of the week?

Mr. ALBERT. Mr. Speaker, first of all, if the gentleman will yield for this purpose, we are hoping to clear everything that is ready tomorrow, and for that reason I ask unanimous consent that when the House adjourns today it adjourn to meet at 10 o'clock tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

Mr. GROSS. Mr. Speaker, reserving the right to object——

Mr. ALBERT. Mr. Speaker, if the gentleman will yield, I have consulted with the minority leader on this matter.

Mr. GROSS. That may be true.

Mr. BARRY. I can say it is true. I was here when the majority leader spoke to the minority leader.

Mr. GROSS. I do not question that part of it. But how much longer do we go on this evening?

Mr. ALBERT. We have finished the legislative business for the evening.

Mr. GROSS. There is some limit to endurance if this is going to be the order every day. I may say to the gentleman I do not mind taking one more whirl at it early tomorrow morning, but I remember all too well the days, weeks, and even months that we did all too little in this Congress earlier this year when we might have saved this endurance contest now. This is what I protest.

Mr. ALBERT. We did not have the kind of program we have today.

Mr. GROSS. Mr. Speaker, I withdraw my reservation.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. ALBERT. Mr. Speaker, if the gentleman will yield further, the Ways and Means Committee will call up five bills by unanimous consent. These bills are as follows:

H.R. 3985, import duty on certain bread.

H.R. 9414, imported electron microscopes to be subject to regular customs duty.

H.R. 12030, statistical studies.

H.R. 12109, certain grasses, duty-free entry of.

H.R. 12470, child care deduction for deserted wives.

In addition to that, the following bills will be called up, with Senate amendments, and agree to the Senate amendments:

H.R. 5260, coconut oil.

H.R. 5700, contract carriers.

H.R. 8952, constructive sale price rule.

Following that H.R. 11970 conference report on Trade Expansion Act of 1962.

H.R. 12648, conference report on agriculture appropriation bill.

H.R. 7927, conference report on Postage Revision Act of 1961.

S. 1552, conference report on antitrust laws regarding drugs.

Then following that, the bill S. 1123, Child Labor Provisions, Fair Labor Standards Act, will be considered, with 1 hour general debate.

Then following that, H.R. 11665, conference report, on the School Lunch Act.

I will advise the gentleman that I am not prepared to announce the program for the following day. We will program conference reports and other matters as they come up.

Mr. BARRY. I thank the gentleman.

THE INDICTMENT OF EICHMANN BY ISRAEL FOR MASS MURDER

Mr. LANE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The **SPEAKER.** Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, at the installation ceremonies conducted by the Chelsea Zionist District of Massachusetts, held at the Shurtleff Street Synagogue in Chelsea, on Sunday, February 12, 1961, it was my honor to be the principal speaker. I took for my subject the Eichmann case, and as you know, Mr. Speaker, Adolf Eichmann was one of the major Nazi criminals who were responsible for the murder of over 6 million Jewish civilians, men, women, and children.

The address that I delivered at the installation is as follows:

Mr. Chairman, Mr. President, at the very outset let me applaud the outgoing administration and congratulate the incoming officers for work well done and for confidence well placed. The Chelsea Zionist District has long been active in supporting the cause of Israel and urging its support by others. That its efforts have been rewarded is obvious. That its continued efforts are necessary is certain.

In 1947, on a very grim occasion, I visited this wonderful city of Chelsea. I was your speaker at the high school auditorium. The occasion was a welcome-home and a well-done to a brave Chelsea lad who was wounded by a pistol shot while resisting a boarding party from a British gunboat that intercepted a vessel running displaced Jews into Palestine past the British blockade. His name was William Millman, and he was a member of that gallant crew bringing a precious cargo of human souls to Palestine.

I told you then, in those horrible days, when the land of Israel was barred to the children of Israel, not to be dismayed, there will be a State of Israel. There was.

I told you that President Truman will speedily recognize that State. He did.

I also told you that the State of Israel will be readily admitted to the United Nations. It was.

I did not then, as I do not now, lay any claim to powers of prophecy. My predictions of things to come was based solely on thing that went before. I knew then, as I know now, that a people who refused to perish through 2,000 years of travail and exile and the indescribable horrors of Hitler will not perish; that the spirit of faith and devotion to the moral principles of their forefathers, having been so tried, must eventually serve the purpose for which it was being tested.

I can now proudly state that my reasoning was correct. What I anticipated would happen, did happen. I also knew that a State of Israel will be a shining light in the gloomy world that followed World War II, because I knew it would be a democratic government in an area that was ruled by despots, backward and illiterate, and thus bring light where light was badly needed.

I am not disappointed. The State of Israel, founded on those virtues of liberty, equality, and faith, democratic and free, is not only an outpost for democratic institutions but is an example for all new nations, now appearing, to consider and emulate. The State of Israel is the strongest rebuff the reactionary, enslaving, soul-crushing doctrines of communism have so far received. It is no wonder that Russia wants to see Israel obliterated because the forces of darkness must always flee before the power of light.

Let the new nations of the world compare. Compare a new state, founded on democratic principles, the State of Israel, with other states weighted down under the despotism of communism. I ask, Where do you find greater freedom of expression, thought and soul; greater opportunity for spiritual expression, cultural development, and economic progress—in the democratically governed State of Israel or in Communist-dominated Hungary, Poland, Rumania, and even Russia itself?

By example alone, the State of Israel has demonstrated the simple and eternal truth that he who lives by the sword shall perish by the sword and that it is not by might and not by strength but by spirit that man endures.

Therefore, when U.S. marine shipping was barred from the international Suez Canal because of having been used in trade with Israel; when foreign powers dared to dictate to us and classify our citizens and insist on which of our citizens they will allow in their countries and which they will not, and we submitted; when they professed to be peace loving yet refused to sit down and discuss peace terms with Israel, the nation which defeated them; when they asserted a serious refugee problem but did nothing to help their own for admittedly political reasons; when they caused our Navy Department to insert cancellation clauses in all its contracts with its suppliers whose supply ships are blacklisted by the United Arab Republic; and, when in the face of all this, the State Department permitted the U.S. Executive Director of the World Bank to vote for a $56 million loan to the United Arab Republic for widening the Suez Canal, I brought this to the attention of Congress on February 4, 1960.

I informed Congress that this affront to the United States, this insult to our people, to our principles, and to our professed sense of morality, was induced only because our Government, at that time, resorted to the use of platitudes and the comfort of temporary expediency for positive action. True facts and moral realities were swept under the rug.

I warned the administration that the pile of sweepings was so great that the administration itself would trip over it. The recent election proved how correct I was. I said that the debris must be cleaned out without delay or else in the eyes of the nations of the world we shall be considered not only weak in arms and technology but also in enforcing moral issues. You who have heard or read the inaugural address of President Kennedy know that you can expect the debris to be cleaned out without much delay.

A few weeks from today, a great and wonderful event will take place in Jerusalem.

Just as thousands of years ago there was brought down from Mount Sinai and given to the children of Israel a new moral code for all men to heed and use as a guide for civilized living (we call it the Ten Commandments), so in a few weeks, in Jerusalem, the State of Israel will open the eyes of the world to the realization that there can be no exceptions to the commandment "Thou shalt not kill." I refer to the Eichmann case.

Rarely, since the framing of our Constitution and the writing of the Declaration of Independence has the concept of natural law been raised, as it will be raised in the coming trial of Adolf Eichmann.

As a lawyer, lawmaker, and human being, the issues of jurisdiction and venue greatly interest me. We are aware of the accusations against Eichmann, his apprehension, his delivery to the State of Israel and the diplomatic hauling and pulling that ensued.

There are many pros and cons offered relative to the trial of Eichmann in Israel. The arguments range all the way from those induced by anger to those advanced by thinkers, philosophers, and would-be philosophers and some not worthy of classifying.

During the course of argument the State of Israel will be the target of hatemongers, Communists, and assorted cranks.

There will also be true students of jurisprudence, dispassionate thinkers and analysts who will dissent from what I am about to say by reason of their sincere beliefs. For such I have sincerest respect because our common purpose is to see justice done. We may merely differ as to the means of accomplishing that purpose.

I make no brief for the State of Israel, it certainly needs none from me. I advance no arguments for the prosecution for it will certainly prove its competence without my assistance. My remarks are intended to let the Israel Government know that there are non-Jews who can find nothing wrong, morally or legally, in bringing before the bar of justice an accused who, if those who oppose my views were to prevail, would never be brought to trial. Eichmann would never have been brought to trial because no government went to seek him out. In fact there is a question whether or not he was given shelter from apprehension. Except for those who spent 15 years searching for him no individual or private group went to search for him. Now, however, the cry is over the right to try him.

Let us proceed to ask a few questions and offer a few answers.

The crime of murder is reprehensible. The sanctity of human life must never be violated. These are premises and assumptions to which all will agree. Now why do we agree to these simple assertions? Because there is a law on the books? Because the state will punish for such crime? Is that why we agree? Let us look closer. Assume there were no laws against murder or punishment for murder on the books, would the crime be less reprehensible? The answer of course is "No."

Therefore, whence comes this knowledge that murder is wrong, even without a law on the books saying so? It comes from the existence in man of a capacity to know some things with certainty, a God-given endowment. Such origin of law is commonly referred to as natural law and because of it we can assert certain truths such as described in the Declaration of Independence that all men are endowed by their Creator with certain unalienable rights among which are life, liberty, and the pursuit of happiness.

There are some legal philosophers who do not subscribe to that school of thought. They hold that the real source of law springs from reason alone and not from any divine source. Parenthetically, may I ask, whence comes reason?

However, it is not my purpose to give a dissertation on legal philosophy. It is my purpose to state my views, with the concept of natural law always in mind, dealing as we are with a case where there are no precedents, because never have there been similar facts and situations.

The question is asked whether the Eichmann trial, held in Israel, will contribute to the growth of international law and justice. The answer is comparatively simple. Where is the international tribunal to try this man? The International Court of Justice has no jurisdiction over the trial of individuals. The Nuremburg tribunal is no longer in existence. At best it was an imperfect court because in the words of Justice Robert H. Jackson, "We cannot await a perfect international tribunal or legislature." Down through the years there is still no perfect international tribunal for handling cases such as Eichmann; there are no officers of the law, policemen if you prefer, to ferret out other Eichmanns and bring them before the court. What court is there to handle this case? Another imperfect international tribunal? Eichmann will be safer before an Israel court which is determined to do impartial justice, and stand forever on its record, rather than before a temporary body convened to dispose of him and then disband.

It is argued that he should be returned to the scene of his crime on the general principle of law that a man is entitled to be tried where his offense is charged to have been committed. The short answer is that the crime charged against Eichmann is murder, not of an individual as an individual, but of individuals as belonging to a common foe, the Jew. Viewed in that light I see no difference in bringing Eichmann to stand trial in the land of the foe than it was to return Ezra Pound to the United States to stand trial in this country for acts of treason committed overseas in Germany, except possibly the fact that Ezra Pound was a U.S. citizen.

It is argued that when a crime is committed it is not against the individual who suffered the wrong, but against the community. To that I agree, and that is why I assert that the community of Jews against whom the crime was committed is now in Israel, and there is where Eichmann should be tried.

It is argued that Eichmann is charged with crimes against the Jewish people. How else should he be charged? In this State a criminal charge is the Commonwealth against defendant; in some States it is the State against defendant; in other States it is people against defendant. This is no great issue, because in law it is always substance and intent that is important rather than form.

It is argued that Eichmann will be tried before a hostile court, or at least a court that will be subject to criticism for lacking impartiality, and that no Israel lawyer was willing to undertake his defense. I will point out that Israel has already indicated its tendency toward impartial justice. Witness the temperament of a people who would spend 15 years unceasingly scouring the corners of the earth to apprehend an accused charged with such a shocking, revolting crime, and when they found him did not kill him on the spot. The accused is entitled to a lawyer of his own selection. He has that lawyer, and Israel is paying him a much larger sum than our own courts customarily pay appointed counsel. The fact that no Israel lawyer is defending the accused is good, because then it can never be said that the defense was not whole, complete, and diligent. The full glare of publicity will permit no deviation from fairness both to the defendant and to the people whom he offended.

It is argued that the trial should be held in Germany for the opportunity it would give to enlighten the public and especially the postwar generation. It is also argued in the same breath that he should not be tried in Israel because the trial would be merely a spectacle. Justice Jackson said that he was preparing a record of the Nuremberg trial—a record on which the defendants were being judged and on which history will judge us tomorrow. He made a vast record, volume after volume, depicting and describing the most horrifying activities of depraved men ever known in the annals of a sordid world. The record contains the names of Goering, Goebbels, Hitler, and the rest of that ignoble assembly of humanity's curse. The record is still there—gathering dust—a collector's item, while swastikas are being painted on walls and anti-Semitic outbursts appear from time to time in Germany.

If it is truly enlightenment that is sought for postwar Germany, and for that matter the rest of the world, then the Eichmann trial in Israel will highlight the workings of history and morality. It will cause every one to wonder how, from the remnants of a defenseless people, who were to be obliterated, arose a free and proud nation; where crime will not go unpunished; where the guilty will not go free; and, where God is still the judge, the father, and the protector. It is His will that must be served, and not the will of the depraved and the powerful.

I must refute the argument that the State of Israel has no jurisdiction in the Eichmann case because it was not a State at the time of the alleged crime. I declare that the State of Israel never ceased being a State from the time its people were exiled by Rome in the year A.D. 70. All through the ages Palestine was merely a possession of different temporary conquerors who held the land, but not the people. The people of Israel never surrendered. They were exiled from it but never surrendered their claim to it, their hope and dream of returning to it. They persevered and studied, and observed wherever possible, its laws, its customs, its traditions, and its history. There was a land that mourned for its people even as its people mourned for it. The land refused to bear fruit, it became waste and dry and desert and nobody could make it bloom. Only upon the return of its people did the desert begin to bloom, and the groves begin to blossom and bear fruit. Never, since and during the exile, has Palestine shone with intellect, sang with freedom, and hummed with industry as it has since the State of Israel once again returned to her bosom, 12 years ago.

The legalist, however, may not care to view it from this historical and sentimental light. He will insist on more proof.

Hitler waged war against Jews not as French Jews, or Dutch Jews, or Polish Jews, or Hungarian Jews, but simply as Jews. Hitler did not recognize them as citizens of the countries he invaded. He recognized them only as a people separate, distinct and apart from all other nations and for whom he had a special plan—extinction. Hitler himself laid the ground rules for Eichmann's trial in Israel and as lawyers would say: "This is now the law of the case." He formed and grouped the Jews as a distinct people, and his crimes were committed against the Jewish people and were aimed and intended for the Jewish people wherever they were—including Great Britain and the United States should he have gotten over here.

Still more proof is asked? The Balfour Declaration asserted, long before Hitler, a recognition of Palestine as a homeland for Jews. After World War I, Palestine was mandated to Great Britain to be held in trust by her, and not to be annexed or to make its inhabitants her citizens.

The Balfour Declaration was still in effect and force. After World War II the State of Israel received de jure recognition.

During the time of Eichmann's alleged misdeeds there were governments in exile which we recognized, and who fought beside us. There was the French Government in exile, the Polish Government in exile, and the Dutch Government in exile, to name just a few, and they placed their forces in the field. The Jews of Palestine did likewise. The gallantry of her troops in Italy and north Africa, in Syria and wherever the enemy could be found is a thrilling story of bravery and glory.

Therefore, I conclude with the thought that it is not Eichmann alone who is to stand trial, but all mankind and its juridical system. If nature abhors a vacuum then why should it be in the nature of things that a crime go unpunished; that an accused go untried? If that be so, then we have discovered a vacuum in morality which must be abhorred and eliminated or else mankind perishes.

So I return to my earlier reference to natural law, first conceived by Socrates, elaborated upon by Aristotle, explained by St. Thomas Aquinas, and appearing in our own Declaration of Independence asserting the unalienable rights of man.

Upon that law, if there be no other, I support those who insist that the Eichmann case be tried in Israel. Maybe new law will be written because the old law did not hold, and if new law is to be written based on the principles of natural law then let it be written in Israel because the Prophet Isaiah said "From out of Zion shall go forth law," so, from out of Zion shall go forth new law to be an example and a guide for all men, for all nations, for all time.

THIRD CHOICE IN CUBA

Mr. DULSKI. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the Record and include extraneous matter.

The **SPEAKER.** Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. DULSKI. Mr. Speaker, there is growing concern among the American people as the Russians extend their sphere of influence in the Western Hemisphere through a military buildup in Cuba. Harsh experiences of the past have taught us that the colonizing tactics of the Russians, directed at any part of the world, are a threat to peace. The tensions which now divide the world and deny freedom-loving people the benefits of a just peace are caused by a Russian empire—reaching from the Baltic Sea to the Pacific Ocean. Shackled within that empire are more than a score of once free and independent nations—

defined by an act of Congress as captive nations.

Within all those captive nations the common man longs for a return of his freedom, and national independence for his counrty. In that vast area covered by the Russian captive empire the multitudes await the tidal wave of self-determination, so well described by President Kennedy in his address before the United Nations last year. Thwarting those great human aspirations by terror and tyranny, we see a relative handful of addicts of Russian imperialism who are otherwise identified as Communists or "Soviets." It is those few who hold the reins of power and oppression which bind the masses against their will within the captive empire. The tactics of total state power developed by Lenin, and first applied to the Russian nation, have been extended to a total empire. All this evil work has been accomplished in the course of some 40 years. And Khrushchev has made it clear that the Russians will not rest until they have colonized the entire world. It is this conflict between the enslaved who want to be free and their Russian oppressors who want to keep them in bondage, together with the determination of the free to remain free in the face of Russian determination to colonize the world, which causes the dangerous tensions that grip the world today.

That is the background against which we must evaluate the Cuban crisis. Cuba is now a captive nation. Cuba is now controlled by a relative handful of addicts to Russian imperialism. That handful of addicts has seized total power in Cuba and they are now trying to establish total tyranny over the people of Cuba. Imperial Russia is, at grave risk, supporting its Cuban regime with all manner of weapons, manpower, propaganda, and international blackmail. Castro and company alone are incapable of securing and holding total power over the people of Cuba. The Cuban people have been robbed of the just desserts of their revolution and they know it far better than the people of the outside world. Failure after failure and deceit upon deceit by the Castro regime is ripening the spirit of revolt among the Cuban people. In these circumstances, the Soviets are rushing to the aid of their agents in Cuba to save them from certain disaster and, at the same time, to win for themselves a strategic base of military, propaganda and subversive operations in the Western Hemisphere.

The resolution on Cuba adopted by Congress makes several basic points clear. The first is that the American people will prevent the Russians from using their Cuban base of operations to spread their colonial system in the Western Hemisphere. Congress does not define how this shall be done but it does conclude that President Kennedy has all the authority necessary to act in order to accomplish that objective. The second point is that our country is determined to return self-determination to the people of Cuba and to support the Cuban people in their struggles for self-government. Congress does not define how this objective is to be accomplished but it does call for action by our Government to attain that objective. The congressional resolution on Cuba expresses the intent of the American people but the specific action or actions necessary to implement that intent must be determined by President Kennedy.

The Washington Post carried a thoughtful and well-reasoned editorial concerning Cuba on September 29, 1962. "Third Choice in Cuba" was the title of the editorial. The third choice proposed is a war of national liberation in which the people of Cuba would be encouraged to rise up against the Russian occupation of their homeland with the understanding the United States and other Republics of this hemisphere would go to the assistance of such a popular revolt. This proposal makes more sense than standing idly by while the Russians build a fortress Moscow in the Caribbean, or using our troops in a straight military operation.

A few days before the debate in the House on the Cuban Resolution, our colleague from Ohio and my good friend [Mr. FEIGHAN] proposed a six-point action program to remove the seeds of Russian aggression and war from the Western Hemisphere. His proposal called for the "third choice" advocated by the Post editorial; to be executed in a manner calculated to make maximum use of the aspirations of the Cuban people, at home and abroad; to place the power and prestige of the United States behind the aspirations of the Cuban people; to put the Communist Castro regime in proper diplomatic perspective; to provide opportunity for all the Republics of the Western Hemisphere to take part in our common defense; and, to give the United Nations a useful role as the instrument of justice in the affairs of nations.

I have long held that the power of the free press is a potent weapon in the cold war. The editorial of the Washington Post, outlining a course of effective action in the Cuban crisis, speaks for a large body of informed Americans.

Under leave to extend my remarks, I include the editorial which follows:

THIRD CHOICE IN CUBA

Discussions of what to do about Cuba are invariably couched in alternatives. The first is to tolerate the Soviet arms buildup but to contain the Castro regime—a course that can have disastrous consequences in Latin America if it is interpreted as a sign of weakness and irresolution. The second is to intervene militarily through an invasion or blockade. Besides risking Soviet retaliation in Berlin or other vulnerable areas, an invasion would also bring the tragic prospect of prolonged and bloody American occupation and of riots in virtually every Latin-American capital.

Curiously, a third course has received little apparent official attention—the course of deliberately and skillfully encouraging an internal uprising within Cuba that could immediately be assisted by outside arms. The lack of discussion here is especially odd since the Kennedy administration came to power with a determination to develop a capacity in unconventional warfare and to broaden the spectrum of military response.

Evidence from Cuba indicates that there is considerable latent disaffection among officers and officials in the Castro regime. Leo Sauvage, a shrewd French correspondent writing in The Reporter, maintains that the Soviet forces in Cuba are a clear indication that Castro can no longer rely on his own army and militia. "A national uprising within Cuba * * *," he writes, "might well succeed, especially if the CIA gave up playing politics and at last decided to do something useful by supplying insurrectionary forces inside the country with the weapons and the technical assistance they need."

No one outside the Government can speak with real assurance about a question of palpable strategic secrecy. Yet the testimony of informed Cubans is that U.S. policy has been not to encourage such an indigenous uprising. Rather, the emphasis is on exile politics. The result is to disarm psychologically those inside Cuba who might be tempted to take a chance on insurrection. Their feeling is that those who are living in safe exile would reap the benefit and would indiscriminately punish as "Communists" anybody who had not broken openly with the regime. They have no awareness that an alternative is available to them.

Any policy aimed at promoting internal change would have to begin by altering the overall climate by making clear that the United States does not regard all who are in the Cuban Army and Government as Communists by definition. This would have to be followed by calculated political appeals intended to divide Castro from his followers. Plainly, such an approach would entail risks and would take time and patient effort.

It would involve the United States in fostering a war of national liberation on an island where national tradition and logistic fact would enable a true spirit of resistance to develop. One proposal the hemisphere foreign ministers might consider when they gather in New York is a declaration expressing the intent of the American Republics to come to the assistance of any uprising that takes place on Cuban soil against the Soviet occupation.

As it stands, North Americans are frustrated and Cubans of all shades of opinion are angry with Washington. Luis Aguilar Leon, writing in the New Leader, speaks for many free-minded Cubans in remarking acidly:

"Of all the lessons Fidel Castro has taught us, the bitterest and most obvious is this: He who proclaims himself a Communist can count on help from the Soviet Union even though he is 9,000 miles away from its borders, while he who proclaims himself a democrat can fight and die 90 miles from the shores of the United States and no one will come to his aid."

This is a reproach that may be cruel and unfair, but the only satisfactory response to it would be effective action.

SPECIAL ORDER VACATED—AMERICAN-PORTUGAL AFFAIRS

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. O'NEILL. Mr. Speaker, I have a special order myself which was originally scheduled to follow the gentleman from South Carolina [Mr. RIVERS] to discuss at that time American and Portugal affairs, and particularly American policy on Angola.

Mr. Speaker, in view of the fact that the gentleman from South Carolina [Mr. RIVERS] is going to take his complete hour in honoring our colleague, the gentleman from Alabama [Mr. BOYKIN]—and I know that there are 16 or 17 Members of Congress who had intended to participate with me—I ask unanimous consent that I be permitted to address the House for 1 hour on tomorrow following the official business of the House and any other special orders heretofore entered.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

TRIBUTE TO THE HONORABLE FRANK BOYKIN

The SPEAKER. Under previous order of the House, the gentleman from South Carolina [Mr. Rivers] is recognized for 60 minutes.

Mr. RIVERS of South Carolina. Mr. Speaker, at the outset I ask unanimous consent that all Members who are desirous of inserting their remarks with respect to our beloved colleague, the gentleman from Alabama [Mr. Boykin], be given 5 days in which to do so.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield to me at this point?

Mr. RIVERS of South Carolina. I am delighted to yield to the distinguished Speaker.

Mr. McCORMACK. Mr. Speaker, I appreciate very much my dear friend from South Carolina yielding to me before he starts his formal remarks.

Mr. Speaker, I have just heard that the gentleman was going to make remarks in relation to our distinguished friend, the gentleman from Alabama [Mr. Boykin]. I must leave immediately for an important conference. I would feel very much disturbed if I did not participate on this occasion in expressing the very high regard that I have for Frank Boykin.

Mr. Speaker, Frank Boykin and I have been very close friends during the period of years in which we have served together in the House of Representatives. Frank and Mrs. Boykin have lived, as have Mrs. McCormack and I, for many years at the Washington Hotel. Between Frank and Mrs. Boykin and John and Harriet McCormack there is a close friendship of many years, a friendship that we value very, very much.

Mr. Speaker, Frank Boykin has been one of the hardest working Members of Congress during his many years of very important service to this body. He has certainly brought to Alabama and to the people of his district, industry, credit, and honor. He is a man with an understanding mind which is without limitation, a man whose generosity and whose cheerfulness is known everywhere; a man who is universally respected by everyone who knows him.

Mr. Speaker, I am very happy to join with my friend, the gentleman from South Carolina [Mr. Rivers] and his colleagues from Alabama in honoring this great man whose services in this body will no longer continue in the next Congress, but who, during his years of service, has made his mark in contributing to the legislative history of our country. He has always been prominent in nature, progressive in character, permanent and lasting in the legislative history of our country.

Mr. Speaker, I wish for Frank and Mrs. Boykin every happiness and success in the years that lie ahead for them, and express the hope that those years will be countless in number.

Mr. RIVERS of South Carolina. Mr. Speaker, I thank the Speaker of the House of Representatives for his very kind remarks in behalf of our friend, the gentleman from Alabama [Mr. Boykin].

Mr. ALBERT. Mr. Speaker, will the gentleman yield?

Mr. RIVERS of South Carolina. I yield to the gentleman from Oklahoma, the distinguished majority leader.

Mr. ALBERT. Mr. Speaker, I appreciate the gentleman from South Carolina [Mr. Rivers], yielding to me following the remarks of our distinguished speaker.

Mr. Speaker, I am glad that my friend and colleague, the gentleman from South Carolina [Mr. Rivers] has taken this time to pay tribute to one of the most lovable characters I have ever known. "Everything is made for love" is the best known motto in this House. It is appropriate that Frank Boykin should use that motto because he loves everybody. It has been said, Mr. Speaker, that the world loves a lover. Everybody loves Frank Boykin because he loves everybody and he helps everybody. I have never heard of anyone going to Frank Boykin for help when he did not get it. He is a big man, and he is all heart. He is one of the most generous, charitable men I have ever known.

No Member has worked harder, or more effectively, for his district and his State than the gentleman from Alabama [Mr. Boykin]. In all his endeavors he has been resourceful, energetic, and successful. He is a great man. He has been a wonderful colleague and friend and outstanding legislator. We will all miss him. As he leaves us, we wish him great happiness and success in the years ahead.

Mr. Speaker, at this point in the Record I am going to insert along with my remarks several items:

One from the Sunday Star of June 10, 1962, entitled "Boykin Departure Ends Era of Love" and also an article from the New York Times dated May 31 by Arthur Krock entitled "In the Nation," the subtitle of which is "A Sad Memorial Day for Boundless Love."

The articles referred to are as follows:

[From the Washington Star, Sunday, June 10, 1962]

Boykin Departure Ends Era of Love

(By John C. Davies)

Old Capitol hands, usually torpid about the comings and goings of Representatives and Senators, had their nonchalance jarred a fortnight ago when Alabama voters decided against returning Representative Frank W. Boykin to the House for a 15th consecutive term.

Sentimentalists, who often forget the impermanent nature of politics, had begun to believe that the 77-year-old multimillionaire and the Nation's No. 1 exponent of superabundant life was as secure as the Capitol dome and twice as expansive. But cynics, whose hindsight is invariably 20-20, insist that Mr. Boykin's number was up when all Alabama's nine Congressmen had to run at large for the eight seats available after a reapportionment squeeze. Whatever the cause, the man who became legendary for his 30-year, four-square stand for love ended up a very low man on Alabama's political totem pole.

His battle cry—"Everything's Made for Love"—made the Congressman famous and is shouted, declaimed, and whispered at the drop of one of his countless hats in which the shibboleth is inscribed on the inside. Huge banners proclaiming the motto hung at every one of his meetings, and it is virtually impossible not to notice its inescapable prominence in Mr. Boykin's office.

No matter the time of day or night, the chances are that Frank Boykin will greet stranger and friend alike with a gregarious approach that makes a Rotarian greeting resemble a deep-freeze snub, and one can be certain that "Everything's Made for Love" will find its way into the conversation at least once.

Even in defeat, the 77-year-old Alabama politician still puts in days that would exhaust most 20-year-olds. He usually starts with a tremendous roar for coffee at 5 a.m. and then proceeds to dictate a few 20-page letters on an infinite variety of subjects.

AS A LETTER WRITER

Each letter is usually charged with prolix invitations to his 17,000-acre hunting preserve in Alabama, casual references to the problems of the day, a lengthy word picture on the beauty of womanhood and verbose regrets on not being able to communicate with the addressee in person. And, of course, sprinkled liberally is the ubiquitous "Everything's Made for Love."

At the end of perhaps a dozen letters, Mr. Boykin is ready, willing and able to take on breakfast—an unbelievable exercise in fruits, eggs, hot cakes, grits, ham, biscuits and more coffee. He is now prepared to go forth, to hail everyone whether he knows him or not, expressing good will, good luck, fine health and hearty assurances that all will go well if one remembers that "Everything Is Made for Love."

It has been said that when Frank Boykin enters a room, it is as though a thousand butterflies were turned loose. He is nearly 6 feet and weighs more than 200 pounds. He dresses elegantly and clamorously in the garb of a storybook statesman, making him the only Member of the House or Senate who actually looks like a Congressman or Senator. He still has a well-thatched mane of white hair flowing back from a full face.

POLITICAL NOAH'S ARK

Mr. Boykin's office might best be described as a large, economy-size McGee's closet or a political Noah's Ark, for the rooms seem to contain one or two of every thing known to man. On all four walls is a solid cover of photographs of the famous and near-famous, all endearingly dedicated to the Congressman. In the small spaces not allotted to photographs, Mr. Boykin has managed to wedge in two huge rattlesnake skins, five mounted deer heads, a 9-foot wolfhide, old campaign posters and snapshots of hound dogs at work.

The tables and cabinet of his so-called private office are loaded with curios, trophies, antiques and mementos. Included are such oddities as an egg of the extinct Greak Auk, precursor of the penguin, a gargantuan cuckoo clock from Germany's Black Forest, two six-shooters that once belonged to Jesse James, a machete, assorted rifles and a chastity belt.

As a party giver, the gentleman from Alabama was famous long before the Mesdames Mesta and Cafritz saw the black of the sturgeon's eggs. In 1949, he gave a party at the Carlton in honor of Speaker

Rayburn. Nearly a thousand friends and freeloaders showed up to sip gallons of Scotch and bourbon and munch on salmon, elk, venison, bear steaks, turkey, antelope and opossum.

Mr. Boykin made few speeches on the House floor but his annual orations on the practicality of widening the Tombigbee River in his native Alabama to accommodate oceangoing vessels are memorable. He never had difficulty getting unanimous consent to talk on and on, even though the House may have been operating under the 5-minute rule.

At one point in a Tombigbee speech, he recalled that Aaron Burr had courted a girl successfully on the banks of the river. This, he pointed out, was proof that the Tombigbee, like everything else on earth, was made for love.

A CONSERVATIVE CONSERVATIVE

During his 28 years in the House, Mr. Boykin was a conservative conservative, never having truck with the New or Fair Deal. He fathered very little legislation and that which he did sponsor was minor.

He was born in Choctaw County, Ala., and at the age of 8 left school to work on a railroad as a construction gang waterboy. The railroad was operating on the end of a shoestring, a circumstance which gave young Boykin an opportunity to become train dispatcher and conductor at the age of 12. He also took orders for a commissary while riding the train. At 15 he became the commissary's manager.

At 18, he was the owner of a sawmill set up to cut railroad ties. Then, he built a store and became prosperous enough to take on a wife. Boykin's fortunes have been on the rise ever since.

There are a number of reasons advanced for Frank Boykin's defeat in last month's primary election. "He was too rich." "He was too old." "He was too conservative." "He was too flamboyant." "His political ways are a thing of the past."

Others say that, having to race statewide rather than in his own safe little district, his eccentricities and the publicity on various business schemes, such as savings and loan associations in Maryland, hurt him.

But whatever the reason or combination of reasons, the day when the moving van pulls up to the Old House Building to move the Boykin museum will be sad. He and his "love" will be talked about for a long time.

[From the New York Times, May 31, 1962]

A Sad Memorial Day for Boundless Love

(By Arthur Krock)

Washington, May 30.—Eros still aims his arrows from his pedestal in Piccadilly Circus, but in Alabama his bow has been broken forever. There, by the elimination of Representative Frank W. Boykin from Congress, ambition once again has proved itself "the only power that conquers love," as when the great Julius tore himself from Cleopatra's arms and voyaged back to Rome to mend his political fences and smash Pompey's.

Until Boykin ended in this week's Alabama Democratic primary as the low man among nine claimants for eight seats in the next Congress, he had been elected 14 successive times on the slogan "everything is made for love." Framed on the walls of his specious quarters in the House Office Building, roared in the tones of a basso suckling dove to the voters of the First Alabama District in 14 campaigns, bawled to any passerby in the Capitol's corridors as the Representative moved—glowing pink—from relaxing hours in the barber's chair to his offices or to the august House Chamber he adorned, murmured to females encountered at parties with the occasional dividend of a chaste embrace, this slogan and Frank W. Boykin had become inseparable.

With this tender motto proclaimed as his lifetime guide, the Member from the First Alabama District nevertheless has managed to amass a large store of worldly goods that once he was overheard to comment on the deduction that his wealth could be counted in millions with the amendment that he actually may be a "billionaire." This earnest of an acquisitive capacity, rarely won in the marts of Mammon by one consecrated to the spirit of brotherly (and sisterly) love, was made possible by many material activities, among them:

Manufacturer of railroad crossties. Enterprises in real estate, farming, livestock production, timber, lumber, naval stores, and in politics. This last vocation he helped to make enduringly successful by inviting to barbecues of bear and venison steaks, guests who at various times have consisted of all of Congress, public officials in charge of Federal financial handouts and the whole population of the First Alabama District.

THE GIFT OF AN EARTHLY HEAVEN

When love seemed to the Representative to require a more solid expression than the mere devotional words he emits in divers tones on all occasions, there never was anything niggardly about the choice. It was Boykin, and Boykin alone, who amplified the news (apparently imparted to him from on high) that Comdr. Alan B. Shepard would be rewarded for his pioneer cosmic flight with a seat in heaven, by offering the commander as a free gift what love's votary in Congress described as "a heaven on earth." This was a $25,000 house, with a swimming pool and all the fixin's, in a new development at Waldorf, Md.

Cynics, who habitually question acts done in the name of pure altruism, were beastly enough to point out that Shepard's presence would give much-needed publicity to this housing project. And they noted that this publicity would accrue also to the benefit of a citizen who, before buying the land from the Representative, had served a prison term for mail and security frauds. Even when the Member from Mobile explained that in trying to help this citizen he was only pursuing his dedication to prove that everything is made for love, and could not have been more surprised than to learn of this citizen's sojourn in stir, these cynics sneered anew. And the sadness that brought to the overflowing Boykin heart suffused both its ventricles, not to mention the aorta, when his suggestion that President Kennedy arrange to clear the offer to Shepard was ignored by the President, and when this and other acts of the Representative's compulsive generosity were used to pry him out of his seat in Congress.

So, as the poet recorded, thus "Love and sorrow both were born/On a showery summer morn" in the Alabama Democratic primary. And, come next session, the pleasingly corpulent, nonsmoking, nondrinking, jolly Boykin, with a heart as big as Minnie the Moocher's, but with millions or a billion in the bank just the same, will be absent from the chambers, the corridors and the House barbershop of the Capitol.

The scene will be quieter. But who would rather have quiet than a continuous and thunderous assurance of universal love? Some kind of a nut or something?

Mr. RIVERS of South Carolina. Mr. Speaker, along with the articles above, I would like to insert a letter from the chairman of my committee, the Honorable Carl Vinson to the President of the United States, dated June 11, 1962, and also, Mr. Speaker, to insert with my remarks a letter from myself to the President under date of June 11, 1962. Both my letter and Mr. Vinson's letter relate to our distinguished colleague.

The letters are as follows:

July 11, 1962.

The President,
The White House,
Washington, D.C.

My Dear Mr. President: I should like to take this opportunity to suggest to you a worthy successor to the very able Secretary of Health, Education, and Welfare, who is leaving your Cabinet to seek public office in the State of Connecticut.

Twenty-seven years ago, on July 30, 1935, the people of the First District of Alabama elected Frank W. Boykin to the 74th Congress to fill a vacancy caused by the resignation of his predecessor.

For 27 years this very capable, outstanding man has energetically and devotedly represented his constituents in the House of Representatives.

Frank Boykin is an "old line" Democrat who has consistently and conscientiously placed the interest of his Nation and his party above all other objectives.

He is a living example of the opportunities that are available to all Americans who are willing to work.

He has been an employee and an employer.

He knows from firsthand experience the problems of the employee, and the problems of the employer.

He has engaged in numerous business activities from real estate to lumber to livestock to shipbuilding.

But he has also been a farmer.

He knows what it is to work from early in the morning to late in the evening.

He is the Horatio Alger of our day.

He did not have the advantage of higher education; thus he is fully aware of the importance of education.

As a youth, he knew the problem of the poor; as a wealthy man, he knows the obligations of the well-to-do.

He has befriended literally thousands of his fellow Americans. His reputation as a humanitarian is unparalleled.

He fights for what he thinks is right; but he also understands and accepts the indispensability of teamwork.

I am thoroughly convinced that he would bring to your Cabinet, as Secretary of Health, Education and Welfare, the maturity of his vast experience, the imagination of unbounded energy, an unsatiable drive for a better America, and a dignified respect for your outstanding leadership.

As you study the backgrounds and accomplishments of the many names that will be suggested to you to fill this vital position in your Cabinet, I commend to you Frank W. Boykin, of Alabama. He is a man of intelligence, competence, loyalty, endearing personality, and dedicated to the expansion of a greater America.

I am convinced that Frank Boykin is a man who would be a dedicated and outstanding member of your official family.

Very respectfully yours,
Carl Vinson, *Chairman.*

July 11, 1962.

The Honorable John F. Kennedy,
The President,
The White House, Washington, D.C.

Dear Mr. President: I have just talked with my distinguished chairman, your friend, the Honorable Carl Vinson, who has advised me that he has written you warmly recommending our beloved colleague, Frank Boykin, for your consideration as the successor to the Honorable Abraham Ribicoff, who is seeking public office in his own State of Connecticut.

It is impossible to portray the character of Frank Boykin in a written memorandum. Mr. Vinson and others have told you in more profound style than I possess of the attributes of this inimitable American who is the everlasting image of the opportunities which exist only in America.

Frank Boykin has been my closest friend during my 22 years in the Congress of the United States. I would venture the assertion that I know him as well as any person in the United States. He knows firsthand poverty and preeminence. He knows rags and he knows riches. He understands the annoying pains of the hungry, the desires of the poor and the responsibilities of the wealthy. Mr. Boykin has befriended countless thousands of Americans in every walk of life. His charity and his hospitality know no bounds. As one of the largest landowners in the State of Alabama, he has cared for every conceivable need of countless hundreds of the less fortunate in his beloved State. He is an extraordinary administrator, executive and businessman.

His personality, which has no parallel in the Congress of the United States, would add dignity, prestige and influence to your official family.

I heartily recommend the Honorable Frank W. Boykin for your consideration when you decide on the successor to Mr. Ribicoff.

Sincerely yours,
L. Mendel Rivers,
Member of Congress.

Mr. RIVERS of South Carolina. Mr. Speaker, I came to the Congress 22 years ago. My first good fortune was to meet Frank Boykin. The distinguished gentleman from Florida [Mr. Sikes] was one of the freshmen in that 77th Congress. By the stroke of good luck and good fortune we met Frank Boykin. A close friendship has ensued from that day to this. It never occurred to me, nor has it occurred to you that Frank Boykin would ever be defeated in the Congress of the United States, because he should not have been defeated. By the sad stroke of fortune, by the unpredictable turn of fortune's wheel, he was defeated. But he is really not defeated. He just did not make the grade under the conditions imposed by the State legislature.

Mr. Speaker, already his departure from the Congress of the United States has cast a blight on this venerable body. When the 88th Congress convenes, and Frank Boykin is not here, this place will not be the same. His exuberance, his enthusiasm, his love, his friendliness for all his colleagues and for his fellow man pervades and pervaded and has permeated the loftiest rafter of this ageless parliamentary body.

Mr. Speaker, Frank Boykin—it is not possible to use the English language and describe the character of this man. He is unique among men. He is unique among public servants. When he will have left this Congress and departed this life, he will have been unique among all men. His kind flashes across the scene of life's stage only once in a thousand years. His impression will last as long as men of good will tread the venerable Halls of this institution. Frank Boykin will never be forgotten as long as there is a Congress of the United States or as long as the archives of this country contain the efforts of men for their people.

Mobile, Ala., will certainly not be a desert in the field of representation so long as Frank Boykin is there to voice her needs. As the distinguished gentleman from Florida has said, Frank Boykin has made Mobile the city it is. Without Frank Boykin there would be no Mobile, and without Frank Boykin a lot of Mobile would never have been heard from. You know this and I know this.

He helped all people. He is known in your district and he is known in mine because he had the time to help his colleagues. Our friendship, you know and I know, is as full as possible. Our love and regard for each other will be as lasting as the sun in her journeys across the horizons.

The memories of times I have had with Frank Boykin and the pleasure he has brought to this Hall with his cheer and his joy will remain as long as these walls stand. To know Frank Boykin was to love him.

As has been said here today, he took time to do the little things. This marks a man of magnificent and astronomical stature. These are the things of which Frank Boykin is composed. Countless millions of deeds too numerous to recall and which I am too feeble to describe mark this great American. I shall never forget him. My life will not be the same and my activities will not be the same without him, because he helped me all the time. He was an institution, he was an inspiration to everybody who wants to work for the interests of the people and the Nation he loves.

It has also been said that he will represent Alabama here after he will have departed. I am sure that he will make an imprint in this representation along with the rest of the Members of the Alabama delegation, an imprint that will last as long as the memory of man is allowed to exist on this earth.

Frank Boykin was one who could take his winnings and risk it all on one pitch-and-toss, and lose and start again at the beginning and never breathe a word about his loss.

Frank Boykin can dream and not make dreams his master;
He can think and not make thoughts his aim,
He can meet with Triumph and Disaster
And treat those two impostors just the same:

He can make one heap of all his winnings
And risk it on one turn of pitch-and-toss,
And lose and start again at his beginnings,
And never breathe a word about his loss:

Frank Boykin could talk with crowds and keep his virtue,
Or walk with kings—nor lose the common touch,
Neither foes nor loving friends could hurt him.
All men count with him, but none too much.

All mankind loved him.

This is Frank Boykin. It is a sad and tragic recollection on the fortunes of politics.

As Sir Thomas Gray said in his "Elegy":

The boast of heraldry, the pomp of power,
And all that beauty, all that wealth e'er gave,
Awaits alike the inevitable hour:
The paths of glory lead but to the grave.

This is politics. Regardless of my stature and of yours, regardless of your prestige here today, the time will come when your glory will lead to the political grave. This is a fact of life.

Edward Markham in his magnificent poem about Lincoln, the man of the people, had this to say, and I like to think of Frank Boykin in these terms:

He held his place—
Held the long purpose like a growing tree—
Held on through blame and faltered not at praise.
And when he fell in whirlwind, he went down
As when a lordly cedar, green with boughs,
Goes down with a great shout upon the hills,
And leaves a lonesome place against the sky.

In this Congress, Frank Boykin's departure, Mr. Speaker, leaves a lonesome place against the sky, and it will be there. Never will he be replaced in this Congress. Never will this awesome and lonesome void which exists on the sky of public service be removed because Frank Boykin will not be in the Congress of the United States.

I, along with you, wish for him in the days when his memories will be his main occupation, peace. I wish for him content. I wish for his family the same peace and happiness, because Frank Boykin is entitled to it and his family merits it.

Mr. Speaker, God bless this great American. There will never be another in the Congress of the United States.

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from Texas [Mr. Beckworth] may extend his remarks at this point in the Record.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. BECKWORTH. Mr. Speaker, in the time I have been in Congress, no man has impressed me more than our colleague, Hon. Frank Boykin. I came to Congress years ago and one of the first men I met was Frank. He was as good to me as a father is good to his son. He was always kind, courteous, considerate, and his advice was sincere and most worth while. Along with all of the Members of the House I shall miss Frank as a Member here, but I shall not forget him and his wonderful family. I wish for him and his wife and each member of his family the greatest of joy and happiness throughout the years.

Mr. RIVERS of South Carolina. Mr. Speaker, at this time I yield to the distinguished dean of the Alabama delegation, the gentleman from Alabama, George Grant.

Mr. GRANT. Mr. Speaker, Frank Boykin was born in Bladon Springs, Choctaw County, Ala.; it makes no difference as to the date of his birth because anyone who is privileged to know Frank knows that he is young in spirit and in heart and will forever remain so regardless of the passage of calendar years.

I know of no man who is more capable of hard work than he. Frank Boykin came up the hard way. When quite young, he worked as a water boy for a railroad construction gang at the rate of 25 cents a day. When a fellow water boy gave up his job, Frank went to the foreman and told him that if he would not hire another boy to take his place that he would do the work of both boys for the doubled rate of 50 cents a day. The foreman was amused at this and wondered how it could be done. With FRANK's ingenuity, he got a yoke to place across his shoulders on which he could hang a bucket on either side and thus performed most ably the work of two water boys.

FRANK had to leave school in the third grade but due to his hard work, he helped educate his brothers and sisters—even to providing a college education. Through his indomitable will and his genuine desire to succeed, he slowly but surely built a small fortune which finally pyramided into vast timberlands—one of the world's largest salt domes.

Although denied the opportunity of a formal education, he has graduated with honors from the university of hard knocks. No one is more widely read than FRANK nor has a better grasp of local, State, national, and international issues than he.

Numbered among his many personal friends are those in high places, including Presidents, the former Prime Minister of Great Britain, Winston Churchill, General of the Army Douglas MacArthur, Generalissimo and Mrs. Chiang Kai-shek, and many other world leaders too numerous to mention. It can truly be said that, "He walks with kings yet keeps the common touch." He has many faithful colored employees on his hunting reservation in Alabama who dearly love him. After their retirement, they do not have to worry about social security or other benefits as "Mr. FRANK" looks after their every need. A friend in need is a friend indeed; he has been just that type friend to many people.

There is a lot of good in a person who loves the great outdoors. FRANK BOYKIN is never happier than when he is entertaining some of his many friends at his hunting lodge. This man dearly loves dogs and hates to see them mistreated. For many years he has in the early morning hours visited the Washington pound, claimed dogs, and shipped them to friends all over the country.

I have never known a man more devoted to his family than FRANK BOYKIN. Someone has wisely said that the success of every man depends upon some good woman. FRANK's helpmate, Ocllo Boykin, has been, so to speak, the power behind the throne.

No one in Congress is better known than he. With his jovial smile and waving arms as he goes happily along, saying a cheerful "hi" to everyone he meets, one cannot help but be charmed by his outgoing, friendly manner.

Several times on the floor of the House in private conversation, I have heard FRANK say, "Isn't it a shame that we have so much bickering and misunderstanding and wouldn't it be a wonderful thing if we could have a lighted cross on the wall above the Speaker's rostrum?" So, I know that it was gratifying to him when the House just a few days ago passed a resolution authorizing that the inscription, "In God We Trust" be placed over the Speaker's desk.

Congressman BOYKIN can point with just pride to the 27 years of devoted service to his District, State and Nation. He carries with him the respect, the admiration, and the sincere best wishes of the Congress of the United States, and he will always find a warm welcome with his old colleagues and friends.

In closing, may I quote this poem, which I think embodies FRANK BOYKIN's philosophy of life:

THE HOUSE BY THE SIDE OF THE ROAD

(By Sam Walter Foss)

There are hermit souls that live withdrawn
  In the peace of their self-content;
There are souls, like stars, that dwell apart,
  In a fellowless firmament;
There are pioneer souls that blaze their paths
  Where highways never ran;—
But let me live by the side of the road
  And be a friend to man.

Let me live in a house by the side of the road
  Where the race of men go by—
The men who are good and the men who are bad,
  As good and as bad as I.
I would not sit in the scorner's seat,
  Or hurl the cynic's ban;—
Let me live in a house by the side of the road
  And be a friend to man.

I see from my house by the side of the road,
  By the side of the highway of life,
The men who press with the ardor of hope,
  The men who are faint with the strife.
But I turn not away from their smiles nor their tears—
  Both parts of an infinite plan;—
Let me live in the house by the side of the road
  And be a friend to man.

I know there are brook-gladdened meadows ahead
  And mountains of wearisome height;
That the road passes on through the long afternoon
  And stretches away to the night.
But still I rejoice when the travelers rejoice,
  And weep with the strangers that moan
Nor live in my house by the side of the road
  Like a man who dwells alone.

Let me live in my house by the side of the road,
  Where the race of men go by—
They are good, they are bad, they are weak, they are strong,
  Wise, foolish—so am I.
Then why should I sit in the scorner's seat,
  Or hurl the cynic's ban?—
Let me live in the house by the side of the road
  And be a friend to man.

This is FRANK BOYKIN's philosophy of life, to live by the side of the road and be a friend to his fellow man.

Mr. RIVERS of South Carolina. I thank the gentleman from Alabama.

I know the Alabama delegation knows why I wanted to do this. This is not to deprecate the magnificent efforts of this distinguished delegation. What I shall say in my having done this I hope will in no wise indicate that I reflect at all upon your magnificent dedication to your duties and your fine work as Members of Congress. I am sure that no one who is close to FRANK BOYKIN would have that feeling. When you understand that, you understand why I do this.

Mr. Speaker, I yield now to the distinguished gentleman from Alabama [Mr. SELDEN].

Mr. SELDEN. Mr. Speaker, on occasion there serves in the Congress of the United States a man whose image is intensified upon his departure—a man who endows his colleagues with some indefinable euphoria for which he will always be remembered; indeed, a man about whom it can be said, "It will never be the same without him."

Such a man is FRANK BOYKIN.

Who among those of us who have served any length of time with the affable gentleman from Alabama can imagine this chamber without him. When he leaves at the end of the present session after 27 years service in the House of Representatives, Congressman BOYKIN will take with him a little bit of the overall character of this House. He will be sorely missed, but he will leave with us a rich remembrance of pleasant associations.

Thousands of words have been written or spoken about our colleague over the past half century in which he has distinguished himself both in business and in government.

Predominant among them have been descriptions such as "colorful", "industrious", or "vigorous". These are no misnomers, for it is a fact that few men of our time possess such scintillating wit, such savoir-faire, such determination. Nevertheless, they constitute only a fragmentary characterization.

The key that unlocks the most outstanding segment of FRANK BOYKIN's personality is brotherly love. A sound truth it is that he loves his friends with boundless faith and devotion and, if there be any enemies, he loves them with an enviable capacity for charity. Still, it is virtually impossible to depict by mere words this extraordinary facet of a great man's character. Superficially, it may be said that those who have known him are better off for having had this privilege.

All of us who are acquainted with him know that he is capable of instilling a special buoyancy in the most morose of men. No matter how discouraging the news or critical the issue, he can be depended upon for an encouraging word. His cheerful optimism is inborn, and it is indeed contagious. His understanding of human frailties is unsurpassed, as is his compassion for all humanity.

Although I had met FRANK BOYKIN on numerous occasions prior to my election to Congress, I did not know him well until I came to Washington 10 years ago. In the ensuing decade our friendship deepened as we worked together for our State of Alabama. Particularly in the field of waterway development have our ties been extremely close.

The significant strides made in the modernization of Alabama's great waterways have been due in a large part to Congressman BOYKIN's diligent efforts to win the support, the authorizations, and the appropriations necessary for these development programs. He has never faltered in his determination to see that Alabama's waterways take their rightful place among the valuable river systems of the United States. His foresight and dedication in this connection deserve lasting commendation.

Working closely with FRANK in the field of waterway development and other mutual endeavors, I have never ceased to be amazed at his unlimited energy and fortitude. Undoubtedly these traits have prevailed throughout his lifetime, as he has tackled many seemingly impossible tasks with such vigor and enthusiasm that success has been inevitable. In getting things done, he has no equal.

Legislator, businessman, humanitarian—Frank Boykin is all of these. It would be impossible to recount every one of his accomplishments.

But despite a strenuous schedule that would defy the efforts of most people, Frank always has time for his friends; and his friends are countless. To them, he is a solver of problems, an antidote for depression, a well of strength.

Alabama and the Nation will miss Frank Boykin—a servant but also a leader of his people—in the Congress of the United States.

Even more so will he be missed by those of us in this chamber who look forward to our day-to-day contacts with him. However, there is solace in the knowledge that he never forgets his friends. We trust we can continue to reap the benefits of his wise counsel and his good humor for many years to come.

I am certain everyone in the House of Representatives joins me in paying heartfelt tribute to the inimitable Frank W. Boykin.

We borrow one of his own valedictions in saying to him, "May God bless you and yours."

Mr. RIVERS of South Carolina. Mr. Speaker, I yield to the gentleman from Alabama [Mr. Huddleston].

Mr. HUDDLESTON. Mr. Speaker, Alabama during its history has been blessed with the services of illustrious sons here in the halls of Congress. To name a few, we have had such men as John T. Morgan, Edmund Pettus, Oscar Underwood, William B. Bankhead, Henry Steagall, and Fighting Joe Wheeler. Frank Boykin is to be numbered among these outstanding men who have served in the House of Representatives.

It has been my pleasure to know Frank Boykin for a period of better than 30 years. Frank and his lovely wife, Ocllo, have been almost lifelong friends of my family; as a matter of fact, when Frank first came to Congress in 1935 and was brought to the floor of this House to be presented to the Members of Congress, my father was making a speech in the well of the House. My father yielded to Congressman Lister Hill, who is now the senior Senator from Alabama, in order that he could introduce Frank to the Members of Congress.

My relationship with Frank since that time has been warm and close. When I came to Congress in 1955 Frank was serving as dean of the Alabama delegation, and it was my privilege to consult frequently with Frank as I undertook my new job in the House. I always found his advice to be sound, intelligent, and fruitful.

All of us here in the House of Representatives will miss Frank Boykin as one of our Members. I am reminded of the well-known poem:

> Lives of great men oft remind us
> We can make our lives sublime,
> And departing leave behind us
> Footprints in the sands of time.

Frank Boykin has made his mark on the history of this Nation, but more than that, Frank Boykin has left his mark in the hearts of all of us who have been privileged to serve here with him.

Mr. RIVERS of South Carolina. Mr. Speaker, I yield to the gentleman from Alabama [Mr. Andrews].

Mr. ANDREWS. Mr. Speaker, I want to thank the gentleman from South Carolina for making it possible for us to pay our respects to the great Frank Boykin.

Mr. Speaker, on Sunday, March 20, 1944, I arrived in Washington as the newly elected Representative in the Congress of the United States from the old third district of Alabama. The first man I met at the Washington Hotel was Frank Boykin. From that time on Frank Boykin has been my friend—I love him.

No man in the history of Alabama has ever served more effectively in the Congress of the United States than has Frank Boykin. His untiring efforts, over a period of a quarter of a century have resulted in great benefits for our State. Millions upon millions of dollars have been invested in great industrial plants in Alabama as a result of Frank Boykin's energy and ability. Hundreds of thousands of people are today working as a result of his efforts.

Frank Boykin is one of the kindest men I have ever known. His heart is as big as all outdoors. The acts of kindness shown by him to men of all classes are too numerous to recall. He really loves his fellow men.

Frank Boykin has made a great and creditable record in Congress during his years of service. I have never heard a colleague say he did not like and love Frank Boykin.

Frank Boykin is not leaving us. He will continue to be with us in Washington as the representative of Governor-elect George Wallace and there is no doubt in my mind but that he will have and exert more influence in the halls of Congress than the entire Alabama delegation. If and when the legislature of Alabama ever creates congressional districts, Frank Boykin will surely return to the House as a Representative from the Mobile district. Until that day I wish for Frank the best of everything and I hope he enjoys a well earned rest.

Mr. RIVERS of South Carolina. Mr. Speaker, I yield to the gentleman from Alabama [Mr. Jones].

Mr. JONES of Alabama. Mr. Speaker, in this era of conformity and a demand for orthodoxy in manner and even thinking, Frank W. Boykin towers as a supreme individualist.

Mr. Boykin has earned many nicknames, all of which were complimentary. My own nickname for him is "Mr. Sunshine."

He is an unfailing fountain of good cheer, optimism, and sunny outlook, and he has the rare gift of being able to lift the spirits of anyone who encounters him even briefly. His passage through the halls of the Capitol left smiles in his wake.

Frank Boykin came to the House of Representatives in 1935. This was the depths of the economic depression. Many a congressional veteran from those days has told me that Boykin's buoyant spirit was infectious and that he made a genuine contribution to the morale of the House.

He will be remembered fondly in Congress for his debonair manner, but his accomplishments for the people of his congressional district, Alabama, and the Nation were solid and lasting in their effects. His easygoing manner often concealed the fact that he was a prodigious worker.

By sheer pluck and enterprise, Frank Boykin was a business success early in life. He made and lost several fortunes, but undismayed he achieved another. Born and bred in Choctaw County, Ala., he had intimate knowledge and sympathy with the struggles of rural and farm people attempting to better their lot, but often thwarted by politics, economics, and policies which they were unable to control. He never lost this sympathy and it was reflected in his legislative record.

He brought to the Congress thorough, firsthand knowledge of many fields through his extensive business operations. He has intimate knowledge of farming and its problems, as well as livestock ranches. He is an authority on lumber and timber conservation and his own experience in naval stores as a dealer made him invaluable on the Merchant Marine and Fisheries Committee. Also he was a shipbuilder and outfitter and was unequalled in his knowledge of ports and shipping.

The port of Mobile today is what it is largely through the efforts of Frank Boykin in the Congress.

Frank Boykin and his sunny disposition will be missed in Congress. Tempering our regret at his leaving is the surety that wherever he chooses to use his talents in the years ahead he will do so with skill, but above all, with joy in what he is doing.

Mr. RIVERS of South Carolina. Mr. Speaker, I yield to the gentleman from Alabama [Mr. Elliott].

Mr. ELLIOTT. Mr. Speaker, it is a privilege to pay my respects this evening to Frank W. Boykin one of Alabama's foremost citizens, one of Alabama's outstanding leaders, one of her most active and aggressive men.

Frank Boykin did not have the benefits of formal education that some have had, but he overcame that handicap and made his way to accomplish greatly for his State and his people. He educated himself, in the school of hard knocks, in the college of experience. Always at his side, giving encouragement and inspiration were his wonderful wife, Ocllo Gunn Boykin, and their fine children, several of whom I have been privileged to know.

Mr. Speaker, Frank Boykin's knowledge in many fields was almost unbelievable. He brought his great knowledge to bear on the deliberations of this body. Now, in this little break in his career, he can appraise the fact that he served in the U.S. House of Representatives with but few exceptions longer than any other Alabaman.

Mr. Speaker, we can appraise his service as being shot through with ambition for his people; his service was characterized by activity for his people and for his State.

Mr. Speaker, I can think of no greater accomplishment than that of being able to spur forward the economic development of a great State and of a great port city, as Frank Boykin was able to do.

Mr. Speaker, his energy was boundless, his ambition for his people was great, his activity was unsurpassed. His service was colorful and extraordinary, and marked with a love of his fellow man such as few people have.

Mr. Speaker, with it all Frank Boykin had a great compassion and a great understanding of the strength and of the weaknesses of men. He never for long held a grudge, and never for long was angry. Frank Boykin loved his colleagues in the House of Representatives, and they returned that love. Frank Boykin has a great career ahead of him. He hears a new call to service. I know he will approach it with the courage that he has always shown and with the realization that there is no greater endeavor than the service of the people of Alabama.

God speed Frank Boykin as he goes forward to new victories.

Mr. RIVERS of South Carolina. I thank the gentleman from Alabama [Mr. Elliott] very much.

Mr. COLMER. Mr. Speaker, will the gentleman yield?

Mr. RIVERS of South Carolina. I yield to the distinguished dean of the Mississippi delegation, the gentleman from Mississippi, [Mr. Colmer].

Mr. COLMER. Mr. Speaker, I am grateful to my friend Mendel Rivers for permitting me to join with him and others here in paying our respects to our beloved friend, Frank Boykin. I am also grateful to my friend Mendel Rivers for arranging this little token of esteem and respect for our dear friend.

Mr. Speaker, he has been most gracious here, not only in arranging this, but in permitting the rest of us to take so much of his limited time.

Mr. Speaker, I shall not trespass at length upon his time, but I do want to say that Frank Boykin came to this House 2 years after I did.

Our districts adjoin. We live within 35 miles of each other, and it has been my distinct privilege and pleasure to know him, to associate with him, to be associated with him possibly as closely as anyone with the exception of the distinguished gentleman from South Carolina [Mr. Rivers], whose relation with him has been somewhat similar to that of Damon and Pythias.

Mr. Speaker, every man has some virtues. Nature is a great equalizer of virtues. She does not give one man all of them. But I suspect that nature was more generous with our friend, Frank Boykin, than with most of us. His story reads something like that of the Horatio Alger boys. He has been a success as only in this great country a man could be successful. But the one outstanding virtue above everything else that my friend, Frank Boykin, possesses and that nature has so boundlessly bestowed upon him is his love of his fellowman. His favorite slogan: "Everything is made for love" is characteristic of him.

Mr. Speaker, we are going to miss this beloved character who is quite an institution in this House. Frankly, I am glad that he is going home. He has done enough for his people. He is entitled to live a normal life and to enjoy some of the benefits that have accrued to him.

Mr. Speaker, I wish for him, his devoted wife whom he loves so dearly, and his family many more years of happiness.

Mr. RIVERS of South Carolina. Mr. Speaker, I thank the distinguished gentleman very much. At this time I yield to the distinguished dean of the Florida delegation, the gentleman from Florida [Mr. Sikes].

Mr. SIKES. Mr. Speaker, I regret that the time has come to bid farewell to the scintillating, the fruitful, the outstanding services in the Congress of Frank W. Boykin, one of the most popular men ever to serve in the Congress of the United States, but to me more like a close and beloved brother. Few have served here with stronger purpose, few with more significant results, none with greater vigor. He has been a great champion for Alabama and the Nation.

Mr. Speaker, it has been a lesson in dramatic accomplishment to watch his activities. He is perennially young, amazingly vigorous. His friends are legion, and no one is a better or more loyal friend than he. It is a privilege to claim membership in that legion of friends of Frank Boykin.

He is a strong and effective advocate of any cause which he champions. The record which he leaves will not soon be matched. He has done more to keep Mobile in the forefront of progress than any other person in modern times. And his magnificent contributions as a Member of Congress will be sorely missed by those who live in what is now his district and by his State and by the Nation.

Frank is blessed in many ways, personality, ability, contagious enthusiasm, and these are but a few of his outstanding attributes. But today I take particular pleasure in pointing to one particularly valuable asset, his family. In his lovely and charming and gracious wife, Ocllo, his daughter, his sons, and their families, he is indeed a fortunate man.

We are proud of the gentleman from Alabama, Frank Boykin, proud of his family, proud of his accomplishments, and his accomplishments are legion both in business and in Government. We shall miss him here, but we can be glad indeed that he will not be far from us and that we shall continue in other capacities to enjoy his leadership, his service, his friendship, and his ability.

I am glad to join my distinguished friend from South Carolina [Mr. Rivers] and others in the Congress in paying this tribute to the service of a great American. What I say is inadequate to express my feelings and my appreciation and my esteem for Frank Boykin. But, it is genuine and it comes from the heart.

Mr. RIVERS of South Carolina. I thank the gentleman.

Mr. Speaker, I yield to the distinguished gentleman from Oklahoma [Mr. Edmondson].

Mr. EDMONDSON. Mr. Speaker, I appreciate the thoughtfulness of our good friend from South Carolina in giving to all of us, the friends of the gentleman from Alabama, Frank Boykin, the opportunity to pay our respects to him. I welcome this opportunity to join in a most deserved tribute to a great Alabaman and a great American, the Honorable Frank Boykin.

Every Member of this body who has been privileged to know Frank Boykin has grown to love him. With his lovely wife, he has been one of the genuine sources of warmth and friendly inspiration in the Nation's Capital. It has been a great privilege to serve with him in the House and to be his friend.

To Frank and to his gracious wife go my sincere wishes for a full and happy life in the years ahead. I am sure he will continue to render outstanding and patriotic service to his country for many years to come.

Mr. RIVERS of South Carolina. I thank the gentleman.

Mr. Speaker, I yield to the distinguished gentleman from New York [Mr. Pillion].

Mr. PILLION. Mr. Speaker, the gentleman from Alabama, Frank Boykin, is a man of great sincerity, a loyal friend, a dedicated public servant, a citizen with a deep sense of gratitude. This Congress and this Nation will suffer a great loss in his retirement from this House. His many Republican friends in this House join the members of the Alabama delegation and his other colleagues in wishing him the long, healthy, and happy life that he so much deserves.

Mr. RIVERS of South Carolina. I thank the gentleman.

Mr. Speaker, I yield to the distinguished gentleman from Iowa [Mr. Schwengel].

Mr. SCHWENGEL. Mr. Speaker, I am glad to have this opportunity to join in tribute to a great American. I think also we should give tribute to Mendel Rivers, who is leading this discussion and giving us this opportunity.

When I first came here I found myself a next-door neighbor in the Old House Office Building of Frank Boykin. I do not think a more fortunate thing ever happened to me because I soon, almost the first day, got to know real well one of the most friendly, one of the most lovable, one of the most dedicated men I have ever met. He often went out of his way to speak to friends of mine who happened to visit me. He often gave me an opportunity to meet friends of his, and they were real friends. My life has been enriched immeasurably as a result.

He has many Republican friends because he is a friendly man, and because he is a friendly man he could do so much for his people and for his Nation. His characteristics are needed around this place, and we need more people with the friendly characteristics of this friendly man.

I want to join with all in wishing him well in his retirement, and voice the hope that he will be among us many, many years and that he will come back to visit us often. It will do us good, and I am sure he will enjoy it.

It has already been mentioned that he has a wonderful family. I want to underscore that by saying Amen. I never met finer people or more sincere people, a group who had greater desire to assist him in his great object of service to his people.

Mr. Speaker, I know of no tribute that is a finer tribute than to say a man will be missed. Frank will be missed by so many, many people who knew him on a favorable basis and who loved him so much. I join with his many colleagues on this side and on the other side and I join with all to wish him well and Godspeed and trust and hope that he will come back often to see us.

Mr. RIVERS of South Carolina. I thank the gentleman very much.

Mr. BARRY. Mr. Speaker, will the gentleman yield?

Mr. RIVERS of South Carolina. I yield to the gentleman from New York.

Mr. BARRY. I think those of us who heard the gentleman's address and the address of other Members of this body have been deeply impressed by the warm friendship that our colleague had for us all.

In view of the lateness of the hour and the necessity of the Minority Leader to depart before the close of business today, and the consequent need for many of the Members of the minority to be away, may I ask the gentleman if he will not seek five legislative days so that many of the minority may extend their remarks and pay the high tribute that is due this distinguished son of Alabama.

Mr. RIVERS of South Carolina. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days in which to extend their remarks in the Record on the life and character of Frank Boykin.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. FULTON. Mr. Speaker, Frank Boykin has a fine personality and is a wonderful friendly man. Future generations should know of his friendliness with everybody and his warmhearted generosity.

As a Republican from Pennsylvania, I want to record my deep appreciation for his friendship, his kindliness, and his wonderful sense of humor and cheery laughter.

His high good humor is equal to his optimism, and he has certainly been a man I have admired and whose friendship I have valued.

Mr. DINGELL. Mr. Speaker, I rise to join my colleagues in tribute to one of the great and charming men who have served their country in this distinguished body.

We will miss Frank Boykin, whom we all love and we wish him happiness and contentment on his leaving us.

His good counsel and rich well of stories, his concern for the people he served all will be missed.

Having served under him on the Subcommittee on Fish and Wildlife of the Merchant Marine and Fisheries Committee, I can attest to his great efforts for conservation of our precious natural resources, wildlife and their irreplaceable habitat.

Great strides in conservation have been made during his chairmanship and milestone conservation legislation, much bearing his name and the mark of his character, is now law for the benefit of all our people and for the generations yet to come.

His assistance to me as a new Member I shall remember with fondness, and the warmth of his friendship I shall cherish always. I join my colleagues in prayer that God will bless Frank Boykin in his future endeavors and that he will return to visit us, his friends and colleagues, from time to time.

Mr. LIBONATI. Mr. Speaker, when the Holy Spirit breathed the spark of life in the palpitating heart of Frank Boykin, He gave to humankind one of the most gentle and considerate souls that ever lived.

His buoyant air and jolly manner of good fellowship reflect the happiness of a man who loves humans and understands their problems and sacrifices in life. He, himself, after a youthful life of poverty and misery, forged forth with a tremendous human urge to seek affluence and position in life.

He gained his goal blessed with success after success in the business world. But with greater wealth, he never forgot the poor and carried his charities in expanding programs as his worldly goods increased.

His community blossoms with the sparkle of his good deeds and civic improvements for community progress

Frank Boykin is a typical southern gentleman; he personifies the true culture and hospitality of the Old South.

His popularity in the House of Representatives is due to his considerate attitude to further the interests and political fortunes of his colleagues regardless of geography. In legislation he was ever ready to give of himself to influence other Members to support the bill of a friend.

He was dedicated in his work—he had a good word for everyone and complimented Congressman after Congressman in the presence of their constituents. He had a pat on the back for every man he ever had any contact with.

He was active and aggressive in everything that he undertook or assumed responsibility to do.

He was of inestimable value in services to his State and district. He was powerful among the membership on matters touching the interests of his people.

It is unfortunate that we must bid him adieu. He takes with him the love, admiration, and respect of every Member of the House. The Halls of the Congress will be cold and lifeless without his hearty laughter and spirited personality. We will miss our dear friend—there is a void in our distinguished body—the most interesting character in our legislative group is gone. May the good Lord bless him and his beautiful wife Ocllo and wonderful children. And give him the one opportunity in these many years a chance to enjoy in retirement the love and attention of his family. We salute him a goodbye with sadness in our hearts.

Mr. BONNER. Mr. Speaker, I want to take this occasion to associate myself with the many generous, warm and glowing tributes to our dear friend and distinguished colleague, Frank Boykin, of Alabama, who has served his State and his Nation so well for so many years.

As chairman of the Committee on Merchant Marine and Fisheries, it has been my privilege to be closely associated with this splendid southern gentleman on that committee since I first came to Congress in 1940.

Frank Boykin was assigned to the Committee on Merchant Marine and Fisheries in the 74th Congress, and except for a brief period when he transferred from us to another committee, has served continuously until the present time.

In his many years on the committee Frank has devoted his great energy to all the varied aspects of the committee's jurisdiction. Shipping and shipbuilding have been close to his heart, with special emphasis on the maritime activities in Alabama and other Gulf States. His great personal interest in sportsmanship and conservation have made him an invaluable Chairman of our Subcommittee on Fisheries and Wildlife Conservation.

Frank Boykin's enthusiasm, unlimited energey and contagious good humor will be sorely missed in this body, but will be long remembered along with his faith in humanity, expressed by his famous slogan, "Everything is made for love."

God bless you Frank.

Mr. JOHNSON of Maryland. Mr. Speaker, I am happy to join my good friend from South Carolina [Mr. Rivers] in paying tribute to an outstanding Congressman and friend, the Honorable Frank W. Boykin.

Since being elected to Congress at a special election on July 30, 1935, Frank was elected to successive Congresses through the 87th Congress. At the convening of the 82d Congress, Frank was selected as the dean of the Alabama delegation.

Frank has had more than a distinguished career as a legislator, he has stood out as one of the Nation's leading businessmen. He adopted Maryland as his second home and has worked tirelessly for its economic improvement.

In World War I, he was one of the leading officials in shipbuilding companies which built 52 percent of all ships built on the gulf coast prior to the Armistice.

I have had the privilege to serve with Frank on the House Committee of Merchant Marine and Fisheries. As a newcomer to this committee he not only inspired me by his leadership but assisted me time and time again. To Frank Boykin I say, as all Members will say, "Everything is made for love," and we all love the distinguished gentleman from Alabama.

Mr. ROBERTS of Alabama. Mr. Speaker, I would like to associate myself with the other Members of this body in paying tribute to the dean of the Alabama delegation in the Congress, the Honorable Frank W. Boykin.

As you know, my good friend and colleague has served in the House of Representatives since 1935, a period of some 27 years. During that time he has ably represented the First District of Alabama and has done much for the benefit of all Alabamians and the Nation.

Due to the fact that Alabama will lose one seat in the 88th Congress the State legislature passed a bill known as the nine-eight plan. This legislation required each member of the delegation to run in a primary in his own district and winning in his own district he then had to run State at large and the one receiving the least number of votes would be dropped from the slate in the general election. I regret that anyone had to be the loser in this contest—but as we all know, it must be someone.

Regretfully our distinguished colleague, Frank Boykin, was the loser in the contest and we will certainly miss him both as a Representative of Alabama but as an individual who I believe has more vitality than most men years his junior. He has constantly strived to assist all of us in whatever problem we may have had and has willingly given of his time to any Member of this House that has called upon him for assistance. Frank Boykin is a legend, it is unbelievable that a man with his capabilities and energy exists. His coined expression, "everything is made for love," is carried out in all of his undertakings as he has put his heart and soul in these undertakings as if they were his love.

We in the delegation will miss him on the floor of the House, but I am certain we will not only remember him but will seek his counsel on many of the problems that arise in the future. I am also sure that he will continue to remain in this area, which will enable us to consult with him at any time, for Frank has always been one to have the time, regardless of his busy schedule, to make himself available to anyone at any time if they were in need of assistance.

Yes, I, and I am sure our entire delegation, will miss Frank; and while his success is a legend to us, we nevertheless wish him every continued success in the years ahead.

Mr. BENNETT of Florida. Mr. Speaker, as Congressman Frank Boykin leaves active service as a Member of Congress, I join my colleagues in expressing deep appreciation for his friendship and for his service to our country. For a while I served under him on the Merchant Marine and Fisheries Committee. There I saw in him a great knowledge of the subject matter of that committee; and an enthusiasm for doing what is best for our country at all times. Although I admire his able leadership, I treasure even more highly the friendship and affection in which I hold him. May God bless him and his lovely wife and family.

Mr. WHITENER. Mr. Speaker, the retirement of our colleague, Hon. Frank Boykin, brings to me a feeling of regret. All who know Frank Boykin enjoy and appreciate his companionship and warm personality.

Not only will we be deprived of a great personality in Congress; we will lose the services of a great leader at a time in our Nation's life when fine leadership is so sorely needed. But, Mr. Speaker, we have a ray of sunshine piercing through the clouds of gloom upon the occasion of the retirement of our friend since he has assured us that his plans involve frequent future visits to the Capitol City. These visits will be pleasantly anticipated by all who have served with him.

So, Mr. Speaker, I join in expressing regret that Frank Boykin is leaving the official duties that he has so ably performed as a Representative of the people of Alabama. And, I extend my best wishes to him as he returns to private life.

Mr. McMILLAN. Mr. Speaker, I want to join thousands of Congressmen Boykin's friends in praising him for the fine service he has rendered the people of Alabama, the people of the entire United States, and the world during the 28 years he has served as a Member of the U.S. House of Representatives.

I do not know of any man who has served in the U.S. House of Representatives during my 24 years of service who has more unanimous respect than Congressman Boykin. I remember when I was a freshman Congressman he was helpful to me on many occasions and I have noticed since that date that he is always considerate to new Members of Congress.

The Nation has lost one of its greatest legislators. However, we hope that the U.S. Government will continue to use him in a consultant capacity as he is an authority on practically every segment of our Government and country. Congressman Boykin is well preserved and can be of great assistance to our Nation and country in a consultant capacity if he will agree to further give his valuable time in this capacity to his country.

We are in great need of men of his stature in the United States at the present time. Capitol Hill just will not be the same place after Congressman Boykin moves his office from the House Office Building on December 30, 1962. However, I hope that we can persuade him to make this community his permanent home so that we can all have the benefit of his company and advice.

Mr. Speaker, I could speak hours on the good things Congressman Boykin has done for practically every Member of Congress and for the poor people throughout the country by giving large donations to practically every worthy charity and assisting Members who were in poor financial circumstances in defraying their campaign expenses.

I shall greatly miss Congressman Boykin here on Capitol Hill and hope that I will have the opportunity of seeing him often after he retires.

Mr. DOWNING. Mr. Speaker, I rise to pay tribute to a great man—a man that every Member knows and respects—the Honorable Frank W. Boykin, of Alabama, a Member of this great deliberative body since 1935, and a man who has worked for his congressional district, his beloved State, and his Nation every day of that long period of service.

As a young Member of the House, I have been deprived of the pleasure of knowing Frank Boykin for the length of time that so many of my colleagues have known him, but even in the short period of time that I have been associated with him I have grown to love him.

When I first came to the 86th Congress, Frank Boykin was one of the first men to welcome me. I will never forget the deep sense of gratitude that I felt when an experienced and highly regarded Member offered both his help and his hand in friendship. And, as a matter of fact, Frank Boykin's first words to me were not just welcoming politeness. He has helped me many times in the past 4 years.

As you know, Mr. Speaker, Frank Boykin and I are both members of the Merchant Marine and Fisheries Committee. He, of course, serves as chairman of the Subcommittee on Fisheries and Wildlife Conservation, and although I am not personally a member of that subcommittee, I have been working closely with its chairman because the district which I am privileged to represent here is vitally concerned with virtually all fisheries legislation.

I know that recently passed legislation of vast benefit to the shellfisheries industries in my district, and elsewhere throughout the Nation, would never have been possible without Frank Boykin. For example, his wise counsel and friendly guidance contributed immeasurably to the success of measures like H.R. 7336 and H.R. 946—both of which have been received with gratitude by our Nation's hard-pressed shellfisheries industries.

No member has a greater depth of feeling for our Nation's shellfisheries industries than Frank Boykin and no Member has worked harder for them. His vast energy and his great capacity for work have enabled him to make contributions to the shellfisheries industries that would simply not have been possible for any other Member. I will never forget his help on my district's shellfisheries' problems, and I know that the industries generally will never forget his help.

Of course, no man can truly be measured by his contributions in just one area of activity and this would certainly be truer of Frank Boykin than any other man. Frank Boykin has no double; he is an unique being and his accomplishments in many fields, with the accomplishments in the fisheries and conservation areas being only representative, are similarly unique.

For my part, Mr. Speaker, I simply cannot imagine a Congress without Frank Boykin. But it is a harsh reality that he will not be here when the 88th Congress convenes. Yet, in a very real sense, Frank Boykin will be here. He will be here in the memory of every one of us. Perhaps that will be a fitting tribute to his service.

CREATION OF A NEW CABINET POST KNOWN AS THE DEPARTMENT OF NATIONAL SECURITY AND INTERNATIONAL AFFAIRS

The SPEAKER pro tempore. (Mr. LIBONATI). Under previous order of the House, the gentleman from New York [Mr. PILLION] is recognized for 60 minutes.

Mr. PILLION. Mr. Speaker, the life of every man, woman and child in this Nation is at stake in the present climactic phase of the total war being waged by the Soviet-Communist forces.

Our U.S. soldiers are now engaged in an undeclared guerrilla war in South Vietnam.

In Europe, Soviet and United States nuclear artillery are poised for action.

In Cuba, the Soviet is now constructing land, air and sea nuclear missile weapons systems designed to menace the people of the United States. This Soviet nuclear complex will be completed within 6 months to 1 year.

If the United States resigns itself to the completion of this triple nuclear threat, by our failure to act, then our people, thereafter, will live under constant nuclear blackmail.

The American people are uneasy and fearful of the future. They have a foreboding of Khrushchev's plannel doom for this Nation.

STATE DEPARTMENT FANTASIES

The polyanna explanations and humbug emanating from Washington can no longer conceal, from our people, the grim realities and the imminence of our dangers.

The falsity of the "we cannot lose" theory, the vague hope that Soviet-communism will evolve into a nonaggressive society, the irrelevance of the statements claiming that the Marxist-Leninist ideologies has failed, the strained attempts to transform retreats into advances, and defeats into victories by words alone, can no longer lull the American people.

SOVIET-COMMUNIST VICTORIES

Today's ominous events clearly contradict these gross self-deceptions.

In Latin America, Cuba, and British Guiana are now Communist controlled. Communists are prepared to take advantage of events for the prompt takeover of Haiti and the Dominican Republic. Brazil, the largest country of Latin America, is on the brink of anarchy with the Communist Party of Brazil ready for an opportune moment to seize political power. In every country Communists are intensifying their attacks against pro-American governments.

In Asia, Laos has been handed over to a Communist-controlled coalition government. Soviet-armed Communist guerillas in South Vietnam are fighting to undermine the free world position in all of southeast Asia. North Korean Communists are constantly threatening the existence of the independent South Korean government.

In Africa and the Middle East, the position of the United States and the free world has been undermined and weakened, while Communist power has been strengthened.

The Soviet seized the captive nations of east-central Europe.

It has integrated them into the Soviet Empire.

The Soviet continues to exploit the labor of these 100 million people to expand and fortify the Soviet war machine.

Khrushchev is actively instigating the Berlin crisis. His objectives are—

First. To neutralize West Germany.

Second. To destroy our only significant military ally, the North Atlantic Treaty Organization.

Third. To break up the European Common Market.

Fourth. To disintegrate the political, military, and economic unification of West Europe in order to remove this barrier to Soviet world conquest.

The Soviet-Communist forces are steadily increasing and consolidating their politico-military power throughout the world.

The prestige, the position, the power of the United States and the free world is steadily declining.

SOVIET-COMMUNIST FORCES AND APPARATUS

Mr. Speaker, world events make it obvious that the balance of power is shifting toward the Soviet-Communist forces.

Effective countermeasures to the Soviet-Communist surge cannot be generated without an accurate analysis and a full comprehension of the goals, principles, strategic and tactics of the world Communist movement.

Of equal or greater importance is the need to identify and understand the scope and magnitude of the massive, dedicated and highly disciplined organization of Communist Parties and associated sympathizers.

The hard core of this apparatus consists of 40,000,000 member agents strategicaly placed in every nation of the world.

The operations of this world apparatus are directed and coordinated out of Moscow by the Soviet-Communist Party leadership.

This army is waging a new form of total war, applying military principles and techniques for the seizure of political power.

An integral element of the Soviet-Communist war is its propaganda and agitation apparatus. Its agents permeate national consciousness with Soviet world designs, and mislead millions of people all over the world to support and even work for Communist objectives.

The open Communist and the crypto-Communist propaganda apparatus utilizes a force of 500,000 people directly engaged in mass communications media and involves the annual expenditure of $2 billion.

Soviet economic warfare is politically and militarily oriented. Trade and aid to underdeveloped countries is intended only to win popular support and political power for the Soviet.

As part of the economic cold war, the Soviet seeks to weaken and destroy the economic base of Western Europe and the free world by invading and dominating the raw materials and markets of the underdeveloped and former colonial areas.

The decisive factor in Soviet-Communist successes is the understanding and skillful use of various forms of nonmilitary war, military power and the exercise of force to attain political objectives.

We can no longer deny the obvious truth. The power and the prestige of the United States has been declining, year after year, since the end of World War II.

UNITED STATES LACKS INTERNATIONAL POLITICAL GOALS

Our failures in the field of international politics are reducing this Nation to a second-class power, if we have not already reached that lower level.

The decline of this Nation's world position cannot be attributed wholly to Communist strategies. The drifting away of Latin American, African and Asian peoples from the world community of free nations is not entirely Communist caused.

The absence of a clear and accurate conception of this Nation's role in world relations and a lack of a sense of national purpose are fundamental causes for this Nation's protracted crises.

UNITED STATES LACKS NATIONAL GOALS AND OBJECTIVES

Our Government has failed to convey to the people of the world a full understanding of the blessings of liberty.

Nor has this Nation properly presented to the people of the world the spiritual satisfactions that flow from the political freedoms of a representative democracy.

Nor has our Government adequately portrayed to the people of the world how and why a free and private economy can produce a material abundance and the highest possible standard of living.

We cannot hope to resolve the constant crises confronting us without transforming our aspirations into national goals that can be implemented by practical policies and programs.

Without national goals or objectives, we are unable to develop effective international policies for extending the area of freedom into the world.

Nor can we effectively meet the Soviet-Communist surge without effective strategies.

The United States and the free world bear a double guilt not only for our own losses but also for Communist victories.

The United States has failed to provide the free world with sufficient inspiration, goals, policies, and programs to match the rallying cries, the organization, the strategies, and tactics of the Soviet directed world Communist total war.

PRESIDENTIAL POLITICAL LEADERSHIP NEEDED

The President of this great Nation bears a heavy responsibility for the clarification and the initiation of national goals. His political leadership is needed to unite our people upon acceptable definite national goals.

The acknowledged leadership of the United States requires of the President the highest degree of statesmanship to mesh our national goals with the aspirations of the people of the free world for our common defense and our mutual benefit.

The President has a prime role in the formulation of policies and the execution of laws and policies relating to the defense of this Nation and the security of our people.

NATIONAL SECURITY COUNCIL NONFUNCTIONING

Mr. Speaker, the U.S. Constitution has entrusted to the Congress the responsibility of providing for the common defense of our people.

Pursuant to this duty, Congress has delegated to the National Security Council the vital function of advising the President with respect to the integration of the policies of this Nation involving national security.

The National Security Council is not discharging the vital functions of securing the safety of this Nation, as envisioned by Congress:

As a collective body it cannot develop bold new ideas or translate them into effective action.

Its commission membership form inherently fosters debate and indecision.

Its large and varied membership distracts from the central function of national security.

Its form is not adapted to immediate decisive judgments or to a sustained followthrough of purpose or action.

As a mere interagency committee it cannot provide the essential qualities of leadership.

It lacks recognizable individual pinpointed accountability for its assigned functions.

It lacks the prestige, the authority, and the structural form necessary to discharge its statutory functions with respect to the integration and the coordination of domestic, foreign, and military policies relating to the national security.

The Central Intelligence Agency is responsible to the National Security Council.

The CIA is primarily an intelligence information gathering Agency. Its reports are fragmentized to various governmental departments.

The organization weakness between the CIA and the National Security Council prevents the translation of intelligence information into effective foreign policies and implementing action.

The President has recognized the grave defects and consequent malfunctioning of the National Security Council.

Today, the National Security Council is a nonfunctioning agency so far as its national security responsibilities are concerned.

Due to a lack of practical national goals, our people and our responsible officials lack an agreement as to what our national objectives are and their relative priorities.

These absences of clear national direction have resulted in our present lack of coherent, consistent, sustained policies in the upper echelon of our Government. This condition has led to the self-evident drift, confusion, vacillations and inconsistencies which divide and weaken this Nation in its confrontation with the Soviet Communist politicomilitary war machine.

STATE DEPARTMENT INCAPABLE OF RESPONSIBILITIES

Mr. Speaker, today, the State Department is, in fact, the prime adviser to the President on foreign policy.

The State Department is also the prime agency for the execution of foreign policy.

By a process of accretion, the State Department has become, almost exclusively, the sole and dominating general staff for the development and execution of objectives, strategies and tactics to counter the Soviet-Communist world politicomilitary offensive.

The State Department organization is built around the diplomat. It is designed for traditional diplomacy, foreign representation, negotiation and reporting.

The exacting and extensive requirements for waging a successful political, diplomatic, economic, psychological, paramilitary, and military conflict with the highly organized Soviet-Communist forces is far beyond the intended function and capabilities of the Department of State.

DEFECTS OF STATE DEPARTMENT

Here are the grave defects of the State Department organization in respect to our total confrontation with the Soviet-Communist world:

First. It is wedded to a philosophy of only reacting to problems as they arise.

Second. It lacks anticipatory planning and action for Soviet-Communist aggressions.

Third. Its policies and modus operandi are wholly defensive and never offensive.

Fourth. Its foreign policies are characterized by vacillations, conciliation, appeasement, and retreat.

Fifth. Its foreign policies are, very often, contradictory and thus self-defeating.

Sixth. Its foreign policies are not focused or coordinated within nations, or in world areas toward defined and specific political objectives.

Seventh. Its foreign policies are not integrated for a total global effort to effectively engage the Soviet-Communist forces.

Eighth. The State Department's committee discussion system of formulating and producing judgment actions on policies, strategies, and tactics is organizationally defective.

It produces excessive compromises on vital issues. It stagnates timely actions and counteractions. The diffusion of responsibility prevents effective correctional remedies for error, misjudgments and incompetence.

Ninth. Elaborate, cumbersome, irresponsible interdepartmental development, coordinating and executing committees are waging a bureaucratic war for interdepartmental power and prestige. There are more than 160 such committees in the field of international affairs alone.

This interdepartmental system produces confusion in place of coordination, indecisions in place of determinations, delays instead of action.

Tenth. The State Department has deliberately undermined and vitiated the following findings and basic policies established by the U.S. Congress for confronting the Soviet-Communist world aggressions: First, there exists a world Communist movement which is a worldwide revolutionary movement to establish a Communist totalitarian dictatorship throughout the world through a worldwide Communist organization; second, the direction and control of the world Communist movement is vested in and exercised by the Communist dictatorship of a foreign country—the Soviet Union.

Eleventh. The State Department, in its efforts to maintain its own primacy in foreign relations, has consistently opposed virtually all efforts of the Congress to commit the United States to a more firm and realistic action to combat world communism.

Twelfth. A highly influential minority of the upper echelon of State Department officials continuously obstruct the formulation and the execution of effective policies and programs, strategies, and tactics to eliminate the Communist menace.

Thirteenth. A complete coordination of this Nation's foreign policies and military power is critical to achieving our national security goals. There exists only a minimum of coordination and action between the State Department and the Defense Department in this respect.

While the State Department performs adequately in its diplomatic negotiating and reporting functions, it has completely failed in this Nation's most critical basic survival and security needs.

DEFENSE DEPARTMENT NOT SUITED FOR SOVIET-COMMUNIST NONMILITARY WAR

Mr. Speaker, as much as we respect the Department of Defense, it must be conceded that the Defense Department is not empowered, organized or staffed to wage political, psychological, economic, and diplomatic war. Nor can it coordinate these forms of war with paramilitary and military war.

PRESIDENT LACKS COLD WAR ORGANIZATION

Mr. Speaker, the President carries a most heavy burden of responsibilities in both the foreign and domestic areas. These are time consuming.

The Soviet-Communist aggressions are conducted in more than 100 nations around the world. The battles and the skirmishes take place in the form of political, psychological, economic, diplomatic, and paramilitary thrusts and counterthrusts.

The President, as Commander in Chief, cannot carry the additional, all-absorbing burdens of being a field general for each of these battles.

The President needs, and must have, a competent general staff. He must have at his command a suitable and reliable organization to mobilize the forces of this Nation and of the free world to engage and to defeat the Soviet-Communist nonmilitary forces of 40 million agents and provocators.

The President must have an organization to make accurate assessments and judgments of the capabilities of the enemies' politico-military forces; an organization which can anticipate and act promptly to prevent Communist offensives; an organization to establish targets, and develop necessary strategies and tactics.

CREATION OF DEPARTMENT OF NATIONAL SECURITY AND INTERNATIONAL AFFAIRS

Mr. Speaker, I have introduced, today, a bill to establish a new department in the executive branch of our Government.

This new Cabinet post is to be known as the U.S. Department of National Security and International Affairs.

The basic purpose of this Department is to provide the organizational structure required to assist the President and the Congress in formulating national objectives and developing an integrated strategy to defend against the international Communist political, psychological, economic, diplomatic, and military conflict being waged against the free world; and for the defeat of the Communist forces.

TO COORDINATE, CARRY OUT U.S. RESPONSE TO WAR

This bill proposes to centralize into one agency the responsibility of coordinating and overseeing the execution of this Nation's efforts in the prosecution of the politico-military war in which we are engaged.

This department would be empowered to create a suitable organizational structure to provide a national unity of purpose and effort at the highest level.

It will be entrusted with the crucial task of assuring the survival of this Nation.

Mr. Speaker, the Secretary of this Department will assume awesome responsibilities.

This great Nation has a number of citizens who have the insight to and the overall comprehension of the nature of the Soviet-Communist war upon us.

Three men, who, I believe, are eminently qualified to assume and faithfully discharge the responsibilities of this office are the Honorable Robert F. Kennedy, the Attorney General of the United States; the Honorable Thomas E. Dewey, the former Governor of the State of New York; Brig. Gen. David Sarnoff, chairman of the board of the Radio Corp. cf America.

Mr. Speaker, I would like at this time to publicly commend Senator HENRY M. JACKSON, the members, and the staff of the Senate Subcommittee on National Policy Machinery.

This committee recently published a most comprehensive analysis of the glaring weakness and defects of our national security and foreign policy machinery.

THE HOUSING CRISIS IN NEW YORK CITY

The SPEAKER pro tempore. Under previous order of the House, the gentleman from New York [Mr. LINDSAY] is recognized for 30 minutes.

Mr. LINDSAY. Mr. Speaker, from time to time I have addressed myself to the housing crisis in New York City—a problem of vast proportions encompassing urban renewal, title I, middle- and low-income housing, park and playground needs, and the general requirements of families in big cities.

During the last 4 years I have consistently supported Federal programs designed to enable localities and States with Federal assistance to attack urban blight, to lift the standards of living of urban dwellers, and to better the administration of housing programs by local governments.

I have introduced legislation aimed at meeting some of the critical needs in this area. An example is the Lindsay public disclosure amendment to title I of the Housing Act of 1949, an amendment—now law—which was designed to lift the veil of secrecy from the administration of the title I program in New York.

If the amendment to the Housing Act that I proposed in this Congress had been adopted, I believe that middle income apartment housing in New York City would be less of a problem than it is today. The bill would have established a Federal Limited Profit Mortgage Corporation, self-financed, which could finance about 160,000 moderate income family units at a rate of 40,000 units a year. The Corporation would provide 90-percent, 50-year loans. I believe it is a sound approach, and I shall continue to press for its enactment.

In past years I have spent endless hours cruising the avenues and streets of Manhattan—examining the new construction wave that has demolished a sizable portion of Manhattan, talking with families who are being displaced, and with distraught parents looking for a place to live that is both within their means and large enough for their children.

Weekend after weekend I have come up to my district from Washington and listened to the frightening, oft-repeated tale of people who bear the burden and hardship of inadequate housing.

Two years ago I set up a volunteer housing board, consisting of dedicated, intelligent young men in the 17th Congressional District, who have generously contributed their time and energy to assist constituents of mine who are in trouble on housing—who need a place to live, who are being choked by the rent squeeze, who are caught up in the entanglements of landlords, lawyers, and local rent administrators, who are being forcibly relocated in the name of urban renewal, and who have no one to turn to for help. I am very grateful to these volunteers, especially to the able young lawyer who has organized and informally chaired the group, my valued friend and Greenwich Village constituent, Richard Stewart. We have all learned from our experience.

Mr. Speaker, there is a new construction boom going on in New York City whose consequences are far reaching and drastic.

Some of it comes under the heading of "Urban Renewal," assisted by Federal and local tax money, but most of it is private. In both cases new construction is marked by the razing of old structures and the erection of new apartment dwellings, or other buildings or complexes such as Lincoln Square.

We have had trouble enough in New York with that portion of urban renewal known as title I. Here we have seen faulty administration—at times approaching corruption—appallingly bad planning or no planning at all, unimaginative construction, and high rents—this at the taxpayers' expense. Title I housing is supposed to be for middle-income families. Middle income in New York City is generally defined as a mean ranging between $25 to $40 per room per month. And yet Greenwich Village South has rents three times this figure, and Kips Bay is twice the figure.

I say all this in spite of the fact that I have and will continue to vote for Federal aid to housing because I know that private money, without governmental concessions by way of tax relief or low interest borrrowing, cannot alone meet the housing needs in the great cities of this country.

The least that should be done is for the Federal establishment to take a look at this problem in a careful, detailed, firsthand way. For a long time I urged the appropriate committee of the House of Representatives, which is the Subcommittee on Housing of the Committee on Banking and Currency, to hold public hearings on urban renewal problems in New York. Letter after letter was ignored by that subcommittee. Then I asked my friend, Robert Weaver, Administrator of HHFA, to look into it, without much more success. Mr. Speaker, under unanimous consent, I include in the RECORD at this point a letter that I wrote to Mr. Weaver on February 21, 1962, and the reply that I received dated March 7, 1962:

FEBRUARY 21, 1962.

The Honorable ROBERT C. WEAVER,
Administrator, Housing and Home Finance Agency, Washington, D.C.

DEAR MR. WEAVER: As you know, I have long advocated a reorganization of the executive department in order to give both greater coordination and greater status to urban problems. The Federal Government has many diverse responsibilities in urban areas which ever become more complex rather than less complex. In order to improve the administration of Federal laws that relate to cities, I and others have long advocated the collection of existing agencies into a single Department of Urban Affairs with Cabinet rank.

One of the largest areas in which the Federal Government participates in a very substantial way is through the urban renewal program. In almost all of our great cities the Federal urban renewal program has in general met with success. In New York City, however, in past years, there occurred a series of errors both of omission and commission, in connection with title I housing which too often resulted in high-priced luxury housing being constructed, sometimes in the wrong neighborhoods and sometimes with unusual benefits to the sponsors. At times there were problems over undisclosed sponsors. An amendment that I offered to the housing bill of 1959, which was adopted and written into law, has corrected a good deal of this. The fact remains, however, that public confidence in New York in title I housing remains at a low level, which is traceable in large part to some of the glaring errors of the past.

Fortunately, the old slum clearance commission in New York City has been abolished and a full-time housing board with competent members now exists. Despite these improvements, however, questions are raised as to the city's administration of title I. More recently it has been argued that inordinate delays in decisionmaking have occurred and that there are inadequate time tables for projects. It is most important that a thorough examination be made of the past policies, or lack of policies, that led to some of the past errors in title I in New York, and that all matters pertaining to the administration of title I be reviewed in detail.

I should like to know whether you consider it one of the duties of the executive branch to undertake an examination of practices and policies in New York City that led to some of these difficulties. I have long pressed for an examination of this subject by the Congress, but for various reasons the Congress has failed to act. There are large amounts of Federal taxpayers' money at stake and I think it would be within the province and duties of the executive branch to take a look.

I would appreciate it if you would give me your views in this regard.

Sincerely yours,
JOHN V. LINDSAY,
Member of Congress.

MARCH 7, 1962.

Hon. JOHN V. LINDSAY,
House of Representatives,
Washington, D.C.

DEAR MR. LINDSAY: This is in reply to your letter of February 21 having to do with the administration of the renewal program in New York City.

I am cognizant of some of the administrative difficulties experienced by the New York City program, and we have already taken steps to assist the city wherever we can in improving its operations. In this respect, you may be interested in knowing that we have just worked out with the city a procedure whereby the Housing and Redevelopment Board will submit annual budgets to the Federal agency rather than budgets based upon undertaking each individual project. You will also be interested in knowing that New York City is undertaking a community renewal program. This program is producing an analysis of the areas that need remedial treatment and also the kind of housing that is necessary to meet New York's needs. The information that is being produced is in the process of being applied in the evaluation of New York City's proposed renewal projects.

My urban renewal commissioner, William L. Slayton, has spent considerable time with members of the Housing and Redevelopment Board discussing administrative procedures, and he is going to be meeting with the board again in New York on March 9. In short, our Agency is working very closely with the Housing and Redevelopment Board. With the new reorganization of the Housing and Redevelopment Board, I feel that considerable improvements can be made and want to assure that we will do everything we can to facilitate greater speed in the processing of applications, the completion of projects, and the reaching of decisions on particular projects.

I appreciate your interest and concern in the renewal program in New York City and appreciate your writing me about it.

Respectfully yours,
ROBERT C. WEAVER,
Administrator.

Mr Speaker, I would now like to focus my attention on the problem of private construction in New York City. This, after all, includes most housing in New York City. And here, I regret to say, something has gone radically wrong, and it cannot be allowed to continued.

For example: Up and down First, Second, and Third Avenues in Manhattan all New Yorkers have seen the introduction of new, high-rise apartment buildings, usually red brick in color, rapidly built, dull looking. Most of the units in these buildings are one and one-half or two rooms, small rooms at that. The maximum size usually is four rooms—in some limited cases, five or five and one-half rooms. One and one-half or four rooms is the most common. And what is the rental? On First and Second Avenues in the seventies and eighties, a new one and one-half room apartment begins at $150 a month; a two room apartment—one bedroom—ranges from $200 to $250. An apartment with two small bedrooms begins at $315. There is no space for families; these apartments are not built for children.

Many of these units are occupied by childless couples where both husband and wife work. If there are children, there can hardly be room for more than one. Between 50 and 75 percent of the family income goes into rent. The turnover is huge. Couples or small family units find after a period of time that they have overcommitted themselves for the rent. The result is that there is a large turnover with a great many families moving out in less than a year. A high residency turnover does not promote sound community relations. If the exodus becomes extreme, it creates widespread dislocation, which, of course, is one of the prime breeders of slums, delinquency and crime.

Casual observers sometimes say to me, "One would think that you would have a stronger economy in these neighborhoods where existing tenements have been removed and new buildings put in their place." Nonsense—just ask the local merchants and shopkeepers. They will tell you that so much money has gone into rent that there is no cash left over for spending. An electrical repairman, who is a specialist in kitchen appliances, told me that as he goes into kitchen after kitchen in these new buildings, he finds the refrigerators empty except for three eggs, a little salami, two cans of beer, and a quarter pound of butter. The cash is not there for a family to load up with a full larder. The grocers confirm this.

Another aspect of this picture is the sad tale of the family groups that have been dislocated to make room for these buildings. There are families who have lived in the neighborhood for decades, some for two or three generations. Living conditions have not been good. The buildings are old. Too often there has been an unsympathetic landlord; the city's administration has been patently neglectful in enforcing housing and building code violations. But, at least they have had homes in neighborhoods which are their neighborhoods—in which they grew up—and when their building comes down there is neither sufficient space in the new one nor sufficient income to pay the high rent. The shopkeepers were better off before. There was a neighborhood quality in the block before the bulldozers came in. That quality does not exist now. And good people who live in the new buildings find themselves in a worse squeeze than their predecessors.

It is difficult to see the full answer to this problem. A problem that is growing all over New York City. I was once severely criticized for saying that housing in a city like New York City should be regarded as a public utility. Real estate men said this was a socialistic statement. I am the first to admit that I am not always right, but how can it be argued that housing in the city of New York is not a public trust? We already have zoning laws, building codes, health laws and rent laws. It is agreed that it is impossible to build multiple housing units in New York City in the nonluxury range without tax or other governmental assistance. Senator Robert Taft understood this years ago. He advocated, by his authorship of the Taft-Ellender housing bill, that the Federal, State, and local governments attack the problem of housing in our cities.

That argument is even more valid today. Programs must be devised to reduce the cost of building and to that end, the "cost of money." Because there is taxpayers' money involved, there will necessarily be a degree of regulation. Quasi-public facilities, like public facilities, always need protection against plunder.

I for one like to see minimum Government intervention—intervention which can lead to bureaucratic methods and redtape. I will oppose excessive Federal entry into any program. At the same time, I insist that Government procedures be written in order to insure the protection of taxpayers' money and to provide the most with available resources.

In my judgment, Government-assisted housing must be expanded by all levels of government. Otherwise, the needs cannot be met—for the private system cannot possibly do it alone. When I say Government assistance, I do not mean necessarily direct grants-in-aid. Much can be done indirectly through tax concessions. Even more can be done indirectly by making available "cheap money"—long-term loans at low interest rates. The Government does not lose by this.

The big problem, however, still remains and that is private housing for private profit. Here, as I said a moment ago, the chief problem in communities such as Yorkville in New York City is the new construction wave and its effects on families and community life.

It seems to me that the only solution is a drastic one. Therefore, I recommend and urge that the city administration in New York enact a relocation program that will require any private builder to make available at least comparable space to that which he has destroyed at the same rental with not more than a 5 percent upward adjustment in each of the first, second and third years of the project's existence. This may strike one as being an arbitrary standard. It is. But I defy anyone to propose a standard or procedure that is less arbitrary.

What will this do? It will force greater concessions on the part of the city administration to builders and owners in order to make possible the construction and rental of facilities that will meet these requirements. It will force greater State and Federal participation in housing programs. It will most certainly compel more long-range planning to attack what presently appears to be an insoluble problem.

It will be argued that this proposal attacks the problem at the wrong end, because ceilings, like any wage or price control, are not consistent with a free and easy moving economy. But you cannot have a free and easy moving economy in housing in the city of New York any more than you can have a freely operating marketplace in the distribution of gas for heating and cooking, when the gas is controlled by an oligarchy and needed and used by a great many. And unless action is taken, we can look forward only to a compounding of the evils that now exist—mass destruction of existing properties and the creation of high rent buildings that only a few can afford. We will see a continued exodus from the city by our young families with children, the future strength of the city. And eventually we may see a collapse in the real estate market in New York that would shake the economy more basically than anything we have seen in recent months.

Why do I insist that this be an action on the part of the city administration? The reason is simple. There is no Federal jurisdiction in the private arena where there is no Federal money involved.

In order to deal with the problem where there is Federal jurisdiction—title I housing—I am introducing legislation today to amend title I of the Housing Act of 1949 to provide more equitable procedures for the relocation of persons displaced from their homes or places of business by urban renewal projects. The bill will also increase the amount of the relocation payments authorized to be made to such persons.

This bill can serve as a model for local action in the private areas. If enacted, it will force a new look at all future programs for title I housing in New York, including the practice by which the city administration relieves itself of planning and operational responsibility by turning over to private sponsors the responsibility—and the profit—for acquiring land, relocating tenants, removal of existing structures and new construction.

Mr. Speaker, adequate housing goes to the root of most urban problems. Safety, delinquency, narcotics, and health are directly affected by the housing conditions of the neighborhoods. Recently, I have had occasion to spend time with the residents of West 65th Street in the district which I represent. Housing conditions in that street—west of Central Park—as in many other streets in the sixties, seventies, and eighties west of the park, have led to vandalism, open narcotics peddling and usage, muggings, prostitution, and race tensions. My investigation has established that there is total city neglect in these areas—even minimum services are not provided. Police foot patrols are only provided when someone makes enough noise about it, and then after a few days the situation reverts to what it was. For West 65th Street the building department listed less than 10 violations. On the basis of first-hand inspections, I picked out over 100 in one building alone. Slums breed crime and crime breeds crime. The slum conditions must be eliminated by proper housing policies and programs and it is the mayor's chief responsibility to see to it that this is done.

Mr. Speaker, the problems of our great cities, and particularly those concerned with the most basic essential of all—adequate shelter—cannot be neglected, and no public officer can pretend that they do not exist. Those of us who hold public trust are elected because we are expected to be leaders, and if Government has any function at all it is to step in and take action when needs arise which cannot be met by the individual acting on his own. Housing needs in New York City and in Manhattan particularly are beyond the capability of the average person to cope with in a free-swinging, free-grabbing real estate market. My job is to help find the best solutions for the greatest number, and that I am pledged to do.

There are wider ranging problems connected with urban living that have to do with city planning as a whole and the coordination of Federal and State programs as they affect urban centers. On other occasions on the floor of the House, I have discussed this, particularly in the context of the debate on a Department of Urban Affairs—a proposal which I have pressed for 4 years. I am not going to repeat what I have said on those occasions in the limited time that I have available on the floor today. Urban problems must be thought of in proper context. We have a long way to go toward achieving their solution.

AMERICA LAGS DANGEROUSLY IN AIRCRAFT DEVELOPMENT

The **SPEAKER** pro tempore. Under previous order of the House, the gentleman from Florida [Mr. SIKES] is recognized for 30 minutes.

Mr. SIKES. Mr. Speaker, in a recent speech before an audience of knowledgeable scientists and laymen Sir Roy Dobson, president of the Society of British Aircraft Constructors, was discussing some of the goals of the British Aircraft Industry. In one short sentence he summed up the philosophy which he felt should guide the industry:

> We should be spending money to achieve something which I believe we cannot afford to do without.

This would be a useful guide to any country which aspires to be first. The United States must be first and therefore we must decide what we cannot afford to do without.

All over the world today we see progress. In some instances we see the British, French, and Russians coming out with new air and space vehicles which surpass the best the United States can offer. And, we then realize that we are not, in fact, first in all things. The Russians can hurl far greater payloads into space with their advanced rockets—and thus they set a challenge which I realize we are rising to. The British have developed the first tactical VTOL airplane capable of performing a real mission in today's battle environment. And again, I understand, we are trying to catch up. The French are ahead of us in developing an advanced tactical jet—and further the French and British have displayed a surprising willingness to spend money on high-risk approaches or techniques in their efforts to be first—I cite their current work on a civil supersonic transport as an example. Here again we in the United States are behind; seeking to catch up.

This leads me to the main point I am trying to make. We, as the most powerful country in the world should not be in the embarrassing position of trying to catch up with England, France, and Russia; economically, they are our little brothers.

We should be setting the standards. The other countries of the world should be emulating us. They should be worried about what we have and what we are going to do next.

If we are to be the pacesetter, we must do two things: First, we must catch up; second, we must surpass everyone else. If we are to catch up, there are certain things "we cannot afford to do without." If we are to surpass everyone else there are many more additional things we must do and many, many more things we cannot afford to be without.

To catch up to the British and French in VTOL we have to build a greater variety of aircraft and engines. This means a far greater expenditure of money on a large number of techniques, equipment, components, and supporting items than we are now doing. There are at least a half-dozen unique ways of achieving VTOL capability. We should be building and testing aircraft in each of these techniques. More experimental hardware is required. Each time we think about all the money this is costing, we should ask ourselves if we can afford to be second to other countries even if they are our friends.

To surpass the British and French in VTOL we must spend even more money. We must support basic and applied research. We must take risks and test new ideas—for how else will we get to be first.

The same kind of argument could be presented for our catching up to the Russians where they surpass us in space systems. I will not belabor this thought because I believe you have my message well in mind.

Now I want to turn to another facet of my theme. I have already stated that we first must catch up and then we must surpass other countries and become the world leaders ourselves. I have suggested that to do these two things is going to require far greater expenditures of money than we are now spending. I would like to go a bit further and suggest how this money should be spent.

As you all know, today we have the greatest aviation industrial base in the world. But, I worry. I worry that we are allowing it to die on the vine. I occasionally drive by one of the biggest air bases in the United States. And what do I see? I see large numbers of time-honored World War II aircraft still sitting on the ramp. They are still being used. How long does anyone think these aircraft would last in a modern war against a determined enemy? We all know the answer to this. I also see some modern aircraft. But how many types? Not many—not enough, in fact.

If we keep reducing the number of aircraft and missile types, on some day in the not too distant future we will find that we have just one tactical fighter, and just one tactical missile, and just one strategic transport, and just one strategic missile, and so on.

And I ask you with only a few major systems how can we keep our great aviation industry healthy and responsive? Its potential must be exploited fully. We must keep it big, broad, and busy. We must undertake a wide variety of projects. We must project our thinking ahead and worry not just about the next generation of needs—but we must start to pursue far more aggressively the definition and feasibility determination of second generation ahead systems and equipments.

By doing these things we accomplish two things which we cannot afford to do without.

We assure ourselves that we are expending far greater efforts than we are now doing to catch up and surpass all other nations in military strength. And, we assure ourselves that we will have the greatest, most vigorous, and responsive aviation industry on earth.

We cannot afford to be without either.

WIRETAPPING

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Missouri [Mr. RANDALL] is recognized for 30 minutes.

Mr. RANDALL. Mr. Speaker, in the last week of the 87th Congress, it now appears certain that neither H.R. 10185—CELLER—nor S. 2813—McCLELLAN—on wiretapping will become law. Since we did not have the opportunity to appear at hearings before our Judiciary Committee, we take this means to express our views on these bills and to submit some suggestions which we hope might be usable or of some merit if and when the subject is further considered in the 88th Congress.

Some kind of wiretapping bill has been before the Congress each session since the middle 1920's. The wiretap and the telephone share an almost identical birth date. But it was not until 1928 that wiretapping became an issue of national consequence. In that year, the U.S. Supreme Court by a decision of 5 to 7 found wiretapping a constitutionally acceptable police procedure. The four dissenting Justices, about whom we will have more to say later, were Justices Oliver W. Holmes, Louis D. Brandeis, Harlan F. Stone and Pierce Butler. These four lost to their five colleagues who stuck to a strict interpretation of the fourth amendment, holding it applied only to physical invasion of privacy and not to projected voices.

But 6 years later, the Congress enacted the Federal Communications Act of 1934, and its section 605 prohibited without the consent of the sender the interception and divulgence of telephone conversations. In the Nardone decision of 1937, section 605 was construed and approved holding that the prohibition applied to police officers as well as private citizens and found that law enforcement wiretapping was unlawful holding also that evidence from wiretapping was inadmissible in Federal courts. There is a lot more legal history connected with wiretapping, but the next important move was that of Attorney General Jackson who on his own, and without the assistance of any court, construed 605 as requiring both an interception and a divulgence before there was a violation. And it was this interpretation submitted by memo to President Roosevelt—which memorandum was never made public—that led to the Executive order by the President just before our entry into World War II, allowing wiretapping by the FBI as a war measure. Mr. Jackson said wiretapping was all right as long as the results were not divulged, and yet he did some more legal construction on his own and came to the conclusion that as between employees of the Justice Department interchange of information was not a divulgence under 605, and thus would not constitute a violation of the law. This interpretation proved to be very handy during World War II. But despite the end of war in 1945, every President since Roosevelt has authorized FBI wiretapping. We can sum up the present situation as follows: Police wiretapping does not violate the Constitution—Olmstead case—but it does violate Federal law—section 605—and the fruits of such activity cannot be used in Federal courts. Wiretapping continues under Presidential authority, based upon an Attorney General's personal interpretation that wiretapping alone—no divulgence—does not violate section 605.

We will not take the time to enumerate the efforts of each Congress to either authorize wiretapping or prohibit it, but there have been many unsuccessful attempts to get congressional action. The closest squeeze was in 1938, when a bill allowing wiretapping was passed by both the House and Senate and returned for Conference of an amendment on the last day of the 76th Congress.

A big flurry in wiretapping legislation followed the Judith Coplon spy case in 1950 to 1951, and resulted in 1954 in an attractive label being given to a bill called the antitraitor bill, which was approved by the House, but failed in the Senate. Not much more happened until 1960, when the Senate Judiciary Committee, in the summer of that year, approved a bill which would have allowed State law enforcement wiretapping, but not Federal. The 86th Congress adjourned without acting on this proposal.

In 1961, the Senate Subcommittee on Constitutional Rights approved a bill similar to the one in 1960, authorizing State wiretapping. Senator CARROLL and my good friend and colleague, Senator LONG of Missouri, dissented, but the bill was placed on the Judiciary Committee agenda.

That was the situation when in February 1962, Attorney General Kennedy recommended a comprehensive wiretapping bill including both Federal and State wiretapping—H.R. 10185 and S. 2813.

These bills contain more procedural safeguards than previous measures and provide, first, an Attorney General could without a court order, authorize wiretapping in cases involving national security, espionage, sabotage, treason, subversive acts, and disclosure of atomic secrets; second, the Attorney General could seek court orders for wiretapping in cases involving murder, kidnaping, extortion, bribery, transmission of gambling information, and narcotic offenses; and, third, the Attorney General and local prosecutors could seek court orders for wiretapping in connection with the offenses of murder, kidnaping, gambling, and narcotics—if authorized to do so by State law.

The issue will not be up for decision before this session of the Congress, but the real issue is the conflict existing between the principle involved in wiretapping and two historic documents that we hold dear, the Declaration of Independence and our Bill of Rights. Thomas Jefferson expressed it so simply and eloquently when he said that all men are "endowed by their Creator with certain inalienable rights." Our Bill of Rights is the first 10 amendments to our Constitution. It is this Bill of Rights which translates the ideals and principles of the Declaration of Independence into a practical statement of law.

In this country, we value highly the right that we can speak freely. But if a bill which contains all the provisions of those proposed by the Senate and House bills should become law, the spirit of the cartoon drawn by Herblock of the Washington Post back in 1950 would apply nationwide when it showed a man sitting at his desk talking on the phone to his wife saying, "Hello, dear, and all you boys on the wiretap." This fine and strong cartoon by Herblock just could become a national reality if the present bills become law.

The fourth amendment to our Constitution gave birth to the idea that within his four walls, a citizen is safe from the heavy hand of the state. This is the origin of the statement that "A man's home is his castle," and we have learned to believe that we will be safe from unreasonable search and seizure.

The fifth amendment following next in the Bill of Rights provides that no citizen shall be forced to testify against himself or incriminate himself, and this dovetails with our concept of the English common law that an individual is innocent until proved guilty, which is such sharp contrast to Soviet laws and and other systems of jurisprudence.

I cannot believe it is an exaggerated statement to make when I say that today this right of privacy and the right to be free from self-incrimination, is in the balance. Now we are being told these rights must be weighed against the cost of crime and problems of internal security. But the truth is that unless there is a constant vigilance, these precious privileges may be outweighed in the balance, and be lost. It is true that the cost of crime is high. The FBI says it may cost as much as $200 million annually—exclusive of or counting illegal gambling. Improved law enforcement is certainly in order, but does it have to dilute our civil liberties? There is no evidence that those six States which permit wiretapping have a lower rate of crime than those which prohibit it, and when it is all said and done, most law-enforcement officers will quite frankly admit that wiretapping is nothing but a convenience. Evidence can be obtained from other means by active, hard-working enforcement officials.

Many comments, some now classic, have been made about this business of wiretapping, but perhaps the best known of all is that of Justice Holmes, who referred to it as being dirty business and who was also responsible for holding that evidence obtained by tapping was inadmissible because it was the "fruit of the poisonous tree."

Justice Brandeis, in his dissent, I believe, was just about right when he said:

> Writs of assistance and general warrants are but puny instruments of tyranny and oppression when compared with wiretapping.

FBI Director J. Edgar Hoover said several years ago that he thought wiretapping was "unethical, inefficient, and archaic." But about a year ago he changed his mind and has done a complete right about face apparently as he is now for wiretapping.

Justice Roberts in the Nardone case said:

> Wiretapping is inconsistent with ethical standards and destructive of personal liberty.

In 1940 the U.S. Senate passed a resolution authorizing an investigation of wiretapping and dictographing and referred to these as "reprehensible methods."

Senator McCarran once said, "There is no graver invasion of privacy than wiretapping." Our present Attorney General, Robert Kennedy, only this year said, "Wiretapping involves a greater invasion of privacy than does a search."

But tapping proceeds uninterrupted. The debate on wiretapping goes on but so does the tapping. Attorney General Kennedy is most correct when he says anyone can monitor a private telephone conversation without breaking the law, because the present law prohibits only the divulgence of information by the listener. The pity of such a law and the state of affairs under it is that a person victimized has almost no way to prove that the information was passed on by a wiretapper. Our telephones make us the easy prey of blackmailers. By our failure heretofore to pass a strong measure outlawing wiretapping, we have thoughtlessly been throwing our priceless privacy away.

It seems to me there are two fronts or two particular battle lines that should be drawn in the new Congress next year: First, the present draft or version of the bill asked for by the administration should not be enacted into law without a lot of changes, and, second, there should be enacted a law to make it a criminal offense for all wiretapping by unauthorized persons and then only in cases of national security.

Returning to the changes which should be made in the administration's proposal, we believe tapping should be strictly limited to matters involving national security which spelled out means only cases of treason, espionage, sedition, subversive activities and disclosures of atomic energy information. There would not be included, for example, "agitation" by a few reservists demanding to be demobilized which certainly should not be defined as treason.

We think there should be careful specifications of the requirements for obtaining a court order and that orders be permitted only by Federal courts. We believe further that giving authority to tap at the discretion of the Attorney General is going too far. One of the worst things about section 5(a) of this proposed bill which gives the Attorney General authority without a court order and in his sole discretion to maintain a wiretap, is that there is no method by which this discretion could subsequently be reviewed.

This vesting of such absolute power is subject to no control, either before or after the implementation of the tap and no responsibility to report the existence, number or nature of such taps to any other authority.

We believe this is an unwise provision. Our civil liberties are just too precious to be left to the caprice of any official and particularly an appointed official. We are sure the present incumbent Attorney General would use the power sparingly—if at all, and never overstep his authority, but in the future we might get the wrong kind of an Attorney General, who might abuse this power.

Certainly any law to be enacted should have provision for the maintenance of records and provide that wiretapping statistics be maintained. It should also provide for reports to be given to the Congress.

Further, we believe that even when limited only to matters of national security, there should be some termination date—say, 3 to 5 years—in order that the Congress could have a chance to review the act in the light of the international scene and determine how the law has been operating.

Lastly, any new measure should clearly and without equivocation spell out in no uncertain terms that all tapping other than for purposes of national security is a criminal offense at all levels of government. Here in the city of Washington, last spring there were newspaper stories of wiretapping over at the Mayflower Hotel. More precisely it may have been called bugging and the only consolation of bugging over wiretapping is that to install a bug there must be an illegal breaking and entry. Not so long ago, the yellow pages of the telephone directory of Washington carried such advertisements as "Discreet Use of Electronic Equipment" and some ads in former years had the gall to state "Specialized Service Handling Problems of Business, Competitors, and Relationships Between Business and Government." We cannot take the time to go into the matter now, but a whole new business has recently developed for the sole purpose of espionage against business competitors. One of the best ways to nip this in the bud and to limit it or minimize it is to outlaw wiretapping.

My fellow Missourian, Senator Edward V. Long, in a recent speech in opposition to wiretapping said that under present state of affairs now in effect, that as to wiretapping, the Government itself could be construed to be a lawbreaker which has a tendency to breed contempt for law and invites every man to become a law unto himself. To hide behind the proposition that the end justifies the means, which encourages the Government to wink at wiretapping by unauthorized persons, is a pernicious doctrine.

Proponents for wiretapping advance the argument that a criminal can today use his telephone for criminal purposes and laugh at the law. We think it is seldom possible to reform a criminal, but for wiretapping to continue when its legality is questioned most certainly has a lot to do with a law-abiding citizen's attitude toward the law. I cannot tell you how many persons over the years have been charged with illegal wiretapping, but as far as I have been able to find out, only one person back in 1941 was ever given a sentence and served that sentence for illegal wiretapping. This sort of thing gives confidence to the illegal tapper to ply his trade in business, politics, and in the private lives of those plagued with marital discord.

Wiretapping, no matter how you try to dress it up, is nothing more or less than an electronic invader. It is a furtive practice. Like a bullet, it is impersonal and indiscriminate—affecting alike the guilty and the innocent. Unless we can be sure our telephone lines are free from tappers, the key to our front door means very little because entry into our homes can be made by other means.

In this complex society of ours, forces are continually circumscribing individual freedom. The individual has few places now where he can be free from some restraint or observation. One remaining instance is the use of his telephone. On the phone, a person can be as personal as if talking face to face. The individual citizen believes that according to law his conversation cannot be monitored.

Wiretapping takes away our sacred right of privacy which is the cornerstone of our society. When the time arrives that the individual citizen begins to realize that under the law his phone is subject to being tapped, there could be created a climate of fear that could extend down to every person who uses a telephone. If such a fear psychology were to saturate our entire population, could we then really call ourselves free?

The issue in this whole thing is that of our privacy and freedom. Will our Bill of Rights and the fourth amendment guarantee us our privacy and freedom from electronic invasion? If used at all, and note we say "if," wiretapping should be used only under strict Federal court supervision and then only for the detection of treason, sabotage and espionage. All other uses must be outlawed.

PROJECT HOPE

The SPEAKER pro tempore. Under previous order of the House, the gentleman from New York [Mr. HALPERN] is recognized for 10 minutes.

Mr. HALPERN. Mr. Speaker, Project Hope—Health Opportunity for People Everywhere—has proved itself a tremendous success from every point of view. First of all, during the SS *Hope's* maiden voyage to southeast Asia in 1960 to 1961 her medical staff provided care for more than 28,000 patients and performed more than 1,800 major operations, making it possible in many cases for "the blind to see and the lame to walk." Since June 1 of this year when the SS *Hope* began its mission in Peru, 10,000 patients have been examined; 1,000 major operations performed; 8,000 X-ray procedures completed; and almost 100,000 immunizations against polio, diphtheria, typhoid fever, and whooping cough given. Outpatient clinics have also been organized to provide maternal health and child welfare services. And the list could go on and on.

These achievements alone would make Project Hope worthy of commendation, but healing is only one part of this great humanitarian, people-to-people program. Perhaps most significant is the teaching mission of the SS *Hope*. Dr. William B. Walsh, founder and President of Project Hope, has commented that the medical needs of southeast Asia, Africa, and South America are so great that one hospital ship could do very little good if it only cared for the sick. Therefore, the principal objective of each visit of the SS *Hope* to a new port is to teach local doctors, nurses, midwives, and technicians improved techniques for treating the sick and combating disease.

In order to make this teaching program effective, an advance team of members of the medical profession visits the host country to work out plans for classes, seminars, and clinics in which the U.S. medical personnel will share their skills and knowledge with their counterparts in that country. When the ship arrives, local medical people work side by side with the U.S. doctors and nurses and learn by observing and doing. Because it is a teaching ship as well as a hospital ship, SS *Hope* is equipped with closed circuit television so that many doctors and nurses can observe each operation while they are given detailed explanations of each step of the procedure. Native doctors then have an opportunity to practice these techniques under the supervision of the *Hope* staff.

I have been fortunate enough to have an opportunity to talk with Dr. Fernando Cabieses, founder and president of the Peruvian-North American Medical Association and director general of the Peruvian National Foundation for Health and Social Development, who arrived in this country just this week. Dr. Cabieses, who is also chairman of the Peruvian Hope Committee, stressed repeatedly the importance of the *Hope's* teaching mission. By the time the *Hope* leaves next spring, she will have provided intensive training for the complete staff—doctors, nurses, orderlies, cooks, laundrymen—of the new government hospital in Trujillo. Dr. Cabieses emphasized:

> Project Hope is a great success. It has really been very good in every way, but it is especially successful as a training program. And the training program has been good at all levels—not just for our doctors.

In Peru, as in Indonesia and South Vietnam, there are very few doctors to care for vast numbers of people. Although these doctors strongly desire additional training, in most cases they are reluctant to come to the United States for that training because it means leaving their already severely overworked colleagues with an even greater load. Therefore the doctors and dentists in these countries have welcomed Project Hope, and the medical professions along with other citizens have contributed funds to help carry out the work of the SS *Hope*.

We can be assured that after the SS *Hope* leaves a country she will not soon be forgotten. She leaves such tangible gifts as a 3,000 volume medical school library in Peru where formerly there were fewer than 100 such books. Incidentally, these books were donated by U.S. doctors, dentists, and publishing houses. Most of the drugs for Project Hope are donated by our pharmaceutical companies, and many other industries have contributed their time, energies, and know-how as well as materials to provide such unique services on the *Hope* as the "iron cow" which produces up to 1,000 quarts of milk per day to be given to children to combat malnutrition and tuberculosis.

There should be no doubt in our minds that Project Hope has been a wonderful force in building good will toward our country. When the SS *Hope* visited Indonesia, the editors of the Indonesian Observer wrote:

> In this world where good will is usually entwined in a never-ending length of string and redtape, the simplicity and goodness, the impact and the quality that the visit this hospital ship offers places this good will visit tops on the list of mankind's hopes.

President Sukarno expressed his gratitude for the work of the *Hope*, and she has been urged to return to both Indonesia and South Vietnam. *Hope* has received countless other invitations including those from South Korea, Pakistan, and several South American countries. As for the feeling in Peru today, Dr. Cabieses told me that:

> The response to Project Hope is really terrific. The people are carried away by it.

In view of our massive foreign aid program, the cost of Project Hope is almost insignificant. Moreover, the good will it has built far exceeds what we have been able to do through other, more lavish programs. Again, the teaching mission seems to be the key. Other countries—Russia, for example—can give money for local hospitals, but the presence of our doctors and nurses, all outstanding men and women in their specialities and all volunteers, as teachers is most important. As the Times of Indonesia pointed out:

> The East forgets many things but never, never loses its reverence for a teacher. Those on the Hope will linger long in our memory.

I think it is most important that we go on record as commending and supporting the work of Project Hope. We are pleased that Project Hope is receiving favorable notice from other countries and that Britain, West Germany, and the Scandinavian countries plan to try to emulate it. However, let not all the praise and admiration come from abroad. By our commendation today we can publicly and formally express our gratitude to the hundreds of members of the medical professions who have given their time and energies to Project Hope. We will also thus express our appreciation for the contributions of the outstanding men and women who have served as advisors to Project Hope and to the representatives of labor and industry who have also played a significant role in this people-to-people program. Our appreciation also goes to every man, woman, and child who has helped make Project Hope a reality. By our commendation today we would also reaffirm our own belief in Project Hope and demonstrate to all our citizens who have supported Hope that it has been and continues to be worthy of his support.

Dr. Walsh tells me that the American people are supporting Project Hope and that a number of service organizations have adopted the project as their national philanthropies. However, Project Hope is eager to grow. The need is so great and the requests for help so numerous that Hope directors are anxious to outfit several more hospital-training ships. It is my belief that by our official commendation of Project Hope and by our continued support we can make it easier to raise the necessary funds from the American people. We want Hope to remain a people-to-people project since that is the most wonderful aspect of it, and it is that very feature which convinces other nations that we care about their people because they are people—not because we want their votes or their natural resources. I reiterate—let Hope remain a people-to-people project, but let us, the Congress of the United States, go on record as commending Project Hope for the good it has done and we hope will continue to do in bringing the people of all nations together in a bond of mutual trust, friendship, and cooperation.

To this end, Mr. Speaker, I urge the adoption of my bill, House Concurrent Resolution 498.

THE CUBAN ISSUE

The SPEAKER pro tempore. Under previous order of the House, the gentleman from New York [Mr. FARBSTEIN] is recognized for 15 minutes.

Mr. FARBSTEIN. Mr. Speaker, I have noticed, with alarm, the position taken by the U.S. Senators from the State of New York with relation to the Cuban issue.

One would expect moderation on the part of these two gentlemen in view of the important position they hold in our Government.

A very timely editorial appeared in the New York Times of October 2, 1962, making reference to the suggestion abovemade. I think that the editorial is a very salutary one and I bring it to the attention not alone of the Members of the House but also of the Senators from New York, mentioned therein.

SHADOW OF 1956?

Congressional election campaigns are occasions for candidates to air their views on national and international affairs; but, in their zeal to win, rival candidates are frequently unable to resist the temptation of overdramatizing and oversimplifying the most critical issues. The one-dimensional approach is, unfortunately, effective with many voters.

If it is naive to expect candidates to refrain from injecting the Cuban issue into the current congressional campaign, it is still reasonable to suggest that they measure up to the responsibilities of the offices they are seeking.

A growing number of Members of Congress, including JACOB K. JAVITS, the senior Senator of New York, his colleague, Senator KENNETH B. KEATING, and Senator STROM THURMOND, Democrat of South Carolina, are among those who are urging President Kennedy to take unilateral action against Cuba that could easily lead to war.

Senator KEATING has proposed an immediate economic and military blockade. He has indicated he would approve shooting, if required, to halt the flow of weapons and technicians from the Communist bloc. Senator JAVITS urged the President to warn the Soviet Government to cease the shipment of weapons and technicians. He said it would be "the President's duty as Commander in Chief to stop the shipments by whatever means he deems appropriate" if the Soviet Government did not accede to his request.

We do not like the present situation in Cuba, a Communist, Soviet-supported state on our very borders. Castro's political orientation is without question a potential danger to this hemisphere. But we are not at war with him. The proposals being put into circulation for public consideration by home-grown advocates of "unilateralism" can only have the most damaging effect on our world position and the ability of the administration to deal safely with a hornet's nest.

The advocates of unilateral action against Cuba could profitably recall that it was the Suez Affair in 1956 that diverted world attention to the point of enabling the Soviet Premier to crush the Hungarian rebellion without risking any physical reaction from the Western Powers. We must not fall into the trap of creating another Suez out of Cuba, to distract the world while Russia makes another Hungary out of Berlin.

THE 87TH CONGRESS, 2D SESSION

Mr. BARRY. Mr. Speaker, I ask unanimous consent that the gentleman from Michigan [Mr. BROOMFIELD] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BROOMFIELD. Mr. Speaker, the curtain is about to fall on the last act of the 87th Congress, ending a 2-year run more noted for its histrionics than its historical achievements.

There have been some successes here in Congress to be sure, but most of these successes were in spite of, rather than because of, the executive branch of our Federal Government.

On far too many issues in which the administration took part, action was too little, too late, or missed the target.

PLANNING LACK

One of the main reasons for this failure, most certainly, was a notable lack of advance planning and adequate followthrough by the executive branch.

Somewhere, somehow, the administration has acquired the impression that making a speech, drafting a resolution, or issuing a press release is the answer to any problem, whether it be foreign or domestic.

All of us here realize that statements are merely preludes to action. They do not and cannot replace effective, efficient deeds to match words. Without effective action the brave words are meaningless.

CUBAN FAILURE

Never was this more apparent than the failure we have experienced to date in regard to Cuba.

After an abortive attempt at invasion by free Cuban forces, doomed to failure because of the withdrawal of necessary air support, we now find that Soviet Russia and its Red satellites are assisting Cuba in a vast military buildup.

Whether these arms are "defensive" in nature, or the Red troops are "military technicians," as claimed by the administration, is really a moot point.

What must be realized by the executive branch is that conferences, speeches, and paper promises are not going to stop this direct threat to our Nation or other nations of the Western Hemisphere.

During the debate on the floor of the House on the Cuban problem, I introduced a change in the administration's resolution which would have further freed the hands of the President in dealing with Castro, Khrushchev and company. This change would have given the President the unquestioned right to take whatever steps he deemed necessary to cope with this obvious breach of the Monroe Doctrine, one of the basic tenets of our foreign policy for more than a century.

WATERED DOWN

However, this change was defeated because the administration regarded it as "too strong." Instead, Congress approved a weak-kneed, watered-down version which said little or nothing.

The inaction, the apparent lack of decision on Cuba, Castro, and the Soviet arms buildup, and how to meet this problem, is having repercussions far beyond our shores.

Neutral nations, which were beginning to switch to the side of freedom and democracy and turn their backs on communism, are now having second thoughts.

If the United States cannot cope with the menace of a small island close to its shores, they ask, how can they hope to depend upon us to give them a hand should they be menaced by the Communists, which in many cases are only a few miles away from their borders?

EARLY WARNING

If this buildup of Soviet forces in Cuba could not have been foreseen, then there could have been an excuse for it. But many of us warned, more than a year ago, of the threat of Soviet military moves in Cuba.

Evidently these warnings were not heeded and plans were not prepared to meet this threat.

It is the hope of all of us in Congress, and of the American people, that the President will successfully conquer this problem and take firm action.

One of America's great poets, Robert Frost, recently returned from a trip to Russia. He is reported to have been told by Khrushchev that he does not believe the United States will fight for its rights because we are too liberal.

If liberal means a lack of backbone, an unwillingness to face up to a direct challenge to our Nation in our own backyard, then I think history will prove to Khrushchev that the vast majority of Americans are not this sort of person.

But, to date, Khrushchev's view of the will of our Nation to defend itself gives the appearance of being all too true.

BAD RECORD

Unfortunately, the record of our actions in West Berlin, in Laos, in New Guinea, is not much better.

In Laos, our State Department hailed as a major victory the fact that an agreement had been reached with the new central government to withdraw all United States and Communist military support.

We withdrew our forces. The Communists have not, despite the agreement, and every indication we have is that they will not, despite their promises.

After more than two decades of negotiations with the Communists, this administration and the State Department have failed to realize that Reds believe "promises are like pie crusts—made to be broken."

WALL UP

In West Berlin, the wall went up while our troops stood by and watched, waiting for the orders to tear it down, which never came.

West Berlin Mayor Willy Brandt has stated that "the West does nothing but wait for Khrushchev's moves."

Meanwhile, there is growing concern in France and West Germany that we will "make a deal" with Khrushchev and give up vital free world rights in West Berlin in exchange for a promise of a "hands off" policy by Russia in Cuba.

Our President has stated emphatically that this will not occur, that no such "deal" will be made, and all of us, I am sure, back him in every way in this decision.

DESERT FRIENDS

In the Far East, we deserted a longtime friend, the Netherlands, and handed over Dutch New Guinea to Indonesia without protest.

The Dutch are not at all pleased with this treatment by our Nation of a NATO ally. They point out that we have absolutely no reason to believe that the people of New Guinea want to be part of Indonesia, nor that they would be any better off under this Government.

We watched India invade Goa and take it away from the Portuguese who had held this enclave for more than 400 years. Our answer was a mild verbal slap on the wrist and the promise of an acceleration of aid to India.

These actions are making our friends wonder whether we know where we are going in the world, much less know how to get there.

Lack of clear-cut policy, planning, and followthrough has also seriously hampered our relations with Latin American nations.

ALLIANCE FALTERS

It is no secret that the Alliance for Progress program, instituted with such brave words and promises, is in for a rough time ahead.

In all fairness, I think Mr. Teodoro Moscoso, who heads the Alliance program for our Nation, is making a good attempt to do a good job under the most trying circumstances.

But as well as fighting to win the acceptance of Latin American governments to much-needed reforms, he also must fight off the State Department, the White House, and officials in the Agency for International Development.

Firm guidelines were given by Congress for our aid programs to Latin America. But the Alliance for Progress is not making progress, and the reason it is not is because there has been no insistence that these guidelines really mean something.

AID ANYWAY

Leaders of some nations, where graft and dipping into the public till are national sports, know they will get American aid whether they clean up their operations or not.

It is no wonder, under such conditions, that the amount of money flowing out of Latin America each year almost exactly matches the amount we are lending or giving to Latin America. South Americans see little stability ahead and they doubt our programs will succeed.

What must be realized by the administrators of these programs is that they must be based upon reality, upon direct help to the people who need help. They must realize that only by insisting upon internal reforms can these programs succeed.

None of us wants to see failure by our Nation. Most of us realize the value of these programs, the vital part they play in our own security and well-being.

We wish with all our hearts that these programs and policies were succeeding. But they are not, and they cannot until such time as we have sounder administration of them.

NOT GAINING

We are still ahead of the Russians in the battle for the minds of men. But we are not gaining, we are not pulling away as we should be.

To a large degree, the reasons for the failure of the administration in winning approval of its domestic programs are similar to the reason why we are not getting all we should out of our overseas assistance programs.

The majority of our citizens realize that Uncle Sam is not Uncle Sugar. They realize that the Federal Treasury is not a bottomless cornucopia from which eternally springs our material needs and wants.

Yet, there are those in this administration who seem intent upon creating this impression.

DEBT RISES

As a consequence, our national debt limit was first raised to $300 billion and this past year to $308 billion, the highest in peacetime history.

The amount which must be paid by every man, woman, and child in our Nation to pay for the increased cost of Federal Government is now $650 a year.

To illustrate, residents of such communities as Royal Oak and Pontiac in my congressional district will have to pay some $32,500,000 into the Federal Treasury every year, not counting amounts they will have to pay for State and local taxes.

LOCAL USE

If a sizable portion of this staggering total could be kept in these communities for local use, there would be no difficulty in financing public improvements at the local level.

Further, it is estimated that the Federal Government will spend some $10 billion more than it receives during the current fiscal year, an amount which will add fuel to the fires of inflation and further dilute the purchasing power of the dollar.

Certainly, a great deal of the Federal budget deficit is going to be caused by the wave of New Frontiersmen which has descended on Washington, swelling Federal payrolls by the addition of 158,188 new Government employees in 18 months.

UNNECESSARY

If these new employees and these new programs were to strengthen our Nation's ability to resist attack, few of us would quarrel with the decision.

But this has not been the case.

Compared to an increase of 15 percent in defense expenditures, general Government costs have gone up 33 percent; agriculture, 20 percent; natural resources, 35 percent.

The Agriculture Department alone has one employee for every 37 farms in our Nation. We have seen the shocking results of such sprawling bureaucracy in this Department when men such as Billie Sol Estes have made millions, not from what they know about farming but from whom they know in the Agriculture Department.

One of the great victories for the forces of freedom, reason, and economy was the defeat of the administration's farm bill in the House of Representatives.

RULE OR RUIN

In a bill which in essence called for a regimentation or ruin approach to our mounting farm problems, Congressmen showed their disgust of this plan by rejecting it completely.

They realized that the bill would mean higher prices for the housewife for food and clothing. They realized that it would tie farmers hand and foot with needless regulation and that it would mean higher taxes and a higher Federal deficit.

Because of intraparty squabbles and lack of leadership, one of the most dismal failures of the 87th Congress was its inaction on assistance to education.

First, a school aid bill which mixed teacher salary supplements and school construction became entangled in a religious issue which prevented any bill from clearing through the House Rules Committee, previously packed to insure smooth passage.

Next, a giveaway amendment was tacked onto a college facilities bill which would have assisted universities in preparing for the expected enrollment of thousands of new students by supplying the buildings, the bricks and mortar, the physical facilities, many institutions of higher education need so badly.

WRECK LOANS

This amendment called for nonreimbursable loans (in other words, giveaways) which would have wrecked the effectiveness of the student loan program under the National Defense Education Act, a program designed to increase the numbers and quality of the scientific talent we will need to meet the growing technological threat from Russia.

The House, properly, rejected this amendment and instructed its conferees to stand by their original bill. Now, because of delay, inaction, poor scheduling, and near chaos in the closing days of Congress, this original bill appears to be doomed to die, delaying an attack on a critical problem until next year.

Medical care for the aged, a problem which is vastly complex, simply did not get anywhere in Congress. Because the administration refused to compromise and because many chairmen of Senate committees did not approve of the take-it-or-leave-it approach, the bill was defeated in the Senate and never reached the House of Representatives for a vote.

Once again Congress will have to tackle this knotty issue next year, and it is hoped that the administration will be more willing to listen to all sides of this problem before making its recommendations.

MISSED MARK

The administration missed the mark with its minimum wage bill. Its effects have meant almost nothing to the underpaid worker who was hoping for fatter paychecks under these new regulations.

To win votes, bloc after bloc of employees from low pay industries, such as the tobacco industry, were exempted from its provisions. In other words, those workers who had the most legitimate cause for complaint, because of substandard pay scales, were simply not covered.

Meanwhile, the Federal Government intruded into the area of State responsibility by not limiting its provisions to those businesses engaged in interstate commerce, thereby supplanting Federal law for State law, despite the Constitution.

As a result, many States are hesitant to revise their own minimum wage laws as they have a "what's the use" feeling that complete Federal regulation of wages is inevitable.

RURAL BILL

A so-called depressed areas bill was passed, a bill which seemed to take it for granted that the only significant areas which are suffering from chronic unemployment are rural areas, as the bill was aimed at assisting them the most.

Because the administration of this law was so mishandled, Congress finally approved another bill which came closer to the mark, the Manpower Retraining Act. The administration's proposals were so ill-conceived that Republican Members of Congress totally rewrote this bill through amendments which were accepted by the majority as valuable additions.

Training in new skills and technology are provided to those workers who have suffered loss of jobs, and I am happy to report this appears to be one of our most substantial weapons in winning the battle to eliminate chronic unemployment.

SIGNIFICANT

There were some other significant actions by Congress, the most important of which was passage of the Trade Expansion Act.

Approval of this bill by Congress clearly demonstrates that this Nation is going to take a backseat to no one in foreign trade.

In its own way, this bill and the European Common Market almost match our missile might as a weapon against communism. Prosperity throughout the United States and the free world is something which Communist dogma insists can never happen.

But it is happening, and we will continue to see significant advances for the workingman through freer trade between ourselves and our friends.

FLEXIBILITY

Free trade will mean flexibility, not only for our own Nation and our businesses and industries but for the rest of the free world.

Our citizens will have the advantage of the world for their shopping center, while our businesses will not be tied by tariff walls to our own shores in their search for new markets for their goods.

Some in our Nation are going to suffer for a short time while this drastic change toward a worldwide marketplace is made, but there are provisions in the bill which will ease the transition for both workers and industry. The overall long-range effect of this new trade act can only work to the benefit of our Nation and its citizens.

In other areas of the domestic front, solid legislation is more difficult to find.

BENEFITS

Technical changes were made in the social security system which extend benefits to many thousands of persons and bring benefits into line with living costs.

Men age 62 and over may now receive social security benefits if they so choose. Aged widows' benefits were increased by 10 percent. The amount that can be earned and still be eligible for social security benefits was increased under a sliding formula to $1,500, but the amount is still not sufficient.

Amounts for Federal assistance to help communities control water pollution were raised to $100 million, an amount I consider less than adequate in view of the vast pollution problem which faces the waterways of our Nation.

FOREIGN AFFAIRS

The House Committee on Foreign Affairs, of which I am a member, has sponsored a great deal of important legislation in the past 2 years, and I am happy to have had a part in its development and final passage.

One of these acts was the creation of the Agency for International Development. This Agency, which is responsible for our foreign aid programs, has had difficulty in getting off the ground since its inception. But I feel sure that if it solves its administrative problems, AID can become a prime force in our fight for freedom.

The Peace Corps, which started off as an experiment and has developed into a full-fledged program, has been a success. It has a practical, down-to-earth approach to problems it is attempting to solve overseas, and its members are not afraid to work or get their hands dirty.

Creation of an Arms Control and Disarmament Agency has finally given our negotiating teams the technical staff they need in carrying out the seemingly endless discussions with the Russians. Although progress has been slow, we are preparing for the day when some sort of agreement will be reached which will include adequate inspection.

At least 10 nations have the capability of designing and manufacturing nuclear weapons within the next few years, and one of these is Communist China.

The Philippine war claims bill was finally approved by Congress after two tries. I was happy to have been cosponsor of the final bill. This $73 million settled a war claim we owed to the Filipinos since the end of the World War II.

U.N. BONDS

Passage of the provision to permit up to $100 million in United Nations bond purchases by the Federal Government finally was won after amendments which limited the total of our purchases to an amount equal to purchases by other nations.

This will help keep the United Nations a going concern for the foreseeable future. It is hoped that our delegation to the United Nations will now press, in the General Assembly, for passage of a resolution which would cut off the voting rights of any nation more than 2 years delinquent in its dues and special assessments.

The Subcommittees on the Far East and National Security, of which I am a member, have been in close touch with the State Department and the Department of Defense in regard to the battle now being waged in South Vietnam against the Communists.

CHANCE OF SUCCESS

Now that our Federal Government has decided to use a grassroots approach with this assistance, I think our chances of eventual success are improved considerably.

Congress gave the President the power to call up 150,000 Reserves while Congress is out of session, should the necessity arise.

In view of the many mistakes made in the callup last year and the inadequate training and misplacement of personnel, it is hoped that should the necessity again arise for a callup these mistakes will not be made again.

With congressional sessions running later every year, many of us in the House and the Senate have a difficult task in attempting to find out the views of those we represent in our home districts.

QUESTIONNAIRE

One means which I have found to be very effective in the past has been the use of an annual congressional questionnaire in which I give my constituents an opportunity to express their views on vital issues before Congress.

Not only do I find the answers valuable in themselves, but I also find that a great many take the time to write additional comments on matters concerning the Federal Government affecting their lives and those of their families.

I am happy to note that this year, on a number of key issues, my vote on issues coincided with those expressed by the majority of those who answered the questionnaire.

Following is a list of the questions, and what—if any—action was taken by the Congress:

First. Should the Federal Government have the power to regulate the prices and testing of medical drugs?

Drug regulation bill approved by Congress.

Second. Should a Sleeping Bear Dunes Recreation Area be created by the Federal Government in Traverse City area?

Plan died in House Interior Committee with no action taken.

Third. Should tax reform include incentives for the expansion of plants and the purchase of more modern equipment?

Executive order altered depreciation schedules and Congress passed tax incentive plan.

Fourth. Medical care for the aged?

No vote in the House after Senate turned down King-Anderson plan.

Fifth. Federal budget of $93.5 billion.

Budget approved with an anticipated $3 billion deficit, which could go to $7 billion because of loss of tax revenue.

Sixth. Continuation of food for peace program to Iron Curtain countries such as Poland and Yugoslavia?

Aid to Red countries cut off except where President declares it is in "vital interest of the United States."

Seventh. "Strings" on foreign aid?

Congress has approved policy change which requires reforms, but has not been implemented completely by AID.

Eighth. Should our oversea aid be based more on strengthening economies of known friendly nations?

We still need to pay more attention to our friends abroad.

NEXT CONGRESS

Because of the substantial list of uncompleted tasks during the 87th Congress, the new Congress convening in January will have a formidable task ahead of it.

Some of the main problems it will face will be:

First. More anti-inflationary policies to keep the cost of living from getting out of hand. Deficit financing and the outflow of gold from our shores threaten to undermine confidence in the dollar.

Second. Overall tax reform and possible tax reduction if Federal expenditures can be cut substantially. Our present outmoded tax system is acting as a brake on economic recovery. It puts a penalty on efficiency and a premium upon standing still. Further, high Federal income tax rates are crippling customer demand and slowing growth. There is plenty of room for a substantial reduction of Federal expenditures without curtailment of essential services.

Third. A program for medical care for the aged to cover all those who really need help in meeting high medical and doctor bills. Such assistance should not be limited to those on social security, as experience has shown us that those without social security are those who are most in need. Perhaps an entirely new approach will have to be considered, such as reinsurance of private premiums or tax credits to pay for medical and hospital insurance.

TOUGHER POLICY

Fourth. A tougher, more realistic policy toward Russia and the Iron Curtain countries. While foreign policy largely rests in the hands of the President and the Secretary of State, Congress can supply the authorization and the funds for programs which will place us on the offensive rather than our present policy of simply reacting to Red initiative.

Whether programs are domestic or foreign, there should be much more efficient administration and concentration of effort on finding and following through with workable solutions.

TOO BIG

Part of the reason for the present confusion and the ineffectiveness of our Federal programs is because Federal responsibility has simply grown too big for efficient management and human comprehension.

If the Federal Government would concentrate on defense, foreign affairs, the space race, interstate commerce, and its other clear-cut responsibilities, then the tax savings would give our State and local governments the revenues they need to solve their own problems.

As it is, the Federal Government has almost drained local communities dry of tax sources and has stretched Federal areas of responsibilities close to the breaking point.

Only by concentration of effort by the Federal Government, only by a firm hand at the helm, can we strengthen our Nation's economy, insure our freedom, create the new jobs we need and hold our present lead over the forces of communism which make no bones about the fact that we are No. 1 target slated for eventual destruction.

Only by a Federal Government of quality, as well as quantity, can we solve our problems with dispatch and without despair.

REVIEW OF 87TH CONGRESS, 2D SESSION

Mr. BARRY. Mr. Speaker, I ask unanimous consent that the gentleman from New Jersey [Mr. Frelinghuysen] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. FRELINGHUYSEN. Mr. Speaker, as this 2d session of the 87th Congress nears an end, it is appropriate that all of us take a look back at what has been accomplished. We can all agree that much has been done, yet few would disagree that even more could have been done.

A review of this session is of particular interest to me, in part because of the amount and nature of the legislation which has been considered by the two committees on which I have had the honor to serve, the House Committee on Education and Labor and the Committee on Foreign Affairs. The adjournment of the 87th Congress, furthermore, marks the 10th year of my service in Congress. I had the privilege of coming here at a time when President Eisenhower first assumed responsibility for leading this Nation. To my mind he was a truly great leader, uniting all of us during a most trying period.

As part of this lookback at the past 10 years, one of the members of my staff has prepared a recapitulation of my activities here. I should like to submit it for the Record at this point:

The 10-Year Record of Peter Frelinghuysen, Jr., Member of Congress, Republican, Fifth District, New Jersey, in the 83d, 84th, 85th, 86th, and 87th Congresses

BRIEF BIOGRAPHY

Representative Peter Frelinghuysen, Jr., of the Fifth Congressional District of New Jersey, was born January 17, 1916. He married Beatrice S. Procter on September 7, 1940. They have five children.

Mr. Frelinghuysen graduated from Princeton University in 1938, magna cum laude in history. He obtained an LL.B. from Yale Law School in 1941, and later (1946 and 1947) did graduate work in history at Columbia University.

During the war the Congressman served in the Office of Chief of Naval Operations (Naval Intelligence) from September 1942 to December 1945. He was released to inactive duty with the rank of lieutenant.

In 1941 and 1942 Mr. Frelinghuysen was with the law firm of Simpson Thacher & Bartlett, of New York City. He is a director of the Trust Co. of Morris County.

In 1948 he served as a staff member of the Hoover Commission, with the Foreign Affairs Task Force. He was elected to the U.S. House of Representatives in November 1952 and has served in that body since January 3, 1953.

Active in community work, Congressman Frelinghuysen is presently a trustee of Morristown Memorial Hospital and chairman of the 1962 Hope Chest Appeal of the Upper New Jersey Chapter of the National Multiple Sclerosis Society. He is a former vestryman of St. Peter's Episcopal Church in Morristown, N.J. The Congressman serves as chairman of the Jersey Jetport Site Association.

ACTIVITIES AS A MEMBER OF CONGRESS

Committees

For 10 years (83d, 84th, 85th, 86th, and 87th Congresses) Congressman Frelinghuysen has been a member of the Education and Labor Committee. He is the ranking Republican member of the General Subcommittee on Education and a member of the Ad Hoc Subcommittee on Integration in Federally Assisted Public Education Programs. He was appointed to membership on the Foreign Affairs Committee at the beginning of the 87th Congress in 1961 and serves as ranking Republican member of the Subcommittee on Europe. He is also a member of the Subcommittee on International Organizations and Movements. During the 83d Congress Mr. Frelinghuysen was a member of the Veterans' Affairs Committee.

Legislative activities

Representative Frelinghuysen has been a leader in the fields of both education and labor. Long prior to the Soviet's launching of their sputniks, Frelinghuysen was emphasizing the relationship between education and national defense. In the labor field he was one of the first to push hard for a congressional investigation of racketeering in the labor-management area. Mr. Frelinghuysen was a floor leader during the passage of the labor reform bill (Landrum-Griffin), designed to protect the rights of laboring men and women.

Since his appointment to the Foreign Affairs Committee, Congressman Frelinghuysen has become a leading Republican spokesman on foreign policy. He has sought a bipartisan approach to foreign affairs while at the same time adding his voice in constructive criticism in areas where he believes the Kennedy administration has erred.

As the elected Representative of the Fifth District in Congress, Congressman Frelinghuysen has constantly sought to keep the district informed regarding developments in Washington and to discover sentiment at home on issues before Congress.

Washington Newsletter—issued weekly to the press: This letter has become one of the most widely read letters of any Member of Congress. It is used as a vehicle for transmitting Congressman Frelinghuysen's views to his constituents and as a commentary on the Washington scene. Some issues of the newsletter have been published in newspapers from Maine to California, and many wire service stories have originated as the result of it. The Congressman also sends a monthly newsletter and final report to thousands of constituents directly.

District office hours: The district office, staffed by Mrs. Wilma Herbert, is open from 9 a.m. to 3 p.m. daily except Saturday and Sunday. In addition, the office often is open Saturday mornings; location, 10 Park Place, Room 342, Morristown, N.J., Jefferson 8-7267.

Congressman Frelinghuysen holds frequent Saturday morning office hours in his Morristown office and schedules additional visits to other cities and towns. From time to time Congressman Frelinghuysen makes inspection trips to various parts of his district. He regularly visits such facilities as the Veterans' Administration Hospital at Lyons, Picatinny and Raritan Federal Arsenals, and veterans' housing projects.

These frequent office hours and visits have given residents of the Fifth District an excellent opportunity to meet their Congressman, to question him on public issues, and to present their own views and problems.

Washington office: Mr. FRELINGHUYSEN maintains a congressional staff in Washington composed of highly trained experts ready to assist the Congressman in handling the problems of constituents. Every mail brings many requests for assistance with such Federal departments as the Social Security Administration, Small Business Administration, the Veterans' Administration, Immigration and Naturalization Service, the Armed Services, and the Post Office Department, to name only a few. The Congressman handles every request as expeditiously as possible and a great majority are brought to successful conclusions.

Constituents also write requesting free Government publications such as the famous one entitled "Infant Care" which has aided thousands of new mothers in the Fifth Congressional District.

His office handles an average of 10,000 letters a year.

During the 10 years since Representative FRELINGHUYSEN has been a Member of Congress he has appointed many young men of the Fifth District to the service Academies.

Constituents visiting Washington are urged to visit the office to obtain gallery passes for the House Chamber. Much useful information on sightseeing, hotels, restaurants, and transportation is available at the Washington and Morristown offices.

The Congressman encourages groups such as Scouts, senior classes, Sunday schools, etc., to inform him of their visits to Washington so that group pictures can be taken at the Capitol.

Mr. FRELINGHUYSEN is always available for appointments with constituents in Washington during congressional sessions.

Questionnaire: Congressman FRELINGHUYSEN regularly conducts an informal public opinion survey of the Fifth District by means of questionnaires. At such times, fuller expression of constituent views is actively solicited.

National activities: In addition to his frequent local appearances, Congressman FRELINGHUYSEN has made speeches as far afield as California, has published articles in magazines of nationwide circulation, and has appeared on a number of radio and television programs.

In 1956 Redbook magazine picked FRELINGHUYSEN as 1 of 10 outstanding men in the House and Senate.

In 1958 he was elected to the Young Republican Hall of Fame.

In 1960 a Newsweek magazine poll of 50 Washington correspondents picked FRELINGHUYSEN as one of the 17 "most able" men in Congress.

Congressman FRELINGHUYSEN was twice chosen as a delegate to the NATO Parliamentarians Conference, representing the House.

The port authority jetport proposal

In late 1959 when Mr. FRELINGHUYSEN learned of the Port of New York Authority's proposal to turn a vast section of southern Morris County into the world's largest jetport, he dispatched telegrams to 50 government officials in a 5-country area, inviting them to attend a meeting to discuss the proposal. As a result of this gathering, officials and citizens joined together in the Jersey Jetport Site Association, with the Congressman as chairman.

This organization enlisted volunteers, raised money and hired technical aviation experts. The group is given wide credit for convincing the New Jersey Legislature and the present Governor that Morris County is wholly unsuitable for such a project.

The Congressman also called a meeting of New Jersey's 14 Representatives and persuaded that group to go on record unanimously opposing the Morris proposal and urging a study.

Voting participation

In 10 years Representative FRELINGHUYSEN has voted "yea" or "nay" on almost 800 recorded votes on the House floor. His 10-year voting participation average up to September 1962 stands at slightly over 90 percent. His yearly averages are listed below:

Congress (years)	Number rollcall votes	Frelinghuysen average	Average, all members
83d (1953-54)	147	97	86
84th (1955-56)	149	91	88
85th (1957-58)	193	83	87
86th (1959-60)	180	89	89
87th (1961)	116	93	89
87th (to October 1962), 2d sess	94	90	----------

NOTE.—During the 85th Cong., Mr. FRELINGHUYSEN was granted a short leave of absence because of death in the family.

The percentages reflect only votes cast and do not take in account "on the record" votes such as pairings for or against measures which are arranged in a Congressman's absence. If these are taken into account, the averages are close to 100 percent.

During the years that President Eisenhower occupied the White House, Mr. FRELINGHUYSEN was rated his firm supporter. For instance, during 1959-60 in the 86th Congress, the Congressman supported Mr. Eisenhower's legislative proposals 80 percent of the time. In contrast to this, during last year's session of Congress Mr. FRELINGHUYSEN supported President Kennedy's proposals 46 percent of the time and was found in opposition 46 percent of the time.

VOTING RECORD

With respect to domestic legislation Congressman FRELINGHUYSEN in general maintained a moderate, middle-of-the-road record. In foreign affairs he has regularly supported this country's commitments abroad, and he has voted in favor of liberalizing our foreign trade laws. Foremost among these were the Eisenhower resolutions on Formosa and the Middle East and the Kennedy Alliance for Progress to aid Latin America.

Congressman FRELINGHUYSEN has voted for carefully-defined emergency legislation to aid the Nation's secondary schools and colleges. He supported and cosponsored the National Defense Education Act and aid to federally impacted areas.

Mr. FRELINGHUYSEN has consistently voted against increased price supports for agriculture. He has supported civil rights legislation and labor measures aimed at curtailing abuse of power and protecting pension and welfare systems.

All of the bills cannot be listed here. However, the following should present a good picture of the general position Mr. FRELINGHUYSEN has taken on major national issues.

Foreign affairs and national defense: Congressman FRELINGHUYSEN voted "yea" on the following:

1. Reciprocal Trade Agreements Extension Acts of 1953, 1954, 1955, and 1958 (for a 5-year extension).

2. Mutual Security Act extension and appropriations of 1953, 1954, 1955, 1956, 1957, 1958, 1959, 1960, 1961, and 1962.

3. Transfer of 1 million tons of price-support wheat to Pakistan (1953).

4. Issuance of 240,000 special immigration visas to refugees (1953).

5. Resolution expressing the sense of Congress that the United States should reaffirm its support of the Caracas Declaration of March 1954, and should take all necessary steps to support the Organization of American States to prevent Communist interference in Western Hemisphere affairs (1954).

6. Resolutions expressing the sense of Congress that Communist China should not be seated in the United Nations (1953).

7. Formosa policy: Authorize the President to employ the U.S. Armed Forces for protecting the security of Formosa, the Pescadores, and related positions and territories of that area (1955).

8. Atomic energy: Revise the Atomic Energy Act of 1946 to permit exchange of atomic information with U.S. allies and to develop peacetime uses of atomic energy with the aid of private industry (1954).

9. Middle East policy: Resolution authorizing the President to undertake economic and military programs in cooperation with certain countries in the Middle East to oppose Communist aggression and infiltration (1957).

10. Draft bill extension: Extension of the draft for 4 years (1959).

11. Sugar Act extension: A bill extending for 1 year the Sugar Act of 1948 allocating quotas to various states and foreign nations and reducing the Cuban quota (1960).

In addition, Congressman FRELINGHUYSEN was in favor of the following:

1. Foreign information services reorganization and creation of the U.S. Information Agency. Voted "nay" on the motion to disapprove (1953).

2. Emergency famine relief authority: Making $100 million worth of agricultural surplus commodities available to the President for famine and other urgent relief requirements in countries friendly to the United States. Voted "nay" on the motion to recommit (1953).

3. Latin American aid program (1961).

4. U.S. Arms Control Agency (1961).

5. Peace Corps (1961); expansion (1962).

6. The New Trade Expansion Act (1962).

7. Authorization to buy United Nations bonds (1962).

8. Reserve callup in national emergencies (1961 and 1962).

9. Cuba resolution (1962).

Financial: Congressman FRELINGHUYSEN voted "yea" on the following:

1. Excess profits tax extension (1953).

2. Excise tax reduction of 1954.

3. Internal Revenue Code of 1954, making general revisions in the internal revenue laws so as to correct inequities and to close loopholes in the Federal tax laws, and extending the 52-percent corporate tax for another year.

4. Revenue Act of 1955: extending the 52-percent corporate tax to April 1, 1956, and extending excise tax rates of certain items.

5. Tax rate extension extending for 1 year existing corporate normal tax rate and certain excise tax rates (1956-57).

6. Public debt limit increase providing for a temporary increase in the public debt limit (1958).

7. Savings bond interest rates increasing the interest rates on E and H savings bonds (1959).

8. Highway financing: Passage of a bill increasing the Federal tax on gasoline by 1 cent (1959).

9. Voted "nay" tax revision bill: A provision of this bill would have subjected taxes on interest and dividends to withholding. Voted in favor of tax bill conference report, with withholding provision deleted (1962).

Education: Congressman FRELINGHUYSEN voted "yea" on the following:

1. Creation of the Department of Health, Education, and Welfare (1953).

2. Increase of appropriation for federally affected school areas by $6 million (amendment to the Health, Education and Welfare Appropriations for 1954).

3. Authorization of up to $400,000 a year on cooperative arrangements with colleges and universities for joint studies of educational problems (1954).

4. Authorization of the White House Conference on Education (1954).

5. Establishment of a National Advisory Committee on Education to advise the Secretary of Health, Education, and Welfare on educational problems. This was Congressman FRELINGHUYSEN's own bill (1954).

6. Federal assistance to the States for the construction of schools (1956-57).

7. National Defense Education Act (1958); extension of act (1961).

8. Federal aid to education for school construction of elementary or secondary public school facilities (1960).

9. Extension of Federal aid to schools in federally impacted areas (1961).

10. College aid authorizing matching grants and long-term loans for construction of academic facilities (1962).

Health and welfare:

1. Social security amendments (1954) extending coverage under old-age and survivors rights to approximately 10 million persons, and increasing the amount of earnings permitted without loss of benefits. Voted "yea." Social security amendments (1955) providing disability insurance benefits for certain disabled individuals of 50 or over, reducing to 62 the age on basis of which benefits are payable to certain women, providing for continuation for insurance benefits for children who are disabled before attaining the age of 18, and extending coverage. Voted "yea." Social security amendments (1961), "yea."

2. Medical Care Plan (1960): Approving a modified plan of Federal assistance to the States for medical care for the aged.

3. Health Service Prepayment Plan Reinsurance Act: President Eisenhower's health program. Voted "nay" on the motion to kill the bill by returning it to committee (1954).

4. Vocational rehabilitation to promote and assist in the extension and improvement of vocational-rehabilitation services. Voted "yea" (1954).

5. Antirecession:

(a) Temporary unemployment benefits for individuals who exhaust their benefit rights under existing unemployment compensation laws, and for individuals who were employed in noncovered employment. Voted "yea" (1958).

(b) Military construction, favoring the acceleration of military construction programs for which appropriations have been made. Voted "yea" (1958).

(c) Civilian construction, favoring acceleration of civilian construction programs for which appropriations have been made. Voted "yea" (1958).

(d) Temporary unemployment benefits (1961) "yea."

(e) Aid to dependent children (1961) "yea."

6. Welfare revision (1962) "nay."

7. Water pollution bill (1961) "yea."

Civil rights:

1. Congressman FRELINGHUYSEN voted "yea" on bill to establish a Civil Rights Commission. He opposed moves to weaken the Commission's powers (1957).

2. Civil rights bill of 1960 to provide Federal Government with machinery to handle violations of American constitutional rights, guarantee voting rights of all citizens. Voted "yea."

3. Extension of Civil Rights Commission (1961) "yea."

4. Antipoll tax amendment (1962) "yea."

Small business: Congressman FRELINGHUYSEN voted "yea" on bill to give permanent status to the Small Business Administration and increase its lending authority.

Labor: Congressman FRELINGHUYSEN voted "yea" on the following:

1. Legislation aimed at preventing misuse of labor welfare funds (1958).

2. Legislation aimed at preventing abuse of power by some union officials—Kennedy-Ives bill (1958).

3. Landrum-Griffin labor reform bill to curtail corruption or abuse of power in the labor-management field and protect the rights of laboring men and women (1959).

4. Manpower Retraining Act (1962). A 2-year training program for unemployed workers displaced by automation or plant removal.

5. Welfare and Disclosure Act (1962): Amendments designed to safeguard welfare and pension plans.

Other legislation of general interest:

1. Statehood for Hawaii. Voted "yea" (1953).

2. Statehood for Alaska. Voted "yea" (1958).

3. Tidelands: To establish the titles of the States to lands and natural resources beneath navigable waters within State boundaries, as well as resources of the outer Continental Shelf. Voted "yea" (1953).

4. Air Force Academy. Voted "yea" (1954).

5. St. Lawrence Seaway. Voted "yea" (1954).

6. Highway program 1955 "pay-as-you-go" bill calling for new gasoline and other taxes to finance a long-range national highway program. Voted "yea."

Congressman FRELINGHUYSEN also voted "yea" on the Withrow motion to recommit the bill with instructions to substitute the Eisenhower-endorsed proposal to finance the program by 30-year bonds (1955).

Legislation authorizing appropriations for the continued construction of highways: Congressman FRELINGHUYSEN voted "nay" on motion to recommit the bill (1958).

Highway financing program (1961) "yea."

7. Housing redevelopment: 1954 act to aid in the provision and improvement of housing, the elimination of slums, and the development of urban communities. Voted "yea."

Congressman FRELINGHUYSEN also voted "yea" on the Bolling motion to recommit with instructions to authorize 35,000 units of public housing annually for 4 years (the Bolling amendment incorporated the Eisenhower recommendations) (1954).

Housing amendments of 1955. Permitting 45,000 public housing starts to be made before July 31, 1956. Voted "yea." Congressman FRELINGHUYSEN voted "nay" on the Wolcott amendment which removed all public housing provisions from the bill (1955).

Opposed omnibus housing bill of 1961.

8. Wiretapping: To authorize the admission as evidence in court of information obtained by wiretapping in national security investigations in prosecuting alleged traitors, saboteurs, and spies. Voted "yea" (1954).

Congressman FRELINGHUYSEN also voted "yea" on the Willis amendment, the "court order provision," requiring prior authorization of such wiretapping by Federal court order as well as by the Attorney General (1954).

9. Farm price supports: On the Harrison amendment to the Agricultural Act of 1954 providing flexible price supports from 82.5 percent to 90 percent of parity for five of the six basic commodities. Voted "yea." (The bill itself was passed by a voice vote.)

Congressman FRELINGHUYSEN voted "nay" on the 1955 bill to restore rigid (or fixed) supports at 90 percent of parity. Voted "nay" on 1961 feed grains bill, omnibus farm bill (1962) "nay."

10. Natural Gas Act: A bill to amend the natural gas act to exempt producers and gatherers of natural gas from Federal regulation (pipeline and distributors to continue to be regulated). Voted "nay" (1955).

11. Minimum wage of $1 per hour. Voted "yea" (1955).

Minimum wage of $1.15 per hour and increased coverage. Voted "yea" (1960).

Minimum wage bill (1961). Voted "yea" on substitute motion to increase minimum to $1.15 immediately. Voted "nay" on final passage which granted a two-step increase.

12. Upper Colorado River project. Voted "nay" (1956).

13. Defense reorganization. Promoting the national defense by providing for reorganization of the Department of Defense. Supported amendments incorporating President's suggestions, supported bill (1958).

14. Government organization. Providing for improved methods of stating budget estimates and estimates for deficiency and supplemental appropriations. Voted "yea" (1958).

15. Wheat programs of 1959 and 1960. Voted "nay" on both.

16. To cite Port of New York Authority officials for contempt of Congress. Voted "yea" (1960).

17. Area redevelopment bill (1961 "nay". Voted "yea" on Republican substitute.

18. Postal rate increase (1962) "yea."

19. Public works bill (1962) "nay."

20. Creation of Department of Urban Affairs (1962) "nay."

21. Communications satellite program (1962) "yea."

LEGISLATION INTRODUCED

Congressman FRELINGHUYSEN, an active legislator, has introduced various bills and resolutions in areas reflecting his committee work and interests.

Many of the Congressman's bills have sought to implement the recommendations of the Hoover Commission. Mr. FRELINGHUYSEN has been particularly concerned with the problem of Presidential inability and succession. He has also introduced legislation calling for a study of the electoral college.

Because of his 10-year membership on the Education and Labor Committee, the greatest number of Mr. FRELINGHUYSEN's bills are concerned with these subjects. Chief among these were his bills on the National Defense Education Act and aid to federally impacted areas, both of which are now signed into law. He was also a sponsor of the Library Services Act and legislation which would grant tax credits to parents and others who pay college tuition.

The detailed list of Representative FRELINGHUYSEN's proposals are listed below.

Government organization:

1. To establish a Commission on the Office of the President. (H.R. 7900, 84th Cong., 2d sess.; H.R. 1135, 85th Cong., 1st sess.)

2. To propose an amendment to the Constitution of the United States relating to cases where the President is unable to discharge the powers and duties of his office. (H.J. Res. 442, 84th Cong., 2d sess.; H.J. Res. 38, 85th Cong., 1st sess.)

3. To provide for the establishment of the Office of Administrative Vice President. (H.R. 7901, 84th Cong., 2d sess.) (This bill would implement the suggestion of former President Herbert Hoover.)

4. To provide for a Joint Committee of the Organization of the Congress, etc. (H. Con. Res. 51, 84th Cong., 1st sess.; H. Con. Res. 185, 83d Cong., 2d sess.; H. Con. Res. 14, 85th Cong, 1st sess.)

5. To establish a Joint Committee on Internal Security having exclusive jurisdiction in Congress to investigate all subversive and un-American activities. (The bill prescribes rules for the committee guaranteeing the witness protections comparable to those of a court of law.) (H.J. Res. 328, 83d Cong., 2d sess.; H.J. Res. 167, 84th Cong., 1st sess.)

6. To establish a Commission on Internal Security. (H.R. 2590, 84th Cong., 1st sess.)

7. To create a Presidential Commission to study U.S. foreign intelligence activities and the security of intelligence agencies from penetration by subversives. The Commission would have members both from Congress and from the Executive, and would report both to Congress and to the President. (H.R. 9660, 83d Cong., 2d sess.; H.R. 7780, 84th Cong., 1st sess.)

This suggestion was followed by the President's appointment of a special Hoover Commission "task force" to make such a study.

8. To establish a Joint Committee on Foreign Intelligence (H.R. 7730, 84th Cong., 1st sess.; H.R. 12533, 85th Cong., 2d sess.; H.J. Res. 352, 87th Cong., 1st sess.).

9. To provide for a Federal Advisory Council of Health, in the Executive Office of the President in accordance with the recommendations of the Commission on Organization of the Executive Branch of the Government (H.R. 7532, 84th Cong., 1st sess.; H.R. 2435, 85th Cong., 1st sess.).

10. To amend the Legislative Reorganization Act of 1946 to provide for more effective evaluation of the fiscal requirements of the executive agencies of the Government of the United States (H.R. 2395, 84th Cong., 1st sess.).

11. To provide for improving accounting methods in the executive branch of the Government and for other purposes (H.R. 7209, 84th Cong., 1st sess.).

12. To establish a Commission on Presidential Inability (H.R. 6836, 85th Cong., 1st sess.; H.R. 8544, 87th Cong., 1st sess.).

13. To provide for research into problems of flight within and outside the earth's atmosphere, for development, testing and operation for research purposes of space vehicles, for creation of civilian agency to control such research (H.R. 4961, 85th Cong., 2d sess.).

14. To increase the scope of the activities of the National Advisory Committee for Aeronautics, to establish a Joint Committee on Astronautics (H.R. 11188, 85th Cong., 2d sess.).

15. Proposing an amendment to the Constitution of the United States relative to disapproval and reduction of items in general appropriations bill (H.J. Res. 669, 87th Cong., 2d sess.).

16. To establish a U.S. Arms Control and Disarmament Agency (H.R. 8613, 87th Cong., 1st sess.),

Health, Education, and Welfare:

1. To provide for emergency Federal financial assistance to the States and territories in the construction of public elementary and secondary school facilities urgently needed because of overcrowding, and to encourage full and efficient use of State and local resources in meeting school construction needs, and for other purposes (H.R. 10149, H.R. 9841, 83d Cong., 2d sess.).

2. To authorize Federal assistance to States and communities to enable them to increase public elementary and secondary school construction (H.R. 3770, 84th Cong., 1st sess.). (This bill incorporated proposals of the Eisenhower administration.) (H.R. 11530, 85th Cong., 2d sess.)

3. To amend the Internal Revenue Code of 1954 to provide a 30-percent credit against the individual income tax for amounts paid as tuition or fees to certain public and private institutions of higher education (H.R. 4568, 84th Cong., 1st sess.; H.R. 7002, 85th Cong., 1st sess.; H.R. 86, 87th Cong., 1st sess.).

4. To establish a program of financial assistance to students in higher education, and for other purposes (H.R. 8779, 84th Cong., 2d sess.; H.R. 2802, 85th Cong., 1st sess.).

5. To promote the further development of public library service in rural areas (H.R. 3310, 84th Cong., 1st sess.).

6. To strengthen and improve State and local programs to combat and control juvenile delinquency (H.R. 3771, 84th Cong., 1st sess.; H.R. 5339, 85th Cong., 1st sess.).

7. To establish a National Library of Medicine (H.R. 7528, 84th Cong., 1st sess.).

8. Federal Advisory Council of Health in Executive Office of the President (see Government organization).

9. To authorize a 4-year program of Federal assistance to States for school aid (H.R. 1130, 85th Cong., 1st sess.).

10. To provide for registration and reporting of welfare and benefit plans (H.R. 7802, 85th Cong., 1st sess.).

11. To provide for the establishment of a U.S. Foreign Relations Academy (H.R. 5306, 85th Cong., 1st sess.).

12. For educational development—for the early identification of student aptitudes, strengthening of counseling and guidance, services, provision of scholarships, strengthening of science and mathematics instruction in public schools, expansion of modern foreign language teaching; and improving State educational records and statistics, and other purposes (H.R. 10279, 85th Cong., 2d sess.).

13. To amend the National Defense Education Act of 1958 by repealing section 1001 (f) thereof (H.R. 2332, 86th Cong., 1st sess.).

14. To assist institutions of higher education to market and retire bonds issued by them to finance the construction of college facilities (H.R. 4267, 86th Cong., 1st sess.; H.R. 951, 87th Cong., 1st sess.).

15. To authorize a 5-year program of assistance to school districts in meeting the debt service on loans for construction of urgently needed elementary or secondary public school facilities, and for other purposes (H.R. 4268, 86th Cong., 1st sess.; H.R. 11122, 86th Cong., 2d sess.).

16. Designating the 7-day period beginning on the third Monday in October of each year as Patriotic Education Week (H.J. Res. 343, 86th Cong., 1st sess.; H.J. Res. 458, 87th Cong., 1st sess.).

17. To provide for Federal grants and contracts to carry out projects with respect to techniques and practices for the prevention, diminution, and control of juvenile delinquency (H.R. 7403, 86th Cong., 1st sess.).

18. To amend the Library Services Act in order to extend for 5 years the authorization for appropriations (H.R. 11569, 86th Cong., 2d sess.).

Labor:

1. To provide for assistance to States in their efforts to promote, establish, and maintain safe workplaces and practices in industry, thereby reducing human suffering and financial loss, and increasing production through safeguarding available manpower. (Industrial Safety Act) (H.R. 5740, 84th Cong., 1st sess.).

2. To amend the Fair Labor Standards Act of 1938 as amended, to increase the minimum hourly wage from 75 cents to 90 cents (H.R. 5739, 84th Cong., 1st sess.). This bill incorporated proposals of the Eisenhower administration. (H.R. 8413, 85th Cong., 1st sess.)

3. To establish a Commission on Labor Racketeering (H.J. Res. 138, 85th Cong., 1st sess.)

4. To require labor organization reports, to insure disclosure of certain labor organization information, to define certain duties and responsibilities of labor organizations and employers, and to provide further safeguards for workers against improper activities in the conduct of labor organizations (H.R. 10272, 85th Cong., 2d sess.).

5. Providing further safeguards against improper practices in labor organizations and in labor-management relations. (Bill incorporates President Eisenhower's recommendations.) (H.R. 3543, 86th Cong., 1st sess.)

6. To amend the Welfare and Pension Plans Disclosure Act, and for other purposes. (H.R. 7489, 86th Cong., 1st sess.)

7. To amend the Fair Labor Standards Act of 1938, as amended. (H.R. 7490, 86th Cong., 1st sess.)

8. To amend the Fair Labor Standards Act of 1938, as amended, to provide more effective procedures for enforcing the provisions of the Act (H.R. 8059, 86th Cong., 1st sess.).

9. To amend the Federal Employee's Compensation Act, as amended, to make benefits more realistic in terms of present wage rates (H.R. 11493 and H.R. 12386, 86th Cong., 2d sess.).

10. To amend the Railway Labor Act so as to authorize the President to establish boards to resolve jurisdictional disputes in the air transportation industry (H.R. 12894, 87th Cong., 2d sess.).

Civil rights: To establish a Commission on Civil Rights (H.R. 8350, 84th Cong., 2d sess.; H.R. 1134, 85th Cong., 1st sess.).

Immigration: To make certain changes in Immigration and Nationality Act (to liberalize the McCarran-Walter Act) (H.R. 8805, 83d Cong., 2d sess.; H.R. 3311, 84th Cong., 1st sess.).

Equal rights: Proposing an amendment to the Constitution of the United States relative to equal rights for men and women (H.J. Res. 142, 86th Cong., 1st sess.; H.J. Res. 352, 87th Cong., 1st sess.).

District of Columbia:

1. To provide for the District of Columbia an appointed Governor and Secretary, and an elected legislative assembly and nonvoting Delegate to the House of Representatives, and for other purposes. (H.R. 4634, 86th Cong., 1st sess.)

2. To amend the Old Georgetown Act (H.R. 9510, 87th Cong., 2d sess.).

3. To establish a park on the Georgetown waterfront (H.R. 10015, 87th Cong., 2d sess.).

National flood insurance: To provide for national flood insurance and reinsurance, and for other purposes (H.R. 8795, 84th Cong., 2d sess.).

Foreign trade:

1. To increase the amount of articles which may be brought into the United States without payment of duties (H.R. 1132, 85th Cong., 1st sess.).

2. To extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, for 5 years (H.R. 10370, 85th Cong., 2d sess.).

Post office: To provide additional opportunity for certain postal field service employees to obtain career appointments under the act of July 30, 1956, who lost opportunity for such appointments because of administrative error (H.R. 12492, 86th Cong., 2d sess.).

Electoral college reform: To create and prescribe the duties of a Commission to Investigate Electoral College Reform (H.R. 3653, 87th Cong., 1st sess.).

Military closings: To direct the Secretary of Commerce to undertake studies of the economic effects of deactivating certain permanent military installations situated in areas of substantial unemployment (H.R. 7158; 87th Cong., 1st sess.).

New Jersey problems:

1. To grant the consent of Congress to the Waterfront Commission Compact between the State of New Jersey, and the State of New York (H.R. 6456, 83d Cong., 2d sess.—Public Law 252).

2. To provide for intensified research into the causes, hazards and effects of air pollution, and the methods for its prevention and control, and for other purposes (H.R. 2129, 84th Cong., 1st sess.).

3. Granting the consent of Congress to the States of New York, New Jersey and Connecticut to confer certain additional powers upon the Interstate Sanitation Commission, established by said States pursuant to Public Resolution 62, 74th Congress, Aug. 27, 1935 (air pollution) (H.J. Res. 470, 84th Cong., 2d sess.).

4. Granting consent of Congress to a compact entered into between the State of New York and the State of New Jersey for the creation of the New York-New Jersey Transportation Agency (H.J. Res. 361, 86th Cong., 2d sess.).

Other: To establish a Presidential Civilian Achievement Medal (H.R. 8365, 85th Cong., 1st sess.).

To authorize the creation of a Commission to consider and formulate plans for the construction in the District of Columbia of an appropriate permanent memorial to the memory of Woodrow Wilson (H.J. Res. 574, 86th Cong., 2d sess.; H.J. Res. 236, 87th Cong., 1st sess.).

DR. AND MRS. YANG

Mr. BARRY. Mr. Speaker, I ask unanimous consent that the gentleman from Missouri [Mr. Curtis] may extend his remarks at this point in the Record.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CURTIS of Missouri. Mr. Speaker, I have today introduced legislation for the relief of Dr. Jae H. Yang and his wife, citizens of Korea who now reside in the St. Louis, Mo., area. This legislation is the normal private relief bill for aliens resident in the United States who wish to adjust their status. I am offering it so that Dr. Yang, a medical doctor, can obtain his citizenship and thus qualify for the practice of medicine in the State of Missouri. Without this legislative help, Dr. Yang would have to wait some 7 or 8 years before he could become a citizen and his medical talents would be wasted to his adopted country during this time.

I understand that general legislation is pending to cover situations such as that of Dr. Yang. I believe that this matter can be handled better through such legislation, as has been introduced by the chairman of the Immigration and Nationality Subcommittee of the Committee on the Judiciary, the gentleman from Pennsylvania [Mr. Walter]. The process of private legislation in this area could continue, but, as the very able assistant to this subcommittee, Walter Bestermann, has noted, all of those who need help do not know a Congressman. I hope that some action can be taken on general legislation in this area; however, since this action is only speculative, I am offering private legislation to help Dr. and Mrs. Yang.

PRESIDENT'S TRADE PROPOSAL WILL RUIN STEEL AND SHOE INDUSTRIES

Mr. BARRY. Mr. Speaker, I ask unanimous consent that the gentleman from Ohio [Mr. Harsha] may extend his remarks at this point in the Record.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. HARSHA. Mr. Speaker, I strongly urge that Congress reject the conference report on President Kennedy's reciprocal trade bill for 1962 and that it be sent back to conference with instructions to provide tariff measures to protect the steel and shoe industry.

Over 800 employees of Detroit Steel in my congressional district alone have already been laid off because of cheap steel imports and the remaining jobs of Detroit Steel employees are in jeopardy. The steel industry cannot possibly compete with foreign products until there is an adjustment in our tax structure and higher wages paid foreign workers.

On top of this, the Government is purchasing foreign-made steel for ships and foreign-made military trucks and vehicles. We are taking care of everybody but our own.

A comparable situation exists in the shoe industry. Foreign imports have increased phenomenally, far beyond predictions, and unless some measures are taken to limit these imports, approximately 2,000 jobs in the shoe industry in Portsmouth alone will be lost—these jobs are in serious jeopardy right now.

This Government has raised tariffs recently on the importation of bread and lowered quotas on textile imports, yet nothing has been done to protect the steel and shoe industries. Why this discrimination?

The pattern of this country's exports and imports of steel and shoe products has drastically changed in the last few years. The foreign nations with the help of our foreign aid, derived from taxing the same American people who will be thrown out of their jobs, have constructed modern factories and now have the same facilities as the United States. Their productive capacity is as good as the United States; our technical experts have taught them how. The United States for the first time in over half a century has been a net importer of steel tonnage in the last few years. At the increased rate of shoe imports the same thing will occur in this industry within the immediate future.

Our total U.S. exports of civilian goods fell 8 percent in July of this year to the lowest point since March. Already our tariffs are as low if not lower than any in the world; yet, American exports must compete against higher tariffs in foreign countries and we have not, up to date, received reciprocal tariff reductions.

These workers do not want retraining benefits and relocation payments, they merely want their right to work in a job of their choosing, and the right to earn their own livelihood. To pass this bill now under these circumstances will deprive them of that. Do not turn these people out to enlarge the armies of unemployed. Further lowering of tariffs and reductions of import quotas will gut the economy of Portsmouth, Ohio and make it a ghost town.

It is for this reason, Mr. Speaker, I strongly urge that Congress hold up the approval of the reciprocal trade bill until a more equal competitive status can be established so the jobs will be protected.

CONGRESSMAN BOW'S REPORT

Mr. BARRY. Mr. Speaker, I ask unanimous consent that the gentleman from Ohio [Mr. Bow] may extend his remarks at this point in the Record.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BOW. Mr. Speaker, the people of the 16th District of Ohio are accustomed to receive from me at the close of each Congress a message entitled "Congressman Bow's Report," a summary of the legislation of the Congress and of my activities here.

There has been a lot of loose talk lately about the cost of keeping a Congressman in Washington, and some of those who would like to become Congressmen as a result of the elections next month have been most vocal. For example, there have been attacks upon the use of franked mail to deliver reports to the people and this historic method of communication between an elected Representative and his constituents has been criticized as being "political."

This is my report to the people of my district. Like the reports I have sent to them at the end of each other Congress, it will be mailed in franked envelopes. I have a duty as a Congressman to report on my stewardship during the term for which I am elected. The people of the district have a right to hear such a report from me. I hope that day will never come when the people of this country do not demand an accounting of the activities of their Representatives, and I hope that day will never come when a Representative is so lacking in responsibility to the electors that he refuses to offer such a report.

I regret that this report will reach the people almost 2 months later than usual, because the Congress has been held in session long past the usual date of adjournment.

GUARDIAN OF LIBERTIES

It seems to me, Mr. Speaker, that unreasoning attacks upon the operation of the Congress are dangerous to the American system of government. This House of Representatives is the guardian of the liberties of the people. Anyone who belittles this House and its Members undermines the system of government. And it is incumbent upon everyone here to exercise his independent judgment, to study each measure in the light of its effect upon our historical freedoms, and to so conduct himself as to reflect credit on this House. I do not understand the candidate for Congress whose campaign belittles the office he seeks.

Mr. Speaker, some of the criticism to which I have referred is directed against the new Rayburn House Office Building. A newspaper reported the total cost of constructing this building as a part of the annual cost of maintaining the Congress and came up with an astronomical figure. This is like saying that a man who has a $30,000 home must include $30,000 as a part of his cost of living each and every year. All of us know that the new building was the project of our late and beloved Speaker Sam Rayburn, and that it will serve the requirements of this Republic as long as we have a representative system of government. How long we have a representative system of government, which is to say how long we enjoy the traditional liberties of the self-governed, may depend upon how successful are those who undermine public esteem of the Congress.

PRESIDENT'S PROGRAM

We have had a long and difficult session and there will be little agreement upon whether we have done too much or too little. A few weeks ago the press was calling this a do-nothing Congress, reporting the President's program had failed. Now, with no significant change, most of the press is reporting that the President's program has a new lease on life. Perhaps it is good political strategy, or good newspaper copy, to speak always in terms of the President's program and whether votes are "for" or "against" the President.

It seems to me that it is more important for the House to work out its own program. We have refused on many occasions to adopt precisely what the President recommends. We have rejected entirely some of his proposals. We have enacted others. For the most part, we have hammered out a congressional program which, as the Constitution intended, represents the will of the people, expressed by their elected representatives, perhaps at times imperfect but certainly much better than if a rubberstamp Congress simply accepted the decision of the man in the White House.

It is well known that President Kennedy's program has been characterized by the single objective of increasing his power. On many occasions Congress has wisely refused to grant him the broad, new power he seeks. This is good, for regardless of who may be in the White House, Americans will have lost their liberty and we may as well close the doors of Congress on the day when Representatives forget their responsibilities and become rubberstamps for the Executive.

I can report to my constituents that I have supported Mr. Kennedy's program on some occasions, opposed it on many others, and tried always to be constructive and to offer solutions to the problems of the district and the Nation. In so doing, I represent not only my own political philosophy, which I have discussed on hundreds of occasions in Stark, Wayne, and Tuscarawas Counties, but also the feelings of the majority of my constituents who write to me and answer my annual questionnaires.

BOW SAVES ON APPROPRIATIONS

As you know, my principal legislative responsibility is on the Appropriations Committee, having control of all bills providing tax funds for the operation of Government. I am the senior Republican member of the subcommittee handling funds for the Departments of Commerce, State and Justice, the Judiciary, the Civil Rights Commission and many other agencies, and serve as well on the legislative and deficiencies subcommittees.

The subcommittees of which I am a member voted this year to save the people of this country $520,053,935, more than one-half billion dollars. Last year our savings amounted to $518,891,152. This is money that would have been spent by Federal agencies if the House were not the guardian of the public purse.

Let me add that our savings on these few agencies amounted to more than three times the entire cost of operating the legislative branch of this Government.

Total savings by the full Committee on Appropriations, of which I am now a ranking member, were $2,367,520,975 in 1961 and $4,133,105,435 as of the date of this report in 1962.

We should save more. The American people are bearing an unreasonable tax burden. But no matter how large the Government's revenue, those in charge of the executive branch can always think of ways to spend the money. There is a lot of talk about the New Frontier, but the only obviously New Frontier is a spending budget pushed over $100 billion for the first time in history and a national debt pushed past the $300 billion mark, higher even than in the wartime years.

OHIO PROJECTS

The past 2 years have seen the completion of many projects in Stark, Tuscarawas and Wayne Counties which were begun with my aid and encouragement in previous years.

The new Akron-Canton airport terminal building was dedicated this summer, a project that came about as a result of my work on the Appropriations Committee. This facility makes the Canton airport one of the best equipped in the Nation.

Work has begun on Interstate Route 77 in Tuscarawas County, another project I was able to initiate largely because of Appropriations Committee activities. This route was added to the Interstate System at my insistence after it had been overlooked in the original planning.

Though it is slower than I had hoped, work is continuing on two studies by the Corps of Engineers, that I initiated. One should be completed soon, proposing a plan of action to maintain water levels for recreation in Berlin Dam. The other, which still has some months to go, is the flood control survey in Stark County.

We have dedicated new post office buildings at Brewster, Dundee and Uniontown, and another is under construction at Mineral City.

The Chippewa Watershed program is progressing in Wayne County.

The Federal Government has played a part in construction of new facilities at the College of Wooster and Mount Union College.

All of these are developments with which your Congressman can be helpful, and it has been my pleasure to help.

NEW PROJECTS

A new $3,275,000 addition to the post office in Canton is the most important new project I have secured in this session of Congress. It will combine under one roof, all Federal agencies in Canton, saving considerable in annual rentals. We are working on similar projects in Massillon and Wooster.

We hope that the new public works program can be used to help with the water problem at Dennison-Uhrichsville and other projects in the district.

INDUSTRIAL DEVELOPMENT

Nothing is more important to me than the development of industrial and business activities in Ohio to provide jobs for the several thousand who have been chronically unemployed for some time. Nothing the Federal Government has done has contributed to solution of this problem; some of its activities have made things worse.

It was encouraging in 1962 to have one of our Stark County firms win a Department of Commerce E, among the first in the Nation. The award was made to the Alliance Machine Co. in recognition of its increased export sales. Increased exports are precisely what we need to stimulate business. Imports of competitive products including china, steel, toys, textiles, motors, autos, flatware and many other 16th District products have put men out of work and will put more out of work if something is not done quickly to counteract the effects of the President's proposed new foreign trade program.

Several Government contracts in which I was interested have helped maintain employment in our industry. In addition, we have been working closely with local leaders and Government agencies to try to develop new potentials.

Victor Roterus, assistant administrator of the Area Redevelopment Administration, visited Tuscarawas County in September at my request to discuss possibilities for increasing employment, particularly in the hard-hit southern end of the county. I believe his report and the work we will do to follow through may be very helpful.

INDIVIDUAL PROBLEMS

As in other sessions of Congress, I have had many requests for assistance from individuals who have dealings with the Federal Government.

The difficulties faced by some older people who endeavor to qualify for social security are often more than an individual can cope with. I have helped hundreds to find birth records, marriage records, and other necessary data. Workers who look forward to social security retirement would be wise to prepare in advance.

Veterans, recent immigrants, and others have similar problems which a congressional office can help to solve if the Congressman knows Government operations and where to go to get the answers, as I do, thanks to the confidence of the voters who have given me six terms in office and the prestige and seniority that are so important in Washington.

PRINCIPAL BOW BILLS

My proposal to provide medical care for the aged on a voluntary, free enterprise basis, without Federal control and with the cost distributed over the entire population is the most important bill I introduced in this Congress.

The Bow medical care bill grew out of my dissatisfaction with all of the other proposals to help retired people bear the cost of illness. The others are too limited both in benefits and coverage; they are the subject of violent arguments which means that they cannot pass; and they place the burden on those least able to pay, the young working people of this country.

Throughout the United States, a majority of the people believe that some special effort must be made to provide health care for people over 65. It became obvious last year that no major plan that had been proposed could win acceptance. The fact that the Bow bill, introduced last winter, has been received with enthusiasm by citizens throughout the country is proof that Americans are seeking a better solution. The fact that 33 other Representatives have introduced the bill and it has served as the basis for the Saltonstall and Morton proposals is further evidence that it has real merit. I believe that it will be the basis for solving this issue in 1963.

Two other Bow bills received nationwide support. Both provided for increasing financial support of the school system without Federal control. The first would have diverted 1 percent of the Federal income tax revenue to the States to use as they wished for education. The second would have diverted 25 percent of the cigarette tax revenue. Either would have provided more money for education than the pending Federal aid to education bills, but would have done so without Federal interference in the rights of the States and local school districts to control education.

OTHER BOW PROPOSALS

Foreign trade: The Bow bill would preserve and strengthen the escape clause and peril point provisions of our old foreign trade laws, thus protecting the jobs of American workingmen and at the same time giving the President ample authority to make mutually beneficial trade agreements with the Common Market. I believe that this measure was far superior to the Trade Development Act which has now been enacted. President Kennedy and his supporters admit that his trade bill will cost thousands of workers their jobs. I think this is too high a price to pay. Furthermore, the bill gives the President unlimited personal power to control American industry.

Nonessential expenditures. The Bow bill would reduce Government spending through reducing Federal employment. The Federal payroll has increased tremendously in the past 20 months, and costs taxpayers $14 billion per year.

Clay depletion allowance. Through my efforts members of the Ways and Means Committee introduced legislation which prevented undue tax hardship on our clay industry, a hardship which might have resulted in closing many clay factories with resultant unemployment. This bill became law.

Captive nations. Bow resolutions provide for a special committee to call attention to Soviet domination of the captive nations and to promote observance of their national holidays.

Equal rights amendment. The amendment to the Constitution provides equal rights for men and women.

Status of forces agreement. This resolution would set aside the international agreements under which American servicemen may be denied their constitutional rights and tried in foreign courts.

House prayer. This resolution calls for continuing the practice of a daily prayer as part of the opening ceremonies of the House of Representatives.

Interoceanic Canal Commission. This bill creates a Commission to study the feasibility or necessity of a new canal to supplement the Panama Canal.

Aid to education. Two Bow bills provide aid to education without Federal control by diverting a share of Federal tax revenue to the States.

Foreign aid amendment. The Bow amendment to the foreign aid bill provided that the United States could not spend money on foreign aid unless the budget for the preceding year was in balance. We should not borrow money to give it away. This won nationwide support in the press and among the people, but was not successful in the House because of the pressure of the administration.

POSITION ON MAJOR ISSUES

I have been present and voted on all major issues in the 87th Congress.

Agriculture legislation was a principal subject of debate again this year. No major legislation was enacted. The feed grain bill of the first session was a failure, piling up surpluses while at the same time costing the taxpayers more than ever before and creating real hardship on small farmers.

The new Secretary of Agriculture increased dairy support levels, resulting in a surplus so great that the Government is worried about finding storage space for future purchases.

The 1962 farm legislation continues the 1961 feed grain program, but established for 1963 a new wheat program which will be unfair to Ohio farmers. I voted against this bill. Earlier, the Congress flatly rejected the Kennedy-Freeman farm proposal which would have brought about the most complete regimentation of farmers in our history.

TAX LEGISLATION

Early this year the House considered President Kennedy's proposal to revise the tax schedule, including a provision calling for withholding of taxes on interest from savings and on dividends. Congress rejected this provision, but accepted other features of his proposal in a modified form.

The promise of major tax reductions next year was in the news in late summer. I think major tax reductions are long overdue, but so are major reductions in Government spending. I have already mentioned the size of the national debt. The House twice voted to increase the debt ceiling. I voted "no" both times. We received over $45 billion worth of new spending proposals. These are the things that make tax reduction unlikely, for tax reductions without reductions in spending can only bring inflation, economic hardship to those of small and moderate income, and financial upsets that would make the recent stock market crash look mild in comparison.

OTHER ACTIVITIES

On the personal side, I should mention that I have received an honorary degree of doctor of laws from Ohio Northern University. I continue to serve as a Regent of the Smithsonian Institution, one of the great museums of the world as well as an outstanding scientific agency.

Though it has been a long and arduous session with very few opportunities to return to Ohio, I have once again enjoyed the privilege of serving the people of our three counties. I have been present in the House for more than 92 percent of the quorum calls and rollcall votes. I believe my votes have represented the position of my constituents on the important issues of the past 2 years. I hope to continue to serve them with dignity and honor, so that they may be proud to have a representative in this legislative body whom they can respect.

FEDERAL MUTUAL SAVINGS BANKS

Mr. EDMONDSON. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. MULTER] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. MULTER. Mr. Speaker, I have again introduced a bill, H.R. 13318, to authorize the establishment of Federal mutual savings banks.

I have long been interested in legislation designed to accomplish this purpose, as evidenced by my introduction of similar bills in the 85th, 86th, and 87th Congresses. The most recent bill on this subject was introduced by me on September 11, 1961 (H.R. 9122). Similar bills were introduced at that time by the gentleman from Alabama [Mr. RAINS] (H.R. 9197), the gentleman from Pennsylvania [Mr. BARRETT] (H.R. 9124), and the gentleman from New Jersey [Mr. ADDONIZIO] (H.R. 9123), the gentleman from New York [Mr. FINO] (H.R. 9125), and the gentleman from New York [Mr. HALPERN] (H.R. 9195).

In 1960 the ideas expressed in this proposed legislation received favorable comment from the Housing and Home Finance Agency and the Veterans' Administration. At that time the Board of Governors of the Federal Reserve System noted that the proposal deserved careful consideration. The Federal Home Loan Bank Board as then constituted expressed the fear that the 1960 bill might result in a decrease in funds flowing into the mortgage market. Since then, however, the Chairman of that Board has announced his advocacy of the proposed legislation in its revised form and has also indicated that a general task force appointed by him also favors the legislation. The National Association of Home Builders, which would not be likely to favor any legislation that would discourage construction of housing, has added its endorsement to the idea of authorizing Federal charters for mutual savings banks. The Commission on Money and Credit, a private group of experts on finance that devoted intensive study to the Nation's monetary and credit structure unequivocally added its voice to those favoring Federal chartering of mutual savings banks.

In his 1962 economic report, President Kennedy asserted that the findings and recommendations of this public-spirited commission deserve the careful consideration of the Congress, the executive department, and the public. In furtherance of that declaration, the President created a Committee on Financial Institutions composed of high-ranking officers in the executive department and charged it with the task, among others, of reviewing recommendations of the Commission on Money and Credit as a prelude to recommending such changes in Federal policy as will promote the stability, growth, and efficiency of private financial institutions.

In addition to these several groups that have given careful attention to the idea of Federal charters for mutual savings banks, study of this legislative proposal is also underway in other appropriate Federal agencies. Among them are the Federal Deposit Insurance Corporation, the Office of the Comptroller of the Currency, and the Bureau of the Budget.

Particularly intensive study to the successive bills has been given by individual savings and loan leaders whose interest is understandably drawn to the subject because the bill presents a possibility of a two-way conversion between savings and loan associations and Federal mutual savings banks. Coupled with recommendations from the mutual savings bank industry and suggestions from several other sources, the ideas of these savings and loan leaders have found expression in the revision of the bill being introduced today.

These are designed to make the resulting Federal thrift institutions better vehicles for service to the public, to depositors, to borrowers, and to management. At present, all 512 mutual savings banks in the United States are State-chartered institutions. No authority presently exists for chartering these highly useful financial institutions under Federal law. This bill will grant such authority.

The principal differences between the present bill and H.R. 9122 may be summarized as follows:

First. Each Federal mutual savings bank must have its deposits insured by the Federal Savings Insurance Corporation, successor to the Federal Savings and Loan Insurance Corporation, just as all national commercial banks are now required to be insured in FDIC. FSIC will also insure savings in Federal savings and loan associations and eligible State-chartered savings and loan associations and State-chartered mutual savings banks that choose to apply for such insurance. The earlier bill required each Federal mutual savings bank to have deposit insurance with FDIC.

Second. When a State-chartered mutual savings bank having deposits insured by FDIC converts to a Federal mutual savings bank, it will carry with it to FSIC a pro rata share of FDIC insurance reserves.

Third. FSIC, instead of FDIC, is to act as guardian of the soundness of Federal mutual savings banks and as receiver, where necessary. New provisions governing appointment and operations of conservators and receivers are added.

Fourth. A Federal mutual savings bank may be formed either with or without "members"—otherwise known as corporators or trustees—and have policymaking officials known as directors. In a Federal mutual savings bank operating without members, policy is set only by directors.

Fifth. Directors are subject to a general fiduciary duty as well as to the express duties stated in this bill.

Sixth. No Federal mutual savings bank or any official of such a bank may require a borrower to do business with any specific company, agency, or individual. This supplants a former provision barring profit to a Federal mutual savings bank trustee—called director in this bill—for property sold to or services performed for the savings bank he serves or from a loan by that institution. Also removed is the power of the Federal supervisory board to make special or general exceptions to rules concerning self-dealing by officers with their savings banks.

Seventh. Mandatory reserve provisions in the earlier bill have given way to a provision allowing title IV of the National Housing Act to govern on this point as it does now for savings and loan associations insured by FSLIC.

Eighth. Provisions for issuing certificates of deposits are deleted and provisions allowing acceptance of bonus accounts are added.

Ninth. Eligible investments for funds in Federal mutual savings banks are expanded to include home improvement loans under title II of the National Housing Act; World Bank and Inter-American Development Bank obligations; participations in conventional loans outside the geographical lending limit of the State or 100 miles from any office of the institution; shares, accounts, and obligations of thrift institutions subject to supervision by a Federal or State agency; and promissory notes conforming to Federal Home Loan Bank Board regulations. That Board is also empowered to increase the amounts lent to a single mortgagor or under a single mortgage. The former 80-percent limit on loan-to-value ratio for conventional loans on one- to four-family homes has been raised to 90 percent.

Tenth. The "two-way street" provision applicable to conversion, merger, and consolidation has been removed, so that powers in this field granted by the bill do not depend on reciprocal power under State laws. FSIC, instead of FDIC, approval is generally required for conversion under the bill.

Eleventh. Federal mutual savings banks are authorized to rent out portions of property used to conduct their banking business.

Twelfth. Federal mutual savings banks are empowered to act as agents for others in any transaction incidental to operation of their business.

Thirteenth. Annual examinations of Federal mutual savings banks are required instead of at least three examinations every 2 years. The Federal Home Loan Bank Board is authorized to require more frequent examinations. Assessments are to be designed to cover costs of examination instead of being levied according to asset size of the institution examined.

Fourteenth. General regulatory power is granted to the Federal Home Loan Bank Board subject to the Administrative Procedure Act. General supervisory power is also vested in the Board.

As an original sponsor of this legislation, I believe that a major stride forward toward reaching maximum economic growth can be accomplished by the Federal chartering of mutual savings banks, providing the Nation with a major source of capital to finance home purchases, industrial development, and public works.

Support for this type of legislation has been growing in many quarters. It is appropriate that this revised version be introduced at this time so that it will be available for close study during the interim between the adjournment of this Congress and the commencement of the next.

I am sure that as a result of such study and the hearings on the bill, a good workable statute will be enacted.

Following is a summary and section-by-section analysis of the bill:

SUMMARY OF FEDERAL MUTUAL SAVINGS BANK ACT

The declaration of policy asserts that to increase the savings necessary for capital formation within the dual banking private enterprise system, Federal charters should be authorized for mutual savings banks. Thereby the vitality of State-chartered mutual savings banking will be maintained and strengthened. Home financing and business enterprise in the area where Federal mutual savings banks are located will be encouraged through new sources of long-term credit. Efficiency requires insurance of savings in Federally chartered thrift institutions by a single Federal agency.

Title I provides that 5 to 21 members (who may be designated corporators or trustees) may apply to the Federal Home Loan Bank Board for a charter. The Federal Home Loan Bank Board will issue a charter upon finding that the savings bank will serve a useful community purpose, have a reasonable expectation of financial success, and will not unduly injure existing savings institutions. Federal mutual savings banks must belong to the Federal Home Loan Bank System and have savings insured by the Federal Savings Insurance Corporation. Members of a Federal mutual savings bank elect the board of directors, or a board of directors may be elected by applicants for a charter in a savings bank without members. Directors manage the savings bank. Statutory restrictions control any self-dealing by directors with the savings bank.

Savings bank borrowing is controlled by the Federal Home Loan Bank Board. A savings bank may issue passbooks or other evidence of savings, and provide for bonus accounts.

Investments authorized include among others Federal obligations, municipal obligations, real estate mortgages under specified restrictions, and corporate securities under the prudent man rule. A savings bank may also make consumer loans. It may establish branches to the extent that State-chartered financial institutions accepting funds from savers on deposit or share accounts enjoy such privilege.

State-chartered mutual savings banks and State or federally chartered savings and loan associations may convert to Federal mutual savings banks and vice versa. Federal or State-chartered mutual savings banks may merge or consolidate with one another. Among other general powers, a Federal mutual savings bank may exercise in its State of location all powers of a State-chartered mutual savings bank in such State. Savings banks must be examined at least annually. The Federal Home Loan Bank Board has general regulatory authority. Provisions against discriminatory State taxation are set forth. Conservators and receivers may be appointed as provided in the bill.

Title II creates the Federal Savings Insurance Corporation out of the FSLIC and constitutes the Federal Home Loan Bank Board its board of trustees. Insurance premiums are the same as for FSLIC. A State-chartered savings bank insured by FDIC shall take with it a pro rata share of FDIC insurance reserves if it should become a Federal mutual savings bank, and thereafter ceases to be insured by FDIC.

Title III requires an annual report by the supervisory board to the President for transmission to the Congress.

SECTION-BY-SECTION ANALYSIS OF THE FEDERAL MUTUAL SAVINGS BANK ACT

Section I. Title: Federal Mutual Savings Bank Act.

Section 2. Declaration of Policy: To encourage increased savings to finance new housing and other capital formation, privately managed, federally supervised mutual savings banks should be authorized to be chartered by a single agency of the Federal Government. Accounts in such savings banks should be insured by a Federal agency. Such savings banks will aid in executing the constitutional duty of the Federal Government to regulate the value of money and will provide a depositary for public money.

TITLE I

Section 101. Definitions: The following terms are defined: Board, conventional loan, doing business, financial institution, first mortgage, first deed of trust, first lien, savings bank, State, State of domicile, domiciliary State, and thrift institution. "Thrift institution" includes Federal and State-chartered mutual savings and loan associations and like organizations, and Federal and State-chartered mutual savings banks. "Financial institution" includes thrift institutions as so defined, commercial banks, trust companies, and insurance companies.

Section 102. Chartering: Five signers from 21 or more individuals acting as members (usually known as corporators or trustees in the mutual savings bank system) may apply to the Federal Home Loan Bank Board for a charter. The Board will issue a charter when it finds the savings bank will serve a useful community purpose, enjoy reasonable expectation of financial success, and in operation will not unduly injure thrift institutions or commercial banks accepting savings deposits. Savings banks so chartered must have the words Federal, Savings, and Bank in their titles. Each must become a member of the Federal Home Loan Bank System, and have deposit insurance with the new Federal Savings Insurance Corporation, successor to Federal Savings and Loan Insurance Corporation.

Section 103. Members: Qualifications for members are prescribed. They serve for staggered terms of 10 years. (They elect directors.)

Section 104. Directors: Qualifications for directors, who manage and control the savings bank, are prescribed. They number from 7 to 25 and hold office for staggered terms of 3 years. Controls over self-dealing by directors with the savings bank are specified.

Section 105. Commencement of operation: Savings banks must qualify as insured banks in FSIC before commencing operations, and must maintain such status to continue operations. Before operating, a cash expense fund satisfactory to the Board must be raised by sale of transferable deferred payment certificates.

Section 106. Reserve fund: Before obtaining a charter, a savings bank must also have in cash an initial reserve fund of at least $50,000, evidenced by transferable deferred payment certificates. The reserve fund can be used only to meet losses. The savings bank may retain additional reasonable amounts for any corporate purpose.

Section 107. Borrowing: A savings bank may borrow funds subject to Board regulation.

Section 108. Deposits: A savings bank may handle usual passbook savings accounts and bonus accounts. It may decline or repay deposits at any time. Interest on savings may be paid as approved by directors. The savings bank may invoke up to a 90-day advance notice of withdrawal. The board may extend this period in an emergency. FSIC may take action necessary to make a savings bank sound and solvent either before or after closing.

Section 109. Investments: A savings bank may invest in Federal obligations, municipal securities, property improvement loans, certain Canadian obligations, World Bank obligations, Inter-American Development Bank obligations, first mortage loans on real property under specified restrictions of dollar amounts, class and loan, maturity, loan-to-value ratio, and geographical limits. Broad participation powers are granted. Savings banks may also invest in bankers' acceptances, corporate securities under the prudent man rule plus stated restrictions, obligations of mutual savings banks, and certain promissory notes, both secured and unsecured.

Section 110. Branches: With Board approval, a savings bank may establish in-State branches only to the extent any State chartered savings institutions can, or in chain or group banking States that otherwise permit no branch banking. The Board must first make findings required for issuance of a charter. A savings bank resulting from conversion, consolidation or merger may retain existing offices and unexercised branch rights.

Section 111. Conversion: With Board approval and subject to new charter provisions, any thrift institution may convert into a Federal mutual savings bank, under specified procedure, but not in contravention of the laws under which the converting institution is organized. Minimum requirements for members and directors are excused for a savings bank formed by conversion. The board must find the converting institution can observe the duties and restrictions of Federal mutual savings banks, and conform to this act's requirements. A converted savings bank may retain and service all accounts and assets lawfully held on the date of conversion.

A Federal mutual savings bank may convert into any thrift institution, with approval of the authority regulating the resulting institution, and consent of FSIC. Any resulting savings and loan association shall have its share accounts automatically insured by FSIC.

Section 112. Merger and consolidation: Federal mutual savings banks may merge or consolidate with each other or with in-State, State-chartered mutual savings banks. State approval is required if the resulting bank is State chartered; Board approval if the resulting bank is federally chartered. The Board must consider the act's purposes, the prospects for financial success, and ability to meet the duties of and restrictions on a Federal mutual savings bank. Corporate existence of the combining institutions continues in the resulting one, and rights and obligations are transferred to it pursuant to terms of the merger or consolidation agreement.

Section 113. General powers: Express operational powers are granted to Federal mutual savings banks. Included is authority to exercise all powers of State-chartered mutual savings banks in the same State. Powers reasonably incident to express powers are also conferred.

Section 114. Examination: Annual examinations by the Board are required, with expenses assessed to cover costs. The Board may conduct additional examinations.

Section 115. Regulatory authority: The Board is granted general regulatory authority and supervision over Federal mutual savings banks.

Section 116. Taxation: No State shall tax Federal mutual savings banks more than the least onerous tax on any other local financial institution. No State other than the domiciliary State shall tax such savings banks for transactions in the State that do not constitute doing business, but foreclosed properties are subject to ad valorem or income-on-receipts taxes.

Section 117. Conservators and receivers: The Board by resolution shall state any alleged violation of law or regulation and notify the Federal mutual savings bank involved. The bank has 30 days to cure the defect, else the Board shall give 20 days notice of charges and of a hearing by an examiner as provided by the Administrative Procedure Act. The Board is given subpena powers enforceable by the U.S. district court. Appeal lies from the Board decision, with court review based on the weight of evidence.

When notice of the alleged violation is given, the Board or the savings bank may within 30 days apply to the U.S. district court for declaratory judgment and injunctive relief. The court may enforce Board orders on request. The Board is made subject to suit and may be served through any of its agents and registered mail at its District of Columbia headquarters.

On giving notice of an alleged violation, the Board may issue a cease and desist order effective until the end of the hearing and enforceable by the U.S. district court. The Board can't bring charges on an act over 2 years old or known to the Board over 1 year. Charges must be dismissed if the Board doesn't adjudicate them within 1 year after they are filed.

Grounds for conservatorship or receivership are violation of an order or injunction final because time to appeal has expired or an unappealable order or impairment of capital. On such a ground the Board shall petition the U.S. district court for a conservator or receiver. With savings bank consent, the court may name either one without notice or hearing.

In any event, the court may appoint a conservator after notice and hearing. The person appointed as temporary or permanent conservator must be a Board officer or agent.

If liquidation seems necessary, the FSIC shall be named receiver, and may liquidate the savings bank in addition to having all powers of a conservator.

A temporary conservator may operate the savings bank as in normal course of business, subject to court limitations. A conservator may also reorganize the bank or organize a new savings bank or merge the bank with another savings bank or sell its assets.

Remedies in this section are exclusive. Orders or injunctions expire within 3 years unless extended for cause. Savings banks in custody continue to make reports and the Board must give Congress detailed reports of seized savings banks and of general enforcement under this section. Savings bank officials may contest any proceeding and be reimbursed from bank assets.

In an emergency, the U.S. district court ex parte and without notice, upon Board petition, may name a temporary conservator. The petition under oath must allege facts requiring prompt action to prevent irreparable injury. The Board must promptly proceed to correct the alleged defects or move to appoint a conservator or receiver. The temporary conservator must be removed when the defect is cured or the motion for a conservator or receiver has been adjudicated.

TITLE II

Section 201. Federal Savings Insurance Corporation: The name of the Federal Savings and Loan Insurance Corporation is changed to the Federal Savings Insurance Corporation. The Federal Home Loan Bank Board, as the board of trustees for FSIC, is given power to manage its affairs, and the chairman of the board of trustees has the same type of powers he has as chairman of the Board. Federal- and State-chartered mutual savings banks are made eligible to apply for FSIC insurance, and shall pay the same insurance premiums as do savings and loan associations insured by FSLIC. Federal mutual savings banks cannot voluntarily withdraw from insured status with FSIC.

Section 202. Transfer of funds from Federal Deposit Insurance Corporation. When a State-chartered mutual savings bank insured by FDIC converts to a Federal mutual savings bank and becomes insured by FSIC, it takes with it a pro rata portion of FDIC insurance reserves calculated according to a formula based on assessments the savings bank has paid to FDIC. Amounts so transferred go to the Primary Reserve fund in FSIC. With the transfer the savings bank ceases to be insured by FDIC, but outstanding obligations to all parties are protected. The same procedure applies to a State-chartered mutual savings bank choosing to change deposit insurance to FSIC from FDIC.

Section 203. Miscellaneous: FSIC is made subject to Budget Bureau control, as is FSLIC.

TITLE III

Section 301. Annual report: The Board must submit an annual report of its operation to the President for transmission to Congress.

Section 302. Separability: The rest of the act stays valid even though a provision or its application to any person or circumstance is held invalid.

Section 303. Right to amend: Congress reserves the right to alter, amend, or repeal this act.

CREATION OF JOINT COMMITTEE ON THE ORGANIZATION OF THE CONGRESS

Mr. BARRY. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. HALPERN] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. HALPERN. Mr. Speaker, I have been priviliged to join with a bipartisan group of colleagues of both bodies in sponsoring a concurrent resolution to set up a Joint Committee on the Organization of the Congress and for the modernization of congressional procedures.

I urge that serious evaluation and study be given to this proposal, the need for which has been so eloquently presented by our distinguished colleague, the gentleman from Wisconsin [Mr. REUSS] in an address before this House on September 17.

I heartily concur in this call for the overhauling of the present rules of Congress in order to make for more effective legislation processes.

Mr. Speaker, I cannot emphasize enough that the improvement of congressional procedures is a vital and urgent national need.

General procedural and organizational problems have not been considered by the Congress since the La Follette-Monroney Act. That act, useful as it was, fell short of many needed reforms to effectuate truly democratic action on legislation. What is more, some of the reforms it achieved have been weakened or repealed.

The volume and complexity of Federal legislation has mounted tremendously in the last 16 years. Science and technology have involved the Congress in subjects unheard of in 1946—or even in 1956. Two new States and 50 million additional persons are now represented in Washington. The responsibilities of the Federal Government have grown substantially.

Adjournment has come at progressively later dates in recent years. More and more serious legislative proposals have failed to receive consideration.

Hearings that should be held are not. Old traditions of seniority rule still prevail.

It is increasingly evident to all serious students of Congress that the rules, procedures, and customs under which both Chambers now operate must be modernized. Until this happens, Congress will not be able to meet effectively its constitutional responsibilities.

Specific reforms will be urgently needed at the opening of the 88th Congress. A broad scale general review and reform of our procedures is also overdue. Together with my colleagues who united in this endeavor, I urge that the membership of both bodies of Congress join in this bipartisan effort and that widespread public attention be given to the need for Congress to put its own Houses in order.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. WHALLEY (at the request of Mr. HALLECK), on account of illness.

Mr. MACGREGOR (at the request of Mr. JUDD), for the balance of the week, on account of death in family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. REUSS, for 30 minutes, tomorrow, and to revise and extend his remarks.

Mr. JAMES C. DAVIS, for 30 minutes, on Friday, October 5, 1962.

Mr. PILLION (at the request of Mr. BARRY), for 1 hour, on Friday, October 5, and also for 1 hour on Saturday, October 6.

Mr. HALPERN (at the request of Mr. BARRY), for 10 minutes, today.

Mr. MOORE (at the request of Mr. BARRY), for 1 hour, on Thursday, October 4.

Mr. FARBSTEIN (at the request of Mr. EDMONDSON), for 15 minutes, today, and to revise and extend his remarks.

Mr. RANDALL, for 30 minutes today, and to revise and extend his remarks.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. BOW to revise and extend the remarks he made in the Committee of the Whole today and include extraneous matter.

Mr. ASHBROOK to revise and extend the remarks he made in the Committee of the Whole today and include extraneous matter.

Mr. MEADER to revise and extend the remarks he made in the Committee of the Whole today and include extraneous matter.

Mr. COLMER and to include extraneous matter.

Mr. SCHWENGEL asked and was given permission to revise and extend the remarks he made in the Committee of the Whole today and include an article.

Mr. EDMONDSON.

(The following Members (at the request of Mr. BARRY) and to include extraneous matter:)

Mr. FENTON.

Mr. WILSON of Indiana.

Mr. SHRIVER.

Mr. JOHANSEN.

(The following Member (at the request of Mr. EDMONDSON) and to include extraneous matter:)

Mr. JOHNSON of California and to include tables.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 1696. An act to authorize the Secretary of the Interior to conduct a survey of federally owned lands for the purpose of locating minerals and mineral fuels; to the Committee on Interior and Insular Affairs.

S. 2344. An act for the relief of Miloye M. Sokitch; to the Committee on the Judiciary.

S. 2639. An act to amend title 35 of the United States Code to permit a written declaration to be accepted in lieu of an oath, and for other purposes; to the Committee on the Judiciary.

S. 3041. An act to authorize the conveyance of certain lands in Harris County, Tex., to the State of Texas or the county of Harris; to the Committee on Government Operations.

S. 3370. An act to authorize the Secretary of Agriculture to relinquish to the State of Wyoming jurisdiction over those lands within the Medicine Bow National Forest known as the Pole Mountain District; to the Committee on Agriculture.

S. 3394. An act for the relief of Lt. Col. William A Carter, U.S. Air Force; to the Committee on the Judiciary.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker.

H.R. 1616. An act for relief of Rickert & Laan, Inc.;

H.R. 4094. An act to amend the Act of July 15, 1955, relating to the conservation of anthracite coal resources;

H.R. 8113. An act to amend the act of August 9, 1955, for the purpose of including the Southern Ute Indian Reservation among reservations excepted from the 25-year lease limitation;

H.R. 8567. An act to authorize the Secretary of the Interior to create trial boards for the U.S. Park Police, and for other purposes;

H.R. 8983. An act to authorize the Secretary of the Interior to participate in financing the construction of a bridge at Cape Hatteras National Seashore, in the State of North Carolina, and for other purposes;

H.R. 9747. An act to amend section 514(1) of the Soldiers' and Sailors' Civil Relief Act of 1940, as amended;

H.R. 10613. An act to eliminate the requirements for certain detailed estimates in the annual budgets;

H.R. 10652. An act to amend the Administrative Expenses Act of 1946 to provide a more reasonable allowance for transportation of house trailers or mobile dwellings by certain governmental officers and employees upon their transfer from one official station to another;

H.R. 11049. An act to amend the Mineral Leasing Act of February 25, 1920;

H.R. 11378. An act to amend the Federal Property and Administrative Services Act of 1949 so as to permit donations of surplus personal property to schools for the mentally retarded, schools for the physically handicapped, radio and television stations licensed by the Federal Communications Commission as educational radio or educational television stations, and public libraries;

H.R. 11543. An act to authorize the Secretary of the Interior to convey certain lands adjacent to the Suitland Parkway in Prince Georges County, Md., to Suitland Lodge No. 1856, Loyal Order of Moose;

H.R. 11551. An act to authorize the Secretary of the Interior to convey certain lands in the State of Maryland to the Holy Cross Lutheran Church, Greenbelt, Md., and for other purposes;

H.R. 11590. An act to provide for the disposition of judgment funds of the Cherokee Nation or Tribe of Indians of Oklahoma;

H.R. 11793. An act to provide criminal penalties for trafficking phonograph records bearing forged or counterfeit labels;

H.R. 12164. An act to provide for the establishment of the Fort St. Marks National Historic Site;

H.R. 12688. An act to authorize the Secretary of Agriculture to encourage and assist the several States in carrying on a program of forestry research, and for other purposes;

H.R. 13044. An act to amend the Home Owners' Loan Act of 1933 and the Federal Home Loan Bank Act; and

H.J. Res. 659. Joint resolution granting consent of the Congress to a compact entered into between the State of Maryland and the Commonwealth of Virginia for the creation of the Potomac River Compact of 1958.

BILLS PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on the following dates present to the President, for his approval, bills of the House of the following titles:

On October 2, 1962:

H.R. 6682. An act to provide for the exemption of fowling nets from duty, and for other purposes; and

H.R. 12180. An act to extend for a temporary period the existing provisions of law relating to the free importation of personal and household effects brought into the United States under Government orders, and for other purposes.

On October 3, 1962:

H.R. 8567. An act to authorize the Secretary of the Interior to create trial boards for the U.S. Park Police, and for other purposes.

ADJOURNMENT

Mr. EDMONDSON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 8 o'clock and 29 minutes p.m.) under its previous order, the House adjourned until tomorrow, Thursday, October 4, 1962, at 10 o'clock a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2608. A letter from the Comptroller General of the United States, transmitting a report on a review of selected activities of the Federal-aid highway program of the Bureau of Public Roads, Department of Commerce, in the State of Idaho; to the Committee on Government Operations.

2609. A letter from the Chairman, Federal Power Commission, transmitting a copy of a publication entitled "Typical Electric Bills, 1962"; to the Committee on Interstate and Foreign Commerce.

2610. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated August 16, 1962, submitting a report, together with accompanying papers and an illustration on a letter report on Havre de Grace (Oakington Channel), Harford County, Md., authorized by the River and Harbor Act, approved May 17, 1950; to the Committee on Public Works.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. TRIMBLE: Committee on Rules. House Resolution 824. Resolution for consideration of H.R. 4999, a bill to increase the opportunities for training of physicians, dentists, and professional public health personnel, and for other purposes; without amendment (Rept. No. 2519). Referred to the House Calendar.

Mr. MADDEN: Committee on Rules. House Resolution 825. Resolution for consideration of House Joint Resolution 636, joint resolution to amend the Federal Trade Commission Act, to promote quality and price stabilization, to define and restrain certain unfair methods of distribution and to confirm, define, and equalize the rights of producers and resellers in the distribution of goods identified by distinguishing brands, names, or trademarks, and for other purposes; without amendment (Rept. No. 2520). Referred to the House Calendar.

Mrs. PFOST: Committee on Interior and Insular Affairs. H.R. 776. A bill to establish a national wilderness preservation system for the permanent good of the whole people, and for other purposes; with amendment (Rept. No. 2521). Referred to the Committee of the Whole House on the State of the Union.

Mr. PATMAN: Select Committee on Small Business. Report on operation and effect of consent decree in west coast oil case; without amendment (Rept. No. 2522). Referred to the Committee of the Whole House on the State of the Union.

Mr. ZABLOCKI: Committee on Foreign Affairs. House Concurrent Resolution 570. Concurrent resolution expressing the sense of the Congress with respect to the situation in Berlin; with amendment (Rept. No. 2523). Referred to the House Calendar.

Mr. FASCELL: Committee on Foreign Affairs. H.R. 13307. A bill authorizing an appropriation to enable the United States to extend an invitation to the Food and Agriculture Organization of the United Nations to hold a World Food Congress in the United States in 1963; without amendment (Rept. No. 2524). Referred to the Committee of the Whole House on the State of the Union.

Mr. MURRAY: Committee of conference. H.R. 7927. A bill to adjust postal rates, and for other purposes (Rept. No. 2525). Ordered to be printed.

Mr. ROBERTS of Alabama: Committee of conference. S. 1552. A bill to amend and supplement the antitrust laws with respect to the manufacture and distribution of drugs, and for other purposes (Rept. No. 2526). Ordered to be printed.

Mr. DOWDY: Committee of conference. H.R. 4670. A bill to amend the law relating to indecent publications in the District of Columbia (Rept. No. 2527). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. KEOGH:

H.R. 13313. A bill to amend the Tariff Act of 1930 so as to allow containers for certain petroleum products and derivatives to be temporarily imported without payment of duty, and for other purposes; to the Committee on Ways and Means.

By Mr. MOORE:

H.R. 13314. A bill for the relief of the Wetzel County Hospital, New Martinsville, W. Va.; to the Committee on the Judiciary.

By Mr. PILLION:

H.R. 13315. A bill to establish a Department of National Security and International

Affairs, and for other purposes; to the Committee on Government Operations.

By Mr. PUCINSKI:

H.R. 13316. A bill to amend title II of the Social Security Act to provide a more realistic definition of "disability" for purposes of the disability freeze, and to liberalize the coverage requirements for such freeze and for disability insurance benefits; to the Committee on Ways and Means.

By Mr. WIDNALL:

H.R. 13317. A bill to amend the National Defense Education Act of 1958 in order to extend the provisions of title II relating to cancellation of loans under such title to teachers in private nonprofit elementary and secondary schools and in institutions of higher education; to the Committee on Education and Labor.

By Mr. MULTER:

H.R. 13318. A bill to authorize the establishment of Federal mutual savings banks; to the Committee on Banking and Currency.

By Mr. BARRETT:

H.R. 13319. A bill to authorize the establishment of Federal mutual savings banks; to the Committee on Banking and Currency.

By Mr. FINO:

H.R. 13320. A bill to authorize the establishment of Federal mutual savings banks; to the Committee on Banking and Currency.

By Mr. HALPERN:

H.R. 13321. A bill to authorize the establishment of Federal mutual savings banks; to the Committee on Banking and Currency.

By Mr. RAINS (by request):

H.R. 13322. A bill to authorize the establishment of Federal mutual savings banks; to the Committee on Banking and Currency.

By Mr. FULTON:

H.R. 13323. A bill to permit an individual to obtain coverage under title II of the Social Security Act on the basis of service which was not covered employment at the time it was performed, if service of that type has since become covered employment and such individual makes payment of the applicable social security taxes; to the Committee on Ways and Means.

By Mr. LINDSAY:

H.R. 13324. A bill to amend title I of the Housing Act of 1949 to provide more equitable procedures for the relocation of persons displaced from their homes or places of business by urban renewal projects, to increase the amount of the relocation payments authorized to be made to such persons, and for other purposes; to the Committee on Banking and Currency.

By Mr. O'HARA of Michigan:

H.R. 13325. A bill to amend section 4063 (a) of the Internal Revenue Code of 1954 to provide an exemption from tax in the case of mobile homes; to the Committee on Ways and Means.

By Mr. DOWDY:

H.J. Res. 900. Joint resolution to amend the act of April 29, 1942, establishing the District of Columbia Recreation Board, to provide superior cultural programs for children and young people by the establishment of a National Children's Theater and Art Center; to the Committee on the District of Columbia.

By Mr. PUCINSKI:

H. Con. Res. 582. Concurrent resolution expressing the sense of the Congress with respect to the situation in Berlin; to the Committee on Foreign Affairs.

By Mr. WALTER:

H. Res. 826. Resolution to provide for the printing of 185,000 copies of the Constitution of the United States and the amendments thereto; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BURKE of Massachusetts:

H.R. 13326. A bill for the relief of Bahman Naghshineh; to the Committee on the Judiciary.

By Mr. COLLIER:

H.R. 13327. A bill for the relief of Christos Hondronastas; to the Committee on the Judiciary.

By Mr. CURTIS of Missouri:

H.R. 13328. A bill for the relief of Dr. Jae H. Yang and Mrs. Jeong S. Yang; to the Committee on the Judiciary.

By Mr. FORD:

H.R. 13329. A bill for the relief of John William Horling; to the Committee on the Judiciary.

By Mr. HALPERN:

H.R. 13330. A bill for the relief of Iwen Hsiao; to the Committee on the Judiciary.

By Mrs. KELLY:

H.R. 13331. A bill for the relief of Mr. George Gabourel and four of his children, Marie Elizabeth, Dorothy Ann, Alice Louise, and Kathleen Florence; to the Committee on the Judiciary.

By Mr. LANKFORD:

H.R. 13332. A bill for the relief of Mrs. Loretta Chiu-Ning Tung and her minor daughter, Hsia May Tung; to the Committee on the Judiciary.

By Mr. MARTIN of Massachusetts:

H.R. 13333. A bill for the relief of Luis De Canto Viveiros; to the Committee on the Judiciary.

H.R. 13334. A bill for the relief of Maria Trinidade Lopes and Gabriel da Silva Lopes to the Committee on the Judiciary.

By Mr. O'BRIEN of New York:

H.R. 13335. A bill for the relief of Stella Marie Kim; to the Committee on the Judiciary.

By Mr. POWELL:

H.R. 13336. A bill for the relief of Gaetano Bracco; to the Committee on the Judiciary.

By Mr. RYAN of New York:

H.R. 13337. A bill for the relief of Theresita L. Montalan; to the Committee on the Judiciary.

H.R. 13338. A bill for the relief of Zaida F. Tardicella; to the Committee on the Judiciary.

SENATE

WEDNESDAY, OCTOBER 3, 1962

The Senate met at 10 o'clock a.m., and was called to order by the Vice President.

Rev. John Tierney, evangelist, Southern Baptist Convention, Greenville, S.C., offered the following prayer:

Almighty God, we praise Thee that we live in a great land in a day of unusual opportunities. Bless our space flight today.

Give the Members of this distinguished body liberty of speech and freedom of thought, and make them flexible in Thy hands.

Help them to see that the door to success swings on the hinges of opposition, that the test of a man's character is what it takes to stop him, that it is not a sin to fail, but that to do less than our best to keep from failing is unspeakable.

We pray in the name of Jesus Christ, our Saviour. Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, October 2, 1962, was dispensed with.

MESSAGE FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that the President had approved and signed the following acts:

On September 28, 1962:

S. 273. An act for the relief of Hratch Samuel Arukian;

S. 2511. An act to provide for the production and distribution of educational and training films for use by deaf persons, and for other purposes;

S. 2760. An act for the relief of Yuk-Kan Cheuk;

S. 3475. An act to provide further for cooperation with States in administration and enforcement of certain Federal laws; and

S. 3580. An act to amend the Atomic Energy Community Act of 1955, as amended, to provide for the disposal of federally owned properties at Los Alamos, N. Mex., and for other purposes.

On October 1, 1962:

S. 1023. An act to amend the act of August 20, 1954 (68 Stat. 752), in order to provide for the construction, operation, and maintenance of additional features of the Talent division of the Rogue River Basin reclamation project, Oregon;

S. 1037. An act to amend the provisions of the Perishable Agricultural Commodities Act, 1930, relating to practices in the marketing of perishable agricultural commodities; and

S. 3529. An act to amend the Manpower Development and Training Act of 1962 with regard to reimbursement of the railroad unemployment insurance account.

On October 2, 1962:

S. 149. An act for the relief of the estate of Gregory J. Kessenich; and

S. 2768. An act to promote the foreign policy of the United States by authorizing a loan to the United Nations and the appropriation of funds therefor.

REPORT OF OFFICE OF MINERALS EXPLORATION—MESSAGE FROM THE PRESIDENT

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which, with the accompanying report, was referred to the Committee on Interior and Insular Affairs:

To the Congress of the United States:

I transmit herewith the Eighth Semiannual Report of the Office of Minerals Exploration from the Secretary of the Interior as prescribed by section 5 of the act of August 21, 1958, entitled "To provide a program for the discovery of the mineral reserves of the United States, its territories and possessions, by encouraging exploration for minerals, and for other purposes."

JOHN F. KENNEDY.

THE WHITE HOUSE, *October 3, 1962.*

EXECUTIVE MESSAGES REFERRED

The VICE PRESIDENT laid before the Senate messages from the President of the United States, submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed the following bills of the Senate, severally with an amendment, in which it requested the concurrence of the Senate:

S. 3240. An act for the relief of Mrs. Lee Ma Chin-Ying;

S. 3279. An act for the relief of Yet Gee Moy (Tsze Woo Lai) and Mee Sen Moy (Sau Ming Lai); and

S. 3338. An act to incorporate the American Symphony Orchestra League.

The message also announced that the House had passed the following bills and joint resolution, in which it requested the concurrence of the Senate:

H.R. 10696. An act to amend section 4369 of title 39, United States Code, with respect to the filing of information relating to publications having second-class mail privileges, and for other purposes;

H.R. 11903. An act to amend the act of August 1, 1939, chapter 409, as amended, to provide for the registration of professional nurses as staff officers in the U.S. merchant marine;

H.R. 12968. An act to extend certain time limitations of section 901(b) of the Merchant Marine Act, 1936, with respect to the vessel *Spitfire*; and

H.J. Res. 712. Joint resolution to direct the Franklin Delano Roosevelt Memorial Commission to consider possible changes in the winning design for the proposed memorial or the selection of a new design for such memorial.

HOUSE BILLS AND JOINT RESOLUTION REFERRED

The following bills and joint resolution were severally read twice by their titles and referred as indicated:

H.R. 10696. An act to amend section 4369 of title 39, United States Code, with respect to the filing of information relating to publications having second-class mail privileges, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 11903. An act to amend the act of August 1, 1939, chapter 409, as amended, to provide for the registration of professional nurses as staff officers in the U.S. merchant marine; and

H.R. 12968. An act to extend certain time limitations of section 901(b) of the Merchant Marine Act, 1936, with respect to the vessel *Spitfire*; to the Committee on Commerce.

H.J. Res. 712. Joint resolution to direct the Franklin Delano Roosevelt Memorial Commission to consider possible changes in the winning design for the proposed memorial or the selection of a new design for such memorial; to the Committee on Rules and Administration.

LIMITATION OF DEBATE DURING MORNING HOUR

On request of Mr. MANSFIELD, and by unanimous consent, statements during the morning hours were ordered limited to 3 minutes.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. SMITH of Massachusetts, from the Committee on the District of Columbia, without amendment:

H.R. 6836. An act to amend the Policemen and Firemen's Retirement and Disability Act (Rept. No. 2271).

By Mr. SPARKMAN, from the Committee on Foreign Relations, without amendment:

S. 3459. A bill to authorize the appointment of one additional Assistant Secretary of State (Rept. No. 2272).

By Mr. McCLELLAN, from the Committee on Government Operations, without amendment:

H.R. 7781. An act to authorize the Administrator of General Services to convey by quitclaim deed a parcel of land in Prince Georges County, Md., to the Silver Hill Voluntary Fire Department and Rescue Squad (Rept. No. 2275).

By Mr. BYRD of Virginia, from the Committee on Finance, without amendment:

H.R. 10620. An act to amend section 213 of the Internal Revenue Code of 1954 to increase the maximum limitations on the amount allowable as a deduction for medical, dental, etc., expenses (Rept. No. 2274).

By Mr. BYRD of Virginia, from the Committee on Finance, with amendments:

H.R. 12599. An act relating to the income tax treatment of terminal railroad corporations and their shareholders (Rept. No. 2273).

REPORT ENTITLED "SMALL BUSINESS FAILURES"—REPORT OF A COMMITTEE (S. REPT. NO. 2270)

Mr. SPARKMAN, from the Select Committee on Small Business, submitted a report entitled "Small Business Failures," which was ordered to be printed.

REPORT OF JOINT COMMITTEE ON REDUCTION OF NONESSENTIAL FEDERAL EXPENDITURES—FEDERAL EMPLOYMENT AND PAY

Mr. BYRD of Virginia. Mr. President, as chairman of the Joint Committee on Reduction of Nonessential Federal Expenditures, I submit a report on Federal employment and pay for the month of August 1962. In accordance with the practice of several years' standing, I ask unanimous consent to have the report printed in the RECORD together with a statement by me.

There being no objection, the report and statement were ordered to be printed in the RECORD, as follows:

FEDERAL PERSONNEL IN EXECUTIVE BRANCH, AUGUST AND JULY 1962, AND PAY, JULY AND JUNE 1962

PERSONNEL AND PAY SUMMARY

(See table I)

Information in monthly personnel reports for August 1962 submitted to the Joint Committee on Reduction of Nonessential Federal Expenditures is summarized as follows:

Total and major categories	Civilian personnel in executive branch			Payroll (in thousands) in executive branch		
	In August numbered—	In July numbered—	Increase (+) or decrease (−)	In July was—	In June was—	Increase (+) or decrease (−)
Total [1]	2,512,211	2,510,950	+1,261	$1,221,742	$1,191,171	+$30,571
Agencies exclusive of Department of Defense	1,436,489	1,438,711	−2,222	689,353	661,420	+27,933
Department of Defense	1,075,722	1,072,239	+3,483	532,389	529,751	+2,638
Inside the United States	2,347,278	2,350,392	−3,114			
Outside the United States	164,933	160,558	+4,375			
Industrial employment	574,502	573,476	+1,026			
Foreign nationals	170,312	171,143	−831	27,113	27,429	−316

[1] Exclusive of foreign nationals shown in the last line of this summary.

Table I breaks down the above figures on employment and pay by agencies.

Table II breaks down the above employment figures to show the number inside the United States by agencies.

Table III breaks down the above employment figures to show the number outside the United States by agencies.

Table IV breaks down the above employment figures to show the number in industrial-type activities by agencies.

Table V shows foreign nationals by agencies not included in tables I, II, III, and IV.

TABLE I.—*Consolidated table of Federal personnel inside and outside the United States employed by the executive agencies during August 1962, and comparison with July 1962, and pay for July 1962, and comparison with June 1962*

Department or agency	Personnel				Pay (in thousands)			
	August	July	Increase	Decrease	July	June	Increase	Decrease
Executive departments (except Department of Defense):								
Agriculture	110,834	111,996		1,162	$51,266	$46,898	$4,368	
Commerce	31,392	31,627		235	18,323	17,565	758	
Health, Education, and Welfare	78,638	78,794		156	38,589	36,223	2,366	
Interior	64,050	64,457		407	34,169	31,282	2,887	
Justice	32,271	32,342		71	20,001	18,990	1,011	
Labor	8,855	8,875		20	3,934	4,735	199	
Post Office	590,632	591,334		702	256,445	249,288	7,157	
State [1] [2]	40,802	[3] 40,697	105		19,349	20,814		$1,465
Treasury	84,334	84,549		215	46,894	44,576	2,318	
Executive Office of the President:								
White House Office	334	444		110	232	259		27
Bureau of the Budget	485	498		13	395	380	15	
Council of Economic Advisers	59	67		8	46	38	8	
Executive Mansion and Grounds	75	75			36	33	3	
National Aeronautics and Space Council	23	23			22	19	3	
National Security Council	46	43	3		31	31		
Office of Emergency Planning	483	505		22	400	370	30	
Office of Science and Technology	27	22	5		22		22	
President's Commission on Campaign Costs	1	1			1	1		
Independent agencies:								
Advisory Commission on Intergovernmental Relations	27	26	1		19	22		3
American Battle Monuments Commission	435	444		9	87	82	5	
Atomic Energy Commission	6,932	6,958		26	4,967	4,652	315	
Board of Governors of the Federal Reserve System	599	609		10	391	378	13	
Civil Aeronautics Board	843	839	4		596	564	32	
Civil Service Commission	4,162	4,176		14	2,373	2,382		9
Civil War Centennial Commission	5	5			4	4		
Commission of Fine Arts	6	6			5	5		
Commission on Civil Rights	88	92		4	52	42	10	
Delaware River Basin Commission	2	2			2	2		
Export-Import Bank of Washington	273	273.			187	141	46	
Farm Credit Administration	237	235	2		164	163	1	
Federal Aviation Agency	44,880	44,719	161		29,544	28,110	1,434	
Federal Coal Mine Safety Board of Review	7	7			4	4		
Federal Communications Commission	1,523	1,533		10	977	902	75	
Federal Deposit Insurance Corporation	1,264	1,262	2		790	747	43	
Federal Home Loan Bank Board	1,210	1,203	7		751	719	32	
Federal Maritime Commission	179	186		7	129	121	8	
Federal Mediation and Conciliation Service	379	372	7		321	301	20	
Federal Power Commission	1,011	1,005	6		657	627	30	
Federal Trade Commission	1,129	1,133		4	741	705	36	
Foreign Claims Settlement Commission	67	70		3	49	46	3	
General Accounting Office	4,704	4,702	2		2,900	2,773	127	
General Services Administration	32,214	31,905	309		15,187	14,389	798	
Government Printing Office	7,028	6,959	69		4,017	3,821	196	
Housing and Home Finance Agency	13,528	13,634		106	8,024	7,751	273	
Indian Claims Commission	24	24			27	19	8	
Interstate Commerce Commission	2,418	2,442		24	1,598	1,500	98	
James Madison Memorial Commission					(4)	1		1
National Aeronautics and Space Administration	24,817	24,389	428		16,592	16,532	60	
National Capital Housing Authority	416	427		11	185	179	6	
National Capital Planning Commission	52	56		4	38	37	1	
National Capital Transportation Agency	83	94		11	59	50	9	
National Gallery of Art	319	324		5	135	129	6	
National Labor Relations Board	1,982	1,964	18		1,283	1,217	66	
National Mediation Board	135	133	3		103	80	23	
National Science Foundation	861	896		35	555	528	26	
Outdoor Recreation Resources Review Commission	4	5		1	3	9		6
Panama Canal	14,825	14,703	122		4,676	4,671	5	
President's Committee on Equal Employment Opportunity	50	51		1	33	30	3	
Railroad Retirement Board	2,094	2,141		47	1,117	1,068	49	
Renegotiation Board	194	195		1	153	155		2
St. Lawrence Seaway Development Corporation	165	171		6	$105	$99	$6	
Securities and Exchange Commission	1,368	1,349	19		861	813	48	
Selective Service System	6,812	6,826		14	2,129	2,055	74	
Small Business Administration	3,220	3,214	6		1,938	1,824	114	
Smithsonian Institution	1,338	1,422		84	679	619	60	
Soldiers' Home	1,047	1,048		1	349	317	32	
South Carolina, Georgia, Alabama, and Florida Water Study Commission	59	61		2	43	41	2	
Subversive Activities Control Board	25	28		3	22	23		1
Tariff Commission	280	280			234	184	50	
Tax Court of the United States	151	150	1		112	108	4	
Tennessee Valley Authority	18,553	18,354	199		11,274	11,117	157	
Texas Water Study Commission [5]		15		15	12	6	6	
U.S. Arms Control and Disarmament Agency	99	90	9		70	78		8
U.S. Information Agency	11,277	11,229	48		4,686	4,495	191	
Veterans' Administration	177,024	177,229		205	76,055	72,321	3,734	
Virgin Islands Corporation	724	697	27		134	159		25
Total, excluding Department of Defense	1,436,489	1,438,711	1,562	3,784	689,353	661,420	29,480	1,547
Net change, excluding Department of Defense			2,222				27,933	
Department of Defense:								
Office of the Secretary of Defense	1,971	1,989		18	1,466	1,411	55	
Department of the Army	[6] 395,518	[3] 394,042	1,476		185,152	189,064		3,912
Department of the Navy	[7] 348,446	347,878	568		183,800	[8] 180,771	3,029	
Department of the Air Force	305,073	303,799	1,274		150,374	149,626	748	
Defense Atomic Support Agency	2,084	2,077	7		1,029	972	57	
Defense Communications Agency	210	191	19		107	105	2	
Defense Intelligence Agency	250	231	19		145	131	14	
Defense Supply Agency	20,616	20,442	174		9,257	6,758	2,499	
Office of Civil Defense	1,004	1,050		46	779	809		30
U.S. Court of Military Appeals	40	41		1	32	31	1	

See footnotes at end of table.

TABLE I.—*Consolidated table of Federal personnel inside and outside the United States employed by the executive agencies during August 1962, and comparison with July 1962, and pay for July 1962, and comparison with June 1962*—Continued

Department or agency	Personnel				Pay (in thousands)			
	August	July	Increase	Decrease	July	June	Increase	Decrease
Department of Defense—Continued								
Interdepartmental Activities	36	36			$18	$25		$7
International Military Activities	59	57	2		35	³ 48		13
Armed Forces Information and Education Activities	415	406	9		195		$195	
Total, Department of Defense ⁸	1,075,722	1,072,239	3,548	65	532,389	529,751	6,600	3,962
Net increase, Department of Defense			3,483				2,638	
Grand total, include Department of Defense	2,512,211	2,510,950	5,110	3,849	1,221,742	1,191,171	36,080	5,509
Net increase, including Department of Defense			1,261				30,571	

---

[1] August figure includes 15,810 employees of the Agency for International Development as compared with 15,688 in July and their pay. These AID figures include employees who are paid from foreign currencies deposited by foreign governments in a trust fund for this purpose. The August figure includes 3,795 of these trust-fund employees and the July figure includes 3,783.

[2] August figure includes 895 employees of the Peace Corps as compared with 851 in July and their pay.

[3] Revised on basis of later information.

[4] Less than $500.

[5] Agency abolished pursuant to Public Law 85-843.

[6] Subject to revision.

[7] Includes 812 foreign nationals transferred to the regular payroll who were previously reported in table V of this report.

[8] Exclusive of personnel and pay of the Central Intelligence Agency and the National Security Agency.

TABLE II.—*Federal personnel inside the United States employed by the executive agencies during August 1962, and comparison with July 1962*

Department or agency	August	July	Increase	Decrease
Executive departments (except Department of Defense):				
Agriculture	109,714	110,840		1,126
Commerce	30,740	30,990		214
Health, Education, and Welfare	78,102	78,254		152
Interior	63,554	63,963		409
Justice	31,925	31,996		71
Labor	8,747	8,784		37
Post Office	589,186	589,896		710
State ¹ ²	10,551	³ 10,561		10
Treasury	83,726	83,943		217
Executive Office of the President:				
White House Office	334	444		110
Bureau of the Budget	485	498		13
Council of Economic Advisers	59	67		8
Executive Mansion and Grounds	75	75		
National Aeronautics and Space Council	23	23		
National Security Council	46	43	3	
Office of Emergency Planning	483	505		22
Office of Science and Technology	27	22	5	
President's Commission on Campaign Costs	1	1		
Independent agencies:				
Advisory Commission on Intergovernmental Relations	27	26	1	
American Battle Monuments Commission	8	8		
Atomic Energy Commission	6,901	6,928		27
Board of Governors of the Federal Reserve System	599	609		10
Civil Aeronautics Board	842	838	4	
Civil Service Commission	4,158	4,172		14
Civil War Centennial Commission	5	5		
Commission of Fine Arts	6	6		
Commission on Civil Rights	88	92		4
Delaware River Basin Commission	2	2		
Export-Import Bank of Washington	273	273		
Farm Credit Administration	237	235	2	
Federal Aviation Agency	43,907	43,767	140	
Federal Coal Mine Safety Board of Review	7	7		
Federal Communications Commission	1,521	1,530		9
Federal Deposit Insurance Corporation	1,262	1,260	2	
Federal Home Loan Bank Board	1,210	1,203	7	
Federal Maritime Commission	179	186		7
Federal Mediation and Conciliation Service	379	372	7	
Federal Power Commission	1,011	1,005	6	
Federal Trade Commission	1,129	1,133		4
Foreign Claims Settlement Commission	63	66		3
General Accounting Office	4,616	4,614	2	
General Services Administration	32,204	31,895	309	
Government Printing Office	7,028	6,959	69	
Housing and Home Finance Agency	13,347	13,455		108
Indian Claims Commission	24	24		
Interstate Commerce Commission	2,418	2,442		24
National Aeronautics and Space Administration	24,805	24,377	428	
National Capital Housing Authority	416	427		11
National Capital Planning Commission	52	56		4
National Capital Transportation Agency	83	94		11
Independent agencies—Continued				
National Gallery of Art	319	324		5
National Labor Relations Board	1,949	1,931	18	
National Mediation Board	135	133	2	
National Science Foundation	850	886		36
Outdoor Recreation Resources Review Commission	4	5		1
Panama Canal	172	168	4	
President's Commission on Equal Employment Opportunity	50	51		1
Railroad Retirement Board	2,094	2,141		47
Renegotiation Board	194	195		1
St. Lawrence Seaway Development Corporation	165	171		6
Securities and Exchange Commission	1,368	1,349	19	
Selective Service System	6,658	6,671		13
Small Business Administration	3,173	3,167	6	
Smithsonian Institution	1,327	1,409		82
Soldier's Home	1,047	1,048		1
South Carolina, Georgia, Alabama, and Florida Water Study Commission	59	61		2
Subversive Activities Control Board	25	28		3
Tariff Commission	280	280		
Tax Court of the United States	151	150	1	
Tennessee Valley Authority	18,551	18,352	199	
Texas Water Study Commission ⁴		15		15
U.S. Arms Control and Disarmament Agency	99	90	9	
U.S. Information Agency	3,106	3,092	14	
Veterans' Administration	176,010	176,209		199
Total, excluding Department of Defense	1,374,380	1,376,897	1,257	3,774
Net decrease, excluding Department of Defense			2,517	
Department of Defense:				
Office of the Secretary of Defense	1,913	1,933		20
Department of the Army	⁵ 343,322	344,323		1,001
Department of the Navy	324,526	324,902		376
Department of the Air Force	278,450	277,831	619	
Defense Atomic Support Agency	2,084	2,077	7	
Defense Communications Agency	203	184	19	
Defense Intelligence Agency	250	231	19	
Defense Supply Agency	20,616	20,442	174	
Office of Civil Defense	1,004	1,050		46
U.S. Court of Military Appeals	40	41		1
Interdepartmental Activities	36	36		
International Military Activities	39	39		
Armed Forces Information and Education Activities	415	406	9	
Total, Department of Defense	972,898	973,495	847	1,444
Net decrease, Department of Defense			597	
Grand total, including Department of Defense	2,347,278	2,350,392	2,104	5,218
Net decrease, including Department of Defense			3,114	

---

[1] August figure includes 2,891 employees of the Agency for International Development as compared with 2,808 in July.

[2] August figure includes 660 employees of the Peace Corps as compared with 669 in July.

[3] Revised on basis of later information.

[4] Agency abolished pursuant to Public Law 85-843.

[5] Subject to revision.

TABLE III.—*Federal personnel outside the United States employed by the executive agencies during August 1962, and comparison with July 1962*

Department or agency	August	July	Increase	Decrease
Executive departments (except Department of Defense):				
Agriculture	1,120	1,156		36
Commerce	643	637	6	
Health, Education, and Welfare	536	540		4
Interior	496	494	2	
Justice	346	346		
Labor	108	91	17	
Post Office	1,446	1,438	8	
State [1] [2]	30,251	[3] 30,136	115	
Treasury	608	606	2	
Independent agencies:				
American Battle Monuments Commission	427	436		9
Atomic Energy Commission	31	30	1	
Civil Aeronautics Board	1	1		
Civil Service Commission	4	4		
Federal Aviation Agency	973	952	21	
Federal Communications Commission	2	3		1
Federal Deposit Insurance Corporation	2	2		
Foreign Claims Settlement Commission	4	4		
General Accounting Office	88	88		
General Services Administration	10	10		
Housing and Home Finance Agency	181	179	2	
National Aeronautics and Space Administration	12	12		
National Labor Relations Board	33	33		
National Science Foundation	11	10	1	
Panama Canal	14,653	14,535	118	
Independent agencies—Continued				
Selective Service System	154	155		1
Small Business Administration	47	47		
Smithsonian Institution	11	13		2
Tennessee Valley Authority	2	2		
U.S. Information Agency	8,171	8,137	34	
Veterans' Administration	1,014	1,020		6
Virgin Islands Corporation	724	697	27	
Total, excluding Department of Defense	62,109	61,814	354	59
Net increase, excluding Department of Defense			295	
Department of Defense:				
Office of the Secretary of Defense	58	56	2	
Department of the Army	[4] 52,196	[3] 49,719	2,477	
Department of the Navy	[5] 23,920	22,976	944	
Department of the Air Force	26,623	25,968	655	
Defense Communications Agency	7	7		
International Military Activities	20	18	2	
Total, Department of Defense	102,824	98,744	4,080	
Net increase, Department of Defense			4,080	
Grand total, including Department of Defense	164,933	160,558	4,434	59
Net increase, including Department of Defense			4,375	

---

[1] August figure includes 12,910 employees of the Agency for International Development as compared with 12,880 in July. These AID figures include employees who are paid from foreign currencies deposited by foreign governments in a trust fund for this purpose. The August figure includes 3,795 of these trust fund employees and the July figure includes 3,783.

[2] August figure includes 226 employees of the Peace Corps as compared with 182 in July.

[3] Revised on basis of later information.

[4] Subject to revision.

[5] Includes 812 foreign nationals transferred to the regular payroll who were previously reported in table V of this report.

TABLE IV.—*Industrial employees of the Federal Government inside and outside the United States employed by the executive agencies during August 1962, and comparison with July 1962*

Department or agency	August	July	Increase	Decrease
Executive departments (except Department of Defense):				
Agriculture	3,730	3,870		140
Commerce	5,727	5,884		157
Interior	8,658	8,723		65
Post Office	252	254		2
Treasury	5,193	5,144	49	
Independent agencies:				
Atomic Energy Commission	269	271		2
Federal Aviation Agency	2,905	2,833	72	
General Services Administration	1,699	1,870		171
Government Printing Office	7,028	6,959	69	
National Aeronautics and Space Administration	24,817	24,389	428	
Panama Canal	7,572	7,310	262	
St. Lawrence Seaway Development Corporation	132	133		1
Tennessee Valley Authority	15,490	15,321	169	
Virgin Islands Corporation	724	697	27	
Total, excluding Department of Defense	84,205	83,667	1,076	538
Net increase, excluding Department of Defense			538	
Department of Defense:				
Department of the Army:				
Inside the United States	[1] 144,350	[2] 144,786		436
Outside the United States	[1] 4,750	[2] 4,551	199	
Department of the Navy:				
Inside the United States	201,353	201,748		395
Outside the United States	[3] 1,264	458	806	
Department of the Air Force:				
Inside the United States	135,460	135,125	335	
Outside the United States	1,052	1,063		11
Defense Supply Agency:				
Inside the United States	2,068	2,078		10
Total, Department of Defense	490,297	489,809	1,340	852
Net increase, Department of Defense			488	
Grand total, including Department of Defense	574,502	573,476	2,416	1,390
Net increase, including Department of Defense			1,026	

---

[1] Subject to revision.

[2] Revised on basis of later information.

[3] Includes 812 foreign nationals transferred to regular rolls previously reported in table V of this report.

TABLE V.—*Foreign nationals working under U.S. agencies overseas, excluded from tables I through IV of this report, whose services are provided by contractual agreement between the United States and foreign governments, or because of the nature of their work or the source of funds from which they are paid, as of August 1962, and comparison with July 1962*

Country	Total		Army		Navy		Air Force		National Aeronautics and Space Administration	
	August	July	August	July	August	July	August	July	August	July
Australia	1	1							1	1
Canada	36	36					36	36		
Crete	60	60					60	60		
England	3,290	3,150			91	[1] 89	3,199	3,061		
France	22,439	22,728	18,751	18,521	11	11	3,677	4,196		
Germany	80,990	80,947	68,045	67,865	87	84	12,858	12,998		
Greece	261	265					261	265		
Greenland	128	133					128	133		
Japan	53,713	54,452	19,278	19,268	[2] 14,504	[1] 15,265	19,931	19,919		
Korea	6,212	6,164	6,212	6,164						
Morocco	2,568	2,540			763	766	1,805	1,774		
Netherlands	54	53					54	53		
Trinidad	560	614			560	614				
Total	170,312	171,143	112,286	111,818	16,016	16,829	42,009	42,495	1	1

---

[1] Revised on basis of later information.

[2] Excludes 812 employees transferred to regular rolls and now reported in tables I, III, and IV of this report.

STATEMENT BY SENATOR BYRD OF VIRGINIA

Executive agencies of the Federal Government reported civilian employment in the month of August totaling 2,512,211. This was a net increase of 1,261, as compared with employment reported in the preceding month of July.

Civilian employment reported by the executive agencies of the Federal Government, by month in fiscal year 1963, which began July 1, 1962, follows:

July:	
Employment	2, 510, 950
Increase	14, 455
Decrease	--------
August:	
Employment	2, 512, 211
Increase	1, 261
Decrease	--------

Total Federal employment in civilian agencies for the month of August was 1,436,489, a decrease of 2,222 as compared with the July total of 1,438,711. Total civilian employment in the military agencies in August was 1,075,722, an increase of 3,483 as compared with 1,072,239 in July.

Civilian agencies reporting larger decreases were Agriculture Department with 1,162, Post Office Department with 702, and Interior Department with 407. The largest increase was reported by National Aeronautics and Space Administration with 428.

In the Department of Defense, increases in civilian employment were reported by Department of the Army with 1,476, the Department of the Air Force with 1,274, and the Department of the Navy with 568.

Inside the United States, civilian employment decreased 3,114 and outside the United States, civilian employment increased 4,375. Industrial employment by Federal agencies in August totaled 574,502, an increase of 1,026.

These figures are from reports certified by the agencies as compiled by the Joint Committee on Reduction of Nonessential Federal Expenditures.

FOREIGN NATIONALS

The total of 2,512,211 civilian employees certified to the committee by Federal agencies in their regular monthly personnel reports includes some foreign nationals employed in U.S. Government activities abroad, but in addition to these there were 170,312 foreign nationals working for U.S. agencies overseas during August who were not counted in the usual personnel reports. The number in July was 171,143. A breakdown of this employment for August follows:

Country	Total	Army	Navy	Air Force	NASA
Australia	1	--------	--------	--------	1
Canada	36	--------	--------	36	--------
Crete	60	--------	--------	60	--------
England	3, 290	--------	91	3, 199	--------
France	22, 439	18, 751	11	3, 677	--------
Germany	80, 990	68, 045	87	12, 858	--------
Greece	261	--------	--------	261	--------
Greenland	128	--------	--------	128	--------
Japan	53, 713	19, 278	14, 504	19, 931	--------
Korea	6, 212	6, 212	--------	--------	--------
Morocco	2, 568	--------	763	1, 805	--------
Netherlands	54	--------	--------	54	--------
Trinidad	560	--------	560	--------	--------
Total	170, 312	112, 286	16, 016	42, 009	1

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. KEATING:

S. 3777. A bill for the relief of Biagio Forgione;

S. 3778. A bill for the relief of Mannor Lee; and

S. 3779. A bill for the relief of Jackson Lum; to the Committee on the Judiciary.

By Mr. JAVITS:

S. 3780. A bill to simplify, modernize, and consolidate the laws relating to the employment of civilians in more than one position and the laws concerning the civilian employment of retired members of the uniformed services, and for other purposes; to the Committee on Post Office and Civil Service.

(See the remarks of Mr. JAVITS when he introduced the above bill, which appear under a separate heading.)

By Mr. KUCHEL:

S. 3781. A bill for the relief of Ingrid Davis; to the Committee on the Judiciary.

By Mr. McGEE (for himself and Mr. HICKEY):

S. 3782. A bill to amend the act of September 22, 1961, providing for the Peace Corps; to the Committee on Foreign Relations.

(See the remarks of Mr. McGEE when he introduced the above bill, which appear under a separate heading.)

By Mr. SMITH of Massachusetts:

S. 3783. A bill for the relief of Orazio Santangelo; to the Committee on the Judiciary.

By Mr. ENGLE:

S. 3784. A bill to extend and strengthen the Federal air pollution control program; to the Committee on Public Works.

CONCURRENT RESOLUTION

UNITED STATES, BRITISH, AND FRENCH RIGHTS IN BERLIN

Mr. JAVITS (for himself and Mr. MORSE) submitted a concurrent resolution (S. Con. Res. 97) concerning United States, British, and French rights in Berlin, which was referred to the Committee on Foreign Relations.

(See the above concurrent resolution printed in full when submitted by Mr. JAVITS, which appears under a separate heading.)

CIVILIAN EMPLOYMENT OF RETIRED OFFICERS OF UNIFORMED SERVICES

Mr. JAVITS. Mr. President, I send to the desk, for appropriate reference, a bill to simplify, modernize, and consolidate the laws relating to the employment of retired members of the Armed Forces in civilian positions of the U.S. Government. I have long recognized the need to permit such officers to be employed by the Government since their technical skills are extremely valuable for our national security.

As it stands now, existing law consists of an 1894 act and a maze of ad hoc amendments to that act. The purpose of these amendments was to extend rather than restrict the eligibility of retired officers to accept civilian positions with the Government, but with the great changes in wages and prices since 1894, the monetary limitations in the basic act have become so restrictive that many conflicting exemption provisions have made enforcement arbitrary, cumbersome, and inadequate.

I first introduced in the 86th Congress a bill, S. 2703, calling for a study by the Civil Service Commission of the entire field of laws affecting the employment of retired officers and the submission to the Congress of a draft bill codifying and revising the laws. The bill also provided for temporary permission to employ retired officers in civilian positions with partial retirement pay. Again in the 87th Congress, I introduced substantially the same bill as S. 1103.

However, the Civil Service Commission has now conducted the comprehensive study on this situation which my bill called for, and the study has resulted in a draft proposal which I am introducing today, fulfilling the purpose of my earlier bills. The proposal has been developed with the concurrence of the Department of Defense and the Bureau of the Budget.

This measure, if accepted by the Congress, would, by permitting a combination of retired pay in the amount of $2,000 per year plus one-half of the balance, correct a situation that has become increasingly dangerous. Now more than ever, we need experienced, highly trained men and women working in all phases of the Government. The training and expertise which officers of the Armed Forces have gained during their military service are a great asset to the Government and should be utilized rather than wasted, and I urge strongly that action be taken on this bill as a reasonable solution to the problem.

Mr. President, the bill is the result of the work of a subcommittee of the Committee on Government Operations, which has been presided over by the Senator from Minnesota [Mr. HUMPHREY], the Subcommittee on National Policy Machinery. We have become so impressed with the need for highly trained men that it is almost inconceivable that we should bar ourselves from the use of former military officers because of the complications which we introduce as to their pension rights and pension income. This bill was drafted by the Civil Service Commission; and I hope very much the Senator from Arkansas will support it.

Mr. McCLELLAN. Will it be referred to the Committee on Government Operations?

Mr. JAVITS. I believe it will be referred to our committee, and I hope very much we can consider it.

I thank the Senator from Arkansas.

Mr. McCLELLAN. Of course we cannot take action on it this session.

Mr. JAVITS. I understand.

Mr. McCLELLAN. But we shall have it in mind during the adjournment, and also when we reconvene.

Mr. JAVITS. I thank the Senator from Arkansas.

The PRESIDING OFFICER (Mr. MUSKIE in the chair). The bill will be received and appropriately referred.

The bill (S. 3780) to simplify, modernize, and consolidate the laws relating to the employment of civilians in more than one position and the laws concerning the civilian employment of retired members of the uniformed services, and for other purposes, introduced by Mr. JAVITS, was received, read twice by its title, and referred to the Committee on Post Office and Civil Service.

AMENDMENT OF PEACE CORPS ACT

Mr. McGEE. Mr. President, today I am introducing for myself and my colleague, the junior Senator from Wyoming [Mr. Hickey], a bill to amend the Peace Corps Act. Few humanitarian projects have so stirred the imagination of the American people or have demonstrated so graphically the force of the American spirit and the ability of the individual American to use his ingenuity and dedication to freedom to help his fellow man.

As living examples of the value of the democratic way of life, it seems to me only just that the members of the Peace Corps stationed in foreign countries have the right to participate in democracy through the ballot box. This bill would help them obtain that right by bringing Peace Corps members under the Federal Voting Assistance Act.

The Members of this body will remember that a similar proviso was included in the Peace Corps bill as it was passed by the Senate in the first session of the Congress. However, the House of Representatives did not concur and eliminated that section from the bill.

At this time in the adjournment race I am not optimistic over chances for passage of this bill. But I think it is important that the Senate go on record as favoring the strengthening of the voting rights of the Peace Corps members.

These dedicated people serve our Nation and the concept of freedom and human dignity at a considerable personal and financial hardship. It is only just that we permit them to participate fully in the political system they serve so well.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 3782) to amend the act of September 22, 1961, providing for the Peace Corps, introduced by Mr. McGee (for himself and Mr. Hickey), was received, read twice by its title, and referred to the Committee on Foreign Relations.

AMENDMENT OF INTERNAL REVENUE CODE OF 1954, RELATING TO LIMITATION ON RETIREMENT INCOME—AMENDMENT

Mr. MILLER submitted an amendment, intended to be proposed by him, to the bill (H.R. 6371) to amend section 37 of the Internal Revenue Code of 1954 with respect to the limitation on retirement income, which was ordered to lie on the table and to be printed.

TEMPORARY SUSPENSION OF DUTIES ON CORKBOARD INSULATION AND CORK STOPPERS—AMENDMENT

Mr. SMATHERS submitted an amendment, intended to be proposed by him, to the bill (H.R. 12213) to provide for the temporary suspension of the duties on corkboard insulation and on cork stoppers, which was ordered to lie on the table and to be printed.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the Record, as follows:

By Mr. WILEY:

Statements by him, relating to the major problems facing the Nation.

By Mr. HUMPHREY:

Comments of Secretary of State Dean Rusk, made on the television program "News and Comment," on September 30, 1962.

STEEL PRICE DECREASE BY KAISER STEEL CO.

Mr. KEFAUVER. Mr. President, yesterday I was delighted to learn that one American steel company—the Kaiser Steel Co.—still believes in the law of supply and demand, and has made a substantial cut in the price it charges for various steel products. I feel quite sure that at the reduced prices, this company will make a good profit for its stockholders and will increase its business. This is the first time in many years that a steel company has made a reduction in its prices, other than in the prices of some extras or specialties. The general rule has been that prices have been raised by one company, and then all the other companies have raised their prices, to meet the so-called "competition." That is what former Senator O'Mahoney used to call upside down competition.

This action by the Kaiser Steel Co. is a return to the old-style competitive price rivalry which made America preeminent in world trade. It will ease our balance-of-payments problem, will create jobs for American steelworkers, and in the long run will benefit both the Kaiser Steel Co. and the U.S. steel industry generally.

At the present time we are faced with a situation in which we have been losing our foreign markets and also have been losing a good deal of our domestic market in steel; and many of our steel companies have been operating at approximately 50 percent of their capacity. With lower prices, these companies can get more business, can operate their plants nearer capacity, and can better compete with steel companies in the United States and elsewhere.

This price reduction is the first significant reduction in the price of finished steel since the early 1930's. This action supports the position I have taken for a number of years; namely, that the price of steel is too high.

If the other steel companies in the United States follow the lead of the Kaiser Steel Co., they can begin to recapture some of the markets, both at home and abroad, that they have lost to foreign competitors. As is amply demonstrated by evidence introduced into hearings 2 weeks ago, there appears to be little difference between the unit costs of U.S. producers of steel and the costs of their European competitors. Yet the export prices of the foreign firms have averaged 30 percent below those of the American companies.

The PRESIDING OFFICER. Under the 3-minute limitation, the time available to the Senator from Tennessee has expired.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senator from Tennessee may proceed for 3 additional minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KEFAUVER. I thank the Senator from Montana.

Mr. President, although wage rates in the U.S. steel industry are much higher than those in Europe, so also is productivity. According to the most reliable statistics, productivity in the U.S. steel mills is twice as great as that in European steel mills. Fringe benefits are considerably higher than in the United States. Moreover, the U.S. steel industry enjoys a distinct advantage over its European competitors in the cost of coking coal and in the cost of iron ore. The price which the U.S. steel industry has to pay for coking coal—one of the chief ingredients in making steel—is a little less than half the price for the European companies.

Our investigation of the steel industry was thwarted by the unfortunate decision of the full Judiciary Committee not to allow the Antitrust and Monopoly Subcommittee to obtain certain information which it badly needed, and which it was willing to get under conditions of secrecy which would not have identified the returns made by particular companies. But we were able to get into the record, upon the questioning of Mr. Patton, of the Republic Steel Co., ample information to prove the point I have just made; namely, that the U.S. steel industry's costs of production are no higher, and probably are less, than those of its European competitors. So the action of the Kaiser Steel Co. in reducing the prices it charges for the steel it produces is very important. I congratulate the Kaiser Steel Co.; and I think the action it has taken will mean more work for American steelworkers, more foreign trade, less loss of our exports, and a regaining of some of our foreign markets. This is the first time there has been any real competition in the steel industry since the time of Mr. Gary, in the early 1930's; and if this action is followed by other companies, it bodes well for the future commerce and welfare of the United States.

Mr. President, I ask unanimous consent to have printed at this point in the Record an article giving the details of the price cut made by the Kaiser Steel Co. The article was published this morning in the Wall Street Journal.

There being no objection, the article was ordered to be printed in the Record, as follows:

Kaiser Steel Cuts Prices $12 a Ton, Paring West's Historic Differential—U.S. Steel To Match Bids in Area, as May Bethlehem; Others May Vacate Region

Kaiser Steel Corp. slashed its prices an average of $12 a ton in a move that wiped out most of the historic difference between steel prices on the west coast and the rest of the Nation.

Edgar F. Kaiser, chairman of the California producer, said the main purpose of the reductions was to eliminate the regional differential. He also said the move will enable Kaiser to reach further east for business, "make the West more competitive domestically" and "materially assist in combating foreign steel imports to the west coast."

Leslie B. Worthington, United States Steel Corp. president, said in Pittsburgh that the Nation's largest steel producer's "schedule of prices will be revised so that we will remain competitive." A Bethlehem Steel Corp. spokesman said the "effect of this action on our pricing structure is being given careful study." And a Republic Steel Corp. spokesman in Cleveland said it would be "impossible" to meet the new prices and that the company would lose its small western markets.

A steel source in Pittsburgh said other producers probably won't trim published mill prices. But, he added, these producers may increase concessions to the western market or face loss of west coast sales.

Steel sources made clear the price cut was a blow to major competitors of Kaiser Steel. Major steelmakers have long been complaining about a cost-price squeeze and they were unable to win a price increase in April because of heavy opposition from the Kennedy administration and refusal by Kaiser and two other producers to go along with the boost.

COMPETITORS MAY MATCH CUTS

Western steel mills traditionally have been able to charge a higher base price for their products because of costly freight charges on steel sent from the East and Midwest to Far Western markets.

The new Kaiser prices will wipe out most, but not all, of the traditional differential. The price on carbon plate, for example, was cut $14 a ton to $108, while other eastern mills are selling this product at $106 a ton. Hot-rolled sheet prices were reduced $12.50 a ton to $104 against $102 a ton charged by eastern mills. Canmaking tinplate prices were reduced by 55 cents a base box to $9.20, against $9.10 charged in the East. Continuous weld pipe prices were cut $20. These prices are f.o.b. the company's mill in Fontana, Calif.

A Kaiser spokesman says that the company has been considering this move for about 2 years. He said the company knew "something had to be done to make west coast steel prices more equitable with the rest of the country. Meanwhile, we've had financial borrowings and expansion programs which had to be worked out before we made the move." Kaiser finished a $214 million expansion program about 2 years ago.

Steel sources in Pittsburgh said the Kaiser cuts will have the heaviest impact on United States Steel and Bethlehem, not only because they have plants on the west coast but also because they ship more steel to that market than most other companies. Steel executives emphasized, however, that the cuts will hurt any company selling in the western market, and might even cut some companies out of the market altogether.

Some eastern steel men indicated their companies will absorb the Kaiser cuts and try to hold onto the markets. One leading pipe producer that has been absorbing $15 a ton in freight charges to get its steel to the west coast at Kaiser's old price figures it will have to absorb $35 a ton in freight charges to remain competitive. Another mill that is absorbing $22 a ton of a total freight charge of $38 a ton on plates figures it will have to pay $36 of the freight bill to meet Kaiser's price.

Some mills, however, said they doubt if they can make any money shipping to the West if they have to absorb the Kaiser cuts, which means they would have to give up the business. The Republic spokesman, for instance, said it may be impossible for eastern mills to absorb the cuts on some products, adding: "It costs $40 a ton just to ship some steel products from Chicago to the west coast. And eastern mills are only operating on a 3½ percent margin on the sales dollar now anyway."

A few steel men also raised the question of whether it will be necessary for eastern producers to meet the Kaiser prices to retain the western market on all products. An official of one tinplate maker, for instance, figures tinplate capacity on the west coast is less than half that required by canning companies in the region, which means some eastern mills might still be able to hold onto the market at a higher price. And some mills that don't participate heavily in the west coast market agreed with one steel executive who said it "doesn't look as though the price cuts will have much significance in our operation."

Some steel men believe heavy foreign competition was the big factor in some of the Kaiser price cuts. A west coast steel user said the new prices will "just about" bring Kaiser's prices in line with foreign steels. An eastern pipe producer said that between 35 and 50 percent of the western pipe market has been taken by imports. And while foreign competition has yet to gain a big foothold in the sheet and tinplate market, many American steel men fear the Japanese soon will be launching an attack in that area.

IMPORT VOLUME RISES

Volume of imported steel has risen sharply in southern California, according to the West Coast Metal Importers Association. The trade group said 61,580 tons of steel were processed through the Los Angeles and Long Beach, Calif., harbors during the month ended August 1, up from 33,357 tons in the 1961 period.

But increases in volume also were reported by Galveston, Tex., and New York, the second and third ranking steel importing harbors, the association said. Galveston handled 44,054 tons of imported steel during the month to August 1, up from 42,909 tons a year earlier. New York processed 42,395 tons, up from 33,500 tons.

Steel demand generally has been slack lately as customers have reduced inventories built up as a strike hedge prior to the industry's labor accord with the United Steel Workers of America in late March. As a result, steel operations haven't run as high as 60 percent of capacity since early May, and some price weakness cropped up in the market during the summer months.

While base prices on steel products weren't altered, the general price structure was weakened at the mill and warehouse level by a variety of concessions. They included elimination of some extra charges, increased absorption of freight charges and other kinds of allowances. Steel men say this decline in the price of some steel products slowed this summer, but that there has been no general improvement in prices.

Efforts by mills to drum up business during this slack period have brought more competitive pressure on Kaiser Steel in its selling area. Steel officials say, for example, that mills have been reaching farther to distant points on the west coast by absorbing additional freight charges, and that Kaiser also has been seeking new business by shipping to more distant consumers than previously.

ESTABLISHMENT OF FEDERAL MUTUAL SAVINGS BANKS

Mr. SPARKMAN. Mr. President, on July 1, 1960, for the senior Senator from Connecticut [Mr. BUSH] and myself, I introduced a bill to authorize Federal charters for mutual savings banks—S. 3796, 86th Congress—that would result in a dual system for the mutual savings bank industry. That bill was subjected to careful study from several interested Federal agencies and private financial groups. On September 11, 1961, I introduced for the senior Senator from Connecticut and myself an improved version of the Federal Mutual Savings Bank bill—S. 2528, 87th Congress. That bill in turn has been studied intensively in several quarters, leading to several additional changes incorporated in the bill. I introduced on October 2, S. 3776, on behalf of the senior Senator from Connecticut and myself.

Support for this proposed legislation has continued to increase year by year. In 1960 it received support from the Veterans' Administration and the Housing and Home Finance Agency. In that year the Federal Reserve Board stated that the bill merited careful study. The National Association of Home Builders has endorsed the proposal. The findings of a study by an academic team at the University of Chicago strongly support the economic advantages of extending mutual savings banking beyond their present confines. The Federal Home Loan Bank Board has been reviewing the objection it expressed in 1960 to S. 3796. Chairman Joseph P. McMurray, of the Federal Home Loan Bank Board, has stated that the task force he appointed to advise him on a wide scope of issues has given its support to the idea of Federal charters for mutual savings banks. In 1961 the Commission on Money and Credit, established to review the Nation's monetary and credit structure, unequivocally recommended that Federal charters be made available for mutual savings banks. In his 1962 Economic Report to the Congress, the President characterized the findings and recommendations of the Commission on Money and Credit as deserving of careful consideration by the Congress, the Executive, and the public. Later he established a Committee on Financial Institutions, composed of nine key members of the administration, to consider changes in Federal policy that will promote stability, growth, and efficiency of private financial institutions. Federal chartering of mutual savings banks is included in the agenda of this committee. It is expected to submit its recommendations to the President in November 1962.

In addition to the changes resulting from studies of Federal agencies and other groups, several changes recommended by leaders of the mutual savings bank and savings and loan industries have been incorporated into the bill introduced on October 2. Savings and loan associations have a direct interest in the bill because it establishes procedures whereby they may convert to Federal mutual savings banks. The proposed legislation is receiving consideration from several Federal agencies in addition to those mentioned above.

It seems fitting, therefore, that all these interested groups have before them for analysis and study that version of the bill which represents the latest considered thought of those who have worked to perfect this proposed legislation over the years.

The principal changes that have been incorporated in this proposal since S. 2528 was introduced are as follows:

The new version of the bill contains a new title II dealing with insurance of deposits. Under it all Federal mutual savings banks will be required to carry deposit insurance with the Federal Savings Insurance Corporation, a successor to the Federal Savings and Loan Insurance Corporation. S. 2528 would have required Federal mutual savings banks to carry deposit insurance with the Federal Deposit Insurance Corporation. Under the present law, all Federal savings and loan associations must insure savings with FSLIC. This function will be carried on by the new FSIC under this bill. State-chartered savings and loan associations under present law may, but need not, apply to FSLIC for insurance of savings. FSIC will step into the shoes of FSLIC for this function. State-chartered mutual savings banks will be given the privilege under this bill of applying for deposit insurance either from FSIC or FDIC, if these savings institutions wish to have deposits insured by a Federal agency.

The bill also provides that when a State-chartered mutual savings bank having deposits insured by FDIC converts to a Federal mutual savings bank and therefore must have deposits insured by FSIC, it will carry along with it into FSIC insurance reserves its pro rata share of FDIC insurance reserves. A formula is prescribed in the bill for computing this pro rata share. It combines elements of assessments paid over the years to FDIC and the amount of deposits in the converting institution.

The result of these changes in the bill would be to have the great bulk of savings that serve as a source for home finance insured with FSIC, a Federal agency of which the Federal Home Loan Bank Board would serve as the board of trustees. It seems particularly fitting with respect to federally chartered mutual savings banks, because the Federal Home Loan Bank Board will also serve as the chartering and supervisory agent for such institutions.

Another change in this bill will make possible the formation of Federal mutual savings banks with directors as the policymaking officials without necessarily having a body of corporators or trustees—referred to in this bill as members—superimposed over the board of directors. Such a form of organization is more familiar to savings and loan associations than the corporator-trustee system found in the mutual savings bank industry, where trustees—corresponding to directors—act as policymaking officials but are in turn elected by and responsible to a larger body of corporators. This bill would permit Federal mutual savings banks to follow either type of organization within the discretion of those who organize it.

To give added emphasis to the duty of directors to savers, this bill states that they are subject to a general fiduciary duty as well as to the specific fiduciary duties expressly stated in the bill.

This bill also will broaden in several respects the investment powers of Federal mutual savings banks, particularly in the housing field. Mortgage participations are made more feasible. The Federal Home Loan Bank Board is given discretion to increase the statutory limits prescribed for home mortgages in certain circumstances. The loan-to-value ratio limit is increased to 90 percent from 80 percent for any one- to four-family home serving as security for a conventional mortgage. Federal mutual savings banks are given authority to invest in shares, accounts, and obligations of other thrift institutions that are subject to Federal or State supervision.

General regulatory and supervisory authority over Federal mutual savings banks is expressly vested in the Federal Home Bank Board. The provisions dealing with appointment of conservators and receivers for Federal mutual savings banks are specifically spelled out in order to offer a practical method of operation with adequate safeguards to savers, borrowers, and management. These provisions may well have to be viewed in the light of developments resulting from studies now being conducted affecting other statutes dealing with conservators and receivers for savings and loan associations.

My interest in the field of home finance is well known. I have been impressed by surveys demonstrating that where savings banks exist, the per capita rate of savings is higher than in non-savings-bank areas. Because these institutions are specialists in thrift, their ability to produce savings helps to build up an added source of funds for financing homes.

It is understandable that mutual savings banks first seek investments in the communities where they are established, since the cost of servicing such investments is lower than in the case of investments of equivalent quality situated in other States at considerable distance from the location of the mutual savings bank. Therefore, the creation of mutual savings banks in areas where none now exist should add to the supply of funds for financing local homebuilding, as well as providing a source of money available for investment in other local enterprises through the purchase of private and government securities.

In my opinion the need for additional home mortgage funds will increase in the near future. Mutual savings banks could contribute their share toward producing additional mortgage funds, if they are enabled to extend their locations beyond the confines of the 18 States in which they are now established. For this reason I favor legislation such as the bill I introduced on October 2 which will make possible the establishment of mutual savings banks under Federal charters in any of the States. I urge my colleagues to give careful and sympathetic consideration to this legislation.

Mr. President, we realize it is too late to get action on the bill at the present session of Congress, but we did wish to have it on record in order that it might provoke study and consideration during the adjournment of Congress.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUSH. Mr. President, I am pleased to cosponsor the bill (S. 3776), introduced on yesterday by the junior Senator from Alabama [Mr. SPARKMAN], to authorize the establishment of Federal mutual savings banks. In 1960 and 1961, I cosponsored similar bills introduced by the Senator from Alabama. The present bill represents the product of long efforts to improve the legislation. It embodies changes suggested by mutual savings bank leaders, savings and loan association representatives, and Federal officials. All these changes should help to make the Federal mutual savings bank system more operable in the public interest.

I take particular interest in this proposed legislation, because mutual savings banking has developed and come to full flower in New England. It has long provided facilities that encourage the practice of saving money. Distributed widely throughout the New England countryside and towns, mutual savings banks have attracted favorable attention from inhabitants of the communities they serve, especially from many of those not endowed too heavily with the wealth of this world. Savings banking has a fine heritage steeped in the philosophy of self-help and private enterprise. The system owes its beginnings to a clergyman in Scotland who saw in the facilities it could offer a method of encouraging people of moderate means to set aside some portion of their income as a protection against indigence in bad times or old age. Transplanted to the United States in the early 1800's, the system found a warm response from thrifty Bostonians and Philadelphians in whose cities the first savings banks were founded.

Mutual savings banking has thrived from those early beginnings. It has built a deserved reputation for safety and dependability, by weathering the storms of all panics and depressions.

But while the trustee system employed in operating mutual savings banks has encouraged caution in the handling of funds entrusted to the institutions, the system has adapted its modes of operation in order to meet the changing needs of the times.

This combination of safety and adaptability comprises a formula that enabled mutual savings banking to rise from small beginnings to the $45 billion industry it has become today—512 individual mutual savings banks are located in 18 States and possessions.

The savings they attract help to supply a pool of capital for investment in business enterprises, first, in the communities where mutual savings banks operate, and, second, in parts of the Nation in which no mutual savings bank is presently located. Many a home in areas lacking mutual savings banks owes its financing to the savings invested by an out-of-State mutual savings bank in the joint interest of the saver and the borrower.

Mr. President, I feel certain that mutual savings banks can benefit other areas of this country even better if they are offered an opportunity to establish themselves there. It is for this reason that I am appreciative of the opportunity to join in cosponsoring the Federal mutual savings bank bill introduced on yesterday.

Although I shall not be among them, I commend it to the Members of the 88th Congress for careful study and early hearings.

COMMENDATION OF CAR SERVICE SECTION OF INTERSTATE COMMERCE COMMISSION AND RAILROAD EMPLOYEES FOR SUCCESSFUL TRANSPORTATION OF NORTH DAKOTA GRAIN CROP

Mr. BURDICK. Mr. President, this year the North Dakota bumper grain crop—amounting to over 365 million bushels—was the greatest in the history of the State. The bumper crop created a major transportation problem, because the movement of no other commodity exerts such a demand on the boxcar supply.

The Car Service Section of the Interstate Commerce Commission was in frequent contact with me and my staff, because that section has the direct Government responsibility for the successful annual transportation of the grain crop to the flour mills and lake ports.

The field representatives of the section conduct surveys and alert granger roads and elevators as to the freight-car requirements, based upon the estimated harvest. They contact farmers, grain elevators, and others, to determine available grain storage space and the number of boxcars needed. They also supervise the prompt placing of cars for loading and for unloading at destination points.

It is not often that we read or hear of thanks for some particular job or task done with efficiency and know-how by some Government department or agency. The seemingly newsworthy items usually pertain to charges of delays, redtape, and bureaucracy.

On behalf of the farmers of North Dakota I salute and commend the personnel of the Car Service Section of the ICC for the splendid and efficient coordination job they did as to the 1962 grain movement. I also thank the trainmen, enginemen, switchmen, yard clerks, and all other railroad employees who contributed so much to the successful transportation of the North Dakota grain crop.

USE OF FEDERAL TROOPS AT OXFORD, MISS.

Mr. BYRD of Virginia. Mr. President, when President Eisenhower sent Armed Forces of the Federal Government into Little Rock, Ark., on September 27, 1957, I said:

> The action of the President in sending Federal troops into Arkansas to enforce school integration with guns and bayonets will have far-reaching and terrible consequences. For the first time since Reconstruction days Federal troops will, by naked force, take charge of local law-enforcement against the will of State authorities.

Now, again, President Kennedy has ordered the U.S. Army to move with military force into Oxford, in Mississippi. The action at Little Rock, as we see, has served as precedent for military occupation of Oxford.

My position relating to use of Federal troops at Little Rock to enforce the Warren Court integration decision has not changed. I repeat my statement of September 27, 1957, along with this question:

Where, and under what circumstances, will the Government of the United States next use military force against our own people to enforce Federal court orders?

The use of military force for such purposes is even more offensive to our form of government when elements of the judicial branch are obviously acting—not independently of, but in collusion with—the executive branch which commands the military force.

This collusion is made clear by the nature of Department of Justice activity before Federal courts and judges involved, which is being reflected in the detail of an increasing number of orders and decrees they issue.

I deplore violence; and needless bloodshed at Oxford might have been spared by adherence to the fundamentals—checks and balances and division of power—on which our system of government rests.

Brig. Gen. Charles P. Roderick, Office of the Secretary of Defense—through the Senate Armed Services Committee—advises me that the concentration of military forces in the area of Oxford, now totals approximately 20,000.

Oxford, of course, is the site of the University of Mississippi where the U.S. Government, through the use of Federal court orders, has violated the laws of the State of Mississippi and employed the military force of the Nation to enforce its act.

In addition to hundreds of Federal marshals, FBI agents, and other enforcement officers under orders from the Central Government at Washington, the U.S. Army now has in and around Oxford eight battle groups, six of them Regular Army and two National Guard; three military police battalions; one armored cavalry regiment, Mississippi National Guard, without its tanks to date; 18th Airborne Corps Headquarters; and one engineer battalion, a part of a division headquarters.

This military phalanx of some 20,000 has been sent into the vicinity of Oxford, a town of 5,000 including student residents, to impose the will of Federal courts on the people of Mississippi as to how they should administer their own State institutions.

This obviously is a demonstration of massive military strength to intimidate the people of States into submission to Federal domination.

I ask unanimous consent to insert in the RECORD, as a part of my remarks, a thoughtful editorial by David Lawrence, as published in the U.S. News & World Report, of October 8, 1962. The editorial is entitled "Illegality Breeds Illegality."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

ILLEGALITY BREEDS ILLEGALITY

(By David Lawrence)

The above headline introduced an editorial on this page on October 4, 1957, commenting on the illegal use of Federal troops at Little Rock, Ark. The Governor of a sovereign State thought he was empowered to use the State militia to prevent violence and disorder—a State function as he saw it. This was at a time when a Federal court had ordered the admission of Negroes to a public high school, previously all-white, and feelings were inflamed.

But the Governor's theory was overruled, not by any court but by military force ordered by the Federal Government. Yet there's nothing in the Constitution which authorizes the Federal Government to send troops to any State under such circumstances. If the Federal court's order to open the school to Negroes did supersede the right of the Governor to take legal steps to prevent domestic violence, no opportunity was given to settle the point by legal procedures.

Today, the Governor of another sovereign State—Mississippi—feels he has the legal right to block a Federal court order requiring the State university to admit a Negro student. Any citizen has a right—at the risk of punishment—to refuse to abide by a court ruling and to have his day in court, even to the point of carrying the case to the Supreme Court of the United States for a determination of the issues involved.

The processes of the law were open in October 1957, as they are now in October 1962, to resolve the conflict of State and Federal functions. We should not be impatient, even though there is a congressional campaign in progress at present that adds political implications. We should let legal processes take their natural course.

For we pride ourselves on being a nation that abides by the law. Our difficulty, however, is in ascertaining just what is the law of the land in the various legal maneuvers that currently surround the integration controversy.

It is easy enough to call Gov. Ross Barnett of Mississippi and Attorney General Robert Kennedy political exhibitionists, but each has a duty to perform.

It is easy enough to call anyone a "Negro hater" who disagrees with the theory of forced integration.

It is easy enough to call the people of the South enemies of the Negro, though the facts of their relationship in the last 100 years do not bear out the accusation.

This writer was a student at an integrated high school in the North more than a half-century ago and wrote often for the press about the feats of a Negro who was star quarterback on the football team and a most popular individual. But the problem that faces all of us is not just to consider our own personal feelings. Nor is it a matter simply of obedience to rulings of the courts. It goes deeper. We should not close our minds to the other side of the argument—generated as it is by the pain of an injustice that gnaws at the hearts of the people of the South.

For they have not forgotten the injustice and, indeed, the complete disregard of the Constitution of the United States by a radical Republican majority in Congress which despotically tore that document to shreds and imposed a series of illegal acts on the people of a defeated South.

History does not lie. The almost unanimous writings of historians and the testimony in official records tell us that the 14th amendment was never legally adopted as a part of the Constitution. Yet the whole integration-segregation controversy of today is rooted in that illegality. The Supreme Court of the United States based its decision in 1954 on the unmentioned assumption that the 14th amendment is valid.

It is a shameful truth that, ever since the 14th amendment was allegedly adopted in 1868, the Supreme Court has evaded passing on the legality of that ratifying process.

The people of the South know this. They know also that when their State legislatures—after the War Between the States was over—ratified the 13th amendment abolishing slavery, this was accepted as legal and the amendment was duly adopted. When, however, these same legislatures rejected the proposed 14th amendment. Congress capriciously declared them outside the Union and sent Federal troops to create new legislatures which were then coerced at the point of the bayonet into adopting the amendment.

We cannot gloss over these facts. We cannot ignore the feelings of bitterness and resentment they have created through the last 94 years.

Nor can we ignore the sociological aspects. The Supreme Court said in 1954 that times had changed, and it overruled what the Supreme Court in 1896 had decided to be the law of the land—namely, that it was legal to provide "separate but equal" facilities for the Negro in public transportation. This was subsequently interpreted as including public schools and colleges. No legal reason for overturning that 58-year-old decision was offered in the 1954 ruling. It was an emotional opinion that emphasized sociological considerations. Yet the Court ignored the sociological consequences feared by the people of the South.

For the South sees integration—not only in schools and buses, but in restaurants and swimming pools and recreation centers—as cumulatively hastening the day of intermarriage of the races. The State laws in the South against intermarriage have not been struck down as yet, but probably will be by the Supreme Court.

How can the defenders of the illegal method of adding an amendment to the Constitution in 1868 justify in their consciences the imposition today of a social system which many people in the North as well as the South say is an interference with the freedom of the individual? For it has always been assumed that the people of a sovereign State can by majority vote choose their own way of life and manage their own educational institutions without diminishing in any way the educational opportunities of the minority.

The 10th amendment to the Constitution, on which Governor Barnett has relied, says:

"The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people."

It can be said positively that no legal authority has ever been granted to the executive branch of the Federal Government to manage or operate the educational institutions of the States.

Denial of admission to the University of Mississippi for the Negro student involved in the present controversy was upheld by the U.S. district court. When the case was appealed, however, the U.S. circuit court of appeals reversed the order and, by a 2-to-1 vote of the judges, said the student should be admitted. Judge Dozier DeVane, who dissented, said in part:

"In my opinion, Judge Mize was correct in finding and holding that appellant bore all the characteristics of becoming a troublemaker if permitted to enter the University of Mississippi, and his entry therein may be nothing short of a catastrophe."

But apparently the university authorities are to be deprived of their right to pass upon the qualifications of applicants.

The argument is made, of course, that the Supreme Court of the United States, in the desegregation decision of 1954, relied on the 14th amendment, which provides that no citizen may be denied "equal protection of the laws." Even if the 14th amendment were a valid part of the Constitution, a case could be brought to court to decide whether "equal protection" means that a university must admit students on the basis of race and not on the basis of scholastic standing or individual fitness.

But the 14th amendment is not valid.

The words of a State in the North are pertinent. In October 1868—3 months after Secretary of State Seward dubiously proclaimed the 14th amendment as ratified—the Oregon Legislature, which had earlier voted to ratify, passed a rescinding resolution and declared that the ratifications by the Southern States were "usurpations, unconstitutional, revolutionary and void," and that "until such ratification is completed, any State has a right to withdraw its assent to any proposed amendment."

Since those days, the Supreme Court has declined to decide whether an assent once given by a State can be withdrawn. It has also refused to rule on the constitutionality of a law passed by Congress declaring the Southern States out of the Union and denying them congressional representation until such time as they ratified the 14th amendment.

Amid acts of coercion and military pressure, the 14th amendment has lived on through the decades, but not until 1954 did the Supreme Court invoke it as a means of forcing the public schools of the States to bow to the Federal Government's dictation as to who must be enrolled as students.

Congress, incidentally, has never passed legislation—as stipulated in the 14th amendment—to enforce the provisions of that amendment if they relate to educational institutions. The 1954 opinion of the Supreme Court has been accepted by the Federal Government as a substitute for an act of Congress. It is still, however, the duty of the courts to pass upon the right of a President to use military force to do what Congress has never authorized him to do.

It is easy enough to grow impatient in a debate over legal questions. The processes of justice are often slow. It was at one time enough for southerners to say that to lynch Negroes accused of raping white women was merely to obey the impulses of natural law, and that there was no need to wait for the courts. It is easy enough also for Negro leaders of demonstrations to cry out today: "We have waited long enough—let's take the law into our own hands."

But these outbursts of passion will not solve anything. Only through the voice of reason can we find a solution, and it is important not to try to abolish overnight what generations of experience and custom—involved in the basic fear of racial intermarriage—have implanted. We must not accept the doctrine that "the end justifies the means." For when illegality breeds illegality, the result is chaos.

THE PEACE CORPS

Mr. McGEE. Mr. President, among my journalist friends, the columnist and author Robert Ruark is regarded as a man who looks with a jaundiced eye upon most of mankind's attempts at self-betterment. They tell me that he regards most of the human race as rather well established in the ways of ignorance, superstition, and corruption and holds that those who travel to the world's underdeveloped areas to help the people there improve themselves are impractical dreamers who have both feet planted firmly in midair.

Therefore, when a group dedicated to bringing the benefits of Western civilization to the less fortunate parts of the world warrants Mr. Ruark's praise it can assumed that they have done a remarkable and realistic job. The group is the Peace Corps and its director, R. Sargent Shriver.

An editorial on his statement appeared in the September 29 issue of the Washington Daily News and I ask unanimous consent that it be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Something We Are Doing Right

In the midst of election-year controversy over everything from Cuba to inflation, it is a real pelasure to note the steady progress of an inspired American experiment in foreign affairs.

"Wherever I've been in the world over the last 6 months," reports our columnist, Robert Ruark, "all I've heard is praise for the Peace Corps' solid, helpful work and generally fine projection of the best American image with the downtrods."

This is comment from an expert. Mr. Ruark's travels cover many thousands of annual miles, largely into the back country of Africa and Asia. He is, moreover, inclined toward the cynical view of do-gooding, whether at home or abroad.

"The Peace Corps kids," he sdys, "have worked well at what it was announced they would accomplish—a better knowledge of foreign lands and the natives themselves. I'd say that Sargent Shriver, who labors under the handicap of being the President's brother-in-law, has done a stout job and should be commended."

That is praise well deserved in our opinion. The Peace Corps members, living and working with the natives of various lands, are giving America a good name. Even more important, they are amassing a knowledge of foreign languages, folkways, and traditions which should prove invaluable. From the ranks of these dedicated young men and women should come our real experts of the next generation, in the field of foreign affairs.

PESTICIDES

Mr. MORSE. Mr. President, I invite the attention of Senators to an article published in a recent issue of Time magazine under the heading "Biology. Pesticides: The Price for Progress." The news item deals with a discussion of the book entitled "Silent Spring," by Rachel Carson, a recognized biochemist. Dr. Carson has written a book that seeks to warn the American consumers and the public generally about the great danger of food poisoning from the overuse of pesticides, and alleges that there is a great loss of animal life, particularly wildlife, as a result of what she asserts is an overdosage of pesticides being used for spraying purposes and for the treatment of soil and vegetation.

I am not a biochemist. However, I try to be a competent and intelligent juror for, it seems to me, to no small degree those of us in the Senate find ourselves in the position of having to function really as jurors, weighing the evidence that is presented to us with regard to controversial issues that come before us.

I ask unanimous consent to have printed at this point in the RECORD as part of my remarks the article published in Time magazine which discusses the allegations of Dr. Carson in her book "The Silent Spring."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

Pesticides: The Price for Progress

"There was once a town in the heart of America where all life seemed to be in harmony with its surroundings." It had fertile farms, prosperous farmers, birds in the trees, fish in the streams, and flowers blooming gaily along the roadsides. Then a white powder fell from the sky like snow, and a fearful blight crept over the land. Cattle and sheep sickened; hens could not hatch their eggs. Strange illnesses appeared among the people, children were stricken at play and died within a few hours. The birds sang no more, the fish in the streams died, and the roadsides were lined with browned vegetation as if swept by fire.

Such is the picture drawn of the future in "Silent Spring," a new book by Rachel Carson, whose "The Sea Around Us" earned her a reputation not only as a competent marine biologist but as a graceful writer. Miss Carson's deadly white powder is not radioactive fallout, as many readers will at first assume. The villains in "Silent Spring" are chemical pesticides, against which Miss Carson has taken up her pen in alarm and anger, putting literary skill second to the task of frightening and arousing her readers. Published this week, the book has already raised a spirit of controversy about the danger to birds and wildlife of those modern chemical compounds that have vastly increased agricultural production, banished some diseases, and kept at bay the most bothersome and harmful of insects and rodents.

As Miss Carson sees it, the accomplishments are not worth the price. She explains that no single town has suffered all the misfortunes from spraying and dusting that she describes: "Yet, every one of these disasters has actually happened somewhere, and many real communities have already suffered a substantial number of them. A grim specter has crept upon us, and this imagined tragedy may easily become a stark reality."

AS BAD AS THE BORGIAS

The bulk of Miss Carson's book is support for this nightmare curtain raiser. In a chapter titled "Elixirs of Death," she lists the synthetic insecticides, beginning with DDT, that came into use at the end of World War II. All of them are dangerous, she says without reservation. Already they are everywhere: in soil, rivers, ground water, even in the bodies of living animals and humans. "They occur in mothers' milk," she says, using emotion-fanning words, "and probably in the tissues of the unborn child." And worse is to come. "This birth-to-death contact," she warns, "contributes to the progressive buildup of chemicals in our bodies and so to cumulative poisoning. We are in little better position than the guests of the Borgias."

There is no doubt about the impact of "Silent Spring," it is a real shocker. Many unwary readers will be firmly convinced that most of the United States—with its animals, plants, soil, water, and people—is already laced with poison that will soon start taking a dreadful toll, and that the only hope is to stop using chemical pesticides and let the age-old "balance of nature" take care of obnoxious insects.

Scientists, physicians, and other technically informed people will also be shocked by "Silent Spring"—but for a different reason. They recognize Miss Carson's skill in building her frightening case; but they consider that case unfair, one-sided, and hysterically overemphatic. Many of the scary generalizations—and there are lots of them—are patently unsound. "It is not possible," says Miss Carson, "to add pesticides to water anywhere without threatening the purity of water everywhere." It takes only a moment of reflection to show that this is nonsense. Again she says: "Each insecticide is used for the simple reason that it is a deadly poison. It therefore poisons all life with which it comes in contact." Any housewife who has sprayed flies with a bug bomb and managed to survive without poisoning, should spot at least part of the error in that statement.

But Author Carson's oversimplifications and downright errors only serve to highlight a question that has bothered many Americans: Just how dangerous are insecticides? Experts of the Department of Agriculture and the U.S. Public Health Service readily admit that some of them are extremely poisonous to humans as well as to insects and other pests. Parathion, an organic phosphate used against mites and other highly resistant insects, is so deadly that men who spray it must wear respirators and protective clothing.

A few related chemicals are almost as dangerous, but luckily they break down quickly into harmless substances and so leave no poisonous residue on fruits and vegetables or in the soil. Their disadvantage is that they can poison farmworkers who handle them carelessly. Miss Carson describes these very rare accidents and gets shock effect out of them, but they are comparable to accidents caused by careless handling of such violent industrial chemicals as sulfuric acid. The highly toxic phosphates are no menace to the general public, which seldom comes in contact with them.

DDT IN EVERY MEAL

The chlorinated hydrocarbons, on the other hand (including the familiar DDT), are used in enormous quantities by almost everyone. Much of Miss Carson's case against spraying depends on her contention that DDT and its near chemical relatives are poisonous to humans, especially since they tend to accumulate in fatty tissues. Experts do not agree. A mere trace of DDT kills insects, but humans and other mammals can absorb large doses without damage. Dr. Wayland J. Hayes, chief of the toxicology section of the U.S. Public Health Service in Atlanta, says that every meal served in the United States probably contains a trace of DDT, but that this is nothing to worry about. He and his coworkers fed 200 times the normal amount to 51 convict volunteers. The insecticide accumulated in their bodies for about 1 year and then was excreted as fast as it arrived. The human guinea pigs felt no ill effects, and doctors pronounced them as healthy as a control group that got the same diet without extra DDT.

EXAGGERATED IMPORTANCE

While many insecticides are roughly as harmless as DDT, others are considerably more poisonous to humans. But, in the opinion of respected experts of the U.S. Public Health Service, none have done appreciable damage to the U.S. public or are likely to do so. In heavily sprayed cotton-growing areas of the Mississippi Delta, says Assistant Surgeon General Dr. D. E. Price, health is as good as in sparingly sprayed neighboring areas. The same report comes from California, where insecticides are heavily sprayed on orchards and fields. Says Robert Z. Rollins, chief of the division of chemistry of the California department of agriculture: "Pesticides used properly present no threat to people, no matter how widespread their use becomes."

Humans generally protect their domestic animals from any ill effects; wildlife does not fare as well. Wild animals, birds, fish, and friendly insects are among the valued inhabitants of the United States, and a good part of Miss Carson's book tells about the deadly effect of wholesale spraying on these pleasant and harmless creatures. In vivid language, she tells how DDT spraying to protect elm trees from Dutch elm disease nearly wiped out the bird populations of many Midwestern cities, how fruitless attempts to exterminate the imported fire ant of the South by airplane dusting with dieldrin had dire effects on many kinds of wildlife.

Even scientist defenders of pesticides admit that these things have happened, but they maintain that their importance is exaggerated. According to the Entomological Society of America, only 0.28 percent of the 640 million acres of U.S. forest land is treated annually, and 613 million acres have never been treated. Insecticides are used mostly on crop lands, which have little wildlife, and on human residential areas to protect shade trees—the use that causes the most conspicuous damage to wildlife.

One result is the wholesale death of robins, which form a large part of suburban bird populations. The robins live on earthworms (that is why they are plentiful in the suburbs, where worm-bearing lawns abound), which concentrate insecticides without being damaged themselves. When the robins eat these insecticide-full worms, they die. The slaughter may continue for several years, until the DDT in the soil has disintegrated.

ELMS VERSUS ROBINS

Death chains of this sort are fortunately not common. A report published by the Wilson Ornithological Society says that most spraying does little damage to most birds, and still less to wild mammals. Fish are more sensitive; when certain insecticides are washed into streams or lakes, they are apt to kill everything that moves on fins. Perhaps the worst effect on birds is the reduction of edible insects, which are important food for many species. But the damage is not complete; not even Miss Carson can point to a single sizable sprayed area where "no birds sing."

To answer insistent complaints, the National Academy of Sciences sponsored a careful study of pesticide damage to wildlife. Its conclusion: The damage, though always regrettable, is not disastrous, and the damaged wildlife population generally recovers in a few years. Sometimes it may be necessary, remarks the Academy, to choose between elms and robins, both of which have their partisans.

INSECT PARADISE

Lovers of wildlife often rhapsodize about the "balance of nature that keeps all living creatures in harmony," but scientists realistically point out that the balance was upset thousands of years ago when man's invention of weapons made him the king of beasts. The balance has never recovered its equilibrium; man is the dominant species on his planet, and as his fields, pastures and cities spread across the land, lesser species are extirpated, pushed into refuge areas, or domesticated.

Some species, most of them insects, benefit increasingly from man's activities. Their attacks on his toothsome crops are as old as recorded history—the Bible often refers to plagues of locusts, canker-worms, lice and flies—but their damage was only sporadically serious when population was small and scattered. Modern, large-scale agriculture offers a paradise for plant-eating insects. Crops are grown year after year in the same or nearby fields, helping insect populations to build up. Many of the worst pests are insect invaders from foreign countries that have left their natural enemies behind and so are as free as man himself from the check of nature's balance.

Agricultural scientists try hard to find ways to check insect pests by tricks of cultivation. They import the ancient enemies of invading foreign insects and foster the resident enemies of native pests. They are developing bacterial diseases to spread pestilence among insect populations. Because these tactics alone are seldom enough to protect the tender plants of modern, high-yield farms, the use of insecticides is economically necessary. Tests run by the Department of Agriculture show that failure to use pesticides would cost a major part of many crops; a 20-year study proved that cotton yields would be cut by 40 percent. Production of many kinds of fruit and vegetables would be impossible; unsprayed apple trees, for instance, no longer yield fruit that is sound enough to be marketed.[1] Potato fields swept by the Colorado beetle or late blight (the fungus that caused the great Irish potato famine of 1846) yield hardly any crop.

A QUANDARY OF SURPLUSES

Chemical insecticides are now a necessary part of modern U.S. agriculture, whose near-miraculous efficiency has turned the ancient tragedy of recurrent famine into the biologically happy problem of what to do with food surpluses. Says Entomologist George C. Decker of the Illinois Agricultural Experiment Station: "If we in North America were to adopt a policy of 'Let nature take its course,' as some individuals thoughtlessly advocate, it is possible that these would-be experts would find disposing of the 200 million surplus human beings even more perplexing than the disposition of America's current corn, cotton, and wheat surpluses."

Many scientists sympathize with Miss Carson's love of wildlife, and even with her mystical attachment to the balance of nature. But they fear that her emotional and inaccurate outburst in Silent Spring may do harm by alarming the nontechnical public, while doing no good for the things that she loves.

Mr. MORSE. I call attention to the last paragraph of the article:

> Many scientists sympathize with Miss Carson's love of wildlife, and even with her mystical attachment to the balance of nature. But they fear that her emotional and inaccurate outburst in "Silent Spring" may do harm by alarming the nontechnical public, while doing no good for the things that she loves.

Perhaps that paragraph is justified. I do not know. But I do know that the Department of Agriculture has the responsibility of presenting to the Congress and to the public a very careful analysis of Dr. Carson's allegations. We have the right to look to the Department of Agriculture, and I now call upon the Department of Agriculture to prepare such a brochure.

We have a right to receive from the Department of Agriculture a scientific analysis of such charges by recognized scientists.

Senators will find in the material that I am inserting in the Record that there is no challenge as to the competency of those scientists. The challenge goes to some of the deductions that are drawn from the data which have been collected.

I ask unanimous consent that there be printed at this point in the Record an article entitled "More Political Quackery, New Drug Controls Will Impede Progress, Not Foster Safety," which is being distributed by the National Agricultural Chemicals Association, under the name of Dennis Hayley, the director of information.

There being no objection, the article was ordered to be printed in the Record, as follows:

More Political Quackery—New Drug Controls Will Impede Progress, Not Foster Safety

For those who believe in better things for better living, whether through chemistry, pharmacy, or some other triumph of the scientific method, the past few weeks have been a painful time. In July news broke of the terrible side effects caused by the drug thalidomide; a tragedy which shocked the world and jolted Congress into hurried action. Similarly, amidst widespread confusion and dismay, the U.S. Surgeon-General 10 days ago issued a warning (subsequently rescinded) against the use by adults of the Sabin vaccine, Type III which has been suspected of triggering polio in 4 inoculations out of 4 million. Now, to bookstres throughout the country, as well as to the members of the Book-of-the-Month Club, has gone "The Silent Spring," by Rachel Carson, a work approvingly cited by Consumers Union as "a stunning attack on the indiscriminate use of toxic insecticides." To judge by the furor which it already has stirred, official publication of "The Silent Spring" on Thursday may well usher in open season on the whole pesticides industry.

Deformity, paralysis, poison—each is what politicians would call a "gut issue," one which hits home instantly with most people. Hence in every case the reaction of the public was both inevitable and natural. Despite understandable alarm, however, the United States would do well to keep its head. For in the emotional atmosphere which currently prevails, it has become more susceptible than ever to political quackery. Thus it has applauded the award of a medal to a Government employee who, perhaps by the exercise of womanly intuition, unwittingly did her countrymen a great service. It has uncritically embraced the work of Miss Carson, a noted marine biologist with a marvelous command of her subject and a weakness for going beyond her depth. Most heedless of all, its spokesmen in Congress have lined up behind legislation which, in the guise of assuring safety, would impose irrelevant, potentially dangerous Federal controls on the manufacturing, testing, and sale of drugs. None of the provisions could prevent another thalidomide. What they doubtless would do, however, is discourage and delay the discovery of new live-saving compounds. In the circumstances, the real hazard to the Nation's health and welfare lies less in the disease than in the cure.

To those who seek remedies in Washington for all the ills afflicting mankind, a close reading of "The Silent Spring" will yield cold comfort. As widely advertised, the book is a powerful attack on the casual use of potent insecticides. In order to get rid of pests that often are little more than a nuisance, charges the author, gardeners, farmers and local and Federal authorities have in effect declared war on nature. Thereby they have destroyed unoffending plant and animal life. They have created resistant strains of insects which shrug off ordinary compounds, and, in an ominous chemical escalation, must be assaulted with increasingly deadly poisons. Worst of all, says Miss Carson, pesticides are a menace to the future of the race.

In rebuttal, Miss Carson's critics, while challenging neither her accuracy nor competence, accuse her of exaggeration. Thus, according to the head of the National Agricultural Chemicals Association, less than half an acre per hundred of forest, grassland pastures or "wildland" receives an annual dose of insecticides; on this score 95 percent of total U.S. forest and pasture land remains virgin territory. As to Miss Carson's claim that pesticides are carcinogenic (cancer-producing) substances, a layman can only note that scientific opinion is divided on the question: some authorities, who believe the cause of cancer to be a virus, cast doubt on her whole line of argument.

However, the main point—which apparently has escaped both the author and such readers as Consumers Union—is that the chief villain of the piece is not industry but Government. To begin with, all pesticides shipped in interstate commerce must be registered with the U.S. Department of Agriculture; manufacturers must prove to its satisfaction that the product, when used as directed, "will be effective, safe for users, safe for people living in the area, safe for crops and livestock, and safe in respect to residues in food." If accidents happen, it's certainly not for lack of Federal controls. Moreover, many of the tragic episodes recounted must be blamed on Federal or State officials. Describing the devastation of the sage brush in Bridger National Forest, Wyo., which exterminated moose, beaver, and trout, the author observes that the spraying was carried on by the Forest Service, a branch of the Department of Agriculture. Again, "during the fall of 1959, about 27,000 acres in southeastern Michigan * * * were heavily dusted from the air with clay pellets containing aldrin. The program was conducted by the State Department of Agriculture with the cooperation of USDA * * * The Michigan Insect Pest and Plant Disease Act allows the State to spray and dust indiscriminately without gaining the permission of individual landowners or even notifying them." Although aldrin was certified as harmless, adds Miss Carson, birds died while dogs, cats, and humans took sick. Similar examples of widespread, indiscriminate use of pesticides under official auspices dot the pages of the book.

The safety afforded by Government control thus has proved illusory; its perils, contrariwise, are painfully real. One danger, of course, is that those in authority will act from political rather than scientific motives. For example, just prior to Thanksgiving Day in 1959, the Secretary of Health, Education, and Welfare cracked down on the sale of cranberries because a widely used herbicide, aminotriazole, was found to induce cancer in rats. In taking this ridiculous step (which Miss Carson, by the way, applauds), HEW chose to ignore the fact, tartly pointed out by the American Medical Association, that the offending compound occurs naturally in a wide variety of vegetables. Equally perverse logic may have recently motivated the U.S. Surgeon General, who, upon learning that 4 adults out of 4 million injected with type III of the Sabin vaccine had contracted polio, hastily advised against its use. After some reflection—odds of a million-to-one make the Sabin vaccine safer than penicillin—and a heated protest from Dr. Sabin himself, the Surgeon General changed his mind.

At least as bad is the risk of delay inherent in all Federal controls. Legislation now pending in Congress, as well as new regulations proposed by the Food and Drug Administration, illustrate the point. While inspired by the thalidomide case, sweeping new powers proposed for both HEW and FDA in no way can prevent such a disaster.

---

[1] In the smaller orchards of prespraying days, fruit had a better chance to escape heavy insect damage, and since quality standards were lower, moderately damaged fruit often went to market.

> According to Smith, Kline & French Laboratories: "Had the proposed laws and regulations been in effect prior to thalidomide, we still, almost certainly, would not have connected the drug with the abnormal births any sooner than we did. One cannot legislate against the unknown." Instead, by thrusting the Government into the key area of clinical investigation, what they undoubtedly will do is slow down the introduction of new medicines. In the years to come, so the company warns, "the drug that wasn't there" may prove the real tragedy.
>
> These are sobering statements which lawmakers and voters alike ought carefully to weigh. Over the years the chemical and drug industries have made magnificent contributions to mankind's longevity and health, mental as well as physical, nor is the end anywhere in sight. Whatever Washington may pretend, moreover, scientific advance inevitably involves risk. Federal regulation can impede progress. It cannot cure disease, nor save lives.

Mr. MORSE. As I close, I plead that the American public is now entitled to an authenticated answer prepared by scientists dealing with the allegations of Dr. Carson. If those allegations can be answered, the American public is entitled to know them. It is no answer to say that there is fear that the deductions of the book "Silent Spring" may alarm the nontechnical public. The nontechnical public is now alarmed. The question is what answer is to be given to the public to the extent that any of the allegations of Dr. Carson can be verified. Then corrective measures ought to be taken.

I hope that when Congress returns in January we shall have made available an answer to the charges by the Department of Agriculture. As I see it, it happens to be one of the public service duties of the Department of Agriculture to see to it that the American consumers, as jurors, have the pros and the cons of the case so that they can render their verdict. If the Department of Agriculture cannot answer the charges, of course, it will be necessary for the Congress to take whatever remedial steps are necessary to protect the public from the great harm it would suffer if the charges were true. If, on the other hand, the charges are not true, the American jury, which in this instance consists of all the consumers, ought to have the evidence presented to it so that it can render its own verdict and put to rest the fears that otherwise would be created in the public mind.

THE KNOWLES PROJECT

Mr. GOLDWATER. Mr. President, of the proposals in the omnibus rivers and harbors and flood control bill for the Columbia River Basin certainly one of the most objectionable is the Knowles project. Indeed, it is so violently opposed by so many people intimately concerned with the proposal and best qualified to know and evaluate its implications that it is surprising that the committee would seriously report it favorably.

One of the aspects that disturbs me deeply about this project is the manner in which we are going to treat the Indians. The Indian tribes of the Flathead Reservation are directly involved and have appeared before the committee to plead their case. As far as the record is concerned they have been completely ignored.

Mr. President, I am beginning to suspect that the modern-day counterpart of the crooked trader, the buffalo hunter, the gun peddler—all of whom took advantage of the Indians in our frontier days—is none other than the public power advocate. This is not the first case on record where the Indians have been treated as second-class citizens when their lands and their interests stood in the way of some public power project. This is precisely the case with the Kootenai and Salish Indian Tribes and the Knowles project. We will rob them of good pastureland—many thousands of acres—and we will rob them of powersites on the river from which they can derive needed revenue.

If we are not going to rob them; if we are going to pay for these assets that now belong to these Indians, then why are those figures not included in the cost of this already uneconomic project? Is this going to be another case of deliberately trying to shunt off a major element of cost of a power project on some other agency of government so that it won't make the project look worse than it already looks? Is this cost going to be thrown to the Bureau of Indian Affairs?

The Flathead Tribes point to article 2 of their treaty of July 16, 1855, set forth in 12 Stat. 975, which established, out of the lands they had owned since time immemorial; a reservation "for the exclusive use and benefit of said Confederated Tribes as an Indian reservation." Now the Flathead Tribes have testified in the committee's hearings—and that testimony has not been controverted at any stage—that they own pursuant to the treaty not merely the agricultural value of tribal lands remaining to them but what they called the exploitable value of damsites within the reservation. That is, they owned all rights prior to the coming of the white man; the white man reserved to them all the rights in a portion of their ancestral area; and this portion which is guaranteed by treaty includes two highly feasible damsites where power can be produced cheaply and a good profit made. These damsites would be wiped out by the proposed Knowles project. The Flathead Tribes say—and no one has controverted them—that the Knowles Dam is not merely a violation of their treaty rights, but constitutes a taking of their property for which they must be paid.

The representatives of the Flathead Indians cited a case, *United States* v. *5,677.94 Acres of Land*, 162 F. Supp 101, 112–116, which they say establishes their right to the "exploitable value" of these damsites. The district court refers to this value as the "waterpower value" of the damsite in the opinion to which I refer. I have reviewed that opinion; it does indeed seem to say that the Indians under treaty are entitled to the waterpower value of their sites and that this must be paid for in the event of the taking of their lands for a Federal project. Nothing whatever has been called to the attention of the committee or to my attention privately which would throw any doubt on this proposition.

The Chief of Engineers acknowledged in his report of March 31, 1961, paragraph 23, that building Knowles "would require acquisition of certain Indian lands which may involve unusual costs." He left what those unusual costs should be to Congress, and the proposed legislation makes no provision respecting them. Notwithstanding the fact that the Corps of Engineers was aware that unusual costs were involved, no cost whatever is taken into account for the water-power value of these sites, which are estimated only on the relatively trifling value they have for agricultural purposes.

It was testified by engineering consultants employed by the Flathead Tribes to protect their interests, that the value for water power of these sites might be in the neighborhood of $116 million. Mr. President, if any figure remotely like that were involved, the Knowles project is utterly beyond the range of feasible projects and the Indians so stated in the hearings. Testimony of the engineers was that the benefit-cost ratio was actually negative when these costs were taken into account—that is, instead of being 1.2 or 1.08 as determined by the Chief of Engineers in his report of March 31, 1961, it became .75—a disastrous throwing away of taxpayers' money.

In the light of the total failure of the proponents of this project to justify it from the standpoint of the Indian interests which are being so cavalierly dealt with, I submit that the project not only should not be authorized but it should be rejected so vehemently that it would never again be proposed. This is a disgraceful breach of treaty with no move to get the consent of the other party to that treaty. And even if we had the wholehearted concurrence of the Flathead Tribes this project would not make sense economically or otherwise.

TREATMENT FOR TAX PURPOSES OF INCOME RECEIVED BY CONTROLLED FOREIGN CORPORATIONS

Mr. CARLSON. Mr. President, during the discussion of the conference report on the Revenue Act of 1962, I was attending a conference on the postal rate and pay bill, and therefore failed to enter my views on a particular section of the bill.

My attention has been called to a serious ambiguity in connection with the language in proposed section 954(d)(2), found in section 12 of the bill. This concerns itself with treating a separate branch of a controlled foreign corporation as a separate foreign wholly owned subsidiary, when the branch is located outside the country of incorporation of that controlled foreign corporation.

The Secretary of the Treasury, under this section, is given the power to prescribe regulations for the purposes of treating as foreign base company sales income, certain income attributable to the carrying on of activities of this type of branch. This section has been criticised because the language might subject to tax the income of a branch which would not be treated as foreign base company sales income if it had been derived by a separate controlled foreign subsidiary. This was never intended.

I want to set the record straight. The purpose of section 954(d)(2) is to treat as foreign base company sales income only such items of income of the branch which would have constituted foreign base company sales income to a controled foreign corporation incorporated where the branch is located and performing the same or similar activities and functions. It was never intended that this section could be used to broaden the types of income, subject to tax under section 12, beyond those encompassed by these provisions when earned by controlled foreign corporations.

OPERATIONS OF MANPOWER DEVELOPMENT AND TRAINING ACT

Mr. HART. Mr. President, the Manpower Development and Training Act, which became law on March 15 of this year, is already proving its worth in Michigan.

The first training program under this act to get underway in the Nation started in Grand Rapids, Mich., on September 10.

To date in Michigan 11 programs have been approved in 8 cities. Two hundred and ninety-nine persons will be trained for nine occupations.

Twenty-one other programs have been, or are currently being readied for review in Washington. Nearly two score additional programs are in the planning stage.

Recently I received a letter from Mr. Max M. Horton, director of the Michigan Employment Security Commission, which outlines the steps which have been taken to put this valuable program into effect.

I ask unanimous consent that excerpts from Mr. Horton's letter, together with a list of those programs now underway in Michigan, be printed at this point in my remarks.

There being no objection, the excerpts and list were ordered to be printed in the RECORD, as follows:

MICHIGAN EMPLOYMENT
SECURITY COMMISSION,
Detroit, Mich., September 25, 1962.
Senator PHILIP A. HART,
U.S. Senate, Washington, D.C.

DEAR PHIL: * * * Governor Swainson, immediately after passage of the Manpower Development and Training Act, established a State advisory committee to assist him in planning the implementation of this program on a statewide basis. In the past few months we have organized 21 area advisory committees. These latter committees, working with the branch office and local vocational educators, participate in the development, review and approval of training programs throughout the State. On all of the committees there are representatives of management and labor as well as persons representing the interests of the general public. We have found them most cooperative and very helpful in inaugurating and maintaining the manpower development program in this State.

To date, 11 training programs which we have developed have received final approval from Washington. These 11 programs will have 299 enrollees and their total cost is $438,800. Ten of these programs have begun as of today's date. Due to a change in the training facility in Kalamazoo, the auto spray painter program, approved for that community, has been delayed.

I am sending you a list of our approved programs, those which are being developed by the department of public instruction, those which currently are being reviewed by the Federal Government, and those which we are in the process of developing. At frequent intervals comparable lists of training programs in various stages of development are sent to public officials and interested civic leaders.

To keep State officials, advisory committees, agency personnel and other interested persons informed of our activities in the field of vocational retraining, we are including in each second issue of our house organ a supplement containing detailed information regarding training activities in this State. We have found this a most useful means of stimulating interest in the program and keeping those interested current with respect to developments.

Shortly after the passage of the Manpower Development and Training Act, this agency established a new section within its operations division to coordinate training activities on a statewide basis. This section has responsibility for assisting in the development of training proposals, reviewing training proposals, and giving staff approval to them before this agency takes final action regarding them.

Most of the literature which we are disseminating in Michigan was prepared by the Federal Government and has been adapted for State usage. We distribute to all those making inquiries a small pamphlet entitled, "Your Opportunity for Job Training." To State officials, employers, unions, and civic leaders interested or involved in the program we distribute a pamphlet entitled, "The Manpower Development and Training Act of 1962—Its Origin and Provisions." These are the only releases which we have prepared for the public. Other materials which we have prepared are procedural in nature and relate to our internal operations.

We have been very pleased that we in Michigan were able to undertake training programs under the new legislation as soon as we did. We hope and plan to continue our efforts to maximize the effectiveness of this legislation within Michigan.

Sincerely yours,
MAX M. HORTON, *Director.*

Approved programs under MDTA in Michigan as of Sept. 19, 1962

Location	Occupation	Number of trainees	Starting date
Detroit	Automatic screw machine setup man	40	Sept. 24, 1962
Do	Transmission and differential repair	40	Do.
Grand Rapids	Welder, inert gas	15	Sept. 10, 1962
Kalamazoo	Painter, automobile	15	(1)
Lansing	Machine operator, general	25	Sept. 17, 1962
Detroit	Auto body repairman	40	Sept. 24, 1962
Muskegon	Machine operator, general	20	Sept. 17, 1962
Do	Woodworking machine operator	20	Do.
Jackson	Automobile mechanic, entry	18	Sept. 24, 1962
Battle Creek	Nurse aid	36	Do.
Saginaw	do	30	[2] Oct. 1, 1962

[1] Not determined. [2] Tentative.

TRIBUTE TO ALLEN P. MITCHEM

Mr. ALLOTT. Mr. President, it is with mixed feelings that I rise on this occasion. I am exceedingly pleased to be introducing for the RECORD a resolution which was adopted unanimously by the Interior and Insular Affairs Committee on September 5, 1962. At a meeting of the committee, I moved the adoption of the resolution, and it was adopted with the concurrence of all members. My pleasure stems from the fact that the subject of the resolution is an individual who performed outstanding service and it is good to see him recognized in this singular manner. However, as the resolution indicates, the occasion for it is the departure of Mr. Allen P. Mitchem as minority counsel of the Senate Interior and Insular Affairs Committee. Because of his substantial contribution and his great ability, Allen Mitchem's absence will be sorely felt.

It was upon my recommendation that Allen Mitchem came to his position as minority counsel early in the first session of the 87th Congress. He is admirably equipped for this demanding job. A graduate of Fort Hays, Kans., State College, Mr. Mitchem went on to law school at Washburn Municipal University where he was awarded his LLB degree magna cum laude. He holds a master's degree in law earned at Columbia University.

Mr. Mitchem was an associate professor at the University of Denver College of Law for 5 years and is still a lecturer at that institution. For several years, he was a visiting lecturer at the University of Colorado School of Law. Mr. Mitchem left his law practice in Denver, Colo., to serve on the Interior Committee and has now returned to it. Water law is of particular interest to him, and he is a recognized authority in this field. His guidance, recommendations and suggestions have time and again revealed the keen appreciation and concern he has over water problems as well as other important legislative areas which were before the committee during the past 2 years.

I regard it as a rare and deserved tribute to Mr. Mitchem that all 17 members of the committee voted to adopt a resolution complimenting the minority counsel for a job well done. I wish him well upon his return to his home and the practice of law. I ask unanimous consent that the resolution be printed at this point in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Whereas Allen P. Mitchem left the private practice of law to serve as minority counsel to the Senate Interior and Insular Affairs Committee during the 87th Congress of the United States; and

Whereas he has performed his duties and acquitted himself with distinction in that capacity, rendering able service, in a scholarly and professional manner consonant with his standing as a lawyer and teacher of the law; and

Whereas the entire committee has benefited by his counsel and guidance, and in recognition of his outstanding service; now, therefore, at the time of his departure: be it

Resolved, That the Committee on Interior and Insular Affairs of the U.S. Senate does hereby commend Allen P. Mitchem and express its appreciation for the services he has rendered.

Adopted in session of the full committee this 5th day of September 1962.

CLINTON P. ANDERSON, *Chairman;* HENRY M. JACKSON, ALAN BIBLE, JOHN A. CARROLL, FRANK CHURCH, ERNEST GRUENING, FRANK E. MOSS, OREN E. LONG, QUENTIN N. BURDICK, LEE METCALF, J. J. HICKEY, THOMAS H. KUCHEL, GORDON ALLOTT, JACK MILLER, JAMES B. PEARSON, JOE H. BOTTUM, LEN B. JORDAN.

Attest:

JERRY T. VERKLER,
Chief Clerk.

THE 40TH ANNIVERSARY OF THE FOUNDING OF THE RESERVE OFFICERS ASSOCIATION OF THE UNITED STATES

Mr. SCOTT. Mr. President, I am pleased to join in saluting the Reserve Officers Association upon its 40th anniversary.

I have been proud to be a Reserve officer of the Navy, and to give my support, and my membership, to ROA. It has a fine record of constructive service to the cause of national security.

ROA is one of the Nation's fine, free institutions. Only in a great free country like ours could associations of this type exist, free to make its recommendations on national policy with full confidence that its views will be fully considered, and oftentimes made as national policy.

One characteristic of ROA is most significant to me. We are in the middle of national political campaigns. In this body are representatives of every section of our country, the different political parties, and philosophical convictions. Yet, from all of these groups we come together in agreement to work for "a military policy which will provide adequate national security." We may differ on every other issue; yet ROA brings us together for this common goal. That too is a significant service of this association.

NEEDED: ACTION ON LEGISLATION FOR EXPANDING UNIVERSITY EXTENSION SERVICES

Mr. WILEY. Mr. President, the Senate, yesterday, wisely approved S. 3477 which I cosponsored, designed to expand educational opportunities through the extension service of universities. This represents, in my judgment, a major step forward in better meeting the educational needs of the Nation.

As adopted by the Senate, the University of Wisconsin, for example, would receive a first year matching grant of about $194,000 for expansion of its already fine extension services. Realistically, this is late in the session. I am very hopeful, however, that our colleagues on the House side will take affirmative action on this legislation prior to adjournment.

INTERNATIONAL ISSUES

Mr. LAUSCHE. Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks an editorial written by Mr. John S. Knight and published in the Akron, Ohio, Beacon-Journal of September 30, 1962. The editorial deals soundly and effectively with a number of international issues. Mr. Knight's views are worthy of profound consideration.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

A LIGHT DAWNS IN EUROPE—U.S. BEARS EXCESSIVE LOAD

Since Fidel Castro's statement that the Russians will help build a "major port" in Cuba for their Atlantic fishing fleet, the New York Times is beginning to take notice of the Communist threat to the Americas.

In a masterpiece of understatement, the Times has this to say:

"This announcement, if it is implemented, can only mean that the shadow of the Hammer and Sickle is darkening the Western Hemisphere."

But let's not be beastly to Fidel Castro and the Russians?

WE LEARN TOO LATE

The Manchester Guardian finds that "the American people are being asked to bear a grossly disproportionate share of world economic aid." Other NATO nations have failed to contribute their fair share.

This column has made the same point for more than a decade. But nobody was listening.

Now there is talk by Eugene Black, of the World Bank, that it may be preferable for the developed nations to render their aid through agencies like his instead of providing it directly to the recipients.

Mr. Black thinks that such a multilateral agency would shelter the United States from the bitterness of those who feel they are not getting enough.

The economist of London correctly observes that "many Members of Congress, who are being told constantly that Europe has found the key to prosperity, wonder why it does not share more of the burden; many are genuinely concerned about their country's balance of payments; many are disillusioned about foreign aid and feel that the administration is attempting too much."

To make sure that our opinion makers don't get any such radical notions, the State Department is shortly holding a "briefing" in Washington for the press and the broadcasters.

At that time, the foreign aid people will admit making "a few mistakes" such as the $17 million highway in Cambodia which is now falling apart. Then comes the hard sell that we are shoring up the free world against communism, and must not fail in that duty.

That tired old line will satisfy 80 percent of those present who, in turn, will continue to dose the American people with piffle and platitudes.

I welcome recent converts to Mr. Black's and my theory that world responsibility is not America's alone.

But where were they when their support might have prevented the misuse of foreign aid and stemmed the outflow of American gold?

MORE CARROT, LESS STICK

President Kennedy told a conference of business magazine editors that he is not antibusiness but is finding it hard to keep "all businessmen" happy.

In particular, the President wondered why business wasn't more enthusiastic over the 7 percent credit offered in the new tax bill to businessmen who modernize or expand their production facilities.

The short answer is that unless manufacturers and businessmen see a definite need for expansion and modernization, they're not about to invest in new equipment just to get a 7 percent tax credit.

The President should stop worrying over how to keep businessmen "happy," and do more to win their confidence.

This is not accomplished by inviting a few industrial tycoons to the White House for cocktails and dinner.

But if Government, and that includes Congress, will make a conscientious effort to promote an atmosphere of cooperation with business as they do in England and Western Europe, our businessmen will respond with enthusiasm.

* * * * *

In Europe, as I have said, the governments do everything they can to stimulate business activity even to the point of taking away the markets for U.S. products.

But in this country it seems more important to the politicians to get an indictment or to cite someone for contempt than to learn how we can better compete in world trade.

If the President wants to create more jobs, the way to do it is to foster the hope of reward and give the businessman some idea of the Government's ground rules.

Says Goodyear's E. J. Thomas, chairman of the board: "Most of us do not fear competition and we'll operate according to the rules—if we can find out what they are. Business uneasiness is caused in large part because it is impossible to plan for the future with any certainty."

And that's the point. Government can't go around continually whacking the dairy cow over the rump and still get the same amount of milk.

* * * * *

RANDOM NOTES

The flight of Latin American capital to Switzerland continues. Latin investments overseas are estimated at $5 to $15 billion. "Governments that constantly preach the need for social progress, on one hand," says the St. Louis Post Dispatch, "and the need for foreign aid, on the other, should feel obliged to do no less than to control their own wealth and to help themselves."

* * * * *

The Greeks, who cried to Vice President LYNDON JOHNSON about proposed cuts in foreign aid, intend to keep on shipping goods to Cuba. * * * The British say their shipowners will not carry goods to and from Cuba which might embarrass the Government's relations with the United States, but they will not cut off all trade. * * * Secretary Rusk has asked NATO countries not to use their ships to transport Communist goods to Cuba. * * * Turkey is complying with this request. * * * If others turn us down, we should be less responsive with our favors.

* * * *

JOHN S. KNIGHT.

DAIRY PRODUCTS FOR THE NEEDY

Mr. HUMPHREY. Mr. President, America's abundant dairy production is being used effectively in providing butter, dry milk solids, and cheese to relieve human hunger at home and abroad. These are products acquired under farm price support programs, and distibuted in this county through U.S. Department of Agricultue programs and overseas by voluntary relief agencies and the Agency for International Development.

During the past fiscal year, our Nation's schools, needy families, and charitable institutions shared in the donation of more than 160 million pounds of butter, and are continuing to receive this nutritious food in the current year.

Last January, with supplies of butter exceeding the needs of domestic outlets, the Department of Agriculture offered butter for donation abroad under the food-for-peace program, for the first time since 1956. Some 200 million pounds of butter were offered for distribution to needy persons in friendly foreign nations through U.S. private voluntary welfare agencies.

Much of this is and will be converted to butter oil, which saves on shipping and handling costs through a reduction of 20 percent in volume through removal of salt and moisture. Sealed in tins, butter oil also is more easily distributed through the limited facilities generally available in underdeveloped countries around the globe. Most important, of course, butter oil is more familiar and acceptable to the people of the Mideast and Far East than is butter as we know it. Already 65 million pounds of butter oil are being shipped or available for shipment overseas—the equivalent of about 80 million pounds of butter. In addition, some 4½ million pounds of packaged butter is available now for shipment to those countries that have facilities for its handling and distribution.

The concentrated nutrients of nonfat dry milk solids also are helping to improve diets at home and abroad. This product is a great aid in providing better nutrition for children in many underdeveloped countries. During the past fiscal year more than 733 million pounds of the milk solids were distributed at home and abroad, compared with 530 million pounds in the previous year. We are in a position to supply all the milk powder that will be needed, and for oversea shipment alone some 870 million pounds have been made available this fiscal year.

American cheese, like butter, recently was made available for foreign donation, and 40 million pounds have been offered for immediate needs. Last year, 102 million pounds of cheese were donated to schools, institutions, and needy families in this country.

THE 125TH ANNIVERSARY OF PROTESTANTISM IN KANSAS

Mr. PEARSON. Mr. President, on October 21, 1962, the Protestant denominations will recognize the 125th anniversary of the beginning of Protestanism in the State of Kansas, and the establishment of the first known Protestant church west of the Missouri River. These events are being recognized throughout the State this year.

This religious movement into new and unsettled territory resulted in many great contributions to the building of moral, ethical, and spiritual standards of my State and of our country. From these concepts have grown the freedom that we cherish and enjoy.

The first Protestant church established in Kansas was established as a mission to the Iowa and Sac Indians by the Board of Foreign Missions of the United Presbyterian Church in the year 1837. Out of the original ministry grew many great denominations and also grew the first college in the State of Kansas known as the Highland College.

The Governor of Kansas, the Honorable John Anderson, Jr., has issued a statewide proclamation recognizing the anniversary, which reads as follows:

> Whereas, the Christian faith played an important part in the lives of the early settlers of Kansas; and
>
> Whereas, those Christian principles adhered to by the early settlers are embodied in the constitution of the State of Kansas; and
>
> Whereas the Synod of Kansas and the Topeka-Highland Presybtery throughout this year, 1962, will be recognizing the founding of the Highland Presbyterian Mission in 1837, the birth of the Reverend S. M. Irvin, first Presbyterian missionary in Kansas, and the establishment of the first Protestant church organization in Kansas in 1843:
>
> Now, therefore, I, John Anderson, Jr., Governor of the State of Kansas, do hereby proclaim the year 1962, as the 125th anniversary of the founding of the Highland Mission, and the 150th anniversary of the birth of the Reverend S. M. Irvin.

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

DEPARTMENTS OF STATE, JUSTICE, AND COMMERCE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS, 1963

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the unfinished business be laid before the Senate, and be made the pending business.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate resumed the consideration of the bill (H.R. 12580) making appropriations for the Departments of State, Justice, and Commerce, the Judiciary, and related agencies for the fiscal year ending June 30, 1963, and for other purposes.

Mr. ELLENDER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

STRENGTHENING OF CRIMINAL LAWS RELATING TO BRIBERY, GRAFT, AND CONFLICT OF INTEREST

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the pending business be laid aside temporarily, and that the Senate proceed to the consideration of Calendar No. 2176, House bill 8140.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 8140) to strengthen the criminal laws relating to bribery, graft, and conflict of interest, and for other purposes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on the Judiciary with amendments on page 2, in the seventh line of the matter after line 2, after the numerals "206.", to strike out "Exemption of retired officers of the Armed Forces" and insert "Exemption of retired officers of the uniformed services"; in line 9, after the word "thereof", to insert "including the District of Columbia"; on page 7, line 9, after the word "executive", to insert "or legislative"; in line 16, after the word "basis", to insert a comma and "or a part-time United States Commissioner. Notwithstanding the next preceding sentence, every person serving as a part-time local representative of a Member of Congress in the Member's home district or State shall be classified as a special Government employee."; on page 8, line 5, after the word "is", to insert "voluntarily"; in line 8, after the numerals "218", to insert "A Reserve officer of the Armed Forces or an officer of the National Guard of the United States who is serving involuntarily shall be classified as a special Government employee."; in line 15, after the word "sections", to strike out "203, 205," and insert "205"; on page 10, at the beginning of line 6, to insert "involving a specific party or parties"; at the beginning of line 11, to strike out "which is or within two years has been a subject of his official responsibility, or (3)"; in line 14, after the word "clause", to strike out "(3)" and insert "(2)"; in line 15, after the word "who", to strike out "serves no more than fifteen days during any period of three hundred and sixty-five consecutive days" and insert "has served in such department or agency no more than sixty days during the immediately preceding period of three hundred and sixty-five consecutive days"; on page 12, line 3, after the word "matter", to insert "involving a specific party or parties"; in line 7, after the numeral "(2)", to strike out "which is or within two years has been a subject of his official responsibility, or (3)"; in line

11, after the word "clause", to strike out "(3)" and insert "(2)"; in line 12, after the word "who", to strike out "serves no more than fifteen days during any period of three hundred and sixty-five consecutive days" and insert "has served in such department or agency no more than sixty days during the immediately preceding period of three hundred and sixty-five consecutive days"; in line 17, after the word "employee", to strike out "from taking uncompensated action, not inconsistent with the faithful performance of his duties, to aid or assist any person who is the subject of disciplinary, loyalty, or other personnel administration proceedings with respect to those proceedings" and insert "if not inconsistent with the faithful performance of his duties, from acting without compensation as agent or attorney for any person who is the subject of disciplinary, loyalty, or other personnel administration proceedings in connection with those proceedings."; on page 13, line 6, after the word "for", to strike out "or otherwise aiding or assisting"; in line 7, after the word "whom", to insert a comma and "or for any estate for which,"; after line 15, to strike out:

> Nothing herein or in section 203 or 207 prevents as present or former special Government employee from aiding or assisting another person in the performance of work under a contract with or for the benefit of the United States provided that the head of such special Government employee's department or agency shall certify in writing that the national interest requires such aid or assistance.

And, in lieu thereof, to insert:

> Nothing herein or in section 203 prevents a special Government employee from acting as agent or attorney for another person in the performance of work under a grant by, or a contract with or for the benefit of, the United States provided that the head of the department or agency concerned with the grant or contract shall certify in writing that the national interest so requires.

On page 14, line 11, after the word "the", to strike out "Armed Forces" and insert "uniformed services"; in line 14, after the word "the", where it appears the first time, to strike out "Armed Forces" and insert "uniformed services"; on page 15, line 5, after the word "matter", to insert "involving a specific party or parties"; in line 11, after the word "within", to strike out "two years" and insert "one year"; in line 12, after the word "his", to strike out "last"; in line 18, after the word "matter", to insert "involving a specific party or parties"; in line 22, after the word "of", where it appears the first time, to strike out "two years" and insert "one year"; in line 23, to strike out "his employment" and insert "such responsibility"; in line 25, after the word "both", to insert a colon and "*Provided,* That nothing in subsection (a) or (b) prevents a former officer or employee, including a former special Government employee, with outstanding scientific or technological qualifications from acting as attorney or agent or appearing personally in connection with a particular matter in a scientific or technological field if the head of the department or agency concerned with the matter shall make a certification in writing, published in the Federal Register, that the national interest would be served by such action or appearance by the former officer or employee."; on page 16, after line 10, to strike out:

> (c) Whoever, being a partner of a former officer or employee of the executive branch of the United States Government, of any independent agency of the United States, or of the District of Columbia, including a former special Government employee, engages, during a period of two years following the termination of the latter's employment by the Government, in any activities which such former officer or employee of the Government or special Government employee is himself prohibited from engaging in by subsection (a) hereof; or

At the beginning of line 21, to strike out "(d)" and insert "(c)"; on page 17, line 21, after the word "in", to strike out "subsection (c) and (d)" and insert "subsection (c)"; on page 18, line 7, after the word "a", to strike out "Government action, proceeding," and insert "judicial or other proceeding, application, request for a ruling or other determination, contract, claim, controversy, charge, accusation, arrest,"; in line 11, after the word "spouse,", to insert "minor"; in the same line, after the word "partner,", to strike out "business"; and in line 21, after the word "the", to strike out "action, proceeding," and insert "judicial or other proceeding, application, request for a ruling or other determination, contract, claim, controversy, charge, accusation, arrest,".

Mr. MANSFIELD. Mr. President, this is a bill which was reported out of the Judiciary Committee. It is my understanding it is agreeable to the Senator who is handling the bill, the distinguished Senator from Tennessee [Mr. KEFAUVER], and the distinguished Senator from New York [Mr. KEATING] that a limitation be requested on this measure. With that in mind, and if the Senate approves, I ask unanimous consent that 50 minutes be allocated to this bill, one-half to be under the control of the Senator from Tennessee [Mr. KEFAUVER] and the other half to be under the control of the Senator from New York [Mr. KEATING] or other Senators whom he may wish to designate.

The **PRESIDING OFFICER.** Is there objection? The Chair hears none——

Mr. KEATING. Mr. President, reserving the right to object——

Mr. MANSFIELD. And that there be a vote at the conclusion of that time.

Mr. KEATING. I would not want it to appear in the RECORD that because I am agreeing to the limitation I oppose the bill. I favor the bill. It is merely an accommodation.

Mr. MANSFIELD. That is correct. I add the further understanding that a vote be taken at the conclusion of that time.

Mr. KEFAUVER. Mr. President, reserving the right to object, am I to understand that the limitation of 50 minutes is on the bill?

Mr. MANSFIELD. Yes, with the understanding that at the conclusion of that period of time, or before that time, there be a vote.

The **PRESIDING OFFICER.** Without objection, the quorum call required by the rule is dispensed with.

Is there objection to the unanimous consent request?

Mr. KEFAUVER. Mr. President, reserving the right to object, does any Senator have any amendments?

Mr. KEATING. Mr. President, the Senator from Tennessee is looking at me with an inquisitive look. There are amendments at the desk. I intend to discuss them, but I have concluded it would be unwise at this stage of the proceedings to offer them.

Mr. MANSFIELD. Mr. President, I understand debate can be concluded within 50 minutes, and that a vote will then follow.

The **PRESIDING OFFICER.** Without objection, the request of the Senator from Montana is agreed to.

Does the Senator from Montana desire that the time for the quorum call be charged?

Mr. MANSFIELD. Yes, equally.

The **PRESIDING OFFICER.** The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that further proceedings under the quorum call be rescinded.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

Mr. KEFAUVER. Mr. President, this bill is very important. It is somewhat technical, but every section, every line, every word has been hammered out and considered by the distinguished Antitrust Subcommittee of the House Judiciary Committee under the leadership of its able chairman, Representative CELLER, and by the Judiciary Committee of the Senate.

It has been studied for a long time by the Bar Association of the City of New York, which strongly recommends the bill, by the American Bar Association, and by the Department of Justice who also strongly support this bill.

Although the bill we are considering does not arouse much public interest, it is one of the most important bills that will have been considered in this session of the Congress.

If enacted—and I think it will be, if it is limited to the amendments which have been recommended by the Senate Judiciary Committee—I think it will be one of the most important accomplishments of this Congress.

In the beginning I wish to pay tribute to the House committee, and particularly to its chairman, Representative CELLER, who over a period of 3 years has been studying this problem and various bills introduced by him.

I also wish to pay tribute to the bar associations which have been considering the problem, and to the distinguished Senator from New York [Mr. KEATING], who has given it a great deal of study, and whose individual views in the report of the Senate Committee on the Judiciary bring out several questions which are challenging and deserving of consideration. They will, of course, be given consideration at a time which is appropriate.

I know the distinguished senior Senator from Oregon [Mr. MORSE], one of the great constitutional lawyers of the Congress, has studied this problem and been interested in it over a period of many years. His work in connection with the subject has been most worthwhile. I am sure he will have something to say later.

I also commend the distinguished Senator from Colorado [Mr. CARROLL] who has been interested in the problem for several years, and whose Subcommittee on Administrative Practice and Procedure of the Judiciary Committee assisted greatly in improvement of the bill.

I invite attention to the individual views of the Senator from Colorado [Mr. CARROLL], which appear on page 16 of the report by the committee.

I invite the attention of Senators to the excellent hearings held by the Antitrust Subcommittee of the House of Representatives under Representative CELLER, copies of which I believe are available for all Senators. The hearings point out the great consideration which has been given to this problem over the years, the importance of the problem, and the fact that as a result of the study of the subject beginning in 1957 the President of the United States asked for legislation on this subject in his message to Congress transmitted in April of last year.

I read a portion of the message by the President to the Congress at that time, referring to the conflict-of-interest statute.

> Five of these statutes were enacted before 1873. Each was enacted without coordination with any of the others. No two of them use uniform terminology. All but one impose criminal penalties. There is both overlap and inconsistency. Every study of these laws has concluded that, while sound in principle, they are grossly deficient in form and substance.
>
> The fundamental defect of these statutes as presently written is that: On the one hand, they permit an astonishing range of private interests and activities by public officials which are wholly incompatible with the duties of public office; on the other hand, they create wholly unnecessary obstacles to recruiting qualified people for Government service.

The chairman of the committee in the House, Representative CELLER, also pointed out that manifestly the revision of the conflict-of-interest statutes is long overdue, and gave cogent reasons therefor.

We know that, among other things, the President and his predecessors in the office of the Presidency have had a great deal of difficulty in obtaining specialized and knowledgeable assistants on a part-time or consultant basis to help in the governmental operations and the administration of matters highly important to the United States.

I also invite attention to the comprehensive hearings held by the Senate Judiciary Committee on June 21 of this year, at which time a number of Senators and Representatives along with bar association officials. The Attorney General was represented by Mr. Katzenbach who testified at length, as did the Senators from New York [Mr. JAVITS and Mr. KEATING] and several others.

Mr. MORSE. Mr. President, will the Senator yield for a few brief comments?

Mr. KEFAUVER. I am happy to yield to the distinguished senior Senator from Oregon.

Mr. MORSE. I commend the Senator from Tennessee [Mr. KEFAUVER] and the Senator from New York [Mr. KEATING] for the leadership they have shown in connection with the bill now before the Senate. I believe it was in 1947 that I first introduced public disclosure bill, which would have been binding upon all Members of Congress and upon all Federal employees receiving salaries of $10,000 or more a year.

In essence, my public disclosure bill would require such public officials, including Members of Congress, to disclose once each year to the public all sources of their income and all amounts of their income.

I have spoken many times on this subject during the past 15 or so years. The RECORD will speak for itself.

I ask unanimous consent that at the close of the speech by the Senator from Tennessee, or at some other appropriate place, I may have printed in the RECORD a synopsis, in chronological order, of the proposed legislation I have introduced on this subject over the years, and a digest of my views on it.

The PRESIDING OFFICER. Is there objection to the request by the Senator from Oregon? The Chair hears none, and it is so ordered.

(See exhibit 1.)

Mr. KEFAUVER. Will the Senator permit that to be printed following the remarks by various Senators about the bill?

Mr. MORSE. Yes. That is what I requested. My bill, now pending in the Senate, is S. 165. I also ask unanimous consent that it be printed along with the material I have obtained permission to insert in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. MORSE. Mr. President, if my friend from Tennessee and my friend from New York will permit, I wish to say that I have taken the position that we, as public officials in the legislative branch of the Government, should disclose this information because, the voters of this country are entitled to know our sources of income and the amounts of our income, including gifts. If we do not wish to live in a glass bowl we should not enter politics.

If we are to keep the streams of democracy unpolluted from undue influences, from bribery, from "bought" politicians, the public is entitled to know all the facts in regard to the politicians so far as their economic resources are concerned.

I have never varied from this position. I think this principle should be enacted into law.

As brought out in the committee report before the Senate, that is not the only conflict of interest which may arise in public service, because conflicts of interest may arise as a result of Members of Congress, in effect, being lobbyists on the floors of both Houses of Congress. That is a sordid thought. It is an ugly thought; but it is a reality.

That is what happens time and time again when proposed legislation is before the Congress and an investigation of the background, the economic connections, the business connections, and the professional connections of some Members of the Congress shows that they are really parties in interest in connection with proposed legislation. They ought to disqualify themselves.

Yet, as we go back through the record of the Congress, we find that it is a rarity when a Member of Congress stands up and asks to be excused from voting on a question. In my 18 years I have seen proposed legislation before the Senate in regard to which some Senators should never have voted, and in support of which they should never have uttered a syllable from their lips. Yet here on the floor of the Senate, in effect, they have been the most effective lobbyists that the proponents of some proposed legislation have had.

As a result of that action I have always despaired. It has always saddened me. I do not think it is in keeping with the maintenance of the clean stream of Government. In my judgment they should not even participate in debate in regard to any question with respect to which they have a financial interest.

I close with the statement that it is too late in the present session for us to engage in a long discussion of this subject. Although I heartily support the proposed legislation, in my judgment it does not go far enough.

Next January, if the voters shall have sent me back to the Senate—and I have every confidence that they will send me back—I shall introduce proposed legislation that will seek to do a purifying job on this problem. The American people are entitled to have the question determined once and for all, for in my judgment no politician has the right—the moral right, at least—to proceed to criticize wrongdoers outside the Government for seeking to pollute the stream of democracy if they themselves fail to keep not only their hands clean, but their whole bodies clean, so far as the body politic is concerned. We shall not do so unless we rid the Halls of Congress and the administrative branch of the Government of any and all conflicts of interest.

Mr. KEFAUVER. Mr. President, the Senator from Tennessee appreciates the remarks of the senior Senator from Oregon, and in general agrees with him. I am aware that over a period of 18 years the Senator has fought hard for a code of ethics for Members of Congress in relation to a conflict-of-interest statute, which would be a guide to Members of Congress and those in the executive agencies in respect to the matters about which he has spoken. Such legislation is long overdue, not only with respect to the executive agencies, but also as to Members of Congress.

The Senator from New York [Mr. KEATING] has some amendments pending. I can only say in that regard that the amendments that have been submitted to the House bill are largely technical amendments. We have reason to believe that if today amendments are added to the bill which have not been the subject of hearings in the House committee and in the Senate, the whole bill will be imperiled and probably no bill on the subject will be passed. So it is imperative that the bill be passed in its present form.

I know that shortly the Senator from New York will further explain his recommendations, which are in line with the recommendations of the Senator from Oregon, and which I wish to join in recommending and sponsoring. They provide that there shall be a joint House-Senate Committee on Ethics, or an enlargement of the authority of the Senate Committee on Rules and Administration, to consider the very problem about which the Senator from Oregon has spoken in connection with Members of Congress.

I hope and feel that such action will be taken at the next session of Congress. I am sure the Senator from Oregon will agree with me, however, that the problem in connection with Members of Congress is intricate and difficult. To reach a correct decision would not be as easy as in connection with those in the administrative agencies. It involves such questions as whether a Senator who owns a farm should vote on farm legislation.

Mr. MORSE. At times I have asked to be excused from voting.

Mr. KEFAUVER. All kinds of difficulties might arise. But it is high time that there be a rule of ethics or a change in the conflict-of-interest statutes to deal with Members of Congress. Of course, they are already dealt with in two provisions of the conflict-of-interest laws, but these are not adequate to cover the problems, I readily admit.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. KEFAUVER. I yield.

Mr. MORSE. I wish to make two statements. First, the Senator has raised question as to whether a Senator who owns a farm should vote on an agricultural bill as a result of which he could obtain some economic assistance if the bill were passed. In my judgment, whenever such a question arises, such a Senator should be excused from voting. On one occasion—and the only occasion on which the issue arose in regard to the agricultural pursuits, the senior Senator from Oregon did exactly that.

Mr. KEFAUVER. I recall that the Senator did.

Mr. MORSE. I think that is exactly what a Senator should do. We ought to accept the bill today.

We should pass the bill. It is the best we can do in the closing hours of the present session. I think it is perfectly clear that if we encumber the bill with amendments, we shall have no bill. We should accept the bill. Then when we return in January, the Senator from Tennessee [Mr. KEFAUVER], the Senator from New York [Mr. KEATING], the Senator from Oregon and other Senators who share our point of view should join in the introduction of additional proposed legislation that would improve the situation beyond the point provided in the pending bill.

Mr. KEFAUVER. I agree with the Senator from Oregon. With the support and help of the Senators from New York [Mr. JAVITS and Mr. KEATING] and many others who are interested, I am sure something can be started and accomplished.

Mr. YARBOROUGH. Mr. President, will the Senator yield?

Mr. KEFAUVER. I yield to my very distinguished friend, the Senator from Texas.

Mr. YARBOROUGH. I commend the distinguished senior Senator from Tennessee for his position on this issue, as on so many other issues presented to the Senate at this session and past sessions, but this session in particular. I cite the drug bill, the space satellite communications bill, and many other bills upon which he has rendered such notable service to the people of the United States.

Mr. KEFAUVER. In connection with the space communications satellite bill, I must say that we did not get the best possible bill.

Mr. YARBOROUGH. Yes, but the Senator performed a commendable service to the public in bringing to the attention of the American public what was being done.

I point out to the distinguished Senator from Tennessee that we in the Commerce Committee inserted a sentence in the space communications bill that, I think, will save the people of our country much money in the future. That sentence provides that Congress reserves the power to amend or repeal the law. Of course, that power is inherent in Congress, anyway; but the express provision in the space communications bill is a warning to those who received special giveaways under the bill, that they cannot obtain any vested right under the measure to continue to receive that giveaway.

The distinguished Senator from Tennessee has rendered many notable services in this body to the American people. In noting his work in connection with the pending legislation to eliminate corrupt practices, I commend him for his work on the pending measure, as well as on all proposed legislation in the Congress which I have mentioned.

Mr. KEFAUVER. The Senator is very generous. I do not deserve what he has said.

Mr. YARBOROUGH. I have one question of the distinguished Senator from Tennessee. On page 14 of the report, under the heading "Salary of Government Officials and Employees Payable Only by United States," the following statement appears:

> SECTION 209. SALARY OF GOVERNMENT OFFICIALS AND EMPLOYEES PAYABLE ONLY BY UNITED STATES
>
> Section 209 is similar to title 18, United States Code, section 1914. The latter prohibits a Government employee from receiving any salary in connection with his Government services from a private source. Subsection (a) of section 209 would reenact this prohibition in substance and, in addition, would make it an offense for anyone to make a payment to a Government employee the receipt of which would violate the section.
>
> The present statute's ban on the receipt of private payments "in connection with" an employee's Government services is replaced in section 209(a) with a ban on the receipt of such payments "as compensation for" such services. The new language is more precise in expressing what is clearly intended by the present broad phrase.

This is my question of the Senator from Tennessee. Does not that language in this bill relax the prohibition in the law instead of tightening it? The present law provides that a Government employee is prohibited from receiving any private payments "in connection with" his services. That language is being changed so as to prohibit him from receiving any payments "as compensation for such services."

Let us suppose, for example, that a public officer says he cannot stay in Washington on a salary of $15,000 or $20,000 a year, and a private business offers to supplement his income by paying him *x* number of dollars to enable him to stay in Washington. Suppose some governmental official should decide he cannot work for the governmental salary and a private business interest does offer to supplement his pay by $5,000 a year or any other sum of money. The present law provides that a Government employee cannot receive private payments in connection with his employment. The amendment says he may not receive payments "as compensation." My question is: Does not this language relax the restriction in present law?

Mr. KEFAUVER. It is probably unfortunate that we did not allow more time in which to discuss the bill. The time is very short. The bill does not relax present law in this respect. The intention is to clarify it.

Mr. YARBOROUGH. That is what I wanted to have assurance on from the Senator from Tennessee.

Mr. KEFAUVER. On the contrary, it strengthens present law in some ways.

Mr. YARBOROUGH. That is my basic question, really. I congratulate the Senator from Tennessee in strengthening this law. Strengthening was needed.

Mr. KEFAUVER. It does establish a special rule with respect to temporary employees in connection with such a situation to protect such employees from running afoul of the conflict of interest statute where the public's protection does not require it.

Mr. YARBOROUGH. I wanted to have that made clear.

The **PRESIDING OFFICER.** The time of the Senator from Tennessee has expired.

Mr. KEFAUVER. May I have a little more time? Will the Senator from New York yield me 2 minutes?

Mr. KEATING. I am afraid that all my time has been committed. However, I ask unanimous consent, with the cooperation from the majority leader, that the Senator from Tennessee may have 5 additional minutes.

Mr. RUSSELL. Mr. President, reserving the right to object, we seem to be trying very hard to discuss in a very limited time, a subject that seems to me to be of great importance. I have a question that I desire to propound also, before we vote on the bill.

Mr. KEATING. I am agreeable to any provision with respect to additional time.

Mr. RUSSELL. I would suggest that the Senator ask for 10 additional minutes. I have a question that I should like to ask.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the time may be extended by 10 minutes, and that enough time be allotted to allow the Senator from Georgia to ask his questions.

The PRESIDING OFFICER. Is there objection?

The Chair hears none, and it is so ordered.

Mr. KEFAUVER. I am happy to yield to the Senator from Georgia.

Mr. RUSSELL. I notice that the bill contains section 206, which applies to retired officers of the uniformed services. This is the first time that the bill has come to my attention. Are retired officers exempted from any penalties? Is that all that the bill does in that respect?

Mr. KEFAUVER. This question was considerably discussed in committee. Generally speaking, the section does not change the present law applicable to retired officers.

Mr. RUSSELL. The present law is left as it is?

Mr. KEFAUVER. Yes. That is subject to study next year.

Mr. RUSSELL. The Senator believes the provision is adequate. One of the things that has impressed me most in this situation has been the fact that men may retire from high positions in the armed services and then accept positions with private industry and sell to the men who were their aides—perhaps majors or men holding lower rank—while they were four-star generals in the service. I believe that part of the law is capable of more abuse than many other parts, much more than in the case of a civilian employee leaving Government employment.

Mr. President, the Committee on Armed Services recently conducted hearings on the conflict of interest laws applicable to retired military personnel as they relate to the forfeiture of retired pay if they engage in selling activities during retirement. The committee voted to repeal the present provisions making Navy and Marine Corps officers subject to a forfeiture of retired pay if they engaged in selling to their departments at any time after retirement. At the same time, the committee increased from 2 to 3 years the provisions applicable to all services which make retired officers subject to a forfeiture of retired pay if they engaged in selling to any Department of Defense activity subsequent to 3 years after retirement.

During these hearings it appeared that little was being done in the executive branch to enforce section 281 of the Criminal Code, which makes retired officers subject to criminal penalties if they engage in certain selling activities to their own department at any time after retirement.

It appeared that only the Comptroller General was making an effort to review this matter that is so capable of abuse and violation.

I would like to insert into the record at this point, first, those portions of the committee report which deal with the reasons why retired military personnel are accorded different statutory treatment from other categories of persons, and second, that part of the report dealing with the committee's observation on the lack of enforcement in the executive branch of section 281 of the Criminal Code as it relates to military retired personnel.

The committee report emphasizes that its action on the forfeiture bill should in no way be construed as supporting a change in the present language of section 281. On the contrary, the committee observed that the present provisions could possibly be better enforced.

[Excerpts from Senate Report No. 1979, 87th Congress, Aug. 29, 1962]

Basis for the Statutes Involved

For many years these statutes have provided prohibitions against procurement activities of retired officers who are employed in private industry subsequent to their active service. Originally, the prohibited procurement activities applied only to the department in which the officer held a retired status. In 1952, however, in the provision mentioned above, the prohibited activities were extended so that a retired regular officer was not only prohibited from selling to the department from which he retired, but to all agencies of the uniformed services, for a period of 2 years following retirement.

The basic purpose of these conflict-of-interest provisions for retired military officers, which are more strict than those applicable to other categories of personnel, is to prevent the use of personal influence on the part of retired officers in connection with the procurement of supplies and war materials between the military agencies and the private contractor who employs the retired officer.

Some of the factors that might give rise to conflict-of-interest situations include associations while on active duty with those former subordinates who remain in active service, the prestige generally of those who served in high rank on active duty, possible close knowledge of the military department by the retired officer, and possibly the continued association between the retired officer and the service from which he is retired. Although the basic statutes were enacted some years ago, the need for a continued rule is underscored by the fact that retired officers now are employed by the hundreds in defense industry, and the fact that the Defense Department undertakes procurement actions totaling billions of dollars, much of which is on a negotiated basis.

It should be emphasized that the sense of integrity on the part of the overwhelming majority of the retired officers would preclude any violations of the statutory provisions. These provisions, however, do serve as a deterrent for the few who might be tempted and a penalty for the few who might actually violate the provisions.

The committee would like to emphasize that the prohibited activities relate only to the selling process. They do not affect retired officers who act either for themselves or for others in various nonsales positions, including executive, administrative, and technical positions. The skills and talents of retired officers may be fully utilized in activities not connected with the selling process.

Committee Observation on Section 281, Title 18, United States Code

Another important provision relating to conflict of interests of retired officers is section 281, title 18, United States Code, to which reference has already been made. The Committee on Armed Services does not have jurisdiction over the U.S. Criminal Code, although this commitee does have legislative jurisdiction generally over the retired military officers who are subject to the criminal provision.

Testimony before the committee indicated that although the Comptroller General had found violations in a number of cases under the provisions involving forfeiture of pay, none of these cases was referred by the Department of Defense to the Department of Justice for the purpose of examining possible violations of section 281, title 18. It would appear that consideration could be given in the executive branch to improving the procedures and coordination by the Department of Defense and the Department of Justice with respect to the matter of reviewing possible violations of this provision.

With respect to the meaning of section 281, the Department of Justice, which is charged by statute with the responsibility for interpreting the law as it applies to the executive branch, has indicated that retired officers are within the scope of section 281. Furthermore, the Department of Defense regulation 5500.7, in enclosure 3, page 3, states the following with respect to this provision:

"a. 18 U.S.C. 281 exempts retired officers not on active duty from its application, but it prohibits a Regular retired officer from representing any person in the sale of anything to the Government through the Department in whose service he holds a retired status."

The Air Force regulation AFR 30-30, section 16b, page 5, states that: "no Regular retired Air Force officer will sell, contract for the sale of, or negotiate for the sale of anything to the Air Force at any time."

The statutory basis for this rule after such an officer has been retired for more than 2 years is section 281, title 18, United States Code.

NO INTENT TO AFFECT SECTION 281, TITLE 18

The committee would like to emphasize that its action in recommending this bill should not be construed in any way, by intent, implication, or otherwise, as meaning that section 281 should be amended to reduce its scope, either in terms of limiting the prohibited procurement activities, or by limiting the period following retirement to which the provision applies.

Mr. KEFAUVER. I recognize the abuses in this area and I feel it should be dealt with specifically. In at least one respect the present law applicable to such officers is changed by this bill. Under section 207 if they are working on a particular matter for the armed services, they cannot leave that employment and later participate in the same matter in civilian life. That prohibition is for life, not merely for 2 years, which is the provision at the present time. In some other respects, I believe the general provisions of 207 will also change the present status of retired officers.

Mr. RUSSELL. I say to the Senator that the Committee on Armed Services surrendered jurisdiction in these areas to the Committee on the Judiciary several years ago, because it involves criminal penalties. I hope that this matter will not be entirely overlooked and not considered by the Judiciary Committee in the writing of appropriate legislation. I assumed, when we surrendered jurisdiction to the Committee on the Judiciary, that that committee would at least take cognizance of the possibility of this abuse.

Mr. KEFAUVER. The Committee on the Judiciary has discussed the matter.

It does recognize that this problem exists, and should be dealt with by legislation. I assure the Senator that there will be a strong effort made in the next Congress to bring that about. But we now are confronted with the situation if we substantially change the bill, that we will get no law this year. There are certain matters of near emergency nature which should be dealt with now.

Mr. RUSSELL. Does the Senator intend to review the matter in the next session of Congress?

Mr. KEFAUVER. As the Senator knows, I am only a very minor member of the Committee on the Judiciary. To the extent of any influence that I may have, the subject will be reviewed and something will be done about it.

Mr. RUSSELL. I do not agree with the Senator's estimate of himself. It should be stated in justice that he is a powerful member of the Committee on the Judiciary, and is the chairman of some of the most active subcommittees of that committee, which range into a great many areas. On the assurance that the Senator has given me, I shall not offer any amendment to the bill. However, I cannot refrain from expressing my disappointment that the Committee on the Judiciary has not dealt with what I regard as one of the most important conflict-of-interest areas in the Government.

Mr. KEFAUVER. I agree with the Senator from Georgia that it is a matter that must be dealt with affirmatively.

Whatever I am able to do will be done.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. KEFAUVER. I yield.

Mr. MANSFIELD. I am certainly in complete and full accord with what the distinguished chairman of the Committee on Armed Services has had to say on this matter. I am heartened, despite the fact that this bill does not go far enough, by the statement of the Senator from Tennessee, to the effect that a study will be inaugurated early next year. I should like to ask the distinguished Senator from New York [Mr. KEATING], if I may, if he would express his views on this particular matter.

Mr. KEATING. I feel very strongly that the bill does not go far enough, and that we cannot leave it the way it is, or leave the matter with this bill. As the Senator will note from the individual views that I filed, dealing with Members of Congress, we should do something about the conflict-of-interest situation of Members of Congress. I agree with the Senator from Georgia that I hope something will be done about it. If we are not going to do anything about it, then we should let the committee of the Senator from Georgia do something about it, to take up this problem of conflict of interest of retired officers.

Mr. RUSSELL. I hope, if the Judiciary Committee should abandon this field, it will give the Committee on Armed Services some notice of that fact. Some years ago we started to deal with this subject, and the Committee on the Judiciary protested. I agreed with the committee. Under the Reorganization Act, this matter was clearly within the jurisdiction of the Judiciary Committee. I have advised persons who have written to me about it that the matter was in the jurisdiction of the Committee on the Judiciary. Therefore, I hope that the committee will deal with the subject and hold hearings on it and pay some attention to it, because in my opinion it is one of the most important areas in the conflict-of-interest field.

While I am not impugning anyone's motives, this situation is certainly susceptible to more abuse than any other conflict-of-interest area in the Government.

Mr. KEFAUVER. I again assure the distinguished Senator from Georgia that I fully agree with him that this is one of the bad abuses. This is a House bill, and we hope to make only amendments which will be accepted by the House without the necessity of a conference. We have been informed that if new subject matter makes it necessary to have a conference, the whole bill may be defeated.

The principal object of H.R. 8140 is to improve the current conflict of interest laws, most of which were first enacted in the 19th century. As now written, they are confusing, inadequate in certain respects, too sweeping in other respects and, in general, fail to meet the needs of present-day Government. The shortcomings of these statutes have been pointed out in recent years by various committees of the Congress, by the executive branch and by organizations of the bar. Each of these groups has found the underlying principles of the statutes to be sound but has at the same time noted the need for their revision in the interests of clarification and modernization.

This bill embodies the most important of the recommended changes in present law which were submitted by the President with his special message of April 27, 1961, on conflicts of interest and standards of conduct in the Government. In addition to the support of the administration, the bill has the support of the American Bar Association and the Association of the Bar of the City of New York. The New York City Association made an invaluable report in 1960 on the subject of the Federal conflict of interest laws and many of its recommendations have been written into the bill. Every witness who appeared at the hearings held by the Senate and House Judiciary Committees favored the enactment of the bill. As far as I know, no opposition to it has been voiced from any quarter. Although the Judiciary Committee made a number of amendments, I have no doubt they are acceptable to the House of Representatives.

The bill has three main purposes in connection with the conflict statutes:

First, it strengthens certain of them by increasing the range of the Government matters in which activities giving rise to conflicts of interest are prohibited. As as result of judicial construction these statutes are presently regarded as prohibiting activities in connection with "claims against the Government" for money or property only. The bill would extend their scope to include the vast range of administrative proceedings and other similar matters which comprise a great part of the work of the Government departments and agencies today.

The bill also strengthens present law by imposing a permanent bar, rather than the present 2-year bar, against a former Government employee's representing a private party in connection with a specific matter in which the former employee had participated personally while working for the Government.

The second main purpose of H.R. 8140 is to clarify and simplify the existing statutes. It should be noted, however, that in certain respects it makes no significant changes. Thus, the two provisions applying to Members of Congress do not make any changes of susbtance in the corresponding provisions of the present law. One, in section 203 of the bill, prohibits the receipt of compensation by Members of Congress for representing others before the agencies of the Government. The other, section 204, prohibits Members of Congress from practicing in the Court of Claims.

Similarly, the bill leaves untouched the two present sections of the conflicts statutes which pertain specifically to retired officers of the Armed Forces.

The third main purpose of H.R. 8140 is to facilitate the Government's recruiting of skilled persons from private fields to serve it on an intermittent or temporary basis. At the same time, the bill affords the Government adequate protection against conflicts of interest on the part of such persons. This dual purpose is achieved by creating in section 202 a category of Government employees designated "special Government employees" who are not subject to the full extent of the prohibitions applicable to the ordinary Government employee. This category is composed of employees, whether compensated or not, who serve not more than 130 days during any period of 365 consecutive days either on a full-time or intermittent basis.

Passing now to a summary of the provisions of H.R. 8140, I believe it will be helpful to describe first their impact on the regular Government employee. He would be subject to four major conflict-of-interest restrictions under the bill. He would in general be prohibited from representing any other person in relation to any transaction involving the Government. The regular employee also would be prohibited from participating in a transaction involving the Government in the consequences of which he, his spouse, minor child or business associates have a significant financial interest. Private sources would be prohibited from paying or supplementing his salary for his Government services. Finally, after leaving the Government service, he would be prohibited from representing another person in relation to any transaction involving the Government in which he participated personally and substantially as a Government employee. He would also in general be barred for 1 year following his Government employment from representing anyone in a matter in an area where he had had official responsibility at any time during his last year in the Government.

The special Government employee would be prohibited from representing other persons only, first, in matters involving the Government in which he has participated personally and substantially and, second, if he serves an agency more than 60 days a year, in matters pending before that agency. As to participation in transactions involving the Government in the consequences of which he, his spouse, minor child or business associates have a financial interest, the special Government employee would be subject to the same restrictions as a regular employee. Similarly, the postemployment prohibitions applicable to a regular Government employee would apply equally to the special Government employee. However, the latter would not be subject to the restrictions against outside compensation applicable to the regular employee.

A secondary purpose of H.R. 8140 is to consolidate into a single section—section 201—of Government-wide applicability the gist of the various existing bribery statutes which apply separately to particular categories of Government officials and to jurors and witnesses (18 U.S.C. 201–213). This consolidation makes no significant changes of substance and would not narrow the broad sweep of the current bribery laws.

Finally, the bill would add to "any other remedies provided by law" an authorization for the Government to void any contract or other transaction in relation to which there has been a final conviction under the bribery or conflict-of-interest statutes.

H.R. 8140 is the result of years of discussion and study, and its provisions are endorsed by the experts in the fields it covers. It is designed to promote the public interest by affording the Government the protection it requires and simultaneously making it possible for the Government to obtain services it requires. The need for the bill is undisputed, and I urge that it be passed by the Senate promptly in order to permit its enactment this session.

Mr. President, I ask unanimous consent to have printed at this point in the Record a summary of H.R. 8140 which was prepared by the Department of Justice. It is an excellent analysis of the bill.

There being no objection, the summary was ordered to be printed in the Record, as follows:

Summary of H.R. 8140

INTRODUCTION

In general, H.R. 8140—

1. Consolidates into a single section (sec. 201) of Government-wide applicability the gist of the various existing bribery statutes which apply to particular categories of Government officials (18 U.S.C., 201–213).

2. Strengthens certain of the present conflict-of-interest statutes by increasing the range of the Government matters in which activities giving rise to conflicts of interest are prohibited. As a result of judicial construction these statutes are presently regarded as prohibiting activities in connection with "claims against the Government" for money or property only. The bill would extend their scope to include the vast range of administrative proceedings and other similar matters which comprise a great part of the work of the Government departments and agencies today.

3. Facilitates the recruiting of skilled personnel to serve the Government on an intermittent or temporary basis. Many individuals possessing the special skills and knowledge required intermittently or temporarily by the Government are engaged in private activities which are such that they would, under the existing conflict-of-interest laws, be required to give up those activities in order to serve the Government merely on an intermittent, consultative or purely advisory basis. The bill, while protecting the interests of the Government, would modify existing law to permit such service in many cases without the present drastic consequences.

4. Clarifies and simplifies the existing conflict-of-interest laws.

In connection with the conflicts provisions of the bill, it is helpful to observe at the outset that:

(a) In dealing with the problem of the intermittent or temporary consultant or adviser, the bill (sec. 202) creates a category of Government employees designated "special Government employees" who are not subject to the full extent of the prohibitions applicable to the ordinary Government employee. This category is composed of temporary employees, whether compensated or not, who serve not more than 130 days during any period of 365 consecutive days either on a full-time or intermittent basis.

(b) The bill includes District of Columbia employees within its scope.

(c) Only two sections apply to Members of Congress and they make no significant changes in the comparable two sections of the present law. One section (sec. 203) prohibits Members of Congress from representing others before the agencies of the Government. The other section (sec. 204) prohibits Members of Congress from practicing in the Court of Claims.

(d) The bill makes no changes with respect to retired officers of the Armed Forces.

ANALYSIS

The regular Government employee would be subject to four major conflict-of-interest restrictions under the bill. He would in general be prohibited from representing any other person in relation to any transaction involving the Government. The regular employee also would be prohibited from participating in a transaction involving the Government in the consequences of which he, his spouse, minor child, or business associates have a significant financial interest. Private sources would be prohibited from paying or supplementing his salary for his Government services. Finally, after leaving the Government service, he would be prohibited from representing another person in relation to any transaction involving the Government in which he participated personally and substantially as a Government employee. He would also be barred for 1 year following his Government employment from representing anyone in a matter in the area where he had official responsibility during his last year in the Government.

The special Government employee would be prohibited from assisting other persons only in (1) matters involving the Government in which he has participated personally and substantially, and (2) if he serves an agency more than 60 days a year, matters pending before that agency. As to participation in transactions involving the Government in the consequences of which he, his spouse, minor child, or business associates have a financial interest, the special Government employee would be subject to the same restrictions as a regular employee. Similarly, the postemployment prohibitions applicable to a regular Government employee would apply equally to the special Government employee. However, the latter would not be subject to the restriction against outside compensation applicable to the regular employee.

Finally, the bill would add to "any other remedies provided by law," an authorization for the Government to void any contract or other transaction in relation to which there has been a final conviction under the bribery or conflict-of-interest statutes.

Mr. KEFAUVER. Mr. President, I ask unanimous consent also to have printed at this point in the Record an appendix to the statement of Deputy Attorney General Katzenbach on H.R. 8140 before the Senate Committee on the Judiciary. It was inadvertently omitted from the printed hearings.

There being no objection, the appendix to the statement was ordered to be printed in the Record, as follows:

Appendix to Statement of Deputy Attorney General Nicholas deB. Katzenbach on H.R. 8140 Before the Senate Committee on the Judiciary, June 21, 1962

PROPOSED AMENDMENTS TO H.R. 8140, AS PASSED BY THE HOUSE OF REPRESENTATIVES AND INTRODUCED IN THE SENATE

Insert the word "voluntarily" after the word "is" in page 8, line 4, and insert the following sentence after the period in page 8, line 8: "A Reserve officer of the Armed Forces or an officer of the National Guard of the United States who is serving involuntarily shall be classified as a special Government employee."

2. Strike the following from page 10, lines 10 and 11, and page 12, lines 7 and 8: "which is or within two years has been a subject of his official responsibility, or (3)"

Substitute the following for each of the provisos beginning at page 10, line 13, and page 12, line 10:

"*Provided*, That clause (2) shall not apply in the case of a special Government employee who has served in such department or agency no more than sixty days during the immediately preceding period of three hundred and sixty-five consecutive days."

Strike the number "203" from page 8, line 12.

3. If section 207(c) is omitted, the following conforming amendments should be made in page 16, line 18:

Change the word "subsections" to "subsection" and strike the words "and (d)".

4. During a preliminary consideration of H.R. 8140 by the Senate Judiciary Committee in September 1961, a committee member suggested that persons acting as part-time consultants or advisers in the legislative branch be made eligible for inclusion in the category of "special Government employees." This result may be accomplished by inserting the words "or legislative" after the word "executive" in page 7, line 13.

5. The words "particular matter" appear at a number of places in the bill, including the following: line 5, page 10; line 2, page 12; line 12, page 14; line 25, page 14.

The words are used in these four places in connection with prohibitions against certain activities on the part of special Government employees or former Government employees. The words are there intended to limit the prohibitions to proceedings of a nature involving specific parties as distinguished from proceedings such as general rulemaking. In order to make this differentiation clear, the administration proposes the insertion of the words "involving a specific party or parties" immediately after the words "particular matter" in each of the four places listed above.

6. Section 207(a) as originally drafted for consideration by the House Judiciary Committee made it unlawful for a former Government employee to act "as agent or attorney for, or aid or assist" other persons in connection with matters in which the United States has an interest and in which he had participated during his Government service. The committee reduced the reach of this section by striking the words "or aid or assist". However, it failed to make corresponding changes in the three paragraphs in section 205 (beginning at page 12, line 14, and ending at page 13, line 14) which use the words "aid or assist" or "aiding or assisting." These terms do not appear elsewhere in section 205 or the remainder of the bill. In order to avoid problems of construction and to make the language of sections 205 and 207(a) completely consistent, it is recommended that the above-mentioned three paragraphs be amended. In addition, it would be appropriate to include grants within the authority given to agency heads by the third paragraph. Set forth below is a proposed revision of the paragraphs accomplishing these results and making a few other minor changes, including the deletion of a confusing reference to section 207 in the third paragraph:

"Nothing herein prevents an officer or employee, if not inconsistent with the faithful performance of his duties, from acting without compensation as agent or attorney for any person who is the subject of disciplinary, loyalty, or other personnel administration proceedings in connection with those proceedings.

"Nothing herein or in section 203 prevents an officer or employee, including a special Government employee, from acting, with or without compensation, as agent or attorney for his parents, spouse, child, or any person for whom he is serving as guardian, executor, administrator, trustee, or other personal fiduciary except in those matters in which he has participated personally and substantially as a Government employee, through decision, approval, disapproval, recommendation, the rendering of advice, investigation, or otherwise, or which are the subject of his official responsibility, provided that the Government official responsible for appointment to his position approves.

"Nothng herein or in section 203 prevents a special Government employee from acting as agent or attorney for another person in the performance of work under a grant by, or a contract with or for the benefit of, the United States provided that the head of the department or agency concerned with the grant or contract shall certify in writing that the national interest so requires."

7. In the interest of conformity, the words "Government action, proceeding" in page 17, line 3, and "action, proceeding" in page 17, line 15, should be deleted and replaced by the following language which appears in several places in the bill: "judicial or other proceeding, application, request for a ruling or other determination, contract, claim, controversy, charge, accusation, arrest,".

8. In the event section 207(b) is retained in the bill, the discussion and recommendation appearing below will be pertinent.

Section 207(b) imposes a 2-year ban against a former Government employee's appearance before a court or Government agency as agent or attorney for another in connection with any matter which was under his official supervision at any time within 2 years prior to his departure from the Government. As drafted, this section might impose an unduly long restriction in the case of a former employee who has served the Government in more than one agency. For example, an officer of the Treasury Department transfers to the State Department, remains 23 months and then resigns to accept private employment. He would be barred for 2 years thereafter from appearing as to matters under his official responsibility not only in the State Department but in the Treasury Department, which he had left 23 months before. It would obviously be unfair to bar him from the Treasury Department as to such matters for more than an additional month. Accordingly, the following amendments are proposed to prevent that result: delete the word "last" in page 14, line 20, and replace the last two words in page 15, line 5, with the words "such responsibility".

Mr. KEFAUVER. Mr. President, the report on the bill has been excellently prepared, particularly as regards the individual views of the Senator from Colorado [Mr. CARROLL] and the very thoughtful and provocative questions raised in the report by the individual views of the Senator from New York [Mr. KEATING]. I ask unanimous consent to have printed at this point in the RECORD excerpts beginning on page 4 of the report, together with the individual views of Senator CARROLL and Senator KEATING.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

PURPOSE OF AMENDMENTS

The purpose of the amendments is to correct typographical errors, and conform and clarify language in the bill, to incorporate suggested amendments proposed by the Department of Justice during the course of the public hearing on this proposal, and to incorporate language adopted by the committee affecting part-time U.S. commissioners and part-time legislative employees in the home districts and States of Members of Congress.

PURPOSE

This legislation is concerned with two subjects, conflicts of interest and bribery, and would revise the current criminal statutes dealing with these subjects.

Insofar as the conflict-of-interest laws are concerned, the bill has two purposes. First, it would simplify and strengthen the conflict laws presently in effect. Second, in the interest of facilitating the Government's recruitment of persons with specialized knowledge and skills for service on a part-time basis, it would limit the impact of those laws on the persons so employed without depriving the Government of protection against unethical conduct on their part.

A secondary feature of the bill is the substitution of a single comprehensive section of the Criminal Code for a number of existing statutes concerned with bribery. This consolidation would make no significant changes of substance and, more particularly, would not restrict the broad scope of the present bribery statutes as construed by the courts.

LEGISLATIVE HISTORY

On April 27, 1961, the President transmitted to the Congress a special message dealing with conflicts of interest and ethical behavior on the part of persons serving in the departments and agencies of the Government. Accompanying the message was a proposed bill to revise the conflict-of-interest laws which was later introduced as H.R. 7139. Two identical bills, H.R. 3411 and H.R. 3412, introduced by the chairman and the ranking minority member of the House Committee on the Judiciary, and H.R. 3050, a bill drafted by the Association of the Bar of the City of New York, also proposed significant changes in the conflict-of-interest laws. H.R. 3411 and H.R. 3412, in addition, contained provisions designed to consolidate the bribery laws. Hearings on the four bills were held June 1 and 2, 1961, by the Antitrust Subcommittee of the House Committee on the Judiciary. The subcommittee subsequently combined various features of these bills into a new bill, H.R. 8140, which received the support of the administration, the Association of the Bar of the City of New York, and other groups. Following approval by the full committee, H.R. 8140 passed the House on August 7, 1961.

This committee held hearings on the bill on June 21, 1962. Although the committee received a number of recommendations for amendment, all witnesses agreed with the objectives of the bill and unhesitatingly supported its enactment.

STATEMENT

The necessity for maintaining high ethical standards of behavior in the Government becomes greater as its activities become more complex and bring it into closer and closer contact with the private sector of the Nation's economy. The best means of assuring high standards have been a matter of increasing concern in recent years, as evidenced by the work of various committees of the Congress, the executive branch, members of the bar, and others. All of these groups have found that the present laws, while correct in principle, are confusing and inadequate and to a considerable degree are actually a hindrance to the Government. This committee has come to the same conclusion. The consensus of views in this connection is reflected in the following passage from the President's special message of April 21, 1961:

Five of these statutes were enacted before 1873. Each was enacted without coordination with any of the others. No two of them use uniform terminology. All but one impose criminal penalties. There is both overlap and inconsistency. Every study of these laws has concluded that, while sound in principle, they are grossly deficient in form and substance.

The fundamental defect of these statutes as presently written is that: On the one hand, they permit an astonishing range of private interests and activities by public officials which are wholly incompatible with the duties of public office; on the other hand, they create wholly unnecessary obstacles to recruiting qualified people for Government service. This latter deficiency is particularly serious in the case of consultants and other temporary employees, and has been repeatedly recognized by Congress in its enactment of special exemption statutes.

A serious defect of the statutes arises from the fact that, as construed in *United States* v. *Bergson* (119 F. Supp. 459 (D.C.D.C., 1954)), they prevent improper activities by present and former Government employees in connection with claims to money or property but do not protect the Government against the same kind of activities when directed to proceedings which are not technically for money or property. Yet the dangers of abuse of Government position and of the unconscionable use of inside information against the Government by a present or former employee are, of course, as great in an administrative or judicial proceeding for the award of a valuable license or other privilege as in a proceeding to obtain the payment of money.

An example of overprotection of the Government's interest, as contrasted with the underprotection just described, is found in title 5, United States Code, section 99, a statute applying to a former employee of an executive department. It prevents him for 2 years after the end of his employment with that department from prosecuting a claim which was pending, during the period of his incumbency, either in that or in any other department, even though he was totally unaware of the claim during that period. Whatever the merit of this prohibition at a time when the Government departments were fewer in number and much smaller in size, it makes very little sense today. Thus, it is hard to advance a reasonable justification for precluding a former Commerce Department attorney, for 2 years or for any length of time, from representing before the Treasury Department a private client who has a claim for an income tax refund with which the attorney never had any connection while in Government service.

In considering the application of present law in relation to the Government's utilization of temporary or intermittent consultants and advisers, it must be emphasized that most of the existing conflict-of-interest statutes were enacted in the 19th century—that is, at a time when persons outside the Government rarely served it in this way. The laws were therefore directed at activities of regular Government ememployees, and their present impact on the occasionally needed experts—those whose main work is performed outside the Government—is unduly severe. This harsh impact constitutes an appreciable deterrent to the Government's obtaining needed part-time services.

The problem was well stated by the Senate Government Operations Subcommittee on National Policy Machinery in a study dated February 28, 1961, and entitled "Organizing for National Security—the Private Citizen and the National Service":

"The heart of the difficulty lies in the failure of present-day law to recognize the special problems of the occasional consultant.

"To be sure, consultancies can in certain conditions be abused by those who would pursue private gain or seek to exert covert and wrongful influence on Government policies. The law and administrative regulations should effectively guard against such abuses. Indeed, we require more precise and sophisticated safeguards than exist presently.

"But the statutes should be refined to deal with the real danger. The intermittent consultant should not be arbitrarily and indiscriminately swept under a network of outdated general restraints serving only to deny the Government the expert assistance it needs in modern conditions."

An Advisory Panel on Ethics and Conflict of Interest In Government, appointed by the President in January 1961, also considered the problem. This panel, composed of retired Judge Calvert Magruder, of the U.S. Court of Appeals for the First Circuit; Dean Jefferson B. Fordham, of the University of Pennsylvania Law School, and Prof. Bayless Manning, of the Yale Law School, made the following statement in its report, dated March 21, 1961:

"In the present context one of the most significant developments in the Federal personnel system is the great and growing resort to temporary and intermittent personnel. The tremendous range and volume of governmental activities, much of which stems from technological developments and international problems, have brought Government into intimate relationship with the economic life of the Nation and with social welfare, with the result that there are no longer clear boundaries between the private and the public sectors. This means, for one thing, that the National Government has major demands for qualified personnel of the sort needed by business organizations and other private institutions. What the Government must do is compete as best it can for the needed people. Thus, it is readily understandable that in many areas of activity the Government has to make use of people on a limited basis in the capacity of advisers, consultants, or experts. Nor is it likely that the occasion for this practice will lessen. Use of such semiemployees, partly in and partly outside Government, greatly complicates the problem of maintaining ethical standards in the Government for it inevitably multiplies the risks of conflicting interests."

At this date it is no longer open to question that many, if not most, of the departments and agencies find it necessary for the optimum performance of their tasks to make use of the skill, talent, and experience of leaders in the sciences, business, and the professions whose regular work is conducted in private spheres. Today's Government requires the part-time services of thousands of such persons to deal with problems of increasing complexity and scope. It can scarcely be questioned that a satisfactory means must be found of facilitating the employment of these individuals by the departments and agencies, as needed, without relaxing basic ethical standards or permitting actual conflicts of interest.

Congress has on a number of occasions recognized the obstacles faced by an agency requiring the part-time services of consultants and advisers and has granted the persons employed by the agency in that capacity a specified statutory exemption from some or all of the conflict laws. This hit-or-miss practice has produced unjustified inconsistencies and in some cases has resulted in the grant of unduly broad exemptions. Needless to say, general legislation doing away with the need for special treatment is a preferable course of action.

H.R. 8140 is intended to remedy the deficiencies and difficulties discussed above. It is the end result of protracted and careful studies both in and out of government, and this committee is of the view that it will achieve the goal set for it. In so doing, it will promote and balance the dual objectives of protecting government integrity and facilitating the Government's recruitment and retention of needed personnel.

SECTION-BY-SECTION ANALYSIS

Section 1(a) of the bill would amend chapter 11 of title 18, United States Code, by combining into a new section 201 the substance of the present sections 201 through 213 relating to bribery and graft. In addition section 1(a) of the bill would replace the present sections 281, 282, 283, 284, 434, and 1914 of title 18, all relating to conflicts of interest, with new sections 202 through 209. The renumbering and repeal of sections necessitated by the provisions of section 1(a) are accomplished by section 1 (b), (c), and (d) and by section 2.

The following references to sections 201 through 209 and section 218 refer to the proposed new sections of title 18 which would be enacted by section 1 (a) and (e) of the bill.

Section 201. Bribery of public officials and witnesses

The current bribery laws in title 18, United State Code, sections 201–213, consist of separate sections applicable to various categories of persons—Government employees, Members of Congress, judges, and others. Section 201 would bring all these categories within the purview of one section and make uniform the proscribed acts of bribery, as well as the intent or purpose making them unlawful.

Subsection (a) contains definitions for the purposes of the new section 201 only. The term "public official" is broadly defined to include officers and employees of the three branches of government, jurors, and other persons carrying on activities for or on behalf of the Government. The definition of "person who has been selected to be a public official" is self-explanatory. The term "official act" is defined to include any decision or action taken by a public official in his capacity as such.

Subsection (b) makes it unlawful for anyone to bribe or attempt to bribe a public official by corruptly giving, offering, or promising him or any person selected by him, anything of value with intent to influence any official act by him, to influence him to commit or allow any fraud on the United States, or to induce him to do or omit to do any act in violation of his lawful duty. The three alternate intents specified in the subsection are in substance the same as those now prescribed in title 18, United States Code, section 201. The subsection expands present law to a degree in its provisions forbidding an offer or promise of something of value from which a public official himself will not benefit but which will be of advantage to another person in whose well-being he is interested.

Subsection (c) prohibits a public official's solicitation or acceptance of, or agreement to take, a bribe. The same alternate intents are set forth here as in subsection (b).

Subsections (d) and (e) prohibit the offering to, or the acceptance by, a witness of anything of value involving intent to influence his testimony at a trial, congressional hearing, or agency proceeding.

The maximum penalties authorized for convictions under these four subsections are a fine of $20,000 or triple the monetary equivalent of the thing of value, whichever is greater, or imprisonment for 15 years, or both. In addition a violator may be disqualified, in the discretion of the court, from holding any office under the United States. Title 18, United States Code, section 206 presently makes such disqualification mandatory in cases of conviction for offers of bribes to judges, jurors, or judicial officers and title 18, United States Code, sections 202, 205, and 207 require it in cases of convictions for acceptance of bribes by Government employees, Members of Congress, and judges.

Subsections (f) and (g) forbid offers or payments to, and solicitations or receipt by, a public official or anything of value "for or because of" any official act performed or to be performed by him. Subsections (h) and (i) similarly forbid offers or payments to, and solicitations or receipt by, a witness of anything of value "for or because of" testimony given or to be given by him.

The maximum punishment for a conviction under subsection (f), (g), (h), or (i) is a fine of $10,000, or imprisonment for 2 years, or both.

Subsection (j) specifies that nothing in subsection (d), (e), (h), or (i) is to prevent the payment or receipt of lawful witness fees, travel and subsistence expenses, or reasonable compensation for expert testimony.

Subsection (k) specifies that the provisions of the section are not to supersede the present statutes making it unlawful to obstruct justice by intimidating or influencing jurors or witnesses.

Section 202. Definitions

This section contains two definitions applicable to the conflict of interest provisions to follow. The first definition, that of "special Government employee," serves to establish a category of intermittent and temporary personnel, as distinguished from regular, full-time personnel. The term is defined to include officers and employees of the executive and legislative branches, independent agencies, and the District of Columbia who are employed, with or without compensation, to perform temporary duties, either on a full-time or intermittent basis, for not more than 130 days in any period of 365 consecutive days. In general, as will be seen hereinafter, the prohibitions of the bill relating to special Government employees are less extensive than in the case of regular employees. Although H.R. 8140, as it passed the House, did not make employees of the legislative branch eligible for classification as special Government employees, this committee sees no reason for omitting them and has amended section 202 accordingly.

In addition the committee has amended the section to classify a part-time home representative of a Member of Congress as a special Government employee even though his service exceeds the 130-day standard. Part-time local representatives, though generally rendering fairly frequent service, rarely spend more than a small part of any day on business of the Member they assist, and it would be unfair and unrealistic to treat them as regular, full-time employees if they exceed that standard.

The provisions of H.R. 8140, like the provisions of the present conflict-of-interest laws, apply in general to officers of the Armed Forces on active duty. Section 202 provides that a Reserve or National Guard officer on a tour of active duty solely for training shall be classified as a special Government employee. As it passed the House, section 202 also provides that every Reserve or National Guard officer who is serving a period of extended active duty in excess of 130 days shall be classified as an officer subject to the full impact of the bill rather than as a special Government employee. No distinction is made between Reserve and National Guard officers who are serving pursuant to an involuntary recall to duty and those who are serving voluntarily. This committee is of the opinion that it is not equitable and may cause unjustified hardship to subject the former to all the prohibitions applicable to the general run of officers and employees of the Government. Accordingly, the committee has amended section 202 to classify an involuntarily recalled Reserve or National Guard officer as a special Government employee during the whole of his period of involuntary service—that is, even if it extends beyond 130 days.

Enlisted members of the Armed Forces are specifically excluded by section 202 from the coverage of the conflict-of-interest statutes.

Finally, section 202 defines the term "official responsibility" as the direct administrative or operating authority to approve, disapprove, or otherwise direct Government action.

Section 203. Compensation to Members of Congress, officers, and others in matters affecting the Government

This section is proposed as a substitute for title 18, United States Code, section 281, which prohibits Members of Congress and officers or employees of the Government from receiving compensation for services rendered for others before a Federal department or agency in matters in which the Government is a party or is interested. Section 203 of the bill continues this restraint in full effect except with respect to special Government employees. Subsection (c) makes the prohibition applicable to those individuals only in relation to (1) matters in which they have at any time participated personally and substantially in their governmental capacities or (2) matters pending in the department or agency in which they serve. However, the second restriction would not apply in the case of a special Government employee who has served in such department or agency no more than 60 days during the preceding period of 365 days.

The House bill set 15 days' service in a year as the maximum which would leave the bar of the second restriction at rest. The committee recognizes that an intermittent or temporary consultant or adviser may attain a considerable degree of influence in an agency he serves and that the second restriction is a reasonable one in principle. However, the 15-day limit seems much too short and no doubt would often make unavailable to an agency the needed services of an individual with specialized knowledge or skills who must appear before that agency in other connections in his private capacity. The 60-day standard set by the committee seems a more reasonable one, particularly when it is borne in mind that the first restriction applicable to special Government employees continues in effect in any event. It will, of course, remain incumbent on each agency to make certain that persons serving it part time who also appear on behalf of outside organizations do not abuse their access to the agency for the benefit of those organizations.

The House bill contains a provision in subsection (c) of section 203 subjecting a special Government employee to the prohibition of the section in relation to a matter which is, or within 2 years has been, a subject of his official responsibility. This provision also seems to be directed at the improper use of influence. As a practical matter, however, the problem of influence would seem to be dealt with best in the manner indicated in the next preceding paragraph—that is, by agency watchfulness and regulation. And, with the unceasing application of the abovementioned first restriction preventing private appearances by a special Government employee in relation to matters he has worked on for the Government, it seems clear that the Government is well protected. Taking into account also the likelihood that the additional House restriction might well be an impediment to recruitment, the committee has omitted it.

Section 203 provides the same penalties as title 18, United States Code, section 281: a maximum fine of $10,000 or maximum imprisonment for 2 years or both, and mandatory disqualification for holding any office under the United States.

Section 204. Practice in Court of Claims by Members of Congress

This section in substance repeats the provisions of the present title 18, United States Code, section 282 precluding Members of Congress from practice in the Court of Claims.

Section 205. Activities of officers and employees in claims against and other matters affecting the Government

Section 205 is the counterpart of the current title 18, United States Code, section 283 which prevents officers or employees of the departments, agencies, Senate, and House of Representatives (but not Members of Congress) from acting as agent or attorney for, or aiding or assisting in, the prosecution of any claim against the United States otherwise than in the proper discharge of their official duties. As pointed out above, the term "claim against the United States" has been limited to the decision in the case of *United States* v. *Bergson* so as to include only proceedings against the Government which seek money or property. Section 205 of the bill explicitly goes beyond this restricted class of proceedings and extends its bar against a Government employee's private representational activities to all matters in which the United States is a party or has an interest. Thus the section includes within its scope applications for licenses or other privileges, criminal proceedings, and other important matters not now covered.

Section 205 treats special Government employees in the same manner as section 203 of the bill. More precisely, a person in that category is subject to the restraints of section 205 only in regard to matters in which he has participated personally and substantially in a governmental capacity and, if his service in his agency has aggregated more than 60 days in the year past, matters pending before that agency.

Section 205 contains a provision lifting its bar in the case of a Government employee who represents another, without compensation, in a disciplinary, loyalty, or other personnel administration proceeding. The section also makes it possible for an individual in Government service, with his superior's approval, to represent, with or without compensation, his parents, spouse, child, or a person for whom he acts as fiduciary. However, this permission does not extend to representing such persons in matters in which the individual has participated personally and substantially as a Government employee or which are the subject of his official responsibility.

Section 205 also contains a provision authorizing a special Government employee to act as agent or attorney for another in the performance of work under a contract with or for the benefit of the United States if the head of the agency concerned with the contract certifies in writing, published in the Federal Register, that the national interest so requires. This narrow authority is given to take care of any situations involving the national interest where an intermittent employee's special knowledge or skills may be required by his employer or other private person to effect the proper performance of a Government contract but where his services may be unavailable in the absence of a waiver of section 205.

Section 205 contains a declaration that it does not prevent an officer or employee from giving testimony under oath or making required official statements.

The Judicial Conference of the United States has recommended to the committee that part-time U.S. commissioners be exempted from the comprehensive coverage of section 205. The Conference believes that the office of Commissioner can best be filled by a lawyer and has consistently encouraged the appointment of lawyers. As of May 16, 1962, there were 692 commissioners, of whom 469 were practicing attorneys. All but a very few of these attorneys perform services on a part-time basis and the Conference believes the continuation of their services is important to the fair administration of the criminal laws of the Federal Government.

As noted by the Conference, U.S. commissioners are not among those who may be classified as special Government employees under section 202 of the bill as it came before the committee, with the consequence that section 205 would foreclose attorneys who are part-time commissioners from engaging in the field of Federal practice. It should be added that section 203 would have virtually the same effect. The end result under these circumstances would no doubt be that many, if not most, of the attorneys would resign to the detriment of the administration of justice.

The committee concurs in the view of the Judicial Conference that part-time commissioners should not be left within the full coverage of section 205—or of section 203. It believes the best solution is to treat all such commissioners as special Government employees. The committee has therefore amended the definition of special Government employees in section 202 to achieve that result.

The penalties of section 205 are a maximum fine of $10,000, or maximum imprisonment for 2 years, or both.

Section 206. Exemption of retired officers of the uniformed services

This section provides that sections 203 and 205 of the bill do not apply to a retired officer of the uniformed services or to any person specially excepted by Congress. It should be noted at this point that section 2 of the bill repeals title 18, United States Code, sections 281 and 283, except as those statutes may apply to retired officers. Thus the net result of section 206 and this partial repeal is to leave the present status of retired officers under title 18, United States Code, sections 281 and 283 unchanged.

Section 207. Disqualification of former officers and employees in matters connected with former duties or official responsibilities; disqualification of partners

Section 207 replaces title 18, United States Code, section 284 dealing with postemployment activities. The latter prohibits a former employee of the Government, for a 2-year period following the termination of his employment, from prosecuting a claim against the United States involving any subject matter directly connected with which he was employed. Here again the term "claim against the United States" is subject to the limitation of the Bergson decision.

Subsection (a) of section 207 provides that a former Government officer or employee, including a former special Government employee, shall be permanently barred from acting as attorney or agent for anyone other than the United States in any matter in which the United States is a party or is interested and in which he participated personally and substantially in a governmental capacity. Thus, in addition to replacing the present 2-year disqualification with a lifetime bar, section 207(a) strengthens present law by going beyond claims for money or property to the whole range of matters in which the Government has an interest.

Subsection (b) bars a former employee of an agency, for a period of 1 year after his employment with it has ceased, from appearing as agent or attorney for another person before any court or agency in connection with a matter in which the Government has an interest and which was within the area of his official responsibility at this agency at any time within 1 year prior to the end of such responsibility. The prohibition would thus cover cases where the former employee had actually not participated in a matter while in the Government. As subsection (b) appears in the House bill, each of the time factors is set at a period of 2 years.

The committee received testimony at its hearings on the bill recommending the complete omission of the subsection on the ground that it would certainly and adversely affect recruitment by the scientific agencies of the Government of topflight personnel for regular service, especially in higher ranking supervisory positions, and their recruitment of intermittent personnel for work in broad areas of agency endeavor. The committee recognizes the possibility that this result might ensue but it believes there is also a distinct possibility of harm to the Government when a supervisory employee may sever his connection with it one day and come back the next seeking an advantage for a private interest in the very area where he has just had supervisory functions. Striking a balance between the two possibilities, the committee has reduced the 2-year periods in the House bill to periods of 1 year. In addition, in order to make sure that a scientific agency is not cut off from the benefits which may accrue in an important situation from permitting the appearance of a former employee with outstanding scientific qualifications, the committee has added a proviso permitting such appearance, despite the provisions of subsection (a) or (b), upon an agency certification, published in the Federal Register, that the national interest would be served thereby.

Subsection (c) prohibits a partner of a person employed by the Government, including a special Government employee, from acting as agent or attorney for anyone other than the United States in matters in which the employee participates or has participated personally and substantially for the Government or which are the subject of his official responsibility.

Section 207 of the House bill includes a provision which would prevent a partner of a former Government employee, for a period of 2 years following the termination of the latter's employment, from engaging in any activities before the Government from which such former employee is barred. This prohibition, which seems to be applicable primarily to lawyers, is no doubt based on the imputation of a disqualification from one partner to another. It is to be contrasted with the prohibition in subsection (c) which covers the much more serious situation where an individual outside the Government is in a position to benefit from improper action by a partner currently in Government service. The committee considers that the additional provision included by the House falls principally within the field of legal ethics, where the present canons of ethics would seem to give adequate coverage. Thus the committee does not believe the provision should be included within a criminal statute and has omitted it.

The maximum penalties provided for violations of section 207 of the bill are a fine of $5,000 or imprisonment for 1 year, or both.

Section 208. Acts affecting a personal financial interest

Subsection (a) is modeled on title 18, United States Code, section 434 which disqualifies an employee of the Government who has an interest in the profits or contracts of a business entity from the transaction of business with such entity. However, subsection (a) improves upon the present law by abandoning the limiting concept of the "transaction of business." The disqualification of the subsection embraces any participation on behalf of the Government in a matter in which the employee has an outside financial interest, even though his participation does not involve the transaction of business. Section 208 also reaches further than present law by requiring the disqualification of an employee from participation in matters in which his spouse, child, or persons with whom he has business connections have an interest. The bill, as it came before the committee, makes no distinction between minor children and those who have attained a majority. The committee believes that only the interest of a minor child should serve to disqualify the employee and has amended section 208(a) accordingly.

Subsection (a) at one point speaks in terms of an employee's disqualifying connection with a "business organization," thus leaving open the implication that he would remain eligible to act for the Government in a matter involving a nonprofit organization with which he is connected. A great number of universities, foundations, nonprofit research entities, and other similar organizations today are engaged in work for the Government. Conflicts of interest may arise in relation to them just as in the case of the ordinary business for profit. The committee therefore has deleted the word "business" from the subsection to make clear that improper dealing by a Government employee in connection with nonprofit organizations is also prescribed.

Subsection (b) adopts a de minimis rule authorizing an agency waiver of an employee's disqualifying interest of insignificant proportions either on an ad hoc basis or pursuant to a general agency regulation.

Section 208 establishes maximum penalties for its violation of a $10,000 fine, imprisonment for 2 years, or both.

Section 209. Salary of Government officials and employees payable only by United States

Section 209 is similar to title 18, United States Code, section 1914. The latter prohibits a Government employee from receiving any salary in connection with his Government services from a private source. Subsection (a) of section 209 would reenact this prohibition in substance and, in addition, would make it an offense for anyone to make a payment to a Government employee the receipt of which would violate the section.

The present statute's ban on the receipt of private payments "in connection with" an employee's Government services is replaced in section 209(a) with a ban on the receipt of such payments "as compensation for" such services. The new language is more precise in expressing what is clearly intended by the present broad phrase.

Subsection (b) is a declaration that a Government employee covered by subsection (a) is not thereby prevented from continuing to participate in a bona fide pension or other welfare plan maintained by a former employer.

Subsection (c) exempts special Government employees and employees serving the Government without compensation from the application of subsection (a) and also grants a corresponding exemption to any outside person paying compensation to such individuals.

Subsection (d) specifies that the section does not prohibit the payment or acceptance of sums under the terms of the Government Employees Training Act.

The maximum penalties authorized by section 209 are a fine of $5,000 or imprisonment for 1 year, or both.

Section 218. Voiding transactions in violation of chapter; recovery by the United States

This section, which has no statutory counterpart at the present time, authorizes the President or, under regulations prescribed by him, a department or agency head, to declare void and rescind any transaction with the United States in relation to which there has been a final conviction under the bribery or conflict-of-interest statutes. The section further specifies that the United States would be entitled to recover, in addition to any penalty prescribed by law or in a contract, the amount expended or the thing transferred or delivered on its behalf, or the reasonable value of such thing. The question has arisen whether this section would operate to modify the Supreme Court decision relating to the Dixon-Yates matter (*United States* v. *Mississippi Valley Generating Co.*, 364 U.S. 520 (1961)). That result seems to be foreclosed since the opening language of section 218 states that its provisions are "in addition to any other remedies provided by law."

OTHER PROVISIONS OF THE BILL

Section 2 of the bill repeals title 18, United States Code, sections 281, and 283 (except, as noted above, as they apply to retired officers) and title 18, United States Code, sections 282, 284, 434, and 1914. Section 2 also states that these sections of the Criminal Code are to be supplanted by the new sections 203, 204, 205, 207, 208, and 209 as set forth in section 1. Existing exemptions from the sections repealed would be retained as exemptions from the corresponding new sections except to the extent that they affect officers or employees of the executive branch, of any independent agency or of the District of Columbia, as to whom they would no longer be applicable.

Section 3 of the bill repeals title 5, United States Code, section 99, the anachronistic postemployment statute which is discussed earlier herein. Thus there will remain a single statute governing postemployment conduct, the new section 207.

Section 4 specifies that the legislation shall take effect 90 days after the date of its enactment.

In addition to the amendments to the House bill which are described above, the committee has made a number of minor clarifying and perfecting amendments which require no discussion.

The committee is of the opinion that this legislation, as amended by the committee, is a long step forward in strengthening and revising the existing conflict-of-interest laws. At the same time it should give stimulus to the Government's efforts to enlist technical and scientific experts on a temporary basis to aid the national defense effort.

The committee accordingly recommends favorable consideration of H.R. 8140, as amended.

In the opinion of the committee it is necessary to dispense with the requirements of subsection (4) of rule 29 of the Standing Rules of the Senate in order to expedite the business of the Senate.

INDIVIDUAL VIEWS OF SENATOR JOHN A. CARROLL

H.R. 8140 as reported by our committee is a long-needed modernizing, strengthening, and clarifying measure concerning the laws relating to bribery and conflicts of interest.

As chairman of the Subcommittee on Administrative Practice and Procedure I have become acutely aware of some of the problems in this area which have been experienced in the departments and agencies of the Government.

I present these additional views to emphasize that in H.R. 8140 we have created a "special Government employee" for whom the restraints upon regular Government employees have been relaxed under the bill. This was done to permit the Government to be able to bring advisers and consultants in temporarily—a problem which under present law is difficult, as the report indicates.

I wish to emphasize that there will have to be close administrative regulation of this provision. Among the regulations should be current statements of their financial interests, a continuous scrutiny of the role and need for the individual in the agency, and of the appearance of these employees on behalf of non-Government organizations and enterprises.

These individual views of mine are in the nature of a warning and a caution to the executive branch to be more alert and to be more vigilant where we have relaxed this conflict-of-interest provision.

By the same token Congress must exercise greater diligence and alertness to the functions of the executive branch and, may I add, ought to reexamine, from time to time, its own relationships to the provisions of this bill.

There can be no double standard. The high standard of conduct that we in the legislative branch expect of the executive branch must be equally applied to ourselves.

JOHN A. CARROLL.

INDIVIDUAL VIEWS OF SENATOR KENNETH B. KEATING

Enactment of H.R. 8140, as reported by the committee, will serve to clarify, modernize, and, in some respects, strengthen existing conflict-of-interest laws. In my judgment, however, it contains several serious omissions.

Its most important defect is its failure to deal with conflict-of-interest problems affecting Members of Congress. The legislative branch, of course, has special problems, but these do not require an exemption of Congress from the same high ethical standards we intend to impose on the officers and employees of the other branches of the Government. There is no justification for a double standard of morality in Government, one for the Congress and another for the rest of the public service. The public will resent any "holier than thou" attitude on the part of Congress, and properly so.

Conflict-of-interest questions confront the Members of Congress almost daily. For example, should a Representative or Senator vote on matters in which he has some personal financial stake? What are the proper limits on the appointment of relatives to the Member's staff? What kind of outside employment and income are compatible with certain committee assignments? What campaign contributions are properly acceptable and which are not? What are the limits on a Member's representation of constituent interests before the regulatory agencies and other Government departments? Under what circumstances, if any, should Members be permitted to accept fees for speeches to various interest groups?

One of the difficulties now is the absence of any legislative machinery for dealing with these and similar questions. As a result, each Member must act on his own judgment, which, in the light of the pressures on him, may be a very faulty guide to what is right, no matter how good his intentions.

I believe that it would serve the interests of the Members of Congress as well as the public interest if a source of authoritative guidance as to how to deal with such problems were made available.

There are some cases, of course, in which a Member's conduct would be clearly wrong. For example, no Member should be permitted to accept a fee for prosecuting claims against the United States, obtaining Government contracts, or appearing in regulatory agency proceedings. Such obvious misconduct is now a violation of the criminal law and should continue to be treated in this way. But there are many possibilities of conflict of interest which are not so apparent. The criminal law, with its requirements of malice and willfulness, does not offer a practical solution for cases in this shadowland of conduct.

Early in this Congress I joined in sponsoring legislation proposing a three-step approach to the legislative conflict-of-interest problem. The three steps were: (1) Creation of a Joint House-Senate Committee on Ethics to investigate and recommend a specific code of ethics for the Congress; (2) adoption of an interim code of ethics which would be in force during the joint committee's study; and (3) a grant of authority to the Senate Committee on Rules and Administration to give advisory opinions to the Members of the Senate on conflict of interest questions.

I testified in favor of these proposals at a hearing on H.R. 8140 before the Committee on the Judiciary. However, they were not explored extensively, and questions have been raised by those strongly in favor of acting in this field, about the details of the proposed interim code of ethics.

Because of the lateness of the session, apprehension also has been expressed that any attempt to press this proposal as an amendment to the present bill may imperil its chances of passage. I believe that the principal bill is vitally important and has been too long delayed already and, therefore, would be most reluctant to subject it to any such hazards.

At the same time I know of no reason to defer action on the establishment of a Joint House-Senate Committee on Ethics or the enlargement of the authority of the Senate Committee on Rules and Administration. Indeed, the absence of an interim code of ethics makes it more important than ever that these other steps be taken as promptly as possible. It is my intention, therefore, to offer an amendment for these purposes when this bill is before the Senate.

The same is true of another amendment I have offered to require that all ex parte communications from Congressmen relating to agency adjudications be made a matter of public record. There are many circumstances in which it is appropriate for a Member of Congress to communicate in behalf of his constituents with an agency about the status, disposition, or merits of a pending case. However, I can conceive of no circumstances under which it would be proper to do so without some notice to the parties in the agency proceedings. Elemental fairness in agency adjudications requires that all such communication be made a matter of record. In addition, disclosure would be a powerful safeguard against any improper attempts to influence agency decisions in such cases. My proposal would not prohibit contacts by Members of Congress with the administrative agencies, but it would curb abuses in this process by exposing every such contact to the light of day.

The bill reported by the committee contains many of the provisions of legislation which Senator JAVITS and I joined in sponsoring early in this Congress on the basis of a report of a special committee of the Bar Association of the City of New York after an intensive study of executive conflict-of-interest problems. Unfortunately, however, H.R. 8140 omits two key provisions of this legislation dealing with administrative enforcement and gifts. In my judgment, amendments should be added to the proposed legislation covering both points.

(1) ADMINISTRATIVE ENFORCEMENT

This amendment would authorize agency heads to take whatever disciplinary action was appropriate against those who violated the substantive provisions of the law or any regulations issued thereunder. It would also permit administrative action designed to prevent violations from occurring, such as the filing of reports by officers and employees of the agency and by persons appearing before or dealing with the agency.

These administrative control procedures would not affect the application of criminal penalties in appropriate cases. There are many conflict-of-interest situations, however, in which a large gray area exists. The demanding requirements of guilt beyond a reasonable doubt in criminal cases may make it difficult to prevail in criminal proceedings in cases which definitely warrant civil or administrative sanction.

President Kennedy, in his message to the Congress on April 27, 1962, recognized the need for this dual approach to enforce the conflict-of-interest laws. In that message he said:

"Most of the existing laws are criminal statutes. As such, they have been strictly construed and, because of their harshness, infrequently invoked. By granting this added flexibility we help to insure more effective enforcement. In addition, the regulations which are adopted will permit more specific adaptation of the general prohibitions tailored to the activities of particular agencies."

It is clear from the President's message that he recognized a form of administrative enforcement as an important ingredient for conflict-of-interest legislation. I wholeheartedly agree with his views in this regard.

(2) GIFTS

This amendment is directed to an area in our conflict-of-interest laws where there now exists almost a complete void—gifts to Federal employees. The Billy Sol Estes case is only one of many indicating the seriousness of this omission from the law. Under existing law the acceptance of a gift by a Federal employee may not be illegal even though the employee's agency or department does regular business with the donor. This in my opinion is absurd and should be changed.

Objections were raised at the hearings on H.R. 8140 to the scope of the amendment originally proposed with respect to gifts. In order to avoid as much controversy as possible on this issue, therefore, the amendment will be modified to reflect these objections. As modified, however, it would still prohibit any Government employee from soliciting or accepting any gift from any person where the employee has reason to believe that such person (*a*) is seeking to obtain contractual or other business or financial relationships with the employee's agency, or (*b*) conducts operations or activities which are regulated by the employee's agency, or (*c*) has interests which may be substantially affected by the employee's performance or nonperformance of his official duties. Certainly, such obvious attempts at influence peddling or the purchasing of good will should be prohibited in any meaningful revision of the conflict-of-interest laws.

In conclusion, I believe a word of commendation should be expressed to the Bar

Association of the City of New York and its special committee under the leadership of Roswell B. Perkins for the time and attention they have given this subject. It is now up to the Congress to make certain that they have not labored in vain. Enactment of this measure, with the amendments I have discussed, would be a major step in assuring public confidence in the integrity of government. At the same time, it would remove impediments which now exist to the recruitment of key personnel. The difficult and challenging tasks facing our Government make it imperative that we take every step necessary to assure its efficient and honest operation. This bill would contribute significantly to that goal and should not be delayed.

KENNETH B. KEATING.

Mr. LAUSCHE. Mr. President, I agree with the Senator from Tennessee that there is a need to tighten the law on the subject of conflict of interest as it relates to employees of the Federal Government.

The PRESIDING OFFICER. The time of the Senator from Tennessee has expired.

Mr. KEFAUVER. Mr. President, I ask unanimous consent that the time may be extended.

Mr. MANSFIELD. Mr. President, I prefer not to have the time extended.

Mr. KEATING. Mr. President, I think that almost all of my time has been committed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that an additional 2 minutes be allocated to the Senator from Ohio.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. LAUSCHE. As I see it, we should go further and make certain that all branches of the service are covered. I am in agreement with what has been said by the Senator from Georgia [Mr. RUSSELL] that we should especially examine into the positions of retired military personnel in private employment who are doing business with the Department of Defense through members of that Department who formerly were their subordinates.

Second, the whole gamut will not be covered unless some action is taken next year which will apply to Members of Congress. We shall be in an indefensible position if we impose criminal sanctions upon Government employees when Members of Congress are immune from punishment for similar actions committed by them. No answer can be given to the charge that we provided criminal penalties for employees but gave no consideration to some restriction upon what the actions of a Member of Congress may be.

I realize the difficulty of the task. The Senator from New York [Mr. KEATING] has recommended that at least guidelines ought to be established, so that we will be under some legal requirement to make certain that we do not participate in the passage or defeat of proposed legislation when we have a substantial personal interest in what is being done.

Mr. KEFAUVER. I fully agree with the Senator from Ohio. I say to him, as I said to the Senator from Oregon [Mr. MORSE] and the Senator from Georgia [Mr. RUSSELL], that so far as I am concerned I will do my very best to try to push for consideration of the problem as it relates to retired military officers and Members of Congress, with the purpose of establishing in the next session of Congress, guidelines which must be followed.

Mr. KEATING. Mr. President, I yield myself 10 minutes.

The bill before the Senate is designed to clarify, modernize, and strengthen existing conflict-of-interest laws. It is a good bill, and it will have my full support. In many respects, the bill reflects the recommendation of a special committee of the Bar Association of the City of New York, which conducted a thorough study of the entire subject beginning in 1958. We are all indebted to that committee for the excellent service it has rendered in connection with the proposed legislation.

In both the 87th Congress and the 86th Congress my colleague from New York [Mr. JAVITS] and I have joined in the introduction of proposed legislation designed to carry out all the recommendations of the bar association committee. At the same time, we have introduced other measures which apply specifically to the legislative conflict-of-interest problems. Our goal has been to achieve the same standards of ethics in the legislative as well as the executive branch of the Government.

Unfortunately, the bill now before the Senate omits several important provisions of the measure introduced by Senator JAVITS and me and does not deal at all with the conflict-of-interest measures which are designed specifically for the legislative branch of the Government. In my individual views, printed in the report of the Committee on the Judiciary on H.R. 8140—Senate Report No. 2213—I discussed these defects in the pending bill in some detail and indicated that amendments would be offered to add such measures to the bill.

However, I have been informed—and I believe correctly—that at this late date in the session attempts to amend the bill might be fatal to its passage. We have been advised that any substantial amendments would create great, if not insuperable, obstacles to the passage of the bill in the other body. The acceptance of our amendments in the Senate, under these circumstances, would be a hollow victory, since it could mean that the session would end without any legislation on conflicts of interest. I, for one, am unwilling to subject this important measure, containing many excellent features, to any such 11th-hour hazards.

It is my intention, however, early in the next session of Congress to join again with my colleague in proposals for coping with legislative conflicts of interest.

Mr. President, beginning at the bottom of page 17 of the report are the three proposals in this area:

> (1) Creation of a Joint House-Senate Committee on Ethics to investigate and recommend a specific code of ethics for the Congress; (2) adoption of an interim code of ethics which would be in force during the joint committee's study; and (3) a grant of authority to the Senate Committee on Rules and Administration to give advisory opinions to the Members of the Senate on conflict of interest questions.

It would be expected, if these proposals were approved, that the House would vest in its Committee on House Administration authority similar to that granted the Senate Committee on Rules and Administration.

Mr. President, at the very least we should proceed promptly in the next session of Congress to create a joint Senate-House committee to study this problem and to recommend a code of ethics for Members of Congress.

I understand that the distinguished Senator from Tennessee [Mr. KEFAUVER] feels exactly as I do, and that he will be happy to join in sponsoring such proposed legislation.

Mr. KEFAUVER. Mr. President, will the Senator from New York yield?

The PRESIDING OFFICER (Mr. PELL in the chair). Does the Senator from New York yield to the Senator from Tennessee?

Mr. KEATING. I yield.

Mr. KEFAUVER. I wish to repeat that the two Senators from New York [Mr. KEATING and Mr. JAVITS] have done great work on this bill. Personally, I am very sorry the situation is not appropriate to do something more constructive in regard to the conflict of interest statute applicable to Members of Congress and to retired military officers. But, as the Senator from New York has said, we know that if such provisions were added, there would not be time to have the bill passed by the House at this session.

So I shall wholeheartedly join the Senator from New York and other Senators in sponsoring such legislation to enable the necessary joint committee or other group to obtain consideration of these problems at the next session.

Mr. KEATING. Mr. President, I appreciate the remarks of the Senator from Tennessee, and also his assistance in connection with this effort.

I judge from the remarks of the Senator from Ohio [Mr. LAUSCHE] that he, too, is very much interested in this subject.

Of course, Mr. President, the legislative branch has special problems; but these do not require exemption of Congress from the same high ethical standards we impose on the officers and employees of the other branches of the Government. There is no justification for a double standard of morality in government—one for the Congress and another for the rest of the public service. The public will resent any "holier than thou" attitude on the part of Congress, and properly so.

Conflict of interest questions confront the Members of Congress almost daily. For example, should a Representative or Senator vote on matters in which he has some personal financial stake? What are the proper limits on the appointment of relatives to the Member's staff? What kind of outside employment and income are compatible with certain committee assignments? Which campaign contributions are properly acceptable and which are not? What are the limits on a Member's representation of constituent interests before the regulatory agencies and other Government departments? Under what circumstances, if any, should Members be permitted to accept fees for speeches to various interest groups?

Mr. KEFAUVER. Mr. President, will the Senator from New York yield for a brief observation?

Mr. KEATING. I yield.

Mr. KEFAUVER. In his report, the Senator has proposed a code of ethics which I believe would be of great importance. He has proposed that representations made by Members of Congress to executive agencies be made matters of public record. I think it would aid the executive agencies to require that to be done, and I wish to stress the importance of that part of the individual views of the Senator.

Mr. KEATING. I agree with the Senator from Tennessee; and that is one of the amendments which I would have proposed if we had not been confronted with this unusual situation.

Of course there are some cases, in which a Member's conduct would be clearly wrong. For example, no Member should be permitted to accept a fee for prosecuting claims against the United States, obtaining Government contracts, or appearing in regulatory agency proceedings. Such obvious misconduct is now a violation of the criminal law, and should continue to be treated in this way. But there are many possibilities of conflict of interest which are not so apparent. The criminal law, with its requirements that malice and willfulness must be shown, does not offer a practical solution for cases in this shadowland of conduct.

The front pages of newspapers throughout America have carried, over a period of many months, daily stories about the Billy Sol Estes saga. If there is one thing this story of greed and influence peddling demonstrates, it is the shortcoming of any conflict of interest code that does not include provisions for the Members of Congress and their employees. I do not contend that the restrictions on executive branch employees can be applied in the same words to the members and employees of the legislative branch. The general principle that no public servant should be influenced by corrupt practices or motives does apply to everyone, but several fundamental differences between the legislative branch and the executive branches hopelessly complicate any effort to apply the same enactments to both.

For one thing, a Member of Congress must stand for election periodically—in the case of House Members, every 2 years. In areas in which there is a strong two-party system and in which the electorate is intelligent and well-informed, this may be the most important sanction against any conflict of interest.

Furthermore, a Member of the House of Representatives is, by definition, a representative of the people and interests of his district, and a distinction must be made between what he does for his own private interest and what he does for the private interest of his constituents. The difficult problems arise when the two interests overlap—as, for example, when a farm-State Congressman who has a farm of his own, votes for high subsidies from which he personally would benefit.

In addition, Congressmen cannot subsist on their salaries alone. The cost of campaigning for almost any seat is far more than the Member's total salary. A total ban on outside contributions to a Congressman certainly would be unrealistic.

Moreover, the view persists that being a Member of Congress is still a part-time job. This view could be another reason, of course, for a different attitude toward outside interests. But in recent years this has been more a matter of theory than a fact—as this long session pointedly demonstrates.

Finally, there is the principle that if the constituency wants to elect a man in spite of improprieties in his actions or interests, that is their privilege in a democracy. This is another version of the old maxim that people get the kind of government they deserve.

These differences, however, do not dispose of the problem or justify complete inaction on the legislative conflict-of-interest situations which do exist. The adoption of the amendment for disclosure of ex parte contents referred to by the distinguished Senator from Tennessee, for example, would be very helpful in that everything would then be made a matter of record. A code of ethics to govern the actions of Members of Congress and machinery for its enforcement also would be very constructive.

The **PRESIDING OFFICER.** The time the Senator from New York has yielded to himself has expired.

Mr. KEATING. Mr. President, I yield myself 5 more minutes.

The **PRESIDING OFFICER.** The Senator from New York is recognized for 5 additional minutes.

Mr. KEATING. Mr. President, the measures, in which I have joined, specifically relating to legislative conflicts of interest take into account the special problems of Congress; but they strongly reject any notion that Members of Congress should be exempt from the high ethical standards which we expect of all members of the executive branch.

Basically, these measures are designed to provide the machinery for considering and resolving conflict-of-interest problems. They would establish a Joint Senate-House Committee on Ethics to investigate and recommend a specific code of ethics for Members of Congress, and would vest the Senate Rules Committee with authority to give to the Members of the Senate advisory opinions on such problems. These committees would function somewhat like the grievance or ethics committees of bar associations, medical societies, and other professional organizations. Their advice to Members and legislative employees might not have the force of law; but they would have the force of public opinion, and in severe cases could serve as the basis for disciplinary action. This kind of machinery for the legislative branch would be a source of protection for the Members, as well as for the public. It ought to be welcomed by everyone interested in good government.

I am very proud to be a member of the bar; however, it is necessary to have some disciplinary procedures available with reference to members of the bar. I am also extremely proud to be a Member of the U.S. Senate; and I believe it would be in the public interest, in the national interest, and in our own interest to have some supervision over our conduct in this body.

Another measure in this field which I have joined in offering would require that all ex parte communications from Congressmen relating to agency adjudications be made matters of public record. This is the measure to which the Senator from Tennessee has referred. There are many circumstances in which it is perfectly appropriate for a Member of Congress to communicate in behalf of his constituents with an agency about the status, disposition, or merits of a pending case. However, I can conceive of no circumstances under which it would be proper to do so without some notice to the parties in the agency proceedings. Elemental fairness in agency adjudications certainly requires that all such communication be made matters of record. In addition, as intimated in the remarks of the Senator from Tennessee, disclosure would be a powerful safeguard against any improper attempts to influence agency decisions in such cases. This proposal would not prohibit contacts by Members of Congress with the administrative agencies; but it would curb abuses in this process, by exposing every such contact to the light of day.

Congress cannot indefinitely defer action on measures such as these without impairing public confidence in the integrity of our institutions. I say this despite the profound respect which I have for the legislative branch and its membership. The public cannot possibly know in detail of the attitude, diligence, and honesty of individual Members. In evaluating any organ of government, a few unhappy cases can sour the public's taste and darken the image of the House and Senate.

We must demonstrate that the area of legislative oversight does not exclude our own conduct and operations, and, above all, that there is effective machinery in the Congress for exposing and correcting any abuses which may arise.

In my view, these considerations are self-evident. I know from experience in the other body, however, the difficulties which would be encountered in attempting to write them into this bill at this stage in its legislative progress. Nevertheless, I believe that the unfairness of legislating in this area only for the executive branch of the Government will become so patent in a short time that added impetus will be given to our attempts to apply comparable standards to the legislative branch.

I hope that in the next session an early start can be made, and that we will persist in our efforts until the action needed in this field is completed.

I pledge myself to that end, to have legislation introduced, to urge hearings, and appeal to others besides those who have already spoken on this subject to join in this effort.

Mr. President, I yield 5 minutes to my colleague from New York, who has been very active in this field and with whom I have joined in offering these proposals.

Mr. JAVITS. Mr. President, I thank my colleague for yielding time to me. The reason for my interest in this subject is evident. When I was attorney general of the State of New York, the New York State code of ethics had just taken effect, and because the attorney general was charged with the responsibility in this matter, I had the privilege of organizing, in my own office, the necessary committees and other activities which dealt with the supervision of the code of ethics for the State of New York under its public officers law.

The law of the State of New York, unlike what we are enacting here today, expressly provides for a code of ethics for members of the State legislature. Section 74 of the New York public officers law carries out that design.

I join with my colleague from New York [Mr. Keating], and the Senator from Tennessee [Mr. Kefauver] in deprecating the fact that provision is not made in the pending bill for the legislative arm and for Members of Congress, except in the most elementary recodification of existing law relating to bribery, actual appearance in court, and payment from sources other than the Federal Government for services rendered to the Federal Government.

But the bill does not meet the main question, that this represents a double standard of morality, one for the legislative department and one for the executive arm. I do not subscribe to any such double standard.

I think it is important that one practice what he preaches. I am pleased to note that my colleague from New York [Mr. Keating] and I were among the first to publish, before the rules required it, a list of our employees and the compensation which was paid to them.

Subsequently such a requirement was incorporated in the rules and is now standard practice for all Senators. It arose during the time when there was a controversy over the employment of relatives. I was very honored to take part, with my colleague, in that disclosure.

I think this is the essence of what we are trying to effectuate: A sanction which the public can impose upon Members of the Congress can be imposed only if the public knows. Mr. President, I repeat that, because I think it is critically important—a sanction which is to be imposed on Members of Congress can be imposed only if the public knows. The popular conception is that as we stand for election it is the public which must impose these sanctions if we do not do everything we should do, aside from the basic power of each body to discipline, and, if necessary, to expel its Members. So the public and our colleagues must know. Otherwise, there is no opportunity for either self-discipline or for the public to hold us to strict account.

It is for that reason that very early in my service I went to work on this subject as a member of the Committee on Rules, and I sponsored, with my colleague Mr. Keating, Senate Concurrent Resolution 10 and S. 627, which had for their purpose administering a code of ethics for Members of Congress and requiring the recording by the agencies which are approached by Members of Congress of the cases in which they were approached and who approached them, so that all the information might be a matter of public record.

I think it is very sad that such requirements are not dealt with in the pending bill. I cosponsored with my colleague from New York [Mr. Keating], S. 603, containing excellent provisions for the executive department, advocated by the Association of the Bar of the City of New York. Those provisions are very largely incorporated in the bill.

I shall support the bill. I very much desire to offer, with my colleague from New York [Mr. Keating], the amendments which are, in my opinion, absolutely essential to a really balanced and honest code of ethics, to include Members of Congress; but both of us are convinced that such action would end the bill for this session. I therefore pledge my efforts, if the people return me to the Senate, as I am standing for election this year, to come back and very early in the next session begin the fight to add to the measure a code of ethics for Members of Congress.

Mr. President, I ask unanimous consent that the code of ethics of the public officers law of New York be printed in the Record at this point as a part of my remarks.

There being no objection, the code of ethics was ordered to be printed in the Record, as follows:

Section 74. Code of Ethics

1. Definition: As used in this section: The term "State agency" shall mean any State department, or division, board, commission, or bureau of any State department.

The term "regulatory agency" shall mean the banking department, insurance department, State liquor authority, department of agriculture and markets, department of State, department of public service and department of labor.

The term "legislative employee" shall mean any officer or employee of the legislature but it shall not include members of the legislature.

2. Rule with respect to conflicts of interest: No officer or employee of a State agency, member of the legislature or legislative employee should have any interest, financial or otherwise, direct or indirect, or engage in any business or transaction or professional activity or incur any obligation of any nature, which is in substantial conflict with the proper discharge of his duties in the public interest.

3. Standard:

(a) No officer or employee of a State agency, member of the legislature or legislative employee should accept other employment which will impair his independence of judgment in the exercise of his official duties.

(b) No officer or employee of a State agency, member of the legislature or legislative employee should accept employment or engage in any business or professional activity which will require him to disclose confidential information which he has gained by reason of his official position or authority.

(c) No officer or employee of a State agency, member of the legislature or legislative employee should disclose confidential information acquired by him in the course of his official duties nor use such information to further his personal interests.

(d) No officer or employee of a State agency, member of the legislature or legislative employee should use or attempt to use his official position to secure unwarranted privileges or exemptions for himself or others.

(e) No officer or employee of a State agency should engage in any transaction as representative or agent of the State with any business entity in which he has a direct or indirect financial interest that might reasonably tend to conflict with the proper discharge of his official duties.

(f) An officer or employee of a State agency, member of the legislature or legislative employee should not by his conduct give reasonable basis for the impression that any person can improperly influence him or unduly enjoy his favor in the performance of his official duties, or that he is affected by the kinship, rank, position, or influence of any party or person.

(g) An officer or employee of a State agency should abstain from making personal investments in enterprises which he has reason to believe may be directly involved in decisions to be made by him or which will otherwise create substantial conflict between his duty in the public interest and his private interest.

(h) An officer or employee of a State agency, member of the legislature or legislative employee should endeavor to pursue a course of conduct which will not raise suspicion among the public that he is likely to be engaged in acts that are in violation of his trust.

(i) No officer or employee of a State agency employed on a full-time basis nor any firm or association of which such an officer or employee is a member nor corporation a substantial portion of the stock of which is owned or controlled directly or indirectly by such officer or employee, should sell goods or services to any person, firm, corporation or association which is licensed or whose rates are fixed by the State agency in which such officer or employee serves or is employed.

(j) If any officer or employee of a State agency, member of the legislature or legislative employee shall have a financial interest, direct or indirect, having a value of $10,000 or more in any activity which is subject to the jurisdiction of a regulatory agency, he should file with the secretary of state a written statement that he has such a financial interest in such activity which statement shall be open to public inspection. (Added L. 1954, c. 696, eff. Jan. 1, 1955.)

LEGISLATIVE DECLARATION

Laws 1954, chapter 696, section 1, effective January 1, 1955, provides:

"Declaration of intent. A continuing problem of a free government is the maintenance among its public servants of moral and ethical standards which are worthy and warrant the confidence of the people. The people are entitled to expect from their public servants a set of standards above the morals of the marketplace. A public official of a free government is entrusted with the welfare, prosperity, security and safety of the people he serves. In return for this trust, the people are entitled to know that no substantial conflict between private interests and official duties exists in those who serve them.

"Government is and should be representative of all the people who elect it, and some

> conflict of interest is inherent in any representative form of government. Some conflicts of material interests which are improper for public officials may be prohibited by legislation. Others may arise in so many different forms and under such a variety of circumstances, that it would be unwise and unjust to proscribe them by statute with inflexible and penal sanctions which would limit public service to the very wealthy or the very poor. For matters of such complexity and close distinctions the legislature finds that a code of ethics is desirable to set forth for the guidance of State officers and employees the general standards of conduct to be reasonably expected of them."

Mr. JAVITS. Mr. President, the New York State code of ethics is very clear and powerful, not only in setting standards for legislators as well as for executive and administrative officers and employees, but also in requiring disclosure when a legislator has a financial interest of $10,000 or more in any activity which is subject to the jurisdiction of a regulatory agency.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. JAVITS. May I have 1 more minute?

Mr. KEATING. I yield 1 more minute to my colleague.

Mr. JAVITS. It seems to me that is the nubbin of the problem which we face. I believe the example which has been set by the Senators from Pennsylvania [Mr. CLARK and Mr. SCOTT] in disclosing their investments is an excellent one. I believe it is essential that the public know what interest we hold personally. I am not for prohibiting Senators from holding an interest or restricting it, but I am in favor of disclosing it. If we are constantly subject to public sanction and subject to disclosing to the public whatever interest we have, the public can exercise its judgment, when we vote on a particular measure, and in connection with whatever we do, notwithstanding our personal financial involvement. This is the sine qua non, the essence, of any code of ethics for Members of Congress.

I cannot see how we can rest in good conscience upon this bill without, immediately upon our return in January, seeking to complete it—and I use that word advisedly—by adding a code of ethics which will be enforceable through our own machinery, by action of our own committees or in the Congress, for each House separately has set up a method we had proposed by way of an interim code. I do not see how in sheer fairness we can do anything less than that.

I close by complimenting those who have worked on the bill and by saying that we have not completed our job, and by pledging myself, when we return, to join with my colleagues in bringing about a completion of the legislation.

The PRESIDING OFFICER. All time on the bill has expired.

Mr. KEFAUVER. Mr. President, I ask unanimous consent——

Mr. KEATING. Mr. President, I think that is a strange arithmetical computation.

Mr. KEFAUVER. Mr. President, I ask unanimous consent that the time may be extended an additional 2 minutes.

Mr. KEATING. Mr. President, I ask unanimous consent that it be extended 5 minutes.

The PRESIDING OFFICER. Is there objection to the request to extend the time? The Chair hears none; and, without objection, the time is extended 5 minutes.

Mr. KEFAUVER. Mr. President, I should like to exercise the privilege of yielding to the Senator from Rhode Island [Mr. PASTORE].

The PRESIDING OFFICER. The Senator from Rhode Island is recognized.

Mr. PASTORE. Mr. President, I desire to associate myself with the Senator from Tennessee and the Senators from New York in connection with their proposed amendments, although I recognize they will not be pressed at this time, for obvious reasons, already explained. I think the time has come when we may best obviate whatever suspicion there may be on the part of our constituencies or the country at large as to the financial interests of various Members of Congress when measures are considered by the Houses of Congress, and we must register our support or our rejection.

I hope that whatever code or procedure may be devised will be a reasonable and sensible one, and that we shall approach this very important subject with calmness and judiciousness, without emotion and without fanfare, so that whatever we do may be done wholly in the public interest.

I think this proposal is very salutary. I hope that at some future date it will be recognized by the Congress, and that some code of ethics may be adopted by this branch of the Congress to govern situations in which there might be a possible conflict of interest.

Mr. KEATING. Mr. President, I yield such time as he may need to the Senator from Nebraska [Mr. HRUSKA].

The PRESIDING OFFICER. The Senator from Nebraska is recognized.

Mr. HRUSKA. Mr. President, I rise to support H.R. 8140. The bill in its present form represents several years' study by various groups and committees both within and outside of Government. There has been unanimous agreement as to the need for this type of legislation.

Briefly stated, the bill has a twofold purpose. First, it revises and strengthens the existing bribery and conflicts-of-interest statutes. Secondly, it tailors the conflicts-of-interests statutes so as to better adapt them to the modern-day needs of the Government in recruiting qualified personnel.

The present conflicts-of-interest laws are, of course, based upon the age-old injunction that "No man shall serve two masters." The bill before us would neither alter nor compromise that underlying principle. We must have Government officials whose loyalties are undivided. While we cannot legislate ethical conduct we can legislate away the opportunities which might otherwise tempt Government employees to place self-interest above duty.

Although the present laws are directed to this end, they fall far short in many areas of employee conduct. Several of these laws have been on the books for almost a century and simply fail to take into account the realities of present-day Government. On the one hand, they permit certain types of conduct which clearly should be prohibited. Yet, at the same time they are overly restrictive in other areas to the extent that there is no reasonable relationship between the conduct proscribed and abuse of office. As a result they actually hinder the Government in its efforts to recruit outside talent.

It is to plug these gaps and to remove these meaningless restrictions that H.R. 8140 is intended. The bill seeks to strike a more precise balance between the Government's interest in having faithful employees on the one hand and an unhampered source of valuable talent on the other.

In the hearings which were held in both bodies, several witnesses testified as to the Government's increasing need for the services of part-time specialists and consultants. With the rapid advance of science and technology and the various other fields in which the Government becomes involved, there obviously is a corresponding demand for highly trained personnel.

Many of these specialists cannot be engaged on a full-time basis, either because their services are not needed full-time or because the Government cannot compete with the salaries that are paid by private industry. Therefore, the most practical arrangement is to retain these individuals as part-time consultants.

In theory at least, this type of arrangement should enable the Government to hire the country's best talent. As a practical matter, however, this has not been the case. Because of the present conflicts-of-interest laws, many individuals are unwilling to enter part-time Government service. To do so would require them to severely restrict any of their outside activities which may involve dealings with the Government. The resulting financial hardship involves a greater sacrifice than most individuals are willing to make, so the Government is denied the benefit of these skills.

H.R. 8140 meets the problem of the part-time consultant by creating a class of "special Government employees" to whom special rules would apply. The "special Government employees" is defined as an officer or employee of the executive or legislative branch or any independent agency or the District of Columbia who serves not more than 130 days during any period of 365 consecutive days.

The provisions of the bill which prohibit Government officers and employees from representing others in proceedings in which the United States is interested would apply to special Government employees only in relation to those matters, first, in which he participated personally and substantially as a Government employee; or, second, which are pending in the department or agency of the Government in which he is serving. The prohibition as to this latter class of cases would not apply, however, if the employee has worked no more than 60 days in such department or agency.

The special treatment given to part-time consultants is probably the most novel feature of the bill. There is no comparable provision in existing law. This provision should help to overcome the Government's recruiting problems and, at the same time, adequately protect the Government against conflicting interests.

H.R. 8140 also makes significant improvements in the present law as it applies to regular, full-time employees.

Under the existing law, Members of Congress and officers and employees of the Government are prohibited from receiving compensation for services rendered before Federal agencies in matters in with the United States is interested. The bill broadens the types of employees and proceedings which are affected and makes illegal the payment as well as the receipt of forbidden compensation.

Section 283 of the criminal code presently prohibits a Government employee from acting as an attorney or agent for prosecuting a claim against the United States. Since the term "claim" has been defined to mean only demands for money or property, this section fails to cover many types of proceedings which affect the Government. H.R. 8140 therefore adds a further prohibition against representing anyone before any department, agency, or court in any matter in which the United States is a party or has a direct and substantial interest. The bill also extends this restriction to partners of Government employees.

In order to remove conflicts arising from previous Government employment, the bill prohibits a former Government employee from acting as attorney or agent for anyone in connection with any matter in which the United States is a party or has a direct and substantial interest and in which the former employee participated "personally and substantially" as a Government employee. The present law dealing with former employees applies only to the prosecution of claims and limits the prohibition to a 2-year period following the termination of employment. Under the bill, the prohibition is extended to a wider range of activities and is made permanent.

With respect to those matters in which the former employee did not participate personally and substantially, but which were under his "official responsibility," the former employee is barred from representing others for a period of 1 year after his Government employment has ceased.

Under the present law, a Government employee is prohibited from transacting business on behalf of the Government with any business entity in which he has a pecuniary interest. H.R. 8140 broadens and rewords this prohibition so as to bar Government employees from participating personally and substantially in any matter in which he, his family, or his business associates have a financial interest. As a further refinement, the bill establishes a procedure for exempting from the application of this section, those employees whose financial interest in a business is so small as to be inconsequential.

The present law barring Members of Congress from practicing in the Court of Claims is continued under the bill. It also continues the present prohibition against the receipt by a Government employee of additional compensation for his Government service from private sources.

The provisions of H.R. 8140 dealing with bribery revise and consolidate into one section of the bill the several separate bribery sections which are presently contained in the criminal code. The consolidation of these sections helps to clarify this field and renders uniform the definition of bribery. The bill also provides for greater uniformity in penalties.

In addition to its criminal provisions, H.R. 8140 adds to the civil remedies which are presently available to the Government. The bill authorizes the President to void those contracts or other transactions in relation to which there has been a violation of the bribery or conflicts-of-interest laws.

A special committee of the Association of the Bar of the City of New York, which was appointed to study the Federal conflicts-of-interest laws several years ago, and has done outstanding work in this field, has given its enthusiastic support to the bill. It also has the support of the Justice Department and the American Bar Association.

I strongly urge that the bill be passed.

I agree that there are further problem areas, such as the receipt of gifts by Government employees, which are not covered by the bill. These areas deserve our attention and should be studied further. Also this legislation, if it is enacted, should be reappraised in due time to make sure that it is being effective.

The PRESIDING OFFICER. All time has expired.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senator from Nebraska may proceed for 1 additional minute.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HRUSKA. If any abuses creep into the Government employment structure under the exemptions and provisions of the bill, we shall be on the lookout for them and will deal with them accordingly.

(Mr. MORSE submitted the following exhibit which was referred to in his previous remarks.)

Income Disclosure Bills Sponsored by Senator Wayne Morse

Seventy-ninth Congress, second session (1946), Senate Resolution 306: Requiring Senators to file annual statements of income and financial transactions. Referred to Committee on Banking and Currency.

Eightieth Congress, first session (1947), Senate Resolution 31: Amending rules so as to require Senators to file annual statements of income and dealings in securities. Referred to Rules Committee.

Eightieth Congress, first session (1947), Senate Resolution 33: Requiring Senators to file annual statements of income and dealings in securities. Referred to Rules Committee.

Eightieth Congress, second session (1948), S. 2086: To require certain members of legislative, judicial, and executive branches of Government to file statements relating to amount and sources of income and dealings in securities and commodities. Referred to Rules Committee.

Eighty-first Congress, first session (1949), S. 109: To require certain members of legislative, judicial and executive branches of the Government to file statements relating to amount and sources of income and dealings in securities and commodities. Referred to Rules Committee.

Eighty-second Congress, first session (1951), S. 561: To require certain members of the legislative, judicial, and executive branches of the Government to file statements relating to amount and sources of income and dealings in securities and commodities. Referred to Rules Committee.

Eighty-second Congress, second session (1952), Senate Resolution 334: Requiring annual reports showing names of persons employed by each Senator with their compensation. Referred to Rules Committee.

Eighty-third Congress, first session (1953), S. 334: To require Members of Congress, certain other officers and employees of the United States, and certain officials of political parties to file statements disclosing the amount and sources of their incomes, the value of their assets and their dealings in securities and commodities. Referred to Rules Committee.

Eighty-fourth Congress, first session (1955), S. 2747: To require Members of Congress, certain other officers and employees of the United States and certain officials of political parties to file statements disclosing the amount and sources of their incomes, the value of their assets and their dealings in securities and commodities. Referred to Rules Committee.

Eighty-fifth Congress, second session (1958), S. 3346: To require Members of Congress, certain other officers and employees of the United States, and certain officials of political parties to file statements disclosing the amount and sources of their incomes, the value of their assets, and their dealings in securities and commodities.

Eighty-sixth Congress, first session, S. 1603 (Messrs. Morse and Humphrey, April 7, 1959, Rules and Administration): Requires each Member of Congress, certain other officers and employees of the United States, and certain officials of political parties, to file with the Comptroller General an annual statement disclosing the amount and source of his income and the value of the assets held by and liabilities owned by him, or jointly with his spouse, and a semiannual statement of his dealings in securities and commodities, or those of someone acting on his behalf. Provides a penalty of $2,000 fine and/or imprisonment for not more than 5 years, for any person who willfully fails to file a report, or who willfully and knowingly files a false report.

Eighty-seventh Congress, first session, S. 165 (Messrs. Morse and Humphrey, January 5, 1961, Rules and Administration). Same as S. 1603.

The PRESIDING OFFICER. The question is on agreeing to the first committee amendment.

Mr. KEFAUVER. Mr. President, I ask unanimous consent that the committee amendments may be considered en bloc.

The PRESIDING OFFICER. Is there objection to the request by the Senator from Tennessee? The Chair hears none, and it is so ordered. The question is on agreeing to the committee amendments en bloc.

The committee amendments were agreed to en bloc.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill (H.R. 8140) was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

The bill (H.R. 8140) was passed.

Mr. KEFAUVER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. KEATING. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

DEPARTMENTS OF STATE, JUSTICE, AND COMMERCE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS, 1963

Mr. MANSFIELD. Mr. President, what is the pending question?

The PRESIDING OFFICER. The Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (H.R. 12580) making appropriations for the Departments of State, Justice, and Commerce, the Judiciary, and related agencies for the fiscal year ending June 30, 1963, and for other purposes.

Mr. KEFAUVER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that further proceedings under the quorum call may be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

TRIBUTES TO SENATOR JOHN MARSHALL BUTLER, OF MARYLAND

Mr. COTTON. Mr. President, the measure of a man can be marked by his deeds. But, with every man, certain deeds stand out above all others. No less is true here in the U.S. Senate.

The record of the senior Senator from Maryland is a good example. His activities during the past 12 years have covered a broad spectrum of legislative interests, but foremost among these has been his constant devotion to a strengthening of the Nation's sea power capability.

On many occasions, he has defined sea power as being not only the Navy and the merchant marine, but also the shipyard capacity which is necessary to build and maintain our naval and maritime fleets. In this area, most of the legislation he has proposed has been enacted into law and is now on the statute books.

He has always been influential in prodding the executive agencies, under both this and the previous administrations, to take corrective measures. Less than 2 months ago, the Congress included in the defense appropriations bill for fiscal 1963 a provision calling for more naval shipwork in private yards rather than in naval shipyards—a proposition he has consistently advocated before the Senate and the departments downtown in the interests of saving money for the Federal Treasury and to make more funds available to correct creeping obsolescence in the naval fleet.

The Senator from Maryland is a leading authority in this field, in addition to such prominent Members of the Congress as the Senator from Washington [Mr. MAGNUSON], chairman of the Senate Committee on Commerce, and the Representative from North Carolina, chairman of the House Committee on Merchant Marine and Fisheries. He has been a recipient of the Robert L. Hague Trophy, sponsored by the American Legion and presented by the President of the United States each year, in recognition of successful efforts to advance the U.S. merchant marine—an essential element of sea power.

We can well applaud the leadership of JOHN BUTLER to insure the continuing supremacy of the United States on the high seas, and with the sine die adjournment, he can take with him the thanks and appreciation of all of us.

Mr. President, it has been my privilege during the 8 years I have served in the Senate to enjoy the close personal friendship of the distinguished Senator from Maryland [Mr. BUTLER].

Mr. KEFAUVER. Mr. President, will the Senator yield?

Mr. COTTON. In a moment I shall be happy to yield.

As Congress nears adjournment, and as we know Senator BUTLER is voluntarily retiring from public life, I wish to take this opportunity to say to you, Mr. President, and through you, to the Senate, and to make a matter of record, that Senator BUTLER is one of the finest, friendliest, most sincere, and dedicated men with whom I have had the privilege to serve. We shall all miss him. Whether I am in the Senate or out, I particularly shall miss him, because I shall have lost close contact and frequent association with a dear friend.

Mr. President, I yield to the distinguished Senator from Tennessee.

Mr. KEFAUVER. Mr. President, I join the distinguished Senator from New Hampshire in paying tribute to the Senator from Maryland [Mr. BUTLER]. He has served ably and with distinction. Frequently—more often than not—I have disagreed with him. He is a student. He has been diligent. He is always affable. He will be greatly missed by Senators on the Democratic side of the aisle as well as Senators on the Republican side.

The Senator is retiring voluntarily from the Senate, which happens very infrequently. Many leave the Senate, but very few retire voluntarily. I personally wish him well and assure him that he carries with him the esteem and good wishes of every Senator.

Mr. COTTON. I thank the distinguished Senator from Tennessee for his generous remarks. I yield to the distinguished Senator from New York [Mr. KEATING].

Mr. KEATING. Mr. President, having served not only in the Senate, but also on the Committee on Commerce, of which the distinguished Senator from Maryland [Mr. BUTLER] is the ranking Republican member, I have acquired great respect for Senator BUTLER's abilities and a deep affection for him personally. He is an able and conscientious Senator, who has never hesitated to take a firm and determined stand on the principles he thought right. There is no one on our side of the aisle, I suppose, with whom I may have differed more in actual voting than I have with the distinguished Senator from Maryland, but, at the same time, he has always been a friend and an associate whose company has been warmly welcome.

One of the most eloquent tributes to JOHN BUTLER came to my attention recently in an editorial which I came across in the Salisbury Times of Salisbury, Md., entitled "The Champ." The article is short and very much to the point. I should like to read it:

> THE CHAMP
>
> JOHN MARSHALL BUTLER, the first Maryland Republican to win reelection to the U.S. Senate in modern history, is stepping out as the undefeated champ.
>
> He often described himself as the luckiest man alive in politics—he didn't claim to be a politician and stepped without thinking on politically tender toes. In his thinking he has been somewhat to the right of McKinley and as uncompromising with pressure groups as Theodore Roosevelt.
>
> Until his illness this fall everyone had taken it for granted that he would run again, with an excellent chance of winning. But the champ retires. Unreconstructed, uncompromising, and undefeated.

That is a wonderful characterization. He has been "a champ." We shall all miss JOHN BUTLER, his friendly, cheery methods and his tolerance for those colleagues who might disagree with him on some questions. We sincerely hope that he will return here as often as he can from his neighboring State of Maryland to visit with us. Most heartily, we wish him many years of happiness in his retirement from the Senate.

Mr. COTTON. I thank the Senator. I yield to the distinguished Senator from Delaware.

Mr. WILLIAMS of Delaware. Mr. President, I join my colleagues in paying tribute to the senior Senator from Maryland [Mr. BUTLER] upon his retirement. He has not only been a great strength in the U.S. Senate, ably representing his State of Maryland, but in a very real sense he has been and is a Senator of the United States.

I believe every American will join me in the thought that he embodies the finest traditions of this great Nation—courage, determination, moderation, and a desire to solve rather than aggravate the problems of our times.

He has served with distinction and, in fact, is the ranking minority member of the Senate Commerce Committee. His great will, enthusiasm, and intelligence have made his service on the Finance and Joint Economic Committees invaluable and his presence will greatly be missed.

We on the Del-Mar-Va Peninsula have come to look upon Senator BUTLER not only as a representative of one of our neighboring States, but more as a Senator from the peninsula. I know that in his departure he will be missed, not only by all the people on the peninsula, but also by those in his great State of Maryland, which he has so ably represented, as well as by the people of the other 49 States in our country. I join Senators in paying my respect to him at this time.

I feel certain, however, that he will return often to this great body and give us the benefit of his advice, his counsel, and his understanding.

Mr. COTTON. I thank the Senator. I yield to the Senator from Massachusetts.

Mr. SALTONSTALL. Mr. President, in a very few words I wish to join in making clear that I shall miss our colleague from Maryland, Senator JOHN BUTLER. My contacts with him came not on committees, but with relation to the shipbuilding industry, shipping, and the maritime interests throughout our country on the east coast and on the west coast. Together we have endeavored to build up our shipping industry not only for commercial purposes, but especially in the event that it would be needed for national security purposes in time of war. Senator BUTLER was always firm in supporting his belief in the necessity of maintaining a strong maritime industry. I joined with him in his efforts to accomplish this objective, and I will miss him in our future endeavors in this connection. I will miss his friendship as a colleague when he retires at the end of this year.

Mr. COTTON. Mr. President, I thank the Senator. It was not my purpose to try to hold the floor and presume to yield to others. I should like to yield to the Senator from Wisconsin [Mr. WILEY], then I shall yield the floor.

Mr. WILEY. Mr. President, the Senator from Maryland will leave an influence in the Senate that will be difficult to replace. First, Senator BUTLER is a friendly soul. I never heard him condemn anyone because he disagreed with him. Senator BUTLER enjoys laughter. He enjoys a good tale. He enjoys living. He has made the task here something different than a grind. He started with the thought that life has meaning, and that meaning is not found in negative thinking.

We shall miss him, but we wish him and his family continued health, prosperity, and opportunity for service which he will be able to render wherever he is, elevating the tone of the pessimist, and injecting into all a feeling that life does have meaning. I shall miss him; I hope he will return often.

Mr. BYRD of Virginia. Mr. President, when we convene in January there will be absent from our Senate ranks one of the most outstanding Members who has graced this body.

He is a man of splendid experience, a man who has won the admiration of his colleagues on both sides of the aisle as a battler for decency, for integrity, for forward-looking statesmanship. I refer to our associate, the senior Senator from Maryland.

It has been my pleasure to know JOHN MARSHALL BUTLER for many years. When he was a member of the Senate Finance Committee, there was no Senator who worked longer, more conscientiously, more constructively on that committee than the gentleman from Maryland.

JOHN MARSHALL BUTLER's career as a public servant is far from over. I feel sure that his outstanding talents and abilities will be utilized in some new capacity whereby the citizens of Maryland and the United States will derive great benefit.

He will be sorely missed in the Senate.

Mr. RUSSELL. Mr. President, the end of the 2d session of the 87th Congress is approaching. Many of us realize that next year one of the best loved of this distinguished body will not be with us. My colleague JOHN MARSHALL BUTLER's decision not to seek another term was a matter of great regret, not only to his supporters in Maryland but to his loyal friends throughout this great country.

Too often praise, appreciation, affection, respect, and admiration of one of our Members is expressed only upon their expiration.

I take this opportunity to tell you, JOHN MARSHALL BUTLER, that you have been an outstanding statesman, a wellspring of knowledge, information and experience, and above all a wonderful friend.

I would like to add that talent such as yours will never be permitted retirement. There will be many of us who in the future will be calling on you over there in the "land of pleasant living" to seek your counsel and advice.

Mr. BEALL. Mr. President, it is with a sad heart that I note the retirement of my colleague, the senior Senator of Maryland. It is hard for me to believe that he will not be among us at the start of the 88th Congress.

I can assure my colleagues, however, that JOHN BUTLER's decision to retire from this distinguished body was not an easy one for him to make. It is never easy for any man to give up something which he dearly loves.

To Senator BUTLER, the U.S. Senate has been, and will always be, a legislative mechanism to be respected as well as revered, without equal elsewhere in the world. In a forceful, effective way he has left his impress upon the affairs of the Senate, as well as on the affairs of the Committee on the District of Columbia, the Committee on the Judiciary, the Committee on Commerce, the Committee on Finance, and the Joint Economic Committee on which he has served.

With it all, he has not compromised his principles and his beliefs, nor has he neglected the interests and problems of the State of Maryland. As his colleague for 10 years, I can say with accuracy that a recital of all his accomplishments would delay an already overdue motion for adjournment.

Suffice to say, the people of Maryland are not unmindful of these accomplishments. To them, he will take his place among those, past and present, who have rendered outstanding public service on behalf of the people of the great Free State and of the United States. I have the personal feeling that the voters of Maryland would have returned him to the Senate for as long as he wished, or for as long as his health permitted.

Though we have disagreed on a few questions, I have cherished my association with JOHN BUTLER. He is truly a man of integrity and character—a friend of whom to be proud. And, I will miss the continuing opportunity to work with him.

Mr. EASTLAND. Mr. President, for nearly 6 years, my good friend, JOHN BUTLER, was a member of the Committee on the Judiciary on which I am privileged to serve as chairman. When he joined our committee, it was soon evident that the distinguished senior Senator from Maryland was not an ordinary citizen nor an ordinary lawyer. The depth of his knowledge of the law impressed his colleagues at once. His ability to get quickly at the root of the most difficult, the most legalistic questions, through penetrating cross-examination, marked him for important subcommittee assignments.

He is perhaps without peers in his judicious and temperate attention to the threat of subversion and Communist expansion in the Western Hemisphere. He served as a member of the Internal Security Subcommittee with unusual distinction. He was the author of and moving force behind the Subversive Activities Control Act of 1954 which passed the Senate on August 12, 1954, by the astounding vote of 85 to 0 and which is now on the statute books as Public Law 637.

Even more striking has been the Senator's deep feeling for the spirit of the Constitution and his comprehension of its most technical provisions. This aptitude is something which has not been limited to his membership on the Judiciary Committee. On frequent occasions, many of us have turned to him for advice and counsel for the Senator from Maryland is truly a constitutional lawyer of enviable reputation.

Because of glaring constitutional inconsistencies, he has been known to take on such argumentative groups as the Emergency Civil Liberties Committee and the Americans for Democratic Action. He has been known to disagree with those in both the Republican and Democratic Parties—those in both the majority and minority on any issue—whose footings on constitutional grounds were shaky. The logic of his constitutional pleadings on such issues as the Bricker amendment was and is difficult to refute.

Some of the decisions of the Supreme Court, as well, have not escaped his scrutiny. With it, he continues to regard the Supreme Court of the United States, not only as the traditional symbol of equality and justice and a coordinate branch of the Government of standing equal to that of the other two branches, but as a positive influence on the people of the United States.

In 1954, the Senator from Maryland proposed a constitutional amendment concerned with the composition and jurisdiction of the Supreme Court. This amendment passed the Senate on May 11 of that year with the support of another constitutional authority, Senator Walter George, of Georgia, by a vote of 58 to 19. It would be interesting to have the revered Senator George appraise the action of the Senate on that sunny day 8 years ago against the background of subsequent Supreme Court decisions.

Nonetheless, a genuine and strong belief that the Supreme Court was then trespassing upon the functions of the Congress led the Senator from Maryland to sponsor the so-called Jenner-Butler bill in 1958. The number of that bill, S. 2646, is indelibly stamped on my memory for it came in for such criticism and attack from some practitioners of the law and some civil rights spokesmen. The measure, as JOHN BUTLER once put it, was intended to resolve "a twilight zone of public and judicial confusion which resulted from certain celebrated decisions of the Court." He was not challenging the independence of the judiciary or the freedom of the courts to deal with those matters over which they do have jurisdiction. His purpose, then as now, was to preserve, in proper balance, the powers, functions, and responsibilities of the three coordinate branches of the Federal Government within a finite framework on the foundations of the Constitution.

Then as now, the U.S. Senate needs men like JOHN MARSHALL BUTLER. I am proud to be numbered among his friends. And though his friendship will always be with me, I will miss the opportunity to have available in this distinguished body his background and ability.

REMOVAL OF ENCUMBRANCE ON TITLE OF REAL PROPERTY OF THE BOARD OF EDUCATION OF THE VALLEJO SCHOOL DISTRICT, VALLEJO, CALIF.

Mr. KUCHEL. Mr. President, the bill H.R. 9491 is at the desk. I ask unanimous consent that it be considered. I have cleared it with the distinguished senior Senator from Arkansas [Mr. McCLELLAN].

The PRESIDING OFFICER. The bill will be stated by title.

The bill (H.R. 9491) to provide for the removal of an encumbrance on the title of certain real property heretofore conveyed to the Board of Education of the Vallejo School District, Vallejo, Calif., by the U.S. Housing Corporation was read twice by its title.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. KUCHEL. Mr. President, in 1928 the school district acquired this property from the Government. It built a schoolhouse on the property. That schoolhouse was subsequently condemned. The school district is building a new school at the present time, and desires to dispose of this property. There was a flaw in the title.

The executive agencies are in favor of the bill. I have discussed it not only with the distinguished chairman of the Committee on Government Operations, but also with his staff. I ask that the Senate approve the bill.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. KUCHEL. I yield.

Mr. McCLELLAN. I understand that the school district has been in possession of this property for a good many years.

Mr. KUCHEL. Some 35 years.

Mr. McCLELLAN. It appears that there is a technical question involved regarding the title to the property which the school district purchased from the Government; is that right?

Mr. KUCHEL. There is a flaw with respect to the transfer by the then existing Federal agency, which was called the U.S. Housing Corporation, a defunct agency.

Mr. McCLELLAN. There is no other way of correcting the title; is that correct?

Mr. KUCHEL. Except by act of Congress.

Mr. McCLELLAN. There is no way of correcting the deficiency in the title except by the passage of the pending bill.

Mr. KUCHEL. That is correct.

Mr. McCLELLAN. There is no objection to the bill from any source, so far as the Senator knows?

Mr. KUCHEL. So far as I know, that is correct.

Mr. McCLELLAN. Under those circumstances, I have no objection to the bill being considered without being referred to the committee. However, in not interposing an objection and insisting that the bill be sent to the committee, I do not wish to be understood as agreeing that this sets a precedent for any other legislation which may be proposed hereafter; and that my withholding objection to this procedure does not constitute a precedent in that regard.

Mr. KUCHEL. I agree with the able Senator from Arkansas.

I ask unanimous consent that a statement from the House report with respect to the bill and a copy of a letter I received from Representative BALDWIN, who represents the district involved, be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

This bill would authorize the Administrator of General Services to convey to the Vallejo Unified School District, Vallejo, Calif., whatever interest the Federal Government may now have to a tract of about 1.38 acres of land which the U.S. Housing Corporation conveyed to the school district in 1928.

The sole purpose of the bill is to remove a possible encumbrance on the title to that tract in order to make the title marketable. The bill specifies that the conveyance shall be without monetary consideration to the United States.

HISTORY OF THE TRACT

The U. S. Housing Corporation, which then owned the 1.38 acres of land, leased the tract to the Board of Education of the Vallejo School District in January 1926, to be used for school purposes only. The lease contained an option to the lessee to purchase the property for the sum of $10,000. On June 22, 1928, the U.S. Housing Corporation executed a deed conveying the tract to the Board of Education of the Vallejo School District of the city of Vallejo, Calif., and received $10,000 from the grantee. The 1928 deed recited that the tract "shall forever be used as and for school purposes and none other and this shall constitute a condition running with the land."

The United States Housing Corporation was dissolved in 1952. Section 105 of the Stock Corporation Law of New York, the State in which the U.S. Housing Corporation had been incorporated, provides that notwithstanding the termination of the corporate existence of a corporation, the surviving directors of the corporation may "administer, sell and distribute the remaining assets of the corporation for the purpose of finally winding up its affairs." Apparently under this authority the surviving directors of the corporation, who are all employees of the Federal Home Loan Bank Board, agreed in 1955 to waive the condition in the 1928 deed. They executed a quitclaim deed to effect such waiver and it was transmitted to the school district in March 1956. However, local title insurance companies apparently have questioned the authority of the surviving directors to execute the 1956 quitclaim deed waiving the condition running with the land.

The 1.38-acre tract was for many years the site of the Bay Terrace School. Recently this school was condemned for school use by the State of California because it failed to meet current standards for school structures. The school district has constructed a new school (Farragut School) at a cost of over $413,000, located approximately three blocks from the site of the Bay Terrace School. The school district desires to sell the Bay Terrace School and site, and credit the proceeds from such sale to the school district's capital fund account as a replacement for the expenditures required to construct and equip the Farragut School.

REASONS FOR ENACTMENT OF THE BILL

The school district has used the tract for school purposes for more than three decades in compliance with the purpose of the condition stated in the 1928 deed. It desires to sell the land solely for the purpose of creating proceeds which will also be used for school purposes. Such disposition would not be inconsistent with the basic purpose of the grant. For example, the numerous grants of public lands to the States for school purposes which laid the foundation for public school education and the land-grant colleges in most of the States were largely effectuated through sales of the granted land.

The fact that the 1928 deed required continued use of the land for school purposes as "a condition running with the land" ought not be a bar to the proposed disposition. If the school district had acquired this tract for school purposes under the Surplus Property Act of 1944 or the Federal Property and Administrative Services Act of 1949, the period during which it would have been obligated to comply with the condition would not have exceeded 20 years (45 Code of Federal Regulations, sec. 12.9). Moreover, in such case, section 203(k) (2) (iii) of the Federal Property and Administrative Services Act, as amended, (40 U.S.C. 484) authorizes the Secretary of Health, Education, and Welfare to release or waive the condition in the conveyance, at any time prior to the expiration of such 20-year period, if he found that the property no longer served the purpose for which it was transferred, or that the release of the condition would not prevent accomplishment of the purpose for which the property was transferred.

In this case, the school district has used the tract for school purposes for more than 20 years. The school district paid $10,000 for the land in 1928, and in 1956 received a quitclaim deed intended to eliminate the condition subsequent from the title to the land. The school district will use the proceeds of the proposed sale of the tract for further school purposes.

The committee does not know the present fair market value of the land. However, this bill would merely eliminate a cloud that hovers over the title granted to the school district by the 1928 and 1956 deeds previously executed by the U.S. Housing Corporation. The committee believes that it would be equitable and consonant with the public interest to enact this bill to enable removal of the possible cloud on the title.

Congress of the United States,
House of Representatives,
Washington, D.C., October 2, 1962.
Hon. Thomas H. Kuchel,
U.S. Senate, Senate Office Building,
Washington, D.C.

Dear Tom: In accordance with our conversation of yesterday, I am summarizing below the background information which applies to H.R. 9491, which the House passed unanimously on October 1, and which provides for the removal of an encumbrance on the title of a school site originally given to the board of education of the Vallejo School District, Vallejo, Calif., by the U.S. Housing Corporation.

The Vallejo School District originally purchased this property from the U.S. Housing Corporation on June 22, 1928, for the price of $10,000. The deed of conveyance recites that real property "shall forever be used as and for school property and none other and this shall constitute a condition running with the land."

The Vallejo School District operated the Bay Terrace School upon this property until a few years ago, when the school was condemned for school use by the State of California because it did not meet school housing structure standards. The Vallejo School District then had no alternative but to discontinue use of this school building.

The Vallejo School District then had to construct the Farragut School, three blocks adjacent to the Bay Terrace School, in order to serve the students formerly served by the Bay Terrace School. The Farragut School was constructed at a cost of $413,203.87. The school district would like to obtain clear title to the Bay Terrace School property so that it can place the property up for sale. The funds received from such sale would be credited to the school district's capital fund account as an abatement of those expenditures which were required to construct and equip the replacement Farragut School.

The school district endeavored, some years ago, to obtain a clear title to the Bay Terrace School property. However, they found that the U.S. Housing Corporation was terminated as an entity on December 8, 1952. The school district obtained a quitclaim deed dated March 6, 1956, signed by the surviving directors of the U.S. Housing Corporation. This deed waived, annulled, and terminated the conditions running with the land which was recited in the original deed. However, the title insurance company has held that the surviving directors of the U.S. Housing Corporation could not legally give such a quitclaim deed after the U.S. Housing Corporation had officially been terminated. This has, therefore, made necessary the introduction of a bill to authorize the General Services Administration to provide such a deed to the Vallejo School District.

If the Vallejo School District had acquired this property after passage of the Federal Property and Administrative Services Act of 1949 there would have been no problem as subsection 203(k)(2) of the 1949 act provided that the Secretary of Health, Education, and Welfare, with the approval of the Administrator of the General Services Administration, may convey, quitclaim, or release to the transferees any right or interest reserved to the United States in the case of property transferred pursuant to the Surplus Property Act of 1944, as amended, or the 1949 act for school, classroom, or other educational use if he determines that property so transferred no longer serves the purpose for which it was transferred, or that such release, conveyance, or quitclaim deed will not prevent accomplishment of the purpose for which such property was so transferred.

Since the Vallejo School District obtained this property prior to passage of the 1949 act, it is necessary for the introduction of legislation as evidence by H.R. 9491, to authorize the Administrator of the General Services Administration to make the transfer of a clear title to the Vallejo School District.

I hope very much that you can obtain approval of this bill by the Senate before adjournment, as it is the only means by which this property can be given a clear title.

With kindest regards,
Sincerely yours,
John F. Baldwin,
Member of Congress.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill (H.R. 9491) was ordered to a third reading, was read the third time, and passed.

Mr. KUCHEL. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. McCLELLAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

INCLUSION OF DISTRICT OF COLUMBIA IN ACT PROVIDING FINANCIAL ASSISTANCE FOR LOCAL EDUCATIONAL AGENCIES IN AREAS AFFECTED BY FEDERAL ACTIVITY

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 2221, S. 2830.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The Legislative Clerk. A bill (S. 2830) to amend the act providing financial assistance for local educational agencies in areas affected by Federal activities in order to provide assistance under the provisions of such act to the District of Columbia.

Mr. MANSFIELD. I have cleared this bill with both sides.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

Be it enacted That section 9(8) of the Act entitled "An Act to provide financial assistance for local educational agencies in areas affected by Federal activities", approved September 30, 1950 (20 U.S.C. 244(8)), is amended by inserting "the District of Columbia," after "Guam,".

SOVIET ESPIONAGE THROUGH THE UNITED NATIONS

Mr. DODD. Mr. President, the newspapers of this past weekend carried the dismal news that two members of the Soviet delegation had been caught redhanded in the act of receiving secret documents from a U.S. Navyman, and that the United States had asked the Soviet mission to the U.N. for their recall.

This announcement followed by only 14 days the disclosure that two Soviet employees of the U.N. Secretariat had been caught spying against the United States and had already returned to Moscow.

Behind these several recent instances, there is a long history of Soviet espionage against the United States via the United Nations, working either through members of the Soviet delegation to the U.N. or through employees of the U.N. Secretariat or the various U.N. agencies.

The "Exposé of Soviet Espionage" prepared in May 1960 by Mr. J. Edgar Hoover, Director of the FBI, listed 12 Soviet nationals who had used their positions at the U.N. for purposes of espionage and who had been obliged to leave the United States when their activities had been exposed. The several cases that have come to light since that time raises the total of Soviet nationals who have used the U.N. as a cover for espionage to 17 cases all told.

The FBI is a highly efficient organization. But I think it can be taken for granted that, for every Soviet national who has been caught in a demonstrable act of espionage, there are two or three Soviet nationals at the U.N. who have thus far succeeded in carrying on their espionage activities undetected, or who may have been detected but have been careful enough not to get caught redhanded.

The incredible scale of this operation leads us to the frightening conclusion, Mr. President, that every Soviet representative to the U.N. and every Soviet employee of the U.N.'s various agencies must be considered a spy or a potential spy. They are spies, moreover, who operate with a minimum of risk because their quasi-diplomatic status makes it impossible to do more to them, if they are caught, than demanding their recall.

This situation in itself would be bad enough. But according to an item in the Baltimore Sun of Sunday's date, the United States is now being called upon to foot the lion's share of the bill for training prospective Soviet employees of the United Nations—that is for training prospective Soviet spies against the United States.

According to this item, Secretary General U Thant has asked the General Assembly for funds to maintain a school which he has already started in Moscow for the purpose of training 22 Russians each year for jobs at U.N. headquarters. The sum involved for 2 years is $201,200, of which the United States would pay 32.02 percent, or $64,424, while the Soviet Union would pay only 17.47 percent or $35,139.

This is adding indignity to injury, with a vengeance—and I bring this matter to the attention of my colleagues at this juncture because we are now in the process of appropriating certain funds destined to assist the U.N. or its agencies in their operations for the coming year.

I believe in the U.N. and I do not wish to do anything at this late stage that would deprive the U.N. of funds that are essential to its operation. But I also believe that the U.N. suffers from many serious weaknesses—weaknesses which are gravely impairing its effectiveness—weaknesses which, in my opinion pose a threat to its very existence if we continue to ignore them or sweep them under the rug.

In his report on Soviet espionage, Mr. J. Edgar Hoover called attention to the fact that many of the cases cited involved Soviet employees of the United Nations.

> They are guests of the United States—

Said Mr. Hoover—

> and are supposedly dedicated to the cause of international peace but they are, in fact, carefully selected envoys of the international Communist conspiracy, trained in trickery and deceit and dedicated to the concept of fully exploiting the freedoms of the countries they seek to destroy. It is too much to expect that they would not prostitute the United Nations.

The Soviet Union conducts espionage operations in other countries through a hundred different channels, including its own Embassies. This is something that can be taken for granted. There is something obscene, however, about their conscienceless use of their U.N. delegations and U.N. staff members for purposes of espionage.

The U.N. does not belong to the Soviets: it belongs to all the nations. And when one nation, completely disregarding the terrible damage that this will do to the U.N., uses its U.N. personnel, cloaked with U.N. diplomatic immunity, for purposes of espionage against the United States, this naiton, in my opinion, is guilty of criminal contempt of the United Nations.

If no machinery exists for punishing such activities, the very least we can demand is that they be publicly censured by the U.N. General Assembly.

Mr. PASTORE. Mr. President, will the Senator from Connecticut yield?

Mr. DODD. I am glad to yield to the Senator from Rhode Island.

Mr. PASTORE. I agree completely with the statement of the Senator from Connecticut. I do not believe we should pay a nickel for the school in Moscow, any more than Moscow is paying a nickel toward our decision in the Congo.

Furthermore, I quite agree with the Senator that these acts of espionage on the part of people who are members of the Russian delegation at the United Nations, and who are the guests of the United States because of that association, ought to be condemned publicly by a resolution passed by the General Assembly of the United Nations.

Mr. DODD. I am most grateful to the distinguished Senator from Rhode Island for his statement. He is absolutely correct, as he almost invariably is. He is clearheaded about this problem.

I am dumfounded that the American people should be paying for the training of Soviet agents who are sent to the United Nations to act as spies on us. But that will be the fact if the arrangements made by Secretary General U Thant in Moscow are permitted to stand.

I believe the State Department should formally demand a vote of censure and that it should back up the demand by presenting to the General Assembly a documented summary dealing with Soviet utilization of the U.N. for purposes of espionage.

I also believe that our delegation to the U.N. and the Department of State should monitor the U.N.'s expenditures more carefully. There is no indication that Secretary General U Thant asked U.S. approval before he committed the U.N. to the establishment of his Moscow school for the training of prospective Soviet U.N. employees. Since we foot the bill for approximately one-third of all U.N. operations, we have a right to be consulted—and this is something that should be made abundantly clear to the Secretariat.

As I have said, it is my desire to help the U.N. and not to put obstacles in its path. Despite many serious misgivings, I voted for the commitment to the United Nations bond issue. But I must warn the U.N. Secretariat frankly that if the Soviets continue to use its headquarters on a wholesale scale as a cloak behind which they can conduct espionage activities with immunity, the people of America will not indefinitely tolerate such a situation.

I must warn them, too, that if the proposed funds for the U.N.'s Moscow training school are approved, it would raise such serious doubts in my own mind about the wisdom of continuing financial support to the U.N. that I would feel constrained to raise the matter for reconsideration as soon as Congress convenes again in January.

Mr. President, I think it would be helpful if I presented for the RECORD a brief summary concerning the 17 Soviet U.N. representatives and Soviet U.N. employees who have engaged in espionage against the United States.

Vassili Molev, while attached to the Soviet delegation to the United Nations, in 1953—handling maintenance, purchase of supplies and similar matters—met Boris Morros on a date and at a time and place previously designated by Morros' Soviet intelligence superiors in Austria. Molev accepted from Morros a report prepared in New York by Jack Soble and given by Soble to Morros in accordance with instructions from their Soviet superiors. Photographs, both still shots and motion pictures, of this meeting were taken by FBI personnel. Immediately following the arrest of Jack Soble on espionage charges on January 25, 1957, the U.S. Department of State declared Molev persona non grata. Molev at that time was employed—in a similar capacity—by the Soviet Embassy. He left the United States on January 28, 1957, en route to Russia.

Mikhail Nikolaevich Svirin, a Soviet assigned to the Soviet U.N. delegation from August 1952 to April 1954, was identified by Yuri A. Rastvorov, a former Soviet intelligence officer, as a member of the Ministry of Internal Affairs and a very experienced intelligence officer. Svirin was also identified by Reino Hayhanen, a former Soviet intelligence agent. On two occasions, in January and February 1953, Svirin was observed in the area where Boris Morros was scheduled to meet with his Soviet superior. Morros subsequently met Vassili Molev on March 3, 1953, at the scheduled meeting place.

Maksim Grigorievich Martynov last entered the United States on November 3, 1954, as a member of the Soviet representation to the U.N. Military Staff Committee. In August 1954 a highly placed Army officer in Germany was introduced to a Soviet under clandestine circumstances in the Soviet sector of Berlin. The officer did not discourage the Soviet's approach and meetings in New York were arranged. A code phrase was established for recognition purposes. The New York contact turned out to be Martynov. On two occasions a special agent of the FBI, made up to resemble the Army officer, met with Martynov. On the second occasion, January 15, 1955, FBI agents, with State Department permission, accosted Martynov, who identified himself but claimed diplomatic immunity. On February 21, 1955, the Department of State declared Martynov persona non grata for the above activity and he departed the United States February 26, 1955.

Aleksandr Konstantinovich Guryanov entered the United States March 26, 1955, as an employee of the Soviet delegation to the U.N. On April 25, 1956, he was declared persona non grata by the U.S. Department of State as a result of his implication in the improper repatriation to the U.S.S.R. of five Soviet seamen who left the United States on April 7, 1956. The seamen were members of the crew of the Soviet tanker *Tuapse* who previously defected to the United States. The Department of State informed the Soviet Government that Guryanov's activities made his presence in the United States no longer desirable, and he departed May 9, 1956.

Boris Fedorovich Gladkov entered the United States December 15, 1953, as naval adviser to the Soviet representation in the Military Staff Committee of the U.N. In January 1955 Gladkov, at a cocktail party, met a sales engineer for a New York marine engineering firm. He cultivated the sales engineer and held a number of clandestine meetings with him. Through the engineer, on June 14, 1955, he received two unclassified publications dealing with marine boilers. During his meetings with the sales engineer which continued on a regular basis through June 1956, Gladkov furnished the engineer $1,550 for services rendered. On June 22, 1956, the Department of State declared Gladkov persona non grata. He departed July 12, 1956.

Rostislav E. Shapovalov entered the United States September 27, 1955, as a second secretary of the Soviet delegation to the U.N. On May 7, 14, 17, and 21, 1956, he contacted a Russian emigre, Michael Schatoff, a former officer in the Russian Army, was a classmate of Shapovalov at a New York university. On

August 20, 1956, the Department of State declared Shapovalov persona non grata for his activities in attempting to induce Schatoff to return to the Soviet Union. Shapovalov departed the United States September 12, 1956.

Viktor Ivanovich Petrov arrived in the United States February 17, 1953, as a translator employed at the U.N. Secretariat. According to the FBI, Petrov, during 1955 to 1956, established contact with an aviation draftsman for the purpose of seeking classified information concerning U.S. military aircraft development. On August 20, 1956, the U.S. representative to the U.N. brought the matter to the attention of the Secretary General, who agreed to dismiss Petrov. Petrov departed the United States on August 23, 1956.

Konstantin Pavlovich Ekimov entered the United States October 17, 1955, as second secretary of the Soviet delegation to the U.N. Ekimov was accused before the Senate Internal Security Subcommittee of participating in the abduction of Tanya Chawastov, aged 2, an American-born daughter of a Russian refugee. He took part in dockside arrangements which enabled Alexei Chawastov to leave the United States with his infant daughter. This move was against the wishes of the child's mother who remained in the United States. Ekimov was declared persona non grata by the Department of State on October 29, 1956, and he departed the United States on November 30, 1956.

Vladimir Arsenevich Grusha was formerly assigned as first secretary of the Soviet delegation to the U.N. On March 5, 1957, Grusha had a rendezvous with a Ceylonese employee of the U.N. Secretariat, Mr. Dhanapalo Samarasekara, in the latter's automobile, after Mr. Samarasekara had been observed entering the offices of the Ceylonese delegation and extracting certain papers from a file cabinet. Based on information developed by the FBI, the Department of State declared Grusha persona non grata on March 25, 1957, and he departed from the United States on April 10, 1957.

Kirill Sergeevich Doronkin arrived in the United States March 12, 1956, to serve as film editor, radio and visual division of the Department of Public Information, U.N. Secretariat. In October 1958 special agents of the FBI observed a clandestine meeting between Doronkin and a source that had been recruited for the specific purpose of obtaining aerial photographs of the Chicago area. The source reported to the FBI that the package which he turned over to Doronkin at this meeting contained the requested aerial photographs. The U.S. mission to the U.N. delivered a note to the Secretary General of the U.N. on January 15, 1959, requesting Doronkin's dismissal from the U.N. Doronkin's contracted term of employment terminated March 3, 1959, and he was not reemployed by the U.N. He departed from the United States March 11, 1959.

Vadim Aleksandrovich Kirilyuk arrived in the United States September 11, 1958, as a political affairs officer employed by the Department of Trusteeship and Information for Non-Self-Governing Territories, U.N. Secretariat. During the period from June through September 1959, Kirilyuk met with an American citizen in a clandestine manner on five occasions. On these occasions he requested data concerning cryptographic machines and instructed the American to seek employment with a vital U.S. Government agency. Kirilyuk's meetings with the source on August 28, 1959, and on September 18, 1959, were observed by special agents of the FBI. The Secretary General of the U.N. was informed of Kirilyuk's espionage activity on December 17, 1959. On January 7, 1960, the Soviet delegation to the U.N. was advised of Kirilyuk's activities, whereupon Kirilyuk and his family left the United States on January 10, 1960.

Igor Y. Melekh, a Soviet national, was assigned to the U.N. Secretariat in October 1958. According to the FBI, Melekh asked a New York free lance medical illustrator, Willie Hirsch, to provide intelligence data such as a map of Chicago showing military installations. Melekh and Hirsch were indicted by the Federal grand jury in Chicago on October 27, 1960, and both were placed under arrest by the FBI on the same day. They were charged with three counts including espionage and conspiracy. Melekh claimed diplomatic immunity; however, this was denied by the courts and he was released under $50,000 bond. On March 24, 1961, a U.S. district court ruled that, if Melekh departed from the United States by April 17 and if the Attorney General moved for dismissal of the indictment, the court would dismiss as to both defendants. Melekh left the United States for the Soviet Union on April 8, and the indictments against both Melekh and Hirsch were dismissed on April 11, 1961.

Yuri A. Mishukov and Yuri V. Zaitsev. Mishukov was employed as a translator by the U.N. on November 11, 1957. Zaitsev was employed on August 9, 1961, as a U.N. political and security council affairs officer. On September 15, 1962, the FBI disclosed that Mishukov and Zaitsev had established an espionage arrangement with an American citizen and between June and August of this year had paid him $3,000. Two days after the Justice Department made its announcement, the U.N. announced that Mishukov had left for Moscow last July 5 and Zaitsev had done so August 7.

Eugeni M. Prokhorov and Ivan Y. Vyrodov. Both Prokhorov and Vyrodov were members of the permanent mission of the U.S.S.R. to the U.N. On September 28 Prokhorov and Vyrodov were apprehended by FBI agents in the act of receiving classified information concerning the U.S. Navy from Yeoman 1/C Nelson Cornelius Drummond. They were released after establishing their identity. On September 29 the U.S. delegation to the U.N. demanded that the Soviet delegation expel Prokhorov and Vyrodov.

Valentine A. Gubitchev, a Soviet citizen, was employed as an engineer by the U.N. Secretariat in New York. Gubitchev and Judith Coplon, a native-born American employed by the Department of Justice, were arrested after a clandestine meeting in New York on March 4, 1949. In Miss Coplon's purse, at the time of here arrest, were summaries of confidential FBI reports to which she had access in her employment. Coplon was tried in Washington, D.C., for espionage and on July 1, 1949, was sentenced to 10 years in prison. Gubitchev and Coplon were tried in New York for conspiring to commit espionage and were convicted. On March 9, 1950, she was sentenced to 15 years in prison. On the same date, Gubitchev was also sentenced to 15 years in prison; however, his sentence was suspended with the provision that he depart from the United States and not return. Although Miss Coplon's conviction in New York was reversed and she was held entitled to a new trial in Washington, D.C., based on technical grounds in both instances, it is interesting to note the Judge Learned Hand, Second Circuit, Court of Appeals, made a statement that even though the case was being reversed, the guilt of Coplon was plain.

Mr. THURMOND. Mr. President, will the Senator from Connecticut yield?

Mr. DODD. I yield to the Senator from South Carolina.

Mr. THURMOND. I commend the Senator for presenting this information to the Senate. I hope the news media will carry it to the public so that the people of America may be made aware of what has been taking place at the United Nations.

It is my judgment that unless the spying which has been taking place for several years at the United Nations, at the Soviet Embassy, and at other Communist embassies in this country is discontinued, the people of America will rise up and demand that action be taken to stop it.

Mr. DODD. I thank the Senator for his statement. I am completely in agreement with him. My interest in this subject arises principally because I desire to see the United Nations succeed. I deeply believe in the U.N. I want it to succeed. But I am sure it will be agreed that to permit the U.N. to operate with Soviet spies on its payroll, persons who seek to destroy the United States by utilizing their employment in an organization for which we are paying a large part of the cost, is so utterly absurd and outrageous that we cannot allow this situation to continue.

Mr. President, I ask unanimous consent to insert into the Record at this point certain documents.

First, excerpts from the Baltimore Sun article of last Sunday's date; and second, excerpt from the official U.N. budget estimate for the financial year 1963 dealing with the establishment of a Russian language training center in Moscow.

There being no objection, the documents were ordered to be printed in the Record, as follows:

[From the Baltimore Sun, Sept. 30, 1962]

Expel Two at U.N., United States Tells Reds—Ouster of Russians as Spy Case Figures Demanded

(By Paul W. Ward)

New York, September 29.—The U.S. delegation announced today it has demanded that the Soviet delegation at the United Nations expel two members who figured in a new espionage case disclosed by the Justice Department last midnight.

The announcement followed by 14 days a like disclosure in Washington that two

Russian employees of the United Nations had been caught spying against the United States but already had returned to Moscow.

MOSCOW SCHOOL REQUEST

The Justice Department's latest disclosure coincided, moreover, with a request to the Assembly by U Thant, Secretary General, for funds to maintain a school he already has started in Moscow to train an additional 22 Russians annually for jobs at the headquarters here.

The sum involved is $101,200 for the current year and $100,000 for 1963, with the United States slated to pay 32.02 percent—$64,424—of the $201,200 aggregate and the Soviet Union 17.47 percent, or $35,139.

The U.S. announcement was made at 4:25 p.m., just 15 minutes after the expulsion demand had been delivered to the Soviet delegation under instructions from Washington.

The note, which was not signed by Adlai E. Stevenson, U.S. Ambassador, but presented simply in behalf of the mission he heads here, said:

"The U.S. mission to the United Nations presents its compliments to the permanent mission of the U.S.S.R. to the United Nations and wishes to call further attention to the espionage activities on the part of Mr. Evgeni M. Prokhorov and Mr. Ivan Y. Vyrodov, members of the permanent mission of the U.S.S.R. to the United Nations.

PAID SUBSTANTIAL SUMS

"Representatives were informed of these activities earlier today when agents of the FBI observed Mr. Prokhorov and Mr. Vyrodov receiving classified documents of a national defense nature from a member of the U.S. Armed Forces who was immediately arrested.

"In this espionage operation, Mr. Prokhorov and Mr. Vyrodov previously had received other classified documents for which they paid substantial sums of money to the U.S. citizen.

"As host to the United Nations, the Government of the United States strongly protests these espionage activities directed against the internal security of the United States.

"Not only are such activities clearly outside the scope of the official responsibility of these members but they are an outrageous violation of their privileges of residence within the meaning of section 13(B) of the agreement between the United States and the United Nations concerning the headquarters of the United Nations.

"Under this provision of the agreement, they have by their actions forfeited their privilege of continued residence in this country. The U.S. mission requests the permanent mission of the U.S.S.R. to take the necessary steps to effect the immediate withdrawal of Mr. Prokhorov and Mr. Vyrodov from the United States."

COMPLIANCE WAS AUTOMATIC

There was no immediate public reaction on the Soviet delegation's part to the demand arising out of this latest in a long series of espionage cases involving either members of that delegation or Soviet employees of the United Nations, which Washington has aired over the years.

In all prior cases, save those in which Federal prosecutions were instituted against the United Nations employees, compliance with the withdrawal demands has been automatic.

The United States never got a chance to make such a demand in next to latest case, which involved Yuri A. Mishukov, 38, employed since November 11, 1957, as a translator in the conference services section, United Nations' Affairs Office, and Yuri V. Zaitsev, 31, employed since August 9, 1961, as a United Nations Political and Security Council affairs officer.

Mishukov had left for Moscow last July 5, and Zaitsev had done so August 7, according to a United Nations anouncement issued 2 days after the Justice Department's disclosure September 15 that they had established an espionage arrangement with an American citizen and between June and August this year had paid him $3,000.

The American, who entered into the arrangement after consulting the FBI, was identified as Richard A. Flink, a New York lawyer who is a Republican candidate for assemblyman. Washington, which had kept the affairs secret pending final congressional action on the United Nations bond issue bill, made its disclosure only after learning that a Member of the Senate was about to air the case.

ANNOUNCED BY HOOVER

The current case, including the arrest of Y1c. Nelson Cornelius Drummond, was aired by J. Edgar Hoover, FBI chieftain, following the arrest of the 33-year-old sailor outside a Post Road diner at Larchmont, N.Y., last midnight.

The FBI, according to Hoover, had had Drummond under close observation for some time, based upon his naval service in England, for which he was reassigned in 1959 to the United States.

Stationed at Newport (R.I.) Naval Base, Drummond has been making frequent trips to New York and was in "extreme financial difficulty," according to Hoover, who said:

1. While Prokhorov parked his car beside Drummond's outside the diner last night, Vyrodov went in to get the sailor.

2. FBI agents, who stepped up and arrested Drummond as soon as he seated himself beside Prokhorov in the latter's car, found on the seat between them eight classified Navy documents.

3. The FBI agents did not arrest the two Russians, whom he referred to as "Russian United Nations officials," because of "their diplomatic status."

MISSION NOT INFORMED

It is understood that the U.S. mission here was kept in ignorance of the operations of Prokhorov and Vyrodov until after Drummond's arrest last night.

It is also understood that the facts of the case and Washington's reaction were relayed to Thant through C. V. Narasimhan, an Indian who is his executive assistant, before the mission made its announcement this afternoon.

Thant's newest arrangement for accommodating Kremlin demands for more posts on the United Nations' payroll for Soviet nationals came to light following his submission of a request for "supplementary" appropriations in the net amount of $2,399,730 for the current year.

Included in the tabulations accompanying the written request circulated Thursday was a line reading: "Russian language training program, $101,200." The inquiries that transpired led to a discovery that Thant signed 6 months ago an agreement with "the Moscow Pedagogical Institute for Foreign Languages for the establishment of a training center for Russian language personnel."

Three of his subordinates—Nicolai Vassiliev, Mary McKenna, and Yuri Zhemchuzhnikov—were sent to Moscow to negotiate the contract under which the Soviet state institute provides the training facilities and trainees and the United Nations pays the director—Mrs. Zoya Zaroubina, former dean of the institute's English faculty—and the teaching staff and also awards the trainees a monthly stipend.

FIVE TO BE INTERPRETERS

Five of the twenty-two trainees—all graduates of Soviet universities—are being prepared for United Nations jobs as interpreters, the rest for jobs here as translators of United Nations documents and records from English, French or Spanish into Russian, or vice versa. None is being trained as a Russian-Chinese interpreter or translator.

Thant made his arrangement with the Soviet Government, effective March 28 last, without specific Assembly authorization. But he did consult, the reports show, the Assembly's Advisory Committee on Administrative and Budgetary Questions, which includes Albert P. Bender, Jr., as U.S. representative.

PROGRAM NOT MENTIONED

The advisory committee, in a report circulated here yesterday, urged that Thant's request for supplementary appropriations to cover "unforeseen and extraordinary expenses" for the current year be cut by $127,000 but neither criticized nor mentioned his "Russian language training program."

Besides asking the Assembly to ratify his contract with Moscow by voting him $101,200 for its fulfillment this year, Thant is asking an additional $100,000 to keep the project going through next year.

He invokes "the serious difficulties of recruitment to the Russian language posts in the Office of Conference Services" as justifying initiating the project to Moscow and for continuing it through 1963.

TRANSLATION PROJECT

He also has contracted recently with "one of the leading publishing houses in Moscow" for translations into Russian of some 40,000 pages of United Nations records accumulated since 1946. The contract provides for "an initial volume of 10,000 pages per year at a cost of $6 per page of original text."

The Russians being trained in Moscow at United Nations expense are also counted upon to translate—as a part of their 10-month training course—about a fifth of the accumulated mass of United Nations documents.

NOW UP TO OVER 70

The Soviet Government last February served upon Thant a demand that 80 posts in the United Nations Secretariat be handed over to Soviet nationals and that those already on the payroll be awarded pay raises. In the last year the number of professional-level posts held by Soviet nationals has risen from 59 to just over 70.

Unlike other members, the Soviet Government has never yielded to the requirement that candidates for Secretariat jobs take the equivalent of civil service examinations to prove their qualifications.

[From U.N. official budget]

Russian language training	$100, 000
1962	([1])
1961	-------

[1] Estimated costs $101,200 to be absorbed, to such extent as is possible, within the 1962 appropriations.

Having regard to the serious difficulties of recruitment to the Russian language posts in the Office of Conference Services, and following upon consultations with the Advisory Committee on Administrative and Budgetary Questions, the Secretary-General entered into arrangements with the Moscow Pedagogical Institute for Foreign Languages for the establishment of a training center for Russian language personnel. The agreement provides that the center will train 16 translators and 6 interpreters, the 22 candidates being selected from university graduates with some experience in the linguistic field, and in other fields useful for United Nations purposes, e.g., economic, legal, political, and scientific. The students will participate full time in a program approved by the United Nations, averaging 30 academic hours a week. They will receive a stipend during the course of the training which will cover a 10-month period from March 28. As part of their studies the trainees will translate some of the United Nations backlog documentation, estimated provisionally at 8,500 pages during the 10 months' course. Other arrangements call for qualified teaching and administrative staff. The total costs are estimated at about $218,000 for the initial course. The Moscow Institute will provide the premises and equipment at an estimated cost of $117,000 and the United Nations the cost of teaching and administrative staff, stipends for the students and the supply of certain items of equipment for the trainees, at an estimated cost of $101,200.

It is considered desirable that provision should be made to continue these favorable arrangements in 1963, and the estimate provides for a similar 10 months' course of training for an equal number of students for that year.

OCEANOGRAPHIC ACT OF 1962—CONFERENCE REPORT

Mr. ENGLE. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 901) to advance the marine sciences, to establish a comprehensive 10-year program of oceanographic research and surveys, to promote commerce and navigation, to secure the national defense, to expand ocean, coastal, and Great Lakes resources, to authorize the construction of research and survey ships and laboratory facilities, to expedite oceanographic instrumentation, to assure systematic studies of effects of radioactive materials in marine environments, to enhance the public health and general welfare, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read, for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of October 1, 1962, p. 21574, CONGRESSIONAL RECORD.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. ENGLE. Mr. President, Senate bill 901, as introduced by Chairman MAGNUSON, would have authorized construction of 23 ships for basic research to be supplied oceanographic institutions and laboratories, 14 ships for fisheries research, 6 ships for applied and acoustics research by laboratories, and 18 ships for oceanographic surveys, 10 to be built for the Coast and Geodetic Survey, and 8 for the Navy Hydrographic Office. Undersea vehicles and devices, construction of additional laboratory facilities for many institutions, and acquisition and development of scientific instruments also would have been authorized.

It would have authorized funds for research grants or contracts by the Office of Naval Research, Bureau of Commercial Fisheries, National Science Foundation, Public Health Service, and the Atomic Energy Commission.

Marine and Great Lakes research activities of the Commerce, Navy, Interior, Treasury, Health, Education, and Welfare, Army, and State Departments, Atomic Energy Commission, National Science Foundation, Smithsonian Institution, and 15 bureaus, offices or services within departments would have been coordinated, reviewed, and evaluated by a Marine Science Division, to be established in the National Science Foundation.

The Division would have included scientists from both Federal agencies and non-Government institutions. Funds for education and training of marine scientists would also have been authorized.

Costs of the 10-year program over the 10-year period were estimated as slightly under $700 million, or an average of about $70 million a year.

The bill, as agreed to by the conferees, contains no authorization for funds, for construction of ships, for purchase of instruments, or for research.

What it does is to declare as a policy of the United States to develop, encourage, and maintain a long-range national program in oceanography, to be participated in by all qualified persons, organizations, institutions, agencies or entities.

To make such a policy work, the Office of Science and Technology is directed by the bill, as amended, to advance or develop a national program of oceanography, to issue a statement of national goals, methods of achieving them, and how the various agencies of Government will fit into the overall plan.

In other words, this legislation will give direction to our oceanography programs, now scattered throughout many of our Departments.

The bill would authorize an advisory committee, and it would report to the Congress yearly on the overall program, along with detailed financial information as to costs, and so forth.

One part of the bill would allow the appointment of an Assistant Director of Oceanography, in the Office of Science and Technology, at a salary of $19,000 per year.

The House insisted on this section; and we of the Senate yielded, to save the bill. We changed the language of the House, however, so as to make it clear that the establishment of such a position was not mandatory, but could be set up if the President thought it necessary. I emphasize this point—that the position need be established only if the President considers it necessary. I should say that no Government agency thought this position necessary.

With the present language, however, I urge approval of the report.

The PRESIDING OFFICER. The question is on agreeing to the report.

The report was agreed to.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had agreed to the amendment of the Senate to the amendments of the House to the bill (S. 507) to set aside certain lands in Washington for Indians of the Quinaielt Tribe.

The message also announced that the House had agreed to the amendments of the Senate to the bill (H.R. 11099) to amend the Public Health Service Act to provide for the establishment of an Institute of Child Health and Human Development, and for other purposes.

The message further announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 13175) making appropriations for foreign aid and related agencies for the fiscal year ending June 30, 1963, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. PASSMAN, Mr. GARY, Mr. CANNON, Mr. TABER, and Mr. FORD were appointed managers on the part of the House at the conference.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H.R. 1359. An act for the relief of Mario Rodrigues Fonseca;

H. R. 2338. An act for the relief of Kaino Hely Auzis;

H.R. 5133. An act for the relief of Nora Lee Douglas;

H.R. 6709. An act for the relief of Dr. and Mrs. Abel Gorfain;

H.R. 7432. An act for the relief of Garland G. Bishop;

H.R. 8351. An act for the relief of Anthony Joseph Calandi;

H.R. 8550. An act for the relief of Theodore Zissu;

H.R. 8728. An act for the relief of Pong Yong Jin (also known as Pang Yong Chin);

H.R. 9430. An act for the relief of Basilio King, his wife, and their children;

H.R. 9777. An act to amend Private Law 87–197;

H.R. 10089. An act for the relief of Melborn Keat;

H.R. 10178. An act for the relief of Katherina Raffaelli;

H.R. 11746. An act for the relief of Yasuko Agena and Carl William Agena;

H.R. 12217. An act for the relief of George Edward Leonard;

H.R. 12313. An act for the relief of Jane Froman, Gypsy Markoff, and Jean Rosen;

H.R. 12886. An act for the relief of Dr. Olga Marie Ferrer;

H.R. 12805. An act for the relief of Lt. Claude V. Wells;

H.R. 13013. An act for the relief of Elfriede Unterholzer Sharble;

H.R. 13072. An act for the relief of Robert O. Nelson and Harold E. Johnson; and

H.R. 13120. An act for the relief of Dorothy L. Lisette.

ENROLLED BILL SIGNED

The message further announced that the Speaker had affixed his signature to the enrolled bill (H.R. 8567) to authorize the Secretary of the Interior to create trial boards for the U.S. Park Police, and for other purposes, and it was signed by the President pro tempore.

HOUSE BILLS REFERRED OR PLACED ON CALENDAR

The following bills were severally read twice by their titles and referred or placed on the calendar, as indicated:

H.R. 1359. An act for the relief of Mario Rodrigues Fonseca;

H.R. 2338. An act for the relief of Kaino Hely Auzis;

H.R. 5133. An act for the relief of Nora Lee Douglas;

H.R. 6709. An act for the relief of Doctor and Mrs. Abel Gorfain;

H.R. 7432. An act for the relief of Garland G. Bishop;

H.R. 8351. An act for the relief of Anthony Joseph Calandi;

H.R. 8550. An act for the relief of Theodore Zissu;

H.R. 8728. An act for the relief of Pong Yong Jin (also known as Pang Yong Chin);

H.R. 9430. An act for the relief of Basilio King, his wife, and their children;

H.R. 9777. An act to amend Private Law 87–197;

H.R. 10089. An act for the relief of Melborn Keat;

H.R. 10178. An act for the relief of Katherina Raffaelli;

H.R. 11746. An act for the relief of Yasuko Agena and Carl William Agena;

H.R. 12886. An act for the relief of Doctor Olga Marie Ferrer;

H.R. 12805. An act for the relief of Lt. Claude V. Wells;

H.R. 13013. An act for the relief of Elfriede Unterholzer Sharble;

H.R. 13072. An act for the relief of Robert O. Nelson and Harold E. Johnson; and

H.R. 13120. An act for the relief of Dorothy L. Lisette; to the Committee on the Judiciary.

H.R. 12217. An act for the relief of George Edward Leonard; placed on the calendar.

DEPARTMENTS OF STATE, JUSTICE, AND COMMERCE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS, 1963

The Senate resumed the consideration of the bill (H.R. 12580) making appropriations for the Departments of State, Justice, and Commerce, the Judiciary, and related agencies for the fiscal year ending June 30, 1963, and for other purposes.

Mr. McCLELLAN. Mr. President, I address my remarks to House bill 12580, the appropriation bill for the Departments of State, Justice, and Commerce, the Judiciary, and related agencies for the fiscal year ending June 30, 1963, and for other purposes.

The total amount of the appropriations provided by the bill as reported by the Senate Appropriations Committee is $2,036,808,700. This amount is $135,593,000 more than the amount voted by the House, and is $166,826,564 more than the 1962 appropriations. But it is $86,439,300 less than the total budget estimates submitted by the executive branch of the Government for consideration by the committee. I think it is a fairly good bill, and I believe it will provide sufficient funds to enable these departments and agencies to operate effectively and efficiently during the fiscal year 1963.

For the State Department, the committee recommends an increase of $116,567,000 more than the amount voted by the House. Included in this sum are two items which were not considered by the House; namely, the $100 million loan to the United Nations, which was submitted to our committee, for its consideration, on September 21, 1962, after the House had passed on the bill, and the recommendation for $11 million for the operation and maintenance of foreign buildings under the control of the State Department. The $11 million item contains $7 million in foreign currencies and only $4 million in hard dollars. We felt it necessary to recommend this amount for the purpose of carrying on the operation and maintenance of more than $200 million of buildings and properties which our Government owns overseas.

Other miscellaneous increases for the Department of State are:

First is $1,200,000 for "Salaries and expenses," which the committee felt was justified in order to provide additional funds for the purchase—it will be mainly for this purpose—of security equipment and all other miscellaneous equipment in the Department here in Washington and abroad, and for expenditures in connection with travel and home leave, rent and quarters allowances, and the purchase of furniture and supplies.

Second is $205,000 from the special foreign currency account, to purchase a site in Bombay, India, an "excess" currency country, for a new information center.

Third is $40,000 for some additional employees in the United Nations. The House has already provided for seven additional positions; and our committee felt it would be sufficient to provide for three more of the additional nine requested, to serve at the United Nations.

Incidentaly, the Department had requested 17 new employees. The House voted to provide funds for seven new employees. The Senate committee has recommended that provision be made for three more—in other words, to provide sufficient funds for a total of 10 out of the 17 originally requested, and therefore to provide $40,000 additional.

Fourth is $50,000 for the "Salaries and expenses" item under the International Boundary and Water Commission, to help defray the cost of several needed projects, investigations, and studies along the Mexican border contemplated for this fiscal year.

Fifth is $172,000 to provide the full revised budget requirements for several of the international fisheries commissions. The record shows that this money is needed, in the main, to meet the U.S. pro rata share of the expenses of these commissions.

Sixth is $3.9 million for the mutual educational and cultural exchange program. This sum, added to the $40 million allowed by the House, will provide $43.9 million in the appropriation. It was brought out during the hearings that additional carryover moneys exceeding $14 million, scheduled for obligation in 1963, would permit an exchange program in 1963 of $58,529,217. As indicated in the report, this total sum of $58.5 million would involve the expenditure of $29.7 million in hard dollars and $28.8 million in foreign currencies. This is about the same ratio of dollars to foreign currencies as was programed in fiscal 1962. The committee determined that, as a result of certain reforms recently instituted, the Department should be able to use a much larger percentage of foreign currencies in the program and also release foreign currencies for other needed activities overseas, thus saving hard dollars.

In summarizing the recommendation of $400,047,000 for the Department of State, if the U.N. bond loan of $100 million, which was not considered by the House, is excluded—and if the increased foreign currencies included in the committee's recommendation are considered—the committee's recommendation in hard dollars is only $8,262,000 over the House bill.

I think that is a pretty good record for our committee, in view of the experience we all know we have, when we are asked to make tremendous restorations after the House has acted on these measures, and when the requests are sometimes supported by very substantial justification. I think the committee has done well to hold the amount to this figure. The amount, of course, will go to conference and possibly not all be retained.

For the Department of Justice——

Mr. ELLENDER. Mr. President, will the Senator yield before he reaches the Department of Justice item?

Mr. McCLELLAN. I am glad to yield.

Mr. ELLENDER. I wish to compliment the Secretary and the other officials of the State Department for not requesting money for additional personnel in fiscal year 1963. In fact, the number of positions has been reduced from 14,015 to 13,955 or a reduction of 60 positions.

Mr. McCLELLAN. The Senator is speaking now only of the State Department?

Mr. ELLENDER. That is correct. It is especially gratifying to me to see this economy effected, even though new republics have recently been formed and it has been necessary for the Department to open quite a few new posts. I am glad to see the Department is transferring personnel from posts in Western Europe and other areas to fill positions in the new Republic of Africa and other parts of the world where new posts have been established. I believe this is the first time the State Department has presented to the Senate Appropriations Committee a program in which it has not requested additional personnel, since I have been a member of that committee. It is my fervent hope that the Department will continue to do so in the future, because I feel that further reductions can easily be made in the number of personnel in many posts in Europe and other parts of the world to fill the necessary positions that are created as a result of the establishment of new republics throughout the world.

Mr. McCLELLAN. I thank the distinguished Senator from Louisiana. I point out that in the committee report we commend the Department, the Secretary of State and his associates, for not requesting additional personnel for fiscal 1963. We commend them for that decision and their efforts for economy in that direction.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. McCLELLAN. I am happy to yield to the distinguished Senator from Massachusetts.

Mr. SALTONSTALL. I join in commending the chairman of the subcommittee, the Senator from Arkansas, for the manner in which he handled the appropriation bill for the Departments of State, Justice, Commerce, and the judiciary. I have been on the subcommittee for over 10 years. We conducted the hearings in the spirit that we were going to try to keep the amount appropriated at the House level if we possibly could.

There is one item to which I believe the Senator from Arkansas did not call attention. At least, I did not hear him. The $11 million that the Senate committee provided for maintenance and operation of embassies abroad was not in the bill as it came from the House. No money is provided in the bill for the acquisition of embassies, because the authorization bill has never passed, but we provided $11 million, which is a substantial increase, for the purpose of maintaining and operating the embassies and chanceries we now have.

Mr. McCLELLAN. Yes. I thank the Senator for his complimentary references to the work of the chairman of the subcommittee. I had the wholehearted and enthusiastic cooperation of every member of the committee on both sides of the aisle, including the distinguished Senator from Massachusetts and the distinguished Senator from Louisiana, and other Senators.

I did mention the $11 million and pointed out that $7 million in that category was to be in foreign currencies, and only $4 million in hard dollars. That amount of money is necessary to maintain about $200 million worth of properties that we own in foreign countries.

For the Department of Justice, the committee increased the House allowance in only one item of $950,000 for the "Buildings and facilities" of the Federal prisons system. This sum will enable the Department to go forward with the design and site preparation work for a new psychiatric center in North Carolina, for which $250,000 in planning money was provided last year. The Department indicated that only $950,000 of the original budget estimate of $1,350,000 was necessary at this time, as a site of 1,000 acres has been donated by the State to the Department. The House committee apparently had deferred action on the item because no site had been selected at the time of the House hearings.

Now that the site has been selected and North Carolina has so generously and graciously donated a suitable site for the location of the facilities, we believe that not to provide the money now would only delay the project for a year or more. Three years are required to plan and complete the project. The committee felt there was no need for such delay, and that the construction of the facility should be expedited. Therefore we have submitted this increase over the amount the House allowed for the Justice Department.

I think the Justice Department should be commended in this regard for trying to hold down expenditures and for not making requests for restoration over and above the House allowances.

Mr. JORDAN of North Carolina. Mr. President, will the Senator yield?

Mr. McCLELLAN. I am glad to yield to the distinguished Senator from North Carolina.

Mr. JORDAN of North Carolina. I appreciate very much being yielded to by the chairman of the committee on this particular item, because it is one with respect to which I am very much interested. As the Senator has said, it was previously omitted entirely for the reason that the language stated "for acquisition of site and planning," which at that time had not occurred. There was a request for $1,350,000.

The State of North Carolina has provided 1,000 acres of land, which is developed with sewers, water, lights, and so on, valued at $400,000.

The Bureau of Prisons and the Justice Department have told me personally that $950,000 is all that is now needed.

Mr. McCLELLAN. That would be adequate for this year.

Mr. JORDAN of North Carolina. That would be adequate for this year. I appreciate very much the inclusion of the item, because this is a very worthwhile project. It is to be located in an ideal spot. The Duke University Medical Center has a psychiatric department. The State of North Carolina maintains a hospital in this same locality, at the old Camp Butner. The Federal Government has a Veterans' Administration hospital, which includes a psychiatric department, only some 12 miles away.

Mr. President, I ask unanimous consent to have printed in the RECORD my statement on this item.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR JORDAN OF NORTH CAROLINA

I would like to call attention to one section of the bill before us which provides for the appropriation of $950,000 for planning and other work on the construction of a new psychiatric hospital for the Bureau of Prisons.

It has been long recognized among those who are familiar with our Federal prisons system that there is an urgent need for the construction of such a hospital to supplement the present facilities located at Springfield, Mo.

More and more inmates of our Federal prisons are receiving psychiatric diagnosis and treatment, and there has been an increasing trend in recent years in the number of persons charged with crimes being referred to the Bureau of Prisons for psychiatric observation and care. I think the statistics will show that the workload is now overwhelming and we are in urgent need for additional facilities.

The Appropriations Committee has provided for $950,000 to begin work on such a hospital, and the Justice Department has announced that it will be located in North Carolina.

I am very familiar with the preliminary work that has been done in connection with locating the hospital in North Carolina, and the site that has been selected is ideal for this purpose. The site is located at Butner, N.C., where the State of North Carolina now has a large unit of the State mental hospitals system, and it is only a few miles away from the Duke University Medical Center and the Veterans' Administration hospital in Durham, and the University of North Carolina Medical Center at Chapel Hill.

All three of these institutions carry on extensive clinical and research work in prevention and cure of mental illness and I know it will mean a great deal to the proposed Federal hospital to have these medical centers nearby and anxious to cooperate in every way possible.

The House of Representatives did not include funds in its appropriations bill for this this project because it was not aware of the fact that a site had been selected at the time the bill was acted upon earlier this year. Several months ago the State of North Carolina made available to the Bureau of Prisons a total of 1,000 acres of land free of charge at Butner for the proposed hospital site. At this time everything is in complete readiness to begin work on the hospital, and as a result of the State of North Carolina donating the site it has reduced the total cost of the hospital by about $400,000, which amount was originally requested by the Department of Justice for land acquisition.

I think it is of utmost importance that favorable action be taken on this matter, and I hope that the Senate will approve the funds for this hospital and that the House of Representatives will concur.

Mr. McCLELLAN. I congratulate the State of North Carolina and the distinguished Senators from North Carolina for their alertness and aggressiveness, and for all the other talents which they employed to induce the Department to select North Carolina for the location of this fine institution.

Mr. JORDAN of North Carolina. The 1,000 acres of free land were pretty good bait.

Mr. McCLELLAN. I congratulate the Government for being able to persuade North Carolina to make such a generous donation.

THE JUDICIARY

Mr. President, for the judiciary, only one item was requested restored and that related to the appropriation "Fees of jurors and Commissioners." The request was $1,500,000, of which $300,000 would be used to defray outstanding obligations from 1962 and the balance for increased juror costs in 1963. The committee felt that $1,300,000 would be sufficient at this time, instead of the $1,500,000 requested, since most every year, a supplemental has been requested for this item, and the increased costs resulting from the activities of additional judges cannot definitely be determined until the elapse of additional time into the fiscal year.

U.S. INFORMATION AGENCY

For the U.S. Information Agency, the committee recommends $129,500,000 in dollars and foreign currencies for "Salaries and expenses." This is the same amount as provided in the House bill. It is $8.2 million, or 7 percent more than the 1962 appropriation of $120.8 million, but $5.5 million less than the budget estimate of $134.5 million. The House bill provided 630 positions over the 1962 base of 11,403. The Agency requested restoration of $35 million and 140 positions. The committee denied the request because it believed the Agency would have sufficient funds under the House allowance of $129,500,000 for a well-balanced program in 1963, including the expansion of essential programs for high priority areas.

The committee was disturbed about the manner in which the Agency had distributed the allowances under the

House bill. The committee was impressed by the testimony for expanding the program in certain areas. However, some of the members felt that if funds, personnel, and functions were reduced in certain areas, such as the countries of Western Europe and transferred to areas of higher priority, the necessary expansion could be accomplished within the funds available. Even the U.S. Advisory Commission on Information, in its recent report, said that too many USIS posts attempt to use all media rather than concentrating on those fewer media and programs best suited to the particular country or area. The Commission urged that only those media be used that are effective and applicable and that all marginal programs be eliminated. The committee believes that more funds and personnel are not as crucial a factor in the Agency's activities as a more discriminating use of its available resources.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield to the distinguished Senator from Louisiana.

Mr. ELLENDER. In addition to what the distinguished chairman of the subcommittee has stated, I point out that when the House cut was presented to the Senate committee there was no deduction indicated either for Western Europe or for Eastern Europe. The House deductions were allocated by the USIA to the Far East, Africa, the Near East, and south Asia, as well as Latin America and the World Wide Missions. It seems to me that the new and emergent requirements of the underdeveloped countries should take priority over what we do in Europe.

The chairman will recall that when we provided the appropriations last year we suggested that Mr. Murrow should reduce the personnel in Western Europe and transfer these employees to the new areas which are now attaining independence. He made a small reduction but not nearly enough, in my humble opinion. It is my belief that if such a course were pursued a much better job could be done.

As I have pointed out on many occasions, it seems silly to me to carry on all programs in all areas of the world. I believe we should employ the rifle approach rather than the shotgun approach to many programs which could be employed profitably in Africa but have no application in Western Europe and vice versa.

It strikes me that we could do a better job in this way. For example we could eliminate a great deal of money which has been spent and is being spent for expensive libraries and information centers in France, England, Germany, and other countries of Western Europe.

If this procedure were employed, I am confident the money we appropriate would be more than ample to accomplish the objectives of the USIA.

Mr. McCLELLAN. I thank the distinguished Senator. I do not think there is any question that some of the program could be dispensed with in areas in where there is no longer a great need, to say the least, and that the personnel could be transferred into the higher priority areas, where possibly more effort is needed than is now being made.

For the "Special international exhibitions" appropriation, which provides funds for exhibitors, trade fairs, and labor missions, the committee recommends the appropriation of $7,474,000. This is $126,000 below the House allowance and represents a saving in the appropriation from prior year funds which the Department advised the committee was available for 1963 expenditures. No funds are included in this appropriation for trade missions, as was proposed in the House bill in the amount of $553,700, in view of the action recommended by the Commerce subcommittee that the funds for the trade missions item, in the amount of $750,000, be included under the Commerce Department.

For "Acquisition and construction of radio facilities," the committee recommends the appropriation of $8,750,000 instead of $10,750,000 provided by the House bill. This is a no-year appropriation and testimony brought out at the hearings revealed that the Agency would be unable to obligate more than $8,750,000 this year.

For the "Informational media guarantee program," the committee recommends the appropriation of $1 million instead of the $1.5 million in the House bill and the $4,300,000 in the budget estimate. Under the Senate recommendation, the Agency can guarantee contracts for fiscal year 1963 of approximately $4.7 million, which is comparable to a figure of $4.8 million in 1962.

Mrs. SMITH of Maine. Mr. President, the bill we are recommending to this body today for its consideration is, I believe, a good bill. The subcommittee hearings on H.R. 12580, a copy of which is on every Member's desk, containing approximately 1,500 pages of testimony, is conclusive evidence that the subcommittee judiciously considered the items for which the departments were seeking funds for the fiscal year 1963 budget. Also I must say that those items reduced by the House were thoroughly reviewed as to reasons for restoration.

Mr. President, I will not take the time of my colleagues to go over each item in the bill, because the chairman has already covered this matter in great detail, and each Member has a copy of our report, which details the amounts of money recommended by our committee.

As the ranking minority member on the State, Justice, Commerce, the Judiciary, and related agencies appropriation bill, I want to take this opportunity to congratulate the chairmen of the subcommittees, the senior Senator from Arkansas [Mr. McClellan] and the senior Senator from Florida [Mr. Holland] for the excellent leadership they displayed throughout the course of the hearings and the markup of the bill. It was indeed a great pleasure to be associated with them throughout our deliberations on this appropriations bill.

I also commend most highly the work of the staff members, without whom we could not have completed our work.

Mr. McCLELLAN. I thank the distinguished Senator from Maine, who has been most cooperative and helpful in the processing of the appropriation bill.

I am happy to yield now to the Senator from Nebraska.

Mr. HRUSKA. Mr. President, I join my colleagues in the Senate in expressing the commendation of the members of the subcommittee for the excellent service rendered by the Senator from Arkansas with reference to appropriations for the Department of State, the Judiciary, and the Department of Justice.

One item meets with special gratification insofar as the Senator from Nebraska is concerned. That is the psychiatric hospital, construction of which is to commence this year. As a member of the Judiciary Committee's Subcommittee on National Penitentiaries, I have over the past few years seen overwhelming evidence that a new psychiatric hospital for Federal prisoners was a paramount need of our prison system. Most of the Federal institutions which I have inspected do not have adequate facilities and personnel for the psychiatric treatment and care of mentally ill prisoners. Yet these institutions, already overcrowded with commitments from the courts, are forced to retain more than 1,000 mentally ill prisoners for whom proper facilities were lacking.

The Federal system, as a matter of fact, has only one hospital for those prisoners who should receive specialized psychiatric and medical care. This institution, the Medical Center for Federal Prisoners, at Springfield, Mo., can accept less than 50 percent of the total number of prisoners who should be receiving professional care. As a 30-year-old plant, it lacks many facilities and those which it does have cannot easily be adopted to a modern treatment program.

Upon learning that new psychiatric facilities for Federal prisoners were particularly required in the East, the State of North Carolina offered to donate a 1,000-acre site for the proposed hospital. The site, in the Raleigh-Durham area, proved to be ideal for the purpose. It is located near three outstanding medical schools—Duke University, the University of North Carolina, and Bowman-Gray—and other consultative services in the fields of law, social work, psychology, and education are also available.

This donation made possible a substantial economy to the Government. The original estimate for the acquisition of the site and architectural planning amounted to $1,350,000. But because of the donation of the site, this estimate was scaled down to $950,000. The current appropriation for the Departments of State, Commerce, and Justice, contains this item.

The location of the hospital in North Carolina will bring human and economic gains for the State, and it will also benefit the rest of the Nation. The hospital will engage in extensive research into abnormal behavior, a subject about which we know very little. This research can be undertaken at the same time that psychiatric treatment is being afforded the prisoner patients. The new psychiatric hospital, together with the complex of universities in the area, will eventually become a major center for mental research and rehabilitation. The techniques and knowledge to be developed there should have tremendous social implications for the welfare and safety of our citizens and their property. The Nation, in my opinion, owes a debt of gratitude to North Carolina and its two distinguished Senators, SAM ERVIN and EVERETT JORDAN, for their cooperation in helping to resolve a critical problem of our Federal prisons.

Mr. McCLELLAN. I thank the distinguished Senator from Nebraska. I wish to express my appreciation for his cooperation and assistance.

The distinguished Senator from Florida [Mr. HOLLAND], chairman of the Commerce Department and Related Agencies Subcommittee, held hearings on those aspects of the bill. I would appreciate it very much if the Senator would give an explanation of the Commerce Department and Related Agencies appropriations. I am glad to yield to the distinguished Senator from Florida.

Mr. HOLLAND. Mr. President, I thank the Senator from Arkansas, my chairman, for yielding. I express to him my appreciation for his many courtesies as we have worked on the provisions of the pending bill. I am also deeply appreciative of the kind remarks made by the Senator from Maine [Mrs. SMITH].

I shall not make a separate report on the agencies related to the Department of Commerce, which are covered in title V of the bill, along with certain agencies which are related to those parts of the bill and those departments upon which hearings were conducted by the Senator from Arkansas. I believe it is unnecessary to make a special statement relative to that part of the bill, title V, which came from the particular subcommittee of the subcommittee over which I presided.

For title III, Department of Commerce, the committee recommends a total of $800,447,000 and, in addition, as proposed in the House bill, appropriations of $3,251,200,000 from the highway trust fund. Contained in the report will be found the items where the committee has recommended changes from the House bill. The principal changes would include $14,200,000, for a total of $64,200,000 for ship construction, Maritime Administration. This amendment would provide for a modification of the planned 18-ship replacement program to have a more balanced program and better meet requirements in the trade routes and companies concerned.

In effect, this transfer of ship replacements is from the Atlantic shipping merchant fleet to the Pacific fleet, and provides for the same number of ships, but for the construction of larger ships by way of replacements in the Pacific because they are required by the nature of the trade there.

The Weather Bureau increases in salaries and expense provide $1,826,000 and include provision for specialized agricultural weather services in several areas. The international activities show an increase of $1,800,000 over the House bill, recommended to make provision for trade missions and additional trade and industrial exhibits. The committee considered and recommends additional funds in the amount of about $1 million requested in the Business and Defense Services Administration and in the Census Bureau for programs relating to the 19-nation long-term cotton textile arrangements.

Another item handled under the Department of Commerce and certain related agencies, the subcommittee of which I am chairman, that I am sure will be of interest to the Members of the Senate is committee recommendation of $300 million for the revolving fund, Small Business Administration. This amount as provided in the House bill is recommended without amendment. In accordance with the usual practice in committee reports relating to changes from the House bill, this matter is not written up in the report, but appears in the summary tables at its conclusion and, of course, appears in the bill without change.

By way of summary, title III appropriations for the Department of Commerce are recommended in the amount of $800,447,000, which represents an increase of $18,752,000 over the House bill. At the same time, the amount recommended is $31,158,936 less than the appropriations for fiscal 1962, and $35,652,000 less than the budget estimates.

Mr. President, my distinguished colleague in the Senate, the ranking minority member, the Senator from Maine [Mrs. SMITH] proposed an amendment to the bill, known as section 304. It is fully described and set forth verbatim on page 21 of the committee report. I shall be glad to move for the adoption of the amendment, but I shall be glad, also, to yield to the Senator from Maine for any discussion of the amendment that she wishes to offer at this time.

The PRESIDING OFFICER. The committee amendments have not been agreed to.

Mr. HOLLAND. I am requested to withhold my offer until the committee amendments are agreed to en bloc.

I ask unanimous consent that they may be agreed to en bloc, without destroying the right of any Senator to raise a point of order, and at the same time taking action to make the bill in effect an original bill, subject to amendment.

Mr. McCLELLAN. I was about to propose a unanimous-consent request with respect to the entire bill. Is the Senator from Florida asking only with respect to the Department of Commerce title?

Mr. HOLLAND. I was asking only with respect to the Department of Commerce title; but I shall be glad to yield to the chairman of the subcommittee to make the same request for the entire bill.

Mr. McCLELLAN. Mr. President, I ask unanimous consent that the committee amendments be agreed to en bloc, with the exception of the committee amendment on page 42, after line 16, to insert a new section; that the bill as thus amended be regarded for purposes of amendment as original text; provided, that no point of order shall be considered to have been waived by reason of the agreement to this order.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the committee amendments are agreed to en bloc.

The committee amendments agreed to en bloc are as follows:

On page 3, at the beginning of line 16, to strike out "$140,710,000" and insert "$141,910,000".

On page 4, after line 6, to insert:

"OPERATION AND MAINTENANCE OF BUILDINGS ABROAD

"For necessary expenses of maintenance, operation, repair, and payment of leaseholds of properties acquired pursuant to the Foreign Service Buildings Act, 1926, as amended (22 U.S.C. 292–300), including personal services in the United States and abroad; salaries, expenses and allowances of personnel and dependents as authorized by the Foreign Service Act of 1946, as amended (22 U.S.C. 801–1158); and services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), $11,000,000, of which not less than $7,000,000 shall be used to purchase foreign currencies or credits owed to or owned by the Treasury of the United States, to remain available until expended: *Provided*, That not to exceed $1,323,000 may be used for administrative expenses during the current fiscal year."

On page 5, line 6, after the word "expended", to strike out "$2,000,000" and insert "$2,205,000".

On page 6, line 10, to strike out "$2,250,000" and insert "$2,290,000".

On page 7, after line 4, to insert:

"LOANS TO THE UNITED NATIONS

"To enable the President to provide for a loan to the United Nations, as authorized by law, $100,000,000, to remain available until expended."

On page 8, line 11, after the word "investigations", to strike out "$620,000" and insert "$670,000".

On page 11, line 12, after the word "Congress", to strike out "$1,910,000" and insert "$2,082,000".

On page 12, line 1, after the word "exceed", to strike out "$1,000" and insert "$2,500"; at the beginning of line 6, to strike out "$40,000,000" and insert "$43,900,000"; in the same line, after the word "than", to strike out "$9,515,000" and insert "$14,515,000", and in line 9, after the word "exceed", to strike out "$1,732,000" and insert "$1,932,000".

On page 21, line 4, after the word "institutions", to insert "and for planning, site acquisition, and commencing construction of a new psychiatric institution", and in line 7, after the word "account", to strike out "$2,595,000" and insert "$3,545,000".

On page 23, line 7, after the word "exceed", to strike out "$1,500" and insert "$2,000", and in line 8, after the word "entertainment", to strike out "$3,700,000" and insert "$3,900,000".

On page 24, line 10, after "(75 Stat. 53)", to strike out "$115,480,000" and insert "$115,050,000".

On page 24, line 21, after "(22 U.S.C. 401)", to strike out "$3,480,000" and insert "$3,735,000"; in line 22, after the word "exceed", to strike out "$1,237,000" and insert "$1,337,000", and on page 25, line 1, after the word "exceed", to strike out "$80,400" and insert "$120,400".

On page 25, line 9, after the word "possessions", to strike out "$3,400,000" and insert "$3,430,000".

On page 25, line 14, after the word "Administration", to strike out "$4,600,000" and insert "$4,940,000, of which not to exceed $20,600 may be transferred to the appropriation 'Salaries and expenses, General Administration' for necessary legal support."

On page 25, line 21, after the word "centers", to insert "trade missions"; on page 26, line 8, after the word "exceed", to strike out "$10,000" and insert "$20,000"; in line 9, after the word "abroad", to strike out "$6,500,000" and insert "$8,300,000", and in the same line, after the amendment just above stated, to insert a colon and "*Provided,* That the provisions of section 105(f) and 108(c) of the Mutual Educational and Cultural Exchange Act of 1961 (Public Law 87–256) shall apply in carrying out the activities concerned with exhibits and missions."

On page 26, line 25, after the word "abroad", to strike out "$3,350,000" and insert "$3,950,000".

On page 27, line 9, to strike out "$12,250,000" and insert "$12,598,000".

On page 28, after line 6, to insert:

"EIGHTEEN DECENNIAL CENSUS

"The time limitation under this head in the General Government Matters, Department of Commerce, and Related Agencies Appropriation Act 1962 is changed from 'December 31, 1962' to 'June 30, 1963'."

On page 28, at the beginning of line 22, to strike out "$21,500,000" and insert "$22,750,000".

On page 29, line 13, after the word "expended", to insert a colon and "*Provided,* That appropriations granted under this heading shall be available for completing payments on the construction contract for the Coast and Geodetic Survey ship Surveyor."

On page 30, line 12, after the word "expended", to strike out "$50,000,000" and insert "$64,200,000".

On page 31, line 1, after the word "Commission", to strike out "$225,000,000" and insert "$220,400,000".

On page 31, at the beginning of line 14, to strike out "$3,550,000" and insert "$5,500,000".

On page 35, line 5, after the word "Patents", to strike out "$25,860,000" and insert "$27,193,000".

On page 36, line 10, after the word "or", to strike out "construction" and insert "reconstruction".

On page 36, line 22, after "(75 Stat. 670)", to insert "to remain available until expended,".

On page 38, at the beginning of line 6, to strike out "$4,000,000" and insert "$2,000,000".

On page 39, line 7, after the word "law", to strike out "$1,000,000" and insert "$500,000".

On page 40, line 16, after the word "law", to strike out "$58,250,000" and insert "$60,076,000."

On page 40, line 20, after the word "equipment", to insert "purchase of two aircraft;"; in line 23, after the word "equipment", to strike out "$10,000,000" and insert "$11,500,000"; and on page 41, line 1, after "June 30, 1965", to insert a colon and "*Provided,* That appropriations granted under this head, in the fiscal year 1962, shall be merged with this appropriation."

On page 41, line 8, after the word "land", to strike out "$4,000,000" and insert "$4,650,000".

On page 47, line 7, after "(74 Stat. 86)", to strike out "$4,500,000" and insert "$5,800,000", and in line 8, after the amendment just above stated, to insert a colon and "*Provided,* That $300,000 of the foregoing amount shall be available for the payment of obligations incurred under the appropriation for similar purposes for the preceding fiscal year."

On page 51, line 23, after "(5 U.S.C. 2131)", to strike out "$2,100,000" and insert "$2,700,000".

On page 54, line 20, after the word "individuals", to strike out "$2,900,000" and insert "$2,950,000".

On page 56, line 9, after the word "exceed", to strike out "$500" and insert "$2,500".

On page 59, line 21, after "(75 Stat. 527)", to strike out "$7,600,000" and insert "$7,474,000"; in line 23, after the word "of", to strike out "$10,550" and insert "$15,550"; and on page 60, line 2, after the word "labor", to strike out "and trade".

On page 61, line 2, after the word "otherwise", to strike out "$10,750,000" and insert "$8,750,000".

On page 61, line 15, after "(22 U.S.C. 1442)", to strike out "$1,500,000" and insert "$1,000,000".

Mr. HOLLAND. Mr. President, I advert to section 304, which I had mentioned; and I yield again to the distinguished senior Senator from Maine, the author of that amendment, which she may wish to discuss.

Mrs. SMITH of Maine. Mr. President, I wish to present an explanation of the language amendment which I proposed, and to which the chairman of the Subcommittee on Department of Commerce Appropriations has referred.

The committee has approved the amendment for inclusion in the bill, as a part of section 304, page 42, line 17 through line 23. The amendment would direct the Bureau of the Budget to include special matter in the budget document identifying the specific components of the total Federal meteorological activities.

In the course of my service on various appropriations subcommittees, I have found that from time to time the requests for funds involve a multiplicity of agencies engaged in the same or similar activities. When this question of sameness—possible duplication, perhaps—is explored, the responses generally indicate less than adequate familiarity on the part of the witnesses present with apparently similar activities of some other agency whose review is under another subcommittee's jurisdiction.

It seems to me that it would be helpful to insure that the totality of some of these dispersed activities should be presented in some such fashion as to insure a better understanding and appreciation of the relationships, magnitudes, and financial requirements.

I have noted that the budget document transmitted to the Congress in January each year carries a special analyses section. These special analyses include summarizations, among others, of Federal credit programs, Federal activities in public works and other construction, Federal research and development programs, Federal aid to State and local governments, and principal Federal statistical programs. It is possible with respect to these summaries to obtain a rather clear delineation of the total Federal activity and the relativity as distributed by agency. It presents, in effect, a thumbnail analysis.

I had occasion during the consideration of S. 901, relative to oceanography, to propose, and have approved by the Senate, an amendment which directed the Bureau of the Budget to submit with the budget document certain consolidated summary detail relating to the oceanographic activities. I am pleased to see that in the preparation of the 1963 budget document the Bureau of the Budget has seen fit to include in the Federal research and development program analysis a special section giving valuable summary detail relating to obligations of Federal agencies for oceanographic research and surveys. I am not so vain as to assume that the inclusion of this matter is pursuant to my interest in this subject, but regardless of the reason, I would commend the Bureau of the Budget for the inclusion of this new matter, and trust that it will be a continuing feature.

In my judgment, it would be helpful to have this section on oceanography improved by the inclusion of subsidiary data identifying within the major agencies, like Commerce, Interior, or others, the bureaus or offices assigned these responsibilities—Coast and Geodetic Survey, Fish and Wildlife Service, and so forth.

In the course of hearings in recent years, it has been a matter of continuing concern to the subcommittees having review jurisdiction of Weather Bureau programs to be informed and knowledgeable with respect to the total meteorological effort. In the course of the hearings, the subcommittees were invariably told that the various efforts were coordinated, interagency committees were effecting liaison, and that no duplication of effort existed. However, significant detail did not always appear to be readily available. It was particularly helpful to me to receive the results of a survey of Federal meteorological activities made by the Bureau of the Budget in March 1962, following the request for such data by the House Committee on Appropriations. This survey indicates that 15 agencies are engaged in meteorological activities involving either operations or research and development.

The summary of the findings, which it might be well to insert in the RECORD, indicate the desirability of providing for special treatment in the budget document in such a way as to assist the congressional committees in their annual review, as well as to help the agencies in relating their own meteorological activities with those being conducted elsewhere in the executive branch. Of course, it would also be useful to the Bureau of the Budget in their annual review of the meteorological programs of the various agencies.

It is my sincere belief that this would assist members of the Appropriations Committee to more effectively fulfill their responsibilities and would provide within the executive branch a method of examining the meteorological programs in their totality so that identical, similar, or overlapping functions can be detected and, in all probability, corrected by the executive branch.

I will look forward to this special analyses material relating to meteorology and confidently expect that it will make possible reviews to secure meaningful information relating to coordination of activities; the cooperation of participants; the placing of responsibility for results; and the most effective use of total resources. It is my hope that this could result subsequently in the development of similar treatment for other Federal activities which might benefit from review and scrutiny that includes an understanding of the totality as well as familiarity with the components.

In March 1962 the Bureau of the Budget, as a result of a request by the House Committee on Appropriations, submitted a "Survey of Federal Meteorological Activities." I ask unanimous consent that the findings of this survey be printed at the close of my remarks with respect to my amendment.

There being no objection, the findings were ordered to be printed in the RECORD, as follows:

FINDINGS

1. Fifteen agencies are engaged in significant meteorological activities involving either weather service operations, or research and development, to support their various missions.

Operations: Extensive weather services are operated by the Weather Bureau to meet basic national needs and by the Navy and the Air Force to meet specialized needs in support of their respective missions. The Federal Aviation Agency operates a communications system for the Weather Bureau and participates in weather observation and pilot briefing programs. The Coast Guard makes weather observations which are utilized by the weather services.

Research and development: Fourteen agencies support research and development programs in meteorology. While the National Science Foundation supports research to advance fundamental knowledge as a national resource the remaining agencies conduct research and development programs to resolve problems affecting or related to their respective primary missions. The meteorological satellite programs of the National Aeronautics and Space Administration account for most expenditures in this category. The agencies supporting research and development programs are: Agriculture; Atomic Energy Commission; Bureau of Standards and Weather Bureau of the Department of Commerce; Advanced Research Projects Agency, Army, Navy, and Air Force of the Department of Defense; Federal Aviation Agency; Health, Education, and Welfare; Geological Survey and Bureau of Reclamation of the Department of the Interior; National Aeronautics and Space Administration, and the National Science Foundation.

2. The conduct of meteorological activities is fundamentally affected by the fact that meteorology deals with physical phenomena which are simultaneously global and local in nature.

The needs of the general public, national defense, and such elements of the economy as aviation and agriculture cumulatively require weather information on a broad scale. The data must be collected, analyzed, and distributed on a round-the-clock basis, around the globe, and irrespective of national boundaries. At the same time that knowledge of broad scale phenomena is needed, critical variations in weather occur at locations often within a few miles of each other, thereby requiring local meteorological facilities and services.

3. Collection and distribution of data require extensive cooperative arrangements among Federal agencies.

As much data as possible must be collected in the United States and abroad, and be fed into the process of analysis and distribution. Consequently, foreign governments interchange information with the United States and with each other. Similarly, within this country it is necessary continually to obtain, analyze and distribute weather information from and to a large number of locations involving both Federal and nongovernmental organizations. The total volume of data is immense, and considerations of economy call for the cooperative efforts of those agencies which possess the needed geographic distribution of personnel and facilities. For example, data transmission is mainly handled by agencies already performing communications functions. Dissemination of specialized weather information to users commonly utilizes the most effective available communications media and facilities.

4. There is a need for a central agency to provide basic weather services common to the requirements of all agencies.

The Weather Bureau now has the basic responsibility, recognized by all users, to provide those weather services which can best be furnished centrally. The extensive weather services of the military agencies stem from their requirements to augment the basic weather data, provided by the Weather Bureau, to meet specialized uses, particularly for strategic and tactical air and sea missions.

5. A central meteorological service cannot feasibly perform all meteorological activities for all agencies.

The internal meteorological requirements of some agencies are so highly specialized and enmeshed with their basic missions that they cannot be effectively met by a central agency. Concentration of responsibility for specialized meteorological activities in such agencies facilitates effective programing responsive to agency needs. Finally, the value of some meteorological programs can often be more readily recognized when closely identified with the mission which they support.

6. While the central meteorological agency is not vested with legal responsibility for planning and coordinating all aspects of meteorology the cooperation between the agencies concerned produces considerable cohesiveness of effort.

In essence, the present Federal weather service program is the sum of plans and efforts by the major weather operations agencies which do achieve a considerable degree of integration of efforts through interagency mechanisms established for this purpose. Such integration is encouraged by the inherent nature of the problems and the techniques used to cope with them.

As in all fields of science having broad application to many Federal programs, R. & D. in meteorology is being pursued through a variety of approaches by a number of agencies. The Federal Council for Science and Technology, with the aid of its subcommittee on atmospheric sciences and outside advisers, reviews the Federal R. & D. programs and facilitates coordination. Cooperative arrangements are worked out through this and other interagency coordinating mechanisms.

7. Except for the concept of a central service agency embodied in the statutes concerning the Weather Bureau, the present organization of meteorological activities is the result of historical development based on ad hoc accommodations to needs and to scientific and technological advances.

Existing organizational arrangements do not reflect any preconceived plan but, rather, represent pragmatic adjustments to meet changing needs. The national security exigencies of World War II and of the present cold war have been the major factors influencing the existing alinement of organizational responsibilities.

8. Pressures now being exerted by scientific and technical advances within and upon the field of meteorology and the accelerating growth of expenditures will require strengthening of existing arrangements for planning and coordinating meteorological programs. Man is now acquiring tools to grapple with the cosmic nature of meteorology. These tools provide greater capacity to collect, analyze, and disseminate knowledge. Often scientific and technical advances from outside meteorology, as in space and aviation, are providing new tools for that field, but such advances also introduce new requirements for meteorological support. While scientists agree that meteorology has been a neglected field of research they expect that future successes will come slowly after much work exploring a variety of approaches. To prevent wasteful proliferation of Federal meteorological programs, it is necessary to satisfy the various users of weather data that their interests are being met within the capability of the meteorological sciences and the limitations of available resources. Thus, it becomes even more essential to take all necessary measures to assure that meteorological programs are soundly conceived and effectively coordinated.

DATA ON SCOPE OF FEDERAL METEOROLOGICAL ACTIVITIES

The quantitative data on funding, personnel and facilities, contained in this report, were compiled from information furnished by the agencies concerned. There was some variation among agencies in interpretation of the scope of each activity as well as differences in fiscal accounting and man-year interpolation of data. Thus, while the total figures for agencies are quite representative, comparisons of specific programs should be considered in the light of these qualifications.

OVERALL EXPENDITURES

Budget funds for Federal agencies in fiscal year 1963 include approximately $326 million for meteorology. Of this amount $217 plus million are for operation of weather services and $108 plus million for research and development. Included in total funds are approximately $90 million for meteorological satellites, both operational and R. & D.

Total estimated budget funds, fiscal year 1962 and fiscal year 1963

[In thousands]

Agency	Operations		Research and development		Total	
	Fiscal year 1962	Fiscal year 1963	Fiscal year 1962	Fiscal year 1963	Fiscal year 1962	Fiscal year 1963
Agriculture			$960	$1,400	$960	$1,400
Atomic Energy Commission			4,440	4,660	4,440	4,660
Commerce:						
Bureau of Standards			210	250	210	250
Weather Bureau	$105,850	$105,890	9,000	11,500	114,850	117,390
Department of Defense	(87,690)	(93,540)	(19,980)	(26,340)	(107,670)	(119,880)
Advanced Research Projects Agency			1,000	2,000	1,000	2,000
Army	1,040	1,040	7,140	9,700	8,180	10,740
Navy	25,240	25,500	3,140	3,920	28,380	29,420
Air Force	61,410	67,000	8,700	10,720	70,110	77,720
Federal Aviation Agency	17,460	17,900	3,940	1,560	21,400	19,460
Health, Education, and Welfare			4,080	4,700	4,080	4,700
Interior:						
Geological Survey			200	200	200	200
Bureau of Reclamation			440	410	440	410
National Aeronautics and Space Administration			50,800	45,800	50,800	45,890
National Science Foundation			5,450	11,750	5,450	11,750
Treasury (Coast Guard)	290	290			290	290
Total	211,290	217,620	99,560	108,780	310,850	326,400

NOTE.—Not all fiscal year 1962 funds are expended within the fiscal year.

Mr. HOLLAND. Mr. President, I thank the Senator from Maine. I shall be glad to move the adoption of the amendment, or to yield to the Senator from Maine to do so.

Mrs. SMITH of Maine. I shall be pleased to have the chairman move the adoption of the amendment.

Mr. HOLLAND. Mr. President, I move the adoption of the amendment, which is a committee amendment, but comes up separately because it is legislation, but such helpful legislation that the full committee felt it should be adopted. I hope the amendment will be accepted and approved by the Senate.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 42, after line 16, it is proposed to insert a new section, as follows:

> SEC. 304. The Bureau of the Budget shall provide the Congress, in connection with the budget presentation for fiscal year 1964 and each succeeding year thereafter, a horizontal budget showing (a) the totality of the programs for meteorology, (b) the specific aspects of the program and funding assigned to each agency, and (c) the estimated goals and financial requirements.

Mr. PROXMIRE. Mr. President, this sounds like an excellent amendment. I shall raise no opposition to it. My only reason for rising is to make certain that the adoption of the amendment will not foreclose my offering of a subsequent amendment to title 3, dealing with an amount to be appropriated.

My parliamentary inquiry is, Will my right to amend the Maritime Administration section of title 3 be in any way adversely affected by the action taken on this amendment?

Mr. HOLLAND. Mr. President, certainly that is not the intention of the author of the amendment or of the committee. What we wish to do is to have positive, affirmative legislation requiring a showing of all the meteorological programs of the Nation, because they do not all appear in one place.

Mr. PROXMIRE. I enthusiastically share that view. It seems to me that this amendment would not bar my amendment; but I wanted to make certain.

The PRESIDING OFFICER. In reply to the question of the Senator from Wisconsin, the acceptance of section 304 now would preclude further amendment to that section.

Mr. PROXMIRE. To section 304?

The PRESIDING OFFICER. To section 304 alone.

Mr. PROXMIRE. Would it affect the Maritime Administration section?

The PRESIDING OFFICER. That is a question of substance and not a parliamentary inquiry.

Mr. PROXMIRE. Mr. President, I ask specifically if this question is in order: Would my amendment designated "10-2-62—B," which is pending, be in order after the adoption of the amendment offered by the Senator from Florida?

The PRESIDING OFFICER. That amendment would not be affected, because it appears on a different page of the bill.

Mr. PROXMIRE. I thank the Chair.

The PRESIDING OFFICER. The question is on agreeing to the amendment on page 42, after line 16, to insert a new section, section 304.

The amendment was agreed to.

Mr. HOLLAND. I thank the Presiding Officer. I want to make it very clear that the amendment was approved in committee at the same time the other committee amendments were approved. I wished to have the Senate clearly understand that this is a legislative amendment and was so regarded by the offerer, the Senator from Maine [Mrs. SMITH], and by the full committee; and that it was unanimously approved by the Committee on Appropriations in such a way that we could have asked for a waiver of the rule. That is the only reason why I wanted the action on the amendment to be taken separately.

Mr. ENGLE. Mr. President, I call up my amendment which is at the desk and ask that it be read.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 26, line 9, it is proposed to strike out "$8,300,000" and insert in lieu thereof "$8,300,000, of which $2,100,000 shall remain available for trade and industrial exhibits until June 30, 1964."

Mr. ENGLE. Mr. President, I have discussed the amendment with the Senator from Florida [Mr. HOLLAND], the Senator from Maine [Mrs. SMITH], and the Senator from Massachusetts [Mr. SALTONSTALL].

The proposed amendment makes a single change in the appropriation for International Activities in the Department of Commerce.

This might be termed a technical amendment, as it does not require any additional funds, but simply extends to the Commerce Department the same no-year funds authority that has been granted to the U.S. Information Agency. The new language states that of the total amount appropriated, $2,100,000 shall remain available for trade and industrial exhibits until June 30, 1964."

The $2,100,000 is already in the amount recommended by the Committee on Appropriations—this is not new money. The change is found in giving Commerce this money as no-year funds.

The most important international trade fairs are held in the fall of the year, many coming in August and September. In order to participate in fall shows, the Department of Commerce must sign agreements for space, start construction, obtain services of designers and incur obligation for other related services at least 6 or 8 months prior to the opening of the exhibits. The exclusion of no-year availability of the funds appropriated in H.R. 12580 would make it virtually impossible to participate in fall fairs, since obligations would fall into 2 fiscal years.

Recognizing this situation, the Congress has already provided no-year fund authority to USIA. In fact, last year I introduced, and the Senate passed S. 1729, which provided like authority to the Commerce Department in mounting their own fairs.

Inasmuch as H.R. 12580 provides funds for Commerce to mount its own trade fairs, it would seem appropriate to add language authorizing the use of this money as no-year funds.

Mr. HOLLAND. Mr. President, the amendment does, of course, involve legislation; but the Senator from Florida felt it was a wise amendment, a commonsense amendment. He has discussed it with the Senator from Arkansas [Mr. MCCLELLAN], the chairman of the subcommittee; with the Senator from Maine [Mrs. SMITH], the ranking minority member of the subcommittee; and the Senator from Massachusetts [Mr. SALTONSTALL], the ranking Republican member of the full committee on Appropriations. Also, I understand that the chairman of the full Committee on Appropriations, the Senator from Arizona [Mr. HAYDEN], has no objection to it.

I hope the amendment will be adopted and for the reasons set forth by the Senator from California [Mr. ENGLE]. It is to the advantage of the Nation to have no time limit, well ahead of the time for the commitment of funds for trade fairs and the other purposes covered by this relatively small amount, which is proper to be committed within 2 years, rather than prior to July 1 of the coming year.

The PRESIDING OFFICER (Mr. HART in the chair). The question is on agreeing to the amendment of the Senator from California.

The amendment was agreed to.

Mr. JAVITS. Mr. President, I wish to address myself to three items in the appropriation bill. I am a new member of the committee, but it happens that we are concerned with a problem which is of the deepest interest to me. In order clearly to mark what I am seeking, I should like to speak about the U.S. Information Agency. In telling the world what we believe in and what we are doing, Uncle Sam, a great giant, has but a pipsqueak voice.

Mr. HOLLAND. Mr. President, will the Senator from New York yield?

Mr. JAVITS. I yield.

Mr. HOLLAND. I do not wish to interupt the Senator from New York unduly, but the chairman of the subcommittee which handles items in this field is not in the Chamber.

I observe that he has returned, so I withdraw my remarks.

Mr. JAVITS. I had the honor of having him come over to listen to me. I invite the chairman to return.

This is a national fault to which I call attention namely, that Uncle Sam, the giant in production, the giant in military power, the giant in world influence, and the giant in almost all other spheres in which mankind operates, speaks to the world with a pipsqueak voice. The difference in this respect between our country and the Soviet Union is so marked as to be most alarming and dangerous.

Mr. President, money is not always a gage of power; but when we realize that we are requiring the USIA to operate with a budget of only $120,500,000, and when it is estimated that the Soviet Union spends four times as much for the sole purpose of jamming the broadcasts of the Voice of America, as USIA spends for the Voice of America, I believe we can begin to obtain some concept of the order of magnitude.

When we begin to appreciate that a nation such as the United Arab Republic does about as much in terms of broadcasting its position and its voice as does the United States of America, there begins to be reason for alarm on our part.

Mr. President, this is not the fault of the committee. It has done its work very ably, and has brought an estimate of $125,500,000 down to $120,500,000. I am not complaining about the committee; I am complaining about the Nation and about the President's leadership. What we are doing in the USIA is completely inadequate to represent the position of the United States in the cold war. In the cold war, we are heavily dependent upon the information the USIA issues in the attempt to compete with the information and propaganda agency of the Russians. But our efforts in this connection are woefully inadequate, and the USIA is being outperformed in every division—in broadcasting, books, publications, the exchange of people, the exchange of professors, the exchange of students, the exchange of those who lecture in foreign places, and in the cultural program of artists—who, after all, constitute one of the greatest show pieces of any nation. For example, let us consider the oversea performances given by the Bolshoi Ballet, as compared with efforts by the United States in any area of the dance—and in the field of music.

In all these fields we are being outperformed; our performance fails very greatly to come close to meeting the competition which we must face; and the result is that we are put at very great disadvantage all over the world.

For example, in the extremely important field of radio broadcasting, the Soviet Union broadcasts 1,088 program hours per week compared with 740 hours per week broadcast by our own Voice of America. In the field of books, the Soviet Union prints and distributes for use abroad approximately 140 million copies. Our own Government effort is something in the neighborhood of 10 million.

I speak of this matter for two reasons. First, I believe that Americans are overly self-conscious about propaganda. We believe that our motives are so honorable, that our desires are so clear, and that our solicitude for the rest of mankind is so evident, that we cannot understand why we have to speak of these things, repeat our statements, and dress them up for worldwide consumption. But the experience of life shows that these thing about what we believe and do must be said and must be repeated and must be advocated and broadcast in order to be heard by people of other countries, let alone to get them to accept what we say.

Let any Senator—especially a new Senator—estimate the number of people in his own State who know him. Just before I was first elected to the House of Representatives, a poll was taken in my congressional district; and it was found that only 19 percent of the people in the district knew the name of the gentleman who had represented that district in the House of Representatives for four or five terms before I took over. In short, in that district most of the people did not know the name of the man who had represented the district in the House of Representatives for 8 or 10 years; most of the people in the district thought someone else was holding that office.

I served in the House for 4 terms. I received a great deal of public notice, and was the first Republican to be elected to Congress from that district, which was overwhelmingly Democratic—in the proportion of two to one— which fact, alone, should have called my name to the attention of the people there. Nevertheless, I found that only one-third of the people in the district knew my name. So we must be aware that stories do not tell themselves. The best evidence of that is the hundreds of millions of dollars, perhaps billions, which are spent on advertising in the United States. This sum is spent to advertise the best products in terms of value and service, and probably the cheapest in price, that many people have had an opportunity to purchase. Nevertheless, these products must be advertised if they are to be sold.

Mr. President, we have received testimony to this effect from David Sarnoff, president of RCA. He is one of the most brilliant strategists for freedom our country has; and he has estimated that in order to do a reasonably good job in the information field, it is necessary to spend approximately 2 percent of the national budget—which in our case comes to about $2 billion. However, our total actual expenditure in this field is only approximately $200 million, or about 10 percent of the amount we should spend in this effort.

We have an enormous private enterprise system; and I would be entirely in favor of making use of that system, through its broadcasting media, its advertising media, and all its other branches, in connection with the U.S. Information Agency program. That would be fine, and it would save the public a great deal of money. However, that is not being done, and it is clear that our country suffers because it does not have a really big, affirmative voice in the world. Its voice in the world is far from being commensurate with our investment of $50 billion in defensive arms, and it is far from commensurate with the $4 billion to $5 billion which we spend in foreign aid. Our entire information program involves only approximately $200 million, and we do not supplement it by using the private sector. In short, we are far from doing the job we should be doing in this field.

However, at the same time we regret that people all over the world believe all kinds of lies about us, and we regret that our image in other countries is not what it should be. Mr. President, we should blame ourselves for that. We are not spending what must be spent in order to correct this situation.

I cannot make the estimates for the Bureau of the Budget; but I think the President has a clear duty and responsibility in this case. I do not criticize him for what has been done. The size of the present program is largely the result of the background in which this work has been conducted ever since World War II.

But now the time has come for us to put our feet on a new high plateau, in order to meet our responsibilities in this field fully. We are not doing that now; and, as a result, we are being seriously hurt in the cold war.

Therefore, Mr. President, I urge—because this is the time and this is the place for us to act, now that we are dealing with the appropriation bill for this agency—that the President and the USIA get together and decide what the U.S. Information Agency needs, and then propose that to Congress. Congress may not agree; but certainly it is the duty of the Agency to propose to Congress an Information Agency program which will really be commensurate with the responsibilities carried by our country in the world. In relation to all of our efforts in the cold war, we are most deficient and backward and inadequate in this particular one, because apparently no one has had the gumption to face the realities, in terms of the necessary cost.

I think we can afford to pay the cost. If we can afford to pay $50 billion for arms, if we can afford a budget of close to $100 billion, and if we can afford the many public works in which we engage, then certainly we can afford to pay the necessary cost in order to build up our strength to the extent required to enable us to win our cold-war struggle against communism, which is attempting to take over the world. Certainly we can afford to spend what must be spent if Uncle Sam is to have a voice commensurate with the size of his effort.

I hope this plea is heeded; and if I am returned to Congress, I shall consider it a great honor to continue to fight for the program.

I should like to state my credentials on this score: I came to the Senate for the first time in 1957, but I am no novice in the field of legislation. I served for 8 years in the House of Representatives, and I previously served as a high official of my State; so I do not claim amateur standing. My first ordeal of battle was when I was new to the Senate. I fought singlehandedly against the drastic cuts then proposed in the program of the USIA. Those cuts were proposed because the majority leader at that time, now the Vice President of the United States, Mr. JOHNSON, was not satisfied with the way a man named Larson was operating that Agency. The result was that the funds for the USIA were drastically reduced.

It was cut, if memory serves me, about 25 percent, or $30 million out of a total budget of $115 million or thereabouts.

In my opinion, that agency has not recovered to this day from the dismemberment of its staff which it suffered at that time.

I fought that cut singlehanded, but I was steamrollered. I knew then that I was right; and I am even more convinced now that I was right.

I say to those who are quick to speak about our imperfections and shortcomings in the international field and who say that we are lagging and falling short, that we are not putting up what it takes, and that we cannot run a triple effort to win the cold war—that triple effort being composed of military, economic, and propaganda effort—by absolutely starving our information agency and getting into a situation where it is now accepted as a fact that that is the way it is going to be; that there is no use talking about it; and that the administration has not the nerve to ask for what it takes to make the effort.

There has been much criticism of many aspects of the program. For example, the informational media guarantee program, which I happen to think is good, is in real disfavor with the committee. I can understand its imperfections. I understand that the agency is going to do its best to correct these faults. But, Mr. President, this is a minuscule aspect of the problem. It is myopia, it is missing the forest for the trees, whether anything is done or not about the difference of $500,000 with respect to the informational media guarantee program. I think a good case has been made for it. The point is that the whole perspective on education and information is completely inconsistent with the power, ambition, majesty, and impact of the United States; and we are paying for it. We are paying for it in the international field in terms of the validity and impact of all the programs we have, and in terms of the fact that the Russians are putting their story across far more advantageously than are we. So are other nations. I have already named one, the United Arab Republics. We are being hurt and prejudiced every day in that regard.

I am reminded of a business story in this regard. When I was a practicing lawyer I attended a meeting of bankers. The bankers were asked for a loan by my client. My client had asked for a loan of $7½ million. The bankers said, "No; we are not going to lend you $7½ million, because it is not enough to do the job that needs to be done. We will lend you either $10 million, which is what it will take to do the job, or nothing. It is either a good proposition, and we ought to give you what it will take to do the job without your being pinched or strapped, or it is not a good proposition and we will lend you nothing."

That is the situation with respect to the USIA. It is not enough to have a relatively weak program—and that is what it is. Either we should have a program which measures up to America's responsibility or we should not have any. This program does not measure up to America's responsibilities, because our fundamental planners, those responsible for the cold war struggle, have not seen the picture in the perspective in which it needs to be seen, and have not asked for the funds and effort that are required for the national security.

I say that affirmatively and in a considerate way. I realize that many Members of the Senate may think I am addressing myself only to some fine idea of mine, something that is not going to happen. I do not agree. I think it is my duty, even if I am the only Senator speaking on it, and whether I am listened to or not, to press this point. Many voices of that character have later proved to be right.

I close by addressing this urgent plea to the President of the United States, the National Security Council, and the Cabinet: Have the courage to bring to the Congress a program for education and information—for propaganda, if you will—which is commensurate with the structure of the programs of the United States in the cold war.

Do not let Uncle Sam have a pipsqueak voice—which is precisely what we are providing for. Give us a substantial program, and one which is deserving, to make sure that we shall be successful in the grim struggle in which we are engaged with communism throughout the world.

Mr. PROXMIRE. Mr. President, I wish to ask the distinguished Senator from Florida [Mr. HOLLAND], who is in charge of the Department of Commerce appropriation part of the bill, questions about two sections of the bill. The first is with respect to the Small Business Administration. Early this year the administration proposed that the ceiling which is now required on appropriations to the Small Business Administration be eliminated so that it would be possible for the SBA to go to the Appropriations Committee and ask for whatever funds the Administration wished.

I want to ask the distinguished Senator from Florida a question in connection with the request of the Administration. I oppose the request of the Administration and I want to make a record in opposition to such requests. I ask the Senator from Florida, if the increase from $227 million to $305 million, or $78 million, is not the largest increase in appropriations which the Congress has ever made for the Small Business Administration.

Mr. HOLLAND. Mr. President, all I can say is that the appropriation recommended this year is the largest that has been recommended in any year since I have handled the appropriation with respect to the Small Business Administration. As to whether this increase is the largest of any one year, I am unable to say without some research.

I can say to the distinguished Senator that there is a quite simple explanation for a part of the increase. The Senator will remember that shortly after the storm of last spring, when a great load of disaster loans was being handled by the Small Business Administration, its funds for normal operations were exhausted.

While we included in the second supplemental appropriation bill of 1962 a very substantial sum for the Small Business Administration, the passage of that bill was so delayed that it did not pass until well into fiscal year 1963. At the time it did pass, it was necessary, in order to pass it, to cut large amounts that had been allowed in the earlier bills, both by the House and the Senate. So a large backlog of approved applications was carried over from fiscal 1962 into fiscal 1963.

I am sure the distinguished Senator is entirely familiar with that situation, because, as I understand, he is chairman of the subcommittee that handles legislative matters for the Small Business Administration.

Am I correct in that understanding?

Mr. PROXMIRE. The Senator is correct.

Mr. HOLLAND. So I am sure the Senator is familiar with the dilemma with which the Small Business Administration was confronted.

That is the most complete explanation I could give for the increase in the appropriations. There might be added to that statement the fact that several new functions have been entrusted to the Small Business Administration in the last 2 or 3 years. I am sure the distinguished Senator knows about them, because, as I say, he handles the legislation for that agency. Those new functions are resulting in a greater volume of work.

The budget has been carefully handled. I am sure it was carefully heard and considered by the Senate committee. It had been handled with equal care by the committee of the House, which has not been noted for its profligacy, and which allowed the full amount that was allowed by the Senate. I believe that was $300 million. The same amount was allowed by the two Houses.

I am completely in sympathy with the Senator's attitude that we should proceed with caution in enlarging an activity, no matter how beneficent we believe it is. Hearings were carefully held.

The amount contained in the bill has been completely justified, particularly in view of the large backlog of approved applications carried over from fiscal year 1962 into fiscal year 1963.

Mr. PROXMIRE. I thank the Senator. In the first place, there is recommended an increase of $6.7 million in administration, which is a perfectly enormous proportionate increase.

As I read the justifications, I can see that there has been some justification for the increase, but it is a perfectly enormous increase, and the same is true of the amount to be made available for regular business loans.

On the basis of having looked at other appropriations and authorizations, it seems to me that this represents probably the fastest growing civilian agency of our Federal Government in proportion. There are some bigger agencies which might have had a somewhat larger absolute increase, but in terms of proportions this is one of the fastest growing agencies, and perhaps the fastest growing agency of the Federal Government.

Mr. HOLLAND. I am sure the Senator is substantially correct. I remind the Senator that while this is a civilian agency, handling loans to civilian enterprisers, many of those people are rendering contractual or other services to the defense branches of our governmental activities.

The Senator knows, of course, that under legislation passed about 3 years ago, there was a provision for field service officers of this agency to give advice and help to small business firms so that they could bid to better advantage on defense contracts.

One of the activities—and I am sure the Senator from Wisconsin has been entirely sympathetic with that activity—has been to provide, through this agency, greater opportunity to small business to participate in defense contracts and similar contracts, such as those under NASA and the like.

Mr. PROXMIRE. I wholeheartedly approve of that, but we must recognize, in all fairness, that much of the personnel for that particular program comes under the Defense Department. That personnel is included in the appropriations for the Defense Department.

Mr. HOLLAND. The field service officers are not.

Mr. PROXMIRE. That is true. There are some personnel in that field. That is one of the finest parts of the program. It is economical and accounts for a very small proportion of the total cost.

I should like to ask the Senator a series of very brief questions.

I ask if it is not true that in each case the Appropriations Committee cannot possibly look into the policy questions, and must rely on the authorization committee to look into the policy questions, to make its decision, and to limit the authorization based on what ever legislative policy decision is made?

I point out first to the Senator that since the beginning of the Small Business Administration there have been made some 25,000 loans, though there are a total of 4½ million of small business firms. Therefore, only one-half of 1 percent of the total of small businesses have received any advantage from the SBA by borrowing money.

With that in mind I ask the Senator if this kind of question can be decided by the Appropriations Committee, so as to limit the appropriations, or whether it is not properly a decision to be made by the authorization committee?

First, there is the question as to whether the Small Business Administration should continue to lend half of its total funds in large loans to a relatively small number of firms. More than half of the dollar volume of loans dispensed by the Small Business Administration has been in loans of more than $100,000. These loans have gone to only 10 percent of the firms receiving loans from the Small Business Administration.

Is this not a decision to be made by an authorization committee? Is it not proper that such a committee should make that kind of decision at regular intervals, and limit the authorization based on the decision which is made?

Mr. HOLLAND. I would certainly reply in the affirmative. The Appropriations Committee must rely upon legislation and recommendations coming from the legislative committee, of which the Senator from Wisconsin is a member.

My belief is that we have followed with accuracy and completeness the legislation approved, after clearance in the legislative committee.

As to the number of borrowers and the fact that they are a small proportion of the total number of firms of the Nation, I think that fact reflects a sound situation, because the Small Business Administration makes loans which cannot be procured in the ordinary channels of trade and commerce from banking facilities, and brings relief and help to businesses which need such help, yet which give promise of soundness and ultimate permanency and solvency.

I think the fact that a relatively small percentage of the total number of businesses in the Nation have procured loans is rather eloquent testimony to the fact that in general our Nation has been in sound condition and that only a small percentage of the businesses have had to turn to the Small Business Administration, for which I am grateful.

Mr. PROXMIRE. Is it not true that many small businessmen feel that a small business loan is somehow connected with an awareness of influence with a Member of Congress and that Members of Congress are able to obtain the money for them? Undoubtedly a very large proportion of the 25,000 loans made over the past several years have been made based on at least some congressional interest having been shown.

I am not saying that this is necessarily wrong, but I am saying that the money does not necessarily go to the 25,000 firms which most urgently and desperately need it on the basis of merit. Instead, it is provided on the basis of which firms have lawyers or know Representatives in Congress or Senators, or perhaps both, and therefore are in a position to bring pressure for getting Government money under the circumstances.

Mr. HOLLAND. The Senator is correct in his implication that many of the borrowers—in fact, most of them—go to their Representatives in Congress or Senators or both. I think it would be unfair for the record to be left in such a position as to indicate that that was all that was necessary.

Mr. PROXMIRE. Of course not.

Mr. HOLLAND. My own experience in connection with potential borrowers in my own State has been that the Small Business Administration by no means grants all the loans for which applicants have cleared either through my office or the office of my colleague in the Senate, or both, or who have cleared through the offices of some of the Representatives in Congress from Florida. I think the Administration handles the cases pretty soundly, on their merits.

Mr. PROXMIRE. I agree. The difficulty is that large numbers of loans are going to businesses like motels, bowling alleys, additions to doctors' offices, and so on. There is no limit. The result is a scattershot effect for a few people who want to work through their Senators or Representatives in Congress to get the money. The really beneficial effect for needy small businesses is very small.

Furthermore, no attention is paid to the fact that in many areas of the country the banks are fully capable of doing an adequate job of financing, and are willing to do it.

It seems to me that by confining the areas in which the Small Business Administration should make its funds available somewhat, by limiting them, by providing some guidelines with regard to Government capital at low interest rates, so that it would be made available in a more limited way, we could provide a service for small business. Otherwise, it seems to me, a very good argument could be made that this agency, which has helped only a very small proportion of small businesses, with no real relation to national growth or anything else, might as well be wound up, so far as loans are concerned, and might concentrate on procurement, business counseling, and other fields.

Mr. HOLLAND. Mr. President, the Senator's opinion on such questions is vastly better than my own, because his attention is addressed to the legislative side of this activity. We shall certainly be bound by any legislation which he recommends, which is passed by the Congress and signed by the President. I am here now simply to answer questions, if I can, about the appropriations.

The budget request has been reasonably well handled. The fact that it has been approved in the form requested by both Houses, after very long hearings, would indicate it is a pretty soundly based request. The fact that there was a heavy holdover from fiscal year 1962 business accounts in the main for the increase in size of the appropriation and of the budget request.

I am thoroughly in sympathy with the Senator's feeling that the problems he mentioned should be studied and restudied. From time to time the studies should be brought up to date by the committee of which he is an able member and the Senate committee of which he is the able chairman. But as to whether or not those laws should be changed, is a question that is much more within his knowledge and much more certainly within his jurisdiction than it is within the knowledge and jurisdiction of the Senator from Florida.

Mr. PROXMIRE. The point the Senator from Wisconsin makes is that it would be a great tragedy if we should forego the authorization process. This year the committee decided, over my strenuous objection, to forego it to the extent of authorizing every other year. In other words, we will authorize for a 2-year period instead of every year. If we go further than that, I believe it would be a serious mistake.

Mr. HOLLAND. I agree with the Senator. I am opposed to open-ended authorizations for money. The legislative committees have a responsibility to authorize from time to time, and over such periods as they think best, and to recommend proposed legislation in that field. I do not believe in open-ended, longtime authorizations for this or any other agency.

Mr. PROXMIRE. I thank the Senator.

Mr. President, I call up my amendment "10-2-62—B," and ask that it be stated.

The **PRESIDING OFFICER.** The amendment of the Senator from Wisconsin will be stated.

The LEGISLATIVE CLERK. On page 30, line 12, it is proposed to strike out "$64,200,000" and insert in lieu thereof "$50,000,000".

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Wisconsin.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. MANSFIELD. I have had some conversations with the Senator from Wisconsin, the chairman of the subcommittee, the minority leader, and other Senators. I ask unanimous consent at this time that there be a limitation of 1 hour on the amendment now pending, 30 minutes to be allocated to the Senator from Wisconsin [Mr. PROXMIRE] and 30 minutes to the chairman of the subcommittee, the Senator from Arkansas [Mr. MCCLELLAN].

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana? The Chair hears none, and it is so ordered.

Mr. MANSFIELD. It is my understanding that at the conclusion of the period authorized by the unanimous-consent agreement there will be a yea-and-nay vote on the amendment of the Senator from Wisconsin.

Mr. PROXMIRE. I thank the Senator. I will do my very best to conclude in less than a half hour.

Mr. MANSFIELD. Mr. President, since the amendment of the Senator from Wisconsin deals with a line item, perhaps the Senator from Florida should have control of the time.

Mr. HOLLAND. Mr. President, either way would be acceptable to me.

Mr. McCLELLAN. I suggest that the Senator from Florida be given control of the time. I may have to go to a conference.

The PRESIDING OFFICER. The Chair understands that the time will be under the control of the Senator from Florida [Mr. HOLLAND].

Mr. PROXMIRE. Mr. President, the amendment would reduce the appropriation for Maritime Administration ship construction from $64,200,000 to $50 million. Fifty million dollars was the amount contained in the first budget estimate. The House recommended $50 million. However, since that time the administration has submitted a request, which the Senate committee has approved, for an additional $14,200,000, not to build more ships, but to provide an opportunity to build on the west coast some of the ships authorized and to build ships that will be somewhat larger, apparently, although I must say that the justification seems to be very limited indeed. I read from the justification:

> 1. Construction-differential subsidy costs: The original 1963 program as presented in the budget justification was tentative and was based on building four ships for Grace Line; seven ships for Lykes Bros. Steamship Co.; and seven ships for U.S. Lines. The revised program results from identification of specific ships to be replaced. Lykes Bros. proposes now to build four 20-knot ships for trade route 22, gulf to Far East, in lieu of seven 18-knot ships for trade route 15, gulf to south and east Africa. U.S. Lines originally proposed to construct seven ships for trade route 5, North Atlantic to United Kingdom and Ireland; however, they have now modified their program to five ships for trade route 16, North Atlantic to Australasia service. A review of the trend of commerce on the trade routes served by these companies indicates that the interest of the company and the Government will be better served at this time by construction of the ships in the revised program.
>
> The downward revision in the number of ship replacements for Lykes and U.S. Lines permits us to provide, within the 18-ship program total, for the replacement of 2 ships for American Mail Lines and 3 ships for American President Lines.

The justification admits that the increase in the requirement results first, from more expensive-type ships being built than the original program proposed and, second, it would increase the number of contracts from three to five, with a lesser number of units per contract, thus increasing the unit cost per ship. The justification continues:

> Both of these companies are west coast operators and the possibilities are that their ships will be successfully bid by west coast shipyards. Accordingly, the modified program is better balanced in that it will result in five construction contracts in lieu of three, making possible a better geographical distribution of the contracts.

Mr. President, this is an element of Government subsidy which I think is highly questionable.

Recently a very excellent book was written on the economic value of the U.S. merchant marine by Ferguson, Lerner, McGee, Oi, Rapping and Sobotka. It is interesting because this particular book was written on the basis of a subsidy from a committee of American steamship lines. The results that the book shows in terms of the economic value of the merchant marine are very revealing. I read from a book review:

> The quality of its research is high indeed; it is a fine example of fruitful, so-called team research; and it demonstrates that a study, requested and financed by people who no doubt hoped for findings favorable to their interests, can and will be published despite conclusions damaging to their position. Both the Transporation Center at Northwestern University and the Committee of American Steamship Lines (the financiers) deserve congratulations upon the publication of this book.
>
> For many years, some advocates of a subsidized merchant marine for the United States have claimed that, aside from its value as the "fourth arm" of national defense, the subsidized merchant fleet makes a significant economic contribution to Americans. They have no doubt been annoyed by the summary dismissal of this contention by those who merely point to the necessity for payment of a subsidy as sufficient proof that the industry makes no economic contribution within the generally accepted meaning of that term.
>
> Ferguson and his associates certainly cannot justifiably be accused of undue brevity or superficial analysis in their assessment of the economic value of the American-flag merchant marine, even though they confine their study primarily to the subsidized ocean liner industry and exclude the military value of the merchant marine from their definition of economic value.

This analysis also summarizes one of the conclusions of the authors, which is as follows:

> Thus, briefly, there appears to be little net economic contribution to the United States by the subsidized liner firms or deriving from the subsidy program. The operation of the reserve fleet in mitigating shipping crisis is the only major exception to these gloomy conclusions. Their validity is, of course, subject to any imperfections in the analysis, to inadequacies of the data, and particularly to the choice of criteria.
>
> For a program costing the Federal Government about $120 million annually for operating-differential subsidies and a total (over several years) of $1.5 billion to $2 billion for the replacement of vessels, these are certainly "gloomy" conclusions.

That would not be affected in any way whatsoever by the amendment of the Senator from Wisconsin.

Mr. President, the study to which I have referred was paid for by the shipping interests themselves. It confirms the position which many of us have taken for some time that the subsidy is unsound and does not contribute economically to the United States. As I will indicate, I think this is a poor way to provide for effective national defense.

I quote from the summary:

> The construction subsidy is paid not to the liner operator but to the shipbuilder to cover not more than 55 percent of the cost of an approved vessel.
>
> The Government takes old vessels in trade and holds them out of service in the reserve fleet. The Government also guarantees approved mortgages and provides extensive tax relief on funds specifically earmarked for future ship construction.
>
> In recent years the direct costs of the operating subsidy have been in the neighborhood of $120 million annually. If the construction program to replace the present war-built fleet is carried out as planned, the total subsidy cost to the Government of that part of the program will approximate $1.5 to $2 billion (at present prices) over the decade of the 1960's.

The significance of the findings is emphasized as follows:

> There is at present a requirement that the American-flag operators use ships built in the United States. Assuming that there is a military justification for an operating fleet, it does not necessarily follow that there is a similar need for a mobilization base in shipbuilding or, if there is, that is best served through the present construction subsidy. Until the beginning of the replacement program, only a small fraction of postwar shipbuilding was for the account of the subsidized operators (table II–7). The construction subsidy over the next several years will require a major portion of the total subsidy budget; perhaps if it were spent on naval vessels or other weapons, the nearly $2 billion would have more military value.

I agree with that. I emphasize again that only a small fraction of the shipbuilding was for the account of the subsidized operators, and none of this subsidy is necessary to help the shipbuilding industry. That is based on the conclusion of able scholars, who are subsidized by the maritime interests themselves.

They go on to state:

> Stretching the replacement program out over a longer period of years would reduce the financial burden on the liner companies and diminish somewhat the fluctuations in the demand for commercial shipbuilding, which together might be of some benefit to the shipbuilding industry. Further, by extending the economic life of the fleet, such extensions would reduce American costs (social as well as private).

Any of these measures would reduce the economics cost of the subsidy program. Further, if they should be politically feasible, the first three probably would not reduce the size or quality of the merchant fleet.

Furthermore, this very extensive study by five able scholars—once again I state that they were subsidized by the shipbuilding interests themselves—found that the fleet is now uneconomically big. We are now being asked to spend $64,200,000 or $14 million above the $50 million that the administration originally requested, to make it even bigger.

These five scholars go on to state that "the industry is now beginning a major new investment program which would not need to be undertaken if a policy of curtailing the fleet were introduced."

I ask unanimous consent that a table which shows the Government funds, the internally generated funds, the funds available for construction, and the gap which will have to be filled by the subsidy for the years 1959–69 be included in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE III-22.—*Summary: Conservative assumptions, 1959–69*

[In millions of dollars]

	Total 1959–69	1959	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969
Requirements	3,138	154	433	363	374	506	297	259	143	198	121	290
Government funds:												
Construction subsidy	1,569	77	216	182	187	253	148	130	72	99	60	145
Trade-in allowances	246	14	21	33	34	46	27	19	13	18	11	10
Operating subsidy	1,591	128	131	134	138	141	144	148	151	155	159	162
Internally generated funds:												
Income after taxes (less operating-differential subsidy and debt retirement)	(1,167)	(51)	(64)	(73)	(85)	(97)	(107)	(119)	(127)	(137)	(147)	(160)
Depreciation	750	39	48	53	59	67	72	77	79	82	84	90
Dividends	(198)	(18)	(18)	(18)	(18)	18	(18)	(18)	(18)	(18)	(18)	(18)
Funds available for construction	2,791	189	334	311	315	392	266	237	170	199	149	229
The gap: Requirements minus funds available	(347)	35	(99)	(52)	(59)	(114)	(31)	(22)	27	1	28	(61)
The gap, cumulated		35	(64)	(116)	(175)	(289)	(320)	(342)	(315)	(314)	(286)	(347)

Sources: "Requirements, Construction Subsidy and Trade-in Allowances," table III-3. Operating subsidy, income after taxes, depreciation, table III-18. Debt retirement, dividends, the "gap," and the "gap," accumulated, table III-20. Funds available for construction, computed.

Mr. PROXMIRE. Mr. President, one fact stands out, and that is that "the entire subsidy program promises to become more expensive in the future than it has been historically." This is what these men have written. They go on to state:

> The subsidies can be expected to total something in the vicinity of $3 billion over the decade of the 1960's under present plans.

They finally conclude by pointing out that there are other ways in which the cost can be cut down. Others would be:

> Stretchout construction over a longer period. The advantages of a stretchout are that operators have more time to raise the funds they need for their new construction obligation and the total capital costs per year are reduced.
>
> Permit some American-flag shipbuilding in foreign yards. This alternative would reduce the Government expenditures since no construction subsidy would be required. Moreover, to the extent that foreign costs are more than 50 percent lower than American costs, American shipping firms would save money.
>
> Increase further the statutory life of vessels from 25 years, and permit longer term financing to be undertaken. The advantage of increasing the length of the mortgage is that the annual cash charges would be reduced. By reducing annual depreciation, income would be made higher.

In view of the fact that the administration originally recommended a $50 million subsidy—and I think that is too much—and in view of the fact that the House has voted to appropriate $50 million, that $50 million should be adequate under the circumstances.

I realize that the east coast shippers as well as the Pacific coast shippers have agreed to this increase. Of course they have. Although a substantial amount of the construction would be on the west coast, they agreed to it because it is only realistic to assume that the east coast shippers will expect that in the future there will be cooperation on the part of the west coast shippers to make sure that more expensive and larger ships will be built on the east coast.

None of these ships will be built in the Middle West. The rest of the country is being taxed more heavily than east and west coast to provide for a subsidy which, on the basis of the most expert, objective professional analysis we have available, cannot possibly be justified. I do not know how we can qualify experts more completely than that they are making a study which has been paid for by the shipbuilding industry itself.

I yield the floor, and reserve the remainder of my time.

Mr. HOLLAND. Mr. President, the amendment offered by the Senator from Wisconsin and the Senator from Ohio would cut from the bill the $14,200,000 which was added to the House bill by granting a supplemental budget item submitted by the Bureau of the Budget, which sought to change the nature of the ship replacement program for this year.

The change requested was a very simple one. The ship replacement program was an 18-ship program, mostly on the Atlantic and gulf coasts. The Maritime Administration found—and incidentally, the whole maritime industry supported that finding—a far greater need for these new ship replacements on the Pacific coast at this particular time than there was on the Atlantic and gulf coasts.

Therefore, for 5 of the 18 ships the Bureau of the Budget requested this additional fund of $14,200,000, to pay the difference in the Government's share for those 5 ships, because of their being considerably larger ships, as compared with the Government's share for the 5 ships originally programed. The facts seem to be that the need for adequate shipping is greater at present in the Pacific, that the need for larger ships exist there, and that the need was so well recognized that even the shipping companies which had commitments for the 5 ships to be built on the Atlantic and gulf coasts were glad to yield, because they thought it presented a more balanced program.

I speak with some knowledge of the yielding, because one of the firms happens to be the Lykes Bros. firm, which is composed of very excellent people from my State and the States so well represented by the Senators from Louisiana and by the Senators from Texas, and other able and distinguished Senators. They felt that it was in the interest of our public security and a better balancing of our maritime fleet to yield to Pacific lines, along with another company, some of the ships which would have been put under contract this year with them for the building of the ships according to the pattern that is needed there, which is larger ships of greater capacity for the handling of that kind of trade.

That is the whole story.

We have not approved any unbudgeted items. We were strongly urged to approve another item, for the remodeling of four passenger ships. My personal view was that it would have been in the interest of solvent operation of the two lines that were affected if that request had been granted. However, the committee, after surveying the whole question, declined to grant the request; and also declined others which were not budgeted.

Some of these were in this field and some in other fields. We felt that when an important agency is established to determine what the needs of the Nation are under existing law and to recommend to us how those needs should be met, and when it supports its request not only by thorough justification but also by joinder in the request by the lines which were losing replacement ships for this particular year, the committee should heed the recommendation of the official agency set up, not by the Appropriations Committee, but under legislation recommended by the Commerce Committee and enacted many years ago. It has been modified from time to time.

The Senator from Florida believes there is only one reasonable course to follow, and that is to try to determine whether the recommendations of the Bureau of the Budget and the request of the agency affected are well justified and, in this instance, show themselves to be within the pattern of the best service of the Nation. The committee has so decided and so recommended.

I say again what I said a few minutes ago to the distinguished Senator from Wisconsin. I think his argument in this case, as it was in the case of the Small

Business Administration, is largely as to the nature of the legislation, largely as to the nature of the law which now exists, and as to which the two Committees on Appropriations are merely seeking to apply to the facts as presented to them by the agencies affected and by the Bureau of the Budget.

The House Committee on Appropriations did not have before it the supplementary request program for a transfer of funds for these ships to the Pacific. That had not been published at the time they conducted their hearings. The procedure has been completely regular; the proof has been strong. A case has been made. The recommendation of the Senate Committee on Appropriations speaks for itself. We have no interest different from that of other Senators with respect to the prominence of our flag on the seas in commerce. We are only trying to carry on under the provisions of the law now on the books, which seeks to safeguard the future of our Nation in this field, by having available relatively new ships, relatively fast ships, so protected by modern methods of compartmentalization, and the like, as to be readily useful as transports in the event we should unfortunately be brought into armed collision with any other nation in the world.

The Senator from Wisconsin is within his rights in objecting to this item; but I wish to have it clearly appear that what we are doing is approving the study of the Maritime Administration, approving the recommendations of the President and the Bureau of the Budget. We are not doing so in a perfunctory manner. We have rejected some recommendations because we believed that they were not sufficiently supported. In this instance, we thought they were well supported. That is why this item was placed in the bill.

Mr. PROXMIRE. Was there any justification for using bigger ships on this particular run because it was on a Pacific route? Why would the fact that it was being operated on a Pacific route require a bigger ship? The same number of ships is being built, but an additional $14 million is being spent on these 18 ships. Why is it necessary to build bigger ships? The Senator has justified the increase on the ground that bigger ships are being built.

Mr. HOLLAND. It is because the Pacific trade uses bigger ships. That is, the ship must be adapted to the Pacific trade. I suppose it is because the distances are much greater, the time away from home port is much greater, and the necessity for hauling a larger cargo exists. I could not give the Senator all the answers, because I am not an expert in the field. But when the Maritime Administration created under legislation enacted by Congress, and to which Congress has entrusted the protection of the national security in this field, tells us that larger ships are required for the Pacific trade; and when I learn the same thing after talking with the representatives of some of the shipping lines which operate in the Atlantic, I am not inclined to differ with them or to set up my judgment against theirs. I think we must rely upon the recommendations of the trained men, the men we place in positions of responsibility, as to the kind of ships needed for a particular trade. They say—and when I say "they," I mean the Maritime Board and the Bureau of the Budget—that a larger type of ship is required for the Pacific trade.

Mr. PROXMIRE. But when those trained men made their initial recommendation, they recommended $50 million and recommended that the ships be built. The ships apparently were not to be so large. It was that recommendation which the House approved.

I am wondering how this change can be justified, in view of the fact that it amounts to an increase of $14 million. There should be a substantial reason for their having taken one course initially, and later taking another course. If the first recommendation was wrong, why did we accept it?

Mr. HOLLAND. If the Senator will turn to page 81 of the side slips, he will find a compilation of why that was, in connection with the testimony of the Maritime Board. It shows the original program, made some time ago. These budgets are always compiled more than a year ahead of time, and are then shaped up into final form about the late fall of the year before they come before the committee.

Under the original program, 18 ships were recommended to be replaced, those 18 ships being for 3 Atlantic operators—7 for the first, 7 for the second, and 4 for the third.

Perhaps as much as 2 years later, the program was revised. I do not have the exact time; but the Senator will find how it was revised, and will also note the difference in the cost items. If he will read the cost items in the skillful testimony presented to the committee, and also presented in the justifications, he will find that the larger ships cost more money but also meet the need for the trade in the Pacific, a need which would not be made by the smaller type of ships which are used in the Atlantic.

Mr. PROXMIRE. With all good humor I read this justification, and it seems to me it is very thin.

Mr. HOLLAND. The facts are shown clearly in the hearings. The testimony on the original program is shown. That was a part that was retained. Lykes Bros., instead of getting seven replacement ships under this program, are getting four. The United States Lines, instead of getting seven, are getting five. The American Mail Line will get two. The American President Line will get three. All of them were not in the original program.

The Grace Line was to get four under the first program. It retained all four under the revised program.

If we are to impose an absolute condition upon the Maritime Commission or any other Government agency, that it must with finality state its needs more than a year ahead of time as they will exist at the time the bills are pending in Congress, we will not be well served by them; and my belief is that we will not serve the country to the best advantage. The fact that there is some change in the approach with respect to 5 ships out of 18 does not indicate to me any negligence or want of knowledge. To the contrary, it indicates that they are trying to revise their views in connection with changing facts, as they move from one year to the next. Certainly the witnesses made a strong case for the change.

Mr. PROXMIRE. In making the case, did the witnesses say anything about the cost per ton-mile? Did they indicate anything about the speed? Did they relate the cost per ton-mile to speed, so that there would be some basis for determining whether the change was justified? Did they show that there was a traffic need in the Pacific which would justify this change? Did they indicate that the change was needed in the national defense? Did they indicate why it was necessary to have more ships on the Pacific run than on the Atlantic run?

Mr. HOLLAND. They showed that five replacements were needed now in the Pacific; and the size of the ships proposed in the bill in those five cases was as shown by the testimony. They did not give all the details.

The Government provides a maximum of 55 percent of the replacement cost. For that consideration, it gets new ships, it gets faster ships, it gets ships better built to meet the need of military transportation in the event there should be a need later. Of course, there is also attached the condition that the ships shall become immediately available to the Government for Government use if they are needed. So the Government gets some consideration for the very large investment it makes.

Mr. PROXMIRE. I realize that; but were not the cost factors brought out in the study? On the point of speed, a relatively modest 16 knots, this very careful study indicates that it has been found more expensive to operate a ship at a faster speed than at a slower speed. The cost is greater, not less. This may sound contradictory, but there was much testimony and study to support that basis.

Mr. HOLLAND. I think that is correct, generally speaking; but that does not change the fact that in the event of a military emergency, our Government would want fast ships, both to transport quickly the necessary freight, and also to be less vulnerable to submarine and air attack.

I think it is understandable that the military authorities want faster ships and better built ships, so they can be used better for military purposes—better ships than those which would be built if the freighting companies built ships only for the purpose of meeting their present needs in connection with transporting freight in peacetime from one point to another.

Mr. PROXMIRE. Of course, if this were a military program——

Mr. HOLLAND. It is largely that.

Mr. PROXMIRE. In that event, why not have them built in foreign shipyards, with a resulting great saving in cost, and, in addition, have the 55 percent built specifically and exclusively for the purpose of military operations?

Mr. HOLLAND. Again, Mr. President, the Senator from Wisconsin is complaining about legislation which is already on the books. The law requires, as a part of our military planning, that our shipyards be maintained in an active status, so they can be used in the event of a war emergency.

Senators well remember the time, a few years ago, when it was necessary, following Pearl Harbor, to build many ships in a hurry. But if the suggestion of the Senator from Wisconsin were followed, with the result that these ships would be built—at less cost—in foreign yards, the result would be that our own yards and shipbuilding facilities would deteriorate and close, and that would be contrary to existing law.

But even if the law should—according to the opinion of the Senator from Wisconsin—be changed, the time to attack it is not now, when we are dealing with the appropriation bill and the appropriations which are our responsibility in this field. Such an attack should be made before the Commerce Committee and the other committees which deal with the basic legislation to which these appropriations relate.

Mr. PROXMIRE. One of the justifications given for the $5 million increase is that the ships could then be built in west coast shipyards, and presumably one of the reasons would be to keep those yards open and busy. But the authoritative studies—subsidized by the shipbuilding companies—shows that the contribution made by having these particular ships built in west coast yards, in terms of keeping them busy, would be almost nil. So we do not have to be very much concerned about that point, in view of the study made by the shipbuilding companies themselves.

In addition, I should like to ask whether any evidence was adduced in regard to the rate of replacement—in other words, whether it is necessary to replace these ships now, and that therefore it is necessary to make a last-minute request of Congress for these appropriations. The request came to the Senate committee after the House acted on this measure.

Mr. HOLLAND. There was a showing of greater need in the Pacific yards, as compared with those on the Atlantic coast; and the supplemental budget item came to us on July 23, which was after the House had acted on the bill.

Nearly all the points the Senator from Wisconsin has made so well and so skillfully may properly be considered by the Senate and by the Nation; but I do not think they are valid points to be made at this time, and thus to hold up the action of the Senate on the bill appropriating the funds needed in order to carry out our present program. We or our predecessors established this program, and it was believed necessary for the Nation's welfare. So far as I know, no suggestion has yet been made by way of legislation to change it.

So the question is whether the Senate is now to proceed with the exercise of its duties in connection with making the necessary appropriations for the established program—drafted by very expert and knowledgeable persons, and duly enacted by Congress. It seems to me that if the Senator from Wisconsin believes the existing program is wrong, he should have drafted, between now and the first of the year, proposed legislation to change the law in the particulars in which he believes it should be changed. So far as I am concerned, I shall be glad to consider that question with him.

I voted, as he did, to end the 6-percent differential for the Pacific yards, as against those on the Atlantic coast and the gulf coast.

I am sure that both of us are equally interested in economy and in the security of our country. We or our predecessors established this basic legislation in the interest of the security of the country.

If the Senator from Wisconsin believes the proposed expenditure of $14,200,000 would be negligible in aiding these shipyards, that would seem to indicate that the yards on the Pacific coast can live without having any business to do. But I do not think that is a valid conclusion, because they must have business if they are to continue to exist; and I know the Senator from Wisconsin realizes that these very shipyards were among those which rendered the country such excellent service during World War II.

In my opinion, the Senator from Wisconsin should direct his patriotic suggestions to proposals to amend the existing legislation, instead of thwarting the chosen officials of our legally established agency which is charged with the responsibility of carrying out the provisions of the law which Congress enacted for the purpose of better securing and protecting the Nation.

Mr. PROXMIRE. But does not the Appropriations Committee consider the replacement cycle? Is it not proper for the Appropriations Committee to consider it, and also to consider whether, when the maritime authorities recommend these additional expenditures for replacement of these ships with new ships built on the west coast, that the committee should consider whether in fact such replacements should be made?

The expert testimony shows that the cycle can easily be extended, and that the ships have a longer life than that claimed. If the Appropriations Committee believes that is true, certainly it can properly decide that less than the amount requested is needed, and that can be an appropriations-level decision, not a decision at the legislative program level.

Mr. HOLLAND. In the past 10 years or more, while I have been a member of the Appropriations Committee, it has frequently made such decisions. But the committee thought it did not have the information it needed in order to make such a determination. The committee did not have access to the book the Senator from Wisconsin has before him. It may be accurate, but it was not available to the committee. However, the committee held full hearings on this measure.

I think the Senator from Wisconsin knows that the committee conducted its hearings and finished them about 2 months ago. Since then, the committee has been waiting for an opportunity to bring this measure before the Senate; and in the meantime the committee has taken up supplemental matters. So we have not been negligent in the performance of our duty, and we have not been careless in connection with the showing made.

We think the Senator's suggestions may have merit, in terms of the work of the legislative committee. But certainly they should not succeed in preventing our committee from living up to its responsibilities under the existing law, particularly in view of the fact that that law was enacted for the purpose and the objective of serving the security of the Nation.

Mr. ERVIN. Mr. President, will the Senator from Florida yield?

The PRESIDING OFFICER (Mr. BURDICK in the chair). Does the Senator from Florida yield to the Senator from North Carolina?

Mr. HOLLAND. If I have additional time available, I am glad to yield to the Senator from North Carolina.

Mr. ERVIN. Mr. President, the Department of Justice was wise in determining that a new psychiatric prison should be established for Federal prisoners. It was also wise in selecting as the site a tract of land located near Camp Butner, N.C. I cannot conceive of any more ideal location for a prison of this kind. At Camp Butner is one of the great hospitals in North Carolina for the treatment of the mentally ill, and members of the staff of that hospital will be available for consultation with members of the staff of the new Federal psychiatric prison.

A few miles away, at the city of Raleigh, N.C. is another of the great hospitals in North Carolina for the treatment of the mentally ill; and the staff of that hospital will be available for consultation with the staff of the proposed psychiatric prison near Camp Butner.

In addition, only a few miles from the site is located the hospital of the University of North Carolina Medical School and also nearby is the hospital of the Duke University Medical School; and these hospitals have very competent staffs in the field of psychiatry.

So the Department of Justice was wise in the selection of this site.

As a citizen of North Carolina and as a Member of the Senate interested in this problem, I want to thank the able and distinguished Senator from Arkansas [Mr. MCCLELLAN], the able and distinguished Senator from Nebraska [Mr. HRUSKA], and the other members of the subcommittee and the members of the full Appropriations Committee for adding the item to the appropriation as authorized by the House bill for the purpose of constructing the Federal psychiatric prison. It will be a wise expenditure of public funds and will serve a most useful need for the country in years ahead.

Mr. PROXMIRE. Mr. President, I yield myself 1 minute.

I ask unanimous consent that the justification printed in the memorandum relating to the amendments, on pages 81 and 82, be printed in the Record.

There being no objection, the justification was ordered to be printed in the Record, as follows:

Justification

The following table compares the original budget request for funds for the 18-ship replacement program with the revised requirements:

[In thousands of dollars]

	Original 1963 program		Revised 1963 program		Difference	
	Number of ships	Amount	Number of ships	Amount	Number of ships	Amount
1. Construction-differential subsidy:						
Lykes Bros. Steamship Co.	7	$33,000	4	$21,400	−3	−$12,200
United States Lines Co.	7	35,700	5	26,750	−2	−8,950
American Mail Line, Ltd.			2	12,200	+2	+12,200
American President Lines, Ltd.			3	19,050	+3	+19,050
Grace Line, Inc.	4	23,000	4	23,000		
Subtotal	18	92,300	18	102,400		+10,100
2. National defense features				1,800		+1,800
3. Acquisition of replaced ships		10,800		14,400		+3,600
Total cost of ship replacement program		103,100		118,600		+15,500
Carried forward from fiscal year 1962		56,250		57,550		−1,300
Appropriation requirements, 1963		46,850		61,050		+14,200

1. Construction-differential subsidy costs: The original 1963 program as presented in the budget justification was tentative and was based on building four ships for Grace Lines; seven ships for Lykes Bros. Steamship Co.; and seven ships for U.S. Lines. The revised program results from identification of specific ships to be replaced. Lykes Bros. proposes now to build four 20-knot ships for trade route 22, gulf to Far East, in lieu of seven 18-knot ships for trade route 15, gulf to south and east Africa. U.S. Lines originally proposed to construct seven ships for trade route 5, North Atlantic to United Kingdom and Ireland; however, they have now modified their program to five ships for trade route 16, North Atlantic to Australasia service. A review of the trend of commerce on the trade routes served by these companies indicates that the interest of the company and the Government will be better served at this time by construction of the ships in the revised program.

The downward revision in the number of ship replacements for Lykes and U.S. Lines permits us to provide, within the 18-ship program total, for the replacement of 2 ships for American Mail Lines and 3 ships for American President Lines. Both of these companies are west coast operators and the possibilities are that their ships will be successfully bid by west coast shipyards. Accordingly, the modified program is better balanced in that it will result in five construction contracts in lieu of three, making possible a better geographical distribution of the contracts.

The increase in fund requirements results from (1) more expensive type ships being built than in the original program, and (2) increase in the number of contracts from three to five with a lesser number of units per contract, thus increasing the unit cost per ship.

2. National defense feature costs: As originally planned, costs of national defense features incorporated in the 18 ships to be built under the replacement program were to be financed by transfer of funds from the appropriation "Shipbuilding and conversion, Navy." The new method of financing NDF costs was not approved by the legislative and Appropriation Committees of Congress responsible for Department of Defense programs. Therefore, it becomes necessary to cover such costs in Maritime Administration's "Ship construction" appropriation.

3. Acquisition of replaced ships.—Based on the tentative schedule for ship replacement in the original estimate, funds in the amount of $10.8 million were programed for replacement of 18 ships. Of the original total, $5.4 million was available from carryover funds and acquired and estimated cost:

	Number	Estimate
American Mail Line	2	$1,288,000
American President Lines	3	2,320,000
Grace Line	4	2,550,000
Lykes Bros.	5	3,170,000
United States Lines	8	5,072,000
Total		14,400,000

Mr. PROXMIRE. Mr. President, I submit that the justification is much too thin. It provides no substantial argument of national defense needs for the additional $14,200,000. There is no evidence in the justification that this is an economic action which should be taken. The net effect is simply to transfer shipbuilding from the east coast and the gulf coast to the west coast at an additional cost of $14,200,000.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. HOLLAND. The insertion which the Senator has asked to have printed is not a justification, but excerpts from the justifications in the side slips. The justifications, which are much longer, will be found in the printed record of the hearings. If the Senator wanted to have the justifications printed, it would be much more accurate to have those printed in the Record.

Mr. PROXMIRE. I am willing to do it, but I think the excerpts are concise summaries of the justifications which are in more detail. I am willing to handle it in whatever way the Senator wishes.

Mr. HOLLAND. The side slips epitomize the points made in the justifications by the clerks in preparing the side slips and in no case cover the full justification. The matter which the Senator mentioned covers only the supplemental justification.

Mr. PROXMIRE. That is correct. It is a supplemental justification, which is not justified.

All my amendment would do would be to eliminate the supplemental increase of $14,200,000.

I hope the amendment will be approved.

If the Senator will yield back his time, I will yield back mine.

Mr. HOLLAND. I will yield back mine with this statement for the information of the reporter.

The full justification begins at page 392 of the printed record and continues for a number of pages.

I ask unanimous consent that the justification be printed at this point in the Record, and I yield back my time.

There being no objection, the justification was ordered to be printed in the Record, as follows:

Maritime Administration

Ship construction

(House hearings, pp. 688, 703–714)

Page 29, line 24, of H.R. 12580, as reported:

1962 appropriation	$98,000,000
1963 estimate[1]	64,200,000
Increase (+) or decrease (−)	
1963 estimate compared with 1962 appropriation	−33,800,000
1963 House committee allowance on original estimate	50,000,000
Comparison of House committee allowance with original 1963 estimates	
Amendment requested	+14,200,000

[1] As amended by S. Doc. No. 110.

Amendment requested

On page 29, line 24, strike out "$50,000,000" and insert "$64,200,000".

House report

"Ship construction: The committee recommends $50 million, the full amount of the budget estimate, for ship construction. This amount together with a carryover of an estimated unobligated balance of $63,879,000 will allow for the construction and replacement of 18 ships. The requested language permitting the transfer of not to exceed $2,800,000 to this appropriation from the appropriation for 'Shipbuilding and conversion, Navy,' for the cost of national defense features has not been included in the bill inasmuch as the legal authority therefor has not been provided."

Justification

The House committee approved the estimate under this head as requested. However, since our hearings before that committee the planned replacement program has been revised in order to have a more balanced program and to better meet the requirements of the trade routes and companies concerned. This revision of program requires an amendment of the estimate in the amount of $12.4 million to permit accomplishment of the revised 18-ship replacement program. In addition to this increase, the amended estimate also includes $1.8 million for the payment of national defense features costs on the new ship to be constructed in the fiscal year.

Necessity for providing for national defense feature costs under this appropriation results from the Navy Department not receiving legal authorization to pay such costs by transfer from the appropriation "Shipbuilding and conversion, Navy," as originally planned.

Justification for the amended estimate has already been furnished in a separate submission.

SHIP CONSTRUCTION

Summary of requirements

	Requirements		Difference, increase (+) or decrease (−)	
	1962 estimate	1963 estimate		
Appropriation, 1962 (regular bill)				$98,000,000
Net difference, 1963 over 1962:				
Construction-differential subsidies	$86,314,000	$41,450,000	−$44,864,000	
Acquisition of replaced ships	9,186,000	5,400,000	−3,786,000	
Administrative and warehouse expenses	2,500,000	3,150,000	+650,000	
Gross requirements	98,000,000	50,000,000	−48,000,000	−48,000,000
Total estimate of appropriation, 1963				50,000,000

General statement

The funds requested for ship construction projects provide for (1) construction-differential subsidy in connection with nine vessels to be contracted for under the ship replacement program; (2) acquisition of the old vessels which will be traded in on such new construction; and (3) administrative expenses of the ship construction program.

Funds available in fiscal year 1962 for the ship replacement program was sufficient to pay construction-differential subsidy on 22 new ships. Of this total of 22, current plans call for awarding contracts for 13 of the ships prior to the end of fiscal year 1962, with contracts for the remaining 9 to be awarded early in fiscal year 1963. The additional funds included in this estimate provide for paying construction-differential subsidy on an additional nine ships to be contracted for in fiscal year 1963. Thus, new funds requested herein, together with funds carried over from fiscal year 1962, will permit the award of contracts for construction of 18 new ships in 1963 as compared to the 13 ships to be contracted for in 1962. The number of ships estimated to be contracted for within presently available and additional funds requested is predicated on a continuation of recent experience in highly competitive bidding which has resulted in unusually low contract costs.

In summary, the new appropriation request for 1963 will provide:

(a) Ship replacement program, 9 ships	$41,450,000
(b) Acquisition of 9 replaced ships	5,400,000
(c) Administrative expenses	3,150,000
Total	50,000,000

Justification

(a) Ship replacement program, $41,450,000

Projecting the current lower cost factors, awards have been scheduled for construction of 13 ships in the current fiscal year. Of this total, bids have been received and awards made covering construction of two ships for Gulf & South American Steamship Co., and four ships for Lykes Bros. Steamship Co. Invitations to bid have been issued for construction of one ship for Grace Line, Inc., and six ships for Moore-McCormack Lines, Inc., with awards scheduled during the last half of the fiscal year.

There are contractual requirements for 29 replacement ships in fiscal year 1963. The proposed budget requests funds for 9 of these ships with the remaining 20 ships to be deferred until the following year.

The following tabulation summarizes the construction contracts awarded in the period 1956 through 1961, those to be awarded in 1962, and those proposed for 1963:

	Number of ships		1963 program	
	1956-61	1962	Number of ships	Cost
				Thousands
American Export Lines, Inc	12			
American Mail Line, Ltd	3			
American President Lines, Ltd	2			
Farrell Lines, Inc	6			
Grace Line, Inc	5	1	4	$23,000
Gulf & South American Steamship Co., Inc		2		
Lykes Bros. Steamship Co., Inc	17	4	7	33,600
Mississippi Shipping Co., Inc	3			
Moore-McCormack Lines, Inc	10	6		
Pacific Far East Line, Inc	2			
States Steamship Co	6			
United States Lines Co	11		7	35,700
Total	77	13	18	92,300
Carried forward from 1962 fiscal year				50,850
1963 appropriation request				41,450

In view of the necessary deferral of 20 ships, a degree of flexibility is necessary in the allocation of available funds. Substitutions may be made in the selection of specific operators as circumstances warrant.

American Export Lines, Inc., is committed to construction of 19 ships under its replacement program. No awards are scheduled for 1962. Five ships scheduled for 1963 are proposed for deferral until 1964.

American Mail Line, Ltd., is committed to construction of five ships under its replacement program. No awards are scheduled for 1962. Three ships scheduled for 1963 are proposed for deferral until 1964.

American President Lines, Ltd., is committed to construction of 22 ships under its replacement program. No awards are scheduled for 1962. Six ships were scheduled for award in 1963; however, under the proposed budget the construction of these six ships will be deferred until 1964.

Grace Line, Inc., is committed to construct five replacement ships in 1962 consisting of one combination and four cargo ships. The contract for replacement of the combination ship is scheduled for award in February 1962 and contract for replacement of the four cargo ships will be awarded early in fiscal year 1963.

Gulf & South American Steamship Co. is committed to construction of five ships under its replacement program. Award has been made for construction of two ships in 1962. No awards are scheduled for 1963.

Lykes Bros. Steamship Co., Inc., is committed to construction of 36 ships under its replacement program. Award has been made for construction of four ships in 1962. Seven ships scheduled for award in 1963 are covered in the proposed budget.

Mississippi Shipping Co., Inc., is committed to construction of 10 ships under its replacement program. No awards are scheduled for 1962. Two ships scheduled for 1963 are proposed for deferral until 1964.

Moore-McCormack Lines, Inc., is committed to construction of 31 ships under its replacement program. Invitations to bid have been issued for construction of six ships scheduled for award in 1962. No awards are scheduled for 1963.

United States Lines Co., is committed to construction of 34 ships, exclusive of replacements for its mariners and the SS *America* and SS *United States*. Of these 34 ships, 11 were scheduled for replacement in the fiscal years 1962 and 1963. Under the proposed budget, contracts for seven ships are scheduled for award in 1963 with the remaining four deferred.

(b) Acquisition of replaced ships, $5,400,000

It is requested that funds be made available to acquire the vessels contemplated for replacement under the ship replacement program. Construction of nine new vessels is scheduled for 1963. The fund requirement is based on an estimated average trade-in allowance of $600,000 per vessel. This reflects past year experience factors with a corresponding decrease in the average cost from $750,000 per vessel as formerly used for budgetary projections.

(c) Administrative expenses, $3,150,000

The limitation on administrative expenses for the current year is $3,150,000 to administer all ship construction projects. Contracts in force in 1963 will constitute a program comparable to that of 1962 in terms of administrative requirements. Accordingly, no change is proposed for this limitation which is available for transfer to the appropriation for salaries and expenses.

(S. Doc. 110)

MARITIME ADMINISTRATION

SHIP CONSTRUCTION

"For an additional amount for ship construction, $14,200,000, to remain available until expended."

Program and financing

[In thousands of dollars]

	1963 costs to this appropriation			Analysis of 1963 financing		
	Original estimate	Revised estimate	Increase (+) or decrease (−)	Original appropriation required	Revised appropriation required	Increase (+) or decrease (−)
Program by activities:						
1. Construction-differential subsidy	98,850	100,450	+10,600	41,450	52,050	+10,600
2. Acquisition of replaced ships	10,000	13,600	+3,600	5,400	9,000	+3,600
4. Administrative expenses	3,150	3,150		3,150	3,150	
Total program costs	112,000	126,200	+14,200	50,000	64,200	+14,200
Change in selected resources	−3,350	−3,350				
Total obligations	108,650	122,850	+14,200			
Financing:						
Unobligated balance brought forward	−63,879	−63,879				
Unobligated balance carried forward	5,229	5,229				
(Reserved for adjustments of prior year contracts)						
New obligational authority	50,000	64,200	+14,200			

Object classification

[In thousands of dollars]

	1963 original estimate	1963 revised estimate	Increase (+) or decrease (−)
25 Other services	100	100	
Services of other agencies	3,650	3,650	
31 Equipment	9,400	13,000	3,600
41 Grants, subsidies, and contributions	98,850	109,450	10,600
Total costs	112,000	126,200	14,200
Change in selected resources	−3,350	−3,350	
Total obligations	108,650	122,850	14,200

Ship construction

Request $14,200,000

Purpose and need for amendment

The purpose of this amendment is to provide additional funds required to carry out the agency-planned 1963 ship construction program. The need for additional funds has arisen as a result of (1) revision of the planned 18-ship replacement program in order to have a more balanced program and to better meet the requirements of the trade routes and companies concerned; and (2) necessity for providing funds under this appropriation for payment of national defense feature costs on the new ships to be constructed.

Justification

The following table compares the original budget request for funds for the 18-ship replacement program with the revised requirements:

[In thousands of dollars]

	Original 1963 program		Revised 1963 program		Difference	
	Number of ships	Amount	Number of ships	Amount	Number of ships	Amount
1. Construction-differential subsidy:						
Lykes Bros. Steamship Co	7	$33,600	4	$21,400	−3	−$12,200
United States Lines Co	7	35,700	5	26,750	−2	−8,950
American Mail Line, Ltd			2	12,200	+2	+12,200
American President Lines, Ltd			3	19,050	+3	+19,050
Grace Line, Inc	4	23,000	4	23,000		
Subtotal	18	92,300	18	102,400		+10,100
2. National defense features				1,800		+1,800
3. Acquisition of replaced ships		10,800		14,400		+3,600
Total cost of ship replacement program		103,100		118,600		+15,500
Carried forward from fiscal year 1962		56,250		57,550		−1,300
Appropriation requirements, 1963		46,850		61,050		+14,200

1. Construction-differential subsidy costs: The original 1963 program as presented in the budget justification was tentative and was based on building four ships for Grace Line; seven ships for Lykes Bros. Steamship Co.; and seven ships for U.S. Lines. The revised program results from identification of specific ships to be replaced. Lykes Bros. proposes now to build four 20-knot ships for trade route 22, gulf to Far East, in lieu of seven 18-knot ships for trade route 15, gulf to south and east Africa. U.S. Lines originally proposed to construct seven ships for trade route 16, North Atlantic to United Kingdom and Ireland; however, they have now modified their program to five ships for trade route 16. North Atlantic to Australasia service. A review of the trend of commerce on the trade routes served by these companies indicates that the interest of the company and the Government will be better served at this time by construction of the ships in the revised program.

The downward revision in the number of ship replacements for Lykes and U.S. Lines permits us to provide, within the 18-ship program total, for the replacement of 2 ships for American Mail Lines and 3 ships for American President Lines. Both of these companies are west coast operators and the possibilities are that their ships will be successfully bid by west coast shipyards. Accordingly, the modified program is better balanced in that it will result in five construction contracts in lieu of three, making possible a better geographical distribution of the contracts.

The increase in fund requirements results from (1) more expensive type ships being built than in the original program, and (2) increase in number of contracts from three to five with a lesser number of units per contract, thus increasing the unit cost per ship.

2. National defense feature costs: As originally planned, costs of national defense features incorporated in the 18 ships to be built under the replacement program were to be financed by transfer of funds from the appropriation "Shipbuilding and conversion, Navy." The new method of financing NDF costs was not approved by the legislative and Appropriation Committee of Congress responsible for Department of Defense programs. Therefore, it becomes necessary to cover such costs in Maritime Administration's "Ship construction" appropriation.

3. Acquisition of replaced ships: Based on the tentative schedule for ship replacement in the original estimate, funds in the amount of $10.8 million were programed for replacement of 18 ships. Of the original total, $5.4 million was available from carryover funds and an additional $5.4 million was requested in the estimate.

The revised program provides trade-in of 22 ships on the 18 new ones to be constructed. This results in an additional appropriation of $3.6 million to acquire the ships being traded in. The following table indicates, by operator, the number of ships now planned to be acquired and the estimated cost:

	Number	Estimate
American Mail line	2	$1,288,000
American President Lines	3	2,320,000
Grace Line	4	2,550,000
Lykes Bros	5	3,170,000
U.S. Lines	8	5,072,000
Total		14,400,000

Mr. PROXMIRE. Mr. President, the majority leader indicated he would ask for a yea and nay vote. May we yield back all our time so that a quorum call may be asked for?

The PRESIDING OFFICER. All time has been yielded back, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays on the amendment of the Senator from Wisconsin [Mr. PROXMIRE].

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Wisconsin. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Pennsylvania [Mr. CLARK], the Senator from Mississippi [Mr. EASTLAND], the Senator from Washington [Mr. MAGNUSON], the Senator from Minnesota [Mr. MCCARTHY], and the Senator from Colorado [Mr. CARROLL] are absent on official business.

I further announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Alaska [Mr. GRUENING], the Senator from Wyoming [Mr. HICKEY], and the Senator from Missouri [Mr. LONG], are necessarily absent.

I further announce that, if present and voting, the Senator from New Mexico [Mr. CHAVEZ], and the Senator from Pennsylvania [Mr. CLARK] would each vote "nay."

On this vote, the Senator from Colorado [Mr. CARROLL] is paired with the Senator from Texas [Mr. TOWER].

If present and voting, the Senator from Colorado would vote "nay" and the Senator from Texas would vote "yea."

On this vote, the Senator from Alaska [Mr. GRUENING] is paired with the Senator from Utah [Mr. BENNETT].

If present and voting, the Senator from Alaska would vote "nay" and the Senator from Utah would vote "yea."

On this vote, the Senator from Minnesota [Mr. MCCARTHY] is paired with the Senator from South Dakota [Mr. BOTTUM].

If present and voting, the Senator from Minnesota would vote "nay" and the Senator from South Dakota would vote "yea."

Mr. KUCHEL. I announce that the Senator from Vermont [Mr. AIKEN], the Senator from Utah [Mr. BENNETT], the Senator from South Dakota [Mr. BOTTUM], the Senator from Maryland [Mr. BUTLER], the Senator from Indiana [Mr. CAPEHART], the Senator from Kentucky [Mr. MORTON] and the Senator from Texas [Mr. TOWER] are necessarily absent.

On this vote, the Senator from Utah [Mr. BENNETT] is paired with the Senator from Alaska [Mr. GRUENING]. If present and voting, the Senator from Utah would vote "yea" and the Senator from Alaska would vote "nay."

On this vote, the Senator from South Dakota [Mr. BOTTUM] is paired with the Senator from Minnesota [Mr. MCCARTHY]. If present and voting, the Senator from South Dakota would vote "yea" and the Senator from Minnesota would vote "nay."

On this vote, the Senator from Indiana [Mr. CAPEHART] is paired with the Senator from Maryland [Mr. BUTLER]. If present and voting, the Senator from Indiana would vote "yea" and the Senator from Maryland would vote "nay."

On this vote, the Senator from Texas [Mr. TOWER] is paired with the Senator from Colorado [Mr. CARROLL]. If present and voting, the Senator from Texas would vote "yea" and the Senator from Colorado would vote "nay."

The result was announced—yeas 30, nays 52, as follows:

[No. 304 Leg.]

YEAS—30

Boggs
Bird, Va.
Carlson
Church
Curtis
Douglas
Goldwater
Gore
Hart
Hickenlooper
Jordan, Idaho
Kerr
Lausche
McGee
Miller
Monroney
Moss
Mundt
Muskie
Pearson
Prouty
Proxmire
Russell
Symington
Talmadge
Thurmond
Wiley
Williams, Del.
Young, N. Dak.
Young, Ohio

NAYS—52

Allott
Bartlett
Beall
Bible
Burdick
Bush
Byrd, W. Va.
Cannon
Case
Cooper
Cotton
Dirksen
Dodd
Ellender
Engle
Ervin
Fong
Hartke
Hayden
Hill
Holland
Hruska
Humphrey
Jackson
Javits
Johnston
Jordan, N.C.
Keating
Kefauver
Kuchel
Long, Hawaii
Long, La.
Mansfield
McClellan
McNamara
Metcalf
Morse
Murphy
Neuberger
Pastore
Pell
Randolph
Robertson
Saltonstall
Scott
Smathers
Smith, Mass.
Smith, Maine
Sparkman
Stennis
Williams, N.J.
Yarborough

NOT VOTING—18

Aiken
Anderson
Bennett
Bottum
Butler
Capehart
Carroll
Chavez
Clark
Eastland
Fulbright
Gruening
Hickey
Long, Mo.
Magnuson
McCarthy
Morton
Tower

So Mr. PROXMIRE's amendment was rejected.

Mr. McCLELLAN. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. MORSE. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MORSE. Mr. President, without losing my right to the floor, I yield to the minority leader.

LEAVE OF ABSENCE

Mr. DIRKSEN. Mr. President, I ask unanimous consent that the distinguished Senator from Iowa [Mr. HICKENLOOPER] be excused from attendance at the sessions of the Senate on Thursday, Friday, and Saturday of this week.

The PRESIDING OFFICER (Mr. JORDAN of North Carolina in the chair). Without objection, it is so ordered.

Mr. DIRKSEN. Mr. President, I ask unanimous consent also that the distinguished Senator from Colorado [Mr. ALLOTT] be excused from attendance at the sessions this week because of official business at the U.N.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEPARTMENTS OF STATE, JUSTICE, AND COMMERCE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS, 1963

The Senate resumed the consideration of the bill (H.R. 12580) making appropriations for the Departments of State, Justice, and Commerce, the Judiciary, and related agencies for the fiscal year ending June 30, 1963, and for other purposes.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. MANSFIELD. Mr. President, I have discussed the question of a time limitation on the amendment which will be offered by the Senator from Oregon [Mr. MORSE] with the Senator from Oregon, the Senator from Illinois [Mr. DIRKSEN], the chairman of the subcommittee, the Senator from Arkansas [Mr. MCCLELLAN], and others. At this time I should like to make a unanimous-consent request that 35 minutes be allotted on the amendment, 30 minutes to be under the control of the Senator from Oregon and 5 minutes to be under the control of the Senator from Montana.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana? The Chair hears none, and it is so ordered.

Mr. MANSFIELD. Mr. President, it is my intention to move to table the amendment of the Senator from Oregon at the conclusion of the time limitation.

Mr. MORSE. Mr. President, I am disappointed to hear that statement, but I am a legislative realist. May I at least have an agreement for a yea-and-nay vote on the proposed unfortunate motion?

The PRESIDING OFFICER. The amendment has not been offered.

Mr. MANSFIELD. There can be a yea-and-nay vote based upon the majority leader's announcement.

Mr. MORSE. Mr. President, I still ask for the yeas and nays on the amendment.

Mr. RUSSELL. Mr. President, what is the pending question on which the yeas and nays have been requested?

The PRESIDING OFFICER. The amendment has not yet been offered. Will the Senator call up his amendment?

Mr. MORSE. Mr. President, I offer my amendment in the form of the bill, S. 2985, which I send to the desk, and on which I have filed a motion to suspend the rules as of yesterday.

The PRESIDING OFFICER. The amendment of the Senator from Oregon will be stated.

The LEGISLATIVE CLERK. It is proposed to amend section 521 of title 38 of the United States Code.

Mr. MORSE. Mr. President, in the interest of saving time, I ask unanimous consent that further reading of the amendment be waived, because I shall describe it in some detail.

The PRESIDING OFFICER. Without objection, it is so ordered. The amendment will be printed and not read.

The amendment is as follows:

That section 521 of title 38 of the United States Code is amended by redesignating subsections (b) through (f) as subsections (c) through (g), respectively, and by inserting after subsection (a) the following new subsection:

"(b)(1) In the case of a veteran of World War I, pension shall be paid at the following monthly rate:

"(A) $75; or

"(B) $90 if (i) the veteran is sixty-five years of age or older, or (ii) the veteran has been rated as permanently and totally disabled for an aggregate period of ten years; or

"(C) $150 if the veteran is in need of regular aid and attendance.

"(2) If the veteran served outside the continental limits of the United States for a period of thirty days or more during the creditable period of service the monthly rate payable to him under paragraph (1) shall be increased by 10 per centum.

"(3) For purposes of this section, a veteran of World War I shall be deemed to be permanently and totally disabled upon reaching the age of sixty-five years.

"(4) No pension shall be paid under paragraph (1) to any unmarried veteran whose annual income exceeds $1,800, or to any married veteran or any veteran with children whose annual income exceeds $3,000."

SEC. 2. (a) Subsections (c), (d), and (e) of such section (as redesignated by the first section of this Act) are amended by striking out "If" in each subsection and inserting in lieu thereof "In the case of a veteran of World War II or the Korean conflict, if".

(b) Subsection (e) of such section (as redesignated by the first section of this Act) is amended by striking out "(b) or (c)" and inserting in lieu thereof "(c) or (d)".

SEC. 3. The amendments made by this Act shall take effect on the first day of the first month which begins after the date of the enactment of this Act.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Oregon.

Mr. MANSFIELD. Mr. President, has the time limitation been agreed upon?

The PRESIDING OFFICER. The unanimous-consent request for a time limitation has been agreed to.

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays on the pending amendment.

The yeas and nays were ordered.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. DIRKSEN. Were the yeas and nays ordered on the motion to suspend the rules?

Mr. MORSE. No, the yeas and nays were ordered on the proposed motion to lay on the table which the majority leader said he would make.

Mr. MANSFIELD. Mr. President, I understand the parliamentary situation fully. I think the procedure described is the best way to meet the situation rather than to raise points of order and operate on a two-thirds basis. If the Senator from Oregon wishes to make his position known again this year as he has in years gone by on the pending question, we thought he should be given the privilege of a yea-and-nay vote. I hope that the action already taken by the Senate will be sustained, despite the fact that we could have operated differently had we desired to do so.

Mr. DIRKSEN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DIRKSEN. At the end of the discussion, which I understand will run for 30 minutes, may a point of order still be made?

Mr. MANSFIELD. I intend to make a motion to table the amendment.

Mr. DIRKSEN. I wish to be sure that the right of any Senator to make a point of order will be preserved after the discussion has taken place, if a Senator desires to make such a point.

The PRESIDING OFFICER. After the debate is completed, a point of order can be made.

Mr. MANSFIELD. I express the hope that no Senator will raise the point of order at that time and that the Senate will vote, as agreed, on the basis of tabling the amendment of the Senator from Oregon.

Mr. MORSE. Mr. President, I yield to myself all my time.

Mr. President, for many years now, I have felt that the Nation's pension program for veterans of World War I has not only been inadequate, but has been reduced to little more than a welfare program for men who happened to serve in World War I.

The 1959 Congress went further in this direction than it has ever gone before, putting veterans' pensions on a sliding scale related inversely to income. In my opinion, that makes it a welfare program.

I think the Nation's veterans are entitled to better than that. Pensions should not be a part of a welfare program. They should be a form of recognition, of obligation on the part of the Nation.

The amendment I offer today is the same as the bill I have introduced before on this subject. It is S. 2985 of the current Congress. It provides a pension for veterans of World War I by establishing as a matter of law that such a veteran shall be considered permanently and totally disabled at age 65, and entitled to pension benefits. The veteran would also be considered permanently and totally disabled for pension purposes if he has been so rated for an aggregate period of 10 years.

He would receive a pension of $90 a month, plus a 10 percent increment for service overseas of at least 30 days during World War I.

This proposal is not nearly as generous as many pension proposals for this group have been. In fact, I would favor and vote for a more comprehensive program than this one I am offering.

It is not as liberal a measure, for example, as H.R. 3745, in the other body. This is because my bill does not change the existing income limits of $1,800 for a single veteran and $3,000 for a married veteran.

LEGISLATIVE SITUATION IN 87TH CONGRESS

Mr. President, the veterans' groups which are most interested in this subject have been waiting for action in the House on H.R. 3745. I have been cooperating with them, and they with me. It was my feeling that my bill should not be pressed in the Senate while there was any possibility of favorable action being taken in the House. However, in recent days there has been a consensus of opinion among us that that hope is now forlorn.

Therefore I place in the RECORD the record that has been made on H.R. 3745. A discharge petition was filed in the House on the bill on April 16, 1962, by the gentleman from Indiana [Mr. DENTON]. The maximum number of names consisted of 197, as of a week ago. The total number at one time was 211. The present status of this bill is that it is at the Speaker's desk. Hearings on it were held, along with hearings on other pension bills, on July 11 to 13, 1961. Six hearings were held on the operation of the pension program in August and September 1962. The last one was on September 26, 1962. Testimony taken from World War I pension groups included a statement on H.R. 3745.

The best indication we can get from the House is that the probabilities of action on the House bill, H.R. 3745, are not good, and that the best chance of getting action on the pension bill in the House would be to follow the route that the senior Senator from Oregon is proposing in the Senate today; namely, to try to have it attached as an amendment, under a suspension of the rule, to a bill in the Senate.

I felt that the appropriation bill for the Department of Justice and Department of Commerce was a particularly good one in connection with which to try this parliamentary endeavor. It ought to go on the Justice Department appropriation because there is no question that justice ought to be done to these veterans. It ought to go on the Commerce Department appropriation because of the beneficial economic effect that the bill would have on the economy of the country. The consensus of opinion is that it will mean that 90 percent of the return from this pension would go into the cash registers on the main streets of America and would increase the purchasing power of the consumers of America, and therefore would be a great benefit in expanding the economy.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. MORSE. No; I will not yield at this time. After I have finished my speech, I shall be glad to yield. I have a great deal to say in my 30 minutes.

As I say, this amendment would be of great benefit to the economy of our country. Therefore, I am offering it on the pending bill as a last-ditch attempt, so to speak, to try to get some action in this session of Congress. I share the disappointment of the veterans' groups which are interested in the bill. Some of their expressions I shall put in the RECORD before I close my speech. I share the disappointment that the bill has become bogged down in the House of Representatives. I sincerely trust that there will be favorable action on the bill before the Congress adjourns. In case there is not, and I am again entrusted with the great privilege and honor and obligation of serving the people of my sovereign State in the Senate for another 6 years, I will be back at this desk come next January to reintroduce the bill. For so long as I serve in the Senate, I will continue to do what I can to obtain a measure of justice for the World War I veterans, which has been denied to them these many years, in regard to a deserved pension.

DIFFERENCES FROM H.R. 3745

As I have said, my bill is not as liberal as H.R. 3745. This is because my bill does not change the existing income limits of $1,800 for a single veteran and $3,000 for a married veteran.

Secondly, my bill does not change the present method of computing income. There is a very good case, in my opinion, to be made for eliminating certain types of income such as social security benefits, railroad retirement benefits, and other types of retirement income, from the calculation of what is to be counted as income for pension purposes.

But this measure does not change the present law in that respect, either. It seems to me that Congress might consider liberalizing the existing program simply by changing the method of computing income, as an alternative to increasing rates. But I am not offering that alternative at this time.

Instead, I am proposing that within the present income limits, we raise all eligible World War I veterans to a pension rate of $90 a month at age 65. It is possible that a few veterans could receive more under the present law than under my amendment. This is because the present sliding scale provides single veterans with incomes under $600 a year a pension rate of $85 a month. If they are not yet 65 and have not been judged permanently and totally disabled for an aggregate period of 10 years or more, their pension rate under my bill would be $75 a month.

Similarly, the present law provides the veteran with one or more dependents and an income of less than $1,000 a year with a pension of $90 a month. Here again, for the veteran not yet 65 and not found permanently and totally disabled for 10 years my bill provides a pension of $75 a month.

This is why my amendment is intended to permit the veteran to choose whether or not to remain under the existing program, or come under the provisions of this amendment.

The report of the Veterans' Administration to the Senate Finance Committee on S. 2985, says the following on this point:

> It does not appear the bill, if enacted, would affect the eligibility of World War I veterans to continue to receive pension under the savings provision of section 9 of Public Law 86-211. They could, of course, elect to receive pension under this bill if otherwise eligible. It further appears they could reelect if they so desire and can qualify under the law in effect on June 30, 1960.

But I think there would be very few World War I veterans who would choose to remain under existing law, as opposed to this measure. This is because the average age of World War I veterans is now slightly over 68. The only men whose benefits would be less under my bill would be those not yet 65, not permanently disabled, and with an income under $600 a year, if single, and $1,000 a year, if married. Even so, they could elect to remain under existing law and receive the higher amount.

In fairness to the administration, and to the Veterans' Administration, whose entire report on my bill was in opposition to my bill, I ask unanimous consent to have printed at this point in the RECORD, the report from the VA to the Senate Finance Committee on S. 2985.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

AUGUST 20, 1962.

Hon. HARRY F. BYRD,
Chairman, Committee on Finance,
U.S. Senate,
Washington, D.C.

DEAR MR. CHAIRMAN: Further reference is made to your request for a report on S. 2985, 87th Congress.

The bill would liberalize eligibility for, and authorize generally higher rates of, pension for veterans of World War I.

Title 38, United States Code, section 521, authorizes permanent and total non-service-connected disability pension for otherwise qualified veterans of World War I, World War II, and the Korean conflict. Permanent total disability is determined on a very liberal basis. Although age alone is not a basis for entitlement, it is considered in association with disability and unemployability in determining permanent and total disability. For example, at age 65, such rating will be assigned to a veteran with a permanent 10 percent disability if he is unable to follow substantially gainful employment by reason of the disability. As of December 1961, the average age of World War I veterans was 67.6 years.

As you are aware, the pension program was the subject of extensive study by the executive and legislative branches, culminating in Public Law 86-211, effective July 1, 1960. The revision retains the requirements of disability and need for the payment of veterans' pension, providing benefits on a sliding scale, giving the greatest amount of pension to those in the greatest need. For veterans unmarried or without a child, the monthly rates range from $40 to $85 depending upon yearly income which may not exceed $1,800. For veterans married or with a child or children, the monthly rates range from $45 to $100 depending upon the number of dependents and annual income which may not exceed $3,000. The applicable rate is increased by $70 monthly for veterans in need of regular aid and attendance.

The new graduated pension system superseded the old program effective July 1, 1960. The new law, however, contained a savings provision (sec. 9) permitting persons on the pension rolls on June 30, 1960, who do not elect to receive pension under the new law, to continue to receive pension under the old law so long as they can qualify thereunder.

The enactment of S. 2985 would revoke World War I veterans' entitlement to current pension payments under 38 United States Code 521 and would provide new rates of pension and income limitations under that section for these veterans. The basic rate of pension under the bill for veterans of World War I who are permanently and totally disabled from non-service-connected disability would be $75, increased to $90 at age 65 or when the veteran has been rated permanently and totally disabled for an aggregate period of 10 years. A veteran who requires aid and attendance would receive $150. Each of these rates would be further increased by 10 percent for a veteran who served outside of the continental limits of the United States for a period of at least 30 days during World War I. Under the bill, a World War I veteran would be deemed to be permanently and totally disabled upon reaching the age of 65 years. This provision would, in effect, establish for veterans of World War I, to the exclusion of veterans of later wars, a service pension at age 65 if they meet the other requirements of law relating to income and length and character of service. Pension would not be payable to an unmarried veteran whose annual income exceeds $1,800 nor to any married veteran or any veteran with children whose annual income exceeds $3,000.

Other provisions of title 38, United States Code, governing payment of pension, such as length of service, type of discharge and method of computing income, would not be changed and would be for application under S. 2985, if enacted.

It does not appear the bill, if enacted, would affect the eligibility of World War I veterans to continue to receive pension under the savings provision of section 9 of Public Law 86-211. They could, of course, elect to receive pension under this bill if otherwise eligible. It further appears they could reelect if they so desire and can qualify under the law in effect on June 30, 1960.

S. 2985 would revert to the all-or-nothing principle of prior laws, which Public Law 86-211 sought to correct. In addition, it would benefit most those who are least in need, and would, in some instances, provide a lower rate of pension than is provided under existing law for those who are most in need. This is apparent from the attached chart which compares pension rates and annual income limits under 38 United States Code 521 and S. 2985. I believe the rate structure provided by existing law is more equitable than that proposed by the bill.

I question the wisdom of granting a preferential pension rate based solely on service outside the continential limits of the United States. As a general rule, a person has no control over the locale of his military service. Usually a serviceman is assigned to duties in which military authorities consider he can make the greatest contribution to the war effort without regard to the area in which he will perform such duties.

It is estimated that enactment of the bill would result in greater pension payments than authorized under existing law in 957,800 cases, and lesser payments in 27,200 cases during the first year. The net additional cost for that year would be approximately $192,170,000. It is estimated that the cost would increase for the next 3 years when it would reach $207,876,000 and would remain at that figure the following year. These estimates cannot be considered firm because actual experience indicating the effects of Public Law 86-211 is still incomplete. Nevertheless, they are believed to be in the proper magnitude.

Enactment of S. 2985 may well stimulate requests for a similar pension, or for an increase in pension rates, for veterans of World War II or the Korean conflict who are currently eligible for pension on the same basis as World War I veterans. It might also result in requests for increased rates in the death pension programs for widows and children. We believe, therefore, that your committee will desire to give careful consideration to the far-reaching effects of the proposal.

For the reasons indicated, I recommend that the bill be not favorably considered.

Advice has been received from the Bureau of the Budget that enactment of S. 2985 would not be in accord with the program of the President. The Bureau further advises that there is no objection to the submission of this report to your committee.

Sincerely,

W. J. DRIVER,
Deputy Administrator.

Mr. MORSE. I wish to stress that we are dealing with an elderly group. We are dealing with a limited group of elderly persons, those who do not earn more than $1,800 if unmarried, and $3,000 if married. They are entitled to better care than they are receiving under welfare programs. They are entitled to the justice of the Morse bill.

We also need to keep in mind the moral obligation we owe those men; because, considering every war since World War I, the World War I veterans are the forgotten veterans of America. It is perfectly clear that the World War I veterans have never received the benefits which veterans of other wars have received, including wars before World War I and World War II and the Korean war.

When we speak about a pension which is to be given veterans having low income earning, we are talking about pensions which will be used to buy the necessities of life. We are talking about pensions which will be poured immediately into the economic stream of this country. They are going to be used to buy consumer goods and the necessities of life. I am at a loss to understand why anyone should hesitate to provide that kind of purchasing power to a group of old veterans in this country to whom we owe so much.

DOMESTIC NEEDS AS GREAT AS FOREIGN AID NEEDS

Only yesterday I voted against the foreign aid bill. One reason why I voted against it was that, in my judgment, we think too much about seeing to it that economic aid is provided to people away from our shores, and too little about seeing to it that economic aid reaches people within our own country.

The Senate yesterday voted, in the foreign aid bill, hundreds of millions of dollars for the benefit of people in foreign lands. Yet arguments are raised about whether we can afford to increase pension benefits to the veterans of World War I. I do not care what criterion is used to measure our obligation. We cannot afford not to do it.

If we can vote hundreds of millions of dollars for foreign aid, we can afford to vote these benefits for the patriotic veterans to whom we are so greatly indebted.

The result of my amendment is not to add more veterans to the pension roll; it is to eliminate the declining scale of the pension under present law.

Senators know that the higher the income under existing law, the smaller the pension, until the veteran reaches the level of $1,800 a year, if single, or $3,000 a year, if married. In the first instance, he receives $40 a month; under my bill, he would receive $75 a month if not yet 65 and $90 if he is 65 or over.

If he has a dependent and has an income of just under $3,000, he receives $45 a month. Under my bill, he would receive $75 if under 65, and $90 a month if 65 or over. Do not forget that he is now receiving a pension plan which amounts to nothing but a welfare plan.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a table prepared for me by the Veterans' Administration comparing current pension rates with the provisions of my bill.

There being no objection, the table was ordered to be printed in the RECORD, as follows.

Comparison of pension rates and annual income limits under 38 U.S.C. 521 and S. 2985

	38 U.S.C. 521—Veterans of World War I, World War II, or Korean conflict		S. 2985, 87th Cong.—Veterans of World War I only	
	Income limit	Monthly rate	Income limit	Monthly rate
Single veteran	$600 1,200 1,800	$85. $70. $40. $70 additional to foregoing rates for aid and attendance.	$1,800	$75; $90 age 65 or P. & T. 10 years. $150 aid and attendance. The foregoing rates increased by 10 percent for foreign service of 30 days or more.
Veteran and wife or child or children.	1,000 2,000 3,000	$90, 1 dependent; $95, 2 dependents; $100, 3 or more dependents. $75. $45. $70 additional to foregoing rates for aid and attendance.	3,000	$75; $90 age 65 or P. & T. 10 years. $150 aid and attendance. The foregoing rates increased by 10 percent for foreign service of 30 days or more.

NOTE.—Under sec. 9, Public Law 86-211, World War I, II, or the Korean conflict veterans on pension rolls on June 30, 1960, may continue to receive pension at the rates and subject to income limitations applicable at that time. (Income limits: $1,400 if single; $2,700 with dependents. Rates: $66.15 or $78.75 at age 65 or if on pension rolls continuously for 10 years. Aid and attendance rate: $135.45.)

COST OF PENSION CHANGES

Mr. MORSE. Mr. President, any time the word "pension" is mentioned, the main consideration for many people is "how much will it cost?" I do not want any misunderstanding that would cause Senators or the public to assume that my proposal is the same as that pending in the House for which cost estimates have been publicized.

Again, I have had the Veterans' Administration prepare for me a chart showing the cost of the present pension system for World War I veterans, compared to the cost under my bill. As is customary, the figures are estimated up to the year 2000.

I suppose most Members of Congress will look first to the cumulative total at the lower right-hand corner. It shows that from 1963 to 2000, the total additional cost of this amendment is estimated at $3,240,100,000, about three and a quarter billion, in other words. Are Senators shocked at that? Here we are considering a foreign aid appropriation bill which totals $6,781,402,000. That is over a period of 1 year for most of it, 5 years for some of it, and some of it indefinite. Yet the mutual security portion alone is $4,422,800,000, more than $1 billion more than what I am suggesting we make available to our World War I veterans over the next 37 years.

When we consider the cost of my bill, we are talking in terms of an amount which will be spent over 37 years. Yet most of the amount provided in the foreign aid bill which was passed yesterday will be spent in the next year, or the next, or the next 5 years.

Moreover, there is one figure the Veterans' Administration chart does not show and that is the average yearly increment over that period. According to my own staff's calculations, over the next 37 years, my bill would cost the Treasury about $87½ million more each year than the existing law.

Eighty-seven and a half million a year each year for the next 37 years. That is what my proposal would cost. Is that so extravagant? Is even the total of three and a quarter billion so extravagant, compared to the extravagance of the more than $90 billion we have poured into foreign aid since 1946?

I ask unanimous consent to have printed at this point a table showing the estimated cost of the pension program under existing law, compared with the measure I am proposing today.

There being no objection, the table was ordered to be printed in the RECORD.

World War I veterans, non-service-connected disability caseload and cost (estimated), fiscal years 1963–2000—Present legislation compared with proposed legislation (S. 2985, 87th Cong.) showing additional cost

[In thousands]

	Cost comparison			Additional cost of S. 2985, 87th Cong.[2]		
	Present law [1]		S. 2985, 87th Cong. (if enacted into law) (amount)			
Fiscal year	Cases [1] [2]	Amount		Specific year	5-year period	Cumulative
1963	1,040	$1,030,000	$1,222,170	$192,170		$192,170
1964	1,080	1,069,000	1,268,561	199,561		391,731
1965	1,110	1,099,000	1,304,105	205,105		596,836
1966	1,125	1,114,000	1,321,876	207,876		804,712
1967	1,125	1,114,000	1,321,876	207,876		1,012,588
1968	1,120	1,109,000	1,315,952	206,952		1,219,540
1969	1,115	1,104,000	1,310,028	206,028		1,425,568
1970	1,110	1,099,000	1,304,105	205,105		1,630,673
1975	712	705,000	836,563	131,563	$804,899	2,435,572
1980	374	370,000	439,107	69,107	470,447	2,906,019
1985	150	149,000	176,717	27,717	221,365	3,127,384
1990	45	45,000	53,315	8,315	80,379	3,207,763
1995	14	14,000	16,587	2,587	24,391	3,232,154
2000	5	5,000	5,924	924	7,946	3,240,100
Average per year						87,570

[1] Estimated caseload under present law and the proposal was considered to be same for estimate purposes. Although some new cases would be eligible it is believed they would be insignificant.

[2] Approximately 95 percent of the caseloads would be affected by rate changes, resulting in estimated additional costs indicated.

NOTE.—(A) This long-range estimate is predicated on the following assumptions and due to the many intangible factors involved should not be considered a firm estimate but only one of approximate magnitude: (a) Present economic conditions will continue, (b) income levels shall consistently remain at latest known levels as published by Bureau of Census, (c) used marital status for veterans for non-service-connected benefits as determined from actual sample study of disability pension rolls, (d) present social security program will continue, and (e) number and age of living veterans based upon official VA estimates.

(B) The estimate takes into account World War I veterans receiving pension under the savings provisions of sec. 9 of Public Law 86-211.

Mr. MORSE. Mr. President, I know it is unorthodox to offer such a measure as an amendment to an appropriation bill. Yet this is the only way I know of to bring the subject to the attention of the Senate and of the public.

There has never been a hearing on this measure as such; yet it has been before the Senate since 1957, when I first introduced it. I have introduced it in each session of Congress ever since. I think 5 years is long enough to wait for hearings on any bill. I think the time has come for the Senate to take action on the floor of the Senate on a bill which seeks to do justice to World War I veterans.

In the other body, Members signed a discharge petition which came close to bringing H.R. 3745 to the House floor before hearings were obtained on the general subject. I have been advised by friends in the House that the only way the discharge petition was stopped was to take the bill to hearings; but it has bogged down on the House side.

There is not much more time for this issue to be considered at this session of Congress. I do not doubt that the opponents of broader pension provisions know this very well. Time is on their side, because time is running out for the veterans of World War I. If the opponents of the pension bill, to do justice to World War I veterans, stall long enough, wait long enough, the problem will automatically disappear through the death of the veterans themselves. But that is an ugly thought, if we will reflect for a moment upon our moral obligation to those veterans.

I ask unanimous consent to have printed at this point in the RECORD the response I have received from the Veterans' Administration in reply to several questions I asked about the number of World War I veterans, the number still living, and their eligibility for compensation and pension.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

VETERANS' ADMINISTRATION,
OFFICE OF CONTROLLER,
Washington, D.C., September 12, 1962.

The Honorable WAYNE MORSE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MORSE: Your August 29, 1962, letter to Mr. DePrenda of the Congressional Liaison Service has been referred to me for reply.

The answers to your questions on World War I veterans are given in the order in which you asked them.

1. Number who served: 4,744,000.
2. Number living: 2,455,000, June 30, 1962.
3. Number deceased: 2,289,000, June 30, 1962.
4. Number dying every year: 110,000 in fiscal year 1962.
5. Number dying every day: 300, approximately.
6. Number having less than 90 days service: 66,000 of those now living.
7. Number drawing pension: 1,006,533, June 20, 1962.
8. Amount of pension being paid: $79,554,000 monthly, June 1962.
9. Average amount of pension: $79.04 monthly, June 1962.
10. Number drawing compensation: 146,678, June 20, 1962.
11. Amount of compensation being paid: $14,684,000 monthly, June 1962.
12. Average amount of compensation: $100.11 monthly, June 1962.
13. Number drawing more than $100 monthly: 53,000, approximately.
14. Average age: 68.1 years, June 30, 1962.
15. Number who have not applied for benefits: We are unable to establish the number who have not applied. However, of the 2,455,000 living World War I veterans, approximately 1,182,200 are not now in receipt of VA compensation or pension or Department of Defense military retirement benefits.
16. Number denied pension because of income limitation: We currently estimate that approximately 819,700 World War I veterans, who are now employed at full- or part-time jobs and who are not on the VA or Department of Defense rolls, have income in excess of the existing limitation and might be denied pension should they apply at this time.

Please let me know if I can be of any further assistance.

Very truly yours,
J. M. HANSMAN,
Controller.
(For and in the absence of John Shylte).

Mr. MORSE. Mr. President, in its Legislative Newsletter of March 1962, the Veterans of Foreign Wars called my proposal "a modest pension bill for veterans of World War I." That is a very accurate statement about it.

My bill is so modest that I do not believe I can claim the outright endorsement of it by any veterans' organization.

Those backing a general pension for World War I veterans are united behind H.R. 3745, which they do not have a chance to get passed at this session.

My bill does not go as far as that bill, which substantially raises income limits and excludes many forms of income from the computation of income limits:

The other organizations are less interested in World War I veterans, since their membership is now drawn more heavily from younger veterans. Yet I believe this proposal is indeed a modest one. It is fairer to World War I veterans than the present pension system; and I ask for favorable consideration of this measure.

Mr. President, yet I have received many favorable comments and certain other supporting evidence and data in support of my proposal.

I wish to comment briefly on a letter dated October 3, 1962, which I have received from the director of the national legislative service of the Veterans of Foreign Wars of the United States. The letter reads as follows:

VETERANS OF FOREIGN WARS
OF THE UNITED STATES,
NATIONAL LEGISLATIVE SERVICE,
Washington, D.C., October 3, 1962.

Hon. WAYNE MORSE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MORSE: Your proposed amendment for a separate pension program for the veterans of World War I, which you submitted to the Senate on October 1, is of special interest to the Veterans of Foreign Wars of the United States.

For many years, the VFW has been seeking to have the Congress recognize a separate pension program for the approximately 2,300,000 remaining World War I veterans. Our most recent national convention adopted several resolutions in the pension field. One, which specifically addresses itself to the veterans of World War I, is Resolution No. 246, entitled "World War I Pension." Another, identified as No. 244, entitled "Liberalized Pension Program," would, if approved by the Congress, be extremely helpful to the veterans of World War I. Copies of these two resolutions are attached.

It is noted that your proposed amendment would carry out many of the features contained in these two mandates of the VFW. Not only would your proposal create a separate program, but it is noted it would increase both the rates and income limitations for some World War I veterans. Of particular interest is the provision which states that if the veteran served outside the continental limits of the United States for a period of 30 days or more during the creditable period of service, the monthly rate payable to him shall be increased by 10 percent. The VFW has long held that the length and type of service rendered should be a factor in determining the pension rate in the same manner that servicemen during the war were compensated in accordance with the type of service they rendered.

Without going into all the ramifications of your proposed amendment, it should be pointed out that many World War I veterans are receiving a higher pension under the so-called old pension program and the Veterans' Pension Act of 1959 (Public Law 86-211).

That is the law I discussed in my statement on my bill—

The same holds true for many who are receiving an additional allowance for aid and attendance. A savings clause should, therefore, be incorporated in the amendment in order to preserve the higher rates paid to those already on the pension rolls, and right of election.

It is in there; it provides that they shall have the right of election and of choice. I have seen to it that they are protected.

Then the letter states:

The Veterans of Foreign Wars, however, is very much in favor of and heartily supports the purpose and intent of your amendment which would also increase the rates for some, and in particular, would recognize oversea and combat service by rewarding those veterans, if otherwise entitled, a higher pension payment.

Your amendment and efforts to achieve this purpose would carry out our longstanding mandate for a separate pension program for the remaining World War I veterans and is deeply appreciated by the Veterans of Foreign Wars.

Sincerely,
FRANCIS W. STOVER,
Director, National Legislative Service.

Mr. President, attached to the letter is a copy of Resolution 246, entitled "World War I Pension," and also a copy of Resolution 244, entitled "Liberalized Pension Program, Public Law 86-211."

I ask unanimous consent that the resolutions be printed at this point in the RECORD.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

RESOLUTION 246—WORLD WAR I PENSION

Whereas the Veterans of Foreign Wars of the United States has for many years been aware of the growing needs of our aging comrades of World War I; and

Whereas the average age of these comrades of the First World War now approximates 68 years; and

Whereas this group constitutes the last major group of war veterans, who due to lack of either public or private retirement programs, will need such type of separate and distinct pension legislation: Now, therefore, be it

Resolved, by the 63d National Convention of the Veterans of Foreign Wars of the United States, That we go on record favoring a separate and distinct pension program for the veterans of World War I, incorporating the following provisions:

1. That the sum of $100 per month be paid to veterans of World War I service, who served a period of 90 days during the period prescribed as World War I service by the various laws and regulations, and such service consummated by a discharge under conditions other than dishonorable.
2. That there be income limitations pertaining to lawful receipt of such pensions of $2,400 per annum for a single veteran without dependents, and $3,600 per annum for the married veteran with one or more dependents.
3. That any retirement or annuities income, either public or private in nature, shall not be considered income in determining the eligibility for such pension.
4. That nothing under this resolution or any legislation that is introduced in the Congress as a result of this resolution by the VFW legislative service, should affect any laws or legislation presently in effect, to the end that any veteran shall suffer reduced amounts of pension as a result of its possible passage by Congress.
5. Monthly rates of pension payments be increased by 10 percent where the veteran served overseas during wartime.
6. This resolution is intended to operate as a guideline for the commander in chief and the legislative service, and they shall be free to support such bill or bills that meet these purposes without regard to the figures specified.

Adopted at the 63d Annual Convention of the Veterans of Foreign Wars of the United States held at Minneapolis, Minn., August 12 through 17, 1962.

RESOLUTION 244—LIBERALIZED PENSION PROGRAM, PUBLIC LAW 86-211

Whereas the average age of the World War I veteran is 68 and thousands of World War II veterans are already in their 60's; and

Whereas there are presently more than 1 million veterans receiving pension payments, of which over 900,000 are veterans of World War I; and

Whereas the pension rates should be increased especially for those with the lowest income who need the most help; and

Whereas widows and children of deceased veterans also are in need of increased pension rates; and

Whereas the great majority of older veterans are over 65 and automatically qualify for total disability with only a handful not being able to meet present disability requirements; and

Whereas there are many cases in which unavoidable expenses occur, such as the burial expenses of a wife or child causing great hardship on the veteran; and

Whereas one of the largest expenditures for veterans is medical, dental, and hospital bills and should be a factor in determining entitlement to pensions since they cut deep into the little income a veteran has; and

Whereas there are many wives who are forced to work in order to maintain the family and home and under present law this earned income is counted as if it were the veteran's income, thereby depriving the veteran of part or all of his pension payment; and

Whereas profits realized from the sale of a home can be counted as income, thereby depriving the veteran of eligibility for pension payments for the year in which the profits are realized; and

Whereas the Veterans of Foreign Wars has always been the leader for more liberalized and generous benefits, especially for our aging comrades: Now, therefore, be it

Resolved by the 63d National Convention of the Veterans of Foreign Wars of the United States, That we seek congressional approval of the following recommendations:

(1) Increase the income limitation with respect to the lowest and middle income groups under present pension laws.

(2) Increase monthly rates of pension for those whose annual income is in the lower income groups.

(3) Increase monthly rates of pension for widows and children whose annual income is in the two lowest income groups.

(4) Eliminate disability requirement for veterans 65 years of age or over.

(5) In determining income, exclude any amount paid for the burial expenses of a spouse or children.

(6) In the case of any veteran, exclude from annual income the cost of any medical, dental, and hospital expenses of the veteran, his spouse and children.

(7) In determining annual income, exclude all earned income of the spouse.

(8) In determining income limitations any profits from the disposition of real property not in course of trade or business shall not be counted.

(9) Monthly rates of pension payments be increased by 10 percent where the veteran served overseas during wartime.

Adopted at the 63d Annual Convention of the Veterans of Foreign Wars of the United States held at Minneapolis, Minn., August 12 through August 17, 1962.

Mr. MORSE. Mr. President, in closing, I wish to state that I said the veterans of World War I are the forgotten veterans of America. They are the forgotten veterans of America, as is evident when we compare the benefits they have received from the Government with the benefits other veterans have received.

GI BILL NEEDED FOR COLD WAR VETERANS

I wish to speak of one benefit for World War II veterans for which I fought hard, along with many other Senators. It is known as the GI bill of rights. We passed that measure, as we should have done, for they were entitled to it. Incorporated within the GI bill of rights for World War II veterans and Korean veterans were the educational features. Many thousands of World War II veterans had the benefit of the educational features of the GI bill of rights. As a result, they obtained an education, and thereby they were placed in a position to earn much more than they could have earned if they had not had the educational benefits of that bill. The evidence submitted by the Veterans' Administration shows clearly that the educational features of the GI bill of rights actually have not cost the American taxpayer a cent, because those educational features have enabled veterans to earn amounts much more than they would have been able to earn if they had not had such education; and thus there is a clear showing, on a mathematical basis, that the educational provisions of that bill are paying for themselves through the increased taxes obtained from increased earnings.

The Senator from Texas [Mr. YARBOROUGH], who was in the Chamber a moment ago, is very much interested in this matter; and he can testify that the hearings which have been held show precisely what I have just now stated. He knows that to be true, because, as chairman of the Veterans Subcommittee he took testimony on that point. That subcommittee has jurisdiction over the subject matter of the Yarborough GI bill.

That is why the Senator from Texas has been fighting in this Congress for the passage of similar legislation, which would give similar educational benefits to the so-called peacetime veterans; and I have stood shoulder to shoulder with him in fighting for the passage of that bill. It is another bill which Congress has not yet passed, but it should be passed if justice is to be done to the veterans. That bill, too, should have a preference priority—a priority as high as the one my bill should have—over some sections of a foreign-aid bill which, in my judgment, will involve nothing but waste and mismanagement, and will not bring commensurate benefits to the American people.

But the veterans bills we are fighting for would bring important benefits to the American people, as a whole, and justice to the veterans, in particular.

Mr. President, when I say the World War I veterans are the forgotten veterans of America, I wish to point out that we did not give them a GI bill of rights or any similar opportunity to make increased earnings, so that in their old age, thousands and thousands of them—who now are in a sorry plight—would have sufficient funds to maintain themselves in health, decency, and comfort.

Mr. President, I ask Senators to come with me to the domiciliary homes for veterans, across America—for example, to the one at Medford, Oreg.—and look at those veterans of World War I; and then tell me, in answer to the dictates of their own consciences, whether they think the people of the United States and those of us who have this legislative responsibility have done justice to the World War I veterans.

Mr. President, my bill seeks to carry out what I consider to be a great moral obligation; and I plead with the Senate to pass the bill or add it as an amendment to the pending appropriation bill, and then send it to the House of Representatives.

The PRESIDING OFFICER. The time of the Senator from Oregon has expired.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. MORSE. My time is up.

The PRESIDING OFFICER (Mr. JORDAN of North Carolina in the chair). The time of the Senator from Oregon has expired.

Mr. ROBERTSON. Mr. President, will the Senator yield me 1 minute for a question? I do not know what is in the amendment.

Mr. MANSFIELD. Mr. President, I yield 1 minute to the Senator from Virginia.

Mr. ROBERTSON. Mr. President, the junior Senator from Virginia served for nearly 2 years in World War I. He is now 75 years old. The amendment offered by the Senator from Oregon a few days ago to the foreign aid bill provided that every veteran of World War I who was 65 and over would be deemed totally and permanently disabled. That is a little embarrassing to the junior Senator from Virginia. Will the Senator from Oregon accept an amendment that it does not apply to the junior Senator from Virginia?

Mr. MORSE. It does not apply to the Senator from Virginia, because he makes more than $3,000 a year.

Mr. ROBERTSON. I see. I thought I was going to be deemed totally and permanently disabled.

Mr. MORSE. We are not forcing it on anyone, but it would apply to a World War I single veteran who earn less than $1,800 a year or a married veteran who earned less than $3,000 a year. In the name of commonsense and decency, we ought to adopt the proposal.

Mr. MANSFIELD. Mr. President, just to make sure, I wish to ask once again for the yeas and nays on the motion to table which I shall make.

The **PRESIDING OFFICER.** The yeas and nays have been ordered.

Mr. MANSFIELD. Mr. President, I, too, happened to have served in World War I. I did not achieve much in the way of rank. I was discharged finally from the service as a private first class in the Marine Corps. I am naturally interested in the welfare of the veterans of any war. I know the Senator from Oregon has for many years been attempting assiduously to bring benefits to the veterans of the First World War which he thinks they are entitled to; and to give to them the consideration which he thinks should be theirs in comparison with veterans of other wars.

However, in spite of the fact that the Senator from Oregon has been endeavoring to obtain hearings on the measure, or measures similar to it, no hearings have yet been held by any committee on the proposal. Before any legislation of this kind is considered, I believe it should have the benefit of prolonged, detailed, and exhaustive hearings, because of the amount of money involved.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. MORSE. I agree that there should be hearings. I have tried for 5 years to get hearings, but the committees will not give the hearings.

Mr. MANSFIELD. I have stated that the Senator from Oregon has tried. I thought it was for longer than 5 years.

Mr. President, I yield back the remainder of my time, and I move that the amendment of the Senator from Oregon be tabled.

The **PRESIDING OFFICER.** The question is on agreeing to the motion of the Senator from Montana to lay on the table the amendment of the Senator from Oregon. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MUSKIE (after having voted in the affirmative). Mr. President, on this vote I have a pair with the Senator from Colorado [Mr. Carroll]. If he were present and voting, he would vote "nay." If I were at liberty to vote, I would vote "yea." I therefore withhold my vote.

Mr. HUMPHREY. I announce that the Senator from Colorado [Mr. Carroll], the Senator from New Mexico [Mr. Chavez], the Senator from Pennsylvania [Mr. Clark], the Senator from Mississippi [Mr. Eastland], the Senator from Louisiana [Mr. Long], the Senator from Washington [Mr. Magnuson], the Senator from Minnesota [Mr. McCarthy], the Senator from Florida [Mr. Smathers], and the Senator from New Jersey [Mr. Williams] are absent on official business.

I further announce that the Senator from New Mexico [Mr. Anderson], the Senator from Arkansas [Mr. Fulbright], the Senator from Alaska [Mr. Gruening], the Senator from Wyoming [Mr. Hickey], and the Senator from Missouri [Mr. Long] are necessarily absent.

I further announce that, if present and voting, the Senator from Pennsylvania [Mr. Clark], the Senator from Alaska [Mr. Gruening], the Senator from Louisiana [Mr. Long], and the Senator from Minnesota [Mr. McCarthy] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from Vermont [Mr. Aiken], the Senator from Utah [Mr. Bennett], the Senator from South Dakota [Mr. Bottum], the Senator from Maryland [Mr. Butler], the Senator from Indiana [Mr. Capehart], the Senator from Kentucky [Mr. Morton], and the Senator from Texas [Mr. Tower] are necessarily absent.

The Senator from Idaho [Mr. Jordan] and the Senator from New Hampshire [Mr. Cotton] are detained on official business.

The Senator from Colorado [Mr. Allott] is absent by leave of the Senate on official business at the United Nations.

On this vote, the Senator from Texas [Mr. Tower] is paired with the Senator from Indiana [Mr. Capehart]. If present and voting, the Senator from Texas would vote "yea" and the Senator from Indiana would vote "nay."

The result was announced—yeas 53, nays 22, as follows:

[No. 305 Leg.]

YEAS—53

Bartlett
Beall
Boggs
Bush
Byrd, Va.
Byrd, W. Va.
Case
Cooper
Curtis
Dirksen
Douglas
Ellender
Engle
Ervin
Goldwater
Gore
Hickenlooper
Hill
Holland
Hruska
Humphrey
Javits
Johnston
Jordan, N.C.
Keating
Kerr
Kuchel
Lausche
Long, Hawaii
Mansfield
McClellan
McGee
Metcalf
Miller
Monroney
Moss
Mundt
Pastore
Pearson
Pell
Prouty
Proxmire
Robertson
Saltonstall
Scott
Smith, Maine
Sparkman
Stennis
Symington
Thurmond
Wiley
Williams, Del.
Young, Ohio

NAYS—22

Bible
Burdick
Cannon
Carlson
Church
Dodd
Fong
Hart
Hartke
Hayden
Jackson
Kefauver
McNamara
Morse
Murphy
Neuberger
Randolph
Russell
Smith, Mass.
Talmadge
Yarborough
Young, N. Dak.

NOT VOTING—25

Aiken
Allott
Anderson
Bennett
Bottum
Butler
Capehart
Carroll
Chavez
Clark
Cotton
Eastland
Fulbright
Gruening
Hickey
Jordan, Idaho
Long, Mo.
Long, La.
Magnuson
McCarthy
Morton
Muskie
Smathers
Tower
Williams, N.J.

So Mr. Mansfield's motion to lay on the table the amendment of Mr. Morse was agreed to.

Mr. MANSFIELD. Mr. President, I move to reconsider the vote by which the amendment was tabled.

Mr. McCLELLAN. Mr. President, I move to lay that motion on the table.

The **PRESIDING OFFICER.** The question is on agreeing to the motion to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

The **PRESIDING OFFICER.** The bill is open to further amendment.

Mr. MORSE subsequently said:

Mr. President, with reference to my attempt to add a pension for World War I veterans to the appropriation bill for the Departments of Commerce and Justice and related agencies, if I had had the time to do so, I would have included some additional points in my speech. I shall add them now, for the Record.

Mr. President, the Senator from Georgia [Mr. Talmadge] came to my desk after the vote and expressed words of encouragement and appreciation for the position I had taken again this year, as I have previously, in an effort to do justice to World War I veterans. As I said during the debate, I have tried for 5 years to obtain hearings on the bill. I shall never be able to understand why we have not been able to have some hearings held on the pension bill for World War I veterans.

The Senator from Georgia [Mr. Talmadge] pointed out to me, as did his senior colleague from Georgia [Mr. Russell], who is Chairman of the Armed Services Committee, that under our foreign aid bill we are paying a very generous pension, a much more generous one than World War I veterans are able to collect in the United States, for the superannuated soldiers of the Nationalist Chinese army on Formosa.

Oh, Justice, where is your light? Who blew out the torch of justice in regard to our obligation to World War I veterans? How can we justify a foreign aid giveaway program to provide pensions for Chinese Nationalist soldiers, greater largess than we provide our own World War veterans? I leave that to Senators to answer when they return home.

Mr. YARBOROUGH. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. I yield.

Mr. YARBOROUGH. I understand that while I was absent from the Chamber, the Senator from Oregon made some kind remarks about the GI cold war bill which many of us have been sponsoring for years, and also about my support of the amendment of the Senator from Oregon on behalf of World War I veterans. I voted against the motion to table the Morse amendment to provide pensions for World War I veterans, and thereby voted for the pensions for World War I veterans.

One of the main reasons why I support pension payments for World War I veterans is that there was no GI bill for World War I veterans. When the World War I veterans returned home, the traditional saying is that they peddled apples on street corners. The good jobs had gone to those who had not entered the military service, but had stayed home and qualified for the new jobs in a changed technocracy.

A farsighted Government, a farsighted Congress, remedied that situation after World War II by passing a GI bill of rights which provided for readjustment training, the purpose of the GI bill being to train for the new civilian life, not to provide a bonus. By that legislation, 15½ million veterans of World War II had available to them various devices for readjustment. One was loans for homes, another provision loans for business, or loans for farms or ranches, or grants for education. Of those 15½ million, 7,800,000 went to school.

Then Congress passed a GI bill for veterans of the Korean conflict. Of the 4¾ million veterans of that war, half of them went to school under a GI bill.

We are now in a "cold war." We have no GI bill to retrain the "cold war" veterans. Are we to make apple peddlers out of them, as we did the veterans of World War I? Are they to face a situation in the future which the veterans of World War I faced?

I think it would be an act of simple justice to provide some benefits for the veterans of World War I, to make up for the failure of the Government to give them educational training after World War I. There was no precedent for such training for veterans at that time. But there is no excuse for failing now to provide pensions for World War I veterans now and to provide readjustment training for the veterans of the cold war, because we have learned by experience with the veterans of World War II and the Korean war the benefits, not merely to the veterans, but also to the Nation, of providing young present-day veterans of the cold war with readjustment training.

With this great example before us, I think Congress is "fiddling while Rome burns," when it lets millions of veterans of the cold war come out of the service untrained, lagging behind the times, while their contemporaries who did not serve have gone on and trained in the new technocracy for jobs, are getting the good paying jobs, and are leaving the cold war veterans behind in the battle of life.

I think the bill to provide a pension for veterans of World War I is an act of economic justice. I regret to say that the greatest economic injustice is to the veterans of the cold war, who are not being trained in such a way as to avoid a repetition of the World War I story, because now we know what happened to the veterans of World War I, and we should not stand by and see it happen again to these cold war veterans.

I thank the distinguished Senator from Oregon for his kind remarks about my work on the GI bill and my support of his amendment. I supported it because I believed it to be an act of justice.

Mr. MORSE. Mr. President, I agree with everything the Senator from Texas has said. If it is our privilege to serve again in this body beginning in January 1963, I shall ask the Senator from Texas to cosponsor with me a World War I veterans' pension bill, because I shall introduce such a bill and try to have early action taken on it next year.

This year, the momentum was behind the bill on the House side. It turned out that nothing came of the bill over there. But we were late in offering it on the floor here because I did not want to jeopardize any chance of discharging it from committee in the other body.

My suggestion is that come next January, if both of us are privileged to continue to serve here, the Senator from Texas and I introduce, in the very first days of the session, a World War I pension bill, that we press for action, and that we wait a reasonable time for the committee to give us a hearing. If we are not to be given a hearing, I propose that we then begin to seek the support of Members of the Senate to move to discharge the committee from the consideration of the bill, for the committee has kept similar bills bottled up for 5 long years. I do not intend to go through another session of Congress with such a bill bottled up in committee. I shall give the committee a reasonable time to hold hearings and make a report on the bill. If the committee does not wish to hold hearings and report on the bill, I shall very early in the next session of Congress avail myself of the privilege to move to discharge the committee from the consideration of the bill. I shall notify the Senator from Texas and hope that he will join with me in that parliamentary move.

The Senator from Texas can count on me to be a cosponsor again, if I am here, of his GI bill, which seeks to provide GI education and training benefits for veterans now coming out of the Armed Forces.

Mr. YARBOROUGH. I thank the Senator from Oregon and congratulate him on his leadership. Come January, if I am here, I plan to reintroduce the cold war GI bill; 51 Senators sponsored the bill this year.

The draft law will expire next July. I wonder if, come next year, Congress will say to the young men who will be pulled out of their normal lives, "We are going to make you serve, but we will not let you go to school when you are discharged." That will be one of the issues in the next Congress.

Mr. JAVITS. Mr. President, I have had printed two amendments, which are at the desk. I have offered neither of them.

One amendment relates to the engraving by the Bureau of Engraving of the portrait of the Chief Justice of the Supreme Court, in accordance with a time-honored custom going back to 1873. I do not feel that this is the kind of measure which should be pressed as an amendment. I feel that the request should properly come from the Bureau of the Budget, following the longstanding tradition in which this has been done for Chief Justices of the Supreme Court. Incidentally, this is a practice which has paid for itself through the purchases of prints of the engraving by the public.

I shall refrain from offering the amendment, but I request the Bureau of the Budget to consider the introduction of such an item into the proposed budget for next year.

Second, Mr. President, I had printed an amendment with respect to increasing the sum allowed by the committee for the informational media guarantee fund from $1 million to $1.5 million. I am satisfied that such an amendment probably would not carry. I am satisfied also that the committee will approach these discussions in conference with the other body with the utmost fairness.

I made a speech this morning in which I pointed out that the big problem in the USIA was that it was altogether too narrowly confined in what we were asking for and in its general design. I said, and I repeat, that I thought powerful Uncle Sam had a pipsqueak voice because we were not asking for all that was needed to do the job commensurate with $50 billion for defense and about $5 billion for foreign aid.

But that problem will not be corrected by what I might or might not be able to do on these small amounts. Therefore, I have decided to leave that question to the conference.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill (H.R. 12580) was read the third time, and passed.

Mr. McCLELLAN. Mr. President, I move that the vote by which the bill was passed be reconsidered.

Mr. MANSFIELD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. McCLELLAN. Mr. President, I move that the Senate insist upon its amendments and request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. McClellan, Mr. Ellender, Mr. Hayden, Mr. Holland, Mr. Fulbright, Mr. Mansfield, Mrs. Smith of Maine, Mr. Saltonstall, Mr. Mundt, and Mr. Hruska, conferees on the part of the Senate.

POSTAL SERVICE AND FEDERAL EMPLOYEES SALARY ACT OF 1962—CONFERENCE REPORT

Mr. JOHNSTON. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7927) to adjust postal rates, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of Oct. 5, 1962, p. 22570, Congressional Record.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. JOHNSTON. Mr. President, I am delighted to report that the House conferees accepted the Senate bill without major change.

The Senate agreed to a small additional increase on the advertising portion of second class publications subject to zone rates. The additional increase agreed to amounts to two-tenths of 1 cent per pound in zone 1 through 6 to be effective in the final stage of the rate adjustment.

Another change agreed to by the Senate conferees would exempt mail of the third class by nonprofit organizations from the increase called for in the Senate bill.

These changes somewhat offset each other insofar as total additional revenue is concerned. Thus, the additional revenue produced by the bill will remain slightly above $600 million per year when all provisions become fully effective.

The conference was conducted in a most congenial atmosphere. I commend the conferees on the part of the House—Chairman Tom Murray, James Morrison and Robert Corbett—for their attitude and diligence in this connection. Also, I wish to express my appreciation to the Senator from Oklahoma [Mr. Monroney] and the Senator from Kansas [Mr. Carlson] for the tremendous help they were in bringing this matter to a successful conclusion.

Mr. YARBOROUGH. Mr. President, will the Senator yield?

Mr. JOHNSTON. I yield.

Mr. YARBOROUGH. I commend the distinguished Senator from South Carolina for his leadership on the bill and for the work which he, as chairman of the Committee on Post Office and Civil Service, has performed on various proposed legislation for 18 months.

We now have rolled into one bill a measure to adjust postage rates and another measure to adjust the salaries of Federal classified employees, postal employees, and legislative employees, and to raise by 5 percent the annuities paid to retired Federal employees.

The bill is a good and fair bill. To adjust salaries exactly among 1,600,000 Federal employees is an almost impossible task. In any group we would find someone who could say, "I did not receive my fair share."

The subject is exceedingly complicated. The distinguished chairman heard representatives of publishing companies. He heard representatives of the Federal employees. He heard representatives of the Government. I have never seen a chairman preside with more patience at hearings that took place month after month. The Civil Service Commission experts sat in at the committee meetings. The Senate staff worked with the committee. The Post Office Department had its experts present. All of them worked for many months on the bill in an attempt to bring justice to each employee and justice to the users of the mails, and to report as fair a bill as could be written.

It might be said that the bill is fair to one but is unfair to someone else. Scaling the complicated tables of pay with the complicated charges for postal services was a very difficult problem. It would require a superhuman person to say that the bill provides exact justice to everyone.

I compliment the staff that worked so many months with the committee. I commend the patience of the committee chairman and the other members of the committee who worked with him in bringing to the Senate such a just bill.

Mr. JOHNSTON. Mr. President, I thank the Senator from Texas for his remarks. I point out to Senators that the House did not pass any pay-raise bill. The House of Representatives did not cross a "t" or dot an "i" that had not already been crossed or dotted as passed by the Senate.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. JOHNSTON. I yield.

Mr. JAVITS. Mr. President, all is well that ends well. Although the raise in pay is not what the postal workers and the Government employees thought they should have received, the increase given is certainly an earnest expression of the good faith of the Congress to try to do justice for them.

Even more significant is the fact that the workers were very disquieted about joining the pay raise bill with a bill that would raise postal rates. We should congratulate the committee chairman for having carried off that procedure successfully. There was disquietude about it and great worry. Many of us were besieged to bring about a separation of both parts of the bill. The chairman of the committee asked us to go along with his proposal as the way to do it. We did.

The chairman is entitled to the credit that is due for having successfully carried off something which was difficult, and about which many had grave disquiet.

Mr. JOHNSTON. I thank the Senator from New York for his remarks. Before we decided to take that action I took the matter up with the White House. I was told that in view of the lateness of the season, it was thought best that the two measures be combined. The administration agreed with the proposal, and the two measures were considered together.

Mr. JAVITS. I thank the Senator.

Mr. BUSH. Mr. President, will the Senator yield for a question?

Mr. JOHNSTON. I yield.

Mr. BUSH. While the committee was considering the postal rate measure, I believe some of the companies which manufacture metered mail equipment solicited the interest of the committee in the matter of rounding out the rates for third-class mail to the nearest mill rate. This is very important to the manufacturers of the metered mail machines, which account for more than half of the mailing that is done in respect to this class of mail. It would not only be a severe handicap to those companies, but also to the users of the metered mail machines, if this were not done. I should like to ask the Senator what the committee's attitude was in this connection, and what I can tell those people.

Mr. JOHNSTON. Mr. President, I am glad to report to the Senator from Connecticut that that subject was not taken up in the committee, nor was it taken up by the members of the committee, even before the bill was passed in the Senate, and we found ourselves in the position of agreeing between the House and the Senate. For the Senator's further information, representatives of the companies came to see me and discussed the subject with me after the conferees were appointed. I am glad to report to the Senator the further fact that they returned later and said they had arrived at an adjustment with the administration so that they could live under the bill.

Mr. BUSH. In other words, the administration and the Post Office Department have given assurance that administrative action can solve this problem. Is that correct?

Mr. JOHNSTON. They can solve the problem to such an extent that it will not cause too much inconvenience to the manufacturers of the machine.

Mr. BUSH. I thank the Senator for that assurance. It is very helpful to the people who have such an interest in the subject. I ask unanimous consent that the schedule showing what they think is necessary in connection with rounding the rate out to the nearest mill be printed in the Record at this point.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Proposed fractional postal bulk rates rounded to nearest whole mill

[One-half mill and above being taken as 1 mill, and values less than one-half mill being dropped]

Regular:	*Nonprofit*
FRACTIONS	
2⅝ cents	1 5/16 cents
2¾ cents	1⅜ cents
2⅞ cents	1 7/16 cents
MILLS	
2.6 cents	1.3 cents
2.8 cents	1.4 cents
2.9 cents	1.4 cents

The above proposals do not represent any substantial changes in rates. For example, in the third year the ultimate third-class bulk rate would be only 0.87 percent above the fractional rate proposed. On 200 pieces of mail (the minimum required for bulk use), the added amount is 5 cents—$5.80 for postage as opposed to $5.75. This advances at the rate of only 25 cents (for each $28.75 of postage), for each thousand pieces.

In the first year, there would be a slight reduction in the regular rate—0.95 percent; the second year it would advance by 1.8 percent; then the ultimate rate 0.87 percent, as shown above, but in all cases the change is so slight as to be negligible. This same pattern would be followed in the nonprofit rates, except that in the third year the 1.4 cents would represent a reduction of 2.6 percent.

PITNEY-BOWES, INC.

STAMFORD, CONN.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. JOHNSTON. I yield.

Mr. JAVITS. I wanted to be sure that I understood that the conference report carries in it the provision with respect to the youthful survivors, 18 to 21 years of age, and that they will be able to continue their studies under that survivor provision.

Mr. JOHNSTON. The House accepted that provision.

Mr. JAVITS. I am grateful to the chairman. It is a reform that has been long overdue.

Mr. JOHNSTON. Very little money is involved. It is an equitable way of handling the problem. It involves students going to school, up to 21 years of age, and some even older, where the families pay more than half, and they are able to deduct that amount from their income tax. We thought it was only the right thing to do.

Mr. MORSE. Mr. President, I join my colleagues in the Senate in commending the Senator from South Carolina [Mr. JOHNSTON] and our other Senate colleagues for the work they did in conference on the postal bill. In my opinion, postal rate increases have no place in the bill. I did my best to try to have the postal rate and postal pay sections separated. I voted for the bill as it passed in the Senate and went to conference. I thought that the features of the bill that provided for long overdue pay increases to Federal employees outweighed the postal rate disadvantages of the bill.

However, even in the debate on the conference report, for which I shall vote, there ought to be legislative history made this afternoon, for future reference to the effect that it is not the intention on the part of the chairman of the committee, as he has told me in our other debate on the subject, to make the tying together of the postal rates and postal pay a precedent in any way. Am I correct in that position?

Mr. JOHNSTON. The Senator is entirely correct. I believe that when employees are justified in having their pay increased, they should have an increase, regardless of whether the postal revenue is enough to give them the raise. I feel the same way about postal employees as I do about any other employees of the Government.

Mr. MORSE. Passage of the bill and the adoption of the conference report relating to the bill, which includes both postal rate increases and pay increases, will nevertheless be argued by some persons in the future as a precedent. I am hopeful that the colloquy between the chairman of the Committee on Post Office and Civil Service and conference committee and the senior Senator from Oregon on the subject of tying the two together will be helpful in the future in rebutting the argument of those who might claim that here was a connection, and that it should be considered a precedent.

We all know that in the determination of legislative intent, whether it is before a governmental agency or before a court, what the chairman of the committee says has great weight with the tribunal that passes judgment on the issue of congressional intent. Therefore, I am pleased to participate in the making of this legislative history at this time.

I will vote for the conference report, as I voted for the bill. I again congratulate the Senator from South Carolina and his colleagues in the conference for doing a remarkably good job with what at best was a rather bad situation because of the fact that both postal rates and pay raises were considered in the same bill. We have helped the RECORD with this colloquy.

Mr. JOHNSTON. I am in accord with the Senator from Oregon. I should like to call one further fact to the attention of the Senator from Oregon. If he will check the RECORD he will see that the House had not allowed any pay increases in its bill. I am not being critical of the House, but I believe some of the figures in the bill frightened them. At any rate, the House had not passed a pay-raise bill. Consequently, we had to tie the pay provision to a bill already in the Senate in order to get any pay increases for Government employees. Only in this manner were we able to obtain pay increases.

I do not want anyone to think that I agree with the fact that we ought to have sufficient money in the Post Office Department, in the form of postal revenue, to offset whatever increases are necessary to give postal employees a pay raise.

We must remember that that money does not go into a separate fund; it goes into the general fund, and is then paid out to the Department. There is no connection whatever between pay increases and rate increases.

Mr. MORSE. I thank the Senator very much. I understood the parliamentary situation completely. The Senator from South Carolina explained it to me in detail when the bill was before the Senate. He was confronted with the situation that if we were to get any pay increases for our employees, it was necessary to do it by way of the route that the Senator traveled. I understood that. That is why, as I have said, I voted for the bill, because I thought the important thing was to assist Government employees who were involved in the pay section of the bill.

Mr. CARLSON. Mr. President, as a member of the conference between the House and Senate on the postal and classified pay and postal rate bill, I support the conference report. I sincerely hope it will be unanimously adopted by this body. It has been my privilege to serve on the Committee on Post Office and Civil Service for many years. I do not believe a piece of proposed legislation has ever been prepared by our committee and reported to the Senate which had more thorough study and received more research than the bill which was reported to the Senate last week.

After having attended many conferences between the Senate and the House, I believe I can say that this was the finest conference which representatives of the Senate ever had with the House. I believe that the chairman of our committee will fully agree with me as to that.

I am pleased that we could return to the Senate with a bill which provides increases in pay for Federal employees generally. I am pleased also that it was possible to provide a postal rate increase which I believe is satisfactory. The committee did much work on the bill during the many weeks of hearings. I know of no bill that has had as much study as has this bill.

I am pleased that it was possible for us to include a provision for increased benefits and payments for Federal retired workers. These two phases with respect to retired workers were accepted without change.

There were some changes in the postal provisions of the bill, but not many. One with which I am pleased, which was made yesterday, provides for the elimination of profits from the third-class rate. This takes care of veterans' organizations, churches, and philanthropic organizations. Previously, the second-class section, dealing with nonprofit groups, was taken care of on the floor of the Senate.

The bill will raise substantial money for the Post Office Department. However, no doubt we shall be confronted with a similar situation within another year or two. I hope that at the next session we can have the benefit of a study made by a commission, and that substantial funds will be made available to it, so that it will make a thorough study of the operations of this Department. It is becoming one of the largest agencies of the Government, second only to the Department of Defense. This Department spends billions of dollars, and has many thousands of employees.

Such a study definitely should be made for the benefit of Congress, so we shall not be confronted with another request for a postal rate increase without having that study before us. I think we have reached about the top of the postal rates which our people should be required to pay; and I hope very much that the study will be made next year.

Mr. President, at this time I wish to pay a tribute to the distinguished chairman of the committee and to the other members of the committee who worked so diligently on the bill. I think it is a high point in legislation dealing with postal rates and pay. Certainly the members of the staff also are entitled to much credit for the fine bill which has been brought before the Senate. I am pleased to support it.

Mr. FONG. Mr. President, as a member of the Senate Post Office and Civil Service Committee I would like to compliment the Senate conferees, the senior Senator from South Carolina [Mr. JOHNSTON], the junior Senator from Oklahoma [Mr. MONRONEY], and the senior Senator from Kansas [Mr. CARLson] on their accomplishments upon meeting with the House conferees on H.R. 7927. I note that the conference report on this bill does not substantially change the bill as passed by this body on September 27, 1962.

The people of the State of Hawaii will be particularly pleased that the conferees saw fit to keep an amendment I made to H.R. 7927 which restores the weight and size limitation of parcel post matter moving between, Hawaii, Alaska, and their sister States.

For 3 years the individuals and business establishments of the States of Hawaii and Alaska have carried a burden imposed by an arbitrary postal ruling. The Post Office Department recognized this and consequently concurred in my amendment. The people of Hawaii are grateful to the Senate for their consideration in this matter.

Mr. President, I voted for this bill when it came out of committee. Although I do not agree with every provision it contains I feel it is an excellent piece of legislation, and am pleased to have had the opportunity to assist in its production. I urge that the Senate vote its passage as now reported by the able Senate Post Office and Civil Service Committee chairman [Mr. Johnston].

The PRESIDING OFFICER (Mr. Dodd in the chair). The question is on agreeing to the conference report.

The report was agreed to.

Mr. JOHNSTON. Mr. President, I move that the vote by which the report was agreed to be reconsidered.

Mr. MANSFIELD. Mr. President, I move to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House insisted upon its amendment to the bill (S. 3389) to promote the foreign commerce of the United States through the use of mobile trade fairs, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. Bonner, Mr. Downing, Mr. Casey, Mr. Mailliard, and Mr. Pelly were appointed managers on the part of the House at the conference.

INVESTMENT BY CERTAIN BANKS IN CORPORATIONS PROVIDING CLERICAL SERVICES

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 2071, House bill 8874, to authorize certain banks to invest in corporations whose purpose is to provide clerical services for them, and for other purposes.

I make this request because of the fact that agreement has been reached, as I understand, among the Senators involved, in regard to a satisfactory amendment which will be offered, I believe, by the Senator from Wisconsin [Mr. Proxmire].

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the bill (H.R. 8874) to authorize certain banks to invest in corporations whose purpose is to provide clerical services for them, and for other purposes.

Mr. MANSFIELD. Mr. President, I ask that the time available for consideration of the amendment be limited to 10 minutes—5 minutes to be under the control of the Senator from Wisconsin [Mr. Proxmire] and 5 minutes to be under the control of the Senator from Virginia [Mr. Robertson].

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. JAVITS. Mr. President, I should like to have some time on this measure, too.

Mr. MANSFIELD. Certainly.

UNITED STATES, BRITISH, AND FRENCH RIGHTS IN BERLIN

Mr. JAVITS. Mr. President, on behalf of myself and the very distinguished Senator from Oregon [Mr. Morse], I submit, and send to the desk, a concurrent resolution, and request its appropriate reference.

The resolution concerns the posture of the United States in regard to Berlin, and is in precisely the same terms as House Concurrent Resolution 570, which was reported today by the Foreign Affairs Committee of the House.

The purpose of the resolution, which I shall read to the Senate, is to make clear that our attention is not being diverted by the situation in Cuba, and that we equate, in terms of importance to the United States, the position in Berlin with the position in Cuba. This resolution is, in substance, along the same lines as the resolution on Cuba which was well nigh unanimously adopted by both the Senate and the House of Representatives.

The PRESIDING OFFICER. The concurrent resolution will be received, printed, and appropriately referred.

The concurrent resolution (S. Con. Res. 97) was referred to the Committee on Foreign Relations, as follows:

Whereas the primary purpose of the United States in its relations with all other nations is and has been to develop and sustain a just and enduring peace for all; and

Whereas it is the purpose of the United States to encourage and support the establishment of a free, unified, and democratic Germany; and

Whereas in connection with the termination of hostilities in World War II the United States, the United Kingdom, France, and the Soviet Union freely entered into binding agreements under which the four powers have the right to remain in Berlin, with the right of ingress and egress, until the conclusion of a final settlement with the Government of Germany; and

Whereas no such final settlement has been concluded by the four powers and the aforementioned agreements continue in force: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress—

(a) that the continued exercise of United States, British, and French rights in Berlin constitutes a fundamental political and moral purpose;

(b) that the United States would regard as intolerable any violation by the Soviet Union directly or through others of those rights in Berlin, including the right of ingress and egress;

(c) that the United States is determined to prevent by whatever means may be necessary, including the use of arms, any violation of those rights by the Soviet Union directly or through others, and to fulfill our commitment to the people of Berlin with respect to their resolve for freedom.

Mr. JAVITS. Mr. President, I am honored to be joined in the sponsorship of the resolution by the distinguished Senator from Oregon [Mr. Morse].

I believe it most important that the Soviet Union understand that what we say about Cuba, we mean equally about Berlin, and that we will not be diverted from our purpose by either.

Mr. MORSE. Mr. President, this concurrent resolution is most important, because in my judgment it is a corollary of the Cuban resolution.

Furthermore, as chairman of the Subcommittee on Latin-American Affairs, I am very much concerned about some propaganda which is being circulated. In my judgment, it is unfair to the President and to all the people of the United States. It is to the effect that, in some way, somehow, Berlin may be on the bargaining table vis-a-vis action taken in connection with Cuba.

About 10 days ago, I spoke briefly on this subject on the floor of the Senate. My remarks were based upon, briefings which I had received from responsible officials of the administration. In those briefings, I was assured that there would be no basis for any bargain or trade in regard to Berlin vis-a-vis Cuba.

Nevertheless, the rumors to which I have referred have begun to circulate.

Therefore, Mr. President, we owe it to the President to adopt this concurrent resolution, in order to strengthen his hand and to make clear that we have no intention to enter into any trade with Khrushchev in regard to Berlin and Cuba; that the same principle of freedom is at stake in both Berlin and Cuba; and that we do not barter freedom; we protect freedom.

Adoption of the concurrent resolution will accomplish two things: First, it will make very clear our answer to the rumor propaganda being circulated; second, it will show the world that we are behind the President in his determination to protect freedom in Berlin.

Mr. JAVITS. Mr. President, I thank the Senator from Oregon for his support.

RACE RELATIONS AND DISCRIMINATION IN MISSISSIPPI

Mr. JAVITS. Mr. President, today the Wall Street Journal has given us a very instructive analysis in regard to the very serious situation in Mississippi. I think every Senator can read with great profit the article the Wall Street Journal has published. It is entitled "Moderates Speak Up—200 Top Mississippians Seek To Bar Defiance of Courts in Future."

The article is a report on a meeting of 200 Mississippi businessmen who are deeply disquieted by what the defiance of law and the ensuing riots mean to the people of Mississippi and to the businesses in Mississippi. Of course, these businessmen are strongly opposed to such a situation. Mr. President, not only is this the voice of reason of the citizens of Mississippi, with all their pride in their great State; it is also the voice of reason of all citizens of the United States.

I ask unanimous consent that the article be printed in full at this point in the Record, in connection with my remarks.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Wall Street Journal, Oct. 3, 1962]

Moderates Speak Up—200 Top Mississippians Seek To Bar Defiance of Courts in Future—Businessmen Strive To Curb Further Violence, Exert Pressure on Local Officials—An Eye on State's Economy

(By Neil Maxwell)

Jackson, Miss.—At 12:45 p.m. yesterday a meeting broke up in the Crown Room of the King Edward Hotel here. Out poured nearly 200 of the most prominent citizens of Mississippi.

This meeting may affect the future of race relations in Mississippi more than all the strife and disorder reported in headlines the world over since Negro James Meredith arrived at the University of Mississippi campus Sunday. The subject discussed by the group: How to prevent further bloodshed in Mississippi.

Not one political official was invited to this gathering of business and professional leaders from all parts of the State. The meeting marked the first time any sizable group of prominent whites in Mississippi have committed themselves to work publicly for law and order and, in effect, for an end to defiance of the Federal courts, no matter how unpalatable any breaching of Mississippi's rigid segregation might be to them.

In a statement signed by every man at the meeting, the group urged "all our mayors and local public officials in every town, city, and county to advocate forthrightly and immediately the maintenance of law and order."

These white leaders' stand might not seem a bold step in most States, but in Mississippi it is extraordinary. With responsible business and professional elements keeping quiet until now, the public stage has been occupied by extreme and highly vocal segregation leaders and their political allies. Thus Gov. Ross Barnett a week ago was publicly threatening to arrest and jail Federal officials. And no influential voice of moderation was heard in reply here.

[In New York, a leading integrationist group prepared to wage economic warfare against Mississippi. The Congress of Racial Equality said it would threaten boycotts against manufacturers locating new plants in the State, and would challenge in court the State's right to Federal tax exemption on its bonds.]

MODERATE SPEAKS UP

One of the first calming statements from a prominent Mississippian came Monday morning. W. H. "Billy" Mounger, a rising young Jackson businessman who heads Lamar Life Insurance Co. and a radio and television station, went on the air to plead for an end to violence.

"I am not in conflict with the Governor's purpose of trying to test the legal and sovereign rights of our State," Mr. Mounger declared. "But I think it should be done legally, not by violence. And the Governor is the only man who can stop the violence." The executive also urged obedience to Federal laws.

Without exception, it appears, responsible Mississippians were dismayed by the bloody mob scenes in Oxford, home of the university. "Everyone is shocked and sick over the rioting at Oxford," says one Jackson executive.

At least some businessmen in Mississippi believe incendiary statements by Governor Barnett made the violence inevitable. And they fear now that violence has been loosed, it may spread. "When they're frustrated by the troops at Ole Miss, some extremists are apt to turn elsewhere in the State," says a Mississippi attorney. "Some crackpot is apt to try to bomb a Negro school."

BANKERS, LAWYERS PRESENT

Among the prime movers who met here yesterday to figure out ways to prevent such violence were persons whose names carry considerable weight in Mississippi. They included Nat Rogers, president of Deposit Guaranty Bank & Trust Co., the State's biggest bank; R. M. Hearin, president of the First National Bank of Jackson; R. D. "Bob" Morrow, a former State treasurer, and a trio of influential lawyers—Chester Curtis, of Clarksdale; William Barbour, of Yazoo City; and Frank Everette, of Vicksburg.

These men and others at the meeting are powerful in Mississippi. Politicians turn to them for support and advice. Even before yesterday's gathering, they had been pressuring Governor Barnett to adopt a more moderate tone. On Monday a Jackson man who attended yesterday's meeting confided to a friend: "We finally got Ross to issue a statement, though it's not as strong as we wanted." He referred to the Governor's public plea to all outsiders to "go home" and to Mississippians "to remain in your homes."

The business and professional leaders say they intend to try to act as a calming influence in their communities. "We're trying to get businessmen to urge their employees to stay in their hometowns and keep calm," explains one of them. "We'll try to pour oil on troubled waters. We won't blame anyone for what's past. We just want to bind up our wounds and prevent any more violence."

WENT ALONG WITH BARNETT

Why weren't these moderates heard from earlier?

One businessman claims most business elements had gone along with the Governor because they understood he planned only to exhaust every legal defense. "The Governor and his aids gave assurances, accepted in good faith, that no violence would occur," he says. But by last Thursday some business leaders realized violence was in the offing. "By then," this businessman insists, "it was too late for any leader of stature to stand up and say frankly 'this thing is leading us down the road to violence.'"

Whatever the wisdom of their course before the riots broke out, many Mississippi businessmen now appear determined to play a more active and open role in State affairs. Declares W. P. "Pat" McMullan, chairman of Deposit Guaranty Bank: "We think this thing is going to bring forth a leadership from the business community we've never had before in Mississippi."

Businessmen here stoutly maintain the racial troubles won't have any serious impact on business. "It's just one incident, and if it ends there it won't be detrimental," says C. B. Ryan, president of Storkline, Inc., a Jackson producer of TV cabinets and other wood products. But he adds: "If the violence doesn't stop, nobody can tell what the result will be." He reports there is no sign of tension in his plant, where half the 1,800 workers are Negroes. Whites and Negroes will continue to cooperate on the job, he believes, because they know anything that would disturb the company's operations could cost their jobs.

WOOING INDUSTRY

In recent years Mississippi has been wooing new industry with considerable success. Last year alone the State attracted 83 new businesses which provided 7,018 new jobs and represented $155 million in capital investment.

It might be assumed that this drive for industry would be hampered by the events at Oxford. The industrial development effort of Little Rock, Ark., is still feeling the effects of the troubles that accompanied the desegregation of Central High School 5 years ago.

But some Mississippi businessmen insist their State's economy won't suffer because of the current racial crisis. "The basic reasons for economic growth are still here," says Mr. McMullan of Deposit Guaranty. "Essentially people will locate plants where they can make a profit." Among the basic reasons for growth the banker lists plentiful natural resources—water, timber, and oil—plus "a prideful people who are prepared to give 60 minutes work every hour they're on the job. And I mean both white and colored."

A low wage level also induces some industries to locate in Mississippi. And the State legislature has been friendly to business in recent years, shaving personal and corporate income taxes, enacting a stiff right-to-work measure to curb unions and approving a revenue bond plan to finance new industries.

Joe Bullock, head of the Mississippi agency charged with seeking new industry, is optimistic. "We're getting more inquiries now than ever, and I predict this year we'll have more new industries and more expansions than last," he declares.

If Mississippi has made gains, it still has a long way to go. Its per capita income of $1,233 last year was the lowest in the nation; even though it had risen from $733 in 1950, it still trailed the U.S. average by a full $1,000. Its teachers are the lowest paid in the Nation. And in the 1950–60 census decade the State population declined by a few hundred, to 2,178,141, while the U.S. population as a whole rose 18.5 percent. Some 42 percent of Mississippians are Negroes.

Mr. JAVITS. Mr. President, I wish to stress how important it is that Mississippi realize the economic importance of this subject. Obviously it is of great economic importance, because the per capita income of Mississippi is still the lowest in the Nation; it is only $1,233, which is $1,000 less than the average per capita income of the United States. These figures are a clear indication of the harmful economic effects—in addition to all the other harmful effects—of the situation which has developed in that State. The Wall Street Journal article indicates clearly some of the very harmful effects of the situation which has developed there.

Furthermore, Mr. President, Mississippi receives material grants, including grants for aid to education, from the U.S. Government. The University of Mississippi is said to receive more than $1 million of these grants. Again it is inconceivable that these amounts would be paid during a period in which the university would persist in pursuing a policy of discrimination.

I and many others have thought very often that such payments should not be made to institutions pursuing a discriminatory policy. We have felt that the

Department of Health, Education, and Welfare should administer the laws in that way. I think it is high time, just as he acted with proper vigor in enforcing the law and the Constitution in Mississippi, that he give attention to this phase of our outlays of money as well.

Mr. President, much as the situation in Mississippi has deeply troubled Americans, as it has me—it has been a very sad thing for all of us—it may yet demonstrate enough so that even those who now consider themselves intransigent in the South will cease to resist the march of time and of morality and the assertions of the mandates of the Constitution.

AMENDMENT OF THE FEDERAL AVIATION ACT OF 1958

Mr. MONRONEY. Mr. President, I ask the Presiding Officer to lay before the Senate the amendments of the House of Representatives to the bill, S. 962, to amend the Federal Aviation Act of 1958, as amended, to aid the Civil Aeronautics Board in the investigation of aircraft accidents, and for other purposes.

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 962) to amend the Federal Aviation Act of 1958, as amended, to aid the Civil Aeronautics Board in the investigation of aircraft accidents, and for other purposes, which were, on page 1, line 8, strike out ", affected by, or involved in," and insert "involved in"; on page 2, line 4, after "accident" insert ": *Provided*, That to the extent consistent with the needs of the accident investigation, provisions of local law protecting religious beliefs with respect to autopsies shall be observed"; on page 2, line 9, strike out ", affected by, or involved in," and insert "involved in"; on page 3, line 5, strike out "(i)" and insert "(o)"; on page 3, line 7, strike out "(i)" and insert "(o)"; and on page 4, line 3, strike out "amended." and insert "amended." ".

Mr. MONRONEY. Mr. President, with one exception, the amendments adopted by the House are of a technical and clarifying nature and do not alter the substance of the bill. The exception referred to would limit the Board's authority to conduct autopsies by requiring it to observe, to the extent consistent with the needs of the accident investigation, provisions of local law protecting religious beliefs with respect to autopsies.

I move that the Senate concur in the House amendments to S. 962.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Oklahoma.

The motion was agreed to.

INVESTMENT BY CERTAIN BANKS IN CORPORATIONS PROVIDING CLERICAL SERVICES

The Senate resumed the consideration of the bill (H.R. 8874) to authorize certain banks to invest in corporations whose purpose is to provide clerical services for them, and for other purposes.

Mr. MANSFIELD. Mr. President, is the limitation of time on the Proxmire amendment now running?

The PRESIDING OFFICER. It is.

Mr. PROXMIRE. Mr. President, the Senator from Virginia [Mr. Robertson], who was to have managed the bill, had to go to an urgent conference, and asked me to put in the Record two statements on his behalf.

Therefore, I ask unanimous consent to have printed in the Record a statement which the Senator from Virginia would have made today, and also a statement he made on September 29, supporting the bank service corporation bill.

There being no objection, the statements were ordered to be printed in the Record, as follows:

Statement by Senator Robertson

The report contains a full statement of the purposes of the bill, and particularly of the way the committee wants the bank agencies to administer the bill.

A fuller statement of my views on the bill, and on various suggestions which have been made about it was printed in the Record for last Saturday at page 21311.

After much thought, the sponsors of the bill have agreed to accept an amendment to the bill, Senator Proxmire's 9–21–62—D, which would limit the activities of bank service corporations to the performance of services for banks.

Many Senators have received letters from public accountants, or from their State association of public accountants. The acceptance of this amendment will carry out the recommendations of the accountants.

I did not favor this amendment in the committee, and my reasons are set forth in last Saturday's Record. But I am willing to accept this amendment in the hope that the bill can be enacted now. If need be, we can expand it next year.

[From the Congressional Record, Senate, Sept. 29, 1962]

Investment by Certain Banks in Corporations Providing Clerical Services

Mr. Robertson. Mr. President, I ask unanimous consent to have printed at this point in the Record a statement about Calendar No. 2071, H.R. 8874, a bill to authorize certain banks to invest in corporations whose purpose is to provide clerical services for them, and for other purposes.

Four Senators—I should say three Senators—are opposed to this bill; and for that reason it cannot be brought up. But I want the Record to show that I wish to have the bill brought up. All the banks of the country want the bill enacted, for it would authorize the establishment of corporations which could service the banks, and thus could save them many thousands of dollars. That is especially true of the small banks. All the banks in the country want the bill enacted; but three Members of the Senate say, first, that some of the accountants believe the bill might take business away from them. However, I am willing to make a very strong statement on that subject, insofar as the accountants are concerned.

In addition, the three Senators say that one or two suppliers of bank equipment are opposed to the bill. But I point out that it may cost as much as $150,000 or $250,000 to fully equip a small bank; but many of the banks do not have more than $25,000 or $30,000 to spend on capital equipment. However, three Senators have said, "Oh, no; the banks cannot have this bill."

So, Mr. President, I ask unanimous consent to have my views on the bill printed in the Record; and, before Congress adjourns, I will indicate the names of the three Senators who are opposed to the bill and are killing it.

Mr. Proxmire. Mr. President, I understand that the request is merely to have the statement of the Senator from Virginia printed in the Record.

Mr. Robertson. That is correct, because I do not think the bill will be taken up.

Mr. Proxmire. I have no objection to the printing of the statement.

The Presiding Officer. Is there objection?

There being no objection, the statement was ordered to be printed in the Record, as follows:

"STATEMENT BY SENATOR ROBERTSON, OF VIRGINIA, ON H.R. 8874, BANK SERVICE CORPORATIONS

"The purpose of H.R. 8874 is to help small and medium-sized banks compete more effectively with larger banks and give better service to the public, by forming bank service corporations which will make available efficient and expensive equipment the banks individually could not afford to buy.

"I am glad to say that this purpose meets with the unanimous approval of the Banking and Currency Committee. The majority report and the two supplemental views all express strong support for this purpose.

"However, certain relatively minor provisions of the bill have caused a good deal of misunderstanding and confusion and, I regret to say, of opposition.

"On the one hand, it is argued that the bill goes too far and permits banks to engage in nonbank business and compete with other organizations and professions. On the other hand, it is argued that the bill does not go far enough and does not permit savings and loan associations, credit unions, insurance companies, and other lending and financial institutions to take part on an equal basis with banks, waiving all laws—or at least all Federal laws which might prevent such participation.

"On the one hand, it is argued that these bank service corporations may enable banks to engage in monopolistic and anticompetitive activities. On the other hand, it is argued that the bill gives too much power to the Federal supervisory authorities over the banks they supervise.

"These views have led members of the committee to suggest various amendments to the bill. The majority of the committee, however, take the position that no compelling need for these amendments has been demonstrated—that the Federal supervisory agencies can be counted on to administer the act so as to minimize or eliminate the anticipated dangers—and that the matter can be reviewed next year on the basis of reports from the agencies in the light of experience under the present act.

"Nine States—Conecticut, Iowa, Maine, Massachusetts, Michigan, Ohio, Pennsylvania, Virginia, and South Carolina—have enacted statutes specifically authorizing State banks to hold stock in such corporations, and under the general bank codes of New York, and possibly other States, State banks are authorized to do so. But national banks, State member banks, and a few other State Banks are prohibited by Federal statutes from holding such stock.

"H.R. 8874 would waive the prohibitions of Federal laws relating exclusively to banks so as to make it possible for two or more federally supervised banks to hold stock in bank service corporations rendering bank services to them, to other stockholding members of the bank service corporation, and to outside persons and organizations. Not more than 50 percent of the service corporation's activity could be performed for persons or organizations other than banks, whether members or not. Arrangements would be made under the bill for competing banks to get the benefit of the services of the corporation, either by membership or by contract, unless comparable services were available elsewhere. The right of the Federal supervisory agencies to examine and regulate bank functions performed by others than banks, including bank service corporations, particularly off the bank's premises, would be made clear and explicit.

"H.R. 8874 was introduced in the House on August 23, 1961—more than a year ago. A hearing was held by a subcommittee of the House Banking and Currency Committee on July 19 and 20, 1962, and the House Banking and Currency Committee reported the bill on July 30, 1962, with two members dissenting. The House passed the bill on a voice vote on August 14, 1962. The Senate Banking and Currency Committee held a hearing on August 30, 1962, pursuant to notices given in the CONGRESSIONAL RECORD on August 20 and 27, 1962. On September 13, the full committee met to discuss the bill. By a vote of 10 to 5, the committee refused to amend the bill and it was ordered reported with only one dissenting vote recorded.

"At the meeting, the various problems raised in the supplemental views—the desirability of including savings and loan associations, insurance companies, credit unions, and other lending and financial institutions; the dangers of permitting banks to engage in nonbank business; the question of kinds and methods of automated equipment; and the anticompetitive and monopolistic problems—were discussed at length. These points had been covered in a draft committee report which had been circulated to the committee members the day before the meeting, and the committee agreed on a number of changes to be made in the draft committee report in order to assure the maximum clarification of the purposes of the committee and the maximum protection against the dangers and difficulties which were anticipated.

"In my judgment, the committee's action was sound, well advised, and appropriate. I think that enactment of the bill would result in making it possible for a good many small banks to get the benefits of modern, efficient equipment which they could not themselves afford to buy, and that they will be in a better position to compete with large banks and provide economical and efficient treatment for their customers.

"In my judgment, the committee was right to reject all amendments proposed.

"In the first place, in view of the lateness in the present session, I believe acceptance of any amendments whatever would seriously imperil the bill.

"More important, however, I do not think that a case was made before the committee for any of the amendments suggested.

"The suggestion that savings and loan associations, insurance companies, credit unions, and other lending and finacial institutions should be brought into the bill on the same basis as banks, was not brought to my attention, or, as far as I am aware, to the committee's attention, until the executive session. Certainly no suggestion was made that this was necessary or desirable during the entire year that the bill was pending in the House, and no suggestion that this was necessary or desirable was made during the Senate hearings. In fact, I have yet to receive a letter, telegram, or telephone call from any representative of any of these institutions indicating any interest whatever in the suggestion. It seems unlikely, for instance, that savings and loan associations and credit unions would have the same interest in check-processing equipment as would banks. I do not know what Federal or State statutes would have to be amended in order to carry out this proposal, and I do not know what its advantages or disadvantages would be. Clearly, an entirely new issue would be raised by this proposal, and no doubt new hearings would be necessary.

"The committee made it clear in the report that savings and loan associations, insurance companies, credit unions, and other lending and financial institutions may be nonbank stockholding members or customers of bank service corporations, and they may have work done for them by bank service corporations in either capacity, subject to the overall limitation that not more than 50 percent of a bank service corporation's activity may be performed for persons or organizations other than banks. In addition, the committee recommended in its report that bank service corporations restrict their nonbank customers to savings and loan associations, credit unions, and other lending institutions.

"The suggestion that bank service corporations should not be permitted to perform any work for persons or organizations other than banks was also carefully considered by the committee.

"This suggestion was made by a representative of the National Society of Public Accountants, as a proposed amendment to section 4 of the bill. Since the time of the hearings, members of the committee and other Senators have received letters on this subject.

"The committee agreed fully, and made it clear in its report, that the service corporations' activities could not 'include any professional services of a kind which cannot properly be performed by corporations,' that bank service corporations should not be used as devices or subterfuges to enable banks to get into nonbank activities, and that the nonbank services would have to be incidental and secondary to the bank services performed. This would, of course, be particularly true in the case of nonbank customers, as distinguished from nonbank stockholder members of the service corporation.

"At the same time, it was felt that to restrict bank service corporations to working solely for banks, or solely for certain financial institutions, might in some cases deny the benefits of the bill to very small banks, which even together could not buy necessary pieces of equipment without calling on some assistance from persons or organizations other than banks.

"In considering the suggestion that bank service corporations should not be permitted to perform any work for persons or organizations other than banks, it seems appropriate to take note of the State laws on the subject. There are twice as many State banks as there are national banks, and many of the State banks are among the smallest banks. Consequently, it can be expected that most bank service corporations will include at least one State bank. A bank service corporation having both State and national banks as members must, of course, abide by the more restrictive law, whether State or national. Several State laws—Connecticut, Massachusetts, Ohio, Michigan, and Iowa—limit bank service corporations to which their State banks may belong to corporations performing services exclusively to banks or banks and trust companies. I would expect, therefore, that all, or virtually all, bank service corporations in those States could perform no work for anyone other than banks.

"On the other hand, in Virginia, a State bank may belong to a bank service corporation 'engaged primarily in rendering services * * * to two or more banks,' and in South Carolina, a State bank may belong to a bank service corporation whose primary purpose is to perform services for two or more banks. In Maine, a State bank may purchase the stock of any organization 'operated primarily * * * for the institution or other financial institutions.' In Pennsylvania, it appears that bank service corporations might perform services for a bank, a bank and trust company, a trust company, or 'for one or more institutions, corporations, associations, partnerships or individuals.' So, in Virginia, South Carolina, Maine, and Pennsylvania the suggested amendment would be more restrictive than the State law, and State banks could not take full advantage of the State laws.

"The committee did not adopt the suggested amendment. The committee report, however, went into this matter at considerable length in an effort to make clear the committee's position that bank service corporations were designed primarily to help banks.

"The following excerpts from pages 4, 5, and 6, of the report will, I think, make this clear:

" 'The bill authorizes a bank service corporation to perform similar services for persons or organizations other than banks up to 50 percent of its total activity. The authorization to perform services for others than the owning banks is provided in order to permit full and efficient use of the equipment of the bank service corporation. The bill is not intended as a means to enable banks to engage in nonbank business, and the committee looks to the bank supervisory agencies to make sure that banks do not organize or join bank service corporations for the purpose of entering into businesses other than banking' (p. 4).

" 'The committee urges that bank service corporations restrict their nonbank customers to savings and loan associations, credit unions and other lending institutions' (p. 5).

" 'The bill would prohibit any bank service corporation from engaging in any revenue-producing activity other than the performance of bank services for banks and, up to one-half of its total activity, the performance of similar services for persons or organizations other than banks. As indicated in the description of section 1, organizations other than banks including for example, savings and loan associations, insurance companies, credit unions, and similar financial institutions, or other organizations, might be stockholding members of the corporation. In addition, the bank service corporation's facilities might be made available to nonmembers. But the total of services to all of such nonbank organizations, whether stockholding members or not, could not exceed 50 percent of the total activity of the bank service corporation. In most cases, of course, it is expected that the total activity for nonbank organizations would be relatively small, or there would be no nonbank services' (pp. 5 and 6).

"The suggestion that the bill was designed to encourage any particular variety of check processing equipment instead of any other competing variety was not considered to be raised by the bill and any such intention was expressly disclaimed in the report. Bank service corporations operating under the bill would be authorized to use any kind of equipment, they might find desirable, to perform bank services. The committee did not intend approval of the bill to connote approval or disapproval of any kind, make, or system of equipment, or of any particular process of automation.

"The suggestion that the express recognition of the Federal supervisory agencies' authority to regulate and examine the performance of bank services by anyone other than the bank would interfere with bank operations, particularly in emergency or occasional rush periods, was also carefully considered by the committee. The committee did not intend any such result, and in the report expressly directed the bank supervisory agencies to make sure that bank operations would not be inconvenienced under these conditions.

"This point was raised particularly by the Chase Manhattan Bank in a letter printed in the hearings. After the report was printed, I sent a copy to the bank to show the efforts we had made to prevent the difficulties they anticipated. I was glad to receive the following reply from the bank, indicating that in their case we had succeeded in our efforts:

" 'THE CHASE MANHATTAN BANK,
" '*New York, N.Y., September 26, 1962.*

" 'Hon. A. WILLIS ROBERTSON,
" '*Chairman, Banking and Currency Committee, U.S. Senate Office Building, Washington, D.C.*

" 'DEAR SENATOR ROBERTSON: Thank you for your letter of September 18 accompanied by a copy of your committee's report on H.R. 8874.

" 'After reading the report I feel confident that the supervisory authorities will be guided by the spirit evidenced in your report, and that we shall not be faced with any difficulties with respect to the outside organizations who perform certain services for us. I very much appreciate your having those comments reported, particularly those on page 3.

" 'Sincerely yours,
" 'H. F. MOELLER.'

"The committee considered the suggestion that bank service corporations might be used to weaken independent banking or to injure the competitors of banks owning a bank service corporation. As I have said already, the purpose of the bill is to help smaller banks compete with larger banks which can afford to buy this equipment themselves. Any attempt to misuse a bank service corporation for monopolistic or anticompetitive reasons would be entirely contrary to the purpose of the bill. The committee gave particular attention to this problem in its report, especially in connection with applications by competing banks for membership in a bank service corporation and in connection with the danger of exchange of confidential information through a bank service corporation. The committee looks to the Federal bank supervisory agencies to exercise extreme care to make sure that bank service corporations are not so misused.

"Finally, the committee in its report announced its intention to call for reports from the Federal bank supervisory agencies about the activities of these bank service corporations, and early next year to review their activities in order to see whether abuses have developed and whether any amendments to the law necessary or desirable.

"In my judgment, the committee has made every reasonable effort, and has taken every reasonable precaution, to make sure that the desirable purposes of the bill will be carried out and to prevent any misuse or danger arising from the authority conferred by the bill.

"I urge the Senate to approve the bill."

Mr. PROXMIRE. Mr. President, now I call up my amendment identified as "9–21–62–O," and I ask unanimous consent that, although it is a very brief amendment, it not be read, but be printed in the RECORD at this point, and I will explain it.

The amendment offered by Mr. PROXMIRE is as follows:

On page 4, strike out lines 1 through 4, and insert in lieu thereof the following: "any activity other than the performance of bank services for banks."

(At this point Mrs. NEUBERGER took the chair as Presiding Officer.)

Mr. PROXMIRE. Madam President, this bill permits banks to own and operate a bank service corporation that performs various nonbanking services, particularly computer services, banks and up to 50 percent of total business of such a corporation for persons other than banks. These services would include principally computer services, and related activities. In my judgment, this could become a substantial part of the banks' business.

Generally, banks have been prohibited from carrying on any business other than banking. Our Federal laws has been careful to restrict them.

This year we modified the law to permit banks to put 70 percent but no more of their time deposits into real estate loans. We exclude them from investing in equities. We prevent banks from investing demand deposits in long-term investments. We exclude banks from investment banking.

We are very careful in the regulation of banks. This has principally been done to assure the solvency of the banks by limiting the activities of banks to safe and relatively liquid investments.

The exemption of banks from this kind of limitation would, in my judgment, and in the judgment of other members of the committee, accomplish very little. There were no strong and valid objections to permitting banks to sell this service to other nonbank organizations.

This is particularly true because banks have customer lists, and they could offer their customers, for instance, the service of handling their receivables, which would give the banks a substantial advantage over other legitimate, long established businesses providing this kind of service.

A number of these businesses have informed me and other Senators that this kind of competition would be very unfair. It would be unfair because the bank could use their own personnel charge, merely the out-of-pocket cost, and the unfair competition could drive businesses now offering this kind of service to the wall.

Those are the reasons why I have offered the amendment. My amendment would confine these bank service corporations exclusively to servicing themselves and other banks. I hope the amendment will be adopted. It is my understanding that the chairman of the committee has agreed to accept the amendment.

With the adoption of the amendment, I think we are in a position to have a bill that provides what the banks really want, and what the members of the committee feel is justified, and at the same time safeguard legitimate business enterprises which otherwise might be put out of business.

Before yielding to the junior Senator from Connecticut, [Mr. DODD], I wish to say that if it had not been for the urgings of the Senator from Connecticut on those of us who opposed the bill, the bill would not have been considered and passed.

Mr. DODD. Madam President, I thank the Senator from Wisconsin for that compliment. I do not deserve it. Rather, I would like to compliment him for the statesmanlike way in which he has agreed to facilitate Senate consideration of this bill. I am most grateful to him and to the Senator from Virginia [Mr. ROBERTSON] for their cooperation in working out a way for us to approve this necessary piece of legislation.

A number of small banks in Connecticut are all ready to set up one of these bank service corporations. They can do so under a recent Connecticut law, but it is necessary that the Federal statutes be amended to allow three of the nine banks to participate in this cooperative effort.

The compromise that we have worked out here today brings us a step closer to final approval of this important measure, and I hope the Senate amendment will be acceptable to the House.

I again compliment the Senator from Wisconsin, and the Senator from Virginia for their consideration and their cooperation on this matter.

Mr. BUSH. Madam President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. BUSH. I know of no opposition to the bill on the Republican side, in the committee or otherwise. I join with the Senator in supporting the bill. I think the Senator's amendment is well taken. I think it is advisable to try this situation out at the bank level before we authorize banks to go into competition with other service organizations in providing the type of service contemplated here.

I know of no opposition to the amendment on our side, and I personally support the amendment.

Mr. JAVITS. Madam President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. JAVITS. The Senator has made the point, but I think it should be pinpointed and driven home.

Will the Senator state for the record that he does not intend the provision to be the final policy, but rather to try it for a time in order to see whether it will or will not bear adversely on those who feel the competition would be unfair?

I told the Senator I would join in his amendment. I think there has been disquiet created by the proposal to include these firms, and quite justifiably. On the other hand, we want to make services available as economically as we possibly can. If this is tried for a year or two, what happens should definitely show whether this regulation is or is not too tight in terms of our economy.

Mr. PROXMIRE. The bill will read as follows with the adoption of the amendment:

No bank service corporation may engage in any activity other than the performance of bank services for banks.

But the committee report states:

In addition the committee intends to call for reports from the Federal supervisory agencies from time to time as to the activities of bank service corporations, and, early next year, to review their activities in order to see whether any abuses have developed and whether any amendments to the law are necessary or desirable.

I think what the Senator from New York has said is very useful, because we should consider whether this bill provides for other financial institutions the same opportunity we are now providing for banks.

Mr. HART. Madam President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. HART. Will the Senator reread section 4 in the event the amendment, which I support, is adopted?

Mr. PROXMIRE. At the bottom of page 3:

> No bank service corporation may engage in—

The next four lines are deleted, and in place thereof is the language—

> any activity other than the performance of bank services for banks.

Mr. HART. Madam President, I congratulate the Senator from Wisconsin for making this proposal. The bill, as reported, disturbed some very responsible accounting firms in my State. I think the experience which will be gained by operations under the bill for some time may prove them either right or wrong, but, in any event, we shall not visit upon them harm which can be avoided by this temporary arrangement.

Mr. PROXMIRE. I thank the Senator from Michigan. While I have great respect and admiration for the Comptroller of the Currency, Mr. James Saxon, frankly I am shocked that Mr. Saxon did not see that this would be an opportunity for banks to engage in nonbank business in violation of the very careful safeguards upon which we have zealously insisted in the past, and which are very important for depositors.

Madam President, I hope the amendment will be agreed to. I call for a vote.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Wisconsin [Mr. PROXMIRE].

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill (H.R. 8874) was read the third time and passed.

Mr. MANSFIELD. Madam President, I move to reconsider the vote by which the bill was passed.

Mr. PROXMIRE. Madam President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

Mr. MANSFIELD. Madam President, if the Senator from Tennessee [Mr. KEFAUVER] will bear with me for a few moments, I should like at this time to yield to the Senator from Iowa [Mr. MILLER] who has been patiently waiting for the past 6 hours to make a few remarks.

Mr. MILLER. Madam President, I appreciate the kind remarks by the majority leader.

THE TRUTH ABOUT "THE TRUTH ON THE BATTLE LINE"

Mr. MILLER. Madam President, in the October 1 issue of the CONGRESSIONAL RECORD, at page 21499, appear the remarks by the distinguished Senator from Minnesota [Mr. HUMPHREY] with respect to the September 27 issue of Battle Line, issued by the Republican National Committee. These remarks merit a reply.

Republican Senators, who voted unitedly against the farm bill, and those Democratic Senators who conscientiously voted against it too, are quite willing to let the Democratic leadership take the responsibility for this unwise and costly piece of legislation.

With respect to the charge that the multiple price program for wheat feature of the bill will amount to a bread tax on the consumer, the facts are that during the hearings before the House Agriculture Committee this year, the American Bankers Association, represented by Mr. Joseph M. Creed, testified as follows:

> We have analyzed the proposal of the Secretary and its effect on the baking industry's cost. We can only conclude that such a program, by its very design, would add a substantial amount in dollars and cents to the cost of wheat that flows from the farm to the grain handler, the flour miller, and, ultimately, to the baker and housewife, without any assurance that it would reduce surpluses.

At the time of this testimony, the Secretary of Agriculture was talking in terms of a $1.20 per bushel price support for corn and in terms of wheat certificates valued at 60 cents per bushel if the program went into effect in 1963. However, as passed by the Congress, the way is paved for a price support of only 50 percent of parity for corn in 1964, or roughly 80 cents per bushel, coupled with a basic price support for wheat of roughly 92 cents per bushel—using equivalent feed value. With a target price of $2.05 per bushel for wheat, which is the figure generally talked about by the proponents of the farm bill, this would mean wheat certificates valued at $1.13 per bushel—$2.05 target price minus 92 cents basic support price—not 60 cents per bushel, in 1964.

Based on certificates valued at only 60 cents per bushel, the representative of the American Bakers Association said:

> One hundred pounds of bread flour makes about 155 pounds of bread—thus, this additional cost of flour results in a direct increase of 1 cent per pound of bread. (P. 83 of hearings, House Agriculture Committee, serial AA, pt. 2.)

He then went on to testify that based on their best information, with a 60-cent certificate, the housewife would ultimately pay 2 cents per pound increase at the retail level, which would mean in excess of 3 cents per pound with $1.13 certificates for 1964.

On the basis of this testimony, I believe it is entirely reasonable to conclude that the wheat certificate plan is, in effect, a bread tax. Processors of wheat food products will be forced to acquire certificates at face value in proportion to their use of wheat. Inasmuch as certificates will be used on the basis of past planting history without regard to grade or quality, processors will likely have to buy one lot of wheat to obtain certificates and then by noncertificate wheat to obtain the type or grade they need. Thus, the cost of acquiring certificates amounts to a tax on the processing of wheat for human food. Naturally it will be passed on to the consumers of bread and other wheat food products.

I note that the Senator from Minnesota speaks of Republican agricultural policies and Republican bread prices during the period 1947–59. As I have said many times, Mr. President, the laws that were put on the books and kept on the books were the product of Democratically controlled Congresses. President Truman was in control of the administration from 1947 through 1952, and President Eisenhower from 1953 through 1960. However, they did not make the laws, any more than President Kennedy is making the laws today. It is the Congress which makes the laws and keeps them on the books. We may criticize the President and his Secretary of Agriculture for the kind of proposals they make to the Congress, but it is the Congress which has the responsibility for the laws, and when the Democrats are in control of Congress, they, and not the Republicans, must answer to the people for these laws. This will not be a "Kennedy bread tax," but it will most assuredly be a Democratic bread tax, because not a single Republican voted for it.

The Senator from Minnesota stated that in 1953 we had only a $2.5 billion stockpile of food and fiber. This is not surprising, if one recalls that we had just gone through the Korean war during which we even had to ration some of our exports of food and fiber. It was not the laws that were on the books which were responsible for the lower stockpile. It was a war that was responsible.

Now we are told that this administration has reduced surpluses by over $2.5 billion since taking office. This is not placing credit where credit is due. The credit goes to the increase in our agricultural exports and our increased domestic consumption of feed grains. The latest Commodity Credit Corporation report discloses a stockpile of nearly $7 billion in food and fiber, with the likelihood of an increase by the end of the current marketing year.

In this connection, I ask unanimous consent to have printed in the RECORD at the conclusion of my remarks an article from the September 18 issue of the Wall Street Journal, entitled "Soybean Surge—Growers Face Surplus Threat, Blame Boost in Federal Price Prop," which discloses the results of the unfortunate action by the Secretary of Agriculture taken last year, increasing the support price for soybeans from $1.85 to $2.30—this in the face of opposition by the American Soybean Association, which represents some 6,000 growers and processors.

The PRESIDING OFFICER. Is there objection to the request by the Senator from Iowa? The Chair hears none, and it is so ordered.

(See exhibit 1.)

Mr. MILLER. Madam President, the Senator from Minnesota says that last year's net farm income of $12.8 billion was 10 percent higher than in the previous year. However, practically all of this merely represented Government payments. The cost was so great that the Secretary of Agriculture did not want the program continued. He estimated that a 1-year extension would cost $2.4 billion. Moreover, practically all of this extra income really represented income that would normally have been received in 1963, being thrown into 1962. Without these Government payments, more crops would have been produced which would have been marketed in 1963. Government payments were made in 1962 in return for the farmers' forgoing this 1963 income. Similarly 1964 income will be accelerated into 1963. That is why the Secretary has stated that there will be no noticeable improvement in 1963 net income over 1962 net income, and when these accelerated Government payments stop, the day of reckoning is going to be severe.

We are told that the 1961 emergency feed grains program has reduced carryover stocks. It would be more accurate to say that increased usage of corn by our livestock industry and increased exports were primarily responsible. The wheat portion of the present program is so bad that the chairman of the Senate Committee on Agriculture, the distinguished Senator from Louisiana [Mr. ELLENDER] said during the debate on the farm bill:

> To authorize the temporary program for 2 more years * * * would cost the taxpayers * * * an estimated $333 million per year to reduce wheat production by 100 million bushels. In other words, it would cost the Government $3.30 per bushel to curtail production of 100 million bushels of wheat per year.

Objection is voiced to the charge by Battle Line that the farm bill constitutes a blackjack to force farmers to accept rigid controls on production in 1964. I would have used the word "squeeze," because farmers, with their increased costs of production and lower prices, are very familiar with this word. Nevertheless, let us review what the bill does. With the right hand, it gives farmers a payment of 18 cents per bushel on bushelage allotments—whether grain is produced or not—and a payment of 60 cents per bushel on acres diverted from production. This is on top of $1.02 per bushel price support. A corn farmer with a 100-acre base and a yield of 75 bushels per acre can divert 20 acres and plant 80 acres and receive a payment of $900 for diverting the 20 acres plus $1,080 in compensatory payments of 18 cents per bushel. This is in addition to the $1.02 price support on his normal—75 bushels per acre—production on the 80 acres.

But then, in 1964, he is faced with the prospect of 50 percent of parity, or 80 cents per bushel, support price and no other payments. He faces disaster—the loss of his farm—unless Congress does something to change the law, and we already know what kind of program the Secretary of Agriculture will recommend: Rigid controls over production and marketing—along with thousands of more USDA employees to enforce them—in exchange for price supports. But the price supports cannot be too high or we will lose our export trade. The combination will inevitably force more farmers off the farms, and unless we give private industry an incentive to expand to provide more job opportunities for our millions of unemployed, these farmers can look forward to becoming another unemployment statistic. Perhaps someone can think of a better word than "blackjack," but our farmers will understand all right when it hits them.

I ask unanimous consent that there be printed in the RECORD at the conclusion of my remarks an article from the Wall Street Journal for October 2 entitled "Freeman Coolly Received in GOP Areas; Crowds Fade When He Explains Farm Bill."

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

(See exhibit 2.)

Mr. MILLER. Madam President, I yield the floor.

EXHIBIT 1

[From the Wall Street Journal, Sept. 18, 1962]

SOYBEAN SURGE—GROWERS FACE SURPLUS THREAT, BLAME BOOST IN FEDERAL PRICE PROP—FARMERS' GROUP TO SEEK CUT IN SUPPORT, SEES DANGER TO FAST-RISING FOREIGN SALES—NOW FOURTH TOP CASH CROP

(By Harlan Byrne)

CATLIN, ILL.—Surveying his sweeping 215-acre expanse of soybeans, farmer Wayne Clark says with quiet pleasure: "Those beans ought to be our best crop ever."

But while Mr. Clark has a farmer's understandable pride in a good crop, many soybean growers are more troubled than pleased as the yellowing of foliage and hardening of beans in fuzzy pods signal a bumper harvest.

The reason is they fear that Federal price-propping is beginning to create surpluses in soybeans such as those that have plagued corn, wheat and a number of other crops. The crop they are worried about is no small matter in U.S. agriculture; soybeans today are the Nation's fourth most valuable cash crop and are used to make things ranging from margarine and synthetic meat to plastics and low-calorie dietary products.

Soybean farmers are concerned that a surplus will mean Federal acreage controls, with their attendant redtape. And some also worry that by holding up prices with supports, the Government may cost the industry export markets built up in the last few years when soybean growing was relatively free of Federal intervention.

HIGH PROPS BLAMED

The center of opposition to the high-propping policy is the American Soybean Association (ASA), headquartered in Hudson, Iowa, which represents some 6,000 growers and processors. Its leaders blame the current surplus threat on President Kennedy's 1961 feed-grain program. To encourage farmers to grow soybeans so as to reduce surplus production of corn, the Department of Agriculture boosted the support price on the 1961 soybean crop to $2.30 a bushel from $1.85 a year before. The idea worked in a sense. Corn output in 1961 dropped 7 percent from 1960. Soybean production jumped to a record 693 million bushels, up 24 percent from a year before.

But as a result of the big acreage harvested last year, the carryover of old beans as the new crop moves to market this month is expected to be 55 million bushels. And this year's crop, now estimated at 670 million bushels, is expected to bring a record 70-million-bushel carryover next year.

The soybean association opposed the 45-cent boost in props on the 1961 crop and asked for a larger cut than the 5 cents the Government was willing to grant on the 1962 props. It plans to argue for a larger reduction in support prices on the 1963 crop in the hope of checking further crop expansion. The support levels for 1963 probably will be set in January or February.

Soybean growers are particularly worried about their markets abroad. "There's no question that the high support price the past 2 years has stimulated plantings of other oilseed crops abroad, although it may take a couple of years yet before we feel any competition from sharply expanded output," declares George M. Strayer, executive vice president of the ASA. He and other association officials contend that this is essentially what happened to U.S. cotton growers when they lost an important share of their markets to Egyptian and other foreign producers several years ago.

EXPORTS RISE SHARPLY

U.S. soybeans have enjoyed a sharp rise in oversea demand. In the crop year ending this month, exports from this country are expected to jump to 160 million bushels, up 23 percent from 130 million a year before and nearly double the 85 million of 5 years ago. Exports of soybean oil and meal also have climbed sharply.

There is little evidence that higher support prices threaten domestic markets. However, Donald B. Walter, a Ralston Purina Co. vice president, says his company has shifted slightly away from soybean meal to synthetic urea in the mixed feeds it manufactures for livestock. Some cattle feeders who do their own feed mixing also have done this, he says.

Cash soybean prices in the Chicago market have been running $2.45 to $2.50 a bushel. In 1958 and 1959, when the lower support levels were in effect, they ranged between $2.09 and $2.34. In early 1961, about the time the support level for that year was announced, prices soared, reaching a peak of $3.35 on April 25 before beginning a decline to the present levels. Significantly, the soybean industry experienced a sharp growth in the late 1950's when supports were being held at relatively low levels.

The gains of the last few years have made soybean growing and processing a major agricultural industry. Originally an oriental crop, the bean was brought to the United States in 1804. But it was largely ignored by farmers for over a century, until agricultural scientists began to seriously consider utilizing its rich supply of protein for feed and food. As recently as 1924 only 5 million bushels were produced, less than 1 percent of today's crop. But today the cash value of the soybean crop is outranked only by cotton, wheat and corn. The annual sales volume of the processing industry is close to $2 billion.

Processors have developed better techniques for converting the beans into two basic materials, meal and oil. They have learned to eliminate objectionable odors from the oil. And they have cashed in on their product's high food value, low cost and plentiful supply.

Soybean oil last year accounted for 45 percent of all edible fats and oils sold in the United States. It has become the primary oil for making margarine and shortening, largely at the expense of cottonseed oil. Margarine and shortening, in turn, have gained dominance in the American kitchen at the expense of butter and lard. Soybean oil also is being used increasingly in nonfood products such as plastic coatings, printing inks, calking compounds and industrial lubricants. Dr. James Konen, research vice president of Archer-Daniels-Midland Co. of Minneapolis, says that soybean oil is growing in use as a plasticizer to give softness and flexibility to vinyl resins.

Soybean meal has enjoyed most of its growth as a high-protein feed supplement for poultry and livestock, enabling farmers to put weight on their animals more quickly. Many feed men contend that it has been the key to the rapid advance in scientifically mixed feeds. Soybean meal has far outdistanced cottonseed, peanut and other crop meals as well as byproduct meals from meat animals and fish. This year soybean meal is expected to comprise 75 percent of all meals produced in the United States, up from less than 50 percent in 1950 and 15 percent two decades ago.

About 90 percent of soybean meal goes to feed manufacturers and commercial feeders but research on human food uses is being intensified. Derivatives have enjoyed a recent spurt in usage as the base for many of the new 900-calorie-a-day dietary drinks.

Research also has carried some companies experimentally into synthetic meats made from soybean meal. Archer-Daniels-Midland is test marketing a concentrate resembling hamburger meat as a low cost supplement for canned chili and Italian dishes. However, Archer-Daniels researchers as yet have no illusions that synthetic meats will ever replace the real thing in standard American diets. Diet food companies also have been selling some of these synthetic meats.

A handful of processors is expanding work on a whole new family of soybean products known as isolated proteins. Willard C. Lighter, a vice president of Central Soya Co., doesn't think isolated proteins will ever make up a high percentage of total soybean meal markets, but he looks for gains. He is particularly high on the prospects for Promine, which is nearly 90 percent protein and has the ability to stabilize, thicken and form food ingredients. It is being used increasingly by food companies in such things as cake and pie mixes, cereals, baby meats, frankfurters, macaroni products and in a wide line of health foods.

EXHIBIT 2

[From the Wall Street Journal, Oct. 2, 1962]

FREEMAN COOLLY RECEIVED IN GOP AREAS; CROWDS FADE WHEN HE EXPLAINS FARM BILL

(By Joe Western)

WINNER, S. DAK.—Frustration is dogging Agriculture Secretary Freeman as he invades mostly Republican rural areas to campaign for election of Democratic candidates and for support of the complicated farm control bill that just became law.

This morning he returns to Washington after a dozen public exposures during a grueling 5-day swing through Ohio, South Dakota, Minnesota, and Oregon. Except perhaps in his native State, the former Minnesota Governor has apparently had small success in influencing voting plans or in penetrating farmer confusion and shaking rural convictions about Kennedy administration farm control programs.

Coldly courteous farmers at the National Plowing Contest in heavily Republican Clifton County, Ohio, 45 miles southeast of Dayton, listened quietly on Friday afternoon as Mr. Freeman roasted the GOP for its almost solid opposition in Congress to administration farm legislation. Then they drifted away in droves as he launched a detailed description of the new farm law and its grain controls.

Trapped into following on stage the act of TV star Lawrence Welk at Mitchell, S. Dak., Saturday night, Secretary Freeman found a farm crowd of some 3,500 persons melted quickly to about half size as he tried futilely to hold their attention. One man departed from the hall shouting, "I still like Ike."

At a soil conservation cookout near Mission, 50 miles southwest of here, local leaders carried home most of the food they prepared for 3,000 people; far less than a third of that number showed up to hear and see Mr. Freeman.

LACK OF ENTHUSIASM EVIDENT

While nobody pelted Mr. Freeman with eggs in this State as was the fate of his predecessor Ezra Taft Benson in the mid-1950's, neither did his audience display much enthusiasm for what he was saying. One exception did come Sunday at Morris, Minn., where former Governor Freeman helped to found a University of Minnesota branch. But there, too, farmer uncertainty about solutions to surplus problems was evident.

"A lot of us are confused," said Fred Schlattman of Alberta, Minn., who came to hear Mr. Freeman speak at Morris. "Farmers talk against (Freeman's) programs, and then go ahead and sign up."

Outside the gaudy Mitchell, S. Dak., Corn Palace, Donald Swenson of Woonsocket, S. Dak., stood with his wife and children to hear Mr. Freeman urge votes for the Democratic candidate for Senator, George McGovern, onetime food-for-peace director for President Kennedy. Mr. Swenson first said he heartily approved the administration's plan for production and marketing controls on feed grain, but his wife reminded him that what he really meant was that the systems should be voluntary, as they currently are, rather than compulsory, as the administration wants.

Skepticism of Freeman's claims for his programs is apparent, too. At the plowing contest, a young man whose jacket bore the badge of a Future Farmers of America adviser, snorted as Mr. Freeman spoke: "I can't buy that. You're not going to reduce the surplus that much with just those programs alone." Mr. Freeman is claiming the 74-million-ton feed grain surplus may be gone by 1964 and that the 1.2 billion-bushel wheat glut will be cut to desirable levels by mid-1965, mainly as a result of Kennedy administration farm legislation tightening planting controls.

Yesterday, however, in Portland, Oreg., an audience of about 1,500 west coast businessmen, educators and Government employees interrupted Mr. Freeman with applause when he dwelt on 1962 farm bill provisions aimed at creating new nonfarm jobs in depressed rural areas.

Everywhere he goes, Mr. Freeman criticizes the Republicans for their votes, which, with Democratic defections, all but killed administration farm proposals time and again this year and last. "I regret very much having to say this," he asserts solemnly, "but almost every Republican, except two lame ducks, voted against legislation which lifted farm income by $1.1 billion over 1960. I think it's only fair that the rural voters of this State should know this."

POLITICKING FOR DEMOCRATS

However, the real Freeman target this fall is Minnesota. In this foray he stopped there only for a press conference, a TV filming with two Democratic congressional candidates and a speech to a responsive crowd of Farmers Union members. He will be back in Minneapolis next weekend with President Kennedy, and then for 5 more days beginning October 24. The object: To help Democrats capture three Republican-held House seats and the GOP-occupied Governor's chair. Their chances of some success seem fair.

However other voters may respond to Mr. Freeman's courtship, farmers out this way seem as divided as ever after hearing him speak.

At a rally several miles south of Pierre, S. Dak., GOP State Senator James Abdnor of Kennebec, who has a 2,200-acre grain and livestock farm, was scornful: "I don't think Freeman really is familiar with farming or knows our problems. I don't think he's doing what ought to be done. The smaller farmers don't get the benefits."

But Harry Williams, whose 5,000-acre spread lies 15 miles east of Pierre, recalls getting only 26 cents a bushel for wheat in the 1930's, about one-eighth of present farm prices, "and we went broke on it." He declared: "I think it's important that Freeman do what he's trying to do." He plans to sign up to participate in the Government acreage-cutting program on grain in 1963.

HASTE IN MISSISSIPPI

Mr. STENNIS. Madam President, on the 2d day of October 1962, the Washington Star published a column entitled "Haste in the Mississippi Case," by columnist David Lawrence. The article is very timely, instructive, and factual. Since it is so worthy and of such great value, I believe it should have wide circulation. I therefore ask unanimous consent that it be printed at this point in my remarks.

There being no objection, the column was ordered to be printed in the RECORD, as follows:

HASTE IN THE MISSISSIPPI CASE—FAILURE TO MOVE FEDERAL-STATE ISSUE TO SUPREME COURT CALLED MISTAKE

(By David Lawrence)

Was it worth it? Couldn't the loss of life and the wounding of scores of persons in the rioting at the University of Mississippi have been averted if President Kennedy and his brother, the Attorney General, had permitted the State of Mississippi to exhaust its legal remedies in the normal way before any armed forces were ordered to the scene? What was the reason for haste in such a delicate situation?

Wouldn't it have been better not to have smuggled James Meredith, a Negro student, onto the campus through a back entrance? Wouldn't it have been easier to explain to the people the true basis of Federal action if an opportunity had been afforded first to let the Supreme Court of the United States hear argument on legal questions of an unprecedented nature which were raised last Friday before the U.S. circuit court of appeals in New Orleans, La.?

It is doubtful whether the American people will ever learn the whole story of the Mississippi dispute. Lawyers with many decades of experience in the practice of law say they have never witnessed in their respective careers an exhibition such as occurred when the court of appeals was sitting as a trial court in civil contempt proceedings against Mississippi Governor Ross Barnett.

The main facts as shown in the record are these: A private suit was originally entered in behalf of Mr. Meredith to obtain his admission to the University of Mississippi. The U.S. Government, represented by the Department of Justice, asked permission to enter the case as a "friend of the court." The court granted the request. The State of Mississippi asked for a similar status, and its request also was granted. Then, after the court had found that the Governor was not present at Friday's proceedings, the presiding judge indicated that the State of Mississippi would be denied its status as amicus curiae—or friend of the court.

The attorneys for the State of Mississippi asked for an opportunity to argue briefly why the State was entitled to be represented. The court made no answer but took a 10-minute recess. When the recess was over, the court, without listening to argument, declared that the State of Mississippi could not intervene as a "friend of the court," even though the United States had been permitted to make pleadings in that manner.

The Constitution of the United States says explicity that in all legal cases in which the Federal Government and a State are in conflict, the Supreme Court must take over. The Supreme Court then sits, not as an appellate court, but as a court of original jurisdiction.

What all this means is that Mississippi, as a sovereign State, has certain rights under the Constitution which cannot be ignored. President Kennedy told a radio and television audience Sunday night that the controversy was simply a matter of obeying laws, even though one might disagree with them. But the Court order to which he had referred was itself invalid, inasmuch as the full Supreme Court of the United States had not heard arguments either on last Friday's conflict of view or on the petition submitted in mid-August by the State of Mississippi. The latter was ruled on by only one Justice, since the Supreme Court itself was not in formal session.

Under circumstances as vague and as legally complex as the foregoing, would it have hurt anybody's cause if the President and the Attorney General had exhibited patience and had waited awhile before trying to force on the University of Mississippi the registration of Mr. Meredith?

Governor Barnett could eventually be adjudged wrong in his legal procedures, but a staff of distinguished lawyers—among them, John C. Satterfield, immediate past president of the American Bar Association—were not permitted to argue for him or for the State of Mississippi in Friday's hearing in the Federal court at New Orleans.

Thus, the picture of "free America" presented before the world today is not an inspiring one. The episodes of the weekend merely proved that unfortunately too often "might makes right," and that when one party—a sovereign State—asked for its day in court, it was rebuffed.

How much better it would have been if the legal questions had first been resolved, and then a proclamation issued by the President with ample time for the people to digest it.

As it was, Governor Barnett called for obedience by the people and deplored any violence. He said that the sovereignty of the State of Mississippi had been "trampled upon," but nevertheless he accepted the presence of Federal troops.

Military force is not a substitute for the processes of law or a means of establishing a voice of reason in the community. In the Soviet Union, they customarily use force to secure obedience to governmental edicts. In America, court orders are almost never resisted. But when any administration takes the law into its own hands, mobilizes armed forces on the scene, and attempts to decide issues that the courts should rule upon, there is bound to be friction and rioting.

It is an example of another tragic era such as America witnessed 94 years ago when Congress ordered the Executive to use Federal troops to compel the legislatures of the Southern States—3 years after the War Between the States was over—to "ratify" the 14th amendment. Yet on this amendment the whole desegregation decision of the Supreme Court in 1954 was based. It is time for a dispassionate look at the facts so that a truly constitutional remedy can be found.

Mr. MANSFIELD. Madam President, if the Senator from Tennessee [Mr. KEFAUVER] who now holds the floor will yield, I ask unanimous consent that the Senate may proceed to consider items on the calendar to which there is no objection.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana? The Chair hears none, and it is so ordered.

PROVIDING FOR COLLECTION AND PUBLICATION OF FOREIGN COMMERCE AND TRADE STATISTICS

The bill (H.R. 7791) to amend title 13 of the United States Code to provide for the collection and publication of foreign commerce and trade statistics, and for other purposes was considered, ordered to a third reading, read the third time, and passed.

PRESERVE CONFIDENTIAL NATURE OF REPORTS FILED WITH BUREAU OF CENSUS

The Senate proceeded to consider the bill (S. 3631) to amend title 13, United States Code, to preserve the confidential nature of copies of reports filed with the Bureau of the Census on a confidential basis which had been reported from the Committee on Post Office and Civil Service with an amendment on page 1, line 6, after the word "the", to strike out "Secretary of Commerce," and insert "Secretary in carrying out the purposes of this title,"; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 9(a) of title 13, United States Code, is amended by adding at the end thereof the following: "No department, bureau, agency, officer, or employee of the Government, except the Secretary in carrying out the purposes of this title, shall require, for any reason, copies of census reports which have been retained by any such establishment or individual. Copies of census reports which have been so retained shall be immune from legal process, and shall not, without the consent of the individual or establishment concerned, be admitted as evidence or used for any purpose in any action, suit, or other judicial or administrative proceeding."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

AMENDMENT OF SECTION 144, TITLE 28, UNITED STATES CODE

The Senate proceeded to consider the bill (S. 2478) to amend section 144 of title 28 of the United States Code which had been reported from the Committee on the Judiciary, with amendments, on page 2, line 2, after the word "than", to strike out "twenty" and insert "thirty"; and in line 9, after the word "sufficient", to strike out "A party may file no more than two affidavits in any case, and the second affidavit shall be limited to those facts and reasons which were unknown and could not have been ascertained by the party at the time the original affidavit was filed. Each affidavit shall be accompanied by a certificate of counsel of record stating that it is made in good faith" and insert "A party may file only one such affidavit in any case. It shall be accompanied by a certificate of counsel of record stating that it is made in good faith."; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 144 of title 28 of the United States Code is amended so as to read:

"Whenever a party to any proceeding in a district court makes and files a timely and sufficient affidavit that the judge before whom the matter is pending has a personal bias or prejudice either against him or in favor of any adverse party, such judge shall proceed no further therein, but another judge shall be assigned to hear such proceeding.

"The affidavit shall state the facts and the reasons for the belief that bias or prejudice exists, and shall be filed not less than thirty days before the trial or hearing of the proceeding, or good cause shall be shown for failure to file it within such time. An order shall then be entered directing that an authenticated copy of the affidavit shall be forthwith certified to the chief judge for the circuit in which such proceeding is pending, and said chief judge, or any judge designated by him, shall determine whether the affidavit is timely and sufficient. A party may file only one such affidavit in any case. It shall be accompanied by a certificate of counsel of record stating that it is made in good faith."

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

GEORGE EDWARD LEONARD

The bill (S. 3375) for the relief of George Edward Leonard was considered, ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to George Edward Leonard, first lieutenant, Army of the United States, retired, of Kansas City, Missouri, the sum of $4,247.20, in full satisfaction of all claims of the said George Edward Leonard against the United States for compensation for disability retired pay which was withheld from him by the United States on the erroneous grounds that, while employed by the United States in various civilian capacities from July 1, 1950, through December 31, 1954, he was subject to the salary and retired pay limitations prescribed by section 212 of the Economy Act of 1932 (5 U.S.C. 59a): *Provided,* That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

MAJOR C. TODD, JR., AND THE ESTATE OF IRA T. TODD, SR.

The Senate proceeded to consider the bill (S. 2450) for the relief of Maj. C. Todd, Jr., and the estate of Ira T. Todd, Sr., which had been reported from the Committee on the Judiciary, with an amendment on page 2, after line 11, to insert a new section, as follows:

Sec. 2. No part of the amount appropriated in this Act in excess of 25 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to (1) Major C. Todd, Junior, the sum of $11,620, and (2) the estate of Ira T. Todd, Senior, the sum of $11,620. The payment of such sums shall be in full satisfaction of all claims of Major C. Todd, Junior, and Ira T. Todd, Senior (deceased), against the United States for the loss of their exclusive right of pound-net fishing off the western shore of Cedar Point, Maryland, as a result of certain regulations issued by the Secretary of War in 1943 establishing restricted and prohibited areas for military purposes arising out of the activities of the Patuxent Naval Air Station.

(b) The total sum appropriated by this Act is the amount found by the Court of Claims, acting pursuant to Senate Resolution 308, Eighty-third Congress, Second Session, to be equitably due the said Major C. Todd, Junior, and Ira T. Todd, Senior, as a result of the action of the Secretary of War referred to in subsection (a) of this section.

Sec. 2. No part of the amount appropriated in this Act in excess of 25 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

G. W. TODD AND THE ESTATE OF LLOYD PARKS

The Senate proceeded to consider the bill (S. 2451) for the relief of G. W. Todd and the estate of Lloyd Parks, which had been reported from the Committee on the Judiciary with an amendment on page 2, after line 9, to insert a new section, as follows:

Sec. 2. No part of the amount appropriated in this Act in excess of 25 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to (1) G. W. Todd, the sum of $8,120, and (2) the estate of Lloyd Parks, the sum of $8,120. The payment of such sums shall be in full satisfaction of all claims of G. W. Todd and Lloyd Parks (deceased) against the United States for the loss of their exclusive right of pound-net fishing off the western shore of Cedar Point, Maryland, as a result of certain regulations issued by the Secretary of War in 1943 establishing restricted and prohibited areas for military purposes arising out of the activities of the Patuxent Naval Air Station.

(b) The total sum appropriated by this Act is the amount found by the Court of Claims, acting pursuant to Senate Resolution 309, Eighty-third Congress, second session, to be equitably due the said G. W. Todd and Lloyd Parks as a result of the action of the Secretary of War referred to in subsection (a) of this section.

Sec. 2. No part of the amount appropriated in this Act in excess of 25 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

DR. JAMES T. MADDUX

The Senate proceeded to consider the bill (S. 3371) for the relief of Dr. James T. Maddux which had been reported from the Committee on the Judiciary, with amendments, on page 1, line 10, after the word "of", to strike out "July 1, 1961" and insert "July 9, 1961"; on page 2, line 4, after the word "from", to strike out "July 1, 1961, to February 1, 1962" and insert "July 9, 1961, to February 17, 1962"; and in line 8, after the word "of", to strike out "July 1, 1961" and insert "July 9, 1961"; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, (1) in the administration of chapter 73 of title 38, United States Code, as amended, and the rules and regulations promulgated thereunder, Doctor James T. Maddux of Narberth, Pennsylvania, an employee of the Department of Medicine and Surgery, Veterans' Administration, at Philadelphia, Pennsylvania, shall be held and considered to have been promoted from associate grade, Medical Service, to full grade, Medical Service, effective as of July 9, 1961, and (2) the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the said Doctor James T. Maddux, an amount equal to the difference between the salary received by him as such an employee for the period from July 9, 1961, to February 17, 1962, and the salary he would have received for such period had his promotion from associate grade, Medical Service, to full grade, Medical Service, been made effective as of July 9, 1961.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

LT. COMDR. DAVID V. KYRKLUND

The bill (H.R. 4034) for the relief of Lt. Comdr. David V. Kyrklund was considered, ordered to a third reading, read the third time, and passed.

CLEO A. DEKAT

The bill (H.R. 6386) for the relief of Cleo A. Dekat was considered, ordered to a third reading, read the third time, and passed.

MAJ. CLARA MAY MATTHEWS

The bill (H.R. 8321) for the relief of Maj. Clara May Matthews was considered, ordered to a third reading, read the third time, and passed.

JOSE FUENTES

The bill (H.R. 8662) for the relief of Jose Fuentes was considered, ordered to a third reading, read the third time, and passed.

SGT. ERNEST I. AGUILAR

The bill (H.R. 9128) for the relief of Sgt. Ernest I. Aguilar was considered, ordered to a third reading, read the third time, and passed.

THE 1202D CIVIL AFFAIRS GROUP

The bill (H.R. 9199) for the relief of certain officers and enlisted personnel of the 1202d Civil Affairs Group (Reinf. Tng.), Fort Hamilton, Brooklyn, N.Y., was considered, ordered to a third reading, read the third time, and passed.

CUYAHOGA COUNTY, OHIO

The bill (H.R. 9804) for the relief of Cuyahoga County, Ohio, was considered, ordered to a third reading, read the third time, and passed.

ESTATE OF LORETTA SHEA, DECEASED

The bill (H.R. 9894) for the relief of Loretta Shea, deceased, in full settlement of the claims of that estate was considered, ordered to a third reading, read the third time, and passed.

CIVILIAN EMPLOYEES OF NEW YORK NAVAL SHIPYARD AND SAN FRANCISCO NAVAL SHIPYARD ERRONEOUSLY IN RECEIPT OF CERTAIN WAGES

The bill (H.R. 10002) for the relief of civilian employees of the New York Naval Shipyard and the San Francisco Naval Shipyard erroneously in receipt of certain wages due to a misinterpretation of a Navy civilian personnel instruction was considered, ordered to a third reading, read the third time, and passed.

THOMAS J. FITZPATRICK AND PETER D. POWER

The bill (H.R. 10026) for the relief of Thomas J. Fitzpatrick and Peter D. Power was considered, ordered to a third reading, read the third time, and passed.

LESTER A. KOCHER

The bill (H.R. 10199) for the relief of Lester A. Kocher was considered, ordered to a third reading, read the third time, and passed.

EARL T. BRILEY

The bill (H.R. 10415) for the relief of Earl T. Briley was considered, ordered to a third reading, read the third time, and passed.

MRS. DOROTHY H. JOHNSON

The bill (H.R. 10423) for the relief of Mrs. Dorothy H. Johnson was considered, ordered to a third reading, read the third time, and passed.

CARL ADAMS

The bill (H.R. 11058) for the relief of Carl Adams was considered, ordered to a third reading, read the third time, and passed.

MARY J. PAPWORTH

The bill (H.R. 11334) for the relief of Mary J. Papworth was considered, ordered to a third reading, read the third time, and passed.

DON C. JENSEN AND BRUCE E. WOOLNER

The bill (H.R. 11578) for the relief of Don C. Jensen and Bruce E. Woolner was considered, ordered to a third reading, read the third time, and passed.

JAMES COMEAU

The bill (H.R. 12090) for the relief of James Comeau was considered, ordered to a third reading, read the third time, and passed.

LESLIE O. COX AND OTHER EMPLOYEES OF THE FEDERAL AVIATION AGENCY

The bill (H.R. 12539) for the relief of Leslie O. Cox and other employees of the Federal Aviation Agency was considered, ordered to a third reading, read the third time, and passed.

CATALINA PROPERTIES, INC.

The bill (H.R. 12701) for the relief of Catalina Properties, Inc., was considered, ordered to a third reading, read the third time, and passed.

KENNETH E. FOUSSE AND OTHERS

The bill (H.R. 12936) for the relief of Kenneth E. Fousse and others was considered, ordered to a third reading, read the third time, and passed.

Mr. MANSFIELD. That concludes the call of the calendar for the time being.

DRUG INDUSTRY ACT OF 1962—CONFERENCE REPORT

Mr. KEFAUVER. Madam President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1552) to amend and supplement the antitrust laws with respect to the manufacture and distribution of drugs, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

(The legislative clerk read the report.)

(For conference report, see House proceedings of Oct. 4, 1962, p. 22315, CONGRESSIONAL RECORD.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. MANSFIELD. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HUMPHREY. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RUSSELL. Madam President, has the leadership stated what the plan is for the remainder of the day?

Mr. MANSFIELD. The pending business is the conference report on the drug bill.

Then it is the intention of the leadership to take up the bill having to do with the borrowing authority of the District of Columbia, Calendar No. 1775, S. 3313; and Calendar No. 1887, H.R. 11880, the amendment of the Foreign Service Buildings Act, authorizing additional appropriations.

Mr. RUSSELL. Does the Senator intend to finish all of that business this evening?

Mr. MANSFIELD. Yes.

Mr. RUSSELL. Does not the Senator believe that more Senators should be present?

Mr. MANSFIELD. No; they will be coming in gradually. Some are engaged in conferences. We are now considering a conference report which was unanimously approved by the conferees.

Mr. RUSSELL. I shall not object now, but I reserve the right to demand a live quorum after the consideration of the pending conference report.

Mr. KEFAUVER. Madam President, I have been requested by the chairman of the Committee on the Judiciary, the Senator from Mississippi [Mr. EASTLAND], to call up the drug bill and to make an explanation of the agreement that was reached by the conferees.

Through a process of give and take, the conferees have worked out their differences on the drug bill, S. 1552. Although in some respects the measure does not go as far as I would wish, it is still a strong and effective bill. I wish to take this opportunity to express my deep appreciation to all the conferees for their hard and diligent labor, which consumed nearly all of October 1 and 2, on what by its nature is necessarily a complex and difficult subject.

STEPS INVOLVED IN LEGISLATIVE HISTORY

Those in the future who attempt to study the legislative history of this measure as it passed through its various stages may be forgiven if they become somewhat confused. In my experience there have been few bills which have had so varied a legislative history. Before describing the results of the conference, I would like to clarify for the RECORD the bill's rather unusual legislative history. In so doing I hope to eliminate or at least reduce misunderstandings and misinterpretations which might otherwise arise.

On the basis of an exhaustive investigation into the ethical drug industry beginning with hearings almost 3 years ago, on December 7, 1959, as well as the consideration of a specific piece of legislation beginning with hearings in July 1961, the Subcommittee on Antitrust and Monopoly of the Senate Committee on the Judiciary on March 8, 1962, approved a drug bill which had been cosponsored by the distinguished Senator from Michigan [Mr. HART] and is S. 1552.

The members of the Subcommittee on Antitrust and Monopoly are the Senator from Colorado [Mr. CARROLL], the Senator from Michigan [Mr. HART], the Senator from Connecticut [Mr. DODD], the Senator from Missouri [Mr. LONG], the Senator from Wisconsin [Mr. WILEY], the Senator from Illinois [Mr. DIRKSEN], the Senator from Nebraska [Mr. HRUSKA], and I.

This measure was in turn considerably altered by the full Judiciary Committee, which reported it out on July 19; the general purport of this version of the bill is set forth in Senate Report No. 1744 of that date which, in the light of later events, should be considered as part 1 of that report.

Following the disclosures in other countries of the widespread malformations in babies associated with the use of thalidomide, President Kennedy followed an earlier communication of April 10 with a new letter to Chairman Eastland on August 3 urging that the bill, as reported by the Committee on the Judiciary, be strengthened, and to this end submitted seven amendments.

The Committee on the Judiciary then reconsidered the bill which it had previously reported and strengthened it generally in line with the President's recommendations. The purport of its recommendations may be found in Senate Report No. 1744, part 2, dated August 21, 1962. In view of the fact that the President had recommended not only new provisions but the strengthening of existing provisions in the form in which they had originally been reported by the committee, there were a number of instances of conflict between the bill as originally reported by the committee on July 19 and as later reported on August 21. In such instances it is the later bill and report which must be regarded as controlling.

In the form reported by the Committee on the Judiciary on August 21, S. 1552 was adopted by a vote of 78 to 0 by the Senate on August 23, and Senators not present indicated that they were in support of the measure.

On the day the bill was passed, August 23, I made a detailed statement of its general points, recited some of the history of the proposed legislation, and complimented the members of the committee and subcommittee staffs, who had worked on the bill. I also paid tribute to Mr. Tom Collins on the full committee staff.

The Senator from Colorado [Mr. CARROLL], the Senator from Michigan [Mr. HART], the Senator from Illinois [Mr. DIRKSEN], and the Senator from Nebraska [Mr. HRUSKA], and other Senators, made extended statements in connection with the bill on that day.

Only two changes in the bill were made on the floor of the Senate, both involving the investigational use of drugs before they are put on the market. The first concerned the patient's consent to the use of investigational drugs, and was presented by the Senator from Colorado [Mr. CARROLL] and the Senator from New York [Mr. JAVITS]. The second amendment related to animal testing and related requirements.

Meanwhile, there had been introduced in the House of Representatives by the chairman of its Committee on Interstate and Foreign Commerce, Mr. HARRIS, a somewhat different drug bill, H.R. 11581. It was this measure, insofar as it applies to drugs, that the House used as its vehicle in the consideration of this legislation. However, by the time the House reported the measure on September 22, the Committee had considerably modified H.R. 11581 as originally introduced, and had indeed incorporated into it a number of provisions taken from the Senate bill. With two major amendments adopted on the floor of the House, one relating to factory inspection and one to advertising, the bill as reported by the House Committee was adopted on September 27. It was this measure and the bill passed by the Senate on August 23 which were the subject of the meetings of the conferees.

The vehicle used in the conference committee in its considerations was the bill as passed by the House. As I have noted, many of the sections of the House bill had previously been taken in whole or in part from the Senate bill.

Mr. President, with this recounting of the steps involved in the legislative history of the bill out of the way, I would now like to proceed to a discussion of the specific provisions of S. 1552, as reported by the committee of conference.

Madam President, I shall cover the specific provisions of the bill briefly.

SECTION 101—REQUIREMENT OF ADEQUATE CONTROLS IN MANUFACTURING

On this subject the language of the Senate and House bills was identical. The objective is to prevent production under insanitary conditions and to require that the methods used in drug manufacture conform to and are operated and administered in conformity with "current good manufacturing practice" to the end that the drug "has the safety and has the identity and strength and meets the quality and purity characteristics which it purports or is reported to possess."

As the Judiciary Committee had stated:

> The committee decided to provide that not only must the requisite methods, facilities and quality controls be established in conformity with current good manufacturing practice, but that these methods, facilities and controls must in fact be operated and administered in conformity with current good manufacturing practice.

SECTION 102—EFFECTIVENESS AND SAFETY OF NEW DRUGS

In this important area the language of the Senate and House bills was again identical, with one minor exception. One of the grounds in this section for withholding or withdrawing approval of a new drug application was if, in the language of the Senate bill, "such labeling is false or misleading in any particular." In the House bill the correlative language was "based on a fair evaluation of all material facts such labeling is false or misleading in any particular." The Senate conferees acceded to the House and the phrase "based on a fair evaluation of all material facts" is contained in the bill reported by the conferees. The grounds of inserting this phrase were stated to be the desire to obviate the possibility that a new drug application would be disapproved or withdrawn arbitrarily or capriciously because of some minor or trivial statement that could be easily corrected but at the same time construed to be false or misleading. This is not a substantive change but an effort to make explicit what would undoubtedly be the case in any event.

SECTION 103—RECORDS AND REPORTS AS TO EXPERIENCE ON NEW DRUGS—APPROVED NEW DRUGS

Both the House and Senate bills added a new provision to the new drug section of the Food and Drug Act requiring drug manufacturers to keep records and make reports as to experience with drugs now on the market. The Senate bill required that in promulgating regulations establishing any recordkeeping and reporting system under this section, the Secretary "shall have due regard for the professional ethics of the medical profession and the interests of patients." In addition the Senate bill authorized the Secretary, where he deemed it appropriate, to furnish drug manufacturers with information on their product that came to the Secretary from sources other than the manufacturer. The House bill contained neither of these provisions. They were accepted by the conferees.

EXPERIMENTAL USE OF DRUGS

Both the House and Senate bills contain provisions empowering FDA to require drug manufacturers to keep records and make reports on clinical experience with regard to experimental drugs prior to the submission of a new drug application for such product. The keeping of these records and making of reports is made a condition precedent to any experimental program conducted by a drug manufacturer. The Senate bill authorized the Secretary to require adequate tests on animals before the drug could be tested on human beings. The House bill contained a similar provision authorizing adequate preclinical tests prior to use of humans. While the House provision was accepted by the conferees, it was specifically provided that "preclinical tests" would include "adequate tests in animals."

The Senate bill also authorized the Secretary to require drug investigators to register with the Secretary. The House bill contained no similar provision and it was not adopted by the conferees. The Senate bill authorized the Secretary to require drug investigators to furnish him with simultaneous copies of their reports to the manufacturer on their experiments with an experimental drug. The House bill, on the other hand, specifically rules out any requirement of direct submission of reports to the Secretary by investigators. The conferees accepted a compromise between the two versions whereby analytical reports made by investigators to the drug manufacturers will be considered as part of the data the Secretary can require drug manufacturers to furnish him prior to the submission of the new drug application in order to enable him to evaluate the safety and effectiveness of the drug in the event a new drug application for it is filed. This new requirement on experimental-use drugs puts a firm legislative and statutory base under FDA's existing regulatory power.

With regard to patient consent the Senate bill required that investigators shall have due regard to the "interest of patients," while the House bill specifically required that regulations on experimental-use drugs must condition the use of such drugs on the patient's consent to such use. The conferees adopted substituted language which requires the Secretary of HEW to include in his regulations an experimental drug provision for obtaining patient consent, "except where obtaining such consent would not be feasible, or in the professional judgment of the investigator would be contrary to the best interest of the patient."

The Senator from Nebraska offered the compromise language, and after some rearrangement, it was adopted. It was satisfactory and solved one of the very difficult problems we had in the conference.

The conclusion reached by the conferees with regard to records and reports on new drugs, including experimental drugs, are also applicable to section 106, Records and Reports as to Experience on Antibiotics.

SECTION 104—NEW DRUG CLEARANCE PROCEDURE

There was only one difference between the Senate and House language with respect to the new drug clearance procedure. Both bills provided that a new drug application cannot become effective automatically under any circumstances but must be affirmatively approved. Both provided that the Secretary initially has 180 days—unless further extended by agreement—in which to decide to approve the application or to give notice of an opportunity for a hearing; that the applicant has 30 days in which to request a hearing; and that the hearing would have to begin within 90 days after such 30 days, or within a total of 120 days after notice of the opportunity of a hearing. The Senate bill did not set forth any time period by which an order would have to be entered following the hearing. The House bill required the order to be issued in 90 days after the completion of the hearing. A compromise was worked out to the effect that the order would have to be issued within 90 days, not after the hearing, but after the date fixed by the Secretary for filing final briefs. This is the last step in the hearing process prior to the final decision of the Secretary.

I personally felt that the Senate bill, which put no limit on the time that the HEW could take after the hearing, was preferable, but I trust that the present provision will be adequate.

The conferees also accepted a House provision which would correct a needless and unintentional inequity in the application of the food additive anticancer proviso to additives for animal feed, while preserving in its full vigor the consumer protection now afforded by that provision.

The provision stipulates that the anticancer proviso of existing law shall not apply with respect to the use of a substance—for example, a veterinary drug—as an ingredient of feed for animals which are raised for food production, if the Secretary finds, first, that, under the conditions of use and feeding specified in proposed labeling and reasonably certain to be followed in practice, such additive will not adversely affect the animals for which such feed is intended; and, second, that no residue of the additive will be found in any edible portion of such animals after slaughter or in any food product of the living animal—such as milk or eggs.

Another amendment would similarly amend the basic act—which is the corresponding anticancer clause contained in the color additive amendment of 1960 to the basic act.

It should be emphasized that where a new drug is involved in these fields and subsequent information and new evidence raise a question as to its safety, it can be withdrawn under the new withdrawal and suspension powers provided for in section 102 of the bill.

SECTION 105—CERTIFICATION OF ALL ANTIBIOTICS

On this matter the conferees adopted the Senate language with, however, one important limitation contained in the House bill; namely, that the requirement for batch certification for antibiotics not included in the present law be limited to those "intended for use by man." In other words, antibiotics not now subject to certification which are solely intended for such uses as veterinary purposes, animal feed, et cetera, will not be required to go through batch-by-batch certification. They will be subject to safety and effectiveness tests under the new drug procedures including the new withdrawal powers provided in section 102.

I strongly urged that there should be batch testing of antibiotics for use by veterinarians in treating animals and in animal feed as well as those used for treating human beings, on the theory that if an impure antibiotic is used on a cow or a steer, the milk or the meat might be infected, but I could not prevail. That may be a subject of legislative consideration in the next session of Congress.

The conferees also agreed to an amendment relating to proof of effectiveness of antibiotics now on the market which have been cleared for safety through the new drug procedure of the act but have not until now been subject to batch-by-batch certification. The purpose of this amendment is to facilitate the prompt certification of those approximately 30 antibiotics that have been approved for safety only under the new drug provisions. Under the certification procedure these antibiotics will have to be both safe and effective for their intended use. In the period of transition, these antibiotics will be approved for certification for the same conditions that have been approved in their new drug application. However, the Food and Drug Administration under this amendment is empowered to review the adequacy of the evidence on effectiveness and if it concluded that there is a lack of substantial evidence to support any or all of the existing claims, it can change the certification to eliminate these unsubstantiated claims. There of course would be public procedure with an opportunity for hearings and judicial review afforded the drug manufacturers before the FDA began this type of action.

SECTION 107—EFFECTIVE DATES

Here, the Senate language was adopted with one insertion from the House bill, which reads as follows:

> The amendments made by sections 101, 103, 105, and 106 of this part A shall, with respect to any drug, take effect on the first day of the seventh calendar month following the month in which this act is enacted.

The effect of the insertion is to delay for 6 months after enactment of the bill the sections relating to quality manufacturing controls—section 101—records and reports on new drugs—section 103—certification of antibiotics—section 105—and records and reports on antibiotics—section 106.

With respect to section 102, effectiveness and safety of new drugs, the Senate language which was adopted by the conference committee provides, among other things, that the new grounds for withdrawing approval of a new drug already on the market under the new authority relating to drug effectiveness would not apply until 2 years after the bill is enacted unless approval of the new drug is withdrawn or suspended earlier on other grounds.

SECTION 111—AUTHORITY TO STANDARDIZE NAMES

On this subject the language of the Senate bill was adopted with one insertion from the House bill—a limitation that "in no event, however, shall the Secretary establish a standard name so as to infringe a valid trademark." The objective of this insertion is the limited one of preventing the Secretary, in determining an official name in the interest of achieving usefulness and simplicity, from using as the official name a valid trademark.

Under the Senate language the grant of authority to the Secretary to establish official names is limited to two conditions: First, where he is requested to do so by the compiler of an official compendium; and, second, when the Secretary makes reviews of official names, which under the section he is required to do.

SECTION 112—NAME TO BE USED ON DRUG LABELING

In this section both the Senate and House versions were identical with one exception. This was a limitation upon the frequency with which the established name should appear in labeling, which among other things includes direct mail advertisements, brochures, pamphlets, and so forth; under the limitation the established name would have had to be printed only "at the first place, and at the most conspicuous place if other than the first place, at which such proprietary name for such drug or ingredient, as the case may be, is used." This limitation was not accepted by the conferees. Thus the established name of a prescription drug must appear in type at least half as large as the trade name wherever the latter is used in drug promotional matter, including package inserts, and so forth.

SECTION 113—EXCLUSION OF COSMETICS

The House bill contained a provision not in the Senate measure to the effect that the bill "shall not apply to any cosmetic unless such cosmetic is also a drug or device or component thereof." This provision was accepted by the conferees.

SECTION 131—PRESCRIPTION DRUG ADVERTISEMENTS

In this area the Senate and House bills differed in only two respects. Both required all advertisements and other descriptive printed material to include among other things information "relating to side effects, contraindications and effectiveness." The House bill provided that this information may be shown "in brief summary," which obviously means a fair condensation of the full disclosure information already required in labeling by the FDA under regulations. Moreover, the House bill contained an explicit provision not in the Senate measure to the effect that "except in extraordinary circumstances no regulation issued under this paragraph shall require prior approval by the Secretary of the content of any advertisement." With one additional provision, the conferees accepted the House language. This additional language is as follows:

> This paragraph (n) shall not be applicable to any printed matter which the Secretary determines to be labeling as defined in section 201(m) of this Act.

The effect of this change is to put printed matter not clearly labeling and not clearly advertisements either under the labeling requirements or under the advertising requirements, as the Secretary determines.

SECTION 201—FACTORY INSPECTION

The language of the Senate and House bills was identical with two exceptions. The House measure omitted from the scope of factory inspection any "consulting laboratories in which prescription drugs are manufactured, processed, packed or held." Although conferees adopted the Senate language, it is to be understood that the consulting laboratories to be subject to this provision are those in which prescription drugs are "manufactured, processed, packed or held" and does not extend to those laboratories, such as those in many universities and colleges, which carry on research on drugs but do not carry on as a business activity the operations of manufacturing, processing, packing, or storing.

The factory inspection provisions approved by the conferees do not include the language of the House floor amendment which was an effort to specify affirmatively what would be subject to inspection. The deletion of this language and the approval of section 201 in its present form means that insofar as prescription drug plants are concerned the Food and Drug Administration is clearly empowered to inspect all things in such a drug establishment bearing on violation of the act, including those records not specifically exempted from inspection by the bill.

In addition, the bill makes perfectly clear that whatever powers FDA now has to inspect food, cosmetic devices, and proprietary drug plants is in no way diminished.

SECTION 202—CONFIDENTIALITY OF INFORMATION OBTAINED BY INSPECTION

The House bill extended the scope of the confidentiality requirements in section 301(j) of the Food, Drug, and Cosmetic Act, but made a special provision to the effect that "nothing in this act shall authorize the withholding of information from the duly authorized committees of the Congress." The conferees decided to strike the confidentiality provision entirely from the bill and to leave the law on this matter as it is.

The Senate Subcommittee on Antitrust and Monopoly has in the past had no difficulty in securing information from the Food and Drug Administration and has never wished to secure information of the type prohibited by the present law; namely, information relating to "any method or process which as a trade secret is entitled to protection." It is expected, of course, that since the Congress is not making the law more restrictive on this matter, the FDA will not make its interpretation and administration of section 301(j) more restrictive. Congress and the public deserve to have access to information in the Food and Drug Administration which is not of the nature of a trade secret and is in the public interest.

SECTION 203—EFFECT ON STATE LAWS

A provision in the House bill relating to the effect on State laws was changed by the conferees to read as follows:

> Nothing in the amendments made by this act to the Food, Drug, and Cosmetic Act shall be construed as invalidating any provision of a State law which would be valid in the absence of such amendments unless there is a direct and positive conflict between such amendments and such provisions of State law.

SECTION 302—REGISTRATION OF PRODUCERS OF DRUGS

Among the provisions in the Senate bill which were not contained in the House measure was a requirement for the registration of drug producers. This provision requires every drug producer to register annually with the Secretary his name, place of business, and all his establishments engaged in the manufacture of drugs. A registration number is to be assigned to each establishment. Each registered establishment is to be inspected at least once every 2 years.

This, of course, is intended for the purpose of letting the Secretary of Health, Education, and Welfare know who is in the drug business, to help prevent so-called bathtub operators. By knowing that the pharmaceutical manufacturer's plant was registered and inspected, physician and patients will know that the drugs are pure, sound, and effective.

Exempted from the requirements are pharmacies, licensed practitioners using drugs solely in the course of their professional practice, those using drugs solely in research or teaching or for chemical analysis and not for sale, and such other classes of persons the registration of which is found by the Secretary to be not necessary for the protection of the public health. This section was adopted without change by the conferees.

To these requirements the conferees added several provisions. The first, which is in the nature of a preamble to the registration section, widens the scope of registration and factory inspection. It reads as follows:

> The Congress hereby finds and declares that in order to make regulation of interstate commerce in drugs effective, it is necessary to provide for registration and inspection of all establishments in which drugs are manufactured, prepared, propagated, compounded, or processed; that the products of all such establishments are likely to enter the channels of interstate commerce and directly affect such commerce; and that the regulation of interstate commerce in drugs without provision for registration and inspection of establishments that may be engaged only in intrastate commerce in such drugs would discriminate against and depress interstate commerce in such drugs and adversely burden, obstruct and affect such interstate commerce.

The second establishes a means by which the Secretary of Health, Education, and Welfare can be informed by the Secretary of the Treasury of imports from plants in foreign countries not registered under this section. Samples of imported drugs from nonregistered foreign plants are to be delivered to the Secretary of HEW; their owner or consignee is to be notified of this fact; and he may appear before the Secretary of HEW and have the right to introduce testimony. The full provision reads as follows:

> The Secretary of Health, Education, and Welfare shall furnish to the Secretary of the Treasury a list of establishments registered pursuant to subsection (i) of section 509 and shall request that if any drugs manufactured, prepared, propagated, compounded, or processed in an establishment not so registered are imported or offered for import into the United States, samples of such drugs be delivered to the Secretary of Health, Education, and Welfare, with notice of such delivery to the owner or consignee, who may appear before the Secretary of Health, Education, and Welfare and have the right to introduce testimony.

Foreign plants may continue to import drugs into this country provided, of course, that their new drug application is approved, and that "adequate and effective means are available, by arrangement with the government of such foreign country or otherwise to enable the Secretary to determine from time to time whether the drugs manufactured" meet the requirements set forth in chapter 8, relating to imports and exports, of the Food, Drug, and Cosmetic Act.

SECTION 303—INFORMATION ON PATENTS FOR DRUGS

The Senate bill contained a provision not in the House measure which is designed to enable the Commissioner of Patents, who has on his staff no physicians or pharmacologists, to obtain information on drugs from the Secretary of Health, Education, and Welfare. At the present time he can secure such information from this or any other Government agency only upon the approval of the patent applicant. Under this section the Secretary is authorized and directed upon request from the Commissioner of Patents to furnish full and complete information to the Commissioner. It is further provided that the Secretary is authorized upon request by the Commissioner "to conduct or cause to be conducted such research as may be required." The conferees accepted this provision in the Senate bill.

This section should be of definite assistance to the Patent Office in handling patent applications for drugs. The Commissioner of Patents has testified that such a provision would eliminate uncertainties and lead to the development of standard operational procedure between the Patent Office and the Department of Health, Education, and Welfare. He indicated that it would be of great assistance in some cases, particularly in making available the advice and counsel of specialists. The Patent Office should now feel free to consult and discuss questions arising in particular drug applications with the appropriate Government specialists or to request more formal reports.

Madam President, in the original bill as reported by the Antitrust and Monopoly Subcommittee there was a provision which would have required the filing with the Commissioner of Patents of all agreements in connection with interference cases, for consideration and review by the Federal Trade Commission and the Department of Justice. This would help these agencies in determining whether the antitrust laws were being violated. We have found many cases in connection with interference agreements, which have been secret, in which there were violations of the antitrust laws; indeed, the Department of Justice has brought two cases, and the Federal Trade Commission has brought one case based upon the information disclosed in our investigation involving agreements in interference proceedings. Last August I had planned to offer an amendment to put this section relating only to drugs, back in the bill, when it reached the floor of the Senate. A few days earlier, however, a similar bill, applying to all products sponsored by the administration passed the House of Representatives. Hearings were held before the Patent Subcommittee of the Judiciary Committee, headed by the Senator from Arkansas [Mr. McCLELLAN], of which I have the privilege of serving as a member. Commissioner Ladd and others testified. The bill was approved, with some amendments, by the subcommittee and by the full committee, and a short time ago it was passed in the Senate. It is now in the House. I believe it will become law. It has to do with all interference proceedings and all patents. It is almost identical with what I had intended to offer with respect to drugs, but it is infinitely broader in that it applies to products and processes of all kinds.

There are some provisions not contained in the conference report which I had hoped would be included. One would have required the Food and Drug Administration to furnish package inserts to physicians, in convenient and readable form, so that physicians could have the official information from the Food and Drug Administration as to what the drugs would do, what the side effects would be, and so forth. This provision was stricken, largely on the ground of what it might cost. I offered a variation in conference giving the Secretary discretion as to which physician would receive which package inserts, according to their specialties. It would have reduced the cost, but this, too, was rejected. Undoubtedly, this will be the subject of a legislative proposal in the next session of Congress. A few other provisions which I favored also were not accepted, which I will introduce in separate bills in the next session of Congress.

On the whole, we have obtained a good, strong, fair drug bill, needed by the people of the Nation. Prescription drugs are big business. The drugs sold by manufacturers to pharmacists and to hospitals totals $3,200 million a year. That is more than is involved in medical fees.

Among other things the bill will insure that drugs will be properly made; that they will be made with good control procedures; that sanitary provisions will be enforced; that factories will be inspected; that drugs will be safe; that advertisements will contain accurate information on side effects and efficacy; that excessive claims as to a drug's efficacy will not be stated; that generic names will be established which will be simple and useful; that all antibiotics for human use will be certified; and that the Patent Commissioner will be able to obtain needed information on drugs.

These provisions will be of great help to the people of the United States, to the Food and Drug Administration, to those who take drugs, to physicians, and indeed, to the pharmaceutical manufacturers, who, I believe, will realize, more and more, that it is to their benefit, also. Whereas the drug industry had been opposed to our activity in the beginning, it came to see, of itself, that some reforms and changes were needed. I am happy that we have finally been able to obtain such a good bill.

As I have said before, the bill is the result of hard work on the part of all members of the subcommittee—the majority members and the minority members. They have all given it much consideration and much thought.

I have previously taken occasion to express my appreciation to the members of the staff of the Antitrust and Monopoly Subcommittee, both majority and minority members of that staff, who worked so diligently, intelligently, and ably in the investigation and in the conduct of the hearings and in the preparation of the proposed legislation. I spoke about them, as did the Senator from Illinois [Mr. DIRKSEN] and the Senator from Nebraska [Mr. HRUSKA], in our speeches on August 23. I again wish to thank all of them.

In connection with the conference, I wish especially to express my appreciation to the members of the staff of the Antitrust and Monopoly Subcommittee, particularly Horace L. Flurry, Dr. John M. Blair, Dr. E. Wayles Browne; and the minority staff members, Peter Chumbris, and Ron Raitt; also I wish to pay tribute to the ability and the work of Tom Collins on the full committee staff.

In conclusion, Mr. President, this bill constitutes something of a tribute to the Founding Fathers for their wisdom in creating the legislative branch as a separate branch of government. The separation of the legislative from the executive branch has long been criticized by proponents of the parliamentary form of government. But I doubt whether under a parliamentary system the investigation would ever have been made of new and original remedies conceived. I cannot stress too greatly that most of the provisions of this omnibus bill are not only the outgrowth of an investigation by the legislative branch, but the solutions embodied in the bill were conceived of by the legislative branch.

This was not one of the all too frequent situations in which the role of Congress was merely that of passing upon a proposal developed by the executive branch, nor did it involve merely taking an old bill which had been rejected, updating it and inserting some new touch to make it current. The bill involved new thinking, new ideas. They came from a legislative committee. At the outset of the investigation, we were actually discouraged by top officials of the Food and Drug Administration. Not only had they no remedies for most of the problems with which we were beginning to be concerned; they did not even recognize them as problems.

Since World War II, the drug industry has undergone phenomenal growth, giving rise to a host of new problems affecting not only prices, but also the safety of drugs and the quality of information reaching doctors. It was the Subcommittee on Antitrust and Monopoly of the Committee on the Judiciary which through almost 3 years of the most arduous labor disclosed what the problems were. It was the same subcommittee which conceived the legislative proposals to deal with these problems. The bill now before the Senate consists in large part of those proposals, or adaptations thereof.

What has taken place, therefore, has been achieved only in the legislative branch, in a manner envisioned by the framers of the Constitution: First, investigate to determine the nature of the problem; second, devise appropriate legislative remedies; and third, enact them. The role of the executive branch is properly that of seeing to it that they are enforced.

As the economy has grown and our problems have multiplied and become increasingly complex, the legislature has found itself more and more in the position of merely passing on legislative proposals offered by the executive branch. This was not the intent of our Founding Fathers.

The moral of the drug bill is that even on an exceedingly complex issue the legislative branch can perform in the manner originally intended. With only a small staff of competent professional personnel the Congress can prove itself to be just as able as the vast bureaucracy of the executive branch, if not more so, to assume leadership in the legislative process.

Madam President, I yield the floor.

The PRESIDING OFFICER (Mrs. NEUBERGER in the chair). The question is on agreeing to the conference report.

The report was agreed to.

During the delivery of Mr. KEFAUVER's speech,

Mr. CARROLL. Madam President, will the Senator from Tennessee yield?

Mr. KEFAUVER. I yield to the Senator from Colorado, a distinguished member of the Subcommittee on Antitrust and Monopoly, who worked long and hard on the bill and whose labors we all appreciate.

Mr. CARROLL. Madam President, I desire to pay tribute to the long and arduous work of the Senator from Tennessee [Mr. KEFAUVER] and the Senator from Michigan [Mr. HART], and to the excellent work done by the staff over a period of some 3 years, led by Dr. John

Blair, which has led to the bill which is before the Senate today for passage. No one can really fully appreciate the scope of the bill unless he has read the record or has attended the hearings which took place through many years.

S. 1552, a bill to amend and supplement the laws with respect to the manufacture and distribution of drugs, is the result of 3 years of investigation and research undertaken by the Antitrust and Monopoly Subcommittee of which I am proud to be a member. During much of this time we of the subcommittee had very little support and many obstacles were placed in our path. It did not look as though we could obtain a meaningful bill. During all of this period, I am pleased to say that our chairman, the Senator from Tennessee, never once was dissuaded from his purpose.

As a result of the work done by our committee members and by our committee staff—and unhappily because of the great and tragic experience in Europe with the experimental drug thalidomide—we have before us today a measure which marks a major strengthening of the Federal drug controls.

I am especially pleased that the bill before the Senate, as approved by the conference committee, embodies within it the so-called Carroll-Javits amendment, which requires for patient prenotification before experimental drugs can be prescribed.

When we first presented this amendment we were told that it was not feasible. We persisted with our amendment, however, because we felt that when a man or his loved one consults his family doctor, he has the right to be assured that only safe and proven medicines will be administered.

In the Senate version of the bill, Senator JAVITS and I were successful in obtaining an amendment—not all that we sought, it is true—which would insure that patients' rights would be considered in the promulgation of regulations for the use of experimental drugs.

Fortunately, happily, the House was able to go even further in this respect with the result that the bill before us today provides that a doctor must obtain a patient's permission to be treated with an experimental drug. The only exceptions to the this lie in those cases where a doctor feels obtaining such permission would not be feasible or in the patient's best interest.

Madam President, I am proud to have worked shoulder to shoulder with the Senator from Tennessee [Mr. KEFAUVER] in this endeavor. I urge the Senate to give this conference report its speedy approval.

Madam President, I ask unanimous consent to have printed at this point in the RECORD an article entitled "Conferees Vote Real Tightening Control of Drugs," published in the Wall Street Journal of today, October 3, 1962.

The PRESIDING OFFICER. Is there objection?

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CONFEREES VOTE BILL TIGHTENING CONTROL OF DRUGS—COMPROMISE MAKES FIRMS REGISTER WITH AGENCY; FINAL PASSAGE LIKELY SOON—SOME KENNEDY CLAUSES EASED

WASHINGTON.—A Senate-House conference approved a bill tightening Federal controls over the manufacture and marketing of prescription drugs. Both Chambers are expected to approve the measure by tomorrow and send it to the White House.

The conferees accepted the Senate bill's requirement that drug manufacturers register with the Government and a House provision that side-effect information to be included in drug advertisements need only be "in brief summary." But they rejected a Senate proposal that the Government publish and distribute to doctors, clinics, and libraries copies of the printed material that the Government requires be included in drug packages, containing detailed information on the use and effects of the drug.

The bill's controls are not as tight as those proposed by the Kennedy administration, and the measure omits some administration provisions: New controls over barbiturates, amphetamines, and biological drugs, and authority for thorough Government inspection of factories producing nonprescription drugs.

PROVISIONS LISTED

These are the other major provisions of the bill:

Thorough Federal inspection is authorized for factories producing prescription drugs.

Drugs must be turned out under good manufacturing practices, must be safe, and meet the quality and purity characteristics claimed for them.

New drugs can't be marketed until specific approval is granted by the Food and Drug Administration, and a manufacturer must show "substantial evidence" that a new drug will have the effect claimed for it. The FDA is given 180 days in which to consider a new-drug application; an applicant has an additional 30 days to request a hearing if the FDA refuses to approve the drug; the agency has 90 days after that to hold a hearing, and the agency has 90 days after the date set for filing final legal briefs to issue a decision.

The Government may withdraw from the market any drug believed to present an "imminent hazard" to the public.

Government controls over the manufacture of certain antibiotics are extended to all of them.

Manufacturers must keep records of side effects and other experience with drugs and make these records available to the FDA.

The common or official name of a drug must be printed on the label prominently and in type at least half as large as that of the brand name. The FDA is authorized to determine a drug's official name when the industry cannot agree.

EXPERIMENTAL DRUGS

In addition to these legal requirements, the bill authorizes the FDA to include certain specified provisions in its regulations governing the use of experimental drugs, those not yet approved for general public sale. Thalidomide, the widely publicized German sleeping pill that was linked to deformities in newborn babies, was distributed in this country as such an experimental drug and was not approved by the FDA. The bill's suggested new regulations, largely similar to those proposed recently by the FDA itself, would require doctors to:

Obtain a patient's permission to be treated with an experimental drug, except when the doctor feels obtaining such permission wouldn't be feasible or in the patient's best interest.

Report to manufacturers and indirectly to the Government on the results of experimental drugs.

And administer experimental drugs only to patients under their personal supervision.

Although the bill doesn't require the FDA to issue these regulations, members of the conference committee said it assumed the agency would agree to the recommendations.

Mr. KEFAUVER. Madam President, I am grateful to the Senator from Colorado for his kind remarks.

As I have said before, he has worked hard, long, most diligently, and most faithfully on this legislation. For 3 years he has devoted himself to it, and his contributions to it have been of great importance. I am most grateful for what he has done.

Mr. JAVITS. Madam President, will the Senator from Tennessee yield?

Mr. KEFAUVER. I yield.

Mr. JAVITS. First, I pay my respects to the chairman of the subcommittee, the Senator from Tennesssee [Mr. KEFAUVER]; and I express my admiration of him and the pleasure I have had, particularly in working on this amendment, which the Senator from Colorado [Mr. CARROLL] has described.

As I understand the conference report, it requires that the Secretary of Health, Education, and Welfare shall include in his regulations a provision to the effect that experimental drugs may be used only after the patient's consent is obtained. I point out, in that connection, the importance of the use of the word "shall" at that point in this measure. The use of the word "shall" definitely imposes this responsibility on the medical profession, with the result that the doctor will have, in addition to his responsibility under his Hippocratic oath and under the canon of ethics, the clear responsibility of finding, if he decides not to obtain the consent of the patient, that to obtain his consent would not be "feasible" or in the professional judgment of the investigator would be "contrary to the best interests" of the patient.

I believe that provision supports very definitely the contention we have made. I should like to have the Senator from Tennesse, who has been in charge of the bill, confirm my understanding of this part of the report.

Mr. KEFAUVER. The Senator from New York has correctly stated the meaning of that provision. He and the Senator from Colorado [Mr. CARROLL] worked diligently to have such a provision included. On the Senate floor an amendment was offered and accepted to the effect that in giving experimental drugs physicians shall consider the best interest of their patients. In the House of Representatives, the Friedel amendment, which was along the same line but somewhat tighter was adopted. In the conference, an amendment in line with these two amendments—suggested by the Senator from Nebraska—was submitted. I proposed some rearrangement of the language, but there was no change in the meaning. The resultant language requires the patient's consent, except in instances—as the Senator from New York has said—in which it is deemed not feasible or, the doctor's best judgment, is contrary to the best interests of such human beings. The decision must be according to the best judgment of the doctors involved. There will be no interference with the doctor-patient relationship. But the responsibility for not obtaining the patient's consent will clearly rest with the physicians.

Mr. JAVITS. I was seeking to establish the point that it will be the professional responsibility of the doctor in both cases—both as to the determination of feasibility and as to the determination of the effect on the patient. The inclusion of that provision imposes a greater sanction than merely the use of the word "feasible."

As professional men, the Senator from Tennessee and the Senator from Colorado and I understand that one will not assume that responsibility except on the basis of the greatest exercise of conscience. That is what the conferees have provided for.

I also congratulate the Senator from Tennessee [Mr. KEFAUVER], with whom I worked on another aspect of this bill, a provision with respect to stopping the experimental use of drugs on humans in the event they are deemed to be unsafe. I am pleased to note that that provision also is in the bill as reported by the conferees.

So, Madam President, I congratulate the principal proponents and sponsors on our side, the Senator from Illinois [Mr. DIRKSEN] and the Senator from Nebraska [Mr. HRUSKA], and also the principal proponents and sponsors on the other side of the aisle, the Senator from Tennessee [Mr. KEFAUVER], and also the Senator from Colorado [Mr. CARROLL], for the provisions they have proposed, which now have been included in the conference report.

Mr. KEFAUVER. I thank the Senator from New York. He has correctly stated the intention of the conferees.

Mr. JAVITS. I thank the Senator from Tennessee.

Mr. CARROLL. Madam President, will the Senator from Tennessee yield?

Mr. KEFAUVER. I yield.

Mr. CARROLL. I wish to say that in my opinion this is one of the most important measures in the domestic field to be passed at this session. It is of great importance to the family life of the Nation and to the protection of our people. I think it will also be of great help to the pharmaceutical profession and the medical profession. But, above all, it will be helpful to the American people.

That is why I pay special tribute to the Senator from Tennessee and the excellent committee staff who have worked so hard for so many years on this measure.

Mr. KEFAUVER. Madam President, the Senator is correct when he says this is one of the most important measures in the domestic field which has been passed either at this session or in many other sessions.

Mr. HART. Madam President, will the Senator from Tennessee yield?

Mr. KEFAUVER. I am glad to yield to the coauthor of the bill, who has been my fellow worker on it.

Mr. HART. Madam President, I, too, wish to express the pride I have because of my association with the Senator from Tennessee [Mr. KEFAUVER] and the other members of the Subcommittee on Antitrust and Monopoly, whose labors have culminated in bringing us to this point, which I hope is just immediately preceding adoption of the conference report on this bill.

I suggest that those who may be interested in observing the legislative process from the time of the inception of a bill to the point of its enactment will do well to study this bill. I unhesitatingly recommend, in that connection, that, they study the bill from the time of its enactment up to this point. I believe an important lesson is to be learned from reviewing, as the Senator from Tennessee now is doing, the events preceding this moment.

Not long ago I was asked by a member of the press who was interested in the drug legislation whether I believe our society is the kind which must encounter a disaster before it will take any definite or significant action on a domestic issue. He made the point that if it had not been for the thalidomide incident, this bill would never have gotten out of the committee. I reminded him that I felt a bill would have gotten out of the committee, but certainly not this bill. In fairness to our system, I think the correct answer to such a question is that a disaster helps, provided there have been at work concerned men and women who have developed a position on which the legislative body can quickly take a stand when disaster confronts it. That is exactly what the Senator from Tennessee was doing over a period of almost 3 years. Painstakingly, and while subject to much buffeting and many pressures, the Senator from Tennessee and the subcommittee were developing a record, drafting a bill, and buttressing it with arguments; and, as a result, the Judiciary Committee was able to respond promptly to the disaster which developed in connection with the use of thalidomide.

The Senator from Tennessee and a few other Senators were trying to point out the weakness of the earlier legislation and were trying to indicate that an incident similar to the one which developed in connection with the use of thalidomide could occur unless the law was changed. When it did occur, there was a great expression in the committee and in the entire Senate of willingness to take action on this legislation.

I think perhaps the greatest tribute which could be paid the chairman of the subcommittee, the Senator from Tennessee [Mr. KEFAUVER], is again to make the point that long before the danger of using thalidomide became apparent, and long before legislation of this type was popular, he was urging the development of legislation to protect against the occurrence of disasters of the type of the one which resulted from the use of thalidomide. He suggested that such disasters were definitely a possibility, and he suggested the necessary safeguards. This is why I am particularly glad to take this much of the time of the Senate—late though it is—to pay my tribute to him.

From my own experience, I know that in the course of the 3 years during which we have been studying the operations of the drug industry, there have been some rather weird suggestions as to what motivated us. The suggestions ranged from an intrinsic distrust of profits to the intolerable desire to eliminate success. That, of course, was so much hogwash.

I think time will be kind to the subcommittee in its conduct, but I know that its chairman, more than any of the rest of us—and all of us indeed, were subjected to it—were subjected to some pretty harsh questioning, as we sought to make the record and then to write the bill. I am delighted and proud that the Senate bill is the Kefauver-Hart bill. If my name were to stand on only one piece of legislation for so long as I was permitted to be here, I would select this one, because as the Senator from Colorado [Mr. CARROLL] has said, on the domestic scene there is as much long-term good in this bill as in any the Congress will enact. It is due almost entirely to the courage and devotion of the Senator from Tennessee, and I salute him.

Mr. HRUSKA. Madam President, will the Senator yield, so that I may comment on the suggestions made by the Senator from Michigan?

Mr. KEFAUVER. I will yield in just a moment, but, first, I would like to thank the distinguished Senator from Michigan [Mr. HART]. I am sure that during the last 3 years he has spent more time on this legislation and in this subcommittee than in perhaps all of his other committee assignments put together.

He has shown great interest and tremendous knowledge of the problem. He has stood up valiantly for the provisions of the bill. He has been a hard worker, whose steadfast support has been most encouraging to me throughout this difficult undertaking.

Many Senators have contributed to the final product. The Senator from Michigan [Mr. HART] made a great contribution, as did the Senator from Colorado [Mr. CARROLL], and other members of the committee. The Senator from Nebraska [Mr. HRUSKA], with his keen mind, helped clarify many issues. The Senator from Nebraska has been very diligent in his efforts throughout the consideration of the bill, although we have not always agreed, and have frequently disagreed, as to the approach that should be taken.

I yield now to the Senator from Nebraska.

Mr. HRUSKA. Madam President, this is an instance in which we can well apply the old proverb or classical saying that "All's well that ends well."

The bill before us is a good bill. It is sound, and workable. It is acceptable to those who will be in charge of its administration and enforcement and it is acceptable to industry.

Most of all, it is very acceptable to the public which has the greatest stake of all. It wants good drugs; not just now but tomorrow and next year.

The Senator spoke of many having joined in the bill. That is correct. It is the joint product of many minds.

I would not want to minimize for a moment the monumental work done by the Senator from Tennessee. I do not want to detract from the credit given to him, or the members of the committee, or the staff, or the Congress. However, I think we ought to keep the record straight as to the terrible tragedy of the thalidomide and how much it may have contributed to the enactment of this bill.

I have lived with this bill as long as any Senator, with the exception, perhaps, of the Senator from Tennessee. I submit that, with one exception, and some small refinements the bill that was before us on July 19, before thalidomide formed the essential framework and details of this bill.

That exception is the provision which calls for suspension of drugs from the market on an immediate basis. Beyond that, and some subsequent refinements all of the limitations in this bill, are to be found in the bill of July 19.

The further fact is that the law as it presently exists was sufficient to deal with the thalidomide episode. I do not say the enforcement of the law will not be more effective under this bill. But, at the same time, to say that the July 19 bill, was a creature of limited and inhibited powers, is simply in accord with the record.

I am glad the bill went back to the Judiciary Committee after July 19 and that it ripened into the seasoned product of August 21. I am glad it was taken to conference with the House of Representatives, where a lot of good was done.

But I want the record straight that the thalidomide incident, although it resulted in some refinements and good points, was not necessary to achieve this legislation.

I do not want work of the Committee on the Judiciary derogated or downgraded in any way. The efforts leading up to the introduction in this Chamber of the bill of July 19 were of no small moment. They were in keeping with the highest legislative traditions. As a result of those efforts we got a bill that eventually provided the framework and much of the substance of the legislation which I hope will be passed by the Senate shortly.

Mr. HART. Madam President, if the Senator from Tennessee will permit me to make a response to the Senator from Nebraska, I think my remarks caused the Senator's statement.

Mr. HRUSKA. That is why I suggested that the remarks should not be printed at that point in the RECORD.

Mr. HART. Of course, I shall wish to reread my statement, but I will say that I think a bill would have been reported by the committee without the thalidomide incident. However, I repeat my statement that it is a much better bill because of the thalidomide incident.

I suggest to the distinguished Senator from Tennessee that we should have printed in the RECORD at this point the minority views which accompanied the bill which was reported July 19. We could look at that, and look at the final document, and then we would have the answer. I think that would balance the record.

Mr. HRUSKA. It would balance the record. We could also have printed the material on page 17391 of the CONGRESSIONAL RECORD, in which there is an outline of the July 19 bill on a comparative basis. That would balance the record, too. That would bear out the statement made by the Senator from Nebraska.

Again I do not want to imply that less credit should be given to various members of the committee or to anyone on the staff for the work they have done.

At the same time, I would not want the record to stand in such a way as to imply that the Committee on the Judiciary, or the staff of the committee, or any portion thereof, did not act in its full responsibility or in the full discharge of conscientious duties in the action taken on the July 19 bill. That bill substantially complied with all the content of the President's April 10 letter prescribing what he felt was necessary to achieve good legislation.

There was an exception which was reserved for additional legislation. The Senator from Connecticut [Mr. DODD], who is in the Chamber, has introduced a bill to cover that situation. With that exception the President's letter of April 10 was substantially complied with in the July 19 bill.

The President sent another letter in August and said, "Because of the thalidomide incident we think these additional things should be done." The Judiciary Committee, to a man, approved what the President prescribed in the second letter. So you can see, this bill is the product of the minds and activities and best judgments of many, many people.

Mr. KEFAUVER. Madam President, I do not think any useful purpose would be served by arguing about the July 19 bill or the bill originally reported by the Subcommittee on Antitrust and Monopoly which was changed in almost every respect by the full Committee on the Judiciary in the bill finally reported after the thalidomide incident. It is true that the July 19 bill may have covered most of the points. The question is not whether it touches in these problems but how it dealt with them. I thought it was very weak in many respects.

The Senator from Colorado [Mr. CARROLL], the Senator from Connecticut [Mr. DODD], the Senator from Michigan [Mr. HART], the Senator from Missouri [Mr. LONG] and I pointed out its weaknesses in the minority views we filed.

In the minority views we set forth six amendments we proposed to offer, all of which were incorporated in the seven recommendations suggested by the President.

I think the better way to handle this problem is to ask unanimous consent to make the views a part of the RECORD, along with the comparison referred to by the Senator from Nebraska. Would that be satisfactory?

Mr. HRUSKA. The comparison of the two bills, referred to a few minutes ago?

Mr. KEFAUVER. It is already in the RECORD.

Mr. HRUSKA. Certainly. That would be agreeable with the Senator from Nebraska.

Mr. KEFAUVER. Very well.

Mr. HRUSKA. Because it would demonstrate, Madam President, that many of the provisions mentioned in the minority views were not adopted either by the Judiciary Committee, by the House, or by the Senate, and still are not in the bill before us.

Mr. KEFAUVER. Anyway, it will all be in the RECORD. I ask unanimous consent that the minority views, beginning on page 33 of the committee report, and the comparative analysis to which the Senator from Nebraska referred may be printed in the RECORD at this point.

Mr. HRUSKA. Madam President, if the Senator will yield, the comparative analysis appears on several pages. I would prefer to have that compiled in one statement. It would be difficult to take only one page and to get the comparative analysis.

Mr. KEFAUVER. Madam President, I ask unanimous consent to have it included, when it is prepared.

Mr. HRUSKA. I thank the Senator.

Mr. KEFAUVER. And to further aid in the understanding of the legislative history, my statement of August 20, 1962.

The PRESIDING OFFICER. Is there objection to the request by the Senator from Tennessee?

There being no objection, the material was ordered to be printed in the RECORD, as follows:

VIEWS OF SENATORS ESTES KEFAUVER, JOHN A. CARROLL,[1] THOMAS J. DODD, PHILIP A. HART, AND EDWARD V. LONG

The undersigned voted to report favorably S. 1552 as rewritten by the full Judiciary Committee because it does contain some provisions which are improvements in the present law. Moreover, in view of the great interest in the subject, we felt the Senate as a whole should have the opportunity of acting on certain amendments which would strengthen the bill.

In the form in which it was originally introduced on April 12, 1961, as well as the form in which it was reported out by the Subcommittee on Antitrust and Monoply on March 8, 1962, S. 1552 had three objectives:

1. To bring about reductions in the present high prices of drugs.

2. To provide physicians with better and more adequate information about drugs and correlatively to reduce the dissemination of information which is false and misleading.

3. To insure that all drugs are of adequate and acceptable quality.

In the form in which it was reported out by the full Judiciary Committee, S. 1552 will have only a very limited effect on prices, confined to the minority of drugs which are not patented. It will also have only a very limited effect in improving the quality of information reaching physicians. Its major result will be to improve the quality of drugs.

---

[1] Senator CARROLL concurs in all except amendment No. 5 (see further individual views).

While improvement in the quality of a product is always desirable and S. 1552 should be enacted for this purpose alone, the record is clear that by any test and under any standard the prices of most drugs are excessive and unreasonable. The record is also clear that physicians are regularly inundated with a great mass of advertising and promotional material, much of which is misleading and some actually false.

That the accomplishments of S. 1552 are relatively modest where the need is greatest is apparent from an examination of its provisions. In its present form the bill contains 12 major provisions, 9 of which represent additions to the existing law.

Section of S. 1552:

2. Authorizing the Commissioner of Patents to secure information on drugs from the Department of Health, Education, and Welfare.

3. Requiring drug producers to register their name and place of business.

4. Granting the HEW stronger powers to inspect drug plants.

5. Requiring drug plants to conform in their operations to "current good manufacturing practice."

6. Making a slight extension of the period in which new drug applications automatically become effective unless action is taken by the Food and Drug Administration.

7. Requiring companies seeking approval of new drug applications to keep records and reports relating to clinical experience and other data.

10. Authorizing the Secretary of Health, Education, and Welfare, under specified circumstances and after a hearing, to establish the "official" or generic name for drugs.

11. Requiring the HEW to publish in convenient and readable form and distribute to physicians copies of the package insert (i.e., the document approved by the FDA setting forth information on a drug's uses, side effects, dosages, etc.).

12. Extending the certification procedure to all antibiotics and providing standards for the consideration of their exemption.

Mr. KEFAUVER. Madam President, in addition, the bill contains three other provisions, two of which are in effect mere restatements of current law or regulations, while the force and effect of the third is virtually destroyed by failing to make a correlative change in the definition of "new drugs."

9. Requiring official names to appear "prominently" on labels. (This is merely a restatement of sec. 502(c) of the Federal Food, Drug and Cosmetic Act.)

11. Requiring drug companies to send to physicians who request information about a drug the package insert. (This is merely an explicit incorporation into the statute of a regulation already adopted by the FDA (§ 1.106).)

8. Providing that claims as to the effectiveness of drugs must be supported by substantial evidence. (For this to have any real force, "effectiveness" must be added to the definition of new drugs contained in sec. 201(p) of the Federal Food, Drug, and Cosmetic Act. Otherwise the requirement would only apply to the initial claims made for a drug and not to later claims made after the initial new drug application had been approved.)

All of the bill's nine provisions representing additions to current law should contribute in one way or another to the improvement of the quality of drugs. For this reason alone, they are desirable and should be enacted.

In contrast, they will have no effect on the prices of the majority of drugs, which are patented, and only a limited, long-range, and indirect effect on the prices of nonpatented drugs. The failure of the bill to have any effect whatsoever on the prices of patented drugs is a serious limitation. When a drug is patented and the patent holder licenses none or only a very few other firms, the price will usually be the same whether the prescription is written in terms of its generic name or its trade name. For example, the buyer will pay the same price for Parke, Davis' patented antibiotic regardless of whether the physician writes out the prescription for Chloromycetin, the trade name, or chloramphenicol, the generic name.

A market survey conducted for Nationwide Insurance Co. disclosed that not less than one-half and perhaps as much as two-thirds of all prescriptions are for drugs that are patented. In presenting the results of the survey, Mr. Glenn Wilson, manager of its medical care research stated:

"The patented items, regardless of the number of distributors, tend to have identical or similar prices. The consumer will derive scant economic benefit when his physician writes a generic prescription as contrasted to a trade name if the product is patented."[2]

Thus we are confronted with the hard and unpleasant reality that prices for over half of the prescriptions can be reduced only by imposing price control or by restricting the scope of the patent monopoly and thereby injecting price competition into the market.

Requiring drug plants to register their names and addresses with the FDA, granting the agency stronger inspection powers and requiring drug plants to conform to current good manufacturing practice should tend to give physicians greater confidence that, if they prescribe by official or generic names, their patients will receive drugs of adequate and acceptable quality (secs. 3, 4, and 5 of S. 1552). Similarly, the provision granting the Secretary of Health, Education, and Welfare authority under certain conditions to establish the official names should make for shorter and less complex generic names that physicians can remember, pronounce, and spell (sec. 10). Because of these changes it would be hoped that with the passage of time more and more physicians will come to prescribe by generic names. This should mean lower prices for the patients of such doctors for drugs which are not patented and are not already sold on a generic-name basis, such as phenobarbital, digitoxin, and others. The drugs in which consumers can benefit from generic-name prescribing probably represent less than a fifth of all prescription sales.

Likewise, only three of the nine provisions will contribute to providing physicians with better information about drugs and reducing the volume of misleading information. There is, first, the requirement that HEW publish the package inserts in convenient and readable form and distribute them to physicians (sec. 11). Second is the provision authorizing the Commissioner of Patents to secure information on drugs from the Department of Health, Education, and Welfare (sec. 2). Presumably, if the Patent Office, which has no physicians or pharmacologists on its staff, is able to secure information from HEW on the therapeutic properties of drugs—which it is now able to obtain only with the consent of the patent applicant—fewer patents may be issued. This in turn should tend to reduce the number of products which could be the subject of high-pressure blitz advertising and promotional campaigns aimed at the doctors. Third is the provision requiring the keeping of records and reports on clinical testing, which should assist the FDA in keeping off the market unsafe and ineffective drugs or in prescribing proper and appropriate warnings to guide physicians in their use (sec. 7).

If S. 1552 is to meet its three intended objectives, certain provisions should be added. Amendments along the following lines are required:

1. To make the bill's provisions relating to effectiveness of drugs meaningful "effectiveness" should be included in the definition of new drugs.

2. To facilitate prescribing by generic names and to help prevent physicians from being misled by deceptive advertising, each advertisement should show the official name printed prominently and in type half as large as the trade or brand name, and should contain statements, or summaries thereof, approved by the Secretary of Health, Education, and Welfare on the drug's efficacy and side effects.

3. To give the medical officers of the FDA adequate time to appraise the possible side effects and efficacy of a new drug, no new drug application should automatically become effective in the absence of action by the FDA to the contrary; applications should become effective only when the safety and claims for efficacy of the drug have been approved by the FDA.

4. To prevent the use of license agreements as a means of fixing prices, establishing international cartels or otherwise restraining trade, license agreements under patent applications and issued patents should be filed with the Patent Office to be available for inspection and use by the antitrust agencies.

5. To bring about price reductions of those patented drugs, whose prices are excessive, patents should be licensed after 3 years to qualified applicants upon a payment of a royalty of up to 8 percent where it is found that the price to druggists is 500 percent or more of the factory cost (including research).

The principal effect of the first three amendments referred to above would be to improve the quality of information reaching physicians and to result in better and safer drugs. The principal effect of the last two would be to reduce drug prices.

The purposes of each of the amendments and the reasons for their adoption are set forth below:

AMENDMENT NO. 1—EFFECTIVENESS

The statement of justification presented at the Judiciary Committee in support of the amendment to strike "effectiveness," or "efficacy" as it is often termed, from the definition of new drugs said, "For example, if aspirin in its normal dosage were to be newly recommended as efficacious for acne, it should not have to go through the elaborate new drug procedure."[3] Assuming aspirin to be a prescription drug (which of course it is not), the example strikingly illustrates the anomalous situation which will arise if this loophole is not closed. If Orinase is approved for the treatment of diabetes, should it be permitted to be promoted as a remedy for infectious diseases? If Miltown is approved as a mild tranquilizer, should it be permitted to be promoted for the treatment of diabetes?

On what logical basis can one possibly argue that the initial claim for a drug, say the relief of headaches, should be supported by "substantial evidence," but that successive claims, for instance the cure of acne, need not be so supported? That considerations which would warrant examination and approval of the initial claim would be just as appropriate and compelling for successive claims. Likewise, if successive claims for effectiveness need not be supported by "substantial evidence," why should this obligation be required for the initial claim?

---

[2] U.S. Senate Subcommittee on Antitrust and Monopoly, hearings on S. 1552, 87th Cong., 1st sess., pt. 3, p. 1325.

[3] Cf. CONGRESSIONAL RECORD, June 11, 1962, p. 10108.

With the benefit of this loophole the expectation would be that the initial claim would tend to be quite limited, which, of course, would expedite approval of the new drug application. Thereafter, "the sky would be the limit" and extreme claims of any kind could be made, subject only to the very cumbersome power of the FDA to seize a single specific shipment of the drug as misbranded. It takes months or years to go through the legal steps leading to an injunction—for contempt of court—against the company to prevent continuing marketing in interstate commerce. In the past 2 dozen years, FDA has invoked its seizure powers against not more than two or three prescription drugs.

The present law requires only proof of safety before the Food and Drug Administration allows a new drug to be marketed. The new drug application must be approved once the requirements of safety have been met, even though the FDA has reason to believe that the drug is not effective for the purposes claimed. During his testimony, Secretary Ribicoff of the Department of Health, Education, and Welfare cited a number of specific examples of ethical drugs which the FDA was forced to approve for general distribution because they were shown to be safe under conditions proposed for their use in the labeling, despite the fact that the agency's medical officers knew of no evidence to support some of the therapeutic claims made by the manufacturers.[4]

Leading physicians testified that it is impossible to keep currently informed of the state of medical knowledge to be found scattered in hundreds of medical journals on the 400 new drugs introduced each year. Moreover, they stressed that the marketing of a safe but ineffective drug may well be positively injurious to the public health. When an ineffective drug is prescribed, it is usually in place of an older but effective drug.[5] The problem is compounded by the fact that usually a considerable period elapses between the time when a highly advertised new drug is put on the market and when knowledge becomes widely disseminated among the medical profession that its performance falls seriously short of its claims.

In addition to numerous examples of claims which, according to the testimony of medical authorities, were extreme and misleading, the record contains evidence that what is occasionally involved is not merely the normal "puffery" inherent in all advertising but a deliberate intent to mislead. Extreme assertions which have been specifically rejected by the Journal of the American Medical Association and other "restricted" journals are incorporated in advertisements appearing in widely circulated "nonrestricted" medical journals, which make little or no effort to screen out unsupportable claims.[6] Quotations from articles and papers appearing in advertisements have been taken out of context.[7] There have been mailed to physicians X-ray photographs clearly designed to contrast a patient's condition "before" and "after" use of a drug, even though the X-rays were of different persons and neither used the drug.[8] However, regardless of whether made with an intent to deceive, or merely as the result of the natural enthusiasm of the advertising agency, the result is the same.

This provision was strongly supported before the subcommittee by Secretary Ribicoff. Pointing out that under present law the FDA evaluates the claims for efficacy of antibiotics and insulin, he testified that "over a considerable period of time and for a number of important drugs the Department has in fact been determining drug effectiveness. In the light of this background of experience, it is difficult to understand the position of those who oppose extending the efficacy requirement to all drugs."

Referring to this background of experience, he stated that "we have had no case in which an effective drug has been kept off the market because other drugs were effective for treating the same disease.[9]

Section 8 of S. 1552 gives the appearance of adding the test of effectiveness to the law by granting the Secretary of Health, Education, and Welfare the authority to reject a new drug application if "there is a lack of substantial evidence (including substantial clinical evidence) supported by investigations of experts qualified by scientific training and experience to evaluate the effectiveness of drugs, that the drug will have the effect it purports or is represented to have under the conditions of use prescribed, recommended or suggested in the proposed labeling thereof."

But this is appearance only since it applies merely to the initial claim. It can be given substance by taking the logical step of making it applicable to all claims, regardless of whether they are made when the new drug application is initially filed or at any time thereafter.

AMENDMENT NO. 2—ADVERTISEMENTS

As originally introduced and as approved by the Antitrust Subcommittee, the advertising provision of S. 1552 required all advertisements to include, regardless of the media employed, (a) the official or "generic" name printed in type as large and as prominent as that used for any trade or brand name, (b) a warning or summary thereof as to any dangerous or harmful property or effect thereof, and (c) a full and correct statement of the drug's efficacy.

Despite the compelling need for these modest requirements, as summarized below, the entire advertising provision was striken in committee from the bill.

The need for a more specific requirement as to the size of official names is illustrated by examples of advertisements in the record containing no generic names whatever or generic names in type so small as to be virtually illegible. The record also contains examples of explicit instructions from drug companies and advertising agencies not to use generic names except where absolutely necessary, as in the Journal of the American Medical Association.[10] The record also contains continuous correspondence from the JAMA to a drug advertising agency from 1953 to 1960 in which the attention of the latter is repeatedly directed to the necessity of including generic names and the minimum size of type required.[11] It also reveals that a drug company failed to designate any generic name, with full knowledge that this violated requirements of the American Medical Association.[12] S. 1552 should be amended to put an end to the nondisclosure of generic names in advertisements, whether the result of inadvertence or intent, by requiring all advertisements and labels to show the official name printed prominently and in type at least half as large as that used for any trade or brand name thereof.

As has been noted, the FDA, in its current work of passing on new drug applications, reviews and approves the wording of package inserts or brochures, which among other things contain information on "side effects" or "contraindications." A summary thereof, also to be approved by the Secretary, can be substituted if their length appears to be excessive for use in an advertisement.

Again the requirement stems from the failure of most drug advertisements to give anything approaching adequate information, even on this critical matter of injurious side effects. At the request of the subcommittee, the Library of Congress made a survey of drug advertisements appearing in six leading medical journals during the 9-month period July 1958 through March 1959. The survey covered 34 important trade-name products, with varying side effects from mild to serious, in the principal categories of ethical drugs. In the survey the Library noted each page in which an advertisement for any of these drugs appeared in each of these journals. There were 2,033 such pages. In no fewer than 89 percent of these pages, the advertisement contained no reference to side effects at all or only a short dismissal phrase which was typically less of a warning than a reason for prescribing.[13]

Eminent medical authorities testified that much of the drug advertising is misleading and some is false. They further emphasized that when a doctor is misled his patient's health is endangered. For 3 years one medical college included in its course work for second-year medical students an evaluation of drug advertising. According to Dr. Solomon Garb, who conducted the course:

"In all 3 years it was found that the majority of the mailed ads were unreliable, to the extent that a physician trusting them could be seriously misled."

Part IV of the Antitrust Subcommittee's report contains excerpts of testimony from leading medical authorities criticizing the quality of drug company advertising and giving specific examples of misleading claims.

One large drug company, in introducing its new antidiabetic drug, withheld from the medical profession a report addressed to the president by its own medical officer who was in charge of clinical testing of the product. His summary report showed that of a total of nearly 2,000 clinical cases tabulated, no fewer than 27 percent reported 1 or more side effects. These side effects included not only minor irritations but adverse effects upon the central nervous system, serious skin disorders, and jaundice. Although this information was in the possession of the company, the original package insert first sent out in 1958 began with the statement, "Side effects are generally of a transient and nonserious character." [14]

The Antitrust Subcommittee has received hundreds of letters from physicians from all parts of the country denouncing the flood of advertising with which they are inundated. Many report that they destroy the direct-mail advertising immediately upon arrival, denouncing these advertising claims as extreme and unsupported.

In addition to the statement on side effects, the advertisements should also include a statement or summary thereof, approved by the Secretary, of the drug's effectiveness.

---

[4] Hearings on S. 1552, pt. 5, pp. 2584–2585.

[5] 87th Cong., 1st sess., S. Rept. No. 448, report of the Subcommittee on Antitrust and Monopoly of the Senate Committee on the Judiciary, "Administered Prices: Drugs" (1961), pp. 150–154 (hereafter referred to as "report").

[6] Hearings on S. 1552, pt. 7, pp. 3395–3402; pp. 3403–3412; pp. 3634–3647.

[7] Hearings on S. 1552, pt. 7, pp. 3413–3438.

[8] Ibid., pp. 3301–3310.

[9] Ibid., pt. 5, pp. 2588, 2589.

[10] Hearings on S. 1552, pt. 7, pp. 3390, 3547.

[11] Ibid., pp. 3374–3394.

[12] Hearings on S. 1552, pt. 7, p. 3506.

[13] Report, pp. 199–200.

[14] "Hearings on Administered Prices, Drugs," pt. 20, pp. 11296, 11344, 11370.

The Department will be in a position to review and approve such statements since under section 9(a) of S. 1552 it is to receive information on a drug's effectiveness as part of a new drug application.

AMENDMENT NO. 3—NEW DRUG CLEARANCE PROCEDURE

Under the present law a new drug application becomes effective automatically in 60 days unless it is disapproved or the Secretary postpones its effective date "to such time (not more than 180 days after the filing thereof) as the Secretary deems necessary to enable him to study and investigate the issue." Under S. 1552, as reported by the Antitrust Subcommittee, no time limit is imposed; the application would not become effective until the Secretary had determined that the drug is "safe for use and is efficacious in use under conditions prescribed, recommended, or suggested in the labeling thereof." Under the bill as reported by the Judiciary Committee the 60-day provision of the present law is extended to 90 days, and if a hearing is held, action pursuant to the hearing need not be taken within the 180-day period, as is required by regulation under the current law.

The need to give the physicians of the FDA adequate time to appraise the safety and effectiveness of drugs is dramatically illustrated by the recent case example of thalidomide. This drug, developed by the German firm, Chemie Grunenthal, was extensively sold in Western Europe, England, Canada, Brazil, Japan, and other countries as a sedative. Since it produced a deep sleep and did not have the "hangover effects" of other sedatives, it achieved great popularity and was manufactured literally by the ton. Unfortunately, it also happens to have horrible side effects. When given to expectant mothers in early pregnancy, their babies may be born with assorted malformations, particularly with a condition called phocomelia, or "seal limbs," because the hands and feet are attached close to the body like flippers, with little or no arms or legs. Medical authorities estimate that from 3,500 to 5,000 malformed babies resulting from the use of this drug will have been born in Europe by this fall.

By the fall of 1961 the incidence in Europe of these malformations, hitherto an exceedingly rare phenomenon, had reached epidemic proportions. In September 1961 four German universities set up a cooperative study which was reported at a conference on November 18, 1961. Dr. Widukind Lenz, a pediatrician with special interest in genetics, discussed the possible role of thalidomide (Contergan) in the deformity of infants called seal limbs. Drs. R. A. Pfeiffer and W. Kowenow reported a high statistical significance connecting seal limbs with thalidomide.

As the studies continued, irrefutable evidence developed. In the February 3, 1962, issue of the Lancet, Dr. Lenz wrote: "I have conclusive evidence that Contergan (thalidomide) is teratogenic (monster producing) in man." This evidence was based on studies of mothers who disclosed before delivery that they had taken thalidomide and in which the infants showed typical malformations; 55 cases in which the exact date of the prescription coincides with the time of development of the malformed organs; 5 series of consecutive cases collected in hospitals by gynecologists and pediatricians. Dr. Lenz continued to receive reports connecting the deformed babies with the prescription of the drug for the mothers at the rate of 3 to 10 per day.

Dr. A. L. Spiers, a Scottish physician, searched the prescription records of mothers of deformed babies to determine whether and when the expectant mothers had taken thalidomide. Reporting his findings in the Lancet of February 10, 1962, he stated:

"During the past year 10 babies with major limb defects were born in Stirlingshire maternity units. At least eight of the mothers had thalidomide prescribed for them in the early weeks of pregnancy. This confirms a similar association found in Europe and elsewhere."

The drug was withdrawn from the German market on November 27, 1961, and from the British market on December 2, 1961. It was not withdrawn from the Canadian market until March 2, 1962, and some druggists were still selling their shelf supplies in April. It was taken off the market in Belgium on June 14, 1962, after one distraught mother in Liege had been charged with infanticide for destroying her malformed baby.

Meanwhile, well before there was any basis for associating the drug with any particular side effects, the American licensee for the product, Wm. S. Merrell, filed its new drug application on September 12, 1960. It was to be sold in the United States under the trade name, Kevadon. Ironically, the proposed labeling stressed the value of the drug in combating nausea in pregnancy.

A few months later there appeared in the British Medical Journal of January 14, 1961, a communication from the clinical research department of the British licensee, Distillers Co., reporting instances of patients receiving thalidomide who had developed "symptoms and signs suggestive of peripheral neuritis" (i.e., inflamation of the nerves in the feet and hands). Noting this report and other reports of damage to adult nervous tissue, which is notably resistant to injury, the medical officer of the FDA handling the application, Dr. Frances Kelsey, suspected the likelihood of more serious damage to embryonic nervous tissue. Accordingly, she kept delaying approval of the application on the grounds that the application was incomplete and that new information was required.

This resistance was in the face of strong pressure by the company. The following synopsis, submitted by HEW, reveals more graphically than could any general description, the types of tactics employed to get a new drug application approved, and the difficulties under which the medical officers operate under conditions where approval is automatic within a given time period unless FDA acts to the contrary:

"The new drug application was received on September 12, 1960. FDA medical officers found it incomplete and inadequate to demonstrate safety on November 10, 1960.

"Between that date and February 23, the firm contacted FDA medical officers 11 times and submitted additional information intended to establish safety of the product.

"On February 23, 1961, FDA again found the application incomplete. By this time it had learned from the medical literature of reports of neuorological toxicity from the drug. FDA called this to the firm's attention.

"The firm made 11 more contacts with FDA medical officers between that time and May 11, 1961. On April 19, 1961, Mr. Murray of the firm advised Dr. Ralph Smith of FDA that he (Murray) thought some pressure should be asserted. Murray said he wanted a "yes or no" decision. On May 9, 1961, Mr. Murray called Dr. Ralph Smith and referred to a letter from Dr. Frances Kelsey, an FDA officer, as somewhat libelous.

"On May 11, 1961, Mr. Murray of the firm met with three of FDA's medical officers. They advised him that FDA needed evidence that the drug would be safe during pregnancy. FDA felt that the evidence in the petition before us was inadequate to support labeling which stressed the value of the drug in pregnancy.

"The firm made 14 contacts with FDA medical officers between this time and September 7, 1961, designed to expedite clearance of its new drug application.

"On September 7, 1961, Mr. Murray of the firm arranged a conference with FDA medical officers at whioh some clinicians who had investigated the drug for the firm reported their experience with it. FDA medical officers again pointed out the inadequate evidence on safety of the drug in pregnancy.

"The firm made 10 more contacts with FDA between this time and November 30, 1961, designed to get the drug cleared for marketing.

"November 30, 1961, Mr. Murray of the firm advised FDA that the drug had been withdrawn from the German market because of reports that it caused birth defects in infants whose mothers had been taking the drug.

"On March 8, 1962, the firm withdrew the new drug application.

"Between September 12, 1960, when the application was first submitted and November 30, 1961, when the firm advised of the birth abnormalities, William S. Merrell contacted FDA's Bureau of Medicine 50 times in an effort to get this drug on the American market and a number of the efforts to get the new drug application approved were very vigorous."

The fact that thalidomide was not approved for sale in the United States was due in part to the insight and courage of FDA's medical officer and in part to the coincidence that just about the time that the grounds on which the application could be held to be incomplete were being exhausted, the reports began to appear in the European medical journals associating the drug with the malformed births. Had these reports appeared only a few months later, there is a strong probability that the drug would have been released for sale in the United States in 1961.

It could then, of course, have been ordered off the market, but what of the damage that would have been done in the interim? It is this very practice under which the FDA approves the marketing of a drug, only to have to take it off the market later, that constitutes one of the most serious weaknesses of the present law—a weakness which will only be slightly relieved under the bill reported by the committee. The very fact that a drug is new usually means that there is little in the way of independent and objective clinical studies to guide the FDA physicians in their work. Because of this lack of information and also because of the pressures engendered by the automatic approval requirement, the FDA has released too many drugs for sale only to have to take them off the market later as new information concerning side effects develops. Under this procedure it is the American people who unknowingly serve as guinea pigs for experiments by the drug companies.

The seriousness of the problem is indicated by the table presented below which lists the new drugs whose new drug applications were suspended or withdrawn after mid-1958. Particularly to be noted are those drugs with side effects which can lead to death—blood dyscrasias, carcinogenic effects, liver damage, and hepatitis. The table should constitute conclusive evidence that the medical officers of the FDA, who are trying to protect the American people from drugs with dangerous side effects, should have an adequate time period in which to assure themselves that the drug is safe, and that applications should not become effective automatically during any time period. If a drug company feels that the delay in his application is arbitrary or capricious, it, of course, has recourse to the courts.

List of new drugs taken off the market (human)

Product	Firm	Reasons
Sandostene	Sandoz	Blood dyscrasias (agranulocytosis).
Sandostene Space Tabs	do	Do.
Furadantin i.v	Eaton Laboratories	Attributed to polyethylene glycol solvent. Metabolic acidocis when used in cases of renal impairment.
Inferon	Lakeside	Carcinogenic effects when injected into rats and mice in large doses. Risk involved outweighed therapeutic need for the drug when used as recommended in the labeling.
Pre-creatin	Mercury Pharmaceuticals, Inc	Applicant did not abide by commitments in the NDA regarding the manufacture, control, and labeling of the drug.
Cor Tyzine 0.1 percent solution and 0.05 percent pediatric nasal drops.	Chas. Pfizer Co	Prednisolone component found to be unstable.
Neo Cor Tyzine 0.1 percent solution and 0.05 percent pediatric nasal drops.	do	Do.
Neo-Medrol eye-ear drops, 0.1 percent	The Upjohn Co	Eye irritation.
Medrol eye-ear drops, 0.1 percent	do	Do.
Marsilid	Hoffmann LaRoche, Inc	Drugs with similar therapeutics usefulness but with greater safety were available (liver damage).
Catron [1]	Lakeside Laboratories	Low sale of drug with restrictive precautionary labeling required.
Flexin	McNeil	Hepatitis.
Flexilon	do	Do.
Flexilon HC	do	Do.
Triurate	do	Do.
Dornwal	Maltbie	Blood dyscrasias (agranulocytosis).
Entoquel Syrup	White Laboratories	Atropine-like reactions; also illegal labeling.
Entoquel with Neomycin	do	Do.
Monase tablets	The Upjohn Co	Blood dyscrasias (agranulocytosis).
Mer-29 [1]	Wm. S. Merrell	Cataracts and adrenocortical-hypofunction and skin disorders, including loss of hair.

[1] Withdrawn from market without suspension.

AMENDMENT NO. 4—THE FILING OF LICENSE AGREEMENTS

In its original form S. 1552 made it a per se violation of the Sherman Act for drug producers to enter into any "contract, combination, or conspiracy" under which they would agree to withdraw a patent application, to concede priority of invention or to refrain from granting licenses under issued patents.

During the course of the hearings by the Antitrust Subcommittee this was changed to a simple requirement that such agreements be filed with the Commissioner of Patents to be available to the antitrust agencies. This change as it applies to patent applications involved in interference proceedings was proposed by Judge Lee Loevinger, Assistant Attorney General in charge of the Antitrust Division, and Mr. David L. Ladd, Commissioner of Patents. It has also been endorsed by the Pharmaceutical Manufacturers Association. Testifying for that association on December 7, 1961, Mr. Eugene Deesley, president of Eli Lilly & Co., stated:

"Mr. Loevinger and Mr. Ladd have suggested an alternative course, under which patent interference settlements would be available for inspection at the Patent Office. This seems to us a far better approach, provided, of course, that public inspection should not be permitted until a patent is issued. By making the facts readily available for antitrust enforcement purposes, this alternative would help prevent any improper agreements while still preserving the opportunity for settlements in the public interest." [15]

More recently, in testifying before the House Judiciary Committee on May 24, 1962, Mr. William B. Graham, also speaking for the Pharmaceutical Manufacturers Association, again placed his organization on record in support of the proposal as it applies to patent applications involved in interferences:

"Mr. GRAHAM. It will be brought out that we have no objection, however, to a substitute provision for section 2 that would require the filing of all patent interference settlement agreements with the Patent Office." [16]

Despite the acceptance of the provision by the industry's own trade organization, it was rejected by the majority of the Senate Judiciary Committee.

The need to require applicants for a patent to file their license agreements stems from the practice of private settlements among rival applicants for a patent—a practice which has been shown to be quite widespread in the drug industry. These settlements are often made during the course of an "interference" proceeding in the Patent Office, which in essence is an administrative hearing on the claims of the various parties. These hearings, however, are secret, as are the names of the applicants, the patent applications, and the supporting documents. With or without a formal "interference," the private settlement in effect transfers the function of determining priority of invention from the Government to the rival private parties. While undoubtedly useful to the Patent Office in that it constitutes an easy way of reaching a settlement of complex issues with a minimum of time expended by the agency's overburdened staff, these settlements in the drug industry have been found to contain agreements which may restrain trade in violation of the antitrust laws. In addition to indicating who is to receive the patent, these agreements typically provide that, as a condition to withdrawing from the contest, the other applicants will become licensees, and, indeed, they may begin to pay royalties even before the patent has been issued. The settlements usually contain restrictive provisions under which the parties agree not to sell to outsiders, to refrain from selling in bulk form, and to accept other limitations on their marketing activities.[17] It usually happens that all of the parties to the agreement sell their products at identical prices.

In recognition of their usefulness to the Patent Office, the proposed amendment of S. 1552 does not prohibit private settlements. It merely requires that any agreements involved therein be filed with the Patent Office and made available to the Department of Justice and the Federal Trade Commission.

The requirement for the filing of agreements by those to whom patents have been issued also stems from the existence in the record of agreements which may be in violation of the antitrust laws. Restrictive provisions of doubtful legality have been found in both domestic licensing agreements and in licensing agreements with foreign firms.

These latter agreements often contain an unusual variety of restrictive provisions. The patentee grants to a single company in each of a related group of countries the exclusive right to sell in that market. Strict geographic limitations upon his marketing area are usually imposed. He usually agrees not to export the product. All of his sales are to be made in packaged or finished form. Sales in bulk powder form are prohibited since it is through such sales that "outsiders" might secure supplies which could disrupt the established price structure. The licensee often agrees to use all means, including litigation, to prevent reselling of his product outside of his territory. He may even agree to police the sales of his buyers in order to prevent any of them from securing supplies "notoriously above its needs." Through restrictions such as these, international cartels have been established and prices both at home and abroad have been stabilized at high and noncompetitive levels.

The existence and nature of the agreements under both patent applications and issued patents are generally unknown to the antitrust agencies. It may be of interest to note that following the publication by the Antitrust Subcommittee of such agreements on corticosteriods [18] and antibiotics,[19] the Department of Justice has initiated grand jury inquiries in both fields.

The proposed amendment differs from the recommendation of the Pharmaceutical Manufacturers Association in only two respects. In the first place, it would not go as far as their recommendation in that the agreements are not to be made available to the public but only to the representatives of the antitrust agencies for their inspection and use. In the second place it would go somewhat further in that it would apply to agreements under issued patents as well as to those entered into during the course of an interference procedure before a patent is issued. If agreements under patent applications are to be filed, it is only logical to make the requirement apply also to similar agreements entered into under issued patents, particularly since the more serious restrictions appear to be contained in the latter.

AMENDMENT NO. 5—RESTRICTING THE PATENT MONOPOLY

As noted earlier, the majority of prescription sales have been found to be for patented drugs. For such products, prescribing by generic names will not result in savings to the consumer since the buyer pays the same price regardless of whether the prescription is written in terms of its generic name or its trade name. Thus only through direct price control or through restricting the patent monopoly can the price of most drug products be brought down.

---

[15] Hearings on S. 1552, pt. 4, p. 2005.

[16] 87th Cong., 2d sess., House Judiciary Committee, hearings on H.R. 6245, transcript, p. 657.

[17] Hearings, "Administered Prices," pt. 24, p. 14168.

[18] Hearings, "Administered Prices," pt. 15, pp. 7918–8458.

[19] Hearings, "Administered Prices." pt. 24, pp. 14226–15263, 15331–15881, 15939–15961, 16031–16251, 16244–16399.

The need for preventing unreasonable prices in this industry is inherent in the nature of the product itself, which is quite different from "shoes and ships and sealing wax." Its unique character has long been recognized by most foreign countries whose policies toward drug patents are rooted in the moral belief that no one should have the right to withhold from the public, products which relieve suffering and may spell the difference between life and death. Out of 77 countries for which information was obtained by the Antitrust Subcommittee, only 28 grant product patents in the pharmaceutical field. Of the foreign countries for which the State Department secured price information 11 do not grant product patents on pharmaceuticals, and of the 6 which do, all but 2, Belgium and Panama, require compulsory licensing under specified conditions. Thus, only the United States, Belgium, and Panama grant product patents on drugs without imposing any limitations to protect the public welfare.

It might be expected that the American drug companies, mindful of the unique nature of their product and their almost unparalleled freedom to charge what the traffic will bear, would lean over backward to avoid charging excessive and unreasonable prices. Such, however, has not been the case. In 1961, for example, the "Fortune Directory" showed that among the 500 largest industrials those classified in the drug industry had the highest median profit rate of any manufacturing industry, this was true of both profits as a percent of invested capital and as percent of sales. According to the First National City Bank drugs and medicines in 1961, as in several preceding years, led all other manufacturing industries in terms of profits as a percent of investment, with a return on net assets of 19.7 percent after taxes, as compared to only 10.1 percent for total manufacturing. In terms of margin on sales its figure of 10.6 percent was exceeded only by cement, and again was about twice that of total manufacturing, 5.4 percent.

But this does not tell the full story of profits in drugs. The above compilations reflect the profits which the drug companies make not only in drugs but in other industries as well. It happens that 11 of the 22 major drug companies are also engaged in other industries. Profits for drug operations alone are not regularly published for such multi-industry or "conglomerate" corporations, but were secured by the Antitrust Subcommittee for the year 1958. For the 11 companies as a group their total profits after taxes averaged 9.8 percent of sales; in their drug operations only they averaged 13 percent; in their nondrug operations 4½ percent.

Although figures were not obtained on profits as a percent of investment, it is obvious that the published profit rate of around 20 percent understates the true profit rate by several percentage points. Since taxes absorb about half of pretax earnings, a 20-percent profit rate on investment, after taxes, in all fields would probably represent about a 50-percent profit rate, before taxes, in drugs alone. It can be safely said that a profit showing of such a nature, sustained over a 6-year period and with every prospect of continuing into the future, is unequaled by the performance of any other American industry.

These unmatched profit showings are made possible by margins between factory costs and price which can only be regarded as "extraordinary." A few examples will demonstrate the magnitude of these margins, which include selling and distribution costs as well as profits.

Prednisone is extensively used by arthritics to relieve their pain and discomfort. It is uniformly sold to the druggist by the major companies at 17 cents a pill, while the consumer pays around 28 cents. The average dose is three a day, which means a total cost to the consumer for the trade-name product of around $30 a month; this happens to be a half to a third of the total monthly pension of a great many older people who are victims of this crippling disease. Based on the prices at which the major drug companies buy and sell the drug itself from each other in bulk powder form (not the raw materials) plus a generous allowance for tableting, bottling, and packaging charges, the Antitrust Subcommitte estimated that the factory or production cost of prednisone was no more than 1.4 cents a pill. Since that time the Nation's largest wholesale house, McKesson & Robbins, has entered into the manufacture of this and other prescription drugs. Inasmuch as the patent on prednisone is tied up in an interference proceeding, there is as yet no patent restriction on the sale of this drug. McKesson's production costs, which do not include its costs of distribution and overhead (including research) or profit, turn out to be only 0.9 cent a pill, or considerably lower than our estimate—as was true, incidentally, of all of the subcommittee's cost figures. McKesson sells this product to the druggist for 2.1 cents a pill—a price which is made possible by not using detailmen, by minimizing advertising expenditures, and by being content with a reasonable profit. It can be purchased in drugstores for less than 3.5 cents a pill.

The difference between the subcommittee's cost figure and McKesson's actual cost is due partly to the fact that our estimate included profits on the bulk sale and on the tableting, bottling, and packaging operation, whereas theirs excluded all profits. Also, since a bulk sale, like any other sale, bears its proportionate share of research costs (which are rarely allocated by the companies to individual products), research costs were in effect included in our cost figure but not in theirs.

Another example is reserpine, used as a tranquilizer and for hypertension. It is sold to the druggist by its patent owner, Ciba, for $39.50 per 1,000, while the consumer pays $65.83. Because it is a derivative of a plant, rauwolfia serpentina, which has been used for this purpose in India for over a thousand years, the patent is rather weak and Ciba widely licenses it to others. The subcommittee's estimate of the factory cost was $2.47 for a thousand pills. McKesson's actual costs are only $0.63, and its price to the druggist is $2.75.

A final illustration is tetracycline—the largest selling wide-range antibiotic. The product, which is manufactured by American Cyanamid, Pfizer, and Bristol, costs the druggist around 30 cents a capsule and is sold to the consumer for 50 cents. The price received from all sources by Bristol averaged 25 cents a capsule. The subcommittee's estimate of Bristol's production costs, excluding royalties which are paid to the product's other manufacturers, was 2.9 cents. Bristol's actual costs, subpenaed by the subcommittee, were only 1.7 cents a capsule.

In defense of these extraordinary profits and margins the drug industry has advanced only one real rationalization—the research defense. Any curtailment of their patent protection, they argue, will reduce their expenditures on research and thus impede the discovery of new drugs. However, since pretax profits in 1958 constituted 25.5 percent of the sales dollar of the 22 major drug companies, and selling costs comprised 24.8 cents, there is no reason why a reduction in prices resulting from compulsory licensing must necessarily be at the expense of research, which represented only 6.3 cents of the sales dollar. Moreover, only part of this went for what is regarded as basic research, a large part going for such expenses as the cost of market surveys, fees for patent attorneys, expenditures in developing imitative products which are only slight variants of drugs already on the market, etc.

This "me too" type of research, which is usually carried out on modifications or combinations of drugs, is particularly undesirable in that it results in a waste of scarce scientific personnel, yields an unending supply of duplicate products which become the subject of excessive and misleading claims of superiority over the parent drug, creates confusion in the treatment of patients, and does not result in lower prices to patients.

The "research defense" is also refuted by the experience of foreign countries which have had outstanding records in the development of new drugs but which grant far less effective patent protection in this area than does the United States and, incidentally, have far lower prices. Actually, the patenting of drugs is handled in four different ways by the countries of the world. As has been noted, the United States, Belgium, and Panama grant unrestricted patent protection to both products and processes without requiring compulsory licensing. At the opposite extreme is Italy, which grants neither product nor process patents. A number of countries, such as Great Britain and Canada, grant product as well as process patents but provide for compulsory licensing, which is often supplemented by direct price control.

In the major European countries the method historically followed is that exemplified by West Germany, which does not grant patents on drugs products per se, but does grant them on drug processes, with the protection extending to the product as long as it is manufactured by that process; i.e., the patent protection on the product disappears upon the discovery of an alternative process, which frequently takes place in the drug industry; in testimony before the Antitrust Subcommittee Mr. P. H. Federico, examiner in chief of the Patent Office, acknowledged that the manufacture of drugs is particularly susceptible to the development of alternative processes.[20] Incidentally, it should be noted that the special treatment long accorded drug patents in these countries has not spread to other industries.

From the experience of Germany and of other countries which have similar methods of patent protection for drug products, it is obvious that an excellent record of performance can be achieved in the development of new drugs [21] under a patent system which grants much weaker patent protection than is accorded in the United States. Mr. George E. Frost, patent counsel for the Pharmaceutical Manufacturers Association has conceded that "patent rights in Germany * * * are considerably less effective than U.S. patent rights in the drug industry" and that "the German law, overall, has a lower order of effectiveness than the U.S. law".[22]

To bring down the prices of patented drugs, S. 1552, as reported out by the Judiciary Committee, should be amended to require compulsory licensing. Inasmuch as the major drug companies extensively cross-license each other, the issue is not the feasibility of licensing. Rather, it is whether licenses are to be obtained by smaller companies who might inject price competition into the industry and thus break down the established structure of unreasonable and usually identical prices charged by the large companies.

In the form in which it was reported out by the Antitrust Subcommittee, S. 1552 provided that after 3 years, during which time he will hold the exclusive rights, the holder of a drug patents is to be required to license qualified applicants to make and sell the product in finished form at a royalty not to exceed 8 percent on gross sales of the licensee. A qualified applicant for a compulsory license would be any drug firm registered with HEW.

---

[20] Hearings on S. 1552, pt. 3, pp. 1234, 1235.

[21] Cf. 87th Cong., 1st sess., S. Rept. 448, "Administered Prices: Drugs," report of the Subcommittee on Antitrust and Monopoly, pp. 115–126.

[22] Hearings on S. 1552, pt. 4, pp. 2544–2548.

The 3-year period of exclusive rights would begin to run from the date of issuance of the patent. Inasmuch as from 1 to 2 years usually elapses between the approval of a new drug application and the issuance of a patent, the period of exclusive rights will in most cases actually run from 4 to 5 years. It is anticipated, however, that the Patent Commissioner will exercise due care and diligence to prevent the further extension of the period of actual exclusive rights.

Some contend that this proposal would destroy a property right long held to be essential to stimulate invention in this country. But this overlooks the fact that the 17-year patent grant would remain in effect, during 3 years of which the patentee would hold exclusive rights. The royalty of up to 8 percent on the licensee's sales for the remaining 14 years would, in itself, constitute a valuable property right.

The thrust of the amendment is directed against the prices of those patented drugs which are excessive. Presumably, it would be products with the widest profit margins which would constitute the most inviting attraction to firms interested in securing compulsory licenses. At the same time it is possible, though not likely that licenses might be sought for products whose prices are not excessive.

To meet this possibility, it is now proposed to modify the original amendment in such a way as to limit compulsory licensing to those patented products whose prices to druggists are more than 500 percent of their factory costs (including a provision for research). After a 3-year period in which the patent owner would hold exclusive rights, the Federal Trade Commission, which is presently empowered to obtain such data, would, upon request, make an investigation to determine whether the price to druggists is more than 500 percent of the cost of production in finished form and packaged for sale. If such is found to be the case, the Commission, after a hearing, would issue an order requiring the patentee to grant an unrestricted license to any qualified applicant to make, use, and sell the drug in finished form. As in the original form of S. 1552 a qualified applicant would be any firm registered with the HEW, and the royalty would be up to 8 percent on the licensee's drug sales. As long as what is being determined are factory costs, this is a workable amendment, since the problem of allocating overhead to different products would not arise.

Today important patented drugs are being sold to druggists at prices which represent markups of 800 to 1,200 percent of their factory costs. Since nonpatented drugs are widely and profitably sold at prices representing markups of only 200 to 300 perecnt of their factory costs, a markup to 500 percent of factory cost should be more than sufficient to cover selling and distribution expenses (much of which in the drug industry is unnessary and wasteful) as well as provide a more than reasonable profit.

ESTES KEFAUVER.
JOHN A. CARROLL,[28]
THOMAS J. DODD.
PHILIP A. HART.
EDWARD V. LONG.

[From the office of Senator ESTES KEFAUVER, Democrat, of Tennessee, Aug. 20, 1962]

SENATOR KEFAUVER HAILS JUDICIARY COMMITTEE ACTION IN ADOPTING STRENGTHENING AMENDMENTS TO DRUG BILL

Senator ESTES KEFAUVER today hailed the action by the Senate Judiciary Committee in adopting strengthening amendments to S. 1552, the drug industry bill, as "a great step forward." "The passage of this bill," he stated, "should go a long way toward assuring the American people that drugs are not only safe but will do what is claimed for them.

"By adopting most of the substance of the President's strong recommendations sent to Chairman EASTLAND on August 4," the Senator said, "the committee has reported out a bill which should not only result in better, safer and more effective drugs, but in addition should provide physicians with honest information concerning their properties and prevent the dissemination of false and misleading information to doctors."

The Senator pointed out that the bill will thus accomplish two of the three objectives which he had in mind in introducing the measure on April 12, 1961, following an extensive 2-year investigation of the industry. In addition to providing for safer drugs and better information to doctors, he had hoped to bring about price reductions. By making it easier and safer for physicians to prescribe by generic names, the present bill should result in lower prices for nonpatented drugs. "But", he pointed out, "there is nothing in the committee's bill to reduce the present high and excessive prices of patented drugs, which constitute about 60 percent of all prescription sales. I hope to achieve this objective by offering amendments on the floor of the Senate to require compulsory licensing of prescription drugs where the price to the druggist represents a markup of more than 500 percent of the factory cost (including research) and to require that patent and license agreements on drugs be filed with the Commissioner of Patents to be available to the antitrust agencies."

In addition, the Senator stated that he intended to introduce an amendment explicitly granting the FDA authority to require animal testing on drugs before they are given to humans, either in clinical testing or through sales on the market.

"Aside from the patent provisions," Senator KEFAUVER stated, "the action by the Judiciary Committee today, following the recommendations of the President, substantially accomplishes what was intended by the drug bill, S. 1552, in the form in which I introduced it more than a year ago."

The principal difference, he went on to point out, is in the method of enforcement. The bill in its original form required that all drug plants receive licenses which, upon a failure to meet certain requirements, could be suspended or revoked. The burden of proof was on the company to demonstrate that in its operations it met certain minimum standards. In its present form the bill relies principally upon the existing form of enforcement—the seizure of drugs as misbranded or adulterated, and the burden of proof is on the Government. Certain additional grounds are specified which would permit the withdrawal of approval of a new drug application. The Senator stated that, "While I still prefer licensing as a better and more effective method of enforcement, the FDA prefers the present method, as supplemented by the current bill." At the same time, he noted, the present measure includes a strong provision requiring records and reports, which is an important addition to the original bill.

"But on nine specific points," the Senator added, "S. 1552 as amended in general accordance with the President's recommendations is generally the same as the bill in its original form, as introduced on April 12, 1961. These nine points are: efficacy, advertising, new drug clearance procedure, determination of generic names, certification of antibiotics, package inserts, labeling requirements, factory inspection, and quality manufacturing controls. A listing comparing the original with the present version of S. 1552 on these points is attached.

PROVISIONS IN S. 1552 (AS SUPPLEMENTED BY THE COMMITTEE AMENDMENTS) SIMILAR IN SUBSTANCE TO S. 1552, AS INTRODUCED ON APRIL 12, 1961

1. Efficacy

The present and the original version of S. 1552 require the FDA to pass not only on safety (as at present) but on claims for efficacy. This applies not only to the initial claims proposed with the new drug application but to later claims as well. The present bill specifies that the appraisal of the claims is to be based on "substantial evidence," the nature of which is then specifically defined.

2. Advertising

Both the original and the present version require that advertisements show the generic name in large type and carry information on the drug's side effects and effectiveness.

3. New drug clearance procedure

Although the Committee amendment does not go as far as S. 1552 in its original form, which would have eliminated the time limit altogether for approval of a new drug application, it does away with the automatic approval feature of the present law and greatly extends the time period from the present 60 to 180 days, plus 120 more if the applicant seeks a hearing.

4. Determination of generic name

Except for providing for a hearing, S. 1552 is now identical with the bill in its original form: The Secretary of HEW is empowered to establish generic names which will be "simple and useful" and this power is to be exercised (a) upon request from a compiler of the compendium and (b) upon reviews which are to be made by the Secretary.

5. Certification of antibiotics

As in its original form, S. 1552 extends the certification requirement to all antibiotics; it differs only in that it establishes certain standards which the Secretary is to take into consideration in deciding whether to decertify an antibiotic.

6. Package inserts

Both the original and the present bill require the Secretary to publish in convenient and readable form and distribute on a current basis to physicians information about usage, side effects, effectiveness, dosages, and so forth approved by the FDA and contained in the package inserts.

7. Labeling requirements

Both the original and the present versions require the label to show the manufacturer's name and place of business, an accurate statement of the contents and the generic name printed in large type.

8. Factory inspection

As in its original form, S. 1552 extends the authority of the FDA to inspect drug plants. The major difference is that in the original version, the items and types of data which could be inspected were specifically delineated, whereas the present bill broadly extends the inspection authority, but specifically exempts from inspection certain types of data (e.g. certain types of personnel and research data).

9. Quality manufacturing controls

Both versions establish standards which all drug plants must meet in their manufacturing operations. Under the original version, the standards were those necessary to insure the continued "chemical structure, strength, quality, purity, safety, and efficacy." Under the present version, they are whether the product is produced under insanitary conditions "contaminated with filth or injurious to health," or the facilities or controls used for its manufacture "do not conform to or are not operated or administered in conformity with current good manufacturing practice" to assure that the drug meets requirements as to "safety, identity, strength, quality and purity." The principal differences are: (a) Under the original version, the burden of proof was upon the manufacturer to demonstrate, in order to secure a license, that he met the standards, whereas under the present version it is on the FDA to prove that he does not; and (b) under the original bill, if he failed to meet the standards, his license would be suspended or revoked, whereas under the present version his product would be seized.

---

[28] Senator CARROLL concurs in all except amendment No. 5. (See further individual views.)

Mr. HRUSKA. Mr. President, on July 19, 1962, the drug bill, unanimously passed by the Judiciary Committee, was reported to the Senate and it contained certain amendments to the original Kefauver bill. It was a good drug bill and has been so admitted by many Members of the Senate. However, due to the thalidomide episode, the President suggested additional amendments, some of which were not contained in any version of the Senate bill. After deliberation the Senate Judiciary Committee again unanimously voted the suggested amendments to the Senate floor. On August 23, 1962, the Senate unanimously passed the drug bill and as I pointed out in my remarks on the Senate floor on that date, although the amendments of August 21 were unanimously passed by the Senate Judiciary Committee, there were few significant changes from the drug bill reported on July 19. Briefly and chronologically this is the drug bill story:

First. In 1906, the first drug bill was passed under President Theodore Roosevelt.

Second. In 1938, the Food, Drug, and Cosmetic Act was enacted into law.

Third. In 1953, under the Eisenhower administration and a Republican Congress, the Food, Drug, and Cosmetic Act was strengthened.

Fourth. Under 8 years of President Eisenhower, the Food and Drug Administration officials admitted their budget had doubled during those 8 years to aid and better regulate.

Fifth. In 1957, Congressman BLATNIK conducted congressional investigations into the drug industry and some of the significant matters brought out at that time were rehashed during the drug hearings which began December 7, 1959.

Sixth. In January 1959, the Senate subcommittee considered investigation into drugs.

Seventh. On December 7, 1959, drug hearings actually began, almost 3 years after Congressman BLATNIK's revelations in his hearings.

Eighth. On December 7, 1959, in the opening statement of Senator DIRKSEN, he said as follows:

> I am sure that a completely objective hearing in this field of drug pricing and practices can prove extremely fruitful and useful, and I hope, therefore, that the entire hearing, both now and what additional hearings will be held after the turn of the year, will be held on an objective basis.

So, Mr. President, from the very beginning the minority were cooperative in the drug hearings.

Ninth. From December 7, 1959, to May 2, 1961, or a total of 17 months, there were hearings on the investigation phase of the drug issue. This, without a doubt, is one of the longest sets of hearings, without even a bill being offered until April 12, 1961—16 months after the hearings began.

Tenth. On July 5, 1961, hearings on the drug bill, S. 1552, began and ended February 7, 1962, thereby bringing a total period of exactly 26 months of hearings on the drug matter. Since the majority, Democrat members, control the setting of the dates of hearings and the number of witnesses, one might say that the Democrats were obstructing their own investigation and their own bill by conducting 26 months of hearings—probably the longest record of hearings on one such matter in the history of the Senate. Since time was of the essence to improve the regulations of certain drug practices, a bill could have been introduced on the findings of Congressman BLATNIK, whose hearings were held in 1957, or after several months of hearings in the Senate in early 1960.

Eleventh. After the hearings terminated in February 1962, the Committee on the Judiciary moved quickly.

On March 8, 1962, the Antitrust Subcommittee reported to the full committee.

On March 14, 1962, the Judiciary Committee reported patent and other provisions to the Patent Subcommittee.

On April 10, 1962, President Kennedy sent a message to the Judiciary Committee.

On April 11, 1962, the Patent Subcommittee reported back to the full committee, retaining jurisdiction over patent provisions only and sent the food and drug amendments to the Judiciary Committee.

The vote on drug bill in Judiciary Committee was bogged down because of unlimited debate by Chairman KEFAUVER in trying to reinsert the patent provisions of the bill.

The Chairman of the Judiciary Committee, Senator EASTLAND, after conferring with the White House, told the members of the Judiciary Committee that they must resolve their differences and report a bill to the Senate floor.

On June 7, 1962, Chairman EASTLAND called a meeting for June 8, bringing together representatives of the Department of Health, Education, and Welfare—who were representing the administration; a staffman representing the chairman and the majority of the Senate Judiciary Committee; two staffmen representing the minority of the Senate Judiciary Committee; and several representatives of the drug industry that was affected. No Senators took part on this staff study to see what compromises could be reached so that the bogged down bill might be reported out of committee to the Senate.

At the request of the chairman, Senator DIRKSEN and I offered most of the compromised amendments that were reached after the meetings on June 8 and 9. The chairman had announced that there would be a meeting from day to day to pass these 13 sections of the bill. However, due to the pressure on the Senate floor and the several long debates and filibustering on the communications satellite bill, the Judiciary Committee was prevented from having the day-to-day sessions; and it was not until July 19, 1962, that a good drug bill unanimously passed by the Judiciary Committee, including Senator KEFAUVER, was sent to the Senate floor.

Then the thalidomide episode became public and the President of the United States on August 3, 1962, sent another message to the Judiciary Committee and submitted certain recommendations, some of which were not contained in either the original Kefauver bill or in the bill reported to the Senate on July 19. Again the chairman called for continuous executive sessions of the Judiciary Committee, but again the committee was faced with the filibuster on the Communications Satellite bill.

During the week or so of filibustering, the chairman requested the staff of the Judiciary Committee; the staff representing the minority members of the Judiciary Committee; Senator KEFAUVER's assistants; staff men from the Department of Health, Education, and Welfare; and representatives of the prescription drug industry and the proprietary drug industry to meet and work out the necessary language that would meet the objective of the July 19, 1962, bill reported to the Senate and the suggested amendments made by the President on August 3. At some of these meetings, Deputy Attorney General Nicholas Katzenbach and Assistant Secretary of Health, Education, and Welfare, Wilbur J. Cohen, attended. The compromise reached on August 21, 1962, as reported to the Senate, was unanimously adopted by the Senate Judiciary Committee.

August 23, 1962, began the Senate debate on the drug bill as reported on July 19, 1962, and as amended on August 21, 1962.

Twelfth. Briefly, here is a comparison of the July 19, 1962, amendment as reported to the Senate to the amendments of August 21, 1962:

Section 2, information on patents: No change.

Section 3, registration: No changes except for provision for grandfather clause and transitional period.

Section 4, factory inspection: No significant changes other than to provide for limited information on personnel.

Section 5, quality manufacturing controls: Provided limited information on personnel; however, deleted the provision for regulations by the Secretary of Health, Education, and Welfare.

Section 6, new drug clearance procedure: It removed an automatic effective date for new drug application at end of 180 days. It provides for hearing and judicial review. However, even if this amendment had not been passed this past week, the Food and Drug Administration could hold up a new drug application after 180 days by merely asking for more information, which was done in the thalidomide case, which was held up 1½ years.

Section 7, records and reports: No changes.

Section 8, effectiveness and safety of new drugs: First, definition of a new drug amended by adding the word "effectiveness" to safety; second, classifying what constitutes substantial evidence; third, only Secretary may take a drug off the market if there is imminent hazard with right to immediate hearing; fourth; additional grounds for removal of application or suspension of a drug.

Section 9, conspicuousness of official name: Relates only to prescription drugs as to quantity and generic name must be one-half size of trade name and prominently displayed.

Section 10, review and designation of official names: No changes.

Section 11, information to physicians: Paragraph "o," no change; Paragraph "p" amended so that size of generic name one-half size to brand name and prominently displayed; and, also, provides a grandfather clause.

Section 12, certification of antibiotics: Deleted section 301(1); deleted provision for exemption of drugs for antibiotics for animal use.

Section 13, definition: No changes.

Thirteenth. It is evident from the above that most of the sections of the bill were not changed whatsoever and a few were changed to meet certain technical aspects, such as, the grandfather clause and the transitional period, and that the most significant changes in the August 21 version of the Senate bill are found in section 8, that if the Secretary of Health, Education, and Welfare found a drug to be imminently dangerous to the public, he could take it off the market immediately and then give the drug manufacturer a hearing. This provision was not contained in the original Kefauver bill or the bill sent to the Senate July 19. The second amendment was that it provided additional authority for the removal of the application of a new drug or the suspension of a drug on the market.

Therefore, it is further self-evident that the July 19, 1962, version of the drug bill reported was a good bill and as was reiterated by Chairman EASTLAND and other Senators on the Senate floor. Although Chairman KEFAUVER has criticized the July 19 version of the drug bill, this is what he had to say about the August 21 version—CONGRESSIONAL RECORD, page 17367:

> Mr. KEFAUVER. Madam President, the speech by the distinguished Senator from Mississippi [Mr. EASTLAND], the chairman of the Judiciary Committee, has accurately defined the provisions of the substitute which was reported on August 21. This measure constitutes a genuine effort on the part of the majority and the minority of the Judiciary Committee, on the part of the President, the Food and Drug Administration, and the staff of the committees—to whom I pay the very highest tribute—and on the part of the industry itself to bring the food and drug law up to date and make it effective and modernized.
>
> In my opinion, the bill now before us will assure the people of the United States safer, more effective and better prescription drugs; that physicians will have more accurate information as to drugs; that false and misleading statements as to the efficacy and side effects in advertising and promotion material will be eliminated, that physicians will receive recent and accurate information about drugs, and that prescribing by generic names will be made simpler and safer.
>
> I want to compliment all who have had anything to do with bringing out this bill. There has been give and take. There has been an honest effort to bring out a good bill so far as the food and drug provisions of the bill are concerned. I endorse it. I think it is in the public interest. I think it should be passed immediately, for the protection of the public.
>
> The chairman of the full committee immediately instituted hearings, day after day, for the consideration of the President's recommendations. They were considered seriously on their merits, with the aim of getting the best possible bill.
>
> There was some give and take. Concessions were made by all sides. Some recommendations were weakened, but not fatally so. Others were even strengthened.
>
> Thus, the bill is the product of a fine, genuine, and cooperative effort. I want to compliment every Senator who has had anything to do with this bill since the President's recommendations of August 3 came to the Judiciary Committee.

Fourteenth. Since Senator DIRKSEN and I were two of the Senators who not only sat through 26 months of hearings but also worked with Chairman Eastland in order to reach a compromise to meet the recommendations of the President, I believe that we are included in the compliment that Senator KEFAUVER made to all those who made the new drug bill—passed unanimously by the Senate—possible.

Fifteenth. Before closing, Mr. President, on August 25, 1962, Senator KEFAUVER placed into the CONGRESSIONAL RECORD an article published in the Washington Post with the headline "Senate Drug Measure Would Reduce Prices." Quoting from the article, he states, as follows:

> EFFECT ON PRICES
>
> KEFAUVER, who is chairman of the Senate Antitrust and Monopoly subcommittee, and Horace L. Flurry, its chief counsel, summarize their explanation of the relationship between the bill and drug prices this way:
>
> By itself, the common-name provision might have a limited effect on consumers. The reason is that physicians want to be certain that the drugs they prescribe are of the highest quality.
>
> But other provisions of the bill, such as tougher factory-inspection and quality controls, are intended to assure physicians and the public that cheaper generic-name products meet safety, purity and other standards.
>
> The expectation is that the combination—common names more readily available to physicians, and greater assurances of quality—will cause an upsurge of common-name prescriptions.

Mr. President, taking the words of Senator KEFAUVER himself, then it must be argued effectively that the drug bill of July 19, 1962, that we helped to send to the Senate floor by offering the compromised amendments to the original bill, would help to reduce prices of prescription drugs, because the tougher factory inspection and quality control sections of the bill to which Senator KEFAUVER referred to above were practically the same in the July 19, 1962 version of the bill as they are now contained in the bill passed by the Senate on August 23, 1962. We are very happy to have Senator KEFAUVER's endorsement on this vital point to refute my critics who contended that I was not interested in a good drug bill to protect the public. After reviewing the above, all of which is a matter of public record in the printed hearings, in reports, in debates on the Senate floor, one must come to the conclusion that we cooperated during the hearings, that we cooperated in seeing that the President's recommendations were given judicious and expeditious attention. The facts are facts and we are happy to have the facts to support our position rather than the fancies our critics chose to use.

Mr. KEFAUVER. Madam President, I am very happy to yield to my distinguished colleague from Connecticut [Mr. DODD].

Mr. DODD. I thank my friend, the great Senator from Tennessee. I am happy to say on the floor of the Senate this afternoon, in company with my colleagues from Colorado, Michigan, and Nebraska, that the chairman of the subcommittee [Mr. KEFAUVER] deserves the greatest credit for the achievement which we shall soon see take place in the Senate by the adoption of the conference report.

I have an idea that the Senator from Tennessee will be remembered long after all of us in this Chamber at this hour are gone for the many great things he has accomplished. He will be remembered by many for his fight against crime. He will be remembered and loved by many for what he has done in the field of juvenile delinquency, where he has pioneered in this important work. But, I think, perhaps, in the long run, a grateful nation will revere his memory most for the passage of this particular piece of legislation.

As the Senator from Colorado and the Senator from Michigan said, this is really a public interest bill. It is a people's bill. It is legislation for the protection of the American people. That is why I say without any hesitancy that the memory of the great Senator from Tennessee will be revered for what he has done.

We have been reminded of the long, hard path it has been necessary for him to tread to reach this point. Fortunately for our country, he is of the stuff that knows how to endure great difficulty and to remain sturdy for the long pull.

I am reminded, as I speak briefly about this subject, that in my own State of Connecticut there is a substantial pharmaceutical industry. Representatives of that industry called on me on more than one occasion. In fairness to them, they were always fair and reasonable about this proposal. I thought they were mistaken about it. I think so now.

It is my conviction that in time they will praise this legislative measure, which I am confident the Senate is about to pass. I think they will understand better as a little time passes that this bill had to be passed in the public interest. I am confident that, though they may have misgivings today, the misgivings will soon disappear and they will accept the legislation and be happy about it.

This is why I am proud to have been privileged to serve at the side of the Senator from Tennessee. I hope to do so in the future. I cannot think of anything better I would wish to have said about me in this body than to have it said that I was at his side in this battle, and in others as well. He deserves the credit and the praise we have all spread on the Record this afternoon.

Mr. KEFAUVER. I hardly know how to start expressing my gratitude for the words of my esteemed colleague.

Mr. DODD. The Senator is a modest man. I do not expect him to do so.

Mr. KEFAUVER. I would be rewarded for any difficulties which may have been encountered by the remarks and the statement made by the Senator from Connecticut. Throughout all this effort the Senator has taken a great interest in the legislation. He has stood up against efforts to diminish the bill, to cut it down, to impede the investigation. He has been one of the great pillars of strength in favor of this legislation.

I agree with the Senator that as time goes on the pharmaceutical industry itself will be gratified that the bill has been passed. In fact, although to start with the industry was opposed to everything in the bill, as time went on they themselves saw that many of the reforms proposed were needed. Today the enlightened members of the pharmaceutical industry feel that the provisions of the bill are very much in their interest. As time goes on they will be grateful that we fought the bill through to a final conclusion.

I am grateful to the Senator from Connecticut. I am happy to be a sponsor with him of an important bill that might have been included in the bill about which we have been speaking, but it dealt with a different subject; that is, tighter control of narcotics, barbituates, and other habit-forming drugs. We will work together on that legislation next year.

Mr. DODD. I thank the Senator.

Mr. HRUSKA. Madam President, the adoption of the conference report is satisfying. It brings to a conclusion an extended and thorough legislative effort.

When consideration of the bill started no basic legislation had been enacted in this field since 1938—virtually a quarter of a century. Everyone concerned, including interested Government agencies, the medical and scientific community, and the pharmaceutical industry itself, recognized that the laws relating to prescription drugs needed to be revised. This bill is that revision. It is a workable and well-balanced bill. It is workable from the standpoint of the Government agencies, which are in charge of its administration and enforcement. It is workable from the standpoint of the industry which manufactures the medicines and drugs of today and which will invent and discover the drugs of tomorrow. And it is well balanced because, while the bill helps keep bad drugs off the market, it will not stifle or discourage the present use of good products or the introduction and use of new products.

There was good cooperation throughout the extended consideration of the bill: The members of the Committee on the Judiciary, on both sides of the aisle, were painstaking and patient. They had to be, because the hearings were voluminous. The staff representing both sides of the aisle were helpful.

At this point I wish to make particular mention of the efforts of the members of the professional staff, especially Mr. Tom Collins. He was exceptionally dedicated to the successful completion of the task, and I commend him most highly.

On several occasions it appeared that no bill would be forthcoming. At those critical times, the efforts of the chairman of the Committee on the Judiciary [Mr. Eastland] and of the Senator from Illinois [Mr. Dirksen] were a particularly steadying influence. Had it not been for them, progress might have come to a standstill, and success not been attained.

There were some unhappy situations during the subcommittee's consideration of the bill. Efforts were made to revise the law completely, to impair the benefits of the patent system, and to put the pharmaceutical industry under a licensing system which would have put it in a virtual straitjacket.

These propositions and similar propositions were advanced with the alleged idea of lowering the prices of drugs. They failed because they were not based on sound principles. They were rejected by the entire Committee on the Judiciary; they were rejected by the Senate; by the House Interstate and Foreign Commerce Committee; and by the House itself. They never received the support of the President or of the Food and Drug Administration. They are not to be found in the July 19 bill, the August 21 bill, or the bill in final form which has just been approved by the Senate. It is well that those proposals are behind us, because they were a disruptive influence and would not have been for the good of anyone concerned.

So I rejoice with the rest of the Senate at the passage of the bill and the approval of the conference report. I am confident that the House will act on the report quickly and favorably.

I pay particular and special tribute to the members of the conference committee from the other body. They were most helpful and cooperative.

Madam President, as the saying is, "All's well that ends well." I think the entire Congress and the Executive can look back upon a job well done.

Mr. HUMPHREY. Madam President, I commend the conferees who reported the conference report on the drug bill for their excellent work. To my mind, the bill is one of the singular accomplishments of this session.

I believe it represents a milestone in the legislative field of human welfare and the protection of the public interest.

I wish to commend particularly the chairman of the committee, the Senator from Mississippi [Mr. Eastland], the minority members—the Senator from Illinois and the Senator from Nebraska; the Senator from Alabama [Mr. Hill], the Senator from Wisconsin [Mr. Wiley], the Senator from Tennessee [Mr. Kefauver], and any and all members who were on the conference committee, and also the Food and Drug Administration officials who cooperated as technicians and advisers, the U.S. Public Health Service officials, and others.

VETERINARY DRUG PROVISION

I am particularly gratified to note that the conferees have accepted the House amendment clarifying the anticancer clause of the food additives amendment and the color additive amendment of the Federal Food, Drug, and Cosmetic Act, by making this clause inapplicable to chemicals such as veterinary drugs when used in feed for food-producing animals, if—I emphasize—if, the Secretary finds:

First. That under the conditions of use and feeding specified in the proposed labeling and reasonably certain to be followed in practice, such additive will not adversely affect the animals for which such feed is intended, and

Second. That no residue of the additive will be found—by methods of examination prescribed or approved by the Secretary by regulations—in any edible portion of the animal after slaughter or in any food, such as milk or eggs, yielded by or derived from the living animal.

This corrects a needless and unintentional inequity in the application of the food additive anticancer proviso to additives for animal feed, while preserving in its full vigor the consumer protection now afforded by that provision.

I reiterate—consumer protection is assured.

NO TOLERANCE OF CANCER-INDUCING CHEMICALS

The basic principle of the anticancer provision, which would remain unimpaired, is that no tolerance for the addition of the carcinogenic chemicals to food shall be granted in any amount, because in the present state of scientific knowledge, no one can tell how much or how little of a carcinogen would be required to produce cancer in any human being. I need not remind the Senate of the effort which others, including myself, have made to combat the terrible scourge of cancer down through the years.

I believe this particular amendment deserves commendation and mention here, in making the legislative record; and I want it to be noted at this point.

GREAT MILESTONE OF 87TH CONGRESS

As I have said, when the history of the 87th Congress is written, I believe the present amendments to the Food and Drug Act of 1962 will be regarded as one of the most important milestones.

I wish to repeat that many persons have contributed to this achievement; and certainly the Senator from Tennessee [Mr. Kefauver] has made a very distinct contribution.

PAST, PRESENT, AND FUTURE INTEREST

I should like to mention several additional points which I believe should be recorded as part of the legislative history of this measure. I say "history" but I am really looking forward, not backward; I am particularly concerned with what happens from now on.

Ever since I have been a Member of Congress, I have been interested in food and drug legislation. At one time I served on the Committee on Labor and Public Welfare. I am the author of what is known as the Humphrey-Durham Act—the Prescription Drug Act. I have been interested in these matters, both as a private citizen and as a public official; and during recent years, as chairman of the Subcommittee on Reorganization and International Organizations. Pursuant to successive Senate resolutions, our subcommittee has conducted a number of studies in the field of medical research. We have published 17 volumes during the last 4 years bearing on broad fields of coordination of Federal scientific activities, particularly in areas of health. In fact, our subcommittee has concentrated on the problem of Government-wide coordination in regard to medical research and physical science research, both at home and abroad. We have been engaged in this work pursuant to special Senate resolutions since August 1958. I believe the findings made by the subcommittee have definitely been in the public interest. It is my view—and the record will bear out—that the work of the subcommittee has been helpful in bringing about numerous necessary reforms and changes in the Government agencies. This includes recommendation of changes in existing law, so as to provide better scientific yield as well as improved enforcement and regulation.

FUTURE ADMINISTRATION OF THE LAW

Now, on FDA, I base my concern as to what will happen in the future on our subcommittee's analysis of the record of drug administration to date.

My comments do not relate to any particular person. In fact, from time to time I have paid personal tribute to Commissioner Larrick, who is a faithful and dedicated public servant.

But when a subcommittee spends much time in examining into the activities of Federal Government bureaus, agencies, and departments, I believe it is the duty of the chairman of the subcommittee on occasion to report to the Senate some of the subcommittee's findings and observations. And I shall be very frank.

THREE SUBCOMMITTEE HEARINGS IN LAST 2 MONTHS

The Senate Reorganization and International Organizations Subcommittee held hearings on Federal drug policies on August 1 and August 9, 1962.

On September 21, 1962, we received supplementary testimony in the course of a hearing on overall Federal information policies. The hearings lasted many hours; they were not perfunctory hearings. They were intensive and extensive.

Both hearing volumes are being readied for final publication. Each will contain numerous exhibits.

STAFF STUDIES OF AGENCIES

Furthermore, the subcommittee staff has been permitted and encouraged to make staff investigations and studies of numerous Government agencies, the Public Health Service, including the National Institutes of Health, the medical research activities of the Veterans' Administration and, of course, the scientific, regulatory activities of the Food and Drug Administration. No less than 10 Federal agencies, I might add, support Federal and health related research.

SEVENTY EXHIBITS IN DRUG HEARING VOLUME

The forthcoming volume containing the transcript of the August 1962 drug hearings will offer over 70 newly compiled exhibits.

This information has been furnished at my request by the Food and Drug Administration, as well as other sources I have mentioned.

I had held the hearing-exhibit record open until a well-rounded, reasonably complete volume could be issued.

Some of the exhibits compiled within just the last few days are, I believe, the most significant of all.

LAXITY IN SCREENING OF THOUSANDS OF NEW DRUGS

Most of the exhibits, as well as most of the original testimony, relate to the handling of new drugs.

The more we have examined the handling of the new drugs by the Food and Drug Administration, the more we have been surprised, shocked, and disappointed at certain conditions which have been existing for years.

The magnitude, the complexity, beneficence, or potential harm of these drugs is incalculable.

In 13 years, the Food and Drug Administration made effective 3,183 new drug applications for human use.

For tranquilizers alone, it made effective 70 new drug applications in 4 years. In the same period, it made effective applications for 55 antihypertension drugs.

However, in 7 years, 20 new drug applications have had to be suspended, because of substantial evidence which required withdrawal of the approval of commercial marketing and the use of the drug itself.

NO DATA ON MANY SHELVED DRUGS

A key point: nobody knows how many thousands of drugs have been tested, have caused harm, have been shelved and never reported, never discussed.

Most of the iceberg—in effect, the most dangerous part of the iceberg—has lain below the surface.

THE GREAT VALUE OR POSSIBLE HARM OF DRUGS

The overall drug situation has been characterized by extremes. This is most regrettable. On the one hand genuine "breakthrough" drugs have saved lives, have brought individuals back from the edge of death, have performed what might have been regarded as medical miracles but a few short years ago. Drug research has helped lengthen the lifespan, has given hope to the afflicted, relief to those in pain, has restored institutionalized patients to wholesome living in the community, has wrought a virtual revolution in fields such as tuberculosis and mental illness. I mention only two of the more serious afflictions of mankind.

LITTLE DONE TO REDUCE AVOIDABLE HAZARDS

But, all this while, in a certain number of cases, an opposite extreme has taken place.

Although all new drugs involve a certain degree of unavoidable hazard—and we must face up to that; it is a necessary part of experimentation and progress—in quite a few instances far too little has been done to minimize the avoidable hazard.

Often, testing has been going on in a manner which should have sent shivers down the spine of the medical profession.

Madam President, I speak from the intimate knowledge and a personal review of correspondence, official files on applications, and findings on hundreds of drugs which have been tested under inadequate medical-pharmacological supervision.

SO-CALLED SCIENTIFIC CONTROLS A MOCKERY

The testing has often not been phased, that is, not performed in stages, first in various species of animals, then in small groups of humans, under strict control conditions, then in larger groups under ambulatory conditions, and so forth.

Instead, the whole process has often been "telescoped."

So-called scientific controls have often been a virtual mockery of genuine scientific standards.

But a few short years ago, drugs intended for use by victims of chronic disease—day after day, year after year—were released by FDA even before—I repeat, before—chronic toxicity tests had been completed on animals.

What was the result? The human being has served as the guinea pig.

Meanwhile, shocking reports of injuries and deaths to test patients, as received by drug companies, have often gone unreported to FDA, or have been downgraded by skillfully contrived half-truths, or have been reported accurately to FDA, but virtually ignored by FDA.

NEWSPAPERS MIGHT HAVE BEEN FILLED WITH SHOCKING STORIES

They are strong word, but they are true. In fact, as I said to my staff, had I wanted to claim headlines, I could have filled newspapers for weeks with scandal-pointing statements on shockingly inadequate standards and on a huge volume of adverse effects on the public health, because of the inexcusable marketing of dangerous new drugs without adequate prior testing.

This is in the past. This is what the legislation is designed now to prevent. But we cannot forget what has been going on for years. "Weasel"-worded so-called warning letters have often gone out; they have been phrased so slyly that it has often been difficult for even a specialist to understand their true significance.

FDA'S OWN ADMISSIONS

Drugs have been approved which FDA now admits should never have been approved. Drugs have been kept on the market long after FDA admits they should have been eliminated from the market.

INDIFFERENCE TO COMMUNICATION PROBLEM

Meanwhile, few people, particularly public officials, seem to have wondered how the overworked clinician has been able to collect, absorb, index, file, remember, and use the avalanche of drug information which has poured in on him.

Certainly, FDA seems to have wondered little or cared little whether the busy M.D. was finding the myriads of package labels, warning letters, and so forth, genuinely useful and accessible to the practicing physician.

And there have been other circumstances which impel one to ask: "Who has been minding the store?" "Who has been aware of what has been going on all these years?" "Who has cared?" "Why was not something done about communications so clogged, testing practices so lax, abuses so blatant, inefficiency so intolerable as to almost shout for remedy?"

I reiterate, it is a matter of record that communications between agencies of the Government on new drugs were literally nonexistent. Furthermore, the volume of paperwork going to the Food and Drug Administration was beyond the ability of any group of workers assigned to that agency to take care of, under the existing inadequate system of files and communication.

Furthermore, communications with relation to testing and reporting back by investigators were so lax that there was, in effect, no real regulation at all.

BRING THE NEW FRONTIER TO FDA

The plain fact which I, for one, call attention to is that the administration has made only a beginning as regards meeting the challenge of drug safety. I speak of this administration as well as previous administrations; if there is anything bipartisan it is in this field, in terms of regrettable neglect.

The President has soundly fought for a strong bill and he has succeeded. Secretary Celebrezze has moved with commendable speed for stronger regulations. A deficiency request has come up for increased appropriations which will mean, in effect, more men.

This is good.

But the New Frontier has yet to make its mark on this 54-year-old Food and Drug effort.

I do not have the slightest doubt that we are going to see a New Frontier in FDA.

I do not have the slightest doubt that we shall see this new frontier in FDA because of the legislation passed today and because of the findings that have been developed as to the laxity of past administration.

I for one will do everything I can for the improvement of administration, regulation, and better cooperation between the FDA, the other Federal agencies, the pharmaceutical manufacturers, and the medical profession.

I want the agency to know that I intend to follow through on the Reorganization Subcommittee's work and on my own deep interest in the public safety.

The legislative history of the drug legislation should reveal, beyond a shadow of a doubt, certain points as to my personal attitude toward FDA's past and future administration.

A WARNING TO FDA

Mr. President, we cannot relive the yesterdays, but as one Member of the Senate, as a member of the Appropriations Committee, as a member of the subcommittee that deals with appropriations for Federal research, I give warning that I am going to watch the administrative practices in the Food and Drug Administration.

I ask unanimous consent that a memorandum I prepared relative to the Food and Drug Administration and what its policies should be for the future be made a part of the RECORD at this point.

The PRESIDING OFFICER. Is there objection?

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

MEMORANDUM BY SENATOR HUMPHREY

TWO PREVIOUS STATEMENTS

These comments supplement my statements in the Senate on August 6, 1962 (available as reprint, code No. H8-6—62), and September 12, 1962 (available as reprint H9-5—62).

WORK BY RESPECTIVE SUBCOMMITTEES

In the present memorandum, I should like, first, to congratulate the Senator from Tennessee, Mr. KEFAUVER, for the outstanding contribution which he made to this legislation, including the years of patient, preparatory study by the Subcommittee on Antitrust and Monopoly, of which he is chairman.

It has been my pleasure, in turn, as chairman of the Senate Subcommittee on Reorganization and International Organizations, to have sought to contribute to those phases of the legislation which came within our subcommittee's cognizance; namely, areas of interagency administration, coordination, and communication.

I should like to submit the following observations with respect to these latter areas.

FDA'S LONG SILENCE ON THE NEED FOR NEW REGULATIONS

1. In the first place, it is clear that the effectiveness of the drug amendments—or of any other law—is dependent upon these laws' administration.

In the past, the law has not been administered in an efficient and effective way.

Consider these facts: Relatively blatant abuses have existed for years and years; these abuses could have been corrected at least in part by administrative regulations. Only within the past few months did FDA show some signs of life toward promulgating stronger new regulations.

The question is: Why this long FDA silence? Why the long inactivity?

Why did FDA sit by, "tying its own hands," so to speak, while it had the power to free itself by suggesting new regulations?

MR. WILBUR COHEN'S FRANK STATEMENT

Mr. Wilbur Cohen, Assistant Secretary, Department of Health, Education, and Welfare, and one of our great public servants, frankly told Science Service that the FDA has definitely had authority under the law since 1938, to fully regulate and limit clinical investigative use of drugs. He stated, and I quote him verbatim:

"Until now, the FDA has not used this authority adequately or effectively. But better controls will be instituted in the near future." (Science News Letter, Aug. 18, 1962, vol. 82, No. 7.)

DEFICIENCY FUND IS JUST A DOWNPAYMENT

2. In the second place, there is no "bargain basement" way of administering the new law and regulations.

It would not be fair to expect FDA to do the job, now that its high officials seem to be taking their obligations more seriously, unless they get adequate resources.

The new deficiency appropriation is, in my judgment, only a "downpayment" on what will be needed next year.

Let the Congress not hesitate to provide every dollar necessary to get the job done in the right way.

Let the Congress raise executive and scientific salaries so as to attract and retain the highest caliber of personnel.

Pennypinching gets us nowhere except into government by mediocrity.

Let the Congress assure adequate facilities for all of FDA—modern offices, equipment, materiel—instead of the humiliating conditions under which top scientists are now required to work, as for example in the New Drug Division.

SCIENTIFIC EXCELLENCE NEEDED IN FDA

3. In the third place, the cure for what ails the FDA scientific program is not just more men and more resources, or a tougher law and regulations; it is scientific excellence.

There are numerous able scientists in the FDA—men and women who are dedicated civil servants and whose scientific skills and attainments would do honor to any organization.

But I say, based upon evidence from within FDA's own files, as well as from expert outside observers, that the FDA has not established standards of scientific excellence, at least in the Bureau of Medicine.

The Bureau has unfortunately not been a part of the mainstream of scientific advances.

Despite the deep interest of a few extremely talented M.D.'s and pharmacologists, high officials have apparently been content to leave the Bureau stagnate as a scientific backwater.

By contrast, a small nucleus of dedicated FDA scientists have sought to vitalize the Bureau. They have sought to place the Bureau in an organic relationship with—

Official and private medical research.

Universities' clinical pharmacology and other programs.

The most advanced practice of medicine, as spearheaded by medical specialty boards and others.

But, regrettably, the pleas of the nucleus of able scientists have been ignored.

Instead, scientific decisions have often been made on an incredibly casual basis—through mere study and shuffling of applications and other papers—in a near vacuum, in many instances. This, I may say, is the manner for behavior by chief clerks, but it is not a manner for scientists.

Until not so long ago, some reviewers in the New Drug Division did not even bother to write scientific summaries, showing the actual standards of evaluation on which they based their judgment.

This is poor science; it is poor administration; it is poor regulation.

Why is there not a training program for new physicians in the New Drug Division? How can you expect scientists to evaluate research if they have not performed research themselves? How can you expect reviewers to evaluate clinical experiences if they have had no—or virtually no—clinical experience themselves, particularly within the past few years?

Why is there not a psychiatrist there to handle the flood of applications and changes, relative to psychotropic drugs? Literally millions of Americans are now taking these drugs.

I could ask a dozen more questions like the above.

The answers to these questions provide little reason for confidence in the policy echelons of FDA.

COORDINATE WITH NIH

4. Next, the FDA must coordinate its programs with other Federal agencies. One of the most incredible and lamentable conditions which our subcommittee has brought to light has been the fact that two organizations within the same department have lived almost in a world apart.

I refer to FDA and the Public Health Service, particularly the National Institutes of Health.

When we called NIH to account before our subcommittee, we ascertained that:

(a) NIH was soundly spending $5.2 million in support of various forms of training in the field of pharmacology, involving 550 individuals at predoctoral and postdoctoral levels.

(b) It was spending—no doubt for perfectly good reason—for drug and drug-related research $70.9 million out of the $391 million for extramural grants and $70 million for intramural work in fiscal year 1962.

Yet, incredibly enough, NIH has had only the most sporadic contacts with FDA and on the most casual, haphazard, ad hoc, irregular basis.

Where consultation has occurred, it has only come about because some talented scientist like—and here I shall name three scientists highly praised in expert reports to us—Dr. Frances Kelsey, Dr. Irving Siegel, or Dr. John Nestor—was enterprising enough, dedicated enough, to seek it.

But so far as NIH is concerned, it has been following an attitude of "call-me-if-you-want-me, but don't expect to hear from me otherwise."

NIH has never even bothered systematically to evaluate drug reactions across the board for all seven of its own categorical Institutes and for the extramural program—for its own use, much less anybody else's.

The Psychopharmacology Service Center of the National Institute for Mental Health has tended to be one welcome exception. It does have a comprehensive drug evaluation program; it does have a deep interest in cooperation; it does appreciate the community of interest. It does evidence that it knows that a drug tested for mental illness may affect all sorts of other systems in the human body.

NEW ACTION BY NIH

Its approach has, however, been a relative rarity in Bethesda.

At long last, at our subcommittee's hearing on September 21, Dr. James Shannon announced the beginnings of a remedial program. Under this program, NIH will begin to use its vast resources, starting with its great Clinical Center, then with five cooperating hospitals, and later others, to coordinate the evaluation of drug reactions. This is only the beginning. The hour is late.

Moreover, in a memorandum of September 20, 1962, to the Surgeon General, as furnished to us by Dr. Shannon and to be published as an exhibit in our subcommittee volume, NIH indicated establishment of—

A new NIH Committee on the Management of Drug Information.

A new formal pattern of relationships with FDA.

This news is welcome, albeit long overdue.

NIH is finally getting around to doing things which our subcommittee has been urging year after year—by letter, by interview, by staff memorandum, by my own statements in hearings and on the floor.

POOR OVERALL REPORTING OF DRUG REACTIONS

5. Next, I should like to state that the whole program of collecting drug reactions throughout this country and the world is hopelessly obsolete.

It is a miracle that we learn as much as we do about drug reactions in view of the pitifully haphazard way in which clinical reactions are compiled.

All sorts of sources do attempt to compile reactions—pharmaceutical companies, the FDA, hospitals, the VA, NIH, and other sources.

None particularly talks with the other; none cooperates to any real extent with the other. One might just as well try to scoop out the Atlantic Ocean with a leaky Dixie cup as to collect drug reactions in the hit-or-miss manner which has been going on for so long.

The key to reporting is the individual clinician. But he tends to be so busy that often his reports are a fraction of what they might be. Negative results often go largely unreported. This is a crucial point; it explains in part a tendency to overvalue fragmentary favorable reports.

FDA itself has had a microscopic adverse reaction reporting program; we have yet to find anyone who has substantially used this program or anyone at the reporting end who has received useful "feedback" from it.

LITTLE USE OF OUTSIDE CONSULTANTS

6. My next point is an extension of the observations I made with respect to NIH. It is incredible but FDA has made little systematic use of outside consultants. It has made virtually no use of the NIH; it has made almost no use of the speciality boards, or of the National Academy of Sciences.

FDA did send, at my request, a list of alleged outside consultations. The list is nominally long. The only trouble with it is that it gives a completely misleading impression. It pretends that an isolated telephone call or letter or short visit for a curbstone—I emphasize—curbstone judgment represented consultation. That is not really consultation. What is real consultation? Any scientist will give you the answer—a full-day meeting, a 2-day symposium, an expert full-time or at least a part-time panel which meets over an extended period of time for a thorough exchange of professional views. That is what we mean by consultation. But that is not what has occurred in or for FDA.

I am surprised to see in a letter to the House Commerce Committee, that FDA states that consultation has "routinely" occurred. That is definitely not the case. The men who know it best are the men inside the agency who have fought and begged for professional consultation, but whose efforts have been discouraged at worst, or ignored, at best, from above.

Sometimes consultation has taken place after the fact—after a drug has been on the market and reports of a flood of serious side effects have started to pour in. But the damage at that stage has already occurred.

NEED FOR INFORMATION SYSTEM

7. The Food and Drug Administration is going to be confronted with a mass of paperwork, the like of which it has never previously encountered.

As I stated at the hearings, it would be ironic to require the completion of a "mountain" of reports by outside sources if nobody in FDA knows what to do with the "mountain," how to handle it, how to use it.

The Food and Drug Administration has not done a satisfactory job with respect to the sizable paperwork which has accumulated over the years. Its internal reporting and communication system has been totally inadequate.

It has had under so-called study for a number of months an expert National Bureau of Standards analysis of system needs. There is little sign that the agency as yet has the drive and determination to accept NBS recommendations and install a modern system to store, retrieve, index, abstract, evaluate and disseminate scientific information.

GIVE SCIENTIST PERTINENT DATA

Right now, for example, a considerable amount of information, which would be invaluable to reviewers in the New Drug Division, never gets to those reviewers.

Or if it gets to them, it is only because a few dedicated scientists go out of their way to seek it out.

But they should not have to go out of their way. They should receive pertinent information automatically and systematically—for whatever use they may wish to put it.

I refer to:

Pertinent abstracts of the up-to-the-minute world literature, including proceedings.

Reports of foreign drug agencies, such as that of the Netherlands.

Reports on other agencies' research, such as NIH scientists' and grantees' work on MER/29 or on hundreds of other drugs studied with U.S. taxpayers' funds—letters and reports from medical practitioners, and yes, from the general public if adverse reactions are described.

POOR COORDINATION WITH BUREAU OF MEDICINE

Generally speaking, the scientific units of the Food and Drug Administration appear to have functioned largely in a vacuum. The Bureau of Medicine, for example, has had little or nothing to do with the medical responsibilities of the agency's work on vitamins or pesticides or food additives or other phases which crucially affect the public health.

Separate, unrelated, uncoordinated file systems sprawl all over the agency.

This is not the way to run a railroad; it is not the way to run what should be one of the most modern scientific-management establishments in the country.

CONCLUSION—THE NEED FOR SCIENCE OF THE 1960'S

I do not want to be unduly critical. All the blame for the past does not lie on FDA alone. The public has often been somewhat indifferent. The Congress has definitely not given the agency adequate resources.

Yet, here is an agency which has a more profound impact on the public health than any other agency of the U.S. Government except the U.S. Public Health Service. Yet it is an agency with 19th century organization, early 20th century science, confronting medical problems which would baffle even the greatest medical geniuses of the 2d half of the 20th century.

The New Frontier faces many challenges. I regard few, if any, as more significant than that of putting new life into the FDA.

A FEW KEY POINTS IN THE MEMORANDUM

Mr. HUMPHREY. Madam President, I note in this memorandum certain new actions and policies that I believe are required of the National Institutes of Health. I particularly point out the inadequate overall reporting of reactions to NIH-supported drug research.

I comment on FDA's too little use of outside consultants. The great body of scientific personnel capable of helping the Government is outside the Government. The "cream of the crop" of such consultants should be used and brought into the service of the Government on an advisory basis.

I emphasize once again something that has been a theme and a part of my public work for years—the need for adequate communications and an information system within our Government, which is growing bigger and bigger every year.

The Food and Drug Administration will be confronted with a mass of forms, reports, and other paperwork under the new law, the like of which never was encountered—and it is still trying to walk out from under the old paperwork. It would be ironical to require a "mountainous" complex of additional outside reports if nobody knew what to do with the "mountain" when it arrives.

FDA—A STEPCHILD OF PUBLIC HEALTH

Some persons think that when we enact new laws we have completed our work. The fact, I reiterate, is that no law is any better than its administration. The Food and Drug Administration has been a stepchild of public health activities. The Food and Drug Administration has been looked upon as a "police" department, rather than as an agency of scientists and other professionals with a broad variety of health related skills.

I pay my respects to some of the professional workers in the Food and Drug Administration who have given of themselves beyond the call of duty, who have given of their life's blood to keep abreast of their responsibilities.

THE CONGRESS OWN RESPONSIBILITY

Let the record be clear that not only has the Food and Drug Administration not been able to keep up with all they are doing, not only has there been laxity in regulation, but for years the Congress of the United States has failed to provide the tools, the resources, for the Food and Drug Administration to do the job to protect the public interest.

SUFFICIENT PRIOR STUDY POINTS TO NEED FOR ACTION

We do not need any more studies. Whenever there is a problem in Government, it is suggested that there be another study. I can assure the Senate, as one who has had a long interest in this subject, long before this legislation came before us, that the Food and Drug Administration and the National Institutes of Health have been studied until they almost have degrees from every known institution of higher learning, so far as study is concerned.

BRING IN NEW BLOOD

What is needed now is definitive attention by the Department of Health, Education, and Welfare to the Food and Drug Administration. The Food and Drug Administration should be upgraded. There should be some new blood, some new endeavor, some new action, some new spirit.

In my service as a Senator and in my duties as chairman of the Reorganization Subcommittee, I respectfully serve notice that I shall be watching to see what happens under the terms of the new legislation in respect to interagency coordination and stronger administration, which the legislation requires. I am hopeful it will all work for the public good.

SUCCESSFUL ORBITING BY COMMANDER SCHIRRA

Mr. HUMPHREY. Mr. President, I know that every Member of the Senate is pleased and gratified by the great achievement of Comdr. Walter M. Schirra, who has just successfully completed six orbits in space, coming down at the exact predetermined spot, with every aspect of the operation being, in the language of the astronauts, "AOK. Go." It was a splendid achievement.

I desire to have the RECORD note the gratification, the excitement, and the pleasure of all of us concerning this remarkable accomplishment of the National Aeronautics and Space Administration, Project Mercury, and all those associated with it, especially Comdr. Walter M. Schirra. We congratulate and hail him as another of America's outstanding men and great heroes.

Mr. HUMPHREY subsequently said: Mr. President, I add, on a pleasant note, that I have just been informed that our astronaut, Comdr. Walter Schirra, has been placed aboard the carrier, healthy, well, safe, and sound. As I understand, he will be there some 72 hours, for the necessary observations and briefings or debriefings with respect to his historic flight.

YET GEE MOY (TSZE WOO LAI) AND MEE SEN MOY (SAU MING LAI)

Mr. DIRKSEN. Madam President, I ask the Presiding Officer to lay before the Senate the message from the House of Representatives on S. 3279.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 3279) for the relief of Yet Gee Moy (Tsze Woo Lai) and Mee Sen Moy (Sau Ming Lai), which was, to strike out all after the enacting clause and insert:

That, in the administration of the Immigration and Nationality Act, Yet Gee Moy (Tsze Woo Lai) and Mee Sen Moy (Sau Ming Lai) may be classified as eligible orphans within the meaning of section 101(b)(1)(F) of the said Act and a petition may be filed by Mr. and Mrs. Suey Lung Moy, citizens of the United States, in behalf of the said Yet Gee Moy (Tsze Woo Lai) and Mee Sen Moy (Sau Ming Lai) pursuant to section 205(b) of the Immigration and Nationality Act subject to all the conditions in that section relating to eligible orphans.

Mr. DIRKSEN. Madam President, the amendment of the House of Representatives is technical in nature. I move that the Senate concur in the House amendment.

The PRESIDING OFFICER. The question is on agreeing to the motion by the Senator from Illinois.

The motion was agreed to.

MRS. LEE MA CHIN-YING

Mr. DIRKSEN. Madam President, I ask that the Presiding Officer lay before the Senate a message from the House of Representatives on S. 3240.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 3240) for the relief of Mrs. Lee Ma Chin-Ying, which was, to strike out all after the enacting clause and insert:

That the Attorney General is authorized and directed to cancel any outstanding orders and warrants of deportation, warrants of arrest, and bond, which may have issued in the case of Mrs. Lee Ma Chin-Ying. From and after the date of the enactment of this Act, the said Mrs. Lee Ma Chin-Ying shall not again be subject to deportation by reason of the same facts upon which such deportation proceedings were commenced or any such warrants and orders have issued.

Mr. DIRKSEN. Madam President, this is a technical amendment, also. I move that the Senate concur in the amendment of the House of Representatives.

The PRESIDING OFFICER. The question is on agreeing to the motion by the Senator from Illinois.

The motion was agreed to.

DESIGNATION OF NATIONAL CULTURAL CENTER WEEK

Mr. DIRKSEN. Madam President, I ask the Presiding Officer to lay before the Senate the message from the House of Representatives on Senate Joint Resolution 214.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the joint resolution (S.J. Res. 214) authorizing the President of the United States to designate the period from November 26, 1962, through December 2, 1962, as National Cultural Center Week, which was to strike out the preamble in its entirety.

Mr. DIRKSEN. Madam President, this relates only to the designation of National Cultural Center Week.

I move that the Senate concur in the amendment of the House of Representatives.

The PRESIDING OFFICER. The question is on agreeing to the motion by the Senator from Illinois.

The motion was agreed to.

INCORPORATION OF AMERICAN SYMPHONY ORCHESTRA LEAGUE

Mr. DIRKSEN. Madam President, I ask the Presiding Officer to lay before the Senate the message from the House of Representatives on S. 3338.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 3338) to incorporate the American Symphony Orchestra League, which was, to strike out all after the enacting clause and insert:

That the following persons—
Harold Gregory, Salt Lake City, Utah;
Samuel R. Rosenbaum, Philadelphia, Pennsylvania;
Mrs. Harry Fagg, Beaumont, Texas;
Frank E. Joseph, Shaker Heights, Ohio;
John D. Wright, Phoenix, Maryland;
Doctor George Szell, Cleveland, Ohio;
Henry Denecke, Cedar Rapids, Iowa;
Harry Levenson, Worcester, Massachusetts;
Theodore C. Russell, Jackson, Mississippi;
Stanley Williams, Milwaukee, Wisconsin;
Oliver M. Clegg, Magnolia, Arkansas;
R. Philip Hanes, Junior, Winston-Salem, North Carolina;
Mrs. Ben Hale Golden, Lookout Mountain, Tennessee;
Miles F. Portlock, Junior, Orkney Springs, Virginia;
Mrs. B. H. Littlefield, Bradenton, Florida;
Cecil W. Slocum, Omaha, Nebraska;
Max Rudolph, Cincinnati, Ohio;

Mrs. Ward T. Langstroth, Billings, Montana;

Elden Bayley, Springfield, Ohio;

George Barati, Honolulu, Hawaii;

Mrs. Albert C. Olsen, Buffalo, New York;

John Edwards, Pittsburgh, Pennsylvania;

Mrs. Mignonne P. Ladin, New York, New York;

Leslie C. White, Doraville, Georgia;

Mrs. Fitzgerald Parker, Nashville, Tennessee;

Doctor Peter Paul Fuchs, Baton Rouge, Louisiana;

R. Wilton Billstein, Woodbury, New Jersey;

Mrs. Elizabeth S. Greene, West Hartford, Connecticut;

Gibson Morrissey, Roanoke, Virginia;

Alfred C. Connable, Kalamazoo, Michigan;

Mrs. Holmes Frederick, Greenville, South Carolina;

William Steinberg, Pittsburgh, Pennsylvania;

Virginia Wartman, Allentown, Pennsylvania;

Robert L. Conn, Springfield, Illinois;

Paul O. Grammer, Essex Fells, New Jersey;

Henry Janiec, Spartanburg, South Carolina;

Charles B. Stacy, Charleston, West Virginia;

Doctor James Christian Pfohl, Charlotte, North Carolina;

Frederick I. Moyer, Castle Rock, Colorado;

Thomas D. Perry, Junior, Hingham, Massachusetts;

Carlos Moseley, New York, New York;

Mrs. G. Robert Herberger, Scottsdale, Arizona;

James P. Robertson, Wichita, Kansas;

Myron Levite, Brooklyn, New York;

Mrs. Leo R. Pflaum, Wayzata, Minnesota;

and their successors, are hereby created and declared to be a body corporate by the name of American Symphony Orchestra League (hereinafter referred to as the corporation) and by such name shall be known and have perpetual succession and the powers, limitations, and restrictions herein contained.

COMPLETION OF ORGANIZATION

SEC. 2. A majority of the persons named in the first section of this Act are authorized to complete the organization of the corporation by the selection of officers and employees, the adoption of a constitution and bylaws not inconsistent with this Act, and the doing of such other acts as may be necessary for such purpose.

PURPOSES OF THE CORPORATION

SEC. 3. The purposes of the corporation shall be to—

(1) serve as a coordinating, research and educational agency and clearinghouse for symphony orchestras in order to help strengthen the work in their local communities;

(2) assist in the formation of new symphony orchestras;

(3) through suitable means, encourage and recognize the work of America's musicians, conductors, and composers; and

(4) aid the expansion of the musical and cultural life of the United States through suitable educational and service activities.

CORPORATE POWERS

SEC. 4. The corporation shall have power—

(1) to have succession by its corporate name;

(2) to sue and be sued, complain and defend in any court of competent jurisdiction;

(3) to adopt, use, and alter a corporate seal;

(4) to choose such officers, managers, agents, and employees as the business of the corporation may require;

(5) to adopt, amend, and alter a constitution and bylaws, not inconsistent with the laws of the United States or any State in which the corporation is to operate, for the management of its property and the regulation of its affairs;

(6) to contract and be contracted with;

(7) to take by lease, gift, purchase, grant, devise, or bequest from any private corporation, association, partnership, firm, or individual and to hold any property, real, personal, or mixed, necessary or convenient for attaining the objects and carrying into effect the purposes of the corporation, subject, however, to applicable provisions of law of any State (A) governing the amount or kind of property which may be held by, or (B) otherwise limiting or controlling the ownership of property by, a corporation operating in such State;

(8) to transfer, convey, lease, sublease, encumber, and otherwise alienate real, personal, or mixed property; and

(9) to borrow money for the purposes of the corporation, issue bonds therefor, and secure the same by mortgage, deed of trust, pledge, or otherwise, subject in every case to all applicable provisions of Federal and State laws.

PRINCIPAL OFFICE: SCOPE OF ACTIVITIES; DISTRICT OF COLUMBIA AGENT

SEC. 5. (a) The principal office of the corporation shall be located in Charleston, West Virginia, or in such other place as may be later determined by the board of directors, but the activities of the corporation shall not be confined to that place, but may be conducted throughout the United States, the Commonwealth of Puerto Rico, and the territories and possessions of the United States.

(b) The corporation shall have in the District of Columbia at all times a designated agent authorized to accept service of process for the corporation; and notice to or service upon such agent, or mailed to the business address of such agent, shall be deemed notice to or service upon the corporation.

MEMBERSHIP; VOTING RIGHTS

SEC. 6. (a) Eligibility for membership in the corporation and the rights, privileges, and designation of classes of members shall, except as provided in this Act, be determined as the constitution and bylaws of the corporation may provide.

(b) Each member of the corporation, other than honorary, sustaining or associate members, shall have the right to one vote on each matter submitted to a vote at all meetings of the members of the corporation.

BOARD OF DIRECTORS; COMPOSITION, RESPONSIBILITIES

SEC. 7. (a) Upon the enactment of this Act the membership of the initial board of directors of the corporation shall consist of the following persons:

R. Wilton Billstein, Woodbury, New Jersey;

Igor Bukeoff, Fort Wayne, Indiana;

Mrs. Ronald A. Dougan, Beloit, Wisconsin;

Mrs. J. W. Graham, Sioux City, Iowa;

Howard Harrington, Detroit, Michigan;

William Herring, Winston-Salem, North Carolina;

Harold Kendrick, New Haven, Connecticut;

Robert MacIntyre, Birmingham, Alabama;

Thomas Perry, Junior, Boston, Massachusetts;

Mrs. H. W. Roberts, Dallas, Texas;

Mrs. Jouett Shouse, Washington, District of Columbia;

Alan Watrous, Dallas, Texas;

John S. Edwards, Pittsburgh, Pennsylvania;

Mrs. Fred Lazarus III, Cincinnati, Ohio;

Charles W. Bonner, Fresno, California;

Alfred Connable, Kalamazoo, Michigan;

Victor Feldbrill, Winnipeg, Manitoba, Canada;

Mrs. Gerald S. Greene, West Hartford, Connecticut;

Mrs. G. Robert Herberger, Scottsdale, Arizona;

Thomas Iannaccone, Rochester, New York;

Dr. Richard Lert, Hollywood, California;

Mrs. Fitzgerald Parker, Nashville, Tennessee;

Mrs. Leo R. Pflaum, Wayzata, Minnesota;

Miss Helen Ryan, Orlando, Florida;

George Szell, Cleveland, Ohio;

Jackson Wiley, Springfield, Ohio;

George Irwin, Quincy, Illinois;

R. H. Wangerin, Louisville, Kentucky.

(b) Thereafter the board of directors of the corporation shall consist of such number, shall be selected in such manner (including the filling of vacancies), shall serve for such term as may be prescribed in the constitution and bylaws of the corporation.

(c) The board of directors shall be the governing board of the corporation and, during the intervals between the meetings of members, shall be responsible for the general policies and program of the corporation and for the control of all contributed funds as may be raised by the corporation.

OFFICERS; ELECTION AND DUTIES OF OFFICERS

SEC. 8. (a) The officers of the corporation shall be a president, one or more vice presidents (as may be prescribed in the constitution and bylaws of the corporation), a secretary, and a treasurer, and one or more assistant secretaries and assistant treasurers as may be provided in the constitution and bylaws.

(b) The officers of the corporation shall be elected in such manner and for such terms and with such duties as may be prescribed in the constitution and bylaws of the corporation.

USE OF INCOME; LOANS TO OFFICERS, DIRECTORS, OR EMPLOYEES

SEC. 9. (a) No part of the income or assets of the corporation shall insure to any of its members, directors, or officers as such, or be distributable to any of them during the life of the corporation or upon its dissolution or final liquidation. Nothing in this subsection, however, shall be construed to prevent the payment of compensation to officers of the corporation in amounts approved by the board of directors of the corporation.

(b) The corporation shall not make loans to its officers, directors, or employees. Any director who votes for or assents to making of a loan or advance to an officer, director, or employee of the corporation, and any officer who participates in the making of such a loan or advance, shall be jointly and severally liable to the corporation for the amount of such loan until the repayment thereof.

NONPOLITICAL NATURE OF CORPORATION

SEC. 10. The corporation, and its officers and directors as such, shall not contribute to or otherwise support or assist any political party or candidate for public office.

LIABILITY FOR ACTS OF OFFICERS AND AGENTS

SEC. 11. The corporation shall be liable for the acts of its officers and agents when acting within the scope of their authority.

PROHIBITION AGAINST ISSUANCE OF STOCK OR PAYMENT OF DIVIDENDS

SEC. 12. The corporation shall have no power to issue any shares of stock or to declare or pay any dividends.

BOOKS AND RECORDS; INSPECTION

SEC. 13. The corporation shall keep correct and complete books and records of account and shall keep minutes of the proceedings of its members, board of directors, and committees having any authority under the board of directors; and it shall also keep at its principal office a record of the names and addresses of its members entitled to vote. All books and records of the corporation may be inspected by any member entitled to vote, or his agent or attorney, for any proper purpose, at any reasonable time.

AUDIT OF FINANCIAL TRANSACTIONS

SEC. 14. (a) The accounts of the American Symphony Orchestra League shall be audited annually in accordance with generally accepted auditing standards by independent certified public accounts or independent licensed public accountants, certified or licensed by a regulatory authority of a State or other political subdivision of the United States. The audit shall be conducted at the place or places where the accounts of the corporation are normally kept. All books, accounts, financial records, reports, files, and all other papers, things, or property belonging to or in use by the corporation and necessary to facilitate the audit shall be made available to the person or persons conducting the audit; and full facilities for verifying transactions with the balances or securities held by depositories, fiscal agents, and custodians shall be afforded to such person or persons.

(b) A report of such audit shall be made by the corporation to the Congress not later than March 1 of each year. The report shall set forth the scope of the audit and shall include a verification by the person or persons conducting the audit of statements of (1) assets and liabilities, (2) capital and surplus or deficit, (3) surplus or deficit analysis, (4) income and expense, and (5) sources and application of funds. Such report shall not be printed as a public document.

USE OF ASSETS ON DISSOLUTION OR LIQUIDATION

SEC. 15. Upon dissolution or final liquidation of the corporation, after discharge or satisfaction of all outstanding obligations and liabilities, the remaining assets, if any, of the corporation shall be distributed in accordance with the determination of the board of directors of the corporation and in compliance with the constitution and bylaws of the corporation and all Federal and State laws applicable thereto.

EXCLUSIVE RIGHT TO NAME, EMBLEM, SEALS, AND BADGES

SEC. 16. The corporation shall have the sole and exclusive right to the name "American Symphony Orchestra League" and to have and to use in carrying out its purposes distinctive insignia, emblems and badges, descriptive or designating marks, and words or phrases as may be required in the furtherance of its functions. No powers or privileges hereby granted shall, however, interfere or conflict with established or vested rights.

TRANSFER OF ASSETS

SEC. 17. The corporation may acquire the assets of the American Symphony Orchestra League, Incorporated, a corporation organized under the laws of the States of Virginia and Michigan, upon discharging or satisfactorily providing for the payment and discharge of all of the liability of such corporation and upon complying with all laws of the States of Virginia and Michigan applicable thereto.

RESERVATION OF RIGHT TO AMEND OR REPEAL CHARTER

SEC. 18. The right to alter, amend, or repeal this Act is expressly reserved.

Mr. DIRKSEN. Madam President, this bill deals with the incorporation of the American Symphony Orchestra League. I move that the Senate concur in the House amendment.

The PRESIDING OFFICER. The question is on agreeing to the motion by the Senator from Illinois.

The motion was agreed to.

WORLD FOOD CONGRESS IN THE UNITED STATES IN 1963

Mr. HUMPHREY. Madam President, I move that the Senate proceed to the consideration of Calendar No. 2226, S. 3679.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 3679) authorizing an appropriation to enable the United States to extend an invitation to the Food and Agricultural Organization of the United Nations to hold a World Food Congress in the United States in 1963.

The PRESIDING OFFICER. The question is on agreeing to the motion by the Senator from Minnesota.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Foreign Relations with amendments on page 3, line 7, after the word "in", to strike out "Washington, District of Columbia" and insert "the United States"; at the beginning of line 13, to strike out "Washington" and insert "the United States"; and on page 4, line 2, after the word "in", to strike out "Washington, District of Columbia" and insert "the United States"; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That there is authorized to be appropriated to the Department of State, out of any money in the Treasury not otherwise appropriated, a sum not to exceed $300,000 for the purpose of defraying the expenses incident to organizing and holding the World Food Congress in the United States. Funds appropriated pursuant to this authorization shall be available for advance contribution or reimbursement to the Food and Agriculture Organization of the United Nations for certain costs incurred by the Organization in holding the World Food Congress in the United States and shall be available for expenses incurred by the Department of State, on behalf of the United States as host government, including personal services without regard to civil service and classification laws; employment of aliens; printing and binding, without regard to section 11 of the Act of March 1, 1919 (44 U.S.C. 11); travel expenses; rent of quarters by contract or otherwise; hire of passenger motor vehicles; and official functions and courtesies.

SEC. 2. The Secretary of State is authorized to accept and use contributions of funds, property, services, and facilities for the purpose of organizing and holding the World Food Congress in the United States.

Mr. HUMPHREY. Madam President, I ask unanimous consent that a pertinent portion of the report on the bill (Rept. No. 2263) may be printed in the RECORD at this point.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

SUMMARY OF THE BILL

S. 3679 was introduced in the Senate by Mr. FULBRIGHT, by request, and therewith received and referred to the Senate Committee on Foreign Relations.

The bill authorizes an appropriation of a sum not to exceed $300,000 for the purpose of defraying the expenses incident to organizing and holding a World Food Congress in the United States from June 4 to June 18, 1963.

The funds authorized to be appropriated would be used for expenses incident to organizing and holding the Congress in the United States and advance contribution or reimbursement to the Food and Agriculture Organization for certain costs incurred by the Organization in holding the Congress here.

BACKGROUND

Resolution No. 13–59 of the 10th session of the Food and Agriculture Organization Conference authorized the Director General of the Food and Agriculture Organization, as part of the freedom-from-hunger campaign of the Organization, to make preparations for a World Food Congress in 1963. This will coincide with the 20th anniversary of the Hot Springs Conference, which led to the creation of the Food and Agriculture Organization.

The World Food Congress will focus attention on current and future problems in nutrition as well as food supply and distribution and will recommend international measures for combating hunger and malnutrition. It will undertake to assess current and future food and nutritional needs for the world as a whole and for specific regions and recommend measures of international cooperation for the purpose of meeting these needs.

The United States has shared its abundance of food and its agricultural knowledge with the less developed areas of the world through its food-for-peace program under Public Law 480, through technical assistance programs, and through support of the Food and Agriculture Organization of the United Nations. The FAO currently operates in more than 50 countries and is this year spending approximately $35 million on technical assistance and agricultural research and development.

The FAO holds a biennial conference, generally in Rome. As a result of consultations in 1961 between the Department of State and the Director General and Board of Governors of the FAO, it was agreed that, subject to appropriate authorization by Congress, the FAO would hold its regular meeting in the United States in 1963 and combine it with a World Food Congress.

The FAO Conference in 1959 unanimously adopted a resolution authorizing an international freedom-from-hunger campaign extending from 1960 to 1965 and authorizing the Director General of the Food and Agriculture Organization to make preparations for a World Food Congress in 1963, when the freedom-from-hunger campaign will be at its halfway point. In October 1960 the United Nations General Assembly unanimously adopted a resolution calling upon all members of the United Nations and its specialized agencies to support the freedom-from-hunger campaign in every practicable way.

It is anticipated that some 1,200 individuals from approximately 100 countries will attend the World Food Congress. It is expected that about 400 of the participants will be from the United States and about 400 from the underdeveloped countries.

COMMITTEE ACTION

The committee received testimony on the bill on October 1 from the Honorable Harlan Cleveland, Assistant Secretary of State for International Organization Affairs, and from C. R. Eskildsen, Acting Administrator, Foreign Agricultural Service, Department of Agriculture. The hearing is printed as an appendix to this report.

Meeting thereafter in executive session, the committee adopted, the following amendment offered by Mr. HUMPHREY:

Wherever they appear, strike out the words "Washington, District of Columbia" and insert in lieu thereof the words "the United States".

It was understood by the committee that for reasons of economy and availability of conference facilities it would probably prove most practical and desirable for the World Food Congress to be held in Washington, D.C., but that, should the Secretary of State find it feasible to do so, he should be at liberty to designate another place for the Congress to be held.

The committee unanimously reported the bill, as amended, favorably to the Senate.

CONCLUSION

The Committee on Foreign Relations believes that the meeting of a World Food

Congress in the United States in 1963 is desirable and appropriate because of the established policy of the United States of sharing its abundance of food and agricultural knowledge with the less-developed countries of the world. Both the food-for-peace program of the United States and the freedom-from-hunger campaign of the Food and Agriculture Organization make important contributions to the alleviation of hunger and malnutrition. The convening of a World Food Congress in the United States will contribute to the realization of this objective by allowing agricultural leaders from the developing countries to become more closely acquainted with the highly productive techniques of American agriculture.

The PRESIDING OFFICER. The question is on agreeing to the committee amendments.

The amendments were agreed to.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill (S. 3679) was read the third time, and passed.

The preamble was amended, so as to read:

Whereas the President, in giving his full endorsement and support of the United States Government's food-for-peace program and for the freedom-from-hunger campaign of the Food and Agriculture Organization of the United Nations, recognized the necessity for emphasizing the willingness of the United States Government to share its food abundance and agricultural knowledge; and

Whereas the Food and Agriculture Organization of the United Nations pursuant to a resolution of the tenth FAO Conference authorized the Director-General to make preparation for a World Food Congress in 1963 to mark the midpoint of the five-year worldwide freedom-from-hunger campaign and the twentieth anniversary of the Hot Springs Conference, which resulted in the establishment of the FAO; and

Whereas the freedom-from-hunger campaign in the United States is sponsored by the American Freedom From Hunger Foundation, Incorporated, and by the American Food for Peace Council through its Freedom-From-Hunger Committee; and

Whereas the United States food-for-peace program and the FAO's freedom-from-hunger campaign are both directed toward the promotion of international cooperation and good will through the alleviation of hunger and malnutrition; and

Whereas the Congress will bring together a wide cross section of participants in these activities, review the progress of the campaign, focus attention on current and future problems involved in providing adequate food to meet the needs of the world's rapidly expanding population, and consider and recommend measures and policies necessary for this purpose; and

Whereas it is particularly fitting that the United States of America should cooperate with the FAO to convene a World Food Congress to further the programs of both the food-for-peace program and the freedom-from-hunger campaign; and

Whereas the United States of America as the inviting government is expected to provide the conference facilities and to pay certain expenses not borne by the FAO: Therefore

LT. COL. GUSTAVE M. MINTON, JR.

Mr. HUMPHREY. Madam President, I move that the Senate proceed to the consideration of calendar No. 2227, S. 3124.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The Legislative Clerk. A bill (S. 3124) for the relief of Lt. Col. Gustave M. Minton, Jr., U.S. Air Force.

The PRESIDING OFFICER. The question is on agreeing to the motion by the Senator from Minnesota.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on the Judiciary with an amendment to strike out all after the enacting clause and insert:

That Gustave M. Minton, Junior, lieutenant colonel, United States Air Force (A0915777), is relieved of all liability for repayment to the United States of the sum of $2,822.85, representing the amount of overpayments of basic pay received by him for the period from August 22, 1952, through December 31, 1961, while he was serving as a member of the United States Air Force, such overpayments having been made as a result of administrative error.

Sec. 2. The Comptroller General of the United States, or his designee, shall relieve disbursing officers, including special disbursing agents of the Army, Navy, and Air Force from accountability or responsibility for any payments described in section 1 of this Act, and shall allow credits in the settlement of the accounts of those officers or agents for payments which are found to be free from fraud and collusion.

Sec. 3. The Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the said Gustave M. Minton, Junior, the sum of any amounts received or withheld from him on account of the overpayments referred to in section 1 of this Act.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The bill (S. 3124) was ordered to be engrossed for a third reading, was read the third time, and passed.

ORDER FOR ADJOURNMENT UNTIL 10 A.M. TOMORROW

Mr. HUMPHREY. Madam President, so that Senators may know the plans for tomorrow, I ask unanimous consent that when the Senate concludes its business tonight it stand in adjournment until 10 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MORSE. Madam President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. MORSE. Is it the understanding that S. 3313 will be considered this evening?

Mr. HUMPHREY. Yes. We will come to it in just a moment.

FEDERAL TELECOMMUNICATIONS FUND

Mr. HUMPHREY. Madam President, I move that the Senate proceed to the consideration of Calendar No. 2223, H.R. 11899.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The Legislative Clerk. A bill (H.R. 11899) to amend the Federal Property and Administrative Services Act of 1949, as amended, to provide for a Federal telecommunications fund.

The PRESIDING OFFICER. The question is on agreeing to the motion by the Senator from Minnesota.

The motion was agreed to; and the Senate proceeded to consider the bill (H.R. 11899) which was ordered to a third reading, was read the third time, and passed.

GENERAL FUND OF THE DISTRICT OF COLUMBIA

Mr. HUMPHREY. Madam President, I move that the Senate proceed to the consideration of Calendar No. 1775, S. 3313.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The Legislative Clerk. A bill (S. 3313) to authorize an increase in the borrowing authority for the general fund of the District of Columbia.

The PRESIDING OFFICER. The question is on agreeing to the motion by the Senator from Minnesota.

The motion was agreed to; and the Senate proceeded to consider the bill.

ORDER OF BUSINESS

Mr. MORSE obtained the floor.

Mr. HUMPHREY. Madam President, will the Senator from Oregon yield to the Senator from New Jersey [Mr. Williams]? I have been holding the Senator off for quite a while.

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from New Jersey?

Mr. MORSE. I yield to the Senator from New Jersey.

ANOTHER VICTORY OVER SPACE

Mr. WILLIAMS of New Jersey. Madam President, I am grateful to the distinguished Senators from Minnesota and Oregon.

A few moments ago the distinguished majority whip in his discussion applauded the successful orbiting of the globe on a 6-orbit flight by Walter Schirra, Jr. While he was speaking we were all deeply pleased to learn that this brave man had been brought to the deck of the carrier.

Madam President, we are most pleased to receive the word that Astronaut Walter Schirra, Jr., has safely arrived on board a vessel in the Pacific after his successful mission through space. I am sure that the entire Nation and friends throughout the world rejoice at this news. Another step has been taken forward in man's exploration of space. Another pioneer has joined those who have broadened man's experience and man's knowledge.

Although this is a victory for all mankind, we in New Jersey have special reason for great personal satisfaction. Commander Walter Schirra was born in Hackensack, N.J. He grew up just a few miles away in Oradell, a pleasant suburban town only a few miles away from the George Washington Bridge. His teachers at Englewood High School remember him with affection. His instructors and professors at Newark College of Engineering have good reason to be proud of the student they turned out. We are looking forward to a great celebration in New Jersey to greet this hero; we plan to express our admiration and affection directly to the modest, capable man who orbited our globe today.

I think that today's mission once again has called the attention of the world to the hopes that we in this Nation have for peaceful exploration and ultimate conquest of space. We know that mankind can learn much if we work in the open and permit the world to understand our progress and our problems. Today's triumph is all the greater because it was done in the full glare of public attention. A democracy has once again proven that it has faith in itself and in the men who have volunteered to explore the pathways that lead to the moon and beyond.

(At this point Mr. BARLTETT assumed the chair as Presiding Officer.)

REPLY TO READER'S DIGEST ARTICLE ON URBAN RENEWAL

Mr. WILLIAMS of New Jersey. Mr. President, the Reader's Digest, in its October issue, has just reprinted an article from a publication called The Freeman sharply attacking the urban renewal program.

Mr. President, I must say that I thought the kind of thinking reflected in this article had gone out with Adam Smith. But apparently not, and therefore, I would like to take a few moments to comment on some of the irresponsible criticisms that have been made here.

Perhaps the antiquity of this "period piece" can best be illustrated by the opening paragraph:

> A new kind of socialistic innovation called urban renewal is now threatening to lull local governments and civic-minded citizens into embracing economic fallacy.

Where can the author have been for the last 13 years since the enactment of this new socialistic innovation in 1949, whose leading sponsor was, incidentally, the highly respected Republican Senator of Ohio, Mr. Robert Taft?

The charge that this program is socialistic is one of the most amusing ironies I have seen in some time. The fact is that the urban renewal program represents one of the most brilliant reconciliations between the public interest and the interests of private enterprise.

The dilemma that led to the urban renewal program was very simple. The public interest demanded an effort to eliminate the misery of our slums, the deterioration and decay of our cities. The public interest demanded that something be done to make our cities—where most of the people of our society now live—a livable, healthy, and attractive environment. Since it was manifestly impossible for profit-motivated private enterprise to do the job unaided, we were faced with the choice of letting the deterioration eat away our cities or taking public action to rebuild our cities as fit places for human habitation and enterprise.

Since the choice was clear, we could have taken the road of "socialism" by having the Federal Government replace private enterprise in the rebuilding of our cities. But we did not. Instead we chose the course of aiding private enterprise, of making it financially possible for private enterprise to do the job, and we did it basically by reducing the cost of land to the point where it would become economically feasible for private enterprise to serve the public interest and still make a reasonable profit.

Mr. President, I shall ask unanimous consent that a list of just some of the major private firms and associations participating in and endorsing the urban renewal program be included in the RECORD at the conclusion of my remarks.

Mr. President, the article, after dropping the charge of "socialism" without further explanation, then wanders off into charges that the urban renewal somehow disturbs the laws of the marketplace. The answer to that is, of course it does. That, to some extent, is what it was meant to do.

Just as the building of a federally aided highway, or a federally aided airport, or the location of a defense installation disturbs the marketplace by stimulating certain kinds of related economic activity where they are located, so will urban renewal.

This does not mean, however, that the laws of the marketplace are thereby suspended. No one is forced to live in housing in an urban renewal area if they prefer to live "farther out." No one is forced to patronize the commercial activities stimulated by urban renewal.

And most important, no one is unfairly taxed to subsidize the competition, so to speak, as the author implies when he states that "among those forced to contribute via the tax route—to bail out the skidding downtown businesses—are the very suburban merchants who are gaining first place in the consumer's heart."

Aside from the fact that the downtown businesses contribute via taxes to the building of highways that make it possible for the suburban merchant to exist, it should be apparent by now that the fate of the central city and the suburb are inseparably linked, and that anyone who attempts to fan the flames of conflict between them is doing a profound disservice to the city, the suburb and the Nation.

Among the other accusations made by the article is the charge that urban renewal is a program carried out by "political planners" at the Federal level who go about seizing private properties. To point out the obvious, the Congress, representing the people of the United States, authorized the program and established how it is administered. And it is a local program in every sense of the word. An urban renewal project is locally conceived, locally planned, and locally administered. Procedures have been carefully developed to guarantee public review of project plans and to pay fair value for properties and relocation costs of families and businesses. Properties are never seized. Obviously any program can be improved, and the author of the article would have performed a much more useful service had he suggested constructive improvements, rather than leveling unsubstantiated charges.

Finally the article calls the program wasteful of public funds, yet it has been the almost universal experience of our cities that through urban renewal they have increased their tax revenue and decreased welfare costs in the project areas.

Mr. President, I ask unanimous consent that a portion of the November-December 1961 Urban Renewal Notes, published by URA and listing examples of actual returns on urban renewal investment in various cities, be included in the RECORD at this point, together with the article from the Reader's Digest, which I have been discussing, along with the list previously referred to.

There being no objection, the list, excerpt, and the article were ordered to be printed in the RECORD, as follows:

LIST OF PRIVATE FIRMS SUPPORTING URBAN RENEWAL

Travelers Insurance Cos.
Phoneix Mutual Life Insurance Co.
Hartford National Bank.
Connecticut Bank & Trust Co.
Public Service Electric & Gas Co., Newark, N.J.
John Hancock Mutual Life Insurance Co.
Cabot, Cabot & Forbes, Boston, Mass.
Bessemer Securities Corp.
Greater Boston Chamber of Commerce.
Turner Construction Co., New York, N.Y.
Reynolds Aluminum.
Prudential Insurance Co. of America.
Mutual Benefit Life Insurance Co.
Raymoud Rebsamen, Little Rock, Ark.
Alumimum Co. of America (Alcoa) Pittsburgh, Pa.
Woodward & Lothrop Department Store, Washington, D.C.
Julius Garfinckel & Co. Department Store, Washington, D.C.
The Hecht Co. Department Store, Washington, D.C.
Portland Cement Association, Chicago, Ill.
Southern New Engand Telephone Co.
Allegheny Conference on Community Development, Pittsubrgh, Pa.
Draper & Kramer, Inc., Chicago, Ill.
James W. Rouse & Co.
Sears, Roebuck & Co.
J. C. Penney & Co.
Crown Zellerbach Corp.
National Gypsum Co.
Republic Steel Corp.
Time, Inc.
Safeway Stores, Inc.
Macy's Department Store.
Allied Stores Corp.
Sheraton Corp. of America.
Hotel Corp. of America.
Hilton Hotels, Inc.
New York Life Insurance Co.
Metropolitan Life Insurance Co.
Henry J. Kaiser Co.
General Electric Co.

Atlantic & Pacific Tea Co. (A&P.)
Holiday Inns.
Marriott Motor Hotels.

[From Urban Renewal Notes, November-December 1961]

Urban Renewal Pays Dividends

Urban renewal produces very tangible dollars-and-cents benefits to local communities. New structures in renewal areas ordinarily result in a substantial increase in tax revenues to the city. At the same time the value of properties adjacent to the former slum tends to increase as the blighting influence is removed, and investment in rehabilitation and in new buildings begins to take place.

Equally important, slums have typically required a very high level of fire, health, police, and welfare services, compared with better neighborhoods. With the elimination of slums, the cost of providing these services ordinarily goes down very sharply.

There are also less direct benefits. For example, urban renewal will enhance the economic base of the entire community as a result of construction activity, new business coming into formerly deteriorated areas, and the consequent increase in employment and payrolls.

Many reports have been received from communities containing evidence of these benefits. A few instances are:

Hartford, Conn. (1960 population 162,178): New privately financed construction generated by urban renewal in the city, principally in the Constitution Plaza project, is over $25 million. Construction has started on the $7.5 million home office building of a large insurance company; steel has begun to arrive for a $6.5 million bank structure; another bank costing $5.5 million had been started earlier; a $2.8 million broadcasting building and two parking garages totaling $3.5 million are also underway, along with over $200,000 in site improvements.

Little Rock, Ark. (1960 population 107,813): The 80-acre livestock show project area was badly blighted, but local officials felt it could respond to rehabilitation and spot clearance; 153 buildings out of 321 were retained, and new streets, playgrounds, and drainage were provided. New homes in the $9,000 to $22,000 range were built, and total private spending for new housing and rehabilitation was about $1 million. The total real estate assessment is now 6½ times the figure before work was started in 1958, even though one-fifth of the land was switched from private residential to public use.

Cambridge, Mass. (1960 population 107,716): Initial construction will begin shortly on a $20 million research and development center known as Technology Square. The center will occupy a 14-acre tract adjacent to Massachusetts Institute of Technology, formerly occupied by an industrial plant employing 1,000 people. The new facilities will ultimately employ about 3,000 people.

Norfolk, Va. (1960 population 305,872): Local authorities estimate that this city's three redevelopment projects will mean millions of extra dollars for wages, building materials, utilities, and professional services. Norfolk's economy is getting a long-term lift from private, Federal, State, and municipal expenditures that will total more than $182 million. Private investment includes new stores, office buildings, industrial plants, apartment houses, a new hotel, and other structures; public expenditures include a civic center and public housing. The private and public investment is as follows:

Federal grants	$25,962,575
Local share	12,324,747
Public projects	71,715,000
Housing	25,000,000
Private investment	47,620,000

Before redevelopment, the 165-acre downtown project had 947 buildings; only 14 of these had been erected after 1925 and 85 percent were blighted. Two-thirds of the residential structures violated the building code; the tuberculosis rate was 6 times the citywide average; police calls were 5 times more frequent; venereal disease was more than 20 times as common. If taxes had been paid on every property—and they rarely were—revenue would have been $165,650 a year. Taxes from the privately owned buildings in the redeveloped area are expected to be $375,000 annually. Norfolk's urban renewal activity has had another unexpected and pleasant effect. Urban renewal has slashed fire losses by eliminating thousands of potential conflagration hazards. Fire insurance rates have come down, saving the city's property owners at least a half million dollars.

The largest bond issue ever offered in the South—and one of the ten largest of its types in the country—was sold recently by the Chesapeake Bay Bridge and Ferry Commission. This was a $200 million issue to finance the construction of a new bridge and tunnel complex across Chesapeake Bay from Norfolk to the eastern shore of Virginia. Underwriters placed great emphasis on the urban renewal activity underway in Norfolk in advertising the bonds to the investing public.

Calexico, Calif. (1960 population 7,992): In June this city became the first in the State to officially complete an urban renewal project. The 21-acre project area contained 68 dwellings, 65 too deteriorated that they needed to be demolished. Now 72 new privately built single-family residences and 10 duplexes have been erected. Before the project was undertaken, the project area paid $4,400 in taxes to the city, county, and school district. At the present time the same area is contributing approximately $16,400 in taxes.

Philadelphia, Pa. (1960 population 2,002,512): Since the old Broad Street Station and its "Chinese wall" were demolished in 1952 $150 million has been invested in the city's central area, including the Penn Center development, which has been widely acclaimed for its striking architecture and which was accomplished without Federal participation. The city has benefited financially as well as esthetically. The tax yield from this area is now $1.5 million annually compared with $400,000 before the improvements began.

Nashville, Tenn. (1960 population 162,178): Nashville's Capitol Hill project has received national attention for what it has done to the appearance of the city and the approaches to the State Capitol. The 36.7-acre project area yielded $47,188 annually to the city and county before redevelopment. Even with 8.2 acres now tax-exempt, and 16.1 still unsold, the tax return will be $236,487. After all the land in the project has been sold, the estimated yield will be $455,000, if no additional land is sold for tax-exempt purposes. Another interesting byproduct is reported by Nashville. Thirty-five businesses were displaced from the project area and have relocated in other parts of the city. Some have built modern buildings to replace their previous antiquated and deteriorated structures. The total assessed valuation of the new quarters occupied by the displaced business is $1 million higher than before displacement.

East Orange, N.J. (1960 population 77,259): The local cost of the downtown project will be $966,000. The increased tax reveune will be nearly $200,000 more than is presently received. Within 5 or 6 years the city's investment will be amortized.

Fargo, N. Dak. (1960 population 46,662): In the 28-acre Fourth Street project, new construction will total $6.9 million including four new privately financed buildings, a public library, and a city hall and auditorium building.

Birmingham, Ala. (1960 population 340,887): The 59-acre medical center project area was declared to be one of the this city's worst slums before clearance. Within the area is a new complex of medical and related buildings, with construction of $8,355,918 already partially or fully completed. On the drawing boards are an additional $6 million of structures. The University of Alabama, the sponsor of the medical center development, has received over $1 million in gifts from individuals and local foundations without solicitations.

Erie, Pa. (1960 population 138,440): Ninety percent of the 26 disposable acres in the Peach-Sassafras urban renewal project area have been sold. On this tract, formerly occupied by 431 dwellings—383 of them substandard—7 new privately financed buildings are underway; 2 wholesale fruit and produce structures totaling $400,000; a restaurant and motel, representing a $1.5 million investment; and a shopping center, costing $2.25 million. Two proposed developments on the remaining land are soon to start—a $1 million structure containing bowling lanes and related facilities.

Buffalo, N.Y. (1960 population 532,759): A brochure entitled "Waterfront—Buffalo's Opportunity," has recently been issued by the Greater Buffalo Development Foundation. It calls Buffalo's downtown waterfront today, for the most part, a wasted asset and a neglected strip of land at the western fringe of the city's business center—a remnant of a historic era that was dominated by the Erie Canal. Says the report, "These vacant lands, outmoded docking facilities, and deteriorating buildings have become a public eyesore and an economic waste. At the same time, this strip of land at the city's doorstep presents the greatest opportunity for regeneration that Buffalo has ever known. Here is a jewel waiting to be cut and polished and set in the crown of a reviving metropolis. Here the people of Buffalo can create the basis of a new and more prosperous downtown, a symbol of renewed pride in our city, a legacy for coming generations whose future depends upon the kind of city we transmit to them."

The waterfront area is to become part of the waterfront-crossroads renewal project, which will have a variety of high-type land uses. New private construction is estimated to be between $150 and $200 million. The increase in property values is expected to bring the city $2 million in new taxes annually. The new apartment towers and town houses will provide living quarters for approximately 15,000 persons in a lakefront setting of natural beauty. New commercial and public uses will be developed along the downtown fringe, where a new $5 million State Office Building will be built. Other apartments, a marina, an amphitheater, and recreational facilities are planned.

This is what Buffalo's waterfront—tarnished by obsolescence and decay—will become, regenerating the city's whole downtown.

The Fallacy of Urban Renewal

(By John C. Sparks)

A new kind of socialistic innovation called "urban renewal" is now threatening to lull local governments and civic-minded citizens into embracing economic fallacy.

Urban renewal is the redesign and rebuilding of a city or a section of a city by its planners, aided with ideas and finances from Washington. It is not necessarily slum clearance, although parts of the planning program may include removal of some "blighted" residential areas. The Federal laws on urban renewal, enable a city government to seize, via the right of eminent domain, private homes and business properties for the purpose of fulfilling the public good as determined by the political planners. In general, the condition of the property does not determine whether or not it can be razed. Perfectly good buildings may be condemned and removed if the property does not fit into the scheme of the planners.

After the land is cleared, it is sold to private developers or public agencies who agree to use it according to the specifications of the master plan. The Federal Government picks up from two-thirds to three-fourths of the difference between the cost of buying and clearing the properties and the receipts from their sale; the local community pays the balance. This expense represents the bulk of the wasteful cost of the Federal urban renewal program.[1]

Like other Federal grants-in-aid schemes, this one undermines self-reliance, encourages financial bankruptcy, opens communities to Federal control, and accomplishes these undesirable results through bribery of the citizen with his own money. The Federal urban-renewal device has a further claim to infamy: its supporters ignore completely the natural law of economics—the selectivity of the marketplace.

Each person selects certain things in preference to other things—including where to live, where to work, where to attend church, where to shop. At one time most families chose to live in the city if the breadwinner worked there. In recent years, however, city dwellers have been rapidly emigrating to the suburbs and countryside.

This choice to live outside the city has many economic effects on the lives and businesses of those left behind in the city. Downtown stores are no longer visited by as many customers, now that attractive modern shopping centers with free parking are easily accessible to the suburbanite. Consumers are coldly logical in their selection of where to shop, and the entrepreneur who meets their wants wins the day.

This does not mean that the downtown merchant must surrender without a struggle. He may adjust to the new demands made by the public. But when he supports the planners' attempts to bring back a downtown commercial area by artificial aid rather than natural selection, the results may prove quite costly.

Those who seek Federal urban-renewal aid undoubtedly recognize that voluntary private investment in an uneconomic situation will not be readily forthcoming. They are willing, however, to take advantage of improper, but legal, means to force taxpayers to bail out the skidding downtown businesses. And among those forced to contribute via the tax route are the very suburban merchants who are gaining first place in the consumer's heart. Furthermore, the consumer himself, having elected to patronize the suburban merchant, must also contribute via taxes to help subsidize the downtown merchant.

It is tempting to downtown owners to proclaim noble objectives to justify their request for Federal aid. They wish to preserve the so-called core of the city. They hope to increase tax values of the main business section and surrounding area as promised by the planners. Little or no mention is made of the fact that the chief objective in the minds of the downtown owners and merchants is a subsidy by funds taken from others.

When buggy whips were on the decline as the automobile industry began to grow, the innovation of pearl handles on buggy whips (even if subsidized by government) would have done nothing to rescue the industry from the choices being registered in the marketplace. Neither will subsidized rejuvenation of downtown commercial and business property change the choice of the consumer. Nor will apartments, townhouses and other residential buildings constructed on land formerly occupied by slums or dilapidated apartments change the minds of those who prefer to live "farther out." Experience has already shown that many of the investors in new apartments erected on urban-renewal land regret the day they ignored the decision of the marketplace.

In a series of articles for the Cleveland Plain Dealer, Eugene Segal reported on residential apartments built there in 1957 and since under the Federal urban renewal program: "The occupancy rate is too low for the projects to pay their own way. Most of them are delinquent in mortgage or tax payments. The owners are losing money. The projects have nothing that will persuade investors to build more."

If wrong decisions are made by investors with their own funds and property, no general harm is done. But when civil leaders and city officials combine to encourage waste of the funds of others through the Federal urban renewal program, harm is heaped upon all, including the subsidized merchants and the real-estate developers.

"The market," says Ludwig von Mises in Human Action, "makes people rich or poor, determines who shall run the big plants and who shall scrub the floors, fixes how many people shall work in the copper mines and how many in the symphony orchestras. None of these decisions are made once and for all; they are revocable every day." Communities that ignore the verdict of the free marketplace, and attempt to repeal the individual decisions and judgment of consumers and investors, are bound to reap ill results. No benefits will derive from embracing the fallacy of political urban renewal.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 12580) making appropriations for the Departments of State, Justice, and Commerce, the Judiciary, and related agencies for the fiscal year ending June 30, 1963, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. ROONEY, Mr. SIKES, Mr. CANNON, Mr. BOW, and Mr. TABER were appointed managers on the part of the House at the conference.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7283) to amend the War Claims Act of 1948, as amended, to provide compensation for certain World War II losses.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution:

H.R. 1616. An act for relief of Rickert and Laan, Inc.;

H.R. 4094. An act to amend the act of July 15, 1955, relating to the conservation of anthracite coal resources;

H.R. 8113. An act to amend the act of August 9, 1955, for the purpose of including the Southern Ute Indian Reservation among reservations excepted from the 25-year lease limitation;

H.R. 8983. An act to authorize the Secretary of the Interior to participate in financing the construction of a bridge at Cape Hatteras National Seashore, in the State of North Carolina, and for other purposes;

H.R. 9747. An act to amend section 514 (1) of the Soldiers' and Sailors' Civil Relief Act of 1940, as amended;

H.R. 10613. An act to eliminate the requirements for certain detailed estimates in the annual budgets;

H.R. 10652. An act to amend the Administrative Expenses Act of 1946 to provide a more reasonable allowance for transportation of house trailers or mobile dwellings by certain governmental officers and employees upon their transfer from one official station to another;

H.R. 11049. An act to amend the Mineral Leasing Act of February 25, 1920;

H.R. 11378. An act to amend the Federal Property and Administrative Services Act of 1949 so as to permit donations of surplus personal property to schools for the mentally retarded, schools for the physically handicapped, radio and television stations licensed by the Federal Communications Commission as educational radio or educational television stations, and public libraries;

H.R. 11543. An act to authorize the Secretary of the Interior to convey certain lands adjacent to the Suitland Parkway in Prince Georges County, Md., to Suitland Lodge No. 1856, Loyal Order of Moose;

H.R. 11551. An act to authorize the Secretary of the Interior to convey certain lands in the State of Maryland to the Holy Cross Lutheran Church, Greenbelt, Md., and for other purposes;

H.R. 11590. An act to provide for the disposition of judgment funds of the Cherokee Nation or Tribe of Indians of Oklahoma;

H.R. 11793. An act to provide criminal penalties for trafficking phonograph records bearing forged or counterfeit labels;

H.R. 12164. An act to provide for the establishment of the Fort Saint Marks National Historic Site;

H.R. 12688. An act to authorize the Secretary of Agriculture to encourage and assist the several States in carrying on a program of forestry research, and for other purposes;

H.R. 13044. An act to amend the Home Owners' Loan Act of 1933 and the Federal Home Loan Bank Act; and

H.J. Res. 659. Joint resolution granting consent of the Congress to a compact entered into between the State of Maryland and the Commonwealth of Virginia for the creation of the Potomac River Compact of 1958.

BORROWING AUTHORITY OF THE DISTRICT OF COLUMBIA

The Senate resumed the consideration of the bill (S. 3313) to authorize an increase in the borrowing authority for the general fund of the District of Columbia.

Mr. HUMPHREY. Mr. President, so that the Senators may be advised, is the pending question the bill relating to the general fund of the District of Columbia?

The PRESIDING OFFICER. The pending bill is S. 3313, to authorize an increase in the borrowing authority for the general fund of the District of Columbia.

Mr. HUMPHREY. I believe the Senator from Oregon has an amendment to offer.

Mr. MORSE. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

---

[1] In New Haven, Conn., the proposed renewal program will ultimately cost $150 million, with the State and local governments contributing their share of $23,100,000.

The **Legislative Clerk.** It is proposed to strike out all after the enacting clause and insert in lieu thereof the following:

That subsection (b) of the first section of the Act entitled "An Act to authorize the Commissioners of the District of Columbia to borrow funds for capital improvement programs and to amend provisions of law relating to Federal Government participation in meeting costs of maintaining the Nation's Capital City", approved June 6, 1958 (72 Stat. 183), is amended by striking out "$75,000,000" and inserting in lieu thereof the following: "$230,000,000, of which $120,000,000 shall be available for educational purposes only".

Sec. 2. Subsections (d), (e), and (f) of the first section of the Act of June 6, 1958, are amended to read as follows:

"(d) Loans made under this section (other than loans made for educational purposes) during any six-month period (beginning with the six-month period ending December 31, 1958) shall be at a rate of interest determined by the Secretary of the Treasury as of the beginning of such period which, in his judgment, would reflect the cost of money to the Treasury for borrowings at a maturity approximately equal to one-half of the period of time the loan is outstanding. Loans made under this section for educational purposes shall be made without interest.

"(e) Any loan advanced pursuant to this section shall be repaid to the Secretary of the Treasury in substantially equal payments, including interest (in those cases where interest is charged), within a period of thirty years beginning on July 1 of the second fiscal year following the date on which each such advance is credited to the general fund.

"(f) No loans shall be advanced pursuant to this section after June 30, 1972."

The **PRESIDING OFFICER.** The question is on agreeing to the amendment of the Senator from Oregon.

Mr. MORSE. Mr. President, the Senator from Massachusetts [Mr. Smith], in charge of the bill, wishes to make an explanatory statement with regard to the bill. I yield to him now. When he concludes, I shall explain my amendment, which has been read.

Mr. SMITH of Massachusetts. Mr. President, the enactment of S. 3313 would authorize the District of Columbia to increase the limit of borrowing for the general fund from $75 to $150 million, the purpose of which is to finance very much-needed capital construction projects.

In order to provide adequate public services in the District of Columbia, many school and institutional projects, Police and Fire Department facilities, estimated to cost $142 million, are urgently needed. Obviously a program of this magnitude cannot be met within the time required from increased general revenue sources and increased Federal payment. Therefore, the additional loan authority as provided in this bill must be obtained to provide a large portion of the financing required. The additional $75 million borrowing authority would be included as a part of the $142 million.

The amount of these requirements is determined by very careful public works planning by which the needs of the city are systematically analyzed. The Commissioners each year review the proposed public works and revise the plan to reflect the most essential requirements for the next 6 years. If these critically needed facilities are to be provided, it is necessary that the borrowing authority for the District of Columbia be increased by $75 million.

The present loan authorization, and incidentally the first for the general fund, was established by the act of June 6, 1958 (Public Law 85-451). With this initial loan authority of $75 million, plus general revenues, much progress has been made in meeting a great many essential capital projects on a year-to-year basis.

Of prime concern to the Commissioners for the District of Columbia in capital outlay projects is the continuing need for more elementary and junior high school capacities occasioned by constantly increasing enrollments.

Significant accomplishments have been made in constructing new school facilities since fiscal year 1959. It should be noted that a total of 13 elementary schools and junior high schools in the District have been authorized for construction. Also, authorization has been granted for additions to 22 other District schools. When these authorized construction projects are completed, there will be increased capacity in the District schools for 18,295 pupils.

The Commissioners' continuing public works plan—1964 to 1968—in large part to be financed through the $75 million borrowing authority requested in this bill, will include three new elementary schools, two replacement elementary schools, and seven additions to elementary schools. In connection with junior high schools, the plan proposes three new schools, two replacements, and two additions to junior high schools. These projects will increase the capacities in elementary schools by 8,692 and by 4,316 in the junior high schools.

Other essential projects in the projected $142 million plan for the 1964–68 time period includes three branch libraries, one police precinct replacement, one new firehouse and one replacement, two new recreation centers, one new health center in the Northeast, heating plant replacement at the workhouse, two additional dormitories at the reformatory, three new cottages at Junior Village—replacement—new heating plant at Junior Village, continuation of the street lighting program, continuation of the stormwater-sewer construction program, and construction of the West Administration Building.

The cost of this continuing program through fiscal year 1968 approximates $142 million. The Commissioners of the District of Columbia have informed the committee that the increased general revenues anticipated as a result of the enactment of Public Law 87-408, which raised the sales tax and other taxes in the District of Columbia, will amount to $11.9 million in 1964. However, this increase in revenues will be applied to the general fund, and henceforth it will be necessary to utilize all of it to offset operating costs. None of it will be available to finance capital outlay projects. The Commissioners maintain that efforts to keep pace with the continuing public works needs of the Nation's Capital will be seriously, if not wholly curtailed unless additional resources are found. The additional loan authorization proposed herein, together with an increased Federal payment, and increased general revenues must provide these resources.

None of the $75 million loan authority that is requested will be used for construction of highways and water and sanitary sewage facilities, as these particular projects are financed through other funds.

Mr. President, I have tried to stress the importance and vital need for this legislation, and I would respectfully hope and urge that my colleagues join with me in passing this bill.

The **PRESIDING OFFICER.** The question is on agreeing to the amendment of the Senator from Oregon.

Mr. MORSE. Mr. President, my amendment proposes to increase the borrowing authority for the District of Columbia by $155 million. The District Commissioners have requested an additional $75 million. My amendment would provide that $120 million of the $155 million increase in borrowing authority shall be available for school purposes only, and that the $120 million borrowed from the U.S. Treasury for school purposes be interest free.

I wish to make in the next few minutes the following case in support of my amendment.

Mr. President, any community that is conscious of its own needs and of its responsibilities to its children must provide its children with an environment conducive to the development of sound physical and mental health and a sense of social well-being. The District of Columbia does not have such an atmosphere and the people of the District are paying a high price for this condition.

We cannot expect to herd people into noisome, crowded slums or even into segregated middle-class areas, which become prisons from which the occupants cannot escape, regardless of their wishes or their economic resources. We cannot force them to endure poverty by refusing to allow them to hold positions that pay well, regardless of their mental endowments and other qualifications. We cannot interpose, between admittedly hungry children and relief, stringent conditions that have nothing to do with need. We cannot adopt, as a primary standard of measurement in appropriating funds, the element of cost to taxpayers with only incidental concern for the conditions requiring alleviation. We cannot provide second-class education in obsolete and obsolescent buildings, occupied beyond their limits in both space and facilities; in classes so large that the teacher becomes a custodian; on part-time schedules of instruction; with insufficient special education services to remove from regular classes children who are either educationally or culturally retarded; and with little opportunity to give adequate attention to any of the special needs of the culturally different central-city child such as language difficulties, malnutrition, illness, emotional insecurity, economic want, or domestic disturbances; and still expect to produce first-class law-abiding citizens. We cannot under such circumstances, be surprised when we encounter rebelliousness expressed in violent ways.

Members of Congress criticize the high rate of violence in the District of Columbia but more often than not vote against legislative measures which would help alleviate many of the underlying festering problems causing crime.

One of the basic elements of any community, including the District of Columbia, is its school system. Citizens must be made to realize that a concern for their own best interests and a sense of their responsibility to their children requires that every child be provided with full-time instruction in adequate schools; in classes capable of being properly taught by qualified teachers; and furnished with supplementary services that, in this day and age, are considered essential to a sound education, to the end that each may achieve this maximum potential as a productive citizen and contribute to the strength, security, and capacity for leadership which must be the destiny of this Nation.

The District of Columbia Board of Education, Dr. Carl Hansen, Superintendent of Schools, and other school authorities in the District of Columbia are aware of the need to achieve this objective. However, they have not been able to even approach this objective. In fact, in some instances, they have had difficulty in even making a beginning toward the accomplishment of this task.

As a member of the Senate District of Columbia Committee and the chairman of the Subcommittee on Education of the Senate Labor and Public Welfare Committee, I become pretty sick and tired of Members of Congress, the District Commissioners, the District Budget Office, the District of Columbia General Administration Office, and others, talking to me only about the dollars and cents involved in establishing a sound public school system in the District of Columbia. I say this because these so-called economizers on education are false economizers. They are doing a great disservice to present and future generations of District of Columbia boys and girls and through them to this city and this Republic.

I have never known of Dr. Hansen and other school authorities in the District of Columbia to propose a program of frills or waste. They have proposed a sound program for schoolchildren in the District of Columbia that will prevent the wasting of brainpower, which means wasting of dollars and cents, as well as the wasting of a lot of cultural and human values.

In my discussion this afternoon I intend to identify some of the crippling inadequacies in plant and personal services in the District of Columbia public schools and the no less than desperate budgetary requests aimed at a program of correction, earnestly offered by school authorities year after year for the consideration of the District Commissioners and the Congress.

Even a casual survey of the rudimentary facts about the public schools of the District of Columbia during the school year just completed shows how far they fall short of the prerequisites I just enumerated. It is a shocking fact that we are in a very serious school crisis in the District of Columbia, the Nation's Capital.

Mr. President, there were 1,969 pupils on part-time instruction in the elementary schools this past school year. There were 797 children excluded from kindergarten classes whose names were placed on the waiting lists of 36 schools for lack of teachers. There is no way of knowing how many children were turned down when they were offered for registration without being enrolled on waiting lists or how many were not presented because available space was already exhausted. It is not known to what extent children, otherwise eligible for admission to kindergarten, are not applicants for enrollment because their parents fail to understand the importance of kindergarten experience in the subsequent education of their children.

During the past school year there were 4,918 children in 18 elementary school buildings that, in 1948 to 1949, were judged to be so unsatisfactory that they were recommended for replacement, but have still continued in use without any appreciable change.

Note this date, Mr. President—1948 to 1949. That was 14 years ago—14 years ago these 18 elementary school buildings in the District of Columbia, now housing 4,918 little boys and girls, were declared unsatisfactory. Congress has sat on its haunches, to use the politest term I can think of, and has done little to seek to protect the vital interests of the youth of the District of Columbia. Nevertheless, politicians stand on the floor of Congress and attack the District of Columbia because of its shocking crime rate. What do they expect? Congress deserves just what it is getting out of the social problems it permits to continue to exist in the District of Columbia. I propose in the speech this evening to place the responsibility on the shoulders of the District of Columbia government and the Congress.

I am not one who is going to cover up or alibi for the dereliction of its duty by Congress. I am not going to cover up and alibi for the dereliction of the public and civic responsibilities on the part of certain selfish economic interests in the District of Columbia who are perfectly willing, in the name of false economy, to let this shocking school condition continue to exist.

We hear a great deal from a great many politicians about what we ought to do for the schoolchildren of America. I say, "Pay no attention to whatever any politician says unless he squares what he says with his votes in Congress."

Politicians in Congress cannot square their votes on the District of Columbia's needs with all their professions about what ought to be done to help solve the crime and other problems in the District of Columbia. In my judgment we are not going to solve our problems on any permanent basis until we do something about improving education in the schools of the District of Columbia, until we do something about providing personnel and facilities needed to meet the great social problems that confront us.

Let us be frank about it. The population of the District of Columbia is more than half Negro. It is a Negro population that is discriminated against to a shocking degree in regard to its economic rights. It is out of such suppression that crime springs. It is in such failure to provide adequate educational services for the District of Columbia that crime is nurtured.

Until Congress is willing to appropriate the funds, or at least enact legislation for the borrowing of funds to meet this critical educational need in the Disrtict of Columbia, we will not to any great degree check the problems that disturb many of us in the District of Columbia.

Mr. President, not only are 4,918 children attending 18 elementary schools that were declared unsafe as far back as 1948–49, but there were also 19,103 more children in 33 structures that were recommended for major improvements in 1948 to 1949, which have not had any substantial attention in the intervening years. What this means is that 28.8 percent of all the elementary school pupils in the District of Columbia school system were in substandard buildings.

I ask unanimous consent to insert at this point in my remarks a table showing the comparative ages of school buildings in the District.

There being no objection, the table was ordered to be printed in the Record, as follows:

Comparative ages of school buildings[1]

Less than 10 years old, 1953–62	26
10 to 19 years old, 1943–52	26
20 to 29 years old, 1933–42	18
30 to 39 years old, 1923–32	38
40 to 49 years old, 1913–22	8
50 to 59 years old, 1903–12	27
60 to 69 years old, 1893–1902	23
70 to 79 years old, 1883–92	27
80 to 89 years old, 1873–82	[2] 2
90 to 99 years old, 1863–72	[3] 4

[1] The term "school buildings" means separate structures.

[2] Peabody Elementary School, 1879.
Grant Elementary School, 1882.

[3] Stevens Elementary School, 1868.
Franklin Administration Building, 1869.
Seaton Elementary School, 1871.
Sumner Elementary School, 1871.

Mr. MORSE. Mr. President, the table shows that four of these buildings were built in the period from 1863 to 1872. They are 90 to 99 years old. Some or all of them are potential firetraps. It is only because of the grace and mercy of God that there has not been a catastrophe in one of the elementary schools in the District of Columbia.

Senators know that several years ago I warned the Senate on this subject, following an investigation that my subcommittee of the District of Columbia Committee conducted in regard to some of the sordid conditions in the District, including a condition in which we found many scores of little boys and girls living out of garbage cans, their sole source of food being what they got in the filthy alleys of the District by scavenging food.

In the course of that investigation, my subcommittee pointed out that the Hines School was such a serious potential firetrap that it ought to be closed immediately. We did not succeed in having it closed. The record shows that a brief time thereafter, a fire broke out in the Hines School. If it had not been for the teachers and the wonderful discipline that had been developed in fire drills, that fire might have turned into a horrible human catastrophe. The damage was partially repaired. The building should have been torn down, but the Hines School continues to exist and is still a firetrap.

I shall have something to say about alternatives with regard to saving money in respect to other District of Columbia expenditures that can be postponed, including many items in the committee's report for which it is proposed to spend $75 million. It is much more important that there be a postponement of the expenditure for those items than to postpone the expenditure for the educational facilities in support of which I raise my voice and plead this evening.

There were 60,575 pupils last year in 77 elementary school buildings that were occupied in excess of their designated capacities—16,799 in 19 plants that were overpopulated by at least 25 percent.

How in the world can we expect teaching to be done in a school which has at least 25 percent overpopulation from the standpoint of its physical capacity? That is why I said earlier in this speech that many of our teachers are not acting as teachers, but as custodians. In a very real sense the school buildings are becoming merely places for extended care during school hours, but not for educational purposes. Shall we provide facilities where children can be taught, or shall we merely keep the children in custody during the years of compulsory education, and then turn them out uneducated, with serious behavior problems, and then listen to politicians rise on the floors of both Houses of Congress and deplore juvenile delinquency in the District of Columbia? Such speeches, for the most part, must be characterized as pure hypocrisy, unless they are delivered by men and women in Congress who voted in support of what they say.

The statistics I have just cited show that 72.5 percent of all elementary school children in the public school system were in structures that were overpopulated to some degree—20.1 percent of them by 25 percent or more.

I am informed that last year there were 47,121 pupils in classes, grades 1 through 6, that exceeded the Board of Education standard of 30 pupils per teacher. Thus, it is easy to see that 70 percent of all pupils in grades 1 through 6 were in classes of more than 30.

On the elementary school level, of 2,545 teachers assigned to classes in specific schools last year, 928 or 36.5 percent were of temporary status. One reason for this inordinately high percentage is the existing salary schedule which makes it impossible for the public school system to compete with suburban systems or the Federal Civil Service for prospective teachers. Another reason why it is difficult to get teachers in the District of Columbia is poor teaching facilities and poor teaching aids. If we are to attract good teachers into the District they must be given more adequate salaries, better teaching facilities, and the necessary tools with which to teach.

Mr. President, it is commonly accepted, I believe, in large cities such as Washington having a considerable number of educationally, culturally, and mentally retarded pupils, that counselors are necessary at all school levels. It is generally recognized and regarded that the sooner these defects are identified, and nutritional, health, and psychological problems are discovered and dealt with, the better the chance of developing the child into a normal, productive citizen. To accomplish this end, it is generally considered desirable that counselors, qualified to recognize the factors that impede a child's educational capacity, be assigned to elementary schools. I am sure that the Senate will be surprised to learn that there were, during the 1961–62 school year, only eight counselors in all of the District elementary schools. In my judgment, there should be a minimum of 125 in the elementary schools, and probably a strong case could be made for more.

A great school superintendent in the District of Columbia is pleading for this kind of assistance, but he is met with parsimony on the part of Congress and the District Commissioners. The argument is that we cannot indulge in that kind of investment. My answer is that we cannot afford not to do so. Yet a people who have no self-governing rights, who are denied first-class citizenship, are at the mercy of Congress, which owes them no political obligation. We really cannot be considered to be their political representatives, so they get inaction, postponement, and a sweeping under-the-rug attitude toward many of their problems.

Just as in the case of counselors, professional opinion generally considers that a library is an essential unit of an elementary school without which it is difficult, if not impossible, to fully develop reading habits, vocabulary and effective understanding. There are no librarians in the District of Columbia elementary schools paid from funds appropriated by Congress. In the District of Columbia, experts advise me that there should be at least 1 librarian for each administrative unit of 500 or more pupils. Thus, by using simple arithmetic, 45 librarians were needed during the 1962 fiscal year. The District of Columbia Board of Education asked Congress for two librarians for fiscal year 1963, but the item was deleted by the House of Representatives. I am pleased to learn that the Senate Appropriations Committee provided the money deleted by the House to pay for two librarians.

The committee report states that three branch libraries will be built, if the committee recommendations are adopted. I should like to have those three branch libraries provided. But libraries in the school system are much more important. Adults can go to other libraries. Adults have at least been taught to read, and an interest in books has been aroused in them. But we are dealing with little boys and girls. It is important that we instill in them a love for books. When they are attending a school in which there is not even a library, to say nothing of a librarian, we ought to be ashamed of ourselves, for that is not the way to build an enlightened America.

Worthy as the three branch libraries are, I should much prefer that the money be spent first to build and develop libraries in the school system, for, after all, adults in the District of Columbia can move around and can reach the existing libraries; but all of us know that little children in the elementary schools will not do that.

So I stress the importance of the library program as an essential part of the District of Columbia educational program. When I plead for $120 million for educational purposes, by way of loaning authority, I am thinking in part about the library needs of the District of Columbia schools.

Mr. President, the attention of the Senate should also be called to the fact that there are no assistant principals in the elementary schools, no matter how many children are enrolled in such schools. School experts consider it necessary to have an assistant principal in any elementary school administrative unit of 1,000 or more pupils. At that rate, 18 assistant principals should have been assigned to elementary schools in the District of Columbia system during the 1961–62 school year. I am informed that the Board of Education did not request any assistance in this area. I think it is unfortunate that it did not make such a request. My guess is that after having had its requests on some of its other proposals turned down so many times, the Board was reluctant to venture a request in this area. Yet, Mr. President, this program exists in the outstanding school programs in this country, in cities comparable in size to Washington, D.C. If it is proper there, what is wrong with providing it in the Nation's Capital?

Just as in the case of assistant principals, with respect to administrative work, the burden of clerical work in a school with over 1,000 pupils is too much for a single clerk. Because of the serious school budget situation, I am informed that the current practice has had to be to assign one clerk to each elementary school principal. In my judgment, Mr. President, a request for 18 or 20 additional clerks would be an extremely modest one. The Board of Education has repeatedly sought funds for additional clerical help, but without success.

In the junior high schools, 22,926 pupils were taught by 860 teachers, although they needed a minimum 952 teachers, according to the Board of Education standard for adequate instruction. This shortage of 92 teachers was entirely in the academic subjects, where the classes in science ranged from an average of 31.5 pupils, in one school, to an average of 40.5 pupils, in another. Throughout the public schools the classes are large. In the last school year, in mathematics, averages ranged from 31.3 to 39.9 pupils; in English, from 30.8 to 37.7; in the social studies, from 33.1 to 37.1 and in the foreign languages, from 25.1 to 40.4 pupils.

In the senior high schools, with an enrollment of 12,905, there were 520 teachers, instead of the 535 which the school authorities contended they needed. As in the junior high schools, the academic shortage was reflected in the range of the average class sizes, by schools. In science classes, the averages ranged from 26.3 to 34.8 pupils; in mathematics, 24.4 to 34.5; in English, 24.5 to 31.6; in social studies, 29.1 to 32.6; and in languages, 25.7 to 32.9.

The oversize classes at both junior and senior high school levels make it almost certain that not all pupils wishing to take a specific subject can be served, because of the lack of class accommodation. A class of 25 average and above average learners is considered by professional standards to be the maximum size for efficient teaching and effective learning.

Of vital importance to the motivation of a youth and to the selection and provision of an educational career suited to his interests and aptitudes, is the provision of adequate guidance service. In terms of well-established minimum ratios, the counseling service provided in the secondary schools is strikingly inadequate. This must relate to his full development as an informed and productive citizen actively promoting the health of the community and the Nation, through his share of contributions to community well-being and the gross national product.

As we all know, Mr. President, one of the basic obstacles to learning on the part of students is a reading handicap. During the 1960–61 school year, a report on special education and related services indicated a need for 37 remedial reading specialists. I was shocked to learn recently that during the 1961–62 school year, there was a waiting list, in the reading clinic, of 293 children who were not reached; and principals stopped referring children, since it was obvious that they could not be given any attention. This is a very shocking situation to be permitted to continue to exist in any school system.

Speech correction problems also require much more attention than they have received so far. I am informed that during the school year recently completed, 4,505 children were serviced, of whom 1,444 were corrected. At the end of the school year, there were 3,635 children on the so-called waiting list. These children would have required the services of at least 70 speech therapists. There were only 30.

I am advised that local school authorities have particularly acute difficulties in respect to teaching positions. In the 1963 budget estimates approved by the Board of Education in July, 1961, the Superintendent of Schools requested 159 teachers for regular grades 1 through 6, kindergarten, basic and social adjustment and sight-conservation classes.

These were considered necessary in order to meet the estimated increase in enrollment during fiscal year 1963, to bring the pupil-teacher ratio in regular classes down to the Board of Education standard of 30 to 1, and to allow children needing such instruction to be assigned to special education classes. For the junior high schools, 141 positions were sought; and for the senior high schools, salaries were requested for 24 teachers. The District Commissioners reduced the requests to 135 elementary school teachers, approved 141 junior high school teachers, and reduced to 21 the number of senior high school teachers. The House of Representatives reduced these further to 90 in the elementary schools, 89 in the junior high schools, and 14 in the senior high schools. The Senate Appropriations Committee was requested by school officials to restore 95 of the 104 positions deleted by the House of Representatives. I am informed that the Senate Appropriations Committee provided enough money to hire 41 additional teachers. This is a modest step in the right direction.

In the field of capital outlay, the Board of Education requested authorizations for construction totaling $18,388,110. The District Commissioners approved expenditures of $7,951,000 for this activity. The House of Representatives allowed the items approved by the District Commissioners and added some funds for the Hine Junior High School replacement. Anyone who has ever inspected the Hine Junior High School knows what a potential firetrap it is, as I have already pointed out earlier in this speech. District of Columbia authorities have perennially been plagued with space shortages. Backlogs that developed during the depression of the 1930's were augmented by the shortages of critical materials during World War II and the Korean conflict. The pay-as-you-go policy imposed upon the District of Columbia aggravated the situation. Now school authorities and the Board of Education are faced with the herculean task of trying to catch up with these deficiencies and to cope with the needs of a school population that has been growing steadily for 13 years.

So, merely meeting the new demands of a rapidly growing school population—which probably will continue its current upward trend well into the decade of the 1970's—will not solve all the problems of the District of Columbia public schools. During the 1948–49 school year, the Strayer survey discovered that a very considerable number of buildings required major improvements, and that others were so far below any reasonable standards, that the only economical remedy was replacement. In 1970–71, if the school authorities were allowed to borrow $120 million, as my amendment would permit them to do, to give effect to their present building plans, there will still be in use—22 years after the Strayer survey recommendations—25 buildings proposed for major improvements and 15 specified for replacement that have not undergone any major change, unless it be further deterioration.

From the following, it is perfectly clear that my amendment of $120 million earmarked for school purposes is a very modest one and should have the support of the District Commissioners. Even my amendment would not meet the Board of Education's school housing needs projected to 1970–71.

In 1961–62, the senior high schools housed 14,584 pupils and had surplus space for 2,500. If the loan I am seeking is secured and a new senior high school constructed, it is estimated that by 1970–71 the school system will have a space shortage of 1,000. The following year, despite completion of two additions the space deficit will rise to approximately 1,500. At the junior high school level, the school population in 1961–62 was 26,715—5,206 more than the total capacity available. By 1970–71, 10 new schools, 5 additions, 2 replacements, and a conversion are expected to reduce the enrollment that exceeds capacity by about one-half. However, there will still remain a need for more than 2,500 additional pupil facilities.

In the elementary schools, the population pressure will be more severe. In 1961 to 1962, there were 6,058 more pupils than proper quarters. In 1970 to 1971, if the plan for 17 new structures, the replacement of 8 plants, the construction of 16 additions, and the conversion of 1 vocational high school—with a combined capacity of 26,600—is consummated in its entirety—and at this point I would like to point out to the Senate that this phenomenon has never happened before—the net space shortage will amount to about 9,500 pupil stations. To put it another way, it will be about half again as large as the 1961–62 space deficit.

This inventory which I am giving to the Senate does not exhaust the list of capital outlay deficiencies. In 1948 to 1949, Dr. George D. Strayer surveyed the Teachers College of the District of Columbia and recommended that it be replaced. This has not yet been accomplished, in spite of the fact that in, 1958, the District of Columbia Teachers College accreditation was threatened, largely because of the inadequacy of its physical plant. The problem presented by the teachers college is not solely one of physical facilities, however. Equally important are the educational services it could render the community if it were permitted to do so.

In the first place, it could help to meet the local demand for teachers if it were given a modern plant and increased capacity. Its curriculum could be expanded and broadened to embrace a 4-year liberal arts course, plus a year of professional work. I can see no reason why this should not be done.

Secondly, a junior college could be added if current facilities were supplemented. In the past few years, I have consistently favored the establishment of a junior college in the District of Columbia. This would make possible vocational programs at the post-high-school level for the training of technicians in various fields; provide an opportunity for further education in the liberal arts or public affairs; and, indeed, open up the road to continuing education to the many young citizens of the Nation's Capital to their advantage, and to the social and economic health of the city and the Nation.

Mr. President, we are on the threshold of one of the most dramatic movements that has occurred in American higher education. As we debate the question this afternoon, and as I make my plea for support of a junior college in the District of Columbia, I point out that Senators will find almost unanimity of opinion among the educators in this country, particularly those engaged in the training of teachers, that 10 years from now more students will be attending junior and community colleges in America than will be attending all of the so-called standard universities combined, which include State universities and colleges, and private universities and colleges.

There are many reasons for that, but automation is a major one.

What are we going to do with the young people of this country in 10 years, with the great shrinkage in job opportunities in the so-called unskilled and semiskilled areas of employment? Jobs are not going to be available, and we had better see to it that these tens of thousands of young people get an adequate education, or we will have social, crime, welfare, and economic problems that will make the present serious condition look like no problem at all.

So we procrastinate. We talk about economy. Politicians squeeze the eagle on the American coin, until it seeks to really fly away, with their specious, false economy arguments of: "You cannot afford adequate educational facilities." Mr. President, we cannot afford not to have them. We cannot afford not to see to it that the money is appropriated for the establishment of a junior college in the District of Columbia—a junior college that will provide facilities for training the new teachers that the District of Columbia sorely needs; a junior college that will provide for the vocational programs I have just mentioned.

The social, political, and economic fabric of this Republic cannot withstand the damage that will be caused by the tens of thousands of school dropouts if we do not take the necessary preventive measures now to see to it that such a situation does not arise.

When the senior Senator from Oregon is pleading for this kind of educational support for the District of Columbia, he is pleading for a sound economic action, and not for the false economic action represented by the action of a majority of the Senate District Committee.

I do not intend to adopt the argument of expediency, that this is supposedly all we can get. We do not know what we can get until we try.

We do not know whether we can get what we ought to have until the House acts upon the measure and we take it to conference.

But I do not propose to sell the House short. I do not propose to take the position that we cannot have this bill passed by the House. I propose to ask the Senate to answer the question on its merits. Is the Morse amendment sound?

Mr. President, many Senators tell me it is sound, but that they do not think there is any chance to have it adopted by the House. My answer is: "We will not know until we try."

I am satisfied that the evidence I am putting into the RECORD this evening leaves no room for doubt as to whether it is sound, because the evidence makes perfectly clear the crying need for the expenditures. The $120 million I ask for the years immediately ahead must be spent in order to provide a minimum adequate school system for the District of Columbia.

If that premise is sound, the amendment ought to be adopted by the Senate, and we ought to let the RECORD prove which body it is that is seeking to cheat the boys and girls and young men and women in the District of Columbia out of the educational opportunity which the best interests of this Republic demand they should receive.

In the third place, the foundation for a municipal liberal arts school would be established. In view of the limited economic resources of our current population, it would help to develop a core of academically skilled young people who could fill the growing number of positions available in the Federal and District civil service and lift the average income of the community to a point where it could support the reasonable demands of a modern municipality.

Lastly, a new college building would provide the physical plant for a graduate school at which our teachers could qualify for positions in the secondary schools.

I have emphasized only the major requirements in capital investment and funds for operation to give the Nation's Capital a school system of which we can all be proud. Anyone who has followed the activities of the Board of Education must realize that never in its recent history has it been able to meet its needs or fulfill its responsibility to the community. This is because it has never been furnished the resources of facilities and services required to run a first-class school system. It is just as apparent that current fiscal provisions for school operations are utterly insufficient. And it cannot be denied that without a wholesale change in the policies that govern the actions of the Congress and the District Commissioners, the facilities and services furnished—to say nothing of the opportunities made available to the children of the community—will be far short of the needs. No city in our country can afford the resulting waste in our brainpower, which is our most valuable resource, by permitting a school crisis to continue to exist such as we are doing in the District of Columbia.

The District Commissioners and Congress must do a better job in providing the wherewithall to run a first-rate school program as far as providing the facilities and opportunities for an education are concerned. Congress and the District Commissioners must come to grips with the problem of financing the local school system now, as it cannot continue to exist without serious repercussions.

I do not buy the argument advanced by the District Building and by some of my colleagues in the Senate when they say: "We cannot afford a first-rate school system in the District of Columbia." My answer to them is that we cannot afford not to give support to the kind of educational improvement program I have just outlined for the District of Columbia. We have got to stop the waste of potential brainpower of our students.

I am opposed to continuing a congressional program that, in my judgment, is characterized by both parsimony and just neglect and thoughtlessness.

We have to win the battle for freedom in the decades immediately ahead. In order to do this, it will have to be done with the manufacturing of brainpower missiles and not nuclear missiles. In my judgment, we are badly in need of putting the educational needs of our community and Nation in perspective.

There is no doubt, Mr. President, that a serious school crisis exists in the District of Columbia.

Mr. President, I ask unanimous consent that a table entitled "School Needs, 1963: Needs on the Basis of Schools in Operation, October 19, 1961," may be printed in the RECORD.

The PRESIDING OFFICER (Mr. BURDICK in the chair). Is there objection?

There being no objection, the table was ordered to be printed in the RECORD, as follows:

FACT SHEET ON SCHOOL NEEDS, 1963

Needs on the basis of schools in operation Oct. 19, 1961, for improved services in fiscal year 1963 [1]

	Board of Education ratios	Additional number needed	Cost
Counselors:			
Elementary schools	750 to 1	113	$720, 149
Junior high schools	400 to 1	38	242, 174
Senior high schools	do	15	95, 595
Vocational high schools	do	1	6, 373
Total		167	1, 064, 291
Assistant principals:			
Elementary schools (for schools over 1,000)		18	131, 264
Junior high schools (2d for schools over 800)		15	139, 995
Total		33	271, 259

See footnote at end of table.

FACT SHEET ON SCHOOL NEEDS, 1963—Continued

Needs on the basis of schools in operation Oct. 19, 1961, for improved services in fiscal year 1963 [1]

	Board of Education ratios	Additional number needed	Cost
Librarians:			
Elementary schools	1 for each school of 500 or larger	45	$96,345
Junior, senior, vocational high schools Sharpe Health School	1 for each school	18	38,535
Clerical service	1 day per week for each librarian	12	57,816
Total		75	192,696

[1] These estimates do not include amounts needed for supplies, textbooks, library books, reduction of class sizes to Board of Education ratios, special teachers for music and art, school social workers, psychologists, elementary cafeteria services, and staffing the central administrative offices.

Mr. MORSE. Mr. President, I ask unanimous consent to have incorporated in the RECORD as a part of my remarks several tables with subheadings which, in my judgment, contain material and data to support the arguments I have made in defense of my amendment. The tables were prepared by the District of Columbia Board of Education.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

DISTRICT OF COLUMBIA SCHOOL NEEDS THROUGH 1969

TO MAINTAIN PRESENT SERVICES

[In millions]

	Cost
1. Construction:	
Amount needed through fiscal year 1969	[1] $120,000

Amount needed to complete all projects initiated through fiscal year 1969 is $125,240,000. See attached summary for details.

2. Operating costs:	
Annual increase based on current levels of service	[2] $15,828
Salary increases (annual cost): A $5,000 to $10,000 salary range proposed for teachers; additional cost estimated on present staffing	7,100
Total increase in annual operating costs for fiscal year 1969, based on existing service levels	22,928

[1] This does not include the obsolescence factor. 83 school buildings are 50 to 91 years old.

[2] This estimate makes no allowance for changes in salary schedules or in commodity prices. Neither does it include amounts needed to reduce class sizes to current Board of Education standards. The present pupil-teacher ratios and standards are as follows: Elementary standard, 30 pupils to 1 teacher; October 1961 ratio, 31.7 to 1. Junior high school standard, 25 to 1 in academic classes; October 1961 ratio 27.9 to 1.

For improved services in fiscal year 1969 [1]

	Board of Education ratios	Additional number needed	Cost
Counselors:			
Elementary schools	750:1	134	$955,000
Junior high schools	400:1	67	478,000
Senior high schools	400:1	27	192,000
Vocational high schools	400:1	5	36,000
Subtotal		233	1,661,000

	Additional number needed	Cost
Assistant principals:		
Junior high schools (2d for schools over 800)	18	168,000
Vocational high schools	3	29,000
Subtotal	21	197,000
Librarians:		
Elementary schools	107	643,000
Board of Education goals: 1 for each school of 500 or larger.		
Librarians—Continued		
Junior, senior, vocational high, and Sharpe Health Schools	38	$230,000
Board of Education goals: 1 for each school.		
Clerical service	33	159,000
Board of Education goals: 1 day per week for each librarian.		
Subtotal	178	1,032,000
Clerks for principals' offices:		
Elementary schools (2 per school over 1,000 or with 2 schools in 1 administrative unit)	62	299,000
Junior high schools (2 per school over 1,000)	20	96,000
Subtotal		395,000
Total annual cost of improved services: Counselors, assistant principals, librarians, clerks		3,285,000
Total additional annual operating cost: Fiscal year 1969 based on existing level of service		22,928,000
Grand total increase in operating costs, fiscal year 1969		26,213,000

[1] These estimates do not include amounts needed for supplies, textbooks, library books, reduction of class sizes to Board of Education ratios, special teachers of music and art, school social workers, psychologists, elementary cafeteria services, and staffing the central administrative offices.

Summary of school public works program, 1964–69

Schools	Number of projects	Number of classrooms	Estimated cost
Elementary schools:			
New buildings	13	316	
Additions	14	182	
Replacements	8	[1] 120	
Conversion (Burdick)	1	24	
	36	642	$41,361,000
Senior high schools:		*Capacity*	
New buildings	1	[2] 1,800	
Additions	3	1,248	
Replacements			
Stadium	1		
	5	3,048	10,362,000
Vocational high schools:			
New buildings	1	[1] 492	
Additions	1	350	
Replacements	2	[1] 842	
	4	[1] 1,684	9,036,000
Junior high schools:			
New buildings	8	11,387	
Additions	4	804	
Replacements	2	[1] 351	
Conversion (DCTC-Wilson)	1	700	
	15	[1] 13,242	$43,859,000
General:			
New building, District of Columbia Teachers College			7,852,000
Sharpe Health School addition			450,000
New administration building			5,120,000
Permanent improvements			7,200,000
Total			[3] 125,240,000

---

[1] Net.

[2] Extensible.

[3] This is the complete cost of all projects completed or initiated in the fiscal years 1964–69. The amount needed to be spent during the 6 years is $120,000,000.

Funds requested by the Board of Education and funds appropriated by the Congress for capital outlay for the fiscal years 1953 through 1962

Year (1)	Amount requested by Board of Education (2)	Amount appropriated (3)
1953	$13,088,000	$1,451,000
1954	10,381,000	3,313,000
1955	[1] 11,511,000	7,375,000
1956	7,931,350	4,471,326
1957	9,178,900	6,181,700
1958	14,963,000	10,642,722
1959	14,033,125	8,920,300
1960	15,596,389	6,911,000
1961	14,397,497	6,944,000
1962	12,316,366	8,886,000

[1] This does not include $294,700 requested for the construction of a television station.

Mr. MORSE. Before I close, Mr. President, I would have the Senate take a look at the report made by the Senate District Committee and its justification for the inadequate loan program it recommends to the Senate.

I have already commented upon the proposed three branch libraries.

The committee also recommends one police precinct replacement. I should like to support the police department, but if I have to make a choice between this police precinct building replacement and the elimination of an elementary school firetrap, I shall have no difficulty. I shall eliminate the firetrap.

It is proposed that there be one new firehouse and one replacement. If I have to make a choice between eliminating a school firetrap or building a new firehouse, I am going to choose to eliminate the firetrap, because as a member of the Committee on the District of Columbia for a number of years, I wish to say there is pretty good fire protection in the District of Columbia. In my judgment, it is more important that we take care of the school needs than that build a firehouse, although I am for both.

Under the Morse amendment we would not have to reduce any of these items. I am simply seeking, by this analysis, to bring out the relative importance of the recommendations of the committee and the recommendations of the senior Senator from Oregon.

Two new recreation centers are suggested. I have no difficulty in making the choice, Mr. President, if the choice is to be made. I choose to dispense with the recreation centers for the time being.

There is proposed one new health center in the Northeast. I know of no crying need for that health center at the expense of a needed school, although I am for both.

A heating plant replacement at the workhouse is recommended. I do not know what is the condition of the heating plant, but I would be the first to say that if the workhouse does not have enough heat it had better get a heating plant.

There are proposed two additional dormitories at the reformatory. I should like to see the evidence which shows that the dormitory situation is more crowded than the schoolrooms of the District of Columbia. I should have to consider that evidence—and the committee report does not give it to me—before I could decide that we should build the dormitories at the reformatory rather than do something about the overcrowded conditions in the schoolrooms of the District of Columbia.

There are three new cottages proposed for Junior Village. Junior Village is in need of some replacements.

A couple of years ago I conducted a survey and investigation of Junior Village. The plight of schoolrooms in the District is worse than the plight of Junior Village although both situations are bad. A new heating plant ought to be installed at Junior Village.

The next item is a continuation of the street-lighting program. I would like to have the street-lighting program improved, but I would have no difficulty in making a choice, because it is not a question of providing lights where we do not have lights. It is a question of providing a better lighting system. I will take the new schoolrooms if I must make a choice.

The next item is a continuation of the stormwater sewer construction program. Quite a case could be made for that, but it does not follow that the adoption of my amendment would mean that we could not do any of those things. To the contrary, adoption of my amendment would not affect any of that program. I am calling attention to these comparative values because they are the things which the committee is recommending, instead of recommending an adequate school system that the amendment of the senior Senator from Oregon would provide.

Lastly, the projects would include the construction of the West Administration Building. I have no difficulty with that, either. I will take the education facility.

In today's newspapers I read that apparently a stop order has been put on by the House with respect to the monstrosity that has been proposed as a monument to the incomparable Franklin Roosevelt. But it is symbolic of the point I raise. We can get monuments, statues, and a great many other projects that fall in the field of nonessentiality. But when we make a plea for the kind of amendment that would provide $120 million of borrowing power for the schools of the District of Columbia, we are told that we cannot afford it. We are told that the District Commissioners are against it. But the Board of Education is for it. The Superintendent of Schools is for it. If the children of the District and their parents could vote, they would be for it.

So what do I propose? I propose a borrowing authority to the tune of $120 million earmarked for school purposes.

I am asked: "How is it to be paid back? We do not see any foreseeable chance of Congress increasing its appropriation."

Mr. President, I say quite frankly that it would be pretty good to run up that debt of $120 million and build valuable monuments in the District of Columbia in the form of school buildings. If the Senate wished my recommendation for a Franklin Roosevelt Memorial, I would state what it would be. I would name the proposed educational program as his memorial, and thereby we would pay the greatest honor we could pay him.

Mr. President, how I would like to hear the golden words that would flow from Franklin Roosevelt's lips if he were with us to make the choice tonight. I do not think anyone can deny that he would much prefer such a memorial than such a memorial as, to my inartistic eyes, would closely resemble a graveyard tombstone arrangement rather than a fitting memorial for Franklin Roosevelt.

I am proposing what could be called a living memorial to that great American, for the schoolchildren never had a better friend. Franklin Roosevelt recognized the importance of the Federal Government assuming its share of responsibility for educational support.

It would be a pretty good strategy to run up the debt of $120 million and then let Congress decide, on the basis of the educational results, whether or not it was a pretty good investment. I have a hunch that that would be a pretty good way to get the allotment of Congress to the District of Columbia budget up from its present $30 million to a minimum of $40 million or $45 million.

Counsel has pointed out to me that the Federal Government is very much interested in getting better housing conditions for the sea elephants, manatees, bears, moose, and scores of other animals out at the Zoo. It is very much interested in getting money for a building program at the Zoo, though we cannot get sufficient and adequate buildings for schoolchildren. I am at a loss to understand such false values.

I have made my case. I now have a question to ask my good friend from Massachusetts. We are all indebted to the Senator from Massachusetts [Mr. SMITH] for the wonderful work that he has performed on the District of Columbia Committee. He has been one of our most conscientious members. I fully realize that he is in a position in which he must support the position of the committee.

I fully realize that there is no better friend of education in the Senate. It grievously pains me to find myself in disagreement with my friend from Massachusetts, although I wish to say good naturedly that I would take my chances with him, if he were not chairman of the subcommittee, as to his position on the merits of my amendment.

But I beg of him—figuratively on bended knee I plead with him—to accept the amendment. I want him to know that I would reject immediately an argument, if it should come from his lips, that he would hope not to go to conference, and that he would hope to get a bill passed without going to conference.

I do not believe the responsibility for failure to adopt my amendment, in light of the supporting data that I presented here this afternoon, should rest with the Senate. If it must rest with anyone, it ought to rest with the House. At least, the Senator from Massachusetts ought to give the amendment a run for its money. He ought to take it to conference if necessary and force the conferees to try to find some arguments in answer to the amendment other than merely arguments of political expediency, legislative expediency, the lateness of the session, or the fact that we might not get any bill at all. I am not so sure that it would not be all right to defer it until January.

That would result in a great deal of education. That would make people talk about the merits of the proposal I am making. I have seen that happen before on the District of Columbia Committee, as we have seen proposals go over until the next session of Congress. There was the revenue bill during the last session of Congress. Let us consider the much better revenue bill we got at this session of Congress than we would have obtained if we had yielded to the pressure then to take what people wanted to give us, on the ground that it was that or nothing. I said it would be nothing. They knew that I was in a position to carry out my prediction. As a result we ended with a better revenue bill this year.

I have assured the Senator from Massachusetts of my cooperation in regard to obtaining a vote on the bill in this session of Congress. However I do not believe he should take advantage of my generosity in regard to my parliamentary position. I am a reasonable man. I know that he knows there is great merit in my amendment. I know he is disturbed by the fact that the Commissioners oppose my proposal. I ask him not to let that bother him. I have seen them oppose a great many good things many times.

I close with fervent plea to him to take the amenment if necessary to conference and see what luck he will have with it in conference. If he makes the kind of fight in conference that I know he will make, and he is licked, I will take my licking there. However it seems to me quite unfair to ask me to take my licking on the floor of the Senate when there is so much merit in the position I have taken.

Mr. SMITH of Massachusetts. Mr. President, first I wish to commend the senior Senator from Oregon for his excellent review of the educational problems not only of the District of Columbia but also of the entire country.

What the senior Senator from Oregon has said applies to all our cities in many respects. From working closely with him on the District of Columbia Committee, I know that he is sincere in his remarks. During the time that I have worked with him on that committee, I have found him always to have in mind the best interest not only of the schoolchildren of the District of Columbia, but also people of the District.

I know that he means every word of what he has said. It is true that over the years he has done a great deal for the District of Columbia.

I should like to explain why the proposed amendment offered by the Senator from Oregon [Mr. Morse] to S. 3313 was not adopted by the full Committee on the District of Columbia during its executive meeting of July 24, 1962, and why I recommend that the Senate enact this bill without the proposed amendment.

Senator Morse's proposal would increase the borrowing authority for the District of Columbia by $155 million—to a total of $230 million, rather than an additional $75 million—to a total of $150 million, as now provided in the pending bill. The Morse amendment also provides that $120 million of the $155 million increased borrowing authority will be earmarked for educational purposes and that such portion so designated shall be borrowed from the U.S. Treasury without interest.

The proponents of the amendment to the pending bill contend that such proposed increase in the borrowing authority is needed to construct facilities that will provide the District of Columbia with a modernized educational program.

Mr. President, it is readily apparent that the Morse amendment has the effect of increasing the borrowing authority more than twofold over that which the Commissioners for the District of Columbia have requested in the pending bill. It is the view of the District Commissioners that any increase in excess of $75 million in the borrowing authority, and as is now provided in the pending measure, could impair what has been determined to be the safe debt limit for the District of Columbia. During the public hearings on S. 3313 held by the Fiscal Affairs Subcommittee, the subcommittee was informed that the request for additional $75 million loan authority is within the limits of debt which may be safely incurred by the District. It was also pointed out that generally, debt limits are to be gaged by the amount and quality of the resources of the city and its practical ability to draw upon these resources for payment.

The District Commissioners informed the committee that their policy in regard to limit of indebtedness provides that the aggregate of indebtedness should not exceed 12 percent of the average assessed value of the taxable real and tangible personal property of the District of Columbia as of July 1 of the 10 most recent fiscal years. This is the equivalent of a rate of 6.6 percent based on full valuation of taxable real and personal property. The average assessed valuation of taxable real and personal property in the District of Columbia for the last 10 fiscal years is approximately $2.4 billion, and 12 percent of this valuation would set the limit of indebtedness at about $288 million.

At the present time, the unliquidated authorized indebtedness of the District, including Federal obligations of $28 million, amounts to $219 million. The Commissioners advise that an additional $75 million authorized indebtedness as is now proposed in the pending bill would not exceed 12-percent limit of indebtedness when consideration is given to the fact that the assessed valuation is steadily increasing and debt service payments are steadily decreasing the amount of indebtedness.

It is perfectly clear that under the Commissioners' formula an increase of $155 million in the borrowing authority as proposed in the Morse amendment would far exceed the 12-percent limit of indebtedness which the Commissioners consider to be the safe limit to the District's borrowing authority.

In addition to the proposed amendment possibly causing an overextension of the borrowing authority, the status of the District's educational facilities coupled with what has been programed for construction does not indicate a need for new construction of the scope that would call for borrowing authority to the extent of $120 million.

The committee has been informed that since 1959, 13 elementary schools and junior high schools have been authorized for construction in the District of Columbia. Six of these schools are now actually completed and in use, four are under construction, and three are in the planning stage. In addition to the new construction, there has been authorized 22 additions to other Dstrict schools, 16 of which are now in use, 3 are under construction and 3 are in the planning stage. When this school construction is fully completed, there will be increased capacity in the District schools for 18,295 pupils.

I ask unanimous consent that there may be printed in the Record at this point a list of new projects included in the Commissioners' public works plan for the fiscal years 1964–68.

There being no objection, the list was ordered to be printed in the Record, as follows:

DISTRICT OF COLUMBIA

LIST OF NEW PROJECTS INCLUDED IN THE COMMISSIONERS PUBLIC WORKS PLAN FOR THE FISCAL YEARS 1964–68

These projects are to be financed from the proposed additional loan authorization, increased general revenues, and increased Federal payment.

PUBLIC SCHOOLS

Elementary school

New

Elementary school, 17th and E Streets, NE., area 7, capacity 1,076.

Elementary school, 47th and Blaine Streets NE., area 8, capacity 1,106.

Elementary school, specific site undetermined, area 6, capacity 668.

Elementary school, specific site undetermined, area 12, capacity 1,076.

Elementary school, Wheeler Road and Mississippi Avenue SE., area 14, capacity 866.

Replacements

Brent, Third and D Streets SE., area 20, net capacity 268.

Seaton, I between Second and Third Streets NW., area 12, net capacity 676.

Additions

Bunker Hill, area 4, capacity 366.
Powell (2d), area 2, capacity 388.
Keene, area 1, capacity 608.
Slowe, area 4, capacity 450.
Smothers, area 8, capacity 428.
Burrville, area 8, capacity 388.
Nalle, area 8, capacity 336.

Junior high schools

New

Junior high school, North Dakota and Kansas Avenues, NW., group 2, capacity 1,473.

Junior high school, 50th and Grant Streets NE., group 6, capacity 1,498.

Junior high school, 16th and Irving Streets NW., group 3, capacity 1,498.

Replacements

Hine, Seventh and C Streets SE, group 5, net capacity 20.

Shaw, Seventh and O Streets NW., group 3, no increase in capacity.

Additions

Browne, group 4, capacity 25.
Randall, group 5, capacity 25.

PUBLIC LIBRARY

New

Southwest branch, adjacent to Town Center, southwest urban renewal area.

West end branch, Pennsylvania Avenue and 24th Street NW.

Chevy Chase branch, Connecticut Avenue and McKinley Street NW.

POLICE

Replacement: Precinct No. 13, 1600 block of V Street NW.

FIRE

New: Engine Co. No. 33, 13th Street and Whittier Place, NW.

Replacement: Engine Co. No. 18, 414 Eighth Street SE.

RECREATION

New: Randall Recreation Center, First and I Streets, SW.; Fort Reno Recreation Center, Nebraska Avenue and Fessenden Street, NW.

HEALTH

New: Northeast Health Center, 40th and Clay Streets, NE.

CORRECTIONS

Heating plant replacement at workhouse, two additional dormitories, reformatory.

WELFARE

Replacement of three cottages, Junior Village, and new heating plant.

SANITARY ENGINEERING

Continuation of the stormwater sewer construction program.

HIGHWAYS AND TRAFFIC

Continuation of the street lighting program.

Mr. SMITH of Massachusetts. Mr. President, in furtherance of this progressive school construction program, the Commissioners have approved a continuing public works plan in 1964–68, which will provide for the construction of additional school facilities at both the elementary and secondary grade levels. The Commissioners have programed $142 million for this proposed work, a large part of which will be financed through the $75 million borrowing authority that has been requested in the pending bill. The school facilities to be constructed by the works program will include three new elementary schools, two replacement elementary schools, and seven additions to elementary schools. In connection with junior high schools, the construction program proposes three new schools, two replacements, and two additions. Upon completion, these educational facilities will increase the pupil capacities in elementary schools by 8,692 and by 4,316 in the junior high schools.

It seems perfectly clear that the total effect of the school construction projects will be to provide the District with improved and modernized educational facilities at both the elementary and secondary grade levels.

Mr. President, I have endeavored to provide a cursory outline of the progressive school building program that is and will continue to take place in the District, and which if it is to be completed is dependent upon the $75 million increased borrowing authority provided for in the pending bill. I have also tried to explain that the borrowing authority of the District of Columbia as in the case of any other municipality is not unlimited and, if excessive, could impose an undue burden on the financial posture of the city government.

With due consideration to all the arguments and contentions that have been made for the Morse amendment, it seems perfectly clear that $155 million increased borrowing authority is excessive, and that the $75 million as provided in the bill is reasonable and will provide without placing an undue strain on the District government the financial means to continue with the construction of elementary and junior high school facilities.

Only yesterday the Senate passed a bill to provide pay increases for the teachers of the District of Columbia. I am happy to say that this increase would bring the pay of District of Columbia teachers up to second position in the entire country. Only New York City remains ahead of the District of Columbia, under the provisions of the bill.

It is fine to have new schools for all our pupils; but I think the important thing is to have good teachers, well qualified teachers, teachers who are well paid. I think that is the important point in this respect.

Mr. President, I respectfully urge Senators to join with me in passing the bill without amendment.

Mr. MORSE. Mr. President, my rebuttal to the Senator from Massachusets will be brief. We have just heard the dollar-sign argument. It is the position of the budget officials and of the District of Columbia Commissioners. It is not the position of the Board of Education. It is not the position of the Superintendent of Schools. It is not the position of the educational authorities of the area.

All the buildings that the Senator from Massachusets talked about in his explanation of the contemplated program are included in the data which the senior Senator from Oregon presented to the Senate this evening. They are all a part of the program of the Board of Education and the Superintendent of Schools. They are all included; and by including them we would end with the deficiency that I outlined. The choice is whether we are willing to accept the money argument, the economy argument, the dollar-sign argument, over the educational needs of the boys and girls of the District of Columbia.

There is no question that if the funds for which I have asked are not provided, the District of Columbia will not have the educational facilities which are needed by the year 1971. What should the choice be?

It is said by the Senator from Massachusetts that if the borrowing authority is increased, we shall be confronted with unsound fiscal plans in the District of Columbia with respect to the tax base and the borrowing liability. Whose fault is that? That is the fault of Congress because of its long program of parsimony toward the District of Columbia. Congress has walked out on what was clearly the understanding and the agreement which the Constitutional Fathers entered into with the District of Columbia when this area was set aside as the location for the National Capital. I have brought this out time and again over the years in our discussion of home rule and of various proposals to increase the Federal payment. I merely summarize with this statement tonight.

The data is replete in the CONGRESSIONAL RECORD over the years. This subject is a matter of history. It was the promise of the Constitutional Fathers, it was the understanding entered into when the District of Columbia was established, that the Federal Government would contribute 50 percent of the cost of operating the city. That was the historic understanding.

The ratio slipped down to 40 percent for many years. Then the toboggan ride began. I believe the last figure is approximately 11 percent.

The imbalance which the Senator from Massachusetts talks about is caused by Congress. In my judgment, the responsibility must be placed squarely on the shoulders of the Federal Government. The schoolchildren of the District of Columbia should not be penalized for the dereliction of Congress and the District Commissioners.

The issue is drawn: Is the school program for the District of Columbia for the next 10 years, as submitted by the Board of Education and endorsed by the Superintendent of Schools, Dr. Hansen, a program which is necessary to provide the educational standards we know a boy or girl ought to be able to enjoy if he or she is sent to a public school in the District of Columbia?

What is the colored population in the public schools of the District of Columbia? It is in the neighborhood of 73 percent. I wonder if I would have so much trouble with my amendment if the population of the District schools were 73 percent white.

I think Congress should take a course of action that would make impossible even a suspicion that that might make a difference. A great problem exists in this country to see to it that the educational opportunities for the colored people of America are improved, for I think the race problem in this country will be solved to a considerable extent when the educational problem which confronts the colored people of America is solved. It is not only a question of integration, important as that is. It is important to see to it that when a little colored boy or girl goes to a public school in America, that boy or girl gets a good education; for with a well-educated Negro population in America, we will find a great source of power for the solution of our civil rights problems.

I think Congress has an obligation to make a model of the public school system in the District of Columbia. I took part in the integration fight a few years ago. I recall all the things that we were told would happen if the public schools of the District of Columbia were integrated. We stood up against all the pressure to keep the schools segregated; and the schools were integrated.

Mr. President, all the calamity howlers were proved to be dead wrong. Not one serious incident developed in that whole integration process. It was a great step forward.

But, Mr. President, the step needed now is to provide adequate facilities and adequate teachers—the necessities to which I have referred in my speech this afternoon—which are required in order to remedy all the inadequacies of plant and service, teachers, facilities, and special training—inadequacies which the records show now exist in the District of Columbia. But, Mr. President, in my judgment nothing in the bill of the committee will solve that problem, in any great degree, unless Congress permits the District of Columbia to have sufficient borrowing power to enable it to borrow—until such time as Congress is ready to repay it—the money needed in order to be able to provide these necessary facilities, Mr. President, that is why my amendment should be adopted.

I say respectfully that I think the committee's program is grossly inadequate; and we should place our trust in the educators and the Board of Education for the District of Columbia, and we should underwrite this program. It will be underwritten if my amendment is adopted.

Mr. SMITH of Massachusetts. Mr. President, I think the Senator from Oregon is speaking now of the proposed increased Federal payment. I stand with him on that score. I do not think the argument is in regard to increasing the borrowing authority.

The PRESIDING OFFICER (Mr. Burdick in the chair). The question is on agreeing to the amendment of the Senator from Oregon.

Mr. MORSE. Mr. President, I suggest the absence of a quorum.

Mr. HUMPHREY. Mr. President, will the Senator from Oregon withhold that suggestion for a few minutes?

Mr. MORSE. Yes; I am willing to do so.

Mr. MILLER. Mr. President, I rise to request that certain newspaper and magazine articles dealing with other subjects be printed in the Record. I ask that my remarks in connection with these requests be printed in the Record at a later point.

The PRESIDING OFFICER. Without objection it is so ordered.

(Mr. MILLER'S remarks and requests for printing in the Record appear at a subsequent point in the Record, under the appropriate headings.)

The PRESIDING OFFICER. What is the will of the Senate?

Mr. HUMPHREY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, as I understand, the Senator from Oregon wishes to have a yea-and-nay vote taken on the question of agreeing to his amendment. I wish to suggest that the Senate temporarily lay aside the further consideration of this bill; that in the morning, after the Senate convenes at 10 a.m., 5 minutes to a side be allowed on the amendment—if this course will be agreeable to the Senator from Massachusetts, as well as to the Senator from Oregon—and that at the conclusion of the morning hour, the Senate proceed to vote, on the basis of the understanding I have just announced—namely, 5 minutes to a side. I so request, Mr. President.

The PRESIDING OFFICER. Is there objection?

Mr. MORSE. Mr. President, reserving the right to object, I wish to say to the acting majority leader that I deeply appreciate his cooperation in connection with this matter, and I also deeply appreciate the cooperation of the Senator from Massachusetts [Mr. Smith].

I wish my colleagues to examine my position for just a moment: I never engage in parliamentary gestures. I never make a pro forma speech in support of an amendment. All of us know the difficulty with which we probably would be confronted if we attempted to obtain a quorum tonight; but in my judgment this amendment is one of the most important proposals for which I have fought on the District of Columbia Committee. I believe the amendment should be adopted. I have made a good-faith fight in my attempt to have it adopted. I want the amendment either voted up or voted down; and I do not want the amendment to be voted on tonight, by a voice vote, with only half a dozen Senators present to participate in the vote.

I appreciate very much the suggestion of the Senator from Minnesota that 5 minutes be allowed each side in the morning. I have made my case, and at least it will be a matter of record; and then no one can say I did not make a good fight for the adoption of my amendment.

Mr. HUMPHREY. Mr. President, all of us know that the Senator from Oregon [Mr. Morse] always makes good-faith fights for the amendments in which he believes. .

Mr. President, I now ask unanimous consent that tomorrow, following the morning hour, there be 5 minutes to a side, and that then the Senate vote on the question of agreeing to the amendment of the Senator from Oregon [Mr. Morse]; and I also ask that at this time Calendar 1775, House bill 3313, to authorize an increase in the borrowing authority for the general fund of the District of Columbia, be temporarily laid aside, and that the Senate return to its consideration, as the pending business, tomorrow, following the morning hour.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. HUMPHREY subsequently said: Mr. President, while the Senator from Arizona [Mr. Goldwater] is still in the Chamber—and I know he must leave shortly—and while I have the attention of the senior Senator from Oregon, with respect to Calendar No. 1775, S. 3313, on my request there has been a unanimous-consent agreement. I also ask unanimous consent that no further amendment to the bill be in order.

The PRESIDING OFFICER. Is there objection to the request by the Senator from Minnesota? The Chair hears none, and it is so ordered.

The unanimous-consent agreement, as subsequently reduced to writing, is as follows:

Unanimous-Consent Agreement

Ordered, That, effective on Thursday, October 4, 1962, at the conclusion of routine morning business, during the further consideration of the bill (S. 3313) to authorize an increase in the borrowing authority for the general fund of the District of Columbia, all debate on the pending amendment by the Senator from Oregon [Mr. Morse], and on the bill, be limited to 10 minutes, to be equally divided and controlled by the mover of the amendment and the majority leader: *Provided further,* That no further amendment to the bill be in order.

THE MONROE DOCTRINE

Mr. MILLER. Mr. President, in the November 24 and October 1 issues of Newsweek magazine there are two excellent articles on the Monroe Doctrine by the distinguished columnist, Mr. Raymond Moley. Mr. Moley clearly points out the fallacy in arguments that the Monroe Doctrine is extinct because of our commitments in Europe. He well distinguishes between the use of our bases there to prevent aggression and the use by the Soviets of bases in Cuba to promote aggression. I ask unanimous consent that these two articles be printed in the Record.

There being no objection, the articles were ordered to be printed in the Record, as follows:

[From Newsweek magazine, Sept. 24, 1962]

Monroe Doctrine Today—I

(By Raymond Moley)

In a characteristic campaign outburst, Harry S. Truman said 2 weeks ago: "The reason we're in trouble in Cuba is that Ike didn't have the guts to enforce the Monroe Doctrine." It will serve no purpose in the crisis that we face in Cuba to reply that until Castro had deliberately proclaimed himself to be a Communist any application of the Monroe Doctrine would have been quite inappropriate. It is true that Castro's allegiance to the Communist system should have been known to the Eisenhower administration well before he gained undisputed control of the island Republic. Our two Ambassadors there learned about it, but were not permitted by the State Department bureaucracy to tell their story to Secretary Dulles and President Eisenhower. But even then it would have been difficult legally to sustain the assertion that an alien system had been imposed from without. The Soviet takeover has been consummated since President Eisenhower left the White House.

Without in any way presenting an excuse for the paralysis which has characterized the Kennedy administration since the Bay of Pigs affair, a number of considerations qualify the direct application of the doctrine proclaimed nearly 140 years ago.

CHANGED CONDITIONS

My space here does not permit a detailed account of the nature and various applications of the principle established by President Monroe and his Secretary of State, John Quincy Adams. The reader is referred to the easily accessible and brilliant article by Charles Evans Hughes in the Encyclopedia Britannica.

A considerable number of Americans believe, with Khrushchev, that the Monroe Doctrine is dead. This belief is based upon several developments since World War I.

The Monroe Doctrine asserted this as a major premise: "In the wars of the European powers in matters relating to themselves we have never taken a part, nor does it comport with our policy so to do." The argument follows that we have within half a century participated in two European wars and that, as the aftermath of the most recent one, we have powerful military installations in Europe designed not only to protect Europe from Soviet aggression but also to serve as a means of defending the United States itself.

Another point urged against the unilateral application of the Monroe Doctrine to Cuba is that we have involved ourselves in treaties and other obligations which act as legal restraints—NATO, the Organization of American States, and also the United Nations. In the light of these changed conditions, it is suggested that in our efforts to establish collective security we have seriously exposed our own security as sovereign state.

LIVING PRINCIPLES

These considerations are, of course, well known to the Soviet, and that is why they can act so boldly in their Cuban takeover. They also realize that our Anglo-American heritage forces us to provide plausible legal justifications for every move we make to protect our security and interests. The Soviet, like the Nazi regime, and even the German Empire which invaded Belgium in World War I, have not been bound by a respect for law.

In replying to the assertion that the Monroe Doctrine is dead, several vital points can be made. One is that the Monroe Doctrine specifically said that we should regard as an unfriendly act any further colonization in the New World; also, that we should resist any introduction of an alien system in this hemisphere. We have repeatedly denied our desire for territorial gain, nor do we have any intention to colonize anywhere. Our bases in Turkey and Spain have nothing to do with the internal affairs of those nations. The Communist takeover in Cuba is a barefaced operation designed to establish a Communist- and Soviet-dominated state in the center of the Western Hemisphere.

What is needed is a revised doctrine, based upon the realities of the present day, which is not merely a restatement of what was said in 1823 but centered in an international principle older than the Monroe Doctrine and upon which Monroe and Adams based their own historic decision. I shall discuss that next week.

[From Newsweek magazine, Oct. 1, 1962]

MONROE DOCTRINE TODAY—II

(By Raymond Moley)

In answer to those who would invoke the Monroe Doctrine in dealing with the Soviet takeover in Cuba, several objections are raised. Each of these deserves examination.

One is that since we have established airbases in Turkey and elsewhere in Europe and the Middle East, we have abandoned the major premise of Monroe's proposition that the United States would keep hands off European affairs "in matters pertaining to themselves." Last week I replied to that by pointing out that our airbases over there have been installed with the full consent of the countries involved and that we have not in any way interfered with their internal affairs nor with their relations with their neighbors. Our installations are there for the defense of those nations and ourselves.

Another objection is that we agreed to supplant the Monroe Doctrine with a multilateral system at the Inter-American Conference at Caracas in 1954. In the agreement made there, Secretary Dulles secured the declaration that the control of an American nation by international communism would be regarded as a threat to the American continents and would be followed by inter-American consultation and action. This, however, did not tie our hands, because if such consultation should be futile and no collective action could be secured, we could still act on our own.

THE INHERENT RIGHT

It is most important to understand that while the Monroe Doctrine has been inserted as a reservation in many international agreements at our instance, such as in the Hague Convention of 1907, it is not a matter of international agreement. It rests upon the inherent right of a sovereign state to protect its own security and interests by whatever power that state can summon.

One of our greatest Secretaries of State, Elihu Root, when he was Secretary of War in 1901 insisted that the Platt amendment be made a part of the terms under which Cuba was given its independence. This gave the United States the right to intervene in Cuba to maintain a stable government there and also to permit us to have the Guantánamo base on Cuban soil. One of the first of our major mistakes since then was the abrogation of the Platt amendment by President Roosevelt in 1934.

In 1919, after we had participated in the war in Europe, Root commented at length on the principles surrounding the Monroe Doctrine. He justified our participation in that war on European soil to help prevent another war which would embroil the whole world. On another occasion, Root said that the Monroe Doctrine rested "upon the right of self-protection and that right is recognized in international law." Another great Secretary of State and lawyer in his own right, Charles Evans Hughes, quoted this statement of Root with approval.

PREVENTIVE MEASURES

In short, international law is unlike domestic law, which rests upon the consent of the governed and upon the enactments of representative bodies. Until there is a real international community—and we are far from such an ideal—those who have the power to do so must act as suits their concept of their security, their commitments to weaker nations, and in their long-term national interests.

It is a pity that this Soviet military buildup has not been dealt with forcefully sooner than this. But now we should take such action as will prevent it from growing further.

We should take our stand on the high seas around Cuba and prevent the export of materiel elsewhere in our hemisphere. We should make far stronger representations to European countries and other nations of the free world, to prevent ships of their flags from carrying equipment from Communist countries to Cuba. If that appeal fails, there is plenty of pressure available to force action by those nations. If any hostile actions come from Cuba, either against our base at Guantánamo or our ships and planes at sea, we should declare a state of war with Cuba and impose an immediate and complete blockade. Presumably, consultation with the OAS should precede these actions, but there is no time now to wait for full agreement before the foregoing actions are taken on our own account.

THE CUBA PROBLEM

Mr. MILLER. Also, Mr. President, in the September 30 and October 1 and 2 issues of the Washington Evening Star, there appeared a series of three articles on the Cuban problem, written by the noted playwright, our former Ambassador to Italy, and former Congresswoman from Connecticut, Clare Boothe Luce. She is sharply critical of the administration's mishandling of the problems posed by peneration of the international Communist conspiracy in Cuba; and I believe it is highly significant that a member of the gentler sex calls for stronger measures on our part in order to maintain our security. I ask unanimous consent that these articles be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington (D.C.) Star, Sept. 30, 1962]

UNITED STATES CUBAN PERFORMANCE PROFILE IN INDECISION

(By Clare Boothe Luce)

NEW YORK, September 29.—"The President feels that Cuba is a bone in his throat." So spoke one of President Kennedy's aids soon after the abortive invasion of the Bay of Pigs.

Since then the obstruction has become a large bone of national and international contention.

How did it get stuck there in the first place? How big, how dangerous is it? Can it be dislodged short of war?

The President naturally wants to keep these awkward questions out of this fall's congressional elections. But the failure to ask them and to answer them honestly is fraught with danger to the Nation.

Castro began as a bone in the throat of the Eisenhower administration 4 years ago. Two years later, Candidate Kennedy did his eloquent best to get Mr. Nixon to strangle on it. Picking the decline of American safety and prestige as his theme, Mr. Kennedy pointed to the rise of Castro as prime evidence that "our security and our leadership are both slipping away."

His Cuban policy was to "let the Cuban people know our determination that they will someday again be free," to "let Castro know that we do not intend to be pushed around any longer," to "let Mr. Khrushchev know that we are permitting no expansion of his foothold in our hemisphere," and especially to "end the harassment * * * of liberty-loving anti-Castro forces in Cuba and in other lands."

"Thus far," Candidate Kennedy said, "these fighters for freedom have had virtually no support from our Government." And, "the way to put the ideals of the American Revolution into significance is to act on them, not to talk about them." Hopefully," he said, "events may once again bring us an opportunity to [act] on behalf of the cause of freedom in Cuba."

Hopefully, events did bring the newly elected President this opportunity. In April 1961, President Kennedy authorized the Cuban invasion. But at the last and fateful hour he ordered withdrawal of decisive American air support, abandoning 1,400 liberty-loving, anti-Castro fighters for freedom to Castro's tanks, jails, and firing squads. His profile in courage suddenly turned into a profile in indecision.

At his nationally televised press conference on September 13, 1962, President Kennedy had no kind words for those who are saying today, as he himself so often did during the 1960 campaign, that the "bone" is plenty big and dangerous. "Rash talk is cheap," he said, "especially with those who do not have the responsibility [for decision]."

In 1960, addressing himself to the military aspect of the Cuban situation, Senator Kennedy said, "I think Castro is a source of maximum danger. A Communist menace has been permitted to arise under our very noses, only 90 miles from our shores. Castro's transformation of Cuba into a Communist base of operations by jetplane, missile, or submarine is an incredibly dangerous development." Thus, he warned, "the whole Western Hemisphere security system is drastically threatened."

But 2 years later, at his press conference, the President, referring again to Soviet shipments to Cuba, said that these "do not constitute a serious threat to any other part of this hemisphere." He strongly denied that the Communist buildup is such as "to endanger or interfere with our security," or that Cuba is "an offensive military base of significant capacity."

In view of Candidate Kennedy's profound alarm about the military threat of Cuba in 1960, what are the facts which leave the President so relatively calm today about Castro's present military capacity?

Today, Castro's Cuba, still only 90 miles off our shores, has the second strongest ground army in our hemisphere. Estimated at 400,000 men, including militia, it has received, since the failure of the invasion, over $175 million in military aid and supplies from Communist bloc countries. Communist-made jeeps, jets, tanks, radar and electronic equipment are almost daily arrivals in Cuban harbors. According to State Department and intelligence reports, 4,500 Russian soldiers, sailors, and technicians are in Cuba helping Castro. They are training new pilots, ground crews, and artillery men.

Just last week Castro announced construction of a "fishing base" on the Cuban coast for use by the Russians. Sites for guided missiles and rockets, and bases for submarines and submarine detection are possible. Cuba will be capable of inflicting great damage on the U.S. naval installation at Guantánamo. And behind these beefed-up forces stands the military might of the U.S.S.R., openly pledged to support them, with its atomic power if necessary.

Whatever the military capacity of Cuba when Mr. Kennedy took office, it is now vastly greater.

In his September 12 press conference, Mr. Kennedy indicated that his hopes of a peaceful solution of the Castro problem lie partially in the deterioration of the Cuban political and economic situation. Dangling the prospect of a convenient collapse before this Nation's eyes, he said, "Castro (is) in trouble * * * his own followers are beginning to see that their revolution has been betrayed."

UNPOPULARITY UNQUESTIONED

What are the chances of a successful rebellion by Castro's disillusioned people? His unpopularity with a great section of his oppressed populace can no longer be questioned. The 1,200 captured in the disastrous Bay of Pigs invasion and the thousands of political prisoners now rotting in Castro's jails certainly hate his guts.

But the unjailed remnants of the Cuban underground no longer have the means or the will to challenge the ruthless authority of Castro's Soviet-armed firing squads. Like the Hungarians before them, the Cuban people have learned the bitter lesson of resistance; that Soviet Russia will spring to the aid of Soviet dictators wherever they may be, but the United States will not always go to the aid of men fighting for their freedom.

Cuban radio and television are doing a typically crack Communist job on Cuban youth. The rising generation is being vigorously indoctrinated with antidemocratic, anti-American, and pro-Russian ideas. It is being taught to think of itself as the vanguard of the Communist liberation in our hemisphere.

President Kennedy assures the Nation that "in the last year Castro's regime has been increasingly isolated in this hemisphere. His name no longer inspires the same fear of following in other Latin American countries."

BASE FOR SPIES

The bitter truth is that Cuba today is a far more effective base of Communist activity than it was 2 years ago. It is now a bustling, well-organized jumping-off point into all its neighboring countries for Spanish-speaking spies, provocateurs, propagandists and secret military agents.

Radio Cuba tells their underprivileged masses throughout Latin America that their economic and political freedom depend on booting out all pro-American politicians, and elevating officials who stand ready to join the dynamic ranks of Communist republics. The United States, Radio Cuba claims, is lending billions of economic aid to its southern neighbors for one reason only: fear of Khrushchev and Castro. American aid, it warns, will die on the vine the day Castro is defeated.

The argument is a powerful one. Probably all Latin American governments view Castro and communism at least in part as a dollar-generating program. It would explain why even pro-American leaders are reluctant to take action against him or against their own domestic Communists.

The rapidly growing forces of the Communist left elsewhere in Latin America (especially in Haiti, Bolivia, the Dominican Republic, Mexico, Brazil, and Venezuela), and the rise of new military dictatorships in Argentina and Peru, are tragic proof that the influence of Castro has not been politically isolated. Since the failure of the invasion, there has been a massive outflow of private Latin American capital into European countries. Today, South American entrepreneurs who might otherwise be investing in domestic enterprise are sending their capital to safety abroad, with a consequent weakening of the Latin American economy and a further drain on the Alliance for Progress funds.

IN HOCK TO MOSCOW

Time is running out in Latin America, and the cold war is still being lost there.

It is hard to see why the President and his advisers have constantly failed to understand that the same ideological, political, and military necessities which make it essential for the United States to maintain Berlin as a "showcase of democracy" on Russia's borders, are operating today from Moscow, to maintain Cuba as a "showcase of communism" on our shores.

Today, Castro and his country are in total hock to Moscow. If Castro should balk at this, or in any other way become a liability or a nuisance, the Kremlin will quickly dispose of him, and install a handpicked successor. Unless Russian power is evicted from Cuba, it is there to stay—and to grow.

[From the Washington (D.C.) Star,
Oct, 1, 1962]

ECONOMIC SANCTIONS, OAS, BLOCKADE CAN'T END CASTRO

(By Clare Boothe Luce)

NEW YORK, October 1.—President Kennedy reportedly feels that Fidel Castro's Cuba is "a bone in his throat." The "bone" has grown sharper and more dangerous to him—and to the Nation—with every passing hour.

Political expediency requires the President to belittle its size on the eve of the congressional elections. So far, he has not entirely succeeded. The American people are pressing the Cuban question hard: How, short of war, they demand, can the Cuban bone be removed? Or, to put the question another way: What has been done so far to dislodge it?

Such economic sanctions as the United States can unilaterally apply to Cuba are already in effect: American shipments to Cuba now consist almost entirely of medical supplies and food. Cuba's trade with our allies has nosedived also, but this is less because of their unwillingness to sell than because of Cuba's inability to buy.

About 15 percent of Cuba's trade is still with non-Soviet bloc nations, including NATO members. Cuba has been receiving machinery, electrical goods and engines from Canada, and certain vital imports from England, Japan, Norway, France, Germany, and other NATO countries.

Many of the President's critics insist that some way can be found to stop this trade, as well as Soviet trade—including strategic war material—carried in vessels chartered from allied nations.

WANT PROFITABLE TRADE

Just last week Secretary of State Rusk stepped up efforts to persuade our allies to abandon their profitable Russo-Cuban charters. Significantly the response was less than enthusiastic.

A hard-nosed amendment to the foreign aid bill rammed through the House on September 20 prohibits economic aid to any country sending goods of any kind to Communist Cuba. Chances are it will not pass the Senate. The attempt to enforce this provision would throw the whole foreign aid program into a state of administrative chaos.

Moreover, to punish democratic, allied and neutral governments for the activities of private businessmen and shippers is manifestly unfair. And even if successful, the final result would be to tie Cuba's military, political and economic lifeline more closely to Moscow.

Although the effort would be a big one, Premier Khrushchev can probably make good his boast that Soviet-bloc countries can supply all Cuba's economic needs and, if necessary, in their own bottoms.

Can the administration, then, working through the Organization of American States, achieve anything more than it has already achieved—which is practically nothing—to collapse Mr. Castro and exclude Russian power from this hemisphere?

OAS STILL INEFFECTUAL

So far, the Organization of American States has proved to be a futile piece of machinery for coping with Mr. Castro. There is considerable sentiment on the part of some Latin American governments supporting United States military intervention in Cuba in the hemisphere's interest.

Many who would condemn such action publicly, privately would applaud it. But there isn't a prayer that the OAS will undertake multilateral action of any effective kind against Mr. Castro. OAS nations have not even imposed economic sanctions, although their total trade with Cuba comes to a mere $10 million a year.

The informal conference of Latin American ministers, called by Mr. Kennedy for tomorrow in Washington, is not likely to produce more than empty condemnations of Russia's ideological exports into Latin America.

And what, for example, can any of the OAS members do to close down Radio Cuba, which pours Communist propaganda around the clock into every Latin American home that boasts a radio? Moreover, many of these governments are so riddled by native Communists that even for those minded to do so, "Communist baiting" can be political suicide.

BRAZIL AN EXAMPLE

One example of the Communist problem in Latin America will suffice: Brazil, which is geographically one-half the area of Latin America, has, since World War II, received over $1 billion from the United States in economic aid.

Nevertheless, today Brazil's President Joao Goulart is anti-United States and pro-leftist. Currently he is seeking to elect his brother-in-law, Leonel Brizola, to the Brazilian Congress.

Mr. Brizola's campaign is based on anti-United States diatribes. On a TV program he demanded that the U.S. Embassy be closed, and that our Ambassador, Lincoln Gordon, be sent home.

It is safe to say that the OAS will act in no effective way against Mr. Castro.

In the absence of forceful OAS action, is there, then, any unilateral action the United States can take, short of direct invasion of Cuba, which might be effective? The action most people are urging is a "peaceful" naval blockade.

Former President Eisenhower is quoted as having said recently that he had heard the term "peaceful blockade," but he didn't know what the term meant.

FULL ENFORCEMENT NEEDED

A naval blockade, if it is to succeed, must be continuously maintained and enforced on vessels of all flags. Allied and neutral, no less "enemy," vessels must be intercepted and cargoes dumped or returned to home ports.

International law defines such a blockade as "an act of war carried out by the warships of a belligerent, detailed to prevent access or departure from a defined part of the enemy's coast."

Americans will remember that Kaiser Wilhelm's harassment of American shipping in 1917 was construed by Woodrow Wilson as an act of war on the part of Germany against the "neutral" United States. A naval blockade led directly to our entrance into World War I.

Consequently, the establishment of a formal U.S. naval blockade against Cuba could be construed as an act of war by any nation whose vessel it so intercepted. It is, of course, reasonable to assume that however much a naval blockade against our allies would gum up our relations with them, they would not war against America.

What is certain is that Cuba would declare a naval blockade to be an act of war, and that the U.S.S.R. would endorse that declaration.

No peaceful action that the United States can presently take can be counted on to stop the Soviet buildup in Cuba.

[From the Washington (D.C.) Star, Oct. 2, 1962]

THE 1961 INVASION FAILURE IN CUBA PERILS U.S. GLOBAL POLICIES

(By Clare Boothe Luce)

NEW YORK, October 2.—At his nationally televised September 13 press conference, the President said, "I would like to set (the Cuban situation) in perspective." This is precisely what the President has failed to do.

He has insisted that Castro's Cuba constitutes no political or military threat to the United States or "to any * * * part of this hemisphere," that "Castro is doomed," that "he is no longer feared in Latin America" and that consequently "unilateral intervention on the part of the United States of America cannot currently be either required or justified."

By resting the case against U.S. intervention on a shockingly erroneous estimate of the Cuban situation, the President has evaded a desperately urgent task—to alert the people of this Nation to the grave dangers we face if we go to war against Cuba now, or at any time in the future.

DANGEROUS CONSEQUENCES

Putting the Cuban situation in its true perspective would have required the President to make an excruciatingly painful admission; that the failure to carry through the Cuban invasion in April 1961, has already had dangerous, and perhaps disastrous, consequences for American global policies:

1. This failure has permitted—indeed encouraged—Russia to get a firm military and political foothold in the Western Hemisphere. All Mr. Kennedy's protests to the contrary, this is a growing danger to our security. In the words of Ambassador Adlai Stevenson, addressing the United Nations on September 21, "The threat (to peace) in Cuba arises from the extraordinary and unnecessary flood of Soviet arms and military personnel pouring into Cuba," which "is creating grave concern, not only in this country, but throughout the hemisphere." (This view, if it be the correct one, is at total variance with the view expressed just 1 week earlier by the President.)

2. The unchallenged entrance of Soviet power into the Western Hemisphere has done grave damage to the "image" of the United States in Latin America, and consequently has accelerated the political slip, drift, and drive to the Communist left in this hemisphere.

USEFULNESS DESTROYED

3. Whatever usefulness or validity the historic Monroe Doctrine may have had before the invasion, the failure of that invasion and subsequent events have destroyed them.

The Monroe Doctrine, proclaimed by President James Monroe on December 2, 1823, warned the European powers that "we should consider any attempt (on their part) to extend their system to any portion of this hemisphere as dangerous to our peace and safety." (It is an irony of history that what inspired this doctrine was the attempt of Imperial Russia to penetrate "peacefully" into the American Northwest.)

Mr. Truman, always willing and ready to quarrel over old political bones (especially old Republican bones), recently said, "We're in trouble in Cuba because Ike didn't have the guts to enforce the Monroe Doctrine." Mr. Eisenhower's reason for not implementing the Monroe Doctrine by use of unilateral force were (A) that the Monroe Doctrine, as updated by the Rio pact, required the United States of America to wait for multilateral or OAS approval of United States action against Cuba, and (B) that Russian military power was not clearly present in Cuba during his administration.

By April 1961 Castro was clearly under the Soviet wing. On the other hand, OAS approval of U.S. support to an invasion had not been secured. Nevertheless, Mr. Kennedy gave the invasion the go light. But when he withdrew U.S. air support at the last moment, one reason apparently was his consideration for the multilateral concept of the Monroe Doctrine.

NEW KENNEDY DOCTRINE

Certainly the President no longer believes either the old unilateral or the new multilateral Monroe Doctrine relevant to the Cuban situation.

Despite frequent lipservice to the Monroe Doctrine, both old and new, the President (currently using the voice of Senator HUMPHREY) now wishes to supplant it with the "Kennedy Doctrine."

What, it may be asked here, is the Kennedy Doctrine? An analysis of the President's hard-core position on Cuba shows it to be this:

The United States will not initiate any military action against a peaceful extension of power in our hemisphere or a defensive Soviet military buildup in Cuba, but it will consider an offensive buildup to be dangerous to our safety. And, in the event of an armed attack by satellite Cuba against the United States or any of its neighbors, the United States is determined not to wait for other OAS nations to take action—it will unilaterally counterattack the attackers.

THE OLD CONTAINMENT POLICY

Upon even closer examination, this Kennedy doctrine looks quite familiar. And so it is. The Kennedy doctrine proves to be the 15-year-old Truman-Eisenhower doctrine, designed to contain Soviet Russia in areas outside the American hemisphere. The essential feature of that doctrine is, and always has been, nonaggression while maintaining the military capacity to retaliate in kind against Communist military initiatives. Its informing principle is the military tit for tat or retaliation—the ultimate tit for tat being, of course, massive retaliation. The rationale behind the doctrine of containment was the realistic acceptance of the European satellite states as legitimate zones of Russian concern and influence.

Stripped of its doubletalk, the Kennedy doctrine plunks for the application of this old Truman-Eisenhower containment doctrine to our own hemisphere. Apparently so long as the U.S.S.R. does not use Cuba as an offensive base, it is now to be considered as a legitimate zone of Russian power.

UNITED STATES IN A TRAP

4. Most serious of all, the flubbing of the Cuban invasion and the subsequent buildup of Castro's satellite island as a Russian military base within easy striking distance of Guantanamo, Cape Canaveral, and the Panama Canal, have now placed the United States in a global double bind.

If America should now intervene in Cuba, it must do so at the risk of exposing all its military bases and positions in Europe, the Near East, and Asia to the threat of a Russian or Communist flanking attack. But, if it does not intervene and should serious trouble—short of ultimate nuclear war—begin in Berlin, Turkey, Iran, Laos, Vietnam, Formosa, or Korea, the United States now risks exposing the Western Hemisphere not only to constant Soviet reconnaissance but also to flanking attacks from Cuba.

ALTERNATIVES

The United States is now faced with two dismaying alternatives: To challenge Russian power in our hemisphere now, at the risk of war breaking out on other global fronts and (unless diplomatic concessions are made quickly there) escalating into world war III; or to sit and wait while Soviet military power builds up, with the very real possibility that communism will take over large areas of Latin America.

It is in this grim global perspective that the people of this Nation must now debate the question of whether or not intervention is "required or justified" in Cuba.

In concealing the extent of our present dilemma from the American people, the President is denying them the right of a free people to debate crucial national issues with all the relevant facts before them.

Short-range political astuteness may indicate the need to play down the size of the present crisis. But long-range statesmanship solemnly demands that the truth be told.

What is now at stake in the decision for intervention or nonintervention in Cuba is the question not only of American prestige but of American survival.

If the decision is not to intervene, then that means the United States accepts the existence of Soviet military and political power in the Western Hemisphere.

Postponing the decision to intervene will not make it any easier. The same arguments which are used against intervention today could and would be used when Russia has control of half a dozen hemisphere countries.

If the United States deems that Russian military power in this hemisphere is intolerable, it would be the part of wisdom to say so clearly now, and to act accordingly. The vast majority of the American people, including most of the President's critics and opponents, will support the President when he takes action.

PHILOSOPHY OF THE KENNEDY ADMINISTRATION IN ITS TREATMENT OF COMMUNIST AGGRESSION

Mr. MILLER. Finally, Mr. President, in the September 1961 issue of Fortune magazine there appeared a knowledgeable article entitled "Cuba: The Record Set Straight," by Mr. Charles J. V. Murphy, senior staff writer. The article discloses the philosophy which has characterized this administration in its treatment of Communist aggression, and I believe a rereading of this article today would be most helpful in formulating a judgment of the policies now being followed with respect to the takeover of Cuba by the international Communist conspiracy. I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CUBA: THE RECORD SET STRAIGHT

(By Charles J. V. Murphy)

Not long ago, at President Kennedy's daily staff meeting, the special assistant for national security affairs, McGeorge Bundy, opened the proceedings by noting, "Sir, we have four matters up for discussion this morning." The President was not in a zestful mood. "Are these problems which I inherited?" he asked. "Or are they problems of our own making?" "A little of both," was Bundy's tactful answer.

The exchange revealed a new and saving humility. Some days after this incident, Kennedy addressed the Nation on the subject of Berlin. The ebullience, the air of self-assurance that marked his first months in office had gone. He spoke earnestly to his countrymen but his words were also aimed at Premier Khrushchev, who up to this point had appeared not to be listening. This time Kennedy did get through to Moscow; and any lingering doubt about the American determination to defend Berlin was dispelled by the response of the American people. The President's will to stand firm was clear, and the Nation was with him.

Nevertheless, in any full review of John Kennedy's first months in office, there must be reported a failure in administration that will continue to inhibit and trouble American foreign policy until it is corrected. This failure raises a fair question: whether Kennedy has yet mastered the governmental machinery, whether he is well and effectively served by some of his close advisers, and whether they understand the use of power in world politics. The matter is of vital importance; in the crises that will inevitably arise around the world—in the Middle East, in Africa, in the Far East, in Central Europe—the U.S. Government must be in top form, and possibly even, as Kennedy himself suggested, act alone.

Administrative confusions came to light most vividly in the Cuban disaster. That story is told here for the first time in explicit detail. It is told against the background of the U.S. reversal in Laos, which in itself should not be underestimated: Laos, once in the way of becoming a buffer for its non-Communist neighbors, is all but finished; now, in South Vietnam, Ngo Dinh Diem, a stout friend of the United States, is under murderous attack by Communist guerrillas; the U.S. loss of face is being felt from the Philippines to Pakistan, and in the long run the damage may prove to be even more costly than that caused by Cuba.

Let us turn back then to the train of events, beginning with Laos, that culminated in the disaster in the Bay of Pigs. Fortune is publishing the account for one purpose—to set the record straight for concerned Americans.

Kennedy, from the day he took office, was loath to act in Laos. He was confident that he understood the place and use of power in the transactions of the Nation, but he was baffled by this community of elephants, parasols, and pagodas. Then, too, he brought to office a general surmise that our long-range prospects of holding the new and weak nations of southeast Asia in the Western camp were doubtful in the extreme. In this respect, he was leaning toward the Lippmann-Stevenson-Fulbright view of strategy. This school holds that U.S. power is overcommitted in southeast Asia, and that the proper aim for U.S. diplomacy there should be to reduce local frictions by molding the new states as true neutrals.

The U.S. position in Laos had become acute while Dwight Eisenhower was still in office. Eisenhower must therefore bear a considerable part of the blame for the U.S. failure; he let a situation go from bad to worse, and indeed he apologized to Kennedy for leaving "a mess," and that it might take the intervention of U.S. troops to redeem it. There had been a moment when the struggle in Laos had turned in favor of the pro-U.S. forces under Gen. Phoumi Nosavan, the former Defense Minister. In a series of small but decisive engagements, more by maneuver than by shooting, Phoumi eventually took the capital, Vientiane, early in December, but at this point the Russians intervened openly on the side of the Communist faction, the Pathet Lao. In concert with a large-scale push by well-trained troops from North Vietnam, they introduced a substantial airlift into northern Laos (an operation that still is continuing).

The collapse of the Royal Laotian Army then became inevitable unless the United States came in with at least equal weight on Phoumi's side. One obvious measure was to put the airlift out of business. The job could have been done by "volunteer" pilots and the challenge would at least have established, at not too high an initial risk for the United States, how far the Russians were prepared to go. Another measure would have been to bring SEATO forces into the battle, as the SEATO treaty provided.

In the end, Eisenhower decided to sheer away from both measures. The State Department was opposed to stirring up India and the other Asian neutrals. Secretary of State Christian Herter agreed in principle that the independence of Laos had to be maintained, yet he was unable to bring to heel his own desk officers and the policy planners, who were apprehensive that even a limited military action would wreck the possibility of some kind of political accommodation with Moscow. The policy shapers, especially in State, hung back from any sequence of actions that might have committed U.S. policy on the central issue: that Laos was worth fighting for. Even the modest additional support that the Defense Department tried to extend to Phoumi's U.S.-equipped battalions in the field during the last weeks of the Eisenhower administration was diluted by reason of the conflict between Defense and State. Under Secretary of Defense James Douglas was later to say, "By the time a message to the field had been composed in Washington, it had ceased to be an operational order and had become a philosophical essay." And a vexed Phoumi was to exclaim that the reasoning of the American Ambassador, Winthrop Brown, was beyond his simple oriental mind. "His Excellency insists that my troops be rationed to a few rounds of ammunition per man. He tells me that I must not start a world war. But the enemy is at my throat."

After the responsibility passed to Kennedy in January, Phoumi's position was still not completely hopeless, if he had been able to get adequate help. But early in March a sudden Communist descent drove him off a position commanding the principal highway in northern Laos. That unfortunate action was the turning point in his part of the war. For the relative ease with which it was done raised in Washington the question of whether Phoumi's troops had the will to fight.

By then Kennedy was committed to the Cuba operation. He therefore now had to reckon with the very real possibility, were U.S. forces to become involved in Laos, of having to back off from Cuba.

At this juncture Kennedy's foremost need was a clear reading of Soviet intentions. For this he turned to his "demonologists," the New Frontier's affectionate term for its Soviet experts. The most influential among them—Charles E. Bohlen, State's senior Sovietologist, and Ambassador Llewellyn Thompson at Moscow—were agreed that Khrushchev personally had too much respect for U.S. power to stir it into action, as Stalin had carelessly done in Korea. Yet, while Khrushchev was plainly indulging his preference for "salami" tactics, it was impossible to judge how big a slice he was contemplating, or whether he was being pushed by Mao Tse-tung. The only reading available to Kennedy was, in a word, ambiguous. Maybe Khrushchev was moving into a vacuum in Laos just to keep out Mao. If so, then the least chancy response for the United States was to assume that Khrushchev would be satisfied with a thin slice in Laos, and to maneuver him toward a compromise—a neutral government in which, say the Pathet Lao would have some minor representation.

This course was urged by Secretary of State Dean Rusk and also was being pressed by Prime Minister Macmillan in London. It came to be known as Track Two. It was intended to lead to a cease-fire followed by negotiation. Oppositely, the Joint Chiefs of Staff still believed, as they did under Eisenhower, that the military challenge demanded a military showdown: action by the Southeast Asia Treaty Organization, under which a mixed allied force, including Americans would move into Laos and take over the defense of the important cities, thereby freeing the Royal Laotian Army to move into the field without risk of being sapped by subversion in the rear. This option was labeled Track One, and it was favored as well by Defense Secretary Robert S. McNamara and his Deputy, Roswell Gilpatric.

While Kennedy favored Track Two and supported a conciliatory note that Macmillan sent to Moscow, he decided he also had to make a show of starting down Track One, in case the political gamble failed. He permitted himself a dramatic gesture. At his televised press conference on March 23, he addressed himself somberly to a map of Laos—a country "far away" but in a world that is "small." Its independence, he went on, "runs with the safety of us all," and in language that all but told Khrushchev that he was in for a fight, he implied that the United States was preparing to go to its defense. There was, meanwhile, a tremendous deployment of U.S. forces in the Far East, involving the 7th Fleet and Marine combat units on Okinawa. The Army's strategic-strike units in the United States were made ready. A belated effort was made to buck up Phoumi's forces with an increased flow of fighting gear. U.S. military "advisers" went into the field with his battalions. Against this background, on March 26, Kennedy went to Key West and met Macmillan, who was on a visit to the West Indies. The Prime Minister made it clear that Britain considered Laos hardly worth a war, and wanted no part in a SEATO action. (De Gaulle, in a separate exchange, had told Kennedy flatly that France would not fight in Laos.)

From that point on, the idea of a military showdown in Laos looked less and less attractive to the President. He did issue one warning to the Russians that might have been construed as having a military tone. Soviet Foreign Minister Andrei Gromyko called at the White House and Kennedy took him into the rose garden, beyond earshot of his staff, and said, "The United States does not intend to stand idly by while you take over Laos." But that was the last run along Track One.

By then, Rusk was in Bangkok for a meeting of the SEATO powers, still hoping to extract from the meeting at least a strong statement that would condemn the Soviet intervention in Laos and reassert the determination of the SEATO powers to defend the new nations of southeast Asia. In this mission Rusk failed. None of the ranking Democratic Congressmen, or Republican, spoke up in favor of intervention. Moreover, when Kennedy pressed the military chiefs for specific recommendations, he got divided answers. Gen. Thomas White, then Air Force Chief of Staff, and Adm. Arleigh Burke, then Chief of Naval Operations, were both confident that the Communist penetration could be defeated and Laos saved. They said that since the Communists could throw far more manpower into the battle, the U.S. war plan would have to include the possible use of tactical nuclear weapons on a limited scale. They maintained, however, that a clear U.S. resolution to employ nuclear weapons, if there was a need, might in itself discourage further Communist penetration. Gen. Lyman L. Lemnitzer, the Chairman of the Joint Chiefs of Staff, and Gen. George H. Decker, Army Chief of Staff, had much less confidence in the U.S. ability to stop the Communists. Lemnitzer expressed the apprehension that U.S. military action in Laos might be matched by Red China and Russia in a fast reopening of the war in Korea. Two such wars, by his calculation, might require no fewer than 20 U.S. divisions, more than the Army had in its entire order of battle, as well as general mobilization to support them.

"In effect," Kennedy demanded, "you are telling me that I cannot do anything—without starting a nuclear war?" This, he swore, he'd never do, which by itself was a startling reversal of a fundamental premise of the Eisenhower strategy: that U.S. forces would have recourse to nuclear tactical weapons on whatever scale the pursuit of U.S. objectives required. The White House, while conceding to the Communists the option of uninhibited escalation, would not tolerate even a limited escalation on the nuclear side by our own forces. Any military move in Laos therefore seemed hopeless.

The fear of the nuclear escalation factor became the sanction for the policy that was pursued thereafter. In light of this, the scene of Kennedy addressing himself to the map of Laos, in his first public appearance as commander-in-chief, is now memorable for its fleeting revelation of a spirited man who was eager to present himself as a strong President, but who all too quickly turned unsure of his principal resource of power.

The Chiefs, although they took different views of the risks of the Laos situation, were fundamentally agreed on a central point. And that was the United States had to be prepared to employ tactical nuclear weapons. But Kennedy and his civilian strategist.s moving away from the nuclear base of the Eisenhower strategy, read into their professional differences a bankruptcy of means and doctrine. The low esteem in which Kennedy began to hold the military leaders whom he inherited from the Eisenhower administration has not been concealed.

Secretary of Defense McNamara is rewriting the Eisenhower strategic doctrine, in collaboration with the political scientists at the White House and State. The backing away from nuclear strategy, which ended in the U.S. retreat in Laos, is now being formalized by McNamara. (His prescription will call for a conventional base for NATO strategy in the defense of Berlin.)

So there was, by early April, even as Laos was slipping farther and farther below Kennedy's horizon, a breakdown of communication between the political and the military sides of the Government, and this would contribute largely to the failure of Kennedy's next venture.

The Cuba affair has been called the American Suez. In the sense that Suez, too, was an utter fiasco, the bracketing is wryly accurate. There is, however, a clear difference between the two operations. Ill-managed as it was, the Suez invasion would have succeeded had not Eisenhower used the influence of the United States to bring three allies—Britain, France, and Israel—to a humiliating halt. (It should be recorded that neither Britain, France, nor Israel made any critical comment on the U.S. excursion in Cuba.) In Cuba the defeat was wholly self-inflicted. Even as the expedition was creeping into the Bay of Pigs, just before midnight of April 16, the political overseers back in Washington were in the process of knocking out of the battle plan the final, irreducible element needed for victory.

If the U.S. military are without a peer in any one technique of warfare, it is in putting forces ashore across a hostile beach. For the Bay of Pigs, all the necessary means were at Kennedy's hand. It was, by the standards of Gen. David M. Shoup's marines, an elementary amphibious operation in less than battalion strength. And, indeed, as a tactical exercise, it was well devised and daringly and successfully led. But after the strategists at the White House and State had finished plucking it apart, it became an operation that would have disgraced even the Albanians. When Kennedy looked around for the blunderer, he found him everywhere and nowhere. Practically everybody in his inner group of policy movers and shakers had been in on the planning. Only after the disaster was upon them did he and his men realize that a venture which was essentially a military one had been fatally compromised in order to satisfy political considerations. One not unfriendly official who also served under Eisenhower was later to observe: "Cuba was a terrific jolt to this new crowd because it exposed the fact that they hadn't really begun to understand the meaning and consequences of action—the use or misuse of power, in other words. They had blamed Ike's apparent inaction on indecision and plain laziness. Cuba taught them that action, any kind of serious action, is hard and certainly no safe business for amateurs."

The idea for the invasion had taken root during the early summer of 1960. By then, thousands of defectors from Castro's Cuba were in the United States. Many of them were professional soldiers. The job of organizing and training them was given to the Central Intelligence Agency, as the Government's principal mechanism for mounting covert operations of this sort. It became and remained to the end the specific responsibility of one of the CIA's top deputies, Richard M. Bissell, a former economist who is also a highly practical executive. Among his other first-class accomplishments, Bissell had masterminded the U-2 operation, which was, until it finally missed, as one day it had to, the most economical and comprehensive innovation in espionage in modern times.

Training camps for the exiles were set up in a district in western Guatemala offering some privacy. The original idea was to feed the recruits back into Cuba, to reinforce the several thousand anti-Castro guerrillas already established in the mountains. Toward the autumn, however, a more ambitious and riskier project came under tentative consideration. Castro was organizing large formations of militia and was obviously bent on crushing the counterrevolutionary movement before the Cuban populace caught fire. With a view to saving the movement, it was proposed to build up an invasion force big enough to seize and to hold on the Cuban shore a beachhead sufficiently deep for the expedition to proclaim a provisional government, and so provide a rallying base for the discontented. By this time, too, the rudiments of an anti-Castro air force were in training nearby. The planes, however, were all obsolete—mostly propeller-driven B-26's, twin-engine bombers of World War II vintage that had been redeemed from the Air Force's graveyard. Associated with them was a troop-carrying squadron with which a small detachment of paratroopers was training.

During the summer and fall of 1960, Eisenhower, from time to time, personally reviewed the scheme. In late November, the last time it came up for his comprehensive review an operational plan had not yet crystallized; no timetable for action had been set. Across the Potomac at the Pentagon, Under Secretary of Defense Douglas, who was charged with quasi-military operations under the noncommittal category of collateral cold-war activities, was keeping a watchful eye on the project, and releasing such military talent and gear as the CIA requisitioned. Neither he nor the Joint Chiefs of Staff (whose connection with the project remained informal at this stage) believed that much good would flow from an attack made by Cubans alone. For one thing, the resources then available permitted the training of only 300 men or so, and the air unit had but a dozen planes. This was hardly enough to bring down a tough, well-armed regime, and Douglas repeatedly counseled more realism in the planning. Indeed, it was taken for granted by Douglas and the others directly concerned that a landing in force could not possibly be brought off unless the expedition was shepherded to the beach by the U.S. Navy (either openly or in disguise), and covered by air power in whatever amount might be necessary. Eisenhower, the commander of Normandy, understood this well enough.

YOU MAY HAVE TO SEND TROOPS IN

It became obvious toward the end of 1960 that Ike would be out of office well before an effective force would be ready. So the decision as to how big the show should be, and how conspicuous should be the U.S. share, and in what role, was no longer his to make. Given the relaxed attitude at the White House, the military chiefs also relaxed; military concern for the enterprise sank to the "Indians"—from the four-star level to the colonels on the Joint Staff who had been advising the CIA in such matters as training and tactics. Bissell was encouraged, on the one hand, to go forward with preparations for an invasion, but he was cautioned to be ready to fall back to the more modest objective of simply generating a supply of reinforcements for the anti-Castro forces in the mountains.

Before Eisenhower was fully rid of his responsibility, however, a number of disquieting developments combined to impart to the enterprise an air of emergency. It was established that Castro was to start receiving, early in 1961, substantial deliveries of Soviet jet fighters, and that pilots to man them were already being trained in Czechoslovakia. From all indications, these would provide him, by early summer, with an air force that would be more than enough to extinguish the last chance of a successful invasion by Cuban exiles; it would be by all odds the most powerful air force in Latin America. Two other developments were scarcely less worrisome. Castro was making progress in his systematic destruction of his enemies in the mountains, upon whose cooperation the invasion counted, and there was no way, save by an overt air supply, to get guns and ammunition to them. The stability of the exile movement itself was, moreover, coming into question. Warring political factions threatened to split their ranks, and men who had trained long and painstakingly were impatient over the failure of their American advisers to set a sailing date. The feeling took hold of them and their American sponsors that it was to be in the spring or never.

After his election, Kennedy had been briefed fairly frequently on the Cuba situation, along with that in Laos. As his hour of authority approached, the question of what to do about Cuba was increasingly on his mind. The problem had a personal angle. In his fourth television debate with Richard Nixon, he had sharply blamed the Eisenhower administration for permitting communism to seize a base there, "only 90 miles off the coast of the United States." He discussed Cuba, along with Laos, at length in both of his pre-inaugural talks with Eisenhower, and by his stipulation. Ike was inclined to rank Cuba below Laos in terms of urgency, but Cuba clearly worried him. In their second conversation Ike said: "It's already a bad situation. You may have to send troops in."

THE FIRST NECESSITY: CONTROL OF THE AIR

On taking office, Kennedy at once called for a detailed briefing on the condition and prospects of the U.S.-fostered operation. This information was supplied by Allen W. Dulles, the Director of the CIA, and by Bissell. After Kennedy had heard them out he decided that he had to have from the Joint Chiefs of Staff a technical opinion of the feasibility of the project. It is at this point that the locus of responsibility begins to be uncertain.

The operation was not a Department of Defense responsibility. Only once before, in early January, had the chiefs formally reviewed the plan, at Eisenhower's invitation. Now they were asked only for an appreciation of its validity. The enterprise, moreover, had expanded considerably in scope and aim in the past few months. With more than 100,000 Cuban refugees in the United States, recruiting had stepped up, and the organizers were at this point aiming at a landing force of about 1,000 men. An operational plan for a landing on the south coast of Cuba, near the town of Trinidad, was finally beginning to jell. There the country was open, with good roads leading into the Escambray Mountains and the needed linkup with the indigenous guerrillas. Also cranked into the plan were ingenious schemes—a barrage of radio broadcasts from nearby islands and showers of pamphlets from airplanes—intended to galvanize the anti-Castro Cubans in the cities and villages into demonstrations as the invaders struck. It was never explicitly claimed by the CIA that a general uprising was immediately in the cards; the intention was to sow enough chaos during the first hours to prevent Castro from smashing the invasion on the beach. Once the beachhead was consolidated, however, and if fighting gear went forward steadily to the guerrillas elsewhere in Cuba, the planners were confident that a mass revolt could be stimulated.

Finally, the plan still assumed that U.S. military help would be on call during the landing. Castro's air force consisted of not quite twoscore planes—a dozen or so obsolete B-26's, plus about the same number of obsolete British Sea Furies, also slow, propeller-driven airplanes. But in addition there were seven or eight T-33 jet trainers, the remnants of an earlier U.S. transaction with the Batista government, so the force was not the pushover it appeared at first glance. Armed with rockets, these jets would be more than a match in a battle for the exiles' B-26's. The scheme was to destroy them on the ground in advance of the landing, by a series of attacks on Castro's airfields; should the T-33's escape the first surprise blow, there would be ample opportunity to catch them later on the ground while they were being refueled after an action. In any event, a U.S. carrier would be close by, below the horizon, and one or two of its tactical jets could presumably supply whatever quick and trifling help might be required in an emergency.

It stood to reason that, considering how small the landing party was, the success of the operation would hinge on the B-26's controlling the air over the beachhead. And the margins that the planners accepted were narrow to begin with. The B-26's were to operate from a staging base in a Central American country more than 500 miles from Cuba. The round trip would take better than 6 hours, and that would leave the planes with fuel for only 45 minutes of action, for bombing and air cover, over Cuba. In contrast, Castro's air force could be over the beachhead and the invaders' ships in a matter of minutes, which would increase his relative air advantage manifold. Hence the absolute necessity of knocking out Castro's airpower, or at least reducing it to impotence, by the time the ground battle was joined.

This, in general terms, was the plan the chiefs reviewed for Kennedy. The assumptions concerning the possibilities of an anti-Castro uprising not being in their jurisdiction, they took these at face value. They judged the tactical elements sound and, indeed, they accorded the operation a high probability of success. They were allowed to appraise the training and the equipment of the forces. A team of officers was sent to Guatemala. On the basis of its report, the chiefs made several recommendations, but again their assessment was favorable.

Late in January, Kennedy authorized the CIA to lay on the invasion plan, but he warned that he might call the whole operation off if he had a change of mind as to its wisdom. D-day was tentatively fixed for March 1 but this proved impossible to meet. For one thing, it took some time to organize the quarrelsome exiles in New York and Miami into a workable coalition that would sponsor the expedition. For another, it was decided that a battalion of about 1,400 men was needed to secure a beachhead, and that the force, which called itself the Cuban Brigade, should be beefed up generally. In consequence of these developments, the target date kept slipping until it finally came firm as April 17.

It has since been reported that the President was inwardly skeptical of the operation from the start but just why has never been clear—whether he judged the force too small to take on Castro, or because he was reluctant to take on so soon a nastry job that was bound to stir up an international rukus, however it came out. Some of his closest advisers, in any case, were assailed by sinking second thoughts. What bothered them was the "immorality" of masked aggression. They recoiled from having the U.S. employ subterfuge in striking down even so dangerous an adversary as Castro, and they were almost unanimously opposed to having the U.S. do the job in the open. Even with the best of luck, there would certainly be a flutter among the six leading Latin-American states, which, with the exception of Venezuela, had refused to lend themselves to any form of united action against Castro. And the repercussion would scarcely be less embarrassing among the neutralists of Asia and Africa, whose good opinion Kennedy's advisers were most eager to cultivate. And so the emphasis at the White House and State began to move away from a concern with the military considerations—the things needed to make the enterprise work—and to become preoccupied with tinkerings they hoped would soften its political impact on the neutral nations.

THE DISMEMBERING BEGINS

The immorality of the intervention found its most eloquent voice before the President during a meeting in the State Department on April 4, only 13 days before the date set for the invasion. (Stewart Alsop told part of the story in a recent issue of the Saturday Evening Post.) The occasion was Bissell's final review of the operation, and practically everybody connected with high strategy was on hand—Secretary of State Rusk, Secretary of Defense McNamara, Secretary of the Treasury Douglas Dillon, General Lemnitzer, CIA Chief Allen Dulles, as well as Bundy, Paul Nitze, Kennedy's specialist on strategic planning at the Pentagon, Thomas Mann, then Assistant Secretary of State for Latin American Affairs, and three of Kennedy's specialists in Latin American matters—Adolf Berle, Arthur M. Schlesinger, Jr., and Richard Goodwin. There was also one outsider, Senator William Fulbright, chairman of the Senate Foreign Relations Committee, who had been Kennedy's favorite choice for Secretary of State, and whose support he wanted. After Bissell had completed his briefing and Dulles had summed up the risks and prospects, Fulbright spoke and denounced the proposition out of hand: it was the wrong thing for the United States to get involved in.

Kennedy chose not to meet this issue. Instead, he quickly noted certain practical considerations and then, going around the table, he asked various of his advisers whether they thought the operation should go forward. Without exception, the answer was, yes. Berle was particularly outspoken. He declared that "a power confrontation" with communism in the Western Hemisphere was inevitable anyhow. As for this enterprise, "Let 'er rip" was his counsel. Mann, who previously had been on the fence, now spoke up for the operation. Rusk, too, said he was for it, in answer to the President's direct question, but as would presently be manifest, he privately had no heart for it. Two other men among the President's senior foreign policy advisers, not present at the meeting shared Fulbright's feelings: Under Secretary of State Chester Bowles, and Adlai Stevenson, with the United Nations in New York, who soon came to know in a general way that something distasteful was afoot. In deference to these views, Kennedy—either at the meeting or soon afterward—made two separate rulings that were to contribute to the fatal dismemberment of the whole plan. First, U.S. airpower would not be on call at any time: the obsolescent B-26's flown by "our" Cubans would be on their own. Second, the B-26's could be used in only two strikes before the invasion—first on D-minus-2-days (April 15) and again on the morning of the landing. Although these limitations clearly lengthened the risks, Lemnitzer did not dispute them, nor did Bissell's own military advisers; they were confident that if the B-26's missed the T-33's on the first go, they would surely catch them on the second.

During the few remaining days, Kennedy drew his circle of advisers more tightly around him. Apart from Bundy and Rostow, the only White House advisers who remained privy to the development of the operation were the Latin-American experts—Adolf Berle and Schlesinger. Lemnitzer and, of course, Allen Dulles were in and out of Kennedy's office. But the doubts of Rusk and Fulbright and of others were all the while imperceptibly converging on the President and, bit by bit, an operation that was marginal to begin with was so truncated as to guarantee its failure.

The embarkation of the expedition was scheduled to start on April 10. This was, in itself, quite a job. Some half-dozen small steamers were collected for the first movement, together with a number of tactical landing craft. The takeoff point was a port on the Caribbean, several hundred miles from the training area in Guatemala, and the transfer of the Cuban Brigade was done by air and at night, through 4 nights, in the interest of secrecy. The gear aboard the ships was enough to supply the landing force through 10 days of battle, and also to equip the thousands of guerrillas expected to be recruited after the beachhead was gained.

Only a week before the embarkation, and indeed only a day or so before the last go-around at the State Department, another serious change was made in the invasion plan. At the insistence of the State Department, Trinidad was eliminated as the target landing area. State's reasons were complex. Rusk decided that the entire operation had to be kept "unspectacular" and minimize the overtness of the U.S. role as much as possible. That required shifting the attack to a less populated and less accessible area, where Castro's reaction might be slower and less effective. Rusk and his own advisers were also anxious to be rid at all possible speed of the incubus of responsibility for mounting the operation in Central America, anxious that the B–26's should be based as rapidly as possible on Cuba. The only vulnerable airfield capable of taking the planes was one in poor condition near the Bay of Pigs, on the Zapata Peninsula, about 100 miles to the west of Trinidad. Here the countryside was quite deserted and, to succeed at all, the invaders had to seize and hold two narrow causeways leading across a swamp that was impassable on either side. These actions did not end the last-minute curtailments directed by the White House. Even the arrangements for arousing the Cuban populace and trying to stampede Castro's militia with leaflet raids and radiobroadcasts were struck from the plan, and again because State was afraid that they would be too obvious a showing of the U.S. hand. On April 12, while the convoy was heading north, Kennedy was impelled to announce at a press conference that the U.S. would not intervene with force in Cuba. Rusk made sure the idea got home by repeating the same guarantee on the morning of the invasion. The effect of this was to serve notice on the Cubans in Cuba, who were known to be waiting for an encouraging signal from the United States, that whatever they might be tempted to try would be at their own risk.

THE POLITICIANS TAKE COMMAND

Clear to the end, Kennedy retained tight control of the enterprise. As each new sequence of action came up for his final approval—the go signal for the embarkation, then for the preinvasion air strike on the morning of April 15, he came to his decisions quickly and firmly. All the way, however, he reserved the option to stop the landing short of the beach. He kept asking how late the enterprise might be reversed without making it look as if Castro had called an American bluff. He was told: noon on Sunday, April 16, when the invasion force would be 11 hours of steaming from the Bay of Pigs. The Sunday deadline found Kennedy in the Virginia countryside, at Glen Ora; only then did he raise his finger from the hold button. As he did so, he noted with relief that no other unfavorable factors had materialized. He was mistaken. At dawn of the day before, by the timetable, the B–26's, having flown undetected through the night from their Central American staging base, appeared over Cuba and bombed the three fields on which Castro's ready air was deployed. (The attack was, on the whole, highly successful. Half of Castro's B-26's and Sea Furies, and four of his T-33 jets were blown up or damaged and so removed from the imminent battle.) The story was put out that Castro's own pilots, in the act of defecting, had attacked their own airfields. This was a gloss, to say the least; the attackers were indeed defectors from Castro, but they had defected long before. Later that afternoon, at the United Nations, after the Cuban Foreign Minister Raul Roa had charged that the attack was "a prolog" to a U.S. invasion, Adlai Stevenson arose and swore that the planes were Castro's.

From this hapless moment on, Stevenson's role becomes unclear. There was a subsequent published report that he intervened to block the second strike. Stevenson has flatly denied, and continues to deny, that he even knew about the second strike, let alone that he demanded that it be called off. But there was little doubt about his unhappiness over the course of events in the Caribbean and he conveyed these feelings to Washington. Before Sunday was over Bundy was to fly to New York, to see Stevenson (Bundy said) and still wearing, in his haste to be off, sneakers and sports clothes. This sudden errand followed a shattering order that went out to Bissell.

It was Sunday evening, only some 8 hours after Kennedy has given "the go-ahead." In the first dark, the expedition was even then creeping toward the Cuban shore. In Bissell's office there was a call on the White House line. It was Bundy, being even crisper than usual: the B-26's were to stand down, there was to be no air strike in the morning, this was a Presidential order. Secretary of State Rusk was now acting for the President in the situation. If Bissell wished to make a "reclama" (federalese for appeal), it could be done through Rusk.

Bissell was stunned. In Allen Dulles' absence (he was in Puerto Rico), he put his problem up to CIA Deputy Director Charles Cabell, an experienced airman. Together they went to the State Department to urge Rusk to reconsider a decision that, in their judgment, would put the enterprise in irretrievable peril. Cabell was greatly worried about the vulnerability to air attack first of the ships and then of the troops on the beach. Rusk was not impressed. The ships, he suggested, could unload and retire to the open sea before daylight; as for the troops ashore being unduly inconvenienced by Castro's air, it had been his experience as a colonel in the Burma theater, he told the visitors, that air attack could be more of a nuisance than a danger. One fact he made absolutely clear: Military considerations had overruled the political when the D-minus-two strike had been laid on; now political considerations were taking over. While they were talking, Rusk telephoned the President at Glen Ora to say that Cabell and Bissell were at his side, and that they were worried about the cancellation of the strike. Rusk, at one point, put his hand over the mouthpiece, and asked Cabell whether he wished to speak to the President. Cabell shook his head. Perhaps that was his mistake; it was certainly his last chance to appeal a lamentable decision. But Bundy had made it clear that Rusk was acting for the President, and Cabell is a professional military man, trained to take orders after the facts had been argued with the man in command.

On their return to the office, Bissell flashed orders to the B–26 commander at the staging field, more than 500 miles from the Bay of Pigs. The force got the changed orders shortly before midnight, only half an hour or so before they were scheduled to depart; the bomb bays were already loaded and the crews were aboard. Meanwhile the planes carrying the paratroopers had taken off, and the first assault barges, still unobserved, were even then approaching the beaches.

TUESDAY, THE TURNING POINT

Past midnight, in the early watches, Bissell and Cabell restudied the battle plan, while signals of consternation welled up from their men far to the south. At 4 o'clock, less than an hour before first light on the Cuban shore, Cabell went back to Rusk with another proposal. It was manifestly impossible for the brigade's small force of B–26's (only 16 were operational) to provide effective air cover for the ships from their distant base against jets that could reach the ships in minutes. Cabell now asked whether, if the ships were to pull back of the 3- or 12-mile limit—whichever distance U.S. legal doctrine held to be the beginnings of international water—the U.S.S. *Boxer*, a carrier on station about 50 miles from the Bay of Pigs, could be instructed to provide cover for them. Rusk said no and this time Cabell finally took advantage of the reclama that Bundy had extended to Bissell. The President was awakened. Cabell registered his concern. The answer still was no.

Shortly after that, on Monday morning, April 17, Brig. Gen. Chester Clifton, the President's military aide, received word that the Cuban brigade had landed. They had little chance. They were without the ranging fire power that the B–26's with their bombs and machine guns had been expected to apply against Castro's tanks and artillery as they wheeled up. Castro's forces came up fast. He still had four jets left, and they were indeed armed with powerful rockets. He used them well against the ships in the bay. Before the morning was done, he had sunk two transports, aboard which was the larger part of the reserve stocks of ammunition, and driven off two others, with the rest of the stock.

Now Kennedy and his strategists became alarmed. About noon on Monday, Bissell was told that the B–26's could attack Castro's airfields at will. Orders went to the staging base for a major attack next morning. But the orders came too late. Most of the pilots have been in the air for upwards of 18 hours in an unavailing effort to keep Castro's planes off the troops and the remaining ships. That night a small force was scratched together. It was over Cuba at dawn, only to find the fields hidden by low, impenetrable fog. Nothing came of the try.

Tuesday, the second day, was the turning point. The men ashore had fought bravely and gained their planned objectives. They had even seized and bulldozed the airfield. But they were desperately short of ammunition and food, and under the pressure of Castro's superior fire power and numbers they were being forced back across the beach; three B–26's trying to help them were shot down.

Two small landing craft had made rendezvous with two remaining supply ships and taken on ammunition and rations; but, from where they were, they could not reach the beach until after daybreak, at which time Castro's jets were certain to get them. There remained still one last clear chance to make the thing go. *Boxer* was still on station. The release of a few of its jets simply for air cover should see the two crafts safely to the shore.

DEFEAT IS AN ORPHAN

That night Kennedy was caught up in a White House reception, a white-tie affair, for Congress and the members of his Cabinet. He was informed by an aid that Bissell wished to see him. The President asked Bissell to come to the White House. Calls went out to the other principals—to Rusk, who had been entertaining the Greek Premier at a formal dinner at the State Department, to McNamara, General Lemnitzer, Admiral Burke.

They gathered in the President's office shortly after midnight. One of the participants recalls: "Two men dominated that singular occasion—the President and Bissell. Bissell was in the unhappy posture of having to present the views of an establishment that had been overtaken by disaster. He did so with control, with dignity, and with clarity." Bissell made it plain that the expedition was at the point of no return; unless U.S. airpower was brought forward, the men on the beach were doomed. In substance, he asked that the *Boxer's* planes be brought into the battle to save the operation. Rusk still would not have this. Several others were also opposed, including the President's personal staffers. Burke vouched for the worth of Bissell's proposition. The discussion with the President lasted until 2 a.m. Its outcome was a singular compromise. Jets from the *Boxer* would provide cover next morning for exactly 1 hour—from 6:30 to 7:30 a.m., just long enough for the ships to run into the shore and start unloading, and for the remaining B-26's to get in a hard blow.

Next morning, through an incredible mischance, the B-26's were over Cuba half an hour ahead of schedule. *Boxer's* jets were still on the flight deck. But Castro's jets were ready. Two of the B-26's were shot down; others were hit and forced to abort. That was the melancholy end. At 2:30 that afternoon, Bissell received word from one of his men aboard a ship in the Bay of Pigs: remnants of the landing force were in the water and under fire. There was a final message from the gallant brigade commander ashore to this effect, "I have nothing left to fight with and so cannot wait. Am headed for the swamp." Bissell went to the White House to report the end. Kennedy gave orders for a destroyer to move into the bay and pick up as many men as it could. It was no Dunkirk. Only a few men of the 1,400 were saved.

"Victory," Kennedy noted some days later, "has a hundred fathers, and defeat is an orphan." Yet, for all Kennedy's outward calmness at this moment of defeat, he was never, after it, quite the same. Speaking before the American Society of Newspaper Editors, a grave President said, "There are from this sobering episode useful lessons for all to learn."

TRIBUTE TO SENATOR MANSFIELD AS MAJORITY LEADER

Mr. GOLDWATER. Mr. President, the statement I am about to make is not on this particular point, but I promise it will not take more than a minute. This will be the last time I will avail myself of the floor in this session, and I wanted to comment briefly on the leadership of Senator MANSFIELD in this Congress.

I have been a little tired of reading in the press about the lack of ability of Senator MANSFIELD in the leadership of this body. I am also growing a little tired of reading about the so-called leadership of his predecessor. While it was leadership, it was leadership of a different kind. I personally prefer to work under the leadership of a man like Senator MANSFIELD, who reminds me of the man I have always considered a real leader, the late George Patton.

During the early days of World War II, when he was training his armored troops on the deserts of Arizona and southern California, it was my privilege to fly missions against his soldiers to see how well they could protect themselves from air attack. We would attend critiques in the evening, and I will never forget, as long as I live, his definition of leadership. He would hold a China plate in his hand, which was then very new to GI's, and he had on it a wet noodle. He tried to push it, and it would go nowhere. Then he would put his two fingers around the noodle and pull it across the plate. He said, "Gentlemen, you have to pull a noodle; you can't push it."

That is the kind of leadership we have had under Senator MANSFIELD. I am happy to work under that kind of leadership, rather than under a whip, a six gun, or the butt of something hard, or a threat. This is the kind of leadership that gets the best out of men and women and produces the best for the country.

I did not want the session to end without my standing up to defend a fellow westerner, even though he be of the opposite party, from attacks of people of the press who have assailed his leadership.

AMENDMENT OF FOREIGN SERVICE BUILDINGS ACT, 1926, AUTHORIZING ADDITIONAL APPROPRIATIONS

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the Senate resume the consideration of Calendar No. 1887, House bill 11880, to amend the Foreign Service Buildings Act, 1926, to authorize additional appropriations.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate resumed the consideration of the bill (H.R. 11880) to amend the Foreign Service Buildings Act, 1926, to authorize additional appropriations, and for other purposes, which had been reported from the Committee on Foreign Relations, with an amendment.

Mr. HUMPHREY. Mr. President, before we get to the committee amendment, which I believe is controversial, I wish to state that the main purpose of H.R. 11880 is to authorize an appropriation of $53,899,000 for the purchase of U.S.-owned foreign currencies and expenditure in connection with a 2-year Foreign Service buildings program. Of this amount, not to exceed $22,093,000 may be used for maintenance, repairs, and other operating expenses. In addition, the bill provides that "to the maximum extent feasible" foreign currencies owned by or owed to the United States shall be used for carrying out the purposes of the Foreign Service buildings program.

In this connection, since the enactment of the Foreign Service Buildings Act of 1926, $241,625,000 has been authorized and appropriated through the fiscal year 1962. Of this total, $209,100,000, or 86½ percent, was used to purchase U.S.-owned foreign currencies from the U.S. Treasury, and the balance of $32,525,000 was in United States dollars. In addition to the total authorized, there was appropriated by the Congress in 1961 and 1962 respective amounts of $4,500,000 and $4,650,000 under Public Law 480, providing a total availability of $250,775,000.

Mr. President, I believe it is important to keep in mind that the actual dollar expenditures made in connection with the Foreign Buildings Program have averaged less than $1 million per year since 1926, when the Foreign Service Buildings Act was enacted. The balance of the appropriations made for this program, which averaged approximately $6 million per year, were used to purchase foreign currencies from the U.S. Treasury. Moreover, the Committee on Foreign Relations has been assured by the Department of State that it will continue to use U.S.-owned foreign currencies and credits in carrying out its Foreign Service buildings program whenever those currencies and credits are available.

According to the Department of State, of the $53,899,000 authorized by H.R. 11880, approximately $40 million, or 74 percent, is expected to be financed in U.S.-owned foreign currencies. In addition, of the total dollar requirement, amounting to less than $14 million, it is anticipated that only $6 million will be expended outside the United States. The balance of the dollar expenditures will be used for salaries, travel, other administrative expenses, and purchases in the United States of American-made building equipment, appliances, and furniture and furnishings for our projects abroad. I should point out, the Department anticipates that the program envisaged under H.R. 11880 will result in an annual savings in leased quarters alone of $862,000. Of this amount, over $700,000 annually would relate to the new African countries.

During its consideration of H.R. 11880, the Committee on Foreign Relations approved an amendment, cosponsored by Senators FULBRIGHT and MONRONEY, which prohibits future construction of foreign chanceries in one-family detached residential areas in the District of Columbia. As originally introduced, the amendment would have prohibited foreign governments from locating their chanceries in all residential areas in the District of Columbia. However, representatives of the Department of State urged the committee to modify the amendment so that chanceries might be constructed in certain residential districts other than those areas designated as one-family detached dwelling districts. Such areas would include those predominantly occupied by apartments, row houses, and semidetached homes, where chanceries would be permitted to locate, provided it can be shown that those areas are not already overcrowded. In view of the position taken by the Department of State, the Committee on Foreign Relations modified the Fulbright-Monroney proposal so as to prohibit future location of chanceries only in areas designated as one-family detached dwelling districts.

Incidentally, enactment of this proposed legislation is not intended to have a retroactive effect. Legally authorized construction which has actually begun would not be affected by this bill.

Mr. President, the Department of State advised the Committee on Foreign Relations that the enactment of H.R. 11880 during this session of Congress is absolutely necessary, in order to provide authority to continue without break the foreign buildings program. As the Department pointed out, the appropriations authorized by the bill are required in order to maintain the realty holdings which the United States already owns throughout the world, as well as for the acquisition and construction of buildings abroad, especially in the new African countries.

In his letter of transmittal requesting this legislation, the Secretary of State, Mr. Dean Rusk, stated that many of our personnel at posts abroad are working and living in accommodations far below the standards considered minimum in the United States. This is particularly true, he said, at certain posts in Asia and Africa.

Approximately one-third of the amount authorized by H.R. 11880 for construction and acquisition is for special requirements at new posts in Africa, and, as the Committee on Foreign Relations observed in its report on this legislation—

> If our Foreign Service personnel are to have facilities available in this area of the world where it is imperative that we have adequate representation, it is essential that this bill be approved without delay.

Mr. President, I hope the Members of the Senate will agree that there is an urgent need for funds with which to carry on our foreign buildings program, and that they will pass H.R. 11880 as soon as possible.

Mr. President, this bill was given very careful consideration by the Foreign Relations Committee.

I understand that the Senator from Oregon [Mr. MORSE] has two amendments which he will offer. They have been discussed with the Foreign Relations Committee. I also understand that the Senator from Michigan [Mr. McNAMARA] has an amendment which he wishes to offer.

In order to expedite the handling of the business of the Senate, and because I realize that the Senator from Michigan, the Senator from Arizona [Mr. GOLDWATER], and other Senators have been waiting some time for the bill to be reached, I suggest that the Senator from Michigan offer his amendment now, and that then the Senator from Arizona offer his amendment, and that then the Senate consider the Morse amendments.

The PRESIDING OFFICER. Does the Senator from Minnesota request that the committee amendment be temporarily passed over?

Mr. HUMPHREY. Yes, Mr. President; I ask unanimous consent that the committee amendment be temporarily passed over.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, I make this request in order that the Senator from Michigan, the Senator from Arizona, and the Senator from Oregon may submit their amendments at this time.

Mr. McNAMARA. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment of the Senator from Michigan will be stated.

The LEGISLATIVE CLERK. On page 1, after line 3, it is proposed to insert "title I"; and on page 6, after line 18, to insert the following:

TITLE II

That this title may be cited as the "Equal Pay Act of 1962".

Declaration of purpose

SEC. 2. (a) The Congress hereby finds that the existence in industries engaged in commerce or in the production of goods for commerce of wage differentials based on sex—

(1) depresses wages and living standards for employees;

(2) prevents the maximum utilization of the available labor resources;

(3) tends to cause labor disputes, thereby burdening, affecting, and obstructing commerce;

(4) burdens commerce and the free flow of goods in commerce; and

(5) constitutes an unfair method of competition.

(b) It is hereby declared to be the policy of this title, through exercise by Congress of its power to regulate commerce among the several States and with foreign nations, to correct the conditions above referred to in such industries.

Definitions

SEC. 3. When used in this title—

(a) "Person" means an individual, partnership, association, corporation, business trust, legal representative, or any organized group of persons.

(b) "Commerce" means trade, commerce, transportation, transmission, or communication among the several States or between any State and any place outside thereof and shall include United States congressional office staffs and United States congressional committee staffs, notwithstanding the number of persons employed in such offices.

(c) "Goods" means goods (including ships and marine equipment), wares, products, and commodities, merchandise, or articles or subjects of commerce of any character, or any part or ingredient thereof but does not include goods after their delivery into the actual physical possession of the ultimate consumer thereof other than a producer, manufacturer, or processor thereof.

(d) "Produced" means produced, manufactured, mined, handled, or in any other manner worked on in any State; and for the purposes of this title an employee shall be deemed to have been engaged in the production of goods if such employee was employed in producing, manufacturing, mining, handling, transporting, or in any other manner working on such goods, or in any closely related process or occupation directly essential to the production thereof, in any State.

(e) "Employ" includes to suffer or permit to work.

(f) "Employer" includes any person acting directly or indirectly in the interest of an employer in relation to an employee, including having the authority to hire, dismiss, and control the work of such employee but shall not include the United States except with respect to United States congressional office staffs and United States congressional committee staffs, or any State or political subdivision of a State, any labor organization (other than when acting as an employer), or anyone acting in the capacity of officer or agent of such labor organization, or any person having fewer than twenty-five employees in any place of employment.

(g) "Employee" includes any individual employed by an employer.

(h) "Wage" paid to any employee includes the reasonable cost, as determined by the Secretary, to the employer of furnishing such employee with board, lodging, or other facilities, if such board, lodging, or other facilities are customarily furnished by such employer to his employees: *Provided*, That the Secretary is authorized to determine the fair value of such board, lodging, or other facilities for defined classes of employees and in defined areas, based on average cost to the employer or to groups of employers similarly situated, or average value to groups of employees, or other appropriate measures of fair value. Such evaluations, where applicable and pertinent, shall be used in lieu of actual measure of cost in determining the wages paid to any employee.

(i) "State" includes a State of the United States, the District of Columbia, Puerto Rico, the Virgin Islands, American Samoa, Guam, Wake Island, the Canal Zone, and Outer Continental Shelf lands defined in the Outer Continental Shelf Lands Act.

(j) "Secretary" means the Secretary of Labor.

(k) "Labor organization" means any organization of any kind, or any agency or employee representation committee or plan, in which employees participate and which exists for the purpose, in whole or in part, of dealing with employers concerning grievances, labor disputes, wages, rates of pay, hours of employment, or conditions of work.

Prohibition of wage rate differential based on sex

SEC. 4. No employer having employees engaged in commerce or in the production of goods for commerce shall discriminate, in any place of employment in which his employees are so engaged, between employees on the basis of sex by paying wages to any employee at a rate less than the rate at which he pays wages to any employee of the opposite sex in such place of employment for equal work on jobs the performance of which requires equal skills, except where such payment is made pursuant to a seniority or merit increase system or a bona fide job classification program which does not discriminate on the basis of sex or where such payment is attributable to ascertainable and specific added costs resulting from employment of the opposite sex. No labor organization, or its agents, representing employees of such an employer shall cause or attempt to cause such an employer to discriminate against an employee in violation of this title. No such employer and no such labor organization shall discharge, cause to be discharged, discipline, or otherwise discriminate against any employee on account of any action taken by such employee to invoke, enforce, or assist in any manner in the enforcement of the provisions of this title.

Administration

SEC. 5. (a) The Secretary shall have authority to prescribe rules and regulations necessary for the administration of this title. In any action or proceeding based on any alleged violation of this title, a person charged with such alleged violation shall have all defenses otherwise available, and no person shall be subject to any liability or punishment for or on account of the commission by such person of an unlawful discriminatory practice prohibited by this title if he pleads and proves that the act or omission complained of was in good faith, in conformity with, and in reliance on, any written interpretation or opinion of the Secretary or his representative. Such a defense, if established, shall be a bar to the action or proceeding, notwithstanding that after such act or omission, such interpretation or opinion is modified or rescinded or is determined by judicial authority to be invalid or of no legal effect.

(b) In connection with any investigation of a charge filed by the Secretary under section 6, the Secretary or his representative may enter and inspect such places and such records (and make such transcriptions thereof), question such employees, and investigate such facts, conditions, practices, and matters as he may deem necessary or appropriate to determine whether any person has violated any provision of this title, or which may aid in the enforcement of the provisions of this title.

(c) For the purposes of any investigation conducted under this title, the provisions of sections 9 and 10 of the Federal Trade Commission Act of September 16, 1914, as amended (15 U.S.C. 49, 50), shall be applicable to the jurisdictions, powers, and duties of the Secretary or any officers designated by him, except that the attendance of a witness may not be required outside of the State where he is found, resides, or transacts business, and the production of evidence may not be required outside the State where such evidence is kept.

Enforcement

Sec. 6. (a) Whenever it is charged in writing under oath by or on behalf of a person claiming to be aggrieved that an employer or a labor organization has engaged in a discriminatory practice prohibited by section 4, the Secretary shall file a written charge (setting forth the facts upon which it is based) and shall furnish such employer or labor organization (hereinafter referred to as the "respondent") with a copy of such charge and shall make an investigation of such charge. If the Secretary determines, after such investigation, that such respondent has engaged in a discriminatory practice prohibited by section 4, he shall endeavor to eliminate any unlawful discriminatory practice by informal methods of conference, conciliation, and persuasion.

(b) If the Secretary has failed to effect the elimination of an unlawful discriminatory practice and to obtain voluntary compliance with this title, or in advance thereof if circumstances warrant, he shall have the power to bring a civil action to prevent the respondent from engaging in such unlawful practice.

(c) Each United States district court and each United States court of a place subject to the jurisdiction of the United States shall have jurisdiction of actions brought under this title. Such actions may be brought either in the judicial district in which the unlawful discriminatory practice is alleged to have been committed or in the judicial district in which the respondent has his principal office. No such civil action shall be based on an unlawful discriminatory practice occurring prior to the effective date of this title or more than one year prior to the filing of the charge and the giving of notice thereof to the respondent, unless the person aggrieved thereby was prevented from filing such charge by reason of service in the Armed Forces, in which event a period of military service shall not be included in computing the one-year period.

(d) If the court finds that the respondent has engaged in or is engaging in an unlawful discriminatory practice charged in the complaint, the court may enjoin the respondent from engaging in such unlawful practice, and shall order the respondent to take such affirmative action, including the payment of back wages, plus an additional amount not to exceed the back wages found to be due, as may be appropriate. No order of the court may issue if the wage discrimination was based on some factor other than sex.

(e) In any case in which the pleadings present issues of fact, the court may appoint a master and the order of reference may require the master to submit with his report a recommended order. The master shall be compensated by the United States at a rate to be fixed by the court, and shall be reimbursed by the United States for necessary expenses incurred in performing his duties under this section. Any court before which a proceeding is brought under this section shall advance such proceeding on the docket and expedite its disposition.

(f) The provisions of the Act entitled "An Act to amend the Judicial Code and to define and limit the jurisdiction of courts sitting in equity, and for other purposes", approved March 23, 1932 (29 U.S.C. 101–115), shall not apply with respect to civil actions brought under this section.

(g) Attorneys of the Department of Labor may appear for and represent the Secretary in any litigation, but all such litigation shall be subject to the direction and control of the Attorney General.

(h) The remedies provided in this section for violations of this title shall be exclusive.

Supervision of wage payments

Sec. 7. The Secretary is authorized to supervise the payments of any amounts owing to any employee which have been withheld in violation of this title. Any sum owed an employee and paid to the Secretary under this title shall be held in a special deposit account and shall be paid, on order of the Secretary, directly to the employee. Any such sum not paid to an employee because of inability to do so within a period of three years shall be covered into the Treasury as miscellaneous receipts.

Government contracts

Sec. 8. (a) Except as hereinafter provided in this subsection, in any contract made and entered into by any executive department, independent establishment, or other agency or instrumentality of the United States, or by the District of Columbia, the Virgin Islands, American Samoa, Guam, or the Canal Zone, or by any corporation all of the stock of which is beneficially owned by the United States (all of which are referred to hereinafter as agencies of the United States), for the manufacture or furnishing of any materials, supplies, articles, or equipment, in any amount exceeding $10,000, there shall be included stipulations under which the contractor (1) is required to compensate all persons employed by him in the manufacture or furnishing of such materials, supplies, articles, or equipment, in conformity with the requirements of this title, and (2) shall be subject to all other provisions of this title. The Secretary of Labor may, when he deems that special circumstances in the national interest so require, exempt a contracting agency from the requirement of including the provisions of this subsection in any specific contract.

(b) No contract shall be awarded by the United States or any agency thereof to any person finally determined to have violated any of the provisions of this Act or any stipulation entered into in compliance with subsection (a) of this section, or to any firm, corporation, partnership, or association in which such person has a controlling interest, until the contractor has complied with all orders issued to him pursuant to section 6. The Comptroller General is authorized and directed to distribute to all agencies of the United States a list containing the names of persons ineligible for contract awards under this section. The Secretary shall cause the names of persons who have complied with orders issued pursuant to section 6 to be removed from this list.

Posting

Sec. 9. Every employer subject to this title shall keep posted in a conspicuous place in or about the premises where any employee is employed such excerpts from this title and from the regulations issued pursuant thereto as will provide information adequate to inform employees of their rights under this title.

Effect of other laws

Sec. 10. No employer to whom section 4 applies shall be required to comply with any law of any State, or political subdivision thereof, prohibiting discrimination in rates of pay on account of sex. The Secretary is empowered by agreement with any agency of any State to cede to such agency jurisdiction over any cases where such State has a statute applicable to the determination of such cases the provisions of which are not inconsistent with the corresponding provisions of this title or has received a construction not inconsistent therewith.

Appropriation

Sec. 11. There are authorized to be appropriated such sums (not in excess of $1,500,000 for the fiscal year ending June 30, 1963), as may be necessary to carry out the provisions of this title.

Effective date

Sec. 12. This title shall take effect one hundred and twenty days after the date of its enactment.

Mr. McNAMARA. Mr. President, I ask unanimous consent to have printed at this point in the Record a section-by-section analysis of the bill.

There being no objection, the analysis was ordered to be printed in the Record, as follows:

H.R. 11677—Section-by-Section Analysis

Section 1. Title of act: Establishes short title of "Equal Pay Act of 1962."

Section 2. Declaration of purpose: Enumerates undesirable conditions in industries engaged in commerce or in the production of goods for commerce resulting from payment of wage differentials based on sex and declares policy of act to correct these conditions through the commerce power.

Section 3. Definitions: Defines terms used in the act, for the most part, as the same terms are defined in the Fair Labor Standards Act.

Section 4. Prohibition of wage rate differential based on sex:

Prohibits employers having employees engaged in commerce or in the production of goods for commerce from discriminating, on the basis of sex, in payment of wages in any place of employment in which their employees are so engaged by paying to any employee wages lower than those which he pays to any employee of the opposite sex for work of equal character on jobs the performance of which requires equal skill.

The language descriptive of proposed coverage and the supporting definitions in section 3 are phrased to make available precedents established under the Fair Labor Standards Act in determining coverage under the proposed legislation. Nondiscriminatory seniority or merit increase systems are excepted, as are bona fide job classification programs. Wage differentials attributable to ascertainable and specific costs resulting from the employment of the opposite sex are also excepted.

Section 5. Administration:

(a) Authorizes the Secretary of Labor: (1) to issue rules and regulations, (2) to make investigation regarding compliance with the act.

(b) Vests the Secretary of Labor with subpena power as provided under the Federal Trade Commission Act of September 16, 1914.

Section 6. Enforcement:

(a) Empowers the Secretary, after a charge in writing is filed, to make an investigation as to whether a violation has occurred.

If the Secretary determines that the charge is true, he shall use informal methods of conference, conciliation, and persuasion to eliminate such an unlawful practice.

(b) If these informal methods fail, the Secretary shall have the power to seek a restraining order against such an unlawful practice.

(c) This action shall be brought in U.S. district court. It may be brought either where the practice is alleged to have been committed or the district in which the respondent has his principal office. A 1-year statute of limitations is provided, except that the aggrieved person's period of military service shall not be included in the tolling of the statute.

(d) If the court finds a violation, it may enjoin the respondent and shall order not only affirmative action but the payment of back wages.

(e) If the pleadings present issues of fact the court may appoint a master who shall submit a report and a recommended order.

(f) Provides that the Norris-La Guardia Act shall not apply to civil actions brought under section 6.

(g) Allows attorneys of the Department of Labor to represent the Secretary, under the direction of the Attorney General.

(h) Provides that the remedies cited in this section shall be exclusive.

Section 7. Supervision of wage payments:

(a) Authorizes Secretary to supervise payment of wages, withheld in violation of the act, and to hold such sums in a special deposit account and to order payment therefrom directly to the employee. After 3 years, unpaid sums from the account must be covered into the Treasury as miscellaneous receipts.

(b) Limits wage restitution to periods of 4 years preceding the date the Secretary commences his first administrative or judicial proceeding.

Section 8. Government contracts:

(a) Provides that all Government supply contracts in an amount exceeding $10,000 shall contain a stipulation requiring the contractor to compensate persons employed by him on the contract in conformity with the requirements of the act and shall be subject to all of its other provisions. Authorizes the Secretary of Labor when he deems that special circumstances in the national interest require to exempt any contracting agency from the requirement of including this stipulation in a specific contract.

(b) Provides that no contract shall be awarded by any U.S. Government agency to persons determined to have violated the act or contract stipulations entered into under subsection (a) unless the Secretary determines the contractor has come into full compliance. The Comptroller General is directed to distribute a list of contractors ineligible under this section and immediately to remove from the list the name of any contractor the Secretary has determined to have come into compliance.

Section 9. Posting: Requires employers subject to act to post a copy of it on premises where any employee covered by the act is employed.

Section 10. Effect of other laws: No employer to whom section 4 applies shall be required to comply with any law of any State, or political subdivision thereof, prohibiting discrimination in rates of pay on account of sex. The Secretary is empowered by agreement with any agency of any State to cede to such agency jurisdiction over any cases where such State has a statute applicable to the determination of such cases the provisions of which are not inconsistent with the corresponding provisions of this act or has received a construction not inconsistent therewith.

Section 11. Appropriation: Authorizes necessary appropriations to carry out the act.

Section 12. Effective date: Provides that act will take effect 120 days after passage.

Mr. McNAMARA. Mr. President, the amendment which I offer is H.R. 11677, the equal pay bill, which passed the House of Representtaives on July 25, 1962.

This amendment represents legislation recommended by the administration of President Kennedy.

In a letter to Vice President Johnson, dated August 24, 1961, then Secretary of Labor Arthur J. Goldberg cited three major reasons for the enactment of this legislation:

First. The general purchasing power and living standards of workers were adversely affected by discriminatory pay rates.

Second. Those employers who paid discriminatory rates enjoyed an unfair competitive advantage over those who did not.

Third. The low-wage levels which result from this discrimination prevent the full utilization of workers' skills, which is, in turn, detrimental to both morale and production.

What this bill does, in its most basic sense, is to insure that those who perform equal tasks will be rewarded with equal wages, regardless of their sex.

For too long a period many employers have based their payrolls on an ancient and discredited belief—that a man, because of his allegedly more responsible role in society, should be paid more than a woman, even though the man and the woman performed the same duties.

At present, there are almost 25 million women in the Nation's work force.

It is impossible to name any significant industry in the United States which does not depend to a substantial degree upon the skills, talents, and energy of American women.

Yet it is apparent, from statistics that have been presented to the Congress, that these skills, talents, and energies are not rewarded in the same manner as they are when contributed by men.

The volume of testimony on this legislation, which is available to each Senator, contains those statistics.

I would call attention particularly to the documents which accompany the testimony of Mrs. Esther Peterson, Assistant Secretary of Labor. That testimony begins on page 6 of the hearings. I will cite only several of the startling and dismal facts contained in the data presented by Mrs. Peterson. In 1955, women's median wage and salary income was 64 percent of that received by men. In 1961, that percentage had not risen, but had dropped to 61 percent.

This differential, furthermore, marked every major occupational grouping, ranging from 42 percent among salesworkers to 68 percent among clerical workers.

Mr. President, I do not present this amendment as an instrument by which these differentials will be completely eliminated.

The median wage and salary income of women will still be lower than that of men long after this bill is passed.

It will remain lower precisely because of the society in which we live, a society in which less women than men prepare themselves for a lifetime of work. What this amendment will do is guarantee that a woman who has prepared herself for a particular job in the same degree as a man, and who performs it with the same excellence as a man, will be paid the same as a man.

Briefly, the amendment would assure this guarantee by the following provisions:

First. All employers who have 2 or more employees engaged in commerce or the production of goods for commerce and who employ 25 or more employees in 1 establishment—at that establishment—will be covered by the legislation.

Second. It will be unlawful for such employers to pay wage rates which discriminate, on the basis of sex, to employees whose jobs are determined to be of an equal character and which require equal skills.

Third. When an employee believes that he or she is being paid such discriminatory wage rates, the employee or an authorized representative may file a charge in writing with the Secretary.

Fourth. The Secretary then shall file a written charge of his own with the employer or labor organization and make an investigation.

Fifth. If the investigation reveals that a violation has occurred, the Secretary is first directed to use informal conciliation procedures to bring an end to the discriminatory practices.

Sixth. If those informal procedures fail, the Secretary brings a civil suit to enjoin the practices, and to collect back wages plus a penalty not to exceed the amount of back wages due.

One problem requires more thorough consideration at this point.

During our consideration of the bill, justifiable concern was voiced about the narrow enforcement powers conferred on the Secretary.

We were asked whether or not such a restriction on enforcement would establish a precedent by which the enforcement of other wage legislation could be similarly restricted.

It is clear that the enforcement procedures contained in this bill shall have absolutely no bearing upon any other legislation.

This is not what can be accurately described as a wage bill.

This is an antidiscrimination bill, and no one should imply any future intent that the enforcement of such acts as the Fair Labor Standards Act, the Walsh-Healey Act, and the Davis-Bacon Act, along with others, shall be in any way affected by the decisions which are made in the enactment of this bill.

As reported by the House Committee on Education and Labor, H.R. 11677, the Equal Pay Act of 1962, contained a provision prohibiting any employer from reducing the wage rate of an employee "for the purpose of eliminating the differential in wage rates" prohibited by the bill. During debate on the bill in the House this provision was eliminated.

A good deal of consideration has been given to the problems raised by the language which the House amendment struck from the bill, and the resulting problems to which the House amendment itself may give rise. Standing by itself, the House amendment would seem to put the stamp of approval on wage reductions as a method of eliminating wage discrimination based on sex. Such an interpretation, however, is contrary to the whole intent and purpose of the bill. The bill is a wage-equalization bill, not a wage-reduction bill.

Obviously in the elimination of wage inequality based on sex, a field which Congress is now exploring for the first time, flexibility is desirable if the bill's beneficial objective and its effective enforcement are to be achieved.

It is expected that in normal circumstances women employees wages will be raised to the same level as the wages paid to men when they are performing equal work but are being paid less than men on jobs the performance of which requires equal skills. Under section 5(a), the Secretary of Labor will have authority to prescribe rules and regulations necessary for administration of the bill. With this authority, and in the light of experience in administering the provisions of the act, the Secretary will be able to define and modify from time to time the circumstances and conditions under which wage adjustments may be made or required in order to equalize women's wages with those of men where the work they do is equal and requires equal skills.

The bill has been considered by the subcommittee of the Committee on Labor and Public Welfare. We spent a great deal of time on the bill. We got it out of the subcommittee with the understanding that amendments were to be offered at the full committee level by the minority members, particularly the Senator from Arizona [Mr. Goldwater] and the Senator from Texas [Mr. Tower].

The amendments were perfecting amendments. They did not change the bill substantially as it was passed by the House. Therefore, we hope, with the cooperation of the Senator from Arizona [Mr. Goldwater], and the minority members of the committee, to have the bill passed and sent to the House for its approval.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. McNAMARA. I am happy to yield to the Senator from Arizona.

Mr. GOLDWATER. I commend the Senator from Michigan for his assiduousness in staying with the bill. We had hoped to get it through the full committee. Unfortunately, it was at the bottom of the agenda at the last meeting of the committee, and we were unable to get it through.

The Senator from Michigan correctly stated that at the subcommittee meeting—a meeting which, by the way, I was unable to attend—he assured the Senator from Texas [Mr. Tower] that his amendments would be studied. He has studied those amendments. While the Senator from Michigan has not accepted all of them, I can assure my colleagues that those he has seen fit to accept have improved the bill.

The bill is a good idea. I have never been opposed to this concept, although some persons have attempted to put me in the position of opposing it because I was opposed to an amendment or amendments of brother Senators.

I am glad that the Senator from Michigan has seen fit to agree to the amendment. I want to compliment his assistant, Mr. Sweeney, and my assistant, Mr. Bernstein, for their work on the provision this afternoon.

Mr. McNAMARA. I thank the Senator. I want to join him in complimenting the members of the staff on both sides for the fine work they did.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. McNAMARA. I am happy to yield to the Senator from Oregon, who has done so much work, in committee and out, in connection with this bill, and without whose cooperation, in addition to the other Senators whom I have mentioned, the bill could not be in the good form in which it now is.

Mr. MORSE. Mr. President, as I have said on various occasions outside the Senate, the Senator from Michigan [Mr. McNamara] is one of my most precious possessions, including that of being a biased friend. I do not know anything more precious than a biased friend.

I want to express my appreciation to the Senator from Arizona in connection with the so-called equal-pay-for-equal-work amendment which has been sponsored by the Senator from Michigan, and proposed to be made a part of this bill. I think the record should show that the Senator from Arizona [Mr. Goldwater] was very cooperative on this amendment in committee. He made some very worthwhile contributions to the discussion of the proposal and made very clear that he has always favored the principle of equal pay for equal work.

I felt it was due to him that I should make this statement for the record because, as he pointed out, he felt that he had been misrepresented in some quarters in regard to his position on this bill. I am not aware of those misrepresentations, but I know how easy it is to be misrepresented.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. GOLDWATER. I thank the Senator for his remarks. I may point out that in my entire business life all the employees I ever hired were women, so it was always equal pay.

Mr. MORSE. I wanted to make this statement about the position of the Senator from Arizona. Then I wished to say to the Senator from Michigan that we would not be at this significant moment in the legislative history of the Senate on this issue tonight had it not been for his tireless, irresistible determination to see this legislation enacted in this session of Congress.

All who have shown an interest in the bill will be forever grateful to him, and in the years to come the many thousands of women workers in this country who will benefit from the labor statesmanship of the chairman of our Subcommittee on Labor [Mr. McNamara] I know would want me to express sincere thanks to the Senator from Michigan tonight. This is a rather dramatic moment for the senior Senator from Oregon.

The Assistant Secretary of Labor, Mrs. Peterson, has worked hard and long in behalf of this legislation. She will recall, I am sure, that in 1942 it was my privilege and honor to write the opinion of the War Labor Board, following extensive hearings on the subject, which laid down the policy for the war in all cases falling within the jurisdiction of the National War Labor Board that there should be paid equal pay for equal work. It was our hope that that precedent would be set in that War Labor Board decision in 1942 and would carry over after the war and be legislatively followed in the Halls of the Congress.

If we wish a good example of what is meant by the statement of legislative lag, that is it.

Old Bob La Follette used to teach us, when I was a young man at the University of Wisconsin, that it sometimes takes from 2 to 10 years to have a needed piece of general welfare legislation enacted. It has taken at least 10 years in this case.

I wish to say, in behalf of all those who will benefit from the Senator's proposal, that I thank the Senator from Michigan in their behalf, and also in behalf of the senior Senator from Oregon.

Mr. McNAMARA. I thank the Senator from Oregon for his generosity.

Mrs. NEUBERGER. Mr. President, will the Senator yield?

Mr. McNAMARA. I should like to yield at this time to the distinguished junior Senator from Oregon, who has displayed a great interest in the measure and has publicly fought for it on several occasions.

Mrs. NEUBERGER. As the men did right by us 40 years ago and gave us the vote, so they are carrying the load today.

Mr. HUMPHREY. Mr. President, I wish to briefly associate myself with the remarks made on the equal pay amendment. I compliment the Senator from Michigan [Mr. McNamara], the Senator from Arizona [Mr. Goldwater], the two Senators from Oregon [Mr. Morse and Mrs. Neuberger] and all other Senators who have had something to do with this proposal.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Michigan [Mr. McNamara].

The amendment was agreed to.

Mr. MORSE. Mr. President, I move that the vote by which the amendment was agreed to be reconsidered.

Mr. HUMPHREY. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

Mr. HUMPHREY. Mr. President, I believe the Senator from Oregon has some amendments to offer to the bill.

Mr. MORSE. Mr. President, I have two amendments to offer to H.R. 11880. I offer the first amendment, which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The Chief Clerk. On page 3, line 15, it is proposed to strike the sentence beginning "To the maximum" through the period in line 17, and to insert in lieu thereof the following:

> Such sums shall be available only for purchase from the Secretary of the Treasury of foreign currencies owed to or owned by the United States except that not to exceed $12 million may be used for expenditures in United States dollars which, to the maximum extent feasible, shall be made in the United States.

Mr. HUMPHREY. Mr. President, this amendment has been discussed with the committee. The Senator has been kind enough to discuss it with me. I have been given the privilege of handling the consideration of the bill. I think it is a sensible and good amendment. I assure the Senator that the committee will look with favor upon it.

Mr. MORSE. Mr. President, I wish to make a very brief statement in explanation of the amendment.

I referred to this bill, when I first opposed it, as the "keeping up with the Joneses" bill in the field of embassy construction around the world. I took the position, after listening to the witnesses representing the State Department before the Committee on Foreign Relations, that, in my judgment, they had not proved the need for some of their plans for new embassies, other than the fact that perhaps France, England, Italy, or some other countries were building embassies in some parts of the world, and there seemed to be a feeling on the part of the State Department that at least we ought to build some as spacious and luxurious as those of some of our allies.

I took the position that the time had come to economize with regard to some of our embassy expenditures abroad, so I said I was opposed to the bill.

I think we have arrived at a reasonable compromise. It provides that foreign currency will have to be used, when the United States owns foreign currency in any of these countries.

It also provides that the State Department will be limited to $12 million in American dollars in the $53 million proposed program for the building of embassies.

Furthermore, the State Department will not be able to spend American dollars in any country where foreign currency is available.

Furthermore, the legislative history should show that it is the intention of the senior Senator from Oregon—which I understand is accepted by those who are willing to have the bill voted on tonight—that these embassies are to be built primarily in those places in the world where we do not have embassies, or where there are most inadequate facilities, or where we are renting facilities. This is particularly true, for example, in the underdeveloped areas of the world, such as Africa. It may be true in other underdeveloped areas of the world.

Let the legislative history be perfectly clear that it is not the legislative intent that, under the terms of the bill, the State Department could proceed to build embassies, or greatly to remodel embassies, or incur great construction expense where there are available foreign currencies.

Furthermore, with respect to spending the $12 million in American dollars, the State Department is to spend every cent of that which can be spent in that manner in the United States for the purchase of equipment, materials, and supplies, rather than elsewhere in the world, unless, as the amendment makes clear, it can be shown that for very good reasons to do so would not be justified.

With that legislative history, Mr. President, which I think makes it very clear that the clear restrictions have been placed upon the original plans of the State Department, I ask for a vote on the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Oregon.

The amendment was agreed to.

Mr. MORSE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HUMPHREY. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

Mr. MORSE. Madam President, I offer my second amendment, which I send to the desk and ask to have stated.

The PRESIDING OFFICER (Mrs. NEUBERGER in the chair). The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 5, beginning on line 13, it is proposed to strike out all of section 3.

Mr. MORSE. Madam President, what the amendment would do, really, is to strike out of the bill all reference to the problem of regulating the construction of chanceries in the District of Columbia.

I shall not dwell on the amendment, other than to say that I have done my best to try to arrive at some acceptable compromise on this subject matter. I do not think it can be done. No matter how many times we postpone further consideration of this bill, there are Senators who are opposed to any inclusion of any part of this section in the bill. I am inclined to agree with them that the best way to avoid much misunderstanding about the matter is to strike the whole section from the bill.

Furthermore, I think more extensive hearings on this subject matter should be held, and I think some of them should be held by the District of Columbia Committee. I always think it is bad when there is a jurisdictional argument in the Senate as to the respective jurisdictions of two committees.

I am a member of both committees. I think I am in a pretty good position to judge this jurisdictional dispute impartially. I have no objection to action being recommended by the Committee on Foreign Relations, and that is the only committee before which this problem has been raised.

Much can be said for the bill going to the District of Columbia Committee because, after all, the Foreign Relations Committee does not have jurisdiction over zoning problems in the District of Columbia. That is not the province of the Foreign Relations Committee. That is the province of the District of Columbia Committee. This is a case in which a bill should have been referred to two committees, and not merely one. Therefore, under the circumstances, it is best to strike all reference in the bill to the problem of regulating the construction of chanceries in the District of Columbia. I pledge to the Senate that, come January, if I have the privilege and the trust of my people to represent them in the Senate for another term, I shall be perfectly willing to introduce or cosponsor a bill on the chancery problem in the District of Columbia designed to do a better job than the present language of meeting the objections of some of my colleagues in the Senate. At that time I shall recommend that the bill be referred to both the Committee on Foreign Relations and the Committee on the District of Columbia.

Mr. HUMPHREY. Madam President, the suggestion of the Senator from Oregon is very meritorious. The question should have been looked into by the appropriate committees, either the District of Columbia Committee or the Foreign Relations Committee. I am sure it will be. It ought to be noted that at least there are zoning laws in the District of Columbia which should be observed. I had hoped that we might obtain language in the bill to the effect that—

> SEC. 3. The Congress hereby finds that since the United States is generally required, in locating its chanceries abroad, to observe the laws and zoning regulations applicable to business-type buildings in the capital cities of those nations with which diplomatic relations are maintained, it is appropriate that chanceries constructed by such nations in the District of Columbia be located in business areas rather than in residential areas.

As the Senator from Oregon has properly pointed out, this subject requires much more careful examination in the light of the number of times the State Department has asked for a waiver of the zoning laws. I think the amendment is in order. On behalf of the committee I take the responsibility of accepting the amendment. I ask that it be brought to a vote.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Oregon [Mr. MORSE].

The amendment was agreed to.

Mr. MORSE. Madam President, I move that the vote by which the amendment was agreed to be reconsidered.

Mr. GOLDWATER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT GIVING STATUTORY BASIS FOR THE POSITION OF DIRECTOR OF INTELLIGENCE AND RESEARCH, DEPARTMENT OF STATE

Mr. HUMPHREY. Madam President, I offer an amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment of the Senator from Minnesota will be stated.

The CHIEF CLERK. On page 5, line 13, it is proposed to insert—

> Section 3. Section 1 of the act of May 26, 1949, as amended (5 U.S.C. 151a) is amended by striking out "11" and inserting in lieu thereof "12".
>
> Section 4. Section 106(a) (17) of the Federal Executive Pay Act of 1956 (70 Stat. 738) is amended by striking out "(11)" and inserting in lieu thereof "(12)".

Mr. HUMPHREY. Madam President, the amendment was adopted by the Committee on Foreign Relations unanimously. It would permit the State Department to give the one in the position of Director of Research the title of Assistant Secretary, which has been recommended by the Bureau of the Budget, the Department, the administration, and unanimously agreed to by the committee.

The legislation would correct an anomaly by giving the Director of the Bureau of Intelligence and Research the full title and status of an Assistant Secretary of State.

This is not a new position. The Bureau of Intelligence and Research was first established in 1946, and the Director of Intelligence and Research and his predecessors have had the rank "equivalent to assistant secretary" since 1948.

From the viewpoint of Congress, this legislation seems desirable for two reasons.

First, this is a sensitive position, over which the Senate has lacked and should have the control of confirmation.

Second, since it is through the Director of Intelligence and Research that CIA activities of all kinds are coordinated and cleared with the State Department, this position is of special interest to all Senate and House committees concerned with the effective coordination of intelligence and foreign policy.

All agencies of the executive branch recommend this amendment.

From the viewpoint of the State Department, the Bureau of Intelligence and Research is among the larger, more sensitive, and important bureaus of the Department. It is highly desirable that the status of the Bureau and its Director be regularized. Moreover, the Director of Intelligence and Research is the State Department's representative on the U.S. Intelligence Board. This Board produces the national intelligence estimates, which deal with every aspect of U.S. foreign policy. The State Department's representative should have a recognized status commensurate with this responsibility.

The State Department has long desired to regularize this position, but the matter has recently become particularly urgent.

From the viewpoint of CIA and the military departments, it is an anachronism that the State Department's intelligence chief does not have the same status as the other bureau heads in the State Department. This is especially so since inside the State Department, it is the Director of Intelligence and Research who speaks for the entire intelligence community.

From the viewpoint of both State and CIA, the matter is particularly urgent at this time. First, the military services are at present in the process of consolidating their intelligence activities and have just formed the new, 3,000-man Defense Intelligence Agency, headed by a Director and Deputy Director, both of lieutenant general rank. Second, present plans call for the U.S. Intelligence Board to be reduced to four members under the chairmanship of John McCone. The military members will all be of lieutenant general rank, and both State and CIA recommend that the State member have a comparable status.

RESPONSIBILITIES OF THE DIRECTOR OF INTELLIGENCE AND RESEARCH

The Bureau of Intelligence and Research and its Director have five major responsibilities.

First. The Bureau is responsible for supplying the Secretary of State with research and analysis contributing directly to foreign policy. This includes interpretation and evaluation of intelligence and all other kinds of information available to the U.S. Government. It involves deep and timely analysis to alert the U.S. Government of current developments, long-range trends, and alternatives confronting us as we attempt to meet future problems. These responsibilities are global.

Second. The Bureau is now responsible for coordinating and clearing CIA and other intelligence community activities to insure consistency with U.S. foreign policy. The Bureau and its Director have always had responsibility for coordinating some CIA and intelligence community activities. Since July 1961 it has been given responsibility for coordinating CIA activities of all kinds.

Third. The Director of Intelligence and Research is the State Department member of the U.S. Intelligence Board, which makes policy recommendations on intelligence activities to the National Security Council and which is responsible for national intelligence estimates dealing with every aspect of U.S. foreign policy.

Fourth. The Director of Intelligence and Research administers the State Department's program of policy research studies contracting research to universities and industrial research organizations in areas helpful to the formation of U.S. foreign policy.

Fifth. The Director of Intelligence and Research exercises security responsibility over certain highly restricted areas of research and certain highly sensitive areas of information. As a member of the U.S. Intelligence Board, his security responsibilities are specific and nontransferable.

ORGANIZATION OF THE BUREAU

The Bureau of Intelligence and Research consists of 350 persons, including specialists on all parts of the world and on all aspects of foreign affairs.

Its organization includes the director's office; a small executive staff for administration; a deputy director for coordination with other intelligence agencies and offices; a deputy director for research; and eight regional and functional offices. The regional and functional offices are as follows: Office of Research for American Republics Affairs; Office of Research for European Affairs; Office of Research for African Affairs; Office of Research for Near East and South Asian Affairs; Office of Research for Far Eastern Affairs; Office of Research for Sino-Soviet Bloc Affairs; Office of Functional and External Research for economic, international organizational and political-military affairs, and the Office of Current Intelligence Indications which performs certain current intelligence and analysis functions and services as a security control over certain sensitive information. The amendment deserves support and I recommend its adoption.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Minnesota.

The amendment was agreed to.

Mr. HUMPHREY. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. MORSE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. HUMPHREY. Madam President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HUMPHREY. May I inquire whether the committee amendment was stricken by the Morse amendment?

The PRESIDING OFFICER. The Senator is correct.

Mr. HUMPHREY. Therefore the bill is at the point of third reading?

The PRESIDING OFFICER. The bill is open to further amendment. If there is no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time and passed.

Mr. HUMPHREY. Madam President, I move to reconsider the vote by which the bill was passed.

Mr. MORSE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

SUPPORT FOR NAME-BRANDS PRICING LAW

Mr. HUMPHREY. Madam President, before my good friend the Senator from Oregon [Mr. MORSE] makes the observation that he desires to make, may I first call to the attention of the Senate to two articles that appeared in the Mankato Free Press of Mankato, Minn. One is an editorial and the other is a news article. The article states:

> The regional Small Business Administration (SBA) advisory council meeting in St. Paul this week passed a resolution advocating passage by Congress of a bill prohibiting unfair pricing of brand-named products.
>
> This and several other resolutions were passed by the regional group and will be presented to the National Advisory Council meeting in Washington, D.C., in October.

Other resolutions passed by the council in addition to supporting the quality stabilization bill now before Congress:

Supported the administration's request for additional moneys to assist in carrying out the financial assistance programs of the SBA;

I am happy to say that it was included today in the appropriation bill for the Departments of State, Commerce, and the Judiciary.

The article continues:

Asked that supplemental financing arrangements be made with banks on a regional basis to provide additional funds for small business purposes;

Sought expansion of visits to foreign countries by groups of small businessmen in an effort to emphasize and encourage foreign exports on the part of small business;

Madam President, I also call to the attention of the Senate an editorial that appeared in the Mankato Free Press of Mankato, Minn., which is one of our leading newspapers in Minnesota, commenting upon these resolutions and pointing out the importance of the Midwest Regional Small Business Advisory Council on its recommendations.

I ask unanimous consent that the article and editorial be printed at this point in the RECORD.

There being no objection, the article and editorial were ordered to be printed in the RECORD, as follows:

SBA AREA GROUP BACKS NAME-BRANDS PRICING LAW

The regional Small Business Administration (SBA) advisory council meeting in St. Paul this week passed a resolution advocating passage by Congress a bill prohibiting unfair pricing of brand-named products.

This and several other resolutions were passed by the regional group and will be presented to the National Advisory Council meeting in Washington, D.C., in October.

Two of the 22 regional advisory councilmen are from Mankato—Free Press Editor and Vice President Franklin Rogers and Honeymead Products Co. Vice President and Manager Lowell W. Andreas.

Other resolutions passed by the council in addition to supporting the quality stabilization bill now before Congress:

Supported the administration's request for additional moneys to assist in carrying out the financial assistance programs of the SBA:

Asked that supplemental financing arrangements be made with banks on a regional basis to provide additional funds for small business purposes:

Sought expansion of visits to foreign countries by groups of small businessmen in an effort to emphasize and encourage foreign exports on the part of small business:

Requested that the SBA render "all assistance possible" to a study of business resources along with Missouri River impoundments in North and South Dakota.

SBA SUPPORTS BILL

The Midwest Regional Small Business Advisory Council, representing Minnesota and the Dakotas, as well as a part of Wisconsin, passed a resolution this week supporting what is known as the quality stabilization bill, now before Congress. The legislation forbids what it calls certain unfair methods of competition, generally conceded as promoting monopoly in distribution.

The practice it aims to prevent is that of certain large businesses that offer well-known brands of merchandise at less than it costs to manufacture them. These items are what is known as loss leaders. They are used to attract customers to the place of business, which figures to make up for the losses thereby incurred, by a standard profit on other items of merchandise.

This makes it difficult for the small merchant, who aims to do business by earning a fair profit on all of the things he sells. By virtue of the size of his operation he cannot afford to sell certain items at less than cost.

This seems to be a reasonable bill and deserves public support. In the interest of fairplay it is unreasonable to ask any small merchant to compete with a bigger rival that can afford to charge less than cost for one item, with the hopes of making up the lost profit on other things in his store.

COLLEGES NEED AID

Mr. HUMPHREY. Madam President, I also call attention to an editorial published in the Mankato Free Press entitled "Colleges Need Aid." I submit that the fine remarks of the Senator from Oregon tonight are all the background that is needed to support the editorial. The editorial comments favorably upon the compromise bill that had been arrived at in refenence to higher education support by the Federal Government. I wish the record to be clear that I think the greatest tragedy of all in the failure of enactment of that bill was what happened to the community college program.

As the Senator from Oregon has pointed out tonight, that program is really the new frontier of education. It is the new opportunity in education for hundreds of thousands of young people. I ask unanimous consent that the editorial be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Mankato (Minn.) Free Press, Sept. 26, 1962]

COLLEGES NEED AID

Action by the U.S. House of Representatives to kill legislation providing Federal aid for colleges apparently dooms the bill for this session. This is unfortunate because a program of assistance for higher education is necessary.

Apparently the college bill became all tied up with the religious issue. But colleges are different from elementary schools. The system of higher education in the country is hard put to provide the facilities for the mushrooming enrollment in both public and private colleges. They need more assistance than they are getting.

There were several points of disagreement in congressional attitude to the proposed legislation. Many Congressmen opposed outright grants to religious colleges. It was said this may be unconstitutional, and that may be correct. But the alternative plan is to give long-term low-cost loans. This would be extremely helpful.

Another disagreement is over the proposal to give Federal scholarships to students. In reality that is not what the students need. If they, too, can get low-cost loans, it will be enough.

But the House apparently was unable to get together on the points of agreement and therefore the whole program failed of passage. This is a heavy blow to the cause of higher education which has a critical need of assistance at the earliest time possible.

YOUTH CONSERVATION CORPS

Mr. HUMPHREY. Madam President, after a long and productive session, after many months of labor and accomplishment, I think it is possible to say that the end of the road is in sight. And I know what a welcome sight this will be for me and, I assume, for my colleagues.

There are items on our agenda that have not been completed. One of them is the Youth Employment Opportunities Act (S. 404), which will not pass this session. The reason that the bill will not pass is quite simple. It is on the Senate calendar. It has passed the Senate once before. But we have been unable to obtain a favorable rule in the other body. I wish the RECORD to note that time after time this Senator, who is one of the authors of that bill, has appealed to every known authority in the city to expedite action on the Youth Employment Opportunities Act. That act was desperately needed. I assure Senators that the first thing I shall do in the 88th Congress will be to reintroduce that particular piece of proposed legislation, because if there is any one group in our community, aside from our senior citizens, that ought to be given special attention, it is our young people. In the field of youth employment opportunities and education, I regret to say, we have not been diligent. It is in those two fields that we should have done the most.

The Youth Employment Opportunities Act, S. 404, will not pass this session. Even though the administration has given this bill highest priority, it has been unable to escape the iron grip of the House Rules Committee. Until House passage appears likely, it has been determined not to bring the bill up for Senate consideration. You recall, of course, that the Youth Conservation Corps passed the Senate in 1959.

The bill has been favorably reported by the Senate Committee on Labor and Public Welfare and the House Education and Labor Committee. The Department of Labor and the White House have given their unqualified endorsement. I have in my files literally thousands of letters from groups, organizations, and individuals supporting this legislation and urging the immediate creation of a Youth Conservation Corps and a Public Service Corps.

Madam President, I want to assure these supporters of S. 404 that the fight will be renewed as soon as the opening gavel falls on the 88th Congress. We are going to pass this legislation. We are going to give thousands of our young people a new lease on life.

Since this legislation has been revised and incorporated with S. 2036 during the past session, I thought I might take a moment to review its basic features.

As it now stands, S. 404 has two principal parts: the Youth Conservation Corps and the Public Service Corps. This represents a combination of my original YCC proposal and the Youth Opportunities Employment Act developed by the Kennedy administration. The Youth Conservation Corps would be composed of young men of good character from 16 through 21 years of age to carry on needed programs of conservation in our Federal and State parks and forests. The bill provides for a maximum enrollment the first year of 30,000; 50,000 the second year, 100,000 the third year, and a top enrollment of 150,000 thereafter. Enrollments would be for periods of 6 months at compensation rates of $60 a month plus quarters, food, clothing and medical care.

The Public Service Corps would be developed in cooperation with State and local governments to develop opportunities for employing qualified trainees on local public service programs. The approved programs would be for young men and women between 16 and 22 in public jobs that would not interfere with jobs for regular employees and at rates of pay and other conditions of employment reasonably consistent with comparable work in the locality. Work would be performed in public-owned facilities, such as schools and hospitals, and on programs for the improvement and expansion of community conservation and recreational facilities. The Secretary of Labor would be authorized to pay as much as 50 percent of the cost of the wages of trainees.

Certain persons have criticized both the Youth Conservation Corps and the Public Service Corps as classic examples of the "do-gooder boondoggle." Madam President, if there is one impression that I intend to correct and clarify, it is this one. I contend, and I can prove, that you can support S. 404 merely because it will be a way to save public funds. That is not the principal reason for its passage—the principal reason is the opportunity to save young Americans and preserve our national parks and forests—but its financial attractiveness is often overlooked, or deliberately ignored.

How will the YCC save lives, natural resources, and money at the same time? In the first place, Youth Conservation Corpsmen would be doing productive labor throughout the national forests and parks of this country. There is a huge backlog of conservation work to be done in almost every State—work for which it is frequently impossible to hire regular workers. It is estimated there exists approximately an $8 billion backlog of needed conservation projects. The Civilian Conservation Corps made a great contribution to our present generation through their productive work of the 1930's. Our national forests still reflect the fine work that these 3 million young men accomplished. It is time that we began to consider our future generations and begin preserving our great national forests and parks as they were preserved for us.

In short, the YCC would provide a way to begin much of this needed conservation work. It could be done for considerably less public money than any alternative proposal I have ever encountered.

Moreover, we would be saving public money by keeping many of the participants in the Youth Conservation Corps from juvenile delinquency or worse. It would cost about $4,000 a year for each volunteer per year. It costs the taxpayer $25,000 for every juvenile delinquent who goes the police court-reformatory route. And this sum usually produces nothing more than a confirmed criminal who returns again and again to plague society. Who can calculate the final cost? Who can even translate this misery and wasted talent into dollars and cents?

I have said again and again that the YCC is not a superficial panacea designed to eradicate juvenile delinquency. Juvenile crime will still remain; a shocking number of young men will still commit criminal acts. But I do maintain that many potential delinquents and criminals will find an alternative through the Youth Conservation Corps. Putting boys on the land, putting them to constructive work on projects that need to be done, this I am convinced would do more for this Nation in terms of revitalized mental health and physical fitness than even the important resource-conservation work these boys would accomplish.

I have been preaching the need for a Youth Conservation Corps since 1959, for almost 4 years. I continue to keep right on preaching. I believe the Peace Corps has given us a thrilling example of the enthusiasm and resourcefulness of our young people if it is given the proper outlet. I predict that a Youth Conservation Corps and a Public Service Corps would elicit the same enthusiasm and would produce the same outstanding results.

Four years is a little long for a sermon, but I serve notice that this preacher isn't even out of breath. I believe in this legislation. I intend to fight for this legislation. I predict that before the first session of the 88th Congress is completed, it will be signed into law.

Beginning the second week of January 1963, this preacher climbs back into the pulpit.

I noticed in the CONGRESSIONAL RECORD a letter from Mrs. Everett H. Randall, Rocky River, Ohio, to my colleague, the senior Senator from Ohio [Mr. LAUSCHE]. Mrs. Randall raised some thoughtful questions about the desirability of S. 404 and I have taken the liberty to send her my reply. I ask unanimous consent that Mrs. Randall's letter and my reply be printed in the RECORD at this point.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

ROCKY RIVER, OHIO,
August 10, 1962.

DEAR SENATOR LAUSCHE: I would like to share with you my judgment about a proposal for legislation which would set up a Youth Conservation Corps. I believe that this legislation is S. 404 introduced by Senator HUMPHREY. In my opinion this is not the kind of program which will provide the specialized kind of help which is needed now by the youth of our country. My judgment is based on professional experience in public schools and private youth serving agencies over the past 32 years. There is sufficient evidence to indicate that youth who drop out of school and a certain percentage of those who graduate from our public and private high schools are not adequately prepared to become workers in the current labor force. What is needed, therefore, is job orientation and sufficient and appropriate training for these persons. Experience in a work conservation camp cutting trees, digging ditches, and clearing out forests has little or no related value for the industrial workworld in which these young persons 18 to 22 will be having to compete throughout their lives. Money spent at the local level on appropriate industrial training (both manufacturing and nonmanufacturing industrial training) is the realistic job preparation urgently needed by our youth. According to the legislation now proposed, some $4,000 per boy would be spent annually in these conservation camps. This is more than twice as much as that spent on sending a young man to an average college in the United States. Inappropriate training at a campsite for youth who need practical experience is certainly not the way taxpayers' money should be spent if we wish to help our youth prepare to become satisfactory employees and producers in our 20th century industrial economy.

I am not inalterably opposed to conservation camps for youth. If these could be done at a local level, no larger than a State unit, I am certain that the funds expended could be done so in a more useful and appropriate method. We in Cleveland are now experimenting with work-study programs for youth 18 to 22 who have dropped out of school and are finding that private industry is cooperating along with public schools. Therefore, any Federal funds, it appears to us from our experience locally, could best be utilized through the local community channels.

I most sincerely hope that you will speak and work in opposition to the current proposals for Youth Conservation Corps programs federally sponsored as Federal operated programs.

Sincerely,

HELEN RANDALL.

OCTOBER 3, 1962.

MRS. EVERETT H. RANDALL,
Rocky River, Ohio

DEAR MRS. RANDALL: I have seen in the CONGRESSIONAL RECORD your letter of August 10 to Senator LAUSCHE, expressing your views on S. 404, the Youth Employment Opportunities Act.

I sincerely believe that the youth opportunity programs which the President outlined in his message to Congress on June 7 of last year are in full conformance with the criteria which you suggest are essential for dealing with the problems of the inadequately prepared youth as you have identified in your letter.

Industrial training, schooling, etc, along the precise lines of your letter were included as title I of S. 2036 introduced by me at the request of the President. However, during consideration of the Manpower Development and Training Act, passed by the Senate in 1961 and enacted on March 15, 1962, procedures for training the youth were given specific emphasis. Hence there was no need to duplicate training authorization for youth, and title I was therefore dropped.

The remaining elements of the President's program in S. 2036 were incorporated into S. 404 which I also introduced and which was reported favorably by the Senate Labor Committee. These parts are essential components of a full youth program.

The legislation we are now considering thus has two parts; the Youth Conservation Corps and the Public Service Corps. In the Youth Conservation Corps one of the goals would be to take young men who would most benefit by a change in environment and afford them the opportunity to perform useful and constructive work. The original CCC program functioned very effectively, and over 2 million young men participated in that program.

The bill I have cosponsored provides that as a minimum one-third of the enrollment shall be reserved to work directly on State and local lands and the Federal Government will provide one-half of the funds required.

The second part of the bill, the Public Service Corps, is essentially a pilot or a demonstration program. It is designed to provide 50-50 Federal and local cost sharing in urban projects which will be operated by local authorities. In this program the youth, who may be either boys or girls, will continue to reside at home. This program has been developed as an experimental one for the precise purpose of providing full opportunities for the continuation and expansion of the type of program you outlined as now underway in Cleveland. Funds under the program will be channeled through the local community, along the lines which you have suggested.

The legislation which the President submitted to the Congress is based upon earlier legislation I cosponsored. What we seek is a broad approach to a complex problem. We need to offer a wide variety of opportunities to these young people who for one reason or another are not motivated or challenged in their present environment. I view the cost involved in this legislation as an investment. The aim is to develop these youngsters into useful citizens who will become productive members of society rather than a cost to society.

I am sending on to you a copy of the committee report on this legislation, and I hope that when you have studied it, you will agree that the President, the Secretary of Labor, and the committees of Congress have had very much in mind the questions on your mind. I also include a copy of the Manpower Development and Training Act where you will find several provisions relating specifically to the problems of youth.

Sincerely yours,

HUBERT H. HUMPHREY.

Mr. MORSE. Madam President, I am glad that the Senator from Minnesota [Mr. HUMPHREY] mentioned the two great pieces of proposed legislation that are apparently about to die on the legislative vine, when Congress adjourns some time in the next few days, I hope.

I consider the Youth Employment Opportunities Act, of which the Senator from Minnesota is the author, one of the most vitally important pieces of general welfare legislation that has come before this session of Congress. We think of all the implications of the act when we think of what the program contemplated by the act would do, not only for the youth of our country, but for all the economy of this country. I am at a complete loss to understand why we have not been able to obtain a rule from the House Rules Committee that would permit the bill to become law.

Another problem that confronts Congress is the problem of seeing to it that procedural reform is adopted in both Houses of Congress which will guarantee to the American people a precious right that I am sure the American people generally think they have guaranteed to them, but a right which, in fact, does not exist, except at the sufferance of the Rules Committee of the House and at the sufferance of the Senate whenever majority rule is denied in the Senate. That is a sad thing, Mr. President. It is sad that we do not remove these procedural roadblocks, so that we do not have to stand up, near the end of any session, and say that we have not been able to get a bill before Congress for final passage because of the power that the Rules Committee in the House has to deny the application of the precious principle of majority rule in the House.

The Senator from Minnesota also spoke about the great loss the country has suffered by reason of the failure of Congress to pass a Federal aid to education bill. I am sad about it too, Madam President. I think the compromise that was reached in conference was a fair compromise. It went as far as the conference committee could go within the restrictions of the first amendment to the Constitution. It was a compromise involving title I of the bill, by providing categorical grants to public and private universities and colleges for certain specific purposes; namely, the construction of science buildings in the physical and natural sciences, libraries and engineering buildings.

The theory of the compromise was that such buildings are essential and needed for the training of students in the disciplines in which there is an insufficiency of trained personnel in this country to meet the security and defense needs of the country in the sciences and in engineering. Of course, adequate libraries are essential to such training, and therefore we included the building of libraries.

It was a compromise in keeping with other legislation which Congress has enacted over many years, and which has resulted in Federal grants to private colleges, including colleges with denominational sponsorship—Federal grants of money that the taxpayers are apparently unaware of—involving many millions of dollars. We have been providing, through millions of dollars of Federal expenditures, great programs of higher educational nature on many campuses of the country which are campuses of so-called religious schools.

Notre Dame is a good example. It has received huge grants from the Federal Government for the building of an atomic reactor for the training of nuclear scientists. That is a Catholic institution. The grant was by the Federal Government through the program of the Atomic Energy Commission. I never heard any hue and cry about the separation of church and state when that grant was made, because it is recognized that such categorical use was perfectly constitutional. It is based upon a contractual conception. The Federal Government had this categorical need, and it called upon Notre Dame University to fill that need. The need was essential to the defense and security of this country.

It was based upon a recognition that a physicist trained in the laboratory of Notre Dame was as important and valuable to the defense and security of this country as a physicist trained in a public State university.

Over the years the Federal Government has made many millions of dollars from Federal grants to public and private universities in this country, many of the private ones being of religious denominations, in connection with the National Science Foundation program.

Who wants to argue that when we made a Federal grant to a university sponsored by a religious denomination, it was not an aid to the university?

What is the theory of grants? The theory of the grants is that such aids are essential to the defense and security of the country, and that it falls within the constitutional prerogative and power of the Federal Government to enter into such categorical use agreements and relationships with a religious college.

The National Health Institutes program has resulted in millions of dollars of Federal grants to public and private universities over many years. Many of the private universities have been Catholic, Presbyterian, Baptist, and other denominational private colleges.

I heard no hue and cry in regard to any of such grants, on the ground that there was any violation of the doctrine of the separation of church and state. I heard no contention by any Senator on the floor of the Senate who voted for these grants that that was the case. However, when we talk about a categorical use grant for a physics building or a chemistry building or a laboratory or an engineering building under a compromise conference proposal, we are told that it violates the first amendment to the Constitution. I know of no decision of the U.S. Supreme Court that even implies it.

I yield to no other Senator in my 18-year record of standing up in defense of the doctrine of the separation of church and state. I will not seek to apply the first amendment to a fact situation to which it is not applicable. In my judgment the first amendment is not applicable to categorical grants for specific purposes that can be shown to be related to the defense and security of this country.

Such grants are not for the purpose of teaching religion. They are not for the purpose of providing religious facilities. They are not for the purpose of building chapels. The grants in all special-use cases are for training chemists, biochemists, physicists, scientists, and nuclear engineers in the whole area of manpower shortage that exists in this country, so critical to the security and defense of the country.

So all we did in conference, so far as title I was concerned, was to apply the pattern which has been applied for a long time by way of Federal grants for categorical use purposes in areas of human knowledge in which it was necessary to educate and train experts who could provide the personnel needed to strengthen the security of the country. That was the compromise on title I.

I say again tonight, as I said a few days ago on the floor of the Senate, when this issue was raised, that it was really title I, behind the scenes, which produced the rejection of a conference report, although a different explanation or excuse was given on the House side by some of the House conferees. I shall now turn to that subject.

That takes us to title II of the higher education bill. It will be recalled that when the higher education bill passed the Senate, title II took the form of scholarship grants, not loans, to students. I led the fight in the Senate for title II against proposals and amendments to it which would have reduced the program to a loan program; amendments which sought to limit any aid to the individual student himself to a loan and not to a scholarship grant. The Senate supported a scholarship grant proviso and passed title II providing for scholarships for students.

The House version did not contain title II. The House was opposed to scholarships. In fact, for the House conferees even to enter into conference with the Senate conferees, it was necessary to commit themselves to the House Committee on Rules that they would not bring back any scholarship proposal from conference. That created serious problems for me as chairman of the Senate conferees, for the Senate conferees told me that they would not even go into the conference room with me so long as that restriction upon the freedom of action of the House conferees had been imposed upon them by the House Committee on Rules. They meant it. I have done much mediating in my professional life, but I think I may say that one of the toughest jobs of mediation I ever had was in the Senate, because I had to mediate with my Senate conferees to persuade them at least to agree to go into conference with the House conferees.

Probably the clinching argument I used, which finally persuaded them, was that I thought it was unreasonable for them to take the position that college students and higher institutions in America should suffer because some of the Senate conferees did not like the power exercised by the House Committee on Rules. I pointed out to the Senate conferees that they would not change that situation by refusing to go to conference, but that the situation would be changed only when the rules of the House were changed. I said that what they ought to do was to join with those of us who have been speaking on this subject from coast to coast for years, trying to educate the American people with respect to the great power vested in the House Committee on Rules, which in effect denies to the people majority rule in the House of Representatives, whenever the House Committee on Rules wants to deny majority rule to the American people.

We have been saying to the American people: "You ought to make clear when you vote for Members of the House of Representatives that you expect a pledge from them before you vote for them that they will go back to Washington, if elected to the House of Representatives, and strip the House Committee on Rules of the great power it has, and which it exercised, for example, in connection with the requirement imposed upon the House conferees on the higher education bill that they would have to commit themselves, before they got a rule to go to conference, not to bring back a proposal on scholarships."

That is why I have said from coast to coast that the power of the House Committee on Rules ought to be taken away from that committee.

After a lapse of some time, the Senate conferees agreed, for various reasons, to go to conference on the higher education bill. I am not so sure that one of the reasons was not that they felt sorry for me, in that I had the responsibility to go to conference on that bill. So the conferees finally said they were willing to go to conference.

We went to conference. I never obtained finer cooperation from Senate conferees than I received from Democrats and Republicans alike, as I sought to steer the higher education bill through conference.

The conferees honored me by making me chairman of the conference, although we recognized the restrictions that had been imposed upon the House conferees.

The House conferees proposed that title II be changed from a scholarship title to a loan section. Remember, the House bill did not contain title II. That was quite a retreat for the senior Senator from Oregon. I had to swallow hard; but I have always said that I will enter into such compromises in conference when, in my judgment, the total bill to be reported is one which will advance the public good. So I said I would accept that compromise, but I urged that the House at least provide for a percentage of forgiveness of the loans in those instances in which the loan board on a given campus could make a determination that a given student could not go to college at all unless the loan which might be offered to him would be forgiven and he would not have to repay it.

On the suggestion of the Senator from Oregon, the House conferees first proposed a 15-percent forgiveness compromise. I tried to have the amount raised to 25 percent. A motion was made for a 25-percent forgiveness-of-loan section. The motion was defeated.

Now I wish to say a word about the Senator from West Virginia [Mr. Randolph]. He is not present to hear me say it, but I am sure he will be pleased to read it in the Record tomorrow. In his tactful but firm manner, he suggested to the House conferees that if they really wanted a conference bill, he would strongly recommend that they agree to a 20-percent forgiveness clause. I think it is appropriate to say that it was perfectly obvious that the House conferees knew that the Senator from West Virginia meant exactly what he said. So the House conferees asked for a recess. I granted them the recess.

At the conclusion of the recess, the House conferees announced that they would recede on the 15-percent proposal and accept a 20-percent proposal. That is how the 20-percent forgiveness proposal was placed in the conference compromise. I thought it was an acceptable compromise. Of course, I preferred the out-and-out scholarship provision of the Senate bill; but in view of the fact that the House conferees were under restrictions and could not agree to a scholarship program as such, but felt that they could agree to a loan provision which provided forgiveness of up to 20 percent in those cases in which there could be a finding that an individual student was in such absolute need that he or she could not go to college at all without the benefit of the forgiveness section, I thought we should accept that compromise, and the Senate conferees did so.

Then there was title III, which dealt with community colleges. Again, there was no provision such as the Senate had in its version of the bill. The Senate conferees took the position—and we said we could not yield on it—that there had to be included in the bill something to benefit and aid the public community and junior colleges. We pointed out that six out of every seven students going to community and junior colleges go to public community and junior colleges; the number of private community colleges is infinitesimal. We were very adamant about that. We said to the House conferees, "We have given in on title I, and we have gone along on a compromise which really leans far in the direction of the House version of the bill"—particularly so, Madam President, when we bear in mind that the Senate version of the bill was a 100 percent loan bill, insofar as title I was concerned. It did not provide for any grants; it was a 100 percent loan bill, with the loans to go to public and private colleges. I think there is no question that loans to private colleges are constitutional, provided the interest rate charged is sufficiently high so that no subsidy is inherent in the interest charge. This is the Morse formula, worked out with the Treasury of the United States. I have always stood for loans to private schools, if they were made on the basis of an interest rate which would cover the cost of the use of the money—in other words, so the taxpayers of the Nation would not be subsidizing the religious schools by giving them interest-free money or one percent interest money or money at a rate of interest below the rate the Treasury Department determines to be the rate which must be paid in order to cover the use of the money, from the standpoint of the charges to the American taxpayers.

So we said to the House conferees, "We have gone a long way on title I and on title II, and we want to make perfectly clear to you that we are not yielding on grants to public community and junior colleges. Such private community and junior colleges as there are will be eligible for whatever is available to public colleges and private colleges under title I of the bill, they do not have to look to title III. They can take their chances with the universities and colleges, public and private, covered by title I. But we are going to have in this bill something that will limit itself to public community colleges, and that is title III."

So in title III we provided for grants and loans to public community and junior colleges; and finally the House conferees accepted it. We based the burden of our argument on the point which I made sometime ago here on the floor of the Senate, when I was discussing the educational needs of the District of Columbia. I repeat it briefly now, by saying that at the end of the next decade, the number of students going to junior and community colleges in the United States will exceed the number going to all the standard universities and colleges, combined. That is the great movement which is about to occur in American higher education; and if we are to meet and accommodate this great influx of students into the community and junior colleges, we must start now with the construction of the necessary facilities. If that were not done, those students would be on the streets, for the standard universities and colleges cannot take care of them; they are already filled to overflowing. The result will be that these students will either be forced on to the streets or they will enter the community and junior colleges; and certainly it is very much in the welfare of this country, both economically and socially, that they be kept off the streets and able to enter the community and junior colleges. That was the compromise; that is the conference measure which finally went back to the House. Under the parliamentary requirement, it had to go first to the House. But what happened there? In the House, a Republican conferee moved that the conference report be resubmitted to conference, with instructions to strike out title II—the title dealing with loans to students. He gave as the excuse the 20 percent forgiveness clause. I have mentioned this before; but in view of certain articles of recent date in the press, it needs to be mentioned again. That motion by that Republican conferee was supported by the Republican leadership in the House of Representatives.

But here is one Senator who has lived through this whole conflict for months; and I have no intention of letting the Republicans try to put this on the back of the Democratic Party, for let me say that the majority of the Republicans have never wanted a higher education bill, anyway; and a majority of the Republicans, who were opposed to any form of Federal aid to education, have joined in a coalition with a small minority of reactionary Democrats to beat it; and it appears that they will be successful.

But, Madam President, so far as I am concerned, they will have to answer for it.

But now let me say that the excuse given by the Republicans in the House of Representatives does not set forth the real reason for the defeat of the conference report in the House of Representatives, for the real reason is to be found in a coalition of Republicans with a relatively small number of Democrats who really saw a chance to beat this bill, because of title I, for in the background of this whole issue is the religious issue.

Let no one deceive himself about it. I am satisfied that, if it had not been for the categorical grants to the religious colleges of America, the bill would not have been sent back to conference.

I think that was a sad, tragic occurrence. I do not know how those who oppose the categorical use grants in the proposed conference bill, which were limited to expenditures for science buildings, libraries needed to support science education, and engineering buildings, can justify their opposition to Federal grants in connection with title I of the bill. Yet, on the floor of the House and of the Senate, as their voting records will show, they voted for millions of dollars in Federal grants for the other categorical uses that I outlined earlier in this speech.

They cannot do it on any logical basis, but, I am sorry to say that I think a part of the problem is that they long ago threw logic out the window whenever the religious issue flew in.

I say to them that I would not have voted for the compromise in conference if I had the slightest feeling that title I of the conference proposal violated the first amendment of the Constitution of the United States, involving the separation of church and state doctrine. I would not have voted for categorical grants to Catholic University in the District of Columbia—and we have made some—to Georgetown University in the District of Columbia, another Catholic institution—and we have made some—to Notre Dame University, and a long list of Catholic and Protestant universities in the country, if I thought that there was the slightest possibility such grants were unconstitutional under the first amendment.

Were it not for the Hill-Burton Act, many, many hospitals functioning in America tonight would not be performing their great acts of mercy. Many of such hospitals are on Catholic campuses, Presbyterian campuses, and campuses of other religious institutions, and many of them that are not on campuses are institutions of churches.

Over the years the Congress of the United States, under the Hill-Burton Act, has poured millions of dollars of the taxpayers money into those hospitals. I have not heard any hue and cry about the violation of the principle of separation of church and state.

These inconsistencies in attitude on the part of politicians always confound and dumbfound me. I said, in regard to this higher education bill, "If you are really in doubt, I cannot quarrel with your posing the question, but you ought to really tell the public why you oppose it, and not look for an escape, claiming that your opposition is based on the 20-percent forgiveness of student loans."

In view of the fact that we have provided all these other categorical grants, which have amounted to millions of dollars, I do not think it is unreasonable for the senior Senator from Oregon and others who share my view to take the position, "Let us test it. The place to test it is in the U.S. Supreme Court. If you really think these grants are unconstitutional, let the bill run its course. It will eventually reach the Supreme Court, and then we will put this emotional issue behind us once and for all."

That is sorely needed to be done on this issue. We must ascertain, and the sooner the better, how far legislation can go by way of aid to private schools, whether it takes the form of general loans to be spent for nonreligious purposes, or whether it takes the form of categorical use grants. But I do not think we help the health of our body politic by the legislative course of action we have followed in this session of Congress, of adjourning with no legislation at all, leaving the issue unresolved—an issue that stirs up passions and emotions, creates conflicts within the Republic, and divides men from each other, when we really know that at heart they have nothing but a desire to promote the common good.

Apparently there is little chance of reaching agreement on the higher education bill, but I am never one to give up hope, nor am I ever one to quit when I have a responsibility to fill. So I take advantage of probably the last chance I will have in this session to make a final offer to the House. I say to the House tonight: "If it is not title I that you want, then let us take at least some step forward. Let us agree—" and I would have to have the agreement before we went into conference—"to return to the principle of the Senate bill on title I, by making it a 100-percent-loan title for both public and private colleges."

That would be some progress. That would provide a considerable amount of assistance to a good many colleges. I know it would be said, "There are some public colleges which, under the constitutions of some States, could not enter into a loan program until either the State constitution was changed or the legislation was changed." That would be a question for the States to act upon. There is no reason why the Federal Government should not make the offer. If the States do not wish to take the necessary legal revisionary steps to accept the offer, that is their responsibility.

This would provide for the application of principle of uniformity in regard to title I. All institutions, public and private, would be treated the same.

It would have to be understood and written into the title, as it was in the Senate bill, that the interest rate would cover the cost of the use of the money. That would not mean a commercial interest rate. That would not mean 6-percent interest. It would mean an interest rate of whatever happened to be the figure the Treasury Department said would cover the cost for the use of the money to the taxpayers of the United States.

That would eliminate any possibility that any private religious college would obtain a subsidy in the form of an interest rate below the interest rate which would repay the cost for the use of the money.

Next would be title II. Strong as I have been in favor of scholarships, in respect to which I was willing to retreat in conference to a 20-percent forgiveness provision for needy students, I say to the House, "I will go all the way and make it a 100-percent loan program." That would help a great many students. It would not be of any help to the group of students who cannot go to college at all unless they can fall within the category of the 20-percent foregiveness group on which we agreed in the conference. But a loan program for the thousands of students who would be greatly helped by a loan program would be great progress in itself. It would be a great step forward.

As to community colleges and junior colleges, although I should like to retain some grant provision, and would hope that the House would give us at least some grant provision—this is the first time I have made this offer, Madam President—I say that if it would be helpful to the House to reach some agreement with the Senate I would be willing to accept and would recommend to the Senate conferees that we accept a 100-percent loan provision for public community colleges and junior colleges.

It is very discouraging to do that, for many community colleges and junior colleges are as poor as church mice. They would have a terrible time making arrangements to repay loans. But I think an opportunity for them to try to devise a loan program with the Federal Government on a matching money basis—for that would be included in the bill—would be better than having no bill at all.

As chairman of the Senate conferees and as chairman of the joint conference, I am willing to make that last offer. Madam President, we cannot go beyond that. There is no chance to go beyond that. If the House is not willing to go that far with us, then the responsibility for no bill must remain on the shoulders of the House and principally on the shoulders of the Republicans of the House.

THE OREGONIAN ON FIRE

Mr. MORSE. Madam President, I turn now to another subject.

The Portland Oregonian—which is the largest newspaper in my State but in my opinion not the leading newspaper in my State—on September 13, 1962, carried an editorial questioning the location of two of the three major forest fire research laboratories operated by the Forest Service, claiming:

> Political influence in Washington, D.C., is more important in locating such facilities than are the requisites of the research.

Nothing could be further from the truth.

The three fire laboratories are located at Macon, where the State of Georgia financed the structure; at Missoula, Mont.; and at Riverside, Calif. The construction of laboratories at Missoula and Riverside were financed by the Federal Government. The latter location, the editorial admits, is in the heart of an area where forest fires are extremely devastating.

I want to outline the basis used in choosing a location for a laboratory, and thereby correct the misconceptions held by the Oregonian. Many factors necessarily enter into the selection of a laboratory site and all of these must be weighed. One factor is nearness to the problem to be studied. The Riverside, Calif., laboratory especially illustrates this point, with its nearness to southern California which has the most critical and explosive fire condition found anywhere in the country. A second factor is the opportunity for cooperation that speeds the research—favorable at all three fire laboratory locations. Third is the relation to operational programs such as the State forest fire control program in Georgia and the smokejumper and aerial fire depot at Missoula that benefit and support the research.

The fire research done at the three larger laboratories is geared to answer questions important everywhere as well as in the forest region. Thus, the program at Missoula features lightning storm modification research, work of utmost value to Oregon and Washington as well as the entire mountainous West. A great deal of research at Riverside will be on firefighting chemicals, also of significance everywhere that fire control is a problem. Basic research on fire-induced whirlwinds at the Macon laboratory contributes to a better understanding of fire behavior in the West as well as the South.

Fire research is carried on at six other locations where special problems require additional research and localization in the interpretation and application of results. One of the six locations is at the Pacific Northwest Forest and Range Experiment Station of the Forest Service at Portland, Oreg.

The Oregonian forget to tell that fact to its readers.

This is an example of failure on the part of journalists to inform by using the well-known journalistic technique of concealment.

Other forestry research laboratories are being built by the Forest Service in Oregon, in relation to the needs dictated by an efficiently operating program and not because of political influence. Recently dedicated was the Forestry Science Laboratory on the campus of Oregon State University at Corvallis—a laboratory where basic research in forestry will be done not only of benefit to Oregon but to the entire West and Nation. This location was chosen to strengthen the cooperative programs of the university and the Forest Service.

The Oregonian forgot to tell that fact to its readers. Madam President, I repeat—this is a well-known journalistic technique of misrepresentation by concealment.

The opportunity to train young scientists engaged in forestry research is enhanced and advantage may be taken to utilize the scientific facilities present at such a major educational and research institution as the one at the Oregon State University at Corvallis, which the Oregonian forgot to mention in its editorial. I am happy that I was associated with my colleague, now presiding in the chair, the Senator from Oregon [Mrs. NEUBERGER], and her late husband, when he was a Member of this body, in our mutual endeavors to obtain the establishment of forest research facilities, not only in Oregon but also elsewhere in the Nation where the facts showed the needs justified them.

I wonder if the Oregonian really thinks that I should have opposed the Forest Research Laboratory at Macon, Ga. I wonder if the Oregonian really wants its readers to believe that some way, somehow, I failed in my service to the people of Oregon by not opposing the establishment of a Forest Service Laboratory at Riverside, Calif. I wonder if the editors of the Oregonian really desire to attempt to sustain the proposition that I should have opposed the establishment of a Forest Service Laboratory at Missoula, Mont.

If they really mean to leave that impression, let me say to the editors of the Oregonian that they will never fool the voters of Oregon with such an unethical proposal. As a Senator from Oregon, it is my responsibility in the Senate to judge these questions from the standpoint of the public interest. I say to the Oregonian that, in my judgment, a strong and meritorious case in the public interest was made for the location of these laboratories at Macon, Ga., at Riverside, Calif., and at Missoula, Mont., just as we made a strong case on the merits for the location of the Forest Service facilities that have been established in the State of Oregon.

Another Forest Service Laboratory under construction is located at Bend, Oreg., where research on timber-growing problems is featured. But the editors of the Oregonian forgot to tell that to their readers when they wrote their editorial. Again I say that is an example of journalistic misrepresentation by concealment.

I advise the Oregonian editors that future plans call for a laboratory at Roseburg, Oreg., where brush conversion and associated reforestation problems of the West will be attacked. A range and wildlife habitat research laboratory, may I advise the editors of the Oregonian, is planned for La Grande, Oreg., in the heart of the eastern Oregon livestock and big game area.

Soon it is hoped that a new headquarters office and laboratory, I am advised by the Forest Service, can be scheduled for Portland, Oreg., the home city of the Oregonian, in place of the somewhat crowded and inadequate space and facilities available there now.

I wonder if the editors of the Oregonian have any questions as to the merits of locating these forest laboratory facilities in Oregon. If we are entitled to them on the merits—and we are—then let me say to the editors of the Oregonian that California was entitled to the laboratory at Riverside; Georgia was entitled to the laboratory at Macon; Montana was entitled to the laboratory at Missoula.

We know why the editorial was written and why the Oregonian once again—and it does it as a matter of general practice when they surmise that the senior Senator from Oregon might be harmed by resort to such journalistic practices—engages in misrepresentation of the facts by concealment of the facts. They thought the editorial might hurt the senior Senator from Oregon in the midst of a political campaign.

I take great comfort in the fact that the people of Oregon are smarter than the editors of the Oregonian.

They are so smart, so politically wise to the Oregonian, that they will see through this misrepresentation of facts by concealment on the part of the editors of the Oregonian.

Thus, a comprehensive plan is on the books to provide an efficient group of facilities that will support a strong forestry research program aimed at solving problems in water, timber, recreation, range, and wildlife production in Oregon.

Let me say to the editor of the Oregonian who loves to write about Wayne Morse's inconsistency that this is one of the Oregonian's problems. Last winter this paper attacked me for using what it alleged was political influence on the Bureau of Land Management's range program as though I was up to some sinister action. Today the BLM has a vigorous range program in Malheur County and it has regeared its policies in constructive ways.

Last winter, political influence by the senior Senator was bad. Now, because, without one scintilla of evidence, the Oregonian finds an alleged need for a forest fire laboratory in Oregon, its absence is due to a lack of something called political influence.

Well, let me say to the Oregonian that the forest laboratories at Corvallis and Bend came about as a result of some constructive, nonpartisan political activity. First the local people, upon learning that the Forest Service considered their community an ideal place for a particular type of forest laboratory came forward with genuine cooperation.

Second, Oregon Senators worked together with the Senator from Mississippi [Mr. Stennis], the Senate's expert on forest research, to get the program at Bend underway ahead of the schedule proposed by the administration.

As a Senator from Oregon, I want placed in Oregon only these forest research facilities that meet the test of service to the national interest. We have far too many critical forest problems to solve to engage in political logrolling and to have research facilities parceled out on a political basis.

I suggest that the Oregonian look at the national forest development program which was originally proposed by Secretary Benson and compare it with the vigorous and substantial action by Secretary Freeman and President Kennedy.

I suggest that the Oregonian look at the record of the Eisenhower administration on forest roads and compare it with the record of four successive Democratic Congresses and President Kennedy's 2 years in office.

I challenge the Oregonian to produce the evidence and the documented statements of competent foresters that there is an overriding need for a forest fire laboratory in Oregon.

If a need exists, it has been marked by a great silence on the subject up to now by this news oracle on conservation needs.

I challenge the Oregonian to show that one Forest Service research facility has been located on other than sound technical and scientific judgment.

I ask unanimous consent that the misleading editorial from the Oregonian be printed at this point in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Fire Labs Elsewhere

One understands why the Federal Government has decided to locate its third Forest Fire Laboratory in Riverside, Calif. It will be in the heart of an area whose timber stands are not significant but where fire (much of it in brushlands) has been extraordinarily devastating in recent years. Such fires have cost some $60 million in property damage in Los Angeles County alone in the past 8 years.

But when one examines the location of the other two fire laboratories of the U.S. Forest Service, a question arises. One is in Georgia, the other in Montana. Forest Service statistics show that Georgia, in a recent estimate, had some 36 billion board feet of sawtimber, all of the South only 357 billion. Montana's stand was estimated at 55 billion board feet.

The Nation's Fort Knox of sawtimber is in the Pacific Northwest States of Oregon and Washington. Here there are between 700 and 800 billion board feet of timber, more than a third of all that available in the entire country. If one is speaking of top-grade sawtimber, the proportion in the Northwest is even higher.

It would seem that forest fire research would better serve the country were it to be done under the climatic conditions of the area in which the Nation has its biggest stake in timber. These conditions are not to be found in Montana or Georgia or southern California (California's sawtimber is in the north).

Why no Forest Service Fire Laboratory here? The only answer we can think of is that political influence in Washington, D.C., is more important in locating such facilities than are the requisites of the research.

Mr. MORSE. Madam President, the editorial illustrates a misrepresentation by concealment of pertinent facts that should have been included in the editorial, if the editors of the Oregonian had wished to give a true statement of the facts to their readers.

COLD WAR GI BILL WILL GREATLY BENEFIT THE NATION

Mr. MORSE. Mr. President, earlier this afternoon I spoke in support of the Morse bill which I have introduced year after year, for more than 5 years, seeking to provide long-overdue pensions to World War I veterans.

I have been waiting to give in the Senate a major speech on the cold war GI needs, and under the subject "Cold War GI Bill Will Greatly Benefit the Nation" I propose to make this speech for the Record tonight.

Madam President, I am disturbed that S. 349, the so-called cold war GI bill of rights does not—according to the legislative program announced by the leadership this month of September—seem to be receiving the attention of the Senate which its importance deserves. I propose therefore to discuss it in some detail in the hope that the leadership may see fit to bring it back to the floor this session for a vote. I hope also to set to rest some doubts which may have arisen as a result of the previous debate on this measure.

Before commenting further, however, I would like to repeat my commendation of the senior Senator from Texas for his leadership in connection with this bill. For 2 years, as chairman of the full Education Subcommittee, I have watched the Senator carry on the battle for this legislation. The persistence, vigor, and ability with which he has done so have been exemplary. The people of Texas can take pride in the fact that they found themselves an effective spokesman, not only for the interests of their State, but for the interests of all the United States.

The senior Senator from Oregon is also a longtime supporter of the cold war GI bill. Since the education and training benefits of the GI bill were terminated by Presidential proclamation in 1955, I have testified three times before committees and often on the floor of the Senate in support of legislation to renew the program. In the 86th Congress I was a sponsor of S. 1138, the predecessor of the current legislation, which I was happy to see pass the Senate by a vote of 57–31. I am also one of the 37 cosponsors of S. 349. So is the distinguished minority whip who cosponsored bills to this effect in both the 84th and 85th Congresses, and spoke in favor of this bill when it reached the floor last month. It is also worth noting that the majority leader in a speech on September 6, recognized the ever-increasing importance of higher education in this technological age. The majority leader went on to say that the need for advanced education is not just limited to a person's individual development, but "there is also a direct relationship between education and economic growth." In support of his position, he inserted in the Record an address by the able president of Montana State College which pointed out that, as a consequence of the Morrill Act, Federal research, and the Extension Service, only 8 percent of our population are required to more than supply all the agricultural needs of our Nation, releasing millions of people for other economic pursuits.

In order to have the record clear, let us review the position of the former Senator from Massachusetts, Mr. Kennedy, when he was concerned with this legislation. As the Senator from Texas [Mr. Yarborough] and the Senator from Kentucky [Mr. Cooper] have pointed out, Senator Kennedy cast the deciding vote to break a 2-to-2 deadlock and bring this legislation out of the Veterans' Affairs Subcommittee. When the bill was considered by the full Committee on Labor and Public Welfare, Senator Kennedy voted for a motion to change the grant provisions to loans. When the bill reached the floor, the Record shows that Senator Kennedy voted for an amendment offered by the Senator from Louisiana [Mr. Long] which provided for a combination grant-loan proposal. I believe that this accurately states the position of Mr. Kennedy when he was a Senator from Massachusetts, although times have changed somewhat, and his views may be altered by other responsibilities.

At any rate, the positions of members of the executive branch, or Members of the House of Representatives, do not affect the obligation of the Senate to make an independent determination of the merits of this legislation in the national interest.

PURPOSES OF THE BILL

Under the terms of the bill, sections 2 and 4 would provide education and training and home and farm loan benefits as readjustment aids for those serving after the end of the Korean conflict and before July 1, 1963, which is the scheduled termination date of the Universal Military Training and Service Act. As of December 1960, there were 1.5 million post-Korean veterans to whom this bill would apply, and by 1973, the Veterans' Administration estimates there will be some 4.5 million. Further, section 3 would place the existing vocational rehabilitation program administered by the Veterans' Administration for the benefit of war-service-disabled personnel on a permanent basis. It would do this by extending the eligibility for benefits to those disabled during the period between the end of World War II and the beginning of the Korean conflict and after the Korean conflict.

It is pertinent to note that the President and all the executive agencies of the Government favor enactment of section 3 of this bill, as is stated in their reports which are included in the hearings on S. 349 at pages 23–28. It is my impression that, during the entire debate on this measure, no objection whatever has been voiced on section 3 of the act, and therefore, for all intents and purposes we may proceed with the assumption that this provision of the bill is not at issue.

The Bureau of the Budget and the Department of Defense have, however, voiced objections to sections 2 and 4 which appear to be substantial and with which I would like to deal at this time.

COST OF S. 349 WOULD BE REPAID WITH INTEREST

The Bureau of the Budget begins its presentation by stating that the estimated cost of "cold war-GI bill" would be about $4 billion through June 30, 1973, and that additional costs would be incurred beyond that date. The Bureau's report does not assert that this is an objection. However, since an inference to this effect might arise, it would be prudent to make crystal clear that this bill would not be a drain on the U.S. Treasury. Exactly the opposite is true. Any money that will be expended on this program, and the estimates of expenditures range from $300,000 to $400,000 per year, would not only come back to the Treasury but would more than repay itself by taxation of increased earning power which these veterans would attain.

As proof of this, I would read into the RECORD two short paragraphs of a statement issued by the Veterans' Administration. On June 22, 1954, the 10th anniversary of the passage of the World War II GI bill, the VA wrote as follows:

> Through the GI bill the World War II veterans have become the best educated group of people in the history of the United States. Because of their training, they have raised their income level to the point where they are now paying an extra $1 billion a year in income taxes to Uncle Sam.
>
> At this rate, the GI bill for veterans alone will pay off the entire $15 billion cost to the GI educational training program for the next 15 years.

This statement was delivered in 1954, 8 years ago, before these veterans had an opportunity to further raise their earnings. It indicates that the U.S. Treasury is already $2 billion richer because of the foresight of men such as the distinguished Senator from Alabama [Mr. SPARKMAN] who were the architects of this landmark legislation.

Madam President, 1944 was not so long ago, and the fact that the original GI bill has not only paid for itself but returned the $2 billion "profit" to the Treasury should convince the last doubting Thomas in the Senate that S. 349 is a sound economic measure. As its predecessors have done, it will return very substantial dividends to the U.S. Treasury, and any view of the bill which counts its cost without looking ahead to its returns can pretend to neither good accounting nor good statesmanship.

BILL WOULD REDUCE UNEMPLOYMENT PAYMENTS

An added dollar-and-cents benefit of S. 349 is that it would cut down heavy expenditures for unemploymnet.

The Senator from Texas has pointed out that we are paying $80 million a year right now in unemployment benefits, and a very substantial part of this goes to GI's who are trying to readjust to civilian life.

We are told that although national unemployment figures show an overall 5- to 6-percent unemployment rate, the percentage for the age group of cold-war veterans ranges from 35 to 50 percent.

In view of the fact that the men selected for military service must be superior physical and mental specimens, and also have youth on their side, it is of great concern that such numbers of persons of this age group are not able to secure civilian employment.

Since experience indicates that 50 to 55 percent of the cold-war veterans would take advantage of an educational and training program, it is apparent that the unemployed among cold-war veterans would be reduced drastically, and there would be a corresponding decrease of Federal unemployment compensation in this area.

This brings us to the next objection raised to S. 349, namely, that it is now peacetime and that men serving in the Armed Forces during this period should not be granted rights and benefits originating in legislation associated with wartime.

OLD TERMINOLOGY OBSOLETE

I think it is apparent to this sophisticated body that the old semantic dichotomy used in this connection is as obsolete as the 1944 propellered aircraft. I need not labor the point. The military budget approved by this body is in excess of $45 billion for the current fiscal year. The problems of southeast Asia, Berlin, and other areas are daily before us for consideration. The President has just sent to us an authorization for an extraordinary callup of Ready Reserve Forces which we hope will never be used.

Legally speaking, as the majority whip pointed out on August 24, the country is at the moment in a state of national emergency since the President's proclamation of December 19, 1950, to that effect has never been withdrawn. Further, an editorial in the New York Times of October 1 informs us that the President, by Executive order, has authorized the award of the Purple Heart and the Bronze Star Medal for bravery in combat during the current period.

We have developed a name for this condition and it is called the "cold war." Along the DEW line, at our bases in Greenland, and standing watches in the North Atlantic, I have no doubt it is a very cold and uncomfortable condition, indeed. At other points, such as Laos and South Vietnam, it has been uncomfortably hot. At any time, there is the awful possibility, at any number of points, that it may become more uncomfortable.

This condition is accompanied by an obligation for universal military service pursuant to which 45 percent of our young men have, since 1955, served for varying periods in the Armed Forces of their country.

This brings us to the heart of the matter, the rationale of the GI bill, which is to help the serviceman to readjust to civilian society.

BILL IS FOR PURPOSE OF HELPING READJUSTMENT

As has been so aptly pointed out by the Senator from North Dakota [Mr. BURDICK], the theory of the original GI bill, which was entitled the Serviceman's Readjustment Act of 1944, and the Korean GI bill, and now S. 349, is to provide some compensation for the disruption of a serviceman's life, which may extend for a period of 2, 3 or more years.

On page 216 of the hearings, Senator BURDICK asks the following question:

> I understand from previous witnesses, and I believe from the drafters of this original legislation, that the essential reason or basis for the legislation was based upon disruption, not the type of service he was going to face or the type of enemy he was going to face, it was based upon disruption; I believe witnesses have so testified.

Stephen S. Jackson, the Deputy Assistant to the Secretary of Defense for Personnel, answered as follows:

> I believe that is true. Yes.

Although the obligation to serve in the armed services is universal, we have seen that only 45 percent of our best manhood and womanhood has actually performed service since 1955. The selection between those who go and those who stay involves the accident of sharp eyesight, good physical and mental fitness, and conditions of family dependency.

FIFTY PERCENT OF SERVICE JOBS HAVE NO CIVILIAN COUNTERPART

Those who serve face not only danger and discomfort but in about 50 percent of the cases, disqualification from later civil employment. In 1955, the Commission on Veterans Pensions, headed by

Gen. Omar N. Bradley, made a study resulting in a final report to the President on April 23, 1956. On page 277 of this report, the Commission concludes as follows:

> About half of the enlisted men in 1954 were in occupations closely comparable to civilian jobs where there was a moderate to high civilian labor demand. The other half were in occupational specialities with no civilian counterpart or where there was no significant labor demand.

This report has been cited by the Department of Defense in a different context, to which I will shortly address myself. For the present, it is well to remember that those serving under the universal military service obligation are, as a group, handicapped in returning to civilian life. This handicap applies to the man who has been drafted for 6 months, and the man who has been drafted for 2 years. It applies with equal force to the individual who volunteers for extended active duty of 3 or 4 years in order to choose or avoid a particular kind of duty.

It is no answer to say that the introduction of flexibility as to the types of programs available, and their timing in relation to an individual's education, makes the military obligation any less of a sacrifice.

The fact of the matter is that 45 percent of our youth has been taken away from their civilian pursuits, their professions, their contacts, and the sources of the experience that will benefit them in later life. In many cases their tours of duty have been involuntarily extended for periods up to 12 months. This has further disrupted their careers. While they have been serving their country, and in some cases patroling the perimeters of freedom, their contemporaries have remained behind and have forged ahead in their chosen fields.

The Senator from Texas has pointed out that, at this time, the average factory worker in the United States earns approximately $90 per week. According to the military pay scale which has been set forth in the hearings and in the CONGRESSIONAL RECORD, an enlisted man who is in the service for 2 years can, if he achieves the rank of E-3, rise to a salary of $99.37 per month. An E-2 receives $85.80 and an E-1, $83.20 per month. When an individual of this sort emerges from the service, he must face the competition of a worker who has accumulated 2 years of experience and on-the-job training. The same is true for the young attorney who is absent from his Government agency or private practice, or a boy who wishes to take over his father's farm or business. This bill would help compensate for those disadvantages incurred by the boy who has been in service.

The Senator from Texas has pointed out that the readjustment of the returning serviceman is no bed of roses. The figures show that 80 percent of those who go to college under the GI bill work at the same time—or else their wives work—or they borrow funds that the colleges make available. Many of these GI's have family obligations. Only 20 percent of the GI's who went to college under these programs subsisted on their GI payments alone.

It is this type of individual whom S. 349 would assist. The Senator from Texas has pointed out that after a year or two or three of military service, these men knuckle down and get to work. He pointed out that the dean of Pennsylvania State testified that at his institution there are monitors placed in the dormitories to keep order, and that these monitors are selected on the basis of competence and capability. The dean found, in connection with his appearance before the subcommittee, that 33 of the 36 monitors were veterans.

It has also been found that veterans gravitate to the top of their class and present few disciplinary problems. They have compiled an enviable record, a tabulation of which is presently being prepared by the Department of Labor. These men have made the GI bill program a resounding success and one that ought to be carried forward.

EDUCATION SHOULD NOT BE GEARED TO MILITARY NEEDS

A further objection raised against this bill by the Department of Defense, and echoed in the report of the Bureau of the Budget, may be summarized from the letter of the General Counsel of the Defense Department to the chairman of the Committee on Labor and Public Welfare of May 4, 1961:

> The Department of Defense recognizes that S. 349 involves questions of broad national policy beyond the scope of the Department of Defense. However, it must be pointed out that proposals of this nature have a very definite effect on the ability of the Armed Forces to retain qualified personnel. Programs of educational and vocational assistance encourage personnel to leave military service immediately after accruing the maximum benefits which can be gained. This results in a serious handicap to the Armed Forces in their effort to attract retained qualified personnel on a career basis * * * retention of personnel remains one of our most crucial problems. Enactment of a bill reinstituting benefits available only to the person who separates from the service will compromise the effectiveness of the efforts now being directed toward personnel retention. * * * Attitude surveys conducted in the Air Force when the Korean GI bill was put in effect conclusively established that 45 to 50 percent of all separating first-term airmen were leaving the service to pursue courses of formal education.

The General Counsel's report does credit to the Department of Defense in setting forth its point of view, not only persuasively but with admirable balance. Undoubtedly, the decision of many first-term airmen to leave the service to pursue courses of formal education represented a negative value for the Department of Defense. However, it presented a very positive value for the country as a whole.

Under our system of government, it is the Congress that determines the level of incentives and the quality of military career compensation. Since 1947, under extraordinarily able leadership in both Houses, the Congress has done very well in this area. It can continue to do well and can do better in the future.

It is the Congress which also decides the balance of national interests, and whether it wishes to favor military establishment for civil body politic when it comes to a particular legislative decision. This is exactly the kind of decision which is within the responsibility and the competency of the Congress to make, and it should not hesitate from doing so. In this case the Congress should unhesitatingly adopt S. 349. Since it may have adverse personnel consequences for the Department of Defense, Congress should redress the balance in other areas so that our national security will not be impaired.

OTHER PRESSING NEEDS WHICH THE UNITED STATES MUST MEET

During the week of September 10, the President made a tour of our space installations emphasizing our requirements in the "space race."

From the lead story in the Washington Post on September 13, I quote as follows:

> Addressing some 50,000 at Rice University Stadium in Easton this morning the President said: "We mean to lead it for the eyes of the world now look into space, to the moon and to the planets beyond, and we have vowed that we shall not see it (space) governed by a hostile flag of conquest but by a banner of freedom and peace."
>
> Thus, the President continued to hammer home his theme that unless the United States can best the Soviets in space, freedom of space cannot be assured.

In order to win this race, we are going to need engineers. An engineering manpower commission survey of 517 companies and Government agencies which employ 200,000 of the country's 900,000 professional engineers indicates these employers will need 45 percent more engineers in 1971 than they employed in 1961. Further, with Government and industry research in development work running over $15 billion a year in the United States and tripling every 8 years, the overall demand for technologists is certain to rise sharply. Yet, we find that from the spring of 1958 when 38,134 seniors got engineering degrees our number of graduating engineers had shrunk to 35,860 in 1961, and it was probable that even a smaller number graduated this year. The consequences of this decline, in the 4 years following Russia's first sputnik and at a time when the country is trying in every way to accelerate its space program, are so serious that I want to dwell on this point a little later in my remarks.

It is not solely in the field of space that our national needs for educated persons is becoming acute. In medicine, the Senator from New Jersey [Mr. WILLIAMS] has pointed out that in 1958-59 the United States graduated only 6,900 physicians while the Soviet Union graduated 27,000. On this point, the Senator from Texas has given us a figure of 16,000 for the number of Soviet doctors graduated this year, which figure would still be more than double the number graduated in the United States. He further informs us that 2,000 of this total were trained in the languages, mores, customs and religions of underdeveloped countries, and were pledged in advance to practice medicine in these countries and to live with the people there where they would undoubtedly have an impact in the cold war.

Senator Williams went on to point out that of the 7,800,000 World War II veterans and the 2,334,000 that took advantage of the Korean GI bill, the Veterans' Administration has tabulated that 441,214 have studied engineering; 156,425 entered the field of physics, chemistry and the other natural sciences; 334,534 are engaged in teaching, and 174,614 are in medical work and related jobs.

Therefore, we do not have to speculate that passage of S. 349 will strengthen the educational resources of this country. We have proof-positive of that fact; we have the tangible results of the two GI bills which were predecessors to S. 349. There is further documentation in Senate Report 700 accompanying S. 349. To ignore these facts, to waste the human resources that would be developed as a result of such a bill, to ignore the potential strength that such a program will give to our country at a time of need would not be a positive act of responsibility.

SECURITY ASPECTS PROMINENT BUT NOT SOLE CONSIDERATION

There has been some talk during the debate on S. 349 that to point out the advantages of national security of the GI education program is misleading. It has been said that only slightly more than 700 out of 3,800 taking fellowships under the National Defense Education Act were in the fields of science and engineering. The fact that a greater proportion is not in science and engineering is taken by some to cast doubt upon the value of that program, or perhaps any educational program.

I might suggest, in response to such an argument, that every little bit helps.

In the words of the distinguished Senator from Alabama [Mr. Sparkman]:

> We are familiar with the need for meeting the threat of communism with a stepped up educational program. We have already put into operation the National Defense Education Act for the purpose of providing scientists and technicians to prevent the Soviets from surpassing us on an overall basis in our missile endeavor.
>
> I believe that the enactment of the cold war-GI bill would offer still another means of meeting the Soviet educational challenge.
>
> Because of this I have no hesitation in championing this bill as the part of the Nation's frontal attack on communism.
>
> In view of what I have just said and in view of the genuine concern in such emergency with which the Kennedy administration is meeting such problems, I feel that this measure has a much better chance of success than it had in past years.

Although the benefits to national security will be great, the benefits to our society as a result of passage of S. 349 will be equally great in other areas of our society. It will raise the quality and the tone of our business life, and, incidentally, our exports for foreign trade. It will strengthen our teaching profession, our agriculture, and even, as the Senator from Texas pointed out, our literature. I refer here to the Harper Prize novel of 1962 which was written by a former Navy enlisted man who retired after 22 years, at the age of 40, to study under the GI bill at the University of North Carolina. He graduated Phi Beta Kappa, and wrote a book entitled "The Sand Pebbles," which was selected by the Book of the Month Club and serialized by the Saturday Evening Post before receiving the $10,000 book award.

Last but not least, the results of such a program will be reflected in a better informed electorate. As the Senator from Tennessee [Mr. Kefauver] has wisely pointed out, this measure will give a large number of our citizens an opportunity to become enlightened to participate more intelligently in public affairs, to reach better decisions, and to contribute to the leadership which the circumstances of history have thrust upon this country.

I wish to make perfectly clear that I am not minimizing the importance of the National Defense Education Act nor of the scholarship loan provisions of H.R. 8900, the higher education bill.

I wish to emphasize that S. 349 is not a substitute for either of the two other education programs. S. 349 reaches a different segment of the population from either of the other two measures. It is the most democratic of the three programs. It compliments them and adds to the total national effort in education which our Nation so vitally requires at this time.

SHORTAGE OF ENGINEERS BECOMING CRITICAL

Because of the gravity of the issue, I wish to return for a few moments to the problem posed by the decreasing number of engineering graduates in our country.

The Senator from Nevada, who is a member of both the Armed Services and Aeronautical and Space Sciences Committees [Mr. Cannon], has delivered a series of three able speeches which illuminate this whole area. The Senator from Wisconsin [Mr. Proxmire] has also taken the floor on this vital subject.

The Senator from Nevada has characterized the problem as "of critical importance to national security." He has said:

> To me it seems nothing less than to be courting national disaster if we continue to let this trend go on without taking some steps to rectify the situation.

Senator Proxmire has characterized the matter as "a very, very serious economic, scientific, and military problem." Both have placed in the Record excellent factual material by which this body can inform itself as to just how grave our engineering situation is.

I shall not detain the Senate by reviewing this information but will only point out that while the output of the United States in graduate engineers was declining from 38,000 to 35,000 during the years 1957–61, indications are that the Soviet Union has increased its output from about 108,000 to 120,000.

I would like to say from my desk in the Senate that in the judgment of the chairman of the Education Subcommittee, these are not the mathematics of victory in the space race. In my judgment, they are not the mathematics of victory in the cold war. They are not the mathematics of leadership or the mathematics of survival.

It is time that the Senate listened to the warnings of the Senator from Nevada and the Senator from Wisconsin. It is time that the Senate heeded the messages of the Senator from Texas and the Senator from New Jersey. It is time to take action on a bill which will give this country more scientists and engineers and doctors and teachers.

At his news conference of last January 19, President Kennedy said:

> One of the most critical problems facing the Nation is the inadequacy of the supply of scientific and technical manpower.

In view of what has been said on the floor of the Senate during this session, I do not know how anyone can doubt it.

S. 349 gives the Senate an opportunity to take constructive action in reducing the inadequacy. In the process, we can make the best possible investment in the human resources of this country, do equity to a segment of our youth who richly deserve reward, and gain an ample return, not only in the general tone of education throughout the country but in dollars and cents for the U.S. Treasury.

This bill has 37 sponsors. In the 86th Congress a similar bill was approved by the Senate by a vote of 57 to 31. The leadership has indicated that it recognizes the need and is sympathetic with the principles of this bill. Similar action with respect to S. 349 now can only add luster to the solid record of the Congress at this session. I can see no reason whatsoever for further delay in bringing the bill to the floor or to a vote. I therefore urge that S. 349 be brought before the Senate within the next few days, so that the House of Representatives will have time to act upon it before the Congress adjourns.

ADJOURNMENT UNTIL 10 A.M. TOMORROW

Mr. MORSE. Madam President, in accordance with the previous order, I move that the Senate stand in adjournment until 10 o'clock tomorrow morning.

The motion was agreed to; and (at 9 o'clock and 49 minutes p.m.) the Senate adjourned, under the previous order, until tomorrow, Thursday, October 4, 1962, at 10 o'clock a.m.

NOMINATIONS

Executive nominations received by the Senate October 3, 1962:

Diplomatic and Foreign Service

Robert G. Miner, of New York, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Trinidad and Tobago.

Postmasters

The following-named persons to be postmasters:

ARKANSAS

A. Cecil Oliver, Rose Bud, Ark., in place of R. B. Emory, retired.

Guyla D. Moore, Vilonia, Ark., in place of R. M. Moore, retired.

CONNECTICUT

Carl J. Gniadek, Southport, Conn., in place of E. J. Speer, retired.

FLORIDA

William L. Townsend, Palatka, Fla., in place of M. H. Shaw, retired.

Rodney G. Rushing, Riverview, Fla., in place of J. H. Hancock, retired.

HAWAII

Thomas T. Oyasato, Wahiawa, Hawaii, in place of M. C. White, retired.

ILLINOIS

Fred C. Lindstrom, Evanston, Ill., in place of P. M. O'Donnell, retired.

INDIANA

Richard R. Conley, Rome City, Ind., in place of T. J. Conley, deceased.

IOWA

Helen A. Bellmann, Durango, Iowa, in place of Elizabeth Grimme, retired.

KENTUCKY

James H. Hicks, New Haven, Ky., in place of C. R. Johnson, resigned.

MINNESOTA

Edward F. Zalusky, Mahnomen, Minn., in place of J. V. Sweeney, retired.

NEW JERSEY

M. Josephine Hulmes, Lebanon, N.J., in place of W. R. Creasy, deceased.

Margaret L. Wetzel, Leonardo, N.J., in place of B. J. Haulbaskey, retired.

NEW YORK

Richard J. Lobdell, Canton, N.Y., in place of E. R. Wood, retired.

OHIO

Harold B. Swan, Beach City, Ohio, in place of W. J. Miller, retired.

John D. McCray, Greenfield, Ohio, in place of J. P. Watt, retired.

TEXAS

James J. Kaster, El Paso, Tex., in place of C. T. Boyce, retired.

Mary L. Rutherford, Putnam, Tex., in place of E. C. Waddell, retired.

VERMONT

Howard H. Bartlett, West Dover, Vt., in place of C. C. Upton, deceased.

VIRGINIA

Frances W. Lugar, Eagle Rock, Va., in place of D. I. Persinger, retired.

John R. Chandler, Onancock, Va., in place of P. J. Pennewell, deceased.

W. Morris Milliner, Onley, Va., in place of W. O. Brittingham, resigned.

Lancelot C. Lockridge, Raphine, Va., in place of W. R. Wilson, deceased.

EXTENSIONS OF REMARKS

Questioning the Candidate

EXTENSION OF REMARKS

OF

HON. ALEXANDER WILEY

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Wednesday, October 3, 1962

Mr. WILEY. Mr. President, for the 1962 political campaign the citizens of America, including Mr. and Mrs. Wisconsin, deserve, I believe, truthful, objective discussions of the major issues confronting us.

The times, in my judgment, are too critical for distortions, half-truths, and misimpressions of the record.

Currently, I am participating in a question-and-answer series over radio station WEMP, Milwaukee, in discussions of the major challenges. I ask unanimous consent to have a series of these statements printed in the RECORD.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

Senator WILEY, what in your opinion are the most important issues facing the United States today, domestically and internationally?

Answer: As citizens, as a State, and as a Nation, we face many great, complex challenges on wide-range fronts—local to global.

Of top priority—in my judgment—are the following: (1) Preserving the peace; or, conversely, preventing a third world war; (2) effectively combatting the menace of communism; and (3) preserving the soundness, integrity and vigor of our economy.

If we are to survive and progress, we must successfully meet these great challenges.

Unless this is done—unless we prevent a third world war—we may not be around to solve other problems of lesser scope but nevertheless significant to us.

Should we successfully meet them, however, and I am confident we can, there are many specific problems of outstanding significance for which we must find solutions. These include the following:

(a) Providing a fair—not jumbled, unfair—tax system that will spur, not stunt, economic growth and progress; (b) solving the problem of unemployment for the 60,000 jobless in Wisconsin and 4 million in the Nation; (c) improving the economic outlook in agriculture; (d) creating more effective programs to conserve, best utilize and, as possible, replenish our natural resources, including water, forestry and other resources; (e) in Wisconsin, too, the challenges of developing new industries is essential to our economic progress. Our natural wonderland, for example, if fully developed, might well mean that tourism could become an even greater source of State income for the future; (f) promoting human well-being of our citizens also is important, including adequate programs for the aging, for youth, for folks—who, through no fault of their own—may be down and out; and for other citizens who may not be sharing proportionately in the benefits of our society; and (g) finally, finding an effective, anticommunism policy—at home and abroad—too, remains a high priority. Among other things, this means: Tougher laws to stamp out communism at home; maintaining a mighty jet-missile-nuclear-space defense, to deter Communist aggression militarily; and a more effective counteroffensive, politically, economically, ideologically—to hasten the day of victory over communism.

Regrettably, this brief broadcast time prevents my now presenting complete, comprehensive programs for these and other fields.

As soon as Congress adjourns, however, I shall meet with you to discuss these and other great issues: On the farm, in your stores and offices and factories, on the street corner, at your civic and religious meetings, on television, radio, and in the newspapers: Everywhere that folks work, play, think and live.

What do you think must be done to solve the farm problem?

Answer: For Wisconsin, for the Nation, we need a renewed effort to find new—not adhere to unworkable—practices to brighten the outlook in agriculture. The goals to "shoot for" include: providing consumers with an adequate supply of good, healthful dairy and other foods at reasonable prices; an opportunity for the farmer to obtain a fair price for his products (the cost of products plus a reasonable profit, and reducing surplus stockpiles and diminishing the annual cost of the price support program to the American taxpayer.

Now, how can this be done? Fundamentally, we need to look—to a large degree, to the farmers, individually and through their organizations, to work toward: more effective long-range production planning to produce for live consumers—not for government storage; better distribution and greater consumption of dairy and other farm products; finding more ways to utilize dairy and other farm products for industrial purposes.

A healthy farm economy, of course, is essential—not just to the farmer, himself—but to the whole Nation. Until the farmer "gets on his feet" there is, I believe, also a need for carrying forward necessary governmental programs: (a) to hasten improvement in agriculture; and (b) to prevent a more serious lowering of farm income—which would adversely affect the whole economy.

What, then, can, and should, Uncle Sam do?

Expand governmental farm cooperative efforts to increase consumption levels of food (particularly of surplus); explore for new markets abroad and at home, for while there are hungry people, right here in our own country, we cannot really consider that we have a surplus; enact legislation to expand research for finding industrial uses for dairy and other products, for example, by the enactment of the Wiley bill, S. 2414, to establish a dairy research laboratory at Madison, Wis.; maintain a reasonable level of price supports—until there can be established a realistic market price based upon a supply-demand balance; and in our national policy, also, we should more effectively use dairy and other foods as strategic weapons in the cold war. In a hungry world, food can be a more effective persuader than guns.

Over the years, the Wisconsin and American farmer has served as a foundation stone of our economy: Producing an abundant supply of healthful food for our fast-increasing population; creating hundreds of thousands of jobs on and off the farm; providing a way of life for 15½ million Americans and generally, vitally serving the health and economic needs of the country.

For these reasons, then, the creation of a more effective farm policy must remain a high priority goal in our domestic programs.

Senator WILEY, do you favor or oppose some form of Federal aid to education?

Answer. The Nation depends, to a large degree, for progress and security upon a good educational system.

Traditionally, the responsibility has rested largely with the States or local communities.

In times of great national challenge when our system is threatened by a dynamic, competing ideology, communism, when authoritative studies reflect that adequate educational opportunities—particularly through shortage of classrooms or teachers—are not being afforded students across the Nation, the country must decide whether, in such a time or crisis, it will tolerate a less than wholly adequate educational system.

In these times, I believe there is a national responsibility for assuring by any necessary methods consistent with our traditional principles that we have an adequate educational program.

In many States like Wisconsin, there have been commendable efforts, both at local and State levels, to meet our responsibilities in education. Recognizing that (a) similar progress has not been made elsewhere, and (b) this is a national challenge, I have, in the past, supported efforts to provide supplemental Federal assistance to our school programs.

Among other pieces of legislation, these efforts have included: Cosponsoring of the G.I. bill of rights; support of the National Defense Education Act; and votes for additional legislation for an improved educational program, both through expanded facilities and improving the status of teachers.

Let me make this clear, however: the fundamental responsibility for support, administration, and progress in our school system lies with the States and local communities.

There should be vigilant safeguards against Federal control over education.

The Nation must plan not for perpetual Federal support, but for assumption, to the largest degree, of the responsibilities of education by the States and local communities.

In your opinion, should the United States continue to spend its money on the saline water research and how should we protect our natural water resources?

Answer. The Nation, according to predictions, will require twice the current need of water by 1980, and three times as much by 2000.

Because of these greatly increasing demands, then, we will need a more effective conservation-management-utilization policy for existing water supplies and tap the oceans for additional water for human consumption and industrial purposes.

Recognizing the ever-growing needs of the future, I cosponsored legislation that created the program now underway for transforming salt and brackish water to useful forms. Through pilot projects, it has been proved that the job can be done. Now, the problem that needs to—and will be—solved, I am confident, is that of doing it economically, in adequate volumes to meet the ever-growing human consumption and commercial-industrial needs of the future.

We, in Wisconsin, fortunately have been blessed with rich reservoirs of water. However, we cannot afford to waste this invaluable resource.

Now, for better protection of our natural water resources, I have supported, and continue to support, effective efforts for such objectives: More efficient use, reuse, and conservation practices; development of better reservoir systems; promoting more effective planning of watersheds or river basins for multiple use of water; more effective practices to prevent waste of water and soil ravaging through uncontrolled runoff; speed progress on flood control projects; greater efficiency in water use for irrigation, and wildlife habitats; prevention of pollution of streams, lakes, and other water supplies; acceleration of on-farm water conservation programs; voted against, and fought against, the Chicago water steal that threatened to jeopardize our whole Great Lakes system; promoting enjoyment of our water wonderland here in Wisconsin for recreation and for attractions for tourism; urge greater efforts to educate the public—both rural and urban—on the value of, and need for, conservation and better utilization of our water resources.

As stewards of these important resources, you and I—and the Nation—have a responsibility for vigilantly improving and expanding these programs for assuring a reservoir of such invaluable resources for the future.

Secretary of State Rusk's News Comments on Cuba

EXTENSION OF REMARKS

OF

HON. HUBERT H. HUMPHREY

OF MINNESOTA

IN THE SENATE OF THE UNITED STATES

Wednesday, October 3, 1962

Mr. HUMPHREY. Mr. President, Secretary of State Dean Rusk has performed a valuable service in appearing on nationwide television to discuss the policies of the United States with regard to Cuba. Mr. Rusk appeared on Howard K. Smith's "News and Comment" program Sunday, September 30. His comments will, I am sure, create a better understanding among us of the situation which presently exists in Cuba. I commend the Secretary's remarks to the Congress and to the public in general and ask unanimous consent that they be printed in the RECORD.

There being no objection, the comments were ordered to be printed in the RECORD, as follows:

Mr. JOHN SCALI. Mr. Secretary, in the past we have said that the arms buildup in Cuba is defensive even though Castro has been supplied with missiles. Is it possible now that Russia's plan to build a so-called fishing port tips the balance from a defensive to an offensive buildup?

Secretary RUSK. Well, those announcements have to do with action to be taken in the future. We will be watching that very carefully and closely indeed, and we will make a judgment when we see what in fact actually happens. Now, I don't think that we ought to play with words on this question of defensive and offensive weapons. Any weapon is offensive if you are on the wrong end of it. But the configuration of the military forces in Cuba is a configuration of defensive capability. What we are concerned about is the development of any significant offensive capability against Cuba's neighbors in the Caribbean, or against this country, and we are keeping a very close watch indeed on just that point. We have very great power in that area, and the President has made it very clear that whatever arms are in Cuba will stay in Cuba, and that there will be no effort by Castro to move these arms into other countries.

Question. Mr. Secretary, how will the Government be able to make a judgment of when the arms buildup shifts from a defensive to an offensive status?

Answer. Well, that would be a matter of detail, affirmation, and judgment based upon all the military views available, and that would be done with our own military advisers taking a full part in an assessment of capabilities.

Question. How would you evaluate the Soviet arms build-up in Cuba in terms of the total Soviet cold war strategy?

Answer. Oh, I think that the Soviets have had to face the fact that this regime in Cuba has been getting into very serious trouble indeed on the island. Foodstuffs are in very short supply, production has dropped off severely, there has been undoubtedly a sense of uneasiness and alarm on the part of the rulers there. They have called, for example, for a considerable number of what seemed to have to be phony alerts. I think they may be trying to draw attention away from some of the problems that they are having on the island. I think that the Cuban situation is certainly becoming very expensive indeed for the bloc to shore up the failures there; but it is also a very serious problem for us and has to be treated as such.

Question. Mr. Secretary, which is the greatest danger to the United States, the potential alienating of much of world opinion by taking firm action against Cuba, or the potential loss of prestige and respect for permitting Russia to outflank us and build a base for subversion next door to us?

Answer. Well, I think neither one of those is a full basis for deciding what action is right and wise and necessary in a given situation. It is clear that the power of the United States is such that you could put armed forces ashore in Cuba, but that means a lot of casualties and it means a lot of Cuban casualties, it means bloodshed. And if we could find an answer without that, we should try to do so.

But the question of prestige is primarily a question of solidarity in this hemisphere. I think that general world opinion is much less interested in Cuba than we are here, for quite understandable reasons. And we have seen here in this hemisphere and are seeing a rapidly growing solidarity with respect to Cuba. The Communists' voices in the hemisphere have become more vocal. But on the other hand, the Castro regime has been losing the sympathy of what might be called the democratic left. It is quite clear that the moderates and conservatives throughout the hemisphere are losing their complacency about Castroism and are becoming more and more active and concerned about it. There has been a dramatic change since the Costa Rica conference of 1960, reflected in the Punta del Este conference in January of this year, and that movement of both peoples and governments in this hemisphere continues. And I am now talking to foreign ministers here in New York, and we will be talking to them next week to see what further steps we ought to take in the situation.

Question. Mr. Secretary, in this coming week of course you will have the so-called informal meeting with the inter-American foreign ministers. Could you tell us why this meeting is an informal one and not a formal one?

Answer. Well, the principal reason is to have a chance to meet as quickly as possible and without all of the problems that are concerned in convening a formal meeting under the Organization of the OAS Charter and encounter many of the other questions that exist there among the different members of the hemisphere. The foreign ministers were gathering here for the United Nations General Assembly. We thought that we ought to take advantage of that fact to meet just as informally as possible. It is not a meeting which can in fact take decisions under the charter of the OAS because it is so very informal, but I already know from my own talks here in preparation for that meeting that it will be a very profitable and worthwhile meeting.

Question. Mr. Secretary, in the past you have put a great premium on the desirability of unity within the inter-American family. Unhappily, several Latin American countries have dragged their feet on taking effective action against Castro. Is it possible that at this informal meeting you will come up with some sort of plan whereby the nations most immediately threatened by Castroism in the Central American and Caribbean area might join with the United States in some kind of tougher action?

Answer. Well, that was already anticipated in the Punta del Este Conference in January. One of the resolutions that was passed, I think by a 17-vote majority, did provide for joint actions by groups within the hemisphere to deal with this specific question if necessary. We will of course continue not only our consultation with the other countries within the Caribbean area, but we will continue our close cooperative work with them on matters of common security interest—for example, on surveillance in the Caribbean, in being sure that there is no illicit arms traffic in the Caribbean area coming out of Cuba, and a variety of other actions which are being taken behind the scenes with the full cooperation of the governments in that area.

Question. Mr. Secretary, on another point, we find that many of the Cuban exile organizations in the United States are complaining rather bitterly in some cases against the restrictions being put on them by the American Government. Many of them have all sort of plans for returning to the homeland. Why aren't we supporting some of these exile organizations in the United States in allowing them more freedom?

Answer. Well, we have, as you know, been giving considerable support to the refugees as such.

Question. Right.

Answer. Now, as happens so frequently with refugees or exile organizations, there is very little unity among them. There is a contest for influence. They find it difficult to work together. This is the principal problem insofar as any single organization is concerned. Also I think it has to be borne in mind that there are anti-Castro people on the island of Cuba who need to be recognized as having a real stake and part in this whole problem. So that I realize that there are certain groups or certain committees that feel that they ought to be a chosen instrument of some sort. But the great problem and the great need is for all non-Castro Cubans to get together as closely as possible in a great unity of purpose to restore Cuba to the democratic life of the Western Hemisphere.

Question. Mr. Secretary, you have mentioned the anti-Castro underground in Cuba, which we know exists. There are also many people who say that we should take a more active role in supporting this anti-Castro underground, perhaps by supplying them weapons and giving them encouragement through other means. What do you say to to this?

Answer. Well, I obviously can't get seriously into that question. The anti-Castro elements in Cuba do know that they have the encouragement and support of everyone in this hemisphere who is opposed to Castroism, but I think that this is the sort of thing or question I can't really get into.

Question. Is it our information, sir, that considerable anti-Castro sentiment exists in Cuba?

Answer. I think that that is very definitely our impression and that this is growing, because of the ruthlessness of the regime and the great severity of the regime on the people and their economy and their traditional way of life. I think we know that the Castro regime has great organized support. It has the accoutrements of a police state, but it also has underneath it what has happened in so many dictatorships of that sort—deep resentment on the part of the people themselves.

Question. Mr. Secretary, the Republicans on Capitol Hill seem to be making quite an issue of the administration policy on Cuba. Now, granted that both Republicans and Democrats have united behind this single resolution supporting the President, do you think that many of the Republican demands which may come up during the election are really political in nature?

Answer. Well, I think that in the present campaign that candidates of both parties are going to be and should be talking about Cuba with the people in their constituencies. I do not believe that except for an occasional instance that this debate can take on a straight partisan line. Cuba has been a problem for two administrations. It is still an unsolved problem. And in my discussions with the committees and the leaders in our Congress, I find that the Democrats and the Republicans are equally concerned about the problem and that they are equally concerned about finding the right and wise course of action under all the circumstances.

We have a national problem here in front of us, and I think vigorous debate is to be desired, and is in any event unavoidable, but I would hope that what is necessarily a national problem does not break itself up into alleged partisan points of view, because I feel and know that the leadership of both parties are deeply concerned—concerned that no satisfactory answer has yet been found and that the penetration of this hemisphere by Castro communism is something which cannot be accepted in the hemisphere and by the United States.

Question. Mr. Secretary, in discussing Cuba with some of the foreign ministers here, I know that you have heard the view expressed by some that Cuba is a United States problem. Do you agree that this is a strictly U.S. problem?

Answer. Well, it is in the first instance a major problem for this hemisphere because of the commitments of the hemisphere under its treaties and charters and in those commitments the United States plays a very important role. It is a problem for us because it is a problem in the hemisphere as well. It would be a problem for us had we not had the hemisphere organizations. But it is here. But it is also a part of a worldwide struggle for freedom. It is involved in a worldwide confrontation between the Communist bloc and the free world, and therefore it is one of those problems which is of concern to all the free world because this struggle is relentless and unending in every continent, and no one can be, I think, disregardful of it.

Question. Mr. Secretary, since this is part of a worldwide Communist plot, could we not soon be approached with a deal to shut down some of our bases overseas in return for which Russia would close down her base in Cuba?

Answer. This is not a negotiable point. This would not be a way to meet this struggle for freedom. You cannot support freedom in one place by surrendering freedom in another. In any event, we have special commitments here in this hemisphere under our hemisphere charters, and we cannot connect in negotiations or in trade the problem of Cuba with the defense of freedom in other places. No. This is not on.

Question. This would also apply to any effort to link Cuba, say, with Berlin?

Answer. Exactly.

Question. Mr. Secretary, are you a baseball fan?

Answer. Yes. I have been for many years.

Question. Do you keep close tab on what the lowly Washington Senators are doing?

Answer. Well, some of my friends think that I am a man of little conscience because I am automatically a hometown fan. I was a New York Yankee fan for many years, and now I am a Washington Senator fan. It hasn't given me too much to cheer about this season, but nevertheless it is a good ball club and I have enjoyed following them.

Question. Do you have any hope that next year it will wind up any better?

Answer. Well, when you wind up in the cellar, you always say "Wait until next year."

Mr. SCALI. Thank you very much, Mr. Secretary.

Second Annual Report to the People of Kansas Fourth District From Congressman Garner E. Shriver

---

EXTENSION OF REMARKS

OF

HON. GARNER E. SHRIVER

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 3, 1962

Mr. SHRIVER. Mr. Speaker, in keeping with the policy which I established a year ago, I submit to the citizens of the Fourth Congressional District of Kansas this 2d annual report of my activities in the 2d session of the 87th Congress.

We are completing one of the longest sessions of Congress in the peacetime history of our Nation. We prepare to adjourn with the world in crisis just as on the eve of adjournment in 1961.

THE WORLD IN CRISIS

Once again we have passed a resolution providing the President with the necessary authority to call up 150,000 reservists and to extend the terms of service to those on active duty up to 12 months. The Congress also has gone on record, overwhelmingly, with a Cuban resolution intended to reassert the principle of the Monroe Doctrine in regard to foreign encroachment in the Western Hemisphere. The resolution also places the Communist world, particularly the Soviet Union, on notice that this country will not stand idly by while military bases or other installations, which could be used for aggressive purposes, are built just 90 miles from our shores.

While the Soviet arms buildup in Cuba remains of major concern, the United States also must be prepared to meet growing Communist threats in Berlin, Formosa, and southeast Asia. Congress approved for fiscal 1963 a defense budget of over $48 billion which is nearly $2 billion more than appropriated in the last fiscal year.

SHRIVER VOTING RECORD

More than 6,000 bills and resolutions were introduced during this session of Congress. With adjournment pending we note that less than 600 have been enacted into law as compared with a total of 685 adopted last year.

Your Congressman had over a 98 percent voting attendance record during the two sessions of the 87th Congress.

RECORD SPENDING

More than $95 billion was requested in appropriations for fiscal 1963 by the administration. Final action still is pending on several appropriations measures. However, it is apparent that the Congress will appropriate approximately $92 billion, not including those permanent appropriations which recur without annual congressional action.

SERVICE TO CONSTITUENTS

In addition to the vital legislative responsibilities of this congressional office, I have endeavored, with the help of my staff, to assist and serve my constituents, to the best of my ability, in their relationships and problems with the Federal Government. Here is a summary of the activities of your Fourth District office in Washington for this past year: Held 721 conferences with officials of some 56 different Federal agencies and departments in behalf of constituents; received and replied to nearly 1,000 requests for information and Government documents; mailed nearly 10,000 Government documents to Fourth District citizens; more than 27,000 pieces of mail were received in the Washington office from the district, of which 16,425 were first-class letters. I might add that communications from my constituents received priority attention from me and my staff; mailed out nearly 28,000 pieces of mail to the district, not including questionnaires or the constituent's newsletter.

More than 800 visitors from Kansas signed our guest book in Washington. It always is a pleasure to assist visitors from the district and it is especially pleasant welcoming them to the Washington office. I have been gratified by the number of families who have called on me during their visits to the Capitol.

Some 100,000 questionnaires in the second annual Fourth District opinion poll were mailed to citizens throughout the district inviting them to inform me of their opinions on a variety of domestic and international issues pending before Congress. I am pleased to report that 15,713 questionnaires were returned to the Washington office. I already have reported the tabulations of the 1962 poll to my constituents.

DEFENSE AND THE DISTRICT

Since coming to the Congress I have been working, along with most of my colleagues, for the maintenance and development of our Nation's defense and security. The Fourth District of Kansas—particularly the Wichita area—has played a vital role in defense production for many years.

Last year I joined my colleagues in the House and Senate in voting $514,500,000 for continued production of the B–52 bomber. It was with regret and concern that I was informed late last fall that the Secretary of Defense had decided against using the funds.

I joined with our two Senators, at that time, in conferring personally with the Secretary of Defense to discuss the continued utilization of the vast defense production facilities in Wichita and the need to maintain the B–52 global bomber as a key weapon in the arsenal of the Strategic Air Command.

We were assured that the B–52 would continue to be utilized as one of the strategic weapon systems of SAC into the 1970's. During the 1962 fiscal year, the Air Force allocated more than $370 million for the B–52 modification program. Modification work is programed into the future as the Air Force continues to increase the range and load capabilities of this proven nuclear weapon system.

Since that conference with the Defense Secretary, I have been working with his economic adjustment adviser, Mr. Robert Steadman, and officials of the Departments of Commerce and Labor in a continuing effort to make available the necessary Federal counsel and technical assistance to help the Fourth District help itself in strengthening its economy and industrial base for the space age.

Within recent weeks I have conferred with the small business advisers of the National Aeronautics and Space Administration and the Department of the Army in an effort to assist the many small contractors in my district interested in competing for Government contracts. The recent conference for Kansas education, business, and industry leaders, planned by Senator JAMES B. PEARSON, of Kansas, in cooperation with our State's congressional delegation, and conducted by the National Aeronautics and Space Administration may have planted the seeds for Kansas to assume an increasing role in the Nation's space efforts.

FLOOD CONTROL AND WATERSHEDS

Fourth District public works projects for flood control purposes and watershed projects received appropriations totaling $33,256,000 for the 1963 fiscal year. The Cheney Reservoir project near Wichita, which was one of only six Bureau of Reclamation starts in the Nation this year, will receive $7,100,000 for continued construction in fiscal 1963. Congress also authorized two new watershed projects in the Fourth District last year, and this year the Silver Creek project in Chase County was approved.

SHRIVER LEGISLATION

During this first term in Congress I have not attempted to author voluminous legislation. However, I did introduce several bills which were the result of careful and deliberate study. Following is a summary of those which I beieve to be of special significance:

SELF-EMPLOYED PENSION PLAN

Legislation which I joined in sponsoring last year permitting the establishment of voluntary pension plans by self-employed persons won final approval from Congress and is awaiting Presidential action.

FEDERAL JUDGESHIP

The heavy judicial load in our Federal courts may have been eased by legislation providing for additional Federal judges throughout the Nation. I was sponsor of a bill providing for a third Federal judge for the State of Kansas. This measure was included in the omnibus judgeship bill and was enacted during the first session of Congress. Appointment of the Honorable George Templar, of Kansas, was made this year to this position.

VOLUNTARY MEDICAL AND HOSPITAL CARE

In April, I introduced legislation to provide for the medical and hospital care of the aged through a system of voluntary health insurance. While the administration's compulsory medicare program, financed through increased social security, was rejected in the Senate, it is to be hoped that Congress will give consideration to voluntary programs which provide assistance to those senior citizens who most need the aid of the Federal Government.

LIMIT OIL IMPORTS

Impact of imports upon the domestic petroleum industry of the Nation prompted me to join with other Members in introducing legislation strengthening the national security provisions of the trade agreements act by limiting imports of foreign oil. The House Ways and Means Committee did not choose to accept this legislation as an amendment to the trade bill. It is to be hoped that the President soon will take meaningful action to preserve this vital industry.

TAX RELIEF FOR PARENTS-STUDENTS

During the 1st session of the 87th Congress, I introduced legislation providing for a program of tax relief in the form of an income tax deduction to those bearing the cost of higher educational expenses. While the measure did not receive consideration by the Ways and Means Committee this session, such legislation should be a part of the promised program of tax reduction next year.

I believe it is appropriate to mention that this will be the last Congress in which the present 15 counties will be represented together as the Fourth Congressional District. In keeping with the 1961 redistricting by the Kansas Legislature, there will be only seven counties in the Fourth District effective with the next Congress. They are Chase, Dickinson, Harvey, McPherson, Marion, Morris, and Sedgwick.

Mr. Speaker, I take this opportunity to extend my sincere appreciation to the citizens of the present district for their cooperation and support of the past 2 years. It has been a genuine pleasure and privilege for me to represent them in Congress.

Library of Congress Gets Winterton Collection

EXTENSION OF REMARKS

OF

HON. ED EDMONDSON

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 3, 1962

Mr. EDMONDSON. Mr. Speaker, today I want to pay tribute to a friend from my hometown of Muskogee, Okla., whose labors for the past 31 years in building a hobby will now be enjoyed by thousands of music lovers throughout the world.

I am speaking of Mr. Harry J. Winterton, who for nearly a third of a century has been compiling an exhaustive collection of photographs, specifications, histories, and other interesting information about organs and organists from all over the world.

This collection has been requested and is in the process of being received by the Library of Congress where its value can be appreciated by organ fanciers and others.

Mr. Winterton began his collection when he became interested in the background and data of the famous Wanamaker organ in Philadelphia. He wrote to Wanamaker for the information and with the reply his hobby was born.

Since then, he has received information on famous organs and organists from kings and queens, government officials, organ manufacturers and many other experts in the field. He estimates that he has received over 3,000 replies to his requests for material.

Mr. Winterton's collection now contains such interesting material as photographic views of organs, their history and specifications, autographed pictures of the organist at the console, short biographies of the organists and a wealth of other information.

My personal appreciation goes to Harry Winterton and I know he will have the thanks of thousands who will be the beneficiaries of his valuable legacy.

America, Communism, and You

EXTENSION OF REMARKS

OF

HON. AUGUST E. JOHANSEN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 3, 1962

Mr. JOHANSEN. Mr. Speaker, our able colleague, Congressman HENRY C. SCHADEBERG, of Wisconsin, a member of the House Committee on Un-American Activities, delivered an outstanding address before the American Legion Americanism Conference in Fond du Lac, Wis., February 24, of this year.

This address has only recently come to my attention and, under permission to extend and revise my remarks, I include it herewith:

AMERICA, COMMUNISM, AND YOU

(Speech before the American Legion Americanism Conference at Immanuel Lutheran Church, Fond du Lac, Wis., on February 24, 1962, by Congressman HENRY C. SCHADEBERG, First District, Wisconsin)

On a plaque in a public building (the name of which escapes my memory) are these words: "Yesterday is memory, tomorrow is mystery, today is a golden moment set in between."

It is my desire to speak to you tonight about the future—your future, my future, the future of America, indeed the future of freedom itself. Yet though I will speak of the future, we must all be woefully aware that we cannot mold it of itself for the future cannot be isolated from the present. Our task is to mold each today. It is only of today that tomorrow is born. It is only of what we make of each today that each tomorrow is born. It is only of what we make of each today that each tomorrow has its character.

As we look up into the star-filled heavens; probe space with our scientific paraphernalia; dream of having men step upon the surface of the moon; feel the surge of pride in our attempts to conquer space, it is only natural that we should be talking constantly about the future. We are on the threshold of a new era. There have never been greater opportunities for the advancement of the human race materially. All of mankind is surging forth—new nations are being born—we are hearing new languages, seeing new faces, exploring new frontiers.

The world is in revolution and the revolution is reaching into all aspects of our lives. Perhaps the most noticeable activity in revolution is in the social and economic areas.

1. We are disturbed about our failure to move more rapidly in breaking down racial barriers.

2. We seek greater security for the aging.

3. We want to improve our education programs.

4. We are faced with such problems as population explosion and automation in industry. We are seeking answers to these and many other problems, but it is not of our material or economic future I wish to speak tonight. I mention these things merely to point out the tremendous pressure that will be bearing down upon us in an ever-increasing intensity as each tomorrow becomes another today.

The future with its unknowns presents not only a collective challenge but an individual challenge. The bold, stark reality is that most of us here today are going to be severely tested as individuals. Each of us will be forced by circumstance to prepare himself for the test. Borrowing a phrase from Lincoln, "It is to fall to this generation that task of proving whether this Nation so conceived and so dedicated can long endure," for we in America are an island in the midst of godless collectivism. We live as yet within the framework of a free enterprise system. Each one of us is responsible for his own freedom. So long as we are willing to meet this responsibility (whatever the cost) freedom will be ours, but—should we grow faint or fearful; should we lose faith in ourselves and in God; should we no longer care to make the sacrifices necessary for our personal freedom, freedom will not long be ours—and if it does not belong to us individually it cannot belong to us collectively.

The problem of our present day is not only to convince ourselves, at whatever cost, that we must preserve our own freedom, but also to convince all others that they must protect their freedom; that they must desire it enough to sacrifice for it, for unless they cherish freedom enough to seek it, it cannot long belong to us. Freedom is not given to us as a gift to merely enjoy. Those who possessed it before we did had to work for it, had to nurture it, had to live for it, yes, and some brave souls had to die for it. Now it is our turn. We must, as they, preserve what we have. We must work at it, nurture it, live for it, and perhaps even die for it, for if our generation loses it, then it is lost to many future generations.

As Americans, what then is our present task?

I believe the most important tasks at hand are those of education and action.

First, reaching back into the past we must teach ourselves about that which, in the past, has made this the greatest Nation ever to have existed in the history of mankind. We cannot keep a nation great unless we are aware of what made this a great nation. Not least among the things contributing to our greatness has been an abiding faith in God. Destroy this faith, make impotent and corrupt the church; interpret freedom of religion to mean freedom from religion; ignore God; deny even the mention of His name in public gatherings and official functions of Government and school, and you destroy the foundation on which freedom as we know it and express it is built. If you destroy the foundation, the building itself will topple. We must be aware of our history, know our traditions; appreciate the contributions others who lived before us in time have made to our society. We must not only be aware of what made us great; we must share this knowledge with others and especially each succeeding generation.

STORY OF BEAR AND BARREL

You see, freedom is not inherited. Only the opportunity to be free is given us from the past generation. Each succeeding generation must not only accept and preserve the free institutions they have inherited from past generations but they must extend freedom lest, in a changing world, freedom falls behind and is lost in the dust of those who clamor for a collectivized state. This is why J. Wellington Griffith, Jr., wrote: "Liberty is only one generation away from extinction."

Second, we must be aware not only of that which has brought us to our greatness, but we must also be aware of that which could bring us to our downfall. You and I live in a period of history in which it is no secret that freedom, our way of life, is not safe. Freedom is on the scaffold and there are those from without and within who are laboring to trip the trap to bring freedom to her death.

Of all the things which have transpired since being elected to the U.S. House of Representatives (and there have been many) the most stunning and revealing have been those things connected with my work on the Committee on Un-American Activities.

Within this past year I have been brought up sharply to the realization of how deeply embedded the Communist conspiracy is in our society. Let me illustrate how the Communist conspiracy destroys and distorts the efforts made to uncover it:

In public hearings before the House Un-American Activities Committee which brought bitter condemnation to the committee members who were interrogating several individuals from New York about their activities in what is innocently called the "Fund for Social Analysis," witnesses, upon being asked simple questions about their activities (of which, if legitimate, they should be proud) could not muster the courage to admit their connection with the fund. Hours of testimony revealed only that, according to their own admission, it would tend to incriminate them to admit they were officers of the organization though their names appeared on correspondence and checks. Taking the fifth (by this, I mean the fifth amendment), they refused to reveal: (1) The address of the organization; (2) those who were active in the organization; (3) those who made the selection for scholarships; (4) for what purposes the funds were expended; (5) who kept the records; and (6) where the records are to be found.

Would you be ashamed or would you feel it an invasion of your rights to be asked if you contributed to a fund supposedly set up to assist worthy students in study?

Would you be ashamed or feel it an invasion of your constitutional rights to answer questions as to your activity in an organization claiming to be solely academic in nature? Yet, in the morning papers of the day the hearings were held a large ad appeared in the Washington Post signed by 86 people petitioning Congress to stop the investigation of the fund because, of all things, this was an invasion of their rights of academic freedom. And the advertisement was signed as submitted and paid for by the rather imposing name of the Emergency Civil Liberties Committee of New York.

In most of our hearings those who plead the fifth amendment when asked to answer questions about Communist activities do so on the basis that the committee does not have a right to pry into their personal political beliefs. The committee does not question the right of anyone to hold any political, religious, economic or social belief. But the committee does question the activities of those who, under the freedom to hold or express their convictions, seek to hide or conceal their intent to deny others their freedom. It should be abundantly clear to all but the most naive that communism has never allowed freedom of thought or expression. No Communist country or Communist satellite ever came into existence by popular vote of the people through the freedom of the ballot box and no Communist government has seen fit to subject its action to the will of the people once it was in power.

The Communist Party is not a political party in the true sense in which we in America conceive of political parties. It is an international conspiracy, led by an army of dedicated fanatics without morals or ethics or principles, determined to wipe out individual freedom. The "Communist Manifesto" to the world written by Marx and Engels, in the mid-19th century states these principles with shocking clarity: (1) The overthrow of capitalism; (2) The abolition of private property; (3) The elimination of the family as a social unit; (4) The abolition of all classes; (5) The overthrow of all governments; (6) The establishment of a Communist order with common ownership of property.

Communist propaganda has made it clear that a timetable for world conquest has been set. We are being told time is running out for the free world. According to the Communist line, time is not on our side and so we are left with a dilemma of frightening proportions; we who are yet unconquered have only three possible courses of future action open to us: (1) We can meekly capitulate, summed up in the coward's philosophy "rather Red, than dead", or (2) we can try to coexist or (3) we can steel ourselves to meet the threat with determination to win this struggle.

It is my conviction that no red-blooded American worthy of his heritage, no man in whose veins has throbbed the heartbeat of freedom, could possibly countenance capitulation.

I want to share with you the words of William I. Nichols, who had this to say: "Better Brave Than Slave." This is freedom's true answer to all those who have been chanting "better Red than dead"—vice versa. It gives the lie to the notion that free men have no other choice than to be "Red or dead."

"Better brave than slave" are words to keep us from growing paralyzed by talk about the H-bomb. They remained us that life has always been a struggle, that the race is won by the strong and bold and that life on this earth is not meant to be easy or effortless or everlasting.

Perhaps one of the basic troubles today is that many of us have come to believe too literally in our own slogans about "inevitable progress." We think miracle drugs will bring us eternal youth. Similarly, we hope that by some political miracle our rivals or enemies will go away and we will have perpetual—and painless—peace and prosperity. We forget that through the ages, such ends have been won by brave men acting with faith, energy and imagination. Often just by standing firm they have prevented war.

"Better brave than slave." These words, I believe, speak to us with the firm voice of history and hope. They speak, too, with the voice of morality for they affirm the everlasting fact that for freemen there are things in life worth living for, fighting for, and even dying for. They give us the courage, the manly gift to stand up and be counted on the side of right as God gives us to see the right. And in so doing, they unlock for us the greatest of life's secrets which is this: The minute you know that you are not afraid to die, that is the minute you begin to know how to live.

No one, knowledgeable of the Communist techniques by which they reserve for themselves the right to infiltrate free institutions while they themselves hide behind an impregnable wall, would dare to accept the lethal medicine of coexistence.

For those of us who yet believe in freedom the only course of action is to meet the challenge—to roll up our sleeves and go to work, trying through many frustrating experiences to eradicate from our society the cancerous growths which if allowed to spread could well poison the whole body of our society and bring freedom to an early death.

The threat to freedom posed by Communist pressure is both external and internal. I am not too concerned at the moment about Communist Russia trying to kill us off by military action because as long as we remain strong militarily, alert in both our military and spiritual defenses, Khrushchev knows that the funeral will cost him too much if he tries, as he boasted, to bury us. But, I am concerned about Communists trying to destroy us from within.

It is imperative we know the true nature of communism for it is impossible to act effectively against an enemy unless we know who that enemy is and where he is operating. Would that those who sincerely seek to strengthen freedom's cause seek to know the facts about communism before they give comfort to the Communist cause by their condemnation of those who battle against it. There is much evidence available to show that the Communist Party in the United States is an established beachhead of a foreign power. The members of this conspiracy owe their allegiance only to the Communist Party in the Soviet Union. They are determined to communize the world under the domination of Moscow. This is their plan.

Why should this concern us? Is it only because, as some would have us believe, we are selfish and want the material benefits of life at the expense of denying them to others?

Aside from the more obvious material reasons, the fact that this system has provided more luxury and free time for the people over anything previously or foreseeable in the future, there are many other reasons. Foremost among them is the desire to enjoy the benefits of individual dignity and the feeling of individual worth.

The individual is the very basis—the fundamental unit—of our free society. This is the reason we in America have achieved such fantastic success. The individual, as long as he stays within the realm of honesty, can completely chart his own course. He can succeed or fail as his initiative and ability allow. He can see and hear that which he chooses. He can worship cr not worship as he sees fit.

These are the things that count. These are the things which make life worth while. These are the things that must be preserved for us in the future.

Third, if we are to be about our present task we must not only learn from the past what made us great and know what would bring us to our downfall; we must know what we seek to preserve. We must appreciate what it means to be an American. We must know what we are saying when we talk about Americanism, and just what is Americanism?

According to House Report No. 2, dated January 3, 1939, page 10, this is what a special committee reported pursuant to House Resolution 282 of the 75th Congress:

"No scientific definition (of Americanism) (can) be attempted; but we * * * undertake to set forth in simple and understandable language what some of the chief principles of Americanism are. In the first place, Americanism is the recognition of the truth that the inherent and fundamental rights of man are derived from God, not from governments, societies, dictators, kings, or majorities.

"This basic principle is expressed in the Declaration of Independence where our immortal forefathers said that all men are created equal and that they are endowed by their Creator with certain inalienable rights, chief among which are life, liberty and the pursuit of happiness. Established interpretations include in our inalienable rights (rights which cannot be changed or altered): (1) Freedom of worship; (2) freedom of speech; (3) freedom of press; (4) freedom of assemblage; (5) freedom to work in such occupation as the experience, training, and qualifications of a man enable him to secure and hold; (6) freedom to enjoy the fruits of one's work, which means protection of property rights; (7) the right, not to happiness, but to pursue happiness so long as in so doing he does not harm or injure others in the pursuit of their happiness.

"Thus it is that the essence of Americanism is class, religious and racial tolerance and the maintenance of these three forms of tolerance is essential to the preservation of Americanism. These are the pillars on which our constitutional Republic rests. When any one of these pillars is destroyed the whole American structure crumbles.

"Therefore it follows that the man who advocates class hatred is plainly un-American even if he professes racial and religious tolerance. If he hates his neighbor because he has more of the world's goods he is as un-American as if he hates his neighbor because he was born of another race or worships God according to a different faith.

"Law and order are essential to the preservation of Americanism while lawlessness and violence are distinctly un-American.

"Americanism means the recognition of the God-given rights of man and their protection under the Constitution through the instrumentality of an independent Congress, an untrammeled judiciary and a fair and impartial Executive operating under a system of checks and balances.

"Americanism means the protection of an unorganized majority from an organized minority as well as the protection of a helpless minority from an inconsiderate and thoughtless majority."

These, ladies and gentlemen, are noble definitions and interpretations. They beg our indulgence in study that we may know and teach in a free society the meaning of Americanism with as much passion and conviction as those in a collectivized state teach the godless doctrines of communism.

Only as we know the good we want to preserve can we effectively combat the evil we seek to destroy.

Finally, we must reaffirm our pride and faith in our great country. Patriotism is not old fashioned. Patriotism is the very lifeblood of any country and ours is no exception. America, in spite of her imperfections (and we are not perfect simply because we are a government of imperfect men), is the greatest country in the history of recorded civilization. We have every conceivable cause for legitimate pride. Let's not be ashamed to express this pride openly.

If the newly emerging nations of Africa can have a fierce nationalism (which we encourage through the United Nations) when life in them is most primitive, why should not we, the citizens of the most wonderful and advanced nation in the world, be at least proud?

When, as individuals, we have this rekindling of our national flame, let us pass the torch on to others. Everyone with whom we come into contact should be reminded what a wonderful country it is his privilege to possess. Let us become as avid salesmen of our Nation as we are of the products we produce. Let us sell America and have done with selling America short.

This is a great country and it does not deserve to be downgraded by useless self-criticism. Nor does it deserve to be ground under the heel of any kind of tyranny, be it Fascist or Communist. In the words of Seversky, "America is too young to die."

Every time we hear our national anthem or see our flag our hearts should swell up with pride that we are privileged to be a working part of this great Nation. Our past echoes with famous and stirring names: Washington, Patrick Henry, Jefferson, Monroe, Lincoln, Theodore Roosevelt, and it echoes with names of many places where the future—now the present—was assured: Lexington, Valley Forge, New Orleans, Gettysburg, the Alama, San Juan Hill, Château Thierry, Iwo Jima, Heartbreak Ridge.

If to love one's country; if to respect our flag; if to pledge allegiance to the flag, which is the symbol not only of freedom but of the continual sacrifice necessary to preserve freedom, is superpatriotism—and extremism—then I stand convicted. But I make no apologies, for when I see the Stars and Stripes I see not just red, white and blue bunting but I feel the hand of those I held as I said a parting prayer as they lay on the scorched deck of a cruiser; I hear the fainting whisper of a dying lad asking me to see his mother; I remember those who gave their lives that I might live a freeman—and ladies and gentlemen, I know freedom does not come cheap.

This country has a heritage and tradition in which each individual shares a responsibility. The danger of communism is that it destroys the dignity and importance of the individual given to him by virtue of his creation by God—and upon which free institutions are built.

This country has a heritage and tradition in which each individual shares a responsibility. Take from the individual his responsibility to provide the wants and needs of his family; take from the individual the responsibility to seek and know God; take from the individual his responsibility to pass on to succeeding generations a freedom even more secure than he himself owns and you create a victim for communism and the slavery associated with it.

There is reason for speaking positively about America. It is a false assumption bringing us to despair to think we as individuals can do nothing to help our country. It has to be you and me as individuals or the future for which we strive to prepare will not be worth inhabiting. Multiply your force by bringing the message of America to all with whom you meet.

As the individual forces join to become a collective voice, the result will become obvious. The country's doldrumlike appearance will change into one of hope and action. There is no power on earth which can destroy this Nation. Once the people are up in arms and prepared to further the cause of freedom, we will have rekindled the fires of the American dream.

I have spoken in utter frankness about what I believe to be our present task as we look toward the future, but I have not brought you a message of doom. It is a message of challenge to make your voice heard. I do not believe this Nation and its institutions are doomed. I have tried to show what we must do. I believe, knowing we will do it.

I believe in our way of life. It is right—and tyranny in any form is wrong. Because it is right, with our help, it will stand up to any test.

I believe in the people who make up this Nation. They are the same fine people who fought for freedom in past years—who met and survived all tests and hardship. They are the craftsman and the lawyer; the farmer and the doctor; the shopkeeper and the laborer.

They are of all religions, all nationalities, all colors. They are Americans. They may not be able to express themselves in eloquent language but they know why this country must be kept free and they know in their hearts what they must do to keep it free. They will not shirk their duty because they, with us, believe in America.

This then, is the future—your future and mine. This then, is what each of us must do to preserve the future. That we will do it, I have no doubt. But, we cannot wait. We must act and we must act now. I urge each of you in your own way to join the swelling chorus of Americans who are rededicating themselves in a time of peace and crisis to take an active part in making secure the freedom for which others died in a time of war.

This is your challenge, this is your opportunity, this is your responsibility.

The Record of the 87th Congress, 1st Session: Report to the People of the 2d Congressional District of California

EXTENSION OF REMARKS

OF

HON. HAROLD T. JOHNSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 3, 1962

Mr. JOHNSON of California. Mr. Speaker, as has been my custom since my first election to Congress, I wish to report to the people of the mountain-valley Second Congressional District concerning my votes and actions during the 1st session of the 87th Congress.

At this point I would like to place in the CONGRESSIONAL RECORD a table which lists my rollcall votes during 1961:

Voting record of Congressman Harold T. Johnson, 87th Cong., 1st sess.

My stand	Issue	Status
For Rayburn	Election of Speaker Sam Rayburn	Rayburn elected.
Voted for	Enlarge the House Rules Committee from 12 to 15 members	Committee enlarged.
Voted for	Temporary extension of unemployment compensation recommended by President Kennedy	Became law.
Voted for	Authorize budget for House Un-American Activities Committee for 1961	Approved.
Voted for	3d supplemental appropriations bill for fiscal year 1961, including funds for 69 2d congressional district school districts	Became law.
Voted for	Emergency feed grains program	Became law.
Voted for	Extend Sugar Act through December 1962 and authorize President to deny the Dominican Republic any quota "bonus" resulting from Cuban cutbacks.	Became law.
Voted for	Authorize $804,000,000 in military construction	Became law.
Sponsored	Create additional Federal judgeships, including 4 in California	Became law.
Voted for	Area Redevelopment Act program for Federal loans, and grants for redevelopment of economically depressed industrial and rural areas.	Became law.
Voted for	Social security amendments to extend benefits to widows, disabled and retired people	Became law.
Voted for	Appropriate $500,000,000 for aid to Latin America in accordance with President Kennedy's Alliance for Progress program	Became law.
Voted for	Minimum wage legislation, the Fair Labor Standards Act of 1961	Became law.
Coauthored	Water Pollution Control Act, to assist State and local agencies solve water pollution problems	Became law.
Voted for	Extend for 2 years, Mexican farm labor law	Became law.
Voted for	Raise ceilings on salaries of members and employees of Council of Economic Advisers, as requested by President Kennedy	Became law.
Voted for	Establishment of Office of International Travel and Tourism	Became law.
Voted for	Resolution favoring collective sanctions by Organization of American States against Castro government	Adopted.
Voted for	Authorize appropriations of $12,000,000,000 for procurement of aircraft, missiles, and naval ships in 1962	Became law.
Voted for	Repeal of a provision in Railway Mail Pay Act intended to prevent railroads from charging higher rates for carrying non-first-class mail than for carrying express matter.	Became law.
Voted for	Appropriate $5,900,000,000 for Agriculture Department and Commodity Credit Corporation	Became law.
Voted for	Appropriate $751,000,000 for Departments of State, Justice, and the judiciary	Became law.
Voted for	Extend existing corporation and excise taxes	Became law.
Voted for	Motion to recommit bill to qualify Supreme Court decision relating to unnecessary delay in criminal arraignments	Passed House.
Voted against	Resolution disapproving President's reorganization for Federal Communications Commission. ("No" vote supported reorganization.)	Reorganization disapproved.
Voted against	Resolution disapproving President's reorganization plan for Securities and Exchange Commission. ("No" vote supported reorganization.)	Reorganization approved.
Voted for	To permit International Finance Corporation, an affiliate of the World Bank, to acquire stock in private companies in underdeveloped nations.	Became law.
Voted for	Appropriate $47,000,000 in supplemental funds for State, Justice, Treasury, and Defense	Became law.
Voted against	Disapproving President's reorganization plan for Federal Trade Commission. ("No" vote supported reorganization.)	Reorganization approved.
Voted for	Housing Act of 1961	Became law.
Voted for	Increase national debt limit for 1 year	Became law.
Voted for	Appropriate $42,000,000,000 for defense	Became law.
Voted for	Establish uniform procedure for Federal court review of alien deportation and exclusion orders	Passed House.
Voted for	Establish Cape Cod National Seashore Park	Became law.
Voted against	Disapproving President's reorganization plan for Civil Aeronautics Board. ("No" vote supported reorganization.)	Reorganization approved.
Voted for	Authorize commemoration of Department of Agriculture Centennial	Became law.
Voted for	Provide evacuation pay to civilian employees evacuated in emergencies	Became law.
Voted for	National Aeronautics and Space Agency appropriations	Became law.
Voted against	Disapproving Reorganization of National Labor Relations Board. ("No" vote supported reorganization)	Reorganization disapproved.
Voted against	Disapproving reorganization of Federal Maritime Board. ("No" vote supported reorganization)	Reorganization approved.
Voted for	Appropriate $883,000,000 for military construction	Became law.

Voting record of Congressman Harold T. Johnson, 87th Cong., 1st sess.—Continued

My stand	Issue	Status
Voted for	Give President authority to call up Reserve forces	Became law.
Voted for	Supplemental military appropriation to meet Berlin crisis	Became law.
Voted for	Farm bill, including improved emergency and disaster relief programs	Became law.
Voted for	Reorganization of Federal Communications Commission	Became law.
Voted for	Authorize military to sell supplies or services to aircraft owners in national emergencies	Passed House.
Voted for	Supporting construction of powerplant at Hanford reactor to harness steam energy which otherwise would be wasted	Rejected.
Voted for	Reorganization of Interstate Commerce Commission	Became law.
Voted for	Transfer Freedmen's Hospital in District of Columbia to Howard University	Became law.
Voted for	1961 mutual security authorization	Became law.
Voted for	Amend Federal Aviation Act to make airplane hijacking an offense punishable by imprisonment or death	Became law.
Voted for	Authorize planning U.S. participation in 1964 New York World's Fair	Passed House.
Coauthor	Authorize lead-zinc subsidy for small operators	Became law.
Voted for	Authorize National Fisheries Center in Washington, D.C	Passed House.
Voted for	Authorize Attorney General to fix salaries of aids	Rejected.
Voted for	Equalize readjustment payment for Reserve forces	Became law.
Voted for	Emergency school aid program sought by President	Rejected.
Voted against	Amendment substantially restricting juvenile delinquency studies	Amendment defeated.
Voted against	Admission of Communist China to United States and U.S. recognition	Unanimously rejected.
Voted for	Authorize national hog cholera eradication program	Became law.
Voted for	To increase military aid program in mutual security bill	Amendment approved.
Voted for	Passage of mutual security appropriations	Became law.
Coauthored	Extend Federal aid to 69 federally impacted school districts in 2d district	Became law.
Voted for	Amend Welfare and Pension Plans Disclosure Act to provide for more effective enforcement. (Motion to pass under suspension of rules, ⅔ majority required.)	245 to 161; failed ⅔ majority.
Voted for	Mutual Educational and Cultural Exchange Act	Became law.
Paired for	Peace Corps	Became law.
Announced for	Increase longevity step pay for postal workers	Vetoed.
Announced for	Publicize dissemination of Communist propaganda through mails	Passed House.
Announced for	Permits midwestern farmers to plant barley crop on lands prepared for wheat before acreage control program for 1962	Became law.
Announced for	To increase number of supergrade civil service positions	Became law.
Voted for	U.S. Arms Control and Disarmament Agency	Became law.
Voted for	Authorize study of National Tropical Botanic Garden, Hawaii	Failed to obtain ⅔ majority.
Voted for	Establish Federal Advisory Council on Arts	Failed to receive ⅔ majority.
Voted for	Amend District of Columbia Sales Tax Act	Became law.
Voted for	Public works appropriations, including approximately $70,000,000 in construction funds for 2d district	Became law.
Voted for	Authorize new Federal supergrade positions for National Security Agency	Became law.
Announced for	Extension of Federal Airport Act to permit continued assistance to local airport projects	Became law.
Announced against	Rule prohibiting amendments to postal rate increase bill	Rejected.
Announced for	Bill to publicize distribution of Communist propaganda and facilitate its rejection	Passed House.
Voted for	To accept Senate proposal that President can withhold information on mutual security if he certifies reasons for action	Approved.

Wilson Versus Waste—A Victory

EXTENSION OF REMARKS

OF

HON. EARL WILSON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 3, 1962

Mr. WILSON of Indiana. Mr. Speaker, I want the Members of this House to know that Defense Secretary Robert McNamara can no longer refuse to open Defense Department procurement information to me for my successful efforts to save the taxpayers of this Nation millions of dollars. Secretary McNamara is rapidly reaching the end of his rope and soon will have to capitulate, change his mind, and cooperate with the U.S. Congress.

I have today been furnished with two letters, one from my colleague, the Honorable JOHN MOSS, of California, to the Secretary of Defense, and the other an answer to my colleague's inquiry. As chairman of the Special Government Information Subcommittee, the gentleman from California has confirmed what millions of Americans know for a fact—the Secretary of Defense would like to withhold information from Members of Congress to protect inefficiency and incompetency in his own household.

My colleague points out in his letter to the Secretary of September 20 that the Naval Purchasing Office less than four blocks from the Capitol has been supplying information on an open and public basis to so-called "reporting services," while the Secretary tries to hide the same material from Congress. My colleague also mentions other discrepancies noted by his subcommittee in this matter commonly known as "Wilson versus Waste."

The Defense Secretary's answer would be ludicrous if it were not for the tragedy of waste that is going on in his department and right under his very nose. For example, the Secretary falsely told my colleague I am now getting every procurement document I request and he used the word "promptly." I do not know what "promptly" is supposed to mean. I have, for example, one request that dates back to May 8 and others dating back to early August that still have not been answered. I might say the service is getting worse instead of better. When I started asking questions about the particular procurement of the May 8 letter, the whole procurement was canceled. There are other examples and I can detail them for anyone who wants them. They show less than prompt compliance with requests.

The Secretary also mentions in his letter "expenditure of manpower" and says compliance with my requests would involve placing me on 10,000 mailing lists covering some 20,000 procurement actions per year. I assume by this that the Secretary's figures are true—there is an average of two procurement actions per mailing list, about 10 ounces of mail daily, which is certainly something less than administrative efficiency.

The point is made that I requested procurement papers from 35 defense agencies. I figured this out against the 20,000 procurement actions—and it would mean an average of about 2 procurement actions per day per agency—which does not seem to me to be a heavy administrative burden, even if the Secretary's facts were true.

The letter also says the Naval Purchasing Office has been directed to cease its practice of suppling information to the six agencies involved. His letter says "The NPO has been directed to cease this practice, which is not authorized by regulations."

What I want to know is this—who authorized issuance of this material in the first place? How was this authorization justified? Who said it could be done? Under what section of the Armed Services Procurement Regulations was it either started, or stopped?

In connection with this cutoff of information to the six people at the Naval Purchasing Office, I must state that I know of other procurement offices in this area and in the Nation who have similar distributions. I suppose Secretary McNamara's future action will be the same as with NPO as these come to light.

His actions are typical of what I have come to recognize as standard operating procedure in the Defense Department. When I point out somthing wrong, the military either writes a new regulation to get around it, amends an old regulation, or tries to push the whole thing under the rug and out of sight.

I have noticed in the newspapers recently where Secretary McNamara said he can save $3 billion annually on military expenditures. I would like to ask if he hopes to save this money by cutting down on the purchase of paper and on the cost of printing information on procurement? Apparently, he is trying to cover up something that certainly smells to high heaven.

Mr. Speaker, I want to insert the two letters I have received today from my colleague, Mr. Moss, and I want to highly commend him for his interest in this action. Remember, if one Member of Congress can be denied information he needs to better do his job, then all the rest of you can expect the same treatment. We must, as Lincoln advised, either hang together or we shall certainly hang separately.

Special Government Information
Subcommittee of the Committee on Government Operations,
Washington, D.C., September 20, 1962.
Hon. Robert S. McNamara,
Secretary of Defense,
Washington, D.C.

Dear Mr. Secretary: The staff of the Special Subcommittee on Government Information has been assembling facts surrounding the removal of Representative Earl Wilson's name from the lists for mailing information distributed by the several Defense Department procurement offices. The subcommittee wished to determine whether any improper restriction was placed on access to Government information by Members of Congress. Such restriction apparently does exist, for at least one procurement office is providing to six private firms on a daily basis, the same information which has been withheld from a Member of Congress.

In 1961 and early 1962 a number of defense procurement offices were providing Representative Wilson simultaneously with distribution to industry unclassified information about invitations for bids. Late in June 1962, however, Representative Wilson was informed that compliance with his desire to remain on the mailing lists and to be added to several others would "impose a very heavy administrative burden on the military departments." The Defense Department letter apparently constituted authority for the removal of Representative Wilson's name from all mailing lists.

Representatives of the Department of Defense have claimed that no general distribution of bid information material is presently being made, and that to establish such a distribution as requested by Representative Wilson would be unprecedented and a costly administrative burden. The specific service desired by Representative Wilson currently is being provided by the Navy Purchasing Office, just four blocks from the Capitol.

Each day a clerk at the Navy Purchasing Office assembles for six "customers" a set of all invitations for bids issued that day. Each set is placed in a rack near the main entrance to the office. Representatives of the six firms pick up their bundles on a regular basis. The Navy did not identify the favored six firms, although it appears they are private bid service establishments.

The discrepancy is obvious. On the one hand the Department of Defense complains about the heavy administrative burden of providing information for Representative Wilson who, as a member of the House Appropriations Committee, has the duty of passing upon the appropriations for the Department and other Government agencies. At the same time, the identical service requested by Congressman Wilson is being performed for six private firms with no apparent strain on the administrative organization of the Navy Purchasing Office.

It would appear that the attempt to apply a hard and fast rule has resulted only in unnecessarily withholding information from a Member of Congress. Certainly, in those cases where bid information is distributed generally, one more name can be added to the list without taxing the administrative abilities of the Defense Establishment. In those cases where there is, in fact, no general distribution, the Department should be prepared to prove beyond doubt that an unusual burden would be imposed as a result of servicing a congressional request.

In view of these considerations, the subcommittee would appreciate being informed whether the information previously provided Representative Wilson by the Navy Supply Office will now be made available to him. If not, please explain the apparent discrimination in treatment between Representative Wilson and the six private firms to which general distributions are made.

Sincerely,

John E. Moss, *Chairman.*

Assistant Secretary of Defense,
Washington, D.C., October 2, 1962.
Hon. John E. Moss,
Chairman, Special Government Information Subcommittee, Committee on Government Operations,
House of Representatives.

Dear Mr. Chairman: Your letter of September 20 to Secretary McNamara has been referred to me for reply.

Let me point out first that there is no question of freedom of information in connection with Representative Earl Wilson's request to have his name placed on the mailing lists maintained by 36 procurement offices within the Department of Defense. As you know, Secretary McNamara maintains an open door policy throughout the Department with regard to unclassified information. Representative Wilson is now being furnished promptly by this office every procurement document that he requests. The only issue is one of the administrative arrangements by which these documents are transmitted to him.

Let me review the facts in this situation. Representative Wilson originally requested that he be placed on the mailing lists of the Army Signal Corps and the Navy Bureaus of Weapons and Ships to receive copies of every advertised procurement and of the unclassified portions of every negotiated procurement issued by these activities. When this request was denied on the basis of the administrative burden involved, Representative Wilson then revised his request to cover only electronic equipment in amounts over $25,000, but to include all Department of Defense procurement activities.

To comply with Representative Wilson's second request with a minimum expenditure of manpower would have involved placing him on over 10,000 mailing lists covering some 20,000 procurement actions per year and maintained by 35 different procurement offices. This request was also denied, and Representative Wilson was referred to the Commerce Business Daily issued by the Department of Commerce, which contains synopses of all proposed procurements. From these synopses, the Congressman could identify those procurements for which he wished to obtain the procurement documents; and we offered to obtain those documents for him.

Since August 20, Representative Wilson has requested documents on 108 procurements. As of September 27, we have furnished 74 documents, 3 were canceled, and the remainder have been requested from the departments.

As a result of our June 28 letter, special daily mailings to Representative Wilson from six offices were discontinued, and he also received a letter from the Navy Purchasing Office in Washington informing him that his name had been removed from "the general mailing list of this activity."

In fact, the NPO, like the other procurement offices, does not maintain a "general mailing list," but, as your staff has correctly reported, it makes up six sets of procurements issued each day and puts them aside for pickup at the NPO by commercial bid services which reproduce this material. The NPO has been directed to cease this practice, which is not authorized by our regulations.

In your letter you say that "the identical service requested by Representative Wilson is being performed for six private firms with no apparent strain on the administrative organization of the Navy Purchasing Office," and you ask us to "explain the apparent discrimination in treatment between Representative Wilson and the six private firms * * *." Aside from the fact that the service provided by the Navy office in question involved a local departure from prescribed practices, I must point out that it is by no means identical to the service requested by Representative Wilson, which would involve a unique arrangement to assemble and mail procurement documents estimated at 3½ tons of documents per year.

I should point out also that to furnish Representative Wilson with the daily output of the NPO would provide him only with a random selection of procurement documents; and to put him on every mailing list he has asked for would not supply him with any more information than he can obtain now by submitting specific requests for documents, since he can have any set of documents for the asking.

We appreciate your concern that the Department follow a consistent policy of full disclosure on Government information, and I trust that the foregoing explanation makes it clear that we are doing so in this case.

Sincerely,

Thomas D. Morris,
Assistant Secretary of Defense Installations and Logistics.

Koenig's Creek Dam Second Structure Completed in Little Schuylkill Watershed Project

EXTENSION OF REMARKS
OF

HON. IVOR D. FENTON

OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, October 3, 1962

Mr. FENTON. Mr. Speaker, on September 30 I had the privilege and honor to participate in the dedication of Koenig's Creek flood-prevention dam near New Ringgold, Pa., the second structure completed in the $2,250,000 flood-prevention project for the Little Schuylkill River in Pennsylvania.

Communities in the watershed will be protected from flood damages to industries, utilities, roads, bridges, and above all to life and property in the area.

It was but a short time past when we dedicated the first dam at Hosensock, and the day is soon fast approaching when we will celebrate the dedication of the Locust Creek Dam, or the third phase of the Little Schuylkill watershed.

Present at the dedicatory ceremonies were Federal, State, county, and local officials who have been active and responsible for the great work already accomplished, and included the Honorable Ivan McKeever, State conservationist for the Soil Conservation Service, Mr. James Shadle, chairman of the Schuylkill County Soil Conservation District; Mr. Richard R. Bassler, president of the Little Schuylkill River Watershed Association; Mr. Byron Breisch, secretary of the

Schuylkill County Soil Conservation District; Schuylkill County Commissioners Benjamin Boltz, Joseph Holden, and Elmer Johnson; and Schuylkill County Solicitor Ralph Bashore.

Without going into too much detail I will include remarks of the principal speakers, which vividly tell what has been accomplished since 1958. Mr. Speaker, you will recall at that time I secured the approval of the Senate and House Public Works Committee for the Little Schuylkill River watershed which made it possible for the Soil Conservation Service to proceed with what was estimated then as a $2,259,322 project. I also secured the approval at that time for an initial expenditure of $1,937,388 by the Federal Government.

In the Little Schuylkill River watershed there are over 50,000 people living, 390 farms, and 86,848 acres.

Sponsors of the project are the Soil Conservation Districts of Schuylkill, Carbon, and Berks Counties; the Schuylkill County Commissioners, the Department of Forests and Waters and the Fish Commission, of the Commonwealth of Pennsylvania, and the Water and Power Resources Board of the Pennsylvania Department of Forests and Waters.

The dedication program for the Koenig's Creek Dam was as follows: Opening remarks, Mr. James Shadle, chairman, Schuylkill County Soil Conservation District; invocation, the Reverend Lawrence Delp, pastor of Christ Lutheran Church; introduction of speakers, Mr. Byron Breisch, secretary, Schuylkill County Soil Conservation District; Hon. Ivan McKeever, State conservationist, Soil Conservation Service; myself, and the Honorable Benjamin E. Boltz, chairman, Schuylkill County Board of Commissioners.

At this time, Mr. Speaker, I include the remarks of the three principal speakers as follows:

Remarks by Ivan McKeever, State Conservationist, Soil Conservation Service

I would like to take this opportunity to congratulate the Schuylkill County Soil Conservation District, the Schuylkill County commissioners and other local people who have given of their time and talent to make this project possible.

The Little Schuylkill River watershed project was one of the first planned and approved in Pennsylvania under Public Law 566. In fact, it was one of the first approved in the country under this act. Your dedication of this second structure this afternoon is, in effect, reaching the second milestone in the completion of your program. Much remains to be done, but you have indicated by your interest and work to date that you intend to see the Little Schuylkill River watershed program become an actual reality on the land.

Your program will include the completion of a dam just started on the Locust Creek branch in which you have secured the cooperation of the State department of forests and waters and the Pennsylvania Fish Commission. It will also include a dam above Tamaqua on the main stem of the Little Schuylkill River. These, with other works of improvement, as well as the carrying out of the land treatment phase, will establish an outstanding watershed program for you. It is my hope that this watershed program on the Little Schuylkill will become an example for others to follow—not only in Pennsylvania, but in the country as well.

In 1965, the annual meeting of the Soil Conservation Society of America will be held at Philadelphia, Pa. It is my hope that a tour at that time will bring the main body of delegates from the convention for a 1-day visit to the Little Schuylkill River watershed. I hope that a proper ceremony might be worked out for the damsite of the Locust Creek branch.

The leadership given in this watershed program from officials of Tamaqua, from your soil conservation district board of directors, from your county commissioners, and others, established for you an early lead in watershed programing. Since you started this program, others have gotten underway. Today, in Pennsylvania, we are working on many watersheds. To date, over 63 applications for watershed assistance have been received covering 3 million acres or 10 percent of the land area of the Commonwealth.

I would like to spend time to review with you here the fine work that is going on throughout all of Pennsylvania on small watershed development. However, I think it is sufficient to say that these programs are similar to yours in many respects and have been fashioned after the concept which you envisioned, planned, and carried out here.

The concept of multiple-purpose use of land and water which is so well established in your watershed is a concept that is growing every year. I think we are beginning to realize that the amount of good land and water is limited. The real challenge to all of us, therefore, is to make the most of what we have. Taking proper advantage of the natural resources found in your watershed has required a great deal of wise planning and hard work. Now you are well on your way in carrying out your plan.

Your soil conservation district in Schuylkill County, along with 58 other soil conservation districts in Pennsylvania, have dedicated themselves to developing and carrying out wise planning of land and water resources for both rural and urban people. I am looking forward to the time when you have finished your works of improvement on the Little Schuylkill River watershed. I am looking forward to future dedications of structures, but most of all, I am looking forward to the time when you can truly dedicate a completed program on the entire Little Schuylkill River watershed.

Remarks by the Honorable Ivor D. Fenton, Congressman, 12th Congressional District

Today we are gathered to dedictate the second dam in the Little Schuylkill River watershed protection and flood prevention project. This is an occasion which gives me a great deal of pleasure. I welcome the opportunity to join with you in dedicating the Koenig's Creek Dam.

It seems to me that only yesterday we met to mark the completion of the first dam on the Hosensock Branch of this river. You have made remarkable progress in this watershed. Please accept my sincere compliments for your continued efforts and successes in this extensive project.

This dam is an integral part of the comprehensive plan you have developed to control floods in the Little Schuylkill River watershed. It is designed to store floodwaters during periods of heavy runoff. Upon completion of the other flood prevention measures you have scheduled to be built, flooding will be greatly reduced throughout the watershed.

You and I know that we have had some bad floods in this area. Our towns and homes have been severely damaged. And our industries, roads, railroads, and bridges have not been spared by the wild floodwaters rushing through our communities. All of this will change once this program is completed. You good people will recall that, in 1958, I secured the approval by the Senate and House Public Works Committees for the Little Schuylkill River watershed which made it possible for the Soil Conservation Service to proceed with what was estimated then as a $2,259,322 project. I also secured the approval at that time for an initial expenditure of $1,937,388 by the Federal Government.

I was pleased to learn that you are considering the development of a community park adjoining this dam. I realize there is a need for additional public recreational areas in the watershed. A park would be welcomed by the many people who enjoy the out of doors. It would serve as a wholesome center for picnicking, swimming, boating, and other recreational activities.

I know that the people in my congressional district were pleased to learn that you have started the Locust Creek Dam, which is on another tributary of the Little Schuylkill River. This will be a large multiple-purpose reservoir located above Tamaqua. In addition to providing flood prevention, a 95-acre permanent lake will be created.

I am also aware that you are planning to develop a large State park adjoining the lake. These new recreational facilities will add much to the entire community. They will undoubtedly serve to stimulate local business and others engaged in serving the needs of vacationers, sportsmen, and others who will be attracted to this area in large numbers. This project will prove to be a real asset to this area and I congratulate you for your vision in developing this plan.

What you are doing here on the Little Schuylkill River is admirable. Today you are the leaders in a new program which is geared to improving the economic conditions of our rural and urban people. You are showing the way to work effectively with our State and Federal Governments in developing and utilizing our resources for the good of all in the watershed.

The sound program you have developed under Public Law 566 is serving as a guide in the future development of the large watersheds, such as the Delaware, the Susquehanna, and others in the Commonwealth. You are paving the way for others to follow. Large watersheds will only be fully developed when the resources of small watersheds have been planned as you have planned for the Little Schuylkill.

I am proud to say that I was a Member of the 83d Congress which enacted the Watershed Protection and Flood Prevention Act. This act enables the local people to develop their soil and water resources to meet their needs. Under this act you can build dams for flood prevention, you can store water for recreation, municipal and industrial purposes, and for fish and wildlife habitat, and you can improve the soil and water, woodland and wildlife resources for this and future generations.

I believe you ought to know that Public Law 566 is popular in the Nation. Since the act was passed by the U.S. Congress in 1954, more than 779 projects covering 53 million acres have been authorized for planning in the country. In these watersheds the U.S. Soil Conservation Service and the U.S. Forest Service are working with the local people in developing their watershed plans.

One of the fine features of this act is the engineering assistance you receive from the Soil Conservation Service. I know that they have worked closely with you in helping to develop and carry out this program. In addition to the flood prevention features, the act also enables the Soil Conservation Service to speed up its assistance to the landowners in the watershed in establishing the much-needed soil and water conservation measures.

I want to compliment you for the way you have coordinated the services of the Federal and State agencies and local groups in this project. An example of this is the cooperation the Pennsylvania Department of Forests and Waters and the Pennsylvania Game Commission are providing in developing the Locust Creek Dam. You have developed a conservation team to help solve a problem which cannot be handled alone.

It is a source of continued pride for me that we here in Pennsylvania have recognized the opportunities under the Small Watershed Act. Sixty-three applications from 33 counties have been submitted for assistance in developing their watersheds. Ten projects are now in the operation stage and many others are being planned. Seventeen flood prevention dams have already been built, or are under construction, and many others are now on the drawing board. I am pleased to say that a number of these will not only provide flood prevention, but will be used to store much-needed water for many uses by the rural and urban people in Pennsylvania.

Another important part of the Small Watershed Act is the assistance which is provided to farmers and landowners for speeding up the conservation treatment of their land. I can see evidence of this good work throughout this area. The many strip-cropped fields, ponds, tree planting, and terraces that can be seen on the land are evidence that the soil conservation districts in our congressional district of Northumberland, Schuylkill, and Berks Counties are on the job. I want to compliment the directors of these districts for their good work in promoting sound land use.

I am convinced that the watershed protection and flood prevention program offers an orderly and democratic way for developing our natural resources. Working together as a team, the farmer and his city cousin can develop a program which will control erosion, conserve water, improve wildlife, and prevent floods. To the farmer, this program offers conservation and better land use; to industries and communities, it offers a great deal more flood prevention and an abundant water supply; to the sportsman, it offers better hunting and fishing. It offers something to all in the Little Schuylkill River watershed.

In these times we are hearing a great deal about under-employment, depressed areas, and under-development. In many areas there are also water problems which are adding to our difficulties. With the rapid increase in population, we can expect all of these problems to become even more acute.

One of the solutions, I feel sure, lies in the sound development and proper use of our natural resources. This is a challenge we must accept. The Small Watershed Act provides us with the tools to meet this challenge. I am pleased that you here in the Little Schuylkill have taken up these tools, for this program offers a real opportunity to make the Little Schuylkill River watershed a better place for industry, for business, for the community, for all of us.

Once again, please accept my congratulations for your efforts in promoting this good work.

REMARKS BY BENJAMIN BOLTZ, CHAIRMAN, SCHUYLKILL COUNTY BOARD OF COMMISSIONERS

This is a memorable occasion for all of us here in Schuylkill County. I am delighted to see this second dam completed. It is a real pleasure to join with you today in this dedication.

Many of you here today have devoted a great deal of time and effort to this program. The continued assistance of the U.S. Soil Conservation Service, the department of forests and waters, the local soil conservation district, and many agencies and groups, has been most helpful. On behalf of the board of county commissioners please accept our thanks and sincere appreciation for all you have done in this watershed.

As you know, only last year we dedicated a dam on the Hosensock Branch of this river. Today we are dedicating this second dam and we are looking forward to the time the entire project will be completed.

We, in Schuylkill County, are placing a great deal of faith in this program. We are hoping it will stop the damaging floods of the past. The project holds promise of increasing our recreational facilities. We are hopeful, too, that this program will improve the economic conditions of the area. It has been several years since we tackled the huge job of planning this 87,000-acre watershed. I believe you will agree that we have made some solid accomplishments. The results are beginning to show.

I am happy to report to you that only last week ground was broken for a much larger dam in this project. The dam is being built above Tamaqua on Locust Creek. A large permanent lake will be created and adjoining the lake will be a State park. All of this will have a healthy effect on the economy of our county.

The county commissioners have long recognized the importance of managing our natural resources. We feel that the Small Watershed Act provides an ideal way to complete this job in the Little Schuylkill. You can be assured that we will continue to encourage the accomplishment of this entire program as rapidly as possible.

This watershed work is a new experience for all of us here in the county. Many people have given a great deal of time and a lot of energy. We have had some minor difficulties but through the hard work and cooperation of many people and groups, we have been able to solve them.

I believe that we will advance even more rapidly in accomplishing the remaining part of the work plan as more and more people can see the direct benefits of the total project. In addition to these dams, a great deal of progress is being made on the land.

Our farmers and landowners in the watershed are doing something about stopping erosion and managing their water through sound conservation practices. I can tell you that we have had excellent cooperation from the farm and city people alike in this program. This fine cooperation makes it gratifying and gives the county commissioners a great deal of encouragement to see the project through to a successful conclusion.

On behalf of the county commissioners, I accept this dam and agree to maintain it so that it will fulfill the purpose for which it was designed.

Again, please accept our appreciation for all you have done in helping to make the Little Schuylkill River watershed a better place in which to live.

The Mississippi Tragedy

EXTENSION OF REMARKS

OF

HON. WILLIAM M. COLMER

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 3, 1962

Mr. COLMER. Mr. Speaker, we are now approaching the fourth day since the invasion of the once sovereign State of Mississippi by the officers of the U.S. Department of Justice and Federal troops. We are advised that there are in excess of 15,000 Federal troops in the tiny cultural town of Oxford—which has a population of 5,500. Oxford, as everyone by now knows, is the seat of the 114-year-old University of Mississippi. Bayonets are flashing in the southern autumn sun along with the sound of the heavy trod of full-battle attired Federal troops. The town of Oxford and the highly cultured members of the faculty, and some 5,000 Mississippi boys and girls on the campus of Ole Miss are feeling the heavy hand of a powerful Federal Government. Among the troops are members of the National Guard of Mississippi, many of whom have sons, daughters, brothers, or other kinsmen on the Ole Miss campus; thus, father and brother are pitted against their own blood. Moreover, by this extreme Executive order, the only effective weapon available to the Governor of Mississippi to deal with possible trouble was taken from him. The Governor as well as the Lieutenant Governor are being blackjacked in an effort to bring them under the submission of a tyrannical court.

Mr. Speaker, this is a sad and tragic day, not only in the history of Mississippi, but of this Nation. A proud, patriotic people are thus placed at the mercy of a powerful centralized Federal Government. All of this, Mr. Speaker, is for what purpose? The alleged justification is to see that one Negro student, seeking martyrdom under the guidance of the politically powerful N.A.A.C.P., desires to break the color line of this proud institution. Incidentally, the virtues and accomplishments of the university, as well as Mississippi citizens, have recently been brought to the attention of a Nation and the world. One cannot help but wonder if it has ever occurred to those who extoll our virtues and accomplishments that these have been brought about without integration of the races in Mississippi.

Mr. Speaker, the Mississippi delegation, charged with the responsibility of representing their people in the Congress, are sorely disturbed, and labored unceasingly in the days immediately preceding the enactment of this tragedy in their appeals to the President and the U.S. Attorney General that this bitter cup of Gethsemane might not be pressed on our people. Believing in the justice of our cause and the sovereignty of our State, the following telegram was sent by the delegation on September 14 to the Governor of Mississippi.

> We congratulate you on your effort and determination to preserve the sovereign rights and privileges of our State and pledge you and the people of Mississippi our full and unqualified support.
>
> TOM ABERNATHY,
> JAMIE WHITTEN,
> ARTHUR WINSTEAD,
> JOHN BELL WILLIAMS,
> BILL COLMER,
> JAMES O. EASTLAND,
> JOHN STENNIS,
> *Members of Congress.*

On September 27, having learned, without being consulted, that Armed Forces were to be deployed to force the admission of Meredith to the University, the following telegraphic appeal was made to the Attorney General:

> It would appear that the situation incident to the efforts of your Department to force the admission of a prospective student,

James Meredith, into the University of Mississippi over the strenuous objection of the legally constituted officials, the student body of the university and the citizens of the State of Mississippi, has arrived at a most grave and crucial stage. We, the Members of the U.S. House of Representatives, entrusted by our people with the obligation of representing them to the best of our ability, are advised that you, as the Attorney General of the United States, may be considering certain drastic steps to force the Governor and other officials of the State to violate their oaths of office and obligations to the people of Mississippi by the use of armed U.S. marshals, and even requesting the President to send armed Federal troops into Mississippi. It is apparent to us that the people of Mississippi are united in their support of the Governor and other State officials. Feeling is so intense that continued pressure by Federal authorities would intensify the tension between the races to the point of a breakdown of local law enforcement.

Surely you are aware that tension is high. Surely you are aware that a proud people resent regimentation and the use of brutal force to subdue and overcome the convictions entertained by them, to wit: The sovereignty of the State, the rights reserved to them under the 10th amendment to the Constitution, and the construction of the U.S. Supreme Court for over 100 years that the doctrine of separate but equal facilities in their State educational institutions is the law. To ignore these realities and exercise the unlimited power and resources of the Federal government by the use of armed Federal agents or Federal troops would be to assume the responsibility for civil strife and possibly bloodshed.

In view of this situation, we respectfully urge that you and your Department, as well as the executive department, reconsider the steps which have been made and withdraw any plans to proceed further at this time.

We therefore most respectfully and earnestly urge that in view of the existing highly dangerous and explosive situation, that further efforts by your Department, as well as the executive department, not be made at this time, and that by all means, the Federal Government, whatever its viewpoint may be, refrain from resorting to using armed force to bring a sovereign State, in this instance our own beloved Mississippi, to its knees. Forcing one student into an institution against the desires, the beliefs, and the convictions of the people of our State would do irreparable harm.

Thomas G. Abernethy,
Jamie L. Whitten,
John Bell Williams,
Arthur Winstead,
William M. Colmer,
Members of Congress.

On Sunday, immediately preceding the ill-advised invasion, personal appeals were made to both the President and the Attorney General not to take this drastic action.

Immediately after the President's address to the Nation the delegation released the following statement:

We are in thorough and emphatic disagreement with the position taken by the President; with both the argument given for the ordering the Federal troops into the sovereign State of Mississippi and the reasons therefor.

The citizens of Mississippi are a proud and patriotic people. They are devoted to their educational institutions. They are justified in taking the position that the 10th amendment to the Constitution reserves all the powers, not specifically delegated to the Federal Government, to the States and the people. They feel that the U.S. Supreme Court's decision sanctioning equal but separate facilities for the education of the races—which withstood the assaults made thereon for more than 100 years—is as sound as the more recent decision of that Court to the contrary.

Moreover, they realize that the problems arising from forced integration of the schools of our common country are relative. As a practical matter there is no real problem where the ratio of colored to white is minute. But a real problem is posed where the races are approximately evenly divided.

They are liberty-loving people who resent tyranny in any form.

They are cognizant of the fact that this is action of the judicial and executive departments of our Government. The Congress, charged with legislative authority under the Constitution, has never enacted a law justifying this action. As a matter of fact, Congress recently rejected authority to use Federal troops in implementing a Federal court order.

Tyranny is reprehensible in any form. While justification is claimed for this invasion of the civil rights and privileges of the people of Mississippi, the liberty-loving people of other States may well take heed that some other pretense may be used to invade their rights.

Just as we have in the past, we shall continue to oppose the invasion of the civil rights of all the people of these United States, and the concentration of all power of government into some form of a totalitarian state.

Tom Abernethy,
Jamie Whitten,
Arthur Winstead,
John Bell Williams,
Bill Colmer,
James O. Eastland,
John Stennis,
Members of Congress.

And, finally, Mr. Speaker, on Monday morning after the holocaust had been enacted, the following statement was released:

We, the undersigned Members of the House of Representatives from Mississippi, deplore the circumstances at the University of Mississippi and call on the executive department to withdraw all present efforts either to enroll or force the attendance of James Meredith at the university.

Present bloodshed and present control of the whole area by troops and other armed forces are destroying this great university and the rights of 5,000 students to an education, all because of a determined effort by outside groups to force the registration and the attendance of James Meredith whose primary objective is not to get an education at the university.

Only 3 days ago, at a time when the President was sponsoring the buildup of Federal might and power, we warned the President of the inevitable. Without rancor or umbrage, we wired him, among other things, as follows: "The highest degree of heat and tension prevails in Mississippi * * * spreading * * * like a flaming brush fire. It is brought about by one person whose real objective is not to get an education. This is obvious to all. The power to save human blood, even human lives, is in your hands, Mr. President. We respectfully appeal to and urge you to stop this demonstration of Federal might which has moved the people of our State and is now moving those of other States to the highest degree of heat and tension. A holocaust is in the making. You are the only person who can stop it. This appeal is made in earnest. Mr. President, the objective is not worth the price. We beseech you to act before it is too late."

We gave the President the facts. It is tragic, but our warning was prophetic. Tension built to the point of a holocaust. Human blood has been needlessly shed, and lives have been lost. Property has been destroyed. All of these happened because Federal authority insisted on pressing for the registration of one individual at Ole Miss, although it is well known that he has no genuine desire to obtain the benefits of learning available there.

We urge again, as we urged the President, "the objective could not be worth the price." And what a price we have had to pay, not just Mississippi, but the entire country.

University officials made an appeal late yesterday that the attempt be put over until today. They appealed late yesterday afternoon to Federal authorities not to make this power play in the nighttime since darkness was conducive to mob buildup and hit-and-run demonstration. University officials warned of the tension and pleaded that if the move had to be made that it be put over until today at a time when the campus could be patrolled under the light of day and students would be assembled in the classrooms. But Federal powers ignored the pleas of sensible men, demanded that the show must go on, their way, as they planned it.

So, in the darkness of night they marched their marshals onto the campus. They were dressed like medieval gladiators, brandishing tear gas guns, clubs, and firearms. The TV show then went on. The setting produced the inevitable.

For the third time, we again implore the President to face the inevitable and call off this effort to force this man into the University of Mississippi.

Thomas G. Abernethy,
Jamie L. Whitten,
John Bell Williams,
Arthur Winstead,
William M. Colmer,
Members of Congress.

SENATE

Thursday, October 4, 1962

The Senate met at 10 o'clock a.m., and was called to order by Hon. Edmund S. Muskie, a Senator from the State of Maine.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

O God, our shelter from life's stormy blasts, and our eternal home: From all the baseness which tempts us in this mortal span, and which tends to pull us away from our highest selves, we come stretching lame hands of prayer to Thee; yet nothing of merit in our hands we bring.

The insincerity which we try to cloak from our fellows, and even from ourselves, with shabby sophistries, is transparent deception to Thee, from whom no secrets are hid. Break down in each of us the idols of our false pride, and shatter the unworthy altars of our self-love.

And now for the unfinished tasks and tangled questions which clamor for decision in these last days of the session, consecrate with an awareness of Thy presence the way the feet of Thy servants here dedicated to the Nation's welfare may go. Steady them with the assurance that when the Kindly Light is followed obediently and patiently, the humblest work will shine and the roughest places be made plain.

We ask it in the dear Redeemer's name. Amen.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., October 4, 1962.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. EDMUND S. MUSKIE, a Senator from the State of Maine, to perform the duties of the Chair during my absence.

CARL HAYDEN,
President pro tempore.

Mr. MUSKIE thereupon took the chair as Acting President pro tempore.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, October 3, 1962, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS AND JOINT RESOLUTIONS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on October 3, 1962, the President had approved and signed the following acts and joint resolutions:

S. 1291. An act to amend the District of Columbia Traffic Act, 1925, as amended, to increase the fee charged for learners' permits;

S. 2793. An act to amend the District of Columbia Traffic Act, 1925, as amended, to authorize the Commissioners of the District of Columbia to assess reasonable fees for the restoration of motor vehicle operators' permits and operating privileges after suspension or revocation thereof;

S. 2977. An act to amend the Life Insurance Act of the District of Columbia;

S. 3356. An act to permit investment of funds of insurance companies organized within the District of Columbia in obligations of the Inter-American Development Bank;

S.J. Res. 224. Joint resolution to authorize the President to order units and members in the Ready Reserve to active duty for not more than 12 months, and for other purposes; and

S.J. Res. 230. Joint resolution expressing the determination of the United States with respect to the situation in Cuba.

LIMITATION OF DEBATE DURING MORNING HOUR

On request of Mr. MANSFIELD, and by unanimous consent, statements during the morning hour were ordered limited to 3 minutes.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. MANSFIELD, and by unanimous consent, the following committees or subcommittees were authorized to meet during the session of the Senate today:

The Subcommittee on the National Stockpile of the Committee on Armed Services.

The Committee on Post Office and Civil Service.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of executive business, to consider the nomination on the Executive Calendar.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGE REFERRED

The **ACTING PRESIDENT** pro tempore laid before the Senate a message from the President of the United States, submitting sundry nominations, which was referred to the Committee on Aeronautical and Space Sciences, and the Committee on Commerce, jointly.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. PASTORE, from the Committee on Commerce:

A. Leon Higginbotham, Jr., of Pennsylvania, to be a Federal Trade Commissioner;

James B. Allen, and sundry other persons, for permanent appointment in the Coast and Geodetic Survey; and

Roderick M. White, to be a member of the permanent commissioned teaching staff of the U.S. Coast Guard Academy.

By Mr. JOHNSTON, from the Committee on Post Office and Civil Service:

One hundred and sixty-seven postmaster nominations.

The **ACTING PRESIDENT** pro tempore. If there be no further reports of committees, the nomination on the Executive Calendar will be stated.

U.S. AIR FORCE

The Chief Clerk read the nomination of Capt. Mary J. Wettle, AN2242982, for appointment in the Regular Air Force as captain, under the provisions of section 8284, title 10, United States Code, with a view to designation under the provisions of section 8067, title 10, United States Code, to perform the duties of a nurse, with date of rank to be prescribed by the Secretary of the Air Force.

Mr. PROXMIRE. Mr. President, will the Senator from Montana yield?

Mr. MANSFIELD. I yield.

Mr. PROXMIRE. Mr. President, I shall not hold up the action of the Senate on the nomination, because I am sure Capt. Mary J. Wettle is well qualified to be promoted.

But what I wish to emphasize very strongly once again—and I shall continue to emphasize it as long as the Senate is in session—that the Finance Committee should report the nomination of John Green to be collector of customs in Superior, Wis.

There is no question that Mr. Green is qualified. Every member of the committee agrees that he is well qualified. He was nominated last March, and the hearings on his nomination were held in June; but no action has been taken by the Finance Committee, although there is no significant reason for its failure to act on the nomination. One objection was made; but, in my opinion, the failure of the committee to report the nomination is unconscionable. It is ridiculous for the committee to permit the nomination of a well-qualified person to be held up without reason.

As I have said, I shall not object to having the Senate act today on the nomination of Capt. Mary J. Wettle; but in fairness to Mr. Green and in fairness to my State, I shall have to question other nominations which come before the Senate.

I thank the majority leader.

Mr. RUSSELL. Mr. President, I am delighted that the distinguished Senator from Wisconsin does not object to having the Senate act at this time on the nomination of Capt. Mary J. Wettle for appointment in the Regular Air Force. I feel sure that any Senator who became familiar with all the circumstances surrounding this nomination would not object to its consideration by the Senate during the last hours of the session.

Captain Wettle has been a loyal nurse on active duty in the Air Force for a number of years. The reason why her nomination is the only one on today's Executive Calendar is that within a few days she would have passed the age for appointment in the Regular Air Force, since she will reach age 39 during this month. So the Armed Service Committee made an exception to the required 7 day waiting period in this case, and reported the nomination to the Senate.

Mr. President, we talk a great deal about the devotion of our men in uniform and how they are serving their country, and we talk a great deal about the sacrifices they make. But from my knowledge of the Armed Forces of the United States and all of its appurtenances, I am convinced that the dedicated women who serve in our hospitals show a sense of patriotism and sacrifice which is equal to that shown by any of our men in uniform.

Therefore, Mr. President, I am delighted that the Senator from Wisconsin does not object to having the Senate act on this nomination today.

Mr. PROXMIRE. Mr. President, I agree with the distinguished senior Senator from Georgia; and I am sure—particularly on the basis of the very strong endorsement the Senator from Georgia has given—that Captain Wettle is well qualified. So I am delighted that the nomination is about to be confirmed.

Mr. RUSSELL. Mr. President, in regard to the other nomination to which the Senator from Wisconsin has referred—that of one of his constituents who has been nominated to be collector of customs in Wisconsin—of course, it is the privilege of the Senator from Wisconsin to be concerned because of the delay in having the nomination reported from the committee. His concern is entirely understandable; and if he seeks to have the nomination brought forward, I shall be glad to support it.

Mr. PROXMIRE. Mr. President, I thank the Senator from Georgia. Let me repeat that the committee hearing on the nomination was held last June; but the committee has failed to report the nomination to the Senate, although certainly in the committee no objection whatsoever was made to the nominee.

The ACTING PRESIDENT pro tempore. The question is, Will the Senate advise and consent to the nomination of Capt. Mary J. Wettle?

Without objection, the nomination is confirmed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of this nomination.

The ACTING PRESIDENT pro tempore. Without objection, the President will be notified forthwith.

INTERNATIONAL COFFEE AGREEMENT—REMOVAL OF INJUNCTION OF SECRECY

Mr. MANSFIELD. Mr. President, there was transmitted to the Senate today by the President of the United States, Executive H, 87th Congress, 2d session, the International Coffee Agreement, signed at New York on September 28, 1962. I ask unanimous consent that the injunction of secrecy be removed from the agreement, and that the agreement and message from the President be referred to the Committee on Foreign Relations, and that the President's message be printed in the Record.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The message from the President is as follows:

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the International Coffee Agreement, 1962, which was opened for signature in New York on September 28, 1962, in the English, French, Russian, Spanish, and Portuguese languages, and was signed on that date in behalf of the United States of America and a number of other countries.

I transmit also for the information of the Senate the report by the Acting Secretary of State with respect to the agreement.

The Departments of State, Agriculture, and Commerce concur in the recommendation that the agreement be transmitted to the Senate.

John F. Kennedy.

The White House, *October 4, 1962.*

(Enclosures: (1) Report of Acting Secretary of State; (2) International Coffee Agreement, 1962.)

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

EXECUTIVE COMMUNICATIONS, ETC.

The ACTING PRESIDENT pro tempore laid before the Senate the following communications and letters, which were referred as indicated:

Proposed Supplemental Appropriation, 1963, To Pay a Claim Against the United States (S. Doc. No. 156)

A communication from the President of the United States, transmitting a proposed supplemental appropriation, in the amount of $12,146, to pay a claim against the United States (with accompanying papers); to the Committee on Appropriations and ordered to be printed.

Proposed Supplemental Appropriation, 1963, for Department of Commerce (S. Doc. No. 157)

A communication from the President of the United States, transmitting a proposed supplemental appropriation for the fiscal year 1963, in the amount of $18 million, for the Department of Commerce (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

Publication of Federal Power Commission

A letter from the Chairman, Federal Power Commission, Washington, D.C., transmitting, for the information of the Senate, a copy of the publication entitled "Typical Electric Bills, 1962" (with an accompanying document); to the Committee on Commerce.

Report on Review of Selected Activities of Federal-Aid Highway Program in the State of Idaho

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the review of selected activities of the Federal-aid highway program in the State of Idaho, Bureau of Public Roads, Department of Commerce, dated October 1962 (with an accompanying report); to the Committee on Government Operations.

Report Under Outer Continental Shelf Lands Act

A letter from the Administrative Assistant Secretary, Department of the Interior, reporting, pursuant to law, under the Outer Continental Shelf Land Act, for the fiscal year 1962; to the Committee on Interior and Insular Affairs.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The ACTING PRESIDENT pro tempore announced that on today, October 4, 1962, he had signed the following enrolled bills and joint resolution which had previously been signed by the Speaker of the House of Representatives:

H.R. 1616. An act for relief of Rickert and Laan, Inc.;

H.R. 4094. An act to amend the act of July 15, 1955, relating to the conservation of anthracite coal resources;

H.R. 8113. An act to amend the act of August 9, 1955, for the purpose of including the Southern Ute Indian Reservation among reservations excepted from the 25-year lease limitation;

H.R. 8983. An act to authorize the Secretary of the Interior to participate in financing the construction of a bridge at Cape Hatteras National Seashore, in the State of North Carolina, and for other purposes;

H.R. 9747. An act to amend section 514(1) of the Soldiers' and Sailors' Civil Relief Act of 1940, as amended;

H.R. 10613. An act to eliminate the requirements for certain detailed estimates in the annual budgets;

H.R. 10652. An act to amend the Administrative Expenses Act of 1946 to provide a more reasonable allowance for transportation of house trailers or mobile dwellings by certain governmental officers and employees upon their transfer from one official station to another;

H.R. 11049. An act to amend the Mineral Leasing Act of February 25, 1920;

H.R. 11378. An act to amend the Federal Property and Administrative Services Act of 1949 so as to permit donations of surplus personal property to schools for the mentally retarded, schools for the physically handicapped, radio and television stations licensed by the Federal Communications Commission as educational radio or educational television stations, and public libraries;

H.R. 11543. An act to authorize the Secretary of the Interior to convey certain lands adjacent to the Suitland Parkway in Prince Georges County, Md., to Suitland Lodge No. 1856, Loyal Order of Moose;

H.R. 11551. An act to authorize the Secretary of the Interior to convey certain lands in the State of Maryland to the Holy Cross Lutheran Church, Greenbelt, Md., and for other purposes;

H.R. 11590. An act to provide for the disposition of judgment funds of the Cherokee Nation or Tribe of Indians of Oklahoma;

H.R. 11793. An act to provide criminal penalties for trafficking phonograph records bearing forged or counterfeit labels;

H.R. 12164. An act to provide for the establishment of the Fort Saint Marks National Historic Site;

H.R. 12688. An act to authorize the Secretary of Agriculture to encourage and assist the several States in carrying on a program of forestry research, and for other purposes;

H.R. 13044. An act to amend the Home Owners' Loan Act of 1933 and the Federal Home Loan Bank Act; and

H.J. Res. 659. Joint resolution granting consent of the Congress to a compact entered into between the State of Maryland and the Commonwealth of Virginia for the creation of the Potomac River Compact of 1958.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. DODD, from the Committee on the Judiciary, with amendments:

S. 3361. A bill to facilitate the entry of alien skilled specialists and certain relatives of U.S. citizens, and for other purposes (Rept. No. 2276).

By Mr. SPARKMAN, from the Committee on Foreign Relations, with amendments:

H.R. 683. An act to authorize the Donna-Rio Bravo Bridge Co. to construct, maintain, and operate a toll bridge across the Rio Grande near Donna, Tex. (Rept. No. 2278).

AUTOMOBILES FOR CERTAIN DISABLED COLD WAR VETERANS—REPORT OF A COMMITTEE—MINORITY VIEWS (S. REPT. NO. 2279)

Mr. YARBOROUGH. Mr. President, from the Committee on Labor and Public Welfare, I report favorably, with an amendment, the bill (S. 3108) to liberalize the provisions of title 38, United States Code, relating to automobiles for disabled veterans, and I submit a report thereon. I ask unanimous consent that the report be printed, together with the minority views of the Senator from Arizona [Mr. GOLDWATER].

The ACTING PRESIDENT pro tempore. The report will be received, and the bill will be placed on the calendar; and, without objection, the report will be printed, as requested by the Senator from Texas.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. RANDOLPH:

S. 3785. A bill for the relief of James A. Cox; to the Committee on the Judiciary.

By Mr. CARROLL:

S. 3786. A bill for the relief of Theodora P. Andrianakos; to the Committee on the Judiciary.

By Mr. JAVITS (for himself, Mr. KEATING, and Mr. METCALF):

S. 3787. A bill to provide for judicial review of certain actions of the Secretary of Health, Education, and Welfare concerning public assistance programs established pursuant to title I, IV, X, XIV, or XVI of the Social Security Act; to the Committee on Finance.

By Mr. WILLIAMS of New Jersey:

S. 3788. A bill to provide for the establishment of a National Council on Architecture and Urban Design, and for other purposes; to the Committee on Banking and Currency.

(See the remarks of Mr. WILLIAMS of New Jersey when he introduced the above bill, which appear under a separate heading.)

By Mr. RUSSELL:

S.J. Res. 234. Joint resolution making continuing appropriations for the Department of Agriculture and the Farm Credit Administration for the fiscal year 1963; considered and passed.

(See reference to the above joint resolution when reported by Mr. RUSSELL, which appears under a separate heading.)

By Mr. MANSFIELD:

S.J. Res. 235. Joint resolution to extend the time during which loans for mass transportation facilities may be made under title II of the housing amendments of 1955; considered and passed.

(See reference to the above joint resolution when introduced by Mr. MANSFIELD, which appears under a separate heading.)

RESOLUTION

AUTHORIZATION FOR CARMINE S. BELLINO TO APPEAR AND TESTIFY IN CASE OF THE "U.S. v. FRUEHAUF ET AL."

Mr. McCLELLAN reported an original resolution (S. Res. 411) authorizing Carmine S. Bellino to appear and testify as a witness in the case of the United States against Fruehauf et al., in the southern district of New York, and further authorizing the chairman of the Senate Permanent Subcommittee of the Committee on Government Operations to deliver to the Department of Justice certain papers in the possession of the committee; which was considered and agreed to.

(See the above resolution printed in full when reported by Mr. McCLELLAN, which appears under a separate heading.)

AMERICA THE BEAUTIFUL?

Mr. WILLIAMS of New Jersey. Mr. President, I introduce for appropriate reference a bill to establish a National Council on Architecture and Urban Design. I ask unanimous consent that the bill be printed at the conclusion of my remarks.

Mr. President, this measure comes in response to the mounting wave of criticism by responsible and sensitive observers over the spreading ugliness, the uninspiring architecture, cold design, and drab appearance of our daily surroundings.

This criticism has grown in intensity to the point where the American Institute of Architects devoted an entire conference to the subject this spring. The National Association of Housing and Redevelopment Officials has just published a series of excellent articles on urban design in its September issue of the Journal of Housing. The other week the distinguished commentator Howard K. Smith explored the question of America's ugliness on his evening program, News and Comment. I am happy to say that the president of one of my State's leading univerities, Dr. Mason Gross of Rutgers, has been a long-time critic of the ugliness that is proliferating around us.

And there have been scores of others, ranging from Conrad Wirth of the National Park Service, who commented in an interview with U.S. News and World Reports that—

> We're so busy keeping up a frantic pace in our cities that we scorn what we should be enjoying. We've let people build mountains of junk all around us.

To Stewart Alsop, a noted journalist who felt compelled to write in a recent Saturday Evening Post article:

> With the possible exception of a couple of countries in Africa and the Middle East, the United States is the ugliest country in the world. Or if it isn't yet, it is rapidly becoming so.

A NATION OF CREEPING UGLINESS

Whether we share Mr. Alsop's melancholy view, I think we cannot help but agree that the appearance of our daily living environment leaves much to be desired. The natural surroundings of our great outdoors have been loved and acclaimed for their unparalleled splendor. Yet with few exceptions, our manmade efforts to preserve and promote the attractiveness of our communities have met with puny result. Even a casual survey of the subject points up ironies in the midst of our affluence.

For example, this Nation need take a back seat to no other country in architectural talent. Yet, except for a few prestige buildings, we see the construction of more and more mundane, repetitious and lifeless buildings.

Parenthetically, the importance of this area of human activity was rather aptly emphasized by Frank Lloyd Wright, who once commented:

> The physician can bury his mistakes, but the architect can only advise his client to plant vines.

We have seen the design of civic centers having about as much warmth, life and vitality as a prison compound.

We have seen the promise of tomorrow, our new suburbs, developed in too many instances as though someone had adopted a scorched earth policy, leaving behind rows of lonely houses on treeless tracts. Shopping centers—the emerging focal points of many suburban communities—have rarely provided the amenities that one might expect in the development of a community center in this day and age.

More and more we seem to be creating undistinguished and mediocre cities and suburbs.

Why is this when surely as the richest society in the world, we could easily be the most beautiful one?

PEOPLE CAN AGREE ON BEAUTY

Perhaps we hesitate before the cliche that beauty exists only in the eye of the beholder, and that if no one can agree, for example, on a suitable design for the controversial F.D.R. memorial, then perhaps we had best just leave matters to the invisible hand of chance.

This overlooks, I think, the areas of consensus that do exist and that would allow for community action. For example, I doubt that many people would disagree that there should be variety in our architecture, that our buildings should generally be built to human scale, that a street with trees is more attractive than a street without, or that a parking lot surrounded by a wooden fence or brick facade is more agreeable than one without. I think most people would agree that a city with a pedestrian mall, a park with recreation facilities, a plaza, a few outdoor cafes, a cloistered square, shopping arcades, flower and book stalls, or a stretch of mosaic pavement is more attractive and enjoyable than one without.

COMMUNITY APPEARANCE IS IMPORTANT

Perhaps those in positions of responsibility think this subject is like icing on the cake we call the general welfare—nice but unnecessary and certainly not very important in the scheme of things.

But what are we seeking, apart from survival, if not an environment that we want to live and work in, and not just one that we have to? People do not put garbage cans in the living room of their homes. Is there any reason to think they like to have their homes placed in an urban garbage can?

I think it is indisputable that the goal of achieving an attractive, pleasing and enjoyable living environment is just as important as meeting any other need of a community, whether it is moving traffic, collecting garbage, or preventing crime.

Because, if at the end of our efforts to make our cities safe and sound, they remain dull, ugly and lifeless, then they have in a very real sense failed.

As Mr. August Heckscher, Special White House Consultant on the Arts, said in a speech to the American Institute of Architects:

> The maintenance of beauty and fitness in the environment—a sort of comeliness in the world around us—is wholly as important as other forms of culture in determining the quality of a society * * *. Where we

find that men have built meanly, without common purpose or a sense of the ideal, we can be sure that they lived meanly also.

AMERICANS DO CARE

Is it perhaps, as some have suggested, that the American people simply do not care about the problem?

Then how do we account for the pilgrimage of thousands of people each year to the great and beautiful cities of Europe? How do we account for the fact that the American people spend hundreds of millions of dollars a year on landscaping their homes? And hundreds of millions more on interior decoration to make their home more attractive?

No, on the contrary, I think the American people do care. I think they care deeply. And I am confident the American people would eagerly respond to the proper leadership.

That is what this bill is largely about. I strongly believe there is a compelling need for national leadership and positive responsibility by the Federal Government to help our communities become "beautiful as well as healthy, spacious as well as clean, well valanced as well carefully patrolled," to quote an opinion from the law of the land.

IMPACT OF FEDERAL PROGRAMS

The reason is simply that the Federal Government, directly and indirectly through the laws it writes, the programs it enacts and the regulations it issues, has contributed more than its share to the ugliness of the landscape—largely through apathy, neglect and negative restraint.

It affects the appearance and livability of our communities every time it approves a home mortgage for insurance, builds a post office, grants funds for an airport, or decrees that a highway follow the straightest practicable line. In countless ways, the Federal Government has fettered its own and the efforts of others to improve the appearance and vitality of our communities.

One example will suffice. Earlier this year the General Accounting Office criticized a fine and widely praised public housing project in Marin City, Calif.—a project that attempted to break through the bleak institutional character of so much public housing and create an architecturally attractive project which would blend in with the rest of the very attractive area north of the Golden Gate Bridge.

While the GAO delivered itself of some dubious value judgments on the design of the project having little to do with matters of accounting, the important fact as that the basis for the criticism rested on language enacted by the Congress specifying that every low-rent housing project "shall be undertaken in such a manner that it will not be of elaborate or extravagant design or materials, and economy will be promoted both in construction and administration."

Thus both the basic statute and the accumulation of years of regulations have, despite the best efforts of the Public Housing Commissioner, Mrs. Marie McGuire, had the effect of sapping the program of architectural innovation and imaginative design.

THE FEDERAL RESPONSIBILITY

It is because of this negative influence of the Federal Government that it must assume a positive responsibility—not to impose a preconceived standard of taste which it should not do, not to guarantee beauty which it cannot do, but to give good architecture and good design the chance to flourish.

In the few instances where this has been done—and our embassy building program abroad is one of the best examples—the results have been tremendous. Unfortunately we have only a few such instances to point to. It is time that we began developing a governmental policy in the field of architecture and design to set the stage for the expression of individual talent and creative imagination.

But at this point it must be pointed out that Federal programs, extensive as they may be, have relatively only a small effect on the appearance and livability of our communities. The decisive role is played by countless private individuals and a wide array of governmental bodies at the State and local level, which is as it should be. But surely we have a national responsibility and an urgent need to find ways of stimulating leadership and initiative at all levels if we are to make our cities and towns the true expression of a civilized society.

PURPOSE OF THE BILL

The bill I have introduced represents what I hope is at least one appropriate way of meeting this twofold task: One, to encourage a positive architectural and design responsibility on the part of the Federal Government with respect to those programs it enacts and administers; and, two, to promote greater understanding and leadership on the part of public officials and private citizens and organizations throughout the country.

The bill would establish a National Council on Architecture and Urban Design, composed of widely representative and outstanding citizens, which would terminate activities 3 years after enactment.

The basic functions of the Council would be, first, to appraise the dimensions of the problem and suggest the goals we should be seeking; second, to provide greater understanding of the legal, financial, political and other impediments to architecture and design; third, to study the effect of Federal laws and programs in this field, and make recommendations on the proper role and responsibilities of the Federal Government.

Mr. President, I think it would be most helpful to have a good, honest critique of our achievements and failures in the area of community appearance and livability by a group of responsible and outstanding private citizens. I think also the formulation of architectural and design goals for the country would help greatly to stimulate greater appreciation, concern and initiative on the part of the American people, where the fundamental responsibility lies.

NEED FOR UNDERSTANDING

But there is also a serious need for much better understanding of the financial, legal and other problems involved if leadership is to be effective and action constructive. There is much we need to know.

For example, we often hear that good architecture costs no more, yet why are so many of our new office buildings in the city so obviously mundane? Is it simply tastelessness and unconcern on the part of the building's owner? Or do land prices, zoning and building codes, and tax laws have something to do with it?

Or take trees. Everybody loves a tree. Why, then, are so many of our suburban subdivisions so bereft of them? I doubt that many homeowners would know what to do except curse the homebuilder, who may not even be the culprit.

Moving from our general lack of information and understanding to the realm of Federal laws and programs, we again find the need for careful thought and analysis.

How many programs are hobbled by unnecessarily restrictive language, as I believe the public housing statute is? How far can we feasibly go to insure that proper consideration is given to architectural and design factors in the basic statutes and the administrative regulations?

I think there are a number of feasible steps which could be taken. But it is clear that this is a complex subject, involving many conflicting needs.

For instance, the Federal, Housing Administration exerts a very great influence on architecture and design, and it has been criticized for tending, through sheer passivity, to discourage new architectural designs and novel land use plans, presumably on the theory that the safest policy is to approve only what has succeeded before. But much as we might wish FHA to encourage greater architectural and design innovations, we would not wish every experiment and innovation to result in foreclosure.

These illustrations, I believe demonstrate the importance of undertaking the study, evaluation and activities outlined in the bill.

And I repeat what I said earlier that I think there is a great dissatisfaction with the spreading ugliness of our surroundings. I think there is a hunger in the land for the kind of noble environment that this country is fully capable of creating. The American people need only be shown the way. I believe this bill represents a possible beginning. At least it gives interested organizations and individuals a chance to be heard. If they are concerned, I hope they will speak.

Mr. President, while there are many excellent articles which I would like to bring to the attention of the Members of the Senate from time to time, at this point I ask unanimous consent to have included in the RECORD the very provocative transcript from the program of Howard K. Smith, a number of editorials from New Jersey newspapers and elsewhere, and finally a perceptive editorial from the publication, American

City, which states the fundamental truth that—

> No matter what its architectural charms, if the man walking the streets of such a city does not feel that he can receive something approaching equal justice under the law, he will have great difficulty considering his city beautiful.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill, transcript, and editorials will be printed in the Record.

The bill (S. 3788) to provide for the establishment of a National Council on Architecture and Urban Design, and for other purposes, introduced by Mr. Williams of New Jersey, was received, read twice by its title, referred to the Committee on Banking and Currency, and ordered to be printed in the Record, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in order to preserve and promote the pleasing appearance and the livability of community environments, thereby strengthening the economic and social welfare of the people of the United States, there is hereby established a temporary National Council on Architecture and Urban Design, hereinafter referred to as the "Council", which shall conduct a comprehensive study to appraise the level of architectural and urban design attainments of the Nation, and formulate goals thereto; to determine the legal, financial, social, political or other impediments to architecture and design; to evaluate the effect of Federal laws and programs, and make recommendations with respect to the proper role and responsibilities of the Federal Government in such areas.

Sec. 2. (a) The Council hereby authorized and created shall be composed of twenty-five members appointed by the President who shall be representative of the major interests in community growth and development and who are known to be informed about architecture and urban design and concerned with the problems of community appearance and livability. One member shall be designated as chairman by the President.

(b) The Council members shall serve without compensation, except that each member shall be entitled to reimbursement for actual travel and subsistence expense incurred in the services of the Council and each member shall be entitled to a per diem allowance not to exceed $50 per day when actually engaged in Council business.

(c) The Council shall establish headquarters in or near the District of Columbia and shall convene as soon as practicable following appointment of its members and shall make such other arrangements as are necessary to carry out the purposes of this Act.

Sec. 3. (a) The Council is authorized, without regard to the civil service laws and regulations, to appoint and fix the compensation of an Executive Secretary and such additional personnel as may be necessary to enable it to carry out its functions, except that any Federal employees subject to the civil service laws and regulations who may be assigned to the Council shall retain civil service status without interruption or loss of status or privilege.

(b) The Council shall request the Secretary of any Federal Department or head of any independent agency having a major interest or involvement in community appearance to appoint, and he shall appoint a liaison officer who shall work closely with the Council and its staff.

(c) The Council shall present a final report to the President and the Congress not later than three years after enactment of this Act, and shall cease to exist not later than thirty days thereafter. Such report shall be presented in such forms as to make it of maximum value to State and local governments and private organizations and individuals concerned with the subject matter of such report. The Council, on its own initiative or on request of the President or the Congress, shall prepare interim reports on particular phases of its study.

Sec. 4. In order to promote greater understanding, appreciation and initiative cn the part of public officials and private citizens throughout the country, and to carry out the other purposes of this Act, the Council is authorized to—

(1) reimburse Federal agencies for the expenses of liaison officers appointed under section 3(b) and the rendition of other service;

(2) conduct public hearings at such times and places as are advisable, sponsor conferences, and otherwise to secure data and expressions of opinion;

(3) enter into contracts or agreements for studies and surveys with other Federal departments and agencies, and with public or private agencies and organizations;

(4) make annual awards to State and local governments, public and private organizations and individuals for outstanding effort and accomplishment in the improvement of community appearance and livability.

Sec. 5. There are hereby authorized to be appropriated not more than $2,000,000 to carry out the purposes of this Act, and such moneys as may be appropriated shall be available to the Council until expended.

Sec. 6. This Act may be cited as the "Architecture and Urban Design Act".

The transcript and editorials presented by Mr. Williams of New Jersey are as follows:

Is America Ugly?

(By Howard K. Smith, news and comment, Aug. 29, 1962)

Good evening. Summer is almost always a quiet season for hard news. We would like, therefore, to use one or two of these weeks when headlines are not very pressing for reports on matters that are not news, but are often the hidden causes for it. Tonight for example, we would like to direct your attention to the question of ugliness in America.

We live in a time of paradoxes. Our wealth and the way we use it is one of those paradoxes. At no time in history has mankind been so prosperous. Our Nation happens to be the richest of all and nature has given us one of the most beautiful countries in the world on which to lavish our great wealth. America has a variety of landscape approached only by France. And it has an abundance of that variety that no other country can approach.

But the manmade sprawl of ugliness has made our high standard of living in fact a low standard of living. No nation, an expert has said, is so rich and so impoverished at once. This architecture is called, "American hot-dog-stand-modern." It is blinding with neon lights, which are the single greatest enemy to a decent looking America.

It is built so cheaply that it is crumbling within weeks of construction. This incredible wreckage dominates mile after mile of the entrances to almost all our cities—especially Route 40, the road from our biggest city, New York, to our Capital City, Washington—which most foreign visitors travel, and from which they get their first indelible impression of the Nation supposed to lead civilization.

The cities they lead into are covered over most of their areas by neighborhoods that are exceedingly dull and repelling, or that are rundown and are slums or preslums.

Our tax laws encourage destruction of many older buildings that are handsome and comfortable. These are replaced with skyscrapers that, with some notable exceptions, are antiseptic glass, houses which suck tens of thousands more people into city centers where roads become no wider and facilities do not increase so congestion is intensified.

Our population will, before our present college graduates are middle-aged, be 250 million Americans, but concentration of people in cities increases faster than population. Today we have about 15 million acres of city. But every 2 years, a million more acres of city are added, as bulldozers scrape nature off the soil and developments spring up.

Cheap suburbia looks passable while the varnish is new but deteriorates swiftly thereafter. Developments are high risk investments. So houses are often cheaply and poorly made and monotonous. They are often built without adequate plans for roads to get inhabitants to places of work, or sewage, or schools, or playgrounds. When the quick-buck developers move out, owners find many developments rapidly become modern slums, and more expensive to live in than the crowded midcities they have left. The damage done to nature is such that suburban dwellers are known to visit midcities on weekends to see what parks are like.

This is Washington, with its monuments, handsomest of cities. Not for 30 years has any architect of distinction been asked to design a public building in our Nation's Capital. The result is sterile, dull, mediocre boxes rather than grand, handsome, proud buildings, to inspire the millions of tourists who go to see their Capital each year.

When you consider that poorer nations and poorer times built Versailles, the palace of the sun-king, Louis XIV in France. Neuschwanstein Castle in Bavaria in Germany, built by the mad Ludwig II. The Piazzo or public squares of Italy, such as St. Peter's Square in Rome and the Piazza della Signorie in Florence and the Place de la Concorde in Paris. It is no wonder that, as Robert L. Zion wrote recently in the New York Times, nearly a million American tourists return from Europe each year rather disappointed to be home because cities of America, the beautiful and rich, cannot compare.

The central point we would like to make in this analysis is that environment matters. If a tired man gets a bath and a shave, he feels less tired; if a woman puts on a new dress, she feels prettier and livelier. Well, the effect of homes and neighborhoods we live in, the streets we drive along, and the buildings we work in have a profounder effect than that in making us feel useful and important and interested, or mediocre, flat, and wretched.

President Kennedy's special consultant on the arts, Mr. August Heckscher, tells the importance of environment.

Mr. Heckscher. Well, I think it makes a big difference. I think it makes a difference, not only to the individual who lives and works in these buildings or passes them by in the street. It does make a difference to them, of course. Our industry has discovered that men work better in buildings that are well designed and have pleasing surroundings. Absenteeism is less of a factor; the morale is higher, and so on. And that would be true, also, of course, of Government workers. But in a very much deeper and larger way, the design of our public buildings and the whole quality of our environment affects people's minds and spirits. After all, the great arts, and architecture is one of the greatest, do create in the outward world an image—a reflection—of the qualities which we like to think are allied with the ideals which exist within a people at any given moment. You can't deny, it seems to me, that there is this affinity, sometimes hard to trace or to prove, but nevertheless vital—an affinity between the outward world in which we live and the inward world, which shapes our ideals and our thoughts.

Mr. SMITH. It was said of the ancient Athenians that they would no more live in squalor than they would eat garbage—and for the same reasons: It would hurt health and diminish the richness of life. Ugliness can be more dangerous than physical illness. We will ask experts to help explain what that means in a moment.

In talking about civic beauty, we do not intend to be precious about definitions. No matter what its style, any building or street scene or home that makes life interesting and makes you want to work in it or live in it or drive by it, is good.

For example, this is the Old State Department Building in Washington. It looks like a Charles Adams haunted house but built on a huge scale. Some would like to tear it down as outdated.

And this is our new American Embassy in the capital of India, New Dehli. Some people dislike it for its ultramodern, unprecedented features.

Both this and the Old State Department Building fit my definition of civic beauty because they were not put up to make a fast buck or in fear of angering pennypinching politicians. They were honestly built to be admired and to be comfortable.

But for a better definition of the opposite of beauty, of civic ugliness, here is Aline Saarinen, wife of the great Eero Saarinen, and a critic of moment in her own right:

Mrs. SAARINEN. Ugliness is nonfitness. It's something ill made. It's using a material in a misunderstood way. It's proportions which are not pleasing, but put together because economics may dictate them. And, most of all, I think things are ugly when they're in wrong juxtaposition. So you get these builders' houses in which 95 materials are used for an effect but not for a reason. You get cramped space in order to get as many as possible on a lot. Well, now these are values which basically people don't want. I think people respond to something good, if over a period of time they have a chance to choose. But, we live in such a hurry and there is very little education in this. I hope with all this new agitation out of all the great things television can do, that television will begin to do something with children about visual awareness.

Mr. SMITH. Is America getting uglier? Philip Johnson, a leading American architect, answers and offers his commentary to reporter Don Dixon:

Mr. JOHNSON. I don't think there's any question about it. It's getting uglier every day, faster and faster, by the minute.

Mr. DIXON. Why is that, and what should we do about it?

Mr. JOHNSON. I think America is ugly, because the Americans like it that way. It's the only answer I can find to why we have to do it. There's absolutely no reason for it. It isn't as if we were a poor country. It's even called "affluent" now and then. But, we build the ugliest buildings in the world, and the most of them. The solution—it's very, very easy: all you have to do is appropriate a little more money for a beautiful building. There's no doubt that cheap buildings are ugly, as well as bad architected buildings. As an architect, of course, I don't dare say how bad we are, as a profession. You understand that. I always have to say it's a client's fault. In this case, it's the total appreciation of the American people, or the lack of appreciation of the American people for beautiful buildings. If we liked beautiful buildings as much as we like atom bombs, we'd have a great many beautiful buildings. You blow up two of those things that they send up into the air and that's $2 million; $2 billion if you send up 10 or 20 of them, and you never see anything any more. It's what the American people want. They'd much rather go to the moon than have a beautiful city. In the great days of Washington, D.C., up through about 1820, there was a desire on the part of the American people to commemorate, to memorialize, to monumentalize and to make certain that they'd be remembered by buildings and they built Washington Monument. They built the Capitol—they started the Capitol. They built the White House. That spirit is gone down. There's no doubt about it. And I think the reasons why the Americans like ugly buildings is due to a further reason: the Americans love to make money. And you can't make money on monuments. You see, if it's in your question of values of life to make money, rather than build buildings. Well, of course, you can make money but you make more money on ugly buildings than you make on beautiful buildings. Beauty is expensive. It always has been. When they built the cathedrals of the Middle Ages, the entire city of Chartres worked on that Chartres Cathedral. For 25 years the entire town worked on it. If you translate that into terms of money, it would cost some $40 billion for us to build a great cathedral. We don't want to build great cathedrals. We want to build cheap buildings so that people who like to make money can make money, and they do make money.

Mr. DIXON. Does it make any difference whether a building is ugly or beautiful to the people who live in it, or work in it, or pass by it?

Mr. JOHNSON. There. You've asked the main question. You can't eat beauty. You can't pay for your doctor's bills with beauty. Wouldn't it be better, therefore, to build cheaper buildings, making more money, and spend the extra money on help, or more automobiles, or on more gasoline fumes—whatever it is that Americans like? Americans like automobiles. They spend their Sundays petting their cars and washing them. You see them, any place in the suburbs, if you go by a suburban road on a Sunday, they're not beautifying their house. They're beautifying their car, with waxes and polishes. And they love them. They sleep in them if they can. There are many houses without a bathroom, but not a house without an automobile * * * in this country. But there's another point about the suburbs; it would be better if they weren't put up under the same way that the city is built in order to make money for the person that built the houses. If there was some way for people to build their own houses and far enough apart—Frank Lloyd Wright's dream was 1 acre per family—if there was any such law. There's plenty of room in this country, but if you're a real estate developer, you want to put as many houses as you can on the smallest piece of land. That's only good business sense. But good business sense happens to be very bad living sense. So that you live with your picture window looking right into the picture window of your friend, and you see whether they're playing cards tonight or what they're doing. There's more privacy in New York, of course, than there is in this crowded suburb. And the second thing the real estate developer has to do is to make his buildings all look exactly alike. Because he saves $10 a house. Ten dollars a house over 10,000 houses can mount up. You get rich, but the people that are going to have to live on that land get that much poorer by having to buy cheap houses, all packed together, and in perpetuity.

Mr. SMITH. Not everyone agrees. Presidential Adviser August Heckscher is more moderate than Architect Johnson.

Mr. HECKSCHER. I wouldn't say that America is getting uglier. There's always been a lot of ugliness. Adam Smith once said: "There's a great deal of ruin in any nation and there's always been a great deal of ugliness in the United States." But I suppose that there are new forms of ugliness. There's a greater degree of monopoly in our building, in our environment than there ever has been before. There's a tendency for us to tear down all the old things which represented variety. A tendency for us to level the landscape with the bulldozer and the wrecking crew. But there is today an awareness within the Government of its responsibility in this field. In urban renewal we are taking into account the preservation of historic areas and the value to be considered. We are taking into account the human scale of the cities which we are tearing down and reconstructing. In Government's own programs of public building we have today a very serious effort to introduce standards of imaginativeness and excellence in the architecture.

Mr. SMITH. I don't know who is right, Mr. Johnson or Mr. Heckscher, about who is winning the battle of ugliness. It is a little like the struggle of civilization and the barbarians. The barbarians, the quick-buck developers with bulldozers destroying forests, planning to destroy the bluffs of the Potomac and our other rivers, lining our roads with garish neon jungles and hamburger slums—the barbarians are moving fast.

However, the protectors of American environment are at least beginning to move with some resolution. We report on that in a moment.

It has been noted on this commentary before that Congress is niggardly about spending on our needs inside America, but will appropriate any amount for anything designed to wage the cold war abroad. Curiously that is true of public building, too. Our public buildings at home are in the doldrums, dull, flat, antiseptic. But abroad America is building embassies that are astounding the world. These are weapons in the cold war, to show American daring and dynamism and win foreign peoples and show up the Russians.

There are signs this daring is catching on at home now, or beginning to. This is a post office in Providence, R.I. There is a plan to rebuild our most important ceremonial boulevard—Pennsylvania Avenue, along which the President drives to Congress.

In city architecture, Architect Bertram Goldberg, who designed the ultramodern Marina City apartments in Chicago, tells of his plan to beat the slums and revive city living:

Mr. GOLDBERG. I think that we must give up the idea of building individual buildings within our center cities. We must, rather, look toward the building of environments of cities within cities. We provided for a 24-hour round of activity and occupation within Marina City. We have recreation, we have work, we have what the world calls culture, and, of course, we have housing shelter. Marina City actually is a complex of five buildings. We have a lower building which covers the entire 3½-acre site along the Chicago River. We have two residential towers, each of which contains 450 apartments above the storage for 450 automobiles. We have a fourth building which forms a kind of screen for the entire project against the undeveloped areas of the city. This is an office building containing 200,000 square feet, and we have a culture center, a theater and auditorium for legitimate and movies and concerts alike, which will seat 1,700 people.

Mr. SMITH. Now can you tell me something about the rents at Marina City?

Mr. GOLDBERG. The rents at Marina City are probably $50 a unit less than rents in comparable units in nearby apartment buildings. For example: an efficiency apartment, air-conditioned, with a balcony rents for $115 a month on the 21st floor. A one-bedroom apartment rents for $155 a month in the same location.

Mr. SMITH. What has been the public response to this? Have you had any applications for apartments?

Mr. GOLDBERG. We have for these 900 apartments received over 3,000 applications from people who want to live in the center of Chicago.

Mr. SMITH. Labor leaders are doing more than their share of building a better looking America. Jerome Belson of the Amalgamated Meat Cutters on his union's role.

Mr. BELSON. Originally we got into the field of housing because our members returning from service had no place to go. Then, we developed this housing concept so that we could help solve the housing problem in Metropolitan New York. At the Concourse Village in the Bronx that we're doing, we have a development which will accommodate approximately 2,000 families. Here, each apartment costs approximately $17,500, yet we have designed a balcony for every apartment. Now, when it comes to the concept of garages, wherever we can, we put the automobile in a covered space and then use the area on top of the garage for additional play areas, for additional sitting areas, so that you can plan to integrate the automobile in our present-day building development. If you're looking for an economic gain, plus the vision to understand that what you're doing today must be marketable, not merely today, but 10 years from today, and 20 years from today, then you must take beauty, practicality, and comfort into consideration and plan for them today.

Mr. SMITH. We asked Aline Saarinen for suggestions on how to win the battle against ugliness.

Mrs. SAARINEN. I believe, very strongly, in a certain amount of control. And in certain areas of the cities, I think you can allow complete freedom in imagination, and in others, I think there must be controls. And I think one of the very difficult things in a democracy is for people to realize that you can have freedom, but that you also must have controls, and they must be esthetic controls, and I feel this so strongly—it's one of the points in which I argue with most of my architect friends. Although, more and more, I think they are beginning to believe it. One of the reasons that Paris is a beautiful city is because one isn't allowed to build above a certain height and, with respect to a certain street line. Now, I don't think you have to impose a style, but I think you have to put big ground rules, and if artists can't create within limitations, they are not artists.

Mr. SMITH. We asked Mrs. Saarinen, "What can an individual do?"

Mrs. SAARINEN. Well, you know, unfortunately, he probably has very little choice but to move into some dreadful builder's house in a big hurry so that he can move his family in in time for the opening of school. But, you know, you can do it inside. You can do it in small ways. My husband used to quote his father as saying, "For a designer, each problem has to be thought of in relation to the next larger thing." "The next larger thing" was a great phrase in our house. And, I think this is true. I think the average person really has to start by looking around the room his television set is in. And you know, what is it there that gives him pleasure? What has he just bought because he was in a hurry? If the housewife had taken 10 more minutes and put some thought on it, would the dishes off which her family eat every night give them more pleasure than what they're off now? Has she gotten something that appealed to her on a quick moment because it looked as if it were cutie pie or decorative, but "Oh, they've gotten tired of it," If she had searched a little bit longer, would there be something that remained well? All right, you go from step to step up to the larger things until finally you come outside and there's your children's school and there's your city hall, and here's your marketplace.

Mr. SMITH. We have talked a lot so far about the many things wrong with American architecture, and the spreading ugliness of town and countryside. That does not mean that bold and highly original efforts are not being made. One of the country's outstanding buildings was done by probably the greatest architect of this century. Frank Lloyd Wright's famous and controversial Guggenheim Museum on New York's Fifth Avenue has received brickbats and bouquets from the public and the press since it was finished in 1960. One of those who thinks it deserves bouquets is Architect Philip Johnson:

Mr. JOHNSON. Thank goodness there are some patrons left in the world who want to build marvelous buildings, merely for the sake of building marvelous buildings, and Mr. Guggenheim was one of them. He said: "I want a great building, and I want the greatest architect in the world to build the greatest building." And he got exactly that. It's in a funny place. You can't mix Frank Lloyd Wright in with the streets of New York. It looks absurd there, but if you step inside—that is a building that was done from love and not for money. No one knows what it cost. It doesn't make any difference what it cost. The point is that there is a place where the public, by going inside, can be transformed out of their daily lives and get a feeling of aspiration and pleasure, and that is, of course, all that architecture is all about.

Mr. SMITH. Aside from its other merits, Mr. Wright's pile in Manhattan has had the virtue of making people argue about buildings. In fact, the main encouraging feature about our deteriorating manmade environment is that people are arguing more and more about it. There have been in the past 3 months three national conferences on ugliness in America.

Architects have been stung by John Kenneth Galbraith's true observation that of all the allied wartime capitals, Washington suffered the greatest wartime damage—from builders; not from bombs.

Those who say it costs too much to build handsome, durable buildings have been directed to study the great main hall of the Grand Central Station in New York. Built half a century ago, it has enormously pleased three generations and never had to be rebuilt or expanded. That can be said of no city's airports, almost all of which have had to be torn down and rebuilt three to six times at huge expense and many of which still look like shacks.

Those who are frantic about the growing neon and billboard jungles have been directed to the example of Switzerland. There the government requires all signs and billboards to be one size—not much bigger than a painting. The result is that advertisers strive to fill that small space with handsome eye-catching ads, and there the jungle has become a garden.

Some simple ideas for returning our cities to people have appeared in the papers. Here is an artist Ara Derderian's design for closing off a city block, building plastic arches over it and filling it with shops and street cafes and restaurants, rather like the arcades of Milan in Italy.

And here is his design for putting barges out in the rivers of our cities, with restaurants on them, like one that delights the inhabitants of Naples in Italy.

However, we shall never get at the root of the problem without some kind of overall regulation or umpiring by Government. We have a Food and Drug Act to help keep us from being poisoned on the inside. We cannot avoid having a building, road, and park act if we are to stop being poisoned rather more badly on the outside.

[From the Christian Science Monitor, July 28, 1962]

AMERICA THE PARTLY BEAUTIFUL

There are two things to say about the official U.S. effort to stimulate tourists from Europe. One is nice. The other is not nice.

Criticism first.

The United States is not a very attractive place for tourists today. Its cities are dirty for the most part. They are littered and unkempt. Hotel expense is often exorbitant, driven high by the new habits of domestic expense account travel. Service is too frequently surly. Trains the visitor takes and the railroad stations are sometimes impressive. But before long he finds himself in the shabby surroundings and the motheaten schedules of a decaying and frustrated enterprise.

Long sections of roads and highways are an offense to civic decency. They are tourist traps, cluttered with far too many hawkers of all sorts frantically outdoing each other in vulgar appeal to the dazzled and endangered driver.

Look hard at the towns these roads lead to; look at them with the eye of a European visitor. How many of them have lost their link to the village green? How many are dreary and don't know it or don't care?

It sounds harsh to say these things. But Congress has just raised the budget to advertise the pleasures of American travel to Europeans. To Europeans, who come from countries where towns and cities are generally immaculate, where travel is very cheap by comparison even in good hotels, where service has a personal flair, where flowers and parks and gardens are everywhere, where public services and public transport are in general much better than in the United States.

Certainly Europe has its scars and its shortcomings. But this broadbrush comparison still stands. Europe cultivates individuality and the graces of external life. Americans, in externals, are going through a period when they provide, admitting the exceptions and admitting a good trend toward change, standardized hotel rooms, standardized food, standardized service—a vast impersonality about the daily business of traveling which supports the impression that Europeans care and Americans don't.

There are nice things to say, too, far more than there is space for. The American social scene takes the European by stunning surprise. It has, with the usual exceptions, a wondrous sense of equality as between people of all conditions. Its people are now reaching out for culture, the arts, education, civilized values—the whole people and not just the privileged classes.

There are magnificent sights, beginning with Manhattan itself and spreading outward to the spacious skies and amber fields of grain, to purple mountain majesty above the fruited plain. And there is a spirit in America which already is swinging it through this difficult period of transition and will redeem its congestion in superficial things. It is the spirit of buoyancy that regards every obstacle and every evil as something to be conquered and not submitted to.

These are qualities and trends that the Europeans will want to examine. We just wish he didn't have to wade through so much that is disorderly and untidy on the surface, to get there.

It is time for Americans to take pride in their surroundings again. If enough of them start to care, and to speak up, the rest will follow.

So will the Europeans.

[From the Passaic (N.J.) Herald-News, Sept. 17, 1962]

OUR UNSIGHTLY CITIES

A reader sends along an editorial from the Christian Science Monitor entitled "America the Partly Beautiful." It discusses the reaction of visitors from Europe to the sights of America:

"The United States is not a very attractive place for tourists today. Its cities are dirty for the most part. They are littered and unkempt."

To which the reader adds:

"Many of the comments apply to much of Main Avenue in Passaic and Clifton, also to the Styertowne shopping center. One asks—'Why is nothing done to correct such unsightly and untidy conditions?'"

Not enough is done to prevent the unsightliness because those most adversely affected, the business people, do not realize it hurts business. Some do, but apparently the large majority do not.

The European tourists are not the only ones who notice and are critical of the slovenliness of American cities. It repels and disgusts Americans also. In time they may become so accustomed to the ugliness that they ignore it, but its effect continues to be negative because people are not attracted to displeasing places.

Storekeepers spend large sums to beautify their places of business but they are blind to the ugliness through which prospective customers must wade to reach their stores.

When the lesson of the value of beauty and cleanliness is driven home to business people we will see a change. The lesson will be driven home by the success of the alert businessmen who are using beauty and cleanliness to attract customers.

[From the Passaic (N.J.) Herald-News, Aug. 9, 1962]

AMERICA THE UGLY

Many who have been on the highways during vacations this summer will agree with the comments of the director of the National Park Service, Conrad L. Wirth, in an interview appearing in the U.S. News & World Report.

The following selections will give an idea of Mr. Wirth's views:

"Take a look around. We've let people build mountains of junk all around us. Near every city you find great dump heaps of broken cars—no matter what entrance you use to the city. Or take a drive—you can hardly see grass or flowers in some places because of discarded beer cans. And you can get mighty tired looking into mile after mile of glaring neon lights. Then drive farther along and look for scenery along the highways. In a good many places you can't see past the billboards.

"I don't think recreation and enjoyment of nature are luxuries any longer. I think they are a requirement of our way of life here in America. This is a beautiful country. We've got the prairies, we've got the seashores. Mountains like the Sierras or Alleghenies are God given. We've got glacial country and desert country. We've got every kind of natural beauty there is."

And we are spoiling the beauty as rapidly as we can by our slovenliness, selfishness and lack of consideration for others. Some of the ugliness which is so overpowering can only be eradicated by legislation or great public pressure. However, everyone can do something to preserve the beauty we have. It merely requires tidiness. When on the road, keep the soda pop bottle, the paper plate, the empty cigarette package in the car for the trash can at home. That would help considerably.

[From Time magazine]

THE CITY—ONE PERCENT FOR ART

A mosaic, a piece of sculpture, a tapestry or a painting is apt to be expensive, and it is certainly not functional. Thus when it comes to public projects or low-cost housing, watchdogs of the public purse tend to consider such fine arts frivolous and hard to justify to the taxpayers. A good many enlightened people deplore this view, but cannot make themselves felt. But a few years ago, an enlightened Philadelphia lawyer named Michael von Moschzisker found himself in a position to do something about it. He was then chairman of the Philadelphia Redevelopment Authority, which was charged with letting contracts for construction projects for Philadelphia's elaborate redevelopment program.

STERILITY BANISHED

"One day," he recalls, "I said to the other four members that maybe we could let it be known that we would look with favor on bidders who offered to spend 1 percent of construction costs on frescos, murals, bas-reliefs, mosaics, stained-glass windows, and fountains with statuary in or around them." At the National Conference of Editorial Writers, Von Moschzisker argued his case: "The psychologists and efficiency experts now find that beauty increases productivity. It necessarily follows that true functionalism in manmade edifices must include artistic expression. Sterility and her handmaiden, monotony, must be banished."

It is not its efficiencies but its eccentricities that give a city its particular character, Von Moschzisker argued in effect. "The most famous meeting place in Philadelphia is the statue of the eagle in Wanamaker's, and the most memorable outdoor object to whole generations growing up in center city has been the goat in Rittenhouse Square." His colleagues on the Redevelopment Authority agreed, voted formally to write the 1 percent clause into all redevelopment contracts.

SCATTERED SCULPTURE

So far, $230 million worth of construction has been approved under this system—meaning that Philadelphia will surround its new buildings with more than $2 million worth of art. Late last year, the Federal Housing Administration amended its rules to permit guarantee of loans that included the fine-arts provision. Last week ground was broken for the first major project to be financed by FHA under the new provision—a $40 million redevelopment of Philadelphia's shabby Society Hill section. At the 1 percent rate, contractors Webb & Knapp and chief architect I. M. Pei will have a handsome $400,000 to spend on fine arts or sculpture to scatter among the planned 5 apartment towers, 225 town houses and shopping centers that replace the section's warehouses and dilapidated rooming houses.

With luck and good will, Society Hill can provide a pattern for fine-arts allotments in FHA-financed projects across the country.

[From the New York Times, Aug. 11, 1962]

SAVING FINE ARCHITECTURE

One of the city's strangest and most heartening picket lines appeared in New York recently. It wound its way around Pennsylvania Station led by upper-echelon architectural professionals carrying signs of protest against the impending destruction of McKim, Mead & White's classic monument to make way for a $90-million redevelopment scheme of dubious grandeur.

The marchers were members of Action Group for Better Architecture in New York, local counterpart of Britain's Anti-Uglies. They call themselves Agbany, which sounds something like agony, the state of mind of many over current changes on the New York scene.

The public demonstration was joined by about 200 leaders in the architectural field, including the designers of some of the city's best new buildings. What they were protesting at the moment was the increasing, irreplaceable loss of New York's architectural past through irresponsible speculative building. What they plan to protest in the future is the inferior quality of much new work.

If professionals find the situation serious enough for this kind of action, something is very wrong. With minimum controls New York's builders are well on the way to turning the city into a bottomless—and topless—morass of mediocrity. Something should be done, and it can be done, in certain areas. The newly appointed landmarks preservation commission must take clear and immediate positions on threatened buildings of historic or artistic value. The responsibility rests on the city art commission to insist on strict standards of design superiority for all structures on city-owned land—unfortunately, the only kind that it controls.

Progress and change involve more than profit and loss. The city's investors and planners have esthetic as well as economic responsibilities. New Yorkers do not lack civic pride. If Agbany springs to the barricades the public will not be far behind.

[From the New York Times, Sept. 3, 1962]

ARCHITECTURAL AUTOCRAT

New York's comprehensive study for its civic center, ordered by the board of estimate last February, will be ready in October—at just about the same time that the Federal Government will award the contract for its own mammoth building on Foley Square.

The two, unfortunately, are not even on speaking terms. The Federal building is, in a sense, signed, sealed, and almost delivered; its location chosen, its design completed, and bids out for its construction. The civic center study is intended to chart the best overall development for the city hall-Foley Square area, with specific attention to the coordinated siting of all facilities including such important structures as the Federal building.

What we have here is a perfect bureaucratic-architectural muddle; an impasse in which any possibility of a proper civic center meets automatic defeat. The city, on the one hand, has been much too late in getting around to its civic center plan. The Federal Government, on the other, is much too arbitrary and inflexible in imposing its own structures on cities, without regard for municipal requirements. This situation is duplicated in Boston, where an admirable Government center scheme is reaching fruition burdened with the same problems: a predesigned Federal building, and Federal authorities unwilling to negotiate in terms of the total civic center plan.

In New York, neither the Federal nor the municipal government can be cited for the quality or foresight of its efforts. Whether the overdue civic center plan will miraculously turn what promises to be a large, bad building into an architectural asset is highly doubtful. But even more dubious is the Federal authorities' automatic insistence on proceeding with a structure that is no more than a giant monkey wrench in New York's attempt to create some order out of chaos.

[From the Washington Post, Oct. 2, 1962]

END OF THE LINE

In Athens, the Parthenon survived more than 2,000 years of changing empires; even the heathen Turks did not level its majestic columns. In America, an architectural landmark seems to need providential protection if it is to last more than 50 years. Chicago razes a great theater designed by Louis Sullivan, Washington gouges out the venerable east front of the Capitol itself, and New York permits the destruction of Pennsylvania Station, a great edifice designed by Stanford White and Charles Follen McKim.

We confess to a special sadness at the threatened demise of Penn Station. Every rail traveler from Washington is familiar with this spacious gateway to New York. To be sure, the terminal's classic interior, modeled on the Baths of Caracalla and the basilica of Constantine, was spoiled a few years ago by a ticket counter of inspired ugliness. But the building itself retained its imposing dignity as one of the world's great terminals.

It took 6 years to build, and was ready for service in 1910. However, only 52 years later, Penn Station has been condemned to make way for a new Madison Square Garden and business center. The tracks will remain, but passengers will emerge from underground mole tunnels straight into the city. This reflects an appalling indifference not only to the amenities of rail travel but also to the architectural legacy of the past.

Inevitably, as bone tossed to the dissenters, the 84 Roman Doric columns that adorn the station may be transplanted to Battery Park. There, they may serve as a reminder of American profligacy in destroying landmarks that were intended to last for centuries and that possess a monumental dignity wholly lacking in the monotonous greenhouses that spring up today. Is it absolutely imperative that progress must always involve the wanton destruction of the usable past?

[From the Jersey Journal, Sept. 17, 1962]

BEAUTIFUL JERSEY: THE HOPE INCREASES

Encouraging developments have occurred in the Garden State and elsewhere since we began these editorials against growing ugliness in New Jersey.

In our part of the State there is increased awareness of the dangers involved in air and stream pollution and a greater understanding of how blight starts, how it progresses, and how it can be slowed down or halted.

In awakening public opinion against growing ugliness, this newspaper has pointed out the dangers of pollution and blight. These forces, which rob the Garden State of so much of its natural beauty, often menace health, too.

The suspicion grows stronger daily that there's a link between air pollution and lung cancer. All of us know how the air we breathe can bring on coughing and irritate the eyes. Air pollution reduces visibility. At night it can dim car lights to a dull amber, often contributing to crashes that result in injury and death.

The damage from pollution is staggering. Air pollution in our State alone costs more than $40 million each year in damaged crops. And contaminants in the air, which often peel paint from buildings, cost untold millions more. Even when the pollutants are not strong enough to peel paint away or change its color, the begriming effects—the ash sent into the air by factories to float down on homes—force conscientious property owners to paint more often than should be necessary. How many more millions this costs can only be guessed at.

Hard detergents, dumped into Jersey waterways, detract from their natural beauty and produce conditions under which trout and other game fish cannot live. This has reached such a stage the State no longer stocks at least one New Jersey stream.

Hard detergents are finding their way back into drinking water sources, too, although the amount does not—yet—constitute a danger to health.

Even so, there are sound reasons to believe growing ugliness can be halted and health menaces reduced in New Jersey. The State senate soon will have a chance to strengthen our antipollution laws by granting the State health department stronger weapons to use in dealing with violators. Another pending law—a land-use bill, would give cities greater power to protect themselves from eyesores.

At President Kennedy's request, a distinguished body of scientists is working to determine the effects of air pollution on a national level.

And Detroit, in response to awakened public opinion, is installing blowby devices as standard equipment on the 1963 models. This could reduce air pollution considerably.

At least one bus firm in Hudson is taking steps to reduce the pollutants its buses dump into the air.

The most encouraging—and important—development is the growing awareness of citizens in Hudson and elsewhere of what is involved.

A prime target ought to be those diesel trucks. It is estimated each of these dumps 16 times as much pollution into the air as does a single auto.

Awakened public opinion caused Detroit to install the blowby devices. It could be equally effective with the diesel-burning trucks.

In the final analysis, the people can protect themselves from the dangers and economic costs of pollution only by understanding the problems involved and making their views known to those with power to act.

Thus every citizen can help to bring about, not only a more beautiful New Jersey, but a healthier one, more deserving of the name Garden State than it is now.

[From the American City magazine, May 1962]

THE CITY BEAUTIFUL

Shakespeare tells us with great perceptive thought, that "there is nothing either good or bad but thinking makes it so."

If you have a city of confident, alert people able, in the words of Robert Browning, to "greet the unseen with a cheer," you have a beautiful city, no matter what its surroundings. Neither architects nor city planners have a great deal to do with this fundamental and should stop acting as though they do.

A number of other thinkers, including the great Goethe, have argued that beauty is in inverse proportion to utility. Even Milovan Djilas, the colorful Jugoslav Communist who sniffed the heady fragrance of freedom and has been in trouble with Tito ever since, writes wistfully in his book, "Land Without Justice," that it seems impossible in life to have something both useful and beautiful.

These people seem to confuse hunger and thirst with food and drink. Humanity hungers and thirsts for many things other than material sustenance. If an object or condition satisfies a decent human yearning, it is both useful and beautiful. It may be food, drink, housing or other surroundings that give a man a sense of dignity and self-respect. It may be the Mona Lisa or Beethoven's Fifth Symphony. Who can deny the value of an azalea trail in adding to the joy of living?

A city, to be beautiful, must reflect justice. No matter what its architectural charms, if the man walking the streets of such a city does not feel that he can receive something approaching equal justice under the law, he will have great difficulty considering his city beautiful.

Next, a beautiful city provides a climate that enables its people to exercise their talents constructively, and produce things of value to their surrounding neighbors. These can be food, clothes, tools. They also can be music, paintings, literature, entertainment. These are all useful. A city attains beauty, sparkle, and interest if this is the spirit that characterizes it.

A city has beauty when its traffic moves smoothly, its pedestrians circulate easily within its downtown area, when its streets are not clogged and their usefulness sterilized by being usurped as car-storage areas, when it has ample supplies of a good water, when it reflects good sanitation and cleanliness, when its streets are well lighted, its children have the benefit of parks, playgrounds, and other supervised programs, when all people, regardless of their age or circumstance, can find a constructive place within its borders.

Architecture helps, but cannot supply a city's basic charm. As a matter of fact, artistic architecture and city planning used in an evil city become ugly by the evil of the city itself. The Bastille in France was not bad architecture. But the French people were not satisfied until they had destroyed it and now celebrate its destruction as a national holiday because of the evil that it represented.

To be beautiful, a city must be able to serve its people, it must not dominate them. For many years, over-ambitious planners have advanced proposals for a "garden" or "greenbelt" city, balanced by business and residential areas, completely filled and surrounded by a straitjacket of wooded areas and pastures.

We have two or three greenbelt communities today but their belts are far from binding. A restless and ambitious people can maneuver within them and not feel restricted.

In Germany, the city of Wolfsburg, where the sturdy little Volkswagens come pouring out like so many beetles, fits this general description in some measure. The Volkswagen company can attract no new employees from outside of Wolfsburg unless good housing exists for them to use. As a result, the company is transferring more of its activities to nearby Hanover where the labor pool is greater and the city itself can accommodate itself both to economic and social adjustments more easily.

In the last analysis, a beautiful city is one that helps a free people grow in strength and in intellectual and cultural vigor, where a man can stand with dignity and feel that he can live and prosper in an atmosphere of intelligence and justice. If these exist, artistic and architectural charm will quickly follow.

AMENDMENT OF INTERNAL REVENUE CODE OF 1954, WITH RESPECT TO TAXATION OF DISPOSITIONS OF CERTAIN PROPERTY—AMENDMENT

Mr. WILLIAMS of Delaware submitted an amendment, intended to be proposed by him, to the bill (H.R. 8846) to amend the Internal Revenue Code of 1954 with respect to the taxation of dispositions of property (other than stock) pursuant to orders enforcing the antitrust laws, which was ordered to lie on the table and to be printed.

AUTHORITY FOR COMMITTEE ON GOVERNMENT OPERATIONS TO FILE REPORTS SUBSEQUENT TO SINE DIE ADJOURNMENT

Mr. McCLELLAN. Mr. President, I ask unanimous consent that the Committee on Government Operations, on its own behalf or on behalf of its subcommittees, be authorized to file reports with the Secretary of the Senate during the adjournment sine die of the 87th Congress, 2d session, and that they be printed.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXPRESSION OF SENSE OF CONGRESS IN SUPPORT OF EFFORTS TO ENFORCE COMPLIANCE WITH THE MANDATES OF FEDERAL COURTS—ADDITIONAL COSPONSORS OF CONCURRENT RESOLUTION

Under authority of the orders of the Senate of September 27, 1962, and October 2, 1962, the names of Senators CASE of New Jersey, HART, LONG of Missouri, MORSE, LAUSCHE, RANDOLPH, CLARK, SYMINGTON, KUCHEL, MOSS, DODD, BUSH, ALLOTT, MUSKIE, CARROLL, HUMPHREY, HARTKE, WILLIAMS of New Jersey, PELL, PASTORE, COOPER, SCOTT, CANNON, and MCCARTHY were added as additional cosponsors of the concurrent resolution (S. Con. Res. 96) to express the sense of the Congress in full support of efforts to enforce compliance with the mandates of the Federal courts, submitted by Mr. KEATING (for himself and other Senators) on September 27, 1962.

THE AQUARIUM BILL

Mr. LAUSCHE. Mr. President, the aquarium bill has now been passed by both Houses and will go to the President for his signature.

I respectfully call on the President to veto the bill. A veto of the bill will be a great service to the people of the country.

It will serve as a message that the President will not tolerate the spending of $10 million for a nonessential project.

Mr. MORSE. Mr. President, will the Senator from Ohio yield briefly to me?

Mr. LAUSCHE. I yield.

Mr. MORSE. Does the Senator from Ohio agree with me that the President also should veto any measure which Congress may send to him for the construction of better quarters for bears and other animals at the Washington Zoo, while additional schoolrooms in the District of Columbia are needed?

Mr. LAUSCHE. I concur entirely.

Mr. President, there is no need for this aquarium. The people of the District of Columbia do not require additional visitors to the city of Washington. Six million visitors have come to this city this year.

At this time I should like to read a portion of an editorial on this subject, which was published this morning in the Washington Post:

> In their own native habitat, Congressmen too make a splendid tourist attraction. Possibly taxpayers ought to sit in the gallery with a rod and reel, using as bait old speeches about economy in Government. This arresting game might also keep families together and no harm could possibly be done. Speeches about economy are a form of bait that the snappers in the House have long ago learned to swallow without any discernible effect (except where funds for mere people are concerned.)
>
> The $10 million authorization is now before the President. It is an outrageous effrontery. We urge that it be vetoed.

Mr. President, if anyone can claim that there is one spark of justification on the basis of reason for spending the $10 million for the aquarium, I should like to be informed of the logic and rationalization to support such a conclusion.

There is no justification for spending at this time $10 million for a fish aquarium to be built on the Potomac.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator from Ohio yield?

Mr. LAUSCHE. I yield.

Mr. WILLIAMS of Delaware. I concur in the remarks of the Senator from Ohio. Although this item may seem small, as compared with the billions of dollars appropriated by this Congress, this is definitely a measure on which the President should take affirmative action to save some money, since the proposed expenditure is not needed.

So I join the Senator from Ohio in expressing the hope that the President will veto the bill.

Mr. LAUSCHE. I thank the Senator from Delaware.

Mr. President, Benjamin Franklin is said to have stated, "Let us save the pennies, and the dollars will take care of themselves."

I suggest that we begin in this case to save millions of dollars, and the billions will take care of themselves.

Mr. PROXMIRE. Mr. President, will the Senator from Ohio yield?

The ACTING PRESIDENT pro tempore. Under the 3-minute limitation in the morning hour, the time available to the Senator from Ohio has expired.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the Senator from Ohio may be allowed to proceed for 2 additional minutes.

The ACTING PRESIDENT pro tempore. Is there objection? Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, will the Senator from Ohio yield?

Mr. LAUSCHE. I yield.

Mr. PROXMIRE. I think there is ample reason why the President should veto the bill. It is true that the Interior Department asked that the bill be passed, but the Department's request was for even a larger aquarium. However, the bill now has been modified by the Miller amendment, which provides that if in the judgment of the Secretary of the Interior the fees to be charged for admission to the aquarium will not cover the cost of construction of the aquarium, then—as I understand the amendment—the aquarium will not be constructed.

I submit that it is clear that no reasonable fees would be large enough to cover the cost of construction of the aquarium. Therefore, on that basis, I think the President has a logical reason for vetoing this bill, even though the Interior Department may wish to have a mammoth fish palace built.

THE PRESENT WORLD SITUATION—ADDRESS BY DR. CHARLES MALIK

Mr. ROBERTSON. Mr. President, on yesterday, at a meeting of our Senate breakfast group, the Senator from Oklahoma [Mr. KERR] said that the cold war was essentially a spiritual conflict and would be won or lost in the hearts of the Christian people of this and other freedom-loving nations.

The following is the way David Lawrence, in today's Washington Star, described the inspiring message brought to us by the Senator from Oklahoma [Mr. KERR]:

> In a troubled world and in a troubled Nation, it is heartening to report a simple incident which furnishes a symbol of hope.
>
> Fifteen U.S. Senators gathered one day this week to pray together and to ponder the lessons of a spiritual heritage. This breakfast group, in varying numbers and including some former Senators, too, has been meeting for nearly 20 years on Wednesday mornings when Congress is in session. What is said behind the closed doors is not for publication. This writer, who happens to be a member of the group, has listened for many years now to some of the most impressive talks on spiritual matters, which he wishes could have been published. These discussions are not concerned with sectarianism but with the broader phases of religious life. They come spontaneously from the heart and consciences of men who have faith in God.
>
> These are men of both parties and of varied political philosophies and church affiliations, and from all sections of the country—names prominent in the day's debates and in the factional strife of our political system. But when they sit down together, it is in a common partnership of the human spirit.
>
> When the Senators gathered this week for the last meeting of the year, events in the background were more challenging than ever before. As they arrived at the private dining room in the Capitol, they had just heard over the radio the first few minutes of news about the sending of another American into outer space. The Senate, along with the House, has been deeply concerned legislatively with the ventures of the U.S. astronauts into space.
>
> It is not easy to put aside as mere science the miracle of man speeding through space at 17,500 miles an hour, nor to forget the possible military implications of the space contest in the midst of a cold war. Nor can feelings over the tragedies and controversies in the life of the Nation be swept aside as mere emotion without full understanding.
>
> For the basic point is whether man can triumph over himself—over the evils of a manmade environment. Can the cold war, for instance, be won? Why is it that, despite the billions of dollars spent each year for foreign aid and the hundreds of billions expended in the last decade for defense, the battle is far from won, and there are skeptics who even question whether it ever will be?
>
> Why in the war of words is truth distorted and brushed aside? Why have so many tens of millions of persons been taken behind the Iron Curtain year after year under a dynasty that doesn't believe in God? These are questions in the minds not only of the men in public life in America, but in the minds of peoples throughout what we call the free world.
>
> What is the meaning of egotism that says man is all powerful and that there isn't any need to rely on anything else? What does a flight through outer space emphasize—the achievements of man in science or the inspiration of a powerful God?
>
> The seeming helplessness of man in a troubled world is lamented every day. "What can we do?" is the question on the lips of millions of righteous men and women who do seek some guidance.
>
> Inevitably, the quest for an answer turns on faith and the guidance of God. For centuries past, men have sought to rely on the teachings of the Scriptures and on the sermons of God-fearing leaders.

Translated into present-day problems, the struggle is between the passion that tends to rely wholly on a doctrine of physical force and the more difficult but nevertheless growing understanding of the power of moral force.

Moral force isn't, of course, mere pacificism or nonresistance as against the basic law of self-preservation. Moral force is the combined power of individuals who are ready to make the supreme sacrifice for what they feel is right. This means a search for truth and the courage to pronounce it and communicate it around the wrold.

But to convey truth requires a sense of conviction. Unless the champion of truth is himself free from the evils of ambition or selfishness—or of the prejudices of self-interest that make it difficult to perceive truth—moral force cannot gain its victory.

There must be millions of persons behind the Iron Curtain who know they cannot rely on themselves but must seek the guidance of a higher being. There must be many millions on this side of the Iron Curtain who are ready to crusade for truth and the rightness of their cause.

War and its bloodshed may come again, as it has in the past, but man can pray persistently to God for guidance and have faith in the willingness of a Supreme Being to bring light to a darkened world. War comes as a result of the acts of misguided cliques and regimes. Peoples have been slow to exert their concerted power to establish their will without combat.

Moral force may someday be better understood than it is today. It is significant, however, that men in high places are constantly praying to God for guidance, even as our forefathers did when nearly 200 years ago they made their sacrifices and founded the American Republic.

Addressing himself to the same theme at a recent meeting of the Virginia State Bar Association, Dr. Charles Malik said:

If people fail to see that communism is radically and unalterably sworn to destroy all basic American and Western values, if fun is perpetually poured on the notion of total victory, if neutralism continues to be encouraged and anti-Westernism rewarded, if the spirit of fear and retreat and accommodation and coexistence continues to prevail, if the West fails to pass to the offensive so as to cause the tide really to turn, if the worst thing that can happen to a man outside the Western World is to have it known of him and said of him that he is a friend of the West or that he believes in and practices its fundamental values: in short, so long as people misread the crisis in its most fundamental character, I do not look forward with excessive hope to the future. A radical awakening is needed. This awakening must embrace every aspect of human existence, not only the material and political, but above all the educational, the intellectual, and the spiritual. The character and possibility of this awakening is the greatest issue of the future.

To that end, the deepest prayer must be uttered in the hearts of men, a prayer for a new upsurge of humanity, understanding, wisdom, courage, sacrifice, consideration, firmness, longsuffering, patience, love, vision, and truth.

Mr. President, I ask unanimous consent to have printed in the Record at this point the full text of the Malik address.

There being no objection, the address was ordered to be printed in the Record, as follows:

The Present World Situation

(By Dr. Charles Malik)

It is a great pleasure, I assure you, to address this distinguished group of American citizens who have dedicated their lives to the determination and realization of justice. One of the eternal truths that has been poignantly brought home to all thinking men in this critical age is that justice is much deeper than mere legal justice between individuals. There is such a thing as "silent injustice" which ravages the lives of men. Is it just that man be a permanent prey to fear and anxiety and ignorance? Is it just that the truth be denied to whole peoples? Is it just that tyranny remain rampant over whole sections of the globe? Is it just that some people appear to be born unto slavery, so that, so far as we can now see, they will never be free? And above all, is it just that those who know better, those who are blessed with an abundance of mind and means, those whom history has chosen to say the decisive word today, both in utterance and in action, appear to be hesitant, uncertain, complacent, soft, dazed, divided in counsel, paralyzed in will? Justice is much deeper than legal justice: there is the justice of the mind, there is the justice of the spirit, there is the justice of history, and above all there is the justice and righteousness of God.

Nothing therefore is more natural today for those who deal with the judicial process in city and county and State than to widen their interest and seek the truth about justice in the universal, human sense—justice between communities, justice between classes, justice between nations, and justice between cultures. Let me first then make a few observations about some of the salient features in the world situation, and then proceed to identify the dangers to truth, justice and peace that appear to me to lurk in this situation and what I believe should be done to avert and overcome these dangers.

No error is more vicious than that of lumping Asia, Africa and Latin America indiscriminately together. They are usually bracketed together as underdeveloped or less developed or developing portions of humanity, and the development principle is always understood in the economic sense. But this notion of development fits perfectly Communist strategy; it neatly divides humanity into the haves and have-nots; it maliciously and unjustly opposes the "developed" West to these three great continents; it glosses over the infinite differences, complexities and particularities that obtain among these peoples; it conveniently reduces man to a sheer economic animal—conveniently, that is, so far as the interests of the world proletarian revolution are concerned. Asia, Africa, and Latin America have nothing in common save the fact that international communism has deliberately chosen to lump them together for the sake of the world revolution, and the West has innocently—and in some cases, not so very innocently—fallen for this classification. In treating some of the problems of these three continents I shall disregard this invidious Communist strategem; in considering Japan and India, for example, I am thinking of distinct peoples, each with its own separate human problems, culture and destiny; I am not thinking of them as "Asiatics" or as falling within the stupid blanket classification of "Asia, Africa, and Latin America."

Japan is one of the great successes of postwar Western, and especially American, diplomacy. International communism is going to intensify its activity in Japan from now on; a strenuous attempt will be made to induce Japan to adopt at least a neutral posture. While the mainland is so violently anti-Western, Japan's friendship must be insured and her independence promoted. There is room for more vigorous political and spiritual orientation. Japan should be encouraged to play a more active part in the defense of the Far East and southeast Asia. Properly oriented, Japan is a decisive balancing power in that whole area. A bold vision of Japan as a source of fundamental intellectual and spiritual inspiration for the whole of Asia should be developed.

China is one of the great failures of the West. Nor do I believe that the Chinese development was inevitable. But now that China is where and what she is, it is clear there can be no peace and security in Asia or the world while the Marxist-Leninist party is in control in China. Some people have been hoping that a spontaneous internal upheaval would result from Communist oppression and exploitation, compounded now by the current famine; I think this is all wishful thinking: for the oriental soul can absorb and bear and put up with tyranny and suffering with much greater equanimity and meekness than the Western soul nurtured as it is in the liberal-humane traditions of Greece, Rome and Christianity. The world is not going to be relieved of the Communist-Chinese menace by the operation of some natural, cosmological, human laws within the Chinese mainland. You are dealing here with radical political-spiritual phenomena that can only be met, not by lazily depending upon dumb nature, but by political effort and spiritual resolution. Resistance to Communist China by all the countries about her, including above all Japan, India, and the Soviet Union, should be cultivated. The truth is that there are two ultimate problems: they are not Russia and China; they are Marxism-Leninism and China. While Marxism-Leninism dominates Russia and China, there is no room for any understanding between either of them and the West; cure Russia of Marxism-Leninism, and there is room for an understanding between Russia and the West; but cure China of Marxism-Leninism, and China remains a most formidable challenge.

Japan is held together by her insularity, homogeneity, and compactness, and by the imperial tradition; China is held together by the iron grip of the Marxist-Leninist Party; what holds India together is, first, the personality of Nehru with the immense mantle of leadership he inherited from Gandhi, and, second, the elements of law and order implanted by two centuries of tutelage under the British. While there is time, therefore, everything must be done to strengthen the liberal, Western-oriented, democratic-minded, nontotalitarian tendencies in India. The problem of succession to Nehru is the greatest long-range problem facing India today. Nehru's personality is exceedingly complex, but in greatness there is always a complexity that exasperates. I would have the friendliest possible relations with Mr. Nehru on the basis of a clear demarcation of where we part in philosophy and policy. He should not be grudged anything that can help him in solving the immense political, social, economic, and spiritual problems of his 400 million people. But while India's welfare and progress is a necessity for the free world, this necessity should be integrated with the welfare and progress of Pakistan. Nothing that is done should make Pakistan feel that she is slighted or neglected or unappreciated or intrigued against. Pakistan is important, partly in herself, partly as a necessary balancing force in Asia, partly because she could become a spiritual leader in the Moslem world.

On the Middle East I will only make the following terse statements:

1. While social and economic reform is very important so far as Iran is concerned, even more important is making sure of the government and army.

2. To conceive of Turkey as only a military bulwark against Russia is to think of her in a mercenary spirit, and under this mode of thinking Turkey could easily one day shift to some form of neutralism; so it is most important to have a more positive-dynamic vision for Turkey—socially, intellectually, spiritually—whereby Turkey is once

again on the move, both in herself and in her relations to the Near East.

3. Not much can be done directly about the Arab-Israeli conflict save to prevent the two sides from engaging in actual hostilities with each other and to press vigorously for some easing of the Arab refugee problem.

4. The most fluid situation inviting creative attention in the Near East today is Syria, and nothing is more important for the Near East now than to strengthen the freedom, contentment, and stability of Syria, on the basis of what the Syrians themselves want; this challenge ought to be well within the powers of Syrian, Near-Eastern, and world diplomacy.

5. It is important to have in the Near East free enterprise and genuine freedom of thought and conscience; and how to maintain and strengthen Lebanon precisely as one land in which these things flourish is a real problem.

6. The world-historical development of Nasserism is another test of world statesmanship.

7. No fundamental and lasting settlement is possible in the Near East against the will or without the consent of Europe.

8. It is a fact that international communism enjoys today a foothold in the Near East—direct and indirect, political and ideological—that it did not enjoy even 10 years ago.

The African situation is exceedingly complex. Here too it is a fact that never in history did Moscow succeed in establishing for itself the position of influence it now enjoys in many parts of the continent. However, it should be well within the capabilities of Western diplomacy to prevent any part of Africa from being irretrievably lost to the West. Now that Algeria has achieved her independence, North Africa will probably develop a Maghreb Federation. Cooperation between North Africa and Europe and the West in general should gradually become more creative and more secure. North Africa is an integral part of the Mediterranean world, and there can be no peace with any part of that world permanently hostile to Europe and the West. Now that the United States has become fully alerted to the problems and dangers of Africa, the West should be able, with vision and resolution, to deploy economic, political, diplomatic, military, and other forces with respect to Africa far in excess of anything international communism can provide. In the deepest sense of the term Africa is a Western domain.

Latin America is even more of a Western domain. The origins, the culture, the religion, the outlook, the law, the strategic range of Latin America, all this is inalienably Western. It follows that the West should be able to muster 10 times more moral and material resources for rescuing Latin America than for holding the African Continent. It is therefore a fascinating inquiry to ascertain why the West was sleeping while communism crept so stealthily and so strikingly into this hemisphere. It appears to me that the accent in the grand design of the Alliance for Progress is predominantly economic and social. I do not belittle these things, but the political, the intellectual and the spiritual come even before them. It is quite dismaying—perhaps it is a sign of the times—to find policymakers thinking of Latin America only in terms of poverty, disease, lack of education, economic development, distribution of land, and so-called social justice. I can read you document after document in which I glean only these things. I therefore ask: In what sense is this thinking different from that of the Communists? You can have perfect social and economic justice in Latin America—or for that matter anywhere in the world—but if the spirit is wrong and rebellious, you have achieved virtually nothing. The fundamental positive assets of Latin American civilization are its music and dance, its great artistic genius, its judicial tradition, its wonderful humane heritage, and the Catholic Church. You can only move in this realm by understanding, respecting, and mobilizing these tremendous resources.

The greatest injustice committed by man is to subordinate the mind and spirit to social, economic, and material things. And so the question arises: When will people become just in this sphere? When will the West invert the perverse Communist scale of values and think first of the mind and spirit, and then of poverty and disease, of privation and material things? When so many wonderful things, in the humane, intellectual and spiritual realm, unite the United States and Latin America, it is most tragic in this great hour of crisis that people can only think of that which divides them; namely, of differences in the standard of living and of inequalities in the stages of development.

Concerning communism and the cold war, I will only make the following brief observations:

1. It appears to me that this is the most basic issue in the world today. It is not that there are not other problems—Asia, Africa, Europe, peace, the control of the atom, the technological revolution; it is that all these other problems are fundamentally functions of the Communist menace. Everything then depends on how you understand the nature of communism, how you interpret your confrontation with it, how you envision the outcome of the cold war.

2. The most important point to keep in mind is that you are here dealing with the most superbly organized international political party the world has ever known—the Marxist-Leninist International Communist Party. This party has members, agents, sympathizers, dupes, fellow travelers in every country in the world. Its openly declared aim is the overthrow, whether by peaceful or nonpeaceful means, of every existing non-Communist government, system, order, religion, and outlook on life, and the bringing of all men everywhere, in every aspect of their life—political, economic, social, intellectual, spiritual—under the dictates of the Marxist-Leninist party.

3. The question is often debated: Which is the instrument of the other, the state or the party; namely, is communism just an ideological weapon in the hands of the Soviet state, so that if this weapon should for some reason become obsolete the state would throw it away; or is the Soviet Government itself only a tool in the hands of the Marxist-Leninist International Communist Party? On this question my view is that it is far more correct to say that the state is for the sake of the party than that the party is for the sake of the state. Thus in communism everything is for the sake of the political, and the political itself is for the sake of the ideological; for communism is an original spirit before and after it is anything else. And this spirit is a radical rebellion against, and a radical rejection of, the cumulative, positive, spiritual-intellectual-moral-human tradition of the last 4,000 years. I therefore believe that those who think—and there are some in high places who do—that you are here only dealing with the old Russian imperialism, that you can wean it off from its Marxist-Leninist ideology by some kind of political bargain, that Marxism-Leninism will, from fear of war, desist from propagating and exporting and supporting revolution and what it propagandistically calls wars of liberation—people who hold all this are laboring under a terrible illusion.

4. The most important question is how much communism can change. Can it so change as to make it possible for the rest of the world to live in peace with it? There have been and there will be many changes in the Communist realm, but in half a dozen fundamental respects which make all the difference there has not been and there will never be change in the Marxist-Leninist international Communist dogma and practice. Communism will never renounce its militant atheism, its radical materialism, its moral relativism, its fundamental totalitarianism, its basic collectivism, and its proletarian internationalism. When people daydream that communism is mellowing or will mellow, it is disturbing that they conveniently appear to overlook these six most important respects in which communism will never mellow or change.

5. You will recall that the phrase "peaceful coexistence" was a Communist invention. That very fact makes it highly suspect, because these people invent nothing and use nothing that does not serve their own ends, to wit, world revolution. In fact the phrase and the concept is nothing but a propaganda weapon in the never-abating proletarian revolution. It is simply intended to soothe and lull and confuse. In the same breath in which they use it, the Communists invariably affirm that all that it means is that they do not now need war: they can conquer the world under conditions of peace. Despite their untiring explanation of the construction they place upon the phrase, there appears to be about it a certain melodious sound which has charmed and lulled the gullible. The phrase therefore has performed perfectly in the service of communism in the cold war. Actually, however, peaceful coexistence, in the straightforward, non-Communist, nondialectical sense of the term, is absolutely impossible between freedom and the Marxist-Leninist International Communist Party, and nobody would openly agree to that more readily than the Communists themselves.

6. In these matters it is most essential to make a sharp distinction between three things, and on the basis of this distinction to determine what is possible and what is impossible. The three things are the Russian and Chinese peoples, the Soviet and Communist Chinese Governments, and the Marxist-Leninist International Communist Party. The three things, people, government, and party, must be absolutely distinctly kept in our mind. On the basis of this distinction, one thing is both possible and necessary, one thing is just possible, and one thing is absolutely impossible. Peaceful coexistence, in the genuine sense of the term, is both possible and necessary between the Russian and Chinese peoples on the one hand, and the rest of the world on the other. The Russians and Chinese are peoples of peace and genius, and they will remain the neighbors of all of us until eternity. It is not only possible therefore, it is absolutely necessary, to conceive and develop relations of amity, trust, and peace between the Chinese and Russian peoples, and the other peoples of the world. Peaceful coexistence, in the nondeceitful sense of the term, is possible between the Soviet and Chinese Governments on the one hand, and other governments on the other, only if the Soviet and Chinese Governments are no longer controlled by the Marxist-Leninist International Communist Party. If something should happen, whether through the people or through the army, whereby a non-Communist government is set up—and since there was a time not long ago when Communist governments did not exist in these countries, it is quite possible to conceive of a time not long hence when Communist governments will again no longer exist there—then genuine peaceful coexistence with such a government is possible. It is necessary for peoples to coexist peacefully; it is possible for governments to coexist peacefully, provided they are dominated by the right spirit. In the third place, it is impossible to have any peaceful coexistence with the Marxist-Leninist International

Communist Party as such. So long as this party dominates any government, there can be no peace. Marxism-Leninism is an absolute spiritual assault on the fundamental values of man, freedom, truth, spirit and God, and with such an assault there can be no peace. The ultimate aim therefore, whether it takes a year or a decade or a generation or a century to accomplish, should be to eliminate the Marxist-Leninist International Communist Party from the control of any government in the world.

7. The realm of freedom should be able to rout communism without war. Apart from whether war is practicable any longer, I do not believe in war, although I believe in resisting aggression and in being absolutely prepared, should war break out, to win it decisively. But the defeat and the elimination of international communism as a governing force, both spiritually and politically, is the one great historic task facing all of us for years to come. General war appears to me to be quite unlikely, for, as President Kennedy said, such war no longer "appeals as a rational alternative." Even if skirmishes should erupt here and there, say, in Berlin or southeast Asia or the Far East or the Middle East, I feel quite certain they will be localized and gradually reduced, as happened for instance in Korea. Therefore the problem is no longer war, although, as I said, one should never be caught unprepared even for that; the problem really is peace, not how to keep the peace at any cost, not how to coexist peacefully with Marxism-Leninism, which is impossible, but how to outsmart and outdo, and therefore how to push back, communism in peace, through the development of the utmost vigor and health and ingenuity—economically, politically, intellectually and spiritually. What are our fundamental plans for a prolonged peace in which there is the subtlest and most decisive competition between communism and materialism on the one hand, and man and his spirit and freedom, on the other—this is the deepest historic question today.

Europe is becoming more and more united. If Europe should really achieve political and economic unity, this would be the greatest event of this century. Just as the United States once declared her independence from Europe, Europe appears now to be disposed to declare her independence from the United States. Europe does not want to break away from America as America once did from Europe: all that Europe really wants is to be equal to America and the Soviet Union, and, in achieving this equality, to remain the ally of the United States. I believe Europe is fully entitled to and fully capable of this. There are forces in this country who, for reasons of their own, want to see Europe either permanently subservient to the United States or at least neutralized; all right, what if Europe became neutralized, even if America then established a sort of entente with the Soviet Union. You know what will happen then? In less than a decade, provided Europe were really united, she would become so strong as to take perfect care of herself either vis-a-vis Russia or vis-a-vis the United States.

I think no greater historic error can be committed than if those who desire to see Europe weak should get the upper hand in this country. Europe will never die, nor will she ever for long play second fiddle to anybody. Europe's importance rests on four facts: (a) Europe is the mother both of America and Russia, and she happens to be a mother with perennial vitality; (b) Europe is the greatest depository in the world of thought, spirit, art, experience, tradition, and historical monuments; (c) Europe is more rooted, politically, emotionally and culturally, in Asia, the Middle East, Africa and even Latin America than the United States; and (d) Europe's economic and technological capabilities, given a decade or so of peaceful development, are certainly greater than those of Russia and every bit as great as those of the United States. Those who are tempted in this country to slight Europe, or to keep her permanently under their protection, or to prevent her from becoming in every respect, including nuclear weaponry, the equal of the United States, or in order to achieve their ends, to play up European national rivalries, which are gradually subsiding, against one another, are, in my opinion, performing the worst disservice both to the cause of America and the cause of Western civilization. The Atlantic partnership suggested by President Kennedy 2 days ago is the only logical path: Europe united and strong, Europe both equal and ally, Europe carrying her honorable share in the defense and furtherance of Western civilization, and America never tempted either to withdraw into an isolationist shell or to forsake the known, tested and trusted values of her nearest kin in favor of alien values and strange gods.

It is impossible to exaggerate the importance of the fundamental policy of the United States. But policy is ultimately rooted in the way the United States fundamentally interprets the historic moment. This interpretation, so far as decision is concerned, is primarily the task of responsible leaders and thinkers; but so far as that underlying moral tone which generates and supports all action is concerned, it is the task of the spiritual presuppositions of a whole culture. When I read the following statement: "The role of the United States in determining the outcome of the world's history over coming decades will, of course, be marginal," I am dismayed; for I question the veracity of this judgment. And when M. Malraux paid tribute to the United States a few weeks ago to the effect that the United States was the only nation in history that never sought world power and yet, having attained it, she never abused it, people were rightly deeply moved. But while it is certainly true that power should never be abused, it does not follow that it should not be properly used. History could—50 years from now, a hundred years from now, insofar as there will be true history then—take the moving encomium of M. Malraux and say: Would that the United States, when she could, had used her power—in the words of Churchill—"to press for a settlement" in the interest of Western civilization. Concerning this possible judgment of history I only say: God forbid that history should one day judge that America had failed in her historic task. For despite all the faintheartedness of the defeatists, I firmly believe that the United States can still rightly use her power to decide the issue for freedom, for truth, for man, and for God.

But it all depends on the fundamental interpretation of the historic moment. If people fail to see that communism is radically and unalterably sworn to destroy all basic American and Western values, if fun is perpetually poured on the notion of total victory, if neutralism continues to be encouraged and anti-Westernism rewarded, if the spirit of fear and retreat and accommodation and coexistence continues to prevail, if the West fails to pass to the offensive so as to cause the tide really to turn, if the worst thing that can happen to a man outside the Western World is to have it known of him and said of him that he is a friend of the West or that he believes in and practices its fundamental values: in short, so long as people misread the crisis in its most fundamental character, I do not look forward with excessive hope to the future. A radical awakening is needed. This awakening must embrace every aspect of human existence, not only the material and political but above all the educational, the intellectual and the spiritual. The character and possibility of this awakening is the greatest issue of the future.

To that end, all defeatism must be banished.

The Western soul must be cleansed of the softening and indecision with which it has been infected.

The dark mentality of the mob must not prevail.

Those who would neutralize, not only southeast Asia and the Middle East and Europe, but even America must not gain the upper hand.

The materialists and accommodationists, those who interpret history only in the economic terms, must be kept in their place.

To that end, not only the message of independence, which, properly interpreted, is a good message, but a new and wonderful message, a message full of spiritual and human content, full of intimacy and sharing and fellowship, full of trust and intercourse and interdependence, must be worked out, believed in and proclaimed.

To that end, the West should not be ashamed of its ultimate values; it should not keep them hidden under a bushel; it should protect and deepen them wherever they are; it should seek also to extend them to all those who are weighted down by human or natural bondage.

To that end, the West must determine to win the cold war—not to accept any silly stalemate in this terrific struggle, not to accept merely holding off or containing the enemy, but to think and plan and act with the actual end of prevailing in mind.

The atom is terrible and wonderful at the same time, depending on whether it is used to enrich man or to destroy him; but insofar as it is terrible, it should scare the Communists at least as much as the West; and therefore under the protective shield of this scare Western values and Western interests should advance at least as much as those of the other side.

To that end, the deepest prayer must be uttered in the hearts of men, a prayer for a new upsurge of humanity, understanding, wisdom, courage, sacrifice, consideration, firmness, longsuffering, patience, love, vision, and truth.

Everything depends on the strength, vigor, and unity of the West. If despite Communist infiltration, intrigue, and threats Europe succeeds in forging the unity now foretokened by the Common Market, the Western Hemisphere succeeds in integrating itself—economically, politically, culturally—with this unity, and this whole Western World succeeds in maintaining within its orbit Japan and as much of Asia and Africa as possible, then all the delinquencies and sins of the West will be forgiven. The West will have vindicated itself in history. For then it becomes only a question of modality and of time as to how and when international communism shall be forced to disintegrate and the Marxist-Leninist nightmare to lift from the hearts of men. The consummation of the strength, vigor, and unity of the West constitutes the greatest challenge of Western leadership. A leadership at once profoundly spiritual and shrewedly political, altogether disinterested and detached, looking steadily to the remote, grounding itself in the deepest that history has witnessed, chastened by the knowledge of tragedy, and willing to suffer its convictions, such leadership can absolutely do wonders.

CONFERENCE ON H.R. 11586, MERCHANT MARINE BILL

Mr. WILLIAMS of Delaware. Mr. President, recently the Senate passed H.R. 11586. It was a merchant marine bill. Attached to the bill was an amendment adopted by a vote of 50 to 29, which I offered and the purpose of which was to repeal the 6-percent differential allowed in west coast bidding on ship construction.

Following passage of the bill a conference was agreed upon, and the Senate appointed conferees. There is a rumor floating around that the House is more than willing to accept the Senate amendment, but that the Senate conferees are objecting to signing a conference report if that amendment is accepted.

I cannot believe that is true, because under the rules of the Senate, when conferees are appointed, they are appointed with the purpose not necessarily of carrying out their individual desires but to uphold the will of the Senate. It certainly is the responsibility of the conferees in this instance, as in all other instances, to uphold the position of the Senate, and if the House is willing to accept this amendment I see no reason why the bill is not brought back to the Senate immediately for consideration with that amendment as a part of it.

I hope there is nothing to the rumor, but if we find it is true I serve notice that I shall strongly object to any conference report should this amendment be deleted.

ORBITAL FLIGHT BY COMMANDER SCHIRRA

Mr. KERR. Mr. President, I would like to take this opportunity to extend heartiest congratulations to Comdr. Walter Schirra for his successful flight yesterday in *Sigma 7* which completed six earth orbits, and to the entire NASA-Government-industry team which supported him.

The flight was so successful and was completed with so little difficulty that there might be a tendency to assume that such flights are now commonplace. However, the fact that it was so near perfect in itself signifies just what an outstanding accomplishment it was.

The United States should be rightfully proud that it has reached the point where it can plan, put into operation, and complete a space maneuver such as this with so few hitches. *Sigma 7* blasted off practically on schedule. From the moment it left the pad the Mercury tracking network was in constant touch. Throughout the maneuver everything performed correctly with the exception of a slight period of trouble that Commander Schirra experienced with his pressure suit. Prior to landing, the retrorockets fired a couple of seconds late and it was calculated that he would land approximately 10 miles from the predicted point of landing. This proved to be an overestimate and the capsule was actually seen from the aircraft carrier U.S.S. *Kearsarge*, focal point for the Pacific rescue mission team, almost from the moment of reentry into the earth's atmosphere. He landed some 9,000 yards from the carrier and helicopters were hovering over the capsule within minutes of the time he landed. Commander Schirra elected to stay in the capsule until the carrier reached him, reporting no discomfort, the capsule absolutely dry, and his suit registering a comfortable 70°.

Mr. President, while it is true that the Russians have successfully orbited their cosmonauts for a longer period of time, it is noteworthy that the United States is proceeding expeditiously to back up the statement of President Kennedy that our country will "become the world's leading space-faring nation." As we proceed we do so fully cognizant of the fact that the programs involving our astronauts are accomplished openly with the eyes of the world upon us, helped, incidentally, by our outstandingly successful communications satellite, Telstar. We invite the free world to share with us in the glory of our accomplishments and to sympathize with us in our failures, which are bound to occur from time to time. Congratulations again, Commander Schirra, for a job exceptionally well done.

WHAT IS GOING ON IN SOUTHEAST ASIA?

Mr. KEATING. Mr. President, while most Americans have been primarily concerned in recent days over the situation in Cuba and the long-term threat in Berlin, the situation in southeast Asia remains a serious and critical one.

Reports indicate that despite the terms of the agreement on Laos, foreign troops, mainly from North Vietnam, have not left the country as they agreed to do. Until the Communists abide by the terms of the accord, there can be no hope of peace or neutrality for Laos.

Moreover, right next door in South Vietnam, the United States is officially committed to a determined struggle against guerrillas also supplied from North Vietnam. The border between Laos and South Vietnam is so long and difficult to defend that unless the agreement on Laos is enforced, our efforts in South Vietnam will be seriously handicapped, if not entirely thwarted.

In the light of this dangerous threat, Mr. President, it is important for the people of the United States to know what is really going on in South Vietnam and what the chances of victory really are. There are disquieting reports from the newsmen on the spot that Washington and high officials on the spot are viewing events in South Vietnam through rosy glasses and are not revealing the full extent of the difficulties. Mr. President, the American people are entitled to the facts.

I ask unanimous consent to include in the Record following my remarks an on-the-spot report by David Hudson of the National Broadcasting Co.

There being no objection, the report was ordered to be printed in the Record, as follows:

(This is a "Ring Around the World" special feature broadcast at 11:25 a.m., Saturday, September 22, 1962, on the Monitor program over the complete National Broadcasting Co. radio network.)

This is David Hudson in Saigon with another "Ring Around the World" report: The United States may well be in real trouble in South Vietnam. But top American officials here either are unwilling to see this or refuse to publicly admit it. Ten months after the decision last winter to totally commit U.S. prestige in Asia to helping this country win this steadily expanding war against Vietnamese Communist guerrilla forces, there's still no clear sign that the joint Vietnamese-American effort is succeeding. Indeed, it may well be that the Communist political-military drive is moving faster than the West's countereffort, in short, that we're flatly losing.

This, despite increased mobilization of South Vietnamese resources and buildup of an American military force here of 10,000 men, primarily advisers, but with some combat elements—helicopter units and American pilots who fly 30 percent of the bombing and strafing missions. But regardless of this hazy, potentially crisis situation, top U.S. diplomatic and military officials continue to tell the public only that all is going well though victory will take time.

When correspondents ask for facts to back this up they are refused the most basic essential information, and told in effect to take Ambassador Frederick Nolting's or Gen. Paul Harkins' word that all's well. Winning here will be slow and painful, and one can sympathize fully with the problems involved for Vietnamese and American leaders. But unless these problems are admitted and explained the thought must surely grow that officials either are trying to hide a losing game or are totally unaware of reality.

The basic problem here as this correspondent sees it is that while our military effort definitely is getting better, progress, if any, is dangerously slow in our simultaneous attempt to win the real support of this country's 14 million people through political, economic, and social improvements. Thus, while the West may be starting to win this military conflict, at the same time, quite possibly, it is losing the real war—the war for the hearts of the people. David Hudson, NBC News, Saigon.

U.S. POLICY IN MIDEAST

Mr. KEATING. Mr. President, the recent decision of the U.S. Government to supply additional defense weapons to Israel is a belated recognition of the deteriorating situation in the Near East and a shift in the power balance which has contributed to the strength and belligerence of the Arab cause. There can be no doubt that increased American assistance to President Nasser and a growing tendency of the United States to take the part of the Arab States in the United Nations have created uncertainty and insecurity in Israel.

Mr. President, let us not forget that Israel is the only state in the Middle East with a representative form of government. It is the only state in the Middle East which is a tried and tested friend of the United States. Our policy of leaning toward the Arab side will not win for the United States their respect or support, but it can have a very serious result of weakening the bonds of friendship and support which have traditionally linked the United States and the Republic of Israel.

Mr. President, I ask unanimous consent to include following my remarks an article which appeared in the Jewish Ledger, Rochester edition, by Harold Eidlin, entitled "U.S.-Israel Relations Throughout the Year."

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Jewish Ledger (Rochester edition), Sept. 28, 1962]

UNITED STATES-ISRAEL RELATIONS THROUGHOUT THE YEAR

(By Harold Eidlin)

Washington.—No analysis of American-Jewish relations during the past year can avoid the conclusion that for the first time since the Sinai campaign, Washington and Jerusalem find themselves at odds.

This new discordant note has been struck not by anything that Israel has done but rather, far more seriously, by what is now regarded here as a gradual shift of emphasis in U.S. Middle Eastern foreign policy. And, unlike the Sinai affair, which involved only a single incident, the present situation revolves around a deliberate move toward a long-range policy of firmer U.S. friendship for Israel's Arab neighbors.

In sum, say informed sources here, the situation for Israel is likely to deteriorate still further in the year ahead.

What has happened is that Israel has become an innocent victim of the cold war struggle. The root of the problem lies in the now firmly entrenched belief held by U.S. officials that Arab friendship is a prime requisite for American security in the Middle East.

As a consequence, and, in the hope of courting Arab favor, the United States has been gradually moving away from its traditional neutral position in the Middle East to one of open friendship for the Arabs.

American foreign policy planners are represented as feeling that an open display of U.S. sympathy for Arab problems, stepped up aid, and similar overt acts will serve—if not to win (the Arab States) over to the Western camp—then to at least neutralize their loyalties in the East-West cold war struggle.

No responsible commentator would suggest that this new American view toward the turbulent Middle East is designed as an anti-Israel move. The fact is, this is simply not the case. In virtually every aspect of bilateral American-Israel affairs, relations remain cordial and friendly.

U.S. Development Loan Fund funds to Israel have increased—up from $15 million in fiscal 1960 to $16 million in fiscal 1961. Increased also have been the numbers of persons involved in two-way cultural exchanges. And the recent U.S. trade mission to Israel is another sign of the United States interest in Israel's well-being.

But however much these outward signs point to the absence of a breakdown in amicable relations between Washington and Jerusalem, the injection of this new issue as an open bid for Arab friendship has created a serious disturbing influence in the Middle East.

If nothing else, U.S. preoccupation with such things as the strengthening of Egypt's economy have already become grist for Cairo's vast propaganda mill.

Nasser, the self-proclaimed leader of the Arab world, has been able to point convincingly to this demonstration of American friendship as tacit approval of his policies. The fact that such aid will go a long way toward alleviating Nasser's Soviet bloc arms-mortgaged economy appears to be of little concern to the United States. But it is of deep concern to Israel.

In short, what is happening is that the highly explosive Middle East appears once again to be poised on the brink of another eruption. That the United States is allowing this to happen is most disconcerting to Israel which for years has been in hearty accord with the traditional U.S. policy of avoiding even the potentiality of such a development.

Israel has felt—and apparently the United States has shared this feeling—that its best interest lay in keeping the Middle East as quiet and calm as possible. The new U.S. attitude markedly alters this situation.

Israel is not opposed to U.S. aid to Egypt—or any Arab State for that matter. On the contrary, it would welcome it under the proper circumstances. Israel, for example, would be delighted to see the standard of living raised for her Arab neighbors because prosperous nations are less likely to cast envious and angry eyes across international borders.

But the circumstances under which Egypt is to receive aid are somewhat different, for Nasser has given no real indication that he intends to cease his hostile attitude toward Israel. Indeed, his continued purchase of heavy armaments and aircraft, and his unceasing propaganda, are signs that quite the opposite is true.

Aside from the immediate potential dangers to Israel which stem from increased aid to Egypt, the U.S. decision is seen as the final link in a chain of developments during the past year which are now definitely regarded as having forged new U.S. policy in the Middle East.

It was the culmination of a policy which, in retrospect, began last December when the U.N. General Assembly, with U.S. help, defeated a resolution calling for direct Arab-Israel peace talks, and which reached its zenith in April with the U.S.-introduced motion to censure Israel for its role in the Lake Tiberias incident.

It is ironic that the United States has seemingly turned its back on its one good and reliable friend in the Middle East.

But perhaps the explanation lies in the fact that Israel's friendship for the United States has been too much taken for granted; that no matter what happens, Israel will remain friendly to the United States. There may be some truth to this, too, for where else can Israel turn? But it reminds one of the old gag: "With friends like this, who needs enemies?"

LAST CALL FOR TRANSIT?

Mr. LAUSCHE. Mr. President, in a recent issue of the Journal of Commerce magazine, there appeared a very timely and thought-provoking editorial on the subject of mass transportation problems and made reference to S. 3615.

I ask unanimous consent that this editorial be printed in the Record as a part of my remarks.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

[From the Journal of Commerce, Sept. 27, 1962]

Last Call for Transit?

The Governor of Connecticut may have been right in saying that his own State, New York and New Jersey are especially well set to take advantage of the so-called mass transit bill S. 3615 that has belatedly reached the floor of the Senate although urged by President Kennedy as far back as last spring.

Certainly there is no greater need any place for an attack on commuter problems than in the area of Greater New York, and just as certainly there has been no more discussion of the need for action on the subject than in this particular area. Three Governors, any number of mayors, and a host of Federal and other local officials have joined in the debate from time to time, though with precious little positive result to date.

In fact, things looked better a year ago and 2 years ago in this resepct than they do now. Then there was some prospect—however remote—of local action, even of a tristate compact. Now it appears that everyone is waiting on the Federal Government to do the job that clearly ought to be undertaken first and foremost by the communities that need it done.

The newspaper does not oppose the mass transit bill. It merely points out again what it has pointed out previously, that the $500 million this measure contemplates in the way of Federal assistance to States and local governments attempting to improve mass transit systems will not go very far to meet the needs that are arising all over the United States where urban populations have exploded into the suburbs.

Senator Frank J. Lausche, Democrat, of Ohio, is quite right in saying that the half billion proposed for the first 3 years of such a program would mark a mere beginning and that the ultimate cost would run into billions of dollars. By the time, in fact, that the growing needs of New York, Chicago, Boston, Philadelphia, Washington, San Francisco, Los Angeles, and other large metropolitan areas have been taken care of, it may run into quite a good many billions.

So it is a mistake for State and local governments to regard the mere existence of the mass transit bill as an excuse for inaction on the local level. Even if this bill passes and the President signs it, it simply won't be enough. Moreover, those on the local level who are now sitting back and waiting for the Federal Government to take the initiative are—whether wittingly or not—nailing another plank into the coffin of that time-honored institution of States rights.

We, for one, cannot understand how the doctrine of States rights can be solemnly preached when Federal prerogatives are being extended—say in the field of regulation—and then discarded as being beside the point when it comes to taking the initiative and raising funds for projects that are purely local.

Of course the geographical limits on State and local governments turn out to be a dismaying hodge-podge when it comes to tackling a problem like urban transportation in the Greater New York area. Three State capitals—all rather remote from the critical area and all heavily loaded with rural disinterest—are involved. Local governments, established many years ago, have developed with little rhyme or reason. Some are where they shouldn't be. One which ought to be there, in general supervision of the metropolitan commuting area, simply isn't there at all, and so it goes.

But among all the vital projects on the national agenda today, is there any that is as clearly the proper field for local government and local initiative as mass transit?

* * * * *

The same goes for the suburbs. They are as tied to the prosperity of the city they rim as the city is tied to them. And where two or more State lines crisscross the city, the suburbs or both, their capitals ought to be involved too.

* * * * *

But there has been a distressing tendency of late to sit back and see what Washington is going to do, despite the plain evidence that just about anything Washington could do under the bill now before Congress would fall far short of what many seem to expect.

Or are we right in suspecting that what really underlies the continued inaction on the local and State level is a disposition to let Washington take the initiative? If so, a lot of people are going to be disappointed, or a lot of exponents of States rights are going to have the ground cut out from under them, or both.

HEALTH INSURANCE FOR THE ELDERLY

Mr. BARTLETT. Mr. President, in a few days the 87th Congress will leave its record for history to judge. History will doubtless record the fact that the administration pressed vigorously for the so-called medicare bill, but failed to win legislative approval. However, it is safe to predict that this issue is not dead.

It will be revived and, in my judgment, will one day become law.

Older people spend twice as much for medical care as younger people even though a large part of their care is paid for from Government funds or provided free or at reduced charges by physicians and hospitals. The failure of the Kerr-Mills legislation to meet the health needs of even the very poor—a subject I will discuss shortly—only makes the plight of the elderly more appalling.

That the problem is extremely serious and widespread is no longer a real issue. There is general agreement on the need for better means of financing the health care costs for our senior citizens. The only major question that remains to be settled is how this objective should be achieved.

THE SOCIAL SECURITY APPROACH

I am convinced that social security offers the only workable solution to the problem our older people face in financing their inordinate health needs that is consistent with our concern for the dignity of the individual. The basic approach to the problem should be one under which people earn their right to health insurance protection in old age in the same way they earn their right to cash social security benefits—that is, through their contributions to the social security system. Of course, those who have already reached, or are nearing, retirement age and have not had opportunity to establish protection under social security should also be provided health benefits.

There is nothing new in the President's proposal to follow the social security approach—the social security method of financing has worked soundly and successfully for over 25 years. Nor is there anything new about the kind of health insurance protection that is proposed. The health insurance protection now proposed for the elderly is very much like that which Blue Cross and similar health insurance organizations have successfully extended to most people in the working ages.

But the vehemence of the attacks that a few powerful organizations have made against this much needed and eminently practical legislation must, I am sure, have led some Americans to ask whether there is something wrong with their commonsense conclusions as to the desirability of the proposal. I have carefully studied the proposal and in all the frenzy of arguments that have been used against it, I cannot find one that can stand up under careful inspection.

NOT SOCIALIZED MEDICINE

For example, we still hear some parroting of the claim that the President's proposal is "socialized medicine." I do not understand how any responsible individual or group can honestly make such a claim about a proposal that would only provide insurance protection. Socialized medicine, of course, involves Government doctors and Government-owned hospitals. Those opponents who try to define "socialized medicine" usually end up by conceding that the proposed plan is not socialized medicine; they retreat a little and say it will eventually lead to socialized medicine. This sort of scare tactic is, of course, the stock in trade of professional "opposers." The AMA even tried to label social security retirement benefits as a "step toward either communism or totalitarianism" so it should come as no surprise to find the AMA opposing health insurance under social security as a step toward socialized medicine.

THE GOVERNMENT CONTROL SLOGAN

Opponents of the proposal contend that it would lead to Government control of hospitals and medical practice because hospitals would have to meet certain health and safety criteria in order to participate in the program. However, in testifying for the hospitals themselves, the representative of the American Hospital Association told the House Committee on Ways and Means that the criteria are both reasonable and necessary. If there were no criteria, the proposed program would undermine the health professions' continuing efforts to raise the level of health care in our country.

FREEDOM OF CHOICE

Opponents say the health insurance proposal would deny patients freedom of choice. Fears about loss of freedom of choice are groundless—the President's proposal specifically guarantees that payments could be made for medical care in any facility that participates in the proposed program and I am certain that virtually all will want to participate; the choice of the hospital would be left up to the patient and his physician. As a matter of fact, freedom of choice would be made more meaningful than it now is since older people with low incomes who are now accepted only in the free wards of charity hospitals could choose the hospital that is best for them and get the accommodations best suited to their medical conditions.

SOUND FINANCING

Opponents of the proposal say the proposed health insurance plan will cost far more than the administration has estimated and that the plan would be underfinanced. I will only point out that the administration's estimates are based on a thorough study of hospital use under a wide variety of public and private programs and, in addition, the estimates make allowance for a considerable increase over the present use and cost of medical services. The same charge of underfinancing was made againt the social security disability insurance provisions before they were enacted. Actuaries employed by organizations that opposed the disability legislation said it was not possible to estimate its cost with any reasonable accuracy but that the number of workers who would be receiving disability benefits in 1970 could be double the number that had been estimated by the Social Security Administration. The truth is that operating experience has revealed that the administration's estimates were somewhat high.

SOCIAL SECURITY EARNED RIGHTS OR KERR-MILLS MEANS TEST?

But these false arguments and the other scare tactics being used against the President's proposal are no more than red herring, calculated to obscure the real issue. The basic issue simply boils down to the question of whether one agrees with the President and a good many other Americans that people should have the opportunity to contribute toward social security health insurance for their later years so that they will have protection against the financial burden of expensive illnesses while they still have their savings and their self-respect. The AMA and certain other organizations, of course, hold the opposite view; they do not believe that the elderly should have an earned right to Government help—that the role of Government should be limited to doling out relief through the Kerr-Mills program when the normally self-sufficient oldster has spent most all of his savings on medical care and is reduced to a sufficient level of poverty to pass a means test.

There are many reasons why I believe that means-test medical care is wholly inadequate so far as the great majority of Americans are concerned. First, the means-test programs do nothing to help the typically elderly person conserve his meager savings so that he can live out his years in independence. Means-test programs are no help until after the individual's personal resources have been almost exhausted. Unlike younger people who can return to work after recovery from illness, the aged person who must exhaust his financial resources to pay medical bills can expect to live in poverty until the day he dies.

INDIGNITIES OF THE MEANS TEST

Also, getting help through public assistance depends on meeting a means test—and that of course involves an investigation of the individual's personal financial situation. If there is one attitude Americans have in common it is the desire to maintain individual dignity and privacy. Most people find it humiliating to undergo a scrutiny of their personal affairs—a minute investigation into their financial status, how they spend their money, and how they should spend their money. Even the resources of their children may be investigated. Many of our senior citizens would rather forgo needed medical care—even to the detriment of their health—if it must be based on what they and their neighbors are likely to think is an admission of social and financial failure.

Should we permit this to happen when a person, who has worked hard and been self-supporting all his life, finds that he can no longer work, or that no employer wants him? We, as a moral people, cannot just consign all those people to the welfare rolls.

KERR-MILLS IS IMPRACTICAL

Thus far I have been explaining why I cannot in good conscience agree with the opponents of the health insurance proposal who say that a normally self-sufficient aged person who faces a large health bill only needs help after he has used up most all of his savings. But there is another important point that I would like to make. Aside from the basic defect of programs that rely on a means test in determining who should qualify, the States simply are not financially able to take care of the health needs of the indigent aged despite the large grants of money the Federal Government makes available to the States under the Kerr-Mills program.

The plain truth is that if the public assistance program were really to meet the health needs of the indigent aged, the total cost would run around $1.5 billion a year. This is at least three times as much as is now being spent on medical care for needy aged people under both the old-age assistance and medical assistance for the aged programs. State and local taxes in many parts of the country have already approached the outer limits of practicability and painful searches for new tax sources have met with frustration.

FAILURE OF KERR-MILLS

The assertion we hear from some quarters that public assistance is already doing a "good job" of providing programs of medical assistance for the medically indigent aged is, unfortunately, not so. Only about one-half the States have programs for the medically indigent aged. We in Alaska, of course, do not have a Kerr-Mills program for our medically indigent oldsters. Nearly 90 percent of the Federal and State money being spent under these programs is being spent in just four or five States; as one might expect, these are some of the richest States in the country.

Even if an applicant becomes eligible under the Kerr-Mills program he may not get all the medical care he needs. Sometimes fewer than 10 days of hospital care per admission are covered—Kentucky, 6 days; New Hampshire, 7 days. Three State programs—Kentucky, Tennessee, and Washington—provide for acute or emergency care only. Sometimes coverage is limited to life or sight-endangering conditions—Oklahoma, South Carolina.

ADVANTAGES OF SOCIAL SECURITY APPROACH

The problem of widespread financial insecurity in old age should be met on a self-help basis—not through the demoralizing means test involved in public assistance. The President's proposed social insurance health program is the only sound and practical solution—the only solution that is consistent with Americans' concern for the welfare and dignity of the individual.

It is the conservative way from a cost point of view—the way to keep costs best under control. Health insurance benefits would be predetermined, their costs over a long period of time would be actuarially evaluated, and contributions sufficient to cover the estimated costs would be provided.

It would provide a reliable basis for future planning and real security. The adequacy of the program through the country would not depend on the financial ability or the desire of the various States and localities to support the program. This not only means that the elderly will know what they are entitled to, but it means that they will be in a position to decide on the kind and amount of supplementary health insurance they should purchase from private insurance organizations.

It is the only practical way to enable the people of this country to contribute during their working years toward the health insurance protection they will need in old age. The social security plan places its emphasis on that characteristic that distinguishes our free democratic society—dignity of the individual. The social security system rests on the principle that we Americans prize so highly—that every person should so far as possible work and pay his own way and be beholden to no one. It is for these reasons that we have chosen the contributory social security system as the means for protecting ourselves and our families against the harsh financial consequences of old age, disability, and death. There is no doubt in my mind that we will turn to it again to protect the elderly against the health costs that now threaten their savings and their homes. Clearly, the Kerr-Mills program and other means-test programs are no solution.

NORTH PACIFIC FISHERY SITUATION

Mr. BARTLETT. Mr. President, I venture to say that no one in the United States and very possibly no one in the world knows as much about the international law of the sea relating to fisheries as Edward W. Allen, distinguished Seattle attorney. And no other person has a better and more comprehensive grasp of the entire fishery situation, especially as it relates to the North Pacific Ocean, than Mr. Allen. He is now chairman of the International North Pacific Fisheries Commission. He has served constructively on the commission since its organization. His work before then was of major importance in restoring the halibut fishery, depleted almost to the point of exhaustion, to its present healthful state. His public services have been many and useful over the years. Now he has written a paper concerning the North Pacific fishery which is so learned, contains so much of historical value, and can make such a contribution, if its recommendations are followed, to proper fishery management of the fishery, that I desire to call it to the attention of Members of the Congress and of others interested in saving this great fishery. I ask unanimous consent that the paper be printed in the body of the Record.

There being no objection, the paper was ordered to be printed in the Record, as follows:

For decades Pacific coast salmon afforded the most valuable single fishery in the United States. In Bristol Bay alone a normal pack was from one to one and a half million cases which at present prices would be worth in excess of $30 million, and Alaska as a whole for many years averaged more than 5 million cases. In the big year of 1913 the Fraser River sockeye pack was over two and a quarter million cases which at present prices would be worth in excess of $80 million.

Salmon spawn in rivers and lakes, go to sea from one to several years and then have the peculiar intuition to return to the very area of their birth, there to spawn and die. In the early years the Sacramento, Columbia, Fraser, Copper, Karluk Rivers and those of Bristol Bay appeared to be inexhaustible in their salmon productivity. In addition, literally thousands of smaller streams made their contributions. As to Alaska, the value of salmon production far exceeded the value of all its other natural resources put together, and the fishing industry afforded greater employment. Although there has been a falling off in production it is believed that with adequate protection and with sound management the salmon resource can be restored to former magnitude. This appears to be demonstrated by the astounding recovery in progress in the Fraser River system under the international joint management established by Canada and the United States.

Although salted salmon had been shipped commercially even back in the days of Russian Alaska, the American commercial fishery can be said to be about a century old. About a quarter of a century later the halibut fishery, which now extends from northern California north and around the coast into the Bering Sea, got underway. It eventually became depleted. Then this country and Canada instituted the first international cooperative management of a joint ocean fishery and pursued the project with such success that this fishery today is probably the best stabilized ocean fishery in the world at approximately maximum sustainable productivity. It is now threatened.

These salmon and halibut fisheries and industries are worth saving. They should not be considered expendable, as they appear to have been at times in certain quarters.

DIFFERENTIATIONS OF FISH AND FISHERIES

Different species of fish have different life histories and different fisheries involve different human histories. Neither of these should be overlooked, and no sound reason appears why all should receive identical treatment throughout the world unless all members of humanity are to be treated as automatons.

Salmon, as indicated, are national fish. They are spawned in inland waters of particular nations, to which identical waters they return to spawn and die. Although said ironically, there is a measure of truth in the statement which a Japanese years ago hurled at an American champion of our historic rights to American spawn salmon, that the American talked as if each such salmon had the American flag upon its back. Perhaps it should have. There is an analogy to a nation's flag upon its vessels at sea, and this analogy has become more pertinent since scientists can now distinguish an American spawned red salmon from an Asiatic. This type of fish that returns to the stream or lake of its birth is called anadromous.

Halibut, on the other hand, spawn at sea but nevertheless, in the Pacific Ocean at least, are strictly coastal fish, spending their entire lives on the compartively shallow Continental Shelf. They are sometimes called bottom fish because they spend their lives mostly along the bottom, but are also known as demersal.

Tuna, on the other hand, are not localized fish though they may follow certain general routes in their wide range ocean migrations so as to bring them periodically toward the shores of various nations such as those of the west coast of South America. They are rovers and can conveniently be classed as pelagic.

None of these fish observe national boundaries. They are wholly indifferent to the width of the marginal sea. To be effectively regulated they must be considered as stocks. If the purpose of law is to render benefit to humanity, then international law should be so interpreted or developed so as to facilitate the maximum production of these enormous food resources. This can best be done by giving consideration to stocks of fish as such.

Professor Riesenfeld in his book "Protection of Coastal Fisheries Under International Law," says:

"If it can be assumed justly that coastal fishing grounds, owing to their primordial importance for coastal states and owing to the very imminent danger of their complete destruction resulting from the employment of piratical techniques by distant nations, can be adequately preserved only by control and exclusive exploitation by the coastal state, international law must and does recognize the right to such control and exploitation by the coastal state, unless the vested, longstanding rights of other nations are thereby infringed. This seems to be the only way in which important food supplies for mankind can be preserved, and, unless international law is to be regarded as a senseless and dead body of rules, a reasonable claim to coastal fisheries by the coastal state for conservation purposes is no breach, but fully in accord with international law," page 282.

Turning now to the human aspects, it appears that both the salmon and halibut fisheries of the Pacific coast of North America were exclusively developed, subjected to scientific research and public regulation by Americans. The United States and Canada have long acted together. It further appears that they successfully resisted intrusion into these fisheries by outsiders.

As previously indicated, the fishing itself goes far back into the last century. State regulation has long existed. Effective Federal regulation of Alaska fisheries was accelerated by the so-called White Act of 1924, although this had been preceded by many years of regulation and considerable Federal research. Many millions of dollars have been invested by our Federal Government, that of Canada, by the two jointly, and by the Pacific Coast States, both in research and regulation.

There had never been any intrusion of outside fishermen into the salmon fisheries until the abortive attempt of the Japanese in the 1930's and their current taking of Bristol Bay salmon.

Until recently there has never been any known intrusion of outside fishermen into the halibut fishery (it was suspected that the Japanese did some surreptitious halibut fishing in the Bering Sea, but this was denied). In the late 1930's a British-Norwegian threat to send a mother refrigerator ship with a fleet of catcher boats across the Atlantic, through the Panama Canal, up the coast, to fish for halibut off the British Columbia coast, was successfully repulsed.

JAPANESE-RUSSIAN FISHERY RELATIONS

There are a number of small salmon streams in Hokkaido, but Japan has comparatively little local salmon production. The rivers of Siberia flowing into the Okhotsk Sea and the Pacific Ocean are substantial producers of the same species as the American rivers. Prior to Communist control of Kamchatka, Japanese not only fished Russian waters but operated salmon canneries on the Siberian shores. After Communist control, there was almost continuous dispute between Japan and the Soviet resulting in the gradual decrease in Japanese shore canneries and corresponding increase of Russian until World War II eliminated all special Japanese privileges and forced their fishermen to say far off Siberian shores.

During the early period of dispute a significant episode of Japanese domestic affairs occurred. The Japanese canneries on the Siberian coast were operated by a strong company called Nichiro. (Nichiro is again one of the largest Japanese fishing companies.) Small independent Japanese companies commenced operating motherships, with attendant catcher boats, off the Kamchatka shores, which, to use a fisherman's word, began to "cork" the shore canneries, that is, catch the salmon at sea before the canneries shore boats or traps could get them. Nichiro not only complained about this competition, but pointed out that it was positively contrary to sound conservation principles to catch salmon on the high seas. Among other things, it was charged that many immature fish were caught in this manner. Those admissions are very pertinent today.

It might be noted here that Russians as well as United States and Canadian scientists confirm the unsoundness of high seas net fishing for salmon, not merely because of the catching of immatures, which does result, but especially because the salmon from various areas commingle at sea, that different salmon areas require distinctive regulation, that the salmon do not segregate for their several streams until they approach the shore to enter their respective spawning streams, and until they do segregate it is impossible to give the different runs the different regulations which are essential. It should also be noted that salmon acquire their greatest weight and that their flesh is in the best condition just before the physiological change of spawning salmon takes place, which generally corresponds in time with their entering fresh water to spawn.

JAPANESE IN BRISTOL BAY

During the 1930's the Japanese began pushing their fishing across the Bering Sea, first for crab (in which our fishermen appeared to show no interest at the time), then for salmon, although both the Japanese and our own Government officials for several years persistently denied it. At last convincing proof was laid before Cordell Hull personally. He took an immediate interest and active steps to stop this depredation as it then became considered to be by our own officials as well as the industry, though more recently attempts have been made to explain away Mr. Hull's aggressive attitude and action.

On November 22, 1937, Mr. Hull sent a lengthy message to Japan from which the following are extracts:

"The persistence by Japanese nationals in such fishing operations in Alaskan waters would inevitably cause, among American interests, the gravest anxiety for the future of the salmon fisheries with which is inseparably joined the employment and economic welfare of large sections of the American people.

"The American Government must also view with distinct concern the depletion of the salmon resources of Alaska. * * *

"The cost of the extensive efforts made by the Government to regulate salmon fishing and to perpetuate the supply of salmon has been borne by the American people, and not infrequently American fishermen have suffered loss of employment and income as a result of the various restrictions imposed. Because of such sacrifices, and the part that American citizens have played in bearing the cost of conserving and perpetuating the salmon resources, it is the strong conviction, and thus far unchallenged view, on the part of millions of American citizens on the Pacific coast interested in the salmon industry, and on the part of the American public generally, that there has been established a superior interest and claim in the salmon resources of Alaska.

"Large bodies of American citizens are of the opinion that the salmon runs of Bristol Bay and elsewhere in Alaskan waters are an American resource; that the salmon fisheries relate to and are linked with the American continent, particularly the Northwest area; and that, for all practical purposes, the salmon industry is in fact a part of the economic life of the Pacific Northwest coast. The fact that salmon taken from waters off the Alaskan coast are spawned and hatched in American inland waters, and when intercepted are returning to American waters, adds further to the conviction that there is in these resources a special and unmistakable American interest. * * *

"It is clear to all that if foreign nationals are permitted to carry on fishing operations off the shores of Alaska, the conservation efforts of the American Government would in a comparatively short period be completely nullified, whatever the intentions of those engaged in such fishing operations. Such an eventuality would be all the more deplorable for the reason that no conceivable economic gain would compensate the nationals of Japan for the probable destruction, however unintentional, of resources developed through the general efforts of American citizens.

"The economic welfare of the Pacific coast and the perpetuation of the salmon industry are peculiarly interdependent. * * *

"The American Government is confident that the Japanese Government will realize the seriousness of the problem involved in this situation and the urgency of there being taken early and effective action to dispose of it. The American Government also believes that any solution or arrangement arrived at for the protection of Alaska salmon resources should cover not only the Bristol Bay area but also include and afford protection to all principal American salmon fishing waters adjacent to the Territory of Alaska. The emphasis which has been placed in this statement upon the situation in Bristol Bay arises from the fact that the activities of Japanese fishing vessels have been chiefly observed there; it should not be inferred for this reason that a similar situation in other Alaskan waters would be of less concern to American fishing interests.

"Having in mind the high importance of the Alaska salmon fisheries as an industry fostered and perpetuated through the efforts and economic sacrifices of the American people, the American Government believes that the safeguarding of these resources involves important principles of equity and justice. It must be taken as a sound principle of justice that an industry such as described which has been built up by the nationals of one country cannot in fairness be left to be destroyed by the nationals of other countries. The American Government believes that the right or obligation to protect the Alaska salmon fisheries is not only overwhelmingly sustained by conditions of their development and perpetuation but that it is a matter which must be regarded as important in the comity of the nations concerned."

Although the Japanese did not concede the rights we claimed, they did agree to withdraw, and did withdraw their salmon fishing vessels. This and the halibut incident above referred to constitute precedents of great value in international law which it is believed by the industry it is the duty of our Government to make use of for the protection of American interests, not try to explain away.

THE TRUMAN PROCLAMATION

Few documents have been more misconstrued or maligned than the fishery proclamation of September 28, 1945. A reading and analysis of the document will disclose no just cause for this defamation.

Although the proclamation was issued by Mr. Truman it was developed under Cordell Hull as a formalization of the policy indicated by him in his message to Japan on November 1937. It is believed that steps which should have been taken prior to the issuance of the proclamation had been carefully worked out, as well as steps to be taken after issuance—in other words a comprehensive program had been planned which, if it had been carried out, might have been of inestimable value to our North Pacific fisheries. Instead, nothing was done even to carry out the Presidential directive which accompanied it—in fact, it was to all intents and purposes defied.

A few quotations from the proclamation are:

"Whereas there is an urgent need to protect coastal fishery resources from destructive exploitation, having due regard to conditions peculiar to each region and situation and to the special rights and equities of the coastal State and of any other State which may have established a legitimate interest therein; * * *

"In view of the pressing need for conservation and protection of fishery resources, the Government of the United States regards it as proper to establish conservation zones in those areas of the high seas contiguous to the coasts of the United States wherein fishing activities have been or in the future may be developed and maintained on a substantial scale. Where such activities have been or shall hereafter be developed and maintained by its nationals alone, the United States regards it as proper to establish explicitly bounded conservation zones in which fishing activities shall be subject to the regulation and control of the United States. * * *

"The character as high seas of the areas in which such conservation zones are established and the right to their free and unimpeded navigation are in no way thus affected."

The accompanying official release contained the following language clearly indicating that the intent of the proclamation was to exercise "control" of our coastal fisheries in which we had acquired "special rights and equities."

"As a result of the establishment of this new policy, the United States will be able to protect effectively, for instance, its most valuable fishery, that for the Alaska salmon."

The Executive order provided: "* * * it is hereby ordered that the Secretary of State and the Secretary of the Interior shall from time to time jointly recommend the establishment by Executive orders of fishery conservation zones in areas of the high seas contiguous to the coasts of the United States, pursuant to the proclamation."

As above indicated, nothing was ever done by either department to carry out the Presidential mandate, but it has never been revoked.

HISTORIC RIGHTS

"Freedom of the seas" correctly understood stands for meritorious concepts, but, unfortunately, it has also been misused as a catchy cliché. There has never been such a thing as absolute freedom of the seas beyond the marginal sea—not even for pirates. Rights of one kind or another have always been successfully asserted outside of territorial waters—customs, immigration, defense, etc. Great Britain, prior to the Geneva Conference of 1958, had been generally recognized as the most aggressive advocate of freedom of the seas, but as Professor Riesenfeld said in the book above referred to, she always finds ways to make exceptions when it is to her interest to do so:

"The Hovering Acts as protecting 'special' interests in customs legislation, her attitude with respect to 'bays' or 'where the coast is folded' in the North Atlantic coast fisheries controversy or the Moray Firth dispute, her protection of oyster and pearl banks beyond 3 miles on the ground that they are 'sedentary fisheries' and that the principle of the freedom of the seas does not apply to the bed thereof, are the best-known examples of this ingenuity. Of course, since the 3-mile rule operates in favor of her important trawl fishing industry and in the exercise of her paramount naval power, her general policy tends to maintain this rule but not without safeguarding her interests in specific cases by a well-developed method of drawing distinctions," page 281.

International law writers frown upon the use of the term "prescription" in their field, but as above indicated, and particularly as illustrated by "historic bays", international rights are acquired by means equivalent to prescription.

In this connection the case of *United Kingdom* v. *Norway*, decided by the International Court of Justice in 1951, is of special interest. Following are quotations from this case:

"Points 1 and 2 of these 'Conclusions' refer to the extent of Norway's territorial sea. This question is not the subject of the present dispute. In fact, the 4-mile limit claimed by Norway was acknowledged by the United Kingdom in the course of the proceedings. * * *

"By 'historic waters' are usually meant waters which are treated as internal waters but which would not have that character were it not for the existence of an historic title. The United Kingdom Government refers to the notion of historic titles both in respect of territorial waters and internal waters, considering such titles, in both cases, as derogations from general international law. In its opinion Norway can justify the claim that these waters are territorial or internal on the ground that she has exercised the necessary jurisdiction over them for a long period without opposition from other States, a kind of possessio longi temporis, with the result that her jurisdiction over these waters must now be recognized although it constitutes a derogation from the rules in force. * * *

"Norwegian sovereignty over these waters would constitute an exception, historic titles justifying situations which would otherwise be in conflict with international law. * * *

"It follows that while such a State must be allowed the latitude necessary in order to be able to adapt its delimitation to practical needs and local requirements, the drawing of baselines must not depart to any appreciable extent from the general direction of the coast. * * *

"The Norwegian Government has referred in this connection to an historic title, the meaning of which was made clear by Counsel for Norway at the sitting on October 12, 1951: 'The Norweigan Government does not rely upon history to justify exceptional rights, to claim areas of sea which the general law would deny; it invokes history together with other factors to justify the way in which it applies the general law.' This conception of an historic title is in consonance with the Norwegian Government's understanding of the general rules of international law. In its view, these rules of international law take into account the diversity of facts and, therefore, concede that the drawing of baselines must be adapted to the special conditions obtaining in different regions. In its view, the system of delimitation applied in 1935, a system characterized by the use of straight lines, does not therefore, infringe the general law; it is an adaptation rendered necessary by local conditions. * * *

"The Court is thus led to conclude that the method of straight lines, established in the Norweigan system, was imposed by the peculiar geography of the Norwegian coast; that even before the dispute arose, this method had been consolidated by a constant and sufficiently long practice, in the face of which the attitude of government bears witness to the fact that they did not consider it to be contrary to international law. * * *

"The Court considers that, although it is not always clear to what specific areas they apply, the historical data produced in support of this contention by the Norwegian Government lend some weight to the idea of the survival of traditional rights reserved to the inhabitants of the Kingdom over fishing grounds included in the 1935 delimitation, particularly in the case of Lopphavet. Such rights, founded on the vital needs of the population and attested by very ancient and peaceful usage, may legitimately be taken into account in drawing a line which, moreover, appears to the Court to have been kept within the bounds of what is moderate and reasonable."

Taking the decision as a whole it does not justify a nation taking a notion to throw aside its own past practices and arbitrarily and unilaterally assert unreasonable claims, but on the other hand the Court apparently rejects the concept of the absolute rigidity of international law. It recognizes the necessity for flexibility, the right of a state to vary from common practices where its claims to do so have an historic basis and are "moderate and reasonable."

We call particular attention to the following short concurring opinion of Judge Hackworth (former Legal Adviser to the Department of State under Cordell Hull):

"Judge Hackworth declares that he concurs in the operative part of the judgment but desires to emphasize that he does so for the reason that he considers that the Norwegian Government has proved the existence of an historic title to the disputed areas of water."

THE NORTH PACIFIC FISHERIES TREATY

In 1949 General MacArthur invited a mission to come to Japan to survey the fishery situation. It was apparent to members of the mission that if the Japanese fishery industry were to have its way fleets of Japanese fish boats would soon be operating 3 miles off the North American coast from Bering Sea to California. Strong appeals were made to the Government to protect our fisheries in the peace treaty with Japan. Despite these warnings and appeals this was not done, though promise was made that an attempt would subsequently be made to procure a fishery treaty which would protect the Pacific coast fisheries.

In the fall of 1951 delegations from this country, Canada and Japan met in Tokyo. A spokesman for our Government assured the Japanese that although the peace treaty was not yet in effect they were free to negotiate the same as if it were, in other words as a free and independent nation—which they did. The fisheries treaty was not imposed on Japan but was fought over at arm's length and was far from being as strong as American fishermen desired and probably were entitled to or as the U.S. negotiators originally proposed.

At every opportunity the Japanese sought to inject language into the treaty denying that there could be any restrictions on high sea fishing. U.S. delegates desired express recognition of historic rights. The treaty does not determine either principle, but section 2 of article I protects the situation with the following language:

"Nothing in this Convention shall be deemed to affect adversely (prejudice) the claims of any contracting party in regard * * * to the jurisdiction of a coastal state over fisheries."

The treaty further recognizes the principle of abstention and section 2 of article V reads:

"2. The contracting parties recognize that any stock of fish originally specified in the annex to this Convention fulfills the conditions prescribed in article IV and accordingly agree that the appropriate party or parties shall abstain from fishing such stock and the party or parties participating in the fishing of such stock shall continue to carry out necessary conservation measures."

Article IV is the one which defines the right of abstention and the annex expressly specifies salmon, halibut and herring, hence the Japanese recognized that they should abstain from entering into these American fisheries. Herring were subsequently dropped.

There is, however, a protocol to the treaty which recognizes that there may be an intermingling of American and Asiatic salmon and therefore establishes a provisional line east of which the Japanese expressly agree not to fish salmon. This was necessary from an administrative standpoint pending a final determination of the correct location of the line. A commission is provided for one of whose duties is to determine whether the provisional line is properly located and if not to what position it should be moved. Differences of opinion has developed as to the criteria for decision, but these need not be gone into at this time. Suffice it to say that the commission's research has developed the fact that American Bristol Bay red salmon predominate at least 10 degrees west of the provisional line.

The provisional line (175° W.) runs through the Aleutian chain of islands about half way out and extends southward west of the Hawaiian Islands. It has been respected by the Japanese and did protect our halibut and herring, also it is believed that our only salmon fishery seriously unprotected is the valuable red salmon fishery of Bristol Bay. As to this, Japanese high seas fishing west of the provisional line has been seriously damaging.

The treaty is for a period of 10 years after which it may be terminated by any party upon 1 year's notice. The 10 years will end in June 1963. Whether or not the treaty is terminated it nevertheless will continue to evidence a Japanese admission of the principle of abstention as well as a commitment to pursue ocean fishery conservation.

Also abstention will have been in effect for the period of the treaty, hence with at least 10 years of actual recognition. This adds to the importance of nothing being permitted by our Government to weaken our claim to abstention as a right and emphasizes the importance of having secured a reservation preserving abstention as a condition to our Government ratifying the 1958 Geneva proposal for a fishery treaty.

THE 1958 GENEVA CONFERENCE ON THE LAW OF THE SEA

Some 86 nations were represented at this Conference. Four principal treaties were drafted for submission to the nations of the world. The one pertaining to fisheries omitted any reference to abstention. Nevertheless the fisheries committee of the Conference, which committee prepared the fisheries draft treaty, voted by more than a two-thirds vote in favor of a resolution embodying the principle of abstention, and it is significant that the substantial majority of 43 to 26 endorsed it in the plenary session of the Conference.

It should be remembered that the basic objective of the United States at this Conference and the one on which our Government's preliminary work, and the efforts upon which its delegation concentrated, was to secure approval of the 3-mile territorial water width. Had there been equal, one might say adequate, efforts to secure greater endorsement of abstention, this could probably have been obtained.

It was only toward the close of the Conference that Under Secretary of State, Christian A. Herter, in Washington, and Arthur H. Dean, head of the delegation, in Geneva, were aroused to give aggressive support to abstention, with the results above noted. At the final plenary session, Mr. Dean announced that our Government considered it to be an essential element to any sound ocean fishery conservation system. This was confirmed by the reservation above referred to which was attached to the fisheries treaty when it came before the U.S. Senate.

CURRENT COMMENTS

The Japanese fishing industry is encouraging a campaign against continuation of the so-called Tri-partite Treaty and has enlisted the support of the Socialist Party. The treaty is called unfair and it is charged that the Japanese were coerced into entering into it. As previously indicated, the treaty not only is fair to Japan, it does not go as far as facts would seem to justify, and it was negotiated at arm's length.

The Japanese are insisting that there should be immediate action removing Bering Sea halibut from the protection of the treaty, also that they have a right to catch halibut while trawling for other ground fish as long as they throw the halibut back, regardless of the detrimental effect on the halibut stock. They propose to engage in substantial ground fish trawling in the Gulf of Alaska and do not deny that in so doing they will catch many halibut.

The Russians are trawling for ground fish extensively in the Bering Sea, including halibut, but there is no indication that they are particularly seeking to catch halibut. They do not appear to be fishing for salmon on our side of the ocean. They are also trawling extensively in the Gulf of Alaska but the type of gear and fishing presently used by them there do not appear to catch halibut.

An exceedingly thorough and costly scientific investigation of the North Pacific fishery situation indicates that the present treaty with its provisional line (175° W.) up to now has adequately protected American salmon from Japanese exploitation except the valuable red salmon of Bristol Bay. As to these salmon, it has been conclusively demonstrated that American red salmon during the fishing season predominate at least 10 degrees west of the provisional line and abound even farther west. The Japanese now catch substantial quantities of these fish though keeping their vessels west of the line. It is the American contention that this catching of American salmon is contrary to the spirit and intent of the treaty.

It should be noted that when the homeward migration of the salmon from the high seas commences the American salmon go eastward and the Asiatic salmon westward so that there is ample opportunity for the Japanese to fill their quota of Siberian salmon without fishing in the area west of the provisional line where American salmon are concentrated.

SUMMARY

If international law is to survive it must justify its usefulness to humanity and it must be sufficiently flexible to deal with realities. There are two distinct types of ocean fishery. One is unrestricted exploitation. The other is conservation regulated. Because there are some peoples presently suffering from inadequate protein food such as is furnished by fish does not justify unrestricted exploitation of the resource to the detriment of the increasing world population which may need the supply even more badly. No repetition of the cliche of "freedom of the sea" should be permitted to excuse such exploitation.

There never was such a thing as absolute freedom of the seas. Pirates caught on the high seas and up for execution can testify to that. The phrase itself had its origin under wholly different conditions—when navigation was by sail and ship refrigeration was unknown. Moreover, the principle of historic rights, of which abstention is one expression, is just as old and just as legal and moral.

This Government was committed by Cordell Hull to the doctrine of historic rights. It has expressed its endorsement of abstention. This Nation may not "own the ocean" but it does have rights in it which it is entitled to maintain. International law has long recognized extraterritorial rights and our own Nation has repeatedly insisted upon them. It is difficult for the coastal communities of the country to understand the reluctance of some elements of our Government to assert such rights when fisheries are concerned.

This country and Canada have led the world in sound and effective management of ocean fisheries. They should face the issue now in a spirit of the boldness for a just cause, not in weakness.

NOTICE OF STUDY ON INTERNATIONAL HOUSING

Mr. SPARKMAN. Mr. President, I want to bring to the attention of the Senate plans that the Subcommittee on Housing of the Banking and Currency has to study our Government's programs of assisting foreign underdeveloped countries in housing and urban development activities. Although we already have several programs started, I feel there is a great deal more than can be done to improve the effectiveness of these programs and to stimulate additional activity in providing decent housing for the peoples in friendly underdeveloped countries.

In order to explore this more fully, during the recess period, papers will be solicited from specialists in the field of international housing and planning on a variety of subjects such as urban planning, development of new construction materials, improved building techniques, home financing, self-help housing techniques, cooperative housing, slum clearance, and savings and loan and other thrift systems.

It is intended that these papers be published before the end of the year and that hearings will be held on them during the early part of next year. Legislative recommendations, if any, would be drawn up following the hearings for introduction and passage during the 88th Congress.

Material appropriate to the study is solicited and may be included in the proceedings by contacting Carl A. S. Coon, staff director of the subcommittee.

MARY LASSWELL, NATIONAL AUTHOR, WRITES OF PADRE ISLAND IN HOUSTON CHRONICLE

Mr. YARBOROUGH. Mr. President, Mary Lasswell, distinguished author and columnist, has recently written an outstanding article relating to the recent enactment of my bill for National Seashore Recreational Area on Padre Island. Mary Lasswell, widely travelled, called Padre Island the finest hard beach in the world.

As author of "I'll Take Texas," Miss Lasswell is an authority on the best of Texas. Her other books include: "Bread for the Living, 1948"; "High Time, 1944"; "Let's Go for Broke, 1962"; "Mrs. Rasmussen's Book of One-Arm Cookery, 1946"; "One on the House, 1949"; "Suds in Your Eye, 1942"; "Tooner Schooner, 1953"; "Wait for the Wagon, 1951."

Mary Lasswell's article covers a full page in the Houston Chronicle, but unfortunately its fine maps and photos cannot be republished in the Congressional Record.

I ask unanimous consent to have printed in the Record the following articles by Miss Laswell from the Houston Chronicle of Sunday, September 30, captioned "Padre Island: All Things to All Men," "What Padre Can Mean?" and "Padre Is 110-Mile Jewel Set in Blue Gulf Waters."

There being no objection, the articles were ordered to be printed in the Record, as follows:

[From the Houston (Tex.) Chronicle, Sept. 30, 1962]

Padre Island: All Things to All Men—What Can Padre Mean to Public?

(By Mary Lasswell)

What can Padre Island National Seashore Preserve mean in recreation to the American public? I roamed south Padre Island from dawn till dark when there was only one building on the island, and Romans IX: 22 apply to the island: "I am made all things to all men."

A seashore preserve, unlike a national park, does not have to provide buildings or comforts for campers. There are permissive clauses in the bill which allow the Secretary of the Interior to make improvements for camping if they are done without "disturbing the natural state of the preserve."

Access to the preserve will be by existing roads from Corpus Christi to the north, Brownsville and Port Isabel to the south. Roads built by private developers will be dedicated to the use of all travelers, and the National Park Service is authorized to build roads as needed, outside the preserve, on privately owned property to connect with the preserve.

In 1960, Nelson Rockefeller finished a privately financed comprehensive study into the recreational desires of Americans. The survey showed that unless the preserves and parks are within 100 to 200 miles of the homes of the car-driving public, it will not use them.

Such areas are paradise for birdwatchers. Birds of all descriptions will find refuge on Padre. Campers will enjoy the area if fresh water is provided and privies are built.

For the comfort minded, private developments are adjacent to the south end of the preserve with hot water and soft beds.

Padre Island offers beachcombing, birdwatching, fishing, crabbing, shelling, bathing, and sailing. Those who deplore the "acres and acres of nothing" can go to plushy motels with swimming pools. The rest can enjoy the stimulating surf on the finest hard beach in the world.

It's not just a Texas brag, friends: It's national.

Padre Is 110-Mile Jewel Set in Blue Gulf Waters

When the last legal hurdle is cleared, the Nation will inherit 80.5 miles of Texas frontier land—unspoiled beach and irregular sand dunes that are constantly being reshaped with each change of wind.

Congress has approved the area as a national seashore park on Padre Island and President Kennedy signed the bill Friday.

The last hurdle is a State one. The Texas Legislature will have to grant the Federal Government permission to buy the land for the park. The only real opposition to the park has been voiced by Jerry Sadler, Texas land commissioner, who claims that selling the land to the Federal Government is a giveaway.

Padre Island is a long sliver of sand-covered land stretching 110 miles from just east of Corpus Christi southward to just east of Port Isabel in the Rio Grande Valley which is separated from Mexico by the Rio Grande.

Padre is the crown jewel in a glittering chain of offshore islands which reach like a necklace down the Texas coast to the semitropical valley.

Toll causeways are at each end of the island. Toll is $1 per car.

The National Park Service says the general atmosphere of the island is one of undisturbed isolation and seemingly endless expanses of beachland. It is a typical example of a barrier beach, unusual because of its great size which enhances its primitive character.

The island ranges in width from one third of a mile to 1½ miles. The north end of the island has some development, but the south end is bustling with activity. Several beautiful motels already have been built and others are planned. Over 400 rooms are available.

The central portion of the park would be roadless to preserve the primitive character of the island. The congressional bill authorizes construction of a road from the Corpus Christi causeway south and another road northward from the causeway on the southern tip of the island. But they would not meet. The National Park Service wants to avoid construction of a thoroughfare that could be used as a "through highway."

The island has an excellent year-round climate. The average temperature is 74.5° compared with Miami's 75.2°, New Orleans' 70°, and Galveston's 69.8°.

The area offers some of the most varied and interesting fishing in the United States. Fishing authorities say there are 272 varieties of fish in the Padre Beach area.

If you're a beachcomber, there's good hunting for you—if you're lucky enough to be at the right spot at the right time. The gulf washes up mahogany and cedar logs from British Honduras, balsa from Costa Rica. Some of the driftwood is clean and unaffected by the sea, but some of it has become impregnated with salts of the sea that cause it to give off weird blue and green flames when it is fired.

One more hurdle and this 80.5 miles of glittering sand washed by the blue waters of the gulf will be a mecca for millions of Americans who want to visit one of the Nation's last unspoiled frontiers.

BIRTHDAY CONGRATULATIONS TO SENATOR McNAMARA

Mr. McGEE. Mr. President, at this time I wish to extend to the distinguished senior Senator from Michigan [Mr. McNamara] our best wishes on this, his birthday. Not every Member of the Senate who is "39 years of age" has borne those years as gracefully and well as has the senior Senator from Michigan.

The ACTING PRESIDENT pro tempore. Is there further morning business?

Mr. RUSSELL. Mr. President, I suggest the absence of a quorum——

Mr. MANSFIELD. Mr. President, will the Senator withhold that suggestion?

Mr. RUSSELL. Yes; for a moment.

ORDER OF BUSINESS

Mr. RUSSELL. Mr. President, I suggest the absence of a quorum——

Mr. LAUSCHE. Mr. President, will the Senator withhold his request?

Mr. RUSSELL. If the Senator is to make a statement, I am sure it will be of such consequence that he should have a quorum here to hear it.

Mr. LAUSCHE. I appreciate very much the appraisal the Senator from Georgia makes of statements by the Senator from Ohio, but I do not think my statement will fall within the definition that he has suggested.

Mr. RUSSELL. If the Senator desires to proceed with this very skimpy attendance here, I will withhold my suggestion of the absence of a quorum until he concludes his statement in the morning hour.

Mr. LAUSCHE. Mr. President, this is not a nation-shaking statement I am about to make.

FOREIGN AID AND DEFENSE

Mr. LAUSCHE. Mr. President, I ask unanimous consent to have printed in the Record an editorial appearing in the Washington Daily News of October 1, 1962, entitled "Foreign Aid and Defense."

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Foreign Aid and Defense

President Kennedy would be in a stronger position on foreign aid if he were more sensitive to general Government extravagance.

The meat ax reductions by the House result from a sense of frustration. There have been repeated revelations of waste and miserable administration without much if any evidence of subsequent reform.

Admittedly foreign aid is a farflung endeavor requiring operations for which there is little precedent. A certain amount of waste is inevitable. The same is true for other operations of our Government which has grown so large it is almost beyond the power of humans to grasp and control its operations.

Only eternal vigilance and stubborn determination to get at least 95 cents worth for a dollar can hold waste within limits; and the Kennedy administration, while speaking well of economy, has practiced little of it. A budget deficit last year is to be followed by another this year; and it would be much larger had not Congress defeated a number of additional spending proposals.

The foreign aid has its humanitarian aspects; it is essentially a part of national defense. By preserving the freedom of smaller nations we help deny their territories and manpower to our Communist enemies.

Cuts in foreign aid should not be permitted to weaken the defenses of South Korea, Formosa, Turkey, Greece, Iran, and others on the menaced edge of the Communist empire. If the administration can prove conclusively that funds are required for this purpose, some parts of the reductions voted by the House should be restored. But the proofs should be clear.

We have argued in the past for the fullest possible flexibility for the President—any President—in handling foreign affairs, but still can't go along with the objections to some of the House amendments.

These would deny aid to any country which permits its ships to carry goods to Cuba or provides any kind of assistance to the Castro regime. It seems to us that any country committing these acts is no friend of ours, nor does it have sound regard for its own interests in the cold war against communism. We hope these amendments stay in the foreign aid bill.

RED INK POSTAL BILL

Mr. LAUSCHE. Mr. President, I ask unanimous consent to have printed in the RECORD at this point another editorial from the Washington Daily News of Monday, October 1, entitled "Red Ink Postal Bill."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

RED INK POSTAL BILL

The postage and pay raise bill just passed by the Senate encourages a cynical attitude concerning national legislative processes.

This was a measure designed, in the words of its authors, "to materially reduce the postal deficit" now running $900 million a year.

To this end it would increase postage rates to provide, eventually, $603 million extra per year. Even that would leave the Post Office far short of pay as you go. But the bill also would increase postal workers' pay by $368 million and other Government workers by $686 million.

Total increased revenue, $603 million. Total pay increases, $1,054 million. Net effect on the Treasury, $451 million more red ink per year.

And after all the talk of making business mail pay its way, it is the users of letter mail who would pay the bulk of the increased freight, with a penny increase on stamps for letters, post cards and airmail. First-class increases, effective next January, would account for $459 million of added revenue. Other classes, mainly used by business, would pay $144 million by stages not fully effective until 1965.

The plan now is to push this Senate bill through the House in the now closing days of Congress, but there is opposition. There should be. The House has passed a sounder postage bill. It hasn't dealt with pay raises. These two issues never should have been combined.

The House should not be stampeded into accepting this Senate measure, even if it has to stay in session longer than intended, to fashion more acceptable legislation. A bill which attempts to cut a deficit and winds up with a larger deficit than before is worse than no bill at all—nearly half a billion dollars worth in this particular case.

RARE ANIMALS AT WASHINGTON ZOO

Mr. LAUSCHE. Mr. President, for the benefit of my constituents in Ohio, I wish to make the statement that I am not in accord, in these times of fiscal stringency, with a Federal program of spending money for the installation in the Washington Zoo of sea elephants, platypuses, manatees, moose, and scores of other rare animals never before seen in Washington.

That may be desirable at a time when money is plentiful, but I do not think they are essential, and I want to voice my objection to the spending of money for such purposes at this time.

CENTENNIAL OF THE UNIVERSITY OF MASSACHUSETTS

The ACTING PRESIDENT pro tempore. The Senator from Georgia.

Mr. RUSSELL. Mr. President, I withhold my demand for a quorum, at the request of the Senator from Massachusetts, but after the Senator from Massachusetts has concluded his statement, I shall insist on a quorum.

Mr. SALTONSTALL. I thank the Senator from Georgia. I shall be very brief.

Mr. President, today the University of Massachusetts begins celebrating its centennial year. Recently many Members of the Senate paid tribute to the 100th anniversary of the Morrill Act, which established the system of land-grant colleges. It is particularly appropriate, therefore, that the centennial of one of the first of these colleges should be noted by the Congress.

In our day, when a higher education has come within the realm of possibility for the majority of Americans and not just a favored few, we can look back to the founding of the land-grant colleges as a milestone of tremendous significance. For here in the United States by this act began the first national program in history designed to facilitate attainment of not only elementary and secondary schooling but of an education right through colleges for qualified citizens. This was a giant step towards the realization of the democratic ideal of equality of educational opportunity for all. The Morrill Act proposed the creation of at least one college in each State whose principal objective would be to instruct students in agriculture and mechanical arts, while not excluding classical studies from the curriculum. Founded in the first year of this land-grant college program, the Massachusetts Agricultural College, as it was initially called, marked one of the beginnings of that endeavor.

The college began, in a very small way, with 4 teachers and about 30 students. Today it has 7,000 students and a main campus at Amherst with 80 buildings on over 700 acres. In recognition of the increasing need for additional higher education facilities to permit the enrollment of young people who desire to attend college and have the qualifications to do so, the University of Massachusetts plans to expand its plant and staff so that a student body of 10,000 can be accommodated within the next decade. When we consider it is estimated that by 1970 the total number of high school graduates should reach 2.7 million, an increase of nearly 50 percent over the 1960 graduating class, we realize how important it is that our colleges and universities plan now to insure that these young people will be able to obtain the advanced education which will be so important to their future.

I am pleased to learn that in spite of the continuing expansion of the University of Massachusetts, only about one-third of the university's $20 million annual budget comes from Federal and State grants. The huge $65 million building program of the past decade, under a program of self-liquidation through gifts and student fees, will be accomplished for the State at no cost to the taxpayer. It will be quite an achievement.

Founded as a pioneer for new educational endeavors, the university has had a tradition of spreading knowledge into new groups and in new ways. As early as 1876, its third president, William Smith Clark, founded Hokkaido University in Japan to bring American scientific agriculture to that country just opened to Western ideas. The University of Massachusetts still maintains a productive exchange of teachers and research with Hokkaido. This year young businessmen from six European countries participated in a training program on the campus in Amherst and around the State.

To enable working men and women to obtain university training which it might otherwise be impossible for them to secure, the university has established classes near factories and industrial plants, offering courses leading to degrees in engineering and business administration.

The University of Massachusetts continues to pioneer in new methods of educational opportunity. While the university itself has Schools of Arts and Sciences, Agriculture, Education, Nursing, Physical Education, Public Health, Engineering, Home Economics, and Business Administration, it also has inaugurated a unique "four college cooperation program" in conjunction with three other outstanding institutions of higher learning—Amherst, Mount Holyoke, and Smith—all of which are located within 9 miles of the University of Massachusetts. In order to avoid unnecessary repetition of specialized courses and to permit maximum diversification of the educational curriculum, the four institution have agreed to allow their students to take courses for credit at any of the other institutions when the course desired is not offered on their own campus.

Thus, educational opportunities for students at all four colleges are increased. Illustrative of the advantages this kind of exchange is the Distinguished Public Affairs Professorship established by the Ford Foundation at the University of Massachusetts from which students at each of the four institutions may profit. It might be of interest to the Senate to know that two of our recent colleagues have held this professorship: Ralph Flanders, of Vermont, and Earle Clements, of Kentucky. The four-college cooperation program is far-sighted and imaginative, illustrative of the improvements being brought to education today.

One hundred years ago 1 out of every 50 young people of college age was in college; today the figure is closer to 1 of every 3. Despite this impressive record of progress we cannot be satisfied. Even today a significant number of able high school graduates fail, for one reason or another, to pursue some form of advanced education which would enable them to participate more meaningfully in the work of our Nation. As we succeed in encouraging this group to extend its educational training, the pressures on university facilities will mount, complicating even further the problem created by the burgeoning size of our college age population. These pressures present a serious challenge to our universities. Maximum use must be made of existing facilities and these must be expanded where feasible, but precautions must be taken to insure that the quality of the education provided is maintained or improved. Programs such as the "four college plan" of the University of Massachusetts, Amherst, Smith, and Mount Holyoke demonstrate clearly that our universities are developing techniques by which to meet the challenge. Only by the fullest development of all our human resources will the Nation be able to do its best in a world where nothing but the best will do.

A democracy's greatest strength is an educated people. We may take pride in the knowledge that because of the University of Massachusetts and institutions like it which are striving to meet the challenges confronting them, the democratic ideal is today nearer reality. Surely I speak on behalf of the Senate in extending congratulations to the University of Massachusetts and expressing confidence that its second hundred years will be just as meaningful as its first.

MEDICAL CARE FOR THE AGED

Mr. SALTONSTALL. Mr. President, one of the highly controversial issues in the current congressional campaigns throughout America is medical care for the aged. It is a subject enveloped in considerable emotion and shrouded in considerable misunderstanding. It is a subject on which all of us would appreciate more knowledge and more thorough, dispassionate discussion.

As sponsor of a voluntary health insurance plan for the aged, which I, along with several of my Republican colleagues, offered as a substitute for the administration plan, I am deeply and personally interested in bringing more facts and more knowledge on medicare to the American people.

A recent newsletter by the senior Senator from Hawaii [Mr. FONG] summarizes clearly and succinctly this whole question. As the able and distinguished Senator from our 50th State points out, there is a better way to provide medical care for the aged than the administration proposed. This newsletter is an enlightening document on a very complex problem, and I commend it to all who are concerned about medical care for the aged.

Mr. President, I ask unanimous consent that the entire text of the newsletter be printed in the RECORD at this point.

There being no objection, the newsletter was ordered to be printed in the RECORD, as follows:

MEDICAL CARE FOR THE AGED: A BETTER WAY

Do I favor medical care for America's 17 million aged persons?

Emphatically, yes. I voted for the Kerr-Mills law of 1960 which makes available comprehensive medical and hospital care for an estimated 10 million medically needy aged.

For 2 years I have cosponsored an excellent voluntary health insurance plan for those aged persons not eligible for Kerr-Mills or old-age assistance. This year my plan was offered as a substitute for the administration plan. It was defeated 50–34 prior to the 52–48 defeat of the administration plan.

Is there a need today which is not being met either by Government programs or private insurance?

Yes, for those who are not eligible for assistance under two existing Federal laws providing medical care for the elderly (old-age assistance and Kerr-Mills). Old-age assistance pays every cent of doctors' fees, drugs, hospital, and medical costs for 2½ million aged persons who are not self-supporting. Some 1,300 persons each month in Hawaii receive help under this program.

Kerr-Mills assistance takes care of elderly persons of modest income who are self-supporting but cannot pay their medical bills. Although only half the States have Kerr-Mills programs operating, nearly 100,000 aged have been aided to date. Hawaii is one of three States rated by the U.S. Department of Health, Education, and Welfare as having a comprehensive Kerr-Mills program. In the past fiscal year, 756 elderly persons in Hawaii received Kerr-Mills medical aid. An estimated 47 percent of America's senior citizens have no private health insurance coverage.

Should the Federal Government help to meet the remaining problem?

Yes, for those aged of modest income who are not eligible for old-age or Kerr-Mills aid and who need help toward their medical expenses.

Then what is the medicare dispute all about?

I know the overwhelming majority in Congress favor medical care for the aged. The issue is not whether there should be medicare for the aged, but how best to provide it. The administration plan, which the Senate rejected, proposed to tax all workers under social security, their employers, and the self-employed so as to pay a small portion of the medical expenses of the aged 65 years and over, regardless of their financial need for such aid. This was the administration plan: 90 days of hospitalization per illness, toward which patients pay a minimum of $20 and maximum of $90; 180 days in hospital-affiliated nursing homes; 240 home health visits per year, plus outpatient diagnostic service toward which patients would pay $20 per study. Or, a person might continue a private health care plan with the Federal Government reimbursing the private insurance carrier for the health services actually performed.

To pay for this program, social security taxes would be increased by one-fourth of 1 percent on employees and a like amount on employers. In addition, maximum wages against which the tax would apply would be increased to $5,200 (now $4,800). Costs for 2½ million persons not under social security or railroad retirement would be paid out of the U.S. Treasury. The Democratic Senator who coauthored the Kerr-Mills law pointed out the administration plan "would not provide doctors' care * * * surgeons' care * * * private nursing services * * * physical therapy and related services except those customarily provided in a hospital * * * dental services, laboratory, and X-ray services except those customarily provided in a hospital * * * drugs, eyeglasses, and dentures, except drugs customarily provided in a hospital or nursing home. It would not provide diagnositic or screening and preventive services, except outpatient services * * * (or) any of the medical care or remedial care recognized under State law."

TWENTY REASONS WHY I VOTED AGAINST THE ADMINISTRATION PLAN

1. It gave too little to those who need help, covering only an estimated 18 to 30 percent of the average medical expenses of the aged. This would leave the elderly to pay from 70 to 82 percent of their medical bills.

2. It provided medical payments for those who need no help whatsoever.

3. It put the burden of costs solely on wage earners and employers, regardless of their income or ability to pay. The proposed social security tax is a regressive tax. It would hurt most those in the lowest wage brackets. Fifty-three percent of America's workers earn less than $5,000 a year. The $5,000-a-year clerk would pay as much tax as the $50,000 corporation president.

4. Even those of the blind, the handicapped, the domestic worker, and the farm workers who pay social security taxes would be taxed to pay for health care of the well-to-do.

5. It would let 40 percent of all taxable income in the United States escape any responsibility whatsoever to help in this problem, including the income of 9 million American workers not in the social security system. Medical care for the aged is a national problem and should be financed by all the American people on the basis of ability to pay.

6. The administration's health insurance fund, like the present social security fund, would soon face large deficits. The taxes collected would be for less than the costs of the program. The present social security fund is now facing a deficit of $320 billion—more than the entire Federal debt incurred mainly in three major wars.

7. It would not give any assistance whatsoever to the 9 million workers who are not now covered by social security when they reach age 65.

8. Only token aid was included toward diagnostic and preventive care, which is the real need of our senior citizens if they would avoid long illness. The average hospital stay of an elderly person is less than 15 days.

9. It was limited mainly to hospital and nursing home care and would further burden already overcrowded facilities.

10. Its nursing home benefits were a mockery, for only 500 nursing homes in all America could have qualified; only one in Hawaii. Under Kerr-Mills, 20,000 nursing homes qualify.

11. It would prove far more costly than the administration estimated, requiring another increase in social security taxes. The social security's chief actuary stated that, by 1964, when the administration's benefits were to take effect, one of three things must be done: apply the tax against a greater portion of wages, or increase the amount patients must pay toward hospital care, or decrease the number of days of hospitalization.

12. Because it included aged persons who do not need financial aid for medical expenses, it forced health care benefits for those who need aid to be very skimpy. If medicare is confined to those who need it, much more liberal care can be financed with the same amount of money.

13. It would eventually extract 20 percent of workers' wages to pay for ever-mounting costs of this program. When benefits go up, costs go up and social security taxes on workers would have to go up. In Belgium, the health insurance tax is now 16 percent; in France, 19½ percent; and in Italy and West Germany, 23.6 percent.

14. It would inevitably expand to include all ages and all kinds of medical care and therefore would lead to government control of medicine, doctors, hospitals, nursing homes, and patients. In Britain, where the Government controls the medical system, patients are not allowed to choose their hospital doctors.

15. It would discourage building of hospitals. Since 1948, under Britain's socialized medicine, only one new hospital was built; but 724 hospitals were built in America. People cannot get into British hospitals without waiting, except in extreme emergencies.

16. It would discourage young people from the study of medicine, as U.S. surveys have shown. In Britain, there is one doctor for every 1,149 persons; in America, one for every 750 persons.

17. It might cause doctors to leave our country. Some 500 to 600 doctors leave Britain every year to practice where medicine is not run by the government.

18. It would lower the standards of medicine. For example, our private medical system has produced 60 new drug discoveries since 1940. In Great Britain, France, West Germany, and Switzerland, with a combined population approximating our own, but with Government-controlled medical systems, only 29 new drugs were discovered since 1940. In Italy, which also has Government-controlled medicine, not one new drug was produced in 20 years.

In America, we have the finest medical system in the world. I am sure every American wants to keep it that way. The administration plan would jeopardize our medical system.

19. It is a compulsory plan. The White House Conference on the Aging said in its report last year, "Compulsory health care inevitably results in poor quality health care."

20. It was not a pay-as-you-go plan. This means that young people and future generations would pay a disproportionate tax which would prove very burdensome.

BIPARTISANSHIP DEFEATS PRESIDENT'S PROPOSAL

Among the 52 Senators voting to table (kill) the administration plan were the chairmen of 10 major Senate committees (all members of the President's party), a former Democratic candidate for the Vice Presidency, and the Secretary of the Democratic conference in the Senate. The latter said the administration plan "does not provide the range, nor the quality, nor the extent of medical care needed when elderly people need it."

The Democratic chairman of the Senate Appropriations Committee (who was serving in Congress before the President was born) said: "I was not satisfied that the measure as presented was sound actuarially." The Democratic chairman of the Senate Finance Committee called the administration's plan "a misguided effort which could disappoint them (the elderly) and impose hardship on their children."

MY MEDICAL PLAN FOR THE AGED

Every medical care plan should offer benefits to fit the needs of elderly persons; should go only to those needing assistance; should spread the cost burden fairly among American taxpayers according to their ability to pay; should be State administered; and should not impede medical progress in America.

Since no one would have received any benefits whatsoever from the administration plan until 1964, there is still time for Congress to enact sound legislation.

In the meantime, we have this assurance given by Hawaii's director of social services, Mrs. Myrtle Ward, in answer to my letter: "We do not know of any case in the State of Hawaii in which a person requiring medical care who, because of his inability to pay for this care, has not been able to secure necessary care. The reason for the above statement is the fact that in our State persons unable to finance the cost of medical assistance themselves may apply to the department of social services for assistance in financing this cost."

My plan gives three choices to all persons age 65 or older who did not pay Federal income tax in the preceding year or whose income for Federal tax purposes was no greater than $4,500 (couples) and $3,000 (single persons).

A means test is a time-honored feature of social welfare legislation in America, representing a prudent use of taxpayers' money. Social security laws today require means tests—in such programs as old-age assistance, aid to dependent children, aid to the blind, and aid to the disabled. There is a means test involved in reducing or withholding payment under social security old-age and survivors insurance to those who earn more than a certain amount a year. A means test is in the social security tradition. The administration plan was not.

Under my health insurance plan, it is a simple matter to verify a person's income through his income tax return, a procedure that is both dignified and practical. By establishing this simple income ceiling, my plan would insure that those who need help get help.

Inasmuch as 80 percent of Americans in this age bracket pay no Federal income tax each year, clearly millions of the aged would automatically qualify for the generous benefits under my plan, provided of course they were not receiving old-age or Kerr-Mills aid.

1. Diagnostic, preventive, short-term illness plan: Statistics show that preventive care is needed more by aged persons than long-term hospitalization. At a minimum, this package toward which the Federal and State Governments would contribute $100 per person, would provide 21 days of hospitalization or equivalent skilled nursing home services; 12 doctors' visits in home or office; diagnostic, laboratory, and X-ray services up to $100; and organized home health care services up to 24 days. For a small fee of $10 to $12.80 a year, a person over 65 would have every cent of these specified services paid for him. He would not have to pay a deductible, nor would he have to share the costs.

Moreover, States could expand this preventive plan to a maximum package of 45 days of hospital care or equivalent nursing home care; doctors' services for 12 home or office visits; total costs for ambulatory, diagnostic laboratory and X-ray services; and 135 days of home health care services. The Federal and State Governments together would contribute $128 toward the maximum package.

2. Long-term major illness plan: At a minimum, this would provide, after the deductible of $175 (if single) and $300 (if married), 80 percent of the costs of 120 days of hospitalization; up to 365 days of nursing home services; surgical services provided in a hospital; full home health care services. Again, the Federal and State Governments would share the cost of this plan up to $100 per person per year.

MY MEDICAL PLAN FOR THE AGED

A State could expand the long-term illness plan to include 80 percent of the costs beyond the deductible so as to provide 180 days of hospitalization; full nursing home services; surgical services provided in a hospital, office, or home; full home health care service; the first $200 of laboratory and X-ray services; the first $350 of prescribed drugs; and other physicians', major dental, and private duty nurse services. Federal and State Governments combined would contribute $128 per person per year.

Such a comprehensive long-term package would benefit persons who are worried about a major illness which would hospitalize them for a long time or would require a long convalescence either in a nursing home or in their own home.

3. Private insurance: In the case of persons wanting private health insurance, the Federal and State Governments combined would pay up to one-half the yearly premium up to a maximum of $60. In other words, if a private insurance policy cost $120 a year, the Federal and State Governments together would pay $60 of that, and the individual would pay the balance.

Costs: My plan would be financed out of general revenues of the Treasury consisting primarily of income taxes levied on American taxpayers according to their ability to pay. For minimum benefits, the Federal share was estimated at $420 million a year; the 50 States share, $455 million. For maximum benefits, the Federal share was estimated at $520 million; the 50 States share, $550 million.

If you wish further details about my health insurance plan, please write me.

CONSCIENCE DEMANDS DIGNIFIED CARE OF AGED

All of us want to provide proper medical care for our elderly citizens, those who arrived on this earth before us and to whom we owe so much.

As they reach their sunset years, and as others reach them tomorrow, next year, and the years to come, their security and dignity is on our conscience.

Now in the twilight of their years, some of our senior citizens are in need of assistance and it is, and will continue to be, the responsibility of all of us to see that they get it.

We must see to it that they enjoy their remaining years in peace and dignity, not as wards of the Federal Government, but as free citizens—able to live their lives in gracious fulfillment.

A STARTLING FACT

If, instead of paying the administration-proposed maximum health insurance tax of $27.50 a year, a worker from age 20 to age 65 deposited $27.50 each year for 45 years at 4¾ percent interest compounded quarterly, he would wind up with a nice nest egg of $4,093.78.

If he continued to invest the $4,093.78 at 4¾ percent, he could pay for an excellent medical care insurance policy not only for himself, but his family, too, with the $194 in interest on his savings each year. He could buy far better coverage than the administration plan provided for those age 65.

Most startling of all, after he dies, his nest egg of $4,093.78 would go to his family. Should he die before age 65, say at age 60, his family would inherit his savings of $3,126.16. Under the administration plan he builds no nest egg. Actually, the administration will have consumed his goose.

Mr. RUSSELL. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

[No. 306]

Bartlett
Bible
Boggs
Burdick
Carlson
Case
Church
Cotton
Curtis
Ellender
Fong
Hartke
Hayden
Holland
Hruska
Humphrey
Javits
Jordan, N.C.
Keating
Kerr
Lausche
Long, Hawaii
Long, La.
Mansfield
Metcalf
Morse
Mundt
Muskie
Pell
Proxmire
Randolph
Russell
Saltonstall
Smith, Mass.
Smith, Maine
Talmadge
Wiley
Williams, Del.
Yarborough
Young, Ohio

Mr. HUMPHREY. I announce that the Senator from Colorado [Mr. CARROLL], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Pennsylvania [Mr. CLARK], the Senator from Mississippi [Mr. EASTLAND], the Senator from California [Mr. ENGLE], the Senator from Tennessee [Mr. GORE], the Senator from Michigan [Mr. HART], the Senator from Alabama, [Mr. HILL], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Washington [Mr. MAGNUSON], the Senator from Minnesota [Mr. MCCARTHY], and the Senator from Michigan [Mr. MCNAMARA] are absent on official business.

I further announce that the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Alaska [Mr. GRUENING], the Senator from Wyoming [Mr. HICKEY], and the Senator from Missouri [Mr. LONG] are necessarily absent.

Mr. KUCHEL. I announce that the Senator from Vermont [Mr. Aiken], the Senator from Utah [Mr. Bennett], the Senator from South Dakota [Mr. Bottum], the Senator from Indiana [Mr. Capehart], the Senator from Arizona [Mr. Goldwater], the Senator from Idaho [Mr. Jordan], the Senator from Kentucky [Mr. Morton], the Senator from Kansas [Mr. Pearson], and the Senator from Texas [Mr. Tower], are necessarily absent. The Senator from New Hampshire [Mr. Murphy] is detained on official business. The Senator from Iowa [Mr. Hickenlooper] is absent by leave of the Senate.

The Senator from Colorado [Mr. Allott] is absent by leave of the Senate on official business as a U.S. representative to the General Assembly of the United Nations.

The PRESIDING OFFICER (Mr. Pell in the chair). A quorum is not present.

Mr. MANSFIELD. Mr. President, I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms will execute the order of the Senate.

After a little delay Mr. Anderson, Mr. Beall, Mr. Bush, Mr. Butler, Mr. Byrd of Virginia, Mr. Byrd of West Virginia, Mr. Cannon, Mr. Cooper, Mr. Dirksen, Mr. Dodd, Mr. Douglas, Mr. Ervin, Mr. Jackson, Mr. Johnston, Mr. Kuchel, Mr. McCarthy, Mr. McClellan, Mr. McGee, Mr. Miller, Mr. Monroney, Mr. Moss, Mrs. Neuberger, Mr. Pastore, Mr. Prouty, Mr. Robertson, Mr. Scott, Mr. Smathers, Mr. Sparkman, Mr. Stennis, Mr. Symington, Mr. Thurmond, Mr. Williams of New Jersey, and Mr. Young of North Dakota entered the Chamber and answered to their names.

The PRESIDING OFFICER. A quorum is present.

Is there further morning business?

Mr. McCLELLAN. Mr. President, I submit a resolution, and ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER. The resolution will be read.

The legislative clerk read the resolution (S. Res. 411), as follows:

Whereas a criminal case entitled *United States of America* v. *Fruehauf, et al.*, is pending in the United States District Court for the Southern District of New York; and

Whereas the Department of Justice has requested that Carmine S. Bellino, former accountant-consultant to the Select Committee on Improper Activities in the Labor or Management Field, appear as a witness during the trial of the aforementioned criminal case; and

Whereas the Department of Justice has requested certain documents of the said former Select Committee on Improper Activities in the Labor or Management Field to be used in connection with the aforementioned criminal proceeding; and

Whereas the Senate Permanent Subcommittee on Investigations of the Committee on Government Operations, has in its possession, by virtue of Senate Resolution 255, section 5, 86th Congress, the files and records of the former Senate Select Committee on Improper Activities in the Labor or Management Field, including those requested by the Department of Justice in connection with the aforementioned criminal proceeding; and

Whereas by the privileges of the Senate of the United States no document under the control and in the possession of the Senate of the United States can, by the mandate of processes of the ordinary courts of justice be taken from such control or possession but by its permission; and

Whereas by the privilege of the Senate and by rule XXX of the Standing Rules of the Senate, no document shall be withdrawn from its files except by the order of the Senate; and

Whereas information secured by the staff employees of the Senate pursuant to their official duties as employees may not be revealed without the consent of the Senate: Therefore, be it

Resolved, That Carmine S. Bellino, former accountant-consultant of the Senate Select Committee be authorized to appear and testify at the aforementioned trial; and be it further

Resolved, That the chairman of the Permanent Subcommittee on Investigations of the Committee on Government Operations is authorized to comply with the aforesaid requests and deliver the requested documents in the possession of the said subcommittee to the Department of Justice, for use in the aforementioned trial; and be it further

Resolved, That during the periods of time that the Senate is in adjournment sine die, the chairman of the said subcommittee is authorized, in his discretion, to comply with such further requests as might be received from the parties in the aforementioned litigation which might call for the testimony of former staff members of said select committee or for the production of further documents in the possession of the said subcommittee, so that the ends of justice shall be met thereby.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection the Senate proceeded to consider the resolution.

Mr. McCLELLAN. Mr. President, there is now pending before the U.S. District Court for the Southern District of New York, a criminal case entitled "United States against Fruehauf, et al," charging the defendants with violation of the Taft-Hartley Act.

By letter of October 2, 1962, the Department of Justice has advised me, as chairman of the Committee on Government Operations, that it will be necessary for Mr. Carmine S. Bellino, former accountant-consultant to the Senate Select Committee on Improper Activities in the Labor or Management Field, to testify at the trial of this case and further that certain documents from the files of the select committee will be required as evidence during the trial.

As Senators know, by Senate Resolution 255, section 5, 86th Congress, 2d session, the files of the former select committee have been placed in the custody of the Permanent Subcommittee on Investigations of the Committee on Government Operations.

On behalf of the Committee on Government Operations I am submitting this resolution, the purpose of which, under existing Senate rules, is to permit Mr. Bellino to testify at the aforementioned trial and to release to the Department of Justice those documents of the former select committee which will be necessary for these criminal proceedings.

I ask that this resolution be agreed to.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 411) was agreed to.

BORROWING AUTHORITY OF THE DISTRICT OF COLUMBIA

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

Under the order entered yesterday the Chair lays before the Senate S. 3313, to authorize an increase in the borrowing authority for the general fund of the District of Columbia, upon which bill and the pending amendment thereto debate is limited to 10 minutes, equally divided and controlled by the Senator from Oregon [Mr. Morse] and the majority leader.

The Senate resumed the consideration of the bill.

Mr. MORSE. Mr. President, I ask for the yeas and nays on my amendment.

The yeas and nays were ordered.

Mr. MANSFIELD. Mr. President, notwithstanding the fact that the unanimous-consent agreement is in effect, I ask that the Senator from New York [Mr. Javits] may proceed for 5 minutes without the time being charged to either side.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

THE SITUATION IN MISSISSIPPI

Mr. JAVITS. Mr. President, I invite the attention of the Senators to some news accounts which I believe deserve the strictest attention by the Senate. It is the news that Senate investigators have been sent to Mississippi purportedly by the Committee on the Judiciary and a subcommittee of the Armed Services Committee, headed, respectively, by the Senators from Mississippi [Mr. Eastland and Mr. Stennis], allegedly to investigate the situation there incident to the dreadful and most deplorable violence which occurred in the effort to bring about enforcement under a court order.

I ask unanimous consent that the news report in this morning's New York Times be inserted in the Record at this point in my remarks.

There being no objection, the report was ordered to be printed in the Record, as follows:

Senate Investigators Sent to Mississippi

Washington, October 3.—Investigators for two Senate committees have been sent to Oxford, Miss., to look into the situation created by the troop-enforced admission of a Negro to the formerly all-white University of Mississippi. In Jackson, Miss., the State senate was asked to authorize a State legislative investigation into rioting at the university.

The chairman of the Judiciary Committee of the U.S. Senate, James O. Eastland, Democrat, of Mississippi, sent two members of his committee staff to Oxford to survey conditions there. They were L. P. B. Lipscomb and Frank W. Schroeder.

Senator John Stennis, Democrat, of Mississippi, chairman of the Senate Preparedness Investigations Subcommittee, a unit of the Senate Armed Services Committee, sent James T. Kendall to the university town.

Both Mr. Kendall and Mr. Lipscomb are natives of Mississippi, Mr. Kendall coming from Jackson and Mr. Lipscomb from Meridian. For 10 years Mr. Kendall was an assistant attorney general of Mississippi.

Neither Senator was immediately available for comment. Aids reported they had received complaints from Mississippi that civil liberties were being violated by troops and U.S. marshals sent to Oxford to preserve order.

Senator HARRY F. BYRD, Democrat, of Virginia, has charged collusion between the White House and the Federal courts in breaking the racial barrier at the university.

MOVE SURPRISES KEATING

Senator EASTLAND previously announced that the Judiciary Committee would investigate all events at the university "since U.S. marshals and Army troops moved in" to enforce court orders for the enrollment of James H. Meredith, a Negro. Mr. EASTLAND invited Mr. STENNIS to join him.

Mr. Lipscomb is a staff attorney for the Judiciary Committee; Mr. Schroeder is chief investigator for the Senate Internal Security Subcommittee, a unit of the Judiciary Committee, and Mr. Kendall is chief counsel of the Preparedness Subcommittee. All three left for Mississippi last night.

Senator KENNETH B. KEATING, Republican, of New York, a member of the Judiciary Committee, said that he had been surprised by the action. He said he was informed last night that no investigation had been started.

"I hope this investigation will not be limited to protecting the Governor of Mississippi and other State officials," Senator KEATING said. "I hope it will be extended to show the need for some of the civil rights legislation that has been slumbering in Chairman EASTLAND's committee."

Senator BYRD spoke yesterday in the Senate speech, criticizing President Kennedy's use of troops, and asking:

"Where, and under what circumstances, will the Government of the United States next use military force against our own people to enforce Federal court orders"?

"The use of military force for such purposes," the Virginian said, "is even more offensive to our form of government when elements of the judicial branch are obviously acting, not independently of, but in collusion with the executive branch, which commands the military force."

Senator BYRD declared that the collusion was evident "by the nature of Department of Justice activity before Federal courts and judges involved, which is being reflected in the detail of an increasing number of orders and decrees they issue."

He said that an adherence to "checks and balances, and division of power on which our system of government rests," might have spared bloodshed.

Asked for a comment on the Mississippi situation, Vice President JOHNSON, a Texan, said, "Our Government cannot long endure unless responsible Americans abide by the decisions of our courts."

JOHNSON UPHOLDS KENNEDY

The real issue was stated by the President Sunday night "when he called upon the people to comply with the decision without violence," he said.

Senator EASTLAND's planned investigation drew a protest yesterday from Clarence Mitchell, director of the Washington bureau of the National Association for the Advancement of Colored People.

He sent a telegram to the Senate Republican leader, EVERETT MCKINLEY DIRKSEN, and some members of the Judiciary Committee. Mr. Mitchell urged that Senator EASTLAND be blocked from using the committee "as a propaganda weapon to promote or defend unconstitutional conduct."

Mr. JAVITS. I call the attention of the Senate to the headline, "Senate Investigators Sent to Mississippi." I assume a similar headline appears in newspapers throughout the country.

Note that it is the Senate which appears from this headline to have sent investigators. However, so far as I know, neither the committee nor the subcommittee has acted. Neither has authorized any investigators to be sent. The sending of investigators must, as we all know, have an effect upon the people of Mississippi and the people of the Nation in respect to the validity and propriety of the acts of the President, who has the grave responsibility of enforcing the laws of the United States.

In an incendiary situation of this nature, the sending of investigators to a State and to the particular location where these events have taken place is not something which can be dismissed as a normal prerogative of a subcommittee chairman or a committee chairman. There is no reason why the Senate should not investigate a situation so dangerous and incendiary as that in Oxford, Miss., where 10,000 Federal troops are still present to keep order. But, even if the whole Senate does not act, I think we have a right to know at the very least, what the Committee on the Judiciary and the subcommittee of the Committee on Armed Services think about it.

It seems to me there is a real defect in this situation with respect to the rules of the Senate and the rules which govern committees. This situation has been referred to many times. The question whether a chairman will or will not consult with his committee is left completely in the discretion of the chairman. This is a very unsatisfactory situation. Section 134(a) of the Legislative Reorganization Act of 1946 authorizes each standing committee of the Senate and its subcommittees to "make investigations into any matter within its jurisdiction." But neither the act nor the Senate rules specifies what constitutes action by a committee or a subcommittee. This has been left entirely to the committees themselves rather than as I have long maintained, being governed by uniform published rules applicable to all committees and subcommittees. So far as can be determined, the Senate Judiciary Committee has seen fit to publish no rules whatever on the subject. The Armed Services Committee has published standing orders, apparently governing hearings but not investigations. It is noteworthy that those standing rules require specific authorization by the committee or a subcommittee before a "hearing on an investigation shall be initiated" and require the majority vote of the committee or a subcommittee before hearings may be scheduled outside the District of Columbia.

Particularly in the present explosive situation, there ought at least to be the concurrence of the committees in question before an investigation can be initiated. I do not say that if the committee had concurred, I would not be the first to rise and assert their authority to do so. That is quite right and proper. But in this instance, the action by the committee and subcommittee chairmen, considering that both Senators come from the particular State in question was an unwise action to take.

In any case, wise or unwise, I think it is important to pinpoint the fact that the action was not the action of the Senate of the United States, notwithstanding the headlines in the newspapers. This was an assertion of authority by the chairmen of a committee and a subcommittee. Again, I do not question whether or not they had authority; I think that is a question for their committees to decide in default of a change in Senate rules. I do question two things: First, the wisdom of exercising such discretion, if it exists; and second, and very importantly, the complete lack of preparation by the Senate to meet a dangerous situation of this character through the absence of any rule which would compel committee action in the premises.

I thank the Senator from Montana for having time yielded to me.

LEGISLATIVE PROGRAM

Mr. MANSFIELD. Mr. President, I yield myself one-half minute to make an announcement.

Following the disposition of the District of Columbia bill, which is now the pending business, it is proposed to have the Senate consider the public works authorization bill; following that, the highway bill; and following that, conference reports.

BORROWING AUTHORITY OF THE DISTRICT OF COLUMBIA

The Senate resumed the consideration of the bill (S. 3313) to authorize an increase in the borrowing authority for the general fund of the District of Columbia.

Mr. MORSE. Mr. President, I yield myself 4 minutes.

My amendment would increase the borrowing authority for the District of Columbia by $155 million. The District Commissioners have requested an additional $75 million. My amendment provides that $120 million of the $155 million of increased borrowing authority shall be available for school purposes only, and that the $120 million borrowed from the U.S. Treasury for school purposes be interest-free because of the Federal interest involved.

I made my case in support of the amendment at length last night. Senators may read it in the CONGRESSIONAL RECORD. I shall summarize it quickly.

My amendment involves a 10-year projected program to provide the schoolchildren of the District of Columbia with the educational facilities they require. As some Members of the Senate know, there is an educational crisis in the District of Columbia. Yet we find Members of Congress deploring, as I do, the dangerous crime situation in the District of Columbia, a part of which can be traced to the cause-to-effect relationship of the fact that there are thousands of school enrollment dropouts in the District of Columbia.

The District of Columbia has a woefully inadequate educational system. The School Superintendent, as I pointed out in my speech last night, states that some of the school buildings in the District of Columbia are 100 years old. Actually, some of them date back to 1848, and are declared to be unsuitable for the housing of the children who must attend school in them.

The Superintendent of Schools has pointed out many times that there are a large number of potential firetraps among the school buildings now being occupied by students. It is only by the grace of God that thus far there has not been a catastrophe by way of fires in these potential firetraps.

Furthermore, the record shows that there is a long waiting list of retarded children who cannot receive the special assistance that retarded children ought to be receiving in any school system. Many retarded children attend classes in classrooms where they should not be at all.

Another serious problem involves the overcoming of speech defects among children in the District of Columbia schools. There is not sufficient professional service that can be rendered to those children.

Really, in some respects the school system of the District of Columbia is one of the worst for a city of its size in the Nation.

But it is said that we must economize. Mr. President, it is false economy for us to seek to economize on providing educational services which the boys and girls of the District urgently need. We have a clear duty to make certain that sufficient educational facilities are provided during the next decade and even beyond that. The $120 million borrowing authority is needed to do that.

But, it is asked, What will that do to the tax structure of the District of Columbia? What will happen to the financial structure of the District of Columbia?

The District of Columbia Commissioners oppose my amendment. They oppose it not on its merits, but with respect to the fiscal consequences. The sad fact is that the Federal Government contributes only approximately 11 percent as the Federal contribution to the operation of the District of Columbia. There is no question that history shows that the constitutional fathers committed the Federal Government to a 50-percent payment. That commitment was kept for decades; then the contribution dropped to 40 percent. Now it is down to approximately 11 percent.

The question is simple: Does Congress really want to put a dollar sign ahead of the educational welfare of the thousands of boys and girls in the District of Columbia, who the School Board and the School Superintendent tell us are suffering as a result of the unfortunate educational crisis in the District of Columbia? Or do we wish to put human values above the dollar sign? The question is that simple.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed, without amendment, the bill (S. 2928) for the relief of Seymour K. Owens.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H.R. 13273. An act authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes; and

H.R. 13290. An act making supplemental appropriations for the fiscal year ending June 30, 1963, and for other purposes.

HOUSE BILL PLACED ON CALENDAR

The bill (H.R. 13273) authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes, was read twice by its title and placed on the calendar.

SUPPLEMENTAL APPROPRIATIONS FOR FISCAL YEAR ENDING JUNE 30, 1963

The PRESIDING OFFICER laid before the Senate the bill (H.R. 13290) making supplemental appropriations for the fiscal year ending June 30, 1963, and for other purposes, which was read the first time by its title.

Mr. RUSSELL. Mr. President, under rule XIV, I object to the second reading today.

The PRESIDING OFFICER. The bill will go over for 1 day.

BORROWING AUTHORITY OF THE DISTRICT OF COLUMBIA

The Senate resumed the consideration of the bill (S. 3313) to authorize an increase in the borrowing authority for the general fund of the District of Columbia.

Mr. SMITH of Massachusetts. Mr. President, I should like to explain why the amendment offered by the Senator from Oregon was not adopted by the full Committee on the District of Columbia during its executive meeting of July 24, and why it is recommended that the Senate enact the bill without this amendment.

Senator MORSE's proposal would increase the borrowing authority for the District by $155 million rather than an additional $75 million. The Morse amendment also provides that $120 million requested borrowing authority will be earmarked for educational purposes and that such portion so designated shall be borrowed from the U.S. Treasury without interest.

The Commissioners for the District have advised the committee that any increase in the borrowing authority in excess of $75 million could impair what has been determined to be the safe debt limit for the District. The Fiscal Affairs Subcommittee was informed that the request for an additional $75 millon loan authority is within the limits of debt which may be safely incurred by the District.

The Commissioners informed the committee that their policy in regard to limit of indebtedness provides that the aggregate of indebtedness should not exceed 12 percent of the average assessed value of the real and personal property of the District. This is the equivalent of a rate of 6.6 percent based on full valuation of taxable real and personal property.

It is perfectly clear that under the Commissioners' formula an increase of $155 million in the borrowing authority would far exceed the 12-percent limit of indebtedness which the Commissioners consider to be the safe limit.

Mr. President, I believe the Senate should face up to realistic fiscal responsibility and not saddle the District government with fiscal spending that it cannot cope with. It is high time that we give the views of the District Commissioners on fiscal spending some serious consideration.

The Senator from Oregon has argued that the District schools are deficient in personnel. This contention is not surprising, as it is human nature to want the best of everything for our educational school systems.

I agree with the Senator from Oregon that we need more counselors and other personnel. However, I differ with him in the manner in which their cost should be financed. An increase in the borrowing authority should not be used to pay the salaries of school personnel. Borrowing authority is solely for the purpose of constructing schools and other capital outlay projects. The Senator from Oregon [Mr. MORSE] has made a case for a greater Federal payment. I, as well as other members of the Senate District Committee, only too happily support him in this request. I personally am of the view that the Federal payment should be at least $40 million. If such a sum could be obtained, it could well support the costs incident to increasing the District's teaching staff.

I should like to point out that any expansion in the District's construction program through increased borrowing authority would mean increased operating costs that would add millions of dollars to the District budget.

In this connection, allow me to review the District's fiscal situation.

During this session, the Senate has added approximately $11 million to the operating costs of the District government. This has resulted from legislation providing salary and retirement increases to policemen, firemen, and schoolteachers.

In the fiscal year 1963, the deficit of the District government may only total $4 million; however, the deficit in 1964 could total as much as $20 million. The only way that this deficit can be offset is to increase the Federal payment or increase the taxes of the people of the District of Columbia.

I submit that the latter is not a happy solution. The District was given a heavy tax increase in 1961; and any more could cause an imbalance with the surrounding county governments. A continued imbalance could cause many businesses and industries to relocate outside the District.

With regard to proposed education plans in the District, the Senate District Committee has been informed that since 1959, 13 elementary and junior high schools have been authorized for construction in the District. There has also been authorized the construction of 22 additions to other District schools. Sixteen are now in use, and 3 are under construction. This construction will provide increased capacity for 18,000 pupils.

In furtherance of this progressive school construction program, the Commissioners have approved a plan which will provide for 10 new schools and 9 additions to existing school facilities in the 1964–68 period.

The Commissioners have programed $142 million for this proposed work. A large part of it will be financed through the $75 million borrowing authority now contained in the committee's recommended bill.

Upon completion, pupil capacity will be increased by 13,000 spaces. Thus, we can see that the District has been hard at work in improving the educational facilities of the District.

Mr. President, during this week the Senate passed a salary bill which will place the salaries of the District teachers second to the highest among all the school districts of the United States. The pay schedule for the schools in the city of New York is the only one that will top the District's pay schedule.

It seems to me that dedicated, competent, and experienced teachers are far more important than the school facility. I think Senators will agree that some of our greatest scholars and leaders went to old-fashioned country schools.

Mr. President, I have tried to explain that the borrowing authority of the District of Columbia, as in the case of any other municipality, is not unlimited; and if excessive borrowing were done, it could impose an undue burden on the financial posture of the city government.

I submit that the District Commissioners, in resisting any greater borrowing authority than $75 million, are endeavoring to pursue fiscal procedures that will provide a safe limit to the District's borrowing authority. In view of what has heretofore been stated, I believe we should assist them in this goal.

Mr. President, I respectfully urge my colleagues to join with me in passing this bill without amendment.

So, Mr. President, I strongly urge that the amendment of the senior Senator from Oregon be rejected.

Mr. LAUSCHE. Mr. President, will the Senator from Massachusetts yield for a question?

The PRESIDING OFFICER. The time available to the Senator from Massachusetts has expired.

Mr. SMITH of Massachusetts. Mr. President, I would be happy to yield if I had any time remaining.

The PRESIDING OFFICER. The time of the Senator from Massachusetts has expired.

The Senator from Oregon has 1 minute remaining.

Mr. MORSE. Mr. President, in the 1 minute which remains available to me, I must answer the Senator from Massachusetts.

I must say that all of the program the Senator from Massachusetts has outlined would be a part of the program under the amendment I am offering. Let us not forget that my amendment is for the program which has been unanimously recommended by the District of Columbia Board of Education and the Superintendent of Schools of the District of Columbia. Many of the requests are justified by the Strayer survey in 1949. The Strayer survey shows what a crisis there is in the educational system in the District of Columbia.

The question is whether Congress will authorize the borrowing of the money needed to construct the facilities which are required in order to provide the necessary assistance and facilities to the schoolchildren of the District of Columbia, and to do it now, and then to proceed to work our way toward paying back the money during the next 10 years.

I wish to say that from the standpoint of the human values involved, and from the standpoint of the social conditions existing in the District of Columbia, we cannot afford to try to save money.

The PRESIDING OFFICER. Under the unanimous-consent agreement, all available time on the amendment of the Senator from Oregon has expired.

The question is on agreeing to the amendment of the Senator from Oregon. On this question, the yeas and nays have been ordered; and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Colorado [Mr. CARROLL], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Pennsylvania [Mr. CLARK], the Senator from Mississippi [Mr. EASTLAND], the Senator from California [Mr. ENGLE], the Senator from Tennessee [Mr. GORE], the Senator from Michigan [Mr. HART], the Senator from Alabama [Mr. HILL], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Washington [Mr. MAGNUSON], the Senator from Minnesota [Mr. MCCARTHY], and the Senator from Michigan [Mr. MCNAMARA] are absent on official business.

I further announce that the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Alaska [Mr. GRUENING], the Senator from Wyoming [Mr. HICKEY], and the Senator from Missouri [Mr. LONG], are necessarily absent.

On this vote, the Senator from Colorado [Mr. CARROLL] is paired with the Senator from Utah [Mr. BENNETT]. If present and voting, the Senator from Colorado would vote "yea," and the Senator from Utah would vote "nay."

On this vote, the Senator from Pennsylvania [Mr. CLARK] is paired with the Senator from Indiana [Mr. CAPEHART]. If present and voting, the Senator from Pennsylvania would vote "yea," and the Senator from Indiana would vote "nay."

On this vote, the Senator from Tennessee [Mr. KEFAUVER] is paired with the Senator from South Dakota [Mr. BOTTUM]. If present and voting, the Senator from Tennessee would vote "yea," and the Senator from South Dakota would vote "nay."

On this vote, the Senator from Alaska [Mr. GRUENING] is paired with the Senator from Minnesota [Mr. MCCARTHY]. If present and voting, the Senator from Alaska would vote "yea," and the Senator from Minnesota would vote "nay."

On this vote, the Senator from Michigan [Mr. HART] is paired with the Senator from Idaho [Mr. JORDAN]. If present and voting, the Senator from Michigan would vote "yea," and the Senator from Idaho would vote "nay."

On this vote, the Senator from Michigan [Mr. MCNAMARA] is paired with the Senator from Kansas [Mr. PEARSON]. If present and voting, the Senator from Michigan would vote "yea," and the Senator from Kansas would vote "nay."

Mr. KUCHEL. I announce that the Senator from Vermont [Mr. AIKEN], the Senator from Utah [Mr. BENNETT], the Senator from South Dakota [Mr. BOTTUM], the Senator from Indiana [Mr. CAPEHART], the Senator from Arizona [Mr. GOLDWATER], the Senator from Idaho [Mr. JORDAN], the Senator from Kentucky [Mr. MORTON], the Senator from Kansas [Mr. PEARSON], and the Senator from Texas [Mr. TOWER] are necessarily absent.

The Senator from Iowa [Mr. HICKENLOOPER] is absent by leave of the Senate.

The Senator from Colorado [Mr. ALLOTT] is absent by leave of the Senate on official business as a U.S. representative to the General Assembly of the United Nations.

The Senator from New Hampshire [Mr. MURPHY] is detained on official business. If present and voting, the Senator from Colorado [Mr. ALLOTT] the Senator from Arizona [Mr. GOLDWATER], and the Senator from Texas [Mr. TOWER] would each vote "nay."

On this vote, the Senator from Utah [Mr. BENNETT] is paired with the Senator from Colorado [Mr. CARROLL]. If present and voting, the Senator from Utah would vote "nay," and the Senator from Colorado would vote "yea."

On this vote, the Senator from South Dakota [Mr. BOTTUM] is paired with the Senator from Tennessee [Mr. KEFAUVER]. If present and voting, the Senator from South Dakota would vote "nay," and the Senator from Tennessee would vote "yea."

On this vote, the Senator from Indiana [Mr. CAPEHART] is paired with the Senator from Pennsylvania [Mr. CLARK]. If present and voting, the Senator from Indiana would vote "nay," and the Senator from Pennsylvania would vote "yea."

On this vote, the Senator from Idaho [Mr. JORDAN] is paired with the Senator from Michigan [Mr. HART]. If present and voting, the Senator from Idaho would vote "nay," and the Senator from Michigan would vote "yea."

On this vote, the Senator from Kansas [Mr. PEARSON] is paired with the Senator from Michigan [Mr. McNamara]. If present and voting, the Senator from Kansas would vote "nay," and the Senator from Michigan would vote "yea."

The result was announced—yeas 22, nays 50, as follows:

[No. 307 Leg.]

YEAS—22

Bartlett
Burdick
Case
Dodd
Douglas
Fong
Humphrey
Javits
Long, Hawaii
Long, La.
McGee
Metcalf
Morse
Neuberger
Pastore
Proxmire
Randolph
Symington
Wiley
Williams, N.J.
Yarborough
Young, Ohio

NAYS—50

Anderson
Beall
Bible
Boggs
Bush
Butler
Byrd, Va.
Byrd, W. Va.
Cannon
Carlson
Church
Cooper
Cotton
Curtis
Dirksen
Ellender
Ervin
Hartke
Hayden
Holland
Hruska
Jackson
Johnston
Jordan, N.C.
Keating
Kerr
Kuchel
Lausche
Mansfield
McClellan
Miller
Monroney
Moss
Mundt
Muskie
Pell
Prouty
Robertson
Russell
Saltonstall
Scott
Smathers
Smith, Mass.
Smith, Maine
Sparkman
Stennis
Talmadge
Thurmond
Williams, Del.
Young, N. Dak.

NOT VOTING—28

Aiken
Allott
Bennett
Bottum
Capehart
Carroll
Chavez
Clark
Eastland
Engle
Fulbright
Goldwater
Gore
Gruening
Hart
Hickenlooper
Hickey
Hill
Jordan, Idaho
Kefauver
Long, Mo.
Magnuson
McCarthy
McNamara
Morton
Murphy
Pearson
Tower

So Mr. Morse's amendment was rejected.

Mr. SMITH of Massachusetts. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. MANSFIELD. Mr. President, I move to lay that motion on the table.

Mr. BEALL. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Under the unanimous-consent agreement, no further amendments to the bill are in order. The question is on the engrossment and third reading of the bill.

The bill (S. 3313) was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (b) of section 1 of the Act entitled "An Act to authorize the Commissioners of the District of Columbia to borrow funds for capital improvement programs and to amend provisions of law relating to Federal Government participation in meeting costs of maintaining the Nation's Capital City", approved June 6, 1958 (72 Stat. 183), is amended by striking "$75,000,000" and inserting in lieu thereof "$150,000,000".

Sec. 2. Subsection (f) of section 1 of such Act is amended by striking out "June 30, 1968" and inserting in lieu thereof "June 30, 1972".

ADMINISTRATION OF PUBLIC ASSISTANCE IN THE DISTRICT OF COLUMBIA

Mr. MANSFIELD obtained the floor.

Mr. MORSE. Mr. President, may I have the attention of the majority leader a moment?

Mr. MANSFIELD. Yes.

Mr. MORSE. At the pleasure of the majority leader I should like to ask for consideration of amendments of the House of Representatives to S. 914. I should like to have the Senate accept the House amendments.

Mr. MANSFIELD. The Senator may do so now.

Mr. MORSE. I ask that the Presiding Officer lay before the Senate the amendments of the House of Representatives to the bill S. 914.

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 914) to provide for more effective administration of public assistance in the District of Columbia; to make certain relatives responsible for support of needy persons, and for other purposes, which were, on page 1, line 4, strike out "1961", and insert "1962"; on page 2, strike out line 8; on page 2, strike out line 9, over through and including line 8, on page 3, and insert:

CATEGORIES AND ADMINISTRATION OF PUBLIC ASSISTANCE

Sec. 3. (a) The following categories of public assistance are hereby established:

(1) Old Age Assistance;
(2) Aid to the Blind;
(3) Aid to the Disabled;
(4) Aid to Dependent Children;
(5) General Public Assistance.

(b) This Act shall be administered by the Commissioners who shall—

(1) provide for maximum cooperation with other agencies rendering services to maintain and strengthen family life and to help applicants for public assistance and recipients to attain self-support or self-care;

(2) establish and enforce such rules and regulations as may be necessary or desirable to carry out the provisions of this Act;

(3) cooperate in all necessary respects with agencies of the United States Government in the administration of this Act, and accept any funds, goods, or services payable to the District for public assistance and for administering public assistance;

(4) enter into reciprocal agreements with any State relative to the provision of public assistance to residents and nonresidents.

On page 3, lines 18 and 19, strike out "the Commissioners pursuant to this Act" and insert "this Act: *Provided,* That no persons shall be eligible for old-age assistance established by category number 1, subsection (a) of section 3 of this Act, unless he has resided in the District for five years or more within the nine years immediately preceding application for such assistance, and who has resided continuously therein for one year immediately preceding the said application"; on page 4, strike out lines 3 through 5, inclusive; on page 4, line 7, strike out "on July 1, 1961" and insert "upon enactment"; on page 6, line 16, strike out "sixty" and insert "thirty"; on page 6, line 20, after "necessary" insert ", but in every case the Commissioners shall make such reconsiderations at least once in each year"; on page 10, line 2, after "entitled" insert ", or in excess of that to which he is entitled"; on page 10, line 3, after "sum" insert ", or if continued on assistance, shall have future grants proportionately reduced until the excess amount received has been repaid", and on page 10, line 16, strike out "medical assistance for the aged,".

Mr. MORSE. Mr. President, the amendments of the House of Representatives are acceptable. I move that the Senate concur in the House amendments.

The PRESIDING OFFICER. The question is on agreeing to the motion by the Senator from Oregon.

The motion was agreed to.

INDECENT PUBLICATIONS IN THE DISTRICT OF COLUMBIA—CONFERENCE REPORT

Mr. HARTKE. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4670) to amend the law relating to indecent publications in the District of Columbia. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of today.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. HARTKE. Mr. President, I move that the Senate agree to the conference report.

The PRESIDING OFFICER. The question is on agreeing to the motion by the Senator from Indiana.

The motion was agreed to.

FLOOD CONTROL ACT OF 1962

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 2220, S. 3773.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The Legislative Clerk. A bill (S. 3773) authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion by the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. KERR. Mr. President, the Senate has before it today what I believe to be the second largest public works authorization in history. The bill includes projects for water resources development, flood control, power generation, navigation, beach erosion, and hurricane protection.

Many of the projects include reservoirs for the storage of municipal and industrial water supplies. This is in accordance with the Water Supply Act of 1958. In addition, consideration has been given to, and provision made for, capacity for water to provide quality control and to aid in alleviating the problem of pollution of our streams and waterways. This program has only now been initiated because authority was first provided through amendments in 1961 to the Water Pollution Control Act. These purposes are, of course, in addition to the regular programs to control floods, develop power, improve navigation, and protect our shores.

The Public Works Committee feels that these projects will constitute a prudent investment of Federal funds in permanent improvements believed to be sound from an engineering standpoint, and economically feasible. I would like to point out that the Federal investment in certain multipurpose features of many of the projects will be reimbursed to the Treasury.

The total amount of monetary authorization in the bill, broken down into the major categories is indicated in a table which appears on page 6 of the report.

Mr. President, I ask unanimous consent that the table may be printed in the Record at this point.

There being no objection, the table was ordered to be printed in the Record, as follows:

Monetary summary of bill (cost of new work)

TITLE I.—RIVERS AND HARBORS	
Sec. 101:	
Navigation projects (13)	$376,498,800
Beach-erosion control projects (11)	4,875,000
Monetary authorization (1)	1,000,000
Sec. 105: Illinois and Mississippi Canal (1)	800,000
Sec. 107: Lock and dam No. 3, Big Sandy River, Ky. (1)	200,000
Total, title I (86)	383,373,800
TITLE II.—FLOOD CONTROL	
Sec. 203:	
New projects or project modifications (106)	2,199,492,500
Increased basin authorizations (10)	804,000,000
Sec. 204: Snettisham project, Alaska (1)	41,634,000
Sec. 205: Waurika project, Oklahoma (1)	25,019,500
Sec. 211: Missouri River Basin, Department of the Interior (1)	100,000,000
Total, title II (119)	3,170,146,000
Grand total of bill (205)	3,553,519,800

Mr. KERR. Mr. President, I have a series of amendments which I will offer to S. 3773 which will have the effect of bringing into this bill many of the provisions contained in the House bill, H.R. 13273, which I feel should be accepted by the Senate.

Mr. President, I offer the amendment of which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendments will be stated for the information of the Senate.

The Legislative Clerk. On page 4, between lines 11 and 12, it is proposed to insert the following:

Newark Bay, Hackensack and Passaic Rivers, New Jersey (channels to Port Elizabeth): Modification of the existing navigation project authorized by the River and Harbor Act of 1954 (Public Law 780, 83d Congress), House Document No. 252, is hereby authorized substantially in accordance with the plans being prepared by the Chief of Engineers, subject to the approval of such plans by the Secretary of the Army and the President;

On page 6, between lines 2 and 3, it is proposed to insert the following:

Holt lock and dam, Alabama: The Secretary of the Army is hereby authorized and directed to cause an immediate study to be made under the direction of the Chief of Engineers with a view to providing hydroelectric power generating facilities in said dam, and his report on such study shall be submitted to the Congress by the Secretary of the Army within the first period of ninety calendar days of continuous session of the Eighty-eighth Congress;

On page 13, between lines 10 and 11, it is proposed to insert the following:

Fire Island Inlet and shore westerly to Jones Inlet, Long Island, New York: Modification of the existing beach erosion control project authorized by the River and Harbor Act of 1958 (Public Law 500; Eighty-fifth Congress), House Document Numbered 411, Eighty-fifth Congress, is hereby authorized substantially in accordance with the plans, which will include a sand bypassing system at Fire Island Inlet, being prepared by the Chief of Engineers, subject to the approval of such plans by the Secretary of the Army and the President;

On page 18, between lines 17 and 18, it is proposed to insert the following:

Sec. 105. The Secretary of the Army is authorized to convey 17.94 acres of land located at old lock and dam numbered 7, Ohio River, to the city of Midland, Pennsylvania, after November 1, 1962, for public park and recreation purposes, without monetary consideration but subject to reversion to the United States if not utilized for public park and recreation purposes and further subject to such flowage rights as may be necessary in the operation of the New Cumberland lock and dam, Ohio River.

On page 18, line 18, it is proposed to strike out "Sec. 105." and to insert in lieu thereof "Sec. 106."

On page 19, line 6, it is proposed to strike out "Sec. 106." and to insert in lieu thereof "Sec. 107."

On page 19, line 15, it is proposed to strike out "Sec. 107." and to insert in lieu thereof "Sec. 108."

On page 20, between lines 3 and 4, it is proposed to insert the following:

Sec. 109. The body of water designated as the Redondo Beach Harbor, California, shall be known and designated hereafter as the Redondo Beach King Harbor, California. Any law, regulation, map, document, record, or other paper of the United States in which such body of water is referred to shall be held to refer to it as the Redondo Beach King Harbor, California.

On page 20, line 4, it is proposed to strike out "Sec. 108." and to insert in lieu thereof "Sec. 110."

On page 20, line 24, it is proposed to strike out "Sec. 109." and to insert in lieu thereof "Sec. 111."

On page 31, between lines 9 and 10, it is proposed to insert the following:

The project for flood control and improvement of the lower Mississippi River, adopted by the Act of May 15, 1928, as amended, is hereby modified and expanded to include construction of certain improvements in Gin and Muddy Bayous, Yazoo River Basin, Mississippi, substantially in accordance with plans on file in the Office, Chief of Engineers, subject to the approval of such plans by the Secretary of the Army and the President, at an estimated cost of $150,000.

On page 31, between lines 20 and 21, it is proposed to insert the following:

The lower auxiliary channel, Yazoo River Basin, Mississippi, a unit in the Mississippi River and tributaries project; shall hereafter be known and designated as the Will M. Whittington Auxiliary Channel in honor of the late Member of the House of Representatives from the Third District of Mississippi, and former chairman of the House Public Works Committee. The Secretary of the Army, acting through the Chief of Engineers, U.S. Army, is hereby authorized and directed to erect appropriate markers along the auxiliary channel designating the project "The Will M. Whittington Auxiliary Channel." Any law, regulation, document, or record of the United States in which such project is designated or referred to under the name of lower auxiliary channel, Yazoo River Basin, Mississippi, shall be held and considered to refer to such project by the name of "Will M. Whittington Auxiliary Channel."

On page 33, between lines 6 and 7, it is proposed to insert the following:

The project for the San Gabriel River, Texas, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 602 Eighty-seventh Congress, at an estimated cost of $20,250,000.

On page 44, between lines 13 and 14, it is proposed to insert the following:

The project for the Saline River and tributaries, Illinois, authorized by the Flood Control Act of 1958 (Public Law 85-500) is hereby modified to authorize the Chief of Engineers to adjust the cash contribution required of local interests to such amount as is recommended by the Secretary of the Army and approved by the President.

The PRESIDING OFFICER. Does the Senator from Oklahoma wish to have the amendments considered en bloc?

Mr. KERR. Mr. President, I ask unanimous consent that the amendments may be considered en bloc.

The PRESIDING OFFICER. Is there objection to the request by the Senator from Oklahoma? The Chair hears none; and, without objection, the amendments will be considered en bloc.

Mr. KERR. Mr. President, I ask unanimous consent to have printed in the Record specific language from the House report with reference to the language in the House bill concerning each of the projects with reference to which the amendments would provide modifications.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

NEWARK BAY, HACKENSACK AND PASSAIC RIVERS, NEW JERSEY (CHANNELS TO PORT ELIZABETH)

Location: Newark Bay is an estuary extending southerly from the confluence of the Hackensack and Passaic Rivers to the New York and New Jersey channels. Hackensack River rises in Rockland County, N.Y., and flows generally south about 45 miles into Newark Bay. Passaic River rises in northeastern New Jersey and flows about 80 miles east and south into Newark Bay.

Authority: Resolutions of the Public Works Committee of the U.S. Senate and House of Representatives adopted June 14, 1960, and July 31, 1957, respectively.

Existing project: There is no existing Federal project for channels to Port Elizabeth on the west side of Newark Bay. The existing Federal project channels in Newark Bay, Hackensack and Passaic Rivers connect directly or indirectly with all major channels and water routes within the port of New York as well as all inland coastal and ocean routes served by the port. Approach from the Atlantic Ocean is afforded through Ambrose and Anchorage channels which have controlling depths of 45 feet and the New York and New Jersey channels which have controlling depths of 35 feet.

Navigation flood problem: Local interests request that the channels to Port Elizabeth be incorporated in the Federal navigation project for Newark Bay, Hackensack and Passaic Rivers and assumption by the Federal Government of maintenance of the channels to Port Elizabeth.

Recommended plan of improvement: Modification of the existing project for Newark, Hackensack and Passaic Rivers, N.J., to provide for Federal maintenance to a depth of 35 feet of the channels to Port Elizabeth which have been or are planned to be dredged by the Port of New York Authority or other responsible agency.

Costs and project economics: Based on data in the district engineer's report there are no Federal construction costs for the project. Federal cost for maintenance of the channels is estimated at $230,500 annually. Benefits, based on anticipated savings over a 50-year period have not been completely evaluated; however, since the commerce to the port is anticipated to exceed 8 million tons annually, savings in the order of 2½ cents per ton would be required for its justification. Benefits resulting from provision of the improvement are expected to exceed this figure. The studies made of this project to date indicate that the benefit-cost ratio will be in the order of 2 to 1.

Status: The review report of the district engineer was submitted to the Board of Engineers for Rivers and Harbors for consideration in accordance with existing law. The Board returned the report to the reporting officers for reconsideration relative to the benefit analysis. Accordingly, the report has not been completed and reviewed in accordance with established procedures.

Remarks: The committee has noted that maintenance of the general navigation channels to Port Elizabeth is needed to meet the growing needs of existing and prospective deep-draft commercial traffic moving into the port. Federal assumption of the maintenance cost is justified and is in keeping with that provided in similar projects throughout the Nation.

FIRE ISLAND INLET AND SHORE WESTERLY TO JONES INLET, N.Y., BEACH EROSION CONTROL

Location: The study area is located on the south shore of Long Island, N.Y., and extends a distance of about 15 miles between Fire Island Inlet and Jones Inlet.

Report authorized by: Section 2 of the River and Harbor Act approved July 3, 1930 (cooperative study provisions).

Existing project: The existing Federal beach erosion project authorized July 3, 1958, provides for Federal participation in restoration and protection of the shore from Oak Beach at Fire Island Inlet to Jones Inlet consisting of three dredging operations over a project life of 15 years. The existing Federal navigation project authorized by the River and Harbor Act of 1950 provides a channel through Fire Island Inlet generally 10 feet deep and 250 feet wide, and a 5,000-foot jetty at the west end of Fire Island.

Beach erosion control problem: Continuing erosion of the protective and recreational beach in the study area has progressed in recent years to such an extent that use of the beach is impaired and improvements in the shore-front areas are damaged by storms and subject to possible destruction. Presently authorized protection improvements are inadequate to provide the protection required under existing conditions. The westerly movement of littoral drift into the inlet results in shoaling and shifting of the channel and in the possibility of eventual closure of the inlet unless littoral drift is stopped or bypassed.

Considered plans of improvement: Provide for Federal participation in the construction of a long-term solution of the erosion problem consisting generally of either an offshore breakwater or a jetty extension to trap littoral drift, placement of sand to restore the beach, provision of feeder beach areas to nourish downdrift shores, and periodic transfer of sand from lee of the breakwater or jetty to feeder beaches.

Project cost and economics: At this time the Chief of Engineers is unable to determine definitely costs or economic justifications for the long-term plans. However, studies have advanced sufficiently to indicate that protective measures are warranted and that the anticipated benefits will probably exceed the cost.

Status: The review report of the district engineer has not been completed and reviewed in accordance with established procedures. A preliminary report was submitted by the district engineer, New York district on July 6, 1962, and forwarded by the division engineer on the same date to the Chief of Engineers.

Remarks: The committee has noted that the erosion problem on the south shore of Long Island from Fire Island Inlet to Jones Inlet has been aggravated by the storms of March 1962. The erosion and silting of the inlets is a continuing problem and early solution and remedial measures are essential. It is also noted that unless littoral drift is stopped or bypassed, the inlet eventually may be closed.

GIN BAYOU, YAZOO RIVER, MISS.

Gin Bayou drains an area of about 2 square miles before it traverses the campus of the Mississippi Vocational College. It is a tributary of Muddy Bayou which in turn is a tributary of Quiver River.

Gin and Muddy Bayous have inadequate channel capacities due to obstructions caused by vegetation. In addition, road crossings have inadequate culverts resulting in severe flooding of the campus of the Mississippi Vocational College during periods of heavy rainfall.

In view of the severe damages suffered by the Mississippi Vocational College the committee has seen fit to include language in the bill authorizing a project which is designed to alleviate the present flood and drainage problem.

SAN GABRIEL RIVER WATERSHED, TEXAS

(H. Doc. 591, 87th Cong.)

Location: The San Gabriel River watershed is in east-central Texas immediately north of Austin. The river, formed by the confluence of the North Fork and South Fork at Georgetown, Tex., flows eastward about 62 miles to its junction with Little River, a tributary of Brazos River.

Authority: Resolution of the House Committee on Public Works, adopted July 29, 1955.

Existing project: The authorized, but unconstructed, Laneport Dam and Reservoir at mile 29.7 on San Gabriel River is one of eight such projects in the Brazos River Basin planned to operate as a system for flood control and other water-related purposes. Pertinent data relative to the other seven reservoirs are given in the following tabulation:

Project	Stream	Status
Whitney	Brazos River	In operation.
Belton	Leon River	Do.
Waco	Bosque River	Under construction.
Proctor	Leon River	Do.
Stillhouse Hollow	Lampasas River	Planning underway.
Ferguson	Navasota River	Not started.
Somerville	Yegua Creek	Planning underway.

Problems: Floods occur on the San Gabriel River at any time of the year and contribute substantially to flooding in the lower Brazos River. During the 48-year period, 1903 to 1950, inclusive, 25 floods occurred. The parts of the Little River and Brazos River flood plains affected by floodflows from San Gabriel River consist of about 1,080,000 acres, of which 598,000 are improved agricultural lands, 480,000 acres are unimproved grazing lands, and 2,552 acres are in several communities along the reach. The value of property in these reaches, based on July 1961 prices, is estimated at over $350 million. Average annual damages in the reaches, assuming none of the eight authorized projects in operation, are estimated at $9,703,300. Construction and operation of the eight authorized reservoirs would prevent average annual damages estimated at $4,117,000.

In connection with the studies for this report, the U.S. Public Health Service prepared a report on the alternative cost of conservation storage and on the existing and future needs of municipal and industrial water supply in the area which could be served by storage in the San Gabriel River watershed. The service area extends from the vicinity of Waco to the Freeport-Velasco area, generally within the Brazos River Basin. The report shows that the usage in the service area in 1958 was about 228 million gallons per day and that the needs in the year 2010, exclusive of return flow for reusage, is estimated at 1,102 million gallons per day. In comparison, the report shows the estimated yield from existing and proposed sources (exclusive of the reservoirs being covered in this report) to meet the need in the year 2010 as 603 million gallons per day, including 117 million gallons per day from ground water.

Recommended plan of improvement: The plan of improvement consists of the authorized Laneport Reservoir, which would be modified under existing authority and applicable laws and policies, together with the addition of two recommended upstream reservoirs to be operated in conjunction with Laneport, all to serve the primary purposes of flood control, water supply, fish and wildlife, and recreation. The recommendations of the Chief of Engineers permit discretion regarding the sequence of construction of the authorized Laneport Reservoir and the recommended North Fork and South Fork Reservoirs. Under the plan, the first cost of Laneport Reservoir would be $25,200,000 compared to a cost of $28,700,000 as now estimated, such decrease being the result of certain economies in design and construction now proposed. Also, since local interests would be required to reimburse the United States for project costs allocated to water supply, currently estimated at $10,185,000, the net cost to the United States for Laneport Reservoir would be $15,014,000, or $13,165,200 less than now estimated.

Estimated cost (price level of July 1961):

Cost	Reservoir		Total
	North Fork	South Fork	
Federal	$12,600,000	$7,650,000	$20,250,000

Project economics

	Reservoir		Total
	North Fork	South Fork	
Annual charges:			
Interest and amortization	$473,700	$287,900	$761,600
Operation, maintenance, and replacement	70,300	64,000	134,300
Total	544,000	351,900	895,900
Annual benefits:			
Flood control	582,500	274,300	856,800
Water supply	512,800	273,000	785,800
Fish and wildlife	19,300	19,000	38,300
Recreation	351,700	290,000	641,700
Total	1,466,300	856,300	2,322,600
Benefit-cost ratio	2.7	2.4	2.0

Local cooperation: Pay the United States in accordance with the Water Supply Act of 1958, as amended, the first costs and the annual operation, maintenance, and replacement costs allocated to municipal and industrial water supply storage, presently estimated at $10,077,000 and $62,500, respectively, for the ultimate development; and hold and save the United States free from all water-rights claims resulting from construction and operation of the projects.

Comments of State and Federal agencies:

Department of the Interior: Favorable.

Department of Commerce: Favorable.

Department of Health, Education, and Welfare: Favorable.

Federal Power Commission: Favorable.

Department of Agriculture: No comment.

State of Texas: Favorable.

Comments of the Bureau of the Budget: No objection.

Mr. KERR. In support of the amendments, Mr. President, I wish to say that they relate to approximately $20 million worth of projects which are in the House bill.

However, they provide a basis for reimbursement or participation by the local units which is not acceptable to the Bureau of the Budget. The amendments as introduced have been cleared with the Bureau of the Budget and the Corps of Engineers, and provide language with reference to each of the affected projects approved by the Budget and recommended by the Corps of Engineers. I ask that the amendments be considered en bloc.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Oklahoma? The Chair hears none, and it is so ordered.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. KERR. I yield.

Mr. PROXMIRE. I misunderstood the Senator. I was a little confused in the Senator's presentation. Did the Senator say that the Budget Bureau approves the amendments or disapproves them with reservations?

Mr. KERR. It approves them without reservation.

Mr. PROXMIRE. I thank the Senator.

The PRESIDING OFFICER. The question is on agreeing to the amendments offered by the Senator from Oklahoma.

The amendments were agreed to.

Mr. KERR. Mr. President, I send to the desk an amendment on page 17, line 3, of the bill, and an amendment on page 17, line 22 and line 24 of the bill.

The PRESIDING OFFICER. The amendments of the Senator from Oklahoma will be stated.

The CHIEF CLERK. On page 17, line 3, it is proposed to delete "heretofore or"; and on page 17, line 22, after the word "protection", delete the remainder of line 22 and 23, and to "and" on line 24.

Mr. KERR. Mr. President, the purpose of the amendment is to conform our authorization to an amendment to the future authorization provision in the bill in order to eliminate the objection made on the floor of the House in the form of a point of order against language in the House bill which was similar to the language in the Senate bill. With those amendments, the language would not then be subject to a point of order.

The PRESIDING OFFICER. The question is on agreeing to the amendments offered by the Senator from Oklahoma.

The amendments were agreed to.

Mr. KERR. Mr. President, I understand that the distinguished Senators from Hawaii [Mr. FONG and Mr. LONG] wish to propose an amendment.

Mr. LONG of Hawaii. Mr. President, on behalf of my colleague [Mr. FONG] and myself, I propose an amendment on page 13, between lines 6 and 7.

The PRESIDING OFFICER. The amendment offered by the Senator from Hawaii will be stated.

The CHIEF CLERK. On page 13, between lines 6 and 7 it is proposed to insert the following:

The project for Hilo Harbor, Hawaii, authorized by Public Law 645, 86th Congress, is hereby modified to provide for adjustment of the cash contribution required of local interests in accordance with recommendations by the Secretary of the Army and approved by the President.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Hawaii [Mr. LONG] for himself and his colleague [Mr. FONG].

The amendment was agreed to.

Mr. KERR. Mr. President, I understand that the Senator from Arkansas wishes to propose amendments.

Mr. McCLELLAN. Mr. President, I offer amendments which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendments of the Senator from Arkansas will be stated.

The CHIEF CLERK. On page 73, between lines 12 and 13, it is proposed to insert the following:

SEC. 212. The Secretary of the Army acting through the Corps of Engineers is hereby authorized to replace with adequate floodway capacity the bridge over Boeuf River, Chicot County, Arkansas, approximately three miles north of the county line, and the bridge over Big Bayou, Chicot County, Arkansas, approximately two miles upstream from its confluence with the Boeuf River, which were altered as part of the project for Boeuf and Tensas Rivers and Bayou Macon, authorized by the Flood Control Act of December 22, 1944, and which were recently destroyed by floods, at an estimated cost of $115,000.

On page 73, line 13, strike out "SEC. 212." and insert in lieu thereof "SEC. 213."

Mr. McCLELLAN. Mr. President, I have discussed the amendments with the distinguished chairman of the committee. I believe he is familiar with them. I ask unanimous consent to have printed at this point in the RECORD a statement I have prepared in support of the amendments.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

The purpose of my amendment is to authorize the Corps of Engineers to replace two bridges on roads in Chicot County Ark., that have recently been washed away. The first of these bridges is over Big Bayou and the second is over the Boeuf River. These bridges were modified by the Corps of Engineers as a part of the construction of channel improvements in the Boeuf and Tensas Basin project. The portion of this work in Chicot County was accomplished in the years 1953 through 1956.

The bridge modifications were never satisfactory, and as a result the two bridges have been washed away by the increased flow of water brought about by the upstream channel improvements. The Secretary of the Army admits that the bridges were not properly altered by the Corps of Engineers—especially with regard to the size of the waterway openings—and the Department of the Army accepts full responsibility for replacement of the bridges.

The citizens of Chicot County have been greatly inconvenienced by the loss of these bridges. Furthermore, I understand that school buses have had to be rerouted in some instances and that the conditions are becoming quite critical as bad weather approaches. This is the nature of an emergency situation, and, as I have said, the Department of the Army has provided a favorable report on this proposal. Because of the time element, I did not have an opportunity to bring it to the attention of the Public Works Committee when that committee was considering the bill that is before us. The total cost of the bridges would be only $115,000, and I hope that the amendment will be adopted.

Mr. McCLELLAN. Mr. President, I also ask that there be printed at this point in the RECORD a letter from Secretary of the Army Cyrus R. Vance approving the proposed legislation and also stating that the Bureau of the Budget has no objection to it.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

SEPTEMBER 10, 1962.

Hon. CHARLES A. BUCKLEY,
Chairman, Committee on Public Works, House of Representatives.

DEAR MR. CHAIRMAN: Reference is made to your request to the Secretary of the Army for the views of the Department of the Army with respect to H.R. 9264, 87th Congress, a bill "to authorize the Secretary of the Army acting through the Chief of Engineers to replace certain bridges in Chicot County, Ark."

This bill would authorize the Secretary of the Army acting through the Chief of Engineers to replace with adequate floodway capacity the bridge over Boeuf River, Chicot County, Ark., approximately 3 miles north of the county line, and the bridge over Big Bayou, Chicot County, Ark., approximately 2 miles upstream from its confluence with the Boeuf River, which bridges were altered as part of the project for Boeuf and Tensas Rivers and Bayou Macon, authorized by the Flood Control Act of December 22, 1944, and which were recently destroyed by floods. The bill provides for an estimated cost of $115,000.

The channel work in Chicot County, contemplated by the Boeuf and Tensas Rivers and Bayou Macon project, was accomplished in the years 1953 through 1956. Pursuant to contracts with Chicot County, the bridges over Big Bayou and Boeuf River were slightly extended during original project construction but were not modified to provide larger, clear waterway openings as envisioned in the original plan. Their short spans were not adequate to pass debris during flood flows in the channels and they were destroyed by the early spring floods of 1961. The contracts with Chicot County providing for extension of the two bridges include clauses releasing the Federal Government from all claims for damages due to the alteration of the structures and operation of the project. Accordingly, additional expenditure of Federal funds to construct the bridges to project dimensions would require congressional authorization.

Under ordinary circumstances, the Department of the Army would object to overriding such release clauses. However, in view of the Department of the Army's participation in the reconstruction of these bridges and the fact that they were not modified to provide larger waterway openings, this Department would interpose no objection to enactment of H.R. 9264.

The Bureau of the Budget advises that, from the standpoint of the administration's program, there is no objection to the presentation of this report for the consideration of the committee.

Sincerely yours,

CYRUS R. VANCE,
Secretary of the Army.

Mr. McCLELLAN. I wish to make a brief statement about the amendments. The amendments relate to a drainage project which the Federal Government is constructing. They involve bridges that have been destroyed by recent floods because inadequate space was left under the bridges for proper drainage and flowage. Damage has occurred. The State and county have given satisfactory assurances for maintenance after construction. The situation is an emergency. It has developed recently. A bill to correct the damage is pending in the House, but unless the amendments to the bill now pending are agreed to and the pending measure enacted the condition will continue into next year before it can be given attention.

A number of schools are affected by reason of the damage that has been caused. It ought to be promptly restored.

I trust that the distinguished chairman will agree to accept the amendments and take them to conference.

Mr. KERR. Mr. President, I think the amendments are justified. They involve authorization for the expenditure of $115,000, which, in the opinion of the Senator from Oklahoma, would in reality be maintenance and operation expense. The amendments are acceptable to the Bureau of the Budget, and I urge adoption of the amendments.

The PRESIDING OFFICER. The question is on agreeing to the amendments of the Senator from Arkansas.

The amendments were agreed to.

Mr. McCLELLAN. I thank the distinguished Senator from Oklahoma.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. KERR. I yield for a question.

Mr. DOUGLAS. I should like to address an inquiry directed to page 42, lines 4 to 9, of the bill. The provision of the bill referred to apparently authorizes future expenditures of $1,417,000 for flood protection on the Wabash River at or near Mount Carmel, Ill. I ask the Senator whether the proposed construction is for a levee on the Illinois side of the river to protect Mount Carmel against the diversion of water caused by the construction of levee No. 5 on the Indiana side of the river.

Mr. KERR. I am looking for the section.

Mr. DOUGLAS. It is listed on page 145 of the report. I have not found a description of it in the text. That is why I am trying to make the legislative history.

Mr. KERR. I refer to page 239 of the report:

WABASH RIVER AT MOUNT CARMEL

(H. Doc. 573, 87th Cong.)

Location: Mount Carmel is on the west bank of the Wabash River in southeastern Illinois, about 35 miles southwest of Vincennes, Ind.

Mr. DOUGLAS. The construction would be on the west, or Illinois, bank of the Wabash.

Mr. KERR. The Senator is correct.

Mr. DOUGLAS. I thank the Senator from Oklahoma. The project is very desirable because Levee No. 5 on the Indiana side was authorized. Appropriations have been made for it. Unless we had counteracting levees on the Illinois side, the result would be to protect Indiana but at the expense of Illinois, with possible flooding of Mount Carmel and the adjacent farmlands. The measure is a very constructive one. I am happy to congratulate the Senator from Oklahoma and thank him for its inclusion in the bill.

Mr. KERR. I appreciate the remarks of the Senator from Illinois.

Mr. YARBOROUGH. Mr. President, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK.

On page 37, insert the following language between lines 18 and 19:

The project for Sanders, Big Pine, and Collier Creeks, Texas, is hereby authorized substantially as recommended by the Chief of Engineers, at an estimated cost of $16,100,000, subject to the recommendations of the Secretary of the Army and approval of the President.

Mr. YARBOROUGH. Mr. President, before briefly explaining my amendment, I wish to commend the distinguished Senator from Oklahoma for the care which he has given to this bill, consisting of 73 pages. He has worked on the bill up to the very closing days of the session. He has given to it meticulous care. I have studied the projects in Texas, and in most instances I have been on the ground more than one time. This is not a pork barrel bill. This is not boondoggling. These are some of the soundest projects that have ever been proposed for our State. Assuming that the bill is as sound all the way through, we have before us one of the soundest measures for the construction of public works that has ever come before the Senate.

I wish to give one or two examples. I refer particularly to the hurricane protection at Port Arthur and the hurricane protection at Freeport, Tex. At Port Arthur they have been trying for 10 years to get hurricane protection. The Army engineers estimated that if the hurricane that hit Cameron Parish had sent its force toward Sabine Lake Pass and Port Arthur, instead of Cameron Parish, the loss of life would have been 8,000 or 10,000, instead of a few hundred. Hurricane Carla demonstrated the great need in Port Arthur for hurricane protection.

I thank the distinguished Senator from Oklahoma on behalf of the people of my State for bringing to the Senate a bill which will provide hurricane protection for Port Arthur. I am hopeful that the Senator will be able to accept my amendment.

Mr. KERR. The amendment offered by the Senator from Texas has been approved by the Bureau of the Budget and the Corps of Army Engineers. I recommend its adoption.

The **PRESIDING OFFICER**. The question is on agreeing to the amendment offered by the Senator from Texas.

The amendment was agreed to.

Mr. **YARBOROUGH**. I thank the distinguished Senator from Oklahoma. I send to the desk a brief explanation of the amendment, and a letter which I have received from the Deputy Director of the Bureau of the Budget, dated October 3, 1962. I ask unanimous consent that both be printed in the RECORD at this point.

There being no objection, the statement and letter were ordered to be printed in the RECORD, as follows:

My amendment authorizes the construction of the Big Pine and Sanders Creek projects in Lamar and Red River Counties, Tex. The proposed construction would consist of a dam on each of these creeks, with resulting flood control and water supply benefits. Local interests will contribute nearly half of the total construction costs, some $7,501,000 against Federal costs of $8,599,000.

These dams are urgently needed, both to prevent average annual flood damages of over $140,000, and to assure a continuing water supply.

I am advised that the project is needed now to assure a water supply for a program of industrial development which is to provide some 3,000 jobs in this rural area. The local interests will bear the allocable water supply costs in accordance with the Water Supply Act of 1958.

All agencies have favorably reported on the bill with the exception of the Bureau of the Budget which has not completed its studies. However, I am advised that the Bureau of the Budget does not object to this amendment as offered, as the authorization is made conditional upon approval of the President.

SANDERS, BIG PINE, AND COLLIER CREEKS, TEX.

Location: Sanders, Big Pine, and Collier Creeks are right (south) bank tributaries of the Red River in northeast corner of Texas.

Authority: Resolution, House Committee on Public Works, adopted May 21, 1957.

Existing projects: No Federal improvements for flood control and allied purposes in any of the three watersheds.

Problems: Major floods originating in the watersheds cause average annual damages estimated at $65,800 and $73,800 respectively on Sanders Creek and Big Pine Creek. Periods of prolonged drought accentuate the need for storage for municipal and industrial purposes.

Recommended plan of improvement: Reservoirs on Sanders Creek and Big Pine Creek, with total storage capacities of 200,800 and 138,600 acre-feet, respectively, for purposes of flood control, water supply, fish and wildlife, and recreation.

Estimated cost (1960 prices)

	Pat Mayse Reservoir (Sanders Creek)	Big Pine Reservoir	Total
Federal	$4,180,000	$4,419,000	$8,599,000
Non-Federal	[1] 3,370,000	[1] 4,131,000	[1] 7,501,000
Total	7,550,000	8,550,000	16,100,000

[1] Amounts to be reimbursed by local interests for construction costs allocated to water supply, based on current prices and estimates of cost.

Project economics

PAT MAYSE RESERVOIR

	Federal	Non-Federal	Total
Annual charges:			
Interest and amortization	$122,400	$98,900	$221,300
Maintenance, operation, and replacement	57,200	22,500	79,700
Total	179,600	[1] 121,400	301,000
Annual benefits:			
Flood control			91,100
Water supply			189,400
Recreation			92,500
Fish and wildlife			117,400
Total			490,400

BIG PINE RESERVOIR

	Federal	Non-Federal	Total
Annual charges:			
Interest and amortization	$129,100	$120,900	$250,000
Maintenance, operation, and replacement	48,400	20,600	69,000
Total	177,500	[1] 141,500	319,000
Annual benefits:			
Flood control			109,000
Water supply			220,000
Recreation			75,000
Fish and wildlife			102,200
Total			506,200

[1] Estimated on basis of costs currently allocated to water supply.

Benefit-cost ratio:

Pat Mayse Reservoir	1.6
Big Pine Reservoir	1.6

Local cooperation: Bear all costs all allocated water supply in accordance with the Water Supply Act of 1958, as amended, such costs currently estimated at $7,501,000 for construction and $43,100 annually for maintenance, operation, and replacements; hold and save the United States free from water rights claims. Local interests agree.

Comments of States and Federal agencies:

State of Texas: Favorable.

Department of the Interior: Recommend acquisition of additional lands for fish and wildlife purposes.

Department of Commerce: Favorable.

Department of Health, Education, and Welfare: Favorable.

Federal Power Commission: Favorable.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D.C., October 3, 1962.

Hon. WRIGHT PATMAN,
House of Representatives,
Washington, D.C.

DEAR MR. PATMAN: This will confirm our conversation this afternoon regarding the Sanders, Big Pine, and Collier Creeks, Tex., project. As I advised you, we have not been able to complete our work on this project because of certain problems which we have encountered. However, we hope to be able to resolve these shortly.

In view of the urgency which you stated was involved in the prompt authorization of this project in the 1962 Flood Control Act, the Bureau of the Budget would not interpose any objection to its inclusion in the bill now pending before the Congress provided the following language is included in any amendment to this bill relating to the project:

"The project for Sanders, Big Pine, and Collier Creeks, Tex., is hereby authorized substantially as recommended by the Chief of Engineers, at an estimated cost of $16,100,000, subject to the recommendations of the Secretary of the Army and approval of the President."

Sincerely yours,

THOS. B. STAATS,
Deputy Director.

Mr. **JORDAN** of North Carolina. Mr. President, I send an amendment to the desk and ask that it be stated.

The **PRESIDING OFFICER**. The amendment will be stated.

The **CHIEF CLERK**. At the end of the bill it is proposed to add the following new section:

SEC. 213. The Wilkesboro Reservoir flood control project, Yadkin River, North Carolina, authorized by the Flood Control Act of 1946, shall hereafter be known and designated as the W. Kerr Scott Dam and Reservoir, in honor of the late Senator W. Kerr Scott of North Carolina. Any law, regulation, document, or record of the United States in which such project is designated or referred to shall be held and considered to refer to such project by the name of the W. Kerr Scott Dam and Reservoir.

The **PRESIDING OFFICER**. The question is on agreeing to the amendment offered by the Senator from North Carolina.

Mr. **JORDAN** of North Carolina. Mr. President, it would be most fitting for the Congress to name the flood control project on the Yadkin River at Wilkesboro in honor of the late Senator W. Kerr Scott.

I have, therefore, on behalf of Senator ERVIN and myself, submitted an amendment to the omnibus flood control and rivers and harbors bill which would designate the Wilkesboro project as the "W. Kerr Scott Dam and Reservoir."

For some time I have sincerely felt that this outstanding project should be named in honor of Senator Scott because of the tremendous amount of work he did in making the project a reality. Although a great many people have been instrumental in bringing the project to completion, it was Senator Scott who spearheaded the efforts to obtain construction funds for it soon after he came to the Senate in 1954.

As Governor of North Carolina, and later as a Member of the Senate, Kerr Scott was widely known for the deep interest he had in the development of our water resources. He often said that the progress we would make in the future would be measured by the progress we made in developing our water resources. The valuable work he did on the Wilkesboro project, and other water projects in North Carolina, brought a new awareness among our people of the vital role water conservation plays in our economy.

The Wilkesboro project was dedicated only a few weeks ago and I attended the dedication ceremonies. In spite of some controversy that delayed action on the project for many years, all of the people in Wilkes County and in northwestern North Carolina today are indeed proud of the fine reservoir that is now being filled and of the great prospects this project holds for the development of a large area of our State.

During his career as commissioner of agriculture, as Governor, and as Senator, Kerr Scott was always known as a builder and one who firmly believed that North Carolina and the South could reach their full economic potential only by going forward with the task of developing our natural resources.

I think it is only right and proper that we now take note of the outstanding work he did toward this end by naming the Wilkesboro project in his honor.

Mr. ERVIN. Mr. President, I wish to concur in everything which my able and distinguished colleague [Mr. JORDAN] has said and to join him in urging the adoption of the amendment naming the Wilkesboro dam and reservoir the W. Kerr Scott Dam and Reservoir.

As commissioner of agriculture, as Governor of North Carolina, and as a Member of the Senate, W. Kerr Scott exerted tireless energy in bringing to the people who dwell upon the farms of North Carolina a more abundant life. One of his great interests in this area, as well as in the economic area generally, was in the conservation of water resources and the prevention of floods. For those reasons it is most fitting that the great dam and reservoir on the Yadkin River at Wilkesboro should be named in honor of and in memory of the great services which W. Kerr Scott rendered to the people of our State and Nation, particularly to those who dwell upon farms.

Mr. KERR. Mr. President, the Senator from Oklahoma urges the adoption of the pending amendment. I have no finer memories than those associated with my service in the Senate with W. Kerr Scott, the late Senator from North Carolina, who for many years had a seat very close to mine in this Chamber. He was one of the greatest souls and most outstanding statesmen I have ever had the pleasure of associating with. I can understand why the Senators from North Carolina should urge the adoption of an amendment to change the name of one of their great dams and reservoir the W. Kerr Scott Dam and Reservoir in honor of the great service and memory of that fine man. I certainly am happy to join in asking for the adoption of the amendment.

The PRESIDING OFFICER (Mr. HART in the chair). The question is on agreeing to the amendment offered by the Senator from North Carolina [Mr. JORDAN].

The amendment was agreed to.

Mr. METCALF. Mr. President, I congratulate the committee on including in this authorization bill a substantial program for the Columbia Basin. At the present time, the only authorized dam in the basin on which construction has not started is Libby Dam in northwestern Montana.

This project, designated by former Secretary of Interior Douglas McKay, as "one of the most valuable projects on the Columbia River system, urgently needed," has been stalled by negotiations with Canada. In the closing days of the Eisenhower administration, a Columbia River Treaty was negotiated and promptly ratified by the United States. Under the provisions of the treaty, the United States would build Libby, and Canada would construct three high dams on the Columbia in Canada. Ratification in Canada ran into opposition and has not taken place yet. The provision of the treaty for export and sale of Columbia River power to the United States was the principal obstacle. However, on September 27, Governor General Vanier, in his speech from the throne of the opening of the 1st session of the 25th Canadian Parliament said:

> It is hoped that arrangements will soon be completed that will make it possible to submit for your approval the Columbia River Treaty and the legislation required in Parliament to implement it. My Ministers have come to the conclusion that large-scale, long-term contracts for the export of power surplus to Canada's needs, present and potential, should now be encouraged in order to expedite the development of major power projects in Canada which are too large to be supported by the domestic market. Such exports can also strengthen our balance of payments.

This means that Libby Dam may be cleared for construction next year. In preparation for such clearance the current public works appropriation bill contains planning and development money.

With the beginning of construction of Libby there will be nothing in the pipeline for future water resource development in the entire Pacific Northwest. Passage and approval of the Columbia River section in S. 3773 will provide for planned and continuous development for the decade ahead. Some of the projects herein authorized may not be ready for actual construction for several years but their authorization at this time will permit orderly planning and assurance of continuous increase in power and multiple-purpose development of water resources so projects will be ready for construction when the present dams are completed or nearing completion.

Knowles Dam in western Montana is an example. For a generation the Montana Power Co. has talked about building run-of-the-river dams at one or another site in the reach of the river that will be inundated by Knowles. Authorization will determine that this flood control, power and recreation multiple-purpose project is to be constructed by the Federal Government and that, with existing storage and Bruces Eddy, also authorized in this bill, and with Canadian storage will amount to a storage capacity on the Columbia of 24,600,000 acre feet. Their construction would approach the flood control goal set for the Columbia and its tributaries.

The total estimated cost of the four projects for the Columbia basin—Knowles, Asotin, Bruces Eddy, and China Gardens—plus the four projects in the Willamette basin will be more than $670 million. The amount authorized to be appropriated for these projects is the sum of $226 million. Inasmuch as Knowles is to be built by the Bureau of Reclamation, Department of the Interior, $50 million is specifically set aside for its use for Knowles.

It is suitable and proper that the authorization proceed in this manner. In the case of Knowles, complete authorization, at this time, will give the Secretary of the Interior authority to begin negotiating with the Flathead-Kootenai Tribe for compensation for their power sites and for payment of tribal land to be inundated. One method of compensation suggested at the hearing was the reservation of a block of power for a perpetual income for the tribe, allowing the tribe to take advantage of its tribal assets by using such a block of power to attract industry to or near the reservation and providing additional economic opportunities for members of the tribe and nearby communities. It may be that a combination of outright payment and power reservation, or some other provision, will be the ultimate result of such negotiations. But until there is authorization these negotiations cannot begin.

The subject of reservation of a block of power for the Flathead-Kootenai tribe brings up the other important negotiation that will come about as a result of authorization in this bill. That is a power reservation for Montana.

If all or part of the tribal compensation consists of setting aside a block of power, then such block may be all or part of the at-site power reservation for the State of Montana that Senator MANSFIELD, Representative OLSEN and I have specified must be a part of the agreement for final construction. However, other alternatives open up with this authorization. The senior Senator from Montana [Mr. MANSFIELD] has introduced a bill, with which I agree in principle, that provides for a power reservation for Montana at all Federal projects. The enactment of this measure would solve the question of a power reservation without further legislation on that subject. Such a power reservation is justified for upstream States for a variety of reasons that have been frequently cited on the floor of the Senate but especially for the reasons given by the Senator from Idaho [Mr. CHURCH] in his testimony on Bruces Eddy Dam as follows:

> The Bruces Eddy Dam, like Hungry Horse Dam in western Montana and other dams, will help to regulate the flow of the river in such a way as to augment the power potential of the generating facilities in the run-of-the-river dams downstream. This priority would not apply to any other than onsite power. As the chairman knows, in western Montana, there is such a priority at the Hungry Horse Dam, which reserves for the priority use of Montana the onsite power developed at that site. We would like to see the Bruces Eddy Dam treated the same way for the benefit of Idaho. We recognize that the economies of both the States of Washington and Oregon are more advanced than our own in terms of industrialization.
>
> And there is a very real possibility that once a dam of this size is built inside Idaho, the power will be drained off to meet the needs of the more industrialized economies in Oregon and Washington, and we won't have the benefit of that power when industrial growth occurs in our own State.
>
> So we feel for this reason that this is a moderate and a reasonable request, that it is well suited and adapted to the needs of

the economy of our State, that it is consistent with treatment already given at the Hungry Horse in western Montana, and that therefore it ought to be favorably acted upon by this committee.

In discussing these matters with the Senator from Idaho it is agreed that we will prepare general language for such power reservations as would be applicable to the entire Columbia basin. The upstream States, where the storage is located, will work with the downstream States, which get downstream benefits, to get equitable benefits for the upstream contribution. Such legislation, generally applicable, would take care of the power reservation desired by the Senator from Idaho and that sought by the Montana Senators.

Mr. CHURCH. Mr. President, will the Senator from Montana yield?

Mr. METCALF. I am glad to yield to the Senator from Idaho.

Mr. CHURCH. Mr. President, the bill introduced by the distinguished majority leader [Mr. MANSFIELD] represents one of the ways by which to solve the problem to which the junior Senator from Montana has referred. I am hopeful that real progress may be made in that direction in the next session of Congress.

As the Senator from Montana knows, high storage dams situated upstream confer very large benefits upon the run-of-the-river dams located downstream in the States of Oregon and Washington. By regularizing the flow of water downstream, they augment the power potential of the run-of-the-river dams and thus confer real, direct, and substantial benefits upstream.

I think it is entirely reasonable for States situated as are Idaho and Montana to ask for special consideration when it comes to the right to claim the onsite power developed by high storage dams in the high mountain areas. If we do not have a certain priority right to that power, then we will always face the possibility that the more industrialized economies downstream may drain off the power from the dams situation in our States and thus, in effect, deny us the full benefit of the projects.

I think we are seeking something which is most reasonable and fair, considering the contribution which the high dams in the upper reaches make to the downriver low head dams by increasing their power potential.

I pledge my full support to the Senators from Montana in a common effort to find a legislative solution which will be equitable for all concerned.

Mr. METCALF. Mr. President, I thank the Senator from Idaho for a succinct summary of some of the reasons for a power reservation. We have been working together on proposed legislation to be introduced next year which will provide a basin solution for the problem. Most of the land to be inundated is in the upstream area, and much benefit will be conferred in the downstream area. I feel certain that the Senators from Washington and Oregon, States which will benefit from the upstream storage, will cooperate with us to have general legislation passed. I hope it will be passed before it is necessary to seek an additional authorization for specific amounts as provided by the bill.

Mr. CHURCH. I thank the Senator from Montana.

Mr. METCALF. Mr. President, failing the other approaches, it will be necessary to seek an additional amount for construction, and we can be prepared to submit a request similar to the Hungry Horse formula, with special application to Knowles. The other approaches are more desirable, and there will be time to attempt them. At the same time, there will be a necessity to authorize further funds and an opportunity to make a special reservation if such is needed.

Regarding another portion of the Columbia River system, the committee took no action at this time on High Mountain Sheep or Nez Perce. The Secretary of the Army, with the concurrence of the Secretary of the Interior, recommended a Federal project for the Middle Snake River in the area of the Salmon River, but with the further recommendation that selection and authorization of the project, either Mountain Sheep or alternative, be deferred pending further study of the fishery problem. Competing applications for the licensing of a non-Federal project at the alternate Mountain Sheep or Nez Perce sites are now before the Federal Power Commission. Subsequent to transmittal of the report of the Secretary of the Army to the Congress on April 25, 1962, the Secretary of the Interior advised the Federal Power Commission that the fishery studies in progress show little promise of an early solution to the fishery problem at the Nez Perce site, and he, therefore, proposed that the Mountain Sheep site be recommended for Federal development. The Federal Power Commission has not concluded its consideration of the license applications before it and accordingly the committee was not informed whether the Commission proposes to make a recommendation to the Congress under section 7(b) of the Federal Power Act. In these circumstances it is reasonable to conclude that consideration of a possible Federal project should be deferred for the time being without prejudice.

Water resource development, so necessary for the future of the Columbia basin, will grind to a halt if this bill is not passed with the Columbia basin provisions intact. Only 4 of the 11 projects originally recommended by the Corps of Engineers remain in the bill. Other projects, such as the dam at Nine Mile Prairie, the Flathead outlet improvement, the Penny Cliff Dam, interfered with essential fish and wildlife and recreation and have been stricken from the bill. The approval of storage at Knowles will take off the pressure for storage at Nine Mile Prairie and Penny Cliffs and leave those stretches of the river open for recreational development. Storage at Knowles will eliminate the need for alternate storage at Glacier View and Smoky Range which would include Glacier. Power at Knowles will also eliminate the need for a power project at Spruce Park, which would destroy valuable fish and recreation areas. I hope we may keep this section of the bill intact.

Mr. JOHNSTON. Mr. President, I offer an amendment for myself and on behalf of my colleague [Mr. THURMOND]. He is not in the Chamber at the moment, but I am satisfied that his name should be added as a cosponsor, because we offered a similar amendment together once before.

The amendment would grant to the Duke Power Co. the right to build a private dam on the Savannah River. I understand the proposal has been cleared by the Bureau of the Budget and also by the Corps of Engineers.

The dam would not be built by the Government, but by a private concern. I am glad to offer the amendment because while I have been a supporter of public power for a long time, the amendment would assure private power companies that I am not against them. I wish that they also would build more dams.

The amendment merely provides authorization.

The PRESIDING OFFICER. The amendment will be stated.

The Chief Clerk read as follows:

At the appropriate place it is proposed to insert: That the consent of Congress is hereby granted to Duke Power Company, its successors and assigns, to construct, maintain, and operate a dam across Savannah River between Anderson County, South Carolina, and Elbert County, Georgia, near Middleton Shoals, and about two hundred ninety-seven miles above the mouth of said river, for the purpose of providing a pool for condenser water for a steam-electric plant: *Provided,* That work shall not be commenced until the plans therefor have been submitted to and approved by the Chief of Engineers, United States Army, and by the Secretary of the Army, and when such plans have been approved by the Chief of Engineers and by the Secretary of the Army, it shall not be lawful to deviate from such plans either before or after completion of said dam unless the modification of such plans has previously been submitted to and approved by the Chief of Engineers and the Secretary of the Army: *Provided further,* That in approving the plans for said dam such conditions and stipulations may be imposed as the Chief of Engineers and Secretary of the Army may deem necessary to protect the present and future interest of the United States: *Provided further,* That this Act shall not be construed to authorize the use of such dam to develop waterpower or generate hydroelectric energy: *And provided further,* That the grantee, or its successors, shall hold and save the United States free from all claims arising from damage which may be sustained by the dam herein authorized, or damage sustained by the appurtenances of the said dam, by reason of the future construction and operation by the United States of Hartwell Reservoir or any other Federal project upstream or downstream from the dam herein authorized.

Sec. 2. The authority granted by this Act shall cease and be deemed null and void unless the actual construction of the dam hereby authorized is commenced within four years and completed within seven years from the date of approval of this Act.

Sec. 3. The right to alter, amend, or repeal this Act is hereby expressly reserved.

Mr. JOHNSTON. Mr. President, I should like to point out that the Government will be saved more than $100 million by having this dam built by the private concern which also intends to build 12 or more miles of railroad leading up to the steamplant, which will use thousands of tons of coal.

Mr. RANDOLPH. Mr. President, will the Senator from South Carolina yield?

The PRESIDING OFFICER (Mr. Hart in the chair). Does the Senator from South Carolina yield to the Senator from West Virginia?

Mr. JOHNSTON. I yield.

Mr. RANDOLPH. Of course the word "coal" is very dear to West Virginia. Today we need to expand our coal markets.

I have knowledge of this project and I support it. If it is completed, this company will use approximately 3½ million tons of bituminous coal, on an annual basis. This will mean very much to West Virginia, Kentucky, and other coal-producing areas.

Mr. JOHNSTON. Mr. President, I am delighted to have that statement made by the Senator from West Virginia.

All along I have favored the construction of two dams, one at Carter Shoals, and also this dam. The dam at Carter Shoals is to be built by the Government. I think the Senator from Georgia has an amendment which he will submit in that connection.

But these two dams are quite different. One dam will be built privately; the other is to be built by the Government.

Therefore, Mr. President, I hope the Senator from Oklahoma [Mr. Kerr] will agree to this amendment.

Mr. RUSSELL. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Georgia?

Mr. KERR. I yield.

Mr. RUSSELL. Mr. President, I do not like to wash family linen in public. However, I say very frankly that this issue has been a controversial one between certain elements in the State of South Carolina and all the people who live on the Georgia side of the Savannah River.

Many years ago a bill was enacted providing for the comprehensive development of the Savannah River basin by the Board of Engineers. Two very large dams—in fact, two of the largest contemplated by that report, one at Clark's Hill and the other at Hartwell—have already been constructed.

There was proposed for construction on the Savannah River, in Georgia and South Carolina, at what is known as Trotters Shoals, a reservoir for flood control and allied purposes. This dam was strongly recommended by the Board of Engineers for Rivers and Harbors, under date of March 22, 1962, at an estimated cost of $78,700,000.

I point out that the estimated benefit-cost ratio for this project was 1.59. This is a public-power project which would be available to the rural electric cooperatives and to the municipalities on both sides of the river.

I can understand the interest of the Senator from South Carolina in the Duke power project. That project will be located on the South Carolina side of the river, although it will flood lands in both Georgia and South Carolina. The State of South Carolina will get an estimated $3 million to $4 million in taxes, annually, from this powerplant. Georgia will get only a great deal of flooded land. However, Mr. President, I do not desire to take a dog-in-the-manger attitude in regard to the project covered by the amendment the Senator from South Carolina has offered. The project is highly advantageous to South Carolina, although it does not benefit my State.

But I cannot agree to have this amendment added to the bill unless there is also added to the bill an amendment for the development of the project at Trotters Shoals, on the Savannah River, as recommended in the report of the Board of Engineers in March 1962.

Unfortunately, the Secretary of the Army will not submit to the Budget projects of this nature, unless they have been approved by the Governors of all States affected. This project has been approved by the Department of Agriculture, by the Department of the Interior, by the Department of the Army, and by every other Federal agency which has considered it. When it got to the office of the Governor of South Carolina, he refused to approve it. For that reason—and that reason alone—we do not have before us a Budget estimate for this project.

The benefit-cost ratio of the project is highly favorable; it is much above that of many projects we are approving.

Therefore, Mr. President, I announce now that I shall offer an amendment to this bill, on page 28, to be included in the construction projects, under the subheading "Savannah River Development." The amendment is as follows:

> The Trotters Shoals Reservoir on the Savannah River is hereby authorized in accordance with the report of the Board of Engineers for Rivers and Harbors dated March 22, 1962, at an estimated cost of $78,700,000.

I shall offer that amendment on my own behalf and on behalf of my distinguished colleague, the junior Senator from Georgia [Mr. Talmadge]; and I ask unanimous consent to have printed at this point in the Record the report from the U.S. Army Board of Engineers.

There being no objection, the report was ordered to be printed in the Record, as follows:

Corps of Engineers, U.S. Army,
Board of Engineers for Rivers
and Harbors,
Washington, D.C., March 22, 1962.

To: Chief of Engineers, Department of the Army.

Subject: Savannah River, Georgia and South Carolina, Trotters Shoals Reservoir.

1. Authority.—This report is in response to the following resolution adopted September 12, 1961:

Resolved by the Committee on Public Works of the U.S. Senate, That the Board of Engineers for Rivers and Harbors, created under section 3 of the River and Harbor Act, approved June 13, 1902, be, and is hereby, requested to review the reports of the Chief of Engineers on the Savannah River, Georgia and South Carolina, published as House Document No. 657, 78th Congress, 2d session, and Senate Document No. 6, 67th Congress, 1st session, with a view to determining whether the recommendations contained therein should be modified at the present time, with particular reference to the advisability of constructing a reservoir at the Trotters Shoals site for flood control and allied purposes.

2. Physical description.—The Savannah River drains 10,580 square miles, with 55 percent in Georgia, 43 percent in South Carolina, and 2 percent in North Carolina. The stream rises on the southern slope of the Blue Ridge Mountains in North Carolina and flows southeasterly about 400 miles in a meandering course through the Piedmont Plateau and the coastal plain to the Atlantic Ocean. The fall from headwaters to mouth is more than 2,000 feet. The topography of the watershed is hilly to mountainous. The river with certain of its tributaries forms the boundary between Georgia and South Carolina.

3. Existing improvement.—A general plan for development of the water resources of the Savannah River basin was approved by the Flood Control Act of 1944. This plan consists of 11 reservoir projects for power, flood control, navigation, and other purposes. These projects, in the order recommended for construction to meet demands for hydroelectric power, are Clark Hill, Hartwell, Goat Island, and Middleton Shoals, all on Savannah River; and Camp Creek, War Woman, Rogues Ford, Sand Bottom, Tallow Hill, Anthony Shoals, and Newry-Old Pickens, all on tributaries of the Savannah River. The act also authorized the construction of the first unit—Clark Hill Reservoir—now completed and in full operation. The project generates hydroelectric power, controls floods, provides incidental regulation of streamflow for navigation below Augusta and furnishes a raw water supply for McCormick, S.C. Hartwell Reservoir was authorized by the Flood Control Act of 1950 and is now nearing completion. The project is planned for generation of hydroelectric power with incidental augmentation of regulated flow for navigation below Augusta, the control of floods, and the future needs of industrial and domestic water users. The remaining projects of the approved plan have not been authorized. Pertinent data for Clark Hill and Hartwell Reservoirs follow:

Item	Clark Hill Reservoir	Hartwell Reservoir
Location, miles above mouth of Savannah River	238	305
Drainage area above dam, square miles	6,144	2,088
Reservoir storage, acre-feet:		
Gross	2,900,000	2,858,100
Usable:		
Flood control	390,000	295,500
Hydropower and low-flow regulation for navigation	1,340,000	1,427,000
Installed capacity:		
Units, number	7	[1] 5
Total kilowatts	280,000	330,000
Estimated cost:		
First cost (August 1961)	$79,500,000	$86,215,000
Operation and maintenance	$531,600	----------

[1] Initially 4.

4. The Federal navigation project for Savannah River extends from the head of navigation at Augusta, Ga., 20 miles below Clark Hill Dam, to the upper end of Savannah Harbor, about 199 miles. The controlling depth is 6 feet throughout the year. The authorized project provides for a channel 9 feet deep and 90 feet wide for a discharge of 5,300 cubic feet per second at Augusta with Clark Hill powerplant operating. The work consists of one lock and dam at New Savannah Bluff, a few miles below Augusta; and dredging, open-river regulation, bank stabilization, cutoff closures, and channel clearing. The lock and dam was completed in 1937. The work remaining to be done is the deepening and widening of the channel for its entire length. This work, now underway, is scheduled for completion in June

1962 at an estimated cost of $3,660,000. The Federal project for Savannah Harbor provides 31 miles of turning basins and channel from the ocean to terminal facilities at and near Savannah, all for deep-draft vessels. The only other authorized project in the Savannah River basin is the Augusta levee completed in 1941. This levee, built by the city to protect Augusta from floods, was raised and improved by the United States.

5. General economy.—The population of the basin above Augusta was 780,000 in 1960. Populations of the largest cities were: 70,600, Augusta, Ga.; 41,300, Anderson, S.C., and 16,600, Greenwood, S.C. The principal industries have been expanding in recent years. These are textiles, paper pulp, and the mining of granite and kaolin. The basin has extensive stands of both softwood and hardwood. The economy of the area now being considered is expanding rapidly.

6. Hydrology.—Correlation of streamflow records in the basin provides a continuous record of average monthly flows since 1925. The actual average annual runoff for the period 1927 to 1960 at Calhoun Falls just above the Clark Hill pool and below Hartwell is estimated at 5,200 cubic feet per second or 1.80 cubic feet per second per square mile. The flow of the river at the head of the reach under study will depend completely on the operation of the Hartwell project. The average annual flow from the Hartwell Reservoir is expected to be 4,300 cubic feet per second; and average flow for the critical low-flow period for power generation is estimated at 3,560 cubic feet per second. Instantaneous flow is expected to range from zero to a maximum of 25,600 cubic feet per second with the initial four units in operation. Hartwell Reservoir, now nearing completion, will completely control all floods except those of rare occurrence.

7. Problems.—The objective of the investigation is to determine the advisability of modifying the recommendations of the prior report (H. Doc. 657, 78th Cong., 2d sess.), forming the basis for authorization of the general plan of development in 1944, and the recommendations of the more recent report, published as Senate Document 6, 87th Congress, first session, upon which Congress has taken no action, all with particular reference to the advisability of constructing a reservoir at the Trotters Shoals site for flood control and allied purposes.

8. The accomplishment of this objective requires a determination of the next logical step in the approved general plan for development of the water resources of the Savannah River Basin. It was established early that this would be primarily for hydroelectric power generation on the main stem of the Savannah River and would be in the 30-mile reach between the upper limits of the Clark Hill Pool and the Hartwell Dam site. The early report forming the basis for authorization of the general plan, proposed in this reach, the Middleton Shoals site (mile 295.7, maximum power pool elevation 475) and the Goat Island site (mile 277.6, maximum power pool elevation 430). The recent report published as Senate Document 6 proposed the Carters Island site (mile 283.2, maximum power pool elevation 480) and the Goat Island site (mile 277.6, maximum power pool elevation 375). This change from the previous plan was made because the selected location of Hartwell Dam and the potential for pump-storage facilities there permitted a higher pool downstream than previously planned; because costly highway and railroad relocations would be avoided near Calhoun Falls, S.C.; and in order to keep from flooding a future site for construction of a pulp or paper mill at the mouth of Rocky River near Calhoun Falls which required holding the maximum power pool at or below elevation 375 in that area. Since that time there has been no known definite commitment toward construction of a mill at this location. And there are no firm data presently available showing that installation of a pump-turbine unit at the Hartwell powerplant would be economically advisable in the near future. Further, the Duke Power Co. proposes to construct a dam across the Savannah River at mile 296.6, to provide reregulation of Hartwell flows for steam station use and to provide a thermal barrier between intake and discharge points of the cooling system. The power company has stated that construction of a dam in this reach of the river with either 475 or 480 elevations of the power pool would be compatible with the construction of their proposed steam station. Preliminary information indicates that an increase from 475 to 480 in the pool elevation of a proposed hydropower dam would increase the cost of the power company's dam about $1,200,000. Although the possibility of constructing a single high dam to develop the entire head potential of the reach was considered in prior reports—both at the Trotters Shoals and Goat Island sites—no thorough investigation of a high-head dam at either site was made.

9. There is a growing demand for power in this area. The available head in the 30-mile reach under study is about 150 feet. The drainage area tributary to the reach is about 800 square miles. As to the need for municipal and industrial water supply, there is at the present time no known specific demand for storage from any reservoir that may be proposed for the reach.

10. Improvements desired—The State of Georgia, through its General Assembly, urged overall development of the Savannah River in general accordance with the plan approved by Congress. The electric cooperatives of Georgia, South Carolina, and North Carolina believe that orderly and full development of the Savannah River for generation of hydroelectric power is necessary. These interests favored construction of the Carters Island-Goat Island combination proposed in the recent report (published as S. Doc. No. 6, 87th Cong., 1st sess.). On the other hand, representatives of the State of South Carolina and South Carolina counties bordering the affected reach opposed the proposed improvement mainly because it was believed that industrial development would be prevented or hindered by restrictions on the use of water and by the usurpation of industrial sites, thus adversely affecting the economy of the area. The Chief of Engineers in his report noted that the proposed Carters Island and Goat Island Reservoirs were located in the States of Georgia and South Carolina; and that the Governor of the latter State, in his capacity as head of the State and supported by the concurrent resolution of the General Assembly of South Carolina, had expressed strenuous opposition to the proposal. Consequently, no recommendation for authorization of the projects was made; and no action thus far has been taken by the Congress.

11. Improvements proposed.—The district engineer now finds the most suitable development to be a single dam at Trotters Shoals, river mile 276.2, about 1 mile upstream from the old Trotters Shoals site. Storage for hydroelectric power generation would be provided between elevations 472 and 475. Between elevations 475 and 480 (top of gates) storage would be provided for minor flood regulation and to offset loss of valley storage. The district engineer finds that future pump-storage facilities could better be provided at this site than at the Hartwell Dam as conceived in the prior plan for the Carters Island-Goat Island combination. He finds, however, that only a limited amount of offpeak steam-electric energy is now available for pumping, and that conventional hydrogeneration can probably meet peaking power demands for the next 10 years. Accordingly, pump-storage facilities are not included in present plans. As to selection of the maximum power pool elevation at 475 for the new Trotters Shoals site, comparison with a project at the same site having a power pool at elevation 480 shows that the additional costs would slightly exceed the additional benefits, leading to selection of pool elevation 475. This analysis excluded consideration of the additional cost of the proposed dam for the steamplant. The unfavorable relationship of the added costs and added benefits was due to greatly increased costs for relocations and lands. A substantial portion of the area which would be required for a potential pulp or paper mill (par. 8 above) would be flooded at either pool level. The district engineer finds further that the present proposal is economically more advantageous than the previously proposed Carters Island-Goat Island combination because it would develop more power. An economic comparison of the two proposals on a comparable basis follows:

Item	Carters Island and Goat Island combination	Proposed Trotters Shoals
First costs (July 1961)	$79,500,000	$78,700,000
Annual charges	$4,864,000	$5,133,000
Annual benefits	$6,574,000	$7,919,000
Excess of benefits over costs	$1,710,000	$2,786,000
Benefit-to-cost ratios	1.35	1.54

Pertinent physical data for the proposed Trotters Shoals Dam and Reservoir follows:

Item	Trotters Shoals Dam and Reservoir
Dam location, miles above mouth of Savannah River	276.2
Drainage area, square miles	2,890
Type of dam	(1)
Spillway	(2)
Reservoir storage, acre-feet:	
Gross at maximum design pool, elevation 489	1,200,000
Gross at top of flood-control pool (top of gates), elevation 480	955,000
Usable:	
Power pondage, elevations 472 to 475	57,000
Minor flood regulation, elevations 475 to 480	110,000
Installed (firm) capacity, kilowatts	310,000
Average annual energy, kilowatt-hours	471,400,000

[1] Concrete gravity with rolled-earth embankments at each abutment.

[2] Concrete gravity with 16 taintor gates, 40 feet wide by 35 feet high.

12. Costs and feasibility.—The estimated first cost, annual charges, and economic feasibility are:

Item	Trotters Shoals Reservoir
First costs (July 1961):	
Total construction including public use and access (all Federal)	$78,670,000
Preauthorization studies	30,000
Total	78,700,000
Annual economic charges:	
Interest and amortization	2,410,000
Operation, maintenance, and major replacements	483,000
Taxes foregone	2,108,000
Other losses	132,000
Total annual charges	5,133.000
Average annual economic benefits:	
Power	7,525,000
General recreation	280.000
Fish and wildlife recreation	114,000
Total	7,919,000
Ratio of benefits to costs	1.54

The interest and amortization parts of the annual charges were evaluated by using an interest rate of 2⅝ percent and the indicated ratio of benefits to costs is based on a 100-year period of analysis. The total annual charges were allocated by the alternative justifiable expenditure method to power, general recreation, and fish and wildlife recreation to determine the allocated cost to power, the only reimbursable function. The annual costs allocated to power, less the economic losses including taxes foregone, yield $2,565,000 as the present estimate of the reimbursable annual cost for the power function. The expected net power revenues presently estimated by the Southeastern Power Administration are $5 million denoting financial feasibility of the power feature.

13. Recommendations of reporting officers.—The district engineer believes that the proposed Trotters Shoals Reservoir for hydroelectric power, general recreation, and fish and wildlife recreation would stimulate industrial and economic progress in the area and would increase land values and employment by virtue of its anticipated use for recreation. He finds that the proposed reservoir with a maximum power pool at elevation 475 is economically sound, provides for the optimum use of water resources between Clark Hill Reservoir and Hartwell Dam, and is the next logical step in development of a comprehensive plan for the orderly management and use of the water resources of the Savannah River basin. He recommends its construction by the United States and that authorization provide for future development of pump storage at the damsite when power supply and demand warrant. The division engineer concurs.

14. Public notice.—The Division Engineer issued a public notice stating the recommendations of the reporting officers and affording interested parties an opportunity to present additional information to the board Many communications were received both for and against the improvement. Those favoring inprovement are the State of Georgia, officials of cities mostly in Georgia, the electric cooperatives, and many civic organizations. Those opposing improvements are the State of South Carolina, some city officials, and some civic organizations of South Carolina. The principal reasons given for opposition are that construction of the proposed Trotters Shoals Reservoir would destroy industrial sites; restrict the free use of water by industrial, municipal, and agricultural consumers; eliminate free-flowing water and thus restrict the water supply available for disposal of industrial wastes; prevent industrial development and the creation of new jobs by industry; and be an economic waste of funds. In addition, requests were received for further consideration of the advisability of modifying the recommended improvement to provide for pump storage both at the existing Hartwell powerhouse and at the proposed Trotters Shoals Dam. The board carefully considered the questions raised in the communications received.

VIEWS AND RECOMMENDATIONS OF THE BOARD OF ENGINEERS FOR RIVERS AND HARBORS

15. Views.—The Board of Engineers for Rivers and Harbors concurs in general in the views and recommendations of the reporting officers. It notes that cost allocation by the separable costs-remaining benefits method would not materially change the results presented by the reporting officers. The Board believes, however, that future cost allocations should be made using the separable costs-remaining benefits method.

16. Recommendations.—The Board accordingly recommends the further improvement of Savannah River, Ga. and S.C., by construction of Trotters Shoals Reservoir on the Savannah River for hydroelectric power, general recreation, and fish and wildlife recreation; generally in accordance with the plan of the District Engineer and with such modifications thereof as in the discretion of the Chief of Engineers may be advisable, at an estimated cost of $78,700,000 for construction and $483,000 annually for operation, maintenance, and major replacements.

For the Board:

KEITH R. BARNEY,
Major General, U.S. Army, Chairman.

Mr. RUSSELL. Mr. President, if the Senate sees fit to approve the other project, I certainly hope the Senate will approve this one, which would have been before us with a budget estimate, but for the fact that it did not meet with the approval of the Governor of South Carolina.

I should like to have a statement made by the distinguished Senator in charge of the bill with respect to this amendment.

Mr. KERR. Mr. President, these two projects have been considered by the committee. They have been subject of careful study and analysis by the Corps of Engineers. They have been reviewed by the Bureau of the Budget. There is a relationship between them—one which, in my judgment, would make it wise either to have both of them accepted or to have neither of them accepted.

If the Senator from South Carolina will accept an amendment at page 2 of the amendment he has offered, in line 22, to consist of changing the period to a colon and then adding the words:

> *Provided further*, That this authorization shall be subject to the approval of the President of the United States.

And if the Senator from Georgia will accept a similar amendment to the section authorizing his project——

Mr. RUSSELL. I have no objection to the proposed amendment.

Mr. KERR. And if the two of them are accepted together with those provisions, I would ask that the Senate approve the amendment.

Mr. TALMADGE. Mr. President——

Mr. RUSSELL. I yield to my colleague, the junior Senator from Georgia.

Mr. TALMADGE. Mr. President, I desire to thank my distinguished senior colleague [Mr. RUSSELL] for taking the initiative in offering this amendment at this time. As he has correctly stated, there has been some controversy between the State of Georgia and the State of South Carolina about these proposals.

It is the feeling of the overwhelming majority of the people of Georgia who live in the area contiguous to the Savannah River that these two projects are compatible with each other and that they ought to be authorized simultaneously and developed simultaneously.

I desire to express my appreciation to the distinguished senior Senator from Oklahoma [Mr. KERR], who is acting chairman of the committee and in charge of the bill, for having accepted authorization of both projects at this time.

The PRESIDING OFFICER. Is there objection to accepting the amendment offered by the Senator from South Carolina [Mr. JOHNSTON] with the addition as proposed by the Senator from Oklahoma? The Chair hears none.

Mr. JOHNSTON. Mr. President, I have no objection. We all know that if the President does not want any of these projects, they will not be constructed. Personally, I am for both projects, as far as that goes, but I do not think we must have one to have the other. I will go that far. If one is authorized with the other, and if something comes up so that one project cannot get through, I do not see why the private generating plant should not be built, when it is not going to cost the Government anything, and when it will mean much to the people in the area in the form of taxes. It will also mean that coal from West Virginia will be sold to that area. A great deal of work will be created in constructing this facility and in helping employment, for which there is a need all over the United States. I think it is a fine thing. If one project cannot be approved without the other, I have no objection to approving the other.

Mr. KERR. Mr. President, the reason the Senator from Oklahoma has suggested that both projects be authorized if either is authorized is based upon the fact that these two projects would have been before the committee for adoption, and in my judgment would have been adopted, had it not been for the fact that there had been a failure to agree between the Governors of the two States. I can well understand the position they take. The addition of the language suggested by the Senator from Oklahoma will leave it so the Bureau of the Budget can follow through in an effort to secure the cooperative acceptance by the two Governors, failing which there could be approval of the authorization of the two projects without it.

Therefore, I urge adoption of the amendments on that basis.

The PRESIDING OFFICER. Is there objection to the amendment——

Mr. THURMOND. Mr. President——

Mr. KERR. Can we get through this, first?

The PRESIDING OFFICER. Without objection, the amendment is agreed to——

Mr. THURMOND. No. I want to speak on the amendment.

The PRESIDING OFFICER. That was the Chair's understanding.

Mr. KERR. Does the Senator want to oppose the amendment suggested?

Mr. THURMOND. Which one?

Mr. KERR. Both.

Mr. THURMOND. They are separate amendments, are they not?

Mr. KERR. No; they have been accepted together. I have asked that they be accepted together.

Mr. THURMOND. I object to that. Let them be considered separately.

Mr. KERR. The Senator from Georgia has offered his amendment as an amendment to the pending amendment.

Mr. RUSSELL. Mr. President, I had understood that the Senator from Oklahoma obtained unanimous consent to have them accepted together.

The PRESIDING OFFICER. The Chair states that he did. They are accepted and are being treated together.

Mr. THURMOND. Mr. President, I have been in the Stockpiling Subcommittee and have not been able to be present all morning on this matter. I wonder if the distinguished Senators from Oklahoma and Georgia would object to the amendments being voted on separately?

Mr. RUSSELL. Certainly I would object. I do not propose to have the Duke Power Co. come in and ruin the best damsite we have on the Savannah River with this project unless my State can get some benefit from it.

Mr. KERR. I will say to the Senator from South Carolina that his interests are not best served by this procedure. The amendments consisting of the two provisions will be in the bill if they are accepted. We will go to conference, and if both are approved by the Congress, the appropriations will then come up on the project in Georgia.

As soon as the Bureau of the Budget, for the President, approves the project in South Carolina, it will be available for the procedures outlined in the bill with reference to implementing the permission of the Duke Power Co. to build its facility. I see no possible disservice that can occur to his amendment by reason of their being considered together.

Mr. THURMOND. I am sorry the senior Senator from Georgia does not agree to have these amendments voted on separately. I am forced into an awkward position now. The Duke Power Co. has offered to build a dam in South Carolina in the home county of my distinguished senior colleague that would bring into that county more than $1 million a year in taxes. It will be a steamplant that will be most valuable in generating electricity. I am informed that electricity can be generated much cheaper that way than by building larger hydroelectric dams. I am strongly in favor of that amendment. I regret that the Senators from Georgia have opposed the provision which the senior Senator from South Carolina and I had together introduced on this subject. It has been pending for some time.

Mr. TALMADGE. Mr. President, will the Senator yield?

Mr. THURMOND. I yield.

Mr. TALMADGE. The pending amendments would authorize the dam the Senators from South Carolina are seeking and also authorize the dam the two Senators from Georgia are seeking.

There is nothing incompatible in the bill with reference to both projects. These projects can be approved any time the Senate is ready to accept both of them and I hope they will be approved.

Mr. THURMOND. I thank the distinguished Senator for those remarks. I can see his position. But I am in the position of favoring one and not the other. When the two projects are combined, I am being forced to vote for both of them when I do not favor the federally constructed, larger dam. The Clark Hill Dam has been built on the Savannah River at a cost of $100 million. The Hartwell Dam has been built farther up the river at a cost of between $60 and $100 million, near Hartwell, Ga. Both those dams now create tremendous reservoirs. They have provided places for boating, fishing, and recreational facilities. But in both instances, undoubtedly today, with modern steamplants, electricity can be generated cheaper by steam. I think it is a mistake to build another dam between those two.

The reason I make that statement is as follows: Former Senator Charles E. Daniels, who preceded me in the U.S. Senate for a brief period, by appointment of Governor Byrnes, has said that if we build this dam between the two, we are going to destroy very fine industrial sites. He has told me, and I am sure he has told the Senators from Georgia, that he can assist, and we feel that others will assist, in bringing hundreds of millions of dollars of industry along the Savannah River, on both sides, which we will not be able to obtain if we build this third dam.

We would have stagnant water. I know of no special advantage to be obtained. In fact, electricity could be generated more cheaply by using a steamplant, such as the Duke Power Co. is willing to do, which would still keep the stream flowing to provide fresh water.

In my judgment, this would be a great mistake. I do not try to speak for the people of Georgia, but I speak for the people of my State. The Governor of my State is bitterly opposed to the proposal to build the Trotters Shoals Dam. The people in Anderson County, from where the distinguished senior Senator from South Carolina comes, are against this amendment. The people in Abbeville County, near there, are against this amendment.

I believe the dam should not be built. The people of Abbeville County have passed resolutions against it.

The people of South Carolina want industry to relocate and build in our State. This section of the Nation badly needs industry. If this Federal dam should be built it would mean, in practical effect, that we would not get industry.

Mr. President, I wish to cooperate with the able Senators from Georgia, for whom I have high respect. I wish to cooperate in every way I can with them. At the same time, I think we would be making a great mistake, as Senator Daniel has said, by bringing another dam there to deprive that section of the country, on both sides of the river, from getting industry, which it will not be able to get if the third Federal dam is built.

I know of no special virtue which would accrue from the construction of the third dam.

As I say, from the standpoint of the generation of electricity, that could be done cheaper by the use of steam.

The project would greatly hamper the obtaining of industry in the area.

Not only is the Governor of South Carolina opposed, but also the Legislature of South Carolina is opposed. The legislature has passed a resolution opposing the third dam, between Hartwell and Clark Hill.

When I speak against this third dam, I am carrying out the wishes of the people of South Carolina on this subject. It is my personal feeling, too, and a conclusion which has been arrived at after discussion not only with Senator Daniel but also with a number of industrialists, business people and others, in the State of South Carolina, and some in Georgia.

Mr. KERR. Mr. President, will the Senator yield for a question?

Mr. THURMOND. I am pleased to yield.

Mr. KERR. The project which the distinguished Senator from South Carolina favors, as I understand, would bring about construction which would result in a body of water which would be partly in South Carolina and partly in Georgia.

Mr. THURMOND. The project which the Senator from South Carolina favors is a very low dam. It is not a high dam.

Mr. KERR. Either high or low, as I understand it, that would be the situation?

Mr. THURMOND. That is correct. It would be across the Savannah River.

Mr. KERR. It would cross State lines?

Mr. THURMOND. It would not impound water with an overly large reservoir, to include thousands of acres, to have great shore lines, destroying industrial sites. We are desirous of maintaining a fresh water flow in the river, for the industrial sites, in order to increase the economy for the people and to raise their incomes. I am told definitely by our State development board and by others who are interested in this question that they feel it would be a mistake to build the high dam, because industry would be hampered and impeded from coming into this section of the country.

Mr. KERR. If the Senator will answer my questions, I will appreciate it.

If the project which the Senator and his distinguished senior colleague favor should be constructed, it would create a reservoir partly in South Carolina and partly in Georgia?

Mr. THURMOND. No. I do not understand that it would create a reservoir. It would merely provide a very low dam, to enable the Duke Power Co. to use water for steam.

Mr. KERR. Does the Senator know how to build a dam without creating some kind of reservoir?

Mr. THURMOND. In other words, the answer to the question, as I understand the Senator's question, is that it would provide only a very low dam and would not impound water over a tremendous acreage.

Mr. KERR. I did not refer to a tremendous acreage. I said that a dam would create an obstruction in the river.

Mr. THURMOND. It would do that; that is correct.

Mr. KERR. Which would cause an accumulation of water?

Mr. THURMOND. It would cause an accumulation of water, but not covering an extensive area, as would be the case with a high dam.

Mr. KERR. I understand; but it would create a dam which would cause an accumulation of water.

Mr. THURMOND. It would cause an accumulation of water sufficient to provide fresh water for the steamplant.

Mr. KERR. Would that be an accumulation of water?

Mr. THURMOND. It would be an accumulation of water sufficient——

Mr. KERR. Would that——

Mr. THURMOND. Let me answer the question. The Senator asked a question. Let me answer the Senator's question.

It would cause an accumulation of water sufficient to provide water for the steamplant, which would be quite different, as the Senator well knows, because he is an expert on public works projects, from building a high dam and having many thousands of acres flooded with water and taken out of cultivation for the future.

Mr. KERR. I understand that. I am not arguing with the Senator about the virtues of a high dam as distinguished from a low dam. I am merely trying to get the facts in the RECORD. If I correctly understand the situation, if the project the Senator favors should be constructed, it would result in the building of a low dam.

Mr. THURMOND. A very low.

Mr. KERR. Just a teeny, weeny dam.

Mr. THURMOND. The Senator is exactly correct.

Mr. KERR. A teeny, weeny dam.

Mr. THURMOND. A teeny, weeny dam is exactly what it would be—only enough to slow up the water, to use it to produce steam.

Mr. KERR. There would be the accumulation of a teeny, weeny quantity of water.

Mr. THURMOND. Compared with a high dam. That is correct.

Mr. KERR. But a part of that teeny, weeny amount of water would be in the State of Georgia.

Mr. THURMOND. That is right.

Mr. KERR. And it is correct.

Mr. THURMOND. That is right. And if they wished to build a similar dam, I would have no objection.

Mr. KERR. They have no objection to the building of this dam.

Mr. THURMOND. They are objecting, as I understand.

Mr. KERR. No. They are not objecting to it at all.

Mr. THURMOND. They object, unless we go along with the high dam, which I say would destroy industrial sites in both States. The Governor of our State, the legislature of our State, and the people of our State are all against the high dam, because we need industry.

Mr. KERR. Would any part of the reservoir which would be created by the project sponsored by the Senator from Georgia be in the State of South Carolina?

Mr. THURMOND. It certainly would be. It would flood a great part of the area of South Carolina.

Mr. KERR. Does the river make a bend there?

Mr. THURMOND. It does not make any bend. The Senator knows better than that. The Senator knows that if a high dam were built across the Savannah River between the two States it would flood areas in both States.

Mr. KERR. It would not, unless portions of the reservoir site were in both States.

Mr. THURMOND. The reservoir site would be in both States, of course, if the dam were built over the Savannah River.

Mr. KERR. Are the reservoir sites for both dams to be in both States?

Mr. THURMOND. The Senator is asking a question to which he obviously knows the answer. What does the Senator really wish to know?

Mr. KERR. What I asked.

Mr. THURMOND. The Senator already knows that.

Mr. KERR. Does the Senator from South Carolina know?

Mr. THURMOND. Surely. I know that. I have told the Senator the answer.

Mr. KERR. Will the Senator put it in the RECORD?

Mr. THURMOND. I have already put it in the RECORD. Now, what does the Senator really wish to know?

Mr. KERR. The Senator from Oklahoma understands the project.

Mr. THURMOND. I understand that the Senator from Oklahoma has made up his mind to consolidate these two amendments, and if he does not wish to separate them, I am sorry. I simply requested that they be separated so I could be recorded as being against the high dam, which would affect both States, and as being in favor of the little, teeny, weeny dam, that would merely stop enough water for the steamplant.

If the Senator does not wish to agree to allow a separate vote, there is nothing I can do. I do not wish to be put in the position of voting for an amendment I do not favor. I do not wish to be placed on record as saying that I favor a high dam, when the people of my State do not favor it and I do not favor it. If the Senator will not agree, I will have to ask for a separate vote on the two items.

Mr. KERR obtained the floor.

Mr. JORDAN of North Carolina. Mr. President, will the chairman of the committee yield to me?

Mr. KERR. I yield.

Mr. JORDAN of North Carolina. Under the terms of the amendment, the language would not prevent the Duke Power Co. from building the dam now, would it? It would give permission to proceed to build it?

Mr. KERR. As soon as the President approved it.

Mr. JORDAN of North Carolina. Yes.

Mr. KERR. The Senator is correct.

Mr. JORDAN of North Carolina. It would be necessary to come back to Congress later, for the authorization to build the higher dam?

Mr. KERR. No. This bill would be the authorization.

Mr. JORDAN of North Carolina. I mean, of course, the appropriation.

Mr. KERR. The sponsors of it would have to go before the Appropriations Committee and ask for the money to build it.

Mr. JORDAN of North Carolina. That is what I meant.

Mr. KERR. The Senator is correct.

Mr. JORDAN of North Carolina. They would have to get the money.

Mr. KERR. That is correct; after the President approved it.

Mr. JORDAN of North Carolina. This would not prevent the Duke Power Co. from going ahead and building the dam right now?

Mr. KERR. As soon as the President approved it.

Mr. JORDAN of North Carolina. As soon as the President approves it.

Mr. KERR. The sponsors of the Duke Dam were very careful to provide in their amendment—

> Authority granted by the act shall cease and be deemed null and void unless the actual construction of the dam hereby authorized is commenced within 4 years and completed within 7 years from the date of approval of the act.

Mr. JORDAN of North Carolina. In other words, the amendment would not endanger the dam which Duke wishes to build.

Mr. KERR. Not in the least. It would make it possible for them to do so.

Mr. JORDAN of North Carolina. It would make it possible for them to build the dam.

Mr. KERR. The Senator is correct.

Mr. President, I wish to explain the procedural situation. My affection and respect for the Senator from South Carolina [Mr. THURMOND] are very great. I had no purpose in mind to disaccommodate him or in any way to interfere with the orderly processes in which he is interested. I must say that when the amendment was offered he was not in the Senate Chamber.

Mr. THURMOND. Mr. President, will the Senator yield?

Mr. KERR. I yield.

Mr. THURMOND. I was at a meeting of the Committee on Stockpiling.

Mr. KERR. I understand. The Senator made that clear.

Mr. THURMOND. Naturally I thought that the Senator would agree to have a separate vote on the two projects.

Mr. KERR. When the subject came up, the Senator from South Carolina was not in the Senate Chamber. The matter was presented for the junior Senator from South Carolina [Mr. THURMOND] by his senior colleague, for both Senators. When it was presented, the Senators from Georgia said that they were interested in the subject to the extent that if authorization was to be granted for the building of one dam, they wanted authorization for the building of two.

Due to the controversy, which I had not known to be so intense, between the Governors of the two States, the Public Works Committee did not approve either project. The public works bill is before the Senate. The senior colleague of the junior Senator from South Carolina offered an amendment. The Senators from Georgia asked for the inclusion of an authorization for the project that they proposed along with the one proposed in South Carolina. Whereupon, in the ordinary course of events, and in the absence of the distinguished junior Senator from South Carolina—with reference to which the Senator from Oklahoma was certainly not to blame—the Senator from Oklahoma asked unanimous consent that the two amendments be considered together.

No objection was offered. The order was made.

The Senator from Oklahoma cannot now withdraw that unanimous-consent agreement. It can be withdrawn only by unanimous consent. So if the Senator from South Carolina wishes to criticize someone for not giving consent that the unanimous-consent agreement be withdrawn, he should address himself to the Senators from Georgia and not the Senator from Oklahoma. The Senator from Oklahoma is merely a tool to expedite or to help handle the consideration and passage of proposed legislation.

Mr. President, I take no side in the controversy. I have the greatest respect for the Senators from each of the two States. I have mutual respect for the Senators from each of those States. The Senator from Oklahoma is not entitled to be criticized by the Senator from South Carolina for not changing a unanimous-consent agreement of the Senate, because the Senator from Oklahoma has no power to change it.

Mr. THURMOND. Mr. President, will the Senator yield?

Mr. KERR. I yield.

Mr. THURMOND. The Senator from Oklahoma must have had a bad dream last night.

Mr. KERR. I had no bad dreams last night, and I am not dreaming now.

Mr. THURMOND. The Senator has not heard me criticize him. The Senator surely does not recall my criticizing him. I merely asked him if he would assist in having the unanimous-consent agreement repealed so that we could have a separate vote on the two issues. I am not criticizing him.

Mr. KERR. I wish to say to the Senator from South Carolina that we do not repeal a unanimous-consent agreement.

Mr. THURMOND. It could be withdrawn, repealed, or whatever term should be applied to the situation.

Mr. KERR. It could be.

Mr. THURMOND. The Senator from Oklahoma may use whatever terminology he wishes.

Mr. KERR. I yield to the Senator to propound a unanimous-consent request.

Mr. THURMOND. Mr. President, I wish to make plain that there has been no attempt on my part to criticize the distinguished Senator from Oklahoma.

Mr. KERR. I yield to the Senator to propound a unanimous-consent request.

Mr. THURMOND. I was trying to explain my position, and I wondered if the Senator from Oklahoma and the Senators from Georgia would give their assistance in obtaining unanimous consent for the amendments to be voted upon separately.

The PRESIDING OFFICER. The Chair understands that the Senator from Oklahoma yielded to the Senator from South Carolina for the purpose of propounding a unanimous-consent request.

Mr. THURMOND. Mr. President, in view of the action of the State Legislature of South Carolina and the resolution of the people in the very county in which a high dam would be located, and the wholehearted disapproval of the people of my State, especially in the county where the proposed high dam would be located and built, feeling that it would hurt us in getting industry in that area where we so badly need it, I respectfully ask unanimous consent that the previous unanimous-consent agreement obtained on the subject be rescinded so that the amendments can be voted upon separately.

The PRESIDING OFFICER. Is there objection?

Mr. RUSSELL. Mr. President, reserving the right to object, I wish to make a few brief observations on the comments made by the distinguished Senator from South Carolina. He has attacked the dam that we propose as being a great nuisance and offensive to the people of South Carolina. I think the dam would perhaps be somewhat higher than the one the Senator espouses and that the Duke Power Co. intends to build, but that is still a pretty good dam. If dams on the river are bad, the Duke Power Co. dam would be more than just a little pregnant, so far as dam construction on the Savannah River is concerned. It would be a very high dam.

The Senator said that the people in his State are opposed to the construction of the Trotter Shoal Dam. I assure him that the people of Georgia are equally opposed to the construction of the Duke dam.

The distinguished Senator has said that South Carolina and the county will receive $1 million a month from the Duke dam.

Mr. THURMOND. A year.

Mr. RUSSELL. The people representing the Duke Power Co. have told me that they would pay $3 million to the State.

Mr. THURMOND. I believe the county would receive $1 million. Anderson County, where the dam would be located, would receive $1 million a year.

Mr. RUSSELL. Anderson County; but the State would receive many millions of dollars. The State of Georgia would get mudflats from the construction of the dam. That is what we would get. We would get no taxes. They would all be paid on the South Carolina side. We would have been justified in waging war on that private power project, because it is so one sided in favor of our friends from South Carolina. But we did not do it. We did not want to take a dog-in-the-manger attitude and say, "They shall not build this dam here on the Savannah River. We will get nothing. It would not flood any more, or as much land, in South Carolina and yet they would get $10 million or $12 million a year out of it. The county and the State of Georgia, with all the unemployment that we hear about, would receive nothing. We would get mudflats."

When we wish to build the dam that has been recommended by the U.S. Army Engineers, which was contemplated by an authorization act passed in about 1934 or 1935—it has been on the books that long—it is said that we should withdraw it because the people of South Carolina are opposed to it.

Mr. President, I have the greatest respect for the people of South Carolina. I can trace my lineage back to some of the people who live there and who contributed mightily to the development of the Palmetto State.

This is an entirely one-sided proposal. We are told, "You ought to take the Duke power project and kill the public power project below it. Both have dams and both have reservoirs, and both would make mudflats on both sides." As a matter of fact, South Carolina would get all the benefit of the Duke project.

I object to the severance of the amendments. The Senator from Georgia would be compelled to object to any such one-sided proposition as this.

Mr. THURMOND. I regret that the Senator from Georgia will not agree that the amendments may be voted on separately. They will cause me to vote for an amendment that contains the high dam and the low dam, which provides steam and does not flood a great deal of land, as the high dam does. It is the high dam that causes the water to go out over thousands of acres.

The low dam merely makes a little reservoir in the stream to enable use of the water for steam. That is its only purpose. If the State of Georgia had the opportunity to obtain a steamplant similar to what it is willing to have on our side, I would be delighted and glad to go along with the State of Georgia.

I have two brothers who are doctors at Augusta, Ga. I have many kinfolk who live in the State of Georgia. I love the State of Georgia. One of my ancestors, who originally came from the State of Virginia, first went to Wilkes County in Georgia, not far from this section. I am very much interested in the people of Georgia. I have relatives there yet. We would be making a great mistake by building another high dam between the two high dams that are there already, and which would make the water stagnant and which, according to the experts, would make it impossible to attract industry. We would be able to do that if we had fresh water there. The proposed low dam would be a little dam for the purpose of making steam; and it would not flood large areas if it were built.

Mr. RUSSELL. Does the Senator know how high the Duke Power Dam would be? Does he know how many thousands of acres it would flood?

Mr. THURMOND. My understanding is that it would be a very low dam across the river, merely to check the water somewhat and to provide water for the generation of steam. It would not go any higher than the banks of the river on either side; in fact, it would not go nearly as high as the banks in some places. It would not flood a great acreage.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. THURMOND. I yield.

Mr. RUSSELL. I believe the Senator said that the dam would be quite low. He indicated by placing his hands near his knees. He ought at least to have some figures to tell how high the dam would be. This is a rather substantial dam. It would cost millions of dollars. It is not merely a knee-high dam.

Mr. THURMOND. The Duke Dam would be 40 feet as compared with 180 feet for the high dam at Trotters Shoals. It is a very low dam. It is a dam to take water for the steamplant. It is not a high type dam, like the Clark Hill Dam, or similar dams, which flood thousands of acres of land. It is merely to provide water for the steamplant. I am sure it would not damage either State, from that standpoint.

I say again that if the State of Georgia had the opportunity to obtain a steam plant of this kind which would provide millions of dollars in taxes to the State of Georgia, I would be glad to cooperate with the State. I do not want to hurt the State of Georgia in any way. The high dam would not generate any taxes. On the contrary, it would take thousands of acres out of taxation, and deprive us of industry. It would prevent industry from coming into the Savannah River valley. The result would be that we would lose numerous industrial plants. Former Senator Charles Daniel told me and the senior Senator from Georgia—I do not know whether he talked with the junior Senator from Georgia also—that he will help them to get industry in this section if this dam is not built. I am sure that the advantages to the people of that section would be much greater if the high dam were not built.

As I said, I do not want to be placed in the position of doing anything to hurt the people of Georgia. I am confident that the little dam for the steam plant would not hurt the State of Georgia. On the other hand, it would provide more electricity, which would help to bring more industry to both sides of the river. I am confident that the high dam would be a great detriment to both sides of the river and would prevent us from attracting industry that we had anticipated we would get if the dam were built.

Mr. TALMADGE. Mr. President, will the Senator yield?

Mr. THURMOND. I am glad to yield.

Mr. TALMADGE. It is certainly not the desire of the Senators from Georgia to do any harm to the State of South Carolina. On the other hand, it is the position of the Senators from Georgia that we want to help both States. As my senior colleague has pointed out, we are unwilling to have this dam built on the river, affecting both our States, and impounding the water to the exclusion of the project that the people on the Georgia side feel they ought to have. It is the position of the Senators from Georgia that both South Carolina and Georgia ought to have their projects. I am perfectly willing to have both projects. I hope the Senator from South Carolina is willing also.

Mr. THURMOND. The Senator from South Carolina, for reasons he has stated, favors the steamplant, which I believe will help both States to get new industry, but I cannot support separately the high dam which I believe would hurt the industrial development of both States. As long as objection has been made to the unanimous-consent request, it will not be possible now to vote on the amendments separately. Is that correct?

The PRESIDING OFFICER. That is the ruling of the Chair.

The question is on agreeing to the amendments.

Mr. THURMOND. The statement was made by the distinguished Senator from Oklahoma [Mr. KERR] that the senior Senator from South Carolina offered the amendment for the steamplant and that he was authorized by me to add my name as a cosponsor of the amendment. I wish the RECORD to show that we had discussed the amendment and that my senior colleague had my approval to add my name to the amendment. However, at that time I did not anticipate that another amendment would be hooked onto it. I anticipated that there would be a separate vote of the amendments.

The PRESIDING OFFICER. The question is on agreeing to the amendments.

The amendments were agreed to.

Mr. RUSSELL. I move to reconsider the vote by which the amendments were agreed to.

Mr. KERR. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DIRKSEN. Mr. President, does the Senator from Oklahoma have the floor?

Mr. KERR. I do not. I hope that we may be able to finish with all the amendments that will be offered to the bill, but I do not have the floor.

Mr. DIRKSEN. Mr. President, I merely wish to insert a few comments in the RECORD at this point. The State of Illinois, according to the basic table on page 332 of the report, has 15 or 16 residual projects in the pending bill. These are set out in rather broad dimensions, and do not quite indicate what projects the bill contains.

I ask unanimous consent that the portion of the index table on page 332 of the report under the caption "Illinois" be inserted in the RECORD at this point in my remarks.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

Illinois:

Calumet Harbor	$11,464,000
Chicago Harbor	1,505,000
Columbia Drainage and Levee District No. 3	986,000
Harrisonville and Ivy Landing Drainage and Levee District No. 2	$1,112,000
Illinois River comprehensive	71,465,000
Illinois Waterway duplicate locks	40,000,000
Kaskaskia River	58,200,000
Kaskaskia River levees (local cooperation)	
Prairie Du Pont Levee and Sanitary District	921,000
Rend Lake	35,500,000
Richland Creek	4,995,000
Rock River, Rockford	7,228,000
Wabash River at Mount Carmel	1,417,000

Mr. DIRKSEN. Mr. President, the list requires some additional detailing. I ask unanimous consent to insert in the RECORD a list of the projects in the bill which were sponsored by me. There are some 17 of these in these documents, exclusive of those that are carried in other documents. As I indicated before, these number about 32 projects altogether.

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). Is there objection?

There being no objection, the list was ordered to be printed in the RECORD, as follows:

PROJECTS SPONSORED BY SENATOR DIRKSEN WHICH WERE INCLUDED IN THE OMNIBUS RIVER AND HARBOR BILL OF 1962 (S. 3773, S. REPT. 2258)

1. Illinois Waterway, Illinois and Indiana, duplicate locks, $40 million.

2. Kaskaskia River Navigation project ($100,000 included in Senate appropriation bill for preconstruction planning), $58 million.

3. Chicago Harbor, Illinois and Indiana, navigation project, $1,505,000.

4. Calumet Harbor and River, Illinois and Indiana, navigation improvements, widening and deepening and breakwater protection ($110,000 included in Senate appropriation for fiscal year 1963 for preconstruction planning), $11,464,000.

5. Illinois-Mississippi Canal and Sinnissippi Lake, authorization of an additional $800,000 to put the canal in condition before transfer to the State (addition to the $2 million authorized by River and Harbor Act of 1958), $800,000.

6. Flood control project at and in the vicinity of Mt. Carmel, Ill., on Wabash River across from Indiana Levee No. 5 ($75,000 included in Senate appropriation bill for 1963 for preconstruction planning), $1,417,000.

7. Rend Lake project (H. Doc. No. 541, 87th Cong.), $35,500,000.

8. Illinois River and tributaries, Illinois, Wisconsin, and Indiana, for flood control and related purposes (the 18 projects included are listed on separate hearing), $71,465,000.

9. Harrisonville and Ivy Landing Drainage District No. 2 in Monroe County, Ill., $1,112,000.

10. Columbia Drainage and Levee District No. 2 in Monroe County, Ill., $986,000.

11. Prairie Du Pont Levee and Sanitary District in Madison, Monroe and St. Clair Counties, Ill., $921,000.

12. Richland Creek in Madison, Monroe and St. Clair Counties, $4,995,000.

13. Pecatonica River, Illinois and Wisconsin, flood control, $850,000.

14. Rock River at Rockford, Ill., flood control, $7,228,000.

15. Mississippi River urban areas from Hampton, Ill., to Cassville, Wis., flood control (H. Doc. No. 450, 87th Cong.), $5,350,000.

16. Mississippi River urban areas from Hampton, Ill., to mile 300 (H. Doc. No. 564, 87th Cong.), $9,289,000.

17. Authority for the Corps of Engineers to review requirements of local cooperation on Kaskaskia River Levees between Cowden and Vandalia, with view of eliminating cash contributions. (The levees below Carlyle, Ill., do not now require cash contributions.)

Mr. DIRKSEN. Mr. President, in order that a readable document may be made out of what I have in mind, it would be necessary to include information and data which the Army Engineers have submitted to the committee for inclusion in the report. I have asked my staff to assemble this material so that all of it may be placed in the proper places under the 17 categories which I presently have before me.

Mr. President, I ask unanimous consent that the engineering data also be printed as a part of my remarks.

There being no objection, the data were ordered to be printed in the RECORD, as follows:

16. Recommendations: The Board therefore recommends—

(a) That the proposed projects shown in Table 1 herein for the purposes indicated be authorized for construction in the Illinois River basin, with the provision that construction of any one may be undertaken independently of the others upon compliance with the prescribed requirements of local cooperation pertaining thereto; and

(b) That all of the foregoing be accomplished generally in accordance with the plans of the Division Engineers and with such modifications thereof, including reasonable adjustments in storage capacity for water supply and other purposes in the proposed Oakley project, as in the discretion of the Chief of Engineers may be advisable, at an estimated cost of $71,465,000 for construction to be accomplished by the United States and $189,000 annually for maintenance and operation of the proposed Oakley project; provided that, prior to construction, local interests give assurances satisfactory to the Secretary of the Army that they will:

(1) With respect to the proposed Oakley project:

(a) Agree to pay the first cost allocated to water supply, such cost being presently estimated at 15.5 percent of the total, or $4,599,000, with such modification in these amounts as may be necessary to reflect adjustments in the storage capacity for water supply and other purposes, to be paid in a lump sum prior to construction with appropriate adjustments when actual costs are determined, or in installments prior to commencement of pertinent items, in accordance with construction schedules as required by the Chief of Engineers, or by annual payments, including interest during construction and interest on the unpaid balance, over the life of the project as determined by the Chief of Engineers, or 50 years, whichever is the lesser;

(b) Agree to pay annually as they occur the costs of operation and maintenance allocated to water supply, such costs being presently estimated at 22.7 percent of the total, or $43,000, with such modification in these amounts as may be necessary to reflect adjustments in the storage capacity for water supply and other purposes;

(c) Maintain all roads and bridges in the reservoir area and over the improved channel downstream from the dam in accordance with regulations prescribed by the Secretary of the Army;

(d) Hold and save the United States free from all water-rights claims resulting from construction and operation of the project, and

(e) Operate the existing non-Federal dam and reservoir at Lake Decatur for flood control in accordance with regulations approved by the Secretary of the Army; and

(2) With respect to the proposed local protection projects:

(a) Furnish without cost to the United States all lands, easements, rights-of-way, and ponding and spoil-disposal areas necessary for construction of the project;

(b) Hold and save the United States free from damages due to the construction works;

(c) Bear the expense of relocating and altering highways, highway bridges (except underpinning), utilities, buildings, interior drainage facilities, pipelines, and other structures, except railroad bridges and approaches;

(d) Prescribe and enforce regulations satisfactory to the Secretary of the Army to prevent encroachment on the improved channels and ponding areas; and

(e) Maintain and operate all the works after completion in accordance with regulations prescribed by the Secretary of the Army.

17. It is further recommended that:

(a) The general comprehensive plan for flood control and other purposes in the upper Mississippi River basin, authorized by the Flood Control Act of 1938, be modified to delete therefrom the Chandlerville Reservoir No. 2, Sangamon River; and

(b) The following projects, authorized by the Flood Control Act of 1936, be deauthorized:

(1) Sangamon River, mouth of Salt Creek to Roby, Ill., channel straightening for flood control at an estimated cost of $2,510,000;

(2) Sangamon River and Salt Creek, clearing channels at 50 bridge sites (Sangamon River portion only) at an estimated cost of $42,000;

(3) Clear Lake Levee at junction of Sangamon and Illinois Rivers in Illinois at an estimated cost of $279,000; and

(4) McGee Creek Drainage and Levee District, Illinois River at an estimated cost of $597,000.

18. Of the Federal construction cost of $71,465,000 for the recommended works, the net cost to the United States is estimated at $66,866,000 after reimbursement by non-Federal interests of the costs allocated to water supply. The net annual cost to the United States for maintenance and operation of the proposed Oakley project is estimated at $146,000.

For the Board:

KEITH R. BARNEY,
Major General, U.S. Army, Chairman.

REPORT OF THE DISTRICT ENGINEER

SYLLABUS

The Illinois River is the largest tributary of the Mississippi River above the mouth of the Missouri River. Average annual flood damages in the Illinois River basin, exclusive of the Kankakee and Fox River basins, are estimated to be $8,942,000 of which about $4 million occur along the main stem of the Illinois River.

Existing flood control projects do not afford adequate protection to all areas from floods which can be expected to occur and there is need for additional protection to some of these areas as well as to areas which have no flood protection.

There is a need in the basin for surface storage of water for domestic and industrial use. There is also need for additional recreational opportunities for the residents of the central portion of the State of Illinois and for conservation of fish and wildlife resources.

Flood protection and allied water uses for 80 projects have been analyzed. The reporting officers find that 18 of these projects are individually justified. They include 16 local flood protection projects, comprising levees, floodwalls, channel improvement and interior drainage facilities; a multipurpose reservoir for flood control, water supply and recreation and associated downstream channel improvement; and remedial work in connection with the completed Federal flood control project at the mouth of the Sangamon River. The overall benefit/cost ratio for the entire plan is 1.2. They therefore recommend adoption of these 18 plans of improvement and participation in maintenance and operation; provided certain items of local cooperation are met.

The estimated cost to the United States for the 18 improvements, is $64,687,500 for construction and $135,000 for annual maintenance and operation. The recommended projects are as follows:

Project	Federal construction cost	Federal annual maintenance and operation cost	Benefit-cost ratio
Local flood protection, urban areas:			
City of Peoria	$10,876,000		1.01
Community of Meredosia, and Meredosia, Willow Creek, and Coon Run drainage and levee district	1,990,000		1.2
Community of Eldred	460,000		1.7
Local flood protection, agricultural areas:			
Indian Creek area	3,660,000		1.1
Meredosia Lake and Willow Creek drainage and levee district	1,620,000		1.03
McGee Creek drainage and levee district	3,490,000		1.1
Scott County drainage and levee district	2,820,000		1.2
Big Swan drainage and levee district	2,560,000		1.2
Hillview drainage and levee district	2,110,000		1.5
Hartwell drainage and levee district	2,190,000		1.1
Keach drainage and levee district	1,890,000		1.0
Eldred and Spankey drainage and levee district	2,390,000		1.7
Nutwood drainage and levee district	1,650,000		1.5
Lake Fork of Salt Creek	1,271,000		1.6
Farmers levee and drainage district	711,000		2.1
Clear Lake special drainage district	1,910,000		1.3
Remedial work near mouth of Sangamon River	33,500		
Reservoir: Oakley Reservoir and associated downstream channel improvement	23,056,000	$135,000	1.2
Total for 18 projects	64,687,500	135,000	1.2

Mr. DIRKSEN. Mr. President, I alluded to the fact that there were 18 projects dealing with the Illinois River Basin, including States of Wisconsin and

Indiana, all of which have been recommended, and on which engineering data are available. I ask unanimous consent that the data and excerpts from the report also be printed as a part of my remarks.

There being no objection, the data were ordered to be printed in the RECORD, as follows:

[From H. Doc. No. 472, 87th Cong., 2d sess.]

TABLE I.—*Recommended projects—Illinois River Basin, Wis., Ind., and Ill.*

[Costs and benefits in thousands of dollars, March 1961 prices]

Project	Stream	Purpose	Costs: Construction [1]: Federal	Costs: Construction [1]: Non-Federal	Costs: Construction [1]: Total	Costs: Annual operation, maintenance and replacement: Federal	Costs: Annual operation, maintenance and replacement: Non-Federal	Costs: Annual operation, maintenance and replacement: Total	Annual benefits	Annual charges	Benefit-cost ratio
Oakley Reservoir and channel improvement	Sangamon River	Flood control, municipal and industrial water supply, and recreation.	25,022	4,599	29,621	146	43.0	189.0	1,624.0	1,388.0	1.2
Peoria, Ill	Illinois River	Flood control	11,855	1,831	13,686	0	55.4	55.4	588.0	581.0	1.01
Meredosia, Ill., and Meredosia, Willow Creek, and Coon Run drainage and levee districts.	do	do	1,940	398	2,338	0	4.1	4.1	121.7	95.2	1.3
Eldred, Ill	do	do	450	104	554	0	0	0	40.3	21.4	1.9
Indian Creek area	do	do	3,540	311	3,851	0	3.5	3.5	173.4	153.4	1.1
Meredosia Lake and Willow Creek drainage and levee district.	do	do	1,570	45	1,615	0	0	0	66.6	60.9	1.1
McGee Creek drainage and levee district	do	do	3,380	106	3,486	0	2.3	2.3	160.0	136.0	1.2
Scott County drainage and levee district	do	do	2,710	210	2,920	0	0	0	140.0	112.8	1.2
Big Swan drainage and levee district	do	do	2,340	173	2,513	0	0	0	130.0	96.9	1.3
Hillview drainage and levee district	do	do	2,030	118	2,148	0	0	0	127.1	82.2	1.5
Hartwell drainage and levee district	do	do	2,080	97	2,177	0	0	0	95.4	82.9	1.2
Keach drainage and levee district	do	do	1,810	97	1,907	0	0	0	78.8	72.9	1.1
Eldred and Spankey drainage and levee district.	do	do	2,290	125	2,415	0	0	0	169.1	92.3	1.8
Nutwood drainage and levee district	do	do	1,570	82	1,652	0	0	0	104.2	63.1	1.7
Lake Fork of Salt Creek (Sangamon River)	Lake Fork	do	1,385	131	1,516	0	17.8	17.8	116.4	76.6	1.5
Farmers drainage and levee district	Sangamon River	do	775	10	785	0	5.9	5.9	70.2	34.7	2.0
Clear Lake special drainage district	do	do	2,082	252	2,334	0	24.3	24.3	139.8	114.3	1.2
Remedial work near mouth of Sangamon River	do		37	1	38	0	.3	.3		1.9	
Total			66,866	8,690	75,556	146	156.6	302.6			

---

[1] Exclusive of preauthorization study costs.

ILLINOIS WATERWAY, ILL. AND IND.

(H. Doc. 31, 86th Cong.)

Location: The Illinois Waterway provides a channel for barge navigation between the Mississippi River, 38 miles above St. Louis, and Lake Michigan at Chicago.

Report authorized by: House Rivers and Harbors Committee resolution adopted March 16, 1943; Senate Public Works Committee resolution adopted March 24, 1956.

Existing project: Provides for nine locks and six dams; navigation channel 9 feet deep in the Illinois and Des Plaines Rivers from the mouth of the Illinois River to Lockport, a distance of 291.1 miles; upstream extension and branch channels 9 feet deep in the Chicago Sanitary and Ship Canal, Chicago River, Calumet-Sag Channel, Little Calumet River, Calumet River, and Grand Calumet River; and appurtenant improvements including bridge changes. The project is complete except for construction of two locks, one on Calumet River and the other on Grand Calumet River and improvements of the branch channel in the Grand Calumet River.

Navigation problem: Commerce on the Illinois River has increased since the improved waterway to Chicago was opened from about 1.7 million tons in 1935 to 21.4 million tons in 1955. Most of the traffic delays now occur at the locks because many tows require rearrangement to permit a single lockage and the larger tows must make a double lockage. The congestion at the locks resulting from these delays will be more critical as the traffic increases.

Recommended plan of improvement: Modification of existing project to provide for construction of supplemental locks, 110 feet wide and 1,200 feet long, at the seven existing lock sites on the Illinois and Des Plaines Rivers. (The first two locks estimated to be needed by 1968 and the last three by 1977.)

Estimated cost (price level of January 1957): All Federal, $114,652,000.

Project economics:

Annual charges	$4,594,300
Annual benefits	22,320,000

(All transportation savings.)

Benefit-cost ratio: 4.9.

Local cooperation: Provided that prior to construction local interests agree that they will assume title to, and maintain and operate the new bridge across the lower approach to the Brandon Road lock when the bridge is placed in service.

Comments of State and Federal agencies: Fish and Wildlife Service: No interest in project.

State of Illinois: Concurs in conclusions and recommendations.

Comments of the Bureau of the Budget: Notes that commerce on the waterway has increased at a rapid rate since 1935; however, it states that a projection of the past rate of growth is by no means certain. The BOB does not question the economic justification, but considers authorization 10 to 19 years in advance of the need is premature and accordingly urges that the report be regarded only as a study of future need, and that the estimates on commerce and average tons per lockage be brought up to date in a future report to Congress in 5 years.

Remarks: The committee notes the exceedingly high benefit-cost ratio of 4.9 for this project. It also notes the comments of the Bureau of the Budget which questions the estimates of traffic growth, and that another report be submitted to Congress in 5 years. Since almost 4 years of the 5-year period the Bureau of the Budget referred to has elapsed, the committee sees no necessity of submitting another report in the near future. It recommends authorization of $40 million for initiation and partial accomplishment of the project at this time.

KASKASKIA RIVER, ILL.

(S. Doc. 44, 87th Cong.)

Description of Project

Location: The Kaskaskia River rises in Champaign County in eastern Illinois and flows southwesterly about 325 miles to the Mississippi River at a point 60 miles downstream from St. Louis, Mo., a short distance above Chester, Ill.

Authority for report: Senate Public Works Committee resolution adopted August 17, 1954. The report has been transmitted to Congress and printed as Senate Document 44, 87th Congress.

Existing project: The original Federal improvement of the river for navigation by deepening to 3 feet to mile 12, and removing snags to mile 22, was abandoned in 1895. The river is not used by commercial craft at the present time. The existing Federal project for flood control and other purposes on the Kaskaskia River provides for dams and reservoirs at Carlyle and Shelbyville, and levees between Cowden and Vandalia, below Carlyle, and New Athens. Carlyle Reservoir is under construction and planning is underway on the Shelbyville project. Work has not started on the levee. The reservoirs, in addition to reducing floodflows, would aid navigation by augmenting flows in the Mississippi River, provide municipal and industrial water supply, benefit fish and wildlife, and afford opportunity for recreational developments.

Navigation problems: Local interests desire a 9-foot navigation channel in the lower 50 miles of the Kaskaskia River to facilitate the outbound movements of coal and grain, and to augment the local economy.

Recommended plan of improvement: Provides for a channel 9 feet deep and 200 feet wide from the mouth of Kaskaskia River to Fayetteville, Ill., by enlarging the present channel where required, and making overbank cuts to eliminate sharp bends; and a dam at mile 4 with a single lock 84 feet wide and 600 feet long. The plan of improvement also provides for modification of the storage allocations in the Carlyle and Shelbyville Reservoirs, to provide water for Kaskaskia River navigation in lieu of Mississippi River navigation; and future reallocation of storage in the two reservoirs when additional water is needed for navigation, if the use of such storage is found by the Chief of Engineers to be feasible and more economical than pumping water from below the dam into the navigation pool.

Estimated cost (price level, January 1960):

Federal	$58,200,000
Non-Federal	2,300,000
Total	60,500,000

Project economics:

	Federal	Non-Federal	Total
Annual charges:			
Interest and amortization	$2,223,300	$119,000	$2,342,300
Maintenance and operation	270,000	0	270,000
Replacements	17,700	0	17,700
Navigation aids	19,000	0	19,000
Total	2,530,000	119,000	2,649,000

Annual benefits: Transportation savings on coal movements, $5,120,000.

Benefit-cost ratio: 1.9.

Local cooperation: Provide without cost to the United States all lands, easements, and rights-of-way; hold and save the United States free from damages; make all necessary alterations to sewer, water supply, drainage, and other utility facilities; bear a proportionate share of the costs of relocations of railroad and highway bridges; remove one highway bridge at own expense; maintain all bridges over the improved waterway; provide necessary loading and mooring facilities; provide terminal and transfer facilities; and establish agency for controlling withdrawal of water from river below Carlyle Dam.

Comments of the State and Federal agencies:

Department of the Interior: No objection.

Department of Agriculture: No objection.

Department of Commerce: No objection.

State of Illinois: Approve project.

Comments of the Bureau of the Budget: The Bureau of the Budget notes that the Acting Chief of Engineers refers to the uncertainty of railroad rate adjustments that may be proposed in the future and the action that the Interstate Commerce Commission may take thereon, and that he recommends, if the project is authorized, a reevaluation of project economic justification in light of rates then existing, would be made when funds are requested for construction. The Bureau of the Budget concurs in this recommendation. The Bureau of the Budget further advises that there would be no objection to the submission of the proposed report to the Congress.

Benefits: The major benefits that have been assigned to the improvement of the lower Kaskaskia River for navigation are transportation savings for movement of coal. Coal reserves adjacent to the Kaskaskia River are substantial, with an estimated 1.8 to 2 billion tons located within 15 miles of the proposed navigation project. Coal requirements for market areas in which this coal can compete are said to be increasing rapidly. The improved waterway would permit the movement of a maximum of about 20 million tons of coal annually. The estimated annual benefits are based on an average annual waterborne movement of about 15,200,000 tons throughout the life of the project, at a transportation saving of about 35 cents per ton. Benefits from the improvement in the economic conditions of the area are real, but have not been evaluated. The economic ratio for the project is 1.9 to 1.

A project for canalization of the Kaskaskia River between Fayetteville and the Mississippi River, by construction of a dam and 84- by 600-foot lock at mile 4 and a channel 200 feet wide and 9 feet deep, appears technically feasible and economically justified. Although other commodities may eventually move over the waterway, the principal known commodity that will use it and the one on which the economies are based is coal. Between New Athens and Fayetteville there are proven coal reserves of approximately 1.8 billion tons within 15 miles of the waterway. This coal is of superior quality and can be marketed to compete successfully with other coalfields in the midwestern region of the United States. If a waterway were provided, it would result in a savings to the users of coal, because of the reduction in transportation costs. Although the development of nuclear fuels is progressing and may be of significance by the end of the present century, their widespread use to compete with coal is not a certainty.

The southern Illinois region was stated to be a depressed area with a large pool of manpower available, but also with a high rate of unemployment. Mining of coal in the area has decreased in recent years because of the high cost of transportation. Local interests have expressed the belief that provision of the proposed navigation project will attract heavy industry to the region. With coal, water, limestone, and cheap transportation available in this area, and a large supply of iron ore located a short distance away in Missouri, extensive industrial development is anticipated. The committee was advised that two private utility companies are now planning to construct two steam electric generating plants on the river adjacent to the navigation project, if its eventual construction appears eminent. Kaiser Aluminum Co. has also acquired an area for the future location of an aluminum plant in event the Kaskaskia River is canalized. Extensive use of the waterway for transportation of corn, wheat, oats, and soybeans, was forecast. Proponents of the project stated that operation of the Kaskaskia River navigation project would be of great benefit to the railroads of the area, due to increased freight movement from increased industrial activities, new markets that would be opened, and that coal moved by water would replace very little of that now moving by rail. These proponents believe the prospective coal tonnages that would move over the improved waterway, and the savings in transportation costs are conservative.

Opponents of the recommended navigation project, primarily the railroad interests, have expressed their belief that such project would prove detrimental to the southern Illinois region, as it would force the closing of coal mines removed from close proximity to the Kaskaskia River. Distressed areas of eastern Kentucky and West Virginia would also be adversely affected by production of coal for movement by water routes to the Great Lakes region, and making the Kaskaskia coal more competitive. Coal was stated to be sold on margins of less than $0.50 per ton, an amount approximately equal to the estimated savings by use of water transportation. Another adverse effect on the local economy was claimed if rail shipments are curtailed, from reduction of railroad payrolls in the area and local taxes paid by such railroads. Opponents of the project also claim that prospective coal tonnages that would be moved over an improved waterway are unrealistic, and that the project would benefit private and exempt carriers, particularly one large coal producer who has constructed a railroad from the coalfields and docks on the Mississippi River for movement of the coal by water transportation. The taxpayers of the Nation would be required to pay for the anticipated benefits that would be provided by the navigation project, which would adversely affect the large investment the railroads have in this region. It was stated that at the present there are no landlocked coal mines in the area.

Under presently authorized plans of operation, storage is included in the Carlyle and Shelbyville Reservoirs for navigation releases for the middle and lower Mississippi River. In his report, the Chief of Engineers proposes assignment of additional storage in these upstream reservoirs to navigation, or provision of pumping facilities at the navigation dam to pump upstream the water lost in each lockage. Final decision was to be deferred until the need became evident. Since the low-water periods on the Kaskaskia River do not coincide with those on the Mississippi River, early consideration should be given to this matter to assure continued supply of water for navigation and industrial users during drought periods.

The modification of bridges where required as a part of the proposed improvement is included in the cost of the project. The Illinois Division of Highways objected to the use of lift spans on Federal and State highways in the interest of traffic safety and continuity of traffic flow. To meet this requirement, high-level spans with adequate vertical and horizontal clearances have been used in making the estimates of cost. One new highway bridge will be built over a new channel. One highway bridge, on State Highway No. 3 at New Athens, Ill., will be constructed by the State on a new alinement. Local interests will be required to remove the old bridge at their own expense.

COMMITTEE VIEWS

The committee is of the opinion that in the lower Kaskaskia Basin there are adequate reserves of minable coal of such quality that it can compete with other coalfields in this region if a waterway were available for transportation, and that based upon the present economic trends of the United States, there will be a large market for this coal. The area is rich in natural resources and susceptible to extensive industrial development. Local residents are in support of the project.

The committee believes it feasible and advisable to improve the Kaskaskia River between Fayetteville, Ill., and the Mississippi River for modern barge transportation by a lock and dam located at mile 4, by channel straightening, deepening, and widening, by the provision of supplemental water supply from Carlyle and Shelbyville Reservoirs, and by abandonment, replacement, or alteration of all bridges which now cross the waterway. The proposed improvement would reduce the distance from the Mississippi River to Fayetteville, Ill., from 50 miles to 38 miles by straightening and realinement of the channel and cutting across sharp bends. The committee further believes that the Kaskaskia River project would be a valuable addition to the inland waterway system of the United States, and be a further step in the development of the natural and water resources of our country.

The committee is aware that estimated benefits from the recommended improvement is based on present freight rates in the area, that an authorization of such improvement might result in lowering existing rates for rail movement of coal from the area, and approves the recommendations of the Chief of Engineers and the Bureau of the Budget, that reevaluation of the project economics in light of actual rates then existing should be undertaken prior to initiation of construction thereon.

The committee notes the favorable economic ratio of this project and believes that its authorization is economically justified.

CHICAGO HARBOR, ILL.

(H. Doc. No. 485, 87th Cong.)

Location: Chicago Harbor is near the south end of Lake Michigan, 14 miles northerly of the Illinois-Indiana State line, on the southwestern shore of the lake.

Authority: Similiar resolutions adopted by the Public Works Committees of the U.S. Senate and House of Representatives on May 18, 1956, and June 27, 1956, respectively.

Existing project: The existing Federal project for Chicago Harbor generally provides for an inner breakwater, in two sections, enclosing an inner basin of about 224 acres; an exterior breakwater in three sections enclosing an outer basin of about 900 acres; maintenance dredging to a depth of 21 feet of a portion of the inner basin and also of the entrance to Chicago River to Rush Street over a varying width; and maintenance of a section of the north pier. The existing deep-draft Federal project for Chicago River generally provides for maintenance dredging to 21 feet in the main river, the North Branch, the North Branch Canal, and the North Branch turning basin, all to within 20 feet of existing docks.

Navigation problem: Existing project depths in the outer harbor are not adequate to permit vessels in the oversea traffic to take full advantage of the depth being provided in the connecting channels and the St. Lawrence Seaway.

Recommended plan of improvement: Provide for a lake approach channel 800 feet wide and 29 feet deep from the breakwater lakeward for a distance of about 6,600 feet and a channel and maneuver area inside the harbor entrance with a maximum width of 1,300 feet and a depth of 28 feet.

Estimated cost (price level of July 1961):

Federal	$1,505,000
Non-Federal	None
Total	1,505,000

Project economics:

	Federal	Non-Federal	Total
Annual charges:			
Interest and amortization	$57,000	0	$57,000
Maintenance	11,000	$1,000	12,000
Total	68,000	1,000	69,000
Annual benefits: Transportation savings			423,000

Benefit-cost ratio: 6.1.

Local cooperation: Hold and save the United States free from damages that may result from construction and maintenance of the improvement; and maintain, without cost to the United States, depths in berthing areas serving the public terminal commensurate with the recommended project depths. Local interests have indicated a willingness and ability to comply with the terms of local cooperation.

Comments of the State and Federal agencies:

Department of the Interior: Favorable.

State of Illinois: Favorable.

Comments of the Bureau of the Budget: No objection.

Remarks: The proposed improvement would permit vessels in the oversea traffic to take full advantage of the depth provided in the connecting channels and the St. Lawrence Seaway. The project is amply justified.

4. CALUMET HARBOR AND RIVER, ILL. AND IND.

(H. Doc. 581, 87th Congress)

Location: Calumet Harbor is at the south end of Lake Michigan, on the State line between Illinois and Indiana.

Authority: Interim report is in partial response to similar resolutions adopted by the Public Works Committees of the U.S. Senate and House of Representatives on May 18, 1956, and June 27, 1956, respectively.

Existing project: The existing Federal project for Calumet Harbor and River provides for an outer harbor protected by a breakwater 12,500 feet long; an approach channel 3,200 feet wide and 29 feet deep; an outer harbor channel and anchorage 3,000 feet wide and 28 feet deep; a channel in the river 290 feet wide and 27 feet deep up to the Elgin, Joliet & Eastern Railway Bridge, thence at least 200 feet wide and 25 feet deep to 111th Street, 23 feet to 114th Street, 21 feet at 122d Street, and 21.5 feet to and including turning basin No. 5; widening and straightening the river, except through the rock cut, to within 20 feet of bulkhead lines; five turning basins along the river; and closing the existing gap between the breakwaters. The exisiting project for Lake Calumet provides for dredging to a depth of 21 feet an area 670 feet wide and 3,000 feet long at the south end of the lake and an entrance channel 300 feet wide from Calumet River at turning basin No. 5.

Navigational problem: Existing project depths are not adequate to allow vessels calling at points along the river and in Lake Calumet to be loaded to the drafts permitted by the Great Lakes connecting channels and the St. Lawrence Seaway. Widening in the rock section of the river, enlargement of turning basins and extension of the existing project are needed for safe navigation and development of the harbor.

Recommended plan of improvement: Provides for: a depth of 27 feet in earth and 28 feet in rock over a minimum width of 200 feet in Calumet River from the Elgin, Joliet, and Eastern Railway Bridge to turning basin No. 5; widening the channel through the rock section of Calumet River, together with the presently authorized widening and straightening of the river, all to a depth of 27 feet in earth and 28 feet in rock; a depth of 27 feet over the authorized limits of turning basin No. 1 on Calumet River; enlarging turning basin No. 5, and deepening the enlarged basins to 27 feet; elimination of turning basins Nos. 2 and 4; a depth of 27 feet within authorized limits to Lake Calumet and its entrance channel; and extending the existing project limits in Lake Calumet 3,000 feet northward at a width of 1,000 feet and a depth of 27 feet. Further, that the uncompleted work authorized in 1935 for the related river section be combined with the additional work now recommended for that section (exclusive of turning basins Nos. 2 and 4) and the whole be treated as a single further improvement, with estimated cost of $13,479,000 for construction, including $2,015,000 for work previously authorized and $11,464,000 for additional work now recommended, and that this combination supersede the authorization for construction of the pertinent uncompleted portion of the work authorized by the River and Harbor Act of 1935.

Estimated cost (price level of January 1961):

Federal	$11,464,000
Non-Federal	12,081,000
Total	23,545,000

Project economics:

	Federal	Non-Federal	Total
Annual charges:			
Interest and amortization	$433,000	$560,000	$993,000
Maintenance dredging	17,000		17,000
Total	450,000	560,000	1,010,000
Annual benefits: Transportation savings			2,393,000

Benefit-cost ratio: 2.4.

Local cooperation: Provide without cost to the United States all lands, easements, and rights-of-way required for construction and subsequent maintenance of the projects, including suitable areas required for initial disposal of spoil and necessary retaining dikes, bulkheads, and embankments therefor or the cost of such retaining works; hold and save the United States free from damages due to the construction works and maintenance of the improvements; provide and maintain without cost to the United States depths in berthing areas commensurate with depths provided in the related project areas; accomplish without cost to the United States such alterations as may be required in docks, bulkheads, submarine utility facilities, and other structures; provide such bridge protection as may be required; and provide adequate bulkheads where required in connection with enlargement of the river channel and turning basins or, in lieu of such bulkheads, furnish releases saving the United States harmless against any claims for damages from erosion, bank losses or other consequences of the work; and provided further that work on any separable feature may be undertaken independently of any other, whenever funds for that feature are available and the pertinent local cooperation has been furnished.

Comments of the State and Federal agencies:

Department of the Interior: Favorable.

State of Illinois: Favorable.

State of Indiana: Favorable.

Comments of the Bureau of the Budget: No objection.

Remarks: This harbor is an integral part of the system of Great Lakes harbors and connecting channels. The improvement as proposed is necessary and justified to permit full loading of the large vessels.

ILLINOIS AND MISSISSIPPI CANAL

The River and Harbor Act of 1958 authorized transfer of the now obsolete Federal project known as the Illinois and Mississippi Canal to the State of Illinois. This is an old navigation project which has long been in disuse, insofar as commercial navigation is concerned. It is used extensively, however, by small pleasure craft. The 1958 act authorized $2 million to place the structures in safe condition to permit complete abandonment. The item in the present bill increases the authorization of $2,800,000. The committee considers this increase in authorization to be desirable.

WABASH RIVER AT MOUNT CARMEL

(H. Doc. 573, 87th Cong.)

Location: Mount Carmel is on the west bank of the Wabash River in southeastern Illinois, about 35 miles southwest of Vincennes, Ind.

Authority: Flood Control Act, July 24, 1946.

Existing project: None.

Flood problem: The most severe flood of recent times was that of March 1913. Recurrence of the March 1913 flood would cause damages of Mount Carmel and vicinity estimated at $402,000 under 1961 prices and conditions. The future average annual flood damage between Greathouse Creek at Mount Carmel, mile 93.6 and Grand Rapids, mile 97.1 after completion of the Wabash River levee plans is estimated at $125,000.

Recommended plan of improvement: Provides for construction of 15,900 feet of levee and 1,465 feet of concrete wall with the necessary appurtenant works. The plan of improvement would provide complete protection to practically all of the urban areas within the city limits subject to flooding and some of the agricultural areas.

Estimated cost (price level of July 1961):

Federal	$1,417,000
Non-Federal	100,000
Total	1,517,000

Project economics:

	Federal	Non-Federal	Total
Annual charges:			
Interest and amortization	$52,500	$5,500	$58,000
Maintenance and operation	500	13,500	14,000
Total	53,000	19,000	72,000
Annual benefits: Flood damages prevented			119,200

Benefit-cost ratio: 1.7.

Local cooperation: Furnish lands and rights-of-way; hold and save the United States free from damages; and maintain and operate the works after completion. Local interests are willing to comply with the requirements of local cooperation.

Comments of the State and Federal agencies:

Department of the Interior: No objection.

Department of Agriculture: No objection.

Department of Commerce: Favorable.

Department of Health, Education, and Welfare: Favorable.

State of Illinois: Favorable.

Comments of the Bureau of the Budget: The Bureau of the Budget states that the district engineer's report indicates that installation of authorized agricultural levees in the vicinity of Mount Carmel, principally levee unit No. 5, would, because of stream confinement, increase flood stages and compound flood problems at Mount Carmel. For this reason, the project at Mount Carmel, as a whole, would be economically justified and would be desired by local interests only if levee unit No. 5 is built. Analysis of information in the report also indicates that the selected plan of improvement includes, as separate features, levee protection for two relatively undeveloped tracts of flood plain land at a first cost of $860,000. As the plan is formulated and evaluated in the report, protection of the tracts would not be economically justified, and the district engineer's report does not make clear why the selected plan includes these features. The level of protection they afford will, however, apparently counteract the damages from increased flood stages expected to result from installation of levee unit No. 5. The Bureau has recently received from the Corps of Engineers information not contained in the report which indicates conditions under which protection of the tracts could be regarded as economically justified.

While the Bureau of the Budget would have no objection to inclusion of the tracts in the project, the Bureau suggests that the informational deficiencies of the report should be remedied by making available to the Congress an adequate explanation of the basis on which the two tracts were included in the selected plan.

The Bureau of the Budget has no objection to submission of the report to Congress.

Action by the Secretary of the Army: The Secretary states that further information will be made available to Congress as requested.

Remarks: The project will protect the urban areas at Mount Carmel, Ill., and 380 acres of agricultural areas from flood stages of the Wabash River. Mount Carmel is the county seat and principal marketing center of Wabash County. There are a number of diversified industries in the town including the manufacture of radios, record changers, electronic equipment, and automotive wrenches. The committee considers authorization of this project advisable.

ILLINOIS RIVER AND TRIBUTARIES

(H. Doc. 472, 87th Cong.)

Location: The Illinois River Basin is located in portions of Illinois, Wisconsin, and Indiana.

Authority: Resolutions adopted by the Committee on Flood Control of the House of Representatives, United States, one on July 28, 1937, and one on May 14, 1941; and in review of reports in response to an authorization contained in section 6 of the Flood Control Act approved August 11, 1939.

Existing project: Federal improvements in that part of the basin under consideration include 53 authorized flood control projects, of which 34 local protection projects are completed, 1 is under construction, and 18, including Chandlerville No. 2 Reservoir on Sangamon River, have not been started; and the Illinois Waterway for navigation, which provides for a channel 9 feet deep over varying widths between Lake Michigan and the Mississippi River by means of 8 locks and 7 dams. Also, the former Chautauqua Drainage and Levee District has been converted to a wildlife refuge and is operated by the U.S. Fish and Wildlife Service.

Water resources problems: Flood problems in the basin are caused by inadequate channel capacities and, in some cases, by encroachment on the stream-carrying capacity by bridges and other structures. The sources of municipal and industrial water supply in the basin are wells, streams and reservoirs. Increasing demands are causing depletion and imposition of limited usage.

Recommended plan of improvement: Consists of a multiple-purpose dam and reservoir at Oakley and associated downstream channel improvement project, enlargement of existing levees and/or new levees and floodwalls and channel improvement for protection of 3 urban and 13 agricultural areas, remedial work at the mouth of the Sangamon River, at a Federal construction cost of $71,465,000, the net cost to the United States is $66,866,000 after reimbursement by non-Federal interests of the costs allocated to water supply. For deauthorization of the following projects authorized in the 1936 Flood Control Act: (a) Sangamon River, mouth of Salt Creek to Roby, Ill.; (b) Sangamon River and Salt Creek (Sangamon River portion only); (c) Clear Lake levee at junction of Sangamon and Illinois Rivers, Ill.; and (d) McGee Creek Drainage and Levee District, Illinois River. The recommendation also provides that construction of any one project may be undertaken independently of the others upon compliance with the prescribed requirements of local cooperation pertaining thereto.

Estimated cost (price level, March 1961):

	Oakley Dam and Reservoir	Local protection projects and mouth of Sangamon River	Total
Federal	$29,621,000	$41,844,000	$71,465,000
Non-Federal	(1)	4,091,000	4,091,000
Total	29,621,000	45,935,000	75,556,000

[1] $4,599,000 to be reimbursed by local interests for water supply.

Projects economics:

[In thousands of dollars, March 1961 prices]

Project	Total cost	Total annual charges	Total annual benefits	Benefits-to-cost ratio
Oakley Reservoir and channel improvement	29,621	1,388.0	1,624.0	1.2
Peoria, Ill	13,686	581.0	588.0	1.01
Meredosia, Ill., and Meredosia, Willow Creek, and Coon Run Drainage and Levee Districts	2,338	95.2	121.7	1.3
Eldred, Ill	554	21.4	40.3	1.9
Indian Creek area	3,851	153.4	173.4	1.1
Meredosia Lake and Willow Creek Drainage and Levee Districts	1,615	60.9	66.6	1.1
McGee Creek Drainage and Levee District	3,486	136.0	160.0	1.2
Scott County Drainage and Levee District	2,920	112.8	140.0	1.2
Big Swan Drainage and Levee District	2,513	96.9	130.0	1.3
Hillview Drainage and Levee District	2,148	82.2	127.1	1.5
Hartwell Drainage and Levee District	2,177	82.9	95.4	1.2
Keach Drainage and Levee District	1,907	72.9	78.8	1.1
Eldred and Spankey Drainage and Levee District	2,415	92.3	160.1	1.8
Nutwood Drainage and Levee District	1,652	63.1	104.2	1.7
Lake Fork of Salt Creek (Sangamon River)	1,516	76.6	116.4	1.5
Farmers Drainage and Levee District	785	34.7	70.2	2.0
Clear Lake Special Drainage District	2,334	114.3	139.8	1.2
Remedial work near mouth of Sangamon River	38	1.9		
Total	75,556			1.2

Local cooperation: (a) Oakley Reservoir project: agree to pay the first cost allocated to water supply, such cost being presently estimated at 15.5 percent of the total, or $4,599,000, with such modification in these amounts as may be necessary to reflect adjustments in the storage capacity for water supply and other purposes, to be paid in a lump sum prior to construction with appropriate adjustments when actual costs are determined, or in installments prior to commencement of pertinent items, in accordance with construction schedules as required by the Chief of Engineers, or by annual payments, including interest during construction and interest on the unpaid balance, over the life of the project as determined by the Chief of Engineers, or 50 years, whichever is the lesser; agree to pay annually as they occur the costs of operation and maintenance allocated to water supply, such costs being presently estimated at 22.7 percent of the total, or $43,000, with such modification in these amounts as may be necessary to reflect adjustments in the storage capacity for water supply and other purposes; maintain all roads and bridges in the reservoir area and over the improved channel downstream from the dam in accordance with regulations prescribed by the Secretary of the Army; hold and save the United States free from all water-rights claims resulting from construction and operation of the project, and operate the existing non-Federal dam and reservoir at Lake Decatur for flood control in accordance with regulations approved by the Secretary of the Army. (b) Local protection projects: furnish without cost to the United States all lands, easements, rights-of-way, and ponding and spoil-disposal areas necessary for construction of the project; hold and save the United States free from damages due to the construction works; bear the expense of relocating and altering highways, highway bridges (except underpinning), utilities, buildings, interior drainage facilities, pipelines, and other structures, except railroad bridges and approaches; prescribe and enforce regulations satisfactory to the Secretary of the Army to prevent encroachment on the improved channels and ponding areas; and maintain and operate all the works after completion in accordance with regulations prescribed by the Secretary of the Army.

Comments of the State and Federal agencies:

Department of the Interior: Favorable.

Department of Agriculture: Favorable.

Department of Health, Education, and Welfare: Favorable.

Department of Commerce: Favorable.

Federal Power Commission: Favorable.

State of Illinois: Favorable.

Comments of the Bureau of the Budget: No objection.

Remarks: Local interests desire flood control improvements in the basin. Consideration of use of water stored in reservoirs for water supply and recreation was urged by representatives of several communities in the southern portion of the basin. The committee considers the recommended improvements justified for flood control, and that inclusion of water supply storage in the Oakley Reservoir with reimbursement for such storage to be made under the provisions of the Water Supply Act of 1958 is appropriate. Authorization of the project at this time is regarded as highly desirable.

REND LAKE, ILLINOIS

(H. Doc. No. 541, 87th Cong.)

Location: Southern Illinois, about 5 miles from Benton, Ill.

Authority: House Public Works Committee, July 6, 1949.

Existing project: None.

Water resources problems: (a) Flooding: Storms with heavy rainfall occur most frequently during spring and early summer. The flood of May 1961 was the largest of the six major floods which have occurred in the basin since 1915. Maximum discharge at Benton was 35,800 cubic feet per second. About 103,400 acres of bottom land along Big Muddy River below the proposed Rend Lake Dam site, at mile 103.7, are subject to flooding. The average annual damage is estimated at about $157,000, of which $57,000 is crop damage and $100,000 property damage.

(b) Water supply: Municipal and industrial water is presently obtained from wells or surface impoundments. Seasonal fluctuations and extended drought periods seriously deplete water supplies. With allowances for existing water supply facilities, it is estimated that the net increase in water demand by 2010 within 25 miles of Benton will be about 40 million gallons per day.

(c) Stream pollution: It is anticipated that, under State law, municipalities will take proper measures to correct the general pollution problem for normal streamflow conditions. However, low flow augmentation is desirable during drought periods when there may be little or no flow in the river.

Recommended plan of improvement: The most feasible plan of development would consist of a rolled-eath dam on Big Muddy River at mile 103.7. The dam would be 42 feet high above the floodplain with a reinforced concrete spillway and an auxiliary earth spillway located in the east abutment. The continued length of dam and spillway would be 8,900 feet. Outlet works through the earth section of the dam would consist of two 6- by 6-foot sluices for regulation of the pool under normal operating conditions and drawdown of the pool. The reservoir would have a capacity of 302,500 acre-feet consisting of 111,500 for flood control, 109,000 for water supply, 57,000 for pollution abatement, and 25,000 for siltation. As an adjunct to the project, two small impoundments would be provided on two of the upper arms of the reservoir for wildlife conservation.

First costs: Federal, $35,500,000.[1]

Project economics:

	Federal	Non-Federal	Total
Annual charges:			
Interest and amortization	$838,000	$297,000	$1,135,000
Maintenance and operation including major replacements	79,000	9,000	88,000
Total	917,000	306,000	1,223,000
Annual benefits:			
Damages prevented			216,000
Recreation			536,000
Water supply			301,000
Area redevelopment			285,000
Pollution abatement			61,000
Fish and wildlife conservation			312,000
Added transportation costs			36,000
Total			1,675,000

Benefit-cost ratio: 1.4.

Local cooperation: (a) Hold and save the United States free from damages for any water-rights claims resulting from construction and operation of the project; (b) reimburse the United States in accordance with the Water Supply Act of 1958, as amended, the first costs and the annual operation and maintenance costs allocated to municipal and industrial water supply storage, tentatively estimated at $6,031,000 and $8,800, respectively, for the ultimate development.

Comments of the State and Federal agencies:

Department of the Interior: Favorable.

Department of Agriculture: Favorable.

Department of Commerce: Favorable.

Public Health Service: Favorable.

Federal Power Commission: Favorable.

State of Illinois: Favorable.

Comments of the Bureau of the Budget: No objection.

Remarks: The committee urges adoption of this worthy multiple-purpose project that would serve numerous water needs, provide flood control, and contribute to the redevelopment of the economy of the area.

MISSISSIPPI RIVER AT GUTTENBERG, IOWA

(H. Doc. 286, 87th Cong.)

Location: Guttenberg is in northeastern Iowa on the right bank of the Mississippi River.

Authority: Two resolutions of the House Committee on Flood Control, both adopted September 18, 1944.

Existing project: No existing Federal flood control project at Guttenberg. Lock and dam No. 10 of upper Mississippi River navigation project is at Guttenberg. Local interests have constructed some local flood protection measures.

Flood problem: Periodic high Mississippi River stages particularly in 1951 and 1952 have resulted in large expenditures for flood-fighting purposes and have caused extensive flood damages in the area.

Recommended plan of improvement: A north levee about 3,040 feet long, a south levee about 2,000 feet long, a pumping plant, and appurtenant works.

Estimated cost (price level of January 1960):

Federal	$729,000
Non-Federal	84,000
Total	813,000

Project economics:

	Federal	Non-Federal	Total
Annual charges:			
Interest and amortization	$26,800	$4,330	$31,130
Maintenance and operation		1,670	1,670
Total	26,800	6,000	32,800
Annual benefits: Damages prevented			38,700

Benefit-cost ratio: 1.2.

Local cooperation: Provide all lands, easements, and rights-of-way necessary for the construction of the project; hold and save the United States free from damages due to the construction works; maintain and operate all the works after completion in accordance with regulations prescribed by the Secretary of the Army; make any necessary alterations to utilities, culverts for interior drainage, roads, and highways including necessary widening of levees to provide for roadways where required, and provision of the necessary freeboard on streets and alley portions if and when needed.

HARRISONVILLE AND IVY LANDING DRAINAGE AND LEVEE DISTRICT NO. 2, ILLINOIS

(H. Doc. 542, 87th Cong.)

Location: Harrisonville and Ivy Landing Drainage and Levee District No. 2, including Moredock and Ivy Landing Drainage District No. 1, lies in the Mississippi River floodplain in Monroe County, Ill., between river miles 141 and 156 above the Ohio River.

Authority: House Public Works Committee resolution adopted June 17, 1948. Senate Public Works Committee resolution adopted July 18, 1959.

Existing project: The existing Federal project for Harrisonville and Ivy Landing Drainage and Levee District No. 2 provides for raising and enlarging 21.4 miles of riverfront and flank levee and constructing appurtenant works, including eight gravity drainage structures. Construction of the work was completed in 1957.

Flood problem: Although the menace of direct flooding from the Mississippi River has been largely eliminated by levees, there remains the problem of removing impounded interior drainage. The sources of the impounded water are precipitation on the protected low lands, accumulation of runoff from tributary hill lands, and seepages from the Mississippi River. Most of the accumulated water collects near the middle and third lower end of the district.

Recommended plan of improvement: Provide pumping plants adjacent to the gravity outlets of Maeystown Creek and Fountain Creek. The greatest excess of benefits over costs would be realized with pumping capacities of 600 and 30 cubic feet per second, respectively. Raise the grade of the levee for 1,000 feet on each side of the pumping plants to prevent possible overtopping and crevassing in the immediate vicinities.

Estimated cost (price level, July 1960):

Federal	$1,112,000
Non-Federal	700
Total	1,112,700

---

[1] $6,031,000 to be repaid by local interests for water supply.

Project economics:

	Non-Federal	Total
Annual charges:		
Interest and amortization	--------	$42,800
Maintenance, operation, and major replacement	$28,800	28,800
Total	28,800	71,600
Annual benefits:		
Damages prevented	--------	110,000
Increased land use	--------	36,500
Total	--------	146,500

Benefit-cost ratio: Maeystown Creek, 2.1; Fountain Creek, 1.7.

Local cooperation: (a) Provide without cost to the United States all lands, easements, and rights-of-way for the construction of the project; (b) hold and save the United States free from damages due to the construction works; (c) maintain and operate the project, including the pumping plants, after completion in accordance with regulations prescribed by the Secretary of the Army; and (d) prevent encroachment on improved channels and ponding areas and, if ponding areas and capacities are impaired, provide substitute storage capacity or equivalent pumping capacity promptly without cost to the United States.

Comments of the State and Federal agencies:

Department of the Interior: No objection.

State of Illinois: Favorable.

Comments of the Bureau of the Budget: No objection.

Remarks: This project would provide for badly needed drainage on several thousand acres of highly productive land. The installation of pumping plants is amply justified and the requirements of local cooperation are proper. The committee urges adoption of the project.

COLUMBIA DRAINAGE AND LEVEE DISTRICT NO. 3, ILLINOIS

(H. Doc. No. 543, 87th Cong.)

Location: Mississippi River flood plain in Monroe County, Ill., between river miles 156 and 166 above the Ohio River.

Authority: House and Senate Public Works Committees resolutions adopted June 17, 1948, and June 18, 1957, respectively.

Existing project: The existing Federal project for Columbia Drainage and Levee District No. 3 provides for raising and enlarging 20.1 miles of river front and flank levee and constructing appurtenant works, including nine gravity-drainage structures. Construction of the work was essentially completed in 1958.

Flood problem: Although the menace of direct flooding from the Mississippi River has been largely eliminated by levees, there remains the problem of removing impounded interior drainage. The sources of the impounded water are precipitation on the protected lowlands, accumulation of runoff from tributary hill lands, and seepage from the Mississippi River. The accumulated water collects near the middle third and lower end of the district. Under ordinary circumstances, this area is drained by Franey Lake ditch, Long Slash, Dogwood Slough, and Shehan Lake ditch.

Recommended plan of improvement: The district engineer finds that the most suitable plan for reducing impoundment flooding would be to provide pumping plants adjacent to the outlets of Long Slash and Franey Lake ditch. Drainage from Shehan Lake ditch and Dogwood Slough would be diverted to Long Slash by ditches 1,300 and 1,200 feet in length. He finds that the greatest excess of benefits over costs would be realized with pumping capacities of 200 and 30 cubic feet per second, respectively. The district engineer proposes to raise the grade of the levee by 2 feet for a distance of 1,000 feet on each side of the pumping stations to prevent possible overtopping and crevassing in the immediate vicinities. Local interests would construct onfarm drainage ditches on about 700 acres of land.

Estimated cost (price level of January 1961):

Federal	$986,000
Non-Federal	6,000
Total	992,000

Project economics:

	Federal	Non-Federal	Total
Annual charges:			
Long Slash ditch:			
Interest and amortization	$31,320	$170	$31,490
Maintenance and operation	--------	7,700	7,700
Major replacement	--------	1,660	1,660
Loss of productivity	--------	50	50
Total	31,320	9,580	40,900
Franey Lake ditch:			
Interest and amortization	6,735	85	6,820
Maintenance and operation	--------	3,900	3,900
Replacements	--------	560	560
Loss of productivity	--------	20	20
Total	6,735	4,565	11,300

	Long Slash ditch	Franey Lake ditch	Total
Annual benefits:			
Damages prevented	$33,200 19,700	$8,200 7,500	$41,400 27,200
Total	52,900	15,700	68,600

Benefit-cost ratio: Long Slash ditch, 1.3; Franey Lake ditch, 1.4.

Local cooperation: Provide without cost to the United States all lands, easements, and rights-of-way for the construction of the project; hold and save the United States free from damages due to the construction works; maintain and operate the project, including the pumping plants, after completion in accordance with regulations prescribed by the Secretary of the Army; and prevent encroachment on improved channels and ponding areas, and, if ponding areas and capacities are impaired, provide substitute storage capacity or equivalent pumping capacity promptly without cost to the United States.

Comments of the State and Federal agencies:

Department of the Interior: No objection.

Department of Agriculture: Favorable.

State of Illinois: Favorable.

Comments of the Bureau of the Budget: No objection.

Remarks: This project would provide for badly needed drainage on several thousand acres of highly productive land. The installation of pumping plants is amply justified and the requirements of local cooperation are proper. The committee urges adoption of the project.

PRAIRIE DU PONT LEVEE AND SANITARY DISTRICT, ILLINOIS

(H. Doc. No. 540, 87th Cong.)

Location: The district lies on the left bank of the Mississippi River between miles 166 and 175 above the mouth of the Ohio River.

Authority: House Public Works Committee June 17, 1948, and August 20, 1957, Senate Public Works Committee, July 18, 1957.

Existing project: The existing Federal project for Prairie du Pont Levee and Sanitary District provides for raising and enlarging 15.2 miles of riverfront and flank levee and constructing appurtenant works, including nine gravity-drainage structures. The work was scheduled for completion in 1961. Nine main ditches and streams traverse the lowest portions of the area.

Flood problem: Substantial and repetitive damages have occurred due to blocked interior drainage when stages on the Mississippi River exceeded 15 to 30 feet on the Market Street gage at St. Louis, Mo. Drainage would be blocked at least once almost every year, varying in duration from a few days to a maximum of 147 days. The Palmer Creek drainage area, the largest in the district, is affected by a river stage of 15 feet. Old Prairie du Pont Creek (east) area is affected by a river stage of 20 feet, and the remaining areas are affected by a river stage of 30 feet. Blocked drainage occurs generally during the planting season, March through July.

Recommended plan of improvement: Provide pumping plants adjacent to the outlets of Palmer Creek, Old Prairie du Pont Creek (west), Falling Springs Ditch, and Old Prairie du Pont Creek (east). The greatest excess of benefits over costs would be realized with pumping capacities of 225, 35, 5, and 17 cubic feet per second, respectively. The district engineer proposes to raise the grade of the levee by 2 feet for a distance of 1,000 feet on each side of the pumping stations to insure against overtopping in the immediate vicinities.

Estimated cost (price level July 1961):

Federal	$921,000
Non-Federal	4,300
Total	925,300

Project economics:

	Federal	Non-Federal	Total
Annual charges:			
Interest and amortization	(1)	(1)	(1)
Maintenance and operations	--------	$16,800	--------
Total	--------	--------	$52,100
Annual benefits:			
Damages prevented	--------	--------	157,800
Increased land use	--------	--------	53,800
Total	--------	--------	211,600

[1] Breakdown not available.

Benefit-cost ratio: 4.1.

Local cooperation: Provide without cost to the United States all lands, easements, and rights-of-way for the construction of the project; hold and save the United States free from damages due to the construction works; maintain and operate the project, including the pumping plants, after completion in accordance with regulations prescribed by the Secretary of the Army; and prevent encroachment on improved channels and ponding areas, and if ponding areas and capacities are impaired, provide substitute storage capacity or equivalent pumping capacity promptly without cost to the United States.

Comments of the State and Federal agencies:

Department of the Interior: No objection.

State of Illinois: Favorable.

Comments of the Bureau of the Budget: No objection.

Remarks: This project would provide for badly needed drainage on several thousand acres of highly productive land. The installation of pumping plants is amply justified and the requirements of local cooperation are proper. The committee urges adoption of the project.

RICHLAND CREEK, ILL.

(H. Doc. No. 571, 87th Cong.)

Location: Richland Creek lies in Monroe, St. Clair, and Randolph Counties in southeastern Illinois.

Authority: Senate Public Works Committee resolutions adopted September 16, 1948, and July 18, 1957, and House Public Works Committee resolution adopted August 20, 1957.

Existing project: None.

Flood problem: The urban area of the city of Belleville has experienced floods with some loss of life. The rural area (reach 3) is mainly agricultural and, being generally flat, floods with accompanying destruction of crops.

Recommended plan of improvement: The district engineer has determined that the plan of improvement which would afford the greatest overall benefit to the Richland Creek basin would consist of: (a) the two detention reservoirs proposed by the Soil Conservation Service; and (b) urban channel improvement of maximum capacity consistent with space limitations through Belleville, including necessary bridge modifications, and clearing, cleaning, and rectification of the existing channel in the rural reach 3 by the Corps of Engineers. These improvements would provide protection against the standard project flood in the urban reach through Belleville and against the 2-year flood in reach 3.

Estimated cost (price level of January 1961):

Federal	$4,995,000
Non-Federal	574,000
Total	5,569,000

Project economics:

Annual charge	$233,400
Annual benefits:	
Damages prevented	273,900
Other (enhancement)	36,300
Total	310,200

Benefit-cost ratio: 1.3.

Local cooperation: (a) Provide without cost to the United States all lands, easements, and right-of-way necessary for construction of the project; (b) provide without cost to the United States all alterations of highways, highway bridges, utilities, and related facilities made necessary by construction of the project; (c) hold and save the United States free from damages due to the construction works; (d) maintain the improved channel after completion in accordance with regulations prescribed by the Secretary of the Army; (e) prevent encroachment on the improved channel; and (f) at least annually inform interests affected that the project will not provide protection in the agricultural reaches against major floods. Local interests are willing to furnish the requirements of local cooperation.

Comments of the State and Federal agencies:

Department of the Interior: No objection.

Department of Agriculture: Favorable. Suggest coordination with Soil Conservation Service prior to construction.

State of Illinois: Favorable.

Comments of the Bureau of the Budget: No objection.

Remarks: The committee notes that excellent coordination has been accomplished between the Corps of Engineers and the Soil Conservation Service in developing an overall plan of improvement for the area. The committee urges adoption of the recommended project.

PECATONICA RIVER, ILL. AND WIS.

(H. Doc. 539, 87th Cong.)

Location: In south central Wisconsin and north central Illinois.

Authority: Flood Control Act of 1946.

Existing project: An authorized local protection project at Freeport, Ill.

Flood problem: This basin is subject to flooding during all seasons of the year.

Recommended plan of improvement: Consists of about 6,000 feet of channel improvement, 4,500 feet of levee, 780 feet of concrete floodwall, three closure structures, a pumping plant, drainage facilities, and modification of a highway bridge.

Estimated cost (price level):

Federal	$850,000
Non-Federal	182,000
Total	1,032,000

Project economics:

	Federal	Non-Federal	Total
Annual charges:			
Interest and amortization	$31,400	$8,500	$39,900
Maintenance and operation	--------	3,200	3,200
Total	31,400	11,700	43,100
Annual benefits: Damages prevented	--------	--------	45,100

Benefit-cost ratio: 1.05.

Local cooperation: Provide all lands, easements, and rights-of-way, including borrow areas and spoil-disposal areas, necessary for the construction of the project; accomplish all relocations and alterations of buildings, utilities, highway bridges, roads, and other facilities necessary for construction of the project; hold and save the United States free from damages due to the construction works; maintain and operate all the works after completion in accordance with regulations prescribed by the Secretary of the Army; prevent any encroachment on the flood channels and ponding areas which would decrease the effectiveness of the flood control improvements, and if ponding areas and capacities are impaired promptly provide substitute storage capacity or equivalent pumping capacity; and at least annually notify those affected that the project will not provide complete flood protection.

Comments of the State and Federal agencies:

Department of the Interior: Favorable.

Department of Agriculture: Favorable.

State of Illinois: Favorable.

State of Wisconsin: Favorable.

Comments of Bureau of the Budget: No objection.

Remarks: The committee considers that the proposed project for Darlington is urgently needed and should be adopted at this time, although the benefit-to-cost ratio is marginal.

ROCK RIVER, ROCKFORD, ILL.

(S. Doc. No. 142, 87th Cong.)

Location: The city of Rockford is situated along both banks of Rock River about 17 miles south of the Illinois-Wisconsin State boundary.

Authority: Senate Public Works Committee resolution adopted March 31, 1953.

Existing project: There are no authorized Corps of Engineers flood control projects at Rockford.

Flood problem: Areas in Rockford and vicinity suffering greatest flood damages are along both the North and South Branches of Kent Creek and along Keith Creek within the city. Since early 1926, about nine major floods have occurred in the Rockford area.

Recommended plan of improvement: Consist of channel enlargement and realinement, levees, and appurtenant works on the North Branch Kent Creek and in the portion of Kent Creek below the confluence of the North and South Branches; a relief channel to divert a portion of the flood flows of the South Branch Kent Creek to Rock River, and channel improvements on South Branch downstream from the point of diversion.

Estimated cost (price level of 1960):

Federal	$7,228,000
Non-Federal	1,068,000
Total	8,296,000

Project economics:

	Federal	Non-Federal	Total
Annual charges:			
Interest and amortization	$263,200	$300	$263,500
Maintenance and operation	49,700	11,300	61,000
Loss of productivity	--------	6,200	6,200
Total	312,900	17,800	330,700
Annual benefits: Damages prevented	--------	--------	683,500

Benefit-cost ratio: 2.1.

Local cooperation: Provide without cost to the United States all lands, easements, rights-of-way, and spoil-disposal areas necessary for construction of the project; hold and save the United States free from damages due to the construction works; bear the costs of all relocation and alterations of bridges, buildings, structures, sewers, utilities, and other improvements, except railroad bridges and approaches, made necessary by construction of the project; maintain the works after completion in accordance with regulations prescribed by the Secretary of the Army; and prescribe and enforce regulations to prevent encroachments on the improved channels and on ponding areas.

Comments of the State and Federal agencies:

Department of the Interior: Favorable.

Department of Commerce: Favorable.

State of Illinois: Favorable.

Comments of the Bureau of the Budget: No objection.

Remarks: Since early 1926, about nine major floods have occurred in the Rockford area. The most recent major damaging flood in the area occurred in July 1952 when at least 1,000 persons evacuated their residences for several days. A recurrence of the July 1952 flood under present conditions would cause damages estimated at $2,260,000 in the Kent Creek basin. The benefits amply justify a project at Rockford.

MISSISSIPPI RIVER, URBAN AREAS FROM HAMPTON, ILL., TO MILE 300

(H. Doc. No. 564, 87th Cong.)

Location: The reach of the Mississippi River under consideration is that between river miles 300 and 492 in Illinois, Missouri, and Iowa.

Authority: Two resolutions by House Committee on Flood Control, both adopted September 18, 1944.

Existing project: The Corps of Engineers projects pertinent to this study are the Coralville Reservoir on the Iowa River (in operation), the Red Rock Reservoir in Des Moines River (under construction), the Saylorville Reservoir on Des Moines River (in the planning stage), and several local protection projects for urban and rural areas.

Flood problem: Recent floods occurred in 1951, 1952, and 1960, with maximum flows of 225,000 cubic feet per second at Clinton, about 290,000 cubic feet per second at Keokuk, and 324,000 cubic feet per second at Hannibal. Floods are of comparatively long duration, and cause extensive damage. Flooding in the reach occurs on the average of once every 2 years.

Recommended plan of improvement: Improvements for flood control along the Mississippi River at Rock Island, Ill.; Hannibal, Mo.; and Gregory Drainage District, Mo.; consisting of levees, floodwalls, gated drainage structures, pumping plant, railroad adjustments and appurtenant works. Any one of the three units may be undertaken independently of the others.

Estimated cost (May 1961 price level):

Federal	[1] $9,289,000
Non-Federal	634,000
Total	9,923,000

[1] $3,850,000 for Rock Island, $4,394,000 for Hannibal, and $1,045,000 for Gregory Drainage District.

Project economics:

	Federal	Non-Federal	Total
Annual charges:			
Interest and amortization	$344,500	$30,700	$375,200
Maintenance and operation		50,900	50,900
Total	344,500	81,600	426,100
Annual benefits: Flood damages prevented		577,300	

Benefit-cost ratio: 1.3 (Rock Island, 1.4; Gregory Drainage District, 2.0; and Hannibal, 1.2).

Local cooperation: Provide all lands, easements, and rights-of-way; modify or relocate facilities, except railroads; hold and save the United States free from damages; maintain and operate the completed works; and at Hannibal, prevent encroachment on the ponding area adjacent to the pumping station. Local interests will provide the required cooperation.

Comments of the State and Federal agencies:

Department of the Interior: Favorable.
Department of Agriculture: Favorable.
State of Missouri: Favorable.
State of Iowa: Favorable.
State of Illinois: Favorable.

Comments of the Bureau of the Budget: No objection.

Remarks: The committee notes that improvements for flood control along the Mississippi River at Rock Island, Ill., Hannibal, Mo., and Gregory Drainage District, Mo., are amply justified.

MISSISSIPPI RIVER URBAN AREAS FROM HAMPTON, ILL., TO CASSVILLE, WIS.

(H. Doc. 450, 87th Cong.)

Location: The reach of the Mississippi River from Hampton, Ill., mile 491.8, to the vicinity of Cassville, Wis., mile 606.7, above the mouth of the Ohio River.

Authority: This interim report is in partial response to two resolutions adopted September 18, 1944, by the Committee on Flood Control of the House of Representatives.

Existing project: The only existing Corps of Engineers local flood control project in this reach is a levee with appurtenant works to protect the town of Sabula, Iowa. Construction was completed in November 1957, at a Federal cost of $411,915.

Flood problem: The flood plain in the reach of the Mississippi River considered in this report contains 17 urban areas. The problem is the reoccurring flood damage in these urban areas. Ten major floods of record occurred during the period 1880 to 1954. Average annual flood damages under present conditions of development at the communities investigated are estimated at $1,336,800, of which 90 percent are at Dubuque and Clinton.

Recommended plan of improvement: The plan provides for improvements for flood control at Dubuque, Iowa, consisting of levees, floodwalls, and appurtenant works, including a navigation opening at the mouth of Dubuque Harbor.

Estimated cost (price level, July 1959):

Federal	$5,350,000
Non-Federal	150,000
Total	5,500,000

Project economics:

	Federal	Non-Federal	Total
Annual charges:			
Interest and amortization	$200,900	$7,350	$208,250
Maintenance and operating		12,750	12,750
Total	200,900	20,100	221,000
Annual benefits: Damages prevented			291,400

Benefit-cost ratio: 1.3.

Local cooperation: Provide without cost to the United States all lands, easements, and rights-of-way necessary for the construction of the project; hold and save the United States free from damages due to the construction works; maintain and operate all the works after completion in accordance with regulations prescribed by the Secretary of the Army; modify or relocate buildings, utilities, sewers, and other facilities where necessary in the construction of the project, including necessary widening of levees to provide for roadways; and obtain legal control over pondage areas and prevent encroachment until substitute pondage or increased pumping capacity has been provided at local expense. Officials of the city of Dubuque have indicated their willingness to comply with the items of local cooperation.

Comments of the State and Federal agencies:

State of Illinois: Favorable.
State of Iowa: Favorable.
Department of the Interior: Favorable.
Department of Agriculture: Favorable.

Comments of the Bureau of the Budget: No objection.

Remarks: The committee notes that the proposed improvements for flood control at Dubuque, Iowa, are economically justified and urgently needed.

Mr. DIRKSEN. Mr. President; Illinois is uniquely situated in this respect. The State operates with and out of five different and distinct district offices of the U.S. Corps of Engineers. Three of the offices are located within Illinois; one is located at St. Louis; and one is located at Louisville.

A variety of projects has been developed because of the Wabash River boundary on the Indiana side; the Missisippi River boundary on the west; the Great Lakes and all the harbor improvements that go along with them; the turning basins and harbors which are now a part of the commercial structure of the city of Chicago; and the fact that the Ohio River washes the toe of the State. Then there is the crisscrossing of the rivers in great variety, some of which have been improved, and on which a large amount of waterborne commerce has developed.

In addition, there are rivers within the State which are in process of improvement, and which will also generate large quantities of commerce in due time.

We have worked extensively over a period of years on those projects, including those in the Wabash basin.

I wish to take time now to pay tribute to one of the members of my staff, Mr. William Stevens, who has done very thorough work and has constantly pursued these projects, whatever their character might be. He has performed his work magnificently and has exercised care, diligence, and caution to make certain that all figures were correct, that the authority always existed; that if it did not exist, it was provided; and that where there were lapses or where funds were appropriated and authority did not exist, that difficulty or that hiatus was properly remedied. So while he is in the Chamber, I wish to pay tribute to him, because he has performed a great labor in behalf of all the people in every section of the State of Illinois.

Mr. MANSFIELD. Mr. President, I wish to propound a unanimous-consent request, which I think has been cleared with all Senators concerned.

I ask unanimous consent that on the two amendments to be offered by the junior Senator from Delaware [Mr. BOGGS] 30 minutes be allotted to each, 15 minutes to a side and that on all other amendments, 20 minutes be allotted to each, 10 minutes to a side.

Mr. BOGGS. Mr. President, perhaps I misunderstood the distinguished majority leader. I understood there would be 30 minutes to a side.

Mr. MANSFIELD. Very well; that is all right.

Mr. BOGGS. Speaking for myself, I have no objection to 30 minutes to a side.

Mr. MANSFIELD. As to the other amendments, I ask unanimous consent that 10 minutes be allotted to each, 5 minutes to a side. I understand there are only two or three other amendments.

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). Does the majority leader ask that the time on the Boggs amendments be limited to 1 hour, 30 minutes to a side; and that on all other amendments the time be limited to 10 minutes each, 5 minutes to a side?

Mr. MANSFIELD. That is correct.

Mr. JAVITS. Mr. President, reserving the right to object—and I shall not object—will the Senator from Montana permit me to have 1 minute on his time limitation to make a brief statement on the bill?

Mr. MANSFIELD. First, I should like to have the proposal agreed to; then the Senator from New York may make his statement.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Montana? The Chair hears none, and it is so ordered.

Mr. JAVITS. Mr. President, in March of this year I introduced S. 3072, to seek additional authorization for the Great Lakes-Hudson River Waterway, which is known to us in New York as the Barge Canal, on which the State of New York has expended considerable sums of money for the improvement of navigation.

I am gratified to know that an authorization of $1 million is provided in the bill. I express my appreciation to the Senator from Oklahoma [Mr. KERR] and to the committee, on behalf of my colleague from New York [Mr. KEATING] and myself, for accommodating this project in the bill. It is an extremely important and worthwhile project for the commerce of New York and for the commerce of the Nation, as well. The people of the State of New York will be encouraged by this authorization.

The **PRESIDING OFFICER.** Under the unanimous-consent request, the Senator from Delaware is recognized.

Mr. MORSE. Mr. President, will the Senator from Delaware yield 1 minute to me?

Mr. BOGGS. Mr. President, I have no objection to the request of the Senator from Oregon if the time consumed by him is not charged to my time.

Mr. KERR. Mr. President, I will yield to the Senator from Oregon on my time.

Mr. MORSE. Mr. President, I wish to say to the Senator from Oklahoma that the people of my State are sincerely grateful for the fair consideration they have received from the committee with respect to projects for Oregon. It was my privilege to present, with my able colleague, Mrs. NEUBERGER, the case for the State of Oregon with respect to a series of these projects, such as the 40-foot channel in the Columbia River; the Rogue River basin; the Columbia River basin, and other projects which are included in the report.

I ask unanimous consent to have printed at this point in the RECORD a data sheet on the Rogue River project as well as a brief summary of it and other Oregon projects, as contained in the committee report.

There being no objection, the data sheet and summaries were ordered to be printed in the RECORD, as follows:

ROGUE BASIN PROJECT DATA SHEET

General purpose: Rogue River basin is nationally known for its fishery, scenic, and recreation resources. Lumbering, agriculture, and recreation are its principal industries. The basin has numerous natural resources, a rapidly growing population, and a great potential for development. The water resource needs of the basin include flood control, irrigation, water supply, fish and wildlife enhancement, water quality control, electric power generation, and provision for increased recreational use. The purpose of the project is to solve these needs. The plan is multipurpose, comprehensive, and adaptable to continued development.

Principal structures	Location	Height (feet)	Total capacity (acre-feet)	Purpose
Lost Creek	Rogue River	360	465,000	Flood control, irrigation, water supply, fish enhancement, wildlife enhancement, water quality control, power, and recreation.
Elk Creek	Elk Creek	235	101,000	Flood control, irrigation, water supply, fish enhancement, wildlife enhancement, water quality control, and recreation.
Applegate	Applegate River	230	72,000	Flood control, irrigation, fish enhancement, wildlife enhancement, water quality control, and recreation.

Benefits	Annual benefits	Percent	Comments
Flood control	$1,360,000	22	Flood control benefits are the difference between average annual flood damages which could be expected with and without the project.
Irrigation	925,000	15	Area is adapted to specialty crops (pears, seeds, berries). Irrigation will not increase surplus crops.
Water supply	322,700	5	Basin communities are concerned about future municipal water supplies.
Fish and wildlife	1,130,200	18	Rogue spawns significant anadromous fishery; harvested from California to Alaska. Project will also enhance the famous sports fishery.
Power	1,881,700	31	Power could be marketed in southern Oregon—a growing area—or used on any Columbia-California intertie to firm up line losses.
Recreation	528,000	9	Basin is a recreation area of renown, attracting visitors nationally, but short on lake type of recreation.

Economic justification (100-year basis): Lost Creek-Elk Creek: Benefit-cost ratio, 1.51 to 1; Applegate: Benefit-cost ratio, 1.54 to 1.

Endorsements:

State of Oregon: Governor, water resources board, game commission, fish commission, natural resources commission.

Counties in basin: Jackson County court, Josephine County court, Curry County court.

Cities in basin: Medford, Grants Pass, Rogue River, Gold Hill, particularly water supply.

Conservation groups: Isaak Walton League (National, State, Jackson County, and Josephine County), Oregon Wildlife Federation, Rogue Rod & Gun Club, Salmon Unlimited.

Agricultural groups: Jackson and Josephine Pomona Granges, Jackson and Josephine County Farm Bureaus, Medford Irrigation District, Rogue River Valley Irrigation District, Eagle Point Irrigation District, Sams Valley-Beagle Water Development Association, Rogue Basin Flood Control and Water Resources Association—over 80 member organizations.

COLUMBIA AND LOWER WILLAMETTE RIVERS, OREG. AND WASH.

(H. Doc. 203, 87th Cong.)

Location: The Columbia River rises in British Columbia, enters the United States in northeastern Washington, flows southerly to its confluence with the Snake River, thence westerly along the Oregon-Washington boundary to the Pacific Ocean. The reach of the Columbia River under consideration in this report extends from the mouth of the Willamette River upstream 4.5 miles to Vancouver, Wash., 106 river miles from the sea.

Authority: Resolutions by the Senate and House Public Works Committees adopted March 14, 1957, and April 9, 1957, respectively.

Existing project: Provides for a channel 35 feet deep and 500 feet wide from the mouth of Columbia River to Portland, Oreg. a distance of 113 miles; and a channel 30 feet deep and 300 feet wide from the mouth of Willamette River to Vancouver, Wash., a distance of 5 miles, with two turning basins 30 feet deep and 800 feet wide, and approximately 2,000 and 3,000 feet long for the upper and lower basins, respectively. The project has been completed.

Navigation problem: Inadequate channel depth and width for vessels now using the waterway between the mouth of Willamette River and Vancouver. Groundings and damage to ships have been prevented by light loading and, during low river stages, running the tides.

Recommended plan of improvement: Provides for a channel in the Columbia River 35 feet deep and 500 feet wide from the mouth of the Willamette River to the Interstate Bridge at Vancouver, Wash., with two turning basins 35 feet deep, 800 feet wide, and 2,000 and 5,000 feet long for the upper and lower basins, respectively.

Estimated cost (fourth quarter price level of 1959):

Federal	$492,500
Non-Federal	17,900
Total	510,400

Project economics:

	Federal	Non-Federal	Total
Annual charges:			
Interest and amortization	$17,660	$840	$18,500
Maintenance	48,000		48,000
Total	65,660	840	66,500
Annual benefits:			
Transportation savings			159,770
Land enhancement			12,000
Total			171,770

Benefit-cost ratio: 2.6.

Local cooperation: Contribute in cash 3.5 percent of the construction cost, presently estimated at $17,900 in a lump sum prior to construction; provide all lands, easements, and rights-of-way including spoil disposal areas; provide and maintain depths in berthing areas and local access channels commensurate with project depths; hold and save the United States free from damages; provide and maintain public terminal facilities open to all on equal terms. Local interests have indicated willingness to meet requirements of local cooperation.

Comments of the State and Federal agencies:

Department of the Interior: Favorable.

State of Washington: Favorable.

State of Oregon: Favorable.

Comments of the Bureau of the Budget: No objection.

Remarks: Lack of depth in the presently authorized channel requires partial loading of the larger ships and causes delays to many ships in waiting for a high tide to navigate the channel. The proposed improvement will minimize delays, permit full loading of ships, and reduce present hazards to vessels. The committee considers the project to be well justified and the local contribution to be appropriate in view of the enhanced land values resulting from deposition of spoil.

COLUMBIA AND LOWER WILLAMETTE RIVERS BELOW VANCOUVER, WASH., AND PORTLAND, OREG.

(H. Doc. 452, 87th Cong.)

Location: The Columbia River rises in British Columbia, enters the United States in northeastern Washington, flows southerly to its confluence with the Snake River, thence westerly along the Oregon-Washington boundary to the Pacific Ocean.

Authority: Resolutions by the Committee on Public Works of the U.S. Senate and House of Representatives adopted March 14, 1957, and April 9, 1957, respectively.

Existing project: The existing project for the Columbia and lower Willamette Rivers provides for a channel 35 feet deep and 500 feet wide in the Columbia River from about river mile 3 to the mouth of Willamette River, mile 101.5, thence 30 feet deep and 300 feet wide to Vancouver, river mile 106.5; upper and lower turning basins at Vancouver; a channel in the Willamette River 35 feet deep from the mouth to Portland, a distance of about 11.6 miles; numerous side channels and connecting waterways; a small-boat mooring basin at Astoria; and construction of stone and pile dikes and revetments. Local interests have provided channel improvements and maintenance in addition to port facilities. Several power and navigation dams upstream from Vancouver have been built by the Federal Government. Others, either under construction or authorized, will provide slackwater navigation on the Columbia River to Pasco-Kennewick, Wash., river mile 329, and on the Snake River to Lewiston, Idaho, river mile 140.

Navigation problem: With the present trend to use of larger ships, increased operating costs will be incurred through delays, light loading, and possible ship damage. The existing project dimensions restrict the use of larger ships and eventually will limit the commerce carried by the waterway.

Recommended plan of improvement: (a) A channel 40 feet deep and 600 feet wide from Vancouver, Wash., river mile 105.5, to the mouth of Columbia River, river mile 3; (b) a turning basin at Vancouver, Wash., 40 feet deep, 800 feet wide, and about 5,000 feet long; (c) a turning basin at Longview, Wash., 40 feet deep, average width of 1,200 feet, and about 6,000 feet long; and (d) a channel 40 feet deep in Willamette River with varying widths of 600 to 1,900 feet, from the mouth, river mile 0, to Broadway Bridge, river mile 11.6, which encompasses the Portland Harbor area; with the provision that accomplishments of that portion of the plan contained in items (a) and (b) be contingent upon accomplishment of improvements in these areas recommended in interim report on Columbia River dated March 31, 1961.

Estimated cost (1961 price level):

Federal	$20,100,000
Non-Federal	[1] 419,000
Total	20,519,000

[1] Cash contribution.

Project economics:

	Federal	Non-Federal	Total
Annual charges:			
Interest and amortization	$733,000	$23,000	$756,000
Maintenance and operation	775,000		775,000
Total	1,508,000	23,000	1,531,000
Annual benefits:			
Elimination of delays			2,322,000
Elimination of groundings			7,800
Delays in entrance			−99,400
Land enhancement			84,800
Total			2,314,200

Benefit-cost ratio: 1.5.

Local cooperation: Provide all lands, easements, and rights-of-way required for construction and subsequent maintenance of the project and of aids to navigation; hold and save the United States free from damages; provide and maintain at local expense adequate public terminal and transfer facilities; accomplish such alterations as are required in utility facilities; assist in the work of improving and maintaining the main ship channel in Columbia and Willamette Rivers; provide and maintain depths in berthing areas and local access channels serving the terminals commensurate with the depths provided in the related project areas; and contribute in cash 1.8 percent of the cost of construction by the Corps of Engineers. Local interests have indicated willingness to provide required cooperation.

Comments of the State and Federal agencies:

Department of the Interior: Favorable.

Department of Agriculture: Favorable.

Department of Commerce: Favorable.

State of Washington: Favorable.

State of Oregon: Favorable.

Comments of the Bureau of the Budget: No objection.

Remarks: The committee recognizes that, with the present channels and the trend to use of larger ships, increased operating costs will be incurred through delays, light loading, and possible ship damage. Also, that the existing dimensions will restrict the use of larger ships and eventually limit the commerce carried by the waterway. Improvement is desirable. In view of the land enhancement from use of spoil to fill low areas to a flood-free level, the proposed local contribution is considered appropriate.

ROGUE RIVER BASIN, OREG. AND CALIF.

(H. Doc. No. 566, 87th Cong.)

Location: Rogue River basin is located in southwestern Oregon and nothern California with Oregon containing about 97 percent of the basin area.

Authority: Public Law 183 approved July 1, 1935, and Flood Control Acts of 1936 and 1958.

Existing project: The corps has provided 7 minor local protection works under emergency and continuing authorities at total cost of $316,000. Navigation project now under construction at mouth of river will provide 13-foot project and cost $3.5 million. Bureau of Reclamation has constructed 16,000 kilowatt powerplant on tributary. Local interests have irrigation facilities for about 72,000 acres. Of 9 organized districts serving 42,000 acres, 3 have storage facilities. There is a small reservoir for water supply and 8 private hydroelectric plants with a total capacity of about 56,000 kilowatts.

Flood problem: Flood damages occur in the Rogue River basin in a number of discontinuous areas along the main stream and its principal tributaries. The most recent major flood occurred in 1955 and inundated more than 13,000 acres of land.

Recommended plan of improvement: Three multiple-purpose reservoirs. A rock and gravel embankment dam at Lost Creek site, 360 feet high with usable storage capacity of 315,000 acre-feet. A rock and gravel embankment dam at Elk Creek site, 235 feet high with usable storage capacity of 95,000 acre-feet. An earth and gravel embankment dam at the Applegate River site, 230 feet high with usable storage capacity of 65,000 acre-feet.

Estimated cost (all Federal, July 1961 price level):

Lost Creek Dam	$74,500,000
Elk Creek Dam	17,500,000
Applegate Dam	14,700,000
Total	[1] 106,700,000

[1] Of this amount, $5,977,000 and $16,592,000 will be repaid by local interests for water supply and irrigation, respectively.

Project economics:

Annual charges:	
Interest and amortization	$3,191,000
Operation, maintenance, and replacement	802,400
Taxes foregone and economic cost	78,800
Total	4,072,200
Annual benefits:	
Flood control	$1,360,000
Irrigation	925,000
Water supply	322,700
Fish and wildlife	1,130,200
Power	1,881,700
Recreation	528,000
Total	6,147,600

Benefit-cost ratio: 1.5.

Local cooperation: Prior to construction, they will agree to reimburse the United States for first costs and annual operation, maintenance, and replacement costs allocated to municipal and industrial water supply storage, presently estimated at $5,977,000 and $24,900, respectively; the Secretary of the Interior make necessary arrangements for repayment of that part of the construction cost and annual operation, maintenance, and replacement costs allocated to irrigation, presently estimated at $13,007,000 and $66,500, respectively, for the Lost Creek-Elk Creek Reservoirs and $3,585,000 and $9,900, respectively, for the Applegate Reservoir; and the State of Oregon take necessary action to insure maintenance, in the streams, of flows to be released for benefit of the fishery. Local interests have indicated willingness to cooperate.

Remarks: The committee recognizes the need for comprehensive development of the water resources of the Rogue River basin for flood control, irrigation, water supply, fish and wildlife enhancement, recreation, and power. The committee concurs in the construction, operation, and maintenance of the proposed improvements by the Corps of Engineers to serve these purposes. The committee considers it desirable that the authorizing legislation clearly indicate that the project is to be located, constructed, and operated to accomplish the benefits as set forth and described in the report and appendixes, and that in the years of short water supply all users will share the available water in the same proportions that they would share the total full supply when it is available, and that no further water-use allocations will be made from the authorized storage so as to retain the maximum possible benefits to authorized uses during the periods of adversity when storage shortages occur.

COLUMBIA RIVER AND TRIBUTARIES, WASHINGTON, OREGON, IDAHO, MONTANA, WYOMING, NEVADA, AND UTAH

(H. Doc. 403, 87th Cong.)

Location: The Columbia River basin is located in the northwest portion of continental United States and includes most of the States of Washington, Oregon, and Idaho, western Montana and small areas in Wyoming, Nevada, and Utah. The basin also includes the southeastern drainage of the Province of British Columbia, Canada.

Authority: Resolution, Senate Committee on Public Works, adopted July 28, 1955, and other resolutions.

Existing project: A total of 10½ million acre-feet of storage, sufficient to control major floods to 1,030,000 cubic feet per second is presently available at Federal and non-Federal projects existing or under construction. A navigable channel 9 feet deep and 250 feet wide is authorized on the main stem to the head of McNary pool (mile 352) and on Snake River to mile 10.0. Existing, under construction, and authorized Federal projects have an aggregate installed hydroelectric capacity of 9,400,000 kilowatts.

Flood problem: The area of major flood damage lies along the 140-mile reach of Columbia River below Bonneville Dam. About 60 percent of the flood plain is protected to some degree by levees or other protective works but almost none of these improvements provide adequate protection against larger floods. Without levees or storage, the average annual flood damages along the lower Columbia River would be $38,300,000. Existing levees reduce this by $13,600,000 annually and authorized levee improvements when completed would further reduce this damage by $700,000 leaving a residual damage of $24 million which is subject to only limited reduction by existing storage.

Recommended plan of improvement: The plan of improvement provides for the construction of 12 projects, including dams, reservoirs, and related works, capable of effecting, in combination with existing and reasonable assured storage in the United States and Canadian portions of the basin, control of the 1894 flood to 600,000 cubic feet per second. These recommended projects would provide substantial hydroelectric power, navigation, recreation, fish and wildlife, as well as other benefits. The reporting officers also recommend that the depth and width of the authorized channel in the Columbia-Snake barge navigation project be established as 14 and 250 feet, respectively, at minimum regulated flow.

Estimated costs (1957 price levels)

Project	Location	Construction cost [1]	Annual operation and maintenance
Flathead Lake outlet improvement [2]	Flathead River, Mont	$6,142,000	$13,000
Knowles [2]	do	234,910,000	725,000
High Mountain Sheep [2]	Snake River, Idaho and Oreg	[3] 198,083,000	[2] 2,230,000
China Gardens	do	62,220,000	704,000
Asotin	do	[4] 83,340,000	832,000
Penny Cliffs [2]	Middle Fork, Clearwater River, Idaho	210,036,000	758,000
Bruces Eddy	North Fork, Clearwater River, Idaho	[5] 127,166,000	650,000
Garden Valley division [2] [6]	Payette River, Idaho	146,100,000	1,150,000
Strube reregulating reservoir	South Fork, McKenzie River, Oreg	6,685,000	32,400
Gate Creek	Gate Creek, Oreg	15,920,000	91,200
Fern Ridge (modification of existing project)	Long Tom River, Oreg	140,000	0
Cascadia	South Santiam River, Oreg	28,270,000	109,000
Total		1,119,012,000	7,294,600

[1] Exclusive of costs of preauthorization studies.

[2] See comments of the Bureau of the Budget.

[3] Estimates based on pool elevation of 1,510 feet above mean sea level, and the construction of an arch dam rather than a concrete gravity dam, which was estimated to cost $241,782,000 in the report of the Board of Engineers for Rivers and Harbors.

[4] For power only, but with provisions for future navigation lock.

[5] Planning studies, incomplete at this time, indicate a concrete gravity dam of somewhat higher elevation than assumed in the division engineer's report, will be found economically justified.

[6] As planned and proposed by Bureau of Reclamation with 50-year period of analysis.

Project economics (with Canadian storage and 50-year life)

Project	Annual benefits (thousands)				Annual charges (thousands)				Benefit cost ratio
	Flood control	Power	Other	Total	Interest and amortization	Operation, maintenance and repair	Other [1]	Total	
Flathead Lake outlet improvements	$147.0	$114		$261.0	$223	$13		$236	1.11
Knowles	447.0	11,211	$58	11,716.0	9,116	725	$980	10,821	1.08
High Mountain Sheep	239.0	27,454	16	27,709.0	7,510	2,230	2,400	12,140	2.28
China Gardens		5,802	13	5,815	2,317	704	507	3,528	1.65
Asotin (without lock)		9,599	32	9,631.0	3,085	832	839	4,756	2.03
Penny Cliffs	911.0	9,976	282	11,169.0	7,872	758	872	9,502	1.18
Bruces Eddy	552.0	7,646	553	8,751.0	4,769	650	668	6,087	1.44
Garden Valley division	143.0	9,236	−34	9,345.0	5,409	1,150		6,559	1.43
Strube reregulating reservoir [2]		674		674.0	441	41	101	583	1.11
Gate Creek	715.0	11	[3] 161	887.0	586	91	1	678	1.31
Fern Ridge	13.8			13.8	5			5	2.76
Cascadia	1,084.0	4	[4] 445	1,533.0	1,051	109	12	1,172	1.31

[1] Includes taxes, production and harvesting costs on national forest land, and others.

[2] Benefits and charges are incremental amounts associated with Strube and peaking installation at Cougar compared to initial high load factor installation at Cougar. For Strube only, the annual costs are: Interest and amortization, $242,000; operation, maintenance and repair, $32,000; and other, $26,000.

[3] Includes $122,500 irrigation benefits and $26,900 pollution abatement benefits.

[4] Includes $313,400 irrigation benefits and $69,800 pollution abatement benefits.

Local cooperation: No local cooperation is required.

Remarks: The committee recognizes the importance of continued and timely development of the water resources of the Columbia and proposes authorization of the following projects for further Federal developments consistent with provisions of the Interior-Army agreement of March 16, 1962: Knowles Dam (for construction by Bureau of Reclamation), China Gardens Dam, Asotin Dam, Bruces Eddy Dam, Strube reregulating dam, Gate Creek Dam, Fern Ridge Dam modification, and Cascadia Dam.

The committee has recommended the several projects on the Columbia River Basin as recommended by the Chief of Engineers in House Document No. 403. The committee is of the opinion that it would be appropriate that the Knowles Dam and Reservoir, Flathead River, Mont., be constructed, operated, and maintained by the Bureau of Reclamation, Department of the Interior.

Mr. MORSE. Mr. President, I deeply appreciate the fair consideration which was given to my State, as is shown by the recommendation of the Committee on Public Works, headed by the distinguished Senator from New Mexico who is ably represented at this moment by the distinguished Senator from Oklahoma.

These projects, when completed, will amply repay the public investment in them. They constitute, in material form, an evidence of prudent foresight for which our descendants should be thankful.

I commend the committee and its able chairman for their work on this bill. I wish also to compliment the committee upon the dedicated staff which serves it, and particularly Mr. Theodore W. Sneed and Mr. John L. Mutz, both of whom have, with unfailing courtesy, provided my office with much technical advice and assistance promptly and efficiently.

Mr. TALMADGE. Mr. President, will the Senator from Delaware yield me 1 minute?

Mr. BOGGS. Mr. President, I shall be glad to yield to the Senator from Georgia, provided the minute to be used by him is not charged to my time.

Mr. KERR. Mr. President, I yield 1 minute to the Senator from Georgia from my time.

Mr. TALMADGE. Mr. President, I desire to pay tribute to the distinguished senior Senator from Oklahoma for the able manner in which he has presented the bill. I desire also to express to him the deep appreciation of the junior Senator from Georgia for the manner in which he handled the projects which have so long needed development.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a letter from Maj. Gen. R. G. MacDonnell, director of civil works, dated June 8, 1962, relating to the development of the Flint River Basin; and also a report from the Chief of Engineers dated May 4, 1962, relating to the development of the Flint River Basin.

There being no objection, the letter and the report were ordered to be printed in the RECORD, as follows:

HEADQUARTERS,
DEPARTMENT OF THE ARMY,
OFFICE OF THE CHIEF OF ENGINEERS,
Washington, D.C., June 8, 1962.

HON. HERMAN E. TALMADGE,
U.S. Senate.

DEAR SENATOR TALMADGE: There is furnished for your information a copy of the proposed report of the Chief of Engineers, together with a copy of the report of the Board of Engineers for Rivers and Harbors, on a review of the report on and a survey of the Flint River, Ga.

The proposed report of the Chief of Engineers concurs in the finding of the

Board of Engineers for Rivers and Harbors. As stated therein, the recommendation approves a comprehensive plan of five projects and authorization of the three upstream multiple-purpose dams and reservoirs as the first phase in providing the plan. It is noted that a substantial growth in the economy and waterborne transportation needs of the area, requiring almost two decades to attain, would be necessary to justify the two lower river projects to extend navigation. Accordingly, recommendation of these latter projects for authorization appears premature at this time. Reexamination of these two projects could be made under the survey report procedure, if requested, when construction of other units in the overall comprehensive basin plan has been well advanced and the need for the second phase becomes more imminent.

This report is now being furnished the Assistant Attorney General, Executive Department, State Capitol, Atlanta, Ga., the Director, Department of Water Resources, State Department of Conservation, Tallahassee, Fla., and the Secretary of the Interior, for review and comment, in accordance with existing law, prior to transmission of the report to Congress. Copies of the report are being furnished other interested Federal agencies for review and comment also.

Sincerely yours,

R. G. MacDonnell,
Major General, U.S. Army,
Director of Civil Works.

Headquarters, Department
of the Army,
Office of the Chief of Engineers,
Washington, D.C.

Subject: Flint River, Ga.
To: The Secretary of the Army.

1. I submit for transmission to Congress the report of the Board of Engineers for Rivers and Harbors concerning Flint River, Ga., accompanied by reports of the district and division engineers, in response to a resolution of the Committee on Public Works of the U.S. Senate adopted June 1, 1948, and to an item in section 7 of the River and Harbor Act approved July 24, 1946.

2. The district and division engineers find that the Spewrell Bluff, Lazer Creek, and Lower Auchumpkee Creek Dams and Reservoirs, in the headwaters, for flood control, hydroelectric power generation, general recreation and fishing recreation, and the Raccoon Creek and Lower Vada projects for navigation below Albany, Ga., general and fish and wildlife recreation and, in the case of the Lower Vada project, hydroelectric power generation, would provide the best development for the Flint River. They recommend the undertaking of these projects on a sequential basis in two phases at an estimated Federal cost of $216,985,000 for construction and $1,143,000 annually for operation and maintenance. The estimated additional average annual Federal cost for major replacements is $605,000. The total annual benefits and economic costs for the proposed sequential development based on a 100-year analysis period are $12,678,000 and $10,784,000, respectively, including benefits and costs related to recreational development to be undertaken by local interests. The annual benefits and economic costs for the upstream multiple-purpose reservoirs would total $9,491,000 and $7,844,000, respectively; the resulting benefit-cost ratio is 1.2. The total annual benefits and economic costs for the lower projects are $3,187,000 and $2,940,000, respectively, based on completion in 1980; the resulting benefit-cost ratio is 1.1. The corresponding figures for the lower projects based on completion in 1970 are $2,387,000 and $2,940,000, respectively; the resulting benefit-cost ratio is 0.8.

3. The Board of Engineers for Rivers and Harbors concurs in general in the views and recommendations of the reporting officers. The Board believes, however, that the proposed plan should be given general approval, and that only the Spewrell Bluff, Lazer Creek, and Lower Auchumpkee Creek Reservoirs should be authorized for construction at this time. Accordingly, the Board recommends approval of the general plan presented by the reporting officers at estimated Federal costs of $217,000,000 for construction and $1,750,000 for operation, maintenance, and major replacements as a guide for the immediate and future development of the water resources of the Flint River Basin; authorization of Spewrell Bluff, Lazer Creek, and Lower Auchumpkee Creek Reservoirs at estimated costs to the United States of $151,820,000 for construction and $1,068,000 annually for operation, maintenance, and major replacements, subject to certain local cooperation; and that Spewrell Bluff Reservoir be undertaken as the initial step in the provision of the plan.

4. I concur in the recommendations of the Board.

W. K. Wilson, Jr.,
Lieutenant General, U.S. Army,
Chief of Engineers.

Corps of Engineers,
U.S. Army,
Board of Engineers for
Rivers and Harbors,
Washington, D.C., May 4, 1962.

Subject: Flint River, Ga.
To: Chief of Engineers, Department of the Army.

1. Authority: This report is in response to the following resolution adopted June 1, 1948:

"*Resolved by the Committee on Public Works of the United States Senate,* That the Board of Engineers for Rivers and Harbors, created under section 3 of the River and Harbor Act, approved June 13, 1902, be, and is hereby, requested to review the report on the Apalachicola, Chattahoochee, and Flint Rivers, Georgia, Alabama, and Florida, submitted in House Document Numbered 342, Seventy-sixth Congress, first session, and prior reports, with a view to determining if it is advisable to provide a nine-foot depth for navigation in the Flint River to Albany, Georgia."

It is also in review of reports on a survey of Flint River, Ga., authorized by the River and Harbor Act approved July 24, 1946.

2. Physical description: Flint River rises 350 miles above its mouth and 1,000 feet above mean sea level in the southerly outskirts of Atlanta, Ga., the largest city in the Southeast. It crosses the fall line, marking the division of the Piedmont Plateau and the Coastal Plain, between river miles 230 and 285, falling 370 feet in 55 miles. It joins the Chattahoochee River to form the Apalachicola River, 108 miles above Apalachicola Bay, an arm of the Gulf of Mexico. The drainage area of Flint River is 8,460 square miles; Chattahoochee River, 8,650 square miles; and the entire Apalachicola-Chattahoochee-Flint system, 19,170 square miles. The Flint basin is 210 miles long and has a fairly uniform width averaging 40 miles. Bankfull capacity ranges up to 36,000 cubic feet per second. The maximum flood of record at Bainbridge, 29 miles above the mouth, January 1925, had a discharge of 101,000 cubic feet per second.

3. Existing improvements: A local flood-protection project has been completed at Montezuma, Ga., and another at Americus, Ga., has been approved, both under the general authority for small flood-control projects. The authorized project now under construction provides for multiple-purpose developments and supplemental channel work to give a channel depth of 9 feet for a minimum width of 100 feet in the Apalachicola-Chattahoochee River upstream to Columbus, Ga., 268 miles, and 20 miles up Flint River to Bainbridge, Ga. Buford Dam and Reservoir, at mile 348.3 above the junction of Chattahoochee and Flint Rivers, for flood control, hydroelectric power, navigation, and other uses, was essentially completed in 1957. Jim Woodruff, the lowermost lock and dam located just below the junction was essentially completed in 1957 for hydroelectric power and navigation, providing navigation project depths to Columbus on Chattahoochee River and Bainbridge on Flint River. The two remaining locks and dams, both on the Chattahoochee River, are under construction. These are Columbus for navigation and Walter F. George for navigation and hydroelectric power.

4. General economy: The Flint River basin is predominantly rural. Its population in 1960 was 397,000. The city of Atlanta, with a total population of 487,500 in 1960, is partly within the basin at the extreme northern tip. Albany, the largest city wholly within the basin, had a 1960 population of 55,900 and Bainbridge, 12,700. The population of urban communities increased substantially over the past 10 years. Agriculture contributes the most to the basin economy. In recent years there has been a significant growth in industry, mostly textiles, lumber, and wood products. Forests, predominantly pine, cover half the basin area. The principal minerals produced are sand, clay, and limestone.

5. Water problems: The principal commodities economically adaptable to movement by waterway in this locality are petroleum products, wood and paper products, chemicals, fertilizer, and coal. Existing waterway traffic, all inbound, is along the lower 29 miles of Flint River up to Bainbridge, Ga. The principal commodities being moved are petroleum products, road oil, grain, and sulfur. Above the Jim Woodruff pool, which extends to Bainbridge, the river is steep. A total lift of 76 feet would be needed to bring slack water navigation to Albany, Ga.

6. Flood damage above the fall line is small. Below the fall line to the mouth of the river, the flood plain area is 116,000 acres of which 3,800 acres are urban at Albany, Radium Springs, Newton, and Bainbridge. Of the rural lands, 20 percent are cleared for agricultural use and the balance are in woods. Except for the urban areas, flood losses are widely distributed over the long, relatively narrow, flood plain. Total flood losses below the fall line are estimated at $180,000 annually. Fifty-six percent of the loss is to agriculture, about half of which is to crops; 37 percent is to urban development; and the balance, or 7 percent, is to public roads and railroads.

7. Power needs in the region are increasing rapidly. The logical market for Flint River power would be most of Alabama and Georgia, southeastern Mississippi, and that part of Florida located south of Alabama (power supply areas 22 and 23 of the Federal Power Commission). The fall line reach of the river provides the most favorable opportunities for development of hydroelectric power.

8. Municipal and industrial water supplies are adequate for the present needs in the Flint Basin. Future needs can be met by Flint River and its principal tributaries. The pollution problem in the basin as a whole is not serious. Some pollution exists, however, at certain of the urban areas along the stream.

9. Improvements proposed: The district engineer finds that the best plan of improvement for Flint River would be three multiple-purpose reservoirs in the headwaters and two locks and dams on the river below Albany, Ga. All three headwater reservoirs would be on the main stream and each would provide for flood control, hydroelectric power generation, general recreation, and fishing recreation. The two locks and dams would bring the 9-foot navigation

channel to Albany, Ga. In addition, each would provide general and fish and wildlife recreation, and one of them would generate hydroelectric power. Pertinent physical data follows:

Upstream multiple-purpose reservoirs

Item	Spewrell Bluff	Lazer Creek	Lower Auchumpkee Creek
Dam location, Flint River (miles above mouth)	263.4	255.7	233.4
Drainage area above dam (square miles)	1,210	1,410	1,970
Type of dam: Concrete gravity, rolled-earth ties to abutments.			
Spillway: In concrete section, gated.			
Elevations (feet, mean sea level):			
Maximum pool	714.4	548.5	439.1
Top of flood control pool (top gates)	709.0	547.0	425.0
Top of power pool	700.0	543.0	417.0
Minimum power pool	670.0	533.0	407.0
Reservoir storage (acre-feet):			
Gross at top of gates	730,000	342,000	548,000
Usable:			
Flood control	230,000	45,000	145,000
Power	322,000	88,000	135,000
Reservoir area, top of power pool (acres)	16,800	9,900	15,600
Total installation (kilowatts)	100,000	87,000	81,000
Firm installation (kilowatts)	90,000	87,000	81,000
Load factor (percent)	10	10	10
Average annual energy (million kilowatt-hours)	133.0	121.6	122.8

Downstream multiple-purpose locks and dams

Item	Raccoon Creek	Lower Vada
Dam location, Flint River (miles above mouth)	79.9	43.4
Drainage area above dam (square miles)	5,570	7,110
Lock:		
Chamber (feet)	82x450	82x450
Minimum depth over sills (feet)	13	13
Maximum lift (feet)	27	49
Elevation (feet, mean sea level):		
Normal upper pool	153	126
Normal power pool		126
Minimum power pool		125
Power pondage (acre-feet)		11,000
Reservoir area, normal pool (acres)	2,900	12,800
Installed capacity (kilowatts)		28,000
Average annual energy (million kilowatt-hours)		167

10. Costs and feasibility: The estimated first cost, annual charges, and economic feasibility are:

Upstream multiple-purpose reservoirs, 1st phase

[In thousands of dollars]

Item	Spewrell Bluff	Lazer Creek	Lower Auchumpkee Creek	Total
First cost (1961 prices)	64,300	41,050	49,320	154,670
Annual economic charges:				
Interest and amortization	1,951	1,246	1,498	4,695
Operation, maintenance, and major replacements	472	356	428	1,256
Taxes foregone	684	626	583	1,893
Total	3,107	2,228	2,509	7,844
Average annual economic benefits:				
Power	2,436	2,206	2,085	6,727
Flood control	409	82	380	871
General recreation	432	254	404	1,090
Fishing recreation	295	174	276	745
Navigation	34	9	15	58
Total	3,606	2,725	3,160	9,491
Ratio of benefits to costs	1.2	1.2	1.3	1.2

Downstream multiple-purpose locks and dams, 2d phase

[In thousands of dollars]

Item	Raccoon Creek	Lower Vada	Total
First cost (1961 prices)	20,370	45,730	66,100
Annual economic charges:			
Interest and amortization	602	1,355	1,957
Operation, maintenance, and major replacements	222	559	781
Taxes foregone		202	202
Total	824	2,116	2,940
Average annual benefits:			
Power			1,039
Navigation			869
General recreation			320
Fishing recreation			159
Total			2,387
Ratio of benefits to costs			0.8

11. First costs and annual economic charges include Federal costs for preauthorization studies, Federal costs for public use and access facilities, and non-Federal costs for public-use facilities. Federal and non-Federal work costs are:

Upstream multiple-purpose reservoirs

[In thousands of dollars]

Item	Spewrell Bluff	Lazer Creek	Lower Auchumpkee Creek	Total
First costs:				
Federal preauthorization studies	$33	$22	$25	$80
Non-Federal public-use facilities	1,100	650	1,020	2,770
Federal work	63,167	40,378	48,275	151,820
Total first cost	64,300	41,050	49,320	154,670
Operation, maintenance, and replacements:				
Non-Federal public-use facilities	74	44	70	188
Federal work	398	312	358	1,068
Total	472	356	428	1,256

Downstream multiple-purpose locks and dams

[In thousands of dollars]

Item	Raccoon Creek	Lower Vada	Total
First costs:			
Federal preauthorization studies	11	24	35
Non-Federal public-use facilities	170	730	900
Federal work	20,189	44,976	65,165
Total first cost	20,370	45,730	66,100
Operation, maintenance, and replacements:			
Non-Federal public-use facilities	11	90	101
Federal work	211	469	680
Total	222	559	781

A cost allocation to the respective purposes was made for each of the upstream reservoirs. The separable costs-remaining benefits method was used. The costs so allocated were the total Federal annual costs plus the taxes foregone because of Federal power development. The interest rate used was 2⅝ percent and the period of analysis, 100 years. The annual costs to be recovered from the sale of hydroelectric power, as presently estimated by the reporting officers, are:

Spewrell Bluff Reservoir	**$1,502,000**
Lazer Creek Reservoir	**1,210,000**
Lower Auchumpkee Creek Reservoir	**1,192,000**

12. Recommendations of the reporting officers: The district engineer finds that the Spewrell Bluff, Lazer Creek, and Lower Auchumpkee Creek Reservoirs in the headwaters, and the Raccoon Creek and Lower Vada projects below Albany, Ga., would provide the best development for the Flint River. He recommends that the existing project for the Apalachicola, Chattahoochee, and Flint Rivers be modified to include the plans prescribed in his report. He also recommends that the headwater reservoirs be constructed as the first phase of the plan for the Flint River Basin, and that of these, Spewrell Bluff be undertaken as the initial step. He further recommends that the extension of a 9-foot navigable channel from the head of the existing project to Albany, Ga., by development of the Racoon Creek and Lower Vada projects be scheduled for 1980. The division engineer concurs.

13. Public notice: The division engineer issued a public notice stating the recommendations of the reporting officers and affording interested parties an opportunity to present additional information to the Board. Careful consideration has been given to the communications received.

VIEWS AND RECOMMENDATIONS OF THE BOARD OF ENGINEERS FOR RIVERS AND HARBORS

14. Views: The Board of Engineers for Rivers and Harbors concurs in general in the views and recommendations of the reporting officers. It believes that the proposed improvements provide the most suitable development of the water resources of the Flint River Basin, and that they should be undertaken by the United States. It believes, further, that the proposed plan should be given general approval and that the three upstream reservoirs, namely Spewrell Bluff, Lazar Creek, and Lower Auchumpkee Creek only should be authorized for construction at this time. It believes, further, that local interests should be required to prevent encroachment on downstream channels that would interfere with the efficient operation of the proposed upstream reservoirs.

15. Recommendations: The Board accordingly recommends—

(a) That the general plan presented by the district engineer for accomplishment at an estimated cost of $217 million for construction and $1,750,000 for operation, maintenance, and replacements, be approved as a guide for the immediate and future development of the water resources of the Flint River Basin; and

(b) That Spewrell Bluff, Lazer Creek, and Lower Auchumpkee Creek Reservoirs on Flint River, Ga., for hydroelectric power, flood control, general recreation, and fishing recreation be authorized for construction and that Spewrell Bluff Reservoir be undertaken as the initial step, generally in accordance with the plan of the district engineer and with such modifications thereof as in the discretion of the Chief of Engineers may be advisable, at an estimated cost of $151,820,000 for construction and $1,068,000 annually for operation, maintenance, and major replacements: *Provided*, That local interests agree to prevent encroachment on downstream channels that would interfere with the efficient operation of the proposed upstream reservoirs.

For the Board:

WILLIAM F. CASSIDY,
Chairman, Major General, U.S. Army.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill

(H.R. 11970) to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes.

FLOOD CONTROL ACT OF 1962

The Senate resumed the consideration of the bill (S. 3773) authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes.

Mr. BOGGS. Mr. President, I call up my amendment designated "10-2-62—C" and ask that it be read.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 53, lines 7 and 8, it is proposed to strike out the following:

> Knowles Dam and Reservoir, Flathead River, Montana;

On page 53, beginning with line 22, strike out all through line 3 on page 54.

Mr. BOGGS. Mr. President, I yield myself 15 minutes.

This is a simple amendment, as can be seen. It deletes from the bill the provision for Knowles Dam and Reservoir, Flathead River, Mont., a project estimated to run to a total cost of $1¼ billion, or more. In my opinion, this project should be deleted from the bill for further consideration, study, and review.

This project apparently appears so questionable that the Committee on Public Works of the other body did not even hold hearings on it and did not include it in the bill.

So, Mr. President, I ask myself, Why should it be included in this bill? Under the circumstances, I cannot understand how the other body could accept this item in conference.

Although there are many other reasons why this project should be deleted—and as I proceed, I shall try to mention them—it seems to me that the overriding issue is a matter of policy and principle of utmost and vital concern to the Nation, to each State, and to the people. The issue involves whether we have a Federal-State system of government under the Constitution or simply a central government.

The question is, Should the Federal Government override the reasoned opposition of the State government, expressed consecutively by five State government administrations, both Democratic and Republican, regarding the desirability of having the Federal Government construct a dam and reservoir project located entirely within the State?

I can not believe that the U.S. Senate wishes to go this far against the wishes of the State, as so well reasoned by five consecutive Governors of the State since 1948, and up to and including the present administration.

I am sure each Governor and his administration had the utmost concern for, and interest in, the welfare of the State of Montana, as well as the development of the Northwest area. Therefore, it appears that in these best interests, they have opposed the project. Let me quote from the testimony of Gov. Tim Babcock, the present Governor of the State of Montana:

> I am opposed to Knowles Dam because it is not good for Montana or the country. In opposing it, I join with every Governor who has served the people of Montana since the Knowles and Paradise projects were discussed as long as 20 years ago. These Governors include Sam C. Ford, John Bonner, J. Hugo Aronson and Donald G. Nutter. Both Republican and Democratic political faiths are represented in this group.

I have every confidence that these Governors and their State administrations based their judgment on sound reasoning. In the course of the hearings held by our committee, the objections to the Knowles project were briefly as follows:

First. It is an economic detriment to the area.

Second. It is not a feasible project.

Third. It is not needed for flood control.

Fourth. It would be detrimental to recreation and fish, wildlife, and other conservation resources.

Fifth. Feasible alternative projects are available.

Sixth. And this is very important: Treaty rights of the Flathead Indians are jeopardized by the project.

I wish to consider each of these points briefly:

First. The economic detriment of the Knowles project to Montana is based upon the facts that some 59,000 acres of land would be flooded by the reservoir; 9,000 acres of irrigated, fertile, highly productive land would be taken out of production; approximately 1,300 people would be displaced; three towns would be wiped out; and both the headquarters of the National Bison Range and the Flathead Indian Agency would be inundated; 35 miles of railroad lines, 115 miles of highways and roads, and 158 miles of utility and pipelines would be flooded; the Flathead irrigation project, constructed by the U.S. Irrigation Service, irrigating some 138,000 acres of land, would be seriously jeopardized, in its repayment contract, by the loss of some 6,747 acres of land from the project; the estimated annual loss of $2,700,000 in gross income to the area, caused by flooding of lands, would create an unrecoverable economic loss; and the forest-products industries would suffer a great setback, because of inaccessibility created by such a reservoir.

Second. The Knowles project is considered not a feasible project, for the following reasons, supported by testimony at the hearing: The Army Engineers seem to have underestimated the cost of the project, in that the relocation of the railroad line has been underestimated by as much as nearly $33 million; no consideration was given to costs that would be occasioned by flooding two, and possibly three, valuable damsites owned by the Indians of the Flathead Reservation, and testimony developed by the Indian tribes places the annual value of these sites at about $4½ million; the treaty with Canada for the development of the Columbia River Basin, which has been ratified by the Senate, and is expected to be ratified by Canada, provides for substantial amounts of storage on the Columbia River in Canada, which has a material effect upon the feasibility of the Knowles project, because the Canadian storage would greatly reduce any flood-control value of the Knowles project; on a 50-year basis, the corps estimated the benefit-cost ratio to be 1.08 to 1. Testimony before the committee indicated that if the Engineers had not underestimated the costs involved, the ratio at best would have been .70 to 1, or a deficit benefit-cost ratio; figured on a 100-year basis, the Army Engineers came up with a benefit-cost ratio of 1.2 to 1. However, testimony was presented, using what were considered to be more realistic cost figures; and the benefit-cost ratio at best came to .79 to 1, or a deficit benefit-cost ratio, even on a 100-year basis. When one adds to this the other considerations mentioned before, involving the large and serious displacement of people and the adverse effect upon the economy of Montana, it is almost impossible to escape the conclusion that the project is of questionable feasibility.

Mr. MANSFIELD. Mr. President, at this point will the Senator from Delaware yield?

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). Does the Senator from Delaware yield to the Senator from Montana?

Mr. KERR. Mr. President, I shall yield additional time, if the Senator from Delaware cares to yield at this point.

Mr. BOGGS. Mr. President, I should like to continue with my statement; and then I shall be glad to yield.

I continue to state the list of objections to the Knowles project.

Third. The Knowles project is not needed for flood control and recreational benefits. The Corps of Engineers estimated that the flood-control benefits would not amount to more than 3 percent of the annual benefits of the project and that the recreational benefits represent about one-half of 1 percent of the total estimated annual benefits. So these considerations are of very little value in justification of the project, and make it clear that the project is not needed for flood control or recreation.

Fourth. The Knowles project is a detriment to fish, wildlife, and other conservation resources, according to much of the testimony presented at the hearing. This testimony indicated that the National Bison Range would virtually be destroyed, and that fish and wildlife and conservation would suffer a great disservice as a result of the Knowles project.

Fifth. Other feasible alternative projects which are available do not have the serious drawbacks and disastrous results that the Knowles project would apparently have. Both the Flathead Indian Tribes and the Montana Power Co. have before the Federal Power Commission applications for the construction of projects at sites known as Buffalo Rapids No. 2 and No. 4. These sites, according to testimony before the committee, would be flooded by the Knowles project.

Testimony showed that while they do not have the storage capacity that the Knowles project would have, yet they would have substantially the same power capacity at a much lower cost. The Knowles project is estimated to cost $1,010 per kilowatt, as compared to $175 per kilowatt at the Buffalo Rapids sites. The fact that these alternative plans are available seems to strengthen the conclusion that this project should not be authorized in this bill, and that further study and review should be given to it.

Sixth. According to the testimony, the treaty rights of the Indians on the Flathead Reservation would be jeopardized by the authorization of the project at this time. Probably the Senate Interior and Insular Affairs Committee should take a look at the project. Officials of the Indian tribes appeared before the committee in opposition to the project, to point out their treaty rights and to have our Government respect and recognize them.

I was impressed by the strong position the Indians presented before the committee. The point was well made that their rights should be considered before the project is authorized in determining the overall benefit-cost ratio and feasibility of the project. Otherwise, they are left in the position that, even though discussions had been had with them over a period of time, and no matter how fairly and courteously presented, they have to take or leave whatever is offered to them. This seems to be in violation of the spirit of their treaty and the trusteeship of the U.S. Government.

In conclusion, I believe the amendment deleting this project should be adopted. This is especially so since the State in which this project would be constructed has, five times consecutively, under both Democratic and Republican administrations, uniformly and consistently expressed its opposition to the project.

It seems to me, everything considered, that the question is simple: Should the Federal Government override the reasoned and uniform opposition of the State of Montana to a project located entirely within the State?

I reserve the rest of my time.

The PRESIDING OFFICER (Mr. Proxmire in the chair). The Senator from Montana.

Mr. METCALF. Mr. President, in the absence of the Senator from Oklahoma [Mr. Kerr]——

The PRESIDING OFFICER. Does the Senator yield time?

Mr. METCALF. The Senator from Oklahoma has just entered the Chamber.

The PRESIDING OFFICER. Does the Senator from Oklahoma yield time to the Senator from Montana?

Mr. KERR. Mr. President, I yield myself 5 minutes first.

I deeply regret that the Senator from Delaware has offered this amendment. Would he respond to a request not to press it?

Mr. BOGGS. I did not quite hear the request.

Mr. KERR. Would the Senator from Delaware yield to a request not to press this amendment?

Mr. BOGGS. I would like to press it to a vote.

Mr. KERR. Very well. I yield myself 5 minutes.

I am surprised that the amendment is offered by the Senator from Delaware. The statement that he has made about his amendment sounds like the record of statements that the Senator from Oklahoma has heard on this floor with reference to many omnibus rivers and harbors authorization bills since the Senator from Oklahoma came here. It is a restatement or recapitulation of the evidence that has been presented to the committee time and time again by those opposed to the development of our water resources.

My good friend from Delaware said he was interested in the Governors' viewpoint, because they had the welfare of the people at heart. I am sure that is true. I think it is entirely possible that the Senators from the various States have the welfare of their people at heart. I am sure there is no Senator who would admit that he does not have. Some of us even claim it.

The distinguished Senator says this project is not economically feasible. I must say to him that the Corps of Engineers found that it was. If there is an agency in Government that is staffed by men and women who are technically qualified to perform the duties assigned to them, it is the Corps of Engineers.

All Senators make appointments of young men in their States to the various service academies. The ones that the Senator from Oklahoma appoints are made as a result of competition. Oftentimes there are 50 applicants for 1 appointment. The Senator from Oklahoma tries to choose the best qualified to give the appointments to.

Then the appointees go to the service academies. They have to compete there in order to stay in the academies. I presume that 35 to 40 percent of those who receive appointments to the service academies and who attend them fail to graduate.

I wonder if the Senator from Delaware knows that most of the assignments to the Corps of Engineers are made from the top 10 percent of the graduating class each year at West Point. If there is a highly trained, competent group of engineers in the United States or on this earth, they are to be found in the Corps of Army Engineers.

A few years ago, when I was chairman of the Subcommittee on Rivers and Harbors of the Public Works Committee, the Chief of Engineers appeared before the subcommittee as a witness. I had asked him to canvass every project authorized by Congress and constructed by the Corps of Engineers in its long history, and to give a report to the committee of the value of them on the basis of experience, as compared to the value of them as had been estimated by the Corps of Engineers which had provided the basis for the authorization. The average cost-benefit ratio of all the projects in the United States was 1.3 to 1, on the basis of the return of cost of operation and the cost of building over a lifetime of 50 years.

In his testimony, the Chief of Engineers said that actual experience had proved that, instead of a cost-benefit ratio of 1.3 to 1 over a period of 50 years, on the basis of return of cost of operation and cost of construction, actually the economic value of the projects were such that they had returned to the economy of the United States and the Government the cost of the operation and the complete return of the investment in an average of 10 years.

What a compliment to the conservative, efficient, forecasting of the value of the projects.

The project which the Senator from Delaware seeks to strike from this bill was evaluated by the Corps of Engineers, the Board of Rivers and Harbors, the Chief of Engineers, and then by the Director of the Bureau of the Budget of the U.S. Government.

All of them said that it was economically feasible. Under that circumstance, it would be a little presumptuous of me to say it was not economically feasible. I permit other Senators to judge for themselves as to the merit of the statement by the Senator from Delaware that it would not be economically feasible.

The PRESIDING OFFICER. The time of the Senator from Oklahoma has expired.

Mr. KERR. Mr. President, I yield myself an additional 5 minutes.

Last year there was before the Congress of the United States a request to approve an interstate compact among the States of the Delaware River Basin, namely, New York, Pennsylvania, Delaware, and New Jersey. For two centuries those great States had been trying to resolve their differences with reference to the water rights of the various States in the tributaries of the Delaware River and the Delaware River itself. The authorizing legislation for the creation of the compact was passed by the Congress. Representatives of the States were appointed. They met, over a period of years. After centuries of controversy and dissension, a compact was arrived at and agreed to by those great States, approved by their Governors and by their legislatures, and brought back to the Congress.

Everybody wanted to approve it, but it could not be determined handily who had jurisdiction over the proposed legislation. I understand that the Judiciary Committee of the House considered it. It was passed by the House. It came to the Senate. I believe it was assigned to the Judiciary Committee. After the Judiciary Committee considered it, I believe the Committee on Interior and Insular Affairs asked to consider it.

The distinguished Senators from that area came to the Senator from Oklahoma and told him they did not seem to be making much progress in having the bill reported, and asked what the Senator from Oklahoma thought about having it considered by the Committee on Public Works. I told them that if a bill were introduced in a form to give the committee jurisdiction, the committee would do one thing—the committee would consider it and act upon it.

The bill was introduced. It was assigned to our committee. I think the other 2 committees then agreed that it might be acted upon by the Committee on Public Works.

The Governors of the States, Representatives from the States, Senators from the States, and others came before us. They asked that it be approved. They told us they sought the right to build their own water development projects. They asked us to provide that if they did, and when they did, the Federal preference clause for rural electric cooperatives and municipalities would not be included. In compliance with their request that was done.

I never saw men give more fervent assurances that they did not want any Federal funds, that they only wanted to be permitted to develop their own resources in accordance with their own compact and their own agreement.

Mr. President, on page 26 of this bill, lines 2 through 7, there is an authorization for $192.4 million for the comprehensive development of the Delaware River Basin—New York, New Jersey, Pennsylvania, and Delaware.

The PRESIDING OFFICER. The time of the Senator from Oklahoma has again expired.

Mr. KERR. Mr. President, I yield myself an additional 5 minutes.

That is to be Federal money. If I had had false teeth, they would have dropped out of my head when I listened to the testimony in which this $192 million authorization was sought by States which said they only wanted an opportunity to develop their own resources.

Somewhere in the report, Mr. President, is the specific statement to the effect that the eventual development of this basin may cost $591 million, of which the Federal cost is estimated to be $232 million.

At the request of the Senator from Delaware, on page 170 of the report there is this language:

> The committee in approving the comprehensive plan of development for the Delaware River Basin desires to make it clear that no judgment was reached by the committee on Federal participation in the three projects—Hawks Mountain, Newark, and Christiana. This question of Federal participation in these three projects is open for further study.

If the testimony of the Governors of the States had been taken literally, Mr. President, that authorization would not be in the bill. But the Senators from the area wanted it. The Corps of Engineers justified it. The Bureau of the Budget approved it. The authorization is in the bill.

Each of those facts is true with reference to the project which the Senator from Delaware seeks to strike from the bill.

So far as the Senator from Oklahoma is concerned, the projects are on a parity in the bill, one as much justified as the other, the difference being that the people of Montana never did say that they wanted the right to build their projects, which was stated to the committee by the distinguished Senator from Delaware himself.

I believe the Senator referred to the fact that the Montana project had a benefit-to-cost ratio of 1.08 to 1. The Aquashicola and Maiden Creek projects, in the Delaware River Basin, have benefit-to-cost ratios of 1.1 to 1, which is not a difference to be greatly boasted about.

I sincerely hope, Mr. President, that the amendment of the Senator from Delaware will be rejected.

Mr. BOGGS. Mr. President——

The PRESIDING OFFICER. How much time does the Senator from Delaware yield?

Mr. BOGGS. I yield myself 3 minutes.

The PRESIDING OFFICER. The Senator from Delaware is recognized for 3 minutes.

Mr. BOGGS. Mr. President, I wish to respond briefly to the very distinguished acting chairman of the Committee on Public Works, my good friend from Oklahoma [Mr. Kerr].

On the Delaware River Basin projects, I think that if the Senator will consult the U.S. Corps of Engineers, on which we all greatly rely and which we indeed respect, he will find he has a misunderstanding as to the Delaware River Basin projects, as contained in the bill, and the Delaware River Basin compact. His understanding needs to be refreshed upon that subject.

I think every public works project must be weighed on its own individual merits. So long as I serve in the Senate, I hope to do that with respect to these matters, and not necessarily be for or against any project merely because of any pressures from any other point of view.

I hope that the Delaware projects will be considered on their merits. All I ask is that the Delaware River Basin projects stand or fall on their own merits.

In conclusion, Mr. President, there will be an opportunity for private enterprise, either the Indians or a private utility, to undertake this power project in the State of Montana. Applications are pending before the Federal Power Commission at the present time.

I repeat that there are serious questions involved in relation to our treaty rights with the Indians.

I say again, with respect to the $250 million estimated overall cost, that if we have economy in mind, the place to start is with the authorization bill. Once a project is authorized, I do not see how we can do other than go along with it.

I point out the opinion of those in the State administration in opposition to this project. I laid emphasis on that point, and I still do. I mean in no way to detract from the high regard, respect, integrity, ability, and good intentions of the two distinguished and able Senators from the great State of Montana, both of whom I regard highly and admire greatly.

In conclusion, a basic question is involved as to whether the project should be reviewed in light of the problems which I have stated. Therefore I recommend adoption of the amendment.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. KERR. I yield.

Mr. MANSFIELD. With the concurrence of the chairman of the committee, I should like to suggest that time be yielded back to those in control of the time on the side against the Knowles Dam project, and that all time except 4 minutes be yielded back on the side for the project, and that 2 minutes be yielded to each of the Senators from Montana.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. KERR. Mr. President, I yield 2 minutes to the junior Senator from Montana.

Mr. METCALF. Mr. President, it has been suggested that hearings were not held in the House, but that very adequate and comprehensive hearings were held in the Senate. The Senator from Delaware participated in the hearings. The hearings on the Columbia River project alone comprise 436 pages. They are on the desks of Senators.

Adequate and complete hearings for 2 days were held. Every opponent of the project had an opportunity to present his case.

It has been suggested that the Governor of Montana is opposed to the project. It is very significant that Mr. Hugo J. Aronson, ex-Governor of Montana, Mr. Bonner, ex-Governor of Montana, Mr. Wesley A. D'Ewart, ex-Representative from Montana, Mr. Ray M. Loman, an ex-legislator, and Mr. Winton Weydemeyer, an unsuccessful candidate—a great group of "exes"—supported the amendment of the Senator from Delaware [Mr. Boggs]. But the three individuals in the Congress who speak for the State of Montana and the area affected, and who represent the State of Montana in the House of Representatives and in the Senate, are speaking in favor of the Knowles project.

The question of State and Federal relationships does arise. But who speaks for the State of Montana in the Senate? A group of ex-Governors, a group of ex-legislators, and ex-Representatives or the Senators from Montana? Who speaks in the House of Representatives for western Montana but the Representatives from the First District?

I need not argue the question as to whether the project is feasible because the Senator from Oklahoma has already answered the question. He has already answered the argument that it is not needed for flood control.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. METCALF. May I have an additional half minute?

Mr. MANSFIELD. I yield a half minute to the Senator from Montana.

Mr. METCALF. It has been said that an application to build a feasible and alternate dam has been filed by the Montana Power Co. I wish to insert in the Record a list of the times that the Montana Power Co. has applied to build alternate dams. The first application is dated in June 1920. It is the fifth application on the docket of the Federal Power Commission. Time after time, down until Docket No. 2293, on November 1960, the company has requested and received more time to study, only to let its permit lapse. When we would suggest the building of a Federal dam, the company would come in with another application, and then let it lapse. Six different dockets are involved. I ask unanimous consent that the list be printed at this point in the RECORD.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

HISTORY OF APPLICATIONS FOR PERMITS BY MONTANA POWER CO. AND ROCKY MOUNTAIN POWER CO. (A WHOLLY OWNED SUBSIDIARY)

DOCKET NO. 5

June 10, 1920, President Wilson signed Federal Water Power Act authorizing Federal Power Commission to issue licenses for purpose of constructing, operating and maintaining dams, power houses and related appurtenances on navigable waters or upon public lands and reservations.

June 19, 1920, 9 days later, Rocky Mountain Power Co., subsidiary of Montana Power Co., applied for a preliminary permit on proposed project consisting of "5 power sites located on Flathead River."

April 23, 1923, FPC voted suspension of application until receipt of report by Commission appointed by Secretary of Interior to investigate Columbia Basin project.

March 27, 1928, Rocky Mountain Power Co. applied for license on only one of sites, that closest to outlet of Flathead Lake.

May 23, 1930, FPC granted license for Kerr Dam to Rocky Mountain Power Co. (Subsequent 1937 request to transfer license to parent Montana Power Co. approved.)

DOCKET NO. 2135

May 22, 1953, Montana Power Co. applied for preliminary permit at Buffalo Rapids site, 4 miles downstream.

April 21, 1954, 1-year permit issued as of 4–154.

March 30, 1955, permit extended to 3–41–56.

May 21, 1956, permit again extended to 3–31–57.

DOCKET NO. 2163

July 23, 1954, Montana Power Co. applied for preliminary permit at Buffalo Rapids No. 2, 10 miles below Polson.

March 3, 1955, permit issued for 15 months effective February 1, 1955.

May 21, 1956, permit extended from April 30, 1956 to January 31, 1958 (permit allowed to lapse).

DOCKET NO. 2164

July 23, 1954, Montana Power Co. applied for preliminary permit at Buffalo Rapids No. 4, 19 miles below Polson.

March 3, 1955, permit issued for 15 months effective February 1, 1955.

May 21, 1956, permit extended from April 30, 1956 to January 31, 1958 (permit allowed to lapse).

DOCKET NO. 2223

November 2, 1956, Montana Power Co. applied for preliminary permit for high dam at Buffalo Rapids No. 4 (see above).

June 6, 1957, application denied.

DOCKET NO. 2293

November 1960, Confederated Flathead and Salish tribes applied for preliminary permits on Buffalo Rapids sites Nos. 2 and 4.

March 1961, Montana Power Co. applied for preliminary permits on Buffalo Rapids sites Nos. 2 and 4.

Mr. METCALF. Mr. President, I ask unanimous consent to have printed at this point in the RECORD an excerpt from the hearings as to the fish and wildlife situation in the area, and a sample of power company propaganda.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

EXCERPTS FROM TESTIMONY OF DR. SPENCER M. SMITH, JR., CITIZENS COMMITTEE ON NATURAL RESOURCES

Mr. Chairman, I am Dr. Spencer M. Smith, Jr., secretary of the Citizens Committee on Natural Resources, a national conservation organization with offices in Washington, D.C.

The Citizens Committee on Natural Resources want to strongly endorse the authorization for construction of the Knowles Dam on the Flathead River above the confluence with the Clark.

In the past, conservationists have often been misunderstood as to their attitude regarding water impoundments. It is often assumed that they oppose any development of resources. I am happy to make clear, however, that it is our goal to support development in areas that do minimum damage to other resource values. I remind the committee that most conservation organizations supported the high dam at Hells Canyon. They did not do so because of a preference for public power, but rather because this was an area that could serve the flood control, hydroelectric power, and irrigation needs of a rather large area, at a site that did no serious damage to fish, wildlife, and other scenic resources.

We support the Knowles Dam construction since this site is quite consistent with the overall protection of a very wide area and will make unnecessary the construction of other projects that would offset seriously fish and wildlife resources. This is especially true regarding the Nine Mile Prairie Dam on the Blackfoot, as well as construction elsewhere on the Flathead.

It has been pointed out that the National Bison Range would be adversely affected by the construction of the Knowles Dam. Consultation with proper authorities of the Fish and Wildlife Service, however, indicates that only 11 percent of the range will be inundated, and other suitable land is available to compensate for this loss.

It appears prudent, therefore, to achieve this maximum development for this area at a site that enables us to have the best resource use for the many demands upon them at a minimum sacrifice.

It is hoped that the committee will look with favor on this project and recommend its early authorization.

[From the office of Senator LEE METCALF, Sept. 27, 1962]

SOME NEW YORK EDITORS SHOULD LEARN NEW VERSES

The proposed Knowles Dam on Montana's Flathead River is supported by conservation organizations including the National Wildlife Federation, Sierra Club, Wildlife Management Institute and Wilderness Society, the mayor of one of the small towns to be flooded, hundreds of persons in the two counties most directly affected (Lake and Sanders), the Sanders County Senator and Commissioner whose district will in part be flooded, and the principal farm, labor and rural electric organizations of Montana, Senator LEE METCALF, Democrat, of Montana, said today.

METCALF made his statement in a letter to the editor of the Wall Street Journal, which last week editorialized against Knowles.

Suporters also include, METCALF said, "the president of the chamber of commerce in the Sanders County seat whose small business handles forest products, an industry you said would be 'upset'" by construction of Knowles.

METCALF noted that the Wall Street Journal, New York Daily News and Time Magazine, in their adverse comment on Knowles, "limited themselves to the testimony of one witness" among the dozens who testified for or against Knowles at 2 full days of hearings before a Senate Public Works Subcommittee.

The alternative to Knowles, two run-of-the-river dams proposed by the Montana Power Co., would produce "less than one-sixth the power that Knowles would and no flood control, as contrasted with more than 3 million acre feet at Knowles," said Montana's junior Senator.

While Knowles would produce cheap and abundant power, the Montana Power Co.'s power would be costly, said Metcalf, pointing out that its rate of return, more than 9 percent, is higher than that of any other major utility in the country. About 85 percent of the company's stock, he said, is owned outside Montana.

"You may if you wish defend your editorial position" and METCALF, "as one which supports some of your leading constituents in the financial community which has received tens of millions of profit dollars collected in exorbitant rates charged two of every three Montana households by the Montana Power Co. But if you choose to meet head-on the issue of national benefits and repayment of the dam's cost, I suggest that you and your colleagues on Time and the Daily News proceed beyond the chorus of antiphonal stanzas echoing from your triangle and learn some new verses."

PUBLIC SERVICE ELECTRIC
AND GAS CO.,
Newark, N.J., October 1, 1962.

DEAR CONGRESSMAN: From time to time I have written you about expenditures by the Federal Government for public power projects. I herewith hand you a copy of a report that was recently sent to our stock holders concerning this subject.

Now comes along another rivers and harbors omnibus bill which includes a number of public power projects which companies in the area claim are unnecessary and a waste of Federal funds. I specifically refer to the Burns Creek project in Idaho, the Knowles Dam project in Montana, the China Gardens project in Idaho and Oregon, and the Devils Jumps project in Kentucky, and others, all of which I am sure will be fully discussed on the floor when the bill comes up.

I believe it is about time that this kind of thing was stopped. Anything you can do when the bill reaches the floor to eliminate such projects will be appreciated and at the same time you will be saving the taxpayers' money.

With kind regards, I am,

Sincerely,

RUSSELL H. WILLIAMS,
Vice President in Charge of Public Relations.

PUBLIC SERVICE ELECTRIC AND GAS CO.,
Newark, N.J., September 7, 1962.

To the Stockholders:

From time to time we have called to your attention our concern over the Federal Government's expanding role in the field of electric energy. We believe that it is our responsibility to continue to inform you, as stockholders and taxpayers, of the possible adverse effects of these various public power programs upon you and upon the industry in which you have invested. Measured in terms of total investment in plant and equipment and total taxes paid, the electric industry is this Nation's largest industry. No industry, however, can continue indefinitely to compete favorably with Government-subsidized and tax-exempt organizations.

The REA cooperatives are examples of such organizations now that the REA (Rural Electrification Administration) is deviating from its original purpose of providing assistance to the rural areas of America so that those areas could have electricity. The rapid and constant growth recorded by the REA co-ops is largely the result of assistance by the Federal Government in the form of low-cost loans. This money comes from taxpayers and is made available to the co-ops at 2 percent interest, even though the Federal Government must pay a higher interest rate for borrowing funds. Couple this obvious advantage with the fact that REA cooperatives pay little or no taxes and one can readily see why the co-ops can offer "cheap power" which, in reality, is subsidized by every taxpayer in the United States.

Having accomplished its original purpose of aiding the electrification of rural areas, REA has now stepped up its lending activity for generation and transmission facilities (G. & T.) in areas where investor-owned companies are able to supply the needed capacity. In the first 18 years of its existence, REA loans for G. & T. totaled only 18 percent of all electrification loans granted by the agency, but in 1961, G. & T. loans amounted to $152 million, or 55 percent of the total. This year, the REA has authorized two of the largest loans in its history. One, for $60 million, will go to the Indiana Statewide Co-Op to build a 198,000-kilowatt generating plant near Petersburg, Ind., and the other, amounting to $36.6 million, to the Basin Electric Power Co-Op in North Dakota for a 200,000-kilowatt generating plant. These G. & T. loans were made despite the contention of investor-owned companies serving these areas that their capacity was adequate to meet REA Cooperatives' demands, making the two projects wholly unnecessary.

In making these loans, REA has surrounded the loan applications with secrecy and failed to justify the need for the facilities, according to the investor-owned companies. A recent U.S. Senate report on the Food and Agriculture Act of 1962, commenting on REA financing, said: "To the extent that investor-owned companies provide service to all who desire it within their area, the need for Government loans is reduced. And to the extent that investor-owned companies make power available to REA borrowers at fair and reasonable rates, and on terms which permit them to serve all eligible customers within their service areas, the need and justification for loans for generating facilities disappears." On secrecy, the report said: "The REA should approach the consideration of such loans in a manner designed to provide as full public information as possible."

In addition to competition by REA co-ops, the investor-owned electric industry faces the competition of U.S. Government bureaus. In Montana, the U.S. Bureau of Reclamation has proposed building the Knowles Dam on the Flathead River. The investor-owned Montana Power Co. estimates that the Government would spend $183,666,000 of taxpayers' money for power facilities having 256,000 kilowatts of generating capacity, notwithstanding the fact that the company already has a proposal before the Federal Power Commission to build two smaller dams on the same river to cost only $42 million and generate 240,000 kilowatts of electricity. The Montana company estimates that the Government-planned project would lose about $11 million a year, or a half billion dollars in 50 years whereas the company's program would provide $138,600,000 in taxes in that period. The Government's Knowles Dam would flood 59,000 acres, displace 1,284 persons, cost above $100 million for relocating railroads, power lines, pipelines and highways and destroy a famed national buffalo range. The company's two dams would flood only 8,800 acres, displace 12 people, cost $310,000 for relocations, and leave the buffalo range undisturbed.

Another project, the much discussed and often rejected Passamaquoddy Bay tidal basin in Maine, has been revived for consideration. A responsible official of the Federal Government has labeled tidal power projects a "new frontier of energy" and stated that plans would be made for the development of these resources. Yet, as recently as a year ago, the International Joint Commission of United States and Canadian representatives declared this multimillion-dollar project was not economically feasible under present conditions.

Referring to the expansion of public power, Representative JOHN P. SAYLOR, of Pennsylvania, senior minority member of the House Interior and Insular Affairs Committee, speaking on the floor of the House on May 24, said: "If this move is not stopped and reversed immediately we are going to end up with a nationalized electric industry before we know it. The irony of the whole thing is that if there ever was an industry financed by private investors that needed no prodding, that needed no Federal financial help, it is the electric utility industry. Our existing electric companies are ready, willing and able to take care of all of our future power requirements furnishing ample amounts of low-cost electricity to all consumers."

Your thinking on these matters will be of utmost interest to your legislative representatives in Washington.

DONALD C. LUCE,
President.

Mr. MANSFIELD. Mr. President, what my distinguished colleague has said is correct. Applications have been filed, refiled, and filed again, but nothing has been done. The Washington Power Co. did build two dams on the lower stem of Clark's Fork, which is connected with the Flathead River, and thence to Cabinet Gorge and the Noxon Dam. Every single bit of power generated in Montana at the Cabinet Gorge and Noxon Dams goes out of the State of Montana. We are losing a natural resource. What we want is another dam, a multipurpose dam, such as we have in the Hungry Horse in the Flathead country, which will be of benefit to Montana.

If the Senate and the House eventually authorize the proposal, it is the intention of my distinguished colleague and myself, as well as the Representative from the western district of Montana, in which the project is located, to see to it that a preferential proportion of the power generated in western Montana is kept in western Montana for the benefit of the people of the whole State.

I hope that the Senate will not support the amendment of my good friend the Senator from Delaware.

The PRESIDING OFFICER. All time having expired, the question is on agreeing to the amendment of the Senator from Delaware [Mr. BOGGS].

The amendment was rejected.

Mr. BOGGS. Mr. President, I have another amendment at the desk. I call up my amendment "10-2-62—D."

The PRESIDING OFFICER. The amendment of the Senator from Delaware will be stated.

THE LEGISLATIVE CLERK. On page 53, lines 9 and 10, it is proposed to strike out the following:

China Gardens Dam, Snake River, Idaho and Oregon.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Delaware.

Mr. BOGGS. Mr. President, the amendment is also simple. It would delete from the bill the China Gardens Dam project on the Snake River between Idaho and Oregon, a project which would cost an estimated $74 million.

It seems to me this project should be deleted from this bill for further study and review, and to see what is finally done about the High Mountain Sheep Dam project planned for location immediately upstream.

The China Gardens project was not given a hearing. No hearings were held in the other body.

The facts will show that the question is merely whether the Federal Government should spend $75 million to construct a project which private interests in the area are willing and able to construct at no cost to the taxpayers, and will obtain identical results. That is the question.

The facts, briefly stated, are these:

The China Garden Dam site is downstream from the High Mountain Sheep project which has been deferred. It has been deferred apparently because there is a pending license application before the Federal Power Commission by an investor-owned utility. Hearings before the Federal Power Commission have been completed and the decision on the license should be forthcoming soon.

The China Gardens project would be a regulating dam and power project to be used in connection with the High Mountain Sheep project. They are companion projects. The China Gardens project derives its benefits and justifications almost 100 percent from power generation; only two-tenths of 1 percent of the benefits from China Gardens are assigned to the only other purpose and that is recreation. An electric utility serving the area has committed itself before the Senate Public Works Committee to build China Gardens. This would save the taxpayers $75 million. There is no doubt that the utility company is fully qualified in all respects to construct and operate China Gardens which will have to be completely coordinated with High Mountain Sheep. The hearings before our committee showed conclusively, I believe, that China Gardens would be constructed to accomplish the same results whether built with Federal or private funds.

The China Gardens project will not be needed for its primary operational purpose of reregulating the fluctuating water released from High Mountain Sheep until the High Mountain Sheep Dam is constructed. The power from China Gardens will not be needed until about 1970.

As I see this project, it is part of the development that must be coordinated with the High Mountain Sheep project just upstream, which has been deferred. By going forward at this time with the China Gardens project, we are getting the wagon before the horse. And, furthermore, the testimony shows that both the High Mountain Sheep and the China Gardens projects can be accomplished by private interests without any cost to the taxpayers and the same identical results obtained. So the simple question is: Why should the Federal Government spend $75 million of the taxpayers' money on this project? I see no justification whatsoever for construction of this project where competent, resourceful private enterprise stands ready to build the same project and provide the same benefits.

I may say that it is my understanding that the private utility has indicated that if for any reason it should not get the High Mountain Sheep project license, it would have no objection to Federal construction of China Gardens because the High Mountain Sheep project, which, as I have pointed out, has been deferred, and the China Gardens project downstream should be coordinated together, since the China Gardens project is a reregulating project for High Mountain Sheep.

And, finally, it should not be forgotten that if the Federal Government builds China Gardens, it would cost the taxpayers over $75 million. On the other hand and of great significance and importance, it seems to me, to taxpayers throughout the Nation, is the fact that if China Gardens is undertaken by private enterprise, it would pay taxes estimated to be about $75 million at present rates in the next 50 years and, of course, double that amount, or $150 million in taxes paid, for the 100 years on which the Corps of Engineers based its China Gardens study.

Mr. KERR. Mr. President, I hope the amendment will not be agreed to. If the Senator from Delaware yields back the remainder of his time, I yield back the remainder of my time.

Mr. BOGGS. I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment of the Senator from Delaware [Mr. BOGGS].

The amendment was rejected.

Mr. KERR. Mr. President, are there any further amendments to be offered?

Mr. HARTKE. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

Mr. HARTKE. I ask unanimous consent that the amendment be printed in the RECORD without reading.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The amendment is as follows:

At the end of the bill insert:

"WABASH BASIN INTERAGENCY WATER RESOURCES COMMISSION

"SECTION 301. There is hereby established a Commission to be known as the Wabash Basin Interagency Water Resources Commission, referred to in this title as the 'Commission'.

"SEC. 302. (a) Because a well-integrated and comprehensive plan of development and utilization of water resources in the Wabash River Basin can only be achieved on a cooperative basis with the participation of all affected Federal agencies, States, and local agencies and interests, it is essential that a full and complete investigation, study and survey be made of the land and water resources and their utilization for the region within the Wabash Basin, consisting of the watershed of the entire Wabash River and its tributaries, located within States of Indiana and Illinois.

"(b) It is intended that the Commission, in the performance of its duties will—

"(1) serve as the principal agency for the coordination of Federal, State, and local plans for the development of water and related land resources in the Wabash Basin;

"(2) prepare and keep up to date a comprehensive, integrated, joint plan for water and related land resources development in such basin;

"(3) recommend a long-range schedule of priorities for the collection and analysis of basic data, for investigation and project planning, and for construction of projects in such basin; and

"(4) foster and undertake studies of water resources problems in such basin.

"SEC. 303. The Commission shall be composed of members to be appointed by the President of the United States as follows:

"(1) A Chairman who shall not, during the period of his service on the Commission, hold any other position as an active officer or employee of the United States, but a retired military officer or a retired civilian officer or employee of the Federal Government may be appointed under this clause without prejudice to his retired status and he shall be entitled to the compensation payable under this title or to his retired pay or annuity, whichever he may elect;

"(2) One member from each Federal department or agency determined by the President to have a substantial interest in the work to be undertaken by the Commission;

"(3) One or more members, as determined by the President, from each of the States of Indiana and Illinois, to be nominated by the Governor of such State, or, in the event of the failure of the Governor to nominate a person satisfactory to the President within sixty days after a request by the President to make a nomination, by the President upon his own nomination, and unless otherwise determined by the President, the term of each such member shall run for the same period as that of the Governor making the nomination; and

"(4) One member from each interstate commission created by a compact to which the consent of Congress has been given, which has jurisdiction over any of the waters of the Wabash Basin, to be nominated by such commission, or, in the event of the failure of such commission to nominate a person satisfactory to the President within sixty days after a request by the President to make a nomination, by the President on his own nomination.

"SEC. 304. (a) The Commission shall organize for the performance of its duties within thirty days after all of its initial members have been appointed and funds have become available for carrying on its work. At such time as he deems appropriate the President may terminate the Commission, and all property, assets, and records of the Commission shall thereafter be turned over to such agency or agencies of the United States as the President may designate.

"(b) The Commission shall elect a vice chairman from among its members.

"(c) Vacancies in the Commission shall not affect its powers, but shall be filled in the same manner in which the original appointment was made.

"SEC. 305. (a) It shall be the duty of the Commission—

"(1) to engage in such activities and to make such studies and investigations as are necessary or desirable in the accomplishment of the purposes set forth in section 302 of this title;

"(2) to submit to the President a report on its work at least once a year, and such report shall be transmitted by the President to the Congress, and to the head of each Federal department or agency, the Governor of each State, and the chairman of each interstate commission, from which a member of the Commission has been appointed; and

"(3) to submit to the President a comprehensive, integrated, joint plan, and any necessary major revision thereof, for water and related land resources development in the Wabash Basin, but before the Commission transmits such plan or major revision to the President, it shall transmit a copy of the proposed plan or revision to the head of each Federal department or agency, the Governor of each State, and the chairman of each interstate commission, from which a member of the Commission has been appointed, and each such department and agency head, Governor, and commission chairman shall have ninety days from the date of the receipt of the proposed plan to report his views, comments, and recommendations to the Commission, and such views, comments, and recommendations shall be transmitted to the President with such plan or major revision after such modification by the Commission as may be necessary because of such views, comments, and recommendations.

"(b) Each member of the Commission, other than the Chairman, shall from time to time report on the work of the Commission to the head of the Federal department or agency, the Governor of the State, or the chairman of the interstate commission from which he was appointed, and shall present to the Commission for its consideration any comments or suggestions received as a result of such report.

"SEC. 306. (a) For the purpose of carrying out its duties under this title, the Commission may hold such hearings, sit and act at such times and places, take such testimony, receive such evidence, and print or otherwise reproduce and distribute so much of its proceedings and reports thereon as it may deem advisable; acquire, furnish, and equip such office space as is necessary; use the United States mails in the same manner and upon the same conditions as the departments and other agencies of the United States, employ such personnel as it deems advisable; purchase, hire, operate, maintain, and dispose of such vehicles as it may require; pay in accordance with the standardized Government travel regulations for travel, subsistence, and other necessary expenses incurred by it or any of its members, officers, or employees, in the performance of duties vested in it; and exercise such other powers as are consistent with and reasonably required to perform its functions under this title.

"(b) A majority of the members of the Commission holding office at any time shall constitute a quorum but a lesser number may conduct hearings.

"(c) The Chairman of the Commission, or any member thereof designated by him for the purpose, is authorized to administer oaths when it is determined by the Commission that testimony shall be taken or evidence received under oath.

"(d) To the extent permitted by law, all appropriate records and papers of the Commission may be made available for public inspection during the ordinary office hours of the Commission.

"(e) Upon request of the Chairman of the Commission or any member or employee thereof designated by him for the purpose, the head of any department or agency of the

Government is authorized (1) to furnish to the Commission such information, suggestions, estimates, and statistics as it may need or believe to be useful for carrying out its functions and as may be available to or procurable by the department or agency to which the request is addressed, and (2) to detail to temporary duty with the Commission such personnel within his administrative jurisdiction as it may need or believe to be useful for carrying out its functions, and such department or agency shall be reimbursed for the services of such personnel.

"(f) The Chairman shall be responsible for (1) the appointment and supervision of personnel employed by the Commission, (2) the assignment of duties and responsibilities among such personnel, and (3) the use and expenditure of funds available to the Commission. In carrying out his functions under this subsection, the Chairman shall be governed by the general policies of the Commission with respect to the work to be accomplished by it and the timing thereof.

"SEC. 307. (a) Members of the Commission appointed pursuant to section 303(2) of this Act shall receive no additional compensation by virtue of their membership on the Commission, but shall continue to receive, from appropriations made for the agency from which they are appointed, the salary of their regular position when engaged in the performance of the duties vested in the Commission.

"(b) Members of the Commission appointed pursuant to section 303 (3) and (4) of this Act, shall each receive compensation at the rate of $75 per day when engaged in the performance of the Commission's duties, but the aggregate compensation received by any such member shall not exceed $7,500 in any calendar year. The per annum compensation of the Chairman shall be at the rate provided for grade GS-16 under the Classification Act of 1949, as amended, or if he is not employed on an annual basis, $75 per day but not to exceed $12,000 in any calendar year.

"SEC. 308. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this title."

Mr. HARTKE. Mr. President, I yield myself 5 minutes. I have discussed the amendment with the distinguished Senator from Oklahoma.

Mr. President, on February 6, 1961, I introduced S. 811, a bill to establish a Wabash Basin Interagency Water Resources Commission. The commission would be composed of members of Federal departments which are principally concerned with water resources development, representatives of the State of Indiana and Illinois, and a representative of the Wabash Valley Interstate Compact Commission.

S. 811 was referred to the Senate Committee on Public Works, and it was reported favorably by that committee on June 6, 1961. In its report to the Senate the committee expressed these views:

> Comprehensive water resources development plans have been prepared in the past for certain areas and found to be of great value in the formulation and selection of projects for construction. Examples of these studies are the comprehensive report on the New York-New England region and the equally comprehensive report on the Arkansas-White-Red River Basins in Southwestern United States. Other comprehensive studies, such as those on the Columbia, the Missouri, the Mississippi, and the Ohio, have provided to form an invaluable basis for the development of the water resources in those basins.
>
> The Congress has authorized similar study commissions for the southeastern river basins of the United States and for certain southwestern river basins. The committee is of the opinion that the proposed study of the Wabash Basin will prove of equal value in the future development of the water and related resources of this extremely important area of our Nation.

The Senate then passed the bill on June 13, 1961.

On July 13, 1961, the President transmitted to the Congress his draft legislation implementing certain recommendations contained in his message of February 23, 1961, on natural resources. This legislation would provide for development of the Nation's natural resources through the establishment of a water resources council and river basin commissions. Subsequently, when the agency reports on my bill were sent to the House Committee on Public Works, they recommended against enactment of S. 811 saying that they believed the overall river basin water resources commission proposed by the President was preferable to individual river basin commissions for a particular area. Consequently, the House did not act on my bill.

It now appears, Mr. President, that the administration's recommended omnibus bill will not only fail to pass Congress this year, but that perhaps it will not pass next year or the year after. An overall program such as he has proposed takes long and careful planning in order to be acceptable to the States and effective for the Nation.

It is for this reason, that I am proposing S. 811 as an amendment to the omnibus public works authorization bill before the Senate now. The Wabash Basin cannot afford to wait an interminable length of time for an effective and comprehensive planning body to coordinate flood control and water resources development. We have taken big steps in the last 3 or 4 years in initiating vitally needed flood control projects. The people of the Wabash Valley, which comprises 33,100 square miles and has a population of over 4 million cannot go on suffering year after year from the ravages of frequent and severe floods because of the lack of coordination and the stop-and-start history of our flood-control efforts. In recent years the monetary damages from these floods have amounted to $140 million. These damages could have been prevented had there been a coordinated and planned effort of flood control which would have moved ahead 10 to 15 years ago.

Time is expensive and disastrous to our people of the Wabash Basin. I ask, therefore, that the Senate accept my amendment and give the Wabash Basin a chance to keep moving ahead.

The idea grew out of a visit made by the distinguished Senator from Oklahoma [Mr. KERR] to the Wabash Valley Association at its meeting in Mount Carmel, Ill., in 1960, where he delivered an excellent address and encouraged our people to become interested in protecting their water resources.

I should like to ask the distinguished Senator from Oklahoma to include the project as a provision in the bill so that we may proceed with the comprehensive development of the Wabash River Valley.

Mr. KERR. Mr. President, the amendment offered by the Senator from Indiana has been approved by the Public Works Committee on two different occasions, and was adopted and approved by the Senate on one occasion. It follows the pattern that has been in operation for at least the years that the Senator from Oklahoma has been in the Senate with reference to the resources of the river basins. I ask that there be done for the Wabash Basin what has been done for many others. I suggest that the amendment be adopted.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Indiana [Mr. HARTKE].

The amendment was agreed to.

DEVILS JUMP DAM PROJECT

Mr. KEFAUVER. Mr. President, I would like at this time to express my support for a project in the omnibus rivers and harbors bill on which I have worked for a long time. I refer to the Devils Jump Dam project on the Big South Fork of the Cumberland River Basin. This dam will be a great benefit for the States of Tennessee and Kentucky. Although the dam would be physically located in McCreary County, Ky., its benefits would extend throughout northeast Tennessee, providing additional electric power, flood control, recreation, soil conservation, and other benefits. The cost of the dam has been estimated at approximately $150 million, but I believe that this expenditure would be most reasonable in order to achieve the numerous benefits just enumerated. I might also point out that these benefits would accrue to an area of my State where there is presently a difficult and persistent problem with unemployment. The jobs, soil conservation, electric power and other benefits of the proposed Devils Jump Dam should be a great weapon in the fight against unemployment in these areas of Tennessee.

I might also say, Mr. President, that I have been interested in this project for quite some time and have been privileged to work on it in the past years with my colleagues from Tennessee and Kentucky. Over a year ago, in the first session of this Congress, Senator GORE and I introduced S. 2381 to authorize the construction of Devils Jump. I also participated with my good colleagues Senator COOPER and Senator GORE, and Congressman HOWARD BAKER, of Tennessee, and Congressman EUGENE SILER, of Kentucky, in conferences with the Budget Bureau in order to gain the approval of that agency to the Devils Jump project.

Today, I am equally happy to advocate authorization of Devils Jump in accordance with the Corps of Engineers' favorable recommendation on the project. It is a fine project proposed for an area of Tennessee and Kentucky which needs it badly. I sincerely urge the Senate to give the Devils Jump project favorable consideration.

Mr. KEFAUVER subsequently said: Mr. President, I have heretofore spoken in support of one of the projects, the Devils Jump Dam, which the Senator from Kentucky [Mr. COOPER] and I and our colleagues are interested in.

At this time I join in paying tribute to the distinguished Senator from Oklahoma [Mr. KERR] for his consideration and for his fairness, as well as to all the members of his committee, in the consideration of these projects. I feel that they are worthy projects; they are a part of the development of our great Nation. It is in the interest of our national heritage to develop our country for the welfare of our people. The Senator from Oklahoma and the members of his committee have rendered an outstanding service. It is a good bill. I am glad that it will be passed, and I hope it will be unanimously passed, by the Senate.

Mr. COOPER. Mr. President, I am very glad that the Public Works Committee, of which I am a member, placed in the bill on my motion, four projects, thus authorizing the Congress to provide funds for advance engineering and design, and construction, through the regular process of appropriations.

These projects are: Devils Jump Dam and Reservoir on the South Fork of the Cumberland River, the Red River, Carr Fork, and Eagle Creek Dams and Reservoirs on the Kentucky River. The Booneville Reservoir has been previously authorized.

As these important projects are not included in the bill passed by the House, I earnestly hope that the Senate will support these Kentucky projects by an overwhelming majority, and that the Senate conferees will urge the House conferees to approve these projects so that their authorization may be completed. We have completed our approval in the Senate.

I, too, join in the compliments to our chairman, the Senator from Oklahoma [Mr. KERR], for his able leadership in the development of the pending bill and for the kindness and fairness which he showed to all the Members and also to those who came before the committee.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, and was read the third time.

Mr. KERR. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of H.R. 13273, the companion House bill.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H.R. 13273) authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. KERR. Mr. President, I ask unanimous consent that all after the enacting clause be stricken and that there be inserted in lieu thereof the text of the Senate bill, S. 3773, as amended.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. KERR. Mr. President, I ask unanimous consent that technical corrections be made in the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The question is on the passage of the bill.

Mr. KERR. Mr. President, I thank the distinguished Senator from Kentucky, the ranking Republican member of the Public Works Committee, for his great contributions to the bill and for that of all members of the committee. The names of Senators who worked so hard in holding the hearings on the bill and considering it over long hours constitute an honor roll. I am deeply grateful to each of them, and I express my congratulations to them on the contributions they have made in bringing about what I believe to be one of the great bills with which I have had any connections.

Mr. STENNIS obtained the floor.

Mr. STENNIS. Mr. President, I ask unanimous consent that I may yield to the Senator from Idaho for a brief statement.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHURCH. Mr. President, Idaho is the one State in the intermountain West with an abundance of water resources. The future of Idaho can be unlimited if we develop our rivers wisely and well. The pending bill is a great landmark for the State of Idaho. To the distinguished Senator from Oklahoma, who has had the floor management and leadership of the bill, I express the thanks of the people of Idaho, because our State has been most generously treated.

It has been a long, dry, barren period, preceding the enactment of the bill, because the policy of the previous administration, of no new starts, has meant that we have had to wait many years to get on with the comprehensive development of the water resources of Idaho. This bill will give us a blueprint for moving Idaho forward which is without precedent, and we are greatly indebted to all the members of the Public Works Committee, especially to the distinguished chairman of the subcommittee, who was in charge of the bill today, for the treatment that has been given to our State.

I close these remarks by expressing the hope that the projects which have been included in the bill for Idaho will go to conference and will remain in the bill following the conference. I know the members of the Senate committee will do everything possible to make certain that the projects are retained in the final version of the bill.

I extend my personal thanks and the thanks of the people of Idaho to the Senator from Oklahoma for his friendship and for the understanding he has shown of our problems which affect the future potential of our State and the future of the people of Idaho.

Mr. RANDOLPH. Mr. President, I address a question to the resourceful Senator from Oklahoma on behalf of the Senator from Pennsylvania [Mr. CLARK], who is intensely interested in several projects in the pending measure. In his absence, I wish to inquire concerning the authorization for the multiple purpose dam and reservoir on the Raystown Branch of the Juniata River in Pennsylvania. The proviso reads:

> The installation of power generating facilities shall not be made until a reexamination report is submitted by the Corps.

The committee report indicates that the other "power features provided in section 203" shall apply to the Raystown project.

Does this mean specifically that the requirement in section 203, "penstocks and other similar facilities shall be installed in any dam authorized in this act," applies to this Raystown project in Pennsylvania, in which the senior Senator from Pennsylvania has a keen concern?

Mr. KERR. The answer to the question is "Yes." There is a section in the bill and in various public laws which requires the inclusion of penstocks in projects which have hydroelectric potential. The Raystown branch project definitely qualifies.

Mr. RANDOLPH. I thank the Senator from Oklahoma for his helpful answer. Under his proven leadership our committee has brought to the Senate a comprehensive measure for projects of value to our people in all sections of the country.

Now, Mr. President, in connection with this national program there are four projects in the measure which are of special significance to West Virginia, three of them calling for authorization of flood control works within the border of the State and the fourth being a combination flood control and water storage facility important to West Virginia, Maryland, Virginia, and the District of Columbia.

In the latter instance I refer to the item for the North Fork of the Potomac River—a dam and reservoir near Bloomington, Md., and Piedmont, W. Va., with an estimated total cost of $50,965,000. This is a very worthy project which will contribute much to the solution of Potomac River Basin problem of flood control, water supply, and water purification. Likewise, it will provide employment in the anticipated construction stage in sections of the States of Maryland and West Virginia where new employment opportunities and new payrolls are needed.

The three projects proposed for authorization within the actual borders of West Virginia are in the vast Ohio River Basin and are as follows: Justice Dam and Reservoir in the Guyandot River Basin at an estimated cost of $60,477,000, with the impoundment area to be in Wyoming County and with flood protection intended to be afforded for that county.

as well as Logan, Lincoln, and Cabell Counties. Especially damaging floods have been occurring almost annually in recent years in the city of Logan and other communities of Logan County and downstream into Lincoln and Cabel Counties. There have been some disputes concerning values and benefits involved in this project proposal, but no controversy over the need for flood control and protective measures. An extensive hearing was held and an adequate legislative history was compiled which indicates appropriateness of possible further hearings before any land is acquired and before construction begins. I hope satisfactory solutions will be found as this project moves through the planning and engineering phases to the end that parties in dispute with findings and recommendations of the Army Corps of Engineers will be disposed to be cooperative because, Mr. President, the flood protection, recreational benefits, and employment opportunities inherent in this project are most significant and necessary for the Guyandot River Basin. In the development of the legislative history and the furthering of this project, I am privileged to commend the cooperation by my diligent colleague from West Virginia [Mr. BYRD], and three very capable colleagues in the other body, Representatives KEE, HECHLER, and SLACK. Senator BYRD has been particularly active on behalf of this project since he came to the Congress as a Member representing the Sixth Congressional District which included Logan County where the flood impacts have been most severe. The flood of record occurred in 1957 at Logan and spurred my colleague to sponsor the resolution under which the Guyandot River Basin studies were undertaken as the forerunner to the favorable action I urge today in authorizing this project.

Beech Fork Reservoir on Twelvepole Creek in Wayne County is proposed for authorization as another of the necessary flood control works in the Ohio River Basin. It is estimated to cost $11 million and would be an important complement to East Lynn Reservoir in the Twelvepole Creek watershed where flooding likewise has been severe. During the hearing on this project, I was privileged to associate myself with the cogent and timely statement made by Representative HECHLER as the principal proponent of this worthy flood control proposal which also embraces important recreational benefits.

Buckhannon River channelization and realinement in the vicinity of the city of Buckhannon at an estimated cost of $1,206,000 is necessary in the interest of providing flood control and protection to residential and commercial properties, as well as public roads and facilities, and parts of the campus of West Virginia Wesleyan College. There is a modest amount of local cost sharing involved in this worthy project and I strongly urge authorization of expenditures for the Federal share. Representative CLEVELAND M. BAILEY, whose district has embraced Upshur County, and Representative HARLEY O. STAGGERS, whose district now includes that county, have actively and helpfully supported and furthered the progres of this project and I gratefully commend their cooperation.

The projects for provision of flood control in the Guyandot River Basin, in the Twelvepole watershed, and in the Buckhannon River are estimated to cost a total of $72,683,000 and, when authorized, funded and amortized, would represent Federal investments with favorable benefit-cost ratios. The $50,965,000 North Fork of the Potomac Reservoir and water supply facility would be an especially important investment and is a project which has had a remarkable minimum of opposition.

Mr. STENNIS. Mr. President, I wish to commend the Senator from Oklahoma and his distinguished subcommittee for the unusual, excellent, and highly important work they have done on this excellent piece of legislation. As one who has helped to pass upon so many matters concerning our vast military program and essential expenditures, I have a special warmth of appreciation for long-range items which will serve not only our generation, but also generations to come; which will be producing wealth, income, and the upbuilding of the economy and strength of the people of our great Nation.

There is no more zealous chairman of a subcommittee or acting chairman of a committee, and none more competent, than the Senator from Oklahoma [Mr. KERR]. He shows the greatest concern for our requests.

I proposed one project on an emergency basis, and not only the committee and the subcommittee, but also the Corps of Engineers and the Bureau of the Budget, extended themselves in overtime and extra work in order to bring the item to a focus, so the committee could pass upon it.

These projects constitute a great source of the strength of our Nation. I am one who feverently appreciates the work of the committee.

Mr. KERR. Mr. President, I am grateful to the distinguished Senator from Mississippi and other Senators for their kind remarks. I receive no greater joy in my service in the Senate than I do in connection with the authorization, the building, and the continuing of the building of these projects across the length and breadth of our 50 States. All of us, in our home areas, receive requests from constituents to assist in bringing industry to our States; and we do.

Every water development project is of itself a great industry; and every one of them is an incubator from which is hatched every day—and it will be so long as the program is in existence—industry for the development of local communities and the improvement of the economy of the area, the prosperity of the people, and the strength of the community, the State, and the Nation.

I do not know of any Senator who is more aware of that fact, or who has made a greater contribution to the program than the distinguished Senator from Mississippi. I am grateful to him.

Mr. JORDAN of North Carolina. Mr. President, I wish to join in all the pleasant things which have been said about the chairman of the subcommittee and the acting chairman of the Committee on Public Works. He has been most kind and gracious in helping us in every way possible. I think he has made one of the greatest contributions which has been made during the entire session of Congress in bringing the public works bill to passage.

As he has well said, these projects will last for many generations. One needs only to visit any country which does not have such projects to know why the economy is poor. I do not think any greater contribution can be made to the American economy than to develop our water resources.

A number of these projects will be constructed in North Carolina. I am deeply grateful for all the help I have received from the distinguished acting chairman of the committee and the chairman of the subcommittee.

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). The question is, Shall the bill pass? [Putting the question.]

The bill (H.R. 13273) was passed.

Mr. MANSFIELD. Mr. President, I move that the vote by which the bill was passed be reconsidered.

Mr. KERR. Mr. President, I move that the motion to reconsider be laid on the table.

The motion to lay on the table was agreed to.

Mr. KERR. Mr. President, I move that the Senate insist upon its amendments and request a conference thereon with the House of Representatives, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. KERR, Mr. MCNAMARA, Mr. RANDOLPH, Mr. COOPER, and Mr. FONG the conferees on the part of the Senate.

The PRESIDING OFFICER. Without objection, Senate bill 3773 will be indefinitely postponed.

CONDITIONS AT OXFORD, MISS.

Mr. STENNIS. Mr. President, according to press reports, the number of regular military troops in the area in and around the campus of the University of Mississippi, including Oxford and nearby places, totals between 10,000 and 15,000. The reports vary, and it is almost impossible to get accurate figures. This number constitutes more than an Army division.

However, one thing is apparent and obvious to all. Far more troops are in Mississippi than can possibly be needed to meet any contingency.

In the early hours of Sunday morning, September 30, the entire Army and Air National Guard of the State of Mississippi were "federalized" and called to active duty. These orders affected 11,073 Mississippians from all walks of life. They affected businessmen, farmers, laborers, college students, lawyers, doctors, clerks, and, in short, men in every field of endeavor.

These men have been taken from their homes and their work and have been pressed into Federal service. More than 70 percent of them have been assigned no duties whatever but have been told only to report to their National Guard armory to engage in "training operations."

Only 3,000 of the more than 11,000 Mississippi National Guardsmen federalized have actually seen duty in the Oxford area. The 108th Armored Cavalry Regiment was the first to reach the campus on Sunday night. Other units pressed into service in that area include: First Battle Group, 155th Infantry; Second Battle Group, 155th Infantry; and 134th Surgical Hospital Unit.

The remaining 8,000 men in the Mississippi National Guard have been pulled away from their daily pursuits, pressed into service but have been completely idle. There is certainly no reason to believe that their services will be needed. I am told that in this group are from 700 to 1,000 college students who are missing classes and whose schoolwork, if they are not permitted to return soon, will be seriously affected and cause them to fall far behind in their studies.

Mr. President, it is urgent and imperative that these unused units of the Mississippi National Guard be released from active Federal duty at once and be permitted to return to their homes and resume their normal daily activities. Their activity on military duty is unnecessary, and action should be taken immediately to release them.

Some 10,000 to 12,000 Regular U.S. Army troops, in addition to those I have mentioned, are now stationed in Mississippi, either in the Oxford area or at other points. Consideration has been given to the staging of a football game at Oxford on Saturday of this week. Of course, that would involve the handling of huge crowds which would come from many areas. A sense of the utmost caution has caused this game to be moved to Jackson, Miss., which is far removed from the site of the University of Mississippi, at Oxford.

Things are quiet there, and are quiet over the entire State. The point I make now is that the number of Regular U.S. soldiers there is far beyond the number which could possibly be needed. This is certainly neither the time nor the place for a regular and routine Army maneuver, exercise, or operation. The continued presence of the unnecessary, uninvited, and unwelcomed troops is oppressive to a free and peaceful people. Their continued presence will tend to create further tension.

I hope that all military forces can be removed from Mississippi soon.

I have gone into this matter thoroughly; I have kept in touch with it hour by hour; and I think I know what I am talking about in regard to the conditions.

I most seriously urge that our National Guardsmen, at least those not in actual use, be permitted to return to their normal activities, and not be compelled day after day to go to their armories or wherever their posts are. I also urge that immediate consideration, and therefore continued consideration, be given to reducing the number of the Regular U.S. soldiers there. In my humble opinion, the number there is far, far greater than the number who could possibly be put to any use; and their continued presence there could have no useful purpose.

I am urging these facts to the Department of Defense, to those in authority; and I wish to bring this report to the attention of the other Members of the Senate, including the fact that the situation in Mississippi is quiet and peaceful and there is no further need for this large number of Regular soldiers.

Mr. President, I yield the floor.

JANE FROMAN, GYPSY MARKOFF, AND JEAN ROSEN

Mr. MANSFIELD obtained the floor.

Mr. KEFAUVER. Mr. President——

Mr. MANSFIELD. I yield to the Senator from Tennessee, who wishes to bring up a measure which will take only a brief time.

Mr. KEFAUVER. Mr. President, I ask unanimous consent that House bill 12313, for the relief of Jane Froman, Gypsy Markoff, and Jean Rosen, be read twice by its title and be considered at this time.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered; and the Senate will proceed to consider the bill.

Mr. KEFAUVER. Mr. President, this bill has been passed by the House, and has been approved by the Senate Judiciary Committee. I have been asked by the chairman of the committee to bring up the bill today in the Senate.

It is a claim bill for the benefit, in accordance with action of the Court of Claims, of three persons—Jane Froman, Gypsy Markoff, and Jean Rosen.

I may call attention to the fact that the senator from Pennsylvania [Mr. Clark] introduced a Senate bill for the relief of Jean Rosen. The Senator from Pennsylvania worked diligently in connection with the bill, and presented it to the Judiciary Committee and to the Senate. That bill, S. 3645, for the relief of Jean Rosen in the amount of $20,000, has been passed. House bill 12313 provides a similar amount for her, so that after House bill 12313 is passed, the action taken by the Senate in passing Senate bill 3645 should be reconsidered, and Senate bill 3645 should be indefinitely postponed.

Mr. President, I ask for the third reading and passage of House bill 12313.

The PRESIDING OFFICER. If there be no amendment to be proposed, the question is on the third reading and passage of the bill.

The bill (H.R. 12313) was ordered to a third reading, read the third time, and passed.

Mr. KEFAUVER. Mr. President, I ask unanimous consent that the vote by which Senate bill 3645 was passed be reconsidered.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KEFAUVER. Mr. President, I now ask that Senate bill 3645 be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

HELENITA N. STEPHENSON

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 2160, House bill 9285, for the relief of Helenita N. Stephenson.

The PRESIDING OFFICER. Is there objection?

There being no objection, the bill (H.R. 9285) for the relief of Helenita N. Stephenson was considered, ordered to a third reading, was read the third time, and passed.

Mr. MANSFIELD. Mr. President, in connection with the bill just passed, I ask unanimous consent, on behalf of the Senator from Massachusetts [Mr. Smith], to have printed in the Record at this point a statement prepared by him covering the various aspects of this case.

There being no objection, the statement was ordered to be printed in the Record, as follows:

STATEMENT BY SENATOR SMITH OF MASSACHUSETTS

Lt. Comdr. Richard Davids Stephenson was killed in World War II on D-day over Sicily on a volunteer mission while commanding an amphibious aircraft. He was awarded, posthumously, the Distinguished Flying Cross, lesser medals, and a British decoration.

In 1946 Mrs. Helenita Stephenson, his widow and mother of their four minor children, went through a wedding ceremony with one Frank Hine. The marriage was never consumated because of impotence resulting from an incurable, congenital brain tumor which manifested itself also in intermittent amnesia and Jacksonian epilepsy. A few weeks after the marriage the purported spouse disappeared and from then on was hidden periodically in various hospitals and sanitariums by his family. The claimant was not informed of Mr. Hine's condition before marriage during 8 months of courtship and she was unable to obtain evidence of his condition after marriage because of concealment in undisclosed institutions until Mr. Hine became publicly ill in 1954 and was confined in a known hospital from which she could subpena records. After this evidence became available for the first time, Mrs. Stephenson brought suit for annulment in the U.S. District Court for the District of Columbia in 1954. In her suit, heard in June 1955, she requested restoration of her rights and privileges as a unremarried widow and an annulment of the marriage on the basis of fraud as to physical condition and inability to support. The case was defended by attorney. The court held the marriage void ab initio and restored her rights and privileges. The expenses of this action were raised by Commander Stephenson's class of 1935, U.S. Naval Academy.

In 1946 Mrs. Stephenson had mistakenly informed the Veterans' Administration that she had contracted a valid marriage. When Mr. Hine deserted her shortly after her wedding she reported this in person to the Veterans' Administration and suggested reinstatement as an unremarried war widow. This was denied. Again, in 1955 after the court verdict the Veterans' Administration denied a pension on the ground that her marriage was voidable but not void. This ruling was questioned by a U.S. Senator as contrary to the decree of the Federal Court that the marriage was void ab initio. As a consequence, a hearing was held at the Central Office of the Veterans' Administration in 1956 and the claim for pension was again denied.

In 1956, after further congressional intervention the Veterans' Administration again denied the pension, this time on the grounds that the decree of the court did not represent a final judgment as the purported spouse had died within 90 days of the court action and consequently before the time for appeal had elapsed. It may be noted that the fact of his death had been known to the Veterans' Administration in 1955 but the court decree was not questioned as a final judgment until after hearings on other grounds had been held.

The Veterans' Administration is not subject to suit, but as Mrs. Stephenson had become entitled to benefits from the Social Security Administration under the Mothers' Insurance Benefit Act and as this agency had followed the ruling of the Veterans' Administration as to her status action was instituted against the Security Administration to determine her rights. The U.S. Court of Appeals of the District of Columbia in this action upheld the decree of the lower court in the annulment suit and decreed that the marriage was void ab initio and that the claimant was entitled to all her rights and benefits as a unremarried widow.

After this decision, the Veterans' Administration failed to act for 9 months until the inconsistency of payment and recognition of her status by the Social Security Administration and nonpayment and nonrecognition of her as an unremarried widow was brought to the Veterans' Administration attention by the aforementioned Senator.

In October 1957 the Veterans' Administration finally sent a check for $1,425 to the claimant with no explanation or covering letter. The claimant computed the amount as representing her pension from July 1955 to October 1957 or from 1 month after the issuance of the court decree of annulment of ab initio.

In connection with the proposed bill, it may be noted that there is no law requiring nonpayment of a war widow pension during a period of a subsequent void marriage. Any such law apparently would be unconstitutional because contrary to the general principle that a void contract has absolutely no effect. Even though the Veterans' Administration has wide discretionary authority, it is difficult to understand how an act of this agency which is contrary to general law is not wisely remedied.

Moreover, under its wide discretionary authority there would appear to be no justification of fear of improper precedent. The Veterans' Administration is authorized to use its discretion in each individual situation. As the Veterans' Administration in a requested status letter to the White House, in March 1961, stated that this claim represented an exceptional case its merits would appear subject to individual determination without any effect on other distinguishable situation in the future.

Under a recent decision the courts have held that where eligibility was mistakenly reported to the Government and payments made, a beneficiary must repay the benefits received through the mistake. Where a claimant mistakenly reports ineligibility, as in this situation, the Government similarly would seem to be under a moral if not a legal obligation to pay the beneficiary the benefits that had been upheld through the erroneous report of the claimant. The Government would not appear to be justified in benefiting from error or a contract any more than it should be expected to suffer a loss in a situation created by error or a void contract.

The enactment of H.R. 9285 will rectify a situation where the only remedy available to the claimant rests in the conscience and sense of justice of Members of Congress.

TRADE EXPANSION ACT OF 1962—CONFERENCE REPORT

Mr. MANSFIELD. Mr. President, the distinguished chairman of the Finance Committee, the senior Senator from Virginia [Mr. BYRD], wishes to call up the conference report on the trade bill, I believe.

Mr. BYRD of Virginia. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 11970) to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of Oct. 4, 1962, pp. 22275–22276, CONGRESSIONAL RECORD.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. BYRD of Virginia. Mr. President, I wish to state that the Senate conferees stood firm and was successful in retaining most of the changes it had made in the House bill. We were disappointed in one or two respects, but generally feel that we have maintained the Senate position very well.

I shall briefly review the action of the conferees, although I shall not take the time of the Senate to discuss technical or conforming amendments nor small matters about which there is little difference.

In the statement of purposes there was a compromise. The Senate had deleted parts 3 and 4, having to do with assistance in the progress of undeveloped countries and the prevention of Communist economic penetration. The House conferees receded on No. 3, and the Senate conferees receded on No. 4—so that the statement of purposes now contains a reference to the prevention of Communist economic penetration.

The Senate amendments created a new Free European Trading Community, thus enlarging the possibilities of reducing to zero the duties where 80 percent of world trade is accounted for by the United States and the countries of that organization. On this the Senate conferees were forced to recede. It was pointed out strongly that to enlarge the present European Economic Community for the purposes of this section of the act might act as a deterrent to entrance of the United Kingdom into the Common Market, and the fact remains that the authority to reduce tariffs by 50 percent is still available.

As I have stated, there was no way in which that the Senate conferees could persuade the conferees of the House to accept this new principle.

With regard to the Senate amendments concerning the Tariff Commission reports and advice to the President on the items which are to be negotiated upon, the Senate conferees persuaded the House conferees to recede. Upon the Senate amendment, the type of report to be prepared by the Tariff Commission is much more detailed and complete. The House conferees recognized the value of this addition to the bill, and accepted it. This accounted for amendments Nos. 15, 16, 17, and 18. Amendment No. 19 was a conforming one.

The House conferees also receded on amendment No. 20. Section 225(b) of the bill as passed by the House required the President, during the 4-year period which begins on the date of the enactment of the act, to reserve certain articles—with respect to which the majority of the Tariff Commission has found injury under prior law—from negotiation under the bill for a period of 4 years. The Senate required the reservation to be 5 years; and that figure stands, inasmuch as the House conferees receded.

Under amendment No. 21, section 231 of the bill as passed by the House directs the President to suspend, withdraw, or prevent the application of any trade agreement concessions to products of any country or area dominated or controlled by communism. The Senate amendment struck out "any country or area dominated or controlled by communism" and inserted "the Union of Soviet Socialist Republics, Communist China, and any other country or area dominated or controlled by the foreign government or foreign organization controlling the world Communist movement." On this the Senate was forced to recede.

Mr. JAVITS. Mr. President, will it be convenient for the Senator to yield at this time on that point?

Mr. BYRD of Virginia. I yield.

Mr. JAVITS. I should like to pinpoint one matter, to which I shall address myself later, namely, that this change in definition makes a real difference in the view of the conferees, in that the President will not be able to give the most-favored-nation treatment to either Yugoslavia or Poland, if we adopt the conference report language. Does it not?

Mr. BYRD of Virginia. That is correct. It is covered in the next paragraph of my statement.

Mr. JAVITS. I thank the Senator.

Mr. BYRD of Virginia. The point at issue was, Should the President be allowed to give most-favored-nation treatment to Poland and Yugoslavia? Under the Senate amendment, he would be permitted to do so; under the House version Poland and Yugoslavia could not get most-favored-nation treatment. The bill states this should be accomplished "as soon as practicable" which permits the President to determine when the action required under section 231 is feasible.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. BYRD of Virginia. I yield.

Mr. JAVITS. Is the President of the United States for or against the provision?

Mr. BYRD of Virginia. I understand the administration was opposed to the provision whereby the most-favored-nation treatment could not be given either to Poland or Yugoslavia.

Mr. JAVITS. Does the Senator know if the administration is so much against the provision that the President will veto the bill because of it?

Mr. BYRD of Virginia. I have no information as to what the President will do. I cannot imagine that he would veto the entire bill because of the fact that the House would not agree to the amendment which was adopted by the Senate.

Mr. JAVITS. Nonetheless, it seems to me that the President has made it clear that he considers the limitation of his power in this manner extremely embarrassing and damaging to the national interest. I gather the Senator from Virginia has no actual information on that subject. Is that correct?

Mr. BYRD of Virginia. I have no actual information, except that we were told in conference the President favored the Senate provision whereby the most-favored-nation treatment could be given to Poland and Yugoslavia. The House was absolutely adamant. We were told by the chairman of the committee in the House that they would refuse to sign the report, and the Senate could do nothing, but was compelled to recede.

Mr. JAVITS. If it wanted a bill.

Mr. BYRD of Virginia. If it wanted a bill.

Mr. JAVITS. I thank the Senator from Virginia.

Mr. BYRD of Virginia. It should be noted, however, I will say to the Senator from New York, that trade may continue with these two countries, even though they may not get the most-favored-nation treatment.

Mr. JAVITS. Will the Senator yield further to me at that point?

Mr. BYRD of Virginia. I yield.

Mr. JAVITS. I understand the country on which this provision will bear most heavily is Yugoslavia, because the great preponderance of the trade of Yugoslavia moves under the most-favored-nation opportunity with the United States. Perhaps the Senator from Virginia will confirm for me whether it is not true that in Yugoslavia's case, unlike the rest of the Communist bloc, Yugoslavia's trade is very substantially oriented to the free world, rather than being intra-Communist bloc, as is true of the other nations of the Communist bloc.

Mr. BYRD of Virginia. That is correct. The provision does not stop trade with Yugoslavia; it simply takes away the most-favored-nation treatment.

Mr. JAVITS. I thank the Senator.

Mr. BYRD of Virginia. Amendment No. 22 provided that the Special Representative for Trade Negotiations established in the bill shall be the chief representative of the United States for each general multilateral negotiation, allowing others to handle the minor negotiations. The Senate receded, but won its point—that is, that the Special Representative need not personally conduct every relatively minor negotiation, although he will be responsible for the conduct of every negotiation regardless of size.

Amendments Nos. 23, 25, and 28 had to do with the interagency organization provided for by section 242 of the bill. The House provided that the Chairman of this organization should be a member of the Cabinet selected by the President, with the Special Representative an ex officio member. The Senate provided that the Special Representative should be Chairman of the organization and the House receded on this point. Incidentally, he will be subject to confirmation of the Senate. Thus, the Special Representative will be Chairman of the Interagency Organization as well as being responsible for all negotiations under the bill.

The Senate and its conferees thought there should not be included a definite mandate to the President that a member of the Cabinet be appointed, because these members may have some special interests. Therefore, the President is left with the capacity to appoint some other outstanding person in charge of negotiations, and that person's nomination will be subject to confirmation by the Senate.

The changes in language adopted by the Senate to section 252(a) of the House bill were not acceptable to the House even though it was admitted that the Senate amendment was fairly innocuous. The term "unjustified" was restored and the term "unjustifiably" was deleted. The Senate receded.

On amendment No. 38 the conferees compromised. Under the conference agreement the President is to exercise the authority of the Senate amendment "to the extent he deems such duties and other import restrictions" necessary to prevent or remove foreign restrictions on imports of U.S. agricultural products. With this modification the Senate amendment was accepted. The new language adopted by the conferees in no way alters the sense of the Senate that the President shall have powerful weapons with which to bargain down or prevent the establishment of foreign restrictions which hinder our exports of agricultural products.

By amendment No. 39 the Senate strengthened section 252(b) of the bill. In discussing the directive to the President to deny trade agreement benefits to a country which maintains nontariff trade restrictions which burden commerce in a manner inconsistent with our trade agreements, the House referred to "unlimited variable import fees." The Senate deleted the term "unlimited," and the House receded on this point.

Under amendment No. 41 the President is given authority to deny trade agreement benefits to any country maintaining unreasonable import restrictions which burdens U.S. commerce. The amendment requires that in giving effect to this section the President is to give due regard to our international obligations. The House receded and the amendment stands.

On amendment No. 52 the House also receded. This amendment provided that the provisions of the bill do not in any way affect section 22 of the Agricultural Adjustment Act or any import restrictions thereunder.

Senate amendment No. 53 adds a new section to the Tariff Act relating to conservation of fishery resources. Under this section the President is directed to use all appropriate means to persuade other countries to negotiate in good faith concerning such conservation. If any country fails to negotiate in good faith the President may increase duties on imports of fish products from that country. The Senate amendment was retained, the House receded.

Amendment No. 55 related to section 301(a) of the bill. This has to do with the filing of petitions for tariff adjustment and for petitions for eligibiilty to apply for adjustment assistance. This amendment also sets forth the two types of petitions in separate paragraphs and authorizes the filing of petitions for the negotiation of orderly marketing agreements under section 352. The House receded with a modification deleting the reference to filing petitions for the negotiations of agreements under section 352 on the grounds that this is a prerogative of the President after an escape clause appeal to the Tariff Commission has been successfully concluded.

Under amendments Nos. 57, 62, and 65 the Senate approved the strengthening of the escape clause by stating that the injury or threat of injury need only be "in major part" the result of tariff concessions. Under the House bill it might have been interpreted that increased imports as a result of tariff concessions had to be the sole cause of the injury. On this the House also receded. This same principle applies to amendments Nos. 59 and 66 on which the House also receded.

Under section 301(c) of the House bill the Tariff Commission would be required to make a complete escape clause type investigation for firms or groups of workers as for whole industries. Senate amendments Nos. 61 and 64 deleted the requirement that industry determinations be made in such cases and provided in lieu thereof that petitions under section 301(c) be made more promptly. Here again the House receded and the Senate amendment stands. By amendment No. 67 the Senate deleted the proviso that, during a period beginning not earlier than 30 days after publication of notice of hearings with respect to an industry and ending not later than the date of the report of the Commission with respect thereto, no petition for eligibility to apply for adjustment assistance could be filed by a firm or group of workers concerning the same articles. The House also receded in this case.

Senate amendments Nos. 69 and 70 were also designed to speed up operations. Under the sections relating to adjustment assistance, for example, hearings would not be required unless requested by some interested party. Once more the House receded.

Amendments Nos. 71 and 72 extended the time for Tariff Commission reports under the escape clause to 6 months—the House bill allowed 120 days plus another 30 days if extended by the President. Here again the Senate amendment was accepted and the House receded.

Under Senate amendment No. 75 the amount of trade readjustment allowance payable to any worker for any week is reduced only by the amount of unemployment insurance which he has received or is seeking with respect to that week. The Senate prevailed here also and the House receded.

Senate amendments Nos. 76 and 77 were also adopted by the conferees. Under No. 76 the number of weeks for which any worker may receive trade readjustment allowances is reduced only by the number of weeks for which such unemployment insurance or training allowances are actually paid to the worker. Amendment No. 77 provided that certain additional amounts will be payable only if the worker was actually paid unemployment insurance or a training allowance for the relevant week.

The House further receded on Senate amendment No. 78. In agreeing to this amendment the conferees intended that if payments of unemployment insurance are made by a State to an adversely affected worker and the State agency is reimbursed for such payments, and such payments are disregarded under the State law in determining whether or not an employer is entitled to a reduced rate of contributions permitted by State law, then the worker is not to have his eligibility for unemployment insurance reduced on account of such payments.

Amendments Nos. 84, 85, and 88 were compromised, with the Senate receding on No. 85. Under this compromise, the increases in duties or other import restrictions proclaimed under the escape clause of the present law shall terminate in 5 years and such increases proclaimed under the new law shall terminate in 4 years. The House version provided for termination in 4 years of all such increases under both the present law and the new law, while the Senate amendments provided for a termination in 5 years of all such increases. These same periods also apply to the reservation of articles from new negotiations.

The House receded on amendment No. 90. This was a new section added by the Senate providing that the President may enter into orderly marketing agreements with foreign countries.

As you have seen, the House receded on most of the Senate amendments. However, they refused to recede on amendment No. 91 which was a new section added by the Senate giving the President authority to increase tariffs, and impose quotas or new tariffs when he found it in the national interest. On this the House stood firm and indicated that no compromise was possible. The Senate finally receded.

I am happy to report a successful conference. Including technical changes made necessary by Senate amendments, the conferees discussed 94 amendments. As I have indicated, the Senate stood firm and held its position on most of them. I hope the Senate will give speedy approval to the conference report.

Mr. BUSH. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. YOUNG of Ohio in the chair). Does the Senator yield?

Mr. BYRD of Virginia. I yield to the Senator from Connecticut.

Mr. BUSH. I wish to felicitate the Senator from Virginia upon the conclusion of his arduous labors in connection with this exceedingly comprehensive and difficult piece of legislation.

Mr. President, I want the RECORD to show that I support the conference report. This is because I feel that the Trade Agreements Act should not be allowed to expire and also because I feel that the President should have additional authority to continue trade negotiations and to create new trade agreements.

I opposed many sections of the bill, and I still do oppose them. I offered various amendments which I thought would improve the bill by removing some of its discriminatory features, thereby creating a situation under which all elements of the economy would be treated with equal fairness and justice.

One of the reasons why I voted against the bill, and one of my objections to it, was that various industries or various elements of the economy were to be given preferred treatment, while others were to be left without any assurance of protection or consideration, and without what I considered to be an adequate court or process of appeal to correct injustices or hardships which might be created by excessive imports.

We worked hard to try to perfect the bill in respect to those matters, and others.

Inasmuch as the die is cast, and inasmuch as I wish the President to continue to make trade agreements, I shall support the conference report. I express very strongly the hope that the President, in using the vast new powers, will use them with great discretion and with equal and fair treatment to all elements of the economy.

I will not say I have no doubt in that regard, but I express the very strong hope that the President will do this.

It seems to me that one class of people or one element of our industrial and commercial life should not be preferred against another, but that equal treatment should be accorded to all under an important piece of legislation such as this—and, indeed, under any piece of legislation.

So I conclude by saying that I support the conference report. I hope that the President will exercise his new powers with great discretion and consideration for all elements of our economy, and in such a way as to provide an overall and very substantial benefit for the United States. I thank the Senator for yielding.

Mr. MORSE. Mr. President——

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. BYRD of Virginia. I yield to the Senator from New York.

Mr. JAVITS. I am grateful to the Senator for yielding. I, too, would like to make a few observations, if I may, on the conference report, which, I must say, I find not nearly as satisfactory or encouraging as does the Senator from Connecticut.

We are facing a very serious situation in the world which only enlarged exports can change. It is absolutely astounding to me that we do not show the necessary economic sophistication to understand that in order to enlarge the exportation of goods, we must do something about the bill which we are not doing.

In short, the very Senators who express the gravest concern about voting for foreign aid and how it would run the country down the drain, and so forth, are those who would probably embrace with alacrity the very elements of this bill which would prevent us from paying the foreign aid bill without borrowing.

Our imbalance of international payments is serious. It continues to be serious. In essence it represents something like $3 billion plus a year. It is a substantial imbalance. Yet we have found that it is the will of this body, with which I could not agree more, that we shall continue our military and economic aid obligations which do much to create the imbalance.

Nor do we wish to restrict our private investments abroad, which are essential to the world's development. In fact, our private oversea investment in many areas is very deficient right now and, if anything, we are not forwarding the world's development as well as we must.

Nonetheless, when we get to the bill we lose any understanding of the connection between the balance of payments and trade. If we want to balance our international payments, we must trade more than we do. Certainly we have a $3-, $4- or $5-billion export surplus, depending on whether or not one counts Government supported exports, but that is not enough. It is not enough, also, for the development of the world which represents perils and needs way beyond that. But the House has been allowed to prevail in the elements of the bill which would bring about the greatest restrictions and pull us back from acquiring an ability to balance our payments and to do the economic development job.

I have no fault to find with the Senator from Virginia [Mr. BYRD]. I am sure he did as well as he could. But it represents a lack of consciousness on the part of our country which does not come back to Senators in order to give us the strength and support, and in the other body, also it is not communicated, as to what we need in the way of a bill.

What is wrong with the bill? I shall be brief, because I do not wish to keep my dear friend the Senator from Oregon on his feet longer than necessary.

First, we would place a premium on the British getting into the European Common Market whether they like it or not, because by receding from that section of the Senate bill which provided that we could group together, for purposes of mutual tariff elimination, those in the European Economic Community, the Six Nations, with those in the European Free Trade Association, which would include the United Kingdom, we now have put another gun at Britain's head to make Great Britain go into the Common Market. Otherwise, she could not make with us nor could we make with her or any other nation an effort to obtain the large concessions required to expand international trade with respect to most of the major items of that trade, because we cannot go beyond the 50-percent tariff reduction limitation of the bill, except when we and the European Economic Community handle 80 percent of the world exports of a particular commodity.

The United Kingdom is not in the European Common Market. Therefore, we would put an additional burden on her to get in, notwithstanding the disquietude of many of her Dominions and other Commonwealth members, which think the proposal is a very bad idea for her and them, notwithstanding the fact that in order to get in, she needs to make a good trade deal with the Commonwealth. We want her in the European Common Market, but we want her also to have her right to a ticket to protect her Commonwealth and not to have the ticket written by the European Common Market countries. Yet, by passing the bill in this fashion, we have given Britain an additional handicap to the one she is already under. She must negotiate with the European Common Market. We know she is under a considerable handicap already.

That is the first point.

Second, we have a great opportunity in making a bid to the non-Communist world, the new nations in Africa, Latin America, and Asia, which is infinitely more important, in my view, than much that we can do for them in terms of aid. We have stricken out one sentence in the Senate bill which would give away a tremendous asset which we had in our hands. One of the purposes of the original bill was "to assist in the progress of countries in the earlier stages of their economic development."

That meant that when we bargained with great industrial powers—and the great industrial powers represent the great export markets of the world—we could bargain for Brazil's coffee. We could bargain for Ghana's cocoa. We could bargain for nitrates from Chile. We could bargain for wool from Argentina or meat from Argentina. We could bargain for silver from Mexico. In short, we could do something with our great economic power to help the new nations of the world in trade which to them is far more important than aid.

By striking out that provision, we have now limited the President's directive so that he no longer must try to serve that particular purpose. In my opinion, we have deprived ourselves also of a great propaganda asset with these newly developing nations, to which we could have said, "We have inserted in our trade bill a stipulation that we will provide what is more important to you than aid itself."

Finally, I think we are making a colossal blunder in respect of Poland and Yugoslavia.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield on his first point?

Mr. JAVITS. I do not have the floor. I believe the Senator from Virginia has the floor.

Mr. BYRD of Virginia. I yield.

Mr. WILLIAMS of Delaware. Merely for the record, I should like to say that I understand and sympathize with the argument that the Senator has advanced in connection with the exclusion of Great Britain. But I think it would be well to place in the RECORD that at that time the amendment, which was a Senate amendment, as the Senator understands, was approved in our committee. It was approved and made a part of the Senate bill over the objections of the State Department. They very strongly opposed that provision, which was to lead the bill into a conference. I understand unofficially that they may have changed their minds since. But as the bill came from the House originally, they supported the position and opposed it strongly in our committee and told us they would like it deleted.

Mr. JAVITS. I thank the Senator. I think the Senator knows me well enough to know that I have never claimed omniscience for myself or the State Department. I think perhaps they were wrong.

Mr. WILLIAMS of Delaware. I understand that they have now changed their position and are on the other side.

Mr. JAVITS. I thank my colleague. I feel strengthened on that point. I should like to make the last point, which relates to Poland and Yugoslavia.

Mr. President, I have always felt that it was wonderful that in the Senate there are those who have expertise in different areas. We all do not have to know the same things. I know very little about Western reclamation. Many Senators know a great deal more. I am desirous of listening to them. I hope that Senators will try to really understand what goes on with reference to Yugoslavia and Poland. That is an area in which I have had a great deal of experience. Ever since 1945 I have studied the subject very deeply.

Mr. President, surely the argument is that we can negotiate a trade treaty with Yugoslavia and with Poland directly, and the President, subject to congressional approval, can make concessions and those countries can make concessions. Therefore, the opportunity to extend to them automatically the benefits of the most-favored-nations clause, it is said, cannot hurt us, because, after all, if we can negotiate a treaty with them containing mutual concessions, we can negotiate any concessions we please. But that attitude misses the boat completely for the following reason: Yugoslavia and Poland are in the Communist bloc. We know that Khrushchev will put down any show of real independence in Poland with the same ruthlessness with which he acted in Hungary. It is not easy for those countries to deal with us directly. In many cases they cannot do it in terms of the physical safety of their own people. So where we have been able to help them in terms of giving them some economic independence from the Communist bloc is by virtue of the favored-nations clause. In short, we would permit Yugoslavia and Poland to have the benefit of the bill. They would not have to negotiate with us, but would receive the benefits nevertheless. The fact is that the preponderance of Yugoslavia's trade is with the free world. In the case of Poland, a large proportion of its trade is with the free world, whereas Czechoslovakia and Bulgaria and Rumania and the other Balkan countries are kept in absolute vassalage by the Soviet Union, partly because they have little trade except intra-Communist bloc trade. Great strategists in the Senate are always talking about the fact that we will take the initiative; we will show the Russians how smart we are. We are letting slip out of our hands the greatest economic initiative that we have; with our eyes open it walks out the door and gets away from us.

Why? It is because doctrinaire objections are made which are almost impossible to understand. We say that we will not do business with the Communists; we will let them starve to death.

At the same time, they are constantly being fattened, and in many cases are becoming as strong as we are.

Mr. Khrushchev will be delighted. He will not think it is a great victory for us. He will be delighted to know what we have done, because he knows better than we the power of trade. He knows better than we what it will mean to Yugoslavia and Poland when they must turn to the Communist bloc in order to do business, in order to eat, in order to obtain the necessities of life, instead of looking more and more toward us.

This is a very serious blunder. I cannot stop it. I do not understand why the President of the United States has not stopped it. I believe that if he had explained to the people of the country precisely what is involved here, if he had not been so overwhelmed by the chairman of one of the committees, he could have prevailed.

I have backed the President time and time and time again. I am dismayed and disheartened when he fails to show fight on economic issues.

Mr. President, this is particularly deplorable, because this is where it counts. It counts more than the billions that we will be spending on aid. These countries could have been doing something on their own. Instead, we have committed a blunder. All I can do is make the welkin ring. Perhaps my people in New York will not send me back to the Senate. They may not like the strong position I take on issues of this kind. I have been trained in economics for years, and this is the day that I pay back to the country what I know about these situations. I cannot do anything about it. However, the voice of protest may yet count after our experience shows what a disastrous mistake we have made.

Mr. BYRD of Virginia. Of course, the Senator knows that this provision was in the Senate bill.

Mr. JAVITS. Of course, I am proud of the Senate.

Mr. BYRD of Virginia. The House refused to accept it.

Mr. JAVITS. I know. I am proud of the Senate. The Senate acted in a statesmanlike manner. I am proud indeed. I know the Senator did everything he could to get this done. I am grateful to the Senator.

Mr. President, at the conclusion of my remarks I ask unanimous consent to have inserted in the Record an article by Walter Lippmann from the Washington Post of October 2, dealing with the issue of trade with Poland and Yugoslavia.

There being no objection, the article was ordered to be printed in the Record, as follows:

Today and Tomorrow—Backfiring Mischief

(By Walter Lippmann)

Although our attention is fixed on Mississippi and although it is a long way to Yugoslavia and Poland, this Tuesday is a critical day in the cold war in Eastern Europe.

The trade bill, on the whole so excellent, is being reported out of the conference of the House and Senate, and in its present form it contains a provision, inserted by the House against the will of the Senate, that would damage severely U.S. policy in Eastern Europe.

This policy was initiated by Truman and Acheson, elaborated by Eisenhower and Dulles, and carried on by Kennedy and Rusk. It offers material advantage to Communist countries that try to achieve national independence from the domination of the Soviet Union. The trade bill as it now stands would wreck this policy. On a crucial point the House has prevailed over the Senate.

The difference between the two versions turns on what is known as the most favored nation, for short the so-called MFN clause in trade agreements. Most favored nation means that if a government grants tariff privileges to another, it must do the same for countries with which it has treaties containing the most-favored-nation clause.

Thus, insofar as this country has lowered its tariffs under the Reciprocal Trade Act, it has granted to all nations with which it has most-favored-nation agreements the same concessions.

Moreover, if the President acts under the trade bill to negotiate lower tariffs with the Common Market, we must grant the same lower duties to any other country with which we have a most-favored-nation agreement.

With Yugoslavia, since it was created after World War I, our trade relations have been governed by the 1891 Treaty of Friendship Commerce, and Navigation with the old kingdom of Serbia. It contains a most-favored-nation clause. As an act of policy, we have since December 1960, granted this treatment to Poland, with which there is no treaty.

Now in the trade bill as it passed the Senate, the most-favored-nation treatment would be denied to any "country or area dominated or controlled by the foreign government or foreign organization controlling the world Communist movement." This is identical with existing law.

For some 13 years under three Presidents the official American judgment has been that although Yugoslavia is ruled by Communists, in a very considerable degree Yugoslavia is an independent national state and in critical matters is not ruled by Moscow.

About Poland, our feeling has been that it is struggling rather effectively to achieve increasing national independence. Thus under the Senate version, Yugoslavia and Poland would continue to be eligible for most-favored-nation tariff treatment.

But in the House version, which prevailed in the conference, the test is not national independence but ideological belief. Thus most-favored-nation treatment must be denied to "any country or area dominated or controlled by communism."

If this test prevails in the final bill, the President will have to deny most-favored-nation treatment "as soon as practicable" to Poland and to Yugoslavia.

What will be the practical effect? The economic impact will be much greater on Yugoslavia, which does 70 percent of its foreign trade with the Western countries, than on Poland, which does only about 40 percent of its trade with the West.

The act of slamming the door in their faces will be demoralizing to the younger generation everywhere in Eastern Europe who look increasingly toward the West. The symbolic importance probably outweighs the material effect.

Because Yugoslavia has received most-favored-nation treatment for so long a time, it has built up a foreign trade dependent on the tariff benefits, which give it a great advantage as against its Communist neighbors and parity with its competitors in the non-Communist world.

If the trade bill prevails as it now stands, the tariff duties on about 90 percent of the goods imported into the United States from Yugoslavia will be raised to the level of the Smoot-Hawley tariff of 1930. They are between 2 and 3 times higher than the rates that now prevail.

Yugoslavia will then face the same U.S. tariff as does the Soviet Union, Hungary, Ulbricht's East Germany, and Stalinist Czechoslovakia.

As for Poland, the material effect will be less catastrophic. Taking the 1961 figures, out of a total of $41.2 million worth of U.S. imports from Poland, there will be no increase on about 80 percent.

This is mainly because so large a part of the imports are canned meat on which we have made no tariff concessions to any country. For the rest, Poland has enjoyed most-favored-nation treatment only since December 1960 and has not had time to develop much trade accordingly.

The fact that Yugoslavia has such a preponderant relationship with the non-Communist world has had enormous bearing on the cold war in Southern and Eastern Europe.

Ideologically, the Yugoslav officials are Communists. But they are Yugoslav Communists and not Muscovite Communists. So on matters that do not affect Yugoslav national interests they generally follow the Soviet line. But when their national interests are involved, they act independently.

Thus, Yugoslavia is not a member of the Warsaw military pact. What is more, because we have had the good sense to equip the Yugoslav air force, the United States and not the Soviet Union is the supplier of the spare parts and replacements.

It is asinine to call this assistance to communism. We have in fact achieved the same kind of penetration of the Communist world as Moscow has done in our world in Cuba.

Though Tito is ideologically alined against us, strategically and in the ultimate political sense he is alined with us.

When he broke with Moscow in 1948, he closed his frontier to the Communist guerrillas who were waging civil war in Greece. He made a satisfactory settlement with Italy in Trieste. And he worked out good arrangements with his neighbor Austria.

In that part of Europe of which Yugoslavia is the keystone, the imperial expansion of the Soviet Union is not only contained but is in fact rolled back.

The Senate understood this. The House, which did not understand, has sabotaged a highly successful national policy.

If the mischief cannot be undone, this country will in a fit of imbecility have wounded itself. It will have thrown away one of our most effective weapons in the cold war and it will have adopted a weapon that is designed to backfire.

For we shall be saying to the Yugoslavs and the Poles and to others who may have yearnings for freedom that they have no future with the West and that they had better come to terms with Moscow.

Mr. MORSE. Mr. President, let me say to the chairman that in my many years of service in the Senate we have from time to time participated in the making of legislative history on the floor of the Senate with regard to many subjects. Sometimes it has been with respect to cherries. Sometimes it has been with respect to the lumber industry in my State. Sometimes it has been with respect to the merchant marine as it affects my State.

I want the Senator from Virginia to know, in behalf of the people of my State, that we appreciate very much the cooperation that he has always extended to our State through our Senators in making these records of legislative history.

As he will recall, when the bill was before the Senate for consideration we made legislative history with regard to section 353, which has been dropped from the bill. That history, had the section remained in the bill, would have been vital to a subsequent interpretation of the section either by the Tariff Commission and by the President and possibly the courts in case it ever reached the courts.

I have always had the greatest pleasure in cooperating with the Senator from Virginia on any matter on which I could be of assistance. In fact, I am sometimes amused when I pick up a newspaper and read that a journalist or columnist has written, "How can Harry Byrd and Wayne Morse be in the same party?"

The trouble with such an uninformed journalist is that he does not understand one of the underlying tenets of our political philosophy, which is identical. We both know that there can be no political freedom in this country for future generations unless we preserve economic freedom. The Senator from Virginia and the Senator from Oregon may follow different avenues and sometimes different value judgments in seeking to preserve economic freedom, but both of us recognize that we have an obligation to keep the economy of our country strong, because without it there can be no political freedom for our great-grandchildren.

Therefore I express my appreciation to the senior Senator from Virginia for the wonderful help he has been to me during my 18 years of service in the Senate. I have a few questions that I should like to ask him, in order to help make legislative history.

When the trade bill was before the Senate, the chairman of the Committee on Finance discussed with me the question of whether the legislation provides the lumber industry with an adequate opportunity to receive consideration for protection from imports of lumber.

As the Senator from Virginia knows, the lumber industry in the Pacific Northwest is in very critical condition. It is in critical condition because we are being hard pressed by competition from Canada. It is competition which involves subsidies, direct and indirect, by the Canadian Government to the Canadian mills. We seek only an equal opportunity to compete with the Canadian mills for the American market. We are not seeking any advantage, and we are not involving ourselves in any discussion of competition for lumber markets outside the United States. However, this industry deserves those protections and procedures which will give our lumber operators an opportunity to compete on an equal basis with the Canadian mills.

As the Senator knows, our colleagues from the South in the Senate tell us that they too are beginning to feel the pinch of this competition from abroad.

With that as my major premise, I should like to ask the Senator the following questions:

First, with the conference report before us, I know that some changes have been made, and today I seek to ascertain whether in the judgment of the chairman of the Committee on Finance the legislation now before us provides essentially the same protection as would have been provided by the Senate-passed bill.

Mr. BYRD of Virginia. I thank the Senator for his kind references to the chairman of the Committee on Finance.

My answer to the senior Senator from Oregon is that this legislation does provide adequate means for protection wherever the facts warrant such action.

As the senior Senator from Oregon knows, it is the purpose of this legislation to have the Government provide equal protection to each and every industry which believes that it is being hurt by imports. The whole purpose of the trade legislation is to prescribe the machinery which is equally available to every segment of our free enterprise system, so that it may present its case as to the effect of trade. The bill provides this machinery for use not only by management, but also by labor.

Mr. MORSE. I thank the Senator. I would like the chairman of the committee to advise me as to the effect of the elimination of section 353 in the conference.

Mr. BYRD of Virginia. Section 353 proposed to give the President unlimited and undefined power to impose tariffs and quotas in any situation where he thought the Nation's interest required. After an affirmative finding by the Tariff Commission, the President already has authority to impose quotas and tariffs, but other sections of this legislation spell out the limitations upon this authority. The other thing that section 353 appeared to do was to let the President decide what was in the national interest without setting out any standards. The whole concept of our trade program is that through an orderly procedure, facts are presented and judgments are made upon those facts. While the facts may show some measure of injury, the President is not bound by the recommendations made to him by the Tariff Commission, nor is the Congress bound by the decision made by the President. Each may look at the facts and reach a conclusion, and this conclusion involved a consideration of the national interest. Section 353 was a sword which could cut two ways: First, one problem was that there was no procedure prescribed for ascertaining the facts and, second, the other problem was that the Congress did not retain the same opportunity for review as the other sections of the bill provide.

The bill, as it came from conference, contains several substantial provisions which can be extremely beneficial to the lumber industry which the senior Senator from Oregon has been so diligent in assisting.

Mr. MORSE. Will the senior Senator from Virginia set forth for me the opportunities that this legislation contains?

Mr. BYRD of Virginia. In response to my colleague from Oregon, I would say that there are four key things to this bill:

First. We provided that any action now pending before the Tariff Commission, and this includes the lumber industry matter, would be continued.

Second. The proposed legislation would permit the Tariff Commission to recommend, and the President to act, so as to provide a tariff on lumber 50-percent higher than the tariff that was in effect in 1934.

Third. Section 252 contains authority for the President to act in situations like those which now exist in relation to Canada. As the senior Senator from Oregon knows, Canada has increased her duties on a number of items which we export to Canada. Lumber was not included in those increases; however, the increases have posed problems for other industries. This entire question involves Canada's compliance with agreements reached under GATT, and this entire subject will be reviewed in the October GATT conference. Section 252 strengthens the President's authority here.

Fourth. Also, the committee added section 352 which provides for the President to enter into orderly marketing agreements with other nations in lieu of the imposition of tariffs and quotas. This provision should be of great value in the situation facing the domestic lumber industry.

Mr. MORSE. I thank the Senator from Virginia. I proceed to my fourth question: How may the lumber industry avail itself of the opportunity in section 352?

Mr. BYRD of Virginia. The lumber industry or any other industry must establish before the Tariff Commission that it has a case. This is of prime importance because the entire concept of the trade bill is that we will move toward the elimination of trade barriers on a mutually beneficial basis. Thus, the lumber industry must present its case completely and factually to the Tariff Commission. If the facts are strong enough to obtain an affirmative finding, then the President may impose a tariff and quota, employ the alternative of the marketing agreement in section 352, utilize chapters 2 and 3 of the bill or apply a combination of these actions. It seems to me that the lumber industry should be extremely pleased with this trade bill because it does afford opportunities for a sound adjustment of any real problem that it may have.

As the senior Senator from Oregon has earlier explained to me in our discussion off the floor, the administration has taken a number of steps on the domestic front, as has the Congress, all of which have been beneficial to the domestic lumber situation.

Mr. MORSE. I thank the Senator from Virginia. My final question to the chairman is to seek his advice as to the action that Congress might contemplate, should the Tariff Commission delay too long on the request of the lumber industry for relief.

Mr. BYRD of Virginia. I am quite confident that the Senators from the West, where the lumber industry is of such large dimensions, and the Senators from the South, where this industry is also most important, may desire to address themselves to this question when the Congress reconvenes in January, should it be necessary. Certainly, we would require that the facts be before us before we acted, for, as the senior Senator from Oregon knows, it has been quite unusual for the Congress to do something which both the Tariff Commission and the President have refrained from doing. Again, I would point out to my colleague from Oregon that a successful conclusion to the request by the lumber industry for assistance and relief, actually now rests in the hands of this industry. In fact, it has always rested in their hands because the machinery of the trade law has always been open to them. What we have done this year is to open up new ways to solve difficult economic problems which sometimes occur in the field of trade.

Mr. MORSE. I thank the distinguished Senator from Virginia, the chairman of the Committee on Finance, for his judgment and cooperation. He has a long experience and great knowledge in the field of trade legislation. He is noted for his independent judgment. In my opinion, adequate facts have been developed to convince me that action is necessary.

I am most pleased by the Senator's description of what can be done under section 352 of the bill and I take judicial note of the individual and group benefits available under chapters 2 and 3 of the bill. I hope that the lumber industry will take notice of what the Senator from Virginia has said about what may be done when Congress returns in January. I serve notice that I shall review this situation and determine upon a course of action based upon the record that has been made before the Tariff Commission and the judgments which I hope both the Commission and the President may have made by then. I hope that in the light of the description of the benefits to be expected from the trade bill, which the Senator from Virginia has so capably outlined, the administration will have taken proper action on the major aspect of the situation facing the lumber industry.

Mr. President, that concludes my colloquy with the Senator from Virginia. However, I desire to speak in my own right, when I can obtain the floor, if no other Senator wishes to ask questions of the Senator from Virginia at this time.

Mr. President, I seek recognition.

The PRESIDING OFFICER. The Chair recognizes the Senator from Oregon.

Mr. MORSE. Mr. President, I ask unanimous consent to have printed at this point in the RECORD an article entitled "Reedsport Ply Plant Up; Sawmill Down," and published in the September issue of Western Timber Industry.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

REEDSPORT PLY PLANT UP; SAWMILL DOWN

REEDSPORT, OREG.—Typifying the trend of the Pacific Northwest wood converting industry was the recent announcement that the U.S. Plywood Corp. will shut down its sawmill at Reedsport indefinitely, but will build a major addition to its plywood plant there.

Loss of employment at the lumber operation will be 18, but gain in the plywood end will be 70. Total plywood payroll will jump to $1 million for 150 employees.

A layup operation will supplement the present green veneer plant.

Some 70,000 square feet of additional plant space will be needed, Marshall Leeper, Eugene, U.S. Ply vice president, reported. Production will be about 80 million square feet annually. Additional investment is estimated at $1.5 million.

L. James Bagley has been named manager of the Reedsport facilities of U.S. Ply. He had been Oregon division logging and timber manager. Clarence Stevens will manage the plywood plant.

U.S. Ply's Oregon softwood plywood production will rise to more than 700 million square feet when the plan is finished.

Mr. MORSE. Mr. President, the article points out the type of change which sometimes occurs in the complex forest products industry. U.S. Plywood will shut down a sawmill, dropping 18 jobs at Reedsport, but the plywood end of the Reedsport plant will increase by 70 employees, a net gain of 52 employees for Reedsport, Oreg.

However, a straight lumber mill cannot always make this type of shift, and in the face of Canadian lumber competition cannot survive.

U.S. Plywood is a giant concern, having good financial backing. It is the small and medium mills, which are not diversified, that are being hurt, and it is this type of operation which needs the various aids and the type of assistance which can flow from chapters 2 and 3 of the trade bill; from section 352, relating to marketing agreements; and from the tariff and quota sections.

Mr. President, before the vote on the conference report, I owe it to the people of my State and to the lumber industry of my State to make the record which I now propose to make for the next few minutes, in a speech that I shall entitle "Lumber Policy."

LUMBER POLICY

Mr. President, I have recently talked with a considerable number of representatives of the lumber industry. I would be less than honest if I did not report to the Senate there are many who are not very happy with the trade bill, because they believe they suffered a very severe blow when section 353 was dropped in conference. I have spoken with the Senator from Virginia [Mr. BYRD], and there is no question that the Senate conferees sought to retain section 353 in the conference report. I have also spoken with the Senator from Oklahoma [Mr. KERR], the Senator from Louisiana [Mr. LONG], and the Senator from Florida [Mr. SMATHERS], who were other conferees on the bill. They assured me that they desired to retain section 353 in the bill.

I would also be less than honest if I did not say, for the legislative record, that each of the Senators to whom I have referred said he was satisfied that the bill provides much to protect the lumber industry. All of these distinguished men in the field of trade emphasize again and again that if the lumber industry will make use of the provisions of the bill, if they will make a good factual case, they will find instruments or tools in this bill which can be used to assist them in solving the trade problems of the lumber industry.

These Senators also point out what has been done by the White House lumber program of July 26. They said they had no doubt that the President was determined to make certain that his recommendations of July 26, which have become known as the White House lumber program, will be carried out by a determined President.

They also pointed out to me that the changes which have already taken place in regard to the procedures and policies of the Forest Service ought to be recognized by the lumber industry as being of great value to the industry, because great progress has been made toward trying to provide some governmental relief from the economic problems of the lumber industry.

I do not deny any of the points raised by those Senators, but the proof of any pudding is in its eating. The proof as to whether the lumber industry will be able to overcome the economic crisis which confronts it will be determined by the action which it takes and which the Government will take in the weeks and months ahead to assist an industry which is so sorely hurt economically.

Oregon is dependent upon the economy of the lumber industry—as is the State of Washington. Although the Senator from Washington [Mr. MAGNUSON], with whom I have worked very closely in regard to lumber problems, is not present this afternoon, I speak in his behalf; and I can assure the Senate that the other Senators from the Pacific Northwest have expressed the same concern that I do over the crisis in the lumber industry.

Mr. President, over the last several months, I—along with other Northwestern Senators—have devoted a great deal of time to improving the situation of our domestic lumber industry. This Congress is nearing the end of its session, and the adoption of the conference report on the trade bill represents one of the last milestones in a record of considerable accomplishments.

I recognize that the lumber industry is disappointed that the conferees did not accept section 353 of the trade bill. Considered alone, the loss of this section might seem of consequence. However, I shall proceed to point out that under the provisions of present law which are contained in the trade bill and because of the new provisions written into the trade bill, plus—in total—some 18 actions which have been taken either by the administration, the Senate, the House, or both bodies, the result is a substantial opportunity for the lumber industry to achieve a better economic situation.

Because of the point I have just mentioned, Mr. President, I have decided to vote this afternoon for adoption of the conference report. As is well known, there was a time when it was my position that unless the trade bill gave the lumber industry clear assurance that it contained adequate protective mechanisms, it would be necessary for me to vote against the measure. I said that I did not intend to vote for the bill if it would result in the exportation of jobs to Canada.

Mr. President, I would not vote today for adoption of the conference report if I felt that the trade program covered by this measure would result in the exportation of jobs to Canada.

As I have said, I have been in conference with some of the lumber industry leaders, and I have discussed with them the position I would take on this measure. I have taken the position—and, so far as I know, all of those with whom I conferred shared my point of view—that because of the assurance given me by the Senator from Virginia [Mr. BYRD]—and he gave it to me just a moment ago—and because of my conviction that the program will be carried out in accordance with that assurance, I felt that I owed it to the lumber industry and to Oregon and to the Nation to support the President by voting in favor of adoption of the conference report.

I also said frankly to the representatives of the lumber industry with whom I conferred that I thought I would be in a better position to be of assistance to them in the future if I voted for the conference report, rather than if I voted against it. By voting in favor of adoption of the conference report, I pledge myself to be of assistance to the President in connection with the program to be established under the bill; and after having voted for adoption of the conference report, I shall be in a better position to help with the working out of the program to be developed in line with the President's conference on July 26.

I would be the first to admit that one of the accomplishments which we set as a goal has not been achieved. One of these is the amendment to the Jones Act; and this failed of accomplishment, not because there was any lack of diligence upon the part of Northwest Senators, but because the industry itself was split, with the Southern segment opposing the proposed legislation which we put forward.

In the light of this circumstance, the Senator from Washington (Mr. MAGNUSON) concluded that the Southern industry should have an opportunity for hearings this fall, and thus has refrained from bringing to a vote the proposed legislation to amend the Jones Act. We shall look at this matter again in January. On every other front, however, progress has been made. Therefore, I want to take this opportunity to try to place in perspective not only what has been done, but also what must still be done. In doing so, I wish to emphasize the point made by the Senator from Virginia in one colloquy that the industry itself has an obligation and a responsibility which it must meet.

We have provided a great number of tools which will enable the lumber industry to carve out within the framework of free-enterprise economy, solutions to the problems which confront it.

Mr. President, Mr. Mortimer B. Doyle, of the National Lumber Manufacturers Association, has sent to me and to other Senators a telegram reading as follows:

> Deletion of section 353 from the foreign trade bill in conference is being construed as completely negating assurances given the American lumber industry during a colloquy among Senators MORSE, MAGNUSON, and others on the floor of the Senate September 18, concerning domestic lumber industry problems of ever-increasing Canadian lumber imports.
>
> On the advice of the President of the United States and Members of Congress, lumbermen have sought relief through the Tariff Commission proceeding due to start October 2.
>
> Under the proposed law which will, presumably, be in force at the time of the Commission finding, no tariff to provide effective relief can be recommended despite the merits of the lumber industry case.
>
> The compromise trade bill as changed in conference would remove the power of the President to raise tariffs beyond 50 percent above the specific duties of July 1, 1934. Inflation has destroyed the effectiveness of those duties. The Senate received assurances, on the floor of the Senate from the chairman of the conference, that this inequity, of particular significance to the lumber industry now in disastrous economic condition, could be corrected by section 353, which the conference committee has now eliminated.
>
> The lumber industry seeks justice for 361,000 workers and urgently requests that the foreign trade bill either be returned to conference for restoration of section 353, that a compromise to offset inflation as in present law be arrived at, or that special legislation be passed to enable the Tariff Commission to deal with the lumber relief proceeding under present law.

Mr. President, if I thought he was correct, I would vote to return the trade bill to conference.

As the Senator from Virginia has confirmed, the action of the conferees in no way negates assurances given Northwest Senators as to the effect of the trade bill on the ability of the lumber industry to get a just and fair solution to real problems.

I think Mr. Doyle performed a service for the Senators from the States in the Northwest by sending us the telegram I have just read into the RECORD, because the telegram led to a discussion among the Northwest delegation. It produced the constructive colloquy between myself and the Senator from Virginia, which made the legislative history on this bill. So I express my very deep appreciation to Mr. Doyle and his associates for their cooperation with the delegations from the Northwest as we have worked out, together, the best possible solutions which can be obtained under the conference report for relief for the lumber industry.

The acceptance of Section 353 by the conference would not have automatically directed the President to grant relief to the lumber industry from Canadian lumber without a finding of fact as to the national interest. Without facts, no President is going to determine the course where the national interest leads; and under Section 353, it is certain that the President would have elected to get the facts from the Tariff Commission—perhaps on an abbreviated basis. The loss of Section 353 is not a critical loss, although I would prefer that it had not been eliminated from the bill.

The President did not want this section in the bill; and, under this circumstance, it is unlikely that he would have used it. The President still would have had discretion under the Act and the Senator from Virginia has already discussed the practical situation the conferrees faced.

For the information of Mr. Doyle and his associates in the lumber industry. I wish to say that I found this bit of information after I last talked with them. I checked with advisers to the administration and I found that opposition to section 353 existed within the administration, particularly within the Department of Commerce. I know that my constituents within the lumber industry are realists. They appreciate the fact that if those to whom we look to for assistance and cooperation in connection with solution of the problems of the lumber industry should be opposed to some particularly discretionary procedure, Senators from the Pacific Northwest States and the Members of the House of Representatives from the Pacific Northwest States would not be in a very strong bargaining position, in asking the administration to assist us with other problems, if we, in turn, opposed the President in a decision which it had reached in regard to section 353, once section 353 was eliminated from the bill.

The lumber industry is now in the midst of its hearings before the Tariff Commission. Even had section 353 been retained commonsense dictates that the President would have let the lumber hearings run their course and the Tariff Commission make a recommendation. Prudence and wisdom would have called for this course, especially if the first application of the policy contemplated by section 353 involved an industry presently before the Tariff Commission.

In addition to the question of speed, there is the even more impelling aspect of the President's determination of what measures fall within the definition of national interest, as contemplated in section 353. As the Senator from Virginia so well pointed out, the vagueness of the term and the lack of a standard caused the President to object to this section. In my judgment, however, the national interest now calls for action on Canadian lumber, but I can see where reasonable men might differ on both the type and approach. I am confident that the President would willingly apply section 352 and develop an orderly marketing agreement with Canada on lumber. I am equally confident that if the industry makes a good case which leads to an affirmative recommendation by the Tariff Commission, the President will present Canada with a choice—tariffs and quotas or cooperation on a marketing agreement on lumber.

All that section 353 would have brought to the industry at this point would be the opportunity for the President to place a higher tariff on Canadian lumber than is possible under existing law.

Later, I shall develop the positive steps available in this bill which can be taken by the lumber industry.

The National Lumber Manufacturers Association contends that "no tariff to provide effective relief can be recommended despite the merits of the lumber industry case." I do not think the picture is this black—nor does the chairman of the Committee on Finance. In our colloquy on September 18, we developed the facts on the maximum tariff that could be imposed on Canadian lumber. The NLMA contends the bill would eliminate the power of the President to raise tariffs beyond 50 percent above the specific duties of July 1, 1934. The duties on lumber were $4 per thousand board feet on that date and these could be raised today to $6. This power is not removed or changed. Lumber is subject to duty.

I am presenting the material in this form, setting forth the contentions of the National Lumber Manufacturers Association and the response to them, because I think that is the best service I can render to the lumber interests. We have taken the points raised by the National Lumber Manufacturers Association in regard to section 353, as well as other parts of the bill, and we have obtained from the administration the basis for its objections to the arguments of the National Lumber Manufacturers Association and other lumbermen in support of section 353. I am setting those arguments out now because we must face the fact that the position of the administration is a reality. It is now an after-the-fact matter. We must move on from here, for if we just look back we will not attain our goal. I want the RECORD to show that I have placed the administration's position in the RECORD in answer to each of our objections to the elimination of section 353.

So that there may be no question of doubt, let me make very clear that I think it would have been much better to leave section 353 in the bill, but as a Senator representing my State, whose duty it is to do everything he can for the legitimate economic rights of the lumber industry in his State, I am confronted with the fact that we must move from here. Where do we go from here? I think the first thing is to make clear what the administration's objections to section 353 were and are, and to make some suggestions, before I close, about the relief I believe can be given to the industry.

The Internal Revenue Service has held that lumber was on the free list in 1930, and the import tax is a duty. Lumber thus is dutiable. The Tariff Classification Act changes import taxes to duties.

The contention of the lumber industry that effective relief will be denied is erroneous. Certainly, section 353 would have taken away the tariff level ceiling, but I am confident that, given the choice between a $6 tariff on every thousand board feet imported and a marketing agreement under section 352, Canadian lumbermen would be found eager to agree to the type of solution suggested by our lumbermen last spring, in the conference with the Secretary of Commerce, Mr. Luther Hodges.

Now, let us take a look at the relief sought then by the lumber industry. They suggested that an amount of Canadian lumber equal to 10 percent of domestic production be permitted to enter duty free and thereafter a 10-percent tariff be applied. If this had been in effect last year, when domestic softwood production was about 27 billion board feet, 2.7 billion board feet would have come in duty free from Canada, and 1.2 billion board feet would have carried a 10-percent duty, or an effective duty on the entire imported volume of about 3 percent.

Last year the value of lumber imported was about $250 million, and a $6 tariff on the 3.9 billion feet imported would have totaled $23,500,000, or an effective duty rate of about 9 percent. This rate would have been almost three times greater than the effective tariff under the lumber industry's proposal. It is true that, adjusted to the change in values that has occurred since 1938, a $6 tariff today is not comparable to the $4 tariff that then existed. However, this $6 tariff is greater than the industry proposal of last spring. Not only is this true, but both the present and proposed law contain the authority for the President to place a complete quota on Canadian lumber.

I think it clear that the lumber industry proposal, and the relief they seek before the Tariff Commission, is based upon a reasonable effort to reconcile their problems with Canada. They seek to equalize competition not to destroy it—nor to disrupt Canada.

The problem that the lumber industry must meet and solve, whether section 353 is in or out of the trade bill, remains the same. They must marshal their facts to show injury. This is the crux of the situation, and this is why it is imperative that a full case be made before the Tariff Commission.

What we have done for this industry in the trade bill so far is considerable and constructive.

First. The criteria to be taken into account by the Tariff Commission have been preserved.

Second. Duty levels of $6 per thousand feet are available for the President to apply should the facts warrant, and these are three times greater than the industry itself has requested. The President may place a complete quota on imported lumber, also, should the facts before the Commission so warrant.

Third. Section 252 gives the President authority to deal directly with the type of situation we have with Canada should he find that their import restrictions impair the value of tariff commitments made to the United States, unjustly oppress the commerce of the United States, or prevent the expansion of trade on a mutually advantageous basis. Here the problem will also be squarely before GATT in October, because Canada's actions on its import duties have wide international trade ramifications.

Fourth. Section 352 provides for the development of orderly marketing agreements, including the most valuable tool for offering Canada a choice between a tariff and quota restriction on her lumber, and a cooperative agreement to limit exports along lines earlier suggested by the NLMA itself. Here I refer to their proposal for a tariff of 10 percent to be effective after imports reach 10 percent of domestic production.

In using this section, the procedures of either section 301 or 351 must be applied. However, the industry is now before the Commission on this basis. Thus under section 352, a new avenue is open and possible under this bill.

Finally, chapters 2 and 3 of the bill set forth machinery for industrywide assistance to labor and management as well as for individual petitions by concerns or workers. On this latter point I take particular notice of the fact that even should the Tariff Commission not make an affirmative recommendation on the overall lumber case, individual firms can petition for relief.

I urge each association to alert its members to the provisions of this section. This will be useful in an overall finding of injury or in its absence. I pledge to every firm in Oregon my assistance in getting just relief for their individual situation.

These five positive accomplishments in the trade bill offer a real opportunity for constructive solutions to a difficult situation.

I am concerned that industry spokesmen have believed that the trade bill threatened their opportunity to obtain relief. The record does not bear this out. The trade bill has protected and broadened the lumber industry's ability to obtain relief.

Therefore I am doing the best I can to make an evaluation of every provision of the bill. I think we can make use of it in seeking to protect the economic rights of the lumber industry, and we must be prepared to use every avenue for relief.

Instead of claiming at each step of this bill that mortal wounds have been inflicted, I have an obligation to follow where the facts lead. If I did not carefully follow this course I would not be properly serving the thousands of lumber workers, thousands of stockholders in lumber firms, and thousands of small businesses in the lumber-dependent communities of my State. I know the industry's situation is severe and I know that facts are with us. I do not intend to have this industry denied consideration nor unduly delayed in its quest for relief. I want to make certain that all in the industry have the facts so that they can act.

Difficult economic situations are not solved in an emotional atmosphere. I think we have to look coolly at what has been done and what still can be done.

In addition to the trade bill, which gives a real opportunity for the industry to get its house in order, the Kennedy administration has embarked on a most constructive course which has already and will substantially benefit this industry.

On July 26, the President set into full motion the program well underway since his 1961 message to the Congress on conservation.

These steps include:

First. Constructive talks with Canada during September, which pave the way toward the type of solution which will be possible under section 352—a marketing agreement on lumber.

A good case of facts by the industry before the Tariff Commission is essential to obtain Presidential application of this provision, just as it is essential to getting the more drastic tariff and quota established.

Second. Forest road and trail authorizations for the 3 years, 1963–65, will total $215 million. Taken together with special forest access funds, 10-percent funds plus funds available to the Department of Interior, which for forest roads are some $25 million, the total is over $270 million. This is double the amount of the previous 3 years.

The Canadian lumber industry must bear the entire burden for forest road construction. Here our Federal Government correctly meets an obligation.

The cost of the road is recaptured from the timber sold and the working capital needs of many timber operators are reduced below those required in a comparable Canadian timber sale.

Third. Where timber purchasers must construct access roads, the SBA has developed, in cooperation with the Forest Service and the Bureau of Land Management, a program of loans which will help finance this construction in a manner which will reduce working capital needs.

Fourth. Allowable timber harvests on the forests of the Department of the Interior have been substantially increased. In the national forests, increases have been made in the past, and new increases are scheduled for October 15, 1962.

Fifth. Domestic lumber has been given a preference when purchased by the Government.

Sixth. The FHA has reviewed the characteristics of Canadian lumber and determined that in at least one case there is a question of whether it meets strength requirements which enable it to properly compete with other U.S. lumber of similar dimensions.

Mr. President, in my colloquy with the Senator from Virginia a few moments ago he pointed out that, come January, we shall be in a position to offer whatever legislative proposals may be necessary to give to the lumber industry the protection the facts show it needs, and in case the administration has not acted in the meantime.

I have heretofore said, but I reiterate today, that if we cannot get the protection for our lumber industry that it justly deserves, next January I shall introduce a series of bills aimed at protecting the lumber industry. One of them will deal with the matter of the FHA financed homes. While the trade experts say that a proposal that FHA loans require the use of American lumber for FHA financed housing would place us in violation of our trade agreements, I am confident that we could work out a legislative solution.

I hope that we shall not have to come to that kind of legislation, although I shall not hesitate to introduce it.

If the Canadian Government is not cooperative in arriving at a voluntary marketing agreement with us, I shall not hesitate to introduce such proposed legislation.

That is only one of the pieces of legislation seeking to protect the lumber industry which I shall introduce come January.

Another one of the bills I shall give consideration to introducing come January, if it becomes necessary, is a bill which would involve the imposition of lumber grade, strength, and marking standards on imported lumber, so as to give to American consumers an absolute assurance that the standards for imported lumber are equal to the standards for American-produced lumber. I also believe that we should consider requiring that Canada's producers show proportionately in the wood promotion program. Actually if this could be done and a marketing agreement reached, I think both the U.S. and Canada's producers, wholesalers, retailers, and the wood users would benefit.

Seventh. SBA and the Area Redevelopment Administration have underway an intensified program of loans to help small businesses upgrade their production and thus better compete with imported lumber products.

Eighth. On September 14 in Portland, Oreg., Secretary Freeman announced several substantial revisions in policy. These include elevation of the Forest Resource Advisory Committee to a broadly representative secretarial board, as well as a review of timber contracts and appeals procedure. I am particularly pleased with this step because it is the exact recommendation I made to the President on July 26.

Ninth. The Forest Service appraised timber prices have been reduced 30 percent over the last 3 years, following market trends. New procedures for appraisal have been placed in effect to more fairly write off road costs and properly price low-value species.

Tenth. The Forest Service timber sales in the three major western regions reached record levels in fiscal year 1962. Region 6, covering Oregon and Washington, sold 4.8 billion board feet. Region 1, covering Idaho and Montana, sold almost 1.5 billion board feet. Region 5, covering California, sold over 1.6 million board feet.

Eleventh. The Bureau of Land Management has liberalized its schedule of timber sale payments and made other changes which eliminate onerous requirements which previously were placed on timber contractors to perform such functions as line surveys.

Twelfth. The Treasury Department revised depreciation schedules this summer for the first time in years. Tax savings to the forest industries here will total over $25 million a year and American firms have been placed item by item in as good or on a better position than Canadian producers.

Thirteenth. The new tax bill's investment credit provision will be of benefit to the lumber industry in its efforts to modernize its equipment and machinery.

Fourteenth. The trade bill itself, with its five important provisions beneficial to the lumber industry will provide answers for trade expansion as well as proper protection.

Fifteenth. The public works acceleration bill provides an opportunity to advance forestry and conservation work on the national forests and national land reserve including road construction, reforestation, and other programs vital to timber use and protection.

Sixteenth. The Department of Commerce has developed assistance programs for the lumber industry to aid it in sending trade missions abroad.

Seventeenth. S. 3517, already passed by the Senate, would allow 50 percent of lumber and forest products duty collections to be made available for product marketing and research.

Eighteenth. H.R. 12688, now before the President, will expand forest research at State colleges and universities including research in forest management protection and utilization.

This is a most substantial and encouraging 18-point record.

My judgment on the attitude which we must all take is very well expressed by an editorial in the September 1962, issue of Western Timber Industry entitled "Fulminating Futile." I ask unanimous consent that it be printed at this point in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

[From Western Timber Industry, September 1962]

FULMINATING FUTILE

We can only regard as hopelessly irresponsible the comments to the effect that the U.S. lumber industry may be "forced to engage in a general anti-Canada campaign" which were attributed to Henry Bahr, a vice president of the National Lumber Manufacturers Association.

He was quoted as storming that "For years we have tried to maintain peaceful relations with the Canadian lumber industry, but if we get no cooperation here we may be forced to use every political pressure possible to defeat U.S. policies that may be favorable to Canada."

He further fulminated, "If the Canadian lumbermen want a cooling-off period to give them more time to increase their exports to the United States, then of course we won't agree."

Frankly, we feel that this kind of temper tantrum has no place on the lips of a high official of a responsible national industry association. There has been too much blowing of battle trumpets and neighing of war horses already—and from both sides of the border.

There is a serious problem. The increase in imports from British Columbia is wrenching the Pacific Northwest lumber industry painfully. But those who quit using reason and resort to diatribes to find solutions abdicate the title of "reasonable men." United States and Canadian citizens have too much common heritage and common future to fall out like feudal barons.

Mr. MORSE. Mr. President, I say most sincerely and frankly, that I always give most careful consideration to the views expressed by competent people in my State. If we set our sights correctly and chart our course with wisdom we can make real progress.

We have moved forward. We shall move forward even more. The rate of progress and the type of progress will depend upon constructive suggestions, capably developed, carefully weighed, well documented and fairly presented. We must follow this cause, but we must not shrink from frank and full expression for individual views.

I do not want the Federal Government to become so heavily injected into the affairs of any private enterprise that for all practical purposes it will "run" the business.

The responsibility of the Federal Government is to create an economic climate which will assure the growth of free enterprise. That is what I meant when I referred to the basic tenet which the Senator from Virginia and the senior Senator from Oregon share; namely, that only to the extent we strengthen economic and individual freedom in this country shall we give assurance of the perpetuation of political freedom. I think we must apply this principle or tenet to individual issues as they arise. The tenet is before us in connection with the lumber industry.

I shall support the Government going as far as is necessary to protect the lumber industry against unfair competition from Canadian or other foreign imports. I shall also stand on guard against any attempt on the part of the Federal Government to so intervene in the operation of the lumber industry as to jeopardize the exercise of the free enterprise system within the industry.

The Kennedy administration has tried to create a climate which will assure the growth of free enterprise. The Kennedy administration has done this. Every step it has taken for the lumber industry has been designed to aid, and in fact has aided, this industry.

No administration should "spoon feed" an industry. I therefore urge the spokesmen for lumber to recognize what has been accomplished. Even more, I urge that they fulfill their obligation to establish the facts which complete the finding of a sound solution to the lumber import problem they so well have brought to the attention of the Congress and the administration.

This has been the position of the senior Senator from Oregon from the very beginning of our hearings on the economic crisis within the lumber industry.

Several weeks ago, in the public hearings in Portland, Oreg., the senior Senator from Oregon urged the lumber industry to proceed with full speed to lay its case before the Tariff Commission.

I knew them, and made clear to their representatives, that the administration was bound to be greatly influenced, and, under the law, should be greatly influenced by the facts that the industry presented, within the procedure under the trade laws, before the Tariff Commission as to the economic plight of the industry.

As we move on, critical situations will require patience and a willingness to be tolerant. I close by saying this. When the Congress convenes in January, I shall be prepared to take this matter up again should the facts warrant it. I think the record shows that I have told the industry that it must take certain steps so that we in the Congress can go on in their behalf. This the industry is doing. I regret the industry delayed in making its case before the Tariff Commission. I wish this was complete because I am confident that based on the facts as I see them at this juncture, we would, today, have an overwhelming vote in the Senate for firm action. In fact, I am convinced the President would be awaiting only the signing of this bill to take the 19th step—imposing a tariff and quota, the 20th step—a marketing agreement, or the 21st step—assistance to mills and their employees.

I do not intend to look back. In January, if events have not properly restored our lumber industry, if the facts require it, I fully intend to offer additional legislative remedies strong enough to assure this restoration.

The lumber industry faces heavy competition from other products as well as from lumber from abroad. My goal is to make certain that this industry has the economic incentive and the vigor to deliver its benefits to our economy.

I think that this can be done and it will be done. There is no doubt in my mind that lumber is a basic commodity which simply cannot be beaten in the service it delivers to our economy.

In closing, I am privileged to say in behalf of the Senator from Washington [Mr. MAGNUSON] that he has given assurance to the lumber industry, and that he will stand shoulder to shoulder with me and, of course, I will continue to stand shoulder to shoulder with him. With our colleagues in the delegations from Washington and Oregon we will do what we can to see to it that the legitimate economic rights of the lumber industry are protected by whatever other governmental course of action is necessary in order to protect those rights.

Mr. President, I ask unanimous consent that pertinent portions of the testimony before the Tariff Commission by Mr. Robert Dwyer be printed in the RECORD at the conclusion of my remarks.

There being no objection the statement was ordered printed in the RECORD, as follows:

TESTIMONY OF ROBERT DWYER, COCHAIRMAN OF THE LUMBERMEN'S ECONOMIC SURVIVAL COMMITTEE BEFORE U.S. TARIFF COMMISSION ON CANADIAN LUMBER, OCTOBER 2, 1962

My name is Robert Dwyer. I am appearing today as a spokesman for the Lumbermen's Economic Survival Committee in petition for a temporary quota on the import of Canadian lumber products into this country.

I am here to plead for your action to save a capitalistic investment, to maintain something of a free enterprise system that has been attacked and partially massacred in the marketplace by a foreign operator able to produce lumber and sell that lumber in our marketplace at prices that cannot be equaled by an American producer.

In addition to an industry, a capital investment in plant and equipment and resources, I am asking this Commission to act to save the payrolls of the 200,000 sawmill workers in this country; 66,900 of those workers are in our Pacific Northwest States of Oregon, Washington, and Idaho. For without your action I am convinced a good deal of that capitalistic investment and a good number of those payrolls will vanish from the American industrial scene.

The lumber industry does not need my apologies, or a spokesman for its policies and attitudes. It has been and it is today a ruggedly, self-supporting industry that has not come to the Government in the past and isn't coming to the Government now for subsidies, handouts of any form, or special privileges. The men with whom I associate and whom I represent today have banded together under one creed and one objective—an opportunity to compete with the world on an even footing. We seek only equal competition for ourselves as well as our foreign competitors.

We have boasted, and I will again today, that given an even break, or even a tolerable handicap, our American lumber industry can compete and with profit in any market of the world, especially our own domestic market.

But what has happened? Today we are unable to compete in many markets of the world and more and more each day we are unable to compete in our own domestic market. I won't weight this testimony with figures to demonstrate how Canadian imports through the past few years have moved into and taken over some 70 percent or more of our eastern markets. I will point only briefly to the tremendous timber reserves of Canada and warn you gentlemen, as solemnly as I know how, that, without a move toward equalization, they will capture more than a mere 70 percent of our eastern market. There are men in the Canadian lumber industry even today who are projecting and spending to capture not a mere 4 or 5 billion feet of the American lumber market, but a 7- to 15-billion-foot slice of that market. And this is in the face of the fact that the American lumber market has not grown perceptibly in the past decade and isn't likely to grow in the next. It means, gentlemen, that, without the breathing spell we must have to get our domestic policies in order to create a climate of equal competition, the Canadian exporters will take over as much as half of the entire American lumber market within the next decade.

But the lumber industry's problems don't need tricky mathematics to demonstrate that they are severe and they have an industry in distress and near economic ruin.

And may I remind you or anyone else interested in the economic welfare of this country that these are not defense industry jobs—these are not pump-priming jobs created by Government spending of tax money—these are not the welfare jobs nor the bureaucratic jobs that require Government spending to exist. These jobs are the fiber—the lifeblood—of America's economy. Gentlemen, the lumber industry's loss in payrolls is a loss of a source of the profit and money that is part of the basic, backbone strength of this country's economy—the strength whereby we meet our domestic and foreign obligations. These are the taxpaying jobs of industries that contribute in an ever-expanding area from trucks and gasoline and equipment taxes to the basic payroll taxes that have built the house you and I live in today—the strength and shape and power of America.

The American people have a vital stake in the welfare of our industry beyond the direct tax dollar contribution. The American people own most of the timber in this country and it is this industry that must manufacture and market that timber before a tree, worthless deep in the forest, is worth a dime. And it is this industry, made up of many competing companies rather than a few giants able to survive economic depression of foreign competition, that must be strong to compete and bid for that timber if it is not to fall into a state where lumber is manufactured like steel with six or seven operators producing 90 percent or more of the production.

The inroads of this outside competition which we seek to have brought into equal competition with our own industry has already crippled the industry in areas like Portland, Oreg., where the Dwyer Lumber & Plywood Co. operates. Once our city had 18 huge, thriving mills with an 8-hour shift capacity of 2,245,000 feet. Now we have but four mills with a capacity of a mere 580,000 feet.

Let no one tell you this is a natural evolution, that lumber is a dying industry and that automation or any other technical development is taking away the jobs we have lost. I have listened to that rubbish right from within our own industry from men in a position to profit by a tightening of the production, in a position to profit from vast private timber reserves, from men with shipping interests or with Canadian operations of their own, from some operating as middle men who have created all of these false images to confuse and sometimes divide the industry in its fight for its economic life. This is balderdash and you and I know it. The story of the Canadian production base expansion, the story that is shown in the statements of Canadian lumber giants like MacMillan Bloedel of British Columbia, a story they spell out in their annual report to stockholders, is evidence enough that the profit and the jobs are still there in the lumber industry. But the lumber industry today is in Canada.

We are being nudged out of our market and out of our traditional business, and without this breather we are seeking from the Tariff Commission, without the time to regroup and reorganize our domestic affairs so that we can create a climate of equal competition with the Canadians, there will be a great many more of us in this industry who will go out of business.

We must pay our workers roughly 30 cents more an hour, including fringe benefits, than the Canadians pay their workers. We must pay our Government more than twice the stumpage costs of the Canadian Government. We must operate with a full-value American dollar in paying out bills, while the Canadian Government in nursemaiding its industry has created a 92-cent dollar with which their industry can operate and pay its bills.

This country was founded and its economic strength was created on the belief that a man could work, that a man with brains and ideas and initiative could create something for himself, that our people had the rights of enterprise, yet we have seen much of that eroded in the past decade or more.

We have a country that holds these things up to the rest of the world. We boast that this is a place where a man willing to work has the right and the opportunity to work.

But in exporting our markets and exporting our industrial base, we have deprived some of those Americans of the right to work just as surely as if we had legislated against them. We have given their jobs away and in doing so have deprived them of their jobs.

We will continue to deprive them of even more if we do not get this petition we seek today to protect what is left of our industry.

America is not yet a socialistic state. It is a country where there is yet great strength in our willingness to compete with the world. But a devalued Canadian dollar, Canadian timber prices aimed at the sole objective of undercutting American timber prices, the creation by the United States of a merchant fleet and the maintenance of that fleet for the protection of the entire North American Continent, not the United States alone—these compounded are too big a burden to put upon the back of your lumber industry and expect it to survive.

Frankly, gentlemen, we have worked into the nights as hard as we know how to stave off this threat to an American industry. Secretary of Agriculture Orville Freeman has promised relief from the U.S. Forest Service policies that were not geared to this competitive struggle. We now have promise of a change of policy and attitude that would create the more equitable timber costs we need to compete.

Senators MAGNUSON, MORSE, NEUBERGER, and our other Northwest delegates have seen the problem and, working with the industry, they have put a wedge into our archaic domestic shipping laws in an attempt to open the door to Puerto Rico to American producers again for the first time in years. Thanks, too, to these Northwestern statesmen, there is at least token recognition by the Canadians that all has not been fair in their monetary manipulations to capture the American market.

Give this industry the time it needs to bring these factors into balance, grant this quota so that we can find the time to survive, and I promise you the American lumber industry will again stand on its own feet and contribute some of the strength this country must have to lead the world.

Deny this petition, gentlemen, and I warn you, the entire lumber industry will be denied.

I have measured the men who have fought to keep this industry alive; men who brought about this hearing today. I have watched them face up to those in their own industry who have selfish interests such as Canadian investments or vast timber holdings or shipping interests as they shrugged off our pleas for equal competition. I have watched them push for equality for all of the industry in the face of almost insurmountable opposition from sources where they should have found support. I have watched them wade into this mass of Government technicalities and legal obstacles. It was no simple matter for them to get this far.

This is their day in court. This is the moment where they seek and expect to find the protection they are entitled to—the protection they must have if they are to keep alive what they have created in industry and jobs. Deny them now and you will destroy something of this country and much of this industry.

I ask you, give us the breathing spell we need.

Give us the opportunity to compete equally in our own market.

The **PRESIDING OFFICER.** The question is on agreeing to the conference report.

The conference report was agreed to.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed, without amendment, the bill (S. 3679) authorizing an appropriation to enable the United States to extend an invitation to the Food and Agricultural Organization of the United Nations to hold a World Food Congress in the United States in 1963.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1552) to amend and supplement the laws with respect to the manufacture and distribution of drugs, and for other purposes.

The message further announced that the House had agreed to the amendments of the Senate to the bill (H.R. 8140) to strengthen the criminal laws relating to bribery, graft, and conflicts of interest, and for other purposes.

The message also announced that the House had agreed to the amendment of the Senate to each of the following bills of the House:

H.R. 10708. An act to amend section 203 of the Rural Electrification Act of 1936, as amended, with respect to communication service for the transmission of voice, sounds, signals, pictures, writing, or signs of all kinds through the use of electricity; and

H.R. 12513. An act to provide for public notice of settlements in patent interferences, and for other purposes.

The message further announced that the House receded from its disagreement to the amendments of the Senate numbered 1 and 6 to the bill (H.R. 12648) making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1963, and for other purposes, and concurred therein; that the House receded from its disagreement of the Senate numbered 2 to the bill, and concurred therein with an amendment, in which it requested the concurrence of the Senate, and that the House further insisted upon its disagreement to the amendments of the Senate numbered 19, 44, 47, 48, 49, 50, 51, 52, 53, and 54 to the bill.

INCOME TAX TREATMENT OF TERMINAL RAILROAD CORPORATIONS AND THEIR SHAREHOLDERS

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 2237, H.R. 12599.

The **PRESIDING OFFICER.** The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 12599) relating to the income tax treatment of terminal railroad corporations and their shareholders.

The **PRESIDING OFFICER.** The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Finance with amendments, on page 4, line 6, after the word "member", to insert "other than as a common parent corporation,"; in line 21, after "(D)", to strike out "all of the shareholders of which compute their taxable income on the basis of the same taxable year as the terminal railroad corporation." and insert "each shareholder of which computes its taxable income on the basis of a taxable year beginning or ending on the same day that the taxable year of the terminal railroad corporation begins or ends."; on page 6, after line 4, to insert:

"(e) APPLICATION TO TAXABLE YEARS ENDING BEFORE THE DATE OF ENACTMENT.—In the case of any taxable year ending before the date of the enactment of this section—

"(1) this section shall apply only to the extent that the taxpayer computed on its return, filed at or prior to the time (including extensions thereof) that the return for such taxable year was required to be filed, its taxable income in the manner described in subsection (a) in the case of a terminal railroad corporation, or in the manner described in subsection (b) in the case of a shareholder of a terminal railroad corporation; and

"(2) this section shall apply to a taxable year for which the assessment of any deficiency, or for which refund or credit of any overpayment, whichever is applicable, was prevented, on the date of the enactment of this section, by the operation of any law or rule of law (other than section 3760 of the Internal Revenue Code of 1939 or section 7121 of this title, relating to closing agreements, and section 3761 of the Internal Revenue Code of 1939 or section 7122 of this title, relating to compromises), only—

"(A) to the extent any overpayment of income tax would result from the recomputation of the taxable income of a terminal railroad corporation in the manner described in subsection (a),

"(B) if claim for credit or refund of such overpayment, based upon such recomputation, is filed prior to one year after the date of the enactment of this section,

"(C) to the extent that paragraph (1) applies, and

"(D) if each shareholder of such terminal railroad corporation consents in writing to the assessment, within such period as may be agreed upon with the Secretary or his delegate, of any deficiency for any year to the extent attributable to the recomputation of its taxable income in the manner described in subsection (b) correlative to its allocable share of the adjustment of taxable income made by the terminal railroad corporation in its recomputation under subparagraph (A).

On page 8, at the beginning of line 1, to strike out "(e)" and insert "(f)"; after line 15, to insert a new section, as follows:

SEC. 3. (a)(1) Chapter 77 of the Internal Revenue Code of 1954 (relating to miscellaneous provisions) is amended by adding at the end thereof the following new sections:

"SEC. 7515. SPECIAL STATISTICAL STUDIES AND COMPILATIONS AND OTHER SERVICES ON REQUEST.

"The Secretary or his delegate is authorized within his discretion, upon written request, to make special statistical studies and compilations involving data from any returns, declarations, statements, or other documents required by this title or by regulations or from any records established or maintained in connection with the administration and enforcement of this title, to engage in any such special study or compilation jointly with the party or parties requesting it, and to furnish transcripts of any such special study or compilation, upon the payment, by the party or parties making the request, of the cost of the work or services performed for such party or parties.

"SEC. 7516. SUPPLYING TRAINING AND TRAINING AIDS ON REQUEST.

"The Secretary or his delegate is authorized within his discretion, upon written request, to admit employees and officials of any State, the Commonwealth of Puerto Rico, any possession of the United States, any political subdivision or instrumentality of any of the foregoing, the District of Columbia, or any foreign government to training courses conducted by the Internal Revenue Service, and to supply them with texts and other training aids. The Secretary or his delegate may require payment from the party or parties making the request of a reasonable fee not to exceed the cost of the training and training aids supplied pursuant to such request."

(2) The table of sections for chapter 77 is amended by adding at the end thereof the following new items:

"Sec. 7515. Special statistical studies and compilations and other services on request.

"Sec. 7516. Supplying training and training aids on request."

(b) Section 7809 of the Internal Revenue Code of 1954 (relating to deposit of collections) is amended—

(1) by striking out "subsection (b)," in subsection (a) and inserting in lieu thereof "subsections (b) and (c) and in", and

(2) by adding at the end thereof the following new subsection:

"(c) DEPOSIT OF CERTAIN RECEIPTS.—Moneys received in payment for—

"(1) work or services performed pursuant to section 7515 (relating to special statistical studies and compilations and other services on request);

"(2) work or services performed (including materials supplied) pursuant to section 7516 (relating to the supplying of training and training aids on request); and

"(3) other work or services performed for a State or a department or agency of the Federal Government (subject to all provisions of law and regulations governing disclosure of information) in supplying copies of, or data from, returns, statements, or other documents filed under authority of this title or records maintained in connection with the administration and enforcement of this title, shall be deposited in a separate account which may be used to reimburse appropriations which bore all or part of the costs of such work or services, or to refund excess sums when necessary."

On page 11, after line 8, to insert a new section, as follows:

SEC. 4. Section 6512(b)(2) of the Internal Revenue Code of 1954 (relating to limit on amount of credit or refund of overpayment determined by the Tax Court) is amended by striking out "or" at the end of subparagraph (A); by striking out the period at the end of subparagraph (B) and inserting in lieu thereof ", or"; and by adding after subparagraph (B) the following new subparagraph:

"(C) within the period which would be applicable under section 6511(b)(2), (c), or (d), in respect of any claim for refund filed within the applicable period specified in section 6511 and before the date of the mailing of the notice of deficiency—

"(i) which had not been disallowed before that date,

"(ii) which had been disallowed before that date and in respect of which a timely suit for refund could have been commenced as of that date, or

"(iii) in respect of which a suit for refund had been commenced before that date and within the period specified in section 6532."

And, on page 12, after line 5, to insert a new section, as follows:

SEC. 5. (a) Section 7701(a) of the Internal Revenue Code of 1954 is amended by adding after paragraph (31) the following new paragraph:

"(32) COOPERATIVE BANK.—The term 'cooperative bank' means an institution without capital stock organized and operated for mutual purposes and without profit, which—

"(A) either—

"(i) is an insured institution within the meaning of section 401(a) of the National Housing Act (12 U.S.C., sec. 1724(a)), or

"(ii) is subject by law to supervision and examination by State or Federal authority having supervision over such institutions, and

"(B) meets the requirements of subparagraphs (B), (C), (D), (E), and (F) of paragraph (19) of this subsection (relating to definition of domestic building and loan association) determined with the application of the second, third, and fourth sentences of paragraph (19).

In determining whether an institution meets the requirements referred to in subparagraph (B) of this paragraph, any reference to an association or to a domestic building and loan association contained in paragraph (19) shall be deemed to be a reference to such institution. In the case of an institution which, for the taxable year, is a cooperative bank within the meaning of the first sentence of this paragraph by reason of the application of the second and third sentences of paragraph (19) of this subsection, the deduction otherwise allowable under section 166(c) for a reasonable addition to the reserve for bad debts shall, under regulations prescribed by the Secretary or his delegate, be reduced in a manner consistent with the reductions provided by the table contained in section 593(b)(5)."

(b) The amendment made by subsection (a) of this section shall apply with respect to taxable years beginning after the date of the enactment of the Revenue Act of 1962.

The title was amended, so as to read: "An Act relating to the income tax treatment of terminal railroad corporations and their shareholders, and for other purposes."

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 2273), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

I. SUMMARY OF BILL

Your committee has added three provisions to the House bill, H.R. 12599, as well as making relatively minor modifications in the House-passed provisions.

The bill as passed by the House deals with the income tax treatment of a terminal railroad corporation and its railroad shareholders. Under certain court decisions a corporation is taxed on its profits even if it uses these profits to supply services to a shareholder at less than cost. Also, the shareholder is treated as if it had paid at least cost for any services rendered to it and received the profits attributable to the undercharge in the form of a dividend. The bill creates a special exception to these two rules in the case of terminal railroad corporations and their railroad shareholders. Where such a terminal railroad corporation offsets a charge for services performed for a railroad shareholder, by crediting railroad terminal income against this charge, the terminal railroad corporation is not to be treated as having received the portion of the charge so offset, nor is this portion to be rendered taxable to the terminal railroad corporation through the disallowance of deductions. The railroad shareholder is not to be taxed on the portion of the charge satisfied with the related terminal income nor is it to receive a deduction as having paid such portion.

The three new provisions added by your committee to this bill are as follows:

(1) The text of H.R. 12030 (which was reported out unanimously by the Committee on Ways and Means) has been added to the bill. This authorizes the Treasury Department to make special statistical studies, etc., to engage in these studies, etc., jointly with parties requesting them, and to furnish the results of the studies to the parties requesting them upon payment of the cost involved. This provision also authorizes the Treasury Department to admit employees of States, local governments, the Commonwealth of Puerto Rico, U.S. possessions, District of Columbia, and any foreign government to training courses conducted by the Internal Revenue Service and to supply them with texts and other training aids. In this case the Treasury is authorized to require the payment of a reasonable fee not to exceed the cost of the training and training aids. The provision further provides that the payments received from these statistical studies and training courses, etc., as well as other work performed for a State or Federal Government agency are to be used to reimburse the appropriations which bore the cost of this work or services.

(2) A provision has been added amending present law to expressly allow a credit or refund of any tax payment where the Tax Court determines that a claim for refund was filed before the date of the mailing of the notice of deficiency involved and could not have been filed at the time of the mailing of the notice of deficiency. (When a petition is filed in the Tax Court as to any particular taxable year the Tax Court acquires jurisdiction of all issues as to that year, including pending refund claims and pending suits for refund.)

(3) A provision has been added defining cooperative banks in the same manner as domestic savings and loan associations and subjecting them to the same investment requirements, for purposes of determining whether they are to be eligible for the special bad-debt reserve deductions applicable to such organizations. In general this bad-debt reserve deduction under the revenue bill of 1962 is to be equal to the greater of 60 percent of taxable income, or an amount necessary to bring reserves up to 3 percent of loans.

II. INCOME TAX TREATMENT OF TERMINAL RAILROADS AND THEIR SHAREHOLDERS

A. General explanation

Under court decisions, if a corporation supplies services to a shareholder at less than cost (making up this loss from profits on business done with other persons), the shoreholder is treated as having received a dividend. Moreover, since dividends and other distributions to shareholders are not deductible by the corporation, the profit on the business done with the other persons represents taxable income to it. The courts have reached this latter result under two different theories. In *Anaheim Union Water Co.* (35 T.C. 1072 (1961); now on appeal in the ninth circuit), it was held that the corporation is not entitled to any deductions for expenses attributable to the services rendered the shareholder in excess of the amount charged the shareholder. In *Chicago and Western Indiana Railroad Co.* v. *Commissioner* (seventh circuit, May 1, 1962, affirming Tax Court memo opinion), the terminal corporation was treated as having constructively received from its shareholder the agreed charge for the services rendered, and then as having credited its shareholder with the profit attributable to the business done with other persons.

Because of these decisions, where a number of railroads own a corporation operating a terminal, the terminal corporation remains taxable on the profits earned by it on newsstands, restaurants, and similar terminal facilities, even though it uses all of these profits to decrease the charges made to the railroad shareholders for services supplied to them. Thus, as a result of the Chicago and Western Indiana Railroad Co. decision, a large amount of tax is now due from terminal railroad corporations for a number of past years.

However, the amount by which the income of the railroad terminal corporation is increased under the decision may also represent the amount by which the railroad shareholders understated their deductions. This can be illustrated by assuming that a railroad terminal corporation had $100 of terminal income from newsstands, restaurants, etc. Under the decision, the terminal corporation would have taxable income of $100 from this source and, at the 52-percent corporate rate, would be liable for tax of $52. Assume further that the railroad shareholders of the terminal corporation were all operated at a profit, that they received services from the terminal corporation costing such corporation $100, and that instead of paying cost for these services the railroad shareholders were credited with the $100 of terminal income. If this $100 credit is treated as being in effect a $100 dividend to the railroad shareholders, and if the railroad shareholders are treated as having paid the full cost of the services (unadjusted by any crediting), there will be a decrease in the tax liability of the railroad shareholders. The $100 dividend received by the railroad shareholders would be eligible for the 85-percent intercorporate dividend received deduction, leaving only $15 of the $100 subject to tax. At a 52-percent rate this would mean a tax of $7.80. At the same time the business deductions of the railroad shareholders would be increased by $100 (the amount of the increase deemed to have been paid for services rendered). Thus, in this case the effect of the court decision is to increase the terminal corporation's tax by $52 and to decrease the railroad shareholder's tax by $44.20 ($52 minus $7.80), an overall net tax increase, for the terminal railroad corporation and its shareholders, of only $7.80.

The hardship arises, however, where the railroad shareholders have net operating losses for a period of years. In such cases there is no comparable decrease in their tax liability. Thus, in the above example if the railroad shareholders have not been paying taxes because of losses, there is the $52 increase in the terminal corporation's tax liability but no comparable $44.20 decrease in the railroad shareholders' income tax. Thus, in cases involving loss railroad corporations the overall net increase in tax in this example is $52 rather than the $7.80 which occurs in the case of railroad corporations with taxable incomes.

Your committee agrees with the House that with the financial problems faced by the railroads at the present time it is undesirable to increase their overall tax burdens. Moreover, it is believed that to do so would not be in harmony with the intent of the President's transportation message. Information available indicates that most of the major railroads are owners of joint facility stock and users of joint facility services. The problem is particularly acute due to the fact that under State law joint facilities to be used by railroads must be operated by a corporation.

Your committee also agrees with the House that it would be particularly unfortunate to make an especially large increase in the tax burden of terminal railroad corporations owned by loss railroads, since the shareholders must bear this additional tax burden.

For the above reasons it has been concluded that special rules should be provided for these terminal railroad corporations so that they will not be taxed on related terminal income which is used to reduce the service charges to the railroads. On the other hand, the railroads involved will not be entitled to expense deductions in excess of the actual costs borne by them.

To accomplish this result the new section is to apply to all years to which the Internal Revenue Code of 1954 or the Internal Revenue Code of 1939 apply. In order to avoid the disappointment of any taxpayer's reasonable expectations, the availability to the operative provisions of this bill for past years has been made to depend on the manner in which the income of a terminal railroad corporation was originally reported by the terminal railroad corporation and its shareholders. Your committee has modified the bill as passed by the House to reopen only those years closed on the date of enactment in which a terminal railroad corporation or its shareholders originally reported income in the manner provided by the bill for such a corporation or its shareholders. Additionally, your committee's amendments provide that adjustments of taxable income available with respect to any closed year which is reopened by this bill are confined to adjustments resulting from the treatment by a terminal railroad corporation or its shareholders of the income of a terminal railroad corporation in the manner provided in the new provision. In each instance in which an adjustment of taxable income for a closed year is available, it becomes so only upon the consent of all of the affected parties to appropriate adjustments for that year.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the amendments be considered en bloc.

The **PRESIDING OFFICER.** Is there objection to the request of the Senator from Montana?

There being no objection, the amendments were considered and agreed to en bloc.

Mr. BYRD of Virginia. Mr. President, I ask unanimous consent to have printed in the RECORD at this point an explanation of the bill H.R. 12599.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

The bill, as passed by the House, deals with the income tax treatment of a terminal railroad corporation and its railroad shareholders. A railroad terminal corporation is a corporation wholly owned by a number of railroads to operate a railroad terminal for the benefit of these railroads. Under the bill, as passed by the House, a railroad terminal corporation is not subject to income tax on the profits earned by it on newsstands, restaurants, and similar station facilities if it uses up these profits to supply the railroad shareholders with switching and other terminal services at less than cost. On the other hand, the business expense deduction of the railroads is limited to the amount actually paid by them to the terminal railroad corporation. This bill is to apply with respect to cases arising both under the provisions of the 1939 code and the 1954 code. In general, this bill would reopen those cases which are treated as closed on the date of the enactment of this bill. It would reopen such cases, however, solely for the purpose of making the adjustment necessary to accomplish the purpose of this bill. Your committee retained this provision with several technical amendments which do not change its effect.

The three new provisions added by your committee are as follows:

(1) The text of H.R. 12030, which was reported unanimously by the Committee on Ways and Means. This provision authorizes the Treasury to make statistical studies and to supply training (to persons other than Treasury employees) and to charge for these studies and this training. The Treasury is also authorized to use the amounts received to reimburse the appropriations which bore the cost of the work. (At the present time even in those instances in which the Treasury may charge, the charges must go into the general funds.)

(2) A provision has been added to make it clear that where the taxpayer has filed a timely claim for refund and a timely suit in the Court of Claims and later carries his case to the Tax Court as a result of a notice of deficiency, that the Tax Court has jurisdiction over the tax liability for the entire year in question, and if it finds an overpayment instead of a deficiency, can order the refund. It is important that the Tax Court consolidate the claim for refund with the deficiency in order that only one court can have jurisdiction to determine the tax liability for the year. There is some doubt about whether this can be done because of a technical defect in the 1954 code. The Treasury feels this amendment should be made.

(3) A provision has been added defining cooperative banks in the same manner as domestic savings and loan associations are defined for the purpose of determining whether or not they are to be eligible for the special bad debt reserve deductions also applicable to savings and loan associations.

The **PRESIDING OFFICER.** The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read a third time, and passed.

VACCINATION PROGRAMS

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1869, H.R. 10541.

The PRESIDING OFFICER. The bill will be stated by title.

The Legislative Clerk. A bill (H.R. 10541) to assist States and communities to carry out intensive vaccination programs designed to protect their populations, particularly all preschool children against poliomyelitis, diphtheria, whooping cough, and tetanus.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to, and the Senate proceeded to consider the bill.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill was ordered to a third reading, was read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the Record an excerpt from the report, No. 1907, explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the Record, as follows:

EXPLANATION

H.R. 10541 would authorize a 3-year program of special project grants to States and, with State approval, to local communities to pay part of the costs of intensive vaccination programs against four contagious diseases which constitute significant public health problems—polio, diphtheria, whooping cough, and tetanus.

THE PROGRAM

H.R. 10541 would authorize a 3-year program of Federal assistance to the States to aid in carrying out intensive vaccination programs against poliomyelitis, diphtheria, whooping cough, and tetanus. Such programs must be designed to encourage the immunization of virtually all susceptible persons and particularly all children under 5 years of age. In interpreting the term "susceptible" the States would be guided by practical epidemiologic considerations relating to the relative probability of persons in certain age groups contracting the disease in question. In the case of whooping cough, the age limitation in the immediate future would be based on the fact that vaccination with current materials is not recommended for older children or adults.

Under the provisions of the bill, Federal funds may be used only for—

(a) The salaries and related expenses of additional State and local health personnel required for planning, organizational, and promotional activities in connection with intensive community programs, and to maintain the epidemiologic and laboratory surveillance required; and

(b) The purchase of the vaccine for children under 5 years of age and for certain special groups of children 5 years of age and older, as determined by the Surgeon General. This latter category may include children not normally served by school programs such as those in institutions for the mentally retarded and children of domestic migratory agricultural workers.

The States and communities, for their part, would be responsible for supporting through public funds or otherwise, all other elements of the intensive programs—including the services of physicians, nurses, and other health personnel required in the conduct of public programs, the purchase of vaccine for persons other than children under 5 years of age and certain special (see above) groups of children 5 years of age and over, and the purchase of syringes and other materials required for administering the vaccine. The non-Federal costs for the purchase of vaccine alone for the susceptible persons (as defined above) 5 years of age and over would amount to at least $39 million. Funds for the purchase of vaccine would undoubtedly come from a variety of sources, depending upon local circumstances and arrangements. Among the potential and most likely sources are State and local appropriations; funds of voluntary business and labor organizations; and payments or contributions by the persons being vaccinated.

In addition to the approximately $39 million in vaccine costs, there would also be substantial costs either in terms of contributed services or money expenditures for necessary activities that are not eligible to be paid from the Federal funds authorized under H.R. 10541. These activities include the professional services needed to administer the vaccine in community clinics, clerical services of recordkeeping associated with vaccination services, and equipment and supplies needed in the vaccination clinics. It is not possible to estimate what the magnitude of such costs will be because the extent to which contributed services will be utilized cannot be forecast.

Under the terms of H.R. 10541, an applicant for a grant would be required to give assurances to the Surgeon General that it would furnish such services and materials not provided in the grant which would be necessary to carry out the program. This provision will assure the substantial costs for which the Federal grants are not authorized will be provided by the States and communities.

The method of organizing and conducting local programs—including the choice as to which of the available polio vaccines shall be used for different groups—would be left to State and local determinations.

None of the provisions of H.R. 10541 may be construed to require any State or any political subdivision or instrumentality of a State to have an intensive community vaccination program requiring any person who objects to immunization to be immunized or to have any child or ward of his immunized.

FEDERAL AID HIGHWAY ACT OF 1962

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1958, H.R. 12135.

The PRESIDING OFFICER. The bill will be stated by title.

The Legislative Clerk. A bill (H.R. 12135) to authorize appropriations for the fiscal years 1964 and 1965 for the construction of cerain highways in accordance with title 23 of the United States Code and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to, and the Senate proceeded to consider the bill, which had been reported from the Committee on Public Works with amendments on page 2, line 4, after the word "and", to strike out "$975,000,000" and insert "$950,000,000"; in line 19, after the word "additional", to strike out "$10,000,000" and insert "$20,000,000"; on page 3, line 4, after the word "parkways", to strike out "$16,000,000" and insert "$16,550,000"; after line 9, to strike out:

(8) For public lands highways, $3,000,000 for the fiscal year ending June 30, 1964, and $3,000,000 for the fiscal year ending June 30, 1965.

And, in lieu thereof, to insert:

(8) For public lands highways, the additional sum of $6,000,000 for the fiscal year ending June 30, 1963, and the sum of $9,000,000 for the fiscal year ending June 30, 1964, and $9,000,000 for the fiscal year ending June 30, 1965.

After line 17, to insert a new section, as follows:

THE RAMA ROAD

Sec. 3. That in order to provide for completion of the Rama Road in the Republic of Nicaragua, there is hereby authorized to be appropriated to the Department of State, in addition to the sums heretofore authorized, the sum of $850,000, to be available until expended, for discharging the United States obligation under the applicable agreement with the Government of Nicaragua: *Provided,* That the survey and construction work shall be under the general supervision of the Secretary of Commerce: *Provided further,* That funds provided pursuant to this authorization shall not be available for expenditure except under the conditions set forth in section 213 of title 23, United States Code, with respect to the authorization contained in that section: *And provided further,* That the funds authorized in this section shall be available for contract immediately upon the passage of this Act.

On page 4, after line 8, to insert a new section, as follows:

THE INTER-AMERICAN HIGHWAY

Sec. 4. That, for the purpose of completing the construction of the Inter-American Highway, there is hereby authorized to be appropriated the additional sum of $32,000,000 to be expended in accordance with the provisions of section 212 of title 23 of the United States Code: *Provided,* That no part of such sum shall be obligated in any country until that country demonstrates, to the satisfaction of the Secretary, that it is capable of and willing to meet its commitment for maintenance under the agreements entered into pursuant to the provisions of section 212(a)(5) of title 23, United States Code: *And provided further,* That the funds authorized herein shall be available for contract immediately upon passage of this Act and compliance with such commitment.

At the beginning of line 24, to change the section number from "3" to "5"; on page 6, at the beginning of line 21, to change the section number from "4" to "6"; on page 8, at the beginning of line 2, to change the section number from "5" to "7"; at the beginning of line 9, to change the section number from "6" to "8"; at the beginning of line 20, to change the section number from "7" to "9"; on page 9, at the beginning of line 20, to change the section number from "8" to "10"; on page 10, at the beginning of line 5, to change the section number from "9" to "11"; in line 22, after the word "for", to strike out "the purposes enumerated in paragraph (1) of this subsection" and insert "highway research purposes"; and on page 11, at the beginning of line 5, to change the section number from "10" to "12".

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McNAMARA. Mr. President, on April 5, 1962, the President transmitted to the Congress a message on the transportation system of our Nation.

This message, printed as House Document Numbered 384, 87th Congress, contained several important recommendations as to the role of highways in our transportation system and for legislation on the subject.

On April 6, 1962, the Secretary of Commerce submitted to the Congress a draft of proposed legislation to implement the recommendations of the President concerning Federal-aid legislation, which was introduced as S. 3136.

H.R. 12135 as reported by the committee is not at great variance from the provisions of S. 3136.

The committee feels that the bill meets the objectives of the recommendations set forth in the President's message on transportation as they relate to Federal-aid highways.

The committee recommends several amendments to H.R. 12135 as it was passed by the House.

First. It recommends a reduction of authorization for the A-B-C systems for fiscal year 1965 from $975 million to $950 million, the same amount as recommended for fiscal year 1964.

These recommended authorizations would increase the funds for the A-B-C roads by $25 million for 2 years, 1964 and 1965 over the present authorizations of $925 million for 1962 and 1963. This amendment is in accord with recommendations of the President.

Second. It recommends an increase in the additional funds for forest development roads and trails for fiscal year 1963 from $10 million to $20 million.

These additional funds are needed to accelerate the forest development roads and trail program, to provide access to our national forests, and make possible the sale of the full allowable cut of timber products, thus permitting full use and development of all the resources of our forests.

This proposed increase of $10 million in these funds was recommended by the Secretary of Agriculture, and supported by several other witnesses before the committee.

Third. An increase of $550,000 in parkway funds for fiscal year 1964 is included in the bill to permit completion of the relocation of the Natchez Trace Parkway, around a water supply reservoir being completed by local interests on the Pearl River, near Jackson, Miss.

Fourth. It would authorize the additional sum of $6 million for each of the fiscal years 1963, 1964, and 1965, a total of $18 million, for public lands highways.

These additional funds are needed to provide facilities for greater traffic volumes and access to our Federal lands, and accommodate the large increase in the number of tourists and visitors seeking recreation in our national forests, national parks, monuments, and other Federal reservations, and permit full utilization of their potential resources.

The committee received detailed testimony on a number of specific routes desired and the increased amounts are based largely on those requests.

Fifth. H.R. 12135 authorizes $850,000 for completion of the Rama Road in the Republic of Nicaragua.

The Rama Road is nearing completion. There are only three bridges and 5 miles of highway remaining to complete the road.

The United States has made an investment of $14.5 million in this highway. An additional authorization of $850,000 is needed for its completion.

The committee believes that the Rama Road should be completed in accordance with our agreement with Nicaragua, and for the protection and realization of the full value of our investment in this important road, linking the Inter-American Highway with the east coast of Nicaragua.

This authorization was requested by the Secretary of State, and was supported by the Secretary of Commerce and the Bureau of Public Roads.

Sixth. The bill would authorize an additional amount of $32 million for completion of the Inter-American Highway in Central America and Panama, subject to satisfactory commitments for maintenance of the highway.

The United States has invested a total of $138,703,000 for work on the Inter-American Highway, and the Republics have spent about $82 million of their funds.

The entire 1,555 miles south of the Mexican border will soon be open to traffic, although 422 miles has an all-weather gravel surface, and several sections are in need of improvement.

The committee believes that completion of the Inter-American Highway, thus providing a land connection with the Panama Canal, will assist in the economic and political development of the Central American region, and will serve to protect our investment in this highway.

It also believes that satisfactory arrangements on maintenance can be worked out.

The President, the Secretary of State, and the Secretary of Commerce have recommended this additional authorization.

The committee feels that further delay in completing construction on the highway will require demobilization of the Bureau of Public Roads' personnel, and that of the contractors now working on the highway, and will result in increased costs if work is resumed at a later date.

Accordingly, the committee recommends the authorization of $32 million for completion of the highway.

Seventh. The bill also permits the use of one-half of 1 percent of the A-B-C apportionments for highway research purposes only.

The committee believes that highway planning and research activities by the State highway departments should be financed from funds available for research and administration, and that such funds should not be used for construction or other purposes.

The committee considered numerous other amendments to H.R. 12135, but took no action on them.

It believes that the bill adequately provides for relocation payments to families and businesses displaced by acquisition or clearance of rights-of-way for Federal-aid highway projects.

The estimated cost of such a relocation program varied, but cost estimates ran from $75 million to $200 million. The committee was concerned over the impact of such a program on the highway trust fund.

It was believed that the language of the House bill was adequate and equitable. The House language left the decision on making such payments applicable to State laws, as the State laws vary from State to State. Thus the House language does not place an unnecessary burden on any State highway department.

The committee believes that highway plans and programs in larger urban areas should be coordinated with plans for improvement in other affected forms of transportation, but that such transportation planning should not delay the present Federal-aid highway program.

The motor vehicle registration in the United States was almost 76 million in 1961.

It is expected to reach about 79 million in 1962, an increase of about 3.7 percent. It will continue to increase, probably at increased rate.

Many millions of vehicles will be driven into our cities each day. The needs for adequate roads into such cities is increasing. Our present highway program is barely keeping pace with the traffic increase.

Even with good mass transportation systems, the need for these highways will continue. Many of the millions who own cars will continue to use them and drive them to work in the cities regardless of the mass transportation systems effected.

The committee considers the language of H.R. 12135 adequate to assure continuing transportation planning on a cooperative basis by the Federal, State, and local agencies.

The committee understands that the Bureau of Public Roads now has cooperative working arangements with States and localities in the area of transportation planning, and feels that the Federal guidance and leadership that will be provided under H.R. 12135 will provide for sound and uniform transportation in metropolitan areas.

From the messages received by the committee, it appears that H.R. 12135 as amended meets the support and approval of all highway interests, the administration, State officials, local officials, and the highway industry.

I ask unanimous consent to place in the RECORD at this point certain tables of authorizations and apportionments contained in H.R. 12135.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

Comparison with existing authorizations

[Millions of dollars]

Type of roads	Existing law		H.R. 12135, as amended		
	Fiscal year 1962	Fiscal year 1963	Fiscal year 1963	Fiscal year 1964	Fiscal year 1965
Federal-aid systems:					
Primary	416. 25	416. 25	----------	427. 50	427. 50
Secondary	277. 50	277. 50	----------	285. 00	285. 00
Urban	231. 25	231. 25	----------	237. 50	237. 50
Subtotal	925. 00	925. 00	----------	950. 00	950. 00
Forest highways	33. 00	33. 00	----------	33. 00	33. 00
Forest development roads and trails	35. 00	40. 00	20. 00	70. 00	85. 00
Public lands development roads and trails	----------	----------	----------	2. 00	4. 00
Park roads and trails	18. 00	18. 00	----------	22. 00	25. 00
Parkways	16. 00	16. 00	----------	16. 55	16. 00
Indian reservation roads	12. 00	12. 00	----------	16. 00	18. 00
Public lands highways	3. 50	3. 00	6. 00	9. 00	9. 00
Rama Road	----------	----------	----------	. 85	----------
Inter-American Highway	----------	----------	----------	32. 00	----------
Total	1, 042. 50	1, 047. 00	26. 00	1, 151. 40	1, 140. 00

Approximate apportionments of Federal-aid highway funds, fiscal year 1964

[Thousands of dollars]

State	Pursuant to H.R. 12135				Interstate ($2,600,000)	Total ($3,550,000)
	Primary ($427,500)	Secondary ($285,000)	Urban ($237,500)	Subtotal ($950,000)		
Alabama	$8, 178	$6, 244	$3, 188	$17, 610	$53, 635	$71, 245
Alaska	22, 696	15, 233	156	38, 085	----------	38, 085
Arizona	6, 337	4, 111	1, 773	12, 221	36, 407	48, 628
Arkansas	6, 087	4, 847	1, 292	12, 226	27, 138	39, 364
California	21, 862	10, 154	25, 672	57, 688	247, 918	305, 606
Colorado	7, 105	4, 609	2, 415	14, 129	34, 379	48, 508
Connecticut	2, 992	1, 622	4, 581	9, 195	36, 613	45, 808
Delaware	2, 111	1, 407	544	4, 062	9, 654	13, 716
Florida	7, 849	4, 863	6, 669	19, 381	53, 789	73, 170
Georgia	10, 473	7, 909	3, 843	22, 225	47, 781	70, 006
Hawaii	2, 111	1, 407	880	4, 398	20, 360	24, 758
Idaho	4, 726	3, 392	501	8, 619	12, 170	20, 789
Illinois	15, 933	8, 727	15, 229	39, 889	135, 256	175, 145
Indiana	9, 696	7, 009	5, 322	22, 027	64, 213	86, 240
Iowa	9, 619	7, 162	2, 535	19, 316	32, 813	52, 129
Kansas	9, 561	6, 676	2, 327	18, 564	20, 103	38, 667
Kentucky	6, 944	5, 888	2, 368	15, 200	52, 890	68, 090
Louisiana	6, 353	4, 570	3, 712	14, 635	74, 894	89, 529
Maine	3, 138	2, 384	805	6, 327	12, 247	18, 574
Maryland	4, 192	2, 628	4, 288	11, 108	47, 499	58, 607
Massachusetts	5, 382	2, 380	8, 184	15, 946	55, 561	71, 507
Michigan	13, 179	8, 277	10, 755	32, 211	101, 031	133, 242
Minnesota	10, 726	7, 560	3, 888	22, 174	67, 063	89, 237
Mississippi	6, 626	5, 567	1, 393	13, 586	31, 503	45, 089
Missouri	11, 306	7, 740	5, 270	24, 316	66, 318	90, 634
Montana	7, 821	5, 426	543	13, 790	24, 263	38, 053
Nebraska	7, 688	5, 478	1, 368	14, 534	15, 148	29, 682
Nevada	$4, 846	$3, 223	$358	$8, 427	$13, 069	$21, 496
New Hampshire	2, 111	1, 407	627	4, 145	11, 631	15, 776
New Jersey	5, 968	2, 049	10, 191	18, 208	67, 602	85, 810
New Mexico	6, 606	4, 457	1, 147	12, 210	25, 880	38, 090
New York	19, 292	8, 412	27, 316	55, 020	122, 855	177, 875
North Carolina	9, 971	8, 914	3, 111	21, 996	21, 208	43, 204
North Dakota	5, 411	3, 965	417	9, 793	11, 451	21, 244
Ohio	14, 660	9, 138	13, 402	37, 200	176, 952	214, 152
Oklahoma	8, 523	5, 932	2, 616	17, 071	31, 195	48, 266
Oregon	6, 546	4, 575	1, 982	13, 103	45, 034	58, 137
Pennsylvania	15, 690	10, 062	15, 094	40, 846	115, 974	156, 820
Rhode Island	2, 111	1, 407	1, 426	4, 944	9, 551	14, 495
South Carolina	5, 407	4, 724	1, 699	11, 830	22, 389	34, 219
South Dakota	5, 952	4, 306	431	10, 689	17, 023	27, 712
Tennessee	8, 277	6, 536	3, 378	18, 191	65, 343	83, 534
Texas	25, 851	16, 337	13, 180	55, 368	117, 309	172, 677
Utah	4, 635	3, 007	1, 237	8, 879	37, 537	46, 416
Vermont	2, 111	1, 407	330	3, 848	17, 895	21, 743
Virginia	8, 031	6, 269	4, 112	18, 412	78, 797	97, 209
Washington	6, 780	4, 582	3, 548	14, 910	54, 046	68, 956
West Virginia	4, 163	3, 742	1, 248	9, 153	39, 026	48, 179
Wisconsin	9, 485	6, 691	4, 589	20, 765	22, 928	43, 693
Wyoming	4, 816	3, 277	280	8, 373	24, 879	33, 252
District of Columbia	2, 111	1, 407	1, 489	5, 007	37, 280	42, 287
Puerto Rico	2, 111	2, 342	1, 822	6, 275	----------	6, 275

Approximate apportionments of Federal-aid highway funds, fiscal year 1965

[Thousands of dollars]

State	Pursuant to H.R. 12135				Interstate ($2,700,000)	Total ($3,650,000)
	Primary ($427,500)	Secondary ($285,000)	Urban ($237,500)	Subtotal ($950,000)		
Alabama	$8, 178	$6, 244	$3, 188	$17, 610	$55, 698	$73, 308
Alaska	22, 696	15, 233	156	38, 085	----------	39, 088
Arizona	6, 337	4, 111	1, 773	12, 221	37, 807	50, 028
Arkansas	6, 087	4, 847	1, 292	12, 226	28, 182	40, 408
California	21, 862	10, 154	25, 672	57, 688	257, 453	305, 141
Colorado	7, 105	4, 609	2, 415	14, 129	35, 701	49, 830
Connecticut	2, 992	1, 622	4, 581	9, 195	38, 021	47, 216
Delaware	2, 111	1, 407	544	4, 062	10, 025	14, 087
Florida	7, 849	4, 863	6, 669	19, 381	55, 858	75, 239
Georgia	10, 473	7, 909	3, 843	22, 225	49, 619	71, 844
Hawaii	2, 111	1, 407	880	4, 398	21, 143	25, 541
Idaho	4, 726	3, 392	501	8, 619	12, 638	21, 257
Illinois	15, 933	8, 727	15, 229	39, 889	140, 458	180, 347
Indiana	9, 696	7, 009	5, 322	22, 027	66, 683	88, 710
Iowa	9, 619	7, 162	2, 535	19, 316	34, 075	53, 391
Kansas	9, 561	6, 676	2, 327	18, 564	20, 877	39, 441
Kentucky	6, 944	5, 888	2, 368	15, 200	54, 925	70, 125
Louisiana	6, 353	4, 570	3, 712	14, 635	77, 775	92, 410
Maine	3, 138	2, 384	805	6, 327	12, 718	19, 045
Maryland	4, 192	2, 628	4, 288	11, 108	49, 326	60, 434
Massachusetts	5, 382	2, 380	8, 184	15, 946	57, 698	73, 644
Michigan	13, 179	8, 277	10, 755	32, 211	104, 917	137, 128
Minnesota	10, 726	7, 560	3, 888	22, 174	69, 642	91, 816
Mississippi	6, 626	5, 567	1, 393	13, 586	32, 715	46, 301
Missouri	11, 306	7, 740	5, 270	24, 316	68, 869	93, 185
Montana	7, 821	5, 426	543	13, 790	25, 196	38, 986
Nebraska	7, 688	5, 478	1, 368	14, 534	15, 731	30, 265
Nevada	$4, 846	$3, 223	$358	$8, 427	$13, 571	$21, 998
New Hampshire	2, 111	1, 407	627	4, 145	12, 078	16, 223
New Jersey	5, 968	2, 049	10, 191	18, 208	70, 202	88, 408
New Mexico	6, 606	4, 457	1, 147	12, 210	26, 876	39, 086
New York	19, 292	8, 412	27, 316	55, 020	127, 580	182, 600
North Carolina	9, 971	8, 914	3, 111	21, 996	22, 023	44, 219
North Dakota	5, 411	3, 965	417	9, 793	11, 891	21, 684
Ohio	14, 660	9, 138	13, 402	37, 200	183, 758	220, 958
Oklahoma	8, 523	5, 932	2, 616	17, 071	32, 395	49, 466
Oregon	6, 546	4, 575	1, 982	13, 103	46, 766	59, 869
Pennsylvania	15, 690	10, 062	15, 094	40, 846	120, 434	161, 280
Rhode Island	2, 111	1, 407	1, 426	4, 944	9, 918	14, 862
South Carolina	5, 407	4, 724	1, 699	11, 830	23, 250	35, 080
South Dakota	5, 952	4, 306	431	10, 689	17, 677	28, 366
Tennessee	8, 277	6, 536	3, 378	18, 191	67, 856	86, 047
Texas	25, 851	16, 337	13, 180	55, 368	121, 821	177, 189
Utah	4, 635	3, 007	1, 237	8, 879	38, 981	47, 860
Vermont	2, 111	1, 407	330	3, 848	18, 584	22, 432
Virginia	8, 031	6, 269	4, 112	18, 412	81, 827	100, 239
Washington	6, 780	4, 582	3, 548	14, 910	56, 125	71, 035
West Virginia	4, 163	3, 742	1, 248	9, 153	40, 527	49, 680
Wisconsin	9, 485	6, 691	4, 589	20, 765	23, 810	44, 575
Wyoming	4, 816	3, 277	280	8, 373	25, 836	34, 209
District of Columbia	2, 111	1, 407	1, 489	5, 007	38, 714	43, 721
Puerto Rico	2, 111	2, 343	1, 822	6, 275	----------	6, 439

Mr. McNAMARA. Mr. President, I ask unanimous consent that the committee amendments be agreed to en bloc and that the bill as thus amended be considered as original text for purpose of amendment.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

Mr. KEFAUVER. Mr. President, in connection with H.R. 12135, the highway bill, I would like to say that I am very much in favor of the authorization in the public lands highways section of $24 million over the next 3 fiscal years. I have worked with my colleague, the Senator from Tennessee [Mr. Gore], and my two friends, the Senators from North Carolina [Mr. Ervin and Mr. Jordan], in behalf of congressional authorization for a tourist and access road from Tellico Plains, Tenn., to Robbinsville, N.C., in the Cherokee and Nantahala National Forests. The highway bill will give us this authorization.

The road in which I am interested, connecting Tellico Plains, Tenn., and Robbinsville, N.C., would benefit a wide section of the southeastern part of the United States. The benefits for the tourist industry, hotels and motels, gas and service stations, restaurants and sports equipment stores would be beneficial I am sure in such adjoining States as Georgia, Kentucky, and South Carolina, as well as to the two terminal States, Tennessee and North Carolina.

The reason I have such confidence in the potential economic and recreational benefits of the proposed road is that it would provide access into the largest area of national forests east of the Mississippi, an area that is largely undeveloped, inaccessible, and unvisited by America's tourists, campers and outdoor recreation seekers. This phenomenon is all the more unusual because this vast and unused land is just south of the Great Smoky Mountain National Park, which today has become one of the most overcrowded recreation areas of the Nation.

To me it seems quite obvious that under such circumstances any reasonable alternative to these crowded park conditions should be carefully explored and developed. It is also obvious to me that the road we are discussing this morning is a feasible project, from both the economic and engineering standpoint.

This conclusion of feasibility is not merely the view of the congressional representatives of the areas affected, or the local people. The Department of Agriculture, Forest Service, in a preliminary reconnaissance report entitled "Cherokee and Nantahala National Forests, Tellico-Robbinsville Highway in Tennessee and North Carolina," has done a fine job of outlining, describing, and enthusiastically endorsing the road in its entirety.

I would also like to mention that this road is not a new or recent idea either to the congressional delegation or the local people. This road has been discussed, planned, and promoted for 5 or 6 years, and many people from Tennessee and North Carolina have been in touch with me for several years as we planned and worked together to build our case for the approval of this fine roadway. Earlier this year, when the Forest Service budget was under consideration by the Senate Appropriations Committee, many witnesses testified in favor of the road and later, in its report, the Appropriations Committee noted that "a strong and convincing presentation was made to the committee for funds to construct a road linking the Cherokee National Forest in Tennessee with the Nantahala National Forest in North Carolina. Lack of authorization prevented committee consideration of the proposal. It is the committee's hope that a request for authorization will be placed before appropriate legislative committees for attention."

To provide this needed authorization, on May 9, 1962, I introduced along with Senators Gore, Ervin, and Jordan an amendment to S. 3136, the highway bill, to authorize the appropriation of $2½ million in fiscal 1964 and an identical amount in fiscal 1965, for the construction of the Tellico Plains-Robbinsville Road.

Thereafter the Senate Public Works Committee increased the proposed authorization for public lands highways from $6 million over 2 fiscal years to $24 million over 3 fiscal years, and the latter is the amount before the Senate today.

I ask the Senate's most careful consideration of this authorization, which would create a fine road to open up vast new areas of beautiful, primitive forests, mountains, streams, and lakes for millions of Americans seeking wholesome outdoor recreation.

CONTINUING APPROPRIATIONS FOR DEPARTMENT OF AGRICULTURE AND FOREIGN CREDIT ADMINISTRATION, FISCAL YEAR 1963—REPORT OF A COMMITTEE (S. REPT. NO. 2277)

Mr. RUSSELL. Mr. President, from the Committee on Appropriations, I report an original joint resolution to provide continuing appropriations for the Department of Agriculture and the Farm Credit Administration for the fiscal year 1963, and I submit a report to be filed therewith.

Mr. President, I ask unanimous consent that the pending bill may be temporarily laid aside and that the Senate may proceed to the consideration of the joint resolution which has just been reported from the Committee on Appropriations.

The **PRESIDING OFFICER.** The joint resolution will be stated by title.

The joint resolution (S.J. Res. 234) making continuing appropriations for the Department of Agriculture and the Farm Credit Administration for the fiscal year 1963 was read twice by its title.

THE PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution.

Mr. RUSSELL. Mr. President, the committee of conference, particularly the conferees on the part of the Senate, have met with almost insuperable and what appear to be unnecessary difficulties in the consideration of the regular appropriation bill for the Department of Agriculture and the Farm Credit Administration, which, incidentally, reached the Senate on July 25, almost one month after the beginning of the fiscal year. I shall not discuss the difficulties in detail; I shall probably do so at a later date, before adjournment sine die. However, I think it is prudent that the Senate pass the continuing resolution at this time, in the eventuality that it is impossible for the conferees to reach agreement on the regular appropriation bill.

The **PRESIDING OFFICER.** The joint resolution is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the joint resolution.

The joint resolution (S.J. Res. 234) was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That there is appropriated out of any money in the Treasury not otherwise appropriated, and out of the applicable corporate and other revenue, receipts, and funds, such amounts as may be necessary for continuing, during the fiscal year 1963, projects or activities which were conducted in the fiscal year 1962 by the Department of Agriculture, including the corporations therein, and the Farm Credit Administration, at a rate for operations not in excess of the current rate (amount appropriated or authorized to be expended in the fiscal year 1962) or the rate provided for in the budget estimate (amount estimated to be appropriated or estimated to be expended in the fiscal year 1963), whichever is lower, except that the 1963 Agricultural Conservation Program shall not exceed $250,000,000.

Mr. RUSSELL. Mr. President, I move that the Senate reconsider the vote by which the joint resolution was passed.

Mr. BARTLETT. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed, without amendment, the bill (S. 3631) to amend title 13, United States Code, to preserve the confidential nature of copies of reports filed with the Bureau of the Census on a confidential basis.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 5700) to amend the Tariff Act of 1930 to permit the designation of certain carriers as carriers of bonded merchandise; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. Mills, Mr. King of California, Mr. Boggs, Mr. Mason, and Mr. Byrnes of Wisconsin were appointed managers on the part of the House at the conference.

The message further announced that the House further insisted upon its disagreement to the amendment of the Senate to the bill (H.R. 7927) to adjust postal rates, and for other purposes; asked a further conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. MURRAY, Mr. MORRISON, and Mr. CORBETT were appointed managers on the part of the House at the further conference.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 8952) to amend the Internal Revenue Code of 1954 with respect to the conditions under which the special constructive sale price rule is to apply for purposes of certain manufacturers excise taxes; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. MILLS, Mr. KING of California, Mr. BOGGS, Mr. MASON, and Mr. BYRNES of Wisconsin were appointed managers on the part of the House at the conference.

The message further announced that the House had agreed to the amendments of the Senate to each of the following bills of the House:

H.R. 1691. An act for the relief of Elaine Veronica Brathwaite; and

H.R. 10605. An act for the relief of Joan Rosa Orr.

The message also announced that the House had agreed to the amendment of the Senate to the bill (H.R. 12402) for the relief of Concetta Maria, Rosetta, and Tomasino Mangiaracina.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 11665) to revise the formula for apportioning cash assistance funds among the States under the National School Lunch Act, and for other purposes.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Acting President pro tempore:

S. 136. An act for the relief of Dinko Dorcic;

S. 320. An act to amend the provisions contained in part II of the Interstate Commerce Act concerning registration of State certificates whereby a common carrier by motor vehicle may engage in interstate and foreign commerce with a State;

S. 453. An act for the relief of Robert J. Scanlan;

S. 689. An act for the relief of Karl Heinz Agar;

S. 1263. An act for the relief of Marie Margaret Arvanetes;

S. 1651. An act to authorize the Commissioners of the District of Columbia to delegate the function of approving contracts not exceeding $100,000;

S. 1999. An act for the relief of Anna Marie Erdelyi;

S. 2568. An act to amend the act of September 7, 1950, to extend the regulatory authority of the Federal and State agencies concerned under the terms of the Convention for the Establishment of an Inter-American Tropical Tuna Commission, signed at Washington May 31, 1949, and for other purposes;

S. 2667. An act for the relief of Sebastiana Santoro;

S. 2687. An act for the relief of Robert D. Barbee;

S. 2690. An act for the relief of Mona McIsaac Downey;

S. 2697. An act to waive certain time limitations prescribed in chapters 33 and 35 of title 38, United States Code, in the case of certain veterans and eligible persons ordered to active duty with the Armed Forces, or whose period of duty with the Armed Forces was involuntarily extended, on or after August 1, 1961;

S. 2711. An act for the relief of Tasia Demetropoulou (Dimitropoulos);

S. 2753. An act for the relief of Duk Man Lee and Soon Mal Lee;

S. 2777. An act for the relief of Arild Ericksen Sandli;

S. 2795. An act to prohibit the use by collecting agencies and private detective agencies of any name, emblem, or insignia which reasonably tends to convey the impression that any such agency is an agency of the government of the District of Columbia;

S. 2836. An act for the relief of Carmelo Rafala;

S. 2902. An act for the relief of Sumiko Takahashi;

S. 2908. An act for the relief of Rosa Fumarola Balice;

S. 2922. An act for the relief of Raymond Chester Hendon;

S. 2950. An act for the relief of Dwijendra Kumar Misra;

S. 2992. An act for the relief of Michelangelo Comito (Nati);

S. 3085. An act for the relief of Paul Huygelen and Luba A. Huygelen;

S. 3265. An act for the relief of Respina Anastos (Psyhopeda);

S. 3267. An act for the relief of Gunter Heinz Hillebrand;

S. 3275. An act for the relief of Anna Sciamanna Misticoni;

S. 3295. An act for the relief of Mathew Lengyel (also known as Brother Paul, S.V.D.);

S. 3336. An act for the relief of Lazaro Loyola Arinque, Jr.;

S. 3390. An act for the relief of Naife Kahl;

S. 3452. An act for the relief of Dr. Hassan M. Nouri;

S. 3504. An act to provide for alternate representation of secretary officers on the Migratory Bird Conservation Commission, and for other purposes;

S. 3557. An act for the relief of Betty Sandra Fagann;

S. 3600. An act for the relief of Chao Hua-Hsih;

H.R. 946. An act to extend to oyster planters the benefits of the provisions of the present law which provide for production disaster loans for farmers and stockmen;

H.R. 1362. An act for the relief of Calogera Virone Messina;

H.R. 1483. An act for the relief of Priscillo Jose Sisson and Evelyn Sisson;

H.R. 1598. An act for the relief of Michael Anthony Dedetsinas;

H.R. 2978. An act for the relief of Rosa and Rita Quattrocchi;

H.R. 4483. An act for the relief of Simon Karasick;

H.R. 5695. An act for the relief of Forrest L. Gibson;

H.R. 6987. An act for the relief of Maj. William R. Cook;

H.R. 7600. An act to amend title 38, United States Code, to revise the effective date provisions relating to awards, and for other purposes;

H.R. 7617. An act for the relief of John W. Schleiger;

H.R. 7876. An act relating to the effective date of the qualification of the joint pension plan for employees of Local Unions 645, 1507, and 1511, Brotherhood of Painters, Decorators & Paperhangers of America as a qualified trust under section 401(a) of the Internal Revenue Code of 1954;

H.R. 8855. An act for the relief of Marie Silva Arruda;

H.R. 9469. An act for the relief of Charles L. Kays;

H.R. 9491. An act to provide for the removal of an encumbrance on the title of certain real property heretofore conveyed to the board of education of the Vallejo School District, Vallejo, Calif., by the U.S. Housing Corp.;

H.R. 9590. An act for the relief of Lt. Col. Edward Hirsch;

H.R. 9737. An act to amend section 641 of title 38, United States Code, to provide that deductions shall not be made from Federal payments to a State home because of amounts collected from the estates of deceased veterans and used for recreational or other purposes not required by State laws, and to amend chapter 35 of such title in order to afford educational assistance in certain cases beyond the age limitations prescribed in such chapter;

H.R. 10316. An act for the relief of Leopoldo Rocha Canas and Teofilo Caoile Servito;

H.R. 10897. An act for the relief of Joseph Hammond;

H.R. 11552. An act for the relief of Henry E. Keiser;

H.R. 11594. An act to extend for 2 years the period for which payments in lieu of taxes may be made with respect to certain real property transferred by the Reconstruction Finance Corporation and its subsidiaries to other Government departments;

H.R. 11678. An act to waive section 142 of title 28, United States Code, with respect to the U.S. District Court for the Northern District of Ohio, Eastern Division, holding court at Akron, Ohio;

H.R. 11732. An act to amend section 305 of the Communications Act of 1934, as amended;

H.R. 12080. An act to permit domestic banks to pay interest on time deposits of foreign governments at rates differing from those applicable to domestic depositors;

H.R. 12092. An act for the relief of Arthur H. Brackbill;

H.R. 12093. An act for the relief of Joseph Wolf, Jr.;

H.R. 12451. An act to authorize reimbursement to appropriations of the U.S. Secret Service of moneys expended for the purchase of counterfeits; and

H.R. 12653. An act to amend the Consolidated Farmers Home Administration Act of 1961 in order to increase the limitation on the amount of loans which may be insured under subtitle A of such act.

FEDERAL-AID HIGHWAY ACT OF 1962

The Senate resumed the consideration of the bill (H.R. 12135) to authorize appropriations for the fiscal years 1964 and 1965 for the construction of certain highways in accordance with title 23 of the United States Code and for other purposes.

Mr. MORSE. Mr. President, all of us are greatly indebted to the Senator from Michigan for his magnificent work in successfully moving the road bill through the various channels to the point of passage.

There is absolutely no doubt that this highway bill will do more for natural resource development than has any other highway bill which has been considered by the Senate while I have been in the Senate.

The members of the Senate and House committees and President Kennedy deserve credit for the excellence of the bill.

The funds provided for forest roads and public land development roads are based on the recommendations of the President.

For forest development roads, a total of $60 million has been provided for 1963, $70 million for 1964, and $85 million for 1965.

I compare the record of this administration with that of its predecessor, which time and again recommended against the provision of funds for forest roads. I compare the record of this Congress with that of previous Democratic Congresses. Previous Democratic Congresses consistently reversed the recommendations of the Eisenhower administration.

In the 84th Congress, $54 million was authorized, $6 million over the previous biennium.

In the 85th Congress, $60 million was authorized, again a $6 million increase in the face of another Eisenhower administration recommendation against an increase.

In the 86th Congress, $75 million was authorized, an increase of $15 million, this in the face of an Eisenhower administration recommendation against any authorization.

Now, under President Kennedy's leadership, we are adding $20 million to the $75 million authorized previously for the biennium ending in 1963. Also, we are authorizing $155 million for the new biennium, in all an increase of $100 million over that for the previous biennium.

Mr. President, the forest roads are the backbone of forest management in the national forests. Among other things, they sustain the cutting of timber according to sound conservation practices.

The 154 national forests and 18 national grasslands in the national forest system consist of 186 million acres of Federal lands in 39 States and the Commonwealth of Puerto Rico. These lands produce water, timber, forage, recreation services, fish, big game, other wildlife, and minerals. They include the most important watersheds in the West and the headwater lands of many important rivers in the East.

The forest development system at present consists of 179,213 miles of roads and 106,577 miles of trails. It is estimated that when completely installed this system will consist of 542,250 miles of access roads and that the trail network will be reduced to 80,000 miles. The total cost of completing this eventual system is $6.7 billion.

The development program for the national forests which was submitted to the Congress September 21, 1961, sets forth the resource management and development work needed in the national forests during fiscal years 1963–72 to assure that the forests will meet their full share of present and future public needs.

The access road and trail program is essential for protection of national forest resources from fire, insects, and disease; facilitates the use for recreation, hunting, and fishing resources; increases the volume of timber that can be marketed, especially for small sales, and the support of dependent communities and small business enterprises; and increases the level of salvage cutting of dead and dying timber stands and the opportunity to promptly salvage losses resulting from fire, windstorm, insects, and disease.

The current receipts from national forest timber exceed $100 million. These financial revenues will rise to about $230 million annually by the time the 10-year program is completed from the annual sale of 13 billion board feet of sawtimber expected to be reached. On the basis that the end products from this timber will be worth about $20 by the time they reach the ultimate consumer for every dollar of national forest stumpage sold, the total consumer value will be over $4 billion. Payments from national forest revenues for county schools and roads will increase accordingly.

At the present time the national forests supply high-quality water to 1,800 towns and cities in the West, including some of our great and growing metropolitan areas. Irrigation use and outdoor recreation associated with the 3 million acres of lakes and 81,000 miles of streams in the national forests will continue to grow. By 1975 alone it is estimated that our use of water will double, and by the year 2000 it will be necessary to derive at least 200 million acre-feet of water from national forests' watersheds.

Recreational use of the national forest system is increasing at an extreme, rapid rate, as our growing population seeks rest, relaxation, and pleasure in isolated and scenic areas. National forest use for recreation purposes has risen from approximately 27 million visits in 1950 to over 100 million in 1961, with estimates of 195 million visits by 1972, and a probable of 635 million by the year 2000. Forest development road and trail funds can be used for vehicular parking areas and for sanitary, water, and fire control facilities, which assists in the development of the recreational resources of the national forests. The committee was advised that about 17 percent of the road and trail portion of the national forest program is used for roads needed for recreation, and that the 10-year program includes 8,000 miles of roads which are of primary importance for recreation.

The funds in this bill are urgently needed to keep the roadbuilding program more nearly on schedule and provide the access needed to harvest the projected timber cut, and meet the critical needs for recreation and fire roads.

In recent months the depressed condition of the lumber industry has emphasized the need for immediate remedial action. After a recent White House conference, a program designed to assist the lumber industry and improve its competitive position was announced. One of the steps outlined was the acceleration of the forest development road and trail program to provide access and make possible the sale of the full allowable cut of timber products from the national forests. Such an acceleration would also permit the development of multiple-purpose roads and trails and thereby intensify the use and enjoyment of all the resources of the national forests.

Of the 186 million acres of land under Forest Service administration, approximately 80 million acres are in or adjacent to present areas of labor surplus and low rural income. Acceleration of resource development would contribute materially to improving the economy of these areas.

The record shows that Federal funds invested in forest development roads and trails will return to the Treasury many times the amount of the investment, and therefore, insofar as possible, Federal appropriations should be used, rather than have the roads constructed by timber purchasers.

Mr. McNAMARA. I would like the record to show that the senior Senator from Oregon is responsible for the progress that has been made on forest roads and trails. Every time a road bill has been before the Congress the progress we have made has stemmed from his good work. This bill incorporates his requests. The additional $10 million provided for 1963 added by the Senate resulted from the persuasive presentation to the President on July 26 which the senior Senator from Oregon personally made.

All of our forest resources today and in the future will be better because of the consistent good work of the Senator from Oregon. The lumber industry of this Nation, the conservationists and all who use the forests owe a debt of gratitude to him for the enlightened leadership he has demonstrated.

Mr. MORSE. I thank my colleague, but I point out that my colleagues in the Senate from Washington and Montana, along with the senior Senator from Idaho [Mr. CHURCH], have always worked on a team for the development of our forest resources.

Mr. BARTLETT. Mr. President, I congratulate and compliment, as did the Senator from Oregon [Mr. MORSE], the Senator from Michigan upon having done a superb piece of work on the highway bill. The bill means much to the entire country. It is another evidence of the devoted public interest of the Senator from Michigan.

Mr. President, with the consent of the Senator from Michigan, I submit an amendment to H.R. 12315 and ask that it be read. The amendment would add a new section at the bottom of the last page of H.R. 12315.

Mr. MILLER. Mr. President, may we have the amendment read?

Mr. BARTLETT. It might be relatively meaningless to have it read; it is quite long. I shall explain it, if the Senator from Michigan will permit me to do so.

The PRESIDING OFFICER. Without objection, the amendment will be printed in the RECORD.

The amendment is as follows:

SEC. 13(a). That the Secretary of Commerce, in cooperation with the State of Alaska, is hereby authorized to make engineering studies and estimates and planning surveys relative to a highway construction program for the State of Alaska, and, in accordance with treaties or other agreements to be negotiated with Canada by the Secretary of State in consultation with the

Secretary of Commerce, engineering studies, estimates, and planning surveys relative to roads in Canada to connect with Alaska.

(b) On or before May 15, 1964, the Secretary of Commerce shall submit a report to the Congress which shall include—

(1) an analysis of the adequacy of the Federal-aid highway program to provide for a satisfactory program in both the populated and the undeveloped areas in Alaska;

(2) specific recommendations as to the construction of roads through undeveloped areas of Alaska and to connect them with roads in Canada; and

(3) a feasible program for implementing such specific recommendations, including cost estimates, recommendations as to the sharing of cost responsibilities, and other pertinent matters.

(c) From time to time, either before or after submission of the report provided for in subsection (b) of this section, the Secretary of Commerce may submit recommendations to the Congress with respect to the construction of particular highways to carry out the purposes of this section.

(d) Nothing in this section shall be construed as creating any obligation in the Congress, express or implied, to carry out the recommendations referred to in subsections (a) and (b).

(e) There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, to be available until expended, the sum of $800,000 for the purpose of making the studies, surveys, and report authorized by subsections (a) and (b) hereof.

Mr. BARTLETT. Mr. President, the amendment incorporates the exact language of Senate Joint Resolution 137, which passed the Senate on July 23 last.

The amendment was originated and sponsored by my colleague from Alaska [Mr. Gruening], who is a member of the Committee on Public Works. At the moment, he is traveling over the roads of Alaska. If the amendment is accepted, we hope and expect that better travel will be provided on those roads in the future.

The amendment authorizes the appropriation of $800,000 for certain engineering studies and estimates with respect to the entire roads network. This work has been long delayed. It should have been done years ago, but it has not been done. So the amendment will offer an opportunity to accomplish the very desirable purpose sought.

The reason why I am offering the amendment in behalf of the junior Senator from Alaska is that an unusual situation developed in the House. The joint resolution was approved by the House Committee on Public Works. It is my understanding that it was to have been placed on the suspension list in the House on Monday of this week. But because of a clerical error or a clerical failure, that was not done. If the action is not handled in this manner, there is grave danger that the language will not become a part of the law this year, and it is most important that there be early enactment.

The language of the joint resolution is strongly supported by the administration, particularly the Department of Commerce. I hope the chairman of the subcommittee will accept it.

Mr. McNAMARA. Is the amendment in exactly the same form as the joint resolution which previously passed the Senate?

Mr. BARTLETT. Literally so; not a comma has been changed.

Mr. McNAMARA. It has passed through the committees of both the House and the Senate and has the approval of all the agencies concerned.

Mr. BARTLETT. That is true. Not only that; it passed the Senate itself on July 23.

Mr. McNAMARA. Yes. The Senator has made that point quite plain.

Mr. President, speaking for the committee, I have no reluctance to accept the amendment as presented by the Senator from Alaska and shall take it to conference.

Mr. COOPER. Mr. President, do I understand that the amendment in the form of a separate measure previously passed the Senate?

Mr. BARTLETT. Yes.

Mr. COOPER. It has not been passed by the House?

Mr. BARTLETT. No. We are confident that it would have been passed on Monday had it been placed on the suspension list, as it was supposed to have been.

Mr. McNAMARA. We have been advised by the Department of Commerce that this item was omitted from the Consent Calendar in the House through inadvertence on the part of the Clerk. The House recommends this procedure.

Mr. COOPER. I have no objection to the amendment.

Mr. RUSSELL. Mr. President, is not this the same language as that of the measure which passed the Senate, with an amendment which provided that nothing therein contained was to commit Congress?

Mr. McNAMARA. That is exactly correct. We seek to adopt this amendment in the same form.

Mr. RUSSELL. Is that language now in the bill?

Mr. McNAMARA. I understand that every word in the proposed amendment is in exactly the same form as the measure which passed the Senate.

Mr. RUSSELL. I thank the Senator from Michigan.

The PRESIDING OFFICER. Without objection, the amendment of the Senator from Alaska is agreed to.

POSTAL SERVICE AND FEDERAL EMPLOYEES SALARY ACT OF 1962

Mr. JOHNSTON. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on the postal rate and pay bill.

The PRESIDING OFFICER (Mr. Pell in the chair) laid before the Senate a message from the House further insisting upon its disagreement to the amendment of the Senate to the bill (H.R. 7927) to adjust postal rates, and for other purposes; requesting a further conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. Murray, Mr. Morrison, and Mr. Corbett were appointed managers on the part of the House at the further conference.

Mr. President, I move that the Senate agree to a further conference with the House and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. Johnston, Mr. Monroney, and Mr. Carlson conferees on the part of the Senate.

FEDERAL-AID HIGHWAY ACT OF 1962

Mr. McNAMARA. Mr. President, I yield to the Senator from New Jersey [Mr. Case], if I may do so without losing the floor.

The PRESIDING OFFICER (Mr. Smith of Massachusetts in the chair). Without objection, it is so ordered.

Mr. CASE. I thank the Senator from Michigan. I wish to make a little legislative history in connection with the bill.

Mr. President, I have become increasingly convinced that we are not going to solve any of the great problems of the metropolitan areas of the country until we provide more effectively for comprehensive planning for all their needs, including the planning for transportation, and that in the planning for transportation we must take into account a balanced transportation system, including rapid transit, highways, passenger cars, and all the rest.

I am happy to see that in his transportation message the President took cognizance of this need. I applaud him for it.

Pursuant to the President's message in April of this year, the bill introduced by the Senator from Michigan, S. 3136, provides specifically, in section 7, a requirement that before the Secretary of Commerce approves specific projects—that is to say, highway projects—for any metropolitan area, he shall find that they are consistent with adequate, comprehensive plans for metropolitan areas. This is spelled out in some detail.

I think the Senator from Michigan rendered a great service by introducing the bill with that provision contained in it.

The House made rather substantial changes in that section, which is section 134 of the Highway Code. This action gave me some concern. I called it to the attention of the Senate Committee on Public Works, and I know the committee gave this subject consideration. In the end, they agreed with the House on the language in question; and in section 9 of the bill before us, the same subject is covered—that is, section 9 of House bill 12135, as it is before us with the Senate amendment.

When I saw that the action taken by the Senate committee agreed with the action taken in this regard by the House, I took up the matter with the Under Secretary of Commerce for Transportation, because I had been given to understand—based on the reports—that neither the House nor the Senate committee intended to depart from the basic requirement for the development of comprehensive planning for transportation purposes, for metropolitan areas. It had been said that the effect of the measure the House passed would be to require, not planning for all forms of transportation, but only planning for highways, and that therefore one of the main objectives, and one with which I had been concerned, had been thrown out the window.

So I wrote to the Secretary of Commerce. I am happy to say that I have received a letter, dated September 20, from the Under Secretary of Commerce for Transportation, Clarence D. Martin, Jr. I have given a copy of the letter to the Senator from Michigan, and he now has it before him.

In the letter, the Under Secretary of Commerce, after describing what he regards as certain minor and irrelevant amendments effected by the House itself and approved by the Senate committee, makes the following statement:

> The elimination or change of any language in that section of the original administration bill—

Being section 7 of the McNamara bill to which I have referred—

> has no significance other than what I have stated here. We would have no reluctance to having reinserted in the language the word "balanced" in line 25, page 8, of H.R. 12135, now pending in the Senate. We also would have no objection to the reinsertion at the end of the section on line 16, page 9, the language of the original administration bill reading "and that the Federal-aid system so developed will be an integral part of a soundly based, balanced transportation system for the area involved." It is our belief, however, that the language in the presently pending bill adequately covers the requirements that planning consideration must be given to all modes of transport and the planning process must give consideration to overall development plans of urban areas.

The letter has other paragraphs; and I ask unanimous consent that the full text of the letter be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE UNDER SECRETARY OF COMMERCE FOR TRANSPORTATION,
Washington, D.C., September 20, 1962.

Hon. CLIFFORD P. CASE,
U.S. Senate, Washington, D.C.

DEAR SENATOR CASE: This letter is being written in the hope that it will clear up an unfortunate misunderstanding over one of the provisions contained in the Highway Act of 1962.

The section of the legislation referred to is section 9 of H.R. 12135, Transportation Planning in Certain Urban Areas. This section was contained in the legislation prepared by the administration in connection with the President's message to Congress on transportation April 5, 1962. The legislation was introduced by Senator McNAMARA (S. 3136) and by Congressman BUCKLEY (H.R. 11199). The original language was amended in an executive session of the House Public Works Committee following public hearings April 17 and 18 and May 1 and 2. We feel that two substantive changes were made by the amendments. One is the limitation that the required urban planning section would apply only to urban areas of more than 50,000 population. The second eliminated the possibly that an urban area could qualify under this section by merely adopting a specific comprehensive plan instead of establishing a continuous planning process which would give consideration to total transportation needs in relation to continuing comprehensive community planning.

These changes were made with the concurrence of the Commerce Department and the Bureau of Public Roads. They had the support of several organizations which testified before the committee including the Honorable Ben West, mayor of Nashville, Tenn., who was spokesman for the American Municipal Association. In his testimony he said in part (hearings before the House Subcommittee on Roads, p. 163):

"That portion of the proposal requiring that a continuing planning process be established seems reasonable and not overly restrictive and is supported by our association. That portion requiring that the projects are part of a comprehensive development plan does seem to be unreasonable. Unreasonable in that comprehensive plan for an area can only be a general guide for development of the area. Even then the plan is not static but needs continual revision as a part of the planning process. We recommend that this requirement be deleted from the bill."

The change limiting the application of this section to urban areas over 50,000 population was made in the belief that requiring smaller urban areas to establish a continuous comprehensive transportation planning process would be an undue financial burden.

The elemination or change of any language in that section of the original administration bill has no significance other than what I have stated here. We would have no reluctance to having reinserted in the language the word "balanced" in line 25, page 8, of H.R. 12135, now pending in the Senate. We also would have no objection to the reinsertion at the end of the section on line 16, page 9, the language of the original administration bill reading "and that the Federal-aid system so developed will be an integral part of a soundly based, balanced transportation system for the area involved." It is our belief, however, that the language in the presently pending bill adequately covers the requirements that planning consideration must be given to all modes of transport and the planning process must give consideration to overall development plans of urban areas.

I hope this letter and the assurances contained herein adequately answer any questions relating to the interpretations we place on this particular section of the pending legislation.

We have been advised by the Bureau of the Budget that there would be no objection to the submission of this letter from the standpoint of the administration's program.

Sincerely,

CLARENCE D. MARTIN, Jr.

Mr. CASE. Mr. President, my question to the Senator from Michigan [Mr. McNAMARA], in charge of the bill, is, first, whether he agrees that the Senate committee had no intention other than that expressed in the letter of the Under Secretary of Commerce, Mr. Martin, and that the requirement for comprehensive planning for all forms of transportation is still in the bill.

Mr. McNAMARA. Mr. President, I have before me a copy of the letter to which the Senator from New Jersey has referred; and I agree with the statement made by Under Secretary Martin in dealing with this matter, and I am sure that was the intent.

Mr. CASE. Does the Senator from Michigan also agree that there has been no change in the original intent, although the language is changed in some particulars?

Mr. McNAMARA. I think there is no necessity for any change at all. It seems to me this meets the intent of the legislative body.

Mr. CASE. Mr. President, after having previously discussed the matter with the Senator from Michigan, I wish to say that I take it that he feels that no amendment is necessary in order to accomplish the purpose set forth in the letter.

Mr. McNAMARA. That is correct.

Mr. CASE. And I judge that he would prefer not to have an amendment offered to the bill—for the reasons we have discussed.

Mr. McNAMARA. I agree with the Senator from New Jersey.

Mr. CASE. I thank the Senator from Michigan for his courtesy and consideration, and I compliment him on the fine work he has done in connection with the bill.

Mr. McNAMARA. I thank the Senator from New Jersey.

Mr. KEATING. Mr. President, I am very much interested in the points which have been raised by the Senator from New Jersey. I commend him for his alertness to this situation and for the clarification he has made in the RECORD, by means of his colloquy with the chairman of the subcommittee. This is a matter of great concern in metropolitan areas. The Senator from New Jersey has been in the forefront of the fight for constructive action. Now he has demonstrated once more his ability and alertness by bringing this matter before us at this time.

Mr. President, I seek recognition in my own right, at this moment.

Mr. CASE. Mr. President, will the Senator yield?

Mr. KEATING. I yield to the Senator from New Jersey.

Mr. CASE. I wish to express my appreciation concerning the very kind remarks made by the Senator about our efforts to help the great metropolitan areas, in which the Senator from New York and other Senators have been so outstanding in their efforts, and to express the hope that eventually we will get somewhere toward the solution of this most important problem.

Mr. KEATING. I thank the Senator. I seek the floor in my own right——

Mr. McNAMARA. Mr. President, I have not given up the floor.

Mr. KEATING. I seek recognition on the pending amendment.

First, I want to join the Senator from Wyoming in wishing the Senator from Michigan the very best on his natal day, to compliment him on the work he has done on the bill, and to express to him my gratification for that work so far as it goes.

I am disturbed about one feature of the bill. I observe in the report and the text of the bill that funds are authorized for additional work, on a slightly increased level, for highways qualifying for Federal aid. Funds are also authorized for completion of the Rama Road in Nicaragua and the Inter-American Highway in Central America and Panama. Furthermore, a new category of roads on public lands and through national parks is authorized. Urban areas are also included in the programs to use secondary highway funds.

In short, there is something for just about all, whether they live in the woods or in the cities.

There is, however, one conspicuous omission in the bill, and that is a continuing failure to provide any form of recompense for those States which proceeded with the construction of highways before the Federal highway program was enacted.

In 1957, 1959, and 1961, first in the other body, and then here, I introduced legislation to provide a measure of compensation for progressive States which did not wait for a Federal handout, but proceeded on their own to construct a great deal of mileage now designated as interstate.

In New York State, for instance, about 580 miles, principally on the New York State Thruway, were constructed without any Federal funds of any sort. The cost was well over $1 billion.

I can assure my colleagues that, had New York waited until after 1956, when the first highway bill was enacted, to commence construction, the total cost would have been substantially higher.

At the time the Federal Highway Act of 1956 was enacted, the question of reimbursement for toll roads, such as the New York State Thruway, was left open. A study by the U.S. Department of Commerce was called for. The Bureau of Public Roads reported to Congress in 1958 that 10,859 miles of toll roads, including the thruway, had been completed by States between 1947 and 1957, at a cost of more than $6 billion.

In this study, which was required by the Federal Highway Act of 1956, the Department of Commerce recommended in January 1959, that the States be reimbursed for the amount of mileage which equaled or exceeded the design standards of the Interstate System and which had been built without Federal aid.

The bill which my colleague [Mr. JAVITS] and I introduced on January 5, 1961, would have allowed Federal payments up to 90 percent of the cost of the interstate highways constructed before 1956, these funds to be used for the construction of substitute mileage to be added to the system in addition to highways already designated as interstate routes.

In my judgment, this is a fair and equitable way to reimburse States that took the initiative, and at the same time to provide additional, better highways for all our American people, in accordance with the concept of the Federal Highway Act.

A number of different formulas have been proposed by various Members of Congress. The advantage of the legislation which my colleague and I have proposed is that the additional funds would be restricted to providing additional highways, but I am certainly not wedded to this approach and would welcome any form of recompense or reimbursement which would be fair to the many States, large and small, which did not wait for a push from the Federal Government before undertaking their rightful responsibilities in the area of highway construction.

Particularly in view of the funds provided for roads through Central America and through forest reserves, it seems to me that further attention must be given to the need for additional highways in the populated areas of the United States.

To illustrate, in New York State, for instance, there is a chronic need for additional work on sections of what is known as Route 17, the Southern Tier Expressway, badly needed to serve an important area of New York State, inhabited by almost 1 million people, in 7 counties and 11 cities.

As we all know, New York State is the most populous State in the Union. California is approaching our population and may catch up before the year is out, but New York is still the most populous State and is the second largest contributor of Federal highway user taxes. Yet continuous efforts by the State of New York to obtain a portion of the remaining unallocated portion of the interstate mileage for the Binghamton to Lake Erie portion of the Southern Tier Expressway have been turned down. Instead, new mileage has been allocated for a new interstate highway between Washington, Pennsylvania, and Charleston, W. Va., an area which I would venture to guess does not have half the population or traffic as the Southern Tier area to which I have referred.

Because of this continuing injustice and because of the ample provision in this legislation for highways in uninhabited national forests, I would like to inquire of the distinguished Senator from Michigan, who is handling the bill, what action it may be fair to expect may be taken by the committee with regard to arriving at some equitable formula for the recompense of States which did not wait for Federal aid in undertaking highway construction, in accordance with the recommendation made by the Department of Commerce as a result of the study which was heretofore authorized.

There are 26 States with toll roads, and I believe a total of 47, all together, which would qualify for reimbursement under the bill which my colleague and I have introduced.

While I support the bill and intend to vote for it, I would like to have some assurance or some indication from the distinguished chairman of the subcommittee as to whether this subject can or will be considered next year.

Mr. McNAMARA. In reply to the distinguished Senator's question, I presume he is familiar with the Federal Highway Act of 1956, on page 11, at the bottom of the page, section 114.

Mr. KEATING. Is the Senator referring to the original act?

Mr. McNAMARA. To the 1956 act. Does the Senator have a copy?

Mr. KEATING. I do not have a copy of the act.

Mr. McNAMARA. I refer to section 114, on page 11, "Determination of Policy With Respect to Reimbursement of Certain Highways."

Perhaps the Senator remembers that this was a part of the act. There was authorized a study by the Secretary of Commerce, in cooperation with the State highway departments and other agencies, to determine which highways in the Interstate System measured up to the standards required by the title. All related costs and other factors were to be considered.

It was determined at that time that the highway trust fund could not stand the burden of this additional cost of reimbursement. Many States are involved in these toll roads, as the Senator has said. It was estimated that the cost would be more than $6 billion. It was simply not possible to provide that amount of money from the highway trust fund without additional highway users tax.

The suggestion was made, and there was some discussion at the time the report was made, that consideration should be given to this problem along toward the end of the interstate program, rather than in the middle of the program, when obviously there would be involved a drain on the trust fund which could not be tolerated. That drain would put the system completely off schedule and delay its completion.

Mr. KEATING. The Bureau of Public Roads did make a report as required under the bill, and there was set forth the number of miles of toll roads which had been completed during the preceding 10-year period, as the Senator has said. The cost was more than $6 billion. I question whether the Federal participation would amount to such a great sum, but it would be a substantial sum. That fact is admitted.

What is the time envisioned for the completion of the existing program?

Mr. McNAMARA. If the Senator is talking about the Interstate System, 1972 was the original target date. It now appears more likely that it will be completed about 1975.

Mr. KEATING. While I expect to be in the Senate in 1972, many things could happen between now and that time. If I could, I should like to have some assurance from my friend from Michigan concerning further consideration of the matter before 1972. Some States acted on their own in the 10-year interval before the act was passed. The longer we fail to act on the problem of whether those States will be reimbursed, the less likely it is that there will be action in that regard. And of course the more expensive any new efforts will be.

Mr. McNAMARA. The real problem, as the Senator perhaps realizes, is that the trust fund simply does not have that much money available. There is no prospect for getting it.

I am concerned about the problem, also. There is a structure in my State which has been taken over as part of our Interstate System. The cost was $101 million. That cost is being paid off by tolls, also. We understand the problem, because we are involved in it. Michigan is a part of the overall picture the Senator mentions.

We have found there is no answer under the present plan. It cannot be financed out of the trust fund at the present time.

Mr. KEATING. Is there any plan for adjusting the terms or changing the terms of the trust fund provisions, so that such a result could be achieved, or achieved in part?

Mr. McNAMARA. Of course, the bill before the Senate now deals primarily with highways other than the Interstate System. It refers to the A-B-C roads primarily.

Mr. KEATING. Those A-B-C roads, of course, are a part of the federally assisted highway program, even though not technically part of the interstate highway authorization. Is there interstate highway assistance as such in the bill?

Mr. McNAMARA. No. There is no authorization for the Interstate System in this legislation.

Mr. KEATING. Not in this particular bill?

Mr. McNAMARA. No. That will be considered again next year or 1964.

Legislation on the Interstate System will be considered in the next year or so. That would be a more logical time to raise the question.

Mr. KEATING. I hope at that time the Senator who handles the legislation, who has an interest because of the interest of his own State, as the Senator has pointed out, will give serious and earnest consideration to the problem faced by New York, and by Michigan, and several other States.

Mr. McNAMARA. We are certainly much concerned, as are other Senators, about the problem. It will be given consideration.

Actually, the bill before the Senate involves the A-B-C systems primarily. The closest we come to getting under the 1956 act is on the subsidizing the moving of tenants and one or two other items. I know the Senator is interested in that, because I think originally the request was made by his colleague.

Mr. KEATING. I am, indeed.

Mr. President, I appreciate the assurances given me by my colleague from Michigan. My colleague from New York is seeking recognition, but before I yield the floor, on a matter which has been cleared, I should like to make a request.

DR. MEHMET VECIHI KALAYCIOGLU

Mr. KEATING. Mr. President, I ask the Presiding Officer to lay before the Senate the message from the House of Representatives on the bill, H.R. 12907.

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its disagreement to the amendment of the Senate to the bill (H.R. 12907) for the relief of Dr. Mehmet Vecihi Kalaycioglu, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. KEATING. I move that the Senate insist upon its amendment and agree to the request of the House for a conference, and that the Presiding Officer appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. EASTLAND, Mr. ERVIN, Mr. DIRKSEN, and Mr. KEATING conferees on the part of the Senate.

FEDERAL-AID HIGHWAY ACT OF 1962

The Senate resumed the consideration of the bill (H.R. 12135) to authorize appropriations for the fiscal years 1964 and 1965 for the construction of certain highways in accordance with title 23 of the United States Code and for other purposes.

Mr. JAVITS. Mr. President, I shall be very brief. I wish to make two points on the bill.

First, I support wholeheartedly and fully the position of my colleague from New York. As a principal sponsor of the bill seeking to correct the injustice to New York with regard to the throughway which New York has built, a magnificent highway which facilitates the whole Interstate Highway System in an unparalleled way, I wish to say that New York certainly ought to be given recognition for that at least in additional road mileage. It is only fair to encourage States which have satisfied a responsibility to the Nation as well as to themselves, and have fulfilled their obligations.

If the people of New York return me to the Senate, I shall consider it a privilege to work very hard toward that end when the Interstate Highway program is considered, as the Senator from Michigan [Mr. McNAMARA] has said it will be, next year.

So I join fully with my colleague in that effort, and I support him entirely. I shall work hard to get for our State this measure of justice which it deserves, along with many other States, including Michigan.

Second, Mr. President, I testified before the committee as to the need for providing relocation assistance for families and small businesses which would be displaced by the highway program. I am delighted that this has now finally been recognized in both the House bill and the Senate bill. On pages 5 and 6 of the Senate bill a provision is made for this purpose.

I should like to ask the Senator in charge of the bill a question in that regard. I note that the limitations which are to be provided for moving expenses for families and for moving expenses for small businesses, on page 6 of the bill, lines 1 to 3 inclusive, are the limits which are the old limits of the 1961 Housing Act.

I succeeded, in the Banking and Currency Committee, in having those limits raised to a small extent for families and to a substantial extent for small businesses, by having the $3,000 limitation removed and by making provision for all moving expenses.

There is great interest in this subject on the part of small business. We should do partial justice, since these businesses cannot get anything as a result of loss of profits. The Senator knows what that means. He, too, is a common man, as it were, in terms of direct experience. At least we should give to them everything we can in connection with the physical problem of moving fixtures, the destruction of fixtures, and so on.

Will the Senator give me his rationale on that problem?

Mr. McNAMARA. The committee held a lengthy discussion on this problem. It was mostly along the line of trying to justify a payment from the trust fund. We did not consider any higher limitation, because what we were trying to do in the committee was to retain the figures which were in the bill.

There was a great deal of discussion and considerable opposition to reaching into the highway trust fund for payment of that kind of compensation. I say to the Senator frankly that we did not consider any higher figure.

Mr. JAVITS. Would it be fair, then, to say that a beginning has been made? For this I am grateful. The people concerned will be pleased that it is actually happening. I am sure the Senator would agree with me that if it were found, as we did in the housing program, that the limits work out unjustly, at least we can get an audience and a hearing if we seek to improve the limits.

Mr. McNAMARA. I am sure that can be done. It is a question of how much would be expended on a program of this type. We received estimates of cost varying from $75 million to $200 million. When we get some experience in the actual handling of cases under that section of the bill, a more realistic cost estimate will be available and can be followed up later, as the Senator suggested.

Mr. JAVITS. I thank the Senator. My aim would be to make the assistance for relocation under the bill consistent with the relocation provisions under the Housing Act for the removal of families and small businesses. Such people cannot see any reason why they should be treated differently when roads are involved than when housing is involved.

Mr. McNAMARA. The Senator will notice in the hearings, beginning on page 54, the testimony of Mr. Whitton, the Highway Administrator, in which he said at the bottom of page 55:

> The Housing and Home Finance Agency has advised us that under the urban renewal program an average relocation payment of about $65 is paid to families and about $1,150 to businesses.

We have gone quite a bit further in the payment ceiling provisions of the bill.

Mr. JAVITS. I point out to the Senator the magic of that little word "average." What we were doing in the housing program was to take care of those unfortunates for whom the average would have been a gross injustice. I appreciate the Senator's remarks. We will proceed accordingly. I am delighted that perhaps my testimony had some little effect in getting that appropriation in the bill.

Mr. McNAMARA. I am sure it did. I thank the Senator.

GUARANTEED AIRCRAFT PURCHASE LOANS—CONFERENCE REPORT

Mr. MONRONEY. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 10129) to amend the act of September 7, 1957, relating to aircraft loan guarantees. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of Oct. 5, 1962, p. 22613, CONGRESSIONAL RECORD.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. MONRONEY. Mr. President, I would like to make a brief explanation of the provisions agreed upon by the committee of conference.

H.R. 10129 would amend the act of September 7, 1957 (71 Stat. 629) to provide for Government guarantee of private loans to certain air carriers for purchase of modern aircraft and equipment, to foster the development and use of modern transport aircraft by such carriers, and for other purposes. The essential provisions of the bill as it passed the House extended for 5 years the authority of the Civil Aeronautics Board under the act of September 7, 1957, which act expired September 7 of this year, to guarantee aircraft purchase loans. The amount of loans which could be guaranteed with respect to any eligible carrier was increased from $5 million to $10 million. Additionally, the Civil Aeronautics Board was required to make available to the Comptroller General such information with respect to the loan guarantee program under the act as he may require to carry out his duties under the Budget and Accounting Act of 1921.

The Senate amended the House bill with an amendment in the nature of a substitute. It retained provisions with respect to extending the program an additional 5 years and increasing the amounts available to any single carrier from $5 million to $10 million. The Senate proposed two significant changes in existing law, viz., to make a new class of carriers, that is, the all-cargo carriers, eligible for loans under the program in amounts not exceeding $15 million per carrier. Eligibility of these carriers was subject to the following conditions: The proceeds of the loan must be used for the purchase of turbine-powered aircraft and such aircraft must be of U.S. manufacture; the Defense Department must certify that the aircraft so purchased is suitable for use by the Military Establishment to meet national defense needs in times of emergency; and the aircraft must be used "predominantly" for the carriage of property.

The second change proposed to transfer the responsibility of administering the loan guarantee program from the Civil Aeronautics Board to the Department of Commerce with appropriate language providing for orderly transition. The substitute agreed to in conference follows the provisions of the Senate amendment transferring from the Civil Aeronautics Board to the Secretary of Commerce the responsibility for the administration of the loan guarantee program, together with appropriate transitional provisions preserving existing agreements, regulations, and proceedings, and appropriate provisions transferring property and personnel utilized in such program.

Aside from the transfer of administrative responsibility, the conference substitute follows the provisions of the House bill extending the loan guarantee authority for 5 years from September 7, 1962; increasing from $5 million to $10 million the ceiling on loans to any one carrier which may be guaranteed and outstanding; restricting the class of carriers eligible for loan guarantees to those originally included in existing law; and requiring that information with respect to the loan guarantee program be made available to the Comptroller General.

Mr. President, I am very pleased that the committee of conference adopted the Senate provisions, with minor technical changes, with respect to the transfer of the loan guarantee program from the Civil Aeronautics Board to the Department of Commerce. This transfer will result in the implementation of an important recommendation of the President as set forth in his April 5, 1962 transportation message to the Congress.

I am, however, extremely disappointed that the House conferees were unable to accept the Senate provisions to make all-cargo carriers eligible for loan guarantees. I am thoroughly convinced that adoption of these provisions would have materially strengthened and rendered more efficient our air transportation system. There are many persuasive and cogent reasons for including these carriers. However, there is no point in reiterating them at this time, since they have been set forth in great detail in the report submitted by the Senate Committee on Commerce, No. 1924. I also discussed, at considerable length, in remarks on the Senate floor on September 12, the desirability of including these carriers. With respect to the position taken by the House, however, I do wish to point out that at the time the House Interstate and Foreign Commerce Committee held hearings on H.R. 10129 there was no formal amendment to provide for the inclusion of the all-cargo carriers. Consequently, the committee received only very limited testimony on the subject. Apparently, the House conferees were of the view that with such limited testimony they were not in a position to make an adequate evaluation as to the need for making all-cargo carriers eligible for aircraft purchase loans. However, the able and distinguished chairman of the House Interstate and Foreign Commerce Committee, Mr. HARRIS, and the very capable chairman of the House Transportation and Aeronautics Subcommittee, Mr. WILLIAMS, indicated that they would be amenable to giving this matter formal consideration early in the next session of Congress. I am confident that they will do so. For my part, as its chairman, I can assure my colleagues in the Senate that the question of all-cargo carrier eligibility under the loan guarantee program will be a matter of top priority on the agenda of the Senate Aviation Subcommittee next year.

I move that the report be agreed to.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

FEDERAL-AID HIGHWAY ACT OF 1962

The Senate resumed the consideration of the bill (H.R. 12135) to authorize appropriations for the fiscal years 1964 and 1965 for the construction of certain highways in accordance with title 23 of the United States Code and for other purposes.

Mr. McNAMARA obtained the floor.

Mr. McNAMARA. Mr. President, I ask unanimous consent that I may yield to the Senator from Iowa without losing my right to the floor.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. MILLER. Mr. President, during the deliberations on the bill in the committee a question arose over section 8 of the bill, which appears on page 8, and more particularly the language in the bill which appears on line 14, namely, "pass through the urban area." One could read that language literally and conclude that it means going completely through an urban area from one end of the urban area to the other, or one could take a more realistic or practical view of it and ascertain that the intention was that if it passed through a substantial portion of the urban area, the law would be satisfied.

More particularly, the problem arose in connection with terminal markets. In some of our urban areas, terminal markets are located in the urban area, but because of the configuration of the urban area it would be either impracticable or impossible to extend a highway completely through the urban area. On the other hand, it would be not only practicable, but desirable, to extend it through so much of the urban area as would lead it to the terminal market.

I should like to ask the Senator from Michigan, for the purpose of making legislative history on the bill, whether this reasonable interpretation—not the strict or literal interpretation—of going through a substantial portion of an urban area, rather than completely through it, is not the intention of the committee with respect to this language.

Mr. McNAMARA. This subject was discussed in committee, and he knows that I was on his side, on the side that he is taking at the present time. From the discussions we had there, with the representatives of the Bureau of Public Roads present, I understood that this was our conclusion, and that this was the conclusion that we intended to include in the report. There has been some doubt since then in connection with the provisions of existing law. However, the Senator from Iowa is correct, that this was the intent of the legislation and of the committee when we sat down with the Bureau of Public Roads representatives.

Mr. MILLER. It seems to me that this was the unanimous feeling of the committee, that the reasonable interpretation of the language of "passing through" was to attach to the bill, rather than a literal interpretation, which would cause one to go completely through a urban area. This ought to be shown as a part of the legislative history.

Mr. McNAMARA. The existing law provides that the highway go through the urban area, or connect with a Federal-aid highway within the urban area. I believe the Senator should go one step further and say that first the local highway people, the State highway commission or whoever has authority in this field, must make the request for designation of a section of the highway on the secondary system. Unless they did it, the interpretation would be meaningless. After they make the request, and after the request had been approved by the Bureau of Public Roads, they would have enough room under the language of the act to grant the request, as indicated by the Senator from Iowa.

Mr. MILLER. I thank the Senator for his comment. I am confident that the Bureau of Public Roads will take a broad view of it, not a narrow view, because the representatives of the Bureau of Public Roads were present during the deliberations of the committee on the pending bill.

Mr. McNAMARA. That is correct.

Mr. MILLER. I believe that is the reasonable interpretation that will be made; I believe they will take a liberal view, and not a strict view, in interpreting the language.

Mr. McNAMARA. After a request comes from the local highway commission, that is correct. I thank the Senator from Iowa.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time.

Mr. RANDOLPH. Mr. President, it is my personal privilege before discussing the importance of what we accomplish here today, in extending and improving the highway system of the United States through effective legislation, to indicate the esteem I hold for the Senator from Michigan [Mr. McNAMARA], who serves as chairman of the Subcommittee on Public Roads of the Committee on Public Works. Directing the course of legislation in the complex area of road construction, as it exists today in a mobile America, is one which calls for application to duty and forceful leadership. As a member of the Subcommittee on Public Roads I have enjoyed the opportunity and responsibility of serving and cooperating with the chairman, the Senator from Michigan. We are all, of course, very conscious of our esteem for our committee chairman, Senator CHAVEZ, who is absent today. He is being honored in New Mexico by his fellow citizens.

The Senator from Michigan observes a birthday aniversary, a special day of good work done in this forum, and I believe that ofttimes we are inclined to forget to express appreciation to those who have positions of responsibility and who discharge them with objectivity and also with a range of vision. So today we are in a sense building a better America.

Mr. President, it is a source of genuine satisfaction to me that the Senate is acting affirmatively today to continue and strengthen the national highway program begun in 1956.

In approving biennial authorizations for the Federal-aid primary, secondary and urban systems—commonly known as the A-B-C system—we are making provision for the continuation of a long-range program to improve, to adequate standards, a network of roads which extends into every county of the United States and which is of direct benefit to every citizen.

We are, truly, a nation on wheels. We operate approximately two vehicles for every three citizens of driving age. We use the automobile for pleasure and for business. The highways place the farmer within convenient reach of his marketplace and his children within reach of the modern school. Every facet of everyday life is touched and affected by highway transportation.

The 1956 act provided a far-reaching program for the construction of the 41,000 miles of National System of Interstate and Defense Highways which will become, on completion, the backbone system of our national highway network. It has been pointed out, frequently, that the Interstate System will comprise only about 1.2 percent of our total highway mileage, but will carry more than 20 percent of all of our highway traffic.

A qualifying phrase should be added to that statement. The Interstate System will fulfill its planned function provided that the feeder and connector roads—the A-B-C highways—are adequate to supplement the Interstate System and thus complete a fully integrated national system of highways.

I have likened the Interstate System to a backbone; perhaps a more apt simile would compare the Interstate System to the arteries, and the A-B-C roads to the smaller blood vessels. We are speaking, in fact, of a circulatory system for traffic, and the vital virtue of highway transportation is the unrivaled degree of flexibility it affords. Even a coast-to-coast trip on arterial highways is not complete until the driver traverses a side street or secondary road leading directly to the lane or private driveway that represents his ultimate destination.

A wholesome transportation system is a key factor in economic expansion. We must not fail to meet the challenge. As our population increases, as new echelons of high school and college graduates enter the labor market, there must be new job openings for them—job opportunities developed through the continual process of economic growth. Highway development, of course, is only one of the factors to be considered, but it is an extremely significant one. Many of our new industrial plants are highway oriented, depending on the roads for access to raw materials, labor and markets.

Inadequate roads impair the efficiency of the transportation system through loss of time in transit, increased operating costs, and increased hazards.

Highway hazards concern all of us. Accident rates have declined steadily. For instance, the death rate last year was less than half what is was in 1945—5.2 deaths per 100 million vehicle miles in 1961, as compared with 11.3 in 1945. But traffic more than doubled during the period, so the number of deaths did not decline.

So, while we are encouraged by the progress that has been made in highway safety, we are concerned with the need for further improvement. The Interstate System will do much to improve the highway safety record—in terms of fatal accidents, urban freeways are about twice as safe as city streets, and rural freeways about 2½ times as safe as other rural roads. At least 5,000 lives a year will be saved by transferring traffic to the safer Interstate highways. And other thousands of lives can be saved by the program of rebuilding and modernizing the A-B-C highways.

In truth, the highway program is a national investment of prime importance. It has been my privilege to be closely associated with the highway effort over a long period of years—as a former member of the House of Representatives Committee on Roads, as a past treasurer of the American Road Builders' Association, and, now, as a member of the Senate Subcommittee on Public Roads. I have, during a span of almost 30 years of direct work in this field, been impressed with the manner in which the program is being executed, by men of proven talent and personal integrity, in the Bureau of Public Roads, in the State highway departments, and generally in the highway industry.

In the past 6 years, we have accomplished about one-third of the labor of completing the Interstate System, and, it is interesting to note that the construction is being accomplished at prices within the cost estimates, in spite of the recognized trend toward higher prices. During the first half of 1962, for example, contractors' low bids totaled $714.8 million on Interstate works which the State engineers had estimated would cost $774.1 million—a saving to the taxpayers of $70 million in 6 months on the Interstate System.

There are two cogent reasons for the savings—first, the rapid development and acceptance of improved equipment, materials and construction methods; and, second, keen competition among contractors—5.8 bidders per contract in 1962 as compared with 3.9 in 1946 and 5.0 10 years ago.

We have made significant strides in bringing our highways to adequate standards. We anticipate even more effective progress in the years ahead. In our State of West Virginia we are increasingly challenged by the immediate and long-range needs to extend and expand and improve our highways. The program now underway needs to be implemented for the business and industrial and tourist appeal in our mountain and valley land—a land in degree overlooked but now moving determinedly into a position of strength among the States.

Mr. McNAMARA. Mr. President, I thank the Senator from West Virginia, and especially for his kind personal remarks. His knowledge of the highway system and its problems have been spelled out in his statement. His long experience in the House in matters concerning public works makes him a most valuable member of our committee, and particularly of our subcommittee. I deeply appreciate his help and cooperation.

Mr. RANDOLPH. I thank the Senator from Michigan.

Mr. CURTIS. Mr. President, will the Senator from Michigan yield?

Mr. McNAMARA. I yield.

Mr. CURTIS. First I digress to join with other Senators in wishing the Senator from Michigan a happy birthday.

Mr. McNAMARA. I thank the Senator from Nebraska.

Mr. CURTIS. Can the Senator tell us how the amount provided in the bill coincides with the amount in the trust fund? Does it go over or under the anticipated receipts of the trust fund?

Mr. McNAMARA. The receipts of the trust funds are not definitely divided into periods which would make them measurable; but as of June 30, 1962, there was a balance in the trust fund of $470,251,000. So we are not running behind in the trust fund, but a little bit ahead.

Mr. CURTIS. Is it anticipated that that part of the road program which is referred to as the Interstate System, and paid for from the trust fund, will stay within the trust fund figures?

Mr. McNAMARA. The A–B–C as well as the Interstate obtain their funds from the trust funds. The difference is in the matching. The A–B–C systems get first call on the revenues in the highway trust fund.

Mr. CURTIS. Is a deficit anticipated in the trust fund?

Mr. McNAMARA. There is no indication at this time that there will be a deficit in the foreseeable future.

Mr. CURTIS. Is it contemplated that an increase in the tax will be necessary to maintain funds in the trust fund?

Mr. McNAMARA. Not as I see the situation at the present time.

Mr. CURTIS. How does the amount provided by this measure compare with the total authorization in the House bill?

Mr. McNAMARA. We have cut $25 million from the $975 million for fiscal year 1965, which was requested by the administration, but we have added $28 million for roads on Federal lands, and $33 million for the Inter-American Highway and the Rama Road.

Mr. CURTIS. It is substantially the same amount, but a little higher.

Mr. McNAMARA. A little higher.

Mr. CURTIS. Is the amount substantially in accord with the budget estimates?

Mr. McNAMARA. Yes, except for the $25 million. The House provided $25 million above the budget estimates, and the Senate cut that amount back.

Mr. CURTIS. Were the increases provided by the Senate approved by the budget?

Mr. McNAMARA. Yes.

Mr. CURTIS. I thank the Senator.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

The bill (H.R. 12315) was passed.

Mr. McNAMARA. Mr. President, I move that the Senate insist on its amendments, request a conference with the House thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer (Mr. SMITH of Massachusetts in the chair) appointed Mr. KERR, Mr. McNAMARA, Mr. RANDOLPH, Mr. COOPER, and Mr. FONG conferees on the part of the Senate.

Mr. McNAMARA. Mr. President, I ask that H.R. 12135 be printed with the Senate amendments.

The PRESIDING OFFICER. Without objection, it is so ordered.

INCREASING TEMPO OF ATTACK FROM ULTRACONSERVATIVE AND RIGHTIST PUBLICATIONS AND ORGANIZATIONS

Mr. McGEE. Mr. President, with election day rapidly approaching, many of the Members of this body will doubtless enjoy, or endure, an increasing tempo of attack from the ultraconservative and rightist publications and organizations.

I wish to discuss at length two sources of such attacks: the publication Human Events[1] and the organization, Americans for Contitutional Action. These two are, as will be shown, closely connected. Most of us recognize the names, but perhaps we are less familiar with what they are and who is behind them.

In making these remarks, Mr. President, I should like to have included in the RECORD with them several footnotes documenting many of the statements.

Let us start with Human Events, since it is the older. In fact, it dates its beginnings from February 1944 when "its official launching took place at a Chicago luncheon given by Gen. Robert E. Wood, chairman of Sears, Robuck," on behalf of editor-publisher and founder Frank C. Hanighen. Let me digress to sketch in some information on each of these men.

Gen. Robert E. Wood, since retired from the chairmanship of Sears, Roebuck & Co., was a leading supporter of the late Senator Joseph McCarthy and has been active in extreme right-wing causes from the America First Committee, of which he was the first chairman, on down. For example, he was on the advisory council of the so-called Campaign for the 48 States, an organization which operated from 1955 to 1959 campaigning for a group of constitutional amendments which ranged from putting an upper limit on the income tax to revision of the electoral college so as to further weaken the voting power of urban areas. He has served on the advisory board of Facts Forum and its successor organization, Life Lines, both of which are the creatures of Texas Oilman H. L. Hunt, and he has been a sponsor of the Organization To Repeal Federal Income Taxes. Currently he is listed as a member of —

Citizens Foreign Aid Committee, which is opposed to foreign aid.

Board of trustees, America's Future, Inc., an organization headed by John T. Flynn's former assistant, Rosalie Gordon; currently engaged in reviewing school textbooks to look for leftist and one-worlder influences.

Senior advisory board, American Security Council, a private "research and information center on subversive activities"[2] whose field director is W. Cleon Skousen—described by fellow-rightist J. Bracken Lee as "an incipient Hitler" and a "master of half-truths."

Frank C. Hanighen was a book editor in the 1930's and then a freelance journalist. He authored two muckraking-type books, one on the international petroleum industry—"The Secret War," John Day, 1934—and one on the international munitions industry—"Merchants of Death," Garden City, 1937, coauthored by H. C. Engelbrecht. In addition to being the founder and editor of Human Events, Mr. Hanighen wrote a regular column on Washington affairs for the Freeman magazine for the first 15 months of its publication under the auspices of the Foundation for Economic Education. Like General Wood, Mr. Hanighen served on the national advisory council of the Campaign for the 48 States. More recently he is the treasurer of the American Good Government Society and an incorporator of the Intercollegiate Society of Individualists, which was established as a sort of joint project of Human Events and the Foundation for Economic Education.

To return to the 1944 luncheon that gave Human Events its sendoff, it has already been noted that the host, General Wood, had been the chairman of the America First Committee. In view of this, the names of the other people at the luncheon is noteworthy. They were Gen. Thomas S. Hammond, Clay Judson, Sterling Morton, and W. H. Regnery, Sr., all of whom had served with Wood on the America First Committee; Col. Charles Lindbergh who made numerous speeches for the committee; and Col. Robert McCormack, whose Chicago Tribune was a sort of unofficial journal of the movement.[3] Each guest, it is reported, ordered charter subscriptions to Human Events for friends to make up an initial circulation list of 127. Since, according to a recent brochure, "The recipients renewed their own subscriptions and sent gift subscriptions to their friends," and since Human Events frequently reprints a partial listing of the "charter" subscribers, it may be of interest to note some of the names. If nothing else, they indicate the readership for which the newsletter was designed. Included were W. J. Grede, A.

---

[1] Human Events, special issue, July 1962.

[2] 1960 brochure put out by American Security Council, Inc.

[3] Names of those at the luncheon from Human Events, special issue, July 1962.

G. Heinsohn, Jr., and Cola Parker, all of whom have more recently been members of the National Council of the John Birch Society; E. L. Wiegand and Frank de Ganahl, both of whom have endorsed the John Birch Society; and Charles Edison, Adolph Menjou, and J. Howard Pew, all of whom serve on the editorial advisory board of the society's magazine, American Opinion. It is hardly surprising either that we find a number of charter subscribers to Human Events currently affiliated with Americans for Constitutional Action. In addition to Charles Edison and E. L. Wiegand, just mentioned, these included Walter Harnischfeger, Albert Hawkes, J. W. Kieckhafer, Philip McKenna, Adm. Ben Moreell, Bernard Peyton and H. W. Prentis, Jr. Others listed by Human Events as on its charter subscription list have been active in various other rightwing causes, but I believe this is sufficient to make the point.

STAFF AND CONTRIBUTORS

We have seen for whom Human Events is written; let us take a look at its staff. Chief assistant to Mr. Hanighen is an Ohio publisher named James L. Wick, who carries the titles of executive publisher of Human Events and president of Human Events, Inc. Mr. Wick, who is the chairman of the board of small newspapers in Louisiana and North Carolina, in addition to Ohio, joined the staff of Human Events in 1954. Prior to that he had been editor of Prentice-Hall's Washington newsletter, What's Happening in Washington, and, in 1953, general manager of the Freeman magazine prior to its adoption by the Foundation for Economic Education. It is of note, also, that Mr. Wick has worked in two Republican presidential campaigns, as an employee of the Republican National Committee in 1940 and as a member of Governor Dewey's research staff in 1944.[4] He appears to have been dissatisfied with the way in which these campaigns were run since he subsequently wrote a book titled "How Not To Run for President," Vantage Press, 1952. The primary theme of this book is the familiar one that too much "me-tooism" on the part of Willkie and Dewey alienated the conservative core of Republican voters and lost the elections.

Other people who are or have been key staff members at Human Events include—

Frank Chodorov, contributing editor. Mr. Chodorov is a well-known author and editor who is opposed to the income tax and to public education and has called the historic 1954 decision of the Supreme Court on school integration "another effort to destroy State autonomy and abolish local government."[5] In addition to being the founder and president of the Intercollegiate Society of Individualists, Mr. Chodorov has been affiliated with the following other rightwing groups:

For America, headed by Gen. Bonner Fellers, who also heads the Citizens Foreign Aid Committee, mentioned previously, the vice chairman of Americans for Constitutional Action, and an endorser of the John Birch Society.

Campaign for the 48 States, mentioned previously.

We, the People, an extremist group headed by the Rev. Billy James Hargis, who also heads his own Christian crusade and is another endorser of the John Birch Society.

National Economic Council, which defends the Birch Society, charges that "the Zionists [were] largely responsible for Hitler's going berserk,"[6] and is headed by Merwin K. Hart, an anti-Semite and a John Birch Society chapter leader.

Kenneth Ingwalson, assistant publisher. Mr. Ingwalson came to Human Events from the American Farm Bureau Federation via Americans for Constitutional Action.

Edna Lonigan, contributing editor. Miss Lonigan's apparent field of specialty is welfare, on which she has written two pamphlets for the American Enterprise Association. Her general viewpoint may be gathered from the following quotes:

> If the Central Government continues to acquire capital for itself, in blocks of billions [presumably referring to the social security program], by promising to provide welfare * * * our liberties will be permanently lost.[7]
>
> If Congress wishes to preserve the constitutional principle of sovereign States, it must begin to amputate these grants in aid. It must confront every request for new assistance by cutting down some older program.[8]

Miss Lonigan has also written on foreign affairs and, in an article on the Alliance for Progress, said:

> Land reform is in essence a Communist proposal, although, like all Communist propaganda, it is repeated, nine times out of ten, by people who have no idea they are helping perpetuate a Communist slogan.[9]

And, in an article on the Congo:

> We must abandon the nonsense that U.N. troops or U.N. administration are part of the free world strategy.[10]

Felix Morley, president of Human Events, Inc., during the first 5 years of its existence. Like Mr. Chodorov, Mr. Morley is a well-known author. He currently writes a regular column for the chamber of commerce magazine, the Nation's Business. He is also, as we will see, secretary of Americans for Constitutional Action, to be discussed later. His most recent book is titled "Freedom and Federalism." He is on the advisory board of the American Enterprise Association and serves as chairman of the closely interlocked Institute for Social Science Research. With Mr. Manighen he shares membership in the American Good Government Society. He is on the textbook evaluation committee of America's Future, an organization mentioned earlier in connection with General Wood. In earlier years, Mr. Morley, like General Wood, Mr. Hanighen, and Mr. Chodorov, served on the advisory council of the Campaign for the 48 States. He has also served on the advisory committee of Spiritual Mobilization, a California organization which uses religion to cloak a right-wing social and economic philosophy. The organization's head, James W. Fifield, has expressed opposition to all social security and minimum wage laws, and has attacked UNESCO.[11] Mr. Morley appears to share Mr. Chodorov's antipathy toward public education in general and the Supreme Court's ruling in the school integration case in particular. Regarding the latter he has written that the Court's doctrine that "separate education facilities are inherently unequal is obviously only a personal opinion."[12]

Human Events also shares staff with the relatively new publication, New Guard, the official magazine of Young Americans for Freedom. C. L. Alexander Jerome and Allan H. Ryskind, of Human Events' current staff, are also staff members for New Guard. In addition, Douglas Caddy—Young Americans for Freedom's national director; Antoni E. Gollan, William Schulz, and Kenneth E. Thompson, all of New Guard, are Human Events alumni.[13]

Finally, the names of some of the regular contributors to Human Events serve to further indicate its bias and its flavor. These include Rosalie Gordon, former assistant to John T. Flynn, and now secretary of America's Future; Hans Sennholz, a former Luftwaffe pilot who is a contributing editor of the John Birch Society magazine, American Opinion; Alice Widener, author of "Behind the U.N. Front" and founder-publisher of the rightwing magazine, U.S.A.; Walter Trohan and Willard Edwards, of the Washington Bureau of the Chicago Tribune; and Fulton Lewis, Jr. and Westbrook Pegler.

THE HUMAN EVENTS LINE

Human Events is frequently regarded as a voice of responsible conservatism. A sampling of quotations from various issues and a noting of some of the pamphlets which the publication distributes, serves as the best answers to that myth and indicate why the John Birch Society has campaigned to have Human Events stocked as reading matter by airlines and Human Events in turn has joined with Robert Welch's American Opinion magazine in a combination subscription offer.[14]

It should be noted that it was Human Events which, back in 1954, attacked the Girl Scouts as being a vehicle of "U.N. and world government propaganda" and advised "all American mothers to discourage their girls from joining that organization."[15] This conspiratorial view of history has ranged from international affairs—where Human Events charged that it was "Franklin D. Roosevelt who opened wide the door for Communist penetration of the peoples south of the Rio Grande"—to the farm program—where it was stated that the "Production and Marketing Administration (PMA) was originally designed by the Harold Ware Communist cell."[16]

---

[4] Biographical information from "Who's Who," 1962–63.

[5] Human Events, May 19, 1954. For his opposition to public education see ibid., and for his opposition to the income tax see "Income Tax: Root of All Evil" (Devin-Adair, 1954) and "The Rise and Fall of Society" (Devin-Adair, 1959).

[6] Economic Council Letter, Apr. 15, 1961.

[7] "Expanding Welfare in a Free Economy" (American Enterprise Ass'n, 1940).

[8] Human Events, Jan. 6, 1961.

[9] Human Events, Mar. 31, 1961.

[10] Human Events, Aug. 18, 1960.

[11] See Ralph Lord Roy, "Apostles of Discord" (Beacon Press, 1953), pp. 286–294.

[12] "Freedom and Federalism," p. 186. For attitude on public education see Nation's Business, September 1959.

[13] M. Stanton Evans, "Revolt on the Campus" (Regnery, 1961), p. 173, and the masthead of various issues of Human Events.

[14] "The Blue Book" (1961 printing), p. 81 and note, p. 86.

The same sort of hysterical undertones pervade more recent issues where one may read that "the Reds and Pinks are out in the open proclaiming their godless religion and waving a red flag or a mongrel one from the rooftops, and with such effectiveness and in such high places, that American patriots are now on the defensive" or that a balance of payments crisis "may afford the occasion to the Kennedy administration to usher in socialism."[17] It is reflected in attacks on the Supreme Court in such Human Events pamphlets as "The Web of Warren," by Frank Hanighen, and "Nine Men Against America," by Rosalie Gordon.

It will come as no surprise that Human Events is against organized labor, charging, for example, that "labor bosses and their controlled delegates insured the nomination of Senator Kennedy" and calling Walter Reuther "a ruthless labor dictator and one of the most mischievous Socialist leaders in the country."[18] Nor should it surprise anyone that it has referred to the freedom rides as "the ugly activity of the bus-riding integrationist agitators who have been touring the south to cause trouble," sees social security as a political football which will "tend to socialize the minds of the people and condition us mentally and materially for more socialism," and lumps together the leftists, the one-worlders, the modern educationists.[19] As one further plank in the Human Events platform, its opposition to the income tax should be noted, as voiced in such pamphlets as "Abolish the Income Tax," by T. Coleman Andrews, and "Why the Income Tax Must Go," by Corrine Griffith.

OTHER ACTIVITIES

While the weekly newsletter is the primary activity of Human Events, Inc., it has added others in recent years, primarily of a political action variety and with heavy emphasis on the right wing of the Republican Party. Last year, for example, a series of twice-yearly political action conferences was initiated. The most recent of these, held here in Washington on July 13 and 14, claimed an attendance of 525 persons from 42 States. Of the 36 Senators and Representatives who have participated in the 4 conferences held so far, 33 were Republicans and 3 were Democrats. The keynote address at every conference has been delivered by Adm. Ben Moreell, chairman of Americans for Constitutional Action, again reflecting the close ties between these two organizations. Others who have appeared include radio commentator Fulton Lewis, Jr., journalist Ralph de Toledano, and Merwin K. Hart, head of the National Economic Council, mentioned earlier in connection with Mr. Chodorov.

Another regular Human Events activity is the preparation and distribution of weekly tape-recorded interviews with Members of Congress and others. These are 12½ minutes in length, "exactly right for a 15-minute program on your local radio station," and can be obtained for as little as $5 a week, if subscribed for on a regular basis. Again, a heavy partisan bias is evident. During the 52 weeks prior to April of 1962, all but six of those interviewed were Republicans.

FINANCES

Human Events claims to have begun with its charter subscription list of 127 and capital of $500. In the almost two decades since then it has grown into a million-dollar-a-year enterprise with a circulation in excess of a hundred thousand. The following figures for selected years indicate this substantial growth:

Year ending Sept. 30—	Net circulation	Gross sales
1955	13,502	$81,158
1960	43,329	443,625
1961	84,875	747,561
1962	[1] 105,719	[2] 1,000,000+

[1] As of June 30.

[2] "Human Events," Apr. 21, 1962, a July 1962 brochure, and Fletcher Knebel in Look, Mar. 13, 1962.

Human Events boasts that it is "nonsubsidized, one of the few ideological publications which does not solicit $100,000 or more a year in donations to keep alive."[20] This is not, however, a candid statement. The fact is that at least one tax-exempt foundation, the National Foundation for Education in American Citizenship, Inc., of Indianapolis, Ind., has been contributing substantial sums to Human Events, Inc., for a number of years. This fund was incorporated in 1940 by the following persons:

Samuel P. Horrell, who was subsequently the Republican candidate for Governor of Indiana in 1948;

Hugh McK. Landon;

J. K. Lilly, of the family which owns Eli Lilly Co.;

Daniel S. Robinson; and

Herman B. Wells, president of Indiana University until recently.

The most recent list of officers available from the files of the Indiana State government shows Mr. Horrell as chairman and Dr. Wells as a director with the following new officers:

George Schloeman, treasurer;

Mark Honeywell, Wabash, Ind., director;

Arthur Vanderbilt, New York City, director; and

Frank L. Burdette, College Park, Md., director.

The foundation's information returns to the Internal Revenue Service show contributions to Human Events, Inc., dating back at least to 1951—the earliest year for which returns are available—with the following amounts in the most recent 4 years:

1958	$47,360
1959	51,601
1960	65,590
1961	45,038

It should be emphasized that in these most recent years Human Events, Inc., has been the sole recipient of grants from the National Foundation for Education in American Citizenship, a fact which raises some questions regarding the tax status of the foundation and the enforcement of the law by the Internal Revenue Service. It is, of course, entirely possible that there are other such sources of funds which Human Events neglects to mention in its claim to be nonsubsidized.

AMERICANS FOR CONSTITUTIONAL ACTION

Let us turn now to the avowedly political organization, Americans for Constitutional Action, or ACA, which was formed to "force back together the conservative coalition which for over 20 years successfully stopped the greatest excesses toward statism in this country but which in the summer of 1957 was torn apart" by the desertion of southern Democrats in the field of Federal electric power development and of northern Republicans in the field of civil rights.[21] The formal organization of ACA was announced August 3, 1958, but it appears to have had its roots in at least two prior organizations.

One of these was the National Committee for Political Realignment, organized in 1951. The other forerunner of ACA was the campaign for the 48 States mentioned earlier. The campaign was originally organized by the late Ralph Gwinn, former Representative from New York, and its chairman was Robert B. Snowden of Memphis, Tenn., who was reported in early 1959 as the finance chairman of ACA.[22] It appears that ACA took over the campaign's office in Memphis for its initial headquarters. At any rate, the campaign, then presumably in the process of liquidation, turned over more than $25,000 to ACA in early 1959.[23] In May 1959 ACA opened an office here in Washington and has maintained it since. It is currently located in the Dodge Hotel at 20 E Street NW.

The following are the officers and trustees of ACA, according to the most recent letterhead available:

Adm. Ben Moreell, chairman. A retired naval officer and former chairman of the board of Jones & Laughlin Steel, Admiral Moreell served as the chairman of the Task Force on Water Resources and Power of the second Hoover Commission. Those familiar with resource development will recall that the recommendations of the Moreell unit were so extreme that two commissioners appointed by President Eisenhower, Mr. Arthur Fleming and Mr. Herbert Brownell, dissented from them, stating that they would "impede the Federal Government in exercising its proper role in the development and use of the Nation's water resources."[24] In addition to his leadership of ACA, Admiral Moreell is active in the following other right-wing groups:

---

[15] Human Events, Mar. 3, 1954.

[16] Human Events, Mar. 10, 1954, and Feb. 18, 1953.

[17] Human Events, June 21, 1961, and December 8, 1960.

[18] Human Events, September 29, 1960, and July 28, 1960.

[19] Human Events, July 7, 1961, special issue January 1961, and November 3, 1960.

[20] Human Events, April 21, 1962.

[21] "The Case for an ACA," inserted in the CONGRESSIONAL RECORD, vol. 104, pt. 12, pp. 15900–15901.

[22] Denver Post, January 22, 1959.

[23] Reports filed with Clerk, U.S. House of Representatives.

Trustee, Foundation for Economic Education.

Trustee, Intercollegiate Society of Individualists.

Member, National Strategy Committee, American Security Council.

Member, National Advisory Board, Young Americans for Freedom.

Sponsor, American Committee for Aid to Katanga Freedom Fighters.

It will be noted that, at this point in my report these are virtually all familiar names. Admiral Moreell has also, in earlier years, served on the National Policy Committee of Gen. Bonner Feller's For America group and, of course, the advisory council of the Campaign for the 48 States. Admiral Moreell's rightwing philosophy is not confined to the field of resource development, as the following two quotations will demonstrate:

> It is my firm conviction that the two greatest intrusions on individual freedom in the history of our Republic are, first the 16th amendment * * * which provides for the graduated income tax; and, second, the act of May 18, 1917, whereby Congress authorized and ordained a conscript army for us in foreign war.[25]
>
> Since Marx enunciated his doctrine more than 100 years ago, we Americans have adopted, in varying degrees, practically his entire program.[26]

Gen. Bonner Fellers, vice chairman. A member of Gen. Douglas MacArthur's staff during the war, General Fellers is currently very active in rightwing causes, serving as the executive officer of two organizations, For America and the Citizens Foreign Aid Committee. While the latter concentrates on opposition to foreign aid, For America has broader goals, including repeal of the income tax. General Fellers is himself an endorser of the John Birch Society, as has been noted in earlier references to him, and his two organizations list many Birch Society members among their officers and advisers. In line with the close connections between ACA, Human Events, and the Intercollegiate Society of Individualists, it is hardly surprising to find that General Fellers is another trustee of the latter group. In addition, he was one of those appointed by the Reverend Billy James Hargis earlier this year as a member of the anti-Communist liaison coordinating committee.

Felix Morley, secretary. Mr. Morley has already been discussed in connection with Human Events, of which he was coeditor for 5 years.

Charles Edison, treasurer. Formerly Governor of New Jersey, Secretary of the Navy, and chairman of the board of the McGraw-Edison Co., Mr. Edison is now active as the director of McGraw-Edison Co.'s Public Affairs Committee and in various right-wing causes. For example, he has served on the editorial advisory committee of the John Birch Society's American Opinion magazine continuously since the July-August 1957 issue of its predecessor, One Man's Opinion. Other groups with which Mr. Edison has been affiliated include:

Manion Forum, headed by Clarence Manion, himself a member of the John Birch Society's National Council and active in a wide variety of rightist organizations.

Committee of Endorsers and its successor group, the Citizens Foreign Relations Committee, both of which had lists of sponsors which read like a Who's Who of the far right in America.

Greater New York Anti-Communism Rally, held this year by Dr. Fred Schwarz and his Christian Anti-Communism Crusade. Mr. Edison was one of the four cochairmen of the New York rally.

Mr. Edison has worked very closely with Marvin Liebman, a public relations man and active organizer of ultraconservative and related groups. Thus, Mr. Edison's name is to be found in association with the following Liebman-sponsored organizations:

Chairman, American-Asian Educational Exchange;

Sponsor, American Committee for Aid to Katanga Freedom Fighters;

Steering committee, Committee of One Million Against the Admission of Communist China to the United Nations; and

Advisory board, Young Americans for Freedom—note that the National Director of this group, Douglas Caddy, is on the staff of the McGraw-Edison Committee for Public Affairs, which Mr. Edison directs.

It is appropriate that Mr. Edison is ACA's treasurer since he has supported the rightwing with his money as well as his name and his efforts. For example, in 1956 the Senate's Subcommittee on Privileges and Elections found that he contributed $3,500 to For America and $4,500 to the presidential campaign of T. Coleman Andrews.[27] He has been ACA's largest financial contributor, accounting for more than $15,000 since its beginnings.[28]

Other trustees of ACA are as follows:

Howard Buffett, a former Representative from Nebraska;

Edgar Eisenhower, a Tacoma, Wash., attorney and brother of the former President;

Herbert Hoover, the former President;

Robert Johnson, president of the pharmaceutical firm, Johnson & Johnson;

Allan Kline, former president of the American Farm Bureau Federation;

Walter Martin, M.D., a former president of the American Medical Association;

Philip McKenna, President of Kennametal, Inc.; and

Loyd Wright, Los Angeles attorney and, earlier this year, unsuccessful candidate for the Republican nomination to the Senate. Of these, Mr. Buffett has been reported as a member of the John Birch Society[29] and Mr. Kline and Mr. Wright are both associated with the American Security Council which was mentioned briefly earlier in connection with Gen. Robert E. Wood.

Others who have served as trustees of ACA include the late Ralph Gwinn, former Representative from New York, who was closely affiliated with the long-lived Committee for Constitutional Government as well as other rightwing organizations;[30] Edward Gossett, former Representative from Texas, now an attorney for Southwestern Bell Telephone Co. and president of the American Good Government Society; Henning W. Prentis, Jr., head of Armstrong Cork Co. and an honorary lifetime vice president of the National Association of Manufacturers; Thomas Jefferson Coolidge, chairman of the board of the United Fruit Co. and also a former trustee of the Foundation for Economic Education; and Gen. Robert E. Wood, already discussed in this report.[31]

ACTION PROGRAM

Admiral Moreell has said that—

> The objective of ACA is clearly defined and is limited to one item, which is to elect "constitutional conservatives" to the Congress of the United States.[32]

In working for this objective ACA utilizes primarily three types of activity: the preparation and distribution of its voting Index, which will be discussed further in a few moments; assistance to selected candidates in their campaigns; and the activities of local ACA chapters.

In assisting candidates ACA has said that its "basic role was to provide extra support beyond what the candidate and his party organization could provide" and has listed as specific activities:

> Providing training schools for candidates and workers; preparing and distributing personalized news stories and pictures for candidates; making available research facilities to candidates; providing suggested layouts and copy for advertisements, brochures, and election cards; assisting in fund-raising drives for candidates.[33]

In the last congressional election ACA claims to have worked in 21 Senate and 159 House campaigns with 14 and 132 of these, respectively, being successful.

---

[24] Commission on Organization of the Executive Branch of Government, "Water Resources and Power," vol. 2, p. 3.

[25] The Freeman, July 1960.

[26] "The Several Faces of Communism" (Intercollegiate Society of Individualists, 1961, p. 17).

[27] "1956 General Election Campaigns" (committee print), exhibit No. 28, pp. 229–230.

[28] Reports filed with Clerk, U.S. House of Representatives.

[29] Washington Post, December 20, 1961.

[30] On the origins and early activities of the Committee for Constitutional Government see pt. 5 of the 1950 hearings of the House Select Committee on Lobbying Activities, 81st Cong. The CCG still operates, distributing a publication called Spotlight.

[31] Denver Post, January 22, 1959, lists Coolidge and Wood as ACA officers. Others have appeared on ACA letterheads.

[32] Letter of August 1961.

[33] Americans for Constitutional Action, "Major Activities in 1960," also a 1961 brochure.

It has indicated that it intends to work in at least 8 Senate and 181 House races this year.[34] On rare occasions ACA makes a direct financial contribution to a political campaign. To date these have have been in vain, consisting of a $500 contribution to Robert Morris in his primary race against the senior Senator from New Jersey [Mr. CASE] and a $482.85 contribution sent into West Virginia for use against the senior Senator [Mr. RANDOLPH] and the Representative from the 4th District [Mr. HECHLER].[35]

While the organization of local ACA chapters is a relatively new activity, ACA was claiming that about 27 had been formed by mid-summer of this year. Even earlier it was claiming that local units would be participating in this year's elections in at least 12 States, including Florida, Idaho, Illinois, Kentucky, Maryland, Minnesota, Montana, New Hampshire, Oklahoma, and Pennsylvania.[36]

THE ACA INDEX

Possibly ACA's most important activity and certainly its most widely known has been the preparation and distribution of the ACA Index, an analysis of the voting records of Members of Congress with a percentage rating which is said to indicate the degree to which a Senator or Representative is "For safeguarding the God-given dignity of the individual and promoting sound economic growth by strengthening constitutional government; against group morality and a socialized economy through centralization of power."[37] This so-called index is familiar to many of us and we are frequently taxed with our "rating" in it—although the source of our poor showing is not always mentioned. The ACA Index gained a certain amount of notoriety last year when it was revealed that General Walker had recommended it to his troops as a guide for their absentee balloting in 1960. But General Walker is not the only one on the right who has picked the ACA Index as a political yardstick. The U.S. Chamber of Commerce chose it to contrast with voting records of which it did not approve.[38] It has been reprinted in Farm Bureau publications. Until he began preparing his own, it was used by the noted right-wing commentator, Dan Smoot. It has been reprinted also by H. L. Hunt's successor to Facts Forum, Life Lines, and by the Network of Patriotic Letter Writers, a California group which is interlocked with the John Birch Society. The most recent organization to recommend the ACA Index is the new Investor's Union of America, Inc., an Oklahoma operation which is getting considerable publicity from Human Events and the Manion Forum.

Last, but far from least, the ACA Index is published by Human Events, Inc., and it is thus not surprising that it is utilized and highly recommended by that newsletter. In short, of a number of ultra-conservative voting indexes which have appeared in the last few years, ACA's leads the field in popularity and widespread usage. It deserves a closer look.

For one thing, ACA's ratings reveal a heavily partisan bias. In the Senate, for example, all but one of those receiving the highest rating are Republicans. Conversely, all 10 of those receiving the lowest ratings are Democrats. This aspect of the ratings is even more apparent for Representatives. Thus, of more than 130 House Members rated by ACA at 75 percent or better, all but 6 were Republicans. On the other hand all of the House Members rated at 25 percent or less by ACA were Democrats.

ACA's ratings of the leadership of the Congress give further indication both of the partisan bias and of the rigidity of the positions on which these ratings are based. In the Senate, the majority leader, the majority whip, and more than half of the chairmen of the standing committees are rated by ACA at less than 33 percent—not even one-third in favor of the Constitution according to ACA. Again, a similar picture prevails in the ratings of House Members. The Speaker, the majority leader, the majority whip and no less than 11 chairmen of standing committees are rated at below 33 percent by ACA, and among the committee chairmen given low ratings are those of the Foreign Affairs, Interior, Judiciary, Ways and Means, and Un-American Activities Committees. In fact, only 4 of 20 House Committee Chairmen are rated at better than 50 percent by ACA.

What did ACA expect of a Senator to secure a high rating? Well, during the 2 years 1960–61 it expected him to vote against the majority of the Senate in 27 out of 31 rollcalls selected by ACA. Included were five votes on foreign aid—with ACA wanting to restrict the program in every instance; four votes on the extension of the minimum wage—with ACA consistently in opposition; three votes on area redevelopment and manpower training—with ACA opposed; and two votes each on the feed-grain program—ACA against; the housing bill—ACA against; and aid to education—ACA against. In short, a pattern of pure negativism.

It is the same with regard to the ACA rating of House Members. During the 1960–61 sessions, ACA wanted a Representative to vote against the majority no less than 17 out of 22 times on the votes ACA selected. Included were two votes each on foreign aid—ACA wanted to restrict it; area redevelopment—ACA opposed; the housing program—ACA opposed; and pollution control—ACA opposed. As in the Senate, ACA also exhibited its opposition to aid to education, extension of minimum wage and the feed-grain program. As would be expected of an organization dedicated to the reestablishment of the conservative coalition, ACA was opposed to the increase in size of the Rules Committee which the House voted at the beginning of last year.

All in all, the voting analysis which ACA peddles is about what one would expect from the people who make up ACA.

FINANCES AND STAFF

ACA states that it "derives its financial support entirely from contributions by individuals."[39] It has reported the following budgetary total through the first 5 months of this year:[40]

	Receipts	Expenditures
1958 (July to December)	$5,685.00	$4,927.04
1959	197,675.19	125,131.27
1960	126,809.95	187,923.48
1961	61,187.22	44,582.79
1962 (January to May)	33,937.54	26,127.93
Total	425,294.90	388,692.51

These figures, it will be noted, indicate a net surplus over the 5-year period of more than $36,000, a substantial portion of which seems likely to go into this year's election campaigns.

The names of the major contributors to ACA may be of interest. In addition to Mr. Charles Edison, Mr. T. J. Coolidge, and Mr. Robert W. Johnson, all of whom have been mentioned earlier as present or past trustees of ACA, the following contributors are of particular note, accounting for at least $2,000 each:

John Airey, Ann Arbor, Mich., former chairman of the board, King-Seeley Corp., and former director, National Association of Manufacturers;

George W. Armstrong, Jr., Fort Worth, Tex., chairman of the board, Texas Steel Co., an endorser of the Manion Forum, and a member of the editorial advisory committee of the John Birch Society magazine, American Opinion;

Lemuel R. Boulware, New York City, a former vice president of General Electric Co., who was well known for his antilabor attitudes, and a member of the board of advisors of the Intercollegiate Society of Individualists, which has been repeatedly mentioned before;

John S. Lehmann, St. Louis, Mo., chairman of the board, Petrolite Corp.;

Max McGraw, Chicago, Ill., head of McGraw-Edison Co., of which ACA Treasurer Charles Edison is a former head;

Bernard Peyton, Princeton, N.J., former head of New York Air Brake Co., and currently a director of E. I. duPont de Nemours & Co.; and

Mr. and Mrs. DeWitt Wallace, Mt. Kisco, N.Y., founders and editors of Reader's Digest.

While these are the largest contributors to ACA, there are also many familiar names among those who are reported to have given lesser but still substantial amounts to the organization. I ask that there be printed as an exhibit following my remarks a listing, by States, of all those who have contributed $500 or more on any one occasion to Americans for Constitutional Action. It will be noted that the list includes Robert B. Dresser, Edgar A. Eyre, and E. L. Wiegand, all of whom are endorsers of the John Birch Society; Walter Harnischfeger, who, among other things, is chairman of Bonners Fellers' Citizens Foreign Aid Committee and a director of Merwin Hart's National Economic Council; Walter Knott, who is the treasurer of the leading anti-income-tax organization in the country, the so-called National Committee for Economic Freedom; and, of course, Gen. Robert E. Wood.

---

[34] Ibid. and abbreviated ACA Index.

[35] Reports filed with Clerk, U.S. House of Representatives.

[36] CONGRESSIONAL RECORD Digest and tally of rollcall votes, May 1962.

[37] The abbreviated ACA Index.

[38] See the chamber of commerce pamphlet, "They Grade the Congress," in which the ACA ratings are contrasted with those published by Americans for Democratic Action and the AFL–CIO's industrial union department.

[39] The abbreviated ACA Index.

[40] Reports filed with Clerk, U.S. House of Representatives.

A few words concerning ACA's staff, Mr. President, and I will conclude this lengthy report. The first paid organizer appears to have been a John Underhill of Washington, D.C. However, soon after the opening of the office here, Kenneth W. Ingwalson took over as executive director. Mr. Ingwalson, as has been noted earlier, had been on the staff of the American Farm Bureau Federation, where he was director of their special education program. He served with ACA until last year and, as I have mentioned, is now at Human Events. Mr. Ingwalson has been replaced as ACA's executive director by Charles A. McManus, Jr., who has been with the organization since August 1959. Another top staff member recruited by ACA from the American Farm Bureau Federation's staff was Frank K. Wooley. Mr. Wooley served with ACA from October 1959 until late last year and is now with the American Medical Association. Others who have been ACA employees include: John J. Synon, who is now with the public relations firm of Selvage & Lee and is a frequent contributor to Human Events; Albert Payne, who came to ACA from the legislative staff of the National Association of Real Estate Boards; Frank C. Adams, and Mrs. June Holland.[41] In addition to its Washington staff, ACA is reported to have field representatives working in California, Idaho, New Hampshire, and Utah.

RESPONSIBLE OR EXTREMIST?

Mr. President, in the extensive discussions of the right wing which have taken place since the discovery of Mr. Welch and the John Birch Society, a great deal of effort has gone into attempts to draw a line of delineation between so-called responsible conservatism and the extremists, by which is usually meant Mr. Welch—if not his society—and those even farther out who add anti-Semitism and/or racism to their anti-Communist hysteria. Perhaps the facts which I have set forth regarding Human Events and Americans for Constitutional Action will serve to contribute some light to this discussion. Often regarded as responsible conservatism, these two organizations certainly are located at the point on the spectrum at which the so-called responsibles and the so-called extremists tend to come together. I submit, Mr. President, that on the basis of the foregoing report it is a fair conclusion that, in terms of basic philosophy, major objectives, and active leadership, the balance of power at ACA and Human Events rests on the extremist side.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD, as an exhibit to my remarks, a list of persons who have contributed $500 or more on any one occasion to Americans for Constitutional Action, during the period from July 1958, to June 10, 1962.

There being no objection, the exhibit was ordered to be printed in the RECORD, as follows:

PERSONS WHO HAVE CONTRIBUTED $500 OR MORE ON ANY ONE OCCASION TO AMERICANS FOR CONSTITUTIONAL ACTION, JULY 1958–JUNE 19, 1962

Arizona: A. M. Crawford, Phoenix; John W. Kieckhefer, Prescott.

California: Mr. and Mrs. Dwight Anderson, Buena Park; Mr. and Mrs. J. R. Jordan, Pacific Palisades; Mr. and Mrs. Walter Knott, Buena Park; Mrs. John L. Martin, Santa Barbara; Dudley Swim, Carmel; Loyd Wright, Los Angeles.

Delaware: Jasper Crane, Wilmington.

District of Columbia: Ben Moreell, Lewis L. Strauss.

Florida: Mrs. H. P. Bingham, Palm Beach; Joseph F. A. Comstedt, Palm Beach; Mildred Field, Palm Beach; A. Gardner, Palm Beach; Mrs. T. B. Gilchrist, Palm Beach; John A. Hufty, Washington, D.C. and Palm Beach; Paul Mountcastle, Palm Beach; Lucius Ordway, Palm Beach; Mrs. Alfred H. Townley, Palm Beach; Mr. and Mrs. C. S. Walsh, Palm Beach; E. L. and Mrs. Ana K. Wiegand, Miami Beach.

Illinois: Mrs. Charis P. Cole, Glenview; Robert M. Gaylord, Jr., Rockford; John W. Leslie, Chicago; Mrs. Oliver P. Leutscher, Tiskitwa; Nathaniel Leverone, Chicago; Max McGraw, Chicago; Robert E. Wood, Chicago.

Indiana: P. F. Goodrich, Indianapolis; Harold Rousburg, Indianapolis.

Iowa: T. J. Walsh, Davenport.

Louisiana: R. D. Poindexter, Shreveport.

Maryland: Donaldson Brown, Port Deposit.

Massachusetts: Conrad Chapman, Boston; Mr. and Mrs. Thomas Jefferson Coolidge, Magnolia; Henry H. Forbes, Worcester; Mrs. Theodore J. Vaitses, Melrose.

Michigan: John Airey, Ann Arbor.

Minnesota: Charles W. Briggs, St. Paul; Mrs. Theodore Griggs, St. Paul.

Missouri: John S. Lehmann, St. Louis; Gene Moloney, St. Louis.

New Jersey: Mr. and Mrs. Charles Edison, West Orange; Albert W. Hawkes, Montclair; Robert Wood Johnson, New Brunswick; Edward A. Kracki, Montclair; Bernard Peyton, Princeton; R. L. Rooke, Westfield.

New York: Lemuel R. Boulware, New York; Alfred Corning Clark, New York; Edgar Ainsworth Eyre and Mrs. Dorothy Eyre, New York; Ralph W. Gwinn, Pawling; W. L. Hanley, New York; E. F. Hutton, New York; J. T. Moll, New York; Thomas M. Peters, New York; Charles R. Stevenson, New York; Louis K. Timolat, New York; Maxwell M. Upson, New York; Mrs. G. Wagner, New York; Mr. and Mrs. DeWitt Wallace, Mt. Kisco; Watson Washburn, New York; Mrs. Edgar M. Willowpond, Tarrytown.

North Dakota: J. W. Scott, Gilby.

Ohio: Warner L. Atkins, Cincinnati and Pinehurst, N.C.; Oliver Bardis, Cincinnati; Frederick V. Geier, Cincinnati; R. A. Stranahan, Toledo; Sidney D. Waldon, Hamilton.

Oklahoma: J. G. Puterbaugh, McAlester.

Oregon: Mrs. Glenn Wallace, Lebanon.

Pennsylvania: Mrs. Harry Anderson, Pittsburgh; W. Randall Compton, Pittsburgh; Roger S. Firestone, Pottstown; C. W. Holmquist, Elizabeth; Charles Lockhart, Pittsburgh; Mr. and Mrs. John C. Oliver, Jr., Pittsburgh; Pennsylvania Bankers Association; Joe Pitcairn, Jenkintown; Leonard P. Pool, Allentown; M. W. Reed, Pittsburgh.

Rhode Island: Robert B. Dresser, Providence.

Tennessee: C. L. Andrews, Memphis; Guilford Dudley, Jr., Nashville.

Texas: George W. Armstrong, Jr., Fort Worth; A. G. Hill, Dallas; Lloyd H. Smith, Houston.

Virginia: Victor W. Buhr, Norfolk; Buford Scott, Richmond.

Wisconsin: Walter Harnischfeger, Milwaukee; Mrs. R. A. (Agnes) Hummel, Milwaukee.

Source: Reports filed with Clerk, U.S. House of Representatives.

WHY CONFEREES SHOULD KNOCK TITO OUT OF AID PROGRAM

Mr. PROXMIRE. Mr. President, a few minutes ago the United Press International news ticker carried the following dispatch from Moscow:

> The Soviet Union and Yugoslavia called today for the "normalization" of relations between the United States and Cuba.
>
> The appeal was made in a joint communique broadcast over Moscow radio in connection with the just concluded visit to Yugoslavia of Soviet President Leonid Brezhnev.

Mr. President, it was only Tuesday, we might say—a few hours ago—that the Senate passed the foreign aid appropriation bill. At that time I led the fight on the floor against the Senate committee's amendment to permit aid to Yugoslavia with Presidential discretion. Mr. President, we lost the fight to knock Yugoslavia unequivocally out of the aid bill by a hairline 39–37 margin. It seems to me that we who have insisted that Tito is closer to Khrushchev, is getting closer all the time, and that our aid to Tito is simply helping the Communist world, have had our views emphatically confirmed, as revealed by the bulletin on the wire during the last 10 minutes. I quote further from the Communique released by Brezhnev and Tito:

> Bearing in mind the tense situation in relations between the United States and Cuba and some of the aggressive imperialist statements of extremist circles in the United States which cause worry in the world, both sides come out for the normalization of relations.
>
> Brezhnev left Belgrade for Moscow today after a 10-day visit which the communique termed "a major contribution to the further strengthening of friendship and all around cooperation between the U.S.S.R. and Yugoslavia."
>
> President Josip Broz Tito of Yugoslavia and Brezhnev signed the joint statement yesterday claiming an identity of points of view on many major international problems including Berlin and disarmament.

Mr. President, talk about working both sides of the street. Tito is a Communist dictator who, on the basis of the latest communique of only a few minutes ago, has announced an identity of views on major international problems with the Kremlin, including views on Berlin, disarmament, and Cuba.

But 48 hours ago this body amended the foreign aid appropriation bill to permit Tito to receive substantial help from this country. I continue to read from the bulletin:

---

[41] Names of employees either from ACA publications or from reports filed with the Clerk, U.S. House of Representatives.

They said both Russia and Yugoslavia agreed that the need to sign a German peace treaty and normalize the situation in West Berlin was "long overdue."

The communique said the Soviet Union and Yugoslavia consider that in solving the problems of a German peace settlemen it is "impossible" to ignore the actual situation in Germany, the existence of two sovereign German states.

Once again, Tito is calling for the recognition of East Germany, in direct contradiction to one of the principal parts of our foreign policy with reference to Europe.

Mr. President, I appeal to our Senate conferees on this aid bill—in view of this latest word from Moscow—to accept the House language and end Tito aid.

Mr. President, I ask unanimous consent to have the remainder of the United Press International bulletin regarding Cuba printed at this point in the RECORD.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

On disarmament, Brezhnev and Tito agreed that the proposal put forward by the neutral nations at the 18-nation Geneva disarmament talks provided a concrete and acceptable basis for settling the problem of nuclear tests.

This proposal recommends banning nuclear tests in the atmosphere, outer space and underwater while talks continue on ways to get a satisfactory treaty safeguarding against underground nuclear tests.

Mr. PROXMIRE. Mr. President, I ask unanimous consent also to have printed at this point in the RECORD an article entitled "Yugoslavia and Soviet Again Move Toward Coexistence," written by Paul Underwood, from Belgrade, Yugoslavia, and published in the New York Times of last Sunday, September 30, 1962.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

YUGOSLAVIA AND SOVIET AGAIN MOVE TOWARD COEXISTENCE—ALTHOUGH MANY FACTORS BRING THEM CLOSER TOGETHER THE BIG QUESTION IS WHETHER MOSCOW WILL GRANT TITO INDEPENDENCE WITHIN BLOC

(By Paul Underwood)

BELGRADE, YUGOSLAVIA, Sept. 29.—In bullfight terms, the newly ripening Soviet-Yugoslav friendship is only in the capa, the preliminary stage when the torero plays with the bull to explore his strength and cunning. The "moment-of-truth" is still to come.

For the Yugoslavs, this climax will occur when Moscow makes it absolutely clear whether it intends to accept Belgrade as a coequal, independent force within the Communist world.

President Tito cannot take less. He is the proud ruler of a proud nation. He cannot acknowledge that there has been any error in his defiance of the Kremlin for the 14 years since he was expelled from the Soviet bloc as a traitor. Even more, he cannot accept the subordinate role of a Kadar in Hungary or a Zhivkov in Bulgaria.

The moves so far in the new friendship have been relatively easy.

The Yugoslavs have alined themselves almost completely with the Soviet bloc on major international issues. There was no difficulty in this, for Belgrade's leaders are Communists. Their assessment of the world situation is Marxist and they tend naturally to look upon world problems with more or less the same eyes as do the Russians.

In return, the Kremlin and the Eastern European members of the bloc have ceased attacking Marshal Tito and Yugoslavia, and the Soviet Union has promised to step up trade.

BUILDING SOCIALISM

Premier Khrushchev has described Yugoslavia as a country building socialism and has called on other nations of the bloc to help her.

All this happened once before. In 1955, Mr. Khrushchev flew to Belgrade to apologize for Marshal Tito's ouster from the bloc in 1948, and he promised that all that had been said and done in the years that followed it would never occur again.

Relations between the two countries grew warmer. Marshal Tito made a triumphal visit to Moscow. The Yugoslavs acceded to Soviet wishes and recognized the East German Communist regime.

Then came the 1956 Hungarian revolt. Marshal Tito found himself read out of the Communist community once more as a result of the Soviet Union's need to tighten its hold on Eastern Europe.

Now Leonid I. Brezhnev, the Soviet Union's titular chief of state, has come to Belgrade. He is not Mr. Khrushchev, but the Yugoslavs look on his visit as a second Soviet apology. They are willing to explore how far the Kremlin is prepared to go in its protestations of friendship and what price it sets on still closer association.

SERIOUS RISKS

For the Soviet Union there would appear to be serious risks. Communist China still strongly opposes any links with Marshal Tito. A closer Yugoslav-Soviet relationship would accentuate the rift between Moscow and Pieping.

It was certainly not by chance that only a few days prior to the arrival of Mr. Brezhnev and his party in Belgrade, the Peiping newspaper Jemmin Jih Pao published its sharpest denunciations of Yugoslavia in months. The organ of the Chinese Communist Party accused President Tito and his aides of being "traitors to Marxism-Leninism" and "thoroughgoing lackeys of American imperialism."

It is possible that Moscow no longer cares what Peiping things. This was suggested recently by a Yugoslav source, who described Communist China as "only technically a member of the bloc." Still, it is difficult for an outsider to believe that the rift can have widened so quickly that mutual self-interest is now being ignored.

For the rest of the world, the Yugoslavs contend that the improvement in their relations with Moscow should not concern anyone. They assert as their aim the best possible relations with all countries, East and West, regardless of political outlook. As long as they maintain the degree of independent action they say they will insist on, the Yugoslavs see no reason why even the United States should object.

AID QUESTION

The threat that United States aid will be cut off if Moscow and Belgrade move much closer is shrugged off. If forced to choose between East and West, the Yugoslavs, as good Communists, could only take the East. They hope the choice will not be forced on them, taking heart from the fact that even during the 1955–57 period, when they were closer to the Soviet bloc than they are now, United States aid continued.

At the same time, it should be realized that the aid is not the factor it once was. It is a fact that Yugoslavia does not have so much to lose by turning East as she once did. The Yugoslavs now are receiving only surplus agricultural items. They do not belittle this since they are woefully short of hard currency to pay for essential imports. If they had to use what they have to buy wheat and other foods on the world market, their economic situation would be far worse.

NEW FRIENDSHIP

In discussing the development of Moscow's new friendship, the Yugoslavs maintain that the change has not been on their side, but on the Russians'. President Tito's officials have always asserted their interest in a de-emphasis on ideological differences and the establishment of good relations. There is no doubt that the initiative came from the Soviet side. For reasons of its own, the Kremlin is now interested in counting Yugoslavia in on the play of Communist bloc politics.

This is not the whole story. The period of Yugoslavia's creative experiments in Marxism really came to an end about 1954. Since then the logic of Marshal Tito's reliance on a one-party system has forced his Government onto the defensive, content to conserve rather than innovate. Furthermore, recent economic troubles have impelled it to retreat at least temporarily from some of the more advanced positions once held. Western European economic integration also is a cause of worry.

CHANGES IN BLOC

At the same time, the Soviet bloc has been changing radically. The economic development and liberalization of Eastern Europe have brought the bloc's members closer in spirit to the Yugoslavs. Many differences that once made the gap between them unbridgeable have disappeared.

Until now the improvement in relations has been on the governmental level. The Communist Parties concerned have kept in the background. Among Communist-ruled countries this can be only temporary. Party and government are the same people; sooner or later there must be a party accord if the improvement is to mean anything substantial.

MAJOR FACTOR

At present Moscow appears willing to overlook ideological differences and this is the real key to the situation. Above all, Titoism was a revolt against Stalin's claim to Soviet domination over all Communist Parties and governments. If Moscow is now finally willing to abandon this pretension, the basic reason for the quarrel disappears. In this case, ideology and conviction, plus a feeling that the bloc's support would be insurance for continued Communist rule in Yugoslavia, would tend to push the Tito regime closer and closer to Moscow.

On the other hand, if the Kremlin is only fishing, hoping the Yugoslav Communists will be forced by their internal difficulties to bow to Soviet dictation, little can come of the current rapprochement.

PROPOSED REQUIREMENT FOR SCHOOL ATTENDANCE UNTIL AGE 17 AND VOCATIONAL TRAINING

Mr. PROXMIRE. Mr. President, I have submitted a resolution which declares that it is the sense of the Senate that the States should do their best to raise the requirement for attendance at school, before leaving school, from 14, 15, or 16 years to 17 years, and also to provide that during the final year, prior to dropping out of school and no longer continuing their education, such students receive the benefit of the most vigorous possible vocational education program.

The Milwaukee Journal, in a fine article entitled "Jobless Young People Are a National Problem," has discussed this entire issue, particularly with regard to

Milwaukee. I ask unanimous consent that the article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

JOBLESS YOUNG PEOPLE ARE NATIONAL PROBLEM—UNEMPLOYED TOTAL IS ESTIMATED AT 4,000 IN MILWAUKEE AREA, MILLION IN NATION

As many as 4,000 young people under 25 in the Milwaukee area may be unemployed. They are this city's representatives of a growing army of more than 1 million young Americans for who the economy has no place and no immediate need.

But these young men and women have a personal and often a pressing need to work and to earn. The economy has an equally pressing, long-range need to exploit their incalculable potential.

The report of a Presidential Commission on Youth Unemployment says in part:

"Creating more job opportunities for these young beginners not only will help them to become useful, productive citizens but will go a long way toward assuring American industry the skilled work force required to maintain production and profits."

The last official survey of joblessness among persons under 25 in the Milwaukee area was made by the Wisconsin State Employment Service in January. The figure then was 3,900 registered job seekers. Not everybody registers. And since the survey hundreds have entered the job market.

ESTIMATE STARTS AT 2,500

Estimates today begin with a low of 2,500 and stop at a conservative ceiling of 4,000. Exact figures are not available.

Long-term unemployment (6 months or more) among men under 25 has increased from 9 percent to 15 percent of the national total in the last 5 years; the number of women, from 4 percent to 8 percent. Men and women under 25 now constitute about 20 percent of total long-term unemployment in the United States.

The reasons for this upward trend can be read in a few lines from the Labor Department's statistics and predictions for the decade of the 1960's. The number of persons reaching age 18 in July 1950, was 2,200,000. By July of this year the figure had risen to 2,800,000. In July 1970, the number of new 18-year-olds will be 3,800,000.

MORE ARE COMING

The department says that by the late 1960's, 3 million new young workers will enter the labor market each year. The comparable figure for the late 1950's was 2 million.

These "war babies" are entering the labor market at a time when many jobs are being eliminated by increasing mechanization of standard processes and at a time when the rate of the American economy's growth is the subject of bitter debate. The only common ground in this debate is the conclusion that the economy is not growing fast enough.

Milwaukee's unemployed young people are mostly unskilled or semiskilled. Many of them dropped out of high school. The number of Negroes exceeds their percentage of the total population.

DROPOUTS ENROLLED

Calvin O. Evans, dean of students at the Milwaukee Vocational School, said that last May the school had 541 high school dropouts enrolled in the continuation program. These were 16 and 17 year olds who had quit high school but were required by State law to continue their studies, at least part time, until age 18.

"The majority of these young people would like to be employed," Evans said. "But a high school diploma is a form of character reference. When an employer sees that an applicant doesn't have it, he wants to know why."

Many of the unemployed youngsters "simply lack job knowledge," according to William Edwards, youth counselor for the State employment service.

"They lack the ability to approach employers and present themselves," he said. "They don't know where to look for a job. I don't think they have goals. Many of them just want a job to get a little money."

The employment service operates a program designed primarily to encourage potential dropouts to stay in school. "But not every student is going to be able to complete high school," Edwards said. Even among those who are able to, there are some who are "disinterested," who don't care, he said.

Evans divides the causes of youth unemployment, aside from its economic factors, into "psychological" difficulties and problems of ability and skill. Many of the unemployed are emotionally upset, Evans said. Most of them probably had work at one time or another, but found it difficult to keep a job. Many come from broken homes. "They accumulate poor work records," and in some cases "repeated failure and low ability" create frustration and hostility to employers, policemen, teachers, and anyone in authority, he continued.

BASIC SKILLS NEEDED

"The lack of plain, general, common education" is also a factor, Evans said. "Reading, some arithmetic, and English are the basic skills needed for training."

"If there is a tendency to reduce the number of unskilled jobs through automation then it is more difficult for the unskilled boy to find work," Evans said. "We know this effect exists; what we don't know is its magnitude."

Awakening public awareness of the youth unemployment problem has resulted in dozens of agencies and communities. Their purpose is to stimplate the economy and to make the youths more employable.

AID AGENCIES OPERATING

Among such agencies operating in the Milwaukee area are the State employment service, the Urban League, National Association for the Advancement of Colored People, the vocational schools, various arms, the Milwaukee public schools' counseling program, Negro American Labor Council, Youth Employment Service, Jewish Vocational Service, the Committee on Youth Unemployment named by the President—which includes Milwaukee's Mayor Maier—and the apprenticeship program.

The progress of such organizations is not easy to measure. But for the apprenticeship program, numbers tell the story. In the year ending this August 31, according to the State industrial commission, only 573 young men entered apprenticeships in all trades. This is about 40 percent of the total for all Wisconsin.

The chief obstacles are the vast numbers of youngsters, their state of training and the job openings in the economy. These three factors do not synchronize. The machine is rattling. The noise is loudest in the ears of the young.

NOMINATION OF JOHN G. GREEN, OF WISCONSIN, TO BE COLLECTOR OF CUSTOMS—RESOLUTION TO DISCHARGE FINANCE COMMITTEE FROM FURTHER CONSIDERATION OF NOMINATION

Mr. PROXMIRE. Mr. President, I ask unanimous consent that, as in executive session, I may submit a resolution on behalf of myself and the Senator from Massachusetts [Mr. SMITH], and request its immediate consideration.

The PRESIDING OFFICER (Mr. SMITH of Massachusetts in the chair). The resolution will be read.

The resolution (Ex. Res. 1) submitted by Mr. PROXMIRE, on behalf of himself and Mr. SMITH of Massachusetts, was read as follows:

Resolved, in executive session, That the Committee on Finance be, and it is hereby, discharged from the further consideration of the nomination of John G. Green, of Wisconsin, to be collector of customs, customs-collection district, Number 36, Duluth, Minnesota, Superior, Wisconsin.

Mr. CARLSON. Mr. President, reserving the right to object——

Mr. PROXMIRE. Mr. President, I understand and anticipate that there will be an objection.

The PRESIDING OFFICER. Is there objection to the request for the present consideration of the resolution?

Mr. MANSFIELD. Mr. President, I reserve the right to object.

Mr. PROXMIRE. I thank the mapority leader.

I wish to explain that I have done everything I possibly can do to bring this matter to a resolution in committee; and the Presiding Officer has been extremely helpful in this connection.

I have appeared before the Finance Committee. I understand that there is only one objection to the nomination. I understand that no member of the committee has questioned the ability of the nominee, and that all members of the committee regard him as entirely qualified to perform the duties to which he has been nominated.

However, the nomination is still being held up. I realize that it is very unlikely that the Finance Committee will hold another executive meeting at this session.

Therefore, Mr. President, under the circumstances, I am reduced to submitting this resolution, in the hope that perhaps action can be taken on it.

However, I understand that there is objection to my request for immediate consideration of the resolution—in which case the resolution will go over until tomorrow.

The PRESIDING OFFICER. Is there objection?

Mr. KERR. Mr. President, reserving the right to object, let me ask what the request is.

The PRESIDING OFFICER. The Senator from Wisconsin has requested unanimous consent for the present consideration of a resolution to discharge the Finance Committee from the further consideration of the nomination of John G. Green, of Wisconsin, to be collector of customs, customs-collection district No. 36, Duluth, Minn., Superior, Wis.

Is there objection?

Mr. KERR. I object.

The PRESIDING OFFICER. Objection is heard; and the resolution will lie over for 1 day.

SUMMARY OF LEGISLATIVE AND ADMINISTRATIVE ACTIONS DURING THE 87TH CONGRESS

Mr. MANSFIELD. Mr. President, the 87th Congress is coming to a close. We have passed a great deal of legislation in these 2 years, and much of it already has had significant impact on the administrative departments and agencies. The leadership in both Houses believes that it would be useful to have in the historic record a summary of legislative and administrative actions stemming therefrom which have taken place during this Congress as they affect each department or agency. Accordingly, we have had prepared a brief report on legislative and administrative developments by each such administrative entity during the past 2 years. It is my understanding that certain of these reports will be called to the attention of the House. I should like at this time to request unanimous consent that summaries covering the balance of the departments and agencies be inserted at this point in the RECORD.

There being no objection, the summaries were ordered to be printed in the RECORD, as follows:

CONGRESS AND THE DEPARTMENT OF AGRICULTURE, 1961–62

As a result of legislation by the 87th Congress and its implementation by the Department of Agriculture, agricultural policies and programs have produced a decided upswing in the agricultural economy with benefit to farmers, labor, businessmen, and consumers.

Farm income is higher, food prices are stabilized, farm assets are higher, agricultural exports are at a new high. We are sharing more of our abundance at home and abroad. Surplus grain stocks have been reduced. Crop production is more in line with needs. Our soil, water, and forests are better protected, and a revitalized rural renewal program is attacking the problem of rural poverty.

FARM INCOME HIGHER

The increase in net farm income in 1961 by $1.1 billion over 1960 reflects the results of legislation passed by the 87th Congress and of programs of the Department.

The first law of the 87th Congress respecting agriculture, the Feed Grain Act, was approved by President Kennedy on March 22, 1961. It provided that the 1961 crop of corn should be supported at not less than 65 percent of parity and established a special conservation program for diverting corn and grain sorghum acreage to soil conserving crops or practices. Producers were eligible for price supports only after retiring at least 20 percent of the average acreage devoted to the two crops in 1959 and 1960. Title I of the Agricultural Act of 1961, approved August 8, 1961, provided for substantially the same feed grain program in 1962 except for the addition of provisions relating to barley.

Title I also provided a wheat program substantially different from previous years. Principal differences included (1) a reduction of 10 percent in all farm allotments from allotments determined on the basis of a national allotment of 55 million acres; (2) minor changes in the small farm exemption from acreage allotment and marketing quota provisions; (3) an opportunity to divert additional acreage from wheat production; and (4) an increase from 45 to 65 percent in the penalty on excess production and marketings. Price supports were available only to cooperators in the commercial wheat producing area who diverted at least 10 percent of their farm allotments under a special diversion and conservation program.

The feed grain programs in 1961 and 1962 and the wheat stabilization program in 1962, carried out under these acts, meant that for the first time in 10 years, production of feed grains was less than consumption and exports. The Nation actually began to use up its stored surpluses. The present act should accelerate this trend.

Title I of the Agricultural Act of 1961 authorized marketing orders for peanuts, turkeys, cherries, and cranberries for canning or freezing, and apples in certain areas. It also extended the National Wool Act, under which direct payments are made to wool producers, for 4 years. Congress passed a number of acts which made needed adjustments in special aspects of price support legislation. These reforms have been carried out by the Department.

The problem of sugar became important early in the administration as Congress and the President recognized the fact that Cuba was falling victim to the communistic ideology. Congress first took action on the sugar problem by a law approved March 31, 1961. This extended the Sugar Act of 1948 for 15 months and gave the President authority to reallot the quota formerly assigned to Cuba.

The Sugar Act Amendments of 1962, approved July 13, 1962, extended the act to December 31, 1966, with respect to domestic areas and the Philippines, and to December 31, 1964, with respect to quotas for other foreign countries. Domestic sugar quotas were increased by about 625,000 tons. A quota of 1,050,000 tons was assigned to the Philippines, and 1,205,000 tons to 26 other countries. The latter quota was subject to a cumulative 10 percent reduction each year of the premium permitted to be paid over world prices. The Congress reserved a quota of about 1,635,000 tons for Cuba to become effective when diplomatic relations with that country were resumed. Meanwhile, an equivalent quantity could be purchased elsewhere without the quota premium. Another amendment, approved July 19, 1962, dealt further with the Cuban quota.

The Department of Agriculture believes that this new sugar legislation will add to farm income in the United States, and will, through importations under the variable import fee, save the American consumer substantial sums over a period of years.

FARM EXPORTS REACH NEW HIGH

Agricultural exports reached a new high of $5.1 billion in fiscal year 1962, compared with $4.9 billion in 1961, $4.5 billion in 1960, and $3.7 billion in 1959. These exports bolstered the incomes of American farmers, helped reduce the accumulated surpluses, and were a powerful weapon in our struggle with communism. These gains were achieved through legislation passed by the 87th Congress.

An amendment to the Agricultural Trade Development and Assistance Act, approved May 4, 1961, increased authorization for expenditures under title I of Public Law 480 by $2 billion to a total of $3.5 billion, plus previous unused authority. This title authorizes the President to enter into agreements for the sale of surplus agricultural commodities for foreign currencies.

Congress, as title II of the Agricultural Act of 1961, extended title I of the Agricultural Trade and Development Act for 3 years, and authorized appropriations of $4.5 billion for the extended period. Five percent of the proceeds in foreign currencies were to be set aside for agricultural market development. Title II of the original act, relating to famine relief abroad, was extended for 3 years. The food-for-peace program was carried out primarily under this act.

The Foreign Assistance Act of September 4, 1961, primarily concerned with the economic development of less developed friendly countries and areas, made possible continued use of the technical knowledge and assistance of the Department of Agriculture in this vital area of international relations. Congress, in the act, emphasized programs which would reach people in agricultural pursuits. The Foreign Assistance Act of 1962, approved by President Kennedy on August 1, 1962, will permit this work to continue.

Congress extended the International Wheat Agreement Act through July 31, 1965, by a bill approved September 5, 1962. This agreement has served as a base for American exports of wheat.

USING AMERICA'S FOOD ABUNDANCE AT HOME

President Kennedy's first Executive order directed the Secretary of Agriculture to expand and improve the program of food distribution to needy persons. A pilot food stamp plan, making available a wide variety of food at low prices to families in need, was the second step taken to make full use of agricultural products to relieve distress.

The 87th Congress passed a number of laws to make our abundant food supplies more readily available to Americans in need and to insure better diets for our children. A special milk program for children was extended from July 1, 1961, to June 30, 1962, by an act approved June 30, 1961. The Agricultural Act of 1961 extended the program for 5 years beginning July 1, 1962. The same act extended to December 31, 1964, the period during which milk, butter, and other dairy products acquired through price support operations may be made available for use by the military and in veterans hospitals. A law approved August 30, 1962, permitted the use of surplus foods in training students in home economics courses.

The Department emphasized these programs to build healthier youngsters and to see that the needy were fed. In 1962, 65,000 schools and 14.2 million children participated in the school lunch program, compared with 62,000 schools and 12.8 million children in 1960. The special milk program, to encourage schoolchildren to drink more milk, was expanded to 88,000 schools and other institutions in 1962, compared with 84,000 in 1960. The program to improve the diets of needy families reached 7.4 million people in 1962. In addition, some 4 million pounds of food were available to victims of floods and other natural disasters in 16 States and Puerto Rico.

DISASTER AID FOR FARMERS

Farmers themselves are victims of drought, flood, and other natural disasters. Congress moved to alleviate hardships in such cases. Congress authorized the Secretary of Agriculture to permit the harvesting of hay on land in the soil bank where necessary to alleviate hardship by laws approved June 29, 1961, and July 3, 1962. Authority to make emergency livestock loans was continued until December 31, 1961, by a law of July 26, 1961. Emergency agricultural loans generally were authorized for an indefinite period by the Agricultural Act of 1961. A previous law permitting the sale of Commodity Credit Corporation feed in disaster areas was modified on August 7, 1961, to permit more expeditious relief.

BETTER CREDIT PROGRAMS

Congress and the Department have recognized that technological changes in farming have resulted not only in abundant production but in much greater need for credit. Thus, in a law approved March 29, 1961, Congress permitted up to 25 percent, instead of 10 percent, of the money appropriated for operating loans to be made where the total operating loan would exceed $10,000.

The Housing Act of 1961, approved June 30, 1961, facilitated housing loans for farmers, and authorized the Department to conduct research on farm housing problems.

The program was broadened to include nonfarm families living in rural areas.

The Agricultural Act of 1961 made sweeping changes in the supervised credit programs of the Department. Limits on the amount of individual farm operating loans were raised, and farm ownership loans were modified to include financing of a broader range of farms. The insured loan program was improved, and the emergency loan program, already mentioned, was broadened to include farmers outside designated "emergency areas." Loans for water systems were authorized to associations of nonfarm rural residents. Restrictions on loans to very small and part-time farmers were removed, and the requirement eliminated that small loans for real estate improvement be secured by a mortgage.

Under these authorizations, the Department loaned farmers and other rural people a record of $637 million in fiscal year 1962—106 percent more than in 1960.

RURAL AREAS DEVELOPMENT

The Department's loan programs have aided many of the Nation's small family farmers. However, the Department, in cooperation with the Area Redevelopment Administration of the Department of Commerce, has intensified its effort to attack the problem of rural poverty on an area as well as on an individual basis. Congress provided a broad base for this work by enacting the Area Redevelopment Act of May 1, 1961.

The rural areas development program of the USDA consists of three parts: (1) Technical assistance to local groups in planning for area development; (2) directing the financial assistance obtainable under the Farmers Home Administration, Rural Electrification Administration, and Soil Conservation Service programs to make these most effective in the development of depressed rural areas; and (3) making recommendations for, reviewing, and coordinating USDA programs with the program of the Area Redevelopment Administration. There is work on this program underway in 1,600 counties and in all States. Leadership in the counties is provided by the Extension Service.

ADVANCES IN CONSERVATION

The responsibility of the Department for protecting our great natural resources for the benefit of every American has been recognized by the 87th Congress. Research on forest, soil, and water conservation has been sharply increased through congressional appropriations.

On September 21, 1961, the Secretary of Agriculture sent to the Congress a report prepared by the Forest Service entitled "A Development Program for the National Forests." Congress has responded to these needs by increasing the appropriations to the Forest Service for forest protection and utilization, forest land management, and other purposes vital to our forests. Laws approved October 4, 1961, July 9, 1962, September 5, 1962, and September 14, 1962, provided for the addition of certain lands to the national forests. The importance of our forests as a major recreational resource can be seen from the increase in the number of visitors from 92 million in 1960 to an estimated 112 million in 1962.

Congress, in the Agricultural Act of 1961, extended to December 31, 1971, the final date for entering into contracts for conservation under the Great Plains program. Congress also made additional appropriations in an act approved September 30, 1961, for soil and water conservation loans and for emergency conservation measures. The small watershed program was also reinvigorated by actions of the 87th Congress and of the Department.

PROTECTING OUR FOOD SUPPLY

Congress has for 100 years recognized the importance of both an abundant and wholesome food supply. Under its direction, the Department in 1962 inspected record amounts of meat and poultry for wholesomeness, and carried out grading programs for meat, poultry, dairy products, fruits, and vegetables for the benefit of consumers.

Congress, by a law approved September 6, 1961, directed the Secretary of Agriculture to initiate a national hog cholera eradication program in cooperation with the States. Later, in a law approved July 2, 1962, Congress authorized the Secretary to take such steps as were necessary to guard against the introduction or dissemination of communicable diseases of livestock or poultry. These laws strengthened the Department in its continuing fight to protect the sources of our food from danger.

FOOD AND AGRICULTURE ACT OF 1962

The Food and Agriculture Act of 1962, approved September 27, 1962, will strengthen the Department in carrying out many of its responsibilities. It will be particularly important in helping maintain farm incomes, in securing better use of our land, in further developing our trade while assisting friendly nations to achieve better diets and to develop their resources, in controlling agricultural surpluses, in fighting rural poverty, and in opening up more of our countryside for recreational use.

Title I of the new act amends the Soil Conservation and Domestic Allotment Act, the Bankhead-Jones Farm Tenant Act, and the Watershed Act to provide for long-range conservation plans, and to establish a pilot program for turning farmland to nonagricultural, particularly recreational, uses. This opens up possibilities for the more constructive use of our land resources for the benefit of the American people.

The act in title II, provides emphasis on sales of agricultural commodities abroad under Public Law 480. The act provides also for expanded donations to school lunch programs abroad, with partial financing by recipients according to ability to pay. This provision for better diets for the children of friendly nations will serve as a practical demonstration of the value of our way of life as opposed to communism.

The 1963 feed grain and wheat programs are essentially a continuation of the present program, with part of the price support for corn and wheat to come from CCC stocks through payment-in-kind. These provisions will reduce stocks to normal levels by the mid-1960's, while helping maintain the incomes of our farm people.

The long-range wheat program authorized by the act eliminates the 55-million-acre national allotment and establishes a marketing certificate program. The program assures producers of price support between 65 and 90 percent of parity on wheat used for food in the United States, and on a share of exports to be determined by the Secretary. Congress, in establishing this program, has given wheat growers the opportunity to plan confidently for the future. Adoption of this bill has brought to a successful conclusion nearly 40 years of public discussion, some 10 years of congressional debate, and a long record of active support by farm groups for various "two price" proposals for wheat.

The 1964 feed-grain program, which provides for corn price supports between 50 and 90 percent of parity, at such level as the Secretary determines will not add to CCC stocks of grain, does not constitute an acceptable feed-grain program. Congress has already indicated that it will reconsider this provision next year, and the Department is preparing proposals for its consideration.

The last title of the act contains a number of provisions of a rather specialized nature, but which contribute to the goals of better land use, a fair income for farmers, and a plentiful, healthful supply of food.

In summary, the 87th Congress and the Secretary of Agriculture have worked together to help the American farmer continue to make America the best fed Nation in the world, to protect our great natural resources, and to take an active part in the worldwide struggle against communism.

SUMMARY OF LEGISLATIVE ACTION TAKEN IN 87TH CONGRESS AFFECTING DEPARTMENT OF COMMERCE AND ITS BUREAUS

I. LEGISLATIVE ACTION INVOLVING NEW PROGRAMS, STARTS AND PROCEDURES

Promotion of commerce

H.R. 11970, Trade Expansion Act of 1962: This bill, currently in conference, will extend the President's authority to enter into trade agreements for a further period of 5 years. It will give the President broadened authority in this field, particularly in negotiations with the European Economic Community. It will for the first time provide for a trade adjustment program as an alternative to tariff actions in the case of resulting injury to industry or workers. The Department of Commerce has reorganized its international activities in anticipation of increased work in the trade agreements field. The current organization has proved useful in developing the data on which the administration's case to the Congress was largely based. It will prove equally valuable in the coming period of the administration of the act. Additional resources will be needed, and budget requests for this purpose are now pending.

Public Law 87-63, International Travel Act of 1961: This act established a U.S. Travel Service within the Department of Commerce. During its 15 months of operations the Travel Service has: (a) Conducted a "Visit U.S.A." newspaper and magazine advertising campaign in four major European countries and in international media; (b) established U.S. Travel information offices in nine major overseas markets; (c) distributed over four million pieces of "Visit U.S.A." sales promotion literature to travel agents, carrier representatives and other travel sales personnel in 30 countries abroad; (d) in cooperation with other agencies of the U.S. Government, worked to simplify and soften entry procedures into this country; (e) conducted an extensive domestic public-service campaign, in cooperation with the Advertising Council, to alert U.S. citizens to the importance of being good hosts to foreign visitors. U.S. Travel Service activities together with the efforts of the private American travel industry which were spurred by this legislation have resulted in an increase in tourism to the United States from oversea countries of 18.2 percent during the first 6 months of 1962 as compared with the same period in 1961.

Public Law 87-545, Federal participation in New York World's Fair, 1964-65: Following the Presidential appointment of the U.S. Commissioner, there has been established a Commission with responsibility under this Department to carry out the Federal participation at the Fair. The Commission began operations August 6, 1962. Since then, it has been partially staffed, a budget has been established, funds have been transferred to the General Services Administration for the design and construction of the pavilion, and discussions initiated for contract arrangements with a number of exhibit design firms. An agreement of participation has been concluded with the New York World's Fair Corporation. The Commission is proceeding with the development of the theme "Challenge to Greatness" suggested by a Citizens' Advisory Committee established by the Secretary of Commerce. Approval of the design of the building has been given and the engineering and construction phases have been started by the General Services Administration.

Public Law 87-305, dissemination of procurement information by Secretary of Commerce: This law amends the Small Business

Act by authorizing the Secretary of Commerce to obtain notice of all proposed defense procurement actions of $10,000 and above, and all civilian procurement actions of $5,000 and above, with certain specified exceptions, and to publish such notices in the "United States Commerce Business Daily." In accordance with the provisions of this law steps were taken by the Department of Commerce to have the General Services Administration and the Department of Defense revise the Federal procurement regulations and the Armed Forces procurement regulations to effect its provisions. Steps have also been taken to obtain compliance by Federal departments, establishments and agencies.

Area redevelopment

Public Law 87–27, Area Redevelopment Act: The Area Redevelopment Administration was created within the Department of Commerce as a result of the enactment of the Area Redevelopment Act on May 1, 1961. As of September 24, 1962, the Area Redevelopment Administration had designated 925 redevelopment areas, plus 51 Indian reservations, with a total population of 35.7 million. Also, as of that date, 64 industrial loans totaling more than $14 million had been made. These loans will create an estimated 7,400 jobs. A total of 48 loans and grants had been made to create public facilities necessary for the establishment or expansion of business. It is estimated that these public facilities will be helpful in providing jobs for 13,500 workers. One hundred and three contracts for technical assistance, totaling more than $3.7 million, have been let. Almost 12,000 workers have been trained in new skills since the Area Redevelopment Administration was created. Since the program is new, past activities do not fully reflect our progress. Three hundred and seventy-three projects are presently being processed. Of these, 242 request a total of $140 million to assist commercial and industrial enterprises. Moreover, there are pending requests for $17 million in loans for public facilities and more than $28 million in grants for such facilities to assist industry. It is estimated that these pending projects will create more than 52,000 jobs.

Public Law 87–658, Public Works Acceleration Act: Immediately following enactment of this legislation on September 14, 1962, the President issued Executive Order No. 11049. This order directs the Secretary of Commerce to assist the President in carrying out the Public Works Acceleration Act, makes him responsible for coordinating the efforts of the various participating agencies, and to recommend to the President the manner in which this program can best be implemented. The Secretary of Commerce, in turn, has made the Administrator of the Area Redevelopment Administration responsible for assisting the Secretary in fulfilling his new duties under this legislation. While the legislation is only 2 weeks old, the Area Redevelopment Administration has already prepared informative work kits and has distributed them to State and local officials, so that these persons can be fully alerted to the benefits of this accelerated program. Regulations for the implementation of this legislation have been drafted and the Administrator, together with other Department of Commerce officials, have testified in the hearings regarding appropriations to implement this legislation. A 2-day conference was held with State and local officials in Washington on September 26 and 27.

Science and technology

Public Law 87–405, Assistant Secretary of Commerce for Science and Technology: Pursuant to this legislation, an Assistant Secretary for Science and Technology was appointed earlier this year. The Secretary assigned to the new Assistant Secretary responsibility for policy direction and coordination of certain Bureaus of the Department. He has recruited a small staff and become a member of the President's Science Advisory Committee and the Federal Council for Science and Technology. He has also undertaken a thorough review of the science and technology activities within the Department.

S. 901, Oceanography: This bill has passed Senate and House in different forms and is in conference. Under it broad oceanographic policies are set forth and the Commerce Department's Coast and Geodetic Survey would have its activities in this field substantially increased.

Maritime

Public Law 87–222, increased construction-differential subsidy for ship reconstruction: Public Law 87–222 increased for 2 years from July 7, 1960, the maximum construction-differential subsidy that could be paid for reconstruction of a vessel from 50 percent to 55 percent of the American reconstruction cost of the vessel. The reason for this legislation was to allow to American-flag subsidized operators parity of construction costs with their foreign competitors. Under this legislation the Department has paid, or agreed to pay, a subsidy of 55 percent for reconstruction of the *President Wilson* and the *President Cleveland*, a 53.7 percent subsidy for the reconstruction of the *Atlantic*, and a 55 percent subsidy for the reconstruction of the *President Roosevelt*.

Public Law 87–45, subsidy for off-season cruises: This enactment authorized the Secretary of Commerce to pay subsidy for the operation of American-flag passenger vessels on cruises which are not on the essential trade routes during the slow season on the essential trade routes. This legislation enables the subsidized operators to operate their vessels to areas where they can obtain the best patronage, to meet the competition of foreign-flag cruise vessels, and to improve their earnings; and it enhances the chances of recapture of the subsidy (through improved earnings of the operators) by the United States. Under this legislation, 3 subsidized operators made 30 cruises during fiscal 1962. It is expected that the same operators will make 37 cruises in fiscal 1963, and 37 cruises in 1964.

Public Law 87–243, time of payment of operating-differential subsidy: This legislation increased the amounts of operating-differential subsidy that can be paid to subsidized operators before final audit of the accounts. Such increased payments, however, cannot be made until the 1963 appropriations are available. Detailed operating-differential subsidy billing procedures are now being printed by the Department and will be available by the time appropriated funds are available. This legislation will obviate borrowing by subsidized operators which was necessitated by restrictions on payment of subsidy on account under prior law; and will thus improve the earnings of subsidized operators and the possibilities of recapture of subsidy by the United States.

Public Law 87–266, denial of cargo preference to vessels reconstructed abroad: This legislation excluded from the commercial vessels for which cargo is reserved under the cargo preference laws (sec. 901(b) of the Merchant Marine Act) any vessel which thereafter is built, or rebuilt, abroad or is documented under foreign laws. An exception is made for vessels which the owner had theretofore contracted with a shipyard to rebuild abroad if the rebuilding is completed and the vessel is redocumented after returning to the United States prior to September 21, 1962. Twenty vessels have come in under this exception. The purpose of the legislation is to lend more stability to the ocean freight market and to encourage shipbuilding and rebuilding in privately owned U.S. shipyards.

Public Law 87–271, financing of vessel research and development: This legislation authorized the subsidized American-flag operators, with the consent to the Secretary of Commerce, to finance research and development and purchase of containers from their capital reserve funds. The Merchant Marine Act, 1936, requires subsidized operators to maintain these funds, requires the deposit in these funds of depreciation on their vessels (permits certain other deposits), and prior to this legislation permitted these funds to be used only for the purchase of vessels. The purpose of the legislation is to promote more efficient methods of operation in this industry. Regulations have been issued under the legislation, and three applications for consent under the legislation are being processed.

Public Law 87–401, trade-in of vessels: This legislation permits vessel operators to trade in their vessels to the United States either at the time they contract for building the replacement vessel or at the time the replacement vessel is delivered. Under prior law the old vessel had to be traded in at the time the contract for the building of the replacement vessel was entered into, and if the operator wanted to use the old vessel until the new one was completed, he had to pay charter hire to the United States. This legislation permits the operator to exercise his business judgment and determine which course would be more advantageous.

Public Law 87–93, status of Merchant Marine Academy personnel: This legislation clarified the status of the faculty and administrative staff at the U.S. Merchant Marine Academy. This legislation provided for conversion of staff personnel of the Academy to positions subject to civil service laws generally applicable to other civilian employees of the United States. The law also established an appropriate, flexible system of employment and compensation for the faculty at the Academy comparable to that provided for the civilian faculty at the U.S. Naval Academy. The conversions of positions provided by the legislation have been made.

Public Law 87–199, cadets from Samoa at Merchant Marine Academy: This legislation provides that a candidate nominated by the Governor of American Samoa shall not be denied admission to the U.S. Merchant Marine Academy by reason of his being a national but not a citizen of the United States. Under previously existing law, such nominees were eligible for admission only if they were citizens of the United States. We have issued a brochure encouraging the application of nationals.

Public Law 87–208, donations to Merchant Marine Academy: This legislation authorizes the Secretary of Commerce to accept gifts of personal property on condition that they be used for the benefit of the U.S. Merchant Marine Academy. Since enactment of this legislation (on September 6, 1961), gifts have been made for this purpose in the amount of approximately $20,000, plus several small vessels to be used in training the cadets.

Public Law 87–244, Merchant Marine Academy cadets from Trust Territory: This legislation authorizes the Secretary of Commerce to permit, upon designation by the Secretary of the Interior, not to exceed four Micronesian residents at a time from the Trust Territory of the Pacific Islands to receive instructions at the U.S. Merchant Marine Academy. Ocean transportation is vital to the economic life of the Trust Territory and this legislation will provide a small cadre of professionally trained individuals for local navigation, port administration, and the training of other Micronesians.

H.R. 11728, enrolled enactment, investment of war risk insurance fund: This legislation authorizes the Secretary of the Treasury upon the request of the Secretary of Commerce to invest the war risk insurance fund in securities of the United States or securities guaranteed by the United States. The war risk insurance program was begun in 1950. The war risk insurance fund is a revolving fund for payment of losses and consists of premiums and binder fees paid under the program. The original legislation, however, did not authorize investment of the fund. Sound business judgment requires that the fund be invested.

H.R. 10022, enrolled enactment, 12-year minimum age for trade-in vessels: This legislation continues for 2 more years the 12-year minimum age for the trade-in of vessels under the Merchant Marine Act, 1936. Upon expiration of the legislation this minimum age will become 17 years. The purpose of the trade-in provisions is to provide a market for American-flag vessels which cannot be sold to foreign owners or for foreign registry without the consent of the Secretary of Commerce which will not be given if the vessels are required under U.S.-citizen ownership and U.S. registry for commercial or national defense purposes. The enrolled enactment will facilitate the Department's vessel replacement program for subsidized operators by enabling the operators to trade in vessels which are least adapted to their routes.

Public roads

Public Law 87–61, Federal-Aid Highway Act of 1961: The act approved the current estimate cost of completing the Interstate System as a basis of apportioning interstate funds for fiscal years 1963–66. It increased the authorization for the Interstate System through fiscal year 1971 by a total of $11.56 billion. The Secretary of Commerce has apportioned the increased authorization provided thereunder for fiscal year 1963 to the States on the basis of a current cost estimate as approved by the act. The act also provided authority for States to use or permit the use of airspace on the Interstate System under specified conditions. The Federal Highway Administrator on May 4, 1962, issued an instructional memorandum setting forth the rules and controls for use of such airspace. The act also permits defense access road funds to be used to reconstruct roads damaged by the operation of vehicles and equipment in the construction of classified military installations and ballistic missile facilities. Title II of the act continued taxes on gasoline and diesel fuels, and increased taxes on tires, inner tubes, tread rubber and the vehicle use tax on certain heavy vehicles. Transfer to the highway trust fund of half of the bus and truck excise taxes now going to the general fund was delayed for 1 year.

H.R. 12135, Federal-Aid Highway Act of 1962: This bill has passed the House and been reported in the Senate. It would make authorizations for the Federal-aid primary and secondary highways; forest, park and Indian reservation roads; and public lands roads for fiscal years 1964 and 1965. The bill includes relocation assistance provisions, urban transportation planning requirements, increased highway research authorizations and (in the Senate version) authorization for completion of the Inter-American Highway and the Rama Road in Nicaragua.

Public Law 87–441, audit of bridge commissions: This law requires annual audit and reports with respect to the activities of each of four bridge commissions and a bridge and causeway authority, to be submitted to the Governors of the States concerned and to the Secretary of Commerce. It also provides for appointment by the Secretary of Commerce of all members of the bridge commissions and the authority, except those serving ex officio or as State highway department members. The act also authorizes the transfer of all functions of any of these bridge commissions or of the authority to agencies of the States concerned. Acting under this law the Secretary has replaced all members of the White County Bridge Commission which operates a bridge between Indiana and Illinois. The old commission had been the subject of a congressional investigation and defendant in a suit brought by the Department of Justice in which mismanagement and misapplication of funds were charged.

Public Law 87–96, size and weight restrictions, Interstate System: This law deferred the applicability of restrictions on sizes and weights of vehicles permitted to use the Interstate Systems until March 15, 1962, in the case of the Commonwealth of Massachusetts. At the time Public Law 87–96 was approved, Massachusetts had in effect a law which permitted the use on the Interstate System of vehicles not meeting these weight requirements, which would have precluded the apportionment of interstate funds to Massachusetts. Under Public Law 87–96, the Secretary of Commerce apportioned to Massachusetts the interstate funds to which it was entitled for the fiscal year 1963, and Massachusetts subsequently amended its law to conform to Federal standards.

Public Law 87–135, parkway survey, Georgia and North Carolina: This law authorizes appropriation of a sum not to exceed $35,000 with which to make a survey of a proposed national parkway from the Blue Ridge Parkway in North Carolina, running into the State of Georgia. The survey is to be made by the Department of the Interior, acting through the National Park Service, and by this Bureau. No appropriation has yet been made for this purpose.

Public Law 87–307, transfer to State of Virginia of Shirley Highway: This law authorized the appropriation of not to exceed $2,500,000 to be expended by the Secretary of Commerce for the improvement of certain roads which are a part of the Pentagon network. The money would be appropriated from the Highway Trust Fund. The act authorizes the conveyance of a portion of the Henry G. Shirley Memorial Highway to the Commonwealth of Virginia, if Virginia agrees to bring the highway up the the standards of the Interstate System. The Federal share payable on account of projects to bring the highway up to such standards would be 95 percent of the total cost, rather than 90 percent as is usually the case on Interstate System projects. An appropriation of $2 million for these purposes is now pending in the Senate.

Public Law 87–328, congressional consent to Delaware River Basin compact: The compact creates the Delaware River Basin Commission for the purposes of planning, conservation, utilization, development, management and control of the water and related natural resources of the Delaware River Basin. These activities will increase highway planning and location expenditures, and possibly highway construction expenditures to an unknown extent. In addition, the act provides that the commission may utilize the services of Federal agencies for technical assistance.

Highway safety

Public Law 87–637, Federal standards for hydraulic brake fluid: This law requires the Secretary of Commerce to establish specifications for safe and efficient hydraulic brake fluid for motor vehicles in order to promote highway safety. These specifications are being prepared under the general supervision of the Assistant Secretary for Science and Technology and will be promulgated shortly. The program will be administered by the Department with the Justice Department handling enforcement of the penal provisions of the law.

Public Law 87–359, amending Drivers License Register Act: This amendment authorizes States to report terminations or withdrawals of licenses or driving privileges, rather than only revocations as provided under prior law. As a result of this act the National Driver Register Service of this Bureau has been able to increase its service to the States to such an extent that all but four of the States and territories have agreed to participate in the program.

Aviation

Public Law 87–89, extension of aviation war risk insurance: This program was extended to 1966 and is being expanded to implement the indemnity agreement between the Secretary of Defense and the Secretary of Commerce approved by the President on September 14, 1962. Under this agreement the Secretary will provide aviation war risk insurance, without premium, to certain civil air carriers to be designated by the Department of Defense in connection with international and oversea transportation regularly required by DOD, including emergency airlift requirement that may arise, not sufficient to justify activation of the Civil Reserve Air Fleet (CRAF).

H.R. 10129, aircraft loan guarantees: This bill is in conference and would extend the aircraft loan guarantee program for an additional 5 years and increase the amount that can be guaranteed to one carrier. The Senate version provides for transfer of the function from CAB to Commerce. The President's transportation message recommended such a transfer.

Export controls

Public Law 87–515, extension of Export Control Act: This law extended the authority of the Department of Commerce, by delegation from the President, to control exports for a further period of 3 years. At the same time, it indicates a congressional view that the administration should exercise more stringent controls over shipments to the bloc and should devote more resources to enforcement activities. Even before the passage of the act, the administration had been tightening its requirements relating to exports to the Soviet bloc in the light of the critical international situation. More resources for enforcement are provided in the budget currently before the Congress.

Textile import controls

Public Law 87–488, implementation of International Textile Agreement: The United States entered into an international arrangement in July 1961 to provide for the orderly marketing of cotton textiles and products. This arrangement had for its two major purposes the assurance of a fair share of the world market to all exporting countries, particularly the less-developed countries, and to prevent disruption of the markets of the importing countries. Unfortunately there was no authority to prevent large imports from countries which did not join in the arrangement. Exporters from such countries took advantage of this lack of authority to ship excessive volumes of textiles into the United States and disrupt our markets. The Congress, by Public Law 87–488, provided authority to act against such nonparticipants. On enactment of this measure in June 1962, action was taken at once to restrict imports from five such countries. Coming as late in the term of the arrangement as it did—the arrangement runs for the 12-month period ending October 1, 1962—much of the harm was irreparable but the measure enabled the practice to be stopped and will be an essential tool in carrying out the 5-year arrangement for the same purposes which goes into effect October 1, 1962.

II. LEGISLATIVE ACTION NOT INVOLVING NEW PROGRAMS, STARTS AND PROCEDURES

Promotion of commerce

Public Law 87–256, participation in trade fairs abroad: Public Law 87–256, the Mutual Educational and Cultural Exchange Act of 1961, among other things, reenacts and somewhat broadens the authority and powers under which this Department carries on trade fair participation activities abroad. The act also authorized participation in such trade fairs in the United States but this authority was repealed by Public Law 87-565, the Foreign Assistance Act of 1962.

Public Law 87-311, Export-Import Bank amendments: This law constitutes the authority under which the Export-Import Bank has entered into an agreement with the Foreign Credit Insurance Association to issue policies of export credit insurance in partnership with the Bank. These amendments thus provide the legislative basis for the fulfillment of the Presidential directive to establish export credit facilities substantially equivalent to those offered by our principal competitors. The program is an essential ingredient in our export expansion activities. The Department of Commerce, along with the Export-Import Bank, is continuing to watch developments to make sure that U.S. credit facilities are equal to the task in hand.

Public Law 87-191, oath on export declarations; This law eliminates the requirement for oaths in connection with export declarations. It resulted in removal of an unnecessary burden upon shippers and in a small way is of assistance to the export expansion program. Foreign trade is burdened with many time-consuming and expensive paperwork requirements and any simplification is helpful.

Maritime

Public Law 87-75 and Public Law 87-346, steamship conference dual rates: Public Law 87-75 extended from June 30, 1961, to September 15, 1961, and Public Law 87-346 made permanent the legislation which had validated until June 30, 1961, the dual rate contract system used by groups of American-flag and foreign-flag steamship companies operating in the U.S. foreign trade. Under this system, groups of steamship companies contracted to charge lower rates to those who agreed to give them their exclusive patronage than to those who did not. The Supreme Court had held this system to be invalid under the Shipping Act, 1916. The Federal Maritime Commission must approve the dual contracts system and safeguards are provided to protect shippers and independent carriers.

Public Law 87-77, use of Canadian ships in Alaska coastwise trade: This legislation authorizes Canadian-flag vessels to operate between certain areas in Alaska and between certain areas of Alaska and other areas of the United States in which these is no American-flag service, until the Secretary of Commerce determines that American-flag service is available. Under general law, foreign-flag vessels are not permitted to operate in the U.S. domestic trade. Public Law 87-77 is administered by the Bureau of Customs except for the making of the determinations that will terminate it.

Public Law 87-157, redocumentation of vessels: Prior to the enactment of this legislation, American-flag vessels sold while they were outside the limits of the United States could not be redocumented under the laws of the United States until they returned to the United States. This legislation permits redocumentation of such vessels before their return to the United States and thus facilitates transfers of American-flag vessels between American citizens. The legislation is administered by the Department of the Treasury.

Public Law 87-167, prevention of oil pollution: This legislation implemented the International Convention for the Prevention of the Pollution of the Sea by Oil, 1954. The obligations imposed by the convention could not be fulfilled by the United States until such time as implementing legislation would be enacted. The damage and harmful effects to marine life and human life resulting from the pollution of the oceans by the discharge of oily wastes from vessels are well known, and the need for international control of the problem is clearly recognized by all responsible maritime nations. This legislation is administered by the Department of the Treasury.

Public roads

Public Law 87-392, Deputy Federal Highway Administrator: This law abolished the then vacant position of Commissioner of Public Roads, and substituted therefor the position of Deputy Federal Highway Administrator. The Secretary of Commerce has appointed a Deputy Federal Highway Administrator.

Mobilization preparedness

Public Law 87-505, extension of Defense Production Act: This law extends the current act to June 30, 1964. It will permit continued use of priorities and allocations administered by the Department's Business and Defense Services Administration in support of defense programs. In addition, it will allow continuation of the National Defense Executive Reserve, a standby organization of individuals prepared to serve the Federal Government in an emergency.

Patents and trademarks

Public Law 87-292, celebration of patent system: This law amounts to a formal recognition by Congress of the 125th anniversary of the establishment of the U.S. Patent Office.

Public Law 87-333 gives effect to a provision of the Convention of Paris for Protection of Industrial Property: This law implements a specific provision of a treaty concerned with patents and trademarks registrations.

H.R. 4333 amends the Trademark Act: This bill has passed Senate and House and makes certain miscellaneous administrative and clarifying amendments in the curent trademark statute.

Miscellaneous

Public Law 87-233, Coast and Geodetic Survey officers: This law strengthens the commissioned corps of the Coast and Geodetic Survey by removing certain inequities between this Service and other uniformed services. Results so far indicate this law has had a favorable effect on retention of younger officers.

Public Law 87-536, Coast and Geodetic Reserves: This law authorizes Reserve Officer Training Corps graduates to accept commissions in the Coast and Geodetic Survey. By authorizing recruiting of officers from a source formerly not available, it results in more selectivity in recruiting and appointing.

Public Law 87-489, reimbursement between Census appropriations: This law resulted in minor changes in Bureau of Census procedures. Because the General Accounting Office felt that the procedure of reimbursing between Census appropriations might be questioned, legislation which resulted in Public Law 87-489 was proposed.

Public Law 87-599, gas reserves in Alaska: Provides for further development of South Barrow gas reserves in Alaska by Secretary of the Navy. This should provide for adequate future gas supplies. The existing gas line and electrical generating plant of the Commerce Department's Weather Bureau are utilized in this program.

SUMMARY OF LEGISLATION ENACTED IN THE 87TH CONGRESS AFFECTING FAA

SUPERSONIC CIVIL TRANSPORT

Public Law 87-141, approved August 17, 1961, appropriated $11 million for a study of the feasibility of developing a supersonic civil transport. An additional $20 million was appropriated by the Congress this week for this purpose. The decision to embark upon this program was based on a recognition that the first nation to develop a supersonic transport would gain important economic, military and international advantages.

Research programs are now underway on critical technical problems in the areas of propulsion, metals, structures and operations. The $20 million just received will allow the acceleration of this research and an early determination of the technical and economic feasibility of a supersonic transport program and of the need for Government assistance in the development of commercial supersonic transport equipment.

FEDERAL AID TO AIRPORTS

Public Law 87-255, approved September 20, 1961, amended the Federal Airport Act (49 U.S.C. 1101) to extend the Federal aid program through fiscal year 1964 and to increase the funding level to $75 million annually.

The increase in annual funding level of approximately $12 million over that authorized for prior periods reflected a conviction that an expanded Federal aid to airport program was essential to the establishment of an airport system capable of meeting the needs of civil transport and national defense. This interest has resulted in a more vigorous administration of the program including a new emphasis on airport safety and an increased concern for the needs of general aviation airports.

SUPPLEMENTAL AIR CARRIERS

Public Law 87-528, approved July 10, 1962, provided for a reevaluation and recertification by the CAB of all nonscheduled air carriers in an attempt to insure the overall quality of such operations.

This Agency is participating in this reevaluation with special emphasis on safety and the factors affecting safety. New FAA inspection techniques have been instituted which allow appraisal of a carrier's operation in much greater depth and detail than has formerly been possible. The Agency is also conducting studies to determine the possibility of improving our regulatory requirements to insure the effective monitoring of all factors affecting safety.

The bill also amended section 901 of the Federal Aviation Act to provide for multiple civil penalties against continuing violations of the Administrator's regulations. This important new sanction has considerable potential in securing new levels of compliance with safety regulations.

CRIMES ABOARD AIRCRAFT

Public Law 87-197, approved September 5, 1961, provided for the application of Federal criminal law to certain crimes committed aboard aircraft in air commerce.

To insure that the objectives of the law are achieved, the Agency has revised its investigation techniques and manuals and has, in coordination with other law-enforcement agencies, provided for the training and equipping of a select cadre of employees to be used in detecting and preventing aircraft piracy and other crimes committed aboard aircraft.

The U.S. delegation to the International Convention Civil Aviation Organization, meeting in Rome this month, proposed a draft convention on offenses occurring on board aircraft. The portion of this convention dealing with aircraft piracy was patterned after Public Law 87-197, and the final draft convention produced at the meeting incorporated most of the features of the U.S. proposal.

PUBLIC WORKS ACCELERATION

Public Law 87-658, approved September 14, 1962, authorizes the appropriation of funds for the acceleration of public works projects in distressed areas and in areas of substantial unemployment.

This Agency is working with other agencies under the coordination of the Area Redevelopment Administration to develop a list of eligible areas and an inventory of eligible public works projects.

CLASSIFICATION ACT SUPERGRADE POSITIONS

Public Law 87-367, approved October 4, 1961, which amended the Classification Act also authorized the Agency to establish 23 additional executive, professional, and scientific positions with salaries up to $19,500.

The availability of these top positions has facilitated the reorganization of the Agency to carry out the principle of decentralization. It has permitted the Agency to assign to its regional offices top executives with virtually full authority for implementing the Agency's programs.

Summary of Legislative Action Taken in the 87th Congress Affecting the Federal Home Loan Bank Board and the Federal Savings and Loan Insurance Corporation

The summary is based upon Public Laws 87-1 through 87-647 and those higher numbered public laws of that Congress of which we have copies.

Section 901 of the Housing Act of 1961 (Public Law 87-70), approved June 30, 1961, made the following changes in the provisions of section 5(c) of the Home Owners' Loan Act of 1933 relating to loans and investments by Federal savings and loan associations, which are chartered, regulated, and supervised by the Board:

Such associations were authorized to invest in home improvement loans insured under title II of the National Housing Act, within the 15 percent of assets already available for other property improvement loans.

Explicit provision was made as to investment of not over 5 percent of the assets of such associations in certain nonamortized short-term loans on homes or combinations of homes and business property. The object of this provision, as reflected in the legislative history, is to facilitate trade-ins.

Authority was conferred for the investment of not over 5 percent of the assets of such associations in amortized loans, or participating interests therein, secured by first lien on specified types of improved real estate used to provide housing facilities for the aging, including rest homes and nursing homes. These loans may be made without regard to other lending limitations of section 5(c) except the area restriction, and may be for periods as long as 30 years and amounts as great as 90 percent of the appraised value of the property.

Investment of not over 5 percent of the assets of such associations in certificates of beneficial interest in specified types of urban renewal investment trusts was authorized, without regard to other provisions of section 5(c).

Federal savings and loan associations with general reserves, surplus, and undivided profits exceeding 5 percent of their withdrawable accounts were authorized to invest in, lend to, or commit themselves to lend to business development credit corporations incorporated in the State in which the head office of the association is located. Such associations were given authority to do these things to the same extent as the statutes of the State authorize savings and loan associations organized under its laws, but not in excess of an outstanding amount equal to one-half of 1 percent of the outstanding loans made by the association, or $250,000, whichever is the lesser.

The Board has taken, or is taking, appropriate action to provide in its regulations needed implementation of these statutory changes.

Public Law 87-210, approved September 8, 1961, and effective January 1, 1962, provided for the further strengthening of the financial position of the Federal Savings and Loan Insurance Corporation through the payment by its insured institutions of additional premiums, in the nature of prepayments on their future regular premiums. These prepayments are in general required to equal 2 percent of the net increase in accounts of the insured members of the institution during the next preceding calendar year.

This public law also reduced the requirement for the holding of stock in the Federal home loan banks by the members of those banks. The reduced requirement is in general 1 percent of the unpaid principal of the member's home mortgage loans, home purchase contracts, and similar obligations, instead of the former 2 percent, which was considered higher than needed. The act provided for reduction of the premium prepayments by the amounts required for stock purchase under the reduced requirement. However, restrictions were imposed on the retirement of stock below the amount held at the close of the date of enactment of the new law.

Amendments to the regulations were promptly issued to implement the premium prepayment provisions, and prepayments thus far received have been in excess of $168 million.

Public Law 87-211, approved September 8, 1961, and effective January 2, 1962, simplified and improved the provisions of the Federal Home Loan Bank Act as to the election of directors of the Federal Home Loan Banks. The principal changes made by it are as follows:

The former division of the elective directors of each bank into classes representing the large, medium, and small members and the members at large, which had produced complications and dissatisfaction, was abolished.

In lieu of that arrangement, it was provided that the elective directorships of each bank should be apportioned by the Board among the States of the district in the approximate ratio of the required stockholdings of the members located in the respective States (defined as under the previous law to include the District of Columbia), with a minimum of one and a maximum of six and an overriding grandfather clause protecting each State's representation as it existed on December 31, 1960.

Provision was made for the filling of each directorship allocated to a State by a director or officer of a member located in that State. Each of such members is entitled to nominate an eligible candidate, and the office is to be filled by a plurality of the votes cast in an election at which each member located in the State is entitled to cast for the office a number of votes equal to the number of shares of stock in the bank required by the act to be held by that particular member at the end of the calendar year next preceding the election, but not in excess of the average number of shares so required to be held at that time by the respective members located in the State.

This act has likewise been implemented by amendments to the regulations; the first elections under its provisions are being held during the present year.

Public Law 87-676, approved September 19, 1962, further amended the provisions relating to directors of Federal Home Loan Banks so as to give the Commonwealth of Puerto Rico, which is presently included in the district of the Federal Home Loan Bank of New York, treatment similar to that of a State in the nomination and election of such directors.

The new act amends the above-mentioned definition to include the Commonwealth of Puerto Rico as well as the States and the District of Columbia, and in order to prevent possible reduction of the representation of some other State it provides that the Federal Home Loan Bank Board, under specified circumstances, may add an additional directorship to be designated as representing the members located in the Commonwealth.

Legislation Enacted During 87th Congress Affecting Housing and Home Finance Agency

GENERAL STATEMENT

When President Kennedy took office the Nation's economy was depressed, home construction was averaging around 1 million a year, and 22 out of every 100 construction workers were unemployed. Responding quickly to the President's instructions, the Housing Agency took immediate steps to accelerate construction in housing, community facilities and urban renewal. Then the President proposed a massive legislative program for housing and community development, and within 4 months the Congress passed the Housing Act of 1961.

Now construction and urban development are moving at a good pace. During 1962 construction of over 1,400,000 dwellings will have been started. Many of these homes are for moderate income families and elderly people, financed with special aids in the 1961 Housing Act. Urban development is on a sound and growing basis, with 618 cities and towns benefiting from urban renewal grants and 2,700 communities receiving planning funds. Loans for needed sewer and water lines and other facilities have gone to 140 communities in 1962. Funds have been reserved for 1,814 projects at colleges and universities that are expanding their dormitories and housing for faculty and married students with loans from the Housing Agency. More and more localities are going to be able to provide green space and improve their mass transportation systems with the help of new measures proposed by President Kennedy. Much has been done already. Much remains to be done to remove slums and blight and to provide better communities for ourselves and our children.

LEGISLATION ENACTED

Substantive measures enacted during the 87th Congress affecting the Housing and Home Finance Agency are briefly summarized in an attachment. The major enactments are listed below.

Housing Act of 1961

This act (Public Law 87-70, approved June 30, 1961) embodies the basic recommendations of the Kennedy administration with respect to the housing and urban renewal and community development programs of the Federal Government. It is the foundation for a comprehensive attack on slums and blight and the improvement and orderly development of our cities. In addition to redirecting and greatly extending earlier housing, community development, and urban renewal operations, this law authorized basic new programs to (1) enable private enterprise to provide housing for moderate income families, (2) enable the owners of deteriorated homes to repair and improve them with FHA-insured loans in order to conserve the Nation's housing supply, (3) acquire land to be used for open-space purposes, including park and recreational purposes, and conservation of natural resources, and (4) assist in solving the problems of mass transportation through planning grants, loans for facilities and equipment, and grants for demonstration programs.

The major provisions of the act are explained below in connection with the particular programs discussed.

Other major legislation

Of major importance to the Housing Agency was the enactment of the Area Redevelopment Act (Public Law 87-27, approved May 1, 1961) under which the Housing and Home Finance Administrator has been delegated authority by the Secretary of Commerce to process applications for loans and grants for public facilities in areas of substantial and persistent unemployment designated as redevelopment areas. The act authorizes such loans up to $100 million, and appropriations for grants up to $75 million. A grant is available only to the extent funds are not available as loans for the project under the act or from other sources. The act also made the urban renewal and urban planning grant programs available on a liberal basis for redevelopment areas.

During 1962, two major pieces of legislation affecting the Housing and Home Finance Agency have been enacted: (1) Public Law 87–723 (H.R. 12628), approved September 28, 1962, which included an increase of $100 million in the authorization for appropriations for direct loans by the Housing and Home Finance Administrator to assist rental housing and related facilities for the elderly; and (2) the recently enacted Public Works Acceleration Act (Public Law 87–658, approved Sept. 14, 1962).

PROGRESS UNDER LEGISLATION

Moderate and low income housing

New authority: The 1961 act authorized two new FHA mortgage insurance programs to make housing more readily availble to moderate income families. Under one program, long-term loans for rental and cooperative housing made by private lenders and bearing below-the-market interest rates can be insured by FHA. Under the other program, 35-year (40-year in hardship cases) mortgages on low-cost homes for owner-occupancy can be insured where a 3-percent downpayment has been made.

The 1961 act authorized 100,000 additional units of public housing, and conferred greater authority upon the community for their operation. The act also authorized a $5 million grant program to develop and demonstrate new or improved means of providing housing for low-income persons and families.

Authority is granted for liberal, long-term home rehabilitation financing with FHA loan insurance.

Progress: The below-market interest rate mortgage insurance program to provide rental housing for moderate income people has made spectacular progress. To date 62 projects that include about 10,500 dwelling units, to be financed with mortgages amounting to about $118 million, have been covered by application for FHA insurance. Commitments to insure have been issued by FHA on 26 projects with 3,700 units, and 11 mortgages have been insured on projects with 2,200 units. Priority in occupancy of these dwelling units is given to moderate-income families who have been displaced by urban renewal or other public improvement actions.

The mortgage insurance program to finance the purchase of homes for owner-occupancy by moderate-income families, with mortgages at market interest rates, has also moved rapidly. This year builders have availed themselves of the opportunity provided by the program to build such housing without prior restrictions as to number and location, and in the first 7 months FHA has issued commitments to insure over 22,000 units, more than double the number insured in all of 1961.

Funds to finance the moderate-income housing, particularly for the below-market interest rate rental housing, are assured by the availability of funds provided through the FNMA special assistance program.

To meet low-income housing needs, about 35,000 low-rent public housing units have been put under program reservations, the highest number in a comparable period since 1952. Construction has been started on 29,000 units. In addition, there is a backlog of 156 applications covering about 17,500 units.

Funds to proceed with the low-income housing demonstration grant program were provided in appropriations for fiscal year 1962, and during that year 5 demonstration projects involving obligation of $845,000 were approved. An additional 16 projects involving $2,800,000 in grant requests are presently under active consideration. The demonstrations that have been approved include use of privately developed dwellings under a lease-purchase option arrangement; provision of new dwellings for migratory farm workers at a "home base"; short-term lease of dwellings now used as rooming houses or in multifamily occupancy; and improved, cost-reducing methods for multifamily construction.

The new authority for FHA insurance of long-term rehabilitation loans represents an important addition to the means available to help finance neighborhood improvement and housing conservation. It is a complete innovation, however, to have long-term loans at limited interest rates for rehabilitation, and the program is just getting underway. Insurance commitments under this authority have been issued, thus far, for slightly more than 700 loans involving about $3.7 million. New FHA programs traditionally take time to gather momentum and long-term rehabilitation financing should accelerate as lenders become familiar with the program.

Housing for the elderly

New authority: The 1961 act broadened and liberalized the authority of the Housing and Home Finance Administrator to make direct loans for rental housing for the elderly, and increased the authority for appropriations from $50 million to $125 million. The 1962 act (referred to above) increased this figure to $225 million. With respect to low-rent public housing, additional Federal payments up to $120 a year per unit were authorized where the rentals for units occupied by elderly are so low as to threaten the solvency of the project. Improvements were also made in the FHA mortgage insurance program for housing for the elderly.

Progress: The Housing Agency has adopted procedures to coordinate its three elderly housing programs, so that all income segments of the elderly population will be served effectively without duplication of effort.

During the fiscal year 1962, 53 percent of all dwelling units placed under annual contributions contracts for low-rent public housing were designed specifically for the elderly. Of 134 new local housing authorities established since the Housing Act of 1961 was approved, 107 have included plans for the elderly. Over 100,000 low-rent dwellings, or about one-fifth of all completed public housing dwellings, are occupied by the elderly. Another 44,500 public housing units for the elderly are under construction or are being processed. The median monthly rent, including all utilities, is $31 for the occupied units.

The program of low-interest rate, long-term direct loans helps provide housing for older persons whose incomes are too high for public housing but insufficient for private market housing, such as can be provided under the mortgage insurance program. Under the direct loan program, through June 30, 1962, a total of 258 applications for $289 million had been filed, loan agreements covering close to 3,000 dwelling units had been executed, and construction had been started on about 850 units. Loan funds have been reserved for projects which will provide a total of 5,830 dwelling units.

The mortgage insurance program for the elderly is also moving forward. It has 74 projects already completed. Another 127 projects were under construction or are being processed. Together, these projects will provide about 31,000 units.

College housing

New authority: The 1961 act increased the revolving authorization for college housing loans by $1.2 billion over a 4-year period.

Progress: During the fiscal year 1962, 328 loans to colleges and universities amounting to $300 million were approved. Construction was begun during that year on 358 projects, as compared with 238 in fiscal year 1961. Funds committed to date under this program will provide housing accommodations for about 421,000 students and faculty (including student nurses and interns), and also over 800 related facilities, such as dining halls, student unions and health centers. All this has been accomplished without a single default.

Urban renewal

New authority: The 1961 Act increased the urban renewal grant authority from $2 billion to $4 billion. It substantially modified the program to make possible more use of urban renewal land for moderate income families, to encourage more rehabilitation, and to provide greater assistance to nonresidential projects. For cities under 50,000 (or 150,000 if in distressed areas) the Federal share was increased from two-thirds to three-fourths of net project cost. The dollar ceiling on relocation payments to businesses was removed.

Progress: Reservations for projects and other urban renewal activities amounted to $738 million during fiscal year 1962, more than double any previous year of operation. In addition, over $400 million in applications were pending on June 30, 1962.

An increasing number of housing projects for moderate income families is being provided in urban renewal areas under the new authority. Some housing previously underway has been converted to projects for families of lower income.

During fiscal year 1962, 135 small communities took advantage of the more liberal three-quarter grant formula to the extent of $157 million of capital grant funds.

During the 12 months ending March 31, 1962, 21,340 families displaced by urban renewal activities were relocated, of whom 81.7 percent were placed in standard housing. Relocation requirements have been revised recently to assure early relocation planning so that relocation problems can be anticipated and dealt with more effectively. Also, Agency personnel are now making regular sample inspections of houses to which families move and are making regular reports of local progress in the provision of decent housing for displaced families.

Urban planning

New authority: The authorization for appropriations for urban planning grants was increased from $20 million to $75 million, and the Federal share of the cost of urban planning was increased from one-half to two-thirds.

Progress: Expansion of the urban planning program during fiscal 1962 was spectacular. Contracts during the year covered a total of $18.2 million. This was $3 million more than the total of all approvals for the 6 preceding fiscal years.

Of the contracts approved in 1962, 220 assisted 700 small communities, 53 were for metropolitan and regional planning, and 20 were for statewide planning.

Mass transportation

New authority: A temporary loan program, to expire December 31, 1962, was authorized to assist public bodies to provide for the acquisition, construction, or improvement of transportation facilities and equipment. For this program $50 million were made available from the increased authorization for public facility loans discussed below. The act also authorized contracts for $25 million in grants (from urban renewal funds) to public bodies for demonstration projects to help improve mass transportation. The grant can equal two-thirds of the cost of such projects. Comprehensive planning for mass transportation was expressly made eligible for grants under the urban planning program on the new liberal terms of that program.

Progress: Interest in the urban mass transportation program throughout the country is very great, as is evidenced by the inquiries which have been received by the Agency on the interim program. There have been inquiries from 221 cities in 48 States, the District of Columbia, and Puerto Rico. Of these inquiries, 127 have come from communities with a population of 100,000 or less and 94 from the larger metropolitan areas. Two loans totaling $10,500,000 and two demonstration grants totaling $234,400 have been approved. There are now actively under review applications for eight additional grants or loans totaling $7,575,000.

Experience with the interim program demonstrates the urgent need for the mass transportation legislation recommended to the Congress this year by the President.

Open space land

New authority: The 1961 act authorizes a new program of Federal grants up to $50 million to assist local public bodies in the acquisition of land to be used as permanent open space in accordance with a comprehensive plan for the urban area. The grant could be up to 20 percent of cost, or 30 percent where the local public body exercises responsibilities relating to open land for the urban area as a whole.

Progress: Under the open-space land program, applications of 13 localities in 11 States, amounting to $3,228,853 in Federal grants, have been approved. These grants have made possible the acquisition of 8,752 acres of undeveloped land in some of the largest urban areas like New York, Detroit, and Washington as well as in some smaller urban areas like Waterbury, Conn., and Madison, Wis.

Awaiting approval are processed applications from seven localities in four States for 3,873 acres of land amounting to $977,364 in Federal grants.

These applicants range from Dade County, Fla., and Allegheny County, Pa., to Johnson City, Tenn., and Kingston, N.Y.

Under review are 77 applications from 71 localities in 29 States totaling approximately $10 million in Federal grants. Applications include projects which vary from the State of New Jersey's proposals for over 16,000 acres of land costing over $2 million in Federal grants to the city of Lexington, Ky.'s request for $12,000 in Federal assistance for acquisition of 35 acres.

Public facilities

New authority: The 1961 act increased the public facility revolving loan authorization from $150 million to $650 million (including the $50 million available for mass transportation discussed above). The enactment of a statutory formula for interest rates on such loans reduced rates substantially from those previously fixed by administrative action in prior administrations. Borrowers were restricted to communities of less than 50,000 (or 150,000 if an economically depressed area).

The Housing Agency is authorized to process applications for loans and grants under the Area Redevelopment Act for public facilities in areas of substantial and persistent unemployment designated under the act as redevelopment areas.

The Public Works Acceleration Act of 1962 authorized the Housing Administrator to make grants, from funds allocated for such purpose by the President under the act, to eligible public bodies for any type of public work or facility which would be eligible for a loan under the public facilities loan program. The applicant community would not be subject to any limitation as to population, and it could also receive in connection with the project a loan under the regular loan program without regard to the size of the community. Grants can be 50 percent of the cost of the project, or up to 75 percent if the applicant does not have economic or financial capacity to assume all of the additional obligations required.

Progress: The liberal loan provisions of the 1961 act for the public facility loan program of the Housing Agency, coupled with increasing awareness by municipal officials of the availability of Federal loans at moderate interest rates, produced a significant increase in the volume of activity under the program. For fiscal 1962, a total of 330 applications for $180 million was filed under the program. This compares with 137 applications for $69 million filed during fiscal 1961.

Under the interest rate formula, the rate on loans was 3⅝ percent in fiscal 1962 and 3¾ percent this fiscal year, compared with rates prior to the formula of 4⅛ percent for general obligation bonds and 4⅜ percent for revenue bonds. The rate in redevelopment areas is set slightly lower (presently 3½ percent), so that it is the same as the rate provided in the Area Redevelopment Act for public facility loans.

While the program has almost tripled in size, it still continues to serve the smaller communities. Of the 330 applications filed, 150, or 45 percent, were from communities with populations of less than 1,000; another 108, or 33 percent, were from communities with populations of 1,000 to 5,000; and 32, or approximately 10 percent, were from communities with populations of 5,000 to 10,000. Only 40 applications were received from communities with populations in excess of 10,000, of which only 1 (in a redevelopment area) had a population in excess of 50,000.

Since the enactment of the Area Redevelopment Act in May 1961, 115 applications for public facility loans and grants under that act have been submitted by the Area Redevelopment Administration in the Department of Commerce to the Housing Agency for processing.

With the enactment of the Public Works Acceleration Act of 1962 and appropriations thereunder, the volume of public facility construction assisted by the Housing Agency will greatly increase. Prior to the enactment of this legislation, the Agency developed and issued procedures and information for applicants and otherwise geared its office for speedy processing and approval of applications for eligible loans or grants under the new authority given the Agency. Widespread interest in this assistance is already evident in eligible unemployment areas.

Summary of Substantive Laws Enacted During 87th Congress Affecting Housing and Home Finance Agency

HOUSING ACT OF 1961

Public Law 87–70 (S. 1922), approved June 30, 1961: The Housing Act of 1961 provided the powers and programs necessary to carry out the recommendations of the President in his message to the Congress early in his administration on "Our Nation's Housing." It gave the Housing and Home Finance Agency an improved and enlarged program for assisting in remodeling cities, improving community development, and providing for the housing needs of all segments of the population.

(a) New programs: Basic important new programs or aids were authorized by the Housing Act of 1961. These are:

1. Assistance to private enterprise in the provision of sales and rental housing for low and moderate income families through FHA mortgage insurance.

2. Authority for property in urban renewal areas to be sold to certain purchasers at fair value for use for moderate income housing.

3. A $5 million demonstration grant program of new or improved means of providing housing for low-income persons and families.

4. FHA insurance of long-term loans for the repair and improvement of existing housing.

5. Demonstration projects in urban renewal areas for the rehabilitation of existing structures.

6. FHA mortgage insurance for experimental housing.

7. FHA mortgage insurance for individually owned units in multifamily structures (condominiums).

8. New authority to FNMA to provide housing credit through short-term loans secured by FHA or VA housing mortgages.

9. $50 million in Federal grants to State and local public bodies for the acquisition of land to be preserved as open-space land.

10. Federal planning grants and $50 million in Federal loans for mass transportation equipment and facilities in urban areas.

11. $25 million in Federal grants for demonstration projects designed to contribute to the improvement of mass transportation or the reduction of mass transportation needs.

(b) Amendments of existing programs: The Housing Act of 1961 broadened and extended the existing housing, community development, and urban renewal programs of the Housing and Home Financing Agency. This included:

1. Improvements of the mortgage insurance programs of the Federal Housing Administration which assist in the provision of privately financed homes, rental housing, housing for the elderly, and nursing homes.

2. A $750 million increase in the special assistance authority of the Federal National Mortgage Association and, in addition, authority to transfer certain other funds to the special assistance program. Under this program, FNMA makes commitments to purchase and purchases mortgages financing housing for low and moderate income families, displaced families, urban renewal areas, the elderly and other special purposes.

3. Authority to assist an additional 100,000 low-rent public housing units for low-income families, and to give localities more autonomy in the operation of their projects.

4. A $75 million increase in the authorization for loans for housing for the elderly, and more liberal loans.

5. Additional subsidy of $120 a year per unit for low-rent public housing occupied by the elderly where necessary to preserve the solvency of a project.

6. A $1.2 billion increase in the authorization for loans for housing for students, and faculty members of colleges.

7. Extension of the voluntary home mortgage credit program which assists in obtaining private housing credit in areas of credit shortage and for minorities.

8. A $2 billion increase in urban renewal grant authority, increase in amounts of Federal urban renewal grants to smaller cities, and other liberalizing amendments in the urban renewal program.

9. A $55 million increase in the authorization for Federal grants to assist urban planning, and an increase in the amount of each grant from one-half to two-thirds of the cost of the planning.

10. A $10 million increase in the authorization for Federal advances for public works planning.

11. A $450 million increase in the authorization for public facility loans, lower interest rates on the loans, and authority to provide technical services to communities in planning and carrying out their community facilities programs.

AREA REDEVELOPMENT ACT

Public Law 87–27 (S. 1), approved May 1, 1961 (terminates June 30, 1965): The Area Redevelopment Act provided loan and grant assistance for public facilities and for commercial and industrial facilities in areas of substantial and persistent unemployment or underemployment designated as "redevelopment areas."

A revolving loan fund of $300 million was established. One-third of this fund is available for public facility loans, one-third for commercial and industrial loans in industrial redevelopment areas and one-third for loans in rural redevelopment areas. Grants aggregating up to $75 million for public facilties were also authorized. The Housing and Home Finance Agency processes applications for loans and grants to public facilities under a delegation from the Secretary of Commerce.

Where urban renewal projects are proposed in redevelopment areas, the Housing and Home Finance Agency can waive the requirement that land in an urban renewal area must in general be "predominantly residential" either before or after redevelopment. Also, land in an urban renewal project in a redevelopment area can be sold to a public body or a nonprofit corporation for subsequent disposition to a redeveloper rather than for direct redevelopment as is required in other urban renewal projects. The Area Redevelopment Act provides that up to 10 percent of all new urban renewal grant authorizations can be used under the special provisions of this law for urban renewal projects in redevelopment areas.

The Housing and Home Finance Administrator is authorized to make urban planning grants available in industrial redevelopment areas either directly or through State planning agencies and for up to 75 percent of the cost. In other areas, a grant may not exceed two-thirds of the estimated cost of the planning work.

PUBLIC WORKS ACCELERATION ACT

Public Law 87–658 (S. 2965), approved September 14, 1962: A $900 million program of Federal assistance by the President to public works is authorized for those areas which are designated as "redevelopment areas" under the Area Redevelopment Act.

Funds can be used only for projects which (1) can be initiated or accelerated within a reasonably short period of time, (2) will meet an essential public need, (3) will contribute significantly to the reduction of local unemployment, (4) are not inconsistent with locally approved comprehensive plans for the jurisdiction affected, wherever such plans exist, and (5) a substantial portion of which can be completed within 12 months after initiation or acceleration. No funds may be made available for any planning or construction, directly or indirectly, of any school or other educational facility.

Not more than 10 percent of funds allocated by the President may be made available for public works projects in any one State.

Financial assistance provided must produce a net increase in expenditures by the applicant for capital improvement projects approximately equal to the non-Federal funds required to be made available for the project.

Under the law, the President may initiate and accelerate in eligible areas those Federal public works projects which have been authorized by Congress, and those public works projects of State and local governments for which Federal financial assistance is authorized under existing grant-in-aid programs. The President may allocate funds provided under the law to Federal agencies responsible for the construction of Federal public works projects, or for the administration of existing Federal grant-in-aid programs. This includes grants made by the Housing Agency under the Area Redevelopment Act. Funds made available to accelerate work under existing Federal grant-in-aid programs are subject to all the provisions of law governing those programs except provisions requiring allocation of funds among the States and provisions limiting the total amount of grants for any period. Notwithstanding any limitation in existing grant-in-aid programs requiring a grant to be less than 50 percent of the cost of a project, grants may be made with funds provided by this law which will bring the total of Federal contributions to the project up to 50 percent of the cost of such a project.

In addition, if an applicant State or local government does not have economic and financial capacity to assume all of the additional financial obligations required, grants-in-aid may be made which bring the total of all Federal contributions for an eligible project undertaken by such applicant up to 75 percent of the cost of such project.

Under this law, the Housing and Home Finance Administrator can make a grant-in-aid, from any allocation made by the President for that purpose to any eligible public entity for any type of public facility eligible for a loan under the Housing Amendments of 1955. These grants may not exceed 50 percent of the cost of construction of an eligible project (75 percent in the case of an applicant State or local government that does not have economic and financial capacity to assume all of the additional financial obligations required). In addition, an applicant community, regardless of its size, may receive a loan to finance any public works or facilities to be initiated or accelerated as a result of a grant-in-aid from an allocation made by the President under this law, notwithstanding the provision in the 1955 act that limits loans under that act to localities with populations of less than 50,000 (150,000 in a redevelopment area).

The public works planning program established by section 702 of the Housing Act of 1954 is amended to waive repayment of a public works planning advance for any project, construction of which is initiated as a result of a grant made under this act.

PUBLIC FACILITY LOANS—NASA INSTALLATIONS

Public Law 87–634 (S. 3327), approved September 5, 1962: This law makes any community with a population under 150,000, and in or near which a research or development installation of NASA is located, eligible for a loan by the Housing and Home Finance Administrator under the public facility loan program.

SENIOR CITIZENS HOUSING ACT OF 1962

Public Law 87– (H.R. 12628), approved September —, 1962: The authorization of appropriations for direct loans by the Housing and Home Finance Administrator for rental housing and related facilities for the elderly was increased by $100 million—from $125 million to $225 million. Where applications for loans are received after enactment of this law, the loans are limited to new construction.

Title V of the Housing Act of 1949 was amended to establish a number of new housing aids by the Secretary of Agriculture for the elderly who live in rural areas. This includes a new program of direct loans for rental housing.

FHA GENERAL MORTGAGE INSURANCE AUTHORIZATION—INTERIM INCREASE

Public Law 87–38 (S.J. Res. 89), approved May 25, 1961: This law provided an interim increase of $1 billion in the authorization for insurance of mortgages by the FHA. The Housing Act of 1961 removed the dollar ceiling on this authorization but will terminate as of October 1, 1965, the authority to insure (except for certain programs which have different termination dates).

FHA MORTGAGE INSURANCE AUTHORIZATION FOR MILITARY (CAPEHART) FAMILY HOUSING

Public Law 87–57 (H.R. 5000), approved June 27, 1961: This law provided a 1-year extension (to Oct. 1, 1962) of the FHA mortgage insurance program (Capehart) for military rental housing and increased from 25,000 to 28,000 the limit on the number of housing units that could be provided under the program.

FHA MORTGAGE INSURANCE FOR HOUSING FOR MILITARY, NASA, AND AEC

Public Law 87–623 (S. 2876), approved August 31, 1962; Public Law 87–623 extended for 1 year (to Oct. 1, 1963) the special authority of FHA to insure mortgages on homes purchased by civilian employees at research and development installations of the military departments, the National Aeronautics and Space Administration or the Atomic Energy Commission; and mortgages on rental housing for military personnel and essential civilian employees at military installations.

TAX PAYMENTS ON CERTAIN FHA-ACQUIRED HOUSING

Public Law 87– (H.R. 13067), approved September —, 1962: This law authorizes the Federal Housing Commissioner to make payments in lieu of taxes on housing which is acquired by him as a result of insurance of mortgages on military (Wherry Act) housing (the program that preceded the "Capehart" program). The FHA is also authorized to pay real property taxes on housing acquired as a result of the insurance of mortgages on housing for civilian personnel of military research and development installations and personnel of the military and NASA and AEC.

DISPOSAL OF FEDERALLY OWNED PROPERTY AT LOS ALAMOS

Public Law 87– (S. 3580), approved September —, 1962: The Atomic Energy Community Act of 1955 is amended to provide for the disposal of federally owned property at Los Alamos, N. Mex. This disposal program will be handled by the Housing and Home Finance Agency under a delegation from the Atomic Energy Commission.

FEDERAL AID TO EDUCATION—IMPACTED AREAS

Public Law 87–344 (S. 2393), approved October 3, 1961: The Federal assistance to school construction and the maintenance and operation of schools in federally impacted areas is extended for 2 years—to June 30, 1963. The Housing and Home Finance Agency carries out the school construction program under a delegation from the Department of Health, Education, and Welfare.

SUMMARY OF LEGISLATION ENACTED DURING THE 87TH CONGRESS AFFECTING THE GENERAL SERVICES ADMINISTRATION

PUBLIC WORKS ACCELERATION ACT

General Services Administration has a backlog of identified new construction projects involving a total cost in excess of $1 billion and a backlog of identified repair and improvement projects in excess of $300 million remaining after fiscal year 1963. These two backlogs constitute a reservoir from which General Services Administration can draw projects for accelerated public works programs under Public Law 87–658. We are working closely with the Department of Commerce in the development and implementation of plans in this area.

Information obtained from Bureau of the Budget indicates that the following programs are contemplated for General Services Administration under the Public Works Acceleration Act.

	Amount
1. Construction of small public buildings, and post offices	$30, 000, 000
2. Alteration of existing buildings—projects $10,000 to $50,000 each	5, 400, 000
3. Same—projects $50,000 to $200,000 each	7, 200, 000
Total	42, 600, 000

In collaboration with the Post Office Department approximately 170 small building projects have been tentatively selected and data relating to space requirements is being obtained. Under items 2 and 3, approximately 300 eligible repair projects have been identified and estimates are currently being developed.

Public Law 87-255, (H.R. 8102), approved September 20, 1961: To amend the Federal Airport Act so as to extend the time for making grants under the provisions of such act, and for other purposes.

Section 1109 of the Federal Aviation Act of 1958 (49 U.S.C. 1509), was amended by section 9 of Public Law 87-225 by adding a new subsection (e). This new subsection enables the head of any department or agency of the Federal Government charged with certain duties with respect to persons or property moving in air commerce, to acquire space at public airports, after consultation with the Administrator of the Federal Aviation Agency, necessary for the performance of such duties. In acquiring any such space, the head of such department or agency shall act through the Administrator of General Services in accordance with the procedures established by law generally applicable to the acquisition of space to be used by departments and agencies of the Federal Government.

GSA has conferred with the Bureau of the Budget with respect to implementation of its function under this subsection. The determination was made that these space actions would be handled in accordance with existing procedures as with all other space acquisitions. No special measures are considered necessary.

Public Law 87-36 (S. 912), approved May 19, 1961: To provide for the appointment of additional circuit and district judges, and for other purposes.

As a result of this legislation, which provided for the appointment of 73 additional judges, GSA has sought and received from the Congress appropriations amounting to $13 million, necessary for performing its functions which include providing directly or indirectly, additional space, facilities and courtrooms for the judiciary, including alteration and extension of Government-owned buildings and acquisition of additions to sites of such buildings; rents; furnishings and equipment; repair and alteration of rented space; moving Government agencies in connection with the assignment and transfer of space; preliminary planning; preparation of drawings and specifications by contract or otherwise; and administrative expenses.

Public Law 87-27 (S. 1), approved May 1, 1961: To establish an effective program to alleviate conditions of substantial and persistent unemployment and underemployment in certain economically distressed areas.

A further report on Public Law 87-27 will be forwarded within a few days.

Public Law 87-277 (S. 931) approved Sept. 22, 1961: To repeal that part of the act of March 2, 1889, as amended, which requires that grantors furnish, free of all expenses to the Government, all requisite abstracts, official certifications and evidences of title.

GSA procedures have been revised to permit negotiations for the acquisition of real property on the basis that evidence of title will not be required to be furnished by the grantor.

Public Law 87-559 (H.R. 10016) approved July 27, 1962: To waive section 142 of title 28, United States Code, with respect to the holding of court at Decatur, Ala., by the U.S. District Court for the Northern District of Alabama.

This legislation authorizes the holding of court in Decatur and no Federal court facilities are presently available. GSA is in the process of constructing a new Federal facility in this city which includes court facilities.

Public Law 87-553 (H.R. 10012) approved July 27, 1962: To waive section 142, of title 28, United States Code, with respect to the U.S. District Court for the Eastern District of Tennessee holding court in Winchester, Tenn.

A project for construction of a new Federal building was approved April 1962 by the Committees on Public Works of the Senate and House of Representatives under provisions of the Public Buildings Act of 1959, as amended.

This legislation authorizes the holding of court at Winchester. There are no Federal court facilities in that city.

Its enactment will enable GSA to include court facilities in the design of the building. Negotiation for design is presently scheduled for October 1962.

Public Law 87-337 (H.R. 7259), approved October 3, 1961: To waive section 142 of title 28, United States Code, with respect to the U.S. District Court for the Western District of Louisiana, Lafayette Division, holding court at Lafayette, La.

GSA has recently completed construction of a new Federal building at Lafayette, La. This legislation authorizes the holding of court at Lafayette. GSA could not undertake planning, renovation, or construction of court facilities unless section 142 of title 28 was waived. This has been accomplished by enactment of Public Law 87-337.

Design is now under study to include court facilities at Lafayette.

Public Law 87-585 (S. 3525), approved August 14, 1962: To authorize the Administrator of General Services, in connection with the construction and maintenance of a Federal office building, to use the public space under and over 10th Street SW., in the District of Columbia, and for other purposes.

The building bridge over 10th Street SW. makes possible the best use of the two divided sites designated for a Federal office building and will make the building an esthetic unit, enhancing the Mall, Independence Avenue, and the Smithsonian buildings. Such design will result in a more efficient functional operation by occupant agencies in the proposed building. To accommodate the same office space in two separate buildings would require two very massive, high buildings flanking 10th Street SW., with ends facing Independence Avenue, producing a deep-chasm effect at the Mall entrance.

The National Capital Planning Commission has expressed preliminary approval of the general concept of having the Federal office building span the 10th Street Mall and the proposed design has been approved in principle by the Commission of Fine Arts. Design of the building is underway.

Public Law 87-476 (S. 3157), approved June 8, 1962: To repeal subsection (a) of section 8 of the Public Buildings Act of 1959, limiting the area in the District of Columbia within which sites for public buildings may be acquired.

The enactment of this legislation permits the selection of sites for public buildings in downtown Washington for needed public buildings. Since passage of 87-476, a site has been tentatively selected for the proposed FBI building which would not have been possible prior to the repeal of subsection (a) of section 8 of the Public Buildings Act of 1959. Other sites in the downtown area are now being considered by GSA and interested agencies.

Public Law 87- (S. 1307), approved (pending Presidential action): To amend section 128 of title 28, United States Code, to constitute Richland, Wash., a place of holding court for the Eastern District of Washington, southern division, and to waive section 142 of title 28, United States Code, with respect to the U.S. District Court for the Eastern District of Washington, southern division, holding court at Richland, Wash.

GSA presently has under design a new Federal building at Richland. This project has been approved by the Committees on Public Works of the Senate and House of Representatives under provisions of the Public Buildings Act of 1959, as amended. The establishment of Richland as a place of holding court and the waiver of section 142 of title 28, U.S.C., will enable GSA to incorporate court facilities in the new building. Revision of the design of the building to include court facilities is underway.

Public Law 87-373 (H.R. 3019), approved October 4, 1961: To provide for the construction of a fireproof annex building for use of the Government Printing Office, and for other purposes.

The act contains authorization for construction of an annex building in accordance with plans prepared by the Administrator of General Services and approved by the Public Printer, including mechanical equipment, connections with the present GPO buildings and utilities, interconnections with the Capitol powerplant in accordance with plans to be approved by the Architect of the Capitol and the acquisition by GSA of real property for purposes of the act. GSA is authorized to cause the building provided for to be constructed pursuant to the applicable provisions of the Public Buildings Act of 1959 without regard to requirements of section 7 and 8(a) thereof.

Proposed funds ($6,450,000) for purposes of carrying out the provisions of this act are included in the legislative branch appropriation bill, 1963, presently pending final action.

GSA has participated in hearings in support of estimates prepared for GPO for the proposed annex.

Public Law 87-352 (S. 2102), approved October 4, 1961; (Public Law 87-560 (H.R. 10389), approved July 27, 1962: Redesignation of Jefferson Division of the Eastern District of Texas as the Marshall Division, and waiver of section 142 of title 28, United States Code, with respect to the U.S. District Court for the Eastern District of Texas, Marshall Division, holding court at Marshall, Tex.

This legislation authorizes the holding of Federal court at Marshall. GSA has programed the necessary funds for the provision of court facilities in this city and a project for this purpose will soon get underway.

Public Law 87-551 (H.R. 9844), approved July 27, 1962: To waive section 142, title 28, United States Code, with respect to the U.S. District Court for the District of Connecticut for holding court at Bridgeport.

This legislation authorized the holding of court at Bridgeport. There are no Federal facilities in that city.

GSA has a prospectus covering a Federal building including court facilities under preparation. The prospectus is expected to be submitted to the Senate and House Public Works Committees for consideration during the next session of Congress.

Public Law 87-581 (H.R. 10786), approved August 13, 1962: To establish standards for hours of work and overtime pay of laborers and mechanics employed on work done under contract for, or with the financial aid of, the United States, for any territory, or for the District of Columbia, and for other purposes.

This legislation makes unnecessary the need for the proposal contained in GSA's proposed legislative program for the second session of the 87th Congress as item No. 5 to permit certain employees of the GSA to work in excess of 8 hours per day on public works.

PUBLIC BUILDINGS CONSTRUCTION PROJECTS FULLY APPROVED BY CONGRESSIONAL PUBLIC WORKS COMMITTEES DURING 2D SESS., 87TH CONG.

Projects included under "Sites and expenses, public buildings projects," for fiscal year 1963

	Sites and expenses	Estimated completion of design
1. New construction:		
Arizona: Tucson, border patrol sector headquarters.	$79,000	May 1963.
Arkansas: Pine Bluff, post office and courthouse.	512,000	October 1963.
California.		
Fresno, courthouse and Federal office building.	1,402,000	November 1963.
Long Beach Harbor area, customhouse (rev.).	346,000	
Less: prior appropriations	1,010,000	
Net	−664,000	
West Los Angeles, Federal office building	890,000	February 1964.
Georgia: Newnan, post office and courthouse	124,000	July 1963.
Illinois: East St. Louis, Federal office building	325,000	June 1963.
Indiana:		
Gary, Federal office building	398,000	August 1963.
New Albany, courthouse, and Federal office building.	303,000	Do.
Louisiana: Baton Rouge, post office and Federal office building.	1,315,000	November 1963.
Maine: Bangor, post office and courthouse	897,000	Do.
Mississippi: Greenwood, post office and Federal office building.	183,000	July 1963.
Missouri:		
Hannibal, post office and courthouse	555,000	September 1963.
Independence, post office and Federal office building.	159,000	August 1963.
Montana:		
Bozeman, post office and Federal office building.	590,000	November 1963.
Havre, border patrol sector headquarters	58,000	May 1963.
Nevada:		
Carson City, post office and courthouse	$648,000	November 1963.
Las Vegas, courthouse and Federal office building.	1,113,000	Do.
New Hampshire: Portsmouth, post office and Federal office building.	514,900	October 1963.
New Jersey: Newark, Federal office building	1,530,000	December 1963.
New Mexico: Clovis, post office and Federal office building.	220,000	July 1963.
New Mexico:		
Clovis, post office and Federal office building.	220,000	July 1963.
Roswell, courthouse and Federal office building.	435,000	October 1963.
New York:		
Buffalo, Federal office building	1,582,000	February 1964.
1. New construction—Continued		
New York—Continued		
Rochester, courthouse and Federal office building.	673,000	January 19.4.
PuertoRico: San Juan, courthouse and Federal office building.	653,000	December 1963.
Tennessee:		
Alamo, post office and Federal office building.	60,000	May 1963.
Winchester, post office and courthouse	226,000	August 1963.
Texas:		
Alice, post office and Federal office building.	151,00	September 1963.
Pasadena, post office and Federal office building.	354,000	October 1963.
Vermont: Swanton, border patrol sector headquarters.	68,500	April 1963.
Washington:		
Blaine, border patrol sector headquarters	62,000	June 1963.
Spokane, border patrol sector headquarters.	44,000	April 1963.
District of Columbia: Washington:		
Federal Bureau of Investigation building	10,411,000	March 1964.
General Services Administration Federal RC.	650,000	September 1963.
Subtotal (33 projects)	26,520,500	
2. Extension and conversion:		
Alaska: Fairbanks, post office, courthouse, and jail.	$72,000	April 1963.
Iowa: Cedar Rapids, post office and courthouse.	78,000	Do.
Kentucky: London, courthouse and Federal office building.	30,000	March 1963.
Louisiana: Baton Rouge, post office and courthouse.	37,000	November 1963.
Massachusetts: Springfield, post office and courthouse.	320,000	July 1963.
Montana: Helena, post office and courthouse	154,000	June 1963.
New Hampshire: Laconia, Federal office building.	40,000	April 1963.
New Mexico: Carlsbad, post office and Federal office building.	$55,000	April 1963
North Dakota: Bismarck, post office and courthouse.	55,000	Do.
Rhode Island: Providence, post office and Federal office building.	80,000	May 1963.
Utah: Provo, post office and Federal office building.	58,000	April 1963.
Subtotal (11 projects)	979,500	
Total, construction public buildings projects (44 projects).	27,500,000	

Defense materials service

Bill No. and Public Law No.	Bill description	Remarks
H. Con. Res. 473	Concurrent resolution providing the express approval of the Congress, pursuant to sec. 3(e) of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98b(e)) for the disposition of certain materials from the national stockpile.	This concurrent resolution, agreed to in the Senate on June 21, 1962, provided the express approval of the Congress for 14 proposed disposals of materials no longer required for the national stockpile. These disposals cover specified quantities of silk noils, various nickel items, cordage fiber, vegetable tannins, celestite, various nonferrous and platinum scrap items, pig tin, castor oil, cobalt oxides and carbonates, chromite ore, ferrovanadium, ferromanganese and electrolytic manganese metal, nickel oxide powder, and molybdenum. With the passage of this concurrent resolution, GSA has proceeded with the preparation of invitations to bid on the materials covered and with the disposal of such items in accordance with the bid openings. The 1st invitation to bid was mailed on June 22. It is expected that most of the items will be disposed of within the current fiscal year, but disposal of several materials such as the castor oil and tin will take up to 5 years to complete.
H.R. 84; Public Law 87-347.	An act to stabilize the mining of lead and zinc by small domestic producers on public, Indian, and other lands, and for other purposes.	This act authorized the establishment and maintenance of a program of stabilization payments to small domestic producers of lead and zinc. Administration of the program was delegated to GSA by the Secretary of the Interior on Apr. 19, 1962. Although the act was approved by the President on Oct. 3, 1961, funds for the program did not become available until the 2d Supplemental Appropriations Act, 1962, was approved on July 25, 1962. Immediately after funds were approved, the regulations for program and application forms were distributed to prospective participants. Available information indicates that there are over 500 potential applicants, although it is not expected that actual applications will reach this figure. Some 50 applications have been received to date and are being processed by GSA.
H.R. 10595; Public Law 87-548.	An act to facilitate the sale and disposal of Government stocks of extra-long-staple cotton.	This act, approved by the President on July 25, 1962, provided that all extra-long-staple cotton remaining in the stockpile be transferred to the Commodity Credit Corporation for disposition. Pursuant to this authority, GSA transferred title of this cotton to the Department of Agriculture, effective July 31, 1962.
H.R. 7447; Public Law 87-268.	An act to amend the Strategic and Critical Materials Stock Piling Act to provide for the immediate disposition of certain waterfowl feathers and down.	This act, approved by the President on Sept. 31, 1961, waived the 6-month waiting period, as provided by the Strategic and Critical Materials Stock Piling Act, for the disposition of 2,000,000 pounds of excess waterfowl feathers and down in the national stockpile. GSA has contracted for the disposal of all such feathers and down, most of which were made available to the Department of Defense for use in military sleeping bags.
H.R. 12416 (pending Presidential action).	A bill to authorize the sale, without regard to the 6-month waiting period prescribed, of chestnut extract proposed to be disposed of pursuant to the Strategic and Critical Materials Stock Piling Act.	This bill would waive the 6-month waiting for disposal of 4,000 long tons of chestnut extract from the national stockpile. GSA has submitted a report to the Bureau of the Budget recommending Presidential approval of the bill. If approved, GSA will immediately proceed with the disposal. The first invitation to bid will cover 1,000 long tons.
H. Con. Res. 509	Concurrent resolution providing express approval of the Congress, pursuant to sec. 3(e) of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98b(e)) for the disposition of certain materials from the national stockpile.	This concurrent resolution, agreed to in the Senate on Sept. 20, 1962, provides the express approval of the Congress for the disposal of 12,245 long tons of chestnut extract including the 4,000 tons covered by H.R. 12416. GSA will proceed with the disposal of the remaining chestnut extract covered by this resolution after the 4,000 tons are disposed of.
S. 116; Public Law 87-13.	An act to authorize the sale, without regard to the 6-month waiting period prescribed, of certain calcines and matte proposed to be disposed of pursuant to the Strategic and Critical Materials Stock Piling Act.	This act provided the express approval of the Congress and waived the 6-month waiting period prescribed by the Strategic and Critical Materials Stock Piling Act for the disposal of certain nickel-cobalt-copper calcines and matte. In accordance with this act, GSA disposed of the entire quantity of such calcines and matte.
H.R. 7445: Public Law 87-141.	Independent Offices Appropriations Act, 1962	This act appropriated funds for strategic and critical material programs including the national stockpile, the supplemental stockpile and national industrial equipment reserve for fiscal year 1962. The act authorized the use of materials in the Defense Production Act inventory, without reimbursement, for transfer at fair market value to contractors as payment for upgrading materials in the national stockpile. In accordance with such authority, GSA contracted in fiscal year 1962 for payment in such materials of all processing costs involved in upgrading.

Defense materials service—Continued

Bill No. and Public Law No.	Bill description	Remarks
H.R. 12711 (pending Presidential action).	Independent offices appropriation bill, 1963	The bill provides funds for the operation of strategic and critical material programs including national stockpile, supplemental stockpile, and national industrial equipment reserve for fiscal year 1963. No funds are appropriated but the act provides that GSA may use $18,000,000 to be derived from sales of strategic and critical materials for such purposes. We requested $38,000,000, so that it will be necessary to eliminate all rotation in fiscal year 1963 and to defer acquisition of materials, storage maintenance and repairs, and storage relocation. The language will also permit GSA to use excess materials in the national stockpile as well as materials in the Defense Production Act inventory, without reimbursement, for transfer at fair market value to contractors as payment for upgrading materials in the national stockpile.
S. 3203; Public Law 87–505.	An act to extend the Defense Production Act of 1950, as amended, and for other purposes.	This act approved by the President on June 28, 1962, extended the Defense Production Act for 2 years through June 30, 1964. Accordingly, GSA may continue to enter into contracts under authority of the act, including contracts for disposal of materials, through June 30, 1964.
	Federal Supply Service	
H.R. 8099; Public Law 87–372.	To amend sec. 109 of the Federal Property and Administrative Services Act of 1949, as amended, so as to remove the limitation on the maximum capital of the general supply fund.	The primary purpose of this law was to delete the language of the 1949 act which read: "The capital of the general supply fund shall be in amount not greater than $150,000,000." With the ceiling thus removed, it is possible for the capital of the fund to be of any amount, either through direct appropriation from the Congress or by increase of the capital by thorough capitalization of donated assets such as inventories and equipment transferred to the general supply fund from other Federal agencies. Enactment of this law has made possible the GSA assumption of additional supply support as assigned by the Department of Defense. The larger amount of capital will enable FSS to procure a larger number of items and to provide for more comprehensive service even with yearly sales increases.
H.R. 8100; Public Law 87–600.	To amend sec. 108 of the Federal Property and Administrative Services Act, as amended, relative to the general supply fund.	The purpose of Public Law 87–600 was to amend the 1949 act to provide GSA with authority to use the general supply fund to pay transportation costs of supplies for Federal agencies and to obtain reimbursement for those costs from customer agencies on a delivered-price basis for the supplies delivered through the fund. In addition, it has expanded the authority of GSA to use the general supply fund to pay not only inbound, but also outbound transportation expenses and enabled GSA to recover these expenses from customer agencies on a delivered-price basis. H.R. 8100 has enhanced economy and efficiency in Government supply operations by facilitating consolidated purchases for distribution from suitable shipping points; by enabling consolidation of shipments of items to be made; by eliminating the necessity for customer agencies to compute freight obligations and separately account and pay therefor; by reducing substantially the present workload involved in the payment of carriers' bills; by eliminating the disproportionate workload and expense in accounting for and recovering outbound postage charges; by simplifying preparation of requisitions by customer agencies; by providing compatibility with the system utilized by the military "single managers"; and by greatly simplifying the electronic data processing system utilized by GSA, which includes provision for automatic preparation of all shipping documents including the bill of lading. The enactment is an integral part of a newly designed system in the processing of orders from stores stock items which makes GSA procedures comparable with the military standard requisitioning and issue procedure (milstrip). The "delivered prices" concept in H.R. 8100 is a basic part of the military standard requisitioning and issue procedure which became operative July 1, 1962. GSA has converted its order processing procedures to a computer system designed to handle milstrip orders from Department of Defense installations in the United States and overseas. "GSA Stores Stock Catalog Supplement" has been printed showing delivered prices to be effective July 1, 1962, and has been distributed to the customer agencies.
	Utilization and disposal service	
S. 796; Public Law 87–94.	Approved July 20, 1961, to amend the Federal Property and Administrative Services Act of 1949, as amended, so as to authorize the use of surplus personal property by State distribution agencies, and for other purposes.	Description: This law amends sec. 203(n) of the 1949 act to permit State agencies distributing surplus Federal property to use donable surplus property of the Government in their administrative operations, and, under certain circumstances, acquire title to such property (including motor vehicles) for use in carrying out their duties in the distribution of surplus property to health, education, and civil defense activities. The law provides that donations for use and transfers of title of the equipment and facilities must be approved by the Administrator of General Services, and shall be pursuant to cooperative agreements with the State agencies and subject to such other conditions as may be imposed by the Secretary of Health, Education, and Welfare or the Assistant Secretary of Defense (Civil Defense). Status: GSA, in coordination with DHEW and DOD, has developed a draft cooperative agreement and a new subsection to GSA regulations to implement this law. The program should be in full operation by the end of this year.
H.R. 311; Public Law 87–58.	Approved June 27, 1961, to authorize the acceptance by the Government of gifts to be used to reduce the public debt.	The law authorizes the Administrator of General Services to accept on behalf of the United States any gift of property other than money made on the sole condition that it be sold and the proceeds be used to reduce the public debt of the United States. The law provides that the proceeds of such sales shall be placed in a special account in the Treasury to be used for the retirement of obligations of the United States and for the purposes of the law. Status: Although GSA has been prepared to carry out its responsibilities and functions under this law, there has not been as yet any such gifts. Experience indicates, however, that there will from time to time be donations coming within the provisions of Public Law 87–58.

PUBLIC LAW 87–141, INDEPENDENT OFFICES APPROPRIATION ACT, 1962

The following sums were appropriated to GSA for use in the field of real property management:

Operating expenses, Public Buildings Service	$173,000,000
Repair and improvement of public buildings	58,000,000
Construction, public buildings projects	188,846,500
Sites and expenses, public buildings projects	25,000,000
Payments, public buildings purchase contracts	5,200,000
Construction, Federal Office Building No. 7, Washington, District of Columbia	23,700,000

(Construction award scheduled for May 1963)

The language of the "Repair and improvement of public buildings" appropriation was amended to include as public buildings, buildings constructed pursuant to the "Post Office Department Property Act of 1954 (39 U.S.C. 901 et seq.) and Public Health Service facilities (except Indian health facilities), and buildings under the control of another department or agency where alteration of such buildings is required in connection with the moving of such other department or agency from buildings then, or thereafter to be, under the control of General Services Administration."

This change achieved consistency in providing for the repair and improvement of all lease-purchase projects by expanding the definition of public buildings, for the purpose of this appropriation, to include the five projects contracted for by the Post Office Department; removed all doubt that Public Health Service facilities (except Indian health facilities) are considered public buildings for repair and improvement purposes; and permits payment from this appropriation for alterations to buildings under the control of another agency to which such other agency is moved in order that portions of facilities, excess to their needs, can be vacated and turned over to GSA by permit from the owning agency. This language change was requested because of a ruling by the General Accounting Office that GSA could not pay for such alterations without specific appropriation language authorization. The approval of this language permits economic utilization by GSA of space excess to the needs of other agencies at no additional cost to the agency vacating such space.

New language was added to the GSA's general provisions making appropriations under the heading "Construction, public buildings projects" available for extension or conversion of Government-owned buildings, and construction of projects for new public buildings approved pursuant to the Public Buildings Act of 1959, "in addition to those set forth under that appropriation."

This change was inserted for purposes of clarification only, by removing any implication that the authorizations in this paragraph can be applied to the projects specifically listed in the appropriation language.

New language was added to the General Services Administration's general provisions making applicable appropriations of other departments and agencies available for transfer to GSA for rents and related expenses of providing suitable general purpose space as may be required by such departments or agencies for new or expanded activities.

In view of the above proviso, GSA has discontinued including funds in its "Operating expenses," Public Buildings Service appropriation for the acquisition and operation of additional leased space to support expanding programs of other agencies. Funds for these purposes are included in estimates of other agencies and transferred to GSA. Leased space acquired in the current year and financed by transfers from other agencies, regardless of when acquired during the year, must be funded on an annual basis by GSA in subsequent years.

Projects included under "Construction, public buildings projects," for fiscal year 1962 and their status

Location	Improvement cost in act	Project status
Alabama: Decatur, post office, Federal office building	$1,315,750	Contract award scheduled for December 1962.
California:		
Los Angeles, customhouse, Federal office building	27,388,500	Contract award scheduled for November 1962.
Long Beach Harbor area, custom warehouse	2,000,000	Additional funds required. Scope of project increased. Contract award scheduled for April 1964.
Colorado: Denver, courthouse, Federal office building	18,145,000	Under contract. Estimated completion, April 1964.
Georgia:		
Statesboro, post office, Federal office building	538,650	Under contract. Estimated completion, September 1963.
Winder, post office, Federal office building	475,000	Under contract. Estimated completion, August 1963.
Illinois: Chicago, courthouse, Federal office building (Increased availability)	31,293,000	Superstructure contract award scheduled for November 1962.
Michigan: Wyandotte, post office, Federal office building (extension and conversion).	402,800	Project deferred at request of Post Office Department.
Mississippi: Tupelo, post office	789,000	Under contract. Scheduled completion May 1963.
New Mexico: Santa Fe, post office, Federal office building	2,362,650	Under contract. Estimated completion August 1963.
New York: New York, customhouse, courthouse, Federal office building	59,222,050	Contract award scheduled for December 1962.
North Carolina:		
Bryson City, post office-courthouse	753,350	Under contract. Estimated completion May 1963.
Thomasville, post office	327,750	Contract award scheduled for October 1962.
North Dakota; Pembina, border station	183,350	Low bid in excess of available funds. Future action undetermined.
Ohio: Cincinnati, Federal office building	17,432,500	Under contract. Estimated completion April 1964.
Oregon: Medford, post office, Federal office building	1,728,050	Contract award scheduled for May 1963.
Pennsylvania:		
Johnstown, post office, Federal office building (extension and conversion)	1,187,500	Contract award scheduled for May 1963.
Lebanon, post office, Federal office building	730,550	Contract award scheduled for December 1962.
Philadelphia (abandoned project)	−5,601,500	
Pittsburgh, Federal office building	20,000,000	Under contract. Estimated completion May 1964.
Tennessee: Dyersburg, post office	901,000	Under contract. Estimated completion July 1963.
Vermont:		
Derby Line, border station	267,900	Contract award scheduled for February 1963.
Montpelier, post office and courthouse	1,258,000	Contract award scheduled for November 1962.
Washington, D.C.:		
GPO field plant	1,545,650	Contract award scheduled for November 1963.
Federal office building No. 8 (increased availability)	3,800,000	Under contract. Estimated completion, March 1963.
Unspecified small projects	500,000	To be selected and awarded in 1963.
Total	188,946,500	

Projects included under "Sites and expenses, public buildings projects" for fiscal year 1962 and their status. (Construction unfunded, unless specified)

Location	Sites and expenses	Project status
California:		
Calexico, Border Patrol station	$56,000	Architect-engineer contract negotiation scheduled for September 1962.
Long Beach Harbor Area, Customs warehouse	1,010,000	Architect-engineer contract negotiation scheduled for November 1962. Construction partially funded.
Florida:		
Jacksonville, Federal office building	1,758,000	Architect-engineer contract negotiation scheduled for November 1962.
Marianna, post office, courthouse (extension and conversion)	87,000	Architect-engineer contract awarded in June 1962.
St. Petersburg, Federal office building	922,000	Architect-engineer contract awarded in April 1962.
Georgia: Macon, post office, Federal office building	802,000	Architect-engineer contract awarded in January 1962.
Idaho: Porthill, Border station	24,000	Architect-engineer contract awarded in May 1962.
Iowa: Des Moines, Federal office building	1,333,000	Architect-engineer contract awarded April 1962.
Kentucky:		
Louisville, Federal office building	1,898,000	Architect-engineer contract negotiated, but not signed.
Louisville, post office, courthouse, customhouse (extension and conversion)	114,000	Architect-engineer contract negotiation deferred until completion of Federal office building.
Owensboro, post office, courthouse (extension and conversion)	42,000	Architect-engineer contract awarded in May 1962.
Louisiana:		
New Orleans, post office, courthouse (extension and conversion)	243,000	Architect-engineer contract awarded in November 1961.
New Orleans, Federal office building (extension and conversion)	125,000	Architect-engineer contract awarded in April 1962.
Maine: Houlton, border patrol station	58,000	Do.
Michigan:		
Detroit, post office courthouse (extension and conversion)	313,000	Architect and engineer contract negotiated. Award held pending space allocation.
Grand Rapids, post office courthouse (extension and conversion)	94,000	Architect and engineer contract awarded in June 1962.
Sault Ste. Marie, border station	42,000	Design completed. Construction contract awarded in May 1962 out of savings.
Minnesota:		
Pigeon River, border station	41,000	Architect and engineer contract negotiated, but not signed.
St. Paul, courthouse Federal office building	1,553,000	Do.
Nebraska: Grand Island, post office courthouse	42,000	Architect and engineer contract awarded in February 1962.
New Hampshire: Concord, post office courthouse	516,000	Do.
North Carolina: Fayetteville, post office courthouse	445,000	Architect and engineer contract awarded in January 1962.
North Dakota: Grand Forks, post office and courthouse (extension and conversion.	45,000	Architect-engineer contract awarded in December 1961.
Oklahoma: Oklahoma City, post office and courthouse (extension and conversion).	85,000	Architect-engineer contract negotiation undetermined.
Pennsylvania:		
Harrisburg, courthouse, Federal office building	456,000	Architect-engineer contract awarded in December 1961. Design held in abeyance.
Philadelphia, courthouse, Federal office building	2,300,000	Architect-engineer contract negotiation undetermined.
Texas:		
Del Rio, Border Patrol Sector Headquarters	52,000	Architect-engineer contract awarded in February 1962.
Del Rio, Border Station	42,000	Architect-engineer contract awarded in April 1962. Design held in abeyance.
Fort Worth, Federal office building	3,977,000	Architect-engineer contract awarded in February 1962.
Houston, post office and courthouse (extension and conversion)	125,000	Architect-engineer contract negotiation scheduled for October 1962.
Virginia: Charlottesville, HEW building (extension and conversion)	162,000	Architect-engineer contract awarded in January 1962.
Washington: Spokane, courthouse, Federal office building	1,482,000	Architect-engineer contract negotiated, but contract not signed.
Washington, D.C., Federal office building No. 5	3,800,000	Design held in abeyance.
Unassigned	937,000	
Total	25,000,000	

PUBLIC LAW 87–332, SUPPLEMENTAL APPROPRIATION ACT, 1962

The following items were provided in 1962 for acquisition of sites, design, and construction of new buildings and alterations, remodeling, and improvement of existing buildings:

General Services Administration

For grant to Southeast Hospital Foundation for construction of hospital facilities in the District of Columbia, $3 million. Status of project: grant agreement between GSA and private agency not yet consummated due to change in design and scope of project, requiring additional financing.

To provide initial financing for additional court facilities as a result of 75 Stat. 80, which authorized the appointment of 73 additional judges, including alteration and remodeling of Government-owned space, repair and alteration of rented space, rents, moving Government agencies in connection with the assignment and transfer of space, preparation of drawings and specifications, furniture and furnishings, and administrative expenses, $2,500,000.

Transfer of funds from other Federal agencies:

Department of Commerce

For an additional amount for design and construction of a building for the U.S. Science Exhibit, Century 21 Exposition, $900,000. Status of project: Completed.

Department of State

For an additional amount for acquisition of land in the District of Columbia for use as a site for the Pan American Health Organization Building, $217,150. Status of project: Acquisition of site completed.

Department of Health, Education, and Welfare

For design of water pollution laboratory at Athens, Ga., $180,000. Status of project: Design contract award in process.

For design of water pollution laboratory at Corvallis, Oreg., $160,000. Status of project: Design contract awarded May 1, 1962.

For design of water pollution laboratory at Ada, Okla., $160,000. Status of project: Design contract awarded April 20, 1962.

PUBLIC LAW 87–545, SECOND SUPPLEMENTAL APPROPRIATION ACT, 1962

Funds for the following items were provided in 1962, as follows:

General Services Administration

For an additional amount under the heading "Operating expenses, Public Buildings Service," $2,120,000, to provide annualization of wage board increases made in 1961, $1,789,000; and $431,000 for wage board increases in 1962.

For an additional amount under the heading "Acquisition of land and building, Chicago, Ill.", $2,715,000 to provide payment for the judgment of the U.S. District Court for the Northern District of Illinois, with respect to the property known as the Rand-McNally Building in Chicago, Ill.

For an additional amount under the heading "Additional court facilities" to provide court facilities for judges authorized by Public Law 87–36 (75 Stat. 80), $2 million.

Transfer of funds from other Federal agencies:

Department of Commerce

For design and construction of a U.S. pavilion for participation in the New York World's Fair, $7,060,000. Status of project: Design contract awarded August 1, 1962.

H.R. 12711 (PENDING PRESIDENTIAL ACTION) INDEPENDENT OFFICES APPROPRIATION ACT, 1963

Projects included under "Construction, public buildings projects," for fiscal year 1963 and their status

Location	Improvement cost in act	Project status
Alaska: Juneau, post office and courthouse	$11,482,600	Contract award scheduled for December 1962.
Arizona: Nogales, border station	997,500	Contract award scheduled for November 1962.
California:		
Bakersfield, Federal office building	1,311,000	Contract award scheduled for December 1962.
Calexico, border station	288,800	Contract award scheduled for September 1963.
Colorado: Denver, GSA stores depot	5,505,200	Contract award scheduled for November 1962.
Connecticut: Wallingford, post office and Federal office building	836,000	Do.
Florida:		
Gainesville, post office and courthouse	2,178,300	Do.
Marianna, post office and courthouse	518,700	Contract award scheduled for March 1963.
Tampa, Federal office building	2,254,300	Contract award scheduled for November 1962.
Georgia: Macon, post office and Federal office building	3,605,400	Contract award scheduled for July 1963.
Idaho: Porthill, border station	116,800	Contract award scheduled for May 1963.
Illinois: Chicago, courthouse and Federal office building	5,000,000	Superstructure contract award scheduled for November 1962.
Indiana: Seymour, post office and Federal office building	455,000	Contract award scheduled for November 1962.
Kentucky: Owensboro, post office and courthouse	280,200	Contract award scheduled for June 1963.
Louisiana:		
New Orleans:		
Federal office building	1,225,500	Contract award scheduled for February 1963.
Post office and courthouse	3,447,500	Contract award scheduled for December 1962.
Maine:		
Augusta, post office and Federal office building	2,470,000	Contract award scheduled for September 1963.
Houlton, border station	318,200	Contract award scheduled for June 1963.
Massachusetts:		
Boston, Federal office building	27,114,900	Contract award scheduled for January 1963.
Webster, post office	390,400	Contract award scheduled for December 1962.
Michigan: Grand Rapids, post office and courthouse	700,100	Contract award scheduled for July 1963.
Minnesota: Pigeon River, border station	281,200	Contract award scheduled for May 1963.
Mississippi: Clarksdale, post office and courthouse	1,164,700	Contract award scheduled for November 1962.
Missouri: Kansas City, Federal office building	29,816,700	Contract award scheduled for December 1962.
Montana: Billings, courthouse and Federal office building	5,342,800	Contract award scheduled for November 1962.
Nebraska:		
Grand Island, post office and courthouse	305,900	Do.
North Platte, post office and courthouse	1,444,000	Do.
Nevada: Reno, courthouse and Federal office building	3,310,700	Do.
New Hampshire: Concord, post office and courthouse	3,187,200	Contract award scheduled for July 1963.
New Mexico: Albuquerque, courthouse and Federal office building	6,932,100	Contract award scheduled for December 1962.
North Carolina: Fayetteville, post office and courthouse	2,022,500	Contract award scheduled for May 1963.
North Dakota: Grand Forks, post office and courthouse	308,700	Contract award scheduled for November 1962.
Ohio: Canton, post office and Federal office building	2,503,200	Contract award scheduled in 1964.
Oklahoma:		
Oklahoma City, post office and courthouse	754,300	Do.
Tulsa, post office, Federal office building, and courthouse	8,958,500	Do.
Rhode Island: Westerly, post office and Federal office building	469,300	Contract award scheduled for July 1963.
South Dakota:		
Pierre, post office and courthouse	2,482,300	Contract award scheduled for December 1962.
Sioux Falls, post office and Federal office building	2,565,000	Contract award scheduled for June 1963.
Tennessee: Winchester, post office and courthouse	860,900	Contract award scheduled in 1964.
Texas:		
Austin, post office and Federal office building	9,257,700	Contract award scheduled for December 1962.
Del Rio:		
Border station	285,000	Contract award scheduled for June 1963.
Border patrol sector headquarters	437,000	Contract award scheduled for March 1963.
Houston, post office and courthouse	1,323,300	Contract award scheduled for December 1963.
Utah: Ogden, courthouse and Federal office building	4,493,500	Contract award scheduled for February 1963.
Vermont: Montpelier, post office and courthouse (increased availability)	509,000	Contract award scheduled for November 1962.
Virginia: Charlottesville, HEW office building	2,062,400	Contract award scheduled for March 1963.
Washington: Richland, post office and Federal office building	7,716,800	Contract award scheduled for December 1962.
Wyoming: Cheyenne, post office and courthouse	4,664,500	Contract award scheduled for February 1963.
Maryland:		
Baltimore, Federal office building (partial)	6,500,000	Superstructure contract award scheduled for February 1963.
Unspecified small projects	500,000	To be selected and awarded in 1963.
Total	180,955,600	

Summary of Major Legislative Enactments of the 87th Congress Affecting the Department of the Interior

Two bills were enacted directly affecting this, the first, S. 1595, was approved May 21, 1962 as Public Law 87–454 (76 Stat. 72). This act gives the Commission power to suspend, under section 4(e) of the Natural Gas Act, changes in rate schedules relating to the sale for resale of natural gas for industrial use only, and will enable the Commission to take more timely action to protect those affected by proposed rate increases of this nature. As a result of this act the Commission is now in a position to suspend rates for this type service at the same time it suspends rate increases for sales for resale for residential and commercial use. Under this new authority the Commission may require refunds covering the period between the date a rate for such sales goes into effect at end of suspension period and the date of the position of the proceeding, a power denied the Commission prior to enactment of this law.

The second bill, S. 1606, was approved September 7, 1962, as Public Law 87–647 (76 Stat. 447). This act amends appropriate sections of the Federal Power Act so as to authorize the Commission to exempt small hydroelectric projects of not more than 2,000 horsepower installed capacity from certain of the licensing provisions of the act. Previously the Commission had authority to waive provisions of the act only with respect to projects of 100 horsepower or less. As a result of this amendment, plans are underway to simplify our rules and regulations relating to applications for licenses for projects of not more than 2,000 horsepower capacity. We also anticipate that this new authority will accelerate our program of bringing under license those projects in this category which have heretofore been avoiding licensing because of the inappropriateness of some of the more complex provisions of the Power Act.

Summary of Major Legislative Enactments of the 87th Congress Affecting the Department of the Interior

WATER AND POWER

I. New starts: The following nine new projects or divisions of projects were authorized:

A. San Juan-Chama project, Colorado-New Mexico: The initial stage of this multiple-purpose project was authorized for construction by Public Law 87–483 as a participating project of the Colorado River storage project. This development will provide a supplemental irrigation water supply for about 121,000 acres of land in the Rio Grande Basin in New Mexico and an additional municipal and industrial water supply for the Albuquerque metropolitan area. Recreation and fish and wildlife also are project purposes. Estimated project cost is $85,828,000.

B. Navajo Indian irrigation project, New Mexico: Construction of this water resource development is also authorized by Public Law 87–483. The project will divert San Juan River water from Navajo storage unit for irrigation of 110,630 acres of land in the Navajo Indian Reservation, N. Mex. Estimated cost, $135 million.

C. Fryingpan-Arkansas project, Colorado: This multiple-purpose project is authorized for construction by Public Law 87–590. The project will provide for diversion of water from the Colorado River system to the Arkansas River Basin for supplemental irrigation of 280,600 acres of land and generate hydroelectric power in plants having an installed capacity of 123,900 kilowatts. Flood control, fish and wildlife, and recreation also are project purposes. Estimated cost, $169,-905,000.

D. Mann Creek project, Idaho: Public Law 87–589 authorizes construction of this project, which will provide an irrigation water supply to 5,060 acres of presently irrigated and new lands in the vicinity of Weiser. Facilities will be provided to protect fishery resources and to permit recreation development at the reservoir. Estimated cost, $3,490,000.

E. Arbuckle project, Oklahoma: This multiple-purpose project, authorized for construction by Public Law 87–594, will provide municipal and industrial water supply, fish and wildlife conservation and development, and recreation opportunities. An aqueduct system will be built to serve the cities of Ardmore, Sulphur, Davis, and Wynnewood, and a large oil refinery. Estimated cost, $13,-340,000.

F. Spokane Valley project, Washington-Idaho: Public Law 87–630 reauthorizes the construction of this project to provide a supplemental irrigation water supply to 7,250 acres of land in Spokane Valley in Washington and Idaho and water for domestic, municipal, and industrial uses. Estimated cost, $7,224,000.

G. Agate Dam and Reservoir, Rogue River Basin project, Oregon: This project will supply irrigation water to 6,630 acres of land, protect the fishery resource, and provide recreation opportunities. Estimated cost, $1,-802,000.

H. Upper division, Baker project, Oregon: This multiple-purpose development will provide an irrigation water supply to 18,000 acres of land in the project area as well as flood control, fish and wildlife, and recreation benefits. Estimated cost, $6,168,000.

I. Oroville-Tonasket unit, Chief Joseph Dam project, Washington: This irrigation development will supply water to 9,950 acres of land. Facilities for protection of fishery resources will also be provided. Estimated cost, $3,208,000.[1]

II. Saline water research: Public Law 87–295 authorizes $75 million for an accelerated research and development program into the problems of converting sea and other chemical or mineralized waters for consumptive use.

III. Delaware River Basin compact: Public Law 87–328 authorizes joint Federal participation with the States of Delaware, New Jersey, New York, and Pennsylvania in the Delaware River Basin compact, subject to certain conditions to protect the Federal interest. The Delaware River Basin Commission, established under the compact, has broad powers to promote the comprehensive development of the water and related resources of the Delaware River Basin.

IV. Hanford power: Section 112 of H.R. 11974, the Atomic Energy Authorization Act, clears the way for a local public utilities group to construct an 800,000 kilowatt electric generating facility utilizing waste steam from the new atomic reactor at Hanford, Wash., at no cost to the Federal Government. The power is to be offered for sale equally to private and public customers.

INDIAN AFFAIRS

1. Revolving loan fund: Public Law 87–250 which increased the revolving loan fund that is available for making loans to Indians and Indian tribes from $10 million to $20 million.

2. Barrow, Alaska, natural gas: Public Law 87–599 which authorized the sale of natural gas produced in Naval Petroleum Reserve No. 4 to the natives of the village of Barrow in Alaska. Fuel supplies for the village are extremely limited and expensive and need for access to the gas of the naval oil reserve has been urgent for several years.

3. San Juan Chama-Navajo project: Public Law 87–487 which authorized the construction of the Navajo Indian irrigation project (and also the construction of the San Juan Chama project). The Indian project will involve an expenditure of $134,359,-000 and will provide for the irrigation and development of a substantial number of acres on the Indian reservation.

4. Payments to Crow Creek and Lower Brule Indians: Enrolled bills H.R. 5144 and H.R. 5165 which provide for the compensation of the Crow Creek and Lower Brule Indians for tribal and allotted lands required by the United States in connection with the construction of the Big Bend Dam and Reservoir project. The bills provide for payment of the value of the land, plus $610,017 in indirect damages, plus $5,771,250 for rehabilitating the Indians, plus substantial other benefits that are not assigned a monetary value. The bills represent a generous treatment of the Indian communities.

5. Appropriation: Public Law 87–578 which appropriates a total of $193,551,000 for the Bureau of Indian Affairs for fiscal year 1963. This amount compares with $126,186,000 which was the total appropriation for the Bureau of Indian Affairs for fiscal year 1961. Neither figure includes the appropriation to the Department of Health, Education, and Welfare for Indian health programs.

NATIONAL PARK SERVICE

1. Cape Cod National Seashore (Public Law 87–126) on the Atlantic Coast, covers 27,000 acres of highly scenic beach and upland, together with many places of historic interest on Massachusetts' charming Outer Cape.

2. Point Reyers National Seashore (Public Law 87–657), immediately above San Francisco, encompasses some 45 miles of undeveloped sand beaches, wave-swept caves, offshore rocks and steep coastal bufs with some 53,000 acres of upland.

3. Padre Island National Seashore: Cleared for approval of the President on September 18, is located just off the coast of South Texas. This seashore will make available for public enjoyment 80 miles of undeveloped subtropical beaches.

4. General: In addition to this outstanding accomplishment numerous other important measures in the park field were enacted, such as authority to establish (1) Fort Davis national historic site in Texas (Public Law 87–213); (2) Fort Smith national historic site in the State of Arkansas (Public Law 87–215); (3) Lincoln Boyhood National Memorial in the State of Indiana (Public Law 87–407); (4) Hamilton Grange National Memorial in New York City (Public Law 87–438); (5) Theodore Roosevelt Birthplace and Sagamore Hill national historic sites in New York (Public Law 87–547); and (6) Frederick Douglass Home as a part of the Park System of the National Capital (Public Law 87–633).

PUBLIC LANDS

1. Tucson mining bill: H.R. 10566 (enrolled Sept. 27, 1962). Will free some 130,000 acres of a residential area the surface of which was granted by the Government to private individuals from nuisance claims of persons purportedly seeking minerals under the U.S. mining laws. These persons have dug up the front yards of residential owners and their activities have hurt financing of residential development. These 130,000 acres are situated in and around Tucson, Ariz.

2. Snake River lands: The act of May 31, 1962 (Public Law 87–469) authorizes the Secretary of the Interior to sell lands adjacent to the Snake River, Idaho, to persons

---

[1] NOTE.—S. 1060, authorizing this project was passed by the House amended on Sept. 20, 1962, and requires Senate acceptance or a conference.

who thought they had acquired the lands under the public land laws.

3. Barrow, Alaska, natural gas: The act of August 24, 1962 (Public Law 87-599) makes it possible for the Eskimos at and near Barrow, Alaska, to get gas for heating and cooking from a Navy-operated reserve.

TERRITORIES

S. 2775: This act increased from $7,500,000 to $17,500,000 the appropriation authorization for the trust territory of the Pacific Islands. At the time he signed the bill into law, the President praised the measure as providing the means whereby a new and vital phase of development may be instituted in the trust territory.

FISH AND WILDLIFE

1. Wetlands acquisition: The act of October 4, 1961 (75 Stat. 813), authorizes the appropriation for a 7-year period beginning with fiscal year 1962 of not to exceed $105 million, for the acquisition of important wetlands and other waterfowl habitat that are essential to the preservation of the Nation's migratory waterfowl. The funds advanced for this wetlands acquisition program will be reimbursed out of receipts to the Migratory Bird Conservation Fund, such receipts being comprised of so-called "duck stamp" revenues.

2. Surplus grain for game birds: The act of August 17, 1961 (75 Stat. 389), authorizes the use of surplus grain by the States for emergency use in the feeding of resident game birds and other resident wildlife. It also authorizes the use of surplus grain by the Secretary of the Interior for emergency use in the feeding of migratory birds.

3. Fishermen's income tax: The act of September 25, 1962 (Public Law 87-682), extends to fishermen the same treatment accorded farmers in relation to estimated income tax. This legislation extends to those having income from fishing and privilege of filing their declarations of estimated tax and paying such tax by January 15 after the end of the year in question (in the case of a calendar-year taxpayer), rather than filing the declaration by the prior April 15 and making quarterly payments of the estimated tax.

4. Oysters: The act of August 9, 1962 (Public Law 87-580), to promote the production of oysters by propagation of strains which are immune to disease. Authorizes the Secretary of the Interior where he finds that excessive mortality of oysters presents an immediate and substantial threat to the stability of the oyster industry, to acquire and to transfer oyster brood stocks to States for planning and spawning sanctuaries. The States pay one-third of the cost of the brood stock. This legislation also authorizes grants to States for the financing of research and other activities necessary in the development and propagation of disease-resistant strains of oysters. The appropriation authorization of $100,000 prescribed by the act is inadequate for the purposes in question; however, this feature of the legislation can be revised to permit accomplishment of the purposes in question.

MINES AND MINERALS

1. Lead and zinc stabilization.—H.R. 84: Became Public Law 87-347, October 3, 1961. Authorizes the Secretary of the Interior to provide a 4-year program of stabilization payments to domestic producers of lead and zinc based upon a combined price of 29 cents per pound for the two metals. Payments would be limited to 1,500 tons of each metal per producer in the first year, 1,200 tons in the second, 900 tons in the third, and 600 tons in the final year. Payments are limited to producers whose output of lead and zinc in any 12-month period did not exceed 3,000 tons of each metal from each operating unit for which payment was sought.

The program will be administered by General Services Administration.

The cost of the measure, for the 4-year period, will be $16.5 million.

2. Mine safety study.—H.R. 8341: Became Public Law 87-300, September 26, 1961. Authorized the Secretary of the Interior to conduct a study covering the causes and prevention of injuries, health hazards, and other health and safety conditions in metal and nonmetallic mines (excluding coal and lignite mines).

The study embraces a comprehensive evaluation of the causes and injuries and health hazards in the mines and of the various means available that can constitute an effective safety program for the metal and nonmetallic mines of the United States.

On June 1, 1962, the Secretary announced the selection of a three-man Mine Safety Study Board to help guide the 2-year survey. The cost of the two-year study will be $400,000.

LEGISLATION WHICH AFFECTS THE FEDERAL COMMUNICATIONS COMMISSION, ENACTED DURING THE 87TH CONGRESS

A. 1ST SESSION, 87TH CONGRESS

1. FCC reorganization legislation: Amends the Communications Act to improve and expedite the Commission's functioning by removing restrictions on the Commission's right to consult with key members of its staff (thus permitting more efficient staff utilization) and by authorizing the delegation of certain adjudicatory functions to Commissioners (either individually or sitting as panels) and to the staff. The reorganization of the Commission, which conforms largely to the reorganization plan proposed by the President, enables the Commission to devote more time to policy and other important matters, instead of requiring it to consider routine matters which can equally well be handled under delegated authority to the staff (Public Law 87-192).

Almost immediately after the reorganization bill was enacted, the Commission amended its organization statement to permit the opinion writing staff to make recommendations, and the Commission to consult with the General Counsel and Chief Engineer, in adjudicatory hearings. Subsequently, the Commission established a four-member Employee Review Board, which assumed its duties on August 1, 1962, and has been functioning since then.

2. Amendment to the Criminal Code to prohibit transmission of bets, wagers, and related information: Amends section 1081 of title 18 of the United States Code to prohibit the use of wire communications facilities (telephone, telegraph, or any other means of interstate wire communications) for transmission of bets or wagers, or information assisting in placing bets or wagers. Exempts information carried for use of the press and wireless communications (Public Law 87-216).[1]

Primary enforcement of this criminal statute is in the Department of Justice. However, to supplement enforcement of this statute (which applies only to wire communications), the Commission, anticipating that gamblers might try to evade the new statute by using radio facilities has stepped up its supervisory functions over radio licensees to insure that such licensees will not use their facilities to transmit bets and wagers or information pertaining thereto.

3. Amendment of the Criminal Code to prohibit malicious damage to communications facilities: Amends section 1362 of title 18 of the United States Code as a further protection of the internal security of the United States by providing penalties for malicious damage to certain communications facilities (Public Law 87-306).[1]

Primary enforcement of this criminal statute is in the Department of Justice. Since enactment of this legislation, there have been no complaints of violations, but in the event of such complaints, appropriate information would be forwarded to the Department of Justice for investigation and prosecution.

4. Amendment of the antitrust laws to authorize leagues of professional football, baseball, basketball and hockey teams to enter into certain television contracts: Amends the antitrust laws to authorize member clubs of professional football, baseball, basketball or hockey leagues to pool their separate rights in the sponsored telecasting of their games and to permit the league to sell such pooled rights to a television network without violating the antitrust laws. Also provides that such package contracts cannot be used to impair college football gate receipts through network telecasts of professional football contests at times when college games are normally played (Public Law 87-331).[1]

Administration of this legislation is in the Department of Justice, with which the Commission stands ready to cooperate in any way possible.

5. Geneva radio regulations: Ratified Executive I, the Geneva radio regulations, which revised the provisions relating to the international regulation of radio communications, was signed for the United States in Geneva on December 21, 1959. The new regulations will materially assist the United States in carrying out its scientific efforts in radio astronomy and space research. Highly technical in nature, the Geneva regulations relate to four main areas: frequency allocations, frequency management procedures, technical regulations, and operating regulations. In addition, the radio regulations recommended the holding of an Extraordinary Administrative Radio Conference in 1963 to deal with the subject of providing frequencies for space communications.

Following ratification, the Commission conformed its rules to the Geneva regulations to the extent practicable. The commission is also actively cooperating with other government agencies in preparing the U.S. position for the 1963 conference on space communications.

6. International telecommunications convention: Ratified Executive J, International Telecommunications Convention (Geneva, 1959), which continues in effect the principal provisions of the International Telecommunications Convention, signed at Buenos Aires in 1952 and approved by the Senate in 1955. The main purpose of the ITU convention is to promote the development and orderly use of telecommunications throughout the world.[1]

The ITU Convention is primarily the responsibility of the Department of State. The FCC maintains continuous liaison with State Department and other interested Government agencies concerning this convention.

B. 2D SESSION, 87TH CONGRESS (THROUGH SEPTEMBER 26, 1962)

7. Permissive early renewal of licenses: Permits the Commission to renew a station

---

[1] Items marked thus only indirectly involve the Commission's functions, for, as is clear from the legislation involved, primary administration or enforcement is placed in some other agency of the Government. Nevertheless, these items have been included here for information purposes.

[1] Items marked thus only indirectly involve the Commission's functions, for, as is clear from the legislation involved, primary administration or enforcement is placed in some other agency of the Government. Nevertheless, these items have been included here for information purposes.

license in the Safety and Special Services[2] more than 30 days prior to the expiration of the original license (Public Law 87–439).

As a result of this provision many thousands of license modifications in these radio services are combined with license renewals, thereby eliminating double paperwork by applicants and the Commission.

8. Elimination of oaths on Commission forms: Eliminates the requirement of an oath or affirmation on certain documents filed with the Commission (Public Law 87–444).

The Commission amended its rules in implementation of this new law to delete the requirement of an oath or affirmation on all its application forms for radio station licenses and its Common Carrier Bureau report forms.

9. Issuance of radio operator licenses to U.S. nationals: Authorizes the Commission to issue radio operator licenses to nationals of the United States. Prior to this enactment, licenses were limited to citizens of the United States. This new act is designed to promote the use of radio for navigation and safety purposes by nationals of the United States who are engaged in shipping in and about the waters of American Samoa (Public Law 87–445).

Effective liaison has been established between Government agencies affected.

10. Educational TV: Authorizes matching Federal grants up to a total of $32 million to assist in the construction of educational television broadcasting facilities (Public Law 87–447).[1]

While the Secretary of Health, Education, and Welfare has responsibility for implementing the bill and for processing all projects within the scope of the bill, the FCC has been working closely with the Secretary in the development of rules and regulations and necessary forms whereby grants may be processed.

All legal and technical aspects of the bill, as related to the Communications Act of 1934, as amended, have been examined by both HEW and FCC staff members. An active liaison exists which will insure orderly handling of projects submitted by organizations and institutions seeking to obtain grants.

11. Fines for rule violations: Authorizes the FCC to impose monetary forfeitures for certain violations of its rules and regulations in the common carrier and safety and special radio fields (Public Law 87–448).

This authority is being implemented by rule provisions and will be especially helpful in the Safety and Special Radio Services where warning letters to licensees of rule violations often do not suffice and license revocation is too severe a penalty to impose.

12. "All-channel" TV receiver legislation: Amends the Communications Act of 1934 to give the Commission authority to adopt rules requiring TV receivers to be capable of adequately receiving all frequencies allocated to TV broadcasting when such receivers are shipped in interstate commerce or imported into the United States for sale or resale; and prohibits shipment in interstate or foreign commerce of receivers which do not comply (Public Law 87–529).

On September 13, 1962, the Commission released a notice of rulemaking proposing amendment of part 15 of its rules, 47 C.F.R., part 15. The proposed rules would establish minimum technical requirements for all-channel receivers and would apply to all receivers manufactured on or after May 1, 1964.

13. Communications Satellite Act of 1962: Provides for the establishment, ownership, and regulation of a private corporation which would be the U.S. participant in a global commercial communications satellite system, serving the communications needs of the United States and other countries and contributing to world peace and understanding. The FCC is responsible for the regulation of the satellite corporation which will be subject to the provisions of the Communications Act of 1934 applicable to communications common carriers, as well as this act. This act also empowers the FCC to regulate the financial structure of the corporation; to take appropriate measures to insure effective competition in procurement of equipment and services required by the system; to insure fair treatment of carriers in their use of the system and terminal stations; and to determine the technical competence of the system and terminal stations as well as additions thereto (Public Law 87–624).

The Commission, effective October 1, has established an Office of Satellite Communications in its Common Carrier Bureau to give specialized attention to the many new and unique regulatory problems with which the Commission must deal under the Communications Satellite Act. The Commission has also established liaison with other interested Government agencies which have responsibilities under this act.

14. Foreign Embassies radio stations in Washington, D.C.: This legislation is sponsored by the State Department. It would amend section 305 of the Communications Act to authorize the President, where he determines that it would be in the interests of national security, to permit foreign governments, who grant reciprocal privileges to the United States, to operate low power radio transmitters located at or near their Embassies or legations in Washington, D.C. H.R. 11732 passed the House of Representatives September 21, 1962. Concurrence by the Senate in the House-passed bill is expected before adjournment of this Congress.[1]

When enacted the Commission will cooperate in its implementation with other Government agencies concerned.

15. Thirty-day waiver of annual inspection of radio equipment aboard U.S. ships: Legislation amending section 362(b) of the Communications Act to permit a 30-day waiver of the annual inspection of radio equipment aboard U.S. ships, passed the Senate April 24, 1961. Favorable action by the House is expected before adjournment of this Congress. On September 26, 1962, the House Committee on Interstate and Foreign Commerce ordered this legislation reported to the House without amendment (S. 1288).

When enacted, the Commission will amend its rules to implement this legislation which is earnestly desired by the U.S. merchant marine industry.

SUMMARY OF THE LEGISLATIVE ACTION TAKEN IN THE 87TH CONGRESS AFFECTING THE OPERATIONS OF THE CIVIL AERONAUTICS BOARD

The enacted statutes and progress thereunder are as follows:

A. Legislation directly affecting the Board on which it is required to take action.

1. Reorganization Plan No. 3 of 1961, effective July 3, 1961 (63 Stat. 203): This plan, similar to various others applicable to other agencies which became effective during the current Congress, authorizes the Board to delegate its functions to a division of the Board, a Board member, a hearing examiner, an employee or an employee board, retaining, however, the discretionary right to review the action of its delegate on its own initiative or on petition of a party in interest. Pursuant to the plan, the Board has by regulation delegated various of its decisional responsibilities to certain staff officials. Action taken by the staff under this delegated authority is subject to discretionary review by the Board on its own initiative or in response to a petition for certiorari. Operations under this program have been effective in expediting final decision of Board cases, and have enabled the Board to devote more of its time and attention to major policy problems.

2. Public Law 87–528, effective July 10, 1962: This law related to the so-called nonscheduled air carrier problem and was designed to provide a permanent solution to it.[1] The new legislation was enacted in order to make certain and definite the operating authority of carriers conducting such operations, and to weed out those carriers found to be unsuited, from an economic or safety standpoint, to engage in supplemental air transportation. In addition to giving the Board power to screen the existing operators and to license those found to be properly qualified, the new statute empowers the Board to require such carriers to maintain insurance to protect the person and property of their passengers and shippers, and to provide security to protect the traveling public from the carriers' failure to perform their contractual obligations. The supplemental carriers are made subject to the Board's continuing inspection and control, and where they fail to comply with statutory requirements or Board regulations designed to safeguard adequately the rights, welfare, and safety of the public, the Board is empowered to suspend their operations summarily, and then proceed in an accelerated hearing to determine whether their certificates should be modified, altered, suspended, or revoked. The act further amends the existing civil penalty section of the Federal Aviation Act of 1958 so that it may be invoked by the Board for violations by all carriers of the economic provisions of the statute and the Board's regulations thereunder.

Pursuant to this legislation, the Board is in the process of reviewing the qualifications of some 25 applicants for supplemental operating authority, and has issued regulations establishing the procedures by which supplemental carriers may obtain new operating authority. It is now actively considering the adoption of regulations which would have for their objectives the continuing Board scrutiny of all the operations of the supplemental carriers, the imposition of financial responsibility requirements on such carriers for the benefit of their passengers and shippers, and the establishment of the procedures by which the Board can summarily suspend and ultimately terminate the operating authority when it finds that carrier operations are being conducted which endanger the rights, welfare, and safety of the traveling public.

B. Legislation directly affecting the Board but requiring no action on its part.

Public Law 87–225, effective September 13, 1961: This amends the Federal Aviation Act so that parties who appeal from final orders of the Board to the U.S. Courts of Appeals and apply for stays of the Board's orders need only give reasonable notice to the Board of such application in lieu of the 5-day notice previously required.

C. Legislation amending the Federal Aviation Act or affecting aviation generally, but not directly affecting the Board or requiring any action on its part.

---

[2] Included among the authorizations in the "Safety and special radio services" are the following classes of stations: Amateur and disaster services; citizens; aviation services; industrial services; land transportation services; marine services; public safety services.

[1] The Board in the past had issued orders authorizing such transportation which were set aside by the Court, and Congress thereafter had enacted stop-gap legislation continuing such transportation until a final legislative solution could be made of the entire problem (Public Law 86–661 of July 14, 1960).

Public Law	Effective date	Summary
87-197	Sept. 5, 1961	Amends the Federal Aviation Act making it a Federal crime to "hijack an aircraft" or commit certain other acts aboard an aircraft.
87-221	Sept. 13, 1961	Makes it a Federal crime to willfully destroy or injure property moving in interstate or foreign commerce which, inter alia, is in the possession of a common or contract air carrier.
87-338	Oct. 3, 1961	Amends the Criminal Code to make it a crime to furnish false information (this is in reference to false statements resulting in bomb scares in connection with aircraft).
87-89	July 27, 1961	Amends the Federal Aviation Act to extend the authority of the Secretary of Commerce to issue war-risk insurance covering American aircraft engaged in operations outside the United States, when such insurance cannot be otherwise obtained, from June 13, 1961, to June 13, 1966.
87-255	Sept. 20, 1961	Amends the Federal Airport Act so that the FAA Administrator may make certain additional grants to the several States and U.S. possessions for airport projects, and appropriates funds for such purpose.
87-508	June 28, 1962	This statute deals generally with excise tax rates, and reduces the excise tax on air transportation from 10% to 5% after Nov. 15, 1962, and eliminates it completely after July 1, 1963.

SUMMARY OF LEGISLATIVE ACTION TAKEN IN THE 87TH CONGRESS AFFECTING THE SMALL BUSINESS ADMINISTRATION

During the 87th Congress the authorizing legislation of SBA, which is to say the Small Business Act and the Small Business Investment Act of 1958, was repeatedly strengthened and improved (Public Laws 87-27, 87-70, 87-198, 87-305, 87-341, 87-367, and 87-550). Although the resulting changes are too numerous to be described in full, the scope of the revision effected by the Congress is reflected in the fact that the total amount of the revolving fund authorization, which is utilized by SBA to finance its various loan programs for the benefit of small business, was stepped up from $975 million to $1,666 million. This represents an increase of more than 70 percent in the potential of such programs.

In addition to expanding and strengthening existing programs, the Congress authorized SBA to inaugurate a number of new activities for the benefit of small business or for the benefit of the economy generally. Thus we were empowered to make low-interest loans to assist small firms in reestablishing their businesses wherever we find that such concerns suffered substantial economic injury as a result of their displacement by federally-aided urban renewal or highway construction programs or by any other construction conducted by, or with funds provided by, the Federal Government. Since this provision became law on June 30, 1961, we have approved 102 loans under it, in the aggregate amount of $5,337,975.

The authority of SBA to make loans to local development companies for the benefit of identifiable small business concerns was converted by the Congress from a temporary device into a permanent program. Moreover the maximum maturity on such loans was increased from 10 to 25 years and the maximum dollar amount from $250,000 to $350,000. Between January 1, 1961, and August 31, 1962, we approved 151 loans of this description, many of them for development companies in areas of labor surplus. These loans, aggregating $20,847,551, gave rise to approximately 9,000 new jobs.

The Area Redevelopment Act, approved May 1, 1961, also led to a substantial expansion of the lending activities of SBA. Under the provisions of the act, the Secretary of Commerce is authorized to make loans to finance industrial and commercial projects which will create new and permanent employment in designated redevelopment areas. The Secretary has delegated to us the responsibility of processing, closing, and administering such loans. To date 64 loans of this nature, in the aggregate amount of $14,034,738, have been approved.

The Congress also delegated to SBA still another lending responsibility which promises to take on increasing importance as the programs embodied in the Trade Expansion Act of 1962 get underway. SBA is authorized to furnish loans to any business concern, referred to it for the purpose by the Secretary of Commerce, which suffers serious injury as a result of tariff concessions made by the United States in agreements effected pursuant to that act with foreign nations. It is expected that the Secretary will refer to us most of the loan applications received by him from injured businesses.

In 1961 the Congress increased from $150,000 to $400,000 the amount which SBA may lend to a small business investment company on a matching dollar basis with money obtained by the company from private sources. Such additional leverage, in the aggregate amount of $11,133,628, has already been approved for 46 SBICs. We are hopeful that this improvement in the methods of financing the operations of SBICs will serve to strengthen the program and thus make equity capital and long-term credit more readily available to small firms.

Not to be overlooked in evaluating the record of the 87th Congress is the legislation affecting the procurement and technical assistance programs of SBA. In recognition of the fact that the growing technological complexities involved in producing military and space items for the Government are reducing the prime contract opportunities available to small business concerns, the Congress last September inserted in the Small Business Act provisions calling upon SBA and the procuring agencies of the Government to develop a cooperative program for the purpose of increasing the share of such concerns in subcontracts. This program has been inaugurated. With the concurrence of the Department of Defense, our representatives have already visited the plants of 9 of the 20 largest prime contractors and discussed with their procurement people the possibilities of revising their purchasing techniques so as to award more subcontracts to small firms. In the near future we will make similar visits to the remainder of the big 20 and, thereafter, to all of the major prime contractors.

Our technical assistance activities have been substantially expanded as a result of the Area Redevelopment Act. The Secretary of Commerce has delegated to us responsibility for assisting communities in planning their overall economic development plans, as well as plans for individual industrial and business projects. This includes help in evaluating local resources, industrial facilities and sites, engineering studies and possible markets for new products.

SUMMARY OF MAJOR LEGISLATIVE ACTION TAKEN IN THE 87TH CONGRESS AFFECTING THE U.S. CIVIL SERVICE COMMISSION

FEDERAL SALARY REFORM

Nearing enactment is the President's salary reform proposal (H.R. 7927) which provides much needed improvements in the near-chaotic salary systems for Federal white collar workers. For the first time a coherent, logical policy is provided for setting the pay of such workers. The principle was adopted of keeping Federal pay comparable with work of the same level of difficulty and responsibility in private enterprise, on the basis of annual surveys made by the Bureau of Labor Statistics. Also for the first time, the four major Federal salary systems for white collar workers are linked together to assure proper alinement and consistent pay treatment. (These are the Classification Act, the Postal Field Service Act, the salary system for doctors, dentists, and nurses in the Department of Medicine and Surgery of the Veterans' Administration, and the Foreign Service Act.) In addition, a number of reforms are included in order to stimulate greater productivity, reward competent workers, and provide needed flexibility in administration.

CIVIL SERVICE RETIREMENT ACT

Another administration proposal, nearing enactment as part of the pending postal-rate, Federal-salary-revision bill, affords a permanent solution to the constantly-recurring problem of adjustment of annuities under the civil service retirement system. In the current Congress, the administration was confronted with this perennial problem in the form of many bills proposing another increase in these annuities. Review showed a history of numerous increases in the past but with little or no uniformity as to reason or approach to adjustment and a lack of logical policy on the subject. A constructive long-range solution to the problem was needed and was developed. The administration presented to Congress a plan for automatically adjusting annuities in line with the cost of living. The plan relates increases in annuities to the consumer price index, with measurement for automatic adjustment tied to the percentage change in price levels occurring from a "base" year to the latest complete calendar year. With some changes made by the Congress, this administration annuity adjustment plan provides an equitable and permanent solution to the annuity adjustment problem for annuitants now on the rolls and for those coming on the rolls in the future. It will relieve annuitants, for the first time, of continuing uncertainty concerning future adjustments in annuity. It will give them assurance that the Government will afford adjustments to keep pace if the cost of living rises.

The administration initiated and sponsored legislation which became the act of September 26, 1961, Public Law 87-299) amending the so-called Hiss Act. The amendment corrected injustices unwittingly imposed when in 1954 Congress passed a law aimed at denying Federal annuity to Alger Hiss and any other Government employee convicted of an offense against the national security. The 1954 law, primarily intended to bar Federal annuities or retired play to disloyal or subversive persons in Government service or the Armed Forces, had included far-reaching provisions which denied rightful benefits to former employees and servicemen and their survivors for reasons having no bearing on loyalty or national security. Most benefit denials under the Civil Service Retirement Act, for example, had been based upon violations of the postal laws. The amended law continues, clarifies, and strengthens the prohibition originally intended, denying Federal annuity or retired pay to any person who has committed an offense against the national security or who refuses to testify in court or before a congressional committee in a matter relating to the national security. It also retroactively restored civil-service annuities and military retired pay, including monthly benefits to a number of widows and children, which had been denied by the 1954 law. Civil-service annuity was restored in over 200 cases, affording affected retirees and survivors some $1 million in back annuity rightfully due them, with continuing entitlement to their regular monthly payments.

The administration proposed and obtained through the act of October 4, 1961 (Public Law 87–350) a change in the method of determining the interest rate on investment of the civil-service retirement fund which strengthened the financing of the fund. This fund is a trust fund, created in 1920, from which annuities are paid to civil-service employees upon retirement and to their survivors upon death. The fund is made up principally of deductions withheld from employees' salaries, contributions by the Government as employer, and interest earnings on its investment. The law requires that the balance in the fund (now over $12 billion) not needed to pay current benefits be invested in U.S. Government securities. At time of the 1961 change, the return on investment of the fund was determined under a "coupon rate" formula resulting in an interest rate about 1 percent lower than that payable to other lenders to the Treasury. The administration proposal, which Congress enacted, provided for determining the interest on investment of the fund under a market yield formula which would follow the current price paid for the use of money, thus placing the fund in the same position as other lenders to the Treasury. Conversion of investments of the fund to this new basis takes place over a 10-year period beginning with calendar year 1962. As conversion proceeds, the interest return or reinvested portions of the fund will rise by an estimated 1⅛ percent. In addition to the immediate financial strengthening of the fund by an increase in interest income, this change improves the actuarial outlook of the civil-service retirement system through an upward revision in the long-term interest rate.

IMPROVED PERSONNEL STATISTICS PROGRAM

Funds for a new program of Federal employment statistics were approved by the 87th Congress, as part of the Commission's regular appropriations for fiscal year 1963. The program involves establishing and maintaining a file of work history data on 10 percent of the Federal civilian population. This is a first step toward Government-wide mechanization of personnel processes. Data on appointments, employment changes, and separations by grade, sex, age, agency, location, salary, occupation, length of service, and other factors are included in this new statistical device which gives the Commission a capability to produce a wider variety of valuable data at minimum cost while the frequency and content of reports regularly required of agencies are reduced.

SUMMARY OF LEGISLATIVE ACTION IN THE 87TH CONGRESS AFFECTING THE POST OFFICE DEPARTMENT

Public Law 87–108, approved July 26, 1961: This law repeals a portion of the Railway Mail Pay Act of 1916. The 1916 act established procedures for the determination of fair and reasonable compensation to be paid to the railroads for transporting mail. The provision repealed was inserted in the 1916 act to insure that the Post Office Department would not pay more for the transportation of mail than express companies paid the railroads for services rendered to them.

This was a highly controversial proposal sponsored by the Railway Express Agency. The REA argued that it could not continue to exist if this provision of law was not repealed.

The Post Office Department opposed enactment.

No effort, of course, will be made by the Department in future railway mail pay cases to accomplish directly or indirectly that which the repealed provision seems to authorize.

Public Law 87–139, approved August 14, 1961: This law increased the maximum per diem to be paid for subsistence from $12 to $16 and raised the travel expense maximum from $25 to $30. The Department, consistent with this law, has increased the maximum subsistence from $12 to $16 by appropriate regulations. Pursuing past policy, employees, under our regulations, may claim reimbursement for subsistence the amount actually spent within the $16 maximum.

Public Law 87–258, approved September 21, 1961: This act provides for the defense of suits against Federal employees arising out of their operation of motor vehicles. While the Federal Tort Claims Act permitted suit against the United States for the recovery of damages growing out of the negligent operation of federally owned motor vehicles, many injured persons elected to sue the employee individually in State courts. The Department of Justice helped defend the employee in these cases, but when a judgment was rendered against the employee the Federal Government could not pay the judgment. The only remedy the employee had was to seek reimbursement through a private relief bill.

The proposal was originally sponsored by the Post Office Department. The Bureau of the Budget brought all agencies together concerning this proposal and it was adopted as an administration measure.

While the law was approved September 21, 1961, its provisions did not take effect until March 21, 1962.

Appropriate instructions have been issued to the entire postal service outlining the course of conduct to be pursued by an employee in the event he is sued individually in a State court for damages growing out of his alleged negligence in the operation of a postal vehicle. Since the effective date we have had no occasion to invoke the provisions of the law.

Public Law 87–270, approved September 21, 1961: This bill provides salary protection for employees subject to the Classification Act of 1949 and to postal field service employees when in certain cases they have been reduced in salary standing. The part of the law dealing with Classification Act employees is in the nature of amendments to Public Law 83–737. Of importance to the Post Office Department was the inclusion of field service employees within this law placing them on a par with the Classification Act employees. Under specifically stated conditions the provision, in general, preserves for 2 years the salary of a field service employee who has been reduced in salary standing without cause and not at his request. This protects the employee against reappraisal of his existing salary level.

The provisions of the law and instructions for its implementation have been given widespread distribution within the postal service and all employees entitled to the provisions of the law are receiving those benefits.

Public Law 87–332, approved September 30, 1961: This is the Supplemental Appropriations Act for the fiscal year ending June 30, 1962. In it the Congress provided that Members of Congress could use a simplified addressing system to communicate with constituents under the congressional franking privilege. Under it the Department issued the following regulation:

"Congressional franked mailings: When general distribution of mail under congressional frank is desired for each post office box or each stop on a city or village letter carrier route, the name, box number, or street address, post office, and State may be omitted provided each piece is addressed to: 'Postal Patron, Local'."

Since the enactment of Public Law 87–332 there has been continuing controversy in the Congress concerning it. In the bill, H.R. 11151, the Legislative Appropriations Act for fiscal year 1963, which is, as of this writing, before the President, but unsigned, the Congress forbids the use of any money appropriated in the act to pay for the handling of simplified addressed franked mail. When the bill, H.R. 11151, is signed by the President this prohibition will become effective. Many inquiries have been received from Members of Congress concerning the effective date of this repeal. They have been uniformly advised that the effective date will be on the date the President signs the enactment.

Public Law 87–487, approved June 19, 1962: This law provides for payment of unused compensatory time earned, but not used, by deceased postal employees. This brought into the postal field service a provision which was applicable to Classification Act employees. If an employee is entitled to unused compensatory time at the time of his death the Department must pay his estate at the rate prescribed for each hour of such unused compensatory time. The act does not have retroactive provisions.

Explicit instructions to postal field service have been issued to implement this law.

Public Law 87–658, approved September 14, 1962: This is the Public Works Acceleration Act which recognizes that Federal action is necessary to provide immediate useful work for the unemployed of communities and areas suffering from unemployment. Funds which the Congress will appropriate for the purposes of the act may be used under the direction of the President by the various departments and agencies of Government (1) for the Federal Government's own public works projects, or (2) for loans or grants to State and local governments for public works projects. The total funds authorized under the act, subject to actual appropriations by the Congress, amount to $900 million. Projects to be eligible must be those which (1) can be initiated or accelerated within a reasonably short period of time, (2) will meet an essential public need, (3) a substantial portion of which can be completed within 12 months after initiation or acceleration, (4) which will contribute significantly to the reduction of local unemployment and, (5) are not inconsistent with locally approved plans for the area affected wherever such plans exist.

In anticipation that a portion of these funds will be made available to enable the Post Office Department to participate in this program we have made tentative plans for this participation.

There are three general types of projects that may be included in the program. These are: extension and modernization projects, air conditioning projects and construction of small Federal buildings. The Post Office Department program will be directed by headquarters in Washington. Projects for which we are provided funds under the law will be handled under normal procedures except they will have a high priority assigned to them in order to insure maximum acceleration.

To date we have selected 22 extension and modernization projects for consideration. These projects, scattered throughout the Nation, will be processed in addition to our regular planned program of Federal building improvement if the President makes funds available therefor.

The second part of our proposed program will consist of approximately 175 air-conditioning projects scattered throughout the Nation. These projects will be given priority and they will be in addition to our regular planned program for air conditioning.

The third part of the program, construction of new Federal buildings of less than 12,000 square feet, will provide additional postal space. We have tentatively selected 165 locations for this part of the program.

In each case our program depends on the President making funds available to us.

General Services Administration will be responsible for the construction of new Federal buildings. We will provide that agency with space requirements and other necessary information. The regular program of providing needed new leased facilities will not be affected by the public works acceleration program.

Summary of Legislative Action Taken in the 87th Congress Affecting the Agency for International Development

FOREIGN ASSISTANCE ACT OF 1961

In September 1961, Congress enacted into law the Foreign Assistance Act of 1961 (the 1961 act). As a successor to the Marshall plan and point 4, the 1961 act is an imaginative new instrument for bringing to America's enterprise in leadership, the very sources of power which have forced that leadership upon her: the wealth of her land and her industries and the minds of her people. And as a new instrument, it embodies new principles for the conduct of America's battle against Communist tyranny and the hunger, poverty and frustrated aspirations upon which that tyranny breeds:

1. Self-help, reform and the human element: The 1961 act recognizes that resources from the United States must be joined with those of the aid recipient country and that developing nations must mobilize and provide resources through their own efforts.

Also, reform and the human element was stressed. The 1961 act emphasizes that physical resources alone will not bring about economic growth; human resources must develop apace. Development requires people, and people must have the education, the health services, the housing and the incentive to do the job. Above all, they must be protected from exploitation and abuse and share in the profits of their work if progress is to be realized.

2. Country planning: In order to make sure that developing nations helped themselves as much as possible, the 1961 act insisted on effective coordination and long-range planning. The plans were not to be based on one-shot documents presented by a country, but on effective efforts to build local institutions, mobilize all resources—human, economic and social—undertake necessary reforms and prove the intention and capacity to work toward self-sufficiency.

3. Principles of development lending: The 1961 act made two important changes in the development loan program. Loans were to be made repayable on a dollar basis. Secondly, Congress authorized long-term commitments to encourage governments to take the hard steps and risks required by a program of self-development. These long-term commitments were subject to appropriation.

4. Partnership with private enterprise: The 1961 act gave new emphasis to private investment overseas. It encouraged private enterprise by broadening the coverage of the war risk guarantee program. A new extended risk program for guarantees against any normal business risk except mismanagement and fraud was authorized. The 1961 act also authorized the underwriting of up to 50 percent of the cost of private surveys to establish the feasibility of oversea investment.

5. Research: The 1961 act set up for the first time a research program to speed up the assessment of priorities in development through careful study.

6. Alliance for Progress: In May of 1961 the Congress approved President Kennedy's proposal for the Alliance for Progress and established a special social progress trust fund, for carrying out this vast new effort for the social and economic development of Latin America. In order to fill the tremendous requirement for decent housing in Latin American countries, Congress also authorized a special guarantee program for investment in such housing. In 1962 Congress amended the 1961 act reaffirming the principles of the Alliance and authorizing a special fund for that program in the appropriation for AID.

ORGANIZATION OF AID AND IMPLEMENTATION OF THE NEW CONCEPTS OF FOREIGN AID

1. With the legislation in hand, the first task was to establish the organization to administer the 1961 act as that organization was approved by Congress. To avoid undue proliferation of aid agencies that had so weakened the aid program in the past, a single agency—the Agency for International Development (AID)—was established in November 1961, combining the former International Cooperation Administration (ICA), the corporate Development Loan Fund (DLF), and certain of the functions of the Export-Import Bank. This reorganization involved nearly 15,000 people in Washington and overseas. Four regional bureaus were established (Latin America (the Alliance for Progress), Near East and south Asia, Europe and Africa, and the Far East), each headed by an Assistant Administrator charged with basic operational responsibility for his area.

2. While engaged in this major reorganization, AID undertook to develop new programing procedures designed to insure adherence to the new concepts of the 1961 act. However, with organization and planning must come implementation. Therefore, the Agency has been engaged in a major revision of its procurement and contracting procedures to assure that the right people and the right things get to the right places as fast as possible and as economically as possible. Finally, recognizing that organization and planning are only as good as the people who run the organization and make and execute the plan, AID has completed a major effort to recruit top talent for its executive positions and oversea missions.

3. In carrying out the basic principle of the 1961 act, that foreign aid must emphasize the development of a country's basic resources, both human and physical, AID has succeeded in effecting a major shift from assistance designed solely to promote economic and political stability to assistance for development purposes (development loans and development grants).

4. Self-help and reform, in developing countries, is a concept of far-reaching implications. The greatness of the distance between the concept and the reality is too often forgotten, frequently treading over generations, even centuries, of ingrained habit and tradition. Yet the results of AID first year operations is encouraging. In Latin America, Chile is arresting tax evaders for the first time in its history. Better tax enforcement under a U.S. aid program brought to Bolivia 30 percent more national revenue last year and will bring an additional 22 percent in 1962. It is estimated that new tax measures taken by 15 Latin American countries since July of 1961 will have brought in $185 million in additional revenue by August 1962. Colombia has undertaken nationwide programs in self-help housing, school construction and land reform. India has demonstrated a notable advance in self-help. Domestic savings are growing and increasingly there is more effort being made toward equitable distribution of the country's burdens.

Like self-help and reform, the distance between the concept of comprehensive long-range planning and the execution of such plans is still great in lesser developed nations and varies greatly depending on the stage of growth of particular countries. Fifteen countries in all four regions have either completed comprehensive plans or have them underway. While all this planning is the result of the countries' own initiative, where appropriate AID along with other international organizations such as the International Bank for Reconstruction and Development (IBRD), has stood ready to lend assistance.

6. While the 1961 act introduced into development lending a new concept of long-term commitments, AID has appropriately used this authority in its first year primarily in support of long-range development plans, when, after careful review, the foreign government has indicated its willingness to take the hard steps required for the implementation of such a plan.

In summary, in 1961 and again in 1962, the Congress embodied in the foreign aid legislation significant new principles and in the year since passage of the enabling legislation, AID has been organized and has made the first important steps in giving life to these new concepts.

Summary of Legislative Action Affecting the Arms Control and Disarmament Agency (ACDA), During the 87th Congress

The only authorizing legislation in the 87th Congress which primarily concerned us was the Arms Control and Disarmament Act (Public Law 87-287) enacted on September 26, 1961, following submission of a message from the President containing draft legislation on June 29, 1961. This act created the Agency and contained a congressional endorsement of our ultimate goal: "A world which is free from the scourge of war and the dangers and burdens of armaments; in which the use of force has been subordinated to the rule of law; and in which international adjustments to a changing world are achieved peacefully."

The act established the position of Director of ACDA "who shall serve as the principal adviser to the Secretary of State and the President on arms control and disarmament matters," and who "shall, under the direction of the Secretary of State, have primary responsibility within the Government for arms control and disarmament matters."

This was the first legislation by any country in the world creating an agency to deal specifically with arms control and disarmament matters.

The two most important functions of the Agency under the act are research for arms control and disarmament policy formulation and support for international negotiations. To carry out the research function, we are bringing together the elements of a Government-wide research program to acquire a fund of knowledge, including knowledge of effective verification methods, which can form the basis for informed negotiations.

To carry out the negotiating function, we have supported the discussions at the Geneva Disarmament Conference, at the United Nations, and elsewhere by formulating policy recommendations which, after consultation with other agencies, are presented to the President for approval. These recommendations led to the outline of a treaty on disarmament submitted to the Geneva Conference on April 18, 1962, and to two nuclear test ban draft treaties—one applicable to all tests and the other to all but underground tests—submitted on August 27, 1962. These proposals are based upon more painstaking and better informed consideration than any presented heretofore.

The Agency functions as a catalytic agent and therefore does not need a large operating organization. Outstanding experts in a number of fields are now included on its staff, which number 138.

The problems in this field are complex. Distrust on both sides is deep. For these reasons, we did not expect progress to come quickly. The year since enactment of the

Arms Control and Disarmament Act has produced increased awareness of the problems by the countries participating in the negotiations but no concrete agreement on any measures. However, common interests exist in curbing the arms race and in specific measures to that end. We will continue to examine and advance realistic measures to enhance our security through arms control and disarmament.

SUMMARY OF LEGISLATIVE ACTION DURING THE 87TH CONGRESS AFFECTING THE NATIONAL CAPITAL TRANSPORTATION AGENCY

The National Capital Transportation Agency was established near the close of the 86th Congress to plan a balanced highway and mass transit system for the National Capital region. The Agency is further authorized to construct and provide for the operation of mass transportation facilities subject to the approval of the Congress.

During the past 2 years the Agency has been engaged in extensive analysis of the transportation needs of the National Capital region and in a study of improvements in the technology of urban transportation. While the Agency has undertaken a broad program of congressional liaison activities, its efforts to seek new legislation during the 87th Congress necessarily have been quite limited. Legislative action taken during this Congress which directly affects this Agency consists of:

1. Authorization to acquire land for rapid transit facilities in conjunction with the development of Interstate Route 66 in Virginia, Interstate Route 95 in Maryland, and the George Washington Memorial Parkway in Maryland. Funds have been appropriated by the Congress for these purposes, and the Agency is working closely with the highway departments of Virginia and Maryland in the acquisition of land for highway and rapid transit purposes.

2. Authorization to the Bureau of Public Roads to cede ownership of a portion of the Henry G. Shirley Highway to the Commonwealth of Virginia. Such authorization includes provision for bringing the highway up to interstate standards. The Agency has an agreement with the Secretary of Commerce providing that the Agency and the Bureau of Public Roads will undertake a joint program designed to make provision for such rapid transit services as are required in connection with the widening of the highway. Studies relating to this matter are going forward and a decision will shortly be reached.

3. Passage of an act designating the Administrator of the National Capital Transportation Agency as an ex-officio member of the National Capital Planning Commission.

On November 1, 1962, the Agency will, as directed by its authorizing act, present to the President for submission to the Congress, a plan for a balanced mass transportation program for the National Capital region. It is expected that this report with its accompanying technical documents will provide information of national significance in the field of urban transportation.

SUMMARY OF LEGISLATION AFFECTING THE NATIONAL CAPITAL PLANNING COMMISSION

No legislation has been enacted in the 87th Congress which affects directly the responsibilities of the National Capital Planning Commission or which results in new programs administered by the Commission.

A new program of the Commission—not of legislative origin—is the start of planning for the redevelopment of Pennsylvania Avenue. You will recall that the report to the President by the Ad Hoc Committee on Federal Office Space recommended that the Commission, as the central planning agency for the Federal and District of Columbia Governments in the National Capital, should undertake such planning for the redevelopment of Pennsylvania Avenue from the Capitol to the White House as the principal thoroughfare of the Nation's Capital. In accordance with the report, the Commission has established a panel of distinguished architects, landscape architects, and urban designers to advise the Commission in this matter. Since the President, in his memorandum of May 23, 1962, requested a report within 1 year with regard to the improvement of Pennsylvania Avenue, the Commission has requested a supplemental appropriation for fiscal year 1963 in the amount of $110,000 to permit the preparation of the plan within the period indicated by the President. This supplemental appropriation is now pending before the Senate and House Committees on Appropriations.

Public Law 87-683, approved September 25, 1962, adds the Administrator of the National Capital Transportation Agency as an ex-officio member of the Commission.

NEED FOR ORDER TO PROHIBIT DISCRIMINATION IN HOUSING IN THE DISTRICT OF COLUMBIA

Mr. HART. Mr. President, in recent days all of us have read about the possible issuance, by the Commissioners of the District of Columbia, of regulations prohibiting discrimination in housing in the District. In my view, the issuance of such regulations is long overdue.

The U.S. Civil Rights Commission has conducted hearings and investigations, and has issued strong recommendations showing the need for such a housing order. It seems to me that further delay on the issuance of such regulations can only lead to the continuance of an intolerable situation. In the first place, it affects opportunities for obtaining decent housing by many American citizens. In the second place, it has a very strong and direct effect on the good will and hospitality of the United States for many employees of foreign embassies who live in the District of Columbia.

I ask unanimous consent, Mr. President, to have printed at this point in my remarks a letter which appeared a few days ago in the Washington Post. The letter is signed by a number of prominent civic and religious leaders.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

FOR AN EFFECTIVE HOUSING LAW

At long last it appears that a fair housing practices regulation will soon be issued prohibiting discrimination in the District of Columbia. The report of the U.S. Commission on Civil Rights has recommended such a regulation and Mr. Walter N. Tobriner, President, Board of Commissioners, has indicated that such an ordinance is forthcoming.

The issue is no longer whether an ordinance will be issued or even when, but whether it will be an effective and enforcible ordinance.

After so many people in the District of Columbia have publicly indicated their strong support for a regulation prohibiting housing discrimination, it would indeed be a disappointment if the Commissioners issued a housing ordinance which is ineffective or inadequate. A regulation which fails to solve the problem of housing discrimination will only frustrate and discourage Negroes and other District of Columbia citizens and will result in an increase in racial tension, animosity, and hostility.

It therefore becomes imperative that the ordinance to be issued by the District Commissioners contain the essential and minimum ingredients for effective administration. Experience gained under the 15 State and local fair housing laws already enacted, shows that the indispensable elements of an effective housing law are comprehensive coverage of the housing market in the area and an administrative tribunal with power to investigate and conciliate complaints and to issue enforcible orders.

1. Comprehensive coverage: It is recommended that the District of Columbia housing ordinance prohibit discrimination by real estate brokers, lending institutions, builders and property owners in the sale and rental of all housing accommodations.

2. An administrative tribunal: Experience with civil rights statutes over the past 50 years has demonstrated beyond any doubt that statutes which rely solely on criminal prosecution for enforcement have been singularly ineffective in eliminating discriminatory practices. Criminal sanctions are necessary but they cannot alone do the job. Of the 15 State and local antibias statutes covering private housing, all but two incorporate the administrative tribunal method of enforcement.

It is therefore recommended that the housing ordinance place responsibility for enforcement with an expert and dedicated administrative tribunal having powers to: (a) Initiate, receive and investigate complaints of discrimination; (b) eliminate any unlawful practices found, by persuasion and conciliation; (c) conduct public hearings and issue orders enforceable by means of civil remedies in the courts; (d) take action which will result in the revocation or suspension of the licenses of real estate brokers and apartment house owners found violating the ordinance; (e) execute a general public education program.

The administrative investigation and informal conciliation conference spare both parties the costly, tedious and time-consuming process of litigation and insure to both parties a full and fair hearing with a minimum of publicity and public embarrassment. Over 35 State and local antidiscrimination statutes in employment, housing, public accommodations and education have proven the success of this approach. The great majority of complaints are thus settled administratively, without need for litigation. It is hoped that the District Commissioners will profit from the experiences of others and not repeat the errors of the past.

If the District Commissioners adopt a regulation which embodies these essential ingredients then the Nation's Capital may look forward in the near future to the day when all American citizens and international visitors, regardless of their color, will enjoy the freedom to select their homes where their financial means will allow and their preferences dictate. Harmonious relationships between all groups in our community will then be built on the foundation of equality of housing opportunity, fully and effectively protected by law.

Joseph L. Rauh, Jr.; Walter Lewis; James Heller; Monroe Freedman; John Silard; David Isbell; Rev. E. Franklin Jackson; Oliver Palmer; Thurman Arnold; David Carliner; Arnold Sternberg; Robert E. McLaughlin; F. Joseph Donohue; Carl L. Shipley; W. John Kenney; Sterling Tucker; Mrs. Todd Duncan; the Very Reverend Francis B. Sayre, Jr.; Duncan Howlett; Gerhard P. Van Arkel; Marvin Kaplan.

WASHINGTON.

POSTAL SERVICE AND FEDERAL EMPLOYEES SALARY ACT OF 1962—CONFERENCE REPORT

Mr. RUSSELL. Mr. President, I suggest the absence of a quorum.

Mr. MANSFIELD. Mr. President, will the Senator from Georgia withhold briefly his request?

Mr. RUSSELL. Yes; briefly.

Mr. MANSFIELD. Mr. President, I believe the Senator from South Carolina [Mr. JOHNSTON] wishes to call up the conference report on the postal rate and pay bill.

Mr. JOHNSTON. Mr. President——

Mr. RUSSELL. Mr. President, I should like to know how long it is anticipated the consideration of this report will take.

Mr. JOHNSTON. I do not think it will take more than 2 minutes.

The House objected to one feature of the retirement provision which was in conference, and wished to have it stricken out.

There has been unanimous agreement in regard to the other provisions of the bill.

The House objects to the one section which provides for the payment from the civil service retirement and disability fund increases provided for in the bill. The House objected to that, on the ground that it constituted an appropriation in violation of the House rules.

Therefore, that provision is being stricken out: and that is all there is to the conference report.

Mr. RUSSELL. So I understand that the Senator from South Carolina is proposing that such funds be provided, not from the retirement funds, but by means of an authorization bill and, thereafter, an appropriation; is that correct?

Mr. JOHNSTON. Yes; and I do not think there is any opposition to this arrangement. The conferees met and, in a minute, agreed that we would have to abide by the rule; and the conference report is now ready for action by the Senate.

Mr. RUSSELL. Mr. President, I do not agree that there is a rule that a provision adopted by one House is subject to a point of order in the other. If some provision is adopted by the Senate, certainly it is not subject to a point of order in the other body.

. Every time an appropriation bill is received by the Senate—and the Senate always receives them late, because the House insists on originating the appropriation bills, and holds them up, and they come to the Senate late in the fiscal year—we find that they include legislation; and although there is in each House a rule prohibiting the inclusion of legislation in an appropriation bill, nevertheless, if the House votes to include legislation in an appropriation bill, such legislation is not subject to a point of order in the Senate.

Mr. JOHNSTON. I agree entirely with the Senator from Georgia, but under the circumstances, it seems to me there is nothing else for us to do.

Mr. RUSSELL. Mr. President, if the Senator from South Carolina does not anticipate any controversy in regard to the conference report, I shall be glad to withhold, temporarily, my remarks.

Mr. JOHNSTON. I thank the Senator from Georgia.

Mr. MANSFIELD. Mr. President, if the Senator from Georgia is willing to comply with my request that the report be laid down now, I should like to have it laid down, and then to suggest the absence of a quorum.

Mr. RUSSELL. Very well.

Mr. JOHNSTON. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 7927) to adjust postal rates, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. (Mr. SMITH of Massachusetts in the chair). The report will be read, for the information of the Senate.

(For text of conference report, see House proceedings for today.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSTON. Mr. President, as the Senate has been advised, a point of order has been sustained in the House of Representatives against section 1104 on the ground that it constitutes an appropriation in violation of the House rules.

Section 1104 provided that increases for retired employees could be paid out of the civil service retirement and disability fund notwithstanding the provisions of Public Law 85–844.

The new conference report omits the provision in question.

The Senate conferees agreed to have stricken from the bill the section that has to do with payment out of the retirement and disability fund.

The point of order was raised in the House, and it was upheld. The bill was sent back to conference. The conferees have met. The Senate conferees agreed to strike that section of the bill.

There is nothing for us to do but to adopt the conference report and to make other arrangements as to how and when the increases provided for in the bill will be paid.

The conference report was agreed to unanimously.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. JOHNSTON. I yield.

Mr. CARLSON. I concur in the statement just made by the Senator from South Carolina, the chairman of the Committee on Post Office and Civil Service. I regret that we must accept the conference without the provision relating to increased benefits for the retired, and that we are forced to ask the Senate to accept the striking of that amendment, but it was necessary that it be done to comply with the House rules. I regret it because it may delay increased payments to the retired Federal workers, to which they are entitled. Now provision for retirees depends on getting an appropriation from the Appropriations Committee and putting it into effect.

Notwithstanding that situation, I submit that the Senate should agree to the conference report on the bill as amended, in order that action may be started at the earliest possible date on a program to help the retirees.

Mr. JOHNSTON. I think I should also invite the attention of Senators to the fact that in the past we have provided for such increased retirement payments as were provided in this particular bill, but no point of order was raised, and the retirees were paid. This time a point of order was raised. There is nothing else for us to do as conferees but recommend that the Senate adopt the conference report.

So I move that the Senate agree to the conference report.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

Mr JOHNSTON. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. MANSFIELD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

A SALUTE TO AMBASSADOR WILLIAM C. DOHERTY

Mr. KUCHEL. Mr. President, I salute the nomination of William C. Doherty as our first Ambassador to Jamaica. This is an outstanding appointment worthy of respect and congratulations.

William C. Doherty is a personal friend of mine—and of almost every Member of the U.S. Senate. I treasure his friendship but I salute this appointment on the basis of Bill Doherty's excellent qualities and abilities.

The appointment of William C. Doherty is a clear documentation of what Americans have been trying to tell the world—that any boy born in this country, no matter how impoverished his circumstances may have been, can rise to the highest positions of responsibility within the gift of the Nation if he has the ability, the integrity, the genius necessary for the position he seeks.

Bill Doherty was born in Cincinnati, Ohio, in 1902—and he is the first one to say that, by the standards of 60 years ago, it was on the farther side of the tracks. His people were poor but—in the words of President Eisenhower, spoken at Abilene, Kans., in 1952—it is the glory of America that they did not know they were poor. They had all the human qualities that make honest people feel possessed of great wealth—the spiritual wealth that is of far more value than mere material wealth.

Bill Doherty was never granted the boon of higher education. The financial circumstances of his family precluded that. But, instead of becoming disheartened by this fact, he characteristically determined to overcome it. He educated himself studiously and diligently until he reached the point where he can walk with savants and scholars without, for even a moment, being out of step. Indeed, if everyone were capable of educating himself as thoroughly and as exhaustively as William C. Doherty has done, we would have little use for school teachers. But, of course, everyone is not so capable. Few people have the talent and the determination that Bill Doherty has shown in acquiring a knowledge and a culture that extends over many areas and runs as deeply as it runs broad.

After serving honorably with the U.S. Army in our Siberian campaign, after World War I, Bill Doherty returned to Cincinnati and entered the postal service as a letter carrier. He carried the letter carrier's sack upon his back and he carried it well. However, his talents were so obvious to his fellow workers that he began a swift upward climb within the National Association of Letter Carriers, culminating in his election as President in 1941. Two years later he became vice president of the old American Federation of Labor and, since the AFL amalgamated with the CIO in 1955, he has been one of the senior vice presidents of the AFL–CIO.

His talents were so recognizable and his integrity so unassailable that President George Meany of the AFL determined to give them even greater scope than they had previously enjoyed. Bill Doherty was encouraged to broaden his activities into the international field and he has done this with high distinction.

In 1945 he was invited by Gen. Lucius D. Clay to help reestablish free trade unions in Germany. Twice he was invited to attend the British Trade Union Congress as a fraternal delegate (a unique distinction, incidentally) and in 1949 he participated, as one of the founders, in the formation of the International Confederation of Free Trade Unions in London, England.

Two Presidents, each of different political parties, have recognized his talents in the foreign relations field. In 1956 President Dwight D. Eisenhower appointed him to the official delegation, led by Vice President Richard M. Nixon, to the inauguration of the then-President of Brazil. In 1961 President John F. Kennedy appointed him as a delegate to the International Conference at Punta del Este, Uruguay, and just last August, the President appointed him as a Special Ambassador to accompany Vice President LYNDON B. JOHNSON to the independence ceremonies at Kingston, Jamaica. And now, as the aftermath of that experience, comes the nomination as Ambassador to that country.

This, Mr. President, is the sort of thing we Americans have been talking about. This is the real American dream—the dream that Soviet Russia and other Communists and enemies of freedom have been saying is not true. The nomination of William C. Doherty as Ambassador proves the truth of the dream—it proves that in a free society such as ours, first-class men can, and do, and will, rise to the top if they will only use what talents the Almighty has given them.

I congratulate Bill Doherty upon his nomination. But, even more so, I congratulate President Kennedy on having made that nomination.

U.S. POLICY TOWARD EASTERN EUROPE

Mr. HUMPHREY. Mr. President, some recent hearings by the European Subcommittee of the House Committee on Foreign Affairs provided an opportunity for the expression of American concern for the self-determination and well-being of the peoples behind the Iron Curtain. One of the byproducts of these hearings was an official statement of American policy toward Eastern Europe—a statement which in my view puts our announced policy on a new level of maturity, insight, and firmness. I am gratified, therefore, to share with my colleagues the full text of the statement delivered before the subcommittee on September 13 by Mr. William R. Tyler, Assistant Secretary of State for European Affairs. If I am not mistaken, this is one of the first, if not the first, major policy statement made by Mr. Tyler since he succeeded to the post occupied for so many years by Mr. Foy Kohler, our newly appointed Ambassador to the Soviet Union. It is an auspicious beginning.

I ask unanimous consent that the statement of Assistant Secretary Tyler be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF MR. WILLIAM R. TYLER, ASSISTANT SECRETARY OF STATE FOR EUROPEAN AFFAIRS, BEFORE THE EUROPEAN SUBCOMMITTEE, HOUSE COMMITTEE ON FOREIGN AFFAIRS, SEPTEMBER 13, 1962.

POLITICAL BACKGROUND

It is evident that significant changes have taken place since 1953 in Moscow's approach to its control of Eastern Europe. The former monolithic system of centralized and total domination instituted and maintained by Stalin was severely shaken after his death, and Khrushchev launched a new policy in Eastern Europe to replace it. This policy appears to be based on two basic principles: Moscow will still retain primary authority and exercise tutelage in the field of foreign policy and ideology, but it will leave to each individual bloc government and party, within strictly defined doctrinal limits determined by the Soviet Union, the details of internal development and day-to-day conduct of internal affairs. Thus, the bloc regimes of Eastern Europe have gradually been given the appearance, not of full-fledged partners of the Soviet Union, but of junior allies, each charged with making a go of the system in its country. Of course, Soviet military power remains the ultimate force that sustains the power and authority of the Communist minorities, guarantees the continued existence of the regimes, and prevents any national defection from the Soviet bloc. This policy is the natural aftermath of the disavowal and discard of certain essential elements of Stalin's rigid and utterly repressive methods of rule.

Fear of a renascent militarist Germany is a significant factor among some elements of the Polish and Czech population that tends psychologically to make their relationship with the Soviet Union, if not more acceptable at least more tolerable. This factor is also operative, though less important, in the other Soviet bloc states.

The crises produced in Eastern Europe by the Soviet repudiation of Stalin's system, which reached their peak in 1956, were brought under control by the open use, or the implied threat, of Soviet armed force. The Soviet leaders also made it clear to all nationalist dissident and revisionist elements after the Hungarian national uprising that the process of de-Stalinization had definite limits and that any organized opposition would be crushed by Soviet power. On the other hand, the problems of adapting Soviet de-Stalinization policies to the individual bloc countries and of coping with the impact of the Sino-Soviet controversy continue to have an unsettling effect upon the composition and standing of certain of the Eastern European regimes where Stalinist elements still hold positions of influence and are reluctant to abandon past methods. At the same time, those bloc leaders who have openly repudiated Stalinism and who appear to stand close to Khrushchev, such as Gomulka in Poland and Kadar in Hungary, have been exercising increasing autonomy in internal affairs. Gomulka used the 22d Party Congress to reinforce his gradualist and unique approach to Polish agriculture by going beyond the Soviet criticism of Stalin, to identify forcible collectivization as the root cause of Stalinism. And Kadar reasserted Hungarian autonomy in internal matters by denying that the decisions of the 22d Party Congress were mandatory for all Communist Parties. With growing confidence in his ability to control or get rid of Stalinist elements in his party, the Hungarian leader has encouraged the participation of non-Communists in his moderate internal program by affirming the dictum that "who is not against us is with us."

Khrushchev's new approach to his relationships with the regimes of Eastern Europe serves Soviet interests in many ways. It does not vitiate the essential Soviet military control of the area and continues to require that the bloc regimes follow the Soviet lead on foreign policy issues. At the same time, however, it permits these regimes to assume an outward semblance of independence and sovereignty, which contributes to their stability. Khrushchev's policy is abetted by popular impressions of the growth of Soviet power which have tended to bolster, in turn, the confidence of the bloc regimes in Soviet leadership as well as in the security of their own position.

Within the limits indicated, each of these countries has evolved with some diversity in form and institutions, according to its own conditions, under the pressure of the post-Stalin changes in the U.S.S.R. Except for Poland, where there has been a definite liberalization of internal rule and lack of pressure for collectivization of the land, none of these states has as yet modified in any essential way, the standard Communist program or displayed any real independence in relations with the United States. But most of the others in varying degree have copied Moscow in such matters as abandoning some of the ruthless practices of police rule and putting more stress on the use of economic incentives rather than arbitrary and coercive methods in their efforts to stimulate productivity. On the other hand, with the exception again of Poland, there has been little disposition to ease the controls over public information, the arts, and the intellectual professions, as most of these regimes remain fearful of the consequences. While the risk of overthrow has been largely banished, the criticism from below and the pressures for more liberal policies reflect the failure of the Communist regimes to broaden their base of popular support under past and existing policies and remain a problem as yet unsolved by the Communist leadership. Although the regimes of Eastern Europe would prefer not to have to resort to the extreme police methods of the past, there can be no doubt that they are determined to keep a tight rein on any dissidence and criticism which they might regard as an actual or potential threat to their control.

The Albanian regime occupies an anomalous position in Eastern Europe owing primarily to its openly Stalinist character, its vigorous support of the Red Chinese in their controversy with Moscow, its diplomatic break with, and defiance of, the Soviet Union, and the lack of evidence of any intention or desire on its part, as an alternative, to develop constructive relations with Western countries.

ECONOMIC CONDITIONS

The governments of the Soviet-dominated countries of Eastern Europe have continued to claim high rates of economic growth. However, the significance of these claims is called into question by the uneven patterns of development, caused by the often uneconomic emphasis given to the expansion of the heavy industrial base, and by the shortcomings in agriculture due to the loss of incentives in the collectivization process, and the failure to invest adequately in the agricultural sector. Only in Poland, and to a lesser extent in Hungary since 1956, has there been a definite policy of concession to the consumer. Elsewhere in the bloc, the consumers' share in the benefits of the economic development of the area has been small. The uneven and costly development in heavy industry holds forth little promise to the consumer, while the shortcomings in the agricultural sector extract a direct and immediate sacrifice from the people. Substantial increases in the prices of foodstuffs were announced recently in the Soviet Union and Bulgaria, but general price increases without publicity have also been noted in the food markets in Hungary, Rumania, and Czechoslovakia.

In addition to the price the consumers in Eastern Europe are paying at present for the industrialization of their countries, they face the prospect of further problems for their planned economies, as the Common Market becomes even more of a factor in European and world trade. Although efforts have been made to develop intrabloc trade and economic interdependence, the traditional reliance of the orthodox Marxist planners on balanced bilateral trade, together with other factors such as national bias and insistence on comprehensive industrialization in each country, has limited the scope of cooperation and integrated development within the bloc. The countries of Eastern Europe continue to be drawn to western markets to seek industrial goods and to market their products. To the extent that the development of the Common Market may affect their traditional access to the markets of Western Europe, even greater imbalance may appear in the economies of the dominated countries, with consequences for the consumer who must foot the bill for continued rapid industrialization.

We can reasonably expect these countries to proceed with their plans for rapid industrialization, and we can anticipate continued rapid rates of growth, considering the relatively low base from which the expansion is calculated. We can also reasonably expect continued problems with agriculture, continued restriction of the consumers' share in the national products of these countries, and a continued strong attraction to Western markets.

U.S. POLICY TOWARD EASTERN EUROPE

The United States desires to see in Eastern Europe fully independent nations enjoying internal freedom and normal relations with all countries. Any realistic appraisal of the existing situation in Eastern Europe, however, takes cognizance of the fact that Soviet power presently dominates the position of these countries and that any general and far-reaching change, involving a rollback of Soviet control, is unlikely at an early date. This does not imply that the United States accepts the status quo in Eastern Europe or is not confident as to the ultimate outcome in that area of the competition between systems. It suggests rather that our policy is a responsible one based on the actual situation.

Except in the event of unforeseen developments seriously impairing Moscow's hold on the eastern European area, progress toward the U.S. long-term objective of seeing fully independent and free nations in Eastern Europe appears realizable only by gradual means. The effective use of available means requires persistence and flexibility to take maximum advantage of all existing opportunities favorable to the extension of United States and Western influences.

We believe the United States can most effectively exert an influence on developments, and take advantage of any favorable and liberalizing trends in Eastern Europe if the scope of relations with these countries is broadened. This includes maintaining and developing more normal and active relations with the Eastern European governments of the Soviet bloc. We are pursuing this course to the extent possible to do so without at the same time sacrificing our own basic principles, without endorsing the internal or foreign policies of those governments, or accepting the status quo of Soviet domination as a satisfactory or permanent condition of affairs in that area.

We therefore envisage the utilization of existing opportunities in Eastern Europe as taking place mainly through the systematic expansion of contacts and activities which would tend to maximize U.S. and Western influence in that area, demonstrate our interest in the people's welfare, help to sustain their national traditions and aspirations for independence and for free institutions, keep them in touch with Western thought, and help them preserve a true perspective on world developments in all fields of human endeavor and achievement.

The principal problems complicating the policy outlined above are the difficulties of conducting normal diplomatic relations with Communist governments and getting them to engage freely in increased contacts and exchanges. They are pursuing their own aims, of course, and are usually willing to enter into such relationships only when they believe they obtain an advantage which offsets or outweighs any disadvantage. Though we have made progress in our relations with Poland, we have been held thus far to a minimum of contact in such countries as Czechoslovakia, while in Hungary the impasse in our relations over the Hungarian problem in the U.N. has retarded the development of any effective program of contact with or through the government.

Caution is being exercised against exaggerating the possibility of using trade as a primary means of reducing Eastern Europe's dependence on the U.S.S.R. There is continued need for circumspection and Western coordination in this area in order to avoid contributing to the strategic potential of the bloc. However, within these limits we see increased trade as a means of expanding Western contact and influence.

In carrying out this policy in Eastern Europe it is both desirable and necessary that we should have close consultation with other Western governments and should seek to coordinate our policies in every practicable and useful way. It is on this basis that we are currently proceeding.

EXPORTS, TRADE, AND CREDITS

Mr. HUMPHREY. Mr. President, on September 26 I addressed the Senate on the subject of export credit and foreign trade. I attempted to demonstrate the importance of expanded foreign trade and the role to be played in that endeavor by the activities of the Export-Import Bank in the field of loans and export credit insurance.

It is absolutely necessary that our Nation expand its exports by $2 to $3 billion per year for the foreseeable future. In order to do this American business must be much more active in its salesman and selling efforts; American Government and American business must join together in a common program of export expansion; and the Government must be willing to more fully utilize the facilities of the Eximbank on the basis of reasonable assurance of repayment for loans rather than the requirement of absolute assurance. All too often, persons steeped in the tradition of project loans tend to apply conservative banking principles instead of insurance principles in the guaranteeing and the insuring of short- and medium-term export transactions.

In a recent speech by the Honorable James Smith Bush, Director of the Export-Import Bank of Washington, before the Massachusetts Bankers Association, I was heartened and encouraged to find a progressive and constructive policy statement relating to the expansion of our exports and the activities of the Eximbank. Dr. Bush is to be congratulated for his challenge to American business and finance in this splendid address.

I ask unanimous consent that it be printed in the body of the Record.

There being no objection, the speech was ordered to be printed in the Record, as follows:

Speech by the Honorable James Smith Bush, Director, Export-Import Bank of Washington, Before the Massachusetts Bankers Association at the Kenmore Hotel, Boston, Mass., October 3, 1962

Mr. Chairman, ladies, and gentlemen, 187 years ago, a brave young patriot named Samuel Prescott carried on the midnight ride of Paul Revere after the latter had been captured by the British. Unfortunately, he was cut down at Bunker Hill a few weeks later, and consequently did not live to enjoy the rewards of the liberty and freedom for which he fought so valiantly. I have always taken great pride in the fact that my late father, Samuel Prescott Bush, and my son, Samuel Prescott Bush II, were fortunate enough to have had such an illustrious ancestor and namesake.

Then, too, my grandmother, Harriet Fay, was born in Massachusetts and spent the first 20 and last 20 of her 95 years in her native State. Thus, I feel especially gratified in being invited to participate in this meeting of the bankers of Massachusetts, the State of my ancestors, and to tell you something about the Export-Import Bank of Washington, which is dedicated to facilitating and assisting in the financing of the foreign trade of the United States.

About a year and a half ago, a distinguished resident of your State, now residing in Washington and presiding on Pennsylvania Avenue, issued a directive that the Export-Import Bank devise plans by which the exporters of the United States would be afforded financing, guaranteeing and insuring facilities at least equal to those provided to exporters by their respective governments in Western Europe and the United Kingdom. President Kennedy also requested that, insofar as possible, our plans be built around private financial institutions and insurance companies to the end that the huge reservoirs of private capital in this country be employed to the fullest possible extent in financing our foreign trade.

With these objectives in mind, the Export-Import Bank implemented a plan in November 1961 to work with the commercial banks and other financial institutions in the United States. Still another plan became effective in February 1962, under which Eximbank went into partnership with 72 of the leading private casualty insurance companies of this country to provide the U.S. exporter with foreign credit insurance. In view of the fact that your next speaker, Mr. Walter Diamond, will tell you about this newly created vehicle, I shall confine my remarks to Eximbank's programs with the commercial banks and also say a word or two about its other facilities which have contributed, and will continue to contribute, so much to the welfare of labor and business in the State of Massachusetts and the other 48 States.

Eximbank's transactions with commercial banks center around the so-called medium-term field, where payment for goods sold abroad is on terms of from 181 days to 5 years, with the exception of commercial jet aircraft, for which the terms go to 7 years, but which is still considered medium term.

On medium-term export transactions, Eximbank offers a system of guarantees to commercial banks, provided the commercial bank assumes the early maturity obligations of the foreign buyer without recourse upon the exporter. The commercial bank can finance 85 percent of the credit with the protection of an Eximbank guarantee against political risks on all the maturities and against credit risks on the later maturities. The commercial bank must assume the credit or commercial risk in the early maturities. Fees for the guarantees vary by the term of the credit and by the political and financial prospects of the foreign market.

Should the commercial bank elect to retain the early maturities in a medium-term export credit and not the later ones, Eximbank will actually purchase the later maturities. However, in this case, Eximbank will issue no guarantees to the commercial bank on the early maturities.

These guarantees to commercial banks provide the exporter with alternate methods of financing his oversea sale. He may either insure the transaction with the Foreign Credit Insurance Association, which in turn makes financing more easily obtainable from his bank, or he may seek nonrecourse financing directly from his bank.

I cannot stress too much the importance of the nonrecourse feature of the financing covered by these guarantees to banks. Nonrecourse guarantees mean to the exporter that he does not have to make inroads on his working capital to cover potential losses, and thus that he will be in a positon to make credit sales that he otherwise could not make.

Another advantage to the exporter is the one of speed in arranging the financing. The exporter's commercial bank is near him and he does not have to negotiate with Eximbank in Washington. When a commercial bank applies to Eximbank for guarantees, Eximbank in general relies upon the credit judgment of the commercial bank and its ready sources of credit information. This avoids time-consuming credit checks on the foreign buyer by Eximbank, and therefore leads to faster approval of most applications.

In medium-term export credits there are basic elements which Eximbank takes into account when issuing guarantees to commercial banks:

As previously stated, the term of the credit may be from 181 days to 5 years, but not longer than is customary for the goods in international trade practice.

The foreign buyer makes a cash payment of at least 20 percent or as little as 10 percent if the buyer and the market are good risks.

The balance, or financed portion, is payable in equal installments, semiannually or more often, in U.S. dollars at a bank in the United States.

The exporter carries for his own account and risk, without guarantee, at least 15 percent of the financed portion of the transaction. His participation is spread through all the installments.

The lending commercial bank considers the buyer to be credit-worthy for the financed portion and so takes the credit risk on the first one-half of the installments or the first 18 months, whichever is the shorter period.

All U.S. products except military equipment are eligible.

Up to this time, some 89 commercial banks, including their Edge Act corporations, have participated with Eximbank in financing these medium-term export transactions. Four of these banks are located in Massachusetts and, naturally, we hope that this number can be greatly enlarged during the coming year. This State has 54 banks with total resources of over $50 million, and 74 banks with resources of over $25 million. It is certainly not unreasonable to expect that a substantial proportion of these 128 institutions will enter this lucrative and important field of medium-term exporter credits.

You must remember that the later maturities of these medium-term obligations are fully guaranteed by the U.S. Government through its wholly owned agency, the Export-Import Bank, and usually carry yields of 6 to 8 percent. Thus, on a 5-year transaction, which is usually repayable in 10 equal, semiannual installments, your bank is covered 100 percent from beginning to end against political risks and also 100 percent against all risks, including credit risks, on the last 7 installments of the obligation. Your bank, therefore, is only taking the credit or commercial risk in the first three installments, which, I am sure you will agree, is not unhealthy, unwise, or imprudent. As a matter of fact, these modest participations in export transactions will open up new avenues of income to your bank which will be rewarding to your stockholders and of great benefit to your customers, the exporters of this State who are trying to compete in foreign markets against the revitalized and potent competition from Western Europe, the United Kingdom, and Japan.

Entirely separate and apart from these medium-term guarantees and credits, Eximbank offers U.S. exporters another facility which, in dollar volume, represents by far our largest activity. I refer to so-called project loans which are made to a foreign borrower, either in the public or private sector, who wants to erect an entirely new plant or facility or greatly expand an existing one. In these cases, Eximbank finances the entire U.S. dollar cost of the project and the borrower supplies the funds for local costs. These loans vary greatly in type and size. One loan might be to a small businessman who wanted to borrow $20,000 to import the necessary equipment for an up-to-date drycleaning and laundry establishment, and another might be similar to the one that we made a few years ago to a copper mining company in southern Peru for $115 million. In the latter case, four American concerns matched our loan with an equivalent amount of equity and subordinated loan funds to make a complete package of $230 million. Incidentally, this venture has been tremendously successful and our loan is not only being repaid on schedule, but actually prepaid in substantial amounts.

I want to repeat that these long-term project loans, which are often for terms of 20 years or even longer, are made entirely for the benefit of U.S. exports. Sometimes the borrowers are foreign governments or agencies thereof, and sometimess they are private foreign corporations either owned entirely by foreign nationals, entirely by U.S. business concerns, or quite often by a combination thereof. Our main idea is to assist in the export of as much U.S. equipment, machinery, and technical know-how as possible. A good recent example is the Tagus River Bridge at Lisbon, Portugal, where Eximbank extended a credit of $50 million to assist Morrison-Knudson and U.S. Steel Export Co. in financing the erection of this 5-mile long structure which will be the longest bridge in Europe and which will serve as a lasting symbol of American ingenuity and engineering capabilities.

Turning to another activity on behalf of U.S. exporters, Eximbank has occasionally extended lines of credit to foreign governments, foreign development banks and private development banks, always for the purchase of U.S. goods and equipment. As an example, we have disbursed roughly $140 million on a line to the Government of India. This money was used to purchase a great variety of U.S. machinery and equipment from some 900 U.S. suppliers. As a matter of fact, 34 Massachusetts companies obtained orders under this line and were paid cash on the barrelhead for their products. I suspect that a large number of these companies do not know that Eximbank's line was responsible for their getting this nice cash business.

To be more specific, one of your companies received orders totaling roughly $9 million, another $3.5 million, and still another $1.5 million. Thus, three Massachusetts companies together received orders totaling almost $14 million, or 10 percent of the disbursements made by Eximbank to the Government of India's account in this country. You must remember that Eximbank's money remains in the United States and only the goods and services which we finance are sent abroad.

We extended a smaller line of $25 million last year to the Industrial Bank of Japan. Five important Massachusetts companies received orders under this line, all for milling and grinding machines. Two of these concerns received roughly $1 million each, which represents 8 percent of the total orders placed by Japan under Eximbank's line. Thus, the manufacturers and working people of Massachusetts and Eximbank have been partners in a very substantial way, not only in India and Japan, but also in many other countries of the world.

However, the banks in this State, as in many other States, have been slow to pick up the ball and run with it. Lack of knowledge, lack of experience, and perhaps lack of courage and initiative on the part of bankers have, in many cases, driven the exporter to New York City or elsewhere to obtain financial assistance in his foreign sales. It is for this reason that the Massachusetts State Bankers Association could render invaluable assistance to its members through an educational program that would insure every member being well informed as to the guarantee facilities available to him at Eximbank and the insurance facilities available to his customers at FCIA. I hope that you will heed carefully the remarks of the next speaker, Mr. Diamond, so that you will be fully conversant with these insurance policies, which can be assigned to your banks as collateral and which guarantee your banks against losses on loans you make to foreign buyers on behalf of your exporting customers.

I would be less than honest if I did not stress the importance of the chief executive officers of your banks interesting themselves in these foreign credits. Our experience has proven that unless the top brass takes the leadership, little progress is made. The junior officers cannot get to first base without the enthusiastic support of their chairman or their president, as well as the board of directors. It is an unfortunate fact that, in many large cities in this country, the chairman of the board and the presidents of leading banks are not at all knowledgeable on Eximbank's facilities and, amazingly enough, do not even know what the Foreign Credit Insurance Association is or does. How can such great Massachusetts companies as Gillette, Draper, Crompton & Knowles, Heald Machine, Norton International, and many others, carry on around the world without the complete and absolute backing of their Massachusetts bankers? How can John Doe in Brockton or Joe Smith in Fall River develop a new export business unless his banker guides him and supports him in his plans to expand abroad and reap the profits that are waiting for him in countries like Nigeria, Mexico, Venezuela, and many, many others which are ready and anxious to buy American products provided satisfactory terms can be arranged.

Having been in the investment and commercial banking business for the past 37 years, I am somewhat conversant with the problems facing many bankers today. You have bank examiners to cope with, possibly a stodgy board of directors, and sometimes senior officers who have not kept abreast of this rapidly changing world and who believe that they can build a giant wall around their bank and smoke cigars in smug complacency. What would your ancestors and mine, the Founding Fathers of this country, think of their descendants today who were too lazy, too self-satisfied, and perhaps too timid to extend a few foreign credits on behalf of their customers, many of whom will not be able to survive without substantial export sales?

Do we forget that the original transportation systems and industrial plants in the United States could not have been built without the assistance of foreign capital from Europe and Great Britain? How can we increase our exports by $2 billion or $3 billion unless our banking system supports our exporters with credit? Do you want to have a new bureaucracy built in Washington that will take over the whole operation, or do you believe that private enterprise and capital in America are still capable of financing American business, whether it be located on Massachusetts Bay or in the high mountains of Peru? Our Government is offering you the props and covering you on the risks that you will not and should not take. Can't you, in turn, do your share to the end that America's foreign trade will prosper and thus help to end the deficits in our international balance of payments, not to mention our internal budgetary deficits? Are you looking ahead at the expanding European Common Market and realizing that a giant is in the offing which will, by 1970, have exports and imports of $50 billion each year and which will provide opportunities for American exporters undreamed of in the history of man? It will also provide competition heretofore undreamed of and make necessary the mobilization of all of our country's financial resources to maintain and increase our position as the greatest exporting and importing nation in the world.

I ask you, the bankers of Massachusetts, to contemplate these matters and then determine whether or not you will get into the ball game and place a small portion of your vast resources at the disposal of your customers, without recourse, so that they will have the credit facilities to go out and sell American goods and equipment and Yankee ingenuity to all parts of the free world. By doing so, you will insure for your children, grandchildren and great-grandchildren for generations to come the blessings of the American way of life which you and I have been fortunate enough to enjoy, but which would never have been possible without the courage, initiative and pioneering spirit of our hardy ancestors who founded a colony here 342 years ago.

AMENDMENT OF LIFE INSURANCE COMPANY ACT OF THE DISTRICT OF COLUMBIA

Mr. MANSFIELD. Mr. President, I would like to take up two bills which have been cleared on both sides before taking up the next conference report.

I move that the Senate proceed to the consideration of Calendar No. 2231, House bill 12546.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 12546) to amend the Life Insurance Company Act of the District of Columbia (48 Stat. 1145) approved June 19, 1934, as amended.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on the District of Columbia with amendments on page 2, after line 8, to insert a new section, as follows:

SEC. 2. (a) Subsection 10(b)(ii) of section 35 of chapter III of the Life Insurance Act (48 Stat. 1145) is amended to read as follows:

"(ii) if such acquisition will not cause the acquiring company's aggregate cost of investments under this paragraph to exceed, in the case of a capital stock company, the amount of capital, surplus and contingency reserves in excess of $300,000 or, in the case of a mutual company, the amount of surplus and contingency reserves in excess of $150,000."

(b) Subsection 15(ii) of section 35 of chapter III of such Act is amended by striking "$150,000" and inserting in lieu thereof "$300,000".

At the beginning of line 22, to change the section number from "2" to "3"; on page 3, at the beginning of line 5, to change the section number from "3" to "4"; in line 17, after the word "employees", to insert "officers, directors, or licensed agents"; in line 19, after the word "stock", to insert a colon and "*Provided*, That the number of options per share of stock shall be uniform"; and on page 4, at the beginning of line 1, to change the section number from "4" to "5".

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the amendments be considered en bloc.

The PRESIDING OFFICER. Is there objection?

There being no objection, the amendments were considered and agreed to en bloc.

The PRESIDING OFFICER. The bill is open to further amendment.

If there be no further amendment, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time, and passed.

AUTHORIZING APPOINTMENT OF ONE ADDITIONAL ASSISTANT SECRETARY OF STATE

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 2234, Senate bill 3459.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 3459) to authorize the appointment of one additional Assistant Secretary of State.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the bill was considered, ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1 of the Act of May 26, 1949, as amended (5 U.S.C. 151a), is amended by striking out "eleven" and inserting in lieu thereof "twelve".

SEC. 2. Section 106(a)(17) of the Federal Executive Pay Act of 1956 (70 Stat. 738) is amended by striking out "(11)" and inserting in lieu thereof "(12)".

COMPENSATION FOR CERTAIN WORLD WAR II LOSSES—CONFERENCE REPORT

Mr. MANSFIELD. Mr. President, I understand the senior Senator from South Carolina has another conference report ready. I think he is ready to call it up at this time.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. JOHNSTON. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7283) to amend the War Claims Act of 1948, as amended, to provide compensation for certain World War II losses. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of October 3, 1962, pp. 21900–21901, CONGRESSIONAL RECORD.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that further proceedings under the quorum call may be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the conference report.

Mr. JOHNSTON. Mr. President, I did not sign the conference report. I am not for the bill as written. I have many objections to the bill as it now stands. I should like to place in the RECORD my reasons why I am not for the conference report and why I was not for the bill when it was passed by the Senate.

Mr. President, as a member of the conference that met on the war claims bill, H.R. 7283, I would like to call the attention of the Senate to certain points in the conference report before final action on this report.

When this measure was before the Senate, I protested vehemently against the manner in which it was being handled on the floor. There were many sections of this particular bill which I thought were unwise, and I have made my views known on these issues before. Consequently, I want to make a brief statement concerning several items contained in the conference report which I believe to be to the detriment not only of the war claimants but also of the United States.

First of all, this conference report contains a priority payment schedule for certain claimants which I think is unprecedented in the history of the U.S. Senate. In my 18 years in the Senate I have introduced much legislation and fought many times to protect our small business concerns. I am proud of the record of the Senate in taking action to see that our small business concerns are protected from big business, which is sometimes a little to avaricious. However, as thoroughly as I could search my memory and my files, I could not find another instance in which small business concerns were given priority over the claims of individuals.

The amendment adopted in conference, known as amendment No. 6, page 13, lines 9 to 14, gives priority to small business concerns over the claims of individual claimants, which, as I said, is unprecedented in the history of the Senate.

Because of my concern over the various amendments in this bill, I wrote to the Foreign Claims Settlement Commission to request their views on the amendments. In a letter dated September 21, 1962, signed by Hon. Edward D. Re, Chairman of the Commission, they had this to say concerning this particular amendment:

> The amendment in question is objectionable because it would result in granting to the so-called small business concern a priority payment for property loss claims over individuals who sustained such losses. This is entirely at cross purpose with the sense of H.R. 7283 as passed by the House which included in section 213(a)(2) provision for payment in full up to $10,000. This was designed to provide for "the little fellow." In addition, the House passed version included a deduction requirement on awards exceeding $10,000 where the claimant had previously taken a tax writeoff. This, too, was designed to favor "the little fellow" and to prevent undue depletion of the fund. The executive branch believes that there is no justification for granting more favored treatment to small businesses than would be provided for individual claimants.

I want to call the particular attention of the Senate to two points in the quoted paragraph: First, this amendment gives the right of priority of payment in full to the claimants defined by the Small Business Administration to have been a small business on the date of loss. But, here, I want the Senate to note, while the bill requires that the business be a small business concern at the time of the loss, the amendment further insists that it must have been a small business concern within the meaning now set forth in the Small Business Act.

Mr. President, this not only gives these small business claimants priority over our individual claimants—which could go a long way toward depleting the funds—but it gives them the best of two worlds. In the years since World War II, when the losses would have occurred, the definition of "small business" has constantly upgraded to include larger and larger businesses. Twenty years ago when one spoke of small business he thought in terms of a concern employing 15 or 20, or less than 100 employees. Under today's criteria, the Small Business Administration does not even consider a business as not meeting their criteria unless it has over 250 or 300 employees. In many cases, business concerns employing 1,000 people are considered small businesses.

Mr. President, the Small Business Administation itself has four different criteria under various programs whereby it determines whether a business concern is a small business. They have one criterion for their small business loan program; they have another criterion for their Government sales program; and still another criterion for their Government procurement program. Anyone concerned with the problem can readily see that even if this amendment—deplorable as it may be—passed this Congress the Small Business Administration has no set of criteria which they can apply to determine what constitutes a small business.

Regardless of the problems for the Small Business Administration in this amendment, my primary concern is the inequities resulting when small businesses—for the first time in my recollection—are given priority over individual claimants who might have suffered similar losses.

Mr. President, even the Small Business Administration itself, which is primarily concerned with the problems and welfare of small business concerns, does not give priority to small businesses over individuals. In their disaster loan program, the Small Business Administration gives equal treatment to individuals and small business concerns. Why the Congress of the United States should show more concern for a small business, which under the act is given equal treatment with individuals and receives full payment up to $10,000, is beyond me.

Section 213(a)(2) of the bill provides for payment in full up to $10,000. The bill further provides that if funds are available, everyone will be paid in full. However, if sufficient funds are not available, only the first $10,000 will be paid in full and any additional available funds will be prorated among the claimants. There is also a deduction requirement on awards exceeding $10,000 where the claimant has taken a tax writeoff. This, too, is designed to protect the "little fellow" and to protect the war claims fund.

Since the adoption of this amendment, the staff has attempted to find out how much money would be involved in the full payment of small business awards before any payments to individual claimants. No one knows the answer. The Foreign Claims Settlement Commission would not even give an approximate figure simply because such a priority has never been granted before and there is nothing upon which to base an estimate. We have in our files reference to one alleged small business loss reportedly of over $1 million. How many more such claims there are no one knows. But even if only 10 percent of the funds would be used in this priority payment, it is still unfair to the individual claimant, because it is more or less generally agreed that the funds are insufficient.

Mr. President, it is inconceivable to me that the Congress should vote out a war claims bill allowing business concerns to receive awards amounting in the millions of dollars before an individual claimant can even be paid 10 cents for his losses.

Mr. President, if the funds prove to be insufficient, as current estimates indicate, and somebody has to receive 10 cents on the dollar, the full burden of the insufficiency will fall on the individual claimants. I refuse to believe that the Senate intends to pass a war claims measure which contains such inequities.

Mr. President, I have spoken at length on the unwise action we are taking in permitting a sale of General Aniline & Film Corp. I have informed the Senate that this amendment will merely increase the amount of litigation involved in determining true ownership of the stock. I have informed the Senate that the sale of this asset at this time will not—I repeat, will not—increase in any way the money in the war claims fund until this litigation is finished. I have further pointed out that the future profits of the company, instead of going into the war claims fund, if the Government prevails, will go into private pockets under this proposed amendment. I have further informed the Senate, should the Swiss prevail, this amendment could cost the taxpayers millions and millions of dollars. My stand on this phase of this bill is a matter of record. I am content that I have fought as sincerely as possible to protect all parties involved.

The Senate, however, has never had an opportunity—nor have I—to go on record as opposing the principle of allowing small business concerns to have priority to the war claims funds over the individual claimants. Of course, I think the Senate should have this opportunity. I also feel that this legislation in its present form is worse than no legislation at all.

After years of hearings as chairman of the Subcommittee on Trading With the Enemy Act, and after having reported a war claims bill every session of Congress since becoming chairman, I certainly feel we should fulfill our obligations to our American war damage claimants.

I point out that the Senator from Illinois [Mr. Dirksen] and other members of the committee came to the conclusion that what we ought to do is to find out the amount. The question should be adjudicated and we should determine how much we owe. Then we will know what percentage we can pay to each of the claimants.

But it is my sincere belief that this bill, presently before the Senate, does not fulfill this obligation. I protest the manner in which this legislation was brought before the Senate. The way in which this bill was handled on the floor prevented the Senate from having the benefit of the years of effort by the Committee on the Judiciary to solve a very complex problem.

Items have been inserted in the bill about small business concerning which hearings before the committee have never been held.

The small business amendment which goes to the very heart of the War Claims Act has never received any committee hearings; there is no way to estimate the cost or the effect it will have on the war claims fund. No executive agency is prepared to give an estimate of costs and effects of this amendment.

No department has recommended anything along that line at any time during my service as chairman.

There is no way for us to know what we are doing in adopting this amendment. We are legislating in the dark. I hope the Senate will reject this conference report. I shall probably ask for the ayes and nays so that the Senators will be able to have a record of their vote.

Mr. President, I wish to call the Senate's attention to another bad precedent we are setting in this bill. As now before us, this bill carries no authority for the Claims Commission to report on the war claims program set up in this bill. In other words, the Congress will never be advised as to the progress, cost, problems, and so forth, on the American war damage claims program. We will never be advised just how much the amendment on the small business concerns deleted the war claims fund. We will never know how many individual claimants are denied any payments because of lack of funds.

The bill reported from the Committee on the Judiciary, S. 2618, carried a direction for semiannual reports from the Commission. By obstructing the Congress from receiving reports on the claims program in my opinion is a serious mistake and sets another dangerous precedent.

DR. OVERHOLSER, PIONEER IN MODERN PSYCHIATRY

Mr. ERVIN. Mr. President, throughout history mental illness has been one of the most deeply feared and misunderstood maladies confronting man. Within recent years, however, newly acquired knowledge of the causes of mental disease and the education of our citizenry to its treatment have removed many of the age-old superstitions and fears concerning the mentally ill. As a result, those suffering from mental disorders are no longer ostracized from our society. In fact, increasing numbers of mental patients are being helped to lead productive and beneficial lives not only after readjustment but also during the period of treatment.

In no area of the country is the revolution in the treatment and cure of mental illness more apparent than in the Washington metropolitan area—the home of St. Elizabeths Hospital. St. Elizabeths, of course, is one of the Nation's most outstanding mental institutions. The high esteem in which this institution is held by members of those professions dedicated to the prevention and cure of mental illness, as well as by the layman, is attributable to the pioneering leadership and foresight of its superintendent, Dr. Winfred Overholser.

As St. Elizabeths superintendent since October 1937, Dr. Overholser has led a highly successful crusade in the treatment of mental illness. Mental patients were at one time in our history treated as prisoners in locked cells. Today, Dr. Overholser's theory of treatment allows mental patients more and more freedom in helping them to readjust to the demands of society.

Dr. Overholser's work has not, however, been devoted alone to improved methods of treatment. He has also directed his energy and talents to the improvement of commitment procedures in the District of Columbia and is the author of a notable book, "The Psychiatrist and the Law." For his contributions to the improvement of the relationship between law and psychiatry, Dr. Overholser is the first recipient of the American Psychiatric Association's Issac Ray Award.

This month, after 25 years of service with the hospital, Dr. Overholser will retire to private life. His presence will be missed, but the firmly established traditions in the treatment of mental illness for which he is responsible, will forever serve to remind us of his commendable accomplishments in the cure of mental disease.

Dr. Overholser's host of friends and admirers include many Members of Congress. He has given us the benefit of his vast experience and knowledge on many occasions.

Accordingly, I feel it appropriate that this great doctor's contribution to mankind be recognized here.

COMMODORE LEVY, ADVOCATE OF MILITARY JUSTICE

Mr. ERVIN. Mr. President, during the 7 years of its history, the Subcommittee on Constitutional Rights has continually studied the legal protections afforded to military personnel. Certainly no segment of our population deserves more the blessings of the safeguards embodied in the U.S. Constitution than our servicemen.

On March 22 of this year we passed a milestone that commemorated the 100th anniversary of the death of an early champion of the constitutional rights of military personnel. This early American hero was Uriah Phillips Levy, whose all-consuming passion was the U.S. Navy, where he eventually attained the rank of commodore.

Commodore Levy, the first Jewish naval career officer, rewrote the "Manual of Internal Rules and Regulations for Men of War," a forerunner of today's Uniform Code of Military Justice. Because of his advanced ideas and his religion, Levy was found guilty in six courts-martial and was dismissed from the Navy in 1855. That year, after appealing for equal treatment of Jews in the Navy, he was finally reinstated. Levy was largely responsible for the abolition of corporal punishment.

Later, this patriot acquired and extensively refurbished President Thomas Jefferson's home at Monticello, with the intention of preserving it for the American people. In this hundredth year of Commodore Levy's death, I think it most appropriate that his contributions to the Nation, and, specifically, to military justice be praised. I, therefore, ask unanimous consent that several newspaper stories on this great leader and man of deep religious conviction be printed at this point in the Record. The articles are as follows:

From the Evening Star, Washington, D.C., March 22, 1962: "Commodore Levy Praised by Navy On Anniversary"; the Washington Post, Washington, D.C., March 22, 1962: "Jewish Hero of Navy Paid Late Honor"; and from the Washington Daily News, Washington D.C., March 22, 1962: "Selfless Patriot is Honored."

There being no objection, the articles were ordered to be printed in the Record, as follows:

[From the Washington Post, Mar. 22, 1962]

JEWISH HERO OF NAVY PAID LATE HONOR

A Jewish naval commodore, once dismissed from the Navy because of his religion and reinstated following his own stirring dissent, yesterday received a tribute on the hundredth anniversary of his death from the Secretary of the Navy.

Uriah Phillips Levy, first Jewish officer and later the Navy's first Jewish commodore, was cited for his distinguished 52-year career and his "whole-hearted commitment."

The message from Secretary Fred Korth was read by Adm. Robert D. Powers, Jr., to Rabbi Norman Gerstenfeld, minister of the Washington Hebrew Congregation, in special ceremonies at the synagogue marking the centennial of Levy's death.

The United States now officially recognizes Levy as one of the heroes of American naval history. In 1943, the Navy launched a destroyer named after him. Yet discrimination had haunted him for more than 40 years.

To avoid dividing his loyalty to the Navy which he loved, Levy did not marry until he was 60.

He ran away from his Philadelphia home at age 10 to serve as a cabin boy. By the time he was 20, he was captain of a ship he partly owned.

Commissioned a lieutenant in 1817, he became a commander in 1837 and a captain in 1844. Levy played a leading role in abolishing the Navy's practice of flogging.

Nevertheless, because he was a Jew, he faced ostracism, insults, six court martials in which he was always found guilty, and dismissal in 1855.

He appeared before a court of inquiry later that year and through his emotional and persistent appeal for religious justice received vindication and was restored to his rank.

Levy then received his first command in 15 years—of the U.S.S. *Macedonia*.

[From the Washington Daily News, Mar. 22, 1962]

SELFISH PATRIOT IS HONORED

Commodore Uriah Phillips Levy, the founder-president of the Washington Hebrew Congregation and the first Jewish officer in the American Navy, was honored yesterday on the 100th anniversary of his death in a message from Navy Secretary Fred Korth.

Admiral Robert D. Powers, Jr., presented the message to Rabbi Norman Gerstenfeld in special ceremonies at the Temple at 3935 Macomb Street NW.

He called Commodore Levy a selfless patriot who served the Navy for 52 years, "foregoing marriage until his 60th year that his singular purpose to serve at sea be not impeded." Commodore Levy, he said, was largely responsible for the end of flogging in the Navy.

"It was the thankful Levy who, by virtue of his love for the Declaration of Independence and its author, Thomas Jefferson, saved for posterity Jefferson's Monticello," Secretary Korth wrote.

"It was the irrepressible Levy who, when offered a captaincy in the Brazilian Navy while he was still a lieutenant, said to Don Pedro, the Emperor, 'Sir, I would rather serve as a cabin boy in the American Navy than as a captain in any other service in the world.'"

[From the Evening Star, Washington, D.C., Mar. 22, 1962]

COMMODORE LEVY PRAISED BY NAVY ON ANNIVERSARY

The Secretary of the Navy had sent a letter praising Commodore Uriah P. Levy, naval hero and founder of the Washington Hebrew Congregation, to Rabbi Norman Gersenfeld of the congregation on the 100th anniversary of the death of the commodore.

The letter praising the commodore for his philanthropic and patriotic contributions was read to the congregation by Rear Admiral Robert D. Powers, Jr., deputy judge advocate general of the Navy.

The Secretary said of Commodore Levy:

"He loved his fellowmen and exercised compassion. It was indeed this very religious and ethical approach to life, combined with his fervent belief in the dignity of man, that spurred him to fashion his most lasting memorial."

The letter referred to the abolition of corporal punishment brought about by Commodore Levy.

The letter went on to outline Commodore Levy's efforts to save Monticello, the home of Thomas Jefferson, and his offer of his personal fortune to President Lincoln during the Civil War.

Commodore Levy, who founded the Washington Hebrew Congregation in 1852, was the first Jewish career officer in the Navy. He served in the War of 1812 against the British and following the war battled pirates in the Gulf of Mexico and slave traders in the Caribbean.

NORTH CAROLINA PARTICIPATES IN TRAINING ASTRONAUTS

Mr. ERVIN. Mr. President, the success of America's space program has been exemplified again by the recent orbital flight of Astronaut Walter M. Schirra, Jr. I congratulate those connected with our space program. I am delighted that North Carolinians are participating in this achievement.

As with many successful ventures there is often a story behind the story and I would like to tell about one phase today.

The University of North Carolina is fortunate in having among its facilities one of the few planetariums in the Nation. The Morehead Planetarium at Chapel Hill is an integral part of our State university. This marvelous facility has attracted thousands of visitors from throughout the world. Virtually each week during the school term hundreds of buses arrive with students from public schools in North Carolina and many of our neighborhood States. Here children will get firsthand knowledge and visual contact of the multitudinous wonders of our universe. The planetarium has presented a number of special programs and its Christmas and Easter presentations of the heavenly bodies in the Holy Land are particularly impressive. Its special features have not, however, been circumscribed to this type of program. They have provided programs of simulated trips to the moon and illustrated lectures on such topics as "Life on Mars." With such a background of instruction and special showings, it was not surprising that the Flight and Space Mechanics Branch of NASA in Langley, Va., requested the assistance of Morehead Planetarium in training astronauts.

We, in North Carolina, are proud of the achievements of the Morehead Planetarium and we are particularly pleased with its participation in our Nation's space program. Certainly, this participation is of interest to all Americans and it is in recognition of this interest that I ask unanimous consent to have printed at this point in the RECORD the following articles: From the Durham Herald-Sun, March 1, 1960, "Astronauts Studying at Carolina"; Wilmington Star-News, March 2, 1960, "U.S. Spacemen Are in Orbit at Chapel Hill"; Durham Morning Herald, March 3, 1960, "They Fly in Space at the University of North Carolina"; Durham Morning Herald, April 29, 1962, "Two Astronauts in Chapel Hill To Study Stars."

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Durham (N.C.) Herald Sun, Mar. 1, 1960]

ASTRONAUTS STUDYING AT CAROLINA

CHAPEL HILL.—The National Aeronautics and Space Administration's Project Mercury astronauts, now in training for this country's first manned orbital space flight, are now completing a series of lectures and indoctrination courses at the University of North Carolina's Morehead Planetarium.

The program was designed to increase the effectiveness of the Mercury astronaut as a scientific observer and to give him a space navigational reference system as a backup to the automatic reference systems of the Mercury capsule.

The astronauts, members of the National Aeronautics and Space Administration's Space Task Group at Langley Field, Va., began the program two weeks ago. They came to the Morehead Planetarium in pairs accompanied by NASA training personnel for the 2-day training sessions.

The first day of each training session was spent in learning the important stars and constellations in the Mercury tracking orbit. The second day included simulated trips through space using a special trainer capsule. The astronaut practiced orienting his capsule and determining his position through the entire mission by referring to certain stars and constellations along his orbital path.

The program at the Morehead Planetarium was part of an extensive training schedule designed to prepare the astronauts for their role in NASA's scientific investigation of man's capabilities in the space environment.

In the three-orbit flight planned in Project Mercury, the astronaut will fly through 3 days and 3 nights in 4½ hours. The program at the Morehead Planetarium was designed to equip the astronauts with a knowledge of astronomy which will enable them to determine their location in orbit without benefit of instruments or a view of the earth.

[From the Wilmington, (N.C.) Star-News, Mar. 2, 1960]

U.S. SPACEMEN ARE IN ORBIT AT CHAPEL HILL

CHAPEL HILL, N.C.—The Nation's spacemen-in-training are in orbit here.

For the last 2 weeks, Project Mercury astronauts have been locked in a simulated space capsule—actually, an adapted World War II Link trainer—at Morehead Planetarium. They get as much as 6 hours daily of simulated celestial navigation. The seven astronauts, training in pairs, have been learning how to locate themselves in the skies—without benefit of instruments or a view of the earth. The training—akin to the "dead reckoning" of Christopher Columbus—is intended to make them at home among starry guideposts that can indicate their latitude over the earth.

A. F. Jenzano, director of the planetarium at the University of North Carolina, said its modernized projectors present a view of the stars and planets from the perspective of an orbit provided by the National Aeronautics and Space Administration.

Jenzano said the Link trainer's canopy is modified with a double viewport so that astronauts can view the arching planetarium ceiling. The trainer is motorized to control yaw—its right or left stance.

The spacemen, armed with lights casting illuminated arrows, ask questions of an instructor.

The astronauts came here from Langley Field, Va. The training course ends Wednesday.

[From the Durham, (N.C.) Morning Herald, Mar. 3, 1960]

THEY FLY IN SPACE AT UNIVERSITY OF NORTH CAROLINA

CHAPEL HILL.—Three of the seven U.S. Astronauts have been exploring in outer space here.

Here in the Morehead Planetarium the Astronauts have been "flying" through the heavens to get a better idea of where they'll be going one day and what things look like when they get there.

The three are members of the National Aeronautics and Space Administration's Project Mercury, and have been in orbit here for the past 2 weeks.

"I thought I knew a lot about the stars," said Capt. Leroy G. Cooper at a news conference Wednesday. "But I found there was more to know than I had anticipated."

All said seeing the stars and planets by the medium of the Planetarium has given them more of the feel and touch of what it will look like once they have been catapulted into the heavens.

"We can call the names of each one of the major stars now," said Lt. Col. John H. Glenn, "I have familiarized myself with the positions we will be in at all times."

Using a special trainer capsule, the astronauts took simulated trips through space, guiding their course by a green streak of light across the Planetarium dome. Later the streak was removed and the Astronauts were left to navigate on their own, following their path by stars only.

What are man's chances out in space? "We don't know," Astronaut John Glenn said, "But when the stakes are high enough we are willing to take the risk."

"Our job is to find out what a man can and cannot do in space," he said.

The greatest problem area now is weightlessness because this state cannot be simulated well or for any length of time on earth.

Asked how it feels when the gravitational force running through your body upon acceleration reaches 16 g's, Lt. Comdr. Alan Shepard replied, "Like a truck running over you."

He added that at the rate of 16 g's you are working so hard just to stay conscious, you have no time for anything else. When the force tapers off to 14 g's, man is able to work a few controls.

When space-age technology has advanced sufficiently, one of the seven will be fired from Cape Canaveral about 100 miles into the heavens. He will occupy a man-sized capsule.

The vehicle will level out and encircle the earth at a speed of 18,000 miles an hour. After three 90-minute trips around the earth, the capsule will land near or in the Atlantic Ocean at a "recovery range."

The Chapel Hill course was geared to show the Astronauts just how the stars and planets would look once they achieve their orbit.

The seven men are Cooper, of Edwards Air Force Base, Calif.; Glenn, of New Concord, Ohio; Shepard, of Virginia Beach, Va.; Naval Lt. Malcolm S. Carpenter, of Garden Grove, Calif.; Capt. Virgil I. Grissom, of Enon, Ohio; Lt. Comdr. Walter M. Schirra, Jr., of the Patuxent, Md., Naval Air Test Center; and Donald K. Slayton, Edwards Air Force Base, Calif.

[From the Durham (N.C.) Morning Herald, Apr. 29, 1962]

TWO ASTRONAUTS IN CHAPEL HILL TO STUDY STARS

CHAPEL HILL.—Astronaut Scott Carpenter, scheduled for the next orbital flight around the earth, studied Saturday at Morehead Planetarium at the University of North Carolina.

Carpenter scanned the stars and the constellations that will be within his view when he is shot into space, probably the later part of May.

His stand-in, Wally Schirra, also took part in the study of the sky which shows on the large dome of the Zeiss instrument in the planetarium at Chapel Hill.

Carpenter and Schirra were accompanied to Chapel Hill and aided with their studies by Dr. Richard Dunham, a psychologist with the National Aeronautical and Space Administration, and Dr. Jocelyn Gill, a NASA astronomer. They also were assisted by the planetarium staff headed by Director Anthony F. Jenzano.

Dr. Gill, herself familiar with planetaria and their role in training men for space flight, said the visit of Carpenter and Schirra, as well as the previous visits by John Glenn, Alan Shepard and the other astronauts, is a regular part of the training of the spacemen.

Such information as derived from experience with the huge Zeiss instrument at Chapel Hill "is absolutely essential" in the training of the astronauts, Dr. Gill said.

She added that Morehead Planetarium also is "a most dependable place" for this type of training.

Col. John Glenn had occasion to call upon the information he learned at Chapel Hill in his recent successful flight, she said.

The day was spent by Carpenter and Schirra in collaboration with Morehead Planetarium personnel in depicting the position of the stars in the various phases of the projected orbital flight. The Zeiss instrument is able to simulate the view to be seen by the astronaut in flight in the coming orbit.

The astronauts were scheduled to return Sunday to Langley Field, Va.

NORTH CAROLINIAN RECEIVES KAESBEY AWARD

Mr. ERVIN. Mr. President, North Carolina is proud of the outstanding success in the field of quality education of its native sons and daughters. One example of this educational achievement was the awarding of a Kaesbey scholarship to Thomas H. Wright, Jr., of Wilmington, a June graduate of Princeton University. The scholarship is one of the highest honors to be given an undergraduate student in this country.

The scholarship is awarded each year to two, and sometimes three, students for 3 years' study, either at Oxford or Cambridge University in England. The recipient is permitted to make his choice of either of these two schools. Mr. Wright has elected to study at Cambridge University.

This year, only two students were selected—a graduate student from Columbia University and Mr. Wright, who is the son of the bishop of the diocese of eastern Carolina of the Episcopal Church, and Mrs. Thomas H. Wright, of Wilmington.

The Kaesbey scholarship is awarded upon the nomination of six college presidents and, differing from the Rhodes scholarship, which is awarded to young men in different areas of the country for 2 years' study, it covers 3 full years of education and travel overseas.

Thomas Wright, Jr., was educated in Wilmington at Tileston and Chestnut Street schools. He was offered a scholarship at Groton School in Massachusetts and, following attendance there, won a scholarship to Princeton. His activities at Princeton included winning his football letter, leadership in the Princeton Dramatic Club and the Princeton Chapel organization. During the summer of 1961, he studied in France under a Carnegie fellowship. His studies during the next 3 years will be in the field of international law.

We in North Carolina feel proud that of the two recipients of the Kaesbey scholarship for this year, one was a North Carolinian.

SENATOR LONG OF HAWAII

Mr. MUSKIE. Mr. President, in the closing days of this session, it is with regret that I contemplate the departure of the distinguished Senator from Hawaii, Senator OREN LONG. His reputation preceded him. I looked forward to his coming. It has been a privilege and a pleasure to welcome him. I have enjoyed serving with him in committee and in the Senate.

Senator LONG is a thorough gentleman of the old school—kind, considerate, understanding, and tolerant. In his view of life and of the world and of the problems which beset us, he is one of the youngest among us in his optimism and enthusiasm.

His reputation for dedication to his constituents and for hard conscientious labor in their behalf has been fully sustained by his work here. He has met the high standards of performance which the Senate and the country expect of Members of this body. I will miss him, and I sincerely hope that our friendship will continue through the years.

REVISED LEGISLATION TO CREATE AN INTERNATIONAL HOME LOAN BANK

Mr. SPARKMAN. Mr. President, on Tuesday of this week, the Senator from Florida and I submitted an amendment, in the nature of a substitute, to the bill (S. 582) to amend section 17 of the Federal Home Loan Bank Act and to amend section 5 of the Home Owners Loan Act of 1933, which was referred to the Committee on Banking and Currency and ordered to be printed.

I would like to point out to the Senate that this legislation is designed to meet one part of the serious housing deficiency which exists in newly developing countries without requiring appropriations from the United States, or involving any other cost to our Government. It would create an International Home Loan Bank through which the resources of private savings and loan associations in the United States may be made available to help mutual thrift institutions in newly developing countries organize and carry out the functions for which they were intended. The U.S. institutions would be permitted to invest up to a maximum of 1 percent of their resources, as would the home loan banks of the Federal Home Loan Bank System. These resources would be loaned by the newly created International Home Loan Bank to private mutual savings and loan associations and to central banks coordinating and supervising such institutions in selected countries. The purpose of the U.S. assistance is to provide the incentive and capacity for the local institution to promote voluntary local savings and thus ultimately to be able to meet fully their country's requirement for long-term housing credit. The result of these efforts will be to produce a program truly in conformity with the spirit and objectives of the foreign policy of the United States, and particularly of the Alliance for Progress in providing for a people-to-people, institution-to-institution relationship in which U.S. private capital, without Federal appropriations, is made available for long terms at low rates of interest, to help solve perhaps the most serious of social conditions which contribute to the unrest and misery of families in newly developing countries. The slums which infest urban centers of the world must be eradicated or ameliorated before any country is able to develop economically. Unless families who now live in subhuman conditions are given the opportunity, or at least the hope, that they will be able to improve the living standards for their children, U.S. efforts to strengthen Latin America against communism will be frustrated. The purpose of the proposed bill is to provide such a measure of hope and to do it without cost to the Government of the United States.

Mr. President, I am hopeful that the Congress will be able to take some action on this important proposal during the coming year. For this reason, I ask unanimous consent that the text of the revised bill S. 582 be printed at this point in the RECORD.

There being no objection, the text of the bill was ordered to be printed in the RECORD, as follows:

That this Act may be cited as the "International Home Loan Bank Act".

DEFINITIONS

SEC. 2. As used in this Act—

(a) The term "Bank" means the International Home Loan Bank incorporated under this Act.

(b) The term "Board" means the Federal Home Loan Bank Board.

(c) The term "member", except where used with respect to a member of a Federal home loan bank, means a member of the Bank.

(d) The term "stock" means capital stock of the Bank.

INTERNATIONAL HOME LOAN BANK

SEC. 3. The Board is hereby authorized and directed to provide without regard to any other provision of law, except section 4 of the Bretton Woods Agreement Act, as amended, and provisions hereafter enacted expressly in limitation of this sentence and except as otherwise provided by the Board, for the incorporation, organization, operation, regulation, and examination of a corporation to be known as the International Home Loan Bank, which shall be under the supervision of the Board and shall be operated under the direction of a board of directors as hereinafter set forth. The Board is hereby authorized to prescribe such bylaws, rules, and regulations as it may deem necessary or appropriate to carry out the purpose or provisions of this Act, and any function of the Board under this Act may be exercised by regulations or otherwise. The Board shall be guided by the Department of State on those two aspects of its operations affecting foreign policy, in order that the actions taken by the International Home Loan Bank shall be consistent with the foreign policy of this Government.

SEC. 4. (a) The board of directors of the Bank shall consist of (1) twelve persons who, at the time of taking office, are citizens of the United States, and who (except for the initial directors who shall be appointed by the Board) shall be nominated and elected by the members, and (2) two ex officio directors, one to be nominated by the Secretary of the Treasury, and one to be nominated by the Secretary of State, who shall serve as advisers to the Bank concerning matters coming within the interests of the Department of the Treasury or the Department of State. Persons serving on the board of directors shall receive no compensation by reason of their service as directors. Four of the initial directors appointed to the Board shall be persons who, at the time of taking office, are presidents of Federal Home Loan Banks. The Board shall fix the initial terms of persons appointed to the board of directors, and shall fix, and may, from time to time, alter other terms of appointive members of the board of directors, except that no such term shall be fixed for a longer unexpired period than four years. The nomination and the election of directors shall be in accordance with such provisions, including without limitation such provisions with respect to classification of members and the extent of voting rights of members and the exercise of such rights, as the Board may prescribe.

(b) The Board may provide as to (1) the eligibility and qualifications of persons for the office of director, (2) the selection and functions of a chairman of the board of directors, (3) the exercise, through meetings or otherwise, of functions of the board of directors or of any committee or body of said board or of the Bank, and (4) the nomination of directors where members fail to nominate and the appointment of directors in case of vacancies. Any function of the Board under this Act may be exercised by such person or persons as the Board may provide, and, to such extent as the Board may provide, but subject to such prohibitions, restrictions, and limitations as the Board may prescribe, any function of the Bank or of the board of directors or of the chairman thereof may be exercised by such person or persons as the Bank may provide. Any such function or any function under this Act may be exercised without regard to whether any place at which it is exercised in whole or in part is or is not within the United States or subject to the jurisdiction of the United States.

CAPITAL STOCK AND MEMBERSHIP

SEC. 5. The Bank shall have such capital stock as the Board shall prescribe, and such stock shall be issued, and may be retired, at such times, under such circumstances, and at such price or prices as the Board may prescribe. All stock shall be without preference or priority as to dividends or assets. Stock shall be evidenced in such manner, and shall be transferable only to such extent, to such transferees, and in such manner, as the Board may prescribe.

SEC. 6. (a) Subject to such restrictions, requirements, and exceptions as the Board may prescribe, (1) stock of the Bank may be purchased or otherwise acquired and held by any Federal home loan bank or any member of a Federal home loan bank, or any State chartered savings and loan association, or building and loan association authorized by the law of that State to be members of a Federal home loan bank, or any mutual savings bank duly chartered by any State and whose savings accounts are insured by an instrumentality of the Federal Government; and (2) while holding such stock any Federal home loan bank or any such member shall automatically be a member of the Bank.

(b) Notwithstanding and without regard to any provision of any other law, but subject to such restrictions, requirements, and exceptions as the Board may prescribe, legal authority to be a member of the Bank and to purchase or otherwise acquire and to hold stock, obligations, or other securities of the Bank is hereby conferred on any Federal home loan bank or any Federal savings and loan association, or any State chartered savings and loan association or building and loan association authorized by the law of that State to be members of a Federal home loan bank, or any mutual savings bank duly chartered by any State and whose savings accounts are insured by an instrumentality of the Federal Government, and on any other Federal home loan bank member, but nothing in this sentence shall (1) authorize any Federal home loan bank, any Federal savings and loan association or any State chartered savings and loan association, or building and loan association authorized by the law of that State to be members of a Federal home loan bank, or any mutual savings bank duly chartered by any State and whose savings accounts are insured by an instrumentality of the Federal Government, or any such Federal home loan bank member to invest any of its funds in the purchase of any such stock if, immediately after such purchase, the par value of the total amount of such stock owned by such Federal home loan bank, association, or member would exceed 1 per centum of the total capital stock, reserves, and surplus of such Federal home loan bank or 1 per centum of the assets of such association or such member; or (2) authorize any Federal savings and loan association or any such Federal home loan bank member, other than an insurance company, to invest any of its funds in the purchase of any such stock if, immediately prior to such purchase, its reserves and surplus are not at least equal to 5 per centum of its savings accounts.

OPERATIONS OF THE BANK

SEC. 7. (a) As used in this section, the term "foreign mutual thrift and home-financing institution" means an institution as to which there is outstanding a determination by the Bank that such institution (1) is a mutual institution, (2) has as primary purposes the receipt of savings and the financing of homes, and (3) does not have in the United States, or at or within any place subject to the jurisdiction of the United States, any office or agency, or any agent, for the receipt of savings or the making of loans, and the term "foreign home loan bank" means an institution as to which there is outstanding a determination by the Bank that such institution (1) is organized or incorporated by or under the laws of a foreign country and (2) has as a primary purpose the making of loans or advances to, or investments in, mutual institutions organized or incorporated under the laws of such country and engaged, or authorized to engage, in such country in the receipt of savings and the financing of homes.

(b) The Bank shall have (1) authority to invest in loans or advances to, or in shares, accounts, deposits, or certificates of indebtedness of, foreign mutual thrift and home financing institutions and foreign home loan banks, or in interests in any of the same; (2) all the powers and authority customary or appropriate to conduct an international banking organization to serve such institutions and banks; (3) authority to promote and assist in the establishment and development in foreign countries of mutual institutions having as primary purposes the receipt of savings and the financing of homes and the establishment and development in foreign countries of credit and financing facilities for such institutions; and (4) authority to make or procure such studies and investigations and such reports as it may deem to be necessary or appropriate to assist in the carrying out of the purposes or provisions of this Act. Funds of the Bank not invested pursuant to the foregoing provisions of this subsection may be invested in such investments as the Board may approve.

BORROWINGS AND SECURITIES

SEC. 8. (a) The Bank is hereby authorized, upon such terms and conditions as the Board may prescribe, to borrow, to give security, to pay interest or other return, and to issue notes, debentures, bonds, or other obligations, or other securities. The Bank shall not make any public offering of its obligations for sale, or sell any of its obligations otherwise than by private placement, except with the approval of the Secretary of the Treasury or his designee, but the provisions of this sentence shall not be applicable to any offering or sale confined to Federal home loan banks or Federal home loan bank members or both. Any obligation or security of the Bank shall be valid and binding notwithstanding that a person or persons purporting to have executed or attested the same may have died, become under disability, or ceased to hold office or employment before the issuance thereof.

(b) Obligations of the Bank shall be lawful investments, and may be accepted as security, for all fiduciary, trust, and public, private, or other funds the investment or deposit of which shall be under the authority or control of the United States, the District of Columbia, Puerto Rico, or any territory or possession of the United States, any public, private, or other corporation incorporated by or under any law of any of the foregoing, any county or municipality of any of the foregoing, any political subdivision of any of the same, any court or any corporate or other agency or instrumentality of any of the preceding, or any officer or officers, employee or employees, or agent or agents of any of the above. Nothing in the sentence next preceding shall authorize the investment of funds of any Federal Reserve bank in such obligations or securities, and nothing in said sentence shall authorize any national bank, in the exercise of any power vested in it pursuant to subsection (k) of section 11 of the Federal Reserve Act, as amended, to make any investment in contravention of any regulation of the Board of Governors of the Federal Reserve System issued pursuant to said subsection (k).

(c) Except as otherwise provided in this Act, no provision or requirement of or under any law relating to securities, securities exchanges, investment companies, or investment advisers, or relating to indentures or agreements, or proxies or powers, with respect to securities, shall be applicable to or with respect to any stock, obligation, or other security of the Bank.

MISCELLANEOUS PROVISIONS

SEC. 9. (a) (1) The Federal Reserve banks and the Federal home loan banks are hereby authorized to act as depositaries and fiscal or other agents of the Bank, and the Bank is hereby authorized to use them as such and to pay them compensation therefor.

(2) When designated for that purpose by the Secretary of the Treasury, the Bank shall be a depositary of public money, under such regulations as may be prescribed by the Secretary of the Treasury, and may also be employed as fiscal or other agent of the United States, and it shall perform all such reasonable duties as such depositary or agent as may be required of it.

(b) The Bank, with the consent of and in the discretion of any department, establishment, board, commission, or corporate or other instrumentality of the Government, including any field service, all of which are hereinafter referred to in this subsection as agencies, may utilize and act through any of said agencies and avail itself of the use of information, services, facilities, and personnel of any of said agencies, and may pay compensation therefor, and all of said agencies are hereby authorized, at their discretion, to provide the same to the Bank as it may request. Any expenses of the Board or of the Federal Savings and Loan Insurance Corporation in connection therewith, and any expenses of the Board in connection with the exercise of any function vested in or exercisable by the Board under this Act, shall be considered as nonadministrative expenses. Nothing in this Act or any other provision of law shall be construed to prevent or affect the appointment, employment, or provision for compensation or benefits, as an officer, director, employee, attorney, or agent of the Bank, of any officer, director, employee, attorney, agent, or member of any such agency.

(c) All notes, bonds, debentures, or other obligations of the Bank, or other securities (including stock) of the Bank, and the interest, dividends, or other income therefrom, shall be exempt from all taxation (except estate, income, inheritance, and gift taxes) now or hereafter imposed by the United States, by any territory, dependency, or possession thereof, or by any State, county, municipality, or local taxing authority. The foregoing exemption from taxation, except as to taxation imposed by the United States, shall include exemption from taxation measured by such obligations or securities or by such interest, dividends, or other income, and from inclusion of such obligations or securities, or such interest, dividends, or other income, in the measure of any such taxation.

(d) The Bank, including its franchise, activities, capital, reserves, surplus, and income, shall be exempt from all taxation now or hereafter imposed by the United States, by any territory, dependency, or possession thereof, or by any State, county, municipality, or local taxing authority, except that any real property of the Bank shall be subject to State, territorial, county, municipal, or local taxation to the same extent according to its value as other real property is taxed. Nothing in this subsection shall affect the applicability of the Public Debt Act of 1941, as amended. The provisions of this subsection shall be applicable without regard to any other law, including without limitation on the generality of the foregoing section 3301 of the Internal Revenue Code of 1954, except laws hereafter enacted by Congress expressly in limitation of this subsection.

PENAL PROVISIONS

SEC. 10 (a) Except as expressly authorized by statute of the United States or by regulations of the Board, no individual or organization (except the Bank) shall use the term "International Home Loan Bank" or any combination of words including the words "International" and "Home", as a name or part thereof under which any individual or organization does any business, but this sentence shall not make unlawful the use of any name under which business is being done on the date of the enactment of this Act. No individual or organization shall use or display (1) any sign, device, or insigne prescribed or approved by the Bank for use or display by the Bank or by members of the Bank, (2) any copy, reproduction, or colorable imitation of any such sign, device, or insigne, or (3) any sign, device, or insigne reasonably calculated to convey the impression that it is a sign, device, or insigne used by the Bank or prescribed or approved by the Bank, contrary to regulations of the Bank prohibiting, or limiting or restricting, such use or display by such individual or organization. An organization violating this subsection shall for each violation be punished by a fine of not more than $10,000. An officer or member of an organization knowingly participating or knowingly acquiescing in any violation of this subsection shall be punished by a fine of not more than $5,000 or imprisonment for not more than one year, or both. An individual violating this subsection shall for each violation be punished as set forth in the sentence next preceding this sentence.

(b) The provisions of sections 220, 658, 1011, and 1014 of title 18 of the United States Code are hereby extended to apply to and with respect to the Bank, and for the purposes of said section 658 the term "any property mortgaged or pledged" as used therein shall, without limitation on its generality, include any property subject to mortgage, pledge, or lien acquired by the Bank by assignment or otherwise. The terms "agency" and "agencies" shall be deemed to include the Bank wherever used with reference to an agency or agencies of the United States in sections 201, 202, 216, 283, 286, 287, 371, 506, 595, 602, 641, 654, 701, 872, 1001, 1002, 1016, 1017, 1361, 1505, and 2073 of said title 18. Any officer or employee of the Bank shall be deemed to be a person mentioned in section 602 of said title 18, within the meaning of section 603 of said title, and shall be deemed to be one of the officers or employees mentioned in section 602 of said title, within the meaning of section 606 of said title.

(c) The term "bank examiner or assistant examiner" as used in section 655 of said title 18 shall include any examiner or assistant examiner who is an officer or employee of the Bank and any person who makes or participates in the making of any examination of or for the Bank, and the term "bank" as used in said section 655 shall, without regard to any provision of said section with respect to membership or insurance, include the Bank and any institution examined by or for the Bank; and the last sentence of said section 655 shall not be applicable to said section 655 as extended by this sentence. The term "bank" as used in subsection (f) of section 2113 of said title 18 shall include the Bank, and any building used in whole or in part by the Bank shall be deemed to be used in whole or in part as a bank, within the meaning of said section 2113.

(d) The terms "obligation" and "security", wherever used (with or without the words "of the United States"), whether in the singular or in the plural, in sections 471 to 476, both inclusive, and section 492 of said title 18 are hereby extended to mean and to include any obligation or security of or issued by the Bank. Any reference in sections 474, 494, 495, and 642 of said title 18 to the United States, except in a territorial sense, or the Secretary of the Treasury is hereby extended to include the Bank. Section 477 of said title 18 is hereby extended to apply with respect to section 476 of said title as extended by the first sentence of this subsection (d), and for this purpose the term "United States" as used in said section 476 shall include the Bank.

(e) References in this section to sections of title 18 of the United States Code shall be deemed to be references to said sections as now or hereafter in force.

CONSTRUCTION AND SEPARABILITY

SEC. 11. Except as otherwise provided in this Act or as otherwise provided by the Board or by laws hereafter enacted by the Congress expressly in limitation of provisions of this Act, the powers and functions of the Board, the Bank, or the board of directors of the Bank shall be exercisable and the provisions of this Act shall be applicable and effective without regard to any provision of any other law. Notwithstanding any other evidences of the intention of Congress, it is hereby declared to be the controlling intent of Congress that if any provision of this Act, or the application thereof to any person or circumstances, is held invalid, the remainder of this Act, or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

Amend the title so as to read: "A bill to provide for the establishment of an International Home Loan Bank, and for other purposes."

Mr. SPARKMAN. Mr. President, on the same subject I should like to make reference to progress of housing programs of the Inter-American Development Bank.

In early 1961, the Congress appropriated $394 million to finance a Social Progress Trust Fund under the IDB for the purpose of providing capital and technical assistance to support efforts of Latin American countries in their social development.

Housing for low-income groups and community water supply and sanitation facilities are the principal uses of this Fund.

This week I received a letter from Mr. Stanley Baruch, Chief of Housing of the IDB, advising me of the progress of this program.

According to this report, within the past 12 months, $110 million of housing loans have been approved in 12 of the 19 bank-member countries. The loans which are now in process and which will probably be approved within the next 2 months will bring the grand total for housing to more than $158 million for 16 of the bank-member countries.

This is a fine accomplishment, particularly in view of the lack of precedents to guide the officials in carrying out the purposes of the program. Until recently, external financing for housing has been considered by the economic policy planners to be highly undesirable. It has required great effort to overcome this prejudice.

Over and beyond the approval of a large volume of loans, the Bank feels that there are many profound implications in the loan program which will help remove massive hemispheric housing deficiency. The financial assistance can expect to stimulate no more than several hundred thousand houses in Latin America, but the real impact will come from the institutional reforms and the mobilization of domestic resources which, in combination, will stimulate housing and urban development by the people themselves many times greater.

I congratulate the Bank for its successful activity so far and I wish them every success in their efforts to carry out this very worthwhile program.

COMPENSATION FOR CERTAIN WORLD WAR II LOSSES—CONFERENCE REPORT

The Senate resumed the consideration of the conference report on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7283) to amend the War Claims Act of 1948, as amended, to provide compensation for certain World War II losses.

UNANIMOUS-CONSENT REQUEST TO LIMIT DEBATE

Mr. MANSFIELD. Mr. President, it is my understanding that a yea-and-nay vote is desired on the adoption of the conference report. I understand further that Senators who will speak on the conference report feel they can complete their remarks within a half hour. These Senators include the Senator from New York [Mr. KEATING], the Senator from Illinois [Mr. DIRKSEN], the Senator from Nevada [Mr. BIBLE], and perhaps the Senator from Louisiana [Mr. LONG].

I ask unanimous consent that the debate on the pending conference report be concluded at 6:20 this evening and that a vote on the conference report be taken tomorrow at 1:30 p.m.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

The unanimous-consent agreement, later reduced to writing, is as follows:

UNANIMOUS-CONSENT AGREEMENT

Ordered, That on Friday, October 5, 1962, at 1:30 p.m., the Senate proceed to vote, by yeas and nays, without further debate on the question of agreeing to the conference report on H.R. 7283, further amending the War Claims Act of 1948. (October 4, 1962.)

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays on the conference report.

The yeas and nays were ordered.

ORDER FOR ADJOURNMENT UNTIL 11 A.M. TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in adjournment until 11 o'clock tomorrow morning.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

EXTENSION OF VETERANS' ADMINISTRATION GUARANTEED OR INSURED HOME LOANS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1649, Senate bill 3024.

The ACTING PRESIDENT pro tempore. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 3024) to extend the maximum maturity of Veterans' Administration guaranteed or insured home loans from 30 to 35 years.

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (d)(1) of section 1803 of title 38, United States Code, is amended by striking out "thirty years" and inserting in lieu thereof "thirty-five years".

EXTENSION OF TIME FOR LOANS FOR MASS TRANSPORTATION FACILITIES

Mr. MANSFIELD. Mr. President, I send to the desk a joint resolution and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. Is there objection?

There being no objection, the Presiding Officer laid before the Senate the joint resolution (S.J. Res. 235) to extend the time during which loans for mass transportation facilities may be made under title II of the Housing Amendments of 1955, which was read twice by its title.

The PRESIDING OFFICER. The joint resolution is before the Senate and open to amendment.

Mr. DIRKSEN. Mr. President, this joint resolution deals with the unexpended balances in connection with mass transportation. I understand that the funds would end for expenditure purposes on January 1. The joint resolution proposes to extend the time for expenditures until June 30 of next year.

The joint resolution has been cleared by the minority members who have an interest in this subject, and I have discussed with the chairman of the subcommittee, the Senator from New Jersey [Mr. WILLIAMS].

The ACTING PRESIDENT pro tempore. The joint resolution is before the Senate and open to amendment. If there be no amendment to be proposed the question is on the engrossment and third reading of the joint resolution.

The joint resolution (S.J. Res. 235), was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

That section 202(d) of the Housing Amendments of 1955 is amended by striking out "December 31, 1962" and inserting in lieu thereof "June 30, 1963".

CULTURAL CENTERS

Mr. JAVITS. Mr. President, there is on the calendar, Calendar No. 2222, S. 741, to provide for the establishment of a Federal Advisory Council on the Arts to assist in the growth and development of fine arts in the United States, which has been reported by the Committee on Labor and Public Welfare.

As bearing upon that bill, I have before me a very remarkable analysis of the fact that centers for the arts are rising in all parts of our country, in practically every State, and in a manner and with a plentitude which I do not believe Members realize until they see the information on them gathered together.

I ask unanimous consent that there may be printed in the RECORD, as a part of my remarks, a complete list of these cultural centers published in Back Stage in an article entitled "Lincoln Center Sparks 150 Cultural Centers." The article refers to the survey of cultural activities which was made by William A. Briggs for the city of Richmond, Va., in his report entitled "Night and Day" prepared for the city of Richmond, which deals with this whole subject.

There being no objection the article was ordered to be printed in the RECORD, as follows:

LINCOLN CENTER SPARKS 150 CULTURAL CENTERS

(By Allen Zwerdling)

The opening of the New York Philharmonic Hall, September 23d, the first structure in the Lincoln Center complex, marks the beginning of a new era in the entertainment industry.

Cultural centers are springing up all around the country. Other cities do not want to be left out in the cold in the arts boom and are making plans for their own centers. Some contemplate relatively elaborate facilities devoted to all the arts—Lincoln centers in miniature. Others contemplate specific uses such as music or the legitimate theater.

City governments are taking the lead in the revival of interest in the arts while the Federal Government has taken a back seat; continues to talk, introduces legislation which never gets out of committees, ballyhoos the National Cultural Center in Washington, D.C.

While most people expected President Kennedy to spur the arts movement when he took office, and he has expressed interest many times, the feeling today is that little can really be expected from the Executive Office. Senator JAVITS put it succinctly when he said recently, "The President could appoint an advisory council to the arts tomorrow if he wanted to. It wouldn't take any act of Congress." The President instead appointed August Heckscher as Cultural Coordinator and while there are many things that do need coordinating, in the 7 months that he has been in office, not one major (or even minor) step has been taken by Mr. Heckscher.

City governments have found that if they want a showplace, they must do it themselves. They can't even go to Washington for advice, much less help. Mistakes have been made and will continue to be made in the future since there is no central organization to coordinate activity. Local authorities have discovered however that under the urban renewal regulations, Federal funds can be diverted to help construct cultural centers.

Back Stage started gathering information about cultural centers around the country last year. In this day and age, we were amazed to find that there was no organization, group or agency that had bothered to record the hundreds of projects. The New York State Arts Council, purely as a service, offers advice to those cities that approach them. Norman Redman at the Lincoln Center acts as an unofficial center of information. ANTA has a few records.

Actually, the most complete survey of cultural activities was made by William A. Briggs for the city of Richmond, Va. A major part of the Back Stage story is based on the information gathered by Mr. Briggs in his report titled "Night & Day" prepared for the city of Richmond which requested the survey "to determine the feasibility of, and a recommended program for a cultural activity center with the civic center" of that city.

The survey also showed that comparable communities that had completed multimillion-dollar centers in the last 10 years include Columbus, Ohio; Louisville, Ky.; Portland, Oreg.; Omaha, Nebr.; Des Moines, Iowa; Jacksonville and Miami, Fla.; Albuquerque, N. Mex.; Spokane, Wash.; Nashville, Tenn.; Fort Wayne and Evansville, Ind.; Montgomery, Ala.; Austin, Corpus Christi and Lubbock, Tex.; Lincoln, Nebr.; Greensboro, N.C.; Columbus, Ga.; Winston-Salem, N.C.; Lansing, Mich.; Cambridge, Mass., and Utica and Rochester, N.Y.

Communities with advanced planning for centers were found to include Oakland, San Jose, and Long Beach, Calif.; Toledo, Ohio; Honolulu, Hawaii; Tulsa, Okla.; Providence, R.I.; Flint and Dearborn, Mich.; Nashville, Tenn.; Hartford, Conn., and Little Rock, Ark.

While many communities talk about arts centers and some have formed committees to work on the plans, Richmond is unique in that it ordered a thorough survey by professionals who gathered all the existing information, provided detailed analysis and charts, and then proved that there was an urgent need for a cultural, educational, recreational, and entertainment center which could and would be supported. The report points out that 70 cities, including 18 within the 200,000 to 400,000 population bracket, already have or are currently planning similar centers, with roughly 100 other localities contemplating such projects. In addition, hundreds of colleges and universities (Back Stage report Aug. 24, 1962) are becoming major centers for the performing arts.

Most important in the report is the emphasis on dollars and cents. Pointed out clearly is the fact that "we can only have a healthy business climate if we have a healthy community. We must strengthen the internal characteristics of the downtown business district by the construction of, or the encouragement of, facilities which will attract crowds, conventions, and big gatherings."

While Broadway continues to shrink and bemoans its fate, the rest of the country is looking forward to an arts boom never before contemplated in the history of the United States. By 1970, there will likely be 800 to 1,000 new theaters, auditoriums and/or cultural centers constructed in American cities and universities. Planning attractions, building audiences, coordinating activities, and convincing the public to make full use of these facilities is a dire necessity. Preparations on a national scale should be undertaken right now and one hopes that the League of New York Theaters will take some definite action since it is unlikely that the Federal Government will do so.

Listed below is the most complete report in existence on present and future cultural centers. There may be a few cities that have been omitted, but Back Stage, which has taken the lead in gathering all known information, welcomes new facts and figures which will be reported in future issues.

CULTURAL CENTERS OF AMERICA

Alabama

Birmingham: Their municipal auditorium was built in 1924 at a cost of over one-half million dollars.

Fairhope: An art center is being built in Fairhope by the Eastern Shore Art Association.

Gadsden: A cultural center has been announced.

Montgomery: The $3,150,000 Alabama State Coliseum seats 15,000 and was completed in 1951. It is used for mass meetings, conventions, exhibits, circuses, rodeos, and sports. The parking lot handles 4,000 cars.

Arkansas

Little Rock: Winthrop Rockefeller heads the drive to raise money for the Arkansas Arts Center in Little Rock. Over a half-million dollars has been raised for the project contemplated for MacArthur Park.

Pine Bluff: Within the planned civic center there will be a 3-unit National Guard armory containing 45,000 square feet of auditorium space.

California

Anaheim: Awaiting results of survey on community and convention hall.

Bakersfield: Has under construction a $5 million multipurpose auditorium: The concert hall seats 3,250; stage seats 800; arena seats 3,200. All three areas may be combined to seat 7,250 in one assembly. Additional areas include lobby (indoor displays), portola (outdoor displays), meetings and conference rooms, total auditorium capacity 8,120.

Berkeley: A 3,497-seat community theater and 628-seat little theater were completed in 1950 at a cost of over $3 million. They are maintained by the city school department. Assistant to the city manager Craig McMicken indicates that the University of California which is within the city limits of Berkeley acts as a constant source of cultural activities and important lectures of the day.

Fresno: The memorial auditorium was completed in 1935 for $4,500,000.

Glendale: For their new civic center there has been proposed a library and art center, a county building, a technical building, city hall additions, and parking facilities.

Long Beach: The municipal auditorium, containing a 1,332-seat concert hall, a 3,686-seat convention hall, and an exhibit-banquet hall of 17,000 square feet was supplemented May 1962 by an $8 million arena, seating 15,000. An immediate parking lot handles 3,200 cars.

Los Angeles: Three buildings are planned at a cost of $24 million. The county of Los Angeles donated the site plus $1,137,500 for architectural fees. Rest of the money is being raised by donations from funds and individuals, plus bond sales. For more information, contact the Music Center, 455 S. Lorraine Boulevard, Los Angeles 5, Calif.

The music center for performing arts, due to open in 1963, will have 3,310 seats.

A $10 million art museum now being planned will contain a 600-seat auditorium, a library, children's classrooms, and a cafeteria.

The forum and center theater building is final part of three building complex and funds are still not raised for it. A 2,000-car underground garage is to be built as part of the center.

Oakland: Oakland is constructing two downtown complexes of city, county, and State office buildings; one of these, the civic center, will contain a $6 million art gallery and a $2,500,000 parking garage. Outside the downtown area, a $15 million arena-stadium complex is planned.

Palo Alto: A future civic center will be planned around the city hall and a recently completed library building.

Pasadena: Their 3,000-seat civic auditorium contains an assembly hall seating 500 and 16,000 square feet of exhibit area.

Pomona: The five-stage civic center program, to be completed in 1980, calls for the construction of a museum, a library, a concert pavilion, outdoor assembly areas and city, county, State and Federal office buildings. A new auditorium will constitute part of the fifth stage. The center will provide room for expansion within the next 50 years. By use of murals, sculpture, mosaics, etc., fine art will be an integral part of the center.

Sacramento: A cultural center has been proposed as part of a 20-year development program. To ease the financing of the center, an existing theater may be converted into an opera house.

San Leandro: Plans for an art center have been announced.

San Diego: A $1,300,000 art museum addition is being planned.

San Francisco: Their civic center includes a library, city, State, Federal and commercial office buildings; several parking garages are planned. In the civic center are two auditoriums, an opera house, and two theaters.

San Jose: The civic center now contains three municipal office buildings; current $1,790,000 expansion program calls for the construction of two others. A $6,410,000 cultural center program will provide for an addition to the existing auditorium, built in 1938, a 2,500-seat theater, and a library-art museum building. Housing and Home Finance Agency of the Federal Government has granted an advance planning loan of $30,000 for preliminary plans for the theater.

Santa Ana: Included in the city's civic center are the recently completed police and library buildings and a proposed new city hall. The possibility of a new civic auditorium has been discussed, but immediate construction would have to be financed by private funds.

Santa Monica: The civic auditorium was completed in 1950 and cost $3,200,000.

Colorado

Boulder: Considering the construction of facilities for large public assemblies. A community cultural center containing a library and small assembly areas was completed in 1960.

Colorado Springs: The construction of a new theater-exhibit convention hall has been discussed here. Presently an auditorium and a theater are maintained by the Broadmoor Hotel.

Denver: Denver maintains an auditorium, an arena, and a theater.

Connecticut

Hartford: Within one of seven downtown project areas will be constructed a $3,600,000 arena, seating 6,500 and containing 50,000 square feet of exhibit space; the construction of several parking garages is planned. Hartford's existing facilities consist of a 3,500-seat auditorium and a theater.

Norwalk: Designed as the first new civic center building, a city hall is in the planning stage.

Delaware

Wilmington: The city is engaged in the preliminary planning of a civic center.

Florida

Fort Lauderdale: The War Memorial Auditorium (seats 2,472) completed in 1950, is a multipurpose building used for opera, boat shows, sports, etc.

Jacksonville: A $3 million arena (November 1960) seating 11,500; a $1 million art gallery (November 1961); and a 15-story city hall costing $5,200,000, plus a $4,500,000 auditorium and theater, seating 3,200 and 600, ready this year, are according to Mayor-Commissioner Hayden Burns, "projects that have been part of a $30 million municipal improvements program which has met with widespread approval throughout every segment of our community."

Lakeland: A new concert hall is planned.

Miami: A downtown renewal program to be completed in 1985 calls for the construction of a new governmental center, and a 36-acre trade-culture center, which will contain a theater, an amphitheater, music hall, and an art museum. Miami's two existing auditoriums are inadequate by themselves.

Miami Beach: The auditorium-exposition hall combination was constructed in 1950. The 3,534-seat auditorium is used for opera, ballet, theatricals, conventions, and sports. The exposition hall, which contains 108,000 square feet of exhibit area, seats 15,900. Parking is available for 8,500 cars.

Orlando: The municipal auditorium, constructed in 1926, cost $275,000. It provided parking for 1,200 cars. Cultural center and city hall are considered in future development.

Panama City: The 2,918-seat auditorium, adjacent to the city hall, is used for plays, concerts, and conventions. Its parking lot handles 1,500 cars.

St. Petersburg: A governmental arts center will contain a proposed 2,500-seat auditorium, a museum and new city, county, State, and Federal buildings. The auditorium will be used for theatricals, ballet, concerts, etc.

Winter Park: A combination theater, museum and concert hall is planned at a cost of almost $2 million.

Georgia

Atlanta: Henry J. Toombs, architect states that Atlanta has "* * * a 5,000-seat civic auditorium which is used for many purposes, but is inadequate or the wrong size for most of its uses." His firm has prepared preliminary plans for a performing arts center to be located in a central park. It will include a 2,300-seat music hall, a flexible 1,200- to 1,800-seat repertory theater, and a theater-in-the round.

In a recent citywide bond issue, one of the major projects contemplated was the performing arts center. The issue was defeated. One of the reasons may be the airplane crash in Paris last June resulting in the death of 124 members of the Atlanta Art Association, key people in the movement to establish the center.

One of the major plans afoot today is a "living memorial" to the lost members—a $1,500,000 private campaign for erection of a building to house the Atlanta School of Art.

Columbus: A municipal auditorium, completed in 1957, is used for concerts, lectures, ice shows, exhibits and conventions, and provides parking for 3,000 cars.

Savannah: The 2,090-seat auditorium-arena is being modified for permanent auditorium-type seating only. The recently completed National Guard Armory seats 3,000 for sports events.

Hawaii

Honolulu: A proposed theater-auditorium-convention facility will cost $8 million. The existing amphitheater seats 11,000. A public art display facility has recently been opened. In place of the old structures and slums in Chinatown, the Honolulu Redevelopment Agency hopes to build a cultural center on the banks of the Nuuanu Stream. Lee Maice, manager of the redevelopment body, believes that the center could be one of the islands' biggest tourist attractions. The redevelopment agency is stepping up its public relations program to get the project rolling.

Illinois

Chicago: Chicago's civil center will include such facilities as the art institute, an auditorium, a library, and a $3 million amphitheater. Adjacent to the civic center, which is scheduled for completion in 1963, will be a cultural center composed of eight buildings, with adequate parking facilities.

Robert W. Christensen, executive director, public building commission states "* * * the project does contemplate a substantial civic plaza which would provide open space, beauty and activity, in this congested part of our downtown area, both during working days and the hours of the evening; weekends and holidays.

"Plans for further structures of the civic center have not been developed; however, we feel the civic center project will stimulate thought and development possibilities for other things, such as a cultural center in the adjoining areas."

Peoria: A civic center containing a convention-exhibits building is being planned near the existing Player Theater which has 400 seats. Plans call for a $600,000 Lakeview center building.

Quincy: In January 1961, an announcement was made that the city planned to build an outdoor theater building as the first step in a series of centers.

Rock Island: The civic center consists of only one building and according to their mayor, "* * * the operation of same is presently in a state of turmoil."

Indiana

Fort Wayne: An urban renewal program encompasses the construction of a downtown arts center. Fort Wayne already has a theater, built in 1926, and an art museum, constructed in 1924.

Richmond: A downtown area has been set aside for development as a civic center.

Iowa

Cedar Rapids: A war memorial building, constructed in 1927, houses the city hall, the chamber of commerce, and a 3,190-seat auditorium, which contains 18,000 square feet of exhibit space.

Des Moines: The $5,400,000 memorial auditorium was erected in 1955.

Kansas

Topeka: The municipal auditorium was completed in 1939 at a cost of $1,100,000.

Wichita: A $12,600,000 civic center is being planned, with emphasis on exhibit and convention facilities. The existing Forum Arena seats 4,022.

Louisiana

New Orleans: To be located downtown, but outside of the city's recently completed civic center, is the proposed assembly center, consisting of a theater, a sports arena, an opera house-concert hall, and the existing 10,000-seat auditorium.

Maryland

Baltimore: A crash construction program is now underway at Baltimore's new civic center which is being readied for October 23. Benjamin C. Moore, executive director of the building which will occupy a full city block and will have a cost of some $14,500,000 upon completion, said the first scheduled event will be an ice hockey game.

On the following 7 evenings, programs will be offered to demonstrate the remarkable versatility of the air-conditioned center which is equipped to house sports competitions, large-scale theatricals, concerts, operas and other kinds of events simultaneously.

Ringling Brothers Barnum and Bailey Circus, the Royal Ballet of England (Sadlers Wells), the Ice Follies plus a list of attractions scheduled to appear at the Carter Barron Amphitheatre in nearby Washington, D.C., have also been booked for the heavily scheduled opening season.

In addition to their regular seasonal performances, both the Baltimore Symphony Orchestra and the Baltimore Civic Opera have booked extra civic center dates. Numerous other local professional and semiprofessional groups have expressed similar interests.

Facilities include a permanent stage measuring 55 feet deep, 120 feet wide behind the proscenium and 65 feet high with 60 counterweight sets. Ten thousand formfitting seats will be installed while an additional 3,000 such seats can be set up as needed in a portable elevated arrangement on the floor.

The auditorium, exhibition hall, banquet facilities, and meeting rooms will occupy the first of the civic center's four levels. The second level will contain another exhibition hall with additional meeting rooms. The third and fourth levels will contain still more meeting rooms. The civic center commission has provided built-in facilities for radio and television facilities and a press box.

With 3,500 parking spaces immediately adjacent the civic center is centrally located in downtown Baltimore and is convenient to hotels, stores, and restaurants. Airport, railroad, and bus services are easily accessible.

Because of the large capacity and flexible facilities which can cut operational costs, civic center officials will peg ticket prices at a level that potential audiences can easily afford. In some cases, admissions will cost less than half the amount usually set in smaller theaters and concert halls.

In addition to the variety of attractions previously mentioned, the Baltimore Civic Center is adaptable for meetings of all kinds, automobile or boat shows, dog and horse shows, moving pictures, antique shows, and numberless other events.

A few choice dates are still open for the first season of activities, Mr. Moore said. Inquiries should be directed to him at the executive offices of the Baltimore Civic Center, 307 Lord Baltimore Hotel, Baltimore 1, Md.

Massachusetts

Boston: Have in the planning stage a $12 million, 5,800-seat auditorium, plans for which are being altered to include facilities for opera and ballet. The building will contain a 900-seat small auditorium, an exhibit area of 156,000 square feet, and facilities for closed-circuit television.

Cambridge: Completed in 1957, $1,780,000 War Memorial Building, contains a 358-seat auditorium, an outdoor stage, and extensive exhibit facilities. The city's two high school auditoriums seat 1,500 each.

City Manager John J. Curry points out that with the presence in Cambridge of Harvard University and Massachusetts Institute of Technology, they have many cultural centers, lecture halls and theaters at their disposal. The $1,500,000 Loeb Drama Center at Harvard opened October 14, 1960. It has 588 seats.

Framingham: A permanent theater-in-the-round is planned.

Holyoke: War Memorial Building, located downtown, is used for theatrical and convention purposes.

Worcester: The Memorial Auditorium seats 3,500. A new library is being planned.

Michigan

Ann Arbor: Currently building a city hall which with their new county building a block away might form nucleus of civic center. Mayor Cecil O. Creal states, "We have no plan at the present time for a convention hall or an art center, but we do have a Civic Art Committee that is studying the entire plan for the area."

Dearborn: Dearborn's growing 50-acre civic center will include a $3,950,000 auditorium, seating 5,000. Already constructed are the safety and courts building and a $1,500,000 youth center.

Detroit: Within Detroit's 72-acre civic center is a brandnew $24 million arena, which has televising and kitchen facilities and seats 14,000. It was built as an addition to Cobo Hall, which offers an exhibit area of 400,000 square feet. Adjacent to the civic center is 2,960-seat Ford Memorial Auditorium, which was completed in 1956 at a cost of $4,770,000 and has a 750-car underground garage.

Flint: Flint's new 17½-acre civic center contains the following existing structures: five city office buildings, a little theater and a small auditorium for public health lectures. The cultural center will be composed of the little theater, a planned art gallery, and a planned $3,500,000 auditorium, seating 2,000. Three lots and an underground garage will handle parking.

Grand Rapids: Within a 230-acre rehabilitation area lie the planned civic center, costing $8,500,000, and the existing cultural center, composed of an auditorium, a theater, and an art gallery.

Jackson: A chamber of commerce committee has been studying civic center facilities for 2 years.

Kalamazoo: The 537-seat civic auditorium, located downtown, was recently supplemented by an annex housing a 275-seat small auditorium, kitchen facilities, and rooms for art classes. In the thinking stage is a new theater-exhibit hall combination, with adequate parking facilities.

Livonia: The new civic center will include an auditorium, a cultural center, and city and Federal office buildings. One thousand eight hundred and eighty parking spaces will be provided, including 820 incident to the auditorium.

Muskegon: The L. C. Walker Sports Arena seats 8,000 and cost $1,500,000. Mr. George S. Dellinger, arena manager states "* * * if we had it to do over again I know there certainly are a few changes that would be made. Some of the most important things are ample dressing rooms, parking for the participants in your events, small meeting rooms, restrooms that are large enough, etc."

Saginaw: The city's auditorium was built in 1908 and cost $1,310,000.

Sturgis: The 1,000-seat Sturgis-Young auditorium was completed in 1955 at a cost of $750,000. It is used for road shows and conventions.

Ypsilanti: $400,000 being spent on a new theater.

Warren: By 1980 the city's 30-acre civic center will contain a 3,500-seat auditorium for plays, concerts, lectures, and small conventions, a library, a youth center, city and county office buildings, and parking facilities.

Minnesota

Duluth: Duluth plans to build an arena-auditorium in the near future. Mayor E. Clifford Mork states, "We do not have such a building but we do have an urgent need for an arena-auditorium and are hopeful of having one in the near future."

Minneapolis: The $3,150,000 municipal auditorium was completed in 1927. The $2 million Tyrone Guthrie Repertory Theater is due to open May 7, 1963. It will have 1,400 seats, curtainless stage, very little scenery.

Rochester: The $450,000 Mayo civic auditorium, built in 1939, houses a 1,480-seat theater which is used for concerts and theatricals; and a 4,000-seat arena containing over 15,500 square feet of exhibit space. Its parking lot handles 300 cars.

St. Paul: The new $2,500,000 arts and science center contains a theater-in-the-round, an art gallery, and an art school. The city already has a theater and a building containing a 2,695-seat auditorium used for opera and concerts, a convention hall and a 13,000-seat arena.

New Jersey

Englewood: In northern New Jersey, there are plans for a 2,500-seat auditorium in Englewood, to be known as the North Jersey Music Center. The project is being developed by a group led by John Harms, choral director and impresario, who has brought various musical events to the Englewood High School in the last 14 years.

Trenton: Adjacent to the civic center now being planned, the State of New Jersey will finance construction of a cultural center, which will include a new auditorium, a library, a museum and the existing war memorial auditorium. New Jersey authorities have approved final plans for a $6 million cultural center in Trenton. It will be part of a larger capital development program planned for the area around the Statehouse. Ground-breaking should get under way in late October, according to State Treasurer John A. Kervick.

Newark: Included in a $7 million civic center to be financed under the Federal urban renewal program is a 7,500-seat coliseum. Newark now has one of the newest legitimate theater enterprises. A group headed by Dr. Thomas L. Bell, a local dentist, leased and refurbished the Newark Opera House, built in 1910.

New Mexico

Albuquerque: As the first building in the civic center, a 6,500-seat auditorium was completed in 1957; including parking for 1,200 cars. Cultural center and city hall are considered in future development.

New York

Albany: Discussing the construction of a theater-exhibit-convention hall.

Buffalo: Kleinhans Music Hall, seating 2,939 people, is located in a residential area. Miss Mildred E. Wolf, director, states their hall "* * * has only a platform stage which makes it impossible for us to have any major theatrical or operatic performances."

New York: The 14-acre $142 million Lincoln Center for the Performing Arts will include the 2,646-seat Philharmonic Hall, which opened September 23; the 2,801-seat New York State Theater, designed primarily for operetta and dance; the Metropolitan Opera House, seating 3,800; a building containing a 1,100-seat dramatic theater, a 299-seat rehearsal hall or small auditorium, a museum, and a library; and the Juilliard School of Music. An underground garage will accommodate 732 cars.

Long Island: A projected Long Island Arts Center in Nassau County will consist of auditoriums and meeting halls for the performing arts, as well as a permanent art gallery. A site for the cultural center is now under consideration by a committee under the chairmanship of Mr. N. E. Blankman, prominent businessman.

Rochester: The new 30-acre civic center, costing $50,000,000, will be ready in 1970. It will include the existing 10,000-seat auditorium and city, county, State, and Federal buildings. The auditorium contains 50,000 square feet of exhibit area, has closed-circuit televising facilities, and is served by a 1,400-car underground garage. In addition, a $25 million downtown shopping center is planned.

Rome: A $385,000 police and courts building is being constructed as part of a future civic center.

Saratoga Springs: Dr. Harold G. Wilm, chairman of the Saratoga Springs Commission and State conservation commissioner, announced plans for a performing arts center recently.

The center, to be financed by the State and by public contributions, would be incorporated into the expansion program now underway on the 1,200-acre Saratoga Springs Reservation.

The total cost of the center has been estimated at $2,400,000. The State has already approved the expenditure of $580,000 for site improvements—parking fields, roads, landsscaping and utilities—in 1963.

The remainder, funds for the construction of the auditorium, would be raised by the Saratoga Springs Committee on the Performing Arts. Its chairman is Newman E. Wait, Jr., of the Adironack Bank.

Work on the site would begin next spring, Dr. Wilm said. If funds for the auditorium are raised in time, the first performances could be given in 1964.

Plans, prepared by Herbert D. Philips, architect, show a fan-shaped, open-sided auditorium to seat 5,200, with room for 7,000 more on lawns surrounding the sides. The site has the shape of a bowl. A two-story backstage structure would contain dressing, rehearsal and storage rooms and a music library. An 80-foot-high gallery would hold scenery for stage sets.

Scarsdale: The Westchester Art Society hopes to build a $2 million art center. The society opened a gallery and headquarters on February 18 in a loft building at 35 West Post Road, White Plains. The immediate objective is to raise $50,000 to develop plans for a center that would house not only exhibits in the visual arts but also such activities as those of the Orchestral Society of Westchester, the Westchester Dance Council and the Westchester Children's Players, Inc.

Schenectady: As a part of a comprehensive program, a location plan for a civic center has been completed.

Syracuse: The $2,350,000 civic center, to be ready in 1970, will be arranged around a governmental plaza covering 14 acres. The cultural group will include a music hall, an art museum, and a fine arts center. Parking for the center will be provided by 3 multilevel garages. A 9-month survey was concluded in 1960 which set up criteria and initiated this project.

Utica: A $4,452,000 auditorium was completed in 1960. The city also has a theater used for theatricals, opera, ballet, and concerts. The recently completed Munson-Williams-Proctor Art Institute Building contains a museum, a 271-seat auditorium, and an art school for children and adults.

White Plains: The Westchester County Center contains a 4,000-seat auditorium for ballet, opera, circuses, conventions, exhibits, and sports; a 500-seat theater for children's plays, chamber music, dances, and small conventions, and exhibits; workshop and arts and crafts facilities; and an 18,000-square-foot exhibit hall.

North Carolina

Asheville: Five hundred thousand dollars is being spent for a new theater.

Durham: Proposed civic center will include city, police, fire and administrative offices, and eventually a new city hall. Mr. Paul W. Brooks is director of planning.

Greensboro: The $4 million auditorium and coliseum building houses a 2,439-seat auditorium, used for opera, concerts, musicals, theatricals, and conventions; a 10,000-seat arena; a small assembly hall seating 300; kitchen and workshop facilities; and the city hall. The parking lot accommodates 5,000 cars.

Raleigh: The city plans to recondition an existing auditorium.

Winston-Salem: Location plans for a new civic center completed. The James Gordon Hanes Community Center Building, located outside the downtown area, houses the Winston-Salem Arts Council, which has arts and crafts facilities and a 420-seat theater.

North Dakota

Bismarck: Two existing municipal buildings fall within the category of theaters and convention halls. Contemplating a new civic center within the next few years.

Fargo: Civic Memorial Auditorium was erected in 1959 at a cost of $2,100,000.

Oklahoma

Oklahoma City: Municipal auditorium was completed in 1937 at a cost of $1,200,000. A combined arts and science museum is now going up.

Tulsa: A $28,300,000 civic center covering a 12-block area, will include museums, a private social service agencies building, and city, county, State and Federal office buildings. In the nearby assembly center there will be a $2,900,000 auditorium seating 14,000, a $1,023,000 exhibit hall of over 51,000 square feet, a 2,500-seat theater costing $2,383,000, and a $535,000 assembly hall seating 500. The complex would be served by an underground garage.

Ohio

Cincinnati: A downtown redevelopment program is in the preliminary stage in Cincinnati.

Columbus: In 1955 Columbus completed construction of its auditorium at a cost of $6 million.

Dayton: In addition to city, county and commerical office buildings, Dayton's 60-acre civic center will include a 10,000-seat arena, which will contain an exhibit area of 50,000 square feet.

Toledo: New civic center buildings to be included in a $30 million urban renewal program are a $5 million city-county building and a $6 million, 3,000-seat auditorium, which would be connected to the civic center by an elevated mall and would have parking facilities for 1,500 cars. Proposed parking garages will nearly surround the central core and civic center.

Warren: The $1,400,000 Packard Music Hall seats 2,500. It is an arena-type building with stage, and is used for concerts, dramatic shows, conventions, etc. Mr. Gould Stewart, manager, states "The lighting and sound system are the very best. The building is air conditioned, and we have perhaps America's most exciting summer theater, "Kenley Players", attendance ranging between 18,000 to 20,000 each week for 14 weeks during the summer. Seating capacity is 2,500.

Pennsylvania

Bethlehem: Mayor Earl E. Shaffer states "We are planning a civic center for this city and have selected and obtained the site. However, we are not at all certain that our studies of space requirements have been adequate, nor are we sure the design of structures cannot be improved. Consequently we are engaging in a restudy of these matters before bringing the project to final stages."

Harrisburg: Irving Tilson, New York City theatrical producer, plans to convert an upstate park into a site for classical and cultural entertainment. He intends to start work in the near future on the development of the Musical Island project on the site of the former Edgewood Park, near Shamokin.

Tilson said the first step in the undertaking would be formation of a new company to be known as the Pennsylvania Corp. of Musical Island. When completed Musical Island is expected to become the nucleus of a steady flow of tourists and vacationists to that area of central Pennsylvania adjacent to Shamokin.

Among the plans for Musical Island will be some of the following:

A 3,000 seat, arena-proscenium combination theater especially designed for musical productions. A plurality of lobbies, serving as a shopping center for the arts, will surround the auditorium; the theater building will also have a fully equipped, up-to-date recording studio.

School of the Theater, Dance, Modeling.

Amphitheater: A 600-foot-wide section of the bank of the lake on the property, with its natural sloping, will be utilized for the construction of an outdoor amphitheater of approximately 4,000 seats.

A modern restaurant building, plus sidewalk cafes for mild weather use to accommodate 500 diners, an open-air cafe accommodating 300, with an open stage for after-theater entertainment, cabaret-style, an extra-large dance ballroom and musical pavilion to accommodate 1,000 people, and various sport fields and game areas are among the many other facilities contemplated.

Philadelphia: The new civic center will include the existing city hall and a 21-story municipal services building. A $1 million plan to improve an existing summer theater and erect a cultural center, containing a children's theater, rehearsal hall, and housing for actors, would double the annual earnings of the playhouse. A new exhibit hall is being planned to cost $10 million and will include parking.

Pittsburgh: Preliminary studies now underway for a $22 million civic arena, seating 13,640 and located in a 95-acre redevelopment area has parking for 1,700 cars. The Pittsburgh Playhouse Building, built in 1934, contains a 597-seat theater, a little theater seating 342, and a 68-seat "theater upstairs." It is one of the most active in the country.

Rhode Island

Providence: A $28,347,000 civic center, to be completed by 1970, will be constructed on a raised platform with parking for 400 cars beneath and will include a $3 million cultural center. A heliport, city, State and Federal office buildings are also included. The cultural center will contain a theater for concerts, road shows, etc., and an arena for cultural exhibits. A separate convention-amusement center, containing a 10,000-seat arena and an exposition hall is also planned. Both centers will be served by a $1,600,000 parking system.

South Carolina

Greenville: The memorial auditorium was completed in 1959 at a cost of $1,750,000.

Spartanburg: A $1,200,000 structure containing a 3,406-seat auditorium and a 2,500-seat arena was completed in 1951. Parking is provided for 502 cars.

Columbia: Plans have been drawn for a civic center which will include a flexible auditorium seating 2,600 or 1,800, an exhibit area of 75,000 square feet, and permanent parking for 4,400 cars. This will be connected by air-conditioned walkway to a coliseum.

South Dakota

Sioux Falls: A $1,480,000 arena, seating 9,950, is being built as part of an 80-acre civic center.

Tennessee

Chattanooga: A site has been selected for their new civic center, which will incorporate an auditorium, a theater, a library, and city office buildings.

Memphis: A $32,764,000 civic center, to be ready in 1968, is being planned around the existing auditorium, and will include a new theater and new city, county, State, Federal and commercial buildings—$5,325,000 will be spent for parking lots and garages. Outside the civic center a new 10,000-seat arena will be used for ballet, symphonies, horse shows, conventions, and sports. Mr. Fred W. Davis, director, Memphis and Shelby County Planning Commission states, "The civic center plan calls for construction in the future of a theater which could be used as a cultural center."

Nashville: Now under construction is the $5 million municipal auditorium seating 10,400. An exhibit hall on the lower level contains 65,000 square feet of space, and an underground garage handles 500 cars. A $250,000 children's theater building was added to an existing children's museum in 1960. There are 696 seats in the theater and Mrs. George R. Hill, president, Nashville Children's Theater, reports, "We give 75 performances of our plays ourselves; this will increase next year. We also rent our facilities for some 12 to 15 performances by dance groups, etc. * * * The children's museum uses it for 20 lectures. * * * The Nashville Children's Theater is completely responsible for its operation and its financing. The city plays no part in policy, operation, or maintenance. * * * Yes, an increase in cultural activities. We now run a trouper school for children with classes in acting and creative dramatics, winter and summer. Our ticket sales have increased from 5,000 to 13,000 in 2 years' time. * * * The museum fills the auditorium which is twice their previous size."

Texas

Abilene: Considering the construction of a downtown civic center incorporating an auditorium and city office.

Austin: The $3 million municipal auditorium, completed in 1958, seats 4,500 and contains 95,000 square feet of exhibit space. Parking is available for 3,600 cars.

Corpus Christi: The memorial coliseum and exposition hall were completed in 1954 and cost $1,800,000. The coliseum seats 5,575 and the two facilities offer over 64,000 square feet of exhibit space when combined. The city also makes use of an 1,800-seat college auditorium.

Dallas: The unique Dallas Theater Center contains 444 seats and was designed by the late Frank Lloyd Wright and completed in 1960 at a cost of $900,000. It has televising and workshop facilities. The memorial auditorium, located downtown, seats 1,770 and provides parking for 1,100 cars.

El Paso: The existing auditorium will be supplemented by a new assembly center containing a convention-exhibits building and a theater.

Fort Worth: The elaborate Gruen plan calls for adjacent civic and cultural centers, to be ready in 1970. Parking for the downtown area will be chiefly handled by six major garages. An auditorium-theater-convention center exists outside the downtown area in a park setting.

Houston: Already existing within the 138-acre civic center, for which plans are not yet complete, are the Sam Houston Coliseum and music hall and a library. Planned are a new auditorium, a cultural center, and city and Federal office buildings. Alley Theater may move into new $2 million theater in 1964.

Lubbock: Built in 1956, a $2,500,000 structure contains a 3,023-seat auditorium and a 12,000-seat arena which offers over 42,000 square feet of exhibit space. The parking lot handles 2,000 cars.

Odessa: The $1 million Ector City Coliseum was completed in 1955 and will be part of a big proposed cultural center.

San Angelo: The San Angelo Coliseum cost $1,100,000.

San Antonio: The city's existing facilities consist of an auditorium, an arena, two small auditoriums, and two other assembly areas. It has no plans for new facilities.

Waco: A civic center is being planned.

Utah

Salt Lake City: A new civic arena has been proposed. The new theater will cost $1,250,000.

Virginia

Fairfax County: A 700-acre area near Tyson's Corner in Fairfax County, Va., may be developed as a cultural center.

Hampton: Their proposed cultural center, to be located in a central park, will include an auditorium, an art center, a museum, an amphitheater, and ample parking facilities.

Norfolk: Outside the city's civic center, but located downtown, is the municipal auditorium-theater. Also located downtown is a recently completed hotel with convention, banquet, and closed-circuit televising facilities.

Richmond: A major center is being planned and is completely outlined in the report "Night and Day, Richmond, Va." As indicated in the foreword to this story, most of the information in this Back Stage article was derived from the Richmond survey.

Roanoke: A building containing a 2,500-seat auditorium and a 6,500-seat arena has been proposed.

Washington

Seattle: The 74-acre civic, cultural, and recreational center on the site of the 1962 World's Fair includes an opera house seating 3,100; a $2,500,000 concert-convention hall (converted from the existing civic auditorium) seating 3,500 and closed-circuit televising facilities; an arena; and a $1,250,000 building containing an 800-seat theater and a 40,000-square-foot exhibit hall.

Tacoma: A proposed 6,000-seat auditorium, to be centrally located, will be used for concerts, ice shows, and sports. A parking lot will handle 1,500 cars.

Washington, D.C.

The architectural plans for the National Cultural Center were revealed in Newport, R.I., September 11, by Edward Durel Stone to Mrs. John F. Kennedy and a group of distinguished citizens. To be built on the east bank of the Potomac River in Washington, D.C., the National Cultural Center will include a 1,200-seat theater, a 2,750-seat symphony hall, a 2,500-seat hall for opera, musical comedy and ballet. The Center also will include meeting rooms and other facilities for the performing arts, all within one building.

The building, which is estimated to cost $30 million, will be erected, starting next year, on a 13-acre park site in accordance with the National Cultural Center Act of 1958.

A dinner featuring a closed-circuit telecast, "An American Pageant of the Arts," with Leonard Bernstein as host and commentator, will be held November 29 in the ballroom of the Americana Hotel to open New York's participation in fundraising for the National Cultural Center.

Wisconsin

Green Bay: Their $2 million Memorial Arena was completed in 1958.

Madison: The city of Madison had a contract * * * to erect an auditorium to be used for conventions, trade shows, with a small and large theater for local productions and road shows, meeting rooms, etc., not to exceed $4 million plus $1,500,000 for parking facilities in connection herewith. Bids were opened but the lowest cost arrived at by the common council was for $12,200,000 * * *. At the present time the matter has not been resolved.

Milwaukee: Within the city's civic center a $4,500,000 arena seating 13,000 was added in 1950 to the 6,000-seat auditorium, built in 1909.

Wyoming

Laramie: A cultural center has been announced.

COMPENSATION FOR CERTAIN WORLD WAR II LOSSES—CONFERENCE REPORT

The Senate resumed the consideration of the conference report on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7283) to amend the War Claims Act of 1948, as amended, to provide compensation for certain World War II losses.

Mr. KEATING. Mr. President, for more than a decade, Congress has been wrestling with the difficult problems of compensating Americans for the damages they suffered during World War II. Approval of this conference report will go far in according a measure of justice to tens of thousands of Americans who have been waiting patiently all these years for a settlement of their claims.

The conference report reflects the overwhelming sentiment in both Houses in favor of paying these claims as early as possible out of the war claims fund established for this very purpose. We have retained in the bill the provisions for payment to the victims of the Athenia tragedy. We have recognized the inadequacy of the previous program for claims against Hungary by including equitable provisions for the payment of such claims in this measure. We have also retained the amendment which I offered in the Senate for the settlement of heirless property claims and the use of this money for the relief and rehabilitation of the victims of Nazi persecution who have found new life and hope in the United States.

I am also pleased by the retention of the Senate amendment for the sale of the General Aniline & Film Co. I am confident that any legal proceedings challenging the sale of GAF under the provisions of this amendment will be concluded promptly, and that before long this company will be restored to private enterprise and allowed to develop to its full potential as a major part of the American economy.

I can report to the Senate that there is great satisfaction—I might say rejoicing—with this provision among all the labor, management, and civic groups which have an interest in the welfare of the communities in which this company operates. I predict that once this company has been freed from the shackles of Government ownership and control, it will achieve unprecedented prosperity and will provide many new opportunities for employment for thousands of Americans.

Mr. JAVITS. Mr. President, will my colleague yield?

Mr. KEATING. I yield.

Mr. JAVITS. I think this is really an occasion when a Senator ought to be congratulated. This fight was started by my colleague from New York back in the days when he was a Member of the other body. He has faced unbelievable obstacles from powerful interests. Only we who have dealt with them know how powerful. But my colleague has come out on top. His judgment has been vindicated in a manner which is especially important to our State, where some of the very large plants of General Aniline are located.

I sincerely hope that the conference report will be approved. I do not believe it is premature to express the hope. Therefore, I call attention to the signal service to our State and Nation which has been rendered by the Senator from New York, and which has reached its fruition in this conference report.

Mr. KEATING. Mr. President, I appreciate the remarks of my colleague from New York, but I must say that nothing could have been accomplished without the aid of good allies, such as my own colleague from New York, who cosponsored the proposed legislation and has been "in there pitching" for it in every respect.

Mr. JAVITS. I thank the Senator.

Mr. CASE. Mr. President, will the Senator from New York yield?

Mr. KEATING. I yield.

Mr. CASE. I, too, wish to add my word of appreciation, commendation, and thanks to the junior Senator from New York. I congratulate him upon the successful culmination of a long and difficult task, one which will mark, as many other accomplishments will, the success of his representation of his State, and one for which the people of New Jersey will be most grateful to him, particularly the people of my old congressional district, where one of the large plants of the General Aniline company is located.

I have been concerned for a long time about getting this plant back into private hands and into active, effective, vital competition in the business world. The people who work in the plants, the minority owners of stock, the management, the State, and the community will long be grateful to the Senator from New York for his help in having the bill passed.

Mr. KEATING. The Senator from New Jersey is generous in his compliment. I appreciate it. I must say to him, as I did to my colleague from New York, that it was only because all of us "pitched in" together that this result has been possible. The Senator from New Jersey has been most helpful at all times. Again and again he has raised his voice in favor of the General Aniline amendment. I express my gratitude to him for engaging in the fight to achieve enactment of this provision.

Mr. CASE. I thank the Senator from New York.

Mr. KEATING. Mr. President, although the Senate will not vote on the conference report, under the unanimous-consent agreement, until 1:30 p.m. tomorrow, I feel certain that my statement about the report is not premature. I feel confident that the conference report will be adopted.

Mr. President, nothing in the proposed legislation will affect the rights of the German property owners as against the Federal Republic of Germany.

Article 5, chapter 6 of the Bonn Agreements of 1952 provides:

> The Federal Republic shall insure that the former owners of property seized pursuant to the measures referred to in articles 2 and 3 of this chapter shall be compensated.

This refers to German property owners whose assets in this country were vested and liquidated and the proceeds deposited in the War Claims Fund. The claims against the Federal Republic of Germany of the Liquidators of I. G. Farben who share the view of the Justice Department that General Aniline & Film is German, not Swiss, would not be affected in any way by this legislation.

My only regret at the outcome of the conference was our failure to agree to more equitable provisions for the consideration of claims by Americans who were not citizens at the time of their losses or imprisonment. It has always been my view that all Americans should be treated equally regardless of the date of their naturalization. The administration, however, was strongly opposed to the inclusion of any so-called later nationals in this program, and the House had rejected amendments offered for this purpose during the consideration of the war claims bill in that body. Despite these considerations, the conferees, in my judgment, would have been willing to write into the bill specific provisions for the payment of claims of later nationals as provided in the Senate bill out of any funds remaining in the war claims fund after the payment of the other awards certified by the Commission. We were advised, however, that the House Parliamentarian believed that any such provision would subject the bill to a point of order. To avoid this hazard, we agreed to express this principle in the conference report as a guide for future consideration of such claims.

The conference report expresses the "understanding that in the event there remains a balance in the War Claims Fund after the payment in full of claims provided for under this bill, consideration would be given to legislation providing for payment to these categories of persons [later nationals]." It is my intention to propose such legislation early in the next session of Congress. In the interim I hope that the Foreign Claims Settlement Commission will carry out with dispatch the recommendation of the conferees that the Commission make an estimate of the amount of claims that would be involved under such legislation.

Mr. President, before I conclude I must express deep appreciation to all the other Senate conferees.

I wish to speak particularly of the work of the distinguished Senator from Louisiana [Mr. LONG]. He has been most faithful and diligent in his work on the conference report. He has been a firm ally in the cause in which, in this case, we see eye to eye. He has been an effective legislator in every sense of the word; and I express to him my personal, deep appreciation for his cooperation.

Also, Mr. President, the distinguished Senator from Nevada [Mr. BIBLE] has been most helpful, and was a tower of strength in the conference, where a good many questions arose, and where the conferees were not in complete agreement. To him, also, I express my gratitude for his assistance.

Finally, Mr. President, our distinguished minority leader, the Senator from Illinois [Mr. DIRKSEN], was most cooperative. I believe there are certain provisions of this measure with regard to which he has some reservations. On the other hand, I believe he enthusiastically supports other parts of it. Of course he will speak for himself. But no one could ask for a more cooperative conferee or one more ready to listen to the views of others than our distinguished minority leader.

I respect the views of the chairman of the Trading With the Enemy Subcommittee of the Judiciary Committee. He has always opposed the principle embodied in this legislation. I am sure he has done so in good conscience and out of the depth of his own convictions. He declined to sign the conference report, and of course that is the course he should have pursued, in light of the convictions he entertains. To him I express, as a minimum, my appreciation for not unfairly encumbering the consideration of the report, and for cooperating in bringing this measure to a vote, in order that the Senate might work its will on the proposed legislation.

I believe we have brought back to the Senate a measure which deserves the support of every Senator who is sincerely interested in fair and equitable settlement of the war claims problem; and I strongly urge that the report be agreed to when the roll is called tomorrow.

Mr. DIRKSEN. Mr. President, several years ago it fell my lot to become chairman of the subcommittee which has jurisdiction of the entire series of questions in connection with the Trading With the Enemy Act. It was not a particularly happy assignment; certainly it proved to be most confining. Furthermore, I suppose much of my frustration arose from the fact that the basic law in this field involved a change in the basic American philosophy. It called for expropriation, rather than custodianship; and that change in our basic philosophy bothered me a great deal. I saw the possibility of real trouble in the days ahead; and now I have lived to see certain developments in this hemisphere, as well as elsewhere, under which American property is expropriated and the amount of money provided by way of compensatory damages is virtually nil. Very recent developments in that field certainly are disturbing; and I am sure that some of them are but overtones of the completely new philosophy which we embraced in that field. But it was there, and we had to deal with it; and it has become a source of annoyance, because some 17 years after V-J Day there are in the Department of Justice 41 employees who are working on alien enemy property, in addition to those who are identified with the War Claims Commission. That is an unhappy situation, to say the least.

So we are confronted with a condition, not a theory. What is particularly disturbing is the explicit language of the statute that the vested property in litigation shall not be disposed of until the litigation has been concluded; and the largest properties—namely, the General Aniline & Film properties; moneymakers, to say the least—are the ones that are in litigation because of the constant intercession on the part of the Swiss Government, diplomatically and otherwise, which is insisting that it has some interests and rights where Swiss nationals are involved. That gives me trouble.

As a lawyer, I am expected to look at a statute, interpret it as best I can, and come to a conclusion. If the language is explicit and if it admits of only one construction, whether that be strict or liberal, one is expected to abide by it.

In this particular case the basic statute is most explicit on that point. Yet, Mr. President, what shall we do? Shall we go on and on, and maintain in the Department of Justice a cubicle of people who are dealing with this subject; or shall we at long last say, "Let us go ahead and sell it, or authorize the Department of Justice to sell its shares, escrow the funds, make the funds available to any contender before any proper court, and see what happens."

But if the contender happens to want the property, not the money, that puts the matter in quite a different light; and that is the difficulty with which we have had to deal all these years.

So I am unhappy about the situation. But I have affixed my name to the conference report, to see what will happen.

I have followed this subject rather closely for many years. It ,is highly complicated. I know that the attorneys who have handled the Swiss interests have been through the courts time and time again, beginning with the district court, and going to the appellate court, and then to the Supreme Court, and back again. Yet Mr. President, when one is confronted with a court order which requires that he comply at a given date with the order of the court, by producing thousands of documents which one cannot procure, because the Swiss Government will not release them, counsel in the case is in real difficulty, through no fault of his own. The difficulty is that by the interdiction of a foreign government, he cannot produce the documents which the court has ordered produced. That, too, is a rather unhappy situation.

I have lived through this process for a long time.

Perhaps it is just as well—now that this question has been before us for nearly 20 years, since this property was vested—that we now decide to go along and see what will happen. I think there is every reason to believe that that particular point will be constitutionally challenged in the courts; and if it is, the property will once more be within the bosom of Congress itself.

So I will go along with the report, in the hope that at long last this vestige of what I think is a wholly mistaken policy—which already is producing some rather unhappy ghosts in various parts of the world—will finally come to an end.

Mr. LAUSCHE. Mr. President, will the Senator from Illinois yield?

The ACTING PRESIDENT pro tempore. Does the Senator from Illinois yield to the Senator from Ohio?

Mr. DIRKSEN. I yield.

Mr. LAUSCHE. Does the report provide that the property shall be sold before there is adjudication by the courts, and the proceeds of the sale impounded?

Mr. DIRKSEN. Yes; and the proceeds will be available to whoever may be the successful contender in court. It is the best we could do. This could go on for another 10 or 15 years, so long as the litigants have money to spend and are willing to spend it on the conviction that they have a case and so long as they are determined to make it.

Mr. LAUSCHE. I understand that the Senator from Illinois is of the opinion that what has been recommended by the conferees might, in a measure, constitute illegal disposition of the property, and that therefore litigation will be had on this particular measure. Is that correct?

Mr. DIRKSEN. I would prefer to answer the question in this way: As a lawyer, the item makes me very unhappy, but it must finally be construed and disposed of, of course. There may be circumstances, of one kind or another, of which either I am not aware or which may have a different effect upon the logic and thinking of the court than they would have upon the minority leader.

Mr. LAUSCHE. The Senator from Illinois had in mind that the persons especially involved may assert that they want the property instead of the money. Is that correct?

Mr. DIRKSEN. That is correct.

Mr. KEATING. Mr. President, will the Senator yield on that point?

Mr. DIRKSEN. I yield.

Mr. KEATING. The Deputy Attorney General who appeared before us urging this legislation said that it was estimated that approximately 4 months would be required to prepare for a sale after the bill was enacted.

We recognize that lawyers representing the Interhandel interest are likely to bring an action within that 4-month period to enjoin a sale. The Deputy Attorney General felt the litigation could go to the Supreme Court and be disposed of within a 1-year period, whereas if this bill is not enacted, neither he nor any of us will know how long GAF will be in litigation.

Mr. DIRKSEN. One of the difficulties is a complete change in our basic approach to alien property. Starting with Alexander Hamilton, the whole American concept was to make this country the custodian of the property, and then, when the conflict was over, to dispose of it on the basis of return. But in the basic Alien Property Act, we take the approach of confiscating the property. In other words, we vest the property and then sell it. The proceeds can be impounded. Many things can be done with it. Those who have been disabled in combat can be compensated. Losses of American holdings in the conflict can be compensated for. This is a change, and at some time the whole question will have to be resolved, because the evil and ugly head of expropriation is beginning to raise itself. Within our own hemisphere, and also in the Middle East and other places, we shall have to contend with it, because the United States has more property located in countries throughout the world than has any other country. If we impound, they can do to us what Castro did to us in Cuba. Then what? My understanding is that the 20-year bonds with which they are going to pay the American property owners have not yet been printed.

Mr. LAUSCHE. I spoke on that subject yesterday. I think when we allowed Castro to confiscate, we set the example for other nations to follow. Following Castro's expropriation of American property there were similar instances in certain countries. Honduras is the last one. It occurred in Brazil. It will continue to occur.

I regret to see that some of our officials have been urging expropriation, with a lofty purpose in mind, but the result is that other nations, believing that Castro got away with it, will follow. It is in the air in our Western Hemisphere—"Expropriate American property. Pay them according to your judgment. Nothing will be done about it." That is not sound.

Mr. MILLER. Mr. President, will the Senator yield at that point for a brief comment?

Mr. LAUSCHE. I yield.

Mr. MILLER. I wish to join the Senator from Ohio in what he has just said. The Senator from Ohio will recall that one of the pillars of the Alliance for Progress has been the idea that private capital would go into Latin America. I pointed out during the debate on the Alliance for Progress program that we had found evidence that private capital from Latin American countries was running out of those countries, and that to expect private capital from the United States to go into Latin America in the face of that fact, and further in the face of expropriation, did not add up.

I ask unanimous consent to have included in the RECORD at this point the lead editorial from the October 1 issue of the Omaha World-Herald, entitled "To Almost Zero," which points out that since the Alliance for Progress began, the amount of private capital that has gone into the Latin American countries from the United States has dwindled to practically zero.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Omaha World-Herald, Oct. 1, 1962]

TO ALMOST ZERO

When President Kennedy announced the Alliance for Progress last year, he said he expected that much of the money for Latin American development would come from private investment.

Some of the private money was expected to come from Latin America, he said, some from outside the hemisphere, the rest from investors in the United States. Part of this Nation's job, he said, was to stimulate and encourage this investment by American citizens to raise it to a rate of $300 million a year.

Last April, Mr. Kennedy appointed J. Peter Grace, president of W. R. Grace & Co., to head an advisory committee to devise ways to speed up this investment. The shipping magnate took his job seriously. Within 3 months he brought in a report which, according to Richard Dudman in the St. Louis Post-Dispatch, the administration has chosen not to make public. Mr. Dudman said he had obtained a copy.

In it Mr. Grace said he had been given to understand by President Kennedy in May that investments had improved in 1961 to about $200 million or two-thirds of the goal.

Instead, Mr. Grace said, he quickly discovered that U.S. private investment in Latin America had dropped to almost zero in 1961. Added Mr. Grace:

"I think that, instead of having the job of stimulating, we effectively have the job of creating something out of what effectively is nothing."

The fact is, he went on, that U.S. capital in Latin America is drying up. American firms are frightened away by a lack of investment guarantees, the lack of protection against currency devaluation, a shortage of local currency loans, and by U.S. tax policies.

Right now, says Mr. Grace's report, American investors can get the same return on risk money invested in the United States as they can in Latin America, and much more in Europe than they can in Latin America. Therefore, as a matter of cold-blooded business judgment, it isn't wise to make such investments until Washington jars the Latin Americans into making investments attractive.

In other words, the "private sector" of the Alliance for Progress project is virtually nonexistent. As of now, private capital from the United States isn't going to furnish the predicted $3 billion of the $20 billion which is scheduled for the next 10 years. And what does the administration propose to do about it?

Some Americans have a suspicion that the Alliance for Progress program, except for handouts from the U.S. Treasury, went down the drain that awful morning of disaster in the Bay of Pigs.

It should not be surprising that the rate of U.S. investment in Latin America has dropped "practically to zero" in the last 18 months. That's the direction in which U.S. prestige has headed in the same period, and what, indeed, does the American Government propose to do about it?

Mr. LAUSCHE. Mr. President, if I may, I should like to ask the Senator from Illinois a question: What has happened to the section of the bill which gave expropriated fugitives from Communist countries, beginning after World War II and going to 1952, the right to file claims against this fund, their priority position, however, being subordinated in favor of those who were injured prior to the end of World War II? Does the Senator know what happened to that section?

Mr. DIRKSEN. That item was discussed out of earshot of the Senator from Illinois, and I think I shall have to defer to the Senator from New York for an answer.

Mr. KEATING. Mr. President, if I may reply to the Senator from Ohio, I commented on that point just before the Senator returned from his conference. That is the one item in the conference report about which I expressed regret. However, if the Senator will refer to page 4 of the conference report, he will note this statement:

With respect to amendments Nos. 5, 8, and 9, the Senate recedes, with the understanding that in the event there remains a balance in the war claims fund after the payment in full of claims provided for under this bill, consideration would be given to legislation providing for payment to these categories of persons. The committee of conference recommends that the Foreign Claims Settlement Commission should proceed to make an estimate of the amount of claims that would be involved in these amendments.

I said in my remarks that it was my intention to introduce a bill at the beginning of the next session to reflect this understanding. I made the statement at that time remembering the Senator's interest in this matter, and said I was sure there were many Members on both sides who shared my view regarding this point. I remembered that the Senator from Ohio had talked about it when this bill was before the Senate. I know of his deep interest, and I hope he will join in my proposed legislation.

Mr. LAUSCHE. I thank the Senator for that information.

I conclude my participation in this discussion by saying that I cannot see the justice of granting relief to an aggrieved person whose property was expropriated by Nazis without at the same time granting similar relief to fugitives from Communist countries whose properties were expropriated by Communist governments.

Mr. KEATING. I share the views of the Senator in general with regard to the seizure of properties by Communist governments. That is abhorrent to our entire system. We have dealt with some of these cases in the International Claims Settlement Act. Additional legislation may well be required. That, however, is not a war claims problem.

Mr. LAUSCHE. I concede that to be the fact.

Mr. KEATING. This bill deals primarily with World War II claims. The problem to which the Senator refers is related. It may well be that the Senate will have to deal with that problem also at some time in the future.

I wish to say a word also about the parallel drawn by the distinguished Senator from Illinois concerning confiscation of property without compensation.

The ACTING PRESIDENT pro tempore. The time allotted under the agreement has expired.

Mr. KEATING. Mr. President, I ask unanimous consent that we may proceed an additional 5 minutes.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that an additional 5 minutes may be used, provided some of the time is allotted to the Senator from Nevada [Mr. Bible], who is also a conferee.

Mr. KEATING. I shall take only 1 minute.

The ACTING PRESIDENT pro tempore. Is there objection to the request by the Senator from Montana? The Chair hears none, and it is so ordered.

Mr. KEATING. This is not a question of expropriation. We have a formal agreement with Germany which provides that Germany will compensate German nationals whose property was vested by the Allies. We agreed with the Federal Republic that that would be the arrangement in lieu of reparations, which would have been many times the amount involved in the vested assets. This has no parallel whatever to expropriation of property. Our agreement was not only fair, but generous, and it bears no relationship whatever to the expropriation of property.

Mr. LAUSCHE. I am grateful for the answer the Senator has given.

Mr. BIBLE. Mr. President, as one of the conferees with regard to the conference report now before the Senate for consideration, I was happy to join in signing the conference report, and I urge its adoption by the Senate on the vote tomorrow.

My interest in this particular legislation was largely directed to one phase of the bill which was before the Senate at the time the Senate passed the bill. An amendment which provided for the divestment of Government interests in certain estates, trusts, and insurance policies was contained in the Senate version, and I am most happy that the House of Representatives receded and accepted that particular amendment. It reached a class of claimants who, in my opinion, have an equitable and just claim to such divestment.

I was particularly interested in this problem from the standpoint of many people who for many years had attempted to have this divestiture brought about.

I commend the Senator from South Carolina [Mr. Johnston], the chairman of the subcommittee of the Committee on the Judiciary which deals with alien property for his patience and helpfulness in working on this particular problem.

It was a great pleasure for me to work with the distinguished Senator from Louisiana [Mr. Long], who has contributed much in this regard; as well as with the Senator from Illinois, the distinguished minority leader [Mr. Dirksen], and the able Senator from New York [Mr. Keating].

During the course of the working out of the section to which I have referred the Representative from Illinois Mr. Mack, the Representative from Arkansas, Mr. Harris, and the Representative from Michigan, Mr. Dingell, were particularly helpful as House conferees in the conference.

Mr. President, I think the end result is a good, overall result. I urge the adoption of the conference report.

Mr. WILLIAMS of New Jersey. Mr. President, the question of the divestiture of the General Aniline properties from the jurisdiction of the Attorney General has certainly had a long journey through the Congress. Many of us have worked for this objective as long as we have been Members of Congress.

I recall considering this question many years ago, when it came before the Committee on Foreign Affairs in the other body, when I enjoyed membership there.

Tomorrow will be a memorable day. We shall have an opportunity to vote, finally, on the conference report, which will give us the opportunity to free this company from the hands of the Federal Government, to let it stagnate no longer, to let it be a competing American company.

I certainly hope that that will be the end result. I join all who have commended those who have plants in their States and who have worked so hard to solve this problem. I particularly commend Members of the Senate who served on the conference committee under the chairmanship of the Senator from Louisiana [Mr. Long], who may not have seen at first hand the problems of these plants held by the Attorney General. Those of us who have plants located in our own States are deeply indebted to the members of the conference committee.

Mr. President, I ask unanimous consent to have included in the Record at this point the statement by Nicholas deB. Katzenbach, Deputy Attorney General; a list of National, State, and local organizations and groups supporting sale; and a letter to me from Irving H. Jurow, vice president and general counsel of Schering Corp. of New Jersey.

There being no objection, the statement, list, and letter were ordered to be printed in the Record, as follows:

Statement by Nicholas deB. Katzenbach, Deputy Attorney General, Department of Justice, Before the Subcommittee on Trading With the Enemy Act of the Senate Committee on the Judiciary, on the Proposal To Amend Section 9(a) of the Trading With the Enemy Act (S. 760), August 29, 1962

I am happy to appear before this committee to testify in favor of the proposal to amend section 9(a) of the Trading With the Enemy Act and to answer your questions with respect to the present operations of the General Aniline & Film Corp., and the status of the Interhandel suit. While this proposal on its face makes a general change in the statute, it is actually intended to authorize the sale by the Government of the shares of stock of the General Aniline & Film Corp. which were vested in 1942. It is the view of the Department that while this corporation admittedly has done well under U.S. regimen, the Government should not continue to operate this business enterprise. Rather, General Aniline & Film Corp. should be sold and returned to private ownership and control.

However, section 9(a) of the Trading With the Enemy Act (50 U.S.C. app. 9(a)) permits any person not an enemy or ally of an enemy claiming any interest in any money or other property which may have been seized or paid under the act to institute a suit for the return of such property. If such a suit is instituted, then section 9(a) further provides that such vested money or property shall be retained in the custody of the Alien Property Custodian until the final termination of the suit by judgment or otherwise.

S. 760 would amend section 9(a) by adding a proviso that would empower the President, in time of war or during any national emergency, to determine that the interest and welfare of the United States require the sale of any property or interest in such property claimed in any suit filed under section 3(a) and, if such suit is pending on or after the date of the enactment of this proviso, to sell such property or interest at any time prior to the entry of final judgment in such suit. Notice of intention to hold such a sale would be published in the Federal Register. The net proceeds of any such sale would be deposited in a special account established in the Treasury and would be held in trust by the Secretary of the Treasury until the entry of a final judgment in the suit. Any recovery of any claimant in such suit would be satisfied from the net proceeds of the sale of the property unless the claimant filed with the court hearing the pending suit an election to waive all claims to the net proceeds and to claim just compensation instead. If just compensation is sought, the court hearing the pending suit will determine the amount which constitutes just compensation and shall enter an order therefor which shall constitute a judgment against the United States. This judgment shall be payable first from the net proceeds of the sale in an amount not to exceed the amount that claimant would have received had he elected to accept his proportionate part of the net proceeds of the sale, and the balance, if any, shall be payable in the same manner as are judgments in cases arising under 28 United States Code 1346.

Ninety-seven percent of the outstanding shares of General Aniline & Film Corp. are held by the Attorney General. The Swiss claimants are seeking to recover 93 percent of the shares of the corporation. Litigation over the ownership of these shares which began in 1948, is very involved and promises to continue for a considerable time into the foreseeable future. The questions at issue are the ownership and the enemy character of the claimants. This bill would authorize the sale of these shares despite this suit. If the claimants prevail they will be entitled to the proceeds of the sale or they may seek just compensation but, even more important, with the enactment of this bill a valuable and important business enterprise would be permitted to develop and grow without the present restrictions imposed by Government ownership and by the uncertainties created by the long drawn out litigation.

Various aspects of the litigation have been before the Supreme Court of the United States on at least four different occasions. The Government of Switzerland even instituted proceedings against the United States in the International Court of Justice with respect to the retention and possible sale of the stock of General Aniline & Film Corp. The International Court of Justice found that the suit by the Swiss could not be maintained because the Swiss company, the plaintiff in the courts of the United States, had not exhausted the judicial remedies available to it in the United States. In the United States, on a motion made in 1950, the complaint of the Swiss company was dismissed in 1953 by the district court for failure to comply with a production order, and appeals concerning that dismissal were pending in the appellate courts until 1958. In June of 1958, the Supreme Court reversed the order of dismissal and remanded the case to the district court for further proceedings, including a trial on the merits.

Accordingly, the Justice Department is making every effort to get this case to trial on its merits. There are eight lawyers and three translators whose sole assignment is to prepare this case for trial. Under this program, a proposed trial schedule was agreed to by the plaintiff and the defendant which was accepted by the special master. This schedule calls for action to be taken by both parties on specific dates. These deadline dates have been met and will continue to be met insofar as the Government's efforts are concerned. The schedule contemplates final pretrial will be held on September 16, 1963, and trial will begin on October 1, 1963. In the interim, a European expert, who has worked with the Department for a number of years on alien property matters including the uncovering of evidence with respect to the General Aniline & Film Corp.'s ownership and control, will be brought to the United States this fall in order that his experience may be utilized in the final preparations for trial.

Despite these efforts, it is obvious that this litigation can be expected to be at issue for some years to come and this, in my view, is a cogent factor which the Congress should consider in connection with this bill.

While this litigation has been going on, the Government, since its vesting in 1942, has operated this enterprise. The General Aniline & Film Corp. with assets in the United States valued at over $180 million is a diversified corporation with over 8,000 employees and is engaged in manufacturing and selling chemicals, dyestuffs, paints, synthetic fibers, and a variety of photographic materials. It is a leader in each of the fields in which it operates.

The Attorney General, as the principal stockholder, has been instrumental in reorganizing the operations of this corporation. Shortly after he took office in January of 1931, he selected a new board of directors of the company, comprising 11 new members and 3 members of the prior board. During the remaining months of 1961, much time was devoted to an appraisal of organization and management practices. Changes were envisioned which would improve the overall management structure and result in greater efficiency and economy in operations.

Although the company's chief executives had heretofore been selected from outside the corporation, in December of 1961 the board elected Dr. Jessee Werner as president. Prior to his election Dr. Werner had been a vice president of the company in charge of research and development and had been associated with the company since 1938. Throughout the years his ability, not only as a technician but in management, has proven him to be qualified for this position. In accepting the presidency, Dr. Werner stated that his goal in managing General Aniline & Film Corp. included cost control, marketing improvement, shortening the lines of communication and decisionmaking, and increased commercial development.

Early in 1962 the organizational structure of the company was streamlined. Five operating divisions were reduced to two in the interest of achieving more effective operations and programs were installed to eliminate unnecessary expense. The two operating divisions are now headed by general managers who have come up from the ranks and are familiar with the business, operations, and problems of the company. The dyestuff and chemical division is headed by Dr. Chris Schulze, who joined the company as a chemist in 1942. Mr. Robert M. Verburg, in charge of the photo and repro division, also joined the company in 1942.

That these efforts to revitalize the company have borne fruit is attested by the results of operations for the first 6 months of 1962. Sales and net earnings were the highest recorded in any like 6-month period in the company's history. Sales amounted to $91,025,000, more than 12 percent higher than in the first 6 months of 1961. Net earnings totaled $4,505,000, reflecting a gain of 53 percent over the first half of 1961.

Despite this record, I think that Government ownership is unavoidably a handicap to the company. The company cannot issue stock to acquire other companies to enhance its competitive position and earnings, nor can it grant stock options as a means of retaining key personnel and attracting new talent. Uncertainty over the future ownership of the company makes it difficult to negotiate joint ventures. In the past, attempts have been made to recapitalize and to amend the corporate charter of this company. These are fundamental steps to accomplish greater growth of an enterprise. In each instance, these attempts to enlarge have been stopped by court rulings that the proposed plans of the company would alter the nature of the retained property which is the subject of the suit in violation of the clause in section 9(a) that if a suit is instituted the money or property "shall be retained" by the Attorney General. Certainly I know of no benefits which accrue to this corporation by virtue of the Government's control. Like any other corporation, it is subject to Federal, State, and local laws, including the payment of taxes.

This administration has recognized that as a fundamental principle the Government must withdraw from the operation and control of business enterprises. General Aniline & Film is no exception.

In reviewing this problem, there are three ways in which the Government can remove itself from the operation and control of General Aniline & Film Corp. First, when the issues in litigation have been concluded, the Government can dispose of its interest. However, as I have previously indicated, although every effort has been and is being made to expedite such litigation, it is apparent that this case will be at issue for many years particularly when it is recognized that every right of appeal including appeal to the World Court will likely be exercised.

A second possible avenue would be through settlement or compromise of the litigation. The Department, of course, has always been and always will be receptive to any reasonable offer of compromise or settlement. In fact, the Department is continuing to explore with the parties to the suit the possibility of a settlement, but up to the present time no satisfactory compromise has been reached. This, like the first avenue, is not one on which the Government can depend and there is an immediate need for the Government to remove itself from its unnatural position as the owner of a private enterprise.

This leaves, therefore, the third possible means by which the Government can remove itself from the operation of this corporation—the enactment of legislation which would permit the Government to sell the vested shares and to hold the profits in escrow pending final adjudication of the litigation. In connection with the latter, as you know, a succession of Attorneys General and Assistant Attorneys General from the Department in the past have testified before other Senate and House committees on similar legislation. It was their learned opinion that this legislation is constitutional. I have studied this bill and I have no reason to question their judgment. I believe this bill to be constitutional.

I understand some concern has been expressed about the international implications of the enactment of this legislation. It has been suggested that the Swiss Government might immediately approach the World Court to enjoin the sale of the vested stock of the corporation. I am informed that the State Department does not share this concern and, in any event, in my judgment such action would be premature.

As you know, to effect the sale of the vested stock of the corporation there will first be the preparation of a prospectus, its subsequent submission to and approval by the Securities Exchange Commission, a public offering of the stock, advertising in newspapers and national periodicals, the receiving and opening of bids, and the acceptance by the Attorney General of the highest bid by a qualified bidder. This entire procedure may be expected to take a minimum of 4 months. At the very latest, from the date of the public offering to the date of the acceptance of a bid the claimants will have public notice of the intention of the Government to offer the assets for sale. During this period of time the claimants would have ample opportunity to seek an injunction in a court of the United States. And, under international law, only after the claimants have exhausted their remedies in our courts may application be made to the World Court for relief.

In conclusion, the Government has an obligation to encourage free enterprise and the economic growth of the country. It is my belief that the maintenance of the General Aniline & Film Corp. as a strong productive and competitive organization under the control of nonalien interests is important to the national interest and welfare. I believe that this can be accomplished only by transferring the corporation to American owners pursuant to the terms of the bill now before your committee. The enactment of this bill would permit this corporation to attain its full potential. It will not infringe on the rights of the litigants since they would be protected by the bill, by the payment to them, if successful, of either the proceeds from the sale or by giving them full compensation for the property itself. I therefore urge this committee to report this bill out favorably as soon as possible.

National, State and Local Organizations and Groups Supporting Sale and/or Opposed to Return to Former Owners of Alien Properties Vested by the United States During World War II

National Legislative Committee of the AFL–CIO; U.S. Chamber of Commerce; Section on International and Comparative Law of American Bar Association; the American Legion; American Veterans of World War II and Korea (AMVETS); American Association of European Jurists; International Chemical Workers Union; New York State Federation of Labor; New York State Department of Commerce; Pennsylvania State Chamber of Commerce; Union County, N.J., Central Labor Union; Kentucky State Post of the American Legion; Kentucky State Post of American Veterans of World War II and Korea (AMVETS); Association of Commerce of Paducah, Ky.; Chamber of Commerce of Binghamton, N.Y.; Chamber of Commerce of Easton, Pa.; Non-Sectarian Anti-Nazi League; Axis Victims League.

GENERAL ANILINE AND FILM CORP.—LOCAL UNIONS

International Chemical Workers Union, Local 306, AFL–CIO, Ansco Division, Binghamton, N.Y.; General Industrial Workers Union, Local 146, AFL–CIO, Linden, N.J.; Printing Pressmen and Assistants Union, Local 57, AFL–CIO, Ansco Division, Binghamton, N.Y.; Sheet Metal Workers International Association, Local 112, AFL–CIO, Ansco Division, Binghamton, N.Y.; International Brotherhood of Electrical Workers, Local 325, AFL–CIO, Ansco Division, Binghamton, N.Y.; International Association of Machinists, Lodge 1807, AFL–CIO, Ozalid Division, Johnson City, N.Y.

EMPLOYEE GROUPS

General Aniline Supervisors' Association, The Chemical Group, Rensselaer, N.Y.; General Aniline Supervisors' Association, The Chemical Group, Linden, N.J.; Technical Staff of Ozalid Division, Johnson City, N.Y.; Employees Group, Central Research Laboratories, The Chemical Group, Easton, Pa.; Research and Development Staff, Ansco Division, Binghamton, N.Y.; Employee Groups of The Chemical Group, New York, N.Y.; Sales offices of The Chemical Group at Providence, R.I., Charlotte, N.C., Philadelphia, Pa., Chattanooga, Tenn., Chicago, Ill., and San Francisco, Calif.

MINORITY STOCKHOLDERS

General Aniline & Film Corp., American Shareholders' Committee.

Schering Corp.,
Bloomfield, N.J., September 7, 1962.

Hon. Harrison A. Williams, Jr.,
Senate Office Building,
Washington, D.C.

Dear Senator: Within the next weeks, the Senate will have its first real opportunity to end the grave injustice we have caused many thousands of American citizens who, more than 17 years after the end of World War II, are patiently and hopefully waiting for Congress to honor their claims to compensation for losses suffered through enemy action during the war.

The policy of this Government—earmarking a special fund for the payment of these claims—was clearly stated in the War Claims Act of 1948. Unfortunately, Congress has not, until now, seized the opportunity to implement this policy by providing for adjudication and payment of the rightful claims of a large number of American citizens. These payments will not cost the American taxpayer a single penny; no appropriation is required to use this fund for the purposes expressed in existing international agreements and by the Congress in 1948.

Not only have other nations long since compensated their citizens for war losses, but Congress has already acted to compensate several groups of American claimants from the War Claims Fund, including prisoners of war, civilian internees, religious organizations in the Philippines, merchant seamen, and others. Just last week, the Congress voted to appropriate some $73 million—in addition to the $390 million already paid—in order to pay the balance of awards for war damage compensation made under the Philippine Rehabilitation Act of 1946.

Surely the approximately 60,000 American citizens whose claims have remained unpaid and almost forgotten for more than 17 years are entitled to no less consideration than has been shown to our Philippine friends and to other war-loss claimants.

Senator Mansfield has, on the behalf of the leadership, promised an opportunity during the remaining days of this session, to vote on a proposal which would conclude this unfortunate chapter of World War II and, even at this late date, do justice to Americans who have personally learned that "justice delayed is justice denied."

The House has already enacted a measure (H.R. 7283), by the overwhelming vote of 354 to 15, to bring relief to American war damage claimants; concurrence by the Senate would bring a just and equitable resolution to this problem.

I am confident the obvious merits of this proposal commend themselves to you; the time for settling this problem is now. I sincerely urge you to support the war claims payment legislation when it is considered by the Senate.

Sincerely yours,
Irving H. Jurow,
Vice President and General Counsel.

The ACTING PRESIDENT pro tempore. All time has expired under the unanimous consent agreement.

Mr. MANSFIELD. Mr. President, a parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator will state it.

Mr. MANSFIELD. Is my understanding correct that debate on the pending conference report has now been concluded?

The ACTING PRESIDENT pro tempore. The Senator is correct.

Mr. MANSFIELD. And that at 1:30 p.m. tomorrow a yea-and-nay vote on the question of agreeing to the conference report will be taken?

The ACTING PRESIDENT pro tempore. The Senator is correct.

TRIBUTES TO SENATOR BENJAMIN A. SMITH II, OF MASSACHUSETTS

Mr. MANSFIELD. Mr. President, one of our most able Members, the Senator from Massachusetts, Benjamin Smith, will be leaving us within the next several months. I wish to state that he has been not only one of the most able Members of this body, but also one of the most cooperative of all Senators. He has served more than his normal allotment of time in the "driver's seat," now occupied by the distinguished Senator from Maine [Mr. Muskie] who presiding over the Senate.

He has worked hard in his committee assignments. He has made many major contributions to our understanding of the problems of the fishing industry in particular. He has been a stalwart fighter for good education legislation.

He was and is, in short, a credit to the State which he has so ably represented and also to the Nation, which is fortunate to have had him serve for the period during which he has been a Member of the Senate.

He has made lifelong friends in this body.

The latchstring will always be out. We hope he will return to see us many times. We shall always look upon him as a colleague in good standing.

Mr. BIBLE. Mr. President, I very much wish to associate myself with the remarks made by the Senator from Montana concerning our able and beloved colleague, the Senator from Massachusetts [Mr. Smith].

In my position as chairman of the Committee on the District of Columbia, I have had an opportunity to work in close relationship with him. Either fortunately or unfortunately, for him, he was assigned to that committee. He is one of the hardest workers. He has attended to his duties religiously. I am sure we shall hear much more about him in the future. I hope that perhaps at some times in the future he may be back in our midst.

(At this point Mr. Williams of New Jersey assumed the chair as Presiding Officer.)

Mr. MUSKIE. Mr. President, as this session draws to a close, we face the loss of the distinguished junior Senator from Massachusetts as a Member of this body.

He has endeared himself to us and will be remembered as all of us would like to be remembered—a warmhearted, considerate gentleman.

He came to the Senate in the footsteps of the President of the United States—a very great distinction indeed. However, he has not been content with that distinction. Notwithstanding the fact that he was not a candidate to seek election to the Senate in his own right, he has applied himself diligently and conscientiously to his duties and has earned recognition in his own right as an able and effective Member of the U.S. Senate. He has attended to the work of his committees, concerned himself with the problems of his constituents, and with the great national issues with which we have been confronted. On performance, he is of senatorial caliber and would gain increasing stature if he were to remain here as a Member.

I know that I shall miss him greatly. I count him a good and valued friend, and a wonderful companion. He does not need our good wishes for success because he has so well demonstrated his ability to earn success. Nevertheless, I know that we all wish him well in whatever new ventures, political or otherwise, he may undertake.

Mr. KUCHEL. Mr. President, I wish to make this a nonpartisan tribute. I am glad to call BEN SMITH my friend. I have come to know him in this Chamber.

What the majority leader has said is completely true. When he leaves the U.S. Senate, his service in this body completed at the end of this session, he will take with him the friendship of the men and women with whom he served here. I am pleased and proud to call myself one of those.

I have another friend in the State of Massachusetts, and I intend to see him from time to time.

(At this point the Acting President pro tempore resumed the chair as Presiding Officer.)

Mr. MORSE. Mr. President, I wish to associate myself with the remarks made by the majority leader; the Senator from Nevada [Mr. BIBLE], the chairman of the Committee on the District of Columbia; and the Senator from California [Mr. KUCHEL] in respect to the wonderful contribution which Senator SMITH has made during his short tenure in the Senate of the United States.

Senator SMITH is a member of my Subcommittee on Education, as well as a colleague of mine on the Committee on the District of Columbia. The progress which we made as far as the handling of education bills through the Senate is concerned is due in no small measure to the cooperation I received at all times from Senator SMITH of Massachusetts.

As we know, there are some very serious problems which have developed in the Senate in regard to the handling of education bills in connection with this whole matter of public versus private education and aid for public and private schools.

It is well known that Senator SMITH is of the Catholic faith. I leaned heavily upon Senator SMITH for advice and counsel and for assistance as we took the issue involved in Federal aid to education legislation through rather tortuous waters at times.

His high principles, his refusal to compromise those principles, and his dedication to the welfare of the youth of our country won my great admiration.

I have thanked him personally. I now thank him publicly for the great help he was to me on all proposed education legislation. In my judgment, his leaving the Senate is a great loss to the State of Massachusetts and a great loss to the Nation. I sincerely hope that in the not too distant future, as the political wheels turn in Massachusetts, and within my lifetime, opportunity may exist again for Senator SMITH to return to the Senate from the great State of Massachusetts, because he is an outstanding Senator.

Mr. WILLIAMS of New Jersey. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. WILLIAMS of New Jersey. I share the great respect and affection for Senator SMITH that has been so eloquently described by other Senators who have spoken. When Senator SMITH came to the Senate, all Senators instantly liked him.

It has been a pleasure to work with him. My particular pleasure was to serve with him on a subcommittee of rather recent vintage—the Subcommittee on Migratory Labor. Ever since the appearance of the book "Grapes of Wrath" in the 1930's, the people of our country have commiserated with the lot of migratory farm workers; but only in the past 2 years has anything constructive been done at the national level for them.

With the Herculean help of the Senator from Massachusetts [Mr. SMITH] several bills have passed through the Senate. As I am speaking, one of our bills which would prohibit some of the worst abuses—child labor in the fields and orchards of our country—is being considered in the House of Representatives. It is my hope that BEN SMITH, having served his country as Senator from Massachusetts, will find another capacity in which to serve the public after he leaves this body, as the Senator from Oregon [Mr. MORSE] has suggested, perhaps only temporarily.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. KEATING. While it was not my pleasure to serve on a committee with Senator BEN SMITH, it has been my pleasure to meet him and to know him. I would not want him to leave the Senate Chamber without feeling that in the junior Senator from New York he has a firm and fast personal friend. I have enjoyed his company. He has worked hard as a legislator. While he has been in the Senate only a short time, he has endeared himself to many Senators on both sides of the aisle.

Mr. HUMPHREY. Mr. President, I, too, wish to join Senators tonight in commending and saluting Senator BEN SMITH, of Massachusetts, for his excellent work in this body. I know of no man who has been more conscientious to his duty, or anyone who has in such a short period of time been able to perform so well as a legislator.

Senator BEN SMITH is liked and admired by everyone who is in this Chamber. He is a friend, and he shares that friendship with each and everyone of us. I have had the privilege of knowing him for a considerable period of time. I first met BEN SMITH in the 10th District of the State of Wisconsin. He was a perfect gentleman there and an able man, just as he has been here.

I only hope that the President of the United States will call upon this fine and good friend of ours to perform other services for our country. BEN SMITH is needed in the service of our country. I am confident that he will be called upon for even more important duties in the years ahead.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had agreed to the amendments of the Senate to the bill (H.R. 5260) to make permanent the existing suspensions of the tax on the first domestic processing of coconut oil, palm oil, palm kernel oil, and fatty acids, salts, and combinations or mixtures thereof.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Acting President pro tempore:

H.R. 1660. An act for the relief of Margaret MacPherson, Angus MacPherson, Ruth MacPherson, and Marilyn MacPherson;

H.R. 2836. An act for the relief of C. Edwin Alley;

H.R. 7099. An act to validate payments of certain per diem allowances made to members and former members of the U.S. Coast Guard while serving in special programs overseas;

H.R. 8556. An act to amend the National Science Foundation Act of 1950 to require certain additional information to be filed by an applicant for a scholarship or fellowship, and to amend the National Defense Education Act of 1958 with respect to certain requirements for payments or loans under the provisions of such act, and for other purposes;

H.R. 9342. An act to provide for an exchange of lands between the United States and the Southern Ute Indian Tribe, and for other purposes;

H.R. 10617. An act providing that the U.S. district courts shall have jurisdiction of certain cases involving pollution of interstate river systems, and providing for the venue thereof;

H.R. 10881. An act for the relief of Maj. Singh Sunga;

H.R. 11018. An act to amend the act concerning gifts to minors in the District of Columbia;

H.R. 11099. An act to amend the Public Health Service Act to provide for the establishment of an Institute of Child Health and Human Development, to extend for 3 additional years the authorization for grants for the construction of facilities for research in the sciences related to health, and for other purposes;

H.R. 12855. An act to amend the Agricultural Adjustment Act of 1938 relating to the lease and transfer of tobacco acreage allotments; and

H.R. 12887. An act for the relief of Benjamin Leach, Diogracias Leach, Rogelio Leach, and Maximo Leach.

REPRESENTATION OF CERTAIN DEFENDANTS IN CRIMINAL CASES IN U.S. DISTRICT COURTS

Mr. HUMPHREY. Mr. President, I now move that the Senate proceed to the consideration of Calendar No. 2225, the bill S. 2900.

The ACTING PRESIDENT pro tempore. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 2900) to provide for the representation of certain defendants in criminal cases in the U.S. district courts.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Minnesota.

The motion was agreed to, and the Senate proceeded to consider the bill, which had been reported from the Committee on the Judiciary, with amendments, on page 2, line 25, after the word "including", to strike out "arraignment, preliminary examination" and insert "preliminary examination, arraignment"; on page 3, line 10, after the word "shall", to insert "be made by and with the advice and consent of the Senate and shall"; in line 23, after the word "defender", where it appears the first time, to strike out "or assistant public defender"; on page 4, line 21, after the word "section", to strike out the semicolon and "except that the aggregate amount expended in any district for compensation and reimbursement by all such counsel appointed under this section to represent indigent defendants (including appeals) shall not exceed $10,000 in any fiscal year" and insert "including any expenses incurred in employing investigators and other personnel"; on page 5, line 13, after the word "defendant", to strike out "Any such person represented by a public defender or counsel as provided in this subsection shall pay such fees and costs as the court may determine to be fair and reasonable to defray the costs of such representation. Such amounts shall be paid to the clerk of the court for deposit in the general revenues of the Treasury."; after line 19, to strike out:

"(h) There are hereby authorized to be appropriated to the United States courts, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the provisions of this section. The salaries and expenses of public defenders and assistant public defenders and the compensation and expenses of counsel appointed by the district courts under this section shall be paid out of appropriations available therefor under the supervision of the Director of the Administrative Office of the United States Courts.

And, in lieu thereof, to insert:

"(h) Whenever any public defender or other counsel is assigned to represent any defendant under this section, such public defender or counsel shall not request or receive any payment, from or on behalf of such defendant, except upon approval of the court. If such approval is granted to the public defender, the amount so approved and received from or on behalf of the defendant shall be paid to the Administrative Office of the United States Courts and used by such office in carrying out the provisions of this section. If such approval is granted to counsel other than the public defender, the amount so approved and received by counsel shall be credited against the sum which the United States would otherwise pay to counsel under the provisions of this section.

On page 6, after line 17, to insert:

"(i) There are hereby authorized to be appropriated to the United States courts, out of any money in the Treasury not otherwise appropriated, sums necessary to carry out the provisions of this section. Notwithstanding any other provision of law or of the Federal Rules of Criminal Procedure, the salaries and expenses, including witness fees, of public defenders and assistant public defenders, and compensation and expenses, including witness fees, of counsel appointed to represent defendants in particular cases, above provided for, shall be paid out of appropriations made to the judiciary for operation of the public defender system under the supervision of the Director of the Administrative Office of the United States Courts.

And on page 7, at the beginning of line 6, to strike out "(i)" and insert "(j)"; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That title 18 of the United States Code is amended by adding immediately after section 3006 the following new section:

"§ 3006A. Public defenders; representation of defendants

"(a) Each United States district court may, with the approval of the judicial council of the circuit, appoint a public defender at each place where it holds a term of court. Whenever a district court is satisfied that the number of cases assigned to a public defender is greater than can be efficiently conducted by him, it may, with the approval of the judicial council of the circuit, appoint one or more assistant public defenders. The public defender, upon authorization by the court, may appoint such clerks and investigators as he determines necessary to enable him to carry out his duties under this section. Any such appointment shall be made subject to the approval of the Director of the Administrative Office of the United States Courts. Public defenders or assistant public defenders may be full-time or part-time officers as, in the judgment of the court, the volume of work of the court requires.

"(b) Whenever a district court in which there is a public defender is satisfied that a defendant charged with a felony or misdemeanor (other than a petty offense as defined in section 1 of this title) is unable to employ counsel because he is indigent, it may assign the public defender to represent such defendant unless counsel has been properly waived. In any case in which the court determines that the interest of any such defendant cannot adequately be represented by a public defender, it shall have authority to appoint other counsel to represent such defendant.

"(c) Any public defender or counsel appointed pursuant to this section to represent any defendant shall represent such defendant at every stage of the proceedings, including preliminary examination, arraignment and appeal, unless after such appointment the court is satisfied that the defendant is able to employ other available counsel or that there is just cause why the public defender or counsel so appointed should be permitted to withdraw. Each district court may adopt appropriate rules governing the conduct of public defenders not inconsistent with general regulations issued by the Judicial Conference of the United States.

"(d) Appointment of public defenders under this section shall be made by and with the advice and consent of the Senate and shall, unless otherwise provided by the Judicial Conference of the United States, be limited to attorneys who have practiced for five years or more before the bar of the State or possession in which the appointing district court is located. Each public defender and assistant public defender shall be (1) appointed for a term of four years, (2) paid a salary based upon the service to be performed in an amount fixed by the Judicial Conference of the United States, and (3) reimbursed for reasonable expenses necessarily incurred by him (including the costs of technical experts required by the defense) in the performance of his duties and approved by the district court; except that in no case shall the salary of any public defender appointed under this section to serve in any district exceed the salary paid the United States attorney in such district.

"(e) If any district court considers that the representation of indigent defendants charged with a felony or misdemeanor (other than a petty offense as defined in section 1 of this title) can best be provided for by the appointment of counsel rather than by the appointment of a full-time or part-time public defender as provided under subsection (a), the court shall have the authority to appoint counsel to represent indigent defendants in particular cases; except that no district court in a district having one or more cities of over five hundred thousand population shall exercise such authority without the approval of the judicial council of the circuit.

"(f) Any counsel appointed by the court pursuant to this section to represent any defendant shall be (1) compensated by the court for his service upon the conclusion of such service at a rate not in excess of $100 a day for time necessarily and properly expended in preparation and trial of the case and appeals; and (2) reimbursed for all reasonable expenses determined by the court to have been necessarily incurred by him in the representation of the defendant in accordance with the provisions of this section including any expenses incurred in employing investigators and other personnel.

"(g) Whenever a district court in which there is a public defender is satisfied that a defendant charged with a felony or misdemeanor (other than a petty offense as defined in section 1 of this title) is unable to obtain counsel for any reason other than the fact that such person is indigent, the district court may assign a public defender to represent such defendant, unless counsel has been properly waived. In any case in which the court determines that the interest of a defendant cannot adequately be represented by a public defender, it shall have authority to appoint other counsel to represent such defendant.

"(h) Whenever any public defender or other counsel is assigned to represent any defendant under this section, such public defender or counsel shall not request or receive any payment, from or on behalf of such defendant, except upon approval of the court. If such approval is granted to the public defender, the amount so approved and received from or on behalf of the defendant shall be paid to the Administrative Office of the United States Courts and used by such office in carrying out the provisions of this section. If such approval is granted to counsel other than the public defender, the amount so approved and received by counsel shall be credited against the sum which the United States would otherwise pay to counsel under the provisions of this section.

"(i) There are hereby authorized to be appropriated to the United States courts, out of any money in the Treasury not otherwise appropriated, sums necessary to carry out the provisions of this section. Notwithstanding any other provision of law or of the Federal Rules of Criminal Procedure, the salaries and expenses, including witness fees, of public defenders and assistant public defenders, and compensation and expenses, including witness fees, of counsel appointed to represent defendants in particular cases, above provided for, shall be paid out of appropriations made to the judiciary for operation of the public defender system under the supervision of the Director of the Administrative Office of the United States Courts.

"(j) The terms 'United States district court' and 'district court' as used in this section shall include the District Court of the Virgin Islands, the District Court of Guam, the District Court of the Canal Zone, and the district courts of the United States created by chapter 5 of title 28 of the United States Code."

SEC. 2. The analysis of chapter 201 of title 18 of the United States Code is amended by adding immediately after item 3006 the following new item:

"3006A. Public defenders; representation of defendants."

Mr. HRUSKA. Mr. President, by its approval of S. 2900 the Senate will correct a gross inequity in the form and quality of legal representation furnished indigent defendants in our Federal courts. The sixth amendment to the Constitution assures the accused the right of assistance of counsel. Court decisions have scrupulously upheld and preserved this right. But its implementation has thus far depended upon the voluntary efforts of the bar, whose services are expected to be rendered without compensation, for either services or expenses.

The practice is in the highest tradition of the bar. It has brought forth admirable response. It once was in keeping with a judicial system which had only a small number of criminal cases on the dockets.

In the course of the 175 years of our Nation's history, however, the volume and scope of criminal proceedings have grown enormously. To depend upon experienced trial counsel familiar with criminal procedures in such cases to represent defendants unable to afford counsel, would impose an unfair burden on a few members of the bar. What is done, therefore, is to rely upon younger lawyers newly admitted to the practice. Their zeal and dedication, unfortunately, does not overcome the disadvantages of courtroom inexperience.

A double standard of justice, one for those who can afford to retain experienced lawyers and another for those who must rely upon unseasoned counsel provided for them, has sprung up which is offensive to our notion of fairplay and does violence to the cherished concept of equal justice under the law.

S. 2900 goes a long way toward overcoming this disturbing deficiency in our judicial system. It provides for the appointment by the district court of public defenders whose stature will be in every respect on a parity with the U.S. attorney. A significant amendment to the bill requires Senate confirmation of the appointment, demonstrating the importance the Congress attaches to the office. In addition, he is furnished the authority and means necessary to perform his prescribed duties.

In those judicial districts which do not require the appointment of a full or part-time public defender, the court may continue to appoint counsel for individual cases. However, authority is for the first time provided to reimburse counsel for expenses incurred and to compensate him for services rendered in such cases.

Rather than extend these remarks with a detailed explanation of each provision of the bill, I will attach an analysis at their conclusion. Two features merit special mention. The bill provides representation at every stage of the proceeding, including the preliminary examination and the appeal. In those cases where an accused is unable to obtain counsel for any reason other than the fact that he is indigent, a public defender or individual counsel may be assigned to represent him.

Mr. President, this bill was drafted through the joint efforts of the Judicial Conference of the United States, the Department of Justice—the Attorney General having warmly endorsed it—and many members of the bar both in the private practice and at the law schools. The measure before us has as sponsors, in addition to this Senator, my colleagues from New York [Mr. KEATING], New Hampshire [Mr. COTTON], and North Carolina [Mr. ERVIN] each of whom assisted greatly in phrasing and rounding out its provisions. Careful attention has been given to each provision to insure that the most effective measure would be provided.

I am confident that the bill in its present form will result in a substantial elimination of the double standard of justice which has been the concern of the bench, the bar, and the public. It fairly and reasonably provides the assistance of counsel insured by our Constitution and expected of our system of government. The ends of justice will be promoted by its passage and the dignity of the individual in our free society will thereby be immeasurably enhanced.

Mr. President, I ask unanimous consent to have printed at this point in my remarks an explanation of the provisions of the bill.

There being no objection, the explanation was ordered to be printed in the RECORD, as follows:

POINT-BY-POINT EXPLANATION

1. Each U.S. district court may, with the approval of the judicial council of the circuit, appoint a public defender at each place where terms of court are held.

2. Whenever a district court is satisfied that the number of cases assigned to a public defender is greater than can be efficiently conducted by him, it may, with the approval of the judicial council of the circuit, appoint one or more assistant public defenders.

3. The public defender, upon the authorization of the court, may appoint such clerks and investigators as are necessary, subject to the approval of the Director of the Administrative Office of the U.S. Courts.

4. Public defenders or assistant public defenders may be full-time or part-time officers as, in the judgment of the court, the volume of work of the court requires.

5. Whenever a court, in which there is a public defender, is satisfied that a defendant is unable to employ counsel because he is indigent, the court may assign the public defender to act as counsel.

6. In any case involving conflicting interests and where the court determines that the interest of any indigent defendant cannot adequately be represented by a public defender, the court may appoint counsel to represent such defendant.

7. The public defender or appointed counsel shall represent the defendant at every stage of the proceedings, unless after the assignment the court is satisfied that the defendant is able to employ counsel or that there is a just cause why the public defender or appointed counsel should be permitted to withdraw.

8. Each district court may adopt appropriate rules governing the conduct of public defenders not inconsistent with general regulations issued by the Judicial Conference of the United States.

9. Appointment of public defenders shall, unless otherwise provided by the Judicial Conference of the United States, be limited to attorneys who have practiced for 5 years or more in the State in which the appointing district court is located.

10. Each public defender and assistant public defender shall be appointed for a term of 4 years, paid a salary in an amount fixed by the Judicial Conference of the United States, and reimbursed for reasonable expenses necessarily incurred by him in the performance of his duties and approved by the district court; except that the salary of any public defender will not exceed the salary paid the U.S. attorney in that district.

11. Any district court, if it considers that the representation of indigent defendants can best be provided for by the appointment of counsel rather than by the assignment of a full-time or part-time public defender, shall have the authority to make such designations except that a district court in a district having one or more cities of over 500,000 population cannot exercise such authority without the approval of the judicial council of the circuit. The committee calls attention to the fact that those Federal jurisdictions which now have statutory authority for the appointment of a public defender, such as the District of Columbia and the Canal Zone, would not be required also to establish an office as provided for in this bill. Quite logically those jurisdictions now having adequate statutory authority should continue to operate under it and such provision ought to be taken into consideration by the judicial council of the circuit and appropriate accommodation made to it.

12. Any counsel appointed by the court to represent any defendant shall be compensated by the court upon the conclusion of such service at a rate not in excess of $100 a day for time necessarily and properly expended in preparation and defense of the case or the appeal, and reimbursed for all reasonable expenses determined by the court to have been necessarily incurred in the representation, including expenses for the employment of investigators and other personnel.

13. Whenever a district court in which there is a public defender is satisfied that a defendant is unable to obtain counsel for any reason other than the fact that such person is indigent, the district court may assign a public defender to represent such defendant; or, if the court determines that the interest of a defendant cannot adequately be represented by a public defender, it shall have authority to appoint other counsel.

14. When any public defender or other counsel is assigned to represent any defendant, he will not request or receive any payment or promise of payment, from or on behalf of such defendant, except upon approval of the court. If such approval is granted to the public defender, the amount so approved and received from or on behalf of the defendant shall be paid to the Administrative Office of the U.S. Courts and used by such office in carrying out the provisions of this bill. If such approval is granted to counsel other than the public defender, the amount so approved and received by counsel shall be credited against the sum which the United States would otherwise pay to counsel under the provisions of this bill.

15. There are authorized to be appropriated to the U.S. courts, out of any money in the Treasury not otherwise appropriated, sums necessary to carry out the provisions of this bill. The salaries and expenses, including witness fees, of public defenders and assistant public defenders, and compensation and expenses including witness fees, of counsel appointed to represent defendants in particular cases, above provided for, will be paid out of appropriations made to the judiciary for operation of the public defender system under the supervision of the Director of the Administrative Office of the U.S. Courts.

At the present time, the fees and expenses of all witnesses subpenaed by either the Government or an indigent defendant are paid out of an appropriation made to the

Department of Justice. The proposed legislation changes existing law insofar as it shifts responsibility for the fees and expenses of witnesses subpenaed by indigents from the Department of Justice to the U.S. courts. It is believed that the proposed shift in responsibility is desirable, since it will help centralize in one appropriation all of the costs of the public defender system. Moreover, the agency of Government which carries on the prosecution should not be put in the position of having—or appearing to have—the power to influence the number of kind of witnesses called to testify on behalf of indigent defendants. To accomplish this improvement, it will, of course, be necessary to transfer from the Department of Justice to the Judicial Establishment an amount equal to the appropriation which the Department would have received for this purpose had subsection (i) of the proposed legislation not worked this change in responsibility for the fees and expenses of witnesses subpenaed by indigent defendants in criminal cases.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. HRUSKA. I yield.

Mr. MORSE. I extend to the Senator from Nebraska and to every other member of the Senate Committee on the Judiciary my high compliments and congratulations for the bill that they have now brought to the floor of the Senate. It happens to be a procedural reform long overdue. I am glad that the Senator from Nebraska has pointed out that the Judicial Conference of the United States has recommended the bill. To my knowledge, the subject of the bill has been discussed for more than 20 years at the criminal law sections of the Association of American Law Schools and the criminal law section of the American Bar Association.

This is the end of a long trail that has been traveled by leaders of the American bar and of the American law school profession for years and years. It is certainly a great hour that at long last we have before us proposed legislation which will provide a public defender for indigent defendants.

I also wish to pay a high tribute to the Attorney General of the United States, because I know of the personal interest of Attorney General Robert Kennedy in this measure.

When there are brought together, as we saw here, enlightened members of the Judiciary Committee, members of the Judicial Conference, representing many judges in this country, and the Attorney General, we see what can happen by that kind of cooperative effort.

As one who has taught criminal law and criminal procedure for many years, and as one who is aware of the need of this procedural reform, and who has been an outspoken proponent of it for at least 20 years, I say to the Senator from Nebraska that this is a moment of great satisfaction to the senior Senator from Oregon.

Mr. HRUSKA. The Senator from Oregon may recall that this year marks the 25th anniversary of the endorsement of this type of legislation by the Judicial Conference of the United States. The Conference first recommended public defender legislation in 1937.

Mr. MORSE. I cannot recall any meeting of the criminal law section of the American Bar Association or any meeting of the American Association of Law Schools, so far as the criminal law section of that association is concerned, in all my years in attendance at those meetings, which has been constant during the last quarter of the century, when this subject matter has not been either on the agenda or, if not on the agenda, been brought up during the discussion by one or more delegates.

Mr. HRUSKA. During those earlier years, as I recall, Judge Holtzoff, who at that time served in the Justice Department under Homer Cummings, was one of the leaders in this field. He has been succeeded by many men, notably learned in the law. The Senator from New York [Mr. Keating] has been one of them. He is a coauthor of S. 2900 and has worked for several years, both in the other body and in the Senate, to achieve the results which are embodied in the bill before us.

Mr. MORSE. The mention of Homer Cummings reminds me that I served as a special assistant to that great lawyer and Attorney General.

I know full well his great professional interest in the public defender proposal. Would that he were alive tonight so that he could enjoy the sense of thrill and satisfaction that I am enjoying as we put the bill through the Senate of the United States.

I see on the floor the Senator from New York [Mr. Keating]. I know of the hard work he has put into the bill. I personally thank him, too, along with the other committee members for the wonderful work they have done in regard to the pending bill.

The bill is a good example of what we do in a free country. It is a good example of what we mean when we say that human rights and individual rights are paramount in our consideration when it comes to the administration of American justice.

Although I believe we have been too slow in taking this step, it also is proof that in a democracy it is sometimes very difficult to get needed reforms as fast as we should get them. This one has long been overdue. It is an important reform on which the Senators have labored, in writing a record here tonight which will redound to their everlasting credit, and is far more important, I surmise, than even they fully appreciate.

Mr. HRUSKA. Mr. President, I am grateful to the Senator for his kind remarks.

Mr. ERVIN. Mr. President, the pending bill marks a milestone in the administration of criminal justice so far as the Federal Government is concerned.

Those of us who have devoted our energies to the administration of criminal justice, in the capacity of either lawyer or judge, are fully conscious of the fact that the administration of justice is deficient whenever any person accused of crime is not represented by counsel.

I have been privileged to work with the able and distinguished Senator from Nebraska [Mr. Hruska] as a cosponsor of the bill. In that way I have had full opportunity to observe the fine work that he has done in bringing this proposed legislation to this hour. He deserves the thanks of the Nation for his consistent and, I might say, persistent advocacy of the pending bill.

I say that because I know the bill would never have come to the point of enactment had it not been for his untiring work in this field.

Mr. KEATING. Mr. President, I join the Senator from North Carolina in paying high tribute to the Senator from Nebraska for the leadership he has shown in sponsoring and working constantly on the legislation which is of such great importance to the persons affected and, I believe, to the Nation as a whole.

Sometimes, in the Judiciary Committee, as those who serve there know, with the multiplicity of legislation which comes before us, there is considerable contest for recognition in order to call up a bill. Many times I have heard the distinguished Senator from Nebraska insist upon recognition for this meritorious legislation. The Senator from North Carolina called him persistent, and he seemed to be somewhat apologetic for using that word. I use it in the sense of being distinctly an encomium to the Senator from Nebraska.

After all, in the Senate we soon learn that persistence is an important quality in a Senator. The distinguished Senator from Nebraska, we know, whenever a small hurdle was thrown in his way, always surmounted it and went on to bring forth this excellent piece of legislation, of which I am proud to be a cosponsor, together with other cosponsors.

Candor requires that I say that our contributions, although I appreciated working with all the other Senators, have been minuscule compared with the constant, dedicated, sincere work which the distinguished Senator from Nebraska put into this bill.

As the Senator from Oregon has said, the bill does not concern itself with money. We have been concerned a great deal in the last few weeks with appropriating billions of dollars to operate our Government for another year, and we have agreed to a big program of financial aid to our friends and allies in the free world. However, the bill which, I hope, will be enacted tonight concerns a small group of Americans who need our help, and who in many instances have been transgressors of the law. Nevertheless, we recognize that they have a right to representation by counsel; and let that system, please God, always prevail.

As the Senator from Oregon has so well pointed out, that is what differentiates a free government from a totalitarian government. Indigent criminal defendants in the Federal courts are entitled to protection. The Senator from Nebraska should be proud that he is standing here tonight to protect a group who could easily be forgotten in our work.

The sixth amendment guarantees to a man accused of crime the right to be represented by counsel. The Supreme Court in the case of Johnson against

Zerbest has directed that this assistance must be provided by the Government to a defendant who is unable to pay a lawyer to represent him. This presents two problems: first, the burden on members of the bar who serve without compensation. In fiscal 1961, for example, of 34,008 criminal defendants in the Federal courts, 9,976—almost 1 out of 3—were represented by appointed counsel.

The second problem is the quality of defense which the indigents receive. I do not mean to question in any way the qualifications of the dedicated members of the bar who perform this task without compensation. But I do ask whether it is fair both to those lawyers and to the defendant himself to ask a tax expert, a corporation lawyer, or an expert in probate work to defend persons accused of crime.

Bills to authorize the appointment of a public defender in Federal courts have been approved by the Senate Committee on the Judiciary and have passed the Senate in two previous sessions of Congress. The pending bill, which the Senator from Nebraska has gone to such great pains to perfect, is designed to remove some of the objections raised to these other measures by some Members of the other body. Under the leadership of the Senator from Nebraska [Mr. Hruska], this bill represents the culmination of the efforts which many of us have been making over a period of years to devise an effective and acceptable solution to this problem. We have all joined in sponsoring the bill in the hope that we have at last succeeded in devising a system which will be acceptable to both Houses of Congress.

The bill has the enthusiastic approval of the Judicial Conference, the Department of Justice, and the administrative office of the U.S. courts.

Finally, in an early segregation case, in ringing dissent, Mr. Justice Harlan sternly reminded us:

> The Constitution is colorblind.

The Constitution is also blind to the economic status. It guarantees a fair trial and equal representation to all men, rich or poor. This bill will give real meaning to this philosophy and will provide effective assistance of counsel to all men, regardless of the size of a man's income or his ability to pay.

I commend the distinguished Senator from Nebraska without reservation for bringing the bill to fruition. I sincerely hope it will become law.

Mr. JAVITS. Mr. President, I am very gratified to support the passage of S. 2900, to provide public funds for the representation in criminal cases in the courts of the United States of defendants who cannot afford or obtain adequate legal counsel. This is a measure which I have proposed over a great many years, beginning with my service in the House of Representatives, continuing through my service as attorney general for the State of New York and here in the Senate. As attorney general of New York, I recommended a public defender measure to the State legislature as the result of a statewide survey on the availability of adequate legal counsel to indigent youths charged with crime. As a Member of Congress I have repeatedly introduced and coauthored bills to establish a public defender system in the Federal courts; in the 87th Congress, I cosponsored two such bills, S. 655, introduced by Senator Kefauver, and S. 854, sponsored by Senator Ervin.

S. 2900, which is now before the Senate, is a carefully worked-out amalgam of the best features of all the previous bills on this subject. I am particularly pleased, for example, that the bill authorizes the continued use of voluntary legal counsel such as bar associations, legal defender groups and the Legal Aid Society, which have done such a fine job for many years in New York and elsewhere. The bill also wisely requires that a public defender or counsel appointed under the bill will represent the defendant at "every stage of the proceedings, including preliminary examination, arraignment and appeal."

Finally, I believe it is most desirable to provide, as does S. 2900, that the appointment of public defenders shall be confirmed by the Senate, so that the public defender will have the same rank and status as U.S. attorneys. Particularly in this last respect I believe this bill, which will be the third to have passed the Senate during the last three Congresses, is the best effort to date toward eliminating the double standard of justice described in the committee report, between those who can afford to retain competent and experienced lawyers and those who must rely on unpaid counsel assigned by the courts. This is an aspect of our legal system which is entirely hostile to our traditional concepts of equal justice under the law, and I sincerely hope that this measure will become law, if not at this session, very early in the next session of Congress.

The PRESIDING OFFICER. The question is on agreeing to the committee amendments.

The amendments were agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 2900) was ordered to be engrossed for a third reading, was read the third time, and passed.

Mr. HUMPHREY. Mr. President, I move that the Senate reconsider the vote by which the bill was passed.

Mr. HRUSKA. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

CONVEYANCE OF QUITCLAIM DEED FOR PARCEL OF LAND IN MARYLAND TO SILVER HILL VOLUNTARY FIRE DEPARTMENT AND RESCUE SQUAD

Mr. HUMPHREY. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 2236, H.R. 7781.

The PRESIDING OFFICER. The bill will be stated by title.

The Legislative Clerk. A bill (H.R. 7781) to authorize the Administrator of General Services to convey by quitclaim deed a parcel of land in Prince Georges County, Md., to the Silver Hill Voluntary Fire Department and Rescue Squad.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Minnesota.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. HUMPHREY. Mr. President, the bill has been reported unanimously by the Committee on Government Operations. It conforms to the standards of the Morse formula.

Mr. President, I offer an amendment and ask that it be read.

The PRESIDING OFFICER. The amendment will be stated.

The Legislative Clerk. At the end of the bill it is proposed to add the following new section:

> Sec. 2. That the first paragraph of section 1 of the Act entitled "An Act to authorize the Secretary of Agriculture to sell and convey certain lands in the State of Iowa," approved October 4, 1961 (75 Stat. 805), is amended and supplemented to read as follows: "That the Secretary of Agriculture is authorized to sell and convey to the State of Iowa, by quitclaim deed, at fair market value as determined by him, subject to all outstanding rights, and subject to the condition that the property shall be used for public purposes, all the right, title, and interest of the United States to those certain tracts of land containing approximately 4,649 acres of land, more or less, located in Van Buren, Lee, Appanoose, and Davis Counties, Iowa, in:

Mr. HUMPHREY. Mr. President, the amendment was passed by the House as a bill. I have discussed it with the distinguished Senator from Iowa [Mr. Miller]. It meets all the formulas for proper compensation and the needs of the State, as the State of Iowa has expressed itself to the committees of Congress.

Mr. MILLER. Mr. President, I join with the Senator from Minnesota in supporting the amendment and in asking for its adoption. I corroborate what the Senator has said.

The amendment originally was introduced as a bill in the House by the distinguished Representative from the Fourth District of Iowa, Hon. John Kyl. The bill was introduced by him at the request of the State of Iowa. I am certain that it meets the requirements for the protection of the interests of the Federal Government and the State. I hope the amendment will be agreed to.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Minnesota.

The amendment was agreed to.

Mr. HUMPHREY. Mr. President, I offer another amendment and ask that it be read.

The PRESIDING OFFICER. The amendment will be stated.

The Legislative Clerk. At the end of the bill it is proposed to add the following new section:

> Sec. . That, upon the application by the State of Minnesota and the agreement by the State to exchange for such lands State-owned lands in the Superior National Forest, the Secretary of Agriculture is authorized to acquire not to exceed one thousand acres in sections 3, 4, 9, and 10, township 121 north, range 26 west, in Wright County,

Minnesota. Upon such acquisition the Secretary of Agriculture is authorized to exchange such lands for State-owned lands in the Superior National Forest suitable for administration as a part thereof and having a value not less than that of the lands in Wright County to be exchanged therefor as determined by the Secretary of Agriculture.

SEC. 2. There is hereby authorized to be appropriated such sums as may be needed to enable the Secretary of Agriculture to carry out the purposes of this Act.

Mr. HUMPHREY. Mr. President, the amendment was approved unanimously by the Committee on Agriculture and Forestry. Because of the lateness of the session, this is the only way in which this particular measure may receive consideration.

The amendment authorizes the Secretary of Agriculture to acquire certain lands in Wright County, Minn., and exchange them with the State of Minnesota for State-owned lands in the Superior National Forest.

The amendment authorizes the Secretary of Agriculture to acquire up to 1,000 acres in certain townships in Wright County, Minn., and to exchange such lands with the State of Minnesota for State-owned lands within the Superior National Forest of at least equal value. The lands would not be purchased by the Secretary unless it is requested by the State of Minnesota, and acquisition must be preceded by an agreement with the State for exchange of the lands so purchased. A State law approved in 1947 already provides specifically for the proposed exchange.

There are many parcels of State-owned land intermingled with or surrounded by national forest lands, and acquisition of some of these tracts would serve to consolidate the national forest, thereby allowing more efficient and economical administration. The lands proposed to be purchased by the Secretary and exchanged with the State are to be established as a State park.

There is a favorable report on the bill from the Department of Agriculture.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Minnesota.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill (H.R. 7781) was read the third time and passed.

Mr. HUMPHREY. Mr. President, I move that the Senate reconsider the vote by which the bill was passed.

Mr. MILLER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

HOPE FOR MIGRATORY WORKERS

Mr. HUMPHREY. Mr. President, the migratory farm families in this Nation have too long been assigned to legal limbo. They have been excluded from almost every major legislative advancement that most Americans have known, and that many Americans take for granted.

In the past there has been much commiseration about the plight of migrant farm families, but no legislation. Beginning with the establishment of the Senate Subcommittee on Migratory Labor, however, the legislative deepfreeze began to thaw. Senator HARRISON A. WILLIAMS, chairman of the Subcommittee on Migratory Labor, has introduced a legislative program that has been aptly characterized as "a bill of rights for migrants." Of this sound legislative package, five bills have passed the Senate, four are pending before the House, and one, the Health Bill, S. 1130, has been enacted into law. Thus, in signing this health legislation into law, President Kennedy has made an immutable mark in American history. He signed into law the first meaningful piece of legislation ever passed by Congress for this Nation's 2 million migrant farm citizens.

Dr. Howard A. Rusk, writing in the New York Times on September 30, 1962, has made a sound and thorough appraisal of the recently enacted health law. In discussing this legislation, Dr. Rusk notes that—

> It is encouraging that at long last we have seen the necessity for combating the diseases that kill and cripple those who harvest our food.

Mr. President, this article was written by a leading authority on health matters, and is as perceptive as it is timely. I ask unanimous consent that Dr. Rusk's article, entitled "Migrant Workers' Care," be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MIGRANT WORKERS' CARE—NEW U.S. LAW FOR HEALTH CLINICS MOVES TO CORRECT A SOCIAL INJUSTICE

(By Howard A. Rusk, M.D.)

Last Wednesday, President Kennedy signed a bill that takes the first step toward eliminating the social injustice to which migratory workers have long been subjected.

The new law authorizes a 3-year program of Federal grants up to $3 million annually to help establish clinics and other health projects for this group.

The funds will be used to stimulate State and local health agencies in areas seriously affected by the seasonal impact of migratory workers.

The domestic migratory farmworker has been called the forgotten man of social justice. Our 500,000 domestic migratory workers and their 1,500,000 dependents have been excluded from virtually all modern social legislation.

These 2 million Americans have been excluded from the social advances the rest of us take for granted. Among the advances are minimum wages, workmen's compensation, unemployment insurance, adequate child labor protection, public welfare and Federally protected rights to organize and bargain collectively.

FOREIGNERS GET BENEFITS

Ironically, the contracts under which foreign farmworkers come to the United States for short-term employment contain benefits not provided U.S. citizens.

These usually include health and accident insurance, minimal standards for transportation and housing, and guaranteed periods of work.

With fewer than 150 days of employment annually, the average domestic agricultural migrant earned $911 in 1959. Of this, $201 came from odd jobs found outside of farming.

The constant movement between States of migratory farm families prevents them from utilizing public health services generally available to other citizens. Their infant mortality rate, for example, is probably double that of the Nation as a whole.

FEW CHILDREN IMMUNIZED

Studies show that few of the children of migratory workers have been immunized against diphtheria, whooping cough, and tetanus.

In Hale County, Tex., a diphtheria epidemic involving 72 cases, of which 29 were among migratory farm families, needlessly exposed the 37,000 residents of the county to a costly battle against this highly contagious disease.

The high rates of tuberculosis and venereal diseases among migrant workers also provide reservoirs of disease that threaten the entire population.

Health problems of migratory workers also provide serious fiscal problems for local hospitals and health facilities, both public and private.

HOSPITAL BILLS UNPAID

A 1960 report from a community hospital in Florida showed that although agricultural migrants accounted for only 2 percent of its total admission, they were responsible for 21 percent of all unpaid bills.

The collection rate for physicians from inpatient migratory workers were 0.039 percent.

"Read My Arm," a new professional film on farm migrant health, is scheduled for a premiere showing to the Association of State and Territorial Health Offices in Washington on October 10.

The film depicts the first demonstration of a new tuberculosis screening test on several hundred workers conducted by the New Jersey Department of Health last summer.

The new health care law is 1 of 10 bills dealing with migratory labor introduced by Senator HARRISON A. WILLIAMS Jr., Democrat of New Jersey, in the current session of the Congress. It is the first to be enacted.

OTHER LAWS EXPECTED

Calling the new law "the first substantial really helpful bill ever passed for the migrant," Senator WILLIAMS has expressed confidence the other bills would become law soon.

Four that passed the Senate last year still await action by the House. Scheduled next for consideration by the House is the one of the four bills dealing with child labor.

The benefits of modern agricultural science are brought to bear diligently against the diseases of plants and livestock. It is encouraging that at long last we have seen the necessity for applying the same diligence in combating the diseases that kill and cripple those who harvest our food.

U.S. CAPITOL HISTORICAL SOCIETY

Mr. HUMPHREY. Mr. President, one of the important achievements that occurred during this session of Congress was the founding of the U.S. Capitol Historical Society. I believe this is an event of great significance. I rise to pay tribute to those persons who have been prominent leaders in the establishment of this society dedicated to the comprehensive and scholarly study of the Capitol and the human history that is an integral part of this magnificent building.

The guiding force and moving spirit behind the U.S. Capitol Historical Society is the distinguished gentleman from Iowa, Representative Fred Schwengel. Mr. Schwengel conceived of the idea, nurtured the idea, gathered support for the idea, and finally brought it to realization during the past 6 months. This is a great achievement and a tribute to his vision and determination.

I want to stress the importance of vision in the founding of this society: vision to see that great moments in human history have taken place in this building, vision to see that Americans and all people must come to appreciate more fully many of these events, and vision to see that history is still being made here. The society will now preserve these events for the ages.

The purposes of the U.S. Capitol Historical Society, as set forth in its constitution, make an eloquent statement. They provide an excellent description of the reasons behind the founding of the society. These purposes are "to encourage in the most comprehensive and enlightened manner an understanding by the people of the founding, growth, and significance of the Capitol of the United States of America as the tangible symbol of their representative form of government; to undertake research into the history of the Congress and the Capitol, and to promote the discussion, publication, and dissemination of the results of such studies; to foster and increase an informed patriotism of the land in the study of this living memorial to the founders of this Nation and the continuing thread of principles as exemplified by their successors."

The founders of the society recognize one principal fact: that this is a great and historic building; that the history of the Nation is written in its corridors, chambers, rooms and alcoves. Giants among men have labored here and the product of their labors has been the history of this Nation. The extent to which the U.S. Capitol Historical Society can assist in telling this story, in capturing these great achievements for the ages, then it will make a most important contribution to our national life.

In fact, it is amazing to realize that over 150 years have passed without the establishment of such a society. It has been needed for many generations. We must realize the debt owed Fred Schwengel by the entire Nation now that the society has been established.

I would like to note briefly the officers of the society. Our honored and revered colleague, the senior Senator from Arizona [Mr. Hayden], is the honorary chairman. I think we occasionally forget that this great Senator has served his State as an elected Member of Congress since the day of its admission to the Union. His willingness to serve as honorary chairman is indeed fitting and generous.

The Honorable Fred Schwengel has been elected president of the society. His endless enthusiasm and dedication will guarantee that the society's work will be both purposeful and enlightened. Vice presidents include the gracious and able Congresswoman from Illinois, Mrs. Marguerite Stitt Church; Allan Nevins, the noted historian; Carl Haverlin, president of Broadcast Music, Inc., and a noted authority on President Lincoln; Melvin Payne, executive vice president and secretary of the National Geographic Society; and, I must admit with some modesty, the senior Senator from Minnesota. Mrs. Lillian Kessel, Office of the Architect of the Capitol, serves as recording secretary; and Mr. Victor M. Birely, president of Birely & Co., investments, has been elected treasurer.

Many other persons throughout the United States have worked in behalf of the society. The extent of the support from across this Nation has been most encouraging.

A board of trustees representing many related fields of endeavor has also been elected. The work of the society is underway.

I believe one of the first projects will be the preparation of the comprehensive fact and guidebook of the Capitol that will be available to the thousands of visitors who come here each year. This book will be prepared under the direction of a number of leading scholars of history, government, architecture, and the arts. Its publication will be a great achievement.

Beyond that, the work of the society should be limitless. I personally believe the production of a motion picture film portraying the highlights of the Capitol in a form suitable for presentation throughout the world would be another major contribution. Of course, the society will also undertake a continuing program of research and study into the Capitol and the history that has been written here. As funds become more plentiful I trust the society will develop a permanent staff of scholars to carry forth these various research activities.

An important facet of the society's activities will be bringing the history of the Capitol and Congress to the young people of America. There will be a special category of paid membership for our young citizens, for it is essential to include them as direct participants. I can think of no more worthy objective than bringing the students of America into closer touch with the ongoing history of the Congress of the United States.

The society will be open to and belong to all the people of the United States. This building and this Congress, as stated in the purposes of the society, provide the tangible evidence of our democratic form of government. Membership in the society should be available to all American citizens.

I was greatly honored to be elected vice president of the U.S. Capitol Historical Society. I am looking forward to whatever contribution I can make to its many activities. And I urge my colleagues to join the ranks of participating members. The society has a great task before it and I believe a great future. I hope every Member of Congress and every other American will be an active participant and contributor to this outstanding work.

FOREIGN AID APPROPRIATIONS

Mr. HUMPHREY. Mr. President, this morning the New York Times emphasized the importance of the decisions that will be reached this week by the conference committee on foreign aid appropriations.

The Times asks which version of the appropriations bill Premier Khrushchev would prefer. This seems to me to be a highly relevant question. I quote from the Times answer:

> Naturally the Soviet leader would like to see us repudiate our program of long-term aid commitments, cripple the Alliance for Progress, put heavy pressure on Yugoslavia and Poland to move closer to Moscow, and force a serious exacerbation of our relations with such friendly countries as Norway and Greece. These are some of the predictable consequences should the House version become law.

Mr. President, I see great truth in these observations. I exhort the Senate conferees to support the Senate version with vigor and determination. The Times does not exaggerate; the very future of the cold war may rest with the decisions reached by this conference committee.

Mr. President, I ask unanimous consent that the New York Times editorial entitled "Aid—to Friends or to Moscow?" be printed at this point in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Aid to Friends or to Moscow?

The Senate has now restored most of the cut in the foreign aid appropriations bill that was inflicted in the House on the President's original request for funds. The Senate also voted sensibly—and in accordance with the provisions of the authorization legislation—for Presidential discretionary power on aid to Yugoslavia and Poland, as well as on aid to countries whose ships move cargoes to Cuba. This hard fought struggle will reach its climax this week in the conference between representatives of House and Senate.

None of the conferees should be under any misapprehension as to the importance of the decisions they will take. The President of the United States has warned that the drastically reduced appropriation voted by the House "poses a threat to free world security." He has declared that "the aid program is just as important as any military spending we do abroad." The President has not made these and other similar statements lightly. They are literally true.

In practical terms, the bargaining at the conference table will center about the $800 million difference between the Senate and House versions. While this is a large fraction of the aid appropriation, it is a minuscule amount compared with either the total of Federal spending or the national income. It is much less, for example, than one-fifth of 1 percent of the Nation's gross national product. Can it really be seriously argued that to save such a relatively small amount—in terms of this Nation's vast resources—it is worth while gambling that the judgment of the House Appropriations Committee on one of the most sensitive areas of our foreign policy is superior to that of the Chief Executive of the United States, not to mention that of the Senate Committee on Foreign Relations and the House Committee on Foreign Affairs?

The conferees will do well to ask themselves which version of the appropriations bill Premier Khrushchev would prefer. Naturally the Soviet leader would like to see us repudiate our program of long-term aid commitments, cripple the Alliance for Progress, put heavy pressure on Yugoslavia and Poland to move closer to Moscow, and force a serious exacerbation of our relations with such friendly countries as Norway and Greece. These are some of the predictable consequences should the House version become law. They argue eloquently for a conference decision to adopt the Senate version.

FEDERAL FINANCIAL STATEMENT

Mr. MILLER. Mr. President, the Des Moines, Iowa, Register for July 5 contained and article entitled "He'd Like To See Federal Financial Statement," written by Maurice Stans.

Mr. Stans advocates the preparation of some kind of annual presentation of the assets, liabilities, and worth of the Federal Government. He indicates that the Bureau of the Budget and the Treasury Department have been working on this subject, and he expresses the need for such a statement so that the American people will know where they stand with respect to the finances of the Federal Government.

I ask unanimous consent that this excellent article be printed in the body of the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HE'D LIKE TO SEE FEDERAL FINANCIAL STATEMENT

(By Maurice Stans)

LOS ANGELES, CALIF.—Do you realize that the largest enterprise in the world—the U.S. Government—has no financial statement listing its resources and debts?

If you own a share of stock in a publicly owned corporation, you get a report annually or oftener, listing its assets and liabilities. If you belong to a union, lodge, fraternity, professional society, or club, you get an annual accounting of its investments, funds, and obligations.

In many States, counties, municipalities, and other taxing districts, published annual statements are required by law. Usually these summarize the receipts and disbursements and show also the balances of properties, investments, cash, and liabilities.

A PROPER ACCOUNTING

A proper accounting of stewardship by a publicly held corporation or public body almost invariably is expected to include at least two things:

A summary of the transactions in each fiscal year.

A summary of the financial position (resources and debts, or assets and liabilities) at the end of each year.

The Government publishes only the first of these, its accounting for cash transactions. It has no system for compiling a periodic statement of what it owns and what it owes.

ENTITLED TO KNOW

The concept behind the reporting requirements of a publicly owned business corporation is that the owners are entitled to know its financial status. Among other things, this may help them to determine whether to change the management.

Under this concept, it seems logical that the Government should furnish its owners—the citizens—a thorough annual accounting of financial stewardship. The voters might then more intelligently decide whether to retain or change the management.

To be sure, the Government does report an annual budget in advance of each year and a cash-in cash-out statement at the end of each year, showing whether tax revenues balanced expenditures. But this is far less than the extent of disclosure that the Government requires of important business corporations.

NO CONSOLIDATED BALANCE SHEET

The annual budget document does contain reports of the financial condition of certain trust funds, revolving funds and the many Government business corporations, such as TVA, CCC, Panama Canal Company and Virgin Islands Corporation. It also contains summaries of amounts invested in loan and insurance programs at the close of each year. But the annual budget includes no consolidated balance sheet containing a summary of the Government's assets and liabilities.

The House Committee on Government Operations for several years has prepared annual inventory reports bringing together from various sources some of the Federal Government's asset amounts—both real and personal. These reports are a good start, but they are admittedly incomplete as an overall balance sheet.

Wouldn't the taxpayer like to know how much the Government has invested in loans, stockpiles, securities, farm products, foreign currencies, working funds, public buildings, Government-owned corporations, and so on? And wouldn't he like to know, too, how much the Government owes?

By watching the changes in these categories from year to year, along with the annual budget, you might be better able to appraise the course of the Government's financial affairs.

To get this information at the outset would be a difficult technical job for Government accountants. But once the techniques were established, keeping the figures up to date would be relatively easy. Many complications would have to be resolved. Accounting principles would have to be established in many property categories.

ANSWERS NEEDED

The Military Establishment is an asset; but what about military hardware destined to be consumed? How should foreign currencies and strategic stockpiles be priced? How should depreciation on public buildings and equipment be accounted for?

These are only a few of the typical questions. But these accounting problems are not insurmountable.

Many accounting principles already common in business practice would be applicable and others could be devised. Even if all assets were initially valued at their cost, rather than at current market, the statements would be worthwhile. They then could be refined over a period of years.

SOME WORK DONE ON IT

Some preliminary research on this was done in 1959–60 by the Bureau of the Budget. Either the Bureau or the Treasury Department should take on the whole chore.

Just as a balance sheet for an individual will reveal whether he is overextended in any direction, so would a Federal balance sheet turn the spotlight on problems long hidden in the background. It's time we did this to establish better controls over our Federal finances.

LEAVE OF ABSENCE

Mr. MILLER. Mr. President, I ask unanimous consent that I may be excused from attendance on the sessions of the Senate commencing at noon on Saturday and continuing through next week.

The PRESIDING OFFICER. Without objection, it is so ordered.

NECESSITY FOR ENDING SEGREGATED HOUSING

Mr. MORSE. Mr. President, the Washington Post this morning published an article entitled "House Group Warns Commissioners on Rules to Ban Segregated Housing."

I ask unanimous consent that the entire article be printed at this point in the RECORD, in connection with my remarks.

There being no objection, the article was ordered to be printed in the RECORD as follows:

[From the Washington (D.C.) Post, Oct. 4, 1962]

ACTION TAKEN AT SECRET MEETING—HOUSE GROUP WARNS COMMISSIONERS ON RULES TO BAN SEGREGATED HOUSING

(By Morton Mintz)

A House District subcommittee, dominated by Southerners, tried in an unannounced, secret meeting yesterday to interpose itself between the District Commissioners and a proposed regulation barring racial discrimination in Washington housing.

Although the subcommittee was set up in recent days, its existence and purpose—to delve into so-called special problems of the District—had not been disclosed.

In its hour-long meeting, the subcommittee warned the District Commissioners against issuance of any regulation forbidding discrimination in the sale, rental or financing of homes and apartments.

Walter N. Tobriner, President of the Board of Commissioners, said he had no comment on the meeting.

Although what is involved is an administrative regulation and not new legislation, the control of District Committee members over the city's affairs is so great that it could be an awesome retaliatory weapon.

Heading the subcommittee is Representative BASIL L. WHITENER, Democrat, of North Carolina. Members are two other Democrats, Representatives JOHN DOWDY, Democrat, of Texas, and GEORGE HUDDLESTON, JR., Democrat, of Alabama, and two Republicans, Representatives JOEL T. BROYHILL, Republican, of Virginia, and WILLIAM H. HARSHA, JR., Republican, of Ohio.

The subcommittee was reported to have adopted a resolution calling on the Commissioners not to issue a regulation against housing bias pending the return of Congress next year, and a review and possible public hearings by the District Committee. A copy of the resolution was not available.

Last April, the U.S. Commission on Civil Rights held hearings here that disclosed patterns of housing discrimination against Negroes. Last week, the Commission recommended that the District adopt a regulation prohibiting housing discrimination.

The Commission also called on President Kennedy to issue an Executive order forbidding discrimination nationally in housing insured by Federal agencies. Reportedly the President has been delaying the issuance of such an order until Congress adjourns.

The Commissioners have asked the District's legal office to begin drafting an antidiscrimination regulation. Reportedly, the legal right of the Commissioners to issue such an order has been upheld in an opinion by Corporation Counsel Chester H. Gray.

Mr. MORSE. Mr. President, I wish to read one or two paragraphs of the article, and then to comment upon them:

> A House District subcommittee, dominated by Southerners, tried in an unannounced secret meeting yesterday to interpose itself between the District Commissioners and a proposed regulation barring racial discrimination in Washington housing.

> Although the subcommittee was set up in recent days, its existence and purpose—to delve into so-called special problems of the District—had not been disclosed.
>
> In its hour-long meeting, the subcommittee warned the District Commissioners against issuance of any regulation forbidding discrimination in the sale, rental or financing of homes and apartments.
>
> Walter N. Tobriner, President of the Board of Commissioners, said he had no comment on the meeting.
>
> Although what is involved is an administrative regulation and not new legislation, the control of District Committee members over the City's affairs is so great that it could be an awesome retaliatory weapon.

Mr. President, I wish to comment on this matter, for the situation in the District of Columbia is exceedingly serious.

This afternoon I was in conference with an official of the Protocol Division of the Department of State. He has the responsibility of seeking to iron out, to mollify, to mediate, and to conciliate the very serious problems which arise at the diplomatic level at the State Department. These problems arise because of racial discrimination in the District of Columbia on the part of various businessmen in the field of real estate in the District of Columbia. They involve foreign diplomats whose skin is black in color.

Just the other day a very embarrassing situation arose in the District of Columbia. It involved the Ambassador of an African country who was shockingly and disgracefully embarrassed by a real estate official in this city over a matter of carrying out the terms of a lease which had already been entered into.

One of the secretaries of that Embassy is a white woman. She went to the apartment building, to complete arrangements in regard to the Ambassador's moving in. She went there in the Embassy's car. She was accompanied by a colored chauffeur. The colored chauffer, of course, accompanied her to the apartment building, because he had been ordered by the Embassy to be of assistance in connection with the making of plans for moving into the apartment.

The real estate official took the position that his firm would not rent quarters for this Embassy, inasmuch as it was employing a white secretary who was accompanied, in connection with carrying out of purely business matters connected with the Embassy, by a colored chauffeur.

Mr. President, I wish to say that discrimination in the District of Columbia must stop. This is the capital city of the United States of America. There is no place in the Nation's Capital City for the importation of any type of shocking racial problem. These problems, typified by the unfortunate Mississippi incidents in the last few days, have done the United States irreparable damage around the world.

Mr. President, we no longer have any time for this kind of damage to the status, standing, and prestige of the United States of America. In the Capital City of our Nation it must be made very clear to the real estate operators and the property owners that discrimination because of the color of skin must stop. As a member of the District of Columbia Committee of the U.S. Senate, I wish to say to the Commissioners of the District of Columbia that long ago they should have issued an ordinance ending discrimination because of the color of the skin of a proposed lessor or purchaser in the District of Columbia, in connection with the rental or sale of real property.

This afternoon I was told by that State Department official in the Protocol Division, that in the past few weeks there have been more than 30 of these highly embarrassing diplomatic incidents, which are causing us so much difficulty in the internatioinal councils of the world. It is time for the United States to enter the age of maturity with respect to race, for no longer can we overlook the fact that time has passed by the racist. We can no longer afford to take the position, in the international councils of the world, including the United Nations, that we stand for freedom, and yet have proven to us, by incident after incident, that we do not practice freedom. In my judgment one cannot possibly reconcile freedom with the denial of freedom on a race basis. Yet this has been done in connection with the location in this country of the embassies of these African nations.

I think there must be recognition that no longer is there justification for any further toleration of racial discrimination in the District of Columbia in connection with the lease or sale of real estate. The new nations of Africa, whose Ambassadors are colored, certainly should no longer be subjected to insult and caused chagrin by business people in the District of Columbia who are insistant upon denying to them the right to purchase or lease property, because they are black men.

If there is any attempt on the part of any legislative committee of either branch of Congress to prevent the District of Columbia Commissioners from performing their clear duty, let us bring it out here on the floor of the Senate and on the floor of the House, and let us take the necessary legislative action to leave no room for doubt that we will no longer tolerate, in the Capital of the United States, discrimination in real estate transactions based upon a race issue.

Mr. President, I thought the Supreme Court in its decision on covenants had made it perfectly clear that the attempt to impose any such discriminatory practice was illegal. Apparently, in spite of the Supreme Court decision on covenants, this practice of discrimination is continuing.

It is one of the serious diplomatic problems confronting the protocol division of the Department of State.

I rise tonight on the floor of the Senate to protest any attempt on the part of any House committee, or on the part of any real estate group in the District of Columbia, to continue the shocking discrimination based upon race in connection with property transactions either by sale or lease in the District of Columbia.

I say to the District of Columbia Commissioners, "The problem is now on your desks. You cannot escape it. It is your obligation to take an unequivocal position, as to whether or not you will proceed, without any further delay, to pass the necessary ordinance, which you have the power and duty to pass, making it perfectly clear that there can be no more discrimination, nor a surrender to the type of pressure that apparently the House subcommittee is attempting to exert upon you."

Mr. President, there is only one way to meet issues, and that is to meet them directly. I suggest that there be a direct meeting of this issue and to ascertain now whether or not the Government of the United States, in the Capital City of the Nation, will permit a group of property owners to violate what is, in fact, national policy; namely, a national policy not only of nondiscrimination in connection with property transactions in the District of Columbia, but which also touches nondiscrimination in the District of Columbia in public places, in the schools, and in the operation of the government of the District of Columbia.

I am sorry it has become necessary to raise this issue on the floor of the Senate. I was compelled to do so by the shocking story in the Washington Post this morning and the disturbing conference I had this afternoon with the protocol division of the Department of State, which has the responsibility of seeking to settle these very embarrassing racial questions when they arise with respect to foreign embassies. These events have caused me to make as crystal clear as I can that, so far as the senior Senator from Oregon is concerned, he is going to press forward on this matter to do everything he can to bring to an end these shocking discriminatory practices in connection with the sale and lease of real estate property in the District of Columbia, which involve the diplomats and the embassies of foreign countries whose Ambassadors and staffs happen to be of a colored skin.

SECRETARY FREEMAN'S FORESTRY SPEECH IN PORTLAND, OREG.

Mr. MORSE. Mr. President, on September 14, Secretary Freeman delivered a major address on forestry in Portland, Oreg., to the Western Pine Association. This address was well received by western lumbermen, and I shall ask that it, along with editorial and press comments, be printed in the RECORD at the conclusion of my remarks.

Mr. President, Secretary Freeman was frank and explicit in his talk, and in a 90-minute question and answer period that followed his speech.

I particularly commend the Secretary's decision to elevate the National Forest Advisory Council to the Secretarial level and to assure that this Council represents all groups interested in conservation.

This is the suggestion I made to President Kennedy on July 26 when we met to discuss lumber problems.

I was also pleased to hear the Secretary stress that local problems will be settled locally—that clear, sharp decisions implementing policy will be forthcoming—that he intends to have everyone understand what he means.

Equally, I think the observations he made about the traditional attitudes of some in the lumber industry, and traditional procedures in the Forest Service, needed to be made so that the role of the national forests can be placed in focus.

These properties are, as Secretary Freeman said, "forests for the future," dedicated to solid community growth which takes into account all uses.

In my judgment, the Secretary's implementation of the policies he outlined will bring about a substantial improvement in national forest operation. This we need, and I want to assure the Secretary, and all who share an interest in conservation, that I shall continue to insist that forest policy move forward on a broad, constructive, conservation, and conservative basis.

I say to the Secretary, as I have said in my State, that I am highly appreciative of the fine cooperation he has given to me, throughout the Kennedy administration, in connection with Oregon lumber problems. We have had many of them. A good many of them have involved the Forest Service. When I have taken these problems to Secretary Freeman I have taken them to a man who has been willing to listen to the facts and to act upon them.

That is all I ever ask for when I take a case involving a problem of my constituency to any department of the Government.

As indicated earlier this afternoon in a speech I made on the lumber problem in connection with the foreign trade bill, as a result of these conferences with Secretary Freeman, we have been able to effect to a considerable degree a change in policy in Forest Service practices and procedures.

In saying this I also express my appreciation to Mr. Edward Cliff, who is Director of the Forest Service, because he, too, has been most willing to listen to the facts and to act on the basis of the facts as we have presented them to him.

I ask unanimous consent that the speech of Secretary Freeman to which I referred earlier be printed in the Record, as well as an editorial in the September 18, 1962, issue of the Oregonian entitled "Freeman's Answers"; a statement on Secretary Freeman's address before the Western Pine Association, by Mr. Griffee, who is secretary-manager of the Western Pine Association; an article from the Oregon Journal of September 15, 1962, by Mr. Paul Manley, entitled "Northwest Lumbermen Weigh Timber Allocation Proposal"; and an article from the Oregon Journal of September 14, 1962, entitled "Freeman Pledges Some Lumber Aid."

There being no objection, the address and material were ordered to be printed in the Record, as follows:

Address of Secretary of Agriculture Orville L. Freeman, Before the Membership Conference of the Western Pine Association, Multnomah Hotel, Portland, Oreg., September 14, 1962

I welcome this opportunity to speak to you for I believe there are things which need to be said. I left my office in Washington to do this at a critical time when the Congress is attempting to work out a farm bill which will carry forward the advances we have made in agriculture these past 2 years. Improving farm income is a responsibility I feel deeply.

But I also feel a strong responsibility to you as members of an important industry who are users of the national forests. This association cuts nearly half of the national forest timber sold—and more than half of all commercial timberland in the western pine region is in the national forests.

I recognize clearly that you are in large measure dependent on the Department's national forests, and therefore the Department's timber management policies are exceedingly important to you. I regard this as a very great responsibility, and I am here today because I take this responsibility seriously. I am interested in and concerned about your problems. This administration is taking an active interest in the timber products industry and its problems. The President, as you know, has developed an 8-point program to help meet some of your problems. And today, I want to get the "feel" of your needs and understand thoroughly your proposals and all the implications that flow from them.

My concern does not rest on a narrow point of view. Timber is the bulwark of the western economy. Here in Oregon and Washington, for example, wood products and related industries account for more than half of the industrial employment. During the 12 months ending June 30, timber harvested from the national forests in Oregon and Washington totaled 4.3 billion board feet, as high as any year of record. This cut was valued on the stump at almost $79.5 million. From it has flowed an expanding total of millions of dollars in wages and in finished products for the American people.

Jobs, wages, and industry are not all that has grown from this harvest of the forest. Nearly $17 million to improve schools and roads was returned to those counties in which the national forests were located.

During this same year, much more was harvested from these forests than timber. Millions of people from nearby communities and distant cities came to spend leisure hours in camping, fishing, hunting, and hiking—in recreation activities which generate substantial economic benefits for surrounding towns. Water supplies for families and commercial users—for farmers and for sportsmen—in places far distant from the forest, were protected and substained by the conservation practices of wise forestry management.

Obviously, the Department and the users of the national forests are partners in progress. But progress does not always come easily. Some of the situations we find today reinforce that conclusion.

In your invitation to me, you asked me to speak straight out. I believe one of the deciding factors in my accepting your invitation at this busy time was the request that I "lay it on the line." I like to do business that way.

Let me say first that I have great pride in the Forest Service, for I recognize, as do you and millions of Americans, that it is the dedication and initiative of their people that has made the national forests truly "forests for the future." In the same manner I have great pride in the forest industry which is so important to this country and which supports the management of our forests as a valuable and renewable resource.

In speaking straight to the heart of the problems which we share, I want to set forth your chief concerns as I understand them and tell you what we have done. I also want to outline some of our problems which we in the Department feel have not been fully understood by you. Then I want to listen while you discuss these matters with my associates from the Forest Service.

We can all agree that we face some difficult problems today. Some of the causes of these problems are beyond the control of the industry—and some are beyond the control of the Department. Many of them reflect the often frustrating byproducts of scientific and technological change in the new age of abundance in which we live. They are not of our making, but they come to us for some solution.

The major problem is simply that lumber production has been at a low level for 4 out of the past 5 years. Consumption has been down, but not quite as much as production. Per capita consumption has been dropping. This is due in part because new construction starts have not been as high as we would like to see. But it also is due to the vigorous competition from other kinds of building materials. This competition is getting stiffer all the time as the appealing qualities of the new materials are vigorously promoted, promotion aimed at the weak points of traditional materials.

Along with this has been the step-up of lumber imports from Canada. The Canadian forest industry is expanding, and for the time being does not have some of the supply problems you face here.

A second, but related problem, is the sharp competition in many places in the West for logs. In some localities the supply of available raw material just cannot stretch to meet existing mill capacity. As a result, prices are being bid up for the available timber.

I can assure you that the Department is very conscious of all this. We are striving to do everything we can to help. For example, last February this association was part of a national group which met with me and asked for a number of adjustments in national forest timber sales policies. Let me describe what we have done:

We are fully in accord with the policy that the regular harvest of full sustained yield should be the objective of the Department's timber sales programs—and we will make available an annal report measuring how close we have come to meeting our goal each year.

We have given first priority attention to bringing timber sale offerings up to an acceptable level. The results showed during the April 1 to June 30 quarter—we offered a record volume of timber for sale in one quarter.

Except for years which included long-term pulpwood sales in Alaska and Arizona, the all-time high record for timber sold from the national forests was achieved during the last fiscal year. The volume of timber sold was 10.3 billion board feet. Over 9 billion board feet was cut, the second highest year on record.

Over the years, I believe we have done better on the allowable rates of cut than many people in this association realize. In those regions where the pressure is greatest for timber because mill capacity exceeds the available supply, we have increased the allowable cut. In the 42 national forests where the pressure is greatest, the calculated annual cut has been increased from 5.8 billion board feet to 7 billion board feet since 1958—20 percent in 4 years.

There is a substantial difference in these 42 national forests where competition for timber is keen and the 55 western national forests where the competition is less than keen. During the 4-year period in which we have increased the allowable cut by 20 percent in the first group, the actual cut in these forests has equalled the calculated allowable cut. For the 55 other western forests, the actual cut has averaged only 34 percent of the allowable. The timber is there, but the demand is not. We stand ready, as always, to assist any group or concern that wants to utilize this available allowable cut.

In June, as you know, we announced plans to convene a working group of outstanding foresters to review our timber management planning procedure. A first draft of their report has been submitted, and the final report will be made available as soon as it is completed. We already are drawing on the work of the study group in our current restudy of annual cut levels.

I believe that my report to President Kennedy in October will show a further increase in the allowable cut. We think this is a good record of progress. However, additional increases after that date, except those which can come as you increase utilization, are likely to be minor. Recognition has been given to most of the factors which can be considered in providing for increased allowable cuts.

The Department is committed to the wisdom of sound conservation practices in its forestry management policies. We shall adhere to the sustained yield principle. To do otherwise would bring irreparable damage to a public resource that belongs to future generations as well as to us.

You also asked in our February meeting that we make a basic change in the method of appraising national forest timber. In my judgment, this proposal would fail to develop a reasonable estimate of fair market value—a responsibility which I have to the American public. However, I have asked the Forest Service to review continuously the stumpage pricing policies and procedures to eliminate unnecessary and nonproductive controversies with timber purchasers and in every legal and practical way to improve procedures.

To assist in the review which I feel is needed now, I am asking the Forest Service to set up an advisory committee of people who are knowledgeable about these valuation problems and who have no obligation to the Forest Service or to the industry.

I recognize the economic impact of the lumber market decline. Since it began 2 years ago, there has been a marked and responsive reduction in appraised prices developed by the regular system of stumpage appraisal. During the period between 1959 and 1961, exclusive of new sales in Alaska, the appraised price for new timber sales offerings in the western national forests declined 30.6 percent. Minimum stumpage prices have been reduced for nearly all Western species.

We also have made changes in our procedures to provide a more equitable arrangement for writing off road investment costs. And we have accepted the principles involved in your proposals on sales containing both high-value species and low-value species when normal appraisal procedures make the low-value species unattractive.

Again, I think this is a pretty good record.

Your third recommendation requested a new appeals procedure for prompt and impartial resolving of contract administration and performance differences. Recently you have changed the substance of this request. I am asking the Chief of the Forest Service to sit down with you and discuss this matter as there is need for further clarification.

On the fourth recommendation dealing with the revision of the timber sales contract there are a number of points of difference under consideration which I hope can be worked out to our mutual satisfaction. On these unresolved matters I will have more to say shortly.

I believe the record shows then that we have made every effort to respond to your requests. We have acted promptly because we recognize there are immediate problems—but we also have taken a number of other steps of long-range benefit to the timber industry as well as to all national forest users.

We have initiated a vigorous development program for the national forests which will continue over the next 40 years. We are well into the first 10-year action stage today.

This provides, among other things, for building up the annual harvest of all national forests to a rate of 13 billion board feet by 1972. We have set higher standards of revegetation, salvage, and erosion control on sales acres. We also plan to reforest over 3 million acres of forest land. We plan to build up the productive capacity of more than 11 million acres of less than sawlog size stands through timber stand improvement.

But this isn't all. Some of the other programs which will be of value to you include:

Under this 10-year program, we expect to intensify fire protection efforts to the equivalent of double the protection level prevailing 2 years ago. We are proud of the close working relationships that exist between the Forest Service and the timber industry in fire protection. We cooperate here because we both recognize the value of this relationship.

We are stepping up federally financed forest road construction. Legislation recommended by the administration will more than double road money authorizations by fiscal year 1965.

And we have plans to further step up research, both in wood products and in other phases that are important to wood processors. In this forest products field we are now effectively working with your association and with others in tests of wood strength—for example, the worthwhile project now going on involving collecting and analyzing 50,000 wood core samples. It is but one part of a massive forest research program which deserves your support.

Before leaving this discussion of the program activity within the Forest Service, let me tell you of another change we are making. From now on when decisions have to be made, they are going to be made quickly and decisively so we can eliminate uncertainty and confusion. In order to do this, broad guiding policies for major segments of the Nation's forests are being developed.

To give you a specific example, I would cite the new management policy for the high mountain area of national forests in Oregon and Washington. I believe we have a firm, clear-cut policy now that not only takes into account the scenic values of these magnificent high country areas but also provides for consistent development of timber and other resources. Clear, sharp decisions implementing that policy will be forthcoming. It is unreasonable to expect unanimous approval when tough decisions have to be made, but I intend for everyone to understand what I mean.

Now, let me make a few observations about your industry. First, I believe that an impartial assessment of the history of our relations would find that we agree more often than we disagree. The Department has long assisted in the progress you have made in handling the raw products from stump to mill. Technology has had an enormous impact in this process. The same initiative and inventiveness can be found in the way timber is broken down into a great variety of products. I am sure you recognize the need for the same kind of imagination to develop better techniques for bringing your products from the mill to the consumer—and once there of giving these products a better consumer orientation.

I want to compliment you on your national wood promotion program and the regional programs designed to reach the consumer with your story. The use of handbooks and working guides are excellent moves; and recent efforts to deal with the entire marketing procedure indicates this association is thinking ahead.

You are moving ahead with research in forestry and wood products. You also have given support to Forest Service research. That is all to the good.

However, it is obvious that you do not consider these steps adequate to deal with your problems. We know you are deeply concerned for you have told us. You have expressed your impatience to us and to the country in no uncertain terms when you haven't gotten a favorable response to all of your demands. I can understand that you feel you must talk in extremes to get the attention of newspapers, radio, and television. But I do hope you don't believe everything some of the people in the industry are saying. Happily, many of you have acknowledged—some explicitly and some implicitly—that you don't. Some of you have told me privately that although you don't like everything the Forest Service does, you basically respect the agency for its dedication, ability, and accomplishment.

If you consider this blunt, straight talk, I mean it to be so. We will get down to our mutual problems only if we are frank with each other. We will get results only if we are fair to one another.

I would like, in the next few moments, to cover briefly some of the problems which I find are making it more difficult to be of greater assistance to you.

I do not believe the forest products industry has given due credit to the Forest Service and the Department—credit for a lot of hard work done in your behalf to ease the current situation * * * credit for progress in timber sale offerings, buildup in allowable cuts, adjustment of basic appraised prices and the other items I have mentioned.

There also has been some talk that the forest products industry will refuse to deal with the Forest Service, and will seek to work out its problems only with the Secretary. Let me assure you that I am always willing to listen, but I wish to make it crystal clear that local problems must be settled locally. If there are specific steps which need to be taken to improve the Department's ability to operate with decentralized authority, then I will be glad to discuss them.

It is impossible for the Secretary of Agriculture or for the Chief of the Forest Service for that matter to make all the decisions that must be made. Basic policy will, of course, be set down by the Secretary of Agriculture as clearly and definitely as possible. But once that is done that policy must be applied in the field, not in Washington.

Another issue on which we need to have better understanding is our responsibility to the community. The goal of the Department of Agriculture is community growth. When people stop growing mentally and spiritually, they begin to slip backwards. Communities are the same. So that rural America everywhere may grow, this administration has launched a new program of rural areas development. We want to make it possible for all communities to grow—we do not want one community to grow at the expense of another—we want each to offer the chance to get ahead to its residents and to their children. We want rural people to be able to choose between a job at home and a job in the big cities without having to reject the first out of hand.

That kind of a choice can come only with community growth and diversity. I am firmly convinced that solid community growth will come only with the maximum development of the multiple use principle in the management of our National Forests. For this reason, I find it hard to understand your industry's position both on Forest Service appropriations and on the administration's farm proposal.

This year, funds for recreation and for roads are obviously at the heart of our ability to effectively provide the services which the public is demanding of the national forest * * * and which the forest products industry also will require. Yet association spokesmen called on the Congress to divert funds from other activities such as recreation and roads in order to provide appropriations to expand the Forest Products Laboratory. The laboratory was the only item supported by these spokesmen.

The position of the Association on the farm bill is even more contradictory. Your spokesmen opposed this legislation which is designed to help strengthen the rural economy by encouraging farm woodlots and the development of new recreation opportunities on farmland no longer needed to produce crops. How can the lumber industry express concern over the economic future of the small community in one breath and oppose in the next breath the modest measures the Department proposed to begin making it possible for communities we both are concerned about to grow. I ask that you reconsider your position on community growth and work with the Department in our program for rural areas development. We need your know-how, your drive and your energy. I sincerely believe you will profit as an industry from helping rather than opposing this program so important to communities both here among the Western forests and throughout the Nation.

Community growth is intimately tied to the philosophy and practice of multiple use management of the national forests. We know of communities here in the Western States that have died when an area was logged out in defiance of the sustained yield principle. I believe a community has the best chance to grow—and the people have the maximum opportunity to enjoy the massive potential of the resources of the forest—when all uses of the forest are balanced to obtain the fullest possible return.

The Congress brought this into better focus in 1960 when it said that the National Forests are to be administered for "outdoor recreation, range, timber, watershed, and wildlife and fish purposes."

This concept that no resource has a priority over other resources has been the foundation on which conservation programs have been built for decades. Because of this policy, each resource—whether it be recreation, timber, range, wilderness or water—has received full consideration in determining the best combination of uses to meet the needs of the Nation.

I take great pride in the fact that many of those people who had the vision decades ago to see the wisdom of this concept also have been closely associated with the Department of Agriculture, and I can assure you that I am as fully committed to this concept as they were.

I dwell on this policy issue because I am not sure that the lumber industry has accepted as a fact of life my obligation to see to it that the national forests are managed in such a way as to achieve the combination of uses that will best meet the needs of all of the American people.

The Department's responsibilities for the resources other than timber will have an increasing impact on the way timber is managed and sold from now on. Decisions regarding the location of roads, standards of cleanup after logging, provisions for erosion control, necessary limitations on the type of cutting in areas that are important for recreation and other uses—all must be made in terms of the best total use of our forests. It is my hope that over the years ahead the Department and your industry will continue to successfully develop practical ways to meet multiple use needs. The fact is that each use can and should complement not compete with the other.

In order to establish better communications between the office of the Secretary and the users of the national forests and to benefit from balanced guidance in setting policies, I am proposing to establish a Forest Resource Advisory Committee to advise the Secretary on the operation of the national forests. Such a committee presently advises the Chief of the Forest Service; I propose to elevate that group to the Secretarial level.

I intend to seek their advice and counsel on such matters as your industry has raised with me in recent months, and on policy questions which you may want the Secretary to consider in the future. I also intend to consult with and seek the opinion of this committee on questions of policy which affect other prime users of the national forests.

I will make certain that the members of this committee fairly represent the diverse groups and interests which use and have a right to use the national forests. I will make sure also that the interest of the general public now and in future generations will be considered.

I believe you will agree that this is a wise course, for there are few national treasures as important or that are watched more carefully than our national forests. I can illustrate this best by quoting to you a recent editorial in the New York Times.

It suggested the Secretary of Agriculture keep in mind two facts: "One is that the timber he is selling belongs to the public, and the public has a stake in the stumpage prices. The other is that the purposes for which the national forests were established are broader than the subsidization of the timber industry." I think this is a warning for both of us.

I regret that in recent months some of you have believed that the normal lines of communication between us have not functioned as they should. I like to think the situation is improving. I believe it will improve even more with the advisory committee at my side. I hope both Department and industry people will continue to work toward broadening the area of understanding.

Let me conclude by saying that the national forests will be managed for the long-term pull—for the good of all users, and that among them the forestry industries will get thorough, thoughtful attention as a very important user.

The multiple use management policy is, I believe, the same kind of a policy which any one of you would follow if you were given the responsibilities which I now carry. I doubt that there is any disagreement on this policy in broad outline. Thus the problems we mutually share lay within a framework on which there is substantial agreement.

The Department needs and sincerely solicits your understanding and help. We respect your industry and dedication. We ask that you join with us in a spirit of wholehearted cooperation. In so doing I am certain we will find constructive solutions of mutual benefit.

[From the Portland (Oreg.) Oregonian, Sept. 18, 1962]

FREEMAN'S ANSWERS

Lumber manufacturers and personnel of the Forest Service should both feel better after the frank speech made by Agriculture Secretary Orville L. Freeman to the Western Pine Association in Portland.

Mr. Freeman defended the Forest Service in its efforts to manage the forests for the benefit of all the people and praised the dedication and initiative of its people. But he also expressed concern for the problems of the lumber industry and told what has already been done and is planned to do to alleviate them. It was a conciliatory talk that should help clear the air. It may result in a reduction of the friction between the lumbermen and the Forest Service which has existed for too long.

The Secretary said his Department is fully in accord with the policy that the regular harvest of full sustained yield should be the objective of the Forest Service's timber sales program. Results of this have already been shown, he said. In the April 1–June 30 quarter a record volume of timber was offered. During the last fiscal year, a record 10.3 billion board feet was sold. The calculated allowable cut has been increased by 20 percent since 1958 in the 42 national forests where the pressure is greatest.

Proposal made by lumbermen for a basic change in the method of appraising timber would not develop a reasonable estimate of fair market value, Mr. Freeman said. But he has asked the Forest Service to eliminate unnecessary and nonproductive controversies with timber purchasers and in every legal and practical way to improve procedures. He has asked the Chief of the Forest Service to discuss with the lumber producers a new appeals procedure and he is hopeful, he said, that the timber sales contract question can be worked out to everyone's satisfaction.

Lumbermen appeared to feel that Mr. Freeman had answered their questions forthrightly and as well as he could. He assured them he was always willing to listen and will establish a Forest Resource Advisory Committee at the secretarial level so that all users of the forest and the public can be heard. But he made it clear the Forest Service would retain full responsibility for management of the forests.

One problem he tossed right back to the lumbermen. This is the matter of competitive bidding for timber which sometimes, he said, resulted in a sale price 50 percent greater than the appraised price. Low appraisals have little effect on the stumpage price in such circumstances.

Do the lumbermen wish to do away with competition and have a system of allocations of timber to existing mills? Western Pine officers replied to the Secretary's question that the organization had no established policy on that. Undoubtedly it would be as difficult for the lumbermen to abandon their principles of free competition as it is for the Forest Service to radically revise some of its established procedures.

PRESIDENT, WESTERN PINE ASSOCIATION
Portland, Oreg., September 15, 1962.

STATEMENT BY W. E. GRIFFEE ON SECRETARY FREEMAN'S ADDRESS BEFORE THE WESTERN PINE ASSOCIATION

Our members were much pleased with Secretary Freeman's address. The long and friendly discussion which followed the talk showed clearly that the Secretary has personally studied our problems. While solutions have yet to be worked out, we now know the Secretary understands the urgency of the economic situation and employment of our industry and dependent communities.

We are particularly gratified that several damaging timber sale policies are to be revised.

WESTERN PINE ASSOCIATION,
Portland, Oreg., September 15, 1962.

STATEMENT BY J. B. EDENS, PHOENIX, ARIZ., PRESIDENT, WESTERN PINE ASSOCIATION

The Western Pine Association members were agreeably surprised by the cooperative and constructive approach Secretary Freeman is making to our critical problems. We were much impressed by his keen perception and ability to discuss technical timber appraisal matters and their influence upon community stability.

He realizes our industry believes in sustained yield forestry with multiple use management. I am sure he understands that we want sale of the full allowable cut so that public forests, like private tree farms, will be producing full crops in the future.

WESTERN PINE ASSOCIATION,
Portland, Oreg., September 15, 1962.

STATEMENT BY MORTIMER B. DOYLE, EXECUTIVE VICE PRESIDENT, NATIONAL LUMBER MANUFACTURERS ASSOCIATION, WASHINGTON, D.C.

He certainly laid it on the line in regard to his responsibilities as Secretary of Agriculture. More than that, he gave us to understand he was taking a personal hand in industry-Government relations.

And where there was a wrong he would correct it. But he said where policies were right, he would sustain them.

No one could ask more than that.

[From the Oregon Journal, Sept. 15, 1962]

NORTHWEST LUMBERMEN WEIGH TIMBER ALLOCATION PROPOSAL

(By Paul Manley)

Members of the Western Pine Association and other Pacific Northwest lumbermen, Saturday, were weighing the prospect of substituting allocation of national forest timber for cutting by sawmills in place of the existing system of competitive bidding conducted by the U.S. Forest Service.

The suggestion for a change in Forest Service timber sale policy was interjected by U.S. Secretary of Agriculture Orville L. Freeman in his Friday address to the Western Pine Association's semiannual meeting at Hotel Multnomah in Portland.

The meeting, widely heralded as a "no holds barred" exchange of grievances between the Cabinet official responsible for the Forest Service and the lumber operators who claim they are at the mercy of Forest Service practices, was attended by lumber officials from as far away as Texas and Washington, D.C.

Following his formal talk, in which he urged the lumbermen to accept the Government's basic policy of managing forests for a wide range of uses, Freeman engaged in a frank 90-minute question-and-answer session with more than a score of some 500 members of his audience.

Most intensive interest appeared to center on the prospect of an allocation system for national forest timber sales and the Agriculture Secretary's proposal to elevate to the secretarial level the existing Forest Resource Advisory Committee, which currently advises the Chief of the Forest Service.

Bernard L. Orell, vice president in charge of public affairs for Weyerhaeuser Co., expressed the opinion that the lumber industry would be "horrified" at the notion of allocations, but Arthur Temple, of Texas, president of the National Lumber Manufacturers Association, questioned whether timber sales on a "pure bid basis" can be consistent with a marketing program that recognizes the Forest Service responsibility to communities affected by availability of stumpage.

In reply to a question posed by Mortimer Doyle, NLMA executive vice president, Freeman said he is recommending the creation of another Assistant Secretary of Agriculture post to oversee the Forest Service because "I would prefer to have it a major responsibility of the Secretary himself."

The Agriculture Secretary acknowledged his awareness of the Forest Service position as a monopoly supplier of timber, and declared that the appraised valuation of stumpage offered in the national forest has fallen "very sharply," following market prices.

Arthur Greeley, Assistant Chief of the Forest Service, to whom Freeman referred some of the lumbermen's questions, stressed that "the profit situation of the lumber industry is not necessarily the same thing as the profit situation of the forest products industry—and we have to take into consideration the profit situation of the entire forest products industry."

At a press conference later, Freeman likened his proposal for timber allocations to the procedure followed in British Columbia sales of crown timber, whereby the timber licensee in a working circle is given preference—provided he meets the appraised stumpage price—even if he is outbid at auction.

Concerning nontimber matters, the Agriculture Secretary acknowledged that the status of the proposed Oregon Dunes development is still under discussion, but that no decision has been reached as to whether it will be designated a national park or a national forest.

He also denied that there has come to light "one scintilla" of evidence that any favoritism was shown Texas Financier Billie Sol Estes in his grain-storage dealings with the Federal Government.

[From the Portland (Oreg.) Oregonian Journal, Sept. 14, 1962]

FREEMAN PLEDGES SOME LUMBER AID—TALK HERE CRITICIZES INDUSTRY

Agriculture Secretary Orville L. Freeman told west coast lumbermen Friday he believes he soon will order an increase in the amount of timber that can be offered for sale from the Government's national forests.

Freeman added, however, that any increase probably would be minor. And in a bluntly worded speech to the Western Pine Association here he urged lumbermen to: Tone down their attacks on the U.S. Forest Service; accept as a fact of life the Government's basic policy of managing forest for a wide range of products including outdoor recreation, range, timber, watershed protection, wildlife improvement, and fish; back the administration's rural area development program and its farm legislation designed to encourage planting of farm woodlots and development of recreation facilities in rural areas.

Lumbermen have complained sharply about Government timber sales policies and have urged changes designed to make more timber available for purchase. Changes also were requested in Federal policies for appraising timber before sales. These regulations have a substantial impact on an industry that draws much of its raw material from Federal forest lands.

Freeman said he is conscious of the fact that lumber production has been low in recent years, that lumber imports from Canada have increased, and that there is sharp competition for logs in many places in the West. He said the Agriculture Department has given first priority to boosting its timber sales, and a record volume was offered for sale in the 3 months ending June 30.

The Department meanwhile is reviewing recommendations from a group of foresters in a restudy of overall "allowable cut" levels, Freeman said.

"I believe that my report to President Kennedy in October will show a further increase in the allowable cut," he added.

Freeman said, however, that a proposal by lumbermen to make a basic change in methods of appraising national forest timber would "fail to develop a reasonable estimate of fair market value—a responsibility I have to the American public."

The Agriculture Secretary announced the creation of two new advisory groups in an effort to ease frictions between the industry and his Department.

Freeman said he has told the Forest Service to set up an advisory committee of impartial experts to help in a continuing review of timber sales prices. He added he also plans to set up a forest resource advisory committee to advise him personally on the operation of the national forests.

The Agriculture Secretary said that the lumber industry obviously hasn't been satisfied with Government steps so far.

"I can understand that you feel you must talk in extremes to get the attention of newspapers, radio, and television," Freeman said. But he commented that many industry members have indicated privately they don't believe the extreme statements.

Freeman said industry criticism of the Forest Service is one of the problems "which are making it more difficult to be of greater assistance to you."

CHARGES OF JUSTICE DEPARTMENT "FORUM SHOPPING" IN HOFFA CASES

Mr. MORSE. Mr. President, within the past 6 weeks several Members of the Senate and House expressed concern as to whether or not the Attorney General and the Department of Justice may be engaging in forum shopping and forum juggling in the case of United States against Hoffa and McCarthy in the Southern Federal District Court of Florida, and in the case of United States against Hoffa and Commercial Carriers in the Mid-Tennessee Federal District Court.

These speeches on the floor of the Senate were delivered by the Senator from Wyoming [Mr. HICKEY], the Senator from Indiana [Mr. CAPEHART], and the Senator from Hawaii [Mr. FONG].

Mr. President, the senior Senator from Arkansas commented on these speeches on September 25 not "in defense of the Attorney General or the Department of Justice" but just to set the record straight as he put it.

As I have explained to the Senator from Arkansas, I intend to place in the RECORD tonight certain information which has been given to me in regard to those cases. It is information I think is necessary to complete the record of this discussion.

I wish to make very clear as I proceed with this discussion that I hold no brief for Mr. Hoffa or for Mr. McCarthy. I have not the slightest idea or knowledge as to whether Mr. Hoffa and Mr. McCarthy are guilty as charged.

But I do know that every defendant in America is entitled to a fair trial and to the full rights which the law gives any defendant under the procedures of our system of justice.

I believe it was because I have worked so long and for so many years in the field of criminal justice that one of the attorneys for the defendants came to discuss this case with me, as he had discussed it with other Senators. He pointed out that he felt there were some omissions in the record which ought to be made a part of it in order to complete the record.

The Senator from Arkansas asserted that Members of Congress who criticized the Attorney General and the Department of Justice omitted certain pertinent facts. Then he set forth his analysis of the facts as he believes them to be. Unfortunately the information presented to me from the court records indicates that there are additional, equally essential facts which must be stated for the record in order to present an objective and complete statement of the events.

Therefore, I offer those facts tonight as they have been presented to me. I have checked into them, and I think a strong prima facie case has been made in support of the allegations presented to me by counsel for the defendants.

With reference to the contention that the delay in the Florida case was occasioned by numerous motions filed by the defendants, I have learned that the official court record discloses that shortly after the first indictment was returned against the defendants on December 7, 1960, a motion to dismiss the indictment was filed and, upon argument of same, the Honorable Joseph P. Lieb, U.S. district judge, granted the said motion. As in any important case, a number of other motions were also filed on behalf of the defendants, which motions were disposed of on or before June 25, 1962. It was not suggested by the senior Senator from Arkansas that any of these motions were dilatory, or that the defendants were not exercising their rights to secure a fair and impartial trial in filing these motions. In fact, the dismissal of the first indictment by the district judge is indicative that these motions were sound in raising important constitutional and other issues affecting the rights of the defendants.

The record shows, in fact, that it is the Department of Justice which has been trying to delay the Florida case. These efforts seemed to have commenced on or about August 1, 1962, despite the fact that on June 25, 1962, the Government stated that it was "ready to try the above case on its merits in the U.S. District Court for the Southern District of Florida at Tampa, commencing at 9:30 a.m., September 10, 1962." At a pretrial conference held by Judge Lieb, it was agreed that since one of the counsel for the defendants was committed to appear in a court in New Orleans, La., on or about said date, the above case should be tried in Tampa, Fla., on October 15, 1962. The court entered an order to that effect on June 27, 1962.

However, on August 1, 1962, counsel for the Government filed a motion for order setting trial date in the U.S. District Court for the Middle District of Tennessee, Nashville Division, requesting that the Nashville case be tried on September 17, 1962, for the reason that the Government felt that the case against Mr. Hoffa in Tampa, Fla., would be continued on account of the creation of a new district in the State of Florida. This motion was scheduled for hearing on August 8, 1962, before the Honorable William E. Miller, U.S. district judge of said court. On August 6, 1962, the Honorable Bryan Simpson, chief judge for the southern district of Florida, entered an order, the effect of which was to remove the above case from the docket. This order provided that the cases should not be redocketed for trial until such time as there had been a conference between the judges of the southern district of Florida. The order was not brought to the attention of counsel for the defendants until the morning of August 8, 1962, a few moments before the hearing on the Government's motion for order setting trial date in the Nashville case was to be heard.

I find it quite interesting and rather surprising that the U.S. attorney could assure the court on August 1, with such amazing accuracy, that the Hoffa case in Tampa would be removed from the docket, 5 days prior to the order removing said case from the docket by Chief Judge Bryan Simpson of the Southern Federal District of Florida.

I find this surprising particularly in view of the existing statutes, which I shall cite, as did the Senator from Wyoming [Mr. Hickey], in his discussion of this subject several days ago on the floor of the Senate. The express provision of the statute, set forth in section 2340, title 18, of the United States Code Annotated, reads as follows:

> Whenever any new district or division is established, or any county or territory is transferred from one district or division to another district or division, prosecution for offenses committed within such district, division, county, or territory, prior to such transfer, shall be commenced and be proceeded with the same as if such new district or division had not been created, or such county or territory had not been transferred unless the court, upon application of the defendant, shall order the case to be moved to the new district or division for trial.

That language does not read "the defendant or the Government." It does not read "the Government." It reads "the defendant."

Therefore, the statute gives me my first cause for concern as to the handling of the procedure of this case for the Government, because, as the Senator from Wyoming [Mr. Hickey] pointed out, the statute would seem to determine where the case should be tried. As I understand from counsel, there is no question as to the priority of filing. There is no question as to the priority of the Florida case. Therefore, I am somewhat at a loss to understand, if these are the facts—and I think a prima facie case has been made in the representations presented to me, to cause me to believe that they are the facts—why the Tennessee case is to be tried first.

On August 10, 1962, the Honorable William E. Miller set the Nashville case for trial on October 22, 1962, with the understanding that counsel for the Government would file the appropriate motions in an attempt to have the Tampa, Fla., case redocketed for trial prior to said time. The record discloses that counsel for the defendant, James R. Hoffa, stated into the record at the hearing in Nashville, Tenn., on August 8, 1962, that they were ready and anxious to go to trial in the Tampa, Fla., case rescheduled for trial prior to October 22, 1962. Hon. William E. Miller stated at said hearing that if the Tampa, Fla., case went to trial prior to October 22, 1962, he would remove the Nashville case from the docket.

On August 10, 1962, 2 days after the hearing in Nashville, counsel for the defendants filed a motion in the Florida case requesting that the said case be redocketed for trial at some date prior to October 22, 1962.

On August 20, 1962, this motion requesting the redocketing of the case in Tampa came on to be heard, and counsel for the defendants unequivocally stated to the court in Tampa, Fla., that they would be ready to go to trial at any time subsequent to October 8, 1962. They requested that the Florida case be redocketed for trial for October 15, 1962. I understand that in order to avoid any misunderstanding as to defendant's good faith in demanding an early trial, the defendants, through their counsel, further stated to the court that they would waive any questions of law that might arise because of the redistricting and that they would follow any procedure outlined by the court which would insure the Government that the defendants could not and would not take advantage of any legal technicalities. The defendants even suggested to the court that if there was any conceivable question of law about the trial commencing prior to October 28, 1962—the date that the act creating a new district would come into effect—that they would be agreeable to setting the case down for trial immediately thereafter. Counsel also stated that they would request the Honorable William E. Miller to continue the Nashville case, so that the defendants could proceed to trial in the Tampa Fla., case immediately after October 28 1962, a case for which they were prepared to go to trial and which had been pending for a period of approximately a year and a half prior to the Nashville case. Counsel for the defendants also called the court's attention to section 3240 of title 18, United States Code Annotated, said act being one that was designed to take care of a situation where a case was pending at a time that a new district was being created.

Counsel for the Government strenuously resisted the defendants' request for an early trial date and undertook to present an affidavit to the court of the doctor of one of the defendants in the Tampa case, Robert E. McCarthy, Jr., wherein it was stated that the defendant, Robert E. McCarthy, Jr., had had a heart attack and was in no condition to go to trial during the month of October 1962.

It is to be noted that the affidavit of Robert E. McCarthy's doctor was dated August 17, 1962, 16 days after the Government moved that the Nashville, Tenn., case be scheduled for trial on September 17, 1962, on the ground that the Tampa case was going to be continued. I am advised by counsel that this affidavit caught counsel for the defendants by complete surprise. Immediately upon the conclusion of said hearing, the defendant, Robert E. McCarthy, was contacted by telephone by his counsel, the Honorable O. B. Cline, and stated that he had not given his said doctor any consent or permission to discuss his condition with anyone and that he, in fact, would be ready for trial during the month of October 1962. On the same date, Mr. Cline filed an affidavit with the court containing the gist of the above conversation, together with a telegram from McCarthy, to that effect. On the said date, the court in Tampa entered an order denying the defendants' request for an early trial date in that case and did not redocket the Tampa case for trial at a future date.

As to the Government's contention that it sought an early trial date in the

Tampa case until it learned about Robert E. McCarthy's illness, it is to be noted that the Government filed its motion for an order setting trial date in the Nashville case on August 1, 1962, setting forth therein that the Tampa case would be continued, and that the affidavit signed by Robert E. McCarthy, Jr.'s doctor was dated August 17, 1962. As a matter of fact, the records of the hospital in Detroit, Mich., will disclose that it was not until August 6, 1962, that Robert E. McCarthy, Jr., had a slight heart attack. Yet, the Government was apparently planning to have the Tampa case removed from the docket and postponed indefinitely on August 1, 1962, when it filed its motion in the Nashville case to schedule that case for trial on September 17, 1962.

I must say, parenthetically, that the affidavit of McCarthy, Jr.'s doctor seems to me in violation of a most fundamental rule of privileged communication between a doctor and his patient.

As to the Government's contention that the Tampa case was postponed because the redistricting created legal problems, it can only be said that Congress in its wisdom enacted section 3240, title 18, United States Code Annotated, which I have already read, specifically for the purpose of providing for the orderly processing of cases in courts at a time that a new district is created. It is to be noted that prior to the enactment of section 3240, title 18, United States Code Annotated, each time that an act was enacted creating a new district, the said act contained a provision providing for the manner in which cases should be disposed of at the time that the act went into effect.

Attention is directed to the fact that Senate bill 1824, a bill amending, among other sections, section 89 of title 28, United States Code, creating a new judicial district in the State of Florida, does not contain a provision providing a method by which the cases pending in the State of Florida should be disposed of, for the obvious reason that the aforesaid section 3240 provides for the same.

It is fitting that I emphasize once again what the section provides. It provides:

> Whenever any new district or division is established, or any country or territory is transferred from one district or division to another district or division, prosecution for offenses committed within such district, division, county, or territory prior to such transfer shall be commenced and be proceeded with the same as if such new district or division had not been created, or such county or territory had not been transferred, unless the court, upon application of the defendant, shall order the case to be moved to the new district or division for trial.

In other words, Congress was very careful to protect the rights of defendants.

It does not make any difference who the defendant is. It makes no difference with what crime he is charged. It makes no difference what his record may be. The statute is an essential part of the protective features of our American justice aimed at guaranteeing to the defendant full protection of his rights and is aimed at guaranteeing to the defendant a fair trial, unless the Department of Justice can show some fact about which I have not been advised in my conference with counsel.

I cannot escape the conclusion that an injustice is being done procedurally in the case about which I have been speaking, and that the defendant is entitled to have the case under this statute tried in Tampa.

That case had priority, and he is entitled to have that case tried first. I do not know why the defendant wants this case tried first. I am not interested in why he may want it tried first. What I am interested in is whether his rights are being violated.

As a former teacher of criminal law procedure, I point out that the cases in American justice are replete with reversal after reversal of lower Federal courts and State courts whenever there is a denial by a trial court of a procedural right of a defendant which is essential to his obtaining a fair trial.

In my judgment, such mistakes should be prevented aborning. This is the time to correct such a mistake. The country is entitled to an expediting of the Hoffa trial. I believe that great care should be taken to see to it that no procedural loopholes for possible reversals are created. If these are the facts, as they have been presented to me—and I say I think they represent a prima facie case—I believe the Department of Justice is wrong in its attempt to prevent the Tampa trial from preceding the Tennessee trial.

The record is clear from the above-stated facts. The charge of "forum juggling" by the Department of Justice in both the Tampa and Nashville cases against the accused certainly seems to be substantiated by the following facts:

First. The record is clear that commencing August 1, when the Nashville case was to be set for trial, the Government strenuously resisted the efforts of the accused to defend the charges in the Tampa case on the trial date of October 15.

Second. The codefendant McCarthy is willing and able to go to trial on October 15. The affidavit of his physician was given to the Government, upon its solicitation, without the consent of the defendant McCarthy, and in violation of the physician-patient privilege.

Third. The creation of the new judicial district in Florida did not preclude trying the Florida case first. Section 3240 of title 18, United States Code Annotated provides for the orderly transfer of such cases. The defendant offered to waive any possible technical defense that might have been available due to proceeding prior to the effective date of the statute, or in the alternative offered to go to trial after October 28, the effective date of the statute. The Government's refusal to accept any of these alternatives clearly indicates that it wanted to proceed first with the Nashville case. This is a classic example of "forum shopping." It indicates to any experienced lawyer that the Government was motivated primarily by the considerations implicit in most attempts at "forum shopping," and not by this alleged concern about the health of one of the accused or for spurious legal objections which the defendants were willing to waive.

The statement of the Senator from Wyoming [Mr. Hickey] showed, at page 19898 of the Record, the connections with Nashville justifying any proceeding in that city do not seem very substantial. These are: Filing of a corporate charter in 1949; an amendment to that charter in 1953; filing an excise tax return.

I ask unanimous consent that there be printed in the Record at this point certain excerpts from the speech of the Senator from Wyoming [Mr. Hickey] of September 19, 1962, bearing out the main points to which I have just alluded in regard to the Government's position in respect to its contentions in connection with trying the case in Nashville, Tenn., first.

There being no objection, the excerpts were ordered to be printed in the Record, as follows:

Right of Immediate Trial in Criminal Cases

Mr. Hickey. Mr President, during the past 6 weeks I have received some correspondence and have noted in the Congressional Record some statements with regard to the delay occasioned in at least one criminal case that has been docketed for trial by the Department of Justice. I ask unanimous consent that the facts related in the following excerpts from correspondence I have received be included in the Record at this point.

There being no objection, the excerpts were ordered to be printed in the Record, as follows:

"On August 20, the Tampa newspaper headline read as follows: 'Government Wins Delay in Hoffa Case.' This delay resulted from the Government's opposition to the defendant's petition demanding to be tried on October 1 in Tampa.

"Even more shocking is the fact that the Government sought this delay because it preferred to proceed with the case in Nashville although the indictment, in Tampa, Fla., was returned a year before the Nashville indictment.

"Obviously, the Government feels it has a better chance of sending Hoffa to jail in the Nashville case.

"I have been greatly concerned with the Government's policy of forum shopping, in this or any other case. The Government has transported thousands of documents into Nashville, Tenn., and then proceeds to justify jurisdiction of the Nashville court on this basis.

"It would appear that in the interest of fairness, the records should have remained where the business is located, where the defendant resides, where almost all of the witnesses reside, and where most of the alleged overt acts occurred.

"In fact, the Government has been able to produce only three highly technical acts to justify trying the case in Nashville. According to the indictment, the only acts that took place in the middle district of Tennessee were:

"Filing of the charter in 1949.

"Amendment to the charter in 1953.

"Filing of an excise tax return.

"These acts which are purely legalistic and are performed not only all over the country for corporations which are incorporated in States other than that in which they do business, i.e., Delaware, etc., but all over the world, have never been considered as anything more than purely formal legal jurisdictional matters.

"On the other hand, we find that all of the substantive acts occurred or exist in Detroit, Mich.

"As far back as the Magna Carta, Anglo-Saxon justice required that the defendant must be tried in the vicinity where the alleged offense was committed. This was a basic protection against the despot dragging the defendant for trial from the scene of an alleged crime, where he could be judged by members of the community, to a hostile or unfriendly jurisdiction.

"Our forebearers fought the American Revolution against such tactics by the British crown. For this reason, we have article III, section 2, of the Constitution, which provides that criminal trials 'shall be held in the State where the said crimes shall have been committed,' a safeguard reinforced by the command of the sixth amendment that the criminal trial shall be before an impartial jury of the State and district wherein the crime shall have been committed.

"In construing these provisions, the Supreme Court has said (*Travis* v. *U.S.*, 364 U.S. 631):

" 'The venue provisions in acts of Congress should not be so freely construed as to give the Government the choice of a tribunal favorable to it.'

"Why then has the Government so flagrantly disregarded Hoffa's constitutional rights?

"Why is it playing free and loose with basic principles of fairness and equity so thoroughly engraved in our system of jurisprudence since the days of Magna Carta?

"Why is it overreaching and tampering with the schedules of cases—an exclusive function of the courts under our system of separation of powers—in order to try the case in Nashville now?

"The answer is quite obvious—Nashville, Tenn., is dominated by a newspaper—the publisher of which is a former aid of the Attorney General. The newspaper has saturated the Nashville, Tenn., area with an anti-Hoffa bias.

"Nashville, Tenn., is one of the major right-to-work centers of a right-to-work State. The likelihood of finding a jury free of an antilabor bias, let alone anti-Hoffa bias, is remote indeed.

"Is it proper for the prosecutor to shop around for a court in which the chances of a fair trial are minimal?

"In fact, the courts have sugested that a defendant may not be tried where the hostility of the community has been engendered by the Government's acts.

"The prosecutor has a responsibility in the interest of a fair and impartial trial, to lean over backward in securing the defendant's rights."

Mr. HICKEY. As a former U.S. attorney dedicated to the proposition that the right of speedy trial by jury was one of the basic guarantees assured to all accused, wherein their right to trial by jury and their right to be confronted with witnesses and secure testimony has been one of the most important aspects of our judicial procedure, I have been disturbed to learn that in at least one instance by virtue of application made by the Department of Justice a trial has been postponed and removed from the docket in spite of the fact that the accused and his counsel have diligently pursued their efforts to obtain an immediate trial. The evidence presented to me indicates an order which removed a cause from the docket and without the consent of the accused was not reset for immediate trial but still awaits a setting.

The administration of justice in this fashion does more to shake the confidence of people in the courts and destroy the efficient administration which all interested members of the bar and the bench are dedicated to than any other matter. I would, therefore, suggest that the Judiciary Committee examine the facts of those cases that have been delayed on the criminal dockets, and particularly the one referred to in this statement.

Mr. MORSE. Mr. President, if nothing else is involved to justify suit in Nashville, then the Government's attempt to defer the Tampa suit until after the Nashville proceeding seems especially improper.

The Department of Justice has an affirmative obligation to "do justice." As stated so eloquently by the U.S. Supreme Court in *Berger* v. *U.S.*, 295 U.S. 78, 88 (1935)—

> The U.S. attorney is the representative not of an ordinary party to a controversy, but of a sovereignty whose obligation to govern impartially is as compelling as its obligation to govern at all; and, whose interest, therefore, in a criminal prosecution is not that it shall win a case, but that justice shall be done.

For this reason, it has a duty to try these cases in accordance with the highest principles of fairness and justice. It should avoid any conduct which raises even a suspicion of seeking unfair advantage and "forum shopping." For as Brandeis said, the Government is our ever-present teacher.

This record convinces me that there is a serious question whether the defendants in these cases are being afforded the justice to which all defendants are entitled. I join my other colleagues who have called for a full investigation of this matter by the Senate Committee on the Judiciary.

In closing, let me say that it is not an unfamiliar role for me in my service in the Senate to speak out in defense of those to whom an injustice is being done, in my judgment, and who at the time may not be popular.

Several days ago I spoke at some length on the floor of the Senate about the unfair treatment and the correction of unfair procedures on the Department of Justice through the Immigration Service in connection with a man by the name of Mackie, who was deported to Finland. He happens to be a constituent of mine. He was found by the Immigration authorities supposedly to have been a Communist, although he denied it and signed affidavits that he never was a Communist, although the evidence showed that all he ever did was go to a few meetings in Portland, Oreg., in the depths of the depression, which he thought would involve a discussion of relief and employment.

He testified in that case that he was born of naturalized parents in Finland after his parents had left the United States with the other members of the family for a visit to Finland. His mother was pregnant at the time. She became ill in Finland and was not permitted to return to the United States until after the baby was born. He spent all his life in the United States, except for the first 10 months of his life, and at the age of 58 was deported to Finland because he was considered to be a Communist or one who associated with Communists at Communist meetings.

I protested that procedure. I protested what I called a miscarriage of justice.

It is not politic to speak out in defense of such persons.

But what I am speaking in defense of is the fair administration of justice in accordance with sound legal procedure. If the time ever comes when we shall trim our system of justice to conform to whoever the defendant may be, then all of us have lost our procedural rights, for we may be the next.

I repeat, in closing, that I know nothing about the merits of the Hoffa case, so far as the charges against him are concerned. It is for him to present his defense. It is for the Government to prove his guilt in accordance with the rules of evidence.

But we are all concerned about the procedure that is applied by our Government in any and all cases. On the basis of what I consider to be a prima facie case, that raises serious questions as to the propriety of the procedure which has been followed by the Department of Justice in this case. I think it is fitting and proper, and is the duty of the Committee on the Judiciary, to take the record which was made by the Senator from Arkansas, the Senator from Hawaii, and the Senator from Indiana, the Senator from Wyoming, and, tonight, the Senator from Oregon, and examine into the facts to determine whether in fact there has been a denial of procedural due process in the Florida case involving McCarthy and Hoffa.

PROTECTION FOR THE GOLDEN EAGLE

Mr. YARBOROUGH. Mr. President, what is the pending business?

The PRESIDING OFFICER. The pending business is the conference report, on which, under the previous order, the vote will come at 1:30 p.m. tomorrow.

Mr. YARBOROUGH. Mr. President, I ask unanimous consent that the pending business be temporarily laid aside and that the Senate resume the consideration of Calendar No. 1947, House Joint Resolution 489, which was first considered on September 21, 1962, page 20338 CONGRESSIONAL RECORD.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas?

There being no objection, the Senate resumed the consideration of the joint resolution (H.J. Res. 489) to provide protection for the golden eagle.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Texas [Mr. TOWER] to the committee amendment on page 3, at the beginning of line 5, to insert "on request of the Governor of any State, the Secretary of the Interior may authorize the taking of golden eagles for the purpose of seasonally protecting domesticated flocks and herds in such State, in accordance with regulations established under the provisions of this section, in such part or parts of such State and for such periods as the Secretary determines to be necessary to protect such interests:".

Mr. YARBOROUGH. Mr. President, the junior Senator from Texas [Mr. Tower] has a number of amendments. The pending amendment is designated "9-25-62—H."

The PRESIDING OFFICER. That is correct.

Mr. YARBOROUGH. The amendment is on page 3, line 6, in the committee amendment, to strike "may" and insert in lieu thereof "shall".

I myself do not favor the amendment, but the junior Senator from Texas [Mr. Tower] stated that if this amendment were accepted, he would waive all his other amendments and not press any of them. So as one of the proponents of the measure, I agreed that I would accept that amendment, and he agreed that he would not urge any of his other amendments.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Texas to the committee amendment on page 3, at the beginning of line 5.

Mr. KEATING. Mr. President, I should like to be heard before action is taken on the amendment.

I am reluctantly accepting the amendment offered by the Senator from Texas, although I originally opposed it and all conservation groups are very unhappy about it. I believe, however, that it does not alter the basic discretion which lies with the Secretary of the Interior as to the area and the length of time and the conditions under which it will be possible to shoot these splendid birds. The Governor of a State can call on the Secretary of the Interior when he considers that protection of lambs or goats or other flocks requires action. And under the Tower amendment the Secretary of the Interior will be obliged to take some action. But the extent to which the taking of golden eagles will be permissible and the regulations under which it can be done will be for the Interior Department to determine. I would like to make it very clear at this point as one of the cosponsors of this bill that I believe the Secretary should exercise his own independent judgment in determining these factors, and that he is in no way bound by the Tower amendment to follow the exact terms of every recommendation which the Governor of a State may make.

I have agreed not to oppose the amendment only because further opposition at this point might serve to kill the bill in the other House. At all costs, that must be avoided.

As one of the cosponsors of the bill to protect the golden eagle, I am most anxious to see this legislation pass the Senate during this session. Unless some Federal legislation is enacted, the eagle population of America will be threatened with virtual extinction. The golden eagle is a magnificent bird with a wingspread of 7 feet, a lifespan of 30 years and a speed which has been clocked, on occasion, at 120 miles per hour. In my judgment, this opinion reflects the position of the many individuals and groups throughout the country who are supporting this worthwhile effort to protect the golden eagle and to give—indirectly—greater security to the bald eagle as well.

In one sense this legislation to preserve a bird which is of great value to agriculture and is of religious significance to many Indian tribes in America today, arises from a case of mistaken identity. The golden eagle is strikingly similar in appearance to the immature bald eagle which is already protected from unnecessary extermination by Federal legislation. The similarity in appearance of these two eagles often results in the inadvertent yet needless destruction of the bald eagle by hunters who are unable to distinguish between the two—a distinction that only trained ornithologists can recognize. This immature stage continues through the third year of the bald eagle's life and it is not until the fourth year when the bald eagle acquires tail feathers and a white head that hunters are readily able to distinguish between the species. Until these distinguishing characteristics develop, no casual hunter—hardly one with considerable experience—could be expected to tell the difference between the bald eagle and the golden eagle at gunsight range. It is quite obvious, Mr. President, that this remarkable similarity results in not only the needless destruction of the golden eagle but of the bald eagle as well. In my judgment, this legislation is vital and necessary to close the gap in the existing Federal legislation in order to provide for the protection of the golden eagle and also for the indirect protection of the bald eagle—the symbol of our great Nation.

The gradual extinction of the golden eagle population in America is further complicated by the fact that eagles are slow breeding birds. According to studies that have been made, the number of young raised is about 25 to 40 percent per year—that is, a young eagle or eaglet is produced on an average of every 4 years. Other reliable sources have reported 10 years and longer of nesting activity of pairs of eagles without any offspring at all. It is quite obvious that the low birth rate of these eagles is furthering the deterioration of the species.

Another important and noteworthy observation about the golden eagle is that this bird has no natural enemy. Some maintain that the porcupine is its only natural enemy since oftentimes the eagle dies as a result of the quills; but, in my judgment, that is like saying the chicken is a natural enemy of man since, on occasion, many may die as a result of choking on a bone. However, the pertinent fact is that man has now, voluntarily, taken it upon himself to become the natural enemy of the eagle since man poses the most imminent threat to his extinction. To be sure, man's predation has become the dominant factor in the recent decline of the species.

From all available evidence the status of the eagle population in America has become extremely critical. Observations by the Hawk Mountain Sanctuary Association at Kempton, Pa., an independent research agency, show a decline of 33 percent in golden eagle numbers through the period from 1954 to 1960, as against the similar period of 1935 to 1941. The decline in immature birds during this same period was over 50 percent. In addition to cases of mistaken identity, there is a further point which is bringing about the gradual extermination of the golden eagle: it is the barbaric practice of shooting eagles from light airplanes with machine-mounted shotguns. This so-called sport is certainly a most shocking abuse of the wildlife and natural heritage of America. According to Walter R. Spofford, an associate professor of the State University of New York, this sport has been drastically effective. In his testimony before the subcommittee of the Commerce Committee studying this resolution, Dr. Spofford pointed out that as many as "25 eagles in a day, over 1,000 in a single winter and over 12,000 in 20 years are credited to a single bounty hunter in Alpine, Tex.

Mr. President, indeed, this disgraceful practice of persistent persecution of this bird will surely result in the annihilation of the golden eagle from the Northern Hemisphere.

There is some opposition to this bill particularly on the part of some southwestern ranchers who seem to feel that the golden eagle poses a predatory threat to their livestock, more specifically, to their sheep and cattle. Sound biological evidence, however, points out that this belief is more fiction than fact. In a study of the food habits of the golden eagle in the Tarryall Mountains in Colorado, scientists observed that not one single bighorn sheep was attacked or molested by a golden eagle during the entire period of the study. Further research of their food habits indicated that the preferred food of this species consists largely of small mammals including rabbits, prairie dogs and rodents. However, it must be acknowledged that in times of severe food shortages, the eagle may revert to snatching and killing a young lamb or calf. There is a provision in the Bald Eagle Act of 1940 which would also apply to the golden eagle under the proposed bill which gives the Secretary of the Interior discretion, upon investigation, to issue permits to capture eagles "for the protection of wildlife or of agriculture or other interests in any particular locality." Certainly this provision should reassure the farmers and ranchers and alleviate any fears they might have.

As a consistent supporter of conservation measures of all kinds, I am indeed sympathetic to the protection and preservation of the wildlife in this country. In my judgment, this legislation is vital and necessary not only for the protection of the golden eagle but also for the indirect protection of the bald eagle—the symbol of our great Nation. I urge every member of the Senate to give serious consideration to this bill and to support this measure to salvage these eagles from idle and wanton destruction. My own State of New York, as do several other Eastern States, already provides for the protection of the golden eagle but the need for protection on the Federal level has been clearly recognized. This measure—and those similar to it—constitute an important and significant responsibility for the Congress to protect America's natural heritage from careless exploitation and pass it on to future generations to enjoy.

Mr. President, I sincerely hope this amendment will be agreed to. I believe it will be much better to have this legislation, including the amendment, rather than not to have any legislation at all. For that reason, I am willing to accept the amendment.

The PRESIDING OFFICER (Mr. WILLIAMS of New Jersey in the chair). The question is on agreeing to the amendment to the committee amendment.

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. The question now is on agreeing to the amendment, as amended.

The amendment, as amended, was agreed to.

Mr. YARBOROUGH. Mr. President, I ask unanimous consent to have printed at this point in the RECORD an article entitled "Keep 'em Flying," which was published in the September 1962 issue of the Eagle, the magazine of the Fraternal Order of Eagles. The article is in support of this proposed legislation.

I also ask unanimous consent to have printed at this point in the RECORD a letter to me from Whitlock Zander, secretary of the Kerr County Wildlife Association, of Kerrville, Tex. His letter is dated September 12.

There being no objection, the article and the letter were ordered to be printed in the RECORD, as follows:

[From the Eagle, September 1962]

KEEP 'EM FLYING

The American eagles are not just mere birds of biological interest but a symbol of our free way of life. We want to prevent them going the way of the dodo and the dinosaur. That sums up the Fraternal Order of Eagles motivation in taking on the "keep 'em flying" program. Plus, of course, the fact that the bald eagle is the proud emblem of our order as well as that of our country.

This Eagle conservation project has completed the first leg of a 5-year goal. Undertaken with the National Audubon Society, the program is based on a continentwide survey and research project to save the American bald and golden eagle from extinction.

In a mailing to all aeries and auxiliaries, Eagles were asked to pass a resolution supporting legislation extending support of the existing Bald Eagle Act of 1940 to include the golden eagle. Members were urged to contact their U.S. Senators, urging support of this legislation.

In British Columbia, incidentally, such legislation is in force. Some Eagle members on Vancouver Island lend their services to the Audubon Society of British Columbia as bird watchers.

Senate Joint Resolution 105 was introduced by Senator RALPH W. YARBOROUGH, of Texas, an Eagle. Eagle Senator WARREN G. MAGNUSON, of Washington, chairman of the Senate Committee on Commerce, in June appointed a subcommittee to consider the bill. YARBOROUGH was named chairman of the subcommittee with Senator KENNETH B. KEATING, of New York, a cosponsor and Senator CLAIR ENGLE, of California, members. The subcommittee report was favorable to the bill, which will now be placed before the Senate.

A Grand Aerie check for $2,500 was sent to the National Audubon Society in April. As of mid-July, 169 aeries and 2 State aeries and 1 personal gift contributed a total of $1,856.29. Four State auxiliaries and 256 auxiliaries donated $2,355, making a total of $4,211.29 in Eagle donations toward the project. The first auxiliary contribution came from Canonsburg, Pa., and Boonville, Ind., sent in the first aerie donation. A handsome certificate of appreciation has been sent to all contributors.

Through the "keep 'em flying" program, the Eagles will share in the financing (to the extent of at least $5,000 a year for 5 years) of a study of bald eagles habitat undertaken by the Audubon Society.

In commending the bald eagle project, President J. F. Kennedy (our fifth Eagle U.S. President), said: "The Founding Fathers made an appropriate choice when they selected the bald eagle as the emblem of our Nation. The fierce beauty and proud independence of this great bird aptly symbolize the strength and freedom of America. But as latter day citizens we shall have failed a trust if we permit the eagle to disappear. * * * I commend the bald eagle project undertaken by the National Audubon Society and its associates."

KERR COUNTY CHAMBER OF COMMERCE,
Kerrville, Tex., September 12, 1962.
Hon. RALPH YARBOROUGH
U.S. Senate, Washington, D.C.

DEAR SENATOR YARBOROUGH: In reply to your letter of September 1 regarding the proposed golden eagle legislation, beg to advise this letter was read at our board of directors meeting last night.

They all voiced unanimous approval of your action regarding this legislation and we wish to thank you for your wholehearted support in assisting us in this matter.

Most sincerely,
WHITLOCK ZANDER,
Secretary of the Kerr County Wildlife Association.

Mr. YARBOROUGH. Mr. President, I also ask unanimous consent to have printed at this point in the RECORD certain excerpts from the committee report on the joint resolution.

There being no objection, the excerpts from the report (No. 1986) were ordered to be printed in the RECORD, as follows:

PURPOSE OF THE RESOLUTION

House Joint Resolution 489, as amended, would afford protection to the golden eagle, and indirectly, would increase protection of our national bird, the bald eagle.

The golden eagle is one of the most spectacular and beautiful birds in North America, and the promiscuous shooting, especially by bounty and other hunters, has resulted in an alarming decrease in the golden eagle population.

Because the golden eagle is presently unprotected, it is impossible to apply full protection to the bald eagle, since during the first 3 years of its life the bald eagle lacks the characteristic white head and tail of the adult. It takes a highly skilled observer to distinguish the difference between the two species in their juvenile plumage. As a consequence, bald eagles are sometimes killed by hunters seeking the golden eagle.

PENALTIES

House Joint Resolution 489, as amended by your committee, provides as follows with respect to penalties:

"Whoever, within the United States or any place subject to the jurisdiction thereof, without being permitted to do so as hereinafter provided, shall take, possess, sell, purchase, barter, offer to sell, purchase, or barter, transport, export or import, at any time or in any manner, any bald eagle commonly known as the American eagle, or any golden eagle, alive or dead, or any part, nest, or egg of the foregoing eagles, shall be fined not more than $500 or imprisoned not more than six months, or both: *Provided*, That nothing herein shall be construed to prohibit possession or transportation of any bald eagle, alive or dead, or any part, nest, or egg thereof, lawfully taken prior to June 8, 1940, and that nothing herein shall be construed to prohibit possession or transportation of any golden eagle, alive or dead, or any part, nest, or egg thereof, lawfully taken prior to the addition of this Act or the provisions relating to preservation of the golden eagle."

Evidence presented at the subcommittee hearing, while convincing in the need for additional protection of the golden eagle, also indicated that a serious problem of predation by these eagles exists in some part of the country. Ranchers and sheep raisers from west Texas testified to the problems they faced in protecting their livestock, particularly lambs and kids, during the spring lambing season. Large numbers of eagles are believed to winter in the area, perhaps due to the availability of untended sheep flocks.

In order to insure that undue economic damages would not be done to limited areas as a consequence of extending protection to the golden eagle, your committee added an amendment outlining an appropriate procedure to be used where serious eagle predation occurs. The procedure is this: The Governor of such a State will advise the Secretary of the Interior of the need for eagle control, and the Secretary, after fact determinations, may allow the taking of golden eagles in appropriate places and seasons. Your committee feels that this amendment is desirable in definitely stating the source which should initiate the procedures of allowing the taking of golden eagles, and in eliminating any doubt that the eagle, under such a procedure, could be taken on an areawide basis rather than by individual permits. It is expected that thus the conservation purposes of the bill will be preserved, while at the same time any potential economic hardship to limited areas can be obviated.

COMMITTEE ACTION

Your committee believes, to a great extent, that both sides presented arguments that fully supported their positions. Certainly the golden eagle should be protected, and while it is true that this bird receives State law protection in some 42 States, the weight of the testimony indicated the species is diminishing.

On the other hand, we heard very graphic testimony regarding the depredations the golden eagle commits in certain areas at certain times of the year. There was testimony that these eagles were responsible for up to an 8-percent loss in lamb crop. Accordingly your committee amended the bill so that under proper circumstances golden eagles could be taken over an area during a specified time without the necessity of obtaining individual permits.

An additional factor which prompted the committee to approve this legislation is the additional protection it will give to the bald eagle.

THE AMENDED RESOLUTION

To summarize, under existing law the taking, possession, sale, purchase, barter, transportation, export or import, or offer to do so of an American (bald) eagle is forbidden with a possible punishment to so do of a fine up to $500, jail for 6 months, or both. The same act applies to any part, nest, or egg of such eagles.

Under existing law, the Secretary of the Interior may permit the taking, etc., of bald eagles for scientific or exhibition purposes, or to protect wildlife or agricultural or other interests in any particular locality.

The resolution as hereby reported would bring the golden eagle under the 1940 act, allow their taking under permit for the religious use of the various Indian tribes (their feathers are an important part of Indian religious rituals), and upon request of a Governor of any State, be taken for the protection of livestock and game.

COSTS

The Department of the Interior in its report to the Honorable HERBERT C. BONNER, chairman, Committee on Merchant Marine and Fisheries, House of Representatives, Washington, D.C., February 5, 1962, stated:

"In the event that the Congress enacts this proposal, the enforcement problem will be difficult. We believe that it will be necessary to broaden our regulations governing the bald eagle by including provisions relating to the taking and disposition or possession of the golden eagle. Because of the different food habits of bald and golden eagles, however, we expect that it will be necessary to allow livestock owners to protect their interests in emergencies by killing golden eagles committing, or about to commit, depredation on livestock. Our regulations probably would be along the lines of regulations that have been issued for the taking of depredating blackbirds (see 50 CFR 10.62). We estimate that our additional costs for administration and enforcement resulting from enactment of this proposal will be approximately $75,000 annually."

AGENCY REPORTS

No agency was adverse to this legislation. The reports concerning House Joint Resolution 489 from the Department of the Interior, the Comptroller General, and the Department of Agriculture follow:

"DEPARTMENT OF THE INTERIOR,
"OFFICE OF THE SECRETARY,
"Washington, D.C., April 27, 1962.
"Hon. WARREN G. MAGNUSON,
"Chairman, Committee on Commerce,
"U.S. Senate, Washington, D.C.

"DEAR SENATOR MAGNUSON: Your committee has requested a report on House Joint Resolution 489, to provide protection for the golden eagle. This proposed legislation has been amended and passed by the House of Representatives in the form suggested by this Department.

"We believe the enactment of this proposed legislation will have the effect of giving additional protection to the American or bald eagle. We are sympathetic to the proposal for this reason and because we favor the conservation of wildlife in general.

"Our views on this matter are set forth in more detail in our report of February 5 to the Committee on Merchant Marine and Fisheries, House of Representatives, which is reprinted in the committee report (Rept. No. 1450).

"The Bureau of the Budget advises that there is no objection to the submission of this report from the standpoint of the administration's program.

"Sincerely yours,
"FRANK P. BRIGGS,
"Assistant Secretary of the Interior."

"DEPARTMENT OF THE INTERIOR,
"OFFICE OF THE SECRETARY,
"Washington, D.C., February 5, 1962.
"Hon. WARREN G. MAGNUSON,
"Chairman, Committee on Commerce,
"U.S. Senate, Washington, D.C.

"DEAR SENATOR MAGNUSON: Your committee has requested a report on Senate Joint Resolution 105, a bill to provide protection for the golden eagle. This proposal would expand the purpose and provisions of the act of June 8, 1940 (54 Stat. 250; 16 U.S.C. 668), for the protection of the bald eagle. The act would be expanded by this proposal to include protection of the golden eagle.

"Enactment of this proposed legislation will have the effect of giving additional protection to the American or bald eagle. We are sympathetic to the proposal for this reason and because we favor the conservation of wildlife in general. As hereafter indicated, however, there are certain considerations to which we invite your attention including the problem of enforcement that will result from such enactment.

"The golden eagle (Aquila chrysaetos) is a majestic bird of prey. It is one of the largest of the world's eagles and has a wingspread of about 7 feet. It is the national symbol of Mexico, and there is a recent proposal by the Government of the United Mexican States that the golden eagle be included among the species covered by the Convention for the Protection of Migratory Birds and Game Mammals that was signed by the Governments of Mexico and the United States on February 7, 1936. The golden eagle is portrayed on various emblems of European countries. The species, in its various forms, has a circumpolar distribution in the Northern Hemisphere. The American golden eagle breeds from northern Alaska and Labrador southward into Mexico. While the principal breeding range in the United States is the general region west of the Great Plains, the species has nested sparingly in the Appalachian Mountains south to western North Carolina. We have no recent records of nesting, however, in this region.

"The bald eagle is the only other eagle regularly found in North America. Immature bald eagles are similar in appearance to golden eagles, and it is difficult to distinguish between them. The ranges of these two eagles completely overlap. Consequently, immature bald eagles are inadvertently killed at times by persons who mistake them for golden eagles. The bald eagle, while resembling the golden eagle in its earlier years develops white tail feathers when it is several years old and a white head and neck which give it the appearance of being bald. The adult golden eagle, which is similar in size and weight, has a uniform dark brown or blackish color, except for brownish-yellow neck feathers. The base of the tail is white.

"This resolution states that the golden eagle is threatened with extinction. Although golden eagles apparently have declined in number in recent years in the Eastern States, we cannot state, on the basis of our present information, that the golden eagle has reached the stage of an endangered species. Golden eagle abundance varies widely between regions. Also, the scope and pattern of their movements are not well established. These factors indicate the difficulty of appraising accurately the overall situation relating to the golden eagle.

"Consumption of rodents and rabbits by golden eagles is a natural and common occurrence, but we have no information to support the view that their consumption of these animals is of economic significance or that it has any measurable limiting effect on the general abundance of such populations.

"The golden eagle is important in enabling many Indian tribes, particularly those in the Southwest, to continue ancient customs and ceremonies that are of deep religious or emotional significance to them. We note that the Handbook of American Indians (Smithsonian Institution, 1912, vol. I, p. 409) states in part, as follows:

" 'Among the many birds held in superstitious and appreciative regard by the aborigines of North America, the eagle, by reason of its majestic, solitary, and mysterious nature, became an especial object of worship. This is expressed in the employment of the eagle by the Indian for religious and esthetic purposes only. * * *

" 'The mythology of almost every tribe is replete with eagle beings, and the widespread thunderbird myth relates in some cases to the eagle. In Hopi myth the man-eagle is a sky being who lays aside his plumage after flights in which he spreads devastation, and the hero who slays him is carried to the house in the sky by eagles of several species, each one in its turn bearing him higher. The man-eagle myth is widely diffused, most tribes regarding this being as a manifestation of either helpful or maleficent power.'

"There are frequent reports of the continued veneration of eagles and of the use of eagle feathers in religious ceremonies of tribal rites. The Hopi, Zuni, and several of the Pueblo groups of Indians in the Southwest have great interest in and strong feelings concerning eagles. In the circumstances, it is evident that the Indians are deeply interested in the preservation of both the golden and the bald eagles. If enacted, the bill should therefore permit the Secretary of the Interior, by regulation, to allow the use of eagles for religious purposes by Indian tribes.

"Golden eagles are not protected under the Migratory Bird Treaty Act and are not now the subject of Federal regulations. Some of the States may object to the precedent of Federal regulation of a bird that historically has been under exclusive State control and not the object of Federal treaty, covenant, or enactment that would supersede the authority of the several States. Notwithstanding these considerations, there is, however, considerable movement of these birds between the States and geographical regions, which accounts for the national as well as State and local interest in the species. Protective laws for the golden eagle have been in effect in most of the States and in almost every Eastern State during its apparent decline there. However, it is evident that from a national standpoint, protective legislation alone will not fully solve the problem of decreasing numbers of these birds in particular regions. We believe there are unknown factors, other than the direct killing that has taken place, that are reducing the golden eagle population.

"In the event that Congress enacts this proposal, the enforcement problem will be difficult. We believe that it will be necessary to broaden our regulations governing the bald eagle by including provisions relating to the taking and disposition or possession of the golden eagle. Because of the different food habits of bald and golden eagles, however, we expect that it will be necessary to allow livestock owners to protect their interests in emergencies by killing golden eagles committing or about to commit depredations on livestock. Our regulations probably would be along the lines of regulations that have been issued for the taking of depredating blackbirds (see 50 CFR 10.62). We estimate that our additional costs for administration and enforcement resulting from enactment of this proposal will be approximately $75,000 annually.

"In the event that your committee gives favorable consideration to this resolution, we recommend that the text of the measure be revised to read as follows:

" 'The first two sections of the act of June 8, 1940 (54 Stat. 250, as amended; 16 U.S.C. 688, 688a), are hereby revised to read as follows:

" ' "Whoever, within the United States or any place subject to the jurisdiction thereof, without being permitted to do so as hereinafter provided, shall take, possess, sell, purchase, barter, offer to sell, purchase or barter, transport, export or import, at any time or in any manner, any bald eagle commonly known as the American eagle, or any golden eagle, alive or dead, or any part, nest, or egg of the foregoing eagles, shall be fined not more than $500 or imprisoned not more than 6 months, or both: *Provided*, That nothing herein shall be construed to prohibit possession or transportation of any bald eagle, alive or dead, or any part, nest, or egg thereof, lawfully taken prior to June 8, 1940, and that nothing herein shall be construed to prohibit possession or transportation of any golden eagle, alive or dead, or any part, nest, or egg thereof, lawfully taken prior to the addition to this act of the provisions relating to preservation of the golden eagle.

"'"Sec. 2. Whenever, after investigation, the Secretary of the Interior shall determine that it is compatible with the preservation of the bald eagle or the golden eagle to permit the taking, possession, and transportation of specimens thereof for the scientific or exhibition purposes of public museums, scientific societies, and zoological parks, or for the religious purposes of Indian tribes, or that it is necessary to permit the taking of such eagles for the protection of wildlife or of agricultural or other interests in any particular locality, he may authorize the taking of such eagles pursuant to regulations which he is hereby authorized to prescribe: *Provided,* That bald eagles may not be taken for any purpose unless, prior to such taking, a permit to do so is procured from the Secretary of the Interior."'

"The Bureau of the Budget has no objection to the presentation of this report from the standpoint of the administration's program.

"Sincerely yours,

"Frank P. Briggs,
"Assistant Secretary of the Interior."

"Comptroller General of
the United States,
"Washington, April 13, 1962.

"B-146200.
"Hon. Warren G. Magnuson,
"Chairman, Committee on Commerce,
"U.S. Senate.

"Dear Mr. Chairman: Your letter of April 4, 1962, acknowledged April 5, requests our comments on House Joint Resolution 489, entitled 'Joint resolution to provide protection for the golden eagle.'

"We have no particular information concerning the need for the proposed legislation and, if enacted, it would not affect our auditing and accounting responsibilities. Accordingly, we have no recommendation to offer regarding the bill.

"Sincerely yours,

"Joseph Campbell,
"Comptroller General of the United States."

"Department of Agriculture,
"Washington, D.C., April 27, 1962.

"Hon. Warren G. Magnuson,
"Chairman, Committee on Interstate and Foreign Commerce, U.S. Senate.

"Dear Mr. Chairman: This is in reply to your request of April 4, 1962, for the views of this Department on House Joint Resolution 489, to provide protection for the golden eagle.

"This Department is in accord with the purpose of the joint resolution.

"The eagles are important birds with considerable attraction to many people. One objective in administering the national forests and national grasslands is to preserve all species of wildlife that add to public enjoyment of these areas. House Joint Resolution 489 would foster that objective with respect to both the bald and the golden eagle.

"The inclusion of the migratory golden eagle with the bald (American) eagle in Federal legislation would give added protection to both. The resolution points to the diminishing number of golden eagles and to the loss of bald eagles through inability of some persons to distinguish between the two species.

"The act of June 8, 1940 (54 Stat. 250), which the resolution would propose to amend, provides in section 2 (16 U.S.C. 668a) for the control of eagles where necessary for the protection of wildlife or of agricultural or other interests. This provision would be retained.

"The Bureau of the Budget advises that there is no objection to the presentation of this report from the standpoint of the administration's program.

"Sincerely yours,

"Orville L. Freeman."

Mr. YARBOROUGH. Mr. President, in connection with this joint resolution, I point out that there is a conflict of interest between the great group of conservationists, of whom I am one, who seek to preserve a species from extirpation and the raisers of sheep and goats in an area where the eagles come in great numbers during migration in the winter.

It is believed that this joint resolution will accomplish the purposes of both groups. Mr. Carl W. Bucheister, president of the National Audubon Society of America, who was here this week, approved this measure, and it was also approved by the representatives of many of the groups which previously had opposed it.

As has been pointed out by the Senator from New York [Mr. Keating], under this measure the hunting of eagles for sport will be absolutely outlawed, but they can be killed in order to protect livestock. The Secretary of the Interior will be authorized to issue permits to those who wish to kill eagles that are killing young kids and young lambs. But this joint resolution will protect the golden eagle, which is diminishing rapidly in numbers.

Furthermore, one of the chief purposes of the joint resolution is to protect the bald eagle, because until a bald eagle is 3 or 4 years old, its head does not turn white; and therefore the young bald eagles often are mistaken for golden eagles. The bald eagles are in great danger of being extirpated from their range east of the Mississippi River; and the golden eagles are also in very real danger of extirpation.

Mr. Bent, one of the outstanding authorities on the golden eagle, points out in his authoritative book on "The Life History of North American Birds of Prey," that many of the eagles die from eating poisoned food which has been put out to destroy coyotes and other wild animals. In short, many of the eagles are killed in such ways, in addition to the eagles killed by those who engage in hunting as a sport.

Mr. President, it is estimated by authorities in this field, including Mr. Schorger, the author of an outstanding book on the passenger pigeon, that at one time the number of passenger pigeons in this country was not less than 3 billion, and may have been as high as 5 billion—the vastest number of birds of one species ever to exist at one time on this planet. But now they are wholly extirpated.

Yet it is estimated that at one time they constituted between 20 percent and 25 percent of the total bird population of North America. They existed in vast numbers until about 1870; but a few years later, all of them were gone.

Similarly, Mr. President, although these eagles are now regarded as reasonably plentiful, the fact is that they really are not. Under these circumstances, if widespread killing of these eagles continues, soon the species will be extinct.

It is important for all who are interested in this situation to bear in mind the fact that, again and again, experience has unmistakably demonstrated that if there is no restriction on the killing of a species, all too soon the species is extinct, lost, and gone forever.

Mr. President, I appreciate very much the courtesy and cooperation of the Presiding Officer [Mr. Williams of New Jersey] in remaining here this late in the evening until we could complete the action of the Senate on this joint resolution.

Mr. President, I ask that the vote on the joint resolution be taken.

The PRESIDING OFFICER. The question now is on the engrossment of the amendments and the third reading of the joint resolution.

The amendments were ordered to be engrossed, and the joint resolution to be read a third time.

The joint resolution (H.J. Res. 489) was read the third time and passed.

Mr. KEATING. Mr. President, I ask that the preamble of the joint resolution be agreed to.

The PRESIDING OFFICER. The question is on agreeing to the preamble.

The preamble was agreed to.

Mr. KEATING. Mr. President, I move that the vote by which the joint resolution was passed be reconsidered.

Mr. YARBOROUGH. Mr. President, I move that the motion to reconsider be laid on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

ADJOURNMENT UNTIL 11 A.M. TOMORROW

Mr. YARBOROUGH. Mr. President, under the order previously entered, I move that the Senate do now adjourn until tomorrow at 11 a.m.

The motion was agreed to; and (at 8 o'clock and 5 minutes p.m.) the Senate adjourned, under the order previously entered, until tomorrow, Friday, October 5, 1962, at 11 a.m.

NOMINATIONS

Executive nominations received by the Senate October 4, 1962.

Communications Satellite Corp.

The following-named persons to be incorporators of the Communications Satellite Corp.:

Edgar F. Kaiser, of California.
David M. Kennedy, of Illinois.
Philip L. Graham, of the District of Columbia.
Sidney J. Weinberg, of New York.
Bruce G. Sundlun, of Rhode Island.
A. Byrne Litschgi, of Florida.
Beardsley Grahan, of Kentucky.
Leonard Woodcock, of Michigan.
Sam Harris, of New York.
George Feldman, of New York.
Leonard Marks, of the District of Columbia.
John T. Connor, of New Jersey.
George L. Killion, of California.

CONFIRMATION

Executive nomination confirmed by the Senate October 4, 1962:

U.S. AIR FORCE

To be captain

Capt. Mary J. Wettle, AN2242982, for appointment in the Regular Air Force, in the grade indicated, under the provisions of section 8284, title 102, United States Code, with a view to designation under the provisions of section 8067, title 10, United States Code, to perform the duties of a nurse, with date of rank to be prescribed by the Secretary of the Air Force.

HOUSE OF REPRESENTATIVES

THURSDAY, OCTOBER 4, 1962

The House met at 10 o'clock a.m.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Zachariah 4: 6: *Not by might, nor by power, but by My Spirit, saith the Lord of Hosts.*

Almighty God, grant that amid the welter of worldwide tensions and troubles, our President, our Speaker, our chosen representatives and all our citizens may have that power and unity of spirit and that moral passion and purpose which will make our Nation equal to every crisis and calamity.

May all who are entrusted with positions of leadership never be guilty of the incredible folly and fallacy of conducting and carrying on the affairs of government without seeking Thy divine guidance.

In striving to fulfill their mission, which is charged and freighted with such lofty import, may they be equipped with every resource of strategy and skill and fidelity and fortitude that will not waver.

We earnestly beseech Thee that the burdens which lie so heavily upon our beloved country during these days may be lifted and the love of liberty and law may weld us into a more perfect and enduring union which cannot be broken.

Hear us in the name of our blessed Lord, who is the Savior and Brother of all. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McGown, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 11899. An act to amend the Federal Property and Administrative Services Act of 1949, as amended, to provide for a Federal telecommunications fund.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 8140. An act to strengthen the criminal laws relating to bribery, graft, and conflict of interest, and for other purposes; and

H.R. 8874. An act to authorize certain banks to invest in corporations whose purpose is to provide clerical services for them, and for other purposes.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 2450. An act for the relief of Maj. C. Todd, Jr., and the estate of Ira T. Todd, Sr.;

S. 2451. An act for the relief of G. W. Todd and the estate of Lloyd Parks;

S. 2478. An act to amend section 144 of title 28 of the United States Code;

S. 2830. An act to amend the act providing financial assistance for local educational agencies in areas affected by Federal activities in order to provide assistance under the provisions of such act to the District of Columbia;

S. 3124. An act for the relief of Lt. Col. Gustave M. Minton, Jr., U.S. Air Force.

S. 3371. An act for the relief of Dr. James T. Maddux;

S. 3375. An act for the relief of George Edward Leonard;

S. 3631. An act to amend title 13, United States Code, to preserve the confidential nature of copies of reports filed with the Bureau of the Census on a confidential basis; and

S. 3679. An act authorizing an appropriation to enable the United States to extend an invitation to the Food and Agriculture Organization of the United Nations to hold a World Food Congress in the United States in 1963.

The message also announced that the Senate agrees to the amendments of the House to bills and a joint resolution of the Senate of the following titles:

S. 3240. An act for the relief of Mrs. Lee Ma Chin-Ying;

S. 3279. An act for the relief of Yet Gee Moy (Tsze Woo Lai) and Mee Sen Moy (Sau Ming Lai);

S. 3338. An act to incorporate the American Symphony Orchestra League; and

S.J. Res. 214. Joint resolution authorizing the President of the United States to designate the period from November 26, 1962, through December 2, 1962, as National Cultural Center Week.

IN GOD WE TRUST

Mr. MARSHALL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. MARSHALL. Mr. Speaker, it is my purpose to call the attention of the House to the motto, "In God We Trust," above the Speaker's rostrum today. Today we are making history in this historic Chamber. It is fitting and proper that these words be inscribed in this great Chamber. I am certain they are inscribed deeply in the hearts of each and every one of us.

It was my privilege to introduce this resolution. I have had the full cooperation from our great Speaker, the gentleman from Massachusetts, JOHN MCCORMACK, in this matter and it is primarily due to his efforts that the words have been placed there for our benefit during this session of the Congress. No one could have a greater appreciation of these words than our great Speaker.

At this point I ask unanimous consent to include a letter from our distinguished Speaker.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE SPEAKER'S ROOMS,
U.S. HOUSE OF REPRESENTATIVES,
Washington, D.C., September 29, 1962.

Hon. FRED MARSHALL,
U.S. House of Representatives,
Washington, D.C.

DEAR FRED: I am sending these few lines to you to let you know that I have conferred with George Stewart, the Architect of the Capitol, and I told him that I would like to have your resolution, placing the words "In God We Trust" above the Speaker's rostrum, carried out before this session of Congress is over. It will make me very happy if this is done. I know it will make you very happy. George Stewart is going to do it before this coming week is over.

I am most thankful to you for calling your resolution to my attention. I am very happy with the part that I played in favorably recommending your resolution and having it reported out of committee and adopted by the House. The above resolution constitutes the spiritual origin of the road that our country has always taken, and, pray God, will always take. The country is richly indebted to you for thinking of this wonderful contribution and introducing our resolution.

With kind regards, I am,
Sincerely yours,
JOHN W. MCCORMACK,
Speaker.

Mr. MARSHALL. Mr. Speaker, during my 14 years of membership in this House I have never met a Member with atheistic tendencies. May it always be that way.

People who come from far and wide in this great Republic to visit our Chamber, members of our fine American families, school groups, educators, members of our Armed Forces, farmers, workers and professional people, groups, young, middle aged, and old will all be reminded of our great reliance upon Almighty God and will thrill to the words of our motto.

People from the far corners of the earth will read the words and in reading them will recognize the faith and moral strength of the United States of America.

We Members who sit in the House will be constantly reminded of the bountiful blessings bestowed upon our country by the Divine Being.

We will be reminded of the faith of our fathers who formed our great Republic and who asked God's divine blessing on these actions. We are also reminded that 100 years ago, when our country was torn apart by a terrible war, when tragedy was rampant, and the faith of man was tested, our President, Abraham Lincoln, never once faltered in his faith in God and invited his guidance.

Today the words "In God we trust" reaffirm our faith. These words are placed in our confidence in God believing that those who would destroy our faith will not succeed. The are placed in the most conspicuous part of our

Chamber to convey the message without fear. They are placed with pride, a dedication to duty, and with humility to prove ourselves worthy.

I am certain all will join with me in the hope and prayer that it will always be thus: "In God we trust."

PERMISSION TO SIT DURING GENERAL DEBATE

Mr. ALBERT. Mr. Speaker, I ask unanimous consent, on behalf of the gentleman from Texas [Mr. PATMAN], that Subcommittee No. 2 of the Committee on Banking and Currency may sit during general debate today.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

SEYMOUR K. OWENS

Mr. LANE. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 2928 for the relief of Seymour K. Owens.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There being no objection the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of chapter 55 of title 10, United States Code, relating to medical and dental care for members and certain former members of the uniformed services and their dependents, Seymour K. Owens, of Miami, Florida, the son of the late Commander Seymour D. Owens, United States Navy, shall be held and considered to be the dependent of a former member of the uniformed services within the meaning of that term as defined in paragraph (2)(E)(ii) of section 1072 of title 10, United States Code, notwithstanding that the said Seymour K. Owens, who lost one leg below the knee prior to attaining the age of twenty-one years and who is suffering from a severe case of diabetes which was incurred prior to attaining twenty-one years, may be capable of partial self-support.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CALL OF THE HOUSE

Mr. GROSS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 270]

Adair
Alexander
Alford
Andersen, Minn.
Anderson, Ill.
Anfuso
Ashley
Aspinall
Baring
Battin
Belcher
Bell
Bennett, Mich.
Berry
Blatnik
Blitch
Bolling
Boykin
Breeding
Brewster
Bromwell
Brown
Burke, Ky.
Chiperfield
Clark
Coad
Curtin
Curtis, Mass.
Davis, Tenn.
Dawson
Denton
Dominick
Dooley
Elliott
Evins
Fisher
Fogarty
Frazier
Gallagher
Garland
Glenn
Gray
Griffiths
Gubser
Hall
Hansen
Harris
Harrison, Va.
Harvey, Ind.
Hays
Hébert
Herlong
Hiestand
Hoeven
Hoffman, Mich.
Holland
Jones, Mo.
Karth
Kearns
Kee
Kilburn
King, Utah
Laird
McDonough
McDowell
McIntire
McMillan
McSween
McVey
Macdonald
MacGregor
Madden
Magnuson
May
Michel
Miller, Clem
Miller, George P.
Moeller
Moorehead, Ohio
Moulder
Norrell
O'Brien, Ill.
O'Konski
Peterson
Powell
Quie
Rains
Reece
Reifel
Rogers, Tex.
Roosevelt
Roudebush
Saund
Saylor
Scherer
Scranton
Seely-Brown
Shelley
Sheppard
Shipley
Short
Sibal
Siler
Smith, Miss.
Taber
Teague, Tex.
Thornberry
Ullman
Van Pelt
Van Zandt
Vinson
Watts
Weis
Whalley
Williams
Yates
Zelenko

The SPEAKER. Three hundred and seventeen Members have answered to their names, a quorum.

By unanimous consent further proceedings under the call were dispensed with.

TRADE EXPANSION ACT OF 1962

Mr. MILLS. Mr. Speaker, I call up the conference report on the bill (H.R. 11970) to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. No. 2518)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 11970) to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes, having met after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 2, 5, 6, 7, 8, 9, 12, 13, 14, 21, 22, 34, 35, 45, 46, 47, 48, 50, 83, 85, and 91.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 10, 11, 15, 16, 17, 18, 19, 20, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33 36, 37, 39, 40, 41, 42, 43, 44, 52, 54, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 71, 72, 73, 75, 76, 77, 78, 79, 80, 81, 86, 87, 89, 90, 92, 93, and 94, and agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "world; and"; and the Senate agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment as follows: In lieu of the matter proposed to be stricken out by the Senate amendment insert the following:

"(3) to prevent Communist economic penetration."

And the Senate agree to the same.

Amendment numbered 38: That the House recede from its disagreement to the amendment of the Senate numbered 38, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"(3) notwithstanding any provision of any trade agreement under this Act and to the extent he deems necessary and appropriate, impose duties or other import restrictions on the products of any foreign country or instrumentality establishing or maintaining such foreign import restrictions against the United States agricultural products, when he deems such duties and other import restrictions necessary and appropriate to prevent the establishment or obtain the removal of such foreign import restrictions and to provide access for United States agricultural products to the markets of such country or instrumentality on an equitable basis."

And the Senate agree to the same.

Amendment numbered 49: That the House recede from its disagreement to the amendment of the Senate numbered 49, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "into, and, when referring to a rate of duty, refers to the rate of duty (however established, and even though temporarily suspended by Act of Congress or otherwise) existing on such day."; and the Senate agree to the same.

Amendment numbered 51: That the House recede from its disagreement to the amendment of the Senate numbered 51, and agree to the same with amendments as follows:

Page 9, line 20, of the Senate engrossed amendments, strike out "section 350" and insert: "sections 323 and 350".

Page 10, line 5, of the Senate engrossed amendments, after "United States" strike out the comma.

Page 10 of the Senate engrossed amendments, strike out lines 7 to 22, inclusive, and in lieu thereof insert the following:

"(2) The lowest preferential or nonpreferential rate of duty in rate column numbered 1 for each item in schedules 1 to 7, inclusive, of the Tariff Schedules of the United States on the effective date provided in section 501(a) of this Act shall be treated as the lowest preferential or nonpreferential rate of duty, respectively, existing on July 1, 1962; except that in the case of any such item included in a supplemental report made pursuant to section 101(c) of this Act to reflect a change proclaimed by the President after July 1, 1962 (other than a change to which the United States was committed on July 1, 1962), the rate treated as the lowest nonpreferential rate of duty existing on July 1, 1962, shall be the rate which the Commission specifically declares in such supplemental report to be the rate which, in its judgment, conforms to the fullest extent practicable to the rate regarded as existing on July 1, 1962, under ection 256(4) of the Trade Expansion Act of 1962."

And the Senate agree to the same.

Amendment numbered 53: That the House recede from its disagreement to the amendment of the Senate numbered 53, and agree to the same with an amendment as follows:

Page 12, lines 5 and 6, of the Senate engrossed amendments, strike out "on any fish in any form imported from such country into the United States,", and insert in lieu thereof the following: "on any fish (in any form which is the product of such country,"; and the Senate agree to the same.

Amendment numbered 55: That the House recede from its disagreement to the amendment of the Senate numbered 55, and agree to the same with an amendment as follows:

Page 12, line 23, of the Senate engrossed amendments, strike out "or for the negotiation of an agreement under section 352"; and the Senate agree to the same.

Amendment numbered 70: That the House recede from its disagreement to the amendment of the Senate numbered 70, and agree to the same with an amendment as follows:

Page 15, line 5, of the Senate engrossed amendments, strike out "such", and insert in lieu thereof "interested"; and the Senate agree to the same.

Amendment numbered 74: That the House recede from its disagreement to the amendment of the Senate numbered 74, and agree to the same with amendments as follows:

Page 42, of the House engrossed bill, strike out line 9 and all that follows through line 3 on page 43, and insert:

"(b) Effective with respect to net operating losses for taxable years ending after December 31, 1955, subsection (b) of section 172 of the Internal Revenue Code of 1954 (relating to net operating loss carrybacks and carryovers) is amended to read as follows:

" '(b) NET OPERATING LOSS CARRYBACKS AND CARRYOVERS.—

" '(1) YEARS TO WHICH LOSS MAY BE CARRIED.—

" '(A) (i) Except as provided in clause (ii), a net operating loss for any taxable year ending after December 31, 1957, shall be a net operating loss carryback to each of the 3 taxable years preceding the taxable year of such loss.

" '(ii) In the case of a taxpayer with respect to a taxable year ending on or after December 31, 1962, for which a certification had been issued under section 317 of the Trade Expansion Act of 1962, a net operating loss for such taxable year shall be a net operating loss carryback to each of the 5 taxable years preceding the taxable year of such loss.

" '(B) Except as provided in subparagraph (C), a net operating loss for any taxable year ending after December 31, 1955, shall be a net operating loss carryover to each of the 5 taxable years following the taxable year of such loss.

" '(C) In the case of a taxpayer which is a regulated transportation corporation (as defined in subsection (j)(1)), a net operating loss for any taxable year ending after December 31, 1955, shall (except as provided in subsection (j)) be a net operating loss carryover to each of the 7 taxable years following the taxable year of such loss.' "

Page 43, line 5, of the House engrossed bill, strike out "subsection (i)," and insert: "subsections (i) and (j),".

Page 44, line 2, of the House engrossed bill, strike out "(1)(B)" and insert: "(1)(A)(ii)".

Page 44, line 25, of the House engrossed bill, strike out "(1)(B)" and insert: "(1)(A)(ii)".

And the Senate agree to the same.

Amendment numbered 82: That the House recede from its disagreement to the amendment of the Senate numbered 82, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "or, if the article is dutiable but no rate existed on July 1, 1934, the rate existing at the time of the proclamation,"; and the Senate agree to the same.

Amendment numbered 84: That the House recede from its disagreement to the amendment of the Senate numbered 84, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "4 years (or, in the case of any such increase or imposition proclaimed pursuant to such section 7, 5 years)"; and the Senate agree to the same.

Amendment numbered 88: That the House recede from its disagreement to the amendment of the Senate numbered 88, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "applicable"; and the Senate agree to the same.

WILBUR D. MILLS,
CECIL R. KING,
HALE BOGGS,
EUGENE J. KEOGH,
NOAH M. MASON,
JOHN W. BYRNES,
HOWARD H. BAKER,
Managers on the Part of the House.

HARRY FLOOD BYRD,
ROBERT S. KERR,
RUSSELL B. LONG,
GEORGE A. SMATHERS,
JOHN J. WILLIAMS,
FRANK CARLSON,
CARL T. CURTIS,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 11970) to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The following Senate amendments made technical, clerical, clarifying, or conforming changes: 2, 3, 10, 11, 19, 24, 26, 27, 30, 31, 32, 33, 36, 37, 40, 42, 43, 44, 46, 47, 48, 49, 50, 54, 56, 60, 68, 79, 80, 81, 82, 83, 86, 92, 93, and 94. With respect to these amendments (1) the House either recedes or recedes with amendments which are technical, clerical, clarifying, or conforming in nature, or (2) the Senate recedes in order to conform to other action agreed upon by the committee of conference.

Amendments Nos. 1 and 4: Section 102 of the bill as passed by the House provided that the purposes of the Trade Expansion Act of 1962 are, through trade agreements affording mutual benefits—

(1) to stimulate the economic growth of the United States and maintain and enlarge foreign markets for the products of U.S. agriculture, industry, mining, and commerce;

(2) to strengthen economic relations with foreign countries through the development of open and nondiscriminatory trading in the free world;

(3) to assist in the progress of countries in the earlier stages of economic development; and

(4) to prevent Communist economic penetration.

Senate amendment No. 1 inserts the word "trade" before "benefits" in the introductory clause, thus making the phrase read "affording mutual trade benefits." The House recedes. Senate amendment No. 4 struck out the purposes specified in (3) and (4) above. The House recedes with an amendment. Under the conference agreement, the purpose specified in (4) is restored to the bill.

Amendments Nos. 5, 6, 7, 8, 9, 12, 13, 14, and 45: Chapter 2 of title II of the bill as passed by the House contains special provisions concerning the European Economic Community under which the President is authorized to reduce by more than 50 percent (or to remove) duties on certain articles. Under the Senate amendments, the Free European Trading Community was substituted for the European Economic Community. Under Senate amendment No. 45, the term "Free European Trading Community" was defined (sec. 256 of the bill) to mean (A) the European Economic Community, and (B) any country, designated by the President, which is a member of the European Free Trade Association. The Senate recedes.

Amendments Nos. 15, 16, 17, and 18: Section 221 of the bill as passed by the House requires the Tariff Commission to advise the President with respect to each article listed by the President for possible tariff concession of its judgment as to the probable economic effect of modifications of duties or other import restrictions on industries producing like or directly competitive articles. Under Senate amendment No. 15, this advice is required so as to assist the President in making an informed judgment as to the impact that might be caused by such modifications on U.S. industry, agriculture, and labor.

Senate amendments Nos. 16 and 18 are technical amendments transferring the requirement for public hearings from the last sentence of subsection (b) of section 211 to a new subsection (d).

Senate amendment No. 17 adds a new subsection (c) to section 221 of the bill. The new subsection requires the Tariff Commission, in preparing its advice to the President, to the extent practicable to—

(1) investigate conditions, causes, and effects relating to competition between the foreign industries producing the articles in question and the domestic industries producing the like or directly cempetitive articles;

(2) analyze the production, trade, and consumption of each like or directly competitive article, taking into consideration employment, profit levels, and use of productive facilities with respect to the domestic industries concerned, and such other economic factors in such industries as it considers relevant, including prices, wages, sales, inventories, patterns of demand, capital investment, obsolescence of equipment, and diversification of production;

(3) describe the probable nature and extent of any significant change in employment, profit levels, use of productive facilities, and such other conditions as it deems relevant in the domestic industries concerned which it believes such modifications would cause; and

(4) make special studies (including studies of real wages paid in foreign supplying countries), whenever deemed to be warranted, of particular proposed modifications affecting U.S. industry, agriculture, and labor, utilizing to the fullest extent practicable the facilities of U.S. attachés abroad and other appropriate personnel of the United States.

The House recedes on Senate amendments Nos. 15, 16, 17, and 18.

Amendment No. 20: Section 225(b) of the bill as passed by the House required the President, during the 4-year period which begins on the date of the enactment of the bill, to reserve certain articles (with respect to which a majority of the Tariff Commission has, under prior law, found serious injury or threat thereof) from negotiation under the bill for the reduction of any duty or other import restriction or the elimination of any duty. Senate amendment No. 20 requires the reservation to be 5 years rather than 4 years. The House recedes.

Amendment No. 21: Section 231 of the bill as passed by the House directs the President to suspend, withdraw, or prevent the application of any trade agreement concessions to products of any country or area dominated or controlled by Communism. Senate amendment No. 21 struck out "any country or area dominated or controlled by Communism" and inserted "the Union of Soviet Socialist Republics, Communist China, and any other country or area dominated or controlled by the foreign government or foreign organization controlling the world Communist movement". The Senate recedes.

Amendment No. 22: The bill as passed by the House provided that the Special Representative for Trade Negotiations shall be the chief representative of the United States for each negotiation held under the authority granted in title II of the bill. Senate amendment No. 22 provided that the Special Representative shall be the chief representative of the United States for each general multilateral negotiation under such authority. The Senate recedes. While it is not contemplated that the Special Representative for Trade Negotiations will be required personally to conduct relatively minor negotiations, he will be responsible for all negotiations conducted under title II of the bill. The Special Representative has authority to employ a staff to assist him in carrying out his various responsibilities under the bill. In addition, he may from time to time draw upon the personnel and resources of other agencies for his needs in this regard.

Amendments Nos. 23, 25, and 28: Under the bill as passed by the House, the chairman of the interagency organization provided for by section 242 of the bill was to be a Cabinet officer selected by the President, and the Special Representative for Trade Negotiations was to be an ex officio member of such organization. Under Senate amendments Nos. 23, 25, and 28 the Special Representative is to be chairman of the interagency organization. The House recedes.

Amendment No. 29: Under the bill as passed by the House, the interagency trade organization is required to meet periodically at such times as the President or the chairman directs. This amendment deletes the word "periodically". The House recedes.

Amendments Nos. 34 and 35: Section 252 (a) of the bill as passed by the House directs the President to take certain action whenever unjustifiable foreign import restrictions impair the value of tariff commitments made to the United States, oppress the commerce of the United States, or prevent the expansion of trade on a mutually advantageous basis. Under Senate amendment No. 34 the word "unjustifiable", appearing before the phrase "foreign import restrictions", was stricken, and under Senate amendment No. 35 the word "unjustifiably" was inserted before the phrase "oppress the commerce of the United States". The Senate recedes on Senate amendments Nos. 34 and 35.

Amendment No. 38: Section 252(a) of the bill as passed by the House requires that, whenever unjustifiable foreign import restrictions impair the value of tariff commitments made to the United States, oppress the commerce of the United States, or prevent the expansion of trade on a mutually advantageous basis, the President shall take certain action to obtain the elimination or reduction of the restrictions. Senate amendment No. 38 required the President, acting under section 252(a), notwithstanding any provision of any trade agreement under the bill, to impose duties or other import restrictions on the products of any foreign country or instrumentality establishing or maintaining foreign import restrictions described in section 252(a) against U.S. agricultural products, to the extent he deems such duties and other import restrictions necessary to prevent the establishment or obtain the removal of such foreign import restrictions and to provide access for U.S. agricultural products to the markets of such country or instrumentality on an equitable basis. The House recedes with an amendment. Under the conference agreement the President is to exercise the authority to impose duties and other import restrictions contained in Senate amendment No. 38, notwithstanding any provision of any trade agreement under the bill and to the extent he deems necessary and appropriate, when he deems such duties and other import restrictions necessary and appropriate to prevent the establishment or obtain the removal of the foreign import restrictions described in section 252(a) and to provide access for U.S. agricultural products to the markets of such country or instrumentality on an equitable basis.

Amendment No. 39: Section 252(b) of the bill as passed by the House directs the President, among other things, to deny trade agreement benefits to products of a country which maintains nontariff trade restrictions which substantially burden U.S. commerce in a manner inconsistent with provisions of trade agreements, and the section specifically includes within such nontariff trade restrictions "unlimited variable import fees." Senate amendment No. 39 includes within such nontariff trade restrictions variable import fees, whether unlimited or not. The House recedes.

Amendment No. 41: Under this amendment the President is given the authority to deny trade agreement benefits to products of any country or instrumentality maintaining unreasonable import restrictions which, directly or indirectly, substantially burden U.S. commerce. This authority may be exercised to the extent that the action is consistent with the purposes set forth in section 102 of the bill and with due regard to the international obligations of the United States. The House recedes.

Amendment No. 51: This is a technical amendment making certain changes in the Tariff Classification Act of 1962 required by the enactment of the Trade Expansion Act of 1962. The House recedes with technical and clarifying amendments.

Amendment No. 52: This amendment makes it clear that the provisions of the bill do not in any way affect section 22 of the Agricultural Adjustment Act, or any import restriction thereunder. The House recedes.

Amendment No. 53: This amendment adds a new section to the Tariff Act of 1930 relating to conservation of fishery resources. Under this section the President is directed, upon the convocation of a conference on the use or conservation of international fishery resources, to use all appropriate means to persuade other countries whose practices or policies affect such resources, to negotiate in good faith concerning such use or conservation. If any country, the conservation practices or policies of which affect the interests of the United States and of other countries agreeing to engage in such negotiations, fails or refuses to negotiate in good faith, the President may, with a view to inducing such country to negotiate in good faith, increase the rate of duty on imports into the United States of any fish in any form which is imported from such country to a rate not more than 50 percent above the rate existing on July 1, 1934. Any such increase may continue for such time as the President deems necessary. The House recedes with an amendment to relate any such increase in rates of duty to products of such country rather than to imports from such country.

Amendment No. 55: Section 301(a) of the bill as passed by the House provides for the filing of petitions for tariff adjustment under section 351 and of petitions for determinations of eligibility to apply for adjustment assistance under title III. It also states who may file such petitions. This amendment sets forth the two types of petitions in separate paragraphs, and authorizes the filing of petitions for the negotiation of agreements under section 352 (added by Senate amendment No. 90). The House recedes with an amendment deleting the language in the Senate amendment relating to the filing of petitions for the negotiation of agreements under section 352.

Amendments Nos. 57, 62, and 65: Under section 301 of the bill as passed by the House, the Tariff Commission is required to make certain determinations of injury. Such determinations are to be made in the case of industries under section 301(b)(1), in the case of firms under section 301(c)(1), and in the case of groups of workers under section 301(c)(2). In each case, under the House bill, the Tariff Commission must determine "whether, as a result of concessions granted under trade agreements" an article is being imported into the United States in such increased quantities as to cause or threaten to cause the particular injury. Under Senate amendments Nos. 57, 62, and 65 the Tariff Commission must determine "whether, as a result in major part of concessions granted under trade agreements" an article is being imported in such increased quantities as to cause or threaten to cause the particular injury. The House recedes.

Amendments Nos. 58, 63, and 89: Under sections 301 (b)(2) and (c)(1) of the bill as passed by the House the Tariff Commission is required, in making its determinations under those sections, to take into account "all economic factors which it considers relevant, including idling of productive facilities, inability to operate at a profit, and unemployment or underemployment." Under section 351(d)(4) as passed by the House, the Tariff Commission is required, in advising the President under section 351(d) as to the probable economic effect of certain action on the industry concerned, to take into account "all economic factors which it considers relevant, including idling of productive facilities, inability to operate at a profit, and unemployment or underemployment." Under Senate amendments Nos. 58, 63, and 89, sections 301(b)(2), (c)(1), and 351(d)(4) are each amended to insert the words "level of reasonable" before the word "profit." Thus, under these amendments, the Tariff Commission is required to consider the inability of an industry or a firm to "operate at a level of reasonable profit" instead of considering the inability of the firm or industry to "operate at a profit." The House recedes.

Amendments Nos. 59 and 66: Under the bill as passed by the House, the Tariff Commission is required under certain conditions to determine whether as a result of concessions granted under trade agreements an article is being imported in such increased quantities as to cause, or threaten to cause (1) serious injury to the domestic industry or firm producing like or directly competitive articles, or (2) unemployment or underemployment of a significant number or proportion of the workers in a firm (or subdivision thereof) producing like or directly competitive articles. Under amendments Nos. 59 and 66, increased imports must be considered to cause, or threaten to cause, the injury or unemployment or underemployment, as the case may be, whenever the Tariff Commission finds, in an appropriate investigation, that they have been "the major factor" in causing, or threatening to cause, such injury or unemployment or underemployment. The House recedes. It is intended that the same degree of causal connection provided for under these amendments will also be applicable to the determinations to be made by the Secretary of Commerce under section 302(b)(1), and by the Secretary of Labor under section 302(b)(2).

Amendments Nos. 61, 64, and 67: Under section 301(c) of the bill as passed by the House, the Tariff Commission is required, whenever a firm or a group of workers petitions for a determination of eligibility to apply for adjustment assistance, to make not only the investigation necessary to that determination but also the investigation necessary for an industry determination under section 301(b). Senate amendments Nos. 61 and 64 delete the requirement that industry determinations be made on petitions under section 301(c) and provide in lieu thereof that investigations under section 301(c) be made promptly. Senate amendment No. 67 delete section 301(c)(3) of the bill as passed by the House under which the Tariff Commission could provide that, during a period beginning not earlier than 30 days after publication of notice of hearings with respect to an industry and ending not later than the date of the report of the Commission with respect thereto, no petition for a determination of eligibility to apply for adjustment assistance could be filed by a firm or group of workers in such industry with respect to the same articles. The House recedes on Senate amendments Nos. 61, 64, and 67.

Amendments Nos. 69 and 70: Section 301(d) of the bill as passed by the House requires the Tariff Commission, in the course of any investigation under section 301, to hold public hearings, after reasonable notice, and to afford interested parties an opportunity to be present at the hearings, and to produce evidence and be heard. Senate amendment No. 69 continues this requirement but limits it to investigations under section 301(b) (industry determinations). Senate amendment No. 70 adds a new paragraph to section 301(d) setting forth the hearing requirements in the case of investigations under section 301(c) (determinations of eligibility of firms and groups of workers to apply for adjustment assistance). Under this amendment a hearing is not required in the case of a section 301(c) investigation unless requested by the petitioner, or, within 10 days after notice of the filing of a petition, by any other party showing a proper interest in the subject matter of the investigation. The House recedes on Senate amendment No. 69. The House recedes on Senate amendment No. 70 with an amendment to make it clear that, where a request for hearings has been made in connection with an investigation under section 301(c), any interested party will be given an opportunity to be present, produce evidence, and be heard at such hearings.

Amendments Nos. 71 and 72: Section 301(f)(2) of the bill as passed by the House requires the Tariff Commission to make a report of its determination as to any industry investigation under section 301(b) "not later than 120 days after the date on which the petition is filed (or the date on which the request or resolution is received or the motion is adopted, as the case may be), unless the President extends such time for an additional period, which shall not exceed 30 days." Senate amendment No. 71 requires that any such report must be filed not later than 6 months after the relevant date, and Senate amendment No. 72 strikes the authority of the President to extend for 30 days the time for filing such a report. The House recedes.

Amendment No. 73: This amendment prohibits, for the 60-day period following the enactment of the bill, (1) the filing of petitions for tariff adjustment and for determinations of eligibility to apply for adjustment assistance, and (2) the making of requests, resolutions, or motions for Tariff Commission investigations under section 301(b). The amendment would not, however, prevent the continuation, as though a petition for tariff adjustment under section 351 had been filed, of any investigation commenced under section 7 of the Trade Agreements Extension Act of 1951 (escape-clause provisions), which is in progress on the date of enactment of the bill. The House recedes.

Amendment No. 74: This amendment authorizes the President, after receiving an affirmative finding from the Tariff Commission under section 301(b) with respect to any industry, to provide tariff adjustment for such industry under section 352 (added to the bill by Senate amendment No. 90) which relates to orderly marketing agreements. The House recedes with certain technical amendments which are required by the enactment on September 27, 1962, of Public Law 87-710.

Amendment No. 75: Under section 323(c)(1) of the bill as passed by the House, the amount of trade readjustment allowance payable for any week to an adversely affected worker, who is not undergoing training approved by the Secretary of Labor, is reduced by the amount of unemployment insurance to which such worker is entitled with respect to such week, whether or not such worker has filed a claim for the insurance. Under Senate amendment No. 75, the amount of trade readjustment allowance payable to any such worker for any such week is reduced only by the amount of unemployment insurance which he has received or is seeking with respect to such week. If the appropriate State or Federal agency finally determines that such worker is not entitled to such insurance for such week, the reduction will not apply. The House recedes.

Amendments Nos. 76 and 77: The first sentence of section 323(d) of the bill as passed by the House provides that if unemployment insurance, or a training allowance under the Manpower Development and Training Act of 1962 or the Area Redevelopment Act, is payable to an adversely affected worker for weeks for which he would have been entitled to trade readjustment allowances if he had applied for such allowances, the number of weeks for which he may receive trade readjustment allowances is reduced by the number of weeks for which such unemployment insurance or such training allowances are payable. Under Senate amendment No. 76, the number of weeks for which any such worker may receive trade readjustment allowances is reduced only by the number of weeks for which such unemployment insurance or training allowances are actually paid to such worker.

The second sentence of section 323(d) of the House bill provides that if the unemployment insurance or the training allowance payable to an adversely affected worker for any week is less than the amount of the trade readjustment allowances to which such worker would be entitled if he applied for such allowance, he will, when determined to be entitled in such allowance, be paid an additional amount equal to the difference for each of the earlier weeks. Under Senate amendment No. 77, such additional amount will be payable only if the worker was actually paid unemployment insurance or a training allowance for the relevant week. The House recedes on Senate amendments Nos. 76 and 77.

Amendment No. 78: Section 323(g) of the bill as passed by the House provided for reimbursing State agencies making payments of unemployment insurance under State law to adversely affected workers for weeks during which they were undergoing training approved by the Secretary of Labor. The reimbursement was to be made to the extent that the reimbursed insurance payment did not exceed the trade readjustment allowance which the worker would have received if he had applied for such allowance and had not received the State payment.

Senate amendment No. 78 strikes out section 323(g) of the bill as passed by the House and inserts a new section 323(g). Paragraph (1) of the new section 323(g) provides that if unemployment insurance is paid under a State law to an adversely affected worker for a week for which—

(1) he receives a trade readjustment allowance, or

(2) he makes application for a trade readjustment allowance and would be entitled (determined without regard to subsection (c) or (e) of section 323) to receive such allowance,

the State agency making such payment shall, unless it has been reimbursed for such payment under other Federal law, be reimbursed from funds appropriated to the Secretary of Labor to carry out his functions under the bill in connection with furnishing adjustment assistance to workers, to the extent such payment does not exceed the amount of the trade readjustment allowance which such worker would have received, or would have been entitled to receive, as the case may be, if he did not receive a State payment. As under the bill as passed by the House, the amount of reimbursement is to be determined by the Secretary of Labor on the basis of reports furnished to him by the State agency.

Paragraph (2) of the new section 323(g) (for which there was no comparable provision in the House bill) provides that, in any case in which a State agency is reimbursed under paragraph (1) for payments of unemployment insurance made to an adversely affected worker, such payments, and the period of unemployment of such worker for which such payments were made, may be disregarded under the State law (and for purposes of applying sec. 3303 of the Internal Revenue Code of 1954) in determining whether or not an employer is entitled to a reduced rate of contributions permitted by the State law. The House recedes. It is the understanding of the managers on the part of the House that, with respect to the conference action on Senate amendment No. 78, the conferees on the part of both the House and the Senate intend that if—

(1) payments of unemployment insurance are made by a State to an adversely affected worker and the State agency is reimbursed for such payments, and

(2) such payments, and the period of unemployment of such worker for which such payments were made, are disregarded under State law in determining whether or not an employer is entitled to a reduced rate of contributions permitted by State law,

then the worker is not to have his eligibility for unemployment insurance under the State law reduced on account of such payments.

Amendments Nos. 84, 85, and 88: Section 351(c) of the bill as passed by the House provides, among other things, that any increase in, or imposition of, any duty or other import restriction proclaimed under section 351 of the bill or section 7 of the Trade Agreements Extension Act of 1951 (escape-clause provisions) shall terminate not later than the close of the date which is 4 years after the effective date of the initial proclamation, or the date of the enactment of the bill, whichever is the later; unless the President extends the same in whole or in part for such periods (not in excess of 4 years at any one time) as he may determine. Senate amendments Nos. 84 and 85 change "4 years" where it appears in section 351(c) of the House bill to "5 years". The House recedes on Senate amendment No. 84 with an amendment providing a 4-year period with respect to future action proclaimed pursuant to section 351 of the bill, and a 5-year period with respect to action proclaimed pursuant to section 7 of the Trade Agreements Extension Act of 1951. The Senate recedes on Senate amendment No. 85.

Senate amendment No. 88 is a technical amendment conforming to Senate amendments Nos. 84 and 85. The House recedes with an amendment conforming this provision to the conference action with respect to amendments Nos. 84 and 85.

Amendment No. 87: This amendment permits the Tariff Commission "upon its own motion," as well as upon request by the President, to advise the President of its judgment as to the probable economic effect on the industry concerned of the reduction or termination of any increase in, or imposition of, duty or other import restriction proclaimed pursuant to section 351 of the bill or section 7 of the Trade Agreements Extension Act of 1951. The House recedes.

Amendment No. 90: This amendment adds a new section 352 to the bill as passed by the House which relates to orderly marketing agreements. Under this section the President may, after receiving an affirmative finding of the Tariff Commission with respect to an industry, negotiate international agreements with foreign countries limiting the export from such countries to the United States of any article the increased imports of which the Tariff Commission has found to be causing, or threatening to cause, serious injury to the industry. This authority is to be exercised by the President in his discretion, instead of providing tariff adjustment under section 351, when he determines such action to be more appropriate than action under section 351 to prevent or remedy the injury to the industry. The House recedes.

Amendment No. 91: This amendment adds a new section to the bill giving the President additional authority to increase tariffs, impose new tariffs on articles not otherwise subject to duty, and impose quotas when he finds it to be in the national interest. The Senate recedes.

WILBUR D. MILLS,
CECIL R. KING,
HALE BOGGS,
EUGENE J. KEOGH,
NOAH M. MASON,
JOHN W. BYRNES,
HOWARD H. BAKER,
Managers on the Part of the House.

Mr. MILLS. Mr. Speaker, I yield myself 10 minutes.

Mr. Speaker, your conferees bring back to the House on this occasion a conference report on the Trade Expansion Act of 1962 that is practically identical with the bill that passed the House on June 28 last.

The basic purposes, the basic authorizations, and the basic limitations that were in the bill as it passed the House are presently contained in the conference report. There were some few changes made in the bill during its consideration by the other body. Many of those changes were eliminated. The conference report itself does involve a few changes, most of which are clarifying in nature and all of which are consistent with the provisions of the House bill.

Mr. Speaker, one of the changes made was to spell out actually what the House intended with respect to Tariff Commission pre-trade agreement procedures and advice to the President.

Another change that the conferees agreed to was with respect to the position of the Special Representative for Trade Negotiations who is to be appointed by the President and confirmed by the Senate. The change made with respect to this official was made in connection with the interdepartmental agency that we set up within the Executive Department to advise the President on trade matters, including the initial negotiation of trade agreements.

In the House bill we left to the President's discretion the naming of the person who would be chairman of this statutory interdepartmental agency. In the bill as it passed the Senate and as it is presented to you in this conference report, this chief negotiator will be the chairman of that interdepartmental agency.

In connection with the acceptance by the House conferees of this provision, it was pointed out in conference that we do not want this chief negotiator to be so overburdened with other administrative aspects of this whole program that he cannot effectively act in the primary capacity that the Congress intends him to act—namely, as the chief negotiator for the United States in these agreements.

We provided for a special representative in order to make certain that negotiations under this act would be more effectively conducted than in the past. We hope that the President will extend him the maximum authority in preparing for and conducting negotiations under title II of this bill or modifying agreements.

These new responsibilities stress the fact that Congress intends that the negotiations be prepared for and carried out differently than in the past. The Special Representative should have at his direct disposal sufficient staff to assist him in his capacities as chief negotiator and chairman of an interagency trade organization. Staff obviously could be provided to some extent from offices in existing departments. However, the Department of State, which did the negotiating previously and which chaired the Trade Agreements Committee is the only element now within the Government that is set up to devote a major portion of its resources and time to the negotiations. It was not our intention that this group would continue its past dominant role. Rather we intend by this legislation to place the responsibility for developing the technical information required for the negotiations in the hands of the Special Representative. He should have line authority over the development of information within the executive branch, calling on the relevant departments for support as needed. The procedure for hearing industry and agricultural groups, called for under the bill, should also be his responsibility, as well as the assessment of findings by the Tariff Commission.

Obviously the special representative will require a staff which spends its entire time on preparations for the negotiations and for the negotiations themselves. Because of the scope of negotiations authorized by this act, these preparations will require a more extensive examination of all tariff classifications—especially since these have recently been changed—a more careful examination of industry data, and a through study of market potentials abroad so that maximum benefits can be sought.

The longrun effects of negotiations under this act are so significant that it requires the undivided attention of a group of experts to make certain that we have done the best by the U.S. economy.

One other provision that was adopted in conference would permit the President, whenever nations with which we have an agreement with respect to fish conservation, or nations which refuse to enter into such agreements, follow practices which are inimical to the interests of conservation, then the President may take action to increase tariffs on fish or fish products imported from such country.

Mr. BONNER. Mr. Speaker, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from North Carolina.

Mr. BONNER. I am glad to note that, because I have heard that the Japanese Government has not been living up to its treaty with regard to salmon fishing in some respects.

Mr. MILLS. We hope that this provision will assist the President in getting all countries to live up to their agreements fully.

Another provision was accepted by the conferees giving the President an additional tool to use in the event that there is serious injury to an American industry. You will recall the provisions on this subject in the House bill as passed. Those were all retained. This additional tool is the provision authorizing the President to negotiate orderly marketing agreements whenever some article or group of articles, such as shoes or anything of that sort, are being imported into the United States under conditions causing serious injury to an industry. This provision would authorize the President to enter into an orderly market agreement with the principal supplying country to limit its export to the United States of the product or products involved in the injury determination. Authority is given the President to implement any such agreements by regulations regarding imports.

Another change, which was made and which is of significance, is the change made in connection with the allowances available to workers found to be displaced as the result of imports into the United States. You will recall that the House-passed bill made arrangement for an extended payment of these allowances until these workers could obtain some additional employment, or until they could be trained for some other employment. We provided, Mr. Speaker, as the bill passed the House, that adjustment allowances for unemployment were to be paid out of the State Unemployment Trust Fund and training allowances were to be paid out of the general funds of the Treasury.

The amendment of the other body provides that the total of these amounts are to be paid from the general funds of the Treasury rather than in part from the funds accumulated within the States for unemployment purposes.

Mr. Speaker, we discussed this approach at the time the bill was in the Ways and Means Committee. There was no objection to it in the conference. I trust that there will be no objection to it here.

Mr. Speaker, the other body receded from a number of its amendments. One of the matters on which the Senate receded has stimulated quite some discussion. I want to address myself very briefly to this point.

Mr. Speaker, perhaps for more than 100 years back in the tariff history of this country, we have followed what is known as the most-favored-nation policy. Mr. Speaker, this policy, stated simply, provides that whenever we agree with a foreign country that a product will receive a rate of duty on importation, we extend that same rate of duty to all nations of the world. That is what is called most-favored-nation treatment; we extend to all what we give to one.

Mr. Speaker, in 1951 the Congress wrote in what it thought was a complete limitation with respect to the application of most-favored-nation treatment to products of certain areas of the world. The Congress declared that products of Communist nations should be denied most-favored-nation treatment. At least, that is what the Congress thought it was doing.

In 1958, when an extension of the trade program was requested by the President—President Eisenhower—the Committee on Ways and Means, in the course of considering the proposed extension considered that the following language would, and was intended to, prevent the application of the most-favored-nation treatment to any country under the domination of international communism. I want to read to you that language, Mr. Speaker:

> As soon as practicable, the President shall take such action as is necessary to suspend, withdraw, or prevent the application of any reduction in any rate of duty, or binding of any existing customs or excise treatment, or other concession contained in any trade agreement entered into under authority of section 1351 of this title, to imports from the Union of Soviet Socialist Republics and to imports from any nation or area dominated or controlled by the foreign government or foreign organization controlling the world Communist movement.

Mr. Speaker, this language I just read led the State Department to conclude that most-favored-nation treatment should be extended to Yugoslavia. They reasoned that Yugoslavia was no longer a member of the so-called Communist bloc—they were not dominated or controlled by the world Communist movement. This language did not prevent the extension of most-favored-nation treatment to products of Yugoslavia and no one contended that it did. But, Mr. Speaker, as a result of the continuation of this authority in 1958, the then administration decided on November 16, 1960, that this language did not apply to Poland. It was decided that it was within the language for the then administration—I am talking about the Eisenhower administration—to extend most-favored-nation treatment to Poland.

The White House announced on November 16, 1960, that effective December 16, 1960, most-favored-nation treatment would be given to products of Poland.

Mr. Speaker, if anyone, whether he be a lawyer, a college graduate, a graduate of high school, or with the simple capacity to read the English language, could reach the conclusion that the application of most-favored-nation treatment to Poland is not in direct contravention of the letter of the law I just read, I shall yield to him now. Nobody can justify to me, and I do not think to himself, that there is any authority for the application of most-favored-nation treatment in Poland under that language. The grant of most-favored-nation treatment to Poland was done in contravention of the prohibition by this Congress. I do not, and will not, mince any words about it. This is another instance, Mr. Speaker, where the trade agreements programs of the past have been used for some other purposes than cold dollar trading.

When this bill was before the House in June I undertook to assure the House that this program in the future was going to be used for the economic betterment of the United States and the countries with which we enter into trade agreements, and for that purpose only. I promised that we were not going to grant to the President of the United States this kind of authority for specific, economic purposes, and have the State Department use it for some other purpose.

The Senate receded in conference from its language restoring the provision of the 1958 law, and agreed to the language of the House bill, just as it passed the House. Nobody raised any objection then. The language of the House bill says:

> As soon as practicable, the President shall take such action as is necessary to suspend, withdraw or prevent the application of any reduction in any rate of duty—

And so on, just as I read it—with respect to imports from any country or area "dominated or controlled by communism."

The Senate receded from its position and took the language in the House-passed bill.

Mr. Speaker, a lot of people—particularly those from a certain branch of Government—tell me that this is a mistake.

In the first place, I answer them by saying that I do not think this program should have been used in this way. Somebody may be disappointed, of course, as a result of congressional action withdrawing from part of the Communist world this privilege of most-favored-nation treatment.

I am not an expert on foreign affairs. I do not think I am an expert, nor do I hold myself to be an expert, on anything. But I know, Mr. Speaker, this program has been sold to the American people as being the most effective weapon that we can have and use against Communist economic penetration. I certainly agree that through the forces of beneficial and mutual trade between the Western World and the United States, we can build the economies of the Western World and the United States and thus counter Communist trade offensives.

But, Mr. Speaker, do we want the authority in the bill to be used to build the economies of part of the Communist world? I cannot avoid the logical conclusion: If the trade agreements program works with respect to our friends and accomplishes that purpose in the Western World, then it follows, does it not, that it will obtain the same purpose in the Communist world if they participate fully in this program.

Mr. Speaker, about 8 percent of the trade that Yugoslavia has with the Western World is with the United States. The three principal items of that trade are tobacco, some lead and zinc products, and furniture. I cannot get myself to see why, as we reduce duties on these or any other products, we should permit the reduced rates to apply to products coming from part of the Communist world.

I feel very strongly, Mr. Speaker, about this. I feel very strongly about this whole program. I think this program serves to build the United States and to build the nations of the Western World. Evidently the House of Representatives, when it passed this some weeks ago by an overwhelming vote, shared that same viewpoint. But, Mr. Speaker, this program, as I say, can serve that position only when it is used for pure economic trade relations. It should not, in the future, in my opinion, be used for trading for other purposes. It will not be so used under this conference report.

I think that the conferees have brought back to the House a conference report that carries out exactly what was said in the presentation of it to the House. I ask the House to adopt the report and affirm the action of your conferees. Mr. Speaker, I wish to have inserted in the RECORD at this point, a detailed statement of the conference action:

The House conferees reached agreement with the conferees of the other body on the bill H.R. 11970, the Trade Expansion Act of 1962. As the Members of the House will recall, this bill passed the House on June 29, 1962. In the CONGRESSIONAL RECORD of June 27, 1962, I inserted a detailed explanation of the provisions of the bill.

I will briefly mention the differences in the two bills and state the conference agreements on these differences. I might mention, however, that the bill which we are considering here today, in substantially all material respects, is the same as the bill which passed the House last June 28. The greater part of the changes made are technical and clerical changes to perfect the legislation.

PURPOSES

As passed by the House, H.R. 11970 provided that its purpose was to have the act used to afford mutual benefits to the United States and its trading partners. The other body specified that the benefits sought were to be "trade" benefits and the House conferees accepted this amendment as consistent with the objectives sought in the House bill. The other body also deleted two of the four specific purposes stated but the conference restored one of these specific purposes; namely, that one objective is to prevent Communist economic penetration. The deletion of the specific reference to assisting in the progress of countries in earlier stages of development was agreed to by the House conferees. The resulting statement of specific purposes is thus centered on trade and the benefits flowing therefrom.

TRADE AGREEMENT AUTHORITY

The bill as passed by the House contained special provisions concerning the European Economic Community—the Common Market—under which the President is authorized to reduce by more than 50 percent duties on certain articles. Under the amendments of the other body, these special provisions were broadened to embrace not only the Common Market countries but any of the European Free Trade Association member countries designated by the President. The Senate receded from these broadening amendments and the special provisions relate solely to the Common Market countries.

PRETRADE AGREEMENT ADVICE

The House bill provided for pretrade agreement advice to be given to the President by the Tariff Commission. The other body adopted amendments, which your House conferees accepted, which specify the purpose and nature of the advice the Commission is required to give to the President before he enters into a trade agreement.

The House bill requires the President—under certain conditions—to refrain for 4 years from negotiating lower customs treatment on any article involved in an affirmative injury finding by the Tariff Commission where escape action was not taken. The other body provided a limitation of 5 years under the same conditions. Your conferees agreed with this added safeguard period as being basically consistent with the spirit of the House bill. The provision that the President is also required to reserve from negotiation any other article he deems appropriate is retained in the bill. Under this provision, it is expected that the President might consider the reservation of articles whose particular tariff treatment is in effect pursuant to specific acts of Congress and which provide the level of tariff protection the Congress feels should be afforded in the individual cases.

COMMUNIST PRODUCTS

The House bill requires the President, as soon as practicable, to suspend, withdraw, or prevent the application of the reduction, elimination, or continuance of any existing duty or other import restriction, proclaimed in carrying out any new or past trade agreement, to products of any country or area dominated or controlled by communism. The other body restored the substance of the existing provisions of law on this point which would require such action only in the case of countries or areas dominated or controlled by the foreign government or foreign organization controlling the world Communist movement. The purpose of the other body's amendment was to permit the continued extension of most-favored-nation treatment to products of Poland and Yugoslavia. The Senate receded with the result that products of any nation dominated or controlled by communism will be denied trade agreement rates of duty. The provision that the President should take the action required by this section of the bill "as soon as practicable" should be construed, in my opinion, as affording the President the discretion which he needs to determine when it is most feasible for him to comply with the requirements of this section.

SPECIAL REPRESENTATIVE FOR TRADE NEGOTIATIONS

The House bill provided that the special representative for trade negotiations would be the chief representative of the United States at any negotiations conducted under title II of the bill.

In addition, the House bill provided that such special representative would be an ex officio member of the Interagency Trade Organization established by section 242 of the bill and that the Chairman of that organization would be a Cabinet officer selected by the President.

The other body receded on their amendment which would have required the special representative to represent the United States only at general multilateral negotiations. While it is not contemplated that the special representative will be required to conduct personally relatively minor negotiations, your conferees insisted that it was the intention of the House that he be responsible for all negotiations conducted under title II of the bill.

UNJUSTIFIABLE FOREIGN IMPORT RESTRICTIONS

The House bill directs the President to take certain action whenever unjustifiable foreign import restrictions impair the value of tariff commitments made to the United States. The other body receded from its amendment which would have removed the test of justification for such restrictions. The conferees agreed that if the test of justification was not permitted, the President would be required to forgo negotiating down any import restrictions even if the same were justifiable.

The other body added a third requirement of Presidential action in cases where unjustifiable foreign import restrictions have one or more certain stated effects. The conference agreement requires the President—notwithstanding any provision of any trade agreement under the bill—to impose duties or other import restrictions—e.g., quotas—on the products of any country establishing or maintaining import restrictions described in section 252(a) against U.S. agricultural products, to the extent he deems such action necessary and appropriate to prevent the establishment of, or to bring about the removal of, the foreign import restrictions concerned. Your conferees accepted this amendment as giving the President one more tool to cope with situations where foreign countries adopt measures which have an adverse impact on the United States and which are unjustifiable.

UNREASONABLE FOREIGN IMPORT RESTRICTIONS

Your conferees also accepted an amendment which permits the President to take action in cases where foreign countries maintain unreasonable import restrictions which adversely affect, either directly or indirectly, U.S. interests. The primary purpose of this amendment is to permit the President to deal with those instances where restrictions against one foreign country's products causes a diversion of the affected country's trade to U.S. markets and thereby substantially burdens U.S. commerce. Your conferees believe this provision also is consistent with the intention of the House reflected in section 252 of the bill.

INTERNATIONAL FISH CONSERVATION AGREEMENTS

The other body added an amendment to the Tariff Act of 1930 which would give the President authority to increase duties—by not more than the July 1, 1934, levels—on fish and fish products of any foreign country which refuses to engage in good faith negotiations relating to conservation and fishing policies and whose conservation practices and policies affect the interests of the United States and other countries. Your conferees accepted this amendment because it is consistent with other provisions of the bill as passed by the House.

PETITIONS FOR TARIFF RELIEF AND ADJUSTMENT ASSISTANCE

The bill as passed by the House provided that petitions for tariff relief, firm assistance, or worker assistance all require a full industrywide investigation by the Tariff Commission. Your conferees agreed to several amendments by the other body which would only require an industrywide investigation' by the Tariff Commission where the same was requested. If a firm or group of workers petitions solely for individual assistance, then the Commission would only investigate the facts as to the particular firm or group of workers in question. Also, since this narrower type of investigation might not be of any interest to others, the Commission would not be required to hold public hearings unless the petitioner or other proper interested party requested the same. In industrywide investigations, public hearings are required to be held. Your conferees receded from disagreement to these amendments in the interest of relieving the Tariff Commission from the burden of making an investigation broader than the type requested. It appears that good order is served while not detracting from the safeguards established by the bill for petitioners seeking tariff relief or other assistance.

SIX MONTHS TO COMPLETE ESCAPE-CLAUSE INVESTIGATIONS

Along these same lines, your conferees agreed to allow the Tariff Commission 6 months—as in present law—within which to complete industry investigations. The House bill specified a 120-day period—subject to a Presidential extension of up to an additional 30 days. The additional 30-day period permitted under the other body's amendment should allow for fuller investigations without any undue delay in Commission decisions.

INJURY CRITERIA

Under the House bill, the Tariff Commission is required to determine whether the increased imports in question cause, or threaten to cause, serious injury in a given case. Under amendments of the other body, which your conferees accepted, the Commission's determination goes to whether the increased imports concerned were as a result "in major part" of concessions granted under trade agreements. Your conferees accepted this amendment as consistent with the intent behind the provisions of the House bill as passed. Similar amendments providing that one criterion for determining serious injury is the inability of the industry, or firm, to operate at a level of reasonable profit were accepted as fully conveying the meaning behind the provisions in question in the House bill.

Also, your conferees acceded to amendments by the other body which would require an affirmative determination of serious injury, or threat thereof, or unemployment or underemployment, as the case may be, by the Tariff Commission, whenever the Commission finds, in an appropriate investigation, that increased imports have been "the major factor" in causing, or threatening to cause, such injury or unemployment or underemployment. These amendments were accepted and they reflect the intent of the House in the bill as passed by the House.

PROCEDURES AND RULES

In order to give the interested departments and agencies of Government an opportunity to establish rules and procedures governing their respective operations, your conferees accepted an amendment by the other body which in effect stays the operation of the tariff and other adjustment features of the bill for a period of 60 days after enactment. The pending investigations which have been instituted under present law and which will be in progress on the date of enactment will be continued, without interruption, under the provisions of section 301(b) of the bill. It is contemplated that where hearings have already been held (or are in progress), new or additional hearings will not be required, unless the same are requested by the parties to a pending investigation and the Commission believes that good cause exists for new or additional hearings.

WORKER BENEFITS

Another amendment accepted by your conferees provides that if a worker receives unemployment compensation under a State law for a week in which he could have been eligible to receive a trade reimbursement allowance under this bill, then the State account in the unemployment trust fund will be reimbursed by the Federal Government. The House bill provided this reimbursement only for weeks in which the worker was in training.

An advantage of this reimbursement will be that it will be possible for the State then to avoid charging the employer with the unemployment which is found to be trade related. This unemployment then would not impair the employer's experience rating and would not serve to increase his future unemployment tax rate. The statement of managers indicates the intention of the conferees that where the States do not charge an employer with respect to reimbursed payments, those reimbursed payments should not serve to reduce the workers eligibility for unemployment insurance under the State law.

BASIC ESCAPE CLAUSE LIFE

Under the House bill, escape clause actions are to have a basic life of 4 years—either from the date of enactment or the date of the escape action, whichever is later. The other body provided for a basic life of 5 years. The conference agreement provides for a basic life of 5 years for existing escape actions and a basic life of 4 years for new escape-clause actions taken under section 351 of the bill. Again, this action of the conferees is consistent with the intent behind the House bill.

ORDERLY MARKETING AGREEMENTS

Finally, the other body adopted an amendment which authorizes the President, after receiving an affirmative injury finding from the Tariff Commission with respect to an industry, to enter into orderly marketing agreements with foreign countries limiting exports to the United States of the articles concerned. This amendment, which was accepted by your conferees, is to be another means available to the President to cope with injurious import competition and to assist U.S. producers. Your conferees believe that such agreements can serve a useful purpose in the framework of tools available to the President to remedy the injury which may be caused in a given case by imports.

TRIBUTE TO HON. WILBUR MILLS

Mr. KEOGH. Mr. Speaker, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from New York.

Mr. KEOGH. When the passage of time brings the objectivity that must follow, historians will assay the 87th Congress and will, of necessity, stress the "W. and M." of it. Some will say, Mr. Speaker, that those letters stand for "Ways and Means." But those of us privileged to serve on that committee will know, far more intimately, that they mean the gentleman from Arkansas, Wilbur Mills, the man who has served as our chairman with the distinction, dignity, and drive that a challenging period of our history requires. And he has emerged as a great and dedicated servant of his committee and country and has by his works written pages of a history of which he can be justly proud, and from which those privileged to serve with and under him will be able to take much comfort and inspiration.

The measure pending, which will soon finish its legislative course, is, beyond all, the most important that this or any future Congress will be called upon to enact. This is a measure greater than all the others that bear his name.

Unhampered, unfettered by artistic differences of opinion or viewpoint, the Mills—and that it is—the Mills Trade Expansion Act of 1962 will take its place with, but far above, such as the Fordney-McCumber, Smoot-Hawley, and even the Cordell Hull Reciprocal Trade Agreement Act.

Mr. Speaker, our great chairman will continue for many years to serve his country well and creditably. But were he to do no more after today, the passage of the pending bill will be forever a legislative monument that will have done more than any other to preserve the peace, insure the progress, and promote the welfare of our civilization.

Mr. Speaker, the gentleman from Arkansas, Chairman Mills, is the legislative architect in a great period of our country's history. His monuments are timeless and traditional—yet most modern and contemporary. We are fortunate that he is here and that he is "W. M."

Mr. BOGGS. Mr. Speaker, will the gentleman yield?

Mr. MILLS. I yield to the gentleman.

Mr. BOGGS. Mr. Speaker, I subscribe in full to the very generous remarks made by our distinguished colleague from New York respecting the distinguished chairman of the House Committee on Ways and Means.

This legislation, in my judgment, represents an act of economic maturity on the part of the United States of America. I think that students of our times will say that this has been, indeed, a monumental achievement.

I do not think that what we are witnessing today would have been possible without the patience, without the knowledge, without the forebearance, without the fairness, and without the great ability of the distinguished chairman of the House Committee on Ways and Means. So I would like to join with the gentleman from New York [Mr. Keogh] and my other colleagues in paying this very well deserved tribute to him.

Mr. ALBERT. Mr. Speaker, will the gentleman yield?

Mr. MILLS. Of course, I yield to my colleague.

Mr. ALBERT. Mr. Speaker, I want to join the distinguished and outstanding Members of the gentleman's committee in this word of tribute. The gentleman from Arkansas is one of the great legislators ever to have served in this body. Now in the closing days of this session and at the time of the enactment of the conference report and final legislative action on the trade bill, I think we can say in confidence that whatever else they say concerning the 87th Congress, they will have to say that it was this Congress under the leadership of the distinguished gentleman from Arkansas that passed the trade expansion act of 1962.

Mr. BAKER. Mr. Speaker, will the gentleman yield?

Mr. MILLS. I yield to the gentleman.

Mr. BAKER. Mr. Speaker, I desire to associate myself with the remarks of the three gentlemen who just preceded me, and to say, that as one of the conferees on this bill, the chairman of our committee, the gentleman from Arkansas, Wilbur Mills, stood true to the trust confided in him by the House of Representatives. Our chairman has done a great job and I want to join the other gentlemen who preceded me in commending him.

Mr. THOMPSON of Texas. Mr. Speaker, will the gentleman yield?

Mr. MILLS. I yield to the gentleman.

Mr. THOMPSON of Texas. Mr. Speaker, it is well known to the Members of the House that I am a very new member of the Committee on Ways and Means. It is no secret to my close friends that I went on that committee with some misgivings because of the complicated nature of the business that is transacted in that committee. I was reassured, somewhat, by something I remember Speaker Rayburn saying, to the effect that the chairman of the Committee on Ways and Means, the gentleman from Arkansas [Mr. Mills], could take the most complicated and complex matter of taxation or tariffs, or whatever, and make it perfectly simple, clear, and understandable. That has been proven true in the committee and it has been proven true here today.

I want to say, as a personal matter, that I particularly appreciate his patience, his willingness to explain not only in committee, but in private conference, things that have been troublesome to me. I have served under some great chairmen going back years ago to John McDuffie and Schuyler Otis Bland as well as others of considerable note. I have never served under a finer chairman nor one for whom I have greater respect. I am glad that he has explained to you the matter that he has explained today, and I think perhaps we all better understand this very complex international question.

Mr. ULLMAN. Mr. Speaker, it gives me a great deal of pleasure to join with all of my colleagues in the Committee on Ways and Means and in the House in paying a well-deserved tribute to our great and distinguished chairman of the Committee on Ways and Means, the gentleman from Arkansas, the Honorable Wilbur D. Mills, for his work on this Trade Expansion Act of 1962 and for his leadership and statesmanship throughout this Congress and past Congresses.

It has been my privilege to serve under the gentleman from Arkansas, Wilbur Mills, on the Committee on Ways and Means for several years now and through that service I am familiar with the depth and breadth of his mind, his outstanding intellect, his sound judgment, his wisdom, and his foresight in handling legislative matters.

As I am sure all Members are aware, the Committee on Ways and Means, of which I have the honor to be a member, has had the responsibility for processing, passing upon, and recommending legislation of the most vital importance to the Nation during this session of Congress. Our great chairman has been exceedingly effective in leading the committee with respect to its decisions on these important legislative matters so that the committee has produced an exceedingly fine record of achievement in the 87th Congress.

It is an honor for me to be a member of the committee under the leadership of our admired and respected chairman, and it is a great pleasure for me to subscribe to all the other fine things which have been said about him here today.

Mr. MASON. Mr. Speaker, I have served under five different chairmen of the Ways and Means Committee during the past 16 years: Chairmen Knutson, Doughton, Reed, Cooper, and Mills; all of them capable, well-informed chairmen of that great and important committee.

I now say that in my opinion the gentleman from Arkansas, Chairman Wilbur Mills, tops them all. He is the best informed, the most considerate, and the most patient chairman of them all. Besides that he has a better grasp and understanding of our complicated tax code, and its many inequities and flaws than any one of the four chairmen who preceded him. The gentleman from Arkansas, Chairman Mills, is a great chairman of a great and important committee.

Mr. ALBERT. Mr. Speaker, will the gentleman yield for a consent request?

Mr. MILLS. I yield.

GENERAL LEAVE TO EXTEND

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to extend their remarks on the subject matter of the distinguished chairman of the Ways and Means Committee.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. PIRNIE. Mr. Speaker, the distinguished and beloved chairman of the Ways and Means Committee, the gentleman from Arkansas, Wilbur D. Mills, has guided difficult and complex measures through the House in the session about to close in a manner which commends the respect of all his colleagues. His clear and concise explanations of the legislation have been marked with candor and restraint. Fair and objective in debate, he has displayed the qualities of a true statesman. We recognize and applaud his devotion to his country and his determination and ability to serve its best interests.

Mr. EDMONDSON. Mr. Speaker, I am grateful to our majority leader for this opportunity to join in well deserved tribute to a great legislator, a great chairman, and a great neighbor, the gentleman from Arkansas, the Honorable Wilbur Mills.

The gentleman from Arkansas, Chairman Mills, has indeed won the respect and admiration of all in this body, both for his statesmanship and for his splendid character and constant kindness and consideration to his colleagues.

We are fortunate to have a man of his stature and scholarship at the helm of the great Committee on Ways and Means, during the troubled times of today's generation.

Mr. BENNETT of Florida. Mr. Speaker, in the masses of people who make up the groups who do things for humanity, there are always a few who are really outstanding. This is true among engineers, artists, teachers, ministers, and all other groups. We speak today of a man who is really outstanding in his chosen profession as a national legislator. The gentleman from Arkansas, Wilbur Mills, has made a mark in the history of this country for which all Americans can take pride. He brings to the workbench of his tasks his tools of absolute integrity, knowledge of the matters he handles, dedication to his country's welfare and also to the general welfare of mankind, good humor and a warm and universal talent for friendship. He finds in every man the something worthy of note; and he assists others to achieve their better capabilities. Such a man is an inspiration to us all. It is no wonder that his constituents have sent him here for two decades of unopposed reelection, which is probably a record in the Congress of the United States.

Mr. HORAN. Mr. Speaker, I, too, want to be associated with those who have expressed their appreciation of the gentleman from Arkansas, Wilbur Mills, as he heads the Committee on Ways and Means in these most difficult domestic and world times.

I wish also to say that we should be thankful for the discerning work of John Byrnes of Wisconsin.

The work of the Ways and Means Committee vitally affects every individual, every industry, every region of our great Nation and we shall all rejoice that we have such able leadership.

Mr. BETTS. Mr. Speaker, as one of the newer members on the minority side of the Ways and Means Committee, I want to join my colleagues in their expressions of praise for Wilbur Mills. It is not often that so many fine, outstanding characteristics are found in one person. Ability, intelligence, personality, and integrity are some of the ingredients that make our chairman one of the most distinguished legislators of our time.

But, aside from these qualities he has an ingrained sense of humility which, to my mind, marks him as a great man. His legislative accomplishments are tremendous. His reputation as a fair and impartial leader of the most important committee in Congress is secure. But, it should not be overlooked that none of this detracts from the fact that he is always approachable and always considerate of problems of his colleagues, regardless of rank or political affiliation.

I have found a great deal of satisfaction and pride in serving under such a talented and accomplished chairman and of having had the privilege of friendship.

Mr. KNOX. Mr. Speaker, it is indeed a pleasure for me to join with my colleagues in this tribute to the esteemed gentleman from Arkansas [Mr. Mills]. During my 10 years in Congress my principal committee assignment has been on the Committee on Ways and Means. Thus, I have been afforded the privilege of watching the now chairman of that committee at work on many difficult problems—problems involving vital interests of the United States. The gentleman from Arkansas [Mr. Mills] has rendered committee leadership with attributes of patriotism, judgment, and foresight. Our committee is composed of members who are divergent in their political and economic views. The committee members are persons of strong conviction, who hold dearly to their individual attitudes and beliefs.

The committee deals with some of the most complex and difficult legislative problems that face this House. Given these problems and divergency of the members' viewpoints, I feel it ample testimony to WILBUR MILLS' abilities that this committee has never resorted to bitter wrangling in its difficult deliberations. He knows the temper of the House and the needs of the Nation.

I feel that the House is certainly well blessed in having the talent, consideration, and quiet strength of the gentleman from Arkansas, WILBUR MILLS, in such a vital post. I hope to enjoy many more such pleasant years of association with this fine gentleman and able chairman who serves his State and Nation with extraordinary ability.

Mr. SCHNEEBELI. Mr. Speaker, siince I am the newest member of the Ways and Means Committee of the minority party, I feel that I am in a position to comment objectively on the fine leadership which the gentleman from Arkansas, WILBUR MILLS, has given to this committee in its important activities. I support the statement of the gentleman from Texas [Mr. THOMPSON] when he notes that the gentleman from Arkansas, WILBUR MILLS, is a very patient and tolerant leader in explaining to the new members the background of much legislation which, I am sure, has been covered many times previously. He has the very intelligent manner of breaking down complex problems and issues to a very understandable area, and he continues in his explanations until he feels certain that the problem is understood.

He is very encouraging to his committee members to express themselves fully and, as a result of this, the members of the Ways and Means Committee are most fortunate in being afforded this detailed analysis of the complicated problems confronting the committee. I am pleased to join with the other Members of the House on both sides of the aisle in this proper tribute to him as a gentleman of a most understanding nature, tremendous ability, and stimulating leadership.

Mr. DEROUNIAN. Mr. Speaker, in the 2 years I have been a member of the great Committee on Ways and Means, I have come to know Chairman WILBUR D. MILLS rather intimately. He always has time to talk to new members. He is the most knowledgeable Member of Congress in his field. He is fair, he is an excellent chairman, and I join with his host of friends in this House today in paying him homage.

Mr. WATTS. Mr. Speaker, the compliments and commendations evidenced here today in attestation of the efficient and effective job that the chairman of our great committee has today completed are by any standard of measurement respecting capabilities of a Member of the House justifiable and well merited.

Directly affecting the domestic economy and our ability to maintain competitive advantage in foreign markets, the committee was confronted with complex, involved, and difficult problems. Under the patient but expert guidance of our great chairman, the distinguished gentleman from Arkansas, the Honorable WILBUR MILLS, there has come this revolutionary but yet sound and constructive foreign trade policy program.

At all times, throughout committee consideration, the fairness of the chairman is most pronounced—time for the proponents as well as the opponents of any particular problem is extended most willingly and most cordially. Whether the chairman is for or against a particular legislative facet, his patience in presenting both sides of the question is inexhaustible. His almost parental attitude toward his committee colleagues is extraordinary—he delves deeply, conscientiously and exhaustibly into the whys and the wherefores of any problem with which a member may be puzzled. His knowledgeablness concerning the legislative history of our tax structure, our tariff and foreign trade program, our social security system is truly outstanding.

Our committee, the Congress, Arkansas and the Nation indeed are privileged and fortunate in having such a dedicated servant at the helm of so important a committee.

Mr. MILLS. Mr. Speaker, before yielding further, permit me to thank the Members who have, I think, been far excessive in their statements about my service as chairman of the Ways and Means Committee. I never have thought of myself as being anything more than the servant of the membership of the committee. If there has been anything done in this Congress by the committee, it has been done by the committee members, all 25 of them, supported by a very, very able staff, we have all been able to reconcile differences that may exist between reasonable men and women, and bring to the floor of the House what represents the composite judgment of a great majority of the membership of the committee.

If I have made any contribution to that, I am sure it has been only that I have served as chairman of the committee. The membership itself has written the legislation.

But, Mr. Speaker, I want to serve notice now, because it came to me just a little while ago, that some of these statements were taking on the tone of lamenting the departure of a Member of Congress. I hope it does not work out that way, and I have made no announcement yet of any intention to retire from this body immediately.

Mr. BAILEY. Mr. Speaker, will the gentleman yield?

Mr. MILLS. I yield.

Mr. BAILEY. Will the distinguished gentleman yield himself some additional time to explain to the Members of the House the status of the U.S. Tariff Commission in the new setup?

Mr. MILLS. Mr. Speaker, I yield myself 2 additional mintues.

Mr. GROSS. Mr. Speaker, in view of the time that has been taken for a very worthy purpose but extraneous to the consideration of the conference report, I ask unanimous consent that the time for consideration of the conference report be extended by 15 minutes.

The SPEAKER. The time on the conference report is under the control of the Member handling the report.

Mr. MILLS. I think we can dispose of it within the hour. I am sorry I have taken so much time.

With respect to the inquiry of the gentleman from West Virginia, the role of the Tariff Commission in this overall picture is still one of advising the President. There has been no limitation at all placed upon the Tariff Commission in that respect. The Tariff Commission will advise the President in all respects with reference to the effect of any proposed change in duties upon the domestic industry concerned, the effect of any proposed reduction of any duty on any article, and whether or not such contemplated actions will adversely affect an industry. The Tariff Commission will occupy the position (as it does now) of being the adviser in escape-clause actions, in firm or worker investigations seeking adjustment assistance.

Mr. HARDY. Mr. Speaker, will the gentleman yield?

Mr. MILLS. I yield.

Mr. HARDY. I understood the chairman of the committee in discussing this most-favored-nation matter to say that the action in granting most-favored-nation consideration to Yugoslavia and Poland was a clear contravention of law.

Mr. MILLS. No, I did not say that with respect to Yugoslavia. I said that with respect to Poland.

Mr. HARDY. With respect to Poland.

Mr. MILLS. Yes. That is my conclusion.

Mr. HARDY. If that is the case, I wish the gentleman would explain how the new language which was put in the bill would be more effective. If there is a clear violation of the law, how do we expect this language to correct it? I would like to have an understanding about that.

Mr. MILLS. I can assure the gentleman there is a great difference. As I pointed out, we have eliminated the test relied upon to reach the result we have today; that is, the test of whether a country is controlled by the foreign government or foreign organization controlling the world Communist movement. We have provided that any country or area dominated or controlled by communism is within the provision and should be denied most-favored-nation treatment.

Mr. Speaker, I urge adoption of the conference report.

The SPEAKER. The time of the gentleman from Arkansas has expired.

Mr. MILLS. Mr. Speaker, I yield 5 minutes to the gentleman from Wisconsin [Mr. BYRNES].

Mr. BYRNES of Wisconsin. Mr. Speaker, I am glad that the chairman of our committee made one thing clear during the course of the discussion that has been going on, and that is that he is not planning on retiring. I was a little worried for a moment.

Mr. Speaker, as this bill comes back to the House it is not materially different from the bill which we passed and sent to the Senate. This was not the case when the bill passed the Senate. But on the basic substantive matter your conferees were able to sustain the position of the House, and for this I think we should all be thankful.

First, you will recall that in the House bill the authority for the President to reduce the duty in categories down to zero was conditioned upon the fact that the United States and the Common Market accounted for 80 percent or more of the world trade in that category.

An amendment was offered on the floor of the Senate extending the countries to be taken into account in arriving at the 80-percent category to include all of free Europe.

When the administration presented this bill to us it claimed that the 80-percent-category factor, in the bill as passed by the House, was required to permit negotiations with the Common Market. In fact, that was the basic need for the large grant of authority contained in this bill to the President. The administration did not maintain it was necessary to deal with the European Continent. A list of the categories which would qualify for the elimination of tariffs had been submitted to the committee on that basis. The right to extend the definition to all of Europe, or so much thereof as the President might choose, completely changed the character of the bill. It constituted an expansion of Presidential authority which your conferees refused to accept. I am happy to report that the Senate receded on this amendment.

I, too, would like to address myself briefly to this matter of the extension of the most-favored-nation treatment. As a longstanding policy of the United States, we have extended any concessions that we made to one country to all of the countries with whom we trade. Under that plan, if we negotiate mutual concessions as far as the members of the General Agreement on Tariffs and Trade are concerned, once the agreement is signed, we automatically extend the same concessions to the other nations, regardless whether they were parties to the original agreement or offered anything in return. We are still doing that. Until 1951, we were extending these concessions even to Communist countries and even to the Soviet Union.

Mr. Speaker, in the Trade Extension Act of 1951 I proposed, as I believe the chairman will recall, the amendment which was then adopted. This amendment excluded the Communist countries from receiving this most-favored-nation treatment. Since 1951 the law has contained a prohibition as far as extending the most-favored-nation treatment, and the resulting concessions, to the Communist nations.

Notwithstanding this change in the law in 1951, the Executive has extended the most-favored-nation treatment to Poland and Yugoslavia.

The SPEAKER. The time of the gentleman from Wisconsin has expired.

Mr. MILLS. Mr. Speaker, I yield the gentleman 5 additional minutes.

Mr. BYRNES of Wisconsin. Nevertheless, the Executive extended the most-favored-nation treatment in spite of the letter of the law as it exists, prior to the amendment contained in this trade agreements bill, to Poland.

Mr. Speaker, I find it hard to believe that anyone can honestly say that Poland is not dominated by Russia—or by the world Communist movement—of which Russia is the fountainhead. Nevertheless, through some process of fuzzy thinking—the State Department decided that it would be desirable to extend to Poland the benefit of the trade concessions which we have made to the free world. This could only be done if the Executive found that Poland were free of Communist domination. The Executive therefore found that Poland was free. Obviously, a pure fiction. If Poland were free, the Poles should have been told about it.

Mr. PUCINSKI. Mr. Speaker, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield to the gentleman from Illinois.

Mr. PUCINSKI. I do not think that the Poles have to be told about this. I think those 30 million Poles in Poland know the full ugliness of communism and know that they are under communism.

Mr. BYRNES of Wisconsin. Certainly they are under communism.

Mr. PUCINSKI. There is no question but what these people know they are under communism, and I think they are living for the day when they can shake off the Communist rule and the phony and fraudulent leaders that are holding that country in captivity today.

Mr. BYRNES of Wisconsin. I agree with the gentleman. That is the point I have been trying to make.

In this bill as it passed the House, we deliberately sought to prevent such action in the future. The House bill changed the definition of a Communist country for the specific purpose of excluding—from the automatic extension of the most-favored-nation treatment—Communist countries such as Yugoslavia and Poland. There could no longer be any quibbling. These were, in fact, designated in our report as Communist countries.

Mr. MILLS. Mr. Speaker, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield to the gentleman from Arkansas.

Mr. MILLS. I intended to make it clear, and I am sure my friend the gentleman from Wisconsin, intends to make it clear that this provision is not aimed at the people of any area or any country.

Mr. BYRNES of Wisconsin. Of course not.

Mr. MILLS. It is aimed at the governments of those countries, the oppressors of these people.

Mr. BYRNES of Wisconsin. Certainly it is.

Mr. Speaker, permit me to proceed further, and I may answer part of the questions which the gentleman from Illinois may have in mind.

What does this really mean when we say we are not going to extend this most-favored-nation treatment? It does not mean we stop trading with them. It does not mean that we cannot trade with Poland and Yugoslavia or the Soviet Union insofar as that is concerned. The extent of that trade is determined under other laws passed by this Congress. All this says is this: If we are going to grant a reduction of duty on some item with the Common Market countries, that that does not automatically change the rate of duty as it relates to goods coming from Communist countries. Their goods can still come into our market if they are legal under other laws, but they do not get this favored treatment.

Mr. Speaker, that is all we are saying here, and that is all we have ever said under the amendments adopted in 1951, because the whole purpose of the Trade Agreement Act is that we get a quid pro quo.

We have always talked about this as a reciprocal trade program, when we made a concession, and lowered our duty, and it was the Congress' intent that the other country would do something in return by giving us an equal concession. Yet we certainly cannot extend that kind of treatment to countries with whom we do not even negotiate. This bill was sold to us by the administration on the idea that it is necessary for the free world to get together and improve its trade. It was not sold to us by the administration as a Communist trade bill.

At the request of the administration, the Senate amended the bill in order to restore the identical language of existing law—the purpose was clear—to reinstate both Poland and Yugoslavia for most-favored-nation treatment.

This difference between the House and Senate bills almost produced a deadlock. I am very glad to report that a majority of your conferees offered the Senate no alternative but to recede.

Mr. HARDY. Mr. Speaker, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield to the gentleman.

Mr. HARDY. Mr. Speaker, let me commend the committee for trying to clean up this matter. What this bill does, as I understand it, is this: It simply says, "You have been violating the law; get back on the reservation and stop violating the law." Do you do any more than that? Is there anything that we can rely on in this bill?

Mr. BYRNES of Wisconsin. We change the language to make it perfectly clear that we want to carry out the original intention. I think it was the committee's original intention or understanding that the language we had in the past would not enable them to extend this concession to Poland, for instance. We have changed the language to make it crystal clear.

Mr. MILLS. Mr. Speaker, will the gentleman from Wisconsin yield to me?

Mr. BYRNES of Wisconsin. I yield to the gentleman from Arkansas.

Mr. MILLS. The confusion over the language in the 1958 act resulted from the interpretation of the words "dominated or controlled" by the foreign organization controlling the world Communist movement. That test is eliminated entirely. The only requisite finding here is that the government of the particular country is under communism.

Mr. BYRNES of Wisconsin. That the country is dominated by communism.

Mr. MILLS. That is right, that the country itself is dominated by communism.

Mr. BYRNES of Wisconsin. Which does confine it more closely; there is no question about it.

Mr. HARDY. Mr. Speaker, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield to the gentleman from Virginia.

Mr. HARDY. The only thing that disturbs me is that the gentleman from Arkansas said that even a high school graduate should be able to understand this statute. If there has been a violation of it by somebody in the State Department we ought to make it perfectly clear so that we may prevent any further violation.

Mr. BYRNES of Wisconsin. I think it is perfectly clear now. I think it is perfectly clear in the language that we have used in the committee report. The committee report lists the countries that we have in mind. It specifically points them out as examples, so that there should be no further question about legislative or congressional intent in this area.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield to the gentleman from Iowa.

Mr. GROSS. Is the gentleman saying that Poland will continue to pour canned hams into this country, and other edible agricultural products?

Mr. BYRNES of Wisconsin. Only on the duty rate of 1932, not on the new rates, not on any lower rates resulting from any agreements or concessions that we have made through international agreements with other countries. Only under the basic 1932 rate.

Mr. GROSS. But they are going to continue to come in?

Mr. BYRNES of Wisconsin. There is nothing in this act that imposes any such restriction. The President does, under this, have authority to act in retaliation against discrimination in our trade. So there is certain authority in that area that could be invoked. This legislation does not provide any specific embargo against Communist trade.

Mr. GROSS. Mr. Speaker, one other question, if the gentleman will permit. The bill as passed by the House recognizes that the import of the bill will be to damage industry and take jobs from workers in this country, and therefore it established a brandnew welfare program, or what amounts to that. Is there any substantial change from that?

Mr. BYRNES of Wisconsin. There is no change from that in the House bill.

Mr. GROSS. It is still recognized that there will be real damage to American industry and American labor because of this bill, the ultimate goal of which is free trade?

Mr. BYRNES of Wisconsin. The bill still contains the adjustment assistance provision.

Mr. REUSS. Mr. Speaker, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield to my colleague from Wisconsin.

Mr. REUSS. I have this question which is raised by the conference report. The gentleman has said that the Senate amendment which would have altered the 80-percent clause relating to bargaining with the Common Market has been stricken. I think the Senate receded on that.

I would ask the gentleman this question. The 80-percent clause as it is now contained in the bill would not in fact apply to any commodities other than possibly jet aircraft until and unless the United Kingdom joins the Common Market; is that not so?

Mr. BYRNES of Wisconsin. Or until there is some change in the volume of trade as between the other Common Market countries. As conditions stand right now, the effect of this 80-percent rule will be at a minimum unless Great Britain does become a member of the Common Market.

Mr. HARSHA. Mr. Speaker, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from Ohio.

Mr. HARSHA. Mr. Speaker, I rise in opposition to this conference report. I must say in all fairness that the conferees did an outstanding job in insisting on the House position on many of the disagreements here but that does not change the fact that this trade bill will admittedly destroy many jobs. The steel industry as I pointed out yesterday is dying because of increased imports. American steel cannot possibly compete against the low wages and low taxes of the foreign nations.

In Germany for example, taxes on income, capital gains, inheritance, and gifts add up to about 22 percent as against 86 percent in this country. The National Industrial Conference Board in a survey of 91 U.S. companies with operations in Western Europe found that the labor component of production in the Common Market is about half as much as in the United States. And, Mr. Speaker, in other nations such as Japan it is far less.

Mr. Speaker, while we talk of the Common Market these trade advantages are not limited to it but will be granted to every free nation all over the world with whom we trade. This is because of the favored-nation concept.

Mr. Speaker, let me give my colleagues some facts as to what is occurring in the shoe industry.

Nonrubber footwear imported into this country for the first 8 months of this year was 56 percent ahead of last year. For the month of August alone imports were 42 percent higher than August of last year. To date there has been imported about 40 million pairs of these shoes as compared with 25.5 million for the same period last year.

Rubber footwear is even worse. In August of 1962 rubber footwear imports were 107.8 percent higher than last August.

Most of these shoes are sold at prices much lower than American-made shoes because of taxes and lower wage scales. Now, Mr. Speaker, this means just one thing. That while these foreign shoes are being sold over the counters of the United States our local-made shoes are not. When they do not sell, production is cut down—when production is cut, jobs are lost. Many people figure they are saving money by buying the cheaper shoes—they are not. What they do is throw the American worker out of a job. This means more unemployment compensation, more relief benefits, and these are met by higher taxes, so in the long run purchasers are not saving anything—they are adding to the army of unemployed. They are causing their taxes to increase and destroying the economy of this Nation.

Furthermore, Mr. Speaker, there is nothing reciprocal about these tariff reductions. We in the United States are granting concessions but we are not receiving the same.

We have to meet higher tariffs in these other nations. Mr. Speaker, until we receive reciprocal tariff concessions, until we have tax adjustment and until the foreign countries have comparable wage standards, we cannot compete fairly. I urge my colleagues to defeat the conference report.

Mr. COLLIER. Mr. Speaker, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield to the gentleman from Illinois.

Mr. COLLIER. As I understand it, under the conference report we have adopted the Senate's proposal of the Senate bill, which actually will increase this cost to the Federal Government twofold. In other words, as the bill now stands, if I understand it correctly, instead of the unemployment cost being shared by the States with the Federal Government working in cooperation with the several States. Instead Uncle Sam will assume the entire cost involved here, and what we are really doing is doubling an unknown cost to take care of the unemployment benefits that enter into this picture. Is that correct?

Mr. BYRNES of Wisconsin. I think the gentleman is absolutely correct. The Senate amendment which was accepted by the conferees would provide that the full cost of unemployment compensation, really what they call trade adjustment benefits under this bill, will be assumed by the Federal Government rather than participating with the States under the Unemployment Compensation Act.

Mr. COLLIER. This is also in the light of there being absolutely no means by which to determine what this cost will be?

Mr. BYRNES of Wisconsin. I think the gentleman is accurate in that. As the gentleman knows, I raised very serious question, and still do, as far as the adjustment assistance provisions of this bill are concerned, but all I am saying today is that as we come from conference, as one of the conferees I must say I believe we have brought you back as close to the House position as we could possibly get. In most cases by adhering to the House position it is improved over the bill as it passed the Senate. That is my opinion as we bring the bill back to the House.

Mr. COLLIER. There is no indication at this time whether there will be 5 or 5 million American workers put out of work? And is it not true that we will be discounting the income of each worker so affected by 35 percent?

Mr. BYRNES of Wisconsin. I would point out that I think we must emphasize right here and now that the consequences of this legislation are going to depend on what this Nation does in its negotiations. Whether this bill will be considered by history as a good bill or a bad bill is a matter of how the President carries out the authority which we give him under this act. The big question is going to be, What are the results of the negotiations that are conducted under the authority provided here? It is up to the President as to whether it shall be for good or bad as far as the economy of this country is concerned.

In regard to the bill as a whole, I would like to again express a few words of caution.

This bill will not guarantee us access to the Common Market.

This bill will not assure us increased exports.

This bill will not assure us a favorable balance of payments. It might very well produce the opposite.

This bill will not solve our unemployment problem. It could create more unemployment.

All this bill does is to provide the President with the authority to negotiate. In order that we might fix the responsibility for those negotiations, the President is to designate a chief negotiator who shall exercise this authority on his behalf. The burden will still rest upon the President, and his negotiator, to conduct those negotiations in such a manner that the interests of American industry, American labor, and American agriculture will be best served.

I would not only caution those who may have been taken in by administration propaganda—and therefore are expecting miracles—but also those who may have become alarmed by the claims that this bill will produce some radical change in our posture in world trade.

Properly administered, there is no segment of the American economy which needs to be injured by this bill. The success or failure of this program will depend to a large degree upon its administration, and in my judgment, properly administered, the program can be a success.

We not only have given the President sufficient authority to negotiate, we have also buttressed that authority with the right to take retaliatory action where those negotiations are frustrated, or circumvented, by other nations seeking to discriminate against American exports.

There should be no doubt concerning our intentions with respect to preventing discrimination against American exports. The bill authorizes—in fact, it directs—the President to raise tariffs and to invoke import restrictions against the products of those countries which discriminate against us.

The administration was reluctant to have this authority. Yet, I predict here today, that if we are to gain access to the Common Market, the administration not only must have this authority—it must be prepared to use it.

Let us not forget that the Common Market is not being organized for the purpose of "free trade" outside of its borders. Generally it is a customs union, protectionist in concept, held together only by a common external tariff wall. This common tariff can be used to prevent American products from successfully competing with the products of the member nations. We have already seen discrimination against the importation of some American products.

Every effort is being made to keep American coal out of the Common Market.

The Germans have interposed various devices to exclude the importation of poultry products.

Variable import duties have been designed so as to protect domestic production of agricultural commodities within the Common Market.

We cannot afford to make any further concessions in order to remove these restrictions. They are contrary to the spirit—if not to the letter—of our prior agreements.

This bill contains a mandate to the President to act—not just to send the State Department around with some feeble protest.

If we are to compete with the Common Market, we must also get our own house in order. American industry cannot successfully compete if we burden it down with taxes and the inflationary results of deficit financing.

The various spending programs of the New Frontier ultimately find their way into our costs of production. Whether we like it or not, the costs of production here at home will continue to increase—so long as we lack fiscal responsibility in government. Our industry is not only faced with higher labor costs, but with higher taxes both local and Federal.

The real problem is that the administration refuses to recognize these facts. This bill is hailed as the panacea—to cure unemployment—to remedy the deficit in the balance of payments—to "get America moving again."

We need more deeds—and less propaganda from the administration.

I have heard in the past the criticism that our negotiators approached the GATT negotiations with the underlying thought that an agreement in itself was more important than the concessions which might be agreed upon. If this is our attitude in the future, the bill will accomplish nothing.

Finally, however, this trade bill does differ from any past legislation in this field. We provide special unemployment benefits to workers—and loans to companies—who are found to have been injured by imports. This provision distinguishes, the trade bill—or makes it different no doubt—but I question whether it is a step in the right direction.

I frankly do not feel there is any justification for discriminating between a worker who may be unemployed because of the impact of imports and his neighbor who may be unemployed because of the impact of competition from some other source.

The excuse given for this discrimination is that the Government in its trade negotiation causes the injury to the first worker. In other words, the worker has some vested interest in the maintenance of our tariff schedules.

I am sympathetic and would like to help the worker who is injured by imports. I feel equally sympathetic to his neighbor who may likewise be unemployed through no fault of his own. This Congress recently passed a law—the Manpower Training and Development Act—to take care of both cases.

For all practical purposes, this bill will wreck the manpower training program. Why?

Because the worker getting benefits under the trade bill will receive just about twice as much in dollars as if he qualified under the Manpower Act. He will be paid more for doing nothing than he would receive for taking training.

The gentleman from New York [Mr. Goodell] pointed out this inconsistency when the bill was before the House last June 28. In complete disregard of what we did in the Manpower Act, the trade bill: First, prescribes a different set of standards for qualification; second, pays a higher benefit than either the Manpower Act or any other State or Federal program; third, pays these benefits for a longer period; and, fourth, omits most of the safeguards against abuse in the Manpower Act.

While I do not approve of this dual standard for unemployment benefits, I support the conference report. I only hope that there will be no need to have recourse to these relief provisions.

I conclude, Mr. Speaker, by saying I think this conference report should be supported.

Mr. MEADER. Mr. Speaker, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield to the gentleman from Michigan.

Mr. MEADER. Mr. Speaker, I intend to vote in favor of adoption of the conference report on the Trade Expansion Act of 1962. I voted for passage of this bill when it was before the House on June 28, 1962—see Congressional Record, page 12090.

My position has consistently been in favor of free trade. During my 12 years in Congress, I have voted for extension of the Trade Agreements Act as follows: February 7, 1951, Congressional Record, page 1080; June 15, 1953, Congressional Record, page 6561; February 18, 1955, Congressional Record, page 1795; June 11, 1958, Congressional Record, page 10882.

Mr. Speaker, the present Trade Extension Act goes farther than any similar delegation of power to the executive in the past. The Congress in effect, for a period of 5 years, has given its power over taxation of imports to the President, and recognizing that the President may so utilize this power as to harm American industry and workers, we have granted him authority to subsidize affected areas, in addition to all of the other programs of the Federal Government available to assist depressed areas.

In my judgment the Congress has gone too far in the direction of vesting in one man such sweeping control over the economy of the United States. It permits manipulation of our economy and if abused could cause great harm to many people in many areas.

I would have preferred a measure which would have retained more control in the Congress and less delegation of power to the President and supported efforts to shape the bill to that end.

As is true in many important controversial measures, we are faced with the necessity of balancing the good against the bad, and now on this conference report, as was true on final passage of the bill by the House in June, we are forced to make a choice between two unsatisfactory alternatives. In my judgment the disadvantage of permitting the tariff negotiating power of the executive to expire and taking a step in the direction of economic isolation is more disastrous to our international relations and our domestic economy than the other alternative of granting the President excessive power, and I, therefore, cast my vote in favor of the bill and the conference report.

Mr. PELLY. Mr. Speaker, when the so-called trade expansion bill passed the House I voted against it. Strongly as I have favored exchange of surplus goods between the free nations of the earth there was much in this proposed legislation that I opposed. I was especially unhappy over the excessive exclusion of legislative powers to the Executive. The Baker amendment to allow the Congress to implement and make effective Tariff Commission decisions, if the President failed to do so, to some extent softened this objection.

During the hearings on H.R. 11970 I appeared in behalf of the lumber and fishing industries and pointed up the problems of these two important segments of our economy due to foreign imports. The Committee on Ways and Means, however, in reporting a bill failed to include any of my suggestions as to provisions to protect the livelihood of our American workers and protection for our living standards. So, as I said, I voted against the bill.

However, Mr. Speaker, I note with satisfaction from the conference report on the bill that the Senate amendment adding a new section relating to fish conservation has been accepted. Under this section the President is directed to use all appropriate means to persuade other countries to negotiate concerning fish conservation. If any country whose fishing practices affect our resources, as the Japanese fishing practices affect our North American salmon, fails to respond to our overtures then the President may increase the rate of duty on that nation's fish products which are imported into the United States to a rate not more than 50 percent above the rate on July 1, 1934.

This new provision could serve to protect our fishing industry. It would not have the force and effect of the salmon conservation legislation which I have sponsored and which was reported favorably by the House Committee on Merchant Marine and Fisheries very recently. Nevertheless this Senate amendment to the Tariff Act would improve it greatly.

Mr. Speaker, no similar protection is afforded in this measure for the lumber industry. This I regret but I am hopeful the Tariff Commission will find after its present hearings that relief against Canadian imports is in order.

However, on account of the improvement in the legislation as far as fish is concerned I intend to support and vote for the conference report at the conclusion of this explanation.

Mr. REUSS. Mr. Speaker, the trade bill reported out by the Senate-House conference, authorizing new and unprecedented powers to the President, is a signal achievement. I congratulate the gentleman from Arkansas on his most conscientious and able leadership which enables us now to complete action upon the most important single task confronted by the 87th Congress. I support the conference report, and I hope our vote will leave no doubt that Congress stands foursquare behind this important new measure.

THE ZERO BARGAINING AUTHORITY

I regret, however, that a Senate amendment enlarging the zero bargaining authority of chapter 2, section 211 of this bill was not retained during the conference negotiations. As it now stands, this part of the bill has little or no meaning unless and until the United Kingdom joins the Common Market.

The zero bargaining authority of the present trade bill is intended to grant authority to eliminate tariffs completely on commodity categories where the United States and the European Economic Community together account for 80 percent of world trade. This is the feature of the bill which has won it wide support because many people are convinced that we must have a way to eliminate the discriminatory effects of the Common Market external tariffs.

Without a way to remove these discriminations against U.S. exports, our chances to eliminate our present balance-of-payments deficit, reduce unemployment in our most efficient industries, and to boost our economic growth rate are dangerously diminished.

But this vitally important authority, which is the very heart of H.R. 11970, is unfortunately not usable at this time because a Senate amendment was deleted during the conference negotiation. The amendment would have permitted the President to count the trade of the member countries of the European Free Trade Association as well as the trade of the European Economic Community, together with the United States, to determine the categories eligible for zero bargaining. Now that the amendment is no longer in the bill, the trade of the United States and the European Economic Community only may be considered in calculating the broad categories of trade eligible for zero bargaining.

TOTAL OF UNITED STATES PLUS EUROPEAN ECONOMIC COMMUNITY TRADE INSUFFICIENT TO QUALIFY FOR ZERO BARGAINING

The present language of chapter 2, section 211, will not now permit us to engage in zero bargaining with the European Economic Community. The reason is simple. The United States and the six countries which are now members of the EEC do not account for 80 percent of world exports in any significant broad category of industrial trade, except for aircraft.

This means that the present formula would not permit special down-to-zero bargaining in such vital categories of U.S. exports as automobiles, trucks, and buses; metalworking machinery; mining, construction, and other industrial machinery; agricultural machinery, including tractors; organic chemicals; other chemicals, including plastics and insecticides; office machinery; power-generating machinery; other electrical machinery; paper and paper products; and rubber manufactures.

It appears that chapter 2 will in fact not be usable over a broad range of product categories until and unless the United Kingdom and some other European countries formally join the Common Market. A widely distributed list, prepared by the Department of Commerce, shows that 26 major categories of trade would be eligible under chapter 2—but only if the United Kingdom, Denmark, Greece, Ireland, and Norway all succeed in joining the EEC.

Had the Senate amendment been retained, this problem would not have arisen. By including the trade of the member countries of the European Free Trade Association, as well as the trade of the United States and the EEC, we could have used the zero bargaining authority immediately.

ATTEMPTS TO VALIDATE ZERO AUTHORITY REPEATEDLY MADE

Mr. Speaker, I have repeatedly tried over the past few months to correct this serious weakness of the bill.

On April 4, 1962, I testified before the Ways and Means Committee urging that chapter 2, section 211, be amended to include the trade of the member countries of the European Free Trade Association—hearings, House Committee on Ways and Means, Trade Expansion Act of 1962, part 5, pages 2851–2863. I pointed out that serious injury to U.S. exports would follow if we had to wait until protracted negotiations to expand the Common Market were successfully completed. I also pointed out that there is a chance that the EEC would not expand beyond its present size, in which case, our special bargaining authority would never be usable.

On May 17 and again on May 23, 1962, in floor speeches, I called attention to the importance of my amendment.

The House bill reported out by the Committee on Ways and Means did not include my amendment, and because of the closed rule under which the bill came to the floor, I could only call attention to the imperfection of an otherwise desirable piece of legislation.

On August 13 I submitted my amendment for consideration by the Senate Finance Committee—hearings, Senate Committee on Finance, Trade Expansion Act of 1962, part 4, pages 1909–1915. During Senate Finance Committee hearings on the trade bill, Under Secretary of State Ball indicated strong opposition to the proposed amendment. In a colloquy with Senator DOUGLAS, Mr. Ball stated that he was against the amendment on political grounds. He claimed the adoption of the amendment would cause people to say "the United States had given up hope that Great Britain was going to enter the Common Market and therefore that it was a hopeless enterprise. I think that this politically would be a highly undesirable action for the United States to take."

The text of the exchange between Senator Douglas and Mr. Ball follows:

Senator Douglas. I want to deal, first, with a matter which worried the Congressman from Wisconsin, Mr. Reuss, which he raised in his testimony on Monday.

A large part of this bill has been predicated upon the hope and, indeed, upon the assumption, that Great Britain would enter the Common Market, and various members of EFTA, and they would have a trading area, of 170 million, and we would have a trading area of 270 or 300 million, and it is only in that context that there is much meaning to the ability of the President to eliminate all tariffs on products 80 percent of the world trade of which is between Common Market and the United States.

Now, in recent weeks there is grave doubt as to whether Great Britain will enter the Common Market or will be permitted to enter the Common Market.

It is apparent she will not be able to bring much of the Commonwealth in with her, and she will not be able to bring much of Canadian wheat or Australian wheat or New Zealand butter and cheese or New Zealand and Australian wool and mutton, and in the Commonwealth conference which is shortly coming up, we may find such objections from the Commonwealth that Great Britain will decide that she cannot risk estranging the Commonwealth in order to enter the Common Market.

In addition to this, of course, opposition to entrance is rising among the back benches of the Conservative Party, and in certain sections of the Labor Party.

To complicate the situation still further, President de Gaulle is suspected of not wishing to have British entrance because he wants to maintain continental superiority and does not wish to have too much British influence.

If this entrance of Britain should not occur, and the Common Market remains in its present form, Congressman Reuss has studied the subject and he says that aircraft would be virtually the only major item where 80 percent of the world trade would be on the part of the United States, and the world market, and therefore, he proposed that in dealing with the phrase "Common Market," chapter 2, that wherever there is reference to the European Economic Community there should be inserted the following words, "and the countries of the European Free Trade Area," and he goes on to say that this would permit the trade of the countries of the second group to be counted in determining the categories for down-to-zero bargaining and insure the inclusion of most of the industrial goods categories important in Atlantic trade.

He is speaking primarily of durable consumer goods.

In the actual trade associations, Congressman Reuss went on to say that the United States would seek adherence of the EFTA countries as well as the Common Market to the same schedule of reductions down to zero in any category selected for bargaining.

I was greatly impressed by Congressman Reuss' statement, and in informal conversations which I had with him, and I tend to lean in his direction.

I wondered if you had any comments.

Mr. Ball. Yes. I would like to comment on that, Senator Douglas. First of all, as I said in my statement this morning, I just returned from Europe. I was there this last weekend and I had an opportunity to consult with the representatives we have in the capitals of some of the principal countries that are parties to this negotiation.

Since we are not a party to the negotiation ourselves, I do not think I should speculate too freely. I would say, however, that the impression which our own representatives have who have been watching this very closely as well as my own impression, sir, is that very great progress has been made in settling the difficult problems between the United Kingdom and the European Community and that the remainder of the problems should not prove impossible of reasonable solution.

Now, this does not mean that they will be worked out. It is a highly complicated negotiation. My own impression is that they will be.

Senator Douglas. Suppose it does not happen? Suppose you should be mistaken? Then it will be some months before we know. Now, we have to act on this tariff bill in the next few weeks—I hope in the next few days. We do not want to gamble on the hope that Great Britain will enter the Common Market. What harm will there be in including EFTA in the area of negotiation along with the Common Market?

Mr. Ball. I find myself in a curious position, Senator Douglas.

Senator Douglas. I did not want to put you in such a position, but the country is in a serious position.

Mr. Ball. I said "curious."

Senator Douglas. Oh; I thought you said "serious."

Mr. Ball. In suggesting that we do not wish larger powers to reduce tariffs than are represented in this bill.

But there are several reasons why I think the legislation in its present form is as it should be. First of all, the 80-percent provision is in addition to the basic formula which is the ability to cut tariffs by 50 percent. The 80-percent provision was put in with this in mind; that if we were trading with a single trading area which could speak with one voice, and if between us, we commanded 80 percent of the trade of the world, then that would mean that we could make a tariff agreement which, even under the most-favored-nation clause, would produce a minimum of third-country problems.

One of the great difficulties that we have had in negotiating tariffs in the past has been that because of the great preponderance of our own economic position we have been an enormous market negotiating with a whole group of small markets. It has been very difficult to work out arrangements under which we gave access to our markets while what was given in return was access by this small country, access also by another small country, access by a third and fourth country, and so on.

On the other hand, this problem would be largely avoided in a negotiation in which the United States and the expanded Common Market were the sole partners. Therefore, we felt it would be possible, without creating further problems of third-country benefits, to go much further down the line toward complete liberalization of trade than was otherwise the case.

Furthermore, because of the fact that the United States was economically similar to the countries making up the Common Market—that is, both highly industrialized—the opportunity for a much greater liberalization of trade presented itself because of these comparative conditions.

Now, if we were to change at this point, we would be doing something we have rather carefully avoided doing up to this time. We would be injecting ourselves into the United Kingdom-EEC negotiations in a way which I think could have very serious consequences—in the sense that it would add a new element to an already highly complicated negotiation.

Opponents of the entry of Britain into the Common Market could say that there was an alternative presented to Britain which had not been available before. They would say the United States had given up hope that Great Britain was going to enter the Common Market and therefore that it was a hopeless enterprise, and so on.

I think that this politically would be a highly undesirable action for the United States to take.

Senator Douglas. May I reply to that?

Mr. Ball. Surely.

Senator Douglas. You say the United States should not inject itself into the negotiations between Great Britain and the Common Market. I would say that this existing provision implicitly injects the United States, because what you are in effect saying to Great Britain is: "If you join the Common Market (and Great Britain and the Common Market together will have 80 percent of this wide range of goods) then you can come into the American market."

While you have been very diplomatic in your answers, I would say you have already been injecting yourself on the side of putting pressure on Great Britain to get into the Common Market, which for political reasons, I also would like to see them do.

But now you say this might induce them to stay out of the Common Market. Should not that be Great Britain's decision to make on her own, of course, and should not we be willing to deal with EFTA or the Common Market? Why should we put this pressure to get into the Common Market?

Mr. Ball. I think the difference here, Senator Douglas, is that after a negotiation is well underway toward a conclusion one way or another, we should not change the international rules.

Senator Douglas. Well, now, just a minute. The European countries should know that it is Congress who makes the laws, not the State Department. We are not bound by the bill which you sent up to Congress. We have the right to change that bill. I am very sorry that we did not go into the old League of Nations in 1919. But I think the European complaint that Wilson had by agreement with the League of Nations made an implicit promise that we would go in was completely wrong.

The Senate had the legal right to reject the League. We have a legal right to reject this bill.

I hope we do not do it, I hope we are not forced to do it, but we have the right to change it. I do not see that we are changing the rules of the game at all. We are trying to protect ourselves from the possibility that Great Britain may not go in, and if she does not go in, then we are somewhat restricted in the degree to which we can expand our trade.

Congressman Reuss pointed out very well that our greatest hope for export to Europe is durable goods—refrigerators, television sets, washing machines, dryers, all those things; this is our hope. We can only get the tariffs on these goods slashed if the countries of the Common Market have 80 percent of world trade. If we do not have 80 percent of the world trade, we cannot get this expansion. With EFTA we could get the expansion, not only with the Inner Six but the Outer Seven or whatever group should affiliate themselves with them.

Mr. Ball. Senator, I am not suggesting, of course, that Congress does not have the right to pass this law in any way it sees fit. You asked me if I thought it was a good idea or not. I said I thought from a political point of view, we would be changing the international rules.

The Senate Finance Committee was not dissuaded by Mr. Ball's argument. The amendment was approved by the committee, and the bill, as amended, was passed by the Senate.

The elimination of the amendment by the conference committee means that we are back where we started. The zero bargaining authority will have to be put on the shelf until the United Kingdom and enough other European countries join the EEC.

I sincerely hope that the United Kingdom will join the Common Market if, in the judgment of the British Government and people, this association is best for Britain. Moreover, it would be advantageous to the United States since 6 months after British entry into the Common Market we could be in a position to use the zero bargaining authority.

But the State Department's argument on the political consequences of the Senate amendment is invalid. This is shown by the experience of the last few weeks. In the period following the adoption of the amendment, no one to my knowledge—save the State Department—has concluded that the Senate's action was for the purpose of discouraging British membership in the EEC.

The only criticism of U.S. action with respect to British membership, in fact, has been of State Department attempts to influence the composition of the European Economic Community. For example, Robert Estabrook, of the Washington Post, now on temporary assignment in London, recently wrote:

> Under Secretary of State George Ball has received considerable criticism in England because of American strictures against Commonwealth trade preferences and associate membership for neutral countries the zeal of some American champions of the Common Market * * * has produced an impression that the United States is trying to dictate the composition of the community and to punish Britain for its delay and the neutrals for their comfortable detachment (Washington Post, Apr. 10, 1962).

Robert D. Novak, writing in the Wall Street Journal, also comments on the curious failure of the State Department to concern itself with the economic aspects of the trade bill:

> There are well-founded suspicions that Under Secretary George Ball and his colleagues at the State Department see the trade bill more as an instrument of international politics than one of domestic economics. This is most troubling to export-minded industrialists, who look to future United States-Common Market negotiations as a means of opening the burgeoning consumer market of Western Europe to American products and thus stimulating economic growth here. They fear the State Department is more interested in the role such negotiations would play in insuring that the United States is not politically isolated from the emerging third force in Western Europe.
>
> Consider the State Department's attitude toward the bill's most spectacular provision: a grant of power for the President to completely eliminate import duties on industrial goods that are produced mainly in the United States and Western Europe. Industrialists have been shocked by high ranking State Department officials' private statements that this authority would be exercised only in the case of two or three categories of commodities when U.S. and Common Market negotiators first sit down at the bargaining table.
>
> This cautious approach tends to confirm suspicions that the provision, ingeniously fashioned in its original form to be effective only if Great Britain joins the Common Market, was intended by the State Department to serve primarily as a shotgun to force a British-European economic marriage. (Actually, the possibility that so historic a step as closer British ties with the Continent would be greatly enhanced by the prospect of lower U.S. tariffs is scoffed at by Europeans.)

And the London Economist, in its September 22, 1962, issue, before the trade bill conference report, has this to say:

> Almost nobody in Washington, with the possible exception of Mr. George Ball, the Under Secretary of State, and his cohorts at the State Department, views the bill any longer as a prod to push Great Britain into the Common Market, although the measure's most publicized provision was fashioned ingeniously by Mr. Ball to accomplish just that. As passed by the House this would permit complete elimination of tariffs on any category of commodities only if 80 percent of the world exports in that category came jointly from the United States and the Common Market. Only aircraft would meet that condition if the Common Market consisted of its present six members; with Britain in the Common Market, perhaps 80 categories would be eligible (although American negotiators would probably consider complete elimination of tariffs on only a very few of them in the forseeable future).
>
> Although this supposed incentive for the British and the Six to get together would seem to be very low on the list of factors which they are considering, Mr. Ball and his colleagues persist in believing that London and Brussels are basing their decisions in part on what happens to the trade bill in Congress. The State Department was most upset, for example, when the Senate changed the dominant supplier provision to permit complete elimination of tariffs on any category of goods if Britain and the other nations of the Outer Seven (even if none of them enters the Common Market), plus the United States and the Common Market Six, account for 80 percent of world trade in it. This, the Department feared rather illogically, might be interpreted in Europe as the abandonment of hopes in Washington that Britain would at long last become the seventh member of the Common Market.

Of course, if the United Kingdom succeeds in joining the EEC without delay, as a result of the negotiations to be resumed shortly, my fears about the zero bargaining authority will be groundless. But the possibility that Britain cannot join, and the EEC will not be expanded, is yet before us. If the British entry negotiations become stalled, the next Congress must take action to amend H.R. 11970 so that the zero authority will not be a nullity.

Mr. KNOX. Mr. Speaker, this conference report that we are acting on today concerning the Trade Expansion Act of 1962 removes Congressional control and review over our Nation's foreign economic policy for a period of 5 years. It completely legislates away the rights of the next two Congresses to participate meaningfully in the development of foreign economic policy. Not until a half decade from now will the Congress have even a small voice in formulating foreign economic policy and reviewing that policy's impact on our domestic economy.

The legislation will give the Executive unprecedented authority to slash tariffs and place those workers adversely affected on a Government dole during a period of enforced retraining. There would also be subsidies and adjustment concessions to firms injured by the effects of the legislation, making it possible for them to convert to some other industry.

I want to stress that there is no solution offered in this legislation to the plywood plant, the iron mine, the copper mine, or the fishing industry, that would be faced with no market for their products. These industries of northern Michigan that abstract their products from the ground, waters, and forests could not be converted to producing other products. There is absolutely no opportunity for these industries to convert to producing something else when their market for goods is injured or lost because of heavy imports of iron ore, copper, fish or plywood. The fishermen of the 11th District of Michigan are operating under extreme hardships because of heavy imports from Canada, and the plywood industry has already had 50 percent of its domestic market taken over by imports—by goods produced by workers earning less than one-tenth as much, and by foreign companies under a much lighter taxload than ours.

My opposition to this legislation in no way stems from any unawareness on my part of the need of maximum United States participation in world trade. Indeed, my conviction is that such world trade can be profitably engaged in by our Nation on an enduring and flourishing basis only when the ground rules for such trade assure fairness and reciprocity as elements in that trade program. Now we will find the executive agencies encouraged to make their activities of trade administration even more irresponsible and intolerable.

Our domestic markets will be exposed to a rising tide of imports without sufficient safeguard against injury to domestic producers, and without sufficient assurance of expanding oversea markets for American produced goods. We will have more of the same in one-way reciprocity with America giving and our so-called trading allies taking.

The prosperity of our Nation is reflected by the number of people that are employed in private enterprise. But because of this legislation we will be helping foreign workers find employment by manufacturing goods to be imported into America, while we solve the resulting unemployment of our workers by putting them on relief. I have always maintained that American citizens want and are entitled to increasing job opportunity in private enterprise, and they should not have to rely on Government subsidies for their economic security.

Mr. MILLS. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made earlier today and include extraneous material.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. MILLS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to extend their remarks at this point in the Record on this bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. MILLS. Mr. Speaker, I yield 1 minute to the chairman of the Subcommittee on Agriculture and Forestry, the gentleman from Alabama [Mr. Grant].

Mr. GRANT. Mr. Speaker, I would like to direct two questions to the chairman of the Committee on Ways and Means.

The first is: Is it in your judgment possible for the forest products and lumber industry to get relief under the legislation in this bill?

Mr. MILLS. Yes, sir.

Mr. GRANT. The second question is: If this does not prove practicable or possible, will your committee consider legislation at the next session of the Congress in order that the lumber industry can be provided the needed relief?

Mr. MILLS. The committee, of course, has that authority at all times, to consider legislation. I am sure if anything serious developed, the committee would want to go into it to find out what the facts are.

Mr. GRANT. I thank the chairman very much.

Mr. Speaker, this is a matter that affects many people not only in the Pacific Northwest but all over the United States.

Mr. MILLS. Mr. Speaker, I yield to the gentleman from Texas [Mr. Alger].

Mr. ALGER. Mr. Speaker, I want to join with my colleagues in thanking our chairman and House minority conferees for standing firm for the House position. Even though I personally consider the trade bill as legislation—a tragic, tragic step in our legislative history in trade, yet, I must say our chairman did represent the House well and that this conference report is a good result considering the two bills that the chairman was working on, and he maintained the House position.

Mr. Speaker, I ask unanimous consent to express further my disapproval of the trade bill in general at this point in the Record.

My disapproval of the trade bill was expressed in detailed documentation during the debate before House passage and these views may be found in the Record. Because I heartily disapprove this trade bill I cannot support this conference report, even though the House conferees did the best they could in conference with the conferees of the other body.

This trade bill is not freer trade, it is more restrictive. Other nations have not reduced their tariffs reciprocally with us, so why should we lower our tariffs lower until others meet us halfway. This bill makes legitimate the bankruptcy of American industries by Presidential or State Department decree in lowering tariffs, and then permits an entirely new subsidy, a Federal largesse at the discretion of the President. It is too late of course to revive bankrupt industry. The employees compensation of 78 weeks for losing their jobs if the result of tariff lowering, will compete with unemployment compensation in an unnecessary conflict of compensation.

There are many other objections which prevent my approving this report.

Mr. MILLS. Mr. Speaker, I yield 2 minutes to the gentleman from Tennessee [Mr. Baker].

Mr. BAKER. Mr. Speaker, I support this conference report for two basic reasons. My first reason is that the new bill is a great improvement over existing law in many respects. I am not going to take the time to develop all of the points underlying this statement of my first basic reason. One factor is what has been discussed here at length—the development and operation of the U.S. most-favored-nation policy. I can add to one thing touched on by the gentleman from Arkansas [Mr. Mills]. The test of whether a country is dominated or controlled by the organization controlling the world Communist movement has been stricken from the law. What we did was to strike out of existing law the test which led to an interpretation permitting certain Communist nations to be deemed outside the prohibition of the provision. A country does not have to be dominated by the government or organization controlling the world Communist movement. If the government itself, such as Yugoslavia, is Communist, then most-favored-nation treatment would not be extended. We are thus reserving favorable tariff treatment for the nations we favor—our friends.

The other basic reason for my support of this conference report is a matter I have called attention to when the bill was before the House last June. What I consider to be a great improvement over present law is my own amendment (which appears on pages 78, 79, and 80 of the bill). This provision permits the two Houses of the Congress, by a majority vote of the authorized membership, to require the President to implement any affirmative finding of the Tariff Commission in escape clause, if the President does not do so on his own initiative within 60 days.

I think that this provision is a great protection to American industry. I know and feel that this body, and the other body, in the next session and all other future sessions of Congress, will see to it that this provision is given full operational effect. I think it is a vast improvement over present law and should prove to be of great assistance to adversely affected industries. Mr. Speaker, in closing may I reiterate that I support the conference report.

Mr. BAKER. Mr. Speaker, I yield to the gentleman from New Jersey [Mr. Cahill].

Mr. CAHILL. Mr. Speaker, I regret that several amendments which were proposed and recommended to the other body do not find their way into the final bill as presented today by the conferees of the House and Senate.

While I supported the trade legislation and voted for the bill in the House, I did so with the expectation that constructive and necessary amendments would be made to the bill in the other body.

It must be recalled that when the bill was originally before the House the rule did not permit any amendments not agreed to by the committee. Thus, many amendments necessary to strengthen the bill were not presented to the House and it is my understanding that many helpful amendments were suggested in testimony and statements presented to the other body in relation to the Trade Expansion Act of 1962.

Since a great deal will depend upon the quality and the knowledge of negotiators under the legislation, I deeply regret that the recommendation that qualified advisers from industry be required as consultors to our negotiators was not accepted.

All of us recognize that there is within the framework of this bill a potential for great damage to domestic industry. Most of us are concerned less the negotiators for other countries be better qualified and more knowledgeable than our own. Certainly detailed knowledge of the industry in question, particularly when it is one of complexity, is essential.

I regret, therefore, that this amendment and this requirement was not made part of this bill.

Then too, I fear that true reciprocity has not been properly preserved under the bill. I likewise fear that the peril points and escape provisions under existing laws have not been strengthened as was recommended before the other body. While some of the conferees and members of the committee have expressed to me the viewpoint that there has been a strengthening in this regard, they concede that it could have been more effectively accomplished.

I also regret that a recommendation in relation to adjustment assistance under the bill was not accepted. All of us are deeply concerned over the lot of the man or woman who loses his or her job as the result of unemployment caused by the failure of a business by reasons of unfair competition from foreign nations. However, the worker who loses his job for reasons other than the impact of trade is penalized and it does seem to me that the suggestion that change in unemployment benefits could have been and should have been accomplished through the medium of existing unemployment legislation made very good sense.

It is my hope, Mr. Speaker, that the bill will indeed accomplish the results ascribed to it. It is sincerely hoped, also, that the great industries of this Nation will not be adversely affected by it. This legislation bears careful scrutiny and must be watched with the closest attention.

While I would have preferred this bill to have been amended as suggested in my brief statement today, I shall nevertheless Mr. Speaker, support the conference report because I hope that this bill will bring to our United States greater prosperity, fuller employment and a better life for our people.

Mr. BAKER. Mr. Speaker, I yield to the gentleman from North Carolina [Mr. Jonas].

Mr. JONAS. Mr. Speaker, I want to ask a question of the gentleman in the well or the chairman of the Committee on Ways and Means. I read in the paper that the President is asking for $10 million to implement the dislocation part of this bill. I wonder if either gentleman could confirm that? Is that correct or not?

Mr. MILLS. I cannot confirm or deny that report. The legislation would, of course, require an appropriation. If there are allowance payments to be made in the future, of course there will have to be an appropriation passed upon by the gentleman's committee.

Mr. JONAS. As I recall the statement, it said that $10 million was being requested to take care of dislocated industry and unemployed resulting from this bill.

Mr. MILLS. I do not have any information as to what the amount may be or whether or not such a request has been made.

Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania [Mr. DENT].

Mr. DENT. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. DENT. Mr. Speaker, this is not a very popular spot to be in today, I know; and I also recognize the inability of a single individual to fight the tide that seems to be engulfing the American thinking on trade problems and trade legislation.

I seriously believe, and sincerely believe, that this legislation in spite of all the great claims made for its great addition to our economy will be the one straw that will break the camel's back in the progress of the American industrial complex. There are those who say this legislation will increase exports. No one but a fool would believe that. Trade is a commercial venture.

Mr. Speaker, the 5 minutes allotted to me cannot possibly suffice for me to cover the subject as I have learned it while acting as chairman of the committee studying the impact of imports upon employment. I say without reservation and based upon the facts contained within the hearings representing as they do the records of thousands of companies in America, that this legislation will cause unemployment, will create monopolistic and cartel practices in industry, that it is impossible for this Nation to operate in any area of free trade in the world until that world itself has the same economic factors governing trade as we have within our borders.

This Nation succeeded as a free trade area because our country was equal, our laws were alike, we had the same rules and regulations insofar as our commerce was concerned. We are now saying to the world that no longer do these economic factors count. We are saying exactly what Franklin D. Roosevelt advised us against. He advised against tying our economy to the will o' the wisp of foreign trade. That is exactly what he said, that is exactly what he meant, and exactly what he did under the reciprocal trade agreements.

The trade agreements of the last decade have become the millstone around the neck of the American people. It was not such until 1949, and it was only after 1949 that the trade agreements became the dangerous element to the American economy that they are today. We are fast becoming the exporters of raw materials and component parts, and becoming the great importers of finished consumer goods.

Just today the Hamilton Watch Co. announced an agreement with Rikoh in Japan for the production of the Hamilton electric watch whereby they will manufacture the electric features in Lancaster, Pa., send them to Japan, where the mechanical parts will be made, assembled, and then ship them to the United States. And why? Are we doing this because of an aid to Japan out of the goodness of our hearts? No, we are doing it because it means more profit.

The nations will realize one of these days that their economy must be based upon the markets they make within themselves. No nation can provide the sales outlet for the whole world. This we will learn universally just as some of our industries have learned industrially. Low wages or low prices never made an economically sound market. The thing that makes a market is high income and high consumption of products by people who make that income.

How do we expect to sell 90 percent of all of the foreign goods that moves in world trade from the United States, costing the taxpayers money? We exported $4 billion worth of farm goods, which was subsidized, and we imported $4,300 million of farm goods which were not subsidized.

Mr. Speaker, this is the end of the road for those of us in the Nation who sincerely believe that opening up the trade door to all nations, regardless of our ability to meet competitive inequalities, can be disastrous to the United States.

This legislation presumes that all future Presidents will be as conscious of the problems of American industries as President Kennedy has shown himself to be in the cases of glass, carpets, and textiles.

This is too much to presume and too flimsy a thread to hang the sword of Damocles over the heads of high labor content industries.

Some say that this is a great challenge to the United States and that it offers opportunity as per the attached editorial from a local newspaper in New Kensington, Pa.:

Opportunity for United States

In one of the most significant actions in many years, Congress has agreed with the viewpoint of President Kennedy that today's world demands freer trade. It has granted unprecedented power to the President to do what he can to make such trade possible.

The bill passed by the Senate is almost the same as that which cleared the House some time ago. Only a few minor compromises are needed and they will no doubt be reached without difficulty.

Growth of the European Common Market and its almost certain expansion as well as increased competition in other parts of the world have made it imperative that this country get into position to negotiate freely with other countries. So the President is given broad power to raise or to lower tariffs on his own. The objective is, of course, to make it easier to meet competition and to stimulate trade.

This approach offers a real opportunity and challenge to American industry and labor. European industry has become increasingly automated. So has that of Japan. Our position as the world's top producer is under severe challenge. In some areas we have been surpassed. To hide behind high tariff walls in these circumstances as some, including Congressman John Dent, of Westmoreland County would have us do, would result in the rest of the world pulling out ahead in industrial efficiency and output.

It is plain that our own producers will have to work harder to meet competition. But they will reap the benefits of widening markets that economic growth is creating in Europe and elsewhere. Labor, too, will have greater responsibilities to increase output and keep down cost. Both are essential if we are to compete successfully. The new situation will require much thought and genuine cooperation and understanding between management and labor.

A major reason for the industrial and economic success of the United States in the past was the fact that within its widespread borders there were no trade barriers. Goods moved freely from State to State. We had free trade. Now we are about to work toward the same thing in dealing with other parts of the world, especially Europe and Japan.

It is an exciting challenge. It could bring a new and steady growth of prosperity in the free world's industrial nations.

You will note that reference is made to the fact that this should benefit the United States because the formulas of free trade between the States worked for over 150 years. Such an arrangement will work well in a similar trade arrangement between nations.

Of course, these proponents fail to recognize the vast difference between States in a like economy and free trade between nations with unlike economies.

In the free trade area of the United States we enjoyed a competitive equality in our laws, our currency, our labor agreements, our service charges, taxes, raw materials, shipping costs, and above all, rules of behavior such as antitrust and antimonopoly regulations.

These considerations do not obtain in a free trade area made up of nations with dissimiliar laws and regulations on these requisites to successful competition.

Again we are told that this bill will help exports. Exports of what? Frankly the whole history of our recent trade agreements shows that we are rapidly becoming the exporters of raw materials, component parts and the net importers of finished products.

The list of products from leather to lumber shows this to be true. Witness after witness before our committee on the impact of imports on U.S. employment in every line of activity in our industrial and agricultural economy proves the widespread damage already inflicted by the philosophy of unrestricted trade without regard to the economics of our national ability to compete in a world where the normal flow of trade is based entirely upon its commercial value.

Business Week carried—September 22—carries further proof of my contention this bill will create a monopolistic international cartel trade policy that will not bring the other nations up to our level but will instead bring this Nation down to the level of other nations.

I quote from this article:

> Hamilton Watch Co. and Japan's Ricoh Watch Co., this week, formed a joint company for the assembly of electric watches. Hamilton will make electric parts in the United States and ship them to Japan for assembly. Ricoh will make all the mechanical parts.

Of course, under our method of trade bookkeeping, we will count the export of the electrical parts as a plus export without considering the job loss in the assembly and manufacturing of the mechanical parts. We also fail to take into consideration the fact that these watches will come back to the United States for the consumption of the American market. How this will help our economy baffles me.

Time does not allow me to cover the so-called favored-nation section of the act.

Ladies and gentlemen of the Congress, when the new interpretation of favored nations starts operating, this means that the so-called deal of 50-percent cuts and total elimination of all tariffs on some items extends to all nations. You can see how we have been duped. Why not honestly cut out the so-called Common Market agreement and spell out just what this bill does. It gives the same treatment to all countries and therefore we are leaving our doors wide open for nations not reciprocating with concessions to the United States.

This morning's mail brings more news of the impact of imports.

I enclose at this time two news items both affecting the economy of Lima and the whole economy of the United States.

Says Donora Victim of Foreign Imports

(By Fred Hevia)

Describing the Donora plant as "the victim of foreign competition," United States Steel President Leslie B. Worthington said last night that "our hope for the future is the competitive research for bold, new ideas."

Except possibly for Donora, Worthington saw "better days ahead for the steel industry and the Monongahela Valley." He described himself as "bullish" about the future.

Speaking before the combined service clubs of Homestead, Duquesne, West Mifflin, Munhall, Braddock and Lincoln Place at the Homestead Elks Club, Worthington outlined steps taken by United States Steel during the past few years to modernize the corporation's production facilities in the area.

"We have made great progress in the past, but we have only begun to tap the vast potentialities of what I think of as this miracle metal," he said.

Reviewing the possibilities for the various plants throughout the Monongahela Valley, Worthington had this to say about Donora:

"The story of Donora once again is the story of competitive muscle. To put it concisely and bluntly, Donora is largely the victim of foreign competition."

[From the Pittsburgh Press, Oct. 1, 1962]

Pennsylvania and West Virginia Miners Deprived of Jobs Because Our State Department Pampers British

(By Henry J. Taylor)

Tragic unemployment in distressed coal areas of Pennsylvania and West Virginia and, indirectly, in Illinois, Indiana, Kentucky, Arkansas, and elsewhere could be helped—and fast—if our State Department would please talk cold turkey to our good British ally.

Congressmen and Senators from the heartbreaking districts could well get the Department moving on this, and so could John L. Lewis.

These miners and their families want a future, not a past. They want work, not a taxpayer's dole. And now the skeleton of the State Department's massive inactivity walks out of the closet, snapping its fingers.

It takes a ton of coal to make a ton of steel. Britain's steel industry is flashing a major SOS to the British Government to allow American coal to enter England. None is permitted.

The British Government has twice refused the industry's formal petition. For England's coal mines remain nationalized, and the British Government forces the steel industry to subsidize the Government's mines by buying domestic coal at a far higher price than our mines can deliver coal to Newcastle.

Britain is living in the past in this matter, a past that is dead but still unburied, as if it had somehow got itself involved in one of Conan Doyle's stories of lost worlds.

"Steam," said Emerson, "is an Englishman." And so it was. Low-cost collieries served British steelmills at home and shipped British coal and merchandise overseas.

BRITISH GOT HEAD START

In England, also liquid iron was first purified of the phosphorus that make it useless. This added the decisive step in the march of modern metallurgy that gave English steel its worldwide headstart along with cheap English coal.

English-Welsh coal seams are now mostly thin, irregular and very deep—some squirming like offshore serpents under the sea. Much mechanization is impractical compared to ours here, where some seams are 10 feet—and more—thick and our supply literally boundless.

The Japanese precipitated the latest British SOS. Japan is the largest importer of American coal, lately surpassing Italy. The Japanese have signed large, steady, long-term contracts here that light many a miner's lamp in our coalfields.

Seeking further competitive advantage in world markets for Japanese steel, they have especially designed and built enormous coal-carrying vessels, tailormade to exactly suit our loading docks, cranes, etc.

The largest of these special ships, the giant Nini, recently made her maiden voyage to Newport News, Va. Then the new coal fleet travels half around the world and delivers American coal to Osaka cheaper than England's nationalized mines can dig coal that lays at the very gates of Britain's steelmills.

ONLY BRITAIN DOES IT

West Germany and Italy have similar contracts here. England is the only big market shutting us out. Thus, by importing great quantities of our good coal at great savings, Britain's rivals undercut British steel prices in many world markets on which the island's employment used to depend.

British industry and British overall employment, as British steelmakers point out, suffer because the British Government spurns American coal.

Certainly, American employment suffers in many areas officially designated as distress regions, receiving relief from our taxpayers. Moreover, the world trade concept we champion gets a royal bounce through the ironic fact that British industry itself is more persistent in pressing this no-American-coal grievance against its own London government than Washington is.

The new trade expansion bill will be really valuable to us only if our officials show new courage in such matters. The bill even carries a provision requiring U.S. taxpayers to relieve our workers unduly hurt by imports.

But when the chips are down our officials can often turn very weak in insisting other nations take imports from us.

And in this coal case, Washington's massive inactivity is readily paid for by U.S. taxpayers' relief to distressed areas in lieu of firmly confronting London with the hard fact that, after all, foreign trade may mean painful home adjustments but that these should be a two-way street.

Mr. Speaker, I need not at this time call to the House's attention the millions of dollars spent by foreign countries for lobbying activities in Congress, in the press, and by many front organizations to pass the legislation.

By the same token I will not belabor the action of House leaders in blocking the opposition from all opportunities to present its views on the floor.

Mr. Speaker, I cannot go into the publicly announced deals and trades made to pass the legislation, however, the textile agreements top them all.

In this regard, I offer the following interesting aftermath of the textile agreements.

No nation can successfully prosecute a successful and growing economy without protecting its cost of production, its source of revenue, and its incentive to growth.

Today the industry is awakening to the realities of life.

The Carded Yarn Association, Inc.,
August 10, 1962.

Good Faith Is at Stake

(By J. Craig Smith, Avondale Mills, Sylacauga, Ala.)

Secretary of Commerce Luther Hodges, Assistant to the President Meyer Feldman, Assistant Secretary of Commerce Hickman Price, Jr., and other representatives of the Kennedy administration have repeatedly told our industry that under the long-term Geneva arrangement cotton textile imports would be held for 3 years to what came in during the Government's fiscal year which ended June 30, 1961, and that for the remaining 2 years of the arrangement there would be an increase of 5 percent per year. A rereading of the letter that President Kennedy wrote Congressman Carl Vinson dated February 26, 1962, would bring any reasonable person to the conclusion that the members of the Kennedy administration who made statements to our industry were speaking with the knowledge and authority of the President.

During the Government's fiscal year which ended June 30, 1961, total textile imports came in equivalent to 430,000 bales of cotton. During the first 5 months of 1962, the equivalent of 295,000 bales of cotton has come in. Preliminary figures indicate that the relentless tide of cotton textile imports continued to rise during June and July. If imports continue at this rate, more than 700,000 bales will be imported during 1962 instead of the 430,000-bale ceiling we were promised.

The major reason for this all-time high in textile imports is due to the tremendous windfall that comes to the importer because of the difference in price paid for cotton by the United States mill and the foreign mill. So long as an extra profit of $42.50 a bale can be made on cotton textile imports, the incentive to violate the Geneva arrangement makes it almost impossible to enforce that arrangement. This fact is apparent to any thinking person.

In point four of President Kennedy's program for the textile industry, he recognized the need for eliminating or offsetting the disadvantage the United States mill is in in respect to its raw material cost. In November of 1961, he asked the Tariff Commission to investigate whether or not an 8½-cent offset fee should be imposed on textile imports. He asked for this investigation in November of 1961. It is now August 3, 1962 and no action has been taken. This same Tariff Commission took less than 60 days to determine that more than two bales of imported cotton in the form of picker lap was hurtful to the cotton price support program and must be stopped. How much longer is needed to determine that imports at the rate of 700,000 bales are breaking the back of the American cotton industry and negating the raw cotton price support program? What action does President Kennedy have in mind to implement his commitments to the the cotton industry?

THE CARDED YARN ASSOCIATION, INC.,
Charlotte, N.C., August 8, 1962.

The executive committee of the Carded Yarn Association, meeting in Charlotte, N.C., today to consider the problem created by the flood of imported yarns took note of the interim report of President Kennedy's Textile Advisory Committee, as quoted in the Charlotte Observer.

Secretary of Commerce Luther H. Hodges, Chairman, reporting to the President for the Committee noted that the Committee, "is as much as ever concerned to press forward with the full range of measures proposed in your program of May 2, 1961," and "in particular, we would wish to note that the differential in the price of cotton purchased by domestic producers and the price paid by foreign producers continues to result in severe import pressures on the American market."

Under present Government policies foreign spinners buy American cotton 8½ cents per pound or $42.50 per bale cheaper than can American spinners.

W. R. Austin, president of the Carded Yarn Association speaking for his committee, said that the impact of imports on the carded yarn industry is dramatically illustrated by published Department of Commerce figures which show that as of June 30, 1962, 19,759,125 pounds of carded yarn had been imported in the first 9 months of the Short Term International Textile Agreement against a 12-month quota of 9,776,000 pounds.

The executive committee is convinced that the import offset fee is the most effective means of restricting excessive imports of carded yarns and urges immediate and favorable action by the Tariff Commission and the President.

The Carded Yarn Association, Inc.—Published import figures through June 30, 1962

Country	Short-term Geneva agreement quota versus actual imports, Oct. 1, 1961, through June 30, 1962	
	Carded	Combed
Portugal:		
Quota	5,289,000	2,353,000
Imports	10,374,480	1,923,811
Colombia:		
Quota	0	0
Imports	2,295,732	94,295
Israel:		
Quota	419,000	0
Imports	1,543,310	169,119
Egypt:		
Quota	849,000	44,000
Imports	2,086,015	401,390
Mexico:		
Quota	408,000	0
Imports	1,178,629	0
Taiwan:		
Quota	0	0
Imports	1,000,000	0
France:		
Quota	816,000	25,000
Imports	733,678	4,836
Spain:		
Quota	1,427,000	123,000
Imports	237,208	402,237
Switzerland:		
Quota	55,000	113,000
Imports	22,095	181,047
Italy:		
Quota	94,000	8,000
Imports	176,433	320
United Kingdom:		
Quota	1,000	88,000
Imports	1,000	58,716
Lebanon:		
Quota	4,000	0
Imports	50,809	0
Belgium:		
Quota	2,000	1,000
Imports	200	17,546
Greece:		
Quota	0	0
Imports	0	116,976
West Germany:		
Quota	1,000	2,000
Imports	0	83,826
East Germany:		
Quota	0	0
Imports	19,606	0
Canada:		
Quota	0	0
Imports	33,930	0
All others:		
Quota	411,000	34,000
Imports	6,000	2,693
Total	9,776,000 19,759,125	2,791,000 3,456,812

[From Business Week, Sept. 22, 1962]

THE BUSINESS ABROAD PATTERN—COTTON TRADE INEQUITY

When the Tariff Commission recently declined to impose an equalization fee on imported cotton textiles, most people scarcely noted the action. Few, in fact, recognized that if the equalization fee had been imposed it would have operated as an overriding tariff of 8½ cents a pound on the cotton contained in imported textiles.

Significance: The Commission's refusal to impose such a barrier has at least two important implications:

It puts the administration in a better position to take the lead in promoting a freer flow of world trade. The equalization fee would not only have cut down foreign textile shipments to this country but also invited retaliation against our exports. Even now, our subsidization of cotton exports highlights a problem that will loom large in future negotiations to reduce trade barriers. This is the fact that we sell our crops abroad substantially cheaper than at home—a situation known as dumping when it involves manufactured goods, and one that already is a bone in the craw of other countries that are exporters of farm products.

An inequity long suffered by our textile industry now must be faced squarely. This is the fact that foreign mills can buy American cotton, under the export subsidy, 8½ cents a pound cheaper than domestic mills and sell textiles made from this cheaper American fiber to U.S. consumers to the extent that their quotas permit.

Implicit offer of help: World trade in cotton textiles is important not just to our own mills but also to exporters in western Europe, Japan, and Hong Kong. Yet, by implication, our domestic mills have been given to believe that they won't be subjected to the full brunt of freer trade. This came about (1) when the State Department took the lead in organizing a system of world export quotas (getting foreign countries to agree on limits beyond which they would not ship to us, among others), and (2) when President Kennedy asked the Tariff Commission if an 8½-cent equalization fee should not be slapped on textile imports.

That it is unfair for domestic mills to be forced to pay the full supported farm price for cotton is obvious. But the equalization fee would have been a halfway measure at best; it would have equalized the position of our mills within the United States but it would not have helped them to recapture traditional export markets. This is quite aside from its burden on the flow of trade.

Now that the Tariff Commission has spiked the equalization fee, what next? That, in effect, is what the President asked as he tossed the problem to the Agriculture Department with instructions to figure out some method of ending the inequity that is visited on American textile mills.

Possible solutions: One clean solution would be to junk the price supports for cotton on which the two-price sales policy rests. Then everyone would pay the same—but U.S. cotton planters obviously would get less for their output.

Or we could adopt a one-price system and continue to pay farmers 8½ cents a pound more than their cotton will bring in world markets. This amounts to a small matter of a bit more than a billion dollars on the 14 million bales of U.S. cotton that will be used in the 12 months to next July 31.

Or we could let cotton seek its own market level—again a one-price plan for all comers—and give cotton farmers an "income adjustment" payment.

These, and variants, presumably will be considered. The most logical solution, of course, is the first, but it will have little political appeal.

Mr. Speaker, recently a small but ominous incident occurred in France that should show the direction of the winds that will fill the sails of the free trade proponents of the nations foolish enough to believe that they can run away from their moral obligations to their workers, their communities, and above all, their nation.

[From Business Week, Sept. 22, 1962]

FREEDOM TO FIRE IN FRANCE—GOVERNMENT OFFICIALS PRIVATELY DISCOUNT MINISTER'S BLAST AT GM AND REMINGTON RAND FOR ANNOUNCED LAYOFFS, CLAIM STATEMENT WAS FOR DOMESTIC CONSUMPTION

U.S. companies with plants in France were discreetly reassured this week that the French Government did not mean precisely what it seemed to say when it denounced 2 U.S. manufacturers for planning to lay off 1,000 workers. Government officials indicated, hastily and off the record, that "domestic considerations" had prompted the statement, and that France's attitude toward U.S. investment remains as friendly as ever.

The French Minister of Industry, Michel Maurice-Bokanowski, had responded to layoff notices by General Motors and Remington Rand with the statement that he would not

> permit "certain isolated enterprises to practice an irresponsible policy that does not respect the social contract linking a financially powerful enterprise to the labor it employs."
>
> Considerations: U.S. companies immediately wondered if this presaged stiffer controls over their French operations, particularly their freedom to cut work force as business conditions changed. In their hopefully tranquilizing disclaimer, French officials cited the following domestic considerations:
>
> A widespread French belief in full employment as something close to a religion. In this view, layoffs of any size are heresy.
>
> The bad timing of the General Motors and Remington Rand announcements, which were issued just as Government officials were sitting down with union and business representatives to talk wage policy matters.
>
> With these facts of political life confronting it, the French Government decided it had no choice but to issue the unusual ministerial denunciation.
>
> Justified: Both U.S. companies feel they have a good justification for their action. They describe the layoffs as a simple reaction to new conditions brought about by France's involvement in the Common Market. They say that French companies are undergoing the same process but that—understandably—U.S.-owned outfits are more open to criticism.
>
> Remington, which employed some 1,200 workers in a typewriter plant in Lyons, is concentrating its European typewriter production in a more modern plant in Holland. It intends to keep its French factory working on other types of office equipment, but will need 300 fewer employees. Remington officials point out that more than 80 percent of the 300 laid-off workers have been relocated.
>
> Privately, the officials complain that the French Government is itself partly responsible for the decision to shift to the more efficient Dutch operation. A big buyer of typewriters, the Government has recently been buying the cheaper West German models.
>
> Hard hit: General Motors, which employs some 3,100 workers in its Paris refrigerator plant, wants to let go about 680 employees. Like most refrigerator producers in France, it has been hard hit by imports of cheaper Italian units. GM officials say its adjustments to the new market conditions are similar to those of other producers, but that—as France's leading refrigerator company—it draws more attention than its smaller competitors.
>
> They also note that GM, almost singlehandedly and in the face of considerable French skepticism, successfully established the refrigerator industry in France after World War II.
>
> Equal treatment: Actually, as a member of the Organization for Economic Cooperation and Development (OECD), France is obliged to treat all OECD members—including the United States—on an equal basis. Then, too, the French are still extremely anxious to attract U.S. direct investment rather than see such investment go elsewhere in Western Europe.
>
> For all these reasons, U.S. business circles in Paris calmed down quickly after the GM-Remington affair. In fact, no one was surprised when Maurice-Bokanowski warmly accepted an invitation to be guest of honor at the annual fall dinner given by the Paris branch of the U.S. Chamber of Commerce.

At this time, Mr. Speaker, I will present a more complete analysis of the legislation, its contents, its implications and possible effects upon our future.

Mr. Speaker, recently, in the Pittsburgh Press, the following statement appeared:

> Our city depends on labor for its economic existence. The bulk of the breadwinners in this district tend blast furnaces, mine coal, mold glass, participate in occupations which are dependent on these industries.
>
> We are not an area of white-collar workers. We do not have the broad harbors of the coastal cities, nor do tourists flock to see the sights of our town.
>
> Without heavy industry, Pittsburgh as a bustling metropolis would cease to exist.
>
> But we are in the precarious position where most of those employed derive their income from industries that today are threatened with increased competition and higher costs.

This pretty well sums up the national problem we face when we discuss jobs and trade. As members of this committee you can understand why I am so disturbed over the publicly announced statements by officials of our Government that certain industries are expendable and must be sacrificed to what President Roosevelt called the will-of-the-wisp of foreign trade.

Let me assure all of you of my keen interest in the problems of the world as well as my country, and my congressional district. I am not now, nor have I ever been, an opponent of free trade as such. I am for as much free trade as we can afford.

I have found that when you scratch a free trader, he bleeds like a protectionist.

Recently—dated February 16, 1962—I received from the Administrator of the Area Redevelopment Administration a report on progress to date from the Department of Commerce. I call your attention to the meat of the report as contained in the last three pages.

The statistics cited show 11 distressed areas receiving aid amounting to $2,900,000. Added to this there was $6 million of local and private funds for a total of $8,900,000.

Jobs that are expected to be created number 3,600. Simple arithmetic shows that we would require about $11 billion to retrain the unemployed workers now on the list. No one can estimate how many more will be unemployed by the passage of this conference report.

This is not condemnation or criticism. I just refer to it as a subject related to the new trade act, H.R. 9900. We are asked to support H.R. 9900, as written—and yet, we are told more unemployment will be created by this legislation. We are told more industries will be put out of operation. We are told that the Trade Adjustments Act will provide aid, subsidies, and loans, plus retraining for displaced workers.

Would it not be better to keep the jobs we have and charge "diplomacy" up to general taxation rather than to jobs and wages, industry and profits? I find that we can believe that part of the proponents' statements that claim we will close plants and curtail productions, reduce jobs and job opportunities if we pass the bill in its present form.

The dying flat glass industry was given a new lease on life when the President raised protective tariffs. Incidentally, this puts the rate somewhere in the neighborhood of the rates prior to Reciprocal Trades Agreements. For this, the President will be commended by the glass industries, but I wager the Belgians and other exporters will condemn and threaten our Government with embargoes and reprisals. In trying to save our glass industry we may well lose all the so-called diplomatic gains for which we sacrificed our industry.

Whether there is any significance in the President's postponement of the effective date other than the publicly announced purpose: giving Japan and Belgium an opportunity to adjust their economies, time alone can tell us.

The Tariff Commission made these recommendations almost a year ago. It would seem that the trading countries would have had a sufficient time to have at least prepared for an eventual increased tariff. This again points up the seriousness of making trade agreements based upon the changing demands of diplomacy, disregarding the economics and the effect upon our job economy.

About a year ago our community had notice of the closing of the Malleable Iron Division of the Walworth Co., Greensburg, Pa. We received this news with a great deal of concern. Our area has, for a long time, been below par and jobs are at a premium.

Statements from employees, as well as management, of Walworth Co. said that competition from imports made it impossible and uneconomical to operate in this production facility. Mr. Edward Riffle, President of Walworth Local Union No. 1275, Greensburg, Pa., made the following statement:

> The main reason for closing is foreign imports coming into this country and being sold for less money than the Walworth Co. can start to produce the product. This has forced them out of business and has caused the layoff of approximately 400 employees. We think that you, Congressman DENT, can help to have this difficulty overcome by higher tariff on imports from foreign countries. Please give this matter serious consideration and do something to take care of this problem.

Correspondence from Labor Union Council, AFL–CIO, Greensburg, Pa., Mr. James J. Chinnici, said:

> Walworth Co. supplied the first atomic submarine, the *Nautilus*, with fittings and products. Now they are going out of malleable fitting business. By the end of June, 500 people will be left jobless. Cite this as only one example of what is happening all over this State, as well as the United States. We believe that foreign competition is responsible for a great many of the citizens of this great Nation being jobless today. Jobless numbers are increasing and the economic level of our Nation is rapidly declining. This has to stop and stop soon. I beg you to look into this situation. Do what you can to correct it. I believe that the tariff on imports to this country should be raised to meet foreign competition. The die is cast. We place in your hands the responsibility of correcting this situation.

You can see why some of us are put in the position of being the Devil's Advocate on any proposal that would, in the opinion of these citizens, further depreciate their job opportunities.

I am also in receipt of a wire from R. A. Hardy, president of the Greater Greensburg Chamber of Commerce, Greensburg, Pa., and I quote:

> Westinghouse atomic reactor plant in Waltz Mills closes March 25. One hundred and seventy people most highly skilled in this type of work to be let out.

Many of these workers have a generation and a half of steady employment. Highly skilled nuclear plant workers ask what they will be retrained for under the Trade Adjustment Act. I do not feel that aid in the future will do any more good than closing the barn door after the cows get out. These matters are very serious to those of us in close contact with our people.

Approximately 600 primary jobs are at stake. According to the chamber of commerce statistics, 600 jobs lost to this community means the loss of income sufficient to maintain 24 retail establishments; loss of $2,160,000, in retail sales; loss of the use of 642 automobiles; 1,044 additional workers will lose their jobs; the loss of $3,540,000 in personal income; bank deposits will lose an additional net account of $1,940,000, and the sustaining revenue for 1,776 persons will be taken from the community. These figures are statistical data provided by the chamber of commerce on the effect of a job loss in any community.

My district is a distressed area. We have gone through the economic depreciation of our coal industry because of imports of residual oil. Our aluminum houseware goods have been carrying the brunt of reduced employment because of imports. Our tool steel industry is challenged by unfair competition from abroad. The handmade glass industry has been told that it is expendable. The relief being given by the President to the flat glass industry will require the passage of time to regain the markets lost because of the imports of glass.

In every field, in every effort, in every area, the unrestricted, unbalanced application of our foreign trade policy has caused unemployment, depreciated investments, curtailment of production, and increased relief rolls. All of us want free trade, and we should have it just as soon as we can afford it.

Any trade that benefits one group, and injures another, is not equitable and cannot be justified either from the base of economics, diplomacy, or political expediency.

I stand ready to vote as I have in the past for all remedial legislation to help our economy, but I see little purpose in continuing to vote for injuries that are self-inflicted.

I do not know what we can do for these displaced workers. We want to help—this I am sure of.

Many are too old, and will end up on relief rolls. This condition cannot be tolerated. It is not the exception, it is becoming the rule in our economy, to have production facilities closed because of unfair competition over which they have no control.

Reports from my home State that the announcement of the President's tariff increase for glass created the highest community enthusiasm since the end of the Korean war.

Facts and testimony presented before my Committee on Imports show that hundreds of industries and individual plants are in the same precarious economic position.

Alone there is not much I can do. With your reevaluation of the trade position, hope can be given to these discouraged workers that their Government considers their welfare paramount and that no injustices will be done by legislation to create further injury. The loss of these 470 direct employees means, according to the chamber of commerce figures, loss to the community of the sustaining income.

Before pursuing this phase any further, let us see how much our distressed areas and distressed businesses can expect by way of help from the Government agencies set up for this purpose:

MARCH 10, 1962.

In re LG144,013–Pgh–SBA.
Hon. JOHN H. DENT,
House of Representatives,
Washington, D.C.

DEAR JOHN: The purpose of this letter is to extend our grateful thanks for your efforts in attempting to gain for us a Small Business Administration loan. As a lifelong Democrat who has always believed there was a real difference between the two great political parties of our land, in that the Democratic Party seemed more aware of the needs of the little man, it gladdened my heart to find that at least the elected officials do follow this philosophy. You and your entire staff give us splendid cooperation. It was heartwarming to find a Congressional Office so responsive to the needs of a constituent. I consider it a tragic disillusionment to find the agencies of our present Administration do not follow the philosophies of the Democratic Party.

The nation is striving for 25,000 new jobs a week according to the President. Today we laid off 14 people. We have already closed the doors in one of our locations. The 18 teachers who use our studio facilities must be notified that this 57-year-old institution is closing down; 300 music students must look elsewhere for their lessons. The luncheonette next door will no doubt close down because of the loss of our trade. The Pittsburgh area is in serious economic trouble. According to a recent radio report the unemployment rate is nearly 20 percent in the soft coal areas and about 12 percent in the steel regions. Healthy, able and willing men are idle and subsisting on surplus food. This area is in need of real and substantial help. It is a tragic wrong that a business grossing $700,000; the seventh largest Wurlitzer organ dealer in the country cannot obtain $75,000 from the Government in a period of adversity. This is so in spite of sufficient collateral, and a proven record of ability to repay monthly sums very substantially in excess of the required monthly payment under the SBA loan requested.

It is easy to find the arguments why a loan should not be granted to any applicant for the aid of the SBA. After all, first, one must be turned down by the local banks. It would take some courage to make any SBA loan requested. But isn't it the purpose of the SBA to provide a source of money to worthwhile concerns who are making valuable contributions to their area and do have an ability to repay. My creditors showed courage and postponed some of their debt to the amount of $24,000 for 2 years.

Yes, my creditors demonstrated their confidence in us and I venture to say most of them are Republicans.

Our SBA loan has been refused on exactly the same grounds one would expert from a moss-backed conservative of the "Marcus Hanna School." It is my considered conclusion that the SBA is using the same standards of loan requirements as a banker in the days of the Hoover administration. It is clear that the SBA is failing to serve its purpose of aiding the small businessman who cannot obtain necessary money through conventional channels.

It is difficult to understand why an agency of our Democratic administration has handed a death sentence to a family company with a 57-year history of never missing a payroll. A 57-year-old company that has always paid its bills (no matter how difficult it has been at times). A 57-year-old company whose tax contribution to the Federal Government alone, has been many, many times in excess of the loan requested. It would seem that even enlightened self-interest would recommend the SBA the risk be taken to preserve this source of revenue for the Federal Government.

The people of this area are loyal Americans and a vast majority are Democrats. We have borne the crushing burden of taxation that has virtually confiscated the fruits of 4 months' labor, each year, because we believed in the principles our Government represented. We have seen the Marshall plan rebuild our competitors with our money. We have seen the over $180 million handed out to the Arabs in the U.N. camps of Trans-Jordan (I wonder if they were able to show past earning power and the proper debt-to-equity ratio?). It is difficult to believe that the very people who have supported our Government and made these international grand gestures possible are to be denied aid in their time of need.

In the word of our Democratic mayor, Mr. Edward Zaleski, when speaking to the SBA loan officer, "New Kensington cannot afford to lose Cooper Bros. It would be a critical blow to the morale of our city at a time when the people have had their confidence shaken for the future. We must find a way to help them over this difficult period." It is a sad commentary on the New Frontier and our Democratic administration that they did not have the courage to respond to this challenge.

Your kind cooperation has been appreciated.

Very truly yours,
COOPER BROS., INC.

You may wonder why I put this letter into the RECORD at this time. Frankly, it is because the Director of the Small Business Administration, just recently, made a long and appealing statement in behalf of this legislation.

I figure it is time to let him and the committee know that if we pass this bill, as written, he can get a lot more rejection slips ready.

COMMON MARKET

Adlai Stevenson, in a speech in Bloomington, Ill., January 23, 1962, said the Common Market is our only choice if the U.S. economy is to continue to grow. He called it a moral duty, or words to that effect. Morals in international trade are like friendships in a poker game. They only count if you have the winning hand.

Many important Americans, in and out of Government, have called the Common Market a threat and have predicted the doom of the U.S. economy unless we court and marry the European countries without delay. In my opinion, such a union would be a shotgun wedding.

I feel that if the American people lose their sense of balance in this instance, it will be the most tragic mistake in our entire history. After a proper time spent courting, the day may come when a marriage between our economies may have a chance of fruitful union.

In the main, you will note that the promoters—and I use the word in its full meaning—are those amongst us who are in one or more of the following categories: salesmen, exporters, importers, politicians, State Department and other civil service employees, foreign agents and representatives, public relations firms, lawyers, investors, manufacturers, and oil companies with international holdings and interests, dreamers, economists—especially the politically favored ones—international bankers, labor economists, and international leaders in some of the organizations, a few who never question a party policy, a few who have ambitions they believe will be best served by going along, and, finally—those amongst us who "get consideration" for certain products or industries affecting their own districts and States. In the final analysis, this last group—the elected Members of Congress—particularly, are the ones who must assume the full responsibility for whatever program this Nation adopts in the field of trade and Common Market commitments.

I disagree with the proponents of the bill, when they use the Common Market as the bogeyman for scaring the American people into a move that can well destroy our basic concept of a free enterprise government. I do not consider the Common Market a bogeyman, a Frankenstein, or a commercial threat. It was conceived and brought into being by our own State Department as a buffer area—economically, militarily, and diplomatically—as a tool in the cold war strategy. In these areas, it fulfills its promise.

One of its chief architects is now an official of our Government and the chief promoter of the present plans for a new trade program and the Common Market. We would be derelict in our duties if we failed to properly consider the grave consequences of basing our action on H.R. 9900 without dispelling the distorted picture of the Common Market presented to Congress and the American people by the aforementioned group, as well as some few Americans who, for reasons best known to themselves, are sincere free traders.

At this point, I would like to present a partial list of the participants in the U.S. Trade Policy Conference. Even a casual examination will verify my statement as to the interests of the main proponents of this legislation:

CONFERENCES FOR CORPORATION EXECUTIVES, U.S. FOREIGN TRADE POLICY, SPONSORED BY THE SCHOOL OF ADVANCED INTERNATIONAL STUDIES—JOHNS HOPKINS UNIVERSITY, MARCH 6 AND 7, 1962, HOTEL STATLER, WASHINGTON, D.C.

Participants: Arabian American Oil Co.; Asiatic Petroleum Corp.; Chamber of Commerce of the United States; the Chase Manhattan Bank; Committee for a National Trade Policy; E. I. du Pont de Nemours & Co.; the European Community; Federal Reserve Bank of New York; the First National Bank of Boston; Ford Motor Co.; the Gilette Co.; IBM World Trade Corp.; Individuals—Christian Herter and several others; Institute for International Development; International Business Machines; International Federation of Petroleum Workers; International General Electric Co.; International Minerals & Chemical Corp.; International Nickel Co., Inc.; New York Life Insurance Co.; Owens-Corning Fiberglas International, S.A.; Pan American World Airways; Pfizer International Inc.; Phelps-Stokes Fund; Republic Steel Corp.; Societe D' Information Financiere et Industrielle, Inc.; Sverdrup & Parcel and Associates, Inc.; Underwood Corp.; United Nations Economic Commission for Latin America; United States-Japan Trade Council; Washington Board of Trade.

U.S. Government: Department of Agriculture; Department of the Army; Department of Commerce; Council of Economic Advisers; Department of Defense; Federal Reserve Board; Foreign Service Institute; Industrial College of the Armed Forces; Department of Labor; Library of Congress; National War College; Department of State; Department of the Treasury, and the U.S. Information Agency.

I sincerely believe that this generation of Americans is faced with the most serious economic decision of our history since the historic session of Congress in 1828. History tells us that it was during this session that our young Nation faced the momentous decision between carrying on the protective tariff policy borne out of the War of 1812, or going back to the free trade policies of Adam Smith and his "Wealth of Nations."

History also records that the great Americans of that day led by Daniel Webster, the arch enemy of protectionism, shifted their votes and voices from free trade and carried the day for the future greatness of America. We are told that this was yesteryear, and we now live in a new world.

Every generation has been compelled to face a new world. It is our turn, and looking forward requires quite a bit of looking backward to see where we are heading. As the Pennsylvania Dutch put it, "We have to back up straight ahead." You can plan the future, but you can not change the past.

TELL THE WHOLE STORY ON TRADE

In the past few weeks we have been bombarded with statements on why we must lower or eliminate all tariffs on imports and why we must accept the fact that some American industries will be sacrificed to permit imports from foreign countries. In support of this plea for unlimited and unrestricted power, the advocates contend that our exports exceed our imports by over $5 billion and we must import more if we wish to continue to export. If we were selling more than we are buying, why would we have a deficit of over $2½ billion in our balance of payments for 1961?

The whole story is not told by this statement of $5 billion of excess exports as you are not informed that this excess consists of over $1 billion in military supplies, over one and a quarter billion dollars in agricultural products exchanged for soft currencies, $200 million of ICA purchases, another billion dollars of subsidized agricultural exports and additional sums for subsidies on cotton, and so forth. In addition, there is the additional one-half billion dollars it costs our Treasury to subsidize the agricultural exports. Adding all of these figures together it is quite clear that we have no excess of exports over actual dollar imports. Therefore, we do not need to import more in order to maintain the balance of trade. We might consider cutting out the subsidized and giveaway exports.

Another untold story is that the import figures are given in foreign origin value and do not represent equal purchases at prices which would be required by American producers. We therefore export at one value, and import at another value. In this process we export fewer items and receive tremendous quantities in return.

A third untold fact is the statements relative to the number of people directly or indirectly affected by foreign trade. You have not been told that among those directly affected are workers who work the greater percentage of their time in producing domestic products, and you are also not told that included in those indirectly affected is your grocer, your banker, your lawyer, and even social service workers, all of whom would hold their positions and do their work even if there were no imports. How little this group is affected can be illustrated by asking your grocer the question of whether he would close down if he had to stop selling coffee.

The question which is avoided and unanswered in this propaganda is how many American workers have been affected and how many may be affected in the future. There is no answer simply because no money is available for an item-by-item, industry-by-industry, job-for-job, payroll-by-payroll study. Nothing less will tell the whole story. I ought to know. I have been working, holding hearings, reading hundreds of briefs—trying to come up with answers on how many jobs are displaced by imports. One point stands out clear—clear enough for all to see—for every $1 spent to find out how many jobs are lost, $1,000 is spent to show how many jobs we gain.

One of the serious problems facing the American Congress and, in turn, the American people, is the lack of press, radio, and TV coverage of the other side of the free trade versus protection policies for American jobs and industry. One thing I can say without fear of contradiction, is that for every word given to the so-called protection group, whole pages are being given to the free trade group. Local newspapers, commonly known as hometown papers, are doing the only good job of reporting this issue up to date.

In 1958, I made a public prediction. I said then and repeat now, "every industry that expands overseas will become pro-free trade as soon as the foreign profits start rolling in." I have searched every scrap of writing I can find; I have visited as many countries as physically possible; I have tried to give American industries and workers an opportunity to give their story to my committee. I have talked to every person interested in the subject of trade and I have not found one person, or nation in the whole world, that does not protect its payrolls, its industries, its minerals, and its agriculture.

While we are talking more free trade, reducing our already low tariffs, we find that every other nation, either individually or collectively—Common Market—is reducing internal barriers, but increasing external barriers. How else can the Common Market succeed? Can the member countries allow goods to come in below their cost of production and still prosper? They cannot, anymore than we can.

We found this out in the earliest days of our history and because we learned our lesson in trade economics, early and well, we created in this country what is now being heralded as a miracle in the Common Market, we created the largest, most profitable market in the world. Every time in our history, when tariffs went below 20 percent on imports, we ran into serious trouble. Our first depression followed the tariff-cutting program of 1832. Although the Congress proposed a cut in tariff rates from 45 to 20 percent we never made it. By the time we reached 30 percent we were in the grips of a recession that forced a revision of plans and upped the tariffs again to the 1832 level.

Maybe tariffs are not the answer, but it is historical that every time we cut tariffs we had a recession. We are told that protectionism is a bad word and worse, a bad national policy. If this is so, why do we have immigration laws? Why do we bar peoples, and yet we do not bar the products they make? How much difference is there between a foreigner coming to the United States and taking your job, or staying home and sending to America the products you produce? In either case, you lose your job.

It is a peculiar twist of mental maneuvering by some persons that see logic in restricting the importation of teachers, newspapermen, lawyers, doctors, professionals, and the peoples of nations. The same persons see no harm in flooding the market with the foreign products of steelworkers, auto makers, and other production workers.

The Members of Congress from the South, the West and other areas that enjoy protective tariffs and quotas on wheat, corn, cotton, tobacco, and/or Federal subsidies to protect their costs of production, join in the anvil chorus against Members who have plants shut down, workers displaced by imports of low-priced foreign articles. Let us see what our friends and neighbors are doing and then decide whether protectionism is a bad word, or a bad policy for a nation and its peoples.

Canada has a "Made in Canada" rule for customs that openly espouses the protectionist policy. When any item is produced in Canada and reaches a production of at least 10 percent of the consumption of that product in Canada, the Custom's Office raises the tariffs on imports for the practical and simple purpose of protecting its industry.

They thus allow it to grow without competition from imports that can undersell the local product and it does not matter where the products come from, the United States, Hong Kong, Japan, or the Common Market.

In this past year—1961—57 such rulings increasing tariffs were quietly put into effect. The latest increased tariffs were put on tires, electric home dishwashers, powerboat controls, surgical room lights, lighter flints, dry cleaning equipment and dozens of other items.

Contrast this with a few examples of our own disregard of the facts of our economic life. In 1947, we imported 480,000 lighters; in 1959 we imported 46½ million. In 1961, we imported 409,000 dozen tennis balls in the first five months—no figures available yet for the full year—against a total 12-month consumption in the United States of 1 million dozen. Five years ago southern California planted 35,000 acres of tomatoes; this year less than 2,000 acres were planted. For every two tons of steel we sold in 1961 we imported three tons. Iron ore imports have made Minnesota mining fields a depressed area.

Because of imports, West Virginia has become a depressed State economically, with some stories of certain communities having only two persons earning an income—the postmaster and the storekeeper who cash the relief checks.

No item produced in Mexico can be imported except in restricted quantities and with exorbitant tariffs. Mexico protests import duties by the United States on minerals, yet it imposes an export duty on these same minerals.

The Common Market countries tariff all items imported which can be produced within the market. They will only buy what they need, and will tariff everything else. No sugar- or coffee-growing country imports sugar or coffee. In fact, all the workers in industry ask for is the same protection for their "cost of living" as we give to the wheat, cotton, and tobacco growers. Sugar countries, while receiving U.S. subsidies over the world price, impose export duties on their own sugar.

Imagine what would happen if the United States joined the Common Market. Following the regulations and tariffs in force we would have to follow suit and put the 75-cent-a-pound tariff on coffee that West Germany has on coffee. What then would our program of Alliance for Progress with our Latin neighbors accomplish? In fact, our West German friends have a $5.06 a ton tariff on American coal to protect their costs of production of domestic coal and the jobs of their coal miners.

At this time it might be good to review the editorial that appeared in a leading West German newspaper of recent date. Maybe they have in mind giving jobs to our unemployed coal miners, tool steelmakers, turbine and generator workers, radio, electronics, and consumer goods workers who—because of their protective tariffs, and our open markets—are out of work.

I quote verbatim, the editorial appearing from Bonn, Germany:

> West Germany Job Openings—Bonn, Germany, December 3.—A leading newspaper suggested today that West Germany import jobless Americans to meet an acute labor shortage.
>
> Handelsblatt said in an editorial the U.S. Government might cooperate in the scheme—by paying the transportation costs or offering a subsidy to make up the difference in wages in the two countries.
>
> "As for the willingness of many Americans to work in Germany," the newspaper commented, "this can hardly be doubted."
>
> The United States has close to 4 million unemployed; West Germany has a half million jobs to be filled.

A well-known labor leader suggests the labor pool theory and suggests we trade workmen according to a recent release. He suggests the use of a labor pool of our skilled unemployed who could then be hired by any nation needing such skills.

> A very simple plan to take care of workers laid off because of automation has been thought up by a manufacturer of automation machinery. Distressed by what his machinery is doing to workers, manufacturer John I. Snyder, Jr., of U.S. industries says with the bluntness of a successful manipulator of machines: Export people.
>
> He has announced the selection of President A. J. Hayes, of the Machinists Union, to help him work out his plans for the unemployed.
>
> Snyder feels that 10,000 volunteers could be found right away to be sent overseas with the Government making the arrangements and foreign employers paying the salaries of the exported Americans. Then, he would have us increase the numbers shipped out.
>
> We've tried to examine all sides of this solution. Whenever a manufacturer installed a new automatic machine he could have figured out in advance how many workers would be displaced. As the machines came in he would hand out travel tickets, passports, visas to some foreign country, so there wouldn't be any break in continuity of service.
>
> ### MAKE PROSPERITY PERMANENT
>
> In this way prosperity could be made permanent in the United States and no manufacturer or user of automatic machinery could have a guilty conscience at the millions of unemployed. It would also improve their unemployment compensation ratings.
>
> The transporting of millions of people would be a tremendous boon to the train, bus, plane and ship transportation industries. Manufacturers of traveling bags would benefit, also.
>
> ### SOLVE THE HOUSING SHORTAGE
>
> Sending a few million people away, and more as automation advanced, could solve the housing shortage and eliminate the need for building more schools. Instead of a housing shortage we'd soon have a surplus which could lead to a break in the high cost of renting and buying homes for those of us still at work—here.
>
> The only remaining problem as we see it is to figure out where to send our displaced persons. If GE lays off a batch of lampworkers, would it be all right to send them to work in GE's Japanese lamp plants? Or would it be better to ship them to some country which has no lamp industry, like the Congo, or Peru, or Thailand?
>
> And where would Westinghouse, for example, send automation-displaced turbine workers—to Afghanistan, Outer Mongolia, or perhaps Albania?
>
> Snyder, Jr., says that the foreign employers would pay the wages of the exported Americans. How much, Jr.? Thirty-three dollars a month in yen? Or maybe $200 a year in Afghan currency?
>
> It's time to get specific, Snyder.

I do not know how you all feel about shipping your neighbors overseas, chasing after the jobs Congress and the trade policies of our country have deported in the last decade. Usually deportation procedures are a long, hard-fought battle with the intended deportee fighting for all he is worth to stay here in the land of the free and home of the brave.

I can just hear my immigrant father—God rest his soul—reading these statements and blasting loose with his famous remark about "free schools, dumb people." I do not want to leave, and I am not going to be part of any plan that intends to send my friends, neighbors, and even some of my family, to Europe, Japan, Hong Kong, or anywhere else against their wishes.

It may work; I am not qualified to express a positive opinion. This much I do know—I want to live and die, work and raise my family in this, my own native land. A well-known importer has gone even further and suggests exportation, lock, stock, and barrel, of our American unemployed. I wonder if they would, at the same time, expect Congress to pass an appropriation to turn the Statue of Liberty around to face the other way?

In other words, we will add our greatest national asset—manpower, skilled, trained, and intelligent—to the money, know-how, sales promotion, and domestic market already given to our competitors overseas.

I can remember, not so long ago, when we were going all out to create jobs for the Japanese and the West Germans. How can any American legislator vote for trade legislation and how can any administration continue a trade policy that allows this kind of a situation to exist and in fact, grow. The Japanese said something along the same line when they suggested "now that you admit we can make things cheaper and better than you, you should stop making these items."

It is bad enough for foreigners, interested in their own welfare and profits, to take this attitude—but how much worse can we get when our own State Department suggests we abandon certain industries, eliminate certain trades and jobs, subsidize injured industry and retrain workers for jobs not yet taken by the Japanese, Germans, and so forth, all over the world.

Let us make one point and make it clear, without restrictions. I favor a common market with any country, any group of countries or any area, just as soon as they gain our economic standing, our wage levels, our costs of living, our way of life. We can help them and we have. We cannot help them or ourselves, unless we have full employment.

The truth is that we will have more serious trouble taking our market back after we give it away. Proof of this is the classical case of window glass. After years of protesting low tariffs, the imports became so great that even an antiprotection Tariff Commission had to order tariffs put back to where they were in 1933.

The Belgian Government protested. They demanded their share of our market, regardless of our unemployment or anything else. What happened is recent history. The President refused to sign the tariff increase and it was back in the Tariff Commission for further study—after 27 years of study it was back on the President's desk, still calling for tariff protection. At long last, after years of protesting, President Kennedy has ordered relief and protection for the glass industry.

Without some relief the glass companies would have had to fight for a faster depreciation rate, automate their plants, reduce employment, compete with foreign countries for U.S. consumption, and in the end—if they could get low enough in costs—drive the Belgians and Japanese out of our market. How would the foreign countries react? Read your papers. Some even threaten reprisals.

This is not as farfetched as some of you may believe. Not too long ago, our Ambassador to Japan made such a statement—although it has gained little press notice. He suggested to the Japanese that any losses caused by our proposed compensating tariff or fee on cotton contents of imports could be taken care of by a subsidy.

Do not smile, gentlemen, I am deadly serious. The recent reaction of Belgium, in the glass tariff case, is mild compared to the Japanese reaction, if and when we impose our compensator at the customs house on textiles.

This points up the seriousness of granting uneconomic concessions to nations which build up their economy on a false foundation. The Belgian Government is already protesting vigorously and bitterly. They claim that the loss of even a small part of our market affected by the new tariff rates on flat glass alone, will cost the Belgian economy 5,000 jobs. Does not this mean that the 5,000 Belgians have displaced 5,000 American jobs, and considering the effect upon our economy, measures up to a fantastic impact upon employment in our own economy.

This tariff increase alone, according to the Belgian figures, and using the U.S. Chamber of Commerce job evaluation impact comes to the following totals of impacts in various economic areas in the United States: 5,000 jobs for glass industry; 8,700 additional full-time jobs in the community; 14,800 people sustained in the community; 5,350 more cars put into use. $29,500,000 will be added to personal income; $14,500,000 will be added to net bank deposits; and $18 million will be added to retail sales, enough to open 200 new retail outlets.

This is the impact on our economy when the seed money of production wages is planted in the fertile fields of our own economy. You can understand now why the common market countries are prosperous.

We are considered the world's greatest exporting nation. Are we? No, not by a long shot. If we measure dollar volumes, yes. If we measure imports as against gross national products, the answer is "No."

I shall, I pray, be able to go into this phase in more detail in the official report to Congress. To give you a little shock, let me just give you two sets of figures.

The United States has a gross national product of 546 billions, and exports 20 billion out of which about 14 billion represents dollar sales. West Germany has a gross national product of 60 billion with exports of 11 billion.

If we carry out the provisions of this bill, as now written, our diplomatic problems will mount even faster than our economic depreciation. Only two restraints can save the American consumer goods industries under the full and free trade impact of this bill, if administered by a Chief Executive who may not use the judgment and restraint shown by the President in the glass and carpet wool cases.

These restraints will only be temporary, and in time, disaster will strike our free enterprise system. The first and most important safeguard we have is the natural inclination and determination of large numbers of Americans, to buy American, to buy union made goods, and others who realize that they destroy job opportunities, profits, and investment incentives when they buy foreign made goods that displace American goods on our market shelves. Some of the proponents are doing their best to discourage this group by propaganda, false and misleading statistics, and above all—the threat of physical destruction of nuclear warfare.

The second restraint will be overcome sooner than our theorists imagine. This is the lack of production facilities to provide the enormous amount of goods and equipment our economy consumes. Any person hiding behind the thought that our productivity and know-how will protect us is living in a fool's economic paradise.

On March 9, H. S. Geneen, president, International Telephone & Telegraph, had this to say:

> Labor will have to face the fact that European workers are as skilled as our own. The United States has no monopoly on production know-how and the plain fact is that European labor rates are lower than U.S. rates.
>
> This combination of low labor costs and high productivity ability means that U.S. labor and management will have to work as a team to raise productivity to maintain our ability to compete effectively, as the only valid basis for granting either labor or capital a greater share of the common output.

Geneen recommended increased exports through U.S.-owned foreign companies.

It means simply and plainly that the passage of H.R. 9900 as written will increase the foreign participants who will sit in on labor-management negotiations, and will establish a new criteria for profits based upon foreign values forcing more and more American dollar runaways who, following Mr. Geneen's advice, will become foreign export agencies, as well as manufacturers.

Before you pass on this legislation, allow me to be so bold as to recommend reading "Tariffs: A Case for Protection," by Dr. Lewis Lloyd, "Tariffs or Protection," and "Progress and Prosperity," by Henry George. The IUD news release for Sunday, March 11, the President's textile tariff relief program, the Secretary of Commerce's releases of State and Commerce export figures against actual manufacturers' reports from the various States—Monday, January 29, 1962, release. Senator Malone's "Mainline," and the eight reports from the committee studying the impact of imports on American employment.

After studying the Commerce figures, I have satisfied myself that the figures as they pertain to Pennsylvania are shaded to benefit the passage of H.R. 9900. Let me give you the figures from the very same Department of Commerce.

Secretary of Commerce announces Pennsylvania exports of manufactured products to be $1,189,500,000. A survey of all manufacturers with 100 or more employees doing $25,000 or more business shows total exports to be $921,500,000. The markup of $268 million is what the Commerce Department has added for what they call the estimated f.o.b. port side.

By this same method of unrealistic, uneconomic, unsound statistical reporting, Congress, and the people, are being led to believe that 6 million workers owe their jobs to export activities in the United States. Let us examine this for a minute.

The total amount of exports valued at the manufacturers' cost, which determines the jobs and wages is $9,792,400,000. The added value markup by the Department of Commerce is $7,105,600,000, making a total of $16,898 million.

This is the figure used by our Government officials, the importer groups, the National Manufacturers' Association, Chamber of Commerce, and the proponents, in calculating the jobs created by exports.

It is not a true figure, nor can any stretch of the statistics prove that the jobs created are anywhere near the number stated by any of the following testimony, and public statements on job totals: Labor Department, 3,100,000; Secretary of Labor, 4 million; Secretary Hodges, 6 million; Importers' Council, 12 million.

Charles Percy of Bell and Howell tops all the job estimates by claiming up to 15 million jobs for export workers.

All of the above say that imports only displace between 200,000 and 500,000 jobs. We must first realize, that in all the United States, there are only 16,800,000 jobs in manufacturing with a payroll of $90 billion a year.

Incidentally, this $90 billion payroll is the seed money for a $92 billion budget. Actually, the jobs ought to be related to the manufactured products wage contents. Recently, the Japanese Trade Council put out a very interesting piece of propaganda purporting to show the number of jobs created in every State by exports to Japan.

I challenged the figures for my State, and a few other States. In answer to my speech for the RECORD, I received the following explanation from this foreign interest group.

> DEAR MR. DENT: I read with interest your comments on tariff and trade appearing at page 999 of the CONGRESSIONAL RECORD for January 25. In those remarks you were critical of the report of the United States-Japan Trade Council showing the jobs created in the United States by exports to Japan. In your view, the figures on exports and jobs created in the States of Pennsylvania and Mississippi are inconsistent. I am writing you to clarify the record on this.
>
> Upon superficial examination, your exceptions to our report would appear to be well taken, but they are nevertheless unsound. What you have overlooked is the productivity of Pennsylvania workers (of which you may well be proud) as compared to the productivity of workers in Mississippi, who are mainly engaged in the production of cotton, insofar as exports to Japan are concerned. These productivity statistics were obtained from the 1958 Census of Manufactures with respect to industrial products and from the Department of Agriculture with respect to agricultural products. They show that the average annual value of industrial shipments from Pennsylvania per employee was over $25,000; the average value of shipments per worker in Mississippi, on the other hand, was about $5,500. We are now speaking of employees engaged in direct production, which figure was doubled in our report to account for indirect employment created in service and supplying industries, as explained in the Sources and Methodology of the study. Our figures for direct production employees in 1960 were 2,426 for Pennsylvania and 5,809 for Mississippi.
>
> For Pennsylvania, the average value of annual shipments per direct production employee was high because of the predominance of the following export industries: petroleum products, with an average annual value of shipments of over $70,000 per worker; iron and steel scrap, with an average annual value of shipments of over $42,000 per worker; chemical specialties, with an average value of about $34,000 per worker; steel mill products, with an average value of about $28,500 per worker; power generating machinery, with an average value of over $21,000 per worker; and other industries with a high value of annual shipments per productive worker.
>
> For Mississippi, the production of cotton for export to Japan predominates (Japan is far and away the best customer for U.S. cotton). According to the Department of Agriculture, the average worker in the cotton fields produces an annual value of cotton shipments of $4,300, a far cry from the value of production of the industrial workers of Pennsylvania. Including all workers in Mississippi engaged in producing commodities for export to Japan, Mississippi only averages an annual $5,500 in value of shipments per worker. Obviously, despite the fact that total 1960 Pennsylvania shipments to Japan in dollar value were more than double the shipments of Mississippi, more Mississippian workers are employed because of the very low average productivity of cotton farmers and cotton field workers. This, of course, is one of the main reasons for our agricultural cotton price support programs.
>
> The foregoing explanation accounts for the much higher employment in exports to Japan of agricultural States in the South (such as Mississippi, Arkansas, and Alabama) as compared with the industrial Northern States of Illinois, Ohio, New York and Pennsylvania. I can assure you that our report was the result of long, careful and objective study and that the figures contained therein have not been manipulated to prove any preconceived thesis. We would be very happy to confer with you regarding our methods in pursuing this study and are confident that we will be able to persuade you of their reasonable accuracy.
>
> We would appreciate your inserting this letter in the CONGRESSIONAL RECORD in order to correct any misapprehensions that might have resulted from your comments of January 25.
>
> Respectfully,
>
> NELSON A. STITT,
> *Director.*

I would like to call your attention to the unusual arithmetic of the American agent for the Japanese Trade Council, Mr. Nelson A. Stitt.

In classifying Mississippi, Arkansas, and Alabama—as like States and using his own figures—we find the very unusual situation in these States where two jobs are created by a gross production of $4,300 for a full year's work.

Mr. Stitt states that Pennsylvania's $60 million yearly gross business with Japan creates 4,852 jobs for Pennsylvania, while $32 million gross yearly business with Arkansas creates 11,618 jobs. He arrived at these figures in about the same way that Attorney Barnhart, representing the Importer's Council arrived at his figures.

It seems that Stitt took the mean averages, arrived at by dividing the gross product with the number of workers actually working and just doubled the numbers. In Pennsylvania he claims the creation of 2,426 direct jobs, doubled to 4,852. In Mississippi he claims creation of 5,809 direct jobs, doubled to 11,618. Barnhart takes the figures of 6 million that Secretary Hodges arrived at by doubling the Labor Department's 3 million figure, doubled it and comes up with 12 million jobs. Double, double, that is the trouble with these statistics.

They all seem to forget that only one part of any set of figures, whether they be sales, cost or production figures, matters in developing the job impact of trade. In studying job impact, the only figure to be considered is the money received by the worker as wages.

If $4,300 in Mississippi creates two jobs with wages set at a Federal minimum requirement of over $1 an hour, the purchase of $4,300 worth of goods from Japan, with wages set at a maximum 35 cents an hour—including all fringes—will create at least six jobs in Japan.

Maybe that is why there is a labor shortage in Japan and as I have shown in this testimony, some of our economists and proponents are suggesting we export our unemployed. One wonders how many of our workers are willing to accept this solution.

Europe has an average wage of 85 cents an hour, including fringes. Japan has an average wage of 35 cents an hour, including fringes. The United States tabs an average wage of $2.96 an hour, including fringe benefits. It follows, then, that for every 85 cents worth of labor content in an imported article from the Common Market an American worker loses $2.96 an hour, and for every 35 cents worth of Japanese labor content, he loses $2.96 an hour.

This fact you can accept and test it any way you want, and you will find that simple equation spells out why our job economy is dying while foreign countries, exporting to the United States, are growing by leaps and bounds.

Do not be kidded into believing that foreign productivity is lower than ours because that argument is as outdated as most of the free trade arguments are. To show how silly this argument is let us examine an article from the New York Times, Sunday, March 11, which attempts to laugh off foreign wage differentials with this illustration. "The single most important factor is productivity, output per man-hour—a study showed that the average Japanese worker earning 22 cents an hour only produced 30 cents worth of product while an American worker counterpart earning $1.95 an hour produced $3.19 an hour worth of product."

If this were true, then, an item costing $3.19 in Japan would cost $2.33 in labor as against U.S. costs of $1.95. One wonders why the Japanese can sell lighters for 30 cents as against $1.25 for United States. Also, why we can only sell raw materials, fuel, machine tools, and production facilities in any quantities to Japan. In return we buy manufactured goods and products we produce in surplus in our own country.

If we could produce cheaper than our competitors instead of Japan selling the United States 85-percent consumer goods and buying only 15-percent consumer goods, these figures would be reversed.

In a recent nationwide article, we find that in talking about foreign production, the article says, "American-owned foreign plants produce four-fifths as much as their American plants."

Allowing this 20-percent drop in productivity, how can we explain the difference between wages paid here and abroad and why the American plant has been moved overseas if they can produce cheaper here than they can in foreign countries?

Like most other statistics and arguments, I have read in this debate, I am convinced that if the American people believe all they are being told by the proponents of this legislation, they will be the biggest suckers since the Indians sold Manhattan for $24.

Let me quote from an eyewitness account of wages and productivity in the same Japan we have been talking about:

> For over 4 years a Harvard liberal in the labor movement has given me the well-known bird every time I talked about foreign imports injuring U.S. industry and destroying U.S. job opportunities. Recently he came into my office after returning from Japan. He returned the same time as our State Department grand tour ended with two notable achievements—Udall climbed Mount Fujiyama, and the State Department promised Japan more of our market.
>
> However, my visitor stepped down in the valley of realities and came back with a new view of free trade between unequal economies. This is his story: "I've disagreed with you over the years. I was wrong. I'll support your position in this fight all the way. What I saw in the manufacturing plants in Japan convinced me that we cannot compete in a free world market, no matter how much we automate."
>
> In one instance I watched a production line in an electronics plant. They had the new machines we have in our own domestic plants where we have a contract. The only difference was that our machines were 9 years old while theirs were only 2 years old. The rate of production per unit was timed at the same productivity per machine as our machines.
>
> The difference, however, was that in the United States, one worker operated one machine at a pay scale of around $2.60 an hour, while in Japan, one female worker operated two machines at 15 cents an hour. An inspector earned about 20 cents an hour as against over $3 an hour in the United States.

Unless we are content to fix our present rate of wages, income, and way of life as the peak of our progress, we must fight any further depreciation of our job opportunities. Much will be said about the number of jobs created by exports as against job losses from imports. Anybody can use any set of figures that best suits the side of the question being sponsored.

However, anybody who kids himself into the fake economic equation of profits from exports offsetting losses of jobs from imports will find out he has been badly misinformed.

We sell $14 billion and we add $6 billion as exports, while we buy and pay for $15 billion worth of imports. The fact that we export more than we import does not mean we sell more than we buy. According to Blough of United States Steel, we shipped—not necessarily sold—2 million tons of steel, but we imported—purchased—3 million tons of steel in 1961.

The impact of imports must be studied from both the payroll, the profit, and above all, the selling price before we move into any program of further depreciating our domestic market. Since 1950, the U.S. position in world steel production dropped by over 50 percent. We used to produce 46 percent of world steel; we now produce 26 percent. In the same 10 years our exports dropped from 15 percent of world totals to 7 percent while our imports jumped from 1½ to 5 percent. Remember that the volume by tonnage had a much greater effect upon payrolls, profits, and unemployment than the dollar value of trade.

It is important to note that the production percentage increases in our most bothersome competitive countries is higher than in the United States. We cannot discuss trade from the dollar volume point of view because ever since our industrial revolution started, there has been no real comparison between our wage and foreign wage levels. In fact, the rise in foreign wages is basically the cause of their recent economic well-being. Our high wages here are the only reason for the fight by foreign countries to dump their manufactures into our market.

Markets are created by high income, not low selling prices. Lower prices create more production only when higher income creates more consumption.

The bugaboo being dreamed up by the academicians who are driving Great Britain into the Common Market and are pushing the United States to the same ending is a figment of the imagination. Calling the Common Market a threat to our economic well being, is the worst kind of propaganda.

If the Common Market is to succeed it must protect its own production against cheap foreign imports whether they come from the United States, Japan, or South America. If their nations do not protect themselves, the market will dissolve in less time than it took the State Department to put it together. We seem to forget that the Common Market is made up of sovereign nations, and not states with a common set of laws and a Federal or Central Government.

For instance, when we protect cotton imports, subsidize cotton exports to help the economy of the cotton States, while at the same time, we reduce tariffs and drive States producing bicycles, glass, and consumer goods into depressed economic conditions, there is nothing much the injured State can do about it. However, if France's auto, glass, and textile industries are sacrificed so that Germany can export its machinery to Japan, how long do you think France will stay in the Common Market?

One of our problems stems from a national inferiority complex. This complex has been created deliberately and objectively by an organized group whose lofty ideals sometime hide the practical and deliberate plans of greed and profiteering.

The simplest proposition is clothed in the most complicated phraseology. Thus, the clearest facts are beclouded. Most of us mistake such talk for superintelligence and, therefore, beyond our commonsense and ordinary comprehension. We get to the point where we sit open-mouthed, listening to a formula of planned deceit which we believe to be exclusive knowledge beyond the grasp of just simple folks.

If you take time to analyze the attitude of some of the so-called free-traders, you will note the similarity in their attitude toward those of us who are sincerely and militantly fighting for our economic well-being, and that expressed by Dr. Seymour Harris Howard, economics professor, when he said:

> The problems are intricate and cannot be fully understood even by the intelligent minority.

What can be expected from those amongst us not considered intelligent. Even if in the majority.

This much I do know and so should every other American. Production will go to the low cost, low wage areas, and sales will go to the high profit open market areas. An open market coupled to a nonprotective tariff policy is an open invitation to economic as well as military disaster. This Nation in two World Wars and the Korean conflict demonstrated that our protective policy had created and preserved the industrial ability and trained workers necessary to win all three conflicts.

I suggest, before committing our Nation to this new unrealistic trade policy, we need to consider the cost and the risks involved. The tariff cuts under the Reciprocal Trade Acts had not had a serious effect up until 1958 except in certain hard-hit industries. The overall impact of imports is just beginning to be felt in our marketplace. If Congress pushes through any further tariff cuts without allowing the past 4 years of experience to be measured, it will commit this Nation to a policy that may very well destroy for many years to come any betterment in our way of life.

If we tie up to the Common Market we would be honor bound to give each State veto power over rates of tariffs, the same as each country in the Common Market exercises a veto over external tariff rates as well as external policies. Otherwise, we will find ourselves with one vote for 50 States against one vote for each country on every tariff to be set. Although we find ourselves putting more power into the administrative branch, which, in turn, will stop even the small voice the States have through their elected Representatives in Congress, we do not seem to worry about the ganging up that will take place in any grouping of trading nations; for example, GATT, under whose free trade policy we have cut tariffs on over 50,000 American-made items up until 1958. We have cut from 46.7 percent to less than a 12-percent average tariff.

Our experience with GATT ought to be reviewed by Congress. Congress will find that we gave away trade advantages on almost every deal we made under GATT. Without being funny, you can safely say that we made trade deals with the GATT pointed right at our economic belly.

It would be suicide to become dependent upon the Common Market production for either our revenue, or our defense. It can only be considered a threat if the Common Market refuses to sell us materials, products or services we cannot do without, and refuses to buy from us the same essentials for their own well-being. This is, of course, contrary to all trade history except in the case of war or political and economic sanctions. If this happens, all the compacts, treaties or gentlemen's agreements, will not amount to a fiddler's d— and we had better have exactly what we are fighting for, domestic production, domestic labor, domestic capital, and—above all, domestic know-how. This is not isolationism, it is survivalism.

Trade is the exchange of something of value for something else of value, trading what you do not need for the thing you do need. Nations must have employment, and production creates employment. The use of trade for the sake of trade profits never creates a mutually successful economy for trading nations.

Even if we discount the job loss, how much has been lost by our economy because we have promoted both private and public investments in oversea competitive production without safeguarding our domestic production against the imports from these same facilities.

Here is a 6-year score on foreign investments by private American investors:

Investment in Western Europe, $5,141 million; profits returned to U.S. companies, $2,261 million.

Investments in underdeveloped areas, $5,552 million; profits returned to U.S. companies, $8,794 million.

Investments in Latin America, $3,057 million; profits returned to U.S. companies, $4,379 million.

This does not count money left overseas for reinvestment, expansion, automation, and cash reserves. The less restrictions we put on imports, the more profits for our American investors overseas and their stockholders but the less wages for American workers.

Now you can see why I led the fight against H.R. 5 which would have given even more concessions and profit opportunities to our American investors overseas. I note that many of the advocates of H.R. 5 are now advocates of the present tariff-cutting legislation; the only difference being that now they are against foreign investments.

In time they will be against the free trade concept of tariff cuts if it is not too late. Remember that in the main, this is the same group who conceived, delivered, and wet-nursed the Common Market baby which they now see as a full-grown menace to the U.S. economy.

I am sorry I cannot see the Common Market as a menace. I see it as a blessing for the workers of the market area. It will raise standards and living conditions, but until its economic level of wages and individual purchasing power reaches our own, it is economic suicide to talk of a marriage between our two economies.

At best, it would be a shotgun wedding with nothing but bickering, fighting, misunderstanding, distrust, and eventually ending in divorce, leaving behind a lot of children in the form of bankruptcies, unemployment, and a handful of rich scavengers who represent either, or both sides in the proceedings.

I see nothing but economic depreciation, with greater unemployment, more distressed areas, and heavier personal tax loads if this bill passes without changes.

It appears to be the policy of the proponents of this legislation to base their claims for the necessity for the passage of this bill upon the so-called agriculture trade balance. There are claims made by various groups and it is noteworthy at this time to call to your attention the claims of the National Council of American Importers in public document entitled "How Imports Create U.S. Jobs." This pamphlet purports to show the following U.S. agricultural exports, fiscal 1961.

U.S. agricultural exports, fiscal 1961

	As percent of—	
	U.S. production	World trade
Wheat	49	44
Cotton	49	41
Soybeans	26	75
Soybean and cottonseed oil	20	75
Rice	56	15
Feed grains	16	48
Tobacco	29	33
Lard	20	69
Tallow and greases	40	74
Hides and skins	30	(1)
Fruits and preparations	18	(1)
Vegetables and preparations	7	(1)

[1] Not available.

Source: U.S. Department of Agriculture.

It is interesting to note at this time that the major exports as listed are wheat and cotton, both of which are approximately 50 percent of the total American production exported. Let us examine this for just a minute. Since we export 50 percent of our wheat, then it follows that we are paying 60 cents a bushel subsidy to American exporters to make up the difference between the U.S. domestic price support of $2 and the $1.40 world market price. According to the Secretary of Agriculture—quoted in the Wall Street Journal, Tuesday, March 13—this amounts to $400 million a year out of taxpayers' pockets.

Let us move to cotton and we find that in cotton the same condition obtains. Cotton is exported at a price of $139.50 per 500-pound bale. However, it is price supported to $172 for the same amount of cotton. This means the American textile mills pay $42.50 per bale, while the American taxpayers pay out $42.50 as a subsidy to our foreign competitors who buy American cotton. Since the American consumption of cotton, according to American textile and apparel industries, is 8,268,000 bales and, using the 49-percent figure, we export over 8 million bales of cotton. Here again we find approximately $340 million of subsidies paid by taxpayers in order to export cotton. The cost to the United States under various agriculture programs is estimated to reach $1,700 million this year.

I make this point to show that we cannot sustain the American economy on the exportation of agricultural products. Testimony before the subcommittee on the impact of imports and exports on American employment tends to show that we have become in fact an exporter of foods and raw materials and an importer of manufactured goods.

The combined employment of textile and apparel industries is 2,500,000 men and women—one-eighth of the total of over 16 million engaged in all manufacturing enterprises in the United States. The extent of the damage already done to the textile industry is shown by the following figures. This excludes 1,213,000 employees in the apparel and related industries.

	1947	1957	1961	Decrease
				Percent
Number of employees	1,335,000	1,000,000	892,200	34
Cotton system spindles	28,800,000	21,200,000	19,600,000	32
Profits on sales (percent)	8.2	1.9	1.9	77
Profits on net worth (percent)	18.0	4.2	4.0	78

I also would like to call your attention to the fact that the U.S. consumption of cotton dropped from over 26 percent of the world to 18 percent; only a small part in the decrease in the United States can be explained by the production of manmade fiber products. Also the cotton content in the last 7 years after the passage of Public Law 480 shows an increase of 42 percent in imports and against a decrease of 20 percent of exports.

Since 1954, under Public Law 480, we have shipped 6 million-plus bales of cotton valued at $490 million which is supposed to be in excess of their traditional consumption of cotton. These 6 million bales of cotton valued at $490 million were paid for in local currency which could be spent on the local economy. Whereas the goods manufactured from this cotton are available to be sold to us for American dollars which under the Bretton Woods and other agreements are readily exchangeable for gold at a fixed gold price. It is a well recognized fact that many textiles are sold at very close prices; a difference of one-eighth cent a yard or approximately 1 percent of value is often a controlling factor as to whether a mill can continue to operate.

Before getting away from a general picture of agriculture, allow me to quote from testimony before our subcommittee from the Western Growers Association:

It would also be helpful if agriculture handbook No. 132 of the U.S. Department of Agriculture, a 141-page booklet which reviews agricultural trade policy throughout the world, should be read as proof that reciprocal trade does not exist and that various protective devices are used.

The president of the Western Growers Association, representing the vegetable and melon industries of California and Arizona, had this to say (incidentally, these agriculture products are nonsubsidized and apparently because of this fact and that the U.S. Government has no financial stake directly in these products, they have become the whipping boys for agricultural imports).

STATISTICAL HOCUS-POCUS ON AGRICULTURAL EXPORTS

The contention that agricultural exports during the past fiscal year 1960–61 reached record proportions at $4.9 billion and that 78 percent of this was sent to countries with which we made trade agreements; while imports of competitive agricultural products amounted to $1.8 billion, needs some reexamination. The $4.9 billion export figure is official and need not be questioned. However, in a publication of the U.S. Department of Agriculture, "The Demand and Price Situation" for August 1961, page 9, stated that about 60 percent of these exports received some form of Government assistance. This consisted of outright subsidies such as those that apply to our exports of wheat and cotton of which we exported over $2 billion in 1960; outright grants (gifts), etc., only 40 percent of the total was sold for dollars with no governmental assistance. This part of our agricultural exports was slightly below the previous year.

To attribute our agricultural exports and specifically their expansion to the benefits of the trade agreements program is, of course, wholly unjustified in view of the pertinent factors as above stated. Actually, the need for subsidization in order to export is proof that the trade agreements have not opened foreign markets to our farm productions; we do not have reciprocal trade on agriculture; quite the contrary. Only our subsidies have succeeded in doing that.

Our imports of agricultural commodities are classified by the U.S. Department of Agriculture as supplementary or complementary. The complementary imports are those that do not compete with domestic farm products—examples: coffee, tea, crude rubber, cocoa, etc. These are all free of duty. Nevertheless, importation of these products give the foreign countries dollars with which to buy our products. Once again, the trade agreements program has nothing to do with these products because we have no tariff on these imports.

RECIPROCAL TRADE IN AGRICULTURE AND SUBSIDIES

The above stated that in fiscal year 1961, there were duty-free imports of $1.8 billion which should give rise to exports of a like volume by supplying other industries with the necessary dollars. This should therefore be deducted from the $4.9 billion of exports for fiscal year 1961 if we seek to determine the influence of our trade agreements program. The export figure then would come to $3.1 billion.

It further stands to reason that this surplus of exports would not have occurred without the subsidization to which we have resorted. The cost of the wheat and cotton subsidies between them come to more than $550,000,000 in 1960. Before we subsidized the exports of raw cotton our foreign market was fading rapidly. Our average exports of cotton from 1950–52 was 5 million bales per year. In 1956 these exports dropped to 2,214,000 bales. Then we began to subsidize the rate of 6 cents per pound in 1957. Exports jumped to 7,598,000 bales. This was followed by another drop in 1958–59 to 3,129,000 bales. On August 1, 1959, we increased the subsidy from 6 cents per pound to 8½ cents. Exports again responded. In 1960, our exports leaped back to the 7 million bale level.

What did our trade agreements have to do with this? Nothing. Our record agricultural exports are the result purely and simply of our subsidization and governmental assistance. As recently as fiscal year 1958–59, our agricultural imports exceeded exports by $300 million. Imports were $4 billion; exports $3.7 billion. It is safe to say that the increase in exports has been the direct result of heavier subsidies and other governmental assistance. Witness the U.S. Department of Agriculture report already quoted, namely, "the proportion of unassisted dollar sales was slightly below the previous year"—referring to fiscal year 1961 over fiscal year 1960.

ESCAPE-CLAUSE RELIEF

The statement that any concession granted in negotiations is subject to the further safeguarding procedures of the escape-clause under section 7 of the Trade Agreements Act when it can be shown that economic injury from imports to domestic producers has resulted from the negotiated tariff reduction ignores the record under the escape clause of the Trade Agreements Act regardless of which political administration has been in power. Since its inception in 1947, the record shows that the odds are almost 10 to 1 against getting relief under this procedure. The Tariff Commission itself has failed to find serious injury in 70 cases out of 110. The White House turned down 27 of the remaining cases coming to it from the Tariff Commission with a recommendation for a higher duty. This left 13 cases on which some affirmative action was taken.

In 1961, the cantaloups and watermelon growers, assisted by the California Department of Agriculture, presented two very strong cases before the U.S. Tariff Commission for relief from these excessive imports. Although, beyond any reasonable doubt, serious injury was proved, the Commission, consistent with policy, granted no relief and denied the petitions as stated above.

EXPORT VALUES AND FOREIGN VALUES

In October 1961, a report by the nationwide committee on export and import policy covering the subject of "import competition employment" covered this subject very well by stating, "in weighing these trade statistics we should keep before us the fact that the import values are foreign values, i.e., the sales choice to our importers exclusive of duty, ocean freight, marine insurance, etc. This fact tends to shrink the impact of imports in terms of man-hours required to produce them. For example, in 1960, our imports of shirts were valued at $14 million. What did this mean? What are $14 million worth of shirts? How many shirts? In this country, it would mean 7 to 9 million shirts at factory prices. How many employees would be needed to make that many shirts? But wait—the imports were not 7 million or 9 million shirts, but 24 million. At our value, they would have represented $36 to $48 million. Innumerable other examples could be given. In terms of man-hours required to produce the 1960 imports of $14.6 billion, exports of perhaps triple that value would be required to balance the account.

All farmers recognize that they must compete with other producing areas of the United States for today's consumer markets. That constant factor is good healthy competition and is a parcel with our balance of our supply and demand. This type of domestic competition assures our consuming public of getting the very best that is available for the least amount of money and over a period of time, results in a fair return for both labor and industry. In this respect, I would like to state that the American agricultural industry is paying the highest agricultural wages in the world and cannot fairly compete with foreign producing areas having the advantage of low tariffs and wages often 10 to 20 times less than our farmers are paying. This type of competition poses a real serious problem and one which has been "created"—whereby these foreign imports result in oversupply and destroy the market place. This is not only a serious economic problem for agriculture, but is one with which labor certainly has a self-interest in as well. We cannot argue that our labor costs are too high. In preference to this, let's say that it is the extremely low wages in the foreign producing areas which have advanced this problem.

In August 1961, the USDA in bulletin No. DPS-80 issued the following release:

"AGRICULTURE EXPORTS

"Agricultural exports moved abroad at record volume during the fiscal year ending June 30. At $4.9 billion, exports were about 9 percent above the previous year.

"However, three-fifths of these exports received some form of Government assistance. A little over 30 percent moved under Public Law 480 and the Mutual Security Act. A somewhat smaller proportion represented assisted dollar exports, receiving subsidies in cash or kind, or sold from CCC stocks below domestic market prices (about 1 percent moved under short-term dollar credits.) All wheat and cotton and the major proportion of rice and dairy products were subject to Government assistance. The remaining 40 percent of the agricultural exports sold for dollars with no direct Government assistance.

"Foreign aid, in the form of agricultural commodities or loans, grants and credits of foreign currencies deriving from their sale, represented about two-fifths of the aggregate value of gross economic aid extended by the United States during the past year.

"Approximately three-fifth of all agricultural exports included in the export total are very heavily subsidized, such as wheat at 60 cents per bushel, cotton at 8½ cents per pound, or were exchanged for foreign currency, or were completely given away to foreign nations under the provisions of Public Law 480. Thus, only about 40 percent of our agricultural exports are sold under a commercial basis, and the 60 percent balance move on some subsidy, grant, loan, or giveaway basis.

"It can be argued that regardless of who pays for exports, the jobs created benefit the total economy.

"This is only true in part. When taxes are collected from workers, it cuts down the purchasing power in the market place which in turn cuts down employment.

"In addition to present loss of employment in the textile and apparel industries the entire future of our cotton farmers, ginners, compressors, and warehousemen (not included in manufacturing industry figures) is threatened. If the domestic mills, which pay the Government support price, or higher, for the greater portion of U.S. cotton consumed, are destroyed, then it follows that raw cotton interests must live on the world price plus such additional subsidy that the Government may wish to pay them.

"We are familiar with the depressed conditions in the coal mining areas of West Virginia and Pennsylvania. Those same conditions will probably arise within a few years in the many areas in many States where a large proportion of all manufacturing industry employees are those engaged in producing textile products and apparel. In many places this proportion is 50 percent or more of the total number of employees in the manufacturing industry in the State.

"It will be impossible to retrain or to move a large number of the employees, many of whom have made the textile industry their life's work, are skilled employees in the industry, and have established their homes, their families and their expected future, based on the stability of the textile industry. The liquidation of this industry, employing a large number of people and so necessary in time of peace or war, will bring social unrest, family disruption and heartaches to a great number of people in wide areas of the country where the industry is located.

"The suggestion that these people be retrained and possibly moved to other localities is not realistic when we consider that we have not retrained and taken care of some 4 million employees who are now unemployed and, yet, it is proposed that we begin to add to this number an additional 2 million employees. If this program were put into effect today, our unemployment could rise from 6 percent to 9 percent. I predict that when the chips are down, if the bill passes as it is now written, it will not be used for a few years.

"It seems quite clear that our import policy has largely caused this decrease in American jobs. The textile industry is hurt by our own cotton pricing controls. But it probably can survive if we get an equalization fee to offset the 8½ cents per pound subsidy on cotton exported to foreign countries, plus protection in the form of fair tariff rates and quotas against excessive importation of fabrics and apparel from low-wage countries.

"Foreign countries have no just basis to object to any of these procedures. Practically all of them have restrictions which prevent or limit our shipping many items into their borders. There is little reciprocity in practice."

For many years a small group of Members of Congress have tried to make the point that the Reciprocal Trade Agreements had not accomplished its purpose and, in fact, in the many agreements between other nations, the United States gave up more than it gained. Four years ago, the very same results that are being promised now, were promised if we would extend the Reciprocal Trade Agreements for a longer period of time than the conventional 1 year. We were told that it was impossible to negotiate under a 1-year extension and that a 4-year extension would give the executive branch of the Government the tools with which to negotiate on a more permanent and a more reciprocal base. We were told that this would curtail so-called "run-away industries and run away investments," and that agreements could be made that would create export markets without injury to our own domestic employment. Why then was it necessary to wait until the 4 years were up—all but 3 months—before putting into effect the life-saving tariff cuts demanded 4 years ago.

It is my humble opinion that the failure of the 4-year plan has been proven. Particularly in the switch of the character of imports and exports by reversing the field percentage-wise and shifting from manufactured goods in exports and non-manufactured goods in imports to exports of non-manufactured goods and imports of manufactured goods.

In the pamphlet I referred to earlier, a case is attempted to be proven that the United States sells $5 billion more than it buys, showing $20 billion sales and $15 billion of purchases. This is a deliberate misrepresentation of facts and an obvious attempt to establish in the minds of the Congress and the American people a false set of values insofar as American imports and exports are concerned. It has a false set of values insofar as American imports and exports are concerned. It has been acknowledged by all authorities that a minimum of 30 percent of our exports are not sales but are, in fact, gifts and other considerations under foreign aid, as well as another 30 percent in agricultural products for soft credit and other non-returnable credits.

Throughout the year of hearings before our subcommittee, we made every effort to get testimony from persons who, from their public statements, appear to have information relative to the study we had undertaken. It is regrettable that for reasons best known to themselves, the only information that we were able to obtain—from what appears to be authoritative sources—has been some public releases, testimony before other committees and through the media of TV, radio, pamphlets, and illustrated sales booklets given to Members of Congress by Departments of Government, importers, and others interested in the proponent side of this problem.

It might be good to note that, according to the Wall Street Journal, the Secretary of Agriculture is proposing that the international wheat agricultural group increase the world market price of wheat in order to cut down the supports for exported U.S. wheat. On the weekend of March 10, an agreement was reached that the world price of wheat would be increased 12½ percent a bushel subject to member nations' ratification. This was done, according to this story, in order to cut $80 million a year off our U.S. subsidy costs. I would like to ask at this time how any American legislator can justify this action in the face of the proposal that this Congress has agreed to in the creation of a food-for-peace program? How can we, on one hand, justify to our conscience—if not to our constituents—increasing the world wheat price to our consumers all over the world while at the same time holding out the promise to the underfed people of the earth that this country's food program is for their benefit and relief? We were told that agricultural exports have to be maintained in order to sustain our agricultural economy.

Is there any difference, gentlemen, in protectionism for one phase of our economy by way of subsidies and for another part of our economy by way of tariffs? Does not this wheat deal show that world free trade will be a series of cartel agreements, fixed prices, international quotas, all contrary to our American concept of trade and free enterprise?

It has often been said that if you scratch a free trader, you will find a protectionist; it has also been said that protectionism has two faces—one of which wears the mask of free trade.

When a nation restricts its imports—by tariff, quota, multiple exchange rates, or whatever—it openly acknowledges its protectionism. But when it subsidizes its exports—a practice no less protectionist in principle—it often proclaims such policy a contribution to freer trade. Yet, of the two faces of protectionism, subsidies to exports and foreign investments often prove more offensive to a nation's trading partners than do moderate restrictions on imports.

There are many pages of testimony containing—in the reports of our subcommittee hearings—testimony to the great damage inflicted on the agriculture of the United States. Particularly, I would recommend the testimony of the Western Growers Association and the hard, cold facts showing the practical demise of the tomato industry in Nyland, Calif.

This third element is the sales price, based upon cost of production in which a low-cost producer invades the market of a high-cost producer who, because of conditions beyond his control, cannot compete. The U.S. Government recognizes this very simple economic fact when it pays subsidies for the successful exportation of certain commodities. Other countries recognize this simple fact by resorting to one of the many forms of protectionism.

No one seriously questions the desirability of promoting world trade if it works to the mutual advantage of the countries participating in it. In the hope of expanding foreign markets for the products of the United States, Congress enacted the Trade Agreements Act of 1934 empowering the President to reduce our tariffs on foreign products in exchange for like concessions of foreign countries with respect to our products. It was the hope that such a program would stimulate and strengthen our domestic economy.

For the past decade, however, the United States has carried on this program with the primary objective of building the economies of other nations of the world and winning or retaining their good will without regard to the damaging effects upon our own industries and our own labor.

Our foreign aid programs of the past two decades have provided foreign countries with American know-how, equipment, supplies and materials at either no cost or at far less than the cost to American producers of like items. We have shipped modern machinery and equipment valued at $25 billion to these countries and have thus created abroad industrial plants as efficient as many of our own. The productivity of foreign labor has notably increased, yet foreign wages and foreign standards of living remain far, far below our own. Our own industries suffer a growing competitive disadvantage not only in foreign markets but in our own home markets. There is no section of the United States and very few communities where the adverse effect of foreign competition is not felt.

It would be extremely difficult to review all of the affected industries before this committee and I would recommend the reading of the hearings to those among us who appreciate the dangers involved in embarking upon the course of free trade embodied in H.R. 9900. At this point, let us make it very clear that, personally, I am an advocate of liberal, free—but equitable—trade relations. Let me assure you of my keen interest in the problems of the world and the relationship between these problems and the welfare of my country and my congressional district. However, I do not subscribe to the bogeyman tactics contained in one of the many pamphlets issued by the State Department which purports to show that unless we pass this legislation, all world trade will stop, the American people will no longer have any of the following items: automobiles, radios, TV, telephones, cocoa, tea, coffee, brazil and cashew nuts, olives and olive oil, and many other items that Americans are accustomed to having. I feel sure we won't have any shortages of any of these, and especially an insufficient supply of nuts, of all kinds.

Now this problem can be discussed from its economic implications without getting into the realm of fancy, half-truths, misleading—and in many instances—misrepresentative statistics. Never in the history of this country—aside from national war emergencies—has this Nation been denied any of the trade items named in these pamphlets. Nations do not refuse to sell that which they have in surplus.

The very essence of free trade is the unrestricted selling and buying of goods between the peoples, states and nations, based upon need and the availability of supply. It is only because of the industrial revolution taking place, most of it with aid from these United States, that the third element, price, has entered into the trade problem and which must be equalized before any enduring trade policy can be established between competing nations.

There may be some industries and some communities that will not be adversely affected by imports even if our economy is subjected to the further drastic dose of trade concession medicine now being recommended in Washington. But we doubt it. In any event, the important fact on which every American should focus is to recognize that the trade program pursued by our Government during the past 28 years has failed signally to promote the economic well-being and growth of our economy. The fact is that in recent years the rate of economic growth in the United States has been significantly lower than that of other industrialized nations. There are more distressed areas today than any time in our modern history except when the whole world was depressed.

Our strength and the strength of the entire free world require a vigorous, growing domestic economy. Our trade policy must be devoted first and foremost to that end. We cannot let industries wither and die and waste our substance and energies in relocating and retraining workers whose job opportunities have been handed to low-paid foreign labor as a result of ill considered trade concessions.

I believe in giving the unemployed worker every bit of help we can in retraining for new jobs such as the Holland bill spells out.

However, how can any person in good conscience prescribe a remedy for an economy suffering from self-inflicted injuries? Would it not be better to try another prescription instead of doubling the doses of the old medicine?

We need American jobs first and job-taking imports last.

I have very firm convictions and sincerely believe that this approach will promote free trade on an equitable base.

No nation can be exploited during its growth years by low production cost industries in other nations. The economic levels of all nations will grow with their own economic growth and nations giving aid to underdeveloped areas will be free from competition, exploitation and profiteering of their own and foreign nationals.

Free trade can only fulfill its promise of better understanding when price does not make trade inequitable between trading nations.

No trade deal is a good deal if it is unprofitable or unequitable to the parties to the deal.

In winding up this presentation, I would like to give you a few things to think about that have a direct bearing on the issue: U.S. industrial wages, $2.96 per hour, including fringes; Common Market, 85 cents per hour, including fringes; and Japanese, 37 cents per hour, including fringes.

It stands to reason that when imports containing $1 billion worth of Common Market labor enter the United States they displace well over $3 billion worth of payrolls and seed money for our economy. One billion dollars' worth of imports from Japan displaces better than $7 billion worth of labor wages.

This is a loss in wages alone. The selling price of the imports does not alter this fact. Again when we discuss taxes, let us remember that with 70 million people, Japan has a total budget of $6 billion, while the United States has a budget of $92½ billion for 184 million people. How can we fail to adjust these basic costs? With proper safeguards we can, and should, pass new trade legislation.

Outside of certain Government officials and a few who are representatives of foreign exporters or American corporations, operating abroad, every major supporter of the new trade bill wants certain restrictive covenants for his own protection. All of us have something to protect.

I want to vote for a new trade bill because I have been critical of the performance of the present trades legislation. I know we must have a trade pact, but I also know that it must give more than passing notice and lipservice to the American economy.

I have watched the press reports of these and other hearings. I have read most of the pamphlets and releases from all sources. I find that the proponents and endorsers of this legislation want exactly what I would like to have; a new trade bill, free from restraints that are artificial insofar as the real need for restraints is concerned.

I note that some labor supports this trade bill, but wants protection against undue injuries to affected American industries. The Farm Bureau supports free trade for all but farm products affected adversely. The chamber of commerce supports free trade, but is opposed to job retraining programs for workers. The national manufacturers want free trade, but wants tax breaks both here and abroad. The Textile Association supports the legislation, but wants textile quotas and compensating tariff for differentials in raw materials cost. The oil industry wants trade, but wants quotas and other restrictive covenants.

If you go through the House and Senate you will find that most of us are free traders, but we want certain protective covenants on glass, cotton, wheat, carpets, shrimp, fish fillets, lumber, sporting goods, fishing tackle, cheese and on into almost every line of production in the United States.

It is this complex demand of our economy and the realities of world trade that makes it imperative that we have new legislation. At this point, let me make it very clear and known to all as to just what I learned after many months of hearings and study of this many faceted problem.

I learned that unless we work out a long-range, controlled program of international trade, this and other high cost nations, will suffer very severe shock in their economy. There is no longer any real deterrent to universal production of manufactured consumer goods. All other industry is dependent upon the activity of the consumer.

There can be no production without consumption. If you find that I repeat this statement, it is because I have had it drummed into me time after time for these many months.

Consumption does not restrict itself to consumer goods. It covers all sales for use either as food, housing, clothing, transportation, utilities, conveniences, appliances, in fact, every product changed from its natural or raw state, enters into the economy of consumption.

We, therefore, have before us a responsibility that cannot be set aside by propaganda, editorials, TV, or radio coverage or even the blanket or restricted endorsements from the whole populace outside the Congress.

It may be termed the Ball bill, the Hodges bill, or the President's bill, but in the cold facts of recorded history, it reflects—good or bad—upon the Congress that passes it. It is Congress' bill, and the full responsibility is our own.

Later I would prefer, if the chairman agrees, to meet with him and/or his staff to present four very definite recommendations in line with the promotion of free or freer trade based upon equity and fairness, not alone to the peoples of America, but even more so, to the peoples of the underdeveloped nations.

I can say to you at this point that unless we get away from piecemeal concessions and write a bill universally fair, we should pass this bill without any amendments whatsoever, except to make it cover all American industry, farming, and mining.

Only in this way can we get an honest appraisal of its real values. If it is as good as the proponents say it is, it will be the greatest move we can make. If it is as bad as the opponents say it is, it will prove itself and changes will come very rapidly.

Mr. MILLS. Mr. Speaker, I yield the remaining time to the gentleman from Louisiana [Mr. BOGGS].

Mr. BOGGS. Mr. Speaker, I would like to make some observations.

First. This legislation is the result of very careful and serious consideration on the part of both the House Committee on Ways and Means and the Finance Committee in the other body.

Second. The conference report was signed by all the members of the conference on both sides of the aisle, and in both bodies.

Third. This legislation has had wide support in the country. All segments of our economy, including those whose main consideration is the employment of our people, support this bill. I do not believe for one moment that if this legislation had any serious impact on employment in the United States it would be supported by the AFL–CIO. Nor do I believe that the representatives of the great business organizations would support this legislation if they felt there would be a serious impact upon business in the United States as the result of this legislation. Nor do I feel that the representatives of the great farm organizaions would support the legislation if they had a similar reaction to it.

So the obvious answer to the gentleman from Pennsylvania, with all due respect, is that as he so well pointed out himself, the great body of opinion in the United States of America today on both sides of the political aisle favors enactment of this legislation.

I headed a subcommittee of the Joint Economic Committee. We made far-reaching studies into the depths of the problems involved, and we came up with unanimous agreement on legislation similar to the legislation now before this body.

Mr. CURTIS of Missouri. Mr. Speaker, will the gentleman yield?

Mr. BOGGS. I yield to the gentleman from Missouri.

Mr. CURTIS of Missouri. I would have to contradict the gentleman. The minority of the Joint Economic Subcommittee did not agree.

Mr. BOGGS. I use the word "similar."

Mr. CURTIS of Missouri. We had our difficulties and I hate to interject a note of discord here, but I do want to keep the record straight.

Mr. BOGGS. The gentleman and his colleague, and our colleague from Connecticut on the other side of the Capitol, had some ideas that were not quite in keeping with the ones of the majority members of the subcommittee. But finally, I think there was substantial agreement.

Mr. CURTIS of Missouri. I may say to the gentleman I was in agreement with the Reciprocal Trade Act in the first place.

Mr. BOGGS. Mr. Speaker, I think the committees in both houses of the Congress have done a monumental job. I think we will look back to this day and this year as a great era in the history of the United States; and, as the gentleman from New York [Mr. KEOGH] has said so many times, an era representing sound economic maturity on the part of our great country.

Mr. Speaker, I hope this conference report will be adopted by an overwhelming vote.

Mr. MILLS. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The **SPEAKER.** The question is on the conference report.

The question was taken and the Speaker announced that the ayes appeared to have it.

Mr. MILLS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 256, nays 91, not voting 88, as follows:

[Roll No. 271]

YEAS—256

Abbitt
Addabbo
Albert
Alford
Arends
Ashley
Auchincloss
Avery
Ayres
Bailey
Baker
Baldwin
Barrett
Barry
Bass, N.H.
Bass, Tenn.
Bates
Beckworth
Bennett, Fla.
Boggs
Boland
Bolton
Bonner
Bow
Brademas
Brewster
Brooks, Tex.
Broomfield
Broyhill
Buckley
Burke, Mass.
Byrne, Pa.
Byrnes, Wis.
Cahill
Cannon
Carey
Celler
Chamberlain
Chelf
Clark
Cohelan
Conte
Cook
Cooley
Corbett
Corman
Cramer
Curtis, Mass.
Curtis, Mo.
Daddario
Daniels
Davis, John W.
Davis, Tenn.
Dawson
Delaney
Derounian
Derwinski
Diggs
Dingell
Dole
Donohue
Dorn
Downing
Doyle
Dulski
Durno
Dwyer
Edmondson
Elliott
Ellsworth
Everett
Fallon
Farbstein
Fascell
Feighan
Findley
Finnegan
Fino
Flynt
Ford
Forrester
Fountain
Frelinghuysen
Friedel
Fulton
Gallagher
Garmatz
Gary
Gathings
Giaimo
Gilbert
Gonzalez
Goodell
Granahan
Grant
Green, Oreg.
Green, Pa.
Griffin
Gubser
Hagan, Ga.
Hagen, Calif.
Halleck
Halpern
Harding
Hardy
Harris
Harvey, Mich.
Healey
Hechler
Hemphill
Henderson
Holifield
Horan
Hosmer
Huddleston
Hull
Inouye
Jennings
Joelson
Johnson, Calif.
Johnson, Md.
Johnson, Wis.
Jones, Ala.
Judd
Karsten
Kastenmeier
Keith
Kelly
Keogh
King, Calif.
King, Utah
Kirwan
Kitchin
Kluczynski
Kornegay
Kowalski
Kunkel
Kyl
Landrum
Lane
Langen
Lankford
Lennon
Lesinski
Libonati
Lindsay
Loser
McFall
Mack
Madden
Mahon
Mailliard
Marshall
Mathias
Matthews
Meader
Merrow
Miller, N.Y.
Milliken
Mills
Minshall
Montoya
Moorhead, Pa.
Morris
Morrison
Morse
Mosher
Moss
Moulder
Multer
Murphy
Murray
Natcher
Nedzi
Nelsen
Nix
Norblad
Norrell
Nygaard
O'Brien, N.Y.
O'Hara, Ill.
O'Hara, Mich.
O'Neill
Osmers
Ostertag
Patman
Pelly
Perkins
Pfost
Pike
Pilcher
Poage
Poff
Powell
Price
Pucinski
Purcell
Randall
Reece
Reuss
Rhodes, Pa.
Riehlman
Rivers, Alaska
Roberts, Ala.
Roberts, Tex.
Robison
Rodino
Rogers, Colo.
Rogers, Fla.
Rooney
Rosenthal
Rostenkowski
Roush
Rutherford
Ryan, Mich.
Ryan, N.Y.
St. Germain
Santangelo
Schenck
Schneebeli
Schweiker
Schwengel
Scott
Selden
Shriver
Sibal
Sisk
Slack
Smith, Iowa
Smith, Miss.
Spence
Springer
Stafford
Stephens
Stratton
Stubblefield
Sullivan
Taylor
Teague, Calif.
Teague, Tex.
Thomas
Thompson, N.J.
Thompson, Tex.
Toll
Trimble
Tupper
Udall, Morris K.
Vanik
Wallhauser
Walter
Weaver
Wickersham
Widnall
Willis
Wright
Zablocki

NAYS—91

Abernethy
Alger
Andersen, Minn.
Andrews
Ashbrook
Ashmore
Baring
Battin
Becker
Beermann
Betts
Bray
Bruce
Burleson
Casey
Cederberg
Chenoweth
Church
Clancy
Collier
Colmer
Cunningham
Dague
Davis, James C.
Dent
Devine
Dowdy
Fenton
Fisher
Flood
Fogarty
Gavin
Goodling
Gross
Haley
Harrison, Wyo.
Harsha
Hoffman, Ill.
Ichord, Mo.
Jarman
Jensen
Johansen
Jonas
Kearns
Kilgore
King, N.Y.
Knox
Latta
Lipscomb
McCulloch
McMillan
Martin, Mass.
Martin, Nebr.
Mason
May
Monagan
Moore
Moorehead, Ohio
Morgan
Olsen
Passman
Philbin
Pillion
Pirnie
Ray
Rhodes, Ariz.
Riley
Rivers, S.C.
Rousselot
St. George
Saylor
Schadeberg
Sikes
Smith, Calif.
Smith, Va.
Steed
Taber
Thomson, Wis.
Tollefson
Tuck
Utt
Waggonner
Westland
Wharton
Whitener
Whitten
Wilson, Calif.
Wilson, Ind.
Winstead
Young
Younger

NOT VOTING—88

Adair
Alexander
Anderson, Ill.
Anfuso
Aspinall
Belcher
Bell
Bennett, Mich.
Berry
Blatnik
Blitch
Bolling
Boykin
Breeding
Bromwell
Brown
Burke, Ky.
Chiperfield
Coad
Curtin
Denton
Dominick
Dooley
Evins
Frazier
Garland
Glenn
Gray
Griffiths
Hall
Hansen
Harrison, Va.
Harvey, Ind.
Hays
Hébert
Herlong
Hiestand
Hoeven
Hoffman, Mich.
Holland
Jones, Mo.
Karth
Kee
Kilburn
Laird
McDonough
McDowell
McIntire
McSween
McVey
Macdonald
MacGregor
Magnuson
Michel
Miller, Clem
Miller, George P.
Moeller
O'Brien, Ill.
O'Konski
Peterson
Quie
Rains
Reifel
Rogers, Tex.
Roosevelt
Roudebush
Saund
Scherer
Scranton
Seely-Brown
Shelley
Sheppard
Shipley
Short
Siler
Staggers
Thompson, La.
Thornberry
Ullman
Van Pelt
Van Zandt
Vinson
Watts
Weis
Whalley
Williams
Yates
Zelenko

So the conference report was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Hébert for, with Mr. Kilburn against.

Mr. Bromwell for, with Mr. Hoeven against.

Mr. Quie for, with Mr. Hall against.

Mr. MacGregor for, with Mr. Van Pelt against.

Mr. Herlong for, with Mr. McIntire against.

Mr. George P. Miller for, with Mr. Berry against.

Mr. Michel for, with Mr. Anderson of Illinois, against.

Mr. Ullman for, with Mr. Laird against.

Mr. Thompson of Louisiana for, with Mr. Brown against.

Mr. Burke of Kentucky for, with Mr. Hoffman of Michigan against.

Mr. Peterson for, with Mr. Hiestand against.

Mr. Roosevelt for, with Mr. Williams against.

Mr. Gray for, with Mr. Moeller against.

Mr. Scranton for, with Mr. Roudebush against.

Mr. Van Zandt for, with Mr. Scherer against.

Mr. Short for, with Mr. Siler against.

Mr. Shelley for, with Mr. Harvey of Indiana against.

Mr. Sheppard for, with Mr. Shipley against.

Mr. Rains for, with Mr. O'Konski against.

Mr. Evins for, with Mr. Chiperfield against.

Mr. Bell for, with Mr. Belcher against.

Mr. Karth for, with Mr. Reifel against.

Mr. Denton for, with Mr. McVey against.

Mr. Blatnik for, with Mr. Dominick against.

Mr. Macdonald for, with Mr. Glenn against.

Mr. Frazier for, with Mr. McDonough against.

Until further notice:

Mr. Alexander with Mr. Adair.

Mr. Staggers with Mr. Curtin.

Mr. Rogers of Texas with Mr. Dooley.

Mrs. Hansen with Mr. Seely-Brown.

Mr. Harrison of Virginia with Mrs. Weis.

Mr. Watts with Mr. Bennett of Michigan.

Mr. McDowell with Mr. Garland.

Mr. FLOOD changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

AUTHORIZING CERTAIN BANKS TO INVEST IN CORPORATIONS WHOSE PURPOSE IS TO PROVIDE CLERICAL SERVICES

Mr. SPENCE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 8874) to authorize certain banks to invest in corporations whose purpose is to provide clerical services for them, and for other purposes, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

> Page 4, strike out lines 1 to 4, inclusive, and insert: "any activity other than the performance of bank services for banks."

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

BANK SERVICE CORPORATIONS

Mr. PATMAN. Mr. Speaker, reserving the right to object, when this bill was before the Committee on Banking and Currency limited hearings only were conducted. The question of whether or not the banks cooperating in this matter would be in violation of the antitrust law was not investigated, and no hearings were held on the question. After the bill passed the House I contacted the Assistant Attorney General in charge of antitrust in the Department of Justice, and he gave me a letter which indicated to me if the bill is enacted into law it would be in violation of the law. The Senate committee had inadequate hearings too. They had very short hearings and did not go into that question.

So the question has not been resolved.

I invite your attention to just a few of the objections that the Attorney General has to this legislation:

> The exchange of confidential business information among competitors carries with it the possibility that such information will be used for anticompetitive purposes. Thus the exchange of information concerning interest rates and charges to particular customers could result in an elimination of competition for the account and an artificial stabilization of interest rates at noncompetitive levels. Past experience has illustrated that such anticompetitive results have in fact occurred in the operation of many bank clearinghouse associations. To avoid this possibility, it would be desirable to provide that no information furnished to the service corporation may be made available to participating banks other than the bank directly involved.

There is a serious defect in this bill. It has not been investigated at all, no hearings were held on it, and it is I consider a fatal defect. I continue—

> Moreover, such jointly owned corporations could become vehicles through which large banks could enhance their dominant position in the market.

That is another thing, Mr. Speaker, I am apprehensive of; that is, the large banks would have a position of advantage over the small banks. I read further:

> Competition in the offering of services is one of the most important types of competition which the antitrust laws seek to preserve. Frequently, service competition is the principal means by which small businesses, including banks, are able to attract and maintain business. Any diminution in the incentives to small banks to engage in competition of this type would be of serious concern to the Department of Justice.
>
> In view of the fact that the formation of such corporations is not exempted from the antitrust laws, any antitrust violations occurring in the operation of the service corporations would, of course, be subject to prosecution by the Department of Justice.

Mr. Speaker, I submit that since this question of violation of antitrust laws has not been gone into, it has not been investigated, no hearings have been conducted on that question at all, no witnesses have appeared before any congressional committee to comment upon that question at all, and since it is necessary that a congressional committee go into it, I feel it would be unwise to accept the Senate amendment but that the bill should go back to the Committee on Banking and Currency.

Mr. DERWINSKI. Mr. Speaker, a point of order.

The SPEAKER. The gentleman will state his point of order.

Mr. DERWINSKI. Mr. Speaker, the point of order that the gentleman from Texas [Mr. PATMAN] made, as I understood it, was that the gentleman reserved the right to object.

Mr. PATMAN. I am reserving the right to object.

The SPEAKER. The Chair will state that if the gentleman presses his point of order at this point, the Chair will have to overrule it. On the other hand, the gentleman has another parliamentary procedure which will bring the matter to a head. But it is not the Chair's duty to suggest it.

Mr. DERWINSKI. Mr. Speaker, I am merely suggesting that the gentleman from Texas has not reached the point of his reservation.

Mr. PATMAN. I have just about reached it, but I will state to the gentleman that I was reserving the right to object.

Mr. Speaker, I ask unanimous consent to insert in the RECORD at this point the dissenting views, prepared by the gentleman from Texas [Mr. GONZALEZ] and myself, in opposition to this bill when it was reported out of the Committee on Banking and Currency of the House.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The dissenting views follow:

DISSENTING VIEWS OF HON. WRIGHT PATMAN AND HON. HENRY B. GONZALEZ

We dissent to H.R. 8874 on seven grounds.

(1) The bill raises serious problems under the antitrust laws and may open the door to restraints of trade, price fixing, and bank mergers. This very important question was not raised in the hearings. We are presenting an opinion of Judge Lee Loevinger, Assistant U.S. Attorney General, Antitrust Division, Department of Justice, herewith, that is convincing that further study be given this proposal.

(2) Inadequate hearings were held to guide us in this very new pioneering venture. More time should be given for developments and experience.

(3) Billions of dollars are involved in this bill that is presented in very short hearings where limited information was presented and where few questions were asked. This is a bonus to the banks since it allows 10 percent of their capital funds to perform double duty. Banks' capital can also be diluted by investments in small business investment companies. Capital funds are sacred and should be carefully guarded.

(4) No foundation has been laid for the necessity for banks to invest in service corporations as the only means of securing the advantages of electronic clerical services.

(5) The bill as written is tailormade to benefit particularly branch and holding company banking.

(6) Banks should not be permitted to dilute their capital structure in this fashion, when the banks already complain about inability to make loans because of insufficient capital.

(7) It is doubted that small or independent banks will permit even friendly competitors to have access to their confidential transactions and business, so we can reasonably expect that only branch and holding company banks will utilize the provision, with the result that they will have an advantage over their small and independent competitors. The bill thus would have consequences which its sponsors claim they are preventing.

BILL RAISES SERIOUS QUESTIONS UNDER THE ANTITRUST LAWS

The committee might well have elicited testimony from the Chief of the Antitrust

Division of the Department of Justice to explore the possibility of problems this bill might create under the antitrust laws. Mr. Patman undertook to ask Judge Loevinger about this and received the following reply—which speaks quite eloquently of the problems this bill might raise:

JULY 27, 1962.

Hon. WRIGHT PATMAN,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN PATMAN: This is in reply to your request for my views on the possible antitrust consequences of H.R. 8874, a bill to authorize certain banks to invest in corporations whose purpose is to provide clerical services for them, and for other purposes.

While I do not disagree with the basic objectives of this bill, you may wish to consider possible abuses which might raise questions under the antitrust laws.

The exchange of confidential business information among competitors carries with it the possibility that such information will be used for anticompetitive purposes. Thus the exchange of information concerning interest rates and charges to particular customers could result in an elimination of competition for the account and an artificial stabilization of interest rates at noncompetitive levels. Past experience has illustrated that such anticompetitive results have in fact occurred in the operation of many bank clearinghouse associations. To avoid this possibility, it would be desirable to provide that no information furnished to the service corporation may be made available to participating banks other than the bank directly involved.

Moreover, such jointly owned corporations could become vehicles through which large banks could enhance their dominant position in the market. Competition in the offering of services is one of the most important types of competition which the antitrust laws seek to preserve. Frequently, service competition is the principal means by which small businesses, including banks, are able to attract and maintain business. Any diminution in the incentives to small banks to engage in competition of this type would be of serious concern to the Department of Justice.

In view of the fact that the formation of such corporations is not exempted from the antitrust laws, any antitrust violations occurring in the operation of the service corporations would, of course, be subject to prosecution by the Department of Justice. If, for example, the acquisition of stock in any of these corporations should substantially lessen competition or tend to create a monopoly, section 7 of the Clayton Act would be fully applicable.

Time has not permitted a detailed analysis of the bill or coordination of these views either within the Department or with the Bureau of the Budget. However, I hope that these observations may be of some help in your consideration of this matter.

Sincerely,

LEE LOEVINGER,
Assistant Attorney General,
Antitrust Division.

Judge Loevinger raises the question about the possible "exchange of confidential business information among competitors" and the possibility that this procedure might "be used for anticompetitive purposes."

This is obviously a serious matter, as witness the statement made by Mr. Wolcott:

"The bank service corporation will have in its possession records and data of two or more banks, confidential in nature and vital to the banks' operations. For that reason the supervisory agency must be put in a position of immediate control of any conduct by the bank service corporation constituting a violation of any provision of the bill or of any regulation thereunder." [1]

Thus, both the supervisory agencies and the Antitrust Division would, under this bill, be required to undertake additional burdens; namely, to observe very carefully the conduct of any bank service corporation, to determine whether they would involve any violations of law.

Judge Loevinger speaks of the danger of jointly owned corporations becoming "vehicles through which large banks could enhance their dominant position in the market."

He also stresses that "competition in the offering of services is one of the most important types of competition which the antitrust laws seek to preserve."

Further, he notes that—

"Frequently, service competition is the principal means by which small businesses, including banks, are able to attract and maintain business. Any diminution in the incentive to small banks to engage in competition of this type would be of serious concern to the Department of Justice."

Finally, Judge Loevinger points to the danger of monopolistic mergers. There is a tremendous merger movement underway among banks. The growing monopoly of money and credit—the lifeblood of our economy—poses an ominous threat particularly to opportunities for small business. The Congress should not take steps to accelerate this trend.

HEARINGS INADEQUATE FOR SUCH A PIONEERING VENTURE

H.R. 8874 would permit any two or more national banks and State member banks, when authorized by State law, to invest not exceeding 10 percent of each bank's capital and surplus in stock of a bank service corporation, established to provide clerical and bookkeeping services.

The hearings were exceedingly brief. Testimony was heard from the Chairman of the Board of Governors of the Federal Reserve System, the Comptroller of the Currency, and a Director of the Federal Deposit Insurance Corporation (Mr. Wolcott). Statements were also filed by counsel of the Connecticut Bankers Association and by the executive vice president of the Massachusetts Bankers Association. Very few questions were raised by committee members. Comptroller of the Currency Saxon termed the bill "purely a technical, procedural one in essence, and intended primarily to meet the requirements of smaller institutions.[2]

He commented further that—

"The proposal is not an earthshaking thing." [3]

Comments of the banking officials notwithstanding, this is a serious pioneering venture for banks into nonbanking fields. More thorough testimony should be elicited and more time should be given for development and experience in this area before taking the major step the bill provides.

BANKS SHOULD NOT BE PERMITTED TO DILUTE CAPITAL STRUCTURE

It need hardly be documented, in view of the complaints we have heard in increasing volume in recent years, that banks—particularly small banks—feel that their capital ratios are inadequate. It is contended that inadequate capital ratios are an impediment to making much needed loans.

The 1961 Annual Report of the Federal Deposit Insurance Corporation, a copy of which I have just received, reveals a further decline in the capital ratio of insured banks. This is shown by the following tabulation:

Ratio of total capital accounts to total assets other than cash and U.S. Government obligations (percent), of all insured banks in the United States, Dec. 31, 1958, through Dec. 30, 1961

Call dates:	*Percentage*
Dec. 31, 1958	14.1
June 10, 1958	13.9
Dec. 31, 1959	13.5
June 15, 1960	13.6
Dec. 31, 1960	13.7
Apr. 12, 1961	13.9
June 30, 1961	13.9
Sept. 27, 1961	13.9
Dec. 30, 1961	13.6

Source: Annual report of the Federal Deposit Insurance Corporation, 1961, p. 107.

As shown above, the ratio of capital accounts to total assets other than cash and U.S. Government obligations has declined in recent years. As of December 30, 1961, it stood at 13.6 percent as compared with 14.1 percent at the end of 1958. During this same interval, total loans and discounts (net) of all insured banks rose from $117 billion at the end of 1958 to over $150 billion at the end of 1961.

That investment in service corporations will dilute the capital structure of banks is reflected in the efforts of the Comptroller of the Currency to raise the effective limit to 25 percent.

Already, the capital funds of the banks are doing double duty, since they can be diluted by investments in small business investment companies.

QUESTION NOT EXPLORED AS TO WHETHER BANKS COULD SECURE ELECTRONIC CLERICAL SERVICES WITHOUT INVESTING IN SERVICE CORPORATIONS

Were this a matter simply of enabling banks to secure cost-saving benefits of electronic devices, it would not cause any great concern. However, it is in the means of securing such services that serious problems arise. Is it essential that banks secure an ownership interest in a service corporation in order to have the benefit of electronic services? No testimony was heard on this point. The matter was not raised by any of the members of the committee.

The limited testimony was to the effect that only by being permitted to join together with other banks and investing in service corporations would the smaller banks be able to secure the cost-saving efficiency of electronic bookkeeping.

Mr. Wolcott testified:

"The electronic computer, with related equipment, is ideally suited to the accounting needs of banks, but unfortunately is so costly that only the large banks can afford the machines. If the small banks, and 10,000 of the 13,400 banks of the country are small banks (under $10 million), were unable to utilize the electronic computer because of cost, they would be placed at a serious disadvantage.

"Fortunately, the great speed and capabilities of computers make it possible for one installation to perform the accounting function for several smaller banks located within a county or regional area possessed of good communications. By sharing the expense, two or more banks may enjoy the benefits of a computer system on a par with large banks." [4]

Mr. Saxon stated:

"Many of them singly lack the capital required to undertake these extensive programs in view of the cost of the equipment.[5]

---

[1] Hearings on H.R. 8874, p. 47.

[2] Hearings, p. 40.

[3] Ibid.

[4] Hearings, p. 46.

[5] Id., p. 40.

Mr. Martin stated:

"Under the bill, two or more banks would be able to pool their resources through the corporate device in order to gain the benefits—for themselves and for their customers—of this expensive equipment.[8]

Electronic devices have been so publicized in recent years that one would think that nothing can be done without them. They are thought to be so efficient and so magnificent that merely to suggest their use is to induce enthusiasm. Maybe this is the reason why no questions were raised as to whether the only way banks could utilize such electronic equipment would be to own them. But this overlooks a very important fact; namely, that the major electronic companies provide these services through their own service bureaus. It is not necessary to own the equipment. Indeed, it is rare that the more expensive computers are purchased. It would be most uneconomical to own some of the more expensive machines unless the load factor were extremely heavy.

In short, until it is demonstrated that electronic clerical services can be secured only through the owning of service corporations, banks should not be permitted to join together for this purpose. Moreover, we should have some information as to the number of people in small communities that might be thrown out of work by the introduction of these electronic services.

BILL BENEFITS BANK HOLDING COMPANIES AND BRANCH BANKS

It is clear that the great beneficiaries of this bill are the bank holding companies and the branch banks. They are the ones who have the financial resources to undertake investment in service corporations. But more significant, the independent banks guard carefully information on their confidential accounts. Once other banks gain access to such information, the way is paved for overt merger, bank holding company takeover, or covert branching.

It is significant that no testimony was heard on H.R. 8874 from representatives of the small banks. The Independent Bankers Association did not testify on behalf of the bill. We have not received a single letter from banks in our districts recommending that the bill be passed.

In view of the serious questions raised by H.R. 8874, it is our sincere belief that it should be rejected.

Respectfully submitted.

WRIGHT PATMAN.
HENRY B. GONZALEZ.

Mr. PATMAN. Mr. Speaker, I must object to this unanimous-consent request.

Mr. SPENCE. Mr. Speaker, I would also like to have inserted in the RECORD at this point the majority views of the committee. There were only two votes against this bill in the committee, and the administration wants it.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The matter referred to follows:

WHAT THE BILL WOULD DO

H.R. 8874 would enable banks to utilize modern equipment through stockownership in a jointly owned service corporation. At the present time nine States have enacted legislation specifically authorizing State banks to invest in bank service corporations, and in New York and possibly other States, State banks are authorized to invest in such service corporations under general provisions of the code. However, Federal law prevents national banks and certain other federally supervised banks from sharing this privilege because of investment restrictions in the applicable Federal statutes.

The bill removes all limitations and prohibitions of Federal law exclusively relating to banks, regardless of how owned, which would otherwise prevent banks from investing up to 10 percent of their capital and surplus in bank service corporations. The bill requires that initially, at least two banks must own stock in any such corporation, but provides that if one bank ceases to own stock and participate in a bank service corporation, the remaining bank may continue to hold stock in it.

Provision is made that a bank service corporation must, if requested, furnish its services to competing banks unless comparable services at competitive cost are available to the applying banks from another source, or unless the furnishing of the services sought by the competing bank would be beyond the practical capacity of the corporation. If required to furnish such services the corporation would have the option of either issuing stock and furnishing bank services on the same basis as to other stockholders, or furnishing the services at cost (including the reasonable cost of capital). Bank service corporations are prohibited from performing more than one-half of their services for persons other than banks.

The last section of the bill provides that whenever a federally supervised bank has bank services performed for it, regardless of whether they are performed by an affiliated service corporation or by some wholly independent enterprise, the performance of such services must be subject to examination, and performed in accordance with regulations of the supervisory agencies, to the same extent as if the bank itself were performing them on its own premises. Quite apart from the investment problem dealt with in the preceding sections of the bill, it would obviously be unwise to permit banks to avoid the examination and supervision of vital banking functions by the simple expedient of farming out such functions.

THE NEED FOR THE BILL

The demand for bank services is increasing at an extremely rapid rate. Many banks have found it difficult to acquire adequate personnel to handle this mounting workload. Testimony indicated that the volume of checks in circulation has increased tremendously during the past two decades. The estimated check volume in 1939 was 3.5 billion. The volume is increasing at the rate of about one-half billion items per year. By 1970 the number of checks is expected to be at an annual rate of 22 billion. In addition to check handling there is a need for automation of other bank services. Some banks are now processing their savings accounts, computing payrolls, calculating other credits and charges, and preparing and mailing statements through the use of automatic equipment. For the majority of banks the high cost of equipment makes this impossible.

Larger banks are generally able to afford this automatic equipment, but smaller institutions find the cost prohibitive. According to a study made by the Federal Reserve System, nearly all large banks in the group they surveyed are presently using some form of automated equipment or plan to do so within the next 3 years. However, the ratio of automating banks to the total number of banks falls rapidly as one moves down the scale in bank size. Thus, it is becoming more and more difficult for smaller banks to compete with larger banks in offering complete and efficient banking services to their customers. Testimony was received which indicated unless a satisfactory means is devised whereby smaller banks may acquire benefits of automated equipment, many of them may be absorbed by larger banks.

Under this bill two or more banks would be able to pool their resources through the corporate device in order to gain the benefits of this expensive equipment for themselves and for the people in their communities.

VIEWS OF THE FEDERAL BANK SUPERVISORY AGENCIES

All the bank supervisory agencies have submitted reports on the bill. The reports are as follows:

APRIL 26, 1962.

Hon. BRENT SPENCE,
Chairman, Committee on Banking and Currency, House of Reprsentatives, Washington, D.C.

DEAR MR. CHAIRMAN: This is in reply to your request for the comments of this Department on H.R. 8874, to authorize certain banks to invest in corporations whose purpose is to provide clerical services for them and for other purposes.

The bill would authorize national banks, district banks, and State member banks to invest in a corporation organized to perform clerical services for two or more banks.

The Treasury Department is in accord with the objectives of the proposed legislation but feels that its scope should be extended in two respects. Clerical services are not the only services which might be performed better or at less cost by a service corporation. Furthermore, no reason appears why a corporation organized to provide services for a single bank should be excluded from the benefits of the proposed legislation.

The Treasury, therefore, recommends (1) that the committee give consideration to other services which a service corporation might properly be authorized to perform and (2) that such corporation be authorized to perform services for one or more.

The Department has been advised by the Bureau of the Budget that there is no objection from the standpoint of the administration's program to the submission of this report to your committee.

Sincerely yours,

ROBERT H. KNIGHT,
General Counsel.

JULY 25, 1962.

Hon. BRENT SPENCE,
Chairman, Committee on Banking and Currency, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: Reference is made to your request for the views of this Department with respect to committee amendments to H.R. 8874, a bill to authorize certain banks to invest in corporations whose purpose is to provide clerical services for them, and for other purposes, as amended.

This bill would authorize national banks, district banks, member banks, or nonmember insured banks to invest an amount not in excess of 10 percent of capital and surplus in the stock of a corporation organized to perform services for two or more banks. The bill, as amended, subjects the service corporations to regulation by existing Federal banking agencies and also prescribes certain other limitations on the activities of the service corporations.

The Department prefers the original bill, which was designed to remove the impediment in existing law to investment in the stock of such service corporations. The Department believes that H.R. 8874, as amended, by incorporating a number of additional restrictions on such investment, unnecessarily limits the possibilities for banks to obtain the benefits which were intended to be afforded under the original bill. These restrictions have been discussed in detail by members of my staff and the staff of your committee. The Department will be glad to supply a memorandum setting forth its objections to the proposal, should your committee so desire.

---

[8] Id., p. 34.

In view of the need for the expedition of this report, it has not been possible to obtain the customary Bureau of the Budget clearance prior to its submission.

Sincerely yours,

Robert H. Knight,
General Counsel.

Board of Governors of the
Federal Reserve System,
Washington, March 1, 1962.

Hon. Brent Spence,
Chairman, Committee on Banking and Currency, House of Representatives, Washington, D.C.

Dear Mr. Chairman: This is in reply to your letter of August 28, 1961, asking for a report from the Board on the bill H.R. 8874, to authorize certain banks to invest in corporations whose purpose is to provide clerical services for them, and for other purposes. If enacted, the bill would be cited as the "Bank Service Corporation Act."

While it favors the objective of the bill, the Board wishes to emphasize the relatively new and rapidly developing field to which the bill addresses itself. Suggestions as to changes in some of the features of the bill are set forth in the latter part of this letter.

The basis for the bill is the improvements in recent years in data processing through the use of electronic and related equipment designed for that purpose. This equipment is being utilized by more and more banks. For example, some banks have purchased the equipment because, notwithstanding the high initial cost, its use makes possible operating economies and improvements in services not otherwise attainable. Other banks have service contracts with data processing centers operated by private commercial concerns. H.R. 8874 undertakes to make the benefits of such equipment available to banks through an additional device that might be attractive especially to many smaller or medium sized banks.

"Bank service corporation" is defined by the bill as "a corporation whose primary purpose is to perform for two or more banks, each of which has an investment in such corporation, services such as check and deposit sorting and posting, computation and posting of interest and other credits and charges, preparation and mailing of statements, notices, and similar items, or any other similar clerical or bookkeeping function."

H.R. 8874 would permit any national bank, any bank organized under the law of the District of Columbia, and any State bank that is a member of the Federal Reserve System and is authorized to do so under State law, to make investments in a bank service corporation, either by the purchase of its stock or by loans or advances thereto. In the absence of such an authorization, investments of this kind by member banks would be prohibited or restricted under various provisions of the Federal banking laws. But, if a State member bank had no authority under the applicable State law to invest in a bank service corporation, State enabling legislation would be necessary, notwithstanding enactment by Congress of legislation like the present bill. It is understood that enabling legislation has been enacted thus far by six States; i.e., Connecticut, Iowa, Maine, Michigan, Ohio, and Pennsylvania.

The bill limits the total amount of investments outstanding at any one time in a bank service corporation by any such bank to 10 percent of its capital and surplus, unless approved by the Comptroller of the Currency in the case of a national or a district bank, or by the Board of Governors of the Federal Reserve System in the case of a State member bank. Investments in excess of that limitation may be approved by the Federal supervisory agency concerned if, in its judgment, (1) the investment is reasonable and prudent in relation to the financial strength of the bank; (2) the corporation may be reasonably expect to effect for the bank reduced clerical costs or improvements in customer services sufficient to justify the investment; and (3) the appropriate Federal supervisory agency receives satisfactory assurances that, whenever the 10-percent limitation is exceeded, (a) the corporation will make such reports to the agency as it may require, and (b) the corporation's charter, capitalization, scope of operations, or schedule of charges for services will not be changed materially without the agency's approval.

Bank service corporation: The definition of "bank service corporation" in section 2(a) of the bill is quoted above. As the definition recognizes, the efficiency of a bank service corporation and the resulting benefits to the investing banks might be increased in some circumstances if the corporation were not limited to serving the banks exclusively. The Board believes, however, that the definition should be changed to make it clearer that over one-half of the corporation's business would have to be that of serving the investing banks, and to limit any business of the corporation with others to serving them in the same way permissible as to banks. These suggestions might be accomplished by substituting for the language "whose primary purpose is to perform" in line 7 on page 1 of the bill, the language "(1) whose principal purpose is to perform"; and by adding at the very end of the definition new language reading "and (2) whose other purposes, if any, are limited to the performance of comparable services for others."

The definition of "bank service corporation," includes an enumeration of the services to be performed for the banks, followed by the language "or any other similar clerical or bookkeeping function." (See p. 2 of the bill, lines 2 and 3.) In order to assure the maximum benefit from the operations of a bank service corporation, it is suggested that the language just quoted be broadened to read "or any other similar clerical, bookkeeping, accounting, or statistical function related to the business of the banks."

State nonmember insured banks: Despite the provision of the bill, section 6(a)(1) of the Bank Holding Company Act (U.S.C., title 12, sec. 1845) would continue to preclude a State nonmember insured bank that is a subsidiary of a bank holding company from investing in a bank service corporation that is also a subsidiary of the holding company and is not engaged solely in serving the holding company or its subsidiary banks. It is believed that this could be remedied by an amendment to section 3 of the bill which would include State nonmember insured banks among the banks which may invest in bank service corporations, and by an appropriate change in section 2(d) of the bill. The Board would have no objection to amendments to the bill in these respects.

Investments exceeding the 10-percent limitation: In connection with approval by the Federal supervisory agency concerned of total investments by a bank in a bank service corporation in excess of 10 percent of the bank's capital and surplus, section 4(2) requires the agency, among other things, to be satisfied that "the corporation may reasonably be expected to provide a reduction in clerical costs, or an improvement in the services offered by the bank to its customers, or some combination thereof, which is sufficient to justify the investment." At the same time, section 4(1) would require the agency to be satisfied that "the investment is reasonable and prudent in relation to the financial strength of the bank." The Board suggests that section 4(2) be deleted. The detailed nature thereof would not only be conducive to administrative difficulties, but the provision itself is not necessary in view of the broad scope of section 4(1).

Section 4(3)(B) requires, in effect, that whenever the 10-percent investment limitation is exceeded, "no amendment shall be made to the charter, and no substantial change may be made in the [bank service] corporation's capitalization, scope of operations, or schedule of charges for services without the approval of" the Federal supervisory agency concerned. It is suggested that the language just quoted be changed to read "no substantial change may be made in the capitalization or operations of the corporation without the approval of such agency." This simplified provision would seem entirely adequate to protect the investing banks.

Reports and examinations: Under section 4(3)(A) of the bill, the Federal supervisory agency concerned is entitled to reports from the bank service corporation whenever the bank's total investment therein exceeds the 10-percent limitation. The Board believes that the purpose of a provision for reports from a bank service corporation would be better effectuated if the provision were broadened to include also examinations of such corporations and certain regulatory safeguards, and if the provision, as so broadened, were made applicable irrespective of the 10-percent limitation. This might be accomplished by deleting section 4(3)(A) of the bill and adding at the end of section 3 a new sentence such as the following:

"No investment shall be made pursuant to this section unless the bank first obtains from the bank service corporation an agreement that it will permit examiners appointed by the Federal supervisory agency concerned to make such examination of the corporation as the agency may deem necessary, will make such reports to the agency as it may require, and will comply with such regulations as the agency may prescribe as necessary or appropriate to assure both to the bank and the corporation adequate systems of insurance protection and internal audit and control."

Relations with other data processing organizations: As pointed out above some banks have already availed themselves of services of the kinds contemplated by H.R. 8874 for bank service corporations, through contractual arrangements with data processing centers operated by private commercial concerns. It would seem reasonable to expect the number of such banks to increase. The Board believes that its suggestion above with respect to examinations, reports, and regulations in the case of bank service corporations should be made applicable as well to other data processing organizations serving banks. If the foregoing suggested addition to section 3 of the bill should be adopted, the latter suggestion might be accomplished by adding to the bill a new section 5 along the following lines:

"Sec. 5. No bank of a kind referred to in section 3 of this act shall enter into any contract or other arrangement for the purpose of obtaining services described in section 2(a) of this act from any person other than a bank service corporation, unless the bank first obtains from such person an agreement of the kind required by the last sentence of section 3 of this act. As used in this section 'person' includes an individual, corporation, partnership, association, and any other organization whether or not incorporated."

In addition to the above suggestions, the Board's staff will be glad to discuss with your staff a few minor suggestions relating solely to technical or drafting matters.

It is hoped that the foregoing may be helpful in connection with such consideration as your committee may give to H.R. 8874.

Sincerely yours,

WM. McC. MARTIN, Jr.

BOARD OF GOVERNORS OF THE
FEDERAL RESERVE SYSTEM,
Washington, July 25, 1962.

Hon. BRENT SPENCE,
Chairman, Committee on Banking and Currency, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This is in response to your request for the Board's views on the substitiute amendment to H.R. 8874, adopted yesterday by Subcommittee No. 1 of the House Banking and Currency Committee.

As indicated to you in the Board's report submitted under date of March 1, the Board favors the objective of this bill. The substitute amendment adopted by the subcommittee in substance would carry out the suggestions made by the Board in its earlier report, and the Board is especially pleased to note that the new bill includes in section 5 provisions that are needed to insure adequate regulation and examination of bank services performed off the bank's premises. The Board, accordingly, recommends enactment of the bill as amended.

Sincerely yours,

WM. McC. MARTIN, Jr.

FEDERAL DEPOSIT INSURANCE CORPORATION, OFFICE OF THE CHAIRMAN,
Washington, April 25, 1962.

Hon. BRENT SPENCE,
Chairman, Committee on Banking and Currency, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: The Corporation has been requested to express its views on H.R. 8874, a bill introduced in the House of Representatives on August 23, 1961, by Mr. SPENCE. The proposed bill would permit national banks and State member banks, when authorized by State law, to invest not exceeding 10 percent of the bank's capital and surplus, or such additional sum as might be approved by the appropriate Federal supervisory agency, in stock in a bank service corporation, established to provide clerical and bookkeeping services to the banks participating in the establishment of the corporation and in the services to be rendered by the corporation.

The capacity of the banking system, to adequately service the needs of commerce and industry, depends on its ability to expeditiously process daily a mountainous volume of paper instruments evidencing approximately 95 percent of all business transactions. The bank clearing system is under heavy strain due to the tremendous expansion in the national economy and also by reason of the very great enlargement in bank services which has taken place during the past 15 years.

The electronic computer, with related equipment, is ideally suited to the accounting needs of banks, but unfortunately is so costly that only the large banks can afford the machines. Were the small banks, and 10,000 of the 13,400 banks of the country are classed as small banks, unable to utilize the electronic computer because of cost, they would be placed at a serious disadvantage and ultimately have to become a part of a larger banking system in order to survive.

Fortunately, the great speed and capabilities of computers make it possible for one installation to perform the accounting function for several smaller banks located within a county or regional area possessed of good communications. By sharing the expense, two or more banks may enjoy the benefits of a computer system on a par with large banks. For these reasons we should recommend that national banks, and insured State banks when authorized by State law, be enabled to invest in bank service corporations up to 10 percent of the bank's capital and surplus, without prior approval of Federal bank supervisory agencies, and to such additional amount, and under such conditions, as the Federal bank supervisory agencies may permit.

The Corporation endorses in principle the proposal outlined in the subject bill. However, it offers for consideration the following amendments thereto that appear to improve the proposal:

"(a) For purposes of more accurately defining the functions of the bank service corporation, it is recommended that the word 'accounting' be added to line 2 of page 2 (sec. 2(a)) between the words 'clerical' and 'or.'

"(b) The definition of Federal supervisory agency at line 11 through line 15 on page 2 (sec. 2(d)) should be expanded to include the Federal Deposit Insurance Corporation for insured State nonmember banks.

"(c) The authorization appearing in section 3 on page 2 should be extended to include 'any insured State nonmember bank.'

"(d) There should be added a new section—'Section 5'—which would provide for the examination, visitation and supervision by State and Federal bank supervisory authorities to the same extent as the banks, or any of them, which are serviced by the bank service corporation, are subject.

"(e) There should be added another new section, which should provide that no insured bank could contract for services, such as those provided by a bank service corporation, unless the servicing party agrees to and, in fact, does permit the State and Federal bank supervisory authorities to exercise the right of visitation in the same manner and to the same extent as contemplated in the preceding paragraph."

With these amendments, the Corporation would favor the bill's enactment. We would be glad to have our Legal Division assist your staff in drafting the provisions of these amendments, if they meet with your approval.

We have been advised by the Bureau of the Budget that it has no objection to the submission of this report from the standpoint of the administration's program.

Sincerely yours,

ERLE COCKE, Sr., *Chairman.*

FEDERAL DEPOSIT INSURANCE CORPORATION, OFFICE OF THE CHAIRMAN,
Washington, July 24, 1962.

Hon. BRENT SPENCE,
Chairman, Committee on Banking and Currency, House of Representatives, Washington, D.C.

DEAR MR. SPENCE: In accordance with your request, we have examined the committee print of H.R. 8874, dated July 24, 1962, as amended by Subcommittee No. 1, a bill to authorize certain banks to invest in corporations whose purpose is to provide clerical services for them, and for other purposes, and recommend its enactment.

Sincerely yours,

ERLE COCKE, Sr., *Chairman.*

HOUSE CONCURRENT RESOLUTION 570—RESOLUTION ON BERLIN

Mr. COLMER, from the Committee on Rules, reported the following privileged resolution (H. Con. Res. 570, Rept. No. 2528), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the concurrent resolution (H. Con. Res. 570) expressing the sense of the Congress with respect to the situation in Berlin. After general debate, which shall be confined to the concurrent resolution, and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign Affairs, the concurrent resolution shall be considered as having been read for amendment. No amendment shall be in order to said concurrent resolution except amendments offered by the direction of the Committee on Foreign Affairs and such amendments shall not be subject to amendment. At the conclusion of the consideration of the concurrent resolution for amendment, the Committee shall rise and report the concurrent resolution to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the concurrent resolution and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

STRENGTHENING CRIMINAL LAWS RELATING TO BRIBERY, GRAFT, AND CONFLICTS OF INTEREST

Mr. CELLER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 8140) to strengthen the criminal laws relating to bribery, graft, and conflicts of interest, and for other purposes, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 2, in the ninth line following line 2, strike out "Exemption of retired officers of the Armed Forces" and insert, "Exemption of retired officers of the uniformed services".

Page 2, line 9, after "thereof", insert "including the District of Columbia,".

Page 7, line 13, after "executive" insert "or legislative".

Page 7, line 20, after "basis", insert ", or a part-time United States Commissioner. Notwithstanding the next preceding sentence, every person serving as a part-time local representative of a Member of Congress in the Member's home district or State shall be classified as a special Government employee".

Page 8, line 4, after "is", insert "voluntarily".

Page 8, line 8, after "218.", insert "A Reserve officer of the Armed Forces or an officer of the National Guard of the United States who is serving involuntarily shall be classified as a special Government employee."

Page 8, line 9, strike out "203, 205," and insert "205 and".

Page 10, line 5, after "matter", insert "involving a specific party or parties".

Page 10, lines 10 and 11, strike out "which is or within two years has been a subject of his official repsonsibility, or (3)".

Page 10, line 13, strike out "(3)" and insert "(2)".

Page 10, line 14, strike out all after "employee" down to and including "days" in line 16 and insert "has served in such department or agency no more than sixty days during the immediately preceding period of three hundred and sixty-five consecutive days".

Page 12, lines 2 and 3, after "matter", insert "involving a specific party or parties".

Page 12, lines 7 and 8, strike out "which is or within two years has been a subject of his official responsibility, or (3)".

Page 12, line 10, strike out "(3)" and insert "(2)".

Page 12, line 11, strike out all after "who" down to and including "days" in line 13 and insert "has served in such department or agency no more than sixty days during the immediately preceding period of three hundred and sixty-five consecutive days".

Page 12, line 14, strike out all after "employee" down to and including "proceedings" in lines 18 and 19 and insert ", if not inconsistent with the faithful performance of his duties, from acting without compensation as agent or attorney for any person who is the subject of disciplinary, loyalty, or other personnel administration proceedings in connection with those proceedings".

Page 12, line 23, strike out "or otherwise aiding or assisting".

Page 12, line 24, after "whom" insert ", or for any estate for which,".

Page 13, strike out lines 8 to 14, inclusive, and insert:

"Nothing herein or in section 203 prevents a special Government employee from acting as agent or attorney for another person in the performance of work under a grant by, or a contract with or for the benefit of, the United States provided that the head of the department or agency concerned with the grant or contract shall certify in writing that the national interest so requires."

Page 13, line 20, strike out "Armed Forces" and insert "uniformed services".

Page 13, line 22, strike out "Armed Forces" and insert "uniformed services".

Page 14, line 13, after "matter", insert "involving a specific party or parties".

Page 14, lines 19 and 20, strike out "two years" and insert "one year".

Page 14, line 20, strike out "last".

Page 15, line 1, after "matter", insert "involving a specific party or parties".

Page 15, line 4, strike out "two years" and insert "one year".

Page 15, line 5, strike out "his employment" and insert "such responsibility".

Page 15, line 7, after "both", insert ": *Provided*, That nothing in subsection (a) or (b) prevents a former officer or employee, including a former special Government employee, with outstanding scientific or technological qualifications from acting as attorney or agent or appearing personally in connection with a particular matter in a scientific or technological field if the head of the department or agency concerned with the matter shall make a certification in writing, published in the Federal Register, than the national interest would be served by such action or appearance by the former officer or employee."

Page 15, strike out lines 8 to 17, inclusive.

Page 15, line 18, strike out ""(d)" and insert ""(c)".

Page 16, line 18, strike out "subsections (c) and (d)" and insert "subsection (c)".

Page 17, line 3, strike out "Government action, proceeding," and insert "judicial or other proceeding, application, request for a ruling or other determination, contract, claim, controversy, charge, accusation, arrest,".

Page 17, line 4, after "spouse", insert "minor".

Page 17, line 5, strike out "business".

Page 17, line 15, strike out "action, proceeding," and insert "judicial or other proceeding, application, request for a ruling or other determination, contract, claim, controversy, charge, accusation, arrest,".

Mr. GROSS. Mr. Speaker, I ask unanimous consent that further reading of the amendments be dispensed with so that we may have some time in which to discuss the bill.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

Mr. McCULLOCH. Mr. Speaker, reserving the right to object—and I shall not object—if the able Chairman of the Committee on the Judiciary of the House will give us a brief explanation of the bill, it will be most helpful, in my opinion.

Mr. CELLER. Mr. Speaker, I will state to the Members of the House that this bill passed the Senate unanimously. It was passed by the House under suspension of the rules. If there were any objections, I did not hear them.

It codifies and brings up to date all our conflict-of-interest statutes. The Senate amendments in the main correct typographical or grammatical errors. The amendments in substance do not add very much to the bill and the substance of the bill remains practically unchanged.

The principal Senate amendments involve so-called "special Government employees"; that is, persons who serve on an intermittent or temporary basis for not more than 130 days in any year. Both the House and Senate versions of the bill recognize that because of their special character and the fact that they must maintain their private business interests, restrictions on these people should properly be less rigorous than those on full-time employees. As amended by the Senate, the restrictions on special Government employees obtain only when such employee has personally participated in a matter for the Government, or when the matter is before his own department and he has worked on it more thn 60 days in the preceding year.

The Senate amendment provides that the term "special Government employee" shall include part-time U.S. Commissioners and part-time employees who are employed by Members of Congress in their home district. If such a special Government employee participated personally and substantially in a particular matter for the Government, he is barred from acting for a private party in that particular matter.

For the most part the remaining Senate amendments are not of major significance.

Mr. McCULLOCH. Mr. Speaker, further reserving the right to object—and I shall not object—I should like to say to the Members of the House that H.R. 8140, as passed by the House, is the result of lengthy labor by a dedicated staff, by much study of the bar associations in various localities in the United States and the constant attention of the chairman, the able chairman, if you please, of our committee; of the gentleman from Michigan, George Meader, and the gentleman from New York, John Lindsay, and the other members of the subcommittee.

I think it is a fine tribute to the Members of the House that this legislation, as difficult as it is, was accepted by the Senate with but few minor changes. I think that this legislation is needed. It was recommended in effect by the previous administration and in effect it has been recommended by the present administration.

Mr. CELLER. Mr. Speaker, will the gentleman yield?

Mr. McCULLOCH. I yield to the gentleman from New York.

Mr. CELLER. The gentleman from Ohio [Mr. McCulloch] contributed greatly to the preparation and the process of holding hearings and in the passage of this bill. Likewise, the gentleman from Michigan [Mr. Meader] rendered paramount service. The gentleman from New York [Mr. Lindsay] worked most diligently on the matter. Both he and I appeared before the Bar Association of the City of New York, which bar association is entitled to a great deal of credit for the fine work they have rendered in this matter. The American Bar Association has also participated in a very fine spirit. I would, with pardonable pride as far as I am concerned, and doing justice to other members of this committee, say that this should be known as the Celler-McCulloch-Lindsay-Meader bill.

Mr. McCULLOCH. I thank the gentleman. I am glad to be associated with him.

Mr. CURTIS of Missouri. Mr. Speaker, will the gentleman yield?

Mr. McCULLOCH. I yield.

Mr. CURTIS of Missouri. I am not going to object to this bill. I think it is now clear that these amendments are germane to the bill.

Mr. CELLER. Absolutely.

Mr. CURTIS of Missouri. I commend both the chairman and the ranking minority member for the manner in which they have explained this to the House and given the proper legislative background. My reason for raising these questions is not just capricious. It is important for the House to know what these amendments are. I think the better procedure would be to have the Senate amendments printed the day before the matter is brought up. Certainly the manner in which this has been handled is highly commendable. I shall not object.

Mr. LINDSAY. Mr. Speaker, I rise in order to urge the House to accept the Senate version of H.R. 8140, the conflict-of-interest bill. If we do this we will insure passage of the bill. It is far too important a measure to take any chances with failure this late in the session. The other body made only relatively slight changes in the House-passed bill.

I would like to express my appreciation to the Senator from New York [Mr. Keating] for his special efforts as a member of the Senate Judiciary Committee to bring the bill out intact.

This legislation marks almost the end of the road of 5 years of work on my part. I was a member of the special committee of the Association of the Bar of New York which, with funds supplied by the Ford Foundation, produced a remarkable volume on conflict of interest in the Federal branch, and drafted a bill. I have pressed for the enactment of that bill ever since I have been a Member; and, therefore, this action today by the Congress is one of personal gratification as well as a high-water mark in the improvement of a body of law long in need of reform.

I should like to extend my congratulations to the chairman of the House Judiciary Committee, the gentleman from New York [Mr. CELLER], and to the staff of the committee and also to the Deputy Attorney General of the United States, Nicholas deB. Katzenbach, for continuing cooperation and leadership in this matter.

Certainly, the Congress and the country owe a vote of thanks also to the membership of the bar association committee and its staff for their persistence in pressing for this legislation. I should particularly like to take note of the efforts of the chairman of the committee, Roswell Perkins, my constituent and friend.

Mr. LESINSKI. Mr. Speaker, I rise in support of S. 3631. As a former chairman of the Subcommittee on Census and Government Statistics and cosponsor I continue to maintain my interest in the satistical programs of the Federal Government. I am deeply concerned with the far-reaching effect on such programs of the Supreme Court decision in the case of St. Regis Paper Co. against the United States last fall. If remedial legislation is not enacted, I believe that irreparable damage will be done to the entire Federal statistical system.

Even though existing legislation provides penalties for failure to respond to some census inquiries, it is well known that the entire census statistical program is essentially based on the voluntary cooperation of the many varied respondents. Confidence has been built up over a period of years of faithful adherence to the statement shown on many of the schedules and questionnaires: "Your report is confidential and only sworn census employees will have access to it. It cannot be used for purposes of taxation, investigation, or regulation."

I would oppose any action seeking to impede the investigations of the Federal Trade Commission or the Antitrust Division of the Department of Justice, but this proposed legislation will not interfere with their investigations. In fact, it is essential to the successful prosecution of many of their cases. It has been stated that in monopoly and merger cases, which come before the Department of Justice, the question of the market and the position of the monopoly in that market are crucial. Census data furnishes the most reliable figures upon which determinations are made. It is obvious that, without full and free reporting from all companies, census figures will be incomplete and we will not know what portion of the market or anything else they represent.

This legislation would not in any way prevent companies from voluntarily furnishing copies of their census reports to any agency requesting them. Assured of confidentiality, companies will have no reason not to retain copies of their reports and in many instances would make them available voluntarily as they have in the past. Under the present situation, without this legislation many companies are undoubtedly following the advice contained in the Supreme Court decision, that the law does not require the firm to keep a copy of the census report. Thus, there may be no copies to be furnished voluntarily or otherwise.

The understandable resentment of the business world generally toward the Supreme Court decision does not mean that businessmen need the protection of confidentiality. It is based largely on the "broken promise" aspect of the decision. As Mr. Justice Black in the dissenting opinion stated, "It is no less good morals and good law that the Government should turn square corners in dealing with the people than that the people should turn square corners in dealing with the Government." I believe it is essential that we assure the business community that the Government does turn square corners in dealing with them; we can best do that in this instance by the prompt approval of this remedial legislation.

Mr. Speaker, I urge passage of this legislation.

The **SPEAKER.** Is there objection to the request of the gentleman from New York?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

Mr. CELLER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks in the RECORD on the bill just considered.

The **SPEAKER.** Is there objection to the request of the gentleman from New York?

There was no objection.

WORLD FOOD CONGRESS

Mr. FASCELL. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 3679) authorizing an appropriation to enable the United States to extend an invitation to the Food and Agriculture Organization of the United Nations to hold a World Food Congress in the United States in 1963. This bill is similar to H.R. 13307, unanimously reported yesterday by the Committee on Foreign Affairs.

The Clerk read the title of the bill.

The **SPEAKER.** Is there objection to the request of the gentleman from Florida?

Mr. GROSS. Reserving the right to object, Mr. Speaker, may we have a brief explanation of what is proposed?

Mr. FASCELL. I will be very happy to answer the request of the gentleman from Iowa.

This is an authorization which would authorize the appropriation of $300,000 to allow the United States to act as a host country in hosting a World Food Congress which is expected to be held in the United States next year. This is the first such Congress which has been held since the establishment of the Food and Agriculture Organization of the United Nations. The Congress is being called pursuant to a resolution of that body. It will come at the time of the 20th anniversary of the establishment of the Food and Agriculture Organization; the 20th anniversary of the Hot Springs Conference.

May I add further that there is precedent for this type of legislation. In the past we have authorized the expenditure of funds to host congresses of other specialized agencies.

Mr. GROSS. The total expenditure on the part of the United States is $300,000, and the total expenditure for the Conference is how much?

Mr. FASCELL. It is estimated that the total expenditures for the Conference will be in the neighborhood of $1 million. The U.S. share as the host country would be in the neighborhood of $300,000. That is the limit of this authorization.

Mr. GROSS. The restaurants, hotels and other such places in Washington, D.C., ought to do pretty well on a million dollars.

Mr. FASCELL. I would assume they would think it was a great boon.

Mr. GROSS. Mr. Speaker, I withdraw my reservation of objection.

Mr. JUDD. Mr. Speaker, reserving the right to object and, of course, I shall not object because this is a meritorious bill. I do have one comment to make. I wish the Conference were to be held out in the Midwest or in some other agricultural part of our country rather than in Washington, D.C. Five years ago, the House approved a resolution introduced by myself extending a similar invitation to the World Health Organization to hold its annual World Health Assembly in the United States. We raised additional money locally to have it held in my hometown of Minneapolis. We have had amazingly good reports from the delegates from almost 100 countries coming to the United States from all over the world, pleased that they were able to see something more in the United States than just New York and Washington. It was good for these delegates to get to know rank and file Americans in their own homes. It was good for the people out in the Midwest to meet these distinguished leaders from every part of the world. It was to everybody's benefit. I do wish that when they hold world conferences in the United States, especially one dealing with a subject like food, they would hold the conference in some city like Des Moines or Omaha or Kansas City or somewhere else in our great agricultural areas, where the visitors would be able to see and take home with them the story of what freemen can and will do on their own initiative and enterprise, using modern agricultural technology to increase food production.

Mr. FASCELL. I would say, as the gentleman from Minnesota knows, the bill was amended to read that the Conference should be held in the United States without specifying any particular place, which bears on the very point that the gentleman raises. I would trust, therefore, that good consideration would be given by the Department to the very fine points that the gentleman has raised.

Mr. JUDD. I thank the gentleman.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. JUDD. I yield to the gentleman from Iowa.

Mr. GROSS. It is too bad that the $10 million glorified fish bowl in Washington will not be completed for the edification of the foreigners.

Mr. JUDD. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

The Clerk read the Senate bill, as follows:

Whereas the President, in giving his full endorsement and support of the United States Government's food-for-peace program and for the freedom-from-hunger campaign of the Food and Agriculture Organization of the United Nations, recognized the necessity for emphasizing the willingness of the United States Government to share its food abundance and agricultural knowledge; and

Whereas the Food and Agriculture Organization of the United Nations pursuant to a resolution of the tenth FAO Conference authorized the Director-General to make preparations for a World Food Congress in 1963 to mark the midpoint of the five-year worldwide freedom-from-hunger campaign and the twentieth anniversary of the Hot Springs Conference, which resulted in the establishment of the FAO; and

Whereas the freedom-from-hunger campaign in the United States is sponsored by the American Freedom From Hunger Foundation, Incorporated, and by the American Food for Peace Council through its Freedom-From-Hunger Committee; and

Whereas the United States food-for-peace program and the FAO's freedom-from-hunger campaign are both directed toward the promotion of international cooperation and good will through the alleviation of hunger and malnutrition; and

Whereas the Congress will bring together a wide cross section of participants in these activities, review the progress of the campaign, focus attention on current and future problems involved in providing adequate food to meet the needs of the world's rapidly expanding population, and consider and recommend measures and policies necessary for this purpose; and

Whereas it is particularly fitting that the United States of America should cooperate with the FAO to convene a World Food Congress to further the programs of both the food-for-peace program and the freedom-from-hunger campaign; and

Whereas the United States of America as the inviting government is expected to provide the conference facilities and to pay certain expenses not borne by the FAO: Therefore

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That there is authorized to be appropriated to the Department of State, out of any money in the Treasury not otherwise appropriated, a sum not to exceed $300,000 for the purpose of defraying the expenses incident to organizing and holding the World Food Congress in the United States. Funds appropriated pursuant to this authorization shall be available for advance contribution or reimbursement to the Food and Agriculture Organization of the United Nations for certain costs incurred by the Organization in holding the World Food Congress in the United States and shall be available for expenses incurred by the Department of State, on behalf of the United States as host government, including personal services without regard to civil service and classification laws; employment of aliens; printing and binding, without regard to section 11 of the Act of March 1, 1919 (44 U.S.C. 11); travel expenses; rent of quarters by contract or otherwise; hire of passenger motor vehicles; and official functions and courtesies.

SEC. 2. The Secretary of State is authorized to accept and use contributions of funds, property, services, and facilities for the purpose of organizing and holding the World Food Congress in the United States.

The bill was ordered to be read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

A similar House bill (H.R. 13307) was laid on the table.

REQUIRING FILING OF SETTLEMENTS IN PATENT INTERFERENCES

Mr. TOLL. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 12513) to provide for public notice of settlements in patent interferences, and for other purposes, with an amendment of the Senate thereto and agree to the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert "That section 135 of title 35, United States Code, is amended by designating the first and second paragraphs thereof as subsections (a) and (b), respectively, and by adding thereto the following subsection:

"'(c) Any agreement or understanding between parties to an interference, including any collateral agreements referred to therein, made in connection with or in contemplation of the termination of the interference, shall be in writing and a true copy thereof filed in the Patent Office before the termination of the interference as between the said parties to the agreement or understanding. If any party filing the same so requests, the copy shall be kept separate from the file of the interference, and made available only to Government agencies on written request, or to any person on a showing of good cause. Failure to file the copy of such agreement or understanding shall render permanently unenforceable such agreement or understanding and any patent of such parties involved in the interference or any patent subsequently issued on any application of such parties so involved. The Commissioner may, however, on a showing of good cause for failure to file within the time prescribed, permit the filing of the agreement or understanding during the six-month period subsequent to the termination of the interference as between the parties to the agreement or understanding.

"'The Commissioner shall give notice to the parties or their attorneys of record, a reasonable time prior to said termination, of the filing requirement of this section. If the Commissioner gives such notice at a later time, irrespective of the right to file such agreement or understanding within the six-month period on a showing of good cause, the parties may file such agreement or understanding within sixty days of the receipt of such notice.

"'Any discretionary action of the Commissioner under this subsection shall be reviewable under section 10 of the Administrative Procedure Act.'"

Mr. McCULLOCH (during the reading of the Senate amendments). Mr. Speaker, I ask unanimous consent that the further reading of the amendments be dispensed with.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania [Mr. Toll]?

Mr. McCULLOCH. Mr. Speaker, reserving the right to object, and we will not ultimately object, I reserve the right to object so that the member of our committee, the able gentleman from Pennsylvania, can give us a full explanation of the amendment.

Mr. TOLL. Mr. Speaker, will the gentleman yield?

Mr. McCULLOCH. I yield to the gentleman from Pennsylvania [Mr. Toll].

Mr. TOLL. Mr. Speaker, this bill would make it more difficult for patent applicants and owners to use an interference settlement agreement as a means of secretly violating the antitrust laws.

The purpose of the bill is to amend the patent laws to require the filing in the Patent Office of agreements settling patent interference proceedings. When two or more applicants claim substantially the same invention an interference is declared in order to determine which applicant is entitled to priority. Interference proceedings may be terminated in a manner hostile to the public interest by using patent interference settlement agreements as a means of restricting competition. To make such a practice more difficult the bill requires the filing of such agreements in the Patent Office.

The Senate amendments merely require the Commissioner of Patents to give the parties timely notice of the filing requirements and provide that the Commissioner's discretionary action shall be reviewable.

Mr. McCULLOCH. Mr. Speaker, the amendments are germane to the bill. That is unanimously agreed to; and the amendments are not objected to by any members of the committee so far as I know.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

AMENDMENT OF RURAL ELECTRIFICATION ACT OF 1936

Mr. POAGE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 10708) to amend section 203 of the Rural Electrification Act of 1936, as amended, with respect to communication service for the transmission of voice, sounds, signals, pictures, writing, or signs of all kinds through the use of electricity, together with a Senate amendment thereto and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 2, line 4, strike out all after "mean" down to and including "intended" in line

8, and insert: "message telegram service or community antenna television system services or facilities other than those intended exclusively".

Mr. BYRNES of Wisconsin. Mr. Speaker, reserving the right to object, has the gentleman been in contact with the ranking minority member of the committee, and has he advised him that it was coming up at this time?

Mr. POAGE. I was in contact with the ranking minority member of the committee as lately as yesterday.

Mr. BYRNES of Wisconsin. I am asking about calling it up at this time.

Mr. POAGE. The ranking minority member is not here, but he agreed that it might be called up at any time we could call it up.

I also talked with the minority leader. He agreed that it might be called up at any time.

Mr. BYRNES of Wisconsin. Mr. Speaker, further reserving the right to object, I think we are getting into some little confusion here as far as the timing of these matters is concerned. While there may have been no objection to calling them up the minority member should be present so he could make any clarification that might be needed. I think we have gotten into some little confusion as the result of the order in which matters are being called up, and I am wondering if something can be done to clear it up.

Mr. CURTIS of Missouri. Mr. Speaker, if the gentleman will yield, I might say with regard to this matter that this is the one I objected to yesterday when it was called up. The amendment has been printed in the RECORD and we could see it. The minority leader on our side was consulted. Last night we did not have anyone here who could explain it.

This is a germane amendment.

Mr. POAGE. This is a germane amendment.

Mr. CURTIS of Missouri. And I want to thank the gentleman for his courtesy in understanding this matter. At least as far as I know—and I speak only for myself—I think there is no objection. This matter has been cleared and presented in this proper way.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

DRUG AMENDMENTS OF 1962

Mr. ROBERTS of Alabama. Mr. Speaker, I call up the conference report on the bill—S. 1552—to amend and supplement the laws with respect to the manufacture and distribution of drugs, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House may be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. NO. 2526)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1552) to amend and supplement the laws with respect to the manufacture and distribution of drugs, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House to the text of the bill and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following: "That this Act, divided into titles and sections according to the following table of contents, may be cited as the 'Drug Amendments of 1962'.

"TABLE OF CONTENTS

"Title I—Drugs

"Part A—Amendments To Assure Safety, Effectiveness, and Reliability

"Sec. 101. Requirement of adequate controls in manufacture.

"Sec. 102. Effectiveness and safety of new drugs.

"Sec. 103. Records and reports as to experience on new drugs.

"Sec. 104. New drug clearance procedure.

"Sec. 105. Certification of antibiotics.

"Sec. 106. Records and reports as to experience on antibiotics.

"Sec. 107. Effective dates and application of part A.

"Part B—Standardization of Drug Names

"Sec. 111. Review and designation of official names.

"Sec. 112. Name to be used on drug label.

"Sec. 113. Exclusion of cosmetics.

"Sec. 114. Information to physicians.

"Part C—Amendments as to Advertising

"Sec. 131. Prescription drug advertisements.

"Title II—Factory inspection and effect on State laws

"Sec. 201. Factory inspection.

"Sec. 202. Effect on State laws.

"Sec. 203. Effective date.

"Title III—Registration of drug establishments and patent information

"Sec. 301. Findings and declaration.

"Sec. 302. Registration of producers of drugs.

"Sec. 303. Transitional provisions.

"Sec. 304. Failure to register.

"Sec. 305. Drugs from nonregistered establishments misbranded.

"Sec. 306. Samples of imported drugs.

"Sec. 307. Definitions.

"Sec. 308. Information on patents for drugs.

"TITLE I—DRUGS

"Part A—Amendments to assure safety, effectiveness, and reliability

"Requirement of Adequate Controls in Manufacture

"SEC. 101. Clause (2) of section 501(a) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 351(a)) is amended to read as follows: '(2)(A) if it has been prepared, packed, or held under insanitary conditions whereby it may have been contaminated with filth, or whereby it may have been rendered injurious to health; or (B) if it is a drug and the methods used in, or the facilities or controls used for, its manufacture, processing, packing, or holding do not conform to or are not operated or administered in conformity with current good manufacturing practice to assure that such drug meets the requirements of this Act as to safety and has the identity and strength, and meets the quality and purity characteristics, which it purports or is represented to possess;'.

"Effectiveness and Safety of New Drugs

"SEC. 102. (a)(1) Section 201(p)(1) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321(p)(1)), defining the term 'new drug', is amended by (A) inserting therein, immediately after the words 'to evaluate the safety', the words 'and effectiveness', and (B) inserting therein, immediately after the words 'as safe', the words 'and effective'.

"(2) Section 201(p)(2) of such Act (21 U.S.C. 321(p)(2)) is amended by inserting therein, immediately after the word 'safety', the words 'and effectiveness'.

"(b) Section 505(b) of such Act (21 U.S.C. 355(b)) is amended by inserting therein, immediately after the words 'is safe for use', the words 'and whether such drug is effective in use'.

"(c) Section 505(d) of such Act (21 U.S.C. 355(d)) is amended to read as follows:

"'(d) If the Secretary finds, after due notice to the applicant in accordance with subsection (c) and giving him an opportunity for a hearing, in accordance with said subsection, that (1) the investigations, reports of which are required to be submitted to the Secretary pursuant to subsection (b), do not include adequate tests by all methods reasonably applicable to show whether or not such drug is safe for use under the conditions prescribed, recommended, or suggested in the proposed labeling thereof; (2) the results of such tests show that such drug is unsafe for use under such conditions or do not show that such drug is safe for use under such conditions; (3) the methods used in, and the facilities and controls used for, the manufacture, processing, and packing of such drug are inadequate to preserve its identity, strength, quality, and purity; (4) upon the basis of the information submitted to him as part of the application, or upon the basis of any other information before him with respect to such drug, he has insufficient information to determine whether such drug is safe for use under such conditions, or (5) evaluated on the basis of the information submitted to him as part of the application and any other information before him with respect to such drug, there is a lack of substantial evidence that the drug will have the effect it purports or is represented to have under the conditions of use prescribed, recommended, or suggested in the proposed labeling thereof; or (6) based on a fair evaluation of all material facts, such labeling is false or misleading in any particular; he shall issue an order refusing to approve the application. If, after such notice and opportunity for hearing, the Secretary finds that clauses (1) through (6) do not apply, he shall issue an order approving the application. As used in this subsection and subsection (e), the term "substantial evidence" means evidence consisting of adequate and well-controlled investigations, including clinical investigations, by experts qualified by scientific training and experience to evaluate the effectiveness of the drug involved, on the basis of which it could fairly and responsibly be concluded by such experts that the drug will have the effect it purports or is represented to have under the conditions of use prescribed, recommended, or suggested in the labeling or proposed labeling thereof.'

"(d) Section 505(e) of such Act (21 U.S.C. 355(e)) is amended to read as follows:

"'(e) The Secretary shall, after due notice and opportunity for hearing to the applicant, withdraw approval of an application with respect to any drug under this section if the Secretary finds (1) that clinical or other experience, tests, or other scientific data show that such drug is unsafe for use under the conditions of use upon the basis of which the application was approved; (2) that new evidence of clinical experience, not contained in such application or not available to the Secretary until after such application was approved, or tests by new methods, or tests by methods not deemed reasonably applicable when such application was approved, evaluated together with the evidence available to the Secretary when the application was approved, shows that such drug is not shown to be safe for use under the conditions of use upon the basis of which the application was approved; or (3) on the basis of new information before him with respect to such drug, evaluated together with the evidence available to him when the application was approved, that there is a lack of substantial evidence that the drug will have the effect it purports or is represented to have under the conditions of use prescribed, recommended, or suggested in the labeling thereof; or (4) that the application contains any untrue statement of a material fact: *Provided*, That if the Secretary (or in his absence the officer acting as Secretary) finds that there is an imminent hazard to the public health, he may suspend the approval of such application immediately, and give the applicant prompt notice of his action and afford the applicant the opportunity for an expedited hearing under this subsection; but the authority conferred by this proviso to suspend the approval of an application shall not be delegated. The Secretary may also, after due notice and opportunity for hearing to the applicant, withdraw the approval of an application with respect to any drug under this section if the Secretary finds (1) that the applicant has failed to establish a system for maintaining required records, or has repeatedly or deliberately failed to maintain such records or to make required reports, in accordance with a regulation or order under subsection (j), or the applicant has refused to permit access to, or copying or verification of, such records as required by paragraph (2) of such subsection; or (2) that on the basis of new information before him, evaluated together with the evidence before him when the application was approved, the methods used in, or the facilities and controls used for, the manufacture, processing, and packing of such drug are inadequate to assure and preserve its identity, strength, quality, and purity and were not made adequate within a reasonable time after receipt of written notice from the Secretary specifying the matter complained of; or (3) that on the basis of new information before him, evaluated together with the evidence before him when the application was approved, the labeling of such drug, based on a fair evaluation of all material facts, is false or misleading in any particular and was not corrected within a reasonable time after receipt of written notice from the Secretary specifying the matter complained of. Any order under this subsection shall state the findings upon which it is based.'

"Records and Reports as to Experience on New Drugs

"SEC. 103. (a) Section 505 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355) is amended by adding at the end thereof the following new subsection:

" '(j) (1) In the case of any drug for which an approval of an application filed pursuant to this section is in effect, the applicant shall establish and maintain such records, and make such reports to the Secretary, of data relating to clinical experience and other data or information, received or otherwise obtained by such applicant with respect to such drug, as the Secretary may by general regulation, or by order with respect to such application, prescribe on the basis of a finding that such records and reports are necessary in order to enable the Secretary to determine, or facilitate a determination, whether there is or may be ground for invoking subsection (e) of this section: *Provided, however*, That regulations and orders issued under this subsection and under subsection (i) shall have due regard for the professional ethics of the medical profession and the interests of patients and shall provide, where the Secretary deems it to be appropriate, for the examination, upon request, by the persons to whom such regulations or orders are applicable, of similar information received or otherwise obtained by the Secretary.

" '(2) Every person required under this section to maintain records, and every person in charge or custody thereof, shall, upon request of an officer or employee designated by the Secretary, permit such officer or employee at all reasonable times to have access to and copy and verify such records.'

"(b) Section 505(i) of such Act (21 U.S.C. 355(i)) is amended (1) by inserting 'the foregoing subsections of' immediately after 'operation of'; (2) by inserting 'and effectiveness' immediately after 'safety'; and (3) by adding at the end thereof the following new sentences: 'Such regulations may, within the discretion of the Secretary, among other conditions relating to the protection of the public health, provide for conditioning such exemption upon—

" '(1) the submission to the Secretary, before any clinical testing of a new drug is undertaken, of reports, by the manufacturer or the sponsor of the investigation of such drug, of preclinical tests (including tests on animals) of such drug adequate to justify the proposed clinical testing;

" '(2) the manufacturer or the sponsor of the investigation of a new drug proposed to be distributed to investigators for clinical testing obtaining a signed agreement from each of such investigators that patients to whom the drug is administered will be under his personal supervision, or under the supervision of investigators responsible to him, and that he will not supply such drug to any other investigator, or to clinics, for administration to human beings; and

" '(3) the establishment and maintenance of such records, and the making of such reports to the Secretary, by the manufacturer or the sponsor of the investigation of such drug, of data (including but not limited to analytical reports by investigators) obtained as the result of such investigational use of such drug, as the Secretary finds will enable him to evaluate the safety and effectiveness of such drug in the event of the filing of an application pursuant to subsection (b).

Such regulations shall provide that such exemption shall be conditioned upon the manufacturer, or the sponsor of the investigation, requiring that experts using such drugs for investigational purposes certify to such manufacturer or sponsor that they will inform any human beings to whom such drugs, or any controls used in connection therewith, are being administered, or their representatives, that such drugs are being used for investigational purposes and will obtain the consent of such human beings or their representatives, except where they deem it not feasible or, in their professional judgment, contrary to the best interests of such human beings. Nothing in this subsection shall be construed to require any clinical investigator to submit directly to the Secretary reports on the investigational use of drugs.'

"(c) Section 301(e) of such Act (21 U.S.C. 331(e)) is amended to read as follows:

" '(e) The refusal to permit access to or copying of any record as required by section 703; or the failure to establish or maintain any record, or make any report, required under section 505 (i) or (j), or the refusal to permit access to or verification or copying of any such required record.'

"(d) Section 302(a) of such Act (21 U.S.C. 332(a)) is amended by striking out '(e).'.

"New Drug Clearance Procedure

"SEC. 104. (a) Section 505(a) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355(a)), is amended to read as follows:

" '(a) No person shall introduce or deliver for introduction into interstate commerce any new drug, unless an approval of an application filed pursuant to subsection (b) is effective with respect to such drug.'

"(b) Section 505(c) of such Act (21 U.S.C. 355(c)) is amended to read as follows:

" '(c) Within one hundred and eighty days after the filing of an application under this subsection, or such additional period as may be agreed upon by the Secretary and the applicant, the Secretary shall either—

" '(1) approve the application if he then finds that none of the grounds for denying approval specified in subsection (d) applies, or

" '(2) give the applicant notice of an opportunity for a hearing before the Secretary under subsection (d) on the question whether such application is approvable. If the applicant elects to accept the opportunity for hearing by written request within thirty days after such notice, such hearing shall commence not more than ninety days after the expiration of such thirty days unless the Secretary and the applicant otherwise agree. Any such hearing shall thereafter be conducted on an expedited basis and the Secretary's order thereon shall be issued within ninety days after the date fixed by the Secretary for filing final briefs.'

"(c) Section 505(f) of such Act (21 U.S.C. 355(f)) is amended to read as follows:

" '(f) Whenever the Secretary finds that the facts so require, he shall revoke any previous order under subsection (d) or (e) refusing, withdrawing, or suspending approval of an application and shall approve such application or reinstate such approval, as may be appropriate.'

"(d) (1) The first four sentences of section 505(h) of such Act (21 U.S.C. 355(h)) are amended to read as follows: 'An appeal may be taken by the applicant from an order of the Secretary refusing or withdrawing approval of an application under this section. Such appeal shall be taken by filing in the United States court of appeals for the circuit wherein such applicant resides or has his principal place of business, or in the United States Court of Appeals for the District of Columbia Circuit, within sixty days after the entry of such order, a written petition praying that the order of the Secretary be set aside. A copy of such petition shall be forthwith transmitted by the clerk of the court to the Secretary, or any officer designated by him for that purpose, and thereupon the Secretary shall certify and file in the court the record upon which the order complained of was entered, as provided in section 2112 of title 28, United States Code. Upon the filing of such petition such court shall have exclusive jurisdiction to affirm or set aside such order, except that until the filing of the record the Secretary may modify or set aside his order.'

"(2) The ninth sentence of such section 505(h) is amended to read as follows: 'The judgment of the court affirming or setting aside any such order of the Secretary shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28 of the United States Code.'

"(3) The amendments made by this subsection shall not apply to any appeal taken prior to the date of enactment of this Act.

"(e) (1) Section 301(l) of such Act (21 U.S.C. 331(l)) is amended by (1) inserting 'approval of' before 'an application', and (2) striking out 'effective' and inserting in lieu thereof 'in effect'.

"(2) Clause (C) of section 503(b)(1) of such Act (21 U.S.C. 353(b)(1)) is amended by striking out 'effective' and inserting in lieu thereof 'approved'.

"(f)(1) Clause (A) of paragraph (3) of section 409(c) of such Act (21 U.S.C. 348(c)) is amended by inserting before the semicolon at the end thereof the following:', except that this proviso shall not apply with respect to the use of a substance as an ingredient of feed for animals which are raised for food production, if the Secretary finds (i) that, under the conditions of use and feeding specified in proposed labeling and reasonably certain to be followed in practice, such additive will not adversely affect the animals for which such feed is intended, and (ii) that no residue of the additive will be found (by methods of examination prescribed or approved by the Secretary by regulations, which regulations shall not be subject to subsections (f) and (g)) in any edible portion of such animal after slaughter or in any food yielded by or derived from the living animal'.

"(2) Subparagraph (B) of paragraph (5) of section 706(b) of such Act (21 U.S.C. 376(b)) is amended by inserting before the period at the end of the subparagraph a colon and the following proviso: '*Provided*, That clause (i) of this subparagraph (B) shall not apply with respect to the use of a color additive as an ingredient of feed for animals which are raised for food production, if the Secretary finds that, under the conditions of use and feeding specified in proposed labeling and reasonably certain to be followed in practice, such additive will not adversely affect the animals for which such feed is intended, and that no residue of the additive will be found (by methods of examination prescribed or approved by the Secretary by regulations, which regulations shall not be subject to subsection (d)) in any edible portion of such animals after slaughter or in any food yielded by or derived from the living animal'.

"Certification of Antibiotics

"SEC. 105. (a) Section 507(a) of such Act (21 U.S.C. 357(a)) is amended by adding at the end thereof the following new sentence: 'For purposes of this section and of section 502(l), the term "antibiotic drug" means any drug intended for use by man containing any quantity of any chemical substance which is produced by a micro-organism and which has the capacity to inhibit or destroy micro-organisms in dilute solution (including the chemically synthesized equivalent of any such substance).'

"(b) Section 507(a) of such Act (21 U.S.C. 357(a)) is further amended by striking the word 'or' preceding the word 'bacitracin' and by adding after the word 'bacitracin' a comma and the following: 'or any other antibiotic drug,'.

"(c) Section 502(l) of such Act (21 U.S.C. 352(l)) is amended by striking the word 'or' preceding the word 'bacitracin' and by adding immediately after 'bacitracin,' the following: 'or any other antibiotic drug,'.

"(d) Section 507(c) of such Act (21 U.S.C. 357(c)) is amended by adding at the end thereof the following: 'In deciding whether an antibiotic drug, or class of antibiotic drugs, is to be exempted from the requirement of certification the Secretary shall give consideration, among other relevant factors, to—

" '(1) whether such drug or class of drugs is manufactured by a person who has, or hereafter shall have, produced fifty consecutive batches of such drug or class of drugs in compliance with the regulations for the certification thereof within a period of not more than eighteen calendar months, upon the application by such person to the Secretary; or

" '(2) whether such drug or class of drugs is manufactured by any person who has otherwise demonstrated such consistency in the production of such drug or class of drugs, in compliance with the regulations for the certification thereof, as in the judgment of the Secretary is adequate to insure the safety and efficacy of use thereof.

When an antibiotic drug or a drug manufacturer has been exempted from the requirement of certification, the manufacturer may still obtain certification of a batch or batches of that drug if he applies for and meets the requirements for certification. Nothing in this Act shall be deemed to prevent a manufacturer or distributor of an antibiotic drug from making a truthful statement in labeling or advertising of the product as to whether it has been certified or exempted from the requirement of certification.'

"(e) The first sentence of section 507(e) of such Act (21 U.S.C. 357(e)) is amended to read as follows: 'No drug which is subject to section 507 shall be deemed to be subject to any provision of section 505 except a new drug exempted from the requirements of this section and of section 502(l) pursuant to regulations promulgated by the Secretary: *Provided*, That, for purposes of section 505, the initial request for certification, as thereafter duly amended, pursuant to section 507, of a new drug so exempted shall be considered a part of the application filed pursuant to section 505(b) with respect to the person filing such request and to such drug as of the date of the exemption.'

"(f) Section 507 of such Act (21 U.S.C. 357) is further amended by adding at the end of such section the following new subsection:

" '(h) In the case of a drug for which, on the day immediately preceding the effective date of this subsection, a prior approval of an application under section 505 had not been withdrawn under section 505(e), the initial issuance of regulations providing for certification or exemption of such drug under this section 507 shall, with respect to the conditions of use prescribed, recommended, or suggested in the labeling covered by such application, not be conditioned upon an affirmative finding of the efficacy of such drug. Any subsequent amendment or repeal of such regulations so as no longer to provide for such certification or exemption on the ground of a lack of efficacy of such drug for use under such conditions of use may be effected only on or after that effective date of clause (3) of the first sentence of section 505(e) which would be applicable to such drug under such conditions of use if such drug were subject to section 505(e), and then only if (1) such amendment or repeal is made in accordance with the procedure specified in subsection (f) of this section (except that such amendment or repeal may be initiated either by a proposal of the Secretary or by a petition of any interested person) and (2) the Secretary finds, on the basis of new information with respect to such drug evaluated together with the information before him when the application under section 505 became effective or was approved, that there is a lack of substantial evidence (as defined in section 505(d)) that the drug has the effect it purports or is represented to have under such conditions of use.'

"Records and Reports as to Experience on Antibiotics

"SEC. 106. (a) Section 507 of such Act (21 U.S.C. 357) is amended by adding at the end thereof the following new subsection:

" '(g)(1) Every person engaged in manufacturing, compounding, or processing any drug within the purview of this section with respect to which a certificate or release has been issued pursuant to this section shall establish and maintain such records, and make such reports to the Secretary, of data relating to clinical experience and other data or information, received or otherwise obtained by such person with respect to such drug, as the Secretary may by general regulation, or by order with respect to such certification or release, prescribe on the basis of a finding that such records and reports are necessary in order to enable the Secretary to make, or to facilitate, a determination as to whether such certification or release should be rescinded or whether any regulation issued under this section should be amended or repealed: *Provided, however*, That regulations and orders issue under this subsection and under clause (3) of subsection (d) shall have due regard for the professional ethics of the medical profession and the interests of patients and shall provide, where the Secretary deems it to be appropriate, for the examination, upon request, by the persons to whom such regulations or orders are applicable, of similar information received or otherwise obtained by the Secretary.

" '(2) Every person required under this section to maintain records, and every person having charge or custody thereof, shall, upon request of an officer or employee designated by the Secretary, permit such officer or employee at all reasonable times to have access to and copy and verify such records.'

"(b) Section 507(d) of such Act (21 U.S.C. 357(d)) is amended by adding at the end thereof the following new sentences: 'Such regulations may, within the discretion of the Secretary, among other conditions relating to the protection of the public health, provide for conditioning the exemption under clause (3) upon—

" '(1) the submission to the Secretary, before any clinical testing of a new drug is undertaken, of reports, by the manufacturer or the sponsor of the investigation of such drug, of preclinical tests (including tests on animals) of such drug adequate to justify the proposed clinical testing;

" '(2) the manufacturer or the sponsor of the investigation of a new drug proposed to be distributed to investigators for clinical testing obtaining a signed agreement from each of such investigators that patients to whom the drug is administered will be under his personal supervision, or under the supervision of investigators responsible to him, and that he will not supply such drug to any other investigator, or to clinics, for administration to human beings; and

" '(3) the establishment and maintenance of such records, and the making of such reports to the Secretary, by the manufacturer or the sponsor of the investigation of such drug, of data (including but not limited to analytical reports by investigators) obtained as the result of such investigational use of such drug, as the Secretary finds will enable him to evaluate the safety and effectiveness of such drug in the event of the filing of an application for certification or release pursuant to subsection (a).

Such regulations shall provide that such exemption shall be conditioned upon the manufacturer, or the sponsor of the investigation, requiring that experts using such drugs for investigational purposes certify to such manufacturer or sponsor that they will inform any human beings to whom such drugs, or any controls used in connection therewith, are being administered, or their representatives, that such drugs are being used for investigational purposes and will obtain the consent of such human beings or their representatives, except where they deem it not feasible or, in their professional judgment, contrary to the best interests of such human beings. Nothing in this subsection shall be construed to require any clinical investigator to submit directly to the Secretary reports on the investigational use of drugs.'

"(c) Section 301(e) of such Act (21 U.S.C. 331(e)), as amended by section 103(c) of this Act, is further amended by striking out

'505 (i) or (j)' and inserting in lieu thereof '505 (i) or (j), or 507 (d) or (g)'.

"Effective Dates and Application of Part A

"Sec. 107. (a) Except as otherwise provided in this section, the amendments made by the foregoing sections of this part A shall take effect on the date of enactment of this Act.

"(b) The amendments made by sections 101, 103, 105, and 108 of this part A shall, with respect to any drug, take effect on the first day of the seventh calendar month following the month in which this Act is enacted.

"(c)(1) As used in this subsection, the term 'enactment date' means the date of enactment of this Act; and the term 'basic Act' means the Federal Food, Drug, and Cosmetic Act.

"(2) An application filed pursuant to section 505(b) of the basic Act which was 'effective' within the meaning of that Act on the day immediately preceding the enactment date shall be deemed, as of the enactment date, to be an application 'approved' by the Secretary within the meaning of the basic Act as amended by this Act.

"(3) In the case of any drug with respect to which an application filed under section 505(b) of the basic Act is deemed to be an approved application on the enactment date by virtue of paragraph (2) of this subsection—

"(A) the amendments made by this Act to section 201(p), and to subsections (b) and (d) of section 505, of the basic Act, insofar as such amendments relate to the effectiveness of drugs, shall not, so long as approval of such application is not withdrawn or suspended pursuant to section 505(e) of that Act, apply to such drug when intended solely for use under conditions prescribed, recommended, or suggested in labeling covered by such approved application, but shall apply to any changed use, or conditions of use, prescribed, recommended, or suggested in its labeling, including such conditions of use as are the subject of an amendment or supplement to such application pending on, or filed after, the enactment date; and

"(B) clause (3) of the first sentence of section 505(e) of the basic Act, as amended by this Act, shall not apply to such drug when intended solely for use under conditions prescribed, recommended, or suggested in labeling covered by such approved application (except with respect to such use, or conditions of use, as are the subject of an amendment or supplement to such approved application, which amendment or supplement has been approved after the enactment date under section 505 of the basic Act as amended by this Act) until whichever of the following first occurs: (i) the expiration of the two-year period beginning with the enactment date; (ii) the effective date of an order under section 505(e) of the basic Act, other than clause (3) of the first sentence of such section 505(e), withdrawing or suspending the approval of such application.

"(4) In the case of any drug which, on the day immediately preceding the enactment date, (A) was commercially used or sold in the United States, (B) was not a new drug as defined by section 201(p) of the basic Act as then in force, and (C) was not covered by an effective application under section 505 of that Act, the amendments to section 201(p) made by this Act shall not apply to such drug when intended solely for use under conditions prescribed, recommended, or suggested in labeling with respect to such drug on that day.

"Part B—Standardization of drug names

"Review and Designation of Official Names

"Sec. 111. (a) The Federal Food, Drug, and Cosmetic Act (21 U.S.C. 351 et seq.), as amended by this Act, is further amended by adding at the end of chapter V the following new section:

" 'Authority to designate official names

" 'Sec. 508. (a) The Secretary may designate an official name for any drug if he determines that such action is necessary or desirable in the interest of usefulness and simplicity. Any official name designated under this section for any drug shall be the only official name of that drug used in any official compendium published after such name has been prescribed or for any other purpose of this Act. In no event, however, shall the Secretary establish an official name so as to infringe a valid trademark.

" '(b) Within a reasonable time after the effective date of this section, and at such other times as he may deem necessary, the Secretary shall cause a review to be made of the official names by which drugs are identified in the official U.S. Pharmacopeia, the official Homoeopathic Pharmacopoeia of the United States, and the official National Formulary, and all supplements thereto, to determine whether revision of any of those names is necessary or desirable in the interest of usefulness and simplicity.

" '(c) Whenever he determines after any such review that (1) any such official name is unduly complex or is not useful for any other reason, (2) two or more official names have been applied to a single drug, or to two or more drugs which are identical in chemical structure and pharmacological action and which are substantially identical in strength, quality, and purity, or (3) no official name has been applied to a medically useful drug, he shall transmit in writing to the compiler of each official compendium in which that drug or drugs are identified and recognized his request for the recommendation of a single official name for such drug or drugs which will have usefulness and simplicity. Whenever such a single official name has not been recommended within one hundred and eighty days after such request, or the Secretary determines that any name so recommended is not useful for any reason, he shall designate a single official name for such drug or drugs. Whenever he determines that the name so recommended is useful, he shall designate that name as the official name of such drug or drugs. Such designation shall be made as a regulation upon public notice and in accordance with the procedure set forth in section 4 of the Administrative Procedure Act (5 U.S.C. 1003).

" '(d) After each such review, and at such other times as the Secretary may determine to be necessary or desirable, the Secretary shall cause to be compiled, published, and publicly distributed a list which shall list all revised official names of drugs designated under this section and shall contain such descriptive and explanatory matter as the Secretary may determine to be required for the effective use of those names.

" '(e) Upon a request in writing by any compiler of an official compendium that the Secretary exercise the authority granted to him under section 508(a), he shall upon public notice and in accordance with the procedures set forth in section 4 of the Administrative Procedure Act (5 U.S.C. 1003) designate the official name of the drug for which the request is made.'

"(b) This section shall take effect on the date of its enactment.

"Name To Be Used on Drug Label

"Sec. 112. (a) Section 502(e) of such Act (21 U.S.C. 352(e)) is amended by—

"(1) inserting the subparagraph designation '(1)' after '(e)';

"(2) striking out the words 'If it is a drug and is not designated solely by a name recognized in an official compendium unless its label bears (1) the common or usual name of the drug, if such there be; and (2), in case it is fabricated from two or more ingredients, the common or usual name of each active ingredient', and inserting in lieu thereof 'If it is a drug, unless (A) its label bears, to the exclusion of any other nonproprietary name (except the applicable systematic chemical name or the chemical formula), (i) the established name (as defined in subparagraph (2)) of the drug, if such there be, and (ii), in case it is fabricated from two or more ingredients, the established name and quantity of each active ingredient';

"(3) striking out the words 'the name' and inserting in lieu thereof the words 'the established name';

"(4) inserting therein, immediately after the colon following the words 'contained therein', the following: '*Provided*, That the requirement for stating the quantity of the active ingredients, other than the quantity of those specifically named in this paragraph, shall apply only to prescription drugs; and (B) for any prescription drug the established name of such drug or ingredient, as the case may be, on such label (and on any labeling on which a name for such drug or ingredient is used) is printed prominently and in type at least half as large as that used thereon for any proprietary name or designation for such drug or ingredient:';

"(5) striking out the words 'clause (2) of this paragraph' in the proviso to such paragraph and inserting in lieu thereof 'clause (A) (ii) or clause (B) of this subparagraph'; and

"(6) adding at the end of such paragraph the following new subparagraph:

" '(2) As used in this paragraph (e), the term "established name", with respect to a drug or ingredient thereof, means (A) the applicable official name designated pursuant to section 508, or (B), if there is no such name and such drug, or such ingredient, is an article recognized in an official compendium, then the official title thereof in such compendium, or (C) if neither clause (A) nor clause (B) of this subparagraph applies, then the common or usual name, if any, of such drug or of such ingredient: *Provided further*, That where clause (B) of this subparagraph applies to an article recognized in the United States Pharmacopeia and in the Homoeopathic Pharmacopoeia under different official titles, the official title used in the United States Pharmacopeia shall apply unless it is labeled and offered for sale as a homoeopathic drug, in which case the official title used in the Homoeopathic Pharmacopoeia shall apply.'

"(b) Section 502(g) of such Act (21 U.S.C. 352(g)) is amended by inserting immediately before the period at the end thereof a colon and the following proviso: '*Provided further*, That, in the event of inconsistency between the requirements of this paragraph and those of paragraph (e) as to the name by which the drug or its ingredients shall be designated, the requirements of paragraph (e) shall prevail'.

"(c) This section shall take effect on the first day of the seventh calendar month following the month in which this Act is enacted.

"Exclusion of Cosmetics

"Sec. 113. Chapter V of the Federal Food, Drug, and Cosmetic Act, as amended by section 111 of this Act, is further amended by adding at the end thereof the following:

" 'Nonapplicability to cosmetics

" 'Sec. 509. This chapter, as amended by the Drug Amendments of 1962, shall not apply to any cosmetic unless such cosmetic is also a drug or device or component thereof.'

"Information to Physicians

"Sec. 114. (a) Section 301 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 331), as amended by this Act, is further amended by adding at the end thereof the following new paragraph:

"'(o) In the case of a prescription drug distributed or offered for sale in interstate commerce, the failure of the manufacturer, packer, or distributor thereof to maintain for transmittal, or to transmit, to any practitioner licensed by applicable State law to administer such drug who makes written request for information as to such drug, true and correct copies of all printed matter which is required to be included in any package in which that drug is distributed or sold, or such other printed matter as is approved by the Secretary. Nothing in this paragraph shall be construed to exempt any person from any labeling requirement imposed by or under other provisions of this Act.'

"(b) This section shall take effect on the first day of the seventh calendar month following the month in which this Act is enacted.

"Part C—Amendments as to advertising

"Prescription Drug Advertisements

"Sec. 131. (a) Section 502 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 352) is further amended by adding at the end thereof the following new paragraph:

"'(n) In the case of any prescription drug distributed or offered for sale in any State, unless the manufacturer, packer, or distributor thereof includes in all advertisements and other descriptive printed matter issued or caused to be issued by the manufacturer, packer, or distributor with respect to that drug a true statement of (1) the established name as defined in section 502(e), printed prominently and in type at least half as large as that used for any trade or brand name thereof, (2) the formula showing quantitatively each ingredient of such drug to the extent required for labels under section 502(e), and (3) such other information in brief summary relating to side effects, contraindications, and effectiveness as shall be required in regulations which shall be issued by the Secretary in accordance with the procedure specified in section 701(e) of this Act: *Provided*, That (A) except in extraordinary circumstances, no regulation issued under this paragraph shall require prior approval by the Secretary of the content of any advertisement, and (B) no advertisement of a prescription drug, published after the effective date of regulations issued under this paragraph applicable to advertisements of prescription drugs, shall, with respect to the matters specified in this paragraph or covered by such regulations, be subject to the provisions of sections 12 through 17 of the Federal Trade Commission Act, as amended (15 U.S.C. 52–57). This paragraph (n) shall not be applicable to any printed matter which the Secretary determines to be labeling as defined in section 201(m) of this Act.'

"(b) No drug which was being commercially distributed prior to the date of enactment of this Act shall be deemed to be misbranded under paragraph (n) of section 502 of the Federal Food, Drug, and Cosmetic Act, as added by this section, until the earlier of the following dates: (1) the first day of the seventh month following the month in which this Act is enacted; or (2) the effective date of regulations first issued under clause (3) of such paragraph (n) in accordance with the procedure specified in section 701(e) of the Federal Food, Drug, and Cosmetic Act.

"TITLE II—FACTORY INSPECTION AND EFFECT ON STATE LAWS

"Factory Inspection

"Sec. 201. (a) Section 704(a) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 374(a)) is amended to read as follows:

"'(a) For purposes of enforcement of this Act, officers or employees duly designated by the Secretary, upon presenting appropriate credentials and a written notice to the owner, operator, or agent in charge, are authorized (1) to enter, at reasonable times, any factory, warehouse, or establishment in which food, drugs, devices, or cosmetics are manufactured, processed, packed, or held, for introduction into interstate commerce or after such introduction, or to enter any vehicle being used to transport or hold such food, drugs, devices, or cosmetics in interstate commerce; and (2) to inspect, at reasonable times and within reasonable limits and in a reasonable manner, such factory, warehouse, establishment, or vehicle and all pertinent equipment, finished and unfinished materials; containers, and labeling therein. In the case of any factory, warehouse, establishment, or consulting laboratory in which prescription drugs are manufactured, processed, packed, or held, the inspection shall extend to all things therein (including records, files, papers, processes, controls, and facilities) bearing on whether prescription drugs which are adulterated or misbranded within the meaning of this Act, or which may not be manufactured, introduced into interstate commerce, or sold, or offered for sale by reason of any provision of this Act, have been or are being manufactured, processed, packed, transported, or held in any such place, or otherwise bearing on violation of this Act. No inspection authorized for prescription drugs by the preceding sentence shall extend to (A) financial data, (B) sales data other than shipment data, (C) pricing data, (D) personnel data (other than data as to qualifications of technical and professional personnel performing functions subject to this Act), and (E) research data (other than data, relating to new drugs and antibiotic drugs, subject to reporting and inspection under regulations lawfully issued pursuant to section 505 (i) or (j) or section 507 (d) or (g) of this Act, and data, relating to other drugs, which in the case of a new drug would be subject to reporting or inspection under lawful regulations issued pursuant to the section 505(j) of this Act). A separate notice shall be given for each such inspection, but a notice shall not be required for each entry made during the period covered by the inspection. Each such inspection shall be commenced and completed with reasonable promptness. The provisions of the second sentence of this subsection shall not apply to—

"'(1) pharmacies which maintain establishments in conformance with any applicable local laws regulating the practice of pharmacy and medicine and which are regularly engaged in dispensing prescription drugs, upon prescriptions of practitioners licensed to administer such drugs to patients under the care of such practitioners in the course of their professional practice, and which do not, either through a subsidiary or otherwise, manufacture, prepare, propagate, compound, or process drugs for sale other than in the regular course of their business of dispensing or selling drugs at retail;

"'(2) practitioners licensed by law to prescribe or administer drugs and who manufacture, prepare, propagate, compound, or process drugs solely for use in the course of their professional practice;

"'(3) persons who manufacture, prepare, propagate, compound, or process drugs solely for use in research, teaching, or chemical analysis and not for sale;

"'(4) such other classes of persons as the Secretary may by regulation exempt from the application of this section upon a finding that inspection as applied to such classes of persons in accordance with this section is not necessary for the protection of the public health.'

"(b) Section 704(b) of such Act (21 U.S.C. 374(b)) is amended by inserting after 'warehouse,' the words 'consulting laboratory,'.

"(c) Section 302(a) of such Act (21 U.S.C. 332(a)) is amended by striking out '(f),'.

"(d) Nothing in the amendments made by subsections (a) and (b) of this section shall be construed to negate or derogate from any authority of the Secretary existing prior to the enactment of this Act.

"Effect on State Laws

"Sec. 202. Nothing in the amendments made by this Act to the Federal Food, Drug, and Cosmetic Act shall be construed as invalidating any provision of State law which would be valid in the absence of such amendments unless there is a direct and positive conflict between such amendments and such provision of State law.

"Effective Date

"Sec. 203. The amendments made by this title shall take effect on the date of enactment of this Act.

"Title III—Registration of drug establishments and patent information

"Findings and Declaration

"Sec. 301. The Congress hereby finds and declares that in order to make regulation of interstate commerce in drugs effective, it is necessary to provide for registration and inspection of all establishments in which drugs are manufactured, prepared, propagated, compounded, or processed; that the products of all such establishments are likely to enter the channels of interstate commerce and directly affect such commerce; and that the regulation of interstate commerce in drugs without provision for registration and inspection of establishments that may be engaged only in intrastate commerce in such drugs would discriminate against and depress interstate commerce in such drugs, and adversely burden, obstruct, and affect such interstate commerce.

"Registration of Producers of Drugs

"Sec. 302. Chapter V of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 351 et seq.) is amended by adding at the end thereof the following section:

"'Registration of producers of drugs

"'Sec. 510. (a) As used in this section—

"'(1) the term "manufacturer, preparation, propagation, compounding, or processing" shall include repackaging or otherwise changing the container, wrapper, or labeling of any drug package in furtherance of the distribution of the drug from the original place of manufacture to the person who makes final delivery or sale to the ultimate consumer;

"'(2) the term "name" shall include in the case of a partnership the name of each partner and, in the case of a corporation, the name of each corporate officer and director, and the State of incorporation.

"'(b) On or before December 31 of each year every person who owns or operates any establishment in any State engaged in the manufacture, preparation, propagation, compounding, or processing of a drug or drugs shall register with the Secretary his name, places of business, and all such establishments.

"'(c) Every person upon first engaging in the manufacture, preparation, propagation, compounding, or processing of a drug or drugs in any establishment which he owns or operates in any State shall immediately register with the Secretary his name, place of business, and such establishment.

"'(d) Every person duly registered in accordance with the foregoing subsections of this section shall immediately register with the Secretary any additional establishment which he owns or operates in any State and in which he begins the manufacture, preparation, propagation, compounding, or processing of a drug or drugs.

"'(e) The Secretary may assign a registration number to any person or any establishment registered in accordance with this section.

"'(f) The Secretary shall make available for inspection, to any person so requesting, any registration filed pursuant to this section.

"'(g) The foregoing subsections of this section shall not apply to—

"'(1) pharmacies which maintain establishments in conformance with any applicable local laws regulating the practice of pharmacy and medicine and which are regularly engaged in dispensing prescription drugs, upon prescriptions of practitioners licensed to administer such drugs to patients under the care of such practitioners in the course of their professional practice, and which do not manufacture, prepare, propagate, compound, or process drugs for sale other than in the regular course of their business of dispensing or selling drugs at retail;

"'(2) practitioners licensed by law to prescribe or administer drugs and who manufacture, prepare, propagate, compound, or process drugs solely for use in the course of their professional practice;

"'(3) persons who manufacture, prepare, propagate, compound, or process drugs solely for use in research, teaching, or chemical analysis and not for sale;

"'(4) such other classes of persons as the Secretary may by regulation exempt from the application of this section upon a finding that registration by such classes of persons in accordance with this section is not necessary for the protection of the public health.

"'(h) Every establishment in any State registered with the Secretary pursuant to this section shall be subject to inspection pursuant to section 704 and shall be so inspected by one or more officers or employees duly designated by the Secretary at least once in the two-year period beginning with the date of registration of such establishment pursuant to this section and at least once in every successive two-year period thereafter.

"'(i) Any establishment within any foreign country engaged in the manufacture, preparation, propagation, compounding, or processing of a drug or drugs shall be permitted to register under this section pursuant to regulations promulgated by the Secretary. Such regulations shall include provisions for registration of any such establishment upon condition that adequate and effective means are available, by arrangement with the government of such foreign country or otherwise, to enable the Secretary to determine from time to time whether drugs manufactured, prepared, propagated, compounded, or processed in such establishment, if imported or offered for import into the United States, shall be refused admission on any of the grounds set forth in section 801 (a) of this Act.'

"Transitional Provisions

"SEC. 303. Any person who, on the day immediately preceding the date of enactment of this Act, owned or operated any establishment in any State (as defined in section 201 of the Federal Food, Drug, and Cosmetic Act as amended by this Act) engaged in the manufacture, preparation, propagation, compounding, or processing of a drug or drugs, shall, if he first registers in accordance with subsection (b) of section 510 of that Act (as added thereto by this Act) prior to the first day of the seventh calendar month following the month in which this Act is enacted, be deemed to have complied with that subsection for the calendar year 1962. Such registration, if made within such period and effected in 1963, shall also be deemed to be in compliance with such subsection for that calendar year.

"Failure to Register

"SEC. 304. Section 301 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 331) is amended by adding at the end thereof the following new paragraph:

"'(p) The failure to register as required by section 510.'

"Drugs From Nonregistered Establishments Misbranded

"SEC. 305. Section 502 of such Act (21 U.S.C. 352) is amended by adding at the end thereof the following new paragraph:

"'(o) If it is a drug and was manufactured, prepared, propagated, compounded, or processed in an establishment in any State not duly registered under section 510.'

"Samples of Imported Drugs

"SEC. 306. Section 801(a) of such Act (21 U.S.C. 381(a)) is amended by inserting, after the first sentence thereof, the following new sentence: 'The Secretary of Health, Education, and Welfare shall furnish to the Secretary of the Treasury a list of establishments registered pursuant to subsection (i) of section 510 and shall request that if any drugs manufactured, prepared, propagated, compounded, or processed in an establishment not so registered are imported or offered for import into the United States, samples of such drugs be delivered to the Secretary of Health, Education, and Welfare, with notice of such delivery to the owner or consignee, who may appear before the Secretary of Health, Education, and Welfare and have the right to introduce testimony.'

"Definitions

"SEC. 307. (a) Section 201(a) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321(a)) is amended to read as follows:

"'(a)(1) The term "State", except as used in the last sentence of section 702(a), means any State or Territory of the United States, the District of Columbia, and the Commonwealth of Puerto Rico.

"'(2) The term "Territory" means any Territory or possession of the United States, including the District of Columbia, and excluding the Commonwealth of Puerto Rico and the Canal Zone.'

"(b) The second sentence of section 702(a) of such Act (21 U.S.C. 372(a)) is amended by inserting before the words 'a Territory' the words 'the Commonwealth of Puerto Rico or'.

"Information on Patents for Drugs

"SEC. 308. Section 702 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 372) is amended by adding at the end thereof the following new subsection:

"'(d) The Secretary is authorized and directed, upon request from the Commissioner of Patents, to furnish full and complete information with respect to such questions relating to drugs as the Commissioner may submit concerning any patent application. The Secretary is further authorized, upon receipt of any such request, to conduct or cause to be conducted, such research as may be required.'"

And the House agree to the same.

That the Senate recede from its disagreement to the amendment of the House to the title and agree to the same.

OREN HARRIS,
KENNETH A. ROBERTS,
LEO W. O'BRIEN,
PAUL G. ROGERS,
JOHN B. BENNETT,
PAUL F. SCHENCK,
ANCHER NELSEN,
Managers on the Part of the House.

JAMES O. EASTLAND,
ESTES KEFAUVER,
OLIN D. JOHNSTON,
EVERETT M. DIRKSEN,
ROMAN L. HRUSKA,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1552) to amend and supplement the laws with respect to the manufacture and distribution of drugs, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The House struck out all of the Senate bill after the enacting clause and inserted a substitute amendment.

The committee of conference has agreed to a substitute for both the Senate bill and the House amendment. Except for clarifying, clerical, and conforming changes, the differences are noted below:

EFFECTIVENESS AND SAFETY OF NEW DRUGS

Both the House amendment and the Senate bill required the Secretary of Health, Education, and Welfare to refuse to approve, or to withdraw approval, of a new drug if he found that there was a lack of substantial evidence (as defined) of the effectiveness of the drug for its proposed use, or if he found that the labeling was false or misleading in any particular. The House version required that the finding as to false or misleading labeling be "based on a fair evaluation of all material facts"; the Senate version did not contain the quoted phrase. The conference substitute accepts the House version on this point.

RECORDS AND REPORTS AS TO EXPERIENCE ON NEW DRUGS

Existing law provides that the Secretary of Health, Education, and Welfare shall promulgate regulations for exemption of new drugs from the new drug clearance requirements otherwise applicable under section 505(i) of the Federal Food, Drug, and Cosmetic Act, where such drugs are to be used solely for investigational purposes by qualified experts. The House version provided that regulations of the Secretary could condition such exemption for investigational use of drugs (1) upon submission to him, by the manufacturer or sponsor of the investigation, of reports of the results of preclinical tests conducted before use of the drug on human beings (2) upon the manufacturer or sponsor obtaining signed agreements from each investigator to whom he transmits the drug that patients to whom the drug will be administered will be under the personal supervision of such investigator or of other investigators responsible to him, and (3) upon the establishment and maintenance of records, and the making of reports, of data obtained as the result of such investigational use of such drugs. The House version also provided that the exemption was to be conditioned upon the manufacturer's requiring (1) that experts testing the drug on human beings first inform such patients or their representatives of the experimental nature of the drug and obtain their consent to its use, and (2) that such experts certify that such consent will be obtained.

The committee of conference substituted revised language for the provision of the House version relating to giving information to, and obtaining the consent of, the patient or his representative in connection with the administration of experimental drugs. The conference substitute requires the Secretary to issue regulations conditioning the exemption upon the manufacturer's or sponsor's requiring clinical investigators to certify that where they administer experimental drugs to human beings they will inform them, or their representatives, that the drugs are being used for investigational purposes and obtain their consent, except where providing such information and obtaining such consent would not be feasible, or would, in the professional judgment of the investigator, be contrary to the best interests of those human beings to whom such drugs are being administered. The conference substitute makes clear that the conditions prescribed in the House version are not the sole conditions that may be imposed for the protection of the public health.

Both the Senate and House versions added to the new-drug section (sec. 505) of the Federal Food, Drug, and Cosmetic Act a new subsection (j) authorizing the Secretary by regulation or special order, to require manufacturers of previously cleared new drugs to keep records, and make reports to him, of information obtained by them as to experience with respect to such drugs. The conference substitute provides that the Secretary's regulations or orders under this new subsection, and regulations issued under section 505(i) with respect to investigational drugs, must have due regard for the professional ethics of the medical profession and the interests of patients, and provides, where the Secretary deems it appropriate, for examination upon request, by persons to whom the regulations are applicable, of similar information received by the Secretary. This provision was in the bill as originally passed by the Senate.

CONSIDERATION OF NEW DRUG APPLICATIONS

Section 104(b) of the House amendment provided that within 180 days of the filing of an application for approval of a new drug, the Secretary of Health, Education, and Welfare must approve the application or give the applicant notice of an opportunity for hearing. It required that the hearing, if held, be held on an expedited basis, and the Secretary's order thereon be issued within 90 days after completion of the hearing. The Senate bill was identical in this regard, except that it was required that the Secretary's order should be issued on an expedited basis, with no specified time limit. The conference substitute provides that the Secretary's order shall be issued within 90 days after the date fixed by the Secretary for the filing of final briefs. This is the last step in the hearing process prior to the final decision of the Secretary.

ANIMAL FEED

The House amendment contained a provision amending the anticancer clause of the food additives amendment and the color additive amendment of the Federal Food, Drug, and Cosmetic Act by making this clause inapplicable to chemicals such as veterinary drugs when used in feed for food-producing animals if the Secretary finds (1) that under the conditions of use and feeding specified in the proposed labeling and reasonably certain to be followed in practice, such additive will not adversely affect the animals for which such feed is intended, and (2) that no residue of the additive will be found (by methods of examination prescribed or approved by the Secretary by regulations) in any edible portion of the animal after slaughter or in any food such as milk or eggs yielded by or derived from the living animal.

The Senate bill did not contain this provision.

The conference substitute adopts the House provision in this respect.

.CERTIFICATION OF ANTIBIOTICS

The House bill provided that, in addition to the five named antibiotics or derivatives thereof subject to batch-by-batch certification, all other antibiotics intended for use by man would be brought under the batch certification requirements.

Section 105(b) of the House version would have added a new section 507(h) to the Federal Food, Drug, and Cosmetic Act. This section would have relieved manufacturers of antibiotics previously cleared under the new drug procedure, and first made subject to the batch certification requirements of this section by the amendment, from being required to submit proof of efficacy of the drug with respect to the conditions prescribed, recommended, or suggested in the labeling covered by the new drug application. However, the exemption from submission of proof of efficacy would not apply if (1) the procedures currently applicable for withdrawing certification were complied with, and (2) the Secretary found that there was a lack of substantial evidence that the drug had the effect it purported or was represented to have.

Subsection (c) would have amended section 502 of the Federal Food, Drug, and Cosmetic Act to make antibiotics newly brought within the purview of section 507 subject to the misbranding provisions of the act if not from a batch with respect to which a certification or release has been issued.

The Senate version provided for batch-by-batch certification of all antibiotic drugs, without limitation to those intended for use by man, and contained a definition of the term "antibiotic drug." It further provided that in deciding whether an antibiotic drug is to be exempted from the requirement of certification, the Secretary shall consider, among other relevant factors, whether the manufacturer thereof has, within a period of 18 consecutive months, produced 50 consecutive batches of such drug in compliance with regulations, or whether the drug is manufactured by any person who has otherwise demonstrated such consistency in production of such drug in compliance with regulations for certification as is adequate to insure safety and efficacy. And the Senate version provided that where a drug is exempted from the requirements of section 507, and therefore becomes subject to section 505, the initial request for certification pursuant to section 507 shall be treated as part of the application filed pursuant to section 505(b) (the new-drug provision).

The conference substitute combines the features of the House bill and of the Senate bill. The substitute (1) defines the term "antibiotic drug"; (2) makes subject to batch certification any antibiotic drug not already so subject if intended for use by man; (3) contains the provisions of the Senate bill regarding factors to be considered in deciding upon exemptions from batch certification controls when certain standards are met; (4) inserts the Senate transitional provision in the event of exemption from certification; and (5) contains the House provisions with respect to misbranding and the transitional provisions. The definition of "antibiotic drug," which is applicable only to drugs intended for use by man, does not limit the certification of drugs containing any of the five specifically named groups of drugs and their derivatives which are subject to batch certification under existing law, whether or not they also contain an antibiotic drug as defined by the definition inserted by the conference substitute. The conference substitute does not require the Secretary to change existing antibiotic regulations that exempt animal feeds containing antibiotics from the requirement of batch-by-batch certification.

RECORDS AND REPORTS AS TO EXPERIENCE ON ANTIBIOTICS

Section 106 of the House version required the establishment and maintenance of records, and the making of reports to the Secretary, of data relating to experience obtained with respect to antibiotics. The House amendment also provided that regulations permitting experimental use of antibiotics would be subject to the same terms and conditions with respect to preclinical testing, supervision of patients, making of reports to the Secretary, and providing information to human beings to whom experimental drugs are administered as required in section 103 of the House bill, relating to new drugs.

The conference substitute provides the same changes with respect to these provisions as are provided with respect to new drugs under section 103 of the bill.

EFFECTIVE DATES AND TRANSITIONAL PROVISIONS

Section 107 of the House version provided that the amendments made by the bill relating to drug manufacturing quality controls, the maintenance of records and furnishing of reports concerning new drugs and antibiotics, and the certification of antibiotics, would take effect on the first day of the seventh calendar month following the month of enactment. Section 102 (effectiveness of new drugs), except as noted below, and section 104 (new-drug clearance procedure) would take effect on the date of enactment. The conference substitute adopts the foregoing provisions of the House amendment.

The House amendment provided that the new "effectiveness" requirements would not apply to any previously approved new drug so long as new claims were not made for that drug unless, on the basis of new information before him with respect to such drug, evaluated together with the evidence available to him when the application was approved, the Secretary determined that there was a lack of substantial evidence that the drug will have the effect it purports or is represented to have under the conditions of use prescribed, recommended, or suggested in the labeling thereof.

The Senate version, with respect to amendments relating to the effectiveness of drugs, contained provisions preventing their application to previously approved drugs except with respect to changed uses or conditions of use recommended in their labeling, so long as approval of the application is not suspended or withdrawn. The Senate version also provided that until either the expiration of 2 years after the enactment of the bill, or until the effective date of an order under section 505(e) of the Federal Food, Drug, and Cosmetic Act withdrawing or suspending the approval of an application, the new "lack of substantial evidence of effectiveness" test for withdrawal of new-drug approval shall not apply.

The conference substitute adopts the Senate version and also contains the Senate language providing with respect to existing labeling claims of drugs that have never previously been subject to the new-drug procedure substantially the same savings provisions as the corresponding provision of the House bill (sec. 107(d)).

REVIEW AND DESIGNATION OF OFFICIAL NAMES

The House version added a new section to the Federal Food, Drug, and Cosmetic Act authorizing the Secretary of Health, Education, and Welfare to promulgate regulations establishing a single standard name for any drug whenever in his judgment such action was necessary or desirable in the interest of usefulness or simplicity, or on certain other grounds. The House version contained a safeguard against the establishment of a standard name so as to infringe a valid trademark. The Senate version provided that the Secretary may designate an official name for a drug if he determines that such action is necessary or desirable in the interest of usefulness and simplicity. The Senate version provides that the Secretary shall review the official names by which drugs are identified in the official compendia. Upon determining that a single official name for a drug is necessary, the Secretary is required to transmit in writing to the compiler of each official compendium in which that drug is identified a request for designation of a single official name. If such a single official name has not been recommended within 180 days, or if the name so recommended is not useful, the Secretary is authorized to designate such a name.

The Senate version also provides that the Secretary shall compile, publish, and publicly distribute a list of all revised official names of drugs designated under this section. Upon a request in writing by any compiler of any official compendium that the Secretary designate an official name under this section, the Secretary shall upon public notice and in accordance with the Administrative Procedure Act, designate the official name of the drug.

The conference substitute adopts the Senate version with respect to review and designation of official names, and adds thereto the provision from the House bill prohibiting the Secretary from establishing an official name so as to infringe a valid trademark.

CONSPICUOUSNESS OF OFFICIAL NAMES

Both the House amendment and the Senate bill in the section relating to the use of official names on the labels and labeling of prescription drugs provided that the established name of a drug or active ingredient (or in certain cases, other ingredients named in existing law) must be printed on any label or labeling prominently and in type at least half as large as that used thereon for any proprietary name or designation for such drug or ingredient. With regard to labeling on prescription drugs the House amendment further provided that the established name of the drug or ingredient must be so printed at the first place and at the most conspicuous place if other than the first place, at which such proprietary name for such drug or ingredient, as the case may be, is used.

The Senate version did not contain the second provision with regard to labeling.

The conference substitute adopts the Senate version.

NONAPPLICABILITY TO COSMETICS

The House amendment contained a provision to the effect that the Drug Amendments of 1962 shall not apply to any cosmetic unless such cosmetic is also a drug or device, or component thereof.

The Senate bill did not contain a comparable provision.

The conference substitute includes this House provision.

INFORMATION TO PHYSICIANS AND OTHERS

The Senate bill contained a provision which would have deemed a prescription drug to be misbranded if the manufacturer, packer, or distributor thereof does not furnish practitioners upon written request true and correct copies of all printed matter which is required to be included in any package in which a drug is distributed or sold or such other printed matter as is approved by the Secretary.

The House amendment did not contain a comparable provision.

The conference substitute in substance adopts the Senate provision but failure to comply with this provision would not constitute a misbranding; rather it would be a prohibited act under section 301 of the Federal Food, Drug, and Cosmetic Act.

PRESCRIPTION DRUG ADVERTISEMENTS

The House amendment contained a provision rendering a prescription drug misbranded unless the manufacturer, packer, or distributor thereof sets forth in all advertisements and other descriptive printed matter issued by him a true statement of (1) the established name printed prominently and in type at least half as large as that used for any trade or brand name thereon, (2) the formula showing quantitatively each ingredient of such drug, and (3) such other information, in brief summary, relating to side effects, contraindications, and effectiveness as shall be required in regulations which shall be issued by the Secretary.

The House amendment further provided that, except in extraordinary circumstances, no regulation issued under this provision shall require prior approval by the Secretary of the content of any advertisement.

The Senate version of this provision did not contain the requirement that the information relating to side effects, etc., be "in brief summary" and did not contain the provision relating to prior approval of the content of any advertisement.

The conference substitute adopts the House version of this provision but provides that the ingredient formula in advertisements does not need to include inactive ingredients except as they are required under section 502(e) of the Act.

The managers on the part of the House (with the managers on the part of the Senate concurring) desire to stress that, notwithstanding the provision precluding a requirement of prior approval by the Secretary of the content of any advertisement, manufacturers who desire to do so may voluntarily submit their advertisements to the Secretary prior to publication, and the Secretary is authorized under this legislation to review proposed advertising so submitted to him. It is the intention of the managers on the part of the House (with the managers on the part of the Senate concurring) that no action shall be brought by the Secretary under this section because of the use of an advertisement submitted to him prior to publication and found not to be in violation of this paragraph, unless he subsequently finds the advertisement in violation, advises the advertiser, and allows reasonable time to effect the necessary correction.

Furthermore, in administering the requirement contained in the conference substitute that advertisements contain brief summaries of side effects, etc., the Secretary under the conference substitute has sufficient discretion to exercise due regard to the size of the advertisement, the need for protecting the public health, and the conditions for which the drug is offered in the advertisement.

The term "brief summary" would authorize the setting out in brief form information which would fairly show the effectiveness of the drug and any contraindications, etc., in a form which, while brief, would not be false or misleading. The term would permit reasonable variations in the content of advertisements depending on their size, in order to keep the costs to small manufacturers from becoming too large in complying with the requirements of the section.

FACTORY INSPECTION

Both the Senate version and the House amendment contained identical provisions extending the scope of permissible inspection by Food and Drug Administration inspectors in the case of establishments in which prescription drugs are manufactured, processed, packed, or held and specifying certain exclusions and exemptions from such inspection. The Senate version, in enumerating the establishments subject to such inspection, contained a specific reference to consulting laboratories. The House version did not specifically provide for the inspection of consulting laboratories. It also included a list, not included in the Senate version, of specific items which may be inspected.

The conference substitute followed the Senate version. It is the understanding of the conferees that the term "consulting laboratory" includes only laboratories which, for a fee or other remuneration, perform, or undertake to perform, testing or consulting services for other establishments; university laboratories which perform consulting or testing services not for remuneration are not intended to be included. It should be noted that the provision in both versions and in the conference substitute exempting persons who manufacture, prepare, propagate, compound, or process drugs solely for use in research, teaching, or chemical analysis and not for sale, is not intended to exempt from inspection consulting laboratories specifically referred to in the bill, as above explained.

CONFIDENTIALITY OF INFORMATION OBTAINED BY INSPECTION

The House amendment amended section 301(j) of the Federal Food, Drug, and Cosmetic Act with regard to the confidentiality of information obtained by inspection.

The Senate bill did not contain a similar provision.

The conference substitute omits the provision contained in the House version amending section 301(j) of the act. This leaves existing law on this subject unchanged.

EFFECT ON STATE LAWS

The House amendment contained a provision to the effect that nothing in the Federal Food, Drug, and Cosmetic Act, as amended, shall be construed as invalidating any provision of State law which would be valid in the absence of such act unless there is a direct and positive conflict between such act and such provision of State law.

The Senate bill did not contain a comparable provision.

The conference substitute retains the House provision but makes the provision applicable only to the amendments made by this act to the Federal Food, Drug, and Cosmetic Act.

EFFECTIVE DATE

The House amendment contained a provision making the provisions contained in title II—Factory Inspection Authority—effective on the date of enactment of this act.

The Senate bill did not contain a comparable provision.

The conference substitute contains this House provision.

INFORMATION ON PATENTS FOR DRUGS

The Senate bill contained a provision authorizing and directing the Secretary, upon request from the Commissioner of Patents, to furnish full and complete information with respect to such questions relating to drugs as the Commissioner may submit concerning any patent application. This provision further authorized and directed the Secretary, upon receipt of any such request, to conduct or cause to be conducted such research as may be required.

The House amendment did not contain a comparable provision.

The conference substitute contains the Senate provisions but merely authorizes the Secretary, upon receipt of any such request from the Commissioner of Patents, to conduct any research that may be required.

REGISTRATION

The Senate version added to the Federal Food, Drug, and Cosmetic Act a new section requiring the annual registration, with the Secretary of Health, Education, and Welfare, of certain establishments in any State engaged in the manufacture, preparation, propagation, compounding, or processing of a drug or drugs; making establishments so registered subject to inspection with respect to all the things that are subject to inspection under section 704 and requiring such inspection at least once every 2 years. Pharmacies and certain enumerated establishments are excluded. A drug manufactured, prepared, propagated, compounded, or processed in an establishment in any State (as elsewhere defined in the bill) not duly registered was declared to be misbranded, and the failure to register as required was declared to be a prohibited act.

The House version did not contain any comparable provision.

The conference substitute contains the provisions of the Senate version, with certain clarifying amendments, including congressional findings making clear the intent to include in the registration and inspection requirements of this part of the bill establishments engaged only in intrastate commerce, and added a provision permitting foreign establishments to register with the Secretary pursuant to regulations to be promulgated by him upon condition that adequate and effective means are available, by arrangement with the government of the foreign country involved or otherwise, to enable the Secretary to determine whether drugs emanating from such establishments are subject to exclusion under the import provisions of the bill. In connection with the last mentioned provision, the Senate version also amended the import provisions of the act so as to assure that the Secretary of the Treasury will transmit to the Secretary of Health, Education, and Welfare, for examination, samples of all shipments from foreign establishments that are not registered under the registration provisions of the bill. This provision is not intended to limit the present authority of the Secretary of Health, Education, and Welfare to request and obtain samples of shipments offered for import, to determine whether such shipments are admissible.

DISTRIBUTION OF INFORMATION BY SECRETARY OF HEALTH, EDUCATION, AND WELFARE

The Senate bill contained a provision requiring the Secretary of Health, Education, and Welfare to publish and distribute on a current basis to physicians, hospitals, etc., true and correct copies of all printed matter which the Secretary has required to be included in any package in which any drug is distributed or sold or of brochure approved by the Secretary and available to practitioners on request.

The House amendment did not contain a comparable provision.

The conference substitute does not contain any such provision.

DEFINITION

The Senate bill contained a definition of the term "State." The House amendment did not contain any such definition.

The conference report defines "State" appropriately for the different sections of the act and revises the definition of the term "territory" to exclude the Commonwealth of Puerto Rico.

Oren Harris,
Kenneth A. Roberts,
Leo W. O'Brien,
Paul G. Rogers,
John B. Bennett,
Paul F. Schenck,
Ancher Nelsen,
Managers on the Part of the House.

Mr. ROBERTS of Alabama. Mr. Speaker, I yield myself such time as I might require.

Mr. Speaker, the drug bill now before the House is one of the most important measures which the Congress has acted upon during this session. It will mark a milestone in the progress we have been making better to protect the public health of this Nation. It is a necessary piece of legislation long overdue.

I want to take this opportunity, if I might have the attention of the Members, to compliment the distinguished chairman of the Committee on Interstate and Foreign Commerce, the gentleman from Arkansas [Mr. Harris] who has sponsored this legislation. He has provided great leadership in getting the bill through the committee and to the floor of the House.

I had been prepared to say that unfortunately he would not be with us today, but I am delighted to see that he is on the floor of the House. His very presence here gives the gentleman from Alabama, and I am sure the members of the Committee on Interstate and Foreign Commerce, great confidence and inspiration so far as this bill is concerned. I am sorry he has been ill, but I am delighted to see that our chairman is able to be here with us today.

I would also like to thank all of the members of the Committee on Interstate and Foreign Commerce for the many long hours spent in the consideration of this bill. I am grateful to the staff members who assisted in helping us to bring out a good strong workable piece of legislation. I refer to Messrs. Sam G. Spal and Kurt Borchardt of the committee staff and James M. Menger, Jr., and William P. Adams, and others from the legislative counsel's office, who made themselves available at all times and helped a great deal in the consideration of one of the most intricate, difficult, but necessary pieces of legislation that this committee has ever tackled.

The committee of conference worked very diligently and produced this bill which passed the Senate yesterday by unanimous vote. This conference report is a composite of the best features of the House-passed bill H.R. 11581 and the Senate-passed bill S. 1552.

The sections dealing with, first, the effectiveness and safety of new drugs; second, records and reports as to experience on new drugs and antibiotics; third, consideration of new drug applications; fourth, animal feed; fifth, effective dates and transitional provisions; and sixth, prescription drug advertising are either the same as, or closely related to, the House-passed bill, H.R. 11581.

The sections dealing with, first, review and designation of official drug names; second, conspicuousness of official names; third, information to physicians; fourth, factory inspection; fifth, information on patents for drugs; and, sixth, registration and inspection of drug establishments are either the same as, or closely related to, the Senate-passed bill, S. 1552.

The fact that we took the House or Senate version of a particular provision does not mean that there were major differences between the two. Indeed, in most instances the language on either side was very close and would have been equally acceptable. In fact, in some instances, such as in sections dealing with adequate manufacturing controls, the wording was either identical or substantially so. That is why we were able to reach agreement very quickly. We agreed to take the best features of both bills.

Mr. Speaker, there were a few items in the House bill which had no corresponding provision in the Senate bill and vice versa, such as the animal feed provision in the House bill, confidentiality of information in the House bill, effect of State laws in the House bill, or registration of producers of drugs in the Senate bill, publication by the Department of Health, Education, and Welfare of drug information in the Senate bill as well as information on patents in the Senate bill.

These items were worked out to the satisfaction of the conference committee.

Mr. Speaker, there is no need for me to stress the fact that we have the finest and best pharmaceutical industry in the world. This industry has produced the finest and most effective drugs on the market. This industry is spending many millions of dollars in research in order to develop new and more effective lifesaving drugs. I believe we all agree on that. If that be the case, then one might ask "Why the need for this bill?"

The answer is that in matters involving the safety and health of our people we can always use a little extra measure of protection. We all agree that in such matters there is always room for improvement. The bill would do just that. It will give better assurance to the people that the drugs being marketed now, or those that are being or will be clinically tested, will be safer and more effective. Those drugs now on the market whose safety or effectiveness is no longer assured will be withdrawn. The Secretary of Health, Education, and Welfare will have the power to act quickly and decisively to remove a drug from the market when there is an imminent hazard to the public health.

Mr. Speaker, this bill will assist the physicians by requiring prescription drug advertisements to contain information in brief summary relating to side effects, contraindications, and effectiveness as shall be required by regulations to be issued by the Secretary of Health, Education, and Welfare.

That is the whole story in a nutshell.

Mr. Speaker, the pharmaceutical industry wants this bill. The public needs this bill. I urge the House to accept the conference report.

Mr. HEMPHILL. Mr. Speaker, will the gentleman yield?

Mr. ROBERTS of Alabama. I yield to the gentleman from South Carolina, a member of the committee.

Mr. HEMPHILL. Mr. Speaker, I want to echo the sentiments of the subcommittee chairman who is in the well on the good job that was done by our committee chairman and also by the members of the subcommittee and the members of the conference on the part of the House.

Mr. Speaker, I want to thank the committee members of the conference committee for supporting an amendment which I introduced to clarify some coverage as to the cosmetology business, the business known as hairdressing. We have had considerable concern and considerable correspondence from the hairdressing industry and the participants therein. Someone had told them that we were going to ruin their business and put them out of business.

We are assured, however, by this amendment that they are not, that they are considered, and they are taken care of.

Mr. Speaker, I want to thank the gentleman from Alabama for his good work in that connection, along with the other members of the committee.

Mr. ROBERTS of Alabama. I thank the gentleman for his statement and for his contribution.

Mr. Speaker, I now yield to the gentleman from Ohio, the ranking minority member of the Subcommittee on Health and Safety [Mr. Schenck]. I would like to say at this time that the gentleman did a splendid job both in the consideration of the bill on the House side and was my strong right arm in the conference with the Senate. Due to his knowledge, his ability, and his extreme care, we were able to hold most of the House provisions in the bill.

Mr. SCHENCK. Mr. Speaker, I want to associate myself with the comments so well made by my colleague in reference to the other members of our committee and our committee staff. I also deeply appreciate the very cordial and kind personal comments of the gentleman from Alabama [Mr. ROBERTS]. It is always a privilege and a pleasure to work with him as it is with all the other members of our entire Committee on Interstate and Foreign Commerce under the chairmanship of the distinguished gentleman from Arkansas [Mr. HARRIS]; and especially is this true of the Subcommittee on Health and Safety.

Mr. Speaker, the final result, as set out in this conference report, is a much stronger and better legislative measure than either the original Senate or House bill. It has strong, effective provisions to protect and safeguard the health of everyone. This is of vital importance. I think it is also flexible enough to permit and encourage research and development, and to aid in the development and discovery of new drugs.

I think it ought to be said here, Mr. Speaker, that the drug industry spends a great deal of money in research and development. It is estimated that it costs some $5 million to put one new drug on the market. Drug manufacturers, according to our hearings, spend some 10 to 12 percent of their gross sales in research, and only about 2 or 3 percent in advertising, which I think is an extremely good indication that they are more interested in developing sound, safe, lifesaving drugs than they are in advertising just for additional business.

I am convinced, Mr. Speaker, that the conference report we present here today, which is a unanimous report, is a good report and should be adopted.

I should like to pay my very sincere tribute to the gentleman from Alabama who was selected and served as the Chairman of the conference committee with real distinction. He did an outstanding legislative job. I feel that our conference committee has come up with a very effective piece of legislation and one that will be of great value to every man, woman, and child in this country.

Mr. ROBERTS of Alabama. Mr. Speaker, I thank the gentleman from Ohio [Mr. SCHENCK]. I am deeply grateful to him for his kind remarks concerning the gentleman from Alabama.

Mr. NELSEN. Mr. Speaker, will the gentleman yield?

Mr. ROBERTS of Alabama. I yield to the gentleman from Minnesota, a member of the conference committee, and a member of the Health and Safety Subcommittee, who did an equally fine job in the conference and in the consideration of this bill through its various stages in the committee and in the House.

Mr. NELSEN. Mr. Speaker, I wish to associate myself with the comments made relative to the conference report.

I might say first that the gentleman from Alabama [Mr. ROBERTS] with whom I serve on the Health and Safety Subcommittee, did an outstanding job. I might add also that we did miss the chairman in our meetings in the conference, who was absent because of illness. But I would be neglecting my responsibility if I did not mention the outstanding work done in our committee by Chairman HARRIS, and the diligent application of all members of the committee as well as the staff to this very important job of legislation in this field.

Several of the controversial items that were before the House when this bill was considered were ironed out in conference. I wish to make mention of one feature that caused a good deal of concern; that is the advertising feature. While we did feel that adequate information should be in an ad we also felt that it would be impossible if some arbitrary requirements went to lengths beyond the means of those who advertised. I think the statement of the managers made clear what was the legislative intent. We wanted the language to be inclusive and descriptive and do what the law intends, but not arbitrary or unnecessarily long.

So, Mr. Speaker, may I join the gentleman in the well of the House in recommending to this Congress the passage of this much needed legislation. We think it is in good shape and in the public interest.

Mr. ROBERTS of Alabama. Mr. Speaker, I thank the gentleman and appreciate very much his kind words about the gentleman in the well of the House.

Mr. O'BRIEN of New York. Mr. Speaker, will the gentleman yield?

Mr. ROBERTS of Alabama. I yield to the gentleman from New York.

Mr. O'BRIEN of New York. Mr. Speaker, I believe the conference report we are discussing today is the final outcome of one of the finest demonstrations of bipartisan activity I have seen since I have been in Congress. I have heard this bill referred to as a tough bill. I would suggest that a better reference would be a strong bill. We have given the Department of Health, Education, and Welfare many additional tools for the protection of the public safety, but we did not in giving them those tools destroy a great and wonderful industry.

We all know the atmosphere in which the committee sat down to forge this legislation. It would have been very easy to yield to panic or to hysteria, but I think that after all the hours of work and bipartisan activity we have come up with the perfect compromise, if you want to call it that, which enables our Government to protect its citizens and which also enables the drug industry to press on with the wonderful things it has done in the field of research.

I have referred to the bipartisan approach, but I think we have a strong bill because we have in the Committee on Interstate and Foreign Commerce a strong chairman. I think that after 9 hours of conference with the other body we have a very fine product, because the gentleman from Alabama presided over that conference not only with dignity but with complete reason. I think much of the credit for what we have here today should go to the gentleman from Alabama.

Mr. ROBERTS of Alabama. I thank the gentleman from New York. I appreciate his warm words as to my efforts in trying to iron out the differences in the two bills. I appreciate also the fine contribution he made in that effort.

Mr. ROGERS of Florida. Mr. Speaker, will the gentleman yield?

Mr. ROBERTS of Alabama. I yield.

Mr. ROGERS of Florida. I want to join in the comments that have been made and strongly urge the adoption of this conference report. It is a good one. As has been stated before, it provides protection for the public where the public can have great confidence now, I think, as this bill is administered, in what they will buy in the drug field. More than ever before the tools that are provided in this legislation will certainly bring about that protection to the public.

Also, as was pointed out by the gentleman from New York, this is a bill that certainly is practical in its approach. I am sure the chairman will join me in saying that this Subcommittee on Health and Safety will watch the administration of this legislation very closely to see if it is administered in a practical and a proper manner, and to carry out the provisions of the bill as they should be carried out.

In conclusion, I want to commend the chairman of the full committee for his fine leadership in this field, and particularly the chairman of our subcommittee, who has dealt so closely with this legislation and with similar legislation through the years. His leadership in the conference was particularly effective in getting out this conference report, which every Member of this Congress can be proud to support.

Mr. ROBERTS of Alabama. I thank the gentleman from Florida for his fine contribution and for his splendid abilities in the conference in working out the differences and reaching the compromise that brought this conference report to a vote in the House today.

Mr. YOUNGER. Mr. Speaker, will the gentleman yield?

Mr. ROBERTS of Alabama. I yield to the gentleman from California.

Mr. YOUNGER. Mr. Speaker, as a member of the Committee on Interstate and Foreign Commerce, I want to congratulate both the chairman of the full committee and the chairman of the subcommittee for reporting such a fine bill. I think it is a strong bill now. We may have to amend it, or we usually find that after a bill becomes operative there are some features that may perhaps have to be strengthened.

I am especially pleased that the committee of conference wrote in and enlarged upon the definition of "brief summary," which was an amendment I accepted in lieu of the previous amendment which had been accepted by the committee. I, too, recommend the adoption of the conference report.

Mr. ROBERTS of Alabama. I thank the gentleman.

Mr. SCHENCK. Mr. Speaker, will the gentleman yield?

Mr. ROBERTS of Alabama. I yield to the gentleman from Ohio.

Mr. SCHENCK. I should like to call the attention of the House to the fact that the chairman of the full Committee on Interstate and Foreign Commerce, the gentleman from Arkansas [Mr. HARRIS], has been very appropriately selected by Speaker McCORMACK to preside over the House at this time as Speaker pro tempore, in recognition of his work in our committee and on this particularly important bill.

I would just like to call to the attention of the Members of the House that this is a fine, appropriate, and fitting tribute to the gentleman from Arkansas.

Mr. ROBERTS of Alabama. Mr. Speaker, there has been some criticism voiced on the part of the good friends of the Food and Drug Administration with reference to the lack of liaison between it and the U.S. Public Health Service. I want to announce that under a bill which has been filed by the gentleman from Arkansas, the distinguished chairman of our committee, this question will be looked into after the beginning of the next session.

Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER pro tempore (Mr. HARRIS). The question is on agreeing to the conference report.

The question was taken.

Mr. ROBERTS of Alabama. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant-at-Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 347, nays 0, not voting 88, as follows:

[Roll No. 272]

YEAS—347

Abbitt
Abernethy
Addabbo
Albert
Alford
Alger
Andersen, Minn.
Anderson, Ill.
Andrews
Arends
Ashbrook
Ashley
Ashmore
Auchincloss
Avery
Ayres
Bailey
Baker
Baldwin
Baring
Barrett
Barry
Bass, N.H.
Bass, Tenn.
Bates
Battin
Becker
Beckworth
Beermann
Bennett, Fla.
Betts
Boggs
Boland
Bolton
Bonner
Bow
Brademas
Bray
Brewster
Brooks, Tex.
Broomfield
Broyhill
Bruce
Buckley
Burke, Mass.
Burleson
Byrne, Pa.
Byrnes, Wis.
Cahill
Cannon
Carey
Casey
Cederberg
Celler
Chamberlain
Chelf
Chenoweth
Church
Clancy
Clark
Cohelan
Collier
Colmer
Conte
Cook
Cooley
Corbett
Corman
Cramer
Cunningham
Curtis, Mass.
Curtis, Mo.
Daddario
Dague
Daniels
Davis, James C.
Davis, John W.
Davis, Tenn.
Dawson
Delaney
Dent
Derounian
Derwinski
Devine
Diggs
Dingell
Dole
Donohue
Dowdy
Downing
Doyle
Dulski
Durno
Dwyer
Edmondson
Elliott
Ellsworth
Everett
Fallon
Farbstein
Fascell
Feighan
Fenton
Findley
Finnegan
Fino
Fisher
Flood
Flynt
Fogarty
Ford
Forrester
Fountain
Frazier
Frelinghuysen
Friedel
Fulton
Gallagher
Garmatz
Gary
Gathings
Gavin
Giaimo
Gilbert
Glenn
Gonzalez
Goodell
Goodling
Granahan
Grant
Gray
Green, Oreg.
Green, Pa.
Griffin
Gross
Gubser
Hagan, Ga.
Hagen, Calif.
Haley
Halleck
Halpern
Harding
Hardy
Harris
Harrison, Wyo.
Harsha
Harvey, Mich.
Healey
Hechler
Hemphill
Henderson
Hoffman, Ill.
Holifield
Horan
Hosmer
Huddleston
Hull
Ichord, Mo.
Inouye
Jarman
Jennings
Joelson
Johansen
Johnson, Calif.
Johnson, Md.
Johnson, Wis.
Jonas
Jones, Ala.
Judd
Karsten
Karth
Kastenmeier
Keith
Kelly
Keogh
Kilgore
King, Calif.
King, N.Y.
King, Utah
Kirwan
Kitchin
Kluczynski
Knox
Kornegay
Kowalski
Kunkel
Kyl
Landrum
Lane
Langen
Lankford
Latta
Lennon
Lesinski
Libonati
Lindsay
Lipscomb
Loser
McCulloch
McFall
McMillan
McVey
Macdonald
Mack
Madden
Mahon
Mailliard
Marshall
Martin, Mass.
Martin, Nebr.
Mason
Mathias
Matthews
May
Meader
Merrow
Miller, N.Y.
Milliken
Mills
Minshall
Monagan
Montoya
Moore
Moorehead, Ohio
Moorhead, Pa.
Morgan
Morrison
Morse
Mosher
Moss
Multer
Murphy
Murray
Natcher
Nedzi
Nelsen
Nix
Norblad
Norrell
Nygaard
O'Brien, N.Y.
O'Hara, Ill.
O'Hara, Mich.
Olsen
O'Neill
Osmers
Ostertag
Passman
Patman
Pelly
Perkins
Pfost
Philbin
Pike
Pilcher
Pillion
Pirnie
Poage
Poff
Price
Pucinski
Purcell
Randall
Ray
Reece
Reuss
Rhodes, Ariz.
Rhodes, Pa.
Riehlman
Riley
Rivers, Alaska
Rivers, S.C.
Roberts, Ala.
Roberts, Tex.
Robison
Rodino
Rogers, Colo.
Rogers, Fla.
Rooney
Rosenthal
Rostenkowski
Roush
Rousselot
Rutherford
Ryan, Mich.
Ryan, N.Y.
St. George
St. Germain
Santangelo
Saylor
Schadeberg
Schenck
Schneebeli
Schweiker
Schwengel
Scott
Selden
Shelley
Shriver
Sibal
Sikes
Sisk
Slack
Smith, Calif.
Smith, Iowa
Smith, Miss.
Smith, Va.
Spence
Springer
Stafford
Steed
Stephens
Stratton
Stubblefield
Sullivan
Taber
Taylor
Teague, Calif.
Teague, Tex.
Thomas
Thompson, N.J.
Thompson, Tex.
Thomson, Wis.
Toll
Tollefson
Trimble
Tuck
Tupper
Udall, Morris K.
Utt
Vanik
Waggonner
Wallhauser
Walter
Weaver
Westland
Wharton
Whitener
Whitten
Wickersham
Widnall
Wilson, Calif.
Wilson, Ind.
Winstead
Young
Younger
Zablocki

NAYS—0

NOT VOTING—88

Adair
Alexander
Anfuso
Aspinall
Belcher
Bell
Bennett, Mich.
Berry
Blatnik
Blitch
Bolling
Boykin
Breeding
Bromwell
Brown
Burke, Ky.
Chiperfield
Coad
Curtin
Denton
Dominick
Dooley
Dorn
Evins
Garland
Griffiths
Hall
Hansen
Harrison, Va.
Harvey, Ind.
Hays
Hébert
Herlong
Hiestand
Hoeven
Hoffman, Mich.
Holland
Jensen
Jones, Mo.
Kearns
Kee
Kilburn
Laird
McDonough
McDowell
McIntire
McSween
MacGregor
Magnuson
Michel
Miller, Clem
Miller, George P.
Moeller
Morris
Moulder
O'Brien, Ill.
O'Konski
Peterson
Powell
Quie
Rains
Reifel
Rogers, Tex.
Roosevelt
Roudebush
Saund
Scherer
Scranton
Seely-Brown
Sheppard
Shipley
Short
Siler
Staggers
Thompson, La.
Thornberry
Ullman
Van Pelt
Van Zandt
Vinson
Watts
Weis
Whalley
Williams
Willis
Wright
Yates
Zelenko

So the conference report was agreed to.

The Clerk announced the following pairs:

Mr. Hébert with Mr. Bell
Mr. George P. Miller with Mr. Hiestand.
Mr. Herlong with Mr. Adair.
Mr. Shipley with Mr. Berry.
Mr. Staggers with Mr. Dominick.
Mr. Hays with Mr. Van Pelt.
Mr. Sheppard with Mr. Quie.
Mr. O'Brien of Illinois, with Mr. Short.
Mr. Anfuso with Mr. Brown.
Mr. Zelenko with Mr. O'Konski.
Mr. Roosevelt with Mr. Jensen.
Mr. Rains with Mr. Belcher.
Mr. Rogers of Texas with Mr. Reifel.
Mr. Watts with Mr. Laird.
Mr. Ullman with Mr. Kilburn.
Mr. Thompson of Louisiana with Mr. Bennett of Michigan.
Mr. Clem Miller with Mr. Scranton.
Mr. Peterson with Mr. Roudebush.
Mr. Evins with Mr. McIntire.
Mrs. Hansen with Mr. Hoeven.
Mr. Denton with Mr. Michel.
Mr. Alexander with Mr. MacGregor.
Mr. Wright with Mr. Harvey of Indiana.
Mr. Aspinall with Mr. Bromwell.
Mr. McDowell with Mr. Garland.
Mr. Williams with Mr. Curtin.
Mr. Willis with Mr. Siler.
Mr. Moeller with Mr. McDonough.
Mr. Magnuson with Mr. Hall.
Mr. Morris with Mr. Scherer.
Mrs. Griffiths with Mr. Van Zandt.
Mr. Burke of Kentucky with Mrs. Weis.
Mr. Breeding with Mr. Hoffman of Michigan.
Mr. Blatnik with Mr. Chiperfield.
Mr. Harrison of Virginia with Mr. Dooley.
Mrs. Kee with Mr. Kearns.
Mr. Dorn with Mr. Seely-Brown.

The result of the vote was announced as above recorded.

The doors were opened.

A motion to reconsider was laid on the table.

Mr. ROBERTS of Alabama. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks at this point in the RECORD on the conference report just agreed to.

The SPEAKER pro tempore (Mr. ALBERT). Is there objection to the request of the gentleman from Alabama?

There was no objection.

DEPARTMENT OF AGRICULTURE AND RELATED AGENCIES APPROPRIATION BILL, 1963

Mr. WHITTEN. Mr. Speaker, I call up the conference report on the bill (H.R. 12648) making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1963.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The Clerk will read the conference report.

The Clerk read the conference report.

The conference report and statement are as follows:

CONFERENCE REPORT NO. 2514

The Committee of Conference on the disagreeing votes of the two Houses on certain amendments of the Senate to the bill (H.R. 12648) making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1963, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

The committee of conference report in disagreement amendments numbered 1, 2, 6, 19, 44, 47, 48, 49, 50, 51, 52, 53, and 54.

JAMIE L. WHITTEN,
WILLIAM H. NATCHER,
CLARENCE CANNON,
WALT HORAN,
JOHN TABER,
Managers on the part of the House.

RICHARD B. RUSSELL,
CARL HAYDEN,
ALLEN J. ELLENDER,
MILTON R. YOUNG,
KARL E. MUNDT,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the further conference on the disagreeing votes of the two Houses on certain amendments of the Senate to the bill (H.R. 12648) making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1963, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

DEPARTMENT OF AGRICULTURE

The amendments numbered 1, 2, 6, 19, 44, and 47 through 54 are reported in disagreement.

Watershed protection

The funds for watershed protection include $7,400,000 for planning and surveys, $5,500,000 for the planning of watersheds, and $1,900,000 for river basin surveys. This will permit continuation of watershed planning at the 1962 level and initiation of surveys in all of the river basins proposed by the Budget.

JAMIE L. WHITTEN,
WILLIAM H. NATCHER,
CLARENCE CANNON,
WALT HORAN,
JOHN TABER,
Managers on the Part of the House.

The SPEAKER pro tempore. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 1: Page 2, line 20, strike out "and for acquisition of sites therefor by donation, exchange, or purchase at a nominal cost not to exceed $100,".

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 1 and concur therein.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 2: Page 3, strike out all of lines 9 through 14, and insert the following:

"Research: For research and demonstrations on the production and utilization of agricultural products, home economics, and related research and services, $106,126,500, including such amounts as may be necessary, notwithstanding the foregoing limitations, to remain available until expended, for the construction, alteration, and equipping of facilities and acquisition of the necessary land therefor by purchase, donation or exchange: *Provided*, That the limitations contained herein shall not apply to replacement of buildings needed to carry out the Act of April 24, 1948 (21 U.S.C. 113a);".

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 2 and concur therein with an amendment, as follows: In lieu of the language stricken and inserted by said amendment, insert the following:

"Research: For research and demonstrations on the production and utilization of agricultural products, home economics, and related research and services, and for acquisition of land by donation, exchange, or purchase at a nominal cost not to exceed $100, $77,473,000; plus additional amounts for research as follows: $325,000 for staffing new research laboratories, $670,000 for research on cost of production, and $4,875,000 for expanded utilization research; and plus the following amounts, to remain available until expended, for construction, alteration, and equipping of facilities: $395,000 for soil and water research facilities at Sidney, Montana, $450,000 for poultry research facilities at East Lansing, Michigan, and $160,000 for improvement of heating, water, and electrical systems at the Agricultural Research Center at Beltsville, Maryland; in all, $84,348,000: *Provided*, That the limitations contained herein shall not apply to replacement of buildings needed to carry out the Act of April 24, 1948 (21 U.S.C. 113a);".

Mr. WHITTEN. Mr. Speaker, your conferees have brought back certain items in this appropriation bill in disagreement for the second time to ask for further support of the House. In the instant case we have gone as far as we feel the House can afford to go in trying to agree with the other body.

Included in the motion I have just made is $325,000 to increase the staffing at the various laboratories, including the Animal Disease Laboratory at Ames, Iowa; the Cotton Insect Laboratory at State College, Mississippi; and Grain Insect Laboratories at Tifton, Ga., and Brookings, S. Dak. You will recall that in the original bill as it passed the House we provided funds for additional research on underground water supplies, dogfly control, tick eradication, quarterly pig crop reports, a market study in Chicago, study of Kona coffee in Hawaii, and forecasting for grapes and lemons in California.

In addition to that, your committee provided a $1 million contingency research fund to meet additional research needs, because there were so many places that our colleagues felt should be given additional funds.

In the motion before you we have also provided, in an effort to get along with our colleagues on the other side of the aisle, an additional amount of $670,000 for research on the cost of production.

This covers each of the items that have been added by the other body, including sugarcane and sugarbeet research; corn research; research on dried peas and lentils; research at Cheyenne, Wyo.; bee research at Laramie, Wyo.; development of mechanical harvesting aids for citrus; expanded citrus breeding research; equipment and staffing of a poultry disease laboratory for the Southeast; staffing the plant, soil and nutrition laboratory at Ithaca, N.Y.; accelerated watershed hydrology research at Chickasha, Okla.; equipment and additional staffing for a laboratory at Madison, S. Dak.; initial staffing of a water and soil research laboratory at Twin Falls, Idaho; research on soybean breeding; and a study of long-range nutrition research.

All of these increases are over and above the present year's level as well as the recommendation of the Bureau of the Budget.

We have, in the motion before you, asked the House to go along with those items and amounts which we attempted several times in conference to offer to the other body in an effort to get agreement on this bill.

In addition to that, may I say Mr. Speaker, in the motion before you, your committee recommends funds for a laboratory at Sidney, Mont.; one at East Lansing, Mich.; and for improvements at Beltsville, all of which were in the budget.

At this point, may I say Mr. Speaker, in connection with the laboratory which was authorized last year at Ithaca, N.Y., in the district of our good friend, JOHN TABER, which I understand will be completed this month, it is the recommendation of your conferees that such laboratory be named for our esteemed and distinguished friend who is ending 40 years of service in the Congress. I think it entirely fitting that it be known as the John Taber Laboratory.

Mr. Speaker, I might point out that what we are asking you to stand by us on is based on the fact that in the other body some four or five laboratories were placed in this bill which are not budgeted and, in addition, $25 million was placed in the bill on the other side in the name of utilization research without any tiedown or restrictions on its use; $17,500,000 of which the Department says would be used for construction.

Your committee, in an effort to try to go along, as provided in this recommendation and in the motion before you, thought that of this amount we might go along with three-fourths of the $4,500,000 for increased utilization research at existing laboratories and that we should increase the funds available for contracts in research by about $1,500,000.

These amounts, too, are above this year's level.

We are asking you to stand by us in our feeling that it would be absolutely unsound to turn loose without some control, the $17.5 million included in the $25 million added by the Senate for utilization research, which has no tie-down whatsoever and for which we have had no information.

May I say to my colleagues, we are putting our best foot forward. We are doing everything we think we possibly can on the House side in an effort to bring to a conclusion this appropriation for the 1963 fiscal year including these increased amounts above last year's level to meet utilization research needs.

In dealing with this, we have been up against several things, Mr. Speaker. One of these is that the other body provided funds in the bill to finance the farm programs and the price-support programs only, until after the first of January. It is our estimate that the funds in the Senate bill will last possibly to the first of February. That is not included in the amendment now under consideration, but I just mentioned it to show you what we have been up against in trying to work out this matter. For the research items under the amendment now pending, we are offering to take increased care of every one of these research problems and provide funds for them on a three-quarter year basis, since one-quarter of the year has passed. We are also providing funds for two laboratories—one in Montana and one in Michigan—and for necessary improvements at Beltsville.

Further, we are going a great distance, as far as we possibly can in an effort to resolve these differences.

At the proper time I shall make motions with reference to the other matters, but I repeat that the motion before you goes along with all these increases for research items on the basis of three-quarters of a year, and the construction items which are in the budget.

It does hold up new construction items which are unbudgeted and the $17,500,000 which is not tied down. We do not want such a large amount to be used at the will of somebody whom we do not know, subsequent to action on this bill.

I therefore hope the motion will be adopted by my colleagues at this time.

I yield to the gentleman from Washington [Mr. HORAN].

Mr. HORAN. Mr. Speaker, I might say that we are happy about the suggestion that the Soil and Water Facilities Laboratory at Cornell University, Ithaca, N.Y., be named in honor of JOHN TABER.

This institution already has a great reputation in the constructive work that has been done there in the direction of soil and water conservation. In many ways it can be said that constructive conservation has been the hallmark of JOHN TABER's long service among us.

Mr. BATTIN. Mr. Speaker, will the gentleman yield?

Mr. WHITTEN. I yield.

Mr. BATTIN. Mr. Speaker, I would like to take this time to thank the gentleman for the work he has done in the conference committee. When the report was on the floor previously I offered a preferential motion. It lost by a tie vote. I do appreciate very much the fact that the gentleman did go back to conference. I believe he has held the line on the project at Sidney, Mont., which is in my district. It was a budgeted item. I appreciate the consideration given.

Mr. WHITTEN. May I say at this point I thank the gentleman for his statement.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Indiana.

Mr. HALLECK. I received a communication today from responsible people out in my area who are concerned about the fact that apparently in this bill there is an item of $50,000 for research on corn improvement. As I understand, the conference report allocated that $50,000. Is that correct?

Mr. WHITTEN. May I say that item is included. What we have done, in view of the fact that one-quarter of the year has already gone, is to provide three-quarters of the total increase requested above the present year for a series of research items of which research on corn is one. So the increased amount for corn is included in my motion for the remainder of the year.

Mr. HORAN. I would like to add further in this general field to which the minority leader referred, the chairman of this subcommittee has just named, this amounts to about a little over $540,000 being spent in various qualities of corn and this type of research.

Mr. WHITTEN. May I say at this point, Mr. Speaker, that as to these six laboratories which were added on the Senate side, five were placed in there without budget approval. We felt that they should be held up. We have not had any hearings on them, and there are several serious questions involved with regard to several of them.

I want to say to my colleagues who have had these things identified and have them in their districts, as chairman of the subcommittee I can only say it will be our purpose to make a thorough study and to ask for further information. I would be less than frank if I did not say we will have to give thought as to whether they fit into the type of research program our Government has followed in recent years. That is, the State-Federal cooperative approach, which includes land-grant colleges, and so forth.

I do think the committee's position is sound. If we ever get into the position of financing any major part of a department on a part-year basis, as the bill of the other body would do, it would be most unsound. And if we ever get to where we go along with millions of dollars for facilities that are not even described and not nailed down, to be determined later, insofar as this side is concerned, we would be helpless to give our attention to those places where the work is most needed.

Mr. Speaker, at this time I yield to the gentleman from Georgia [Mr. FORRESTER].

Mr. FORRESTER. I thank the gentleman for yielding to me.

I realize an agriculture appropriation bill must be passed without further delay and that extended debate probably would not be desirable. I certainly have no occasion to cause delay in the consideration of this appropriation bill. But I would like to ask the gentleman from Mississippi and other members of the conference committee: Inasmuch as they have seen fit not to approve the items under amendment No. 2, providing $500,000 to construct modern facilities and to accelerate fruit and nut research in the Southeast, will the gentleman give me some assurance that he and his committee will give sympathetic consideration to that project in the early part of the next session of Congress?

Mr. WHITTEN. Our committee hopes to have early hearings next year. Due to complications, they were delayed this year. We will be glad to hear each and every presentation in connection with this matter. We will have to consider it in connection with the present research carried on on a cooperative basis, because I am sure the gentleman, like myself, would not want to destroy more than we would accomplish. And may I say to him, while the Department did not recommend it and the Bureau of the Budget did not recommend it, we will try to look into the matter further and see if there is more justification than has been presented thus far. May I say the Department and the Bureau of the Budget have not sent to the committee any information on it and did not call or give any notice they would go along with it prior to the action by the House.

Mr. FORRESTER. I agree with the gentleman that this item was not set out in the budget. But I do not know what that means. Only a few days ago I had one that was not in the budget, and I lost out. I appreciate what the gentleman has said, that he will give sympathetic consideration to this matter, and I am glad to have that assurance, because I am going home empty-handed. I would appreciate it if the gentleman would give sympathetic consideration to this item.

Mr. WHITTEN. I thank the gentleman. There is no one here who has more friends or more standing than the gentleman from Georgia, and certainly from a personal standpoint there is not one thing I personally would not do for my colleague. But as a representative of the House of Representatives, I am in a certain position. In the 14 years I have been chairman of the subcommittee, this is the first time I have had to bring a bill back in disagreement and ask the House to go along with me. In this instance we are going as far as possible to meet the increasing needs of the Department. We are putting our best foot forward and have offered everything that could be offered on the part of the House in connection with the motion that is before us at this time. I hope we may have your support and that of the Senate.

I am including in the RECORD at this point a table which shows the amounts in the bill based on recommendations of your conferees here today, as compared to the totals of the budget estimates, the House-passed bill and the Senate bill:

H.R. 12648—Department of Agriculture and related agencies appropriation bill, 1963

	Budget estimate	Passed House	Passed Senate	Conference action	Conference action compared with—		
					Budget estimate	House	Senate
Title I—General activities	$1,510,069,000	$1,464,582,500	$1,513,856,000	$1,483,544,500	−$26,524,500	+$18,962,000	−$30,311,500
Title II—Credit agencies	55,324,000	44,406,000	44,606,000	44,606,000	+10.718,000	+200,000	
Title III—Corporations	2,602,455,000	2,390,004,000	2,169,004,000	2,380,254,000	−222,201,000	−9,750,000	+211,250,000
Title IV—Foreign assistance programs	2,186,935,000	1,576,850,000	1,047,517,000	1,576,850,000	−610,085,000		+529,333,000
Total appropriations	6,354,783,000	5,475,842,500	4,774,983,000	5,485,254,500	−869,528,500	+9,412,000	+710,271,500
Total loan authorizations	(805,000,000)	(805,000,000)	(820,000,000)	(820,000,000)	(+15,000,000)	(+15,000,000)	

Mr. WHITTEN. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Mississippi.

The question was taken, and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. WHITTEN. Mr. Speaker, on that I demand the yeas and nays. Since we will have a further conference, I think it would be well for the House position to be made clear, and I feel this will strengthen our position.

The yeas and nays were ordered.

The question was taken; and there were—yeas 339, nays 5, not voting 91, as follows:

[Roll No. 273]

YEAS—339

Abbitt
Abernethy
Addabbo
Albert
Alford
Alger
Andersen, Minn.
Anderson, Ill.
Andrews
Arends
Ashbrook
Ashley
Ashmore
Auchincloss
Avery
Ayres
Bailey
Baker
Baldwin
Baring
Barrett
Barry
Bass, N.H.
Bass, Tenn.
Bates
Battin
Becker
Beckworth
Beermann
Bennett, Fla.
Betts
Boggs
Boland
Bolton
Bonner
Bow
Brademas
Bray
Brewster
Brooks
Broomfield
Broyhill
Bruce
Buckley
Burke, Mass.
Burleson
Byrne, Pa.
Byrnes, Wis.
Cahill
Cannon
Carey
Casey
Cederberg
Celler
Chamberlain
Chelf
Chenoweth
Church
Clancy
Clark
Cohelan
Collier
Colmer
Conte
Cook
Cooley
Corbett
Corman
Cunningham
Curtis, Mass.
Curtis, Mo.
Daddario
Dague
Daniels
Davis, John W.
Davis, Tenn.
Dawson
Delaney
Dent
Derounian
Derwinski
Devine
Diggs
Dingell
Dole
Donohue
Dorn
Dowdy
Downing
Doyle
Dulski
Durno
Dwyer
Edmondson
Elliott
Ellsworth
Everett
Fallon
Farbstein
Fascell
Feighan
Fenton
Findley
Finnegan
Fino
Fisher
Flood
Fogarty
Ford
Fountain
Frelinghuysen
Friedel
Fulton
Gallagher
Garmatz
Gary
Gathings
Gavin
Giaimo
Gilbert
Glenn
Gonzalez
Goodell
Goodling
Granahan
Grant
Gray
Green, Oreg.
Green, Pa.
Griffin
Gross
Gubser
Hagen, Calif.
Haley
Halleck
Halpern
Hardy
Harris
Harrison, Wyo.
Harsha
Harvey, Mich.
Healey
Hechler
Hemphill
Henderson
Hoffman, Ill.
Holifield
Horan
Hosmer
Huddleston
Hull
Ichord, Mo.
Inouye
Jarman
Jennings
Jensen
Joelson
Johansen
Johnson, Calif.
Johnson, Md.
Johnson, Wis.
Jonas
Jones, Ala.
Judd
Karsten
Karth
Kastenmeier
Keith
Kelly
Keogh
Kilgore
King, Calif.
King, N.Y.
King, Utah
Kirwan
Kitchin
Kluczynski
Knox
Kornegay
Kowalski
Kunkel
Kyl
Lane
Langen
Lankford
Latta
Lennon
Lesinski
Libonati
Lindsay
Lipscomb
Loser
McCulloch
McFall
McMillan
McVey
Mack
Madden
Mahon
Mailliard
Marshall
Martin, Mass.
Martin, Nebr.
Mason
Mathias
Matthews
May
Meader
Merrow
Miller, N.Y.
Milliken
Mills
Minshall
Monagan
Montoya
Moore
Moorehead, Ohio
Moorhead, Pa.
Morgan
Morrison
Morse
Mosher
Moss
Moulder
Multer
Murphy
Murray
Natcher
Nedzi
Nelsen
Nix
Norblad
Norrell
Nygaard
O'Brien, N.Y.
O'Hara, Ill.
O'Hara, Mich.
Olsen
O'Neill
Osmers
Ostertag
Passman
Patman
Pelly
Perkins
Pfost
Philbin
Pike
Pilcher
Pillion
Pirnie
Poage
Poff
Powell
Price
Pucinski
Purcell
Randall
Ray
Reece
Reuss
Rhodes, Ariz.
Rhodes, Pa.
Riehlman
Riley
Rivers, Alaska
Rivers, S.C.
Roberts, Ala.
Roberts, Tex.
Robison
Rodino
Rogers, Colo.
Rooney
Rosenthal
Rostenkowski
Roush
Rousselot
Rutherford
Ryan, Mich.
Ryan, N.Y.
St. George
St. Germain
Santangelo
Saylor
Schadeberg
Schenck
Schneebeli
Schweiker
Schwengel
Scott
Selden
Shelley
Shriver
Sibal
Sikes
Sisk
Slack
Smith, Calif.
Smith, Iowa
Smith, Va.
Spence
Springer
Stafford
Steed
Stratton
Stubblefield
Sullivan
Taber
Taylor
Teague, Calif.
Teague, Tex.
Thomas
Thompson, N.J.
Thompson, Tex.
Thomson, Wis.
Toll
Tollefson
Trimble
Tuck
Tupper
Udall, Morris K.
Utt
Vanik
Waggonner
Wallhauser
Walter
Weaver
Westland
Wharton
Whitener
Whitten
Wickersham
Widnall
Wilson, Calif.
Wilson, Ind.
Winstead
Young
Younger
Zablocki

NAYS—5

Forrester
Hagan, Ga.
Landrum
Rogers, Fla.
Stephens

NOT VOTING—91

Adair
Alexander
Anfuso
Aspinall
Belcher
Bell
Bennett, Mich.
Berry
Blatnik
Blitch
Bolling
Boykin
Breeding
Bromwell
Brown
Burke, Ky.
Chiperfield
Coad
Cramer
Curtin
Davis, James C.
Denton
Dominick
Dooley
Evins
Flynt
Frazier
Garland
Griffiths
Hall
Hansen
Harding
Harrison, Va.
Harvey, Ind.
Hays
Hébert
Herlong
Hiestand
Hoeven
Hoffman, Mich.
Holland
Jones, Mo.
Kearns
Kee
Kilburn
Laird
McDonough
McDowell
McIntire
McSween
Macdonald
MacGregor
Magnuson
Michel
Miller, Clem
Miller, George P.
Moeller
Morris
O'Brien, Ill.
O'Konski
Peterson
Quie
Rains
Reifel
Rogers, Tex.
Roosevelt
Roudebush
Saund
Scherer
Scranton
Seely-Brown
Sheppard
Shipley
Short
Siler
Smith, Miss.
Staggers
Thompson, La.
Thornberry
Ullman
Van Pelt
Van Zandt
Vinson
Watts
Weis
Whalley
Williams
Willis
Wright
Yates
Zelenko

So the motion was agreed to.

The Clerk announced the following pairs:

Mr. Hébert with Mr. Hall.
Mr. Aspinall with Mr. Adair.
Mr. Wright with Mr. Reifel.
Mr. Burke of Kentucky with Mr. Bennett of Michigan.
Mr. Macdonald with Mr. Cramer.
Mr. Ullman with Mr. Van Pelt.
Mr. Peterson with Mr. Roudebush.
Mr. Rains with Mr. Michel.
Mr. Hansen with Mr. Short.
Mr. Herlong with Mr. Brown.
Mr. Rogers of Texas with Mr. O'Konski.
Mr. Denton with Mr. McIntire.
Mr. Evins with Mr. Kilburn.
Mr. Morris of New Mexico with Mr. Hoeven.
Mr. George P. Miller with Mr. Belcher.
Mr. Staggers with Mr. Garland.
Mr. Shipley with Mr. Siler.
Mr. Alexander with Mr. Quie.
Mr. Blatnik with Mr. MacGregor.
Mr. Harding with Mr. Kearns.
Mr. Thompson of Louisiana with Mr. Harvey of Indiana.
Mr. Williams with Mr. Berry of South Dakota.
Mr. Willis with Mr. Dominick.
Mr. Zelenko with Mrs. Weis.
Mr. Anfuso with Mr. Schadeberg.
Mr. Breeding with Mr. McDonough.
Mr. O'Brien of Illinois with Mr. Laird.
Mr. Roosevelt with Mr. Bromwell.
Mr. Hays with Mr. Curtin of Pennsylvania.
Mrs. Griffiths with Mr. Bell.
Mr. Moeller with Mr. Hiestand.
Mr. Clem Miller with Mr. Scranton.
Mr. Magnuson with Mr. Van Zandt.
Mr. McDowell with Mr. Scherer.
Mr. Sheppard with Mr. Seely-Brown.
Mr. Frazier with Mr. Dooley.
Mr. Holland with Mr. Hoffman of Michigan.

Mr. GOODELL and **Mr. BREWSTER** changed their votes from "yea" to "nay."

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

> Senate amendment No. 6. Page 6, strike lines 22 to 25, inclusive.

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

> Mr. Whitten moves that the House recede from its disagreement to the amendment of the Senate numbered 6 and concur therein.

The motion was agreed to.

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that amendments numbered 19, 44, 47, 48, 49, 50, 51, 52, 53, and 54 be considered en bloc.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The Clerk read as follows:

> Senate amendment No. 19. Page 15, line 16, insert the following:
>
> "CONSTRUCTION OF FACILITIES
>
> "For construction of facilities and acquisition of the necessary land therefor, as authorized by law, $1,600,000 to remain available until expended."
>
> Senate amendment No. 44: Page 30, line 18, strike out "$2,278,455,000" and insert "$2,066,955,000".
>
> Senate amendment No. 47: Page 32, line 4, insert "and unrecovered prior years' costs, including interest thereon,".
>
> Senate amendment No. 48: Page 32, line 10: Strike "$1,080,632,000" and insert "$700,000,000".
>
> Senate amendment No. 49: Page 32, line 12, strike "$250,000,000" and insert "$189,000,000".
>
> Senate amendment No. 50: Page 32, line 14, strike "$40,000,000" and insert "$50,000,000".
>
> Senate amendment No. 51: Page 32, line 16, strike "expenses during fiscal year 1963 and insert "unrecovered prior years' cost, including interest thereon".
>
> Senate amendment No. 52: Page 32, line 19, strike "$81,218,000" and insert "$15,650,000".
>
> Senate amendment No. 53: Page 32, line 22, strike "expenses during fiscal year 1963" and insert "unrecovered prior years' costs".
>
> Senate amendment No. 54: Page 33, line 4, strike "$125,000,000" and insert "$92,867,000".

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

> Mr. Witten moves that the House further insist upon its disagreement to the amendments of the Senate numbered 19, 44, 47, 48, 49, 50, 51, 52, 53, and 54.

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

CROSS-FLORIDA BARGE CANAL

Mr. BENNETT of Florida. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the Record and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. BENNETT of Florida. Mr. Speaker, I wish to bring to the attention of the House statements by various authorities on the urgent need for early construction of the Cross-Florida Barge Canal.

This project was authorized as long ago as 1942 and was justified on its defense value alone, no reliance being placed on economic justifications. The authorizing act was not the usual Rivers and Harbors Act but a special bill the preamble of which reads as follows:

> In order to promote the national defense and to promptly facilitate and protect the transfer of materials and supplies needful to the Military Establishment—

An so forth. I call to your attention that this act authorized this project essentially on the basis of its value to the national defense. Its economic benefits cost ratio at that time was reported by the Corps of Engineers as only 0.19, whereas the current reexamination by the Chief of Engineers yields a ratio of at least 1.2. This is more than five times what Congress deemed sufficient in view of its defense value.

A May 11, 1962, letter from the chairman, the gentleman from Georgia, Carl Vinson, of the Armed Services Committee endorses the vital defense aspects of the proposed canal:

> House of Representatives,
> Committee on Armed Services,
> *Washington, D.C., May 11, 1962.*
>
> Hon. Clarence Cannon,
> *Chairman, Committee on Appropriations, House of Representatives, Washington, D.C.*
>
> My Dear Clarence: I am very hopeful that during this Congress your committee will see fit to appropriate sufficient funds to make a forward step in the construction of the Cross Florida Barge Canal which is to be a section of the Intracoastal Waterway.
>
> I am very much interested in this project because of its very important national defense aspects.
>
> I don't believe anyone can question the fact that the modern submarine is making tremendous advances; and obviously if our advances in submarine capabilities have been remarkable, it is fair to assume that the submarine capabilities of the Soviet Union have also progressed to a marked degree.
>
> Under the circumstances, the construction of this canal might eventually prove to be a vital link in our transportation system and might well prevent the loss of a considerable amount of shipping in movements between our gulf and Atlantic ports.
>
> I am impressed by the fact that the importance of this canal has long been recognized. For example, the preamble of the special authorizing act, Public Law 675, 77th Congress, provides in part as follows:
>
> "In order to promote the national defense, and to promptly facilitate and protect the transport of materials and supplies needful to the Military Establishment."
>
> In 1942, the Chief of Engineers wrote to the chairman of the House Committee on Rivers and Harbors, as follows:
>
> "The Board concludes that the barge canal in time of war, together with the prospective benefits to be anticipated in normal times, is sufficient to warrant its construction."
>
> On August 30, 1946, the Board of Engineers for Rivers and Harbors, in a report to the Office of the Chief of Engineers, stated as follows:
>
> "The Chief of Engineers has stated in his opinion (hearing before the House Appropriations Subcommittee, Jan. 9, 1946) that the authorized canal will represent, in addition to its economic worth, a value in national security considerably greater than its cost."
>
> On May 29, 1951, the Deputy Secretary of Defense in a letter to the President, stated as follows:
>
> "The Corps of Engineers expressed the views that 'a barge canal will afford a short, economical, protected route across Florida for the movement of a large amount of long-haul traffic by barge and small freighters between gulf and Atlantic ports. Large tonnages of raw materials as well as manufactured products are susceptible to movement between those points via protected inland waters at great saving. Completion of the canal would also permit quick, safe, and economical transfer between the east and west coasts of Florida, of floating plant and construction equipment now required to move via the circuitous and dangerous Florida Keys route.
>
> " 'During World War II, many cargo ships and tankers were lost off the coast of Florida due to enemy action. Many of the cargoes that were lost would and could have moved by barge or small freighter had the barge canal been in existence at that time. The savings in lives, ships, and valuable and critical cargoes would have been great. Similar and comparable savings would also accrue in future serious national emergencies if the canal is in operation.' "
>
> "The Joint Chiefs of Staff find that either of these projects" (i.e., the previously considered ship canal or the authorized barge canal) "will provide an additional and shorter line of communication between the gulf coast and the east coast and would thus reduce exposure of shipping to submarine attack."
>
> "The Joint Chiefs of Staff consider that the military aspects of the problem are so limited that they should not be used as the primary basis for decision on this matter." (Note: The Joint Chiefs of Staff very correctly differentiate "military aspects," i.e., the deployment of forces, from the defense aspects.)
>
> And finally, a memorandum prepared by Mr. Henry H. Buchman, Engineering Counsel for the Canal Authority of the State of Florida, written in 1956 and submitted to the Congress by the Chief of Engineers in 1958, stated as follows:
>
> "The recognition and fostering of the strategic potentialities of our waterways and harbors, implicit in the policy of the Congress assigning jurisdiction over these to the Secretary of the Army, has been one of the fine traditional service of the Corps of Engineers throughout its history.
>
> "The attached memorandum is designed to supplement and bring down to date certain findings and conclusions previously reached by the Board of Engineers for Rivers and Harbors and the Chief of Engineers with respect to the magnitude of the annual economic benefit that should be credited to the project for avoidance of economic losses from merchant ship sinkings from enemy action."
>
> I sincerely hope that the Appropriations Committee will take the necessary action to make funds available to begin the construction of this project.
>
> Sincerely,
>
> Carl Vinson,
> *Chairman.*

On January 9, 1946, the Chief of Engineers stated to this committee that the Cross-Florida Barge Canal will represent, in addition to its economic worth, a value in national security considerably greater than its cost.

Under date of August 30, 1946, the Board of Engineers for Rivers and Harbors in reporting on this project to the Chief of Army Engineers stated:

> The economic analysis of a long-lived project could not be considered complete if

> it covered merely the interval of peacetime years and ignored the recurrent war periods. The insurance value of the avoidance of war losses is, therefore, distributable on an annual basis and can be at least roughly approximated in dollars and cents for measurement against the monetary annual charges of providing and maintaining the facilities.

The Board then goes on to compute the annual value of this wartime insurance afforded by the project as $3,600,000 based on price and replacement cost levels of 1946. In terms of today's price levels, this figure is above $10 million per year and more than doubles the total economic benefits currently reported by the Corps of Engineers in their interim report as to the peacetime economies to be yielded by the waterway.

Under date of May 29, 1951, the Deputy Secretary of Defense, replying to a letter from the President inquiring as to that Department's views on the defense value of the project, had this to say:

> The Corps of Engineers expressed the view that a barge canal will afford a short, economical, protected route across Florida for the movement of a large amount of long-haul traffic by barge and small freighters between gulf and Atlantic ports. * * * Large tonnages of raw materials as well as manufactured products are susceptible to movement between these points via protected inland waters at great savings. Completion of the canal would also permit quick, safe, and economical transfer between the east and west coasts of Florida of floating plant and construction equipment now required to move via the circuitous and dangerous Florida Keys route.
>
> During World War II, many cargo ships and tankers were lost off the coast of Florida due to enemy action. Many of the cargoes that were lost would and could have moved by barge or small freighter had the barge canal been in existence at that time. The saving in lives, ships and valuable and critical cargoes would have been great. Similar and comparable savings would also accrue in future serious material emergencies if the canal is in operation.

Continuing his letter to the President, the Deputy Secretary of Defense reports the views of the Joint Chiefs of Staff. These are to the effect that while the direct strictly military value of the canal is limited:

> The Joint Chiefs of Staff find that either of these projects (i.e., the previously considered ship canal or the presently authorized barge canal) will provide an additional and shorter line of communication between the gulf coast and the east coast and would thus reduce exposure of shipping to submarine attack.

Third. The Office of Emergency Planning in the Executive Office of the President, in the fall of last year, reviewed a memorandum on the national defense value of the project previously submitted to the Corps of Engineers. Having reviewed this memorandum, the Office of Emergency Planning addressed a letter to engineering counsel of the State authority in which the following statement occurs:

> We have reviewed the Buckman memorandum and appended papers and feel that its thesis is sound and its findings still essentially valid with respect to civil as well as military defense. The desirability of a shorter line of communications between the gulf and east coasts is recognized.

Engineer Buckman further points out the tremendous cost of lost shipping in World War II due to the necessity of using the gulf-Atlantic open sea lanes:

> Over 1 million gross tons or 25 percent of all the shipping in these lanes was lost. The value was $987 million, and 167 ships went to the bottom.

While the total cost of this project is larger than some, it can be readily ascertained that the Congress has appropriated substantial sums on larger projects with less economic justification.

The lone opposition to this canal has been from railroads, which have, of course, traditionally opposed canals all over the country. It might be pointed out, however, that the Florida East Coast Railroad supports the canal which would seem to corroborate the following statement from General Morris, of the engineers, this year in the House hearings:

> In a short time the canal will assume its proper place in the overall transportation network. Developments along and adjacent to the canal will be accelerated, particularly by industries utilizing and processing raw materials. When this condition develops it can be anticipated that the volume of traffic transported by rail and truck will also expand due to their natural advantages in the transportation of certain classes of commodities. While this trend can be anticipated from the statistical studies made for the economic restudy of the canal, it has been clearly shown in the growth pattern of transportation in other sections of the country under similar conditions. It is believed that the provision of cheap water transportation for bulky commodities to this section of the Southeastern States will create such developments that loss of traffic to competing rail and truck transportation systems will not be of lasting importance, and the resulting improvement of regional economic conditions will ultimately add materially to their traffic.

The argument has also been made that the majority of benefits from this project will accrue to the people of Florida only, but the Mississippi Valley Association's letter hereafter recited shows the fallacy of this reasoning. As a matter of fact it points out that only 16 percent of the total traffic will be within Florida or intrastate. The Engineers back up this figure from their findings also.

Even though this project is of much more national significance than most, it must be remembered that it is not customary for public works projects to be funded on the basis of their national value. Certainly the many hundreds of millions spent on most harbors could not be justified on this basis, since they even compete with one another in value.

It is further held that construction of the Cross-Florida Barge Canal will only duplicate the present canal in the extreme southern part of that State. However, there are a number of reasons why that southern Florida route is impractical as determined by the Engineers when choosing the present route after examining closely no less than 28 different possible alternatives. The following quote from Gov. Farris Bryant, of Florida, points up some of the difficulties:

> The replies of General Morris to questioning by Congressman Joe L. Evins, of Tennessee, were limited to the statement that the Okeechobee Waterway presented a much longer route, being some 356 miles longer than the authorized Cross-Florida Barge Canal. The inadequacy of the Okeechobee waterway is best emphasized by pointing to the fact that the waterway has been in existence since the middle thirties and as recently as 1960 only carried an annual tonnage of 330,167 tons. This is an authorized 8-foot project, authorized by Congress in Rivers and Harbors Act of March 2, 1945. So far as I know there has been no request for deepening this waterway made by local interests since 1945. During the early months of 1962 the limiting depth in this waterway was approximately 6 feet. This condition was brought about by the extremly low stage of Lake Okeechobee. The project is little used and does not measure up to the standards of either the Atlantic or Gulf Intracoastal Waterways.

In addition, the following letter from the Office of the Chief of Engineers sheds further light on the feasibility of the present waterway in the extreme southern part of Florida:

> Office of the Chief of Engineers,
> *Washington, D.C., May 17, 1962.*
>
> Col. Henry J. Kelly,
> *U.S. Army (retired), Assistant Director, Florida State Department of Conservation, Tallahassee, Fla.*
>
> Dear Colonel Kelly: In reference to your recent request for information regarding the possibility of a cross-State canal using the Okeechobee Waterway, the following information is submitted. I might point out that this information has been extracted from a letter to a member of the Florida delegation to the Congress.
>
> The Cross-Florida Barge Canal project would provide an economically justified navigation channel 12 feet deep and 150 feet wide extending from the St. Johns River near Palatka to the Gulf of Mexico near Yankeetown. The project includes 5 locks, each 84 feet wide and 600 feet long. The current estimated cost of constructing the Cross-Florida Barge Canal project is $173,600,000, of which $168 million would be Federal cost. However, we have been making a detailed review of our cost estimate for the project, and from the information developed to date, the current cost estimate will be greatly reduced.
>
> The existing Okeechobee Waterway provides a channel 8 feet deep and 80 feet wide from the Intracoastal Waterway near St. Lucie Inlet to the Gulf of Mexico near Fort Myers Beach. This waterway includes three locks, 50 feet wide and 250 feet long. In 1958, preliminary cost estimates were made for enlarging the Okeechobee Waterway to the same design criteria established for the Cross-Florida Barge Canal project. Those estimates showed that the cost of enlarging the Okeechobee Waterway would exceed $100 million. Traffic studies also showed that the volume of commerce that would use an enlarged Okeechobee Waterway, and the transportation savings therefrom, would be far from sufficient to justify the large cost of improvement of the existing waterway to the dimensions of the Cross-Florida Barge Canal.
>
> I trust that the foregoing information is sufficient for your needs. Looking forward to seeing you in the future, I remain
>
> Sincerely yours,
> Robert C. Marshall,
> *Colonel, Corps of Engineers; Assistant Director of Civil Works for Eastern Divisions.*

Another argument made is that the proposed Cross-Florida Barge Canal is not the "missing link" envisioned by the Mississippi Valley Association and others since the western terminus is in the Gulf of Mexico necessitating barge transit across open waters. This is answered pointblank by the Chief of Engineers in House Document No. 109, 79th Congress:

> With reference to the use by Intracoastal Waterway traffic of the open gulf between the eastern terminus of the present Intracoastal Waterway in the vicinity of Apalachee Bay and the gulf terminus of the above mentioned barge canal, it may be stated that coastwise traffic now follows this route and that while some danger is connected therewith, I am informed that there is very little time lost in navigating this portion of the gulf. Accordingly, it would be possible to eliminate that section of the Intracoastal Waterway from the improvements proposed in H.R. 6999 and still move very large quantities of commerce by barge from terminals along the gulf coast to the eastern seaboard with the completion of the other improvements proposed in the bill.

In addition, Engineer H. H. Buckman, president of the National Rivers and Harbors Congress, states:

> One acquainted with barge navigation will recognize the following facts:
>
> (a) Barge traffic is now, and has been for many years, moving over the Apalachee Bay reach from the terminus of the Gulf Intracoastal Waterway near Carrabelle to the mouth of the Withlacoochee River adjacent the proposed gulf terminus of the Cross-Florida Barge Canal project, and to Cedar Keys and other points on the Florida west coast.
>
> (b) The ease of barge navigation and the safety thereof in open water is not primarily dependent upon conditions of wave and water, but on the power of the tug. The power of the tug used on our Intracoastal and other inland waterways has been constantly increasing during the past two decades, and relatively short hauls, like that in question, over coastal waters are now routine. Almost all major routine barge movement over our inland waters are now propelled or towed by tugs sufficiently powerful to move barges safely in the coastal waters of Apalachee Bay.

Mr. Speaker, I could not sum up the case for this much-needed project better than the following letter to Senator Ellender from the Mississippi Valley Association made up of non-Floridians:

Mississippi Valley Association,
St. Louis, Mo., August 20, 1962.

Hon. Allen J. Ellender,
Chairman, Public Works Subcommittee,
Senate Appropriations Committee,
Washington, D.C.

Dear Senator Ellender: The Mississippi Valley Association is distressed to learn that the House of Representatives has disallowed the budget request of $205,000 for advance planning and design on the Cross-Florida Barge Canal. We had requested an appropriation of $1 million for this project with the balance of the money to be used to initiate construction following completion of the advanced planning and design.

We view with amazement the reasoning which the House Appropriations Committee used in disallowing this project, as contained on pages 38 and 39 of House Report No. 2223, dated August 14, 1962, and which accompanied H.R. 12900. That this important House committee could have been so misled by the only opponent of this project, the American Association of Railroads, in the face of such overwhelming justification for the project, is almost beyond belief.

The House committee refers to the estimated total cost of this project as being $145,300,000 in 1962 as compared to only $44 million when it was authorized in 1942. If the project had been built when it was authorized, a savings of more than $100 million would have been effected, and the project would long since have paid for itself.

As you know, the Corps of Engineers engaged the Arthur D. Little Co. to do an economic evaluation of this project. This firm has a world-wide reputation which certainly cannot be questioned, and their disinterested evaluation gave the project a benefit-cost ratio of 4.6 to 1 for a project life of 50 years. The Corps of Engineers in their evaluation reduced the average annual tonnage and benefit estimates of the Little Co. by approximately 75 percent which appears to be unreasonably low to us, but this still provided a favorable benefit-cost ratio of 1.2 to 1. The committee notes in its report that a group opposed to the project contends that the benefit-cost ratio is only 0.13 to 1 and apparently gives this estimate by the railroads the same weight as those made by the Little Co. and the Corps of Engineers which were based upon many years of experience and knowledge and with no selfish motive involved.

The main difference between the benefit-cost ratios suggested by the Little Co. and those of the Corps of Engineers is based upon the vast difference in the estimated freight tonnage between the two. The Little Co. estimates annual tonnage during the first 50 years of the project's life of 10,727,000 while the Corps of Engineers estimate is only 2,500,000. As previously stated, the Corps of Engineers estimate appears to be unreasonably low to us.

In the August 1962 issue of the Mississippi Valley Association's Newsletter, we reported a news release from the New Orleans District Engineer which stated, in part, "A new record in barge traffic was established in 1961 on the Gulf Intracoastal Waterway, Colonel Jennings said. He noted that a total of 58,866,964 tons of commerce passed over this major inland transportation artery which runs from Apalachicola Bay, Fla., to the Mexican border. This is a 3,918,305-ton increase over 1960 traffic."

The Gulf Intracoastal Waterway, which will feed the Cross-Florida Barge Canal, is already carrying nearly 59 million tons of commerce and is experiencing a single-year increase of almost 4 million tons in 1961. It appears inconceivable to us that the Cross-Florida Barge Canal will carry only 2½ million tons annually as estimated by the Corps of Army Engineers. The 10,727,000 tons estimated by the Little Co. appears to be a much more realistic appraisal of the situation, including their benefit-cost ratio of 4.6 to 1. The Gulf Intracoastal Canal currently shows a benefit-cost ratio of approximately 15 to 1.

The report notes that "testimony solicited by the committee during the course of the hearings indicates that 80 percent of the claimed total benefits in the movement of commodities on completion of this canal would revert to the State of Florida and that its national significance is limited to 20 percent of the benefits."

This erroneous conclusion was presumably based on a notation in the justification provided by the Corps of Engineers which the committee apparently misinterpreted. The Corps of Engineers' statement says: "About 20 percent of the barge canal prospective traffic could be classified as through traffic in that it would move through the length of the barge canal generally to and from points beyond Florida. The balance would be termed local traffic, 80 percent of which would be classed as interstate commerce in that it would either originate in Florida and move to another State, or originate in another State and move to Florida."

We believe a correct interpretation of this statement is that 20 percent of the total traffic will move through the entire length of the canal and have no direct connection with Florida. Of the remaining total traffic, 30 per cent would be "intrastate" in nature and 80 percent would be "interstate" traffic. In other words, only 16 percent of the total traffic will be within Florida and 84 percent of the total traffic will be interstate traffic. Saying that 80 percent of the total traffic will benefit only Florida is like saying that New Orleans will get 80 percent of the benefits from the Mississippi River gulf outlet project or that Louisiana and Texas receive 80 percent of the benefits of the Gulf Intracoastal Waterway." The people of the United States benefit from the proper development of this Nation's water resources and the Cross-Florida Barge Canal is no exception.

Additionally, the division engineer states in his testimony before the House Committee that all the estimates of the Corps of Engineers on the Cross-Florida Barge Canal are based on "the limits of the project." In other words, the estimates of traffic do not contemplate construction of the Intracoastal Waterway from St. Marks to Tampa, which is now under study by the Corps of Engineers. If this project is feasible, and we believe it will be, then total traffic, particularly through traffic, on the Cross-Florida Barge Canal should greatly exceed the Corps' present estimates.

For years the Cross-Florida Barge Canal has been called the "missing link" in our transportation system. The Cross-Florida Barge Canal, together with the St. Marks to Tampa Canal, would tie the Gulf Intracoastal Waterway system to the Atlantic Intercoastal Waterway system and would benefit the eastern two-thirds of our country, encompassing that area from Montana to New England and from the Canadian border to the Gulf of Mexico. Certainly, Florida would benefit by the construction of the Cross-Florida Barge Canal, but the major benefits would accrue to the citizens adjacent to all our inland waterways, including the Mississippi Valley, and it is for this reason that the Mississippi Valley Association has long been in the forefront of the proponents of the project.

It is an old axiom of the inland waterways that it costs as much to load and unload a bulk commodity from a barge as it does to transport the barge 600 miles. Since the economics of barge transportation are predicated on relatively long hauls, it seems apparent that construction of the Cross-Florida Barge Canal would have little, if any, adverse effect upon the economics of the existing Intracoastal Waterways on both coasts of Florida, as the House committee contends.

The report of the House committee concludes with the statement that * * * "Since the authorization of this project was 20 years ago and its feasibility and economics are in this committee's opinion questionable, it seems only appropriate that the legislative committees and Congress should reaffirm its authorization before it is again presented to the Appropriations Committee for funding."

In the opinion of the Mississippi Valley Association, this was a good project when it was authorized 20 years ago, and its feasibility and economics are even better now than they were at the time of the original authorization. We believe this project is important to the welfare of the United States and that it should be built without further delay. We, therefore, again request that the Senate Appropriations Committee

approve the sum of $1 million to complete advanced planning and design and to initiate construction of the Cross-Florida Barge Canal.

Respectfully submitted.

GLADE R. KIRKPATRICK,
Chairman of the Board.
EVERETT T. WINTER,
Executive Vice President.

GENERAL LEAVE TO EXTEND REMARKS

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to extend their remarks in the RECORD on the conference report just considered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

CONCETTA MARIA, ET AL.

Mr. WALTER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 12402) for the relief of Concetta Maria, Rosetta, and Tomasino Mangiaracina, with Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert "That, for the purposes of the Act of September 26, 1961 (Public Law 87–301), Concetta Maria, Rosetta, and Tomasino Mangiaracina shall be deemed to be within the purview of section 25 of that Act."

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

Mr. HALLECK. Mr. Speaker, reserving the right to object, and I shall not object, I think probably this is an opportune time for me to make a very short statement. I am sure it is the hope of all of us that we are coming into the closing days of this session. As we know from past experience many things have to be done by unanimous consent. I think all of us on both sides of the aisle understand that.

Mr. Speaker, I want to be cooperative, and I am going to be cooperative. But I just want to say, first of all, I hope when unanimous consent requests are made by Members on the majority side they will work with the minority members of the committees involved in order that there may be a complete understanding about what we are doing. Secondly, Mr. Speaker, may I say before I go any further that the gentleman from Pennsylvania talked to me about these particular unanimous consent requests. After some checking, I am very sure that they are in proper form and should be granted. But there have been a number of matters suggested to me that might be brought up here by unanimous consent. All I am saying, Mr. Speaker, is that I think we would get along much better and more expeditiously if these unanimous consent requests could be arranged for in advance so that all of us on our side could know and that I could know when they are coming up, because obviously no one of us can be here every minute of all the time we are in session. If we knew when they were coming, then we would have an opportunity to take whatever action might be deemed necessary in order to be sure that measures do not go by under unanimous consent that should not be passed or that some Members would object to if they knew about them and could be here for the purpose of objecting.

Mr. Speaker, I withdraw my reservation.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

ELAINE VERONICA BRATHWAITE

Mr. WALTER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 1691) for the relief of Elaine Veronica Brathwaite, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Line 6, strike out "natural-born".

After line 7, insert:

"SEC. 2. For the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, Jessie Bamer shall be held and considered to be the alien minor child of Mr. Albert Bamer, a citizen of the United States."

After line 7, insert:

"SEC. 3. The natural mothers of the said Elaine Veronica Brathwaite and Jessie Bamer shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act."

Amend the title so as to read: "An Act for the relief of Elaine Veronica Brathwaite and Jessie Bamer."

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

JOAN ROSA ORR

Mr. WALTER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 10605) for the relief of Joan Rosa Orr, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 1, line 7, strike out all after "such" where it appears for the first time down to and including "impose:" in line 11, and insert "Act:".

Page 1, line 11, strike out all after "That" over to and including "Code," in line 2 on page 2.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. McGown, one of its clerks, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 11880. An act to amend the Foreign Service Buildings Act, 1926, to authorize additional appropriations, and for other purposes.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 1447. An act to amend the District of Columbia Teachers' Salary Act of 1955, as amended, and to provide for the adjustment of annuities paid from the District of Columbia teachers' retirement and annuity fund;

S. 3313. An act to authorize an increase in the borrowing authority for the general fund of the District of Columbia; and

S. 3705. An act to amend the District of Columbia Police and Firemen's Salary Act of 1958, as amended, to increase salaries, to adjust pay alinement, and for other purposes.

The message also announced that the Senate agrees to the amendments of the House to a bill of the Senate of the following title:

S. 914. An act to provide for more effective administration of public assistance in the District of Columbia; to make certain relatives responsible for support of needy persons; and for other purposes.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4670) entitled "An act to amend the law relating to indecent publications in the District of Columbia."

TO ADJUST POSTAL RATES, AND FOR OTHER PURPOSES

Mr. MURRAY. Mr. Speaker, I call up the conference report on the bill (H.R. 7927) to adjust postal rates, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee?

Mr. GROSS. Mr. Speaker, reserving the right to object, and I do so in order to make a parliamentary inquiry, I desire to make a point of order against consideration of the conference report.

The SPEAKER pro tempore. The Chair is unable to hear the gentleman's parliamentary inquiry. Will the gentleman from Iowa state his parliamentary inquiry?

Mr. GROSS. Mr. Speaker, I desire to make a point of order against consideration of the conference report, and I ask to be recognized at the proper time to make that point of order.

The **SPEAKER** pro tempore. When the Clerk reports the title of the bill, the gentleman may be recognized.

The Clerk will report the title of the bill.

The Clerk read the title of the bill.

The **SPEAKER** pro tempore. The gentleman from Iowa makes a point of order. The gentleman will state the point of order.

Mr. **GROSS.** Mr. Speaker, I make the point of order against the conference report on the ground that it violates clause 2 of rule XX of the House rules.

Clause 2, rule XX, reads in part as follows:

> Nor any amendment of the Senate providing for an appropriation upon any bill other than a general appropriation bill shall be agreed to by the managers on the part of the House unless specific authority to agree to such amendment shall first be given by the House by a separate vote on every such amendment.

Mr. Speaker, H.R. 7927 as passed with the amendment of the Senate provides in section 1104, page 110, the following:

> SEC. 1104. Notwithstanding any other provision of law, the benefits made payable under the Civil Service Retirement Act by reason of the enactment of this part shall be paid from the civil service retirement and disability fund.

The words "shall be paid from the civil service retirement and disability fund" constitute an appropriation within the meaning of clause 2 of rule XX.

For example, here are some decisions noted under clause 4 of rule XXI:

> A direction to pay out of Indian trust funds is not in order.
>
> * * * * *
>
> A direction to a departmental officer to pay a certain sum out of unexpended balances is equivalent to an appropriation and not in order.
>
> * * * * *
>
> Language reappropriating, making available, or diverting an appropriation or a portion of an appropriation already made for one purpose to another is not in order.

Mr. Speaker, since the pending conference report includes the language making an appropriation it is, I submit, out of order under clause 2 of rule XX.

Inasmuch as the House, when it sent the bill to conference, did not give specific authority to agree to such amendment I therefore submit that it is not in order for such language to be included in the conference report.

I make a point of order against the conference report on that basis.

Mr. Speaker, I cannot stand idly by and see the rules of the House and orderly procedure set aside for the sake of expediency. This section of the bill involves the expenditure of hundreds of millions of dollars and it seeks to make these funds available through what amounts to the back door of the Treasury. I insist that this added liability on the retirement fund be met through the appropriation process. There is involved here not a few thousand dollars, but in total and over a period of time a vast amount of money.

I point out again, as I did a few days ago, that the Federal employees retirement fund as of June 1962, was estimated to be $33,700 million in the red. This ought to be of the utmost concern to every Member of Congress.

The **SPEAKER** pro tempore. Does the gentleman from Tennessee [Mr. MURRAY] desire to be heard on the point of order?

Mr. **MURRAY.** I do not, Mr. Speaker.

The **SPEAKER** pro tempore (Mr. ALBERT). The gentleman from Iowa [Mr. GROSS] makes a point of order that the language contained on page 110, section 104, line 12, "shall be paid from the civil service retirement and disability fund" is in violation of clause 2, rule XX.

The Chair sustains the point of order.

Mr. **MURRAY.** Mr. Speaker, I move that the House insist upon its disagreement with the amendments of the Senate and request a conference with the Senate.

The **SPEAKER** pro tempore. The question is on the motion offered by the gentleman from Tennessee.

The motion was agreed to.

The **SPEAKER** pro tempore. Without objection, the Chair appoints the following conferees: Messrs. MURRAY, MORRISON, and CORBETT.

There was no objection.

THE FARM PROGRAM

Mr. **COOLEY.** Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. **COOLEY.** Mr. Speaker, I want to make a report on agriculture. Farm income is up, and Main Street is humming again. When this, the 87th Congress, convened in January of 1961, the Nation's agriculture, our basic and largest industry, was on the brink of bankruptcy. Honorable Ezra Taft Benson, in 8 years as Secretary of Agriculture, had reduced the Nation's general farm program to a shambles.

Farmers' net income had declined by more than $20 billion under Mr. Benson, as compared with the previous 8 years. Their earnings were at the lowest level, in relation to volume of their sales, for any period since the Department of Agriculture began keeping records. Average farm prices had reached their lowest, in terms of parity, for any year since the depths of the great depression. Per capital annual income of people living on farms was less than one-half that of nonfarm people.

Huge surpluses of food and fiber—$9 billion worth—were accumulated and piled high in swollen Government warehouses, at great costs to taxpayers.

This was the sorry situation in agriculture when this Congress convened.

GREAT GAINS FOR FARMERS

Now as the 87th Congress draws to a close, Mr. Speaker, it is my duty, as chairman of the House Committee on Agriculture, to review for the Members of the House, and to advise the country at large, concerning the work of this Congress in behalf of agriculture. Moreover, I deem it to be my obligation to bring into perspective for the Nation the circumstances of our farmers and their families who have made this the best fed and best clothed nation on earth.

Mr. Speaker, this Congress has accomplished more for agriculture than any Congress since the 1930's.

A Democratic administration took charge in Washington in January 1961. President John F. Kennedy appointed Orville L. Freeman the Secretary of Agriculture, to replace Mr. Benson.

The new administration and the 87th Congress, working as a team—although against tremendous opposition—promptly halted the long downslide in farm income.

Net earnings of farmers already have increased by $2 billion.

The pile-up of surplus upon surplus has been stopped.

Taxpayers have been saved many millions of dollars on farm program costs.

And, Mr. Speaker, the discredited Benson programs of the 1950's—which brought the big surpluses and bigger costs—and the smaller and smaller income for the farmer—have been wiped off the statute books.

MORE IMPROVEMENTS AHEAD

There is a new mood of confidence for Rural America.

The Agricultural Act of 1962, just signed into law by the President, clears the way for further improvements in farm income, better resource use, lower Government costs, stable food prices, and constructive use of our farm abundance.

Let us review briefly the significant gains contributed by previous actions by the 87th Congress and by the new Democratic administration since early 1961.

Last year's net farm income of $12.8 billion was 10 percent higher than in 1960 and the highest since 1953.

Average income per farm was up 13 percent, from $2,960 to $3,360.

Hourly return per farmworker was 99 cents, compared with 83 cents in 1960.

MAIN STREET HUMMING

Business is humming again along Main Street.

Bank deposits and busines activity in 20 major farm states are 10 percent above 1960, an indication of farm prosperity and of the importance of farm income to business generally.

Income prospects for farmers this year are equally good, and prospects for next year may be even better under the 1963 program.

This increased income has provided better lives for farm people, new hope for rural communities and rural merchants, and new business for farm machinery and supply industries. While the rural economy has been boosted, the stocks of surplus farm commodities held by the Government have been cut sharply.

SURPLUSES CUT

The 1961 and 1962 programs will cut grain surpluses by some 27 percent.

The 1961 feed grain program has reduced carryover stocks of corn already by nearly 400 million bushels—the first reduction in 10 years.

The 1962 feed grain program promises equally good results.

The emergency wheat program enacted by Congress in 1961 will reduce the carryover stocks of wheat next year to the lowest level since 1957.

TAXPAYERS GET A BREAK AT LAST

Annual cost of storing and handling feed grain and wheat will be down $213 million as a result.

The major savings in the cost of farm programs remain to be realized, however. Passage of the Agricultural Act of 1962 insures that the results achieved in 1961 and 1962 can be continued into 1963 and 1964.

For the first time in more than 10 years, the Secretary of Agriculture will have—in 1964—a wheat program which he can administer properly and which will not add to the surpluses each year.

Feed grain stocks—more than 3 billion bushels last year—can be reduced to needed reserve levels by 1964.

Wheat stocks, which were 1,400 million bushels last year, can be cut to half that level by the mid-1960's.

The billion-dollar annual cost of carrying the surplus of farm products in 1960 will be cut in half, and eventually will represent only the costs of carrying needed food reserves.

There are no consumer price increases built into the 1962 farm bill. Food prices have been stable and should remain stable.

Sections of the Agricultural Act of 1962 relating to land use, recreation and rural development represent the first new direction in farm policy since the 1930's. The pilot program for placing unneeded farmland in nonagricultural uses, and the provisions for loans and technical assistance to encourage recreational development are new landmarks of farm legislation.

Indeed, agriculture again is looking up.

PARTISAN POLITICS HURT FARMERS

Mr. Speaker, there is great satisfaction in making this report to the House but I must say, in this regard, there is also some regret. In years past, as I have made other reports upon agriculture, it has given me great joy to turn to the Republican side of this House and commend many Members there—along with my Democratic colleagues—as devoted friends of agriculture who have placed the well-being of our farm people above any partisan advantage. My regret now is that this House has become a bitter partisan battleground, where the interests of our farm people are concerned, and that in this situation the great progress for agriculture in these last 2 years has been achieved often over the virtually solid opposition of the Republican side of this House.

Let me say to the House, as I often have said before, that our farm people are Democrats and they are Republicans. Their well-being should have no reference to cheap partisan politics. There were days, in times past, when it was difficult to distinguish a Democrat from a Republican in this body when legislation relating to the well-being of agriculture was debated and voted upon. It was in those years, with bipartisan dedication and effort—and with the help of such great leaders as Edward A. O'Neal of Alabama and Earl Smith of Illinois, then the top officers of the American Farm Bureau Federation, along with the leaders of the Grange and the Farmers Union—that we developed the farm program which helped agriculture out of the great depression and under which for 11 consecutive years—1942 to 1952, inclusive—our farmers enjoyed their greatest prosperity in history. You will recall that farm prices in each of those 11 years were at or above 100 percent of parity. There were no wasteful surpluses. The production and price stabilization programs for the six basic crops—corn, wheat, cotton, rice, peanuts, and tobacco—operated for 20 years at an actual profit of $13 million to the Government. The Government had no loss but made a profit on these programs. During these years also our consumers bought food at fair and reasonable prices.

EZRA TAFT BENSON

But, Mr. Speaker, when Mr. Ezra Taft Benson became in 1953 the chief agricultural magistrate of the land, he forthwith set out upon a course to administer the farm program in a way to discredit it, and thereby to destroy it. He set out to destroy the program that had brought to agriculture its greatest era of prosperity in all history—the program for the basic crops that actually had returned a profit in dollars to the Government.

It was the consequences of the Benson regime that confronted us when the 87th Congress convened.

We moved first to deal with the most pressing problems. We promptly passed a feed grains bill, to stop the piling up of corn and other grains, and to stabilize the income of farmers. This bill embraced a voluntary program for 1961 in which the grain farmers were paid to reduce their acreages. Next we enacted similar programs for 1962 crops of feed grains and wheat. And, in the Agriculture Act of 1962, enacted in the closing days of this Congress, we continued these programs for 1963, in modified form, as we provided other programs of vast importance to agriculture and to the Nation, in the future.

Mr. Speaker, in a very few days we shall be back home, among the good people who sent us to Congress, and in our daily associations we shall be giving accounts of our stewardship. I am going to speak to my people back home with great pride in our accomplishments for agriculture.

THE NATURE OF THE OPPOSITION

Moreover, I intend to try to enlighten farmers generally on the nature of the opposition to their best interests, as it is reflected in the Congress.

Never have I seen agricultural policy-making faced with such powerful cant and deprecation and denunciation as was evident through the partisan action in Congress and among the lobby groups, these last 2 years.

Early this year, Secretary Freeman submitted general farm legislation to the Congress. This legislation would have offered farmers this crucial choice:

One. Controlling surplus production and thereby enjoying firm price supports and stable incomes; or

Two. The complete abandonment of farm price stabilization programs.

In short, the decision offered the producers of major crops was between self-imposed restraints on surplus production, or freedom to plunge headlong into bankruptcy.

This bill would have been the most effective means of cutting down farm surpluses, saving billions of dollars for taxpayers, strengthening the entire economy by improving the income of farmers, and it would have assured consumers plentiful food and fiber at fair prices.

I think that in assuring price stability for farmers the Government has the right to expect of farmers that they will cooperate in programs to hold their production within reasonable bounds. It makes no sense to me for the Government to provide price supports for the unlimited production of anything.

But a hue and cry went around the land.

Some people who pretend to be leaders in agriculture, and who approve of production adjustments in cotton, wheat, rice, peanuts, and tobacco, shouted that it would be nothing short of socialism if corn and other feed grains producers were given the opportunity to vote similar restraints upon themselves so that they could enjoy fair and stable prices. Cattlemen were told that Washington wanted to control the livestock industry. The South was told that there was a plot to cripple the livestock industry in this region. None of this, of course, made sense, but it did confuse a lot of farmers.

The Department of Agriculture did not propose, nor would I support, Government control programs for cattle and hogs. In fact the feed grains provisions of the general farm bill first proposed by the Department were designed to remove any need for such programs. This bill was the best means of avoiding price supports or Government restrictions on cattle and hogs.

PROGRAM FOR GRAINS BOON TO LIVESTOCKMEN

It is an accepted fact that cheap and surplus supplies of feed grains, in the absence of a feed grains program, will lead to excessive expansion of cattle and hog production. Independent studies by Iowa State University, Cornell University, and the Joint Economic Committee of Congress show that, without such a program, corn prices will fall to 65 to 98 cents a bushel in the commercial Corn Belt. The cattle prices would range for $12 to $17 per hundredweight, and hog prices from $11 to $14.

This would mean ruin for cattlemen and other livestock producers.

Feed grains programs of the past decade have supported livestock prices by placing the surplus of each year's grain production into Government warehouses instead of into more cattle and other livestock. If all the grain produced in the last decade had gone into livestock—and this would have been the only place for it to go in the absence of a Government storage program—livestock prices would have been intolerable.

But the feed grains program of the 1950's—with price supports on unlimited production—were extremely costly and self-defeating. Surplus was piled upon surplus. Carrying charges for corn alone in the 1961 fiscal year were approximately $1 million a day.

Therefore, the farm bill then before us made sense, for it is certain that a return to the Benson program of the 1950's—surplus-on-surplus and billions of costs—would bring about the early termination of all price support programs and absolute chaos in farm markets.

I supported the bill because I believe that a sensible feed grains surplus control program is the means by which disastrous livestock prices and direct Government programs for livestock can be avoided.

Moreover, it should be pointed out that the proposed limitation on the surplus feed grains production in this bill embraced an exemption from this restraint in feed grains deficit areas, and no reduction in feed grains production would have been made upon farms which had produced 40 acres or less of corn or other feed grains.

WORKABLE FEED GRAINS PROGRAM VITAL TO SOUTH

The bill H.R. 11222 seemed to me to be vital to the entire South, as well as to the great commercial feed grain area of the Midwest.

We in the South have successful surplus control programs working for cotton, tobacco, peanuts, and rice. Our farmers, by their own decisions, prevent surplus production of these crops, and in return the Government supports our prices.

Should not we in the South, then, be willing and eager to give the farmers of the Midwest and elsewhere the same opportunity that we have with crops we produce to determine in free and democratic elections whether they want, as we have done, to place restraints on surplus production and thereby enjoy stable prices?

It is in the self-interest of Southern Members to support this position.

I believe that unless we find a way to deal effectively and permanently with the surplus production of grains the Nation will revolt against waste and costs and will put an end to all farm stabilization programs. This would spell ruin for cotton, tobacco, peanut, and rice farmers in the South. It would ruin grain producers and the livestock people of the country as well.

And let me interpose an admonition here.

HANDWRITING ON THE WALL

The Committee for Economic Development—CED—an organization supported by some of the Nation's top businessmen and industrialists, proposed just recently an end to all farm stabilization programs, for the stated purpose of bringing down farm prices and forcing the removal of 2 million farmers out of agriculture completely in the next 5 years.

The handwriting is on the wall. Time is running out for the enactment of durable national policies to afford farmers a lasting hope of again achieving equity in the Nation's economy. Farmers have got to get together on policies which will be life or death to their businesses in the future. We have got to get partisan advantage out of the farmers' business. These things must come to pass if Congress is to enact and maintain sound and sensible general farm policies.

THE BILL DEFEATED; ANOTHER PRESENTED

The general farm bill—H.R. 11222 as proposed by the administration and improved and refined by the House Committee on Agriculture—was defeated on June 21, by a 215 to 205 vote in the House.

The confusion, created by those who profit from low farm prices and from the accumulation of surpluses, paid off for the opponents of the bill.

The House Committee on Agriculture immediately brought forward a new bill, the principal immediate effect of which is to extend for another year, to 1963, the temporary and voluntary production reduction programs for wheat and corn and other feed grains.

It is entirely beyond my understanding, but this bill (H.R. 12391) also became a raw and bitter political issue.

Finally, after 8 months of agony, the Congress came to the crucial showdown. The choice was, one, to reject this legislation, return to the Benson programs of the 1950's, and thus reopen the flood gates for new avalanches of surplus production of wheat, corn, and other feed grain, at a cost of many more billions of dollars to taxpayers; or, two, to approve this legislation and further reduce farm surpluses, bring down costs to taxpayers, and continue to improve farm income.

In the House only two Republicans voted for the bill. In the Senate not one Republican supported it. It won in the House 202 to 197, and in the Senate 52 to 41.

The 1963 programs provided in the bill are more simple and more attractive to farmers. I am especially pleased that these voluntary programs have been modified so that it will not be necessary for the CCC to place large amounts of corn and other grains under the loan. This will make marketing conditions much more satisfactory to millers and to the grain trade.

Mr. Speaker, the Department of Agriculture has prepared a descriptive summary of the Agricultural Act of 1962, which I have inserted in the CONGRESSIONAL RECORD. This begins on page 21572 of the October 1 RECORD. I present here a more limited sketch of the legislation.

THE AGRICULTURAL ACT OF 1962—BRIEF SUMMARY

FEED GRAINS

We will have another voluntary program in 1963. It is basically similar to the 1961 and 1962 programs, and differs only in the method by which price supports will be made available to farmers who reduce planted acreage a minimum of 20 percent. They will receive a price support on corn of $1.20 a bushel, made up of a basic price support loan at a national average rate of $1.02 per bushel with an 18 cent per bushel payment-in-kind from CCC stocks. Diversion payment not to exceed 50 percent of the value of the crop on the land taken out of production will be paid to participating farmers. The payment-in-kind will be made in the form of certificates which farmers may exchange for feed grains or for cash.

For 1964, the Congress has changed the method of setting the support price for feed grains. It required the Secretary to set the support level between 50 and 90 percent of parity—with the limitation that the level should not result in adding more feed grain stocks to the surplus. This supplants the 1958 act which provided price supports for unlimited production of corn at 90 percent of the 3-year-average market price but at not less than 65 percent of parity.

WHEAT

Since farmers had already approved marketing quotas for the 1963 wheat crop and are now planting or preparing to plant, the Congress has provided a voluntary program for farmers who would divert a minimum of 20 percent of their wheat acreage to conserving uses. For those who participate, the support price will be $2 a bushel. They will receive the basic support price of $1.82 a bushel plus a payment-in-kind of 18 cents a bushel. Diversion payments of up to 50 percent will be made on acreage taken out of production.

For the 1964 crop, the Congress has provided a new permanent wheat program. It provides a two-price system for wheat, which distinguishes between wheat produced for food and export, and wheat produced for feed. It eliminates the 55 million national acreage allotment, set at a time when yields were only half of their current level.

The new legislation authorizes the Secretary to estimate the total needs for wheat in any given year and announce an acreage allotment large enough to meet those requirements. For that segment of the allotment needed for domestic consumption and a large portion of the exports, certificates will be issued to farmers entitling them to sell this wheat at a price level to be set between 65 and 90 percent of parity. In 1964, the Department of Agriculture proposes to support the certificate wheat at a national average price of about $2 a bushel. For the remainder of his allotment, the farmer can market it at a price level which will reflect either its feed value or the world wheat value, or a combination of both.

This wheat program brings to a successful conclusion over four decades of public discussion. It has been debated in the Congress for at least a decade, and it has a long record of support from major farm organizations in wheat producing areas. It is a modification of the domestic parity plan for wheat which was advocated in the Congress for many years by our distinguished and beloved former colleague, Hon. Clifford R. Hope, of Kansas, who was the last Republican chairman of the House Committee on Agriculture.

RURAL RESOURCES DEVELOPMENT

Now let us take a look at the new provisions in the legislation. They provide new tools for rural renewal, for putting land we do not need for crops into new and profitable uses—for timber, for grassland farming, and for outdoor recreation including water-based recreation in small watersheds.

First, the Government is authorized to enter into cost-sharing agreements with individual farmers and ranchers to develop wildlife and recreation resources in addition to soil, water and forest resources. We have in this provision the beginning of a true multiple-purpose concept in the use of private lands.

Second, in areas where local or State government agencies want to attack rural poverty through a full-scale area-wide program similar to the approach now taken in metropolitan areas through urban renewal programs, the Department can provide up to 30-year loans to help finance rural renewal projects. Congressional committee approval will be required on loans for more than $250,000—the same procedure now in effect for small watershed projects.

Third, in connection with the small-watershed program itself, the Congress has recognized recreation development as a goal in watershed development for which the Department will share in the cost. It means that the local farmers and businessmen who sponsor a watershed district could develop public recreational facilities around some of the reservoirs in their project, and the Department would pay half the cost of land, easements and right-of-way necessary to develop the recreation potential of this land and water conservation project.

Fourth, the Congress provided that storage for future needs for municipal and industrial water supplies may be built into a watershed project and paid for by the locality when the water is used. Thus, a rural community within a watershed district can plan ahead for water needs in determining the size of reservoirs developed as water supplies.

Fifth, in rural housing and farm operating loans, the Farmers Home Administration is authorized to make real estate loans to family farmers to develop recreational facilities.

The new farm bill, in relation to our food abundance, keeps our faith with the hungry, with the poor and with our commitment to insure that the young people have an adequate, healthy diet. The bill provides new tools for sharing our abundance even more widely abroad. We will be able to expand the school lunch program to more children overseas, and we also will be able to enter into more long-term supply contracts for dollar sales.

OTHER IMPORTANT FARM LEGISLATION

Mr. Speaker, this 87th Congress enacted other legislation important to agriculture and to the rural community.

We passed a Senior Citizens Housing Act which establishes a long-term loan and grant program to enable rural residents over 62—on farms and in small towns—to obtain low-interest, long-term loans to construct or buy new homes or modernize old ones. This program will be administered through the Farmers Home Administration in rural areas.

We enacted a Public Works Acceleration Act which is designed to create new jobs in hard-pressed rural areas as well as in urban areas.

In the commodity field, we modified and extended the Sugar Act. I am not proud of some of the modifications of this act, and I am hopeful that the next Congress will make corrections, especially with respect to the new "world quota" concept of procuring a large part of our sugar needs from other nations.

There were many other pieces of legislation dealing with various problems of agriculture.

Altogether, more than 600 bills were referred to our Committee on Agriculture. This reflects the intense interest of the Members of the House in the well-being of our farmers and their families.

Our committee held 317 meetings. We reviewed all the proposed legislation. We approved and reported 84 bills. Of these, 70 or more will have become public laws when this Congress adjourns within a few days.

NEXT CONGRESS MUST ACT

Due to the obvious advantages inherent to farmers and to the economy generally in the projected 1963 programs, many Members of the House went along with the farm bill's provision for 1964 and thereafter, relating to wheat and feed grains, knowing that the Congress will have a chance next year to take another look at these long-range programs before they become effective for the 1964 crops.

The new act does not provide an adequate long-range program for feed grains. In the circumstances—with the opposition able to scatter wide confusion among farmers—it simply was the best the Congress could do at this time in recognition of our responsibilities.

I expect new feed grain legislation to come before the Congress in January and to be enacted. The 1963 program lays a foundation on which we can build in 1964. I do not know now what the new legislation will propose, but I assure our feed grain and livestock farmers that I am eager to work with them in developing the best possible program, within our free enterprise economy, to maintain stability, and prosperity, in their operations.

No doubt we shall consider early in the new Congress a bill relating to cotton, in the hope that we may revise our cotton program in a way that will restore the competitive position of our domestic mills, bring about a larger use of cotton, and maintain and improve the income of our cotton producers.

We may have legislation dealing with milk and with other commodities, where producers want the help of their Government to stabilize production and prices. We will have an opportunity to correct and improve existing programs.

THE FAMILY FARM AND MAIN STREET

With all the achievements of agriculture, Mr. Speaker, there are disturbing developments in the broad and sweeping American countryside.

Family farms are disappearing in large and alarming numbers.

These are the farms that have created the most efficient agricultural plant in all the world. These are the families that support our thousands upon thousands of "Main Street" towns and villages.

I am disturbed, Mr. Speaker, by the fact that some farm establishments are growing so vast, so that now only 3 percent of our farms in number produce approximately one-third of all the farm products that move into our markets.

The family farm was the beginning of the free enterprise system in America. It was the economic foundation on which our democratic government was established. It has been the seedbed of the best social, cultural, political, and spiritual values in our national life. It has been the greatest stronghold of individual and family enterprise in our economy.

These units of capitalism and enterprise and of social and spiritual order are disappearing in large numbers. Mechanization, consolidation, integration account for this. Of course there is good reason for family farms to grow larger by adjustment to mechanization. But America must question the consolidations into corporations and other large combinations, where hired labor uproots and supplants the family on the farm.

This attrition must stop.

Our country will rue the day if our family farms are swallowed up and Main Street loses its identity and influence in the American way of life.

Mr. Speaker, the Members of this Congress—all of us—must dedicate ourselves anew to the promotion and the perpetuation of the family farm as the continuing dominant unit in our agriculture. We must maintain as many independent units of free enterprise—of capitalism—over our countryside as it is economically feasible and possible to do. We must maintain and constantly expand the opportunity for Americans to become free-enterprisers—to operate farms or businesses of their own—if free enterprise is to endure. Moreover, this is the best assurance of the strength of democracy.

FARMERS AND SNIPE HUNTERS

Mr. Speaker, before concluding this report I must return to a discussion of the opposition that confronts farmers and their programs.

This is a political year. The Congressional elections are just a month hence. No doubt, the countryside will ring in these next 4 weeks with cries of "regimentation" or "dictation" or "blackjack" at any mention of the various farm programs—particularly those for wheat, corn and other feed grains—which have been improved by this Congress.

These cries will come, of course, from those who have had the opportunity to help farmers and have refused to do so.

There are those who would deny the gains made by the 87th Congress. They do not base their denial on the facts—they resort to partisan distortion, unfounded fears, and snipe hunts.

These opponents of agriculture progress distort by charging that new agriculture proposals are regimentation. They frighten the agriculture community by using unfounded fears about the future of farmers under new programs. They take the consumer on snipe hunts for "bread taxes" and other fantasies.

The opponents of agriculture began last year by voting in a solid mass against the emergency feed grain bill. Once this legislation was adopted over their solid opposition—once it began to reduce surpluses for the first time since 1952—once it began to push farm income up—they embraced it and tried to make it their own.

I was disturbed when my distinguished friend from Iowa [Mr. HOEVEN] reviewed the farm accomplishments of this Congress the other day—RECORD of Monday, October 1, page 21589—by failing even to mention that the first major farm action of 1961 was the passage of the feed grain bill.

In the agriculture record set forth by the gentleman from Iowa the first farm action of the 87th Congress was the 1961 omnibus farm bill. In this legislation, as proposed by the administration, he found "regimentation, surrender of legislative duties by Congress, radicalism." This proposal had none of these, and I think my friend knows it. In the first place, Congress cannot surrender its legislative duties by a simple act of Congress. The duties of Congress are set forth in the Constitution and Congress' authority is guaranteed by that document.

The labels of radicalism and regimentation are equally far fetched. The gentleman from Iowa passes off lightly that the administration's proposal called for a farmer, secret ballot referendum before any program could be placed into effect. He cannot convince me that the farmer would vote himself into regimentation. More importantly, my friend is completely silent on the fact that all programs which would have been presented to Congress for consideration would have been developed by farmers themselves. He cannot convince me that the American farmer would have developed programs of radicalism.

Although the gentleman from Iowa concludes his comments on the 1961 omnibus bill by announcing that Congress rejected it, the record shows that much of it was adopted. Farmer advisory committees were established, marketing orders were established for additional commodities, the Wool Act was extended for 4 years, Public Law 480 was extended for 3 years, the Great Plains conservation program was extended, the school milk program was strengthened, farm credit was modernized. This is hardly rejection.

Turning to the actions of Congress this year the gentleman from Iowa discusses the Agriculture Act of 1962. He brushes aside all of the provisions of that act relating to Public Law 480, to REA, to the Farmers Home Administration, to rural areas development, soil conservation and to new programs for land use as "extraneous." I deny that any efforts of this Congress to expand the accomplishments of agriculture under Public Law 480, REA, FHA, rural areas development, soil conservation and other features of the 1962 act are "extraneous." These vital agriculture programs deserve better than the label "extraneous."

Particularly is this true of the proposals for land use. We will need 50 million fewer acres of cropland by 1970 to meet our needs. We can idle this land or we can turn it to profitable alternative uses to keep the rural community economically sound. The 1962 farm bill sets up the beginning of the program to turn unneeded land to alternative income producing uses. This he tags "extraneous." I cannot agree with him.

I cannot agree either that the dairy program was scuttled. The Congress gave long and detailed study to the problems of the dairy farmer. The House itself adopted a modified dairy proposal, and congressional leaders have announced that the problems facing this facet of agriculture must be met and will be met. The gentleman from Iowa quotes from several organizations opposing the dairy section of the bill; what he fails to point out is that this position by these organizations was not unexpected. Most of these organizations opposed not only the dairy section but all other sections of the bill.

It is unfortunate that the gentleman from Iowa has seen fit to raise emotions over a proposal in the legislation which would have established penalties for those who failed to keep required records as a part of the dairy program. The bill had hardly been in the Congress for more than 2 or 3 days before this part of the bill had been stricken out. This was done with the full concurrence of the Secretary of Agriculture. Yet my friend has built this into some kind of bogeyman which he would use to frighten farmers away from agriculture progress.

At this point in his review, the gentleman from Iowa records the action of the Congress when it first considered the 1962 farm bill. He reports that the legislation was passed by the Senate and turned aside in the House by a vote of 215 to 205. He gives high praise to this action of rejecting the Kennedy rule or ruin farm bill. He certainly has the right of praising this action but I would protest his rule or ruin charge. By use of this description of the 1962 farm bill he brands the Senate of the United States as guilty of rule or ruin for agriculture. He brands 205 members of this body as favoring rule or ruin for the American farmer. I do not believe he can make this charge stand up.

Nor do I believe he can make the charge stand up that any responsible leaders of the administration of this Congress attempted to "sell out" the farmers of any State of this Nation to secure passage of this legislation. "Sold out" according to my friend were the feed grain farmers of the States of Iowa, Illinois, Minnesota, North Dakota, South Dakota, Montana, Nebraska, Kansas, Oklahoma, Texas, New Mexico, Missouri, Michigan, Indiana, and Ohio. May I remind my friend that 60 of the Members of this body from these very States voted for this legislation. Does he honestly believe that these Members voted to "sell out" the feed grain farmers of their States? I do not believe it. I believe instead these Members voted for the 1962 farm bill because it provided the best chance, in their view, to protect the income of their farmers, keep further surpluses off the backs of taxpayers, and bring an end result of adequate and fairly priced food at the marketplace for consumers, facts which my friend did not seem willing to mention.

Turning to the work of the conference committee, my friend from Iowa talks of capitulation. The House conferees did not "capitulate" to the Senate during the conference. The House conferees worked out in conference, through compromise and agreement by reasonable men, the bill which has been passed by the Congress. This is in the great tradition of Congress. I hope my friend does not want to do away with tradition.

I cannot be as pleased as the gentleman from Iowa seems to be with the fact that the conference report received all but unanimous opposition from the members of the minority party. I do not believe that agriculture programs should be injected into partisan politics. The well-being of the agriculture community and the needs of the consumers are much too vital to our Nation's healthy existence to be made the pawns of those seeking partisan advantage.

Finally, may I make some comments concerning some of the remarks by the gentleman from Iowa on the substance of the conference report?

Yes, it is true that feed grain supports would drop in 1964, if a new feed grains program is not enacted next year. But, this is no "ruthless political scheme to blackjack the corn farmer to his knees." This provision has just one purpose, and my friend from the Midwest knows it—this program for 1964 is in the legislation to assure that we will not return to the ill-famed Benson programs which piled up surpluses, broke farm income, and burdened the taxpayer with increasing costs for agriculture, but will sit down and—with the cooperation of those representing the midwest grain farmers—work out a sound and equitable grain program for 1964. As I already have stated, I expect a feed grains program to be enacted next year, to answer the needs and assure the prosperity of grain producers.

The gentleman from Iowa does not set forth all of the facts on the price of wheat. He sets up a strawman and uses his attack on the strawmen to condemn the whole wheat certificate plan. It is true that "the 1964 wheat support would be 92 cents if based on 80-cent corn." This is a strawman. The fact is that 1964 wheat supports will not be based on 80-cent corn. The supports will be based on the world price of wheat, if there is no new feed grain program for 1964, and this will mean $1.30 or $1.40 wheat.

This strawman adds up to another strawman—a "bread tax"—according to to the gentleman from Iowa. It does not add up to a "bread tax." The price of wheat to the flour miller would be exactly the same in 1964 as it is in 1962—$2 per bushel, Where is the "bread tax"? From 1950 to 1960 the price of a pound loaf of bread rose by nearly 7 cents—the price the farmer received for the wheat in that loaf of bread actually dropped. If there is any real "bread tax" it results from pre-1961 wasteful program while piled up surpluses and put burdens on the taxpayers to pay for unneeded food production.

My colleague has much to say about promise and performance based on the speeches of President Kennedy in the 1960 campaign. He was critical that President Kennedy promised "to work for full parity of income for American farmers," and that this goal has not been reached. I hope that my friend does not revel in the fact that this goal has not been reached. The kind of legislation this Congress has adopted has been a long step forward toward this ultimate objective. Farm income is up more than $1 billion annually after years of steadily falling under the leadership of the party my colleague represents. I hope that instead of complaining about not climbing all the way yet, he will join in helping us to climb a step further in the Congress to come.

But, this may be too much to ask. The gentleman from Iowa concludes by stating:

> My sincere hope is that the next 88th Congress will have enough Members with the strength and courage to resist the powerful forces of coercion and compulsion and put American agriculture back on the track under our free enterprise system.

Where does my friend want to return? Does he mean back on the Benson track of the 1950's? I hope not. I cannot conceive that he wants a return to falling farm income, mountainous surpluses, steadily rising farm costs, increasing taxpayers' burdens, and consumer uncertainty regarding food.

THE FARMER AND THE CONSUMER

Mr. Speaker, the people who oppose national policies that are fair to farmers do not mention the blessings that farm programs have brought to all our people, especially to our consumers.

The consumers of America have been the chief beneficiaries of farm programs over the last quarter of a century.

Americans are the best fed people in the world. Their food costs them a smaller part of their total earnings than is paid by any other people, anywhere.

The average factory worker in the United States spends only about 20 percent of his earnings to buy the average amount of domestically produced food consumed by a family of three. Ten years ago the same quantity and quality of food would have cost the same worker 32 percent of his wages; 20 years ago, 37 percent, and 30 years earlier—when there was no farm program—54 percent.

An hour's average pay of a factory worker today will buy just about twice as much food as it would in 1929.

The following table shows how much food an hour's average pay of the factory worker would buy in 1960 as compared with 1929, before there was a farm program:

Consumers—Quantities of food purchased by 1 hour of factory pay in 1929 and 1962

	In 1929	In 1962
Bread .... loaves..	6.4	11.3
Steak .... pounds..	1.2	2.3
Milk, delivered .... quarts..	3.9	9.0
Butter .... pounds..	1.0	3.1
Pork chops .... do....	1.5	2.7
Cheese .... do....	1.4	3.3
Bacon .... do....	1.3	3.5
Eggs .... dozens..	1.1	4.3
Potatoes .... pounds..	17.0	42.0
Oranges .... dozens..	1.3	3.1

Source: Agricultural Marketing Service, U.S. Department of Agriculture.

Food that takes an hour's pay of the average industrial worker in this country would require 2 hours in England and Germany, 4 hours in Austria, 4½ hours in France and more that 5 hours in Italy.

A Russian must work three and a half times as long as an American to get a pound of potatoes, four times as long to get a pound of beef rib roast, eight times as long to get a dozen eggs and nine times as long to get a pound of butter.

America's great plentifulness of food, at low cost, can be traced primarily to the fact that our farmers for 11 consecutive years, 1942 to 1952, inclusive, enjoyed prices at 100 percent of parity or above. Farmers invested their increased earnings in new productive resources and in new methods. This brought about the greatest advance in efficiency ever known to agriculture anywhere in the world.

In America today one farmworker produces enough food for himself and 26 other persons. One hour of farm labor today produces four times as much food and fiber as in 1919–21.

In contrast, the employment of about half of the work force of Russia is required in agriculture to feed that Communist nation, and in most areas of the world the great majority of the population is engaged in agriculture and food still is scarce.

Consumers have a particular stake in sound and sensible farm programs. It is to their advantage that farmers enjoy a parity of income in the Nation's economy.

OUR FARMERS SERVE THE FREE WORLD

Not only have our farm programs blessed our farmers and our consumers, but America's agricultural abundance has become a powerful force for world peace. Our food and other farm products are helping to relieve hunger and to promote economic growth around the world.

The productivity of America's agriculture is the greatest stabilizing force today in the economy of the free world.

Food from our fields, pastures, and orchards have defeated or checked communism in its tracks in important areas of the world. Khrushchev rattles his missiles. He talks about Russia's great industrial strides. But he never boasts of overtaking the American farmer. Communism, in huge collectivized farms, has not begun to match the efficiency and productivity of the family farms of America.

ORVILLE L. FREEMAN—FARMERS' CHAMPION

Mr. Speaker, I cannot close this report without remarking upon the character and quality of Orville L. Freeman, our Secretary of Agriculture.

During my time in the Congress I have served with many Secretaries of Agriculture, but I have never known a Secretary of Agriculture who was a greater champion of farmers than Orville L. Freeman.

He not only is devoted to the cause of Agriculture, but he has dedicated his public life to the welfare of farmers, to consumers, and to all the people of America. He has provided fine leadership and by his intelligent devotion to duty he has endeared himself to the Members of Congress and to his countrymen and has earned the respect even of those who have disagreed with his proposals. He has proved himself to be worthy of the confidence placed in him by the President and I am certain that he will continue to administer the duties of his high position in a manner which will be compatible with the ancient traditions of our country.

INVESTIGATION

In this connection it might be well here to remind the House that the Department of Agriculture for 6 months has been under the most searching congressional investigations. These inquiries have been related to a Texas businessman and farmer by the name of Billy Sol Estes. Mr. Estes had cotton allotments and he stored Government grain. His relationships with the Department began in a previous administration.

These inquiries have established that the Government lost not one cent. The Government's interests were completely protected by the Department of Agriculture.

Mr. Speaker, I doubt if any other department of Government, or any of the larger corporations of the Nation, for that matter, could go through such searching inquiries and come out of them with a showing of and reputation for greater rectitude, character and dignity.

I salute the Secretary of Agriculture and the high character and quality of the men and women in the Department of Agriculture.

CONCLUSION

And now, in conclusion, Mr. Speaker, let me reemphasize my great pride in the accomplishments of this 87th Congress in behalf of our farm people. And let me stress just as emphatically that this country has yet a long way to go, in bringing due rewards to our farmers in our free enterprise system. I believe and I am convinced that we can develop national policies, through legislation, that will offer to farmers opportunities to stabilize farm production and prices, to assure consumers an abundance of food at fair prices, and to restore agriculture to a parity position in our free enterprise economy.

I appeal for unity among all of those who are compatible with such a purpose.

BUREAU OF THE CENSUS

Mr. MURRAY. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 3631) to amend title 13, United States Code, to preserve the confidential nature of copies of reports filed with the Bureau of the Census on a confidential basis.

The Clerk read the title of the bill.

The **SPEAKER** pro tempore (Mr. Albert). Is there objection to the request of the gentleman from Tennessee?

Mr. JOHANSEN. Reserving the right to object, Mr. Speaker, may I ask the chairman of the committee for an explanation of the bill?

Mr. MURRAY. Mr. Speaker, I yield to the gentleman from North Carolina [Mr. Henderson] for the purpose of making an explanation of the bill.

Mr. HENDERSON. The purpose of this bill is to provide specifically that office copies of census reports submitted to the Bureau of the Census shall have the same confidential status that was afforded to the original reports submitted to the Bureau of the Census. This is commonly referred to as the St. Regis case decision.

Mr. JOHANSEN. Further reserving the right to object, Mr. Speaker, I rise in support of the Senate version of the bill H.R. 10569. I take this occasion first of all to compliment the distinguished chairman of the Subcommittee on Census, which handled this bill.

I should like to add to the explanation offered by the gentleman from North Carolina that the necessity for this legislation arises from the decision of the U.S. Supreme Court in 1960 in the so-called St. Regis case. The result of that decision was to hold that file copies of census reports submitted by business concerns no longer enjoyed the confidentiality which the original reports themselves enjoy.

In this decision the Supreme Court held that the existing statute did not extend to the file copies of census reports the degree of confidentiality which they specifically spelled out with respect to the originals of those reports submitted to the Bureau of the Census.

In this instance the Supreme Court went further and said if it was the intent of the Congress that this measure of confidentiality should be extended to the file copies, it remained with the Congress to specifically so provide.

I may point out that the decision of the Supreme Court reverses the decisions of lower courts which had supported the always prevailing opinion and belief that the confidentiality did so extend.

The effect of the bill now before the House is to provide for the extension of such confidentiality to the file copies, protecting them from the right of subpena for investigative or prosecuting functions and purposes, as applies now to the original reports.

I should like to point out that the effect of this decision has been in many instances to lessen the voluntary cooperation of business concerns and of business organizations called upon by the Census Bureau on a cooperative basis to provide such data.

I further suggest the resultant effect of the drying up of this available information heretofore provided on a completely voluntary basis is to seriously and adversely affect both the quantitative and qualitative character of the data secured on such a basis.

Mr. Speaker, this legislation has the very strong support of the Bureau of the Census and of the Department of Commerce, and I urge that it be adopted.

The **SPEAKER.** Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill as follows:

> *Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That section 9(a) of title 13, United States Code, is amended by adding at the end thereof the following: "No department, bureau, agency, officer, or employee of the Government, except the Secretary in carrying out the purposes of this title, shall require, for any reason, copies of census reports which have been retained by any such establishment or individual. Copies of census reports which have been so retained shall be immune from legal process, and shall not, without the consent of the individual or establishment concerned, be admitted as evidence or used for any purpose in any action, suit, or other judicial or administrative proceeding."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill was laid on the table.

TARIFF TREATMENT OF CERTAIN ELECTRON MICROSCOPES

Mr. MILLS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 9414) to amend the Tariff Act of 1930 to provide that imported electron microscopes shall be subject to the regular customs duty regardless of the nature of the institution or organization importing them, which was reported unanimously by the Committee on Ways and Means.

The Clerk read the title of the bill.

The **SPEAKER.** Is there objection to the request of the gentleman from Arkansas?

Mr. GROSS. Mr. Speaker, reserving the right to object, may we have a brief explanation of this bill?

Mr. MILLS. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield to the gentleman.

Mr. MILLS. It will be recalled that the Committee on Ways and Means recommended last year and the House passed what is now Public Law 87-95, which established a new paragraph in the free list of the Tariff Act of 1930, as amended, to provide for the free importation of electron microscopes and parts and accessories for such microscopes.

The committee went ahead with the legislation last year because it was told that these were not made in the United States. We were dealing with a lot of technical information which caused us to feel secure in the passage of the bill last year. Now it develops since the passage of the legislation, upon further information and upon new information that some of the electron microscopes which could be imported from abroad are competitive with the domestically made electron microscopes. Therefore, what we are asking now is that we undo what we did last year and that we eliminate the term "and electron microscopes" from the free list where they were placed by the bill last year.

Mr. GROSS. This is the bill that we had a colloquy about last year; is it not?

Mr. MILLS. Yes, the gentleman and I discussed this legislation last year and I told the gentleman that on the basis of information we then had that these items were not competitive with any domestically made electron microscopes. It turns out on further information, which has come to the committee, that that was not the case.

Mr. CAHILL. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield to the gentleman.

Mr. CAHILL. I would like to express to the chairman of the committee my personal appreciation for bringing this bill before the House and correcting what was a false notion on the part of the House. Let it be known that the United States does manufacture one of the best electron microscopes, one that is manufactured by RCA. Let it be further known that RCA was a pioneer in the field of electron microscopes. 'So I think the committee is to be commended, and I personally congratulate the gentleman from Pennsylvania, Congressman Green, for sponsoring this legislation because it corrects what has been a definite injustice as far as the domestic manufacturers of electron microscopes are concerned.

Mr. GROSS. Mr. Speaker, I withdraw my reservation of objection.

Mr. GUBSER. Mr. Speaker, reserving the right to object, I would like to inquire of the gentleman from Arkansas, the chairman of the committee, whether or not beta ray spectrometers, which have been brought into this country duty free by special legislation for various educational institutions, are now subject to duty?

Mr. MILLS. Those devices are subject to duty; and, as the gentleman knows, special provision has been made with respect to specific shipments for specific purposes to avoid the duty.

Mr. GUBSER. Stanford University in my congressional district is desirous of importing such an instrument and I have a bill pending before the committee. Could the gentleman enlighten me as to whether or not it is possible that such legislation might be considered in the coming session of Congress?

Mr. MILLS. In the coming session?

· **Mr. GUBSER.** I would hope early in the coming session.

Mr. MILLS. It is difficult to say what might transpire in the future, of course, because none of us know just what our relative positions may be, but certainly if the gentleman will call it to the attention of the committee after the first of the year I am sure that members of the committee will be glad to cooperate with the gentleman.

Mr. GUBSER. Without attempting to lay down a policy for next year, should it appear that where there was no comparable spectrometer manufactured in the United States, and in special instances where the situation warranted, would the committee be likely to look with favor on a bill to admit spectrometers?

Mr. MILLS. There is really no stated policy, I could tell the gentleman, but the committee, I think, has almost always been desirous to cooperate in worthy and justifiable cases where no comparable instrument is manufactured in the United States and where the imported article would not come in competition with the domestic article.

Mr. GUBSER. I thank the gentleman.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There being no objection the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That paragraph 1825 of the Tariff Act of 1930 is amended by striking out "and electron microscopes,".

SEC. 2. The amendment made by the first section of this Act shall be effective as of July 20, 1961.

With the following committee amendment:

Page 1, strike out lines 5 and 6, and insert: "SEC. 2. The amendment made by the first section of this Act shall apply with respect to articles entered, or withdrawn from warehouse, for consumption after the date of the enactment of this Act; except that such amendment shall not apply to any article purchased under a written contract entered into before such date of enactment."

Mr. KORNEGAY. Mr. Speaker, will the gentleman yield for a question?

Mr. MILLS. Mr. Speaker, I yield myself 5 minutes on the amendment.

The SPEAKER. The gentleman is recognized.

Mr. KORNEGAY. Mr. Speaker, I would like to ask the chairman of the committee if this bill will preclude the importation of, and remove from the free list, those articles referred to, specifically the electronic microscope which are not now manufactured in this country?

Mr. MILLS. Yes. Under this legislation any and all electron microscopes that are imported into the United States from abroad would be subject to duty.

Last year because of lack of information we made a mistake in placing all electron microscopes on the free list.

There are some electron microscopes that can be imported from abroad that are competitive with domestic made electron microscopes. There may be others that could be imported from abroad that are in no way competitive because of some technical difference.

But the committee is always in position to recognize a request of a Member for duty-free importation of a particular shipment of anything for a particular purpose. Whether or not the committee will do it in a given case depends entirely upon the circumstances; and, then, of course, whether or not the Congress would approve the legislation.

I think it would depend upon the circumstances of each case. It would take specific legislation in the future to permit the importation of any of these electron microscopes free of duty.

Mr. KORNEGAY. As the gentleman knows, I have two great universities in my district at which a great deal of research work is being carried on. Last year I introduced several private bills to import duty-free electron microscopes which were not manufactured in this country.

My question, Mr. Speaker, is whether the passage of this bill will in the future preclude legislation to assist in getting into this country duty-free equipment or electron microscopes which are not made or available in the United States of America?

Mr. MILLS. The committee would have to look at legislation to that end when it is presented. I cannot give the gentleman any complete assurance as to what the committee might do.

Mr. BYRNES of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from Wisconsin.

Mr. BYRNES of Wisconsin. If an order has been placed for microscopes and they have not yet been delivered, they would still come in duty free under the exception made in this bill?

Mr. MILLS. Yes.

Mr. KORNEGAY. I appreciate the gentleman's mentioning that.

Mr. BYRNES of Wisconsin. I suggest that the gentleman's situation is taken care of. When the committee put the amendment in, we took electron microscopes off the free list. But any orders that were placed on the basis that the microscopes would come in duty free can come in duty free, even though we are restoring others which have not as yet been ordered to the dutiable list.

Mr. KORNEGAY. I thank the gentleman.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. MILLS. Mr. Speaker, the purpose of H.R. 9414, as amended by the Committee on Ways and Means, is to transfer from the free list to the dutiable list of the Tariff Act of 1930, electron microscopes, and parts or accessories thereof, imported by, or on behalf of, certain nonprofit organizations.

Public Law 87–95 established a new paragraph in the free list of the Tariff Act of 1930 which provides, in pertinent part, for the free importation of electron microscopes, and parts or accessories of such microscopes, imported for its own use and not for sale by, or on behalf of, any nonprofit society, institution, or organization, whether public or private, incorporated or established for educational, scientific, or therapeutic purposes.

The Committee on Ways and Means, which recommended enactment of H.R. 3385 (which was enacted as Public Law 87–95), based its recommendation on information then available which indicated there was a substantial difference between imported electron microscopes and domestically produced electron microscopes. The committee's evaluation involved some rather complex factors and necessarily there had to be reliance upon extremely technical analysis of the capabilities of the microscopes in question.

In the past year further information has been brought to the committee's attention which pointed to advancements in the technology of electron microscope production and which led the committee to reexamine this subject. The committee now has information which indicates that domestically produced electron microscopes are not essentially different in construction and capabilities from some of the electron microscopes which may be imported under the provisions of Public Law 87–95. This being the case, your committee believes that the action taken last year transferring these articles to the free list should be rescinded and that, with the exception of those microscopes and parts and accessories thereof which are purchased pursuant to contracts entered into before the date of enactment of H.R. 9414, future importations of such articles should be subject to duty.

Mr. BYRNES of Wisconsin. Mr. Speaker, earlier in this Congress, Public Law 87–95 was enacted upon the recommendation of the Committee on Ways and Means. This law provided for the free importation of electron microscopes, including parts and accessories, for use by any nonprofit organization.

The committee's recommendation was based on information available at the time which indicated that there were no comparable domestic electron microscopes on the market. Since that time the committee has been advised that there are domestically produced electron microscopes of similar capabilities available.

In essence, H.R. 9414 places electron microscopes back on the dutiable list as they were prior to the enactment of Public Law 87–95. It does make exception for those microscopes which have already been purchased under written contract but not delivered.

It is important in the case of scientific equipment and devices that we do not hinder the domestic manufacturer. If this Nation is to maintain its place as a world leader in the field of science, we must keep the domestic manufacturer of scientific instruments competitive in home markets.

For this reason, I urge enactment of this legislation.

POSTAL REVISION ACT OF 1961

Mr. MURRAY. Mr. Speaker, I ask unanimous consent that the conferees on the part of the House on the bill H.R. 7927, may have until midnight tonight to file a conference report on that bill.

The **SPEAKER.** Is there objection to the request of the gentleman from Tennessee?

There was no objection.

STATISTICAL STUDIES BY INTERNAL REVENUE SERVICE

Mr. **MILLS.** Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 12030) to amend the Internal Revenue Code of 1954 with respect to moneys received in payment for special statistical studies and compilations and certain other services, which was reported by the Committee on Ways and Means unanimously.

The Clerk read the title of the bill.

The **SPEAKER.** Is there objection to the request of the gentleman from Arkansas?

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SPECIAL STATISTICAL STUDIES AND OTHER SERVICES AND FACILITIES ON REQUEST.

(a) IN GENERAL.—Chapter 77 of the Internal Revenue Code of 1954 (relating to miscellaneous provisions) is amended by adding at the end thereof the following new sections:

"SEC. 7515. SPECIAL STATISTICAL STUDIES AND COMPILATIONS AND OTHER SERVICES ON REQUEST.

"The Secretary or his delegate is authorized within his discretion, upon written request, to make special statistical studies and compilations involving data from any returns, declarations, statements, or other documents required by this title or by regulations or from any records established or maintained in connection with the administration and enforcement of this title, to engage in any such special study or compilation jointly with the party or parties requesting it, and to furnish transcripts of any such special study or compilation, upon the payment, by the party or parties making the request, of the cost of the work or services performed for such party or parties.

"SEC. 7516. SUPPLYING TRAINING AND TRAINING AIDS ON REQUEST.

"The Secretary or his delegate is authorized within his discretion, upon written request, to admit employees and officials of any State, the Commonwealth of Puerto Rico, any possession of the United States, any political subdivision or instrumentality of any of the foregoing, the District of Columbia, or any foreign government to training courses conducted by the Internal Revenue Service, and to supply them with texts and other training aids. The Secretary or his delegate may require payment from the party or parties making the request of a reasonable fee not to exceed the cost of the training and training aids supplied pursuant to such request."

(b) CLERICAL AMENDMENT.—The table of sections for chapter 77 is amended by adding at the end thereof the following new items:

"Sec. 7515. Special statistical studies and compilations and other services on request.

"Sec. 7516. Supplying training and training aids on request."

SEC. 2. AMENDMENT OF SECTION 7809 (RELATING TO DEPOSIT OF COLLECTIONS).

Section 7809 of the Internal Revenue Code of 1954 (relating to deposit of collections) is amended—

(1) by striking out "subsection (b)," in subsection (a) and inserting in lieu thereof "subsections (b) and (c) and in", and

(2) by adding at the end thereof the following new subsection:

"(c) DEPOSIT OF CERTAIN RECEIPTS.—Moneys received in payment for—

"(1) work or services performed pursuant to section 7515 (relating to special statistical studies and compilations and other services on request);

"(2) work or services performed (including materials supplied) pursuant to section 7516 (relating to the supplying of training and training aids on request); and

"(3) other work or services performed for a State or a department or agency of the Federal Government (subject to all provisions of law and regulations governing disclosure of information) in supplying copies of, or data from, returns, statements, or other documents filed under authority of this title or records maintained in connection with the administration and enforcement of this title,

shall be deposited in a separate account which may be used to reimburse appropriations which bore all or part of the costs of such work or services, or to refund excess sums when necessary."

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

Mr. **MILLS.** Mr. Speaker, the bill, H.R. 12030, which was unanimously reported by the Committee on Ways and Means without amendment, would authorize the Treasury Department to make special statistical studies and compilations, to engage in special studies or compilations jointly with the parties requesting them, and to furnish transcripts of these studies or compilations to such parties where they pay the cost of the work performed. The bill also authorizes the Treasury Department to admit employees of governmental entities to training courses conducted by the Internal Revenue Service and to supply them with texts and other training aids. Under this bill, the payments received by the Treasury for these statistical studies, training courses, and so forth, as well as other work performed for a State or Federal Government agency, are to be used to reimburse the appropriations which bore the initial cost of this work or service.

Mr. Speaker, the problem with which this bill is concerned arises because, as a practical matter, the Treasury cannot honor requests to make special studies because that Department is not able to accept fees and charges for these services and use them to defray the cost of performing them. Presently, any such fees and charges received by the Treasury Department are treated like any other internal revenue collections and must be paid into the general funds of the Treasury. Accordingly, this treatment has effectively precluded the Treasury Department from performing these very valuable statistical studies and compilations since the net result would be a charge against their appropriation which cannot be reimbursed.

Mr. Speaker, the Treasury Department favors the enactment of this bill. Other departments of the Government, such as the Census Bureau, the Department of Labor, and the Department of Health, Education, and Welfare, already have authority to offset the cost of such statistical studies and compilations against the fees and charges made for performing them. This legislation simply gives the same authority to the Treasury Department. In view of the fact, however, that the studies would involve the compilation of data received from tax returns and other information returns submitted to the Treasury Department which generally are confidential in nature, the provisions of present law relating to the unauthorized disclosure of information gleaned from this data would be equally applicable in this situation.

I urge favorable action on this measure.

Mr. **BYRNES** of Wisconsin. Mr. Speaker, H.R. 12030 authorizes the Treasury Department to make special statistical studies if paid for by the parties requesting them. If other Federal agencies, State and local governments, and private concerns are to be well informed as to those parts of our revenue system which directly affect them, it is essential that they are provided with the necessary statistical information. This is nothing new as other Federal agencies have similar authority. Further, in no way is it the intent of your committee that the confidences of the taxpayer should be violated.

Moreover, the bill authorizes the Treasury to admit at a reasonable charge, foreign, State, and local employees and officials to training courses conducted by the Internal Revenue Service. We have one of the most efficient and well conceived revenue systems in the world. For this we, should be proud. Others, I am sure, can benefit greatly from our experiences. The techniques and methods that we have developed should be shared with others.

Any newly emerging foreign nation is bound to encounter revenue problems. This is one way in which we can be of great assistance to them. Many of our local governments have revenue systems which could stand improvement. They too, will find these training courses of benefit.

Mr. Speaker, I urge favorable passage of this legislation.

Mr. **MILLS.** Mr. Speaker, I ask unanimous consent that the gentleman from North Carolina [Mr. FOUNTAIN] and the gentleman from Missouri [Mr. CURTIS] may be permitted to extend their remarks at this point in the RECORD on the bill just passed.

The **SPEAKER.** Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. **FOUNTAIN.** Mr. Speaker, the passage of H.R. 12030, introduced by the distinguished chairman of the Committee on Ways and Means, the gentleman from Arkansas [Mr. MILLS], will contribute materially to improved cooperation between State and local tax administrations and the Federal Internal Revenue Service.

The dual objectives of this bill that the Internal Revenue Service be authorized: (a) to perform special statistical services for State and local governments, and (b) to admit State and local tax enforcement personnel into its training programs originated with the Advisory

Commission on Intergovernmental Relations, on which I am privileged to represent this House together with the gentlewoman from New Jersey [Mrs. DWYER] and the gentleman from New York [Mr. KEOGH].

Last year I introduced H.R. 9413 to implement the recommendations of the Advisory Commission in this connection. The bill now before the House contains the provisions of H.R. 9413 with certain improvements worked out by the Committee on Ways and Means with the advice of the Treasury Department. It will make statistical services available on a cost basis to all eligible parties requesting them, and will open the training programs to employees of local and State governments. It is a good constructive piece of legislation. It will make it possible for the Internal Revenue Service to assist State tax agencies on a reimbursement basis, as contemplated by the Advisory Commission in H.R. 9413. Also, it will permit the Internal Revenue Service to apply the amounts received in payment for these services to reimburse its own appropriation account.

I commend the Committee on Ways and Means and especially its very able chairman for a fine contribution to Federal-State cooperation in tax administration, a contribution all the more noteworthy in view of the large volume of legislation which that committee has had to handle this session.

Mr. Speaker, this legislation will be extremely helpful to local and State tax administrators. In addition, it will improve and strengthen working relations between themselves and their counterparts at the Federal level.

AUTHORIZING CERTAIN BANKS TO INVEST IN CORPORATIONS WHOSE PURPOSE IS TO PROVIDE CLERICAL SERVICES FOR THEM

Mr. COLMER, from the Committee on Rules, reported the following privileged resolution (H. Res. 828, Rept. No. 2529), which was referred to the House Calendar and ordered to be printed:

> *Resolved*, That immediately upon the adoption of this resolution the bill H.R. 8874, with the Senate amendment thereto, be, and the same hereby is, taken from the Speaker's table, to the end that the Senate amendment be, and the same is hereby, agreed to.

AMENDING TARIFF ACT OF 1930 TO PERMIT CERTAIN NATURAL GRASSES AND OTHER NATURAL MATERIALS TO BE IMPORTED FREE OF DUTY

Mr. MILLS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 12109) to amend the Tariff Act of 1930 to permit certain natural grasses and other natural materials to be imported free of duty.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

Mr. HALLECK. Mr. Speaker, reserving the right to object—and I shall not object because this bill is one I introduced—this bill was introduced at the suggestion of the Tariff Commission as the only way in which a discriminatory situation could be corrected.

What is involved here is the elimination of import duties on certain foliages, most of them grown in northern Italy, which are not grown in the United States. These foliages are used in this country in the manufacture of items for decorative and display purposes. They are sun bleached.

The bill does not affect domestically grown foliages which are bleached chemically, including, for example, holly. Present tariff protection for these raw materials remains unchanged.

Favorable reports have been received for this legislation from all administrative departments concerned, as well as the Tariff Commission and the Bureau of the Budget.

The Department of Commerce pointed out in its report, and I quote:

> The products for which duty free treatment is proposed are raw materials for use in manufacturing products which must meet heavy import competition. The net effect of this legislation would be a reduction in the materials costs of U.S. manufacturers and hence an improvement in their competitive position. This Department is not aware of any domestic industry that would be adversely affected by H.R. 12109. It therefore favors adoption of the bill and removal of the duties as proposed.

I might add that the Department of Labor also called attention to this same desirable effect.

While this action on the part of the Congress in approving H.R. 12109 would have beneficial effects for a few small firms dealing in these foliages, and no known adverse effect on any other segments of our domestic economy, the overall effect on our export-import picture is insignificant.

Total value of imports on these foliages in 1961 amounted to only $168,000. I mention this figure only to assure the house that H.R. 12109 was introduced simply as an attempt to correct a discriminatory situation that is working a hardship on a few small manufacturers over the country. One such manufacturer happens to be in the district I represent.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There being no objection, the Clerk read the bill as follows:

> *Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That (a) paragraph 1518(a) of the Tariff Act of 1930 is amended by striking out "when bleached, 50 per centum ad valorem;".
>
> That (a) paragraph 1518(a) of the Tariff Act of 1930 is amended—
>
> (1) by striking out "when bleached, 50 per centum ad valorem;", and
>
> (2) by striking out "or other material above mentioned, shall be subject to the rate of duty provided in this paragraph for such materials" and inserting in lieu thereof "or other material above mentioned, or wholly or in chief value of any bleached natural grasses, grains, leaves, plants, shrubs, herbs, trees, or parts thereof provided for in paragraph 1722, shall be subject to the rate of duty provided for such materials".
>
> (b) Paragraph 1722 of the Tariff Act of 1930 is amended by striking out "and" before "seaweeds", and by inserting before the period at the end of such paragraph the following: "; and natural grasses, grains, leaves, plants, shrubs, herbs, trees, and parts thereof, not specially provided for, not further advanced than bleached."
>
> SEC. 2. The amendments made by the first section of this Act shall apply to articles entered, or withdrawn from warehouse, for consumption, after the date of the enactment of this Act.

With the following committee amendment:

> Page 1, strike out lines 3 through 5, and insert the following:
>
> "That (a) paragraph 1518(a) of the Tariff Act of 1930 is amended—
>
> "(1) by striking out 'when bleached, 50 per centum ad valorem;', and
>
> "(2) by striking out 'or other material above mentioned, shall be subject to the rate of duty provided in this paragraph for such materials' and inserting in lieu thereof 'or other material above mentioned or wholly or in chief value of any bleached natural grasses, grains, leaves, plants, shrubs, herbs, trees, or parts thereof provided for in paragraph 1722, shall be subject to the rate of duty provided for such materials'."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

Mr. MILLS. Mr. Speaker, the purpose of H.R. 12109, which was introduced by the distinguished minority leader of the House and unanimously reported by the Committee on Ways and Means, is to transfer to the free list of the Tariff Act of 1930 certain bleached foliages used as ornaments and decorations.

Foliages of the kind covered by the bill are sold principally to jobbers who in turn sell to florist-supply houses and decorators for use in making wreaths and other ornaments. The imports consist chiefly of bleached ruscus, wheat, and eryanthus. The Tariff Commission reported as follows:

> Imported articles consist mainly of foliages not grown in this country. Only the better grade eryanthus competes to some degree with the pampas grass grown in the United States. Domestically grown wheat is not used for purposes of ornamentation or decoration because of the difficulties involved in treating it and because of the high cost of gathering it. It appears that imported foliage complements rather than competes with domestic production.

The Department of Agriculture reported as follows:

> U.S. imports of bleached natural grasses and other natural materials have increased markedly since 1948, amounting to $168,000 in 1961. These imports, virtually all from Italy, consist chiefly of sun-bleached natural foliages, not grown in the United States. Hence imports tend to complement, rather than compete directly with domestic varieties.

In addition to the reports from the Tariff Commission and the Department of Agriculture, your committee received favorable reports on this legislation from the Departments of Commerce, Interior, Labor, State, and Treasury.

DEDUCTION FOR CHILD CARE EXPENSES

Mr. MILLS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill—H.R. 12470—to amend the Internal Revenue Code of 1954 to provide that the deduction for child care expenses shall be available to a wife who has been deserted by and cannot locate her husband on the same basis as a single woman, which was reported unanimously by the Committee on Ways and Means.

The Clerk read the title of the bill.

The **SPEAKER.** Is there objection to the request of the gentleman from Arkansas?

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 214(c)(3) of the Internal Revenue Code of 1954 (relating to determination of marital status for purposes of the deduction for child care expenses) is amended by inserting "(1)" after "if" and by inserting before the period at the end thereof the following: ", or (2) she has been deserted by her husband, does not know his whereabouts (and has not known his whereabouts at any time during the taxable year), and has applied to a court of competent jurisdiction for appropriate process to compel him to pay support or otherwise to comply with the law or a judicial order, as determined under regulations of the Secretary or his delegate".

SEC. 2. The amendments made by the first section of this Act shall apply only with respect to taxable years ending after the date of the enactment of this Act.

With the following committee amendments:

On page 1, line 6, strike out "(1)" and insert in lieu thereof "(A)".

On page 1, line 7, strike out "(2)" and insert in lieu thereof "(B)".

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

Mr. **MILLS.** Mr. Speaker, the bill, H.R. 12470, which was introduced by my colleague on the Committee on Ways and Means, the Honorable WILLIAM J. GREEN, of Pennsylvania, and which was reported unanimously by the Committee on Ways and Means, would amend the Internal Revenue Code so as to make the $600 child-care deduction available, on the same basis as for widows, to women who have been deserted by their husbands.

Mr. Speaker, under present law, situations covered by this bill are not covered since a woman who is married but does not file a joint return is not entitled to claim a child-care expense deduction unless she is legally separated from her husband under a decree of divorce or of separate maintenance at the close of the taxable year. Present law places a limitation on the child-care expense deduction allowed a married couple which requires them to file a joint return and further requires that the maximum $600 deduction be reduced on a dollar-for-dollar basis to the extent that the joint incomes of husband and wife reported on such a return exceed $4,500. In the situation with which the pending bill deals, however, the wife has been deserted by and cannot locate her husband, thereby patently precluding her filing a joint return with him. The bill provides that the fact that this situation exists must, in effect, be verified by having the wife apply to a court of competent jurisdiction for appropriate legal process to compel the husband to pay support or otherwise comply with the law or judicial order regarding such matters.

In this situation, Mr. Speaker, the Committee on Ways and Means was of the opinion that it is only reasonable and equitable to subject a woman in these circumstances to no stricter limitation on the allowance of a child-care expense deduction than would be true in the case of an unmarried woman or a widow.

I urge approval of this bill.

Mr. **BYRNES** of Wisconsin. Mr. Speaker, H.R. 12470 places a woman whose husband has deserted her in the same category as a single woman for purposes of determining the deduction for child care. Under existing law, a married woman cannot obtain a deduction for child care unless she files a joint tax return with her husband. In such case, the deduction is reduced by the amount by which the combined income of the husband and wife exceeds $4,500.

In adopting this provision in existing law, the committee did not take into account the fact that a woman who has been deserted by her husband should be in the same category as one who is divorced, or is a widow. The woman who has been deserted must normally work and provide for child care.

I urge your support of this bill.

DUTY TREATMENT OF CERTAIN BREAD

Mr. **MILLS.** Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 3985) to amend the Tariff Act of 1930 to impose a duty upon the importation of bread, which was reported unanimously by the Committee on Ways and Means.

The Clerk read the title of the bill.

The **SPEAKER.** Is there objection to the request of the gentleman from Arkansas?

Mr. **CURTIS** of Missouri. Mr. Speaker, reserving the right to object, and I shall not object, this bill was listed in the RECORD along with the other bills which were listed to be considered?

Mr. **MILLS.** If the gentleman will yield, that is right. The only bill that was not listed previously was the bill that we just passed.

Mr. **CURTIS** of Missouri. That is correct.

Mr. Speaker, I withdraw my reservation.

Mr. **MILLS.** This bill was listed in accordance with the other legislation which was listed under agreement with the minority leader.

The **SPEAKER.** Is there objection to the request of the gentleman from Arkansas?

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) paragraph 733 of the Tariff Act of 1930 (19 U.S.C. 1001, par. 733) is amended by striking out "Biscuits," and inserting in lieu thereof "Bread, biscuits,".

(b) Paragraph 1623 of such Act (19 U.S.C. 1201, par. 1623) is repealed.

SEC. 2. The amendments made by the first section of this Act shall apply only with respect to articles entered, or withdrawn from warehouse, for consumption, on or after the first day of the first month which begins more than ten days after the date of the enactment of this Act.

With the following committee amendments:

Strike out all after the enacting clause and insert:

"That (a) paragraph 733 of the Tariff Act of 1930 (19 U.S.C., sec. 1001, par. 733) is amended by inserting '(a)' after 'Par. 733.', and by adding at the end thereof the following new subparagraph:

" '(b)(1) Pan or pan-type loaf bread, made with the use of yeast as the leavening substance, whether or not sliced, 7½ per centum ad valorem.

" '(2) The duty imposed by this subparagraph shall not apply during any period in which bread described in subdivision (1) produced in the United States is admitted free of duty by the county which, for the calendar year 1961, was the principal supplier of bread so described imported into the United States.'

"(b) Paragraph 1623 of the Tariff Act of 1930 (19 U.S.C., sec. 1201, par. 1623) is amended by adding at the end thereof the following: 'This paragraph shall not apply to bread which is dutiable under paragraph 733(b).'

"(c) The amendments made by subsections (a) and (b) shall apply with respect to articles entered, or withdrawn from warehouse, for consumption, on or after the first day of the first month which begins more than ten days after the date of the enactment of this Act."

Mr. **MILLS** (interrupting the reading of the committee amendments). Mr. Speaker, I ask unanimous consent to dispense with further reading of the amendments and that they be printed in the RECORD and that I be recognized to answer questions.

The **SPEAKER.** Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. **MILLS.** Mr. Speaker, the purpose of H.R. 3985, which was introduced by our colleague on the Committee on Ways and Means, the gentleman from Michigan, the Honorable VICTOR A. KNOX, and which, as amended, is unanimously recommended, is to provide for the imposition of a duty on imports of certain bread and for the removal of such duty under certain conditions.

This bill will provide for the assessment of a duty of 7½ percent ad valorem on imports of certain bread. This duty will not be applicable during any period when the principal supplying country of such bread in calendar year 1961 extends duty-free treatment to U.S. bread of the same kind imported into that country.

For several years now, imports of bread from Canada have created a problem for U.S. bakers who market their products in cities located along the Canadian border. This imported bread sells at a lower price than domestically produced bread and because of this lower price such bread imports are adversely affecting the U.S. border bakeries in the markets in which the two products compete. While the United States grants duty-free treatment to imports of Canadian bread, Canada maintains a duty on U.S. bread which currently amounts to 7½ percent. The circumstances concerning this border trade in bread are such that your committee does not believe that there should be a differential in tariff treatment as between the two countries. For this reason, the bill, as amended, provides that the 7½-percent duty will not be applicable during any period when Canada extends duty-free treatment to the types of U.S. bread in question.

Mr. BYRNES of Wisconsin. Mr. Speaker, the bill, H.R. 3985, places a duty of 7½ percent ad valorem on imports of pan loaf bread and pan-type loaf bread when made with yeast. The bill further provides that the duty will not apply during any period in which Canada, the principal supplying country in 1961, grants duty-free treament to U.S. imports of bread into that country.

Currently we extend duty-free treatment to imports of like Canadian bread into the United States. Canada, on the other hand, maintains a duty on U.S. bread amounting to 7½ percent. This has caused a problem for U.S. bakeries along our northern border in States such as Michigan. Domestic bakeries—particularly those which are of local origin and are independent from the large national chains—are not able to compete with cheaper Canadian breads entering duty free. Furthermore, they are not able to create Canadian markets because of the duty which Canada maintains.

At such time as Canada sees fit to open its markets to our bakeries, the duty imposed under the bill will automatically cease to apply.

It is necessary that we pass this legislation to insure the continued existence of these domestic bakeries. Therefore, I urge your favorable consideration.

Mr. O'HARA of Michigan. Mr. Speaker, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from Michigan.

Mr. O'HARA of Michigan. Mr. Speaker, I wish to state to the chairman of the Committee on Ways and Means my appreciation for his holding this bill on an earlier occasion when it was being called up while I was unavoidably absent.

Mr. Speaker, representations were made to me that passage of this bill would have certain effects upon the price of baked goods in Michigan and other Canadian border areas. I wish to express my appreciation to the chairman of the committee for permitting me the time in which to check into this matter and assure myself concerning it, because it is a very important matter for my constituents.

Mr. MILLS. The gentleman is now satisfied with the proposal?

Mr. O'HARA of Michigan. I am.

Mr. DENT. Mr. Speaker, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from Pennsylvania?

Mr. DENT. Can the gentleman tell me the reason for the passage of this bill?

Mr. MILLS. Yes. There is a problem that exists along the border of the United States, not just in Michigan but along the borders of some of our other Northern States, concerning the importation of bread from Canada.

The committee looked into the situation and felt that the adoption of this bill by the House was appropriate. The bill does not go to the extent of prohibiting the entry of bread produced in Canada. But it provides that since there is a 7½-percent Canadian duty on bread shipped from the United States into Canada, that there should be some comparable duty on bread coming into the United States from Canada.

Mr. DENT. Mr. Speaker, will the gentleman yield further?

Mr. MILLS. I shall be glad to yield further to the gentleman.

Mr. DENT. Mr. Speaker, I want to say that I support this particular piece of legislation, because the testimony before our committee showed that it was not only the Canadian bakers who were shipping their products across, but American bakers who had moved across the border where they could get the cheaper world price wheat and bake with cheaper labor and produce it and sell it in the American market.

Mr. Speaker, I just want to commend the gentleman and comment to the effect that this shows that there must be somewhere in the United States some need for some protection.

Mr. MILLS. Mr. Speaker, I yield to the gentleman from Wisconsin [Mr. BYRNES].

Mr. BYRNES of Wisconsin. Mr. Speaker, I suggest to the gentleman that one of the reasons this bill was passed is the fact that the Canadians do maintain a comparable duty on bread which goes from this country into Canada. There is an equalization proposition that controls here to some degree.

Mr. BYRNES of Wisconsin. Mr. Speaker, I ask unanimous consent that the gentleman from Michigan [Mr. KNOX] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. KNOX. Mr. Speaker, I wish to commend the House for the action it has just taken to rectify an intolerable burden being borne by the border bakers of the United States, and in particular those localities in the State of Michigan.

For years now these bakeries have been subjected to competition from imported bread from Canada, which has entered the country free of duty, while at the same time the Canadians have maintained a duty against U.S. bread.

The provisions of H.R. 3985, which I introduced in the House, and which has just been passed, establishes full reciprocity concerning bread imports and exports so that now the Canadian imports will be charged with the same duty as U.S. exports are charged upon ours in Canada.

The SPEAKER. The question is on the committee amendments.

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to amend the Tariff Act of 1930 with respect to the duty treatment of certain bread."

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. MILLS. Mr. Speaker, I ask unanimous consent that any other Members who desire to do so may extend their remarks in the RECORD on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

COCONUT AND PALM OILS

Mr. MILLS. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 5260), with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Strike out all after the enacting clause and insert: That—

"(1) Section 3 of Public Law 85–235, as amended (71 Stat. 516), approved August 30, 1957 (relating to the temporary suspension of the tax on the first domestic processing of coconut oil); and

"(2) Public Law 86–37, as amended (73 Stat. 64), approved May 29, 1959 (relating to the temporary suspension of the tax on the first domestic processing of palm oil, palm-kernel oil, etc.),

"are each amended by striking out 'June 30, 1963' and inserting in lieu thereof 'June 30, 1966'."

Amend the title so as to read: "An Act to continue for an additional three-year period the existing suspensions of the tax on the first domestic processing of coconut oil, palm oil, palm-kernel oil, and fatty acids, salts, combinations, or mixtures thereof."

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

Mr. CURTIS of Missouri. Mr. Speaker, reserving the right to object—and I shall not object—these amendments, I want to point out to the House, are germane to this particular bill. This bill was reported out unanimously. I do this because I think it is important to point out to the House when amendments are germane to legislation so that we may know otherwise when we are asked to consider matters that come over to us from the other body, that may be entirely unrelated to the bill.

I might further point out that I do not feel that nongermane amendments are entirely out of order. There may be perfectly good reasons for a nongermane amendment. However, these reasons should be presented forthrightly for the House to consider.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

Mr. MILLS. Mr. Speaker, the other body's amendment would provide for a temporary suspension of the processing taxes on coconut oil and the other products concerned until June 30, 1966. This temporary suspension is consistent with past congressional action in the case of these taxes.

Mr. BYRNES of Wisconsin. Mr. Speaker, as passed by the House, H.R. 5260 made permanent the suspension of the processing tax proposed by the Internal Revenue Code on the first domestic processing on coconut oil and the like. We had been enacting temporary suspensions since October 1, 1957.

Favorable reports have been received from the various Government departments and the committee was aware of no objection for the further exemption of this tax. Accordingly, we enacted a permanent suspension of tax.

The Senate amended the bill to provide for a temporary suspension expiring June 30, 1966. I would have preferred a permanent suspension so that we would not again have to take up this matter. However, the Senate action will meet the needs of the industry until June 30, 1966.

Mr. MILLS. Mr. Speaker, I ask unanimous consent that the gentleman from Michigan [Mr. Dingell] may extend his remarks at this point in the Record.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. DINGELL. Mr. Speaker, as the author and sponsor of H.R. 5260, I rejoice that this signal legislative evidence of our long friendship with the people of the Republic of the Philippines has been enacted to give another 3-year suspension of the excise tax on coconut oil.

It would be fair to say that this legislation reflects not only the high regard which our people hold for our friends in the Philippines, but more specifically it is in a very real way a monument for our beloved friend and former colleague, the Honorable Carlos P. Romulo, former delegate to this body from the Philippines, distinguished Ambassador to the United States, and delegate of that great nation to the United Nations, and president of the General Assembly of that great international institution.

For it was the untiring effort of that great son of the Philippines and the high regard in which his ability was held, not only in the Congress but throughout the United States, which really brought about enactment of this legislation.

We who knew General Romulo and so greatly admired his ability, integrity and devotion to the cause of liberty miss him in these days when he has returned to his beloved homeland, but we rejoice that he has risen to the high office of President of the University of the Philippines and that the Congress has again taken favorable action on a piece of legislation on behalf of which he labored so long and untiringly and for which, indeed, he may take principal credit for enactment.

DESIGNATING CARRIERS OF BONDED MERCHANDISE

Mr. MILLS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 5700) to amend the Tariff Act of 1930 to permit the designation of certain contract carriers as carriers of bonded merchandise, with Senate amendments thereto, disagree to the Senate amendments, and request a conference with the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

The Chair hears none and appoints the following conferees: Messrs. Mills, King of California, Boggs, Mason, and Byrnes of Wisconsin.

SPECIAL CONSTRUCTIVE SALE PRICE RULE ON MANUFACTURERS EXCISE TAXES

Mr. MILLS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 8952) to amend the Internal Revenue Code of 1954 with respect to the conditions under which the special constructive sale price rule is to apply for purposes of certain manufacturers excise taxes, with Senate amendments thereto, disagree to the Senate amendments and request a conference with the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

The Chair hears none and appoints the following conferees: Messrs. Mills, King of California, Boggs, Mason, and Byrnes of Wisconsin.

AMENDMENTS TO THE NATIONAL SCHOOL LUNCH ACT

Mr. POWELL. Mr. Speaker, I call up the conference report on the bill (H.R. 11665) to revise the formula for apportioning cash assistance funds among the States under the National School Lunch Act, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

Conference Report (H. Rept. No. 2512)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 11665) to revise the formula for apportioning cash assistance funds among the States under the National School Lunch Act, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"Sec. 11. (a) There is hereby authorized to be appropriated $10,000,000 for the fiscal year ending June 30, 1963, and such sums as may be necessary for each succeeding fiscal year to provide special assistance to schools drawing attendance from areas in which poor economic conditions exist, for the purpose of helping such schools to meet the requirement of section 9 of this Act concerning the service of lunches to children unable to pay the full cost of such lunches.

"(b) Of the sums appropriated pursuant to this section for any fiscal year, 3 per centum shall be available for apportionment to Puerto Rico, the Virgin Islands, Guam, and American Samoa. From the funds so available the Secretary shall apportion to each such State an amount which bears the same ratio to the total of such funds as the number of free or reduced-price lunches served in accordance with section 9 of this Act in such State in the preceding fiscal year bears to the total number of such free or reduced-price lunches served in all such States in the preceding fiscal year: *Provided*, That for the fiscal year ending June 30, 1963, $5,000 shall be apportioned to American Samoa, which amount shall be first deducted from the total amount available for apportionment under this subsection. If any such State cannot utilize for the purposes of this section all of the funds apportioned to it, the Secretary shall make further apportionment on the same basis as the initial apportionment to any such States which justify the need for additional funds for such purposes.

"(c) Of the remaining sums appropriated pursuant to this section for any fiscal year, not less than 50 per centum shall be apportioned among States, other than Puerto Rico, the Virgin Islands, Guam, and American Samoa, on the basis of the following factors for each State: (1) the number of free or reduced-price lunches served in accordance with section 9 of this Act in the preceding fiscal year, and (2) the assistance need rate. These factors shall be applied in the following manner: First, determine an index for each State by multiplying factors (1) and (2); second, divide this index by the sum of the indices for all such States; and, third, apply the figure thus obtained to the total funds to be apportioned. Any funds so initially apportioned which cannot be used for the purpose of this section by the State to which apportioned, together with the remainder of the funds available under this subsection, shall be further apportioned by the Secretary on the same basis as the initial apportionment to such States which justify on the basis of operating experience the need for additional funds to meet the need of students in such States for free or reduced-price lunches in schools deemed eligible by their State educational agencies for special assistance in accordance with the factors set forth in subsection (e) of this section.

"(d) Payment of the funds apportioned to any State under this section shall be made as provided in the last sentence of section 7 of the Act.

"(e) Funds paid to any State during any fiscal year pursuant to this section shall be disbursed to selected schools in such State to assist such schools in the purchase of agricultural commodities and other foods. The selection of schools and the amounts of funds that each shall from time to time receive (within a maximum per lunch amount established by the Secretary for all the States) shall be determined by the State educational agency on the basis of the following factors: (1) The economic condition of the area from which such schools draw attendance; (2) the needs of pupils in such schools for free or reduced-price lunches; (3) the percentages of free and reduced-price lunches being served in such schools to their pupils; (4) the prevailing price of lunches in such schools as compared with the average prevailing price of lunches served in the State under this Act; and (5) the need of such schools for additional assistance as reflected by the financial position of the school lunch programs in such schools.

"(f) If in any State the State educational agency is not permitted by law to disburse funds paid to it under this Act to nonprofit private schools in the State, the Secretary shall withhold from the funds apportioned to such State under subsections (b) or (c) of this section an amount which bears the same ratio to such funds as the number of free and reduced-price lunches served in accordance with section 9 of this Act in the preceding fiscal year by all nonprofit private schools participating in the program under this Act in such State bears to the number of such free and reduced-price lunches served during such year by all schools participating in the program under this Act in such State. The Secretary shall disburse the funds so withheld directly to the nonprofit private schools within such State for the same purposes and subject to the same conditions as are applicable to a State educational agency disbursing funds under this section.

"(g) In carrying out this section, the terms and conditions governing the operation of the school lunch program set forth in other sections of this Act, including those applicable to funds apportioned or paid pursuant to sections 4 or 5 but excluding the provisions of section 7 relating to matching, shall be applicable to the extent they are not inconsistent with the express requirements of this section."

And the Senate agree to the same.

Adam C. Powell,
Cleveland M. Bailey,
John Brademas,
James G. O'Hara,
Carroll D. Kearns,
Peter Frelinghuysen, Jr.,
Albert H. Quie,
Managers on the Part of the House.

B. Everett Jordan,
James O. Eastland,
Stephen M. Young,
Philip A. Hart,
Bourke B. Hickenlooper,
Milton R. Young,
John Sherman Cooper,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 11665) to revise the formula for apportioning cash assistance funds among the States under the National School Lunch Act, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

Amendment No. 1: This Senate amendment provides that the transition from the method of apportioning funds among the States under section 4 of the National School Lunch Act as now in effect to the method provided for in the bill would be made over a 3-year period. For the fiscal year beginning July 1, 1962, 75 percent of such funds would be apportioned under the old method and 25 percent under the new method. For the fiscal year beginning July 1, 1963, 50 percent of such funds would be apportioned under each method. For the fiscal year beginning July 1, 1964, 25 percent of such funds would be apportioned under the old method and 75 percent under the new method. Thereafter all such funds would be apportioned among such States on the basis of the new method provided in the bill.

Under the House bill, the transition from the old to the new method of apportioning funds among the States would have been achieved in a 1-year period. For the fiscal year beginning July 1, 1962, 50 percent of the funds would have been apportioned under each method. Thereafter all the funds would have been apportioned under the new method provided in the bill.

The House recedes and concurs in the Senate amendment.

Amendment No. 2: This Senate amendment rewrote in its entirety proposed section 11 of the National School Lunch Act as passed by the House. As amended by the Senate, section 11 provided for a flat 3 percent of such funds being apportioned to Puerto Rico, the Virgin Islands, Guam, and American Samoa solely on the basis of the number of free or reduced-price lunches served during the preceding year, except that American Samoa would receive $5,000 the first year. Of the remaining 97 percent, at least half would have been apportioned among the remaining States on the basis of the number of free or reduced-price lunches served in the preceding year multiplied by the assistance need factor. The balance of the funds, plus any initially apportioned funds which could not be used, would have been apportioned on the same basis to States justifying a need for further funds. The need factor set out in clause (2) of section 11(a) as the bill passed the House was omitted from the Senate amendment, since it could not be precisely determined and applied in an arithmetical formula.

The essential differences between the Senate amendment and the House bill are (1) that under the Senate amendment the funds would have been apportioned among the States solely on the basis of a mathematical formula, whereas under the House bill the funds were to be apportioned on the basis of certain enumerated factors with no specific mathematical formula prescribed, and (2) under the House bill there would have been only one apportionment of funds among the States, whereas under the Senate amendment, provision was made for reapportionments to the States of funds not needed by States from the original or subsequent apportionments and of funds not included in the initial apportionment by the Secretary of Agriculture. The House recedes with an amendment which is substantially the same as the Senate amendment. It changes the Senate amendment in two minor respects. The first of these changes makes it clear that State eligibility for additional special assistance funds shall be based on the needs of eligible schools. The second change makes it clear that the maximum per lunch amount limit on any school's share of special assistance funds shall be a uniform limit for all States.

Adam C. Powell,
Cleveland M. Bailey,
John Brademas,
James G. O'Hara,
Carroll D. Kearns,
Peter Frelinghuysen, Jr.,
Albert H. Quie,
Managers on the Part of the House.

Mr. POWELL. Mr. Speaker, I am pleased to bring to the House today a unanimous bipartisan conference report on H.R. 11665, a bill which makes certain necessary changes in the National School Lunch Act in order to bring up to date this important legislation which has rendered a most useful service to millions of our American boys and girls since its enactment in 1946. According to the Department of Agriculture which administers this act, this bill incorporates all of the changes in the National School Lunch Act recommended by the Department in a series of hearings held by the General Subcommittee on Education. They support passage of this bill with the belief that it will increase the effectiveness of the program of Federal aid to nonprofit school lunch programs.

It is significant that one of the amendments submitted in this report reflects the social progress that has been made since 1946 when the school lunch program was enacted; at that time I was a freshman Congressman and offered the amendment which has since been known as the Powell amendment. This addressed itself to the need for assuring equitable distribution of Federal funds for lunches to children of all races. And thus was added these words—section 11, subsection C:

> "If a State maintains separate schools for minority and for majority races, no funds made available pursuant to this act shall be paid or disbursed to it unless a just and equitable distribution is made within the State, for the benefit of such minority races, of funds paid to it under this act.

Because of the historic Supreme Court decision of 1954, such language is no longer necessary and I am happy to be able to report a bill which deletes these words. Certainly a new day is dawning in our great land.

The other amendments presented were recommended by the Department of Agriculture. They were urged by the administrators of school lunch programs in the States.

These amendments to the National School Lunch Act would revise the formula for apportioning cash assistance funds to States to base it on the number of lunches served in the preceding year with a slightly modified assistance need factor. Under existing law, funds are apportioned on the basis of total school-age population and assistance-need rate. The assistance-need rate recommended is based upon average annual income. These States where the average is below the national average would receive proportionately larger grants.

Secondly, it would provide for a 3-year transition to the new formula. Under this amendment, the first year 75 percent of the cash assistance funds—other than section 11 funds—would be apportioned on the basis of the old formula and 25 percent on the basis of the new formula. The next year would be 50 percent old formula and 50 percent new formula. The third year would be 25 percent old and 75 percent new. The fourth year would be completely on the new formula.

Thirdly, it would change the formula for the division of State apportionments between public and private schools—where such division is required—to base it on the number of lunches served instead of the number of students.

And finally, it would provide for special assistance to certain schools to help them serve free or reduced price lunches. The conference amendment provided specific criteria for determining the eligibility of these schools which would receive the additional assistance.

The purpose of the amendment is to provide a more specific formula for special assistance funds. It provides for a flat 3 percent of such funds being apportioned to Puerto Rico, the Virgin Islands, Guam, and American Samoa solely on the basis of the number of free or reduced-price lunches served during the preceding year, except that American Samoa would receive $5,000 the first year. Of the remaining 97 percent, at least half would be apportioned among the remaining States on the basis of the number of free or reduced-price lunches served in the preceding year multiplied by the assistance-need factor. The balance of the funds, plus any initially apportioned funds which could not be used, would be apportioned on the same basis to States justifying a need for further funds.

Because of the overwhelming evidence which we have received through testimony and the apparent success reported by the Department during the 16 years this program has been in operation and the growing need manifested by the children and youth of our land, I urge the adoption of this conference report today.

Mr. DANIELS. Mr. Speaker, I rise in support of this conference report on H.R. 11665. This bill makes the following substantive changes in the National School Lunch Act.

First, the allocation formula is based upon the number of lunches served and the assistance-need rate for the State. This was a necessary amendment since under existing law, the higher income States were in better position to provide lunches for their school population than many States that needed the lunches more. The assistance-need rate, based upon average annual income, would apportion funds based upon the number of lunches served the previous year and on the income level of the State.

This bill would also provide a 3-year transition for applying the new formula—thus giving the States sufficient time to adjust to the new program.

Provision is also made for the apportionment of funds between public and private schools. Because certain States may not contribute directly to private institutions, such funds must be distributed through the Department of Agriculture. In so doing, more schoolchildren may profit from this very important program.

Through the special assistance fund, certain schools drawing attendance from areas in which poor economic conditions exist and which are not financially able will be able to operate a lunch program to meet the needs for free or substantially reduced price lunches among those children unable to pay the full price of the lunch.

I am likewise happy to note that this bill removes the language referring to separation of races in the public schools of our land. While I was serving as the chairman of the ad hoc Subcommittee on Integration in Federally Assisted Education, we heard testimony from the Department of Agriculture regarding this act. I feel such an amendment would make this law consistent with the supreme law of our land.

I urge the passage of this report.

Mr. FRELINGHUYSEN. Mr. Speaker, I rise in support of this conference report. This bill, H.R. 11665, as it has been modified by action of this House, and the Senate, and now finally by the House-Senate conferees, is in my opinion, a carefully drafted piece of legislation. Under its provisions, a new formula will be used for the distribution of the school lunch funds among the various States. The new formula will distribute funds to the States on the basis of the present participation rate and the assistance need rate of a State. The old formula, I might add, was based on the school age population and the per capita personal income of a State. We can expect a fairer distribution of the cash funds under the new formula.

The impact of this new formula, if there is any, will be greatly minimized through the conferees' adoption of the Senate amendment which provides for a 3-year transition period from the present method of apportioning funds among the States under section 4 of the National School Lunch Act, to the method provided for in the bill. Thus, for the fiscal year beginning July 1, 1962, 75 percent of such funds would be apportioned under the old method and 25 percent under the new method. For the fiscal year beginning July 1, 1963, 50 percent of such funds would be apportioned under each method. For the fiscal year beginning July 1, 1964, 25 percent of such funds would be apportioned under the old method and 75 percent under the new method. Thereafter, all such funds would be apportioned among such States on the basis of the new method.

Mr. Speaker, you will recall that at the time, early in June, when H.R. 11665 was adopted by this body, I was greatly concerned over the proposed language of section 11. It appeared to me that there was an absence of essential legislative guidelines, with the Secretary of Agriculture having a completely free hand to administer the $10 million in special assistance funds. The various States would receive, or not receive, funds as the Secretary in his sole discretion deemed advisable.

As a result of this language, which I considered defective, I offered an amendment to establish a two-part formula for the distribution of these funds. Under this formula, the distribution would be based upon, first, the number of free and reduced-price lunches served during the preceding year and, second, the assistance-need rate of a State. This formula would have insured certainty and complete objectivity in the distribution of the funds. The Agriculture Department recognized the administrative advantages of this formula, and supported it. Unfortunately, it will be recalled an additional factor was adopted, over my objection, which would have had the effect of once again removing the element of certainty from the distribution of the funds. I am happy to report that this additional factor was removed from the bill by the Senate. Their action was agreed to by the conferees.

Mr. Speaker, the conferees now propose that section 11 funds are to be distributed and administered in the following manner: After 3 percent has been taken out for Puerto Rico, the Virgin Islands, Guam, and American Samoa, not less than 50 percent of the remainder shall be initially apportioned among the States. The amounts so apportioned shall then be held for the States until such time as they have either used them, or until they have agreed to release them back to the Agriculture Department. Then, the funds so returned to the Department, together with the remaining unapportioned funds, shall be further apportioned to certain States. It will be necessary for a State first to request additional funds, and then support such a request with a statement which reflects that they have schools in their State which they deem eligible for free or reduced-price lunches and which schools, but for the receipt of additional funds, will not be able to serve such lunches. Finally, this subsequent apportionment will be made among those States who have qualified for additional funds in the same manner and under the same formula as the first apportionment.

It is anticipated that once this program gets underway, the initial apportionment of section 11 funds will take care of more and more of the money until finally all, or nearly all, will be initially apportioned and then held in escrow, so to speak, until it is completely used by a State. Very little will be returned for reapportionment and very little will be held back by the Department for a subsequent apportionment. The need for, and use of, the apportioned funds by the State should match the amount which is apportioned to such State under the adopted formula.

One other minor modification adopted by the conference makes it explicit that any maximum per lunch amount established by the Secretary under section 11 shall be a national maximum and not one that will vary from State to State or school to school. Again, this was, so far as I know, the intent all along. The new language only nails down such intent.

Finally, Mr. Speaker, this bill, as adopted, insures that the distribution of section 11 funds, once they are apportioned to a State, shall be to the schools which the State determines are eligible. Of course, such eligibility shall be determined by the State on the basis of certain prescribed factors.

In summary, Mr. Speaker, I feel that H.R. 11665 as finally adopted by the conference committee is a good bill. It represents careful legislative draftsmanship. Appropriate and definite guidelines have been established for the administering agency. I believe that we can take pride in this bill and that all of the Members on both sides of the aisle in both Houses of Congress can feel confident that the funds which we are making available through section 11 will be distributed and administered fairly and that they will be used to meet a need which must be met.

The SPEAKER. The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

Mr. POWELL. Mr. Speaker, I ask unanimous consent that all Members of the House may have 5 legislative days in which to extend their remarks in the Record immediately following the adoption of this conference report.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

EMPLOYMENT OF CHILDREN IN AGRICULTURE

Mr. SISK. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 803 and ask for its immediate consideration.

The Clerk read the resolution as follows:

> *Resolved*, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 1123) to amend the Fair Labor Standards Act of 1938 to extend the child labor provisions thereof to certain children employed in agriculture, and for other purposes. After general debate, which shall be confined to the bill, and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Education and Labor, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. SISK. Mr. Speaker, I yield 30 minutes to the gentleman from California [Mr. Smith], and pending that, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 803 provides for the consideration of S. 1123, a bill to amend the Fair Labor Standards Act of 1938 to extend the child labor provisions thereof to certain children employed in agriculture, and for other purposes. The resolution provides an open rule with 1 hour of general debate.

The exploitation of children in agriculture is one of the more objectionable aspects of the farm labor situation. Child labor has all but disappeared in industry, but it is still very much in evidence on some of our industrialized farms. Although the Fair Labor Standards Act regulates the employment of children in industry, and the employment of children in agriculture during school hours, there is no age limit for the employment of children in agriculture outside school hours, nor is there protection afforded these youngsters in the event of personal injury.

S. 1123 seeks to extend the child labor provisions of the Fair Labor Standards Act of 1938 so as to correct and/or eliminate labor conditions detrimental to the maintenance of the minimum standard of living necessary for health, efficiency, and general well-being of certain children employed in agriculture.

Mr. Speaker, I urge the adoption of House Resolution 803.

Mr. SMITH of California. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as stated by the gentleman from California, House Resolution 803 is an open rule providing for the consideration of the bill S. 1123, with 1 hour of general debate.

I will agree with the statement of the gentleman from California [Mr. Sisk], in explanation of this bill and ask to be associated with it. In addition thereto, Mr. Speaker, may I state that this particular bill permits the child to be employed in agricultural work outside of school hours. First, if he is employed by his parents on the home farm or, second, if he is 14 years of age or over or, third, if he is between 12 and 14 years of age and works within 25 miles of his home with the written consent of his parents. Frankly, Mr. Speaker, I am a little bit confused with some of these bills. We have the Youth Delinquency Act which attempts to find out why we have so many youthful delinquents, figuring maybe we do not have enough education or schools. Then we have the Youth Employment Opportunities Act which tries to tell us about 12,000 youth needing employment. Now we come along with a bill here which is just another restriction on the right of youth to get work. When I read the statement "if he is employed by his parents on the home farm," I wonder if all youth must be paid to work on their parents' farm. I spent some of my younger years on my home farm and I do not ever remember being employed, but I do remember being out there working a good long while during the thrashing season and so forth when I was about 8 or 10 years of age and I do not remember ever getting a salary for it. I do not think it hurt me. Now here are some more restrictions on youth being employed.

There are some supplemental views, Mr. Speaker. The supplemental views are signed by seven Members. Two amendments were offered in committee and both of them were rejected, and I think they should be brought to the attention of the House.

The first amendment would require that before employment could be found to be hazardous by the Secretary of Labor, it must be connected with or involved with operation of power-driven machinery. As presently provided, the bill would permit the Secretary to find any type of employment is hazardous. It is conceivable that the Secretary can find picking fruit, hoeing corn, or riding horses is hazardous and then this type of work would be denied to all youth under 16 years of age except those employed by a parent.

The second amendment would permit a youth 12 years of age or over to be employed if he is employed with and under the direct control of his parent.

Mr. Speaker, I yield 8 minutes to the gentleman from California [Mr. Gubser].

Mr. GUBSER. Mr. Speaker, I represent a county which ranks 15th in this Nation in agricultural production. Almost all of this production is of the type called specialty crops which are harvested by what is commonly referred to as stoop labor, including children, affected by this law.

Mr. Speaker, I am becoming increasingly resentful of the exaggerated, false, and untrue statements that are being made about the farmers I represent. We are not slave drivers, we are not Simon Legrees who seek to exploit little children. We really are quite human and we are quite decently motivated. I am tired of articles like the one that appeared on page 3 of the committee report. Just let me read it to you. This is an article quoted from the November 1960 issue of Good Housekeeping. It says:

> We saw dozens of kids as young as 7 picking potatoes under a blistering sun. They were performing hard, adult labor, working rapidly, mechanically, without pause, dripping sweat as they stripped potatoes from the plant * * *.

Then it goes on to say:

> They picked in silence, with intense concentration. They stooped, crawled, and stretched, taking no time for rest or chatter, except when the machine broke down.

These potatoes were admittedly harvested by machine. And I would like to see anybody strip a potato from a plant that has been so harvested.

This author did not know what he was talking about. He did not see what he wrote about. It is exaggerated; it is not true. Potatoes grow underground, they are part of the root, and when the machine turns them up they are separated from the root and all you do is pick them up and put them in a sack. This is an exaggerated report which has been printed in a committee report to the Congress of the United States.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. GUBSER. I yield.

Mr. GROSS. Perhaps Mr. Farrell found some new breed of potato that grew on trees or bushes or something of that kind.

Mr. GUBSER. It is an absurd, exaggerated report.

Mr. GROSS. Apparently he believes potatoes are picked off bushes.

Mr. GUBSER. The sad part is that a lot of people will believe this and will draw a false conclusion.

I have a strong objection to one portion of this bill, and that is the portion which would prevent a child from working under the direct supervision of his parents. If we remove that I could conscientiously support the bill; otherwise I cannot, and I cannot for three reasons:

First of all, I sincerely believe that an honest day's work by a youngster, no matter how tender his age, is the greatest character builder a child can have. As I look around this House I see 25 or 30 Members who have risen to the point of being Representatives in Congress, and I will bet you they worked on a farm before they reached the age of 12. My dad worked on a farm when he was 6. I worked when I was 6. I have a daughter who worked when she was 8, cutting apricots. In those three generations there is not one who has ever been in jail, there is not one who has ever been a juvenile delinquent, there is not one who has been on relief, and there is not one of us who has not been proud we could do an honest day's work.

We worry about juvenile delinquency. I am telling you the greatest deterrent to juvenile delinquency is the honor and privilege of doing an honest day's work.

My second objection to this bill is that it would substitute Government judgment for parental judgment. Have we come to the point where we can sit here in this body and say to a legal parent of a child that we know better what is best for his child than he does? Must the Government substitute its judgment for that of the parent? If so, how much further are we going? Will we eventually take children from parents and organize them into youth corps?

The third reason I object to this bill is that it denies the parent the right to have his child help him in undertaking to raise a family, and will deny needed and necessary income to thousands of migratory workers. I do not think there is a prune orchard in Santa Clara County where kids of 8, 9, and 10 years do not work more easily than adults. They are not taken from school—they work no harder than they would play—they are not harmed. In fact almost all of us in Santa Clara County started out picking prunes. Why deny these families who live in the wintertime on what they earn in the summertime the opportunity of participating as a family in supporting the family?

So, Mr. Speaker, I conclude that the portion of the bill which denies the parent control of his child and denies the right of that child to work for his parent or under the direction of his parent should be removed from the bill.

Mr. JOELSON. Mr. Speaker, will the gentleman yield?

Mr. GUBSER. I yield to the gentleman from New Jersey.

Mr. JOELSON. All of our child labor laws deprive the parent of the so-called right to make the child do labor deleterious to his health. That is the basis of all child labor laws.

Mr. GUBSER. Has the gentleman ever lived on a farm?

Mr. JOELSON. I do not think that is relevant to this discussion.

Mr. GUBSER. I think it is. I have never lived in the city or in the coalfields, but I know there is a big difference between hoeing a row of onions and picking a few tomatoes and in going down into the hazardous mines to work. I have worked all my life and it did not hurt me, and so did others in this Chamber and it did not hurt them. There must have been a reason for exempting agriculture and the reason is that agricultural employment is different.

Mr. JOELSON. I am not arguing the beneficial aspects of farm work but I think our child labor laws should be enforced, not abolished.

Mr. GUBSER. If the gentleman is willing to concede that the right of the parent to have Government control over his child is paramount, he may go along and concede that. But I am going to resist extension of that right.

Mr. JOELSON. I believe the Government has to protect children against parents sometimes.

Mr. GUBSER. Would the gentleman suggest that we make Government wards of all children of underprivileged parents?

Mr. JOELSON. No. I did not say that and I do not suggest it.

Mr. GUBSER. Is the gentleman suggesting that we here are superior in judgment to the parent of a child and that our love for a child is greater than the love of his parent? What right have we to say this?

Mr. JOELSON. I did not state that.

Mr. GUBSER. The gentleman is forgetting that human love and human affection still exists and Government can't ever be a substitute.

Mr. JOELSON. Is the gentleman suggesting a court cannot protect a child from the neglect or cruelty of his own parents?

The SPEAKER. The time of the gentleman from California has expired.

Mr. SMITH of California. Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania [Mr. FULTON].

Mr. FULTON. Mr. Speaker, it is good to have a difference of opinion, and we have a difference of opinion right in the Republican Party. I just as strongly support the bill. I think it is fine legislation, and I believe the House should pass S. 1123, the reason being many of these migrant children do not have the opportunity for education. If that small amount of money going into the family income from the child's earnings is at the expense of the child being educated, then I think the balance is in favor of the child's education.

I therefore recommend that the House pass this bill, because these children of migrant workers in many cases are not given adequate educational opportunities. To me it is a matter of each child having an equal opportunity. When I saw some of these migrant workers and saw the conditions under which they have to live, likewise the low rates of pay, obviously these families are not given the same opportunity as some of the rest of us.

Having a farm, although my father happened to be the head of a bank, I cannot claim to have been a struggling farm boy as many cite with pride, but I am concerned deeply about our U.S. migratory children, and want them to have good chances for equal opportunity and progress. I can tell you what happens to migratory workers' children in the East and some Western States I have seen with my own eyes, and we certainly need the extreme hardship situations cleared up.

The most compelling reasons for enacting the bill S. 1123 are two. First, the bill frees many children from the burdensome and dangerous aspects of farm employment. Second, the bill enables these children to take fuller advantage of the educational opportunities available to them. This educational aspect of the bill particularly helps the children of migratory farmworkers. Such children must at best be enrolled in several different schools during the year as their parents follow the crops, and as a result they suffer from a severe educational handicap.

I think we should point out here that the bill is aimed to help chiefly migratory children of migratory families, and to abolish child sweatshop conditions in agriculture just as our progressive legislators have aimed to accomplish in manufacturing and industry. This legislation is not aimed at taking away the parental care of any child of a settled or migratory worker.

That would seem to me to be a pretty good rule, because it would permit the child to go with the family in the morning a distance of 25 miles and come back in the evening, if need be, a distance of another 25 miles, or 50 miles of traveling during the course of the day, in case the family must commute to work each day.

Personally, had I been writing the legislation, I would have made that shorter, because I think that amount of travel is a hardship on a child who works all day and who has just turned 12 years of age.

Mr. Speaker, might I point out in the committee report, what I believe to be an error? Would the gentleman from California, the ranking minority member, look at the committee report? I believe you have an error. Would the gentleman from New York, the chairman, Mr. POWELL, please look at his committee report? On page 6, in the last paragraph, it says: "and he is employed by his parent or by a person standing in loco parentis on a farm owned by such parent or person."

Mr. Speaker, I would like to point out that in the bill, on page 2, lines 7 and 8, there is this phrase: "by a person standing in the place of his parent on a farm owned or operated by such parent or person."

That would seem to me that the committee report is divergent from the language of the bill. I would imagine it is not only the farm owned by the parent but also a farm which would be operated by a parent. Is not that correct? It is not only ownership but operation as well? Would the gentleman from New York [Mr. POWELL] agree?

Mr. POWELL. Mr. Speaker, if the gentleman will yield, the gentleman is correct.

Mr. FULTON. I think we should have that clear in the bill.

May I proceed: Our present child labor law handicaps these children further. Unfortunately, it creates an incentive for migrant parents to restrict their children's school attendance for the sake of their small earnings.

The SPEAKER. The time of the gentleman from Pennsylvania has expired.

Mr. SMITH of California. Mr. Speaker, I yield the gentleman 3 additional minutes.

Mr. FULTON. I thank the gentleman from California very much.

Summer schools offering migrant children remedial work on a noncompulsory basis have found that attendance is sharply limited because the children who would benefit most are employed in farmwork. Thousands of migrant families leave the South for work farther north each April and May. Although as much as 2 months may remain in the school year, these families rarely enroll their children in school in the communities to which they have moved. This is a human tragedy and particularly for youngsters who also need every possible aid in obtaining an education which would equip them for work and occupations outside the migratory groups and give these children equal opportunity, as I have stated.

Migrant children need to be freed of work which is too hazardous and fatiguing for a youngster.

Mr. Speaker, a material start toward meeting the needs of our migrant children was made earlier this year through enactment of the Public Welfare Amendments of 1962. This law, authorizing funds for child day-care services, will make it possible to provide migratory children with healthful recreation and proper supervision while their parents are at work. The next step, through enactment of S. 1123, is to remove the obstacles to normal childhood and adequate education for the migrant that is imposed by permissible child labor.

Mr. Speaker, I strongly urge the passage of this bill.

Mr. WAGGONNER. Mr. Speaker, will the gentleman yield?

Mr. FULTON. I yield to the gentleman from Louisiana.

Mr. WAGGONNER. I would be pleased to have the gentleman from Pennsylvania describe for the benefit of those present in the House today what these hazardous farm jobs are in which these children participate. In other words, what are the great dangers involved in farmwork?

Mr. FULTON. I would say that the operation of farm machinery—and that would include cotton-picking machinery, threshing and harvesting machinery, large tractors, and large bulldozers—and if the child is at the age of just over 11 and just turned his 12th birthday, in my opinion, that is hazardous employment and should be prohibited.

Mr. WAGGONNER. If the gentleman will yield further, does the gentleman have any specific knowledge of children 8, 9, 10, and 11 years of age operating any equipment that the gentleman describes? Is the gentleman familiar with the complexity of this equipment?

Mr. FULTON. I run a farm of my own and raise sheep, a few goats, and steers, three or four hundred ducks and chickens, geese, guineas, and turkeys south of the city of Pittsburgh, and my brother Robert Fulton also has a farm in Washington County, Pa. Yes, I am qualified, although I must say I would be qualified as more of an amateur farmer, because I run a newspaper and I am a Congressman otherwise.

Mr. WAGGONNER. Is the gentleman qualified to tell people what they ought to do with their children? Has he raised some of his own?

Mr. FULTON. I hope that we are mature enough not to tell people what they ought to do with their own children. As to the personal question, When my sister's husband died, she came home with me with her four children. I had an invalid father for 25 years and I was very glad, as the oldest son in our family, to stay home and help raise those children; which I did and am rather proud of it.

Mr. WAGGONNER. The point that I make about this legislation is that we are trying to regulate an employer who is trying to do some of the things that we are encouraging to do, create jobs, youth opportunity. The employer is not the man who needs to be regulated. If we have a parent who is neglectful of a child perhaps we should regulate the parent rather than the employer who is trying to do something for the child.

Mr. FULTON. Will the gentleman tell me why in the child grouping on serious injuries set out in the committee report, it was found 550 of these serious injuries were among paid agricultural workers under 18 years of age, employed in the State of California, and one-fifth of the serious injuries were to children under 16, of the total number of serious injuries? Why, if we have these serious injuries to young children do we not need to protect those children, just as you would if they were operating automobiles? If children are under the age of 16, in our State of Pennsylvania they cannot operate an automobile. And I think it would be easier to operate an automobile. When we do not give a child a license to operate an automobile in Pennsylvania, who is under 16 years, then we should likewise look at the danger to the child under 16 who runs a tractor over a rough field, a threshing machine, or a heavy tractor, or bulldozer on creek, dam, or terracing work.

Mr. WAGGONNER. By the same token, would the gentleman say that no children under the age of 14 years could ride in an automobile except with their parents, if they were more than 25 miles from home?

Mr. FULTON. I believe they should have an adult person running the car. I do not want a child under 16 years of age driving a car in Pennsylvania. Our discussion does not refer to children who are passengers, but to children who might be performing dangerous acts or handling machinery beyond their judgment and capacity.

Mr. WAGGONNER. Is the gentleman aware of the fact that some State laws provide driver's licenses for children below the age of 16?

Mr. FULTON. Yes, but we are talking about hazardous occupations.

Mr. WAGGONNER. The gentleman just described automobiles as being hazardous.

Mr. FULTON. For children of minor age, just as some farm machinery and equipment would be.

The SPEAKER. The time of the gentleman from Pennsylvania [Mr. FULTON] has expired.

Mr. SMITH of California. Mr. Speaker, I yield 5 minutes to the gentleman from Washington [Mr. WESTLAND].

Mr. WESTLAND. Mr. Speaker, if I read this bill correctly, what it does is to prevent any youngster under 12 years of age from working on a farm, except his own or his own parents'. This is not restricted to just farm youngsters. Any young lad living in a town who wants to go out in the summertime and work on a farm, if he is under 12 years of age, cannot do it under this bill.

Mr. GRIFFIN. Mr. Speaker, will the gentleman yield?

Mr. WESTLAND. I yield.

Mr. GRIFFIN. I believe the gentleman should say under 14.

Mr. WESTLAND. Under subparagraph (C), only if he has his parents with him.

Mr. GRIFFIN. It is a very limited exemption.

Mr. WESTLAND. That is right. He could go out there with his parents. The gentleman from Pennsylvania [Mr. FULTON], who just preceded me, was talking about migratory labor. I do not know too much about migratory labor; we do not have much of it in my district. But if that is what they want to deal with in this bill, why do they not say so? Why do they not confine it to migratory labor? Why make it apply to all kids who may live in rural districts, who want to work on a farm in the summertime? If they are under 12 years of age, they cannot do it if this bill passes.

I lost my first job because of the child labor law when I was 12 years old. I was working in a fish cannery. I came back the next year and told them I was 16, and got my job back. That money helped my dad put me through school.

I have letter after letter from parents in my district telling me how their youngsters like to go into these farms to pick strawberries, pick raspberries, make $30, $40, $50, $60, or $70 during the picking season.

This is in the summertime. School is out. But it does not make any difference under this bill. These youngsters could not work. This may mean a couple of suits of clothes for that youngster. It may mean an overcoat for him. It may mean a bicycle. These kids enjoy earning their first money working on a farm.

Mr. COLLIER. Mr. Speaker, will the gentleman yield?

Mr. WESTLAND. I yield to the gentleman from Illinois.

Mr. COLLIER. Does the gentleman understand this bill to prohibit a parent, for example, from sending a 13-year-old to an uncle's farm 40 miles away to work in the summer?

Mr. WESTLAND. The gentleman is getting into pretty great detail there; it is pretty technical. The uncle could be in locus parenti, I suppose.

But these youngsters enjoy the work. I have seen it. I have seen them put this money in the bank. I think it makes happy kids out of them.

A minute ago the gentleman from Pennsylvania was talking about driving various tractors and its dangers. I never have seen many bulldozers on a farm, incidentally, but I wonder how many Members of the House have attended county fairs where these kids have had competition in driving a tractor, driving a hay rig, bringing it up and back, where they had to go through stakes, having a contest, and then back it into place. I have seen girls 10 years of age handle a tractor better than most of us Members of the House could do, and having a wonderful time. Maybe it is hazardous, but they did it better than I could and probably better than most Members of this House could.

While this bill pertains to or wants to deal with migrant labor, it in fact prevents any youngster under 12 years of age from working on a farm. If that is the case, I am against it.

Mr. GUBSER. Mr. Speaker, will the gentleman yield?

Mr. WESTLAND. I yield to the gentleman from California.

Mr. GUBSER. I think the bill differentiates between the son or daughter of a farmer and the son or daughter of anyone else. By making such a differentiation are we not in effect actually saying that farm children are expendable and other children are not?

Mr. WESTLAND. I think it says if a youngster is working on a farm owned by his parents that is okay. He can work at any age. Then you say just let farm youngsters work on their own farm, but nowhere else.

Mr. GUBSER. May I raise one more point: The 4-H Club movement is one of the greatest movements, and it stretches across this country.

Mr. WESTLAND. It certainly is.

Mr. GUBSER. Is it not possible that under this legislation a child in grammar school who has a 4-H Club project—a lamb or perhaps a steer—will be forbidden from working on that project because it is in agriculture?

Mr. WESTLAND. If he is under 12 years of age, he certainly would be. Mr. Speaker, unless this bill is changed substantially I shall certainly vote against it.

Mr. SISK. Mr. Speaker, I yield 1 minute to the gentleman from Texas [Mr. MAHON].

Mr. MAHON. Mr. Speaker, no good citizen wants to exploit children. In my opinion, the passage of this bill would tend in a sense to exploit children by denying them what we have always thought was a God-given privilege of a youngster, to go out on a farm and work, maybe not for the full time and only under certain circumstances and under proper supervision.

In my opinion, this bill is an unwarranted interference in the family life and customs of large numbers of our people. It is an unwarranted invasion of basic rights. I do not advocate exploitations. This bill encourages regimentation. It goes entirely too far. I cannot support it. It could help in a few instances to avoid abuses but to the great body of the American people, to many children and many families, it would do far more harm than good. It is a step in the wrong direction.

One of the things our youngsters need most is something to do and one of the hardest things that parents have to do is to figure out something to keep the youngsters busy in wholesome and challenging undertakings. Youngsters are going to use their energy in some way or other, and one of the finest character building ways to use it is on the farm. So, Mr. Speaker, I oppose this rule and I am opposed to the bill and I trust it will be defeated.

Mr. SISK. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, I think very shortly we will get into general debate on this bill and then the gentleman from New York [Mr. POWELL] and others will explain what this bill is about. I had not intended to say other than the few brief words I spoke earlier with reference to this piece of legislation. But I would like to make some additional comments, Mr. Speaker, in view of the comments, particularly by my colleague, the gentleman from California [Mr. GUBSER].

As the gentleman knows, I represent an agricultural district which I think is somewhat richer than his district. It produces a great many more agricultural products than his district produces. The fact of the business is that I am proud to say that my home county is the richest agricultural county in America, and has been for the past 10 years. I think I have some knowledge of some of the problems we have in agriculture. It is very popular politically to come down in the well of the House and talk about being a farm boy, having been born on a farm and growing up on a farm. I join my other colleagues, if you want to call it that, in bragging about that. I have picked some cotton and I have driven some teams, and I did quite a number of things when I was a substantially young lad of 10 or 12 years of age, I might say to my good friend. But the thing I am concerned with here this afternoon is, I think, we have been jousting with windmills judging from some of the remarks that have been made because we have been arguing a point of law that was long ago established so far as the right of courts and of the Government to protect children from abuses whether it be at the hands of parents or anyone else.

So it is a little ridiculous to indicate here that we are doing something that has never been done before and that for the first time in history we are trying to see to it that there are no abuses of our youngsters who are working in agriculture and in the fields harvesting crops or growing crops or whatever it might be. We are simply extending in a very minor way a portion of the Fair Labor Standards Act so as to make that act apply to a number of youngsters who have not heretofore been covered. I must say that there have been abuses, and my farmers are as concerned as the farmers are in any other place in America when it comes to anything that would tend to destroy their ability to make a decent living and a reasonable profit. But, ladies and gentlemen, I cannot be a party to permitting abuses of youngsters just in order to enable someone to make a few bucks. Now we are not seeking to destroy the right of parents to use their children on farms—and this is a good and wonderful thing, in my opinion. I think a lot of youngsters learn something by working on the farm like that and they have learned in years gone by and they are still doing it today. But that is not even the point at issue here.

The point at issue here is to try to change the law to make it possible to take care of these rare instances—and I think they are substantially rare in which abuses are occurring. Mr. Speaker, I would hope that we might adopt this rule and then proceed to give the committee an opportunity to discuss actually what this bill does because unfortunately I have heard some statements made here today that are completely incorrect, as I understand this bill to be, and as it was reported certainly to our Committee on Rules.

Mr. AVERY. Mr. Speaker, will the gentleman yield?

Mr. SISK. I yield to the gentleman.

Mr. AVERY. I recognize that probably the gentleman from California who is now in the well has as much knowledge of so-called migratory labor or stoop labor as any other Member of the House. But this bill goes further than that. I would just like to ask the gentleman to give his analysis of section (C) on page 2, if he has the bill before him.

I am not going to argue with him as to what legislation should be written to protect these migratory workers, but I am concerned, probably, like the gentleman from Texas to make certain we are not including language that goes beyond what the committee had in mind. In the exceptions, as I read it, it would preclude a youngster under 12 years of age in Kansas from just going over to help his neighbor for pay. Is that correct?

Mr. SISK. As suggested a moment ago, I would hope that we could get this bill up for debate and let the committee specifically explain what was intended. It is my understanding that amendments will be offered and that an agreement has been reached on an amendment to this section.

Mr. AVERY. As long as we have brought up this subject I wonder if the gentleman would yield to permit me to ask a question of the chairman of the committee?

Mr. SISK. If the gentleman from Michigan has the information, I will yield to the gentleman from Michigan.

Mr. O'HARA of Michigan. I would say to the gentleman from Kansas that a boy of 12 could help his neighbor if the neighbor was in the same county or an adjoining county and was within 25 miles of the place of permanent residence of the child, if he had his parents' consent.

Mr. SISK. Mr. Speaker, if I could just close the debate, I would say that when we had this bill before us last year I had some objections to it. I think most of those objections have been removed in this bill and I think it is of such character as will protect American children, American agriculture, as well as the country itself.

Mr. Speaker, I move the previous question on the resolution.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. GUBSER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant-at-Arms will notify absent Members and the Clerk will call the roll.

The question was taken; and there were—yeas 257, nays 81, not voting 97, as follows:

[Roll No. 274]

YEAS—257

Addabbo
Albert
Anderson, Ill.
Ashbrook
Ashley
Ayres
Bailey
Baker
Baldwin
Baring
Barrett
Barry
Bass, Tenn.
Bates
Battin
Becker
Beckworth
Bennett, Fla.
Betts
Blatnik
Boggs
Boland
Bolton
Brademas
Bray
Brewster
Brooks, Tex.
Broomfield
Buckley
Burke, Mass.
Byrne, Pa.
Byrnes, Wis.
Cahill
Cannon
Carey
Cederberg
Chamberlain
Chelf
Chenoweth
Church
Clancy
Clark
Coad
Cohelan
Collier
Conte
Cook
Corbett
Corman
Cramer
Cunningham
Curtis, Mass.
Curtis, Mo.
Daddario
Daniels
Davis, Tenn.
Dawson
Delaney
Dent
Derounian
Derwinski
Devine
Diggs
Dingell
Donohue
Downing
Doyle
Dwyer
Edmondson
Elliott
Ellsworth
Fallon
Farbstein
Fascell
Feighan
Fenton
Findley
Finnegan
Fino
Flood
Fogarty
Ford
Frelinghuysen
Friedel
Fulton
Gallagher
Garmatz
Gary
Gavin
Giaimo
Gilbert
Glenn
Gonzalez
Goodell
Goodling
Granahan
Gray
Green, Oreg.
Green, Pa.
Griffin
Hagen, Calif.
Halleck
Halpern
Harding
Hardy
Harsha
Harvey, Mich.
Healey
Hechler
Hoffman, Ill.
Holifield
Horan
Hosmer
Huddleston
Hull
Ichord, Mo.
Inouye
Jarman
Jennings
Joelson
Johansen
Johnson, Calif.
Johnson, Wis.
Jones, Ala.
Judd
Karsten
Karth
Kastenmeier
Kearns
Keith
Kelly
Keogh
Kilgore
King, Calif.
King, N.Y.
King, Utah
Kirwan
Kluczynski
Knox
Kowalski
Kunkel
Kyl
Lane
Lankford
Latta
Lesinski
Libonati
Lindsay
Loser
McCulloch
McFall
McMillan
Macdonald
Mack
Madden
Mailliard
Marshall
Martin, Mass.
Mathias
May
Merrow
Miller, N.Y.
Milliken
Mills
Minshall
Monagan
Montoya
Moore
Moorehead, Ohio
Moorhead, Pa.
Morgan
Morris
Morse
Mosher
Moss
Multer
Murphy
Natcher
Nedzi
Nelsen
Nix
Nygaard
O'Brien, N.Y.
O'Hara, Ill.
O'Hara, Mich.
Olsen
O'Neill
Osmers
Ostertag
Patman
Pelly
Perkins
Pfost
Philbin
Pike
Pirnie
Powell
Price
Pucinski
Randall
Reuss
Rhodes, Ariz.
Rhodes, Pa.
Riehlman
Rivers, Alaska
Robison
Rodino
Rogers, Colo.
Rogers, Fla.
Rooney
Rosenthal
Rostenkowski
Roush
Rutherford
Ryan, Mich.
Ryan, N.Y.
St. George
St. Germain
Santangelo
Saylor
Schadeberg
Schenck
Schneebeli
Schweiker
Schwengel
Shelley
Shriver
Sibal
Sisk
Slack
Smith, Iowa
Springer
Stafford
Steed
Stratton
Stubblefield
Sullivan
Teague, Calif.
Thomas
Thompson, Tex.
Thomson, Wis.
Toll
Tollefson
Trimble
Tupper
Udall, Morris K.
Vanik
Wallhauser
Walter
Weaver
Wharton
Wickersham
Widnall
Wilson, Calif.
Young
Younger
Zablocki

NAYS—81

Abbitt
Abernethy
Alford
Alger
Andrews
Arends
Ashmore
Avery
Bass, N.H.
Beermann
Bonner
Bow
Broyhill
Bruce
Burleson
Colmer
Cooley
Davis, James C.
Davis, John W.
Dole
Dorn
Dowdy
Durno
Everett
Fisher
Flynt
Fountain
Garland
Gathings
Grant
Gross
Gubser
Hagan, Ga.
Haley
Harrison, Wyo.
Hemphill
Henderson
Jensen
Johnson, Md.
Jonas
Kitchin
Kornegay
Landrum
Langen
Lennon
Lipscomb
Mahon
Martin, Nebr.
Mason
Matthews
Meader
Murray
Norblad
Norrell
Pilcher
Poage
Poff
Purcell
Ray
Reece
Riley
Rivers, S.C.
Roberts, Ala.
Roberts, Tex.
Rousselot
Scott
Selden
Sikes
Smith, Calif.
Smith, Va.
Stephens
Taber
Taylor
Tuck
Utt
Waggonner
Westland
Whitener
Whitten
Wilson, Ind.
Winstead

NOT VOTING—97

Adair
Alexander
Andersen, Minn.
Anfuso
Aspinall
Auchincloss
Belcher
Bell
Bennett, Mich.
Berry
Blitch
Bolling
Boykin
Breeding
Bromwell
Brown
Burke, Ky.
Casey
Celler
Chiperfield
Curtin
Dague
Denton
Dominick
Dooley
Dulski
Evins
Forrester
Frazier
Griffiths
Hall
Hansen
Harris
Harrison, Va.
Harvey, Ind.
Hays
Hébert
Herlong
Hiestand
Hoeven
Hoffman, Mich.
Holland
Jones, Mo.
Kee
Kilburn
Laird
McDonough
McDowell
McIntire
McSween
McVey
MacGregor
Magnuson
Michel
Miller, Clem
Miller, George P.
Moeller
Morrison
Moulder
O'Brien, Ill.
O'Konski
Passman
Peterson
Pillion
Quie
Rains
Reifel
Rogers, Tex.
Roosevelt
Roudebush
Saund
Scherer
Scranton
Seely-Brown
Sheppard
Shipley
Short
Siler
Smith, Miss.
Spence
Staggers
Teague, Tex.
Thompson, La.
Thompson, N.J.
Thornberry
Ullman
Van Pelt
Van Zandt
Vinson
Watts
Weis
Whalley
Williams
Willis
Wright
Yates
Zelenko

So the resolution was agreed to.

The Clerk announced the following pairs:

Mr. Hébert with Mr. Adair.
Mr. Wright with Mr. Michel.
Mr. George P. Miller with Mr. Quie.
Mr. Aspinall with Mr. Belcher.
Mr. Peterson with Mr. Siler.
Mr. Alexander with Mr. Hoeven.
Mr. Shipley with Mr. Auchincloss.
Mr. Ullman with Mr. McIntire.
Mr. Sheppard with Mr. Hall.
Mr. Rains with Mr. Kilburn.
Mr. Forrester with Mr. Short.
Mr. Evins with Mr. Van Pelt.
Mr. Dulski with Mr. Bell.
Mr. O'Brien of Illinois with Mr. MacGregor.
Mr. Willis with Mr. Andersen of Minnesota.
Mr. Thompson of Louisiana with Mr. Harvey of Indiana.
Mr. Magnuson with Mr. Scherer.
Mr. Thompson of New Jersey with Mr. Roudebush.
Mr. Burke of Kentucky with Mr. O'Konski.
Mr. Rogers of Texas with Mr. Van Zandt.
Mr. Roosevelt with Mr. Dague.
Mr. Hays with Mr. Brown.
Mrs. Hansen with Mr. Dominick.
Mr. Watts with Mr. Hiestand.
Mr. Staggers with Mr. Laird.
Mr. Denton with Mr. McVey.
Mrs. Griffiths with Mr. Curtin of Pennsylvania.
Mr. Harrison of Virginia with Mr. Berry.
Mr. Herlong with Mr. Reifel.
Mr. Moeller with Mr. Bromwell.
Mr. Clem Miller with Mr. Scranton.
Mr. McDowell with Mr. McDonough.
Mr. Williams with Mr. Bennett of Michigan.
Mr. Holland with Mr. Chiperfield.
Mr. Breeding with Mr. Seely-Brown.
Mr. Anfuso with Mr. Dooley.
Mr. Zelenko with Mrs. Weis.

Mr. COLLIER changed his vote from "yea" to "nay."

Mr. ANDERSON of Illinois changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

The doors were opened.

A motion to reconsider was laid on the table.

DR. FELIX NABOR SABATES

Mr. WALTER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (S. 3453) for the relief of Dr. Felix Nabor Sabates, and ask for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Doctor Felix Nabor Sabates shall be held and considered to have been lawfully admitted to the United States for permanent residence on January 16, 1956.

Mr. WALTER. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WALTER: Add the following new sections 2 and 3:

"SEC. 2. For the purposes of the Immigration and Nationality Act, Doctor Mehmet Vecihi Kalaycioglu shall be held and considered to have been lawfully admitted to the United States for permanent residence as of July 1, 1957, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

"SEC. 3. For the purposes of the Immigration and Nationality Act, Ali Khosrowkhah shall be held and considered to have been lawfully admitted to the United States for permanent residence as of April 29, 1946."

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EMPLOYMENT OF CHILDREN IN AGRICULTURE

Mr. POWELL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 1123) to amend the Fair Labor Standards Act of 1938 to extend the child labor provisions thereof to certain children employed in agriculture, and for other purposes.

The SPEAKER. The question is on the motion.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, S. 1123, with Mr. SANTANGELO in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from New York [Mr. POWELL] will be recognized for 30 minutes and the gentleman from Pennsylvania [Mr. KEARNS] will be recognized for 30 minutes.

The Chair recognizes the gentleman from New York [Mr. POWELL].

Mr. POWELL. Mr. Chairman, I would like first to take this opportunity to thank the distinguished chairman of the subcommittee handling this legislation, the gentleman from New York [Mr. ZELENKO], for his diligent work and the diligent work of his colleagues.

In his absence I am naming the next ranking Member, the gentleman from Michigan [Mr. O'HARA], to manage the bill on this side of the aisle.

Mr. KEARNS. Mr. Chairman, will the gentleman yield?

Mr. POWELL. I yield.

Mr. KEARNS. For a correction of the RECORD. The gentleman from Nebraska [Mr. MARTIN] is handling the bill on our side and the gentleman from Michigan [Mr. O'HARA] on the gentleman's side.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. O'HARA].

Mr. O'HARA of Michigan. Mr. Chairman, I yield myself 6 minutes.

Mr. Chairman, I think the first and most important thing to do is to determine just exactly what this bill is and what it is not, and what changes it makes in existing child labor provisions. There is a good deal of misunderstanding on that point.

I would like to say to begin with that this bill is one that has been very carefully tailored to attempt to get at a bad situation that exists in some segments of agriculture without interfering with the normal practices on the family farm as we know it. Since it is a carefully tailored bill aimed only at specific practices, it passed the Senate last year by a voice vote after very little debate. There was general agreement that this bill directed itself to these specific problems and would not interfere with agricultural practices with which we are familiar and of which we approve.

I would like to begin by saying to my good friend, the gentleman from California [Mr. GUBSER], that back in 1938 when he was picking prunes with a teddy bear under his arm this Congress enacted the Fair Labor Standards Act.

Mr. GUBSER. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Michigan. I yield.

Mr. GUBSER. Back in 1938 I was a college graduate earning my own living. What was the gentleman doing?

Mr. O'HARA of Michigan. I would say that the gentleman carries his years very well.

In 1938 Congress passed the child labor law. At that time Congress did not go at it in the particular and discriminating way we do today. Congress, in that act absolutely prohibited the employment of children under 16 in any capacity in industry.

It did not matter whether it was a safe job or an easy job. No child under 16 could work in industry. We began a long time ago to tell employers they could not employ children. We are not establishing any precedent here today.

What we do here is to extend the coverage of this child labor law to certain aspects of agriculture, but not to all. Under the provisions of the bill, a child aged 2, 10, or 12 could work on the home farm, a farm owned and operated by his parent or the person standing in the place of his parent, and that includes the uncle if he is living with his uncle. He can work on the home farm at any age.

If he is 12 years old or older he can work on a farm in the neighborhood with the permission of his parents, and we have defined "in the neighborhood" as being in the county of his permanent residence or an adjoining county and within 25 miles of his home.

I understand the gentlewoman from Oregon [Mrs. GREEN] has an amendment to meet the objection of some that this is too restrictive a definition of "neighborhood." I have seen it and think it is an excellent amendment. I for one intend to support it.

But let us say for the purpose of our discussion now that a child 12 years of age or older can work in the neighborhood with his parents' permission.

A child 14 years or over—incidentally it is 16 in industry and 14 in agriculture—can work in an agricultural occupation anywhere unless that occupation is one that has been deemed, after examination by the Secretary of Labor, to be one that is particularly hazardous for the employment of children of immature judgment.

I understand the gentleman from Nebraska [Mr. MARTIN] has an amendment which would more closely define what is "particularly hazardous employment." We will get into that when the gentleman from Nebraska takes time to explain his amendment.

The point I want to make is that we are only after the bad situations we all recognize have grown up in connection with the employment in some areas of migrant labor. We are not after the child working on the home farm, we are not after the child working in the neighborhood if he is at least 12 years of age. I think this is a bill we can all vote for. We do not have to apologize to our farmers for it. We do not have to apologize to anyone for it.

Mr. GUBSER. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Michigan. I yield to the gentleman from California.

Mr. GUBSER. May I construct a hypothetical case for the gentleman and ask if this case would be covered under the present law? In my congressional district where prunes are the principal agricultural crop and where it is common practice for a family to make a contract with the owner of an orchard for the picking of those prunes, would it be illegal under this legislation for the child to be employed? In other words, let us assume Mr. X makes a contract with the orchard owner to pick those prunes. Would it be illegal under this legislation for the 8-year-old child of Mr. X to work under the direct supervision of his father in the picking of those prunes?

Mr. O'HARA of Michigan. The question would be whether or not the farm operator had hired the 8-year-old child. If he said to the X family, "I am hiring you and such members of your family as are 14 or over to do this work," and means it then he is not in violation of the law. If an 8-year-old goes out in the field with them without the operator's knowledge and consent and picks a few prunes, it would certainly be difficult to establish intent to violate.

Mr. GUBSER. I may say to the gentleman, if it were absolutely certain, and if the language of the bill made this interpretation absolutely certain, I would have no objection to it. However, we have a situation in California where it is illegal for child labor to be employed during school hours. A contract has been made with the head of the family. I know of cases where the contract has been made with the head of the family, notices have been posted on the premises that no children shall be hired, the parent has been so informed, the child did not go to school, and slipped out into the orchard and picked a half bucketful of prunes, yet that farmer had his entire year's earnings impounded. Could this interpretation be applied under this act?

Mr. O'HARA of Michigan. As I understand the act, there is a criminal penalty for violation of the child labor provisions. You must prove intent to violate before you can convict. Under the criminal section of the Fair Labor Standards Act, you would have to show an intention on the part of the person being prosecuted to do the prohibited thing. I do not think you could do so in the situation the gentleman mentioned.

Mr. ROGERS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Michigan. I yield to the gentleman from Colorado.

Mr. ROGERS of Colorado. Under subsection (C) reference is made to permanent residence. You authorize the employment within the county of the employee's permanent residence or within an adjoining county not more than 25 miles away. How do you propose to determine what is the permanent residence of the so-called migrant picking fruit or following the harvest from place to place, and they have their families with them. Where would you say their permanent residence might be?

Mr. O'HARA of Michigan. Well, in the case the gentleman is describing probably the place that they live when the picking season is not in progress, when they are not traveling following the harvest.

Mr. ROGERS of Colorado. Well, if as an example, his home was located in Los Angeles and he went up to northern California near the home of our colleague, the gentleman from California [Mr. GUBSER], which would be more than 25 miles from his permanent residence, he could not be employed?

Mr. O'HARA of Michigan. That is correct. Not if he were under 14 years of age.

Mr. MARTIN of Nebraska. Mr. Chairman, I ask unanimous consent that the gentleman from Pennsylvania [Mr. KEARNS] may extend his remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. KEARNS. Mr. Chairman, I will support S. 1123 if the amendments offered are adopted. As amended, this bill will furnish the necessary protection to the children of migratory workers, and other young people who are employed on the farms of America, but it will not deny employment opportunities to those who are old enough to work in nonhazardous jobs. In this respect, I think that all are agreed that the hazardous jobs, which should be barred to children, are those which are directly connected with or involve the operation of power-driven machinery or the use of dangerous substances. Cornpickers, hay bailers, potato diggers, grain elevators—in the operation of these machines a slip can mean the loss of an arm or even a loss of life. The same, of course, applies to the use of certain insecticides and explosives. Thus, limiting the secretary's finding of hazardous employment to those situations which are directly connected with or involve the operation of, power-driven machinery or the use of dangerous substances is certainly a reasonable limitation and one which squares with the realities of agricultural employment.

Mr. Chairman, at this time I feel that it is also appropriate and fitting to pay tribute to my friend and colleague on the Labor Committee, DAVE MARTIN, who is handling this bill for the minority. Congressman MARTIN, although a freshman congressman, has performed yoeman service on our committee. He has faithfully attended all of the meetings of the full committee and of the subcommittees to which he has been assigned. This bill, which we now have before us, is just one of the many that he has helped to draft and present to the full committee.

I am sure that his career in Congress will be a distinguished one and that the Education and Labor Committee will certainly benefit from his wise counsel and diligent effort.

Now, Mr. Chairman, there is one other matter which I would like to address myself to. We are all concerned by the migratory labor problem. All too often the citizens which make up this work force are exploited and denied even the basic human rights. It is truly a blot upon our land. It is certainly a situation which calls for action. Unfortunately, Mr. Chairman, the key bill in this matter, S. 1126, which calls for the registration and regulation of crew leaders has not been called forward. This bill received bipartisan support in our committee. It is a reasonable bill and one which clearly falls within the legitimate scope of Federal legislation. Here we have migrant laborers being transported from State to State. Their boss, and in some cases their virtual master, makes all the arrangements for their transportation, housing, and pay. Exploitation is the rule rather than the exception. And then, to make the situation even more intolerable, the farmer, too, is victimized by the unscrupulous crew leader. If he does not kick back, pay off, and even condone the shameful practices of the crew leader, he will lose his work force, and right at the most critical time.

Mr. Chairman, I cannot believe that the Democratic leadership will stand idly by and not bring the crew leader bill up under suspension of the rules. This can be done. It should be done. If it is not done, the responsibility for the continued hopeless and helpless plight of our migratory laborers will rest squarely on their shoulders.

Mr. BAILEY. Mr. Chairman, I ask unanimous consent that the gentleman from New York [Mr. POWELL] may extend his remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. POWELL. Mr. Chairman, today we are considering a migratory labor bill, the child labor bill, S. 1123. This bill concerns a lonely, isolated group of people who share little of the wealth and security that so many Americans have long known and enjoyed. Yet, they make a major contribution to our farm economy.

Numbering over 2 million and passing through as many as 30 States, these people occupy the fringes of our society. Dwelling in ghettoes of one type or another, they have been excluded from even the most basic, minimum social legislation that many of us here have personally experienced, and perhaps taken for granted.

Exposed to many communities, but accepted by few, the migrant citizen is as long-suffering as he is much lamented. As stated in the hearing on the bill, "there is no national issue studied so intensively over so long a time, in such sympathetic spirit, with such negligible results."

Today, however, the tide is changing. Congress is, and has, taken steps to alleviate some of the problems confronting our citizen farmworkers and their families. Last week this Congress, with support from both sides of the aisle, passed by voice vote the migratory labor health bill, S. 1130. This was a firm first step—but a step which must be followed by more if our migrant citizens are to escape from their daily role; namely, the role of a third-class citizen in a Nation dedicated to a classless society.

Over the past few years all of us have become acutely aware of the pathetic situation of our migratory citizens. President Kennedy recently referred to the migrants as people who are shortchanged even in a time of prosperity. Our mass media, too, have documented their poverty and neglect showing it to be an irrational waste of human potential—CBS documentary "Harvest of Shame." Consequently, I have no intention of calling forth the parade of problems that confront the migrants. Thousands of people in this Nation are sick and tired of hearing about the plight of the migrant farmworker—and rightfully so.

Today, we need action. We need to turn the great hoard of abstract statements into sound legislative measures that will make the migrants' work more productive, their daily lives more healthful, and their futures more meaningful.

We have such a legislative measure before us today. Passage of this measure this session is critically needed by many and will hurt no one. This bill makes no attempt to thrust any unfair or arbitrary burdens upon either the farmer or the farming community generally. In fact, S. 1123 manifests many ideas and suggestions submitted by farm representatives during the evolution of the bill.

This bill reflects the fact that the employer of migratory farmworkers has long been charged with the responsibility for the safety and welfare of his workers' families. Especially the children. This responsibility imposes an unreasonable economic burden upon the farmer in that too much of his time is spent worrying about his employees and their families rather than in the operation of a profitable enterprise, because this bill will greatly reduce the burdens upon the farmer and the farm community generally, its passage will be a boon to the farmer and the migrants alike.

In view of these facts, I am sure that the House will act favorably upon this critically needed bill.

Mr. BAILEY. Mr. Chairman, I ask unanimous consent that the gentleman from New York [Mr. ZELENKO] may extend his remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. ZELENKO. Mr. Chairman, the exploitation of children of migratory laborers in agriculture is one of the more objectionable aspects of the farm labor situation. Child labor has all but disappeared in industry, but it is still very much in evidence on some of our industrialized farms. Although the Fair Labor Standards Act regulates the employment of children in industry, and the employment of children in agriculture during schools hours, there is no age limit for the employment of children in agriculture outside school hours, nor is there protection afforded these youngsters in the event of personal injury.

The time of day or time of year in which work is engaged in by young children has no bearing upon its suitability for their safety and well-being. Even though outside of regular school hours, such employment militates against educational progress. As long as children may legally be employed when schools are not in session, crop vacations are encouraged. Successive moving of whole families from one area to another where schools are not in session occurs with resulting educational deprivation of the children.

The Federal child labor provisions were enacted long before farming became a large-scale, highly mechanized operation. And although farm operations have undergone drastic change, the Federal child labor laws regarding agriculture remain unchanged. Today, farming operations constitute this Nation's third most dangerous commercial enterprise; only mining and construction are more hazardous. In fact, agriculture had more fatalities than any other industry in 1958. Yet, when school is not in session, the employment of children in agriculture remains unregulated by the Federal child labor law.

When migrant children who have not reached maturity in strength or judgment are called upon to work in modern farming operations, the occupational hazards in agriculture are vastly increased. Numerous State surveys and studies have clearly demonstrated that each year large numbers of migrant children under age 14 are severely injured or killed while working in farming operations.

The old tradition of the small farm must not obscure the fact that today's large-scale farm operations are sweat shops in the fields. Medical authorities have demonstrated that extended, fatiguing agricultural work is harmful to young children. Long hours of weary work expends energy which should be used in the natural process of growth. As a consequence, migrant children are tired, undernourished, and undersized.

Such chronic exhaustion lowers the migrant child's resistance to disease and infections to which the migrants are constantly exposed. Failure to eliminate this potential cause of disease is in direct conflict with the purposes of the migratory health bill, S. 1130, which this Congress passed and the President signed into law—Public Law 87-692—on September 25, 1962.

Unfettered and unrestricted child labor in farming operations not only constitutes a definite physical hazard for young children but also makes it difficult, if not impossible, for the migrant child to obtain a proper education. Returning tired to cramped, unlighted housing after spending the afternoon they are unable to study. Moreover, afterschool harvesting has discouraged many local school officials from assigning homework to migrant children. Without needed homework, the educational development of our youth will be drastically limited; this is especially true for migrant children who are already burdened by environmental factors and seldom attain an education beyond the fourth-grade level—the minimum standard of literacy in this country.

In the general neglect of farmworkers and the failure to include them in the social and labor laws that protect other workers, the rejection of children has been the most cruel and the least justifiable. Existing Federal law permits children of any age to be employed on farms outside of school hours. Thus it is neither uncommon nor illegal—if school is not in session or a "crop vacation" is declared—for children, as young as 6 and 7 years of age, to work long, hard hours in the fields.

This vacuum is in sharp contrast to the Federal child labor law in other occupations, where the basic minimum age is 16 years both during and outside school hours and 18 years for work which the Secretary has declared hazardous or detrimental to health and well-being.

This bill is based on the belief that a more discriminating approach should be made to the child labor situation in agriculture. The blanket exemption for out-of-school-hours employment in agriculture is no longer defensible. There may at one time have been some sense in such an exemption. But that was when the family farm was more widespread than it is today, and when the child's protection in most cases was guaranteed by the fact that his employer was also his parent. This is not true today. The size of the economic farm unit has increased. Large high-speed machinery is used. Furthermore, the use of farm labor on a family farm is not analogous to the institution of migratory labor which in some areas is an important source of farmworkers. Because of this and because of the shift from family farms, the complete exemption for agriculture has ceased to be realistic and fails to deal with obvious abuses.

Thus, this legislation is an attempt to break the oppressive chain of circumstances which forces these migrant children into the same unrewarding pattern of work and life which their parents are in. If they can be saved from premature work in the fields, a large step will have been taken to give these children the opportunity for a more hopeful and productive adult working life.

Mr. MARTIN of Nebraska. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, there is danger in attempting to legislate in the field of migrant workers because at the same time, we could prohibit and stop a time-honored tradition in this country—that of our youth in rural America learning the value of a dollar; learning a sense of responsibility; establishing habits of thrift; and learning to become self-reliant. Ever since the founding of our great country, the youth of America have taken advantage of the job opportunities offered in agriculture during their summer vacations from school and have profited by this experience.

Millions of young people in this country—I know that many Members of this body earned their first money in agriculture milking cows, driving a stacker team, picking berries, fruits, and so forth, and I would venture the guess that most of you were under the age of 14 at the time.

There is evidence available that this is a different problem than youth working in industry which is now prohibited under the Fair Labor Standards Act. According to a Children's Bureau publication—No. 380-1960, "A Look at Juvenile Delinquency," published by the Department of Health, Education, and Welfare, and I quote:

> Rates of delinquency court cases in urban areas are about three and one-half times higher than in rural areas.

I would suggest that this is not unrelated to the fact that farm and rural boys have greater employment opportunities than urban youth.

Juvenile Judge Mary Conway Kohler wrote in an article in the Saturday Evening Post of November 7, 1959, reporting on juvenile delinquency in a study financed by the Ford Foundation, reached the conclusion that one of the major contributing differences to the high level of juvenile delinquency in the United States, as compared to Europe, is that in most European countries young people are permitted to work at an earlier age than in the United States, and I quote:

> European youth has an opportunity to participate in the adult society at an earlier age and develops a sense of responsibility and a feeling of his own worth when he is much younger.

The most important factor, according to Judge Kohler, in the prevention of juvenile delinquency is a job.

The Reverend Paul M. Cassen, director, Christian Ministry to Migrants, said on page 928 of the Senate Migratory Labor Subcommittee hearings:

> Our staff met toward the end of February when there were 8 or 10 of us together. We came to the conclusion that it is much better for the children of 10, 12, and 14 years of age to have an opportunity to learn to work, rather than to be left in the migrant camps or in these other places where they might come under influences which might be much more harmful.

Monsignor Keenan said to the subcommittee at Coalinga, Calif., page 1106:

> I quite agree with Father McCullough here on the families working together. I do think that where families go out and work together out of school time—I wouldn't tolerate even 14–15 year olds during school—if out of school, they are with their parents or responsible relatives.
>
> One of our great failures in raising children is to teach them they cannot get something for nothing, and I think if the family works together, with their parents, it is a good idea.

I would like to call attention to Secretary of Labor Goldberg's testimony on page 9 of the Select Subcommittee on Labor hearings, May 9, 1961:

> Based on a special census survey in 1957, it is estimated that 457,000 paid workers in agriculture were 10–15 years of age, of whom more than half (236,000) were under 14 years. The employment of children under 14 is therefore substantial.

A large proportion of these youth in this age group are young people working during the summer months to earn extra spending money; to earn money for clothing, and so forth; or to save toward a college education. It is most important that in attempting to legislate to correct inequities in the field of migratory labor that we do not harm in any way the tradition that the youth in rural America work on the farms during school vacations.

I am also somewhat concerned about Secretary Goldberg's testimony on page

42 of the House Select Subcommittee hearings in reply to a question about coverage under the minimum wage law, and I quote his answer:

> We are prepared at the appropriate time to give consideration to what would be a fair and feasible minimum wage in this area.

This statement raises the danger signals that this legislation might be a foot in the door for the Department of Labor to gradually put such restrictions on youthful agricultural workers, that they would eventually prohibit this activity.

At the proper time I have an amendment to offer which would more clearly define the following wording in the bill which I feel is particularly bad, in which the Secretary of Labor can prohibit the employment of children up to the age of 16 years if he finds and declares their work to be particularly hazardous. This gives the Secretary broad discretion as to what is particularly hazardous and conceivably could give him the authority to prohibit all youth under age 16 from working in agriculture.

He could declare that picking berries, apples, or hoeing vegetables, or most any work on the farm was hazardous and thus could stop the employment of children under 16 years of age from this work.

Therefore, I propose, as a substitute, that he could restrict this work of children under age 16 if it is directly connected with or involves the operation of power-driven machinery, or is an occupation connected with or involving dangerous substances. This would more clearly define restrictions to be placed upon work by the Secretary, and I feel improves the bill tremendously in this regard.

With this amendment, I feel that the bill is a reasonable piece of legislation and that it should be favorably considered by this body.

I must state, however, that as presently written I cannot support the legislation. I trust that when these amendments are offered that they will be approved.

Mr. GATHINGS. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Nebraska. I yield to the gentleman from Arkansas.

Mr. GATHINGS. Under the provisions of the bill as written at this time it would mean that the Secretary of Labor would have the discretion to declare that a hoe was so sharp that it was dangerous to a child under 14; is not that correct?

Mr. MARTIN of Nebraska. That is correct.

Mr. GATHINGS. And could not the Secretary of Labor say: Here is a ditch on this farm and we are going to have a compliance officer out there to see about these ditches on these farms of America. That ditch is hazardous to that young child who is working in the field?

Mr. MARTIN of Nebraska. That is right.

Mr. GATHINGS. And could he not say that the tree that the child would be climbing to harvest some apples was a little too high for that child to climb to pick those apples? Could not that be done?

Mr. MARTIN of Nebraska. That is right; as the bill is presently written the Secretary of Labor could declare almost any type of work on the farm a hazardous occupation.

Mr. GATHINGS. Will the gentleman explain his amendment, what he would do with that provision in the bill?

Mr. MARTIN of Nebraska. Yes, sir. My amendment limits this restriction to power-drive equipment, such as tractors; and also to work in the spreading of insecticides and poison materials, and so forth.

Mr. GATHINGS. Mr. Chairman, I support the gentleman's amendment. He has a good amendment.

Mr. BEERMANN. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Nebraska. I yield to the gentleman from Nebraska.

Mr. BEERMANN. The children of my own family can work on my own farm; is that right?

Mr. MARTIN of Nebraska. Yes.

Mr. BEERMANN. The area stated here is 25 miles. What if I have a nephew in Chicago who wants to come and spend the summer with us? Suppose he is 10 or 12 years of age. Could he do any work on the farm at all?

Mr. MARTIN of Nebraska. As the bill is presently written, unless the child is 14 years of age he would be unable to work, coming from Chicago to Nebraska.

Mr. BEERMANN. I drove the first tractor that came into our county. I do not want to take any pride in it, as the gentleman from California did, but probably if I had not learned to drive this tractor at the age of 8 I would not have been on the farm all this time and learned how to operate our farm.

I have 32 nephews and nieces who work on the farm occasionally. We intend to try to teach them to do all the work that needs to be done on a farm. We have had a saying in our family that one boy is half a man, two is just a man, but three boys are no man at all. I think we are far better qualified to say who should work on our farm, whether they are 8, 10, or 12 years of age, or friends who come out to the farm with their children, than any Secretary of Labor in Washington. This is like the people who tell you how to operate a farm, but they learned their farming by sitting on the seat of their pants here in Washington.

Mr. O'HARA of Michigan. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Nebraska. I yield.

Mr. O'HARA of Michigan. May I say to the gentleman from Nebraska [Mr. BEERMANN] that under this bill any child may be employed by his parents or by anyone standing in the place of his parents. That is the in loco parentis concept. If a child were treated as a member of your family, if he were living with you and were treated as one of your children, as a nephew, say, that would be considered as employment by a person standing in the place of the parent.

Mr. BEERMANN. I have three sisters and six brothers. I live in town. The farm is out in the country. A nephew or niece may come to visit me from Chicago, California, or Alaska. I have them all over the country. They come and live in my house, then they work on the farm. According to this, they would be doing that illegally. They are not living on my farm, they are living in my house, which is not on the farm. I just say that they do not know what they are doing.

Mr. O'HARA of Michigan. The question is whether the farm is owned or operated by the parent or person standing in place of the parent. If the situation is such that the child is considered as being a member of the family, then he could work on the farm.

Mr. MARTIN of Nebraska. Mr. Chairman, in addition to the amendment I shall offer there will also be other amendments offered which I feel will improve this piece of legislation. With these amendments, I feel that the bill is a good piece of legislation and should be favorably considered by this body. I may state, however, that as presently written I cannot support the legislation. I trust when these amendments are offered they will be approved.

Mr. O'HARA of Michigan. Mr. Chairman, I yield 9 minutes to the gentlewoman from Oregon [Mrs. GREEN].

Mrs. GREEN of Oregon. Mr. Chairman, first of all may I congratulate the members of the subcommittee for bringing out a piece of legislation which I think will go a long way toward preventing some of the exploitation we now see on the farms and in the various areas of this country, including my own State of Oregon.

If I had any objection to this bill at all, it would be on the basis that it does not go far enough. It would be on the basis, that I think it is too modest a proposal. I think we will probably continue to see exploitation of children 7 and 8 and 10 to 12 years of age which I think should be stopped.

Now the gentleman from Nebraska raised a question a moment ago: If his nieces or nephews came to live on his farm—and the same question was raised by one of my colleagues on this side of the aisle—and wanted to work on the farm during the summertime, would that be allowed under this legislation?

I want to call to the attention of my colleagues that this very matter concerned me earlier in the year and I discussed it with people in the Department of Labor. It is certainly my understanding that this bill would in no way touch this situation because it clearly says that if a child works on his parent's farm—regardless of the age of the child—"if he is employed by his parent or by a person standing in the place of the parent on a farm owned or operated by such parent or such person," then this bill would not make any limitation in regard to that work.

If your niece or nephew were to come to live with you, you would be standing in the place of the parent.

Mr. Chairman, this legislation is not designed for the gentleman from Nebraska. This legislation is not designed for the fine conscientious family that my colleague on the other side of the aisle was talking about. This legislation is designed for people who exploit children. This is not designed for loving parents concerned about their children. This legislation is designed for children who may be overworked, abused, exploited because of inadequate parents.

Mr. BEERMANN. Mr. Chairman, will the gentlewoman yield?

Mrs. GREEN of Oregon. I yield to the gentleman.

Mr. BEERMANN. I would like to say to the gentlewoman, I think my nephews and nieces, if I read this legislation correctly, are going to find the Secretary of Labor coming between my brothers and sisters and their kids. I think the Secretary of Agriculture has been on our farm enough, and I do not propose to have the Secretary of Labor causing riots between children and parents on my own farm.

Mrs. GREEN of Oregon. I must say to the gentleman, I think he exaggerates the case and I do not think that that could possibly happen because of this legislation.

Mr. Chairman, as I started to say, this legislation is not designed for the loving parents. It is not designed for the charitable employer. This legislation is designed for the people who exploit children—and it happens across the country. I do not see how any of you who have seen "Harvest of Shame" and other films like that, and have seen the exploitation of migrant children, and who have read the reports about thousands of children of school age in this country who do not see the inside of a schoolroom, could fail to be concerned about the problems—the situation this legislation seeks to correct.

The question was raised about an 8-year-old child and whether it would prohibit him from working. The answer to that question is, if he were directly employed to work—yes, it would prohibit that child from working.

But may I also call your attention to the fact that there are thousands and thousands of teenagers who are unemployed throughout the country. Why do we not try to get these teenagers out onto these farms to work instead of having the little 8-year-old child work from dawn until dark? That is the thing we are trying to do by this legislation. For any child over 14, there is no restriction on working anytime—anyplace—except in a hazardous occupation.

Somebody made the statement that no good citizen wants to exploit children. Mr. Chairman, we all readily admit that no good citizen wants to rob or kill or any other bad thing, but the fact is in this country, we have lots of citizens who are not good citizens. This legislation is not for the good citizens. This legislation is for people who have never had humanitarian instincts and who will exploit youngsters if they can make a few extra dollars by doing so.

We have long had a limitation as to employment of youngsters in industry. But there is no limitation in agriculture. For many years, as the gentleman from Michigan pointed out, in industry we say that no child under 16 can work—period. Whether that young child under 16 were to work with a loving employer or a loving uncle or a loving aunt or anybody else—we make no exceptions at all. But we are saying in this very modest migrant labor law—that in particular cases, we think the young child should be protected.

The question has been raised as to hazardous occupation. From the discussion today, you would think that farming was the safest place in the world for a child of 8 or 9 or 10 or 12 years of age to work. Yet, the figures show that farming is the third most hazardous occupation in the United States today, exceeded only by mining and construction work.

I fully intend to support the amendment which is going to be offered by the gentleman from Nebraska to more precisely define hazardous. I think it would be an improvement in the bill and I do want to support it.

Mr. BEERMANN. Mr. Chairman, will the gentlewoman yield?

Mrs. GREEN of Oregon. I yield to the gentleman.

Mr. BEERMANN. On those figures, do you have the ages of the people who are involved in accidents?

Mrs. GREEN of Oregon. The figures are available, but I do not have them here.

Mr. BEERMANN. I wish for the record we could have them.

Mrs. GREEN of Oregon. I will make every effort to get the figures.

Mr. BEERMANN. If the gentlewoman will yield further, the reason I would like that is that older people who do not understand machines and are much less capable of learning have more accidents in our area than youngsters.

Mrs. GREEN of Oregon. Mr. Chairman, I hope this is not taken out of my time. If I may continue.

In my own district I have gone out to the migrant camps and I have gone out to the beanfields and berryfields. I happen to live in the center of the berry area; they call it the berry center of the world. I have seen youngsters, 8, 10, and 12 years old out in the fields without their parents. We have buses that go down to skid row and pick up at 3 or 4 o'clock in the morning alcoholics and derelicts and take them out to the fields. We have other buses that pick up young children later and take them out to the same area. Are you arguing that this is a desirable situation, the most healthy, wholesome activity for small children. I do not. No one can tell me there is adequate supervision. I think this is a situation that should be corrected.

One of the Members spoke of the 25 mile driving distance as being too restrictive, and I am inclined to agree, for I know that where I live it may be more than 25 miles to the berryfields or to the beanfields. I have an amendment that would change the specification from 25 miles to a distance where they could commute in a single day. I intend to offer it at the appropriate time.

Mr. GUBSER. Mr. Chairman, will the gentlewoman yield?

Mrs. GREEN of Oregon. I yield.

Mr. GUBSER. I heartily agree with the gentlewoman when she says that children under the age of 12 should not be employed in agriculture when they are not directly supervised by the parents. My question concerns a situation where in this hypothetical case a prune orchardist owner-operator X makes a contract with an adult Y to pick the prunes on this farm. Can the children of adult Y work under the direct control and supervision of their parents under this legislation?

Mrs. GREEN of Oregon. If the migrant children are under 12, I would have to say to the gentleman that this bill would prohibit the indirect employment. Let us recruit the 14 year olds—the teenagers—not those under 12. Similar cases have arisen in industry where people would like to make their small children work with them. We would like to make an exception in appropriate situations, but there are thousands and thousands of cases where children are exploited, and that exploitation would continue unless we place some restriction against it.

Mr. WAGGONNER. Mr. Chairman will the gentlewoman yield?

Mrs. GREEN of Oregon. I yield.

Mr. WAGGONNER. The gentlewoman said that if she had one objection to this particular legislation that objection would be that it is not comprehensive or extensive enough. Do I interpret that remark to mean that the gentlewoman feels that there are other areas where children are being abused and we should further regulate in those fields other than the provisions of child labor for farm work?

Mrs. GREEN of Oregon. I do not see how anybody could take a trip down through some of the areas even in the District of Columbia as I have done in the last few weeks and visit some of these families, see them without adequate housing, see them without decent food, see them without supervision, and say that these are loving parents and receiving adequate care and protection and we need not be concerned. There are lots of places where they are abused, and we ought to be a great deal more concerned about it than we are. But this is a beginning—let us correct these abuses by supporting this legislation today.

Mr. MARTIN of Nebraska. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. GRIFFIN].

Mr. GRIFFIN. Mr. Chairman, we should be fully aware of what the law now is in this field, and should take a good, careful look at this bill and make sure we know how we would be changing present law.

At the present time the child labor laws do not apply to agricultural work outside of school hours. The bill before us would impose severe and rather complicated limitations upon agricultural employees.

I voted for the rule to bring this bill to the floor for consideration, and I could support this bill if some needed amendments are adopted here today. But I could not vote to enact the bill in the form it is being presented to the House today.

There is need for legislation in the field of migratory labor. I represent an area that grows more cherries than any other area of comparable size in the United States. Cherry producers in my district depend upon migratory labor to harvest their crop. There is legislation pending which would require registration and regulation of crew leaders who, in some instances, abuse migratory labor. A good bill on this point has been reported by the Committee on Education and Labor; it is a good bill and I do not know why it is not the floor for consideration. I would like to vote for that bill.

Mr. GOODELL. Mr. Chairman, will the gentleman yield?

Mr. GRIFFIN. I yield to the gentleman from New York.

Mr. GOODELL. I wish to express my agreement with the gentleman. In my opinion, the crew leader bill is substantially more important than this bill, so far as helping migratory labor in this country is concerned, and I do not understand why that bill is being held up. It has no priority, apparently, while we debate a bill that just hits at the fringe of the situation. The crew leader and the abuses that come from crew leaders strike at the very heart of the problem of migratory labor, in my opinion.

Mr. GRIFFIN. I thank the gentleman.

Mr. GATHINGS. Mr. Chairman, will the gentleman yield?

Mr. GRIFFIN. I yield to the gentleman from Arkansas.

Mr. GATHINGS. The gentleman mentioned the crew leader legislation. May I say to the gentleman I have been before the Committee on Rules on two occasions in opposition to the crew leader bill, because in my country they are really bus drivers who go across the State line hauling labor for a distance of maybe 40 miles from around the city of Memphis. Under the terms of the bill, it would put those people out of business. Besides, they could not interpret the regulations and they could not keep the necessary records required.

Mr. GRIFFIN. Of course, it will serve no purpose to debate the crew leader legislation at this time because it is not before the House.

Mr. GOODELL. I recognize the situation the gentleman has cited, but I think he would have to concede that most crew leaders are not just bus drivers.

Mr. GRIFFIN. That is right.

Mr. GOODELL. I am sorry we are not taking care of that situation. I think most crew leaders are not in the category of bus drivers.

Mr. KYL. Mr. Chairman, will the gentleman yield?

Mr. GRIFFIN. I yield to the gentleman from Iowa.

Mr. KYL. Under the term "hazardous" in this legislation, would it be the gentleman's opinion that this means a hazard to health, morals, welfare, and safety, rather than simply to the matters of physical hazard?

Mr. GRIFFIN. As the legislation is presented here by the committee, it would leave complete discretion with the Secretary of Labor to determine what are "particularly hazardous" occupations.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. MARTIN of Nebraska. Mr. Chairman, I yield the gentleman an additional 5 minutes.

Mr. GRIFFIN. Mr. Chairman, because of the very broad discretion that this bill would give to the Secretary of Labor, and because it could include all of the matters mentioned by the gentleman I think the legislation is defective.

I understand that the gentleman from Nebraska [Mr. Martin] will offer an amendment for which the gentlewoman from Oregon [Mrs. Green] has indicated support, which amendment would confine the Secretary's discretion to work directly connected with, or involving the operation of, power-driven machinery, or the use of dangerous substances. With that language, I believe the concern of the gentleman from Iowa [Mr. Kyl] would be eliminated.

Mr. KYL. Mr. Chairman, there is one further comment, and that is in this respect: In view of the fact that this interpretation can be broad, I cannot for the life of me see why we make an exception of the entertainment industry, which in many, many cases can be much more deleterious to the individual health, morals, and welfare of these young people than any of the things we have talked about previously.

Mr. GRIFFIN. Here again, I believe we are getting outside the scope of the bill before us. The exemption for children working in the entertainment field is already in the law. I do not believe the bill before us would make any change in this provision. Perhaps I should have that confirmed by the gentleman from Michigan [Mr. O'Hara]. Is that not the case?

Mr. O'HARA of Michigan. Mr. Chairman, if the gentleman will yield, none except with regard to the agricultural exceptions.

Mr. GRIFFIN. But as far as the entertainment exemption is concerned——

Mr. O'HARA of Michigan. There is no change.

Mr. GRIFFIN. That exemption is already in the law, and this bill proposes no changes.

Mr. O'HARA of Michigan. None whatsoever.

Mr. GRIFFIN. I thank the gentleman.

Mr. FISHER. Mr. Chairman, will the gentleman yield?

Mr. GRIFFIN. I yield to the gentleman from Texas.

Mr. FISHER. Mr. Chairman, I want to raise a question as to the necessity for this type of legislation. Probably those best qualified to pass on it and evaluate the question are those who were reared on the farm and who know from their own experience what it is like to live on a farm, how hazardous it is and just what kind of risks are actually involved. That, as I understand it, is the purpose of this legislation, to prevent. But it happens that I was reared on a farm and a ranch and as a child, before I was 14 years of age, I made a pretty good hand. I have been on tractors, combines, cultivators, and have hitched up teams. I never had an accident. Those were the healthiest and happiest moments of my life, when I was doing those things. In looking back right now, I cannot recall a single child who was ever injured or damaged in any way who engaged in these healthy outdoor exercises.

Mr. Chairman, it is very good physical education. I think it is much better than having children penned up, which actually contributes to an inclination toward juvenile delinquency. Let the children get out and do a little work with their hands and learn when they are young. It is the best thing you could do for them. Regardless of their intention—and I do not question those who are advocating this restrictive legislation—they are doing a disservice to the young people of the country. Moreover, it seems to me that here you are going beyond that by taking away the normal, natural, and proper control over children to a certain extent and giving it to a bureaucrat in Washington; namely, the Secretary of Labor. I do not think that is good.

Mr. GRIFFIN. I want to say that I am particularly concerned about the outright prohibition which this bill would impose upon all children under 14 of migratory families.

Such fruits as cherries are harvested by families of migratory workers in the summertime when school is not in session.

The gentleman from Michigan, Mr. O'Hara, indicated earlier that if children under 14 were in an orchard under the control of their parents and they happened to pick a few cherries, there would not be a violation of the law. I wish I could be sure that would be the situation but, frankly, regardless of the gentleman's intention, I do not believe the Labor Department would so interpret the law.

If, as this bill would provide, the children under 14 cannot work in the orchards in the summertime with their families, what are they to do? Do we want them to run around the area in packs? If we are worried about juvenile delinquency, would we not be creating juvenile delinquency in the summertime when there is no school in the areas where migratory labor is used? If there is a program to be presented for these children—that would be another matter. I believe there should be a limited Federal aid to education program for the children of migratory families. When there is a program for these children, I believe they should be in it. But if there is not such a program, then I believe we should allow them to be with their families, under the control of and near their parents who can look out for them.

Mr. BATTIN. Mr. Chairman, will the gentleman yield?

Mr. GRIFFIN. I yield.

Mr. BATTIN. I agree with the gentleman who said that this seems to be legislating morals. I agree with the gentlelady from Oregon that there are some really severe problems; but I do not think you can correct them in this way. You cannot change what has been built up as a pattern in the country, particularly in the rural areas in order to cure a problem that exists among the migratory workers. But here you blanket-in everybody who happens to live and work on a farm, in a farming area; you create new problems. It seems to me that this would be aggravating rather than solving the very problem we are trying to solve. We have been considering legislation that would take children out of cities and bring them into the open spaces. Now we are talking about not letting them do any work when they get there. It is a problem, I know. But this does not seem to me to be the solution to it.

Mr. GRIFFIN. Mr. Chairman, I thank the gentleman for his contribution. Mr. Chairman, I want to make two points. I think we should ask ourselves: Would we be helping the children by passing this bill as it is? I realize there are certain situations, some of which disturb the gentlelady from Oregon, which this bill might correct, but this is broad legislation which can cause great mischief in many other situations.

Secondly, if this bill, as presented, would make jobs available for the unemployed automobile workers in Detroit or elsewhere, then it might be worthy of passage. But few unemployed autoworkers are interested in harvesting cherries. That is a fact of our economic situation.

Mr. Chairman, at the proper time, an amendment will be offered to the bill on page 2, between lines 19 and 20. It will provide an exception for those who are employed with or under the control of a parent. In other words, the prohibition would not apply to those who are working with their parents in a harvesting operation outside of school hours.

Mr. GOODELL. Mr. Chairman, will the gentleman yield?

Mr. GRIFFIN. I yield to the gentleman.

Mr. GOODELL. Mr. Chairman, I commend the gentleman for his analysis of the bill and of some of the problems that are concerned in it. I was concerned by the statement made by the gentleman from Michigan in answer to the gentleman from California's [Mr. Gubser] hypothetical question about a contractor who contracted to pick prunes on a certain farm. It seems to me if this man and his children are to be exempt under this bill as it is now written it would have to be under the (A) clause on page 2. This means you would have to interpret that clause, under this situation, where a man who contracts to pick prunes is operating the farm.

Mr. GRIFFIN. Which, of course, would not be the case.

Mr. GOODELL. Therefore, this man and his children would not be exempt under the terms of this bill.

Mr. GRIFFIN. Will the gentleman agree with me that if the interpretation of the gentleman from Michigan [Mr. O'Hara] were correct, he should have no objection to the amendment which I have indicated will be offered?

Mr. GOODELL. That is correct. I think the gentleman's amendment eliminates this requirement, that the parent of the child either own the farm or operate the farm in order for the children to be exempt.

Mr. GRIFFIN. If you are not going to put restrictions on children who are working on the farm of the parents, is it not equally reasonable to say that we should not restrict those who are working on another farm with and under the direct control of their parents?

Mr. O'HARA of Michigan. My friend from New York has confused the two questions, one by the gentleman from California [Mr. Gubser] and one by the gentleman from Nebraska [Mr. Beermann]. In response to the question of the gentleman from California I referred to the enforcement provisions of the law. It was in response to a question of the gentleman from Nebraska [Mr. Beermann] that we spoke about the farm operated by the parent or a person standing in place of the parent.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. O'HARA of Michigan. Mr. Chairman, I yield 2 minutes to the gentleman from New Jersey [Mr. Joelson].

Mr. JOELSON. Mr. Chairman, we have heard about young people working in drugstores after school, and of course that is fine. No doubt it has a salutary effect on a young man. We have heard about people working on a family farm. That is good. Nobody is against that. What we are trying to get at is the organized exploitation of children who work as migrant farmers.

I heard somebody say that at the age of 8 he was able to operate a tractor. He is very lucky he did not get hurt. But do you know that in most States of our Union the farmworkers are not covered by the workmen's compensation law? If an 8-year-old gets mangled by a tractor he suffers from it the rest of his life. He gets no compensation and is a burden to himself and the community.

We have heard about juvenile delinquency, and have been reminded that the proposed Youth Opportunities Act would put young people in the fields and forests. However, the Youth Conservation Corps is not for kids of 7, 8, 9, 10, or 11. It is for youngsters of 16 or 17 to 21.

It is a curious argument that was advanced earlier today that we should have children picking crops because they are built nearer the ground. That is the most curious thing I have heard. Why not put them to work when they are crawling, and when they are able to stand up, you can put them to work in a coal mine?

This is a bill aimed at taking kids of 7, 8, or 9 out of the field. I cannot see any objection to that.

Mr. GOODELL. Mr. Chairman, will the gentleman yield?

Mr. JOELSON. I yield to the gentleman from New York.

Mr. GOODELL. The primary purpose is to meet the problem of migratory labor.

Mr. JOELSON. Yes.

Mr. GOODELL. I intend to offer an amendment which will pinpoint this problem of migratory labor. I hope the gentleman will support the amendment.

Mr. JOELSON. If it does, it will be fine.

Mr. O'HARA of Michigan. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. Cohelan].

Mr. COHELAN. Mr. Chairman, the employment of our young children in agriculture, taking place as it is so often does under conditions that threaten their safety and their normal development, must not be permitted to continue.

There has been a great deal of discussion here about the romance of agriculture and we have had it presented to us as a kind of idyllic, pastoral existence. This image is far from the realities of 1962 agricultural operations.

Let me remind you that in 1890 in this country for the first time in our history, and which is also considered by most historians as the year when the frontier was closed in this country, was the first year that the value of product of American industry was greater than the value of product of American agriculture.

I would remind some of you from rural areas that in 1920, which was another benchmark year, was the first time in the history of our country that more people lived in cities than on farms. Today we are reaching the point where more than 70 percent of our population are going to be living in urban areas.

In the State of California we have one of the greatest agricultural operations in this Nation. There is not a Californian Member present that will not admit that in California the scale of agriculture is so great it is in fact industrial agriculture.

I am reminded of some dairy production. In most of southern California, for example, you cannot find anything but feed lot production. In our great valleys we have literally factories in the field which are great and efficient modern agricultural operations. What I am getting at is this. The accident rate on modern farms is extremely high. Only two other industries are more dangerous to the lives and safety of their workers. In those two industries, construction and mining, we have for years prohibited the use of child labor. You know I am amused at some of the comment I have heard today. There is something reminiscent of the early industrial revolution about it. Do you recall that the early labor laws that were ever enacted were enacted in 19th century England? Do you know what they were trying to do? They were trying to get women and children out of the mines. All we are trying to do in an age of industrial agriculture is—under very special industrial agricultural conditions—prevent exploitation of child labor.

In agriculture, child labor is commonplace, and in consequence these children are exposed to risks of the most serious kind. Throughout the country, there are news stories with titles such as "Farm Machinery Mangles Boy, 9"; "Injured Youth Threatened With Lifelong Paralysis"; and "Youth, 15, Fatally Crushed in Baler."

In addition to the risk of disabling accidents, the employment of children in agriculture has a deleterious effect on their general health and their physical and mental development. For the child of the migratory farmworker, employment in agriculture does not mean healthy fresh air and exercise. It is much more likely to mean stoop labor, long hours, and chronic fatigue. There is ample medical evidence that this fatigue has a lasting effect, in that it interferes with the child's growth. Also, of course, chronic fatigue lowers the child's resistance to disease, and, quite clearly, it interferes with his receiving a proper education.

Migrant children are the most educationally deprived group in the Nation. Because the children of migratory farm workers must change schools so frequently and because they lose so many days' attendance, at least half these children are behind their proper grade levels, and no less than 25 percent are retarded by 2 or more years. But young children who spend their after-school hours working in the fields have neither the time nor the energy remaining to do homework, and they fall further and further behind. It is also quite clear that, in areas where remedial summer schools for these migratory children have been held, attendance suffers a sharp drop as soon as harvesting work opens up.

The present provisions of the Fair Labor Standards Act, which limit child labor in agriculture only during school hours, does not give our children any protection against accidents suffered in farm employment or against unhealthy overwork. The present provision does not even give any real assurance that migrant children will be able to obtain a normal education. I urge the House to correct these inadequacies by adopting the bill, S. 1123.

Mr. O'HARA of Michigan. Mr. Chairman, I yield such time as he may require to the gentleman from New York [Mr. RYAN].

Mr. RYAN of New York. Mr. Chairman, I rise to express my complete support for the bill under consideration, S. 1123, which amends and improves the child labor law provisions of the Fair Labor Standards Act as they apply to children employed in agricultural work. Last year I introduced a bill of my own, H.R. 8879, which would carry out the same legislative action as S. 1123.

Mr. Chairman, children employed in agricultural work are subject to shameful exploitation under the existing provisions of the Fair Labor Standards Act. The children of migratory farmworkers all too often are required to spend long hot days in the field with their parents or working on or around dangerous farm equipment.

The Fair Labor Standards Act, which regulates the hours and conditions under which children may be employed, contains a complete exemption for children working in agriculture outside of school hours. This exemption means that there are no limits on children working on farms at any time during summer vacations when the great bulk of farmwork is done, as well as after school and on crop holidays during the school year. There is no prohibition against employing a 5- or 6-year-old. There are no limitations on the number of hours children can be compelled to work.

In addition, there are no regulations to protect children in agriculture from working in occupations that are hazardous or detrimental to their health and well-being, such as there are to protect children under 18 years of age working in other occupations. Agriculture is the third most hazardous industry we have, exceeded in accident rate only by mining and construction.

S. 1123 would bring under the child labor provisions certain children in agriculture working outside of school hours by modifying the Fair Labor Standards Act exemption pertaining to agricultural work. The exemption would no longer be available with respect to any agricultural occupation which the Secretary of Labor declares to be hazardous or detrimental to health for children under 16. The exemption would no longer be applicable to the employment of any child under 14 except by his parent or a person in the place of his parent.

The following children in agriculture would continue to be exempt from the child labor provisions: First, those children who are age 14 and over and not in hazardous agricultural occupations; second, those children who are employed by a parent or person in the place of a parent, and are not in an agricultural occupation declared to be hazardous by the Secretary; and third, those children between 12 and 14 years of age who work within 25 miles of home with the written consent of their parents in nonhazardous agricultural employment.

To those children and employers removed from the exemption by this bill, the regular child labor provisions of the Fair Labor Standards Act would apply. Under the act it is unlawful for any nonexempt producer, manufacturer, or dealer to ship or deliver for shipment in commerce any goods which have been produced in an establishment in which any "oppressive child labor" has been employed at any time within 30 days immediately preceding the removal of the goods. It is also unlawful for a nonexempt employer to employ any "oppressive child labor" in commerce or in the production of goods for commerce.

Mr. Chairman, the case for this legislation is well documented in the voluminous hearings conducted over the past 2 or 3 years by the Senate Subcommittee on Migratory Labor. Former Secretary of Labor Goldberg stated to the subcommittee:

> Our records indicate very clearly the strong necessity for a measure of this character. In order to provide for the health, the safety, and the welfare of children, it is necessary that we eliminate the present exemption which permits the employment of children of any age outside of school hours in agriculture.

Mr. Chairman, this bill was carefully drafted to protect children, particularly very young children, from abuse when employed in farmwork. At the same time it does permit the employment of children in this type of work but under reasonable safeguards. It will not cripple agriculture, but it will help to prevent the unnecessary crippling of children. It is time for Congress to act to protect the children of migrants from exploitation. I urge the adoption of this bill.

Mr. MARTIN of Nebraska. Mr. Chairman, I yield 3 minutes to the gentleman from New York [Mr. GOODELL].

Mr. GOODELL. Mr. Chairman, I sympathize and agree with the purpose of trying to do something to help migrant labor and the children of migrant laborers. But I am concerned, as in many other instances in writing Federal legislation, that we are covering an awful lot of territory that goes far beyond the purview of the migrant labor problem.

I would like to ask the gentleman from Michigan if it is not true that as presently written, this law would cover an 11-year-old boy and prevent him from going across the dirt road to pick up eggs at a neighbor's, if he is employed to do that?

Mr. O'HARA of Michigan. If the child is 11 years of age and is employed by the neighbor that situation would be covered by this legislation, and it does not make any difference if it is just across the street or how far away it is.

Mr. GOODELL. And if he is also employed to milk cows or to help to feed the pigs by the neighbor just across the road, this would be prevented by the bill, as it is presently written?

Mr. O'HARA of Michigan. That is correct.

Mr. GOODELL. This is the kind of situation that I think goes far beyond what we really want to cover. I would agree with the many statements that were made, and I am sure sincerely, from the floor about the children of migrant laborers who are being abused and exploited. I do not have this in my district, and it is not a particular problem in my district.

I do have many farmers and children of farmers who want to have their children learn farming, want to give them tasks, let them be employed across the way with a neighbor in appropriate jobs, because it builds character. These things should not be prevented by legislation of this type.

I respect the intention of the authors of this legislation, but I am afraid that it goes far beyond what they intended to do.

It is my intention to offer an amendment on page 2, to subsection (c) which would simply strike out in that particular paragraph the requirement that a child be 12 years of age or over. The effect of this amendment will be that regardless of the age of a child, if he is working with his parents written consent within the county, adjoining county, or within 25 miles of home, he is exempt. These will not be migratory labor children, they will be the children of the farmers and neighbors who want to work and do something on adjoining farms and who are less than 12 years old. I do not think we can say that they are being exploited if their parents are with them or if they go to a neighbor's farm with their parents' written consent, whether the child is 8, or 7, or 6. I hope the Members on the other side who are advocates of this legislation, and I am sure they are sincere in their views, will give very careful consideration to the support of this amendment.

Mr. O'HARA of Michigan. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, during the debate this afternoon many statements have been made concerning this proposed legislation. Not one opponent of this bill, however, has stated that legislation of the type herein contemplated is not necessary, nor was the necessity for Federal action in this field directly challenged.

The need to protect the migrant child was endorsed on both sides of the aisle. The need to keep our legislative efforts consistent and current with the growth and development of factories in the fields was not disputed. The need for recognizing and correcting the anachronisms and loopholes in existing child labor legislation was, I believe, most clearly demonstrated. In short, the need for S. 1123 was proven conclusively.

At this time the committee will offer one technical amendment to change the effective date of this bill from July 1, 1962, to July 1, 1963. This action indicates that this legislative proposal has been before this body for some time. Two additional amendments will be offered, as I understand it, one from a Republican member of our committee and the other from a Democratic member. The former narrows the range of the discretion of the Secretary of Labor with regard to the definition of hazardous employment. The latter insures the right of neighborhood children to work on farms within a reasonable distance of their home during nonschool hours and during vacation periods. Both of these amendments are the product of bipartisan effort to improve this legislative proposal and are acceptable to my committee. With these improvements there seems to be no substantial opposition to the prompt passage of this legislation.

If we are to keep faith with those who look to us for the protection of their health, safety, and general welfare, we must pass S. 1123 at this time.

The CHAIRMAN. The time for general debate having expired, under the rule the Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 13(c) of the Fair Labor Standards Act of 1938 is amended to read as follows:

"(c) The provisions of section 12 relating to child labor shall not apply with respect to—

"(1) any employee employed in agriculture (other than employment by an employer who is not the parent or a person standing in the place of the parent of the employee in an occupation which the Secretary of Labor finds and declares to be particularly hazardous for the employment of children up to the age of eighteen years) outside of school hours for the school district where such employee is living while he is so employed, if such employee is—

"(A) employed by his parent, or by a person standing in the place of his parent, on a farm owned or operated by such parent or person, or

"(B) is fourteen years of age or over, or

"(C) is twelve years of age or over and is employed on a farm within the county of the employee's permanent residence or within an adjoining county, but not more than twenty-five miles from the employee's permanent residence, and (i) the employment is with written consent of his parent or person standing in the place of his parent or (ii) his parent or person standing in the place of his parent is also employed on the same farm, or

"(2) any child employed as an actor or performer in motion pictures or theatrical productions, or in radio or television productions."

SEC. 2. The amendments made by this Act shall become effective July 1, 1962.

Mr. O'HARA of Michigan (interrupting the reading). Mr. Chairman, I ask unanimous consent that the bill be considered as read and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The CHAIRMAN. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Page 2, line 2, strike out "eighteen" and insert "sixteen".

The committee amendment was agreed to.

Mr. O'HARA of Michigan. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. O'HARA of Michigan: On page 3, line 2, strike out "1962" and insert in lieu thereof "1963".

The CHAIRMAN. The question is on the amendment.

The amendment was agreed to.

Mr. MARTIN of Nebraska. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MARTIN of Nebraska: On page 1, line 10, after the word "which" insert the following: "is directly connected with, or involves the operation of, power-driven machinery or the use of dangerous substances, and which".

Mr. MARTIN of Nebraska. Mr. Chairman, the purpose of this amendment is to clearly define what is a hazardous occupation. The Secretary of Labor, as the bill is presently written, may define a hazardous occupation on a farm and he could thereby prohibit the employment of children under the age of 16. This gives much too wide latitude to the Secretary in his determination, as almost any job on a farm may be declared to be hazardous. This amendment would restrict it to power-driven machinery and would limit the discretionary powers of the Secretary. The amendment is a logical, sound one, and I hope it will be adopted.

Mr. O'HARA of Michigan. Mr. Chairman, I offer a substitute amendment.

The Clerk read as follows:

Amendment offered by Mr. O'HARA of Michigan to the amendment offered by Mr. MARTIN of Nebraska: On page 1, line 10, after the word "which" insert the following: "is directly connected with, or involves an operation on or about, power-driven machinery, or the use of dangerous substances, and which".

Mr. O'HARA of Michigan. Mr. Chairman, this with one exception is the same amendment as that offered by the gentleman from Nebraska. This is the amendment which the gentleman from Nebraska and the majority members of the committee previously discussed and agreed to.

The only change made in the amendment of the gentleman from Nebraska is to substitute the words "is directly connected with, or involves an operation on or about, power-driven machinery", for the language offered by the gentleman from Nabraska, which is confined to the operation of power-driven machinery.

Mr. WESTLAND. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Michigan. I yield to the gentleman from Washington.

Mr. WESTLAND. This would prevent a youngster from using a power-driven lawnmower, would it not?

Mr. O'HARA of Michigan. It would not. It is left to the discretion of the Secretary to define particularly hazardous occupations for children but only within these two categories: One, involving power-driven machinery; and, two, involving dangerous substances. If they do not involve either power-driven machinery or dangerous substances, the Secretary cannot declare them to be particularly hazardous. If they do involve power-driven machinery or dangerous substances, it is possible after a hearing for it to be declared particularly hazardous.

Mr. WESTLAND. They would have to go before the Secretary of Labor to find out whether a lawnmower was a dangerous weapon?

Mr. O'HARA of Michigan. No. It would not be considered especially hazardous unless and until hearings had been held and it had been declared to be particularly dangerous for children.

My amendment is the same as the amendment offered by the gentleman from Nebraska, with the exception that we permit the Secretary to make this finding if it involves the operation of, or employment on or about power-driven machinery.

Mr. GRIFFIN. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Michigan. I yield to the gentleman from Michigan.

Mr. GRIFFIN. I wonder if the gentleman can tell us what is an occupation that is "about" a piece of machinery. Obviously, I oppose the substitute because it gives the Secretary wide latitude to say anything is in operation about a piece of machinery. If a child is not operating the machinery or if he is not involved in the operation directly connected with, the words the gentleman from Nebraska used. I want to know what you mean by "about".

Mr. O'HARA of Michigan. I will explain that to the gentleman. The amendment of the gentleman from Nebraska permits the Secretary to declare an occupation in connection with power-driven machinery to be especially hazardous only when it involves operation of the machinery.

Under the change made by the gentleman from Nebraska [Mr. MARTIN], you could not operate a corn shredder, but you could feed the corn stalks into the corn shredder. Of those two operations in connection with shredding corn, the amendment which has been offered by the gentleman from Nebraska would say that operating the shredder could be hazardous but not feeding the corn stalks into the shredder.

Also, let us take the example of a cornpicker. The man driving a cornpicker, that could be declared particularly hazardous, but any other operation in connection with the picking of corn could not be declared particularly hazardous under the wording of the amendment which has been offered by the gentleman from Nebraska, which my substitute corrects.

Mr. GRIFFIN. If the gentleman will yield further, I think the gentleman is overlooking the language in the amendment offered by the gentleman from Nebraska, because he refers to an occupation which is directly connected with or involves the operation of such machinery. It seems to me that in the explanation which has been given by the gentleman from Michigan, the gentleman is overlooking the words "directly connected with," which would cover the situation about which he is concerned.

However, I am concerned about this wording "or about." I do not know what that would be. That could be 100 yards away or 200 yards away. I do not know.

Mr. O'HARA of Michigan. I will say to the gentleman that I do not think that is as much of a problem as the gentleman indicates. I would prefer to stick to the wording that we worked out earlier with the gentleman from Nebraska, the representatives of the Department of Labor, the representatives of the Senate Labor Committee, and others, which I understand has the effect that I described to the gentleman. This is the only change I am offering.

Mrs. GREEN of Oregon. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Michigan. I am glad to yield to the gentlewoman from Oregon.

Mrs. GREEN of Oregon. I would like to inquire about a point of clarification. The language which the gentleman from Michigan offers as an amendment to the amendment offered by the gentleman from Nebraska restores the exact wording which had been earlier agreed to and which I had agreed to support; is that correct?

Mr. O'HARA of Michigan. The gentlewoman is correct. My amendment is in the nature of a substitute to the amendment of the gentleman from Nebraska and does as she indicates.

Mr. PUCINSKI. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise in opposition to both the original amendment and the substitute. The original language in this bill is very clear and precise. It does not set up language that is going to merely add to a great deal of empire building.

In the brief colloquy that we have heard here now between the gentlemen from Michigan [Mr. O'HARA and Mr. GRIFFIN], when one starts trying to set up specific criteria, this is what occurs. You just create a need for a whole series of new departments to establish lengthy rules and regulations and then more agencies to enforce them.

The language of the first amendment which has been proposed is directly connected with power-driven machinery. So, here we set up a whole big chain of decisions and opinions. What is "power-driven machinery"? The gentleman asked a perfectly logical question. Does power-driven machinery include lawnmowers? Does it include corn threshers or whatever else they use on a farm? I come from a city and have not kept pace with new farm equipment, but it seems to me that with the developments and improvements in farm equipment, about which I have read in magazines, they are building all sorts of safety features and everything else into this equipment. What might have been considered a dangerous power-driven machine a decade ago might be perfectly safe today. This amendment dealing with power-driven tools may very well restrict the judgment of the Secretary. The substitute makes it even more confusing because it goes on to say "or use of dangerous substances." Anything could be a dangerous substance. Therefore, it would seem to me that in trying to rewrite this legislation, which has been very carefully thought out in committee, you will do the very thing that I hear Members of Congress on both sides of the aisle lament about and denounce and complain about every day we are in session. You are setting up another vast bureaucracy over here of people going around trying to figure out what can be dangerous and what is a dangerous substance and what is dangerous machinery.

Mr. Chairman, I think the original language which we have in the bill certainly is clear and concise. It declares the Secretary shall decide what work is particularly hazardous for the employment of children up to the age of 16 years.

Mr. Chairman, I submit to my colleagues that we have a Secretary of Labor who is a responsible official, a man who understands the problem of the farming industry, and I am sure that he is not going to be arbitrary or capricious in establishing guidelines on what constitutes "particularly hazardous" work for children.

Mr. GRIFFIN. Obviously, the gentleman from Illinois has great faith in the ability of the Secretary of Labor to legislate. But can the gentleman tell me, if the pending amendments should be defeated, would a child under 16 years of age be engaged in a hazardous occupation if he stands on a ladder to pick cherries?

Mr. PUCINSKI. I doubt very seriously that he would unless there were some specific circumstances for him to rule otherwise.

Mr. GRIFFIN. This is an important consideration to thousands of cherry producers I do not believe we would legislate responsibly if we should leave such a question in doubt. How do they know, when would they know?

Mr. PUCINSKI. The gentleman understands this. We legislate here on many things. We set up the broad guidelines. What are the guidelines we are setting up today? That the Secretary of Labor shall declare those occupations which are particularly hazardous for children. We set the broad guidelines. He then promulgates regulations. Certainly the gentleman has a right to object to these regulations. I think if the regulations are capricious, if they are foolish, if they are unworkable, the Secretary should be denounced for writing such regulations. But I submit that by trying to narrow this down both in the amendment and in the substitute to the amendment, you are asking for the very trouble that we are trying to avoid.

Mr. GUBSER. Mr. Chairman, will the gentleman yield?

Mr. PUCINSKI. I yield to the gentleman.

Mr. GUBSER. To show the gentleman how complete the confusion is and to show the great areas of doubt that surround the bill, the gentleman stated that he doubed that employment at the top of a ladder picking cherries would be considered hazardous. Yet the Workmen's Compensation rates for employment on farms where ladders are employed are the highest in all agriculture.

Mr. PUCINSKI. Mr. Chairman, I hope that the amendment and the substitute are defeated and that we return to the original bill.

The CHAIRMAN. The question is on the substitute offered by the gentleman from Michigan, Mr. O'HARA.

The substitute was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Nebraska [Mr. MARTIN].

The amendment was agreed to.

Mr. WAGGONNER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WAGGONNER: On page 2, line 19, strike the comma and the word "or" in line 19 and insert a period. Strike all of lines 20 through 22.

Mr. WAGGONNER. Mr. Chairman, it goes without saying that I am completely opposed to this legislation. But the purpose of this particular amendment is quite clear and I shall take only a moment or two to explain it to you. Reading from the committee report, page 2:

The purpose of the bill is to (correct) labor conditions detrimental to the maintenance of the minimum standard of living necessary for health, efficiency, and general well-being of workers.

Of course, we are talking about children. When the gentlelady from Oregon spoke earlier during the general debate on the bill she said that if she had one objection to this particular legislation that objection would be that it was not comprehensive or extensive enough: that it should be expanded. In answer to a question which I asked her as to whether or not she felt that there were areas other than this area involving migratory or farm labor which involved children where labor was mistreated and where there were abuses, she told me very definitely yes, that in the city and in the country both, and she described conditions here in the District of Columbia and in the surrounding area and said that those conditions did exist.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. WAGGONNER. I yield.

Mr. COOLEY. Does not that clearly indicate that this is just the beginning, that if this bill is enacted, the lovely lady from Oregon or someone else will be back here next year proposing to increase the age limit up to 18 years, where it was originally fixed?

Mr. WAGGONNER. I will say to the gentleman from North Carolina that it might well mean exactly that and it points out how ridiculous this legislation is. If I were not actually afraid that it would pass, just to show how ridiculous it is, I would propose an amendment to the legislation asking that the Secretary of Labor put a resident inspector on every farm to insure compliance with this legislation. With the attitude of this Congress at times it might well pass the way some other things have gone.

Mr. Chairman, I want to say further, if we are sincere about wanting to do something to protect the welfare and the health of children, then let us do exactly what this legislation supposedly says; let us remove some of these exemptions which are provided in this legislation. The amendment I provide removes an exemption. This exemption provides that this legislation has no application to any child employed as an actor or performer in motion pictures or a theatrical production or in a radio or television production. I cannot conceive of any business anywhere that is more strenuous, more trying, and more demanding on children than the theatrical profession, for instance. Can you? Their hours are certainly uncertain, and they tell me that these 7- or 8-year-old children ought to have 9, 10, 11, or 12 hours' rest. How can they get it when they work up to midnight or later?

Mr. COOLEY. And they would be permitted to perform in every honky-tonk in the country.

Mr. WAGGONNER. I am coming to that. I know of nobody more bloodthirsty than the theatrical agents who exploit those people for that dollar. I would say to you that when we talk about creating an atmosphere of sincerity, one of wholesomeness, can you conceive, with the experience this Nation has had and the publicity given by the news media to the morals of a great number of those in the performing arts, I do not say all but a great part of the people in the motion-picture and entertainment industry, have demonstrated a sad lack of morals. Can you find or believe that there is anything wholesome about taking children 7 and 8 years old, boys and girls, and putting them in these honky-tonks, where they have dope, where they have everything in the world, where their morals are corrupted? You and I know it. We are exposing them to it and we know it. I believe television, for example, could get along without these 7- or 8-year-olds. I have seen some good productions where there were no ladies, all men, and I have seen some good productions where there were no men, all ladies. You do not have to have these young boys and girls in this atmosphere.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. WAGGONNER. I yield to the gentleman from Iowa.

Mr. GROSS. Is there anything in this bill to take care of the pages in the House of Representatives that work uncertain hours, long hours?

Mr. WAGGONNER. No, but I point out to the gentleman they have to be 14 to be pages. It might be coincidental.

Mr. PUCINSKI. Mr. Chairman, will the gentleman yield?

Mr. WAGGONNER. I yield to the gentleman from Illinois.

Mr. PUCINSKI. Is the gentleman suggesting they use adult midgets in the New York musical "Sound of Music," where seven children are the stars?

Mr. WAGGONNER. Let us do what we are trying to do. If we want to create a wholesome atmosphere for children, let us do it. I urge deletion of this section and then if this foolish legislation passes at least all children will be treated the same. Or do you want to apply that yardstick here?

Mr. GUBSER. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

> Mr. GUBSER moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

Mr. GUBSER. Mr. Chairman, I seriously hoped that the drastic objections which I hold to this bill could have been corrected and that we could have passed it. However, it is apparent to me now that this House, or at least certain segments of this House, are bound, bent, and determined to legislate the conscience of American parents.

It appears to me that a segment of the House has decided to make agriculture a whipping boy, while we conveniently look the other way at some of our city slums, with the marijuana, the heroin, the mugging, the blackjacking, the juvenile crimes, and the parents who neglect their children. Some have set themselves up to legislate the conscience of the American parent who gets his livelihood and supports his children in an honest method by working in agriculture.

Ladies and gentlemen, I think this motion should prevail and we should strike this enacting clause.

Mr. O'HARA of Michigan. Mr. Chairman, I rise in opposition to the motion.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Michigan. I yield to the gentleman.

Mr. BAILEY. Mr. Chairman, the kind of talk I have been hearing here during the afternoon in the discussion of this legislation convinces me that the next time we write a minimum wage and hour law, agriculture should not be exempt from it.

Mr. O'HARA of Michigan. Mr. Chairman, I think that the concern of my friend, the gentleman from Louisiana, for the migratory child TV actor has touched us all. I want him to know I share his concern over the plight of such overworked, albeit very highly paid, performers. I am happy that he did not offer an amendment which would require farmers to pay the same wage scale paid to child TV actors because that would bankrupt the farmers of the country. We can ridicule this bill, if we want to, Mr. Chairman. We can say, as the gentleman from California has said, that he would like to vote for this bill but because it is obvious that Members of the House are not going to support any decent amendment, he is going to try to kill this bill and he hopes the majority will help him. Now that is not the most logical statement that we have heard today—but we are not awarding prizes for logic. I want to remind the Members of the House, there is another amendment to be offered which will go to the neighbor exemption which I think will be agreed to. When taken in connection with an amendment offered by the gentleman from Nebraska which has already been agreed to, this bill will be in such form that it will be acceptable to the vast majority of the Members of this House. It will be a good bill that we can all be proud of it.

The CHAIRMAN. The question is on the preferential motion offered by the gentleman from California [Mr. GUBSER].

Mr. GUBSER. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed Mr. GUBSER and Mr. O'HARA of Michigan as tellers.

The Committee divided and the tellers reported that there were —ayes 94, noes 61.

So the motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. SANTANGELO, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (S. 1123) to amend the Fair Labor Standards Act of 1938 to extend the child labor provisions thereof to certain children employed in agriculture, and for other purposes, had directed him to report the same back to the House with the recommendation that the enacting clause be stricken out.

The SPEAKER. The question is on the recommendation of the Committee of the Whole.

Mr. POWELL. Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. HALLECK. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr HALLECK. Are we now voting on the motion to strike out the enacting clause?

The SPEAKER. That is right.

Mr. HALLECK. And a vote for that purpose would be "yea"?

The SPEAKER. A vote to kill the bill would be "yea"; yes.

The question was taken, and there were—yeas 137, nays 193, not voting 106, as follows:

[Roll No. 275]

YEAS—137

Abbitt
Abernethy
Alford
Alger
Anderson, Ill.
Andrews
Arends
Ashbrook
Ashmore
Avery
Ayres
Battin
Beermann
Betts
Bolton
Bonner
Bow
Broyhill
Bruce
Burleson
Byrnes, Wis.
Casey
Cederberg
Chenoweth
Colmer
Cooley
Cramer
Davis, James C.
Davis, John W.
Davis, Tenn.
Devine
Dole
Dorn
Dowdy
Downing
Durno
Ellsworth
Everett
Findley
Fisher
Flynt
Forrester
Fountain
Garland
Gary
Gathings
Glenn
Goodling
Grant
Griffin
Gross
Gubser
Hagan, Ga.
Haley
Halleck
Hardy
Harrison, Wyo.
Hemphill
Henderson
Hoffman, Ill.
Horan
Hull
Ichord, Mo.
Jennings
Jensen
Johansen
Johnson, Md.
Jonas
Kearns
Kilgore
King, N.Y.
King, Utah
Kitchin
Kornegay
Landrum
Langen
Latta
Lennon
Lipscomb
McCulloch
McMillan
McVey
Mahon
Martin, Nebr.
Mathias
Matthews
May
Milliken
Mills
Moeller
Morris
Morrison
Murray
Nelsen
Norblad
Norrell
Passman
Pilcher
Pillion
Poage
Poff
Purcell
Randall
Ray
Reece
Rhodes, Ariz.
Riley
Rivers, S.C.
Roberts, Tex.
Roush
Rousselot
Schadeberg
Schneebeli
Scott
Selden
Shriver
Sikes
Smith, Calif.
Stephens
Taber
Taylor
Teague, Calif.
Teague, Tex.
Thompson, Tex.
Thomson, Wis.
Tuck
Udall, Morris K.
Utt
Waggonner
Westland
Wharton
Whitten
Widnall
Wilson, Calif.
Wilson, Ind.
Winstead
Younger

NAYS—193

Addabbo
Albert
Ashley
Auchincloss
Bailey
Baker
Baldwin
Baring
Barrett
Barry
Bass, Tenn.
Bates
Becker
Beckworth
Bennett, Fla.
Blatnik
Boggs
Boland
Brademas
Bray
Brooks, Tex.
Broomfield
Buckley
Burke, Mass.
Byrne, Pa.
Cannon
Carey
Chamberlain
Chelf
Church
Clancy
Clark
Cohelan
Collier
Conte
Cook
Corbett
Corman
Cunningham
Curtis, Mass.
Curtis, Mo.
Daddario
Daniels
Dawson
Delaney
Dent
Derounian
Derwinski
Diggs
Donohue
Doyle
Dulski
Dwyer
Edmondson
Fallon
Farbstein
Fascell
Feighan
Fenton
Finnegan
Fino
Flood
Fogarty
Ford
Frelinghuysen
Friedel
Fulton
Gallagher
Garmatz
Gavin
Gilbert
Gonzalez
Goodell
Granahan
Gray
Green, Oreg.
Green, Pa.
Hagen, Calif.
Halpern
Harding
Harvey, Mich.
Healey
Hechler
Holifield
Hosmer
Huddleston
Inouye
Jarman
Joelson
Johnson, Calif.
Johnson, Wis.
Jones, Ala.
Judd
Karsten
Karth
Kastenmeier
Keith
Kelly
Keogh
King, Calif.
Kirwan
Kluczynski
Knox
Kowalski
Kunkel
Kyl
Lane
Lankford
Lesinski
Libonati
Lindsay
McFall
Macdonald
Mack
Madden
Mailliard
Marshall
Martin, Mass.
Meader
Merrow
Miller, N.Y.
Minshall
Monagan
Montoya
Moore
Moorhead, Pa.
Morgan
Morse
Mosher
Moss
Multer
Murphy
Natcher
Nix
O'Brien, N.Y.
O'Hara, Ill.
O'Hara, Mich.
Olsen
O'Neill
Osmers
Ostertag
Patman
Pelly
Perkins
Pfost
Philbin
Pike
Pirnie
Powell
Price
Pucinski
Reuss
Rhodes, Pa.
Riehlman
Rivers, Alaska
Robison
Rodino
Rogers, Colo.
Rogers, Fla.
Rooney
Rosenthal
Rostenkowski
Rutherford
Ryan, Mich.
Ryan, N.Y.
St. George
St. Germain
Santangelo
Saylor
Schenck
Schweiker
Schwengel
Shelley
Sibal
Sisk
Slack
Smith, Iowa
Stafford
Steed
Stratton
Stubblefield
Sullivan
Thomas
Toll
Tollefson
Tupper
Vanik
Wallhauser
Walter
Weaver
Wickersham
Young
Zablocki

NOT VOTING—106

Adair
Alexander
Andersen, Minn.
Anfuso
Aspinall
Bass, N.H.
Belcher
Bell
Bennett, Mich.
Berry
Blitch
Bolling
Boykin
Breeding
Brewster
Bromwell
Brown
Burke, Ky.
Cahill
Celler
Chiperfield
Coad
Curtin
Dague
Denton
Dingell
Dominick
Dooley
Elliott
Evins
Frazier
Giaimo
Griffiths
Hall
Hansen
Harris
Harrison, Va.
Harsha
Harvey, Ind.
Hays
Hébert
Herlong
Hiestand
Hoeven
Hoffman, Mich.
Holland
Jones, Mo.
Kee
Kilburn
Laird
Loser
McDonough
McDowell
McIntire
McSween
MacGregor
Magnuson
Mason
Michel
Miller, Clem
Miller, George P.
Moorehead, Ohio
Moulder
Nedzi
Nygaard
O'Brien, Ill.
O'Konski
Peterson
Quie
Rains
Reifel
Roberts, Ala.
Rogers, Tex.
Roosevelt
Roudebush
Saund
Scherer
Scranton
Seely-Brown
Sheppard
Shipley
Short
Siler
Smith, Miss.
Smith, Va.
Spence
Springer
Staggers
Thompson, La.
Thompson, N.J.
Thornberry
Trimble
Ullman
Van Pelt
Van Zandt
Vinson
Watts
Weis
Whalley
Whitener
Williams
Willis
Wright
Yates
Zelenko

So the House rejected the recommendation that the enacting clause be stricken.

The Clerk announced the following pairs:

On this vote:

Mr. Hébert for, with Mr. Roosevelt against.
Mr. Thompson of Louisiana for, with Mr. Celler against.
Mr. Willis for, with Mr. Sheppard against.
Mr. Williams for, with Mr. Herlong against.
Mr. Reifel for, with Mr. Cahill against.
Mr. Bass of New Hampshire for, with Mr. Anfuso against.
Mr. Berry for, with Mr. George P. Miller against.
Mr. Dominick for, with Mr. Shipley against.
Mr. Siler for, with Mr. MacGregor against.
Mr. Hoeven for, with Mr. McIntire against.
Mr. Mason for, with Mr. Aspinall against.
Mr. Hoffman of Michigan for, with Mr. Thompson of New Jersey against.
Mrs. Blitch for, with Mr. Loser against.
Mr. McSween for, with Mr. Giaimo against.
Mr. Frazier for, with Mr. Ullman against.
Mr. Laird for, with Mr. Peterson against.
Mr. Van Pelt for, with Mr. Denton against.
Mr. Hiestand for, with Mr. Bromwell against.

Until further notice:

Mr. Wright with Mr. Belcher.
Mr. Zelenko with Mr. Nygaard.
Mr. Magnuson with Mr. Adair.
Mr. Breeding with Mr. McDonough.
Mr. Rains with Mr. Kilburn.
Mr. Rogers of Texas with Mr. Short.
Mr. Harrison of Virginia with Mr. Michel.
Mr. Clem Miller with Mr. Bell.
Mr. Evins with Mr. Dague.
Mrs. Griffiths with Mr. Springer.
Mr. Nedzi with Mr. Harsha.
Mr. O'Brien of Illinois with Mr. Andersen of Minnesota.
Mr. McDowell with Mr. Chiperfield.
Mr. Watts with Mr. Scranton.
Mr. Staggers with Mr. Brown.
Mr. Dingell with Mr. Harvey of Indiana.
Mr. Burke of Massachusetts with Mr. Bennett of Michigan.
Mrs. Hansen with Mr. Roudebush.
Mr. Holland with Mr. Quie.
Mr. Elliott with Mr. Hall.
Mr. Whitener with Mr. Dooley.
Mr. Roberts of Alabama with Mr. O'Konski.
Mr. Thornberry with Mr. Moorehead of Ohio.
Mr. Alexander with Mr. Curtin.
Mr. Harris with Mr. Scherer.
Mr. Spence with Mr. Van Zandt.
Mrs. Kee with Mrs. Weis.
Mr. Moulder with Mr. Seely-Brown.

Mr. FALLON changed his vote from "yea" to "nay."

Mr. TAYLOR changed his vote from "nay" to "yea."

Mr. STEPHENS changed his vote from "nay" to "yea."

Mr. CHELF changed his vote from "yea" to "nay."

Mr. SAYLOR changed his vote from "yea" to "nay."

Mr. DEROUNIAN changed his vote from "yea" to "nay."

Mr. MILLER of New York changed his vote from "yea" to "nay."

Mr. BECKER changed his vote from "yea" to "nay."

Mr. HARVEY of Michigan changed his vote from "yea" to "nay."

Mr. BRAY changed his vote from "yea" to "nay."

Mr. AUCHINCLOSS changed his vote from "yea" to "nay."

Mrs. ST. GEORGE changed her vote from "yea" to "nay."

Mr. BARRY of New York changed his vote from "yea" to "nay."

Mr. BAKER changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

The SPEAKER. Under the rules of the House, the House resolves itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill, S. 1123, and the gentleman from New York [Mr. SANTANGELO] will resume the chair.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill, S. 1123, with Mr. SANTANGELO in the chair.

The CHAIRMAN. At the time the preferential motion was agreed to there was pending an amendment offered by the gentleman from Louisiana. The Clerk will again report the amendment.

The Clerk read as follows:

Amendment offered by Mr. WAGGONNER: On page 2, line 19, strike out the comma and the word "or" in line 19 and insert a period. Strike all of lines 20 through 22.

Mr. PELLY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this amendment would kill the bill.

Of the many problems in the farm labor situation that face both growers and farmworkers, the child labor problem is one of the more serious, and, at the same time, I believe, one of the least understood.

Our present law, as has been pointed out, forbids the employment of children under 16 in agriculture during school hours, but with the exception of child labor governed by the Sugar Act, no limitation on work after school or during the summer months has been imposed. This blanket exemption for out-of-school-hours employment in agriculture is in sharp contrast to the Federal child labor law in other occupations, where the basic minimum age is 16 years whether school is in session or not, and 18 years for work which is especially hazardous or detrimental to health and well-being.

If once there was justification, which I doubt, for the complete lack of protection for children who work on farms after school and during the summers, such a justification no longer exists, for agriculture has undergone drastic changes since 1938 when our original child labor laws were enacted. The size of the economic farm unit has increased. Large high-speed machinery is used. The family farm is no longer the only significant employer of child labor; today there are many thousands of migrant children who accompany their families in the search of farmwork and are subjected, not to healthful outdoor activity but to drudgery, or, to be plain, oppressive labor.

The bill, S. 1123, is designed to eliminate this harmful child labor, but not to interfere with the employment outside school hours of youngsters on family farms, or on farms near their homes. The need to protect migratory children against the hazards of overwork and accident has long been recognized. It is the responsibility of the Congress, Mr. Chairman, not only to recognize this need, but to remedy it through the enactment of this legislation.

This legislation will close a gap in the existing Fair Labor Standards Act. I urge its passage, without crippling amendments.

Mr. CORMAN. Mr. Chairman, I rise in opposition to the amendment. Mr. Chairman, I must say that the remarks of the gentleman from Louisiana [Mr. WAGGONNER] were shocking and frightening. If such conditions exist in the entertainment industry in Louisiana, and he is in a better position to report on it than am I, then I think it is a matter that that great State should correct. I want to assure the House that such conditions do not exist in the State of California or my own district where most of the movies, and television shows of this great Nation are made. The State of California has for a long time very strictly regulated the use of minors in legitimate movies and theaters.

California codes provide that a contract employing the use of a minor for dramatic performances or professional sports, must be submitted to the court for their order of approval. The court makes certain that the child is protected financially * * * by establishing trust funds. An agreement must be reached with the board of education as to proper educational facilities for the performer; such as teacher qualifications, only 8 hours on the set, 4 to be spent in school, and 4 working. They may not work after 5 p.m. without special permits. In New York a minor—under 16—is not allowed to work in any theatrical capacity without the special permit signed by the parents, the mayor, and the school board. If the performer works for more than one performance, a contract must be approved by the court plus getting a special permit. While it is not a matter of State law, I may say that their salaries are considerably higher than those of the migrant workers to whom this legislation applies.

I think the condition of minor actors in the gentleman's State, which the gentleman described, can best be taken care of by the sovereign State of Louisiana. I shall be pleased to furnish him a complete copy of the California law which will quickly correct the scandalous conditions in which his State finds itself.

I assure the Members of this House that such conditions do not exist in my State of California, or in New York, or I doubt in any State except that of the gentleman who gave us such a graphic description.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Louisiana.

The question was taken; and on a division (demanded by Mr. WAGGONNER) there were—ayes 66, noes 81.

So the amendment was rejected.

Mr. POWELL. Mr. Chairman, I ask unanimous consent that all debate on this bill and all amendments thereto conclude at 6:30.

Mr. AVERY. Mr. Chairman, reserving the right to object, can the gentleman tell us how many amendments are pending at the Clerk's desk?

The CHAIRMAN. There is one amendment pending at the desk.

Mr. GOODELL. Mr. Chairman, reserving the right to object, may I ask the gentleman to withdraw his request at this time? I think we are going to defeat the bill unless we get some amendments enacted. If we are going to hasten this thing, we will end up by defeating the bill.

Mr. POWELL. Mr. Chairman, I ask unanimous consent that all debate close at 6:45.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. GUBSER. Mr. Chairman, reserving the right to object, would the gentleman be so kind as to revise his request so that a minimum of three amendments may be considered in the regular fashion?

Mr. POWELL. I cannot do that.

Mr. Chairman, I move that all debate on the bill and all amendments thereto cease at 6:30.

The CHAIRMAN. The question is on the motion offered by the gentleman from New York.

Mr. HOSMER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HOSMER. What is the pending motion?

The CHAIRMAN. The pending motion is that all debate on the bill and all amendments thereto cease at 6:30.

The question was taken; and on a division (demanded by Mr. GOODELL) there were—ayes 81, noes 99.

So the motion was rejected.

Mrs. GREEN of Oregon. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mrs. GREEN of Oregon: On page 2, line 10, strike all of "C" and substitute the following: "(C) is twelve years of age or over and is employed on a farm to which he commutes daily from his permanent residence, and (i) the employment is with written consent of his parents or person standing in the place of his parent, or (ii) his parent or person standing in the place of his parent is also employed on the same farm, or".

Mrs. GREEN of Oregon. Mr. Chairman, let me explain this amendment very briefly.

This is an amendment which has been discussed with the minority side as well as the Members of the majority side. It has also been discussed with the Labor Department representatives.

Mr. Chairman, this is a very simple amendment. It does what I explained earlier in the afternoon. It changes the limitation of 25 miles and says instead that the child may go to work if he is within commuting distance. It seemed to me that the 25-mile figure was too restrictive.

Mr. Chairman, I think this is an improvement on the bill, and it is my understanding that the ranking minority member of the committee accepted this.

Mr. GATHINGS. Mr. Chairman, will the gentlewoman yield?

Mrs. GREEN of Oregon. I yield to the gentleman from Arkansas.

Mr. GATHINGS. The gentlewoman has a very fine amendment and I shall support it wholeheartedly.

Mrs. GREEN of Oregon. I hope the gentleman will then support the bill.

Mr. GATHINGS. If the gentlewoman will yield further, it comes closer, I will tell the gentlewoman, but not close enough.

Mr. AVERY. Mr. Chairman, will the gentlewoman yield?

Mrs. GREEN of Oregon. I yield to the gentleman from Kansas.

Mr. AVERY. I am not sure that I understand this amendment, but permit me to cite an example for the analysis of the gentlewoman. In the Midwest it is very common for a family living in the city to have one of their children spend the summer with relatives or others who reside clear across the State, which would not be within commuting distance. Suppose, further, the child earns a token wage, perhaps a dollar or two a day, so that he at least has something to do. That practice would be precluded under the gentlewoman's amendment, would it not?

Mrs. GREEN of Oregon. No, it would not.

Mr. AVERY. If the gentlewoman will yield further, it is not within commuting distance.

Mrs. GREEN of Oregon. Your example would come under section (a) of the bill on page 2. If the child goes to live with another family, regardless of the age of the child, if he goes to live with his uncle across the State or goes into an entirely different State and that uncle assumes the position of the parent and the responsibility for the child, there is no restriction in the bill. He is not covered by it at all.

Mr. AVERY. If the gentlewoman will yield further, is that analysis or explanation abundantly clear by the language in the bill?

Mrs. GREEN of Oregon. We have tried to make it abundantly clear. Let me repeat for those who might not have been on the floor in the earlier discussion: If a child, regardless of his age, goes to live with an uncle in another part of the State or an entirely different State to live or work on the farm during the summer, and that uncle acts as his parent, he is not covered by this legislation. There is no restriction in the legislation which says the child may not do this.

Mr. AVERY. That is the legislative intent and the definition of the language?

Mrs. GREEN of Oregon. It is not only the intent, but it is the language of the bill.

Mr. ASHBROOK. Mr. Chairman, will the gentlewoman yield?

Mrs. GREEN of Oregon. I yield to the gentleman from Ohio.

Mr. ASHBROOK. Let us take as an example that a child lived within 5 miles of a place where he was working and happened to stay overnight. Then he would be precluded under the language?

Mrs. GREEN of Oregon. I would judge it would be interpreted that if he is within commuting distance this would not apply. If he stays overnight with a friend for one night, the child would still be within commuting distance.

Mr. ASHBROOK. But within the distance and not necessarily whether he commuted home every day?

Mrs. GREEN of Oregon. If he is in commuting distance of the place where he is going to work.

Mr. COOLEY. Mr. Chairman, will the gentlewoman yield?

Mrs. GREEN of Oregon. I yield to the gentleman from North Carolina.

Mr. COOLEY. Would a child be permitted to go across a road to help a neighbor pick cotton unless he were accompanied by his mother and father?

Mrs. GREEN of Oregon. If the child is 14 years of age or over and his parents want him to work from 4 o'clock in the morning until 12 o'clock at night, he could do it. If he is 8 years of age and those people want to exploit him and work him from the break of dawn until midnight, they could not do that under this language.

Mr. COOLEY. How about an 11-year-old boy picking cotton across the road on a farm?

Mrs. GREEN of Oregon. The language of this bill will not allow children under 12 to work for hire unless they are working on the parents' farm or on the farm of the person who stands in place of the parent.

I might say also to the gentleman from North Carolina, while I think he tried to put language in my mouth when he said the gentlewoman from Oregon would introduce legislation next year to raise this to 18 years of age—and I think the gentleman from Louisiana said, "Yes, she would"—may I say this is not my intention, and no one else can speak for me on such a matter. I have no intention to introduce legislation next year to raise the age limit to 18. Those of us who were working on this bill agreed on the language of 14 years of age and over.

We would like to see these teenage youngsters working; there are no restrictions. But we are concerned about 7-, 8-, and 9-year-old youngsters who are working 10-hour days.

Mr. COOLEY. The original bill contained a provision with respect to 18 years of age.

The CHAIRMAN. The time of the gentlewoman from Oregon [Mrs. GREEN] has expired.

Mr. GOODELL. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. GOODELL to the amendment offered by Mrs. GREEN of Oregon: Strike out the following: "is 12 years of age or over and".

Mr. GOODELL. Mr. Chairman, as I indicated earlier in this debate I sincerely support the avowed purpose of this legislation to assist in correcting situations involving migrant labor and the children of migrant laborers. Let us get it clear: Present law completely exempts children who are engaged in farm employment during out-of-school hours. This bill that is being proposed changes this. Children who are 14 years of age or older will continue to be exempt, but anybody younger than 14 will be covered by the child labor laws with certain exceptions. It is the very narrowness of the exceptions that bothers me. In questioning the chairman of the subcommittee it became clear that an 11-year-old boy who went across the dirt road to the neighbor's farm and was employed to pick up eggs, or to milk a cow, or to help feed the pigs, would be covered. He could not engage in this kind of employment.

The amendment offered by the gentlelady from Oregon, as indicated from the questions of the gentleman from North Carolina, leaves this situation in the bill. The 10- or 11-year-old boy could not be employed by a neighbor in any respect. The amendment which I have offered is very simple. It says that regardless of the age of a child, if he has the written consent of his parent or is going to be working with his parent then he is completely exempt.

What this does, in effect, I think, is narrow this bill to cover migrant labor and their children and very little else. Even without the Green amendment, I believe we should exempt children under 12 provided they have their parents' consent and are not migrants. Anyone who does not reside in the county or the adjoining county or within 25 miles of the area where he is working might be defined as migrant labor. If he does not reside in this county or the adjoining county or within 25 miles he is covered and he would be unable to take this employment. But if he is living on his farm and wants to get a job within 25 miles of that farm; if he wants to go out of the town and get a job within 25 miles of his farm or in an adjoining county, he may do so under the amendment that I have offered.

I think this amendment will pin the legislation right down to the point we are trying to get at and will correct the abuse of migrant labor and children of migrant labor. But it will also leave our farmers and their children able to go out and take jobs, build their character, save a little money regardless of their age, if it is with their parents' consent.

Mr. BATTIN. Mr. Chairman, will the gentleman yield?

Mr. GOODELL. I yield.

Mr. BATTIN. I believe the amendment of the gentlewoman from Oregon put it within commuting distance. Does the gentleman's amendment restrict that?

Mr. GOODELL. I appreciate the gentleman's correction. My amendment is to the amendment of the gentlewoman from Oregon and it leaves commuting distance in her amendment. All it does is strike out this requirement that the child be 12 years old or over.

Mr. GRIFFIN. Mr. Chairman, will the gentleman yield?

Mr. GOODELL. I yield to the gentleman from Michigan.

Mr. GRIFFIN. I should like to refer to the colloquy between the gentlewoman from Oregon and the gentleman from Ohio as to the applicability of the gentlewoman's amendment in a situation where the child's residence is within commuting distance but he did not actually commute. I have carefully read the exact wording of the proposed amendment. Although the gentlewoman from Oregon may intend the language to be interpreted as she has indicated, I doubt that a court could so interpret it. The amendment would apply to work "on a farm to which he commutes daily from his permanent residence." The language expressly requires that the person must commute daily from his permanent residence if the exemption is to apply.

Mr. GOODELL. I wish to emphasize here that I think this is the key to whether we get a bill this year or not. It seems to me that a child, regardless of age, should be able to work with the permission of his parents or with his parents in agriculture.

Mr. Chairman, I urge the adoption of the amendment.

Mr. O'HARA of Michigan. Mr. Chairman, I rise in opposition to the Goodell amendment.

Mr. Chairman, I wish first to address myself to the question raised by the gentleman from Michigan with regard to commuting distance. The amendment of the gentlewoman from Oregon reads: "12 years or over and is employed on a farm to which he commutes daily from his permanent residence." We did not use "commuting distance," because it has a vague meaning and we did not want to arouse those who would wonder what sort of regulation would be adopted by the Secretary of Labor defining "commuting distance." The amendment does say "on a farm to which he commutes regularly from his residence." The gentlewoman did say that an employed child might be able to stay overnight with a family on whose farm he worked. It is up to the courts to interpret this and say if it was the regular practice to commute back and forth. If so, one night away from home would not necessarily destroy the use of the exemption. The question is, as the gentleman from Michigan has indicated, whether or not he is as a matter of practice commuting each and every day. If one day he did not commute, I do not think that would destroy the exception under proper circumstances.

Mr. GOODELL. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Michigan. I yield to the gentleman from New York.

Mr. GOODELL. Does the gentleman agree that without my amendment and the amendment offered by the gentlewoman from Oregon [Mrs. GREEN] an 11-year-old boy would be unable to work and have employment on his neighbor's farm, and that my amendment would permit an 11- or 10-year-old boy, or one of lower age, to work for his neighbor with the written permission of his parent or with his parent accompanying him at the time?

Mr. O'HARA of Michigan. That is correct. The effect of the amendment offered by the gentleman from New York to the amendment, if it is adopted, is that any child of any age can with his parents' consent do agricultural work of any kind on any farm to which he commutes daily.

Mr. GOODELL. There is one exception to that. This does not exempt the child from the machinery section.

Mr. O'HARA of Michigan. That is right, the extra hazardous machinery being the exception. So that is what is provided by the amendment offered by the gentleman from New York. If his amendment is agreed to, any child of any age can work on any farm except where an extra hazard is deemed by the Secretary of Labor to be involved. I think the amendment offered by the gentlewoman from Oregon is carefully drawn and gets at the problem most of the people in this House want to get at. The amendment of the gentleman from New York is too wide open.

Mr. GOODELL. Mr. Chairman, will the gentleman yield for a clarification?

Mr. O'HARA of Michigan. I yield to the gentleman.

Mr. GOODELL. You said any child of any age can work on any farm. I wish to clarify as to whether my amendment reads that they must be employed on a farm to which he commutes daily from his permanent residence.

Mr. O'HARA of Michigan. I said that. I included that.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Michigan. I yield to the gentleman.

Mr. COOLEY. What about the constitutionality of this proposal? Has any lawyer anywhere advised your committee that this is constitutional and that we have a right to regulate children engaged in local communities in work not even related remotely to interstate commerce? If we can do this, we can regulate the wages and hours of newsboys who deliver news throughout the country. I would like some lawyer to tell me one section in the Constitution that will authorize this type of legislation.

Mr. O'HARA of Michigan. Well, the gentleman from North Carolina is well known for his legal ability in this House and he is doubtless familiar with the decisions involving the original child labor statutes. I would say to him that the same principles of constitutional law were applied to the validity of these child labor provisions which we are amending.

Mr. COOLEY. That was all probably related to interstate commerce. Here is something that is purely intrastate and not remotely related to interstate commerce.

Mr. McCULLOCH. Mr. Chairman, will the gentleman yield for a question?

Mr. O'HARA of Michigan. I yield to the gentleman.

Mr. McCULLOCH. At the risk of asking a question that might be a bit silly, I would, however, personally like to know if you are the owner of a farm and my son lives across the road from you and he is 13 years and 9 months old, and the amendment of the gentleman from New York is defeated, would you be violating the law if you employ that boy?

Mr. O'HARA of Michigan. No, I will not, if he has his parents' consent to work on my farm. Now if he is 11 years and 9 months old, I would be violating the law to employ him even if he had his parents' consent.

Mr. McCULLOCH. If he were mowing a lawn, would you be violating the law by employing that boy for that purpose and would that be a violation regardless of his parents' consent and his weight and his experience?

Mr. SMITH of Iowa. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I would like to get a clarification of a few things here. It is my understanding that this bill is an amendment to an existing law which was passed in 1938 and that the jurisdiction in the original law was limited to the production of goods for commerce. If that is true, is it not clear that a boy mowing a lawn as suggested would not be in the production of goods in commerce and, therefore, would not be covered?

Mr. O'HARA of Michigan. Unless the person was shipping his grass in interstate commerce.

Mr. SMITH of Iowa. The provisions of this bill would be subject to the jurisdiction of the original law?

Mr. O'HARA of Michigan. That is correct. It would not apply to the lawn situation.

Mr. SMITH of Iowa. There were four migratory labor bills in committee. I think two of those bills are good bills but I think this was one of the less desirable ones, as originally written; however, it has been very much improved here today. But there are two good bills yet in the Committee on Rules.

Mr. GRIFFIN. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Iowa. I yield to the gentleman.

Mr. GRIFFIN. Are you distinguishing between mowing a lawn and milking a cow because if he is milking a cow then the interstate commerce application will come into play; is that right?

Mr. SMITH of Iowa. Well, if that is defined as the production of goods in commerce, and I guess probably it is because when we passed the agriculture legislation back in 1938, we actually included individual farms that were producing goods for interstate commerce and, under the interstate commerce clause at the present time, even a tobacco farmer, no matter how small his operation, comes under the interstate commerce clause.

Under this bill as it has been amended thus far, what is the situation with regard to a 17-year-old boy? Under no condition is he subject to the law. Is that correct?

Mr. O'HARA of Michigan. That is correct.

Mr. SMITH of Iowa. Under what conditions would a 15-year-old boy be subject to the law?

Mr. O'HARA of Michigan. A 15-year-old boy is subject to the law only if he is working in connection with power machinery or hazardous substances or an occupation which would be hazardous for children.

Mr. SMITH of Iowa. Under what conditions is a 13-year-old boy subject to this law?

Mr. O'HARA of Michigan. A 13-year-old boy is subject to the law only if he is working without his parent's consent or is working beyond commuting distance.

Mr. SMITH of Iowa. In other words, this gets down to where an 11-year-old would be covered by the law under all circumstances.

Mr. O'HARA of Michigan. Unless he is working on the home farm.

Mr. SMITH of Iowa. But the Goodell amendment would remove that provision.

Mr. O'HARA of Michigan. That is correct.

Mr. SMITH of Iowa. I am also concerned about whether we are exempting children of migratory workers, for the bill now says they must be within commuting distance of their permanent residence. Permanent residence is where one intends it to be. As a migratory worker moves about, he could get another permanent residence. When he moves from one locality to another locality he could say he intends to change his permanent residence. What is the definition of "permanent residence" in the bill?

Mr. O'HARA of Michigan. Permanent residence would be defined by the courts. While an individual may intend his permanent residence to be a certain place, his actual residence may depend on factors extraneous to his intention in some respects. I think the courts have so held.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Iowa. I yield.

Mr. COOLEY. Intention is the one governing factor in fixing a man's domicile. Is that right?

Mr. SMITH of Iowa. In some States where this is the law, most migratory workers could be exempt under this bill.

Mr. O'HARA of Michigan. Permanent residence depends on a number of factors.

Mr. SMITH of Iowa. Is it not where a man intends it to be?

Mr. O'HARA of Michigan. I am sure no court would consider a migratory worker as having 20 or more permanent residences a year.

Mr. SMITH of Iowa. But a man who moves from job to job has no permanent residence other than where he works when he has his family with him.

I am in sympathy with the purpose of protecting migratory children, but I think it is well to get the legislative history of this matter in the RECORD so we can better determine what children are subject to the provisions of the law and there may need to be further provisions defining permanent residence.

Mr. COOLEY. Mr. Chairman, I am wondering if the gentleman is correct. Do you want to cover only migratory workers?

Mr. SMITH of Iowa. Although that was evidently the intent, this is not my bill. It is a Senate bill.

Mr. COOLEY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am surprised that this bill has gotten as far as it has. It is actually shocking to realize that it passed the other body. Every effort will be made to pass it here today and it probably will pass and will be enacted into law. This is the opening wedge. The next move will be to bring agriculture under all of the provisions of the Fair Labor Standards Act—maximum hours, minimum wages, time and a half for overtime, and all of the other provisions of that law.

When this bill was introduced, the age limit was fixed at 18 years, and it was lowered to 16 years of age only for the purpose of getting votes for the bill. Next year, some of these labor leaders here in Congress will come in demanding that the age limit be changed from 16 to 18 or 20, and probably will propose the elimination of some of the amendments contained in the bill now before you.

This bill is a dangerous invasion of the sanctity of the farm homes of America. In America every man's home is his castle, and certainly the Federal Government has no right to enter nor to molest those who dwell in the farm homes of the Nation, nor does the Federal Government have the right to control parents in the exercise of their parental rights. There are no sweatshops on the farms of America. On the farms of our Nation, children labor with their parents, out under blue skies. Farming is a way of life, and in the farming areas of this great Nation, people are friendly.

Down home in North Carolina people are neighborly and friendly, and they cooperate with each other. We have more small family-sized farms in North Carolina than in any State in the Nation. Down there we "swap" work. Farm families exchange labor with their neighbors. But under this bill, children could not leave their father's farm and work for pay on the farm owned by their father's friend unless the father and mother, or someone standing in loco parentis, gave consent for such employment. When one farm family goes to help a neighbor harvest his tobacco crop in North Carolina, or sends his children to assist the neighbor in harvesting, the men do the hard jobs, and the children sit in the shade, under the tobacco barn shelters, or under shade trees, and only hand a few leaves of tobacco at a time to the men and women who tie the leaves onto the sticks that go into the barns. Or maybe a 10- or 11-year-old boy will drive a mule hitched to a tobacco slide and haul the tobacco out of the field to the barn.

These people I am pleading for are depending on their children. But here you are providing by Federal law that it may be unlawful for a man to even have control over his own children.

What is this country coming to? We hear a lot of talk about regimentation and controls imposed by the Federal Government upon the farm people of the Nation. The people I represent gladly accept the provisions of all the adjustment programs which have operated so successfully and well in our State. We know that we cannot expect the Federal Government to support prices of the commodities we produce unless we cooperate with the Federal Government in such adjustment programs. We have enjoyed the blessings and we are willing to bear the burdens of adjustment programs. The programs for our principal crops have operated so well through the years, up until January 1953, that all of the programs combined resulted in the loss of not 1 thin dime to the Federal Government, but in a net profit of more than $13 million. It was during the 8 years after 1953 that we sustained gigantic losses and accumulated tremendous surpluses which are now a great burden hanging over the heads of our farmers.

Please think about the bill before you. To me it is a ridiculous proposal. Under the provisions of this bill a man's 10-year-old boy could not go on to his father's neighbor's farm to help the neighbor to drive up the cows or to do anything else for pay under the bill. The children of rural America will be subjected to the whim and will of some bureaucrat here in the Department of Labor.

Mr. O'HARA of Michigan. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Michigan.

Mr. O'HARA of Michigan. I wish to clear up two matters. The gentleman might still oppose the bill, I do not know. But a child of any age under this bill can work on a farm owned or operated by his parents.

Mr. COOLEY. What about the poor orphan who does not have any parents. You are going to control him?

Mr. O'HARA of Michigan. No.

Mr. COOLEY. Why not?

Mr. O'HARA of Michigan. This covers a person standing in the place of a parent.

Mr. COOLEY. What I am trying to point out is that perhaps there are orphans who have no brothers and no one standing in loco parentis, not even a guardian who is forced to earn a living. Who, here in this bill, seek to control orphans and others merely because they work out in the open on the farms of America.

Just because you have some sad and sorry spots in Oregon or in a few other places in the Nation resulting from the exploitation of the children of migratory farm laborers in some of our migratory camps you reach out now to enslave all of the children of the Nation who live on the farms of our country and to place them in charge of some bureaucrat in Washington. Next, you will propose a 40-hour week with a 35-hour week for the farmers of my State, many of whom work from sunup until sundown and even until the wee hours of the morning. They must do this because they must feed and support their families, because their incomes are less than one-half the average income of nonfarmworkers and remember—farmers have to compete with all of the uncertain hazards of nature—droughts, floods, insects and pests, and all of the changing weather conditions.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Iowa.

Mr. JENSEN. I agree with the gentleman 1,000 percent in his statement.

Mr. DORN. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from South Carolina.

Mr. DORN. I want the RECORD to show that I have several children from 5 to 12 living with me, and if my neighbor wants them to help him out I want the freedom to have them do so, and I want them to be able to do so if they so desire. I agree with the distinguished chairman of the Committee on Agriculture.

Mr. COOLEY. While I do not know much about my friend's own family, I know everything about my friend's wife's family. Your father-in-law and mother-in-law reared, on a North Carolina farm, some of the finest and loveliest ladies I have ever met—I think about eight in number—and two fine sons.

Could this have been accomplished under this bill that is before us? Your father-in-law, Mr. Johnson did not abuse his lovely daughters, but he worked them on the farm and brought them up in the finest traditions of the South and he is still living at home with all of the luxuries and comforts provided by our modern civilization. Perhaps some part of this can be attributed to the success of the farm program which has been in operation in North Carolina where your lovely wife was born.

If this law is constitutional, then certainly the Congress of our great country would have the right to enact a law to prohibit an 11-year-old boy from delivering papers in his father's neighborhood.

I am well aware of the work of the newsboys of America. Perhaps they are engaged in interstate commerce, and perhaps the Federal Government should regulate and regiment them. I was once a newsboy, but it never occurred to me that Washington had anything to do with "my business." I used to drive a mule cart from sunup until sundown, for 50 cents per day, but it never occurred to me that Uncle Sam had anything to do with what I was doing.

I do not want to leave the wrong impression. I did not have to drive a mule cart to earn a living. I hitched my mule at daybreak, and I was ready to go before breakfast. To encourage me, my father sent me my breakfast when he and the rest of the family were ready to eat. He encouraged me to work, and he even supplemented my pay, because he knew it was better for me to be "driving a mule cart" than to be sitting around in idleness. He reminded me on many occasions that "an idle mind was the devil's workshop."

I worked on my father's farm—not because I had to work—but because he encouraged me to work, along with my two brothers. At that time such a bill as this one would have been unthinkable, and by my father, a very able and distinguished lawyer, would have been considered utterly unconstitutional. The Constitution has not changed. It is the organic law of the land. A father in America still has control of his children, and long may it be that way.

Mrs. GREEN of Oregon. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentlewoman from Oregon.

Mrs. GREEN of Oregon. For decades the conscience of this Nation was shocked by the sweat shops and the youngsters working from early in the morning until late at night.

Mr. COOLEY. They were not on the farms.

Mrs. GREEN of Oregon. It was stated then this would somehow or other violate the family life if we took away these youngsters who were exploited in these sweat shops.

Mr. COOLEY. Those sweat shops were not on the farm. My labor record is as good as it ought to be. I have voted for every progressive labor law that has ever been enacted in the past 28 years.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

(By unanimous consent (at the request of Mr. COOLEY) he was allowed to proceed for 2 additional minutes.)

Mr. COOLEY. Mr. Chairman, to repeat, I have voted for every progressive labor bill that has ever been presented here. I voted for the child labor law. I voted against sweat shops. I voted for the Fair Labor Standards Act. I have always voted to protect the rights of labor. I voted for maximum hours and minimum wages, and I have even voted for the right of labor to strike. But this thing now before us is going too far.

Mrs. GREEN of Oregon. Did the gentleman object to the legislation that had to do with the sweat shop on the basis we were denying the parents certain rights?

Mr. COOLEY. Those sweat shops were tied into interstate commerce. This bill violates the basic organic law of the land.

Mr. JOELSON. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from New Jersey.

Mr. JOELSON. I would be more impressed by the gentleman's argument against the bureaucracy if we had not come in here and applied for a subsidy for the tobacco farmers.

Mr. COOLEY. The gentleman just does not know what he is talking about. The tobacco farmer has never had a subsidy. He has controls without subsidies and without payment.

Mr. AVERY. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Kansas.

Mr. AVERY. I wonder if the gentleman from North Carolina could give us his opinion about the U.S. Information Agency making another film like the "Harvest of Shame." They could not do that with the children that were in that picture under this bill.

Mr. COOLEY. I think that perhaps they could use these children in such pictures as the "Harvest of Shame," because under the provisions of the pending bill the children would be exempt. Yes, little children could be used as entertainers and performers in movies, on television, and as I have said, in all the "honky-tonks" of the Nation.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from North Carolina.

Mr. JONAS. Would not the gentleman sort of characterize this operation as an effort to burn down the barn in order to get rid of a few rats?

Mr. COOLEY. That is exactly right.

Mr. GUBSER. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from California.

Mr. GUBSER. I think the record should show that the "Harvest of Shame" was filmed prior to the time Mr. Murrow entered the U.S. Information Agency. After he became Director, he asked that the film be canceled with the British Broadcasting Co.

Mr. KORNEGAY. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. Sure. I yield to the gentleman.

Mr. KORNEGAY. I would like to associate myself with the remarks of the gentleman from North Carolina and say that it appears we are trying to remove and take from the parents' control the children of America, the responsibility that God gave them and that we can expect of them.

The CHAIRMAN. The time of the gentleman from North Carolina has again expired.

Mr. O'HARA of Michigan. Mr. Chairman, I ask unanimous consent that the gentleman from North Carolina [Mr. COOLEY] may proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. RANDALL. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from North Carolina.

Mr. TAYLOR. I would like to state to the gentleman that I agree with the gentleman from North Carolina entirely. I think more children today are injured through idleness than through hard work.

Mr. O'HARA of Michigan. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Michigan.

Mr. O'HARA of Michigan. I want to say to my friend whose agricultural legislation I support that I am getting a little worried about having done so, because if it is unconstitutional to regulate labor on a particular farm because it is not engaged in interstate commerce, it is just as unconstitutional to pass an agricultural act relating to that particular farm. I think the gentleman has thrown into doubt the constitutionality of the entire farm legislative program.

Mr. COOLEY. Our laws under which we have been operating have been tested before the Supreme Court of the United States and held to be constitutional.

Mr. O'HARA of Michigan. So has the child labor law.

Mr. COOLEY. No, sir. This thing is all embracing and it reaches right into a man's home—perhaps even into "the cradle."

Mr. RIVERS of South Carolina. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from South Carolina.

Mr. RIVERS of South Carolina. While some of the gentlemen are berating the gentleman from North Carolina about his subsidies, I wonder if some of these people ever heard of unemployment compensation?

Mr. COOLEY. Yes. I think they ought to be reminded of that, too.

Mr. ANDREWS. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Alabama.

Mr. ANDREWS. These young boys, 8, 9, or 10 years of age, sometimes find a power mower and they go around mowing the neighbors' grass and charge for it. Would they be precluded from doing that under this bill?

Mr. COOLEY. Of course. A power mower is driven by power and you can subject it to control. It would be applied, certainly, I think.

Mr. ANDREWS. If the gentleman will yield further, a power mower, as the gentleman knows, is a dangerous instrument because many people have suffered severe cuts as a result of coming in contact with the blades of a mower.

Mr. COOLEY. They do it in my own neighborhood, and they are only 10 or 12 years old.

Mr. ANDREWS. Does the gentleman think that under this bill, if it becomes law, those little jobs will be taken away from these boys?

Mr. COOLEY. I do not think there is any doubt about it.

Mr. WAGGONNER. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Louisiana.

Mr. WAGGONNER. Would the gentleman feel that it would be proper, if this legislation passes, to extend the provisions of unemployment compensation to children under 12 years of age?

Mr. COOLEY. That might be the next step.

In 1944, I think it was, as chairman of a special committee appointed by the Speaker of the House, I investigated migratory labor camps in all parts of the country. These migratory labor camps had been established under the direction of Mr. Rex Tugwell, who was then Director of the Farm Security Administration. As a result of the investigation of our special subcommittee, we liquidated the Farm Security Administration and the emergency feed and seed program and the regional Agriculture Credit Corporation. All of these agencies of the Government were duplicating efforts and there was no real difference between the eligibility requirements of applicants for loans from the three agencies. After our report was filed, we activated the Farmers' Home Administration which has been in operation for many long years. The Farmers' Home Administration has been remarkably free from criticism and has operated remarkably well. The members of my committee did not question the sincerity of Mr. Tugwell's purposes, but we did question the wisdom of his judgment.

Certainly no one wants little children to be exploited nor imposed upon, but I repeat, this bill goes too far.

If children are being mistreated in any part of this great Nation, I am ready, anxious, and willing to do everything I possibly can do to prevent such abuse and mistreatment. If some bill is proposed to prevent the exploitation of the children of migratory laborers and to protect such children, I shall be delighted to support it. Children are not abused, nor are they mistreated in North Carolina. Each State of this Union has the right and the responsibility to protect its own citizens, including even little children.

Mr. Chairman, I urge the Members of this House to leave the children of rural America alone. Yes, I urge you to leave the little children of rural America to the tender care of their own parents.

The CHAIRMAN. The question recurs on the amendment offered by the gentleman from New York [Mr. GOODELL] to the amendment offered by the gentlewoman from Oregon [Mrs. GREEN].

The question was taken; and on a division (demanded by Mr. GOODELL) there were—ayes 105, noes 62.

So the amendment to the amendment was agreed to.

The CHAIRMAN. The question now recurs on the amendment offered by the gentlewoman from Oregon [Mrs. GREEN], as amended by the amendment of the gentleman from New York [Mr. GOODELL].

The amendment, as amended, was agreed to.

Mr. FOUNTAIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FOUNTAIN: On page 3 insert a new section 2 to read as follows:

"Nothing in the Fair Labor Standards Act of 1938, as amended, shall be construed as invalidating any provision of State law which would be valid in the absence of such an act, unless there is a direct and positive conflict between such act and such provision of State law."

And renumber the remaining section or sections accordingly.

Mr. O'HARA of Michigan. Mr. Chairman, will the gentleman yield for a unanimous consent request?

Mr. FOUNTAIN. I yield.

Mr. O'HARA of Michigan. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all other amendments to the bill conclude in 15 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

Mr. GUBSER. I object.

Mr. FOUNTAIN. Mr. Chairman, I think this amendment speaks for itself. The long arm of the Federal Government has for a number of years been extending itself into many areas of activity some of which traditionally have been local and State matters. Some of this has been necessary, I am sure, but I think it is time we stop, look, and listen, and take a more cautious look at the direction in which we are going. I am fast arriving at a time in my own experience here when I am beginning to wonder just how far we are justified in going to establish the supremacy of the Federal Government.

The long arm of the Federal Government just a few days ago extended itself into the State of Mississippi. It has extended itself into local and State areas and into our very homes in a variety of ways. Some of these extensions have been helpful and necessary, but let us not forget that we still have such things as States, and that the States of this great Union, themselves, have responsibilities. This amendment, like others we have added to other legislation, is intended to prevent the operation of the doctrine of preemption of any State labor laws, including laws on the subject of and regulating child labor. I favor fair standards laws. I have constantly voted to make the move meaningful and abundant for all our people. At the same time I do not want to see us legislate the States out from under their rights and their responsibilities. We do not want to put them out of business.

The purpose of this amendment is identical to the purpose of the amendment offered just a few days ago by the gentleman from Virginia [Mr. SMITH], and accepted by this House without objection, to the Drug Amendments Act of 1962. And that is, that nothing in the Fair Labor Standards Act, as amended heretofore or today shall be considered as invalidating any provision of State law which would be valid in the absence of such an act, unless there is a direct and positive conflict between such act and such provision of State law.

I believe this amendment speaks for itself and I think every one of us here can in good faith support it.

Mr. MEADER. Mr. Chairman, will the gentleman yield?

Mr. FOUNTAIN. I yield to the gentleman from Michigan.

Mr. MEADER. I commend the gentleman for offering this amendment and being alert. We in the Committee on the Judiciary in passing laws this year have almost universally included language similar to that offered by the gentleman to prevent the operation of the doctrine of preemption from nullifying State laws.

Mr. FOUNTAIN. If this amendment is not adopted, the bill may very well preempt State laws in the areas under consideration. I don't believe we want to do that.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. FOUNTAIN. I yield to the gentleman from West Virginia.

Mr. BAILEY. I am not discussing the merits or demerits of the general proposal, but I have seen things happen here this afternoon that give me considerable concern. Sixteen years ago when I came to the Congress the farm group had their way on anything on which they wanted to have their way. I have seen, repeatedly, attempts to break the farm bloc. That situation has changed. I, as a member of the Committee on Education and Labor, have fought to keep the farm groups from coming under the provisions of the amendments to the wage and hour law. But things that have happened here this afternoon concern me. I heard Members of this House sitting here behind me not 2 minutes ago say they voted for every farm bill they were expected to vote for. You are just leading into trouble for your own group.

Mr. FOUNTAIN. The gentleman from West Virginia has the right to express his own opinion and feel toward others as he likes but as men of character and integrity in this body, we ought to be able and free to stand up for whatever we believe in without fear. I believe that's what my people expect of me. At least, that's what I expect to do as long as I'm here.

I hope we adopt this amendment.

MIGRANT WORKERS

Mr. LINDSAY. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. LINDSAY. Mr. Chairman, I support this legislation, and I only regret that it is limited to children under 14 years of age. We should have minimum standards for migrant labor in general. I am particularly disturbed at this moment about the Fountain amendment, which is the antipreemption amendment. The amendment should be defeated. We might as well not have a bill if this amendment is adopted. Either we have a Federal law or we do not. The reason a national law is needed is because States and localities will not act. This amendment would pretty near nullify the bill. If we are for the bill in principle, this amendment should be voted down. Migrant farm labor is one of the few remaining really exploited groups in America and minimum legislation of this sort is badly needed. Employers are not going to suffer under this bill, and it ought to be enacted.

Mr. GIAIMO. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, coming from a district in Connecticut that has very little agriculture and which is, according to the last census report, virtually 100-percent urban, I had not intended to get into this debate this afternoon. However, as a Member of this House, listening to some of the things I have heard here today, I am ashamed and I am disappointed.

We are not talking about bright-looking young American kids walking along the streets, mowing lawns, and working on neighbors' farms. We are not talking about those children. We are talking about the exploitation of children.

Our English literature is replete with stories concerning children who have been abused in past years and continue to be. These are the reasons for our present child labor laws. This is why we have been able to apply them to industry. The State is not trying to take children away from their parents, not at all, although in my State of Connecticut if parents do not treat their children properly the State will remove them as guardians. We are dealing with a situation that we know exists in some places; that in many instances parents are not concerned with the wellbeing of their children, that in many instances the parents themselves will exploit the children and compel them and force them to work, either for economic reasons or for whatever other selfish interest the parents may have. This is what we are trying to correct and prevent.

Speaking of migrant workers, I remember that my town was agricultural when I went to school there. I remember classmates of mine who were compelled to work long and hard hours on their own farms and on other farms. I recall that they suffered and were deprived as a result. They did not have what we here like to think of as a normal American upbringing for children. We are trying to give some children a chance. As for those who are trying to becloud the real issue and paint nice pictures of bright kids working for a few extra dollars for spending money, I submit they are failing to face the real issue. These are the same arguments that have come up in the past on child labor in industry and these are the same antiquated arguments we hear whenever we try to remedy some of the ills confronting mankind.

It is not a question of States rights vis-a-vis Federal law. I would say that if the States would legislate in these areas and pass adequate State laws, and I am not certain that we have such laws in all States, we would have no need of this legislation today. But there is a need for it today. State laws are obviously not adequate. We do not want to see these children under 12 years of age working hard and long hours. We would like to see them obtain an opportunity and a chance to get an education to settle down in communities, and to stop being migratory. Is that so difficult? Is that so hard to understand? Is that too much to ask for? Again I say, this has nothing to do with States rights. It has to do with children, with trying to give them something better from life, greater hope and opportunity, something that every civilized nation seeks to accomplish in this age.

Mr. Chairman, I yield back the balance of my time.

Mr. GRIFFIN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I must reluctantly oppose the amendment offered by the gentleman from North Carolina which, on its face, seems very reasonable. As I understand the amendment, it would amend the entire Fair Labor Standards Act of 1938. The amendment offered would apply not just to the child labor provisions but to the whole Fair Labor Standards Act which includes the minimum wage law. As it now stands, the Fair Labor Standards Act provides that where both State and Federal minimum wages are in existence to cover a particular situation, the higher of the two will be effective. The amendment offered would, I believe, upset this declared legislative intent even though that may not be the purpose of the gentleman's amendment. Under the circumstances, I cannot conscientiously support the amendment of the gentleman.

Mr. FOUNTAIN. On listening to the reading of the amendment again, I think you will understand that is not what it does and that was not the gentleman's intention. The Federal law will control where there is a direct and positive conflict with the State law.

Mr. GOODELL. Mr. Chairman, will the gentleman yield?

Mr. GRIFFIN. I yield to the gentleman.

Mr. GOODELL. I asked the gentleman if the words "direct and positive conflict" are to be interpreted or requires that the Federal law specifically preempt the State law.

Mr. FOUNTAIN. Of course, that would be a matter for interpretation by the court but this is the very same amendment that we adopted a few days ago in another very important piece of legislation regulating drugs. There are State laws on the subject.

Mr. GOODELL. If I understand the gentleman's amendment correctly, he says State law would be valid in the absence of Federal law unless that Federal law is in direct and positive conflict with the State law. Those words I do not quite understand. What is a direct and positive conflict with the State law?

Mr. FOUNTAIN. I might say that this is H.R. 3 which this House has passed a number of times and it also says that if the State law would otherwise be effective. In other words, we do not want this Federal law to have the effect of repealing the State law which would otherwise be effective unless there is a positive conflict with the State law.

Mr. GRIFFIN. Suppose a State law provides a minimum wage of $1 and the Federal law provides a minimum wage of $1.20? Is there a conflict, and if so what would be the situation? You see I believe the gentleman's amendment applies to the whole Fair Labor Standards Act.

Mr. FOUNTAIN. That would also resolve itself into a determination as to whether or not it was a matter of intrastate or interstate commerce. We still have these questions which we are continuing to get some decisions on although the tendency is to construe just about everything under the sun as interstate commerce.

Mr. GRIFFIN. I think under the circumstances I must oppose the amendment.

Mr. O'HARA of Michigan. Mr. Chairman, will the gentleman yield?

Mr. GRIFFIN. I yield.

Mr. O'HARA of Michigan. I wish to say to the gentleman from Michigan I share his concern and join him in opposing the amendment.

Mr. MEADER. Mr. Chairman, will the gentleman yield?

Mr. GRIFFIN. I yield to the gentleman.

Mr. MEADER. Mr. Chairman, I should like to ask unanimous consent that the amendment be rereported.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The CHAIRMAN. The Clerk will read the amendment.

(The Clerk again read the amendment.)

Mr. MEADER. Mr. Chairman, I rise in support of the amendment offered by the gentleman from North Carolina [Mr. FOUNTAIN].

The doctrine of preemption was expounded in the case of *Pennsylvania* v. *Nelson* (350 U.S. 497 (1956)). The essence of the doctrine of preemption is that where the Federal Government has passed legislation in a certain field, it is presumed that the Congress meant to occupy the entire field and State laws in the field are null and void because of the supremacy clause of the U.S. Constitution.

The gentleman from Virginia [Mr. SMITH] has repeatedly introduced legislation to counteract this preemption doctrine announced by the Supreme Court. His bill has always been numbered H.R. 3 and has been passed by the House of Representatives in earlier Congresses.

This year the House Judiciary Committee reported a somewhat improved version of H.R. 3 on June 13, which in pertinent part reads as follows:

> § 7. Preemption—Federal and State statutes
>
> No Act of Congress shall be construed as indicating an intent on the part of Congress to occupy the field in which such Act operates, to the exclusion of all State laws on the same subject matter, unless such Act contains an express provision to that effect. No provision of an Act of Congress shall be

> construed as invalidating a provision of State law which would be valid in the absence of such Act, except to the extent that there is a direct and positive conflict between such provisions so that the two cannot be reconciled or consistently stand together.

Many States undoubtedly have salutary laws governing child labor and have established agencies and officials to administer and enforce those laws. If the intent of Congress should be construed by the courts by the passage of this legislation to occupy the entire field of child labor legislation, the court might well hold that these State laws, many of which may be long standing, are null and void.

The question might be raised by a defendant proceeded against under State law defending himself on the grounds that the passage of the Federal legislation had preempted the entire field and therefore he could violate the State law with impunity.

I do not believe we in the House of Representatives wish to see this result, and we should adopt language such as that offered by the gentleman from North Carolina to avoid interfering with existing State laws except to the extent there is a direct and positive conflict between the State law and the Federal law.

I urge the adoption of the amendment.

Mr. LANDRUM. Mr. Chairman, I rise in opposition to pro forma amendment.

Mr. Chairman, I have not risen here to speak about States' rights; I am not concerned at this moment on this legislation with States' rights. I am gravely concerned that this legislation is a ridiculous insulting invasion of parental rights. It is that question I want to ask the membership to think about and reflect on before we get to the point of passing legislation that will deny to a parent the right to assign employment to his child or to his ward; and, moreover, that will deny to a child the wholesome privilege of sweating under the sun in the soil of this land to learn what it is to grow something from the soil which the Lord has provided us with to furnish us with food and fiber.

I have heard others, and I am reluctant to say myself, that they feel as a child they benefited. From the time I was 6 years old, I knew what it was to work on a farm with machinery and with animals. As young as 13 I was fortunate enough to make a living for a small family when other circumstances in the family prevented them. And today I would take nothing, I would not trade that experience for anything under the high heavens, including the position I am honored to hold here.

I can think of no experience that has contributed more to my own physical, mental, and spiritual growth and development than the experience of hard work. Hired out at $1 a day, and sweating, tired enough in the evening to go home, eat a good supper, and sleep comfortably and stay out of trouble, and stay away from juvenile delinquency.

We have legislation here from a committee which paradoxically has engaged itself over all of this year with problems concerning juvenile delinquency, trying to prevent juvenile delinquency. Now you are legislating away the opportunity to give this child an opportunity to work, grow, and to be a man.

I say to this House we ought to have guts enough, regardless of the pressures behind us today, to say to these people we will not pass this legislation.

Let me read this to show that those who advocate this legislation just do not know what they are talking about. I quote from an article appearing in Good Housekeeping, and the official report carries this statement:

> We saw dozens of kids as young as 7 picking potatoes under a blistering sun. They were performing hard, adult labor, working rapidly, mechanically, without pause, dripping sweat as they stripped potatoes from the plant.

How ridiculous can you get?

I am not for child labor. I voted all of my life and advocated all of my life when I had the opportunity to take children out of the sweatshops, and I will do so again if it is necessary. I voted in this House for the last bill that came up under the Fair Labor Standards Act. But I do not believe the membership should stand up here today and deny to the parents of this country the right to assign employment to their own children, or to deny to their children the right and the privilege to work, as many American men and women have, and as many of you have.

Mr. O'HARA of Michigan. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I just want to direct the attention of the committee to what this bill now says. There have been some amendments adopted to the bill, notably the amendment offered by the gentlewoman from Oregon, as amended by the gentleman from New York [Mr. Goodell].

As the bill now stands, it applies only to children under 14 who are engaged in migrant farm labor. The amendment offered by the gentlewoman from Oregon, as amended by the amendment offered by the gentleman from New York, completely changed subparagraph (C) of the bill on page 2.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Michigan. I yield to the gentleman from North Carolina.

Mr. JONAS. Why do you not say that in the bill, and I will vote for it?

Mr. O'HARA of Michigan. That is all this bill now says.

Mr. JONAS. That is not all it says, and that is not what it does.

Mr. O'HARA of Michigan. The bill applies only to children under 14 who are migrant farmworkers. If they are working and commuting from their homes to work and coming back, they are not covered by this bill, even if they are 2, 3, 4, 5, or 6 years old. If they are over 14 years of age, they can work anywhere in the United States at farm labor.

Mr. Chairman, this bill now applies only to children under 14 who are members of migrant farm labor families. We are not talking about good, wholesome American farm families. We are talking about children of migrant families under 14 years of age. That is all we are voting on, and that is the only issue left in this bill. Do you or do you not want to prevent children from working, under the conditions described, who are members of migrant families and who are under 14 years of age?

Mr. BASS of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Michigan. I yield to the gentleman from Tennessee.

Mr. BASS of Tennessee. As the gentleman knows, I probably support legislation emanating from his committee as much as anyone else. If this bill actually deals with only migrant workers, why not define a migrant child as the heir, son, daughter, or whatever you want, of a migrant family? In other words, the child of a family that moves around. If you say that, you can pass this bill. But just because a child goes from his family to the family of somebody else, his parents are stable, good citizens who are not migrants, then this child should not be considered as a member of the migrant labor force. If the gentleman will say that in his bill, I will support it and vote for it and think it will be a good bill. But define a migrant child as the child of a migrant parent or family.

Mr. O'HARA of Michigan. That is just exactly what this bill does, except it defines the other families and does not define the migrant.

Mr. Chairman, I ask the gentleman from New York [Mr. Goodell] if this bill now applies to any children other than the children of migrants under 14, with the exception of the hazardous occupations?

Mr. GOODELL. If the gentleman will yield, I agree essentially with what the gentleman says. The difficulty, I think, is that we are now defining this in terms of commuting back and forth. I am not sure whether I agree with the gentleman that the Department of Labor is going to interpret it in the way in which he says they will. You say if a boy goes to another farm and lives on that farm and that this family is acting in the place of his parents, he is exempt. I think that is questionable.

Mr. O'HARA of Michigan. I cannot yield further. When the gentleman from New York offered his amendment, the gentleman told us that if we adopted his amendment, the bill would apply only to migrant children. We adopted the gentleman's amendment, and I am taking the gentleman at his word.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Michigan. I yield to the distinguished Majority Leader.

Mr. ALBERT. On the issue now before the House, the amendment of the gentleman from North Carolina, this amendment obviously goes far beyond the scope of the bill. We are amending the entire Fair Labor Standards Act. We are going into areas that are not contemplated within this legislation. This amendment should be voted down and this matter brought up under an entirely different procedure than a bill which is as limited as the bill before the House this afternoon.

Mr. O'HARA of Michigan. I certainly agree with the distinguished gentleman.

Mr. STRATTON. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Michigan. I yield to the gentleman from New York.

Mr. STRATTON. A moment ago, the distinguished gentleman from Georgia [Mr. Landrum] referred to an invasion of parents' rights. I would like to ask the gentleman from Michigan if it is not true under the legislation, as now amended by the Goodell amendment, that with the parents' permission a child can work at any age on the farm of the parent or on any farm located within commuting distance of the parents' farm? If that is the interpretation, this does not interfere with the parents' right to handle his child.

Mr. O'HARA of Michigan. That is absolutely right.

Mr. PUCINSKI. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise in opposition to the amendment. I would be vastly more impressed by all of the outcries we have heard here today about giving young people opportunities to work, to build their bodies, and to develop character in the great outdoors, if these same gentlemen who told us how they got their start in life while working very hard on the farm or in the cities, would support our efforts to establish the Youth Corps with the same vigor. However, the very same people who have been shedding these crocodile tears this afternoon, have been in the forefront in opposing the youth opportunities bill, which is being bottled up in the Rules Committee. We have been trying to get through this Congress a meaningful bill along that line.

We are not talking about child labor. We are talking about young men who, because of their draft status and various other reasons, cannot find an opportunity for employment. We have been trying to get a bill through this Congress to create a program somewhat like that of the CCC camps in the 1930's. And what do we run into? We run into opposition from the very people who today come before this House and say, "Why, give the young people of this country an opportunity to work."

I would like to have the gentleman from Georgia explain to me what is the difference between the sweatshops that he says he has opposed so strongly in industry and the conditions that many of these young people have to work under out in the fields, as children of migrant families.

Mr. GRIFFIN. Mr. Chairman, will the gentleman yield?

Mr. PUCINSKI. I yield.

Mr. GRIFFIN. It seems to me that the gentleman is inconsistent. The people who are concerned about this legislation want these youngsters to have jobs. The gentleman from Illinois wants to create Government jobs and make it necessary for more and more Government-created jobs. It would make it impossible for the kids who can get jobs otherwise, to work. It seems to me that one of the reasons why the gentleman is advocating the youth opportunity bill is already on the books. We have too many restrictions on the young people working in this country.

Mr. PUCINSKI. The fact remains that these very people who have been telling us about youngsters working have been fighting the youth opportunity bill. I know of no one who has ever criticized the old CCC program. I am not impressed with the gentleman's argument that Government restrictions limit opportunity for young people. The youth opportunity bill is overwhelmingly supported by the American people because they know it would help reduce juvenile delinquency and give our young men a chance to find employment.

Mr. Chairman, I certainly hope this amendment will be rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina [Mr. Fountain].

The question was taken; and on a division (demanded by Mr. Fountain) there were—ayes 107, noes 95.

Mr. O'HARA of Michigan. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. Fountain and Mr. O'Hara of Michigan.

The Committee again divided, and the tellers reported that there were—ayes 124, noes 96.

So the amendment was agreed to.

Mr. GUBSER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Gubser: On page 2, between lines 19 and 20, insert the following:

"(D) is employed with or under the control of his parent or person standing in the place of his parent, or".

Mr. GUBSER. Mr. Chairman, on yesterday with the passage of the District of Columbia aquarium bill this House accepted the principle that families who fish together, stay together. I am asking this House today to accept the principle that families that work together, stay together. Because all this amendment does is to allow a child who is under the control of his parent or person standing in the place of his parent to be exempt from the provisions of this legislation.

Now I know that a great many of you from the cities have the idea that farmers are nothing but people who exploit little children. Certainly, all is not perfection insofar as farm labor is concerned. I admit that. But I would like to make a wager with you people from the city. You take the first 100 children you find in your district on any block. I will take the first 100 children—not on any block, but I will take the first 100 children of migratory workers and I will tell you something. There are going to be more neglectful parents and more neglected children in your city block than there is going to be in any whole 640 acres in my country. Just stop to think now. Let us not stampede to this year's fashionable social slogan of the moment. Let us stop to really look at what this means. If you go into these areas where the migratory workers come in, in the summertime, and they are not taking their children out of school, to pick crops in Santa Clara County, the parents are dependent upon what those children will earn as part of the family income to survive for the entire winter and so that they can stay off the relief rolls. This applies not to just one or two or half a dozen families. This has to do with hundreds of families. If you insist upon telling these children that they cannot work, a substantial part of that family's income is gone. What will happen to the children? The parents have to work. This is the way they make their living. They cannot quit. They cannot let the children go hungry. The children will have to stay at home or stay in the labor camp. They will be unattended and not properly fed and they will be running around dirty and catching cold and catching disease because they cannot be with their parents who can take care of them down in the orchard. Now another thing is going to happen if you insist on this. These children will not be able to contribute to the family income and the family is not going to be able to pick the prunes. So they are going to go someplace else. When that happens, the crops are not going to go to waste because you know full well that the farmer is going to go to the Department of Labor and he will be certified for the use of braceros or Mexican nationals.

Those of you who oppose the use of Mexican braceros will find you will be having hundreds and thousands of them coming in to take these jobs.

All I am asking you to do—and I offer this in all sincerity, because if this amendment should carry I will vote for this bill—all I am asking you to do is to say that a parent has the right to decide whether his child shall work in agricultural labor or not. We have laws to keep parents from abusing children, just laws. We have humane societies, and State and county laws to keep children from being abused. Let them work, and let these children work with their families.

Mr. O'HARA of Michigan. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to; accordingly the Committee rose, and the Speaker having resumed the chair, Mr. Santangelo, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (S. 1123) to amend the Fair Labor Standards Act of 1938 to extend the child labor provisions thereof to certain children employed in agriculture, and for other purposes, had come to no resolution thereon.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. McGown, one of its clerks, announced that the Senate had passed without amendment bills of the House of the following titles:

H.R. 9285. An act for the relief of Helenita K. Stephenson;

H.R. 10541. An act to assist States and communities to carry out intensive vaccination programs designed to protect their populations, particularly all preschool children, against poliomyelitis, diphtheria, whooping cough, and tetanus; and

H.R. 12313. An act for the relief of Jane Froman, Gypsy Markoff, and Jean Rosen, The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 12599. An act relating to the income tax treatment of terminal railroad corporations and their shareholders.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 12135. An act to authorize appropriations for the fiscal years 1964 and 1965 for the construction of certain highways in accordance with title 23 of the United States Code, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. KERR, Mr. MCNAMARA, Mr. RANDOLPH, Mr. COOPER, and Mr. FONG to be the conferees on the part of the Senate.

The message also announced that the Senate had passed, with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 13273. An act authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes.

The message further announced that the Senate insists upon its amendment to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. KERR, Mr. MCNAMARA, Mr. RANDOLPH, Mr. COOPER, and Mr. FONG to be the conferees on the part of the Senate.

The message also announced that the Senate had passed a joint resolution of the following title, in which the concurrence of the House is requested:

S.J. Res. 234. Joint resolution making continuing appropriations for the Department of Agriculture and the Farm Credit Administration for the fiscal year 1963.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 10129) entitled "An act to amend the Act of September 7, 1957, relating to aircraft loan guarantees."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 11970) entitled "An act to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes."

The message also announced that the Senate further insists upon its amendment to the bill (H.R. 7927) entitled "An act to adjust postal rates, and for other purposes," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. JOHNSTON, Mr. MONRONEY, and Mr. CARLSON to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 7927) entitled "An act to adjust postal rates, and for other purposes."

HIGHWAY CONSTRUCTION APPROPRIATIONS, 1963

Mr. FALLON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 12135) to authorize appropriations for the fiscal years 1964 and 1965 for the construction of certain highways in accordance with title 23 of the United States Code, and for other purposes, with Senate amendments thereto, disagree to the amendments of the Senate and agree to the conference requested by the Senate.

The Clerk read the title of the bill.

Mr. HALLECK. Mr. Speaker, reserving the right to object, and I shall not if I am correctly informed. What bill is this?

The SPEAKER. This is the highway bill.

Mr. HALLECK. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

The Chair hears none and appoints the following conferees: Messrs. FALLON, KLUCZYNSKI, JONES of Alabama, CRAMER, and BALDWIN.

DEPARTMENT OF DEFENSE AND RELATED AGENCIES APPROPRIATION BILL, 1963

Mr. CANNON submitted a conference report and statement on the bill (H.R. 12900) making appropriations for certain civil functions administered by the Department of Defense, certain agencies of the Department of the Interior, the Atomic Energy Commission, the St. Lawrence Seaway Development Corporation, the Tennessee Valley Authority, and certain river basin commissions.

POSTAL SERVICE AND FEDERAL EMPLOYEES SALARY ACT OF 1962

Mr. MURRAY submitted a conference report and statement on the bill (H.R. 7927) to adjust postal rates, and for other purposes.

PERMISSION TO FILE MINORITY VIEWS

Mr. SAYLOR. Mr. Speaker, I ask unanimous consent to file minority views in connection with the report on the bill H.R. 776, and that they be printed as part of the report.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

GUARANTEED AIRCRAFT PURCHASE LOANS

Mr. O'BRIEN of New York (on behalf of Mr. WILLIAMS), submitted a conference report and statement on the bill (H.R. 10129) to amend the act of September 7, 1957, relating to aircraft loan guarantees.

INDECENT PUBLICATIONS IN THE DISTRICT OF COLUMBIA

Mr. DOWDY. Mr. Speaker, I call up the conference report on the bill (H.R. 4670) to amend the law relating to incident publications in the District of Columbia, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Texas [Mr. DOWDY]?

Mr. COHELAN. Mr. Speaker, reserving the right to object, can the gentleman tell us what this bill is all about?

Mr. DOWDY. Mr. Speaker, this bill pertains to the distribution of obscene publications or literature in the District of Columbia and provides penalties for indecent photographs, posing or acting. In other words, it makes the distribution of recordings and other things that are obscene against the law.

Mr. COHELAN. Were there any hearings held on this bill in the House?

Mr. DOWDY. Yes.

Mr. COHELAN. How long ago were the hearings held?

Mr. DOWDY. That was last year.

Mr. COHELAN. When did the bill come before the House, and under what circumstances was this bill passed?

Mr. DOWDY. The same as all District bills come before the House on District Day.

Mr. COHELAN. There was no date on the bill. The gentleman knows I was opposed to it.

Mr. Speaker, I object to the unanimous-consent request.

The Clerk read the conference report and statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. NO. 2527)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4670) to amend the law relating to indecent publications in the District of Columbia, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "That section 872 of the Act entitled 'An Act to establish a code of law for the District of Columbia', approved March 3, 1901 (D.C. Code, sec. 22-2001), is amended (1) by inserting '(a)' immediately before 'Whoever', and (2) by adding at the end thereof the following new subsections:

"'(b) Whoever in the District sells, gives away, or offers to sell or give away or has in his possession with intent to sell or give away or to exhibit to another, any obscene, lewd, or indecent magazine, story, paper, writing, card, print, motion picture film, image, cast, slide, figure, statue, phonograph record, wire, tape, or other sound recording, or other presentation of indecent or immoral use, or advertises the same for sale, or writes or prints any letter, circular, handbill, book, pamphlet, or notice of any kind stating by what means any of such articles may be obtained, shall be fined not less than fifty dollars nor more than five hundred dollars, or imprisoned not more than one year, or both. Whoever in the District with knowledge that the same is for the purpose of being sold, given away, or exhibited to another, photographs, acts in, poses for, models for, prints, records, televises, composes, edits, writes, publishes or offers to publish, or has in his possession, any obscene, lewd, or indecent book, pamphlet, drawing, engraving, picture, photograph, instrument, magazine, story, paper, writing, card, print, motion picture film image, cast, slide, figure, statue, phonograph record, wire, tape, or other sound recording, or other presentation of indecent or immoral use, or advertises the same for sale, or writes or prints any letter, circular, handbill, book, pamphlet, or notice of any kind stating by what means any of such articles may be obtained, shall be fined not less than fifty dollars nor more than five hundred dollars, or imprisoned not more than one year, or both.

" '(c) All moneys, vehicles, furnishings, fixtures, equipment, stock (including without limitation, furniture and fixtures, adaptable to other uses, and equipment and stock for printing, filming, exhibiting, recording, transporting, safekeeping or communications) or other things of value used or to be used in violating subsection (a) or (b) hereof shall be subject to seizure by any officer or member of the Metropolitan Police force or the United States Park Police, or the United States marshal, or any deputy marshal for the District of Columbia and shall, upon seizure, regardless of its value be proceeded against by libel action brought in the Municipal Court for the District of Columbia in the name of the District of Columbia by the Corporation Counsel or any of his assistants and shall unless good cause be shown to the contrary, be forfeited to the District of Columbia and shall be made available for the use of any agency of the Government of the District of Columbia or otherwise disposed of as the Commissioners of the District of Columbia may, by order or regulation, provide, except that all such property of a lewd, obscene, lascivious or indecent nature shall, upon order of the court, be destroyed, and any lien thereon shall be deemed not to be a bona fide lien: *Provided,* That if there be bona fide liens against any other property so forfeited then such property shall be disposed of by public auction. Bona fide liens against the property so forfeited shall, on good cause shown by the lienor, be transferred from the property to the proceeds of the sale of the property. The proceeds of the sale of such property shall be available for the payment of such liens and for all expenses incident to such sale, and the remainder of the proceeds shall be deposited in the Treasury of the United States to the credit of the District of Columbia.

" '(d) Any house, building, vessel, garage, shed, booth, shelter, enclosure, room, lot, or other premises to which the public commonly resort or congregate for business or pleasure, where publications, pictures, films, recordings, and other things and devices forbidden by this section are kept, possessed, sold, exhibited, manufactured, bartered, or given away, or to which persons resort for the purpose of observing same, is hereby declared to be a common nuisance and may be enjoined as hereinafter provided. Any person who knowingly maintains or assists in maintaining such a place is guilty of maintaining a nuisance.

" '(e) Evidence that any of said prohibited acts are frequently committed in any of such places shall be prima facie proof that the proprietor or person having custody or control knowingly permitted the same, and evidence that persons have been convicted of committing any said act in any of such places is admissible to show knowledge on the part of the defendants that this section is being violated in the house or premises. The original papers and judgments, or certified copies thereof in such cases of convictions may be used in evidence in the suit for injunction, and oral evidence is admissible to show that the offense for which said parties were convicted was committed in said house or premises. Evidence of general reputation of said houses or premises shall also be admissible to prove the existence of said nuisance.

" '(f) An action to enjoin any nuisance defined in this section may be brought in the name of the District of Columbia by the Corporation Counsel of the District of Columbia or any of his assistants in the Municipal Court for the District of Columbia against any person conducting or maintaining such nuisance or knowingly permitting such nuisance to be conducted or maintained. The rules of the Municipal Court for the District of Columbia relating to the granting of an injunction or restraining order shall be applicable with respect to actions brought under this subsection, except that the District as complaining party shall not be required to furnish bond or security. It shall not be necessary for the court to find the building, ground, premises, or place was being unlawfully used as aforesaid at the time of the hearing, but on finding that the material allegations of the complaint are true, the court shall enter an order restraining the defendant from keeping, possessing, selling, exhibiting, manufacturing, bartering, or giving away publications, pictures, films, recordings, or other things and devices forbidden by this section. When an injunction, either temporary or permanent, has been granted, it shall be binding on the defendant throughout the District of Columbia. Upon final judgment of the court ordering such nuisance to be abated, the court may order that the defendant, or anyone claiming under him, shall not occupy or use, for a period of one year thereafter, the building, ground, premises, or place upon which the nuisance existed, but the court may, in its discretion, permit the defendant to occupy or use the said building, ground, premises, or place, if the defendant shall give bond with sufficient security to be approved by the court, in the penal and liquidated sum of not less than $1,000 nor more than $5,000, payable to the District of Columbia, and conditioned that the acts prohibited by this section shall not be done or permitted to be done in or upon the buildings, grounds, premises, or place. On violation of such bond the whole sum may be recovered as a penalty in the name of and for the District of Columbia and shall be deposited in the Treasury of the United States to the credit of the District of Columbia.

" '(g) In the case of the violation of any injunction, temporary or permanent, rendered pursuant to the provisions of this section, proceedings for punishment for contempt may be commenced by the Corporation Counsel, or any of his assistants, by filing with the court in the same case in which the injunction was issued a petition under oath setting out the alleged offense constituting the violation and serving a copy of said petition upon the defendant requiring him to appear and answer the same within ten days from the service thereof. The trial shall be promptly held and may be upon affidavits or either party may demand the production and oral examination of the witnesses. Any person found guilty of contempt under the provisions of this section shall be punished by a fine of not more than $1,000, or by imprisonment for not more than twelve months, or by both such fine and imprisonment.'

"Sec. 2. This Act shall not be considered as affecting the authority vested in the Board of Commissioners of the District of Columbia by Reorganization Plan Numbered 5 of 1952 (66 Stat. 824), and the performance of any function vested by said plan in the Board of Commissioners or in any office or agency under the jurisdiction and control of said Board of Commissioners shall continue to be subject to delegation by said Board of Commissioners in accordance with section 3 of such plan. Any function vested by this Act in any agency established pursuant to such plan shall be deemed to be vested in said Board of Commissioners and shall be subject to delegation in accordance with said plan."

And the Senate agree to the same.

John Dowdy,
Fernand St. Germain,
William H. Harsha, Jr.,
Managers on the Part of the House.

R. Vance Hartke,
Benjamin A. Smith II,
Jack Miller,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4670) to amend the law relating to indecent publications in the District of Columbia, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The Senate amendment strikes out all of the House bill after the enacting clause and inserts a substitute. The House recedes from its disagreement to the amendment of the Senate, with an amendment which is a substitute for both the House bill and the Senate amendment. The differences between the House bill and the substitute agreed to in conference are noted in the following outline, except for incidental changes made necessary by reason of the agreement reached by the conferees and minor and clarifying changes.

EXPANSION OF EXISTING LAW

The House bill amended the existing law relating to indecent publications in the District of Columbia to provide that anyone in the District of Columbia who edits, writes, publishes or disseminates any newspaper, pamphlet, magazine or other printed paper devoted mainly to the publication of scandals, whoring, lechery, assignations, intrigues between men and women, and immoral conduct of persons, or who knowingly has in his possession for sale or keeps for sale or distributes or in any way assists in the sale or gives away any such newspaper, pamphlet, magazine, or printed matter or who engages in the showing and exhibition of lewd and lascivious motion pictures or of lewd and lascivious pictures, or of indecent objects or pictures, of indecent, lewd, or lascivious recordings of any type shall be fined not more than $500 or imprisoned not more than one year, or both.

The Senate amendment contained no such provision.

The proposed conference substitute in order to insure that there would be no effect on existing case law would insert in section 872 of the act of March 3, 1901 (the existing provision of law) a new subsection (b) which would provide that whoever in the District of Columbia sells, gives away, or offers to sell or give away or has in his possession with intent to sell or give away or to exhibit to another, any obscene, lewd or indecent magazine, story, paper, writing, card, print, motion picture film, image, cast, slide, figure, statue, phonograph record, wire, tape, or other sound recording, or other presentation of indecent or immoral use, or advertises them for sale shall be fined not less than $50 nor more than $500, or imprisoned not more than 1 year, or both. It also provides that whoever in the District photographs, acts in, poses for, models for, prints, records, televises, composes, edits, writes, publishes, or offers to publish or has in his possession any obscene, lewd or indecent book, pamphlet, drawing, engraving, picture, photograph, instrument, magazine, story, paper, writing, card, print, motion picture film, image, cast, slide, figure, statue, phonograph record, wire, tape, or other sound recording, or other presentation of indecent or immoral use, with knowledge that such article is to be sold, given away, or exhibited to another, or advertises such articles for sale shall be fined not less than $50 nor more than $500, or imprisoned not more than 1 year, or both. The remainder of the proposed conference substitute is the same as both the House bill and the Senate amendment.

JOHN DOWDY,
FERNAND ST. GERMAIN,
WILLIAM H. HARSHA, Jr.,
Managers on the Part of the House.

Mr. LINDSAY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. LINDSAY. Mr. Speaker, I am casting my vote against H.R. 4670, the so-called indecent publications in the District of Columbia bill. There have been no hearings in the House. Apparently there are no executive reports in favor of the bill. The bill provides for summary confiscation of printed matter, film, news matter, or anything else. There are no standards. Apparently any minor governmental official or policeman can set himself up as the judge. The total burden is on the citizen, rather than on the government as it should be.

Mr. Speaker, I am opposed to the dissemination of pornographic literature, but let us not burn down the whole house to catch a few rats.

Lastly, Mr. Speaker, I strongly disapprove of the procedure used here to get this bill through. There are members of the Committee on the District of Columbia who have never seen this bill before this moment, and I might note for the record that it is now 8 o'clock at night. This is not a good time to be slipping bills like this through the House.

Mr. MATHIAS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. MATHIAS. Mr. Speaker, the burden imposed by H.R. 4670 on booksellers seems to me to be unreasonable. The fact that "possession" is made a crime raises questions in my mind that are not answered by the conference report. This imputes to every bookseller a degree of knowledge that goes beyond that required by the law of ordinary and prudent men.

There are sound laws designed to curb the traffic in obscene literature and other matter. I would be happy to support legislation which is framed on a constitutional basis and which does not violate the rights of private citizens. My doubts in this respect, however, require that I vote against H.R. 4670 in its present form.

The SPEAKER. The question is on the conference report.

The question was taken; and the Speaker announced that the yeas had it.

Mr. CURTIS of Missouri. Mr. Speaker, I object to the vote on the ground a quorum is not present, and I make the point of order a quorum is not present.

The SPEAKER. The Chair will count. (After counting.) Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 272, nays 18, not voting 145, as follows:

[Roll No. 276]

YEAS—272

Abbitt
Abernethy
Addabbo
Albert
Alford
Alger
Anderson, Ill.
Andrews
Arends
Ashbrook
Avery
Ayres
Bailey
Baldwin
Baring
Barrett
Barry
Bass, Tenn.
Bates
Battin
Becker
Beckworth
Beermann
Bennett, Fla.
Betts
Boggs
Bolton
Bow
Brademas
Bray
Brooks, Tex.
Broomfield
Bruce
Burke, Mass.
Burleson
Byrne, Pa.
Byrnes, Wis.
Cannon
Casey
Cederberg
Chelf
Chenoweth
Church
Clancy
Collier
Colmer
Conte
Cooley
Corbett
Cramer
Cunningham
Curtis, Mass.
Curtis, Mo.
Daddario
Daniels
Davis, James C.
Davis, John W.
Dent
Derounian
Derwinski
Devine
Dole
Donohue
Dorn
Dowdy
Downing
Doyle
Dulski
Durno
Dwyer
Edmondson
Everett
Fallon
Fascell
Feighan
Fenton
Findley
Finnegan
Fino
Fisher
Flood
Flynt
Ford
Fountain
Frelinghuysen
Friedel
Fulton
Gallagher
Gary
Gathings
Gavin
Giaimo
Glenn
Gonzalez
Goodell
Goodling
Granahan
Grant
Gray
Green, Pa.
Griffin
Gross
Gubser
Hagan, Ga.
Haley
Halleck
Halpern
Harding
Hardy
Harrison, Wyo.
Harvey, Mich.
Healey
Hechler
Hemphill
Henderson
Hoffman, Ill.
Horan
Hosmer
Huddleston
Hull
Ichord, Mo.
Inouye
Jarman
Jennings
Jensen
Joelson
Johansen
Johnson, Calif.
Johnson, Wis.
Jonas
Judd
Karsten
Karth
Kastenmeier
Kearns
Keith
Keogh
Kilgore
King, N.Y.
King, Utah
Kitchin
Knox
Kornegay
Kowalski
Kunkel
Kyl
Landrum
Lane
Langen
Lankford
Latta
Lennon
Lesinski
Libonati
Lipscomb
McCulloch
McMillan
Macdonald
Madden
Mahon
Mailliard
Marshall
Martin, Nebr.
Matthews
May
Meader
Merrow
Miller, N.Y.
Milliken
Mills
Moeller
Monagan
Montoya
Moore
Moorhead, Pa.
Morgan
Morris
Morrison
Morse
Mosher
Murphy
Natcher
Nelsen
Nix
Norblad
Norrell
Nygaard
O'Brien, N.Y.
O'Hara, Ill.
O'Hara, Mich.
Olsen
O'Neill
Osmers
Ostertag
Passman
Patman
Pelly
Perkins
Pfost
Philbin
Pike
Pillion
Pirnie
Poage
Poff
Pucinski
Purcell
Randall
Ray
Reece
Reuss
Rhodes, Ariz.
Rhodes, Pa.
Riehlman
Rivers, Alaska
Rivers, S.C.
Roberts, Tex.
Robison
Rodino
Rogers, Colo.
Rogers, Fla.
Rooney
Rostenkowski
Roush
Rousselot
Rutherford
Ryan, Mich.
St. George
St. Germain
Santangelo
Saylor
Schadeberg
Schenck
Schneebeli
Schweiker
Schwengel
Scott
Selden
Shelley
Shriver
Sibal
Sikes
Slack
Smith, Calif.
Smith, Iowa
Stafford
Stephens
Stratton
Sullivan
Taber
Taylor
Teague, Tex.
Thomas
Thomson, Wis.
Toll
Tollefson
Trimble
Tuck
Tupper
Vanik
Waggonner
Wallhauser
Walter
Weaver
Westland
Whitten
Wickersham
Wilson, Calif.
Wilson, Ind.
Young
Younger
Zablocki

NAYS—18

Ashley
Cohelan
Corman
Dawson
Diggs
Farbstein
Gilbert
Green, Oreg.
Holifield
King, Calif.
Lindsay
Mathias
Moss
Multer
Powell
Rosenthal
Ryan, N.Y.
Sisk

NOT VOTING—145

Adair
Alexander
Andersen, Minn.
Anfuso
Ashmore
Aspinall
Auchincloss
Baker
Bass, N.H.
Belcher
Bell
Bennett, Mich.
Berry
Blatnik
Blitch
Boland
Bolling
Bonner
Boykin
Breeding
Brewster
Bromwell
Brown
Broyhill
Buckley
Burke, Ky.
Cahill
Carey
Celler
Chamberlain
Chiperfield
Clark
Coad
Cook
Curtin
Dague
Davis, Tenn.
Delaney
Denton
Dingell
Dominick
Dooley
Elliott
Ellsworth
Evins
Fogarty
Forrester
Frazier
Garland
Garmatz
Griffiths
Hagen, Calif.
Hall
Hansen
Harris
Harrison, Va.
Harsha
Harvey, Ind.
Hays
Hébert
Herlong
Hiestand
Hoeven
Hoffman, Mich.
Holland
Johnson, Md.
Jones, Ala.
Jones, Mo.
Kee
Kelly
Kilburn
Kirwan
Kluczynski
Laird
Loser
McDonough
McDowell
McFall
McIntire
McSween
McVey
MacGregor
Mack
Magnuson
Martin, Mass.
Mason
Michel
Miller, Clem
Miller, George P.
Minshall
Moorehead, Ohio
Moulder
Murray
Nedzi
O'Brien, Ill.
O'Konski
Peterson
Pilcher
Price
Quie
Rains
Reifel
Riley
Roberts, Ala.
Rogers, Tex.
Roosevelt
Roudebush
Saund
Scherer
Scranton
Seely-Brown
Sheppard
Shipley
Short
Siler
Smith, Miss.
Smith, Va.
Spence
Springer
Staggers
Steed
Stubblefield
Teague, Calif.
Thompson, La.
Thompson, N.J.
Thompson, Tex.
Thornberry
Udall, Morris K.
Ullman
Utt
Van Pelt
Van Zandt
Vinson
Watts
Weis
Whalley
Wharton
Whitener
Widnall
Williams
Willis
Winstead
Wright
Yates
Zelenko

So the conference report was agreed to.

The Clerk announced the following pairs:

Mr. Hébert with Mr. Adair.
Mr. Thompson of Louisiana with Mr. Laird.
Mr. Willis with Mr. Hall.
Mr. McSween with Mr. McDonough.
Mr. Alexander with Mr. Kilburn.
Mr. Loser with Mr. O'Konski.
Mr. Thompson of New Jersey with Mr. Quie.
Mr. Dingell with Mr. Roudebush.
Mr. Nedzi with Mr. Scherer.
Mr. Ullman with Mr. Scranton.
Mr. Shipley with Mr. Curtin.
Mr. Roosevelt with Mr. Dague.
Mr. O'Brien of Illinois with Mr. Andersen of Minnesota.
Mr. George P. Miller with Mr. Belcher.
Mr. Staggers with Mr. Van Pelt.

Mr. Evins with Mrs. Weis.
Mr. Hays with Mr. Michel.
Mr. Holland with Mr. Hoffman of Michigan.
Mr. Watts with Mr. Harvey of Indiana.
Mr. Aspinall with Mr. Berry.
Mr. Burke of Kentucky with Mr. Bass of New Hampshire.
Mr. Brewster with Mr. Chiperfield.
Mr. Sheppard with Mr. Dominick.
Mr. Peterson with Mr. Bennett of Michigan.
Mr. Rogers of Texas with Mr. McIntire.
Mr. Williams with Mr. Widnall.
Mr. Anfuso with Mr. Seely-Brown.
Mr. Zelenko with Mr. Siler.
Mr. Celler with Mr. Van Zandt.
Mr. Denton with Mr. Mason.
Mr. Breeding with Mr. MacGregor.
Mr. Clem Miller with Mr. Hiestand.
Mr. Magnuson with Mr. Hoeven.
Mr. McDowell with Mr. Bromwell.
Mr. Wright with Mr. Brown.
Mr. Rains with Mr. Dooley.
Mr. Delaney with Mr. Minshall.
Mr. Carey with Mr. Harsha.
Mr. Kirwan with Mr. Cahill.
Mr. Kluczynski with Mr. Springer.
Mr. Garmatz with Mr. Ellsworth.
Mr. Fogarty with Mr. Chamberlain.
Mr. Forrester with Mr. Baker.
Mr. Price with Mr. Martin of Massachusetts.
Mr. Pilcher with Mr. Reifel.
Mr. Herlong with Mr. Short.
Mrs. Hansen with Mr. Moorehead of Ohio.
Mr. Davis of Tennessee with Mr. Teague of California.
Mr. Buckley with Mr. Utt.
Mr. Ashmore with Mr. Broyhill.
Mr. Blatnik with Mr. Bell.
Mr. Thompson of Texas with Mr. Wharton.
Mrs. Riley with Mr. Garland.
Mr. Roberts of Alabama with Mr. McVey.

Mr. FARBSTEIN changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

The doors were opened.

A motion to reconsider was laid on the table.

INCOME TAX TREATMENT OF TERMINAL RAILROAD CORPORATIONS

Mr. MILLS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 12599) relating to the income tax treatment of terminal railroad corporations and their shareholders, together with Senate amendments thereto, disagree to the amendments of the Senate and request a conference with the Senate.

The SPEAKER pro tempore (Mr. ALBERT). Is there objection to the request of the gentleman from Arkansas?

The Chair hears none and without objection the Chair appoints the following conferees: Messrs. MILLS, KING of California, BOGGS, MASON, and BYRNES of Wisconsin.

LEGISLATIVE PROGRAM FOR FRIDAY, OCTOBER 5, 1962

Mr. ARENDS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ARENDS. Mr. Speaker, I take this time to ask the majority leader what the program may be for tomorrow.

Mr. ALBERT. Mr. Speaker, in order to advise Members as well as we can at this stage, I would like to say that we expect the following bills will be up for consideration tomorrow—bills and conference reports, not necessarily in the order in which I announce them.

H.R. 7927, conference report, Postage Revision Act of 1961.

H.R. 12900, conference report, public works appropriation bill for 1963.

House Concurrent Resolution 570, Berlin, sense of Congress with respect to.

House resolution, to take from the Speaker's table H.R. 8874, Bank Service Corporation Act, authorization and agree to Senate amendments.

Mr. Speaker, the distinguished gentleman from Arkansas, chairman of the Committee on Ways and Means, advises that he will ask unanimous consent that the bill H.R. 8853, to permit the coverage of policemen and firemen by social security, be taken up tomorrow.

The distinguished chairman of the Committee on the District of Columbia desires to call up by unanimous consent House Joint Resolution 900, joint committee establishing District of Columbia recreation board; S. 1447, Teachers' Salaries; and S. 3705, Adjust Salaries, Police and Firemen.

On behalf of the gentleman from South Carolina [Mr. MCMILLAN], I ask unanimous consent that the District of Columbia Committee may have until midnight tonight to file reports on the three bills I have mentioned, House Joint Resolution 900, S. 1447 and S. 3705.

The SPEAKER pro tempore (Mr. NATCHER). Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. ARENDS. Mr. Speaker, may I inquire of the gentleman, are we coming in at noon tomorrow or earlier?

Mr. ALBERT. We have no intention of coming in before noon tomorrow. We might have modification of the program, and we will ask the indulgence of the House and will give the House as much advance notice of any change as possible.

Mr. COLMER. Mr. Speaker, will the gentleman yield?

Mr. ALBERT. I yield to the gentleman from Mississippi.

Mr. COLMER. I would like to inquire of the distinguished majority leader, if I may, what the chances are for a final adjournment of this Congress this week.

Mr. ALBERT. I hope the chances are good. The House is in a position to drive to an adjournment, but of course we do not have control of the operation of the entire Congress. We are still hoping we may adjourn this week.

Mr. COLMER. I would like to express the opinion that I think the country would be in much better shape the sooner we get out.

EVENTS IN MISSISSIPPI HAVE SHOCKED THE PEOPLE OF THIS NATION

Mrs. GREEN of Oregon. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Oregon?

There was no objection.

Mrs. GREEN of Oregon. Mr. Speaker, I include three newspaper articles dealing with recent events in Mississippi, as follows:

[From the Washington Post, Oct. 4, 1962]

A CLASS AT OLE MISS

(By Art Buchwald)

One can't help wondering what they're teaching down at "Ole Miss" during all the trouble there. We can only speculate as to what is going on in the classrooms. How, for example, do they teach the U.S. Constitution? Maybe something like this:

The professor speaks. "Now, class, today we're going to discuss the American Constitution, a very unique document, which, while it has nothing to do with us, should be studied anyway to show how other people govern themselves.

"The most interesting part of the Constitution is the Preamble, which begins, 'They, the people of the United States, in order to form a more perfect union—' "

A student stands up. "Sir, do the people of the United States really believe in the Constitution?"

"Now, let's not be too harsh on them. It is a primitive document with many flaws in it, but there are also some good things in it, and even we in Mississippi have taken some things from the American Constitution to govern ourselves. For example, there is the freedom of speech amendment. Now, this is a very good thing. We also believe in freedom of speech and we have never stopped anyone in Mississippi from yelling 'Help!' if he so desired.

"Freedom of religion is another thing we've taken from the U.S. Constitution. We not only encourage them to pray—we make them. We encourage prayer as a way of solving problems that other States solve in the law courts.

"As a matter of fact, if a sociological problem can't be solved by prayer, then we believe there is no reason to solve it.

"The second amendment of the U.S. Constitution also has some merit—the right to keep and bear arms. As our greatest constitutional expert, Maj. Gen. Edwin A. Walker, has pointed out, every citizen has the right to bear arms against the United States. Otherwise, what kind of a government could you possibly have?"

A student raises his hand. "Do we go along with the sixth amendment which provides the right to a speedy trial?"

"Yes, we do," the professor replies. "If anyone in Mississippi whom we don't like tries to register to vote, he is entitled to a speedy trial."

Another student raises his hand. "What about the right to petition and the right to peacefully assemble?"

The professor replies, "We believe in them and proof of it is that we have permitted people to petition and to assemble to prevent Mr. Meredith from enrolling in our university."

A student raises his hand. "The Americans have an amendment which says that excessive bail shall not be required, nor excessive fines imposed, nor cruel and unusual punishments be inflicted. Is this a good thing?"

"Well, that's what they believe in and who is to say under their system whether it's wrong or right? You must understand that what is constitutional in one part of the country doesn't necessarily make it constitutional in another. Otherwise our Governor would be in court all the time."

A student stands. "Amendment 15 says the right of citizens to vote shall not be denied or abridged by the United States or any State on account of race, color, or previous condition of servitude. How are we to take this amendment?"

The professor says, "I didn't understand the question."

The student starts to ask the question again and the professor pushes a button on his desk. Two State highway patrolmen come into the classroom and drag the student out.

As the class settles down, the professor says, "If there is anything I hate worse than a Negro, it's a Constitution-lover."

[From the Wall Street Journal, Oct. 2, 1962]

THE MORAL ISSUE IN MISSISSIPPI

While statesmen were issuing statements and soldiers were marching to and fro, the the mob before the gate of the University of Mississippi were singing a song.

Its title was "Never, No Never." And the lyrics made no pretense that the mob, in resisting a Federal court order admitted a Negro to the school, was pleading time and patience before overturning customs generations old. To the Negro people, and to the whole country, the song chanted one word over and over—never.

Governor Barnett, in all his legal maneuverings, has taken the same position as the battle song of the mob. Even as he yielded officially to the inevitable, he told the people of Mississippi that they should "never" accept a black skin in the halls of their university.

So now two men are dead, a score or more are in the hospital and no man knows what will be the end of mob violence.

We are no less conscious than others that many questions have been involved in the recent events in Mississippi, including a grave constitutional issue. But it seems to us that nothing has put quite so starkly the central moral question as this word "never." It exposes clearly what is fundamentally wrong with Governor Barnett and the mob which he incites.

The constitutional question of State and Federal responsibilities is one on which moral men may differ, even though the outcome of that struggle was from the beginning foreordained. President Kennedy, like President Eisenhower before him, did the only thing he could do, assert the supremacy of Federal authority against that of any State if the two are forced into collision.

The question of speed or slowness in changing old ways is also one upon which moral men may differ. Honest men must admit to themselves that there is some truth in the cry that immediate, wholesale integration, South or North, would do an injury to society because it would level down and not up. In any event, it is not so simple as many outside the South suppose to change a social order by a court order.

But the mob did not make these the issues in Mississippi. The mob, led by the Governor of the State, tried to say that never shall there be any change.

This is indefensible. For what it says to the Negro people of Mississippi is that it no longer matters what they do with their lives. No matter what effort they make to lift themselves by character and intelligence, the State of Mississippi will not accord them the dignity of manhood. It would strip from them even the patient hope of time.

So it strips from all who utter it not only the support of reason but of morality. It leaves empty all the arguments about States rights, but the constitutional division of powers, about the wisdom of leaving the people of a community free to work out in their own way their age-old problems.

These are weighty questions of long ancestry in our political history, wise men have stood upon both sides. But there is another doctrine of equally deep roots in our tradition. It is that men must come into court with clean hands, and it is an immutable doctrine when men come before the bar of public opinion.

For the most part, this has been the way of the South. Some States have yielded slowly on their custom of absolute segregation of the two races; doubtless all of them have been reluctant to meet changes of unknown consequence. Yet throughout the South, from Virginia to Texas, men of good will have nonetheless accepted the necessity of change because in their hearts they knew it was right; they debated only about how and when. It has been the pace, not the direction, that has divided them.

This being the case, people all over the country—including the men of good will among the Negro people—have offered patient understanding. Neither courts nor Presidents have tried to replace evolution with revolution. But there can be neither patience nor understanding when a mob arises to say to other men that their future is only hopelessness.

For any man to say this to another man is immoral. For an institution of government to elevate it to a policy of State is something that good men cannot tolerate. And the true lesson of Mississippi, whatever the constitutional lawyers may say, is that they will not.

[From the Portland Reporter, Oct. 1, 1962]

MISSISSIPPI—IMAGE OF AMERICA

"There are many, especially of the older generation, who will never be able to consider a nigra anything but a slave, with the white man holding the position of master."

These words were uttered last week over a CBS television program by the president of a white citizens council. It was hard to believe this intelligent, earnest, soft-spoken man was speaking for himself. Most certainly, he must be reporting, in an objective manner, the feelings of others in his State of Mississippi. The "others" who would perpetuate the stagnation in social progress which has marked his State since reconstruction days.

But the chances are unlikely. The words probably did reflect his own thinking. They also must reflect the thinking of a Ross Barnett, the self-righteous Governor who wants to maintain Mississippi's "way of life"—a way of life which includes the lowest average income among the 50 States; an educational system which ranks among the Nation's lowest; a rate of teachers' salaries lowest in the Nation: and an almost nonexistence of labor unions.

And now a way of life bordering on insurrection, calling forth a nationwide Presidential speech, and setting off rioting, death, and the bloodshed Barnett decried in his twisted, meaningless demagogic speech of capitulation Sunday night.

President Kennedy voiced the hope that Meredith could be enrolled without the use of Federal troops and charged the students themselves to uphold the laws of the courts. Both these exhortations were fruitless. Almost before his voice died away, the students did riot, a newspaperman was killed and another wounded. And the Mississippi National Guard was moved to the scene. A wry twist of fate placed former Maj. Gen. Edwin A. Walker, of Little Rock, Ark. fame, at the head of one of the student charges against the U.S. marshals.

Up to the latter part of last week the case was relatively simple; and while the Federal Government was making preparations for possible trouble and Governor Barnett was declaring he would rot in jail before allowing Ole Miss to be polluted, so to speak, no one really expected a bloody explosion.

Barnett's answer to Washington was to assemble an army of over 400 State troopers, and city policemen, along with police dogs, to bar the way of one lone Negro.

What a mustering of force to ward off one lone man. Or did the Governor realize it's not one lone man he's fighting, but an idea? Did the Governor realize that all his troopers, all his police cars, all his guns, dogs, and tear gas grenades will, in the end, fail to prevail over the vague, formless, invisible idea?

Barnett has now thrown in the towel, but not until successfully lighting the fuse to a powder house full of prejudice, racial injustice, and bitter memories of 1864. As he appears to have the support of a large segment of Mississippi voters, he may well have paved the way toward reelection, provided he, the unfrocked Edwin A. Walker, and others aren't cooling off their emotions in a Federal prison.

One sometimes wonders what harm this struggle is doing to the American image abroad. How can American young people serving in the Peace Corps do an effective job among the dark-skinned people of the world? How can a Peace Corps man working in Nigeria, for instance, or even India, explain the actions of the Mississippi Governor to people with whom he must live?

Russia most certainly is whooping it up and don't dare think she won't capitalize on this bigotry. Where her technicians go into the hinterlands of Africa, South America, and Asia, the action of Governor Barnett gives them more ammunition than all the space vehicles they have launched into orbit.

SENATOR BEN SMITH—GREAT AMERICAN

Mr. PHILBIN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the Record.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. PHILBIN. Mr. Speaker, as this session of the Congress approaches its close, I welcome this opportunity to pay my sincere tribute of congratulation, commendation, and gratitude to my very able and distinguished congressional colleague and friend, the Honorable Benjamin Smith, U.S. Senator, of Massachusetts.

Senator Smith came to the other august, deliberative body, one of the greatest tribunals of its kind in the world, by most fortuitous appointment of the distinguished Governor of Massachusetts, to succeed the Senator's very dear friend, our own great President Kennedy, a former beloved colleague of whom we are all so very proud.

Senator Smith has been an outstanding U.S. Senator in every respect—greatly distinguished for his ability, industry, devotion to duty, and solid significant achievement. Well trained and highly qualified, sincerely interested in and dedicated to his work, forward-looking in his approach, this fine young man of gracious personality and humble nature has brought rare dignity, articulateness, and constructive accomplishment to the other body and he has recorded noteworthy contributions to his constituents, State, and Nation.

It is quite natural, therefore, that he should be highly respected, esteemed, and admired by all those with whom he has served so faithfully and well.

He has made a deep lasting impression on the Congress and the Washington scene. His friendly manner and lovable personal qualities have made for him many warm friends in the Senate and the official life of the Nation. His careful attention to his duties, his quick, sure grasp of public questions and the great ability and sound judgments he has demonstrated have won him wide esteem, confidence, and acclaim.

The personality and service of Senator SMITH certainly stand out in the deliberations, affairs, and arduous labors of this Congress. He will long be remembered here for his fine work, unstinted application, and the warmth and enthusiasm with which he conducted his great office in the true interests of all the people.

During his tenure in the Senate he was invaluably assisted, encouraged, and inspired by his lovely, charming wife who has captivated all those with whom she came in contact here by her gracious ways and warm human interests, characteristics, I may say, that she possesses in common with her distinguished husband.

It is a genuine pleasure and honor for me to acknowledge the outstanding public service of Senator SMITH and the great and rare qualities of statesmanship and human interest which he has manifested in the time he has so ably served in the other body.

The Nation, in this day of turmoil, crisis and uncertainty, or indeed at any time, could ill afford to lose the devoted service and dedication of a great American like BEN SMITH.

We are very sorry he is now leaving the Senate, but I am very sure that he is not leaving public life. We need him and others with his talents, experience and wisdom to serve the country in these times, and I have no doubt that Senator SMITH will continue to make his fine contributions in some high-level Federal post commensurate with his superlative qualifications. There is no great policy office in this Nation that BEN SMITH could not fill with great distinction and public benefit.

Hail and salute to a faithful public servant, Senator BENJAMIN SMITH. I wish for him, Mrs. Smith, and his wonderful family continued good health, success in their undertakings and real, enduring happiness for many years to come. May every choice blessing be with them always.

HIGHER EDUCATION NEEDS

Mr. HALPERN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. HALPERN. Mr. Speaker, I rise to discuss a matter of great concern to me, and I am sure to many of my colleagues. I refer to this Nation's need for the technically trained individual. I strongly believe that in these especially complex times of human civilization, there is no area worthy of greater study, consideration and action than the education and training of individuals who possess the technical skills for our manpower team.

In January of this year the Advisory Group on Higher Education of the House Education and Labor Committee published a report which was the result of some 4 months of study and attention to the problem of identifying the unmet needs of higher education in the fields which contribute most directly to our national security and economic growth. Information for this report resulted from study and a series of informal discussions with leading members of the American scientific and university community. The members of this Advisory Group were in unanimous agreement that among the major national needs in higher education and specialized manpower are:

> The training of greatly increased numbers of engineering and other semiprofessional technicians to fulfill our national commitment to the conquest of space, to staff our vital research and development projects, to make the best use of our limited supply of engineers and scientists and to fill the rising demand for highly skilled technical workers in industry and Government.

The Advisory Committee recommended that a program of Federal grants to the States be authorized to stimulate the establishment and expansion of technical institutes for the training of semiprofessional technicians at the college level. In making this recommendation, the Advisory Group pointed out that the Nation faces an alarming shortage of semiprofessional technicians which will become increasingly acute in engineering and space technology. Moreover, it reported that experts say we should be training at least one engineering technician for each graduating engineer.

In keeping with these major points of emphasis underscored by the Advisory Committee for Higher Education, and out of my own awareness and very genuine concern with the Nation's technological manpower team, I introduced in the Congress a bill, H.R. 12173, which is the Technical Education Act of 1962. An identical measure has been introduced by Congressman JOHN BRADEMAS who was chairman of the House Advisory Group on Higher Education. I consider the enactment of H.R. 12173 of serious importance if this Nation would meet the scientific and technological challenges delivered to us by the Soviet totalitarian society.

The purpose of the Technical Education Act is twofold. It would promote a double attack upon a serious situation. First, my bill would provide assistance to the States to make inventories to determine the nature and scope of their existing programs of technical education—including occupational curriculums in engineering, mathematics, or the biological and physical sciences. Attention would be focused upon study and training requiring not less than 2 years of full-time college-level study or its equivalent. The purpose of this provision is to prepare students for immediate employment at the semiprofessional level. This first provision of the bill would also allow for a survey of the professional technicians in engineering, scientific, and other technological fields. Only through such a survey could we hope to know State needs for expansion or establishment or improvement of programs in technical education to assist in meeting the national needs for semiprofessional technicians. A second attack upon the problem would be promoted by the bill's assistance to technical education institutions affording 2 or more years of college-level training.

In the accomplishment of its first provision—inventories of needs and surveys of technical manpower requirements—the bill authorizes the appropriation of $2 million to remain available until expended. In the accomplishment of the second major provision—grants for the establishment, expansion and improvement of programs of technical education—the bill authorizes the appropriation of $40 million for each of 5 fiscal years beginning with the fiscal year ending June 30, 1963. Although these amounts may sound tremendous to some persons, those of us familiar with the components of an excellent program of technological education and the critical need for people in these areas can well appreciate the importance of the availability of adequate funds.

Another feature of the bill is a provision which would establish in the U.S. Office of Education a Federal Council for Technical Education. The Council would be able to perform an important function and service both to the administration and to the Congress in the formulation of regulations, standards, and criteria in carrying out the Technical Education Act, and other related duties.

The need for the legislation which I have introduced is perhaps well known to you. You might not know, however, that in February 1962 the U.S. Office of Education reported that fewer college freshmen enrolled in engineering last fall than 2 years ago. Moreover, the proportion of college students majoring in engineering went down for the third year in a row. At the time of this announcement by the Office of Education, then Secretary of Health, Education, and Welfare Ribicoff stated, "This is further evidence that the balance of brainpower may tip—and tip dangerously—against us if the Nation does not soon awake to the importance of education to the freedom of the Western World."

The downward tip of the balance scale in the education of technically trained people is especially dangerous when we learn through studies—such as the National Science Foundation study of Soviet technical manpower—that the Soviet Union graduated almost twice as many engineers as we did during the last 30 years—1.1 million against 0.6 million. They are now reported to be graduating about three times as many as we are each year. I think we need to take serious heed of the National Science Foundation information which indicates that the total U.S. need for engineers may almost double during the 1960's—from 782,800 in 1959 to 1,484,000 in 1970. To meet this estimated demand, the Department of Labor's Bureau of Labor Statistics, which conducted the study for NSF, estimated that it would be necessary to graduate about 72,000 engineers a year during the 10-year period. In the face of this tremendously serious condition we must acknowledge that engineering degrees at all levels conferred last year fell short of the needed figure by about 27,000.

One cannot, of course, discuss the needs for additional numbers of people trained beyond the high school level in any field without recognition of the already crowded conditions of large numbers of our colleges and universities. The truth is that the specialization and levels of training required by these complex times have necessitated that more people pursue education beyond the high school. Also, through better programs of guidance and encouragement in our schools and communities, more capable young people are being encouraged to pursue college and university level study in the fulfillment of their fullest potential.

Legislation, therefore, to provide assistance to a number of 2-year technical institutes as well as colleges and universities offering technical education is valuable not only in terms of the technical education assistance but also because of its general assistance to higher education in the Nation and its assistance in helping institutions accommodate increasing numbers of qualified students. I consider this analogy posed by Truman H. Kuhn of the Colorado School of Mines to be worthy of serious thought:

> Our universities and colleges graduated some 60,000 science majors last June. But, for the next 10 years, the same schools must turn out at least 83,000 annually. One point in the favor of science is that enrollments are increasing. But this joy is sobered by the fact that science enrollments, though increasing, are not increasing fast enough.
>
> Science and engineering students are bright, have an incisive aptitude, and have a desire for theoretical challenges. I would liken this body of students to a pie. Formerly, this pie was sliced in favor of engineering. The science slice is now increasing while engineering's portion decreases. But the disturbing aspect of the analogy is that the size of the pie itself is not growing. The major task confronting college admissions directors is to interest the bright student who has never given either of these fields even the barest consideration. The slices that are held before industry now are from pies already prepared and produced. It takes no brains to slice a pie, but it takes brains, conception, and hard work to grow the products for new pies. I submit that we should pay heed to those who would grow the products for us * * * we have no more time to deliberate the problem and * * * currently we are not turning out enough products for today's demand, let alone tomorrow's.

At the time that I introduced H.R. 12173 in the Congress I was convinced of its need and value in terms of the immediate and far-range effect it could have upon the security and continued welfare and progress of the Nation. I am still convinced of this matter, although I fully realize that in these last days of this Congress, there is little possibility of enactment. You may be sure, however, that I shall again introduce this measure in the early days of the 88th Congress, and that I shall continue to lend all my efforts to its early consideration and enactment. I shall continue to call upon my colleagues for their support for this legislation, and I shall do my utmost to focus public attention on this problem. It is vital that the American public realize that technical education is directly related to the whole frame of reference within which we must live, work and plan in these times of a new era of adventure, exploration and technology.

THE U.S. WEATHER BUREAU

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from Florida [Mr. FASCELL] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. FASCELL. Mr. Speaker, before the Congress is an extremely important request of the Government's Weather Bureau for funds in the amount of $1.5 million with which the Bureau wants to purchase two aircraft for use in hurricane research.

The Weather Bureau for 3 years has had these two DC-6's under lease with an option to buy. From the Miami-based experiment station, the only one in our country, these "flying laboratories" fly out into the atmosphere to locate and estimate the intensity of tropical storms. There is little need to assess the tremendous value of early forecasting of these storms to the lives and properties of our people. Hurricane Carla just last year witnessed the greatest mass evacuation in American history. No other single factor is responsible for this feat which saved the lives of thousands of our people, other than the immeasurably beneficial weather forecasting reports which were made possible through the use of these aircraft and their flights into the storm areas of the South Atlantic.

During the off-season for tropical storms, these planes are used in the Midwest for research into other types of storms incidental to those areas such as cyclones or typhoons.

The annual rental of these two aircraft has been $540,000. In view of the expiration of the Weather Bureau's lease of them at the end of this fiscal year, the Bureau contemplated their purchase which would, first, insure the continued use of these planes for weather research and, second, save money by buying them outright instead of paying rent on them. At a cost of $800,000 each, the aircraft would pay for themselves within a couple of years. Also included in the request for $1.5 million, was $440,000 to cover the rental of an electric computer with a large capacity for studying fast and accurately general circulation patterns.

All of this valuable work is going to come to a grinding halt unless we take another look at this appropriation request. The mission and record of accomplishments of the national hurricane research project at Miami is recognized worldwide for its importance and necessity. It has completed plans for three major projects:

Seeding hurricanes with silver iodide to determine whether the great, destructive storms can be weakened, dissipated, or steered away from coastal areas.

Intensive study of hurricane rainbands. These bands serve as the "engines" which give the massive tropical storms their unbelievable energy, and also generate tornadoes.

Coordinated work with the meteorological satellite Tiros IV, now in orbit, to devise forecasting procedures. The satellite will swing over the tropical Atlantic in August and September. Last year Tiros III discovered hurricane Esther, and photographed 5 hurricanes and a lesser tropical storm in the Atlantic, plus 11 typhoons and a tropical storm in the Pacific.

If the funds are not approved, the Weather Bureau will be required to give up these two flying labs and a rented B-26, which fly out of Miami, and retain only a high-flying jet on loan from the Air Force. This plane would be of little help in low-level penetrations of hurricanes.

Every citizen and taxpayer of this country is personally interested in and affected by the work of this weather-research group. I feel sure the Congress will respond to the urgent need for continuance of this effort in the public interest.

TAX DEDUCTION FOR PAYMENT OF PARENTS' MEDICAL COSTS

Mr. BARRY. Mr. Speaker, I ask unanimous consent that the gentleman from Missouri [Mr. CURTIS] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CURTIS of Missouri. Mr. Speaker, one of the areas of grave concern to the people of this country is that of financing medical care for America's senior citizens. We have experienced tremendous progress in the health sciences, progress that is as costly as it is effective. A very heavy burden has been cast upon our over-65 age population to meet its medical costs as these people are generally on a fixed income and medical expenses in one's retirement years are quite high.

One of the most effective means of helping these people, and indeed one that is long rooted in the history and makeup of man, is the help of a child for his parents. It is exemplified by the common practice of the days when America was more rural to have three, or sometimes four, generations of one family living together in the family home with the young and the retired members of the family unit being cared for by those of working age. The pattern has changed; most retired persons now live apart from their children, a large percentage of them in homes they own. But the idea of help for this group from the working age members of the family is still a common thing.

A constituent recently inquired of me whether it might not be a good idea to permit a taxpayer to deduct the amount he spends to help defray the health care costs of his parents. I believe the idea has merit and I asked the Internal Revenue Service to provide me with information on the current tax status of such expenditures. Medical expenses for a dependent parent are currently deductible by a taxpayer, and if the parent is both dependent and over 65 years of age, the 3-percent limitation (that is, the normal requirement that medical expenses exceed 3 percent of a taxpayer's adjusted gross income before any deduction may be taken) does not apply. Further, this deduction for such amounts spent applies also in the case in which a parent would be dependent upon the taxpayer except for the fact that the parent has an income over $600. This last rule applies to the situation in which the parent has an income which, normally, would place him in the category of nondependent—more than $600 per year—but, he is actually dependent upon the taxpayer.

The question now is whether this provision might be expanded further to help those who have undertaken this means of assisting their parents and to encourage others to do likewise.

Clearly, the case of the parent who is actually dependent upon a taxpayer is covered. I would urge consideration—and I might note that I am doing it in this way because I have not had the opportunity to frame legislation which would accomplish the goals which I shall set—of a provision to permit the deduction of amounts spent to help a taxpayer's parents when the parents are eligible for Kerr-Mills Act assistance.

The recipient of help under the medical assistance for the aged provisions of Kerr-Mills is not a dependent of anyone. This bill was designed to give help to one in the over-65 age bracket who is able to take care of his everyday needs but could not meet a catastrophic or major medical expense. Put in simple terms, Kerr-Mills gives a hand to those who have their small home and pension when they are hit by a major medical bill. It does not require that they sell their home or cash in their pension; what it does is recognize that public assistance is needed in one limited area of the budget, and gives it in that area without disturbing the flow of the recipients' life around it. Far from pauperizing the recipients, Kerr-Mills by recognizing the need in this one area and meeting it prevents the need for people hit by staggering costs in the health care field to sell everything and go on relief to get help. It is designed to keep people off relief.

Perhaps there is a place for the tax deduction mechanism to help these people, too. It would involve granting a tax deduction for medical care payments made by a taxpayer on behalf of his parents who are not his dependents but who, in the event of a major medical expense, would be qualified for Kerr-Mills assistance. It has been determined—properly, I believe—that there is a legitimate interest of the Government in assuring that help be given to these people when it is needed. The Kerr-Mills Act was based upon this determination. And the tax deduction mechanism is another way of achieving this goal. I urge that full consideration be given this idea, for I believe it could provide another step forward in our efforts, private and governmental, to meet the costs of our health care program.

CAPTIVE NATIONS

Mr. BARRY. Mr. Speaker, I ask unanimous consent that the gentleman from Illinois [Mr. DERWINSKI] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. DERWINSKI. Mr. Speaker, I have repeatedly pointed out to the Members of Congress the fact that the major colonialist power in existence today is the Soviet Union. The people suffering under the yoke of colonialism are the peoples of Eastern Europe, those within the Soviet Union proper and those of the Communist satellites of that area. One of the tragedies of our time is the deliberate manner in which the U.N. remains blind to the plight of the oppressed people within the Soviet Union.

U.S. foreign policy is at least in part to blame for our State Department—U.S. Ambassador Stevenson's failure to take the necessary steps to place this matter on the U.N. agenda.

I include in the RECORD following my remarks a letter from the Ukrainian National Council to the Secretary General of the U.N.

Mr. Speaker, I certainly hope that the recognition of the true nature of the Soviet colonialists will sink into the minds and hearts of the State Department officials, and that when the 88th Congress convenes they will cease voicing their objection to the special House Committee on Captive Nations so that we might, in the next Congress, create such a body so that we can develop the tremendously potential task to which it would address itself. We must show the world the true nature of Communist oppression.

The letter referred to follows:

UKRAINIAN NATIONAL COUNCIL,
September 1962.

HIS EXCELLENCY U THANT,
Secretary General,
United Nations Organization,
New York, N.Y.

EXCELLENCY: In November 1961 the problem of the liquidation of colonialism was discussed within the framework of the 16th United Nations Assembly. As a result, decisions were made and a special committee created for the purpose of enforcing the principles concerning the liberation and independence of the colonial peoples, as proclaimed in the declaration of the United Nations Organization.

We consider it our duty to offer our experience and knowledge of East European conditions to serve the U.N. and the abovementioned committee. In the first place, we would call attention to the fact that, while the Western Powers have been engaged in granting independence to their colonies, a process of extending colonialism has taken place in Eastern Europe so that the Soviet Union, with its subjugated satellites, is now actually the only real colonial empire on this globe. The parent state of this empire, the Russian Soviet Federal Socialist Republic, with its territory of 17 million square kilometers and its 119 million population, is holding a series of European and Asian countries with a total territory of 7.5 million square kilometers and a population of 174.3 million people in colonial dependence. Besides, the RSFSR itself is inhabited not only by Russians but, also, by several non-Russian ethnic groups.

The revolution of 1917 shook the foundations of the Russian Empire. A large number of non-Russian countries, including the Ukraine, seceded from Russia and, in 1918, established independent states. In Russia proper the Bolsheviks came to power. Proclaiming the principle of self-determination of peoples, they simultaneously attacked the newly established states. The traditional Muscovite imperialism became the motive power of the Soviet regime. A series of colonial wars in 1920–21 enabled the Soviets to succeed in subjugating the neighbor countries with the exception of Poland, Finland, and the Baltic countries. In 1923, Moscow forced upon the subjugated peoples a federal relationship within the Union of the Soviet Socialist Republics, which was composed of Russia, the Ukraine, Belorussia, Georgia, Armenia, Azerbajan, Kazakhstan, Uzbekistan, Tadzhikistan, Turkmenistan, Kirghizia, Karelia and, after World War II, also Estonia, Latvia, Lithuania, and Moldavia—all of them as independent union republics. Sixteen autonomous republics and nine autonomous national oblasts belong to the Russian Soviet Federal Socialist Republic. These administrative and state political units reflect the mosaic nature of the Soviet Union population.

After World War II, Albania, Poland, Rumania, Hungary, Czechoslovakia, and Bulgaria were added to this conglomerate of nationalities.

We have adduced well-known data in order to state the fact of the existence of a Soviet empire and of the colonial dependence of 20 non-Russian federal republics and satellite republics as well as of 25 autonomous territories with non-Russian populations. All these people differ from the Russians in race, language, culture, social structure as well as in their historical and political traditions. In order to illustrate the colonial relationship between Russia and her neighbor countries, may we be allowed to dwell in greater detail on the subject of relations between Russia and the Ukraine.

In the political sphere, the situation of the Ukraine with regard to Russia is characterized by the fact that the sovereignty of the Ukrainian SSR is a mere fiction. Actually, and contrary to the constitution, the government of the Ukraine conducts no foreign policy, has no representations abroad, no national currency and no national army. In fact, none of the union republics possesses any of these attributes of sovereignty, neither can they issue passports. The organs of the legislative body in the Ukraine are mostly fictitious. The laws for the whole U.S.S.R. are actually issued by the All-Union Supreme Soviet and the whole life there is controlled by the All-Union Communist Party. Neither the Supreme Soviet of the Ukrainian SSR nor its government are expressive of the will of the Ukrainian people, since there are no free elections in the Ukraine and since the Ukrainian SSR is ruled by the Communist Party with its seat in Moscow.

The colonial situation of the Ukraine is equally obvious in the economic field. The Ukrainian people cannot dispose of the natural resources of their country, nor of its industrial establishments, nor even of the fruits of their work. Everything is in the possession of Moscow. The expropriated soil of the Ukrainian peasants and the nationalized property of the Ukrainian industrialists have not become the property of the Ukrainian nation, but of the Soviet state under the oligarchical leadership of the Moscow party. Lacking financial resources, the industrialization of the U.S.S.R. was enforced at the expense, primarily, of the

Ukrainian peasants and by means of the natural resources of the Donets Basin and the Zaporozhye region.

The Ukraine is forced to export to Russia industrial raw materials, semimanufactured goods and grain at prices set by Moscow, and to purchase the products of the Russian industry at prices also imposed by Moscow. The purpose and final result of this system is the exploitation of Ukrainian manpower and the rearing of Russian technical cadres with which the Soviets flood the Ukraine and other union republics as well as their satellite colonies. Moscow recruited gratuitous labor chiefly from the non-Russian regions of the U.S.S.R. in the form of deportees to the labor camps of Vorkuta, Karaganda, Pechora and other camps, and now it recruits workers and peasants from these regions for the virgin soil of Turkestan. Capital investments have always been assigned chiefly for the Russian regions, where the Soviets artificially further the production of automobiles, precise mechanical instruments, the cotton industry, etc. At the same time, they force the union republics to grow monocrops.

Moscow's colonial oppression of the Ukraine is also painfully evident in the intellectual and cultural fields. The U.S.S.R. Communist Party program clearly expresses the Soviet desire to eliminate the national physiognomy of the peoples of the Soviet Union and to Russify them. This is why the people who were moved from the Ukraine to other parts of the U.S.S.R. have no national schools. press or cultural institutions of their own, whereas the Russians, living in the Ukraine and in other republics, are generously endowed in this respect. The Russian language is a compulsory subject in the Ukraine schools, but the Russians living in the Ukraine are not obliged to learn Ukrainian. The number of copies of Ukrainian-language editions is much too low to satisfy the requirements of the Ukrainian readers. At the same time, the state publishing houses deluge the market with Russian books and periodicals.

The Soviet cultural policy regarding the Ukraine does not shrink from mass persecution of Ukrainian writers and scholars. In the period from 1930 to 1960, the Soviet Government liquidated physically, and drove to suicide, 73 Ukrainian men of letters and forced 212 into inactivity as writers by deporting them to labor camps or by banning their works from publication.

The above facts testify conclusively to the cruelty and ruthlessness of the Russian colonial practices in the Ukraine, including even genocide. We have already mentioned the labor camps in which millions of people perished. In 1932–33, the Soviets organized an artificial famine in the Ukraine, during which about 6 million people starved to death. The purpose of this action was, on the one hand, to force the Ukrainian peasants into kolkhozes and, on the other hand, to facilitate a dumping of the Ukrainian grain which was exported in great masses to foreign markets. As a result of the deportations and the famine, the population of the country decreased immensely. In 1959, it should have numbered 60 million people; instead, their number did not surpass 42 million. A similar Soviet population policy in some other colonies, in Kazakhstan for instance, reduced the original inhabitants to the status of a minority, the majority consisting of imported foreign elements. In the Ukraine, too, the Russian colonists who in 1926 amounted to 8 percent of the population, had increased by 1959 to 16.9 percent.

Considering the above-mentioned data, we venture to suggest that the U.N. committee pay special attention to Russian-Soviet colonialism in East Europe. It is an indisputable fact that the colonial system has lived its time and must be liquidated just as slavery and serfdom have been liquidated in their time. And, indeed, colonialism is vanishing with increasing celerity everywhere—except in the territories under the rule of Moscow, where it assumed ruthless forms and has become a threat to peace. The U.N. have, in fact, taken upon themselves the responsibility for the liquidation of the colonial systems in the whole world, and consequently in Eastern Europe. We feel that, in addition to their resolutions and declarations, the U.N. should consider practical measures to this end. In the first place, however, the U.N. should proclaim a "Charta of Freedom" confirming the right of all peoples on this globe to determine their own fate, sovereignly to decide upon the internal order of their country, to establish their state independence or, if deprived of the latter through aggression from outside, to reestablish it.

At the same time, the committee should—by way of carrying out the tasks assigned to it—suggest that the Soviets apply to their own colonies the demand expressed by Mr. Khrushchev at the 15th U.N. Assembly, and grant freedom of elections, speech, assembly, etc., to the peoples oppressed by Moscow. Also, the committee should remind Moscow of the declaration of the Soviets of December 1917, which recognized "the right of the peoples of Russia to self-determination including secession and establishment of independent states," and also of paragraph 17 of the Constitution of the U.S.S.R., which proclaims the right of every constituent part of the Soviet Union to secede from this Union. It should insist that Moscow renounce the right of force regarding its colonies as the Western Powers have done when they freed theirs.

The U.N. should call upon their members to assist not only the peoples of Africa and Asia to achieve freedom and establish sovereign states, but also to aid the peoples in East Europe. By no means, however, should members of the United Nations Organization lower the principles of this institution by crediting the arguments of the Russian imperialists, according to which Moscow's present colonies are "traditional parts of the Soviet Union."

Finally, the Committee should warn the newly created states in Africa and Asia against the policy of the Soviets by calling their attention to the practices with which Moscow succeeded in subjugating a great number of countries. The above-cited facts bear witness that Moscow "liberates" peoples only to enslave them again, and that it gives them support in the sector of industrialization in order to exploit them. The Ukraine, Georgia, and Turkestan, which repeatedly rose in armed rebellion to free themselves from the rule of Moscow, and Hungary which, in 1956, paid dearly for her attempt to liberate herself from Soviet oppression—they should all be a terrible memento to those peoples whom Moscow claims to protect.

MYKOLA LIWYCKYJ,
Chairman of the Executive Committee of the Ukrainian National Council.
DMYTRO ANDRIEVSKY,
Deputy Chairman of the Executive Committee of the Ukrainian National Council.

AUTHORIZING THE PRESIDENT TO CALL UP 150,000 RESERVES, AND COMMUNIST EXPANSION IN THE WESTERN HEMISPHERE

Mr. BARRY. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. UTT] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. UTT. Mr. Speaker, during the closing days of the 87th Congress, there were two important items under consideration on which I voted in the negative. Mine was the only dissenting vote by the California delegation, and it therefore seems proper that I should give my constituents the reasons upon which I based my decision.

The first of these bills was a resolution authorizing the President to call up 150,000 Reserves. My reasons for voting "no" are as follows:

First. It appeared to be a repetition of last year's callup, which the Pentagon admitted was a mistake that cost the American taxpayers over a half-billion dollars. These Reserves were sent to camps which were unable to house them properly and where they were not needed. It disrupted the lives of more than 150,000 men and their families, even though, during this so-called crisis, hundreds of troops in West Germany were "loaned" as props to Darryl Zanuck to film "The Longest Day," picturing the Normandy landing, and while the "Wall of Shame" was being built in Berlin.

Second. The President does not know how, when, or where to apply military power, and, if he did know, he does not have the courage to use it, as was indicated in his last minute refusal to support the well-planned Cuban invasion at the Bay of Pigs, thereby consigning thousands of Cuban patriots to a living death.

Third. The administration continues to be bluffed, bullied, and blackmailed by the Kremlin, and the call up of 150,000 Reserves would not alter this "no win" policy nor cure the "yellow fever" to which the administration has succumbed.

Fourth. The regular draft callup during the buildup of the most recent crisis was dropped from more than 10,000 a month to 4,000 a month, indicating no need for additional men.

Fifth. Just 3 days before this resolution was considered, the President made a speech by telephone to the Democratic convention in Columbus, Ohio, in which he said:

> When the Democratic administration came to office in January of 1961, Khrushchev was on the move in Berlin, the Communist Gizenga was on the move in the Congo, Castro and the Communists had taken over Cuba, the Communists were on the move in Laos and South Vietnam. In the months since, that tide has been reversed. We have taken initiatives in many parts of the world from Vietnam to Berlin. Castro, reduced to a state of desperation, has invited Soviet help, and thereby sealed his own doom in South America and ultimately in Cuba itself.

Such a statement is utterly ridiculous and falls in the category of the big lie technique. Khrushchev is still on the move in Berlin; Gizenga followers are still moving in the Congo; the Soviet Union has moved into Cuba with heavy military hardware, including missiles capable of reaching the United States at low level without warning; and now a Russian submarine base is being built in

Cuba; the Communist troops are still welcome in Laos as a haven for their operations in South Vietnam; and Castro has not been reduced to a state of desperation, but, on the contrary, has built up with Communist aid, the strongest military base in the Western Hemisphere, excluding the United States; and instead of sealing his own doom in South America, he is sealing the doom of South and Central America.

Sixth. The President, as Commander in Chief, has the power to call up anybody and everybody in case of war.

Seventh. I do not propose to disrupt the lives of 150,000 Americans only to see last year's callup fiasco repeated.

The second item was Senate Joint Resolution 230, which was simply a statement to the effect that Congress, in cooperation with the President, should prevent, by whatever means necessary, the Communist expansion in the Western Hemisphere. To support this resolution simply meant that we were accepting the status quo in Cuba. In other words, the Soviet control of Cuba, with all of its military implications, is OK, and only the expansion of the Soviet operations to other parts of the Western Hemisphere is to be stopped. Under no circumstances could I support this position, as it is simply surrender on a country-by-country basis.

The Republicans offered a motion to strengthen the resolution by giving the President full authority to enforce the Monroe Doctrine by economic, diplomatic, and military means, which would mean the rollback of the Soviet influence, subversion, and control of Cuba, which is absolutely necessary to the survival of this country. I supported this motion, as did 95 percent of the Republicans, but the State Department had the Democrats wired to the floor. The Monroe Doctrine was not even mentioned in the resolving clause in the resolution which passed the House with only seven dissenting votes. So we are in the untenable position of putting our approval on the status quo in Cuba. What country will be next? Brazil? Haiti? Dominican Republic? Panama?

THE FARM BILL OF 1962

Mr. BARRY. Mr. Speaker, I ask unanimous consent that the gentleman from Indiana [Mr. Wilson] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. WILSON of Indiana. Mr. Speaker, as we recently concluded action on the farm bill of 1962, and as we prepare for adjournment of the 87th Congress and return to our homes, I am moved to say a few words about what I consider real democracy in action. Many of us through the year speak on the principles of democracy and extoll its virtues here in the Halls of Congress sometimes to the point where we often overlook this day-to-day operation we extoll. Ofttimes, the day-to-day operation does not seem to measure up to the lofty ideals expressed here on the floor. But I would remind our colleagues without the true operation of our democratic principles, our many words of exemplary praise would come to naught.

The operations of our Nation's farm programs have created bitter conflict among those who would both help the Nation's farmer and solve one of the most difficult domestic problems. And yet, we have today—as we had 4 years ago under a different administration—farmers in every one of the 3,000 counties of America, who were elected, just as you and I, by their own neighbors, administering the complicated farm programs of this Nation. Not necessarily programs which they approve, in fact in many cases programs about which they have serious misgivings, programs which you and I enact here in the Halls of Congress. And yet they have taken up this often difficult task of explaining programs to their neighbors so that they might be fully informed as to what was available to them for their acceptance or rejection.

Mr. Speaker, I know of no more dedicated group of men than the 9,000 county committeemen and the 90,000 community committeemen throughout this Nation who are attempting, as I said before, to make democracy work. Oh, there are occasional failures in this great group; someone fails to accomplish his job, or exploits it, but on the whole nowhere in the world, certainly not in Soviet Russia, do we have anything that compares in the ideological devotion to the true substance of our Constitution, as these men.

Consequently, before the 87th Congress adjourns, I did want to take a few minutes to express my appreciation to the men like I know personally serve in the Ninth District in Indiana, and as I am informed serve throughout the Nation, for the outstanding job they are doing to perpetuate the form of government all of us believe in.

ISSUES OF THE DAY: THE PEOPLE SPEAK

Mr. BARRY. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. Becker] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BECKER. Mr. Speaker, for the information of all Members, I take leave to insert in the Record a news release that I issued today, giving the first part of the results of a questionnaire I sent out some months ago. The results are illuminating in the light of my votes on much of the legislation that has come up at this session of the Congress. Also, it shows a considerable change in some places, strengthening previous positions and survey of mine taken in 1960. This and the subsequent releases I will issue on the balance of this questionnaire as the answers come along, naturally, make me feel quite certain that I have been representing my people substantially in line with their thinking. The release follows:

> In an address on the floor of the House of Representatives today, Congressman Frank J. Becker, of Lynbrook, N.Y., reported to his congressional colleagues on the results of a public opinion survey on the Nation's foreign policy and defense postures.
>
> The survey was based on 10,000 replies to a comprehensive questionnaire on a number of subjects of national interest mailed to 125,000 voters in the newly defined Fifth Congressional District in Nassau County. Other replies are still being tabulated.
>
> Commenting on the initial phase of the poll, Becker said that he was gratified to observe that his voting record in Congress was consistent with the views expressed by constituents in his district, on foreign policy and national defense.
>
> Contrasting results of the current poll with a similar survey in 1960, Becker said that the public attitude toward recognition of Red China had stiffened considerably. Two years ago, in answer to the question, "Do you favor recognition of Red China?" 16.49 percent of the respondents said they did, 75.76 percent did not, and 7.75 percent were not sure. In reply to the same question in the latest Becker survey, 11.10 percent of the replies favored the recognition of the Peiping regime, 81.25 percent did not, and 7.65 percent did not know.
>
> The same pattern of public firmness was noted with regard to the Berlin situation. In 1960, voters were asked, "Do you believe that the United States should remain firm on retaining the present free status of Berlin regardless of consequences?" The replies were 87.79 percent "yes," 5.46 percent "no," and 6.75 percent "not sure."
>
> In the current Becker survey, the question was, "Do you believe any agreement over Berlin must include provision for removal of the Wall and free elections?" Answers tabulated were 78.13 percent "yes," 12.53 percent "no," and 9.11 percent "not sure."
>
> Congressman Becker observed that there seems to be a growing feeling of disenchantment among taxpayers regarding U.S. foreign aid disbursements. Two years ago, in reply to "Do you favor a reduction in foreign military assistance programs?" 28.74 percent of the voters answered "yes," 57.90 percent "no," and 11.96 percent were not sure.
>
> This year, the question was phrased, "Do you favor a gradual reduction in foreign aid?" and 81.19 percent of the voters tabulated said "Yes," 12.89 percent decided "no," and only 5.92 percent reported they were not sure.
>
> On the question of military and economic assistance to countries in the Communist bloc, 9.36 percent of this year's voters are in favor of continued aid, 82.66 percent are opposed, and 7.98 percent are unsure.
>
> Opposition to the purchase of $100 million in U.N. bonds was expressed by 69.76 percent of the respondents; 23.30 percent were in favor of the purchase, and 6.94 percent were unsure. The question apprised the voters that 82 of the 104 U.N. member nations had refused to pay membership assessments.
>
> Very few people favor unilateral disarmament as a method to demonstrate our good intentions to the U.S.S.R.; 88.35 percent did not think it a good idea, against 5.19 percent in favor and 6.46 percent undecided.
>
> An 87 percent of the voters surveyed approve nuclear testing in the atmosphere as a means of maintaining our atomic lead over Russia. Only 7.30 percent gave negative answers and 5.70 percent expressed uncertainty.

The statistical breakdown of replies to other questions are as follows:

"Do you believe that any nation which refused to pay its dues and assessments should be denied the right to vote in the General Assembly?" 88.51 percent "yes", 6.96 percent "no", 7.65 percent "not sure".

"Do you approve the action of the United States in sponsoring the admittance of Outer Mongolia, a Soviet satellite, to the U.N. last fall?" 16.47 percent "yes", 66.2 percent "no", 17.32 percent "not sure".

"Do you favor increased draft inductions to avoid another callup of Reserves?" 71.04 percent "yes", 15.91 percent "no", 13.05 percent "not sure".

"Do you favor the increasing and strengthening of anti-Communist indoctrinal instruction in our Armed Forces?" 81.12 percent "yes", 8.84 percent "no", 6.04 percent "not sure".

"Do you believe the United States should require greater military effort of its Allies?" (United States spends 10 percent of national production on military costs, Soviets 22 percent, NATO Allies 5 percent) 88.82 percent "yes", 4.65 percent "no", 6.53 percent "not sure".

"Do you favor a Federal-aid program to build fallout shelters for schools, hospitals and other State operated institutions regardless of cost?" 13.34 percent "yes", 70.61 percent "no", 15.55 percent "not sure".

Congressman BECKER said that he has always considered the opinions expressed by constituents a significant factor in his determination of voting decisions on national legislation.

The Nassau legislator said that he would release statistics on replies to other questions in his questionnaire as soon as the tabulations were completed. These replies will cover agriculture, taxes, labor-management, education, and medical care for the aged.

REPORT ON CONTINUED VIOLATION OF CONSTITUTIONAL RIGHTS OF GENERAL WALKER

The **SPEAKER** pro tempore (Mr. ALBERT). Under previous order of the House, the gentleman from Texas [Mr. ALGER] is recognized for 1 hour.

Mr. ALGER. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. ALGER. Mr. Speaker, I shall not take all of that time and, believe me, because there are others following me, I shall hurry. I have two separate matters to cover, and because I would not take time during the debate to speak out of order, I want to take some time, which I have done twice before. In order that my colleagues be kept fully informed on the developments regarding the arrest and detention of Gen. Edwin Walker, I would like to make this report on the fourth day of his incarceration, and raise the question: How much is a day of freedom worth in the life of a human being? Or many days? We all may well ask ourselves this question if, by ignoring the violation of the civil liberties of General Walker, we cause the breakdown of our legal procedures any one of us may someday be in a similar position.

My office has again been in touch with General Walker's attorneys. The strict security under which he was held on the first day has been relaxed. His attorneys are now able to visit him. Thank God, we have made some progress toward the restoration of proper legal procedures.

However, there is still a grave question that he is being given complete equality under the law. His attorneys inform me that the court will delay making a ruling on their plea for a writ of habeas corpus. They have been prevented from fighting his case by having him brought to trial without undue delay. Surely, this questionable development bears out the truism, "justice delayed is justice denied."

Why are the courts holding up a ruling on the writ in behalf of General Walker? Does he have a legitimate defense? He was in Mississippi, but there is no law abridging the freedom of travel. I am just asking these questions, not in defense of General Walker, but to point up the urgency of returning to proper legal procedures so that his case may be fully argued in open court.

Once again, I implore Congress and all responsible officials of the Federal Government to protect the constitutional rights of General Walker and give him full protection of equality under the law. The proper legal procedures are not being followed and until we have reestablished them as a basic right for General Walker, we are endangering the rights of all of us.

At this point, Mr. Speaker, I include as part of my remarks an editorial in one of our great Washington newspapers, the Evening Star, captioned "Political Prisoner?"

POLITICAL PRISONER?

There is nothing in the record, as we view it, to support the contention that former Major General Walker is a "political prisoner." There is strong support, however, for the belief that his legal rights have been violated by the Government.

General Walker was arrested about noon on Monday and charged with rebellion, insurrection and seditious conspiracy in connection with the riot at the University of Mississippi. These are grave charges. If they can be proved he should be convicted and severely punished. But until found guilty by a jury, he is presumed to be innocent.

Two hours after his arrest a hearing was held before a Federal judge in Mississippi. General Walker, according to Representative ALGER, of Texas, was not represented by counsel. The judge, allegedly on the basis of statements made by a psychiatrist who had not even seen, much less examined, General Walker, ordered the latter committed to a Federal mental institution in Missouri and fixed bail at $100,000.

His friends and family have raised this excessive amount. But the U.S. Attorney in the Missouri district involved says General Walker will not become eligible for bail until after completion of a mental examination, which usually takes from 60 to 90 days. All of this, of course, is being done over the vigorous protests of General Walker's attorneys. But it is being done nonetheless, and if the Government can do this to General Walker it can do the same thing to any citizen.

When a riot is underway and people are being killed and wounded it doubtless may become necessary to act without too much concern for the niceties of the law. But the riot started and ended Sunday night. Four days later, however, General Walker sits in a prison hospital under circumstances which point to a denial of his constitutional rights. And certainly there is a basis for Mr. ALGER's assertion that the troops in Mississippi, who are still searching cars and individuals without a declaration of martial law, are violating the fourth amendment.

When the riot started the Government was forced to act. But continued illegal action and physical abuse of arrested suspects is inexcusable.

Mr. Speaker, I now want to read from the ticker of 6:50 eastern time:

SPRINGFIELD, Mo.—Federal District Judge John Oliver today ordered the Government to show cause why former Army Maj. Gen. Edwin Walker should not be released on bond from the U.S. hospital for Federal prisoners.

The order was directed specifically to Hospital Warden Dr. R. O. Settle. Oliver set a hearing for October 9 on the order.

Walker was brought to the hospital prison here last Monday after his arrest during the University of Mississippi integration riots.

But while his attorneys were raising $100,000 bond, the Federal District Court of Northern Mississippi ordered Walker to undergo psychiatric examination at the hospital, thus eliminating the possibility of his release on bond.

William Wear, one of Walker's attorneys, said the hearing October 9 would pertain strictly to the bond question. The Government has been given 10 days in which to file a response to a petition for a writ of habeas corpus, filed yesterday on Walker's behalf.

I am not an attorney, but I certainly do not understand the continued delays in giving this man the hearing he should have had and which should have been given him before he was incarcerated. But the orders that put him in the mental hospital were delivered by a court a day later than the time he was placed there. I just cannot get over it.

Mr. ROGERS of Colorado. Mr. Speaker, will the gentleman yield?

Mr. ALGER. I yield.

Mr. ROGERS of Colorado. Does the gentleman make any contention that the Federal court in Mississippi did not have the authority to issue the order that resulted in General Walker's going to Springfield, Mo.?

Mr. ALGER. I think the gentleman misunderstands the entire sequence of events. General Walker was sent to the mental hospital a day before the court got around to having a hearing, before which General Walker could not appear because he had already been incarcerated in the mental hospital.

Mr. ROGERS of Colorado. Does the gentleman have evidence that the court in Mississippi did not have jurisdiction to send him to Springfield, Mo.?

Mr. ALGER. Let me direct the gentleman's attention to the RECORD of yesterday and the day before, since this special order is on an entirely different matter. I would also direct to it the attention of other gentlemen in the House who are far more learned in the law than I and who perhaps could answer the question I am raising, because it is a question I cannot understand.

Mr. ROGERS of Colorado. The gentleman understands that General Walker was arrested pursuant to a warrant and given bond of $100,000 in the district court of Mississippi.

Mr. ALGER. I do not believe the gentleman understands the facts at all. Does the gentleman want me to repeat them. I have directed him to the record.

Mr. ROGERS of Colorado. Yes.

Mr. ALGER. All right.

For 2 days General Walker was prevented from posting bond, the day before the order was given that put him in the hospital, where he put in a full day, and where they endeavored to get bond, and they would do nothing. The court finally agreed to meet with the attorneys a day after the incarceration. He telephoned the attorney in Mississippi and found out at that precise moment, coincidentally, the judge in Mississippi had issued the order that was necessary to place General Walker in the mental hospital where they placed him the previous day, in which case he was not permitted to post bond.

Mr. ROGERS of Colorado. Do I understand it is the gentleman's contention now that General Walker's arrest was illegal?

Mr. ALGER. I think there is a grave question, but the point I am trying to get through to the gentleman is, He has not been permitted to be heard.

Mr. ROGERS of Colorado. Was he given an opportunity to make his bond of $100,000?

Mr. ALGER. He was not given the opportunity. What more must I tell the gentleman?

Mr. ROGERS of Colorado. How would the gentleman know that the bond of $100,000 was set if he was not given an opportunity to make that bond?

Mr. ALGER. Again I direct the gentleman's attention to the RECORD of yesterday and the day before. I do not yield further.

Mr. CUNNINGHAM. Mr. Speaker, will the gentleman yield?

Mr. ALGER. I do not yield further. I am sorry.

U.S. SLUM CLEARANCE AND GOVERNMENT HOUSING

A. ONE MEMBER'S PERSONAL CONCERN

Mr. ALGER. Mr. Speaker, slum clearance and housing is of vital interest to all Americans. As a former realtor, builder, and land developer of modest accomplishment I had and have a personal professional concern. No doubt it is the normal concern each businessman has toward his own chosen field. Indeed, there is a responsibility to community and fellow citizens on the one hand and to fellow members of the trade or profession on the other, that the principles of good business and conduct of that particular trade or profession be properly upheld and understood by all concerned. So the craftsman, the banker, the insurer, the manufacturer, the wholesaler, the resoiler, the launderer, the builder, developer and realtor, and all others in production sales and services have a responsibility to others in and out of their field. I have no longer a business or financial participation but I do have a continuing concern and knowledge in the real-estate field.

This in addition to the congressional responsibilities we Members all have in the matter of Federal expenditures and Federal programs.

B. RECAPITULATION

So it is that once again I take the floor to recapitulate and bring up to date urban renewal and housing—my last such effort being on March 17, 1959, which then updated an earlier study. At that time, March 1959, I covered urban renewal and housing in five parts:

First. The Federal and State urban renewal laws.

Second. Eminent domain—of the right and use.

Third. The relocation problem—of people affected by urban renewal—sociological, economic, political.

Fourth. Cost and time factors.

Fifth. A constructive plan—how to do it locally.

This five-part study of urban renewal is a basis and is intended to be a part of this presentation. Therefore, I include my March 17, 1959, urban renewal speech with its documentation as an appendix.

CHANGES SINCE 1959

Since 1959 there have been additions to the urban renewal and public housing programs. Urban renewal has grown in cost and complexity. The total Federal commitment of cost has grown to $2.7 billion in urban renewal.

Public housing has increased to a total of 487,000 units, plus 100,000 additional units added under the 1961 law, which has no expiration date limiting the contract authorization.

Changes in intent in both urban renewal and public housing are apparent, too.

URBAN RENEWAL CHANGES

Urban renewal has shifted through the legislative evolutionary process, even as its name was changed from slum clearance to the more euphemistic urban renewal, and now involves more subsidies and departs from its basic objectives. First, the principal purpose of the federally assisted urban renewal program was to improve the housing standards of the American people. This administration felt that the program ought to be weaned away from this housing objective and succeeded in obtaining congressional approval of an amendment which earmarks 30 percent of the total authorization of $3 billion for industrial and commercial redevelopment that has little if any relationship to housing. Thus, if an industry is unsuccessful in purchasing a desirable property for plant expansion in the marketplace, it shifts its efforts to the political arena and seeks to have the desirable area defined as an urban renewal area. The power of eminent domain is invoked and the Federal taxpayers acquire the property, clear it, and sell it to the private industry at a price substantially below its market value.

Second. Urban renewal capital grant authorization was increased from $1 billion to $3 billion. Local communities under prior law had to pay one-third of the net project cost in cash. This was changed to reduce the cash contribution of communities with less than 50,000 population to one-fourth. In addition, local governments were given credit for public improvements which they had initiated and brought to completion prior to the submittal of an urban renewal plan. Thus the Housing Act of 1961 provided a "gimmick" to reduce substantially the cash contribution of the local community, thereby putting the entire load of urban renewal on the Federal taxpayers.

Third. Total certified moving expenses for business displaced by an urban renewal project would be borne by the Federal taxpayer. I am advised that such moving expenses for one industry in Connecticut is about $1 million, although I have been unable to ascertain whether such an astronomical figure has been approved for payment.

This basic urban renewal change of direction embodied in the 1961 law requested by this administration accelerates earlier efforts to get away from relocation housing as urban renewal's reason-for-being.

The list of urban renewal projects published by Housing and Home Finance Agency, Urban Renewal Administration, May 1961, classified by type of redevelopment use, 1949 to 1960, is intended to be a reference source by type of project and area. Urban renewal projects by State and locality are listed which benefit or provide hospitals, medical, and health facilities; colleges and universities; schools and school facilities—including elementary and high schools, additions to schools; adjoining playgrounds and recreational areas, and so forth; parks, playgrounds, and other recreational facilities—except those connected with schools; public buildings—including Federal, State, and municipal buildings; civic centers; public libraries; police and fire stations, and so forth; miscellaneous public improvements—including parkways, expressways, and other major street construction; docks and wharves; flood prevention; electric, gas, water, sewer, drainage, and other public utilities; bus terminals, hotels, motels, shopping centers, and so forth; churches and other religious institutions; public housing; and parking facilities and garages.

CHANGES IN PUBLIC HOUSING OVERINCOME TENANTS

There were basic changes of policy in public housing, too, in addition to the 100,000 increase in the number of units to be built. The 1961 act provided authority to permit overincome tenants to remain in public housing. In effect, and intentionally, this provides Government housing for the middle-income group. Such a radical departure from the original intent of public housing, that is, housing solely for the needy, made legal and legitimate the existing widespread practice. Big cars, boats, and other obvious signs of higher income are quite typical of all public-housing areas.

STATE REAPPORTIONMENT

Another basic change has occurred, and quite recently, this year. Indeed, it could well be said that today, as I address the House, we stand on the threshold of a new era. The U.S. Supreme Court on March 26, 1962, in the now famous case of Baker against Carr, declared that the Federal courts had jurisdiction over complaints brought by citizens contending that malapportionment of State legislatures was a denial of the equal protection clause of the 14th amendment to the Federal Constitution. Indeed, the Court went further and said that gross malapportionment of State legislatures was a matter of law, a denial of the equal protection clause of the 14th amendment. Since this historic decision, 47 of our 50 States have taken some action, whether it be legislative or litigation, which is directed at the reapportionment of State legislatures to give urban areas greater and fair representation.

The U.S. Supreme Court in this year's decision in Baker against Carr has sounded the clarion call which should strengthen our State governments and, by making our State legislatures representative of urban and rural areas alike, begin the task of assuming the responsibilities for programs such as urban renewal. The Congress must encourage this shift of responsibility during the next session.

C. EVERYONE IS FOR SLUM CLEARANCE AND HOUSING

Once again I must repeat that all Americans believe in slum clearance and safe, decent, and sanitary housing for everyone. Unfortunately, too frequently, there are those who label opponents of Federal aid as being obstructionists and against progress, not realizing, or perhaps it is forgetfulness, that there is indeed room for difference of viewpoint over the best methods and procedures to obtain the desired goal—the elimination of slums and the providing of good homes for all. Some may have forgotten or discredit other ways than Federal subsidies to do the job.

I propose to show you clearly and demonstrably that the present slum clearance and public housing programs have failed and will continue to fail so long as the Federal Government plays the part it does today. Moreover, this failure is in the nature of things. It is basic. It is predictable. It is without cure—the only solution being that Federal Government get out of these areas, so far as providing grants and loans. Economically, sociologically, politically, constitutionally, it is wrong for the Federal Government to be in these business endeavors. Most important, and all other faults flow from this—morally, these Federal programs are wrong.

PRESENT PROGRAMS ARE FAILURES

A. VOLUMES OF PROCEDURES

The present programs embody the liberals' philosophy and ideology of the role of Federal Government in full bloom. For years, since the early thirties, the liberals have had complete almost unbroken control of these programs. Now these programs are bankrupt by the liberals' standards, too, as can be demonstrated without contradiction. Urban renewal requires three large volumes, looseleaf at that, for continual revision and addition, of Federal Government rules and regulations, including repeated affirmations of no Federal regulations. The public housing manual is no less devoid of Federal regulation. Both are itemized under heads that include planning, the "Workable Program," "Temporary Financing," "Permanent Financing," and "Federal Annual Contributions." The regulations are long, detailed, and yet subject to administrative interpretation, with such great latitude that it is apparent that criteria laid down by Congress is not adequate. It is here that our law breaks down. It is here that the liberals' philosophy is most clearly seen to be wrong. Spending more and more money cannot and has not covered up the glaring errors of improper procedures that come about by interpretation and reinterpretation by bureaucrats of the intent and criteria laid down by Congress.

B. BAD LAWS MEAN IMPROPER PROCEDURES

What I am really saying, of course, is that no procedures, no criteria can be laid down to make right Federal programs which are basically wrong—and at this point I know all Members, conservatives and liberals alike, must agree.

Federal urban renewal and Federal housing are wrong because they are demonstrably immoral. Why and how?

C. URBAN RENEWAL IS IMMORAL

As to urban renewal, my examination of the results of Federal urban renewal subsidies has produced evidence of the following:

First. No need. Federal funds are being spent on projects where no need for Federal help exists.

Second. Incorrect determination of need. Recipients of Federal aid are being allowed to determine the extent of their need in violation of every sound concept of administrative control.

Third. From poorer to wealtheir areas. Money for urban renewal is being taken from poor States and counties to be spent in the great centers of population and wealth.

Fourth. Needy not helped, the rich get richer. The Federal money is not benefiting the people for whom it was intended. Let me briefly suggest the evidence of which you can be the judge.

1. DETERMINING NEED FOR FEDERAL FUNDS

The laws enacted by Congress contain the requirement that, before Federal urban renewal aid is made available to any community, the governing body of the locality must make a finding that the aid is needed. The intent was to deny aid to those cities which could get along without it.

The law has been so administered by the Housing and Home Finance Agency that many communities which did not require aid have been receiving it. One flagrant case has been reported by HHFA itself in Richmond, Calif. The story is told in the July–August 1961 issue of Urban Renewal Notes published by HHFA:

> In 1954, when Harbor Gate project was conceived, the assessed valuation of land and improvements in the area was $260,000, bringing in annual tax revenues of $24,000. The area has been redeveloped for industrial use, and part of the land is already occupied by new structures housing food distribution facilities. Although only a portion of the contemplated redevelopment is completed, the current assessed value is $2.5 million, yielding tax revenues 10 times those of 1954. When the additional facilities are completed, it is expected that the assessed value will rise to $6.5 million, with revenues 25 times that received in 1954.
>
> Richmond will be the first city in California to liquidate the cost of an urban renewal project financed under the terms of a 1952 amendment to the California constitution. The amendment is based on the assumption that an area will bring in more taxes after it has been renewed or redeveloped than it has yielded on its rundown state. Any increased revenues are earmarked to pay off the local cost of the project.
>
> This involved the setting up of a revolving fund to pay for the local share of the city's urban renewal activities. The revolving fund advances the money which, after it is repaid to the fund, can be used for the financing of other projects or activities, thus providing a constant source of funds for defraying local costs. As increased taxes from a renewed area are collected, they are paid into the revolving fund until the amount advanced to the particular area has been repaid. Once the advance has been liquidated, the earmarking of the increased revenues ceases; they no longer need be paid into the fund and can be used by the city or other local governmental unit for any purpose it wishes.
>
> In most cases, the money to finance the local share of urban renewal activities is raised through the sale of bonds. These bonds are variously called "tax increment" or "tax anticipation" bonds. Under this type of financing, the amount of real estate taxes collected at the time the renewal is undertaken is established as the base, and any excess revenue from real estate taxes above this amount, i.e., the "tax increment," is "allocated" and used for the repayment of the bonds. During the period of repayment, the city continues to collect the amount it collected prior to the renewal. In addition, it receives all revenues from other nonproperty taxes, such as taxes on sales and business licenses.
>
> Normally, these bonds are issued on the assumption that they will be repaid over a period of 30 to 40 years. Richmond's ability to pay off its $600,000 debt in the short space of 4 years underscores the potentialities of the increased tax income which redevelopment makes possible. Furthermore, Richmond was particularly fortunate that its fiscal position made it possible to avoid levying an additional tax rate to support the financing of urban renewal. Unlike most other California cities, the costs were advanced from general government sources.

Please note that the city did not borrow a dime. It advanced all of its share of cost of the project from general funds.

Please note again that, under California law, it could have issued tax increment or tax anticipation bonds with which to have financed the project. The California State constitution has been amended—article VIII, section 33951—to provide that such bonds can be used, in whole or in part, to finance or refinance such projects. These bonds are outside the debt limit of the city. They are self-liquidating. They have nothing to do with the need or capacity of a city to finance its local government.

When the city of Richmond passed a resolution saying that Federal financial help was necessary to complete that project the members of its city council were passing a false certification. When the Federal Government accepted that certification without question and when later it boasted about the success of the project on which hundreds of thousands of Federal taxpayers' money was spent unnecessarily, the Federal Government was making itself a party to the fraud and was encouraging other communities to make further false certifications.

In Bloomington, Ind., after a public hearing on the first urban renewal project at which more than 90 percent of those in attendance were opposed, the city council passed and sent to Washington a resolution indicating that the project had wide public support. That resolution was accepted without question by Federal officials even after the facts had been made known to them. In Erie, Pa., certain residents displaced from the first urban renewal project were rehoused in temporary dwellings. The local redevelopment agency passed a resolution declaring that all displaced persons had been relocated in accordance with Federal requirements. HHFA accepted the resolution without question.

However, unconscionable may be the excesses permitted by lack of Federal procedures, they pale when compared to the excesses which are permitted and encouraged by actual procedures required by the manual. What they do in many instances is to encourage a community to relieve itself almost entirely of any project cost and to place upon the Federal Government financial burdens which are not necessary for the success of project operations.

One very interesting example of this kind of excess is to be found in the accounting procedures which have been prescribed in the Urban Renewal Manual. These procedures use technical terms such as "gross project cost" and "net project cost"—terms which are well known to accountants. But the manual suggests items for inclusion in these costs which are completely foreign to sound economics.

ACCOUNTING PROCEDURES ARE WRONG

GROSS PROJECT COST

By definition, gross project cost includes all the costs which are charged against a project. With respect to Federal urban renewal projects, the manual either permits or requires that expenses be included in gross project cost which no private enterprise project could afford.

A proportionate share of all the expenses of a local public agency can be charged to gross project cost. In most communities the legally established local public agency has no funds with which to undertake projects. It can borrow from the Federal Government 100 percent of the money it needs to put itself in business. It can also borrow additional money from the Federal Government, without security, for preliminary studies and for the formulation of an urban renewal plan. A proportionate share of all that is borrowed becomes part of the gross project cost for each project.

Again without security, the local public agency, after its urban renewal plan has been approved, can borrow the money required to purchase, clear the property, install site improvements and make arrangements for the resale of the land. While these terms sound similar to those used by private enterprise, the costs involved are frequently far in excess of what any private enterprise project could afford.

PROPERTY ACQUISITION TOO COSTLY

The item of land acquisition offers some excellent illustrations of the amount of some of the excesses. In New York City on the first 10 urban renewal projects for which statistics became available, properties bought by condemnation averaged 155 percent of fair market value.

Perhaps the most scandalous acquisition took place in Wink, Tex., a town with a population of 1,863 for which a capital grant reservation of $795,605 was made and about which the following transactions have been reported:

> Druggist Clyde Godfrey points to a precariously sagging store, damaged by fire that he owned. "On the open market that building wouldn't have brought a penny." He values three other properties he owned at $2,800. Yet Godfrey pocketed $11,700 from the renewal agency.

These and other excesses constitute the justification for the following quotation taken from House and Home magazine for August 1960:

> The hundreds of millions these writedowns cost were supposed to be subsidies to give slum dwellers better homes, but they have been used as subsidies to make slum owners richer.

In States where vast amounts of Federal urban renewal funds are flowing, slight changes in State laws could eliminate the need for Federal funds and could remove the justification for local claims of the necessity for Federal assistance. A case in point is New York City. My evidence comes from a report prepared by a special committee on tax policies organized by the Citizens Housing and Planning Council of New York, Inc. The report says:

> These data show that under the present real property tax system, after making full allowance for some $75 million in exempt properties, these projects will produce a net tax gain of $5 million a year, sufficient to repay the city's costs in 6 years and all public costs in 18 years. If the net taxes could be dedicated to a special land-acquisition fund, the title I program could be made self-liquidating.

Let me make the point that instead of sending out agents of the Federal Government trying to get cities to take Federal funds, we should be passing legislation that no project which is capable of self-liquidation should receive Federal aid. This will put pressure on the States to enact their own laws to make such projects self-liquidating.

Much more could be said about the inadequate administrative determinations of the need for Federal funds. Time, however, does not permit.

2. WHO DETERMINES THE EXTENT OF NEED

The Housing and Home Finance Agency has failed not only to make certain that Federal aid was needed, but also to determine the extent of need.

Proof of this is to be found in the answer to a single question: How many projects can any one community undertake?

There is no limit on the number of projects for which any locality can get aid.

Likewise, there is no limit on the amount of money a city can spend on a single project.

Up to the present the record for the most extravagant project appears to be held by Philadelphia. The Eastwick project in that city cost $880,000 just for the planning. A temporary loan of $78 million was approved by the HHFA with which to carry out the project. A grant reservation of $36 million has been approved to cover two-thirds of the estimated loss on that project.

The evidence seems to be that the large appropriations made for urban renewal by this administration constitute an invitation for cities to ask as much as they can get.

One device, originally intended by Congress to act as a check on excessive local demand for Federal aid, was the requirement that each locality must contribute one-third of any losses sustained on project operations. However, the effectiveness of this device has been nullified by another provision in the law which permits localities to make their contribution from sources other than cash. These contributions, which are called noncash local grants-in-aid, may be in the form of donated land, or public facilities and services. A portion of the cost of locally provided sewers and drainage, schools, other public buildings, streets and sidewalks, parking facilities, and parks may be credited to the local share depending on the extent to which they serve and support the project. This provision of the law has been so abused that, in 236 out of 518 projects authorized as of June 1961, the local share was paid largely or entirely by such local grants-in-aid.

3. WHERE DOES THE MONEY COME FROM?

The evidence is that the funds with which to finance Federal aid to urban renewal come preponderately from the poor and are being spent preponderately in the great centers of population and wealth. This is a reversal of all the claims of those who insist that Federal aid is necessary for renewal.

DOCUMENTATION

I shall present two tabulations. The first makes a comparison, percentagewise by States, between Federal taxes paid and urban renewal grant reservations. The result shows that 34 of the 50 States pay more percentagewise than they receive for urban renewal. Among these States are Mississippi, Montana, New Mexico, South Carolina, South Dakota, Vermont, West Virginia, and Wyoming. Among the 16 States which receive more percentagewise than they contribute are Connecticut, Massachusetts, New York, Pennsylvania, and New Jersey.

The complete table is inserted at this point.

TABLE 1.—*Percent of U.S. totals of Federal taxes paid and urban renewal grant reservations—50 States and the District of Columbia*

State	Allocations to States	
	Payments—Percent of U.S. total taxes	Receipts—Percent of U.S. total of urban renewal grant reservations
(1)	(2)	(3)
Alabama	0.97	1.61
Alaska	.11	.19
Arizona	.62	.11
Arkansas	.45	1.04
California	11.16	5.74
Colorado	.97	.17
Connecticut	2.22	6.59
Delaware	.52	.18
District of Columbia	.69	3.35
Florida	2.52	.31
Georgia	1.33	1.69
Hawaii	.34	1.09
Idaho	.26	0
Illinois	6.93	6.02
Indiana	2.29	1.48
Iowa	1.15	.39
Kansas	.96	.84
Kentucky	1.03	1.12
Louisiana	1.23	0
Maine	.44	.31
Maryland	1.94	2.44
Massachusetts	3.53	5.09
Michigan	4.47	3.92
Minnesota	1.64	1.39
Mississippi	.46	.18
Missouri	2.28	3.67
Montana	.30	0
Nebraska	.65	0
Nevada	.21	.08
New Hampshire	.33	.29
New Jersey	4.29	6.27
New Mexico	.37	0
New York	13.54	15.89
North Carolina	1.45	1.00
North Dakota	.21	.07
Ohio	5.74	5.33
Oklahoma	.94	.06
Oregon	.95	.23
Pennsylvania	6.92	11.92
Rhode Island	.52	1.65
South Carolina	.65	.08
South Dakota	.22	0
Tennessee	1.19	3.32
Texas	4.26	1.03
Utah	.37	0
Vermont	.17	.07
Virginia	1.70	2.31
Washington	1.58	.62
West Virginia	.68	.20
Wisconsin	2.07	.66
Wyoming	.18	0
Total	100.00	100.00

Sources: Col. (2): Allocation formula computed by Chamber of Commerce of the United States jointly with other organizations. Col. (3): Computed from data in "Urban Renewal Directory," Sept. 30, 1961, U.S. Housing and Home Finance Agency, Washington, D.C.

The second table which I present in support of my contention that urban renewal is being financed by taking from the poor to benefit the rich has to do with family incomes. It lists by States the dollar amount of urban renewal grant reservations for cities above and below the U.S. average family income. The facts are that reservations totaling $1,855,123,755 were made for 254 cities with income per household higher than the U.S. average; $400,116,944 in grant allocations were reserved for 172 cities where income per household was below the U.S. average. In other words, for each $1 in grant reservations for cities with above-average incomes per household, less than 22 cents in grant reservations were made for cities with below-average income per household.

The table follows:

TABLE 2.—*Federal urban renewal grant reservations for cities with above U.S. average income per household, and with below U.S. average income per household, by State, for the 50 States and the District of Columbia*

State	Federal urban renewal grant reservations for cities where income per household is—			
	Above U.S. average		Below U.S. average	
	Dollar amount of grant reservations	Number of cities	Dollar amount of grant reservations	Number of cities
(1)	(2)	(3)	(4)	(5)
Alabama	0	0	$35,978,681	17
Alaska	$3,932,337	2	0	0
Arizona	0	0	2,441,000	1
Arkansas	0	0	20,760,507	5
California	125,056,309	22	6,585,847	5
Colorado	3,920,433	1	14,560	1
Connecticut	148,670,227	20	1,493,241	1
Delaware	4,205,958	2	0	0
District of Columbia	76,969,624	1	0	0
Florida	0	0	7,117,828	1
Georgia	23,620,866	5	13,989,285	16
Hawaii	25,139,787	2	0	0
Illinois	134,898,516	10	2,362,856	4
Indiana	23,141,418	7	10,126,478	7
Iowa	9,064,986	2	0	0
Kansas	0	0	19,241,049	4
Kentucky	534,308	1	25,122,290	8
Louisiana	0	0	1,939	1
Maine	4,647,638	2	2,556,967	2
Maryland	56,099,209	1	0	0
Massachusetts	106,625,362	19	7,987,907	4
Michigan	85,005,491	20	4,402,282	2
Minnesota	30,665,868	2	1,338,154	1
Mississippi	0	0	$3,738,183	4
Missouri	$79,905,825	7	2,732,309	5
Nevada	1,719,699	2	0	0
New Hampshire	0	0	5,788,337	3
New Jersey	138,738,008	28	2,760,637	3
New York	350,590,027	38	4,954,370	5
North Carolina	18,924,478	6	3,347,261	3
North Dakota	0	0	1,244,246	1
Ohio	121,629,523	10	963,152	2
Oklahoma	0	0	1,344,356	3
Oregon	405,919	1	4,800,011	2
Pennsylvania	212,352,936	20	51,831,059	17
Rhode Island	1,445,474	1	36,555,305	1
South Carolina	1,193,857	1	550,328	1
Tennessee	0	0	75,462,448	18
Texas	4,939,509	2	14,996,025	10
Vermont	0	0	1,586,068	1
Virginia	41,706,241	4	11,469,374	8
Washington	1,260,316	1	12,908,245	3
West Virginia	2,986,413	3	1,564,259	2
Wisconsin	15,127,193	2	0	0
Total	1,855,123,755	254	400,116,944	172

NOTES

1. Definitions:

"Income" is disposable personal income—that is, wages, salaries, and pensions of individuals, proprietors, and rental income, and payments of interest and dividends less all Federal, State, and local income taxes.

"Household" is a broader term than "family" and includes all persons occupying a house, apartment, or group of rooms, or a room regarded as a dwelling unit—in short, any occupied dwelling. This term does not include students, soldiers, and residents of hotels, boarding houses, and institutions who earn income.

U.S. average income per household, in 1960, was $6,723.

2. Cities for which no income data were available.

	Dollar amount of grants	Number of cities
In 50 States	$42,868,793	76
In Puerto Rico and Virgin Islands	29,409,962	37
Total	72,278,755	113

If it is assumed that all these would be below U.S. average income, the grand totals for those categories would be: Dollar amount, $472,395,699; number of cities, 285.

3. No urban renewal grants in the States of Idaho, Montana, Nebraska, New Mexico, South Dakota, Utah, and Wyoming.

Sources: Urban renewal grants: From Urban Renewal Directory, Sept. 30, 1961, U.S. Housing and Home Finance Agency. Income per household: From Sales Management, vol. 86, No. 10 (May 10, 1961), Bill Bros. Publications, Philadelphia, Pa.

4. WHO GETS THE MONEY AND WINDFALL PROFITS

Perhaps the most important question in urban renewal is: Who gets the money?

The national housing policy established by Congress says that the money is to be used to provide a decent home and a suitable living environment for every American family.

Do the American families who are not now living in decent, safe and sanitary housing get the money?

Not so that you can notice it. Many families in project areas get forced out of their homes and neighborhoods without even enough money to pay their relocation expenses.

Homeowners in project areas are paid fair value for their homes. But how is fair value determined? On appraisal techniques designed for general use and not for the special circumstances frequently found in slums, some homeowners in slum areas who have had to purchase their homes at inflated prices in order to get a place to live, have received from the Government less than the actual price they paid for the property.

EXAMPLE—MAYME RILEY

Let me recall for your consideration the famous case of Mayme Riley, of Washington, D.C. Her property was located almost in the shadow of this Capitol. She had been employed at a steady job with a good salary for years. But she had never bothered to establish a credit rating for herself. When she decided to buy a home, she had to go into a slum area and pay a premium price of $9,950 for a deteriorated house. Not only that, but she had to sign a purchase agreement pledging not only the property, but also her personal earnings as security for the loan which she was forced to secure. The area was subsequently selected for urban renewal treatment and her property was taken by eminent domain. The court determined that fair value for her home was much less than the price she had contracted to pay. She was left with no home, with the necessity to find a new place in which to live, and with a debt of almost $2,000 which she must satisfy from future earnings.

SLUM LANDLORD

Contrast the predicament of Mayme Riley with that of the slum landlord. His property is appraised on a basis different from that used for the homeowner. His appraisal takes into account the revenues he has been deriving from the property. In some cases these revenues are swollen by profits made possible by illegal uses of the property, by failure to properly maintain the property, and by violation of reasonable code requirements. These can help increase the price he receives for his property.

INCOME TAX—WINDFALL PROFIT

Income tax laws also help create windfall profits for the owners of slum properties. Depreciation allowances are so calculated that slum landlords can take capital gains on their profits. As early as August 1960 this situation had become so evident that House and Home magazine commented:

> The hundreds of millions these write downs cost were supposed to be subsidies to give slum dwellers better homes, but they have been used as subsidies to make slum owners richer.

EASTWICK PROJECT

But that is not the full story of where the money goes. Let me illustrate by returning to the Eastwick project in Philadelphia. I have already said that close to a million dollars was spent on planning that project. This money went to the planners, engineers, appraisers, architects, economists and other experts who made studies and developed plans for the project. Then a Federal loan of $78,593,273 was approved with which to undertake the project. This money was spent to acquire the property in the area, provide fill and utility improvements which were needed and to put the project in shape for its intended new uses. This money went largely to contractors. They are very happy with this kind of urban renewal.

When all the work was done and the land was offered for sale, the principal redeveloper was a large corporation interested in promoting use of its construction materials more than promoting housing for people. It has been responsible for constructing and placing on the market houses not much different in price from other houses which were built without any Federal subsidy.

Eastwick has been no bonanza for families who have bought homes in the project area. But it has been a fine thing for the redeveloper. That company has received the following specific financial benefits from its participation in the project:

First. A writedown on the land which it purchased in the project area.

Second. An opportunity to make a market for its building materials and to demonstrate their use.

Third. A special form of mortgage insurance from the Federal Housing Administration designed to permit minimum equity investment in the project.

Fourth. A guarantee from the Federal National Mortgage Association to purchase the mortgages already insured by FHA on such a basis that the redeveloper is almost completely protected against financial loss on the project.

Do these facts demonstrate who gets the money? Do they suggest how far from its stated purpose the urban renewal program has been allowed to drift? Do they indicate the extent of the deceit which is being practiced on the poor people who have been told that the program is for them?

This entire urban renewal mess should be investigated. When it is, I predict that it will prove to be one of the greatest scandals in the history of the Nation.

THE RICH GET RICHER AT TAXPAYERS' EXPENSE

That the rich get richer under urban renewal is not in doubt. A few examples will serve. Remember the 1961 law permits 30 percent of the grant authorization for commercial projects. The November 13 Barron's cites some specific instances:

> In Norfolk, Futterman became a joint venturer in a $6.5 million commercial project, the Golden Triangle motor hotel, the city's first large convention facility and, in effect, the keystone for its renewal activities, encompassing almost all the downtown area. The other partner, who had purchased the land for $200,000, contributed in all about $1.3 million to the venture (for an equity, including unrealized profit on the land, of $1.5 million); Futterman, for its part, committed some $1.5 million of its funds, and acquired a conventional mortgage of $3.7 million to cover the rest. Based on an average 70-percent year-round occupancy rate, Futterman hopes to earn before depreciation, up to 18 percent of its equity, or at least $250,000 a year, tax free.
>
> More often, the title I development is residential and thus qualifies for Federal financing. Under section 220 of the Housing Act, FHA is authorized to insure a first mortgage on the property of up to 90 percent of replacement value (and, under section 213, 97 percent of replacement value if the project is cooperatively owned). By comparison, nontitle I FHA mortgages are based on 90 percent of appraised value (which, in a slum area undoubtedly would be less than the actual cost of the building), and conventional mortgages seldom exceed two-thirds of that value. What's more, if the owner also is the builder, the FHA is required to add a 10-percent builder's profit to the actual construction costs before computing the value.
>
> Hence, a property might cost $20 million to build on land acquired for $1 million. By FHA's title I reckoning, its value would become $23 million, and a mortgage would be approved covering 90 percent of that figure, or $20.7 million. (The agency, of course, must be satisfied with the validity of the costs and the adequacy of the construction.) Obviously, in this typical example, the builder borrows almost the full cost of the project, in construction and land; his own cash outlay is only $300,000.
>
> ### SPONSOR CAN GAMBLE
>
> Variations of this rule of thumb affect all title I residential developments. The upshot is that the sponsor, in exchange for the risk he takes, is able to gamble on a small cash equity. FHA permits him to project his development's earning power in such a way as to permit a maximum override of only one-half of 1 percent in net—his return, based on the principal amount of the mortgage (90 percent of the cost of the project), must be computed at 7¾ percent (on current rates), with 5¼ percent going to interest and 1½ percent amortization of the principal, on standard methods of accounting. However, because he then can take accelerated depreciation on his costs, and his own cash investment is so small, the sponsor's actual earnings, on a cash-flow basis, eventually should work out to a return of anywhere from 10 percent to 33 percent a year.
>
> This is true of two large Webb & Knapp projects, costing some $54 million, now virtually completed and rented in New York and Chicago. For the sponsor's $6 million estimated cash outlay, these initial operating properties by year-end should begin yielding some $1.5 million of tax sheltered net income. In another Webb & Knapp title I project, the Kips Bay Plaza now going up on Manhattan's East Side, prospects are even brighter. One of the two planned apartment towers has been built and rented. Total costs of the development, subject to the vicissitudes of material and labor price tags, are being projected at roughly $22 million. The sponsor anticipates encumbrances,

including a possible second mortgage on top of the larger loan insured by FHA, of some $20.5 million, leaving Webb & Knapp's own cash in the project at only $1.5 million. The sponsor estimates its potential equity in the completed project—the cash investment, plus builder's profit and expected gain in any resale—at roughly $6 million, a 400-percent profit.

Like the other two, however, Kips Bay will be operated for current income for some time before the developer sells out. Based on expected rentals at full occupancy, the project is scaled to produce a 3-percent return on overall costs, in actual cash-flow, or some $600,000 a year. This represents a 44-percent return on Webb & Knapp's cash outlay. As an operating property, in short, Kips Bay should allow the Zeckendorf concern to get its money out in less than 3 years. As a demonstration of title I's potential profitability, moreover, Kips Bay thus promises to be as lush a big-city realty holding as any in the country.

SMALL-TOWN PROJECTS

The demand for industry's services in developing and building title I projects obviously has mushroomed. Indeed, hundreds of suburbs, small towns and whistlestops all over America have begun wiping out previously unsuspected blight. One reason for this phenomenon, which traces to the recent liberalization of title I laws, is that 61 million Americans live in urban areas of less than 50,000 population. By recent count, $292 million in Federal grants have been made to 310 cities of under 50,000 population, and another $9.3 million to 1,700 more as aid for their "comprehensive planning."

For example, Uniontown, Pa. (population, 17,492), a depressed coal town, has received $977,000 in subsidies for three title I projects—Hollow Area, King's Feed Store Site, and Old Feed Store Site, and Old West School House. Mercedes, Tex. (population, 10,943), a cattle town still suffering from the long drought of the 1930's, has just completed a title I job called "Queen City No. 1, which cost the United Statees $1 million. Even Waverly, Tenn. (population, 2,891), one of the countless remote creek towns in the Cumberland hills, has completed one title I project and started another. The first, involving a Federal grant of $36,000, produced 38 units of new low-rent public housing; the second got a $119,000 U.S. grant to eliminate a "central business district slum" and convert the 5 acres to "much needed commercial use."

Projects like these, invariably sponsored locally, have a considerable impact on today's urban redevelopment. Since towns of less than 50,000 already account for 10 percent of the $2.5 billion committed to title I, they reduce by that amount the funds available for bigger projects—and their share of the total is growing. What's more, they tend to distract attention from perhaps graver slum ills elsewhere, drawing considerably on the Federal and State resources of technically-trained urban-renewal specialists, who are still in short supply. Yet they seldom involve high-rise housing, the forte of the big builder.

BIG-CITY VENTURES

To the big-city developer, title I and slum clearance still mean big projects in big towns. At the end of 1960, one-sixth of all authorized projects were in the handful of cities with populations of over half a million, and their grants of $820 million represented 44 percent of the total. Five cities of over a million accounted for one dollar of every four committed by the United States; New York's share alone was one dollar of every nine.

What's more, while nearly 20 percent of the projects represented land areas of 10 acres or less (the smallest was a York, Pa., development consisting of four-tenths of an acre, or about a city block), the top 11 percent which attracted the lion's share of the funds, were projects of 100 acres or more. (The biggest, Philadelphia's 2,506-acre Eastwick, sponsored by Reynolds and others.) One project in every 10 was scheduled to become exclusively residential, and nearly 70 percent will contain at least some new housing, with the remaining commercial structures mostly of the high-rise type. The 70 percent accounts for over 80 percent of all the project money involved. That, of course, is where the big developers, who think of new or renewed land in terms of its usable vertical space, prefer to take their risks.

Big-city housing projects, then, have attracted most of the burgeoning title I activity. Among the developments devoted entirely to residential needs, the leading ones are in New York City—where, despite the postwar building boom in offices and luxury apartments, low-rent and middle-income housing are still in urgent demand. Urban renewal projects completed, under construction or planned in the five boroughs are adding nearly 50,000 apartments and trebling city realty taxes on those sites. They involve expenditures of nearly $1 billion. The most ambitious program, the so-called West Side project (actually, one of several on the West Side), encompasses a 20-block area that will be completely renovated through rehabilitation and, mainly, new construction split up among some 46 sponsors.

Just to the north is the Park West Village of Webb & Knapp. When completed by yearend, this will be one of New York's largest title I projects. On a 6-block site formerly occupied by a dismal slum containing over 4,000 tenement families, Park West will comprise 2,600 apartments in 7 high-rise buildings. The land cost the city $20.8 million to acquire and improve, and was sold to the sponsor for $3 million. The new construction adds up to nearly $45 million.

PROJECT IN CHICAGO

Outside Gotham, too, some noteworthy title I developments are underway. Webb & Knapp, for example, will complete this year Chicago's Hyde Park project, adjoining the University of Chicago campus. On a 42-acre site, 2 towering buildings, with 540 apartments, are surrounded by 250 townhouses in a revitalized residential area for the university's faculty and married students—who can rent a flat or buy one of the homes. The land, acquired and razed by the city for $10.9 million, was sold to the sponsor for $1.3 million. Costs of construction to Webb & Knapp will total another $20 million.

In Cincinnati, where Reynolds is the sponsor, the Parktown cooperative houses will be completed this year. These buildings are being sold as soon as they are finished. So pleased are the city fathers with the progress of the colorful development that they erected signs downtown in tribute. Some 57 acres of blighted land, containing nearly 2,000 dwelling units, were razed, and all but replaced by 131 townhouses and 192 apartments costing $4 million Land and planning cost the city $9.6 million; in a joint venture with a Columbus builder, Reynolds acquired the site for $0.5 million.

WASHINGTON VENTURE

One of the most massive title I housing developments anywhere is the Southwest group of projects in Washington, D.C. Here Reynolds, for example, is the sponsor of the River Park cooperative homes, over 518 units in both high-rise apartments and townhouses costing some $9 million, which will be sold upon completion. Going up nearby are the projects of several other sponsors.

The keystone for South West is Webb & Knapp's huge part of the development. In return for drawing up the architectural and engineering plan for the whole 450-acre affair, an overall land parcel costing the Government $111 million, the company was designated the sponsor for a 200-acre tract. Altogether Webb & Knapp will spend upward of $100 million for its development. Already occupied is the first phase, 512 units in 2 high-rise apartment buildings costing $10 million, and soon to be completed will be 2 more identical structures. A continuing program which probably will take almost a decade to finish, South West, it is hoped, ultimately will serve as a national showcase for urban renewal.

So much, then, for housing projects as such. Of potentially even greater impact are the commercial-institutional-residential complexes, typified by Santa Monica, which now are springing, from drawing boards all across the land. The most venturesome of these, inevitably, is in the Big Town: New York's Lincoln Square. This huge concentration of residential and cultural buildings—a new opera house, concert hall, and other parts of "Lincoln Center" together with apartment houses, commercial structures, and a branch of Fordham University—encompasses 70 acres of formerly blighted land on the West Side. Some 4,600 families have been relocated, all but 200 from substandard tenements. The land and planning alone cost $47.5 million, plus another $7 million to improve it; the Federal grant of $27.3 million is one of the largest for a single project in title I. Construction contemplated for the entire project will run well over $250 million.

While sponsorship for a large part of Lincoln Square has come from nonprofit civic organizations, particularly Rockefeller interests, the residential segment known as Lincoln Towers belongs to Webb & Knapp. Here, on an 18-acre site adjoining the center, is rising a $92 million collection of high-rise apartment buildings. Two of the towers (with 1,400 units) will be ready for occupancy next spring; the 4 others scheduled for completion by 1964, will provide some 2,600 apartments more. Unless the New York market for middle-income housing collapses—and it now seems one of the strongest segments of the city's realty market—Webb & Knapp's Lincoln Towers venture should pay off handsomely.

PHILADELPHIA'S PLANS

Around the Nation, many another ambitious project has come out of comprehensive planning. In Philadelphia for one, is the aforementioned Eastwick development. Covering more than 2,500 acres, it has been authorized $35.9 million in Federal grants, against a total project cost to the city of some $115 million, and a net loss of $70.3 million. It also is the largest project involving Reynolds Metals as a sponsor.

Reynolds' part of Eastwick—which will be 50 percent taken up with industrial and commercial buildings—is, in turn, a half-interest in the sponsorship of a predominantly residential section. The aluminum company will be responsible for 5,000 dwelling units, as well as industrial-commercial structures, costing an estimated $130 million. The community plan under which the entire development has been laid out will constitute the most striking set of buildings in Philadelphia. Since this is a 5-year program, barely underway, Reynolds does not expect its payoff (on sales of the buildings) to begin for at least 2 years.

In Baltimore, the biggest of several projects afoot is the downtown Charles Civic Center. A skyscraper of 23 stories combining glass and aluminum in a Ludwig Mies van der Rohe design, will serve as the focal point of a large central-city area of 32 acres devoted entirely to commercial renewal. So far, the development has attracted several companion structures, such as a massive, $24 million Federal building. The center itself, on which an estimated $12 million will be invested, is well underway as the largest of the private facets of the project. The sponsor, selected after spirited competition between six title I developers, is Manhattan Structures, the Chicago firm.

PROJECT IN NORFOLK

In Norfolk, too, the midtown area is being literally transformed by title I projects which may affect the whole city's future growth. Three developments, on Federal grants totaling $20 million, are wiping out some 400 acres of blight, including nearly 5,000 substandard dwelling units. Of these, the biggest is the downtown project, accounting for half the acreage, on which is projected a complex of office buildings, another of retail stores, a major civic center, middle-income and public housing, and a striking motor hotel.

The feature of the plan is the motor hotel, just completed on an imposing 5-acre site at the head of the downtown area known as the Golden Triangle (Norfolk's former skid row). Here, as noted, Futterman Corp. is cosponsor in a joint venture, and will be the operating company. Already, the 400-room (including 15 public rooms) house has attracted $3 million in convention business to Norfolk and is expected to bring in an annual $10 million from such visitors. For its size, Norfolk's urban renewal is perhaps the most ambitious to date in the Nation.

GLIMPSE OF THE FUTURE

Countless other big-city plans are in the works. In Detroit, Miami, Seattle, Dallas, and Santa Monica, for example, comprehensive planning has given birth to a large project, or is about to. Louisville has awarded tentative sponsorship of another community-wide project to Reynolds. Its plan is for a riverfront development with 1,000 high-rise apartments, a motel, restaurants, and other commercial and recreational facilities. Proposed cost of the entire project is $20 million. Louisville has applied to the URA for approval and a starting grant. Newark, as noted, is about to launch a $95 million program under cosponsorship of Major Realty, the firm now merging with Food Fair Properties. On 27 acres west of Pennsylvania Station, construction soon will be begun on a $2 million motel and restaurant, a 20-story office building and 17 multistory luxury apartment buildings.

On the other coast, Perini, which offered $17.3 million of common stock publicly last June, has landed the equally massive San Francisco project called Golden Gateway. On a 20-acre site adjoining both the waterfront and the financial center, the sponsoring partnership, 60 percent held by Perini, hopes to begin building next year a complex of eight 22-story apartment houses, a 25-story office building, a 1,300-car public garage, some 100 town houses and a block-square park. Perini bid against eight other redeveloper groups, offering the architectural plan with a proposal of $8.5 million for the land.

In nearby Los Angeles, finally, the hottest item on the current national title I list is up for bidding—the 135-acre Bunker Hill slum-clearance project, which already has set the city back by some $65 million in land-and-planning costs (on which it figures to lose $22.3 million) and has been awarded $15 million in Federal grants. As a commercial-residential complex, Bunker Hill will rival the highly-publicized, nonsubsidized Century City—assuming the latter gets off the ground. From all appearances, every major title I builder in the country is competing for sponsorship.

Obviously, urban renewal is only getting started. The increasingly impressive financial credentials of those on the ground floor are matched by the widespread demand for their services, stimulated by recent Federal housing policy. One certainty is that the firms specializing in title I today will become more deeply involved in the years ahead. Many in the industry, indeed, predict that perhaps a dozen strong development firms soon will emerge, to do almost nothing but urban renewal. Reynolds subsidiary already approaches that status; Webb & Knapp gives indications of putting its own title activities in a separate division or subsidiary operation. What reward they, or others, will reap in this spanking-new field only the future will show. For the moment, it's clear that many of the Nation's key builders think they see a bonanza in blight. More significantly, important long-term money is backing them up.

Obviously, the rich get richer, the big get bigger; only big firms need apply for such mammoth jobs; contracts are negotiated, not bid. What is wrong with it? First and foremost, it is at the taxpayers' expense. Barron's further describes the urban renewal law:

MISHMASH OF LAWS

So complex is the present mishmash of laws overlaid on laws that even the generic term, "title I," now has become inaccurate—urban renewal and planning actually make up title III of the 1961 legislation. Experts in building and investment readily confess to an inexpert knowledge of all the applicable provisions. The cities, for their part, show a willingness to learn the Federal laws at Federal expense, but the process of training competent administrators is slow.

Yet if title I still lies buried in redtape, its essentials are readily grasped. The first thing a city (or regional authority) must have is a public agency for planning; before it can create one, the State must have a law permitting slum clearance condemnation and relocation (five States still do not; Idaho, Louisiana, Utah, Wyoming, and South Carolina; the latter's attempt to comply was declared unconstitutional by its own high court).

Next, the city plans its projects. It may do so at its own expense and, in effect, later charge the planning costs off to the United States. Or it may (and usually does) apply to the URA for a no-interest loan, which is later repaid as a deduction from the project grant, or written off if the venture is abandoned. The Federal agencies, as noted, offers outright grants of two-thirds of the planning cost when projects are undertaken on a comprehensive basis. As of June 30, 1961, the Government had approved $15 million in such grants to 600 local agencies.

Once it has a general plan and has worked up a specific project, the city applies for another advance from Washington. It then condemns and buys the land, relocates the tenants, clears the site, and negotiates with private developers for its resale. (New York City is the only U.S. community which hands over the relocating and razing to the developer; the city as a result has experienced more title I scandals than all others combined. Private sponsors of one large Manhattan project kept their slum intact for 3 years, collecting rents without even starting on relocation, and finally turned the whole thing back to the city—at a profit.)

WASHINGTON'S ROLE

Meanwhile, to minimize charges of Federal interference in local affairs, the URA insists on community participation in all decisions, through public hearings; in New York recently, Greenwich Village residents shouted down a proposed title I project for their neighborhood. Washington also checks on the project as it progresses; while no absolute Federal veto power exists after the grant is paid, in nearly every case, the FHA—a branch like the URA, of the Housing and Home Finance Agency—is involved, and holds the threat of mortgage refusal over the heads of all. Once they start, programs seldom are stopped; in one Illinois case, however, a small town was turned down after the fact came to light that what it had in mind was the creating of a parking lot on the site of a cornfield—after some soul searching, Washington ruled that the field did not in the accepted sense constitute "blight."

Ordinarily, plans move ahead as rapidly as the city can move them. But when the time comes for the choice of a sponsor and resale of the land, procedures vary from one main street to the next. Sometimes the city picks a sponsor in advance, asks him to prepare the architectural-engineering designs (which often cost $500,000), and then reaches a quiet agreement on price. Washington does not balk at this, but simply pays closer scrutiny to the last-named point. The technique was developed by New York City, which now has a variation on it called the match bid. Here the city sets up a tentative sponsor, who takes on the expenses of project design in return for the privilege of matching the minimum bid which city planners themselves ultimately set; the sponsor-to-be later can turn this down and get out, unless no other bidder appears, in which case he automatically becomes permanent at the stipulated price.

VARYING GROUND RULES

When a city decides to seek bids from several preselected developers, or even from the market at large, each interested company must meet the cost of preparing designs. This happened, for example in the aforementioned Santa Monica title I award, where 11 bidders were involved in the competition. In such a case, price seldom is the ruling factor; the city generally is looking for bright ideas. In the nature of things, however, one firm often finds itself on the inside track to City Hall; its conception of the project most closely fits the one dreamed-up by the planners, or it has a better knowledge of the way the local machinery works. "When you go after a project in a new town," says one recent unsuccessful bidder, "it takes a while to learn the ground rules."

In any event, once the deal is negotiated, the city applies for its grant—covering either two-thirds or three-fourths of the inevitable loss. (In New York, the State then pays half the net loss, leaving the city to foot no more than one-sixth of the bill.) Meanwhile, the private sponsor, which now has acquired the site at a price that should insure the project's financial success (or at least keep it from failing on that account) is in business. As soon as the land is cleared and the financing plans are formed, construction begins.

PROFITS FOR BUILDER

Assuming a project has been well conceived and executed, then, it starts off with the advantage of low-cost downtown land and the built-in potential of a surrounding community having its face lifted. Often, this may be enough to attract a builder.

Again, we are all for profit—as big as entrepeneurs can ethically make. Fine, but not at the taxpayers' expense, as windfalls. That is wrong. It is immoral. And it gives a black eye to legitimate capitalistic profitmaking, the life blood of our society. To compound the windfall, the taxpayer profiteer can invest in tax free public housing bonds and escape Government taxation while simultaneously being guaranteed Federal Government backing of the return of principal and interest, again on the credit of the taxpayers.

D. PUBLIC HOUSING IS IMMORAL

The 1959 study developed the errors of public housing under three headings—Sociological, Economic, and Political. Those dangers are even greater today. For reference see 1959 study in appendix.

The immorality of public housing as in urban renewal is also easily shown, starting with the cost—all at taxpayers' expense—whether it be Federal or local taxes. Here is the story of Federal subsidies in public housing:

1. FEDERAL PUBLIC HOUSING SUBSIDIES

There are one known and three hidden subsidies taxpayers pay on Federal public housing.

A. The known one: Outright Federal subsidy—"annual contributions." More than $336 million per year for up to 40 years has been contracted for. Of this, $165 million has already been appropriated for fiscal year 1962—Independent Offices Appropriation Act, 1962, Public Law 87-141—and $185 million has been requested for fiscal year 1963, according to the current budget.

B. The three hidden ones:

First. Local tax losses due to exemptions from school, personal, real property, and other local taxes—estimated by the Public Housing Administration at one-half of the Federal subsidy. On that basis it would be about $82.5 million for fiscal year 1962.

Second. Federal income taxes lost on Federal public housing tax-exempt bonds held by wealthy investors. The President's Advisory Committee on Housing estimated this at $4.90 per unit per month. On a half million units, $29.4 million per year.

Third. The Federal administrative cost for the Public Housing Administration, $14.75 million for fiscal year 1963.

Recapitulation

	Million
Direct Federal subsidy	$185.00
Local tax losses	82.50
Federal income tax losses	29.40
Federal administrative cost	14.75
Estimated cost for 1 year (fiscal year 1963) [1]	311.65

[1] Contains no estimate of Federal income taxes lost and those which would be paid by owners if projects were owned by citizens rather than the Government.

2. PUBLIC HOUSING REJECTED BY REFERENDUM

The legitimate criticism of public housing is not limited to cost. Perhaps the most constructive criticism accompanies the rejection of public housing by referendum that is occurring all over the United States. These areas see the fallacies of Government housing.

EXAMPLE, DES MOINES, IOWA

The following is the statement of a group of citizens of Des Moines, Iowa, describing opposition views of public housing:

We believe that community effort and private enterprise can meet the immediate needs for low-cost housing in Des Moines and comparable Iowa cities. We believe that public housing, as we know it now, is not the best answer to these problems.

We solicit your consideration of the following questions and answers:

3. WHAT KIND OF HOUSING IS PUBLIC HOUSING?

Public housing does not mean individual homes and duplexes. It means large apartment-type buildings, with a great many families concentrated in a small area. These buildings are built to minimum standards of safety and sanitation. These concentrations of predominantly low-income families can become breeding places for crime, delinquency, and other social problems.

4. WHO LIVES IN PUBLIC HOUSING UNITS?

Not just low-income families * * * but many middle-income families as well * * * are living in public housing projects in other cities comparable to Des Moines.

The cost of building and administering the projects is so great that the projects must obtain more rental income than could be provided by low-income tenants. Therefore, the records show an increasing trend to the acceptance of families who could afford to pay for privately financed housing.

In Minneapolis, less than 25 percent of public housing tenants are sufficiently needy to be receiving other forms of public assistance (relief). In Omaha, the maximum rental of public housing units is $82 a month, based on an annual income of $4,875.

Because the cost of paying for and operating public housing projects cannot be met by the rental of low-income families, an ever-increasing proportion of the tenants are middle-income families who could and should be living in tax-paying properties.

5. WHO PAYS THE COST OF PUBLIC HOUSING?

Every taxpayer pays. Every payer of Federal income taxes contributes to the Government subsidy. Every payer of local property taxes shares the cost of housing, schooling, police and fire protection for occupants of tax-free public housing units.

Up to 10 percent of net rentals in public housing projects may be returned to local governments in lieu of taxes. But this is only a fraction of the renter's fair share of the cost of local governmental services. Every owner of rental property pays 2 to 4 months of each year's rental in taxes.

Consider a family with two school-age children, paying $50 a month in rental for a public housing unit. Of the $50, say $10 pays for utilities, and 10 percent of the remaining $40 comes back to the city in lieu of taxes. This is $4 a month—or $48 a year. And it costs $340 per pupil per year to operate the Des Moines public school system alone—to say nothing of the cost of police and fire protection, garbage collection and other local governmental services which the city must agree to provide.

Let us not, therefore, deceive ourselves that public housing is something for nothing.

Every Federal income taxpayer, in every one of Iowa's 99 counties, will help subsidize housing for the needy of Des Moines. Every property taxpayer in Des Moines will pay for the education of families living in tax-free public housing.

6. WHAT DOES IT COST TO BUILD PUBLIC HOUSING?

In cities comparable to Des Moines, the cost per family unit (apartment) has been averaging $14,000 in one city, $16,000 in another, and up to $17,000 per unit in others.

Now, according to the February House and Home magazine, the Public Housing Administration has quietly lifted its informal limit of $17,000 on the cost—permitting it to go even higher.

By comparison, the median sales price for new FHA homes bought by self-supporting families last year was $14,300. This makes it apparent why the projects cannot be paid for and operated with the rental from low-income families.

7. WHO ACTUALLY CONTROLS PUBLIC HOUSING?

The Federal Government. Under the present public housing law and Public Housing Administration, the Government exercises rigorous control over the planning and operation of all public housing projects under the Federal program.

In each city, the local government or public housing authority supervises the day-to-day operation of a project.

But Washington makes the rules, and a bureaucracy of Federal officials perpetuates its function of approving what kind of building shall be built and where, approving the eligibility standards for tenants, and maintaining continuous control over the operation of a project.

8. DOES SLUM CLEARANCE JUSTIFY PUBLIC HOUSING?

Many low-income families actually prefer so-called slum conditions to living in public housing projects which carry many restrictions and disrupt their long-established customs and relations.

In many cities, erection of a public housing project on a former slum site has meant the spreading of slum conditions to other parts of the city.

In addition, housing projects themselves can become slums and several have reached that point already.

9. WHAT ABOUT SOCIAL AND MORAL PROBLEMS?

Socially, the segregation of low-income groups in concentrated housing projects is open to considerable question. There is no evidence that subsidized housing is the solution to high rates of crime, illegitimacy, indolence, poor health, and other social deficiencies. On the other hand, there is evidence that it has actually aggravated these problems.

Moreover, public housing fosters restrictions upon the earnings and initiative of its occupants. And it fosters dishonesty in the concealment of false reporting of income by tenants fearful of being evicted.

10. IS THE PRESENT FEDERAL PUBLIC HOUSING PROGRAM WORKING?

Not very well. Let us quote from a report by Joseph P. McMurray, former New York State Housing Commissioner and chairman of President Kennedy's housing task force:

"Substantial obstacles in site selection and a lowering in the quality of occupancy, and other difficulties, have prompted even the stanchest proponents of the (public housing) program to search for changes of varying degrees and even for completely new solutions. * * *

"The Government has only an inadequate, moribund public housing program, largely tailored to the needs and standards of a past era, and some incidental benefits for special groups.

"There is almost unanimous agreement that the program is not doing the job which it set out to do in 1937. Significantly this view is shared by the dedicated and able men who pioneered the program and supported it all through its turbulent history. * * *

"The existing public housing program, which could at most meet only a small segment of the needs of low-income families, has dwindled in recent years to less than 20,000 units a year in actual construction, and has sometimes been much smaller. It is barely surviving and seems to have been grinding to a halt in additional cities. It was never acceptable in some areas of the country."

Twenty thousand units a year * * * where 40,000 to 70,000 have been authorized. Public housing projects rejected in over 400 cities. Projects delayed from year to year by squabbles over locations. Local opposition to Federal dictation on local slum clearance and renewal problems. Increasing problems of crime and delinquency in public housing projects.

This is what is happening, under the present Federal laws, where public housing does exist.

11. WHAT ABOUT THE FUTURE OF PUBLIC HOUSING?

Again, our present opposition to public housing is based on the present Federal public housing law and the present operations and regulations of the Public Housing Administration.

Such authorities as President Kennedy's task force chairman, Joseph P. McMurray, are advocating greater local control and greater flexibility in the Federal subsidy—perhaps including outright payments to low-income families to help them meet the cost of mortgage payments or rental of privately owned housing.

It is to be hoped that Federal housing regulations, some time in the future, may be modified to solve some of the problems enumerated in this letter. But until many changes are made, we cannot recommend public housing in Iowa.

12. WHAT, FOR NOW, ARE THE ALTERNATIVES TO PUBLIC HOUSING?

We believe that until and unless the Public Housing Enabling Act is defeated in our general assembly, there will be no serious concentrated effort by local authorities to solve the problem of housing for low-income families.

We believe the problem can be solved by local authorities in cooperation with private industry, more promptly and at lower cost than with Public Housing.

Zoning restrictions may have to be changed, adding more areas to R-4 (apartment) zoning, as would have to be done for public housing. Subdivision building and lot requirements may have to be modified. Building codes will have to be reexamined with a view to more modern and less stringent standards for low-income homes. Assessment procedures should be reviewed with a view to reducing the tax burden on homes occupied by low-income families. Available existing housing must be studied, seeking older homes suitable for the needy.

There will always be, and always has been, a segment of the population unable to support itself. And much of the responsibility for the problems of food, clothing and shelter for these people will always rest with welfare agencies, as it has in the past.

Iowa is basically an agricultural State with a highly stable population. Iowa has always been able to handle the needs of its people.

Must the housing needs of 450 Des Moines families cause a drastic change in the attitudes of our State as written in our laws, when the need can be met within the framework of our present laws if the necessary effort is put forth by our own community?

At this point one can well wonder what leg does public housing have to stand on. So let us look at how they see it themselves, with appropriate comment.

13. THE PUBLIC HOUSERS' ORDER OF BATTLE

On February 15, 1960, an executive director of a public housing authority in California delivered an address—George L. Black of the Housing Authority of San Bernardino, Calif., before the NAHRO Southwest Regional Council—on the subject of public housing. He said:

> People engaged in public housing are privileged to have a part in the most challenging experiment in social advancement in the history of our Nation.

Warming to his subject he went on:

> To create a framework for living and working together, and to establish the seedbed for good citizenship is the real problem of public housing. Public housing in all of its comprehensiveness becomes, therefore, a political problem.

He had some unkind things to say about homeownership.

> Homeownership is one of the chronic areas of organized exploitation of human need in American life.

He then goes on to recite the public housers' order of battle. Here it is with our comments:

> In bringing the public housing program to your community bring all discussions down to the basic issues before the community. Force the opposition to discuss these issues:
>
> 1. Will a given number of safe, sanitary, modern dwelling units, replacing an equal number of unsafe, insanitary, degrading hovels, be good or bad for a community?
>
> (NOTE.—Of course it will be good for the community. But, there are more effective—more American ways of doing this than public housing.)
>
> 2. Will a good neighborhood of modern, standard homes be more, or less, conducive to safety, good health, good morals, and good citizenship than a blighted neighborhood composed of slum shacks? If the answer to this question is negative, then in the interest of the taxpayer, we should abolish all planning bodies, zoning ordinance, and building and safety codes.
>
> (NOTE.—Of course the answer is "Yes," but we have evidence that public housing like slums is not conducive to "safety, good health, good morals, and good citizenship." See parts III and VIII.)
>
> 3. Do the past records of the city show a higher or lower per capita cost of direct city services to the slum area as compared to a good neighborhood of standard homes, particularly in regard to fire, health, and police costs?
>
> (NOTE.—The question presupposes that public housing is equivalent to "a good neighborhood of standard homes." This is a false premise. See part IX.)
>
> 4. Will the increase in tax yield derived from payments in lieu of taxes from low-rent housing over the tax yield from slum shacks eliminated be good or bad for the community?
>
> (NOTE.—This assumes that the tax yield from public housing represents an increase. This is another false argument. See part I.)
>
> 5. Do the school attendance records show a higher or lower per capita attendance from the slum areas as compared with good neighborhoods of standard housing? What are the chief causes of absenteeism in either case?
>
> (NOTE.—Again the interrogator equates public housing with "good neighborhoods of standard housing." This is false. See part III.)
>
> 6. Do the public health records show the incidence of communicable disease to be greater or less per capita in the slum area as compared with good neighborhoods of standard housing?
>
> (NOTE.—This question is defective for the same reason.)
>
> 7. Do the police records show more or less crime and delinquency per capita in the slum area as compared with a good neighborhood of standard housing?
>
> (NOTE.—Again we have the faulty identification of the public houser. See part III.)
>
> 8. Will the replacement of a given number of substandard homes with decent standard homes renting at prices commensurate with the ability of the low-income family to pay be good or bad for local business?
>
> (NOTE.—The answer is "Yes." But, FHA section 221 provides a far more effective answer than public housing.)
>
> 9. Will the increased sale of supplies and services for maintenance of a given number of good standard homes replacing an equal number of substandard homes, be good or bad for local business?
>
> (NOTE.—The answer is "Yes," but this is no argument for public housing.)
>
> 10. Has any private builder or landlord, at any time within recorded history of the community, taken positive steps to provide decent, sanitary, standard housing for those residing in substandard houses at prices they can afford to pay?
>
> (NOTE.—Yes. The public houser should look around him as he walks down the street. Every community has numbers of decent housing occupied by families of low- or middle-income who have achieved home ownership by exercising the American virtues of industry, thrift, and frugality.)

E. SOCIAL REORIENTATION

The public housers do not limit their attack to homeownership, the right to own your own home. Actually, it is becoming quite apparent that a new social system is in the making if they have their way. Already mentioned is the shift to providing Government homes for the middle income, while the needy are left unhelped.

1. NEW TRENDS IN PUBLIC HOUSING—HAPPINESS HOUSING

Happiness housing was the theme of Public Housing Commissioner Marie McGuire in a recent newspaper interview. Roofgardens, swimming pools, bowling alleys, coke bars for teens, day nursery centers, and welfare services are items she hopes will be in public housing projects for the future. The recreational facilities would be run by agencies other than the Public Housing Administration, she stated. Use of the facilities, however, would presumably be restricted to public housing occupants and not open to the public. This means a low-income taxpayer buying or renting his house near a facility of this kind could stand by and watch the people who are subsidized by his taxes cavorting in pools, enjoying more luxurious living then he can afford and at his expense.

Now it is public housing that is going to get a new image.

It is, that is, if Public Housing Commissioner Marie McGuire, the youthful-looking dynamic boss of the Government's public housing program has her way.

Roofgarden, swimming pools, bowling alleys, coke and sandwich bars for teenagers, day nursery centers, youth training and employment centers and welfare services are among the innovations Mrs. McGuire has in mind for the public housing unit of the future. "I want it to be happiness housing," she said. She also hopes to spawn an architectural revolution.

In addition, Mrs. McGuire stated that regional offices of the Labor Department's Bureau of Employment Security have recommended that their local offices cooperate with local public officials in setting up youth training programs as an attack on juvenile delinquency and the school dropout problem. Here, we see even the public housing official recognizes the juvenile delinquency problem that is ever present.

Similarly, regional offices of the Labor Department's Bureau of Employment have recommended that their local offices cooperate with public housing officials in local communities in setting up youth training programs as an attack on juvenile delinquency and the school dropout problem, she said.

SOCIOLOGICAL DISCIPLINES

True, some of the public houser's rhetoric and intentions are hard to decipher, such as Mrs. McGuire's "in family housing, perhaps the highest priority to be given in the application of sociological disciplines to design is in the treatment of high densities" or "for independent living of the elderly, we know that our focus must be on permitting self-mastery as long as possible even in view of anticipated physical prowess reduction." Both these can be interpreted, although one may wonder why it must be said in such a long way around. Translated it means apparently that government can and should analyze, orient, and direct, even order our lives. Quite a new concept for proud, independent people, if that we are, and I think we still are, or mean to be. Mrs. McGuire does not get the message from the everyday plain hardworking taxpayer who foots the bill. Even though more public housing was recently voted down by referendum in San Antonio, she said in a September 12, 1962, speech to Canadians:

> I find unquestionable confirmation of my own experience of many years as the local administrator of public housing projects in San Antonio. That experience proved to me that public housing can do the job efficiently, economically, and humanely with not a trace of damage to the psyche of the individual tenants or of the body corporate and politic of the community.

Obviously, we must not hurt the public housing tenant's psyche. There's no concern shown for the hardworking taxpayers' psyche. Then again her speech suggests that perhaps she can be reached; in logic, she said:

> It stemmed from the mutual realization as expressed by Dr. Weaver and Secretary Ribicoff that "merely getting families with problems into decent housing does not necessarily change their behavior," and "merely handing out welfare checks does not help to make families on the relief rolls independent."

Or again,

> To me, it is not only poor government and poor business to write down land costs for profitmaking enterprises while denying it to housing for those who cannot afford it, but there is an aspect of immorality about it because the net effect is to deny decent housing to those who suffer most and often gain the least from urban renewal programs.

Even Mrs. McGuire apparently has conscience qualms over immorality of the programs. Then again she even states the case for the opponents of public housing when she observed:

> The harmful effects emanate largely from the feeling of the rest of the community that it is unfair for taxpayers to provide housing to low-income tenants which is more attractive and better than they can afford or live in themselves. This feeling of resentment hurts the general cause of public housing and should be avoided as much as possible.

The planning habit of thought of the Federal bureaucrat shows through in her statement:

> Public housing, just like other structures, should be designed not just to blend in with the neighborhood as it is. It should be designed for what the neighborhood hopes to be in the foreseeable future.

2. DR. WEAVER: A NEW SOCIAL SYSTEM

The "sociological reorientation" and "disciplines" can be more easily seen in Dr. Robert Weaver's—HHFA Administrator—speeches and directives. He is steering Federal subsidies toward cities and away from programs that produce suburban housing, putting more emphasis on subsidies and less on the workings of the private market, and quietly exciting more pressure toward desegregation through FHA and URA. He displays more and more concern for welfare and social problems, less and less with managerial and technical methods for housing America better.

As President Carton Stallard of Mortgage Bankers Association puts it:

> There is displayed both in the publications of HHFA, and in practice, a disturbing lack of or indifference to, the functions of the private market and what it takes to make it work.

He adds:

> What was at one time a free, independent group of operations—the Federal Home Loan Bank System, FHA, and VA—all aimed at enlarging the private market, with a public housing program running a disconsolate and diminishing fourth, has in a few years become a vast array of interrelated operations that affect the whole range of urban life. What is now stressed is an urban affairs operation in which housing and mortgage finance are largely incidental to the relocation of people and construction of buildings to meet current concepts of urban organization.

FHA, he complains, should not be a "direct means of controlling building activity or determining whether this group or that is to obtain some special privilege in the distribution of mortgage funds."

The House and Home article on housing in the June issue underscores further the direction that Federal housing programs are taking—they are becoming less and less housing programs and more and more instruments for making the people more and more dependent on the Federal Government:

> Says HHFA Administrator Weaver: "Today, HHFA is no longer an Agency concerned primarily with housing and home finance."
>
> His three most important unsolved problems, he told House and Home in a recent interview, are land use, mass transit, and the human costs of urban renewal.
>
> Weaver did not list desegregation (for which he has labored for decades) as one of his unsolved problems because he takes the stand that further Federal action is up to his boss, President Kennedy. But he dwells on the sociology of this problem more and more frequently now that it is clear southern opposition to having a Negro in the Cabinet (plus Republican opposition to having a Department of Urban Affairs and Housing) have killed all chance that Congress will let the Department be created, at least this year.
>
> Weaver often lapses into a kind of academic dialectic that befogs rather than illuminates his ideas. Some speeches are rich with phrases like: "social and economic upward mobility," "complex social organisms," "socioeconomic stratification," and "recrudescence of nostalgia."
>
> WEAVERESE
>
> Translated from Weaverese, here are some of his solutions for problems he sees:
>
> Rx for land use: More subsidies so cities can build more middle-income housing—even on sites that could yield more taxes.
>
> Here is how Weaver says it: "It was formerly required that urban renewal land areas be sold to redevelopers at fair value—which usually meant the highest price for the highest use. This often made necessary the high-rent developments which have made urban renewal so controversial in some cities. The Housing Act of 1961 made it possible for communities to sell urban renewal land at a price * * * which would permit construction of middle-income housing. This provision helped make possible the decision by New York City's housing and redevelopment board to make some of its best sites available for middle-income housing. It was a wise decision. We clearly have learned * * * that rigid adherence to the idea of highest and best use of land can defeat some of the basic objectives of urban renewal. One of these is to make the city a more attractive place for a families of moderate income. But I would not ban absolutely high-rise shelter from any and all urban renewal sites."
>
> Rx for the human problems of urban renewal: force the richer suburbs to subsidize the poor of the cities.
>
> Here is how Weaver says it: "In too many communities plans for the clearing of blighted and obsolete portions of the cities have been viewed as matters which can be decided by technicians in consultation with the local power elite. Where these plans have ignored the desire of significant groups * * * renewal programs have gotten into serious difficulties.
>
> "Perhaps because the city planning movement was so strongly influenced in the infancy by the architectural and engineering professions, planners have put great stress on the influence the physical environment can have on the attitudes and behavior of individuals. One wonders whether mere physical togetherness alone will bridge the cleavages which separate race and class in the modern city. Research is needed into how the physical form of the neighborhood and the social characteristics of its residents influence behavior and attitudes.
>
> "Perhaps, had we not created consciously homogeneous neighborhoods, we should have less cleavage. Cleavages of race and class must be bridged if urban areas are to emerge as coherent societies and not merely collections of hostile or indifferent groups and areas. The resources of rich suburbs and poorer central cities must be pooled in programs to improve education, provide needed social services, and public facilities."
>
> PRESCRIPTION FOR DESEGREGATION: DESTROY THE SUBURBS AS A STATUS SYMBOL
>
> Here is the way Weaver says it: "The drive to sell exclusiveness, so characteristic of the development of suburbia, of and in itself, introduced an element of prestige in single-class and single-race developments. The result is that such neighborhoods today are both the symbol and the embodiment of social distance between classes and ethnic groups. Destruction of this symbol is fundamental to changing class and racial attitudes and distance, but it is doubtful if it, of and in itself, will effect the change."
>
> Weaver tells House & Home he was speaking here (to the American Orthopsychiatric Association at Los Angeles) as a social scientist. He adds: "Destruction of the symbol doesn't mean the destruction of the suburbs but only destruction of attitudes about them. Actually, the suburbs are going to grow faster than other parts of metropolitan areas."
>
> On other occasions, Weaver has commented that the Nation's approach to urban problems is so wrapped up in physical and material matters that it involves "neglect of the human values of urban life. Yet the values of slum dwellers are of crucial importance. They largely determine the behavior pattern of the dwellers of slum and

blighted areas and influence the reactions of other people to them."

Many social scientists contend Negroes will continue to be unwelcome in many residential neighborhoods so long as so many Negroes do not share the middle class values of other Americans.

Weaver has lately been at pains to forecast that no such transformation is likely soon. "Middle class people always want to create others in their own image," he told the Washington Urban League last month. "But unless society is prepared to offer rewards commensurate with the sacrifices necessary to achieve middle-class status it is useless to encourage minority groups to strive for that status. Many of today's newcomers (to cities) do not have the motivation for social and economic mobility, for this is a function of social and economic opportunity."

Weaver is putting more and more reliance on these programs with end in view of gradually restricting the scope of the private market.

WEAVER ADVANCES PERSONAL IDEAS

There is no question that Weaver has recreated HHFA as an instrument for the advancement of his personal ideas of the role of the suburbs vis-a-vis the central city. The broad powers granted him by the 1961 Housing Act were never fully appraised by Congress as instruments for one-man reshaping of our environment.

The welfare functions of (HHFA) should be transferred to the Department of Health, Education, and Welfare.

Weaver assumes readily the role of the social scientist concerned with human values but neglects the erosion of human values in the environment which he seeks to create. Would human values be enhanced by making America's great middle class dependent on the Government to satisfy its housing needs through subsidies and a Government landlord? Weaver should temper his predilection for social science with a historian's more objective view. He might discover that the greatness of a nation is measured by the independence of its middle class, and that great nations started on the road to historical oblivion when their middle class began to look to government to meet the basic necessities of life.

House & Home has performed a public service in presenting this blueprint of how an able government official armed with the broad powers of a statute can change the direction of not only the Federal agencies he controls but the framework of society itself. (Alexander Summer, past president, NAREB, Teaneck, N.J.)

NET RESULT IS GOVERNMENT-PLANNED LIVES

Add all these comments up and what do you have? As I see it, this is a planned, intentional design to reorient, organize and direct the lives of U.S. citizens, using their tax money and specifying what kind of lives they live by prescribing their homes, and community and home life. This is a planned intentional effort to abolish homeownership and reorganize, by Federal dictate, city and suburban living conditions.

CONSTRUCTIVE ALTERNATIVES

There are, indeed, constructive alternatives. There are moral programs. In developing the alternatives I shall dismiss the workable program, rehabilitation, redevelopment, and local self help.

As both background and accompaniment, first, I want to draw a lesson, a moral, from the Mississippi situation—because there is a most pertinent parallel to be noted.

PUBLIC HOUSING AND STATES RIGHTS

In the past week we have all been witnesses to the tragic involvement of the Federal Government in a matter which, we all must agree, should have been resolved in a manner consistent with the Constitution and by responsible State and local officials. I sincerely believe that prior to the advent of centralism, during the thirties, that the U.S. Supreme Court would have left the solution of the issue of public education to the States and local governments.

Be that as it may the issue was joined on a plane of centralism, and the solution has not made us a stronger people.

During the heat generated by this issue I read in the public press the contents of a telegram dispatched by the Governor of one of the Southern States pleading with the President not to send troops into the State of Mississippi, pleading that the Federal Government should not interfere in the internal problems of the State. The Governor cited in his support the 10th amendment to the Federal Constitution.

Let us examine the 10th amendment again:

> The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people.

Certainly these words ring a spirit of Americanism which no man or woman can eschew.

Now I believe this Governor had every right to cite the 10th amendment in his dramatic plea to stay the use of Federal troops in Mississippi. But the plea of the 10th amendment fell on deaf ears. It apparently no longer sounds a tocsin of battle. Why?

Well, as exhibit A, I would like to cite the actions of this Governor's own State with respect to only one Federal grant program. Ponder this fact: 160 communities of this Southern State have, under authority granted by the State legislature, received an aggregate of $33 million, to date, for public housing. And this $33 million is only the first installment—annual subsidies will be payable for the next 40 years. How can one plead the 10th amendment; how can one plead States' rights; how can one question the right of the Federal Government to inject itself into a local problem, when the same voice has been heard time and time again urging the Federal Government to come into the towns and hamlets with Federal money to subsidize Government-owned shelter, and to nurture a new tenant class which would look to the political leaders for shelter?

This, Mr. Speaker, is the tragedy of the America of the mid-20th century. Our own people have sacrificed the 10th amendment on the altar of monolithic Federal bureaucracy.

Our own people have disdained the political risks of seeking the solution of local problems with local resources, under the misguided belief that if the Federal Government does it, then it costs less and we will not have to worry about it.

The erosion of the 10th amendment must be shared by all who have yearned for the fleshpots of Federal grants for public housing and other subsidies oblivious to the inevitable weakening of the States and the moral fiber of the people.

It is they who have paved the way toward the all-encompassing State.

It is not too late.

Here, too, the Supreme Court's historic decision in the Tennessee malapportionment case points the way toward the strengthening of State governments.

Public housing seeks to solve a problem which is inherently local.

Public housing seeks to solve an urban problem.

As we stand on the threshold of an era of urban-oriented legislatures, let us set ourselves to the task of bringing about a withdrawal of the Federal Government from the public housing program.

The public housing act has a statutory ceiling of $336 million in subsidies per year. In order for the program to be expanded it will be necessary for the Congress to increase this ceiling. This then will be the battleground next year, and I fervently hope that the House will start the long hard road back to States rights and State responsibilities by rejecting overwhelmingly any attempt to extend this program.

DO IT THE AMERICAN WAY

Now let us get about solving this supposedly difficult problem of slum clearance and housing the moral way, the honest-to-goodness American way—a way to rebuild pride of accomplishment, rekindle self-respect through real humanitarianism, not by the forced dictation of Federal Government by planning, subsidy and regulation.

A. THE WORKABLE PROGRAM

The workable program of the 1954 Housing Act, the original concept underlying Federal participation, can be tailored and adopted for the State and local solution to the problem. The act reads:

> No contract shall be entered into—unless (1) there is presented to the Administrator by the locality a workable program (which shall include an official plan of action, as it exists from time to time, for effectively dealing with the problem of urban slums and blight within the community, and for the establishment and preservation of a well planned community with well organized residential neighborhoods of decent homes and suitable living environment for adequate family life) for utilizing appropriate private and public resources to eliminate and prevent the development or spread of slums and urban blight, to encourage needed urban rehabilitation, to provide for the redevelopment of blighted, deteriorated, or slum areas, or to undertake such of the aforesaid activities or other community activities as may be suitably employed to achieve the objectives of such a program."

Responsibility for administering this particular provision of the Housing Act was assigned specifically to the Administrator of the Housing and Home Finance Agency. Both business and local government looked to him to suggest the kind of overall program to be undertaken and the way in which it should be administered.

The first step taken in the formulation of the workable program concept was to determine what types of activity should be given recognition as part of the overall program. The following elements were selected: codes and ordinances, the comprehensive community plan, neighborhood analyses, administrative organization, financing, rehousing displaced families, and citizen participation.

The content of each of these elements, as originally conceived, can be suggested briefly.

1. CODES AND ORDINANCES

Every city has inherent police powers to protect itself and insure its survival. Well recognized among these powers is the right to establish minimum standards of health, sanitation, and safety under which structures may be constructed and occupied.

Construction codes have existed for centuries. The need for them requires no justification. Housing codes are more recent. They are designed to insure that no family is permitted to live in accommodations which the locality itself determines to be unfit for human habitation. They are a principal means by which the occurrence and spread of slums and blight can be prevented. Until a community is prepared to enact and enforce adequate codes and ordinances, it cannot expect to make real progress in urban renewal.

2. COMPREHENSIVE COMMUNITY PLAN

The objective is the formulation and official recognition of a comprehensive general plan for the community as a whole. This involves the creation of adequate patterns of land use, traffic circulation, and community facilities. Such planning should be flexible and conditioned to the knowledge that it is a long-range vehicle for improvement of the community as a whole. Appropriate parts of it should be translated into administrative regulations, such as zoning laws, capable of enforcement by the courts.

3. NEIGHBORHOOD ANALYSES

The objective is to identify the extent and intensity of blight and to develop logical patterns for healthy neighborhoods with decent homes and suitable living environment. This represents an extension of the traditional planning process. It results in the delineation of neighborhoods possessing a security and stability of their own and capable of independent renewal action.

4. ADMINISTRATIVE ORGANIZATION

Urban renewal cannot be accomplished unless responsibility is fixed and organization provided. This involves a wide range of activities, from the enforcement of a housing code to the provision of public improvements essential to upgrading neighborhoods, to the organization of specific urban renewal projects, and to the coordination of a locality's entire urban renewal program, both at the policymaking and the operating levels.

5. FINANCING

Urban renewal costs money, but failure to renew may be even more costly. Each locality must face this problem for itself and be prepared to assume its share of responsibility. In some cases the cost of such current operations as code enforcement can be made self-liquidating. However, in other cases, and particularly in capital investment, costs are likely to be high. As soon as a locality has any clear idea of what it wants to do about renewal, it should calculate the costs as carefully as possible and begin making a plan whereby required funds will be available when needed.

6. REHOUSING DISPLACED FAMILIES

The objective is to facilitate the rehousing, in decent, safe, and sanitary accommodations, of families displaced by government action. Not only urban renewal but also many other kinds of governmental activity are likely to displace families against their will. Each locality should estimate the extent and character of such probable displacement, and also the availability of standard housing to families at prices they can afford to pay. The estimates should disclose the extent of shortages which must be met by new construction. Particular consideration should be given to the rehousing of displaced minority families and the availability to them of both sales and rental housing.

7. CITIZEN PARTICIPATION

Its objective is to mobilize individuals and representative citizens' organizations to help provide, both in the community generally and in selected project areas, the understanding and support necessary to insure the success of urban renewal. Without adequate citizen support, no comprehensive attack on slums and blight can be effective.

FEDERAL WORKABLE PROGRAM LEADERSHIP INADEQUATE

The Housing and Home Finance Agency failed to make this self-help program the effective instrument for community development that it was expected to become. The Agency has been more interested in pushing its subsidy programs than in promoting self-help. It has regarded the prerequisite workable program as a barrier to be removed as quickly as possible so that its subsidies could flow. This has resulted in a failure to expand the scope and effectiveness of the workable program as fully as was intended by the Congress.

The Agency could have fulfilled much of the purpose of the workable program by asking each community to answer three simple questions with respect to each of the seven elements:

First. What is the present status of the community?

Second. What more needs to be done before the requirement is satisfied?

Third. What specific commitment for action will the community attempt to accomplish within the next year?

Such a specific procedure would have made clear to each community the extent of its commitment and would have given the Federal Government a firm promise against which to measure local performance. HHFA could then work with each community to increase the extent of its commitment, year by year, until complete achievement of an adequate self-help program was obtained. If a city failed to perform in accordance with its reasonable commitment for a given year, HHFA could refuse to renew the workable program certification to the end of that year.

The extent of the failure by HHFA is easily documented. Take the enactment and enforcement of housing codes as a single example. A desperate need exists for a simple explanation of a self-help procedure which communities can follow in the drafting of such a code, in securing its adoption, and in compelling its effective enforcement. The Agency has done little or nothing by way of providing such a tool.

HHFA did make one administrative innovation which was significant as far as local administration of comunity development was concerned. It insisted that the mayor or administrative head of the community should assume responsibility for the development of the workable program and should sign the application for Federal approval. This helped concentrate control over community development in the hands of the city administration.

Instead of continuing to support the local city administration and to strengthen its hand, HHFA now seems intent on downgrading the self-help workable program and elevating in its place the federally assisted "community renewal program." This program is operated by a specially created local public agency which is seldom the city government. While some technical justification for community renewal programs may exist, it does not contribute much to problem solving. Community renewal programs seem destined to result in expensive and time-consuming operations and to complicate rather than simplify the decisionmaking process.

A NEW DEFINITION OF SCOPE—FEDERAL PLANNING EXPANSION

A completely new understanding of the scope of community development seems to be arising. One very significant evidence of this was the housing message which President John F. Kennedy transmitted to Congress in March 1961. In that message the President emphasized that urban renewal efforts must be reoriented from slum clearance and slum prevention to positive programs for economic and social regeneration. He called for the establishment of "an effective and comprehensive planning process in each metropolitan area embracing all major activities, both public and private, which shape the community. Such a process must be democratic—for only when the citizens of a community have participated in electing the goals which will shape their environment can they be expected to support the action necessary to accomplish these goals."

Such a concept contributes to the creation of problems rather than to their solution.

The first big problem created by the President's proposal is how to establish a mechanism capable of such all-inclusive planning. Obviously, the mechanism must be local, not Federal. Equally obvious is the fact that the mayor, who is stretching the traditional pattern of city administration when he undertakes to formulate a workable program, cannot assume authority and responsibility for planning such activities as the industrial and commercial development of his community. If he or any other public agency makes such an attempt, he becomes a menace to existing private enterprise and to the theory of constitutional government which places many areas of human activity beyond reach of government. He will be presuming to make for the community decisions which hundreds of local businessmen have been making for themselves.

Some indication of what might happen if an all-inclusive governmental planning agency were established may be derived from a review of what has happened as a result of previous efforts by the Federal Government to promote special kinds of planning. The evidence is not reassuring.

The Housing and Home Finance Agency is doing more than any other Federal agency in the promotion of special kinds of planning. Both the scope of its authority and the amounts of money available were greatly expanded by Congress in 1961. The Agency has chosen to place major emphasis in this planning, not on the promotion of local self-help, but on encouraging and protecting the use of Federal subsidies. Its efforts seem to be directed at the stimulation of urban renewal projects which are authoritarian in their planning and very costly in their execution. This will be documented in subsequent discussion.

The U.S. Department of Commerce is promoting two planning programs which support the President's emphasis on expanded community development. Each of these programs has features which are positively retrogressive so far as problem solving is concerned.

One of these programs was launched in cooperation with the U.S. conference of mayors on June 12, 1961, under the slogan, "Boost the Economy." The mayors of all the larger cities were invited to take personal leadership in the stimulation of activities which could spur the local economy and help boost the national rate of growth.

Under this program the mayor was requested to identify local projects which could be gotten underway quickly and to secure the cooperation of local businessmen and others, under his leadership, to get them started. Success would rebound directly to the credit of the mayor and would enhance his personal prestige as well as the prestige of the national administration.

The implications of this program were clearly political as well as economic. The program seemed to be aimed at a political alliance between local political leaders and the national administration, designed to keep both in power.

The political potency of the alliance was tested on August 26, 1961, when JOHN MCCORMACK, then majority leader of the House of Representatives, sent a communication to 2,400 of the mayors asking them to use their influence to help secure passage of the administration's bill. When President Kennedy's reorganization plan to create a Department of Urban Affairs and Housing was before the Congress in 1962, Majority Leader CARL ALBERT used the same technique in an effort to prevent defeat of that proposal. So far the alliance has not been completely effective.

If this political alliance between the cities and the Federal Government were ever to become fully effective, the national two-party system would almost certainly be destroyed and the place and importance of local voluntary organizations would deteriorate. Local organizations such as chambers of commerce which are concerned primarily with community development might disappear.

The second program initiated by the U.S. Department of Commerce was a direct result of the area redevelopment legislation, which required among other things that, before it could become eligible for Federal financial assistance, a community must formulate an overall economic development plan and receive approval of that plan by the Secretary of Commerce.

The overall economic development plan—OEDP—is a self-help procedure roughly comparable to the workable program required by the Housing Act of 1954. However, one important difference exists. The workable program was never particularly competitive as between cities. The OEDP can be made an instrument of direct competition. On the basis of an OEDP the Department of Commerce can help out companies in business in one community which can become directly competitive with existing plants in other communities.

The Department is attempting to establish criteria by which to assure the fairness and impartiality of the judgments it makes with respect to each of the OEDP's submitted. Unfortunately, no technology has been developed which can assure the impartiality of such judgments. The criteria being used can be applied in ways which will permit discrimination whether for or against any particular applicant. The continued use of any such basis of judgment is regressive and dangerous.

The Extension Service of the U.S. Department of Agriculture is also involved, through the Area Redevelopment Act, in a decisionmaking process which is in conflict with its long history of constructive educational effort.

Up until now the Extension Service has always operated on an educational and advisory basis. It has accumulated facts on many subjects, analyzed them, and helped formulate courses of action with respect to them. But it has not attempted to make the decisions or to force any minority to accede to the decisions of a majority.

Now the Extension Service has been committed to help in organizing rural area development committees which will carry out special projects. This means making decisions and taking action in such fields as industrial development, housing, and unemployment. Agreements will have to be reached among many organizations and individuals on a single course of action to be pursued. In the process, conflict and controversy can be created. Disagreements can be generated which can undermine the future usefulness of the Extension Service and can destroy, in one fell swoop, what the U.S. Department of Agriculture has taken years to build up.

These examples serve to emphasize the expansion currently taking place in concepts of community development. They also indicate some of the basic issues being raised. But they do not contribute significantly to the development of procedures through which to solve the problems presented. They do not result in the decisions and action that are needed.

The invention of methods and techniques for problem solving in community development continues to be of utmost concern. Unless devices are perfected to make problem solving successful, mere emphasis on expanding the scope of planning is likely to result in frustration and futility rather than progress.

B. REHABILITATION

Rehabilitation and redevelopment go hand in glove and build on the workable plan as the basis or foundation. Rehabilitation concerns the improvement to acceptable standards or demolition of existing housing. Redevelopment deals with rebuilding on the vacant and cleared land.

The rehabilitation and redevelopment effort, according to workable plan, solidly rests on the availability of local talent.

AVAILABILITY OF LOCAL TALENT

The more people appreciate the comprehensiveness of this step-by-step procedure for balanced community development, the more they are likely to ask the question: "Where can any community find all the talent required for such a task?"

The best answer is that every one of the demonstration communities was able to mobilize all the local talent required to make the procedure work. None of these communities had available all the high priced talent they could have used to advantage. None of them could have raised the money to have all the needed studies made by technical experts. But each community was able to find the talent it needed to get the job done.

EXAMPLE: ERIE

Erie offers an excellent example. It had to recruit individuals with different capabilities for the analysis of each of the 79 problems. For this purpose it recruited 178 persons, each of whom was designated as a resource person. Among them were: 41 presidents or executive heads of corporations, 19 commercial operations executives, 16 local governmental department heads, 16 civic organization leaders, 13 public and private agency administrative personnel, 8 industrial administrative officials, 8 members of independent public boards and agencies, 8 city, county, or township commissioners, 8 State officials, 5 Federal officials, 5 local educational administrators, 3 college presidents, 3 religious leaders, 3 insurance executives, 3 architects, 1 appraiser, 1 labor leader, 1 newspaper executive, and 1 mayor.

Together these resource persons represent a range of talent and experience which no community could hope to hire. What many of these individuals lacked in terms of professional or technical qualifications they more than made up by their detailed knowledge of local problems and the confidence which residents of the community had in their judgment.

The duties of each resource person were strictly limited. He was assigned to one or more problems. He was asked to help assemble the facts about the particular problem and to help formulate various possible courses of action which might be followed to produce a solution. But he was specifically requested not to assume authority or responsibility for attempting to make a final decision on how the problem should be solved.

In smaller communities, many fewer resource persons may be available than in Erie. But this does not mean that the procedure becomes any less practicable. In Point Pleasant, W. Va., with a population of just over 5,000 a chairman was selected for each of the 7 categories and was authorized to recruit the resource persons required to identify specific problems and to complete their analysis. This procedure resulted in a series of reports which were very satisfactory for balanced community development purposes.

Decision making and action taking in Erie was delayed until the analysis of all 79 problem areas was completed. Then a special mechanism was established to give consideration to all the problems in the light of their respective contributions to balanced community development.

The decisionmaking process was divided into two parts. The first part was performed by a priorities committee composed of outstanding citizens of the community. Members of the committee were asked to review all 79 activities, to select the ones entitled to highest priority, and, for each item selected, to recommend one of the courses of action set forth in the analysis of that item.

The second part of the decision and action process was performed by representatives of citizens organizations would constitute a cross section by the entire community. Their job was to pass judgment on the work of the priorities committee and to determine the extent to which they were prepared to help build public understanding and support for the program as recommended. Every activity recommended by the priorities committee and accepted by the representatives of citizens' organizations became incorporated in the work program for Erie. Such agreement gave every possible assurance that each such activity could be translated into effective action. Differences which developed between the two parts of the decision process were easily reconciled. This resulted in more activities being made eligible for inclusion in the work program.

POTENTIALS OF THIS APPROACH TO PROBLEM SOLVING

How far can this particular procedure go toward solving the problems of community development?

Certainly it cannot help create a single administrative agency which can act with authority and responsibility to solve all the problems of community development. If the community has as its goal the creation of such machinery, it should not look to this particular device.

If the people of the community are concerned with balanced community development and are willing to accept that as their goal, this procedure can be most helpful.

The most persuasive claim that can be made for the procedure at the present time is that it works. Within the framework which has been set for it, it gets results. That is more than can be said for most procedures which have been proposed in this field. In addition, this particular procedure has been adapted successfully for use in different communities under different conditions.

The program of work made possible for any community by this procedure sets a pattern for problem solving and points out the direction in which answers are to be found. The answers are achieved only upon completion of the task assigned by the program of work.

Every community has to determine for itself the potentials of this procedure as citizens attempt to apply it to their problems. What they get out of it is likely to be determined by the amount of effort they are prepared to put into it.

As one and only one example of the financing available there is the title I program of FHA which aids the owner to remodel, add to, and generally improve his property. Perhaps even more significant can be the local sources of funds that interested citizens can provide.

C. REDEVELOPMENT

Redevelopment, the rebuilding, is a part of the larger concept of community development. While rehabilitation is always in order unit by unit, at the point of development and redevelopment, basic plans are needed. The chamber of commerce has prepared a comprehensive program, starting with seven pamphlets in this field which can aid the local community. These are the "Community Development Series":

1. Balanced community development.
2. Community analysis—foundation for decisionmaking.
3. Comprehensive planning—guide for community growth and change.
4. Planning urban renewal projects.
5. Modernizing local government.
6. Financing community development.
7. Community leadership—key to local development.

The distinguishing characteristic of this particular process is the way in which it breaks down the total problem of community development into many lesser problems and establishes a series of steps through which each of the lesser problems can be processed. The entire series is coordinated to produce a total solution.

THIS DECISIONMAKING DEVICE HAS BEEN DEMONSTRATED

This device has been demonstrated successfully in a number of communities. The original demonstration was made in Erie, Pa., during the summer of 1960. In that city, in three month's time with a cash outlay of less than $1,000 approximately 300 persons cooperated to identify 79 problems, analyze each of them, indicate possible courses of action for their solution, establish priority recommendations with respect to them, evidence the extent to which citizens organizations were prepared to help build public understanding and support for them, and formulate a work program for the entire community.

This result was made possible by a series of steps which were originally described as follows:

1. The identification of as many as possible of the pressing problems facing a community. (The basis for this identification is established in the subject matter areas outlined in the "Community Development Series" of pamphlets published by the Chamber of Commerce of the United States.
2. A description of each problem to indicate its present local status and to suggest the principal factors involved in a solution.
3. Organization of the existing information about each problem and the analysis of available facts to indicate alternate courses of action which might be followed.
4. Examination of the feasibility of each proposed course of action, including costs, as a basis for establishing priorities among problems.
5. Formulation of a comprehensive action program designed to produce solutions to problems and to generate the necessary citizen understanding and support.

A detailed description of the procedure followed in Erie is available in the "Erie Workbook for Community Development Action" published by the Chamber of Commerce of the United States.

Subsequent to the Erie demonstration, other demonstrations of the process have been made successfully in Rapid City, S. Dak.; Amarillo, Tex.; Fresno, Calif.; Tampa, Fla.; and Point Pleasant, W. Va. These communities range in population from about 5,000 to more than 250,000.

On the basis of the experience in these demonstration cities, the procedure has already been refined considerably. At the present time a pamphlet, "How To Create a Program of Work for Community Development," is being made available by the Chamber of Commerce of the United States in which a 13-step procedure is suggested:

Step 1. Organize the study course.
Step 2. Plan the succeeding steps.
Step 3. Make basic assumptions about the future of the community.
Step 4. Select the Priorities Committee.
Step 5. Hold the first citywide meeting.
Step 6. Identify areas to be studied.
Step 7. Select qualified persons to help analyze problems.
Step 8. Standardize the procedure for analyzing each problem.
Step 9. Organize the citizen participation process.
Step 10. Prepare the report of the priorities committee.
Step 11. Consideration by citizens' organizations.
Step 12. Complete the program of work.
Step 13. Give leadership for continuing problem-solving action.

Changes and modifications in the step-by-step procedure will continue to be made. One step which involves citizen participation process has already become so important that it will be given special consideration in chapter IX.

Before discussing how the procedure works, some indication should be given

of the scope of the problems with which it can deal. This will allow individuals to form their own opinion of the extent it can be useful in achieving objectives such as those proposed by President Kennedy in his first housing message.

The comprehensiveness of this particular procedure can be suggested by the following tabulation of the problem areas identified in Erie, together with an indication of the various categories in which they were cataloged:

CATEGORY I

Adjustment to location and natural resources

Problem area No. 1, land.

Problem area No. 2, water.

Problem area No. 3, climate.

Problem area No. 4, agriculture.

Problem area No. 5, sewers and drainage.

Problem area No. 6, the port of Erie.

Problem area No. 7, fisheries.

Problem area No. 8, gas.

Problem area No. 9, electricity.

Problem area No. 10, telephone service.

Problem area No. 11, air transportation.

Problem area No. 12, railroads.

Problem area No. 13, highways.

Problem area No. 14, motortruck transportation.

Problem area No. 15, bus transportation.

Problem area No. 16, resort activities.

Problem area No. 17, convention promotion.

CATEGORY II

Industrial development

Problem area No. 18: Why is Erie not sharing fully in the industrial boom now underway in the Lake Plain of which Erie is a part?

Problem area No. 19: What is the competitive industrial position of Erie?

Problem area No. 20: What is the condition of existing plant and equipment in Erie industry?

Problem area No. 21: Possibilities of expanding existing plant facilities.

Problem area No. 22: Industrial labor supply.

Problem area No. 23: Wage rates.

Problem area No. 24: Availability of resources for industrial expansion.

Problem area No. 25: Does Erie need an economic base study as a foundation on which to build a better industrial position?

Problem area No. 26: What kind of promotion should be used to improve Erie's industrial position?

CATEGORY III

Commercial development

Problem area No. 27: Does Erie have a definite pattern of commercial development?

Problem area No. 28: The central business district.

Problem area No. 29: Suburban shopping centers.

Problem area No. 30: Strip and spot commercial development.

Problem area No. 31: Can commercial facilities be provided in Erie as needed?

Problem area No. 32: How should commercial development in Erie be promoted and controlled?

CATEGORY IV

Comprehensive community planning

Problem area No. 33: How adequate is the existing planning mechanism for the Erie area?

Problem area No. 34: How adequate is the land-use plan?

Problem area No. 35: How adequate is the transportation plan?

Problem area No. 36: How adequate is planning for community facilities?

Problem area No. 37: The public improvement program.

Problem area No. 38: Zoning regulations.

Problem area No. 39: Subdivision regulations.

Problem area No. 40: Neighborhood analyses.

Problem area No. 41: Planning for traffic control.

Problem area No. 42: The threat of slums and blight.

CATEGORY V

Housing

Problem area No. 43: What is the condition of existing housing in Erie?

Problem area No. 44: How important is a housing code to the future of Erie?

Problem area No. 45: Relocation of families.

Problem area No. 46: Is more public housing required for Erie?

Problem area No. 47: What is the future of private housing construction in Erie?

Problem area No. 48: How important is local tax policy to housing?

CATEGORY VI

Urban renewal

Problem area No. 49: Does Erie need urban renewal?

Problem area No. 50: Why is an urban renewal plan necessary?

Problem area No. 51: Who should formulate the urban renewal plan for a given project?

Problem area No. 52: The identification of project areas.

Problem area No. 53: Feasibility of renewal projects.

Problem area No. 54: The land acquisition plan.

Problem area No. 55: The land reuse plan.

Problem area No. 56: Project facilities plan.

Problem area No. 57: Project financing.

Problem area No. 58: What place should redevelopment have in Erie?

Problem area No. 59: How can needed rehabilitation be accomplished?

Problem area No. 60: Execution of the urban renewal plan.

Problem area No. 61: What is the place and importance of the redevelopment authority of the city of Erie?

CATEGORY VII

Modernizing local government

Problem area No. 62: Administration.

Problem area No. 63: Stabilizing the principal source of revenue.

Problem area No. 64: New sources of current income.

Problem area No. 65: Capital improvements financing.

Problem area No. 66: Improving assessment practices.

Problem area No. 67: Special assessment procedures.

Problem area No. 68: Police.

Problem area No. 69: Fire.

Problem area No. 70: Public health.

Problem area No. 71: Public works.

Problem area No. 72: Parks and recreation.

Problem area No. 73: Welfare services.

Problem area No. 74: Educational services.

Problem area No. 75: Mass transportation and parking.

Problem area No. 76: Annexation.

Problem area No. 77: Metropolitan government.

Problem area No. 78: Does Erie need more home rule?

Problem area No. 79: Citizen participation process.

Following this is the leader's guide "How To Create a Program of Work for Community Development." Of course, cities are different with different problems requiring different solutions.

Obviously, there is no pattern of decisions or actions in community development on which all persons can agree. Different decisions by different individuals and interests will continue to be made.

Perhaps the very existence of all these complications suggests the best possible way in which to conclude this part of this discussion. The answer may be not to talk conclusions before the fullness of time for conclusions has arrived, but to suggest some of the further demonstrations which need to be completed before any final decisions can be made. Perhaps an outline for such a demonstration can be drafted to show how community development can achieve its maturity.

PRECEDENT FOR A GREAT DEMONSTRATION

One of the recommendations of President Eisenhower's Advisory Committee on Government Housing Policies and Programs, which has never been implemented reads, as follows:

> It is especially important to develop in at least a few cities in the United States pilot projects of effective local action at all stages of the slum prevention-slum elimination process. The experience of cities in connection with such demonstration projects will be tremendously useful in guiding citizens and local officials of other cities.

President Kennedy emphasized the need for an expansion of the scope of the demonstration when, in his first housing message, he called for the establishment of a planning process "embracing all major activities, both public and private, which shape the community."

There can be little doubt about the desirability of a great demonstration which would help establish some appreciation of both the possibilities of and sound procedures for community development. The only questions are, "What would be required for such a demonstration?" and "How can it be organized?"

NECESSARY ASSUMPTIONS

Any suggestion of what should be included in a great demonstration must rest upon certain assumptions. Accordingly, it is fitting to state the basic assumptions on which the subsequent proposal will rest.

First. However conceived, plans for community development problem solving cannot be effective unless they are simple enough for easy local application.

Second. Patterns for local action must contain not only a clear statement of procedures to be followed but also some means of creating widespread public understanding and support.

Third. In formulating procedures to be followed, other things being equal, the simplest, fastest, lowest cost, and most efficient devices should be used.

Fourth. Each procedure or step in the total demonstration process should identify those persons from whom help will be required and should be related to all other procedures or steps in such a way that some total solution is provided.

Fifth. To establish some order of priorities in attacking problems, the community must have some method of identifying and analyzing as many as possible

of its important problems so that they can receive all due consideration.

Sixth. Some mechanism must be provided for resolving any basic conflicts of interest which arise during the demonstration.

Seventh. In areas of activity where the definition of the public interest is in doubt, every effort should be made to resolve the differences without any arbitrary repudiation of any of the parties involved.

Eighth. In developing solutions for specific problems, communitywide, self-help procedures should be used wherever possible rather than specific project operations.

Ninth. Where problem solving devices must be developed for individual project areas, all individuals and organizations whose cooperation is likely to be required for project completion should be involved from the very beginning.

Tenth. Procedures should be available for mobilizing the total resources of the community for dealing with problems which do not lend themselves to any simpler solution.

INITIATING THE DEMONSTRATION

The most important purpose of the great demonstration is to convince communities that they have resources which, if properly mobilized under the right kind of leadership, can develop acceptable local solutions for even the most complicated problems. This will require procedures different from those which most communities have been using.

The demonstration should be addressed to the total problem of community development. If any practicable procedure can be found to deal with the problem of the viable society in its entirety, that procedure should be tried.

The most comprehensive procedure which has been developed and proven seems to be that involved in the balanced community development program for which principles and procedures have been developed by the Chamber of Commerce of the United States. Accordingly, the pattern is suggested as a practical place for a beginning. The details of the pattern are described in the following publications: the "Community Development Series" of seven pamphlets; the "Erie Workbook for Community Development Action"; and the leaders' guide, "How To Create a Program of Work for Community Development."

The balanced community development program is available for use in any community. Its step-by-step procedure is capable of application not only to cities but also to metropolitan areas as well. It establishes a procedure which deals with all the physical aspects of community development both public and private. The procedure is subject to none of the legal and geographical limits to which all official problem-solving efforts must be subject. Those who use this procedure are free to pursue any problem to its source wherever that may be. The device can be used to mobilize the total resources of the community. It can produce decisions and create a foundation for action.

Use of this procedure as part of the great demonstration can be readily organized in accordance with the instruction in the leaders' guide. The procedure will be carried out on a completely voluntary basis through the cooperation of citizens and local public officials. The average time for completion of the program is approximately 1 year. The cost is nominal. The result should be a program of work for the entire community which sets priorities for community action and mobilizes the resources to get things done.

NEW FHA SECTION

The demonstration or experimental type of privately built housing to replace public housing for the lowest incomes was the subject of a new FHA provision in the 1961. A description of the law follows:

FHA MORTGAGE INSURANCE FOR MODERATE INCOME HOUSING—(SECTION 221(D)(3) OF THE NATIONAL HOUSING ACT)

Section 221(d)(3) market rate and submarket rate program provided by amendments in the Housing Act of 1961.

Purpose: To assist in meeting the housing needs of low and moderate income and displaced families.

Congress and the Administration have taken action to meet the housing needs of many of our low and moderate income families.

The 1961 amendments to section 221 (d)(3) provide FHA mortgage insurance for the first time for rental and cooperative projects which limit occupancy to low and moderate income families. FHA will establish family income limits for admission to the projects, based on five times the computed rentals of selected standard rental accommodations, adjusted to the Census Bureau median family income figures. In order to minimize housing costs for these projects, FHA is authorized to insure project mortgages with an interest rate as low as the average current yield on all marketable obligations of the Treasury. FHA also is authorized to waive or reduce the mortgage insurance premium for these projects. Mortgages may also be insured under this program with higher interest rates, up to a maximum established by FHA regulations, and mortgage insurance premiums may be charged at customary rates at the discretion of the FHA Commissioner.

To provide financing at submarket interest rates for section 221(d)(3) projects, the Federal National Mortgage Association is authorized to purchase these mortgages under the FNMA special assistance program.

Section 221(d)(3) projects may be either new construction or rehabilitated construction and must contain five or more dwelling units. Projects may be developed by public agencies—except local housing authorities that obtain their funds exclusively for public housing pursuant to the U.S. Housing Act of 1937—or by cooperatives—including investor sponsored—private nonprofit corporations or associations, or limited dividend corporations. For public agencies, cooperatives—including investor sponsored—and nonprofit sponsors, mortgages may equal the replacement cost of the project; or, for rehabilitation projects, estimated costs for rehabilitation plus the value of the project before the rehabilitation; or, in the case of refinancing, the amount required to refinance existing indebtedness. For limited dividend sponsors, mortgages may not exceed 90 percent of these amounts.

All section 221(d)(3) rental or cooperative projects must be located in communities having a workable program which has been submitted to and approved by the Administrator of the Housing and Home Finance Agency and certified by him to the FHA Commissioner. A workable program means that the community has an official plan for dealing effectively with slums and blighted areas. It is an assurance to all concerned that neighborhoods will be preserved, improved or rehabilitated and that the community has a plan of action which will insure sound development of the area. These projects can be located either inside or outside an urban renewal area.

All housing financed under the program must operate in accordance with regulations as to rentals and occupancy requirements set forth by the FHA Commissioner. The maximum term of the mortgages under either the submarket or the market rate of interest must be acceptable to the FHA Commissioner. Projects financed at submarket interest rates may not be sold during the first 20 years.

The following are principal definitions and regulations governing the program:

A private nonprofit mortgagor is a corporation organized for purposes other than the making of profit or gain for itself or persons identified therewith and which the Commissioner finds is in no manner controlled by or under the direction of persons or firms seeking to derive profit or gain therefrom.

A public mortgagor is a Federal instrumentality, a State or political subdivision thereof or instrumentality of a State or of a political subdivision thereof—which certifies that it is not receiving financial assistance from the United States exclusively pursuant to the U.S. Housing Act of 1937—and which is acceptable to the Commissioner.

A limited dividend corporation is one restricted as to the distribution of income by the law of the State of its incorporation or by the Commissioner, and regulated as to rents, charges, rate of return, and operating methods. A limited dividend corporation is eligible for a mortgage of 90 percent of the estimated replacement cost, which may include an amount for the builder's general overhead, and a 10-percent builder's and sponsor's profit and risk allowance. Stockholders in limited dividend corporations are allowed 6-percent dividends annually on the equity. Cumulative distribution of dividends is permitted.

Cooperative and investor sponsor mortgagors: A cooperative mortgagor is a nonprofit cooperative ownership housing corporation approved by the Commissioner. Permanent occupancy will be restricted to the members, and eligibility and transfers of membership will be subject to FHA controls. Only a nominal consideration will be required for purchase of stock, and a retiring member will be entitled to a return of no more than the amount he paid when he became a member.

An investor sponsor mortgagor is a special type of limited dividend corporation organized to construct or rehabilitate a project and transfer it to a cooperative. If the project is not sold to a cooperative within 2 years after completion, the investor sponsor will operate it as a limited dividend corporation, for the purposes authorized.

The investor sponsor mortgagor will be regulated by FHA, and its net receipts will be required to be deposited in an escrow approved by FHA. Upon sale of the project to a cooperative, net receipts will be used to reduce the mortgage or for such other purposes as FHA approves. The only consideration for transfer of a project to a purchasing cooperative will be the assumption by the cooperative of the outstanding balance of the investor sponsor's mortgage. The investor sponsor's profit allowance will be held by the mortgagee for payment to the investor sponsor when the project is transferred to a cooperative. If the investor sponsor does not sell to a cooperative within 2 years of completion, the profit allowance will be applied against the mortgage and will be deemed to be the equity of the investor sponsor for operation as a limited dividend corporation.

A 2-percent working capital requirement will apply to all classes of mortgages where advances are to be insured during construction. Occupancy requirements under the submarket-rate program apply to all mortgagors. Income limits with respect to submarket program will be established for each insuring office locality and any other locality upon request. Regulations will be drawn to cover specific operations of the project.

Interest rate: The maximum interest rate will be the same as for all other multifamily projects—currently 5¼ percent per annum. The Commissioner may lower the interest rate to a level to be determined by the Secretary of the Treasury. The minimum level shall be no lower than the average yield on all outstanding marketable obligations of the United States—currently 3⅛ percent.

The maximum dollar limitation is $12,500,000. The statutory mortgage limits are established on a per-room limit except in case of projects having less than four rooms per family unit. The new family-unit limit is $8,500—$9,000 for elevator projects—if the number of rooms averages less than four per family unit. Where there is an average of four rooms or more per family unit, the maximum mortgage is $2,250—or up to $3,250 in high-cost areas—per room in nonelevator buildings and $2,750—or up to $3,750 in high-cost areas—for elevator structures.

Eligible properties may be either new or rehabilitated. On properties to be rehabilitated, the mortgage amount is based upon the sum of the estimated cost of repair and rehabilitation plus the estimate of value of the property before rehabilitation, provided, however, that in a case involving refinancing of existing indebtedness the mortgage shall not exceed the estimated cost of repair and rehabilitation plus the amount required to refinance existing indebtedness. Limited dividend corporation mortgagors would be limited to 90 percent of the amount as computed above.

FHA controls with respect to rent and occupancy requirements will be maintained until payment in full of the insured mortgage. To prevent early refinancing and release of FHA controls, provision will be made prohibiting full or partial prepayment of the insured mortgage without approval of the Commissioner, except that limited dividend corporation mortgagors may pay in full after 20 years from date of final endorsement without such approval.

EXAMPLE: TULSA EXPERIMENTAL PROJECT

Those of even lower income than $250 per month—those of $175 a month who can pay only $35 per month rent will be provided for with a new type program. Here is the Tulsa experimental project description:

Organized builders, whose membership was initially built on the threat of public housing, are now setting out to show that private builders can house low-income families just as well—and perhaps a lot cheaper—than public housing.

There will still be subsidies. But apparently they will average only about $60 per unit per year instead of $300 per unit in a typical public housing project. And no bureaucracy will rise to do the realty management. Homebuilders will do it. If all this sounds a bit revolutionary, it is. Experimental, too.

Plans call for 100 individual 3-bedroom brick homes priced at $9,000, but available on a rent-purchase scheme to families earning from $2,100 to $3,600 a year—deep in the lowest third of income distribution. The homes will go up on scattered lots in a 45-acre renewal project in Tulsa, Okla. Displacees, of course, will get first crack at them.

The plan leans on two new Federal subsidies created by Housing Act of 1961.

But—significantly—it also seeks to turn low-income renters into homeowners in two ways. Details:

First. Tulsa homebuilders are forming a nonprofit corporation, Home Builders Demonstration, Inc., to build houses with 3⅛-percent loans under FHA section 221(d)(3), the controversial rental program which lets FNMA buy subsidized-rate mortgages at par with Treasury cash. FHA also waives its ½ percent mortgage insurance fee (thus charging its lowest rate on its riskiest loans).

The $9,000 houses would rent for $49.87 per month under this plan, including full property taxes and maintenance charges. The Tulsa builders will ask tenants to pay 20 percent of gross income for rent, so a $250 per month income would normally be required. How will families earning as little as $175 per month and able to pay only $35 per month rent get in?

Second. The difference will be made up for five years by an advance from HHFA out of the $5 million Congress voted last year for experiments in new ways to house low-income families. The NAHB committee led by past president Richard G. Hughes which devised the Tulsa plan, estimates this will amount to $29,571 over 5 years. Official approval is expected soon.

Even this money will not be an outright dole. Says Dick Hughes:

> We hope that through this experiment we can help these people to improve their income, and to improve their attitudes toward homeownership, so that within 5 years they all will become homeowners.

Families moving into the Tulsa homes will pay 20 percent of their income until a 3-percent downpayment, $250, is built up.

At that time the house will be switched from a subsidized-interest mortgage to a section 1221(d)(2) mortgage carrying 5¼-percent interest and requiring monthly payments of $57.65.

If the buyer has benefited from an HHFA demonstration loan—because he earned less than $250 monthly when he moved in—he must repay the amount of his subsidy before getting his deed. At the end of the 5-year experiment buyers who have not built up their downpayment will be charged the full rent, $49.87, under section 221(d)(3).

To help tenants upgrade their income toward the goal of homeownership, the city of Tulsa will retain a welfare worker to counsel with families about budgeting and other financial matters. Tulsa University will study how the low-income families react to the plan. HHFA will give $56,000 for these two activities, plus incidental expenses.

NAHB directors accepted this builder participation in a quasi-public housing program without comment at NAHB's spring directors' meeting in Washington.

In such calm acceptance of some form of subsidy to house the poor—but not of a bureaucrat-operated public housing empire—lies a milestone in the changing climate of housing industry opinion. When Joseph P. McMurray, now Chairman of the Home Loan Bank Board, made his $10,000 study of low-income housing for NAHB in 1960, McMurray's suggestions for similar experiments were coolly received by many NAHB leaders. A year ago, bitter wrangling by NAHB directors preceded the original go-ahead signal for the Hughes committee.—News, July 1961.

Last year, NAHB made its first try at tapping the public-housing market by showing how the technological cost-cutting resulting from relaxed building and zoning codes could shave the price of a three-bedroom house to $7,000 in San Antonio.—News, November. City officials helped that experiment by selling cooperating builders improved lots for $750, less than they cost the city.

The Tulsa experiment swings full circle away from the cost-cutting approach to innovating with financing. Although the Hughes committee had first talked about using three Federal and local aids—News, October—it dropped hope of a local realty property tax abatement and settled for Federal aids.

True, there are dangers here. Federal subsidies are involved and should and could be replaced by State or preferably local funds. Also, profitmaking must not be downgraded or belittled in our humanitarian efforts. Capitalism and private enterprise are the backbone and lifeblood of our economy and society. We must safeguard and preserve them. But this program, FHA, section 221(d) (3) Housing, at worst is far more preferable than public housing.

The principal objection to public housing is that it involves the Government ownership of family shelter. It means that low-income people must look to their political leaders for shelter. Local housing authorities are instrumentalities of the States; their executive directors are full-time employees of political instrumentalities which are nurtured by the Federal Government. It is only human for such employees to have a stake not only in the perpetuation but the expansion of their product.

It is therefore important that the poor be assisted through some means other than the Government ownership of family shelter.

There are many people who are hungry—they are assisted without the necessity of Government ownership of grocery stores. The poor are ill clothed—it has not been necessary to provide for the Government ownership of clothing stores.

The 1961 Housing Act provided a new section for the Federal Housing Administration for the provision of housing through the use of Federal money, but because it does not involve the Government ownership of family shelter I believe that communities should rely on this program rather than public housing.

True, this is a subsidy, but the cost to the Federal Government is substantially less than that of public housing.

To repeat, the great advantage that this program has over public housing is that there is no Government ownership involved. The nonprofit sponsor is a private organization and in operating this housing for people who cannot afford housing in the private market it is performing a function which is appropriately in the domain of nonprofit welfare organizations. By utilizing this program we help take the Federal Government out of local welfare programs and bring the nonprofit welfare groups back into them.

Public housing is the most expensive type of welfare housing. The costs vary between $13,000 and $14,000 per unit; yet under the FHA, section 221(d)(3), program the dollar limit on the mortgage set by FHA is substantially below this figure. These maximum dollar limits vary according to the construction costs in an area and generally average about $2,500 per room, including the land.

On the other hand, public housing is financed through issuance of a federally guaranteed, tax-exempt 40-year bond. The issuance of these federally tax-exempt obligations provides a source of investment by high income people who would normally invest their money in guaranteed obligations which are taxable or in municipal obligations which, while tax exempt, are not federally guaranteed.

In addition, the costs of management of public housing are borne by the Federal taxpayers, and I am sure that a non-Government entity would not have to pay as much for management as does a Government agency. If you look closely at the staffs of local public housing authorities you will find lawyers and economists who concern themselves principally with building a case for the expansion of public housing.

Assistance to the poor is a local welfare matter that is best handled by local government with the minimum of assistance from the Federal Government. Section 221(d)(3) provides this minimum assistance without the Government ownership of family shelter.

It is far more preferable, therefore, than public housing and communities should certainly take advantage of this program rather than public housing.

However, in my considered judgment, even though this is a lesser evil than public housing and most importantly does not eliminate homeownership, there is a local, private, and better solution than any involving Federal subsidy.

OTHER ALTERNATIVES—RENT CERTIFICATES

For comparative purposes there are other alternatives to the presently constituted Federal public housing. Housing must be provided the indigent, the needy. We all agree on this, surely. If this subsidy is needed it should be directed at the individual person. The allegation that public housing is not the answer is best given by former Deputy Public Housing Commissioner Warren Jay Vinton, who said:

> Housing is an extremely individual and personal matter. The very name "public housing" militates against the program, for families very properly want private rather than public control of their homes.
>
> We should seek a more democratic scattering of such families throughout the community. Does the old rent certificate plan offer some possible solution? I can already hear the howls of dismay as I mention rent certificates. However, do let us have an open mind on the subject for just a moment. Rent certificates as originally conceived 15 years ago by the conservative opponents of public housing were to have been administered by relief agencies and financed by the localities. If administered by local housing authorities as part of an overall housing program and if financed primarily by the Federal Government, a large part of the original objections would be avoided. Of course, rent certificates would still involve means tests; but what are the income limits now imposed in public housing other than a rather cruel means test with eviction as the penalty for an increase in income?

The National Association of Realtors then stated:

> NAREB believes that dependent families must be assisted. But the assistance must not be couched in terms of Government control of the admission, tenure, and eviction by politically oriented Government employees of Government-owned housing.
>
> There are numerous subsidy programs in our American life. The airlines are subsidized but they are not Government owned. The shipbuilders, the farmers are two other examples where subsidy did not mean Government ownership.
>
> Public housing stands apart from other, logically analogous forms of capitalism and of Government partnership which we have evolved; it incorporates the belief that Government must take over a facility purely because Government contributes subsidy funds.
>
> "The Death and Life of Great American Cities" by Jane Jacobs (Random House).
>
> There are two alternatives. Both would help the needy; neither would involve Government ownership of family shelter:
>
> 1. Direct subsidies: This system, employed by local public welfare agencies, provides direct assistance to meet the shelter needs of hundreds of thousands of families—many more than could be housed in public housing. Such programs should be expanded but no assistance payments should pay the rent in any unit which does not meet minimum standards of health, safety, and occupancy. This is assistance without a Government landlord.
>
> 2. Rent guarantee: This is the substitute discussed by Jane Jacobs in her recent book, "The Death and Life of Great American Cities" (Random House). In this proposal the city (with the aid of State or Federal matching funds) could guarantee an "assured rental income" to the owner of an apartment project. There would be none of the Government ownership and "control" which characterize public housing. Here, in the words of the author, there would be "no vague, futile, and humiliating transaction in all purpose uplift of the human soul. It is a dignified, businesslike transaction in shelter rent, no more, no less."
>
> Those tenants who could not pay an economic rent (their full share of costs) would at least in the beginning of such a program be most or all of the tenants applying. The ODS (Office of Dwelling Subsidies) would make up the difference. These examinations of income, taking the size of the household into consideration, would be on an annual basis, similar to income tax declaration. This is a concept already used in public housing (where it is combined with too much gratuitous snooping and tale-bearing about other matters entirely), and it is a concept we use, quite well, for many other purposes. For instance, colleges and universities use this technique in allocating scholarship funds granted on the basis of need.

In this context Mr. Vinto is reported in a newspaper account as championing the rent certificates as follows:

Federal Subsidy to Tenants Asked—Chicago Group Offers Plan of Housing Certificates To Stimulate Building

(By Austin C. Wehrwein)

> Chicago, January 28.—A program of direct Government subsidy to renters and home buyers was advocated this week.
>
> The subsidy would take the form of "housing certificates" issued by local housing authorities but redeemed by the Federal Government.
>
> Urged on Congress by the Metropolitan Housing and Planning Council, a nonprofit citizen organization of which W. Willard Wirtz, the Under Secretary of Labor, is vice president, the plan would work like this:
>
> A local agency would certify that a family, individual or couple was in need. A set income scale for each category would be used to decide the size of the subsidy.
>
> Armed with a certificate, the family or individual would move into a privately owned and operated housing development and pay part of the rent or mortgage payment with the certificate.
>
> The landlord would take the certificate to the Government, and the Government would allow him a reduction in the interest or principal on his Government loan.

REALTY MEN HAIL PLAN

> Private real estate experts have hailed the plan as the most original idea in public aid to housing in the last 15 years.
>
> It is the brainchild of Warren J. Vinton, a Washington housing consultant. He was associated with the Federal Housing Administration in 1934 and the drafting of the Housing Act 1937.
>
> Interviewed by telephone, he said that from his own experience he could say that

public housing that involved public ownership "doesn't seem to take."

Moreover, he said, private enterprise can build cheaper than public agencies: He continued:

"Housing certificates are flexible. They would give housing variety and life. They would avoid the stigma of the public housing project. The housing would be more wholesome. It would not be 'institutionalized.'"

Developing the idea of rent certificates as a direct subsidy, if used at all, why make it a Federal matter? Why not a local subsidy by local government or preferably private organization with locally raised funds?

BEST SOLUTION

The fundamental, the best, the moral solution to public housing is local self-help. The lessons learned and local sentiments of the people expressed through the referendums of other cities which defeated public housing are manifold and cannot be denied. Among the many are included: Shreveport, La.; Rockford, Ill.; Natchez, Miss.; South Haven, Mich.

Recent defeats of public housing by referendum: Cape Girardeau, Mo., June 26, 1962, 2,801 to 1,158; Fresno, Calif., June 5, 1962, 25,558 to 10,130; San Luis Obispo, Calif., June 5, 1962, 4,686 to 1,965; Soledad, Calif., April 10, 1962, 248 to 193; San Bernardino, Calif., February 6, 1962, 7,400 to 6,200; Fontana, Calif., November 1961, 1,308 to 1,025; Stockton, Calif., October 10, 1961, 10,015 to 5,325; Des Moines, Iowa, September 25, 1961, 19,711 to 18,359; and Kalamazoo, Mich., April 3, 1961, approximately 3 to 2.

Also, other cities on which data is available: Indianapolis, Ind.; Amarillo, Tex.; and San Antonio, Tex.

Certainly the facts developed during these referendums should be known to all before the "pig in the poke" is taken in urban renewal and public housing by any community. The lessons are parallel in urban renewal and public housing so far as local initiative or local solution are needed. Originally urban renewal or slum clearance, was 100 percent a matter of relocation housing. As noted before, the 1961 act changed this to 70 percent housing and 30 percent urban renewal of commercial and industial type.

The information which I have received thus far from the cities rejecting public housing includes these illuminating statements.

From Kalamazoo:

(a) What publicity including pamphlets, etc., were used to defeat public housing?

As close as I can remember there were no pamphlets used by the opponents, almost the entire campaign was waged in the local daily newspaper (which by the way, was in favor editorially) but TV and radio were used to some extent along with so-called town hall meetings. The proponents used radio, newspaper and TV in addition to pamphlets to promote their cause. Probably of great influence but not too well recognized was a radio program called "WKZO at Your Service" during which time the public can call the announcer and be heard on the air discussing any subject of their liking.

(b) What organizations allied themselves for and against public housing?

The realtors and homebuilders were definitely against public housing and seemed to be almost alone as far as organizations were concerned. A number of private individuals alined themselves against the issue also and were heard from.

For the issue was the city commission less one commissioner and other organizations as listed in the booklet. This is where you must use judgment in the book. For instance, the Council of Churches, this was the directors of the member churches and not the congregations and we believe the vote substantiates this belief.

This also applies to any number of other organizations listed as being for the issue with the exception of the NAACP, city commissioners, city employees and human relation groups.

(c) Who were the prime movers for public housing, i.e., architects, human relations groups, labor unions, general contractors, etc.?

Committee on human relations, city commissioners past and present, NAACP, colored churches, a group of well-heeled business men and women.

(d) Did the home builders and other organizations propose alternative methods for housing low-income groups? If so, what methods were suggested.

The contention throughout the battle was that there was no crying need for low-income housing in Kalamazoo and that the conditions of poor and filthy housing and gouging by landlords could be solved in a great measure by having the city building department use strict enforcement of the codes.

A committee to push this was named (on which I served) and some progress was made along this line without as far as we could determine placing a hardship on any party (other than a gouging landlord). Buildings were posted and in some instances vacated without any great deal of publicity even though during the fight the proponents stated that if this were done literally hundreds of persons would be forced into the streets with no place to go.

It was also our feeling that housing could be purchased by the minority groups if they wanted to do same and if they would maintain a clean credit rating. This also has been proven by having had some homes sold to them in various neighborhoods with the biggest complaint then coming from the very people who were all for the issue until the minority family moved into their own neighborhood.

The main theme stressed by the opponents was, first, no need; second, higher taxes; third, socialism; fourth, removal of property from the tax rolls; and fifth, what little housing was needed could be accomplished by private funds and energies.

From Fresno, Calif.:

Proposition "A" on the June 5, 1962, ballot requested authority to build an additional 400 units of public housing in the city of Fresno. The attack against this measure was spearheaded by the Fresno Realty Board and the Fresno Apartment Owners Association. The proponents for the measure had the support of the housing authority, the city council, the local press and a number of minor civic organizations.

Essentially the following arguments were used to defeat the measure:

1. The opposition questioned the need of an additional 400 units, and in a survey made prior to the election the scepticism of the opposition was substantiated.

2. Fresno City already had 2½ times the State average of public housing units on a per capita basis.

3. Census tract and postal department surveys showed that there were almost 2,900 single dwelling units vacant or for sale at the time of the election.

4. The vacancy ratio in apartments and single family dwelling rentals was at its highest point since the end of World War II.

5. In the face of an increase in the rate of foreclosures the area was faced with the prospect of losing FHA and VA loan commitments.

6. At least one federally insured cooperative housing project (124 units) had a 30-percent vacancy factor.

7. The eligibility schedule for public housing permitted families with an income as high as $5,300 to live in public housing in direct competition with private enterprise.

8. The real needy families could not qualify for public housing.

9. Operating statements of the Public Housing Authority showed that the entire rental revenue was used for operating expenses, administrative costs, and a small "in lieu" tax payment. No revenue was left to apply toward the amortization of loan funds.

At this point arguments for public houses were examined and opponents of public housing observed that—

This type of philosophy does not reflect the opinion of our citizenry. The measure was defeated by a vote of approximately 28,000 to 10,000.

Here are the intemperate and inaccurate statements by public housers:

Probably more loose talk and fewer facts have appeared in discussion of homeownership than have characterized all other controversial fields of housing and planning put together. Homeownership is one of the chronic areas of organized exploitation of human need in American life. The housing speculators play upon fundamental human emotions and age-old habits of thought. The aspiration to own a home is as old as civilization itself. It is deeply embedded in American life.

Cyclic economic depressions have made it all too clear to millions of American families that homeownership is not a port of refuge, but a millstone, in the days of adversity; and that when it is most needed as a source of security the mortgaged home offers not refuge, but a trap for the savings of a lifetime toil.

One of the pamphlets used by opponents of public housing went as follows:

THE SOCIALIZED PUBLIC HOUSING MYTH

FREE ENTERPRISE OR SOCIALISM?

Proponents of public housing say the only way to provide lower income families with decent living conditions at rentals they can afford is through costly new housing projects, built, owned and managed by the Government.

What they don't say is what it costs you—the taxpayer—the irreparable damage it does to the country's economic structure.

They don't mention its political implications, or the fact that it benefits the few—and not the most deserving few—at the expense of the many.

Here are some facts you should know before you let this type of socialism gain a foothold in your community.

WHAT IS PUBLIC HOUSING?

It is housing built, owned and operated by the Government. It pays little or no real estate taxes and rents do not cover building and operating costs. The difference is paid by you—the taxpayer—through higher income and real estate taxes.

Here are some things it is not.

Public housing is not housing for the public. It is paid for by all, and available only to a privileged few. These few pay only part of their actual rent; the money they save this way they can spend on new cars and television sets, while the citizen who is being taxed to pay the rest of that rent probably can't afford them.

And this discriminatory help given to some families at the expense of all is not by any means offered to the most needy. Only those with "steady" incomes are usually accepted, thus ruling out those on relief, indigent old people, widows with children, and others in the greatest housing need.

Public housing is not low-cost housing. It costs more than private housing—43 percent more, according to a Washington survey. The average cost of public housing units comes to more than $11,000 each, by comparison with an average of $7,040 paid for private housing. The cost of this building comes from the taxpayers'—your—pockets.

Nor is this all you pay. The Federal Government is authorized to pay $15,200 to support each family in public housing over a 40-year period, and local taxes, made up by you, represent another $5,580.

On this basis it would be cheaper to present each public housing family outright with a new $12,000 or $15,000 home.

Public housing won't clear slums. Many persons have been told that public housing is a slum-clearance measure. But the New Housing Act does not demand that public housing units be erected on the site of present slums. Two-thirds of the existing public housing is on nonslum land—land which would otherwise be available for taxpaying purposes.

Although cities building public housing are supposed to demolish or rehabilitate a "substantially equivalent" number of slums, there is no provision for enforcing this. And slum dwellers, who are supposed to benefit from public housing, very seldmon qualify for admission.

Public housing is politically corrupting. It offers untold opportunities for exploitation—commissions, profits, fees, jobs and apartments to be offered as political patronage to voters. In the socialized housing program there is land to be bought, houses to be built, contracts to be awarded, and tenants to be selected. Each step holds great possibilities for the politically corrupt.

Congressional investigations have uncovered evidence of compulsory campaign contributions and reward tenancy. Communists have been housed at taxpayers' expense, and instances of overstaffing, mismanagement, fraud, and leftwing activity have been found.

Public housing is socially degenerating. The principle of public housing strikes at the very roots of individual independence and incentive. Tenants of public housing, having half their rent paid by the Government, receiving utilities at a cut rate, and paying no taxes, are lulled into a state of false security.

They have no incentive to improve their economic position, because they would thus forfeit their privileged housing.

Meanwhile, the homeowner who is paying taxes on his own home, plus those which make up the Government's half of the public housing rent, justifiably wonders whether he is not being penalized for his thrift and initiative.

Public housing eventually strangles private building. It has happened in every country where public housing has gained a foothold—England is an outstanding example.

In the United States, public housing rents theoretically are required by law to be at least 20 percent below the lowest charged by private housing. Instead of protecting private industry, this merely breeds dissatisfaction among private renters and leads to pressure for larger housing programs to cover middle income as well as low income groups. Thus, private building could be killed off, and the bill for public housing will get bigger and bigger.

How public housing bills are paid: According to the Government's own estimated national average figures, here is the cost of housing one public housing tenant for the first 29 years and your contribution toward his rent bill.

Total rent bill per unit (not including utilities)	$20, 789
Tenants contribution	8, 004
Your contribution as a local taxpayer	4, 263
Your contribution as a Federal taxpayer	8, 522

You pay, through increased property and income taxes, more than one and a half times as much as each public housing tenant toward the payment of his rent.

Can you afford to pay someone else's rent?

How long would the Ford Motor Co. remain in business if Chevrolets were sold at half price with the Government paying the other half?

How long would our merchants remain in business if the Government operated stores selling goods at half price, and the taxpayers putting up the difference?

Who is the Government? It is you, me, and the man across the street. It is our tax money which goes into the Federal Treasury. Do we want this squandered on socialized, tax-free housing.

From Fontana, Calif.:

If you had a swimming pool and were offered another one as a gift would you accept it and pay the taxes and upkeep on it just to say that you had two pools?

The low rent housing project for Fontana should be defeated for the following reasons:

1. The money collected in lieu of taxes will be only a small fraction of the rate paid by the local taxpayers. This shifts the burden of the "free rides" to the regular citizens who are already under an excessive tax load.

2. There is already a surplus of low-cost housing in Fontana. This condition would be aggravated by the 60 additional units in this project, thereby further reducing property values.

3. The cost of these units, as in the case of many governmental wasteful expenditures, is very high and out of line with similar costs in private housing. These excessive costs come from our tax dollars.

4. This project will not be restricted to the elderly of Fontana but will be available to anyone in the county whose yearly income does not exceed $3,100 for single people or $3,900 for couples. If not filled with elderly it will be filled with needy regardless of age.

5. Experience has shown that after the newness of the project wears off, the occupancy gradually degenerates into a slum-like condition.

Do you want this in Fontana at your expense?

Would you like it near your home?

It must be within the city limits.

We are definitely for adequate housing for Fontana elderly. We feel this can and is being provided better by our local citizens without domination by the Federal Government.

Vote "no." Protect your tax dollars.

From San Bernardino:

Argument against the low-rent public housing:

The spending of $3 million on 300 small housing units, is a waste of the taxpayers' money.

This is a cost of approximately $10,000 for each unit, consisting of a small kitchen, small bedroom, small living room and bath. These units are not furnished. We object to this project, because the cost of these homes is overrated, unsound and puts a burden on the taxpayers of the city of San Bernardino.

Public housing does not pay taxes, only a payment in lieu of taxes which amounts to about one-fourth of the regular taxes.

Public housing units are islands of delinquency. Delinquency in public housing is a major problem throughout the United States. The shelter problem of our oldsters is our problem and not the problem of the Federal Government. We should solve it with our own resources.

The low tax-free rents charged pay only for the operation of the project which is not answerable to any elected person or agency, and the cost of amortization, insurance, and capital investment are subsidized annually at a cost of millions by the Government. The cost to the taxpayers nationally is close to $200 million annually.

The housing units will not be rented to the elderly persons only, but to others.

This Government housing will be in competition to private landlords, who are making a living from rentals and pay their full share of taxes.

There are plenty of housing rentals vacant in the city at reasonable prices.

Voters think twice before voting.

Vote against this form of socialism.

Vote "no."

Indianapolis is another interesting lesson in urban renewal and relocation housing. The local way, without Federal subsidy:

INDEPENDENT, SELF-RELIANCE IN ANOTHER FIELD

Indianapolis displays the same "unusual" thinking, mentioned by the mayor, in urban redevelopment, proceeding on its own and showing disdain for temptingly large "slum clearance" subsidies from Washington.

A 5-man, nonpaid Indianapolis Redevelopment Commission composed of business and civic leaders is running the program. The commission functions under a 1945 State statute as a department of the city government.

The State law provided for a small tax rate. The commission allowed it to accumulate for more than 3 years until funds were sufficient to begin. Later, authority was provided to issue bonds and $3.8 million additional became available for the $10 million program.

"We have fully redeveloped several tracts," Mr. Charles E. Wagner, president of the Burnett Binford Lumber Co., and vice president of the Indianapolis chamber said with satisfaction. "We are in our eighth project now.

"The first several were in areas a mile to a mile and a half from the center of the city. They were areas which needed slum clearance very badly.

"They wind up as areas in which individual families live in single family residences which belong to them. Some of the areas are devoted to parks and portions of it have been turned over to the flood control district where they are not habitable, but in the main they become single family residences."

The bonds are being retired from tax income and from revenues from the sale of land. As Mr. Wagner explained, all of the land is sold by the commission to private individuals who do their own developing under their own financing arrangements.

DOWNTOWN GETTING ATTENTION

The eighth and most exciting venture will take a step forward October 17 when bids will be opened on a project to rehabilitate four or five blocks in the core of the city within walking distance of the primary retail district of Indianapolis.

In the place of deteriorating buildings, high-rise apartments for middle and upper families will go up.

Mr. Wagner acknowledges that it might have been easier to appeal to the Federal Government and gotten "our share" of subsidy money, but he added: "It never was much of a temptation to us. It seemed to us that our problem could best be solved by us and we have never been, I say 'we'—we think as individuals so perhaps I should say 'I'—have always felt that citizens' problems should be solved by citizens.

"So working on that theory we don't have much trouble keeping in our own backyard and taking an interest in solving problems which we ourselves and our grandfathers created in this area."

HOMES FOR SELF-HELP CONSCIOUS PEOPLE

Another outstanding, highly successful Indianapolis program that deserves special mention is the self-help project known as Flanner House Homes, Inc., through which low-income families are given the opportunities to obtain decent homes away from slum areas.

Flanner House is a nonprofit corporation which acquires land and teaches low-income families how to build their own homes at a fraction of the cost of buying them ready-built.

Prospects are called upon to provide ability and desire to work cooperatively with other interested persons in order to build the home.

Mortgage bankers and loan companies cooperate in furnishing the money on a businesslike basis. Nothing is given.

Flanner House Homes is merely the instrument that enables them to borrow for the purchase of land, building materials, and furnishings. Every penny is repaid into a revolving fund that can be used to start more families on the road to home ownership.

Already 291 homes have been completed under this plan and another 26 are in the construction stage.

CHAMBER LEADERSHIP LAUDED

"In the matter of slum clearance redevelopment," said Mayor Boswell, "the chamber of commerce staff and its membership sparked the entire program. They encourage other people to be interested and have gained widespread community support for this particular program."

In addition, the mayor noted, business leaders have backed the flood control work, the building of highways and other programs.

"It is very comforting for a man in public office," Mr. Boswell said, "to have the business leaders of this community concerned not only with present problems and present needs, but are looking ahead to the future.

"We have had our best vision and our greatest amount of imagination and our greatest direction from those who have investments here."

PUBLIC OFFICIALDOM MUST ACT

The Indianapolis Chamber of Commerce, in turn, recognizes that leadership of public officials is essential if community needs are met successfully. That recognition is freely expressed by Carl R. Dortch, director of governmental research for the chamber, who observed: "Obviously, it takes somebody to spearhead, to cause people to roll up their sleeves, and an organization such as ours is supposed to serve that function as we see it and we hope that we do it.

"But it couldn't be done without the cooperation of public officials who are also involved in policy decisions that need to be made on these public matters."

"So it is teamwork," Mr. Dortch said, "plus the fact when you get results, this in turn encourages more and more people to get into participation on these projects."

AIMS AND MEANS ARE IMPORTANT

Getting people together in a meeting on something presents no problem, but one of the rules of the Indianapolis chamber is to have ready for such a meeting well-defined objectives and a spelled-out plan of action of the means and techniques to accomplish these objectives.

"There is no great secret to this—getting people to work, getting people to do things, getting people to accomplish things," Mr. Dortch said. "There is no reluctance on the part of people to work on civic projects if you have something you are out to achieve."

Since World War II, Indianapolis has had a really remarkable industrial growth. Intensive work on a vast number of prospects for new industry has been a continuing effort by the chamber.

Plants from such firms as Western Electric, Chrysler and Ford (to name the major acquisitions) and many other companies of that repute have come into Indianapolis with their operations.

PEOPLE AND THEIR ATTITUDES PROVIDE THE KEYS

In the final analysis, it is a kind of people and their attitudes that make industry and business thrive, and account for a city or area's economic and civic growth.

William H. Book, the executive vice president of the Indianapolis chamber, has this to say on that matter:

"One of the reasons why we enjoy growth is because this is a center of hard working, industrious people, ambitious people who want to get ahead. And people who are well educated, who are ambitious and want to get ahead, prove to be fine workers for industry.

"Indianapolis citizens are wide awake to the needs of their community. To pay the costs to meet these needs the money has come right out of the pockets of the taxpayers of Indianapolis and its environs.

"No one in Indianapolis has felt the need for turning to somebody else to meet the problems we have created for ourselves."

By "somebody else," Mr. Book emphasizes, he means the Federal Government.

The best answer, excuse the pardonable pride, will come, I am sure, from my own city, "Big D." Dallas received an award in 1957 for the housing rehabilitation and redevelopment known as "Little Mexico" done solely by local private effort. See Little Mexico below. Home ownership was never denied. Home love, pride and self-help were paramount. These lessons live on for today's leaders to remember, cherish, and reuse to solve today's problems.

Slums and housing are local problems that require local solutions. New answers to new problems will spring from solutions of old problems. Dallas has the brains, the vision, the will, the resources and the people to do the job. So have other American communities.

In this spirit of self-help and local initiative, I now conclude with my letter to the mayor of Dallas, a statement by James Smith, president of the Home Builders Association of Dallas County, Dave Fox, vice president of the Home Builders Association and a statement by Lawrence Miller, Jr., president, Dallas Real Estate Board:

SEPTEMBER 12, 1962.

Mayor EARLE CABELL,
AND MEMBERS OF THE CITY COUNCIL,
City of Dallas, Dallas, Tex.

DEAR MAYOR CABELL AND MEMBERS OF THE CITY COUNCIL: In Dallas I realized the truth of the newspaper reports that you are leading the effort to provide more public housing for Dallas. The press quotes you as saying, "I am taking no stand for or against public housing in the pure sense of the principle. Rather, as mayor, I am interested in solving a problem for our city." (This from a debate.)

The press also indicated that you and the council have made public housing a part of the November 6 election by placing the referendum on the ballot.

You are not alone, of course, in wishing to solve this problem of providing proper housing for all the people of Dallas. Among many, I as Representative of the Fifth District, am deeply interested, and officially become concerned when a Federal program is the issue. Further, as a Member of Congress I serve on the tax committee of the House of Representatives that raises the money to pay the bills. Therefore, the very inclusion of public housing on the November 6 ballot concerns me, regardless of whether or not such inclusion is a political deal, as some have charged, in an effort to defeat me. Of course, public housing is not the only opportunity for us to ask for Federal aid for Dallas.

I feel, as the duly elected representative of the people, I must make my position clear so that, for whatever it is worth to the studious citizens of our community, the facts as I see them may be known. Believing that you and I share a common pride in Dallas and its history of tremendous achievement and that we also share a common concern in having all the facts brought to the attention of the people, I am writing to you and the council members and making this letter public.

First, I challenge the need for public housing as the only choice even if equitable alternatives are not now ready and available. [See addenda.]

Second, Dallas slums are Dallas responsibility, the direct concern of her officials and her citizens. Failure to prescribe and enforce local ordnances and codes, plus failure by all of us to face up to the hard fact of the development of slums and to take corrective measures over the years has aggravated the problem, for example, in west Dallas. Once before, when Dallas did face up to its responsibility, public spirit and private initiative built Little Mexico, pioneering the way in slum clearance. We didn't apologize then for our civic pride and we don't apologise now as both you and I have expressed the community's resentment over the slurring remark attributing to us "childish civic pride." As we were responsible then, we, the people of Dallas, are responsible now for the problems of our own creation. We must solve them, not pass the responsibility or the burden on to others outside Dallas. Further, if we ask for aid, then we must pick up the tab for all other communities too, instead of suggesting that they take care of themselves.

"Third, there has been all too frequently, contrary to your reported statement, 'profit in poverty.' The South for years has seen countless examples of cheap rent houses owned by the wealthy. Some unprincipled businessmen in this country, fortunately the exception, not the rule, have given a black eye to fair-minded, legitimate business enterprises. The by-day or by-week exorbitant rent charged to Negroes and those less able to accumulate in substandard housing is all too well known. The results of this greed can be overcome by the patriotic and public-spirited property owners of west Dallas, joined by our city, through proper and normal pavement, utilities, and adequate ordinances and building codes rigidly enforced.

"You and I know some of the possible alternatives to public housing, Mr. Mayor, and if we, and the people of Dallas want to badly enough, we can find other alternatives. How about it? Should we not join in maintaining the proud tradition of Dallas in helping itself, making its own progress, solving its own problems, caring for its own in the true pioneer spirit of every man helping his neighbor to a better life, a proper home?

"Let's not let the depressing, pump-priming, New Deal, New Frontier lack of faith replace the spirit of the 'dynamic men' of Dallas' past. Where's the shovel and earth-flying of Bob Thornton? Where's the rebuilding spirit of the tornado? Where's the get-up-and-go of Little Mexico? Where's the neighborly spirit of Brother Bill's shoes for the needy? Where's the civic pride which built Love Field and crowned with success our fashion, cultural, and business endeavors?

I have not lost faith in Dallas people, Mr. Mayor, nor, do I believe, have you. Here and now I tell you that more people in Dallas believe in Dallas self-help than they do in Federal aid; more people believe in our own initiative than in Federal control and dictation. Yes, Federal control and dictation go with Federal aid, as you and I well know. More people in Dallas still believe that a man's home is his castle, not a Government handout. More people in Dallas believe in a yardstick of self-help rather than Government largesse and political reward.

So the issue to me is clearly drawn for all of us—you, the people of Dallas, and, because of my position, I am in it, too. I am watchdog, not only of taxing and spending for all the people when Federal programs are involved, I am watchdog, too, of their freedom—freedom from Federal control, dictation, and unreasonable taxes. Nor will I, as the people's representative, remain silent as local or national politicians attempt to threaten or bribe the people of Dallas through the offer of or refusal of Federal money—our own money used against us to force us, a free and proud people, to come to heel.

The whole world knows and remembers the Texans of the Alamo, the straight-thinking, determined pioneers who conquered the land and the hostile country to live in freedom and dignity, and I proudly stand on the same principles for which they stood. I shall, therefore, win or lose in political life on this principle of opposing Federal aid and direction as against local solutions to local problems through local initiative and local pride.

Finally, Mr. Mayor, I am firmly convinced that most Dallas people, and you, too, down deep feel the same way and together, in that spirit, we can lick the slum problems on our own, with our heads held high, without compromise, and without trading the freedom of all our people to enrich the already overflowing pockets of a few.

With kind regard,

Sincerely yours,

Bruce Alger.

ADDENDA

As a starter, to prove my statement that we must not approve public housing as the solution to the problem unless immediate alternative plans are ready, here is a partial indictment of public housing—what the advocates—even if unknowingly—are willing to force on the people of Dallas and the United States.

First. The cost is too great and is inequitably distributed.

(a) Visible cost is the Federal subsidy, growing rapidly which all taxpayers share.

(b) The invisible cost is threefold and tremendous: first, the loss of local taxes; second, the loss of Federal income tax on tax exempt public housing bonds, which further are guaranteed by Government in payment of principal and interest; and third, the large and growing administrative cost of the Public Housing Administration.

Second. The neediest are not housed, the indigent are neglected while higher income families benefit—also 1961 Housing Act waives salary limit.

Third. Nationwide history shows that public housing aggravates juvenile delinquency just as do slums—delinquents make slums, not the reverse.

Fourth. Public housing becomes political, even to the influencing of the vote of the residents.

Fifth. Federal aid necessarily results in Federal control.

Sixth. The destruction of moral values, replacing initiative and self-help of self-employed by paternal government support will destroy our free society.

These are but some of the objections and are so damaging that I strongly urge the liquidation of public housing in Dallas by disposing of the properties into private hands, with the selection of proper committee or committees to accomplish the task.

STATEMENT OF JAMES SMITH, PRESIDENT, HOME BUILDERS ASSOCIATION OF DALLAS COUNTY, TO THE MAYOR AND CITY COUNCIL, CITY OF DALLAS, AUGUST 13, 1962

Mayor Cabell and Members of the City Council:

Almost everybody in the city of Dallas is in favor of providing homes for the charity cases, and for seeing that homes are available for families of low income.

But most of us also are against the practice of just stacking up more and more public housing units that fail to offer the occupants any home or any opportunity for the future. The Home Builders Association of Dallas County stands for the principles of practical improvements for our community and all its people.

For this reason, we are proceeding with plans to build 500 high standard dwellings for families which now have difficulty renting and which are ineligible to buy homes.

We are forming a nonprofit corporation which will provide homes with three bedrooms at rents as low as $34.85 a month, and four-bedroom homes to be rented at $38.22 a month.

These well-planned, modern dwellings will provide three-bedroom homes for families with incomes as low as $182.50 a month. Families with incomes of $191 a month can qualify for a four-bedroom home.

All the occupant families will have opportunity and incentive to become owners of their homes within a period of 5 years. Families selected must be ineligible to buy their own homes at this time for at least one of two basic reasons—inadequate income or inadequate credit rating.

First preference will be given families displaced by condemnation of uninhabitable dwellings under the city's program against substandard housing or displaced by public works projects. Families will be provided counseling and aids to better management of their financial affairs as incentives to ownership. The homes will be in a Negro community, because Negro families constitute the fastest increasing percentage in the low income groups in Dallas.

The families will be shown how to make fullest use of their new standards of homes and neighborhood, and we are planning to offer a program of counseling aimed at reduction of school truancy and other factors contributing to the juvenile delinquency problem.

These homes will provide payment of full taxes to the city of Dallas, Dallas Independent School District, Parkland City-County Hospital District, the county of Dallas, and the State of Texas. No concessions will be asked of the city of Dallas—only the normal requests such as zoning approval.

The nonprofit corporation will provide the streets, paving, sidewalks, water, sanitary sewers, storm sewers, and other necessary facilities for the community, just as other private developers and home builders provide these services for all new additions to the city.

Each dwelling will have between 900 and 1,000 square feet of living area. Each will have one bathroom, kitchen, and living-dining area. There will be 250 three-bedroom units, and 250 four-bedroom units.

The homes will be town houses, in order to demonstrate how more economic use can be made of available land. We have the location and adequate land ready for the start of installation of facilities.

The project has already received approval of the FHA for insurance of the loans involved to finance this big job, and FHA Director Edward J. Dee has informed us that he has forwarded the Dallas office's approval to the FHA headquarters at Washington.

Civic and business leaders of Dallas will be invited to occupy seats on the board of directors of the nonprofit corporation. It is our hope to make use in this way of the experience gained by leading civic welfare organizations through application of this broader experience to this homes project. We will make a request of Mayor Cabell and the city council that they designate an official delegate of the council to become a member of the board of directors of the nonprofit corporation.

The occupant families will move in under terms of a rental-purchase contract, which will give them the option of ownership when they are able to qualify creditwise. When the family has accumulated approximately $210 in equity payments and has reached an acceptable credit rating, it will assume ownership of its home.

A very important phase of the management will be adjustment of payments for both renters and owners to the dates on which they receive their earnings.

If a family receives its income weekly, biweekly, semimonthly, or monthly, partial or full payments will be accepted at the time the family is most able to make its payments.

Thus, we hope not only to help these families achieve financial stability, but to show that these aids in money management will help them establish credit ability in proportion to their incomes.

Lack of adequate credit is at the bottom of the problems of providing good new homes for a majority of low income families; and a vast majority can have much better homes and neighbohood conditions if they can improve their credit ratings.

We intend to create this opportunity because we believe that the low-income earner will respond to it, and that as he becomes accustomed to his better home conditions, he also will be able to increase his earning ability.

The Home Builders Association project will move along just as rapidly as sound planning will permit.

Meanwhile, many other important projects to house low income families are being prepared for the city of Dallas.

The FHA office here is now processing an application for mortgage insurance for 160 new, modern rental units to be built in the Dallas west section of West Dallas. They are to rent for $57.50 a month. The FHA also is processing an application for 200 rental units to be located in South Dallas and rent for $49.50 a month.

The 160 units for West Dallas, plus the 200 new units for South Dallas, plus the 500 units the homebuilders will build, gives us 860 new dwelling units being prepared for right now, in addition to the normal yearly production of low-cost homes for both rental and sale. Please remember that we have been producing at the rate of better than 800 yearly low-rent apartments and at a rate of better than 400 a year low-payment for sale homes devoted almost exclusively to the Negro communities of the city.

Referring back to the facts Mr. Fox gave you, there are some 1,235 home improvement permits issued, but work not yet completed in just the Dallas west section of West Dallas. Many are waiting for water and sewer mains so they may connect on.

This indicates that if the city of Dallas will utilize reasonable efforts to provide streets, water, and sewer facilities in that area, some 1,200 existing dwellings will be brought up to standard in the near future.

This gives us a reasonable expectation of at least 3,000 additional low-rent and low-payment dwelling units in various stages of progress right now, to become usable within the ensuing 18 months.

I am sure, also, that there are other low-rent and low-purchase proposals that I do not know of, and that the private building industry, with any encouragement at all, will pursue this even more aggressively.

If there is fear that this outlook I have given you will not provide enough low-cost units, any other responsible group of Dallas citizens can undertake a project similar to that of the Home Builders Association.

It would be work for the leaders involved, but it could pay off in satisfaction through accomplishment for the benefit of families less fortunate in the economic life of our city.

If there are any citizens interested, I and others will be pleased to provide them information.

And, in closing, I ask that the city government give the property owners who are trying to cooperate the facilities they need so they can improve their properties, and give the private building industry opportunity to do the job it wants to.

STATEMENT OF DAVE FOX, VICE PRESIDENT OF THE HOME BUILDERS ASSOCIATION OF DALLAS COUNTY, TO MAYOR CABELL AND MEMBERS OF THE CITY COUNCIL, CITY OF DALLAS, AUGUST 13, 1962

Our committee has been charged with the responsibility to examine the facts concerning the housing inventory in Dallas and to find out what has and is being done to satisfy all of the housing needs in Dallas with special emphasis to be placed on the low income segment of our population.

Let's examine the record and not take a set of figures out of context at one period in history. During the 10 years between 1950 and 1960 the number of substandard dwellings was cut in half despite the fact that we annexed West and South Dallas during this time.

In this period some 94,000 new homes were built or one for each 2.6 new citizens in Dallas. In spite of the high birth rate and larger families of today, the number of people per unit has been reduced almost one-fifth in the last 20 years.

What about housing for the nonwhite citizens? By 1960 we gained 2½ times as many units as we had in 1950, for this group.

And the ones in substandard condition were reduced substantially. It is interesting to note that homeownership increased at a higher rate than did the renters amongst these peoples.

Now let's look at the condition of all the homes in Dallas in 1960 as compared to 1950. This is a very important factor as trends and progress must be considered. The number of substandard dwellings had been cut in half in both owner occupied and renter occupied categories and the number of vacant units in this category showed a substantial increase.

We also found that the number of dwelling units lacking in even one of the plumbing facilities was reduced by some 40 percent. So while the total number of dwelling units was increased by 65 percent in the past 10 years, the number of substandard units was cut in half.

All of these improvements in the condition of the inventory of dwellings took place in spite of the fact that we annexed West Dallas at this time with its thousands of homes of substandard nature.

Now what's happened since the census report which supplied many of the facts and figures we have used. New units are being built at a faster rate than ever before in Dallas and special emphasis is being placed on homes and apartments for the low income segment.

In the past 3 years over 3,000 rental units in the $45 to $55 class plus over 1,200 single family homes in the $50 to $60 range have been built for minority groups in South Dallas alone.

We also found that West Dallas and this slum problem is not newly discovered. As a matter of fact, previous administration started the ball rolling many years ago. Mayor Thornton's Dallas West revitalization committee and the housing rehabilitation committee both made recommendations that have borne much fruit as the record will show.

One of the more exciting things that we discovered had to do with Dallas West. Since February of 1960 when Mayor Thornton's revitalization program in Dallas West was started over 1,800 building permits have been issued in this area at a permit value of $1,676,982.

Of these permits issued over one-third have already been completed at a value of $500,000. One-half of these were for owner occupants.

Remember that there are only approximately 3,000 total units in the entire area and 1,800 permits were taken out for improvement and modernization. In addition to this 178 units have been demolished and cleared and about 100 new homes have been built or moved in.

Many of the balance of the permits are waiting for the water and sewer to come to the homes so they can finish the work. It is plain to see with encouragement and guidance these people want to do something themselves to improve their conditions and maybe they have even gotten ahead of the city as it was only in April of this year that the authorization was given to proceed in a 21-block area for completion of streets and utilities. Imagine after all these years 21 blocks out of 600 acres. We ask that they be given a chance to finish what they have started without threats of eminent domain hanging over their heads and that the street program be stepped up.

Great concern has been voiced in many quarters about the fact that after both the "Revitalization" and "Rehabilitation" committees voluntarily disbanded with the recommendation that one new committee be formed nothing has been done to get a new committee appointed. Are these areas now going to slip back due to lack of direction and leadership?

Before we consider allowing an increase in federally owned and operated housing units let's see what kind of a job the people are doing.

If a job needs doing it will get done some way. Sometimes Government doesn't feel that the private enterprise way can or is doing a job fast enough or good enough to satisfy them. However, as the facts show good progress has and is being made at all levels.

As I said let's examine the record and not take a set of figures out of context at one period in history.

The job of Government should be to create a climate for free enterprise and individual initiative to work. Not to do the work itself.

STATEMENT TO DALLAS CITY COUNCIL, APRIL 9, 1962, LAWRENCE MILLER, JR., PRESIDENT, DALLAS REAL ESTATE BOARD

Recent proposals by the mayor and recent articles in the city's newspapers have focused the community conscience of Dallas on conditions of blight that too long have existed.

To help implement a positive program of action, a group of Dallas realtors, home builders and mortgage bankers have pooled their knowledge and experience to formulate a full-scale attack on these conditions—an attack we believe will help wipe out and prevent the recurrence of this blight.

We choose to refer to this program of action as the Dallas way—utilizing local leadership, local labor, and local capital, working together to meet local needs.

This plan contains specific recommendations for city action, and for the assumption of responsibility by the citizens of Dallas.

I will touch briefly on some of the highlights of these recommendations, after which James Smith, president of the Home Builders Association of Dallas County, will outline what the home builders of Dallas are prepared to provide in terms of adequate housing for the citizens now residing in substandard quarters.

In order to help establish a comprehensive municipal policy for both the now designated and for future rehabilitation areas in Dallas, this committee endorses and urges the adoption by the city council of the following recommendations:

A single official on the city manager's staff should be given full responsibility for a program of interdepartmental coordination between municipal officials concerned with various phases of the slum problem. Regular meetings should be held between the top staff man and representatives of the planning, public works, building inspection, fire, police, health, and legal departments, as well as a representative of the county welfare department.

As permanent zoning now exists for the 599-acre tract bounded by Hampton, Singleton, Sylvan, and the Trinity River levee, a master plan should be prepared immediately for this area, giving consideration to recreational facilities, schools and replatting of streets where necessary.

Immediately upon approval of this master plan, a program of public works should be instituted to provide necessary drainage, utilities and street paving where needed, starting in the 599-acre tract of Dallas-West.

The city's benefit assessment policies for utility installation should be amended to provide long-term, low-interest payments by owners in rehabilitation areas who qualify as hardship cases.

Simultaneously with the progress of the public works program, the city should initiate a policy of rigid enforcement of its housing code.

Minimum health and safety requirements should be established by the city for existing nonresidential structures.

The city council should determine whether the present maximum income limits for occupants of Dallas Housing Authority units are realistic, or whether these limits should be reduced. The council further should immediately determine the true income status of families now occupying Dallas Housing Authority units.

We recognize the need for a sound, practical method of making funds available over a long period of time to assist in the rehabilitation of housing for low-income families, and we recommend that:

A definitive analysis should be made to determine how much money will be needed to help finance loans for rehabilitation on a citywide basis: and enabling legislation to permit voters of the city of Dallas to voice their willingness to support a city bond program to provide these funds for direct loans for rehabilitation of substandard homes whose owner-occupants are unable to secure funds from any other source.

Our group realizes that the city council may prefer that responsibility be assumed by volunteer committees for certain other necessary facilities, such as providing counseling services to those seeking financing for purchase or repair of their homes; or to create self-help programs for those desiring to use their own skills to achieve homeowership or rehabilitation of their homes; or to establish a list of approved contractors for repaid and remodeling work.

Dallas realtors, homebuilders and mortgage bankers stand ready, along with all other responsible citizens, to do whatever is requested of them.

Dallas has already built a proud record in showing what can be done through private effort. I have already referred to the project Little Mexico and I include at this point the history of that magnificant achievement.

LITTLE MEXICO

In January 1953 a committee was appointed by the Dallas Real Estate Board, known as the rehabilitation committee. Later, the committee was expanded to include members of other organizations, such as homebuilders, architects, doctors, bar association and mortgage bankers. After a year of study, in March 1954, the Dallas City Council recognized the need for a citywide committee and, subsequently, formed the citizens housing rehabilitation advisory committee made up of many of the same people as the relators expanded committee. At that time, Alex Bul was named urban rehabilitation coordinator and the so-called Little Mexico section of Dallas was designated as the pilot site for housing rehabilitation. This area included 335 structures and 450 dwelling units and was almost completely populated by Latin Americans.

At the time it was designated the pilot area, 27 percent of the housing had no plumbing; 75 percent had no hot water, and deterioration was general. It was two-thirds homeowned with many basic facilities, such as churches, schools, and so forth.

An advisory committee was named to aid the people in the area and serve as liaison between them and the city, and the city started its inspections and, in an advisory capacity, notified the owners as to what should be done to comply with the present codes. Inspection began in December 1955, with only 11.7 percent of the users complying with the city codes. By March 1957, 75 percent of the structures were reported in compliance and this improvement was done with only three court cases having been filed. And, now, the Little Mexico area is considered 94 percent standard.

In October 1956, the Housing and Home Financing Agency certified the Dallas urban renewal plan, thus making it possible for FHA loans for rehabilitation.

The city of Dallas made such contribution to the work by initiating a cleanup campaign and furnishing sanitation department trucks to remove the debris and proposed that streets within Little Mexico be paved, along with preparing plans for a relief sanitary sewer, and the park department did much work toward improving the community center in the area.

In May 1957, Guy T. Holliday, former FHA Commissioner, praised the Little Mexico project as an example of how free enterprise can find economical ways to eliminate slums.

The progress made on the Little Mexico project encouraged the extension of the efforts to a 30-acre tract called West Mexico which was principally a code enforcement area and is now 92 percent standard.

Private initiative in Dallas is not asleep in the present problem we face, the rehabilitation of West Dallas. The Home Builders Association is taking these positive steps:

The Home Builders Association is planning a demonstration of a method we think is much superior. A nonprofit corporation will be formed. Its board of directors will include builders, businessmen, and civic leaders with experience in human welfare administration. We will build 250 townhouses of three bedrooms to rent at $34.85 a month and 250 townhouses of four bedrooms to rent at $38.22 a month. We will seek families who have difficulty renting or buying because their income is too low or their credit rating is too poor. But we will give them opportunity and incentive to become owners. When they enter as renters, they will have the agreed opportunity to become owners within 5 years.

LIQUIDATION OF PUBLIC HOUSING

It is necessary also as soon as possible that the harm done by existing public housing be corrected. These units must be returned to private ownership and there are procedures for this purpose.

The National Real Estate Board develops this transfer from Government to private ownership in this way.

LIQUIDATION OF PUBLIC HOUSING PROJECTS

Recent increases in vacancies in public housing projects have focused attention to the possibility of liquidating a project and conveying it to private ownership in cases where the needy which motivated the initiation of the project no longer prevails.

The difficulty in liquidating a project attests to the astuteness of the architects of the original public housing act who erected almost insurmountable obstacles to such liquidation.

In the Housing Act of 1954—section 402—the Congress for the first time addressed itself to the problem of liquidation by writing into the public housing statute the following subsection (1) to section 10 of the U.S. Housing Act of 1937, as amended:

(1) In any community where it has been determined by resolution or ordinance, or by referendum, that a project shall be liquidated by sale thereof to private ownership, such community may negotiate with the Federal Government with respect to the sale of the project, and the Authority shall agree that sale of the project may be made after public advertisement to the highest bidder upon (1) payment and retirement of all outstanding obligations (together with any interest payable thereon and any premiums prescribed for the redemption of any bonds, notes, or other obligations prior to maturity) in connection with the project, and (2) payments of any proceeds received from sale of the project in excess of the amounts required to comply with the requirements of the preceding clause numbered (1) to the Authority and to local public bodies in proportion to the aggregate contribution which the Authority and such local public bodies have made to the project.

The great difficulty in liquidating a public housing project is the issuance by the local public housing authority of 40-year bonds for the permanent financing of the project. These bonds are tax-exempt and enjoy the rare privilege of having the full faith and credit of the United States pledged to their payment. Such bonds are therefore both federally guaranteed and tax-exempt. Their issuance has always met favorable reception by investors' syndicates which buy bonds for high-income investors. The bonds are of high denominations and therefore practically unavailable to low-income investors.

The bonds provide for optional redemption before maturity with certain penalties beginning 10 years after issuance. Consequently, any move toward liquidation of a public housing project and the redemption of the outstanding bonds before maturity runs into the 10-year minimum provisions. For example, as of this time—March 1962—only the bonds issued for the approximately 250,000 units under the 1937 act could be redeemed and the bonds issued under the 1949 act probably could be redeemed only to the extent of those issued prior to March 1952.

Another obstacle is the fact that even after the 10-year period elapses, the local housing authority possesses an option to redeem. Consequently, the problem arises whether or not a local housing authority would be responsive to the wishes of a community in this regard. Because a local housing authority is, with rare exception, a creature of the State rather than the city, it is not mandatory for it to accede to the wishes of a community which votes to commence liquidation proceedings.

In 1955, the people of Wisconsin proceeded to correct this by State legislation—chapter 682, laws of 1955, State of Wisconsin. This act requires the local housing authority to enter into negotiation for the retirement of outstanding obligations, the sale of the project to the highest bidder, and so forth, in those cases where a community by local ordinance or by referendum provides that the authority shall liquidate or dispose of a particular project.

Enactment of this act by the Wisconsin Legislature resulted in a bitter campaign on the part of the public-housers to prevail on the Governor to veto the measure. The Governor vetoed the measure. It was passed again and signed by the Governor after he was better informed as to the purpose and effect of the bill.

There is no question but that the liquidation of a public housing project is beset with some difficulties and it is best to be aware of these difficulties in counseling local boards so that considerable preparation may go into the liquidation maneuver. For one thing, the community would have to provide the money which the local housing authority would need to redeem the outstanding bonds. Of course, once the project is sold to the highest bidder the proceeds of the sale would be available to reimburse the city. One could therefore visualize a simultaneous transaction with the proceeds of the sale made available when the bonds are actually retired. This would preclude the necessity for the city to raise money through a bond issue.

Notwithstanding the great difficulty in liquidating a project under section 10(1) of the basic public housing statute, the public housing lobby sought for several years to repeal the provision. Apparently the public housers did not want even a symbolic gesture toward liquidation to remain in the law.

Local real estate boards desiring to go into the matter of liquidation of a public housing project should communicate with the staff of the Realtors' Washington Committee, NAREB, 1300 Connecticut Avenue, Washington, D.C.

SUMMARY

To conclude, urban renewal and housing can be solved in one sentence: Local problems can be solved locally with each locality solving the problem in its way, without Federal participation in any way.

As stated earlier, for basic references and historical background here is the March 17, 1959, study which today's presentation intends to bring up to date:

[From the CONGRESSIONAL RECORD, Mar. 17, 1959]

URBAN RENEWAL

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Texas [Mr. ALGER] is recognized for 60 minutes.

Mr. ALGER. Mr. Speaker, today my subject is urban renewal, about which I have some basic criticism, particularly when Federal money is involved.

I want to make it plain I am for urban renewal. I do not know anyone who is against urban renewal, the improvement of homes and neighborhoods, the removal of blight, slum clearance, and the rest. Surely everybody is for urban renewal. Most cities throughout the Nation have these problems, the aging of property. Many cities are now engaged in slum clearance and rehabilitation through local private and public initiative, without Federal aid. The lessons to be learned from these programs and those with Federal aid too, are the programs from which I draw my material today. We should benefit from our experiences. Whether we use Federal funds or not, there are lessons to be gained, and I shall pass on to you those I have learned. Dallas, for example, has just started a local program.

Since Congress acts as the city council for Washington, D.C., all of us are in effect city councilmen, studying and solving the problems of Washington.

Formerly, I was a realtor, land developer, and builder, so I am speaking on this subject from the inside, in a sense, because while I did not participate in Federal urban renewal I know something about real estate and this subject matter, and I have studied urban renewal almost as a hobby. So right or wrong, I am giving my conclusions from the viewpoint of intensive study, and I bring this material to you today in an attempt perhaps to make some constructive suggestions.

As a Congressman, I should say that when we take an oath to uphold the Constitution, we could use two yardsticks to evaluate legislation: First, Is this bill a function of the Federal Government, and second, Can we afford it?

Further I am even more interested in this matter of local projects with Federal money, because of an attack leveled against me and the fifth district of Texas. This occasion was the only other time I have imposed on you in 5 years with a special order, at that earlier time the arguments of the gentleman from California concerning Dallas' use of Federal funds were laid to rest. You will find that in the CONGRESSIONAL RECORD, volume 104, part 1, page 1380.

I propose to talk about urban renewal in these five parts:

First. The Federal and State urban renewal laws.

Second. Eminent domain—of the right and use.

Third. The relocation problem—of people affected by urban renewal.

Fourth. Cost and time factors.

Fifth. A constructive plan—how to do it locally.

First, as to the law. I have a part of it here with me. I am sure some of you have seen the pamphlets put out on this, and they are here for your perusal.

The mechanics under the Federal law are:

First. The Federal Urban Renewal Administration, bypassing the appropriations process of Congress, lends money—currently at 3½ percent interest—to a local authority authorized to accept Federal aid to make preliminary studies—section 102d, Federal law.

Second. The URA similarly lends additional money for detailed planning of a project.

Third. The URA lends large sums, to acquire by condemnation under power of eminent domain, and otherwise, land and buildings now belonging to private citizens and use for their homes and businesses.

Fourth. The local authority generally demolishes and clears all the structures from the project area.

Fifth. The cleared land is then offered for sale, generally at tremendous loss, for reuse by other private citizens for sites for their businesses and homes.

Sixth. The loss—the difference between what the cleared land will bring when resold, and the cost of acquisition, demolition, preparation for reuse, plus all project overhead—is made up by the taxpayers. One-third of the loss is paid by taxpayers in their local taxes, as a so-called local grant-in-aid—section 104, Federal law. The other two-thirds is paid by taxpayers in their Federal taxes.

As to State law I shall only mention Texas as an example, because each State has its own implementing laws. The Texas Urban Renewal Law is an act which will enable Texas communities to participate under the Federal Urban Renewal Law, and in our case it became effective in 1957.

Next, as to eminent domain—of the right and use. The private ownership of property is a basic right to be jealously guarded as we do our personal freedom. We are most aware of this when we are confronted by the power of eminent domain, by which law, property can be condemned and taken. Basic protection is given individuals by the fifth amendment to the Constitution which says:

"No person shall be * * * deprived of * * * property * * * without due process of law," and (2) "nor shall private property be taken for public use, without just compensation."

The Constitution thus assures protection of individuals and minorities from majority rule.

The Supreme Court upset this protection in 1954, in the case of Berman against Parker—in reinterpreting the traditional application of eminent domain.

In this case in a district court, the owner of a department store challenged the validity of the act which gives the local redevelopment authority the right to condemn property which is not substandard or slum property merely because the property is part of an overall redevelopment plan.

The Supreme Court then upheld this right to take property because in its concept of public welfare—now get this: Speaking of public welfare they said:

"We do not sit to determine whether a particular housing project is or is not desirable. The concept of the public welfare is broad and inclusive. See *Day-Brite Lighting, Inc.* v. *Missouri*, 342 U.S. 421, 424. The values it represents are spiritual as well as physical, esthetic as well as monetary. It is within the power of the legislature to determine that the community should be beautiful as well as healthy, spacious as well as clean, well balanced as well as carefully patrolled. In the present case, the Congress and its authorized agencies have made determinations that take into account a wide variety of values. It is not for us to reappraise them."

Mr. Speaker, I say losing your property under eminent domain because of someone else's judgment of a spiritual or esthetic value is unconstitutional and wrong. I say it is quite contrary to the fifth amendment.

Further this decision means that the courts, generally the final repositories of the people's rights against arbitrary action of the legislature, are not available to you when your property is taken and destroyed for redevelopment purposes. The remedy is in the legislature which may impose whatever restrictions on redevelopment authorities it may deem necessary. So the Supreme Court seems to switch the historic roles of the legislature and judiciary as we have criticized them in the past by their own language in ruling on this matter of eminent domain.

I am sure many of you would be interested in reading the entire Supreme Court's opinion, which I shall not take the time to read at this time.

The district court, whose decision the Supreme Court reversed, said this:

"We are of the opinion that the Congress, in legislating for the District of Columbia, has no power to authorize the seizure by eminent domain of property for the sole purpose of redeveloping the area according to its—or its agents'—judgment of what a well-developed, well-balanced neighborhood would be. This amounts to a claim on the part of the authorities for unreviewable power to seize and sell whole sections of the city."

That was the district court, whose decision was reversed by the Supreme Court. Here is the more complete decision:

"Third, we have the problem of the area which is not a slum but which is out-of-date, called by the Government blighted or deteriorated.

"We are of opinion that the Congress, in legislating for the District of Columbia, has no power to authorize the seizure by eminent domain of property for the sole purpose of redeveloping the area according to its—or its agents'—judgment or what a well-developed, well-balanced neighborhood would be; lest this sentence be misconstrued out of context, we repeat our hypothetical assumption for the purposes of this first phase of section III of our opinion that no slum exists on the hypothetical property or in the area and that the seizure is not for a public use.

* * * * *

"The Government says that it has determined that project area B in the case at bar is an appropriate area for redevelopment, that slums exist in that area, and that therefore it may seize the title to all the land in the area and, having replanned it, sell it to private persons for the building of row houses, apartment houses, commercial establishments, etc. In essence the claim is that if slums exist the Government may seize, redevelop, and sell all the property in any area it may select as appropriate, so long as the area includes the slum area. This amounts to a claim on the part of the authorities for unreviewable power to seize and sell whole sections of the city.

"It covers about 15 square city blocks. It lies within a census tract in which slum conditions are said to exist, and it contains properties upon which slum conditions are said to exist. Its western boundary is an irregular line which runs around lots, encompasses some establishments along a street and excludes others on the same side of the same street, moves from east to west as it runs north. It excludes certain properties, and under it certain other properties would be sold back to the present owners or be retained by them. The key to the plan, apart from slum clearance, is the opinion of the Government authorities that residential neighborhood should be "well-balanced" and that the area should contain housing for all income groups. * * *

"No acute housing shortage is to be met. In fact the plan provides for no more residents than presently occupy the area. No pressing economic condition, apart from the slums, is sought to be dealt with by this plan. No purpose of housing for the needy—low-rent housing—is the motivation. No rearrangement of streets is contemplated or provided. The streets throughout project area B are exactly the same as are the streets in all parts of the District of Columbia, lettered streets running east and west and numbered streets running north and south, in continuous lines across the entire District. The plan provides that certain streets shall be widened somewhat and that an expressway and a greenway shall be built. The only restrictions as to future use are the requirements as to the type of houses to be built (row, apartment, etc.) and as to the percentage of rentals for the low-income group.

"In sum the purpose of the plan, in addition to the elimination of slum conditions, is to create a pleasant neighborhood, in which people in well-balanced proportions as to income may live. The Government is to determine what conditions are pleasant, what constitutes the "most appropriate" pattern of land use, what is a good balance of income groups for a neighborhood, how many poor people, how many moderately well-to-do people, how many families of two, how many of four, etc., should be provided for in this neighborhood, and what the proper development of a community should be.

"Of course the plan as pictured in the prospectus is attractive. In all probability it would enhance the beauty and the livability of the area. If undertaken by private persons the project would be most laudable. It would be difficult to think of a village, town or city in the United States which a group of artists, architects and builders could not improve vastly if they could tear down the whole community and rebuild the whole of it. But as yet the courts have not come to call such pleasant accomplishments a public purpose which validates Government seizure of private property. The claim of Government power for such purposes runs squarely into the right of the individual to own property and to use it as he pleases. Absent impingement upon rights of others, and absent public use of compelling public necessity for the property, the individual's right is superior to all rights of the Government and is impregnable to the efforts of Government to seize it. That the individual is in a low-income group or in a high-income group or falls in the middle of the groups is wholly immaterial. One man's land cannot be seized by the Government and sold to another man merely in order that the purchaser may build upon it a better house or a house which better meets the Government's idea of what is appropriate or well designed.

"We hold that Congress did not in the Redevelopment Act confer power to seize property beyond the reasonable necessities of slum clearance and prevention, the word 'slum' meaning conditions injurious to the public health, safety, morals, and welfare."

This was the decision reversed by the Supreme Court in its redefinition of public welfare.

A congressional committee then commented about the inequities and injustices involved. Here is an excerpt from a report of the Subcommittee on Government Procurement, Disposal, and Loan Activities, to the Select Committee on Small Business, 84th Congress, 1st session, House Report No. 1588, entitled "Washington Square Southeast Slum Clearance Project":

"Despite our holding in this matter under the Housing Act of 1949, as amended, we cannot and do not approve the obvious inequities and injustices involved. Our sympathies lie with the small businessmen upon whom the greatest amount of inequities fall and with the tenants of dwellings who will be compelled to vacate what may be termed "better than average" homes.

"Such changes in the law which would neither restrict local agencies in their development plans nor unreasonably harm those people who must feel the greatest impact of such projects must be submitted to and passed upon by the House Banking and Currency Committee which has jurisdiction over that legislation. That phase of such legislation is distinctly not within the jurisdiction of this committee. * * *

"It is the unanimous opinion of this committee that the Washington Square SE. slum clearance project is valid under title I of Public Law 171, 81st Congress. It is apparent, however, from the extensive hearing conducted by this committee that, although this project cannot be invalidated in this instance, certain changes must be made in the existing law to prevent the recurrence of such inequities to small business concerns."

Obviously there were misgivings even then about the inequities of urban renewal and eminent domain.

Among the considerable thoughtful comments generated by the Supreme Court decision is this editorial by the Urban Land Institute:

"HOW HIGH IS UP?—THE SCOPE OF LEGISLATIVE DETERMINATION

"One of the most far-reaching legal decisions affecting the field of urban planning and development was rendered by the U.S. Supreme Court on November 22, when it unanimously upheld the constitutionality of the District of Columbia Redevelopment Act in the case of *Berman* v. *Parker*.

"The significance of the decision lies not only in its position on the case in question and redevelopment generally, but on the extent to which the Court went in broadening the concept of the police power and of eminent domain. In certain respects this decision is as important as was the Euclid, Ohio, decision in 1926, which established the constitutionality of zoning.

"The case itself revolved around the right of the District of Columbia Redevelopment Land Agency to condemn a small department store in a duly established redevelopment project area for reuse by private enterprise, although the store itself was not slum housing but commercial, was not a health hazard, and, according to the plaintiffs, could not be taken merely to develop a better balanced, more attractive community.

"Portions of the Court's opinion are worth quoting here at length for, as the writers see it, they go far beyond the question of redevelopment and cut across all of the powers of States and cities in such matters as zoning, subdivision regulation, and municipal esthetics.

"Supreme Court speaks

"Said the Court about the police power: 'An attempt to define its reach or trace its outer limits is fruitless, for each case must turn on its own facts. The definition is essentially the product of legislative determinations addressed to the purposes of government, purposes neither abstractly nor historically capable of complete definition. Subject to specific constitutional limitations, when the legislature has spoken, the public interest has been declared in terms well-nigh conclusive. In such cases the legislature, not the judiciary, is the main guardian of the public needs to be served by social legislation, whether it be Congress legislating concerning the District of Columbia or the States legislating concerning local affairs. This principle admits of no exception merely because the power of eminent domain is involved. The role of the judiciary in determining whether that power is being exercised for a public purpose is an extremely narrow one.'

"The scope of public welfare was also enlarged when the Court said:

" 'The values it represents are spiritual as well as physical, aesthetic as well as monetary. It is within the power of the legislature to determine that the community should be beautiful as well as healthy, spacious as well as clean, well-balanced as well as carefully patrolled. * * * If those who govern the District of Columbia decide that the Nation's Capital should be beautiful as well as sanitary, there is nothing in the fifth amendment that stands in the way.'

"On the question of the public taking of land for private development as a public purpose, appears the statement that:

" 'Here one of the means chosen is the use of private enterprise for redevelopment of the area. Appellants argue that this makes the project a taking from one businessman for the benefit of another businessman. But the means of executing the project are for Congress and Congress alone to determine, once the public purpose has been established. The public end may be as well or better served through an agency of private enterprise than through a department of government. * * * We cannot say that public ownership is the sole method of promoting the public purposes of community redevelopment projects. What we have said also disposes of any contention concerning the fact that certain property owners in the area may be permitted to repurchase their properties for redevelopment in harmony with the overall plan.'

"The Court also disposes of the right to take properties within a redevelopment area which are not slum or blighted by saying:

" 'Property may of course be taken for this redevelopment which, standing by itself, is innocuous and unoffending.'

"Two items, and two only, control the constitutionality of the police power and eminent domain according to the decision:

" '(1) "No person shall * * * be deprived of * * * property, without due process of law; (2) nor shall private property be taken for public use without just compensation." '

"We believe the conclusions of the Court represent a distinct advance in outlining the scope of public authority which can be directed toward making and keeping our communities better places in which to live and work. But we cannot help wondering how far it is leading us away from the traditional American concepts of individual rights. Some exploration seems in order."

The Richmond News Leader had this to say on February 4, 1956:

"A HARD LOOK AT REDEVELOPMENT

"Delegate Delamater Davis, of Norfolk, is on exactly the right track when he urges that a thorough study be made of Virginia's laws dealing with the condemnation of private property.

" 'Private property is losing its importance,' he said, and indeed it is. Before the deliberate onslaught of socialist forces that are more concerned with vague public benefits than with solid personal responsibilities, old guarantees of property ownership have lost their vitality.

"Mr. Davis is especially concerned with the condemnation of private property for slum clearance purposes when the property is later sold to private owners for development. In brief, he is concerned with what the Federal Housing Act terms 'urban redevelopment,' and a great many persons share his concern. This mischievous program has made a mockery of the fifth amendment, and left all property ownership subject to the whims of the social planners.

"The Founding Fathers nailed into the Constitution a flat provision that no person shall be deprived of his property without due process of law, and so there would be no misunderstanding of the phrase, or so they thought, they added this: 'Nor shall private property be taken for public use without just compensation.'

"For more than 100 years, that language seemed sufficiently clear: Public use meant precisely that—something used by the public, and Government's awesome power of eminent domain was employed to acquire land for public streets and public buildings, for school houses, parks, sewer lines and the like.

"Where the power of eminent domain was exercised otherwise, it was by public service corporations, whose rates are subject to public control.

"But as in the case of the States and their public school systems, the Supreme Court in November 1954 found it could not let a mere Constitution stand in the path of what it viewed as social progress. The Court could not wait for the States to amend the Constitution. It amended the fifth amendment itself, to make it read, in effect:

" '*Provided, however,* That "public use" shall be construed to mean whatever a legislative body conceives to be "public benefit." ' "

"With that decision, involving an urban redevelopment project in the District of Columbia, private property rights went down the drain. 'The concept of public welfare is broad and inclusive,' said Mr. Justice Douglas blandly. He cast a cool eye at the little department store involved in the litigation, and agreed that it violated no laws of public health or public safety. But 'if those who govern the District of Columbia decide that the Nation's Capital should be beautiful as well as sanitary, there is nothing in the fifth amendment that stands in the way.' So they ran the bulldozers through Frank's Department Store at 712 Fourth Street SW.

"The object in the Washington case, as the Court itself summarized it, was to take one businessman's property and sell it to another businessman. The land was not to be used by the public; it was to be sold for commercial redevelopment. But Frank's Department Store, by the Court's condemnation, was not well-balanced.

"This same travesty upon the Constitution is in prospect in the Carver redevelopment project here in Richmond; it is involved in an even larger redevelopment scheme in Norfolk. Whole blocks of generally blighted property are to be swept bare by the bulldozer state. And if in the middle of it all there stands a clean and decent home, well-kept, proudly maintained, and the owner does not want to sell? Then to hell with the owner, and seize his house anyway. Who says a man's home is his castle? There is nothing in the fifth amendment that stands in the way.

"If the study proposed by Mr. Davis can suggest ways and means for preserving plain constitutional rights here in Virginia, it will be a most worthwhile investigation. Our own Virginia Constitution declares that citizens of this sovereign State 'cannot be deprived of, or damaged in, their property for public uses without their own consent.' It is high time that we recurred to this fundamental principle of a free society, and restored individual rights to the high pedestal they once occupied."

Very significant are the decisions of the Supreme Courts of Florida and Georgia, both of which declared "eminent domain" in urban renewal to be unconstitutional according to their respective State constitutions. Here are these decisions, in part:

"MEMORANDUM ON FLORIDA SUPREME COURT CASE ON THE USE OF POWER OF EMINENT DOMAIN FOR REDEVELOPMENT

"The court ruled that the power of eminent domain to take private real estate and resell or lease it to private business was unconstitutional under the Florida constitution. The notes on the case follow:

" 'ADAMS *v.* HOUSING AUTHORITY OF CITY OF DAYTONA BEACH ET AL.—SUPREME COURT OF FLORIDA EN BANC.—AUGUST 12, 1962—REHEARING DENIED OCTOBER 21, 1962

" 'Taxpayers' suit against city and city's housing authority to restrain defendants from acquiring by purchase or eminent domain certain real estate for redevelopment and resale or lease to private enterprises, and to adjudicate the constitutionality of a statute authorizing such procedure. The Circuit Court, Volusia County, H. B. Frederick, J., granted decree for defendants and plaintiff appealed. The Supreme Court, Mathews, J., held that acquisition of real estate for such disposition was not for public use or purpose, and that the statute authorizing such procedure was unconstitutional.

" 'Reversed with directions.

" 'Terrell, J., dissented.

" '1. Eminent domain: Power of eminent domain, authorizing sovereign to take property for public use or purpose when just compensation is made therefor, is clearly distinct from police power, whereunder Government may destroy or regulate use of property in order to promote health, morals and safety of a community, without making compensation for the impairment of use of property or decrease in value resulting therefrom.

" '2. Eminent domain: A city has sufficient police power, under general laws relating to cities and towns, to remove or abate a blighted area without resorting to power of eminent domain. * * *

" '3. Eminent domain: Under power of eminent domain, city could condemn houses which are unsafe, unsanitary, or breeding grounds for disease, and leave the real estate for owners to redevelop or use within limits of a zoning ordinance.

" '4. Eminent domain * * * municipal corporations: Where plan of city housing authority called for sale or lease of redeveloped land in private individuals, associations, or corporations, for private commercial and industrial purposes, acquisition of title to blighted residential area to be so redeveloped was not primarily for public use or purpose, and housing authority was precluded from acquiring title by eminent domain or purchase.

" '5. Eminent domain: The question of whether constitutional provisions against taking of private property for private use have been violated is ultimately for the courts.

" '6. Eminent domain: Incidental benefits accruing to the public from the establishment of some private enterprise are not sufficient to make establishment of such enterprise a public purpose justifying employment of power of eminent domain.

" '7. Eminent domain: When the taking of private property is for a public use or purpose, courts will not review the determination of the necessity for such taking, in the absence of fraud, bad faith, or gross abuse of discretion.

" '8. Constitutional law * * * eminent domain * * * municipal corporations: Statute empowering city housing authority to acquire by purchase or eminent domain realty in blighted areas and make it available under certain conditions for redevelopment by private enterprise or by public agencies, denied right of citizen to acquire, possess, and protect property, authorized taking of private property for private use, authorized expenditure of public funds for private purpose and authorized appropriations of public funds for private gain and profit, in violation of Florida constitution.'

"Further quotations and data from the decision itself follow:

" 'On its face, it is a "redevelopment" plan and a mere inspection of the plan shows it to be a real estate promotion.'

"The plan prohibits residential use in the project area. Seventy residential structures containing 75 dwelling units and 5 nonresidential structures were to be acquired. It was asserted that 'the majority of the structures are in such a dilapidated condition that they are dangerous to the occupants and not worth the consideration of being rehabilitated.'

"Property was to be used for industrial railroad siding, retail uses, parking areas, wholesale and restricted industry including warehousing, furniture, and sheet metal shops, bottling works, cold storage, and laundry plants.

"All occupants in the area were Negroes. The housing authority stated that 52 of the families were eligible for public housing and that new public housing under construction would be available for all those in the lower income bracket that wanted to apply.

" 'It is inconceivable that anyone would seriously contend that the acquisition of real estate for the declared purposes set forth in the proposed redevelopment plant is for a public use or purposes. No one has ever heard of any corporation, association, or individual going into any of the above-mentioned businesses except for profit or gain. If the municipalities can be vested with any such power or authority, they can take over the entire field of private enterprise without limit so long as they can find a blighted area containing sufficient real estate. * * *

" 'Incidental benefits accruing to the public from the establishment of some private enterprise is not sufficient to make the establishment of such enterprise a public purpose. In the Article on Eminent Domain (18 Am. Jan. sec. 45, p. 673), the author states: * * * "Every legitimate business, to a greater or less extent, indirectly benefits the public by benefiting the people who constitute the State, but that fact does not make such enterprise public businesses:" '

"(NOTE.—References have been deleted. Source: Southern Reporter, November 6, 1952 (60 So. 2d 663)."

And the Georgia decision, an excerpt:

"Insofar as the redevelopment plant here in question is concerned, it affirmatively appears that there is now ample housing for the people to be displaced and not one dwelling house will be erected. It follows, the object here sought is not to provide more housing for people of low income or for anyone else, and is not to relieve a housing shortage of any kind. The object is to clear away slum or blighted areas and then to have the property redeveloped by private individuals for private purposes in such manner as the city and housing authority determine to be best.

"The power of eminent domain is to be exercised to accomplish this result. The property is to be sold to people who could have no interest in acquiring the property other than as a means to make money. If the property of one individual can be taken from another for this purpose, where does the power of eminent domain stop?

"Article 14, section 2, paragraph 1 of the Constitution of Georgia Code section annotated, 2–2501, provides: 'The exercise of the right of eminent domain shall never be abridged, nor so construed as to prevent the General Assembly from taking property and franchises, and subjecting them to public use.' It follows, the exercise of the power of eminent domain provided and sought to be applied here, if sustained, must be for a 'public use.' The property here in question is admittedly to be used to provide industrial sites for private use and private gain. 'Public use' means just what it says and means that the power of eminent domain can never be exercised to acquire property to be used by private individuals solely for private use and private gain."

While Georgia modified its constitution later, the basic reasoning of the Georgia's Supreme Court decision was not altogether set aside.

Another example which illustrates the inequities of eminent domain's use is found in the Washington renewal agency where they took property from one private business, as I understand this case, a warehouse I believe it was, belonging to Standard Oil, and transferred it to another private businessman, an auto parts dealer. Although constitutionally private property cannot be taken for public use without just compensation, here a private business was taken from a private businessman and transferred to another private businessman. The major damage, therefore, is the taking of private property for private use, which is unconstitutional, as I see it, no matter how you slice it.

Relocation housing is the next subject and is a part of urban renewal; the housing of those displaced by slum clearance. Relocation housing is a basic requirement of the urban renewal law. The seven part workable plan requested by the HHFA as a prerequisite for Federal aid embraces these objectives:

First. Adequate local housing, health, and safety codes and ordinances, effectively enforced.

Second. A comprehensive plan for community development.

Third. Analysis of blighted neighborhoods to determine treatment needed.

Fourth. Effective administrative organization to carry out the improvement program.

Fifth. Ability to meet financial requirements.

Sixth. Rehousing families displaced by urban renewal and other governmental activities.

Seventh. Citizen participation and support for local renewal objectives.

Part 6 clearly is an integral part of urban renewal.

There are two basic types of housing available: First, private construction through FHA-insured mortgages; second, public housing, existing or new units, constructed with Federal money. The FHA help—section 220—is specifically designed for help whenever urban renewal is involved or whenever any Government action results in displacing families.

Public housing, the other alternative, may be used to relocate families either in existing or in new housing units. The housing law of 1949 established urban renewal as title I and public housing as title III. In practice the two are closely linked as the congressional hearings show, almost by definition.

In fact, there is a remarkable connection between urban renewal and more new public housing units. The following list shows some urban renewal projects by location and date and the new public housing units which were contracted for shortly thereafter:

Public housing units under annual contributions contracts, in process but not completed, in selected cities with slum clearance and urban renewal programs under title I of the Housing Act of 1949 as amended by title III of the Housing Act of 1954

City	Slum clearance project approval dates	Capital grants reservations	Number of public housing units	Dates annual contributions contracts signed
Putnam, Conn	February 1956	$1,687,912	124	July 1956.
Lawrence, Mass	March 1956	1,718,691	137	January 1958.
Somerville, Mass	March 1954	1,023,164	42	April 1955.
Portsmouth, N.H	January 1955	995,299	124	July 1956.
North Tarrytown, N.Y	April 1955	433,033	130	June 1955.
Syracuse, N.Y	May 1956	395,233	318	July 1956.
Wilmington, Del	March 1954	2,000,719	400	June 1955.
Asbury Park, N.J	June 1957	446,000	113	November 1957.
Edison, N.J	January 1956	710,000	60	July 1956.
Hoboken, N.J	February 1956	2,085,959	416	September 1957.
Jersey City, N.J	do	9,789,268	712	June 1956.
Morristown, N.J	July 1954	799,372	56	June 1955.
New Brunswick, N.J	do	1,039,498	246	Do.
Passaic, N.J	March 1955	888,866	204	July 1956.
Paterson, N.J	March 1956	2,461,149	500	Do.
Princeton, N.J	August 1955	520,000	50	Do.
Beaver Falls, Pa	July 1956	359,646	44	Do.
Darby, Pa	November 1955	385,895	36	July 1956.
Harrisburg, Pa	May 1956	2,656,024	660	Do.
McKeesport, Pa	December 1954	1,236,105	300	Do.
Sharon, Pa	May 1957	490,865	50	November 1957.
Danville, Va	March 1955	3,621,516	124	June 1956.
Richmond, Va	March 1956	1,657,668	894	May 1956.
South Norfolk, Va	July 1954	841,457	100	July 1956.
Auburn, Ala	December 1954	$27,255	50	June 1955.
Birmingham, Ala	March 1956	3,158,941	1,250	July 1956.
Cullman, Ala	March 1955	175,179	60	Do.
Decatur, Ala	February 1957	278,113	200	June 1957.
Demopolis, Ala	January 1956	121,810	100	May 1956.
Elba, Ala	June 1955	141,729	34	July 1956.
Huntsville, Ala	July 1956	1,149,158	539	June 1957.
Sheffield, Ala	October 1956	197,554	150	Do.
Augusta, Ga	November 1955	1,115,291	525	July 1956.
Bainbridge, Ga	August 1955	248,372	36	Do.
Cartersville, Ga	September 1956	228,000	60	March 1958.
Columbus, Ga	August 1955	1,781,023	242	June 1956.
Douglas, Ga	November 1955	1,056,640	50	July 1956.
Lawrenceville, Ga	August 1956	53,600	40	May 1957.
Savannah, Ga	October 1955	4,752,000	337	July 1956.
Waynesboro, Ga	July 1955	113,218	50	Do.
Paris, Ky	December 1955	128,903	26	Do.
Dyersburg, Tenn	December 1955	14,914	155	January 1958.
Franklin, Tenn	April 1956	260,000	78	July 1956.
Gallatin, Tenn	May 1956	221,815	60	June 1956.
Johnson City, Tenn	January 1955	724,377	100	July 1956.
Lebanon, Tenn	December 1955	525,733	120	February 1958.
Manchester, Tenn	January 1950	52,950	40	July 1956.

Source: "HHFA Urban Renewal Project Directory," June 30, 1957, HHFA Public Housing Administration, "Development Progress Directory," Mar. 31, 1958.

That this may be more than coincidental is documented by the Chattanooga case. The mayor was given assurance from insurance, banking and real estate leaders that private enterprise stood ready to supply the necessary housing. Yet the fieldman of the HHFA stated that they first must file an application for 1,000 public housing units before they could qualify for urban renewal funds. See page 1002 congressional hearings, House Appropriations Committee, housing bill 1958. This has been variously called the entering wedge of the "shoehorn," the "blackjack," or "the trap" whereby urban renewal is used as the entree for public housing.

Well, we do not want public housing as an urban renewal blackjack operation. Other Members have done a fine job on this floor, including the gentleman from Texas [Mr. **Fisher**] in times past telling us about some of the dangers of public housing. So have many other Members on both sides of the aisle who have discussed the problems. These are the lessons learned from over a half million units. It is no longer a future speculation.

The inherent weaknesses in public housing are threefold as I see it; they are sociological, economic, and political. I have some documentation which I will mention. Here, for example, is a quotation from Judge Francis J. McCabe of Rhode Island who says:

[From the Providence (R.I.) Journal, Mar. 20, 1954]

"DELINQUENTS MAKE SLUMS, AND NOT THE REVERSE, JUDGE MCCABE DECLARES

"'Slums don't make delinquency. Delinquent people make slums,' Judge Francis J. McCabe, of the Rhode Island Juvenile Court said yesterday.

"Public housing projects don't wipe out juvenile and adult delinquency by eliminating slums, he said. Delinquents are more plentiful in the projects, he said, because they move into the projects from scattered areas and thereby become more concentrated.

"Judge McCabe said housing projects were all right for temporary homes, but for permanent dwellings, they are 'undignified monstrosities' and look like prison 'cell tiers'."

Here are some of the findings of a Senate committee:

"JUVENILE DELINQUENCY—INTERIM REPORT OF THE COMMITTEE ON THE JUDICIARY, U.S. SENATE, 83D CONGRESS, 2D SESSION

"Juvenile delinquency in public housing areas: The public housing areas of Boston were also described as centers of much juvenile delinquency. There are at present 38 housing projects within the city, varying from small 5-house developments with 10 families to a project housing 1,149 families and having a population of 4,500 residents. There are under construction in Boston four other housing developments and one in the planning stage. When the entire program is completed at the end of 1954 it is expected that the population of the 15,000 units will approximate 60,000 people.

"A recent breakdown of the operation of the Boston Housing Authority showed that public housing served 12,110 families with a population of over 50,000 persons. A little over one-half of that population, 26,000, were under 21 years of age. In 1,197 of these families there was no father in the home.

"Vandalism in housing projects is costing the housing authority $40,000 per year, of which $35,000 represents glass breakage alone.

"The housing project areas have been the site of many juvenile gangs and gang activities, as well as crimes committed by juveniles. One of the most vicious of these crimes occurred in the Heath Street housing project in October 1953. A juvenile of 16 years of age stabbed to death another boy 17 years of age. This housing project is in the Roxbury section and has been the scene of much juvenile gang activity. Many members of the juvenile gangs have been known to carry knives, zip guns, and other weapons and to stage drinking parties at which numbers of them become intoxicated."

Another comment comes from the Newark Star-Ledger of August 29, 1956:

"CITY HOUSING SPAWNS GANG

"(By John McDowell)

"The gentleman shall remain anonymous. His job is selling—and collecting. His route covers a little city of nearly 1,000 families in a Newark public housing project. And publicity, of the delinquency variety, is something he can do without.

"But the story he told one day led to one of the most shocking phases of the Star-Ledger's grassroots study of the juvenile delinquency problem in Newark.

" 'I started out one evening to do some collecting in the project,' the routeman recalled.

" 'I got in an elevator and two teenage girls got in at the same time; they couldn't have been more than 15 or 16. We started up, and one of the girls casually extended me an invitation—for a price; and her companion chimed in with her bid.

" 'We've got an apartment we can go to, there's nothing to worry about,' one of the girls told me," the routeman said.

" 'I tried to laugh it off—and I got out at the first stop and got out of the project. I don't want any part of that kind of trouble.'

"It was a difficult story to believe. But, in ensuing days, 10 different families living in various units of the development, made similar reports to the Star-Ledger.

"Several persons reported that older women in the development were recruiting teenage girls for prostitution, and making their apartments available to them.

"One of the tenants reported that the manager of the development had evicted one of the women who had made little effort to conceal her illicit operations.

"The Star-Ledger reported its findings to the management of the project.

"The manager admitted the city's housing projects have prostitution problems, but said he had heard no reports of young girls being involved.

" 'Our trouble has always been mainly with women in the projects, not girls,' he said. 'We keep a close watch for such activities, and if we find evidence of prostitution we evict the person involved.'

"The manager admitted it was disturbing to have such a report come from families in different buildings within the project.

" 'If teenage girls are being recruited by older women, it certainly is a serious matter,' he said. 'But, to date, we have received no such complaints in this office, and we can't take action unless we have something definitely to go on. If tenants bring these reports to us, and give us leads on the parties involved, you can be assured action will be taken.'

"The Star-Ledger also transmitted the reports of a teenage vice ring to a Newark police official. The reaction was the same.

" 'If these people will turn over definite leads to us, a thorough investigation will be made,' the police official said. 'We can't go into a housing project without something definite to work on.'

"Although this was the only recurring report received by the Star-Ledger of organized teenage vice in city housing projects, one of the most frequent complaints voiced by tenants concerned youthful promiscuity.

" 'Too many parents in this project let their kids run wild, and at all hours of the night,' one housewife said.

" 'I've been married 10 years, but some of the things I've seen going on between the older boys and girls in this project—and the language they use—makes me blush.'

"Another young housewife, with two small children, said:

" 'Some of the teenagers here don't seem to have any sense of morality. They carry on right in broad daylight—in the halls, in the elevators, on the roof, and even in the courtyards. And at night, you never know what you're going to see. They act just like animals.'

"It is difficult to assess the validity of such reports without living in a project and being close to conditions day after day for an extended period of time.

"The Star-Ledger spent several days and a number of nighttime hours in various Newark housing projects during its delinquency study. Except for instances of rowdyism and outbursts of youthful gutter profanity, the developments during the day seemed as orderly as could be expected in small cities of several thousand persons.

"During the night hours, however, the Star-Ledger observed in several projects increasing activity by teenagers. Few adults were out after dark, and almost no women. But, as late as midnight, groups of teenagers—boys and girls—were in the courtyards and lingering in the halls.

"There was a buildup of rowdyism and noise, and heavy petting sessions seemed to be a popular pastime. At one project, police—apparently summoned by a disgruntled tenant—arrived to break up a group of teenagers who had been singing and shouting in a courtyard long after the curfew hour.

"The youths vanished into the buildings with the arrival of police, but after the officers left, they reassembled and the uproar was renewed.

"Housing Authority officials insist there is no serious delinquency problem in the city's projects. But the repeated complaints voiced to the Star-Ledger by tenants—plus the off-the-record concern expressed by staff members of several projects—indicate otherwise.

"And a shakeup by the Housing Authority this summer of managers of various projects seemingly would indicate that all is not serene behind the scenes.

"Several of the projects have definite gang problems—particularly the Reverend Hayes Homes in the heart of the Mahawks' territory.

" 'It's so bad here, with these kids running wild, that a decent person is afraid to go in the halls at night,' a mother in the Hayes Homes said.

" 'You can't send your child to the store on an errand,' another mother said. 'The gang is always robbing children, and if you say anything you get nothing but abuse and threats.'

"The Otto Kretchmer Homes on Dayton Street is another teenage trouble spot.

"A major gang war was narrowly averted at that project in July.

"The trouble started over two teenage girls living in the project. The girls got in a fight over boy friends—and the boy friend of the girl who lost the fight decided to avenge her defeat.

"The following afternoon he brought his gang—two carloads of teenagers armed with knives, chains, broken bottles, and clubs—into the project. Teenagers living in the project, unprepared for the invasion, took to cover. But a challenge for a war was issued, and accepted.

"Police, however, were alerted and were waiting the next day when a force of some 50 outside tenagers, armed for battle, arrived on the scene.

"And a shakedown of the Kretchmer Homes showed the project teenagers were fully prepared. A large-sized arsenal of spiked clubs, knives, pipes, and chains was uncovered. And, on the rooftops of project buildings, police found stockpiles of paper sack bombs filled with gravel, milk bottles, and bricks.

" 'Eight teenagers were arrested in that incident,' the project manager told the Star-Ledger. 'But, as far as we have been able to learn, juvenile court has taken no action against them.'

"Since that time, incidentally, two regular police officers have been assigned to patrol the Kretchmer Homes at night and there have been no further breakouts of gang violence.

"Even in the projects where there are no major gang problems, tenants time after time reported to the Star-Ledger that teenage defiance, vandalism, rowdyism, violence, and drinking are increasing.

"In project after project, the Star-Ledger found signs of vandalism. Many halls and stairways were darkened—light bulbs smashed by youths; broken windows, mutilated mailboxes and emergency firehoses missing.

"Even housing authority officials admit the firehose problem is serious. Brass fittings are repeatedly stolen, and in other cases the hoses have been used to flood hallways.

"In some instances, tenants reported that teenagers threaten them with violence when they take their complaints to police.

"One angry husband reported: 'Night after night, a gang assembled outside our building and raised hell for hours, shouting, fighting, cursing, singing. I'd ask them to go away and they'd just get worse. Finally, I called the police one night. The police came, and the kids disappeared. But when the police left, the kids came out again, swinging car chains and shouting for me to come down and fight them.'

"A housewife said: 'I was down in the courtyard one afternoon and a gang of boys began spitting at me and calling me vile names. I told my husband about it, and he went out to talk to them. They pulled knives and threatened him.'

"A mother said: 'This is a terrible place to bring up children. You can't leave them out to play alone—and they see so many bad things, you wonder how they can grow up decently.'

"A father said: 'A night watchman in this project reported a boy to police. The boy was arrested for car theft, and a few nights later a gang of teenagers beat up the watchman.'

"A housing project employee said: 'The situation is getting worse all the time. It's about time somebody did something to bring these kids under control. When you see them carry on, with no sense of responsibility and only contempt for authority, you can't help wondering what kind of parents they're going to make for our next generation.' "

In addition to the sociological problems that are entailed in public housing, let me go on to the economic significance and talk to you very quickly about four aspects of the Federal public housing subsidies. All of this should strike home to those of you who are vitally interested in fiscal responsibility, balanced budget, and the prevention of inflation.

There are one known and three hidden subsidies taxpayers pay on Federal public housing:

A. The known one: Outright Federal subsidy annual contributions to pay somebody else's rent. The difference between total cost and the rent paid by tenants, a large amount.

B. The three hidden ones:

1. Local tax losses due to exemption from school, personal, real property, and other local taxes—estimated by Public Housing Administration at one-half of the Federal subsidy.

2. Federal income taxes lost on Federal public housing tax-exempt bonds held by wealthy investors.

3. The Federal administrative cost of the Public Housing Administration. No telling how much this is.

As to the tax-exempt bonds every annual contribution (subsidy) contract commits you—the taxpayers—to pay subsidies for 40 years. The local public housing bonds which are issued to finance these projects are the only Government obligations which are both federally tax-exempt and federally guaranteed as to principal and interest.

Here is what the Chairman of the Federal Reserve Board told a U.S. Senate committee:

"One important new factor in the market which is very disturbing to us at the Federal Reserve is the tax-exempt bonds which are being issued to finance public housing. Not only do such issues absorb some of the funds that would otherwise supply a market for Government bonds or for mortgages generated by new private construction, but they afford an opportunity for wealthy individuals and corporations to reduce legally their income tax payments in a period when it is essential that tax revenues be as large as possible."

Both Democrats and Republicans in Congress threw up their hands in horror at a similar financing proposal for highway construction. Incredible, but true.

Next, the political aspects: Again I am hurrying on. Here I have a statement from Mr. Kimbrew, housing manager of the Edison Court in Miami, who said to all tenants of Edison Court, "Tomorrow is voting day. Either we win or lose some public housing in Miami. If you appreciate what public housing did for you, then go to the polls tomorrow, Tuesday the 27th, and vote 'Yes.' "

This was sent to everybody who lived in the project. He said, "Every tenant is expected to vote 'Yes' tomorrow." He is very forthright.

Special bulletin

EDISON COURTS MANAGEMENT OFFICE,
June 26, 1950.

To all tenants of Edison Courts:

Tomorrow, June 27 is voting day. Tomorrow we either win or lose more public housing in Miami. If you appreciate what public housing did for you (and is still doing) when you needed housing so badly, then go to the polls tomorrow, Tuesday, the 27th, and vote "Yes."

Every tenant in this project will be expected to vote "Yes" tomorrow. The polls are open from 7 a.m. to 7 p.m., located in Edison High School Auditorium, Northwest 2d Avenue and 61st Street.

If you need transportation contact our office.

V. M. KIMBREW,
Housing Manager.

Political dangers and opportunities for corruption inherent in public housing

Here is a statement by Langdon W. Post, former chairman of the New York City Housing Authority, later regional director for the San Francisco region of the Federal Public Housing Authority, and nationally known proponent of public housing:

"Another danger signal flashes from the political implications and opportunities inherent in a vast public housing program. It is obvious that housing is now in politics, and must of necessity be so if we are to house decently the poor of our cities. Until 1938, there was no money to be made in public housing and little political preferment to be gained by its espousal. Now the picture is different; a large housing program benefits not only the slum dwellers but business in general. If the average businessman sometimes shows a lack of intelligence and foresight, he always has his sense of opportunism developed to a high degree.

"In a housing program there is land to be bought, houses to be built, and tenants to be selected. Each step holds great possibilities for the politician and the businessman. The real estate operator has land to sell. The banks have bad mortgages which they are anxious to have rescued. The architect has plans for sale. There are building contracts to be awarded. The inhabitants of the slums are tumbling over themselves to get into the developments, which means that there will not only be the usual jobs for those in control to give out, but apartments as well.

"This last plum is a new brand of political fruit which has enormous possibilities for exploitation. Imagine the golden opportunities latent in a $500 million housing program in New York City. Commissions, profits, fees, jobs, and finally, apartments for at least 200,000 voters. It is a bonanza beyond the wildest dreams of the most optimistic politician.

"The fear of possible political exploitation is almost the only justified one which I have heard the opponents of public housing express. I confess that it has made me hesitate at times, and my 4-year experience with the New York City Housing Authority, in which time we built apartments for about 5,000 voters, has not served to allay my fears."

This is from a gentleman who believes in public housing.

Another one: "Public Housing in Politics." This is an article by Mr. Abrams of New York. Here is what he said:

"BILL TO SEIZE CONTROL OF CITY HOUSING PROJECTS ATTACKED

"(By Charles Abrams)

"The bill to make State Housing Commissioner Herman T. Stichman censor of the city's housing projects is the latest of many attempts to seize control of the $700 million New York City Housing Authority. The bill, drawn in Stichman's office, would compel housing authorities to submit every project to Stichman's scrutiny. This would include both Federal and city-aided undertakings in which the State has played no part.

"The bill, introduced by two Queens legislators, is partly the offshoot of the ugly fight to keep public housing out of Queens, where a few key members of the Washington anti-public housing lobby have joined a clique of troublemakers in fanning up race hatred among Queens homeowners. The owners have been told that the public housing projects lower realty values and that selection of some Negroes in the projects would lead to a Negro inundation of the whole borough. Though the claims have been proven false wherever mixed public housing has been set up, the myth persists and the sinister propaganda machine rolls mercilessly on.

"Stichman's aim seems to be entirely political. GOP control of the housing authority's operations would be a political coup. The New York City Housing Authority looms as the big plum in the political orchard and the politician who dominates the housing authority controls the city's political destiny.

"Within a few years the families in housing projects will be nearly 10 percent of the city's total, and the investment of the authority will exceed $2 billion with all this means in construction contracts, patronage, and other rewards for the worthy.

"Selection of sites enables carving out blocks where hostile voters are numerous and then retenanting the projects with those who vote right, while tenant relocation on vacant areas could change a whole neighborhood's political complexion overnight.

"Under proper procedures the city's independent planning commission is supposed to lay down a general plan indicating sites for housing.

"But this is not what has been happening. Opposition by Queens Borough President Burke has forced the authority to avoid Queens and select occupied sites in slums with all it means in hardship to the occupants that are displaced.

"Recently a small committee headed by Robert Moses was appointed to pick sites suitable to all the powers that be. Planning Chairman Robert F. Wagner, Jr., was belatedly made a member.

"Amid the scramble for control of site selection, now comes the Republican housing commissioner demanding that he and he alone be made housing arbiter. This would put control of the forthcoming billion-dollar federally aided as well as the $300 million city-aided projects in Stichman's hands and make him czar of every housing authority in the State.

"Under his fantastic proposal, five agencies representing all three levels of government would have to approve every plan and every change in plan with all that it means in slowing up progress and redtape. Stichman's delays in the past have caused projects to be held up for months, and administrative costs on his State-aided undertakings have been said to be more than three times that of city-aided and twice that of federally aided undertakings.

"Both the planning commission and the housing authorities of the State were set up with safeguards against political meddling. But efforts by politicians to move into housing have begun.

"The Stichman bill would now collapse its independence with a simple blow. The bill should not only be defeated, it should highlight the fact that the people of the city will be ever-vigilant in opposing any effort by any political clique, whatever its earmarkings, to make the underprivileged the plaything of politicians."

This gentleman who has been for public housing does see the danger politically, and says so.

That is enough on public housing from the standpoint of economic, sociological, and political dangers, although there is much, much more. Now, who has turned down public housing?

I have here a list of cities. I would like to go over them in detail, but I will pick out a few very quickly: Shreveport, La.; Rockford, Ill.; Natchez, Miss.; High Point, N.C.; and there are others here, South Haven, Mich. These people have considered public housing and voted it down for sound reasons.

Shreveport, La., property owners decided on local effort for slum clearance and housing:

[From the Shreveport (La.) Times, Aug. 14, 1957]

"PUBLIC HOUSING IN BOTTOMS VOTED DOWN—DEFEATED BY 315 BALLOTS

"Public housing in the Bottoms was rejected by Shreveport voters by a narrow margin yesterday.

"The vote was 9,948 in favor and 9,633 against, according to unofficial but complete returns.

"Mayor James C. Gardner, in conceding defeat of the city-sponsored low-rent housing project for Negroes, said he would accept the mandate of the people.

" 'We did the best that we could, but got beat,' Gardner said.

" 'The people of Shreveport,' he said, 'have indicated that they do not desire slum clearance in the Bottoms. We accept that decision and will be guided accordingly in our actions.'

"One result of the defeat, Gardner said earlier, will be repayment of $42,500 in advance planning money to the Public Housing Administration.

"Opponents

"Major opponents of the Federal housing project were the Shreveport Property Owners Association and the junior chamber of commerce.

"Floyd R. Hodges, president of the SPOA said, 'The people of Shreveport are to be congratulated on having set an example for the entire country in rejecting Federal control and retaining the fundamental principles of home rule.'

"Robert Stacy, Jr., president of the Jaycees, said in New York last night the Jaycees will 'ask Shreveporters to unite in efforts to rid our city of all its slum areas whereever they exist, through the action of local citizens and enforcement of our local health, sanitation, and housing laws, and we renew our support of such citywide slum clearance.'

"N. B. Carstarphen, Caddo Parish Democratic executive committee chairman, said yesterday's election was one of the most trouble-free ever conducted here.

" 'We had only one small complaint,' said Carstarphen. 'Even with the comparatively heavy turnout, we had no delays at the polls.'

"Although only 315 votes spelled defeat for the project, it was rejected in 33 precincts in the city, leaving only 10, including two Negro precincts, voting for it.

"The Negro precincts were overwhelmingly in favor of the project, voting 644 to 44 in one and 434 to 24 in the other. The Negro total was 1,078 to 68.

"The South Highlands section, with four boxes, was the only one to vote in favor of the project. Including precincts 21, 22, 25, and 26, the total vote there was 1,164 in favor and 1,129 against.

"Queensborough fairgrounds, Cedar Grove, and Broadmoor all tallied against the proposal. The biggest gap of the three was in Queensborough fairgrounds where six boxes voted it down 1,433 to 1,049 against.

"The six boxes in Broadmoor downed the measure by a narrow margin—only 20 votes—with 1,687 against and 1,667 for. Cedar Grove registered 549 votes against the project and 401 for it.

"Negro boxes

"The precincts in which the measure carried were the two Negro boxes, 39 and 40; the courthouse, precinct 5; Broadmoor Junior High, precinct 12; Arthur Circle School, precinct 11; No. 9 fire station, precinct 23; Nelson's Garage, precinct 26; Municipal Auditorium, precinct 29; Allendale School, precinct 30, and Caddo Heights School, precinct 36.

"Cost of the proposed project which would have eliminated 20 acres of the 60 acres of slums in the Bottoms was placed at $3,767,665 by the PHA.

"The property owners in the Bottoms signed pledges that they would correct slum conditions in the area within 1 year from the date the housing project was abandoned.

"The city council is scheduled to mark the official death knell of the 250-unit public housing project at 10 a.m. Thursday in a special session when official returns will be tabulated.

"Defeat of the project came as a surprise in many quarters. But some observers noted the heavy campaigning in the latter days of the battle by both sides, particularly the property owners association.

"City officials were none too confident early yesterday when it became apparent many voters had become confused over contradictory statements being issued by both sides.

"One of the most effective weapons used by the SPOA in influencing defeat of the project was the cry proponents were planning to build $15,000 apartments for residents in the Bottoms."

And here is another one from one of the aldermen of Natchez, Miss. They want no part of a "direct dole."

[From the Natchez (Miss.) Democrat, Feb. 13, 1957]

"ALDERMEN KILL HOUSING PROJECT 8-TO-4 VOTE—STREET PAVING AND JAIL IMPROVEMENT BONDS SOLD—WOULD ABOLISH HOUSING COMMISSION

"The mayor and board of aldermen last night killed the proposal to construct a 200-unit public housing project in Natchez, voting eight to four against adopting any of the resolutions submitted by the Natchez Public Housing Authority which would have authorized the project.

"The aldermen later in the meeting voted unanimously to instruct the city attorney to draft a resolution rescinding the previous action of the aldermen in authorizing the creating of the Natchez Housing Authority.

"The action killing the public housing project proposed for Natchez followed the introduction of three resolutions by Clyde Mullins, secretary for the housing authority. These resolutions provided for application for authorization for 200 units; for application for a temporary loan of $40,000 and for adopting of an amended cooperation agreement.

"The amended cooperation agreement as proposed by the housing authority provided for a minimum of 200 housing units; location of the project on slum sites and removal of substantially an equal number of slum or substandard houses as there would be new units; and changes in zoning in the city in instances where the city governing authorities deem it advisable and necessary.

"Before a vote was called on the resolutions, Mayor Watkins opened the matter for remarks from persons in the audience who were favorable or unfavorable to the housing project.

"Several spoke against the housing project and several for. Among those speaking for the project were members of the Natchez Better Business League who were in attendance.

"At the close of the discussion each resolution was offered on motion of Alderman W. R. Chisum and seconded by Alderman Leroy Cobb.

"The vote on each of the resolutions showed Aldermen Chisum, Cobb, William Freeze, and Ollie Hall voting for the resolutions and Aldermen Randall Ferguson, William H. Parker, A. V. Davis, Jr., Hayden Kaiser, Tom Radigan, Robert Montgomery, Joe Sam Moritz, and O. C. Montgomery, voting against.

"Alderman Parker stated that he did not approve the Public Housing Act as passed and did not believe that it would be for the greatest benefit to the people of Natchez. He suggested that necessary action to clear slums be taken on a local level.

"Alderman Davis pointed out that he was opposed to the project as a direct dole and not being for the best interests of Natchez and its citizens.

"Alderman Radigan declared that with 1,337 vacant houses and apartments in Natchez there was no need for an additional 200.

"Alderman Bob Montgomery stated that he felt that such a project as the public housing would destroy the private initiative and incentive of citizens to make and earn a living and run their own homes and thus was opposed to it.

"Alderman Hall said he favored the project because he felt that it was for the best interests of the city to do so.

"Alderman O. C. Montgomery stated that he felt that the city of Natchez was big enough to straighten out its own slum problems without having to go to Washington to get it done.

"Alderman Ferguson, member of the special investigating committee on housing, stated that he felt that now that the housing project was rejected that the city should come forward with some sound and substantial program for clearing slums in the city.

"He further stated that the Natchez Housing Authority had done an outstanding job and deserved the commendation and thanks of the mayor and board of aldermen.

"He offered a motion urging the mayor to address a letter to all members of the housing authority expressing the appreciation of the aldermen for their untiring work and efforts."

High Point, N.C., thinks public housing will do more harm than good, and that it is not sound to line up at the Federal feed trough.

[From the High Point (N.C.) Enterprise, Feb. 16, 1950]

"FEDERAL HOUSING

"Does High Point need any new grocery stores, drugstores, or clothing stores? Should medical and dental care be made available to all High Point citizens at whatever they are able to pay for it? How many High Pointers would like to see a new bank or two enter the local field? Do we need a new newspaper or a new radio station? A new hotel? New and diversified industries?

"Almost every High Pointer would answer 'Yes' to one or more of those questions.

"But that does not mean that the average High Pointer wants the Federal Government to come into town to operate tax-free stores, banks, medical centers, newspapers, radio stations, hotels, and industries.

"The admission of the need does not mean that we want the need met through socialism.

"We are in complete agreement with the High Point Housing Authority that High Point needs more residential units to replace substandard units. We also understand the feeling that as long as others are getting help—if anything that fosters socialism can be so termed—High Point might just as well line up at the trough. But that is a feeling, not a sound deduction.

"Socialism is socialism—whether it is extreme socialism as goes by the name of communism in Russia, Fabian socialism such as the Labor Party brought to England, or gradual and well-disguised socialism which is being put over in the United States under the labels "New Deal" and "Fair Deal."

"And socialism, which never has helped for long to solve the problems of the little man who helps put it over, is the greatest danger of democratic capitalism, out of which grew America's unequal standard of living.

"There are strong arguments for the proposal that High Point seek Federal money with which to build 200 low-rent housing units. J. D. Cox, D. A. Dowdy, Dr. C. S. Grayson, S. D. Clapp, Charles F. Carroll, and Bunn Hackney are able men who have given generously of their time and talents to the housing authority. There is not a man in the group who has any affection for socialism. We doubt that there is a man in the group who would suggest Federal housing in preference to privately financed housing. Probably their position is that a Federal project is the quickest way to meet the needs most everyone will admit.

"But quick cure nostrums are of very doubtful value, as none know better than Dr. Grayson and Druggist Dowdy. We wonder if either have analyzed the Federal medicine, being dispensed by Truman and company, with regard to its ultimate effect upon the body politic.

"Maybe they have, maybe they have good arguments for Federal housing that we don't know. Likewise, maybe the opponents of the present-day trend of the Federal Government have arguments which the members of the housing authority have not considered carefully.

"As we understand it, the formal application for Federal housing aid must be approved by the city council. Would it not, therefore, be a good idea for the council to arrange a referendum on the subject before the application is actually filed? And for public discussions to be had. We feel certain that High Point's two radio stations and weekly newspaper, like this paper, would be glad to see that the full facts and best arguments on both sides were presented to the public. And we doubt that the cost would amount to anything as the referendum could be held in connection with the May primaries.

"There may be better reasons for the Federal Government to enter into the housing business than there are for the Federal Government to compete on a tax-free basis with those who run stores, practice law or medicine, and manufacture furniture and hosiery. But so far we have never heard them.

"Quick cures are usually the products of quacks with a flare for promotion. It is our belief that Federal housing is just exactly that—and in the long run will do a hundred times more harm than good. Maybe we are in the minority. Maybe the trend toward socialism has taken complete hold of the majority. Maybe the democratic capitalism upon which this country was built is doomed. Political developments of the next decade will give the answer. But in the meantime, why not find out how the people of High Point like this immediate proposal?"

Rockford, Ill., rejected Federal housing saying, "We won't take the Federal money just because it's there—somebody else can have the money and the headaches."

[From the Rockford (Ill.) Morning Star, Jan. 4, 1950]

"CITY REJECTS U.S. HOUSING PLAN, 14 TO 4—400-UNIT PROPOSAL NOW IS DEAD

"Rockford City Council voted 14 to 4 Tuesday night against joining the Winnebago Housing Authority in seeking Federal funds for construction of 400 low-rent housing units in the city.

"Pressure from the Rockford Real Estate Board and the Rockford Chamber of Commerce was credited by Al O. Hougan, housing authority secretary, for the defeat. 'This kills it,' he said. 'Without city cooperation, the authority cannot ask for the Federal aid.'

"Rockford is one of the few cities in the country to reject participation in the 810-000-dwelling-unit program authorized by the 1949 Federal Housing Act. A number of Illinois communities already have obtained funds for preliminary planning under the act.

"Sought Federal funds

"The housing committee report on which the council voted was submitted by Alderman Milton Lundstrom, housing committee chairman. It called for cooperation with the housing authority in seeking preliminary funds for conducting a survey of housing needs in the city and planning for the housing project. The city later would be asked to enter into a more detailed cooperative agreement.

"Voting against the report were Aldermen C. Henry Bodin, Thomas H. McDonnell, Charles E. Garlock, Jr., William J. Burns, Fred G. Camlin, Clyde F. Weingartner, John Cason, Peter P. Cicero, Harold E. Peterson, Benjamin Schleicher, Gustaf A. Johnson, Clarence J. McCue, Alga Reece, and Thorsten Thorstenson.

"Voting for the report were Aldermen Eric J. Anderson, Lundstrom, Francis A. Bartel, and Oscar E. Hallberg. Alderman Marion Haste was absent.

"Cites need here

"In support of the report, Lundstrom declared that the low-rent housing should be constructed for the aged and blind. 'I sincerely believe that we can use more low-income group housing,' he said.

"Alderman Cason stated that no location for the proposed project had been announced and that he would not vote for it until this was done. At a housing committee meeting recently held to discuss the proposal, Cason declared that he was against locating it in his ward.

" 'They want our acquiescence for construction of more nontaxable property in the city,' Alderman Clyde Weingartner said. He argued that public housing costs more to construct than does privately financed housing.

"Aldermen Peterson and McDonnell argued that persons who now advocate enlisting Federal aid for low-rent housing had previously fought against city cooperation for the construction of at least 446 privately financed units in the past.

" 'What is the Federal Government going to do with the other housing projects it already has in Rockford?' Alderman Johnson asked. Only the Blackhawk Court project, which is controlled by the local housing authority, is a low-rent project. Higher rents are charged for the approximately 600-home units in other governmental housing projects in and around the city.

"An attempt by Lundstrom to have Hougan explain the city's obligation in approving the initial step and to answer the question whether the city could back out after a housing survey was made were ignored by the council."

[From the Rockford (Ill.) Morning Star, Dec. 29, 1949]

"HOUSING HANDOUT

"There is no good purpose in our spending city money and asking the Federal Government to spend Federal money for subsidy housing if there is no pressing demand for such Federal housing. Here is one field in which this city should not bid for money merely because money is being passed around; for the end result of putting that gift money into subsidized housing may not be good for the town. The less in-lieu-of-taxes shelter that we have here, and the more fair-payment-of-taxes housing that we have, the better for everybody.

"It has been proposed that we bid for 400 Federal housing units to be erected within the city limits of Rockford. If our bid were heeded, we would have 400 more units on which no property tax is paid, but on which a maximum payment of 10 percent of gross rental would be paid in lieu of taxes. This in-lieu payment does not pretend to match up what the ordinary citizen, owning or buying his home, has to pay in taxes. So the ordinary citizen has to pay for services which are laid down for a privileged group of renters who get less-than-cost rents.

"There are two questions to ask: Is this subsidy housing needed? Is it wanted?

"Alderman Weingartner quotes the county housing director as saying that there are only 22 eligible applicants for this type of housing now on record. And there are 100 families living in subsidized quarters at less-than-cost rent which are not entitled to live there because their earnings are too high. Well, applications ought to provide some kind of yardstick as to whether there is need of subsidy housing.

"Is this type of Federal housing wanted? The application list throws some light on this question. For if it seemed desirable to get less-than-cost shelter through the generosity of the Federal Government, one would assume that the line of applicants would be several blocks long. But we find, instead, that independent-minded homeseekers are striving for the independence of their own homes. The hunger for one's own roof is so great that they go out and build their own homes on the edge of town; they don't want to live under Federal mentorship. And don't tell any of these people who build their own homes that they are creating substandard housing, unless you want a fight on your hands. These householders are in the finest American tradition.

"Well, if we don't need and we don't want, the only excuse that can be given for bidding for housing-subsidy money is that somebody else is going to get it if we don't. Somebody else will get the headaches, too."

South Haven, Mich., commented on the great expense of public housing to the local community in tax loss and the cost of free city services for the public housing units:

[From the Monroe (Mich.) Evening News, Apr. 6, 1950]

"NOT COST A CENT

"In our opinion the city commission rescued the city from a welfare involvement of great expense and dubious entanglements last Monday night. The vote was emphatic—6 to 1—in rejecting a proposed contract with the Federal housing bureau which would have launched the project.

"One of the interesting aspects of the commission's brush with this project has been the persistency of Federal agents in trying to sell it to the community. The effort was so intense and of such character as to invite sober thought on the part of citizens as to what Washington is up to these days.

"We have heard much in the past as to the good and bad of dollar-matching funds set up by Federal enterprises. The Federal Treasury being further away from the scrutiny of the taxpayer than his local or State treasury it has been easier for enterprisers with both good and bad schemes to work at that end.

"Now apparently out of Washington we have certain dollar-matching schemes with something new added; namely, a sales force employed from tax funds to actually promote the sale of certain projects to communities.

"What was shocking and amazing in the hearing of the project before the city commission Monday night was the case of one of three Federal men who attended the meeting and remained on their feet throughout the hearing to talk for the project whenever occasion offered. This one Federal man went so far as to tell the commission and the audience just before the commission voted that if the community would accept and go ahead with the project it would 'not cost the community a cent.'

"In the contract which he was asking the commission to pass was a requirement that the community hold the project tax free for 40 years. Printed Federal literature explaining such a project says: 'It is expected that the contributions made by communities through full tax exemption less in-lieu payments will average about 50 percent of the actual Federal contributions over the life of the project.'

"In the contract which he was asking the commission to pass were requirements binding the city to certain other things the costs of which obviously are not computable, including a provision that for every new dwelling unit established under the project the city must acquire, tear down, or close, or secure the compulsory improvements of, an existing dwelling.

"If we wanted to be as glib and as loose as the Federal salesman we might promote a project along his line without Federal money. Just ask the city commission to issue notice to the people that the next 130 homes built in Monroe will be held tax free for 40 years; that all utilities and improvements will be brought to selected lots free; that no assessments of any kind will be made against the property for 40 years.

"Then wait to see how long it would take to get 130 new homes; how quickly workers now hesitant about home building would jump to it; how readily loan agencies or individuals would advance money to build tax free homes; how happily thrifty people would quick get up not only a tax free house for themselves but an extra one for rent.

"However, we couldn't say as the Federal salesman did, that such tax exemption wouldn't cost the city a cent."

[From the South Haven (Mich.) Daily Tribune, May 1, 1950]

"SPECIAL ASSISTANT TO PHA DIRECTOR TO SPEAK

"James H. Inglis, special assistant to the Director of the Public Housing Administration, will speak in Central Auditorium, Tuesday at 7:30 p.m. He will speak on public housing.

"The meeting is sponsored by the Central Labor Union and is brought to South Haven in the interest of better understanding of the public housing project now under consideration by the people of this community.

"The program will consist of a talk by Inglis, a short movie entitled 'The City,' comments by architects currently engaged in building public housing projects and a question and answer period.

"The public is invited. Admission is free."

And so on it goes with these and other cities.

There are still other dangers inherent in public housing that have been pointed out by other Members. The Comptroller of New York pointed out that New York was losing $30 million tax revenues per year because of tax-free public housing in the following article on the cost of public housing.

[From Barron's Weekly, June 18, 1958]

"CASTLES IN THE AIR—THE COST OF PUBLIC HOUSING FAR EXCEEDS ITS VALUE

"In an eloquent inaugural address nearly 20 years ago, the late Franklin D. Roosevelt was moved to declaim: 'I see one-third of the Nation ill-housed, ill-clad, and ill-nourished.' Since that time, for one reason and another, the United States has come a long way. Today, as even the most rabid Fair Dealer probably would concede, hunger stalks the land no more. In fact, to judge by the huge and mounting surpluses of farm products, as well as the sudden burgeoning of firms such as Slim Zelle and Slenderella, plenty has become the weightier problem. As to clothing, the plaid cummerbund and the flat hat admittedly leave considerable room for argument. Yet on other than sartorial grounds, it scarcely can be claimed that this country now is anything but handsomely garbed.

"With respect to housing, however, the depression-born shibboleth somehow still has power to sway the minds of men. For every year, as regularly as the budding of the cherry blossoms, Congress with fine bipartisanship passes legislation designed to improve and increase the domestic stock of shelter. On the whole, through a generous use of Federal mortgage guarantees and similar devices, such laws have aimed at encouraging private housing and home finance. While some quarters—this publication not least—frequently have criticized the means employed, few would quarrel with the ends. But Washington has not stopped there. Instead, for two decades it also has supported a program of so-called public housing, under which the Government has thrust itself directly into the business of providing homes for its citizens. During the heydey of F.D.R., perhaps, some excuse might have been found for a scheme of this kind. Today it represents merely an old-fashioned experiment in socialism, which, in terms of neither economic nor human values, is worth its growing cost to the community.

"Public housing on a large scale, though popular in Europe since the turn of the century, gained scant ground in the United States until 1937. In that year Congress approved an act 'for the eradication of slums, for the provision of decent, safe, and sanitary dwellings for families of low income, and for the reduction of unemployment and stimulation of business activity, to create a U.S. Housing Authority, and for other purposes.' USHA (now the Public Housing Administration) was empowered, first, to aid in financing the construction of low-rent projects. It also was given the right to make annual subsidy payments to their operators, the local public housing authorities. On this basic plan, amended several times thereafter, the program has grown to its present enormous size. Since 1937 some 415,000 units, quartering over 1,500,000 people, have been completed and another 20,000 are being built. To date, furthermore, the full faith and credit of the United States has been placed behind several billions of public housing obligations. In addition, subsidy payments by the Treasury to such projects (which are also exempt from municipal taxation) now are running to $100 million per year.

"By any yardstick, these are substantial sums. Under the terms of legislation now pending on Capitol Hill, moreover, they are slated to grow considerably. The House Banking Committee, for example, last week authorized 50,000 new public housing units during each of the next 3 years, as well as an additional 10,000 for the exclusive use of elderly people. Meanwhile, the Senate, traditionally more openhanded in such matters, already has passed a bill which, in part, calls for 150,000 units per year (including 15,000 for the oldsters). The administration, to be sure, which has recommended a more limited measure, has attacked both bills. However, curiously enough, official fire has been directed solely at the size of the public housing program, rather than at its practices or principles.

"Yet it is precisely in these areas that the issue should be joined. For a growing mass of evidence suggests that public housing, on several counts, ought to be condemned. To begin with, despite the original purpose of the law, it has provided anything but low-cost shelter. Public projects frequently have proved not a whit cheaper to build or operate than their private counterparts. What's more, those whose rent has been subsidized are not, as might be supposed, at the bottom of the economic ladder. Instead, the privileged tenants actually fall within an income bracket, under $4,000, which contains no fewer than 14 million taxpayers, with a combined annual tax bill of over $2 billion. Nor does public housing necessarily clear slums. The fact is that for the most part, and at the present time, by the way, it has been possible, by building on vacant land, to push one program and ignore the other.

"Public housing, it thus appears, has become a fraud on the Nation's taxpayers. To this longstanding charge can be added a new one, it also constitutes a growing financial menace to the very communities which it is supposed to benefit. This ironic circumstance was underscored the other day by the comptroller of the city of New York, which can boast more subsidized dwellings than any other U.S. metropolis. The perturbed official pointed out that owing to the tax-exempt status of such property, the city at present is losing more than $30 million per year in badly needed revenues. Furthermore, when projects now on the drawing board or under construction are completed, the drain will grow still worse. Accordingly, the comptroller urged the city fathers, before launching any new projects of this kind, to look long and carefully to the state of the municipal purse.

"Such sound advice should be heeded no less in Washington than in New York. For the truth is that Federal aid in this realm has gone far beyond the bounds of prudence and good husbandry. The need for shelter, as some lawmakers are wont to observe, may be virtually limitless; the resources of the U.S. Treasury, to say nothing of city hall, most certainly are not. Clearly, then, those who are drawing up ambitious and costly blueprints for subsidized housing should review their handiwork. Castles in the air, even if publicly owned, make a poor place in which to live."

Another indication of the mishandling and mismanagement of the program is to be seen in the number of executive directors of public housing authorities now in prison: Houston, Galveston, Los Angeles, Contra Costa County, Calif.

May I point out to you the fact that the Communist constitution, article 6, states that the "bulk of dwelling houses are state property." Now, that is the Communist constitution which, of course, we have followed to the degree that we have public housing. That is what that article of their constitution states.

Public housing obviously is the Government in business. I am one who believes that the less Government participation in business that we have the better off we are.

What about the cost to the taxpayer of urban renewal? It is almost beyond the imagination to comprehend. Not only are old buildings all over the county becoming older, but brandnew buildings sometimes have built-in weaknesses that are going to make them unsafe before too great a time. Inspection, repair, and rehabilitation are always needed. The cost is so fantastic I do not believe we can possibly conceive it. If we are going to take care of people effectively through Federal programs such as these the cost will be prohibitive.

With all levels of Government demanding heavier and heavier collection and expenditure of taxpayers' money to meet greater and greater public requirements, obviously the urban renewal cost is going to be beyond what we can afford at this time. The Treasury right now is not broke, it is a quarter of a trillion dollars less than nothing. It is a tricky job in fiscal management just to pay current operating expenses of Government. Only the borrowing power of Government makes possible the continuation of the deadly overspending spree. Federal bills are to be paid from future revenue, gambling on the continued high income of taxpayers. Simultaneously Congress adds to the Federal spending to help the financially drained taxpayers from whom the money is taken. Any sign of local financial trouble is the signal for more Federal spending with little thought that the aid distributed must first be taken from the same people in taxes. So the burden increases.

With the defenses of the Nation demanding so much of our public outlay it is unconscionable to spend money in this way. The cost of urban renewal at this time approaches $3.5 billion and it will cost many billions more. The administrative expenses are running yearly somewhere around $6 million. The total cost of the outstanding tax exempt bonds is fantastic. I have the figures here as of March 1957, which shows that the cost on $2.2 billion in bonds in that 40-year period will amount to $7.7 billion. It goes up terrifically because of the rate of interest over a period of 40 years. We have added much since 1957, too.

The Federal grant contribution to urban renewal is two-thirds of the write-down or loss; that is, the difference between the resale or reuse price and the expenses of acquisition, demolition, and clearing. This is being picked up by the taxpayers, one-third as locally and two-thirds as Federal taxpayers.

Heavy Federal taxation makes its difficult for the local communities to raise money for their purposes. So the grants-in-aid become more attractive to localities. Grants means more taxation for the individual. The Federal tax load is thus heavier, therefore, the locality has trouble raising money locally. So localities and States go to Uncle Sam for grants and around, around we go.

This is just a start so far as the heavy local expenses are concerned. In addition to the cost of renewing these properties, you have other local costs, since the local authorities provide garbage disposal, schools, streets, pavements, utilities, police protection, and other facilities, all for free. Earlier I mentioned the New York City local tax loss of $30 million annually and so it is proportionately in other cities.

If I said nothing else to make you realize how prohibitive the cost is, let me mention this: A gentleman in the other body sponsoring one of these bills at the present time has pointed out, as cited in the Congressional Digest, that of 1,233 cities only 223 are getting urban renewal. We are spending money hand over fist, but what would it cost to take care of the other 900 cities?

The fiscal danger can be shown by the fact that if communities sought all the Federal money available under existing law, there wouldn't be enough to go around, not with printing presses running ceaselessly. The competitive inducement to States and communities to seek and bid for this money postpones realistic appraisal of the facts, and heightens the potential danger of complete socialism.

The write-down or shrinkage of value which occasions the Federal loan and grant is subject to serious question in itself. Why the excessive drop in value when raw land, strategically located, is cleared and ready for use. Generally, the availability for a higher use should enhance the land values sufficiently to offset the cost. At the least, an appreciable write-down suggests some question of judgment on the part of the urban renewal authority's setting a reuse value not in conformity with the highest and best use of the land. Misuse of land is always reflected in lower value.

Another financial danger is the windfall, the heavy profit which might be made by individuals in the private development after purchase of the land. Profit in free enterprise is one thing but profit off the taxpayer is another. Existing cases show the inequities already occurring. Would it not be possible under this law to buy up older areas, as older downtown sections, sell them under eminent domain valuations with the possibility of tidy profit, then buy them back from the urban renewal authority at a written down price, to redevelop and make a handsome profit? Yes, it would.

The time factor of Federal urban renewal is another drawback. Even if we overlook the unconstitutional, financial, and Government administration aspects, there would be the same old story of redtape and delay. In Washington it took 7 years to get an urban renewal project underway. Admittedly, this may be longer than some but the pattern is there.

There is a way to do this job and do it locally. The proof can be found in a number of other cities that are doing urban renewal work right now without Federal aid. I can talk knowledgeably because Dallas was the first city to do so in our Little Mexico project. This rehabilitation is a matter of local pride that goes with the idea of "Let's clean up, paint up our own neighborhood." This can be done all over the country.

Here is an interesting little booklet, called "Blueprint for Neighborhood Conservation," put out by one National Association of Real Estate Boards, Realtors. It could be called the "Tale of Seven Cities," perhaps. These cities have done the job of urban renewal without Federal aid. And I want to read you the honor roll of these cities because lessons can be learned from all of them. They are New Orleans, Los Angeles, Charlotte, N.C., Chicago, Cincinnati, Newark, and Kansas City.

Take Charlotte, N.C., for example. As of today 12,000 residences have been rehabilitated—10,000 bathrooms were added. Two thousand buildings could not be saved and were demolished, at the owner's expense. Meanwhile the city did its part by paving 65 miles of streets, adding street lights and providing playgrounds, parks, and other needed improvements. Two thousand families were relocated in privately owned homes, rehabilitated or new. Two thousand new private housing units were built—all of this without Federal aid. Note also the financial impact with increased revenue to the city. There are expenses but urban renewal also generates revenue.

The New Orleans story is much the same, so is the Los Angeles story and the others—each without Federal aid. In fact, the cases where there was no Federal aid involved suggest that the other areas getting Federal aid could have done it on their own.

The case of Memphis, Tenn., is another example of the local people—bankers insurance men, builders, realtors, and citizens doing the job—without Federal aid, and without eminent domain. The power of eminent domain, the taking of private property, does not necessarily have to be used in urban renewal, where owners are given a chance to participate. True, they must be told to clean up, sell, or have the city clean it up at the owners' expense. The result is greatly increased property value so the owner can hardly object. Even in cases where property does not conform to the zoning requirements, the owner can be given a chance to abate the nonconformance through remodeling or removal of the building, still retaining the land ownership. The property is not taken away without his having a chance to participate.

The comprehensive program for neighborhood conservation is a blueprint for every city and no Federal money for urban renewal needed. Here it is:

COMPREHENSIVE PROGRAM

First. Establish realistic city ordinances specifying health, safety, and sanitary standards for housing. Rehabilitate the substandard housing, at the expense of the property owners, through firm enforcement of these ordinances.

Second. Demolish those slum structures which are unfit for rehabilitation, at the expense of property owners, again through firm enforcement of city ordinances.

Third. Establish systematic public improvements to schools, streets, parks, sewers and to such municipal services as refuse collection, traffic and other facilities.

Fourth. Establish more livable, attractive and convenient neighborhood environment by replanning, rezoning, and replatting cleared and long vacant sites and by closing or widening streets.

Fifth. Acquire and remove structures and uses of land which might delay, obstruct or hinder carrying out the program.

Sixth. Attractive investment in new construction, as well as in rehabilitation and modernization, by the application of specific Federal income tax incentives.

Seventh. Elicit the cooperation of local financing institutions to secure credit facilities for property owners participation in the conservation program. Most banks and lending institutions can offer loans or monthly payment plans or credit may be secured under the FHA section 220 mortgage insurance program and the FHA title I program for insurance of home repair loans.

Eighth. Improve credit facilities for your city through Federal insurance of municipal neighborhood conservation bonds on the basis of an insurance premium, so that these bonds will be readily marketable at favorable interest rates.

In Gadsden, Ala., it is my understanding that no right of eminent domain was used in redeveloping a rundown area. Neither did this city have a proper housing code or proper enforcement—compared to Dallas. City teams talked to owners about rehabilitation. When the owners refused to clean up the slumlike property, the city teams went directly to the property tenants. Each tenant was asked if he wanted a new home in a nearby residential development to be built with FHA financing under section 221. When most tenants signed up the realtors, builders, mortgage men and bankers went to work. A lovely new development was completed. The tenants moved into the new homes. The old shacks were left vacant. The owners then agreed to cooperate.

In all these cases there is no politics as such as far as whether it was Republican or Democrat. These people decided they would do the job locally, and they did the job. There is the same story in each of them. The locality provided the streets and the utilities, and they expected the owners of the property to tear down or improve their properties, and out of all this there was considerable enhanced value of property. And, a week ago, I can tell you with some pride, the city of Dallas, after studying this a year, finally put their weight behind a 600-acre development without any Federal money, and I hope they stand fast to their guns.

Mr. Bow. Mr. Speaker, will the gentleman yield?

Mr. Alger. I yield to the gentleman from Ohio.

Mr. Bow. The gentleman has made a great contribution here today. It has been quite apparent that he has been rushing over a prepared statement to the Members of the House, but much of the material, he says, is available. I am hoping that the gentleman, when he extends his remarks, will see that these matters which he has made reference to are included. I think the matter he is referring to is of great value, and it would save many of us a great deal of research trying to pick up these things if you put them in the Record. I hope the gentleman will include much of the material which he has passed over.

Mr. Alger. I thank the gentleman and his expression of interest in it will be reason enough, and I will put more of this material in than I had planned.

Let me simply point out that this urban renewal is a local problem. There is a local solution to it. There is no end to the Federal solution. Take New York. They pay 20 percent in taxes that they cannot possibly get back. So, we see New York and other States fighting competitively to try to get back as much as possible of the Federal money. Now, we cannot compete with each other in this way for the taxpayer's dollars. I realize some have expressed an ideological difference to what I contend, but I point out some of these things in the hope that such contenders will slow down a little bit.

The need for private enterprise and local initiative has been rediscovered by the residents of Gary, Ind., who have offered for sale Duneland Village, a complete public housing development of 165 units. Upon the sale of public housing these advantages would accrue: First, revenue from the sale would be realized; second, stop further Federal subsidy using the taxpayers' money; third, the property would start to pay its full share of local taxes; fourth, the morale of occupants would be greatly boosted, no longer ashamed over others helping to pay the rent; fifth, and no political worry over being evicted if their salary is increased.

Section 406 of the Housing Act of 1954 permits a resolution or ordinance by the city council or a referendum by the citizens to call for the liquidation of a project. The city would then negotiate with the Federal Government and the project will be sold by the public housing authority to the highest bidder after public advertisement. The bonds supporting the project would be repaid and any receipts above the indebtedness would be paid to the city and Federal Treasuries.

Urban renewal is a local problem, concerning local property and local property owners. The local citizens, as property owners and taxpayers, also foot the bill in every instance. "That government is best that is closest to the people" is no empty axiom. Our mayor and city council backed by local judgment can better solve our local problem than the distant Federal Government. Further, Federal aid weakens local government, costs more to do the same job, and violates the individual and States rights guaranteed by the Constitution.

I believe the acceptance of Federal money for purely local projects to be wrong. So I oppose this use of Federal money.

As I see it, the truth is, the job will be done locally. It is just a question of recognizing responsibility and properly labeling what must be done, and then doing it. This will require responsible property owners—and responsibility accompanies ownership—it will require a courageous mayor and city council; it will require an understanding and willing citizenry.

Now we have housing bills before us. Let us compare the Democrat and administration bills. Here are portions of the Senate report:

"MINORITY VIEWS—A BUDGET-BUSTING BILL

"This is a budget-busting bill. The spending authorizations it grants will increase the deficit in the current fiscal year and will result in increased budget expenditures in every year for the next 45 years. The total new authorized budget expenditure impact of the bill is $5.8 billion. This contrasts with new authorized budget expenditures of $1.66 billion in the housing bills proposed by the administration. The following tabulation gives a breakdown of the amounts in the two alternate proposals:

"Authorized budget expenditures

[In millions]

Program	This bill	Administration bills
Public housing grants	[1] $3,700.0	0
Urban renewal grants	[2] 1,500.0	[3] $1,450
College housing loans	400.0	200
Elderly housing loans	100.0	0
Cooperative housing mortgages	75.0	0
Hospital grants	15.0	0
Urban planning grants	10.0	10
Farm housing research grants	.1	0
Total	5,800.1	1,660

[1] Estimated contract amounts under 40-year annual contribution contracts with credit given for reducing contract amounts by excess receipts at fiscal 1958 rate. Gross contract amounts, $4,484,000,000.

[2] 3-year program.

[3] 6-year program. Excludes $100,000,000 Presidential contingent reserve.

"Of the $5.8 billion of new authorized budget expenditures in the committee bill, only $575 million would be on a recoverable basis; i.e., in the form of loans and mortgage purchases. In other words, in the committee bill over $5.2 billion is in the form of outright grants. Under the administration proposals $200 million would be in form of loans and $1.46 billion in the form of grants."

Look at the comparative costs. While I may disagree with urban renewal in the Republican bill, yet of the two, if I am for a balanced budget, there is only one answer.

This year, fiscal 1959, the result of the last Congress spending, is now running a $13 billion deficit. Yet look at the increased expenditure sponsored by the Democrat leadership of both House and Senate.

[In millions]

Program	Authorized budget expenditures	
	Bill last year upon which House voted	Present committee bill
Public housing	[1] $195.0	[2] $3,700.0
Urban renewal	[3] 400.0	[4] 1,500.0
College housing	300.0	400.0
College classrooms	125.0	0
Elderly housing	50.0	100.0
Federal National Mortgage Association	[5] 0	75.0
Hospital construction	15.0	15.0
Urban planning	0	10.0
Farm housing research	.3	.1
VA direct loans	100.0	[6] 0
Total	1,185.3	5,800.1

[1] Estimated contract amounts under 40-year annual contribution contracts with credit given for reducing contract amounts by excess receipts at fiscal 1958 rate. Gross contract amounts, $236,000,000.

[2] Estimated contract amounts under 40-year annual contribution contracts with credit given for reducing contract amounts by excess receipts at fiscal 1958 rate. Gross contract amounts, $4,480,000,000.

[3] 1-year program.

[4] 3-year program.

[5] $250,000,000 authorization contingent upon direction of the President not included in this tabulation.

[6] Separate bill has already passed the House, this Congress, providing $300,000,000 for these loans.

The difference between the two bills in the urban renewal authorization is set forth in clear-cut fashion. In the bill last year a 1-year $400 million authorization was provided—total, $400 million. In the bill this year a 3-year authorization at the rate of $500 million per year is provided—total, $1.5 billion. This difference between the two bills is readily apparent.

In the case of the tricky language of the public housing authorizations, dollar budget impacts are not given and indeed even the number of new units authorized is completely masked. Translated in terms of effect, what the public housing authorization in the bill last year did was to authorize new contracts for 10,000 additional public housing units. What the public housing authorization in the bill this year does is to authorize new contracts for an estimated 190,000 additional public housing units. Commonsense, of course, dictates that if one bill provides for 19 times more units than the other bill there will be a 19 times difference in capital costs assuming the same average cost per unit. Since the capital costs of the units are financed over a 40-year period and the payment of principal and interest on such financing is covered by Federal annual assistance contracts, it is obvious there are vast differences in the total amount of authorized budget expenditures between the two bills. The respective amounts involved for public housing are estimated and set forth in the preceding table.

At a time of grave national defense situation there is no excuse for such increased spending for welfare programs, even if such programs were good ones. The comparison of the housing bills shows which political party is trying to cut down and return to a balanced budget and maintain a sound dollar. Any other course now is dangerous and irresponsible. The demands in the Democrat housing bill for 70,000 additional public housing units in the next 2 years is "welfare statism pure and simple." In this day of record home construction and with 585,000 public housing units already occupied or authorized, what emergency demands that we impose this additional load on the taxpayers who are trying to finance an arms race and at the same time pay for their own homes.

Impelled by the genuinely humanitarian instincts common to all Americans you might ask if these units are not necessary to shelter the poor and needy who are unable to afford any minimal housing if privately financed. Well, after searching through these bills you may well ask the same question all over again, for nothing in these proposals solves the problem of these people. Instead, we are now asked to do away altogether with congressional restraints aimed at reserving public housing for our neediest citizens. Now we are being asked to march willy-nilly into the welfare statist's dream world of publicly financed quarters of the middle income group.

There are a couple of other things about the current Democrat housing bill. The bill that is to be considered before this House very shortly offers a 5-year retroactive community windfall for reimbursement of earlier expenditures. For 5 years previous the community cost in urban renewal can be secured. We do not have enough money to do that, but money apparently to some is not so consequential. Also it is proposed that the income-rent ratio should be changed, which further complicates the situation. At present people living in public housing can live there only so long as they are below the maximum pay, and if they exceed this they have to move. In the bill before us, the people can stay in public housing even though their pay goes up and exceeds the allowable. This is toward public housing for the middle income. All in all, the people who need the housing the most in many cases are not getting it.

Mr. Speaker, let me conclude by saying this:

First. To those who believe in constitutional government, in eminent domain—that private property can be taken for public use for just compensation—let me point out that now private property can be taken through eminent doman for private use property, your home, your place of business, thought by generations of Americans to be constitutionally protected against Government seizure, except for a necessary public use, no longer enjoys any such immunity.

Second. To Supreme Court critics let me point out that this Supreme Court has redefined eminent domain so that private property can be taken for spiritual and esthetic reasons as a redevelopment board may decree, or for reasons of well-balanced planning.

Third. To those interested in small business, let me point out that the two-thirds shrinkage value Federal expenditure holds the greatest possibility for windfall profit at John Doe taxpayer's expense that big businessmen have ever been extended. The small businessman cannot so benefit. He just pays.

Fourth. To those who favor constitutional appropriation of public moneys let me point out urban renewal sets up procedures for direct Federal expenditures bypassing Congress.

And, fifth. To those who criticize public housing for whatever reasons, let me point out that public housing is, by definition, part and parcel of the relocation problem, so decreed by the Urban Renewal Administration.

Mr. CURTIS of Missouri. Mr. Speaker, will the gentleman yield?

Mr. ALGER. I am glad to yield.

Mr. CURTIS of Missouri. Mr. Speaker, I should like to ask one question. Is the gentleman interested in providing cheap, adequate healthy housing for our people?

Mr. ALGER. Yes; most assuredly.

Mr. CURTIS of Missouri. And the gentleman is interested that the people have proper housing?

Mr. ALGER. Absolutely.

Mr. CURTIS of Missouri. As I understand it, the gentleman's argument is that the Federal Government method of trying to attain that goal is not the most efficacious;

that a better method exists by going through local communities and private enterprise?

Mr. Alger. That is correct. And I have figures here to show the cost of public housing is considerably more than that of private housing, and I would be glad to include that for the benefit of those who are interested.

Mr. Curtis of Missouri. The reason I made those remarks is that those who are great advocates of public housing programs at the Federal level always try to win the argument before they even start by saying that if you are not for public housing therefore you are not interested in providing cheap, adequate healthy housing for our people.

Listening to the gentleman's remarks I was tempted to ask that question, because I know the gentleman well and I know of his deep interest in the welfare of the people of his own community and the people of our Nation. I know the business he has been in, and I know of his interest in trying to get more cheap, adequate housing for our people.

That is not the issue. I hope that many of the public housing advocates will read the material that the gentleman has been presenting to us. Incidentally, I want to join the gentleman from Ohio [Mr. Bow] in requesting that the gentleman put in the Record all of this data to which he has referred, for this reason. For years now we have had the public housing question before the Congress. Our committees, I regret to say—in this instance the Committee on Banking and Currency of the House and the similar committee in the other body, to whom public housing matters are referred—have not made an objective appraisal of this program.

Listening to what the gentleman presented, there was more meat, more material for coming to some conclusion on this matter than in all the hearings that I have read on public housing put out by the Committees on Banking and Currency of the two Houses in recent years. Therefore I trust the gentleman will put in all of the material he has.

And finally, I would like to say this:

I want to commend the gentleman for making a very thorough study. It obviously has taken him many hours and many days. It is this kind of study that is of benefit to the entire House regardless or what one's views may be on this subject. The material the gentleman has presented to us has been objectively thought out. He has his own conclusions, of course, but this objective information should be of value to all of us in trying to reach a sane conclusion on this problem of, How do we get more cheap, adequate, healthy housing for our people? I commend the gentleman and in behalf of the entire Congress I thank him from the bottom of my heart for doing this work.

Mr. Alger. I thank the gentleman for those very kind remarks. I have worked on this a year. I would be the first to admit that any of us could be wrong, and if wrong am consistently wrong, yet I have studied this thing backward and forward and I am interested in least expensive way of getting the houses built. For that reason I will put in the Record at this time a study made by the Library of Congress for a number of Congressmen 2 years ago, which some of you may have, entitled "Adverse effects of the expanding activities of the National Government on the private economy and the Federal system, the case for free enterprise and local self-government." I will put in this comparative study, a very interesting one, right under our nose here in Washington, between some buildings built on Alabama Avenue, Southeast, and some privately built properties on Minnesota Avenue, Southeast, as to their cost, Federal versus private, as to their condition, architect's fees, and other things. I shall include this additional material.

"THE COST OF PUBLIC HOUSING PER HOUSING UNIT

"Under the Housing Act of 1949, as amended, the cost of building and equipping dwelling units cannot exceed $1,750 per room, excluding the cost of land and nondwelling facilities. An extra $750 per room is allowed in some of the higher cost areas.

"The Housing Act of 1956 permits an extra $500 per room for dwellings designed for elderly families.

"Thus, the full cost for standard dwelling unit rooms can be as high as $2,500 each; dwellings for elderly families may cost as much as $3,000 per room, if built in a high-cost area. The size of the units varies within each project. The average is two bedrooms, but a few have as many as four or five bedrooms.

"A publication of the Foundation for Economic Education, Inc., makes the following statement with regard to the hidden costs involved in building public housing.

"Not all of the high cost of low-rent Government housing is revealed by a direct comparison of construction costs for public versus private housing projects. The public housing calls for continuing subsidy, not only by way of federally collected tax funds, but also by way of the added burden of local taxes on property owners of the community in which the partially tax-exempt housing project is located.

"Some citizens of Los Angeles recently took the trouble to look into the total costs which might be involved in a proposed 10,000-unit public housing program in their community. The cost of construction was to have been $11,000 per unit. Their conclusion was that the taxpayers would be much better off * * * to build 10,000 houses costing $11,000 each and give them away than to build and subsidize the 10,000-unit public housing program.[1]

"Members of the real estate and building materials industries contend that public housing is not only costly in terms of the cost to the taxpayer of the subsidy, but that the original construction costs are higher than they would be if the projects were privately sponsored. To support this contention, the National Association of Real Estate Boards makes the following comparison of private and public housing costs based upon projects located in Washington, D.C.[2]

	Frederick Douglas (Government)	Greenway (private)
Location	200 Alabama Ave. SE	Minnesota Ave. and A St. SE.
Year constructed	1941	1941.
Per room cost	$1,120	$849.
Number of units built	313	796.
Architect's fees	$61,000	$10,000.
Type of construction	Concrete block and frame	Fireproof high-grade brick.
Type of heating	Coal-burning stove in living room	Central heat: coal.
Period to be paid out	60 years	25 years.
Rent for 2-bedroom apartment	$40.50	$60 per month.
Federal subsidy	Yes	No.
Local tax exemption	Yes	No.
Tenant pays for utilities	About $5 per month average for coal	Nothing.
Condition in 1948	Deteriorating rapidly	Excellent.

"How does the cost compare with private housing? At hearings before the House and Senate Committees on the District of Columbia, held in 1944, testimony was presented by the National Capital Housing Authority as to the costs of building some of the projects under its jurisdiction. Representatives of the Federation of Citizens Associations of the District of Columbia; the Washington Taxpayers' Association, the Home Builders Association and others presented cost data in rebuttal which indicated that the National Capital Housing Authority costs were from 26- to 41-percent higher than construction costs on similar projects erected by private builders. Some of the comparative costs follow:

"PUBLIC

"Fort Dupont Dwellings located on Ridge Road near Minnesota Avenue SE., were built in 1940 by the Alley Dwelling Authority and cost $4,724 per unit, including land.

"Frederick Douglass Dwellings for colored occupancy were completed in 1941 by the Alley Dwelling Authority. They are of permanent frame construction with part masonry, have individual space-heating units, no tile baths or basements and cost $4,511 per unit, including land.

"Parkside Dwellings for colored occupancy located on Kenilworth Avenue NE., were built by the National Capitol Housing Authority and completed in 1943. They have individual space heating units, no tile baths or basements and cost $5,376 per unit, including land.

"Bennings Road Houses were built by the National Capital Housing Authority. These are demountable war houses completed in 1943 with individual space heating unit, no basements or tile baths and cost $5,072 per unit. This is construction cost only.[3]

"Greenway, Minnesota Avenue and East Capitol Street SE., completed by Cafritz Construction Co. in 1941. It has tile baths and hallways, Strand steel and concrete floors, washing machines and laundry room in each building, recreation rooms, playgrounds, etc. It cost $2,778 per unit, including land.

"Suburban Gardens for colored, Deanwood NE., was completed by A. Lloyd Goode Construction Co. in 1942. It has tile baths and central heating plant and cost $3,949 per unit, including land, etc.

"Four family flats built by Davey & Murphy in 1943 in the 3200 block of East Capitol Street. They have tile baths, weather-stripped windows and basements, and cost $3,335 per unit, including land, etc.

"Homes on East Pine Drive, Md., built by Standard Properties and sold in 1943. Four-room houses sold for $3,775; four and a half rooms $4,300 and $4,350 on lots that cost $550 each. They cost from $813 to $963 a room and if two rooms are finished in the attic, the cost would drop to about $609 per room. These figures include the builder's profit.[4]

"The Christopher Columbus Homes, New Jersey's largest low-rent housing project was completed in July 1955, at a cost of $20,800,000. This project includes a health clinic, library, hobby shops, and an auditorium with a motion picture projection room. It serves 1,556 families through 96 one-bedroom apartments, 960 two-bedroom apartments, 384 three-bedroom apartments, 96 with four bedrooms, and 20 five-bedroom units. The average cost per unit in this project was $13,367.60.[5]

---

[1] Poirot, Paul L. Public housing. The Foundation for Economic Education, Inc., Irvington-on-Hudson, New York. 1954, p. 26.

[2] National Association of Real Estate Boards Realtors' Washington Committee. Socialized public housing background and history. Washington, 1950, p. 5.

[3] These are no longer in existence.

[4] Hearings before the House Subcommittee on the Judiciary of the Committee on the District of Columbia on several bills dealing with the elimination of alley dwellings. (78th Cong., 2d sess., 1944.)

"The June 25, 1954, St. Louis Post-Dispatch reported on the building of the Joseph Darst public housing project in St. Louis. It reported that developmental costs would be $9,353,772, with a cost of $14,173 per dwelling unit.

"According to a May 1950 report of the National Association of Real Estate Boards, Greenhills projects completed in Cincinnati, Ohio, in the early part of 1938, consisted of 676 urban units and 60 rural units. The average cost per dwelling unit was $16,030. The overall cost including shopping facilities, administration building, etc., was $11,800,000. According to the BLS reports, the average construction costs of all dwelling units started in 1939, was $3,783.[6]

"In 1948, in a statement before the House Committee on Banking and Currency, Thomas S. Holden, president of the F. W. Dodge Corp., made the following comments:

" 'Experience shows that the one effective means of steadily reducing production costs is the operation of free competitive enterprise. The only cost factor in housing with which the Government can deal directly and effectively is financing cost. This it has done by creating and operating the financing services of the Federal Home Loan Bank System and the Federal Housing Administration. Government can also render appropriate research and information services of signal assistance to private enterprise in cost reduction.

" 'When it comes to direct intervention in housing production, Government can inflate costs, can conceal costs, can pass excessive costs on to the taxpayers; it cannot reduce costs.

" 'According to a recent report of the U.S. Bureau of Labor Statistics, the average construction of new privately financed nonfarm dwelling units started in the United States in the first 9 months of 1948 was $7,640, whereas the average publicly financed unit cost was $9,350. The difference may reflect generally higher standards in the publicly financed units.

" 'Cost limits imposed in this bill—Housing Act of 1949—for subsidized housing units could permit expenditures as high as $9,500 for a 3½ unit, including land costs. Currently, the Housing and Home Finance Agency is spearheading a drive for production by private homebuilders of economy houses, to be sold with lots at $6,000 to $8,000.

" 'Published figures on costs of public housing projects never include the overhead administrative costs of the Public Housing Administration in Washington, of its many regional and field offices, or of the local public housing authorities. Such administrative costs are very high. Senator Harry F. Byrd, of Virginia, has estimated that the average overhead cost of administering Federal grants-in-aid is 15 percent. Many programs cost more.' [7]

"The Public Housing Administration reported average development costs of $10,475 per unit on 1949 act projects as of June 30, 1953, an average per unit cost of $10,648 as of the end of 1954; and a national average total development cost of $11,083 as of June 30, 1955. The ninth annual report of the Housing and Home Finance Agency stated that the total development cost for the average unit of 4.9 rooms during 1955 was $10,615.

"Some units can cost as much as $15,000 per unit. Under the Housing Act of 1956, at a maximum per room cost of $1,750, only a 7½-room unit would cost as high as $15,750, not including the cost of the land. This seven and one-half-room unit would represent a kitchen, bathroom, living room, and five bedrooms. Very few units this size are found in the projects, but in a high-cost area, a 6-room unit could conceivably cost $15,000 (e.g., top per room costs of $2,500 times 6 rooms equals $15,000). Since eligibility is based upon family units and family size, public housing projects contain several three- and four-bedroom units, (six- and seven-room units).

"The National Association of Homebuilders believes that all units cost at least $15,000 each based upon the following calculations under the Housing Act of 1949.

"1. Room costs as high as $2,500 each are permitted. This would be $15,000 for a 6-room unit, not including land, etc.

"2. Thus the unit cost, with land and nondwelling facilities, might run as high as $16,000 to $17,000.

"3. The law does not specify that the maximum Federal contribution shall be $31.69 [debt service] per unit per month. This is an HHFA estimate. Actually, this is an average calculated by dividing the total authorized Federal subsidy ($12,320,000,000) by the total number of units authorized (810,000). [1949 act.] This equals $15,210 subsidy per unit over 40 years. Divided by 12 months this equals $31.69. But—

"4. Section 10 (b) and (c) of the public housing law provide [that] the legal maximum for Federal contributions on an annual basis of 4½ percent of the development cost (including land and everything). Thus, 4½ percent of $16,500 (as an example of a cost permitted under the law), is $742.50 Federal subsidy per year, or $61.87 per month per unit. For 29 years this would be $21,532, or for 40 years it would be $29,700.

"5. Furthermore, the PHA need not authorize the full 810,000 units if they find the costs are such that higher subsidies are needed. There is nothing to compel PHA to so build that the average of $15,210 subsidy or any other amount will be maintained. The $12 billion plus can be spread over fewer units if needed. (They can always go back to Congress for more money—and will.)[8]

"The dollars-and-cents costs of the Government's operations in housing can never be measured precisely, but the data shown above indicate that the Government cannot operate as efficiently as private industry."

Mr. Lindsay. Will the gentleman yield?

Mr. Alger. I yield to the gentleman from New York.

Mr. Lindsay. I should like to compliment and congratulate the gentleman from Texas on the large amount of research and the intelligent and careful analysis he has made, from one point of view, of the problem of urban renewal. I, in many ways, disagree with the gentleman from Texas; nevertheless, I still compliment him on the valuable piece of work he has done and the contribution he has made to the study of this subject, which to me is as important as any subject presently before the Congress.

Let me just pose one problem, which I am sure the gentleman will recognize faces many of us who come from urban centers. My district is in Manhattan. I can assure the gentleman that over the past 16 or so years the State of New York has had responsible government. I am happy to say it is now back in Republican hands after a short interlude. The State of New York has strained itself to the utmost on the matter of housing for our citizens in crowded urban centers. I am also glad the gentleman pointed out that the contribution taxwise made by the State of New York is substantial and significant—that is to say, the taxes which New York has contributed to Uncle Sam and which have not been turned back to the citizens of New York in equal measure, are substantial.

One of the biggest problems we have is the flight to the suburbs of our young families, our young talent, and our best brains. In fact, we are close to becoming bankrupt in Manhattan of young people with children. They leave because they cannot afford decent housing in which to live. The responsibility for community affairs that ought to be assumed by young people with energy and time, who are leaders in their various localities within the city, is not being assumed because of the forced flight to the suburbs. Consequently, these responsibilities are being seriously neglected. It is the belief of many that unless something is done to reverse and stop this trend you will see a great center such as Manhattan slowly becoming so bankrupt of talent that it will become nothing more than a business-office community, which to my way of thinking is a slow way to destroy a city. A city needs flesh and blood as well as paving and stonework.

Now it would have been impossible in Manhattan and the city of New York to have done anything to ease this situation—and it would now be far worse—had it not been for Federal urban renewal. Again I point out that the State of New York has more than contributed its share of taxes to Uncle Sam and has also strained itself to do whatever possible by way of local housing subsidies to ease the housing problem in its urban centers. But, without a Federal urban renewal program, I submit, cities such as New York and particularly communities such as Manhattan will be in the most dire straits. The number of title I projects, for example, that are now located in the island of Manhattan has saved any number of young families that otherwise would have been driven out to the suburbs.

Mr. Alger. I am sure we appreciate that. I know we share the gentleman's problem which is one that is facing all of us that we must solve. I cannot help but reflect that the problem you present in reference to the brains and ability from New York is probably what has taken away the very brainpower that was needed to do urban renewal locally. I might further observe that the comptroller general in New York observed very unhappily that the present tax losses yearly are over $30 million from tax-free properties now going into just public housing. So this is adding a burden on you. We are not going to resolve this problem, I am sure, in these few brief moments on this St. Patrick's Day, but certainly I want the gentleman to know I am just as interested as he is in urban renewal. I started out by saying I am for it all the way. But, I must take issue with the gentleman, if I may do so respectfully, by saying we of Dallas have found in our way, while we are not so big a city as New York, of course, that we can do urban renewal locally with local initiative and local brainpower and local money and not with Federal money that brings with it more problems than Federal aid solves.

Mr. Lindsay. I thank the gentleman for his remarks.

(Mr. Lindsay asked and was given permission to revise and extend his remarks.)

Mr. Irwin. Mr. Speaker, will the gentleman yield?

---

[5] Newark Sunday News, July 31, 1955, sec. IV, p. S 10.

[6] This is based upon the total of 406 dwelling units started in 1938, at a total construction cost of $1,583.9 million, as taken from data compiled by U.S. Bureau of the Census in "Historical Statistics of the United States 1789–1945."

[7] House Committee on Banking and Currency. Hearings on Housing Act of 1949, p. 458 (81st Cong., 1st sess.).

[8] National Association of Home Builders, American home ownership versus public housing. Washington, the Association. [1951] p. 22.

Mr. ALGER. I yield.

Mr. IRWIN. I would like to come to the defense of my friend over here because he is one of the intelligent people who has stayed in New York and he is a brave fellow, doing a grand job. He does very well for his party and I am one who is benefiting by those people who are being driven out. There are fine and intelligent people coming out to Fairfield County in Connecticut. I believe, too, that this is one of the metropolitan areas of the United States that are in trouble. They need the kind of help that the housing bill provides. It is essential, I think, that we who come from metropolitan areas not only recognize it but feel it is a problem that grows day by day and the whole Nation has to address itself to it. These different regional interests, of course, have to resolve this and we have to ask patience of each other. We in the northeastern part of the country saw the mandatory restrictions on oil go through the other day. It is not something that is good for us and I personally object to it, but there is nothing we can do about it.

Mr. ALGER. I will say to the gentleman that urban renewal is a problem which is not peculiar to any one area or to any one city. The very reason I took the floor today is the fact that I am identifying my city and our problems with the cities and problems of our other colleagues who have kindred problems, and there will be a solution for each of them, I think, which applies to the other even with our differences. All I have tried to point out is that the long round trip of money from the locality up to the Federal Government and back to the locality, with the consequent loss and shrinkage en route and the loss of initiative and the local get-up-and-go, is not the way to solve this problem, as I see it, based on these facts. These cities all over the country who have weighed the use of Federal money and not getting Federal money have decided that the lessons and the experiences of those who have used Federal money is reason enough for them not to ask Federal aid, because even though they do not get that money back, and they are paying for it, they would rather not have the money than to have the problems that go with it.

I simply want to comment further to the gentleman that I have been appalled the few number of years I have been in Congress over the fact that when we see a need in Congress, and all of us are sincerely dedicated to providing for a need after we recognize it, that we immediately rush in to say the answer is in the Federal Government. I simply say the answer is inside each man and as men collect in groups at the government level closest to the people, we can solve many of the welfare problems. Certainly in our home areas where we know our problems we can solve their problem better than a distant Federal Government taking our money in taxes.

Can we get more money from the Federal Government? Absolutely not. The money is coming from us. The money the Government gives us is from our own pockets. Uncle Sam has nothing. In order to give us money back, he has to take it from us. How in the name of heaven can anyone offer you more money when it is your own money? How is it possible to think that you can get more money from the other man? You cannot get back relatively more than you have to give to the other man. You cannot win, as I see it.

Mr. IRWIN. But you cannot win that game. I do think that this is true of every element, that we would be better off if we had an open economy on oil, but because of the reasons you present, a company has bowed to other forces.

Mr. ALGER. Some of us, even from the oil areas try to solve these problems on a basis of fact. Today I just waded through a bunch of factual material that made a lot of sense to me. It is not Republican. It is not Democratic. It is plain old American tradition. It is not regional. It is not Texas. I quoted from all over the country, from California to New York and from Michigan to Florida. Urban renewal is a pressing problem which I think we in Congress have an opportunity to try to solve. It is not through the dishing out of money which we do not have when we are operating at a deficit that we will solve our problems. I would say that when the budget is unbalanced it is no time to pour out more money. I would even be against certain good programs during deficit periods.

Mr. MOORHEAD. Mr. Speaker, will the gentleman yield?

Mr. ALGER. I yield.

Mr. MOORHEAD. My city is the city of Pittsburgh and it has been in the forefront of urban renewal. As a matter of fact, we had 10 urban redevelopment projects either completed or now in progress. Out of those 10, 6 were done completely with local funds. No Federal aid whatsoever. However, the local community, all the political leaders and city leaders now say they cannot carry on these projects which are so essential to the continued expansion and economic welfare of the city unless we have Federal contributions.

Mr. ALGER. Why is that? Is it lack of money?

Mr. MOORHEAD. It is lack of money.

Mr. ALGER. Uncle Sam does not have the money. He is broke. The money has got to come from you. That is my point.

Mr. MOORHEAD. If we can revise the entire tax structure, it is possible we could do it on the local basis.

Mr. ALGER. I would like to compliment the gentleman on his statement of what Pittsburgh has done on its own. I point out the money is not available federally. Perhaps you are hurrying along too fast, expanding urban renewal too fast because of your expecting to get the money from the distant wealthy Uncle Sam. Whereas, if you still had the problem locally without Federal aid you would plan more carefully, possibly more slowly—I am only speculating that local people know best what they can do with their own means, but if some outside source is offering the promise of money, you may hurry along if you are bidding for that money and there is only a limited amount of it, overlooking your own better judgment.

Mr. MOORHEAD. The gentleman must remember the community puts up half of the money. Even that hits the big cities.

Mr. ALGER. Yes, but what holds the local community back more is the loss of tax revenue. Take Pittsburgh, for example. Does the gentleman know what the tax revenue loss will be because of the urban renewal and housing that goes with it that is now tax exempt? This is income loss to Pittsburgh.

Mr. MOORHEAD. The first redevelopment project we undertook, after the land was cleared and the new buildings were put up, the taxing bodies received $800,000 more from those buildings than they did from the blighted areas.

Mr. ALGER. This is true, no doubt, since the property was enhanced, but does the gentleman know how much the city has to pay out for such matters as the paving of streets, sewerage, water, garbage collection, police protection, schools, and all those other things the people get free in public housing?

Mr. MOORHEAD. I do not know what the figures are.

Mr. ALGER. This will surprise the gentleman when he learns these figures. You get started on these problems, find the cost is more than was expected, and find you have to get more from Washington.

Mr. MOORHEAD. We do find in Pittsburgh and we are convinced that urban renewal is the only way we can get our city cleaned up, but we do find that when we clear out slum areas that approximately one-half of the people living there have income levels so low that they cannot be housed in private housing.

Mr. ALGER. I would contest that with the gentleman. I believe we have figures that show that it can be done cheaper under private enterprise with FHA insurance under titles 221 and 222 than it can be done with public housing. I will just have to contest that with the gentleman. I think he has failed to grasp some of the logic I have tried to set out as to the economic burden that we are passing on to the future. There are two questions that present themselves: First, how much of this is the role of the Federal Government; and, second, how much can we afford?

I say in all sincerity that I am sure the city of Pittsburgh will find when all factors are taken into consideration that public housing turns out to be more costly than private housing.

Mr. MOORHEAD. I want to commend the gentleman from Texas on his excellent analysis and study of the problem. He has made a contribution which I consider to be most important in this matter of urban renewal.

Mr. RHODES of Arizona. Mr. Speaker, will the gentleman yield?

Mr. ALGER. I yield.

Mr. RHODES of Arizona. I want to commend the gentleman from Texas for bringing this problem to the forefront of the minds of Members of the House. His presentation of the subject has been very illuminating. I certainly agree with the gentleman when it comes to this one very important point, and that is that the Federal Government is not a well without a bottom as far as money is concerned. Perhaps as far as money is concerned it is, but as far as the purchasing power of money is concerned it certainly is not such a well. People seem to feel that when they need money all they have to do is ask Washington for it, that the Federal Government has money, and you can get part of it. This is true only when we speak of dollars and cents, but too many people fail to realize that every time the Federal Government puts out more dollars than it takes in it involves a cheapening of the dollar, it involves inflation which shrinks purchasing power, which must be used every time the Federal Government gets into something. It takes the purchasing power out of the hip pockets of every citizen of your district and my district without those people realizing it until the money is gone, until the dollar which they put into social security, the dollar they put into savings, the dollar they put into bonds is worth less than half what it was when they put it in.

To me this is a thing which all of us must remember when we consider urban renewal and the other programs. They are wonderful programs, but every time we go in debt to finance these programs we shrink the value of the dollar.

One question the gentleman has asked since I have been on the floor is, "Can we afford it?" This is a question I think should become a great deal more popular in the House and the Senate: Can we afford it, not in dollars, but can we afford it in the purchasing power of money? That is the question we must ask ourselves often.

Mr. ALGER. I thank the gentleman, and I heartily agree.

Mr. BECKER. Mr. Speaker, will the gentleman yield?

Mr. ALGER. I yield to the gentleman from New York.

Mr. BECKER. I want to commend the gentleman from Texas and also join with him in his exposition of this problem. I think he has done a splendid job.

I was extremely interested in the colloquy between the gentleman from Texas and the gentleman from Pennsylvania. [Mr. Moorhead]. At one point of the gentleman's remarks the gentleman from Texas asked the gentleman from Pennsylvania why they were slowing down in their work. The gentleman from Pennsylvania said it was due to lack of money so they were going to Washington.

There are only two ways to get money, one is for the Government to print more money, and the second is to get it from taxes. Consequently, if you get it from revenue coming to the Federal Government, then it has got to come from the people in the form of taxes and when it is derived from taxes it comes from the pockets of the people. In my State of New York we realize that at the present time out of every dollar taken from us in the way of taxes all we get back is 25 cents for projects in our State. Certainly New York State needs as much as any other State.

The Speaker pro tempore. The time of the gentleman from Texas has expired.

(Mr. Alger asked and was given permission to revise and extend his remarks and to include certain data.)

A TRIBUTE TO MARGUERITE STITT CHURCH

Mr. SCHWENGEL. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the Record.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. SCHWENGEL. Mr. Speaker, Bishop Berkley, when he wrote his beautiful verses upon the Western world, penned the line, "Time's noblest offspring is the last." He described not so nearly our prophetic future as the last and best creation of the Almighty—woman—whom we both love and worship.

The success of Presidents, legislators, generals, magnates of industry, leaders of labor, and the intellectual world would be less but for the influence of those we revere and love.

I confess also, and most men would agree, that in all ages woman has been the source of all that is pure, unselfish, and heroic in the spirit and life of man. These virtues and characteristics apply in speaking of one of the ablest, most effective, and most beloved Members of Congress, Marguerite Stitt Church, about whom I choose to speak today.

I am reminded, also, that it was Shelley who said:

> Women are smarter than men. Not because they are more brilliant (though sometimes they are) but because they are more understanding.

This underscores better than I can the great virtue of understanding we have noted in this charming lady from the 13th district of Illinois.

Mr. Speaker, it is a source of great satisfaction and it gives me a feeling of the fulfillment of a pleasurable duty to offer my tribute to Representative Marguerite Stitt Church, the distinguished and remarkable Congresswoman from Illinois, on her imminent retirement from the office she has held here since 1950.

Of course I am particularly proud of the fact that she is a fellow Republican.

The services she has performed over an interesting, rich, and extremely fruitful lifetime, accrue not only to the credit of the political party of which we are both members and for which she has done so much. It is a service that lends weight to the dignity of the House of Representatives. It is a service that tells the country and the world that much of the honor and prestige this Chamber enjoys among the parliaments of the world is predicated on genuine statesmanship and that this statesmanship is superbly reflected in the work and the background, the influence and the plain good sense of active and hard working Representatives like Marguerite Stitt Church. I do not hesitate to proclaim her a model for us all in the field of politics and public service, and an example to all our people in the highest levels of citizenship.

The story is in her record, a record not alone of the productive years she has devoted to her district, her State, and her country—indeed, to the free world—in this Chamber; but her record practically from childhood, a record which was always highly successful and outstanding. Some of us develop late. Some of us develop slowly. Some are rapid climbers to eminence, distinction, and achievement. And, of course, some do not develop at all. But Representative Church had the qualities of great performance from the beginning. She developed them normally and without becoming a problem as so many brilliant young students do. Hers is a biography worthy of some study even in its simple outline. In fact on the basis of education, of experience, of predilection for public service, and of performance, this Representative from Illinois is what political scientists must regard as the ideal public servant.

She is, of course, by training, a political scientist. As a youngster in St. Agatha School in New York City, where she was born, among her extra-curricular activities she took great interest in forum discussions. At Wellesley College she majored in political science. When she received here B.A. degree in 1914, it was with highest honors. She has besides been a Durant Scholar and was elected to Phi Beta Kappa in the middle of her junior year. In Wellesley she was president of her sorority, an intercollegiate debater and served as president of the Debating Society, and was a member of the Intersociety Council. After that for a year she taught at the college from which she had graduated and then went on to graduate studies in political science at Columbia University where in 1917 she received her M.A. degree.

After spending some time as consulting psychologist with the State Charities Aid Association in New York City, she married Ralph E. Church, who was then serving his second term in the Illinois Legislature; a part of her good fortune, and his, being that they were both deeply interested in legislative work. Republican Ralph Church was a member of the State legislature for 16 years before he was elected to the U.S. Congress from the 13th Congressional District of Illinois from 1934 to 1949, except for the period from 1941 to 1942 after his unsuccessful attempt to go to the U.S. Senate. This is important to my story because in those 14 years Mrs. Church was a source of strength and help, a constant companion, and an influence that did much, I believe, to make his work so valuable in this House. When he died Mrs. Church was elected to his seat in the 82d Congress. It was a logical, a justifiable, a natural, almost an inevitable sequence. She was one of eight women in 1950 elected to the House. There are, I may add here, two sons, Ralph Edwin, Jr., and William Stitt, and a daughter, Mrs. James O. Wood, Jr. Both sons served in World War II.

Mr. Speaker, the substantive story of this career is a story of enormous energy and activity and all of it with results which mean much to the society of our time. In the 83d Congress, Mrs. Church sponsored and pushed to successful enactment H.R. 116—Public Law 385—a national law bearing her name, prohibiting bootleg fireworks, which presented such a grave menace to children.

In the 84th and 85th Congresses, she took the lead in introducing legislation to implement the new plans for reorganization, for efficiency and economy in government, proposed by the Second Hoover Commission. She worked extremely hard on this and proved to be most valuable in these plans. In the 85th Congress, Mrs. Church was highly instrumental in the successful House passage of H.R. 8002, a bill to place the budgeting system of the Federal Government on an accrued annual expenditures basis, which incorporated the provisions of H.R. 3961, introduced by Mrs. Church early in the session. She has constantly fought for economy in government. She sought to put Government operations on the same footing of efficiency and economy that she felt prevailed in private industry.

She has, over the years, taken an active part in many civic and welfare organizations, including the Family Welfare Association of Evanston, the Illinois Children's Home and Aid Society, the Infant Welfare Society, et cetera. She also served as president of the Congressional Club in Washington, and as president of the National Alumnae Association of Wellesley College. She is a member of the League of Women Voters, the Business and Professional Women's Clubs of America, the American Association of University Women, Phi Beta Kappa Associates, Zonta International, Delta Kappa Gamma, Illinois Women's Press Association, et cetera, and is an international honorary member of Beta Sigma Phi and other organizations. She is also a member of the Woman's Advisory Committee of the National Safety Council, the National Advisory Council of the Girl Scouts of the United States of America, and the Woman's Board of the University of Chicago.

In August 1960, the gentlewoman from Illinois [Mrs. Church] was honored with a merit award for service in behalf of economic and political freedom, from the Civic Affairs Associates, Inc., and also, that year, was recipient of the VIP Award of the Illinois Club for Catholic Women, and in 1962, of the Founders' Day Award of Loyola University of Chicago.

This, Mr. Speaker, is the story of a lifetime in which every minute was put to some use for people, for her neighbors, for her fellow women, for her fellow citizens, for her district, her State, her country, and for her college and its alumnae.

There is much yet ahead that I know Mrs. CHURCH will do, and I and all of us wish her health and opportunity. She has lived her life so that all of us in this House derive a very special benefit from the grace, the charm, the dignity—indeed, the prestige—she has, by her work and her conduct, bestowed upon it. She has worked for international peace. The influence of her personality, through her tens of thousands of miles of travel, has been felt in the Middle East, and the Far East, in Asia and in Africa, and of course on this continent. She gave the image of the United States the impressive and enlightened aspects of a portrait that wins us respect, admiration, even love in the far corners of the earth.

Recently, I had a part, along with others, in forming for the first time, a U.S. Capitol Historical Society.

It is significant and of interest to note that Mrs. CHURCH was one of those who cooperated, encouraged, and helped immeasurably to bring about the realization of this organization.

Her eloquence, her deep feeling, her understanding is revealed in the fact that she had a major part in writing the statement of purpose and objectives of the organization and her attention to detail and development of the constitution and bylaws was of great help. She was very helpful with suggestions at every meeting and attended every meeting that had to do with the initial and final planning of the organization.

Nowhere, I like to think, is she more appreciated than she is right here in this Chamber among her colleagues who have been so close to her work. I bow in homage and admiration, in affection and tribute, to MARGUERITE STITT CHURCH, for 12 years a Member of this House.

REPORT ON THE 1962 SESSION OF THE CONGRESS

The SPEAKER pro tempore (Mr. ALBERT). Under previous order of the House, the gentleman from Indiana [Mr. MADDEN] is recognized for 20 minutes.

Mr. MADDEN. Mr. Speaker, during my service in Congress, I have endeavored to give the citizens of Lake County a true and factual review of our accomplishments and omissions after each session. This will be a brief report on some of the more important issues considered in the 1962 session now close to adjournment.

COMMUNISM EXPANSION NO. 1 PROBLEM

The dark cloud of international communism covers the horizon of all free nations throughout the globe. As your Representative under four Presidents: Roosevelt, Truman, Eisenhower, and Kennedy, I have made every effort to support the Commander-in-Chief on all foreign policy programs which each administration has recommended for the best interest of our Nation and the free world.

Presidents Truman and Eisenhower have publicly stated that the Executive Department possesses all information and confidential knowledge on conditions over the globe and their decisions on international matters are often based on facts not known to the general public. World conditions today demand that the American people must be united and all differences on international problems should stop at the oceans' shoreline.

The braintrust behind Stalin and his successor Khrushchev is the most dangerous and intelligent crowd of superbly organized criminal conspirators to threaten mankind in all world history. The free world has failed to realize the magnitude of their organized success toward global enslavement.

EDUCATION, COMMUNIST GREATEST WEAPON

For 30 years the Soviets' greatest project has been the wholesale education of selected youths to become scientists, language experts, technicians, teachers, and skilled workers in all crafts. These graduates have been sent to other lands for infiltration and the spreading of Communist propaganda. The Soviets are now reaping benefits of this educational program in Asia, South America, Africa, Cuba, and other neutral or recently established governments.

News reports from Cuba in 1961 reported the graduation of large classes from two universities where the speaker at each ceremony was a Soviet professor from Moscow. I mention this because in the last 12 years our Congress has on several occasions, by close votes, defeated legislation which would have expanded our critical deficient educational facilities. General Hershey's Selective Service Department reveals that in World War II in 10 States 28 percent to 33 percent of draftees were rejected on account of illiteracy. One State had 33 out of every 100 boys whose mental IQ's prevented them from serving their country in wartime. Montana was the banner State with but 1¾ percent rejections.

I am proud to report that I have supported all legislation for educational expansion: scientific, medical, elementary, and for much-needed school construction. Most citizens in my congressional district know that these programs on educational expansion have been defeated by the coalition of Republican leaders aided by a large percentage of Southern Democrats. Powerful special-interests lobbies defeated Federal legislation which would give millions of American youth greater opportunities to meet the problems of this scientific space age. In Indiana these interests substituted special State laws for school construction which today have taxpayers burdened with high interest rates and 30- and 40-year bonds. In my congressional district, school construction cannot keep pace with the yearly increase of student applications.

In this session a bill for Federal help to aid students in the higher education bracket has been pigeonholed by the same above-named political coalition. This bill would aid public and private schools and help us compete more easily with the Soviet aggression and propaganda program throughout the free world.

UNEMPLOYMENT PROBLEM

Regardless of political speeches misrepresenting the legislative record, this Congress has made remarkable progress in carrying out the much-needed New Frontier program of President Kennedy. Automation and the entrance of a million young job applicants every year have made unemployment the number one domestic problem facing our Nation. A $435 million Federal program for retraining workers whose jobs have disappeared because of automation has been launched by this Congress. A distressed area bill was also enacted which will aid great numbers of unemployed to jobs and a more abundant life.

INTERNATIONAL TRADE

The President's program to regulate tariffs on certain goods and to reduce or raise tariffs on other items, and to provide Federal aid to United States firms and workers damaged by imports was a step in the right direction to increase prosperity and combat unemployment.

AGRICULTURE

The President's program on agriculture although crippled by amendments will greatly reduce surplus and the ridiculous grain storage cost of over a billion dollars a year. The farmers of the Nation suffered greatly under the impracticable surplus program created under former Secretary of Agriculture Benson. The Benson farm program aided greatly in bringing about four depressions under the Eisenhower administration. When the American farmer is prosperous and possesses purchasing power, he is indirectly creating demand for steel, oil, and numerous manufactured products in American cities and towns.

TAX CUT

This Congress repealed 10 percent tax on railroad, bus, water travel, and cut tax to 5 percent on airline tickets effective November 15.

WELFARE

Revised and extended Federal benefits and State-operated public assistance programs by rehabilitation and help for the needy, aged, blind, and disabled.

VETERANS

Enacted legislation giving increases of 9.4 percent to veterans drawing compensation for injury or ailment resulting from military service.

PUBLIC WORKS

The House of Representatives authorized the outlay of $900 million in Federal matched grants to launch public works projects or accelerate existing projects in areas of heavy unemployment.

PEACE CORPS

Congress authorized the Peace Corps in 1961 and enlarged it in 1962. It is unfortunate that this program was not inaugurated 15 years ago as the Peace Corps would have expanded each year and by today we could have an international organization to combat false communistic propaganda in backward nations and new governments throughout the world. Members of Congress who opposed the Peace Corps a year and a half ago are today enthusiastic supporters of this program.

DEFENSE

This Congress has made outstanding progress in our much delayed space program. Through the outstanding ability and leadership of Secretary McNamara and Vice President JOHNSON, our Nation once again has been placed as the world's only military citadel that keeps the Communist dictators of Russia and China from aggression in their mad conquest to enslave mankind. Taxpayers should remember that approximately 84 percent of every tax dollar is applied to expenses of past wars, the present cold war operation, and the protection against future wars. Approximately $11 billion is appropriated annually as interest on our national debt coupled with Veterans' Administration cost incurred by past wars.

MEDICAL CARE

The much needed legislation known as medicare which includes hospitalization, nursing, and medical costs for the aged was killed in the Senate by the same political coalition which defeated the education program.

Millions of our pioneer citizens throughout the Nation are living on social security checks or small income and are barred from receiving proper and needed medical care unless legislation is enacted to relieve this deplorable situation. In 90 percent of the States the Kerr-Mills bill is not functioning, and in the remaining States, it is a replica of the ancient poorhouse operation.

Legislation for medical care for the aged will be a No. 1 campaign issue, and I am satisfied that when the people speak from the ballot boxes we will, next session, enact a suitable medical care program for our pioneer citizens.

URBAN AFFAIRS

The President recommended legislation to create a Department for Urban Affairs which was defeated by the coalition. Almost two-thirds of our population now reside in cities and towns throughout the Nation. Legislative apportionment of 50 years ago still exists in most States and especially in Indiana. I hope the next Congress and State legislators enact legislation giving our metropolitan areas fair representation in the legislative halls of our States and Nation.

CIVIL RIGHTS

This Congress passed the first Federal legislation in history completely outlawing poll tax laws. Poll tax laws still remain in five States. Legislation making the sixth grade a test for proof of literacy for voting qualification was defeated by filibuster in the other body.

EXPOSE COMMUNISM WITH TRUTH

For the last dozen years, I have consistently fought for an education program which would send qualified educated experts to South America, Africa, and other nations to tell the uninformed the real truth on how the Soviets enslaved Poland, Hungary, Rumania, Slovakia, the Balkans, and other nations, through infiltration, force, slave labor camps, and mass executions. I have constantly fought to get action on a number of pending resolutions to investigate the Soviet takeover and continued enslavement of captive nations. The Communist tyrants one great fear is to have millions in neutral and new governments learn the true facts concerning Communist methods in taking over and enslaving small nations.

CUBA

Mr. Speaker, I now wish to insert in the RECORD my remarks to the Congress in opening the debate on the Cuban resolution on September 26, 1962:

> When Castro's regime came into power in January 1959, the Eisenhower administration looked upon it with sympathy and welcomed its promises of political freedom and social justice for the Cuban people. Even before Castro came to power, he and his followers were engaged in anti-American activities in their underground war against the then-established Cuban Government. Castro's brother who some stated was a card-carrying avowed Communist was the real power in Cuba.
>
> Back in 1960, Cuba established close political, economic, and military relationships with the Chinese-Soviet bloc and continued violent measures and verbal attacks against the United States. On June 11, 1959, when it was apparent that the Castro government was Communist controlled, our Government expressed sympathy with agrarian reform and raised no remonstrance against the Cuban Communist government confiscating American property.
>
> During the month of October 1959, Castro government officials seized land, capital, equipment, and timber belonging to U.S. citizens.
>
> On January 26, 1959, President Eisenhower reaffirmed the adherence of the United States to the policy of nonintervention in the domestic affairs of other countries, including Cuba. In so doing, he stated that we recognize the right of the Cuban Government and her people to undertake social, economic, and political reforms. This statement was made by the former administration when almost a year after, the Castro Communist government was well-entrenched in our neighboring land.
>
> During 1960, Cuba signed trade and economic pact agreements with the Soviet Union and most of the Communist satellite nations, including China. On March 19, 1960, the first shipment of Soviet crude oil arrived in Cuba on the Soviet tanker *Vishinsky*.
>
> In 1960 Cuba committed offenses against our Nation by confiscating U.S. property; attacks on U.S. sugar plantations; air incursions and LaCoubre and Pocher incidents. On June 10, 1960, the Cubans seized four U.S.-owned hotels in Havana. On June 29, they seized the Texaco-Esso refineries. On July 21, 1960, Castro stated in Moscow that Cuba "is grateful for the political and moral support from the Soviet Union."
>
> I merely mentioned these facts because already in Indiana certain politicians and a candidate for U.S. Senator would have the people believe that all our troubles started with the Cuban Communist Government since January 1961. Some Republican politicians say that armed intervention and taking over Cuba are necessary now. Why were they so quiet several years back before the Soviet military buildup became entrenched within 90 miles of our shores?

Mr. Speaker, all American citizens should realize that we are living in a scientific and space travel age. The same yardstick of solving international problems of 25 and 50 years ago cannot apply today.

All Americans should devote extra time and study on details and facts concerning domestic and international problems. Your Congressman and other elected officials merely reflect the opinions of the majority back home. It is your opinions that will guide the destiny of our Nation and the free world for future generations.

ACTION WITH RESPECT TO CUBA

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Kansas [Mr. ELLSWORTH] is recognized for 10 minutes.

Mr. ELLSWORTH. Mr. Speaker, the administration's handling of the situation in Cuba remains ineffective and without form or substance. Along with many others, I have long urged the adoption of a positive, decisive policy of action with respect to Cuba.

In May of 1961, in my weekly question-and-answer column in the newspapers of my district, I urged a course of action that would enforce the Monroe Doctrine.

In June of 1961, in my weekly columns, I opposed the paying of ransom to Castro for the Cubans he had kidnapped, and denounced the involvement of the administration in the deal.

In January of this year I stated publicly that Communist Cuba posed a virulent threat to us and to our hemisphere, and deplored the confusion, lack of coordination, and lack of purpose on the part of national leaders in Washington which resulted in there being, in effect, no national policy at all toward Cuba. At that time I reviewed the entire Cuban situation and pointed out that Castro was 100-percent Communist, devoted to the overthrow and destruction of the United States and all Western civilization.

I concluded by urging a policy looking toward the overthrow of the Castro regime in Cuba.

In a speech here in the House of Representatives, on May 9 of this year, I stated we had lost an opportunity in Cuba and that all Latin America was paying for that loss. I joined with three other first-term Republican colleagues from across the Nation in sharp criticism of the administration's handling of the Cuban fiasco of April 1961, and urged a shift from a policy of surveillance, to a policy of positive, creative decisiveness.

And just last week, on September 25, in debate on the Cuban resolution, I made it clear in my support of the resolution that the time for decision is now.

Actually, Mr. Speaker, there are a number of alternatives available to the administration for dealing with the situation in Soviet Cuba.

For one, the administration could go ahead and let the Soviet arms build-up proceed, saying—as they have—that the weapons, manpower, and Communist missile and naval bases are merely defensive in nature, but that if it turns out otherwise we will do something. That is a little like saying there is no real trouble but we will take action in case it doesn't come to a stop.

This kind of a so-called policy will be interpreted throughout the world as a sign of weakness and irresolution. Added on top of the Bay of Pigs fiasco and the building of the Berlin wall, it can only reinforce the feeling that a vein of indecisiveness is embedded in the present administration. Let us hope this is not true.

Another kind of policy would be a military invasion by the U.S. armed forces. This would be as profitless to the United States as it would be dangerous to the stability of Latin America and Berlin.

A third alternative would be to provide material support and encouragement to free Cubans both within and outside Cuba, so that the Castro regime could be overthrown by those Cubans who have the most at stake.

Our Government could take the lead, for example, in getting all the friendly governments of this hemisphere to express their readiness to come to the immediate aid of any uprising that takes place in Cuba against the Soviet regime there. Surely those nations of the Western Hemisphere who are benefiting so greatly from partnership in the Alliance for Progress would be eager to join in a partnership for the rebirth of a free Cuba.

In any case, surely the time for leadership, decisiveness, and effective action on the part of this administration, is now.

Luis Aguilar Leon, a Cuban, put it rather well when he wrote recently:

> Of all the lessons Fidel Castro has taught us, the bitterest and most obvious is this: He who proclaims himself a Communist can count on help from the Soviet Union even through he is 9,000 miles away from its borders, while he who proclaims himself a democrat can fight and die 90 miles from the shores of the United States and no one will come to his aid.

Mr. Speaker, this is true; and we in North America are deeply disappointed and profoundly frustrated with the quality of leadership in our own administration that has made it so.

The time for effective action is now.

FRIENDLY RELATIONS BETWEEN PORTUGAL AND THE UNITED STATES—A VICTORY FOR FREEDOM

The **SPEAKER** pro tempore. Under previous order of the House, the gentleman from Massachusetts [Mr. O'NEILL] is recognized for 60 minutes.

GENERAL LEAVE TO EXTEND

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks following my remarks on the subject on which I am about to address the House.

The **SPEAKER** pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. O'NEILL. Mr. Speaker, the district I represent in Massachusetts is one of the most cosmopolitan areas in the world. We have people of 50 different ethnic groups who are represented in an area of about 10 square miles, all living together in peace and harmony.

Among this group I have gotten to know very, very well are people of American-Portuguese extraction. They are proud Americans, proud of their heritage in Portugal, but immensely proud that they are U.S. citizens.

Naturally they have nostalgic memories when they think of the land of their birth or the land of their ancestors, and it has been with pride through the years that they have always considered the great feeling that has existed between the United States and the Government of Portugal. The feeling between the two countries has been one of mutual affection, mutual love, an inextricably interwoven and intertwined feeling that we have always been on the same side regardless of what conflict may have occurred through the years.

But during the past year there has been somewhat of a break in the relationship between the United States and Portugal, and it has been over her colonies in Africa and because of the policy that we have followed at the United Nations. I personally believe that the policy we have followed has been a wrong one. I have talked with the people of Portuguese extraction in my area. They are greatly upset by the policy we have followed. Consequently I have made a study of the situation.

I am convinced that the situation calls for better relations between the United States and Portugal and that the rift between these two allies will be and should be mended.

The controversy and ill feeling between the two originated over anticolonialism. The United States, consistently and vigorously has opposed colonialism. Our policy is responsible for the rapid withdrawal of European rule in many African and Asian areas. The creation of many new nations has followed.

Portugal holds extensive areas in Africa, notably the huge province of Angola in West Africa and Mozambique on the east coast. Last year, the United States sided with the Afro-Asian nations, and incidentally, the Soviet Union, in resolutions aimed at Portuguese rule in Angola and Mozambique. The United States voted for inquiries into the situation in these provinces and also voted to condemn the Portuguese for repressive measures in opposing an outbreak in Angola last March. During this uprising, or invasion as the Portuguese claim, the dissidents were guilty of horrible atrocities. The Portuguese feel that this country voted to condemn them for defending themselves against outlaws and terrorists.

Since last March a good many events have taken place. The example of the Belgian Congo indicates that freedom for a former colony is by no means the solution of that colony's difficulties. In fact, events in the Congo have convinced many persons that independence should not be given to a colony under circumstances and conditions which finds it unable to govern itself.

The developments in the Belgian Congo are familiar to most of you. The termination of Belgian rule, for which many Belgians blame us, was followed by disorders which resulted in a mass exodus of the whites. The politicians in the Congo began a struggle for power which still continues. We have taken part in that struggle and so has the United Nations. In fact, as you know, United Nations troops have attacked the forces of Moise Tshombe, leader in the Katanga Province of the Belgian Congo. We also heartily disapprove of Mr. Tshombe, for reasons which are complicated and need not be detailed here. In any event, the U.N. venture has created a huge deficit in that organization's budget.

I am citing the Congo situation to emphasize the fact that premature independence for a colony may be the worst thing which could happen to the people in the area. The Congo is in much worse shape now than it was before the Belgians withdrew. Cyrille Adoula, the Congo leader outside Katanga, has submitted a budget which shows a deficit of $222 million for 1962, and the actual deficit may be much higher. Industry and agriculture are deteriorating rapidly in the Congo; lawlessness and unemployment have risen rapidly and the conflict between rival politicians certainly does not help.

The Portuguese claim that Angola and Mozambique are integral parts of Portugal, just as we regard Hawaii and Alaska as integral parts of this country. I do not intend to discuss this matter today but I would like to point out that, admittedly, Angola and Mozambique are not ready for self-government. If Portuguese rule were to end tomorrow, the Congo would be repeated all over again. Already, the groups which are fighting the Portuguese in Angola have fallen out among themselves. One faction is led by a man called Holden Roberto, who has been widely quoted as admitting he ordered the slaying of Portuguese women and children during the fighting in Angola last March. Another faction is led by Mario de Andrade, who is reported to have close Communist ties. There are still other factions.

In Angola, there are approximately 4 million natives, almost all Negroes, and about 500,000 whites, mulattoes and Negroes who regard themselves as Portuguese. Portugal has an enlightened multiracial policy. Intermarriage between the races is fairly common in Angola and Mozambique. Many Negroes and mulattoes hold high positions. The racial feeling, which is such a barrier to progress elsewhere in Africa, is absent in Angola and Mozambique. These 500,000 constitute the upper classes. Most of the natives are primitive and, in fact, most of them maintain the tribesmen status they had when the whites first invaded Africa. As I have said, everyone familiar with Angola and with Mozambique admits that these areas would deteriorate rapidly if the Portuguese should be forced out.

The enemies of the Portuguese say the backwardness of the masses is the fault of the Portuguese; this is debatable. I do not doubt that Portuguese rule has left a good deal to be desired. Few governments are perfect and, unfortunately, exploitation of backward people has been a familiar pattern throughout human history. But, the Portuguese are aware of their faults. After the fighting in

Angola last year, the Portuguese Government instituted sweeping reforms, expanding greatly the privileges of suffrage, and local autonomy. The programs for educational and material development were accelerated. Amazingly enough, Angola progressed rapidly in 1961, despite the fighting in the northern part of the country. A pamphlet issued by the U.S. Department of Commerce, "Economic Developments in Angola in 1961," states that many records were established. The report states:

> Industry was largely unaffected by the political situation, production increased and some significant new industries were inaugurated or reached the plant construction stage.

One of the aims of the terrorists under Roberto was to prevent the harvesting of the coffee crop, coffee being one of Angola's principal export commodities. But for the fifth year in a row, a record crop was harvested.

In contrast to most of the new African states, both Angola and Mozambique are making rapid material progress. The political situation in Mozambique has remained stable and, after the first flurry, the Portuguese regained control of most of northern Angola. Apparently, only pockets of terrorist resistance are left. This seems to substantiate the Portuguese claim that the so-called rebels have little support inside Angola, itself. Even in the name of anticolonialism, it would seem unwise to throw Angola and Mozambique into chaos at this time.

The real question, of course, is whether the people of Angola and Mozambique are to have anything to say about their political and economic destinies. If Portugal insists that Angola and Mozambique are to remain Portuguese, regardless of the attitude of the majority in both countries, the differences between this country and Portugal may be hard to compose. For this country is firmly committed to an anticolonial policy and seems likely to adhere to this principle.

But the Portuguese are reasonable and flexible on this matter. In an interview given to Life magazine in May 1961, Premier Salazar of Portugal said he was not opposed to independence for Angola and Mozambique, but only to independence granted too hastily and, in response to force from the outside. He said:

> The fact of a territory proclaiming its independence is a natural phenomenon in human society and, therefore, it is a hypothesis that is always admissible. But indeed no one can or ought to set a time limit for it. What is being subjected to timetables is the inconceivable politics of our time, which claims that states should set a time limit to destroy their unity and break up.

The Portuguese Ambassador to the United States, the Honorable Pedro Theotonio Pereira, stated the policy of his Government with regard to independence for Angola and Mozambique in an excellent speech before the Commonwealth Club of San Francisco last March. He said:

> I would like to remind you that we have never said that we oppose self-determination. We regard our great provinces of Africa as an integral part of Portugal, just as the United States regards Alaska and Hawaii as integral parts of the United States.
>
> We hope to develop these provinces, to raise the standard of living, and to use their rich resources in the interests of all. We are, however, determined that self-determination must be a process of political evolution from within and must rest in the hands of the people concerned and not with outside terrorists and agitators.
>
> What we bitterly resent and will oppose with all our strength is for outside violence to tear these provinces away from Portugal. What we protest is the cynicism which uses the cry of anticolonialism and the disguise of a nationalist movement to further racism and communism. We have fought the invaders and the murderers, and we will continue to fight them. If we lose, it is not our loss alone. All the West will lose with us.

It seems then to me that the Portuguese attitude is a sensible one and one which can be accepted by our own Government and by all fair-minded men. I need not remind you that Portugal has been an ally for a long time and that the country is a member of NATO, our principal defense against the Communists. Under Premier Salazar, Portugal has been stanchly anti-Communist. The Soviet Union has gone along enthusiastically at the U.N. with the resolutions aimed at Portugal. If we continue pressure against the Portuguese Government, it could fall and we could find ourselves confronted with a government along the lines of the Castro regime in Cuba.

Moreover, Portugal since 1943 has given us invaluable air bases in the Azores. These bases were turned over to us, free of charge, at a time when World War II was in doubt. They were invaluable then; they are invaluable now. The lease is up for renewal in 1962 and negotiations with regard to it now are going on. Understandably, the Portuguese are upset over our attitude toward them and are reluctant to renew the Azores lease if we continue to be hostile on the Angola and Mozambique questions.

It would seem in the interests of all concerned for Portugal to continue its work of developing Angola and Mozambique. Portugal has received little in the way of foreign aid from us since World War II, the total, aside from military aid under NATO, being less than $100 million. Premier Salazar did not ask for Marshall plan aid, stating that other countries needed it more than his country. If the aid is needed now to develop the provinces, some program should be worked out.

There is another reason for a better understanding between the United States and Portugal at this time. Many persons are concerned with the race feeling which is so manifest in Africa today. If the continent is to make any real progress, this progress must come from cooperation between the whites and other races, including the predominant Negro race. Otherwise, there will be chaos and deterioration, as is evident in many of the new states. The only way the Communists can take over will be through chaos which will necessitate order, if it even means a Communist dictatorship.

The Portuguese have an excellent record on the race question. Long ago, they dismissed skin color as a basis for exploitation and discrimination. If Angola and Mozambique develop as they should, they can furnish an example to the rest of the continent, an example which will be in the interests of Portugal, the United States, and the entire Western World.

I am hopeful then that the negotiations between the United States and Portugal, which are going on behind the scenes, will be concluded on terms satisfactory to both. If so, it will be a victory for freedom.

I realize the lateness of the hour, and I am grateful of the fact I have had so many Members of Congress who realize the position that we have taken in this Government with regard to the great nation of Portugal.

Mr. Speaker, I would like to have following my remarks the remarks of the Speaker of the House, JOHN McCORMACK, followed by Mr. MARTIN of Massachusetts, Mr. PHILBIN and Mr. BURKE of Massachusetts.

Mr. McCORMACK. Mr. Speaker, I am happy to have this opportunity to salute the friendship between the United States and Portugal, one of the 12 original members of the North Atlantic Treaty Organization and one of the closest friends of the American people in the struggle between the free world and atheistic communism. Portugal is the nearest point on continental Europe to America, and many Americans have enjoyed the hospitable and friendly welcome accorded to every visitor to this land of the explorers. Those who visit Portugal step back through centuries of history, admiring the castles and monuments which were built centuries ago when the Portuguese were discovering the sea routes that opened the world. In Portugal the traveler sees the ruins of ancient cities, one of the most beautiful capitals in the European Continent, the 11th century walled city of Obidos, and the famous fishing town of Nazaré. He is fascinated by the differing racial traits of a nation which became independent in 1147, nearly six and a half centuries before the founding of our own Republic.

Yet while the American in Portugal sees much that amazes him by virtue of its contrast with our own country, he is also conscious of the many ties of common interest which bind our two countries together. The United States is one of the main suppliers of oil, coal, steel, heavy industrial equipment, raw materials, and wheat, which constitute the predominant imports of Portugal. In World War I Portugal entered the conflict in 1916 on the side of the Allies, and its troops fought in France and Africa. In World War II Portugal rendered invaluable assistance to the Allies, by depriving the enemy of an excuse to invade the Iberian Peninsula and granting the Allies the use of strategic bases in the islands of the Azores. The use of such bases by the Americans and British barred the U-boat threat in mid-Atlantic and contributed to shortening the war. On the basis of a subsequent agreement, the American Air Force is still using facilities at the Portuguese airbases in the Atlantic, and these facilities today are of inestimable value in the struggle for the freedom of Berlin.

Many other examples of the ties of friendship and mutual appreciation which bind our two countries could be mentioned. Portugal is the world's largest producer of cork, an industry which has been known to the country since the 12th century, and the United States is now the principal importer of this material. But the ultimate proof of Portugal's faith in the principles of the United States, which have been the principles of Western civilization throughout the centuries—can be seen in Portugal's steadfast determination to oppose with unyielding vigor the continuing aggressive efforts of Soviet totalitarianism. Americans and Portuguese react instinctively and without hesitation to the Communist challenge, without illusions about the nature of the struggle but with undying faith that truth will ultimately prevail.

Thus our two peoples understand each other as only traditional allies can. We discuss matters of mutual interest in a spirit of friendship and with the firm knowledge that the challenge of communism must override all other considerations in determining the course of the free world.

Despite the historical differences between the two countries, it would be misleading to suggest that visitors from one land to the other find nothing to remind them of home. I need only suggest the fishing villages of my State of Massachusetts to remind you of the fascinations of the Portuguese coastline. The architecture of Portugal will not be totally alien to someone from our own West and Southwest. Thus in the common features of our two countries, as in the common heritage of our mutual adherence to Western traditions, Portugal and the United States can be thankful for the close ties which bind the two countries. I am indeed happy to reaffirm the historic friendship between the United States and Portugal on this occasion. It is a pleasure for me to note that Americans of Portuguese descent are among our most distinguished citizens.

Mr. MARTIN of Massachusetts. Mr. Speaker, in March of 1961, a band of outside terrorists suddenly invaded Portugal's West African colony of Angola and embarked on a foray of pillage, plunder, and rape. Liberal commentators depicted the invasion as an internal uprising on the part of native Angolans demanding immediate independence.

In the United Nations, a resolution was introduced immediately censuring Portugal for using armed forces to repress the Angolans and, in the same breath, calling for an investigation to determine whether there was any basis for the repression charges. This is a new twist to justice—to condemn someone for allegedly doing something at the exact time an investigation is ordered to determine whether the charges are true or false.

And in the United Nations, the United States voted for this strange condemnation-investigation resolution.

Furthermore, for more than a year we continued to side with the Communist bloc in every effort to compel Portugal to grant immediate independence to Angola. But while we were doing so, certain facts in the Angolan situation became clear.

For one, there was no substantial movement for immediate independence within Angola itself. Reporter after reporter who visited the colony came back to report that racial relations were better in Angola, probably, than in any other part of Africa and that the Portuguese were making a sincere effort to give the Angolans the greatest degree of self-government that they could handle. They told of Portugal's efforts to improve educational and other social opportunities for the Angolans, of the substantial sums being spent by Portugal to develop Angola's domestic economy.

Portuguese leaders say they will not oppose independence for Angola when and if its people are prepared to conduct their own stable government and if they want independence. But they also have made clear that they will oppose immediate independence in response to outside pressures, and that they will do all in their power to prevent the development of another Congo-like chaotic situation by premature independence for Angola.

Recently, our course in the U.N. has shifted and we have voted with Portugal on two colonial issues in U.N. committees. Perhaps this shift has been occasioned by the fact that we are currently negotiating with Portugal for renewal of the lease whereby we have been permitted since 1943 to operate vital airbases in Portugal's Azores Islands.

We need the bases. Portugal needs our support in the U.N. in connection with its colonial problems. Commonsense dictates that we should be helping each other, even apart from the shortsightedness of urging immediate independence for Angola when we know it could result only in the type of mass confusion that might well lead to a Communist takeover.

The Angolans and Portugal know they face renewed trouble, because the leader of the invasion forces, Holden Roberto, says proudly that he is training his forces at bases in the Congo loaned to him for that purpose by the Congolese Government.

The New York Times, on August 22 last, commented editorially that—

> If there is anything the Congolese central government of Premier Cyrille Adoula should not be doing at this moment it is to play host to the preparation of military adventures against other countries.

On August 25, the Bridgeport, Conn., Telegram discussed the Angolan situation in a carefully considered editorial and, under unanimous consent, I include it at this point in my remarks:

[From the Bridgeport (Conn.) Telegram, Aug. 25, 1962]

PRESSURE ON IBERIA

> There is more than meets the eye in the inordinate pressure being brought to bear on Portugal and Spain, the two countries of the Iberian Peninsula that have been stanch allies of the United States, and that have some of our biggest and most effective air and naval bases in Europe.
>
> Beginning in India's invasion of Goa, the pressure on Portugal has moved to her oversea provinces of Angola and Mozambique in Africa. Uprisings in Angola stirred by outside agitators have been followed by the establishment in the Congo of a training area for Angola rebels to carry on guerrilla warfare across the border.
>
> In Spain, the pressure have taken another form. Strikes, almost unknown in Generalissimo Francisco Franco's regime, have multipled recently. Bombs were even thrown into his home, while his family was away. The country is in a ferment.
>
> Both Premier Antonio de Oliveira Salazar of Portugal and Franco in Spain blame Communists for their troubles. Every indication is they are right. Communist agents are exploiting Angolans' nationalism and the Spaniards' natural desire for better living. What troubles Salazar most is that the West, and especially the United States, abandoned his cause in the United Nations. There, his representative says he will not let his African provinces become pawns in communism's drive for power in Africa, but will train them gradually for independence.
>
> The world has had a lesson in the Congo, where premature freedom begot civil war. We should benefit by it and help our Allies prepare their provinces for independence with responsibility, not for fratricide. Understanding of the problem will keep Africa for the black man, not make it an object of big-power rivalry and possible Communist domination.

Mr. PHILBIN. Mr. Speaker, I have long had great admiration for the Portuguese-American people. I am fortunate to have many people of Portuguese blood and descent living in my district. I have known them well over a period of years and there are certainly no finer people in this Nation or the world. I cherish their loyal friendship.

The Portuguese are a God-fearing, freedom-minded, home-loving people devoted to the principles of a democratic government and are strongly committed to our free way of life.

The Portuguese-American people in my district and in this Nation, like their forbears, have made great contributions at every level—in community, State and Nation. They have loyally served whenever the Nation has been in peril. The Portuguese-American people have also loyally and patriotically served the Nation in peacetime. They are honest, industrious, brilliant, loyal and trustworthy and this country is fortunate to have such a fine body of loyal citizens as our beloved Portuguese-American neighbors and friends.

Because of my high regard for the Portuguese-American people and my interest in the cause of freedom in the world, I have naturally been interested in Portugal and the problems arising from current controversies over Angola and other Portuguese colonies. We must be mindful at all times that, if our efforts to organize a great free society dedicated to justice and democracy in the world are to be successful, we must respect and live by the basic rule of law, which is an essential mark of Western civilization.

We must also recognize human rights, as well as the rights of the individual, and property rights. The three go together and are inseparable in any worthwhile, democratic government.

If we follow such a rule and such standards, we cannot approve exploitation of any kind, either of individuals or nations. We must fearlessly recognize and stand for the principles of self-determination, under which this great Nation of ours derived its precious rights of self-government. At the same time, we must remember the struggles and the vicissitudes of our early beginnings, the sacrifices that were made, the noble ideals that were expressed and embraced, the blood that was so unselfishly spilled, in order to make our freedom a reality.

In the modern world, there should be no need for nations, desiring to be free, to plunge into a blood bath in order to secure that great end. Mankind must be organized to promote the freedom of all peoples who seek it, and we should work toward the goal of a universal peace with justice and freedom, not only among nations but within nations, toward an end to revolution, bloodshed and carnage in the affairs of mankind, a recognition of the essential rights of men and women in the space age, where freedom should prevail, and where every person should be allowed to pursue his or her destiny without being visited with the tyranny of dictatorial government.

During recent years Angola, like other smaller governmental units, colonies and nations, has moved forward toward free institutions with increasing recognition of the rights of man. Understandably, every nation or colony so constituted has its problems in reconciling the demands of its people for complete independence with the difficulties of providing stability, law and order.

Where reforms have been pursued, as they have been to lift the level of the people as a whole and bring them more freedom and independence, these have been praiseworthy. Where additional reforms are proposed, as they are, which would still further elevate the standards of the people and permit them broader democratic expression and broader popular control, there is an equal and commendable gain for the cause of freedom in the world.

It is greatly to be hoped that the Portuguese Government will continue to move along the line of more enlightened popular government and humane feeling for the lowly, the poor, the oppressed and the underprivileged, and resolve to alleviate their misery and suffering wherever they exist, and advance the people to continually higher levels of subsistence, of social and economic advancement, and true representative government.

Since these are the professed, commendable aims of the Portuguese Government, it is for us today to hope that current policies and aims may be carried forward with resolution and efficiency, and that the day may soon dawn when the progress toward democratic institutions, prosperity, stability and justice, which are being sought, shall be realized.

If, in the modern world, we can secure free government by peaceful, evolutionary means, under reasonable conditions and within reasonable periods of time, certainly this should prove a boon, as well as a better means of securing these ends than insurrection, revolution, and bloodshed.

We should also, as Americans, remember that man is born free, but that in many places he is still in chains. It is the job of enlightened statesmanship in this day and age to move steadily toward higher levels of self-government and autonomy and general uplift and betterment, to stabilize conditions where men and women may have an opportunity peaceably to pursue their lives and careers under conditions of freedom and under institutions of justice, unthwarted by exploitation, greed, subjugation and oppression.

I hope that the current effort of the Portuguese Government along these lines will be fruitful, rewarding, and as speedily realized as conditions in the nation and the world permit. Our warm, historic and cherished friendship with the great nation of Portugal and its wonderful people will prompt us to cooperate with these ends.

It is a privilege for me to laud, to praise, and to thank my Portuguese-American friends and constituents, to assure them of my sympathetic understanding of the problems of their native land, and my desire to cooperate in every way within my power—consistent with my position—in the aims and aspirations and plans of the Portuguese people and their Government to bring better conditions and freedom to Angola.

I hope and pray that complete success may soon crown the efforts of those who are working for proper solutions to the problems of that land, which has such a promising future, once its energies and activities are wisely directed in the channels of freedom and justice.

I am thankful to my able and distinguished colleague, the gentleman from Massachusetts [Mr. O'NEILL], a great leader of the House, for arranging this appropriate, constructive, and I trust, fruitful discussion of a most important question.

Mr. BURKE of Massachusetts. Mr. Speaker, I am happy to endorse the statements made by the gentleman from Massachusetts, Congressman PHILIP J. PHILBIN. From all reports which have come to my attention up until March of 1961, Angola was a peaceful land with a record of economic and social progress comparable with the best of any area of continental Africa. What most of us should bear in mind is that economic and social advancement in Angola and Mozambique especially in Angola has been achieved principally within the past 25 years.

I have been advised that additional reforms have been inaugurated and are being put into operation by the Portuguese Government. These reforms are aimed, it is said, toward accelerating improvements in the economic and social conditions of all the inhabitants of Angola. But more particularly, the new reforms are declared to be directed toward securing educational and political opportunities for all these natives. We must bear in mind, however, the culture and geography of Africa itself. Angola is a vast and sparsely populated land with traditions of centuries to overcome. The migratory habits of some native tribes, and the indifference of many of the tribesmen toward industrial activity present tremendous problems.

I was pleased to note last spring the report of the International Labor Organization, an agency of the United Nations. The ILO, which investigated charges of forced labor in Angola and cleared the Portuguese of accusations of forced labor brought by another nation. Pointedly, the ILO said it accepted in good faith the reforms instituted by Portugal in August 1961.

Now a United Nations agency, the World Health Organization, is studying health conditions in Portuguese Angola and Mozambique to investigate charges relating to the sincerity and good faith of Portugal in preparing these two great African provinces for eventual self-determination.

If freedom or self-determination mean anything, they mean that people are able to determine for themselves what direction they wish to take. If the people of Angola, and I am here referring to the natives, are to indicate the direction they wish to take, they must take it with knowledge and understanding. Portugal aims to have them do this, and has so informed its friends and critics throughout the world.

Mr. Speaker, naked criticism and mere accusations against our old and traditional friend, Portugal, will not help out a troubled Africa. We certainly do not wish to see Angola turned into another area of war and chaos, and trust that wise, humane statesmanship will soon find proper solutions.

Mr. BATES. Mr. Speaker, will the gentleman yield?

Mr. O'NEILL. I yield to the gentleman from Massachusetts.

Mr. BATES. Mr. Speaker, since the end of World War II, the United States has consistently supported the aspirations of colonial peoples for complete independence even when such support brought us into direct conflict with our allies in the North Atlantic Treaty Organization.

This unwavering support of the policy of "anticolonialism," as it is known, has had considerable popular sympathy among the American people because of our love of independence and our traditional dislike for the exploitation of one people by another.

Unfortunately, the so-called policy of anticolonialism has been carried to such extremes within the United Nations that its excesses may cause incalculable harm. Recent developments have disclosed that leaders in the movement are perfectly willing to practice or condone colonialism providing the offending nation happens to be a member of their own group. And I am distressed to add that our Government has not only failed to protest this disregard of principle; it actually seems to have participated in helping promote colonialism.

Thus the Government of India overran the tiny Province of Goa, a Province of Portugal for centuries, in direct violation of its obligations under the United Nations Charter which provides serious penalties for those member states which employ war as an instrument of national policy. The United States failed to take a single serious step to uphold the charter.

The evidence seems to show that our Government is so fearful of criticism from leaders of the Afro-Asian bloc like Nehru of India, Sukarno of Indonesia, and Nkrumah of Ghana, that it is willing to endorse wrongdoing in order to avoid provoking them. On the other hand, our Government time and again has cast votes in the United Nations which offended Great Britain, France, Belgium, the Netherlands, and Portugal, our dependable partners in the never-ending struggle against Communist aggression.

The President of the United States, Mr. Kennedy, gave warning recently that the free nations are entering into a period of maximum peril because of Moscow's adamant refusal to sign a just treaty for the control of nuclear weapons. The mounting Soviet pressure on Berlin indicates that the Kremlin is risking nuclear war in its all-out effort to gain control of that city and then to win control of Germany, which happens to be the heart of the European Continent. And the Soviet Union has established a beachhead in Cuba, just off our shores and threatens us with war if we do anything about it.

In the light of the present world situation, I believe it is high time for our Government to revise its policies in the United Nations. From now on, American policy should not be predicated on the unreasoning demands of the Afro-Asian block but tailored to protect the vital interests of the United States.

If international events continue along their present course, there could be two results:

First. The United Nations could decline into impotency because of cynical neglect of the basic provisions of its own charter.

Second. The military position of the United States and its allies could be seriously weakened.

For those who question the foregoing, a glance at what is in prospect during the next few months should prove enlightening.

The United Nations General Assembly reconvened recently. Will this world organization take up the Soviet infiltration of Cuba which happens to be the most alarming threat to North and South America in our history? Perhaps the United Nations will ignore Cuba, but it is already busying itself with its program of conferring independence and "nationhood" upon backward peoples who are ill-prepared to assume the hazards and responsibilities of independent existence. Experts on the subject estimate that several new nations will be created fairly soon, all of which will need substantial economic aid from outside in order to survive.

Where no genuine independence movement exists, certain ringleaders of the Afro-Asian bloc often create one. A military campaign to bring war to the Portuguese province of Angola is now in preparation according to the New York Times. A camp to train the invaders, says this report, is operating on the soil of the Belgian Congo with the full approval of the Congolese Government.

The Government of Cyrille Adoula exists only by grace of the United Nations. The military invasion of a neighboring state, which the report says he is now helping to plan, is a direct violation of the Charter of the United Nations. The representatives of that organization should immediately warn Adoula that if he persists in this violation of the U.N. Charter, the consequences will be severe. Thus far the representatives of the United Nations have done no such thing and no one anticipates that they will.

If these articles are correct, the question of Angola probably will come before the United Nations just about the time the invasion from the Belgian Congo is scheduled to start. Any vote in the United Nations to approve or condone Adoula's action, which would be a violation of the basic principles of international law, will be an offense against justice.

Portugal is a member of the NATO alliance. In that role it has faithfully fulfilled all its obligations. The power of NATO is the main support of the United States against the menace of worldwide Communist aggression.

At this time, the United States is leasing an airbase from the Portuguese Government on the islands of the Azores, which are known as the crossroads of the world. Because our planes need this fueling stop for their longer runs, this airbase on the Azores is vital to our defense, especially now that many of our bases on north Africa have been lost. The military leaders of the United States, on whose judgment our safety depends, are strongly of the belief that the airbase on the Azores should be retained.

Last year and early this year, the representatives of the U.S. Government in the United Nations seemed to go out of their way to affront the Government of Portugal. Our Government supported a 1961 resolution which criticized Portugal for its alleged "repressive measures" in Angola, before the matter was really investigated, and then did nothing when India overran the Portuguese province of Goa in direct violation of its charter obligations. In other words, we denounced an ally before the facts are determined without reason and failed to give even moral support when it was unjustly attacked.

Negotiations for a new lease on the Azores base are underway. I sincerely hope that, in these negotiations, our representatives will consider that the security of the United States is paramount. I believe that in this time of maximum peril, the advice of our military leaders should be followed.

Two committee votes in the Special U.N. Committee on Colonialism indicate that we now are cooperating with Portugal. The cooperation must continue. We cannot expect the Government of Portugal to cooperate with us if we resume the hostile-to-Portugal course we followed in the United Nations last year.

The Government of Portugal has stated publicly that it will honor a genuine independence movement which has its roots among the people of Angola. But it will not yield to demands of terrorists from the Belgian Congo. We must consider the best interests of the United States as we weigh these problems.

Mr. SELDEN. Mr. Speaker, will the gentleman yield?

Mr. O'NEILL. I yield to the gentleman from Alabama.

Mr. SELDEN. Mr. Speaker, as chairman of the House Subcommittee on Inter-American Affairs, I am especially aware of the important historical and cultural links between the Western Hemisphere and Portugal.

No visitor to Brazil can come away from that great Latin American nation with anything but a profound awareness of its Portuguese culture and heritage. The Portuguese tradition has deep roots in our hemisphere. History notes that during one period of the Napoleonic Wars the seat of Portuguese government actually resided at Rio de Janeiro.

In modern times the bonds of friendship between our own country and Portugal have been strong, reinforced by Portuguese assistance to the American cause during World War II and the cold war.

Portugal first provided the Western Allies the use of the strategic Azores Islands for military and naval base operations in 1943, during a critical stage of World War II.

When Communist designs for world conquest made necessary the postwar formation of the North Atlantic Organization, Portugal was a key signatory to that agreement. Lisbon served as the site of early meetings concerning the formation of NATO, and the Azores base remains a vital element in overall plans for the defense of the Western World.

Portugal today is justifiably proud of its past, but the future of the Portuguese nation and people depends in large part on the policies pursued by the United States. This dependence is not of the kind measured in foreign aid funds, however. Although Portugal is not a rich nation, its share of U.S. economic aid has been relatively meager, totaling approximately $100 million since the end of World War II. At the time of the Marshall plan, Portugal actually refused aid on grounds that there were nations more in need of such economic assistance.

No, what Portugal desperately wants and needs at this critical juncture in its long history is the moral and political good will of its Western ally. Portugal's current problems in Africa have no easy solution. It would seem to be the better part of both fairness and sound foreign policy for the United States to approach these problems not with censure, but with understanding.

It is well known that in the event of the loss of Angola and Mozambique, or either of these Portuguese provinces in Africa, Portugal's political and economic stability will be severely tested. In all probability, the country would be ruled by chaos—a condition ripe for the emergence of a Portuguese-style Fidel Castro.

We cannot afford this risk to the security of the NATO alliance and our own country. For once the Communists find a foothold on the Iberian Peninsula, at the western tip of Europe, the whole structure of Western defense would be in danger of collapse.

But we must understand Portugal's African position not simply for our own country's self-interest or Portuguese self-interest. The interests of the African peoples of Angola and Mozambique are also at stake.

The posthaste elimination of Portuguese Government in those African areas, as has been demanded in some quarters, will inevitably lead to chaos and bloodshed more serious than what we have experienced in the Congo.

Let us then avoid the tragic mistakes of the recent past. If we are to spare the world a repetition of the Congo, we must recognize that Portugal's problems in Africa are also our problems. In the last analysis, failure to stand by our NATO ally in its time of need can only result in a victory for the Communists and enemies of the West.

Mr. O'NEILL. I am very grateful to the gentleman from Alabama, and I know that the entire House of Representatives is always grateful for the wonderful job that the gentleman does as chairman of that subcommittee which he is so ably handling.

Mr. KEITH. Mr. Speaker, will the gentleman yield?

Mr. O'NEILL. I am happy to yield to the gentleman.

Mr. KEITH. Mr. Speaker, I, too, appreciate the words of the previous speaker and the sentiment which he has expressed.

Mr. Speaker, I represent, as my colleagues know, the city of New Bedford and many towns in southeastern Massachusetts. There are within my district more than 35,000 Americans of Portuguese descent. They have strong ties to the land of their forefathers.

Thanks to the New Bedford Standard-Times my constituents have been able to follow, quite closely, the course of our country's conduct of its foreign affairs as it pertains to Portugal. Through its editorials and news columns this newspaper has reported faithfully and fully on the votes pertaining to Portugal which our Ambassador to the United Nations has cast. This editor has expressed concern on several occasions over our Government's failure to recognize the problems that confront Portugal. In particular the editor has reminded his readers of the value of our national interest of the island base, the Azores.

Not only the New Bedford Standard-Times but much of the Nation's press is now beginning to recognize that there is a close relationship between our votes in the United Nations and our defensive position on the European Continent. President Kennedy and his advisers consider the Berlin crisis as one of the most dangerous to confront this country since the Korean war. Many informed observers are convinced that the Soviet Government may sign a peace treaty with the Government of East Germany shortly after our own congressional elections. This event could be the signal for a mass assault on Allied rights of access to the city of Berlin.

The magnitude of this danger was emphasized last week when Secretary of Defense McNamara, after a quick visit to Berlin, stated publicly that the United States was prepared to use tactical nuclear weapons, if necessary, to defend its treaty rights in Berlin and Germany. In other words, in a few short weeks, the United States may have to meet face-to-face the most serious threat of war in its history.

In this situation, the preservation of our country must be the paramount consideration of national policy. If Russia deliberately provokes a military crisis over Berlin, then the capability of quick transport of military supplies and personnel to Europe may be vitally necessary to our safety. Under these conditions, it would appear wise for us to make sure that our officials in the United Nations recognize the essential nature of our base in the Azores. The Defense Department should be able to look upon this as an essential link in the defensive shield forged by the free nations as an offset to Soviet aggression.

Under normal circumstances, there would be no question about renewal of the lease for our airbase for which, incidentally the United States pays nothing to the Government of Portugal. However, the Government of Portugal is naturally somewhat concerned when our representatives in the United Nations vote quite consistently in favor of resolutions which sharply criticize the policies pursued by Portugal in relation to its provinces in Africa.

One resolution, which deeply wounded Portuguese feelings, condemned Portugal for its alleged "repressive tactics" in subduing an uprising in the Province of Angola. It is my understanding that subsequent investigation proved that this affair may not have been an authentic uprising of the native population but instead an invasion staged from the nearby Belgian Congo. The upshot of our policy in this instance is that the Government of Portugal, believing that it was unfairly criticized, is now in no hurry to renew the lease for the Azores base.

I believe that our policy toward Portugal and its African territories has been poorly conceived.

Although I am not, of course, intimately acquainted with the situation in Africa, much that I have read in the press and learned in the briefings I have had with high-ranking officials, leads me to conclude that we may have acted too hastily in supporting the U.N. resolutions on Angola and Mozambique, just as we acted too hastily in urging the Government of Belgium to withdraw from the Congo. It is now reported that another invasion force may be trained in the Belgian Congo, with the approval and help of the Congolese Government, and that this force could move out this fall for a second invasion of Angola. As in the case of the original invasion, this affair could be carefully timed to influence U.N. votes in New York.

Mr. Speaker, with Soviet Russia threatening to bring on a major war over Berlin, the free world should not support a policy which could transform the prosperous, orderly territory of Angola into another Belgian Congo. The Congo tragedy has already put a great strain on our national resources and the cost of another such incident could be unbearable.

Portugal is a faithful member of the NATO alliance and the Azores base is vitally necessary for the defense of Europe and North Africa. In this time of immense danger, the national safety must have a very high priority. Our Government should be moderate, calm and patient in whatever course we pursue in the United Nations and in Africa. We can't sustain many more Congos—nor can we afford to alienate old friends who still have much to contribute to the strength of the NATO alliance.

Mr. CONTE. Mr. Speaker, will the gentleman yield?

Mr. O'NEILL. I yield to the gentleman from Massachusetts.

Mr. CONTE. Mr. Speaker, every effort must be made to resume the close traditional friendship between Portugal and the United States. This friendship has been keen since the origin of the United States.

Portugal was one of the first countries to recognize formally the independence of the American colonies after America's war for independence, and immediately sent an official Ambassador. In addition, many American citizens today are of Portuguese extraction, and hundreds of Portuguese from Portugal's provinces around the world immigrate to the United States each year to become naturalized citizens. Many thousands of Portuguese-Americans live in the New England States, in New York and New Jersey, and in California.

Relations between the United States and Portugal have been somewhat strained since March 15, 1961, when the United States voted against Portugal in the Security Council of the United Nations on an issue involving the Portuguese province of Angola in West Africa. I have read the U.S. position as stated at that time. Our position—as opposed to our vote—was not unreasonable even though it was less than Portugal deemed just. The United States, however, cast its vote on a resolution that was not nearly so moderate as its stated position. Thus, in voting for the resolution of March 15, the United States placed itself in the position of condemning Portugal even though its actual attitude was not nearly so severe.

When India invaded Goa, our mutual friendship deteriorated further.

The fact that Portugal is our host in the important military base in the Azores accentuates the need for improved and continued friendly relations between the United States and Portugal. Since the Secretary of State returned from his visit to Portugal in June, there have been indications that an avenue exists for mending the differences. Statements by Premier Salazar in the interview published in the July 9 issue of U.S. News & World Report, disclose that Portugal does not oppose eventual independence of Angola, if the Angolans wish it. Portugal's Ambassador to the United States has said publicly that his country has never opposed self-determination for

Angola, but is determined that "self-determination must be a process of political evolution from within and must rest in the hands of the people concerned and not with outside terrorists and agitators."

In my opinion, much of the misunderstanding that exists among some people in the United States is based on erroneous reports and false rumors spread by zealots and propagandists who care little about either the truth or the desirability of maintaining alliance with a NATO country with a stanch anti-Communist history. Reports of American correspondents during the last year disclose that the Portuguese have been acting in good faith to improve conditions in its African provinces.

In fact, Portugal appears to be rapidly meeting the suggestions advanced by the American U.N. Ambassador as they relate to Portuguese Africa. Important reforms were introduced there in August of 1961; the International Labor Organization, after its investigation of charges of forced labor in Angola and Mozambique last spring, stated it accepted the good faith of Portugal in carrying out these reforms. The ILO also cleared the Portuguese of these charges of forced labor. At the present time, another United Nations agency, the World Health Organization, is studying health conditions and health services in Portuguese Africa. The fact that two United Nations Organizations have been invited into the African provinces to study conditions there further illustrates Portugal's earnestness. This is especially true in view of the harsh treatment of Portugal in the General Assembly during the past year.

Probably most important of all is the multiracial society that exists in Angola and Mozambique as a result of official Portuguese policy and practice. Africa today is seething with race hatred. It is a tinderbox that could inflame into a horrible racial war. There are examples of extreme racial hatred in Algeria, in Kenya, in Rhodesia, in South Africa, and in the former Belgian Congo. In Portuguese Africa, however, I am told that intense racial feeling is absent. If the multiracial society is nurtured where it has such an excellent beginning, it is suggested the route for harmonious racial relations may be mapped for all of Africa. With understanding, the United States could well assist the expansion of this multiracial harmony.

Thus it seems to me, in analyzing statements and actions of the United States and Portugal, there is primarily misunderstanding brought about by those who have much to gain through unrest, by unofficial and irresponsible statements originated by extremists.

Therefore, if reforms are being carried out by the Portuguese, in view of the statements by Premier Salazar and by the Portuguese Ambassador to the United States, then we are on the road to solving any differences between our two countries.

A way must be found to avoid an explosion of this tinderbox, and it seems to me that one possibility in Africa is to build on the success of the Portuguese in pursuing a multiracial practice.

Mr. O'NEILL. I am grateful to the gentleman from Massachusetts.

Mr. BEERMANN. Mr. Speaker, will the gentleman yield?

Mr. O'NEILL. I yield to the gentleman.

Mr. BEERMANN. Mr. Speaker, I commend my colleagues on this discussion today. It is my hope that the United Nations and the United States, especially the State Department, will profit by this discussion.

Mr. Speaker, Cyrille Adoula, who has U.S. backing as ruler of the Belgian Congo, has done a most extraordinary thing. He has permitted the establishment on Congo soil of a military camp for Angolan rebels. The establishment is about 100 miles from the northern border of Angola according to newspaper reports. The camp reportedly is supervised by Angolans recently returned from Tunisia, where they were trained by the Algerian Nationalist Army in the use of plastics and other explosives.

The Portuguese authorities in Angola say the United Nations must bear a heavy responsibility for this action by Adoula. This is true, and our own Government must bear a part of this responsibility. It is well known that Adoula, despite U.N. backing and U.S. backing, has never been able to establish a stable government in the Congo. He is running a heavy deficit. His economy is deteriorating rapidly. He and his ministers are living on a lavish scale while the masses are finding it more and more difficult to exist.

Despite the armed support of the U.N., and indeed the support of the United States, Adoula has been unable to force Katanga Province, the one stable part of the Congo, to acknowledge his ascendancy.

Moreover, the Congo operations have bankrupted the U.N. We have just voted $100 million to bail out the organization which is supposed to keep world peace. Even with the $100 million, the U.N. is still in trouble, and must pull out of the Congo if it is not to run a perpetual deficit, a deficit which the United States will be asked to underwrite.

Mr. Speaker, I would like to point out also that Algeria thus far has not been able to establish a stable and orderly government. This new country is in such a plight that a change in allegiance of one or two bickering military leaders will upset what little order has been established in the past few weeks.

We find, then, Algeria and the former Belgian Congo, who are unable to govern themselves, conspiring to train an army to invade Angola. This action certainly is contrary to the charter of the United Nations, which is holding the Congo together with our taxpayers' dollars. In effect, we are footing most of the bill developing an army to throw the Portuguese out of Angola.

We seemed to ignore completely, for many months, that Portugal is a friendly nation and a member of NATO, the defense of the West against Communist aggression. We seemed to ignore completely the lesson taught by the Congo, which is that chaos follows independence for an area not ready for it. We seemed to have lost all sense of direction and to be trying to commit suicide.

Mr. Speaker, no wonder the Russians are laughing at us. We seem to be engaged in a campaign of self-destruction. We draw back in the face of aggression in Cuba, Berlin, and Laos. At the same time we are cooperating with the Soviets in their efforts to tear Africa apart, the prerequisite to a Communist takeover.

Under such circumstances, is it any wonder that the U.N. is meeting more and more opposition?

Why placate our enemies and attack our friends? Why should we pursue a policy which will ultimately destroy Portugal, our ally? This makes no sense. It is a foolish policy and the sooner it is reversed, the better.

Mr. MORSE. Mr. Speaker, will the gentleman yield?

Mr. O'NEILL. I yield to the gentleman from Massachusetts.

Mr. MORSE. Mr. Speaker, first let me commend my distinguished colleague from Massachusetts [Mr. O'NEILL] for his initiative in bringing this matter to the attention of the House. As he said, in August of 1961 the Portuguese Government announced a series of reforms for all of their territories around the world and full political rights were extended to the natives of Angola, Mozambique, and Guinea, the African provinces of Portugal. Affairs were placed in local hands in these areas and, at the same time, the number of representatives from Angola to the National Assembly in Lisbon was increased from three to seven. Citizenship was extended to all persons regardless of race in all of the provinces. Also, citizens were accorded the right to vote on the very same basis as residents of European Portugal.

I was gratified by this action, as were my friends of Portuguese extraction in Massachusetts. The real test of these new reforms is in their application. According to the reports that I have been reading in the newspapers during the past year, Portugal has been rapidly making these reforms. Relations between our country and Portugal have been strained in recent months or so, and officials charged with the conduct of our foreign relations ought to take note of these developments in the conduct of our affairs with the Portuguese in the months ahead.

I thank the gentleman.

Mr. WILSON of California. Mr. Speaker, for more than 180 years Portugal has been one of the stanch friends of the United States. When our forefathers fought for and won their independence back in the 18th century, Portugal was one of the first countries to recognize the United States as a free nation and send its Ambassador. Many Portugese people have migrated here and we have thousands upon thousands of splendid American citizens of Portuguese descent. We have substantial Portuguese descent colonies scattered throughout the United States, including an outstanding group in California's San Diego County district which I have the honor to represent in the House. These people have earned an admirable and justified reputation as conscientious, hardworking, and law-abiding citizens.

The Portuguese Government in recent years similarly has been our firm friend and ally in the worldwide struggle against Communist expansion and aggression. It remained officially neutral during World War II for internal reasons of its own, but in the midst of the war, in 1943, it granted the United States the right to establish and use airbases in its Azores Islands; they were of inestimable value in our battle against Hitlerism. Portugal has continued to let us use and develop those bases throughout the cold war, and they now constitute a vital link in our worldwide air defense network. Furthermore, Portugal has done everything it could to keep Communist influences out of its own territory and to prevent the spread of communism anywhere.

But there are times when the United States finds strange ways of maintaining international friendships and expressing its appreciation for helpful acts of friendship from other coutries. Last year, it came forth with a most peculiar way of reciprocating for Portugal's long and proven friendship. The occasion arose with United Nations consideration of the situation in Angola, Portugal's West African colony which in March 1961 was invaded from the Congo by a force of Communist-oriented terrorists.

When the Angolan issue arose in the U.N., our foreign policymakers obviously had not learned the patent lesson of the sad Congo experience—that colonial peoples must be prepared to assume the responsibilities that are a part of independence, if chaos is to be avoided. Angola is no more prepared for independence now than the Congo.

Logic, to say nothing of available evidence, would have dictated that we come to the defense of our longtime friend when the Angolan issue came up in the U.N. That, however, was not the logic of our foreign policymakers in 1961. We sided with the Communist bloc and voted in favor of a resolution calling for a U.N. inquiry into the situation in Angola. Not only that, but the same resolution condemned Portugal for "repressing" the Angolan natives by using its armed forces to repel the outside terrorists.

This was bad enough in itself, to condemn a country on the basis of unsubstantiated charges and in the same resolution to provide for an inquiry to determine whether there was any basis for the charges. But the policy continued in effect, and we have in various ways continued to exert pressure on Portugal to get out of Angola. We give no weight to the fact that the Portuguese have undertaken strenuous steps to prepare the Angolans for ultimate independence if they want it, and to give them the capability of fulfilling the responsibilities that go with independence.

This policy, of course, has been carried out by one hand of our New Frontier diplomacy. The other hand now is negotiating with Portugal for renewal of the Azores air bases lease.

Portugal has let us operate our bases in the Azores since 1943 without any rental cost. Before the Angolan situation arose, extension of the lease giving us the right to use the bases was accepted generally as a matter of course.

Not now. Now the lease extension is a subject of bitter and heated negotiations. Whether there will be an extension is a serious question. I do not see how it could be otherwise, under the circumstances, or how anyone could be surprised that the Portuguese have gotten their backs up on the issue.

There are indications now, in recent U.N. committee actions, that our diplomats finally have awakened to the damage they did by their previous independence-now attitude toward Angola. They are some 18 months late in the awakening, but perhaps the worst of the damage to our traditional mutual friendship with Portugal can be repaired.

The friendship between Portugal and the United States has been mutually beneficial since we achieved our independence. Today, we need Portugal's active help in the battle against communism, we need to be able to continue using our air bases in its Azores Islands. Portugal needs our help in her sincere effort to peaceably span the transition away from colonialism.

We not only can but should be helping each other.

Mr. TUPPER. Mr. Speaker, I think the overwhelming majority of Americans are agreed in supporting the principle of self-determination for colonial peoples. No one could support this principle, and the efforts of the United Nations to put it in effect, more strongly than I do.

But the principle can be distorted and carried to illogical and unwise extremes.

For one thing, a colonial people must be prepared and able to govern themselves before they are proclaimed independent and thrown to the wolves of international power diplomacy. If they are not so prepared and capable, the result can only be chaos and the extreme likelihood of a Communist takeover of a nation which, if it had been properly prepared, probably would have been freely pro-Western. This is a lesson we should have learned from the unhappy Congo experience but which some of our foreign policy planners appear not to have learned.

I refer specifically, Mr. Speaker, to our official attitude in the United Nations toward the question of independence now for Angola, the Portuguese province in west Africa.

There is no evidence of Portuguese oppression or brutality toward the Angolan people. There is every evidence that the Angolan people are not yet ready for independence, any more than were the Congolese; that there is no real movement among the Angolan people themselves for independence now; and that Portugal is making sincere effort to improve the lot of the Angolans and to prepare them for ultimate independence if they want it.

There is no reason to believe that independence now for Angola would result in anything other than more of the same type of disordered chaos that has engulfed the Congo. There is no reason to believe the U.N. itself would be capable of maintaining order and establishing a stable government in Angola any more than it has in the Congo.

Yet we voted to condemn Portugal for defending its province against terrorists who invaded Angola from the Belgian Congo in March 1961. We voted for a U.N. inquiry into the situation in Angola, and in the same resolution condemned the Portuguese for "repressing" the natives—even though the inquiry had not yet been made. And all of this despite the fact that there was overwhelming evidence that the invasion of Angola was engineered and conducted by outside, paid agitators and terrorists.

But what makes this situation truly appalling is the further fact that our ill-advised Angolan policy has alienated an important and highly valuable NATO ally, Portugal. It did so at the exact time when we were preparing to negotiate with Portugal for renewal of the lease covering our bases in Portugal's Azores Islands.

Portugal has let the United States operate airbases in the Azores since 1943 without cost. The bases were a major cog in our successful prosecution of the war against Hitlerism. Today they are a vital link in our anti-Communist defense system.

Until the United States began voting against Portugal in the councils of the United Nations, there never had been any question but that the leases for our use of these vital Azores bases would be renewed. Today there is grave question, and negotiations for the hoped-for lease renewal are of extremely hard-nosed character.

Certainly no one could blame Portugal for stiffening its attitude on continuing to permit us to use these bases. Portugal wants to continue as our stanch ally in the worldwide struggle against communism. But diplomacy, like other facets of life, is a two-way street. Portugal expects us to help her if she is to continue helping us. Portugal sees no sense in permitting us to use her territory to help our military defenses against Communist aggression, if we, in return, side with the Communist bloc by condemning her in the U.N. and seeking to open up her Angolan province to outside aggression and a likely pro-Communist government.

Mr. Speaker, Portugal and its people traditionally have been friends of the United States. Portugal is stanch in its anticommunism. Furthermore, from Premier Salazar on down, the attitude of Portuguese leaders is that they are agreeable to independence for Angola when the Angolans want it and are ready to fulfill the responsibilities that go with independence. The Portuguese are doing their best to prepare the Angolans for that day, which admittedly has not yet arrived. The Portuguese, however, will not go along with so-called independence imposed from the outside.

We should be cooperating with Portugal rather than fighting it diplomatically. We should be helping it to prepare the Angolan people for eventual independence, rather than demanding their independence now when they are not prepared for it. We should be seeking to prolong the amicable relations we formerly enjoyed with Portugal so that renewal of our Azores bases lease again would be a mere formality, instead of a matter of bitter negotiations.

Just recently, we have voted on Portugal's side on two U.N. committee questions. I hope we will continue doing so. I hope our foreign policy planners have seen the error of their ways and that our relations with our long-time friend and ally, Portugal, can revert to their previously amicable, mutually advantageous state.

Mr. BOLAND. Mr. Speaker, my good friend and colleague from Massachusetts, Congressman O'NEILL, has obtained a unanimous consent order so that Members of the House can join with him in discussing the friendly and most cordial relations that have existed between Portugal and the United States. I want to be associated with Congressman O'NEILL, our distinguished Speaker, the Honorable JOHN W. MCCORMACK, our beloved former Speaker JOSEPH W. MARTIN and other members of the Massachusetts delegation, in this deserving tribute to Portugal, the Portuguese people, and the hundreds of thousands of good Portuguese-American citizens of the United States, many of whom live in my Second Congressional District.

Among the traditional allies of the United States and friends of the American people, none is more steadfast in its determination to uphold the common values of Western civilization than is Portugal. Americans have long known Portugal as the land of explorers, the country of magnificent architecture, ancient churches, and charming fishing villages. In recent years, the bonds between our two countries have been strengthened by the dangers of international communism. The similar reaction of the United States and Portugal to the Soviet threat provides dramatic evidence of the depth of our friendship and the similarity of our views toward alien ideologies.

Mr. Speaker, Portugal was one of the original members of the North Atlantic Treaty Organization. We have benefited from the use of Portuguese bases in the Azores Islands, whose strategic importance is demonstrated even today as an intermediate resting point for American servicemen on their way to defend the free world in Berlin. But our military bases in the Azores merely symbolize the spirit which binds Portugal and the United States in the firm bonds of friendship—the spirit which is founded on unyielding determination to defend the Western World.

Mr. Speaker, I would like at this time to call to the attention of my colleagues my remarks that appeared in the daily CONGRESSIONAL RECORD on page A4469, June 15, 1961, under the title "Resolution Urging Continued Sympathetic and Cooperative Relationship Between the United States and Portugal." This resolution was adopted by the Portuguese-American Citizens of Western Massachusetts urging continued friendly, sympathetic and cooperative relationship between the United States of America and the Government of Portugal. The resolution was forwarded by Julio Almeida of the Portuguese-American Citizens of Western Massachusetts to President John F. Kennedy, Secretary of State Dean Rusk, and U.S. Ambassador Adlai Stevenson to the United Nations.

As I stated before, many of the good American citizens of Portuguese descent live in Ludlow, Chicopee Falls, and the Indian Orchard section of Springfield in my congressional district. These people recently opened the New England Luso-American Cultural Center and the Springfield Daily News described it as "an ambitious undertaking." Two of the prime backers of the center for teaching of the Portuguese language are Rev. Manuel Rocha, pastor of Our Lady of Fatima Church in Ludlow, and Julio Almeida, president of the Lusitania Institute, Inc.

Mr. Speaker, I am sure my colleagues will be interested in the story of this New England Luso-American Cultural Center, so I asked unanimous consent that the Springfield Daily News article published September 24, 1962, be printed at this point with my remarks:

WILL TEACH PORTUGUESE: ONE OF THE CRITICAL LANGUAGES—NEW ENGLAND LUSO-AMERICAN CULTURAL CENTER, AN AMBITIOUS UNDERTAKING IN LUDLOW

The New England Luso-American Cultural Center—an ambitious undertaking which may one day result in establishment of a community college in Ludlow—is now operating in that town, as yet in the fledgling stage but with its eyes on the future.

Its chief aim: The teaching of Portuguese, tabbed by the U.S. Department of Education as "one of the critical languages."

Some 60 to 70 million people in turbulent South America, alone, speak this vital language. But very few people in this country understand it. And worse, very few places in the United States endeavor to teach it. Most of the Portuguese speaking people in South America live in Brazil, one of the pivotal countries of that continent.

Just started on the road to its ultimate goal, the center is now operating out of one room in Ludlow High School where five adults, including two Ludlow schoolteachers, a bank official and a Westover Air Force Base officer, are learning Portuguese. But it has plans for construction of its own building eventually on Winsor Street between Our Lady of Fatima Church and Lusitanio Field, near the Ludlow Country Club.

PROSPECTUS TO BE SENT

How far and how fast the center will progress will be known later this year. A prospectus explaining its aims will be mailed out the middle of next month to 1,000 companies in the import-export business which deal with the countries of Portugal and Brazil, according to Rev. Manuel Rocha, pastor of Our Lady of Fatima Church in Ludlow, and one of the prime backers of the center.

Construction of a building, he said, "depends on the demand of the import-export people."

"The reaction of these people will tell us how fast we can go." Father Rocha, with his nephew, Manuel da Silva, and Rev. Antonino Tavares, who assists him at the church on weekends, are instructing the pilot class in Portuguese at the high school. Both Father Rocha and Father Tavares, now studying at the Rhode Island School of Design, hold doctorates.

Superintendent of Schools Dr. Henry F. Trainor says the program is "off to a fairly good start," with the language laboratory at the high school being utilized 3 nights a week for instruction in Portuguese. Dr. Trainor says the program is still in the experimental stages, but he sees it as "the beginnings of a community college for the spread of Portuguese culture."

GREAT NEED EXISTS

According to James R. Power, senior supervisor in modern foreign languages of the State department of education, there is a great need for understanding of the Portuguese language.

"There are so many millions in South America who speak Portuguese," he said, "we need people in this country who can speak it and understand it."

Massachusetts, he says, can play a special role in the spreading of Portuguese because it is one of only two States (Rhode Island is the other) which offer Portuguese in its secondary schools.

"Relatively few sections of the country have the resources that Massachusetts has," he added, "for spreading the Portuguese language."

He cited the teaching of Portuguese in the secondary schools and the existence of Portuguese-American communities in Ludlow and other places like New Bedford. Not much instruction in the language is offered on the college level, he added, although the University of Massachusetts has started it this year. The University of Wisconsin and New York University, he said, also teach the language.

The teaching of Portuguese at the Luso-American Center, however, will eventually be centered on the accelerated method as advocated by Prof. Ernest Boulay, chairman of the department of English for foreign students at St. Michael's College in Vermont, who aided in establishment of the center after being visited by Julio Almeida, president of the Lusitania Institute, the nonprofit corporation which founded the center.

According to Father Rocha, the center will offer Portuguese to whoever wants to learn it. When the program is fully established in its own building, it will be offered under the speed system of 8 hours a day for a month. "When you leave here," he promised, "you'll know Portuguese fluently."

CULTURAL CENTER

The Luso-American Center will also serve as a Portuguese cultural center containing a permanent exhibition of Portuguese art and other displays. It is also planned to have speakers from the Portuguese and Brazilian Embassies, which cooperated in establishment of the center, appear at events in the future.

The formal opening of the New England Luso-American Cultural Center was held on the night of the 12th with ceremonies at Our Lady of Fatima Chuch hall. It was a big night for the backers of the project, who had been working on the idea since 1958.

Present with Father Rocha were Dr. Andre Guimaraes, representing the Ambassador of Brazil; Minister Henrique Da Silva Martins, representing the Ambassador from Portugal; Asdrubal Ulisseia, the Brazilian consul in Boston; Comdr. Jose Cabral, director of the Casa De Portugal in New York City; Mrs. Mary De Freitas Treen, secretary to Adlai Stevenson and former secretary to Dean Rusk, who has been teaching Portuguese in New York for the past 20 years; Superintendent of Schools Dr. Trainor, Professor Boulay, Mr. Almeida and Speaker of the House John F. Thompson.

Greeting were read from Prof. Manuel Lopes De Almeida, secretary for national education in Portugal, who expressed his faith in the center and said, "I believe in the significance and valor of its foundation for the worthy spirit of Luso-American understanding."

In his talk, Minister Martins perhaps best expressed the sentiments of the group when he said, in part: "My compliments and hearty congratulations go out to all of those whose devoted effort have made this day possible. You have reached a goal that is the culmination of hard and unselfish work and the fulfillment of high ideals—a goal which is an enormous contribution to our culture and to the State of Massachusetts. This admirable example should and must be followed by other Luso-American communities throughout the United States, as another means of attaining a better understanding between our peoples."

NECESSITY IMPERATIVE

Dr. Martins also pointed out that "the importance of knowing more than one language has long been an established fact throughout the world. In this age when the earth can be spanned in a matter of hours, that necessity becomes imperative. We must therefore applaud the members of the Lusitania Institute for having taken the initiative and carried forth such a valuable program of linguistic interchanges."

It was in 1958 that the Portuguese Embassy in Washington followed a suggestion presented by Luso-Americans from Ludlow and proposed the foundation of the Lusitania Institute to the Government of Portugal. The proposal was accepted and encouraged by the donation of funds for acquisition of land for construction of the proposed headquarters.

Forming the nonprofit Lusitania Institute, Inc., were Mr. Almeida, Raphael Rodrigues, Manuel Moutinho, Jr., Justiniano Silva, Alberto M. Sousa, Manuel Moutinho, Manuel R. da Silva, Joseph Dias, Jr., Joaquin Palatino, Joseph Moreira and V. Jean Deponte. The group was granted a charter by the secretary of state's office November 28, 1958.

Construction of the center on its 7-acre site is still in the future, but its backers are hopeful. They've come a long way already.

IS THIS A NEW TYPE OF JUSTICE?

The SPEAKER pro tempore. Under previous order of the House, the gentleman from West Virginia [Mr. MOORE] is recognized for 60 minutes.

Mr. MOORE. Mr. Speaker, on September 19, 1962, I brought to the attention of this House certain facts which led us to question the fairness and impartiality of the Federal prosecutor's office today. These facts related to whipsawing tactics presently being carried on by the Office of the Attorney General of the United States.

As will be recalled, Robert E. McCarthy, Jr., and others were under indictment in the southern district of Florida. The action had been pending for over a year and a half and the indictment was being actively pressed by the Department of Justice—so much so, that on June 25, 1962, the Government announced to the Florida court that it was ready for trial and presented an agenda of subjects to be taken up in a pretrial conference. In response to this and other maneuvers by the Justice Department, counsel for defendants in the Florida case expended thousands of dollars and man-hours preparing for trial.

In the meantime, a second indictment had been filed in the middle district of Tennessee against the same parties. This indictment remained dormant, however, while the Florida action was being pushed.

Then, out of the blue, the wheels of justice began to turn in a different direction. On August 1 of this year, without warning and for reasons which have never been made clear, the Federal prosecutors began to play every trick in the book to bury the Florida action and push the Tennessee case. The most well conceived strategic plans of a military general could not have been executed in a more precise and cunning manner, the only difference being that the attack was not being directed against an enemy organization. Instead, this devious type of action was being executed against our own citizens by the legal system of a nation which prides itself on the equality and equity of its justice. Whether we care for the parties involved is immaterial to the issues involved. In fact, if it were considered material, it should induce in the office of prosecutor the desire and determination to strive for fairness and impartiality, for the value of a country's legal system is only as great as the protection given and integrity shown to the most disliked defendant. The Dreyfus case in France, the German mock trials under Hitler, and the Soviet facade of justice have certainly shown this.

Yet, here we are today faced with, at least, a trace of justice manipulated and of justice traversed. As originally agreed to, the Florida case was scheduled for trial on October 15, 1962. This was not a tentative trial date, which was expected to be postponed, as so frequently occurs in major trials. This was a definite date agreed upon by counsel for all parties concerned and which the trial judge had every reason to enforce.

In the meantime, something occurred which led the Department of Justice to fear going to trial in Florida and prefer advancing the trial date in Tennessee. The reason is not known, but whatever it is, the Federal attorneys appeared before the district judge in Tennessee on August 1 to urge him to advance the trial date in the action before him. At that time, the Tennessee court had withheld the advancement of the case before it until the Florida case had been completed. During their appearance the prosecutor requested that the Tennessee case be scheduled for September 17, indicating that the Florida case would be put aside because the creation of a new judicial district in Florida would negate the October 15 trial date there. Now, I will not take the time to explain again the technical rigmarole which was used by the Department of Justice to cause the Florida case to be postponed. Suffice it to say, that the creation of a new judicial district is not intended to cause any delay in the administration of justice. Section 3240 of title 28, United States Code, makes this perfectly clear. In spite of this, however, the chief judge in the southern district of Florida entered an order on August 6, without the knowledge or approval of the defendants, removing the case from the trial docket. Not only is this unfair, it is directly at odds with the intent and purpose of our judicial code.

Then, on August 8, when the hearing came on before the Tennessee court—pursuant to the request of August 1—to set a trial date, the Justice Department notified the court that the Florida court had removed the case there from the trial docket. This information came like a blow on the head to defendants since they had not until that moment learned of the court's order in Florida and since they had devoted so much time, money, and effort to prepare for the Florida action. Nevertheless, the attorneys for the Justice Department pushed their request for an early trial in Tennessee. Reluctantly, the district judge in Tennessee agreed to the request and set the case down for trial on October 22, 1962. Upon expressions of anxiousness by defendants, however, the judge agreed that he would not insist upon the October 22 trial date if defendants could get the Florida court to redocket that case for trial prior to October 22.

Pursuant to this understanding, defendants filed a motion on September 10 with the Florida court urging that the case be redocketed prior to October 22. To show their good faith, defendants went so far as to state that they would waive any questions of law that might arise concerning the redistricting problem and abide completely by any scheme of action devised by the court on this matter.

This motion and this sincere request by defendants to receive their day in court, after having spent so long in preparation, has so far met without success. The wheels of justice apparently are continuing to move in reverse. For, in response to defendants' request the Department of Justice brought in an affidavit from the physician of defendant Robert McCarthy which indicated that Mr. McCarthy had suffered a heart attack and was in no condition to stand trial during the month of October. This solicitous feeling by the Federal prosecutor is most heartwarming and must command the hearty respect of us all—particularly so the citizens of the country who may one day find themselves in the grasp of the Department of Justice. This may well be the first time in history, in fact, whereby a prosecutor himself has volunteered an affidavit demonstrating that a defendant is ill and therefore should not be forced to trial.

This noble appearance of the warmhearted and kind prosecutor suffers from a few minor imperfections, however. That is, that the defendant, Robert McCarthy, believed himself ready and able to stand trial, desired to stand trial, and had given his physician absolutely no authorization to prepare such an affidavit. Moreover, the physician's affidavit was dated August 17 and related to a slight heart attack that Mr. McCarthy suffered on August 6, while it must be remembered that the Federal prosecutors filed their motion on August 1 in the Tennessee court asking for a trial date and that the Florida court removed the case from its docket by August 6.

In addition, the prosecutors contended that the Florida redistricting problem furnished an impelling reason for delaying the Florida action although we have previously seen that defendants agreed to abide by any plan the Florida court devised to overcome any such problem and that the United States Code specifically commands that orderly trial process continue even where redistricting is underway.

This, then, is the divisive, if not devious, way that the law enforcement network of our country is presently being administered. What the eventual outcome will be, I am reluctant to state. But, God help us if the rights of all of our citizens are trampled upon in the manner that these citizens have experienced.

This is not the end of the story, unfortunately. For, as much as I regret to say, the legislative arm of Government has also been sucked into this quagmire in a regrettable manner.

On March 6 of this year, in response to subpenas by defendants in the Florida case, the Senate Committee on Government Operations and the Senate Committee on the Judiciary introduced and had passed resolutions, Senate Resolution 306 and Senate Resolution 307 which prohibited members, or staff, of the committees from testifying or furnishing documents obtained in the course of hearings, relating to any matters pertaining to the trial. These committees, of course, had every right under the rules of the other body, to request such resolutions and the other body was in its right to enact such resolutions. The result of such enactment, however, had the unmistakable effect of impeding, if not seriously damaging, the ability of defendants to clear their names in the Florida action.

In striking contrast, however, on September 25, the Committee on Government Operations of the other body reported and the other body enacted Senate Resolution 405 which authorized the chairman of that committee and staff employees to testify and hand over committee documents, obtained through hearings of that committee, in support of the Federal prosecution in the Tennessee case. Again, I emphasize this is the perfect right of the other body.

Does this mean, however, that the legislative arm of this Nation has permitted itself to become enmeshed in the nefarious dealings of the Department of Justice? I certainly hope not. The fact that the Department of Justice may resort to every trick and scheme to sidetrack the Florida trial in preference to the Tennessee trial, and the fact that this may have been done because testimony before a committee of Congress may appear to be more favorable in the former over the latter, is no reason in my opinion for a body of Congress itself to be used in such a manner. For let us hope and let us pray that if the time should come when justice is partial and law enforcement misguided that the elected representatives of the people will be in a position and ever ready to step in to preserve the most cherished and precious possession of civilized society—equality and fairness of justice.

Mr. CUNNINGHAM. Mr. Speaker, will the gentleman yield?

Mr. MOORE. I yield to the gentleman from Nebraska.

Mr. CUNNINGHAM. Mr. Speaker, I compliment the gentleman on the study that he has given this important problem. I support his position on this matter. I hope that through this forum here in the House of Representatives we can alert the people throughout the United States to the threat that is being posed upon a certain segment of our community.

Mr. MOORE. Mr. Speaker, since the events surrounding the steel episode, and events related here on the floor this afternoon with respect to the case of General Walker, and events surrounding the actions of the Attorney General in certain cases pending before the courts in Tennessee and Florida, I think it is time that we asked the question, whether or not we are being treated to a new type of justice in this Nation of ours.

MEDICARE UNDER SOCIAL SECURITY

The SPEAKER pro tempore. Under previous order of the House, the gentleman from New York [Mr. HALPERN] is recognized for 15 minutes.

Mr. HALPERN. Mr. Speaker, one of the darkest spots on the record of the 87th Congress, I regret to say, is its failure to enact legislation to grant health insurance to the aged. The need for such legislation rests upon several undeniable facts:

First, the aged require more medical care than do the rest of the population;

Second, the aged have smaller money incomes than any other adult age group;

Third, medical care costs have increased more than any other component of the Consumer Price Index; and

Fourth, the problem of medical care for the aged is of national dimensions because of the large and growing number of aged persons in the population.

We have ample evidence of the crying need for legislation to provide effective means to meet the health problems of our senior citizens. Let me cite only a few of the facts of our time which call for its early enactment, as they were outlined in a recent—May 1962—report of the Senate's Special Committee on Aging, "Background Facts on the Financing of Health Care of the Aged."

First of all, we must recognize that the number of persons in this country 65 and over now total over 17 million, and this number will continue to increase. Currently, out of every 11 persons in the United States one has passed his 65th birthday. By 1980, according to the estimates, the proportion will be more than 1 out of 10 and the number 25 million. Well over half—55.2 percent—of our currently aged people are women and of this group about one-third are widows, many of them past 75. We know, from innumerable studies, that it is usually widows who have the least financial resources and are, therefore, least able to afford the higher costs of the longer illnesses in their later years.

Recent studies show that few people aged 65 and over can count on earning a living for the rest of their lives. In mid-1961, and even counting wives whose husbands were working, fewer than 1 in 4 in this age group had any income from employment. Furthermore, most of those who worked were not working full time but, instead, merely supplementing their retirement income. Indeed the aged person, on the average, is forced to get along on only half as much income as the younger person in a family of the same size.

At the same time our men and women 65 and over are twice as likely as younger people to suffer a chronic condition, and six times as likely to have one restricting or limiting activity. By age 75 every fourth person—not in an institution—is totally unable to carry on such activities as keeping house or working.

We know, too, that older persons pay out more for medical care than young persons, and these payments take a larger share of a smaller income—a share, let me add, which would be even greater if they got and paid for all the care they need. It is a sad commentary on our times—a time when we could provide them with the best medical care in the world—that many of our senior citizens, particularly those with low incomes, go without care that could bring relief.

Anyone with recent experience of a hospitalization in the family knows of the very high costs involved. For some of us these costs are absorbed to a large extent through a health insurance plan which, with increasing frequency is acquired through the place in which we work. But among the aged, it is those most in need of health insurance who are least likely to have it: the chronically ill, those not working, and those with low income. Too frequently, health insurance protection enjoyed on the job ceases with the retirement. Sometimes the aged person himself discontinues the protection he had because he no longer has the advantage of a lower group rate and must pay more on an individual basis—and usually for less protection. The share previously paid by the employer also ceases, under such circumstances, calling for much higher premium costs at a time when income had dropped.

These are some of the reasons why no more than half of the aged today have any protection against hospital costs—the most common form of voluntary insurance. According to the current national health survey, about half of the elderly patients discharged from a short-stay hospital had no part of the hospital bill paid by insurance. And it must be remembered that, although the average elderly patient leaves the hospital within 2 weeks, nearly 1 in 10 remains a month or longer. Obviously, the longer his hospitalization lasts the more likely is the aged person to need help in paying for his care. A survey of social security beneficiaries in 1957 showed that 3 out of 4 of those staying as long as 2 months could not assume responsibility for all of their own medical costs.

Here is one of the reasons. At December 1961 prices, it has been estimated that an elderly couple with one or both members receiving hospital care could expect their combined total medical bills to total about $1,160 for the year. For the elderly person without a spouse, the hospitalization might bring this average down to $895. At a time when half of the aged couples have less than $2,500 in income, and more than half of other aged persons less than $1,000, it is obvious that most of them will not have enough money left to purchase the everyday necessities of life.

How are these costs currently being met, someone may ask. Based on the evidence I have just presented, and the committee's broad experience in this area, the Senate report comments on this subject:

> Some seek help from relatives and, failing that, from public assistance. Some borrow money. A small number can manage on their own, especially if they have insurance. Some, as is true of all low-income groups, probably never get the care they need. Relatives provided help with medical bills for every seventh OASI beneficiary couple and every fourth nonmarried beneficiary who went to a hospital. Many beneficiaries who "paid their own bills" could do so only because relatives had either taken them into their own home or contributed in cash to their living expenses. Typically, the relatives to whom old people must turn for help already have families and children to take care of, or are themselves old enough to be facing their own problems of retirement.
>
> Some aged persons with medical problems ask for public assistance—either to meet the emergency itself, or for regular living needs after using their resources to pay for the medical care. In the first half of 1961, just about every third person approved for old-age assistance needed it directly or indirectly as a result of health difficulties. Among recipients getting the assistance to supplement OASI benefits—generally those with the greatest economic resources of their own—the proportion obtaining assistance on account of medical needs was as high as 2 in 5.

How much longer can we continue to compound this morass of makeshift, expedient, and often humiliating means, of providing our aged people with care that is usually inadequate? Good conscience, as well as good government, call for us to act readily and responsibly to provide all of our people 65 and over with the protection contained in this bill against the high cost of medical care.

Many bills on the subject of medical care for the aged have been introduced in Congress—evidence of a growing awareness of the problem.

In the 86th Congress, I was privileged to introduce H.R. 5000, a companion to the legislation providing a program of hospitalization, surgical and nursing home care under the social security system sponsored by the distinguished pioneer in this field, our former colleague, the beloved and respected gentleman from Rhode Island, the Honorable Aime Forand. I was privileged to fight at his side for this legislation and was honored to appear with him on several radio and public interviews to urge public support for the proposal.

Many more of our bipartisan appeals followed. Like the distinguished gentleman from Rhode Island and other Members concerned over this ever-mounting problem, I testified before the Ways and Means Committee and spoke several times on the floor urging the support of our colleagues.

With the advent of the 87th Congress, I again introduced the bill—this time it was known as H.R. 4111. It was identical to the earlier bill except that it included a section to cover those persons who were not, through no fault of their own, within the social security system, and who wished to elect to come into the plan. This removed one of the earlier objections. While I appealed for committee consideration of this proposed amendment, I vigorously reiterated my support of H.R. 4222, introduced in the House by our colleague, the able Representative from California, CECIL KING. Here again I joined forces in a bipartisan effort to win support for the bill—appeals to committee, and to the House, public statements and even joint radio appearances with Representative KING.

Unfortunately, although I firmly believe the average person supports the social security approach to medicare, there still was not enough expression of public support and the hurdles in both the Senate and House committees and in Congress are known only too well by my colleagues. The chances of enacting the bill were further weakened by various complex—some well-intentioned but thoroughly unworkable—proposals not within the social security concept and by the misleading statements and gross misrepresentations made by certain organized groups which only confused the issue.

Finally, when the issue came to a head in the other body in the form of an amendment to the public welfare bill, offered by the junior Senator from New Mexico, the Honorable CLINTON ANDERSON, who had introduced the identical bill as Congressman KING, the proposal went down to a narrow defeat.

This is not the time to blame either side. There are those who say many Republicans voted against it. And there are others who point to the many Democrats who opposed it. It has been pointed out that a small hard-core bloc of Republicans did back the plan, thereby giving the necessary votes to put it across if only two more Democrats had voted with their party's position. All of this is past tense.

What is significant is the closeness of the vote on the first test. What is more, I truly do not believe that the narrow defeat is a reflection of the merits of the proposal. Many Senators did not think the procedure of tacking so important an issue onto another bill permitted the measure to receive the consideration it deserves, nor that the public welfare bill was the proper legislative vehicle to which it should be attached. Naturally, I disagree with this viewpoint for it was the only alternative to get action inasmuch as there was no hope whatsoever of a bill emanating from a committee in either House. And Senator ANDERSON is to be highly commended for his courageous effort.

Also, of importance is the fact that the bill was broadened to cover two important objectives—one of which I cited earlier—the inclusion of those senior citizens not under social security. The other would permit private insurance companies to participate in the program by allowing a person to elect to have the payments he made for his benefits transferred to an eligible private insurance carrier, providing the carrier offers services over and above those offered in the bill. These provisions which were offered by Senator ANDERSON, and strongly backed by the distinguished senior Senator from New York, the Honorable JACOB JAVITS, and later introduced as new legislation were supported by all the other Members who advocated the original Forand bill and this session's King-Anderson proposal. This new bill which fully preserves the social security concept should be thoroughly evaluated.

The important thing is that this issue be kept alive; that public opinion be stimulated and the misconceptions and ridiculous fears be removed. I emphasize my strong belief that the social security system is the logical and most effective mechanism to make possible a meaningful health insurance program for the aged. I am confident that the public, fully enlightened, will accept this conviction.

The prime purpose of the system as the public is well aware is to give basic economic security to the aged. Basic security against medical expenses is the missing link in fulfilling this purpose. In other words, how can a low-income group with a high incidence of illness enjoy basic economic security without assurance of basic health protection? Moreover, the social security system is a well and widely accepted American institution which can readily assume the additional function this legislation assigns to it. The system eliminates the controversial means test and because of its contributory aspect, benefits are received as an earned right.

It is true that I am discouraged that this Congress has not passed a health insurance act. Yet I have confidence that the will of the people will prevail. Mail from my constituents and, according to what many of you tell me, indicate that health insurance for the aged under social security remains the will of the people.

It is toward this objective that I shall continue to strive.

THE STATE DEPARTMENT MOVES IN THE RIGHT DIRECTION

The SPEAKER pro tempore. Under previous order of the House, the gentleman from New Jersey [Mr. WIDNALL] is recognized for 15 minutes.

Mr. WIDNALL. Mr. Speaker, the new Assistant Secretary of State for Educational and Cultural Affairs, Mr. Lucius D. Battle, has taken an important step in moving the Department of State in the right direction.

One of his first actions, after taking his new position, was to launch a special study of the State Department's cultural presentations program, a study which is long overdue. He requested the United States Advisory Commission on International Educational and Cultural Affairs to make this special examination of the Department's cultural presentations program. Dr. John W. Gardner, president of the Carnegie Corp. of New York, Chairman of the Commission, has agreed to direct the study.

Assistant Secretary Battle said the primary aim of the special study would be to assure that the United States achieve maximum benefits from the sending abroad of American performers in music, drama, the dance and sports. He requested the Advisory Commission to consider the following:

First. Opportunities for new approaches in this field.

Second. Fuller utilization of nonprofessional groups as well as the means of drawing upon the best available professional talent.

Third. Organization and procedures for screening, selection, contracting, tour management and overall administration.

In my estimation, the Advisory Commission should also be requested to consider how best to implement the two-way cultural exchanges provided for in the Mutual Educational and Cultural Exchange Act of 1961.

The great strength of the Fulbright and Smith-Mundt Acts is in their two-way educational exchanges.

So far, little if anything has been done to provide a two-way cultural presentations flow in the cultural exchange part of the Mutual Educational and Cultural Exchange Act of 1961. Yet it is certainly true that all of the reasons justifying the two-way flow in the educational exchanges apply with equal force to cultural presentations. This is so true and so basic that it is even reflected in the title of this act.

In announcing the special study of the cultural presentations program Assistant Secretary Battle declared:

> Since assuming my present position 3 months ago I have been deeply impressed by the record of positive contributions this program has made and by the number of dedicated artists and performers who have participated throughout the world. But I have also been increasingly aware of the difficulties inherent in the program and of the criticism these have inevitably produced. I am confident that the review by the Advisory Commission will help us, not only to iron out the difficulties, but to enhance the contributions.
>
> Pending completion of the Commission's review, no new commitments will be undertaken which might impede prompt execution of measures agreed upon as a result of the examination.

In addition to Dr. Gardner, members of the Advisory Commission, appointed in April by President Kennedy under authorization of the Mutual Educational and Cultural Exchange Act of 1961, are: Walter Adams, professor of economics, Michigan State University; James R. Fleming, publisher of Fort Wayne, Ind., Journal-Gazette; Luther H Foster, president, Tuskegee Institute; the Reverend Theodore M. Hesburgh, president, University of Notre Dame; Walter Johnson, chairman, Department of History, University of Chicago; Roy E. Larsen, chairman, executive committee, Time, Inc.; Franklin D. Murphy, chancellor, University of California at Los Angeles; and Mabel M. Smythe, principal, New Lincoln High School, New York City.

These citizens are well known to many of the Members of this body, and their stature assures that the study they have now undertaken will benefit all of us, and will be of special importance to the proper and full implementation of the significant new tools provided in the Mutual Educational and Cultural Exchange Act of 1961.

Their special study will consider whether a comedian sent abroad under the Mutual Educational and Cultural Exchange Act of 1961 should get a larger salary than the Vice President of the United States, generals, admirals, Federal judges, and Cabinet officers.

Some performing artists and comedians have been paid by the United States at weekly rates of $1,500.

All Americans know that General Eisenhower, General Marshall, General MacArthur, Admiral Halsey, and other top officers were paid at the rate of $20,000 a year while developing the plans and leading the campaigns which won World War II.

It is especially significant, I think, that many top stars of our country are not subsidized by the Federal Government under this program, and that only some stars are so subsidized. There does not seem to be any reason why some top artists are subsidized and some are not, except that the nonsubsidized artists go abroad to entertain our troops.

Danny Kaye, Bob Hope, Ed Sullivan, and other top performers, as well as famous cartoonists, have so contributed their services through the splendid offices of the United Service Organizations—USO. Many college and university music and drama groups likewise contribute their services through the USO to entertain our troops.

Famous authors, composers, painters, sculptors, and creative artists in general are excluded from the lush benefits of the $1,500-a-week subsidies of the Mutual Educational and Cultural Exchange Act of 1961 which are exclusively reserved for performing artists.

The fact is that $1,500-a-week subsidies for performing artists does not seem reasonable to farm families and to other Americans who are called upon to pay these fantastic Federal salaries with tax dollars they could much better use to feed, clothe, and educate their children.

The Vice President is paid $846.23 a week when he is overseas, and this includes his expense allowance.

Major General Albert Watson II, who is in charge of the perilous situation on the Western side of the infamous Berlin Wall is paid $300 a week.

The $1,500-a-week subsidies for performing artists only seem to prove that we have lost, or are in process of losing, our sense of values.

I am in no way criticizing the salaries which performing artists often make for a cigarette commercial, $5,000 and up; or for a stint at Las Vegas, $10,000 a week; or for a television show, $50,000 to $100,000; or for a recording which results in a sale of more than 1 million records; or even about the salaries paid for a successful motion picture, $1 million and up, plus part of the gate receipts.

No, this is part of our affluent society. However, I do think that none of these fabulous earnings justify a Federal salary scale of $1,500 a week.

It is especially hard to justify such salaries to a young man who is called into the Army, the Navy, the Air Force, or the Marines and is sent to some far-off post to protect at the risk of his life, some vital interest of our country, say in Laos, and at a monthly pay scale which contrasts forcibly with $1,500 a week presently allowed under the Mutual Educational and Cultural Exchange Act of 1961.

I have introduced, because of the above considerations, House Joint Resolution 858 to amend the Mutual Educational and Cultural Exchange Act of 1961 to limit the rate of compensation for performing artists and comedians participating in educational and cultural exchange programs to rates of pay of members of the President's Cabinet, generals, admirals, and Federal judges.

I commend this House Joint Resolution 858 to the attention of the members of the U.S. Advisory Commission on International Education and Cultural Affairs, since it deals with those aspects of the State Department's cultural programs which have long needed such a high-level and impartial study as they are now engaged upon.

I include as part of my remarks the text of House Joint Resolution 858, together with the Department of State press release announcing the study by the Advisory Commission:

H.J. Res. 858

Joint resolution to amend the Mutual Educational and Cultural Exchange Act of 1961 to limit the rate of compensation for performing artists and comedians participating in educational and cultural exchange programs to rates of pay of members of the President's Cabinet, generals and admirals of the Armed Forces, judges of the United States courts, and the Vice President of the United States

Whereas the services performed for the United States by performing artists and comedians participating in cultural exchanges may be of value to and in the interest of the United States but definitely are not more valuable than the services performed for the United States by the Vice President, judges of the United States courts, members of the President's Cabinet, and generals and admirals of the Armed Forces of the United States; and

Whereas some performing artists and comedians participating in cultural exchanges under the Mutual Educational and Cultural Exchange Act of 1961 have been paid by the United States at weekly rates of pay approximately twice the weekly rates of pay of the aforementioned persons; and

Whereas such rates of pay for performing artists and comedians are highly improper when they are engaged in the public service; and

Whereas internal wrangling in at least one group of comedians sent abroad under the Mutual Educational and Cultural Exchange Act of 1961, in which the star of the show was paid $1,200 a week for the duration of the tour, reached such proportions as to reflect adversely on the United States; and

Whereas the Committee on Appropriations of the House of Representatives stated in House Report Numbered 1996, Eighty-seventh

Congress, second session: "Some of the unfortunate incidents which have occurred abroad in connection with cultural presentations indicate that lack of mature judgment has been used in the selection of certain performing individuals and groups. More care in their selection must be exercised in the future."; and

Whereas the present high rates of pay for performing artists and comedians, as well as lack of mature judgment led to an inflation of the budget of the program authorized by the Mutual Educational and Cultural Exchange Act of 1961 from a promised $40,000,000 to $91,657,000 requested of the Bureau of the Budget by the Department of State, a sum which, fortunately for all taxpayers, the Committee on Appropriations of the House of Representatives was able to reduce to $40,000,000: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That section 104 of the Mutual Educational and Cultural Exchange Act of 1961 is amended by adding at the end thereof the following:

"(g) No individual not regularly employed by the United States performing services in connection with any program or activity under this Act may receive compensation from the United States at a weekly rate in excess of $425."

DEPARTMENT OF STATE PRESS RELEASE

The Assistant Secretary of State for Educational and Cultural Affairs, Mr. Lucius D. Battle, announced today that he had requested the U.S. Advisory Commission on International Educational and Cultural Affairs to undertake a special examination of the Department's cultural presentations program. Dr. John W. Gardner, president of the Carnegie Corporation of New York, Chairman of the Commission, has agreed to direct the study.

Mr. Battle said the primary aim of the examination would be to assure that the United States achieve maximum benefits from the sending abroad of American performers in music, drama, the dance and sports.

The Advisory Commission was requested to consider the following:

1. Opportunities for new approaches in this field;
2. Fuller utilization of nonprofessional groups as well as means of drawing upon the best available professional talent;
3. Organization and procedures for screening, selection, contracting, tour management and overall administration.

For its review, the Commission will enlist the services of authorities both inside and outside the Government.

"Since assuming my present position 3 months ago;" Mr. Battle said, "I have been deeply impressed by the record of positive contributions this program has made and by the number of dedicated artists and performers who have participated throughout the world. But I have also been increasingly aware of the difficulties inherent in the program and of the criticism these have inevitably produced. I am confident that the review by the Advisory Committee will help us, not only to iron out the difficulties, but to enhance the contributions.

"Pending completion of the Commission's review, no new commitments will be undertaken which might impede prompt execution of measures agreed upon as a result of the examination."

In addition to Dr. Gardner, members of the Advisory Commission, appointed in April by President Kennedy under authorization of the Fulbright-Hays Act (the Mutual Educational and Cultural Exchange Act of 1961), are: Walter Adams, professor of economics, Michigan State University; James R. Fleming, publisher of Fort Wayne, Ind., Journal-Gazette; Luther H. Foster, president, Tuskegee Institute; the Reverend Theodore M. Hesburgh, president, University of Notre Dame; Walter Johnson, chairman, Department of History, University of Chicago; Roy E. Larsen, chairman, executive committee, Time, Inc.; Franklin D. Murphy, chancellor, University of California at Los Angeles; and Mabel M. Smythe, principal, New Lincoln High School, New York, N.Y.

REPORT ON 2D SESSION, 87TH CONGRESS

The SPEAKER pro tempore. Under previous order of the House, the gentleman from New York [Mr. ADDABBO] is recognized for 15 minutes.

Mr. ADDABBO. Mr. Speaker, I am indeed proud and feel privileged to have had the honor of serving the Fifth Congressional District, Queens, N.Y., which has been changed by redistricting to the Seventh Congressional District. I believe that the 87th Congress has been one of the outstanding Congresses and that it has accurately reflected the mood of our citizens and has been responsive to the needs and wishes of our people in both domestic and foreign affairs.

After the 1st session of the 87th Congress, I sent to the people of my district a report of the accomplishments of that session, amongst which was the increase in the minimum wage; additional benefits under social security, which included increased benefits, reduction of the optional retirement age for men to 62, increased widows' benefits by 10 percent, and a higher earnings ceiling for retired persons. It had been my hope that the social security amendments would have included provisions of a bill that I introduced which would have provided widows additional and continued child insurance benefits after the age of 18 so long as that child was still in high school and college. This would have helped to keep those children in school and avoid many of the dropouts which plague our educational system.

In addition to sending out the highlights of the legislative accomplishments of the 1st session of the 87th Congress, in January 1962, I sent a questionnaire to my constituents covering many of the important issues which would have to be decided by me and voted on by me on behalf of the people that I am privileged to represent. There were approximately 90,000 questionnaires sent out to my constituents, and I received a return of approximately 15 percent. Although this would seem a small return, from all surveys, the average, I am led to understand, return is approximately 5 to 10 percent, so I believe my district represents an active and informed district. The following are the answers I have received to said questionnaire:

1. Should Red China be admitted to the United Nations? Yes, 23 percent; no, 71 percent; undecided, 6 percent.

2. Should the United States purchase $100 million in U.N. bonds? Yes, 52 percent; no, 46 percent; undecided, 2 percent.

3. Should the House of Representatives continue the Committee on Un-American Activities? Yes, 73 percent; no, 21 percent; undecided, 6 percent.

4. Should we give to the President the right to—

(a) reduce tariffs? Yes, 54 percent; no, 42 percent; undecided, 4 percent.

(b) join in common market? Yes, 55 percent; no, 42 percent; undecided, 3 percent.

(c) reduce taxes in a recession? Yes, 72 percent; no, 26 percent; undecided, 2 percent.

5. Should the Foreign Aid Program be—

(a) increased? Yes, 32 percent; no, 61 percent; undecided, 7 percent.

(b) decreased? Yes, 66 percent; no, 31 percent; undecided, 3 percent.

(c) eliminated? Yes, 32 percent; no, 51 percent; undecided, 17 percent.

6. Do you favor Federal Aid to Education—

(a) for school construction? Yes, 72 percent; no, 26 percent; undecided, 2 percent.

(b) for teachers' salaries? Yes, 58 percent; no, 38 percent; undecided, 4 percent.

(c) for public schools only? Yes, 43 percent; no, 51 percent; undecided, 6 percent.

(d) for private and parochial school participation? Yes, 53 percent; no, 44 percent; undecided, 3 percent.

7. Do you favor increased salaries for Federal civil service employees and postal employees? Yes, 72 percent; no, 24 percent; undecided, 4 percent.

8. Should the Social Security Act be amended to—

(a) include medical aid for the aged? Yes, 73 percent; no, 24 percent; undecided, 3 percent.

(b) remove the limitation on outside earnings? Yes, 76 percent; no, 22 percent; undecided, 2 percent.

9. Do you feel that our expenditures for defense—

(a) are adequate? Yes, 66 percent; no, 31 percent; undecided, 3 percent.

(b) should be increased? Yes, 57 percent; no, 39 percent; undecided, 4 percent.

(c) should be decreased? Yes, 21 percent; no, 65 percent; undecided, 14 percent.

10. Do you feel that our expenditures for space exploration—

(a) are adequate? Yes, 53 percent; no, 42 percent; undecided, 5 percent.

(b) should be increased? Yes, 57 percent; no, 38 percent; undecided, 5 percent.

(c) should be decreased? Yes, 24 percent; no, 57 percent; undecided, 19 percent.

11. Should there be a general tax reform bill, closing loopholes, even though it includes withholding taxes on bank interest and dividends? Yes, 46 percent; no, 52 percent; undecided, 2 percent.

12. Do you favor enactment of broader civil rights legislation for the protection of voting and other rights of all? Yes, 64 percent; no, 31 percent; undecided, 5 percent.

The 2d session of the 87th Congress, as did the 1st session, enacted legislation of a far-reaching nature both nationally and internationally. I have in this session, as in the past session, held to what I believe to be in accordance with the dictates of the needs of our Nation and the dictates of the needs of the people from my congressional district as evidenced by the response to my questionnaire. I have supported the Kennedy administration's programs when I believed the programs to be just and needed, and I have opposed and voted against the Kennedy programs when I felt them to be detrimental to the people of my district and the Nation.

TAX REFORM

I voted against the administration's tax reform bill which included withholding tax on interest and dividends, together with certain so-called business incentives, because I did not feel, and I still do not feel, that the withholding tax on interest and dividends was justified. As I computed same mathematically, it became an additional tax upon the lower income brackets, and I believe that we should have true tax reform. I do hope that the next Congress will enact proper tax reforms whereby benefits will be given to those in the lower income brackets. I have introduced legislation calling for an increase in the basic exemption, calling for changes in depletion allowances, permitting further tax deductions for medical expenses, and also permitting deductions for tuition fees. These, I believe, are benefits which are needed, especially by those in the middle- and low-income tax brackets.

FARM LEGISLATION

I have voted against the Kennedy program on farm legislation because I believe that the stockpiles are ever increasing, that the cost to the taxpayer is ever increasing, that the programs as set forth in that farm program would allow too many exemptions and would have resulted in higher costs to the consumer. I believe that an adequate program should be worked out and can be worked out. Surpluses should be cut and subsidation, giving Cadillacs to the farmers for not growing produce, should be eliminated.

NATIONAL ECONOMY

We were forced to increase the national debt limit due to the fact that more than half of the total Federal budget, $47.8 billion, covered defense appropriations. I voted for a disarmament agency to study the ways and means of world disarmament so that we all may one day enjoy world peace. However, because of the continuing Communist threat to the United States and the entire free world, we must still make the necessary appropriations to build our defenses and demonstrate to the Soviet and Communist bloc nations that there is no U.S. defense gap of any type.

I have voted in favor of increased programs for the construction of additional college facilities and aid to students which I believe are greatly needed. I voted for the Manpower Development and Training Act, which would retrain in new occupations those who are unemployed. I voted for the expansion of the Peace Corps which has been proven to be one of our best foreign assistance programs, with our youth and our people of the Peace Corps working with the people of other nations at the so-called grassroots and helping them to build their own economy and strengthen their nations. I voted for the increased appropriation for the space program, which was much needed, for we have lagged behind in our space program in 8 years due to the fact that not enough emphasis on development was given to this program.

I voted for the Foreign Assistance Act, which I believe to be necessary for our national security and our own economy, for nearly 80 percent of the money spent in our foreign assistance program is spent right here in the production of various materials and goods. Two important amendments were adopted by the House in regard to the Foreign Assistance Act. The first concerns the expropriation of American property and requires that the President terminate assistance to those nations that seize our property unless appropriate steps are taken within 6 months to make reasonable and adequate compensation. Second, the President is prohibited from granting assistance to Communist countries unless he decides such aid meets three conditions: it is vital to American security, the recipient country is not dominated or controlled by the international Communist movement, and aid would promote the possibility of independence.

I had also voted for the $100 million loan for purchase of U.N. bonds, which carries a provision that we will purchase bonds up to $100 million in equal amounts to those bonds purchased by other member nations. This loan to the U.N. will increase the annual payment to the U.N. by Russia for, under the provisions of the U.N. loan, repayment would be made and will be made out of increased annual dues by the member nations. This would in turn decrease what it is presently costing the United States, and Russia and her satellite nations would have to pay this increased assessment to retain their voting rights in the U.N. Russia has tried in every manner possible to destroy the U.N., so therefore I believe that, although the U.N. has not been infallible in all things, it still has been a deterrent to a third world war, and we all hope and pray it will be the means of finding world peace for all.

I voted for the Trade Expansion Act, which would give the President the power to reduce tariffs in return for mutual concessions from countries with whom we trade. Our economy is based on world trade. Many millions of dollars spent in world trade are spent in employment and manufacturing and shipping right in the city of New York. If we are to continue to be the great Nation we are, we must be able to meet competition in the world market and the Common Market.

In international affairs, Berlin and Cuba were the key cold war battlefronts. I have always stood firmly behind a no-back-down position on Berlin and for action in combating the Castro threat to the Western Hemisphere. I introduced a Cuban resolution reaffirming our Monroe Doctrine and was pleased to vote for the House joint resolution reaffirming these doctrines and our firm stand on Cuba.

I voted for additional loan programs to provide funds for housing for the elderly in urban and rural areas. I support and have supported a program for medical care for our senior citizens. I do not believe that all the people who are feeble and sick should be cast aside like broken tools—they must have decent hospital care, they must have decent homes. A program giving the elderly proper medical and hospital benefits without welfare, without having to plead for it, must be enacted under social security or some other workable program. This should be one of the priority programs for the 1st session of the 88th Congress. The Kerr-Mills medicare bill has been law for over 2 years and has been proven insufficient in giving our senior citizens the care to which they are entitled.

In the field of civil rights, I am still far from satisfied that we have reached our goal of equal opportunities for all our citizens, regardless of race, color, or creed. I would rather talk about moral rights than civil rights because this is a right which is morally due all people. I voted for the constitutional amendment to prohibit poll taxes in Federal elections, but this is only a small beginning to much needed adjustment in this field of moral rights, for this country only grew and became great because of the contributions by all peoples of every race, color, and creed.

CONGRESSIONAL COMMITTEE WORK

It has been my privilege to serve on the Committee on Post Office and Civil Service, and while a member of that committee, to have cosponsored the Morrison Federal pay adjustment bill, and I am happy that that bill, modified to some degree, will give the proper pay scale, especially to those in the lower pay rates in our Federal employ. As a member of this committee, it has been my privilege to serve as chairman of several subcommittees wherein we were able to further adjust inequities in the civil service laws and salary scales. I was happy to have been a member of the subcommittee which voted the increase in annuities and further benefits to our retirees who have given devoted service in Federal employment.

As a member of the Committee on Veterans' Affairs, I have supported bills increasing the compensation for disabled veterans and giving peacetime veterans hospital medical care for service-connected disabilities. I was happy to have been able to get the Veterans' Committee commitment and the Veterans' Administration commitment for a new veterans' hospital on Long Island. As a member of this committee, we were able to obtain the reopening for 1 year of the national service life insurance for veterans with service-connected disabilities. These were but a few of the adjustments made and were rightly due those men who fought and served to protect this great Nation of ours.

LOCAL ISSUE

Of particular interest to the people of my district is the problem of low-flying aircraft over residential areas. In the 1st session of the 87th Congress, I was able to obtain the necessary legislation authorizing and directing the Committee on Interstate and Foreign Commerce to conduct a full and complete investigation and study of the problems involved in aircraft noise abatement and to seek measures to minimize or to eliminate aircraft noise nuisances and the hazards to persons and property on the ground. That study has now been completed and is being filed with the Interstate and Foreign Commerce Committee. It is my sincere hope that in the next session of

Congress, based on findings of that study, legislation will be passed to give the necessary relief to those people residing in and around airports. I have introduced many bills in this Congress seeking to give the relief to which the residents of my district are entitled, and if I am reelected, I shall continue to fight for the necessary legislation to minimize and eliminate the aircraft noise nuisance.

I have continually worked with the Federal Aviation Agency and the Port of New York Authority to find means to give relief from this nuisance to the people of my district. The FAA and port authority to some degree have worked out new landing and takeoff flight patterns trying to alleviate this problem. I believe that progress has been made in this field, but much more must be done. I have flown with the FAA on various experimental flight patterns to prove that landing patterns are safe for the aircraft and can be developed to give further relief to the people of my district. I will continue to press the FAA and the port authority to work out additional programs so that we may find better and faster solutions to this serious problem which plagues the people of my district.

ADMINISTRATIVE WORK

I have tried to give the people of my district, while here in Washington and back home in my district, 365 days of service per year. I maintain a full-time district office where I meet with my constituents whenever time permits me to be in the district. I have attended the various civic, veterans, and social affairs of my district. Through these media I have been able to discuss personally with my constituents problems facing them and the Nation. Through my previous report on the highlights of the first session and this report on the second session where space and time permit only the highlights of this Congress, I have tried to keep my constituents informed and, through the questionnaire, I have tried to be informed by them of their wishes, beliefs, and thinking.

It is a very great privilege and honor to me to have served the people of the Fifth Congressional District and, if reelected, it will be my pleasure to serve the people of the new Seventh Congressional District with the same diligence and attention I have heretofore given. If the people of my district approve the service I have given to them and the representation I have given to them here in Washington, it will be my honor to return to the 88th Congress to continue the programs I have started in this Congress, programs to alleviate the problems of the people of my district and our Nation, emphasizing the problems of our taxpayers, senior citizens, and continuing our fight for the moral rights and privileges of all, under our Constitution.

DANGERS IN THE OVERCONCENTRATION OF FEDERAL RESEARCH AND DEVELOPMENT EXPENDITURES

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Wisconsin [Mr. REUSS] is recognized for 30 minutes.

Mr. REUSS. Mr. Speaker, science and technology have moved fast recently—in fronts ranging from vacuum tubes to transistors; from liquid to solid fuels; from propeller aircraft to jet planes; from dependence on energy from natural fuels to use of nuclear and solar energy; from winged aircraft for terrestrial travel to rockets for space exploration; and from relay stations for TV transmission to communications satellites.

This scientific revolution has deeply affected our social institutions. New demands have been placed on our limited resources of scientific and trained technical manpower. Some industries and some areas have enjoyed spectacular growth, and some universities and private industrial firms have added enormously to their research facilities. In fact, a new "industry"—the research and development industry—has emerged as a major activity.

Neither the impressive advances in science and technology nor the institutional shifts have been accidental. They have been brought about through a massive infusion of funds into research and development, in particular by the Federal Government for missiles and space.

HOW MUCH ARE WE SPENDING ON RESEARCH AND DEVELOPMENT?

The National Science Foundation estimates that in the decade, 1951–61, $80 billion was invested in research and development activities, approximately four times as much as was spent in the 1941–51 decade for these purposes. This massive increase was in large part due to a great expansion in Federal Government research expenditures—from about $600 million in fiscal 1943, to $3.1 billion in fiscal 1953, and to an estimated $12.4 billion in fiscal 1963.

In fiscal 1963 it is estimated that the Nation as a whole will invest in the neighborhood of $18 billion for research and development—a scale of expenditure equal to roughly one-half the total annual investment by business in new plant and equipment, about 90 percent of the annual investment in new housing, or about 75 percent of the present yearly sales of the entire U.S. automobile industry. The Federal Government, by contributing $12.4 billion, will be financing two-thirds of this major sector of investment. Most of the work is being performed under contract by private industrial firms, educational institutions, and special research laboratories and organizations. In 1961, for example, the Federal agencies themselves undertook only 22 percent of the work; the share of industrial firms was 63 percent, educational institutions, 11 percent, and all other types of organizations, 4 percent.

The special requirements of our evolving defense and space efforts are clearly reflected in the allocation of Federal funds for research and development. Of the $12.4 billion budgeted for fiscal 1963, the Department of Defense alone will account for $7.1 billion and the Atomic Energy Commission for another $1.4 billion. Space research and development funds administered by the National Aeronautics and Space Administration, which came to a bare $90 million in 1954, will add another $2.4 billion.

THE PRESENT GEOGRAPHIC CONCENTRATION OF RESEARCH CONTRACTS

What is of concern is that the huge Federal expenditure for research and development shows a high degree of concentration in a relatively few areas.

Take the Defense Department contracts for research and development. In the fiscal year 1961, defense research contracts total $6 billion. Of this amount, the State of California alone received $2.5 billion, or more than 40 percent, while the eastern seaboard States together accounted for another 33⅓ percent. By contrast, the great industrial east-north-central area—consisting of the States of Ohio, Indiana, Illinois, Michigan, and Wisconsin—with 20 percent of the population of the country, received only 6.6 percent of these funds. The State of Wisconsin received just 1.23 percent while the smaller States of Washington, Colorado, and Utah received 4.9 percent, 4.9 percent, and 3.0 percent, respectively.

California is also the recipient of the lion's share of NASA prime contracts, a very large part of which is for research and development. Nearly 24 percent of the amount estimated to be spent through prime contracts in fiscal 1963 by NASA, will go to the State of California. California, Alabama, Florida, Louisiana, and Missouri will together receive about two-thirds of all NASA contracts. The five east-north-central States together will receive less than 5.5 percent of the total. Wisconsin's share is estimated to be less than six-tenths of 1 percent.

UNIVERSITY RESEARCH ACTIVITIES

It might be argued that this concentration of defense research and development money merely reflects the location of the aircraft, electronic, and communications industries. But a different explanation would have to be found for the extreme concentration of research contracts going to educational institutions.

Over a billion dollars per year are now pouring into the research budgets of certain universities or of special contract research centers which they manage.

The university-managed contract research center is an administrative device whereby the defense and space agencies of the Federal Government provide funds for research done by specialized organizations affiliated with sponsoring universities.

There are 34 such contract centers, not counting those which are managed by combined university groups or those, like the Rand Corp., or Aerospace Corp., which have no connection with a university. The 34 contract research centers had contract obligations in fiscal 1962 of $468 million, more than one-third of all funds going to educational institutions. Of the 34 centers, 25 are located in California or on the east coast.

Colleges and universities receive directly nearly $700 million in research funds. According to an analysis of actual expenditures in fiscal 1960, now underway in the Office of Education, these funds are also highly concentrated geographically. Of 10 universities receiving 42 percent of this class of research funds, 7 are located in California, Massachusetts, New York, and Maryland.

EFFECTS OF PRESENT MALDISTRIBUTION ON WISCONSIN AND EAST NORTH-CENTRAL AREA GENERALLY

Even if it were more evenly distributed, $12 billion of Federal expenditure for one type of activity could have unexpected and not necessarily desirable consequences for the country. However, when this vast sum is funneled into a few areas, to the virtual exclusion of others, we are creating fundamental distortions. Not only are the immediate economic prospects of States like Wisconsin and others of the east-north-central area unduly depressed. Their ability to contribute to the Nation's future research needs is undermined. Indeed, by drawing talented personnel and industrial capital away from our area toward California and the narrow coastal strip from Boston to Washington, D.C., we are drastically reducing the future economic growth prospects of our great industrial heartland.

What has happened to the Appalachian coalmining area and the old textile producing region of New England, through a gradual, technological shift, the Federal Government may be artificially inducing in States like Wisconsin by depriving it of a reasonable share of research funds.

HOW RESEARCH FUNDS STIMULATE INDUSTRY

We know that Federal research funds have greatly stimulated the growth of certain industries, particularly those affecting aircraft, rockets, electronics, and atomic energy. Figures for 1960 show that the Federal share of research expenditures in the aircraft and parts industry was 87 percent; the communication equipment and electronic components industry, 71 percent; other electrical equipment, 60 percent; industrial chemicals, 40 percent; scientific and mechanical measuring instruments, 64 percent and machinery—probably largely the group producing rocket engines—39 percent.

But the point is that the geographic concentration of research funds has meant that the segments of these industries located in the favored areas have been pushed ahead of the same industries in Wisconsin and the Great Lakes region. Future investment in any of the branches of these industries is likely to take place in the areas favored by research funds and not where industrial and market factors alone govern location or expansion. The Federal Government bears a serious burden of responsibility when, by replacing the market mechanism, it not only boosts the technological advance of some industries but distorts their natural geographic distribution across the country.

THE EXODUS OF PH. D.'S

A second serious effect of channeling Federal research funds to the present areas of concentration is that our most talented and highly trained people—scientists, engineers, and others—leave our universities and industries for work in areas favored by Federal research money. This work on Government account requires tens of thousands of the most highly trained sector of the labor force. A survey conducted in September 1961 showed that research contractors, other than colleges and universities, employed a total of 171,935 persons, including 38,535 scientists and engineers and 57,174 technical and management personnel, on Government research contracts.

A National Science Foundation study of data for the years 1958 and 1959, shows the extent of this drain on the Middle West. The universities of the East North Central States award more science Ph. D.'s than any other area of the country. The five States in the area granted 27 percent of all science doctorates awarded in the United States, nearly 90 percent as many as those granted by the Pacific Coast, Mountain, and Southern States combined. However, in the same period, the five States were able to hire only 18 percent of all people earning science doctorates in this period. What we have been doing in the Midwest, therefore, is footing the bill for the education and training of specialists, many of whom are then "exported" to the areas benefiting from larger shares of Federal research funds.

Quite apart from the immediate economic cost implied in this phenomenon, the Midwest may suffer an erosion of its income base and a loss of its cultural assets. Instead of having communities with a well-balanced labor force, it may find itself with a relatively lower proportion of the socially valuable, high-income, highly educated group. Between the population census dates of 1940 and 1960, professional, technical, and kindred workers among all employed men increased from 7.8 percent to 12.6 percent in Massachusetts and from 8.8 percent to 13.5 percent in California. In Wisconsin, professional workers as a proportion of the labor force also increased, but only to 8.8 percent in 1960.

There has been a tendency to explain away the over-concentration of research money, particularly for basic research, by saying that the money has gone where the brains are. This facile rationalization is, fortunately, wrong.

The National Science Foundation study of 1958 and 1959 did indicate that Massachusetts leads the country by producing relatively more science Ph. D.'s than any other State. It granted 130 science doctorates per million population. But the State next in rank is Wisconsin which produced 113 per million population, after which came Indiana and Iowa, each with 109, Maryland with 108, and Connecticut with 92. California and New York, both of which have fared generously in Federal research funds, in fact, ranked 11th and 10th, respectively, in this comparison of "brainpower."

MILWAUKEE-MADISON AREA FIRST

In another study conducted by the Dallas Graduate Research Center of the Southwest, of all Ph. D.'s granted in the academic year 1958–59, an attempt was made to determine which local community produced the largest number of doctorates in relation to its size. The study concluded that the Milwaukee-Madison area was the first in the country by a substantial margin, producing 260 doctorates in all faculties in the year studied. The Boston-Providence area ranked third while the San Francisco-Berkeley-San Jose area ranked eighth, with little more than half the Ph. D.'s per million population of the Milwaukee-Madison area.

The third major effect of the present pattern of distribution of Federal research funds has been upon the colleges and universities of our area. They cannot hope to expand their research programs and thus to stem the outflow of their best people or to attract others from outside without a larger share of Federal research money.

It is impossible for our colleges and universities to get, through State, local, and private sources, what some favored institutions now receive from the Federal Government. According to Budget Director Bell's testimony recently before the Holifield Subcommittee of the Government Operations Committee, well over half of the total research budgets of universities like Harvard, Columbia, and the Massachusetts Institute of Technology, are financed by Federal funds.

A continuation of the present trend would be injurious not only for the Midwest area but for our entire system of higher education and for the government itself. Potentially valuable research resources in neglected universities will not be developed. The few institutions inundated with Federal research funds will become mere adjuncts of the Federal Government instead of places of learning and wellsprings of original thought. And, finally, the very purpose for which Federal research funds are turned over to educational institutions may be thwarted because the cost of research increases and the quality of research can deteriorate if too much is asked of too few people.

NEED FOR A NEW FEDERAL POLICY ON RESEARCH AND DEVELOPMENT EXPENDITURES

The huge scale of Federal expenditures for research and development and its present concentration make it essential that we stop relying on ad hoc contract procedures which simply result in flooding some areas with research funds and starving others. Apart from causing harmful and unnecessary dislocations of industry and scientific personnel, this lack of policy would destroy present research resources in areas like Wisconsin and the other East North Central States. They could not then be depended on to furnish capital, talent, and trained manpower to keep the present favored centers operating efficiently and effectively.

Our defense and space research programs have developed under stress of emergency, through the realization that the Soviet Union had not only caught up with us in weapons technology, but had overtaken us in certain aspects of the missile and space races. But it would be a grave mistake to conclude that onetime, massive efforts to mobilize whatever we have as research resources in a few places is enough. We are only on the threshold of an era when our welfare and, indeed, our very existence depend on brainpower and on the translation of ideas into effective technology. It is, therefore, a fundamental error to keep living on our research capital. Government, no less than industry, must invest in new capacity for the future, or growth will cease.

THE SCIENTIFIC RAT RACE

We have already begun to reap the fruits of our past contract practices. The federally financed contract research centers, operating on cost-plus contracts and with virtually no limitations on salary levels, have not only denuded many of our universities, but they have stripped the Government itself of many of its most able people. We are now faced with the necessity of raising Federal salaries to try to slow down this process, so that we can have on direct Government payroll some individuals of the caliber required to make key decisions on the vast research contract program.

Besides being expensive, this philosophy of scarcity means diminishing returns. A Johns Hopkins University study undertaken in 1960 for the Army concluded that 4½ times as much money was spent for research in 1960 as in 1950, but it resulted in little more than twice as much research and development activity. The rest was spent on higher salaries for scientific personnel and larger overhead.

A more rational, long-term Federal policy for research and development should start with efforts to expand our present research base, by helping to establish more scientific centers throughout the country. Once established, these centers should be encouraged by giving them a fair chance to take on Federal research contracts. There are many communities in which research resources are underutilized. For despite the lure of higher salaries or profits, not every scientist nor every industry has gone West or East, as the case may be. Building upon the very substantial capabilities which exist in States like Wisconsin, the Government will derive both future and present benefits.

I am glad to report that in my State, under the sponsorship of Milwaukee business and civic leaders together with the Wisconsin universities, a statewide effort is now underway to qualify for more Federal research work. What is now required is purposeful initiative on the part of our Federal agencies to utilize such new scientific centers. Once a local community demonstrates that it has the necessary brains, managerial talent, and research facilities, the next move is up to the Federal Government.

A 5,000 PERCENT WIN FOR THE TAXPAYER

Mr. WILSON of Indiana. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of gentleman from Indiana?

There was no objection.

Mr. WILSON of Indiana. Mr. Speaker, here is a real story. Sole-source price, $90,000 per unit. Competitive-bid price, $1,833.13 per unit—5,000 percent saved.

The taxpayers of this Nation are being taken for the highest ride since the cow jumped over the moon by waste in defense purchasing, but I am happy to report that my disclosures of spendthrift policies is having its effect. As a result, money paid out in excess profits may be soon coming back to the Treasury, and as another direct result, the Defense Department is heeding my advice and saving the taxpayers millions of dollars at a time.

The battle that is being called WILSON versus Waste in military procurement is now in its 18th month. I am happy to report to my colleagues of the 87th Congress as this session nears a close that the battle is being won, and I have examples to prove what I say.

The victories are not all encompassing. They come from various sources. A sole-source procurement is canceled in one department. Competition is sought from another. Specifications are changed to allow competition by industry where the product was bought by sole source for years. As I said, the victories are coming, but they are difficult to achieve.

As I proceed on my military procurement study, more and more of my colleagues state their support for what I am trying to achieve. My nonpartisan survey of procurement has indicated, time and again, that it is the middle-grade civil servant who is guilty of much of the incompetency and inefficiency that costs our taxpayers dearly. His superiors, in rubberstamping his decisions, merely complicate the solution because each is determined to protect himself at all costs.

Today, I should like to detail for you three separate procurement actions. They encompass times during which both parties had control of the White House so no political group can be blamed. But in all three, the waste is obvious, the way in which the procurements were twisted is apparent, and the conclusion is definite—in two instances the taxpayers got it in the neck. In the third instance, however, and I think directly due to my military study, the taxpayers of this Nation have been saved at least another million dollars.

The first case involves procurement of a mobile air traffic control center. It is a small, metal communications shack on wheels. It is known as the AN/MRN 12. It was first manufactured in October of 1956 at a unit price of $22,966.46 by Craig Systems, Inc., Lawrence, Mass.

In my hometown you can buy a pretty good house for $22,966.46, so you can get an idea as to the value of this small metal shack on wheels which contains racks for radio equipment and little else.

In November 1960, Rome Air Materiel Area indicated its intention to buy 12 more of these shacks on wheels, but when the actual invitation to bid was issued, the quantity was reduced from 12 to 2.

I think you will agree that few manufacturers would be interested in bidding on two such items. There would be little profit in the job. At any rate, the Air Force amended the invitation and asked all prospective bidders to indicate their intention to bid. Evidently no one responded, and there was only one bidder for the contract. When bids were opened on January 26, 1961, in Rome, N.Y., only Craig Systems wanted to make the shack on wheels. But, whereas that company built the first units for about $23,000, it quoted a price this time of $143,643 each—and a total of $304,951 for two shacks that had cost less than $46,000 the first time they were bought.

Fortunately, for the taxpayer, a congressional inquiry forced the Air Force to cancel this procurement, but the need for it continued. In July 1961 after my study was started, Rome Air Materiel Area again indicated it wanted 11 units of this shack on wheels, but it canceled the invitation to bid on July 12, 1961.

Notice what was happening. After the July cancellation, as after the early 1961 cancellation, the need still existed—and the need was getting more critical each day. Those of us who know military procurement smelled a sole-source deal coming up, based on a time of delivery urgency specifically created by someone in procurement. Our experience indicated a sole-source contract with a high price. Remember, the first price paid for this shack on wheels was about $23,000, and Congress stopped what would have been a criminal waste one time.

On April 19, 1962, according to information supplied me by the General Accounting Office, two individuals identified as W. M. Baulig, contracting officer, and Col. R. V. Kirkland secretly "justified" a sole-source procurement of this equipment from Craig Systems. The reason—urgency of delivery and a critical need for the equipment. Based on this flimsy and fallacious "justification" a contract for manufacture of the AN/MRN 12 with a mysterious modification bid was awarded to Craig for a unit price of $50,000—compared to the previous price of $23,000—a waste of over 100 percent above the first price which, in itself, was probably too high to begin with.

Mr. Speaker, I am following up this procurement by asking for a complete audit of the AN/MRN 12 contract with Craig, and my findings will probably be interesting, to say the least.

Another example of waste, waste, waste is procurement of the AN/UPM 98 radar test set, which was bought from the Admiral Corp. by Navy at an approximate price of $4,700 each. Subsequent competitive procurement brought an award of contract to Capehart Corp., Richmond Hill, N.Y., at a price of $3,446 for 90 units. An additional procurement in March of 1962 brought a contract to Dero Research & Development Corp., Huntington, N.Y., at a unit price of $3,340 for 62 units. I want to point out here that in that last transaction, Admiral unsuccessfully bid $3,670 per unit.

In September of this year—just last month—after procuring this set competitively on two occasions, the Navy justified a sole source award for 42 units of this set to Admiral—again based on an urgency of delivery factor when any one of a number of companies could have delivered the set on time. And to top it all off, Admiral was given a contract with a maximum price of $4,800 per unit—25 percent higher than the competitive price.

In other words, the Navy allowed Admiral 25 percent more money than it proposed to build the same set for 6 months earlier. Another waste of taxpayers' money, and another case in which I intend to ask for a contract audit to see where the waste really goes.

Mr. Speaker, the shack on wheels and the radar test set have been purchased—and the money thrown away. Maybe we can get some of it back. I hope so.

Now, I want to tell you a happier story of the purchase of a recorder-reproducer called the AN/UNQ 7. In this case, at least $1 million was saved under one transaction when good procurement practice was invoked by the Navy Bureau of Ships—but only after my study caught up with the waste before it was accomplished.

The AN/UNQ 7 recorder-reproducer is very much like a similar piece of equipment you may have in your own home. Under Navy regulations, redtape and runaway inefficiency, it was decided that only two manufacturers could build the set and these two firms made the machine at prices ranging from $3,000 to $5,000 each—a little high for a high-priced recorder-reproducer.

After several purchases, the Navy decided to have the tube-type equipment transistorized. Even a layman knows that transistorization means major changes, but the Navy engineer in charge certified that the new version would be identical to the old and again said only two firms could build the machine.

Members of the electronics industry protested time and again, but to no avail. When the two favored firms submitted their bids, they asked prices ranging from $77,475.62 each to $90,438.25 each for the equipment that had been costing $3,000 to $5,000 each. Had this award been made, the taxpayers would have been taken for the biggest ride since the cow jumped over the moon—a price almost 2,225 percent higher than formerly paid.

My inquiry was proceeding at this time, and I inquired about this planned purchase. Soon the Navy decided to buy the equipment by competitive bidding. In August 1962 bids were accepted from several manufacturers, and Webcor, Inc. of Chicago submitted a low bid of only $1,833.13 for each of the units. You compare the sole-source price of $90,000 each and the competitive price of $1,833.13 each and see what you think. You will find a difference of about 5,000 percent.

Mr. Speaker, these cases show what has happened and what could happen. They also show what does happen when a Congressman gets his dander up and decides to fight the galloping spendthrifts of our Defense Department. These are but three more of many such cases. In two cases, the waste is evident and it will take Justice Department action to recover the loss. In the third, the waste was stopped and the taxpayers were saved another million dollars.

Success of this sort cannot be belittled. And success that saves the taxpayers' money is bound to get support. In that respect, I welcome the encouragement and cooperation of my colleagues and assure them that I shall continue the fight in the 88th Congress that I have just begun in the 87th.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. BARING, for October 5 and 6, 1962, on account of official business.

Mr. WILLIAMS, for today, on account of illness.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. RYAN of New York, for 10 minutes, on tomorrow, to revise and extend his remarks and include extraneous matter.

Mr. ADDABBO (at the request of Mr. ALBERT), for 15 minutes, today, to revise and extend his remarks and include extraneous matter.

Mr. WAGGONNER (at the request of Mr. ALBERT), for 20 minutes, today, to revise and extend his remarks and include extraneous matter.

Mr. DULSKI (at the request of Mr. ALBERT), for 60 minutes, on tomorrow.

Mr. SHELLEY (at the request of Mr. ALBERT), for 30 minutes, on tomorrow.

Mr. WIDNALL (at the request of Mr. BARRY), for 15 minutes, on October 4.

Mr. HALPERN (at the request of Mr. BARRY), for 15 minutes, today.

Mr. HALPERN (at the request of Mr. BARRY), for 20 minutes, on October 5.

Mr. HALPERN (at the request of Mr. BARRY), for 15 minutes, on October 6.

Mr. CLANCY (at the request of Mr. BARRY), for 15 minutes, on October 5.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. PHILBIN.

(The following Members (at the request of Mr. BARRY) and to include extraneous matter:)

Mr. MINSHALL.

Mr. JENSEN.

Mr. WILSON of Indiana.

(The following Members (at the request of Mr. ALBERT) and to include extraneous matter:)

Mr. POWELL.

Mr. CAREY.

Mrs. KELLY.

Mr. GONZALEZ.

Mr. MULTER.

Mr. JOHNSON of California.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 1447. An act to amend the District of Columbia Teachers' Salary Act of 1955, as amended, and to provide for the adjustment of annuities paid from the District of Columbia teachers' retirement and annuity fund; to the Committee on District of Columbia.

S. 2450. An act for the relief of Maj. C. Todd, Jr., and the estate of Ira T. Todd, Sr.; to the Committee on the Judiciary.

S. 2451. An act for the relief of G. W. Todd and the estate of Lloyd Parks; to the Committee on the Judiciary.

S. 2478. An act to amend section 144 of title 28 of the United States Code; to the Committee on the Judiciary.

S. 2830. An act to amend the act providing financial assistance for local educational agencies in areas affected by Federal activities in order to provide assistance under the provisions of such act to the District of Columbia; to the Committee on Education and Labor.

S. 3124. An act for the relief of Lt. Col. Gustave M. Minton, Jr., U.S. Air Force; to the Committee on the Judiciary.

S. 3313. An act to authorize an increase in the borrowing authority for the general fund of the District of Columbia; to the Committee on the District of Columbia.

S. 3371. An act for the relief of Dr. James T. Maddux; to the Committee on the Judiciary.

S. 3705. An act to amend the District of Columbia Police and Firemen's Salary Act of 1958, as amended, to increase salaries, to adjust pay alinement, and for other purposes; to the Committee on the District of Columbia.

ENROLLED BILLS SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 946. An act to extend to oyster planters the benefits of the provisions of the present law which provide for production disaster loans for farmers and stockmen;

H.R. 1362. An act for the relief of Calogera Virone Messina;

H.R. 1483. An act for the relief of Priscillo Jose Sisson and Evelyn Sisson;

H.R. 1598. An act for the relief of Michael Anthony Dedetsinas;

H.R. 1660. An act for the relief of Margaret MacPherson, Angus MacPherson, Ruth MacPherson, and Marilyn MacPherson;

H.R. 2836. An act for the relief of C. Edwin Alley;

H.R. 2978. An act for the relief of Rosa and Rita Quattrocchi;

H.R. 4483. An act for the relief of Simon Karasick;

H.R. 5695. An act for the relief of Forrest L. Gibson;

H.R. 6987. An act for the relief of Maj. William R. Cook;

H.R. 7099. An act to validate payments of certain per diem allowances made to members and former members of the U.S. Coast Guard while serving in special programs overseas;

H.R. 7600. An act to amend title 38, United States Code, to revise the effective date provisions relating to awards, and for other purposes;

H.R. 7617. An act for the relief of John W. Schleiger;

H.R. 7876. An act relating to the effective date of the qualification of the joint pension plan for employees of local unions 645, 1507, and 1511, Brotherhood of Painters, Decorators, and Paperhangers of America as a qualified trust under section 401(a) of the Internal Revenue Code of 1954;

H.R. 8556. An act to amend the National Science Foundation Act of 1950 to require certain additional information to be filed by an applicant for a scholarship or fellowship, and to amend the National Defense Education Act of 1958 with respect to certain requirements for payments or loans under the provisions of such act, and for other purposes;

H.R. 8855. An act for the relief of Marie Silva Arruda;

H.R. 9342. An act to provide for an exchange of lands between the United States and the Southern Ute Indian Tribe, and for other purposes;

H.R. 9469. An act for the relief of Charles L. Kays;

H.R. 9491. An act to provide for the removal of an encumbrance on the title of certain real property heretofore conveyed to the Board of Education of the Vallejo School District, Vallejo, Calif., by the U.S. Housing Corporation;

H.R. 9590. An act for the relief of Lt. Col. Edward Hirsch;

H.R. 9737. An act to amend section 641 of title 38, United States Code, to provide that deductions shall not be made from Federal payments to a State home because of amounts collected from the estates of deceased veterans and used for recreational or other purposes not required by State laws, and to amend chapter 35 of such title in order to afford educational assistance in certain cases beyond the age limitations prescribed in such chapter;

H.R. 10316. An act for the relief of Leopoldo Rocha Canas and Teofilo Caoile Servito;

H.R. 10617. An act providing that the U.S. district courts shall have jurisdiction of certain cases involving pollution of interstate river systems, and providing for the venue thereof;

H.R. 10881. An act for the relief of Maj. Singh Sunga;

H.R. 10897. An act for the relief of Joseph Hammond;

H.R. 11018. An act to amend the act concerning gifts to minors in the District of Columbia;

H.R. 11099. An act to amend the Public Health Service Act to provide for the establishment of an Institute of Child Health and Human Development, to extend for 3 additional years the authorization for grants for the construction of facilities for research in the sciences related to health, and for other purposes;

H.R. 11552. An act for the relief of Henry E. Keiser;

H.R. 11594. An act to extend for 2 years the period for which payments in lieu of taxes may be made with respect to certain real property transferred by the Reconstruction Finance Corporation and its subsidiaries to other Government departments;

H.R. 11678. An act to waive section 142 of title 28, United States Code, with respect to the U.S. District Court for the Northern District of Ohio, Eastern Division, holding court at Akron, Ohio;

H.R. 11732. An act to amend section 305 of the Communications Act of 1934, as amended;

H.R. 12080. An act to permit domestic banks to pay interest on time deposits of foreign governments at rates differing from those applicable to domestic depositors;

H.R. 12092. An act for the relief of Arthur H. Brackbill;

H.R. 12093. An act for the relief of Joseph Wolf, Jr.;

H.R. 12451. An act to authorize reimbursement to appropriations of the United States Secret Service of moneys expended for the purchase of counterfeits;

H.R. 12653. An act to amend the Consolidated Farmers Home Administration Act of 1961 in order to increase the limitation on the amount of loans which may be insured under subtitle A of such act;

H.R. 12855. An act to amend the Agricultural Adjustment Act of 1938 relating to the lease and transfer of tobacco acreage allotments; and

H.R. 12887. An act for the relief of Benjamin Leach, Diogracias Leach, Rogelio Leach, and Maximo Leach.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 136. An act for the relief of Dinko Dorcic;

S. 320. An act to amend the provisions contained in part II of the Interstate Commerce Act concerning registration of State certificates whereby a common carrier by motor vehicle may engage in interstate and foreign commerce with a State;

S. 453. An act for the relief of Robert J. Scanlan;

S. 689. An act for the relief of Karl Heinz Agar;

S. 1263. An act for the relief of Marie Margaret Arvanetes;

S. 1651. An act to authorize the Commissioners of the District of Columbia to delegate the function of approving contracts not exceeding $100,000;

S. 1999. An act for the relief of Anna Marie Erdelyi;

S. 2568. An act to amend the act of September 7, 1950, to extend the regulatory authority of the Federal and State agencies concerned under the terms of the Convention for the Establishment of an Inter-American Tropical Tuna Commission, signed at Washington, May 31, 1949, and for other purposes;

S. 2667. An act for the relief of Sebastiana Santoro;

S. 2687. An act for the relief of Robert D. Barbee;

S. 2690. An act for the relief of Mona McIsaac Downey;

S. 2697. An act to waive certain time limitations prescribed in chapters 33 and 35 of title 38, United States Code, in the case of certain veterans and eligible persons ordered to active duty with the Armed Forces, or whose period of duty with the Armed Forces was involuntarily extended, on or after August 1, 1961;

S. 2711. An act for the relief of Tasia Demetropoulou (Dimitropoulos);

S. 2753. An act for the relief of Duk Man Lee and Soon Mal Lee;

S. 2777. An act for the relief of Arild Ericksen Sandli;

S. 2795. An act to prohibit the use by collecting agencies and private detective agencies of any name, emblem, or insignia which reasonably tends to convey the impression that any such agency is an agency of the government of the District of Columbia;

S. 2836. An act for the relief of Carmelo Rafala;

S. 2902. An act for the relief of Sumiko Takahashi;

S. 2908. An act for the relief of Rosa Fumarola Balice;

S. 2922. An act for the relief of Raymond Chester Hendon;

S. 2950. An act for the relief of Dwijendra Kumar Misra;

S. 2992. An act for the relief of Michelangelo Comito (Nati);

S. 3065. An act for the relief of Paul Huygelen and Luba A. Huygelen;

S. 3265. An act for the relief of Despina Anastos (Psyhopeda);

S. 3267. An act for the relief of Gunter Heinz Hillebrand;

S. 3275. An act for the relief of Anna Sciamanna Misticoni;

S. 3295. An act for the relief of Mathew Lengyel (also known as Brother Paul, S.V.D.);

S. 3336. An act for the relief of Lazaro Loyola Arinque, Jr.;

S. 3390. An act for the relief of Naife Kahl;

S. 3452. An act for the relief of Dr. Hassan M. Nouri;

S. 3504. An act to provide for alternate representation of secretarial officers on the Migratory Bird Conservation Commission, and for other purposes;

S. 3557. An act for the relief of Betty Sandra Fagann; and

S. 3600. An act for the relief of Chao Hua-Hsih.

COMMISSION OF THE COUNCIL OF FREE NATIONS

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Louisiana [Mr. WAGGONNER] is recognized for 20 minutes.

Mr. WAGGONNER. Mr. Speaker, I have today introduced a bill in the House of Representatives calling for the creation of a 12-member commission to study the feasibility of forming a Council of Free Nations. This Council would be made up of those free nations of the world which have proved beyond question to be our friends and which have shown a determination to resist the spread of godless communism.

Such an organization would be a realistic substitute for the United Nations and I would advocate our immediate withdrawal from that body should this study advise the establishment of this Council.

After 17 years of our participation in the U.N., it is my opinion that it has failed in its hopeful purposes, failed in its ability to enforce its actions and has failed to curb the expansion of communism.

It has been proved to my satisfaction that this organization has been and is now being used extensively for Soviet espionage.

It is no longer financially supported by many of its member nations. Last month, though I cast my vote against it, the Congress passed a bill authorizing the United States to lend up to $100 million to the U.N. to keep that organization alive. This is pointed proof of the lack of respect for, or concern over, the continuance of this organization by those who have not paid their just share of its expenses.

We fought the Revolutionary War over the issue of taxation without representation. This, then, is the opposite. These nations have, to this point, demanded, and we have so far given them, representation without taxation, a condition equally as repugnant to peoples accustomed to paying their own way. Russia has said openly they will not contribute one dime for the U.N. operation in either the Congo or the Middle East.

As long as we are members of the U.N. we must, to some extent, subjugate the Constitution of the United States to the Charter of the United Nations. This is an onerous condition never approved by the voters of this country in principle or otherwise and I do not believe if, given an opportunity to vote on it, they would now approve it.

To fulfill the intent of the U.N. would require this Nation, to some extent, to substitute for the inalienable rights to which we are endowed by our Creator the manmade rights of the U.N. Charter. Again, I do not believe the people of the United States subscribe to such a policy.

There can be little, if any, justification or forgiveness for our lack of resolve in dealing with the Cuban problem in recent years. Yet, it is highly questionable if a military operation mounted by the United States would be approved by the U.N. Security Council, dominated as it is by the Russian veto.

Like Benjamin Franklin, I do not believe a man or a nation can give up essential liberty to obtain a little temporary safety and still deserve either liberty or safety.

I am convinced that it is folly and self-deception to continue any longer building the hopes and desires for world peace of this Nation and, indeed, the entire world, upon the shifting sands of this delusion.

Among the member countries in the U.N. there are 54 with a total population of less than 181 million people. These 54 countries have 54 votes while the United States, with a greater population, has 1 vote.

I want better odds than 54 to 1 for my country.

If the dread specter of global war comes again, I do not want our democracy left in the safekeeping of such an organization.

I believe there will come a time, and it may be soon, when the United Nations will be put to a supreme test, one of greater magnitude than it has known before. It is my fear, though not my hope, that it will, at that crisis, fail. We will then be faced with a decision more grave than any this country has yet known: The choice of sinking further in the quicksand of defeatism or, like the Spartans of Laconia, girding our loins for the supreme test of this Nation's valor and fortitude.

But yet, we cannot, with fine impartiality, call down a plague on all their houses and walk away, as some have advocated. We must find a substitute, an association of our friends, those nations with a hunger for peace, a thirst for democracy and an insatiable appetite for the meat and drink of freedom. I would cast my lot with such a group, either as an individual if I were faced by a bully, or as a nation engaged in mortal combat.

Former President Herbert Hoover, in a recent address, touched on the formation of such an alliance and I wholeheartedly endorse it.

I am convinced, as was Woodrow Wilson, that "a steadfast concert for peace can never be maintained except by a partnership of democratic nations. No autocratic government could be trusted to keep faith within it or observe its covenants."

The United Nations' failure has proved this to be true. By their very presence within it, the Soviet Union and its satellites have rendered the U.N. impotent and worse. They have subverted its purposes to a point where the U.N. might now be said to be a contributing factor to the unrest of the world, rather than the harbinger of peace and unity.

My bill calls for the appointment of a commission to be known as the "Commission on the Council of Free Nations" and would be composed of 12 members. Four would be appointed by the President, four elected by the Senate and four elected by the House. This would put control of the membership in the hands of the Congress, where it rightly belongs. Four of the eight elected by the House and Senate would be Representatives and Senators.

The Commission would not be given the power to enter into agreements of any kind, but would serve only as a body to investigate the desirability of such an alliance and our membership in it. An interim report of its investigation would be required on or before December 31, 1963, and a final report not later than March 31, 1964.

In summary, I believe that in unity there is strength. But not if the union is composed of friends and enemies alike and our enemies are in control.

It is not practical for the police department to be run jointly by the police and the criminals. But this is the situation we have today in the United Nations.

Let us for once look at the world scene with realism. Let us seek out those nations willing to stand up for democracy, freedom, justice, and human dignity. Let us aline ourselves with them. Let us, at the same time, exclude our known enemies, those whose purpose is to bury us.

If nuclear Armageddon comes, let us not be found asleep in the camp of the enemy, but let it find us on our feet, with our friends at our side and ready to fight for all the bounties a generous God has given us.

ADJOURNMENT

Mr. RYAN of New York. Mr. Speaker, I make the point of order that a quorum is not present.

Mr. WAGGONNER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 8 o'clock and 56 minutes p.m.) the House adjourned until tomorrow, Friday, October 5, 1962, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. COLMER: Committee on Rules. House Resolution 827. Resolution for the consideration of House Concurrent Resolution 570, concurrent resolution expressing the sense of the Congress with respect to the situation in Berlin, without amendment (Rept. No. 2528). Referred to the House Calendar.

Mr. COLMER: Committee on Rules. House Resolution 828. Resolution that H.R. 8874 shall be taken from the Speaker's table and the Senate amendments agreed to; without amendment (Rept. No. 2829). Referred to the House Calendar.

Mr. BONNER: Committee on Merchant Marine and Fisheries. Report on study of European shipbuilding, fall of 1961; without amendment (Rept. No. 2530). Referred to the Committee of the Whole House on the State of the Union.

Mr. CANNON: Committee of conference. H.R. 12900. A bill making appropriations for certain civil functions administered by the Department of Defense, certain agencies of the Department of the Interior, the Atomic Energy Commission, the St. Lawrence Seaway Development Corporation, the Tennessee Valley Authority and certain river basin commissions, for the fiscal year ending June 30, 1963, and for other purposes; without amendment (Rept. No. 2531). Ordered to be printed.

Mr. MURRAY: Committee of conference. H.R. 7927. A bill to adjust postal rates, and for other purposes (Rept. No. 2532). Ordered to be printed.

Mr. MILLS: Committee on Ways and Means. H.R. 8853. A bill to amend title II of the Social Security Act to include Maine among the States which may obtain social security coverage, under State agreement, for State and local policemen and firemen; without amendment (Rept. No. 2533). Referred to the Committee of the Whole House on the State of the Union.

Mr. WILLIAMS: Committee of conference. H.R. 10129. A bill to amend the Act of September 7, 1957, relating to aircraft loan guarantees. (Rept. No. 2534). Ordered to be printed.

Mr. McMILLAN: Committee on the District of Columbia. S. 1447. An act to amend the District of Columbia Teachers' Salary Act of 1955, as amended, and to provide for the adjustment of annuities paid from the District of Columbia teachers' retirement and annuity fund; with amendment (Rept. No. 2535). Referred to the Committee of the Whole House on the State of the Union.

Mr. McMILLAN: Committee on the District of Columbia. House Joint Resolution 900. Joint resolution to amend the act of April 29, 1942, establishing the District of Columbia Recreation Board, to provide superior cultural programs for children and young people by the establishment of a National Children's Theater and Art Center;

without amendment (Rept. No. 2536). Referred to the Committee of the Whole House on the State of the Union.

Mr. McMILLAN: Committee on the District of Columbia. S. 3705. An act to amend the District of Columbia Police and Firemen's Salary Act of 1958, as amended, to increase salaries, to adjust pay alinement, and for other purposes; with amendment (Rept. No. 2537). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally read as follows:

By Mr. ELLSWORTH:

H.R. 13339. A bill to amend the Internal Revenue Code of 1954 to permit a taxpayer to deduct (as trade or business expenses) the expenses of travel, meals, and lodging while employed away from his regular place of abode; to the Committee on Ways and Means.

By Mr. PATMAN:

H.R. 13340. A bill to authorize the establishment of an International Home Loan Bank to assist in the development of savings associations and building societies in countries where they do not now exist in order to accomplish improved living standards, to increase employment, and to better social and political conditions through facilities for savings and homeownership for the millions of people of modest but stable earning capacity; to the Committee on Banking and Currency.

By Mr. FARBSTEIN:

H.R. 13341. A bill to amend the Clayton Act to prohibit restraints of trade carried into effect through the use of unfair and deceptive methods of packaging and labeling certain consumer commodities distributed in commerce, and for other purposes; to the Committee on the Judiciary.

By Mr. FRELINGHUYSEN:

H.R. 13342. A bill to authorize the addition of lands to Morristown National Historical Park, in the State of New Jersey, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. RHODES of Pennsylvania:

H.R. 13343. A bill to extend and strengthen the Federal air pollution control program; to the Committee on Interstate and Foreign Commerce.

By Mr. WAGGONNER:

H.R. 13344. A bill to create a commission on the establishment of a Council of Free Nations; to the Committee on Foreign Affairs.

By Mr. ELLSWORTH:

H.R. 13345. A bill to amend the Internal Revenue Code of 1954 to provide that the costs of education or training shall be deductible as trade or business expenses when incurred in order to obtain a new or better job, as well as when incurred in order to maintain existing skills, status, salary, or employment; to the Committee on Ways and Means.

By Mr. HECHLER:

H.R. 13346. A bill to designate the Racine locks and dam on the Ohio River near Letart, W. Va., as the Racine-Mason locks and dam; to the Committee on Public Works.

By Mr. CAREY:

H.R. 13347. A bill to authorize the establishment of Federal mutual savings banks; to the Committee on Banking and Currency.

By Mr. WIDNALL:

H.J. Res. 901. Joint resolution to authorize the Architect of the Capitol to construct the third Library of Congress building in square 732 in the District of Columbia, to provide that such building shall be designated the President James Madison Memorial Library, thus making totally unnecessary the destruction of scores of fine residences and saving at least $39 million by combining the plan for a memorial to James Madison with the plan for a third building for the Library of Congress; to the Committee on Public Works.

By Mr. WALTER:

H. Con. Res. 583. Concurrent resolution to provide for the printing of 185,000 copies of the Constitution of the United States and the amendments thereto; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CAREY:

H.R. 13348. A bill for the relief of Mrs. Colleen Woods; to the Committee on the Judiciary.

By Mr. DEROUNIAN:

H.R. 13349. A bill for the relief of Ellen Snider Siegel; to the Committee on the Judiciary.

By Mr. FINNEGAN:

H.R. 13350. A bill for the relief of Chu Ming Young; to the Committee on the Judiciary.

By Mr. GILBERT:

H.R. 13351. A bill for the relief of Angela Teresa Petrelli; to the Committee on the Judiciary.

By Mr. GONZALEZ:

H.R. 13352. A bill for the relief of Kwan Chung Yin; to the Committee on the Judiciary.

By Mr. HALLECK:

H.R. 13353. A bill for the relief of Miss Dimitra Elia Krambovitl; to the Committee on the Judiciary.

By Mr. MINSHALL:

H.R. 13354. A bill for the relief of Istvan Bartok; to the Committee on the Judiciary.

By Mr. O'NEILL:

H.R. 13355. A bill for the relief of Shue Lam Wo; to the Committee on the Judiciary.

By Mr. ROUSSELOT:

H.R. 13356. A bill for the relief of George C. Finn and Charles C. Finn; to the Committee on the Judiciary.

By Mr. UTT:

H.R. 13357. A bill for the relief of Yon Ok Kim, Chang In Wu, and Jung Yol'Sohn; to the Committee on the Judiciary.

By Mr. CAREY:

H.J. Res. 902. Joint resolution authorizing the President of the United States to present a gold medal to Gen. Lauris Norstad; to the Committee on Banking and Currency.

EXTENSIONS OF REMARKS

Lumber Industry Needs Protection

EXTENSION OF REMARKS

OF

HON. HAROLD T. JOHNSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 4, 1962

Mr. JOHNSON of California. Mr. Speaker, as we act today on what undoubtedly is the most far-reaching single piece of legislation to be enacted by the 87th Congress, I would like to make special mention of one industry which is critical to the economy of the Second Congressional District which I am proud to represent. A healthy lumber economy is absolutely vital to my California district. Many of the communities are almost directly dependent upon the lumber economy—wages, jobs, and all the rest—and it is important that they have proper protection under the new trade bill.

I understand that with section 353 taken out in conference the industry must now go directly to the Tariff Commission for relief. This they are doing. Right now they are engaged in hearings before the Commission under the escape clause provision of the present bill. I have been told and have read in the record of the Senate on H.R. 11970 that the language in the bill is similar to the language in the present Trade Expansion Act, insofar as the escape clause provision and the criteria for applying for relief are concerned. The industry is asking the Tariff Commission to give them a quota so that our lumbermen can continue to stay in business and provide jobs and income for communities in areas so dependent upon the industry for continued payrolls.

When section 353 was taken out in conference it created a question in the minds of some of us from lumber districts as to just what effect this would have on the lumber industry's efforts to gain a quota. Should the Tariff Commission not recommend a quota, then I will be back to the Congress next year asking for legislation to help my industry get their quota against Canadian softwood lumber. The Canadians enjoy many advantages not available to domestic producers of lumber and they undersell our lumber manufacturers. At present they are taking some 17 percent of the domestic softwood lumber consumption.

Mr. Speaker, in conclusion, I just want to state here in the House of Representatives my firm conviction that adequate protection must be provided for our lumber industry.

Federal Responsibility for Education

EXTENSION OF REMARKS

OF

HON. HENRY B. GONZALEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 4, 1962

Mr. GONZALEZ. Mr. Speaker, in pursuing my own studies on this issue of whether or not the Federal Government should assume any responsibility for the education of our citizens, I have chanced on a thoughtful message bearing on the subject. The message comes from a former President of the United States. I bring it to the attention of the Members in connection with the debate on H.R. 4999, a bill to increase the opportunities for training of physicians, dentists, and professional public health personnel.

There are those who say it is a new and radical innovation to advance the thought that our Government has a responsibility for the enlightenment and training of people. That this is an intrusion on good government, doing violence to constitutional forms.

Whereas I have not wished to accept such views, I have labored under the impression that the proposals for various forms of Federal aid to education were of relatively recent vintage, that they came in response to newly developed needs and not necessarily from the same wellsprings of governmental philosophy which defined most of our governmental purposes.

Because I had these thoughts it may have unduly surprised me to find in the words of one of our early and honored Presidents a most vigorous argument for Federal responsibility for education.

It would be interesting to read these words and invite you to guess on the author. But they speak so well on this issue I hasten to identify the quotation following as an extract from the first annual message to Congress of John Quincy Adams on December 6, 1825. I submit them as pertinent comment in support of H.R. 4999 and in defense of the view that we do have a responsibility in this area of training physicians, dentists, and health personnel:

> The great object of the institution of civil government is the improvement of the condition of those who are parties to the social compact, and no government, in whatever form constituted, can accomplish the lawful ends of its institution but in proportion as it improves the condition of those over whom it is established. Roads and canals, by multiplying and facilitating the communications and intercourse between distant regions and multitudes of men, are among the most important means of improvement. But moral, political, intellectual improvement are duties assigned by the Author of Our Existence to social no less than to individual man. For the fulfillment of those duties governments are invested with power, and to attainment of the end—the progressive improvement of the condition of the governed—the exercise of delegated powers is a duty as sacred and indispensable as the usurpation of powers not granted is criminal and odious. Among the first, perhaps the very first, instrument for the improvement of the condition of men is knowledge, and to the acquisition of much of the knowledge adapted to the wants, the comforts, and enjoyments of human life public institutions and seminaries of learning are essential.
>
> So convinced of this was the first of my predecessors in this office, now first in the memory, as, living, he was first in the hearts, of our countrymen, that once and again in his addresses to the Congresses with whom he cooperated in the public service he earnestly recommended the establishment of seminaries of learning, to prepare for all the emergencies of peace and war—a national university and a military academy. With respect to the latter, had he lived to the present day, in turning his eyes to the institution at West Point he would have enjoyed the gratification of his most earnest wishes; but in surveying the city which has been honored with his name he would have seen the spot of earth which he had destined and bequeathed to the use and benefit of his country as the site for a university still bare and barren.

Independence Day of the Islamic Republic of Mauritania

EXTENSION OF REMARKS

OF

HON. ADAM C. POWELL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 4, 1962

Mr. POWELL. Mr. Speaker, since Congress will not be in session on November 28, we take this opportunity to send warm felicitations to His Excellency, the President of the Islamic Republic of Mauritania, Moktar Ould Daddah; and His Excellency, the Ambassador of the Islamic Republic of Mauritania to the United States, Souleymane Ould Cheikn Sidya, on the occasion of the second anniversary of Mauritania's independence.

The Islamic Republic of Mauritania is one of the newest and least populous states in all Africa. Though its area is more than 400,000 square miles—50 percent more than that of Texas—its population is barely 700,000, and it is a rather less developed, sparsely settled, and mostly desert country. This west African territory, with good parts of the Atlantic, became a French protectorate at the turn of the century. After the First World War it attained colony status; in 1958 it emerged as an autonomous, self-governing member of the French Community, and finally 2 years later, on November 28, 1960, it attained sovereign and independent status as the Islamic Republic of Mauritania. It is still a member of the French Community, and also became a member of the United Nations in 1961.

Politically the Government of the country is wedded to democracy. There is a national assembly of 34 members, elected by universal suffrage, and an administrative council of 8, headed by its young popular leader, Moktar Ould Daddah as Prime Minister. So far the Government of the Islamic Republic of Mauritania has faced no insuperable problems, and it has probably benefited from its membership in the French Community. Its more serious problems are economic and financial. The country's rural, agricultural economy is weak and mostly primitive. Though it is said to be rich in natural resources, especially in iron and copper, these resources have not been developed and properly exploited as yet, and the capital and technical manpower aid is badly needed. It is hoped that through French aid, and also through the assistance of United Nations technical agencies, Mauritania's resources will be developed and utilized for the benefit of its people. On this anniversary of their independence I wish them peace and prosperity.

Competitive Bidding Saves 200 Percent

EXTENSION OF REMARKS

OF

HON. EARL WILSON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 4, 1962

Mr. WILSON of Indiana. Mr. Speaker, last June 12, I told my colleagues that the Navy had been wasting millions buying a radar set it identifies as the APS-88. I learned it had been paying about $30,000 per set sole source for this equipment. Sole source, as you know, means buying from one company with no competition whatsoever.

I predicted at that time that if the Navy would buy this equipment through competitive bidding, the price would fall drastically and I predicted the saving to the taxpayers would be dramatic. I urged the Navy to get bids on the equipment and to see who was right—WILSON or the Pentagon brass hats.

On July 20, on the floor of this House, I again urged the Navy to buy competitively. Again I hurled a challenge at the Navy to prove me wrong. On August 21, however, the same radar set was bought sole source again—and the sole source price was still around $30,000. The set was purchased sole source from Texas Instruments at a price of over $28,000 per unit.

When I learned that, I asked the General Accounting Office to start gathering information on the sole source purchase of the set. I again demanded that the set be bought through competitive bidding.

Today, Mr. Speaker, at 10:30 a.m. in the Navy Purchasing Office, competitive bids were opened. The low bidder was Texas Instruments and the price it quoted was $11,319 per unit—200 percent less than it was paid via the sole source route 60 days ago.

Think of it. Frankly, it makes my blood boil. Texas Instruments charges $30,000 to build a radar set when it gets a sole source contract, yet when it has to bid against the rest of the electronics industry, the same company offers to do the same job for a little over $11,000—200 percent less.

Mr. Speaker, who was right, WILSON or the Pentagon brass hats? The answer is clear and I am happy to have been able to save the taxpayers 200 percent on this one contract.

I hope this policy is being followed in all possible defense procurement actions. If so, my estimate that $15 billion can be saved in defense procurement will become a reality.

Last June 29, Under Secretary of the Navy Kenneth M. BeLieu told me he wanted to help me "cut every bad apple there is" out of the Navy. At that time, he said, "I take the responsibility for everything in my area." Therefore, it is reasonable to assume that Mr. BeLieu accepts full responsibility for this waste, this extravagance if not this downright profligacy.

It is time that Mr. BeLieu join me in my efforts to "cut every bad apple there is" out of the Navy by removing himself from his position of responsibility because of his own gross incompetence and careless inefficiency.

Leaders in Savings and Loan Industries Support Federal Mutual Savings Bank Bill

EXTENSION OF REMARKS

OF

HON. ABRAHAM J. MULTER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 4, 1962

Mr. MULTER. Mr. Speaker, I introduced a new bill—H.R. 13318—to provide for the establishment of Federal mutual savings banks yesterday so that it will be available for study and comment during the adjournment period. As evidence of the increasing interest in the proposal—which I have long supported—to establish Federal mutual savings banks, I would like to commend to the attention of our colleagues the comments of some of the leaders in this field.

Mr. John W. Kress, president of the National Association of Mutual Savings Banks and president of the Howard Savings Institution in Newark, N.J., applauded the evidence of congressional interest in expanding the system of mutual savings banking.

> There is much benefit to be derived by a community from having a mutual savings bank located within its boundaries—

Said Mr. Kress:

> Surveys show that where mutual savings banking exists, the per capita rate of savings is higher—

He stated.

Dr. Grover W. Ensley, executive vice president of the National Association, commented that on the basis of experience in the States where mutual savings banks are located, interest costs to borrowers tend to be lower.

> Authority to obtain Federal charters for mutual savings banks—

Said Dr. Ensley—

> will greatly advance the public interest by making these useful institutions more widespread.

Dr. Ensley noted that introduction of my bill at this time should pave the way for hearings early next year.

> The National Association of Mutual Savings Banks is happy about the increasing support from savings and loan associations that would be in a position to convert to Federal mutual savings banks under this legislation—

He said.

In the Midwest, Mr. A. D. Theobald, president of the First Federal Savings & Loan Association of Peoria, Ill., made the following observations on October 3.

> For the past year or so, several other savings and loan industry representatives and I have had an opportunity to work closely with mutual savings banking leaders in the preparation of proposed legislation to authorize the establishment of Federal mutual savings banks. Many of the ideas suggested by savings and loan leaders, arising from their intimate experience with the field of thrift and home financing, have found expression in the Federal mutual savings bank bill being introduced in both Houses of Congress today. I believe that upon careful study, others in the savings and loan industry will find this proposed law to be of interest to them as well as advancing the public interest. I commend it to the attention of my colleagues in the savings and loan industry.

In the south, Mr. Wallace O. DuVall, president of the Atlanta Federal Savings & Loan Association of Atlanta, Ga., stated:

> I am pleased to note that a revised Federal mutual savings bank bill has been introduced in Congress. As one always interested in making the thrift institution I serve more useful to the community, I have watched closely the development of the plan for Federal charters for mutual savings banks, because of the opportunity it offers for increased service for mutual thrift institutions. Many savings and loan leaders have outlined suggestions for building an extremely strong institutional system for savings through the combined patronage of savings and loan associations and mutual savings banks. These ideas have been incorporated in the bill introduced today. It is my hope that serious study will be given to this proposal.

In the New England area, Mr. James E. Bent, president of the Hartford Federal Savings & Loan Association in Hartford, Conn., and former president of the National League of Insured Savings Associations, recalled that in 1960 he had encouraged Senator Prescott Bush, Republican, of Connecticut, to support legislation authorizing Federal charters for mutual savings banks.

> I am happy to see a revised version of a Federal mutual savings bank bill introduced at this time. The savings and loan industry will now have an opportunity to study the proposed legislation before it is reintroduced with the prospect of early congressional hearings in 1963—

Said Mr. Bent.

From the far south, Mr. Oscar R. Kreutz, chairman of the board and president of the First Federal Savings & Loan Association of St. Petersburg, Fla., and past president of the National League of Insured Savings Associations, and chairman of its legislative committee, asserted that the new Federal mutual savings bank bill offers a fine opportunity to those interested in the mutual thrift industry to give some deep thought to the future of that industry.

> This new bill—

Said Mr. Kreutz—

> contains many ideas combining the best features of the savings and loan and mutual savings bank industries. It should serve as an excellent vehicle to prompt thrift and home finance leaders to consider the best means of developing mutual thrift institutions in a way that will best serve their communities.

Report on 87th Congress, 2d Session

EXTENSION OF REMARKS

OF

HON. WILLIAM E. MINSHALL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 4, 1962

Mr. MINSHALL. Mr. Speaker, the 2d session of the 87th Congress has set a record, at least as to length. More than 9 months in continuous session makes it the longest election-year congressional session in history, with the exception of certain wartime sessions which ran year round.

The House of Representatives in this session passed something over 550 bills out of the more than 4,500 measures introduced. It has been said before, but it is worth repeating, that bare statistics do not adequately picture the long hours spent by each of us in committee work. It is, of course, in committee where the major part of the work of Congress is done. The 4,500 measures introduced had to be studied and analyzed and discussed in committee. Those which were favorably reported out of committee were again studied and debated on the floor of the House.

I am privileged to serve on what I believe to be the most powerful subcommittee of the House—Defense Appropriations. The larger part of our entire national budget is spent on the military, and as appropriations originate in the House, our Defense Appropriations Subcommittee has unique and great responsibility. I have a keen interest in the work of this important committee, and I feel that here is one of my chief services as a Representative in Congress.

I can report to you that every member of the Defense Appropriations Subcommittee works diligently in what he believes to be the best interest of his country.

My report on the 2d session of the 87th Congress follows:

NATIONAL DEFENSE

Complete bipartisan cooperation was evidenced in the unanimous vote for our national defense appropriations. This year, it was $48,136,247,000, the highest defense appropriation in peacetime history. In addition to this amount nearly $1.4 billion was appropriated for military construction.

As I have mentioned, I am a member of the Defense Appropriations Subcommittee, and it was this committee's job to examine every item proposed, and prepare the necessary legislation. On our shoulders—13 of us—rests the responsibility of making the difficult initial decisions affecting the defense budget.

ATOMIC ENERGY AND SPACE

We approved over $3 billion for atomic energy experiments and development.

Nearly $4 billion was appropriated for the space program. We also passed the Communications Satellite Act, establishing a commercial communications satellite system with Federal support. This was designed to improve global communications and contribute to better international understanding and world peace. Incidentally, this measure survived a filibuster by a small group of Senators who usually favor Government ownership and control over free enterprise.

FOREIGN AFFAIRS

Cuba: Both Houses of Congress passed a resolution expressing the determination of the American people to prevent by whatever means may be necessary, including the use of arms, the Communist regime in Cuba from extending its aggressive or subversive activities to any part of this hemisphere. A move to make the language even stronger failed to pass.

Trade: One of the most important pieces of legislation to be enacted by the second session was the Trade Expansion Act. Its main provision authorizes the President to cut tariffs across the board up to 50 percent and to eliminate entirely tariffs on goods of which the United States and the European Economic Community account for 80 percent of the free world trade. Under the provisions of the legislation, the President may raise duties if, in his opinion, such boost is needed to protect domestic interests. The bill also provides for certain tax and loan aid to industries damaged by foreign competition, and for extra unemployment compensation for workers who lose their jobs as a direct result of tariff reductions.

Foreign aid: The Congress looked at foreign aid with a very critical eye this year. There has been general disenchantment with the program. Examples of waste and mismanagement were numerous. Many American businesses and hundreds of thousands of jobs would be wiped out with a sudden closing down of all foreign aid. However, the House made a very deep cut in the appropriation. The Senate restored some of the funds, but the final figure was still considerably lower than that requested by the administration.

U.N. bonds: After much debate, Congress agreed to the U.S. purchase of United Nations bonds, not to exceed $100 million. The bond issue was designed to relieve the financial pressures on the U.N. caused by the refusal of some member nations to pay their share of the expenses for U.N. operations in the Congo and the Middle East. Let us hope that nations can be compelled to pay their just dues, and that the bond issue will not create a precedent.

DOMESTIC AFFAIRS

Tax reform: The new tax bill, as finally passed, was not the bill recommended by the President. Again heeding the voice of the people, who sent in letters to their Congressmen by the tens of thousands, Congress struck out the provision for the withholding of taxes on interest and dividends.

Self-employed pensions: The bill as finally agreed to would allow the self-employed individual to provide himself a pension plan wherein he could deposit up to $2,500 a year and make half of his annual deposit tax exempt. The final version of the bill did not provide so great an incentive to establish voluntary retirement programs as originally designed. However, it did equalize the pension position of the company employee and that of the self-employed person. The House and Senate conferees deleted some Senate amendments which would have had a damaging effect on company pension plans and profit-sharing plans.

Postal rates: Congress passed the bill to raise by 1 cent the basic postal rates on first-class mail and raised the rates on second- and third-class mail on a graduated scale. Under the provisions of the bill, Communist propaganda would not be delivered unless addressee, after notification, advises he wants it. Libraries and certain professional institutions would be exempt from this provision.

Federal pay raise: Civil service and postal employees, under the provisions of legislation passed by both Houses, would get about a 10-percent salary increase in two stages, and legislative employees would get a 7-percent increase, this designed to make the Federal workers' pay comparable to that paid for similar work in private industry. Federal retirees would receive a 5-percent boost.

Public works: The public works acceleration bill was designed to provide public works and employment in areas of high unemployment. The President had requested $1.5 billion for this program; this was cut almost in half.

Ohio projects: An appropriation of $1,553,000 was voted to continue the Cleveland Harbor Improvement program. Also included was an item of $74,000 to continue the Army Corps of Engineers' technical study of the feasibility of constructing Tinkers Creek Dam to prevent flooding of the Cuyahoga River.

Antipoll tax: A constitutional amendment doing away with poll taxes was passed by the Congress and submitted to the States for ratification. To become law the constitutional amendment must be ratified by three-fourths of the States. This was the only major civil rights measure to be approved during this session.

Retraining: The Manpower Retraining Act, passed and now in effect, provides funds for the retraining of persons whose job skills are no longer in demand, and for on-the-job training.

Drug protection: Additional requirements were imposed by legislation to improve procedures of drug manufacture, testing, inspection, and informing the medical profession and the public. Under the new law, drugs must be shown to be effective as well as safe. Furthermore, a drug suspected of being hazardous may be withdrawn from public use.

Housing for elderly: The Senior Citizens Housing Act, passed and enacted into law, authorizes an increase of $100 million for direct loans for urban rentals and another $100 million to broaden the rural housing program for the elderly.

Mass vaccination: Another piece of legislation passed by Congress is the Vaccination Assistance Act, which launches a 3-year program of special grants to States for mass vaccination against polio, diphtheria, whooping cough, and tetanus.

Federal aid to education: The bill designed to provide assistance to primary and secondary schools never came out of committee. Though the House originally passed the college aid bill, providing for grants and loans to public and private colleges for construction of buildings to be used for science, engineering, and general classroom purposes, but not for chapels, divinity schools, or sports facilities, the student scholarship provision was not acceptable to the House. The conference report was recommitted so no final action was taken.

Health care for aged: The Senate defeated the administration-backed bill to provide medical care for the aged under social security. Among objections to the bill was the fact that it covered only those older people already under social security, leaving some millions of needy older people unprotected, while, at the same time, providing care for many wealthy people who need no help, all at the expense of the working taxpayer. The "medicare" bill, usually referred to as the King-Anderson bill, did not do many of the things generally expected of it. It made no provision for doctor or surgeon fees, and the patient would have to bear the first $90 of hospital expenses plus a $20 diagnosis fee. We already have medical care legislation, the Kerr-Mills Act, providing for Federal and State cooperation in taking care of all medical expenses of the aged who need financial help. Approximately half of the States are already operating a Kerr-Mills program. Some of those who opposed the King-Anderson bill felt that private and nonprofit groups should be given a chance to provide the needed services, with possibly Federal aid to the needy in the payment of premiums. Congress will certainly be considering alternative solutions to this very real and important problem in the next session.

OTHER MEASURES WHICH FAILED

The youth employment bill, resurrecting the old Civilian Conservation Corps idea died in committee.

The creation of a new Department of Urban Affairs was defeated by the House early in the session.

The administration's farm bill was killed in the House, and a less controversial substitute passed.

The wilderness bill never received final consideration.

The mass transit bill to provide Federal aid to communities for traffic problems did not receive final consideration.

FOR THE FUTURE

The 88th Congress will inherit many left over legislative problems from the 87th Congress—among them, taxes, labor, medical care for the aged, aid to education, mass transportation, a youth employment program, tighter controls over farming, marketing, and stock sales.

Livestock Prices Drop When Democrats Are in Control of Congress

EXTENSION OF REMARKS

OF

HON. BEN F. JENSEN

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 4, 1962

Mr. JENSEN. Mr. Speaker, along with a great majority of the Members representing the breadbasket States, I could not support the 1962 farm bill for the many following reasons.

Here are some excerpts from a speech by Congressman Hoeven of Iowa, top minority member of the House Agriculture Committee. On October 1, 1962, see page 21590 of the Congressional Record, he said:

> In 1963 corn and wheat farmers will experience a very liberal and expensive payment program for the voluntary retirement of acreage, but in 1964 the honeymoon is over. After 1 year of payments on producing acres, payments on nonproducing acres and price support loans at $1.02 per bushel, the rug is pulled out from under the corn farmer. He is then faced with no payments whatsoever and price support at 80 cents a bushel. Not only that, but the Government surplus could be dumped on the market at 84 cents a bushel, plus carrying charges, and 175 million bushels of cheap feed wheat would be thrown into artificial competition with corn. During the debate in the House on the conference report there was not one single attempt to dispute the obvious fact that there will be 80-cent corn in 1964. During the debate in the Senate on the bill both before and after it went to conference, the junior Democratic Senator from Wisconsin [Mr. Proxmire], pointed out that under the Senate-adopted formula the 1964 corn support would be extremely low—50 percent of parity.

At page 20460 of the Congressional Record of September 24, 1962, he said:

> Next year our feet will be to the fire. Those of us who want to maintain income for dairy, beef, and hog farmers will be in a far different position than we were this year, because the alternative to doing nothing will be 50 percent price supports, which means a further cruel income drop for our farmers.

Tobacco is supported under a special formula passed 2 years ago to prevent tobacco supports from going higher (under Public Law 86-389 the 1962 tobacco support is 101 percent of the 1959 support), peanuts are currently supported at 82 percent of parity, rice at 76 percent of parity, and upland cotton at 82 percent of parity.

Along with the sharp increase in the number of employees added to the Department of Agriculture in order to help that agency spend even more tax money, farm debt in America has also risen to an all-time high of $27.7 billion. So have farm costs risen to an all-time high of $27.6 billion in the second quarter of 1962.

Whether it is bypassing Congress through a radical delegation of legislative authority, or whether it is penitentiary terms for dairy farmers, or whether it is 80-cent corn for corn farmers, or whether it is by another means, the end is the same—the complete control of our agricultural economy.

This is what we have to look forward to next year—more attempts at controlling American agriculture.

Mr. Speaker, I agree with my colleague Mr. Hoeven. Facts are that livestock prices follow closely the price of corn and feed grains.

So, no one needs wonder why livestock prices drop when Democrats are in control of Congress.

Prices on most every farm product were driven down when the Democrats rolled back cattle prices 10 percent early in 1951. Remember?

HOG PRICES AT THE OMAHA MARKET

1949: Low $5.25; high $7.30; Democrat-controlled Congress—peace.

1941–47: High $27.50; Democrat-controlled Congress—war.

1947–48: High $32.25; Republican-controlled Congress—peace.

1949–52 (rollback): High $26.50; Democrat-controlled Congress—war.

1953–54: High $28.65; Republican-controlled Congress—peace.

1955–58: High $25.25; Democrat-controlled Congress—peace.

1959–62: High $20.35; Democrat-controlled Congress—peace.

"LOOK"

Southern Democrats control Agriculture Committees of Congress.

Senate Agriculture Committee: Democrat chairman, from Southern State; 11 Democrats, 6 from Southern States; 6 Republicans, 5 from Midwest and Northern States.

House Agriculture Committee: Democrat chairman, from Southern State; 20 Democrats on committee, 13 from Southern States; 14 Republicans, 13 from Midwestern and Northern States.

Farm products of the Southern States: Mostly cotton, tobacco, rice, and peanuts—prices good.

Farm products of the Midwestern and Northern States: Mostly corn and all grains, wheat, livestock, poultry, and eggs—prices low.

Congressmen and Senators always look after their own people best. Southerners and midwesterners are no exception.

Farmers and merchants in bread basket States need and deserve a Republican Congress.

Two wars less than 6 years apart, high taxes, low livestock prices, and high cost of all manufactured commodities which our farmers buy have the farmers of the Middle West in a bad price squeeze. Our farmers got fair prices during the wars, but neither they, their wives, nor their children want any more of that kind of business.

Also remember, the Democratic Party was in complete control of the House of Representatives when farm prices went to pot in 1931–32.

Vote for peace, progress, and for your purse.

Vote Republican November 6.

Flood Control Progress

EXTENSION OF REMARKS

OF

HON. PHILIP J. PHILBIN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 4, 1962

Mr. PHILBIN. Mr. Speaker, with the dedication of the $6.7 million Westville Dam and Reservoir on September 8, the approval of the USDA upper Quaboag watershed project on September 26 and $510,000 approved by the House and Senate to advance the Conant Brook Dam and Reservoir and the Three Rivers local protection projects, central Massachusetts is well on the road toward attaining greater protection from disastrous floods which have periodically devastated the area in past years.

The Westville dedication marked the completion of the last of four dams and reservoirs in the Massachusetts portion of the Thames Basin costing $20.7 million to bring relief from floods to the communities of Sturbridge, Southbridge, Oxford, Webster, and Dudley, all in my district.

In addition, Westville brings to a successful completion the $35 million flood control program recommended to the Congress in January 1956, after the August 1955 floods by the Massachusetts Congressional Delegation Committee on Flood Control and Rehabilitation, of which I was privileged and honored to serve as chairman.

These are the major projects recommended for construction in the committee's first report in December 1955 and which now have been completed after painstaking and diligent efforts of our congressional delegation in pressing for Federal action at successive stages of the legislative process:

Barre Falls Dam and Reservoir, Buffumville Dam and Reservoir, East Brimfield Dam and Reservoir, Hodges Village Dam and Reservoir, West Hill Dam and Reservoir, Westville Dam and Reservoir, and the Worcester diversion tunnel.

It is most heartening, Mr. Speaker, that the central Massachusetts area has seen the successful completion of this chain of major projects to bring some considerable degree of protection against future floods for the people of this area and I again express my warm thanks, deep appreciation, and gratitude to my colleagues in the House and particularly to the members of our great Appropriations Committee for their unfailing attention and sympathetic consideration of our needs.

I am particularly gratified that the $2.7 million upper Quaboag project has now been approved by the House and Senate Agriculture Committees. In the December 1955 report of our committee, it was stressed that the USDA watershed program, then just recently authorized, offered great potential to many communities where major Army Engineers projects were not feasible. Not long after, initial planning of the Suasco watershed project in the eastern end of my district began and the project is now making substantial progress.

The upper Quaboag project is the second to be started in Massachusetts under the USDA watershed program and one which will provide considerable assistance to the Brookfields, the Warrens, and Palmer—all communities which will be lost to me with the next Congress because of the congressional redistricting—in addition to these fine towns retained in the third district: Spencer, Leicester, Paxton, Rutland, Oakham, and New Braintree.

With the $310,000 local protection project at West Warren, now being undertaken by the Army Engineers, we now have Federal action well on the way toward providing needed flood control in the Quaboag Basin.

Two other flood areas in my district continue to have my deep attention and continued efforts. They are the Blackstone Basin where the $2.4 million West Hill Dam and Reservoir and the Worcester diversion tunnel have been completed and the Fitchburg-Leominster area of the North Nashua River.

The Blackstone River Basin has been given detailed intensive study under continuing flood control studies. With the $25,000 made available in fiscal year 1962, the Army Engineers are completing their survey of the basin and it is now expected that the final report containing recommendations on the flood relief needs of this area will be submitted to the Chief of Engineers this December.

The North Nashua River has been a periodic flood problem for the Fitchburg-Leominster area. In the public works appropriation bill approved by the House and Senate, $90,000 is being made available to complete the $150,000 study to provide flood protection for areas in the Upper Merrimack Basin, including upstream reservoirs and channel improvements on the North Nashua to protect the Fitchburg-Leominster area.

It has been a great privilege for me to play a humble part in this flood control program for the central Massachusetts area. I am thankful to the many in and out of public life whose constructive efforts have made this noteworthy flood control progress possible since the great floods of 1955.

In Recognition of Gen. Lauris Norstad's Splendid Contribution to the Development and Operation of NATO Over the Past Years

EXTENSION OF REMARKS

OF

HON. HUGH L. CAREY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 4, 1962

Mr. CAREY. Mr. Speaker, I have this day introduced a resolution calling upon the Congress to award a gold medal to Gen. Lauris Norstad in recognition of his contribution to the development and operation of NATO over the past years. General Norstad's skill and enlightened leadership has been a major reason for the maintenance of peace and the development of a firm and effective defense force in the NATO countries.

As a nation we would be remiss if we allowed this great soldier to depart the ranks without according him some symbol of the appreciation we must feel for his splendid record of service.

I have a special affection for General Norstad in that he and I both began our military careers in the U.S. Cavalry. Although the horses, boots, and saddles are long gone, General Norstad's flair for leadership is truly emblematic of the fine traditions which attach to the Cavalry legions.

I refer below to the letter written by President John F. Kennedy to General Norstad on the occasion of his retirement and to General Norstad's letter of the day previous:

THE WHITE HOUSE,
July 19, 1962.

Gen. LAURIS NORSTAD, USAF
SHAPE, Paris.

DEAR LARRY: It is only with deep regret that I accede to your request to retire from active duty. I know that I speak not only for the United States but also for the leaders of the free world, when I say that your individual contribution to the strength of the alliance during a particularly difficult and critical period will become a permanent entry in the annals of freedom.

There is no more important military assignment for the defense of the free world than the one that you have been carrying for so long, and I know of no one who has been better able to bear its burdens. During that period you have become a living symbol of the U.S. commitment to the alliance and of the strength of the alliance itself.

As you know, I have relied heavily on your experience over the past 18 months. I have felt fortunate that you were serving as Supreme Allied Commander and as Commander in Chief of the U.S. Forces Europe at the outset of my administration, and I have felt particularly fortunate that you were in command last summer when the situation in Berlin reached crisis proportions. Your judgment, your perceptiveness and your vigorous approach to our common problems have been of tremendous value to me.

The gratitude of the Nation as well as my own warm wishes will go with you into whatever field of endeavor you turn your energies. Meanwhile it is a matter of personal satisfaction to me to know that the fruits of your experience will continue to be available in the councils of the Nation and of the alliance during the years ahead.

Sincerely,

JOHN F. KENNEDY.

JULY 18, 1962.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: I appreciated very much the opportunity to talk with you last Monday. By means of this letter I would like to confirm the thoughts I expressed on one of the subjects we discussed at that meeting.

You will recall that when we talked last January, we mentioned the possibility of my leaving my present assignment some time this winter, if no particular crisis developed in the meantime. The reasons for any change of this kind are apt to be rather involved but certainly foremost in my mind in this particular case is the simple fact that after 12 years with NATO, six of which I have served as Supreme Allied Commander Europe, I have stayed in one field of activity and in one position somewhat longer than is the normal practice in the military services.

We live in a time of continuing crisis, but for the moment, at least, there is no unusual pressure on my office. I request therefore that I be relieved of my assignment as Commander in Chief, United State European Command on or about November 1, 1962.

I have informed the Secretary-General of the North Atlantic Council of this request, and I assume that steps will now be taken by that body and by the U.S. Government, as appropriate, to release me from my position as Supreme Allied Commander Europe with effect on or about November 1, 1962. Through Department of Defense channels I will request that I be placed on the retired list at the same time.

My retirement will conclude something more than 36 years of service in the uniform of the United States. To have served as an officer of my country in peace and in war during an interesting and critical period has been the greatest pleasure, the highest honor. To this has been added the great privilege of also serving the 14 other nations of the North Atlantic Treaty Organization. I am indebted to the United States and to its NATO allies for the great satisfaction that has come to me through this service.

I have enjoyed working with you, Mr. President. In the critical periods when we have been in the most direct contact, I have learned to respect your courage, your judgment and your capacity for leadership. I also appreciate the support that you have given to me during these times of stress. You have my best wishes and my continuing support as you face the great problems that are before you.

Faithfully,

LAURIS NORSTAD,
General, USAF.

Report of 2d Session, 87th Congress, Edna F. Kelly, Member of Congress

EXTENSION OF REMARKS

OF

HON. EDNA F. KELLY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 4, 1962

Mrs. KELLY. Mr. Speaker, this is my annual report to the residents of the new 12th Congressional District. This report briefly details the accomplishments of the 2d session of the 87th Congress. It is one of the methods which I utilize to inform my constituents of congressional deliberations.

By virtue of congressional district reapportionment by the New York State Legislature, the district which I presently represent will, after January 1, 1963, include a greater portion of Flatbush and Boro Park. The 12th District is the largest in the State of New York, having a population of almost one-half million people, people whose views must be reflected in the U.S. Congress, the greatest legislative body in the world. To have this honor and trust is a great responsibility which I have had the privilege to bear for 13 years—13 years in which I have been proud to have initiated and supported legislation of importance involving both domestic and international problems.

Congressional duties are confined not only to the legislative process but also extend to giving assistance to constituents in their personal problems with the Federal Government. This consumes much time in a congressional office and, in almost every case, involves personal investigation and where warranted, discussions with the Federal agency involved. In addition, statewide and citywide problems receive a great deal of attention. In the final analysis, it is the duty of a Congressman "to uphold and defend the Constitution of the United States" by applying a combination of factors—the needs of the entire Nation; the local needs of his constituents; and most important, the dictates of his conscience. With the proper application of these factors, none of us need fear for the security of the United States.

During this session of Congress, the issues were unlimited in scope, purpose, and controversy. They ranged from war and peace to social progress. As you are aware, this is due to the age in which we live—the space age. This age launched problems whose "fallout" concerns every facet of life—civic, social, and political. It challenges each of us, and we must meet the challenge. The enormity of the challenge is increased, because many do not recognize the threat to the inherent, unalienable rights of man and to the dignity of person. For this Americans live; for this Americans die. Your Congress bears this in mind in all of its actions. Whether history will record our actions on these matters on the positive side of the ledger, future generations will decide.

I admit the solutions arrived at may seem at times contradictory and may not always appear positive; but whatever they are, I assure you, they express a determination to preserve the principles upon which our Republic is founded. We seek to secure a just peace and to prevent the destruction of man by the Communist dictators of the Kremlin. We seek liberty and freedom for the captive peoples of the Communist empire and endeavor to extend the benefits of our progress to the less fortunate peoples of the world. Harassed in the achievement of these objectives, we seem stunned by the impact of the far-reaching unknown factors surrounding the space age. We, and other democratic governments, appear to be standing still pondering where we were, where we are, and where we should go. We seem unable to catch up with or to meet the advances of the new age. But meet them we must, lest our failure permit man to fall under the yoke of the leaders of the Communist empire who seek to enslave us.

To meet this new age, President Kennedy was elected. In his inaugural address he said:

> In the long history of the world, only a few generations have had the role of defending freedom in its hour of maximum danger. I do not shrink from this responsibility, I welcome it.

He has sent to Congress for enactment recommendations of great note and promise. Many of President Kennedy's recommendations have been achieved, but more needs to be accomplished. I ask you to remember that our democratic processes take longer to achieve results than do the methods of dictatorship. I, too, am proud to assume the awesome responsibility during this enormous crisis. I realize the road is rocky, but with faith in God and our fellow man, we will successfully meet this challenge.

As it is my honor to serve as chairman of the Subcommittee on Europe of the Committee on Foreign Affairs, which committee has jurisdiction over all of Europe, Greece, Turkey, the Commonwealth Nations, territories and protectorates of the European Nations, Russia and the captive nations of Eastern Europe, I shall first report on international affairs; then report on national affairs.

INTERNATIONAL AFFAIRS

The threat of international communism remains the paramount issue of our times. The captive nations of Europe remain behind the Iron Curtain. Berlin has its concrete wall; the Cuban people are in bondage to their Red masters. Nuclear testing continues despite our sincere efforts to agree to a test ban. Vietnam and Laos are sore spots in the Far East. Khrushchev continues his saber rattling, along with North Korea and Red China. The international Communist conspiracy continues to probe for weak spots. Conditions appear difficult and many situations seem incapable of solution. We cannot, however, throw up our hands in frustration. We must continue to defend and, if need be, do battle for that in which we believe. We must remember that the United States is a great Nation and a great international power. Great nations cannot panic in difficult times—if they do they are no longer great. New resolution is required on the part of the people of the United States and its Government to carefully and coolly interpret and review the world situation. We cannot tolerate emotional outbursts by those who would have us call out the Marines at the slightest provocation. This is particularly true of some in high public office who attempt to turn international crises into opportunities for partisan politics. Actions such as those are, in my estimation, the fastest route to panic and nuclear holocaust.

In recent years we all have become aware of the failures and shortcomings of our foreign assistance programs. We have seen many nations to whom we have given our hard-earned dollars turn away from us, or appear disinterested in the tremendous struggle between East and West. We have seen too many situations such as that in Laos, the Congo, and Iraq, and far too many instances of waste and inefficiency in our Government's management of assistance programs.

I believe, however, that our successes far outweigh our failures. In any program of the magnitude and longevity of foreign aid, a perfect record—while it should be strived for—is unattainable.

The Mutual Security Act, which contains the authority for our foreign aid program, implements our foreign policy. It represents the share of the United States in the tremendous cost, which we bear, jointly with our allies, for survival against the encroachments of international communism. This year the act included programs for development grants and technical cooperation, investment guarantees, the Alliance for Progress in Latin America, supporting assistance and military assistance at a total cost of $3.9 billion plus.

It cuts all economic assistance to nations selling, furnishing, or shipping to Cuba unless the President determines that the withholding of such assistance is contrary to our national interest. In the event of such a determination, the President's decision must be published in the Federal Register with the reasons for his determination.

In regard to the mutual security program, I am particularly proud that my amendment to the Mutual Security Act of 1958 has brought more than $1.8 billion of business to U.S. business firms. This amendment made it possible for our NATO allies to purchase more of their military supplies in the United States. It has paid for a large part of the foreign aid program, has been a major factor in stemming the outflow of gold from the United States, and has helped our domestic economy, as 40 percent of the amount spent by foreign purchasers was in areas of substantial labor surplus. Purchases under this amendment continue and there is no way of predicting what the total will eventually reach.

This amendment affected many of my constituents, at Republic Aircraft of Farmingdale, Long Island. Items produced in this country under this amendment were the F-104 aircraft, Hawk, Sidewinder, and Mark 44 torpedo.

A loan of $100 million to the United Nations was approved which will permit the continuance of peacekeeping operations in the Middle East and the Congo. The Philippine war damage bill provided $73 million for payment of the unpaid balance of awards made by the Philippine War Damage Commission.

World War II Claims Act authorized payment, from enemy-alien vested funds, of claims of U.S. nationals for World War II damages.

A Berlin resolution was passed which expressed the sense of Congress that the people of the United States would not tolerate another violation by Communist Russia of the Tripartite Agreements on Berlin. This restatement of the U.S. policy was given by Congress to reinforce the President in the present crisis of Berlin.

In 1951, I successfully sponsored the legislation which permits U.S. participation in the Intergovernmental Committee on European Migration. Under that enactment more than 1 million European refugees have already been resettled with more than 90,000 persons being resettled annually. The

Berlin wall and Cuba necessitated additional refugee legislation which covers refugees from Iron Curtain countries and those seeking asylum from Cuba.

A reappraisal of conditions in the captive nations of Europe was necessary, even though tighter Communist security measures have made it increasingly difficult for the West to have an accurate appraisal of conditions in these countries. In recognition of this and for the further purpose of assuring the captive peoples that we have not forgotten their plight and to learn of more effective methods to help them, as chairman of the Subcommittee on Europe, I instituted legislative hearings on the captive nations. We have thus far held 11 hearings and have heard 27 witnesses in testimony filling more than 400 printed pages. In addition, 23 written statements were submitted to the committee. I hope to report to the Congress on that which we have learned by the end of this year.

The need for a statement to the world by Congress on the policy of the United States in the Western Hemisphere was the reason which motivated Congress to pass the Cuban resolution.

The Iron Curtain of communism fell over Cuba when Fidel Castro openly espoused communism. It was in 1960 that President Eisenhower withdrew recognition of Cuba and since that time many have asked, Is the Monroe Doctrine dead?

Nikita Khrushchev stated "communism will support wars of national liberation" such as Castro's revolution. Once revolution is established and is consolidated, Soviet communism will protect it from counter-revolution—holding the people chained under Red rule. What is our doctrine?

U.S. policy is to rid Cuba of the Castro regime and Soviet Communist influence. We will not permit the Cuban regime to export its aggressive purposes by force or threat of force. We will prevent the Cuban regime by whatever means may be necessary from taking action against any part of the hemisphere.

President Kennedy states that unilateral military intervention on the part of the United States is not currently required or justified. However, if at any time the Communist buildup in Cuba endangers or threatens our security, we will do whatever must be done to protect ourselves and our allies. We shall be alert and fully capable of dealing with any such development, and we intend to do everything within our power to prevent such a development from occurring.

The Peace Corps was granted an additional $63.7 million, by which the Corps was extended and expanded.

The United States was authorized to lend up to $2 billion to the International Monetary Fund, as part of a $6 billion program by 10 nations to strengthen world currencies.

The President was given the right to restrict import of agricultural products, including textiles, from nations not a party to the international cotton textile agreements.

Economic competition between Europe and the United States became more pronounced during the past year. The rapid advance of the Common Market has created a great challenge to the position of the United States as a dominant world trader. The trade expansion bill begins to meet this challenge. Like all other legislation, it is not perfect. The Common Market, which the bill was designed to meet, is technically known as the European Economic Community and was established by the Treaty of Rome in March 1957. It involves a broad plan for gradual economic coalescence of the economies of the six member nations—Belgium, France, Italy, the Netherlands, Luxembourg, and West Germany. The principal provisions of the plan are the gradual elimination of tariffs, quotas and other barriers to trade among the six nations and the creation of a uniform tariff schedule to apply to imports from the rest of the world. Under the trade expansion bill, the Congress gave to the President one of their most cherished responsibilities—the authority to set tariffs. The President may now cut tariffs by 50 percent over 5 years, and may negotiate for complete elimination of duties on items for which the United States and the Common Market countries account for 80 percent of world trade. The bill also provides loans and tax relief for businesses hurt by the lowered tariff barriers, and payments up to 65 percent of wages to unemployed workers in these businesses while they find new work or are retrained in new skills. We hope that this legislation will help to create new markets for U.S. industry and that our exexports will be increased to rectify the balance-of-payments deficit.

Related to the problems of international trade is the continued determination, by the United States, to prevent the export of strategic materials to Russia and the Communist nations. During 1951, it was my honor to serve as a member of a special Subcommittee on East-West Trade. The work of the committee resulted in the enactment of the Mutual Defense Assistance Control Act, which prohibited countries receiving foreign aid from the United States, at the risk of having their assistance terminated, from exporting strategic materials to Red China and Russia, and controls exports to Soviet dominated countries. U.S. business firms are likewise restricted under Public Law 87-515, which extended for an additional 3 years, the President's authority to regulate and control the export of strategic materials. I regret that for the past 4 or 5 years this law has not been, nor is it presently being adequately enforced.

NATIONAL AFFAIRS

In the Federal budget, the continuation and expansion of existing programs constituted the largest portion. These, together with new programs to keep our defenses strong, bolster the economy and provide additional services to the people of the United States, made it necessary to increase the national debt limit to a new temporary limit of $308 billion.

Analysis of the Federal budget indicates 69 percent of the moneys which will be spent will be devoted to national defense, veterans, and international and space programs. Of the remainder, 10 percent will be spent on fixed interest charges, 6 percent on agriculture, 6 percent on health and welfare, and 9 percent on all other programs.

The total Federal debt as of June 30, 1962, was $298.2 billion. Interest on the public debt for fiscal year 1962 was $9.1 billion. On a comparative basis it is interesting to note that in 1941 expenditures were $13.3 billion, revenues $7.1 billion with a deficit of $6.2 billion. In 1961, expenditures were $81.5 billion, revenues $77.7 billion, with a deficit of $3.9 billion. It was encouraging to note that the gross national product increased from $502.2 billion in 1961 to $552 billion during the second quarter of 1962.

A tax bill was enacted which, while being justifiably beneficial to the business community, provides little help for the average taxpayer. I had hoped that the Congress would adopt a complete and equitable tax revision program at this session.

That which was enacted was only a small part of the administration program. It consists of provisions for investment credits to provide a stimulant to the economic growth of our country. $2.5 billion was provided for industry to expand and modernize equipment.

It was unfortunate that a greater portion of the administration's tax revision was not adopted. I hope that the Congress will be able to adopt a complete and more equitable tax revision next year.

Other legislation extended the 52-percent corporate income tax for an additional year, continued excise taxes on liquor, cigarettes, automobiles, repealed the 10-percent tax on air travel to 5 percent. Self-employed individuals were benefited by an enactment which permits them substantial tax savings should they desire to set up individual pension plans for their retirement. All of the excise taxes, including the one on women's handbags, which were instituted during the Korean emergency should, I feel, be repealed.

Defense appropriations of $48,136,247,000 represented an increase of $1.5 billion over last year. This appropriation provided more funds than the administration had requested for two important items.

One major difference between Congress and the Pentagon was that Congress felt, with good reason, that it is premature to eliminate the manned bomber at this state of technological transition into the missile age. For that reason, Congress appropriated more than twice what the Pentagon had asked for the RS-70 program. The additional $191 million will provide six completely equipped combat aircraft, instead of three unequipped prototypes.

Twelve billion nine hundred and seventy million dollars was authorized for procurement of missiles, naval vessels, and aircraft.

One billion four hundred and fifty million dollars was authorized for construction and improvement of Army, Navy, and Air Force bases and installations at home and abroad, including more than $260 million for 13,700 family housing units.

Standby authority was extended to the President to exercise emergency civil-defense powers in event of attack on the United States for 4 years.

The authority of the President to allocate and fix priorities for strategic materials, grant loans and subsidies under the Defense Production Act to expand industrial capacity, was extended for 1 year.

Extended authority for a 2-year period was granted to recover excessive profits on defense contracts under the Renegotiation Act.

The strength of the National Guard was the other major difference between Congress and the Pentagon. Congress required the maintenance of the National Guard and Reserves at a total—paid drill—strength of 1,001,200 men. It is conceded that the National Guard and Reserve require modernization and a higher state of readiness. For this reason and in light of the expiration of the draft law next year, the Pentagon should now restudy on a broader and more thorough basis the entire Reserve situation. It could well enlist the help of the Reserves and Congress in this study. I have long expressed disapproval of the present Reserve system. I am not a military person but I have had sufficient contact with reservists to know that the present system is not economical, not militarily sound and certainly demoralizing. No citizen who served 3 years should be called back into service.

This was recognized in the legislation which gave to the President standby authority, until February 28, 1962, to recall up to 150,000 reservists. The legislation prohibits the reactivation of any member of the Reserves called to active duty for the Berlin crisis. In addition, prior to recalling any man, consideration must be given to, first, the "length and nature of previous service;" second, family responsibilities; and, third, whether the individual's employment is necessary "to maintain the national health, safety, or interest."

The National Aeronautics and Space Administration received an appropriation of $3,644,115,000. In recommending the appropriation the committee stated in its report, "since we are in this race with the Russians we want to win it, but at the same time we want to be as economical as possible and use good business judgment."

Related to the space program was the highly controversial Telstar communications satellite authorization. This is the satellite which is currently making possible the transmission of television programs and telephone messages to and from Europe by radio waves instead of transatlantic cable.

Legislation was enacted to provide the President with standby authority, as an antirecession measure. Thus the Area Redevelopment Act marked the first time that the economic weight of the Federal Government had been directed toward helping communities help themselves in reducing chronic unemployment. The act authorized $394 million in loans and grants to aid expanding enterprises in economically depressed industrial and rural areas; $10 million for payments to unemployed workers taking part in training programs for new jobs; $4.5 million for the training itself, and permanent authority for the Small Business Administration to make loans to local development corporations.

A traditional public works program for harbor and river improvement, flood protection and beach erosion was passed. This legislation should not be labeled as "pork barrel" as all of the projects undertaken are essential to commerce, protection of lives and property, or saving of our beaches from being washed away by the oceans.

Nine projects were approved for New York State. They include harbor improvements for Little Neck Bay, Flushing Bay, New York Harbor, Buffalo Harbor and Oswego Harbor; a beach erosion project at Fire Island Inlet and flood protection at Roundout Creek and the Wallkill River.

Significant gains were made on behalf of those who have served in the defense of our Nation. Service-connected disability compensation rates were increased by almost 10 percent. About 2 million veterans will benefit from this increase.

Veterans' Administration hospitals were authorized to give hospital and medical care for peacetime veterans with noncompensable service-connected disabilities. Certain veterans, though not a sufficient number, were made eligible for national life insurance and new procedures were adopted. Review of disputed disability or death claims, by independent medical experts was enacted. Benefits were increased to parents and children of veterans dying from service-connected disabilities. Finally, increased compensation was enacted for blinded veterans.

In package legislation, Federal salaries were increased and postal rates were increased from 4 to 5 cents for first-class letters, from 3 to 4 cents for postal cards and from 7 to 8 cents for airmail letters. The raise in postal rates will help decrease, but not eliminate, the deficit at which the Post Office Department operates. The pay raise was necessary to keep Federal salaries somewhat in line with those paid in private industry. This was particularly true in the higher brackets where it has been increasingly difficult to attract capable people to Government service because of competition by private industry.

I am happy to report that at last we in Congress have succeeded in initiating a constitutional amendment which when ratified by the States will put a final end to that pernicious practice, the Poll Tax.

An equal pay bill for equal work by women was passed in the House. I was the first to introduce this bill back in 1951. After much hard work and after convincing those who opposed such legislation, it was passed by the House of Representatives on July 25, 1962. It was a great honor for me to serve as the presiding officer of the House of Representatives during debate on the bill. The equal pay bill passed by the Senate was not only a weaker bill than the House version but was attached to the Foreign Service Buildings Act. This is unfortunate. Unless something can be worked out in conference, it means both bills will be killed for this session.

Automation and other technological advances have caused unemployment advances. For this reason the Manpower Development and Training Act is aimed at supplying U.S. industry with the skilled manpower it will need to keep abreast of technological change. A 3-year, $435 million program, the act will create new jobs by providing on-the-job and vocational training for between 500,000 and 750,000 workers.

The Public Works Acceleration Act permits the immediate commitment of $600 million to stimulate capital investment programs in communities that are designated for area redevelopment or have had more than 6-percent unemployment for over a year. By speeding up work on construction of Federal, State, and local public works, employment will be expanded.

The Drug and Factory Inspection Act of 1962 was a major action of Congress. This bill will protect the public from the evils which have crept into the drug trade. I think that it is imperative that we be protected from careless and irresponsible practices in the marketing of drugs and for that reason I gave my wholehearted support to the measures which we enacted for that purpose.

The farm program is unsound. This I have claimed for all the years I have been in Congress. I am as much concerned with the farm problem as I am with all other problems. This the farm Representatives do not understand as far as a city Congressman is concerned. They do not realize that many of us were brought up on a farm, before mechanized machinery was a part of the family farm, and before subsidies. I have fought to bring farm prices out of the sky and the products into the mouths of people. I think it is unmoral to have Government purchase and store farm products when there are starving children in the world. Farm perishable goods should be sold on the open market and a differential premium between cost and retail price paid to farmers. Parity is not realistic. There should be a floor price and a ceiling price. A floor price is what we have, but there is no ceiling. The sky is the limit. A limitation should be placed on the amount of subsidy any one farmer can receive. No wonder the small farmer has gone out of existence.

The surpluses accrued under the farm program are near $9 billion. Public Law 480, which permits sale of these products abroad, costs the taxpayer twice as much to sell, and the products are already Government owned and paid for. The money accumulated abroad as a result of this law is one of the causes of the great gold drain on the U.S. Treasury. The United States sells these products for local currency, which is convertible to dollars. I do not believe in paying anyone for work not performed, which is what production controls amounts to. The administration presented a bill which offered payments for voluntary reduction, continued optional cuts and price support. This is better than what is now the present program. I hope the Agriculture Committee will foresee its responsibilities and initiate a program on which Representatives will endeavor to see that what is good for the commonweal is good for their sectional interests.

The Welfare and Pension Plans Disclosure Act of 1958 was amended by providing the Secretary of Labor with powers of enforcement, to establish regulations and interpret the statute, and fixes penalties for violations.

The Social Security Act was amended, to reduce public assistance rolls, by providing grants to States that establish work programs for needy; increasing U.S. share of administrative costs; and extending for 5 years payments to families of unemployed fathers and other needy children; raising by $4 per month the ceiling on Federal matching grants for aged, blind, and disabled; and increasing grants for child welfare services.

Storm disaster: Taxpayers who suffered property damage in storm-disaster areas were permitted to deduct noninsured losses from their income tax of the preceding year.

An immigration bill permitting nonquota entry for all skilled aliens was enacted. This law affects those in the United States as well as those living abroad awaiting a quota number. The law also provides for the nonquota entry of brothers and sisters of U.S. citizens registered under priority date earlier than March 31, 1954.

Marine Sciences and Research Act (oceanography): One of the pressing problems of our times is the survey of the ocean and its resources, both from the economic standpoint and from the national defense standpoint. I may say with some pride that I played a large role in the passage of an authorization of a 10-year study of the oceans.

While the accomplishments for the 87th Congress are many, there were major defeats. This is to be expected when the recommendations are novel. I refer to the defeat of medical care for the aged; Department of Urban Affairs, and the increase of Federal aid to education. When the Democratic administration initiated social security legislation the same reaction occurred. Social security is now a pattern of American life, and I am sure that this defeated legislation will soon be a pattern of American life.

It has been an honor and privilege to serve the residents of my district for the past 12 years. My Washington office is open year round, and letters sent there receive immediate attention. The address is EDNA F. KELLY, Member of Congress, Washington 25, D.C. I am available to see my constituents at the Madison Club, 739 Eastern Parkway, Brooklyn, on Monday and Thursday evenings after 8 o'clock during such times as Congress is not in session.